DRAFT COPY
For Discussion Purposes Only

FEASIBILITY STUDY FOR A MULTI-USE EVENT FACILITY IN THE CITY OF NIAGARA FALLS

October 24, 2017

DRAFT COPY
For Discussion Purposes Only

October 24, 2017

Mr. Sam Ferraro
Commissioner of Economic Development
Niagara County Center for Economic Development
6311 Inducon Corporate Drive, Suite One
Sanborn, New York 14132

Dear Mr. Ferraro:

Conventions, Sports & Leisure International (CSL) has completed a draft of the feasibility study for a multi-use event facility for Niagara Falls. The study focuses on the viability and room night generating potential of a multi-use flat floor/tiered seating venue. Room night generation can also result from other facility and attraction development initiatives, and as a result we have broadened the analysis to focus on existing Conference & Event Center Niagara Falls (CECNF) improvements, dedicated convention and arena venues, and non-venue solutions that can help to generating need period room nights.

This report outlines the key findings associated with the analysis of local market conditions, historical CECNF operations, competitive and comparable markets and facilities, and facility demand characteristics specific to the Niagara Falls market. The research presented herein is intended to assist the County and other key stakeholders with respect to building program, cost, demand, financial operations and site area elements supported by market characteristics unique to Niagara Falls.

We sincerely appreciate the assistance and cooperation we have been provided in the completion 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

Conventions, Sports & Leisure International
520 Nicollet Mall • Suite 440 • Minneapolis, MN 55402 • Telephone 612.294.2000 • Facsimile 612.294.2045

DRAFT COPY
For Discussion Purposes Only

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....i

1 INTRODUCTION.....1

2 ANALYSIS OF LOCAL MARKET CONDITIONS.....2

3 ANALYSIS OF HISTORICAL CECNF EVENT DATA.....9

4 EVENT PLANNER RESEARCH.....12

5 SUMMARY OF PROJECT DEVELOPMENT OPTIONS.....18

APPENDIX 1 - HYBRID VENUE CASE STUDIES.....34

EXECUTIVE SUMMARY

Conventions, Sports & Leisure International (CSL) has completed the feasibility study for a multi-use event facility for Niagara Falls. The study focuses on hybrid flat floor/tiered seating venues, enhancement to the existing Conference & Event Center Niagara Falls(CECNF), and dedicated convention and arena venues. We have also highlighted plans for non-venue solutions to generating need period room nights.

This Executive Summary highlights key study findings and recommendations. The full report should be read in order to gain background and insight into the overall vision for the future of the Reno-Tahoe market.

Key Study Findings

- Over the past three years, occupancy levels among Niagara Falls hotels have exceeded 75 percent in the months of June, July, August and September. With occupancy levels in this range, there is downward pressure on the ability to assemble large room blocks for events with a significant non-local attendee base. Conversely, occupancy rates tend to dip below 40 percent during the five-month period spanning November through March; however, comparatively little national association convention demand takes place during these months.
- Based on our review of current and planned hotel room inventory, it appears unlikely that a significant increase in large convention and meeting business could be achieved without additional convention quality, committable hotel room inventory.
- Historical Conference and Event Center Niagara Falls (CECNF) data suggest a recent pattern of room night growth that could be sustained given the current available capacity at the Center.
- The Falls and related assets are highly effective in attracting visitors during the warm weather and shoulder seasons. Other attractions in the market, particularly on the New York side of the River do not achieve a critical mass necessary to expand the visitor season, particularly for family-oriented travel groups. To address this condition, Niagara County, the City of Niagara Falls, and Empire State Development are currently in the planning stages for various attractions centered on outdoor and indoor activities that could help drive off-season visitation.
- Concert, entertainment and sports event demand is characterized as moderate, with promoters indicating a potential for 33 to 46 events annually in a venue with at least 4,000 seats. This does not include tenant sports, consumer shows, graduations and other such events.
- Organized sports leagues can provide event activity during winter months, but can also be unstable, generate relatively little in facility revenue, and generate only modest room nights. Further, the dates taken by these leagues can preclude attracting concerts or other entertainment.

There may be several opportunities to partner with Niagara University to secure their participation in a new downtown multi-use event center. Discussions with University representatives regarding venue program, amenities, location and funding should take place.

- Approximately fifty-four percent of state/regional association event planners interviewed would not consider Niagara Falls for an event. Eighteen percent would definitely or likely host an event in Niagara Falls, with 27 percent registering a "possibly" response. Reasons for not considering Niagara Falls as an event destination typically focused on distance from membership base, cost to travel to the destination and weather concerns in winter.
- A large segment of the potential event base for Niagara Falls can generally be accommodated in the existing facility and hotel base.
- Fifty-three percent of planners that have held events at the CECNF in the past have no need for added space. Forty-seven percent cited a need for added meeting space, a large fixed seating venue or added exhibit areas. Several comments were made reflecting the need for added downtown development, maintenance, cleanliness and beautification, particularly in comparison with the Canadian side.
- If improvements were made to improve the appeal and attractiveness of the downtown Niagara Falls destination, corporate training, incentive, executive, holiday and other events the potential to become an important component of the event mix attracted to Niagara Falls. To attract these events, it will be important to improve the cleanliness and landscaping and provide a consistent feel/theme throughout downtown.

Development Recommendations

Key aspects for off-season room night generating development options are summarized below, focusing on potential demand summaries, supportable program elements, project cost and financial operating summaries, location considerations and other relevant factors.

Maximize Use of Existing Conference & Event Center

Based on conversations with facility management and a review of event data, the existing CECNF does not appear to be operating at full capacity. At the same time, the quality and interior configuration of the space is reflective of higher end conference centers nationally. The urban location of the Center is also desirable, with walkability to area hotels, restaurants and the Falls.

We have identified several CECNF enhancement initiatives that should be considered, including creating a significantly improved entry experience with an architecturally significant focal point and added pre-function space; modifying the configuration of the existing meeting room blocks to provide for larger, sub-divisible contiguous spaces; and adding greater subdivisibility to the exhibit space using movable partitions. Potential parking structure development with approximately 250 spaces has also been included in the improvement program.

Based on square footage and general industry cost per square foot data, a budget for the added subdivisibility, entrance feature, meeting room and floor covering initiatives should approximate $5 million to $7 million. Construction costs for a 250-stall parking garage at $25,000 per stall would approximate $6.25 million.

In addition to space enhancement and development, some form of enhanced bid fund to be used to attract events, particularly during the shoulder seasons, should be implemented. This is a very common approach used in markets throughout the country.

The analysis of an improved CECNF reflects an increase of 11 association conventions, nine corporate conventions and four consumer shows. These added events yield an estimated increase of 7,275 room nights, reflecting a 31 percent increase over recent historical CECNF performance.

Multi-Use Hybrid Venue

Multi-use hybrid venues are designed to cater to a cross section of the public assembly event industry, including concerts, family shows, sports, consumer shows, cultural events and other entertainment events. In cases where some amount of meeting/ballroom space is added, these venues can also compete for small conventions and meetings.

A venue with modest finish levels, approximately 30,000 square feet of contiguous floor space and portable seating for 4,000 to 6,000 could be considered in Niagara Falls. If a venue were to be developed to accommodate tenant sports (including hockey), the capacity levels remain at between 4,000 and 6,000, with the addition of 10 suites, 200 club seats and one larger party suite.

This type of venue could accommodate the moderate level of entertainment and sports event demand estimated for the market. Costs for a venue with modest finish and a limited amount of meeting/support space could range between $25 million and $40 million. This would not include amenities such as club seats and suites, scoreboard or locker room facilities typically required for professional or University tenant sports.

From a siting perspective, the venue if developed should be located in the downtown area within convenient walking proximity to existing restaurant, hotel and entertainment assets.

The non-tenant option could attract 98 events and 148,250 attendees. Assuming tenant sports (likely including Niagara University as a tenant), event levels increase to 108 with 184,500 attendees.

The non-tenant model is assumed to operate at an annual financial loss of $482,000, decreasing to $261,000 for the tenant capable option. We have also assumed a $150,000 to $250,000 capital reserve funding level for the two options. Both scenarios assume management by a private, contracted firm.

Dedicated Convention Center

The CECNF is currently the third largest venue in the market, behind Scotiabank Convention Center and the Buffalo Niagara Convention Center. Expansion planning is underway for convention facilities in Buffalo, and the outcome of this research may impact the success of future event facility development in Niagara Falls.

Based on market surveys, the existing CECNF can accommodate a majority of the facility need for the potential Niagara Falls convention and meeting market. The large majority of lost business for the existing

CECNF occurs during the months of April to October. Relatively little lost business takes place during need periods of November to March. Reasons for lost business tend to focus on high hotel room rates and lack of available dates.

The existing hotel base in Niagara Falls would have difficulty supporting a significantly larger convention center. Planed hotel additions in the downtown area will help to increase usage and room night generation by the existing CECNF, but would not likely support a significant expansion or a new convention venue. Further, the CECNF does not appear to operate at maximum capacity, providing opportunities to increase market share within the existing space.

The cost to develop a new dedicated convention center that provides approximately double the existing CECNF sellable space would range between approximately $65 million to $75 million. The level of potential incremental convention demand for the Niagara Falls market does not appear to support this type of investment. Further, dedicated convention centers of this type tend to operate at a financial loss ranging from $100,000 to over $1.0 million annually, depending on event levels and management capabilities.

The options for enhancing the CECNF presented earlier should be pursued in the near term, leaving a new dedicated convention center project to be considered as a much longer-term development alternative.

Dedicated Arena

Given the potential demand for seating venues that can host concerts, entertainment, sports and other such events, we have explored the concept of a dedicated arena project. The arena concept differs from a hybrid venue in that the seating bowl largely consists of fixed seating, with a more limited component of retractable seats.

There are 22 venues in the region with at least 1,000 seats, highlighting the significant competition for entertainment events, and the impact on the market potential for any new dedicated arena venue in Niagara Falls. The Seneca Niagara Resort & Casino hosts approximately 25 concert events annually in their ballroom space and can accommodate crowds of up to 2,600. On-site outdoor space is developed for approximately two events annually with capacity of approximately 6,000.

Promoters of concert and entertainment events note that Niagara Falls could compete for mid-sized entertainment events, benefitting from access to the Canadian market and lack of dates in Buffalo during the NHL season. At the same time, the demographics in the Niagara Falls area can be a challenge to achieving desired ticket prices. This will somewhat limit the ability to routinely attract concerts and entertainment events to Niagara Falls.

Costs for a dedicated arena in the 6,000 to 8,000 seat range will depend on level of finish, amenities, suites, club seats, locker rooms, ice capabilities, center-hung scoreboard, location and other factors, and could range from $50 million to $70 million. From a financial operating standpoint, dedicated arenas of this size tend to operate at near break even, or with a modest operating loss/profit. Given these cost

parameters and the incremental event demand potential for the market, a new dedicated arena does not appear to be a viable development option, particularly when the hybrid option previously discussed would be less expensive and can accommodate largely the same non-tenant market.

Other Room Night Development Concepts

As previously noted, there are numerous non-facility development initiatives that can generate room nights during need periods. For example, Empire State Development is currently working with Governor Cuomo to extend the visitor season in Niagara Falls through investment in several projects. This process may take 10 years and is initially focusing on the following four areas:

1. Growing the outdoor adventure/tourism market
2. Development of large scale, indoor family attractions downtown
3. Acquiring $20 million to $25 million in blighted areas downtown
4. Aquarium investment.

Of these project initiatives, the outdoor adventure concepts and the large scale indoor attraction have the potential to materially increase shoulder and off-season visitation. The acquisition of blighted property in the downtown area is very important and will help address lack of hospitality density and quality conditions in some areas, and provide the city with the opportunity to attract added hospitality businesses and potentially increased residential and office development.

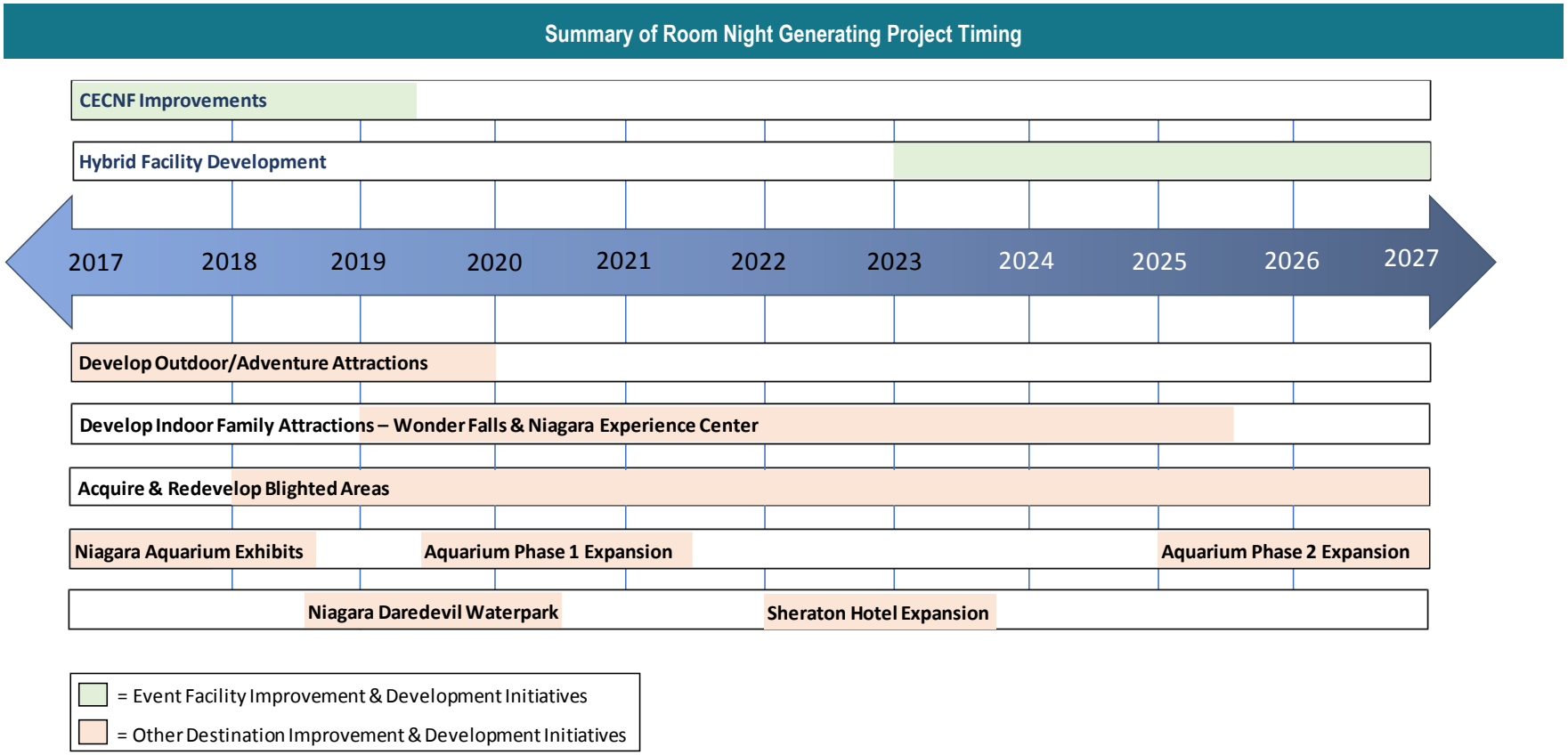
The exhibit presented on the following page summarizes the ten-year timeframe for potential planning and implementation of the development concepts defined herein. The recommended timing for investment in public assembly facilities is presented above the timeline, with investment in various tourism generating projects presented at the bottom of the exhibit.

