



Lafayette Performing Arts Center Feasibility Study

April 11, 2022

CSL





April 11, 2022

Ms. Mandi Mitchell
President & CEO
Lafayette Economic Development Authority
211 E. Devalcourt St.
Lafayette, LA 70506

Dear Ms. Mitchell:

Conventions, Sports & Leisure International (“CSL”) is pleased to present this market and financial feasibility analysis related to the development and operations of a new performing arts center in Lafayette, LA that could serve as a replacement to the existing Heymann Center. The attached report summarizes our research and analyses and is intended to assist project stakeholders in making informed decisions regarding the new facility.

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

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

Very truly yours,

A handwritten signature in black ink that reads "CSL International".

CSL International

Conventions, Sports & Leisure International
One Cowboys Way, Suite 325 | Frisco, TX 75034 | Telephone 972.491.6900 | Facsimile 972.491.6903

Table of Contents

ES - EXECUTIVE SUMMARY

1	Introduction	8
2	Stakeholder Engagement.....	11
3	Historical Analysis.....	16
4	Performing Arts Center Trends	23
5	Local Market Conditions.....	34
6	Competitive Analysis.....	49
7	Comparable Benchmarking.....	56
8	Estimated Demand.....	79
9	Building Program Recommendations... 	88
10	Site Analysis.....	101
11	Financial Analysis.....	113
12	Economic & Fiscal Impacts	128
13	Funding Assessment.....	136
14	Ownership & Management Analysis.....	144

Executive Summary



The Lafayette Economic Development Authority retained Conventions, Sports & Leisure International (“CSL”) to update a previous market, financial, and economic impact study completed in 2011 regarding the development of a new Performing Arts Center that would replace the Heymann Center in Lafayette, Louisiana. The following presents key takeaways from the full feasibility analysis; however, the report should be read in its entirety to obtain the background, methods, and assumptions underlying the findings.

- As part of the initial information gathering process, CSL conducted a variety of conversations with approximately 80 different stakeholders to provide insight into project vision, community needs, the Lafayette market, potential site locations, operational considerations, and other such factors.
- Over the last three non-COVID-impacted years, the Heymann Center hosted an average of 124 events over 250 total rental days, including concerts, comedy, dance performances, theater, social functions, and other such events. Over 70 percent of events took place within the first half of the year.
- The anticipated primary market for the proposed Performing Arts Center provides access to approximately 673,000 residents and is notable for a younger population and low cost of living relative to the United States as a whole. Within the primary market, absent of the Heymann Center, there is little direct market competition for arts and entertainment events.
- As a means to benchmark the proposed facility, CSL identified eight (8) comparable facilities across the United States that are located in similar markets to Lafayette, have been constructed in the last 20 years, and have capacities between 1,000 and 2,500. On average, these facilities cost \$55 million to construct (in historical dollars) and host 152 ticketed events that attract 169,000 attendees annually.
- Through conversations with local, regional, and national event organizers and promoters, as well as the results of market and comparable facility benchmarking, it is estimated that the proposed Performing Arts Center will host 149 ticketed events and 79 non-ticketed events, for a total of 228 annual events that will attract approximately 148,000 total attendees on an annual basis.

Event Type	Number Of Events	Average Attendance	Total Attendance
Ticketed Events			
Concerts	20	1,750	35,000
Comedy Shows	5	1,000	5,000
Family Shows	4	1,000	4,000
Touring Theater / Broadway	10	1,750	17,500
Local School / University Performances	20	400	8,000
Mardi Gras Events	7	800	5,600
Dance Showcases	50	600	30,000
Local & Regional Performing Arts	25	750	18,750
Competitions	8	1,000	8,000
TOTAL - TICKETED EVENTS	149	885	131,850
Non-Ticketed Events			
Graduations	4	1,500	6,000
Banquets / Receptions	25	200	5,000
Speakers / Presentations	5	250	1,250
Community Events	20	500	10,000
Private Rentals	25	250	6,250
TOTAL - NON-TICKETED EVENTS	79	206	16,250
TOTAL - ALL EVENTS	228	650	148,100

- It is recommended that the main theater in the proposed Performing Arts Center contain 2,250 seats, including 10 six-seat VIP boxes and 200 seats for VIP memberships. In addition to the main performance hall, it is recommended that the proposed facility include a black box theater with capacity for 400, one premium lounge, a 25,000 to 30,000 square foot convention/ballroom space, and a variety of other modern performing arts center amenities, including sufficient concessions, restrooms, parking, dressing rooms, and loading docks, among others. It is estimated that this recommended building program would cost between \$100 million and \$125 million to construct, though further architectural and design work should be completed in order to provide a more accurate project cost estimate. This cost estimate does not include costs for land acquisition or any off-site infrastructure, such as parking, roads, or utilities, that may be required.
- Through discussions with project stakeholders, seven potential site locations for the proposed Performing Arts Center were identified. To rank the viability of each site specifically for the development of the proposed venue, CSL developed a matrix that ranked each site against a variety of criteria, including local demographic characteristics, appeal to users/stakeholders, site & infrastructure, ownership & acquisition, and accessibility & visibility. Overall, the top three sites were the University, Iberia Bank (downtown), and Northgate Mall locations.

Site Criteria	Multiplier	University		Iberia Bank		Northgate Mall		Tropsey's Cemetery		Lourdes		Acadian Hills		Holy Rosary	
		Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score
Demographic Characteristics															
Demographic Characteristics	3	5	15	4	12	4	12	2	6	4	12	3	9	3	9
Appeal to Users / Stakeholders															
Appeal to Promoters / Users	5	5	25	4	20	3	15	2	10	3	15	2	10	2	10
Appeal of Site to Stakeholders	5	5	25	4	20	3	15	3	15	3	15	2	10	2	10
Site & Infrastructure															
Size of Land Parcel	4	5	20	2	8	5	20	4	16	4	16	5	20	5	20
Required Site Improvements	4	5	20	4	16	1	4	1	4	4	16	3	12	3	12
Attractiveness of Site	5	4	20	5	25	2	10	4	20	3	15	2	10	2	10
Necessary Road Improvements	3	4	12	3	9	5	15	5	15	4	12	4	12	3	9
Compatibility of Adjacent Uses	3	4	12	5	15	2	6	1	3	2	6	1	3	1	3
Surrounding Development Potential	5	5	25	5	25	3	15	4	20	1	5	3	15	2	10
Ownership & Acquisition															
Site Acquisition	4	5	20	4	16	1	4	4	16	5	20	2	8	3	12
Number of Land Parcels	2	5	10	2	4	5	10	5	10	5	10	5	10	5	10
Potential Public Partnership	5	5	25	5	25	4	20	4	20	3	15	2	10	3	15
Accessibility & Visibility															
Local Accessibility	4	4	16	3	12	5	20	3	12	3	12	3	12	2	8
Regional Accessibility	3	4	12	4	12	5	15	5	15	4	12	5	15	2	6
Proximity to Parking Infrastructure	5	2	10	3	15	5	25	1	5	4	20	1	5	1	5
Ease of Parking Development	5	5	25	1	5	5	25	4	20	1	5	5	25	4	20
Walkability	2	3	6	5	10	2	4	1	2	3	6	1	2	1	2
Visibility	3	3	9	5	15	4	12	3	9	2	6	2	6	1	3
TOTAL SCORE		350	307	264	247	218	218	218	194	174					
SITE RANK			1	2	3	4	5	6	7						

- A financial pro forma for the proposed Performing Arts Center was developed, which estimated that the proposed facility could generate operating revenues of \$3.1 million and operating expenses of \$3.1 million, for a net operating income before debt and capital reserve obligations of approximately break-even.

Financial Pro Forma					
	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues					
Rental Income, Net	\$790,000	\$814,000	\$838,000	\$864,000	\$889,000
Premium Seating	286,000	295,000	304,000	313,000	322,000
Concessions, Net	370,000	381,000	393,000	405,000	417,000
Catering, Net	241,000	248,000	255,000	263,000	271,000
Merchandise, Net	67,000	69,000	71,000	73,000	75,000
Advertising & Sponsorships, Net	338,000	346,000	355,000	364,000	373,000
Parking, Net	227,000	234,000	241,000	248,000	255,000
Ticket Rebates, Net	353,000	364,000	375,000	386,000	398,000
Facility Fees	396,000	407,000	420,000	432,000	445,000
TOTAL REVENUE	\$3,068,000	\$3,158,000	\$3,252,000	\$3,348,000	\$3,445,000
Operating Expenses					
Staffing	\$1,281,000	\$1,319,000	\$1,359,000	\$1,400,000	\$1,442,000
Management Fees	179,000	184,000	190,000	195,000	201,000
General & Administrative	526,000	542,000	558,000	575,000	592,000
Repairs & Maintenance	250,000	258,000	265,000	273,000	281,000
Utilities	638,000	657,000	676,000	697,000	718,000
Insurance	188,000	193,000	199,000	205,000	211,000
TOTAL EXPENSES	\$3,062,000	\$3,153,000	\$3,247,000	\$3,345,000	\$3,445,000
NET OPERATING INCOME	\$6,000	\$5,000	\$5,000	\$3,000	\$0
Capital Reserve (0.5 Percent of Total Project Costs)	\$500,000	\$515,000	\$530,000	\$546,000	\$563,000
NET FINANCIAL SURPLUS	(\$494,000)	(\$510,000)	(\$525,000)	(\$543,000)	(\$563,000)



- Through the construction and 30 years of operations of the proposed Performing Arts Center, it is estimated that proposed facility will generate to the City of Lafayette \$117 million in net new direct spending that generates \$182 million in total net new economic output and 175 FTE jobs that earn \$53 million in personal earnings, as well as \$5.0 million and \$6.2 million in net new tax revenues to the City/Parish and State, respectively.

Economic Impact Summary			
Net New Construction Impacts			
	City	Parish	State
Direct Spending	\$19,000,000	\$42,000,000	\$54,000,000
Total Output	\$30,510,000	\$67,444,000	\$86,713,000
Jobs (FTEs)	75	165	210
Earnings	\$8,170,000	\$18,060,000	\$23,220,000
Net New Annual Operations Impacts (2027)			
	City	Parish	State
Direct Spending	\$4,890,000	\$4,831,000	\$3,428,000
Total Output	\$7,564,000	\$7,470,000	\$5,314,000
Jobs (FTEs)	100	100	70
Earnings	\$2,242,000	\$2,215,000	\$1,570,000
32-Year NPV Construction & Operations Impacts			
	City	Parish	State
Direct Spending	\$116,702,000	\$137,056,000	\$119,933,000
Total Output	\$181,565,000	\$214,263,000	\$188,720,000
Jobs (FTEs)	175	265	280
Earnings	\$53,006,000	\$61,720,000	\$53,513,000

Note: Economic impacts are not additive across the City, Parish, or State.

- Comparable performing arts centers across the country are funded through a variety of both public and private sources. Public sources that have been identified as potential sources to fund the proposed Performing Arts Center include sales taxes, hotel taxes, property taxes, tax increment financing, and State capital outlay funds. Potential private sources include private donations, lead gift, foundation grants, and title naming rights. Overall, it is estimated that approximately \$167 million to \$290 million could be generated across these funding sources. It should be noted that utilizing incremental sales tax revenue and State capital outlay funds has been identified as the most viable funding strategy.

Potential Sources	
Public Sources	
Sales Taxes	\$52M
Hotel Taxes	\$275k to \$825k
Property Taxes	\$435k to \$2M
TIF Funding	\$8M to \$35M
Capital Outlay Funds	\$70M to \$75M
TOTAL PUBLIC SOURCES	\$130M - \$165M
Private Sources	
Private Donations	\$7M to \$75M
Lead Gift	\$2M to \$8M
Foundation Grants	\$20M to \$30M
Naming Rights	\$7M to \$13M
TOTAL PRIVATE SOURCES	\$37M - \$125M

- There are a variety of strategies related to facility operations including both public and private facility management, each with different advantages and disadvantages. Of the eight comparable facilities, seven have private operators. It is recommended that the proposed Performing Arts Center be operated by a third-party manager.

1 Introduction



Known as the “Hub City” of southern Louisiana and the “Heart of Acadiana,” Lafayette (“City”) has been the center of Cajun and Creole culture in the United States for generations, offering a unique quality of life that resulted in it being named the “Happiest City in America” in 2014 by the National Bureau of Economic Research. Although historically known for its culture and joie de vie (joy of life), the City is also a regional economic and business center for education and for the energy, healthcare, finance, technology, transportation, and retail industries.

In recent years, numerous innovative and diverse companies, including Amazon, CGI, Perficient, Inc., SchoolMint, and SafeSource Direct, among others, have flocked to the area for its business-friendly environment and unique quality of life, resulting in new jobs that attract a young and dynamic workforce. At the same time, the University of Louisiana at Lafayette (“University”), one of the area’s major economic engines, was recently designated as a Carnegie R1 university, establishing it as a top-tier research institution that will attract world-class students and faculty to the area.

As Lafayette continues to strengthen its position as an educational, business, and tourist destination, investment in a variety of community amenities and infrastructure has been, and will continue to be, necessary to provide the quality of life experience sought by new and long-time residents. As a response to this need, a number of projects have been undertaken in recent years, including the relocation of the Lafayette Science Museum and the development of a new state-of-the-art facility for the Acadiana Center for the Arts (“ACA”), which includes a 300-seat theater, and construction of a new 120,000-square-foot terminal at the Lafayette Regional Airport that cost \$150 million and was funded, in part, through a temporary one-cent sales tax increase passed in 2015 to provide local funds (approximately \$32.6 million) to match federal and state contributions.

Although a number of recent market-wide infrastructure investments have been completed, the 2,168-seat Heymann Center, the area’s premier performing arts center, has undergone minimal capital improvements since opening in 1960. While the Heymann Center continues to host a wide variety of annual event activity, including local dance and theater performances, Mardi Gras balls, receptions, concerts, and comedy shows, it lacks many of the spectator and artist amenities typical of modern performance venues, which are vital to maintaining current event activity and attracting new, profitable content. Stakeholders within Lafayette have assessed options for a major renovation to the aging venue; however, the cost of such a project has been estimated to nearly equal that of a replacement venue.



To this end, the Lafayette Economic Development Authority (“LEDA”) retained Conventions, Sports & Leisure International (“CSL”) to update a previous market, financial, and economic impact study completed for the University in 2011 related to the development of a new performing arts center (“Performing Arts Center”) that would replace the Heymann Center. As part of this study update, CSL completed the following:

1. Analyzed historical Heymann Center event activity and operations;
2. Met with a variety of local and regional project stakeholders, including elected officials, community leaders, performing arts organizations and presenters, and members of the business community, among others, to identify project goals and objectives;
3. Reviewed performing arts center industry trends related to development and utilization;
4. Analyzed the demographic and socioeconomic characteristics of the local and regional market;
5. Evaluated existing and planned local and regional market sports and entertainment venues;
6. Benchmarked the physical, operational, and financial characteristics of existing comparable performing arts centers throughout the country;
7. Conducted interviews with a wide-variety of local, regional, and national event promoters and organizations;
8. Estimated the annual utilization of the proposed Performing Arts Center and made building program recommendations that are supportable in the marketplace;
9. Reviewed the characteristics of potential sites throughout Lafayette to determine the most appropriate venue location;
10. Developed financial operating projections for the proposed Performing Arts Center;
11. Estimated the economic and fiscal impacts of the one-time construction and ongoing operations of the venue to the local and regional area;
12. Assessed potential public and private Performing Arts Center funding sources; and,
13. Evaluated potential Performing Arts Center management options.

The report should be read in its entirety to obtain the background, methods, and assumptions underlying the findings.

2 Stakeholder Engagement



As an initial step in the feasibility study process, representatives from CSL met (both in-person and virtual) with a variety of project stakeholders, including community leaders, elected officials, potential facility users, corporate representatives, performing arts and community advocates. These discussions were designed to provide insight into the project vision, community needs, market for arts and entertainment with Lafayette, potential site locations, operational considerations, and other such factors related to the construction and operations of the proposed Performing Arts Center. In total, nearly 80 different stakeholders were included in discussions with CSL representatives.

The following is a summary of key takeaways from the discussions regarding the proposed Performing Arts Center.

Historical Context

- Project stakeholders included representatives from both the Heymann Center and the Acadiana Center for the Arts (“ACA”), which includes a 300-seat performance theater. Representatives from these groups described a vibrant arts community within Lafayette but indicated that, in order for the market to grow its arts footprint, a new venue capable of hosting a wide variety of events was essential.
- According to Heymann Center operators, the facility is used throughout the year but its physical condition, largely due to age, limits its event potential, especially for large, high-revenue touring events that may skip over the Lafayette market for lack of a viable venue. In general, the Heymann center lacks a variety of modern amenities ranging from seating and concourse amenities to dressing rooms and storage.
- The need for a new performing arts center is also hastened by the growth and expansion of the hospital adjacent to the Heymann Center (Ochsner Lafayette General), which currently exists east of the center but is also beginning construction to its west. It is anticipated that the hospital would eventually look to acquire and redevelop the land on which the Heymann Center is currently situated, the sale of which could be utilized to assist in future project funding.
- The discussion for a new performing arts center, in addition to beginning with the aging of existing facilities, was also facilitated early on by a recent masterplan developed for the University of Louisiana Lafayette (“University”). This masterplan includes a research corridor adjacent to existing University facilities with residential, research, and entertainment facilities, including a new performing arts center. Under this plan, it was envisioned that the proposed Performing Arts Center could be an important component contributing to overall quality of life within the research community.

Need for New Venue

- In general, nearly all project stakeholders recognize the need for a new venue to service the growing Lafayette population base and to replace the Heymann Center. The potential venue could also help market to existing Lafayette residents as a mean to entice them to stay in the market instead of leaving for other larger markets within the United States.
- With a new economic development leader who has emphasized talent attraction as part of her workforce development strategy and who also recognizes the value of quality of life amenities, a new Performing Arts Center could tremendously enhance the attractiveness of the Lafayette community for prospective talent.
- Many stakeholders view this project as a way to market the Lafayette region more broadly throughout Louisiana, serving as a key landmark with the city and helping to generate economic impact to the region. Some stakeholders indicated that this proposed facility could be an important component in establishing Lafayette as the cultural center of Louisiana.

Anticipated Utilization

- Project stakeholders envision the venue to service a wide variety of groups, ranging from touring concerts and shows to small, community-based performances. Stakeholders indicated that it would be important for the facility to not price-out local groups to ensure the facility serves community needs and is inclusive for all members of the community.
- Much of the utilization at the proposed Performing Arts Center would incorporate existing utilization from the aging Heymann Center, and project stakeholders largely indicated that they would not support the development of a new venue that could not incorporate that existing utilization.
- Potential users indicated that additional utilization beyond existing Heymann Center events could come from additional touring performances as well as University events relocated from the existing on-campus Angelle Hall (if the new venue were located on or near campus).

Building Program

- Generally, project stakeholders indicated that a new facility should be approximately the same size as the Heymann Center but could also include a wide variety of other event space to maximize facility utilization. Such spaces include a smaller performance theater (e.g., 800 capacity, or something that would not compete with the ACA), large spaces for private functions (i.e., grand lobby, patio deck), and meeting/classrooms for smaller events.
- Many potential users lamented the lack of dressing room, restrooms, and storage space within the Heymann Center, which precludes them from hosting certain types of events on a regular basis; it will be important for the proposed venue to remedy these spatial issues in order to attract a wide variety of events.

- Currently, the Heymann Centers includes approximately 20,000 square feet of convention space that is utilized throughout the year, especially for Mardi Gras events. Stakeholders indicated that a new venue would need to include at least this level of event space, if not more, to accommodate these types of events, which are important cultural events in the market.
- In general, project stakeholders envision the proposed Performing Arts Center as a state-of-the-art facility that would attract a wide variety of events and serve as a symbol for arts within the Lafayette region.

Operational Considerations

- Community leaders indicate that they would prefer the venue to be a self-sustaining endeavor; it is possible that self-sustainability could be achieved through the development of an operational endowment that is privately fundraised.
- Many potential users, noting the potential scale and design of the proposed venue, are wary of being priced-out from the proposed venue and indicate their desire for the venue to balance its need to be self-sustaining with its mission to serve the community.
- It was generally agreed upon by project stakeholders that the proposed venue should be operated by a third-party, rather than the public sector (i.e., City), to encourage and maximize total utilization. In general, public officials indicated little interest in operating the proposed venue and indicated this could be an ideal public/private partnership.
- Depending on location within the Lafayette market, some representatives, including University leaders, indicated that a joint manager between the proposed venue and other University venues, including the Cajundome, could help promote that area of the city as a sports and entertainment district, promoting future development and maximizing the use of all the facilities.

Site Considerations

- LEDA provided CSL representatives with a tour of many potential site locations, providing the project team with context on which to begin analysis.
- While many site locations are being considered, stakeholders generally gravitated towards two main sites: (1) downtown Lafayette and a (2) University location. Proponents for both sites indicated the opportunities and challenges to each location; however, most project stakeholders indicate a performing arts center in either location would be supported throughout the community, as there is strong consensus on the need for a new venue market-wide.

- Proponents of the Downtown location indicated that the site could enhance arts vibrancy and synergies within the downtown area and attract new development and residents to the area. Proponents also noted that existing nearby amenities (e.g., restaurants, bars, retail, etc.) could complement visitation to the proposed Performing Arts Center.
- Proponents of the University location (near the Cajundome) would create a sports and entertainment district within the area and could create additional connectivity within the marketplace. University officials also indicated that this site could foster a new planned University research community, as defined in its masterplan, lending to a vibrant live-work-play community that would bring additional new development to the marketplace. The University location is also familiar to many within the community.

Potential for Public Support

- Project stakeholders, especially among elected officials, indicated the potential for a public path toward construction funding, utilizing a temporary sales tax increase and matching State capital outlay funds, similar to the way the new Lafayette Regional Airport was recently funded.
- Public officials and other community leaders generally indicated, while support for public funding and tax increases can be limited in the Lafayette market, with the right support from key stakeholders across the market, including public officials, community leaders, and potential user groups, the public could eventually support the construction of the proposed venue, especially if any proposed tax increases have a clear and defined sunset.

Key stakeholder feedback along with a review of the historical context provides valuable insight into the community's vision guiding the development of the proposed Performing Arts Center.

3 Historical Analysis



Introduction

The proposed Performing Arts Center is envisioned to fully replace the utilization and functionality of the Heymann Center, so, as part of the process to evaluate the market potential for the proposed venue, it is important to understand the historical operations of the Heymann Center. The remainder of this section provides an overview of the Heymann Center's history, event utilization, and ticket sales.

Heymann Center History

The Heymann Center currently serves as the premier performing arts center in the Lafayette regional market and hosts a wide range of events each year. The facility was constructed in 1960 for a total cost of \$1.5 million, which was funded entirely by general obligation bonds financed through City property tax revenues.

Included in the Heymann Center is the main performance hall, which has a seated capacity of 2,168, as well as a 16,000-square-foot attached convention center, which can be utilized as one contiguous space or subdivided into two ballroom spaces.



The Heymann Center hosts a wide variety of event utilization throughout the year, ranging from concerts and comedy to local dance and theater performances. The venue also hosts in its convention/ballroom space a variety of conventions, fundraisers, galas, banquets, and receptions.

The Heymann Center is currently owned and operated by the City of Lafayette Parks, Arts, Recreation & Culture department ("PARC").

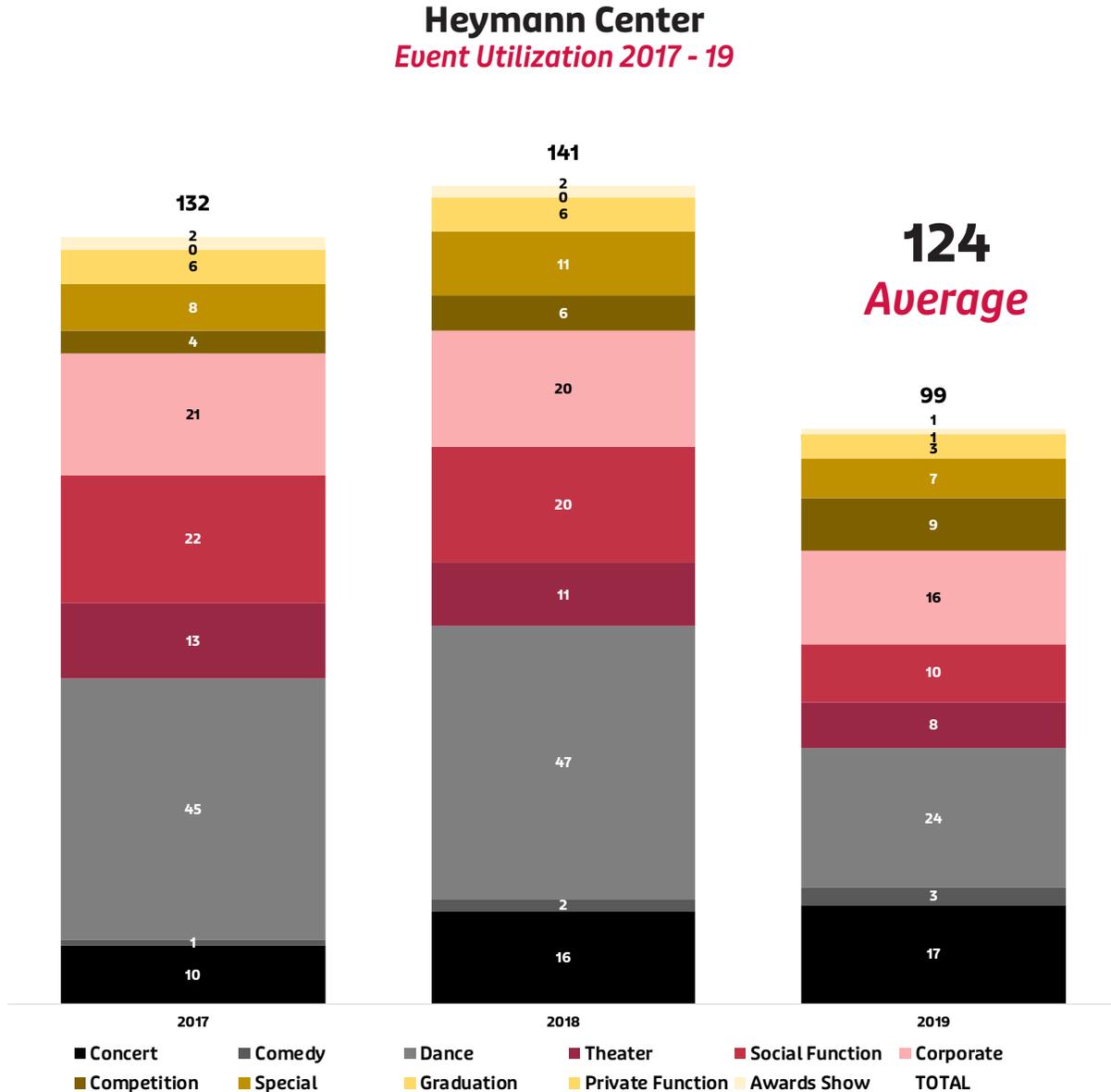
Potential For New Venue

As the Heymann Center has aged since opening in 1960, much of its facilities no longer meet the standards of modern performing arts centers, which has precluded some larger events from utilizing the venue on a regular basis, such as touring concerts or Broadway shows.

Additionally, the venue is currently adjacent to the rapidly expanding Ochsner Lafayette General. The hospital has recently begun developing land on the west side of the Heymann Center, essentially landlocking the Heymann Center from both sides. This recent hospital expansion has also caused the Heymann Center to lose a bank of parking, costing the already tight parking lot valuable spaces.

Event Utilization

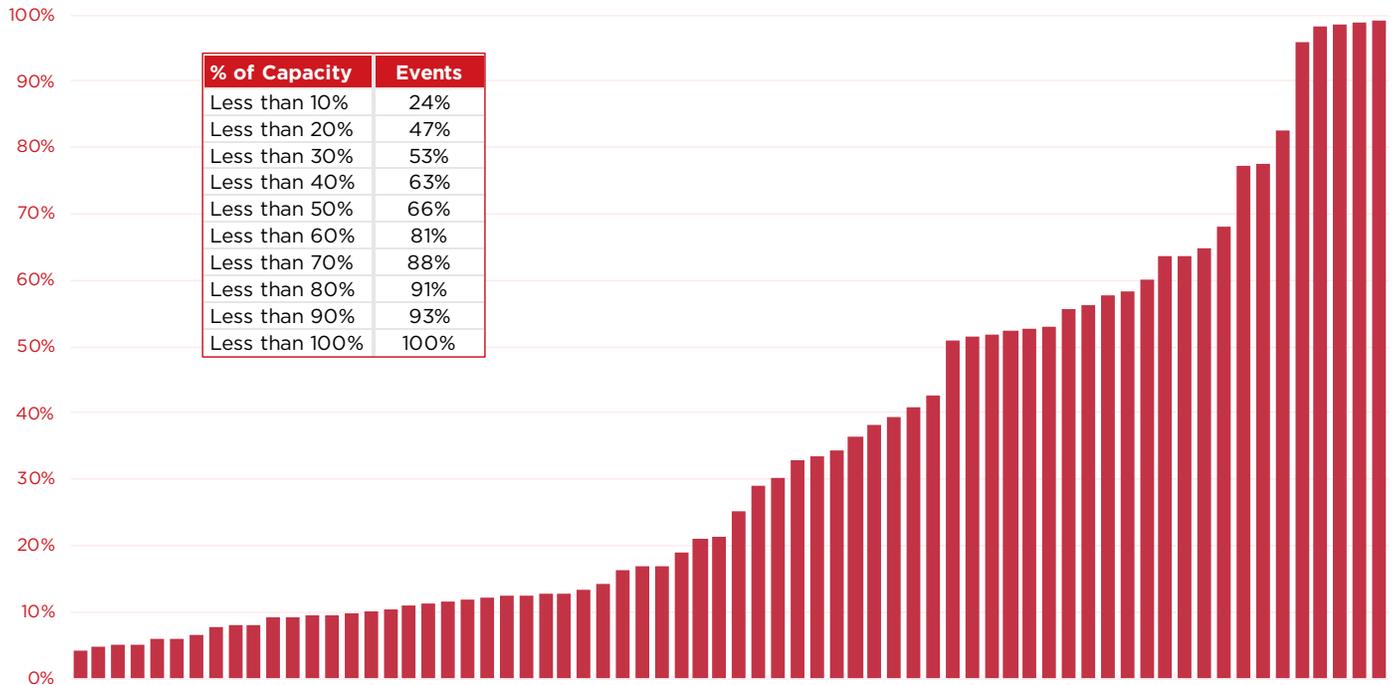
The chart below depicts the event utilization for the Heymann Center from 2017 to 2019, the latest three years pre-COVID.



As shown above, the Heymann Center has hosted an average of 124 events annually comprising approximately 250 total rental days from 2017 to 2019. Over 30 percent of event utilization is derived from dance performances, which are typically hosted in the spring (April to June). Concerts and comedy comprise approximately 14 percent of the total Heymann Center utilization while approximately 29 percent is derived from corporate and social functions, which are typically hosted in the convention center and ballroom locations of the facility.

The chart on the following page depicts the attendance of all ticketed events in the performing arts center as a percent of venue capacity (2,168).

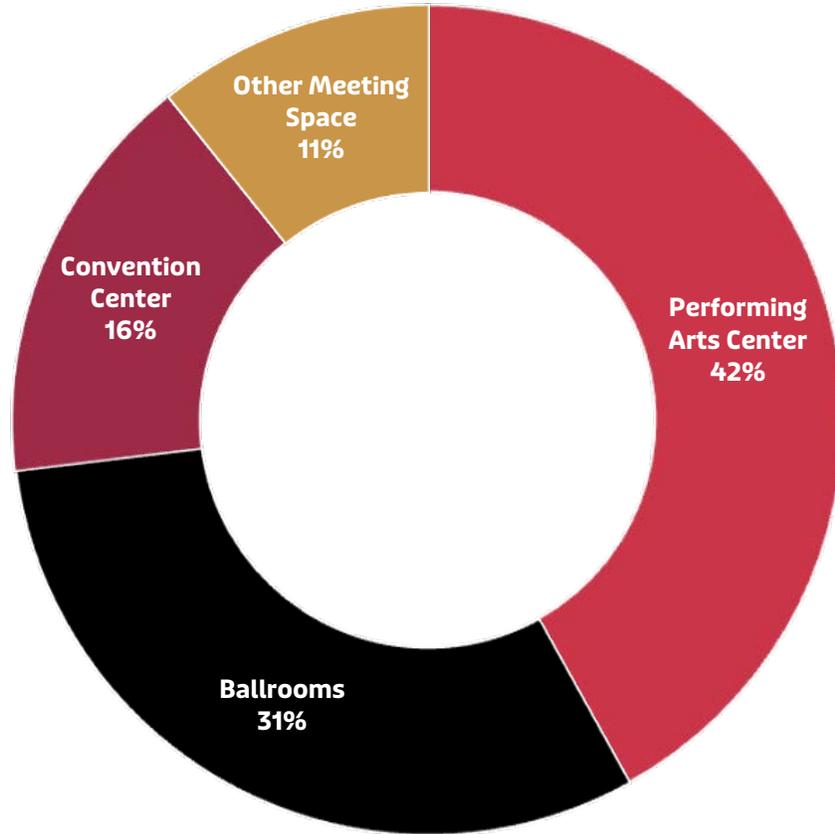
Heymann Center Performing Arts Center Event Attendance



As shown in the chart above, nearly half of all ticketed events utilize less than 20 percent of capacity (434 seats), approximately two-thirds of all events utilize 50 percent of capacity (1,084), and approximately 90 percent of events utilize less than 80 percent of capacity (1,734). As project stakeholders consider the market-specific capacity for the proposed Performing Arts Center, it will be important to right-size the venue and provide additional performance spaces to accommodate projected event utilization.

The chart on the following page depicts the event utilization at the Heymann Center from 2017 to 2019 by venue within the facility. The Heymann Center offers a variety of facilities for rent, including the performing arts center, convention center, ballrooms, three meeting rooms, dressing rooms, stage, and warehouse, among others.

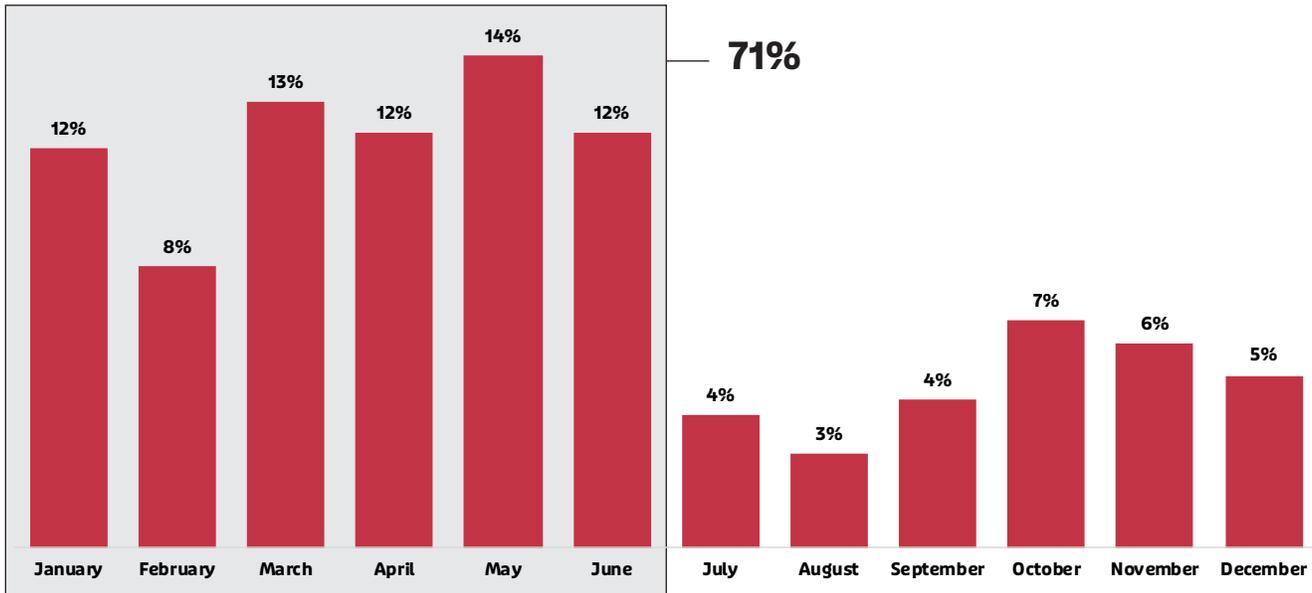
Heymann Center *Venue Utilization 2017 - 19*



As shown above, approximately 42 percent of all Heymann Center events utilize the performing arts center while the remaining events utilize the convention center spaces (i.e., full convention center (16 percent) or half-size ballrooms (31 percent)) or other smaller event spaces (11 percent).

Additionally, the chart below depicts the seasonality of events hosted at the Heymann Center from 2017 to 2019.

