

# FEASIBILITY STUDY FOR THE

National Western Stock Show  
National Western Complex  
Denver Coliseum  
Colorado Convention Center

## PREPARED FOR

Visit Denver  
Denver Arts & Venues  
Western Stock Show Association

## BY

**Strategic** Advisory Group  
**Strategic**

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Mr. Richard W. Scharf, President/CEO  
VISIT DENVER  
Denver, CO 80202

Mr. Kent Rice, Executive Director  
Denver Arts & Venues  
Denver, CO 80202

Mr. Paul Andrews, President/CEO  
National Western Stock Show  
Denver, CO 80216

Dear Messrs. Scharf, Rice, and Andrews:

We have completed our engagement to prepare a market-based, venue feasibility study for the National Western Stock Show, National Western Complex, Denver Coliseum, and Colorado Convention Center, on behalf of the client team, VISIT DENVER, the City of Denver's Arts & Venues and the Western Stock Show Association.

The data included in this report has been extracted from information supplied to us during discussions with project representatives and various other primary and secondary sources. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analyses regarding the project are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

We have enjoyed working on this project and our relationship with the project team. If you have any questions, please do not hesitate to contact Jerry McClendon at (770) 535-1070 or Dan Fenton at (831) 298-7215.

Respectfully submitted,

*Strategic Advisory Group*

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## HIGHLIGHTS | NATIONAL WESTERN AND DENVER COLISEUM

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The **National Western Stock Show (NWSS)**, recognized as the “Super Bowl” of stock shows, is a premier livestock industry event. Unfortunately, there is also a high level of dissatisfaction among users due to the poor state of the aging facilities.

To grow and sustain the historic and iconic Stock Show for the next 100 years, the entire site should be strategically master planned, and a new multi-purpose Arena developed to replace the Denver Coliseum should be integrated north of I-70, taking advantage of the new RTD commuter-rail station. Based upon extensive market research of the industry and main NWSS competitors from around the country, the following recommended facilities to generate year-round use include:

- A new, multi-purpose 10,000 fixed seat Arena with up to 40 suites.
- A new multi-purpose, 5,000 seat (2,500 fixed seats and 2,500 pullout seats), concrete floor Livestock Stadium Arena.
- Re-creation of the Stock Yards with new modern and flexible pens that allows year-round use of the space for other events/activities.
- A new equestrian complex including a new 4,500 seat (2,500 fixed), concrete floor, multi-purpose Equestrian Events Center; a new 500 fixed seat, dirt floor Equestrian Arena; a new 1,000-stall horse barn; outdoor covered exercise arenas; and 10,000 to 20,000 SF of flexible exhibit space.
- A new Exposition Hall with 350,000 leasable SF that could house an Olympic Speed Skating Oval; 20,000 to 25,000 SF in “swing space” for food functions and special events; 3-4 breakout meeting rooms divisible up to 10 smaller rooms.

This approach will:

- Enable the Stock Show to maintain its place as a top stock show in the country/world for many decades to come.
- Provide the community with a significant sports and entertainment complex connected to downtown via commuter rail, which can open up new event opportunities for Denver to attract new visitors to the City.

- Position Denver as a top destination for large national horse and livestock events.
- Provide a strong anchor to the North Denver Cornerstone Collaborative and assist in the re-vitalization of the surrounding neighborhoods and exemplify the dynamic opportunities of the Corridor of Opportunity.

## HIGHLIGHTS | COLORADO CONVENTION CENTER

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### General Observations:

Extensive customer feedback demonstrated a high level of satisfaction with the overall meetings and convention experience in Denver. Suppliers, internal team members, and community partners and industry leaders also shared this view.

The Colorado Convention Center (CCC) has been a strong performer in terms of room night driven conventions among its competitors. **However, Denver cannot rest on its past.** The meetings and convention industry is evolving due to new dynamics and is highly competitive. If the CCC does not continue to invest in design and operational advancements, there is a high likelihood it will lose its competitive position.

To allow Denver to maintain and enhance its competitive position, the following facility modifications are recommended:

1. **Ballroom/Meeting Space** – The CCC should master plan for the addition of a 35,000 to 50,000 square foot ballroom and 25,000 to 35,000 square feet of meeting space. As much of the new space as possible should be developed as “specialty space”, providing a unique experience that takes advantage of Denver’s natural attributes, such as a view to the Rocky Mountains. There are three design options for how to accomplish this recommendation.
2. **Meeting Experience** – Any proposed new facilities should consider the creation of unique meeting experiences and social networking in any planning effort. This recommendation is supported by discussions with meeting planners and industry thought leaders, as well as the survey of the target markets.
3. **Technology** - The CCC should create a plan and allocate the appropriate budget to be a class-leading facility from a technology perspective. The main areas of focus should include offering sufficient bandwidth to accommodate the needs of the attendees and exhibitors, providing the infrastructure to accommodate event online video streaming, and supporting leading edge crowdsourcing technology.
4. **Hotel Package/Development** - The Denver hotel package is the single most important destination selection criteria once an event knows it can be accommodated in the convention center. SAG’s research indicated that planners’ tolerance for distance of a headquarter hotel from a convention center is within one block. It is recommended that the city provide input and

foster the type of hotel development as close to the CCC as possible, which would help sell convention center space when the Hyatt rooms are booked.

5. **One Denver**- A “One-Denver” concept should be developed that will make it as easy to book in downtown as it will be to book at a suburban resort. This will entail creating a CCC and hotel package that can be sold and executed as one product to the meeting planner. This will enable downtown to effectively compete with the Gaylord Rockies project, as well as set Denver ahead of its competitive convention destinations.

### **The Cost of Doing Nothing**

In a competitive industry such as Meetings and Conventions, it stands to reason that if the CCC did not implement the recommendations contained in this report, it would reduce its competitive position. The amount of investment that is being made by competitive destinations would suggest that new and improved convention space and nearby hotels will continue to develop in the coming years. The exact amount of reduced business activity is difficult to quantify, however the importance of staying competitive cannot be understated. As an example, a 10% loss of convention business in Denver would equate to more than \$40 million a year.

The recommendations above represent an opportunity to position Denver as an ongoing market leader in the Convention and Meeting industry.

## EXECUTIVE SUMMARY

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The “VISIT DENVER Team”, comprised of VISIT DENVER, the City of Denver’s Arts & Venues (“AVD”), and the Western Stock Show Association (“Association”) engaged Strategic Advisory Group, Langer Equestrian Group, and Fentress Architects (“SAG”) in 2013 to prepare **an extensive market-based, venue feasibility study** related to:

- The National Western Stock Show Complex (“Complex”), which includes the analysis of the Denver Coliseum (“Coliseum”), and the 16-day National Western Stock Show (“NWSS” or “Stock Show”), and
- The Colorado Convention Center (“CCC”).

The following summarizes the key conclusions and recommendations.

### National Western Stock Show Complex

An overriding theme in the research was that the National Western Stock Show, recognized as the “Super Bowl” of stock shows, is a **premier livestock industry event** (if not the premier event). Unfortunately, there is also a high level of dissatisfaction among users due to the state of the facilities. These **aging and technically obsolete facilities**, along with the poor site logistics, also restrict the level of utilization for events in non-Stock Show months. Given the site’s ideal location just north of downtown, with new and adaptively reused facilities, organized in a more functional master plan, increased utilization and facility impact can be realized.

With the goal of reestablishing the Stock Show for the next 100 years as the historic and iconic event it has been for the past 108 years, and to serve as a primary anchor for the North Denver Cornerstone Collaborative and the gateway from Denver International Airport into downtown, the Western Stock Show Association prepared a set of preliminary recommendations. The recommendations in this report are generally consistent with the building program set forth by the Association, with relatively minor modifications. Because of the constraints of the existing site and the problems it creates, a “piecemeal” approach to improving the site and the facilities would be difficult if not impossible to implement.

**Rather, a sweeping overhaul of the site, including updated site infrastructure and new and adaptively reused buildings is needed to put into place a long-term solution. The opportunity to master plan the site and rebuild the facilities provides the opportunity to create one of the**

**best, uniquely urban, multi-purpose complexes in the country for a wide variety of events, educational purposes, and research activities.** Accomplishing this sweeping rebuild of the site accomplishes four shared partner goals:

1. Enables the Stock Show to maintain its place as a top stock show in the country/world for many decades to come.
2. Provides the community with a significant sports and entertainment complex connected to downtown via commuter rail, which can open up new event opportunities for Denver.
3. Positions Denver as a top destination for large national horse and livestock events.
4. Provides a strong anchor to the North Denver Cornerstone Collaborative, assists in the revitalization of the surrounding neighborhoods and exemplifies the opportunities of the Corridor of Opportunity.

For the most part, the facility program is designed to meet the needs of the Stock Show and other year-round event uses. However, the third goal, to compete with Fort Worth, Oklahoma City and Tulsa for the nation's largest equestrian events, is above and beyond the strict needs of the Stock Show. While the Stock Show needs one equestrian arena and stalls for horses, competing for top national horse shows requires an additional small arena, additional stalls and other amenities such as covered outdoor practice areas. It also requires incentives to attract these top national shows, estimated to be \$1-\$2 million per year. **Assuming the City and its partners wish to make a strategic choice to pursue the nation's largest horse shows, Denver is well positioned to compete at this top level** and the equestrian complex at the site would be occupied much of the year. To compete in this business segment, Denver should also be prepared to make incremental investments over time to maintain the proposed facilities and remain competitive.

### **New Partnerships**

In June 2013, the National Western Stock Show signed a Memorandum of Understanding with four partner organizations – the City and County of Denver, Denver Museum of Nature and Science, Colorado State University and History Colorado (“MOU Partners”). This new strategic set of partners came together to jointly explore the transformation of the existing Complex into a year-round destination, blending education, entertainment & tourism, economic development and a celebration of our western heritage, both past and present into one comprehensive, master

planning effort. Given the scope and scale of this proposed redevelopment initiative, this type of emerging partnership will be essential in the overall long-term success of the venture.

## Facility Overview

Generally, the facility program represents a re-creation of much of the square footage and facility spaces that the current Complex offers, but in new, modern, technologically improved facilities. Just as important to this project as the buildings themselves, access to the site and interior circulation must be improved, and the site should be master planned to create front of house and back of house areas, maximize efficiency and create a logical interconnectedness among the facilities, all of which are lacking at the existing Complex.

The four key areas that comprise the Stock Show include rodeo, livestock, horse and trade show. Taking into account the strategic opportunity to be a national competitor for large horse shows, the recommended facilities include:

### 1. Rodeo

It is recommended to replace the existing 8,140-seat Denver Coliseum built in 1952 with a new, **multi-purpose 10,000 fixed seat** Arena with up to 40 suites. The arena floor is appropriately larger than most arenas at 260' x 140'. To accommodate rodeo and other livestock events, a staging and warm-up area should be directly adjacent to the arena floor. The new Arena is recommended to be relocated from the current Denver Coliseum site to north of Interstate 70 to integrate more effectively with the other facilities and be in close proximity to the new RTD North Metro Line Station for multi-modal access. Currently, a facility study is underway to explore the potential adaptive re-use of the existing Denver Coliseum as part of the broader Complex master planning effort.

### 2. Livestock

- **Indoor** – It is recommended to replace the existing Stadium Arena built in 1909 with a **new multi-purpose, 5,000 seat (2,500 fixed seats and 2,500 pullout seats), concrete floor Livestock Stadium Arena**. It is also recommended to attach a 230,000 SF Livestock Hall (barn) to accommodate livestock and provide a staging area for livestock events in the Arena. In addition to livestock, the arena could be configured and equipped to host a variety of events, including concerts, sporting events, family

shows, large conferences, etc. Finally, it is recommended that the Livestock Hall Auction Arena provide 800 to 1,000 seats and use a curtaining system to make this space more flexible for the broadest array of year-round events.

- **Outdoor** – It is recommended that the existing Stock Yards built in 1886, a unique and important feature of the Denver Stock Show, be replaced with new Stock Yard pens that would be modern and flexible. Pen count of around 800 would remain the same, but **modern pens should provide more flexibility that will allow for growth, greater operational efficiencies**, and freeing up previously limited use acres for more year-round uses.

### 3. Equestrian (Horse)

Horse shows is the one area that involves building more than would be strictly required for the Stock Show itself, and could materially change Denver's position in this business segment. The assumption has been made that the **City and its partners will actively explore the strategic move to compete for the country's largest horse shows**. Given this strategic direction, the building program is recommended as follows:

- Replace the existing 4,777 fixed seat Events Center with a 4,500 seat (2,500 fixed), concrete floor, multi-purpose Equestrian Events Center, with an adjacent staging and warm-up area.
- Build a new 500 fixed seat, dirt floor Equestrian Arena, with an adjacent staging and warm-up area.
- Replace the existing horse barn (about 340 stalls) with a new barn to house 1,000 modern 10' x 10' stalls, which when combined with other facilities on the site, would allow the Complex to host horse shows with up to 2,500 stalls.
- Add two outdoor covered exercise arenas.
- Develop 10,000 to 20,000 SF of flexible exhibit space to be used for exhibits, food areas, special functions, general gathering space, etc. This could possibly be accomplished by creating a flexible, multi-use central plaza connecting the two arenas.



#### 4. Trade/Exhibit Show

- **Indoor Exhibit Space** – It is recommended to develop a new Exposition Hall with 350,000 gross leasable SF (slightly larger than the proposed 320,000 SF). At the City’s direction, this space could be configured to be able to house an Olympic Speed Skating Oval to enable Denver to pursue a Winter Olympics and other large sporting events. This requires approximately 200,000 SF of column-free space.
- **Swing Space** – It is recommended to develop 20,000 to 25,000 SF in “swing space” that could function as both a small exhibit hall and a low-finish ballroom for food functions and special events. This space could be used to house the Coors Art Exhibit.
- **Breakout Meeting Rooms** - It is recommended to develop three to four rooms that could be divisible up to 10 smaller rooms.
- **Outdoor Exhibit Areas** – It is recommended to develop the outdoor exhibit areas, totaling approximately 50,000 SF to support year-round, multi-use event opportunities.

