



MARKET ANALYSIS FOR A POTENTIAL MASTER PLAN REDEVELOPMENT OF THE KENTUCKY EXPOSITION CENTER

In Louisville, Kentucky

November 29, 2022

CSL

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Mr. David Wallace
Chairman
P3 Committee
937 Phillips Lane
Louisville, Kentucky 40209

Mr. David Beck
President & CEO
Kentucky Venues
937 Phillips Lane
Louisville, Kentucky 40209

Dear Messrs. Wallace & Beck:

Conventions, Sports & Leisure International (CSL) has completed a market analysis for a potential master plan redevelopment of the Kentucky Exposition Center (KEC) in Louisville, Kentucky. The goal of this study is to assist the P3 Committee, Kentucky Venues and other community stakeholders evaluate the opportunity for developing expanded/enhanced event facilities at the KEC.

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

The findings presented herein are primarily based on analyses of 2022 conditions in the Louisville area. As in all studies of this type, the recommendations and estimated results are based on competent and efficient management of the subject facilities and assume that no significant changes in the event/utilization markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

The report has been structured to provide decision makers with the foundational information necessary to evaluate issues related to potential future investment in event facilities on the KEC campus and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

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

Very truly yours,



CSL International



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1 INTRODUCTION



CONSULTING TEAM OVERVIEW



- Conventions, Sports & Leisure International (CSL) provides guidance to communities exploring investment in public assembly facilities and visitor industry products.
- Conducted more than 2,000 strategic and economic planning studies for multipurpose event facilities.
- Completed 2014 Master Plan study of KEC and 2016 Feasibility Study of Multi-Sport Field Complex in Louisville.



- Ernst and Young Infrastructure Advisors (EYIA) is a leading advisor of public-private partnerships.
- Financial, commercial and transaction advise to transform complex infrastructure projects.
- Support economic development goals and drive innovation.



- Populous is a design firm with 39 years of experience, having designed more than 3,000 projects worth \$40 billion.
- Recognized 300 times with global design awards, including five National American Institute of Architects awards.
- Leading livestock, equestrian, and multiuse event venue innovation in North America with new visioning and design efforts at National Western, American Royal, Oklahoma State Fair Park, Calgary Stampede, and Westworld of Scottsdale.



- CHA Consulting is a diverse engineering consulting firm established in 1952.
- Over the past 20 years, CHA has planned, designed and constructed hundreds of sports and recreation projects for municipal and educational facilities throughout the US.



KEC OVERVIEW

CITY/STATE:	Louisville, Kentucky
OWNER:	Kentucky State Fair Board
OPERATOR:	Kentucky State Fair Board
YEAR BUILT:	1956
ACREAGE:	400 acres
PARKING:	22,900 spots
EXHIBIT SPACE:	957,500 square feet
MEETING SPACE:	53,300 square feet
LARGEST SPACE:	421,200 square feet
LARGEST ARENA CONCERT CAPACITY:	18,255 maximum capacity
LARGEST DIRT- FLOOR ARENA:	15,600 permanent seats
STALLS:	1,071 permanent; 1,427 portable
RV SPACES:	218 RV Hook-ups

The Kentucky Exposition Center (KEC) opened in 1956 and has evolved into a 400-acre complex with more than 1.0 million square feet of sellable indoor event space. There is approximately 674,500 square feet of “Class A” exhibit space east of Freedom Hall, including 421,200 square feet within South Wings, 218,300 square feet in North Wing and 35,000 square feet in East Hall. The space west of Freedom Hall includes the 175,700-square foot West Wing and the 75,300-square foot Pavilion. This exhibit space is considered sub-standard due to the low ceiling heights, numerous columns and support facilities that have largely remained since the building originally opened.

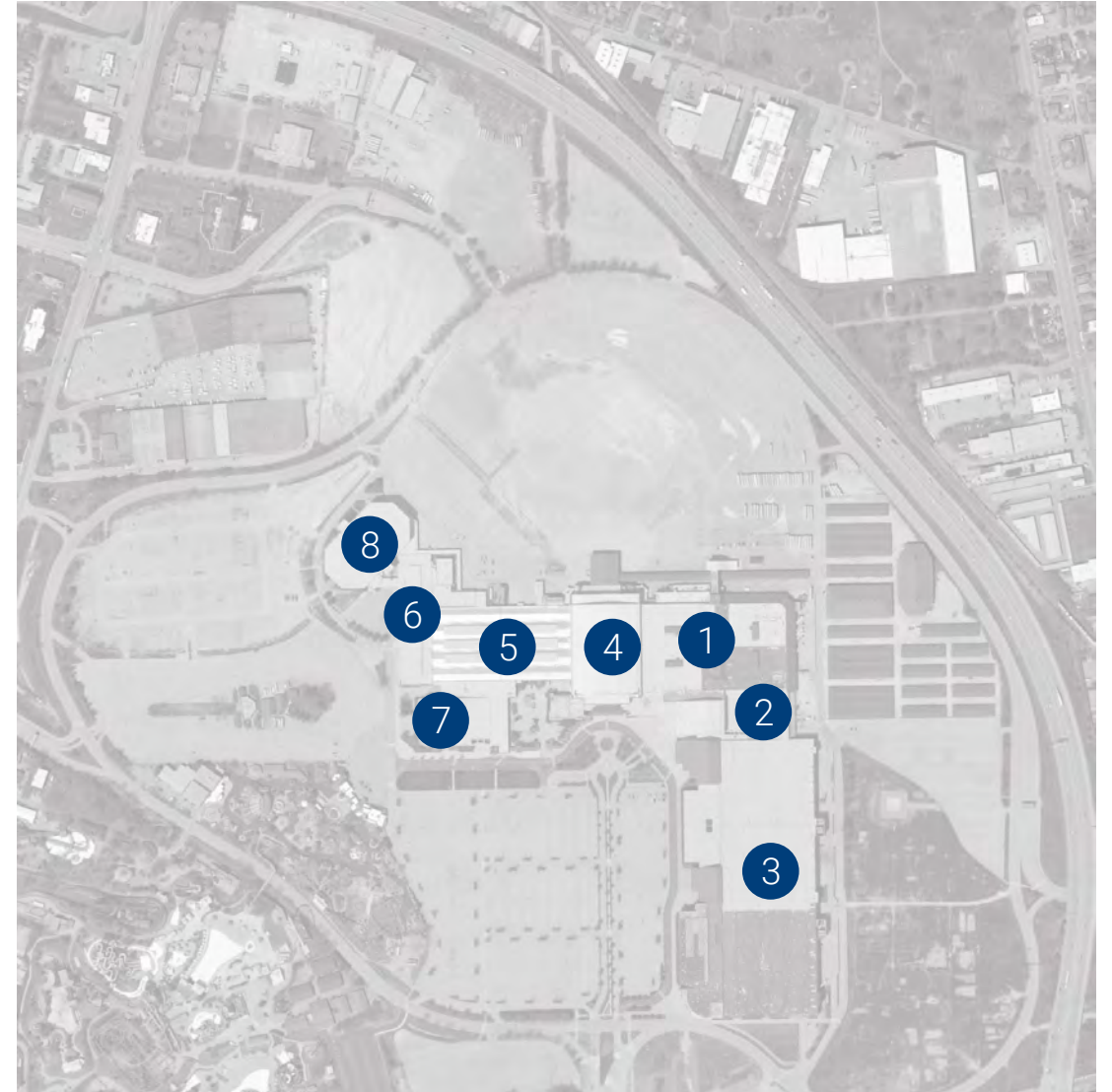
Freedom Hall is the facility’s largest arena with a maximum seating capacity of 18,255, while Broadbent Arena offers a maximum seating capacity of 6,580. Both arenas offer approximately 39,000 square feet of floor space. The campus is capable of accommodating up to 2,500 animal stalls, including approximately 1,000 permanent stalls.

In addition to the Kentucky State Fair, the KEC hosts significant events such as the National Farm Machinery Show, North American International Livestock Expo, Mid-America Trucking Show, National Street Rod Association Nationals, Equip Expo, Utility Expo and many others.

KEC FACILITY EVENT SPACE OVERVIEW

The Kentucky Exposition Center offers approximately 1,056,900 square feet of indoor event space. Key facilities located at the KEC include the following:

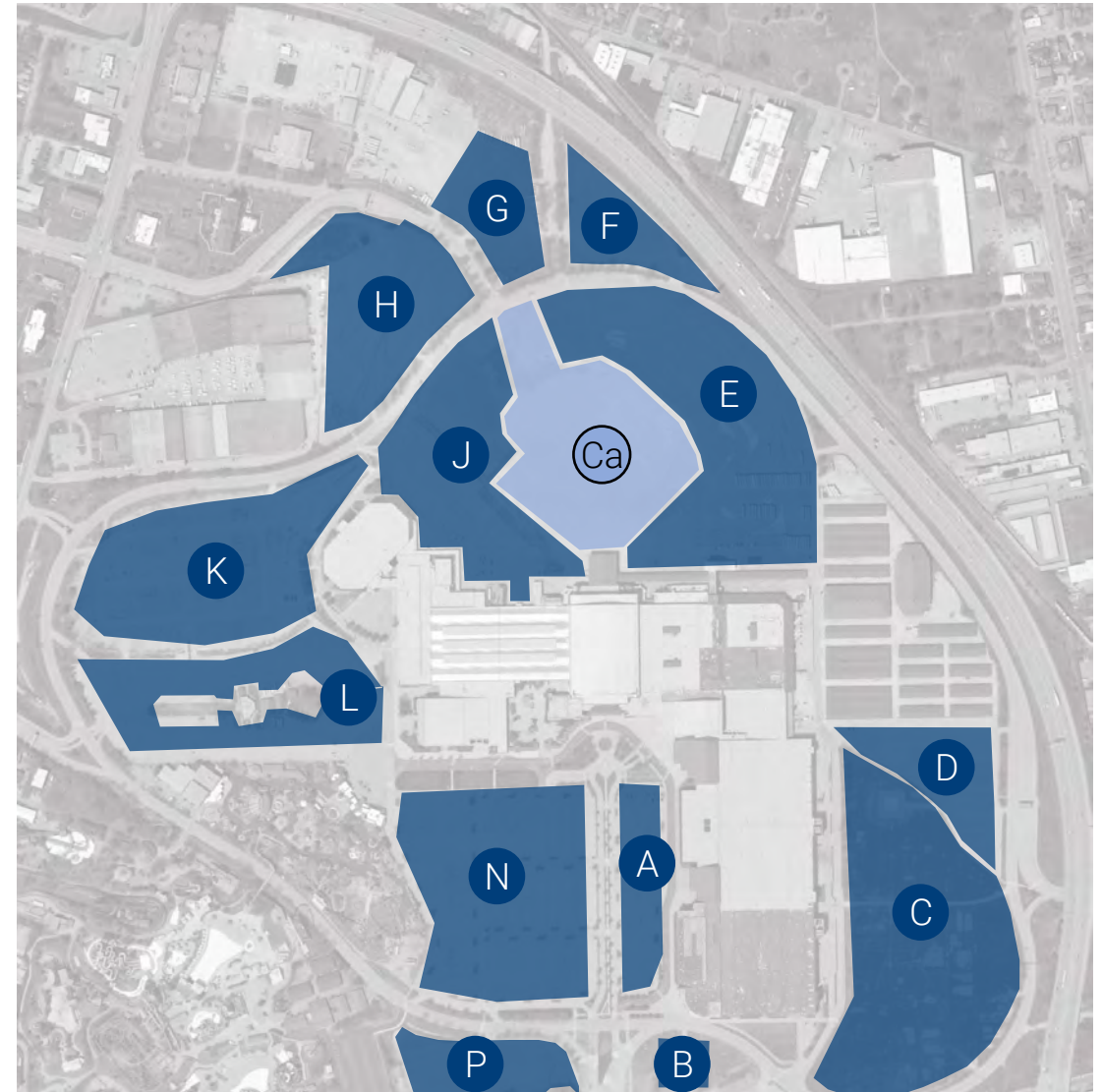
- 1 North Wing – 218,300 sf exhibit
- 2 East Hall A & B – 35,000 sf exhibit
- 3 South Wing A, B, & C – 421,200 sf exhibit
- 4 Freedom Hall – 18,255 max seating, 39,000 sf floor space
- 5 West Wing – 175,700 sf exhibit; 16,500 sf meeting
- 6 Pavilion – 75,300 sf exhibit
- 7 West Hall A & B – 32,400 sf exhibit
- 8 Broadbent Arena – 6,580 max seating



KEC PARKING OVERVIEW

The Kentucky Exposition Center offers approximately 22,900 parking spaces. A breakdown of lots located at the KEC include the following:

Key	Lot	Surface	Acreage	Spaces
A	A	Asphalt	3.2	522
B	B	Grass	1.3	387
C	C	Grass	20.0	2,700
D	D	Asphalt	5.8	646
E	E	Asphalt	16.1	2,419
F	F	Asphalt	3.5	700
G	G	Gravel	8.3	1,245
H	H	Asphalt, Gravel	11.0	1,275
J	J	Asphalt	7.8	964
K	K	Asphalt, Gravel, Grass	10.0	2,000
L	L	Asphalt	10.0	1,342
N	N	Asphalt	15.2	2,097
P	P	Asphalt	5.0	626
Ca	Cardinal	Asphalt	13.5	1,800



PRELIMINARY KEC MASTER PLAN CONCEPT



OVERVIEW

- Renovation/redevelopment of 250,000 square feet of exhibit space in West Wing.
- 80,000 square feet of multipurpose event space.
- 184,000 square feet of storage space.
- Entry/lobby space connecting Freedom Hall and West Wing.
- Guest experience upgrades to Freedom Hall and Broadbent Arena.
- Reposition entry to Broadbent Arena for better guest access from primary parking.
- Enhanced operational efficiencies.
- Retention and growth of equestrian and livestock events, agriculture shows, conventions and tradeshow.

2 SITUATION ANALYSIS

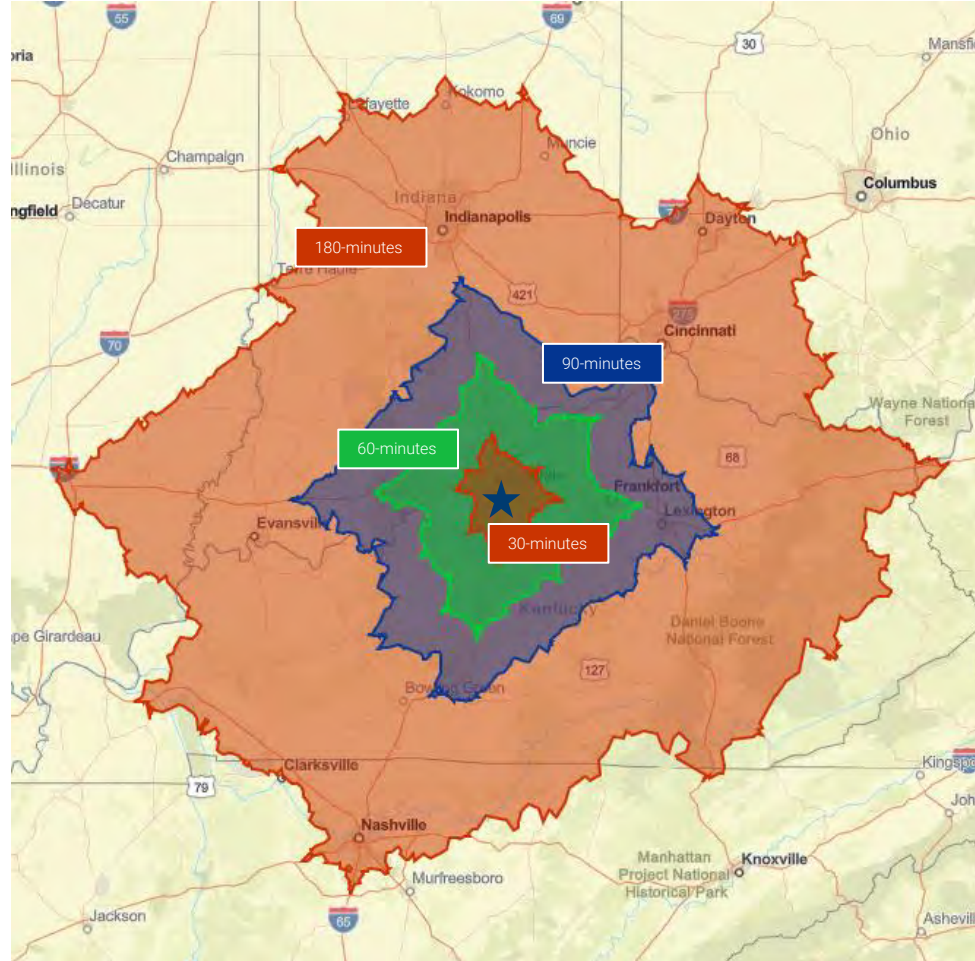


SITE, LOCATION & ACCESSIBILITY

The Kentucky Exposition Center is located in the heart of the downtown Louisville metropolitan area.

The exhibit to the right illustrates the proximity of the KEC with other nearby markets and the markets/land area captured within a 30-minute, 60-minute, 90-minute, and 180-minute drive time of the targeted site area. These distances will be utilized throughout the report for analyzing and comparing demographic and socioeconomic variables.

The 30- and 60-minute rings represent the primary local market area. Population within the primary market would be expected to contribute the majority of attendance for any event space developed as a part of a potential KEC expansion project. The 90- and 180-minute rings represent tertiary markets, which represent drivable markets that would be expected to contribute a significant amount of lodging demand and conference and meeting event attendance.



City, State	Distance to Louisville (miles)	Distance to Louisville (hrs:min)	Market Population
Frankfort, KY	54.6	0:57	1,395,855
Columbus, IN	73.3	1:09	48,820
Lexington, KY	78.7	1:20	494,982
Cincinnati, OH	99.9	1:33	2,280,246
Greenwood, IN	104	1:37	58,784
Owensboro, KY	106	1:45	122,066
Indianapolis, IN	115	1:49	2,111,040
Bowling Green, KY	123	1:54	165,732
Bloomington, IN	105	1:54	84,691
Evansville, IN	123	1:56	358,676
Carmel, IN	133	2:08	2,457,286
Dayton, OH	153	2:30	814,049
Nashville, TN	176	2:43	2,062,547
Muncie, IN	172	2:48	2,457,286
Clarksville, TN	181	3:08	307,820
Columbus, OH	206	3:11	2,525,639

LOCAL MARKET DEMOGRAPHICS

The exhibit to the right presents a summary of key demographic metrics associated within the aforementioned distances surrounding the proposed site, along with the City of Louisville/Jefferson County, the metro's CBSA, the State of Kentucky and United States benchmarking data. The estimated population within the CBSA is over 1.3 million and is expected to grow by 0.32% percent over the next five years. The population within 30-minutes of the KEC is about 1.1 million.

DEMOGRAPHIC VARIABLE	30-Minutes	60-Minutes	90-Minutes	180-Minutes	City/County of Louisville/Jefferson County	CBSA	State of Kentucky	United States
POPULATION:								
2010 Total Population	977,557	1,498,331	2,508,955	11,758,312	596,400	1,202,718	4,339,367	308,745,538
2022 Total Population	1,058,040	1,619,372	2,710,393	12,688,103	642,889	1,305,239	4,537,160	335,707,897
2027 Total Population	1,075,333	1,643,644	2,746,123	12,874,775	651,773	1,326,351	4,569,772	339,902,796
Historical Annual Growth (2010-2022)	0.69%	0.67%	0.67%	0.66%	0.65%	0.71%	0.38%	0.73%
Projected Annual Growth (2022-2027)	0.33%	0.30%	0.26%	0.29%	0.28%	0.32%	0.14%	0.25%
AGE:								
2022 Median Age	40.0	40.2	39.8	39.2	39.3	40.4	40.2	38.9
Population Age 25 to 44	26.64%	26.40%	26.37%	26.37%	27.00%	26.34%	26.05%	26.79%
AGE DISTRIBUTION:								
Under 15	17.75%	17.91%	17.94%	18.24%	17.93%	17.71%	17.83%	18.12%
15 to 24	11.97%	11.87%	12.34%	12.70%	12.47%	11.86%	12.21%	12.78%
25 to 34	13.46%	13.32%	13.29%	13.42%	13.82%	13.23%	13.18%	13.96%
35 to 44	13.18%	13.08%	13.08%	12.95%	13.18%	13.11%	12.87%	12.83%
45 to 54	12.26%	12.46%	12.41%	12.22%	12.07%	12.53%	12.35%	12.03%
55 and over	31.37%	31.34%	30.95%	30.49%	30.52%	31.59%	31.57%	30.29%
HOUSEHOLD INCOME:								
2022 Median Household Income	\$63,365	\$63,787	\$63,394	\$63,693	\$59,497	\$65,001	\$57,014	\$72,414
2022 Per Capita Income	\$37,275	\$36,087	\$35,661	\$36,455	\$35,708	\$37,217	\$32,336	\$40,363
INCOME DISTRIBUTION:								
\$0 to \$24,999	16.39%	16.01%	16.72%	17.42%	18.83%	15.90%	21.43%	15.79%
\$25,000 to \$49,999	21.11%	21.21%	21.00%	20.84%	21.88%	20.68%	21.63%	18.58%
\$50,000 to \$74,000	19.84%	19.81%	19.48%	18.37%	19.43%	19.50%	18.83%	16.91%
\$75,000 to \$99,999	14.33%	14.48%	14.24%	13.55%	13.61%	14.57%	13.30%	13.19%
\$100,000 to \$149,999	15.49%	16.00%	16.15%	16.25%	14.30%	15.98%	14.50%	17.23%
\$150,000 or more	12.83%	12.50%	12.40%	13.56%	11.94%	13.37%	10.32%	18.31%
POPULATION BY RACE/ETHNICITY:								
White/Caucasian	68.43%	74.22%	77.18%	76.74%	61.22%	72.23%	81.96%	60.99%
Black/African American	17.58%	13.19%	10.52%	11.04%	23.39%	14.74%	8.08%	12.39%
American Indian	0.34%	0.35%	0.34%	0.33%	0.34%	0.34%	0.29%	1.14%
Asian	2.96%	2.31%	2.32%	2.61%	3.46%	2.55%	1.70%	6.12%
Pacific Islander	0.08%	0.09%	0.07%	0.07%	0.08%	0.07%	0.08%	0.21%
Other Race	3.21%	2.81%	2.99%	2.99%	3.75%	2.98%	2.20%	8.55%
Two or More Races	7.40%	7.03%	6.58%	6.22%	7.77%	7.09%	5.69%	10.59%
Hispanic Origin	6.97%	6.24%	6.23%	5.96%	8.00%	6.52%	4.64%	18.95%
Diversity Index	55.9	49.3	45.9	46.1	62.6	51.7	37.8	71.6
BUSINESS:								
2022 Total (SIC01-99) Businesses	42,116	59,703	100,890	437,233	23,244	48,226	162,278	12,609,070
2022 Total (SIC01-99) Employees	593,698	806,220	1,382,074	6,231,558	353,567	653,547	2,006,765	151,363,907
Employee/Residential Population Ratio	0.56:1	0.50:1	0.51:1	0.49:1	0.55:1	0.50:1	0.44:1	0.45:1

Source: Esri, 2022.

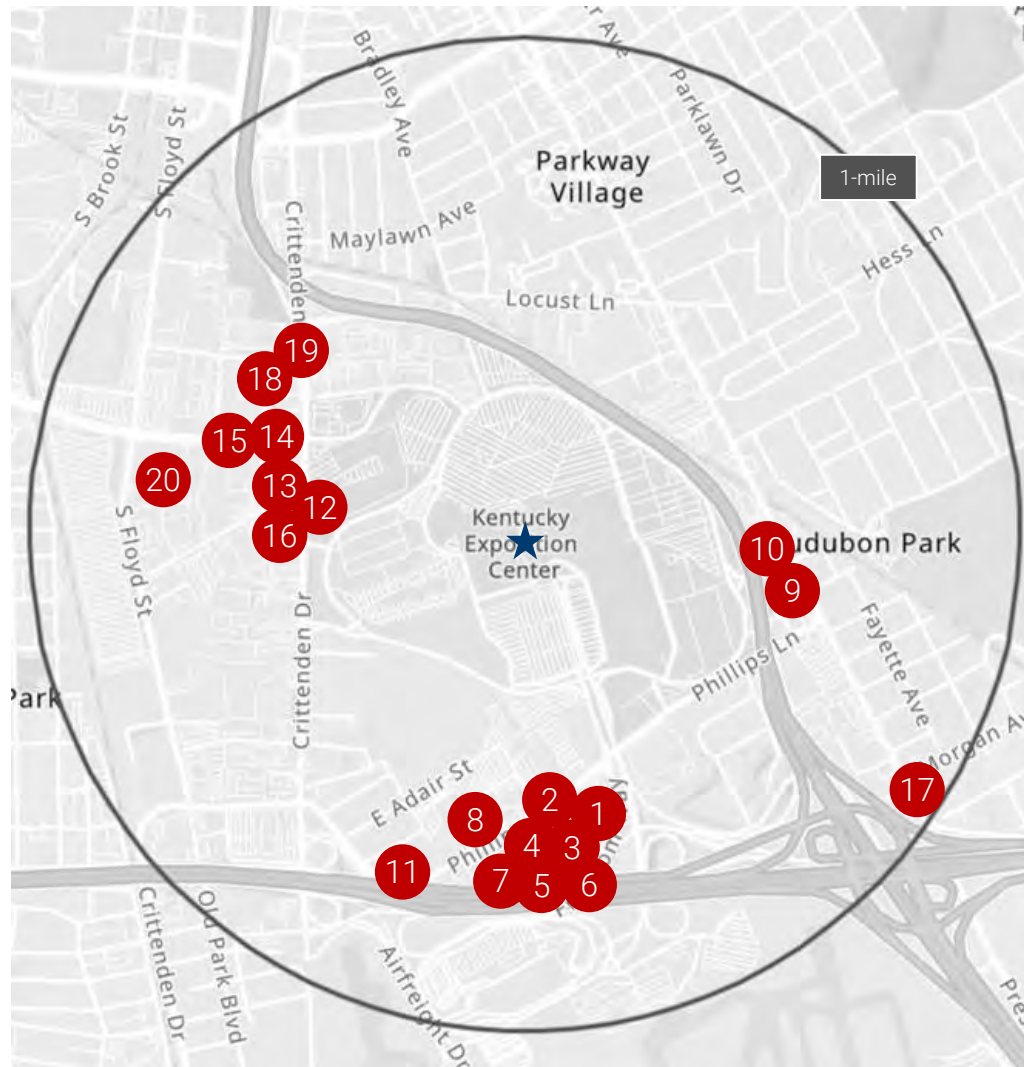


HOTEL PROPERTIES WITHIN ONE-MILE OF THE KEC

A destination's hospitality infrastructure, in terms of hotels, restaurants, entertainment and other such factors, contributes heavily to the potential success of an equestrian event facility product.

