

FREW
DEVELOPMENT GROUP


VenuWorks
management | events | consulting

Fulfilling promises. Creating success.



North Idaho College

NORTH IDAHO COLLEGE SPORTS COMPLEX FINDINGS

OCTOBER 30, 2013

The logo for Frew Development Group features the word "FREW" in a large, bold, serif font with a textured, stippled appearance. Below it, the words "DEVELOPMENT GROUP" are written in a smaller, clean, sans-serif font. The entire logo is enclosed within a thin, dark rectangular border.

FREW
DEVELOPMENT GROUP

Since its founding in 2003, Frew Development Group has provided project and construction management services to our private and public sector clients. Specializing in public entertainment venues, we hold ourselves accountable for holding each entity that we manage accountable. We drive the team, enforce the budget, track spending and deliver the project as if it were our own.

In addition to the full range of design and construction phase services, FDG excels at early stage development, including site selection, entitlements, financial planning and legal positioning. Based in Colorado, FDG has offices in New York, Iowa, Oregon and Denver.

“Our core competency is the planning and execution of complex real estate projects.”

John Frew

Owner

CEDAR RAPIDS CONVENTION CENTER, CEDAR RAPIDS, IOWA

CLIENT

- City of Cedar Rapids, Iowa

PROJECT COST

- \$66.8 million (Partially Funded by US Department of Commerce, Economic Development Administration, and the State of Iowa)

STATUS

- Completion June 2013

ROLE

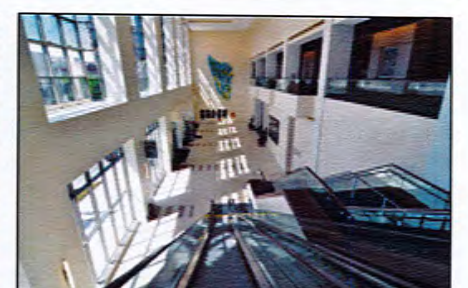
- Project & Construction Manager

REFERENCE:

- Jeff Pomeranz, City Manager
319.286.5080
j.pomeranz@cedar-rapids.org

KEY FEATURES

- 131,752 square feet of New Construction
- 48,539 square feet of Exhibit Space
- 19,383 square feet of Meeting Space
- 12,359 square foot Ballroom
- Direct Connection to the DoubleTree by Hilton
- Managed by Hilton Worldwide



DOUBLTREE BY HILTON AT THE U.S. CELLULAR CENTER, CEDAR RAPIDS, IOWA

CLIENT

- City of Cedar Rapids, Iowa

PROJECT COST

- \$44.4 million

STATUS

- Completion June 2013

ROLE

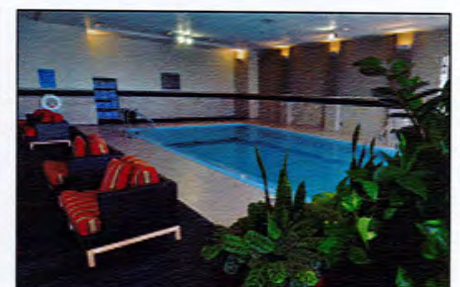
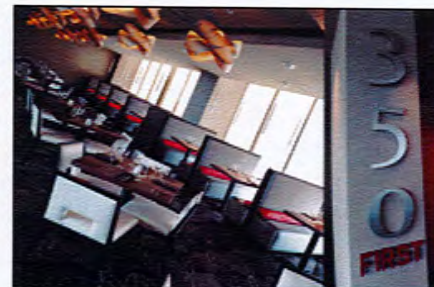
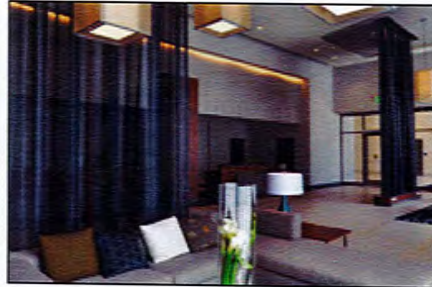
- Project & Construction Manager

REFERENCE:

- Jeff Pomeranz, City Manager
319.286.5080
j.pomeranz@cedar-rapids.org

KEY FEATURES

- DoubleTree by Hilton Franchise
- 173,960 square feet of Renovated Space
- 267 Rooms
- 8,466sf of Meeting Space
- Direct Connections to Convention Complex and Arena
- Managed by Hilton Worldwide



CLIENT

- City of Cedar Rapids, Iowa

PROJECT COST

- \$20 million (Partially Funded by US Department of Commerce, Economic Development Administration, and the State of Iowa)

STATUS

- Completion June 2013

ROLE

- Project & Construction Manager

REFERENCE:

- Jeff Pomeranz, City Manager
319.286.5080
j.pomeranz@cedar-rapids.org

KEY FEATURES

- 165,515 square feet of Renovations
- 32,593 square feet of Exhibit Space
- 8,600 Seat Capacity
- 12 Open Suites
- 3,000 square foot Club Lounge
- Managed by Hilton Worldwide