The development of recommended CECNF improvements, as well as developing the outdoor/adventure attractions are viewed as immediate priorities. Acquisition of parcels in the downtown area that could help form a basis for public/private partnerships focused on hospitality and commercial density should also commence in the nearer term.

Attraction development focused on Wonder Falls Resort and a Niagara Experience Center would ideally commence in 2019, along with continued planning for Aquarium expansion and related on-site development. The development of the hybrid sports and entertainment venue could commence in 2023, with the understanding that if Niagara University participation emerges, along with viable funding packages, the project could be advanced to the nearer term.

This timeline is obviously designed to serve as a general guideline, subject to available funding, changing market conditions, private sector project interest, and other such factors.

DRAFT COPY
For Discussion Purposes Only



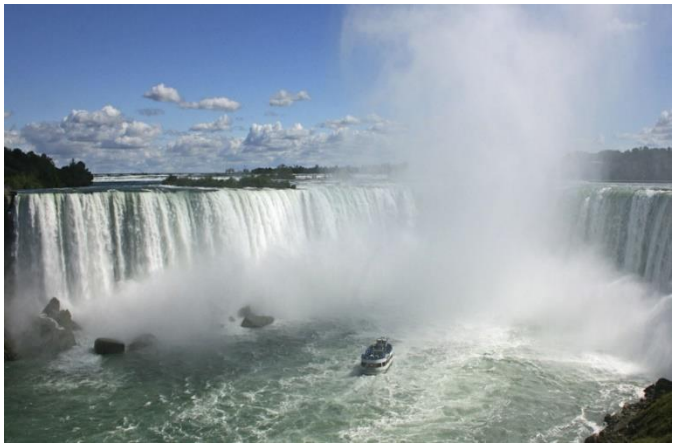
Summary

Over many decades, the fortunes of Niagara Falls have been tightly linked to the Niagara River. Manufacturing supported by power generation created by the River began and expanded for over 150 years starting in the 1800's. While the manufacturing economy began a significant decline starting in the 1960's, the tourism potential of the Falls contributed heavily to the economy of Niagara Falls.

Today, the brand of the destination still has significant domestic and international reach – leveraging one of the most iconic natural attractions in the country. At the same time, the ability of the Falls to generate non-local visitation is limited by two primary factors: seasonality patterns that result in low visitation during cold weather months, and a general lack of destination appeal outside the Niagara Falls State Park area.

The recommendations outlined throughout this Study are designed to leverage the significant existing strengths of the destination to generate increased room night demand, particularly during the off season. Solutions to the challenge of increasing non-local visitation must be viewed in terms of facility development/enhancement *and* downtown destination building. The strategies in place today for Niagara Falls, combined with the investment summarized herein reflect the significant development of hospitality establishments, visitor friendly districts, attractions and event facilities needed to be successful in the highly competitive event and visitor industry.

1.0 INTRODUCTION



Conventions, Sports & Leisure International (CSL) has completed a draft of the feasibility study for a multi-use event facility for Niagara Falls. The study focuses on hybrid flat floor/tiered seating venues, enhancement to the existing Conference & Event Center Niagara Falls (CECNF), and dedicated convention and arena venues. We have also highlighted plans for non-venue solutions to generating need period room nights, and have referenced the impact of a "do nothing" scenario.

This report outlines the key findings associated with the analysis of local market conditions, historical CECNF operations, competitive and comparable markets and facilities, and facility demand characteristics specific to the Niagara Falls market. The research presented herein is intended to assist the County and other key stakeholders with respect to building program, cost, demand, financial operations and site area elements supported by market characteristics unique to Niagara Falls. This report consists of the following primary analysis sections:

- *Analysis of Local Market Conditions* – Summarizes the results of in-person convention and visitor industry asset assessments and site tours. We present an analysis of local attributes and hospitality infrastructure focusing on event space, hotels, restaurant/entertainment and other such factors. The results of this section are also based on in-person interviews/meetings with local hotel, attractions, economic development, developer and related entities.
- *Analysis of Historical CECNF Event Data* – Provides a review of utilization levels, event mix and related operational characteristics for the CECNF. This detail is important in providing a basis from which to evaluate potential existing facility challenges and unmet demand for event space in the market.
- *Event Planner Research* – Provides the results of surveys with approximately 55 past, current and potential event customers for existing or new event facilities in Niagara Falls. Survey results reflect market potential, space needs and amenity requirements necessary to maintain and increase event levels in the market.
- *Summary of Project Development Options* – Summarizes the viability, impact, cost, location factors and timing for development options designed to increase need period room night generation.

The research data, information and analysis provided throughout this study is intended to allow community leaders to make informed decisions as to the future of room night generating event facility investment in Niagara Falls.

2.0 ANALYSIS OF LOCAL MARKET CONDITIONS

The geographical location, base of hotel room inventory, attractions, hospitality industry establishments and other assets catering to the visitor industry will significantly impact the ability of a destination to attract events with a non-local attendee base.

The strength of the local market, in terms of its socioeconomic and demographic attributes, can provide an indication as to the potential for a convention facility to compete for convention, conference, consumer show, sporting and other event types. A strong population base can support hospitality infrastructure in terms of restaurants, entertainment, transportation amenities and other such factors that contribute heavily to the potential success of any convention facility. An analysis of these hospitality and demographic attributes has been conducted as they relate to the potential development of a new event facility in Nagara Falls.

2.1 Local and Regional Market Context & Demographics

Niagara Falls, New York is located in western New York, adjacent to the Niagara River, separating the United States and Canada. Approximately 20 miles northwest of downtown Buffalo, Niagara Falls is within the Buffalo–Niagara Falls Metropolitan Statistical Area. The map to the right highlights the Niagara Falls region, as well as its location in western New York.

The demographic and socioeconomic characteristics of the City of Niagara Falls, Niagara County, the State of New York and the surrounding regional area provide an indication of the market's ability to support potential new Niagara Falls event facilities. A variety of industry research suggests that, on average, event attendees and participants are often willing to travel up to 200 miles to attend events, participate in tournaments, etc. Therefore, the analyses presented herein also includes information regarding the demographics within a 180-minute drive of Niagara Falls. Exhibit 2-2 on the following page presents the historical, current and projected demographic and socioeconomic characteristics of the Niagara Falls area as compared to the State of New York and the United States as a whole.

Exhibit 2-1 – Map of Niagara Falls and Western New York

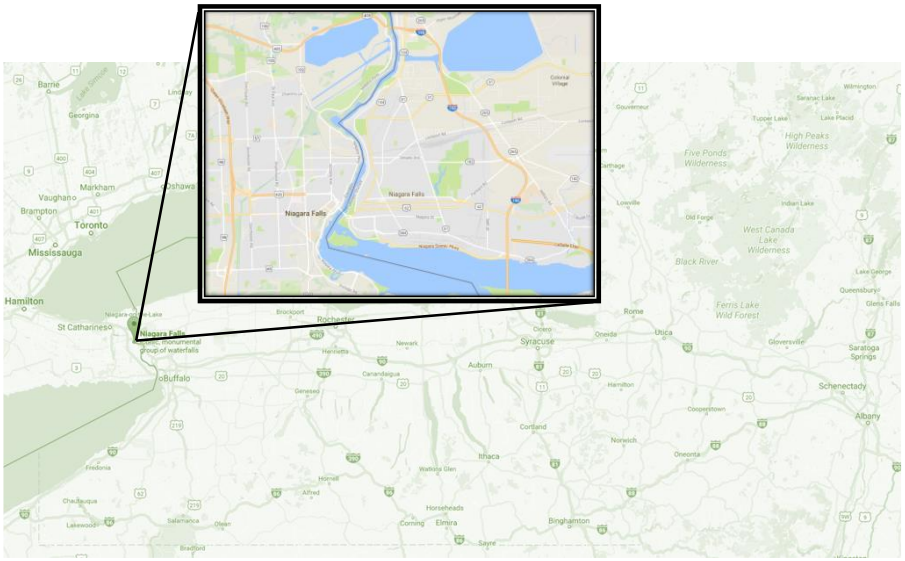


Exhibit 2-2 – Key Niagara Falls Area Demographic Measures

Demographic Variable	City of Niagara Falls	Niagara County	60-minute	120-minute	180-minute	State of New York	U.S.
Population (2000)	55,625	219,846	1,163,464	2,528,541	4,087,464	18,976,457	281,421,906
Population (2010)	50,193	216,469	1,130,820	2,501,840	4,059,091	19,378,102	308,745,538
Population (2017 est.)	48,918	213,829	1,135,704	2,514,619	4,070,096	20,096,494	323,580,626
% Change (2000-2017)	*-12.1%*	*-2.7%*	*-2.4%*	*-0.6%*	*-0.4%*	*5.9%*	*15.0%*
Population (2022 est.)	48,063	211,222	1,139,212	2,519,491	4,066,055	20,596,596	337,326,118
% Change (2017-2022)	*-1.7%*	*-1.2%*	*0.3%*	*0.2%*	*-0.1%*	*2.5%*	*4.2%*
Avg. Household Inc. (2017 est.)	$47,373	$66,482	$71,673	$72,081	$70,361	$91,876	$77,008
Avg. Household Inc. (2022 est.)	$51,844	$74,757	$80,294	$80,851	$79,138	$103,849	$84,021
% Change (2017-2022)	*9.4%*	*12.4%*	*12.0%*	*12.2%*	*12.5%*	*13.0%*	*9.1%*
Median Age (2017, in years)	40.8	43.4	41.9	41.2	41.3	38.9	38.0
Businesses (2017 est.)	1,442	6,444	36,133	85,464	142,457	734,281	13,207,211
Employees (2017 est.)	21,411	88,757	609,986	1,340,835	2,126,522	9,841,936	162,998,347
Employee/Residential Population Ratio	0.44:1	0.42:1	0.54:1	0.53:1	0.52:1	0.49:1	0.50:1

Source: Esri, 2017

The level of population from which event facilities will draw attendees and participants both short-term and long-term, will impact the utilization of a potential new Niagara Falls event facility. As shown in Exhibit 2-2, the market area captured within both the city limits and a 180-minute drive of Niagara Falls has experienced a much lower growth in population than the United States as a whole. Future projections indicate the continuation of this trend; however, likely to a lesser extent. Average household income is another important socioeconomic characteristic important to the potential success of a potential new Niagara Falls event facility. Higher income levels may suggest that the community has the financial wherewithal to support potential facilities in terms of sporting event participation, disposable income for entertainment events, etc. As noted on the previous page, household incomes in and around Niagara Falls are below the national average; however, they tend to improve within the 60, 120 and 180-minute drive times. The local and regional corporate base can also play an important role in the success of a potential new event venue. Within an hour drive of Niagara Falls, there are approximately 36,133 businesses, while the City of Niagara Falls' 1,442 businesses account for four percent of this inventory.

2.2 Local Lodging/Hotel Inventory

The supply and location of hotel rooms in the downtown area are important considerations with respect to the ability to attract and accommodate non-local event market potential, room nights and associated economic and fiscal impacts. The non-local event market in any community cannot grow beyond the ability of its hotel base to accommodate out-of-town visitors. The hotel room inventory in the downtown area is outlined in the following exhibit.