As shown to the right, 20 hotel properties were identified within an approximately one-mile radius of the KEC that offer 100 rooms or more.

In total, there are more than 2,500 sleeping rooms within one-mile of the KEC, the largest of which is the Crowne Plaza with 588 rooms, which is currently considering a substantial renovation. Other hotels largely consist of limited/select service hotel properties, which tend to focus on transient room nights generated by the proximity to the Louisville Muhammad Ali International Airport and the events held at the KEC. It has been noted in previous studies that additional sleeping rooms would be required to continue to grow event activity at the KEC.



Hotel Properties within One-Mile of the KEC

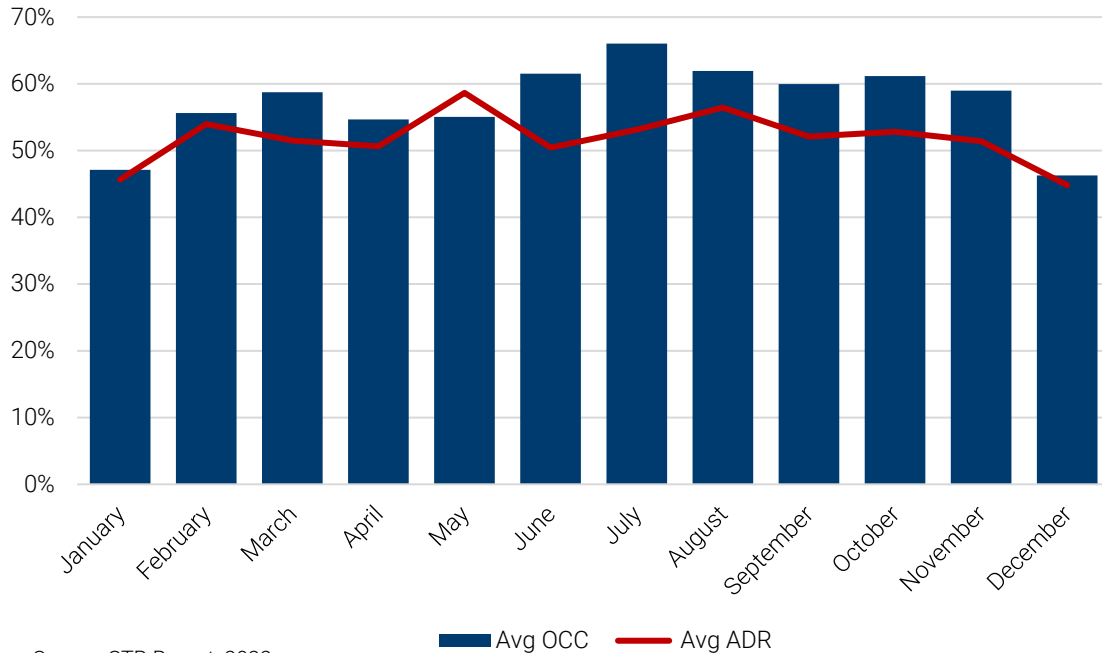
	Facility Name	Driving Distance From KEC (in miles)	Hotel Guest Rooms (number)
1	Crowne Plaza Louisville	0.3	588
2	Courtyard Louisville Airport	0.4	150
3	Tru by Hilton Louisville Airport	0.4	98
4	Howard Johnson Express Inn	0.4	44
5	Hampton Inn Louisville - Airport	0.5	130
6	SpringHill Suites Louisville Airport	0.5	120
7	Residence Inn Louisville Airport	0.6	120
8	Fairfield Inn & Suites by Marriott	0.6	96
9	Sleep Inn & Suites Airport	0.6	68
10	WoodSpring Suites Louisville	0.7	121
11	Rodeway Inn	0.7	60
12	Home2 Suites by Hilton Louisville	0.8	74
13	Ramada Limited Louisville	0.8	48
14	Four Points by Sheraton Louisville	0.9	117
15	Holiday Inn Louisville Airport	1.0	122
16	Staybridge Suites Louisville	1.0	99
17	SureStay Plus by Best Western	1.0	97
18	Super 8 Louisville Expo Center	1.0	67
19	Hilton Garden Inn Louisville Airport	1.1	210
20	Homewood Suites by Hilton	1.3	134
			2,563 TOTAL

HOTEL PERFORMANCE WITHIN ONE-MILE OF THE KEC

Decisions as to the future of any substantial hospitality-related investment such as event space expansion or hotel development should consider the overall performance of a given area's hospitality sector, which is partly defined by overall hotel occupancy and room rates. Markets with substantial leisure, group, and/or corporate transient demand often experience hotel occupancy levels ranging between 70 percent and 80 percent. In these cases, additional hotel inventory may be supported. The average daily rate (ADR) is also important to consider as part of any event facility-related investment, as event planners typically seek competitive hotel rates when selecting a host destination.

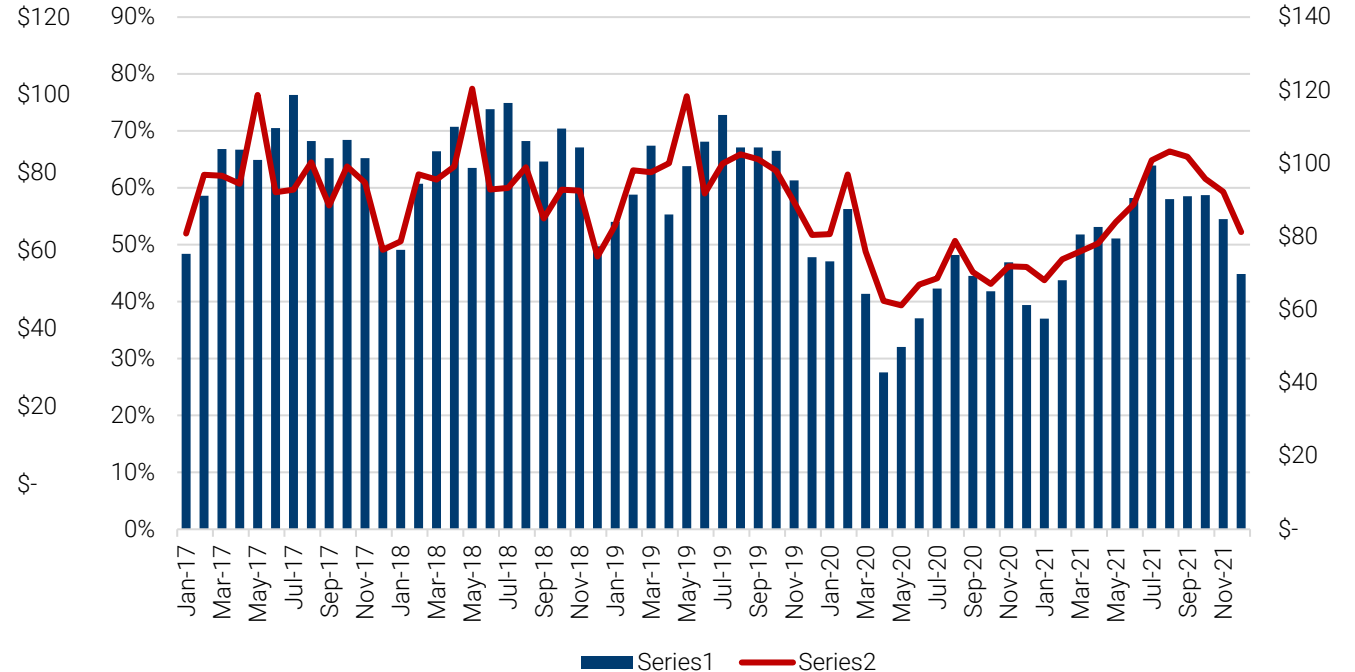
As shown below, hotel occupancy in properties surrounding the KEC has largely returned to 2019 levels, with monthly ADR exceeding 2019 levels. Seasonal occupancy in these properties tend to be strongest from June through November, with average ADR exceeding \$90 during these months.

Average Occupancy and ADR by Month (2017-2021)



Source: STR Report, 2022.

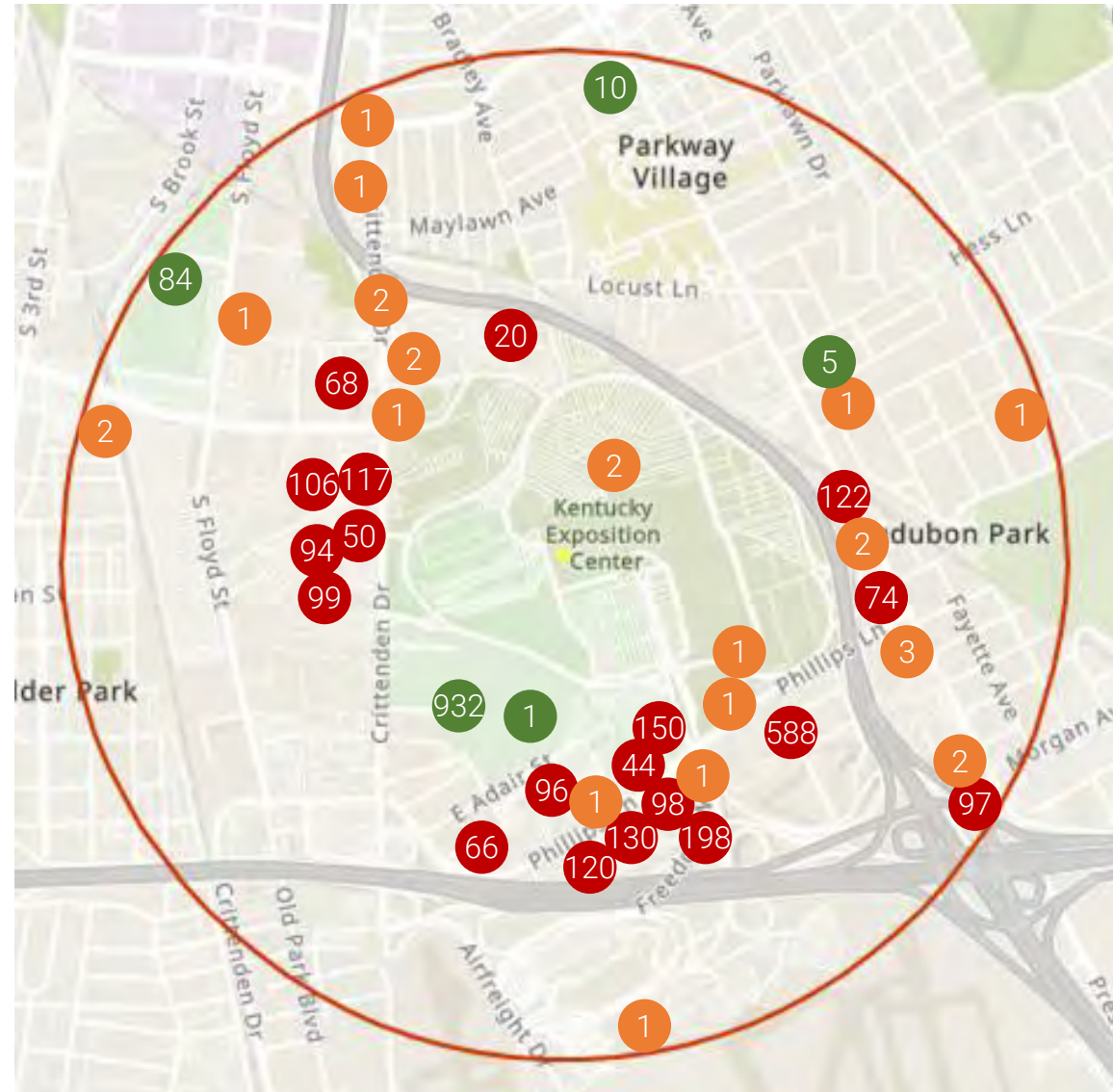
Monthly Occupancy and ADR (2017-2021)



AMENITIES WITHIN ONE MILE OF THE KEC

Event planners and sport tourism tournament organizers/ participants increasingly consider the destination outside of the host facility when selecting sites for their events/ activities. To evaluate the appeal and vibrancy of the area around the KEC, we have prepared the map to the right that displays the hotel, attractions, and dining inventory within one mile of the KEC. There are a total of 26 dining establishments within one mile of the KEC, as well as five attractions listed on TripAdvisor. The most reviewed attractions include Kentucky Kingdom (932 reviews) and Cardinal Stadium (84). Other attractions just outside the one-mile radius include Kentucky Downs and downtown Louisville.

As a potential host for sports tourism and other event activity, the area surrounding the KEC provides a relatively robust inventory of attractions, hotels and dining options. Access to these amenities are often critical in the decision-making process of meet, tournament, camp, clinic and other event organizers and attendees.



Kentucky Exposition Center Site Attractions and Amenities

Total Count and Definition
Within one-mile

Source: ESRI, CSL research, Facility interviews, Tripadvisor, Google Maps, 2022.

- 1,032 **Attraction Reviews**
(number of Tripadvisor reviews)
- 2,525 **Hotels**
(number of hotel rooms)
- 26 **Dining Options**
(number of establishments)

EXISTING PRIMARY EVENTS



- **KENTUCKY STATE FAIR:**

This annual fair includes Championship Drive, 11 days of free concerts, a midway and over 300,000 square feet of educational exhibits. Annually, it attracts over 600,000 attendees, more than 27,000 exhibitors and generates an estimated economic impact of \$15.3 million.



- **NATIONAL FARM MACHINERY SHOW:**

The National Farm Machinery Show is held annually in February, with an annual estimated attendance of 300,000 and economic impact of \$23.8 million. As North America's largest indoor farm equipment show, the NFMS uses all indoor space at KEC, including Broadbent Arena and Freedom Hall, as well as Lot J.



- **NORTH AMERICAN INTERNATIONAL LIVESTOCK EXPOSITION:**

NAILE is the largest pure breed livestock show in North America, with annual attendance reaching 200,000 and economic impact estimated at \$7.9 million. This event uses the entire indoor footprint and outdoor Lots F, G, H, K, W, V and barns.



- **MID-AMERICA TRUCKING SHOW:**

Held annually since 1972, the Mid-America Trucking Show is North America's largest trucking industry show. MATS contracts the entire indoor footprint of the KEC as well as a portion of lots A and J. It averages approximately 1.0 million square feet of exhibits, 1,000 vendors, 72,500 attendees, and over \$25.0 million in economic impact annually.



- **NATIONAL STREET ROD ASSOCIATION:**

The NSRA hosts their annual street rods national event every August at KEC, generating an annual economic impact of \$15.9 million. This event brings in over 10,000 street rods, customs, muscle cars and street machines, and contracts all of KEC's indoor space as well as Lots A, B, C, D, E, N and P.



- **EQUIP EXPO:**

Equip Expo (formerly GIE+ Expo) is a showcase of outdoor power and lawn equipment and generates \$16.6 million in annual economic impact. Equip Expo currently contracts all indoor space and has over 1,000 exhibitors using 700,000 feet of indoor space and 20 acres of outdoor demonstration space.



- **UTILITY EXPO:**

This biannual trade show is the largest event in North America for utility professionals and construction contractors seeking the latest industry technologies, innovations and trends and generates \$14.6 million in economic impact. It contracts Freedom Hall, North Wing, East Halls, South Wing, Broadbent Arena and Lots E, J and K.



- **DANNY WIMMER PRESENTS:**

Danny Wimmer Presents three weekend festivals (Hometown Rising, Bourbon & Beyond and Louder Than Life) that attracted over 310,000 attendees in 2022 and generated an estimated annual economic impact of \$15.5 million.

3 COMPETITIVE & COMPARABLE FACILITIES ANALYSIS



COMPARABLE FAIRGROUNDS FACILITIES

The exhibit below presents a summary of 13 comparable multipurpose event facilities and markets throughout the country that provide some insight into the potential event, financial and economic impact activity that could be generated within an expanded/enhanced KEC campus. Importantly, the KEC would be expected to compete with these venues for retaining and/or attracting incremental equestrian, livestock and other event activity of a regional and/or national scope.

Facility	City, State	Ownership Structure	Size (acres)	Total Stalls	RV Hookups	Largest Arena Seating	Contiguous Exhibit Space (SF)	Indoor Event Space (SF)
Alliant Energy Center	Madison, WI	County	153	1,300	139	10,231	200,000	452,205
Expo New Mexico	Albuquerque, NM	501(c)3	236	2,500	65	11,286	62,100	154,400
Expo Square	Tulsa, OK	County	240	2,500	333	4,500	334,000	630,900
Fonner Park	Grand Island, NE	501(c)3	223	1,680	130	7,500	80,000	196,500
Indiana State Fairgrounds and Event Center	Indianapolis, IN	State	250	800	140	6,800	147,000	739,600
Iowa State Fairgrounds	Des Moines, IA	State	445	600	2,378	3,500	110,400	327,100
National Western Center	Denver, CO	501(c)3	100	0	0	0	118,400	570,600
Ohio Exposition Center	Columbus, OH	State	360	1,512	363	5,000	152,900	741,600
PA Farm Show Complex	Harrisburg, PA	State	60	542	400	0	172,000	36,500
State Fair Park (Oklahoma City)	Oklahoma City, OK	City	435	2,600	330	9,000	201,000	529,000
The Ranch Events Complex	Loveland, CO	County	244	360	50	7,200	45,000	214,514
WestWorld of Scottsdale	Scottsdale, AZ	County	386	936	398	3,400	120,000	280,000
Will Rogers Memorial Center	Fort Worth, TX	City	105	3,200	190	5,700	95,000	164,200
Average			249	1,430	380	5,700	141,400	387,500
Kentucky Expo Center	Louisville, KY	State	400	2,498	218	19,000	421,200	1,134,900

Source: Facility management, 2022.

COMPARABLE MARKET EXPO FACILITY INVESTMENTS

Competitive national multipurpose equestrian, livestock, exposition and fairgrounds facilities continue to make improvements. As investment continues in these facilities and markets, it is increasingly important for the KEC to invest in facility and infrastructure improvements to ensure that annual recurring events continue to return to Louisville.



- **OKLAHOMA STATE FAIRGROUNDS:**

Expanded in 2015 adding a 279,000-square foot Expo Center emphasizing improvements to technological infrastructure. The Fairgrounds is currently constructing a new coliseum.



- **NEBRASKA STATE FAIRGROUNDS AT FONNER PARK:**

Planning development of an on-site casino and hotel and a \$60-million expansion of livestock and equestrian facilities.



- **WESTWORLD OF SCOTTSDALE:**

Expanded in 2013 enclosing their 100,000-square foot Equidome and adding a 152,000-square foot expansion of multi-use exhibit and equestrian space.



- **NATIONAL WESTERN COMPLEX:**

Began a \$1.1 billion expansion in 2019 including more than 2.2 million square feet of new indoor and outdoor spaces.



- **IOWA STATE FAIRGROUNDS PAVILION:**

Underwent renovations in 2003 and again in 2020. Updates were made to the technology, restrooms, climate-controlled atmosphere, footing, plumbing and flooring.



- **THE RANCH EVENTS COMPLEX:**

Currently undertaking a \$260 million master planned redevelopment of the Complex to incorporate new equestrian/livestock facilities, a new hockey/concert arena and exhibition space.



- **AMERICAN ROYAL:**

Considering moving to Kansas and building a new Complex. Preliminary concepts of the new facility includes over 1 million square feet of space.

COMPARABLE MULTIPURPOSE EXPO COMPLEXES



FACILITY: NEBRASKA STATE FAIRGROUNDS AT FONNER PARK
City, State: Grand Island, Nebraska
Owner/Operator: Fonner Park / Fonner Park & Grand Island Livestock Complex Authority

Facility Specs:

Complex Acreage:	223 acres
Total Indoor Event Space:	196,500 sf
Exhibit Space:	110,000 sf
Meeting Space:	19,500 sf
Maximum Arena Seating:	7,500 seats
Largest Contiguous Space:	80,000 sf
Horse Stalls:	1,680 stalls (permanent)
RV Hook-ups:	130 RV Hook-ups

Notes: Grand Island Casino Resort planned with 37,000 sf gaming floor, 116-room boutique hotel and four restaurants.

\$25 million in infrastructure funding awarded in 2021 from the State.



Source: Facility Management, 2022.

COMPARABLE MULTIPURPOSE EXPO COMPLEXES



FACILITY: THE RANCH EVENTS COMPLEX
City, State: Loveland, Colorado
Owner/Operator: Larimer County / Larimer County & Spectra (BEC only)

Facility Specs:

Complex Acreage:	244 acres
Total Indoor Event Space:	214,500 sf
Exhibit Space:	48,500 sf
Meeting Space:	8,900 sf
Maximum Arena Seating:	7,200 seats
Largest Contiguous Space:	36,000 sf
Horse Stalls:	360 permanent
RV Hook-ups:	50 RV hook-ups



Notes: \$260 million Updated Master Plan for The Ranch was approved in 2019 by Larimer County's Board of Commissioners.

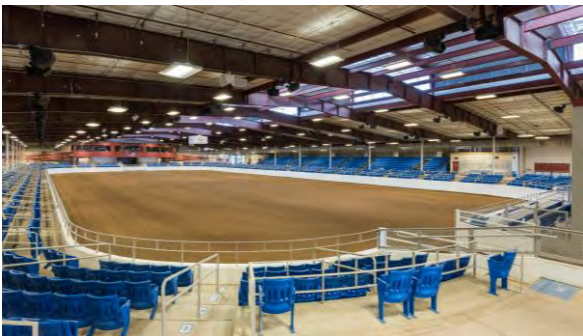


Source: Facility Management, 2022.

ANNUAL
EVENTS:
1,070

ANNUAL
VISITORS:
571,000

COMPARABLE MULTIPURPOSE EXPO COMPLEXES

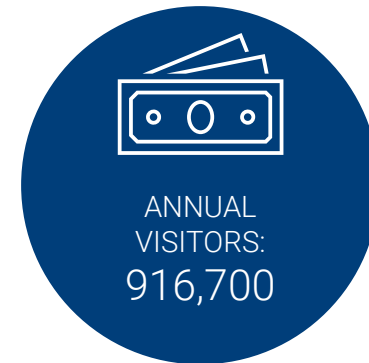


FACILITY: WESTWORLD OF SCOTTSDALE
City, State: Scottsdale, Arizona
Owner/Operator: City of Scottsdale / City of Scottsdale

Facility Specs:

Complex Acreage:	386 acres
Total Indoor Event Space:	280,000 sf
Exhibit Space:	274,000 sf
Meeting Space:	0 sf
Maximum Arena Seating:	3,400 seats
Largest Contiguous Space:	120,000 sf
Horse Stalls:	936 permanent
RV Hook-ups:	398 RV hook-ups

Notes: In 2013, WestWorld completed a renovation of the Equidome to include connection to new North and South Halls, all of which can accommodate horse shows, concerts, tradeshow, sports tourism and other events.



Source: Facility Management, 2022.

COMPARABLE CONVENTION CENTERS

The KEC and KICC also compete with national convention and event centers, including the 22 facilities listed below. While KEC offers up to 674,500 square feet of event space including South Wings, East Halls and North Wing, the disproportionate size of East Hall gives the impression to some event organizers and attendees of non-contiguous space. If only similarly sized event space is included, South Wing offers approximately 421,200 square feet of contiguous space, which is near the midpoint of the comparable facilities analyzed. Additionally, as shown, the hotel room inventory surrounding the KEC is significantly lower than that of identified national convention center facility markets, which presents a challenge when competing for national events.