CEDAR PARK EVENT CENTER, CEDAR PARK, TEXAS

CLIENT

- City of Cedar Park, Texas

PROJECT COST

- \$55 million

STATUS

- Completed 2009

ROLE

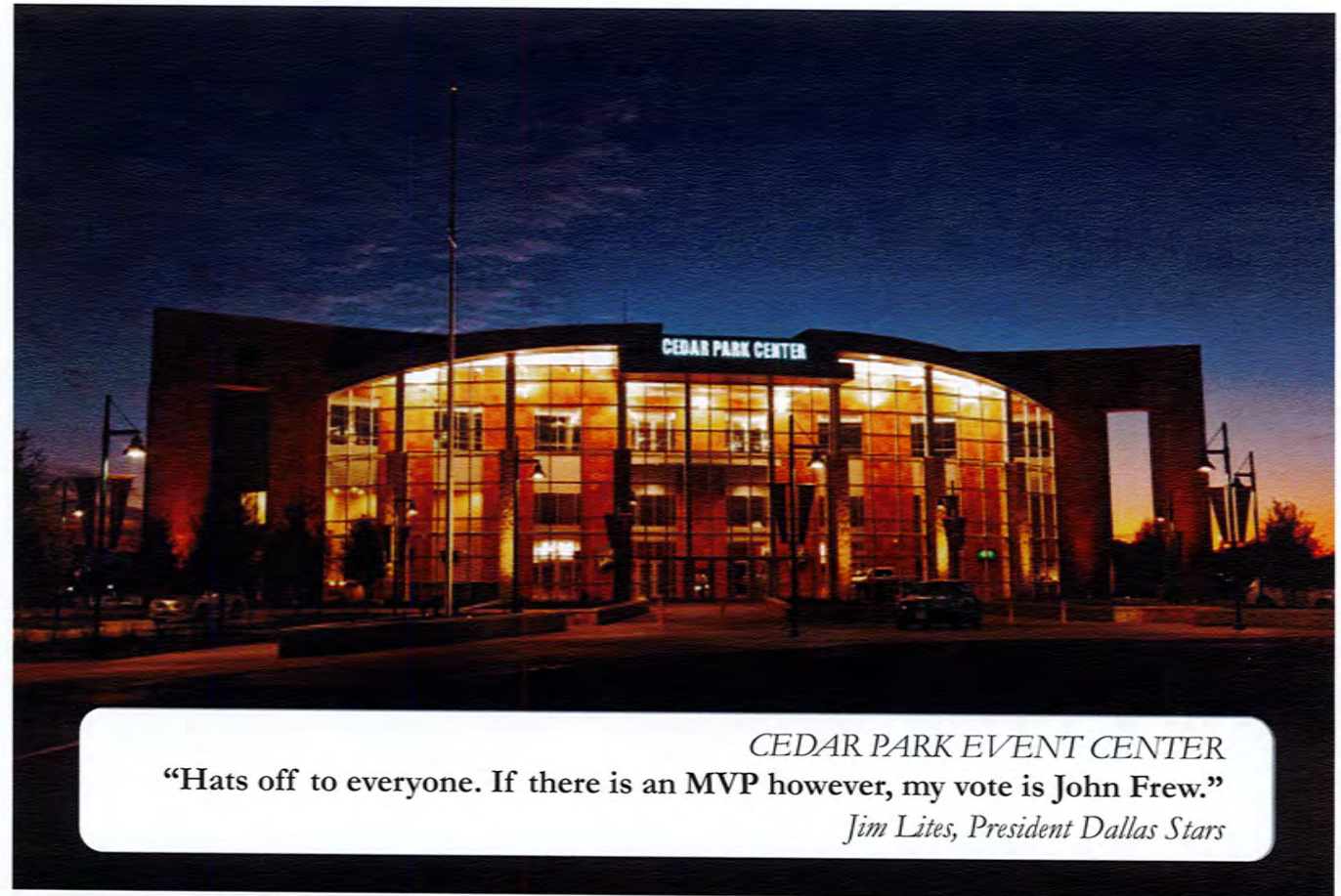
- Owner's Representative

REFERENCE:

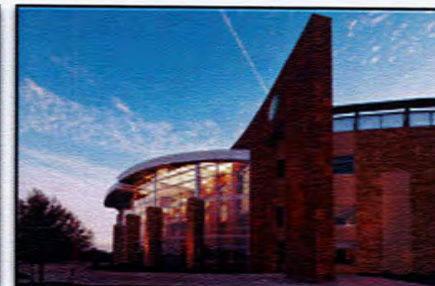
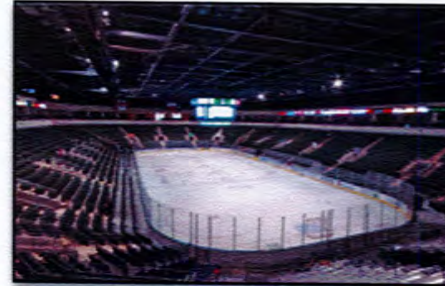
- Brenda Eivens, City Manager
512.401.5000
eivens@cedarparktx.us

KEY FEATURES

- 6,800 Seat Multi-Purpose Arena
- 2,700 Paved Parking Spaces
- Club Restaurant & Bar
- 24 Luxury Suites
- Club Seating & Lounge
- Public / Private Partnership with
Hicks Sports Group
- 50 Acre Development
- AHA Texas Stars



CEDAR PARK EVENT CENTER
“Hats off to everyone. If there is an MVP however, my vote is John Frew.”
Jim Lites, President Dallas Stars



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BROOMFIELD EVENT CENTER, BROOMFIELD, COLORADO

CLIENT

- City & County of Broomfield, CO

PROJECT COST

- \$45 Million

STATUS

- Completed 2006

ROLE

- Co-Developer

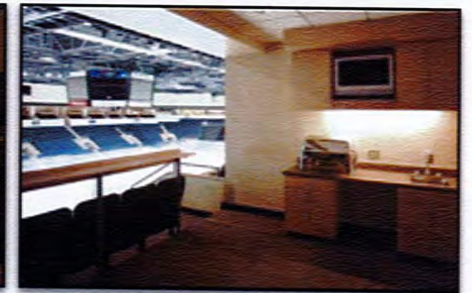
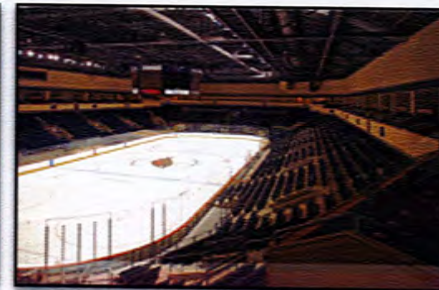
REFERENCE:

- Charles Ozaki, City Manager,
City and County of Broomfield
303.438.6300
cozaki@broomfield.org



KEY FEATURES

- 6,000 Seat Multi-Purpose Arena
- 24 Luxury Suites
- 2 Suite Level Club Restaurants
- 1000 Premium Seats
- 2 Adjacent Club Lounges
- NHL Regulation Ice Floor
- 183,000 square feet Full Court Basketball Practice Gym
- NBA D-League Colorado 14ers
- CHL Rocky Mountain Rage



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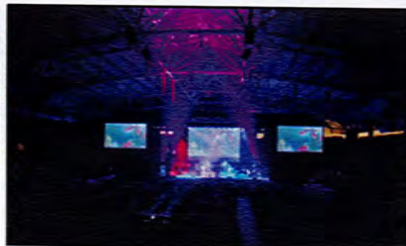
Fulfilling promises. Creating success.

- VenuWorks provides comprehensive consulting services to facility owners and an Event Center operator as well, providing management, booking and marketing solutions for arenas, convention centers and theatres throughout North America, representing public-sector owners of over 50 separate facilities in 19 communities in 12 states.
- Over the last fifteen years, VenuWorks has participated in the visioning, planning, development and opening of more than fifteen (15) entertainment, sports and meeting facilities. The company's consulting practice provides managerial audits, financial forecasts, benchmarking studies, and marketing and sales reviews among other services.
- VenuWorks operated two venues that were contained in the original CSL study for this project, including the Three Rivers Arena and Convention Center facilities complex in Kennewick, WA and the Swiftel Center located in Brookings SD.
- VenuWorks has an excellent grasp of the fundamentals in operating multi-purpose event centers facilities in similar sized locations. They bring an extensive data base, familiarity with the Northwest U.S. and Idaho/Washington State region as well as a vital operational perspective and practices to our scope.
- VenuWorks grasps project needs quickly while developing sensitivities to stakeholder issues. They readily transfer their operational knowledge and 'comparable' facility capabilities to our team, which provide a valuable underpinning to financial sustainability, once the facility opens.