Exhibit 2-3 – Existing Downtown Area Hotels (with more than 50 guest rooms)

#	Name	# of Rooms
1	Seneca Niagara Resort & Casino	604
2	Sheraton at the Falls (1)	592
3	Quality Hotel & Suites "At the Falls"	212
4	Doubletree by Hilton Niagara Falls	192
5	Holiday Inn Niagara Falls	189
6	Days Inn at the Falls	168
7	Hyatt Place (2)	128
8	Hotel Niagara (3)	110
9	Comfort Inn "The Pointe"	110
10	Wingate by Wyndham Niagara Falls	110
11	Hampton Inn Niagara Falls	99
12	Courtyard by Marriott	82
13	Howard Johnson Closes to the Falls & Casino	80
14	Fairfield Inn & Suites by Marriott	76
15	The Terrapin Inn	55

★ CECNF

Total Hotel Rooms: 2,807

(1) Sheraton at the Falls is expected to add an additional 200 rooms
(2) Hyatt Place is expected to open Fall 2017
(3) Hotel Niagara is expected to open in 2019.
Note: Only hotels with 50+ hotel rooms were included in analysis
Source: Niagara Falls USA Travel Guide, 2017

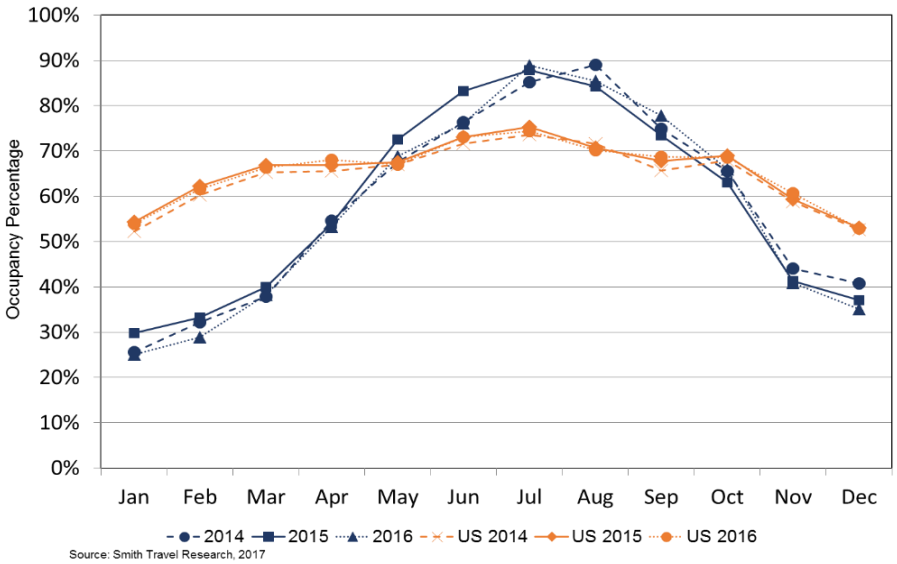
Currently, there are 15 hotel properties in the downtown Niagara Falls area that offer more than 50 guest rooms, offering a combined total of 2,807 hotel rooms. This includes the Hyatt Place (expected to open in late 2017), Hotel Niagara (expected to open in 2019) and a planned 200 room expansion of the Sheraton at the Falls.

From a convention and meeting perspective, the Seneca Niagara Resort & Casino and the Sheraton at the Falls are very influential in attracting events. In some cases, Seneca hotel room booking priorities favor a desired gaming profile, which can impact the ability to assemble room blocks for large conventions and meetings. The Sheraton focuses on the significant leisure business in the market in addition to the group sector, also impacting the ability to generate room blocks for events held at the CECNF.

Based on our review of current and planned hotel room inventory, it appears unlikely that a significant increase in large convention and meeting business could be achieved without additional convention quality, committable hotel room inventory. Our analysis also includes a review of monthly hotel occupancy percentages for the City over the period 2014 to 2016.

These historical collections along with data for the U.S. as a whole are shown below.

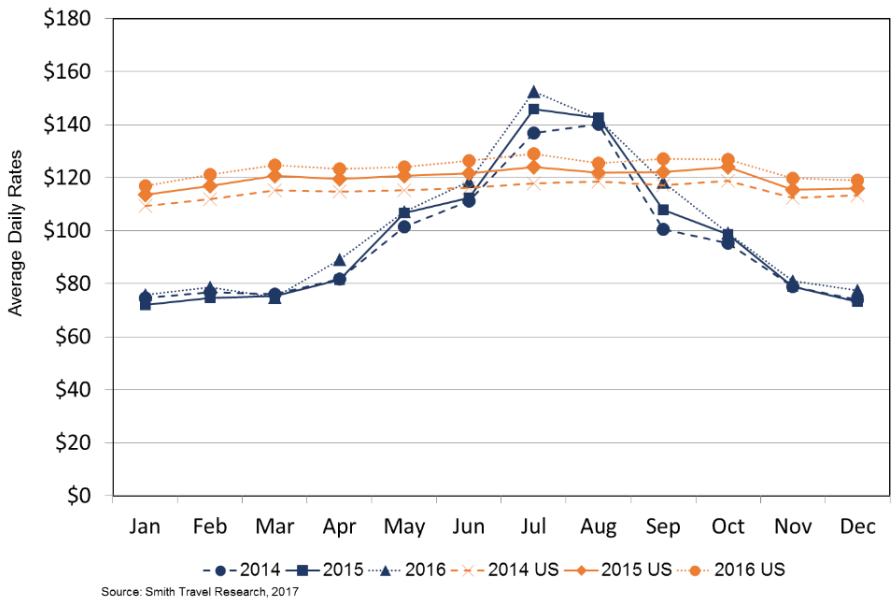
Exhibit 2-4 – Historical Monthly Occupancy Data (2014-2016)



Occupancy levels among Niagara Falls hotels has been highly seasonal, varying widely by time of year. In all three years reviewed, occupancy levels exceeded 75 percent in the months of June, July, August and September. With occupancy levels in this range, there is downward pressure on the ability to assemble large room blocks for events with a significant non-local attendee base. Conversely, occupancy rates tend to dip below 40 percent during the five-month period spanning November through March. A focus of this study is on venue development scenarios that can help to increase occupancy during these "need periods", while recognizing that assembling a block of rooms for events during peak season can be challenging.

Not surprisingly, there is a corresponding pattern for hotel rates on a seasonal basis, as summarized in the following exhibit.

Exhibit 2-5 – Historical Monthly Average Rate Data (2014-2016)



Source: Smith Travel Research, 2017

As shown above, average rates in Niagara Falls reach nearly $160 during the summer months, dropping to below $80 during the winter months. High rates can create challenges in attracting non-local events during peak season, while the base of potential event activity for which a Niagara Falls event facility can compete drops during the low room rate periods.

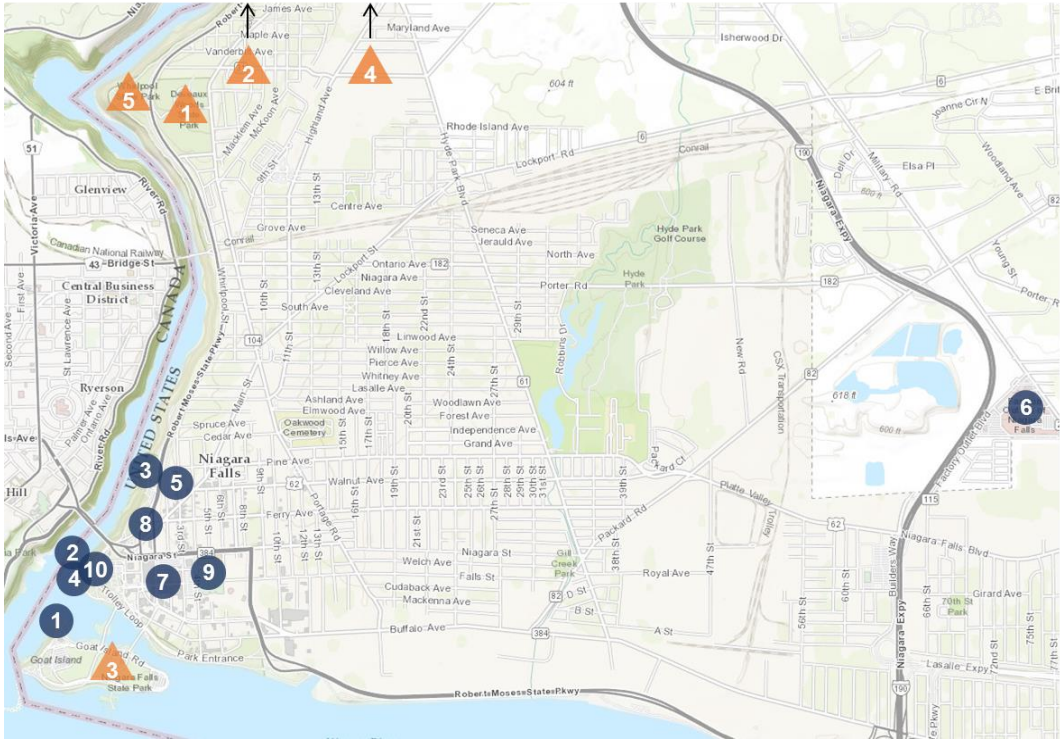
2.3 Local Attractions

The ability to attract non-local visitors to a destination will be impacted by the number and quality of available attractions. The exhibit on the following page highlights the primary attractions in the Niagara Falls area.

The primary draw for leisure visitors is and will be the Falls and associated assets including Niagara Falls State Park, Maid of the Mist, Observation Tower, Discovery Center and Cave of the Winds. Other attractions include Fashion Outlets, Seneca Resort & Casino, Adventure Theater, the Culinary Institute and the Aquarium.

DRAFT COPY
For Discussion Purposes Only

Exhibit 2-6 – Summary of Niagara Falls Primary Attractions



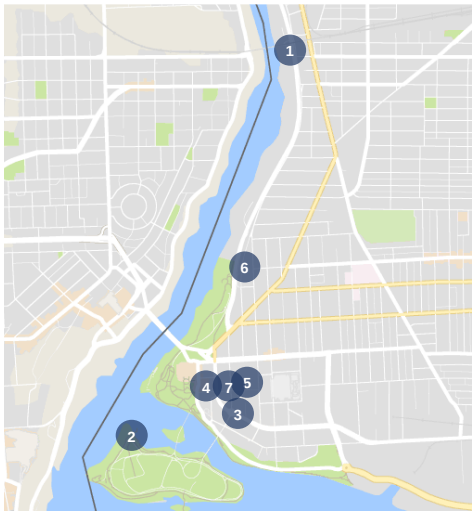
#	Name
1	Cave of the Winds
2	Maid of the Mist
3	Niagara Gorge Discovery Center
4	Niagara Falls Observation Tower
5	Aquarium of Niagara
6	Fashion Outlets of Niagara Falls
7	Niagara Falls Culinary Institute
8	Rainbow Air, Inc. Helicopter Tours
9	Seneca Niagara Resort & Casino
10	Niagara Adventure Theater
1	DeVeaux Woods State Park
2	Devil's Hole State Park
3	Niagara Falls State Park
4	Reservoir State Park
5	Whirlpool State Park

Source: Niagara Falls USA Travel Guide, 2017

The Falls and related assets are highly effective in attracting visitors during the warm weather and shoulder seasons. Other attractions in the market, particularly on the New York side of the River do not achieve a critical mass necessary to expand the visitor season, particularly for family-oriented travel groups. To address this condition, Niagara County, City of Niagara Falls and Empire State Development are currently in the planning stages, and/or are working with developers for various attractions centered on outdoor and indoor activities that could help drive off-season visitation.

These projects are referenced in the following exhibit, highlighting several recent or planned economic development investments that may help improve the potential of the market to attract non-local visitors.

Exhibit 2-7 – Summary of Recent/Planned Investment



#	Name
1	Amtrak Station - 2016
2	Cave of the Winds (Indoor Attaction) - 2017
3	Hotel Niagara - 2019
4	Hyatt Place Hotel - 2017
5	Daredevil Waterpark & Sheraton Expansion - TBD
6	Renovation to Aquarium - 2018
7	Wonder Falls Resort - TBD

Not Featured:
Discovery Shuttle - 2016
Niagara Experience Center - TBD
Niagara Scenic Trail - Underway
Robert Moses Parkway Removal - TBD

Source: CSL International, 2017

This set of projects could be very impactful in terms of transportation (Amtrak station and Scenic Trail); lodging (Hotel Niagara and Hyatt Place Hotel); and high-value attractions (Cave of the Winds, planned waterpark and potential Experience Center). A summary of these projects is presented below.

1. Amtrak Station: New $43 million Amtrak station opened in late 2016. The facility features a new common areas, customs and border offices, an Underground Railroad Museum and retail space.
2. Cave of the Winds (Indoor Attraction): A new year-round attraction opened in fall of 2017 offering visitors a theater presentation and interactive and experiential exhibits and displays about how the role of the Falls has played into many events that shaped the nation.
3. Hotel Niagara: An RFP is out for redevelopment of the Hotel Niagara. The 110-room property is expected to open downtown in 2019 and will provide two to three ballrooms.
4. Hyatt Place Hotel: A new 128-room Hyatt Place hotel is expected to open downtown in late 2017.
5. Niagara Daredevil Waterpark: Ownership of the Sheraton at the Falls is proposing to build a $20 million, 150,000-square foot daredevil themed waterpark and a $50 million, 200-room all suites hotel expansion in downtown Niagara Falls adjacent to the planned Wonder Falls Resort. The waterpark is expected to be completed in 2020 and the hotel expansion is anticipated to follow at a later date.
6. Wonder Falls Resort: $180 million state-of-the-art indoor waterpark and hotel. Replacing the Rainbow Centre Mall building, the 250 to 300-room, 200,000 square foot resort will include a spa and other various retail and restaurant venues. Given their adjacent locations, the water-based recreation components within the Daredevil Waterpark and a Wonder Falls Resort could be connected across 1st Street, creating a more significant and unique critical mass.
7. Renovation to Aquarium: Currently developing a new $3.3 million Humboldt Penguin Exhibit along with a $500,000 jellyfish exhibit later in 2018. A master planning process is underway that envisions a major phased expansion of the aquarium, as well as commercial development on adjacent properties (i.e., restaurants, retail and hospitality).

3.0 ANALYSIS OF HISTORICAL CECNF EVENT DATA

Based on information provided by Spectra Venue Management (the third-party management firm that operates the CECNF) we have analyzed the event activity and revenue generation taking place at the facility over the past several years. The following exhibit highlights event, attendance and room night activity for the period 2015 to 2017, noting that event data for 2017 reflect year-to-date bookings.