## Branding: Old vs. New West

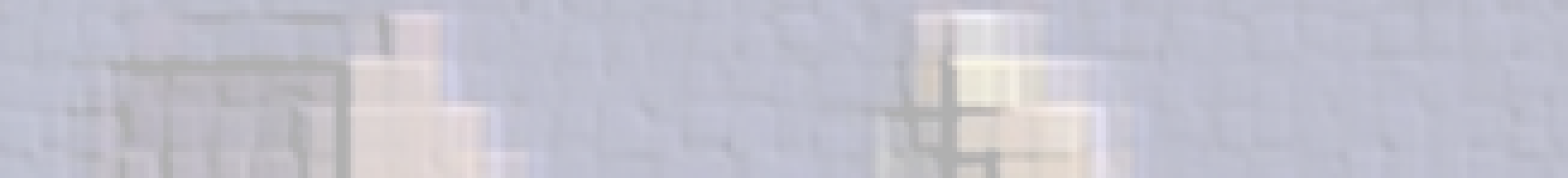
The Association envisions a “year-round Western heritage tourism destination center”, incorporating other Western culture supporting elements at the site, such as an agricultural business office/research park, an animal science clinic, agricultural education areas, exploratoriums, etc. The research indicated that the Western culture “brand” ranked very low in brand priorities for Denver as a destination. While devoting the entire site to this “old west” brand/theme is certainly an option, it is most appropriate in three cases: 1) during the Stock Show; 2) for equestrian and livestock events that will occur during the rest of the year; and 3) as part of the Western Heritage theme. Much of the event activity in the arenas and exhibition hall will not be livestock or agriculturally related.

One concern is that an over-dominating (old) Western culture brand/theme may discourage some users from using the Complex. **Consideration should be given to limiting the Western culture brand/theme to the Stock Show itself, the equestrian and livestock components, and the other limited spaces that are devoted to the Western theme.** If possible, the other livestock and agricultural related uses might be best positioned grouped with the equestrian and livestock facilities.

As such, the new Arena, the new Exposition Hall, and the new Livestock Stadium Arena may be best positioned without the (old) Western culture brand/theme that is too dominant in order to afford these facilities their best opportunity to attract a wide variety of state, regional, national and international events throughout the year.

To that end, **Denver and the Rocky Mountain West is well positioned to celebrate the idea of the “new west”, showcasing health, recreation and the over-arching pioneering spirit through cutting edge science, education and research** that is emerging in this region of the United States. Again, the site is ideally located to create a new gateway for Denver and the Front Range, through the new MOU Partners - especially in the case of Colorado State University - promoting global solutions for some of the world’s most pressing issues around food production, food safety, large animal science, and the use of our natural resources through the latest sustainability practices.

In this way, the best of both worlds (a celebration of the historic Western culture and the modern pioneering spirit) might be realized. Ultimately, the selected master planning team and the MOU



Partners can explore the right balance between the old and new western themes as the formal planning effort unfolds.

## Utilization

Below is a summary of the historical and projected (stabilized) Complex utilization for both the National Western facilities and the Denver Coliseum, assuming the current 16-day Stock Show. **The development of the site and facilities as proposed is estimated to increase facility utilization by 88 events and 910,500 attendee days.** Growth is driven by the ability of the larger and modernized facilities to accommodate more vendors, exhibitors, spectators, and grounds visitors. Growth is projected across all event types. The proposed entry into the national horse show market is projected to drive higher utilization and attendance than previously projected.

<b>Summary of Historical and Projected Utilization</b>			
	<b>FY 2012/13</b>	<b>Projected Increment</b>	<b>Projected Stabilized</b>
<b>Number of Events:</b>			
Stock Show	1		1
Equestrian	28	-3	25
Other Livestock	6	9	15
Consumer/Trade	31	14	45
Conference	2	5	7
Meeting/Banquet	54	16	70
Tenant Sports	33		33
Non-Tenant Sports	24	11	35
Concert	15	20	35
Family Show	24		24
Other	4	16	20
Subtotal	222	88	310
<b>Total Attendee Days:</b>			
Stock Show	637,000	113,000	750,000
Equestrian	65,150	372,350	437,500
Other Livestock	23,200	8,300	31,500
Consumer/Trade	156,500	124,750	281,250
Conference	26,400	63,600	90,000
Meeting/Banquet	21,500	6,500	28,000
Tenant Sports	90,000	9,000	99,000
Non-Tenant Sports	101,200	86,600	187,800
Concert	73,900	96,100	170,000
Family Show	114,400	5,600	120,000
Other	10,300	24,700	35,000
Subtotal	1,319,550	910,500	2,230,050

Includes National Western and Denver Coliseum.

## Extending the Stock Show Duration

A longer Stock Show could increase event attendee days, including trade show vendor days, livestock and horse attendee days, more ticketed events and more days for the general public to attend the Show. It is projected that the new facilities could generate 750,000 attendee days, or approximately 47,000 per day over 16 days. If the Show is extended by seven days and averages a lower 40,000 over 23 days, the total attendee days could increase by 170,000 to 920,000. The Association's plan would be to first finish construction of the new and/or modified facilities and allow a short time (three years or less) to achieve operational stabilization, allowing existing and new attendees to become familiar with the new facilities.

## Investment – National Western Center

A cost estimate for the overall project is not determined at the finalization of this report. The City, in collaboration with the MOU Partners, has selected a master planning team and will spend the balance of 2014 focused on developing the master plan and preliminary project budget. This study will serve as a key data point in helping direct the MOU Partners and master planning team in the pending planning process. Furthermore, a phased implementation plan will be required that allows the Stock Show to continue the annual Show during construction and facilitate a staggered financing plan.

## Governance and Management – National Western Center

A new governance structure is required to both implement and manage the National Western Center. As a starting point, the governance structure(s) should be formed in a manner that accomplishes the following objectives:

- Reflects the requirements of the financing for the site and facility improvements and resulting ownership;
- Creates a unified and collaborative sales, marketing and management approach among facilities and associated vendors and subcontractors;
- Assures representation and participation among stakeholders and contractors;
- Merges and aligns efforts on a broad geographic basis to include downtown, Arts and Venues facilities, throughout Denver and the National Western Center; and

- Jointly establishes and tracks shared use performance metrics to advance out of town visitor and guests for Denver.

There are many different models to evaluate as best practices in Denver and from around the country. A number of examples are listed in this report. The key is building a collaborative structure. One example in Denver is the success of the Denver Alliance, which includes all stakeholders associated with the shared use of certain facilities. Stakeholders would work together to jointly form strategic and operational plans for review by the owners, be it the City, a new district or authority, such as Denver's Metropolitan Football or Baseball Districts and be held accountable through contracts with the owner(s). The over-arching objective would be to align the physical assets under a development/operating vehicle, and to serve as the unifying asset manager to keep the assets maintained long-term.

Benefits of a unified governance and management system include:

- Fully aligned model allows all stakeholders to maximize use of resources.
- Leverages Denver's very skilled talent and models of collaboration, such as the Denver Alliance.
- Allows stakeholders to focus all its respective energy and resources on growing their programs/events, as defined by their core mission.
- Creates a new level of strategic collaboration across all facilities within the City.
- Establishes a single point for strategic planning, sales, marketing and asset management.
- Provides an organizational framework for long-term stability/sustainability in the delivery of events and activities for the City and its Partners.

By way of example, the following table summarizes [the elements of a collaborative approach to governance](#) and is not intended to represent the only approach:

Potential Unified Structure	
Role	Organization
National Western Center Owner	City or New Authority/District formed by and among financing entities and operating partners
Facilities and Event Contract Oversight	New Authority/District Board of Directors
Facility Manager	Single operator selected by District/ Authority Board
Sales/National Events	Visit Denver (Alliance)
Sales/Local	Center Operator
Sales/Equestrian, Livestock and Rodeo	NWSS (subject matter expert)
Food and Beverage	General Concessions (single vendor); Premium Concessions & Catering (single vendor)
Tenants	NWSS, CSU, Museum of Nature and Science, History Colorado, Cutthroats Hockey, etc.
Promoter	Exclusive or Open
Partnerships	Denver Alliance

Under the above district/authority governance concept, a dedicated Board of Directors would be created by and among the NWC funding partners/key tenants, whom would be charged with primary oversight of the Center’s operations through an agreed upon operator and be integrated into the Alliance to maximize year-round use of all Denver public venues. Depending upon the final master plan of the new National Western Center, this could be one of the many places the MOU Partners elect to formalize long-term roles and responsibilities.

### Financial Operations – National Western Center

The example cited above, which again could be one of many approaches explored to accomplish the best practice objectives, would mean that the Stock Show would be a tenant of the new National Western Center. The National Western Center and the Colorado Convention Center would create a powerful alignment opportunity through the existing Denver Alliance, strengthening the overall utilization of key Denver venues.

## Economic Impact – National Western Center

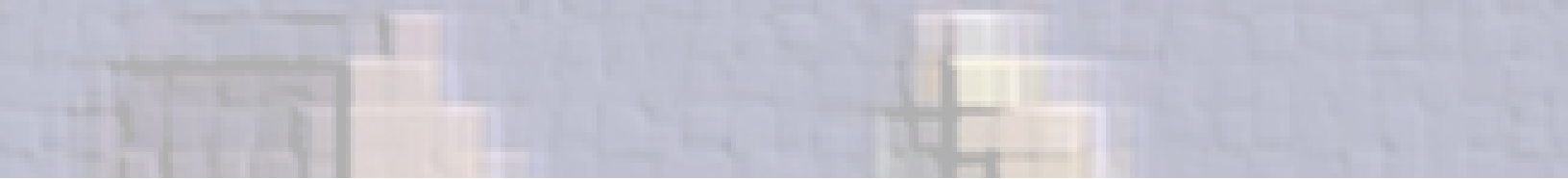
The implementation of the recommendations for the National Western Center, including the new Arena, is estimated to position the Complex as a very competitive facility for a wide variety of entertainment, trade/consumer show and livestock events. Importantly, the recommendations are designed to allow the Stock Show to flourish for many decades and aid in the re-emergence of adjoining neighborhoods.

	Projected Stabilized Annual Impact		
	Spending		
(millions)	Local	Non-Local	Total
<b>Stock Show</b>			
Stock Show All Venues	\$18.1	\$78.0	\$96.1
Subtotal	\$18.1	\$78.0	\$96.1
<b>Non-Stock Show</b>			
NWC	\$11.1	\$55.1	\$66.2
Coliseum	9.7	7.2	16.8
Subtotal	\$20.7	\$62.3	\$83.0
Total Spending	\$38.8	\$140.3	\$179.2
<b>Taxes</b>			
	Local	Non-Local	Total
<b>Stock Show</b>			
City	\$0.4	\$3.0	\$3.4
State	0.0	1.1	1.2
Other	0.0	0.4	0.4
Subtotal	\$0.4	\$4.6	\$5.0
<b>Non-Stock Show</b>			
City	\$1.6	\$2.7	\$4.4
State	0.2	1.3	1.5
Other	0.1	0.5	0.6
Subtotal	\$1.9	\$4.5	\$6.4
Total Taxes	\$2.4	\$9.1	\$11.4

Source: NWSS, City of Denver, Leeds School of Business, IAG.

In total, Stock Show and non-Stock Show spending is projected to reach nearly \$180 million annually, with total tax impacts of \$11.4 million. Incremental new taxes are projected to be \$5.1 million of that annual total, with \$4.3 million attributable to out of town visitors. While the spending in the community from activities at the National Western Center is significant for





local businesses, incremental new taxes will not be sufficient to pay the costs associated to rebuild the Complex solely and will need to include the exploration of other funding options.

## Convention Center

The overriding theme that was consistent in the research with the variety of constituents was the high level of satisfaction with the overall meetings and convention experience in Denver. Clients, suppliers, internal team members, and community partners shared this view.

The convention center will be impacted by a number of factors going forward. The ways of the older generation are giving way to new generations who view the world and conduct their lives in new and rapidly evolving ways. These new generations are growing up in a different political, economic, technological and social environment. **They do things differently.**

The Colorado Convention Center (CCC) has been a **strong performer in terms of room night driven conventions** among its competitors. In terms of total number of events among the benchmark destinations, Denver is second only to San Antonio. In terms of conventions and tradeshow, the CCC ranked fourth overall, third when excluding industry powerhouse Orlando. Interestingly, Denver hosted more room night driven conventions and tradeshow than many larger destinations with more convention facilities, including Chicago, Atlanta, San Francisco, Boston, and Houston.

**Denver cannot rest on its past.** The meetings and convention industry is evolving due to new dynamics and is highly competitive. Industries such as auto and technology dedicate significant ongoing research to stay in front of the needs of their customers. If companies in these industries decided not to advance their products, they would lose market share. The same logic can be applied to the negative impact that could occur if the CCC does not continue to invest in design and operational advancements. To allow Denver to maintain and enhance its competitive position, the following is recommended:

6. **Ballroom/Meeting Space** – It is recommended that the CCC master plan for the addition of a 35,000 to 50,000 square foot ballroom and 25,000 to 35,000 square feet of meeting space. As much of the new space as possible should be developed as “**specialty space**”, providing a unique experience that takes advantage of Denver’s natural attributes, such as a view to the Rocky Mountains. This recommendation is driven by the analysis of the event calendar, which demonstrated there are over 50 4-day periods a year where the convention center could host a 100,000 square foot exhibit event if it had additional ballroom and meeting space. The lost business analysis, which encompassed corresponding hotel availability, also indicated the need for meeting and ballroom space and the benchmarking

revealed that the CCC has a low exhibit space to ballroom/meeting space ratio among its competitors. This need, coupled with a current positive perception of Denver and the CCC by the target market surveyed, provides further support for this recommendation. Adding these two components would help Denver keep market share and could create a demand for an additional 36,000 attendees with 60,000 annual room nights, equating to an incremental impact of \$47.2 million in annual direct delegate spending, generating an additional \$3.4 million in local tax revenue.

7. **Meeting Experience** – It is recommended the existing and any proposed new facilities consider the creation of unique meeting experiences and social **networking** in any planning effort. This recommendation is supported by discussions with meeting planners and industry thought leaders, as well as the survey of the target markets.
  