Heymann Center *Event Seasonality*

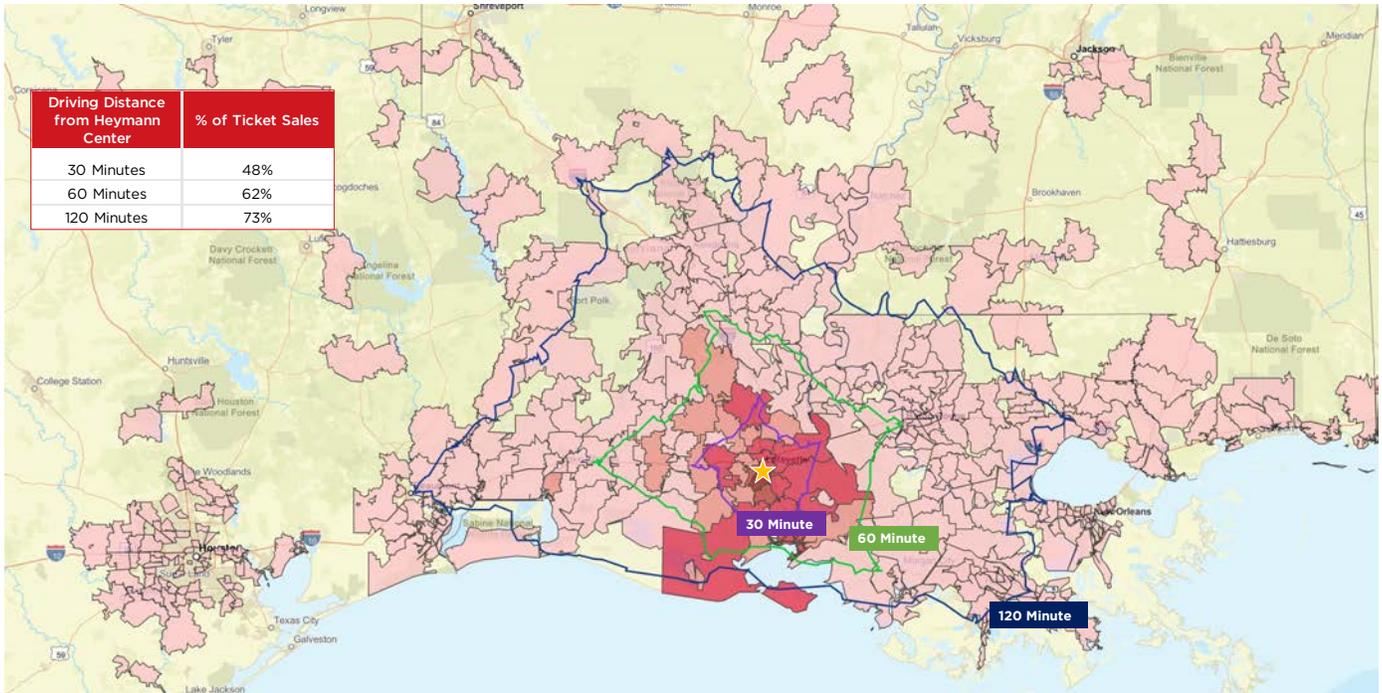


As shown, over 70 percent of annual utilization takes place between January and June, mainly highlighted by Mardi Gras festivities and local dance performances. This high level of utilization in the first half of the year highlights the potential need for secondary performance spaces within the venue to accommodate simultaneous utilization.

Ticket Purchaser Origin

An important aspect of assessing the market for a new Performing Arts Center is to identify the base of ticket purchasers. As such, the map on the following page depicts the zip code origin for all ticket purchasers in recent years at the Heymann Center.

Heymann Center Ticket Sale Zip Code Origin Map



As shown above, the majority of ticket purchasers (62 percent) are located within a 60-minute drive time of the Heymann Center, increasing to nearly three-fourths with a two-hour drive time. Beyond the two-hour drive time, ticket purchasers are located sporadically throughout the southern United States, including nearby major population centers, such as Houston and New Orleans.

Summary



Overall, the Heymann Center is an aging facility largely in need of replacement, both due to nearby development considerations and also to maximize event utilization to capture full market demand in Lafayette.



As project stakeholders consider replacing the Heymann with a new state-of-the-art Performing Arts Center, it will be important to develop a facility that can accommodate all types of utilization, including performing arts and convention-style business.

4

Performing Arts Center Trends





Overview

The viability of the proposed Performing Arts Center will be impacted by overall trends and characteristics of the performing arts industry. To provide a perspective from which to assess how these trends may impact potential building program features and future facility operations, CSL reviewed the historical performance, economic dynamics, and facility trends of the performing arts industry. Specifically, this section includes a summary of:



Performing Arts Venue Types



Events & Demand



Industry Structure



Ticket Sales



Ticket Prices



Venue Trends

Performing Arts Venue Types

Performing arts centers are indoor venues designed and built to host a wide variety of events and typically have seating capacity between 1,000 and 7,000 seats. The term “performing arts center” can be used to refer to a range of different types of venues including theaters, concert halls, auditoriums, and other such venues. As consideration is given to the development of the proposed Performing Arts Center, it is useful to understand the types of performing arts center/theater venues operating in North America according to ticket sales information reported by Pollstar, the live entertainment event industry’s leading publication. These top- performing facilities are divided into four classes based on their utilization and management structures. The following provides a description of each categorization.

Traditional Performing Arts Venues

- Performing arts centers focused on hosting traditional performing arts including symphony, opera, and ballet, among others
- Typically have a local symphony orchestra, community theater, or other such tenant
- Often operated by a public entity or non-profit organization and relies on contributed revenue (donations)
- Priority on performing arts events
- Often subsidized
- **Regional Example:** *Jefferson Performing Arts Center, Metairie, LA (1,041 Seats)*

Representative Top 200 Venues:



**The Grand 1894
Opera House**
Galveston, TX
1,040 Seats



Boston Opera House
Boston, MA
2,677 Seats

University Based Facilities

- Performing art centers constructed, owned, and operated by a university
- Serves as the showplace for the institution’s fine art students, as well as hosts visiting performers
- Primary focus is school use
- Often subsidized operations
- **Regional Example:** *Angelle Hall, Lafayette, LA (800 Seats)*



Eastman Theatre
Rochester, NY
2,260 Seats



Eisenhower Auditorium
State College, PA
2,500 Seats

Casino Theaters

- Casino-owned and -operated venues built to host popular acts and encourage gaming spend
- Often feature resident performers that drive significant ticket sales
- Can buy acts to draw people to casino for gambling
- **Regional Example:** *L’auberge Event Center, Baton Rouge, LA (1,600 Seats)*



Pechanga Theater
Temacula, CA
1,200 Seats



**Zappos Theater/
Planet Hollywood**
Las Vegas, NV
7,000 Seats

Commercial Arts-Oriented Venues

- Performing arts centers that host a variety of acts including concerts, musical theater, and comedy, among others, as well as traditional performing arts
- Facilities maintain the ability to accommodate local arts groups
- Generally, maintain scheduling flexibility to book a variety of acts with no tenant
- Often operated by a private management company
- Profit motive
- **Regional Example:** *Smart Financial Centre, Sugar Land, TX (6,400 Seats)*



YouTube Theater
Inglewood, CA
6,000 Seats



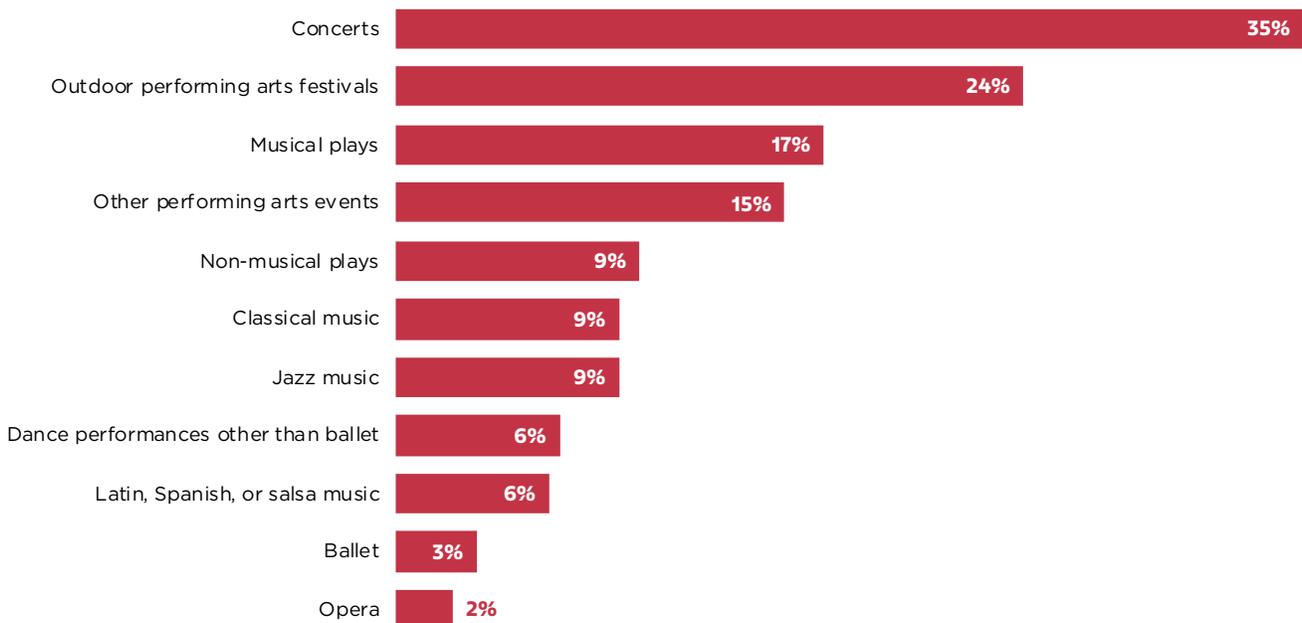
Smart Financial Centre
Sugar Land, TX
6,400 Seats

National Performing Arts Event Demand

Performing arts centers can host a variety of event types such as concerts, musical theater, comedy, plays, dance performances, symphony, family shows, local and regional events, and other events. While certain events play a critical role in providing affordable and accessible arts activities in the community, concerts, comedy, family shows, and other entertainment represent important and profitable event types for the venue necessary to achieve financial sustainability. Maximizing profitable events allows venues to offer affordable rates for local and regional organizations to utilize a performing art center’s event spaces.

Based on research conducted by the National Endowment for the Arts (“NEA”), approximately 43 percent of U.S. adults reported attending at least one performing arts event in a recent year. The following chart presents a summary of the percent of U.S. adults attending performing arts events annually by activity.

Percent of U.S. Adults Attending Performing Arts Events



As shown, the top attended event types included concerts (35 percent), outdoor performing arts festivals (24 percent), and musical plays (17 percent), while the least attended event types included opera (two percent) and ballet (three percent).

Performing arts events can be staged in a variety of settings from professional venues to community centers. Among those who attended a performing arts event, 63 percent reported doing so at a theater, concert hall, or auditorium, similar to the types of venues that appear on Pollstar’s top 200 theater venue list and the proposed Performing Arts Center.

Performing Arts Event Attendee Characteristics

In addition to examining the national demand for various performing arts events, it will be important for venue operators to attract performing arts events that would be most successful within the context of the demographic profile of the Lafayette market. The chart below depicts a demographic breakdown for various performing arts events, according to a national survey conducted by the National Endowment for the Arts. It should be noted that the National Endowment for the Arts research does not include commercial headlining concerts.

Demographic Distribution of Performing Arts Events by U.S. Adults													
	U. S POPULATION	JAZZ	CLASSICAL MUSIC	OPERA	LATIN MUSIC	PERFORMING ARTS FESTIVALS	MUSICAL PLAYS	NON MUSICAL PLAYS	BALLET	OTHER DANCE	OTHER MUSIC, THEATER OR DANCE	LIVE BOOK READING/ POETRY	FREE MUSIC, THEATER OR DANCE
Gender													
Male	48%	47%	44%	41%	46%	46%	41%	42%	36%	39%	47%	36%	44%
Female	52%	53%	56%	59%	54%	54%	59%	58%	64%	61%	53%	65%	56%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Race / Ethnicity													
Hispanic	15%	9%	6%	8%	53%	12%	7%	6%	9%	12%	9%	9%	12%
White	66%	68%	83%	78%	37%	74%	80%	81%	79%	69%	80%	69%	71%
African American	11%	16%	5%	6%	7%	8%	7%	9%	7%	11%	6%	15%	10%
Other	7%	7%	6%	8%	4%	6%	6%	4%	5%	8%	5%	8%	7%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Age													
18 - 24	13%	15%	10%	11%	18%	16%	11%	10%	11%	14%	16%	14%	17%
25 - 34	17%	17%	15%	19%	22%	19%	16%	16%	20%	16%	19%	22%	16%
35 - 44	17%	15%	12%	10%	19%	17%	14%	15%	17%	18%	16%	19%	17%
45 - 54	19%	18%	17%	15%	17%	19%	21%	21%	16%	18%	20%	15%	20%
55 - 64	16%	20%	21%	21%	17%	16%	21%	18%	18%	19%	16%	16%	17%
65 - 74	10%	10%	16%	15%	6%	9%	12%	13%	12%	11%	9%	9%	9%
75+	8%	4%	10%	10%	2%	3%	6%	7%	5%	5%	5%	4%	5%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Highest Level of Education													
Grade School	4%	0%	0%	1%	6%	1%	0%	0%	0%	1%	1%	1%	1%
Some High School	8%	1%	2%	1%	8%	3%	2%	2%	2%	2%	2%	3%	4%
High School Graduate	30%	17%	11%	5%	20%	20%	16%	14%	12%	17%	21%	13%	18%
Some College	29%	30%	24%	23%	31%	33%	28%	27%	25%	31%	31%	31%	33%
College Graduate	18%	30%	34%	33%	22%	27%	32%	33%	32%	27%	27%	30%	29%
Graduate School	10%	22%	30%	37%	13%	16%	21%	24%	29%	22%	18%	22%	15%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Family Income													
Less than \$20K	17%	10%	8%	7%	17%	11%	7%	8%	9%	12%	8%	12%	11%
\$20k to \$50K	32%	21%	21%	21%	27%	26%	21%	23%	22%	22%	25%	27%	26%
\$50K to \$75K	19%	19%	20%	17%	19%	21%	21%	18%	21%	21%	21%	21%	20%
\$75K to \$100K	12%	15%	14%	12%	14%	15%	16%	17%	12%	16%	15%	26%	15%
\$100K to \$150K	12%	18%	20%	20%	14%	15%	19%	19%	18%	16%	17%	24%	17%
\$150K+	8%	17%	18%	22%	9%	13%	18%	17%	18%	13%	14%	11%	12%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

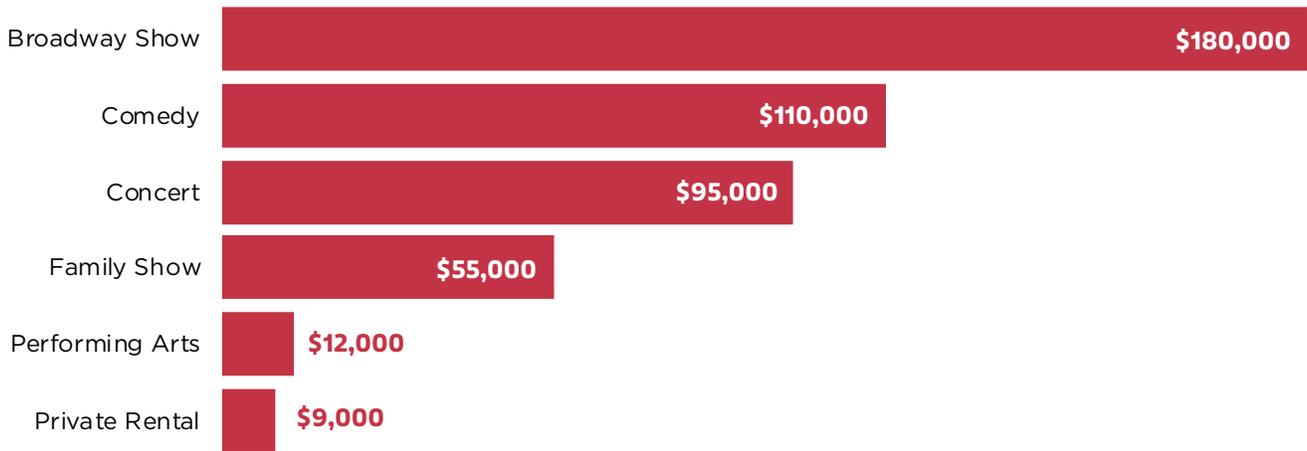
Given that the Lafayette market has a larger African American population than the U.S. as a whole, with a younger overall population and lower household incomes, certain performing arts events could have a stronger appeal within the regional marketplace. For instance, performing arts events with larger African American audiences include live book readings / poetry, dance performances, and jazz concerts. Performing arts events that appeal more to a younger audience include performing arts festivals, musical plays, and jazz concerts. Additionally, events appealing to those with generally lower household incomes include live book readings / poetry and performing arts festivals.

Source: National Endowment for the Arts, 2012. Note: The National Endowment for the Arts survey does not track demographic data for popular concerts.

Event Profitability

In addition to examining event demand, it will be important, in maximizing the venue’s overall ability to drive revenue, to prioritize events that generally have higher rates of profitability in order to meet stakeholders’ goal of a financially self-sustaining venue. The chart below depicts the average profitability among various types of performing arts events per show.

Event Profitability



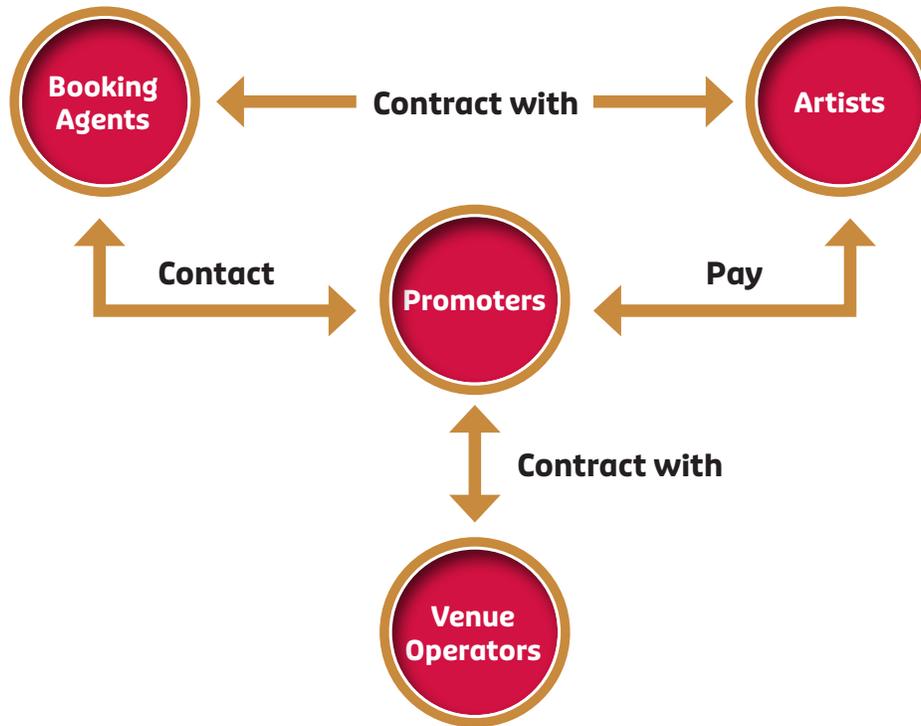
As shown, the most profitable performing arts events are typically touring performances, such as Broadway, comedy shows, concerts, and family shows, while less profitable events include minor performing arts events, such as local orchestra or ballet shows, and other such private rentals.

Different performing arts venue types serve various community needs. Based on the stated goals of key project stakeholders to develop a financially self-sustaining community asset and serve a wide variety of users and attendees, a commercial arts-oriented venue is best suited to fulfill those needs. Industry trends as it relates to key revenue-generating events hosted by commercial arts-oriented venues and facility design are detailed over the following pages.

Note: Based on financial performance at a top 200 theater.

Industry Structure

Concerts, comedy, family shows, touring theater, and other entertainment would provide an important source of event demand and revenue for the proposed Performing Arts Center. To understand the continually evolving economics of such events, it is important to consider the function of all critical parties and their compensation mechanisms. The figure below illustrates the process behind the staging of concerts, comedy, family shows, touring theater, and other entertainment events.



PROMOTERS

Set ticket prices, advertise events (with input from artists), sell tickets, organize performances, rent or otherwise provide venues, and arrange for local production services.

Compensation: percentage of ticket sales.

BOOKING AGENTS

Directly contract with artists to represent them in negotiations and contact promoters to begin the tour planning process.

Compensation: fixed guarantee and/or percentage of ticket sales.

ARTISTS

Perform on contracted dates at contracted times.

Compensation: fixed guarantee and/or percentage of ticket sales.

VENUE OPERATORS

Provide parking and box office, security, concessions, ushering, and merchandise sales operations.

Compensation: rental income (fixed or percentage of ticket sales), facility fees (percentage or amount varies by facility), parking, concessions, merchandise sales, facility sponsorships, premium seat revenue, etc.

Ticket Sales *Concerts, Comedy, Family Shows*

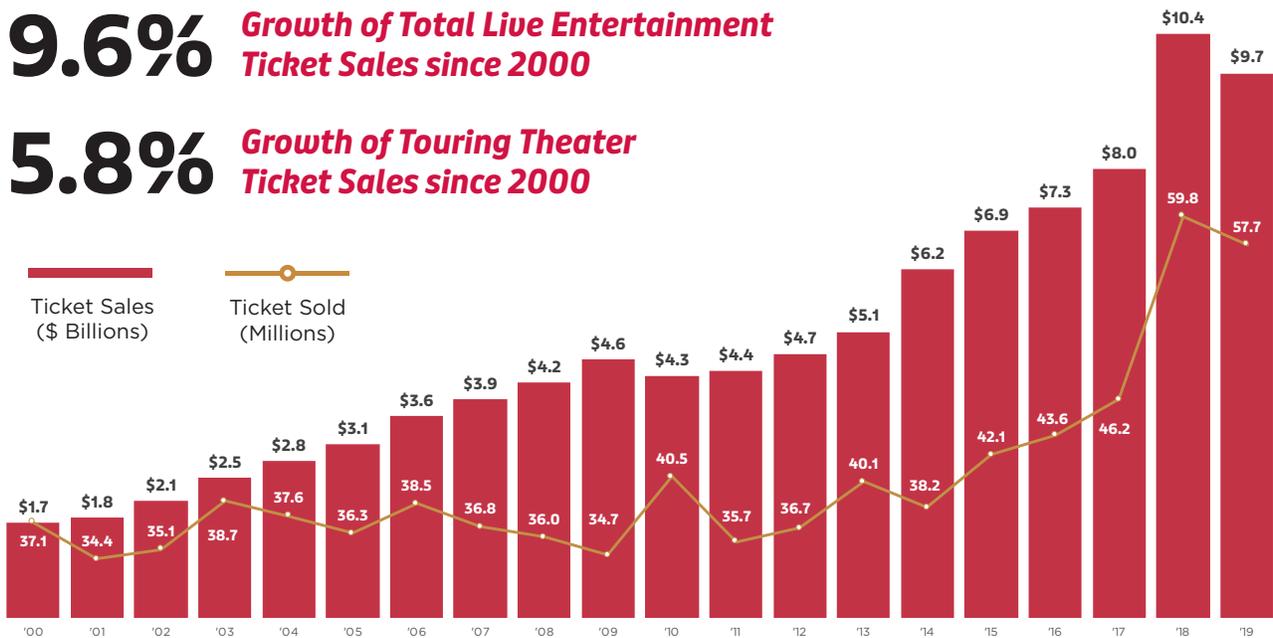
To better understand the entertainment landscape in which a new Performing Arts Center will operate, it is important to examine trends among high-profit events that are often hosted at similar venues. Pollstar estimates that gross ticket sales for major live entertainment acts in North America has grown at a compound annual rate of approximately 9.6 percent since 2000. This growth has been particularly rewarding for artists and their managers but less rewarding for promoters and venue managers due, in part, to increased guarantees demanded by artists.

The following chart shows annual gross ticket sales for major live concert, comedy, and family shows in North America from 2000 to 2019 as reported by Pollstar, as well as total sales of touring theater shows as reported by the Broadway League, the leading national trade association for the Broadway industry. It should be noted that 2019 is the latest available, pre-COVID-impacted data.

Entertainment Industry Ticket Sales in North America

9.6% *Growth of Total Live Entertainment Ticket Sales since 2000*

5.8% *Growth of Touring Theater Ticket Sales since 2000*



Overall, ticket sales from 2000 to 2019 grew at a compound annual rate of nearly 10 percent. This strong growth includes impacts from two major recessions that occurred during this period. Recessionary impacts included limited growth of six percent during the 2001 recession and negative growth of approximately seven percent one year immediately following the 2007-09 Great Recession, which was followed by a return to positive growth in the subsequent years.

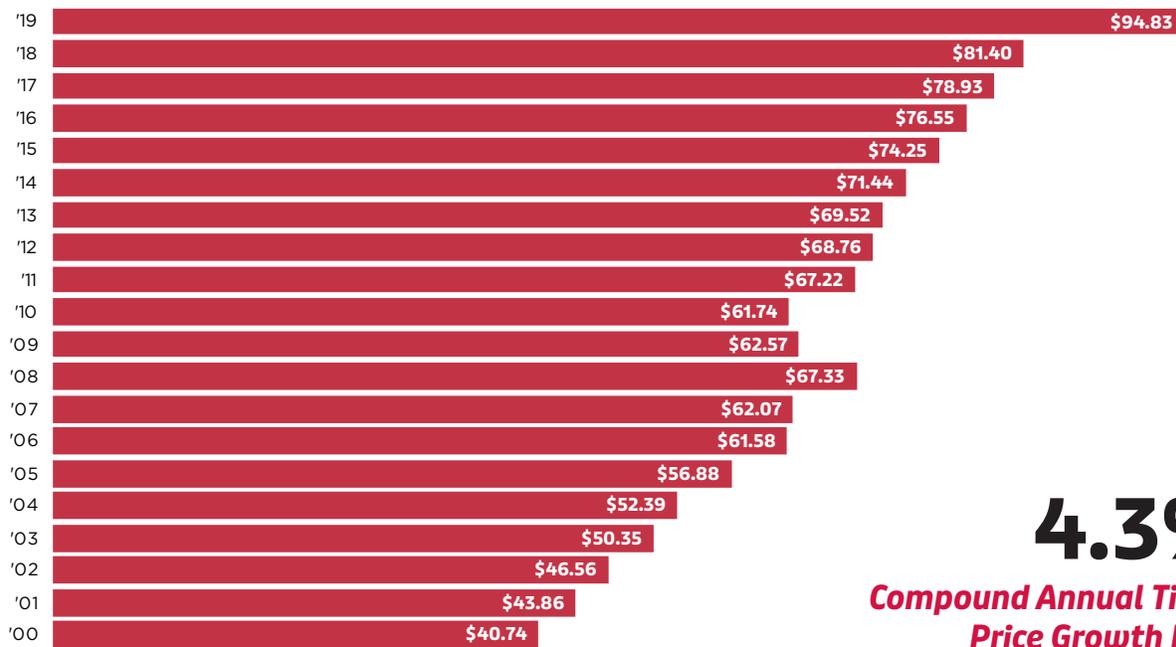
Pollstar estimates that gross ticket sales for major live entertainment acts worldwide reached \$9.7 billion in 2019, a slight decrease compared to 2018 which was due, in part, to a change from Pollstar that now estimates annual ticket sales between November of the previous year and November of the current reporting year instead of using a calendar year.

Ticket sales for touring theater shows has increased at a slower rate over the same time frame, with an average annual growth rate of approximately 5.8 percent. This can be attributed, in part, to the touring theatrical season which generally spans from September through May versus the year-round seasons experienced by other forms of live entertainment.

Ticket Prices

A critical reason for the year-over-year increases in ticket sales since 2000 is the steady upward trend of average ticket prices. Ticket prices are determined by event promoters, in conjunction with artists, managers, and booking agents, and are based on several factors including but not limited to the guarantee paid to an act, anticipated event expenses, the desired level of promoter profit and the anticipated attendance for the show, all in the context of what the promoter believes the market will bear.

Average Ticket Price Top 100 North American Tours



The chart above shows the average ticket price for the top 100 North American tours since 2000. Over the past 20 years, the compound annual growth rate in ticket prices was approximately 4.3 percent, which is approximately more than double the annual growth rate of the Consumer Price Index (“CPI”) over the same time period at 2.0 percent. Given recent trends in inflation following the COVID-19 pandemic, it is expected that ticket prices will rise accordingly. In turn, ticket prices have risen 133 percent since the year 2000, and this increase can be attributed to several factors including, but not limited to:

1. Realization by acts and promoters that patrons are willing to purchase tickets for more than face value from secondary market ticket re-sellers in order to see their favorite acts;
2. Consolidation in the promotion business in which the largest promoters are paying higher guarantees in order to attract acts;
3. The baby boomer generation, with higher disposable incomes, is relatively price inelastic and willing to pay top dollar to see certain acts; and,
4. Increased guarantees demanded by artists as incomes from album sales have decreased.

These factors, especially the increased guarantees demanded by artists, have shifted the economics of the entertainment industry and negatively impacted promoter and venue operator margins.



Venue Trends

As margins from the staging of events have tightened due to steeper artist guarantees, recent performing arts center trends indicate an increase in the versatility of venues and a diversification of revenue sources. Venue trends increasingly integral to the success of the proposed Performing Arts Center could include, but are not limited to:



Flexibility is a key factor in terms of seating, staging, and acoustics that allow venues to perform well at a range of capacities and accommodate a variety of event types and users.



Performing arts centers can be used to accommodate special events such as corporate events, parties, weddings, or other private events. Well-designed lobbies, atriums, or outdoor plazas have become increasingly valuable amenities for private event rentals on non-event days



The inclusion of premium seating, including small-group premium spaces as well as enhanced social areas with all-inclusive “unique” experiences, has helped to reach a broader array of patrons with a market, drive incremental revenue, and serve the patron’s desire to socialize as part of their attendance at performing arts events.



Successful performing arts centers accommodate the needs of various users, including local and regional organizations and community members. Modern facilities often offer a diversity of other spaces including a black box / studio theater, meeting rooms, and/or studios.

Key Takeaways

As noted previously, the performing arts industry has undergone significant changes over the past several years that have impacted the operations of venues nationwide. A summary of key trends that have emerged from the performing arts industry include:



The size of the North American concert market was \$9.7 billion in ticket sales in 2019 (most recent full non-COVID-impacted year), declining slightly from the 2018 record year. At the same time, the touring theater market reached a record \$1.6 billion in 2019, a 15 percent increase over the previous year.



The average ticket price for entertainment events reached \$94.83 in 2019, an increase of 16 percent over the previous year.



Talent costs have increased substantially, resulting in upward pressure on ticket prices that have had a negligible impact on attendance levels. As a result, the margins generated to promoters and venues have decreased.



Venue operators have increasingly relied on revenue from ancillary sources such as facility fees, ticket sales rebates, concessions, merchandise, parking, advertising/sponsorships, and premium seating to generate operating profits. As revenue sources have been diversified, venue design has also evolved to be more flexible.



A commercial arts-oriented venue offers the flexibility to meet stated project goals of creating a self-sustaining operating model and capability of hosting a wide variety of events at the proposed Performing Arts Center.

These industry trends are considered together with local market conditions, competition within the market, and performing arts center benchmarking in the context of historical Heymann Center operations and key stakeholder feedback to assess the viability of the proposed Performing Arts Center

5 Local Market Conditions



Local Market Conditions

The viability of the proposed Performing Arts Center is dependent, to some extent, on the demographic and socioeconomic characteristics of the local and regional market. Key market characteristics that may impact the ability to support the proposed Performing Arts Center include:

-  Demographic and socioeconomic characteristics;
-  Corporate Base;
-  Employment;
-  Arts Vibrancy
-  Transportation and access;
-  Area tourism; and,
-  Other Characteristics

The analysis of the market is based on data reflecting a 60-minute drive time (primary market) and a 120-minute drive time (secondary market) from Lafayette, LA. Based on historical zip code reports from ticketed events held at the Heymann Center and conversations with key project stakeholders, it is anticipated that a majority of attendees and corporate partners will originate from within these areas. The map below illustrates the anticipated primary and secondary markets of the proposed Performing Arts Center.

Although it is anticipated that a majority of attendees and corporate partners will originate from within these areas, it is possible that the proposed Performing Arts Center could draw a portion of attendees and corporate partners from the broader regional market given that the largest core population in the area resides in Lafayette and can serve as a cultural destination for surrounding rural communities. In addition, the Heymann Center has attracted attendees from a wide geographical area for decades, demonstrating the wide reach of a potential Performing Arts Center in the region.



Demographic & Socioeconomic Profile

The table below summarizes the key demographic and socioeconomic variables including population, age, income, and corporate base for the primary market (60-minute drive time) and the combined primary and secondary market (120-minute drive time) compared to the U.S. as a whole. It should be noted that the data presented below is based on 2021 figures, the most recently available data.

Demographic & Socioeconomic Characteristics	Lafayette Primary Market	Lafayette Secondary Market	United States
Population			
2010 Total Population	645,992	2,365,301	308,745,538
2021 Total Population	673,413	2,491,327	333,934,112
2026 Total Population	686,950	2,544,899	345,887,495
Historical Annual Growth Rate (2010 to 2021)	0.39%	0.48%	0.74%
Projected Annual Growth Rate (2021 to 2026)	0.40%	0.43%	0.72%
Minority Population	36%	38%	46%
Diversity Index (Out of 100)	52.3	52.3	65.4
Age			
Median Age	37.5	37.3	38.8
Age Distribution			
Under 20	26%	26%	24%
20 to 24	6%	6%	7%
25 to 34	14%	15%	14%
35 to 44	13%	13%	13%
45 to 54	11%	11%	12%
55 to 64	13%	13%	13%
65 to 74	10%	10%	10%
75 and over	6%	6%	7%
Household Income			
Median Household Income	\$50,332	\$53,841	\$64,730
Cost of Living Index	89.7	89.7	100.0
Adjusted Household Income	\$56,111	\$60,023	\$64,730
Income Distribution			
Under \$25,000	28%	25%	18%
\$25,000 to \$34,999	9%	10%	8%
\$35,000 to \$49,999	12%	12%	12%
\$50,000 to \$74,999	16%	16%	17%
\$75,000 to \$99,999	13%	12%	13%
\$100,000 to \$149,999	13%	14%	16%
\$150,000 or more	9%	11%	16%
Business Profile			
Unemployment Rate	3.8%	3.8%	4.2%
Corporate Base	4,886	15,721	28,399,213
Arts, Culture & Entertainment Profile			
% of Population that went to the Live Theater (2021)	9.4%	10.1%	12.4%

Sources: ESRI, Hoover's, BLS, C2ER. Note: Corporate Base includes corporations with at least 10 employees. Corporate Base excludes certain industries such as religious, non-profit, membership, governmental, or educational organizations and private households.



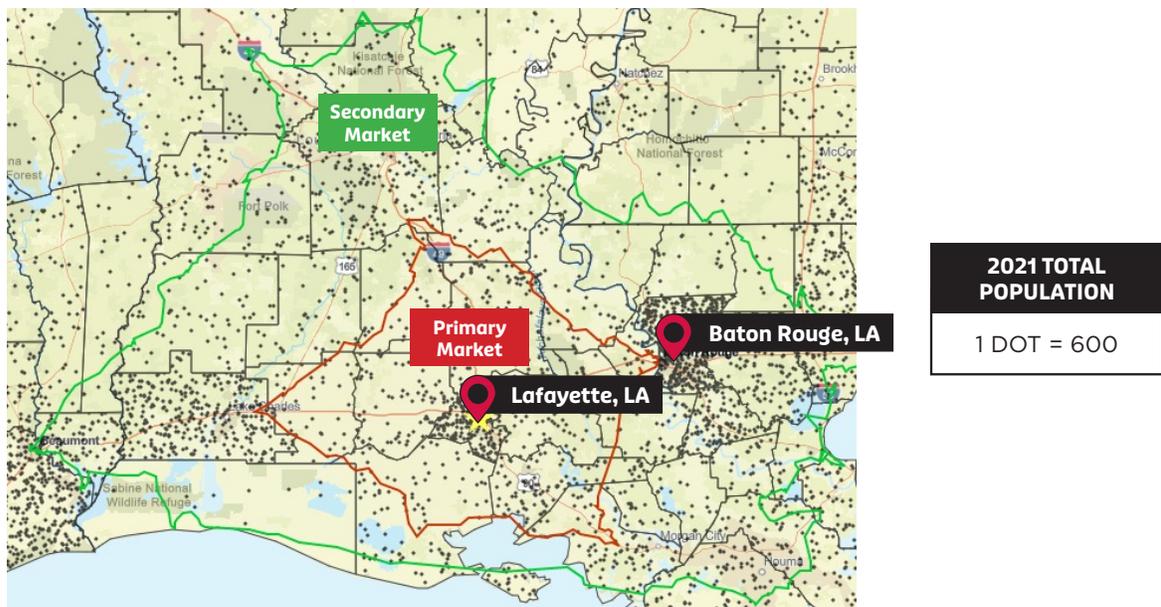
Population

The level of population from which to draw upon can impact the ability of the Performing Arts Center to attract events and operate at sustainable levels. Population represents a key criterion for live music and entertainment promoters when choosing venues to book their acts. It should be noted that demographic and socioeconomic information in this report was obtained from ESRI, a premiere international geographic information system, and Dun & Bradstreet's Hoover's database ("Hoover's"), the world's largest commercial database that provides real-time business intelligence. The table below presents the population characteristics of the primary and secondary markets of the proposed Performing Arts Center, including historic, current, and future population levels and population growth.

Demographic & Socioeconomic Characteristics	Lafayette Primary Market	Lafayette Secondary Market	United States
Population			
2010 Total Population	645,992	2,365,301	308,745,538
2021 Total Population	673,413	2,491,327	333,934,112
2026 Total Population	686,950	2,544,899	345,887,495
Historical Annual Growth Rate (2010 to 2021)	0.39%	0.48%	0.74%
Projected Annual Growth Rate (2021 to 2026)	0.40%	0.43%	0.72%
Minority Population	36%	38%	46%
Diversity Index (Out of 100)	52.3	52.3	65.4

The proposed Performing Arts Center's primary market currently has a population of approximately 673,000 residents, which comprises 27 percent of the combined primary and secondary market population of 2.5 million. While the primary market has an annual growth rate lower than the U.S. as a whole, a performing arts center has the potential to improve the quality of life in the market, retaining and attracting people and professionals to the area.