Exhibit 3-1 – Total Number of Events, Attendance and Room Nights by Segment

	2015				2016				2017 (1)			
	Events	Average Attendance	Average Room Nights	Total Room Nights	Events	Average Attendance	Average Room Nights	Total Room Nights	Events	Average Attendance	Average Room Nights	Total Room Nights
Conventions	24	289	353	8,474	29	293	383	11,115	29	388	638	18,510
Consumer Shows	1	500	50	50	2	1,850	24	47	0	-	1	-
Special Events	26	1,632	151	3,935	23	1,591	149	3,431	25	1,354	180	4,493
Meetings	74	109	29	2,181	60	100	70	4,206	51	147	64	3,251
Banquets	72	162	21	1,505	59	165	26	1,523	45	213	19	860
Totals	**197**			**16,145**	**173**			**20,322**	**150**			**27,114**

(1) Based on bookings through August 2017.

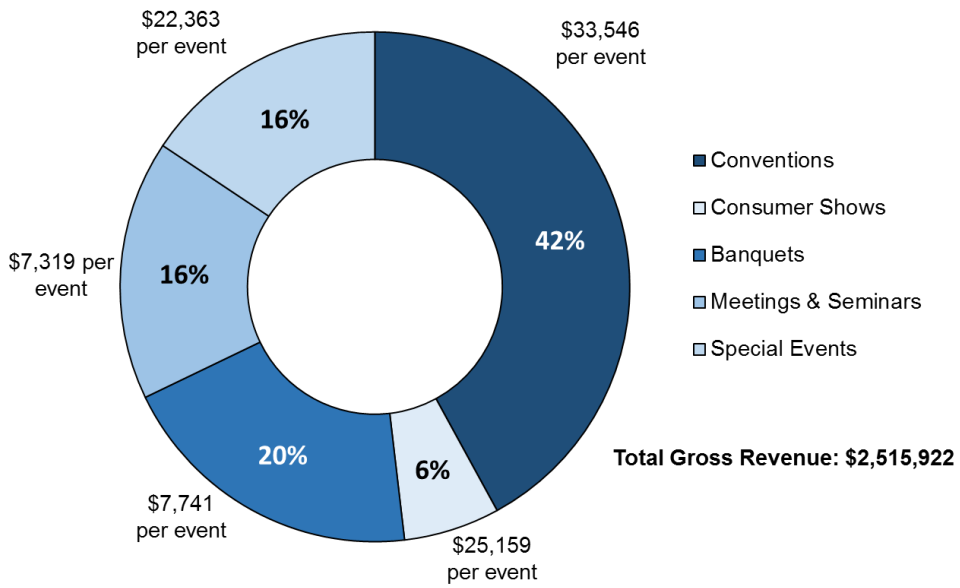
Source: Spectra; CSL International, 2017.

As outlined above, the Center has hosted between 173 and 197 events in 2015 and 2016, with the majority of these consisting of banquets and meetings. Bookings to date in 2017 are at 150 events with several months left for booking. Conventions and special events such as the Fishing Show, cheer and dance, talent shows, etc. generate significant average room nights, and account for 79 percent of total CECNF room night generation over the past three years. At the same time, meetings and banquets account for 69 percent of the overall event total for the three-year period.

Attendance levels have been significant for special events, averaging just over 1,500 for the three-year period. Attendance at conventions ranged between 289 and 388 over the analysis period. Total CECNF room night generation has increased each of the past several years, reaching 27,114 to date in 2017. These data suggest a recent pattern of room night growth that could be sustained given the current available capacity at the CECNF.

The revenue generation breakdown by event, as well as the average revenue per-event figures are presented in the following exhibit.

Exhibit 3-2 – Summary of CECNF Gross Revenue by Event Type - 2016



Source: Spectra, 2017

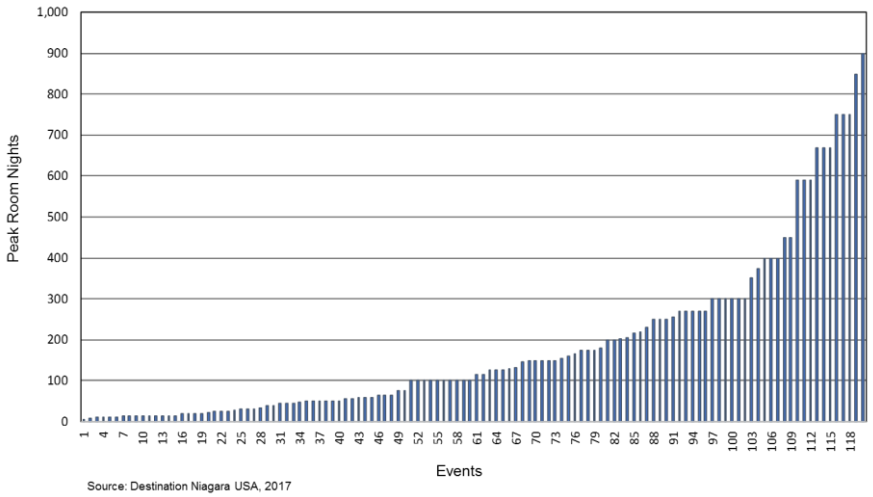
As noted in the exhibit, conventions generate the largest share of revenue and the highest revenue-per event total. Consumer shows, primarily drawing from the local community, generate a relatively small share of revenue, but also the second largest revenue per-event total. Banquets, meetings and seminars combine to generate 36 percent of total revenue, with relatively low revenue per event totals.

These data suggest that efforts to increase conventions and consumer shows can have a beneficial impact on operating revenue, while adding to the convention component could also generate important room night activity.

In an effort to characterize the market potential for local event facilities, we have also analyzed lost business records as maintained by Destination Niagara USA for events that could have been held in Niagara Falls over the seven-year period spanning 2014 through 2020.

The following exhibit summarizes the number of peak room nights lost the approximately 120 events that ultimately selected another destination.

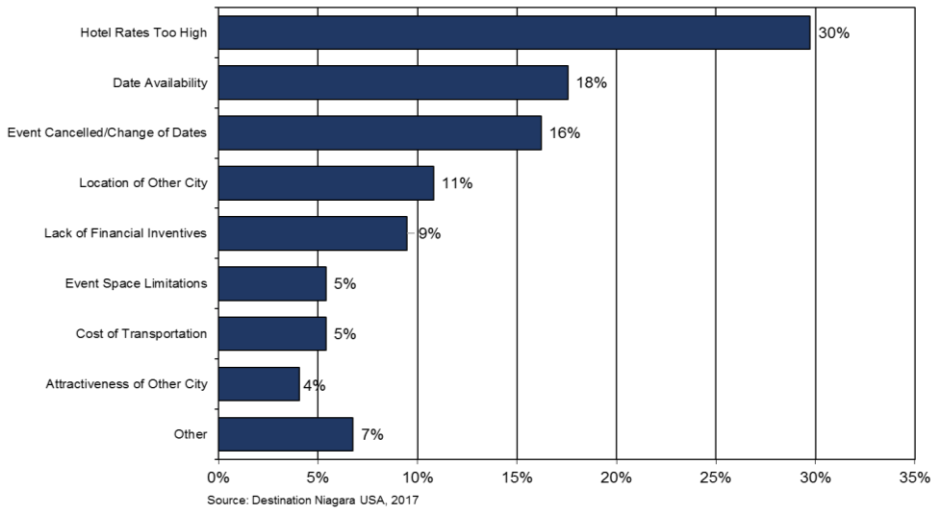
Exhibit 3-3 – Summary of Peak Room Nights Lost (2014-2020)



The large majority of events lost could be accommodated in 300 peak hotel rooms or less, an amount that can generally be provided by the Sheraton and occasionally the Seneca. Data also show that a majority of lost event activity takes place during the spring/summer season, largely reflecting hotel rate issues.

A more detailed summary of reasons for losing this type of business are important to consider, and are summarized in the following exhibit.

Exhibit 3-4 – Reasons for Lost Business



As noted above, high hotel rates and lack of available dates are the top reasons for loss of an event that had considered Niagara Falls. Ninety percent of lost business takes place in the peak months of April to October. These data suggest that there is particularly weak demand for room night generating conventions and meetings during the need periods for Niagara Falls.

For the foreseeable future, Niagara Falls will be subject to the challenging pattern of high leisure demand and low room availability for conventions during peak season, and high room availability and low regional/national convention demand in the winter months. Event facility recommendations presented later in this report are designed to account for these patterns.

4.0 EVENT PLANNER RESEARCH

To help form a basis for the market demand analysis, surveys were completed with event planners within various market sectors that represent potential demand for public assembly facilities in Niagara Falls. These data provide foundational information for evaluating facility and amenity characteristics needed to accommodate current and potential future demand within these event segments.

As part of our analysis, we have conducted extensive interviews with several dozen planners of events rep resenting a broad cross section of the public assembly industry. Demand levels for purposes of this analysis are generally characterized as high, moderate and low. High demand reflects a market with significant population base, high disposable income and limited regional competition. Low demand reflects a market with a smaller population base, poor attendee demographics and significant regional competition. Moderate demand would fall between the low and high demand profiles.

We have segmented the analysis into (1) the concert, sports and entertainment focused sector; and (2) the flat floor convention, trade, conference and meeting sector.

A listing of concert, sports and entertainment event promoters interviewed is presented below.

Exhibit 4-1 – Promoters Interviewed

- Arena Pro Football
- Checkered Flag Events
- Contemporary Productions
- East Coast Hockey League
- Feld Entertainment
- Icon Entertainment Group
- LiveNation
- NAC Entertainment
- National Lacrosse League
- NBA G-League
- Niagara University
- NY State High School Athletic Assoc.

A summary of perspectives from planners of these events regarding demand for future facility development in Niagara Falls is presented below.

Concerts

- Concert promoters such as Live Nation, Checkered Flag, Contemporary Production and Icon Entertainment registered moderate interest in a Niagara Falls venue. Some concerns were noted with the proximity to existing venues in Buffalo and the large proximate attendee base. However, with a new venue, most promoters would host at least one to two events in the market, citing access to Canada and the world-class natural attractions as advantages. The lack of potential dates in Buffalo during the NHL season may also open some opportunities for event generation in Niagara Falls.

- Recommended concert seating capacity at a minimum of 4,000 to 6,000 seats was noted, with no preference for fixed or retractable seating. Sufficient rigging and production capabilities along with supporting dressing rooms are needed to accommodate demand in this sector.

Family Shows

- Family shows consist of family-oriented acts such as Disney on Ice, Sesame Street Live and Marvel Universe. They are usually held over a run of consecutive days, averaging six to eight performances. They can be held in either a spectator/entertainment arena, setting or performing arts center, or hybrid facility depending on the expected attendance levels.
- Moderate demand levels exist if the facility were to include a minimum of 4,000 seats. Promoters indicated a need for sufficient rigging capability, and scoreboard height was also noted as an issue because of its placement and need to raise or relocate it.
- Opportunity exists to attract two to three monster truck/dirt shows annually in a venue with at least 4,000 seats.

Professional Sporting Events

- Sports leagues such as American Arena League (indoor football), East Coast Hockey League and National Lacrosse League have varying interest in a new Niagara Falls event venue. Arena Football and Hockey franchises require a venue that provides 5,000 to 8,000 seats, and would consider Niagara Falls for a franchise. Floor space in an 85' by 210' configuration is needed.
- The American Arena League will begin play with 11 teams in 2018, and has announced teams in Buffalo, Glens Falls and Rochester, New York. Teams tend to play in arenas ranging in capacity from 3,000 to 11,000 seats. Conversations with league officials indicated that Niagara Falls could be a very viable location for a new franchise housed in an arena with up to 8,000 seats.
- The East Coast Hockey League operates with 28 teams across the United States and a single Canadian franchise in nearby Brampton, Ontario. Discussions with the League indicated a desire to expand and a potential interest in the Niagara Falls, noting that it is a northern market with an established base of hockey fans. In addition to ice capabilities and 6,000 to 7,500 seats, facility requirements include team/staff offices, locker rooms, medical facilities (care and treatment rooms), as well as fitness and media space.
- The National Lacrosse League operates with 11 franchises, including teams in the nearby markets of Buffalo, Rochester and Toronto. Professional lacrosse typically takes place in venues offering 12,000 to 18,000 seats. The league is looking to expand by adding franchises in markets that are significantly larger than Niagara Falls (Houston, Dallas, Columbus, Chicago, Cleveland, Washington DC, etc.).
- Organized sports leagues can provide event activity during winter months, but can also be unstable, generate relatively little in facility revenue, and generate only modest room nights. Further, the dates taken by these leagues can preclude attracting concerts or other entertainment.

- We suggest that discussions with professional sports leagues take place once plans for a suitable venue are developed. Whether or not a lease agreement is finalized should reflect the potential to generate facility revenue, attendees and room nights.

University Sporting Events

- There may be several opportunities to partner with Niagara University to secure their participation in a new downtown multi-use event center. On a modest level, consideration would be given to hosting occasional larger University sporting events in a new downtown venue. The University currently operates a 2,000 seat on-campus venue for hockey and basketball which meets the majority of their existing needs.
- Consideration could also be given to a partnership with Niagara University to develop a multi-use venue with ice capabilities and tenant sports amenities. While construction costs would be higher, University participation in the funding plan could be secured.
- Discussions with University representatives regarding venue program, amenities, location and funding should take place.

We have also surveyed a variety of convention and conference planners that form a base of demand for existing and potential new flat floor event space in Niagara Falls. The organizations surveyed include the following.