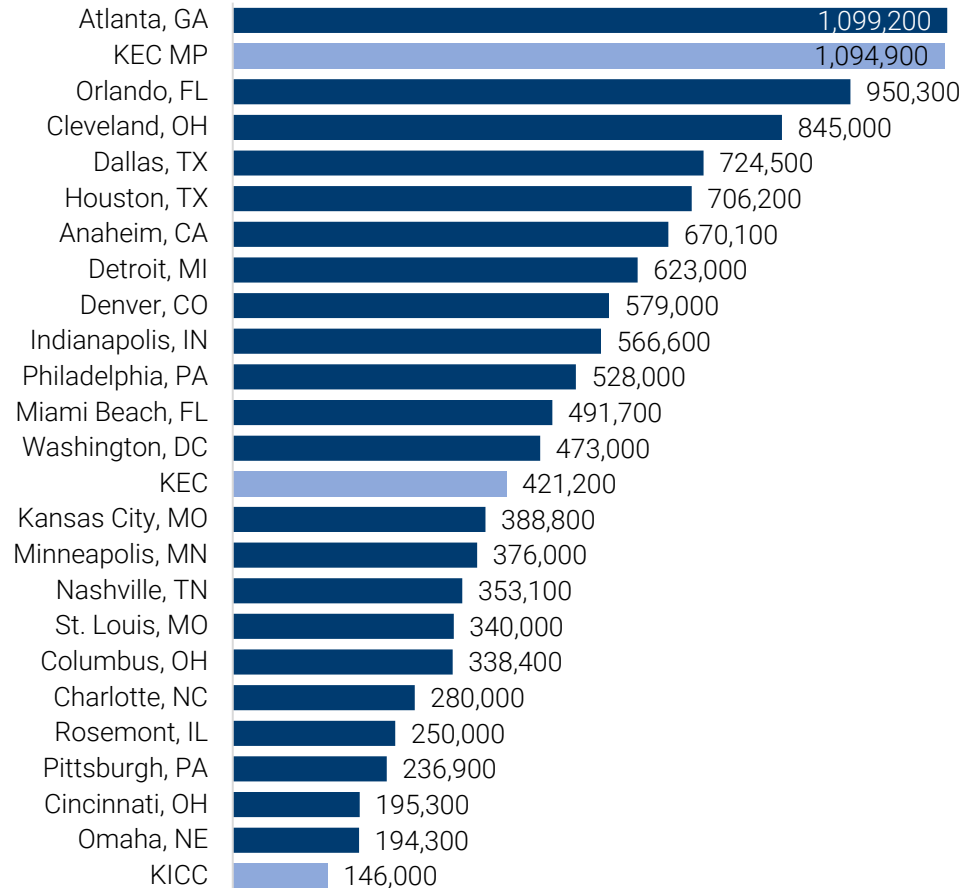
Facility	Location	Exhibit Space	Meeting Space	Ballroom Space	Total Space	Largest Contiguous Space	Actual Hotel Rooms 1/2 Mile
Orange County Convention Center	Orlando, FL	2,055,100	419,900	62,200	2,537,200	950,300	10,803
Georgia World Congress Center	Atlanta, GA	1,439,200	287,100	74,400	1,800,700	1,099,200	8,317
Huntington Place	Detroit, MI	723,000	200,000	51,500	974,500	623,000	4,968
Pennsylvania Convention Center	Philadelphia, PA	679,000	149,100	121,900	950,000	528,000	8,423
Anaheim Convention Center	Anaheim, CA	813,600	215,500	38,100	938,100	670,100	10,544
Washington Convention Center	Washington, DC	703,000	148,000	52,000	903,000	473,000	7,600
IX Center	Cleveland, OH	845,000	37,500	16,000	898,500	845,000	N/A
Kay Bailey Hutchison Convention Center Dallas	Dallas, TX	724,500	102,300	65,300	886,800	724,500	3,776
Donald E. Stephens Convention Center	Rosemont, IL	787,000	4,200	69,400	860,600	250,000	3,369
NRG Center	Houston, TX	706,200	79,000	0	785,200	706,200	2,027
Colorado Convention Center	Denver, CO	579,000	91,500	82,200	752,700	579,000	6,594
Indiana Convention Center	Indianapolis, IN	566,600	113,300	62,200	742,100	566,600	7,138
Miami Beach Convention Center	Miami Beach, FL	491,700	85,900	124,800	702,400	491,700	6,850
America's Center	St. Louis, MO	503,000	133,400	28,400	664,800	340,000	4,625
Minneapolis Convention Center	Minneapolis, MN	475,000	95,500	27,500	598,000	376,000	4,971
Kansas City Convention Center	Kansas City, MO	439,700	64,300	79,500	583,500	388,800	2,017
Music City Center	Nashville, TN	353,100	83,700	68,100	504,900	353,100	4,761
Greater Columbus Convention Center	Columbus, OH	338,400	58,400	90,000	486,800	338,400	N/A
David L. Lawrence Convention Center	Pittsburgh, PA	313,400	78,500	31,600	423,500	236,900	4,328
Charlotte Convention Center	Charlotte, NC	280,000	51,600	35,000	366,600	280,000	3,738
Duke Energy Convention Center	Cincinnati, OH	195,300	44,300	57,300	296,900	195,300	1,831
CHI Health Center	Omaha, NE	194,300	22,100	41,900	258,300	194,300	2,463
AVERAGE		645,700	116,600	58,200	814,300	509,500	5,460
MEDIAN		572,800	88,700	59,800	747,400	482,400	4,860
KEC	Louisville, KY	925,500	53,300	78,100	1,056,900	421,200	1,414
KICC	Louisville, KY	204,200	56,900	39,700	300,800	204,200	5,957

Source: Facility management, 2022.

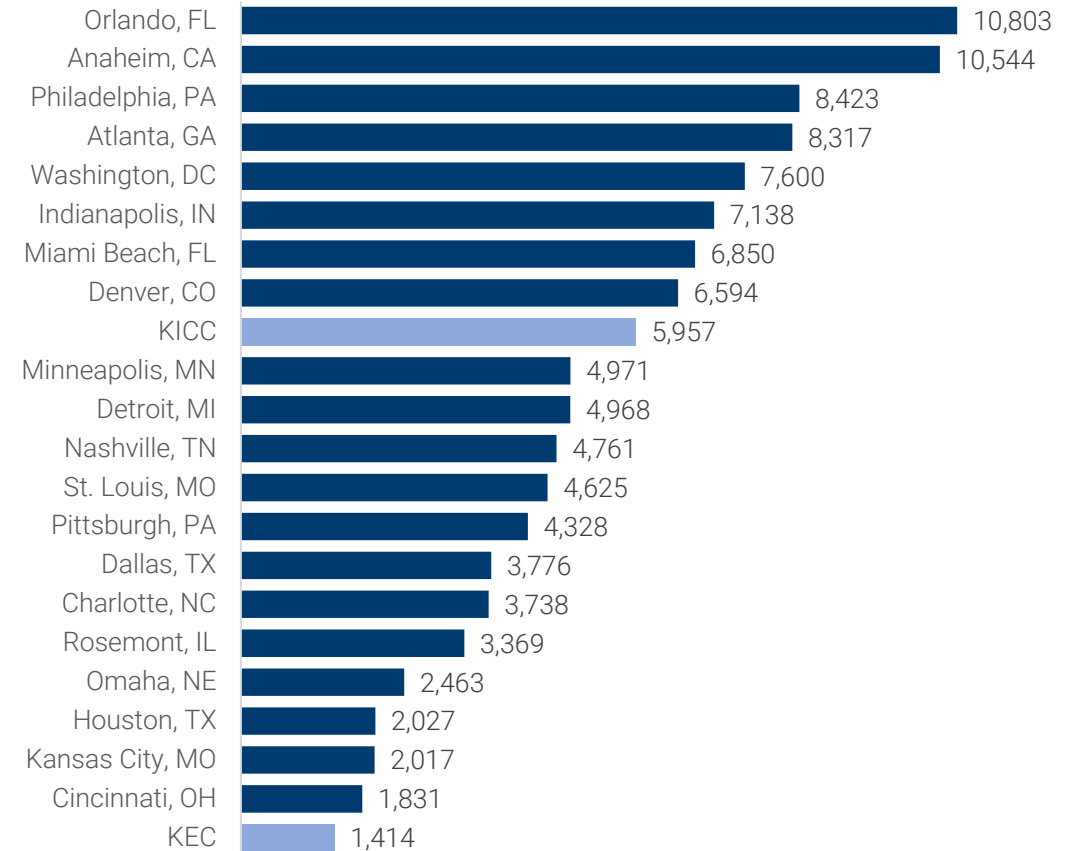
COMPARABLE CONVENTION CENTERS

As shown below, the total contiguous space within the fully realized proposed master development plan for the KEC would offer nearly 1.1 million square feet of contiguous event space, which would rank among the largest in the country. As previously noted, the hotel inventory surrounding the KEC presents a challenge in attracting events that require a substantial amount of sleeping rooms. Improving the connectivity with KICC and downtown Louisville hotels, while also pursuing opportunities to increase the hotel room count surrounding the KEC will be critical to maximize the impact of additional investment in KEC facilities.

Largest Contiguous Space (SF)



Hotel Rooms within ½-Mile



COMPARABLE AMATEUR SPORTS FACILITIES

Certain inferences can be made by reviewing comparable multipurpose field facilities operating in markets throughout the country of a similar size and/or geographic positioning to Louisville. The facilities reviewed were selected based on their characteristics, total number of fields offered and the size and location of the markets in which they are located. The exhibit below presents a summary of the 13 selected comparable multipurpose field facilities and markets analyzed, sorted by total number of fields. As shown, the total number of rectangle field inventories range from the 50 fields featured at the National Sports Center to the 8 fields featured at the Cedar Point Sports Center in Sandusky, Ohio. In all, the facilities analyzed average 21 total rectangle fields.

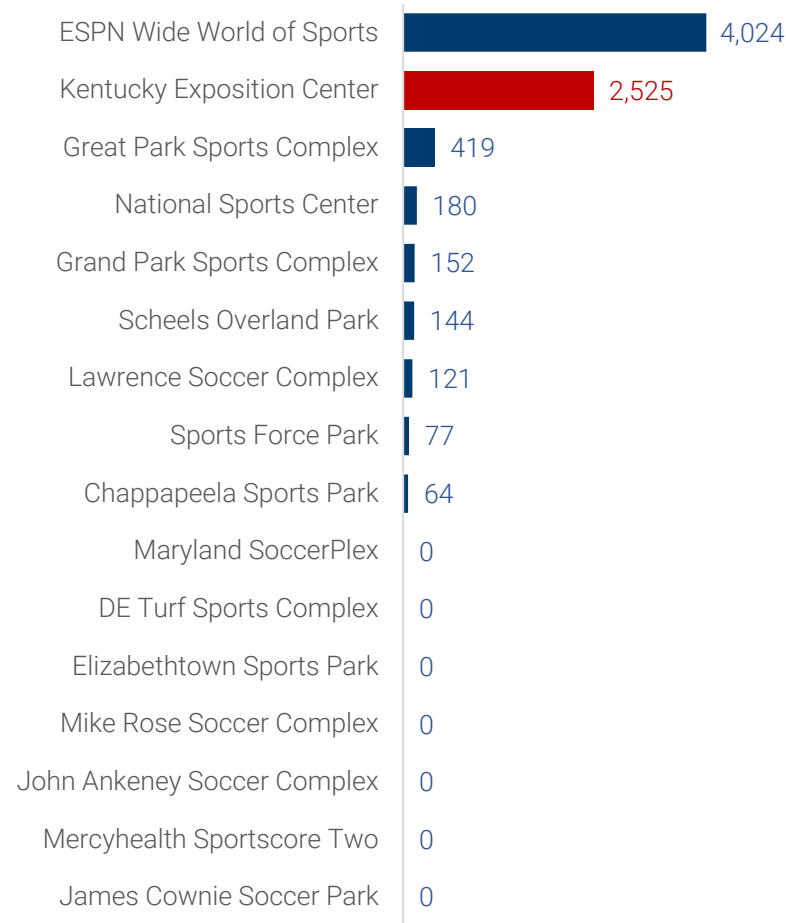
Facility	City, State	Owner	Operator	Year Opened	Construction Cost	Rectangle Fields (number)
National Sports Center	Blaine, MN	State of Minnesota	National Sports Center Foundation	1990	\$15 million	50
James Cownie Soccer Park	Des Moines, IA	City of Des Moines	City of Des Moines	1998	\$6 million	12
Elizabethtown Sports Park	Elizabethtown, KY	City of Elizabethtown	City of Elizabethtown	2012	\$31 million	12
Maryland SoccerPlex	Germantown, MD	Montgomery County	Maryland Soccer Foundation	2000	\$28 million	22
Chappapeela Sports Park	Hammond, LA	Hammond Area Recreation District	Hammond Area Recreation District	2013	\$17 million	21
Lawrence Soccer Complex	Indianapolis, IN	City of Lawrence	Indiana Youth Soccer Association	2000	\$6 million	21
Great Park Sports Complex	Irvine, CA	City of Irvine	Great Park Corporation	2017	N/A	25
Mike Rose Soccer Complex	Memphis, TN	Shelby County, TN	Shelby County	1998	\$13 million	16
DE Turf Sports Complex	Milford, DE	County Regional Sports Complex Corp	County Regional Sports Complex Corp	2017	\$24 million	26
ESPN Wide World of Sports Complex	Orlando, FL	The Walt Disney Company	Disney Sports Enterprises	1997	\$100 million	17
Scheels Overland Park Soccer Complex	Overland Park, KS	City of Overland Park	City of Overland Park	2009	\$36 million	12
Cedar Point Sports Center	Sandusky, OH	Cedar Fair Entertainment	Sports Force Parks	2017	\$25 million	8
Grand Park Sports Campus	Westfield, IN	City of Westfield	Indiana Bulls, Indiana Sports Properties	2014	\$49 million	31
Average				2006	\$29 million	21
Median				2009	\$25 million	21

Source: Facility management, 2022.

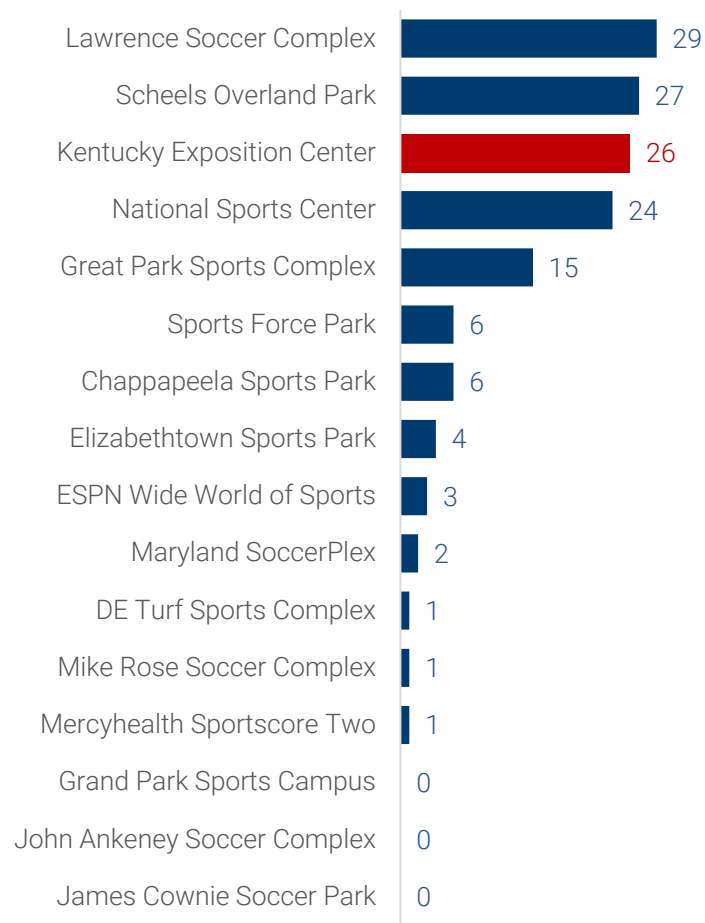
COMPARABLE AMATEUR SPORTS FACILITY AMENITIES

Relative to the identified comparable markets with multisport field complexes against whom Louisville would be expected to compete for regional and national tournaments, the area surrounding the KEC ranks favorably in terms of access to sleeping rooms, dining options and attractions. These surrounding amenities would be expected to be a competitive advantage of the KEC and Louisville destination in terms of attracting tournaments and participants.

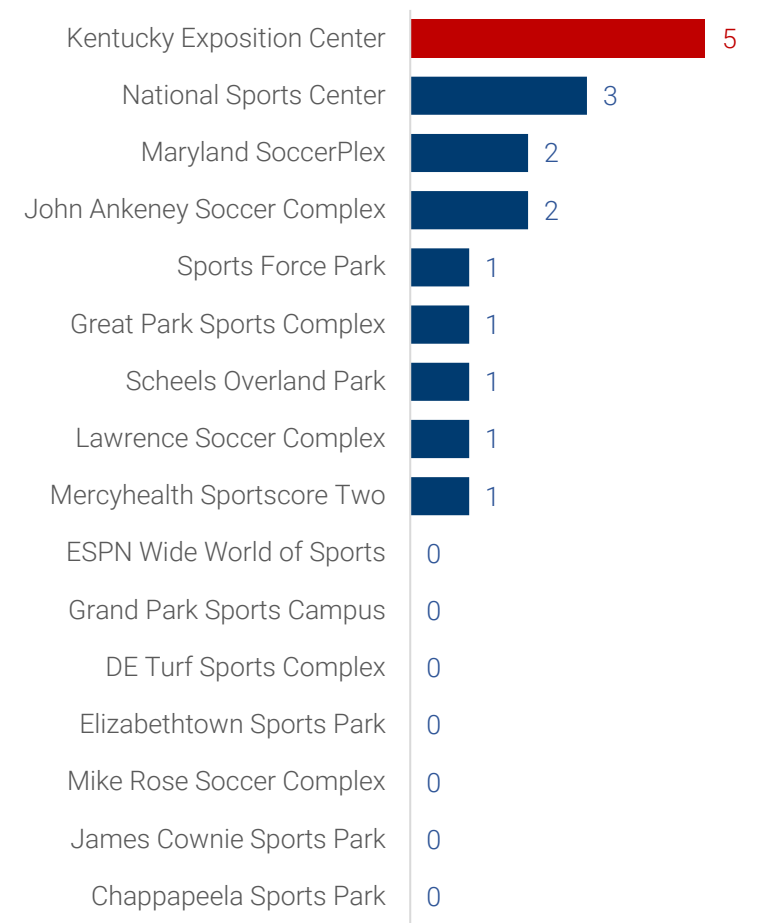
Hotel Rooms Within One Mile



Dining Options Within One Mile



Attractions Within One Mile



Source: ESRI, CSL research, Tripadvisor, Google Maps, 2022.

COMPARABLE MULTISPORT FIELD COMPLEXES



FACILITY:

SCHEELS OVERLAND PARK SOCCER COMPLEX

City, State:

Overland Park, Kansas

Owner/Operator:

City of Overland Park / City of Overland Park

Year Opened:

2009

Cost/Funding:

\$36 million; GO bond supported by a 3.0 percent hotel tax.

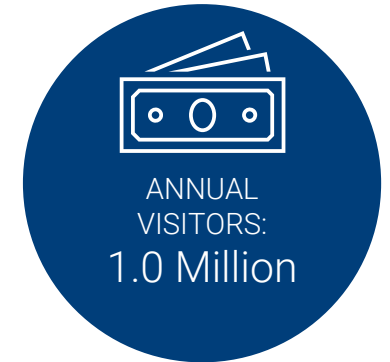
Key Facility Components:

12 regulation-sized synthetic turf soccer fields; all with lights.
 One stadium field with a 900-person seating capacity.
 Field cooling system to regulate turf temperature.
 Outdoor basketball and tennis courts.



Tournaments:

Kansas State Cup
 KC Champions Cup
 Midwest Mother's Day Classic
 Kansas City Invitational
 USYSA Region II President's Cup
 Adult Soccer Reg. Championships
 Adult Soccer Nat'l Championships
 USYSA National Championships
 USYSA VW Masters



Source: Facility Management, 2022.

COMPARABLE MULTISPORT FIELD COMPLEXES

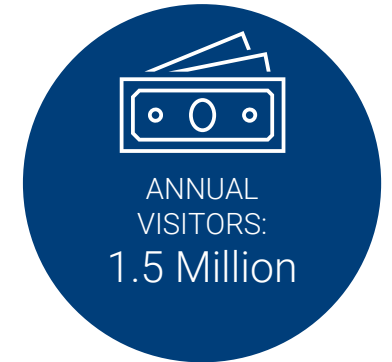


Source: Facility Management, 2022.

FACILITY: GRAND PARK
City, State: Westfield, Indiana
Owner/Operator: City of Westfield / Indiana Bulls, Indiana Sports Properties
Year Opened: 2014
Cost/Funding: \$49.0 million; \$43.0 million TIF funds and \$6.0 million City general fund.

Key Facility Components: 400 acres
 26 baseball/softball fields
 31 soccer fields (8 lighted)

Tournaments: Circle City College Showcase - Men's
 Circle City College Showcase - Women's
 College Coaches Skills Camp
 FC Barcelona Soccer Camp
 Indiana State Cup - Finals
 Indiana State Cup - Prelims
 Juventus Training Camp
 Kelly Dossey Memorial Classic
 Memorial Day Festival
 Midwest Turf Challenge



COMPARABLE MULTISPORT FIELD COMPLEXES



FACILITY: COWNIE SOCCER PARK
City, State: Des Moines, Iowa
Owner/Operator: Des Moines Parks & Recreation / Des Moines Parks & Recreation
Year Opened: 1998

Key Facility Components: 60 acres
 12 full-size soccer fields
 Lights and scoreboards on Fields 6, 7, 8 & 9
 Seating available on
 Field 9 – 2,000 bleacher seats
 Field 6 – 750 bleacher seats
 Field 8 – 400 bleacher seats
 Parking for 1,200 vehicles
 Concession stand and playground

Tournaments: Menace Midwest Invitational
 Just for Girls
 IHSAA State Soccer Championships
 Iowa Soccer Association
 ISCS and other state/regional tournaments

ANNUAL TOURNAMENTS:
18

ANNUAL VISITORS:
175,000

Source: Facility Management, 2022.

COMPARABLE MULTISPORT FIELD COMPLEXES



FACILITY: ELIZABETHTOWN SPORTS PARK
City, State: Elizabethtown, Kentucky
Owner/Operator: City of Elizabethtown / City of Elizabethtown
Year Opened: 2012
Cost/Funding: \$31.0 million; 2.0 percent restaurant tax.

Key Facility Components: 158 acres
 10 grass multipurpose fields; 2 turf championship fields w/ stadium seating
 12 baseball/softball fields

Tournaments: PGF Beverly Bandits Power 80
 FLG in 3D Summer Shootout
 Discovery Cup

ANNUAL TOURNAMENTS:
14-18

ANNUAL VISITORS:
700,000

Source: Facility Management, 2022.

4 INDUSTRY TRENDS & CHARACTERISTICS



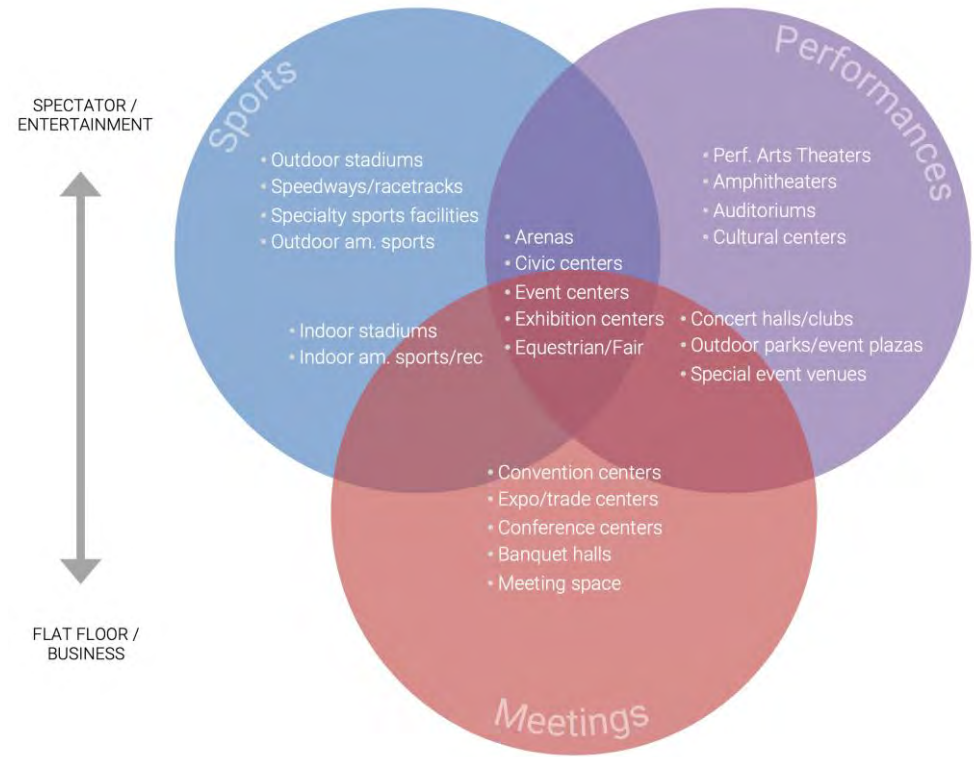
INDUSTRY TRENDS EVENT AND FACILITY ALIGNMENT

INDUSTRY TRENDS OVERVIEW

The market success of an event facility can be partially attributed to the characteristics of the industry as a whole. In order to assess the strength of the market with regard to event activity that could utilize renovated or expanded facilities at the KEC, it is important to evaluate the industry trends from a national and regional perspective. Events traditionally fall within three general categories: sports/competitions, performances and meetings/flat floor events. Facilities that normally accommodate these event types tend to overlap somewhat, as certain event facilities can accommodate events in multiple categories. While facilities employ varying degrees of flexibility and multi-purpose space, allowing them to technically accommodate events from all three general categories, any event facility will possess attributes that will allow it to better compete/serve certain event types, while being less competitive/efficient/effective in other segments.

As shown, different types of events can have very different preferences and requirements with regard to facility characteristics. This discussion begins to lay the groundwork for some important issues that affect the types of events that may be attracted to the KEC. The type, level of finish, configuration, and amenities of the space offered in any potential facility will play a strong role in determining the ability of the facility to attract and accommodate certain types of events.

	High Quality Finish	Exhibit/Lg. Event Facility	Upscale Banquet Hall	Breakout Rooms	Spectator Seating	Parking	Nearby Hotels	Secondary Facilities	Nearby Visitor Amenities
Conventions	HIGH	HIGH	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Conferences	HIGH	MED	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Meetings	HIGH	LOW	MED	HIGH	LOW	LOW	LOW	LOW	MED
Banquets/Receptions	HIGH	LOW	HIGH	MED	LOW	MED	LOW	LOW	MED
Tradeshows	MED	HIGH	LOW	LOW	LOW	HIGH	MED	LOW	HIGH
Consumer/Public Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	MED
Agricultural Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	HIGH	LOW
Equestrian Events	LOW	HIGH	LOW	LOW	MED	HIGH	LOW	HIGH	LOW
Rodeos	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	MED	LOW
Tractor pulls	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	MED	LOW
Sporting Events	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	LOW	LOW
Concerts	LOW	MED	LOW	LOW	HIGH	HIGH	LOW	LOW	MED
Festivals	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	LOW

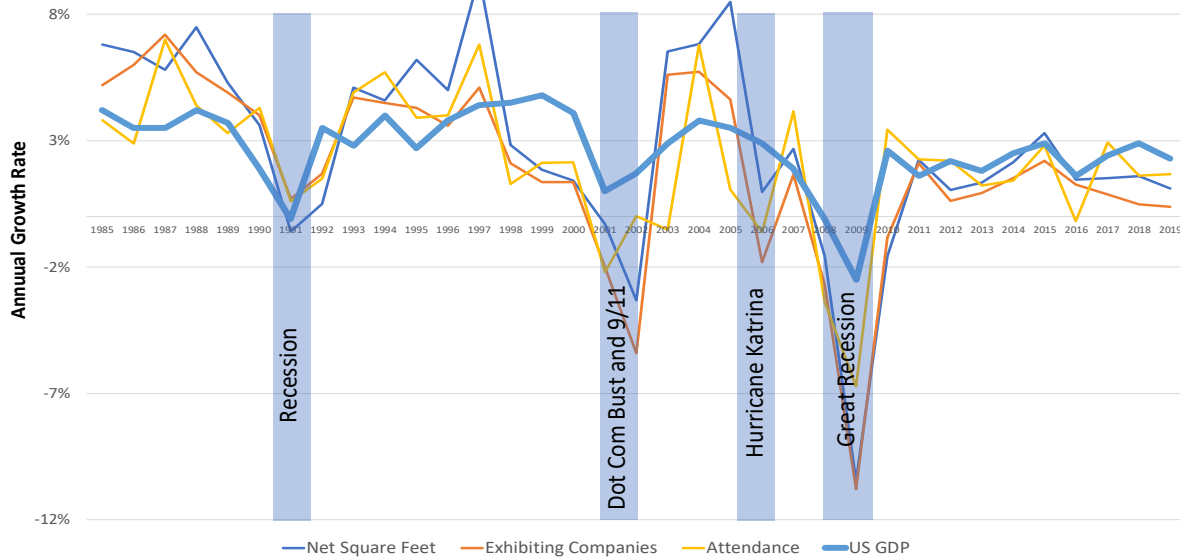


PAST ECONOMIC AND EVENT INDUSTRY REBOUNDS

ECONOMIC RECOVERY OF THE EVENT INDUSTRY MARKET

Broad industry changes, characterized by—sometimes significant—retraction and expansion in event demand and attendance/participation characteristics have taken place within the industry over the past few decades. Additionally, the “state-of-the-industry” in terms of the physical product aesthetics and functionality of agricultural and exposition event facilities has continued to advance year-over-year in cities throughout the country. Event planners increasingly prefer, and oftentimes demand, the modern, spacious aesthetics and optimized, advanced functionality and efficiency of newer facility designs and programs. Beyond attracting higher numbers of groups, visitors and economic impact, modern agricultural and exposition event facilities often offer significant advancements in operating efficiencies and enhanced revenue generation opportunities, as compared to previous generations of facilities.