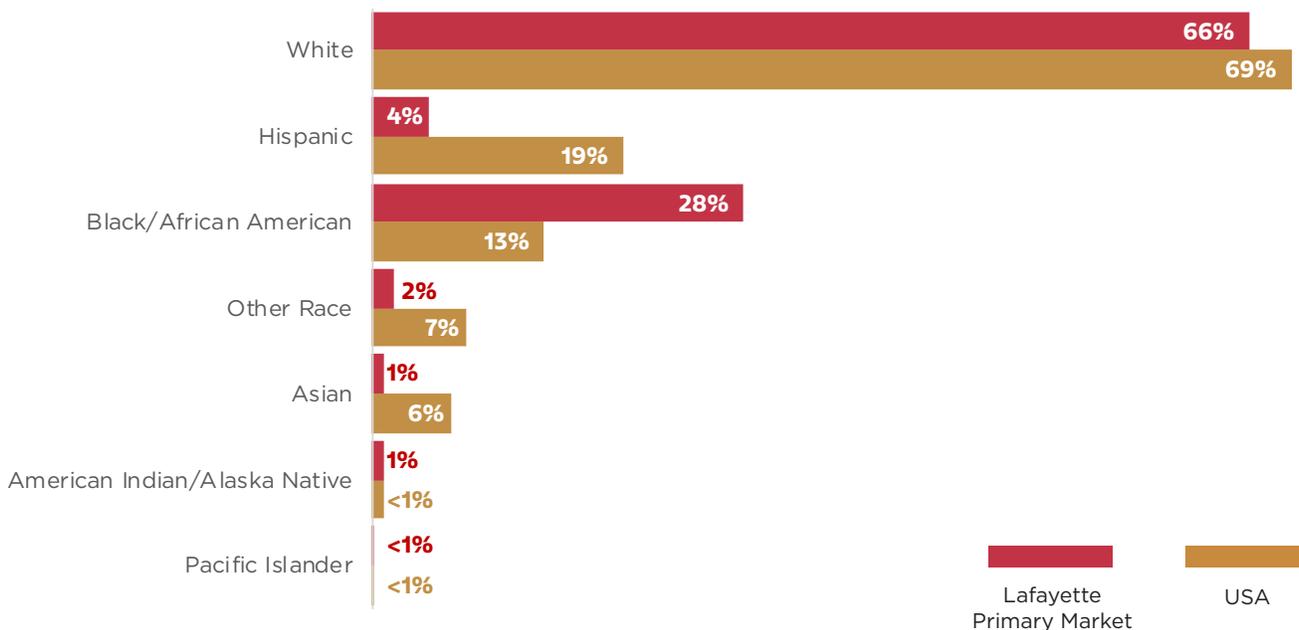
The map below depicts the population density of the primary and secondary market of the proposed Performing Arts Center. As shown, high densities of population within the primary market are located in Lafayette Parish. There is large population center in the secondary market west of Lafayette and in Baton Rouge.



Minority Population & Diversity Index

The diversity of the population is an important consideration in determining the appropriate event mix at the proposed Performing Arts Center to ensure the venue offers programming that is representative of the community and achieves broad market appeal.

The chart below provides an overview of the ethnic breakdown of residents within the primary market, relative to the United States.

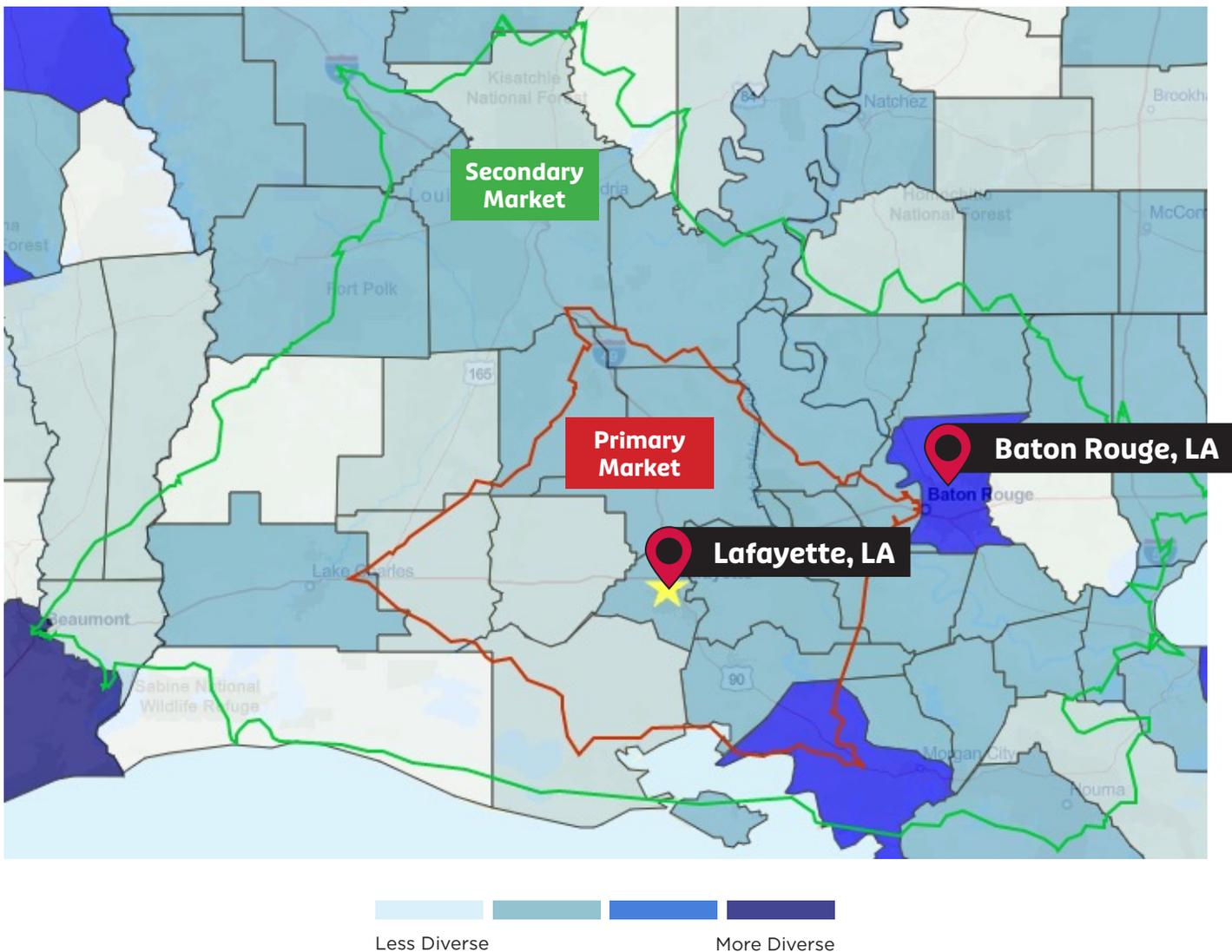


As shown, approximately 66 percent of primary market residents are white, 28 percent are African American, four percent are Hispanic, and four percent are some other ethnicity (i.e. Asian, Pacific Islander, etc.) The most significant difference between the ethnic makeup of Lafayette compared to the U.S. are the high proportion of African Americans in Lafayette and the low proportion of other minorities. The ethnicity makeup of residents within the primary and secondary market of the proposed Performing Arts Center will have a direct impact on the types of programming for performances hosted at the venue. A market's diversity index refers to the probability (0 to 100) that two people chosen at random from a specified market catchment would belong to different race or ethnic groups. A high index score indicates a more diverse population base while a low index score indicates a more uniform population base. The table below presents an overview of the minority demographic characteristics of the primary and secondary markets of the proposed Performing Arts Center.

Demographic & Socioeconomic Characteristics	Lafayette Primary Market	Lafayette Secondary Market	United States
Diversity			
Minority Population	36%	38%	46%
Diversity Index	52.3	52.3	65.4

The proposed Performing Arts Center’s primary and secondary market has a diversity index of 52.3, which is approximately 13 percent lower than the nation as a whole (65.4). Approximately 36 percent of the primary market of the proposed Performing Arts Center is non-white (considered “minority”), which is 10 percent less than the nation as a whole. As the Performing Arts Center considers programming the building, booking events that appeal to a diverse audience will factor into the success of the facility.

The map below shows the minority population within the primary and secondary markets of the Performing Arts Center. As shown, Lafayette and the suburbs to the east are more diverse than the west, with Baton Rouge being the most diverse within the primary and secondary market.



Age

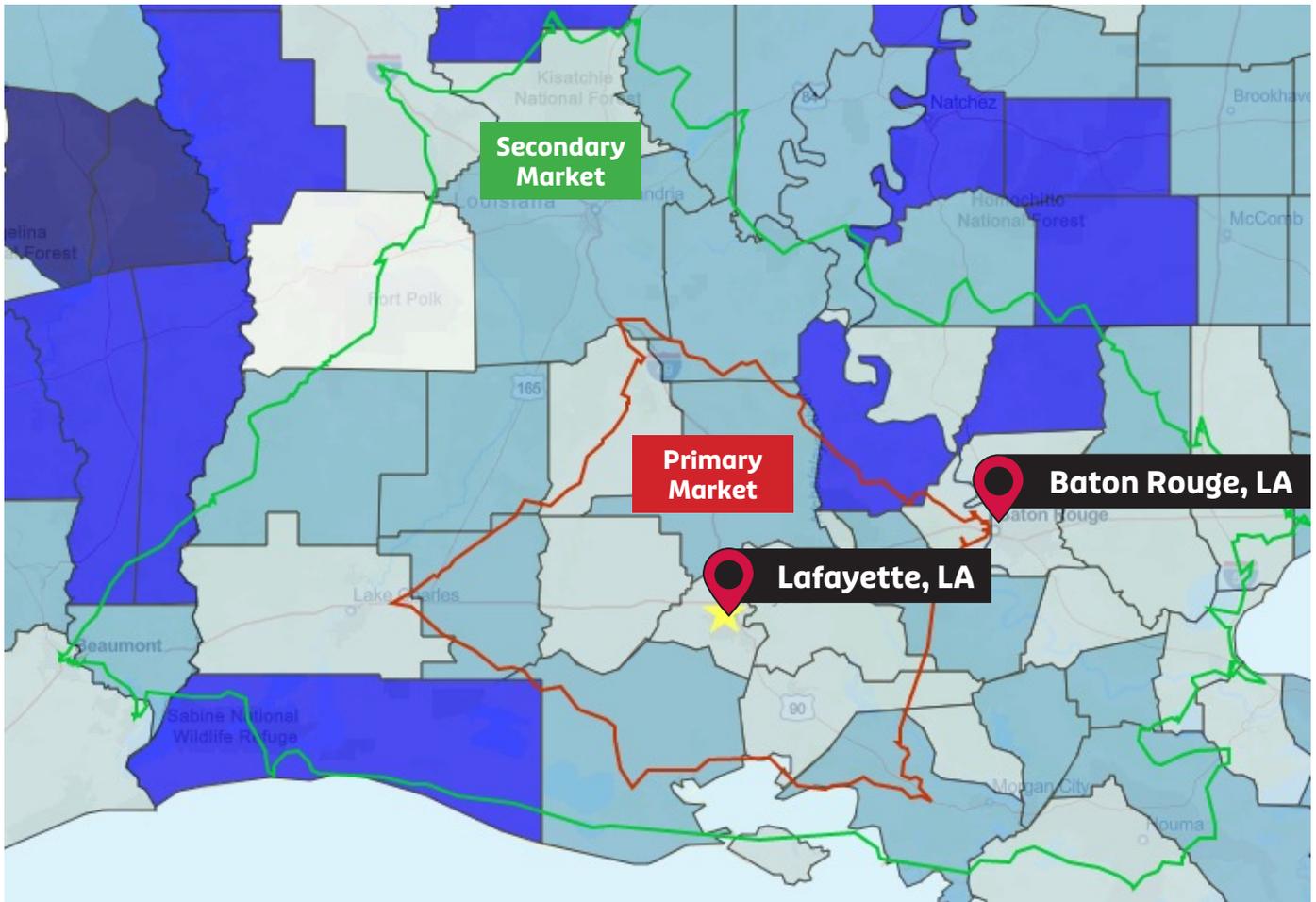
The age distribution of the population within the market represents another key demographic variable that is important to the overall viability of the proposed Performing Arts Center and can serve to influence the type of programming offered. The table below presents an overview of the age characteristics of the primary and secondary market of the proposed Performing Arts Center.

Demographic & Socioeconomic Characteristics	Lafayette Primary Market	Lafayette Secondary Market	United States
Age			
Median Age	37.5	37.3	38.8
Age Distribution			
Under 20	26%	26%	24%
20 to 24	6%	6%	7%
25 to 34	14%	15%	14%
35 to 44	13%	13%	13%
45 to 54	11%	11%	12%
55 to 64	13%	13%	13%
65 to 74	10%	10%	10%
75 and over	6%	6%	7%

Generally, the population group between the ages of 35 and 64 represents a strong proportion of concert, musical, live theater and classical musical performance attendees, as this age range typically demonstrates higher household income and entertainment spending levels compared to other age groups. When compared to the U.S., the proposed Performing Arts Center’s primary market has a comparable proportion of residents aged 35 to 64 than the country as a whole (37 percent and 38 percent, respectively).

Those residents under 35 also represents an important demographic for concert promoters, as this age group represents a primary consumer of live and recorded popular music. Approximately 47 percent of the combined primary and secondary market population are under the age of 35, compared to just 45 percent of the country as a whole within this same age range.

The following map depicts the age distribution of the primary and secondary market of the Performing Arts Center. As shown, the population near downtown Lafayette are typically younger, whereas the population of residents living further out in the suburbs are older.



Median Household Income

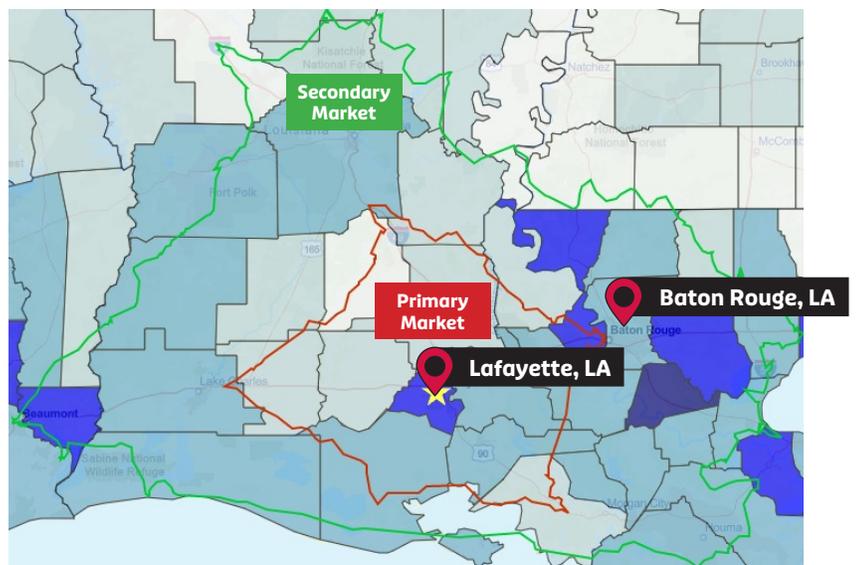
Household income characteristics can provide an indication of a market’s ability to dedicate disposable income towards the purchase of tickets, concessions, merchandise, and parking at events programmed at the proposed Performing Arts Center.

The table below presents an overview of the income characteristics of the Lafayette Primary Market and secondary markets of the proposed Performing Arts Center.

Demographic & Socioeconomic Characteristics	Lafayette Primary Market	Lafayette Secondary Market	United States
Household Income			
Median Household Income	\$50,332	\$53,841	\$64,730
Cost of Living Index	89.7	89.7	100.0
Adjusted Household Income	\$56,111	\$60,023	\$64,730
Income Distribution			
Under \$25,000	28%	25%	18%
\$25,000 to \$34,999	9%	10%	8%
\$35,000 to \$49,999	12%	12%	12%
\$50,000 to \$74,999	16%	16%	17%
\$75,000 to \$99,999	13%	12%	13%
\$100,000 to \$149,999	13%	14%	16%
\$150,000 or more	9%	11%	16%

The median household income within the primary market of the proposed Performing Arts Center is \$50,332 while the median household income within the combined primary and secondary market is slightly higher at \$53,841. These income levels are 22 percent and 17 percent less, respectively, than the national median income of \$64,730. Ticket prices, rental fees, etc. for the Performing Arts Center will need to reflect the income characteristics of the market. Any discussion of household income should also consider the cost of living within the area, which indicates how expensive a city is to live in when compared to the nation as a whole. The primary and secondary market has a cost of living index of 89.7, which is 10 percent lower than the national average (100.0).

The map to the right shows median household income distribution of the primary and secondary market of the Performing Arts Center. As shown, Lafayette Parish is the wealthiest area within the primary market. The suburbs surrounding Baton Rouge also represent residents of higher median incomes.

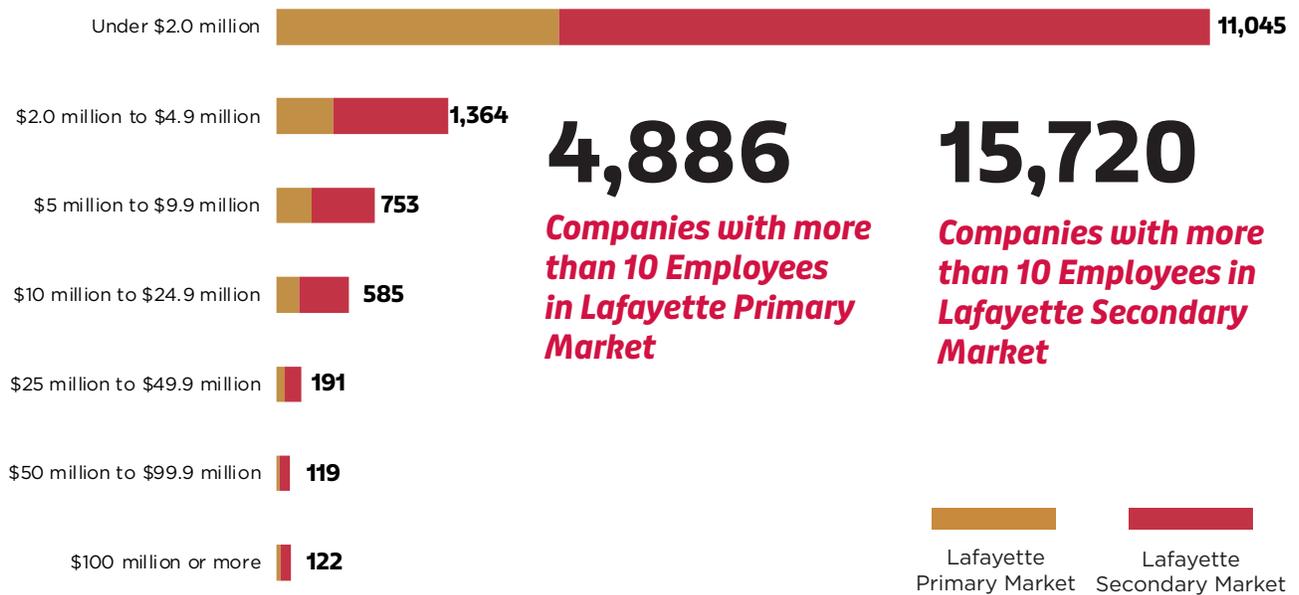


Lower Higher

Corporate Base

The depth and breadth of the corporate base can play a significant role in the overall success of the proposed Performing Arts Center and can provide an indication of the overall health of the local economy. Corporations can support Performing Arts Centers through the purchase of tickets, premium seating and sponsorship opportunities, as well as hosting events at the proposed Performing Arts Center such as job fairs, conferences, training seminars, meetings, and other such events. The chart below provide an overview of the corporate base of the primary and secondary market area of the proposed Performing Arts Center with at least 10 employees as this represents the most likely minimum size company that would participate in the venue.

Distribution of Corporate Base by Annual Sales

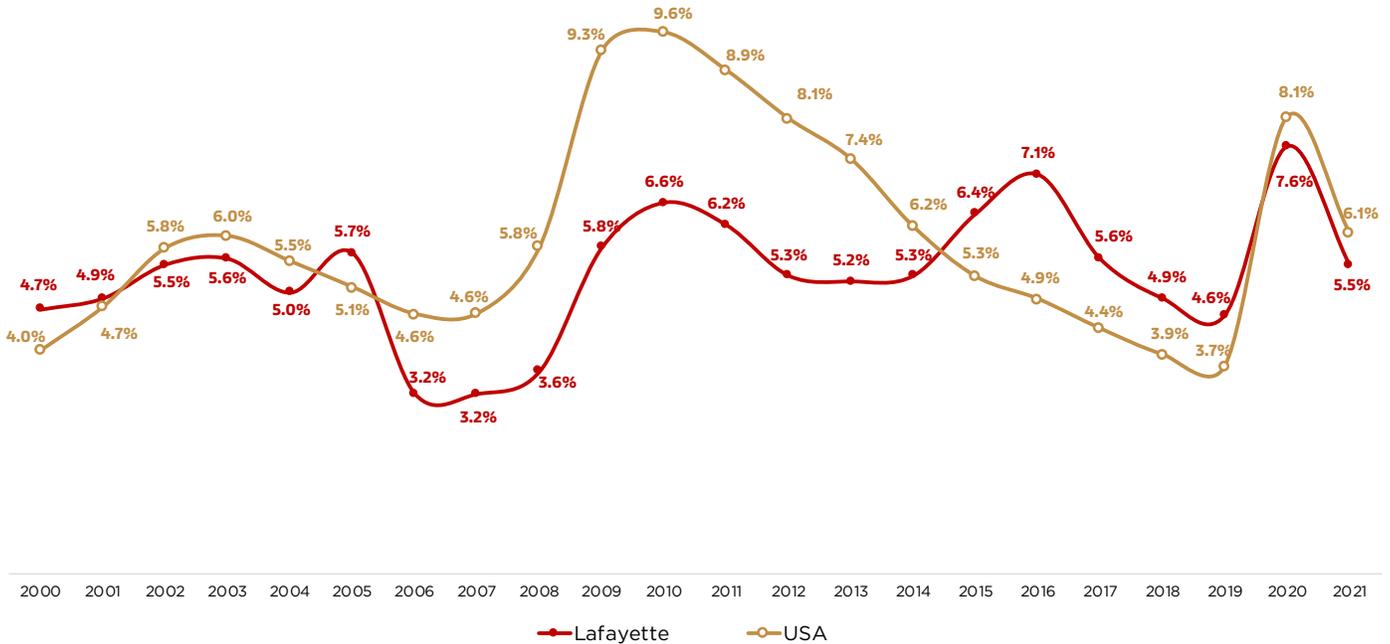


The primary market of the proposed Performing Arts Center has approximately 4,900 companies and the secondary market has more than 15,700 companies with varying sizes. Although the majority of companies are smaller (sales of less than \$5 million annually), it is envisioned that the proposed Performing Arts Center would offer a variety of opportunities for companies of all sizes to support the venue through varying levels of sponsorship and ticket opportunities, from program/play bill advertisements, event presenting sponsorships, group outings, back sponsorships, group outings, premium seating, founding partnerships, and title naming rights, among others.

Source: Hoovers, Note: Corporate base includes companies with at least 10 employees and excludes certain industries such as religious, non-profit, membership, governmental, or educational organizations and private households, as these represent industries that do not typically participate in Performing Arts Centers.

Unemployment

Similar to a market’s corporate base, unemployment rates can be a predictor of the economic health within a region. Higher unemployment rates can impact the market’s disposable income and the ability of the market to support the proposed Performing Arts Center through purchasing tickets and/or season tickets. The chart below presents a historical view of unemployment within the Lafayette region. As shown, the unemployment rate is typically 11 percent lower than the national average, mirroring the fluctuations within the national average but at a lower rate.



Impacts of the Global Pandemic

The COVID-19 Pandemic caused unemployment rates to rise across the U.S., including Lafayette. However, while Lafayette’s unemployment rates were higher than the U.S. as a whole before the pandemic, the area’s unemployment rates have dropped below the national averages, signifying Lafayette’s strong recovery out of the Pandemic.

Arts Vibrancy

A community's arts vibrancy index can provide an indication of the overall health of a community's arts and culture sector which plays a vital role in a city's livability and social cohesion. The data presented within this section of the report is based on the 2019 Arts Vibrancy Report produced by SMU DataArts, the National Center For Arts Research, which measures the relative strength of communities in terms of Arts Providers, Arts Dollars, Government Support, Socioeconomic, and Other Leisure characteristics. Each factor contributes to a community's overall arts vibrancy score and is measured on a scale of zero to 100 and can be interpreted as a percentile (i.e., a score of 53 indicates the market did better than 53 percent of communities on that measure). The following table shows Lafayette Parish's percentile scores across the various factors that constitute arts vibrancy.

Metric	Lafayette Parish
Arts Providers Number of existing Arts & Cultural Organizations in the area	0 ————— 100 84
Arts Dollars Revenues & Expenses of Arts & Cultural Organizations	0 ————— 100 75
Government Support all State & Local Grants awarded to Arts & Cultural Organizations	0 ————— 100 84
Socioeconomic Median Household Income of the area	0 ————— 100 80
Other Leisure Activities encouraging a vibrant Arts & Cultural community	0 ————— 100 94
TOTAL	417/500

Lafayette Parish has an average arts vibrancy score of 83, the second-highest in the state of Louisiana behind New Orleans. The Arts Provider's category is based on the number of existing arts and cultural organizations within the area, independent artists, arts and culture employees, and arts, culture, and entertainment firms such as museums, theaters, dance companies, performing arts groups, and other similar companies. Lafayette ranks above average in this metric, in the 84th percentile of the country.

Arts Dollars encompasses all revenues and expenses of arts and culture organizations, including contributions made by the private sector, payments to staff and artists, and revenue generated by arts and cultural events and activities. Lafayette ranks in the 75th percentile of the country on this metric.

Government Support measures all state and local grants awarded to arts and cultural organizations in the area, as well as federal dollars utilized to support arts and cultural organizations within the community. Lafayette ranks in the 84th percentile of the country in this metric.

The strongest metric for Lafayette in the arts vibrancy index is the Other Leisure category, which measures activities within the area that encourages a vibrant arts and cultural community, such as restaurants, bars, hotels, zoos, botanical gardens, professional sports, and other such activities. Lafayette ranks in the 94th percentile in the country in this metric, largely driven by the bustling restaurant scene receiving a score of 99. With a total vibrancy score of 417, Lafayette is a very strong arts market with the ability to support a performing arts center.

Area Tourism

According to the Lafayette Convention and Visitors Commission tourism is the second largest piece of the local economy. Lafayette is the heart of Cajun and Creole country and was named as the “Happiest City in America” by the National Bureau of Economic Research. The city has also been voted the “Best Food City” in the USA by USA Today. The tourism industry employs 22,000 people with \$500 million being spend by domestic visitors to Lafayette.

A new Performing Arts Center could realize additional attendance for events and performances as a result of people coming to the market for an extended period of time to visit these attractions and events, such as Vermilionville, the Lafayette Science Museum, and other such destinations. Additionally, visitation to top tourist destinations in the area could recognize higher levels of tourism as a result of events and performances hosted in the proposed Performing Arts Center. The top 10 most popular attractions in the Lafayette area are shown in the map below, as identified by Trip Advisor, in order to provide context for where visitors tend to congregate in the area as another means of assessing potential site locations for the proposed Performing Arts Center.

- | | | |
|-----------------------------------------------|-----------------------------------|----------------------------------------|
| 1 Vermilionville | 4 Acadian Village | 8 Children's Museum of Acadiana |
| 2 Lake Martin Rookery | 5 Lafayette Science Museum | 9 Cajundome & Convention Center |
| 3 Cathedral of St. John the Evangelist | 6 Acadian Cultural Center | 10 Evangeline State Park |
| | 7 Alexandre Mouton House | |



Key Takeaways

The ability of the proposed Performing Arts Center to attract spectators, generate community support, sell tickets, secure sponsors, and generate revenues is predicated, to some extent, on demographic and socioeconomic characteristics of the local market. The following are key takeaways from this analysis:



The primary market of the proposed Performing Arts Center (60-minute drive time) provides access to 673,000 residents while the secondary market (120-minute drive) provides access to 2.5 million residents. The primary and secondary market populations are expected to grow at annual rates of 0.4 percent, over the next five years, which is 44 percent less than the expected growth rate in the U.S. (0.7 percent), respectively.



The arts can provide culturally immersive experiences in an open, social setting, which is ideal for fostering social integration in a diverse market. Approximately 36 percent of the primary market for the proposed Performing Arts Center is considered minority, which is 10 percent less than the U.S. (46 percent).



A high diversity index score (on a scale of 0 to 100) indicates a more diverse population base while a low index score indicates a more uniform population base. The proposed Performing Arts Center's primary market has a diversity index of 52.3, which is 13 points lower than the nation as a whole (65.4).



The median age of the primary and secondary market of the proposed Performing Arts Center is 37.5 and 37.3, respectively, which are both over one year younger than the national median age (38.8). Approximately 37 percent of the primary market and secondary market is aged within the 35- to 64-year-old cohort, which is the age cohort that typically has higher median household incomes and greater entertainment spending levels, which represents a strong proportion of concert, musical, live theater, and classical musical performance attendees. The 37 percent within this age cohort within the primary and secondary market of the Performing Arts Center is approximately one percent below the 38 percent of the national population aged within the 35- to 64-year-old cohort.



Residents within the primary and secondary market of the Performing Arts Center both have a significantly lower median incomes (\$50,332 and \$53,841) than the national average (\$64,730) and live in a market with a slightly lower cost of living (89.7) when compared to the U.S. (100.0).



The corporate base for the primary market of the proposed Performing Arts Center consists of 1,475 corporations that have at least 10 employees and over \$2 million in revenue, while the secondary market has 4,689 corporations within the same criteria. The unemployment rate within Lafayette is 5.5 percent, which is nine percent lower than the national unemployment rate of 6.1 percent.



Lafayette has a very strong arts vibrancy, ranking in the 83rd percentile in the U.S. There are many arts and cultural organizations, artists, and entertainment firms. Tourism is the second largest piece of Lafayette's economy, with domestic visitors spending \$500 million in the past year.

Local market conditions are considered together with competition within the market and the historical operations of comparable venues to draw conclusions regarding the market potential for the proposed Performing Arts Center in Lafayette, LA.



Competitive Analysis

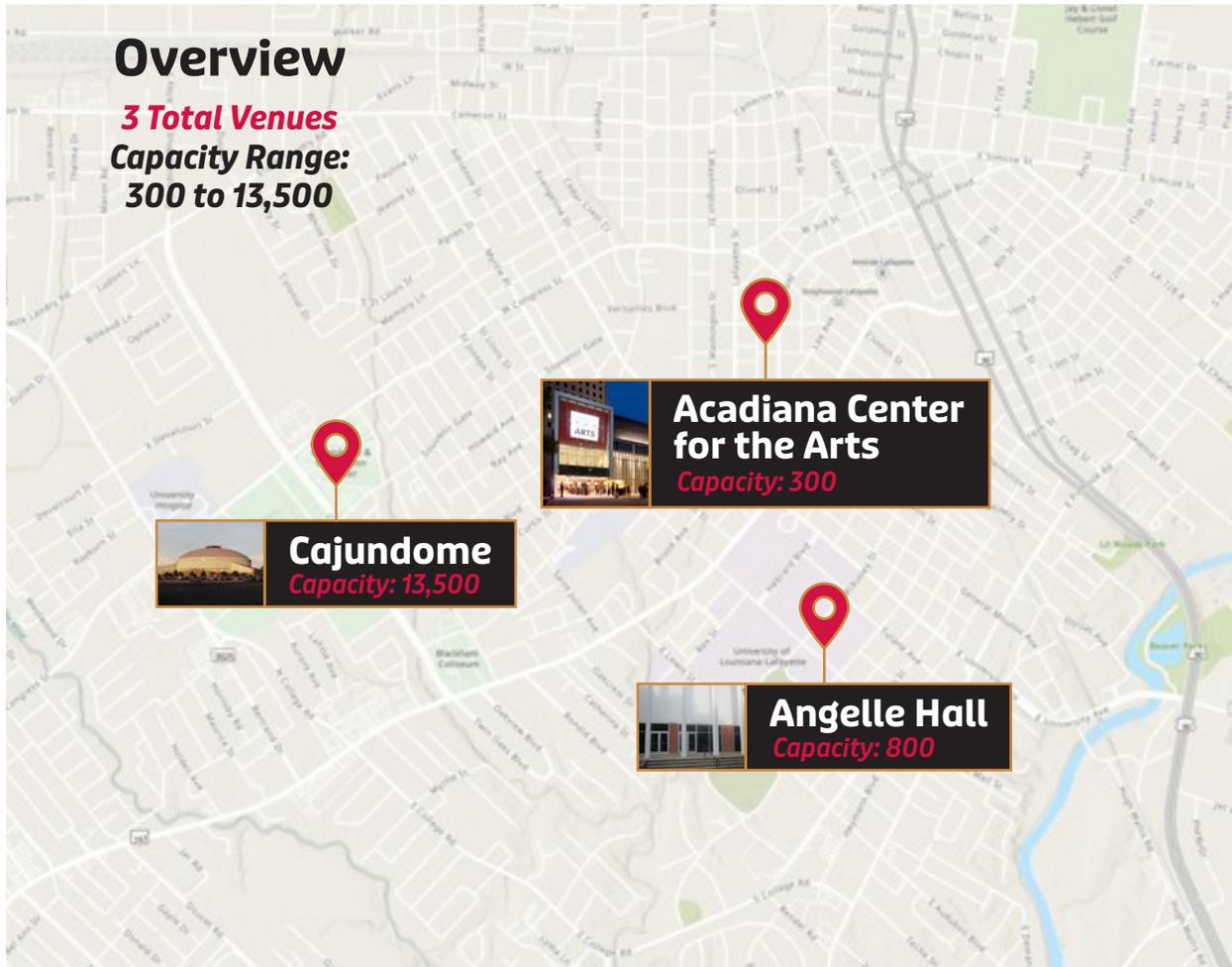


Local Market Venues

Currently there are three live entertainment venues in the Lafayette area including the 300-seat Acadiana Center For The Arts, 800-seat Angelle Hall, and the 13,500-seat Cajundome. There are no existing facilities with capacity between 800 and 13,500, which highlights a potential market niche for a facility within this range. The potential Performing Arts Center would fill this need by providing a venue that can host mid-sized events that are not large enough to fill the Cajundome.

Venue	Capacity	Type	Location	Distance to Downtown Lafayette	Competition Level
Acadiana Center For The Arts	300	Performing Arts Center	Lafayette	<1.0 mi	Low
Cajundome	13,500	Arena	Lafayette	1.6 mi	Moderate
Angelle Hall	800	Performing Arts Center	Lafayette	2.0 mi	Low

There are three active venues in the immediate area of the potential Performing Arts Center, as shown in the map below.



It should be noted that the Heymann Center is not considered competition because it is envisioned that the venue will close concurrently with the opening of the proposed Performing Arts Center.



Acadiana Center for the Arts

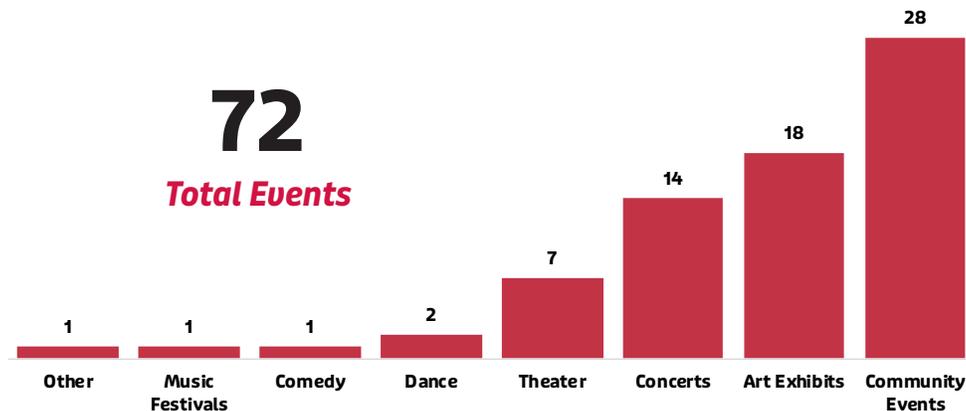
The Acadiana Center for the Arts (“AcA”) is a community-supported nonprofit organization that fosters art and culture in the region. The AcA features the 300-seat James Devin Moncus Theater, which opened in 2010 to meet a wide array of programming ranging from dance and drama, to spoken word, electrified or acoustic music, and film. Construction of the AcA cost approximately \$10 million.

Acadiana Center for the Arts James Devin Moncus Theater	
Capacity	300
Year Opened	2010
Project Cost	\$10.0 M

AcA supports the creation of new works of art, exhibits, festivals, performances, and public art across an eight-parish region that includes Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, and Vermilion Parishes. On average, AcA serves over 300,000 people annually and provides fair compensation to 2,700 artists.

In 2013, the AcA merged with the Performing Arts Society of Acadiana (“PASA”), whose mission is to educate, inspire, entertain, and culturally enrich the people of south Louisiana by providing local access to a diverse range of the performing arts. This merger supported the vision of both organizations and provided much-needed support to PASA’s programs. Founded in 1989, PASA served as a leading voice in the performing arts in South Louisiana for close to three decades.

The chart below displays the various types of events hosted at the AcA during the 2019-2020 season. It should be noted that there were additional scheduled events that were canceled due to COVID-19.



The AcA will continue to serve as the home of arts and community events with attendance of 300 or fewer.