Exhibit 4-2 – Convention and Meeting Planners Interviewed

5th Infantry Regiment Association	New York Physical Therapy Association
American Holistic Nurses Association	New York Public Welfare Association
Association of Desk and Derrick Clubs	New York State Association for Superintendents of School Buildings & Grounds
Beta Sigma Phi Sorority	New York State Association of Fire Chiefs
Boat & Shoe Travelers Association of New York	New York State Association of Health Care Providers
Bouchercon, Daylily	New York State Automobile Dealers Association
Cable Telecommunications Association of New York	New York State Credit Union League
Calspan Air Services	New York State Magistrates Association
ConferenceDirect	New York State Occupational Therapy Association
Daughters of the Nile	New York State Recreation & Park Society
Empire State Energy Association	New York State Turfgrass Association
Gorges Classic Soccer Tournament	New York State Zero Lift Task Force
HelmsBriscoe	Niagara County Emergency Services
Home and Hearth Real Esatate	Northeast Dairy Foods Association
National Alliance for Medicaid in Education	Parent Project Muscular Dystrophy
National College Learning Center Association	Take Off Pounds Sensibly
New York Association of Chapters of Alpha	The Nurse Practitioner Association NYS
New York Health Plan Association	Travel and Tourism Research Association
New York Health Plan Association	Upstate New York Energy Association
New York Library Association	USS Haynsworth Reunion Committee

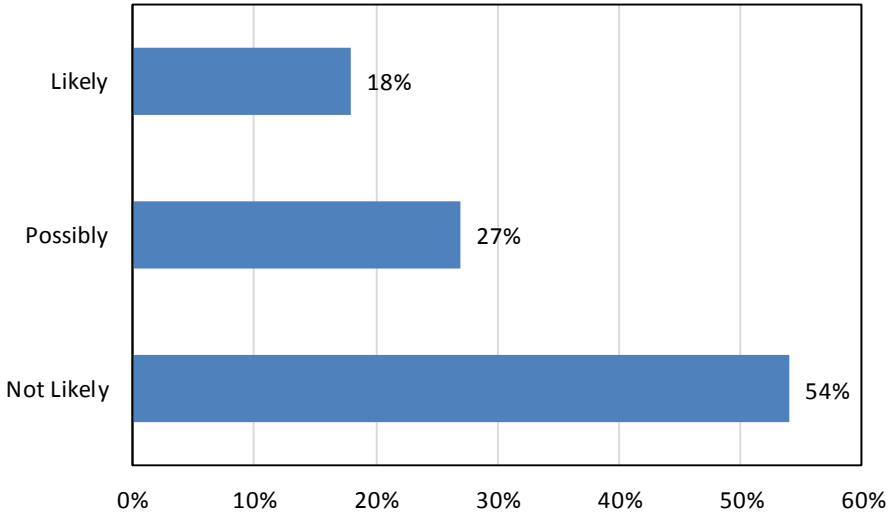
The research summary focuses on (1) a general survey of state and regional association planners; (2) a survey of past and lost business from the CECNF; and (3) interviews with planners of corporate meetings. Key findings from this research are summarized below.

State/Regional Association Survey

- Twenty state and regional association event planners representing over 100 events were surveyed. These surveys reflect a cross section of potential convention, meeting and tradeshow event activity for the existing CECNF and potential new facility investment. Planners surveyed are generally familiar with the Niagara Falls market.
- Average attendance for events included in the survey was 309, with a peak room night requirement of 150.

- Approximately fifty-four percent of planners interviewed would not consider Niagara Falls for an event. Eighteen percent would definitely or likely host an event in Niagara Falls, with 27 percent registering a "possibly" response.

Exhibit 4-3 – State/Regional Event Planner Interest Levels in Niagara Falls



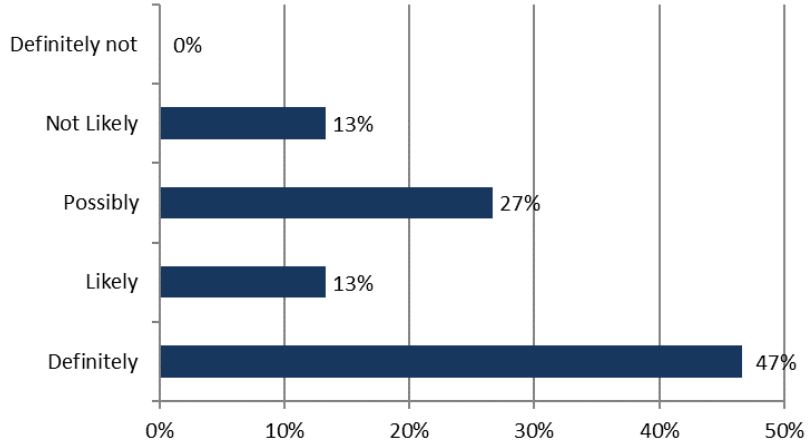
- Reasons for not considering Niagara Falls as an event destination typically focused on distance from membership base, cost to travel to the destination and weather concerns in winter.
- A large segment of the potential event base for Niagara Falls can generally be accommodated in the existing facility and hotel base.
- A desire for added/improved restaurant, retail and other hospitality inventory was cited by many event planners. Other comments included the following:
  - There needs to be more downtown green space with the addition of a park or outdoor stage.
  - Niagara has a lot of outdoor attractions, but needs indoor ones for the winter months.
  - The city needs more winter activities/attractions.
  - Niagara can be a great location, but weather can be bad during the winter months.
  - Work with the airlines or Amtrak to try and reduce transportation costs.

Past/Lost Event Survey

- We have also conducted surveys of planners that have had some type of exposure to Niagara Falls, either through past hosting of an event in the destination, or consideration for an event before booking another destination.
- Eighty-six percent of these planners have held events in Niagara Falls in the past, particularly at the CECNF or the Sheraton, but also at venues including Days Inn, Top of the Falls and area parks.
- Fifty-three percent of planners surveyed have no need for added space. Forty-seven percent cited a need for added meeting space, a large fixed seating venue or added exhibit areas.

- Several comments were made reflecting the need for added downtown development, maintenance, cleanliness and beautification, particularly in comparison with the Canadian side.
- Thirty-eight percent of planners specifically cited an ability to increase usage of Niagara Falls facilities if needed improvements are made that include larger capacity for banquets, added meetings space and downtown hospitality development.
- Although there have been several additions to the inventory of limited service hotel rooms in downtown Niagara Falls, event planners indicated a need for larger full-service, branded properties with the ability to host groups of 300 or more people.
- As summarized in the following exhibit, 87 percent of planners interviewed would definitely, likely or possibly consider Niagara Falls for a future event. Sixty percent indicated a definite or likely response to a future Niagara Falls event, highlighting the strength of the potential for repeat business. Thirteen percent are unlikely to book the destination due to rotational patterns or destination concerns.

Exhibit 4-3 – Past/Current/Lost Event Planner Interest Levels in Niagara Falls



Corporate Event Planner Interviews

A select set of third party event planning firms such as HelmsBriscoe and ConferenceDirect were interviewed. These independent planners represent a unique mix of hundreds of corporate and other events held throughout the United States.

These functions could include training, incentive, executive level, holiday and other functions with widely varying attendance and space needs. The corporate event potential for Niagara Falls would center around events planned by Niagara Falls and greater Buffalo area corporations, as well as incentive and other travel from regional and national corporations. The incentive component of this demand is supported by the world-class outdoor assets in the market.

Based on our conversations, if improvements were made to improve the appeal and attractiveness of the destination, these event segments have the potential to become an important component of the event mix attracted to Niagara Falls. A sample of comments collected is presented below.

- The market could become a lower-cost, unique alternative to traditional east coast event destinations.
- Adding to and improving the visitor amenities downtown will be important in attracting corporate events. This includes bringing in more unique restaurants, breweries and higher end entertainment.
- It will be important to improve the cleanliness and landscaping and provide a consistent feel/theme throughout downtown.
- Improving the supply of upscale and fast casual restaurants downtown, and increasing the supply and improving the quality of retail shops will be important.
- The development of a single (non-gaming) hotel property that can accommodate room blocks of up to 350 peak rooms could improve market capture.
- Some planners expressed their unfamiliarity with Niagara Falls market and a concern about its distance from transportation hubs and their base of attendees.
- The number and cost of flights can also be deterring factors.

Addressing these destination development needs would materially improve the ability of Niagara Falls to compete in the corporate event sector regionally, including New York City.

5.0 SUMMARY OF PROJECT DEVELOPMENT OPTIONS

The analysis compilation focusing on local market conditions, competitive facilities, lost business, historical operating data for the CECNF, and market demand research specific to Niagara Falls has been used to prepare preliminary findings regarding potential room night generating courses of action. Room night generation can result from a variety of initiatives, including but not limited to a new multi-use facility. We have therefore broadened the potential set of room night generating opportunities considered as part of this analysis, as summarized in the following image.

Exhibit 5-1 – Summary of Potential Project Development Options

Throughout the remainder of this section, we evaluate key aspects for each of the potential development options, focusing on potential demand summaries, supportable program elements, project cost and financial operating summaries, location considerations and other relevant factors.

5.1 Maximize Use of Existing Conference & Event Center

The existing CECNF consists of 55,000 square feet of event space located in downtown Niagara Falls adjacent to the Sheraton at the Falls and Seneca Niagara Resort & Casino. Based on our site review and surveys with event planners, the following are relevant strengths of the venue.

- Modern, IACC certified venue with interior configuration reflective of higher end conference centers nationally.
- Well maintained, professionally managed facility with a positive industry reputation.
- Downtown location offering walkability to growing base of hotels, restaurants and the Falls.
- Proximity to the greater Buffalo marketplace and potential sources of corporate and tradeshow demand.

In addition, recent hiring of a new Director of Convention & Meeting Sales at Destination Niagara USA is likely to help improve CECNF event activity into the future. Challenges with the venues include the following.

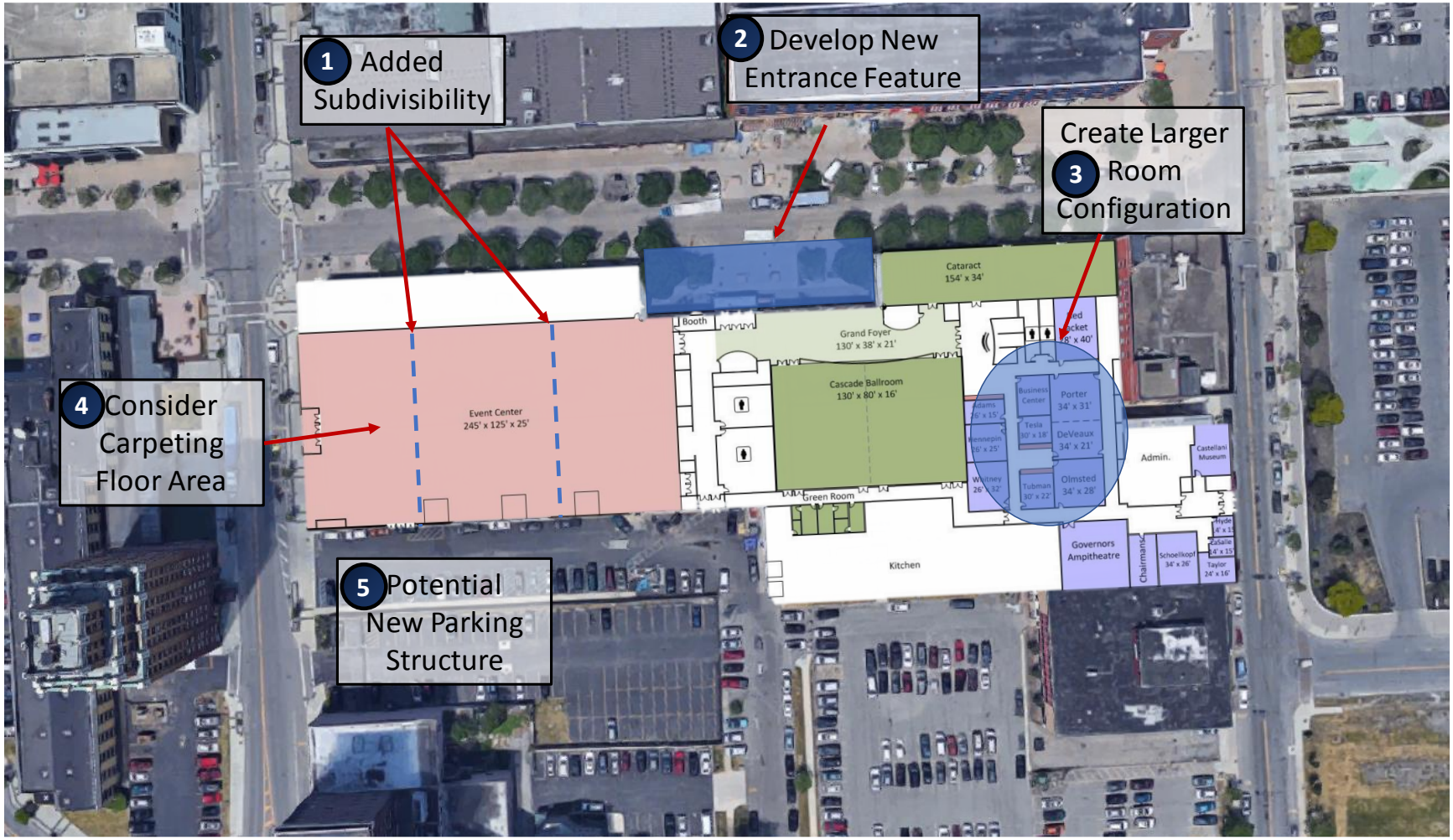
- Lack of architecturally significant façade/entry point.
- Lack of larger breakout meeting rooms.
- Inability to subdivide the 32,200-square foot main exhibit space.
- Limited base of surrounding large, non-gaming hotel properties.
- Lack of walkable surrounding high-end restaurant and retail amenities in the downtown area.
- Limited parking availability near the Center.

Based on conversations with facility management and a review of event data, the existing CECNF does not appear to be operating at full capacity. At the same time, the quality and interior configuration of the space is reflective of higher end conference centers nationally. The urban location of the Center is also desirable, with walkability to area hotels, restaurants and the Falls.

Going forward, there may be opportunities to increase market capture with the exiting space assuming various facility and destination improvements take place. We have identified several initiatives that should be considered, including creating a significantly improved entry experience with an architecturally significant focal point and added pre-function space; modifying the configuration of the existing meeting room blocks to provide for larger, sub-divisible contiguous spaces; and adding greater subdivisibility to the exhibit space using movable partitions. An image of potential areas of CECNF improvement is presented below.