8. **Technology** - It is recommended that the CCC create a plan and allocate the appropriate budget to be a class-leading facility from a technology perspective. The main areas of focus should include offering sufficient **bandwidth** to accommodate the needs of the attendees and exhibitors, providing the infrastructure to accommodate event **online video streaming**, and supporting leading edge **crowd-sourcing** technology. Based on discussions with the current technology service provider and Cisco Systems, it is understood that there are new technological approaches to support the evolving needs of clients. This includes conducting a thorough site survey and increasing the overall coverage by adding access points in hard to reach (non line of sight) areas, reducing dead spots to enable attendees to connect to Wi-Fi from any location within the facility. To enhance Wi-Fi capacity and overall network performance, it is recommended utilizing the newest “Smart Antennas” which automatically tune the Wi-Fi signals traveling up and down between a visitor’s mobile device and the Wi-Fi network. This helps optimize speeds, regardless of the model of smartphone, tablet or laptop. The wireless Access Points support streaming content and provide crowd-sourcing opportunities for Denver clients.

## Hotel Inventory and Configuration

Denver's downtown hotel market has performed well over the past 15 years, supply and demand have grown in equilibrium, and average daily rate as kept pace with or exceeded inflation. **From a convention perspective, Denver's hotel package ranks near the bottom of its competitors in terms of total downtown hotel room supply.** While the 1,100-room Hyatt has been crucial for Denver's success and is well received by meeting planners, **Denver has an opportunity to improve its position among meeting planners by focusing on improvements to the hotel inventory.** Specifically:

1. The convention hotel package is the single most important destination selection criteria once an event knows it can be accommodated in the convention center. The closer the hotel block is to the convention center the better it will work for meeting planners. SAG's research indicated that planners' tolerance for distance of a headquarter hotel from a convention center is within one block. For Denver, if there are no available rooms at the Hyatt, the ability to compete is greatly diminished. It is recommended that the city provide input and **foster the type of hotel development as close to the CCC as possible which would help sell center space when the Hyatt rooms are booked.** This can be accomplished through identifying desirable sites and by working with developers; coordinating their desires and the city's needs. Fortunately Denver has a reputation of public private relationships as seen by the expansion of the Executive Tower Inn (The Curtis Hotel), Sheraton(Adam's Mark) 1997, Hyatt Regency 2005, and Colorado National Bank hotel scheduled to open in 2014.
2. It is also recommended that a **"One-Denver" concept be developed** that will make it as easy to book in downtown as it will be to book at a suburban resort. This will entail creating a CCC and hotel package that can be sold and executed as one product to the meeting planner. This will enable downtown to effectively compete with the Gaylord Rockies project, as well as set Denver ahead of its competitive convention destinations.

The recommendations above are designed to elevate Denver's meeting and convention product, and enhance its position as a leading destination. While it is difficult to quantify, there is a risk to not moving forward. Competing convention centers and destinations are developing new and innovative approaches to increase their market share. Denver has already demonstrated, in a very short period of time, that it can elevate its position as a top tier destination. The implementation of the recommendations can create a new path to advancing Denver's competitive position in the future.

The recommendations are also designed to capitalize on a destination that has strong overall appeal and is viewed as having highly functional team. This foundation positions Denver to raise its competitiveness to a level that will lead the market in delivering highly successful meetings and convention.

### **The Cost of Doing Nothing**

In a competitive industry such as Meetings and Conventions, it stands to reason that if the CCC did not implement the recommendations contained in this report, it would reduce its competitive position. The amount of investment that is being made by competitive destinations would suggest that new and improved convention space and nearby hotels will continue to develop in the coming years. The exact amount is difficult to quantify, however the importance and staying competitive cannot be understated. Based on the average yearly economic impact, if Denver lost 10% that would be more than \$40 million a year.

## STUDY BACKGROUND

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The City and County of Denver has taken bold and visionary steps to guide the growth and development of Denver. The results are apparent. **Downtown Denver has flourished into a highly active center of economic, tourism, convention, cultural, entertainment, educational and sports activities.** If a visitor had not visited Denver in several years, he/she may be pleasantly surprised at how a wide variety of quality of life amenities have come together to create a highly livable and emerging global city.

National press and rankings recognize Denver's high quality of life, attractive business environment and desirable tourism and travel. Denver is currently ranked:

- 7th among 102 cities in Business Journals' On Numbers Economic Index, a monthly measure of economic vitality (Business Journals, 2013).
- 7th best city for moms (Redfin, 2013).
- 3rd best city for small business (Business Journals, 2013).
- 8th best city for young entrepreneurs (Under30CEO, 2013).
- 4th best city for job seekers (Forbes, 2013).
- One of the top 10 cities for urban forests (American Forests, 2013).
- 3rd best city in the world with the brightest future for oil and gas industry careers (Rigzone, 2013).
- Accolades from national travel outlets such as *Travel + Leisure*, *MSN*, *Forbes* and others.
- 4th best convention city among 46 top American cities; Denver was one of only two cities to score in the Top 10 on all six criteria that meeting planners use to select convention destinations (Watkins Research Group Meeting and Convention Planners Survey, the nation's largest and most influential meeting planner study, 2012).



- Denver International Airport (“DIA”), the largest U.S. airport by total area and 2nd



largest in the world, was voted “Best Airport in North America” 6 years in a row (Business Traveler Magazine, 2005–2010); voted 5th on the list of the "World's Best Domestic Airports" (Skytrax World Airport Awards, 2013); 5<sup>th</sup> busiest U.S. airport by total passenger boardings and 11<sup>th</sup> in the world.

*(Sources: Downtown Denver Partnership, VISIT DENVER, Federal Aviation Administration, other sources.)*

The Coors Field development is an example of how bold and visionary economic development can help to change the face of a city. Coors Field, located two blocks from Union Station in Denver's Lower Downtown, or LoDo, neighborhood and completed in 1995, was a key catalyst in the redevelopment of the LoDo area, which serves as an example of success in urban reinvestment and revitalization.

Continuing visionary planning initiatives are underway today. Regionally, long-term development opportunities are being planned and implemented related to Aerotropolis (development around the DIA property) and the Corridor of Opportunity along the commuter rail line connecting DIA with downtown's Denver Union Station. As stated by the Honorable Mayor Michael B. Hancock at the April 2012 Global Airport Cities Conference and Exhibition: “Aerotropolis has the potential to spur commercial development for decades to come - development that will create jobs, attract more passengers, and bring more flights and more direct destinations to Denver.”

## **North Denver Cornerstone Collaborative**

Closer to downtown, another bold Mayoral planning initiative is the North Denver Cornerstone Collaborative (“NDCC”). As explained on the NDCC website: Today there are several major redevelopment and infrastructure projects taking place in Denver's Globeville/Elyria-

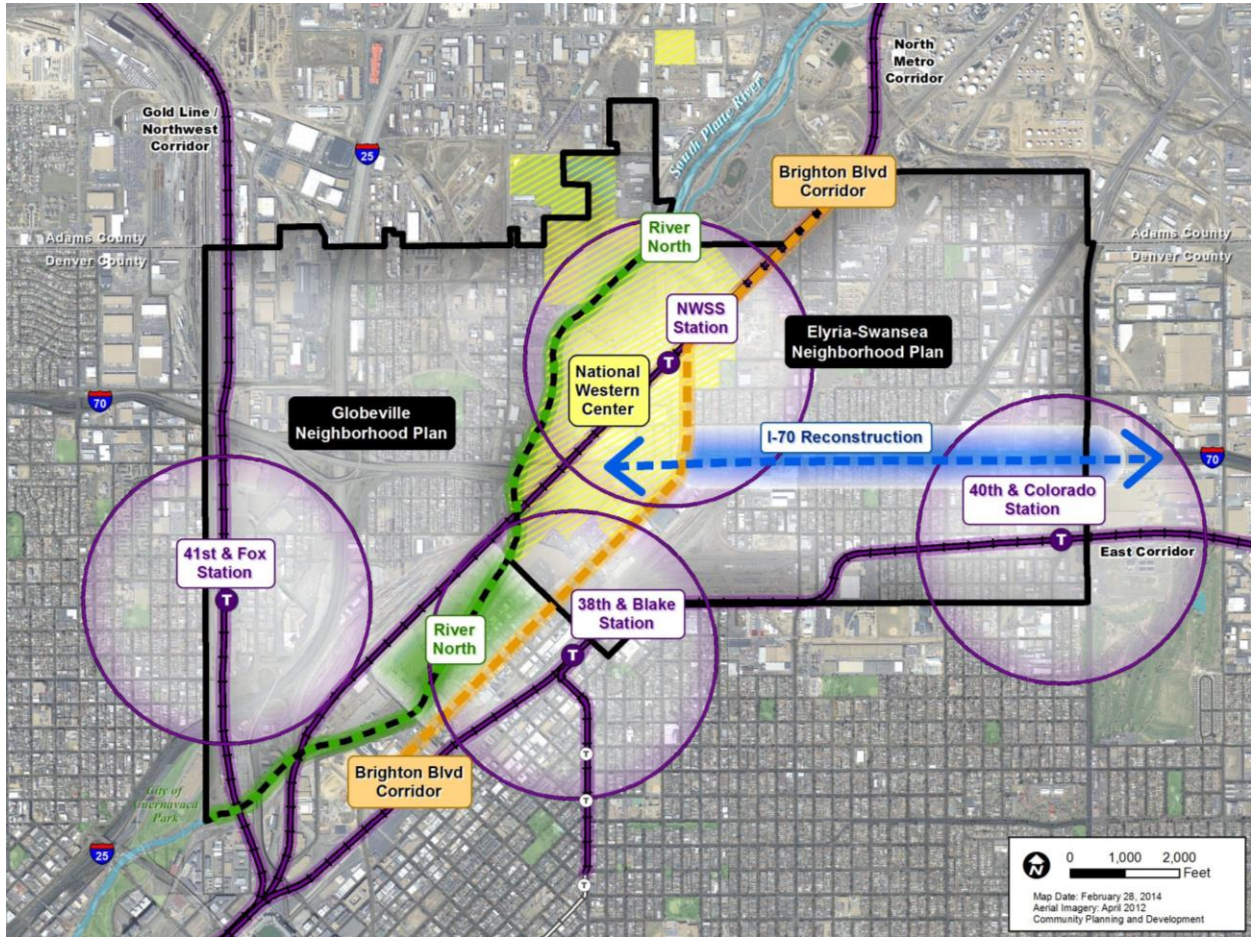
Swansea/River North neighborhoods. The area is a gateway to downtown Denver (particularly on the drive into downtown from DIA) and a key station along the Corridor of Opportunity, which will connect downtown to Denver International Airport.

In 2013, Mayor Michael B. Hancock recognized the need to align all of these efforts under one coordinated vision. The resulting North Denver Cornerstone Collaborative (NDCC) is a coordinated effort to ensure integrated planning and deliberate connections among the converging projects.

The six projects that make up the NDCC - and the City's activities on each - are:

1. **National Western Stock Show** - Assessing, in partnership with VISIT DENVER, Arts & Venues and the National Western leadership team, the Complex site and current facilities to determine how to assure the Stock Show's long-term sustainability at the existing site.
2. **Interstate 70 east reconstruction** - Collaborating with the Colorado Department of Transportation and area stakeholders to ensure smart improvements to I-70 between Colorado and Brighton Boulevard that help reconnect Denver neighborhoods.
3. **RTD station development** - Working with the Regional Transportation District and city agencies to coordinate the planning and implementation of the 38th Avenue and Blake Street (East Line) and the Complex (North Line) stations that will serve the Complex area and connect downtown to the airport.
4. **Brighton Boulevard redevelopment** - Overseeing effective public infrastructure improvements to the boulevard - the gateway to downtown from I-70 - and continuing the momentum of reinvestment that is beginning to emerge along this important roadway.
5. **River North** - Reclaiming the river via greenway and transportation improvements and identifying sustainable development opportunities along the riverfront.
6. **Elyria-Swansea and Globeville neighborhood plans** - Ensuring that the Elyria-Swansea and Globeville neighborhood plans are aligned with each other and with the myriad projects happening in and around these historic neighborhoods.





NDCC Area Map

## Study Focus

This **market-based, venue feasibility study** focuses on:

- The long-term viability of the **National Western Stock Show and the National Western Complex**. Under the general guidance of the City's NDCC, a vast array of planning is underway on the many aspects of the NDCC. From a timing perspective, it is the NDCC's goal to complete a preferred general master plan for the National Western Complex by December 2014.
- The **Denver Coliseum**, which is adjacent to the Complex, currently plays an important role in the success of the Stock Show. At over 60 years old, the Coliseum does not compete well compared to other, more modern facilities. The exploration of a new Arena north of I-70 and possible adaptive reuse of the Coliseum are discussed.
- The **Colorado Convention Center**, a dynamic driver of downtown convention and tourism economic impact. It has been approximately 10 years since the CCC last expanded and the Hyatt Regency Denver was built, the result of which was to significantly enhance Denver's competitive position within the national convention market. Community leadership recognized the success of the convention center, but also sensed based on the significant expertise in the hospitality community that the CCC and downtown should once again focus strategically on how Denver should be positioned in light of changing trends in the industry. This report provides research and recommendations on the CCC's competitive positioning well into the future in light of important trends in a changing world. Hotels are also key area of study.
- The hotel product augments the convention center and is a vital component of downtown's economy. This study addresses a plan to **promote further hotel development in a strategic way** that maximizes its impact.

## Key Questions

From the broadest perspective, key questions to be addressed by this feasibility study include:

- Are the preliminary recommendations for the future of the National Western Stock Show and the National Western Complex facilities prepared by the Western Stock Show Association on target given the wide array of interested stakeholders?
- Should the 16-day NWSS be extended to 22 or 23 days?
- Given that the Stock Show needs a primary arena, what is the best plan for the Denver Coliseum?
- Given current and potential new partnerships among various community stakeholders that could positively impact the Complex, how might they be structured from governance, management and sales and marketing perspective to take full advantage of strengths?
- How might a revitalized Complex add strength to a burgeoning Brighton Boulevard corridor connecting the Complex to the adjoining neighborhoods and downtown to advance broader economic development opportunities?
- How should downtown Denver and the Colorado Convention Center be positioned to continue growing and most effectively address the meetings industry trends of the future?
- What hotel stock is appropriate?
- What are the financial ramifications, how might the projects be funded, and what return on investment might the potential investments deliver?
- What path is consistent with the desires of City and partner leadership?