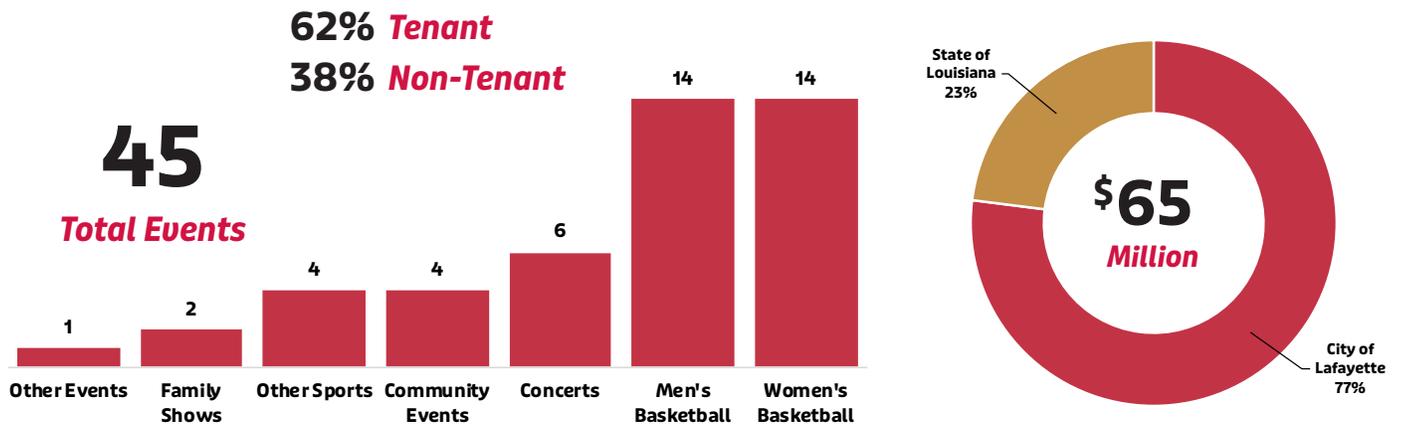
Cajundome

The Cajundome is an arena on the campus of the University of Louisiana at Lafayette and is owned by the University and operated by the Cajundome Commission. Home to the Ragin’ Cajuns men’s and women’s basketball teams, the 13,500-seat arena adjoins a convention center that offers approximately 37,000 square feet of exhibition space and 12,000 square feet of meeting space.

Cajundome	
Capacity	13,500
Year Opened	1985
Project Cost	\$65 M
Funding	100% Public

Construction began on the Arena in 1981 at a cost of approximately \$65 million, all of which was publicly funded. The State of Louisiana contributed \$50 million towards the project including the land, with the City of Lafayette contributing the remaining \$15 million through existing funds in the City’s budget. The Arena opened in November of 1985 with a concert featuring Kenny Rogers.

Since the Arena opened in 1985, it has hosted numerous high-profile acts such as Elton John and Garth Brooks. In 2019, the last full year before the COVID-19 pandemic, the Cajundome hosted 45 total events, including men’s and women’s basketball, concerts, family shows, community events, other sports such as boxing, and other events such as the WWE. The chart below shows the distribution of event types in 2019.



The Cajundome fills the market need for a large-scale venue that can host major national acts as well as Division I athletics. Due to its size, it is unlikely that the potential Performing Arts Center will compete for similar events.



Angelle Hall

Angelle Hall is the music building on the campus of the University of Louisiana at Lafayette. Completed in 1965, the Hall was named in honor of Robert J. Angelle, a successful banker in the Lafayette area who served in the Louisiana House of Representatives for more than 30 years.

Angelle Hall	
Capacity	800
Year Opened	1965

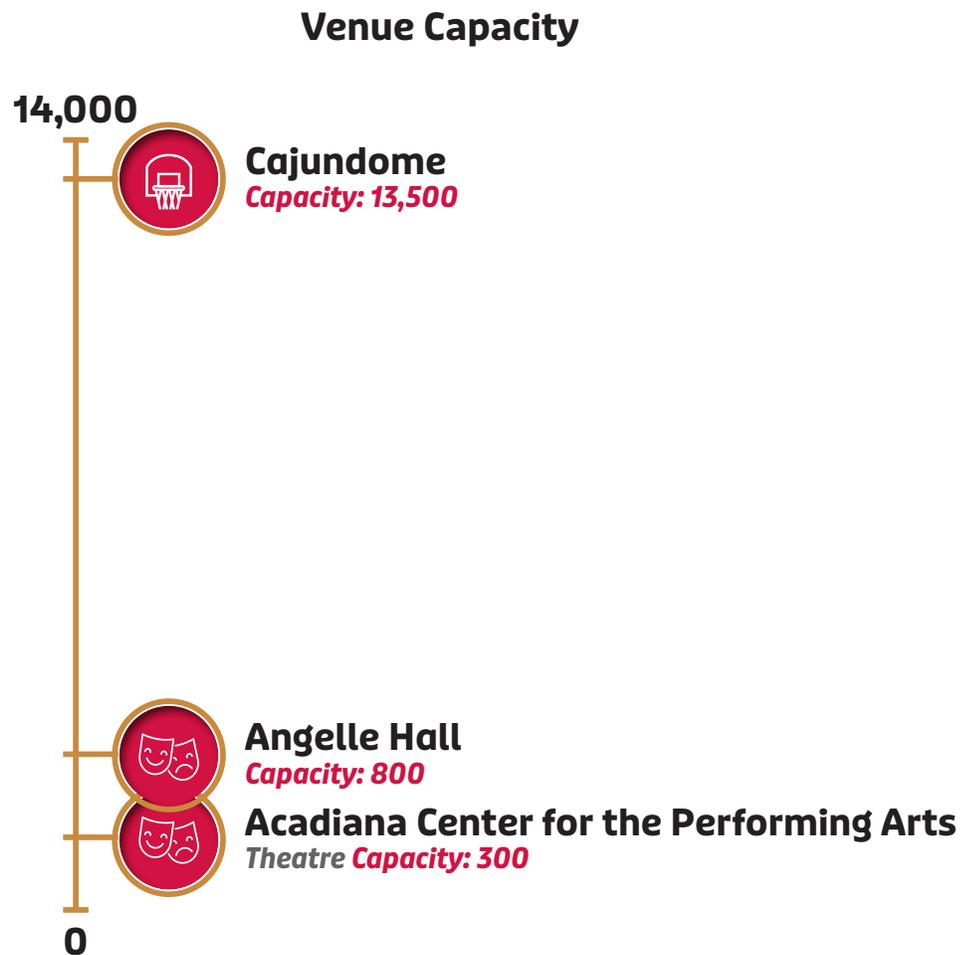
The Hall consists of two adjoining buildings equipped with instructional and performance facilities, including a 105-seat hall used for lectures and smaller recitals, 40 practice rooms, three large ensemble rehearsal rooms, and a percussion wing. The Hall also features the Ducrest-Gilfry Auditorium, an 800-seat concert hall that hosts a number of concerts and theater shows including University musical performances, the annual UL Homecoming Concert, and the UL Lafayette Concert Series.

Summary

The following chart shows a summary of the three competitive venues in the area for a potential new Performing Arts Center.

Capacity

The total capacities of competitive facilities can provide an indication of the market needs in terms of building program for the potential Performing Arts Center. The chart below depicts the capacity among identified competitive facilities.



As shown, competitive venues range in capacity from 300 (Acadiana Center For The Arts) to 13,500 (Cajundome), resulting in a median capacity of 800. Because of the wide range in performing arts facilities in the local area, there is a market niche for a new venue with a total seating capacity between 1,000 and 5,000. It is anticipated that the potential new Performing Arts Center could fill this gap in the market.

Regional Competitive Venues

In addition to local competition in terms of event and attendance utilization, the potential Performing Arts Center is also expected to face competition from regional facilities, which will compete largely for a limited supply of touring events, including Broadway, theater, concerts, family shows, performing arts, etc.

Accordingly, the table below depicts the potential competitive facilities within the regional Lafayette area (approximately 150-mile radius) with a seating capacity between 1,000 and 10,000.

Venue	Capacity	Type	Location	Distance to Downtown Lafayette	Competition Level
James E. Sudduth Coliseum	7,500	Arena	Lake Charles	69 mi	Low
Rosa Hart Theatre	2,000	Theater	Lake Charles	74 mi	Low
Golden Nugget Lake Charles	2,614	Theatre	Lake Charles	78 mi	Moderate
Isle of Capri Casino	1,300	Theatre	Lake Charles	84 mi	Moderate
Rapides Parish Coliseum	8,500	Arena	Alexandria	92 mi	Low
Union Theatre	1,200	Theater	Baton Rouge	134 mi	Low
Texas Club	1,300	Club	Baton Rouge	138 mi	Low
Performing Arts Theatre	1,897	Performing Arts Center	Baton Rouge	143 mi	Low
Jefferson Performing Arts Center	1,041	Performing Arts Center	New Orleans	154 mi	Moderate
Champions Square	8,500	Amphitheater	New Orleans	158 mi	Low
Orpheum Theater	1,800	Theater	New Orleans	158 mi	Low
Saenger Theatre	2,613	Theater	New Orleans	158 mi	Low
State Palace Theatre	3,000	Performing Arts Center	New Orleans	158 mi	Moderate
The Sugar Mill	3,200	Theatre	New Orleans	158 mi	Low
The Carver Theater	1,000	Theater	New Orleans	159 mi	Low
Mahalia Jackson Theater For The Performing Arts	2,181	Arena	New Orleans	159 mi	Moderate

Note: Sorted by distance to downtown Lafayette

■ Venues with moderate competitive impacts to the potential Performing Arts Center in Lafayette, LA.

As shown above, there are 16 competitive venues within roughly a 150-mile radius from downtown Lafayette with a total capacity between 1,000 and 10,000, ranging from a low of 1,000 at Carver Arena to a high of 8,500 at Champions Square amphitheater.

All the venues shown above are located more than 50 miles from downtown Lafayette, which likely will prevent them from competing directly with a new Performing Arts Center in terms of attendance. Because the primary markets do not overlap, these venues serve primarily as complementary venues, allowing for a natural tour route between them for popular touring events such as Broadway shows or concerts. It is possible that some of the moderately competitive venues located in larger markets (i.e. New Orleans) could compete for larger touring events within the region, such as touring Broadway and concerts. With radius clauses of 90 miles, there are some shows that will play only New Orleans, Baton Rouge, Lake Charles or Lafayette during their routing.

7 Comparable Benchmarking



Comparable Facilities

The purpose of this section is to provide an assessment of the physical, operational, and financial characteristics of comparable performing arts centers to serve as a benchmark to assess the viability of the proposed Performing Arts Center in Lafayette, LA. These venues were identified based on a combination of the following physical and/or operational criteria:

- venues built or renovated within the past 20 years;
- located in similar markets in terms of population and diversity;
- approximate capacity of 1,000 to 2,500 seats;
- other physical and programming characteristics;
- similar performing arts venues located in the regional Lafayette area; and,
- other venues identified by project stakeholders for further research and analysis.

The following table presents a summary of eight selected venues that were subject to further case study analysis.

Comparable Facilities

Venue	Location	Year Opened (Renovated)	Capacity	60-Minute Drive Time Population
Chrysler Hall	Norfolk, VA	1971 (2022)	2,473	1.7 M
Peace Center	Greenville, SC	1990 (2012)	2,115	1.5 M
Wagner Noël Performing Arts Center	Midland, TX	2011	1,819	433 K
Clayton Center for the Arts	Maryville, TN	2010	1,068	1.0 M
Sandler Center for the Performing Arts	Virginia Beach, VA	2007	1,308	1.6 M
Globe News Center for the Performing Arts	Amarillo, TX	2006	1,300	360 K
Holland Performing Arts Center	Omaha, NE	2005	2,000	1.3 M
Fox Cities Performing Arts Center	Appleton, WI	2002	1,964	900 K
AVERAGE		2007	1,705	1.0 M

Note: Ordered by Year Opened/(Renovated)

Note: For complexes with multiple venues, capacity reflects that of the main performance halls. Note: Lafayette 60-minute drive time population is approximately 673,000.

The remainder of this section provides in depth case studies of the identified comparable venues.



Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Chrysler Hall	Norfolk, VA	1971 (2022)	\$40.6 M	Public 100% Private 0%	2,473

Owner	Operator	Setting	Events	Attendance	Financial Operations
City of Norfolk	SevenVenues	Downtown	180	235,000	N/A

Chrysler Hall

Opened in 1971, Chrysler Hall is a 2,473-seat theater located in downtown Norfolk, Virginia and is situated adjacent Norfolk Scope, an 11,000-seat multi-purpose arena that is home to a minor league hockey tenant and hosts a variety of third-party events.

The venue is owned by the City of Norfolk and operated by SevenVenues, which serves as the Entertainment Bureau for the City of Norfolk under the Department of Cultural Facilities, Arts, and Entertainment. The facility is home to the Virginia Symphony Orchestra, Virginia Ballet, Norfolk Forum, Broadway in Norfolk, Generic Theater, and the Virginia Arts Festival.

A planned renovation in 2022 is expected to include an approximate eight percent increase in capacity to 2,665 seats (from 2,473), the addition of new restrooms facilities, expansion of the lobby, and upgrades to other building systems. The renovation also includes the construction of a 2,400-square-foot performance venue and rehearsal space for the symphony. All funding for the \$40.6 million renovation is expected to come from the City’s Capital Improvement Fund, which is financed via a variety of public sources, including general fund surplus cash contributions and allocations from a variety of City-operated funds, including parking facilities, public amenities, storm water management, waste water utility, and water utility, among other others.

Currently, the 2,473-seat venue has seats located across four levels including: orchestra (1,340 seats), dress circle (412 seats), balcony (583 seats), and pit (138 seats). In terms of artist/tenant accommodations, Chrysler Hall is equipped with 11 dressing rooms, ranging in size from a capacity of two to 24.

In 2019, Chrysler Hall hosted 180 ticketed events that had an average paid attendance of 1,306 (total annual attendance of approximately 235,000) and an average ticket price of \$52. The events consisted of 145 Broadway shows (81 percent), 23 concerts (13 percent), six family shows (three percent), and six other entertainment acts (three percent). A variety of acts have played Chrysler Hall including Hamilton, Wicked, Fiddler on the Roof, Steve Martin, Martin Short, Gladys Knight, and Styx, among others.





Chrysler Hall

Chrysler Hall features the Stage Left Lounge, a premium amenity located on the balcony level of the complex. The lounge offers early entry to Chrysler Hall, use of the lounge 90 minutes prior to performance and during intermissions, two complimentary beverages (including beer and wine), a selection of hors d'oeuvres and desserts, and private restrooms. Lounge passes can be purchased by any ticket buyer as an upgrade on an event-by-event basis. The lounge is offered on an event-by-event basis for an additional \$38.50 per ticket.

Chrysler Hall is operated as one of seven cultural facilities by the City's organization SevenVenues. As such, financial information related to venue operations could not be separated. Overall, the Department of Cultural Facilities, Art & Entertainment, which mainly includes SevenVenues, has an annual budget of approximately \$6.4 million.





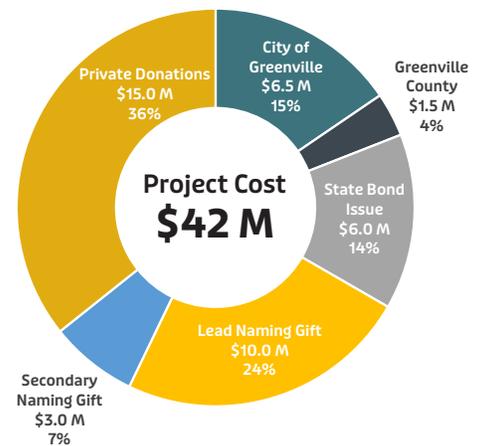
Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Peace Center	Greenville, SC	1990 (2012)	\$42 M \$23 M (Renovation)	Public 33% Private 67%	2,115

Owner	Operator	Setting	Events	Attendance	Financial Operations
City of Greenville	Peace Center Foundation	Downtown	400	360,000	\$2.2 M Profit

Peace Center

Opened in 1990, the Peace Center is a three-venue, performing arts complex, located Greenville, South Carolina. The venue is owned by the City of Greenville and operated by the Peace Center Foundation. The three performance spaces include the main 2,115 seat Peace Concert Hall, 400-seat Gunter Theatre, and TD Stage. The Peace Center is home to five resident companies: Carolina Ballet Theatre, Greenville Chorale, Greenville Symphony, International Ballet, and South Carolina Children’s Theatre.

The original funding of the facility totaled \$42 million, with 67 percent coming from private donations. Private donations were led by the Peace family who kicked off a capital fund by donating \$10 million for the naming of the venue and Dorothy Gunter donation \$3 million towards the naming of the 400-seat theater. Public funding included \$6.5 million from the City of Greenville, \$6 million from a state bond issue, and \$1.5 million from Greenville County general funds.



Funding for the 2012 renovation totaled \$23 million of which 85 percent were raised by private donations. The public sources of funding came from the City of Greenville which contributed \$2.5 million and Greenville County which contributed \$1 million. The renovation consisted of doubling the size of the concert hall lobby, adding a new 4,000-square-foot patron lounge, creating an education studio and multipurpose loft, and redesigning the outdoor amphitheater to create a new performance platform.

Currently, the 2,115-seat concert hall has seats located across three levels including: orchestra (1,190 seats), dress circle (438 seats), and gallery (487 seats). In a typical year, the Peace Center, as a whole, hosts approximately 400 total events that have an average attendance of 903 (total annual attendance of approximately 360,000). Representatives indicated the main concert hall hosts 10 Broadway shows, a Greenville Symphony Orchestra season, ballet, theatre, concerts, comedians on an annual basis. A variety of acts have played the Peace Center including Steve Martin, Yo-Yo Ma, Hamilton, Jesus Christ Superstar, Lyle Lovett, Tom Segura, Earth, and Wind & Fire, among others. It is important to note that the Peace Center has a \$10 million endowment that allows management to attract large touring acts that may not typically go to Greenville.



Peace Center

In terms of premium seating, the Peace Center's main concert hall contains 12 boxes, ranging from four to eight seats, that are offered to donors. For the Broadway season, boxes cost \$943 per seat and are eligible to be purchased by patrons who donate at least \$1,500 annually. The premium lounge, Genevieve's, is a restaurant where donors have early access to make reservations before show times. The venue also has ample multi-use space with the Huguenot Mill and Huguenot Loft, which can be used for weddings, celebrations, corporate gatherings, and other special events. The Peace Center sells ticketing packages for their Broadway season (ranging from \$328 to \$943) and Greenville Symphony Orchestra season, all other shows are purchased on an event-by-event basis.

According to the Center's 2019 public financial statement (the latest year the data is available), the venue generated approximately \$27.4 million in revenue, including \$21 million in program services, \$3 million in contributions and grants, \$1 million in investment income, and \$2 million from other revenue sources (such as asset sales, royalties, etc.) Operating expenses totaled approximately \$25.2 million, including \$6 million in salaries. The Center operated at a profit of approximately \$2.2 million in 2019.





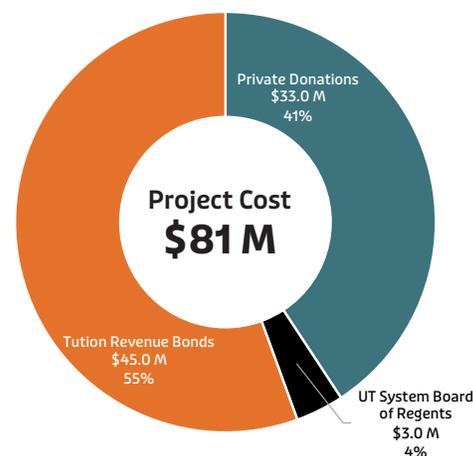
Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Wagner Noël Performing Arts Center	Midland, TX	2011	\$81M	Public 59% Private 41%	1,827

Owner	Operator	Setting	Events	Attendance	Financial Operations
University	ASM Global	Suburban	137	143,850	N/A

Wagner Noel Performing Arts Center

Opened in 2011, Wagner Noël Performing Arts Center is a 1,827-seat theater located between Midland and Odessa, Texas. The venue is owned by the University of Texas of the Permian Basin and operated by ASM Global. The facility is home to the Midland - Odessa Symphony and Chorale, Midland Festival Ballet, University of Texas Permian Basin Music Department, Broadway in the Basin, and Live on Stage Permian Basin.

The \$81 million facility was funded through private donations totaling \$33 million (41 percent), \$3 million from the UT Board of Regents (four percent), and \$45 million from Tuition Revenue Bonds (55 percent). \$10 million of the private contributions came from Ellen Noël and Lissa and Cy Wagner for which the venue is named.



Currently, the 1,827-seat venue has seats located across three levels including: 982 orchestra seats, 365 dress circle seats, and 480 gallery seats. The building also has a 192-seat recital hall. In 2013, the facility received the Merit Award from USITT Architecture Awards.

In typical year, Wagner Noël hosts approximately 137 ticketed events that have an average paid attendance of 1,050 (total annual attendance of approximately 144,000). Representatives indicated the venue hosts more concerts, family shows, and comedy shows compared to fine arts performances based on the interests in West Texas. Wagner Noël also hosts Broadway and Symphony series, for which there is a specific ticketing package. Instead of a fine arts series, there are fine arts performances scattered throughout the year. A variety of acts have played Wagner Noël including Tim Allen, The Bachelor Live On Stage Tour, Gabriel Iglesias, Bob Dylan, Jerry Seinfeld, Willy Nelson, and Diana Ross, among others.



Wagner Noel Performing Arts Center

As part of the funding for Wagner Noël, donors to the capital campaign received a seat license in some of the best locations of the theater. In total, there are 372 seats with seat licenses including all boxes on the first and second level. Seat license owners have the first right of refusal on their seats 72 hours prior to the general public.

Wagner Noël does not have any dedicated premium space or lounge. Representatives from Wagner Noël expressed a desire for this type of exclusive space to host special events and donor events.

Financial operating data for the Wagner Noel Performing Arts Center was not publicly available.





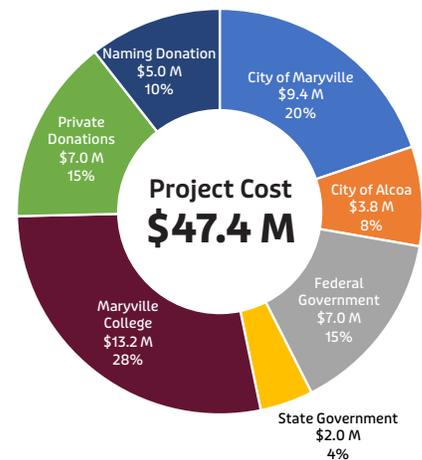
Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Clayton Center for the Arts	Maryville, TN	2010	\$47.4 M	Public 47% Private 53%	1,353

Owner	Operator	Setting	Events	Attendance	Financial Operations
Clayton Center for the Arts	Maryville College	College Campus	50	47,500	\$200,000 Deficit

Clayton Center for the Arts

Opened in 2010, Clayton Center for the Arts is a performing arts center located on the campus of Maryville College in Maryville, Tennessee, less than 20 miles outside of Knoxville. The Center is the result of a partnership project between the cities of Maryville and Alcoa and Maryville College. The college leased the land to a development group who own the facility, while the college operates the venue.

The \$47.4 million facility was funded through \$9.4 million (20 percent) from the city of Maryville, \$3.8 million (eight percent) from the city of Alcoa by increased property tax revenue, \$7 million (15 percent) from federal government grants, \$2 million (four percent) from state government grants, \$13.2 million (28 percent) from Maryville College, and a total of \$12 million (25 percent) in private contributions, of which \$5 million (10 percent) was a naming donation for the venue.



Clayton Center for the Arts has three performance spaces: the 1,353-seat Ron and Lynda Nutt Theatre, 244-seat Harold and Jean Lambert Recital Hall, and the 200-seat Haslam Family Theater. In total the facility has between 400 and 500 events per year. The main 1,353-seat theatre has seats located across three levels including: orchestra (736 seats), mezzanine (235 seats), and balcony (382 seats). The high range of pricing for the front of the orchestra section is \$80, while the back of the orchestra section and mezzanine levels average per ticket is \$65, and the balcony seats typically sell for less than \$50. The Center sells full season (10 shows) packages for touring Broadway shows at a 20 percent discount from single-show pricing and a four-show package for a 10 percent discount.

In a typical year, the Ron and Lynda Nutt Theatre at Clayton Center for the Arts hosts 50 ticketed events that have an average paid attendance of 950 (total annual attendance of approximately 47,500). The events consist of 10 Broadway shows (20 percent), 15 college performances (30 percent), 20 shows from resident companies such as the ballet, Opera, symphony, etc. (40 percent), and five shows from the children’s theater company (10 percent). In addition to the ticketed shows, the cities of Maryville and Alcoa host roughly 30 large music ensembles for their public schools per year. A variety of acts have played Clayton Center for the Arts including The Choir of Man, The Warren Brothers, Judy Collins, and Bill Engvall, among others.



Clayton Center for the Arts

Clayton Center for the Arts has ample special use space in the facility. There are four art galleries (two off the grand foyers), the Fulmer Family Special Events Room located on the balcony level which can accommodate up to 40 people, and the William Baxter Lee III Grand Foyer which can accommodate more than 250 for a seated dinner or wedding.

While there is no premium seating in the theatre, there is a donor program where individuals can enjoy a pre-show reception in the lounge, among other benefits. The Clayton Center Patrons Circle is a donor program with three levels: Producers Level (\$1,000 annual gift), Director Level (\$500 to \$999 annual gift), Performer Level (\$100 to \$499 annual gift). Additional benefits to donors include VIP parking passes, advance notice on ticket sales, and invitations to season premiers and exclusive events.

The initial budget for the facility projected roughly \$1 million in expenses and \$800,000 in revenues, with Maryville College covering the deficit.





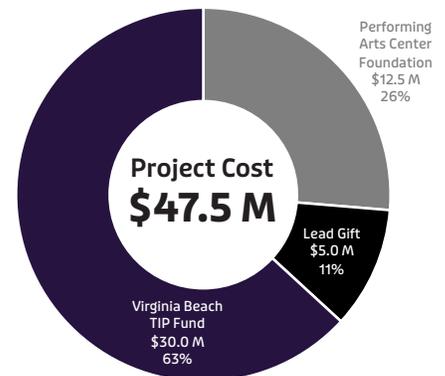
Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Sandler Center for the Performing Arts	Virginia Beach, VA	2007	\$47.5 M	Public 63% Private 37%	1,308

Owner	Operator	Setting	Events	Attendance	Financial Operations
City of Virginia Beach	Spectra	City	144	165,600	N/A

Sandler Center for the Performing Arts

The Sandler Center for the Performing Arts is a 1,308-seat performing arts theater located in Virginia Beach, Virginia. The venue opened in 2007 and is owned by the City of Virginia Beach Office of Cultural Affairs and operated by Spectra. The venue is home to Ballet Virginia, Symphonicity, Tidewater Winds, Virginia Arts Festival, Virginia Beach Chorale, Virginia Beach Forum, Virginia Musical Theater, and the Governor’s School for the Arts. The facility has more than 3,000 free parking spaces within close proximity to the venue.

The cost to construct the Sandler Center for the Performing Arts totaled \$47.5 million. Funding consisted of \$12.5 million (26 percent) generated through private donations to the Performing Arts Center Foundation, \$5.0 million (11 percent) from a lead gift and \$30.0 million (63 percent) in contributions from the City of Virginia Beach’s Tourism Investment Program Fund (“TIP Fund”).



The TIP Fund was created in 2011 to both fund construction for the Sandler Center, Convention Center, and a parking expansion for the Virginia Aquarium, and to promote tourism and growth in the Virginia Beach area. The TIP Fund is primarily funded through taxation on restaurants (1.06 of 5.5 cents), hotel rooms (five of eight percent), amusement admissions (all of 10 percent tax), and cigarette purchases (five of 65 cent tax).

The venue’s 1,308 seats are located across three levels including: orchestra (643 seats), balcony (320 seats), and mezzanine (345 seats). In addition, the Sandler Center features a 2,400-square-foot studio theater that can be set up for a theatrical production, and a 900-square-foot Wood Founders Room, which provides a more intimate event location for approximately 60 guests, as well as two classrooms equipped with audio and visual capabilities to accommodate a meeting or a lecture. The Sandler Center for the Performing Arts also features an art gallery on its second and third floors, with pieces of art from the Virginia Beach Public Art program.



Sandler Center for the Performing Arts

In 2019, Sandler Center for the Performing Arts hosted 458 events, 144 of which were ticketed. Ticketed events had an average paid attendance of 1,150 and average ticket price of \$52 and consisted of 79 Broadway shows (55 percent), 36 concerts (25 percent), and 29 other entertainment acts (20 percent). A variety of acts have played Sandler Center for the Performing Arts including Travis Tritt, Three Dog Night, Michael Feinstein, among others. Non-ticketed events included a variety of senior programming, such as dance and summer camps, private rentals, and City functions and gatherings.

The Sandler Center for the Performing Arts does not include premium seating amenities.

In a recent year, the Sandler Center generated approximately \$2.0 million in gross ticket revenue and incurred expenses of approximately \$547,000. The Sandler Center limits its direct operational expenditures as the facility is operated by the Office of Cultural Affairs, which places some expenditures, such as staffing and other organizational aspects, on its own pro forma. Total expenditures for the Office of Cultural Affairs in a recent year, was approximately \$2.7 million, the vast majority is supported through general City funding.





Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Globe News Center for the Performing Arts	Amarillo, TX	2006	\$32.0 M	Public 0% Private 100%	1,300

Owner	Operator	Setting	Events	Attendance	Financial Operations
City of Amarillo	City of Amarillo	Downtown	73	62,000	\$70,000 Deficit

Globe News Center for the Performing Arts

Opened in 2006, The Globe News Center for the Performing Arts is a 1,300-seat theater located in downtown Amarillo, Texas and is situated adjacent to the Amarillo Civic Center, which has a roughly 2,300-seat auditorium and a Coliseum with a maximum capacity up to 7,000.

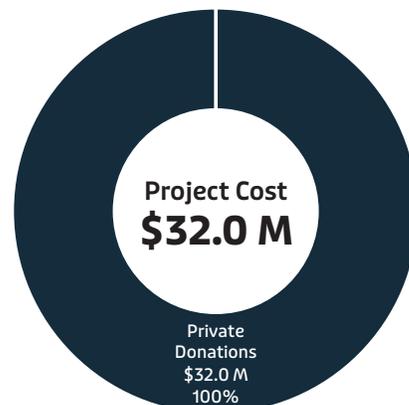
The venue is owned and operated by the City of Amarillo. The facility is home to four resident companies including Amarillo Opera, Lone Star Ballet, Amarillo Symphony, and Window On a Wider World, an educational program for the sciences and arts for Texas Panhandle elementary schools.

The land for the \$32 million facility was provided by the City though the venue itself was entirely privately funded, with the largest gift coming from Caroline Bush Emery who gave \$7 million and received naming rights for the main performance hall. Other initial donors received seat licenses for their contributions.

Currently, the 1,300-seat venue has seats located across two levels including: orchestra (980 seats) and balcony (320 seats). In terms of artist/tenant accommodations, Globe News is equipped with a loading dock that opens to a small garage with access to the backstage dock and a one-of-a-kind retractable orchestra shell.

In a typical year, Globe News is utilized 238 days per year with 73 performances, 81 rehearsal days, 23 parties/receptions, 19 meetings/conferences, 16 move in/out days, nine banquets, and 17 other events. The 73 performances consist of 20 symphony performances, 14 ballet shows, 11 youth musical events, eight concerts and shows (non-arts), five theatrical shows, five children’s theater shows, two opera shows, and eight other events. Broadway touring shows do not perform at Globe News Center for the Performing Arts instead using the larger Civic Center auditorium. A variety of acts have played Globe News Center for the Performing Arts including Gordon Lightfoot, Cheech Marin, Colin Mochrie, Paw Patrol Live, “Weird Al” Yankovic, Miranda Lambert, among others.

Each art group that performs at the Globe News Center for the Performing Arts sells tickets themselves, some offering ticketing packages (i.e. Ballet).





Globe News Center for the Performing Arts

In terms of premium seating, Globe News features four two-seat boxes, eight four-seat boxes, and two 12-seat boxes, all of which have seat licenses for donors. Additionally, there is a founder's lounge on the second floor with a bar exclusively for seat license owners. The three-tiered lobby has concessions on the second and third floor. The facility also includes the Gilliland Education Room is a 1,750 square foot space on the north side of Globe News designed to simulate the dimensions of the Carol Bush Emeny Hall stage and hosts meetings, receptions, and rehearsals.

In a recent year, Globe News Center for the Performing Arts had total operational costs of \$261,000 and revenues of \$191,000. The \$70,000 deficit was funded through the City of Amarillo's hotel occupancy tax.





Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Holland Performing Arts Center	Omaha, NE	2005	\$92.0 M	Public 15% Private 85%	2,000

Owner	Operator	Setting	Events	Attendance	Financial Operations
Omaha Performing Arts Center	Omaha Performing Arts Center	Downtown	106	160,000	N/A

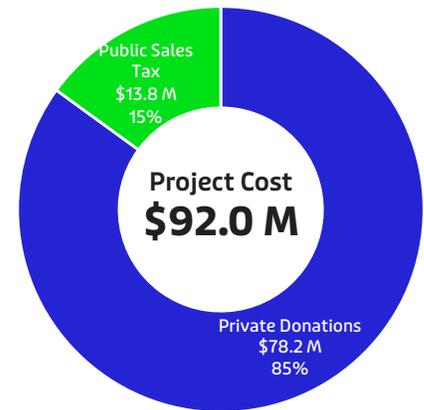
Holland Performing Arts Center

Opened in 2005, Holland Performing Arts Center is a 2,000-seat theater located in downtown Omaha, Nebraska. The venue is owned and operated Omaha Performing Arts, a non-profit that also manages The Orpheum Theater, a historic theater in downtown Omaha that is home to Opera, Ballet, Broadway and other shows. The facility is home to the Omaha Symphony Orchestra, Holland Music Club, and River City Mixed Chorus. The Holland Performing Arts Center was created, in part, due to a 1997 study that recommended building a new venue to ease the crowded schedule of The Orpheum.

The \$92 million facility was funded through \$78.2 million in private donations (85 percent) with a public sales tax adding an additional \$13.8 million (15 percent).

Currently, the 2,000-seat venue has seats located across four levels including: orchestra (1,113 seats), mezzanine (304 seats), balcony (583 seats), In terms of artist/tenant accommodations, the Susan Morris Star Artist Suite (the largest artist dressing room) includes a shower, private dressing space, and reception area. The Tim and Teddi Slattery Gathering Room is another artist-dedicated space for gathering before and after each rehearsal and performance.

In a typical year, Holland Performing Arts Center hosts 106 ticketed events that had an average paid attendance of 1,500 (total annual attendance of approximately 160,000). A variety of acts have played Holland Performing Arts Center including Hasan Minaj, Neil DeGrasse Tyson, Tori Kelly, Tiffany Haddish, Death Cab for Cutie, among others





Holland Performing Arts Center

Holland Performing Arts Center has added many lounges and premium spaces since its opening in 2005. In 2007 the 350-seat Scott Recital Hall was opened, serving as the home to Holland Music Club. In 2015, the Founders Room was renovated to offer donors and special guests private restrooms, coach check, and bar service as well as a post-performance reception area. In 2018, the Skyview Terrace and Capstan Lounge, which can be rented for private events on non-event days, opened to serve as full-service bars with views of downtown Omaha. The venue also features an on-site restaurant open to reservations from the public, education center for youth classes and performances, and an open-air courtyard.

The Holland Performing Arts Center is operated by Omaha Performing Arts. As such, financial information related to venue operations could not be separated. According to the Center's 2019 public financial statement, Omaha Performing Arts generated approximately \$23.3 million in revenue, including \$16.3 million in program services and \$7.0 million in private contributions. Operating expenses totaled approximately \$24.2 million including \$5.3 million in programming, \$5.5 million in salaries, \$3.2 million in occupancy, and \$2.9 million in occupancy operated at a deficit of approximately \$858,000 in 2019.



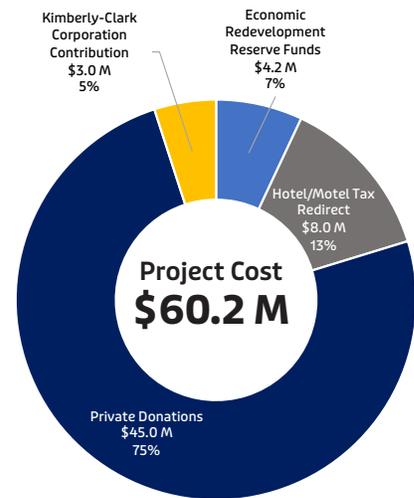


Venue Name	Location	Year Opened	Project Cost	Funding	Capacity
Fox Cities Performing Arts Center	Appleton, WI	2002	\$60.2 M	Public 20% Private 80%	1,964
Owner	Operator	Setting	Events	Attendance	Financial Operations
Fox Cities Performing Arts Center Inc.	Fox Cities Performing Arts Center Inc.	Downtown	129	177,400	\$1.6 M Profit

Fox Cities Performing Arts Center

Opened in 2002, the Fox Cities Performing Arts Center is a two-venue, performing arts complex, located in Appleton, Wisconsin. The venue is owned and operated by Fox Cities Performing Arts Center, Inc., a non-profit organization with a mission to serve as a community gathering place where community members can engage in educational opportunities and enhance the enjoyments of life through the creation and presentation of the arts. The facility hosts four annual series including Broadway, Boldt Arts Alive!, Spotlight, and Community First Community Engagement.

Approximately 20 percent (\$12.2 million) of the \$60.2 million Center was funded through public mechanisms and approximately 80 percent (\$50 million) was funded through various private sources. Public funding included \$8.0 million from the City redirecting hotel/motel tax revenues and \$4.2 million in funds from the economic redevelopment reserve. Private funding sources included \$48 million in donations, \$45 million of which was raised in a fundraising campaign from over 2,700 local residents and businesses and \$3.0 million of which came from a contribution from the Kimberly-Clark Corporation.