DRAFT COPY
For Discussion Purposes Only

Exhibit 5-2 – Existing Conference & Event Center Improvement Concepts



Each of the potential improvement concepts are described below.

1 Added Subdivisibility

- The CECNF frequently hosts events that do not occupy all 32,200 square feet of exhibit space. The addition of high quality, soundproof air walls could allow for a more intimate experience for smaller events, while providing opportunities to host multiple concurrent events.

2 Façade / New Entrance Feature

- Create a significantly improved entry experience, including an architecturally significant exterior focal point.
- A glass enclosed interior space could provide up to 8,000 contiguous square feet and would serve as an entry way to the facility and would provide added registration and pre-function space.

3 Larger Meeting Rooms

- Modify the configuration of the existing meeting room blocks to provide for larger, sub-divisible contiguous spaces.
- There may be opportunities to re-purpose existing office and storage space into additional meeting rooms.

4 Carpeted Floor Area

- Floor covering could be considered for the Event Center that takes advantage of state-of-the-art carpet squares, providing added meeting/ballroom space opportunities and allowing for greatly enhanced ability to accommodate non-exhibit functions.

5 Parking Structure

- Based on current and expected event attendance data, 250 stall parking structure could accommodate the large majority of potential CECNF events. This facility could both mitigate parking concerns among facility users and attendees, while providing additional capacity to help accommodate demand from tourists. Long-term planning should assess the financial viability of such investment as a stand-alone project.

Based on the amount of built square footage and general industry cost per square foot data, a budget for improving the existing CECNF through added subdivisibility, entrance feature, larger meeting rooms and floor covering initiatives should approximate $5 million to $7 million. Construction costs for a 250-stall parking garage at $25,000 per stall would approximate $6.25 million.

Also, the planned renovation and re-opening of the Hotel Niagara will help with room block assemblage. Destination Niagara has also taken a more aggressive approach towards event sales, and this is likely to help increase CECNF occupancy as well.

Some form of enhanced bid fund to be used to attract events, particularly during the shoulder seasons, should be implemented. This is a very common approach used in markets throughout the country.

Given existing site restrictions, there does not appear to be an ability to expand the existing CECNF to provide greater contiguous exhibit space. Options that provide non-contiguous space (potentially across Falls Street) would be difficult to market to larger events. Planners that require over 30,000 square feet of exhibit space would routinely choose

destinations that provide contiguous space versus having to use two separate halls.

Based on historical operating data, event planner survey research and an assessment of local market conditions, we have developed estimates of the potential increase in event, attendance and room nights associated with the recommended CECNF improvement program. These estimates are summarized below.

Exhibit 5-3 – Potential Future CECNF Usage

	Potential Future CECNF Usage			
	Events	Average Attendance	Average Room Nights	Total Room Nights
Base Event Level				
Conventions	29	350	450	13,050
Consumer Shows	1	1,000	50	50
Special Events	25	1,550	160	4,000
Meetings	75	110	65	4,875
Banquets	75	120	20	1,500
Subtotal - Base Events	205			23,475
Incremental Event Level				
Association Conventions	11	300	400	4,400
Corporate Conventions	9	200	275	2,475
Consumer Shows	4	1,000	100	400
Subtotal - Incremental Events	**24**	**1,500**	**775**	**7,275**
Totals	229			30,750

Source: CECNF, CSL

The Base Event Levels are reflective of CECNF event activity over the past three years. The Incremental Event Levels reflect new market share associated with the improvement project. The analysis reflects an increase of 11 association conventions, nine corporate conventions and four consumer shows. These added events yield an estimated increase of 7,275 room nights, reflecting a 31 percent increase over recent historical CECNF performance.

5.2 Multi-Use Hybrid Venue

Multi-use hybrid venues are designed to cater to a cross section of the public assembly event industry, including concerts, family shows, sports, consumer shows, cultural events and other entertainment events. In cases where some amount of meeting/ballroom space is added, these venues can also compete for small conventions and meetings.

Important elements of a hybrid venue include the following.

- A hybrid venue offers flexible, multipurpose space that can accommodate a variety of events such as sporting, entertainment, concerts, tradeshows and consumer shows.
- The venue offers both temporary seating (typically retractable) and a large amount of contiguous flat floor space.
- Rigging and staging capabilities must be provided to accommodate touring concert and entertainment events.
- A limited amount of ancillary meeting space can be provided.
- Consideration can also be given to including tenant sports amenities such as locker facilities, team rooms, scoreboards and premium seating.

There are numerous examples nationally of hybrid event venues that generally consist of flat floor space and some level of movable/retractable seats. In some cases, (Reno Events Center), there is also a portion of fixed seating. Case study summaries for the hybrid venue concept are presented in the Appendix to this report.

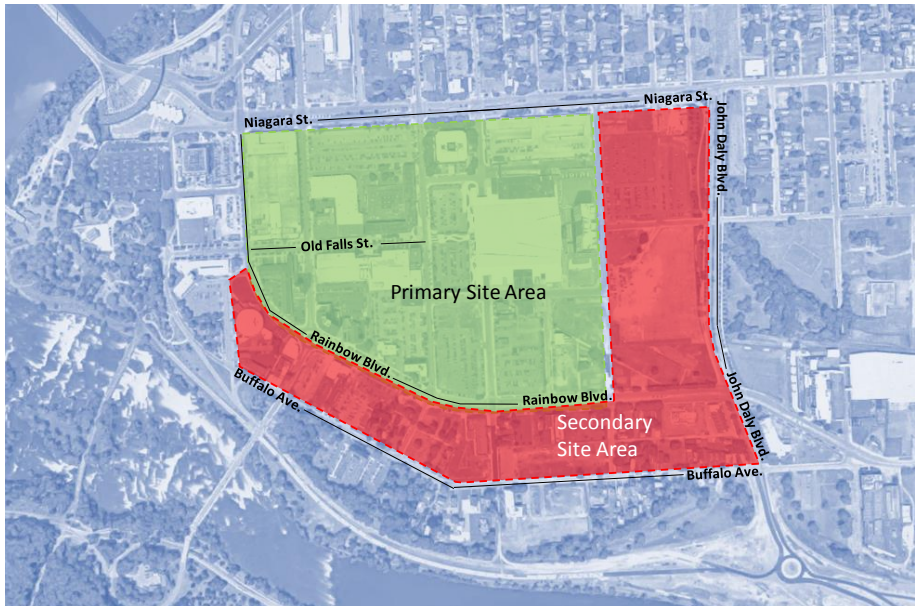
A venue with modest finish levels, approximately 30,000 square feet of contiguous floor space and portable seating for 4,000 to 6,000 could be considered in Niagara Falls. This type of venue could accommodate the modest level of entertainment and sports event demand estimated for the market.

Costs for such a venue can range significantly depending on sizing and level of finish. Costs for a venue with modest finish and a limited amount of meeting/support space could range between $25 million and $40 million. This would not include amenities such as club seats and suites, scoreboard or locker room facilities typically required for professional or University tenant sports.

While the hybrid facility approach may offer a cost-effective means of attracting concert and entertainment events, it may not offer a significant sizing advantage over the existing CECNF for hosting conventions and tradeshows. The lower cost hybrid venue as described above would also not offer the high level of finish currently available at the CECNF.

From a siting perspective, the venue if developed should be located in the downtown area within convenient walking proximity to existing restaurant, hotel and entertainment assets. The following image highlights a primary downtown area (green) and a secondary geographic area (red) for locating a new venue. Sites located outside these areas would not provide necessary walkability to critical hospitality assets, and would be limited in their ability to maximize room night generation and associated economic impact.

Exhibit 5-4 – Potential Event Venue Site Area Summary



Based on demand research, we have prepared the following outline of two primary hybrid venue development options focused on non-tenant and tenant-capable options that could house University and/or professional sports.

Exhibit 5-5 – Building Program Summary

	Seating Capacity Scenarios	
	Non-Tenant	Tenant Capable
Seating Capacity Configurations:		
End Stage	4,000	4,000
Ice	N/A	5,000
Basketball	5,500	5,500
Center Stage	6,000	6,000
Premium Seating:		
Luxury Suite Premium	0	10
Loge Box Premium	0	0
Club Seat Premium	0	200
Party Suite Rentals	0	1
Assumed Parking:		
On-Site	600	600

As noted above, a non-tenant venue could include seating capacity of 4,000 to 6,000 in a retractable configuration, with no premium seating amenities. If a venue were to be developed to accommodate tenant sports (including hockey), the capacity levels remain at between 4,000 and 6,000, with the addition of 10 suites, 200 club seats and one larger party suite. In addition, this option includes development of locker facilities, installation of scoreboards, ice making capabilities and other necessary features. Under either scenario, we assume 600 on-site parking spaces. This is a flexible estimate, and will be impacted by the number of spaces in the general vicinity of the facility.

The event and attendance estimates for both hybrid venue scenarios are presented in the following exhibit.

Exhibit 5-6 – Estimated Utilization

	Non-Tenant			Tenant Capable		
	Events Days	Average Attendance	Total Attendance	Events Days	Average Attendance	Total Attendance
Ice Hockey	0	0	0	15	2,500	37,500
Football	0	0	0	0	6,000	0
Basketball	0	0	0	15	2,000	30,000
Volleyball	0	0	0	5	250	1,250
Concerts	12	4,000	48,000	10	4,000	40,000
Family Shows	12	2,500	30,000	6	2,500	15,000
Other Sports	10	2,000	20,000	5	2,500	12,500
High School Sports	6	1,750	10,500	4	1,750	7,000
Ice Shows	0	3,000	0	2	3,000	6,000
Motor Sports	2	2,500	5,000	2	2,500	5,000
Wrestling	2	500	1,000	2	500	1,000
Rodeo/Bull Riding	2	2,500	5,000	2	2,500	5,000
Cultural Events	8	1,000	8,000	8	1,000	8,000
Graduations	3	2,000	6,000	3	2,000	6,000
Consumer/Trade Shows	6	1,000	6,000	4	1,000	4,000
Private Catered Events	35	250	8,750	25	250	6,250
TOTAL	**98**		**148,250**	**108**		**184,500**

Source: CSL

As noted above, the non-tenant option could attract 98 events and 148,250 attendees. Assuming tenant sports (likely including Niagara University as a tenant), event levels increase to 108 with 184,500 attendees.

We have also developed a financial operating model for both hybrid scenarios, reflecting various rental charges, food and beverage spending, tenant lease terms, expense estimates and other relevant factors. The estimates of financial operating performance are summarized below.

Exhibit 5-7 – Estimated Utilization

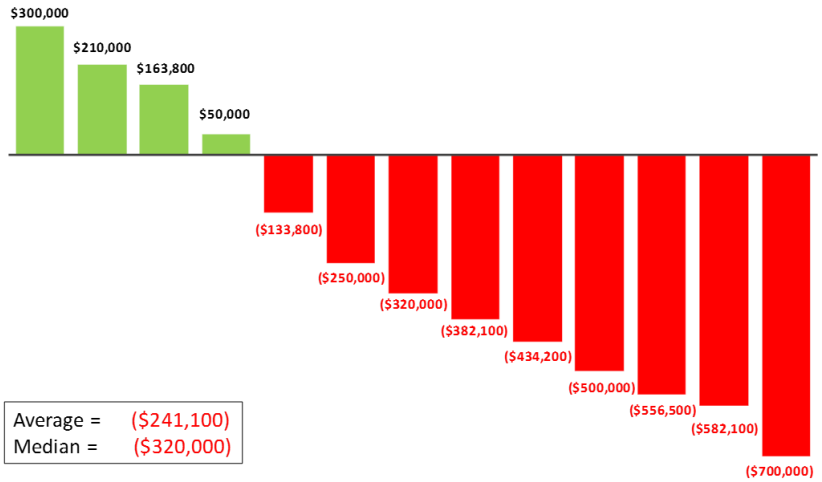
	Non-Tenant	Tenant Capable
OPERATING REVENUES		
Event Revenue		
Rental Income	$559,000	$606,000
Service Income (Loss)	($143,000)	($141,000)
Net Rental Income	**$416,000**	**$465,000**
Ancillary Revenue:		
Food & Beverage (net)	$410,000	$487,000
Parking (net)	$61,000	$64,000
Novelty (net)	$42,000	$38,000
Ticketing Fees	$366,000	$445,000
Subtotal - Ancillary Revenue	**$879,000**	**$1,034,000**
Other Revenue		
Advertising/Sponsorship (net)	$170,000	$255,000
Naming/Service Rights (net)	$0	$0
Premium Seating	$0	$427,000
Other	$20,000	$30,000
Subtotal - Other Revenue	**$190,000**	**$712,000**
TOTAL OPERATING REVENUES	**$1,485,000**	**$2,211,000**
OPERATING EXPENSES		
Personnel	$1,032,000	$1,299,000
Utilities	$320,000	$370,000
Operations	$335,000	$480,000
General & Administrative	$245,000	$273,000
Insurance	$35,000	$50,000
TOTAL OPERATING EXPENSES	**$1,967,000**	**$2,472,000**
INCOME (LOSS) FROM OPERATIONS	**-$482,000**	**-$261,000**
Capital Reserve	$150,000	$250,000
NET OPERATING INCOME (LOSS)	**-$632,000**	**-$511,000**

Source: CSL

The non-tenant model is assumed to operate at an annual financial loss of $482,000, decreasing to $261,000 for the tenant capable option. We have also assumed a $150,000 to $250,000 capital reserve funding level for the two options. Both scenarios assume management by a private, contracted firm.

For comparison purposes, the following exhibit presents the net financial operating performance for 13 hybrid/arena venues from around the country.

Exhibit 5-8 – Summary of Arena and Hybrid Venue Net Financial Operations



Source: Facility Management; CSL International, 2017

As noted above, the majority of venues reviewed operated at a loss before capital reserve funding. Financial operating estimates for a Niagara Falls hybrid venue are within the range of similar venues reviewed.