Three Rivers CC & Toyota Arena Kennewick, WA


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Comparable Venues
3,000 -5,000 seats


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Swiftel Center - Brookings, SD

Comparable Venues
3,000 -5,000 seats



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Bemidji, MN

Comparable Venues

3,000 -5,000 seats



Bridge View Center - Ottumwa, IA

Our Mission

To objectively consider the design, operation, construction, management, financing and uses of the proposed NIC Sports Complex.

Deliverable: Right Size the Facility

- A multi-purpose facility offering spectator and flat floor/meeting space rather than a single purpose arena with a primary focus on spectator events.
- Break out meeting space
- Show production capabilities (including rigging)
- Commissary
- Amphitheater
- On Site Parking
- NIC athletic department and teams to be located on site

Proposed Building Design Elements

- ❑ Number of seats: 3,000
- ❑ Size: 80,000sf (=/- 5,000sf)
- ❑ Suites: 2-4
- ❑ Concessions: full commissary
- ❑ In-house Ticketing
- ❑ 10,000sf classroom/conference/meeting space
- ❑ On-site Parking
- ❑ Amphitheater

Proposed Number of Seats

- ▣ 3,000
- ▣ Why this level?
 - ▣ Threshold for hosting NJCAA events
 - ▣ Would allow 4,000 for concert seating
 - ▣ A larger facility would compete with Spokane (5,300)
 - ▣ INB Performing Arts Center average show = 1,920
 - ▣ Schuler non-NIC events average = 579 to 833
 - ▣ It's scalable
 - ▣ NIC athletics
 - ▣ Community Events
 - ▣ Flat floor space for winter use

Proposed Size of Building

- ❑ 80,000sf (+/- 5,000sf) = 2 acres
- ❑ Determined by:
 - ❑ Number of seats
 - ❑ Suites
 - ❑ Commissary and Concessions
 - ❑ Storage and Marshaling Space
 - ❑ Culinary events and meeting space
 - ❑ Ticket Office
 - ❑ Classroom space
 - ❑ Athletic department space
 - ❑ Office space
 - ❑ Locker rooms
 - ❑ Training rooms

Type of Construction: Framed

- ▣ Pro's:
 - ▣ Design Flexibility
 - ▣ A more customized look

- ▣ Con's
 - ▣ More expensive
 - ▣ Longer schedule

Framed Building



**SINK
COMBS
DETHLEFS**
SPORTS ARCHITECTURE



Broomfield, Colorado

Type of Construction: Pre-Manufactured

- ▣ Pro's:
 - ▣ Shorter schedule
 - ▣ Less expensive

- ▣ Con's
 - ▣ Less functionality (e.g. rigging)
 - ▣ Needs supplemental exterior finishes
 - ▣ Less design flexibility (aesthetics)

Pre-Manufactured Building



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Brookings, South Dakota

Type of Construction: Tilt Wall

- ▣ Pro's:
 - ▣ Cost Effective
 - ▣ Durability

- ▣ Con's
 - ▣ Least remodel flexibility (difficult to add onto)
 - ▣ Some perceive it to be more industrial

Tilt Wall Building Type



**SINK
COMBS
DETHLEFS**
SPORTS ARCHITECTURE



Prescott Valley, Arizona

Proposed On-Site Parking

- 1,200 spaces
- Calculations:
 - 3,000 seats
 - 2.5 occupants per vehicle
 - 1,200 parking spaces
 - 350sf per space
 - 420,000sf
 - 43,560sf/acre
= 10 acres

Site Selection

NIC has narrowed site selection to two options:

1) Atlas Mill Site

- ▣ 25 acres
- ▣ Assumes Railroad easement is included
- ▣ Assumes site will be within LCDC and City boundaries

2) Riverstone Site

- ▣ 10 acres

Site Requirements

Minimum site requirement: 12 acres

- Event Center: 2.0 acres
- On-site Parking: 10 acres

Site Option 1: Atlas Mill



© 2013 Google

Google earth

1998

Imagery Date: 7/2/2013 47°41'59.04" N 116°49'55.43" W elev 655 m eye alt 1.23 km



1 SITE OPTION 1

SCALE: 1" = 200'-0"