ANNUAL PERCENTAGE CHANGE –
U.S. REAL GDP AND CONVENTION INDUSTRY MEASURES



Source: U.S. Bureau of Economic Analysis, Center for Exhibition Industry Research, CSL research, 2022.

NEXT GENERATION
EVENT FACILITY TRENDS



FAIRGROUNDS EVENT FACILITY TRENDS

Brands at the Ranch
(Loveland, CO)



Destination Development

Partnership between fairgrounds/event complex, community and private developer(s) to create unique mixed-use environment. Live, work, play development provides atmosphere to support restaurants, nightlife, attractions and other visitor industry to enhance the destination appeal of an event venue.

Tulsa Expo Square
(Tulsa, OK)



Outdoor Event Space

Even prior to the pandemic, event planners indicated an increasing demand for unique outdoor event space at their host sites. Outdoor event space provides attendees with the opportunity to connect with the culture and feeling of a destination in a unique event setting while creating an additional selling point and source of revenue for centers.

Idaho Horse Park
(Nampa, ID)



Self-Promoted Events

Communities and event facilities are investing their own funds and human capital to attract, host and promote events including concerts, rodeos, poker tournaments, craft shows and other events.

South Carolina State Fair
(Columbia, SC)



Unique and Authentic Food & Beverage

Building on the brand identity of State/County Fairs, many complexes are developing food and beverage opportunities year-round. "Fair Food Fridays" or "Taste of..." and "Farm-to-Table" events offer unique food offerings with opportunities for vendors to increase year-round sales. Hospitality and food service are also regularly noted as service elements that improve the likelihood of returning events.

LaGrange County Fair
(LaGrange, IN)



Increased Focus on Streaming Technology

Streaming Fair and non-Fair related events, meetings, competitions and other activities has become more commonplace, increasing the demand on technology and utility infrastructure.

Winston Salem
Fairgrounds
(Winston-Salem, NC)



Creative Community Events

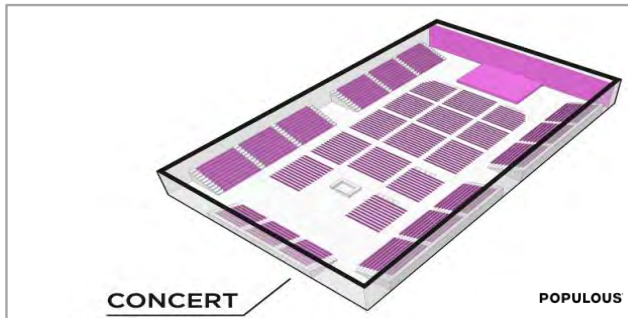
In many markets throughout the country, the pandemic has refocused residents on the benefit of access to community-based gathering space. Fairgrounds and other multipurpose event facilities are developing a variety of events, such as drive-in movies, to activate their space during non-peak times.

FACILITY DESIGN TRENDS

Flexible & Subdividable



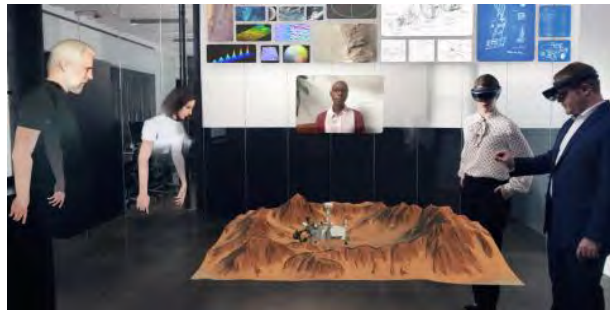
High-quality, retractable seating



Outdoor Spaces



Technology Trends – AR/VR



Experiential



Sustainability



Casual & Flex Spaces



Unique Food and Beverage



Iconic Public Art



EVENT TRENDS

Esports



Drone Racing



Streamed Talks



Robotics



AR/VR Experiences



Hobbyist Events



Geocaching Events



Hackathons



SPORTS TOURISM INDUSTRY TRENDS



In 2019, Sports Tourism generated an estimated **\$45.1 BILLION** in economic spending in the US.



Approximately **55%** of destinations increased the number of Sports Tourism events from 2018 to 2019.



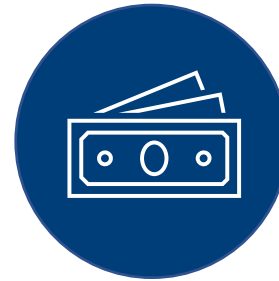
Sports Tourism spending has grown by nearly **17%** since 2015.



Approximately **64%** of destinations increased participation in Sports Tourism activities from 2018 to 2019.



Nearly **180 MILLION** persons traveled to a sporting event in 2019, generating **69 MILLION** room nights.



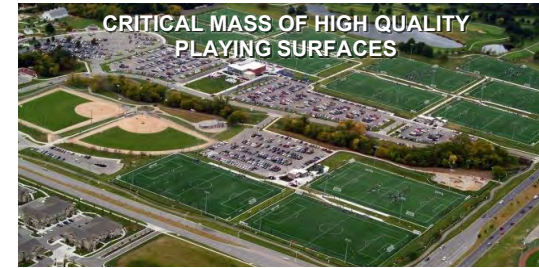
Approximately **73%** of destinations paid bid fees in 2019 to attract Sports Tourism activities.

OUTDOOR SPORTS TOURISM INDUSTRY TRENDS

Significant investment in outdoor sports facility complexes has occurred throughout the country. Modern outdoor sports facilities have significantly evolved in terms of capabilities, flexibility, amenities, operating efficiencies, and enhanced revenue generation opportunities.

The following present some noteworthy trends relative to design and capabilities of indoor sports tourism-focused facilities:

- Critical mass of high-quality playing fields in one location.
- Maximization of local uses and sports tourism.
- Flexibility to accommodate the widest variety of uses.
- Synthetic turf (indoor & outdoor) is increasingly accepted and expected by most tournament and local sports/rec activity.
- Growing emphasis on partnerships (equity, sponsorship and ancillary development).
- Focus on creating/enhancing the quality of sub-destinations surrounding facility complexes.
- Incorporation of quality amenities & specialty components:
 - Performance centers
 - eSports capabilities/technology
 - Restaurants/cafes/food courts
 - Fitness & wellness
 - Leisure amenities (child play areas, mini-golf, AR tech)
 - Ancillary development (hotels, retail, attractions)
- Adventure tourism events (e.g., Tough Mudders, Spartan Races, etc.) take a significant toll on outdoor facilities and limit other event activity.



5 MARKET SURVEYS AND OUTREACH



AG, EQUESTRIAN & LIVESTOCK DEMAND

- **MEASURED DEMAND:**

A moderate to moderately-strong positive response rate was noted among regional and national equestrian and livestock show producers representing over 75 annual events.

- **EVENT FACILITY REQUIREMENTS:**

Interested events required an average arena size of 150'x200' and between approximately 1,000 and 2,000 stalls.

- **EVENT SIZES:**

Average event attracts approximately 1,500 exhibitors and spectators, up to approximately 12,500 attendees for the largest event with an interest in a renovated/expanded KEC.

- **ENHANCED SUPPORT FACILITIES:**

Need improved electrical access, quality airflow, wash racks and updated floor coating to improve footing for animals.

- **ADDITIONAL WARM-UP SPACE:**

Additional warm-up/show/sale arena is required for most equestrian events with sizing to be the same or similar to the main show ring. Warm-up arena should have easy access to main arena and should be at least covered.

- **DESTINATION APPEAL:**

Geographic location, identity as an equestrian and livestock event destination and access to hotels, restaurants and entertainment seen as a competitive advantage of the Louisville market.

- **DEMAND OPPORTUNITY:**

Enhanced equestrian and livestock facilities provide an opportunity to drive attendance among existing events by improving guest experience, while creating more usable event space provides additional opportunities for new events and multiple, overlapping events.



75

Annual Events
Represented



150'x200'

Dirt Floor Arena Size Required

1,000 – 2,000

Stalls Required



1,500 / 12,500

Per Show Average Attendance /
Maximum Attendance

INTERVIEWS WITH FLAT FLOOR EVENT ORGANIZERS

- **MEASURED DEMAND:**

Moderate positive response rate was noted among national tradeshow, indoor amateur sports meet/tournament organizers and organizers of events that require substantial amounts of indoor exhibition space. More limited demand among conventions that traditionally use downtown venues. Nearly 30 completed surveys representing over 50 annual events.

- **INDUSTRY STANDARD EVENT SPACE:**

Growth potential among the primary events limited by sub-standard space in West Wing and Pavilion. Opportunity to host multiple, overlapping events with event space consistent with "Class A" space on east side of campus.

- **IMPROVED GUEST EXPERIENCE:**

Food service, access to sleeping rooms and greater access to nearby entertainment opportunities necessary to drive added event activity.

- **FOCUS ON FAMILY-FRIENDLY EVENTS:**

Coordinated efforts with youth sports facility development, enhanced offerings at Kentucky Kingdom and existing hotel inventory present an opportunity to develop a family-friendly environment for events such as indoor amateur sports tournaments, robotics competitions, esports competitions and other such events.

- **INDOOR AMATEUR SPORTS:**

Growth potential among existing indoor amateur sports tournaments, meets and competitions with additional event space offering 35-foot ceilings. Existing event space in West Wing and Pavilion cannot accommodate growth in this sector.

- **BREAKOUT MEETING ROOM AND MULTIPURPOSE BALLROOM SPACE:**

Approximately 25,000 sf of breakout meeting space and 40,000 sf of ballroom space needed to accommodate demand.

- **IMPACT ON EXISTING KEC EVENT ACTIVITY:**

Improvements to available event space, improved hospitality service and greater access to supporting amenities expected to allow for 10 to 15 percent growth in existing event space rentals and/or growth in attendance.

INTERVIEWS WITH TOURNAMENT ORGANIZERS

- **MEASURED DEMAND:**

A moderate to moderately-strong positive response rate was noted among regional and national outdoor tournament organizers. Approximately 25 total tournaments represented.

- **FIELD REQUIREMENTS:**

Minimum of 12 full-size fields required to host tournaments. Preference is for 14 to 16 full-size fields.

- **EVENT SIZES:**

15 tournaments could attract between 75 and 100 teams, with another 7 tournaments able to attract 100 to 200 teams and 3 tournaments able to attract 200 teams or more. Average team size is 15 players/coaches and between 1.5 and 2.0 spectators per participant.

- **DESTINATION PREFERENCES:**

Most respondents indicated a potential partnership opportunity with Kentucky Kingdom to increase tournament participation.

- **FAVORABLE GEOGRAPHIC LOCATION:**

Organizers noted the geographic proximity of Louisville to East Coast and Midwest markets. Proximity to the airport, sleeping rooms and downtown Louisville were noted as a competitive advantages of the destination.

- **DEMAND OPPORTUNITY:**

While respondents view Louisville very favorably as a potential host market for tournaments, they had not been able to host events in the market due to the lack of available fields.

- **IMPACT ON EXISTING KEC EVENT ACTIVITY:**

Majority of tournaments held on weekends and during periods that would fill gaps in the calendar.



KEC LAND PLANNING MARKET ASSESSMENT

- **FOCUS ON RETENTION AND GROWTH OF EXISTING PRIMARY EVENTS:**

Brand identity of KEC is defined by primary events such as the State Fair, NFMS, NAILE, MATS, NSRA, Equip Expo, Utility Expo and outdoor concerts/festivals. Primary focus should be on retention and growth of these events and activities.

- **EQUESTRIAN, LIVESTOCK & AGRICULTURAL EVENT OPPORTUNITIES:**

Continued investment in other national equestrian, livestock and ag complexes has increased competition for these events. Moderate to strong demand was noted for increasing the frequency with which these events return to Louisville with industry-standard event facilities.

- **IMPROVED GUEST EXPERIENCE:**

Enhanced revenue generating potential by improving food service offerings, hospitality space and guest service through more efficient support space.

- **FOCUS ON YOUTH AND FAMILY-FRIENDLY EVENT ACTIVITY:**

Profile of destination amenities surrounding the KEC suggest shared marketing opportunities with youth and family friendly events such as indoor amateur sports, robotics competitions, AR/VR and other experiential events.

- **OUTDOOR AMATEUR SPORTS:**

Moderate to moderately-strong demand indicated for hosting outdoor tournaments attracting non-local participants in soccer, lacrosse and other field sports activities. Strong established base of local users expected to provide regular activation to historically underutilized acreage. Seasonality of outdoor sports tournaments is well-aligned with primary event activity schedule and would not be expected to interfere with growth among these events.

- **INDOOR AMATEUR SPORTS:**

Strong established base of existing indoor sports tourism activity. Moderate to strong demand noted for increasing the size of existing tournaments, meets and competitions with additional flat-floor event space with industry-standard ceiling heights.

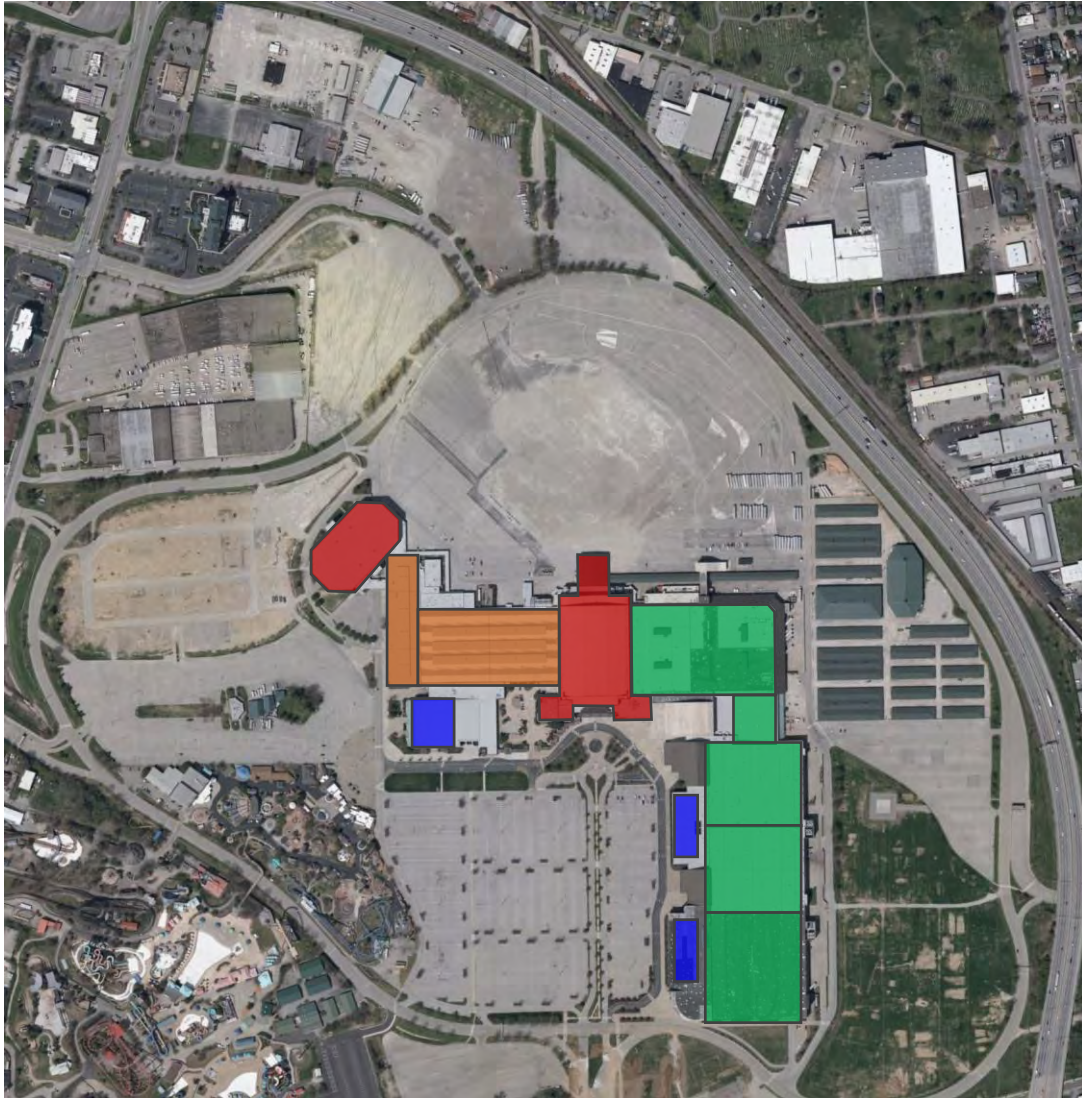
- **DESTINATION ENHANCEMENT:**

To attract and retain events while maximizing the destination's return-on-investment, it will be critical to continue to enhance the hospitality, restaurant and entertainment offerings surrounding the KEC.



6 KEC CAMPUS LAND PLANING RECOMMENDATIONS

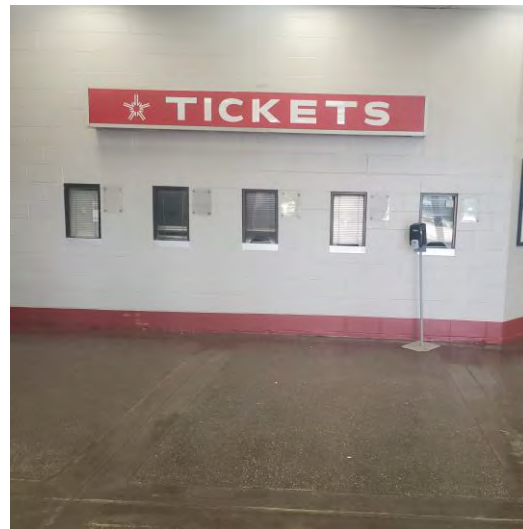
EXISTING KEC EVENT SPACE



CURRENT EVENT SPACE LEVELS

- 1,056,900 square feet (sf) of total sellable event space:
 - 925,500 sf of exhibit space.
 - 78,100 sf of ballroom space.
 - 53,300 sf of meeting space.
- 1,835,000 gross square feet (gsf) of total facility space.
- Two arenas:
 - 18,300 maximum capacity in Freedom Hall.
 - 6,600 maximum capacity in Broadbent Arena.
 - 39,000 square feet of floor space in each.
- 22,900 parking spaces.
- 1,100 permanent horse stalls.

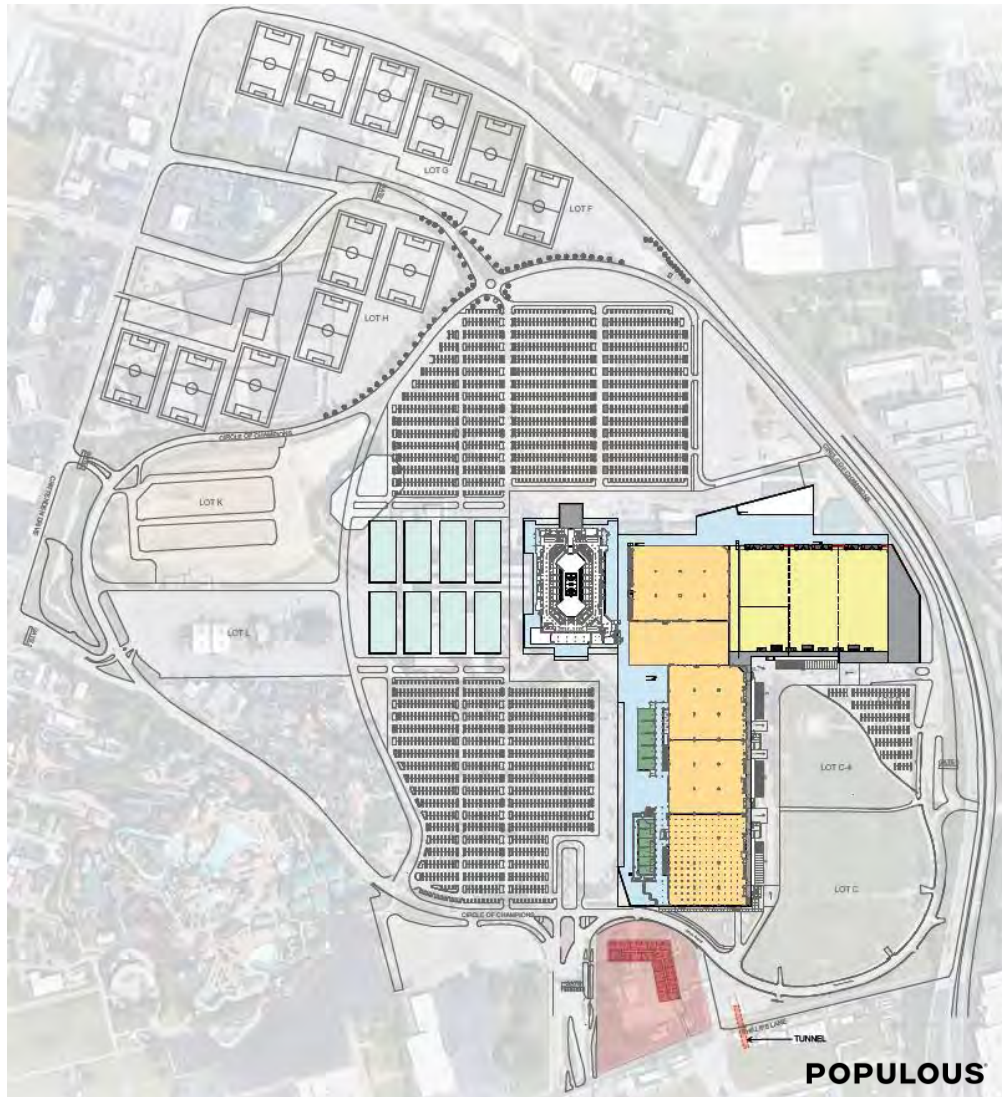
EXISTING KEC EVENT SPACE



CHALLENGES WITH EXISTING KEC PROGRAM

- West Wing and Pavilion event space has not been updated since 1956.
- Low ceiling height and multiple columns limits rental opportunities west of Freedom Hall.
- Distance to existing storage space significantly increases labor costs.
- Kitchen and food service space limits capabilities of catering and hospitality.
- Lack of connectivity between Freedom Hall and North Wing, East Hall and South Wing event space.

KEC CAMPUS LAND PLANNING CONCEPT



CAMPUS-WIDE CONCEPTS

- Relocate and redevelop 322,400 sf of multipurpose event space west of Freedom Hall.
- Develop 12-field outdoor multi-sport field complex for enhanced year-round activation.
- New kitchen facilities with improved access to campus-wide event spaces.
- New and more accessible storage and workshop space.
- Reposition Circle of Champions between Lots K & L to accommodate Kentucky Kingdom operations.
- Retain integrity of Lot K and Lot C for outdoor events.
- Potential hotel development south of South Wing C.
- Vehicle/pedestrian tunnel connecting main campus to Festival Grounds south of Phillips Lane.

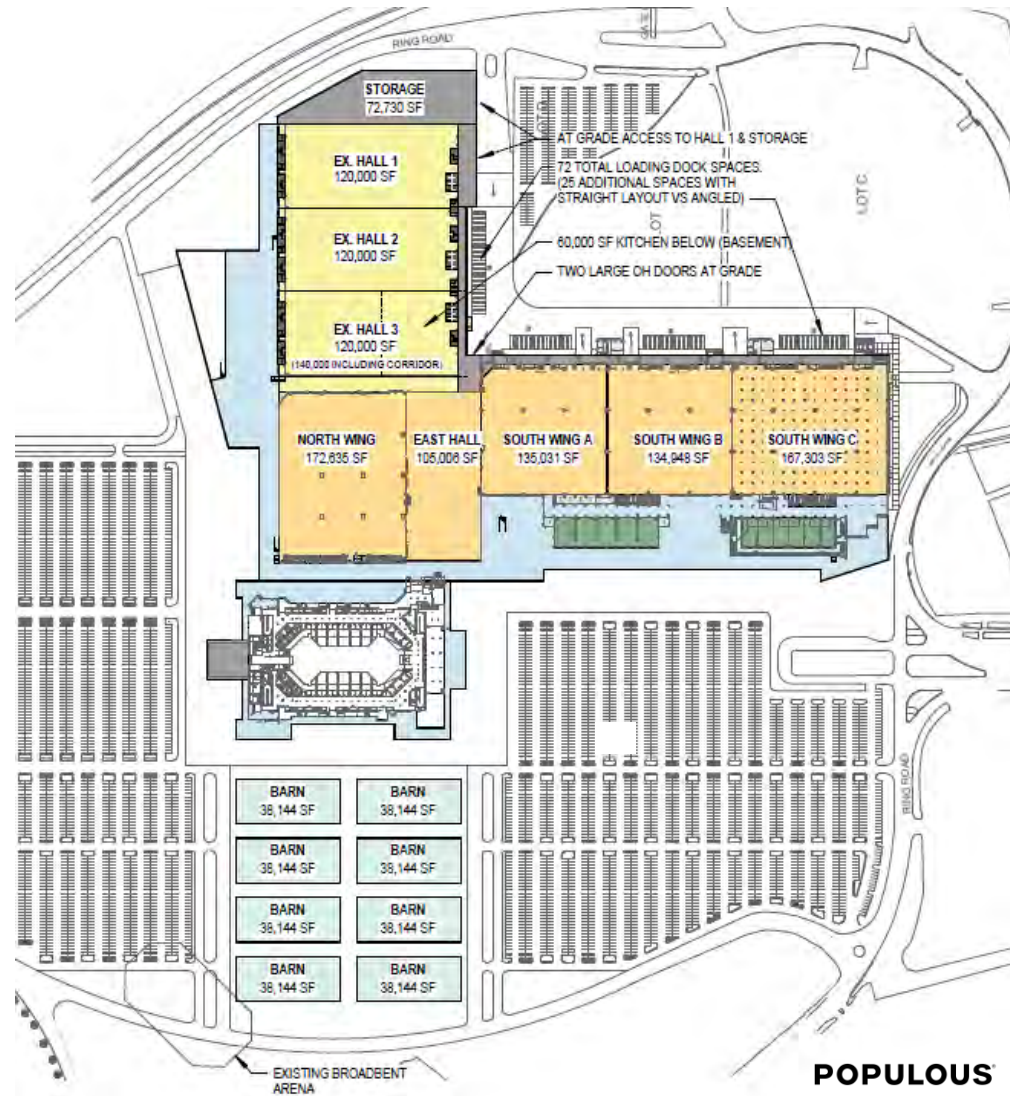
FIELD COMPLEX CONCEPT LAYOUT



OVERVIEW

- 12 full-size synthetic turf fields, all with lights. Up to 24 fields for U12 and under games.
- Gate 4 access to KEC Lot J. Roadway could be shut down during large tournaments.
- Approximately 800 parking spaces proximate to north and south fields. Shared parking in KEC Lots J and K.
- Outparcels for potential future private development.
- Requires acquisition of Jefferson County Public Schools' C.B. Young Building and the surrounding property (estimated cost \$15.0 million).