As previously noted, Niagara University representatives have indicated several options exist for their potential participation in a new downtown multi-use event center, including a partnership to develop a multi-use

venue with ice capabilities and tenant sports amenities. While construction costs would be higher, University participation in the funding plan could potentially be secured. Discussions with University representatives regarding venue program, amenities, location and funding should be undertaken.

5.3 Dedicated Convention Center

The CECNF caters to flat floor events including conventions, meetings, banquets, consumer shows and special events. The Center operates in a market with several other existing convention and meeting venues as summarized below.

Exhibit 5-9 – Existing Niagara Falls Area Convention/Meeting Facilities

Facility	Dist. from Niagara Falls CC (in miles)	Exhibit Space	Meeting Space	Ballroom Space	Sellable Space
Scotiabank Convention Center - CANADA	3.1	71,000	8,800	28,000	107,800
Buffalo Niagara Convention Center	20.2	64,400	26,100	12,400	102,900
The Conference & Events Center Niagara Falls		**30,600**	**8,700**	**15,700**	**55,000**
Adam's Mark Buffalo	20.3	0	15,200	33,200	48,400
Fallsview Casino Resort - CANADA	2	0	5,300	28,000	33,300
Seneca Niagara Resort & Casino	0.2	24,400	5,100	0	29,500
Sheraton on the Falls - CANADA	1.3	0	10,400	16,700	27,100
Radisson Hotel Niagara Falls - Grand Island	11.8	0	18,300	5,400	23,700
Hyatt Regency Buffalo & Conference Center	20.3	0	7,000	13,200	20,200
Marriott on the Falls - CANADA	2.4	0	7,300	11,300	18,600
Crowne Plaza Niagara Falls - CANADA	1.2	0	7,500	7,600	15,100
Average		**17,309**	**10,882**	**15,591**	**43,782**

Note: Only facilities with 15,000 Sq. Ft. of total sellable space were considered.
Source: Facility Management, 2017

The CECNF is currently the third largest venue in the market, behind Scotiabank Convention Center and the Buffalo Niagara Convention Center. Scotiabank largely caters to Canadian events, but will also compete for U.S. based corporate and association business. Expansion planning is underway for convention facilities in Buffalo, and the outcome of this research may impact the success of future event facility development in Niagara Falls.

Based on market surveys, the existing CECNF can accommodate a majority of the facility need for the potential Niagara Falls convention and meeting market. The Seneca Niagara Resort & Casino offers 29,500 square feet of total sellable space, with a large exhibit space that also serves as ballroom space. The Sheraton on the Falls is currently repositioning portions of the meeting space which will reduce overall capacity.

To be successful, any significant addition to the Niagara Falls flat floor event space would have to compete against Buffalo, as well as other venues in Western New York such as centers in Rochester and Syracuse. In addition, larger flat floor space in Niagara Falls catering to conventions would have to be accompanied by significant increases in downtown hotel inventory in order to attract incremental market share.

As previously noted, the large majority of lost business for the existing CECNF occurs during the months of April to October. Relatively little lost business takes place during need periods of November to March. Reasons for lost business tend to focus on high hotel room rates and lack of available dates.

The existing hotel base in Niagara Falls would have difficulty supporting a significantly larger convention center. Planed hotel additions in the downtown area will help to increase usage and room night generation by the existing CECNF, but would not likely support a significant expansion or a new convention venue. Further, the CECNF does not

appear to operate at maximum capacity, providing opportunities to increase market share within the existing space.

Potential state and regional event planners tend to express moderate interest in hosting events in Niagara Falls. Past users and planners that have considered Niagara Falls but booked elsewhere show a higher level of interest.

The cost to develop a new dedicated convention center that provides approximately double the existing CECNF sellable space would range between approximately $65 million to $75 million. The level of potential incremental convention demand for the Niagara Falls market does not appear to support this type of investment. Further, dedicated convention centers of this type tend to operate at a financial loss ranging from $100,000 to over $1.0 million annually, depending on event levels and management capabilities.

The options for enhancing the CECNF presented earlier should be pursued in the near term, leaving a new dedicated convention center project to be considered as a much longer-term development alternative.

5.4 Dedicated Arena

Given the potential demand for seating venues that can host concerts, entertainment, sports and other such events, we have explored the concept of a dedicated arena project. The arena concept differs from a hybrid venue in that the seating bowl largely consists of fixed seating, with a more limited component of retractable seats. Arenas can have larger concourse areas, in some cases on two levels.

The competition that a new arena for Niagara Falls would have to face is significant, as outlined in the following chart.

Exhibit 5-10 – Summary of Entertainment Venues in Greater Niagara Falls

Facility Name	Distance From Niagara Falls CC (In Miles)	Seating Capacity
Darien Lake Performing Arts Center	46.1	21,800
KeyBank Center	21.3	19,300
Artpark Outdoor Amphitheater	8.2	10,000
SUNY Buffalo Alumni Arena	20.5	8,000
Niagara Falls Event Centre - **CANADA** (1)	2.1	5,000
Buffalo Riverworks	16.6	5,000
The Fairgrounds Event Center	21.8	5,000
Willow Creek Winery	50	5,000
Sports Arena at Buffalo State College	14.5	3,500
Shea's Performing Arts Center	21.9	3,000
The Seneca Niagara Events Center	0.2	2,600
Artpark Mainstage Theater	8.2	2,400
Gallagher Center Gymnasium	4.5	2,400
Kleinhans Music Hall	19.4	2,400
Gale Center - **CANADA**	2.6	2,200
UB Center For The Arts	20.3	1,700
Sideshow Music Hall	29.7	1,500
The Avalon Ballroom Theatre - **CANADA**	2	1,500
Asbury Hall At Babeville	20	1,200
Historic Palace Theatre	21.2	1,200
Riviera Theatre and Performing Arts Center	11.8	1,100
The Town Ballroom	3	1,000
Fallsview Theatre - **CANADA**	20.2	1,000

(1) Niagara Falls Event Centre is expected to open in 2019.
Note: Only facilities with 1,000+ were considered.
Source: CSL International, 2017

As noted above, there are 23 venues in the region with at least 1,000 seats, highlighting the significant competition for entertainment events, and the impact on the market potential for any new dedicated arena venue in Niagara Falls.

The Seneca Niagara Resort & Casino hosts approximately 25 concert events annually in their ballroom space and can accommodate crowds of up to 2,600. On-site outdoor space is developed for approximately two events annually with capacity of approximately 6,000.

Given the hotel, gaming and other revenue streams these events generate, the Casino can offer favorable payments to the performers. Existing large arenas in Buffalo, Toronto and surrounding markets accommodate a large share of potential major concert and entertainment demand in the region. The segment of events with attendance between 2,600 and 6,000 represent potential for a new Niagara Falls arena (or hybrid venue).

It is important to note that a new 5,000-seat Niagara Falls Entertainment Centre is currently under construction in Niagara Falls, Ontario. The $132 million (Canadian Dollars) facility will open in 2019 and is projected to generate annual attendance of more than one million people.

Promoters of concert and entertainment events note that Niagara Falls could compete for mid-sized entertainment events, benefitting from access to the Canadian market and lack of dates in Buffalo during the NHL season. At the same time, the demographics in the Niagara Falls area can be a challenge to achieving desired ticket prices. This will somewhat limit the ability to routinely attract concerts and entertainment events to Niagara Falls.

Costs for a dedicated arena in the 6,000 to 8,000 seat range will depend on level of finish, amenities, suites, club seats, locker rooms, ice capabilities, center-hung scoreboard, location and other factors, and could range from $50 million to $70 million. The following exhibit summarizes the features and development cost from a broad cross section of similarly sized arena venues.

Exhibit 5-11 – Building Program Comparisons

	AMSOIL Arena [1]	Budweiser Events Center [2]	Covelli Centre	Cross Insurance Center	Prescott Valley Event Center	Resch Center	Sanford Center [3]	Scheels Arena	Town Toyota Center	Tyson Events Center	US Cellular Coliseum	AVERAGE
Location	Duluth, MN	Loveland, CO	Youngstown, OH	Bangor, ME	Prescott Valley, AZ	Green Bay, WI	Bemidji, MN	Fargo, ND	Wenatchee, WA	Sioux City, IA	Bloomington, IL	
Owner	DECC	County	City	City	City	County	City	Metro Sports Foundation	Wenatchee Public Facilities District	City	City	Municipality
Operator	DECC	Global Spectrum	SMG	Global Spectrum	Encore Facility Management	PMI Entertainment Group	VenuWorks	Metro Sports Foundation	Wenatchee Public Facilities District	City	VenuWorks	Private
Year Opened	2010	2003	2005	2013	2006	2002	2010	2008	2008	2003	2006	2007
Construction Cost	$80.0 M	$28.0 M	$42.0 M	$65.0 M	$35.0 M	$50.4 M	$78.3 M	$25.0 M	$52.8 M	$49.2 M	$37.0 M	$49.3 M
Tenants	NCAA	ECHL; IFL	USHL; MASL; WFTDA	NCAA	NBADL	NCAA; USHL; IFL	NCAA	USHL	BCHL	USHL; CIF	NCAA; USHL; CIF	--
Seating Capacity:												
Basketball	--	6,000	5,900	6,653	5,100	9,729	4,700	6,000	5,000	6,813	7,242	6,314
Hockey	6,764	5,289	5,700	5,800	4,810	8,785	4,373	5,358	4,300	6,731	5,600	5,774
End-Stage	8,500	7,200	6,300	8,500	6,200	7,500	5,837	5,358	5,500	9,273	8,000	7,106
Center Stage	--	--	7,000	--	--	10,200	--	6,643	--	10,000	--	8,461
Premium Seating:												
Suites	16	24	26	12	24	25	25	36	26	27	26	24
Club Seats	--	777	520	200	400	400	250	200	400	--	800	439
Seating Configuration	Oval	Horseshoe	Oval	Horseshoe	Oval	Oval	Horseshoe	Oval	Horseshoe	Horseshoe	Oval	Oval
Building Square Footage	203,500 sf	250,000 sf	169,000 sf	160,000 sf	135,000 sf	260,000 sf	170,000 sf	214,500 sf	137,000 sf	190,000 sf	180,000 sf	188,091 sf
Event Floor Square Footage	19,600 sf	20,000 sf	23,192 sf	26,000 sf	20,825 sf	27,440 sf	30,000 sf	17,000 sf	17,000 sf	24,128 sf	18,870 sf	22,187 sf
Dedicated Exhibit Space	--	--	--	16,000 sf	--	43,680 sf	--	--	--	--	--	29,840 sf
Dedicated Banquet Space	--	N/A	N/A	16,000 sf	--	18,000 sf	--	2,870 sf	2,638 sf	--	--	9,877 sf
Banquet Capacity	--	180	100	2,000	--	1,500	--	80	100	--	--	660
Meeting Rooms	--	--	--	18	--	4	--	2	2	--	--	7
Meeting Capacity	--	--	--	1,650	--	75	--	170	80	--	--	494
Meeting Square Footage	--	--	--	14,382 sf	--	900 sf	--	2,870 sf	1,811 sf	--	--	4,991 sf
Number of Loading Docks	3	N/A	4	5	7	1	4	3	N/A	2	3	4
Size of Freight Door	14'x16'	N/A	16'x16'	20'x14'	N/A	14'x14'	N/A	15'x18'	N/A	24'x14'	N/A	--
Stage	48'x60'	N/A	40'x78'	N/A	48'x72'	80'x40'	N/A	60'x40'	N/A	48'x64'	64'x48'	--
Ceiling Height	53'	N/A	85'	52' to 72'	N/A	91'	N/A	N/A	N/A	N/A	52'	69'
Rigging Capacity	N/A	N/A	140,000 lbs.	N/A	120,000 lbs.	120,000 lbs.	N/A	N/A	N/A	60,000 lbs.	90,000 lbs.	106,000 lbs
Locker/Dressing Rooms	6	N/A	4	6	5	4	6	7	10	5	6	6
Controlled Parking	1,800	2,500	1,000	1,051	2,365	400	1,370	1,450	556	1,023	264	1,253
Concession Stands	7 permanent 6 portable	N/A	N/A	5 permanent	N/A	12 permanent 8 portable	4 permanent	N/A	N/A	8 permanent	5 permanent	7 permanent 7 portable

[1] AMSOIL Arena includes an attached convention center and DECC Arena on site that provide 15,000 square feet of dedicated exhibit space, 45,200 square feet of dedicated banquet space with a capacity of 1,500 and ten meeting rooms comrpsing 19,406 square feet.
[2] The Budweiser Events Center is part of The Ranch Events Complex which includes the Larimer County Fairgrounds and several additional buildings with meeting and exhibit space. The meeting and exhibit space at the complex includes 208,500 square feet of dedicated exhibit space and 12,500 square feet of meeting space.
[3] The Sanford Center is attached to the George W. Neilson Convention Center, which includes 45,000 square feet of dedicated exhibit space, 10,000 square feet of dedicated banquet space and 4,000 square feet of meeting space.
"N/A" indicates that the information was not available as of the date of this report.
"--" indicates that this does not apply to a particular arena.

Costs for the venues listed above average $49.3 million, increasing to $65.8 million when inflating at three percent to 2017 dollars. From a financial operating standpoint, dedicated arenas of this size tend to operate at near break even, or with a modest operating loss/profit. Given these cost parameters and the incremental event demand potential for the market, a new dedicated arena does not appear to be a viable development option, particularly when the hybrid option previously discussed would be less expensive and can accommodate largely the same non-tenant market.