The decisions to be faced by City leadership are neither simple nor easy. While this research will bring information regarding these far-reaching decisions, there are several broad paths the City and its partners may take. To further complicate the issue, some of the criteria to evaluate these decisions may be conflicting.

## SECTION 1 – NATIONAL WESTERN STOCK SHOW AND NATIONAL WESTERN CENTER

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### Past National Western Complex/Denver Coliseum Studies

Structuring of a long-term plan for the Stock Show and Complex/Coliseum has been under study for well over ten years and a great deal of research and analysis already exists, including:

- Master plan of the existing site prepared by Bullock & Smith & Partners and *Development Feasibility Plan for the National Western Stock Show* prepared by Denver Capital Leasing Corp. (2001-2003)
- *A Study of Potential Futures of the National Western Complex Site* prepared by CIVITAS (2006)
- *NWSS Study: Western Heritage Center study* prepared by Dara Booher (2009)
- *National Western Stock Show 2010 Economic Impact* prepared by the Leeds School of Business (2010)
- *National Western Stock Show-Non-Stock Show Events 2010 Economic Impact* prepared by the Leeds School of Business (2010)
- *Market Study of the National Western Complex* prepared by HVS Convention, Sports & Entertainment Facilities Consulting (June 2011; client was the City of Aurora).
- *Analysis of the Market, Financial and Economic Viability of a New National Western Complex* prepared by Convention, Sports & Leisure (“CSL”) (August 2011; client was the Association) – This study examined six sites for re-location and assumed Gaylord as a co-located alliance partner.
- *Supplemental Site Analysis of the Market, Financial and Economic Viability of a New National Western Complex* prepared by CSL (November 2011) – This study was a follow-up to the August 2011 study and examined two sites, one of which was just south of the existing site. The assumptions did not include an alliance partner such as Gaylord.
- *Facilities Program* prepared by Populous (Jan 2010 through current).
- *Securing the Future of the National Western Stock Show and Complex* prepared by the Western Stock Show Association (December 2011) (“Business Plan”).
- *Evaluation of the Business Plan for the National Western Stock Show and Complex* prepared by the Denver Urban Renewal Authority (November 2012) (“DURA Report”) – This report provides a well-written overview and history of the process to date, along with identified issues related to the Business Plan.

At the time the Association’s Business Plan and DURA Report were written, options for the Stock Show and Complex to relocate away from the current site were still on the table, so some of the considerations involved relocation scenarios and analysis. Since that time, the decision has been made that the National Western Stock Show will remain at its current site. Furthermore, the

location for the commuter rail station in the northeast portion of the site has been established. As such, this report considers all of the previous research in that light.

## Existing Facilities

The DURA Report provides a good description of the Complex facilities and the description below borrows from that report:

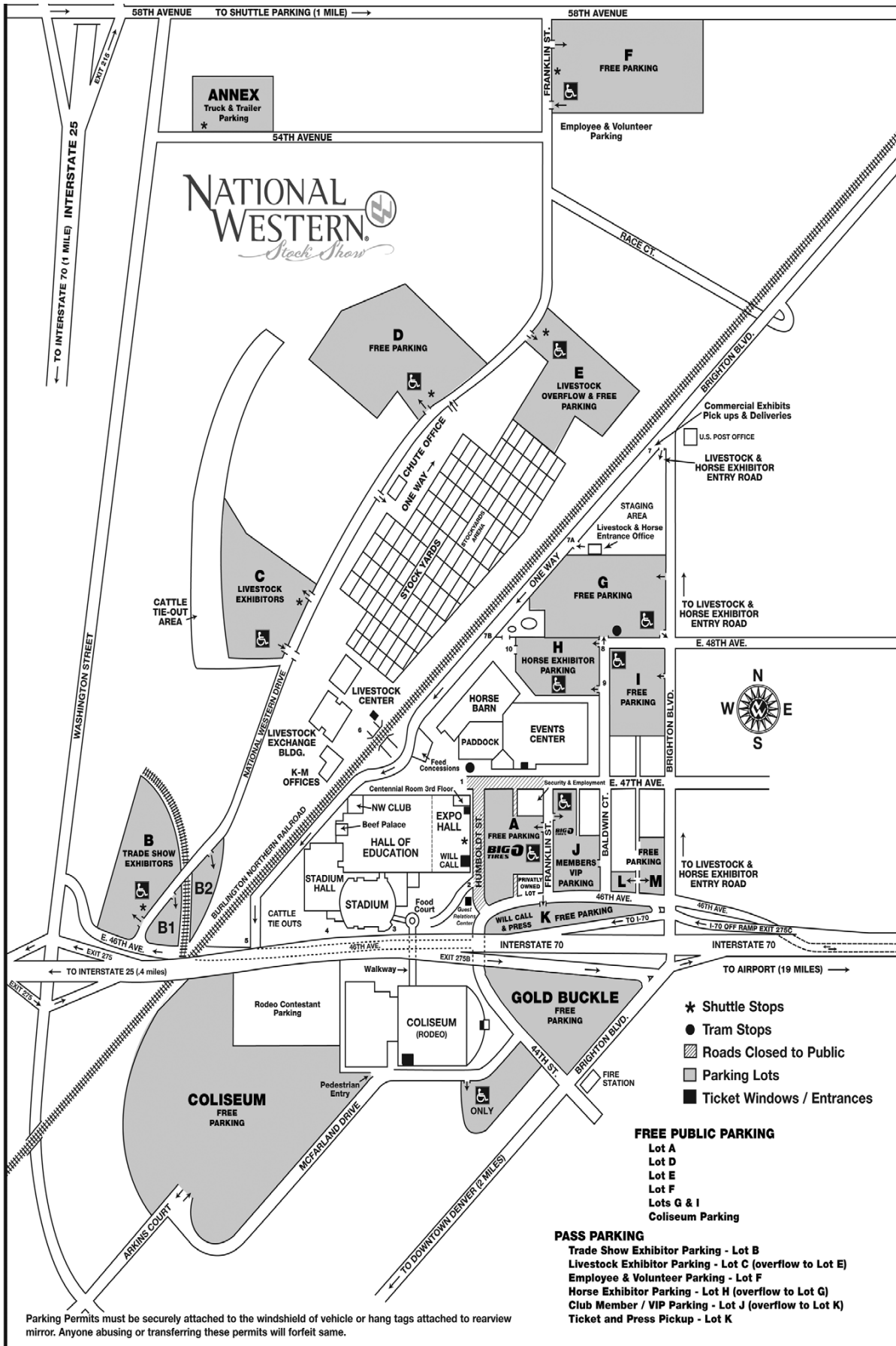
The Complex is situated on approximately 95 acres near the intersection of Interstate Highways 25 and 70. The Complex is comprised of a number of buildings, summarized in the table and map that follows, as well as the outdoor stockyards. In addition to the Complex, the Association utilizes the nearly 30-acre Denver Coliseum site, located just south across Interstate 70, to host a number of events during the January show, most notably the rodeo events.

Of the 95.4 acres owned by the Association, approximately 53 acres are devoted to parking for patrons, employees and participants. In addition to the Association-owned on-site parking, the Association leases approximately 91 acres of off-site parking, primarily used for truck and trailer parking. The City-owned parking at the Coliseum provides an additional 24 acres of parking. Approximately 14 acres of close in, privately owned parking is utilized by patrons during the Stock Show. Collectively the Stock Show currently utilizes approximately 182 acres for parking.

Below is a summary of the existing facilities at the current location:

Name	Year Built	Description
Denver Coliseum	1952	Built in 1952 and is owned and operated by the city of Denver. The Coliseum offers a concrete floor (both ice and dirt are available upon request) with 8,140 fixed seats and a total capacity of up to 10,500.
Events Center	1995	Dirt floor arena, offering 150' x 300' total floor space and 4,777 fixed seats with an additional 3,000 floor seats available. A dirt floor warm-up area and 560 stalls for horses (Stall Barn) are located adjacent.
Stadium Arena	1909	4,600 fixed seats and an additional 2,000 floor seats available.
Hall of Education	1972	Approximately 236,800 SF of concrete floor exhibition space on two levels, with approximately 118,400 SF of contiguous space on each.
Expo Hall	1991	Approximately 160,600 SF of concrete floor exhibition space among three levels offering approximately 53,500 SF of space each. Connectivity to Hall of Education education provides for natural flow of spectator traffic between each venue.
Stadium Hall	1991	Approximately 116,300 SF of concrete floor exhibit space among two levels offering approximately 41,000, 42,000 and 32,900 SF of space, respectively.
Stock Yards	1886	Historic outdoor livestock exhibition area.
Livestock Center	1966	700 fixed seat auction arena where livestock sales are held throughout the 16 days of the Stock Show.
International Center	1984	Established to encourage and foster overseas sales of livestock and livestock products by providing a social and educational environment for trade development. The Center is located in the Livestock Center Auction Arena.
Ames Activity Pavilion	2009	Located outside Expo Hall and hosts a number of children's activities.
Parking		The Association owns approximately 53 acres of parking lots and leases an additional 91 acres. An additional 24 acres is provided by the Coliseum and nearby private parking lots provide approximately 14 additional acres, totaling 182 acres of combined parking for patrons, employees and exhibitors.

Source: CSL, DURA.



## Utilization

As a means to “set the stage” for the discussion of the analyses and issues highlighted in the DURA Report, it is helpful to review the utilization related to the Stock Show and non-Stock Show events as presented in the DURA Report. Various aspects of the event activity are more deeply analyzed throughout the report, but this overview provides a good high-level understanding.

The DURA Report analyzed event activity held during the year ended March 31, 2011. Event activity is fairly consistent from year to year and this time period is representative of other recent years. It is the nature of the business that event activity levels vary from year to year, but the magnitude of variation is typically within a fairly small range. As such, this event activity is fairly typical at the Complex. More recent activity is examined later in the report.

### Stock Show Venue Utilization

Activity at the Complex during the Stock Show fills the existing facilities virtually all the time. Note in the table of Stock Show events below (from the DURA Report) that the Denver Coliseum is a key venue for the production of the Stock Show.

National Western Stock Show Utilization			
Venue	Core Activity	# Events	% Total
Expo Hall/Activity Pavilion	Demonstrations, Family & Educational Activities	57	18.9%
Stadium Arena	Livestock Shows	51	16.9%
Events Center	Horse Shows	44	14.6%
Denver Coliseum	Rodeo, Horse Shows	35	11.6%
Beef Palace Auction Arena (located in Hall of Education)	Educational Activities & Livestock Sales	27	8.9%
Stockyards Arena	Livestock Shows	26	8.6%
Livestock Center Auction Arena	Livestock Sales	21	7.0%
Stadium Hall (Level 1)	Junior Livestock Events	18	6.0%
Various Other	Other	23	7.6%
Total		302	100.0%

Source: City of Denver; Western Stock Show Association.

### National Western Complex

For the year ended March 31, 2011, the Complex hosted 86 events, 33 of which were horse shows that the DURA Report notes were the only events directly related to the Association's exempt purpose. The summary of those non-Stock Show events is presented below.



National Western Complex Non-Stock Show Utilization			
Type of Activity	Venue Used	# Events	% Total
Horse Shows	Exhibition Hall, Hall of Education, Stadium Hall, Stadium Arena	33	38.4%
Consumer Shows	Exhibition Hall, Hall of Education, Stadium Hall, Stadium Arena	18	20.9%
Meetings	Exhibition Hall, Hall of Education, Stadium Hall, Stadium Arena	9	10.5%
Banquets	Events Center, Exhibition Hall	8	9.3%
Sporting Events	Stadium Arena, Events Center	7	8.1%
Concerts & Entertainment	Events Center, Stadium Arena	7	8.1%
Trade Shows	Exhibition Hall, Hall of Education	1	1.2%
Other	Stadium Arena, Stadium Hall, Hall of Education	3	3.5%
Total		86	100.0%

Source: City of Denver; Western Stock Show Association.

As described in the existing body of research, the Complex struggles with booking non-Stock Show events due to the age, functional and technical obsolescence, and purpose-specific nature of the facilities geared toward agricultural uses.

## Denver Coliseum

Again using data for the year ended March 31, 2011, the Coliseum hosted 27 events with 94 performances, summarized in the table below:

Denver Coliseum Utilization			
Type of Event	Number of Events	Number of Performances	Number of Days Utilized
Stock Show Ticketed Events	1	29	16
Concerts & Entertainment	5	31	17
Cheeleading/Drill Team	9	9	9
Sports-Other	4	7	7
High School Sports	3	6	6
Consumer Shows	1	5	5
Meetings/Conferences	3	6	6
High School Graduations	1	1	1
Total	27	94	67

Source: City of Denver.

There has been a significant change in utilization at the Denver Coliseum since the DURA Report. Beginning in the 2012-13 Central Hockey League season the Coliseum has hosted a new CHL team, the Denver Cutthroats. The CHL season runs from mid-October through the end of March and the team seeks as many prime weekend dates as possible. In Denver, the home game schedule is interrupted by the Stock Show's use of the facility in January (which sends the team on the road during this period). AVD reports that approximately six cheerleading events have been displaced at the Coliseum as a result of the addition of hockey. This change is explored further under the Tenant Sports section below.

## Association Recommendations

The Western Stock Show Association created a Business Plan dated December 2011, accompanied by programming work performed by Populous (last updated May 15, 2013). The following summarizes its key tenets.