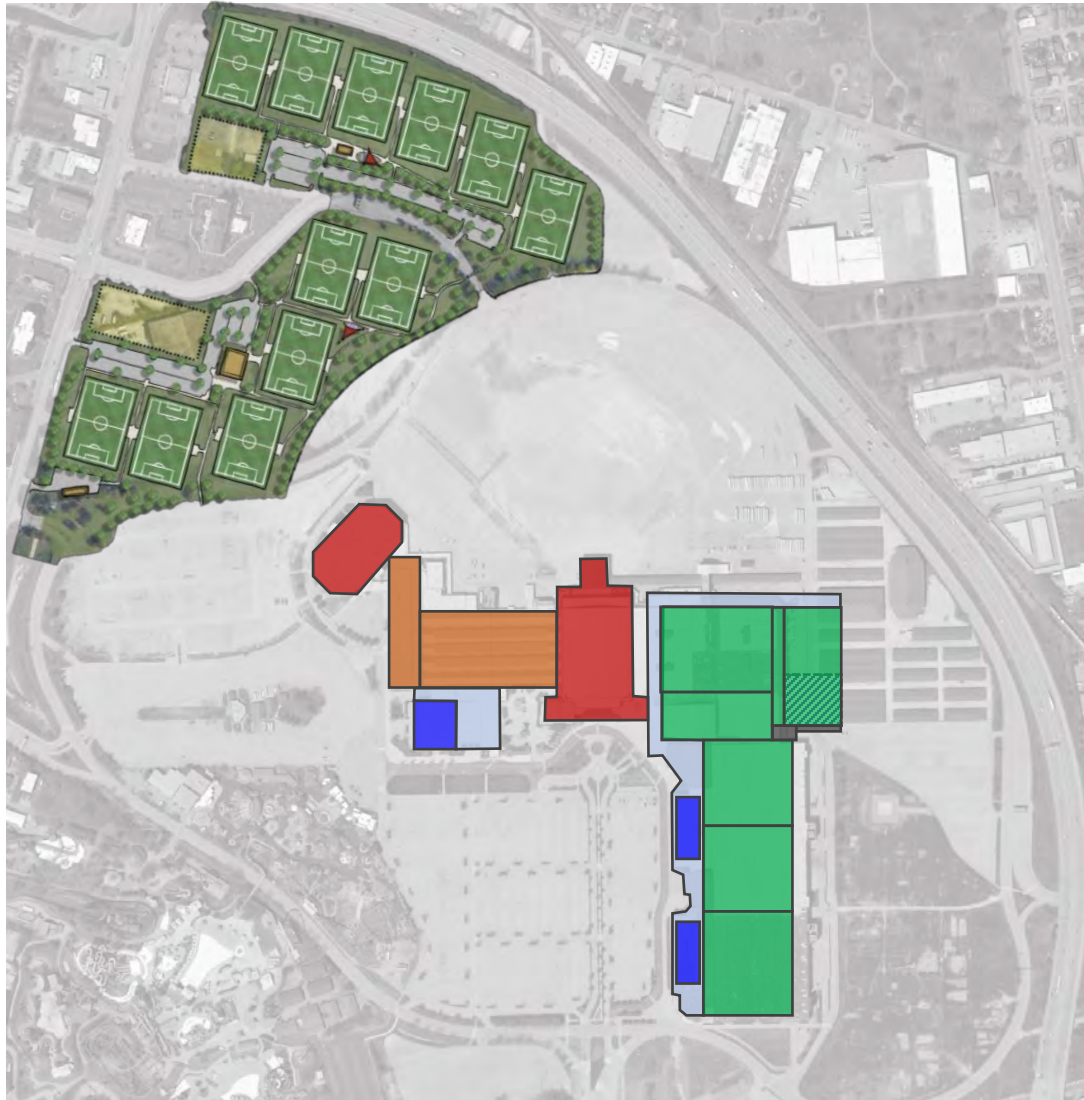
KEC REDEVELOPMENT CONCEPT



OVERVIEW

- Relocate sub-standard event space from west of Freedom Hall to connect to east side of North Wing and East Hall.
- Develop 72,700 sf main storage space on east side of campus. Additional storage/workshop space south of new expansion and east of South Wing.
- New 60,000 sf kitchen located below new exhibit space expansion east of East Hall.
- Grand front entrance visible to southbound I-65 traffic with a 20,000-sf outdoor Sky Terrace.
- New 40,000-sf grand ballroom.
- Redevelopment results in a net increase of 377,900 gsf of space including:
 - 118,100 gsf of sellable event space.
 - 72,000 gsf of pre-function space.
 - 187,800 gsf of back-of-house and support space.

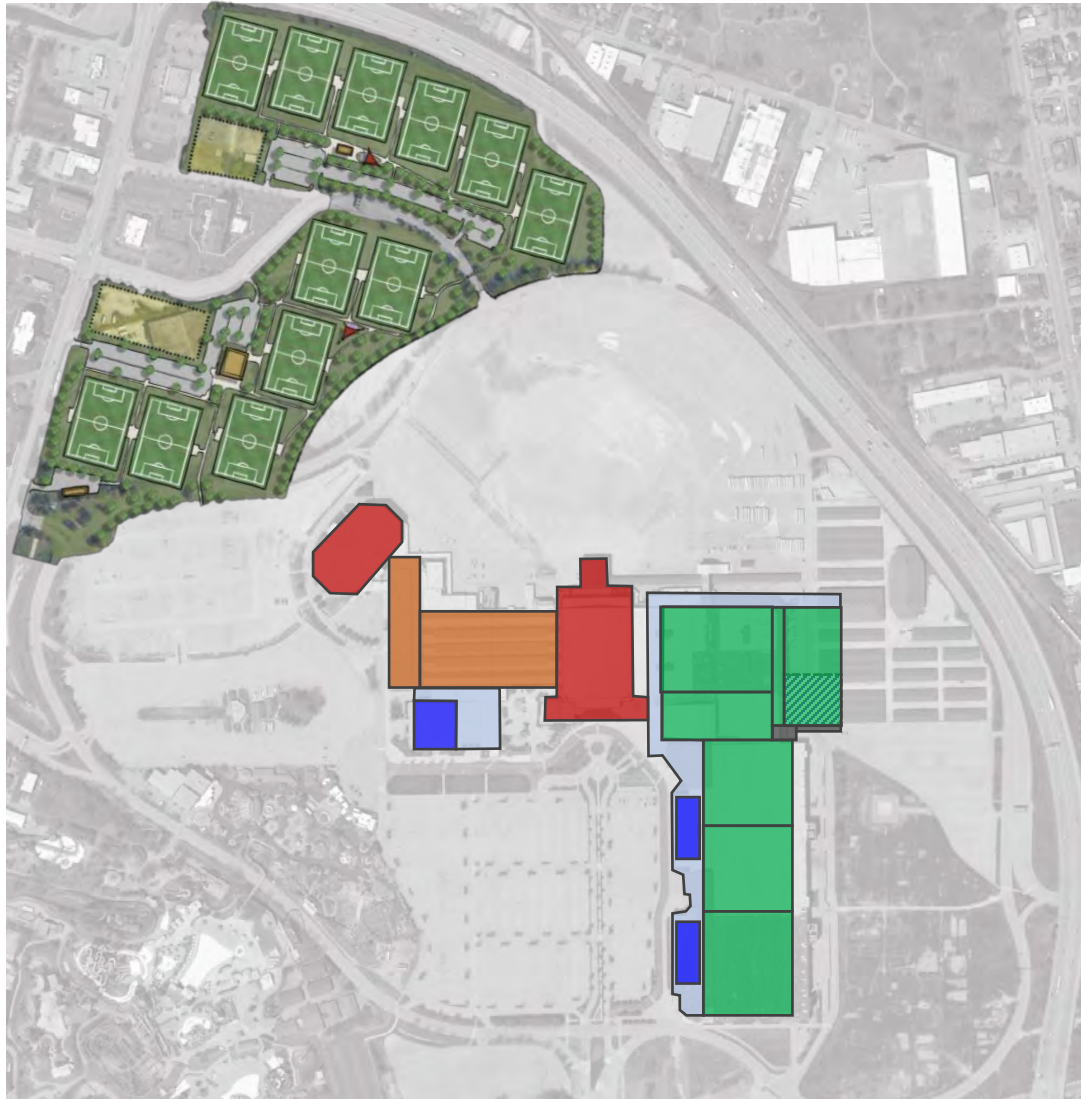
PHASE I LAND PLANNING CONCEPT



PHASE ONE KEC MASTER PLAN DEVELOPMENT

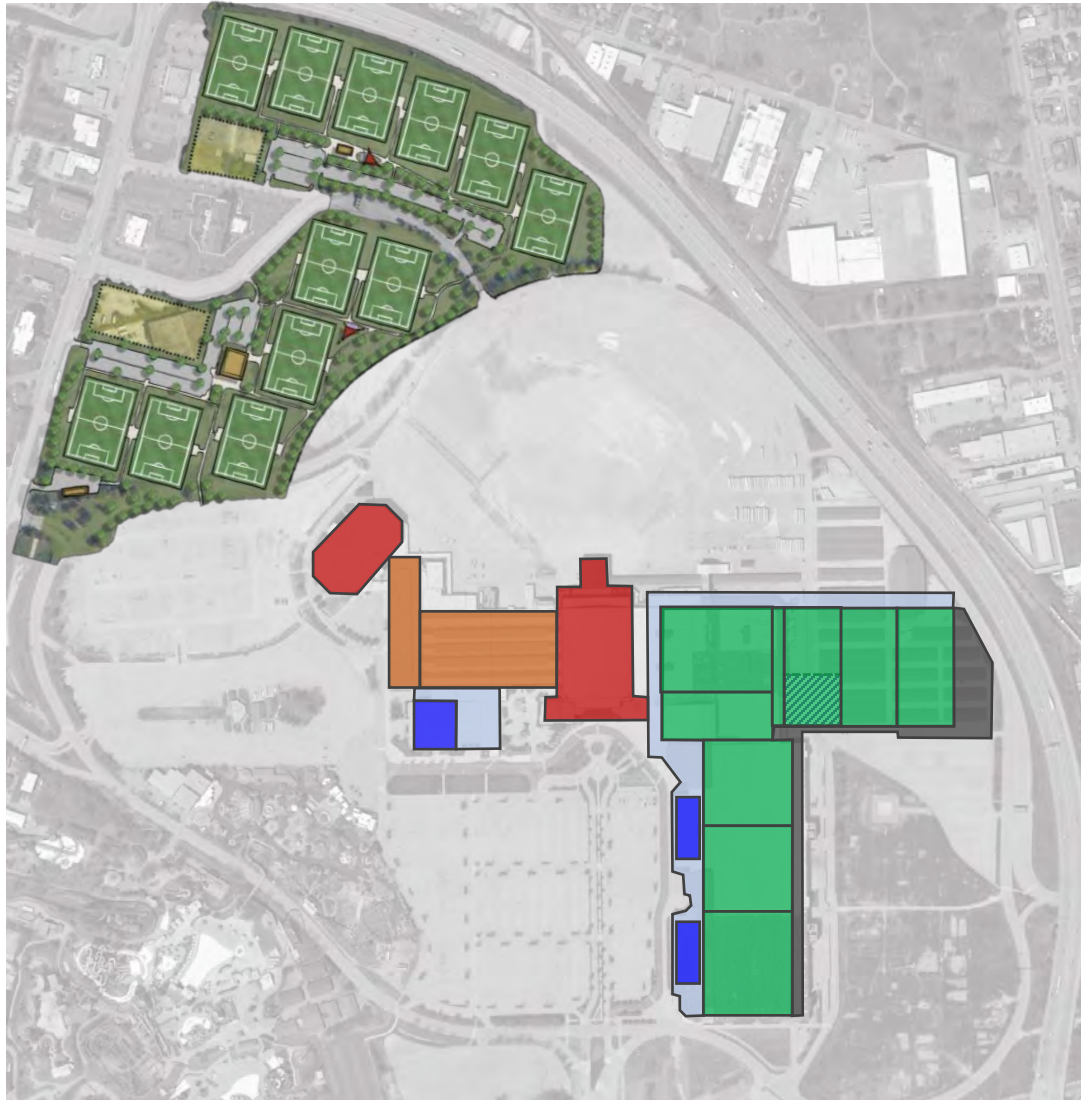
- Acquire School Board property to develop 12 full-size, synthetic turf multisport (soccer) field complex.
- Extend exhibit space east of North Hall with 140,000 sf of multipurpose exhibit space.
- Corridor between North Hall and new Exhibit Hall 3.
- 60,000 sf kitchen space below new Exhibit Hall 3.
- Expand East Hall by approximately 70,000 sf.
- 2nd floor meeting and pre-function space
- Modify 45,700 sf of North Hall to create pre-function space to connect South Wing and new Exhibit Hall pre-function space.
- Results in nearly 855,000 sf of contiguous exhibit space and limited impact on existing event activity.
- Convert West Wing, Pavilion and West Halls to storage, workshop and flexible stalling/penning space.

PHASE I LAND PLANNING COST



Facility Component	Qty.	Size	Cost per Unit	Hard + Soft Const Costs (2022\$)
Acquire School Board Property	1	50 ac.	\$15,000,000	\$15,000,000
Exhibition Hall 3 (new)				
GROUND LEVEL				
Exhibition Space	1	140,000 sf	\$480	\$67,200,000
Pre-function Space	1	5,000 sf	\$520	\$2,600,000
Pre-function Support Space	1	5,000 sf	\$200	\$1,000,000
Loading/BOH Support Space	1	10,000 sf	\$200	\$2,000,000
Ground Level Total				\$72,800,000
UPPER-LEVEL				
Pre-function Space	1	14,000 sf	\$520	\$7,280,000
Restrooms	1	5,000 sf	\$500	\$2,500,000
Meeting Rooms	1	5,000 sf	\$400	\$2,000,000
Pre-function Support Space	1	1,200 sf	\$200	\$240,000
Upper-Level Total				\$12,020,000
Total Exhibition Hall 3				\$84,820,000
North Wing/East Hall (expansion/renovation)				
GROUND LEVEL				
Exhibition Space	1	50,000 sf	\$240	\$12,000,000
Pre-function Space	1	50,000 sf	\$250	\$12,500,000
Pre-function Support Space	1	5,000 sf	\$120	\$600,000
Ground Level Total				\$25,100,000
UPPER-LEVEL				
Pre-function Space	1	20,000 sf	\$250	\$5,000,000
Meeting Rooms	1	8,000 sf	\$250	\$2,000,000
Pre-function Support Space	1	1,200 sf	\$100	\$120,000
Upper-Level Total				\$7,120,000
Total North Wing/East Hall (expansion/renovation)				\$32,220,000
Kitchen	1	60,000 sf	\$800	\$48,000,000
Enabling Infrastructure & Demolition				\$5,000,000
PHASE I TOTAL CONSTRUCTION COST				\$185,040,000

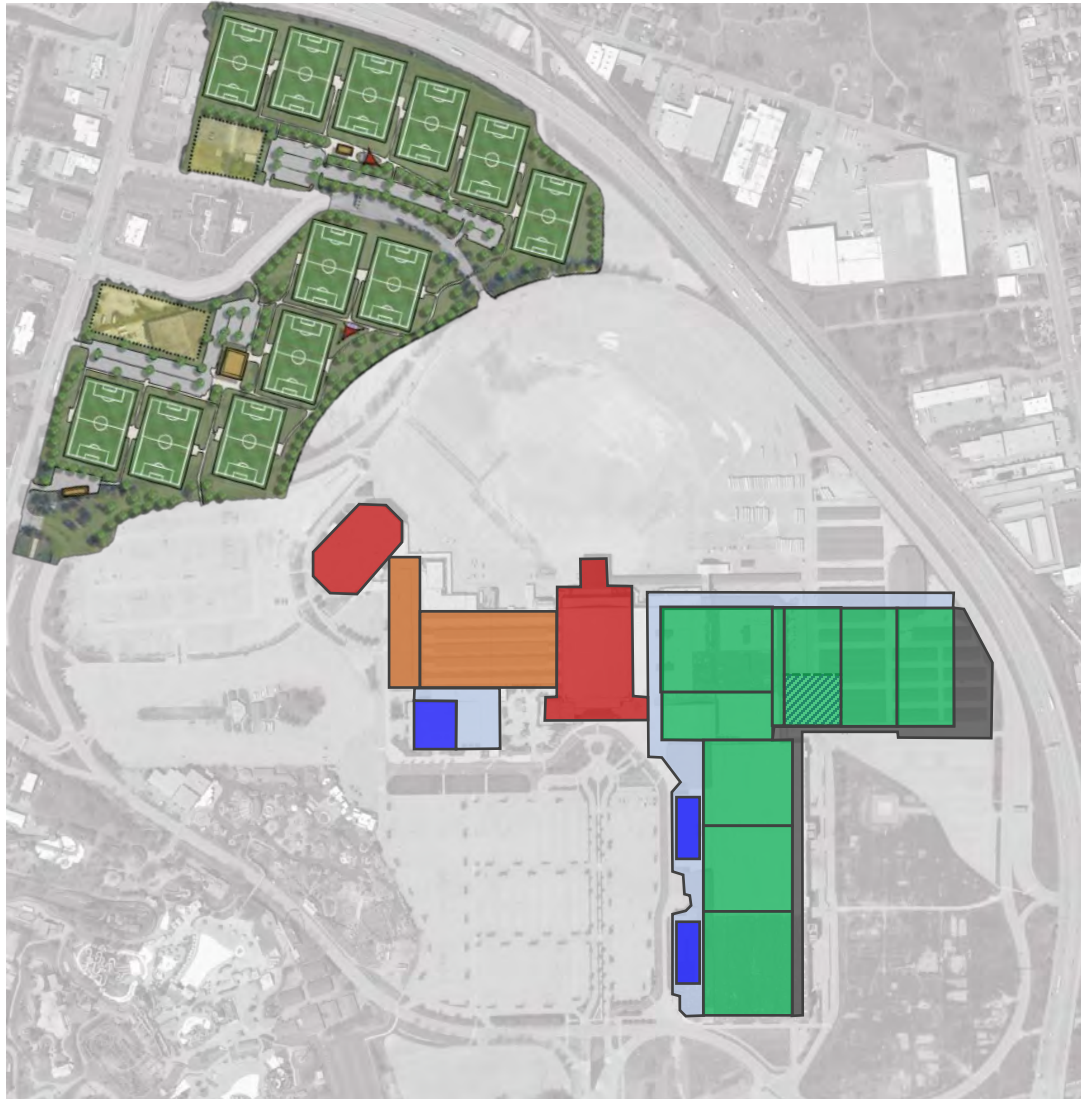
PHASE II LAND PLANNING CONCEPT



PHASE TWO KEC MASTER PLAN DEVELOPMENT

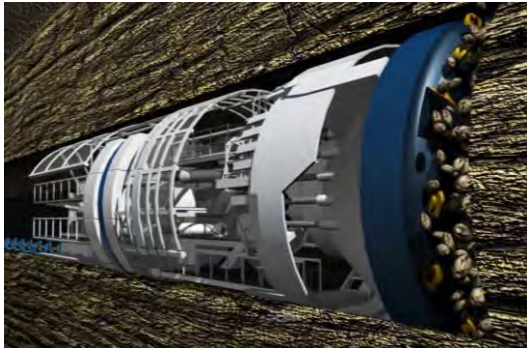
- Extend exhibit space east of Exhibit Hall 3 with 240,000 sf of multipurpose exhibit space.
- Results in over 1.09M sf of contiguous exhibit space with limited impact on existing event activity.
- 72,000 sf of storage space east of Hall 1.
- Exhibit Hall 1 developed with retractable seating for hosting State Fair, equestrian/livestock shows and promoted shows/concerts.
- Extension of pre-function and BOH support space.
- 2nd level breakout meeting and pre-function space along north side of exhibition spaces.
- Service space and loading dock updates along South Wings.
- Tunnel under Phillips Lane to Festival Grounds.

PHASE II LAND PLANNING COST



Facility Component	Qty.	Size	Cost per Unit	Hard + Soft Const Costs (2022\$)
Exhibition Hall 2 (new)				
GROUND LEVEL				
Exhibition Space	1	120,000 sf	\$480	\$57,600,000
Pre-function Space	1	5,000 sf	\$520	\$2,600,000
Pre-function Support Space	1	5,000 sf	\$200	\$1,000,000
Loading/BOH Support Space	1	10,000 sf	\$200	\$2,000,000
Ground Level Total				\$63,200,000
UPPER-LEVEL				
Pre-function Space	1	5,000 sf	\$520	\$2,600,000
Restrooms	1	4,500 sf	\$500	\$2,250,000
Meeting Rooms	1	7,500 sf	\$400	\$3,000,000
Pre-function Support Space	1	1,200 sf	\$200	\$240,000
Upper-Level Total				\$8,090,000
Total Exhibition Hall 3				\$71,290,000
Exhibition Hall 1 (new)				
GROUND LEVEL				
Exhibition Space	1	120,000 sf	\$480	\$57,600,000
Pre-function Space	1	5,000 sf	\$520	\$2,600,000
Pre-function Support Space	1	5,000 sf	\$200	\$1,000,000
Loading/BOH Support Space	1	20,000 sf	\$200	\$4,000,000
Ground Level Total				\$65,200,000
UPPER-LEVEL				
Pre-function Space	1	7,500 sf	\$520	\$3,900,000
Meeting Rooms	1	5,000 sf	\$400	\$2,000,000
Pre-function Support Space	1	1,200 sf	\$200	\$240,000
Upper-Level Total				\$6,140,000
Total Exhibition Hall 3				\$71,340,000
Storage	1	72,730 sf	\$480	\$34,910,400
South Service & Loading Docks	1	42,000 sf	\$120	\$5,040,000
Tunnel Under Phillips Lane				\$10,000,000
Enabling Infrastructure & Demolition				\$10,000,000
PHASE II TOTAL CONSTRUCTION COST				\$202,580,400

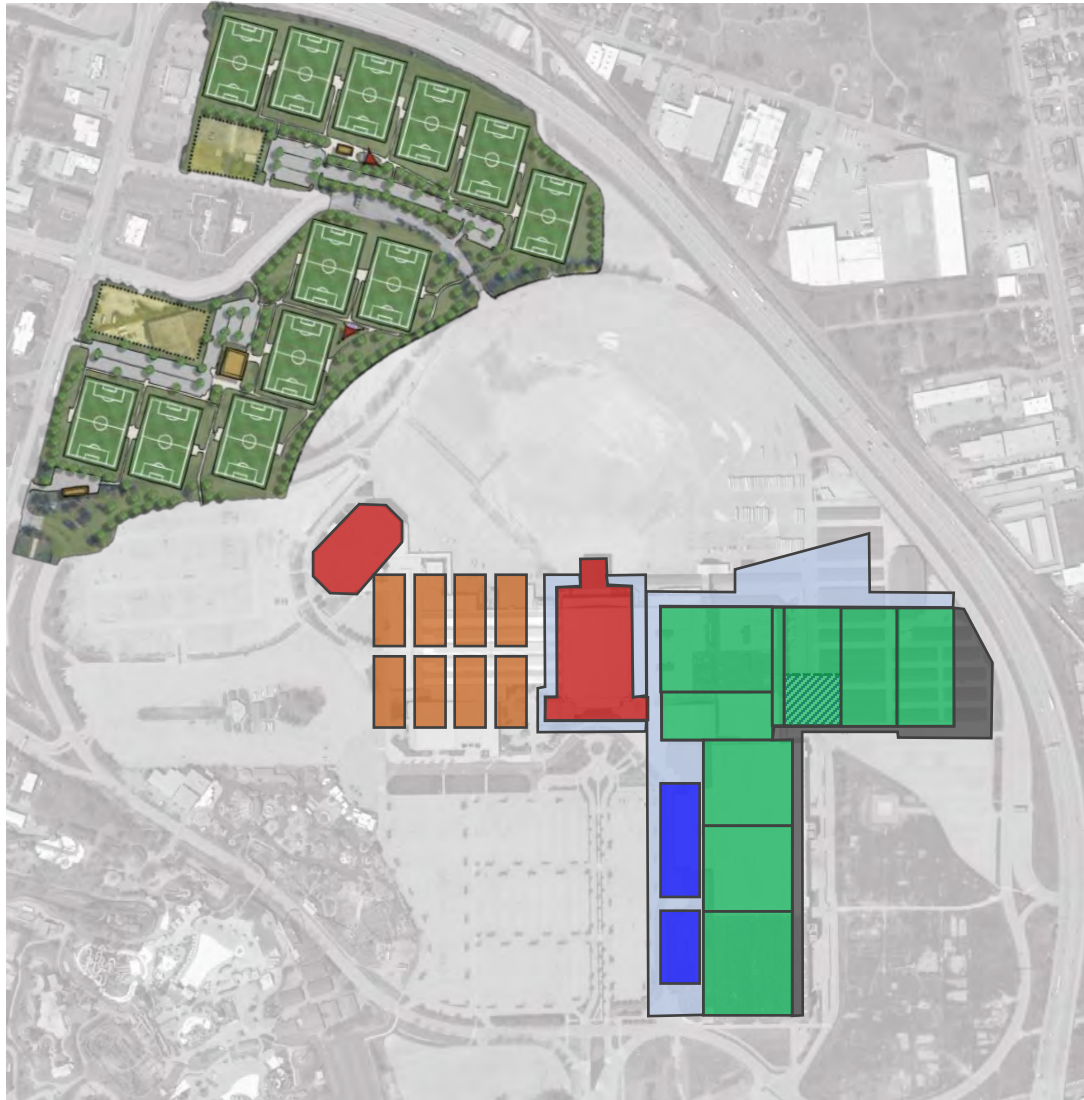
POTENTIAL CONNECTION TO DOWNTOWN



BORING TUNNEL CONCEPT

- Potential opportunity to connect Louisville Muhammad Ali International Airport, Kentucky Expo Center, University of Louisville, Churchill Downs and downtown Louisville, including Kentucky International Convention Center, 4th Street Live, and other assets.
- Would significantly enhance connectivity between KEC and downtown Louisville hotel inventory and entertainment options.
- Competitive bidding process among companies such as The Boring Company and Southland Holdings.
- Transportation can be provided by autonomous vehicles or with human drivers.
- Additional study would be needed to analyze cost, capacity and return-on-investment.