The complex is comprised of two main venues, Thrivent Hall and Kimberly-Clark Theater. Thrivent Hall is a 1,964-seat theater with seats located across four levels: the main orchestra (886 seats), dress circle (325 seats), grand tier (334 seats), and the family circle (419 seats). The Hall is equipped with three loading docks and eight dressing rooms. The Kimberly-Clark Theater is an open black box theater space equipped with retractable telescopic seating risers and a portable stage platform that is utilized for a variety of performances and community meetings. The theater has approximately 4,102 square feet of floor space and a capacity of 450.



Fox Cities Performing Arts Center

In 2019, Fox Cities Performing Arts Center hosted 442 events, 129 of which were ticketed (29 percent). Ticketed events had an average paid attendance of 1,375 and an average ticket price of \$57 and consisted of 78 Broadway shows (60 percent), 49 concerts (38 percent), and two family shows (two percent). A variety of acts have played Fox Cities Performing Arts Center including Hamilton, Anastasia, Chicago, Goo Goo Dolls, and the Underwater Bubble Show, among others.

Season membership packages are sold for the Broadway series in quantities of five- and six-show packages, varying in price based on seat location. Five-show season packages range in price from a low of \$219 (\$44 per show) to a high of \$669 (\$134 per show). Six-show season packages range in price from a low of \$249 (\$42 per show) to a high of \$769 (\$128 per show). Season membership holders receive a guaranteed seat location, access to seats with the best sightlines, and access to invitation-only events. The Center does not include any premium seating.

According to the Center's 2019 public financial statement (the latest year the data is available), the venue generated approximately \$10.1 million in revenue, including \$4.2 million in private contributions, \$3.6 million in program services, \$2.2 million in investment income, and \$100,000 from other revenue sources (such as asset sales, royalties, etc.) Operating expenses totaled approximately \$8.5 million, including \$2.5 million in salaries. The Center operated at a profit of approximately \$1.6 million in 2019.



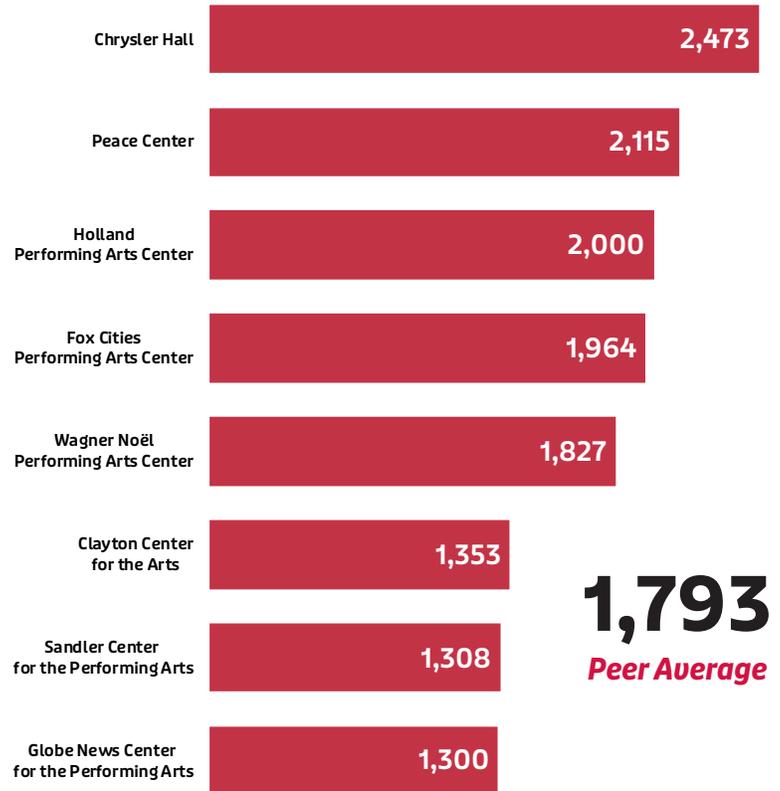
Summary

The following charts depict a summary of key building program and utilization characteristics of identified comparable venues.

Seating Capacity

In order to provide a benchmark to assess the planned seating capacity of the proposed Performing Arts Center, the chart to the right depicts the capacity of the identified comparable venue's main performance hall.

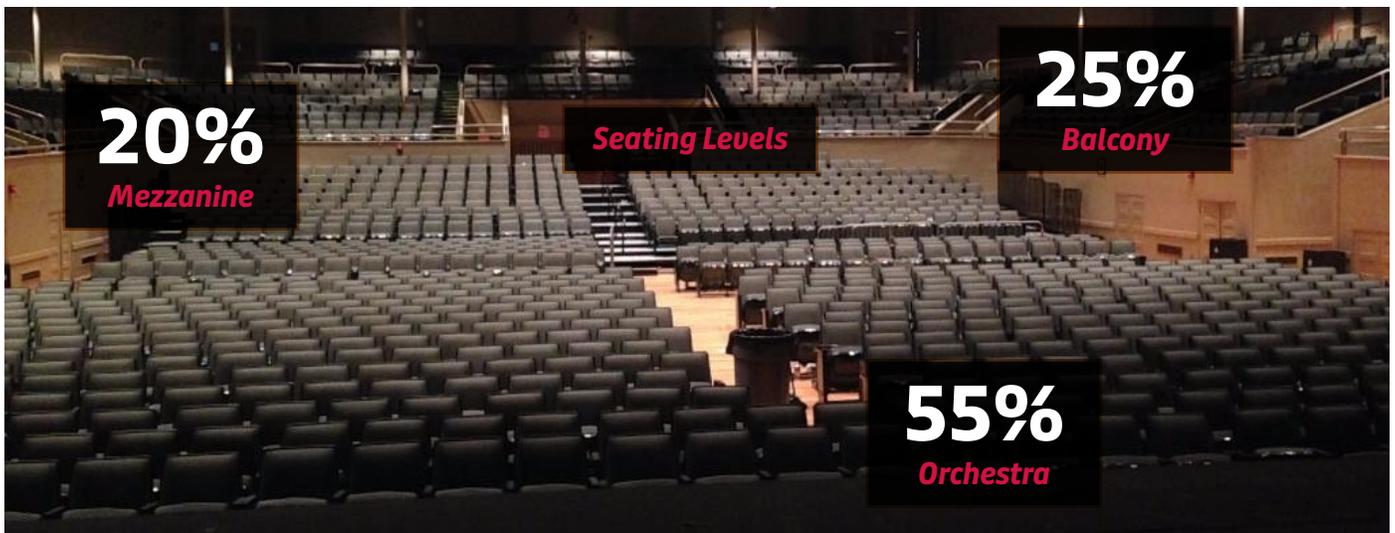
As shown, among 8 comparable venues, the average facility has a seating capacity of 1,793, ranging from a low of 1,300 at the Globe News Center for the Arts in Amarillo, TX to a high of 2,473 at Chrysler Hall in Norfolk, VA.



Seating Levels

Seating at performing arts centers are typically distributed across multiple levels. On average, comparable venues have three levels of seating, ranging from two levels to four. The most common configuration is orchestra, mezzanine, and balcony.

The chart below shows the overall distribution of seats among the seven comparable venues. As shown, 55 percent of seats are at orchestra level, 20 percent at mezzanine tier, and 25 percent at balcony.



Other Functioning Spaces

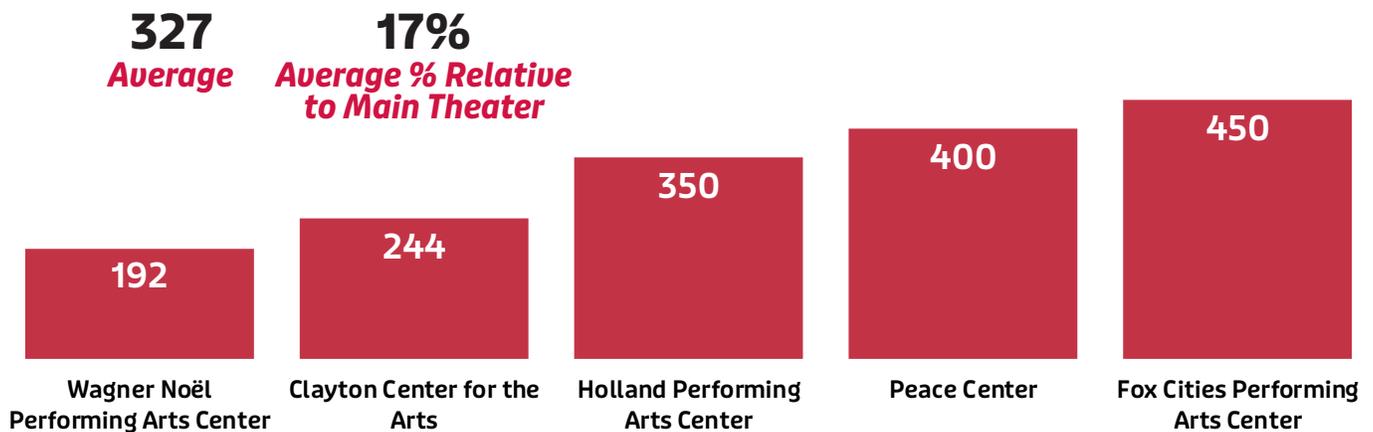
A key characteristic of performing arts centers that can impact the utilization of the venue is the inclusion of other functioning spaces within the venue such as smaller black box theaters and art galleries. The following chart depicts the number of other functioning spaces at the identified comparable venues.

Other Functioning Spaces

Venue	Black Box Theater	Gallery/Exhibition Space	Meeting/Classrooms	Chorus Room/Green Room	Founders Room/Premium Lounge	Grand Lobby	Total Other Functioning Spaces
Clayton Center for the Arts	●	●	●	●	●	●	5
Peace Center	●	●	●	●	●	●	5
Holland Performing Arts Center	●	●	●	●	●	●	4
Globe News Center for the Performing Arts	●	●	●	●	●	●	4
Sandler Center for the Performing Arts	●	●	●	●	●	●	3
Chrysler Hall	●	●	●	●	●	●	3
Wagner Noel Performing Arts Center	●	●	●	●	●	●	3
Fox Cities Performing Arts Center	●	●	●	●	●	●	3

Note: Sorted by the total number of other functioning spaces at the facility.

Secondary Theater Size



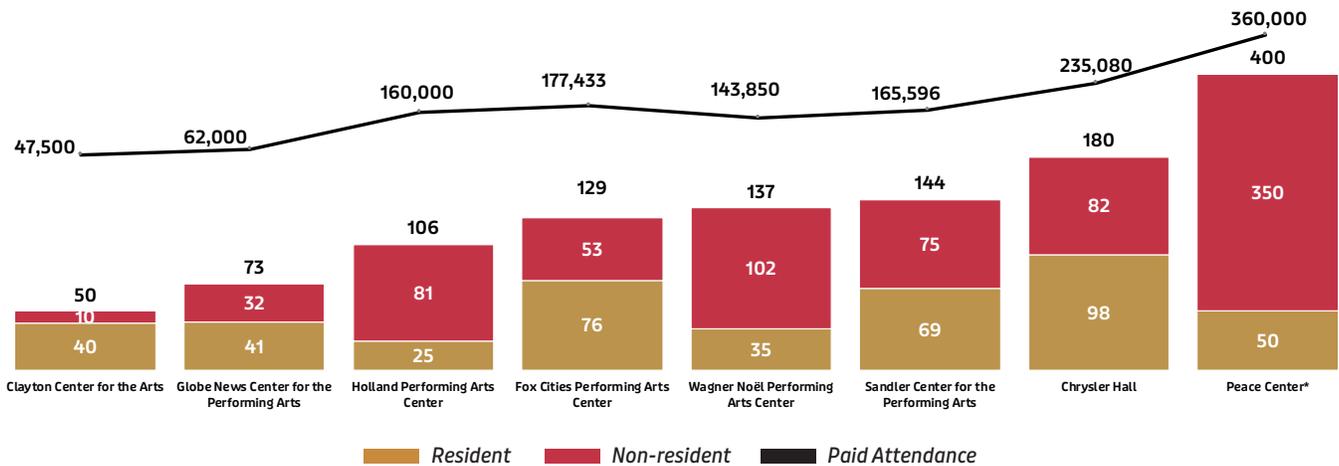
As shown, of the six identified functioning spaces often included in performing arts centers, comparable venues generally include an average of four other functioning spaces in addition to the main performance space, ranging from three other functioning space to five spaces. Secondary theaters within facilities range in capacity from 192 to 450, with an average of 327 seats.

Utilization

The ability of the proposed Performing Arts Center to accommodate a variety of events that generate revenues to support venue operations will be critical to its success. The following chart summarizes the resident and non-resident event activity and total attendance hosted by comparable venues in a recent year of operations.

Annual Utilization Ticketed Events

Resident Events Average	Non-Resident Events Average	Total Events Average	Attendance Average
54	98	152	168,932



*Peace Center events represents total of all three performance spaces

Overall, annual event activity at comparable performing arts centers averaged 152 events (median of 133 events) per year, ranging from a low of 50 events at Clayton Center for the Arts to a high of 400 events at the Peace Center.

All venues have one or more resident organizations that provide a stable base of event activity and attendance each year, accounting for approximately 40 percent of venue utilization, on average. In terms of non-resident events, comparable performing arts centers hosted an average of 79 events, with a low of 10 at Clayton Center for the Arts to a high of 350 at Wagner Noël Performing Arts Center. Non-resident events typically included Broadway tours, concerts, family shows and often represent higher profitability than resident events such as a local and regional symphony, and ballet.

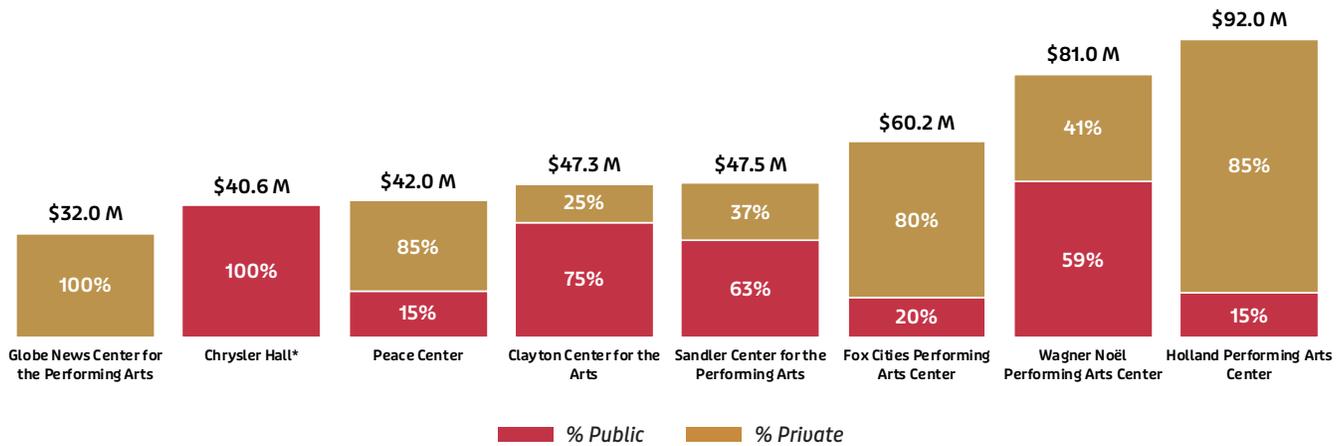
Annual paid attendance at comparable venues averaged 168,932 (median of 163,000), ranging from a low of 47,500 at Clayton Center for the Arts to a high of 360,000 attendees per year at the Peace Center.

Funding

A review of funding of comparable venues can be useful in identifying the various levels of public and private participation previously required to construct new or complete major renovations to performing arts centers. The following chart summarizes total project costs and the proportion of public and private funding contributions for comparable performing arts centers.

Public-Private Funding Participation

Project Cost Average	% Public Funding Average	% Private Funding Average
\$55.3 M	46%	54%



(*): Major Renovation Cost

Note: Project cost represents cost in the year facility was completed

As shown, the average comparable venue cost \$55.3 million, with the public sector funding an average of 46 percent and the private sector funding an average of 54 percent. Common public funding sources include property, rental car, hotel, restaurant, and public sales tax revenues. Common private funding sources include private donations, naming rights donations, and seat license purchases.

Summary

The following table presents a summary of the seven selected comparable venues that were analyzed in detail throughout this section.

Venue	Proposed Performing Arts Center	Chrysler Hall	Peace Center	Wagner Noel Performing Arts Center	Clayton Center for the Arts	Sandler Center for the Performing Arts	Globe News Center for the Performing Arts	Holland Performing Arts Center	Fox Cities Performing Arts Center	Average (Excluding Lafayette)
Venue Characteristics										
Location	Lafayette, LA	Norfolk, VA	Greenville, SC	Midland, TX	Maryville, TN	Virginia Beach, VA	Amarillo, TX	Omaha, NE	Appleton, WI	--
Year Opened / (Renovated)	N/A	1971 (2022)	1990 (2012)	2011	2010	2007	2002	2005	2002	2011
Number of Venues	N/A	3	3	1	1	3	2	2	3	2
Capacity	N/A	2,473	2,115	1,827	1,353	1,308	1,300	2,000	1,964	1,746
Pollstar Top 200 Rank (1)	N/A	99	44	47	--	--	--	--	28	58
Project Cost / Renovation Cost	N/A	\$40.6 M*	\$42.0 M	\$81.0 M	\$47.4 M	\$47.5 M	\$32.0 M	\$92.0 M	\$60.2 M	\$57.0 M
% Public	N/A	100%	33%	59%	47%	63%	0%	15%	20%	43%
% Private	N/A	0%	67%	41%	53%	37%	100%	85%	80%	57%
Revenue	N/A	--	\$27.4 M	\$0.9 M	\$0.8 M	\$2.0 M	\$0.2 M	--	\$7.7 M	\$1.0 M
Expenses	N/A	--	\$25.2 M	--	\$1.0 M	\$0.5 M	\$0.3 M	--	\$8.0 M	\$0.4 M
Profit/(Loss)	N/A	--	\$2.2 M	--	(\$0.2 M)	\$1.5 M	(\$0.1 M)	--	(\$0.3 M)	\$0.4 M
Demographic Characteristics										
Population	0.7 M	1.7 M	1.5 M	0.4 M	1.0 M	1.6 M	0.4 M	1.3 M	1.0 M	1.0 M
Minority Population	36%	48%	30%	80%	14%	49%	57%	28%	15%	41%
Diversity Index	52	64.5	48.7	73.9	29.1	64.9	68.9	48.1	30.4	54.0
Median Age	37.4	36.9	40.4	34.9	42.2	36.7	36.1	36.2	40.4	37.6
Socioeconomic Characteristics										
Median Household Income	\$50,643	\$66,302	\$56,399	\$71,805	\$55,898	\$66,597	\$53,600	\$65,306	\$62,889	\$61,630
Corporate Base	4,886	11,431	6,827	3,191	6,435	10,526	1,997	7,471	4,894	6,354
Unemployment Rate	3.3%	3.1%	2.9%	4.1%	3.0%	3.1%	2.9%	1.6%	1.6%	2.8%
Arts, Culture & Entertainment Profile										
% of Population that went to the live theater	9.4%	13.2%	10.6%	9.9%	10.9%	13.4%	11.0%	12.8%	11.5%	11.5%
% of Population that contributed to the Arts	3.3%	4.5%	3.7%	3.5%	3.9%	4.6%	3.8%	4.3%	3.8%	4.0%
Arts Vibrancy Score (Out of 500)	417	418	367	405	387	418	332	471	408	407

Note: Table sorted based renovation/construction date.

* Major reconstruction cost.

(1) Rank based on the Top 200 Worldwide Theaters report compiled by Pollstar, a live music industry publication. Rank is based on annual reported ticket sales.

Comparable Facilities provide an important benchmark in assessing the market potential for the proposed Performing Arts Center.



Estimated Demand

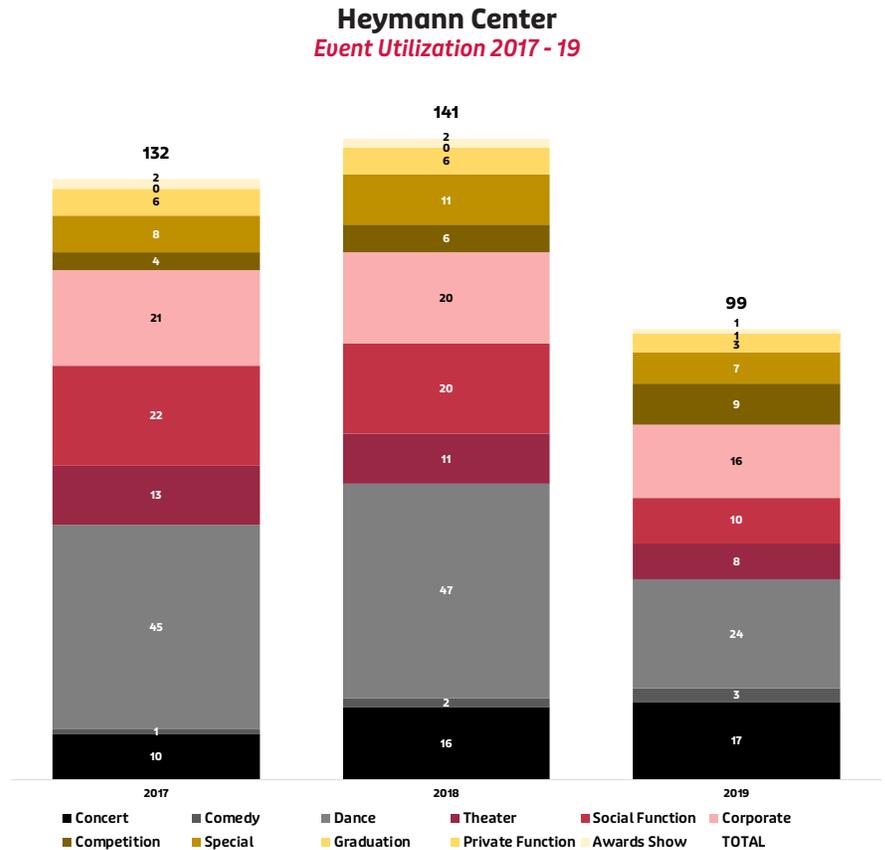


The purpose of this section is to estimate the potential utilization for the proposed Performing Arts Center. It is envisioned that the proposed Performing Arts Center would host a wide range of programming and events to maximize utilization and serve the community. To ensure the venue meets the needs of a variety of potential users, an extensive number of interviews were conducted with event organizers representing a wide range of events and activities.

The results of these interviews, combined with an assessment of the historical utilization experienced at comparable facilities and the existing Heymann Center, which the new facility would replace, serve as a foundation in estimating the potential events and attendance that could be attracted to the proposed Performing Arts Center. Accordingly, this section is presented in the following components:

- Potential User Interviews;
- Estimated Demand Summary.

As shown in the chart to the right, from 2017 to 2019, the Heymann Center hosted a wide variety of ticketed events with an average of 124 per year.



Potential User Interviews

To estimate the potential utilization of the proposed Performing Arts Center, CSL considered feedback from current and past Heymann Center users as well as industry professionals and community organizations in the context of comparable venue benchmarking data presented previously. Interviews with these local, regional, and national industry professionals, who are responsible for promoting and booking events that could be hosted at the proposed venue, provided insight into the number and type of events that could reasonably be held at the proposed Performing Arts Center, including:

- Touring concerts, comedy, theater, & family shows;
- Local & regional performing arts and dance;
- Sporting events;
- Mardi Gras and community events; and,
- Private rentals.

Representatives from the following organizations were contacted as part of this analysis:



Southern Touch



Entertainment



MARDI GRAS & DANCE SCHOOL
LAFAYETTE TOWNHOUSE

The following pages present summaries of the interviews conducted and related qualitative feedback from which potential venue utilization can be considered.

Touring Concerts, Comedy, Theater, & Family Shows

It is anticipated that concerts, comedy shows, theater, and family shows will represent prominent event segments at the proposed Performing Arts Center. To gauge the market for these entertainment events, interviews were conducted with a number of local, regional, and national promoters such as Feld Entertainment, GCE Presents, Hamilton Academy of the Arts, Live Nation, Premier Productions, Southern Touch Entertainment, Theater League of Lafayette and The Road Company.

From a scheduling perspective, most indoor venues host concert tours occur during the late fall, winter, and early spring months. In general, concert and live entertainment promoters consider the following factors when selecting where to route touring acts:

-  Anticipated revenue potential;
-  Concessions and merchandise;
-  Financial terms with venue;
-  Backstage space/amenities;
-  Event floor size;
-  Event staff;
-  Market size and demographics;
-  Parking availability;
-  Stage requirements;
-  Rigging capacity;
-  Seating capacity; and,
-  Other factors.

Key insights from local, regional, and national promoters regarding potential events at the proposed Performing Arts Center include:

- Generally, local, regional, and national promoters indicated strong interest in a new Performing Arts Center in Lafayette, with several national promoters citing the attractiveness of the market itself due to its size and relative lack of regional competition. One national promoter has been attempting to bring events in Lafayette for years and viewed a new venue as a perfect opportunity to enter the market.
- Several promoters noted that part of the attractiveness of the Lafayette market comes from a relative lack of competition in the regional market. There are only three theaters (Rosa Hart Theatre, Golden Nugget Lake Charles and Isle of Capri Casino) within 90 miles with a total capacity of 1,750 to 2,250.
- Although the market is not a primary destination for promoters in the region, many cited the strong ticket sales at previous shows in the market as a main driver for continued show booking in Lafayette and anticipate at least maintaining the number of shows they schedule if a new Performing Arts Center is constructed.
- In terms of location of the proposed Performing Arts Center, all promoters preferred the site on the University campus across from the Cajundome. While many local promoters mentioned that a downtown location for the proposed Performing Arts Center would be great for the local community, there was a concern about limited parking and the traffic events downtown could cause.
- Promoters preferred a seating capacity similar to that of the Heymann Center to accommodate their current shows and events. In a new multi-use facility, promoters would prefer a total capacity between 2,500 and 3,000.
- A promoter representing touring Broadway expressed the need for curated packages at a new venue to establish a Broadway series in the market and felt the Performing Arts Center could host a five-show series with one to two performances annually, with the possibility to grow after a few years.
- Several promoters mentioned the desire for a flexible seating to accommodate a variety of event types, from ballet and dance to symphony orchestra to sporting events.
- On-site parking for tour staff and the accessibility to the venue were key amenities cited by promoters for a new Performing Arts Center. Other amenities mentioned by promoters that are available in modern venues that enhance the artist and production experience and encourage repeat bookings include a minimum of two (2) loading docks that are the same height as the stage for easy load-in/load-out, ample backstage space including production and promoter offices, multiple dressing rooms, and multiple entry points to the building and seating area.

Based on promoter feedback, it is estimated that the proposed Performing Arts Center could attract additional touring shows to Lafayette given the improved amenities, updated technology, and improved fan experience. Overall, it is estimated that the proposed Performing Arts Center could host an average of 20 concerts, 10 touring theater, five comedy shows, and four comedy shows.

Local & Regional

Local and regional performing arts groups produce a variety of event types such as musicals, plays, dance, and symphony performances, among others. Many local and regional groups currently utilize the Heymann Center and expressed interest in using the proposed Performing Arts Center. Key feedback from local and regional performing arts organizations, such as Acadiana Center for the Arts, Hamilton Academy of the Arts, the Performing Arts Serving Acadiana and the Theater League of Lafayette include:

- Representatives from traditional performing arts organizations expressed enthusiasm for the potential construction of a Performing Arts Center. They believe that the current facilities at the Heymann Center are outdated and in need of major upgrades.
- Generally, representatives from traditional performing arts organizations believed a total seating capacity of the large performance space should be between 1,500 and 2,000 seats.
- For traditional performing arts groups, specific amenities preferred in the proposed Performing Arts Center included state-of-the-art acoustics such as a 400-seat rehearsal hall and a variety of back-of-house areas such as storage, meeting and dressing rooms.
- Overall, representatives from traditional performing arts organizations indicated that they would utilize the proposed Performing Arts Center between three and seven times annually per organization. Additionally, multiple dance organizations indicated they would use the venue more frequently for rehearsals and non-ticketed events if there was sufficient rehearsal and ballroom space.
- One representative noted that the venue provides a once-in-a-generation chance to create something special in Lafayette that is a reflection of the city, and accordingly the potential venue has to have an upscale, elegant aesthetic.
- In terms of location, most representatives from these organizations indicated that the University site would be the most preferred for the proposed Performing Arts Center due to parking restrictions and traffic downtown. One representative, however, strongly felt the venue should be located downtown to take advantage of local cultural district and restaurants. This representative also felt some people would avoid shows if it was located on the University because of traffic and parking.

Based on feedback from local performing arts dance organizations, dance, and performing arts troupes, it is estimated that the proposed Performing Arts Center will host approximately 20 performances from local and regional performing arts groups and 50 dance showcases annually.

Community Events

Local community and sporting events will also be an event segment that is anticipated to be hosted at the proposed Performing Arts Center. For purposes of this report, this segment is assumed to include a variety of events including student theater, film festivals, school district events/performances, and other similar events, along with sporting events such as boxing and mixed martial arts. Key insights from community users and sporting event promoters such as Fight Sports Entertainment regarding potential events at the proposed Performing Arts Center include:

- Representatives indicated that there is a lack of performance space within the market to accommodate all the various types of events hosted throughout the year. They often have to tailor their shows to available venues and would welcome a more flexible space that can accommodate their various performance needs.
- Overall, representatives felt the new venue should be physically configured to be multi-purpose in nature to accommodate as much community usage and variety of arts programs as possible, such as symphony, dance, art shows, sporting events, and film festivals, among others.
- In terms of physical design elements, representatives from community organizations interviewed expressed a desire for the proposed Performing Arts Center to have individual breakout areas (i.e., classrooms, rehearsal spaces, etc.), a main theater as well as smaller performance areas (i.e., black box theater with a flat floor and flexible seating adjacent to the main theater seating area with seating for 300 to 500 people), gallery and/or exhibit space outside of the main theater which could be street-facing to attract visitors on non-event days, and state-of-the-art lights, projectors, and acoustics.
- All community organizations interviewed indicated a preference for the proposed Performing Arts Center to be on the University, citing availability of parking and improved traffic flow.
- Multiple Mardi Gras organizations indicated they would utilize the venue to host one to two performances a year on average, as well as their annual Mardi Gras Balls for 800 to 1,000 people. Additionally, Mardi Gras groups mentioned the need for six to eight dressing rooms.
- One boxing and mixed martial arts promoter, who typically holds four events per year at the Heymann Center, indicated they could hold up to eight events per year at a new Performing Arts Center if it had a total seating capacity of 2,500 to 3,000 with theater. This representative anticipates an average attendance of 2,250 to 2,500 at a new Performing Arts Center.

Considering the feedback from community organization representatives, it is estimated that the proposed Performing Arts Center will host approximately 10 Mardi Gras-related performances, 20 community events, and eight sports competitions.

Private Rentals

A recent trend in the public assembly facility industry is a venue design with maximum flexibility to be able to accommodate a number of private rentals, including corporate events, banquets, meetings, weddings and wedding receptions, and other such uses which could be held in various spaces throughout the venue such as the lobby, classrooms or dressing rooms, or on the stage. These events can expand utilization and generate additional revenue for the venue while also potentially filling a gap for meeting and event spaces that exist within the market. To estimate the number of private events that could potentially be held at the proposed Performing Arts Center, interviews were conducted with a number of business leaders, the Lafayette Area Convention & Visitors Commission, and the public school system. The following is a summary of feedback regarding the potential utilization of the proposed Performing Arts Center:

- Overall, representatives indicated that there is a need for meeting space within the Lafayette area for local businesses. A large ballroom at the proposed Performing Arts Center would fill a need in the market, as one representative noted that the DoubleTree is currently the only hotel in the area with a large ballroom more than 20,000 square feet.
- Most representatives saw the new Performing Arts Center as a community-oriented venue, serving the local residents with a variety of entertainment options and providing opportunities for private events in a unique setting compared to options currently offered within the market.
- To maximize utilization of the venue, representatives believed that rental rates would need to be affordable so that the facility is attractive to organizations of all sizes within the area. They noted that multiple meeting rooms and a main ballroom of more than 20,000 square feet would be appealing to a variety of groups in the Lafayette area.
- When presented with possible site locations for a new Performing Arts Center, most representatives of organizations that would host private events at the facility preferred the University site, with the availability of parking being the primary reason.
- One representative noted that private meeting space at the proposed Performing Arts Center could serve as a complementary venue to the Cajundome Convention Center for large events, in addition to hosting smaller private events.

Based on community feedback, it is estimated that the proposed Performing Arts Center will be privately rented for events such as banquets, corporate events, graduations, conventions, meetings, weddings, and other such uses for approximately 60 events annually.

Summary of Estimated Demand

Key feedback provided by promoters and other event distributors considered in conjunction with historical event activity at comparable performing arts centers is used to estimate potential ticketed event utilization at the proposed Performing Arts Center. It should be noted that the proposed Performing Arts Center is anticipated to replace the Heymann Center as the venue closes, and which hosted an average of 145 ticketed events annually over the past three years. The utilization estimate outlined below is inclusive of the historical event activity at the Heymann Center that is anticipated to transfer to the new venue.

Summary of Event Utilization

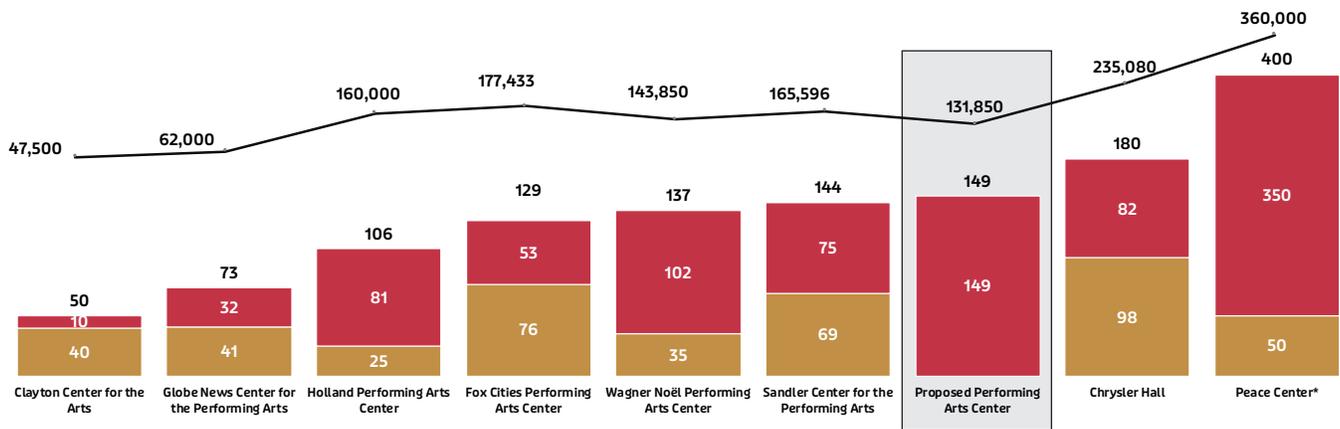
Event Type	Number Of Events	Average Attendance	Total Attendance
Ticketed Events			
Concerts	20	1,750	35,000
Comedy Shows	5	1,000	5,000
Family Shows	4	1,000	4,000
Touring Theater / Broadway	10	1,750	17,500
Local School / University Performances	20	400	8,000
Mardi Gras Events	7	800	5,600
Dance Showcases	50	600	30,000
Local & Regional Performing Arts	25	750	18,750
Competitions	8	1,000	8,000
TOTAL - TICKETED EVENTS	149	885	131,850
Non-Ticketed Events			
Graduations	4	1,500	6,000
Banquets / Receptions	25	200	5,000
Speakers / Presentations	5	250	1,250
Community Events	20	500	10,000
Private Rentals	25	250	6,250
TOTAL - NON-TICKETED EVENTS	79	206	16,250
TOTAL - ALL EVENTS	228	650	148,100

As shown above, the proposed Performing Arts Center is expected to host a variety of ticketed events including concerts, comedy shows, family shows, touring theater / Broadway performances, sporting events, and other local and regional performances. In total, it is estimated the proposed Performing Arts Center could host 149 ticketed events for a total annual attendance of approximately 131,900 in a stabilized year of operations, of which approximately 54 percent is attributable to concerts, touring theater/Broadway and dance performances.

It is important to understand the estimated event demand for ticketed events at a proposed Performing Arts Center within the context of similar venues supported by comparably-sized markets, as shown in the chart below.

Comparable Event Activity Context

RESIDENT EVENTS AVERAGE:	NON-RESIDENT EVENTS AVERAGE:	TOTAL EVENTS AVERAGE:	ATTENDANCE AVERAGE:
54	98	152	168,932



As shown above, the proposed Performing Arts Center, with 149 ticketed events, is two percent lower than the comparable average (152) while the total estimated annual attendance of 131,850 is 22 percent lower than the comparable average (169,000).



Building Program Recommendations



The purpose of this analysis is to define market-supportable building program elements for the proposed Performing Arts Center, including:



SEATING CAPACITY

The seating capacity of a venue, among other factors, is a critical determinant as to whether a promoter will book a certain facility. Seating capacity plays a key role in setting ticket prices for a show and must be balanced against potential demand.



PREMIUM AMENITIES

Premium seating, including VIP seats and boxes, constitutes an important revenue - generating component of performance venues. The level of premium seating that is supportable in the marketplace is impacted by a variety of factors, including the depth and breadth of the local corporate base, the income characteristics of the local population, the drawing power of the venue's events, and the venue's overall event mix.