### Vision Statement

*"The National Western Center will be the new center for western heritage in the United States bringing together education, agriculture and entertainment in one location through strong partnerships that will be a catalyst for economic development, job creation and neighborhood revitalization."*

Quotes from the Business Plan itself reflect the Association's vision:

The Association seeks to *"chart an exciting new course for the next 100 years"* with the goal for the National Western to *"become the world's premier center for America's western heritage; serve producers and consumers throughout the world by being the premier Stock Show, Rodeo, Horse Show and center for year-round events"*. *"The vision is a new, 365 days of the year, events complex – anchored by the NWSS and the new home to hundreds of concerts, family, consumer and trade shows, sporting and cultural events – almost endless possibilities. Potentially a home for Olympic events; the Country Music Capital of the West; an agricultural business campus; it will be, as the NWSS has always been, a center for tourism and a source of pride for the entire region"*.

With this bold vision, the Association lays out a number of key issues and opportunities, including:

*"The NWSS has met the capacity threshold for growth"*.

*“The status quo is no longer an option for the NWSS”.*

*The facilities are “physically and functionally obsolete, and are increasingly non-competitive with other venues across North America. None of the facilities have modern venue amenities demanded by both the consumer and client giving consideration to hosting an event”. “NWSS is trying to entice events from around the United States to come to Denver and use the facilities. The competition is winning because of the NWSS’s old and aging facilities and checkerboard complex”.*

*“Demands of preventative and deferred maintenance of the facilities are growing, difficult, and costly”. (A myriad of site and facility issues are described in the document.)*

*“The facilities have limited revenue generating capacity from February – December”.*

## **Goals**

*“Building upon our bedrock foundation and commitment to agricultural education for the last 105 years, we are motivated, indeed inspired, by embracing the broader vision of what the National Western and the Denver area can be: the world’s premier center of America’s western culture and heritage year-round with the following highlights:”*

- *“Creation of thousands of new jobs in building a modern state-of-the-art complex”.*
- *“Developing a year-round Western heritage tourism destination center, having major economic impact far exceeding the current figure of \$102.5 million in January alone”.*
- *“Creating an agricultural campus with significant encouragement from leadership of some 20 Colorado and national livestock and beef associations”.*
- *“Creating innovative relationships with many of Denver’s leading cultural organizations, like History Colorado, the Denver Art Museum and major institutions like Denver Public Schools and Colorado State University with its agricultural roots”.*
- *“Forging vital connections and historical bridges with the diverse and minority populations through their participation and involvements in the State of Colorado history and cultural heritage”.*
- *“Our relationship to Denver has been, and continues to be vital to our success, especially in the future. The leadership of the National Western is committed to working with Mayor Hancock and Denver City Council and charting our future course of planning and action”.*

The Association, through a series of “bucket committees”, which included a broad range of civic leaders, formulated its proposed long-term strategy for the Stock Show and Complex adhering to its three major areas of concentration: education, economic development and entertainment.

## 3 Pillars of the National Western

### Education

- Focus on the well being of humans, animals and the environment
- Leaders in the world of animal science and agriculture
- CSU Partnership
- Agricultural Education
- State-of-the-Art Animal Performance Center
- Animal Care and Research
- Showcase for best land and water resource practices

### Economic Development

- Trade Shows
- Catalyst for job creation
- Sustainability and sustainable business model
- Private investment opportunities
- Corporate HQ/R&D tied to education

### Tourism & Entertainment

- National Western Stock Show
- Rodeo
- Equestrian Events
- Outdoor Exhibitions
- Recreational Exhibitions
- Concerts and Events
- Flexible event spaces
- Western Cultural Heritage programs

Facility constraints have caused issues in booking events during the year and, in the face of stiff competition, led to poor utilization and financial performance. As noted by the Association, some of the challenges include:

- Facilities are not multi-purpose, limiting the ability to book shows of various types.
- Events Center floor is dirt, which makes holding concerts nearly impossible. Promoters do not like carpet or dirt, they like concrete.
- Rigging demands in some facilities can't be accommodated. The best example is the Stadium Arena, where the ceiling is unable to handle any weight load. This forces promoters to stack speakers on the floor as part of their event. Many promoters will not book an act here for that very reason.
- Low ceiling heights.
- Limited electric hookups.
- Outdated heating & cooling systems.
- Small and slow passenger elevators.
- One freight elevator, which can only be accessed from the barn area.
- Entrance and exit issues that make it difficult to manage foot traffic for multiple shows and load/unload multiple shows, as well as making it more difficult to adhere to ADA policies.

- Some restrooms and dressing rooms are inappropriately located, small and dark.
- Due to extremely poor quality acoustics and sound system, hiring third party audio-visual companies is becoming cost prohibitive for promoters.
- A lack of hanging points in many of the areas has created issues for sign hanging.
- Overall, much of the existing Complex is outdated and lacks modern features and functionality.

The Association views the opportunities with a new model and new facilities to include the following:

- Multi-purpose facilities would allow the best opportunity to book events of all sizes and types.
- Design or flexibility to create areas for multiple large and small shows, with separate access for public as well as load in/out ability.
- Modern electrical and IT access.
- Heating, air conditioning, carpet.
- Higher ceilings with functional rigging throughout the Complex.
- Opportunity for sponsorships to sell naming rights, founding partner rights, pouring rights and digital signage that will drive new revenue.
- Suite sales. With 30-40 suites in various parts of the Complex, new revenue will be generated through this type of client that cannot be effectively reached today.
- Floor designs that have fewer columns to hinder layout and aisles. Opportunity for higher booth and space rental rates.
- More space and better functionality to allow the opportunity for growth.
- Year round rental of RV parking spaces.
- Rental of parking lots for outside events, such as festivals, Cirque du Soleil, RV sales, car sales, etc.

Overall, new facilities would allow the Complex to be significantly more competitive.

## **Proposed Facilities**

The annual Stock Show is the primary driver of the Complex. Given the set of facilities appropriate to carry the Stock Show into the long-term future, these facilities and operating strategy must also be configured to maximize use from February through December as well. To ensure a basic level of understanding, the annual Stock Show includes four primary activities:

- Rodeo
- Livestock Show
- Horse Show
- Trade Show

As a means to link these primary activities to the facilities program, the following table provides additional breakdown to these core areas:

<b>Stock Show Core Event Categories</b>	
<b>Event Type</b>	<b>Core Facilities Required</b>
Rodeo	Primary arena
Livestock-indoor	Secondary arena devoted to livestock events, livestock barns
Livestock-outdoor	Stockyards, tie-outs, other outdoor exhibit areas
Horse	Secondary arena devoted to horse events (and potentially additional performance arenas), warm-up areas, horse barns
Tradeshow-indoor	Expo hall
Tradeshow-outdoor	Outdoor vendor space
Other uses	Various

Discarding any one of these primary event elements would have a significant impact on the very nature of the Stock Show as the Show's very brand is intertwined within all of these various elements. For example, the Stock Show without a trade show element, or a rodeo element, would change the very nature of the show in a significant way. Further considering that all of the venues are used virtually all of the time during the Show, the proposed facilities plan does not reduce the existing facilities in any way, but seeks to replace or expand aging or poorly-functioning facilities to maintain the nature and primary event elements of the Show in its current form.

The mix and scope of the proposed facilities set forth by the Association to achieve its aims has evolved over the years as different site plan concepts, different sites and different strategic partners have been analyzed. As such, the various previous reports contain slightly different recommendations, but they all contain the essential elements described above, albeit with slightly different sizing or configuration.

As noted in the DURA Report, no one is more knowledgeable about the opportunities and constraints of this project than the Association Board and committee members and staff. Populous, a top architect for such event complexes, has worked extensively with the Association for many months developing the Association's thoughts and building program concepts. After months of refinement, Populous and the Association prepared a preliminary facilities program to meet the stated objectives. The abbreviated preliminary program below is the culmination of years of research and planning and represents the current thinking of the Association.

The final program, which will be prepared by and among the MOU Partners, which includes Colorado State University, Denver Museum of Nature & Science, History Colorado, the NWSS



and the City of Denver through the master planning process, is likely to result in modifications to the preliminary program.

**Populous/Western Stock Show Association Preliminary Proposed Program**

	<b>Seats</b>	<b>Sq. Ft.</b>
<b>Rodeo-Primary Arena:</b>		
New Arena (with up to 40 suites)	10,000	278,100
Staging, Warm Up Area (included above)		
<b>Livestock-Indoor:</b>		
Livestock Stadium Arena (2,500 fixed, 2,500 pullout)	5,000	130,240
Livestock Hall Auction Arena	700	9,350
Livestock Hall		230,000
<b>Livestock-Outdoor:</b>		
Stock Yard Pens		18 acres
Wash Rack Buildings		3,840
Outside Cattle Tie Area		261,000
Herd Sire Space		40,000
Heifer Mart		40,000
Livestock Center Auction Arena	700	9,500
Stock Yard Show Arena	1,000	20,000
Stock Dog Open Space	1,000	40,000
<b>Horse:</b>		
Equestrian Events Center (2,500 fixed, 2,000 pullout)	4,500	98,000
Equestrian Arena	500	86,500
Horse Stall Barn (1,000 stalls)		81,900
Enclosed Practice Arenas (one per performance arena)		48,000
Outside Covered Horse Exercise Arenas (two)		40,000
<b>Tradeshow-Indoor:</b>		
Tradeshow/Exposition Hall		400,000
<b>Tradeshow-Outdoor:</b>		
Food & Beverage Vendor Space		10,000
Outdoor Trade Show Space		40,000
Outdoor Exhibits & Festival Space		TBD
Outdoor Recreation Complex		TBD
<b>Other Uses:</b>		
Yard Bar-Sports Bar		8,000
Agricultural Education		57,550
Animal Science Clinic		74,228
Natural World Exploritorium-Indoor		20,000
Natural World Exploritorium-Outdoor		174,240
Agricultural Business Complex		150,000
Western Heritage-Educational Displays		25,000
Coors Art Exhibit		10,000
Outdoor Entertainment/Amphitheater (lawn seating)	1,000	
<b>Support:</b>		
Mixed Use Commercial		TBD
National Western Center Administrative Offices		15,000
Maintenance & Operations		42,000
Yard & Storage		TBD
Security		2,000
National Western Club		15,000
Museum/Cafeteria		TBD
<b>Site/Parking/Circulation, etc.:</b>		
Livestock RV Area		
Equestrian RV Space		
Parking-Minimum - 8,000 spaces		TBD
Parking-Maximum - 15,000 spaces		TBD
Open Space/Public Space/Landscape/Dentention		TBD
Site Development		TBD
Service/Marshaling/Loading & Unloading		TBD
Interior Circulation Space/Bridges		TBD

Source: Populous, Western Stock Show Association.



(Note that the name of each facility is not intended to be an official and final building name, but rather is used to identify each building. The official names may change. Further, the proposed program is likely to be refined as part of the site master planning process.)

To summarize the program table above, the major elements include:

- **Rodeo-Primary Arena** - Replacement of the existing 8,140 fixed seat (excluding floor seating) Denver Coliseum built in 1952 with a new, multi-purpose 10,000 fixed seat Arena with up to 40 suites. To accommodate rodeo and other livestock events, a staging and warm-up area would be directly adjacent to the arena floor. The new Arena is proposed to be located north of Interstate 70 to integrate more effectively with the other facilities and to better utilize RTD's new North Metro Line station.
- **Livestock-Indoor** – Replacement of the existing Stadium Arena built in 1909 with a new multi-purpose, 2,500 fixed seat and 2,500 retractable seats, concrete floor Livestock Stadium Arena. It is currently envisioned that half of the seats would be retractable affording maximum flexibility for both seating capacity and floor area. The attached Livestock Hall is the large livestock barn and staging area for livestock events in the Arena. One of the two livestock auction arenas would be located in the new Livestock Hall as well.
- **Livestock-Outdoor** – Replacement of the existing Stock Yards built in 1886, a unique feature of the Denver Stock Show, with new Stock Yard pens that would be modern and flexible, and could be removed and stored for the remainder of the year freeing up acreage for year-round uses. The other outdoor livestock uses listed are important elements of the Stock Show today and would be replaced.
- **Horse** - Replacement of the existing 4,777 fixed seat Events Center built in 1995 with a more robust multi-venue complex designed for equestrian events, including a 4,500 seat (2,500 fixed and 2,000 pullout), concrete floor Equestrian Events Center and a 500 fixed seat, dirt floor Equestrian Arena. Each arena would have an adjacent staging and warm-up area adjacent to each arena floor. Existing barn space (about 340 stalls) would be replaced with a new barn to house 1,000 stalls, which, when combined with other facilities on the site, would allow the Complex to host horse shows with up to 2,500 stalls. (Fort Worth markets up to 2,800 stalls and Oklahoma City markets up to 3,200 stalls.) Two

outside covered exercise arenas round out the equestrian offering. (Other on-site venues could also be utilized for larger horse shows, discussed later.)

- **Trade show-Indoor** – The Stock Show currently utilizes exhibit space in multiple venues (Hall of Education built in 1973 and Expo Hall built in 1991) on multiple floors. Because space is limited, the concourses and lobbies of the various performance arenas are utilized for exhibits as well. This leasable space related to trade show areas only (excluding food areas, lobbies, admin spaces, etc.) sums to approximately 258,000 SF, but portions are quite inefficient as exhibit space. Non-Stock Show exhibit shows (RV show, fair, etc.) use other spaces as well, such as arena floors and spaces used during the Stock Show to house animals. The program concept is to consolidate the existing mix of older exhibit spaces with a single modern exhibit hall. A trade show building footprint of 400,000 gross square feet, which equates to approximately 300,000 to 320,000 SF of leasable exhibit space, is proposed. A small amount of exhibit space (3,500 SF) is also planned along the concourse in the main equestrian arena to serve the exhibit needs of small equestrian shows.
- **Trade show-Outdoor** – Existing outdoor exhibit space used during the Stock Show is replaced with similar functional space.

Generally, the facility program represents a re-creation of much of the square footage and facility spaces that the current Complex offers but in new, modern, technologically improved facilities. Just as important to this project as the buildings themselves, access to the site and interior circulation would be improved, and the site would be master-planned to create front of house and back of house areas, maximize efficiency and create a logical interconnectedness among the facilities.

## DURA Report

In 2011, DURA prepared an analysis of and response to the Association Business Plan providing the City's perspective on the Association planning.