NIC EVENT CENTER - ATLAS MILLS SITE
 COEUR D'ALENE, IDAHO
 October 28, 2013

SINK
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 ARCHITECTURE DESIGN



Site Option 2: Riverstone

Riverstone, Coeur d'Alene, ID 83814, USA



N Ramsey Rd

N Idaho Centennial Trail
W Seltice Way

W Riverstone Dr

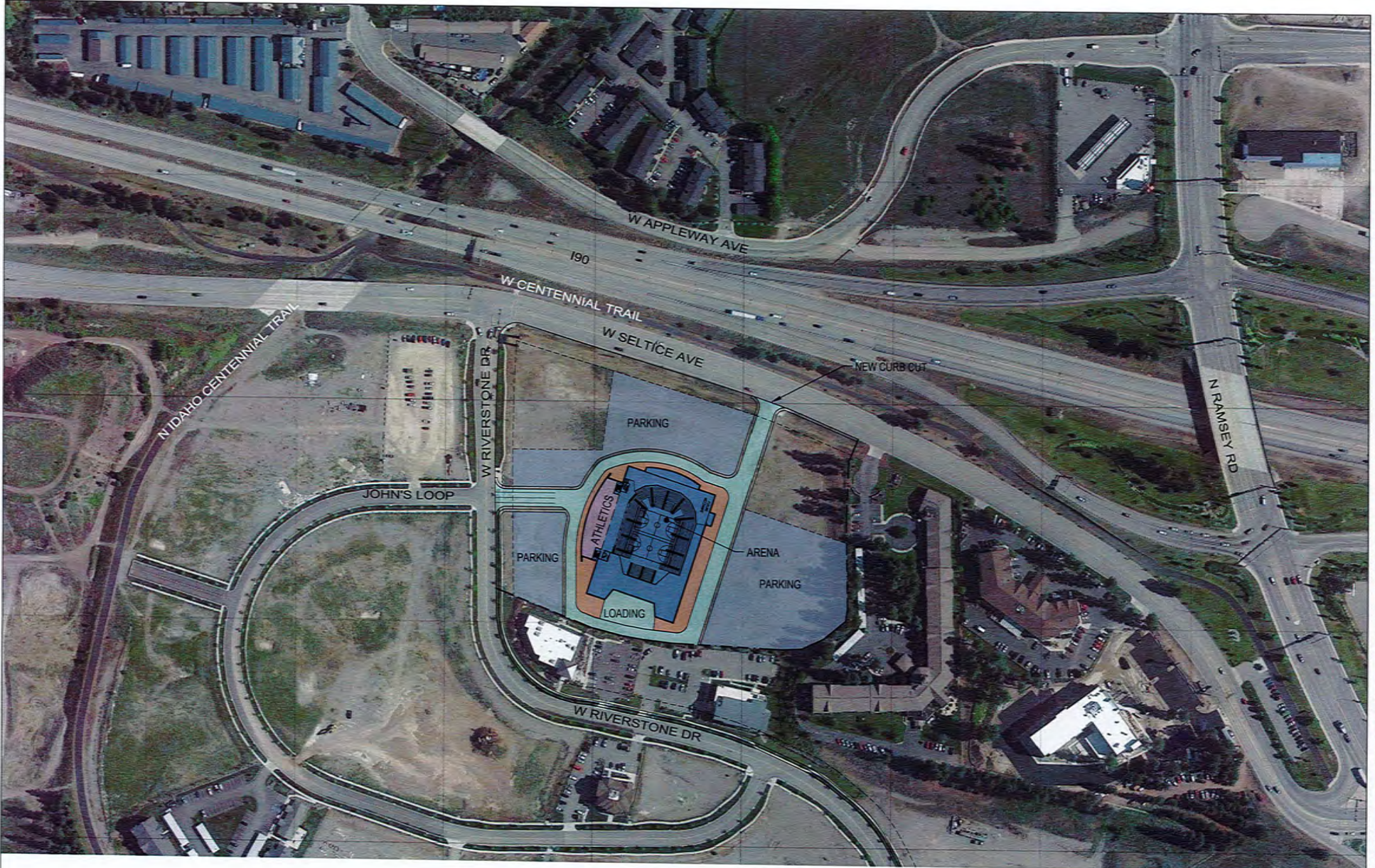
John's Loop

© 2013 Google

Google earth

1998

Imagery Date: 7/2/2013 47°41'56.88" N 116°48'44.37" W elev 668 m eye alt 1.33 km



2 SITE OPTION 2

SCALE: 1" = 200'-0"

NIC EVENT CENTER - RIVERSTONE SITE
 COEUR D'ALENE, IDAHO
 October 29, 2013

**SINK
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 ARCHITECTURE DESIGN



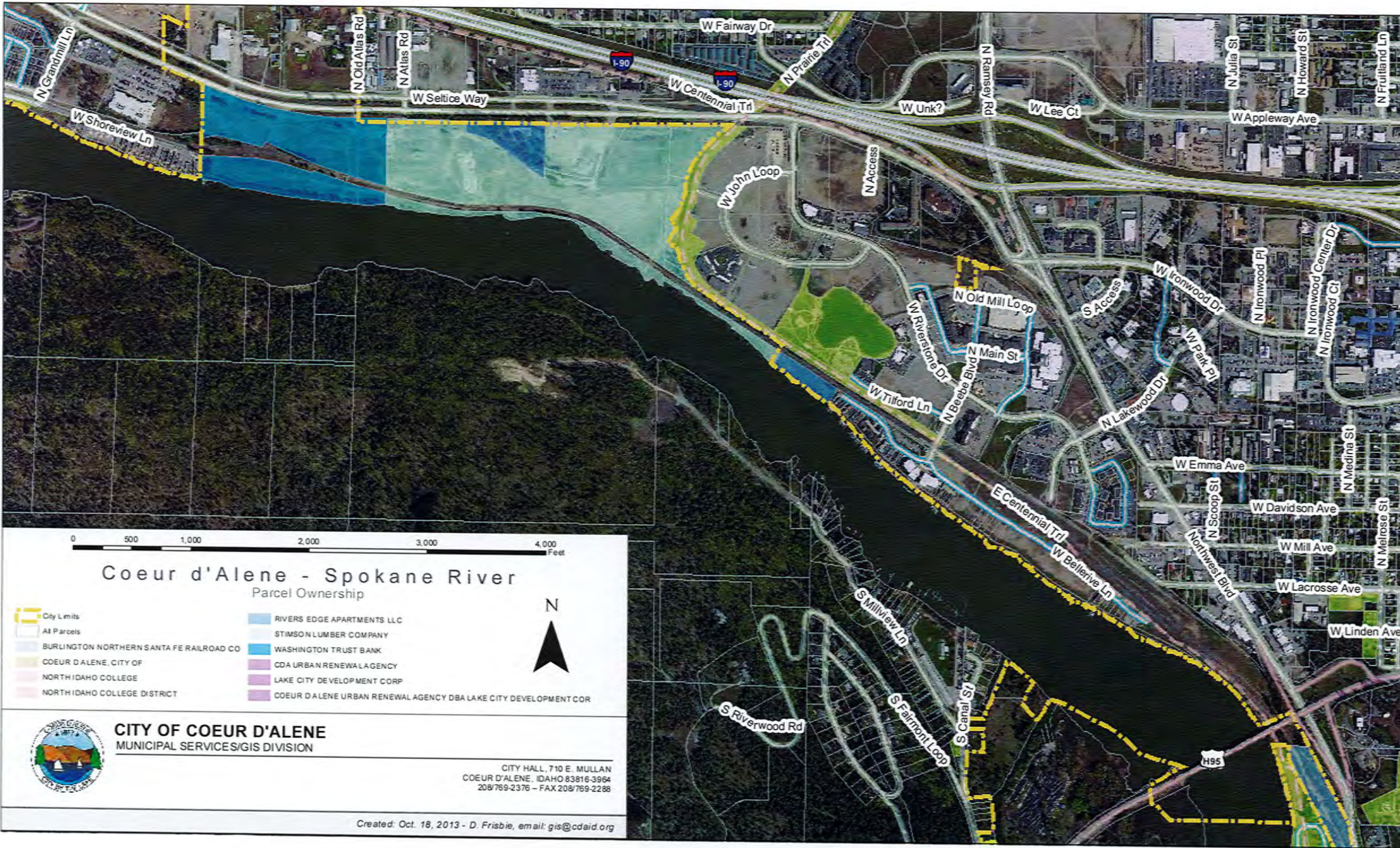
Preferred Site: Atlas Mill

Atlas Mill is a unique site that, if properly planned, will allow multiple, complimentary NIC and community uses:

- ❑ Sports Complex (including flat floor trade show space)
- ❑ Co-Location of NIC Educational Curriculum
 - ❑ Professional Technical Education Facility
 - ❑ Outdoor Pursuits
 - ❑ Hospitality Restaurant and Recreation Management
- ❑ Dockside uses, including seasonal food and beverage
- ❑ Amphitheater
- ❑ Bike path connecting to main campus
- ❑ Shared parking

Benefits Unique to Atlas Mill Site

- Sale or lease of out lots to third-party for commercial/retail uses.
- Spreading of infrastructure cost among different uses.
- Developing a community asset on a waterfront location.
- Capable of outdoor entertainment and recreation