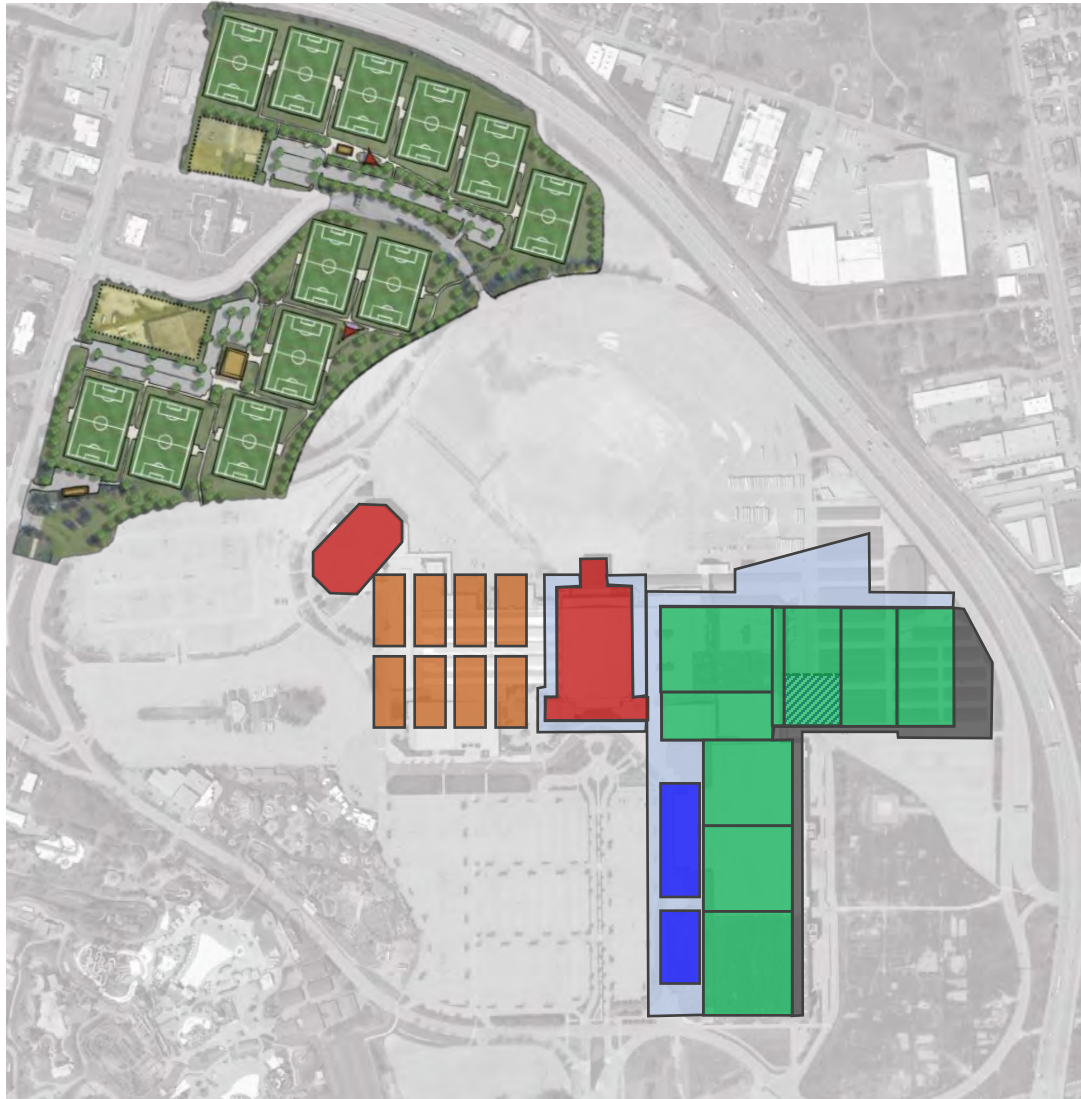
PHASE III LAND PLANNING CONCEPT



PHASE THREE KEC MASTER PLAN DEVELOPMENT

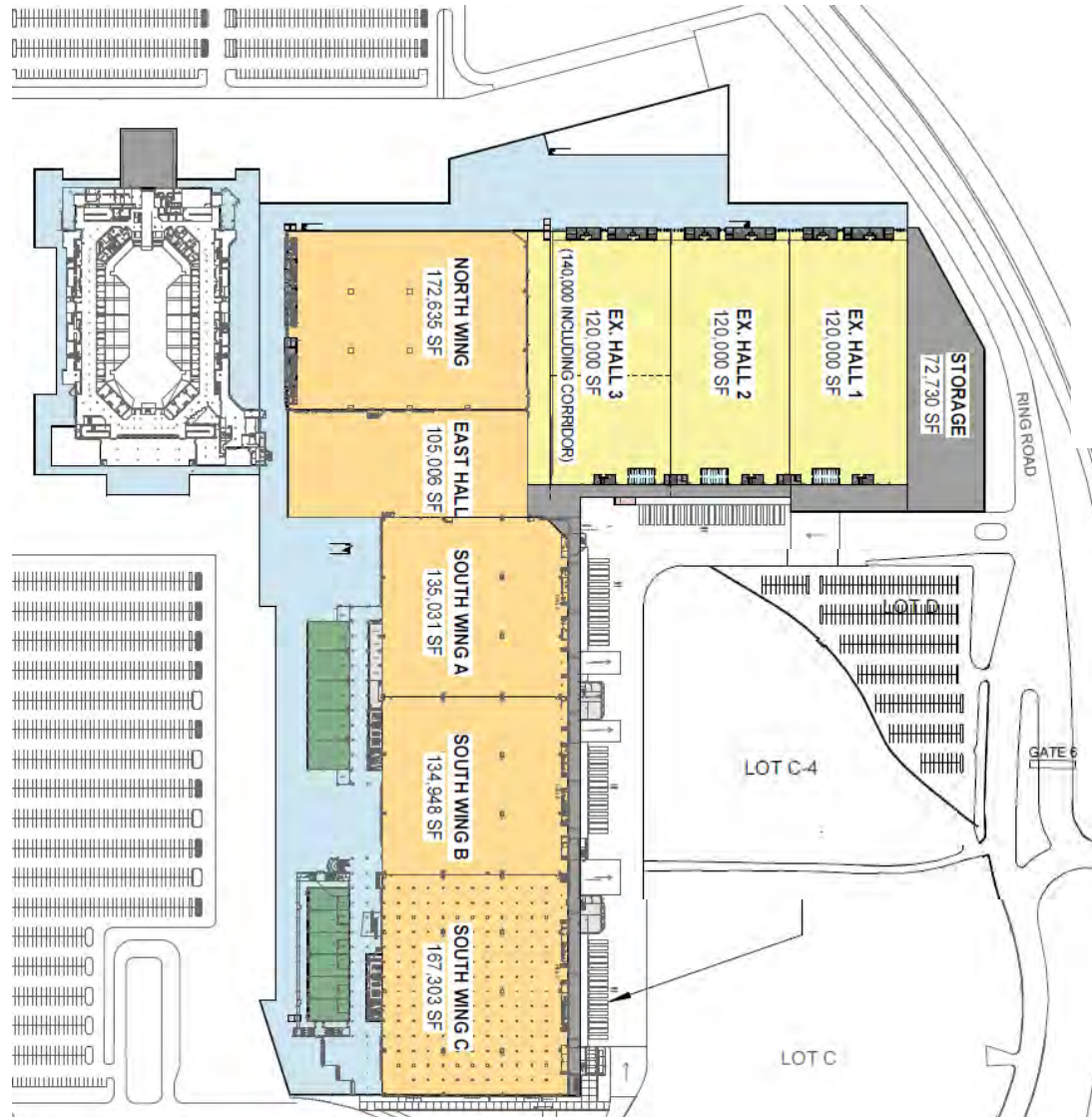
- Grand North Lobby entry way and 40,000 sf outdoor plaza.
- 40,000-square foot ballroom on second floor above new lobby space.
- 20,000-square foot Sky Terrace outdoor plaza.
- Renovated hospitality and flexible event space around second level of Freedom Hall.
- Extension of pre-function space west of South Halls.
- New breakout meeting, prep kitchen and support space 2nd level west of South Wing.
- Potential removal of West Wing, West Hall, Pavilion to be replaced by eight new 38,100 sf covered barns or a new structure containing the required space under one roof.
- Additional analysis for market potential of Broadbent Arena.

PHASE III LAND PLANNING COST



Facility Component	Qty.	Size	Cost per Unit	Hard + Soft Const Costs (2022\$)
North Lobby (new)				
GROUND LEVEL				
Lobby/Multipurpose Space	1	80,000 sf	\$600	\$48,000,000
Prep Kitchen	1	12,000 sf	\$700	\$8,400,000
Outdoor Plaza	1	40,000 sf	\$60	\$2,400,000
Ground Level Total				\$58,800,000
UPPER-LEVEL				
Pre-function Space	1	20,000 sf	\$520	\$10,400,000
Ballroom	1	40,000 sf	\$600	\$24,000,000
Exposition Hall 3 Viewing Platform	1	5,000 sf	\$200	\$1,000,000
Kitchen	1	4,000 sf	\$700	\$2,800,000
Sky Terrace (outdoor)	1	20,000 sf	\$200	\$4,000,000
Upper-Level Total				\$42,200,000
Total Exhibition Hall 3				\$101,000,000
Freedom Hall Lobby (expansion/renovation)				
GROUND LEVEL				
Freedom Hall Lobby	1	50,000 sf	\$600	\$30,000,000
Ground Level Total				\$30,000,000
UPPER-LEVEL				
Pre-function Space	1	20,000 sf	\$300	\$6,000,000
Restrooms	1	5,000 sf	\$500	\$2,500,000
Meeting Rooms	1	15,000 sf	\$250	\$3,750,000
Upper-Level Total				\$12,250,000
Total Exhibition Hall 3				\$42,250,000
South Wing Lobby (expansion/renovation)	1	80,000 sf	\$600	\$48,000,000
Office/Administration Space	1	30,000 sf	\$250	\$7,500,000
Enabling Infrastructure & Demolition				\$20,000,000
PHASE III TOTAL CONSTRUCTION COST				\$218,750,000

POTENTIAL KEC MASTER PLAN CONCEPT

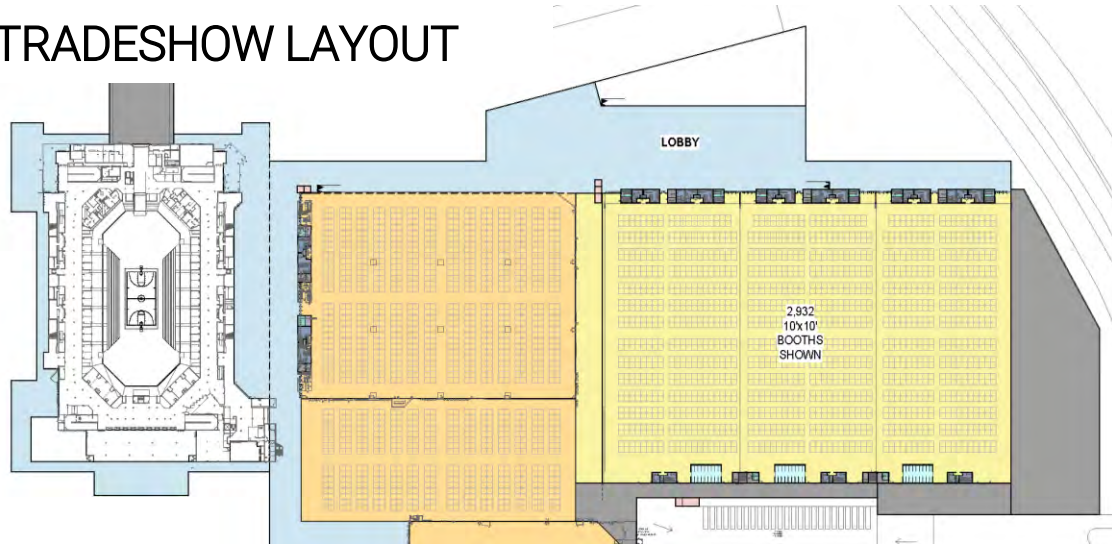


IMPACT ON KEC EVENT SPACE OFFERINGS

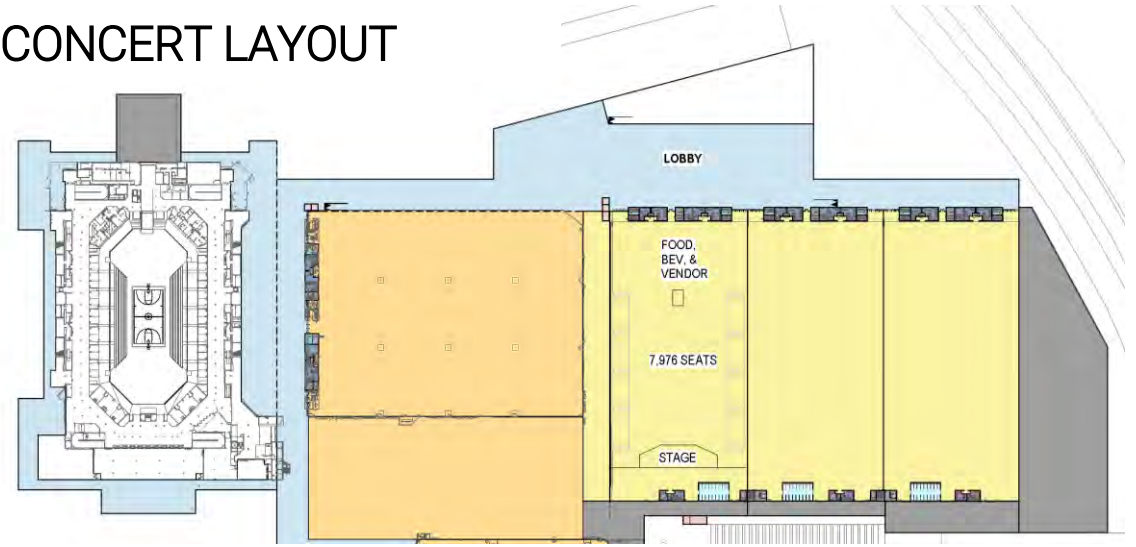
- Net increase of 98,000 sf of multipurpose event space.
- Contiguous event space increased to over 1.09 million sf (increase of 420,400 sf).
- New 40,000-sf ballroom space and 25,500 square feet of meeting space.
- Upgrade of sub-standard event space to flexible multipurpose event space with 30' or higher ceilings, improved HVAC and increased flexibility to host a wider array of events and activities.
- New 104,000 sf of new kitchen facilities.
- 143,500 sf of new pre-function space.
- Improved guest experience throughout the KEC.
- New signature front entry.
- Redevelopment results in a net increase of 845,000 gsf of facility space.

EVENT LAYOUT SAMPLES

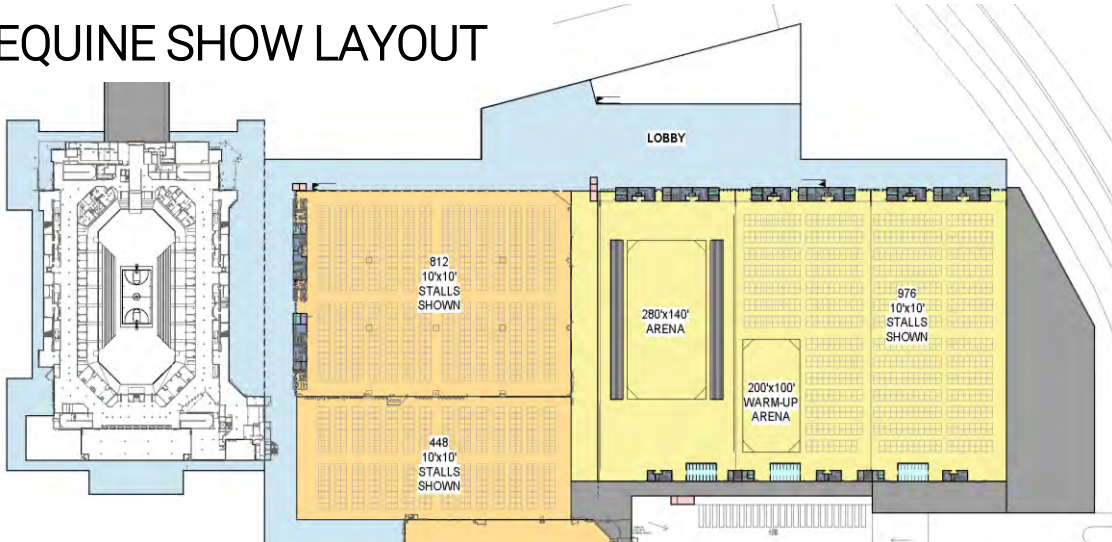
TRADESHOW LAYOUT



CONCERT LAYOUT



EQUINE SHOW LAYOUT



BASKETBALL LAYOUT



KENTUCKY STATE FAIR LAYOUT

- EXISTING EXPO HALLS TO BE UPDATED
- EXPANDED LOADING AREAS
- APPROXIMATELY 1,250 STALLS
- PASS-THROUGH CORRIDOR / BUFFER
- KITCHEN BELOW
- FEATURE ARENAS AND SEATING
- PENNING AREA AND SHOW RINGS
- STORAGE

EXPANDED CONCOURSE & MEETING SPACE

NEW BARN / MULTI-USE BUILDINGS

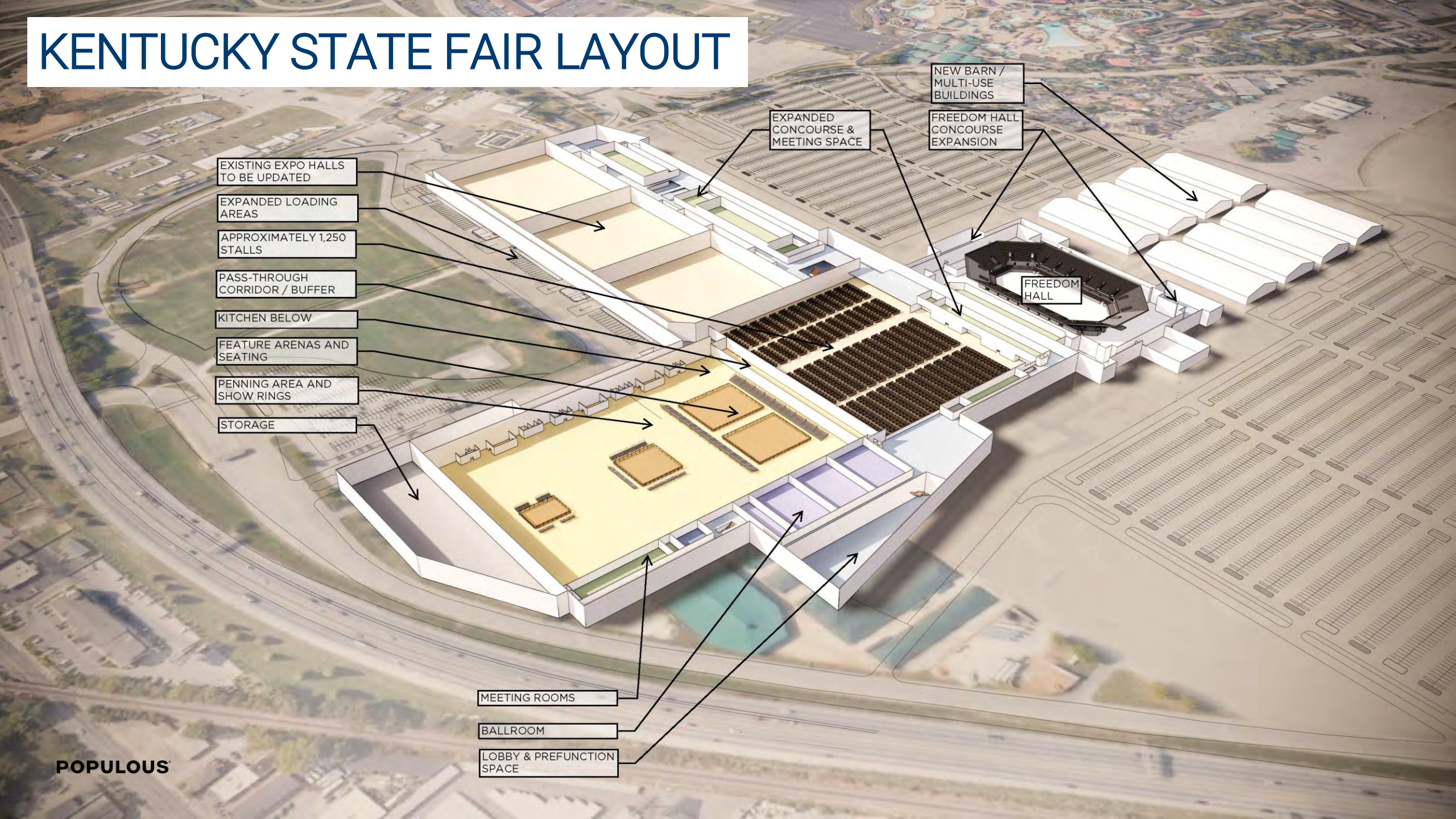
FREEDOM HALL CONCOURSE EXPANSION

FREEDOM HALL

MEETING ROOMS

BALLROOM

LOBBY & PREFUNCTION SPACE



EQUESTRIAN/LIVESTOCK LAYOUT

- EXISTING EXPO HALLS TO BE UPDATED
- EXPANDED LOADING AREAS
- APPROXIMATELY 1,250 STALLS
- KITCHEN BELOW
- MAIN ARENA AND SEATING
- WARM-UP ARENA
- APPROXIMATELY 1,000 STALLS
- STORAGE