## Guiding Principals

Near the end of the DURA Report, a list of the City's guiding principles is set forth, along with further explanation of the City's position related to each principle. The key principles/explanations extracted in full from the DURA Report include:

**The City's greatest priority relative to the NWSS is preserving the historic January event with a business model that is economically viable and financially sustainable.** The age and functionality of the existing venues, including the Denver Coliseum, have the potential of negatively impacting the Association's ability to maintain financial sustainability. The best way to achieve the City's objective (of preserving the Stock Show with a viable financial model) is to allow the Association to produce the annual Stock Show and produce and promote other agricultural-based activities consistent with their stated mission and relieve them of the continuing maintenance and facilities upgrade requirements beyond those of their specific equipment and building needs (i.e. stock yards). This may be more feasible for all parties if the facilities are owned by the City and some sort of rental arrangement is agreed to.

**Any plans regarding the NWSS site and facilities must serve to enhance the new vision for the Brighton corridor and the adjacent section of the Platte River to foster investment and redevelopment in that area, and to improve that entryway to downtown.** Revitalization of the Brighton corridor is a priority for the City. Proposed office space on the NWSS site may be better envisioned more boldly as an innovative agricultural business development opportunity along Brighton Blvd. Secondly, any consideration of redevelopment of the area should embrace the Platte River and seek to maximize his potential.

**Any new development must comply with the letter and spirit of the City's new zoning code and the general principles of new urbanism, sustainability and transit-oriented development.** Given that the commuter rail will impact land usage and provide an important new access and development asset at the site, any parking plan should recognize that developable land is at a premium.

**Any proposed City expenditure on future and NWSS improvements must be cost neutral to the City's treasury and must provide an economic benefit equal to, or better than, the cities other investments.** While the Business Plan proposes that the Association would control a new Arena on the site (in replacement of the Denver Coliseum), including all revenues generated, the DURA

Report suggests that it would be damaging to the City to lose revenues associated with the Denver Coliseum (or its replacement) and that an alternative approach may be to stay with the current arrangement whereby the Arts & Venue Department would remain in control of the Coliseum and/or new Arena.

**City support for proposed new facilities first requires measured evaluation of impact on the Denver Coliseum, Denver Performing Arts Center, and the Colorado Convention Center.**

Recognizing the importance of not creating undue competition among other City supported venues as a result of assisting the vision of the Association, growth opportunities at a redeveloped Complex could be maximized via coordination between the Association and VISIT Denver.

**Any expansion should minimize impacts on – and maximize potential benefits for – the existing adjacent neighborhoods.** The opportunity for expansion must be balanced with the potential impact, including employment opportunities, on the surrounding neighborhoods.

**Whenever possible, new plans for the facilities and programs of the NWSS should complement and support the City's commitment to education, children, economic development and job growth.** Potential for economic development and job growth through an expanded facility also provides opportunity of furthering the City's objectives. This potential is greatly enhanced when the prospect of coordination with the City's department of Arts & Venues, as well as with VISIT Denver is brought to the objective of maximizing the use of any new venue. Further, if the potential for economic development along the Brighton corridor can be achieved it would serve to meet all of the Mayor's goals and present the greatest outcome for all of Denver and his residents.

## **Conclusions**

Key presumptions and guiding principles realized during the study include:

- Deterioration and functional/technical obsolescence of the Complex threatens to limit continued viability of the Stock Show, and this issue limits the facilities' ability to attract other events throughout the remainder of the year.
- The Western Stock Show Association's current financial model is not self-sustainable.
- Community leadership desires the Stock Show to remain as a premier national event, and the City considers finding long-term solutions for the Stock Show, Complex and Coliseum a very high priority.

- The future of the Stock Show, Complex and the Coliseum could play a critical role in anchoring other important and wide-ranging regional planning initiatives, including those articulated in the North Denver Cornerstone Collaborative and the Corridor of Opportunity. Broad economic development movement is swiftly converging in the area. The Complex and Coliseum, as well as Brighton Boulevard, represent the gateway to downtown on the drive in from Denver International Airport, and this area has strategic importance to the future vision for Denver.

## Strategic Options

Given the key presumptions and guiding principles stated above, Denver is faced with four general strategic choices related to the Stock Show and Complex:

1. Raze the Complex and abandon the Stock Show – Extensive discussions with City and other local stakeholders yielded no interest in this option, and it does not meet the guiding principles.
2. Keep the Complex and Stock Show generally in its current configuration and with only required maintenance (the “Do Nothing” option).
3. Make modest, incremental improvements and upgrades to the current site and facilities, but without changing the site layout of major facilities substantially.
4. Reconfigure the site and build mostly new facilities.

Based on the above points and objectives set forth by the City, solutions must include major site enhancements, building renovations and replacements for year-round, multi-purpose uses. As such, the visions of the City and the Western Stock Show Association are aligned: both want the Stock Show to remain positioned as a top national event for the long term and the business model for the Stock Show and Complex must be self-sustaining. The presumption is not if the Complex will be reconfigured, but how those major changes will be implemented, through a phased approach over some yet-to-be determined time span.

## NATIONAL WESTERN STOCK SHOW

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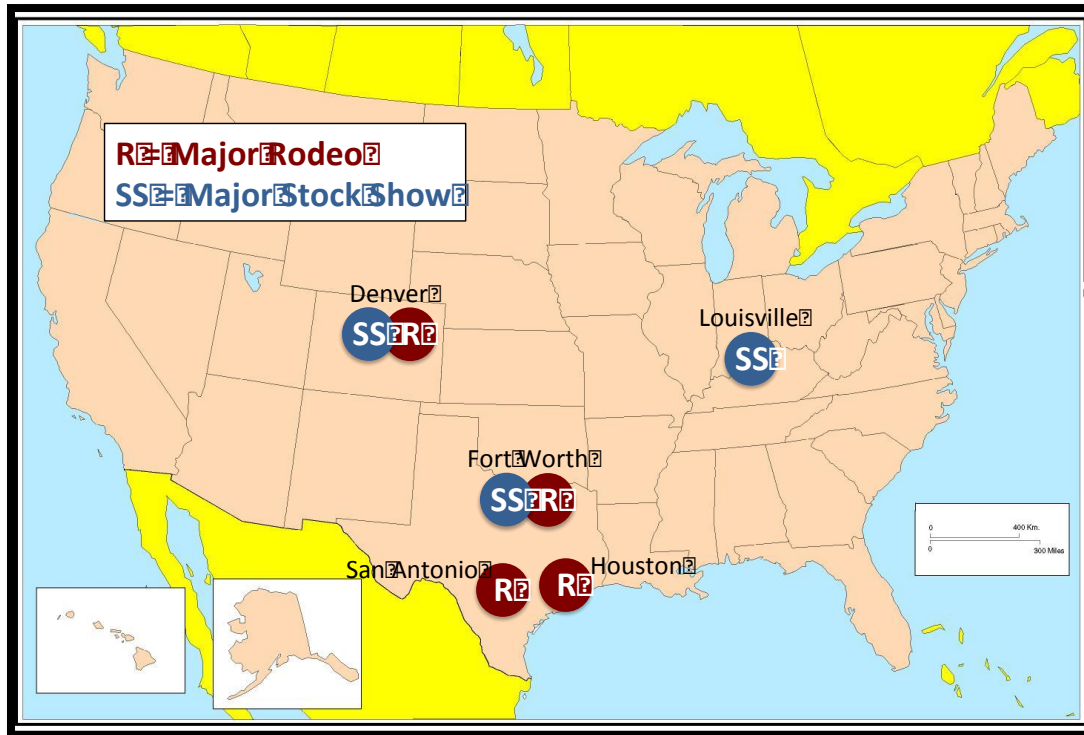
The National Western Stock Show is an internationally recognized livestock event with a long history and is a signature event in Denver. This section examines the long-term facility needs of the Stock Show from a market perspective, and examines the prospect of lengthening the duration of the Show from the current 16 days to 22 or 23 days.

### Overview of the Major National Stock Shows

The previous studies, including the DURA Report, provided a good overview of the major national competitive/comparable stock shows that occur throughout the year, and the National Western is the first on that circuit held in January. While some may consider these competitive events - and in some respects they are - it is probably better described as a circuit of events where many participants find value in attending one or more of these events.

The number of meaningful livestock shows is diminishing. Numbers of exhibitors at state fairs and some regional shows have dropped off significantly. Livestock breeders and those industries that support the livestock industry are consolidating their exhibiting dollars to the events that have the best selling and marketing opportunities for their livestock. The major shows have experienced growth.

The DURA Report recognizes the “Big Four” rodeos as Denver, Houston, San Antonio and Fort Worth and the “Triple Crown” of livestock shows as Denver, Louisville and Fort Worth.



The Houston and San Antonio shows focus heavily on a nightly series of major concerts from top tier acts following rodeo performances. These events are held in the 71,000-seat Houston Reliant Stadium (NFL) and the 19,000-seat San Antonio AT&T Center (NBA, WNBA, minor league hockey). Entertainment is a major part of the show brand. The more livestock-oriented shows in Denver, Fort Worth and Louisville do not augment their events with concerts.

**Houston** is no longer a PRCA sanctioned rodeo, but is the top attended show with 2+ million spectators. Houston is almost out of the breeding cattle business but has a huge junior livestock show, but only Texas juniors are allowed to exhibit (Denver has no such restriction). Because of its location being so far to the south, Houston is not in position to become a major player in the breeding cattle show world, so Houston is not competition with Denver in this area of strength for the NWSS.

**San Antonio** is a top PRCA payout rodeo and its events are augmented by concerts. San Antonio is more a regional player on the stock show side, versus Denver’s national and international appeal.

Denver, Fort Worth and Louisville are the more livestock-focused shows and are well located geographically, which is a key component of success for livestock shows. None of these shows currently host concerts in conjunction with their events.

**Louisville's** North American International Livestock Exposition is the major eastern livestock show. There are many smaller cattle operations east of the Mississippi River that market at the Louisville show. There have been management changes at the show so the possibility exists that the show may alter its course, however nothing concrete has surfaced regarding changes. The Louisville show is slightly shorter than Denver at 14 days. With the exception of modern and larger facilities, Denver is well-positioned vis-à-vis Louisville.

The **Fort Worth** Stock Show & Rodeo could be termed a “sister” show to Denver. The Association is in many ways is moving toward the model in Fort Worth. The Fort Worth and Denver events are held back-to-back, cater to much of the same market, and are livestock focused. Additionally, the Denver facility plan would yield a similar product to Fort Worth and would seek to compete directly with Fort Worth for non-stock show horse events. Finally, Denver is also considering extending its Stock Show to three weeks, similar to Fort Worth's current duration.

After experiencing a significant attendance increase from lengthening the stock show to 23 days in 2002, Fort Worth hosted over 1.1 million attendees in 2012. The Fort Worth facilities are well maintained and much newer than Denver's, thanks to a dedicated hotel and car rental tax funding stream and philanthropic donations to fund capital programs. Although Fort Worth is planning a \$450 million 12,000+ fixed seat arena in the future, it does not plan to incorporate concerts into the stock show program.

Fort Worth is strong in breeding livestock events but does not appear to be aggressive in the breeding livestock world, and will likely never open its doors to out of state junior exhibitors like the NWSS does. Fort Worth does have a large junior exhibitor base but entry is limited to Texas. As such, Fort Worth is more regional in many ways (although Texas is the strongest cattle state), whereas Denver has a more national and international reputation. Fort Worth is poised to thrive in the future.

**Denver's** NWSS is a major livestock show (often called the “Super Bowl” of livestock shows because many breeds choose the Denver show as their national show). Reasons for NWSS continued strength include location/proximity to the major livestock producing regions, strong



tradition of the Show, the variety of events, and the Yards as a unique and valuable feature. However, poor facilities are a major constraint to both growth and customer satisfaction. Denver risks losing its strong position as competitors continue to improve their facilities and customers grow wearier of Denver's outdated facilities.

**Kansas City** is another centrally located show worthy of mention. The American Royal hosts 2,000 head of various livestock (versus Denver's 7,000+). While Kansas City has a good location, it does not appear the show will be a major competitor to the better-developed shows. At one time the show had a fairly large trade show component, but is now much smaller. One handicap that tends to reduce exhibitors and attendees is that the show is held in the fall season, which is in the heart of harvesting season. One draw of the show is the "American Royal World Series of Barbecue" marketed as the largest barbecue contest in the world. (Denver could seek to create one or more iconic events similar to this.) The rodeo was moved downtown to the new Sprint Center but this move was unsuccessful and is now back at the aging Kemper Arena. The Royal released a proposal to raze Kemper Arena and replace it with a 5,000-seat Agricultural Events Center that better fits the needs of the American Royal and agricultural-related events. However, an agreement has not been reached on whether or how the project would proceed. The Royal is active with equestrian events.

## Rodeo-Primary Arena

### Previous Recommendations

The Association recommends a new 10,000-fixed seat (plus floor seating) Arena to replace the existing 8,140-seat Denver Coliseum.

Key amenities proposed for the new Arena include:

- 10,000 fixed seats.
- Approximately 40 suites for 16 to 20 people each, with two being larger party suites for 40 to 50 people.
- Loge boxes.
- 260' x 140' concrete floor arena floor/show ring, which is larger than most arena floors.
  - For perspective, a NBA basketball court is 94' x 50'. Hockey rinks in most of the world follow the International Ice Hockey Federation (IIHF) specifications, which is 200 feet x 100 feet. Most North American rinks follow the National Hockey League (NHL) specifications of 200 feet x 85 feet. As such, the arena floor is easily capable of international ice events, as well as a broad range of other sporting events.
- Livestock staging and warm-up area.
- Food and support spaces.

The concept is to position the new Arena adjacent to the Exposition Hall so that trade show exhibitors could take advantage of the crowds that attend the rodeos or other events. As such, the new Arena would be integral among the other venues, all located north of interstate 70.

The HVS study was based on 10,000 fixed seats (plus floor area) with 40 suites and CSL recommended 10,000 to 12,000 fixed seats, both consistent with the Association's recommendations.