OTHER FACILITY ELEMENTS

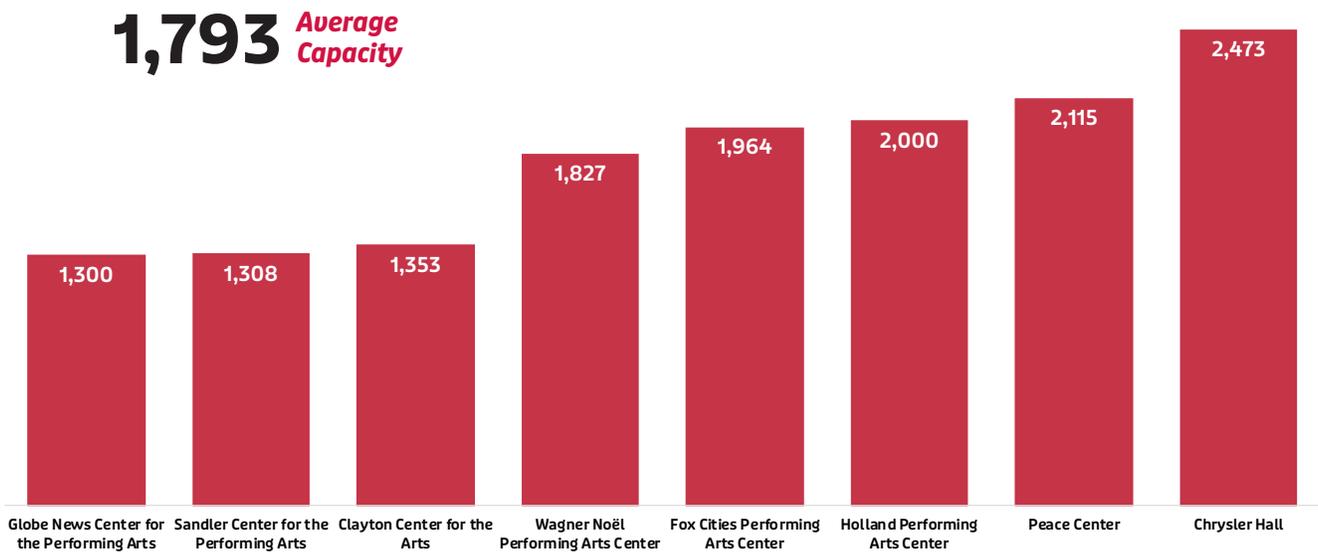
Ancillary amenities, including patron and artist support spaces such as restrooms, concession stands, dressing rooms, and other spaces including a black box / studio theater, meeting rooms, and/or studios, can play a critical role in cultivating a venue's reputation amongst potential users and attendees.

The appropriate building program, as presented over the following pages, was determined by a review of comparable performing arts center characteristics, industry trends, and potential user feedback in the context of previously presented utilization estimates

Seating Capacities in Comparable Markets

In evaluating the market supportable seating capacity for the proposed Performing Arts Center, it is useful to understand seating capacities of comparable venues. The following chart presents the maximum seating capacities in the main performance hall for the seven identified comparable performing arts centers.

Comparable Venue Seating Capacity



As shown, among the eight comparable performing arts centers, the average facility has a maximum seating capacity of approximately 1,793, ranging from a low of 1,300 at Globe News Center for the Performing Arts in Amarillo, TX to a high of 2,473 at Chrysler Hall in Norfolk, VA.

Population Per Seat in Comparable Markets

To examine the local market’s ability to accommodate the proposed Performing Arts Center, an analysis of population per seat at comparable venues in similarly sized markets as Lafayette was conducted. It should be noted that “total capacity” includes the number of seats in the main performance hall and not any other ancillary theater spaces.

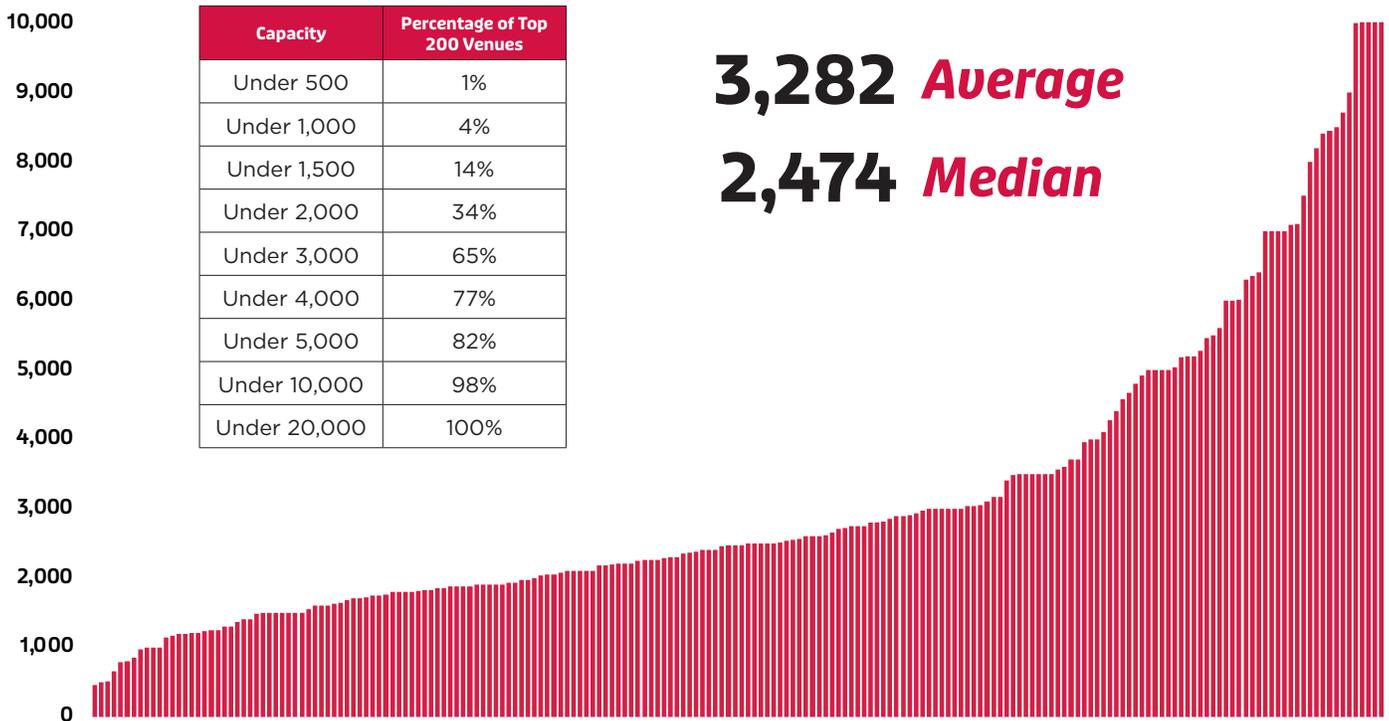
Population Per Seat - Comparable Venues				
Venue	Location	Total Capacity	60-Minute Drive Time Population	Population Per Seat
Clayton Center for the Arts	Maryville, TN	1,353	1,000,000	739.1
Fox Cities Performing Arts Center	Appleton, WI	1,964	966,000	491.9
Globe News Center for the Performing Arts	Amarillo, TX	1,300	360,000	276.9
Wagner Noël Performing Arts Center	Midland, TX	1,819	433,000	238.0
Average		1,609	689,750	436.5
Median		1,586	699,500	384.4
ESTIMATED LAFAYETTE CAPACITY - COMPARABLE AVERAGE		1,543	673,413	436.5
ESTIMATED LAFAYETTE CAPACITY - COMPARABLE MEDIAN		1,752	673,413	384.4

As shown in the chart above, the average population available per performing arts center seat in comparable venue markets ranges from 238.0 to 739.1, with an average and median of 436.5 and 384.4 people per seat, respectively. This comparable venue penetration analysis indicates that the proposed Performing Arts Center could feature a capacity of approximately 1,500 and 1,800 given the 60-minute regional drive time population of approximately 675,000 and the penetration rates of similarly-sized markets with comparable venues

Average Capacity & Ticket Sales at Top 200 Theaters

The chart below summarizes the total capacity for each of the top 200 theater venues in terms of ticket sales as measured by Pollstar. This analysis provides a basis from which to assess the potential seating capacity of the proposed Performing Arts Center in relation to top performing venues in the country.

Top 200 North American Theaters by Capacity

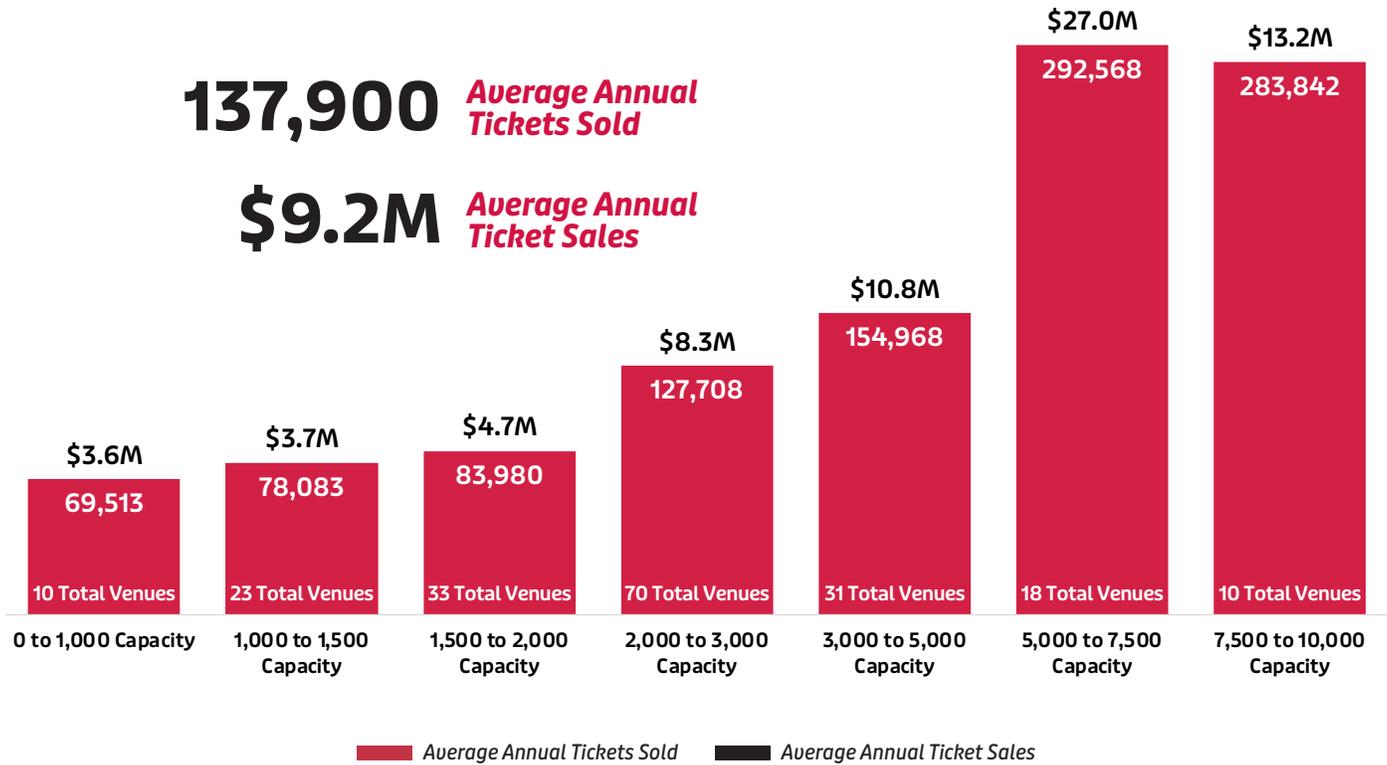


Capacities of the top 200 theater venues of 2019 range from approximately 450 to 19,500, with an average total capacity of approximately 3,300. As shown, 34 percent of the top 100 theaters have capacities of 2,000 or below and 65 percent have capacity of 3,000 or below, while 82 percent have capacities of 5,000 or below.

The performing arts industry has undergone significant changes over the past several years as the rise of new genres and increasing segmentation of the entertainment market has resulted in fewer acts capable of selling out venues with large capacities. As such, smaller venues are often more appropriate and cost-effective for smaller touring acts, as playing to a full house creates demand scarcity within the market. Additionally, larger venues, by virtue of their size, are often able to generate higher total attendances with proportionately higher ticket sales.

To determine the historical seating demand for these smaller entertainment acts, an analysis of the average ticket sales for the top 200 theaters relative to capacity was undertaken and is presented in the chart on the following page.

Average Ticket Sales Per Venue Of Top 200 North American Theaters By Capacity



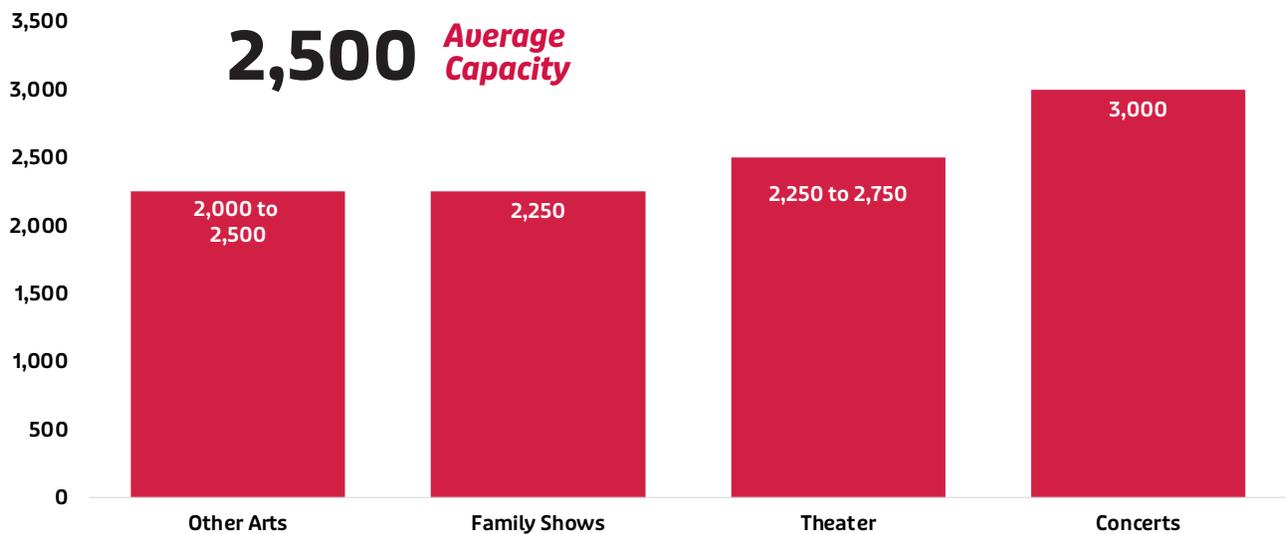
In general, the average top 200 theater venue had an average annual paid attendance of approximately 138,000 and average annual ticket sales of approximately \$9.2 million. Approximately 70 percent of the top 200 theaters had a total paid attendance of 150,000 or less while approximately 75 percent had annual ticket sales of \$10.0 million or less.

Based on the population per seat analysis shown previously as well as interviews with potential users, a capacity range of approximately 2,000 to 2,500 has been identified for the proposed Performing Arts Center. As shown, for theaters with a capacity in this range, the average tickets sold annually is approximately 138,000 with total ticket sales of \$9.2 million. The average tickets sold at theaters of this size (128,000) is comparable to the projected ticket sales for the proposed Performing Arts Center (129,000).

In considering this information, it is important to note that the data presented herein represents the average ticket sales for each venue with attendance for a particular performance subject to large variances depending on the market and capacity of the venue played. In addition, the data presented herein represents paid ticket sales. Actual, or turnstile attendance, could be higher or lower depending on the number of complimentary tickets and no-shows and varies by venue. In general, actual attendance for events at performing arts is often greater than paid attendance estimates. Nonetheless, the data presented herein is useful in understanding the general demand of the top 200 theater venues.

Event Promoter References

Throughout conversations with local, regional, and national event promoters, various organizers indicated a preferred capacity for the proposed Performing Arts Center based on the unique needs of their organization. The chart below depicts the range of proposed capacities based on these conversations by various types of promoters.



As shown, all preferred capacities among promoters and organizers fell between 2,000 and 3,000, with an average preferred capacity of approximately 2,500. It is envisioned that a capacity within this range could accommodate the needs of the vast majority of event promoters and organizations. It should be noted that promoters indicated these levels of capacity would be needed for select larger events while other events may only use a fraction of this capacity.

Historical Capacity Needs

Given that the proposed Performing Arts Center would likely accommodate existing events and performances at the Heymann Center, it is important to evaluate the attendance of the events at these venues. The chart to the right depicts the proportion of events at the Heymann Center beneath various attendance thresholds.

As shown, 94 percent of events hosted at the Heymann Center in 2019 had an attendance less than 2,000 and 65 percent were below 1,000 in attendance. Given the historical performance at the expiring Heymann Center, a capacity of 2,250 would be sufficient to capture the vast majority of ticketed events transitioning to the proposed Performing Arts Center.

Attendance	Percentage of Events
2,168 or less	100%
Under 2,000	94%
Under 1,500	87%
Under 1,000	65%
Under 500	50%
Under 250	35%

Given comparable theater data, as well as discussions with event promoters and an analysis of nationwide theater capacity and ticket sale trends, it is recommended that the proposed Performing Arts Center have a seated capacity of approximately 2,250. It is important that the venue offers the flexibility to accommodate a variety of event capacities, a key consideration for event promoters.

Comparable Performing Arts Center Premium Seating

When available, premium seat offerings at performing arts centers consist of varying combinations of VIP memberships, small group seating (boxes or tables), and luxury suites.



VIP MEMBERSHIP programs typically require an annual membership fee and guarantee the advance notice opportunity to purchase tickets to shows at the venue and can offer access to a private lounge.



SMALL GROUP SEATING / BOX options are typically configured in four to eight-seat semi-private seating areas and can include upscale seating and food and beverage service.



LUXURY SUITES typically accommodate 12 to 18 guests and include an exclusive lounge area with seating overlooking the stage.

The following figures summarize premium seating inventory and pricing at previously identified comparable performing arts centers.

Comparable Venue Premium Seating		
Venue	Location	Premium Seating
Wagner Noël Performing Arts Center	Midland, TX	372 Seat Licenses
Clayton Center for the Arts	Maryville, TN	Donor Program <i>Not Tied to Specific Seats</i> \$100 to \$1,000 Per Season
Peace Center	Greenville, SC	12 VIP Boxes <i>Offered to Donors Only</i>
Globe News Center for the Performing Arts	Amarillo, TX	12 VIP Boxes All box seats have personal seat licenses on them
Chrysler Hall	Norfolk, VA	VIP Lounge Add-On <i>Not Tied to Specific Seats</i> <i>Sold Event-By-Event</i> \$38.50 Per Ticket



VIP Box
Clayton Center for the Arts



Club Lounge
Chrysler Hall

Performing Arts Center Premium Seating Trends

Premium seating trends across all performing arts centers showcase a wide variety of seating configurations and lounge styles.



President's Club Box Seats
The Chicago Theater; Chicago, IL



Marquee Club
Fox Theater; Atlanta, GA



VIP Private Lounge
Durham Performing Arts Center; Durham, NC



Balcony Box
Broward Center for the Performing Arts; Fort Lauderdale, FL

Based on the analysis of comparable performing arts center inventories and conversations with potential event promoters, it is recommended that the proposed Performing Arts Center include a total of 10 VIP boxes with an average of six (6) seats per box and should offer 200 VIP memberships for prime seat locations.

Other Facility Elements

In addition to basic building program components, comparable performing arts facilities also contain a number of other functioning spaces beyond the main performance hall, such as black box theaters, exhibition space, lobbies, and classrooms, among others. The chart below depicts the various types of additional function spaces included among comparable venues.

Other Functioning Spaces

Venue	Black Box Theater	Gallery/Exhibition Space	Meeting/Classrooms	Chorus Room/Green Room	Founders Room/Premium Lounge	Grand Lobby	Total Other Functioning Spaces
Clayton Center for the Arts	●	●	●	●	●	●	5
Peace Center	●	●	●	●	●	●	5
Holland Performing Arts Center	●	●	●	●	●	●	4
Globe News Center for the Performing Arts	●	●	●	●	●	●	4
Sandler Center for the Performing Arts	●	●	●	●	●	●	3
Chrysler Hall	●	●	●	●	●	●	3
Wagner Noel Performing Arts Center	●	●	●	●	●	●	3
Fox Cities Performing Arts Center	●	●	●	●	●	●	3

Note: Sorted by the total number of other functioning spaces at the facility.

As shown, a majority of comparable venues include functional spaces such as a black box theater, meeting/classrooms, grand lobbies, and premium lounges while at least two venues also include galleries and exhibition space and a chorus/green room. On average, comparable venues include four additional functioning spaces beyond the main performance hall.

Other Facility Elements

Based on comparable performing arts centers and other building components the success of the proposed Performing Arts Center includes, but not limited to:

- A main performance theater with a capacity of 2,250, a small black box theater with a capacity of 400, 10 VIP boxes, and one premium lounge.
- A key element impacting utilization of Performing Arts Centers is the availability of other functioning spaces within the venue such as meeting rooms, art galleries, and outdoor open space or plazas. Based on a review of comparable performing arts centers and potential user feedback, it is recommended that the proposed Performing Arts Center offer a classroom/rehearsal space, a 25,000 to 30,000 square foot convention/ballroom space, and a grand lobby to maximize utilization among major promoters, as well as local and regional groups and community members.
- Sufficient parking will be critical to the success of the proposed Performing Arts Center. Industry standards dictate that there should be approximately one parking space for every 3.5 patrons an entertainment facility can accommodate. Assuming a capacity of 2,250, there will be a need for approximately 645 parking spaces to support the requirements of the largest events held at the venue.
- Sufficient concession points of sale should be provided to maximize per capita revenues. Industry standards dictate that there should be approximately one concession point of sale for every 110 to 120 seats.
- Sufficient restrooms should be provided to ensure an enjoyable patron experience. Industry standards dictate that there should be one water closet per 50 seats and one urinal per 100 seats.
- Sufficient number and quality dressing rooms including two (2) star dressing rooms and two (2) small dressing rooms.
- Sufficient loading docks (at least two) to efficiently move in/out stage equipment.
- Rigging grid capable of holding required poundage of touring acts (125 pounds per square foot) with appropriate stage clearance.
- State-of-the-art audio, video and lighting equipment, sufficient power for stage equipment and buses, and sufficient storage space for equipment, materials, supplies and other needs.
- Ticket or box office space for walk-up sales, will call and other ticketing needs.

Project Cost

To estimate potential project costs for the proposed Performing Arts Center, a frame-of-magnitude project cost comparison analysis among the seven identified comparable facilities was performed and is depicted in the chart below.

Comparable Venue Premium Seating							
Comparable Performing Arts Centers	Location	Year Opened	Seating Capacity	Historical Project Cost	Historical Cost Per Seat	Cost to Construct in Lafayette (\$2024)	Cost Per Seat to Construct in Lafayette (\$2024)
Holland Performing Arts Center	Omaha, NE	2005	2,000	\$92,000,000	\$46,000	\$160,276,000	\$80,100
Wagner Noël Performing Arts Center	Midland, TX	2011	1,827	\$81,000,000	\$44,300	\$119,135,000	\$65,200
Peace Center	Greenville, SC	1990	2,115	\$42,000,000	\$19,900	\$124,809,000	\$59,000
Sandler Center for the Performing Arts	Virginia Beach, VA	2007	1,308	\$47,500,000	\$36,300	\$76,862,000	\$58,800
Fox Cities Performing Arts Center	Appleton, WI	2002	1,964	\$60,200,000	\$30,700	\$111,566,000	\$56,800
Globe News Center for the Performing Arts	Amarillo, TX	2002	1,300	\$32,000,000	\$24,600	\$71,436,000	\$55,000
Clayton Center for the Arts	Maryville, TN	2010	1,353	\$47,300,000	\$35,000	\$74,148,000	\$54,800
Chrysler Hall	Norfolk, VA	2022	2,473	\$40,600,000	\$16,400	\$42,542,000	\$17,200
AVERAGE		2006	1,793	\$55,325,000	\$31,650	\$97,596,750	\$55,863
MEDIAN		2006	1,896	\$47,400,000	\$32,850	\$94,214,000	\$57,800

As shown, after adjusting the project costs of comparable performing arts centers to the Lafayette market in 2024 dollars (the last year of construction), the average and median cost per seat is approximately \$55,863 and \$57,800, respectively. Based on this level of cost, it is estimated that the proposed Performing Arts Center could cost approximately **\$100 to \$125 million** to construct, including hard and soft costs, design and engineering fees, permits, and contingencies.

Significant further planning and design should occur to provide a more accurate project cost estimate. It should be further noted that this estimate excludes costs for land acquisition and any off-site infrastructure improvements that may be required. It is also possible that this estimate could understate future project costs should present day market volatility for construction materials continue to escalate beyond current projections.

Key Takeaways

The ability of the proposed Performing Arts Center to attract spectators, generate community support, sell tickets, secure sponsors, and generate revenues is predicated, to some extent, on the building program of the facility. The following are key takeaways from this analysis:



It is recommended the main theater hall have a capacity of 2,250.



The venue should include ten VIP boxes with six seats each, one premium lounge, and 200 VIP memberships sold on a seasonal basis



A 400-seat black box theater should be situated within the Performing Arts Center to host dance recitals, smaller theater productions, and other such shows.



The Performing Arts Center should include a 25,000 to 30,000 square feet convention and ballroom space, as well as an additional rehearsal/classroom space.



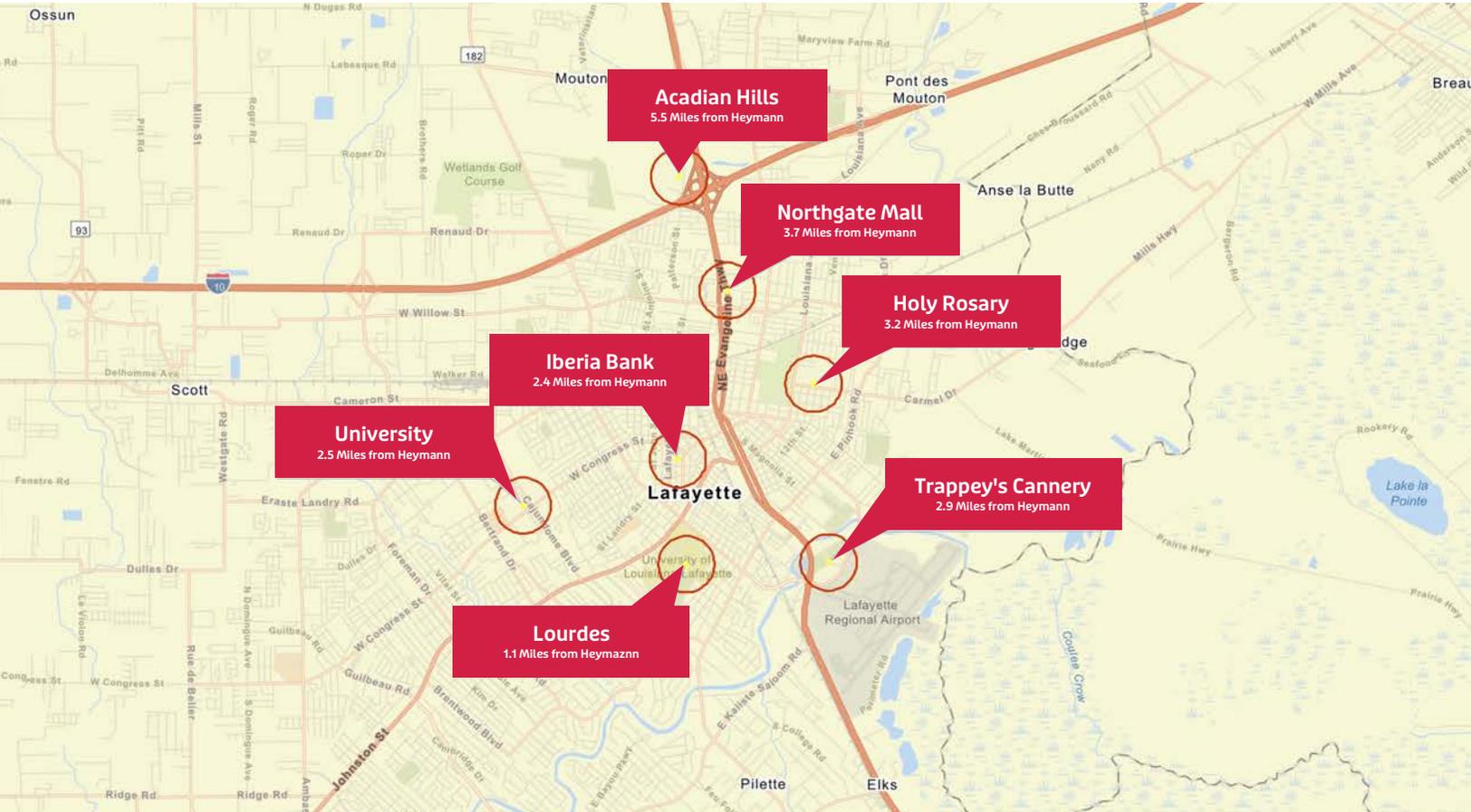
In order to host special events, large gatherings, and a variety of other functions it is recommended a grand lobby serve as the entrance to the Performing Arts Center.

10 Site Analysis



A venue's location can be a critical factor impacting its reputation among promoters, performers, and patrons and resulting ability to book acts on a regular basis. The purpose of this section is to consider which site among those that have been preliminarily identified by project stakeholders best accommodates the needs and preferences of potential users and the market as a whole, while also considering the feasibility impacts of each site's unique physical and proprietary characteristics.

The following sites have been identified as potential locations for the proposed Performing Arts Center, as provided to CSL by project stakeholders.



Descriptions of each site follow in the chart on the following page:

Site	Description
Acadian Hills	Site of the closed Acadian Hills Country Club and Golf Course. The 100-acre site is located at the northwest corner of I-10 and I-49.
Holy Rosary	Site of Lafayette's historic Holy Rosary Institute, a former industrial school. Presently undergoing minor developments on 40-acre property. Located northeast of downtown.
Iberia Bank	The location is comprised of the parking lots adjacent to the Iberia Bank building in downtown Lafayette.
Lourdes	University-owned site on campus; likely slated for new development.
Northgate Mall	Site of current Northgate Mall adjacent to I-49; currently includes nine stores as well as recently-available retail space.
Trappey's Cannery	Site of former Trappey's cannery; now controlled by Lafayette City Council. Site set for development, including residential units, restaurants, and boardwalks.
University	University-owned land located at corner of Congress and Cajundome, located nearby Cajundome and Cajun Field.

The remainder of this sections presents an analysis of key site criteria and differentiators to assist project stakeholders in assessing site location, including the following components:



Site Overviews;



Demographic & Socioeconomic Indicators;



Potential User & Stakeholder Feedback;



Site Assessment Criteria; and,



Site Rankings.

Site Overviews

The following maps depict the site locations for each of the identified sites along with potential opportunities and challenges that could be encountered at each site.

Acadian Hills

138 Acres



Key Opportunities <ul style="list-style-type: none">• Significant available land• Limited existing infrastructure on site• Direct highway access	Key Challenges <ul style="list-style-type: none">• Limited ancillary development near site• No existing parking infrastructure• Limited walkability
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Holy Rosary 20.6 Acres



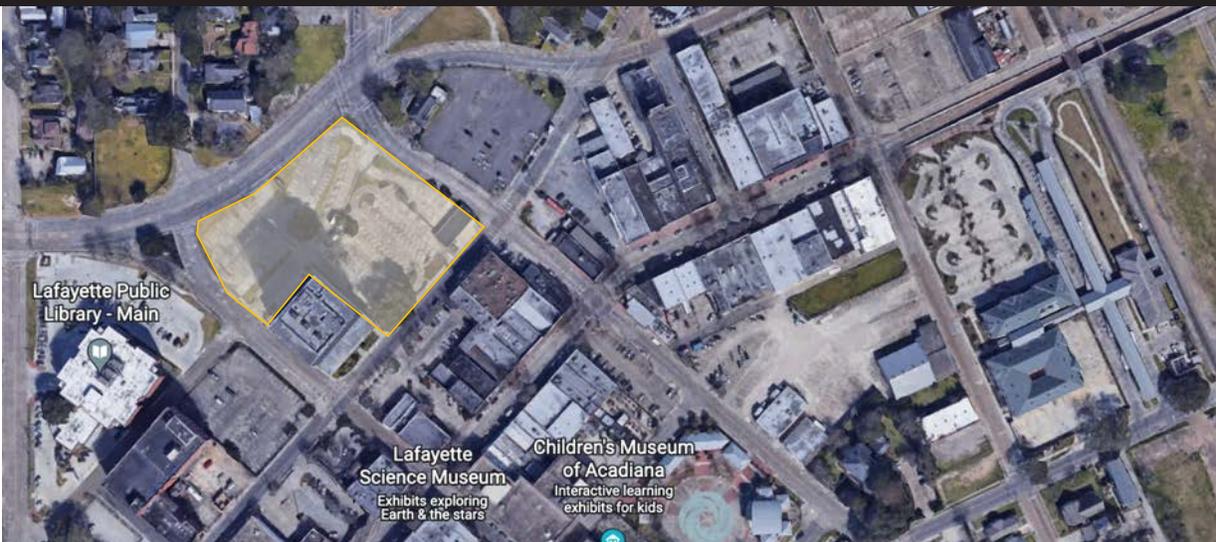
Key Opportunities

- Ample site footprint
- Planned future development
- Historical Significance

Key Challenges

- Existing historical building on site
- Limited visibility, walkability & accessibility
- No existing parking infrastructure
- Land acquisition

Iberia Bank 2.4 Acres



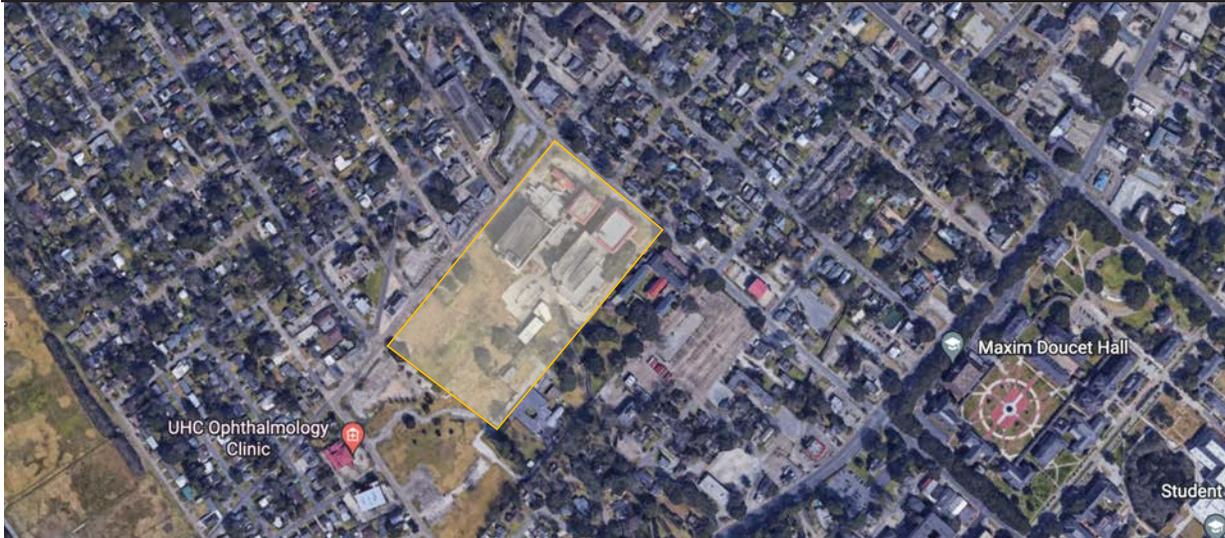
Key Opportunities

- Proximity to existing amenities
- Synergy with existing arts venues
- Strong visibility and walkability

Key Challenges

- Limited site footprint
- Transportation and parking concerns
- Perceived safety considerations

Lourdes
14.9 Acres



Key Opportunities

- Synergies with the University and Downtown and ability to tie these two culturally significant areas together
- Limited existing developments on site
- Proximity to parking

Key Challenges

- Limited site footprint
- Limited visibility
- Lack of surrounding entertainment options
- Other development planned

Northgate Mall
36 Acres



Key Opportunities

- Ample site footprint
- Strong transportation and parking access
- Good visibility
- Opportunity for traditionally underserved communities

Key Challenges

- Existing large-scale structure/demolition costs
- Lack of existing complementary amenities
- Land acquisition

Trappey's Cannery 17 Acres



Key Opportunities

- Ample site footprint
- Ease of access
- High visibility
- Limited existing development on site

Key Challenges

- Environmental and landscaping challenges
- Lack of surrounding entertainment options

University 17.5 Acres



Key Opportunities

- Limited existing development on site
- Synergy with existing sports facilities and University activities
- High visibility and proximity to University
- Future potential development

Key Challenges

- Lack of surrounding entertainment options
- Traffic concerns
- Walkability

Demographic & Socioeconomic Indicators

While it is anticipated that the proposed Performing Arts Center would draw from the entirety of the local and regional Lafayette market, fluctuations in market demographics on a site-by-site basis can enhance or detract from the performance of the proposed facility. For example, a site with greater access to population could provide an ease of access to facility events, or a site in an area with a younger population could encourage greater attendance to high-profile touring events. As such, the chart below depicts key demographic and socioeconomic indicators for each of the seven identified sites. For the purposes of this comparative analysis, market indicators were compiled for a catchment area of a 15-minute drive time.