0 500 1,000 2,000 3,000 4,000 Feet

Coeur d'Alene - Spokane River Parcel Ownership

- | | |
|--|--|
| City Limits | RIVERS EDGE APARTMENTS LLC |
| All Parcels | STIMSON LUMBER COMPANY |
| BURLINGTON NORTHERN SANTA FE RAILROAD CO | WASHINGTON TRUST BANK |
| COEUR D'ALENE, CITY OF | CDA URBAN RENEWAL AGENCY |
| NORTH IDAHO COLLEGE | LAKE CITY DEVELOPMENT CORP |
| NORTH IDAHO COLLEGE DISTRICT | COEUR D'ALENE URBAN RENEWAL AGENCY DBA LAKE CITY DEVELOPMENT COR |



CITY OF COEUR D'ALENE
MUNICIPAL SERVICES/GIS DIVISION

CITY HALL, 710 E. MULLAN
COEUR D'ALENE, IDAHO 83816-3994
208/769-2376 - FAX 208/769-2288

Created: Oct. 18, 2013 - D. Frisbie, email: gis@cdaid.org

Deliverable: Conceptual Capital Budget

Construction Type	Low	High	Range
Framed	\$325/sf	\$350/sf	\$26 - 28 Million
Tilt Wall	\$275/sf	\$300/sf	\$22 - 24 Million
Manufactured	\$225/sf	\$250/sf	\$18 - 20 Million

(Each is based on a 80,000 square foot building)

Deliverable: Operating Budget

North Idaho College Multi-Purpose Event Center

Estimated Operating Pro Forma prepared by VenuWorks

- *Note - This projection is based on estimates, assumptions and other information from supplemental research, general knowledge of the industry, and information provided by and consultations with Venuworks' client. However, changes in market conditions and the national marketplace will likely occur and many competitive, financial and economic factors are outside the control of the consultants.*
- **From the Ad Hoc Committed Report:**
 - **#3 Facility must break even by the end of year five.**

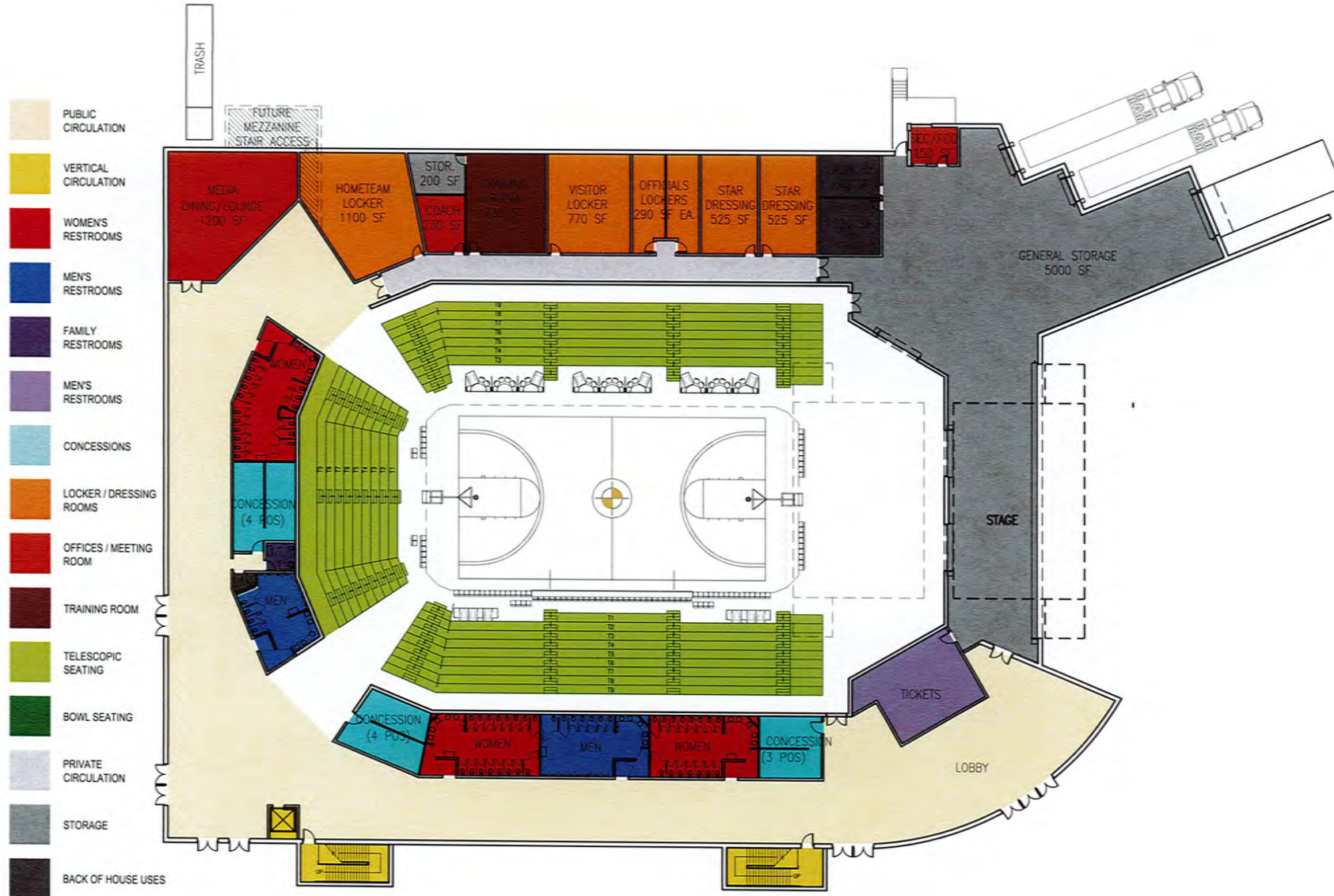
Operating Budget Assumes Multi-Purpose Events