### Historical Utilization

The NWSS and the Denver Coliseum hosted 28 ticketed rodeo performances with 188,300 in attendance in 2013 during the Stock Show:

## 2013 NWSS Rodeo Events

	Number of Performances	Total Attendance	Average Attendance	Comment
Professional Rodeo Cowboys Assn (PRCA)	19	136,700	7,195	
Professional Bull Riders (PBR)	3	19,300	6,433	Mon-Wed
Colorado vs The World	3	14,100	4,700	Non-pro
Mexican Rodeo Extravaganza	2	13,500	6,750	
Martin Luther King Memorial Rodeo	1	4,700	4,700	
Total 2013	<u>28</u>	<u>188,300</u>		

*Note: Some events cut down a portion of the arena.*

*Source: National Western Center.*

The number of rodeo tickets sold has remained relatively flat for the past 20 years. The Stock Show sells out more than half of the PRCA rodeo performances, with non-sellouts due to weather, less than desirable day and time (weekday or mornings), or occasional conflicts in timing with other events, such as a Denver Broncos game. As discussed below, a longer duration at the Stock Show or revised format could allow for some of the individual rodeo events held on less desirable days and times to be moved to more desirable days and times, further increasing the chances for higher attendance.

### Drivers of Rodeo Success

When people speak of rodeo, they are generally referring to the Professional Rodeo Cowboys Association, or PRCA. Prize money is a key success factor for the rodeo. Total prize money is generally the sum of the contestant entry fees and money contributed by the local event (“local committee purse” or “added on” money). There is no set formula for the amount of added on money, but a primary source is typically revenues generated at the facility by the event, such as a portion of ticket sales.

Throughout most of the 1980’s, the Denver rodeo placed in the top three rodeos with Cheyenne’s Frontier Days and Houston’s Rodeo in terms of payout. In 1988 the National Finals Rodeo in Las Vegas claimed top spot and is far and away the best payout through today. Over the years, other rodeos, including several that are subsidized by the PRCA, have climbed ahead of the NWSS rodeo with payouts higher than the NWSS’s 2012 ~\$250,000 committee purse, and competitors continue to improve their product. The 2012 payouts are presented below:

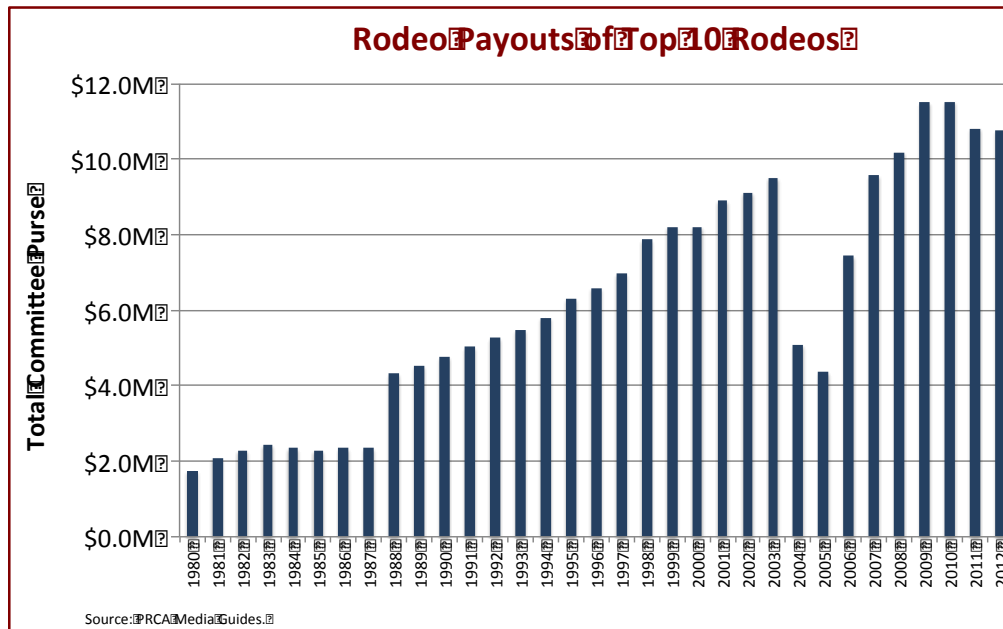
## 2012 PRCA Rodeo Payouts

	PRCA Rank by Total Committee Purse	Total Committee Purse	
		Subsidized by PRCA	Not Subsidized
Las Vegas, NV (National Finals)	1	\$6,125,000	
San Antonio, TX	2		\$1,179,000
Omaha, NE	3	681,250	
Oklahoma City, OK	4	558,432	
Puyallup, WA	5	472,500	
Waco, TX	6	471,432	
Cheyenne, WY	7		432,000
Reno, NV	8		300,000
Pendleton, OR	9		270,000
Ponoka, Alberta	9		270,000
Denver, CO	11		247,750
Fort Worth, TX	12		210,000

*Note: Houston, formerly 2nd in unsubsidized payouts, is no longer with the PRCA.  
Source: PRCA Media Guide.*

The NWSS has expressed its desire to be ranked higher to raise the stature of the Denver rodeo and the NWSS on the whole. The development of a larger arena with a higher level of attendance (and decisions by the Association on funding payouts), the NWSS rodeo payout ranking could improve substantially. Higher payouts would serve to ensure the best talent competes in Denver, further ensuring strong attendance. To achieve this goal, the operational plan takes into account a higher payout. For the purposes of the operational financial analysis, a total committee purse of \$500,000 is allocated to move the new NWSS into the top five. This amount would be subject to Association discretion in practice based on market and competitive forces.

As illustrated in the following chart, the PRCA has seen historical growth in payouts:



(Note the drop in payouts the last couple of years due to Houston’s decision to try some progressive formats with its rodeo, which were not in line with PRCA rules. As such, Houston’s \$2+ million payout is not included above and does count toward the National Finals Rodeo standings.)

Although long-term historical attendance information was unavailable, PRCA officials indicated that attendance at its rodeo events and overall fan base have grown consistently since the mid-1990’s, and held steady even in poor economic times. PRCA officials relayed that in 2011, PRCA events had 4 million attendees and 24 million fans including television audiences. In 2012, those increased to 4.7 million attendees (an 18% increase) and 31 million fans (a 29% increase), respectively. Houston’s (non-PRCA) rodeo has also set attendance records.

Based on interviews with the PRCA (and interviews with Professional Bull Riders and others), a 10,000 fixed seat capacity was noted as the correct arena size to be planning.

A new Arena and enlivened Stock Show would likely also spur discussion with rodeo organizers on ways to best maximize the events. Rodeos have varying formats and it is likely that the NWSS will enter into discussions to enhance the format of the key rodeos to maximize the attendance, purse, venue revenue and national visibility. For example, a format with fewer contestants focused on the nation’s top talent might be adopted. A new format (and potentially more days) might provide opportunities for additional rodeo semi-final rounds with top national talent.

Stock Show staff also sees opportunities to add new rodeo content, such as incorporating the Indian National Finals Rodeo, mini bull riding (kids riding smaller bulls), women's and youth rodeo events, etc. Furthermore, more horse events might be mixed in (team penning, cutting, mounted shooting, etc.) at the new Arena and the ability to maximize leverage with potential concerts would be examined by the Association. These new events could breathe new life into the Stock Show and the rodeo portion of the NWSS can rise in national stature and visibility. With 28 rodeos over 16 days held in the Coliseum, as well as other events mixed in, more time may well be needed to add significant new content.

Fort Worth has been studying and planning for a new arena for some time and, given Fort Worth's similarity to Denver, the consulting team discussed this topic at length with leadership. Both the Fort Worth stock show leadership and the City of Fort Worth Will Rogers Memorial Center management team were clear about their analysis of the right arena size: 10,000 seats for rodeo. Fort Worth is planning a slightly larger arena because it will be the primary arena in the Fort Worth market (replacing a downtown arena that will be devoted to convention uses) and they believe that concerts during the rest of the year need an arena with seating in the 12,000 to 13,000-seat range. Expectations for increased rodeo attendance are high with the new arena in Fort Worth. Fort Worth does not plan to add concerts to its stock show.

### Concerts

One of the opportunities for the NWSS in upgraded facilities, particularly in an upgraded Arena, is to consider adding concerts to the lineup. This could include a kick off concert, a concert at the conclusion of the Stock Show or a mid-week concert series. However, no specific plan is firm at this point. As noted later in the report, user comments suggested concerts as a way to drive more attendance and add new life to the Denver Show, as is done in varying degrees at other stock shows.

Concerts are a large part of the stock shows in San Antonio and Houston. The San Antonio Stock Show & Rodeo moved from the older and smaller 11,700 (concert) seat Freeman Coliseum (similar to the Denver Coliseum) into the 19,000 seat AT&T Center, new home to the NBA San Antonio Spurs. 2013 stock show attendance was over 1.67 million, including nine record breaking days, and rodeo attendance increased in 2012 4% over 2011 with 15 of the 21 performances sellouts (2013 data was not available). Similar to Houston, rodeo events are generally accompanied by a concert of top music acts (mostly country), which increases the draw, but rodeo

attendance (prior to the concert) is reported to be strong. To understand the caliber of concert talent attracted to the large arena in San Antonio and NFL stadium in Houston, concerts at the 2013 Houston rodeos included: Toby Keith, Gary Allan, Alan Jackson, Zac Brown Band, Mary J. Blige, Demi Lovato, Styx, Lady Antebellum, Dierks Bentley, Bruno Mars, Tim McGraw, The Band Perry, Jason Aldean, Kenny Chesney, Jake Owen, Blake Shelton, Luke Bryan, George Strait, Martina McBride, and others, which represents an incredible back-to-back daily concert lineup.

Concerts or other entertainment may become a more prominent feature at the Stock Show and this type of entertainment would add to revenue in the form of increased ticket sales, ancillaries such as concessions and merchandise sales, more and extended stall rentals, etc. However, the venues in Houston and San Antonio are NFL and NBA arenas that are not comparable to a new arena with significantly smaller capacity. Neither does the Association envision concerts every night after a rodeo as in the Texas shows. As such, the concert schedule for Denver should be considered an exciting supplement to the Show versus a primary driver, and a few concerts could likely be strategically placed to add a significant new attraction to the Stock Show.

### Suites

Although a detailed demand study related to the suites was not conducted, the Association's recommendation appears reasonable. Association officials indicate that it could sell 18 suites immediately if construction were underway to identified founding partners and other sponsors. It would plan to hold back four suites to rent on an individual event basis at higher rental rates. The remaining 18 suites are believed to be marketable among the other suite offerings in the community. To provide perspective, once complete this new Arena might be considered the #2 indoor arena in the market in many respects. It will be modern, integrated among a larger multi-purpose complex, located near downtown Denver with commuter rail access, host to the NWSS, home ice to a minor league hockey team, host to concerts, family shows, amateur sports and a variety of other events throughout the year. The 20,000-seat Pepsi Center offers 95 suites to accompany its three professional sports teams and top concert and family show acts. The 6,500-seat 1STBANK Center offers 25 suites and is primarily a concert only venue for medium-sized shows. Dick's Sporting Goods Park offers 15 suites plus two larger suite areas.

## Recommendations

From the Stock Show perspective, rodeo events are the primary driver for sizing a new Arena. Based on a myriad of interviews with NWSS staff and leadership, top architects in this industry, the Fort Worth Will Rogers Memorial Center and stock show leadership (who host similar rodeos and are planning a new arena for this purpose) and, importantly, officials with the top rodeo organizations, including the Professional Rodeo Cowboys Association, a consistent conclusion was reached: **10,000 fixed seats is the correct seating capacity for a new, multi-purpose Arena** for rodeo and non-rodeo events. The other supporting components of the physical program appear reasonable as well.

The new 10,000-seat arena would likely sell out many of the rodeo performances at the larger capacity. New rodeo content could likely be added as well. In 2013, rodeo attendance was approximately 188,300. An average increase of 500 per performance would equate to an additional 14,000 tickets sold, or approximately 7.5% growth. Based on the entirety of the interviews and research, this would be a minimum expectation for growth. It is recommended to add a few well-placed concerts to the schedule on a test basis, which could add 7,000 or more per show. It is also recommended that the Association implement a plan that results in the NWSS being among the top ten nationally in terms of rodeo payouts.

## Livestock (Indoor and Outdoor)

### Previous Recommendations

The Association recommends building a new set of facilities for the livestock activities both at the Hill and Yards, including:

The Hill:

- **Livestock Stadium Arena** - Concrete floor, multi-purpose with 5,000 seats (2,500 fixed, 2,500 retractable, plus floor seating) to replace the existing 1909 Stadium Arena.
- **Livestock Hall** – Attached 230,000 SF livestock barn to replace the first floors of the existing Stadium Hall and Hall of Education (~100,000 SF) that are currently used to house livestock.
- **Livestock Hall Auction Arena** – 700-seat auction arena.

The Yards:

- **Stock Yard Pens** – Replacement of the existing Stock Yards with new and flexible pens. Pen count would remain about the same at approximately 800. Pens would be 16' x 24'



expandable to 30' x 48' via panel dividers. (Existing pens are not flexible.) Pens would also be collapsible so that they can be removed to create an open parking or festival space.

- **Stock Yard Show Arena** – 1,000-seat (bleachers) concrete floor secondary arena for livestock showings in the Yards area.
- **Livestock Center Auction Arena** – 700-seat auction arena.
- **Other outdoor spaces** – Cattle tie areas, wash rack areas, Herd Sire space, Heifer Mart, Stock Dog open space.

As part of the pending site master planning process, the planning team will explore potential new uses for the 1909 Stadium Arena and multiple floors of the existing Expo Hall, Hall of Education and Stadium Hall, although new uses are yet undefined.

The Association recommendations were influenced by the HVS and CSL studies. These studies assumed the facilities would be rebuilt on a new site in conjunction with a new Gaylord convention hotel, which could house much of the trade show exhibit space needs. A second phase of the CSL work examined sites without the Gaylord, but a new program was not developed. As stated previously, the decision was made to build the facilities on the existing Complex site.

The HVS study was based on a 5,000-seat Events Center arena, which appears to replace the existing Events Center (primarily used for horse events). The study appears to house all of the livestock functions (stalling and performance areas) within a 300,000 gross SF “multi-purpose Livestock/Trade Show Facility”, although it is unclear where specifically events would be held. The study was also based on a 500-seat Stock Yard Show Arena versus the Association’s recommendation of 1,000 seats; a 750-seat Livestock Center Auction Arena versus the Association’s recommendation of 700 seats; and 400 Yards pens versus the existing 800 and the Association’s recommendation of 800.