Site	Total Population		Median Age		Median Household Income		Diversity Index		Average	
	#	Rank	#	Rank	#	Rank	#	Rank	#	Rank
University	178,777	1	35.6	2	\$53,260	3	56.4	5	2.75	1
Lourdes	175,174	2	35.8	5	\$53,784	1	56.1	6	3.50	2
Iberia Bank	160,278	6	35.6	2	\$50,898	4	57.7	2	3.50	2
Northgate Mall	174,929	3	35.7	4	\$49,599	6	57.2	3	4.00	4
Acadian Hills	144,917	7	35.2	1	\$45,962	7	58.3	1	4.00	4
Holy Rosary	162,798	4	35.8	5	\$50,346	5	57.1	4	4.50	6
Trappey's Cannery	162,124	5	35.9	7	\$53,653	2	55.5	7	5.25	7

Key takeaways from this demographic and socioeconomic analysis include:

- The University site has the greatest access to population base, not inclusive of seasonal student population (~14,000), followed by the Lourdes and Northgate Mall locations. The least populated sites are the Iberia Bank and Acadian Hills sites.
- Each site has access to a similarly aged population, though the youngest sites are Acadian Hills and Iberia Bank.
- In terms of median household income, which can be an indicator of an ability to purchase tickets, the sites with the wealthiest households includes Lourdes, Trappey’s Cannery, and University.
- An important component of the proposed Performing Arts Center is the ability to market to and amplify diverse populations. The sites with the access to greater levels of diversity include the Acadian Hills, Iberia Bank, and Northgate Mall locations.

Overall, the University site ranks most favorable among all demographic and socioeconomic indicators, followed closely by the Lourdes and Iberia Bank sites.

Potential User & Stakeholder Feedback

As part of the feasibility assessment for the proposed Performing Arts Center, CSL conducted a variety of interviews and conversations with both key project stakeholders and potential users of the venue. As part of these discussions, stakeholder and potential users provided feedback and preferences regarding potential venue location. Key takeaways from these discussions are shown below:

- Among potential project stakeholders, including public officials, supporters of the arts community, and other interested parties, the discussion on site location largely came down to two of the seven sites: the University site and the Iberia Bank site.
- Proponents of the University site among project stakeholders indicated their preference for the site was due to a variety of factors, including:
 - The University site would help to create a wider sports and entertainment complex within the Lafayette region;
 - The University has long-term, masterplanned goals to expand and develop the corridor between main campus and the sports facilities, specifically to create a larger research community. The presence of the proposed Performing Arts Center would help anchor the research community, which is envisioned to be a live-work-play community to foster the burgeoning research department of the University;
 - The proposed Performing Arts Center could increase the quality of life for residents and workers within the envisioned research community, which could help attract top tier faculty and researchers; and,
 - The University, should the facility be located near campus, could help program the venue with University-sponsored events.
- Proponents of the Iberia Bank site also indicated their preference for a variety of factors, including:
 - The presence of the proposed Performing Arts Center downtown could enhance the livability and liveliness of the downtown area;
 - The development of the venue could spur new downtown development, including retail, restaurants, office, and parking infrastructure;
 - The presence of the proposed facility could enhance the quality of life and marketability of Lafayette, which could attract younger residents and visitors to live in Lafayette; and,
 - This location could create an arts corridor in the Downtown area, creating synergies with the Acadiana Center for the Arts.

- Among potential users of the proposed Performing Arts Center, an overwhelming majority indicated a preference for the University site, largely due to ease of access, access to potential future development, and increased accessibility of parking.
- While potential users largely preferred the University site, potential users also indicated that the Iberia Bank location could be viable, especially due to access to existing surrounding development and entertainment. However, many promoters and potential users indicated that the Iberia Bank location could be problematic in terms of traffic, parking, and accessibility for loading.
- While promoters generally only preferred the University or Iberia Bank location, some users also noted that some other potential locations could have some level of appeal, including the Lourdes location, which already has parking availability, and the Holy Rosary site, which has historical value within the market.

Overall, based on feedback from potential users and project stakeholders, the University site was the most preferred, followed by the Iberia Bank location.

Site Assessment Criteria

In addition to market criteria and feedback from potential users and stakeholders, the identified sites are also being considered under a variety of criteria, including site & infrastructure, ownership & acquisition, and accessibility & visibility, among others. Identified criteria includes:

Site & Infrastructure

- **SIZE OF LAND PARCEL:** Based on a review of comparable projects, it is anticipated that the proposed venue could need three to six acres of land to accommodate the envisioned building program
- **REQUIRED SITE IMPROVEMENTS:** The existing condition of a site, be it vacant, paved, woodland, or contain structure(s), could impact the development cost for the proposed Performing Arts Center, as could any utility requirements, existing drainage / flooding characteristics that could require remediation and any other environmental issues at the site
- **ATTRACTIVENESS OF SITE:** Venues located in a visually appealing and welcoming setting often encourage local and visitor attendance. Factors associated with this evaluation criteria include, but are not limited to, proximity to unique natural elements and local landmarks.
- **NECESSARY ROAD IMPROVEMENTS:** The proposed venue will require access to infrastructure such as surface roads, highways, and public transportation. Infrastructure improvements could delay construction and require significant public investment
- **COMPATIBILITY OF ADJACENT USES:** Uses of adjacent land will play an important role in the ongoing operations of the proposed venue. Adjacent neighbors can create barriers to utilization (e.g., residential neighborhoods with strict sound ordinances) or better accommodate utilization (e.g., mixed-use developments with vibrant restaurant and bar scenes)
- **SURROUNDING DEVELOPMENT POTENTIAL:** The proposed Performing Arts Center could serve as an anchor for broader development, activating previously under-utilized properties to create a vibrant, year-round destination.

Ownership & Acquisition

- **SITE ACQUISITION:** The availability of land for the proposed venue is an important component of assessing the full extent of project costs.
- **POTENTIAL FOR PUBLIC PARTNERSHIP:** As the venue will likely rely on some level of public funding for construction, it will be important for the site to be conducive to a public partnership
- **NUMBER OF LAND PARCELS:** Sites that are contained within a single land parcel tend to be easier and faster to acquire and tend to fall within a singular zoning category. Site locations with multiple parcels could require additional time to acquire and could require zoning changes for some or all of the parcels, depending on existing code.

Accessibility & Visibility

- **LOCAL ACCESSIBILITY:** Local accessibility measures the ease of which patrons from Lafayette can access the potential site via surface roads, public transportation and other such modes of transportation.
- **REGIONAL ACCESSIBILITY:** regional accessibility measures the ease of which patrons from the broader regional market can access the potential site via highways and major thoroughfares, as well as ease of routing for regional and national tours.
- **PROXIMITY TO PARKING INFRASTRUCTURE:** The proximity of a site to existing parking infrastructure could allow the venue to capitalize on underutilized spaces during events and would, therefore, lower the cost of the overall project by eliminating the need to construct significant parking for the proposed venue.
- **EASE OF PARKING DEVELOPMENT:** If parking needs cannot be accommodated by existing parking infrastructure parking will need to be constructed on-site. Ease of parking development can be impacted by site size and surrounding uses.
- **WALKABILITY:** In addition to parking accessibility, walkability of the location encourages more frequent visitation as well as additional development opportunities.
- **VISIBILITY:** Because live entertainment venues often rely on revenue generated by the sales of corporate advertising and naming rights, the visibility of each site location will play a direct role in reaching a broader audience and generating value for corporate partners.

Site Rankings

Based on the research and analyses conducted herein, the scoring matrix below has been developed to compare the demographic and socioeconomic characteristics, the existing infrastructure, the appeal of each site to potential users, key stakeholders, and community members, and other relevant physical and operational characteristics of each site to assist in determining the most appropriate location for the proposed Performing Arts Center.

Each characteristic is weighted depending on the importance of that factor to the overall performance of the venue on a one to five scale, where a “1” would indicate the characteristic is of less importance and a “5” would indicate the characteristic is of more importance relative to the other factors presented. Within each criterion, sites were given a rating of one to five, with “1” being less conducive and “5” being most conducive.

Site Criteria	Multiplier	University		Iberia Bank		Northgate Mall		Trappey's Cannery		Lourdes		Acadian Hills		Holy Rosary	
		Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score
Demographic Characteristics															
Demographic Characteristics	3	5	15	4	12	4	12	2	6	4	12	3	9	3	9
Appeal to Users / Stakeholders															
Appeal to Promoters / Users	5	5	25	4	20	3	15	2	10	3	15	2	10	2	10
Appeal of Site to Stakeholders	5	5	25	4	20	3	15	3	15	3	15	2	10	2	10
Site & Infrastructure															
Size of Land Parcel	4	5	20	2	8	5	20	4	16	4	16	5	20	5	20
Required Site Improvements	4	5	20	4	16	1	4	1	4	4	16	3	12	3	12
Attractiveness of Site	5	4	20	5	25	2	10	4	20	3	15	2	10	2	10
Necessary Road Improvements	3	4	12	3	9	5	15	5	15	4	12	4	12	3	9
Compatibility of Adjacent Uses	3	4	12	5	15	2	6	1	3	2	6	1	3	1	3
Surrounding Development Potential	5	5	25	5	25	3	15	4	20	1	5	3	15	2	10
Ownership & Acquisition															
Site Acquisition	4	5	20	4	16	1	4	4	16	5	20	2	8	3	12
Number of Land Parcels	2	5	10	2	4	5	10	5	10	5	10	5	10	5	10
Potential Public Partnership	5	5	25	5	25	4	20	4	20	3	15	2	10	3	15
Accessibility & Visibility															
Local Accessibility	4	4	16	3	12	5	20	3	12	3	12	3	12	2	8
Regional Accessibility	3	4	12	4	12	5	15	5	15	4	12	5	15	2	6
Proximity to Parking Infrastructure	5	2	10	3	15	5	25	1	5	4	20	1	5	1	5
Ease of Parking Development	5	5	25	1	5	5	25	4	20	1	5	5	25	4	20
Walkability	2	3	6	5	10	2	4	1	2	3	6	1	2	1	2
Visibility	3	3	9	5	15	4	12	3	9	2	6	2	6	1	3
TOTAL SCORE		350	307	264	247	218	218	194	174						
SITE RANK		1	2	3	4	5	6	7							

As shown above, the University site received the highest score, with 307 points of a possible 350. The Iberia Bank site received the second highest score (264), followed by the Northgate Mall (247), Trappey’s Cannery (218), Lourdes (218), Acadian Hills (194), and Holy Rosary (174).

11 Financial Analysis



The purpose of this section is to present estimated operating revenues and expenses for the proposed Performing Arts Center. The assumptions used in this analysis are based on estimated facility utilization, the recommended building program, industry trends, knowledge of the marketplace, financial results from comparable facilities, and discussions with potential users and project stakeholders.

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

Key assumptions used to estimate the potential financial operations of the proposed Performing Arts Center include, but are not limited to, the following:

- The proposed Performing Arts Center will include two theaters, including one main performance hall with a maximum seated capacity of 2,250 and one ancillary theater with a capacity of 400;
- The proposed Performing Arts Center, based on comparable facilities, is estimated to comprise 150,000 square feet;
- The proposed Performing Arts Center will include a variety of premium seating, including 10 6-seat VIP boxes (60 total seats) and 200 VIP memberships with access to prime seat locations;
- The proposed Performing Arts Center is estimated to cost approximately \$100 million (further architectural and design work will be necessary to fully estimate potential project costs) and will be constructed as a quality, state-of-the-art venue with the necessary acoustics, stage configuration, rigging capacities, and back-of-house space to accommodate the needs of various users;
- The proposed Performing Arts Center will be managed by a third-party operator, who will leverage relationships and resources to maximize the venue's performance;
- A facility fee similar to that imposed at Heymann Center will be assessed on each ticket sold to all Performing Arts Center events and could fund a significant portion of the venue's capital reserve;
- The venue will be aggressively marketed, providing competitive use agreements to maximize the utilization of the venue;
- There will be no significant or material changes in the supply or quality of existing venues in the marketplace or new preferred or exclusive booking arrangements with key promoters at competitive venues;
- The market will generate spending on tickets, concessions, novelties, sponsorships, and premium seating that is consistent with comparable venues in the context of Lafayette's market demographics and socioeconomics;

- The proposed Performing Arts Center will be conducive to providing a pleasant patron experience (e.g., efficient traffic ingress/egress, convenient and affordable parking, covered seating, etc.);
- The proposed Performing Arts Center will be located at the University site within Lafayette;
- The proposed Performing Arts Center will be located on University property and will be leased to the City for a nominal fee. The facility itself will be publicly owned and therefore exempt from property taxation;
- There will be no significant or material changes to current trends in the live entertainment industry;
- The proposed Performing Arts Center will open concurrently with the closure of the existing Heymann Center to minimize potential cannibalization and market competition;
- Unknown future economic conditions will not adversely affect the market and its response to proposed Performing Arts Center events (e.g., population levels, employment levels, etc.); and,
- Projections herein assume 100 percent of available Performing Arts Center capacity is available to be sold and utilized and assumes no restrictions based on current safety requirements for COVID-19.

Estimated Operating Revenues

Revenue anticipated to be generated by the proposed Performing Arts Center includes rental income, premium seating, concessions, catering, merchandise, advertising and sponsorship, ticket rebates, and facility fees. A brief description of each revenue source is provided over the following pages. It should be noted that revenues are presented in 2025 dollars to reflect the first year of operation.

Rental Income

Rental income is typically based on a percentage of gross ticket sales, or a flat rental fee, whichever is greater. Rental rates will likely vary depending on the type of event and the portion of the facility used (i.e., full-house, half-house, etc.).

The number of events, rental rates, paid attendance, and ticket prices assumed in this study are based on an analysis of events, ticket prices, attendance, and rental rates at comparable venues, local competitive facilities, discussions with promoters, and industry trends.

Rental Income							
	Number of Events	Average Paid Attendance	Total Paid Attendance	Average Ticket Prices	Estimated Gross Ticket Sales	Rent per Event	Total Rental Income
Ticketed Events							
Concerts	20	1,750	35,000	\$76.50	\$2,675,000	10% of Ticket Sales	\$268,000
Comedy	5	1,000	5,000	\$67.25	\$336,000	\$7,500 Per Event	\$38,000
Family Shows	4	1,000	4,000	\$57.00	\$228,000	10% of Ticket Sales	\$23,000
Touring Theater / Broadway	10	1,750	17,500	\$102.00	\$1,784,000	10% of Ticket Sales	\$178,000
Local School / University Performances	20	400	8,000	\$22.00	\$176,000	\$2,500 Per Event	\$50,000
Mardi Gras Events	7	800	5,600	\$36.50	\$204,000	\$2,500 Per Event	\$18,000
Dance Showcases	50	600	30,000	\$21.00	\$639,000	\$2,500 Per Event	\$125,000
Local & Regional Performing Arts	25	750	18,750	\$21.00	\$395,000	\$2,500 Per Event	\$63,000
Competitions	8	1,000	8,000	\$57.00	\$455,000	10% of Ticket Sales	\$46,000
Non-Ticketed Events							
Graduations	4	--	--	--	--	\$2,500 Per Event	\$10,000
Banquets / Receptions	25	--	--	--	--	\$1,250 Per Event	\$31,000
Speakers / Presentations	5	--	--	--	--	\$2,500 Per Event	\$13,000
Community Events	20	--	--	--	--	\$1,500 Per Event	\$30,000
Private Events	25	--	--	--	--	\$500 Per Event	\$13,000
TOTAL	228	885	131,850	\$52.00	\$6,892,000	--	\$906,000

For purposes of this analysis, it is assumed that the proposed Performing Arts Center will charge the greater of a daily rental fee or 10 percent of ticket sales for all events. As shown in the table above, total rental revenue generated by the proposed Performing Arts Center is estimated to be approximately \$906,000 in the first year of operation.

Rental income generation is typically affected by the ability of a performing arts center to recover the costs of hosting an event, called service expenses (materials, supplies, labor, signage, equipment, etc.). The table on the following page depicts the service expenses estimated to be incurred by the proposed Performing Arts Center.

Service Expenses					
	Number Of Events	Average Service Expenses Per Event	Total Service Expenses	% Recovered by Venue	Total Service Expenses Incurred
Ticketed Events					
Concerts	20	\$7,500	\$150,000	90%	\$15,000
Comedy	5	\$7,500	\$37,500	90%	\$4,000
Family Shows	4	\$7,500	\$30,000	90%	\$3,000
Touring Theater / Broadway	10	\$10,000	\$100,000	90%	\$10,000
Local School / University Performances	20	\$5,000	\$100,000	90%	\$10,000
Mardi Gras Events	7	\$5,000	\$35,000	90%	\$4,000
Dance Showcases	50	\$600	\$30,000	90%	\$3,000
Local & Regional Performing Arts	25	\$750	\$18,750	90%	\$2,000
Competitions	8	\$1,000	\$8,000	90%	\$1,000
Non-Ticketed Events					
Graduations	4	\$500	\$2,000	90%	\$0
Banquets / Receptions	25	\$2,500	\$62,500	90%	\$6,000
Speakers / Presentations	5	\$2,500	\$12,500	90%	\$1,000
Community Events	20	\$5,000	\$100,000	90%	\$10,000
Private Events	25	\$2,500	\$62,500	90%	\$6,000
TOTAL	228	\$3,284	\$748,750	90%	\$75,000
Rental Income After Service Expenses					\$831,000

As shown, the proposed Performing Arts Center is estimated to recover 90 percent of its expenses for all events.

Overall, the proposed Performing Arts Center is estimated to incur approximately \$75,000 in service expenses in its first year of operations. Deducting this level of service expenses from the \$906,000 in gross rental income, net rental income is estimated to be approximately \$831,000 in the venue’s first year of operation.

Premium Seating

Annual premium seating at the proposed Performing Arts Center, as shown in the chart below, is anticipated to include 200 Membership Seats, which are estimated to be 90 percent sold at an annual cost of \$1,000, for the first right to purchase event tickets, and 10 VIP boxes, which include six seats each and are estimated to be 90 percent sold at a total annual cost of \$20,000, inclusive of event tickets and VIP parking, consistent with premium seating packages at other regional and national venues.

Premium Seating								
Product	Total Inventory	Seats Per Unit	Average Sell-Thru	Total Sold Inventory	Average Annual Price	Less: Ticket Value	Less: Parking Value	Total Annual Income
Membership Seats	200	1	90%	180	\$1,000	\$0	\$0	\$180,000
VIP Boxes	10	6	90%	8	\$20,000	\$0	(\$6,705)	\$106,000
TOTAL								\$286,000

Overall, it is estimated that the proposed Performing Arts Center will generate approximately \$286,000 through premium seating offerings.

Concessions

Concessions revenue consists of food and beverage sales during events hosted at the proposed Performing Arts Center. Gross food and beverage sales are estimated based on projected general admission turnstile (or actual) attendance and per capita spending assumptions by event type. Per capita spending assumptions were based on an analysis of per capita spending at comparable facilities and industry averages, adjusted to the Lafayette area marketplace.

Concessions Income							
	Number Of Events	Average GA Turnstile Attendance	Total GA Turnstile Attendance	Average Per Capita Spending	Gross Concessions Revenue	Cost Of Goods Sold	Net Concessions Revenue
Ticketed Events							
Concerts	20	1,446	28,918	\$12.00	\$361,000	55%	\$162,000
Comedy	5	733	3,667	\$8.00	\$29,000	55%	\$13,000
Family Shows	4	733	2,934	\$6.00	\$18,000	55%	\$8,000
Touring Theater / Broadway	10	1,446	14,459	\$10.00	\$145,000	55%	\$65,000
Local School / University Performances	20	163	3,268	\$5.00	\$16,000	55%	\$7,000
Mardi Gras Events	7	543	3,804	\$10.00	\$38,000	55%	\$17,000
Dance Showcases	50	353	17,670	\$5.00	\$88,000	55%	\$40,000
Local & Regional Performing Arts	25	496	12,398	\$5.00	\$62,000	55%	\$28,000
Competitions	8	733	5,867	\$10.00	\$59,000	55%	\$27,000
Non-Ticketed Events							
Graduations	4	1,500	6,000	\$0.00	\$0	55%	\$0
Banquets / Receptions	25	200	5,000	\$0.00	\$0	55%	\$0
Speakers / Presentations	5	250	1,250	\$5.00	\$6,300	55%	\$3,000
Community Events	20	500	10,000	\$0.00	\$0	55%	\$0
Private Events	25	250	6,250	\$0.00	\$0	55%	\$0
TOTAL	228	533	121,484	\$6.75	\$822,300	55%	\$370,000

As shown above, average gross per capita concessions spending is estimated to range from approximately \$5.00 for local events to \$12.00 for concerts. Overall, it is estimated that the proposed Performing Arts Center would generate net concessions operating income of approximately \$370,000 in the first year of operations.

Catering

Catering revenue consists of upscale food and beverage sales in the club lounge and VIP box areas during ticketed events hosted at the venue, as well as catering during non-ticketed events. Gross catering sales are estimated based on projected turnstile (or actual) premium seating attendance and per capita catering revenue assumptions. Per capita catering spending assumptions were based on an analysis of per capita spending at comparable facilities and industry averages, adjusted to the Lafayette marketplace.

Catering Income							
	Number Of Events	Average Turnstile Premium Attendance	Total Turnstile Premium Attendance	Average Per Capita Spending	Gross Catering Revenue	Cost Of Goods Sold	Net Catering Revenue
Ticketed Events							
Concerts	20	212	4,236	\$20.00	\$84,700	65%	\$30,000
Comedy	5	212	1,059	\$15.00	\$15,900	65%	\$6,000
Family Shows	4	212	847	\$15.00	\$12,700	65%	\$4,000
Touring Theater / Broadway	10	212	2,118	\$18.00	\$37,100	65%	\$13,000
Local School / University Performances	20	212	4,236	\$15.00	\$63,500	65%	\$22,000
Mardi Gras Events	7	0*	--	--	\$0	65%	\$0
Dance Showcases	50	212	10,590	\$12.00	\$128,300	65%	\$45,000
Local & Regional Performing Arts	25	212	5,295	\$12.00	\$64,100	65%	\$22,000
Competitions	8	0*	--	--	\$0	65%	\$0
Non-Ticketed Events							
Graduations	4	1,500	6,000	\$0.00	\$0	65%	\$0
Banquets / Receptions	25	200	5,000	\$25.00	\$125,000	65%	\$44,000
Speakers / Presentations	5	250	1,250	\$0.00	\$0	65%	\$0
Community Events	20	500	10,000	\$0.00	\$0	65%	\$0
Private Events	25	250	6,250	\$25.00	\$156,300	65%	\$55,000
TOTAL	228	249	56,881	\$12.00	\$687,600	65%	\$241,000

*Events not anticipated to utilize main performance theater.

As shown above, gross per capita catering spending is assumed to range from \$12.00 for local events to \$25.00 for banquets and private events. It is assumed that catering services would be managed by a third-party and that the venue would generate catering operating income of \$241,000 in the first year of operations.

Merchandise

Merchandise revenue is generated through the sale of clothing, souvenirs, programs, and other novelty items. Merchandise revenue is estimated based on the number of events, average turnstile attendance, average per capita spending on novelties at comparable facilities (adjusted to Lafayette), and the percentage of revenue allocated to the proposed Performing Arts Center.

Merchandise Income							
	Number Of Events	Average Turnstile Attendance	Total Turnstile Attendance	Average Per Capita Spending	Gross Merchandise Revenue	Cost Of Goods Sold	Net Merchandise Revenue
Ticketed Events							
Concerts	20	1,658	33,154	\$7.50	\$248,700	85%	\$37,000
Comedy	5	945	4,726	\$5.00	\$23,600	85%	\$4,000
Family Shows	4	945	3,781	\$5.00	\$18,900	85%	\$3,000
Touring Theater / Broadway	10	1,658	16,577	\$7.50	\$124,300	85%	\$19,000
Local School / University Performances	20	375	7,504	\$0.00	\$0	85%	\$0
Mardi Gras Events	7	543	3,804	\$0.00	\$0	85%	\$0
Dance Showcases	50	565	28,260	\$0.00	\$0	85%	\$0
Local & Regional Performing Arts	25	708	17,693	\$0.00	\$0	85%	\$0
Competitions	8	733	5,867	\$5.00	\$29,300	85%	\$4,000
TOTAL	149	815	121,365	\$3.66	\$444,800	85%	\$67,000

As shown above, gross per capita merchandise spending assumptions ranged from \$0.00 for local events to \$7.50 for concerts and theater. After accounting for labor and supply costs and artist profits, a 15 percent commission has been assumed. Net merchandise revenue generated by the proposed Performing Arts Center is estimated to total approximately \$67,000.

Parking

For purposes of this analysis, it is assumed that there will be 650 parking spots under venue control during events. Gross parking revenues are based on projected turnstile (or actual) attendance, the number of people per car (3.5 based on industry standards), and the charge per car.

Catering Income										
	Number Of Events	Average Turnstile Attendance	People Per Car	Parking Demand Per Event	On-Site Parking	Spaces Sold Per Event	Parking Charge Per Car	Gross Parking Revenue	Cost Of Goods Sold	Net Parking Revenue
Ticketed Events										
Concerts	20	1,658	3.5	474	650	474	\$10.00	\$94,700	15%	\$80,000
Comedy	5	945	3.5	270	650	270	\$10.00	\$13,500	15%	\$11,000
Family Shows	4	945	3.5	270	650	270	\$10.00	\$10,800	15%	\$9,000
Touring Theater / Broadway	10	1,658	3.5	474	650	474	\$10.00	\$47,400	15%	\$40,000
Local School / University Performances	20	375	3.5	107	650	107	\$5.00	\$10,700	15%	\$9,000
Mardi Gras Events	7	543	3.5	155	650	155	\$5.00	\$5,400	15%	\$5,000
Non-Ticketed Events										
Graduations	4	1,500	3.5	429	650	429	\$0.00	\$0	15%	\$0
Banquets / Receptions	25	200	3.5	57	650	57	\$0.00	\$0	15%	\$0
Community Events	20	500	3.5	143	650	143	\$0.00	\$0	15%	\$0
Private Events	25	250	3.5	71	650	71	\$0.00	\$0	15%	\$0
TOTAL	228	657	3.5	188	650	188	\$4.41	\$266,800	15%	\$225,500

It is estimated that the proposed Performing Arts Center could charge an approximate \$5.00 to 10.00 parking fee per car across most ticketed events, with non-ticketed events being free. An 85 percent profit margin has been assumed for parking revenue at all events. As shown in the chart above, it is estimated that the proposed Performing Arts Center could generate approximately \$226,000 in parking revenue in the first year of operations.

Advertising & Sponsorship

The chart below depicts the estimated revenue estimated to be derived at the proposed Performing Arts Center from advertising and sponsorships.

Naming Rights & Sponsorship Revenue				
Sponsorship Revenue Source	Total Partners	Revenue Per Partner	Total Revenue	Percent Of Total
Naming Rights	1	\$200,000	\$200,000	50%
Pouring Rights	1	\$30,000	\$30,000	8%
Founding Partners	4	\$25,000	\$100,000	25%
Other Sponsorships	9	\$7,500	\$67,500	17%
TOTAL GROSS SPONSORSHIP REVENUE	15	\$26,500	\$397,500	100%
Hospitality & Fulfillment Cost			(\$59,625)	(15%)
TOTAL NET SPONSORSHIP REVENUE			\$337,875	85%

Title naming rights for performing arts center are often sold to a company as part of a sponsorship package that typically includes other elements such as a VIP box, signage, promotional tie-ins, etc. For purposes of this analysis, it is assumed that title naming rights will be sold for the proposed Performing Arts Center. Gross naming rights are estimated to total \$200,000 in year one, increasing two percent annually thereafter.

Other advertising and sponsorship revenues include signage, print programs, video screens and other advertising as well as event title sponsorship, title sponsorship of a series, pouring rights, and other sponsorships. Sponsorship revenues were analyzed for other comparable performing arts venues.

Based on these benchmarks, it is estimated that the proposed Performing Arts Center could generate approximately \$398,000 in gross revenues in the first year of operation, including \$30,000 in pouring rights and \$168,000 in other sponsorships, including four founding partnerships at \$25,000 each and nine lower-level sponsorships at \$7,500 each.

Founding partners, along with naming and pouring rights sponsors, are expected to come from “Tier 1” sponsorship industries such as beer, beverage/soda, automobile, telecommunications, finance, restaurant, insurance, hospital/healthcare, or lottery. Lower-level sponsorships are expected to come from “Tier 2” targets, such as liquor, waste management, tourism, food products, professional services, and retail.

After adjusting for estimated hospitality and fulfillment costs (approximately 15 percent of gross revenue), net sponsorship revenue, inclusive of naming rights and other sponsorships, generated by the proposed Performing Arts Center is estimated to total approximately \$338,000.

Ticket Rebates

Performing Arts Centers often utilize a third-party ticketing service, such as Ticketmaster, to handle ticket sales for certain events at the venue. The ticketing service generally collects a convenience charge on each ticket sold, a portion of which is shared with the venue. Convenience charges were estimated based on a review of charges at local and regional facilities, including the Heymann Center, in the Lafayette market.

Ticket Rebate Income								
	Number Of Events	Average Paid Attendance	Total Paid Attendance	% Of Tickets Sold By Service	Convenience Charge Per Ticket	Total Convenience Charges	Venue Share	Total Ticket Rebate Income
Ticketed Events								
Concerts	20	1,750	35,000	100%	\$15.50	\$542,500	30%	\$163,000
Comedy	5	1,000	5,000	100%	\$13.50	\$67,500	30%	\$20,000
Family Shows	4	1,000	4,000	100%	\$11.50	\$46,000	30%	\$14,000
Touring Theater / Broadway	10	1,750	17,500	100%	\$20.50	\$358,800	30%	\$108,000
Local School / University Performances	20	400	8,000	0%	\$4.50	\$0	30%	\$0
Mardi Gras Events	7	800	5,600	0%	\$7.00	\$0	30%	\$0
Dance Showcases	50	600	30,000	0%	\$4.50	\$0	30%	\$0
Local & Regional Performing Arts	25	750	18,750	100%	\$4.00	\$75,000	30%	23,000
Competitions	8	1,000	8,000	100%	\$11.00	\$88,000	30%	26,000
TOTAL	149	885	131,850	48%	\$7.92	\$1,177,800	30%	\$354,000

It is estimated that the average convenience charge per ticket will cost approximately 20 percent of the ticket cost for each ticket sold by the venue’s ticketing partner, depending on the event. The Performing Arts Center is estimated to retain 30 percent of the gross revenues generated by these convenience charges. Total ticket rebates generated by the proposed Performing Arts Center are estimated to total approximately \$354,000.

Facility Fees

Prudent financial planning, and potentially a lender requirement, requires that a capital reserve be established to fund capital maintenance and future major capital projects at the proposed Performing Arts Center. Based on industry standards, a capital reserve should be funded in an annual amount equal to 0.5 percent of the venue’s project cost, escalating annually for changes in the consumer price index. Based on a hypothetical proposed project cost of \$100 million, this annual capital reserve payment is estimated to be \$500,000.

Performing arts centers and other public assembly facilities often assess a facility fee on tickets sold for events at the venue as a means of generating revenue to support capital reserve funds and/or operations. For purposes of this analysis and to be consistent with the current Heymann Center, it is assumed that a facility fee of \$3.00 will be assessed on all tickets sold for ticketed events at the proposed Performing Arts Center.

Facility Fee Income							
	Number Of Events	Average Paid Attendance	Total Paid Attendance	Facility Fee Per Ticket	Annual Facility Fees	Venue Share	Total Facility Fee Income
Ticketed Events							
Concerts	20	1,750	35,000	\$3.00	\$105,000	100%	\$105,000
Comedy	5	1,000	5,000	\$3.00	\$15,000	100%	\$15,000
Family Shows	4	1,000	4,000	\$3.00	\$12,000	100%	\$12,000
Touring Theater / Broadway	10	1,750	17,500	\$3.00	\$52,500	100%	\$53,000
Local School / University Performances	20	400	8,000	\$3.00	\$24,000	100%	\$24,000
Mardi Gras Events	7	800	5,600	\$3.00	\$16,800	100%	\$17,000
Dance Showcases	50	600	30,000	\$3.00	\$90,000	100%	\$90,000
Local & Regional Performing Arts	25	750	18,750	\$3.00	\$56,250	100%	\$56,000
Competitions	8	1,000	8,000	\$3.00	\$24,000	100%	\$24,000
TOTAL	149	885	131,850	\$3.00	\$395,550	100%	\$396,000

As shown in the chart above, total facility fees generated by the proposed Performing Arts Center are estimated to be approximately \$396,000 in a stabilized year of operation. This revenue source would cover approximately 80 percent of the \$500,000 annual capital reserve payment estimated for a \$100 million venue.

Estimated Operating

Expenses Salaries, Wages & Benefits

Salaries, wages, and benefits include expenses for full- and part-time personnel. Based on staffing levels at comparable facilities, it is estimated that 13 dedicated, full-time staff members would be required to operate the proposed Performing Arts Center. These staff members include staff across executive positions, finance, box office, sales & marketing, event services, and building operations. Salary assumptions are based on industry standards for each specific full-time position. Benefit costs, which are in addition to salaries, are assumed to be 30 percent of salaries and wages.

Other personnel required to operate the venue are assumed to be derived from part-time employment and outsourcing to contractors or other service providers. It is assumed that functions such as security, parking, landscaping, and other such services would be outsourced and, therefore, not require full- or part-time staff. Further, part-time event-day employees such as ticket takers, ushers, and others are accounted for separately in the financial projections (i.e. ticket takers, ushers, etc. are part of the services income (loss) calculation).

Salaries, Wages & Benefits				
	FTE	Annual Salary	Benefits	Total
Executive	2	\$80,000	\$24,000	\$208,000
Finance	2	\$75,000	\$22,500	\$195,000
Box Office	2	\$65,000	\$19,500	\$169,000
Sales & Marketing	2	\$65,000	\$19,500	\$169,000
Event Services	1	\$60,000	\$18,000	\$78,000
Operations	3	\$60,000	\$18,000	\$234,000
Part-Time/Non-Reimbursable	--	--	--	\$150,000
TOTAL	13			\$1,281,000

Total personnel expenses incurred by the proposed Performing Arts Center are estimated to be approximately \$1.3 million, as shown in the table above.

General & Administrative

General and administrative expenses include a variety of expenses anticipated to be incurred to operate the Performing Arts Center including advertising, data processing/web fees, dues and subscriptions, equipment rental, professional fees, security and other such costs. Based on expenses incurred at comparable venues, adjusted to the Lafayette marketplace, annual general & administrative expenses are estimated to be approximately \$526,000, as shown in the chart to the right

G&A Expenses	
Security	\$100,000
Supplies	\$50,000
Service Agreements	\$45,000
Misc./Other	\$40,000
Professional Fees (Accounting/Legal)	\$35,000
Uniform	\$30,000
Trash Removal/Pest Control	\$30,000
Training	\$30,000
Vehicles	\$30,000
Data Processing/Web Site	\$30,000
Printing	\$25,000
Advertising and Sales	\$20,000
Equipment Rental	\$20,000
Telephone	\$15,000
Travel	\$10,000
Dues and Subscriptions	\$10,000
Postage and Delivery	\$6,000
TOTAL	\$526,000

Repairs & Maintenance

Routine repairs and venue maintenance should be expected on an annual basis. Based on expenses incurred at comparable venues adjusted to the Lafayette marketplace, total repairs and maintenance expenses are estimated to total approximately \$250,000 in the first year of stabilized operation.

Utilities

Utilities often represent one of the largest expenses incurred by venue operators. Cost estimates for utilities include electricity, gas, water, and steam. Based on expenses incurred at comparable venues and the anticipated size and utilization of the proposed Performing Arts Center, utilities expenses are estimated to total approximately \$638,000 in the first year of stabilized operation.

Insurance

Insurance expenses represent the premiums paid for various insurance policies including but not limited to property, general/ liquor liability, auto, and other policies. Based on expenses incurred at comparable venues and adjusted to the Lafayette region, insurance expenses are estimated to approximate \$156,000 in the first year of stabilized operation.

Management Fees & Commissions

It is assumed that a third-party would operate the proposed Performing Arts Center, as well as serve as the exclusive sales agent for the venue. For purposes of this analysis, it is assumed the operator would be paid a base management fee of \$150,000 while also collecting five (5) percent commission on premium seating and sponsorship sales. In total, management fees are estimated to total approximately \$179,000 in the first year of operation. It is also possible that the third-party manager would want to operate food & beverage for the facility; if this is the case, their management fees would be included in the food & beverage COGS.

Financial Pro Forma

The table below summarizes the estimated operating revenues and expenses associated with the proposed Performing Arts Center over the first five years of operations.

Financial Pro Forma					
	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues					
Rental Income, Net	\$790,000	\$814,000	\$838,000	\$864,000	\$889,000
Premium Seating	286,000	295,000	304,000	313,000	322,000
Concessions, Net	370,000	381,000	393,000	405,000	417,000
Catering, Net	241,000	248,000	255,000	263,000	271,000
Merchandise, Net	67,000	69,000	71,000	73,000	75,000
Advertising & Sponsorships, Net	338,000	346,000	355,000	364,000	373,000
Parking, Net	227,000	234,000	241,000	248,000	255,000
Ticket Rebates, Net	353,000	364,000	375,000	386,000	398,000
Facility Fees	396,000	407,000	420,000	432,000	445,000
TOTAL REVENUE	\$3,068,000	\$3,158,000	\$3,252,000	\$3,348,000	\$3,445,000
Operating Expenses					
Staffing	\$1,281,000	\$1,319,000	\$1,359,000	\$1,400,000	\$1,442,000
Management Fees	179,000	184,000	190,000	195,000	201,000
General & Administrative	526,000	542,000	558,000	575,000	592,000
Repairs & Maintenance	250,000	258,000	265,000	273,000	281,000
Utilities	638,000	657,000	676,000	697,000	718,000
Insurance	188,000	193,000	199,000	205,000	211,000
TOTAL EXPENSES	\$3,062,000	\$3,153,000	\$3,247,000	\$3,345,000	\$3,445,000
NET OPERATING INCOME	\$6,000	\$5,000	\$5,000	\$3,000	\$0
Capital Reserve (0.5 Percent of Total Project Costs)	\$500,000	\$515,000	\$530,000	\$546,000	\$563,000
NET FINANCIAL SURPLUS	(\$494,000)	(\$510,000)	(\$525,000)	(\$543,000)	(\$563,000)

As shown above, the proposed Performing Arts Center is estimated to generate \$3.1 million in operating revenues while incurring \$3.1 million in operating expenses, resulting in a net operating income of approximately break-even. After considering a \$500,000 capital reserve payment, the venue would operate at a net financial deficit of \$494,000 in year one.