Operating Budget Assumes Multi-Purpose Events



BASKETBALL - 3,500 SEATS

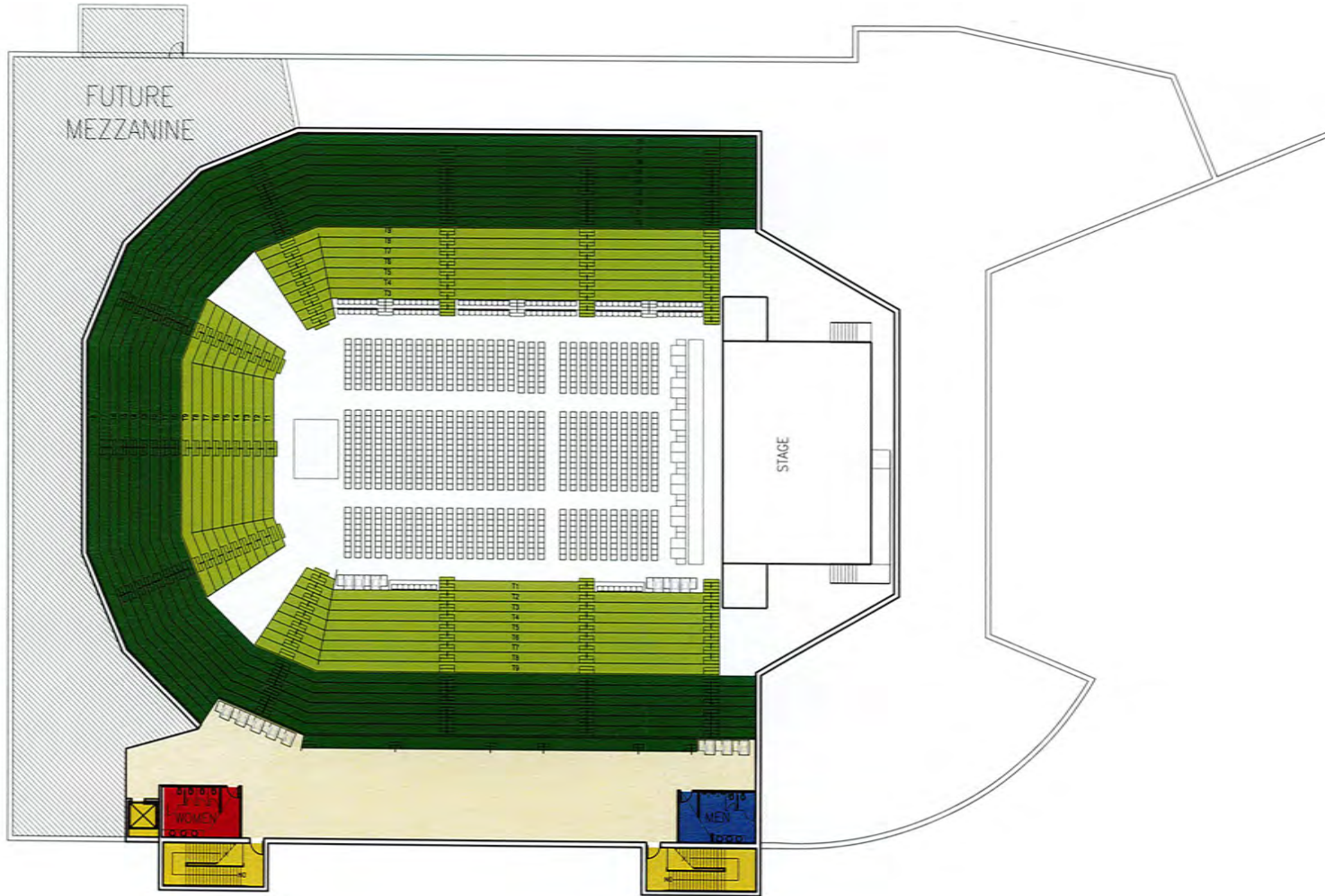


- PUBLIC CIRCULATION
- VERTICAL CIRCULATION
- WOMEN'S RESTROOMS
- MEN'S RESTROOMS
- FAMILY RESTROOMS
- MEN'S RESTROOMS
- CONCESSIONS
- LOCKER / DRESSING ROOMS
- OFFICES / MEETING ROOM
- TRAINING ROOM
- TELESCOPIC SEATING
- BOWL SEATING
- PRIVATE CIRCULATION
- STORAGE
- BACK OF HOUSE USES

1 CONCOURSE LEVEL
SCALE: 1" = 30'-0"

NORTH IDAHO COLLEGE EVENT CENTER
 Coeur d'Alene, Idaho

END STAGE - 4,275 SEATS



1 END STAGE LAYOUT

SCALE: 1" = 30'-0"