5.5 Other Room Night Development Concepts

As previously noted, there are numerous non-facility development initiatives that can generate room nights during need periods. For example, Empire State Development is currently working with Governor Cuomo to extend the visitor season in Niagara Falls through investment in several projects. This process may take 10 years and is initially focusing on the following four areas:

5. Growing the outdoor adventure/tourism market. An RFP for outfitters has been issued for family friendly activities such as hiking, biking, climbing, ziplines, snowshoeing, etc.
6. Development of large scale, indoor family attractions downtown (such as Wonder Falls and/or the Niagara Experience Center). Such projects could include a waterpark, virtual reality components, educational elements, retail and restaurants.
7. Acquiring $20 million to $25 million in blighted areas downtown and opening this area up for redevelopment. Comments from event planners note that added restaurant, retail and other hospitality density in the downtown area will be important to attracting added events.
8. Aquarium investment. Currently developing a new $3.3 million Humboldt Penguin Exhibit along with a $500,000 jellyfish exhibit later in 2018. A master planning process is underway that envisions a major phased expansion of the aquarium, as well as commercial development on adjacent properties (i.e., restaurants, retail and hospitality).

Of these project initiatives, the outdoor adventure concepts and the large scale indoor attraction have the potential to materially increase shoulder and off season visitation. While there are no specific estimates of room night generation from these concepts, we believe that they could have a higher long-term impact than various new event facility development concepts described above.

The acquisition of blighted property in the downtown area is very important and will help address lack of hospitality density and quality conditions in some areas, and provide the city with the opportunity to attract added hospitality businesses and potentially increased residential and office development.

Beyond project development, there are opportunities to grow room nights through major event development. As part of this analysis, we have had conversations with Duluth (MN) Tourism focused on initiatives that can help attract non-local visitation during need periods. The seasonality issues in Duluth are not unlike those in Niagara Falls.

Duluth Tourism representatives indicated that the creation of a mix of indoor and outdoor events has been successful in generating room nights during otherwise slower winter periods. Their event-based approach has focused on events that include the following.

- Arrowhead Ice Fishing & Winter Show
- Duluth National Snocross (snowmobile)
- Bentleyville Tour of Lights
- Duluth Sled Dog marathon
- Consumer shows (boats, travel & RV shows)

- Indoor hockey tournaments
- Mountain biking

Among indoor winter events, 70 percent focus on leisure and sports, while 30 percent represent conventions and meetings. Bentleyville Tour of Lights, America's largest free walk-through lighting display, is Duluth's most successful winter event, spanning 38 days and attracting approximately 270,000 annual visitors and generating an estimated $20 million economic impact.

In Niagara Falls, there are several large events including the Ontario Power Generation Winter Festival of Lights (series of fireworks displays) and the Niagara Ice Wine Festival, both based in Canada. An Octoberfest event is held along Old Falls Street on the New York side of the River.

Consideration should be given to developing a new festival concept targeting need periods, allowing for a one to two year planning process, and significant funding during the first several years of the event as a break-even financial operating level (including private support) is eventually reached.

The event should focus on aspects that are unique and authentic to the area, certainly including outdoor/Falls related components, an art competition component, food/wine, music and other aspects designed to highlight the spectacular elements of the Falls area during the winter months.

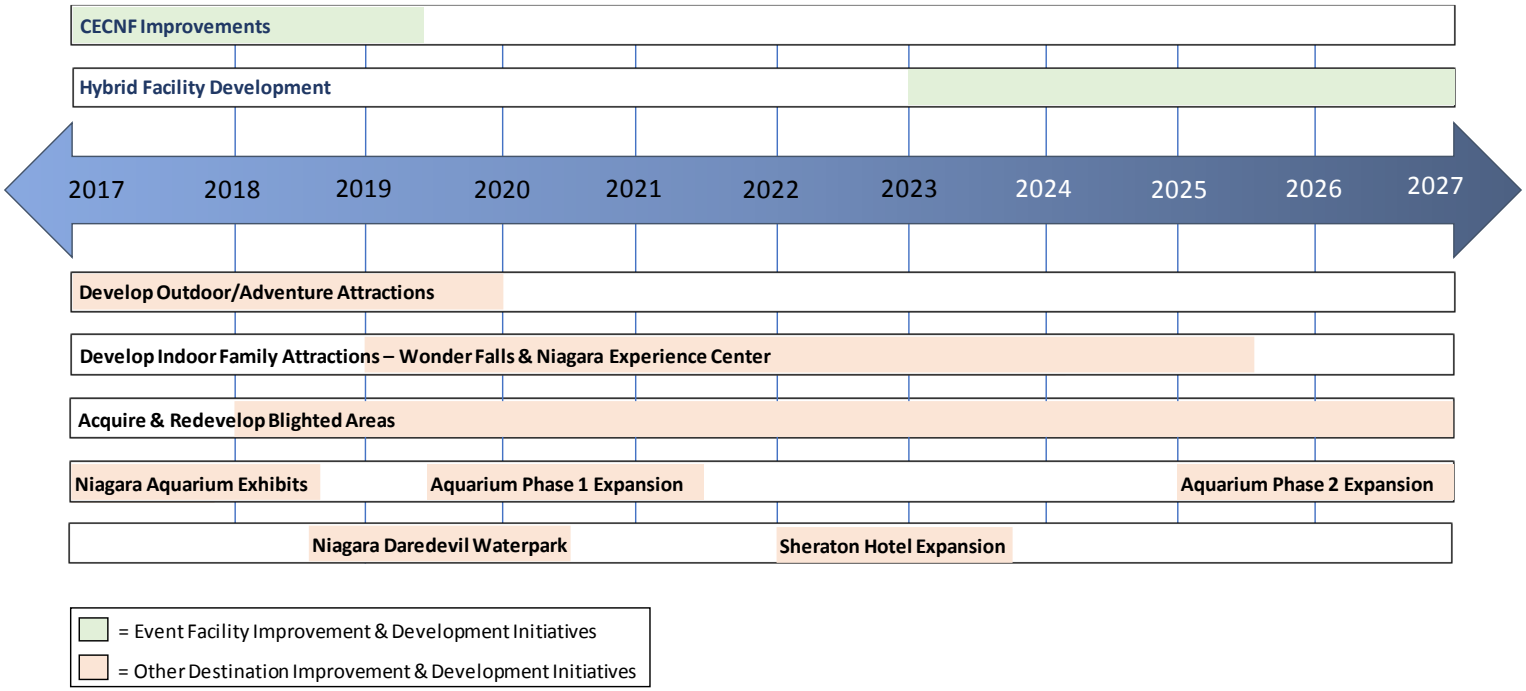
5.6 A Do Nothing Scenario

It is clear that markets throughout the country continue to invest in assets that generate non-local visitation. Community leaders recognize that simply maintaining a status quo with respect to their destination assets will eventually lead to decreases in visitation, and a weakening of assets that help improve local quality of life and attract new residents and businesses.

In Niagara Falls, the world-class natural attraction will help maintain a long-term base line of visitors. However, not investing in additional visitor-generating product would leave this asset underutilized from the perspective of generating room nights and economic impact, and could eventually worsen room night generation during need periods.

The focus for the community in terms of generating visitation and room nights in need periods should be on (1) maximizing the utilization of the existing CECNF; (2) investing in other room night development concepts such as the outdoor adventure and an indoor water attraction; and (3) potentially developing a hybrid concert, sports, entertainment venue, potentially with participation from Niagara University. A timeline highlighting these development initiatives is presented on the following page.

Exhibit 5-12 – Summary of Room Night Generating Project Timing



The recommended timing for investment in public assembly facilities is presented above the timeline, with investment in various tourism generating projects presented at the bottom of the exhibit.

The development of recommended CECNF improvements, as well as developing the outdoor/adventure attractions are viewed as immediate priorities. Acquisition of parcels in the downtown area that could help form a basis for public/private partnerships focused on hospitality and commercial density should also commence in the nearer term. Attraction development focused on Wonder Falls Resort and a Niagara Experience Center would ideally commence in 2019, along with continued planning for Aquarium expansion and related on-site development. The development of the hybrid sports and entertainment venue could commence in 2023, with the understanding that if Niagara University participation emerges, along with viable funding packages, the project could be advanced to the nearer term. This timeline is obviously designed to serve as a general guideline, subject to available funding, changing market conditions, private sector project interest, and other such factors.

Summary

Over many decades, the fortunes of Niagara Falls have been tightly linked to the Niagara River. Manufacturing supported by power generation created by the River began and expanded for over 150 years starting in the 1800's. While the manufacturing economy began a significant decline starting in the 1960's, the tourism potential of the Falls contributed heavily to the economy of Niagara Falls.

Today, the brand of the destination still has significant domestic and international reach – leveraging one of the most iconic natural attractions in the country. At the same time, the ability of the Falls to generate non-local visitation is limited by two primary factors: seasonality patterns that result in low visitation during cold weather months, and a general lack of destination appeal outside the Niagara Falls State Park area.

The recommendations outlined throughout this Study are designed to leverage the significant existing strengths of the destination to generate increased room night demand, particularly during the off season. Solutions to the challenge of increasing non-local visitation must be viewed in terms of facility development/enhancement *and* downtown destination building. The strategies in place today for Niagara Falls, combined with the investment summarized herein reflect the significant development of hospitality establishments, visitor friendly districts, attractions and event facilities needed to be successful in the highly competitive event and visitor industry.

APPENDIX 1
HYBRID VENUE CASE STUDIES

DRAFT COPY
For Discussion Purposes Only

COMPARABLE FACILITY CASE STUDY

Reno Events Center – Reno, NV

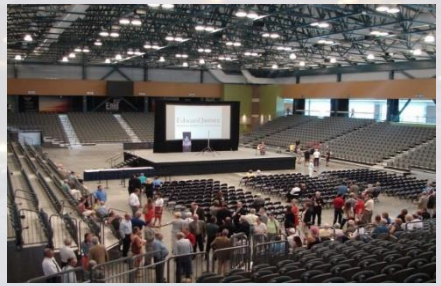
- Owned by the City of Reno and operated by the Reno-Sparks Convention & Visitors Authority.
- Opened in 2005.
- Construction Cost: $27.5 million (in 2005 dollars).
- Flexible configurations:
  - 7,000 retractable seats
  - 56,000 square feet of open exhibit space
- Regularly hosts concerts, family shows, sporting events, competitions, tradeshows and other events.
  - Hosts between 47 and 63 events per year (85 to 127 utilization days).
  - Averages 126,000 to 155,000 total visitors per year.
  - Generates 16,000 to 51,000 hotel rooms nights per year.
- Currently home to the Reno Bighorns of the NBA G- League and the NCAA Basketball Tournament.
- Development of the Center was structured as a public/private partnership that included the City, RSCVA and four local casinos.

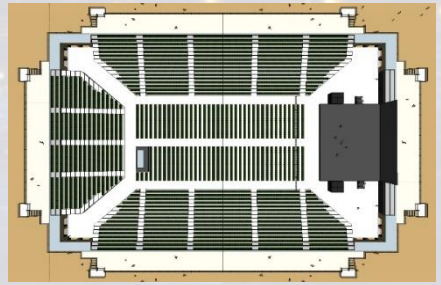
DRAFT COPY
For Discussion Purposes Only

COMPARABLE FACILITY CASE STUDY

Central National Bank Center – Enid, OK

- Owned by the City of Enid and operated by Spectra.
- Located 100 miles from Oklahoma city and 115 miles from Tulsa.
- Opened in 2013.
- Space Offerings:
  - Flexible seating for up to 5,000
  - 33,000 SF flat floor space w/ seats retracted
  - 11 meeting rooms: 6,800 SF
  - 11,300 SF ballroom
- Constructed as part of the Enid Renaissance initiative, a $24 million project.





- Increased the number of events from 231 to 372, a 61% increase in recent years.
- The venue regularly hosts conferences, concerts, public shows, community events, sporting events, family shows and other events.
- The Center generates naming rights/sponsorship revenue of over $250,000 annually.
- Powered with 100% renewable energy.
- Increased gross revenue from $2.2 million in FY14 to an estimated $2.6 million in FY15.
- Reduced operating subsidy in recent years by 16%.

COMPARABLE FACILITY CASE STUDY

DRAFT COPY
For Discussion Purposes Only

Bridge View Center – Ottumwa, IA

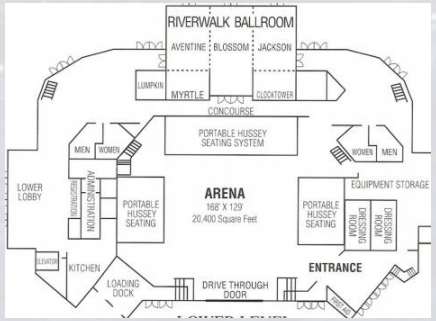
- Bridge View Center is owned by the City of Ottumwa and operated by VenuWorks.
- Opened in 2007.
- Located 90 minutes from Iowa City and Des Moines.
- Facility Features:
  - 30,000 square feet of exhibit space
    - Retractable seating
    - Accommodates 2,900 for concerts
  - 665-seat theater
  - 7,000 SF of meeting space (5 rooms)
- In recent years facility has hosted Tradeshows, Banquets, Concerts, Monster Tucks, Rodeos, Comedians, etc.
- Daily Facility Rental Pricing:
  - Expo Hall: $2,250
  - Theater: $550
  - Meeting Rooms: $100 per room

COMPARABLE FACILITY CASE STUDY

DRAFT COPY
For Discussion Purposes Only

Forum River Center – Rome, GA

- Owned by the Floyd County and operated by Safari Hospitality Management.
- Facility is 70 miles from Atlanta and Chattanooga and 120 miles from Birmingham
- Space Offerings:
  - 4,000 retractable seats
  - 34,300 square feet of open exhibit space
  - 2,800 sq. ft. of meting space – 3 rooms
  - 6,000 sq. ft. of ballroom space
- Regularly hosts concerts, conventions, sporting events, rodeos, high school/college graduations, weddings and community events.



- Currently in final stages of a $1.4 million dollar renovation which will make upgrades and improvements to the arena, concourses and lobby areas.
- Daily Facility Rental Pricing:
  - Arena: $3,500
  - Ballroom: $2,500
  - Meeting Rooms: $200 to $400