It should be noted that net operating income is presented before rental payments or debt. It should also be noted that capital reserve contributions can be generated through a variety of methods beyond venue revenues, including private philanthropy, public subsidies, or endowment contributions, among others.

12

Economic & Fiscal Impacts



In addition to the annual financial operating results of proposed Performing Arts Center, it is important to understand the anticipated economic and fiscal impacts derived from venue operations. While many of the perceived benefits of the proposed Performing Arts Center are considered intangible, including providing additional entertainment opportunities for local residents, a more diversified visitor infrastructure, more local exposure, and enhanced community pride, the construction and operation of the proposed venue will provide quantifiable benefits to the local economy, as well. Quantifiable measurements of the effects that the proposed Performing Arts Center could have on the local economy include economic and fiscal impacts, as summarized over the following pages.

Direct Spending

Direct spending represents the initial primary spending that would occur as a result of the construction and operations of the proposed Performing Arts Center. Direct spending occurs in the following ways:



Construction Spending: Construction materials, supplies, labor, professional fees and other soft cost spending will be generated during the planning and construction of the proposed Performing Arts Center.



Facility Operations Spending: Direct spending will be generated by tickets, concessions, and merchandise sales to patrons attending events at the Performing Arts Center. The operations of the Performing Arts Center will also generate direct spending through premium seating, naming rights, sponsorships, operations of the management company, spending on salaries, wages, and benefits, marketing, and other such sources.



Ancillary Community Spending: Direct spending will also be generated off-site but within the local area by Performing Arts Center patrons, event personnel, and others. Ancillary community spending will likely include spending on lodging, food and beverages, retail, entertainment, transportation and other items in connection with Performing Arts Center events.

The graphic on the following page illustrates the primary sources of direct spending anticipated to be associated with the construction and operations of the proposed Performing Arts Center.

Direct Spending Sources

Construction Spending	Operations Spending	
		
<p>Materials Supplies Labor Professional Fees</p>	<p>Performing Arts Center Spending</p> <p>Ticket Sales Premium Seats Concessions Merchandise Sponsorship Parking Fees Other</p>	<p>Ancillary Community Spending</p> <p>Lodging Bars Service Retail Entertainment Transit Other</p>

Direct Spending Adjustments

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

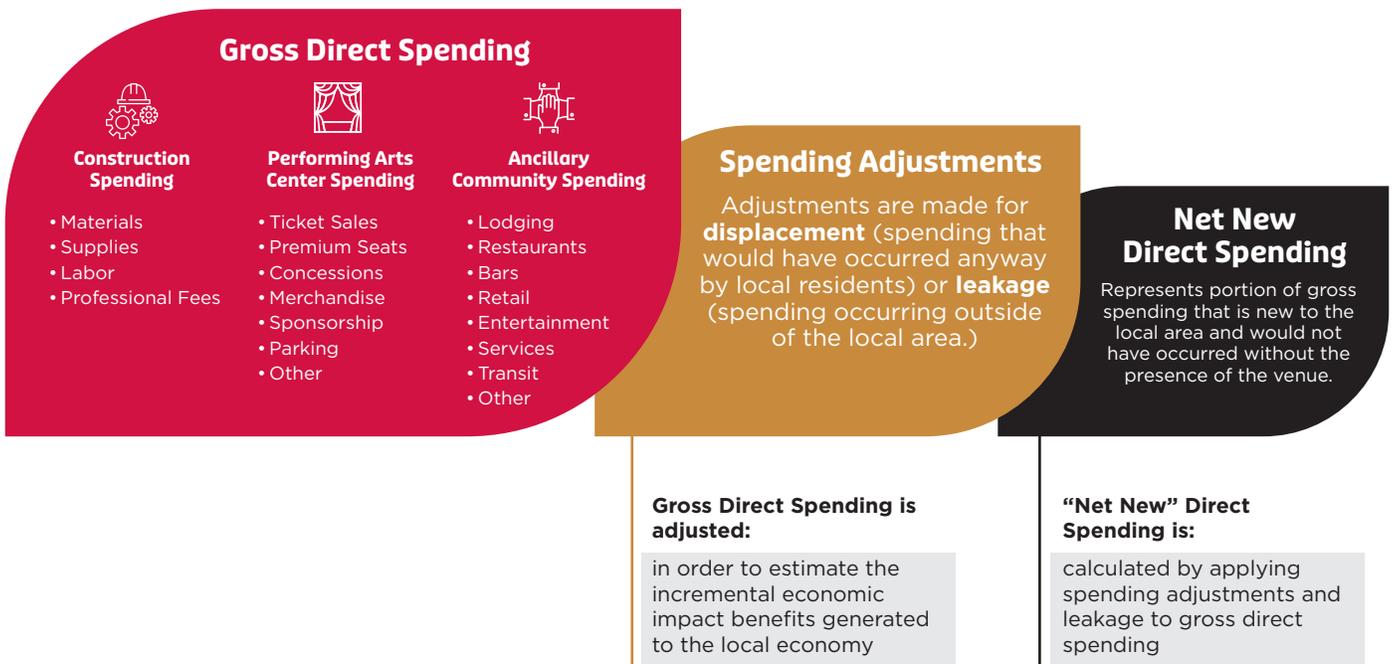


Leakage: Leakage represents the portion of gross spending estimated to occur outside the measured economy (i.e., City of Lafayette, Lafayette Parish). Immediate leakage occurs when initial direct expenditures occur outside the local area, such as an out-of-town attendee who patronizes a hotel or restaurant located outside the measured economy’s boundaries. Leakage also occurs when initial local spending is used immediately to pay for non-local goods, services, etc. Examples of this type of secondary leakage include ticket sales allocated to non-local promoters or artists, or concessionaire profits retained by companies based outside of the local area.



Displacement : Displacement refers to spending that would have likely occurred anyway in the local market without the presence of the proposed Performing Arts Center. Examples of displaced spending would include spending by local residents in connection with their attendance at the Performing Arts Center that would have been spent within the local area anyway on other items (movies, restaurants, shopping, etc.) if they did not patronize the Performing Arts Center. This concept of displacement is oftentimes referred to as the substitution effect.

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



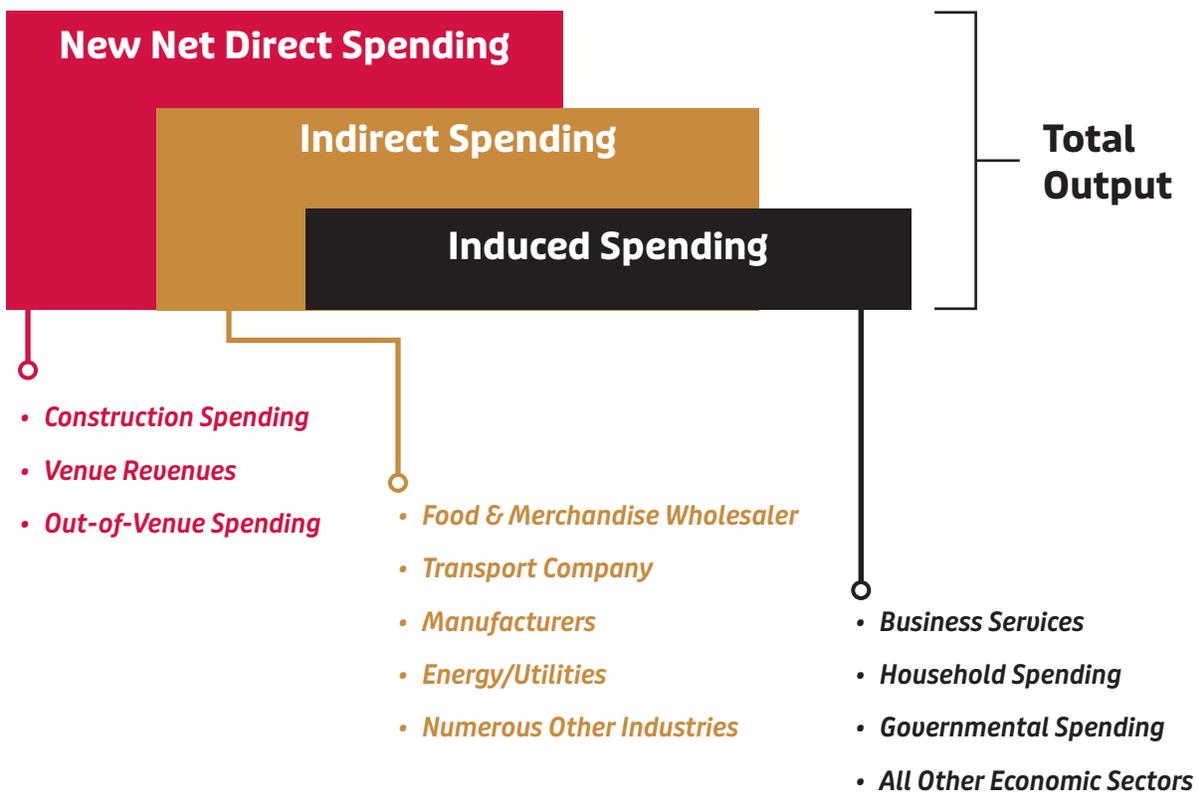
Multiplier Effect

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

- Indirect effects consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. Indirect impacts occur in a number of industries, including the following:

- wholesale industry, as purchases of food and merchandise products are made;
 - transportation industry, as products are shipped from purchaser to buyer;
 - manufacturing industry, as products used to service the venue, vendors and others are produced;
 - utility industry, as the power to produce goods and services is consumed; and,
 - other such industries.
- Induced effects consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the proposed Performing Arts Center. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment is generated, and spending occurs in virtually all business sectors. This represents the induced spending impacts generated by direct expenditures.

The graphic below illustrates the flow of direct spending through the successive rounds of re-spending, including the indirect and induced effects.



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

The multiplier estimates used in this analysis are based on the RIMS II system, which is a regional economic model developed by the Bureau of Economic Analysis that is used by investors, planners, and elected officials across the country to accurately assess economic impact, and are specific to Lafayette Parish. The specific multipliers used in this analysis are shown in the chart below.

Economic Multipliers (Lafayette Parish)			
	Total Output	Employment (FTE)	Personal Earnings
Construction	1.61	8.46	0.43
Performing Arts	1.51	28.08	0.46
Lodging	1.55	10.13	0.36
Food & Beverage	1.65	21.39	0.53
Retail	1.58	17.00	0.45
Entertainment	1.63	20.25	0.43
Transportation	1.60	22.70	0.37
Other	1.59	22.59	0.53

*Note: Total Output and Personal Earnings multipliers are applied one-to-one to dollars, whereas Employment multipliers are applied one-to-one to millions of dollars.
Source: RIMS II.*

Multipliers are applied to direct spending to calculate the following measures of economic impact:



Total Output represents the total direct, indirect and induced spending effects generated by the proposed Performing Arts Center. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.



Employment is expressed in terms of total full-time equivalent (FTE) jobs and includes both full- and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.



Personal Earnings represent the wages and salaries earned by employees of businesses impacted by the proposed Performing Arts Center. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.

Economic Impact Summary

The table below summarizes the net new economic impacts of the proposed Performing Arts Center to the City of Lafayette, Lafayette Parish, and State of Louisiana.

Economic Impact Summary			
Net New Construction Impacts			
	City	Parish	State
Direct Spending	\$19,000,000	\$42,000,000	\$54,000,000
Total Output	\$30,510,000	\$67,444,000	\$86,713,000
Jobs (FTEs)	75	165	210
Earnings	\$8,170,000	\$18,060,000	\$23,220,000
Net New Annual Operations Impacts (2027)			
	City	Parish	State
Direct Spending	\$4,890,000	\$4,831,000	\$3,428,000
Total Output	\$7,564,000	\$7,470,000	\$5,314,000
Jobs (FTEs)	100	100	70
Earnings	\$2,242,000	\$2,215,000	\$1,570,000
32-Year NPV Construction & Operations Impacts			
	City	Parish	State
Direct Spending	\$116,702,000	\$137,056,000	\$119,933,000
Total Output	\$181,565,000	\$214,263,000	\$188,720,000
Jobs (FTEs)	175	265	280
Earnings	\$53,006,000	\$61,720,000	\$53,513,000

Note: Economic impacts are not additive across the City, Parish, or State.

As shown, over a period of construction and 30 years of operations, it is estimated that the project will generate approximately \$116.7 million in net new direct spending that will generate \$181.6 million in total output, 175 total jobs, and \$53.0 million in personal earnings to the City of Lafayette.

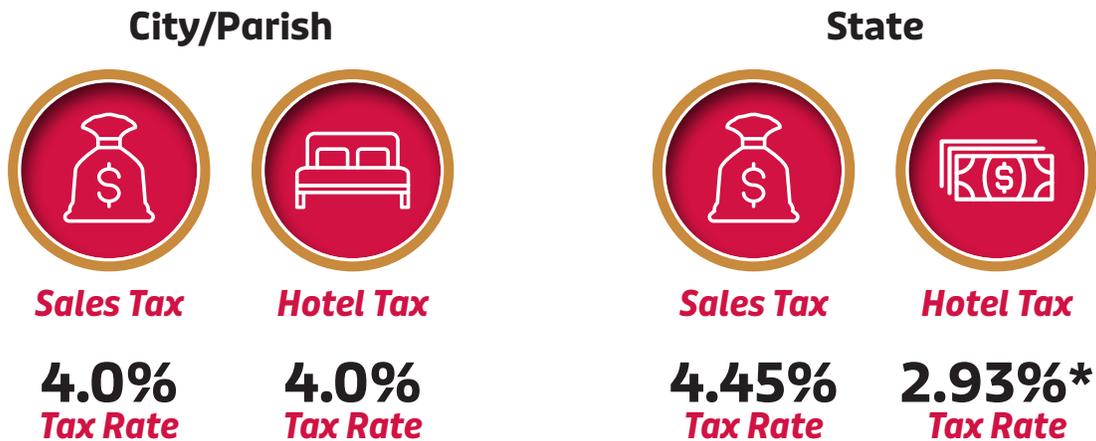
Additionally, it is estimated that the project will generate approximately \$137.1 million in net new direct spending that will generate \$214.3 million in total output, 265 total jobs, and \$61.7 million in personal earnings to Lafayette Parish over the same time period.

Moreover, over the same period, it is estimated that the project will generate approximately \$119.9 million in net new direct spending that will generate \$188.7 million in total output, 280 total jobs, and \$53.5 million in personal earnings to the State of Louisiana.

It should be noted that economic impacts for operations of the venue are necessarily higher for smaller measured economies. For example, the City has higher operational economic impacts than the State because some spending can be considered “net new” to the City but not “net new” to the State. For example, if someone, who was looking to spend money on entertainment/sports, living in the State but outside of the City attends a game and spends money on tickets and concessions, that revenue is “net new” to the City but not “net new” to the State. It should also be noted that economic impacts, for this reason, are not additive across catchment areas.

Applicable Taxes

In addition to the economic impacts expected to be generated by the construction and operations of the proposed Performing Arts Center, the public sector will also benefit from increased tax revenues. In preparing estimates of fiscal impacts, tax revenues attributable to the net new direct, indirect, and induced spending generated by the proposed Performing Arts Center were estimated. Tax revenues are based on the current applicable tax rates, so future changes in these rates would have an impact on the resulting tax collections. Taxes specific to the City of Lafayette, Lafayette Parish, and State of Louisiana are considered in this analysis and are shown below.



Fiscal Impact Summary

The chart below depicts the estimated net new fiscal impacts of the proposed Performing Arts Center to the City of Lafayette / Lafayette Parish and State of Louisiana.

As shown, it is estimated that the proposed Performing Arts Center, over a period of construction and 30 years of operations, could generate \$5.0 million in fiscal impacts to the City of Lafayette / Lafayette Parish, most of which (92 percent) can be attributed to sales taxes.

Additionally, it is estimated that the proposed Performing Arts Center, over a period of construction and 30 years of operations, could generate \$6.2 million in fiscal impacts to the State of Louisiana, including \$4.6 million in sales taxes and approximately \$1.6 million in income taxes.

Fiscal Impact Summary		
Net New Construction Impacts		
	City/Parish	State
Sales Tax	\$481,000	\$1,464,000
Income Tax	--	\$676,000
TOTAL	\$481,000	\$2,140,000
Net New Annual Operations Impacts (2027)		
	City/Parish	State
Sales Tax	\$205,000	\$161,000
Income Tax	--	\$45,700
Occupancy Tax	\$19,600	--
TOTAL	\$224,600	\$206,700
32-Year NPV Construction & Operations Impacts		
	City/Parish	State
Sales Tax	\$4,593,000	\$4,633,000
Income Tax	--	\$1,557,000
Occupancy Tax	\$397,000	--
TOTAL	\$4,990,000	\$6,190,000

*Represents weighted average

13

Funding Assessment



Introduction

Total project costs associated with the construction of the proposed Performing Arts Center are estimated to approximate \$100 million. To identify those funding sources that may be available to fund the proposed Performing Arts Center, facility funding mechanisms from comparable performing arts centers and other sports and entertainment venues throughout Louisiana were analyzed. Additional context on funding sources were provided to CSL by project stakeholders. The assessment of potential Performing Arts Center funding options is presented in the following sections:



Comparable Facility Funding Sources;



Potential Funding Sources; and,



Louisiana Facility Funding Sources;



Summary.

Comparable Facility Funding Sources

Comparable performing arts centers, as identified earlier in this report, serve as examples for potential funding mechanisms for the proposed Performing Arts Center. The following table presents a summary of the total project costs and public/private funding participation for comparable facilities.

Comparable Performing Arts Center Funding							
Venue	Location	Year Opened (Renovated)	Total Cost	Public		Private	
				\$	%	\$	%
Holland Performing Arts Center	Omaha, NE	2005	\$92.0M	\$13.8M	15%	\$78.2M	85%
Wagner Noel Performing Arts Center	Midland, TX	2011	\$81.0M	\$49.0M	59%	\$33.0M	41%
Fox Cities Performing Arts Center	Appleton, WI	2002	\$60.2M	\$15.0M	20%	\$48.0M	80%
Sandler Center for the Performing Arts	Virginia Beach, VA	2007	\$47.5M	\$30.0M	63%	\$17.5M	37%
Clayton Center for the Arts	Maryville, TX	2010	\$47.3M	\$22.2M	47%	\$25.2M	53%
Peace Center	Greenville, SC	1990	\$42.0M	\$14.0M	33%	\$28.0M	67%
Chrysler Hall*	Norfolk, VA	2022	\$40.6M	\$40.6M	100%	--	0%
Globe News Center for the Performing Arts	Amarillo, TX	2002	\$32.0M	--	0%	\$32.0M	100%
AVERAGE		2008	\$57.2M	\$24.4M	43%	\$39.0M	57%
MEDIAN		2007	\$47.5M	\$22.2M	47%	\$32.5M	53%

* Represents renovation costs
 Note: Sorted by Total Cost

On average, approximately 57 percent of comparable performing arts center project costs were funded utilizing private sources, with the remaining 43 percent utilize public sources. Common public sources utilized to fund comparable facilities included revenues from capital improvement funds, tuition revenue bonds, government grants, tourism revenue, sales taxes, hotel/motel taxes, economic redevelopment reserve funds, parking fees, sales and/or food and beverage taxes, admission taxes, and vice (alcohol or cigarette) taxes. Common private sources utilized to fund comparable facilities included lead gifts for naming rights, private corporate donations, philanthropic gifts, and facility fees.

Louisiana Facility Funding Sources

In addition to understanding comparable performing arts center funding, it is important to understand the comparable financing plans for other sports and entertainment facilities within the State of Louisiana. The table below summarizes the public-private funding participation of select performing arts centers and select professional sports facility projects in Louisiana.

State of Louisiana Facility Funding							
Venue	Location & Tenant	Year Opened (Renovated)	Total Cost	Public		Private	
				\$	%	\$	%
Performing Arts Centers							
Jefferson Performing Arts Center	Metairie, LA	2020	\$54.5M	\$54.5M	100%	--	0%
Mahalia Jackson Theater for the Performing Arts*	New Orleans, LA	2009	\$27.0M	\$26.5M	98%	\$0.5M	2%
Orpheum Theater*	New Orleans, LA	2011	\$13.0M	\$13.0M	100%	--	0%
Average - Performing Arts Centers		2013	\$31.5M	\$31.3M	99%	\$0.2M	1%
Professional Sports							
Caesars Superdome*	New Orleans, LA - New Orleans Saints (NFL)	2006	\$185.0M	\$170.0M	92%	\$15.0M	8%
Smoothie King Center	New Orleans, LA - New Orleans Pelicans (NBA)	1999	\$112.0M	\$101.9M	91%	\$10.1M	9%
Gold Mine on Airline	New Orleans, LA - New Orleans Gold (MLR)	1997	\$26.0M	\$26.0M	100%	--	0%
Average - Performing Arts Centers		2001	\$107.7M	\$99.3M	94%	\$8.4M	6%
Average Total		2007	\$69.6M	\$65.3M	97%	\$4.3M	3%

* Represents renovation costs
 Note: Sorted by Total Cost

As shown above, performing arts centers in Louisiana, which includes four such facilities, were mostly funded with public sources including hotel/motel taxes, and existing City and State funds. Additionally, in terms of professional sports facilities, which are useful to examine to better understand the availability and type of funding available for public entertainment venues, were entirely funded with public sources.

Among professional sports facilities in Louisiana, hotel taxes are the most commonly used public funding source. Approximately \$85 million (76 percent) of Smoothie King Center was funded utilizing hotel tax revenue, while the 2006 Caesars Superdome renovations utilized approximately \$13 million (seven percent). Other public sources of funding primarily have come from existing State funds.

In addition to hotel taxes, approximately \$116 million (63 percent) of funding for the 2006 Caesars Superdome renovation came from the Federal Emergency Management Agency (“FEMA”) as a result of damages from Hurricane Katrina, with the remaining funds coming from the Louisiana Stadium and Exposition District (“LSED” - 22 percent) and the NFL (eight percent). The facility is currently undergoing a \$450 renovation, 67 percent of which will be funded publicly and 33 percent coming from the Saints. Public funding sources include \$90 million (20 percent) from the State through a variety of sources, including hotel tax revenue, and \$210 million (47 percent) from the LSED.

Potential Funding Sources

The following pages summarize the funding sources utilized by comparable performing arts centers nationwide and major entertainment facilities in the State of Louisiana that could be applicable to the proposed Performing Arts Center. Project representatives should consider the unique advantages and disadvantages of each source, as well as the processes and precedent related to the use of each source before making final decisions regarding which sources should be utilized to fund the approximately \$100 million in project costs.

Public Sources

Public funding sources utilized by comparable and local entertainment venues that could be utilized to fund project costs for the proposed Performing Arts Center include sales, hotel and property tax revenue, along with TIF revenue, and other potential sources. It should be noted that any increase in sales tax, hotel tax, or property tax would be subject to a public vote.

Sales Taxes

Currently, the State imposes a 4.45 percent sales tax, with an additional 4.0 percent sales tax in Lafayette Parish. In 2015, the Parish temporarily instituted a one-cent sales tax increase to help pay for a new \$90 million commercial terminal at the Lafayette Regional Airport. The tax, which was in effect from April through November, generated approximately \$32.6 million, which was added to money from bonds and federal state grants to cover the \$90 million that was needed. In order to secure state funding, Lafayette Parish was needed to generate at least 25 percent of total project funds, or approximately \$22.5 million. The chart below depicts the potential incremental income based on a one cent increases to the Lafayette Parish sales tax rate of 4.0 percent.

Sales Tax Funding Potential	
Potential Sales Tax Increase	Annual Incremental Sales Tax Revenue
Current Sales Tax Revenue	\$261,410,000
1.00 Cent	\$52,282,000

As shown in the table above, a one-cent increase in sales tax, the same increase that was made during the funding of the airport renovation, could generate approximately \$52.3 million annually. It should be noted that these estimates are based on the sales tax collections from the most recent fiscal year.

Hotel Taxes

Lafayette Parish currently imposes a four percent hotel tax in the area. The table below depicts funding potential related to incremental increases in the Parish hotel tax rate.

Hotel Tax Funding Potential	
Potential Hotel Tax Increase	Annual Incremental Hotel Tax Revenue
Current Hotel Tax Revenue	\$2,200,000
0.50 Percent	\$275,000
0.75 Percent	\$412,500
1.00 Percent	\$550,000
1.25 Percent	\$687,500
1.50 Percent	\$825,000

Funding potential assumes 30-year present value with a discount rate of 4.5 percent.

As shown, a 0.50 percent increase in the hotel/motel tax rate would potentially generate \$275,000 in annual incremental revenue. With each additional quarter-percent increase, the potential incremental revenue that could be generated grows by \$137,500, with a 1.00 percent increase generating \$687,500 and a 1.50 percent increase generating \$825,000.

Property Taxes

In 2020, the last year in which actual collections data is available, the Parish collected approximately \$86.9 million in property tax revenues. The table above summarizes the estimated funding potential from a range of potential property tax increases in Lafayette Parish ranging from a 0.5 percent increase to a 1.5 percent increase.

Property Funding Potential		
Potential Property Tax Increase	Annual Incremental Property Tax Revenue	Total Funding Potential
Current Property Tax Revenue		\$86,900,000
0.50 Percent	\$435,000	\$7,085,667
0.75 Percent	\$652,000	\$10,620,355
1.00 Percent	\$869,000	\$14,155,044
1.25 Percent	\$1,086,000	\$17,689,733
1.50 Percent	\$1,304,000	\$21,240,711

Funding potential assumes 30-year present value with a discount rate of 4.5 percent.

A 0.5 percent increase in millage rates could generate approximately \$435,000 in annual incremental revenue. With each additional quarter-percent increase, the potential incremental revenue that could be generated grows by \$217,000, with a 1.00 percent increase generating \$869,000 and a 1.50 percent increase generating \$1.3 million.

TIF Funding

Because the proposed Performing Arts Center is envisioned to serve as an economic driver within the area, the venue could serve as the anchor for a potential mixed-use district that could serve to fund various projects within the designated area through the use of tax increment financing.

Tax increment financing (“TIF”) involves capturing assessed valuation growth within a specific area (i.e. TIF district) related to a particular development and does not involve an increase in the property tax rate. Typically, a redevelopment agency delineates a project area and declares a base year. The existing base assessed valuation is taxed as before by each overlapping taxing entity covering a portion of the project area. The additional assessed valuation, added to the tax rolls over the base, is taxed at the same rate as the base valuation. However, the tax revenues attributed to the new incremental assessed valuation are remitted to the redevelopment agency and used to pay debt service.

Financing of the proposed Performing Arts Center and other projects within the designated district would be generated by the incremental increases in property tax revenues that result from the development. This mechanism is utilized by public entities to encourage redevelopment efforts by the private sector.

The table below summarizes the estimated funding potential derived from a TIF District that is assumed to realize a range of incremental development ranging from \$50 million to \$200 million.

TIF Tax Funding Potential				
Potential Property Tax Increase	\$50,000,000	\$100,000,000	\$150,000,000	\$200,000,000
Property Tax Rates				
County	0.52	0.52	0.52	0.52
City	0.54	0.54	0.54	0.54
Total	1.06	1.06	1.06	1.06
Property Tax Revenue				
County	\$260,000	\$520,000	\$780,000	\$1,040,000
City	\$270,000	\$540,000	\$810,000	\$1,080,000
Total	\$530,000	\$1,060,000	\$1,590,000	\$2,120,000
Total Property Tax Revenue				
County	\$4,235,000	\$8,470,000	\$12,705,000	\$16,940,000
City	\$4,398,000	\$8,796,000	\$13,194,000	\$17,592,000
Total	\$8,633,000	\$17,266,000	\$25,899,000	\$34,532,000

Note: Assumes 30-year bonds and a 4.5 percent discount rate with a 1.5 debt coverage requirement.

As shown, approximately \$8.6 million in project funding could be generated (assuming 30-year bonds, a 4.5 percent discount rate and 1.5 debt coverage ratio) for each \$50 million in incremental development within a TIF District. If \$200 million in private sector development were to occur in an established TIF District, a total of \$34.5 million in project funding could be generated through anticipated incremental property tax revenues.

Capital Outlay

In addition to sales, hotel, property and TIF tax revenues, the potential Performing Arts Center could generate funding from capital outlay from the State of Louisiana. Capital outlays are expenditures for acquiring land, buildings, equipment, or for their preservation, development or improvement. To reach the capital outlay funding threshold, the City or a private entity must generate at least 25 percent of total project costs, at which point the State will finance the remainder of the project from its general fund. A recent project that utilized capital outlay funding was the Lafayette Regional Airport, where a one-cent tax was temporarily instituted to generate approximately \$32.6 million, which exceeded the 25 percent threshold needed for capital outlay funding where the State would fund the rest of the project.

Similar to the airport, it has been identified by project stakeholders that a combination of a temporary sales tax increase and matching State capital outlay funds is the likeliest method of funding for the proposed Performing Arts Center.

Private Sources

Private funding sources utilized by comparable and local entertainment venues that could be utilized to fund portions of the proposed Performing Arts Center include venue operating income and philanthropic contributions. These funding sources place little to no burden on taxpayers and governmental revenue sources but are often more difficult to generate and secure.

Potential private sources that have been utilized by the comparable facilities identified in this report include private philanthropic donations such as the \$33 million in contributions to the Wagner Noel Performing Arts Center from Ellen Noel and Lissa and Cy Wagner, for whom the facility was named, a foundation grant like the \$12.5 million the Sandler Center for the Performing Arts received from the Performing Arts Center Foundation, corporate contributions, lead gifts, and naming rights. Additional private funds could come from the sale of the Heymann Center land, which currently has an assessed value of \$1.1 million and a market value of \$8.3 million.

Summary

The ultimate financing structure of the proposed Performing Arts Center is dependent on the political, economic, and other issues of the related parties. The chart below displays the estimated funding potential of the most likely sources based on current market conditions, a review of comparable facilities, and the local resources that may be specifically available to the proposed venue.

Potential Sources	
Public Sources	
Sales Taxes	\$52M
Hotel Taxes	\$275k to \$825k
Property Taxes	\$435k to \$2M
TIF Funding	\$8M to \$35M
Capital Outlay Funds	\$70M to \$75M
TOTAL PUBLIC SOURCES	\$130M - \$165M
Private Sources	
Private Donations	\$7M to \$75M
Lead Gift	\$2M to \$8M
Foundation Grants	\$20M to \$30M
Naming Rights	\$7M to \$13M
TOTAL PRIVATE SOURCES	\$37M - \$125M

As shown above, it is estimated that the public sector revenue sources quantified herein could potentially fund approximately \$130 million to \$165 million of project costs, while the private sources could total \$37 million to \$125 million, for a total funding potential upwards of \$291 million. It should be noted that a majority of comparable performing arts centers, in addition to utilizing public funding sources, also received funding from private sources such as donations, lead gifts, foundation grants, and naming rights. On average, comparable venues received approximately 57 percent of funding from private sources.

14

Ownership & Management Analysis



The purpose of this section is to present an overview of various options regarding the management and operations of a proposed Performing Arts Center. Each potential management structure for the proposed Performing Arts Center has its own unique advantages and disadvantages, which should be considered when making decisions regarding the management of the facility. The following is an overview of each potential performing arts center management structure.

Public Management

Public management of large assembly centers, including performing arts centers and other live entertainment venues, was commonplace throughout the 20th century and into the early 2000's. This management was typically implemented in a variety of methods, including creating a separate department within government to manage the facility or designating responsibility of the management to an existing department within government, often in a parks & recreation or other operations department.

One advantage of public management is the ability to control all aspects of facility operations. For instance, the ability to combine the purchase of goods and services with other governmental departments provides an advantage in maximizing purchasing power and rate structures. Additionally, there can be operational synergies between other departments within the local government that can create efficiencies among staffing, supplies, and maintenance.

However, there are a number of disadvantages associated with public management of facilities. The primary disadvantages relate to the additional burden placed on governmental departments and the additional level of bureaucracy sometimes required to facilitate building operating decisions. The decisions made regarding the operation of a facility may be slowed due to the nature of the particular governmental department in terms of requirements for approvals and other regulations and procedures, which can sometimes hinder a facility's ability to effectively compete. Moreover, as leadership in government changes over time, political policies can materially change the operations of facilities, which can limit the ability of the facility to compete consistently and constantly long-term. Additionally, as compared with private management companies, local governments may not have the depth and breadth of relationships with regional and national touring promoters to help attract events to the market, which can limit the number of events a facility is able to host on an annual basis. In general, the public is not as incentivized as a private manager would be to aggressively generate income and secure events.

A summary of key advantages and disadvantages to the public sector associated with public management include, but are not limited to:

Public Management	
Advantages	Disadvantages
Owner control	Civil service constraints
Financial support	Contract approval requirements
Operational synergies with other departments	Changing political policies
Coordinated purchasing	Lack of incentives
Knowledge of General Area	Limited flexibility
	Lack of promoter experience

Currently, the Heymann Center is operated by the Consolidated Government of Lafayette, and the majority of current event utilization is anticipated to be relocated to the proposed Performing Arts Center upon construction. As such, it is possible that the public could utilize current Heymann Center staff at the proposed Performing Arts Center to ensure a seamless transition.

Private Management

As competition for events as increased over time among facilities throughout the country, coupled with increased pressure for facility operations to break even (and thus not put pressures on local public entities for subsidies), many governments have opted to hire private management companies to handle the day-to-day operations. Some of the top national venue operators are Spectra, ASM Global, and VenuWorks, among others.

While private management agreements vary through the country, typically it includes the public owner hiring the management company to assume most operational capacities, including staffing, purchasing, and booking, for an annual fee. Because the management operator is incentivized to limit costs and generate revenue, venues typically generate income as close as possible to break-even and limit burden on the public's bottom line. This also shifts risk from the public owner onto the third-party manager.

Management fees vary from facility to facility but often include monthly or annual payments. Fees also can include additional incentives related to hitting operating income targets or attendance goals. Attendance goals could also be further incentivized through the implementation of a per-ticket management fee. Management companies can also take over other aspects venue management beyond day-to-day operations, such as food & beverage / catering services or partnerships (i.e., premium seating, sponsorships, etc.). As part of these arrangements, management companies may take a percentage of the gross sales of these categories.

Private management also typically comes with the experience and knowledge of managing other venues around the country, which creates experience and connection which operators can leverage to attract promoters and events to their venue. This level of experience also creates operational and process synergies across venues under the manager's umbrella, limiting expenses and waste.

One disadvantage of private operation is that operational philosophy from the public owner may differ. For example, for many large public assembly facilities, the public's goal is to provide quality-of-life entertainment and opportunities while also creating economic impact to the region. Under private management, the incentives may shift toward profit generation instead of economic and community impacts. The public can mitigate this differentiation in incentives through a variety of agreement structures, including attendance-based fee structures and subsidation of local community events.

A summary of key advantages and disadvantages to the public sector associated with private management include, but are not limited to:

Private Management	
Advantages	Disadvantages
Operating autonomy	Loss of direct control by owner
Efficiency incentives	Profit motive versus economic impact motive
Network of relationships	Facility management fees
Internal network of knowledge/experience	Management personnel turnover
Independence in negotiations	Lack of local knowledge/experience
Staffing resources	
Objective criteria for accountability	
Efficient procurement processes	
Less financial risk for owner	

It is possible that project stakeholders, prior to venue construction, could solicit proposals from private management companies through an open-bid process and work to acquire the agreement that most benefits that City/Parish, its taxpayers, and the proposed venue financially. Additionally, as part of negotiations with third-party managers, existing Heymann Center staff could be hired to create continuity during the transition from the Heymann Center to the proposed Performing Arts Center; these staff members represent a wealth of industry and marketplace knowledge that could be critical in the success of the proposed venue.

Comparable Facility Organizational Structures

The management structures at comparable facilities can provide a framework for project stakeholders in assessing the appropriate management structure for the proposed Performing Arts Center. The following graphic summarizes the operational structure of the identified comparable facilities.

		Owner	Operator
Chrysler Hall	Norfolk, VA	Public	Private
Wagner Noel Performing Arts Center	Midland, TX	University	Private
Clayton Center for the Arts	Maryville, TN	Private	College
Peace Center	Greenville, SC	Public	Non-Profit
Sandler Center for the Performing Arts	Virginia Beach, VA	Public	Private
Globe News Center for the Performing Arts	Amarillo, TX	Public	Public
Holland Performing Arts Center	Omaha, NE	Non-Profit	Non-Profit
Fox Cities Performing Arts Center	Appleton, WI	Non-Profit	Non-Profit

As shown, seven of the eight comparable venues have private managers, including three third-party operators, three non-profits, and one college. Only one comparable facility (Globe News Center for the Performing Arts in Amarillo, TX) is operated by the public entity.

Summary

The following are key takeaways from this management analysis:



Public management of performing arts centers can provide public ownership control over the facility and can leverage synergies within varying departments of government. However, public management can create undue burden on budget-constrained governmental entities, and lack of operational experience can limit the ability of the facility to effectively compete for events.



Private management of facilities shifts the operational risk from the public to a third-party operator, which can use its industry experience, knowledge, and connections to effectively compete for events in the marketplace. However, this results in a loss of direct control from the public ownership, and the public also must generate revenue to cover management fees.



Among the eight identified comparable facilities, seven (88 percent) have a private manager while only one (12 percent) is operated directly by the public.