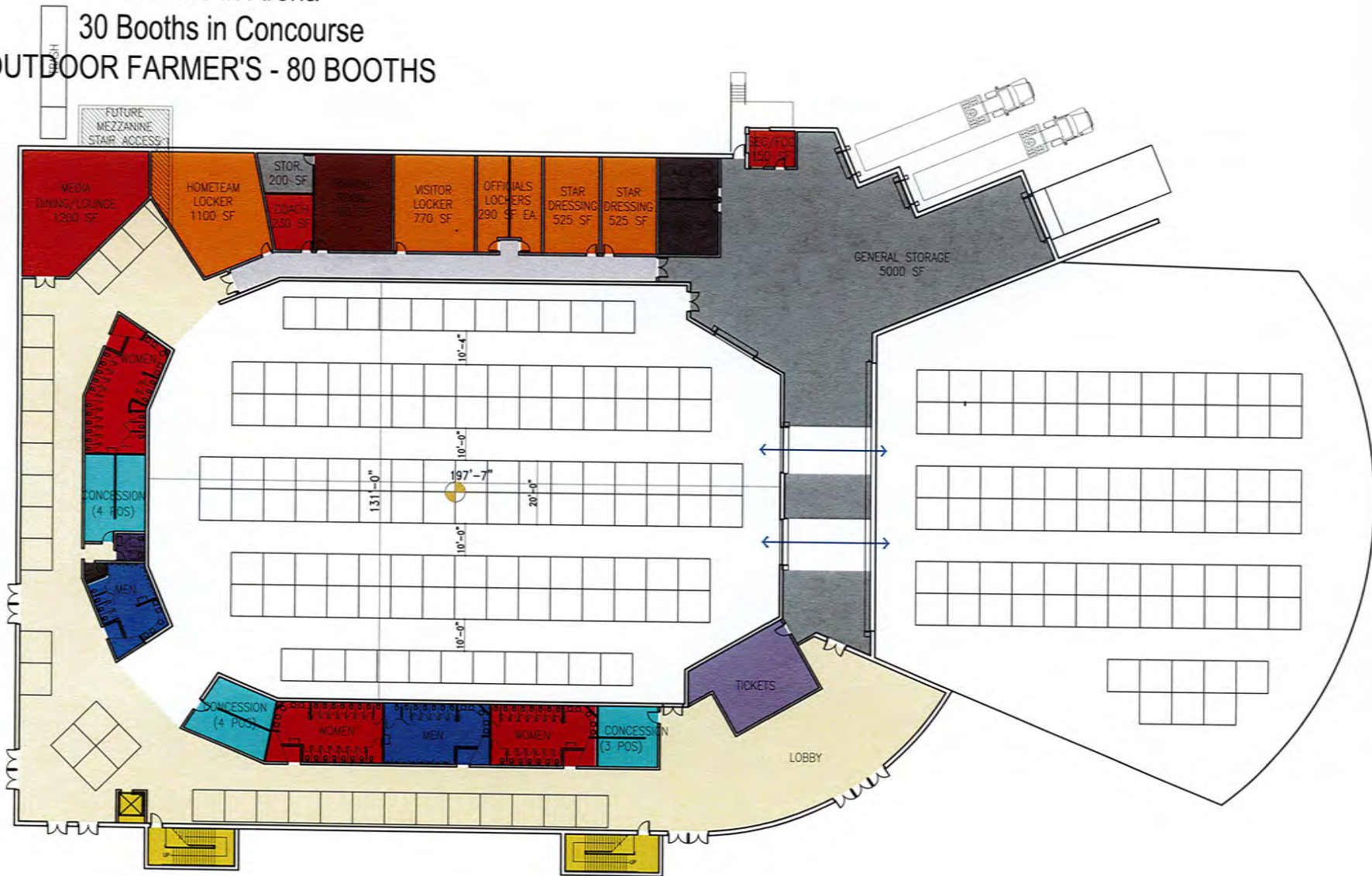


TRADE SHOW - 154 BOOTHS TOTAL

124 Booths in Arena

30 Booths in Concourse

OUTDOOR FARMER'S - 80 BOOTHS



1 TRADE SHOW LAYOUT
SCALE: 1" = 30'-0"

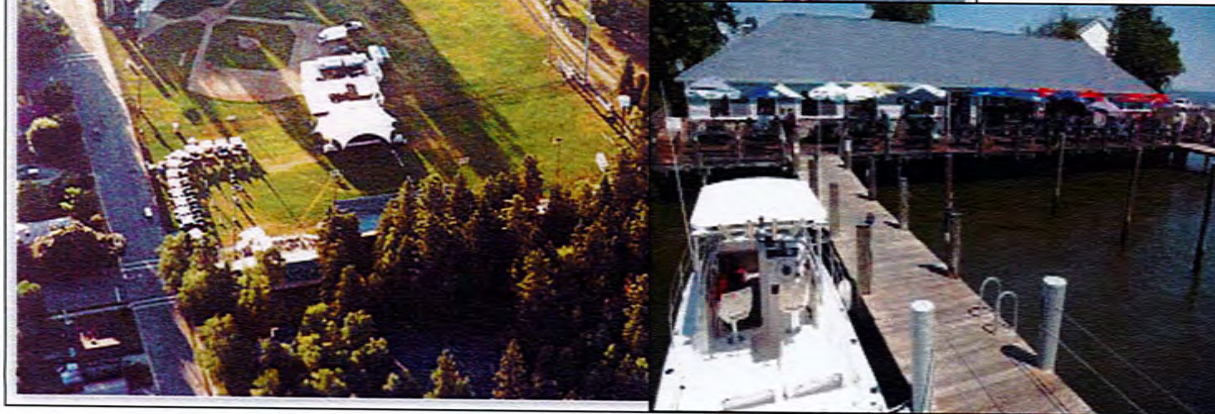
General Proforma Assumptions

1. This is a projected Profit & Loss (P&L) based on multiple significant variables. It is for discussion purposes and is not a guarantee of actual results. Does not include any pre-opening or start-up operational expenses during construction.
2. Building size approx. 80K SF; minimum of 3,000 fixed indoor seats with 4 suites/hospitality areas. Additionally, at least 10,000 SF of supplemental meeting, catering space and wide/over-sized concourse spaces to host pre-function hospitality
3. Stage will have dual-capacity; capability to serve Outdoor set-up of approximately 4,000-5,000 seats/lawn
4. Attendance figures estimated based on our industry experience and an estimated maximum capacity of 3,000 seats.
5. The overall staffing mix based on Third Party-operating model: FTE's may include Schuler staff support; Student labor + Part-Time help as described below per Schedule D.
6. College support services (i.e. maintenance, IT and grounds/landscaping, snow removal) will be determined, allocated

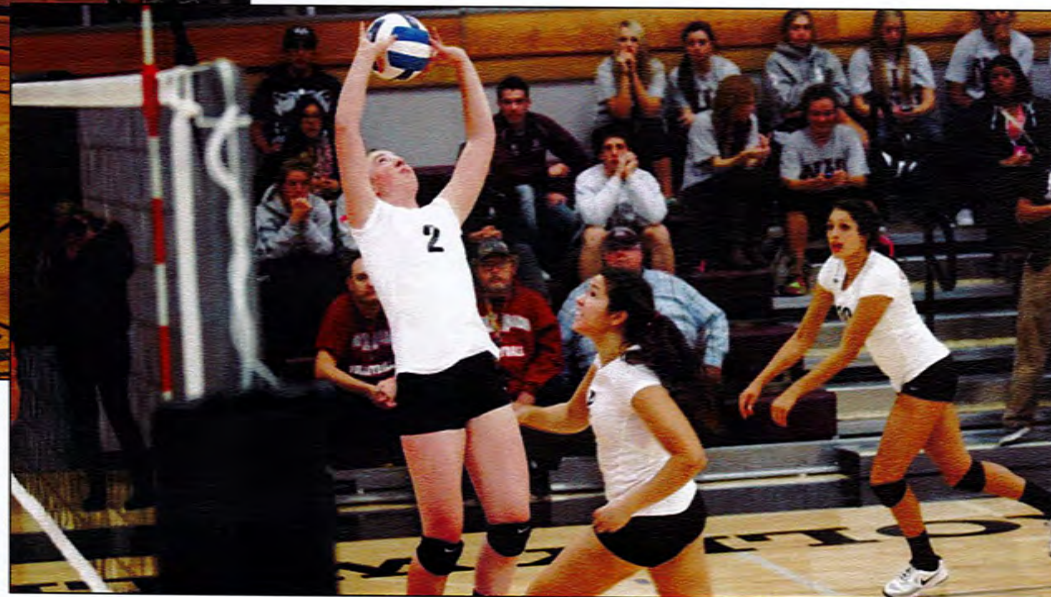
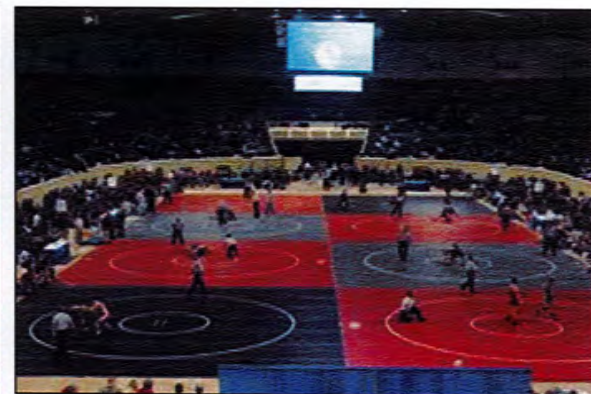
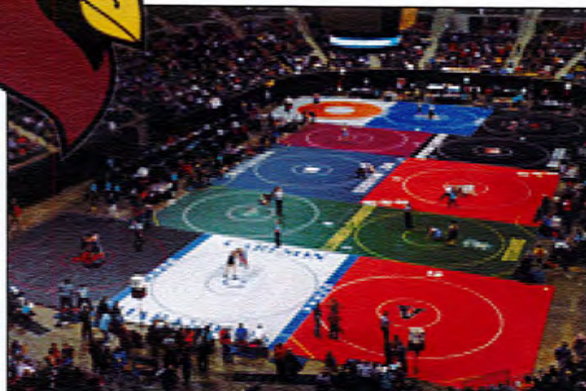
Management Options