EXPANDED CONCOURSE & MEETING SPACE

NEW BARN / MULTI-USE BUILDINGS

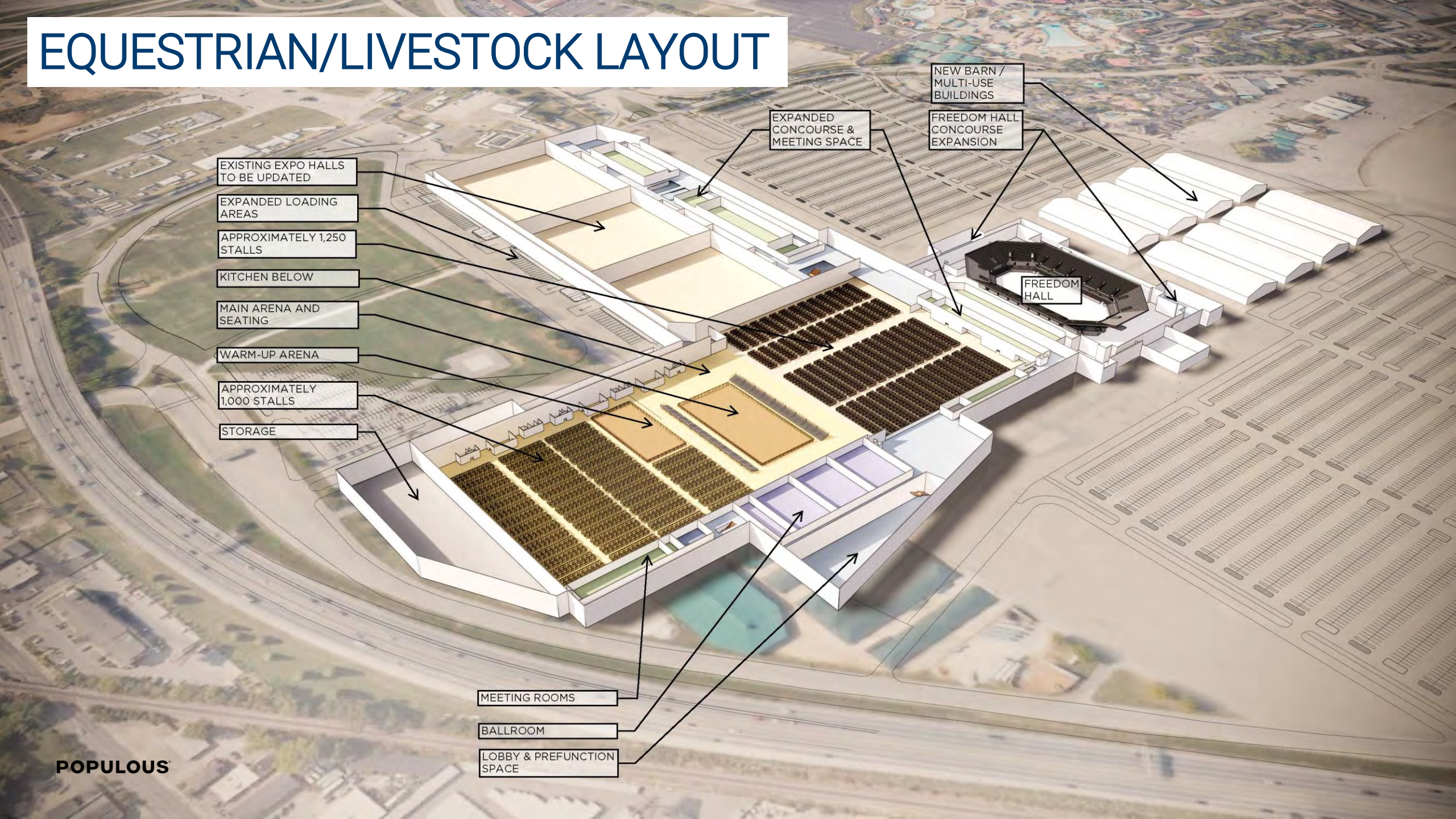
FREEDOM HALL CONCOURSE EXPANSION

FREEDOM HALL

MEETING ROOMS

BALLROOM

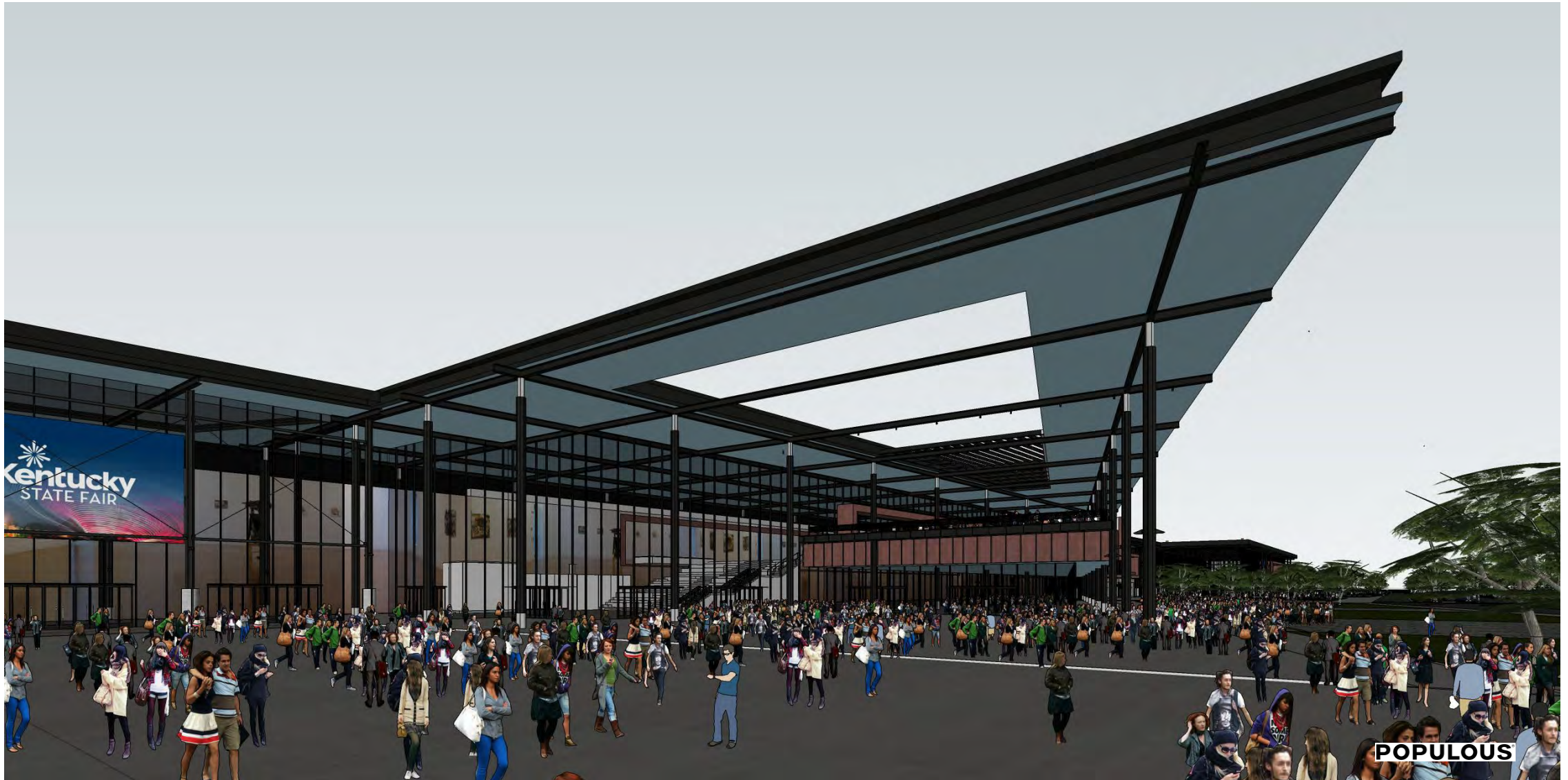
LOBBY & PREFUNCTION SPACE



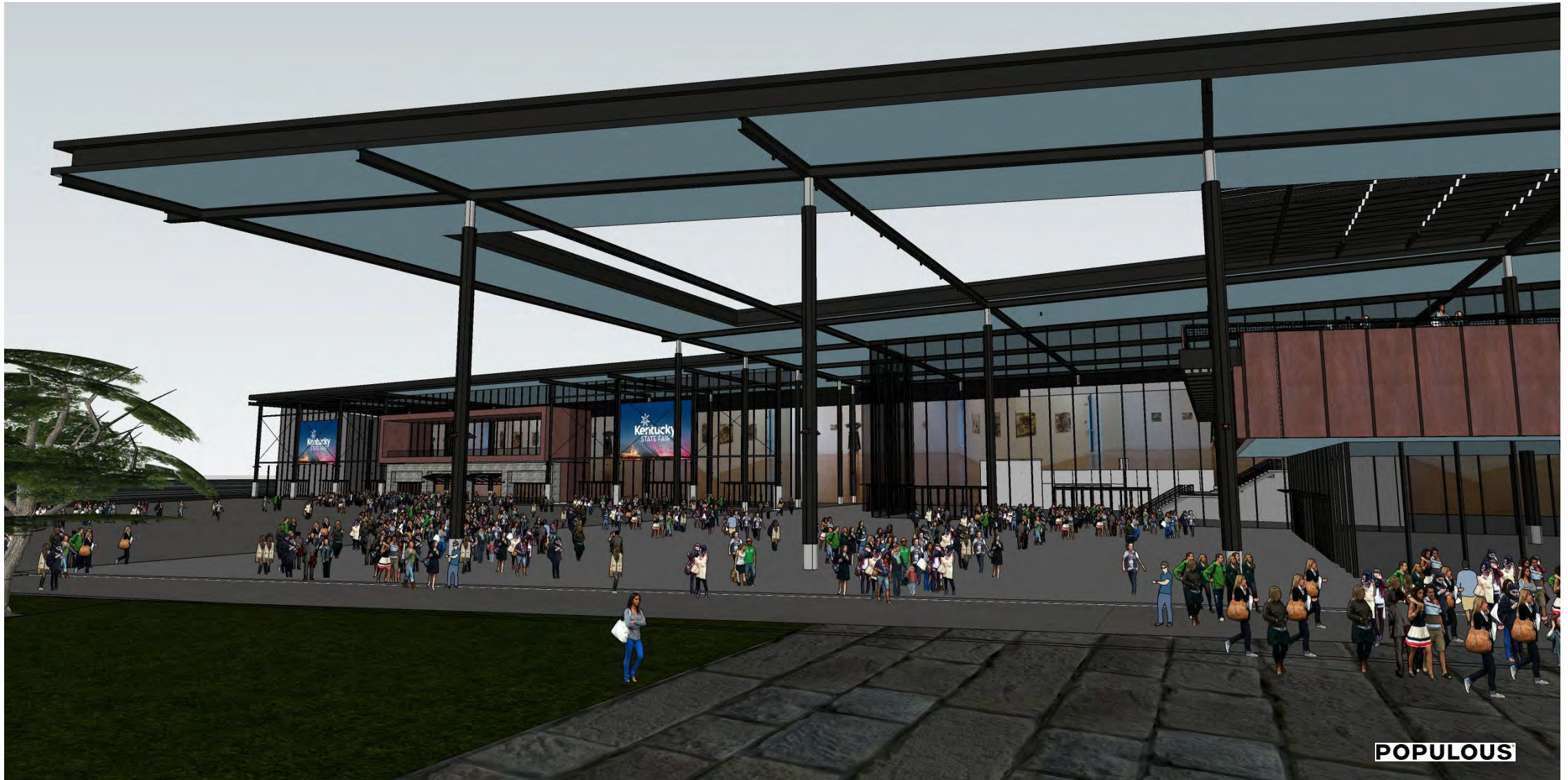
COMPLEX OVERVIEW FROM NORTHWEST



NEW SIGNATURE MAIN ENTRANCE AND PLAZA



NEW SIGNATURE MAIN ENTRANCE AND PLAZA



POTENTIAL IMPACTS ON EXISTING EVENTS

Reduction of public parking at KEC will be somewhat off-set by approximately 800 parking spaces available within the multisport field complex site.

- **KENTUCKY STATE FAIR:**

Reduction of public parking by approximately 27.5 acres in parts of Lots D and C east of the KEC and in Lots E, G & H. Master plan would result in loss of up to 3,700 on-site public parking spaces.

- **NATIONAL FARM MACHINERY SHOW:**

Reduction of public parking by approximately 11 acres in Lot H, resulting in loss of nearly 1,300 parking spots.

- **NORTH AMERICAN INTERNATIONAL LIVESTOCK EXPOSITION:**

No loss of indoor/outdoor event space with Master plan.

- **MID-AMERICA TRUCKING SHOW:**

Reduction of public parking space by approximately 25.5 acres in parts of Lots D and C east of the KEC and in Lot E. Master plan would result in loss of up to 3,400 on-site public parking spaces.

- **NATIONAL STREET ROD ASSOCIATION:**

Reduction of public parking by approximately 11 acres in Lot H, resulting in loss of nearly 1,300 parking spots.

- **EQUIP EXPO:**

No loss of indoor/outdoor event space with Master plan.

- **UTILITY EXPO:**

No loss of indoor/outdoor event space with Master plan.

- **DANNY WIMMER PRESENTS:**

No loss of indoor/outdoor event space with Master plan.



ADDITIONAL DEVELOPMENT OPPORTUNITIES

Additional parcels of land are available for development and potential public-private partnership opportunities.

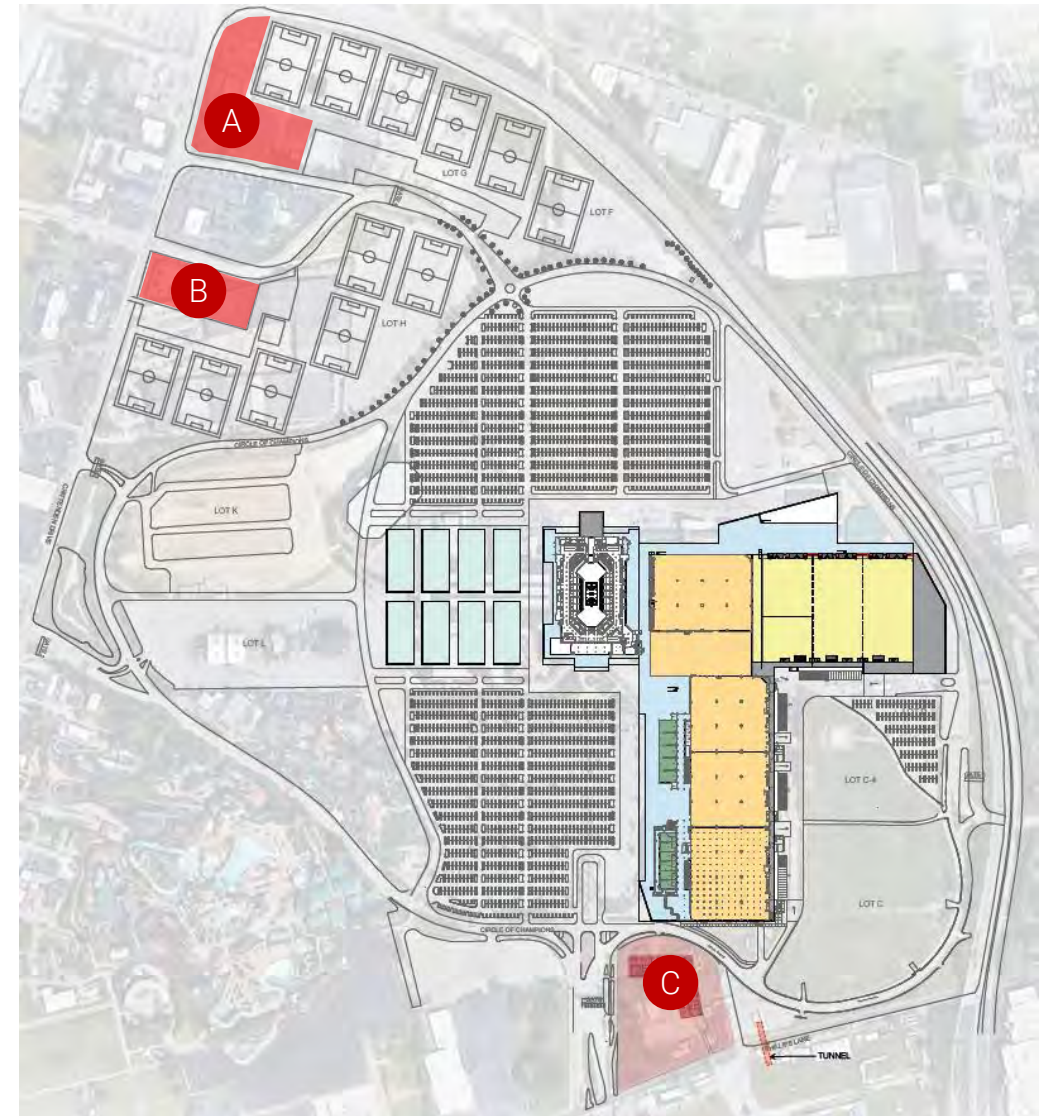
- A NORTHWEST CORNER – CRITTENDEN DRIVE:**
Approximately 5.2 acres of land in northwest corner of property, west of multisport fields complex along Crittenden Drive. Good visibility from I-65 and access to University of Louisville campus and Churchill Downs.
- B WEST OF MULTISPORT FIELDS – CRITTENDEN DRIVE AND CENTRAL AVE.:**
Approximately 2.5 acres of land in the southeast corner of Crittenden Drive and Central Avenue, south of Gate 4 Drive. Proximity to Hilton Garden Inn and El Nopal restaurant.
- C SOUTH OF SOUTH WING C – PARKING LOT B:**
Approximately 7.5 acres of land south of South Wing C, north of Phillips Lane. Proximity to South Wing and airport suggest potential development of a 200-300 room hotel.

ADDITIONAL KEC ACREAGE DEVELOPMENT OPPORTUNITIES:

Approximately 14.0 acres of land within KEC complex with potential development opportunities.

ADDITIONAL KICC ACREAGE DEVELOPMENT OPPORTUNITIES:

Approximately 0.3 acres of land proximate to KICC with potential development opportunities.



7 COST/BENEFIT ANALYSIS



DEVELOPMENT PHASES

Base Case:

- Based on typical-year averages.
- Adjustments for anomalies/trends.

Phase I:

- 12 full-size, synthetic turf multisport (soccer) field complex.
- 140,000 sf of new multipurpose exhibit space (Exhibit Hall 3) with retractable seating.
- 60,000 sf kitchen below Exhibit Hall 3.
- Expand East Hall by approximately 70,000 sf.
- Modify North Hall to create pre-function space connecting Exhibit Hall to South Wing.
- 2nd level breakout meeting rooms above Exhibit Hall 3 pre-function space.
- Convert West Wing, Pavilion and West Halls to storage, workshop and flexible stalling/penning space.
- Develop 200-300 room limited/select service hotel property.

Full Build-Out:

- Phase II Expansion:
 - 240,000 sf of new multipurpose exhibit spaces (Exhibit Hall 2 and Exhibit Hall 1).
 - 72,000 sf of storage space east of Hall 1.
 - Exhibit Hall 1 developed with retractable seating.
 - Extension of pre-function space.
 - 2nd level breakout meeting rooms above Exhibit Hall 2 and Exhibit Hall 1 pre-function space.
 - Service space and loading dock updates along South Wing.
- Phase III Expansion:
 - Grand Lobby north of new exhibit halls.
 - 40,000 sf outdoor plaza and 20,000 sf Sky Terrace.
 - 40,000 sf ballroom above Exhibit Hall 3 pre-function space.
 - Demolition of West Wing, West Hall and Pavilion; potential removal of Broadbent Arena. Convert space to eight (8) new 38,100 sf covered barns and additional parking space.



OVERVIEW AND KEY ASSUMPTIONS

This section presents an analysis of estimated utilization and costs/benefits associated with an expanded/enhanced KEC campus in Louisville, Kentucky. Initially, a detailed computer-based model was developed, along with key assumptions, to generate estimates related to expanded/enhanced KEC facilities including a new multisport outdoor field complex. A stabilized year of operation is assumed to occur by the fourth full year of facility operations. All dollar figures are represented in terms of 2022 dollars. Key assumptions used in the analysis and projection of operating performance associated with expanded/enhanced facilities at the KEC campus include, but are not limited to the following:

1. This analysis is designed to assist project representatives in assessing the potential utilization, financial and economic impacts associated with an expanded/enhanced KEC including a new multisport outdoor field complex and cannot be considered a presentation of expected future results. The assumptions disclosed herein are not all-inclusive but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.
2. The enhanced facilities will be owned and operated by Kentucky Venues with the multisport outdoor field complex leased out to a private organization to operate at its own gain/loss. The facilities will be aggressively marketed, providing competitive rental rates and focus on maximizing event type diversity and utilization levels.
3. The market, financial and economic projections related to the KEC campus presented herein assume a renovation of the Crowne Plaza, development of an additional 200-300 sleeping rooms on the KEC campus and development of additional retail and entertainment on the KEC campus.
4. There are no significant or material changes in the supply or quality of existing competitive venues in the local marketplace, nor are there any significant or material changes to current local and national trends in applicable event industries.
5. The analysis and projection of tax revenues generated by an expanded/enhanced KEC campus only considers directly-attributable taxes relevant to the host governmental entity (i.e., State of Kentucky and Louisville Metro, etc.). For purposes of this analysis, the taxes considered include the 6.0% State Sales Tax, the 8.5% Louisville/Jefferson County Transient Room Tax and the 1.0% State Lodging Tax. Positive impacts may also be realized with respect to the collection of other taxes and governmental fees (i.e., property taxes, income taxes, licenses, permitting, etc.); however, they tend to have a less direct correlation with the construction and operation of multipurpose event facilities. As such, for conservative purposes, these other types of taxes were not considered in this analysis. Additional analysis will be needed on the impact of implementing taxation of rental spaces, which begins January 1, 2023, based on the actual events and activities that will be subject to this tax.
6. For purposes of this analysis, total hard and soft construction costs assumptions have been presented. These figures do not consider the highly-volatile steel, lumber and materials costs presently impacting the construction industry nationwide as the country exits the unprecedented pandemic. It is assumed that current construction cost volatility will largely be normalized to pre-pandemic levels by the time that construction services would be contracted/purchased for any expanded/enhanced KEC campus project. Many variables exist that influence actual realized construction costs, including type of facility (facilities), size, components, level of finish, integrated amenities, costs of goods and services in the local market and other such aspects. Detailed architectural concept, design and costing study would be required to specifically estimate construction costs for the project.
7. The projections developed herein relate to opening and annual operations in a post-COVID-19 environment (first full year of operations is assumed to be 2025). Should the recovery from the pandemic be slower than broadly expected, disruption by new virus variants, or economic conditions and commerce have not substantially recovered by 2025, the performance projections outlined herein will need to be revised.
8. Stabilization of operations is assumed to occur by the fourth full year of operations. At which time, annual event levels, attendance and operating performance are projected at consistent year-over-year levels, with spending inflating commensurate with the growth rate of the Consumer Price Index (CPI) associated with the Louisville/Jefferson County area. All figures are presented in terms of constant 2022 dollars.

ANALYSIS CONCEPTS & METHODS

The investment in a new mixed-use project, and its various facilities and infrastructure, will be expected to provide substantial quantifiable benefits. These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop the project and site. Quantifiable measurements of the effects that facility project could have on the local economy are characterized in terms of economic impacts and fiscal impacts. Direct spending represents the primary spending that would occur as a result of the construction and operations of KEC facilities, new multisport fields and supporting elements. Direct spending occurs in three ways:



CONSTRUCTION SPENDING

Construction materials, labor, design and professional fees, and other soft cost spending are generated during the planning and construction of KEC facilities, multisport fields and supporting elements.



IN-FACILITY SPENDING

Direct spending is generated by visitors and participants at various elements surrounding the KEC during the course of their annual operation. This spending occurs with respect to items such as facility rentals, food and beverage, retail and merchandise, admissions, sponsorship and advertising, and retail leases.



OUT-OF-FACILITY SPENDING

Outside the area surrounding the KEC, additional direct spending is generated throughout Louisville/Jefferson County by non-local visitors on lodging, food and beverage, retail, entertainment, transportation, and other such items in connection with their visit to the KEC, multisport fields and/or supporting elements.

A primary intent of this analysis is to estimate the direct spending that could occur directly at the KEC, new multisport fields and/or their surrounding facilities/elements, in order to approximate the potential associated sales tax revenues generated from such spending. Much of the Construction and In-Facility Spending will be estimated to occur within Louisville/Jefferson County. Additionally, net new impacts will be generated throughout the Louisville/Jefferson County area, primarily relating to Out-of-Facility Spending (i.e., spending occurring off the KEC site by visitors to Louisville/Jefferson County on items such as ancillary lodging, restaurants, retail, and entertainment).

ANALYSIS CONCEPTS & METHODS (continued)

From a broad perspective, gross direct spending would flow to various economic entities, including the Louisville/Jefferson County Metro government, restaurants, retail businesses and other such entities. However, some of the spending that occurs in connection with the ongoing operations of the KEC campus project and its various facilities would not fully impact the local area. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the facility project and site improvements that are considered net new to Louisville/Jefferson County. These adjustments include:

LEAKAGE represents the portion of gross spending estimated to occur outside the larger geographic area considered for this analysis (Louisville/Jefferson County). Immediate leakage occurs when initial direct expenditures occur outside the area, such as an out-of-town KEC campus visitor that patronizes a hotel or restaurant located outside of Louisville/Jefferson County. Leakage also occurs when initial local spending is used immediately to pay for goods, services, etc. outside of Louisville/Jefferson County. Examples of this type of secondary leakage include food and beverage profits retained by companies based outside of Louisville/Jefferson County.

DISPLACEMENT refers to spending that would have likely occurred anyway in the Louisville/Jefferson County area without the presence of the KEC, a new multisport outdoor field complex and its elements. Examples of displaced spending would include spending by Louisville/Jefferson County residents in connection with their visit to KEC campus that would have been spent within Louisville/Jefferson County anyway on other items (e.g., movies, meals, shopping, etc.) if they did not visit the KEC campus. Another example of displaced spending would include out-of-facility spending by non-local individuals visiting from outside of the Louisville/Jefferson County area whose primary purpose for visiting Louisville/Jefferson County was something other than visiting or participating in events or other activities at the KEC campus itself, and who would have spent their money in some other form in Louisville/Jefferson County. The concept of displacement is oftentimes referred to as the substitution effect.

The flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy (i.e., Louisville/Jefferson County area). The resulting spending after all adjustments is referred to throughout the remainder of this analysis as net new direct spending.

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

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. This progression is termed leakage and reduces the overall economic impact. Indirect impacts occur in a number of areas including the following:

- Wholesale industry as purchases of food and merchandise products are made.
- Transportation industry as the products are shipped from purchaser to buyer.
- Manufacturing industry as products used to service KEC campus facilities, vendors and others are produced.
- Utility industry as the power to produce goods and services is consumed.
- Other such industries.

ANALYSIS CONCEPTS & METHODS (continued)

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of KEC campus facilities/elements. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area that 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 IMPLAN system. IMPLAN, which stands for Impact Analyses and Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. Input-output models are a technique for quantifying interactions between firms, industries and social institutions within a local economy. IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc., which licenses and distributes the software to users. Currently, there are thousands of licensed users in the United States including universities, government agencies, and private companies.

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 440 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs). Industry sectors are classified on the basis of the primary commodity or service produced. Corresponding data sets are also produced for each county and zip code in the United States, allowing analyses at both the city and county level and for geographic aggregations such as clusters of contiguous cities, counties, individual states, or groups of states.

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

- **TOTAL OUTPUT** represents the total direct, indirect, and induced spending effects generated by the facilities and elements comprising the KEC campus. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **PERSONAL INCOME (EARNINGS)** represent the wages and salaries earned by employees of businesses impacted by the KEC campus and its facilities, elements and infrastructure. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.
- **EMPLOYMENT** is expressed in terms of total jobs and includes both full and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

ANALYSIS CONCEPTS & METHODS (continued)

In addition to the economic impacts that could be generated by the KEC campus and its facilities/elements, fiscal revenues could be generated to Louisville/Jefferson County from a variety of sources. In preparing estimates of fiscal impacts, revenues generated to Louisville/Jefferson County from direct, indirect and induced spending were examined. As a focus of this analysis relates to the economic and tax impact within Pearland, the primary fiscal revenues estimated herein are state sales tax, city/county hotel tax and property taxes that are estimated to be generated within Louisville/Jefferson County. The net new tax impacts consider reductions for assumed displaced spending within Louisville/Jefferson County, as well as spending that is assumed to occur outside of Louisville/Jefferson County.