- ▣ Three Options:
 - ▣ NIC manages
 - ▣ Third-Party manages
 - ▣ Combination

Site Driven Attributes



Now Host Tournaments, Not Travel



Dual Stage: Indoor / Outdoor

Stage AE, Pittsburgh, PA



Opportunity to fill Unmet “Event Niche”

- ❑ Cd'A “routes” well for promoters
- ❑ Concerts are biggest ‘payday’ (event income)
- ❑ Booking driven by 3rd party promoter/risk taker
- ❑ Costs for NIC Event Center more affordable than Spokane
- ❑ No first class Flat Floor / Trade show space
- ❑ Lack of Riverfront catering alternatives, at moderate price points (with alcohol)

**LEAD INCOME
STATEMENT**

	Projected Year 1	Projected Year 2	Projected Year 3
Total # of Performances	181	195	209
Total Annual Attendance	125,325	136,050	146,775
Event Income			
Rental Income	108,250	128,500	148,750
Co-Pro or Promoter Rebate Expense (Net)	(25,400)	(31,500)	(37,600)
Total Rental Income	82,850	97,000	111,150
Ancillary Income			
Food & Beverage (Gross, Net of Commissions)	415,400	476,940	534,109
Cost of Goods Sold	(141,645)	(162,769)	(182,363)
Merchandise (Net)	10,400	12,800	15,200
Parking (Net)	82,974	89,831	96,688
Facility Fees & Ticket Rebates	165,110	180,850	196,590
Reimbursed Event Expenses	357,500	390,500	423,500
Total Ancillary	889,739	988,152	1,083,724
Total Event Income	972,589	1,085,152	1,194,874
Other Operating Income			
Prem. Seating/Adv. + Sponsorship COI (Net)	75,000	75,000	75,000
Naming Rights (Net)	75,000	75,000	75,000
Other Miscellaneous	10,000	10,300	10,609
Total Other Operating Income	160,000	160,300	160,609
Total Operating Income	1,132,589	1,245,452	1,355,483
Operating Expenses			
Full-Time Labor	466,630	480,629	495,048
Student & Part-Time Labor	275,000	283,250	291,748
Event Expenses	314,000	338,400	362,800
Insurance	22,299	22,968	23,657
General & Administrative	17,000	17,510	18,035
Utilities	200,000	206,000	212,180
Other Occupancy / NIC Support Allocations	45,500	46,865	48,271
Travel & Entertainment	8,000	10,000	10,300
Professional Fees	10,000	10,300	10,609
Contract Labor	25,000	25,750	26,523
Other Services/Operations	21,200	21,836	22,491
Total Operating Expenses	1,404,629	1,463,508	1,521,661
Net Operating (Loss)	(272,040)	(218,056)	(166,178)

Schedule B: Event Summary

<u>Event Type</u>	Year 1	Year 2	Year 3
Concerts (incl. Outdoor)	8	10	12
Comedy, Stage, Family Shows	6	7	8
Other / Misc	3	4	5
HS Sports / Cheer	6	6	6
Community Use / Civic	10	12	14
Flat Floor / Trade Shows	4	5	6
Culinary Instruction & Banquets	45	50	55
Meetings Only	20	22	24
NIC Men's/Women's Basketball	26	26	26
NIC Wrestling	6	6	6
NIC Volleyball	3	3	3
NIC Camps	40	40	40
NIC Other / Graduation	4	4	4
Annual Total*	181	195	209

*This amount represents a stabilized potential; will occur over time subject to market and facility conditions.

Schedule D: Staffing

VenuWorks

North Idaho College Multi-Purpose Event Center

OPERATING PROFORMA

SCHEDULE D: SALARIES & RELATED EXPENSES

		FULL-YEAR								
<u>Annual</u>	Medical/			Payroll	Medical/	Other	Total			
Base	Dental	Base		Taxes	Dental/	Benefits	Payroll			
Salary	\$645	Salary	Bonus	10%	Vision	3%	Burden	TOTAL		

Full Time Positions

General Manager	1.0	80,000	7,740	80,000	-	8,000	7,740	2,400	18,140	98,140
Administrative Assistant	1.0	35,000	7,740	35,000	-	3,500	7,740	1,050	12,290	47,290
Food & Beverage Director	1.0	60,000	7,740	60,000	-	6,000	7,740	1,800	15,540	75,540
Director of Operations	1.0	50,000	7,740	50,000	-	5,000	7,740	1,500	14,240	64,240
Business Manager	1.0	50,000	7,740	50,000	-	5,000	7,740	1,500	14,240	64,240
Director of Sales & Marketing	1.0	50,000	7,740	50,000	-	5,000	7,740	1,500	14,240	64,240
Event Coordinator	1.0	40,000	7,740	40,000	-	4,000	7,740	1,200	12,940	52,940
Subtotal	<u>7.0</u>			<u>365,000</u>	-	<u>36,500</u>	<u>54,180</u>	<u>10,950</u>	<u>101,630</u>	<u>466,630</u>
						10%	15%	3%	28%	

NOTE: Estimated Student + Part Time Labor in Year 1 = \$275,000

Deliverable: Financing Options

- NIC will own the property and facility. Foundation ownership would allow tax-deductible gifts to the project.
- Out lots will be created and sold or leased with proceeds dedicated to capital budget, operations or both.
- Co-locating NIC educational facilities on site, including the PTE, would allow for cost sharing of infrastructure.

Recommendations

- Multi-Purpose Sports Complex
- Atlas Mill site (including railroad easement and within LCDC and City boundaries)
- Master plan site: co-location of PTE and other NIC educational facilities with shared parking
- Manufactured or Tilt Wall Building Construction
- 80,000sf (+/- 5,000sf)
- 3,000 fixed seats
- 4 suites (subject to design)
- Third Party & NIC Management
- Use synergies to minimize subsidies

Next Steps

- 1) Secure Atlas Mill property.
- 2) Decide co-location strategy.
- 3) Determine allowable uses of property.
- 4) Confirm city participation.
- 5) Confirm LCDC participation.
- 6) Establish viable budget and plan of finance.

Contact Information



North Idaho College

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