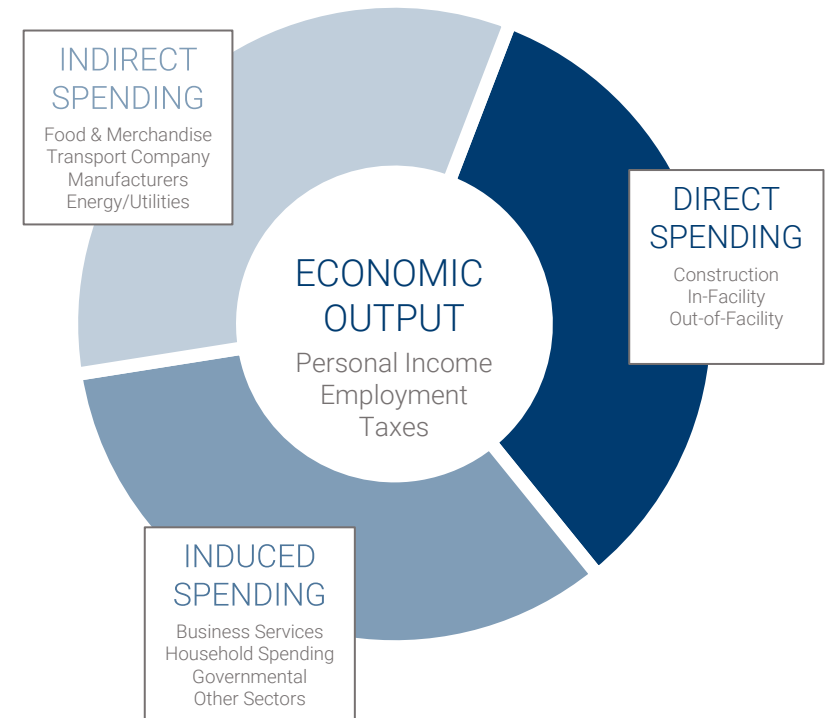
Although there may be other tax revenues and public sector fees/charges generated as a result of the construction and operations of the KEC campus and its facilities/elements, net new sales, hotel occupancy and property taxes represent the most directly-attributable and relevant sources relating to this analysis.

The graphic to the right illustrates key measurements of economic and tax impacts utilized in this analysis. Commencing with the estimation of net new direct spending associated with the assumed new KEC district in Louisville/Jefferson County, successive rounds of re-spending generate indirect and induced effects. The sum of all this net new spending in Louisville/Jefferson County's economy represents total Economic Output. This new economic output, in turn, likewise generates added earnings (personal income), jobs (employment), and tax revenues.

In addition to the quantifiable benefits associated with an expanded/enhanced KEC, a new multisport outdoor field complex and its various facilities and elements, there are a number of existing and potential benefits that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature. These include issues pertaining to quality of life (through attracting visitors and events that would not otherwise travel to Louisville/Jefferson County in general, as well as hosting civic, entertainment and private events), ancillary economic development facilitation, employment opportunities, community pride, and other such items.

The quantitative impact figures do not include economic impact that could be generated by other potential new ancillary development near, but outside the KEC campus (such as potential new restaurant, retail, residential and other such elements that could be developed in response to higher visitation and demand levels). Some of the quantified economic impacts associated with the planned KEC campus in Louisville/Jefferson County would be quantitatively captured by some of these potential other facilities, but substantial additional economic impact could be generated by any additional mixed-use elements that are developed near the site.

For purposes of this analysis, all dollar figures are presented in terms of current 2022 dollars. Key assumptions have been made concerning the physical and operational characteristics, development timing, and market performance of various elements of an expanded/enhanced KEC campus, as previously mentioned. It is expected that the nature, composition, and timing of elements planned for the District will continue to evolve in the near-term. As such, this economic impact analysis and its assumptions will need to be updated at a future time upon finalization of the KEC Campus Master Plan.



EXISTING KEC ECONOMIC IMPACTS

SUMMARY OF TYPICAL EXISTING KENTUCKY EXPO CENTER EVENT ACTIVITY

Based on Typical Pre-Pandemic Event Activity



ANNUAL EVENTS

191



ANNUAL EVENT DAYS

481



ANNUAL ATTENDANCE

2.0M



ANNUAL DIRECT SPENDING

\$230M

+

ANNUAL INDIRECT/INDUCED SPENDING

\$124M

=

ANNUAL ECONOMIC OUTPUT

\$354M



ANNUAL OPERATING REVENUE

\$23.3M



ANNUAL PERSONAL INCOME

\$129M



ANNUAL EMPLOYMENT (FULL & PART-TIME JOBS)

4,000



ANNUAL HOTEL RM NIGHTS

622,900



ANNUAL REVENUE ALLOCATED TOWARD KICC DEBT SERVICE

\$1.6M



ANNUAL STATE SALES TAX REVENUE

\$16.9M

CONSTRUCTION EXPENDITURES AND TIMING

Based on the identified development strategy and KEC campus elements to be developed, the following exhibit presents key estimates of capital costs and timing associated with facility construction. For consistency and for purposes of modeling, estimates shown below (as well as those on the following page) are grouped by key facility component categories and presented in 2022\$.

**Planned KEC Campus Expansion/Enhancements –
Summary of Assumed Construction Expenditures and Timing in Louisville/Jefferson County (2022\$)**

	1	2	3	4	5	6	7	8	9	10	10-Year Total
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
ASSUMED CONSTRUCTION EXPENDITURES & TIMING											
KEC Phase I Expansion/Enhancement	\$23,502,000	\$102,024,000	\$59,514,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,040,000
12-Field Multisport Outdoor Complex	\$12,321,021	\$17,249,429	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,570,450
Limited/Select Service Hotel	\$0	\$48,214,286	\$26,785,714	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000,000
KEC Phase II Expansion/Enhancement	\$0	\$0	\$10,129,020	\$121,548,240	\$70,903,140	\$0	\$0	\$0	\$0	\$0	\$202,580,400
KEC Phase III Expansion/Enhancement	\$0	\$0	\$0	\$0	\$10,937,500	\$131,250,000	\$76,562,500	\$0	\$0	\$0	\$218,750,000
TOTAL	\$35,823,021	\$167,487,715	\$96,428,734	\$121,548,240	\$81,840,640	\$131,250,000	\$76,562,500	\$0	\$0	\$0	\$710,940,850
Rolling Total	\$35,823,021	\$203,310,736	\$299,739,470	\$421,287,710	\$503,128,350	\$634,378,350	\$710,940,850	\$710,940,850	\$710,940,850	\$710,940,850	–

As shown, total hard and soft construction costs associated with the development strategy are estimated at \$710.9 million (in 2022 dollars). The first step in the development would be the acquisition of the Jefferson County Public Schools’ C.B. Young Building (estimated at \$15.0 million) and the initiation of Phase I of the KEC Expansion/Enhancement plan, with a combined projected cost of \$185.0 million. Development of the 12-Field Multisport Outdoor Complex and Limited/Select Service Hotel are assumed to be constructed through public-private partnerships, as will be discussed in the subsequent chapter

The following page outlines key estimates of annual and cumulative economic and fiscal (tax) impacts associated with the KEC campus development plan associated with the construction components and timeline noted above. Importantly, as will be discussed in the subsequent chapter, additional private sector investment projects may potentially be developed in coordination with the KEC campus expansion/enhancement development plan.

ECONOMIC IMPACT ESTIMATES

Planned KEC Campus Expansion/Enhancements – Summary of Estimated Overall Economic Impact in Louisville/Jefferson County (2022\$)

	1	2	3	4	5	6	7	8	9	10	10-Year Total
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
SUMMARY OF KEY ECONOMIC IMPACTS (in Louisville/Jefferson County)											
NET NEW ECONOMIC IMPACTS											
Construction											
Direct Spending	\$9,370,359	\$75,369,472	\$43,392,930	\$54,696,708	\$36,828,288	\$59,062,500	\$34,453,125	\$0	\$0	\$0	\$313,173,383
Economic Output	\$13,499,795	\$108,584,143	\$62,515,818	\$78,801,072	\$53,058,194	\$85,090,830	\$49,636,318	\$0	\$0	\$0	\$451,186,169
Personal Income	\$4,809,536	\$38,684,984	\$22,272,344	\$28,074,249	\$18,902,902	\$30,315,084	\$17,683,799	\$0	\$0	\$0	\$160,742,899
Employment (full & part-time jobs, peak year)	99	797	459	578	389	625	364	0	0	0	
In facility											
Direct Spending	\$0	\$0	\$1,505,646	\$7,392,827	\$9,078,600	\$10,507,194	\$11,602,257	\$12,322,914	\$12,322,914	\$12,322,914	\$77,055,265
Economic Output	\$0	\$0	\$2,468,906	\$10,498,926	\$13,151,989	\$15,365,356	\$17,055,878	\$18,154,648	\$18,154,648	\$18,154,648	\$113,005,001
Personal Income	\$0	\$0	\$981,237	\$2,517,201	\$3,472,359	\$4,231,450	\$4,810,107	\$5,170,124	\$5,170,124	\$5,170,124	\$31,522,726
Employment (full & part-time jobs, peak year)	0	0	31	163	195	223	243	257	257	257	
Out of facility											
Direct Spending	\$0	\$0	\$19,818,929	\$32,082,663	\$54,025,585	\$77,130,520	\$89,288,447	\$96,278,069	\$96,278,069	\$96,278,069	\$561,180,351
Economic Output	\$0	\$0	\$32,553,203	\$52,069,471	\$86,805,710	\$123,195,382	\$141,860,284	\$152,590,498	\$152,590,498	\$152,590,498	\$894,255,544
Personal Income	\$0	\$0	\$12,914,841	\$20,356,676	\$33,509,840	\$47,196,052	\$53,974,114	\$57,870,737	\$57,870,737	\$57,870,737	\$341,563,731
Employment (full & part-time jobs, peak year)	0	0	399	651	1,060	1,486	1,698	1,820	1,820	1,820	
TOTAL											
Direct Spending	\$9,370,359	\$75,369,472	\$64,717,506	\$94,172,198	\$99,932,473	\$146,700,213	\$135,343,829	\$108,600,983	\$108,600,983	\$108,600,983	\$951,408,998
Economic Output	\$13,499,795	\$108,584,143	\$97,537,926	\$141,369,469	\$153,015,894	\$223,651,568	\$208,552,480	\$170,745,147	\$170,745,147	\$170,745,147	\$1,458,446,715
Personal Income	\$4,809,536	\$38,684,984	\$36,168,422	\$50,948,125	\$55,885,101	\$81,742,586	\$76,468,019	\$63,040,861	\$63,040,861	\$63,040,861	\$533,829,356
Employment (full & part-time jobs)	99	797	889	1,392	1,645	2,333	2,305	2,077	2,077	2,077	
NET NEW FISCAL (TAX) IMPACTS											
State Sales Tax	\$809,988	\$6,515,049	\$5,317,436	\$7,621,647	\$7,782,433	\$11,461,595	\$10,281,677	\$7,855,452	\$7,855,452	\$7,855,452	\$73,356,181
Louisville CVB	\$0	\$0	\$224,360	\$366,849	\$620,739	\$888,554	\$1,032,353	\$1,115,229	\$1,115,229	\$1,115,229	\$6,478,541
KICC Debt Service/KICC Expansion	\$0	\$0	\$149,573	\$244,566	\$413,826	\$592,369	\$688,235	\$743,486	\$743,486	\$743,486	\$4,319,027
KY Center for the Arts	\$0	\$0	\$67,205	\$116,675	\$221,102	\$335,334	\$406,424	\$447,172	\$447,172	\$447,172	\$2,488,255
State Lodging	\$0	\$0	\$78,277	\$127,989	\$216,569	\$310,006	\$360,176	\$389,091	\$389,091	\$389,091	\$2,260,291
TOTAL CITY TAXES	\$809,988	\$6,515,049	\$5,836,851	\$8,477,725	\$9,254,669	\$13,587,858	\$12,768,865	\$10,550,430	\$10,550,430	\$10,550,430	\$88,902,294

ECONOMIC IMPACT SUMMARY

A) CONSTRUCTION IMPACTS (ONE-TIME)

The impact of the construction phase is determined by the volume and nature of the construction expenditures as well as the geographic region in which they take place. Construction impacts involve the estimated net new economic and fiscal impacts that are estimated to be generated in Louisville/Jefferson County. These impacts represent one-time impacts from construction. Assumptions have been made concerning the timing of the build-out of key elements of the KEC campus, as shown on a subsequent page. In total, for purposes of this analysis it is assumed that approximately \$711 million will be invested over an eight-year period in construction expenditures within the KEC campus. As shown to the right, this gross spending results in an estimated \$451 million in construction period impact in Louisville/Jefferson County.



B) IN-FACILITY IMPACTS (ONGOING)

Direct spending is generated through the operations of KEC campus facilities and infrastructure represented through revenues and income. Direct spending is generated by visitors and participants at various KEC campus elements during the course of their annual operation. This spending occurs with respect to items such as facility rentals, food and beverage, retail and merchandise, admissions, sponsorship and advertising, and retail leases. Reductions have been made to gross spending to estimate to spending that would be “net new” to Louisville/Jefferson County. Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. As shown to the right, over the next 10 years, the KEC campus would be estimated to generate approximately \$113 million in cumulative “net new” In-Facility Spending.



C) OUT-OF-FACILITY IMPACTS (ONGOING)

Outside the KEC campus itself, additional direct spending is generated throughout Louisville/Jefferson County by non-local visitors on lodging, food and beverage, retail, entertainment, transportation, and other such items in connection with their visit to the KEC campus. Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. As shown to the right, over the next 10 years, the KEC campus would be estimated to generate approximately \$894 million in cumulative “net new” Out-of-Facility Spending within Louisville/Jefferson County.





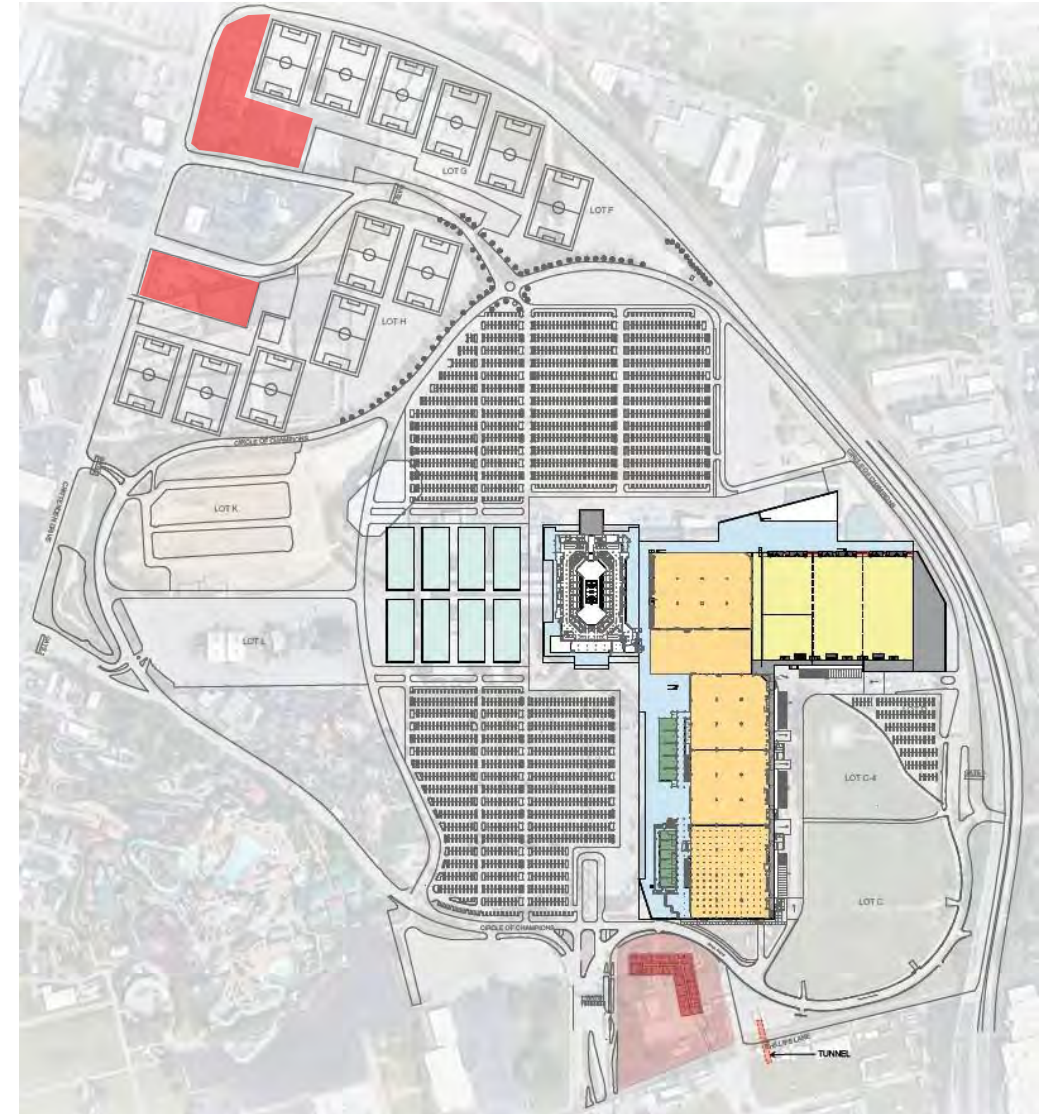
8 FUNDING AND PUBLIC/PRIVATE PARTNERSHIP OPPORTUNITIES

POTENTIAL P3 INVESTMENT OPPORTUNITIES

The planned public investment in the site, combined with the excess land anticipated to be available for potential development, could present many P3 opportunities to facilitate private investment and partnership of up to \$110 - \$238 million based on the below opportunities:

- **NEW HOTEL DEVELOPMENT:**
Development of 200-400 room hotel adjacent to new and enhanced facilities.
- **HOTEL RENOVATION:**
Renovation of existing Crowne Plaza to align with current market demand.
- **RETAIL & ENTERTAINMENT OPPORTUNITIES:**
Private investment in supporting retail for visitors (and community) as well as potential Kentucky Kingdom enhancements.
- **SOCCER COMPLEX OPPORTUNITY:**
Development of the new soccer facilities in cooperation with a private partner.
- **EQUIPMENT & CAPITAL LEASES:**
Partnership with private entity to supply key mechanical and/or specialized equipment on site.
- **SPONSORSHIPS, ADVERTISING & GIFTS:**
Enhanced private opportunities for corporate and philanthropic partnerships in site.

These private investment opportunities are discussed further on the following pages.



SOCCKER COMPLEX OPPORTUNITY

A partnership development of the soccer complex with a private partner may generate upfront private investment and enhance other real estate opportunities on the site.

\$5 – \$30 MILLION
upfront private investment

Substantial additional site activation and on-site visitation to support hotel and retail development

<p>STRENGTHS</p> <p>Unique asset with revenue potential.</p>	<p>OPPORTUNITIES</p> <p>Creation of regional destination to support unmet demand.</p>
<p>WEAKNESSES</p> <p>Site selection and supporting infrastructure needs.</p>	<p>CHALLENGES</p> <p>Full capital costs may exceed anticipated cash flows from the complex, reducing upfront investment.</p>

NEXT STEPS TO UNLOCK INVESTMENT

Market Sounding

Finalize Site Plan

Release Developer RFP

Select Developer

Execute Ground Lease

Developer to Finalize Required Approvals & Commence Construction

Notes: Potential for investment based on feedback from potential development partners. Investment range of 20 percent to 100 percent of anticipated soccer complex costs, depending on developer revenue and expense expectations.

NEW HOTEL DEVELOPMENT

A partnership for a new hotel development on excess land on premises could generate substantial upfront private investment and generate additional ground lease revenues over time for reinvestment on the campus.

\$60 – \$120 MILLION

upfront private investment

\$5 – \$18 MILLION

present value of future ground lease revenues

<p>STRENGTHS</p> <p>On-site demand generation through proven and future event portfolio.</p>	<p>OPPORTUNITIES</p> <p>Alignment with additional public investment plan on site to amplify impact and capture value.</p>
<p>WEAKNESSES</p> <p>Site selection and supporting infrastructure needs.</p>	<p>CHALLENGES</p> <p>Large competing hotel facility on site with improvements anticipated in the short to medium term.</p>

NEXT STEPS TO UNLOCK INVESTMENT



Notes: Upfront investment assumes 200-400 key hotel at \$300,000/key; actual investment dependent upon hotel type and construction market at time of development. Assumes \$200,000-\$300,000/year ground rent over 99 years increasing at 2 to 4 percent per annum discounted at 5 percent.

HOTEL RENOVATION

The existing Crowne Plaza property is expected to undergo a series of capital improvements to complement public investment at the site. These upgrades would enhance the marketability of the property.

\$20 MILLION

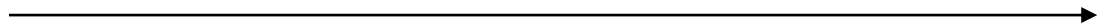
upfront private investment

\$5 – \$10 MILLION

present value of future ground lease revenues

<p>STRENGTHS</p> <p>Proven facility with a history of operations and understanding of site dynamics and demand.</p>	<p>OPPORTUNITIES</p> <p>Build upon existing P3 partnership to further enhance visitor experience on site.</p>
<p>WEAKNESSES</p> <p>Benefit of investments may be constrained by current facility design and layout.</p>	<p>CHALLENGES</p> <p>Potential competition from additional hotel facilities in the area.</p>

NEXT STEPS TO UNLOCK INVESTMENT



Finalize Site Plan

Developer to Finalize Required Approvals & Commence Construction

Notes: Estimates based on information from project team and estimates provided by hotel owner.

ADDITIONAL RETAIL & ENTERTAINMENT

Additional retail and entertainment development opportunities may generate private investment to complement the enhancements to public facilities and potential increases in visitation. Such investments may increase the overall attractiveness of the campus for major events.

\$2 - \$4 MILLION

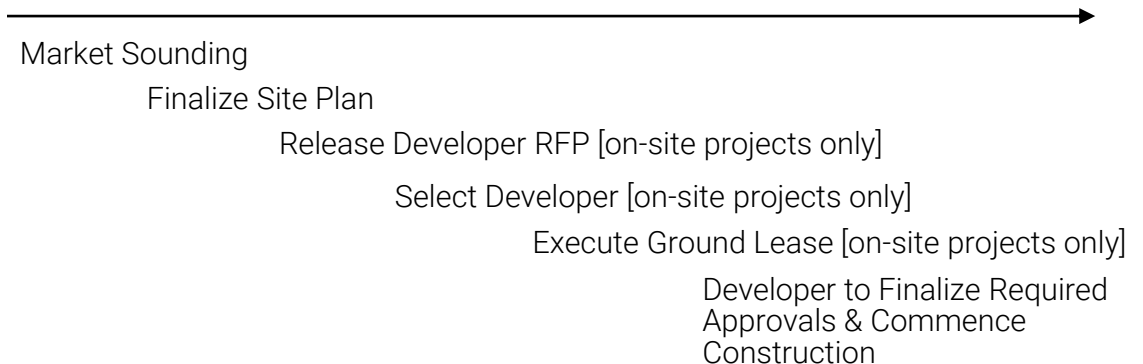
upfront private investment - retail

TBD MILLION

upfront private investment – Kentucky Kingdom enhancements

<p>STRENGTHS</p> <p>On-site demand generation through proven and future event portfolio.</p>	<p>OPPORTUNITIES</p> <p>Alignment with additional public investment plan on site to amplify impact and capture value.</p>
<p>WEAKNESSES</p> <p>Site selection and supporting infrastructure needs.</p> <p>Land use approvals.</p>	<p>CHALLENGES</p> <p>Identification and purchase of adjacent sites/land to site investment.</p>

NEXT STEPS TO UNLOCK INVESTMENT



Notes: Upfront retail investment assumes 10,000-15,000 SF of retail at \$150/SF; actual investment dependent upon retail type and construction market at time of development. Kentucky Kingdom investment potential TBD.

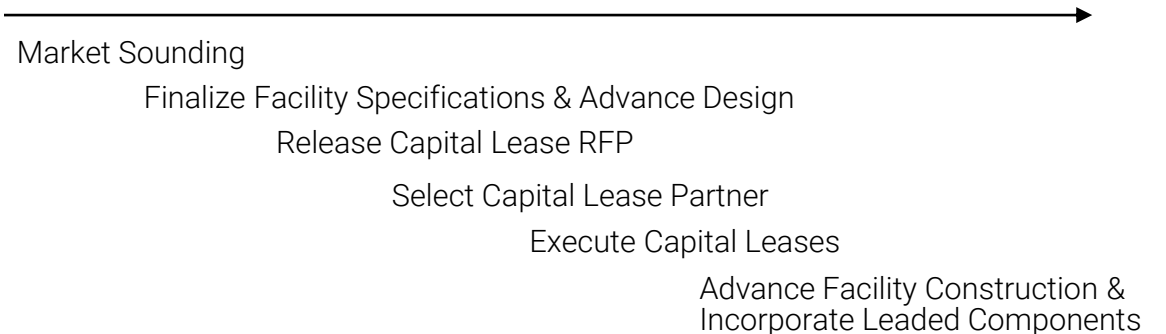
EQUIPMENT & CAPITAL LEASES

Private investment in capital equipment in the new and upgraded public facilities may be available through long-term capital lease arrangements.

\$5 – \$30 MILLION
upfront private investment

<p>STRENGTHS</p> <p>Concept to inject private capital directly into public facility development.</p>	<p>OPPORTUNITIES</p> <p>New facilities will require new systems which may offer capital leasing opportunities.</p>
<p>WEAKNESSES</p> <p>Long-term facility revenue streams as security for capital lease obligations may limit potential.</p>	<p>CHALLENGES</p> <p>Identification and procurement of private partner.</p>

NEXT STEPS TO UNLOCK INVESTMENT



Notes: Based on feedback from potential equipment/capital leasing partners focused on mechanical, electric and plumbing systems. Potential private investment could also include partnership around specialized entertainment equipment.

SPONSORSHIPS, ADVERTISING & GIFTS

The investments in the public facilities may generate interest from private corporate partners as well as individuals in sponsorship and/or philanthropic investments at the site.

\$1 – \$5 MILLION

upfront private investment

\$5 – \$10 MILLION

present value of ongoing sponsorship and advertising investments

<p>STRENGTHS</p> <p>Unique assets with demonstrated attendance profile.</p>	<p>OPPORTUNITIES</p> <p>Enhanced facilities may increase attendance and enhance events. Improved visibility for advertising.</p>
<p>WEAKNESSES</p> <p>Majority of funding likely to come over time versus upfront.</p>	<p>CHALLENGES</p> <p>Increasingly competitive market for advertising spend.</p>

NEXT STEPS TO UNLOCK INVESTMENT



Notes: Amounts are high level estimates; actual values may vary depending on interest from corporates and individuals. Advertising and sponsorship dollars more likely to come in the form of over time annual contributions; upfront dollars are more likely to be sourced from large corporations or individuals as philanthropic contributions.