CSL recommended a single 5,000 to 7,000-seat arena in addition to a new Arena. The study reduces the number of performance arenas from three (Coliseum, Stadium Arena and Events Center) to two (excludes a new Stadium Arena). This would be a departure from the current program of offering one ~5,000-seat arena for each of the livestock and horse functions (current Events Center and Stadium Arena). Without both the livestock and horse segments having dedicated performance space, the Stock Show would need to be reduced in scale. The study recommended to re-create the signature outdoor yards.

## Livestock Industry

The following points summarize the livestock industry from information provided by CattleFax, the National Cattlemen's Beef Association, Population Reference Bureau and other sources. Slides from various CattleFax presentations are presented in Exhibit B at the end of this report.

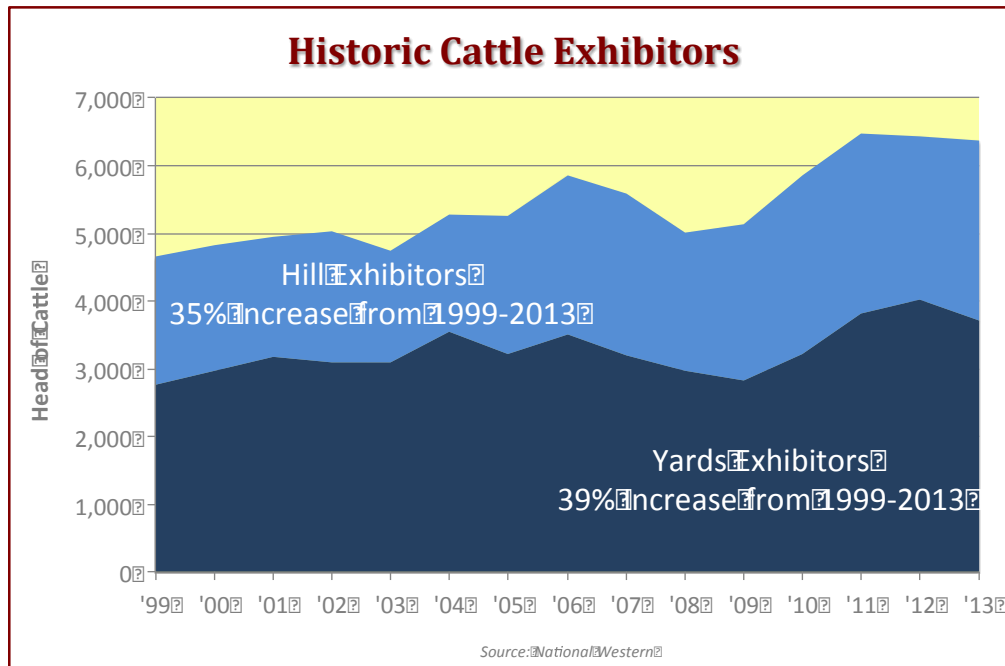
- World population will exceed 9 billion people by 2050.
- Global food production will need to increase by 70% by 2050; beef and dairy production will need to double by 2050.
- As per capita income rises, so does meat consumption. Rising global wealth means rising meat demand. The U.S. consumes more meat per capita than any other nation.
- Global meat/poultry inflation has been significant for over a decade, which affects other countries more than the U.S. as other countries spend a larger share of income on food.
- Global production across all protein categories (beef, pork, poultry, fish, lamb/goat) has risen for decades to feed a growing global population.
- Protein production must continue to increase to meet continued growing global demand.
- U.S. consumer expenditures on beef have risen for decades.
- Segments of the U.S. beef industry include a variety of operators throughout the supply chain, from seed stock through retail or export, culminating in the sale to the ultimate consumer.
- The industry has experienced significant consolidation resulting in a fewer number of major producers in each industry segment.
- Roughly \$73 billion in consumer spending on beef annually results in costs and profits spread among the industry segments.
- The U.S. has the fourth largest stock of cattle at 91,000,000 head behind India, Brazil and China.
- While the U.S. is the third largest meat producer due to China and the European Union's large pork production, the U.S. ranks number one in beef production. The top four beef producing countries produce 60% of global supply.
- Beef production represents the largest single agricultural enterprise in the nation. Hundreds of thousands of U.S. jobs are dependent on the beef industry.
- The U.S. beef industry contributes \$147 billion in economic impact. In Colorado the beef industry contributes \$8 billion in agricultural receipts, representing half of all agricultural sales in the state. 33% of Colorado counties are economically dependent on the beef cattle industry.
- The U.S. beef herd has been contracting since the mid-1970's due to a variety of reasons, including weather, land values, ethanol, alternative land uses, urban sprawl, government policy and the increasing average age of the producer.

- However, total beef production increased over that same period due to increases in average carcass weights. Since 1975 the average carcass weight has increased six pounds per year from 565 pounds to nearly 800 pounds per carcass today. Furthermore, the number of calves weaned per cow exposed has increased through the years. Both of these statistics reflect the emphasis on increased productivity and improved technology.
- Small cow herd operators are declining in favor of large herd operators.
- In 2012 Colorado was the fourth ranked cattle slaughter state.
- Denver lies at the edge of the heart of the U.S. feed yard operations cluster, which includes northwest Texas, western Oklahoma, western Kansas, Nebraska and eastern Colorado. Denver's proximity to market is excellent.
- The U.S. exports agricultural products around the world, and exports to China are growing rapidly.
- U.S. pork and poultry production has seen steady increases since the 1980's.

In summary, tightening global supplies and increasing global demand, combined with price inflation, reflect very good potential for US global exports.

## **Historical Utilization**

The chart below illustrates the growth trend in cattle exhibited in both the Hill and Yards. Categories of cattle include: breeding cattle, junior breeding heifers, junior market beef, commercial females, fed beef, herd sire, bison, yak, Catch a Calf, and sale cattle such as Denim & Diamonds Sale, Foundation Female Sale, Trowbridge Sale, Western Elite Sale, and others. Livestock growth has been consistent at the Stock Show. The NWSS has seen growth of 35% to 40% in head of cattle since 1999.



## NWSS Livestock Activities

The National Western Stock Show is known as the “Super Bowl” of livestock events. Cattlemen come to Denver each year from all over the world to see the best display of genetics and discover evolving trends and technology in the industry. Every cattle genetics company that has a standing in North America is represented at the Stock Show. Beef cattle seed stock exhibited at the NWSS each year is on the cutting edge of genetics that will be used to continuously improve the U.S. beef industry. These genetics are the most sought after around the world. Cattle producers from the leading cattle producing countries travel to Denver to view the different breeds and buy cattle, semen for artificial insemination, and frozen embryos for import. All of the major cattle breeds have sales during the Stock Show. **Denver is host to more national cattle breed sales than any other livestock event in the nation and is well positioned to grow this market** (23 sales grossed more than \$6.5 million in 2013).

From a livestock perspective, the NWSS is host each year to all of the 20+ major and minor beef breeds found in North America. The early days of the NWSS were home to the predominant breeds of that era, including Angus, Hereford, and Shorthorn. Over the last forty years, many European continental breeds have gained market share and notoriety in North America. The NWSS is now the predominant show and marketing venue for all of these breeds of cattle. If

your breed is not represented at Denver each year, it is viewed as a negative sign for that breed.

Barn capacity is a driver of growth and success. The current space used to house cattle on the Hill (animal stalling adjacent to the Stadium Arena) is the first floors of the Hall of Education and Expo Hall, which provides about 100,000 SF of usable space and allows for about 800 or so head of cattle. The “junior” barn, where the non-cattle livestock shows are generally held, is the first floor of Stadium Hall, which provides about 25,000 SF of usable space.

The Association recommends a new Livestock Hall of 230,000 SF, which has been configured after months and years of study and thought by the NWSS staff. As a single barn built with a concrete floor, suitable for large trade show expos such as a RV/car show or heavy equipment/farm show, and utilizing flexible and portable stalls, staff would have almost unlimited flexibility to meet Show needs. Staff envisions 50,000 to 70,000 SF of the total 230,000 SF allocated as the “junior” barn, with the remainder primarily for cattle, but this would be flexible. There is little need to subdivide the Livestock Hall.

The Yards is the staging area for hundreds of Hill exhibition cattle before they can be housed on the Hill and this symbiotic relationship is essential to the overall Show success. The Hill cattle housing area is currently at capacity, which limits the ability to grow. The Show squeezes in 1,000 head at times in the ~100,000 SF barn space that should hold less.

The following summarizes at a high level the array of livestock activities at the Show:

**National Breed Association Shows and Sales** - The NWSS boasts having more national beef breed shows and sales each year than any other North American show. In 2013, NWSS held 14 national shows and 14 national sales, the primary events for these breeds. This is a large part of the nickname “Super Bowl” of stock shows. More breed representatives are communicating with NWSS livestock staff to hold their national events in Denver each year, but capacity is limited.

**Promotion and Merchandising** - The Denver Stock Show is the premiere merchandising stage for the beef cattle industry. There is a consensus among breeders of high quality livestock that Denver is a mandatory part of their ability to present and market their breeding programs. Buyers alike recognize that the best quality cattle will each year be found in Denver. This dynamic is what fuels the agricultural side of the trade show and the strong attendance that is drawn to Denver each January from around the world.

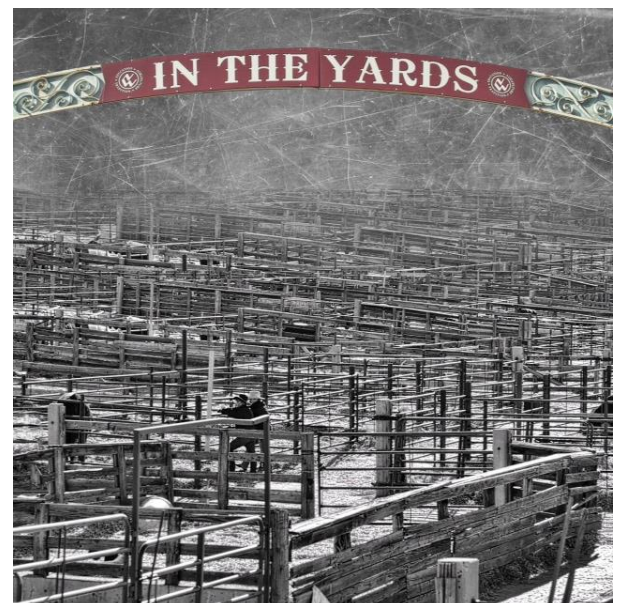
**Sales (23 sales grossing \$6.5 million in 2013)** - The gross sales receipts of the 20+ sales held each year have nearly doubled over the past four years. This is evidence that NWSS is gaining in its reputation for being a primary location to buy quality stock. NWSS staff reports that more and more breed associations are talking to the livestock department about hosting their breed's national sales each year in Denver. Currently, several breeds rotate their national sales between shows such as Louisville, Fort Worth, and Denver. The NWSS appears to be in the driver's seat to attract more of these sales provided new facilities can accommodate these events.

**Private Sales** – The NWSS encourages private sales but they are an informal business transaction between buyer and seller. There are likely millions of dollars traded in this fashion.

**Breeding Program Presentation** - It is common for ranches to bring large numbers of cattle to the NWSS. Some large ranches will enter as many as 40-60 head between the Hill and Yards shows. The purpose of exhibiting large strings is to show the depth of quality of their breeding programs. The unique combination of the individual animal shows on the Hill and the group classes (pen and carloads) in the Yards is not capable of happening at any of the other major shows. This gives Denver a leg up on the competition. The Yards is the primary reason that many Canadian livestock producers travel to NWSS each year to exhibit and sell.

**Hill Events** - The shows on the Hill (Stadium Arena, etc.) are individual animal competitions. The shows attract large numbers, especially for the breeds holding their national shows in Denver. The grand champions along with class winners will be advertised as the cornerstone of these respective breeding programs.

**Yards Events** - The Yards show is unique to the cattle industry in the way that large numbers of livestock can be exhibited and marketed. There is no event in the world that is similar to this event. It is what makes the National Western the “place to be” if you are in the cattle business. It is the combination of the Hill and Yards events that creates high value for cattlemen.



## Growth Opportunities

The consulting team worked with the NWSS staff to understand the workings of the individual events as they currently exist, where the constraints are, where opportunities lie, and how the facility program could best be tailored to the needs for future growth. This exercise also encompassed assessing expanded facilities while remaining a 16-day Show, as well as examining the impact of extending the Show to 22 or 23 days.

A majority of the individual components of the Show are space constrained and have opportunity for growth, and in some cases significant growth. The existing venues each day at the Show are very full. Certain areas are so packed at times it is difficult to maneuver and a perception of lack of safety can exist. The analysis of the logistics of each venue, species, breed and event on a day-by-day basis (involving events in the morning, afternoon and night) yielded a list of increased head count opportunities and new event opportunities.

The different breed shows and related activities occur in about three to four “waves” over the course of the 16 days as groups of breeds are transitioned into and out of the Stadium Arena, barn areas, Yards and related areas. Caring for the needs of these thousands of animals in terms of rest, feeding, cleaning, exercise, preparing to show, showing, and transporting requires a variety of interrelated facilities and coordinated activities to accomplish smoothly. Throughout the analysis, the team considered the amount of square footage required in a new Livestock Hall to accommodate the flow and housing of the animals.

Without delving into the day-by-day, breed-by-breed logistical issues, below is a summary of some key opportunities that led to the conclusion that the Stock Show, both in the Hill and the Yards, could grow.

**Breed Associations** - Requests from producers and 20+ breed associations to hold more sales or expand existing sales. Examples of cattle breeds (each with multiple divisions) that will continue to grow their numbers, which include:

- The historically strong breeds that were the anchor breeds for the NWSS, Herefords and Angus (the two largest breeds), continue to be strong. Hereford's introduced a pen heifer show several years ago and it continues to grow. Herefords could grow from 430 to 500 head and juniors from 150 to 200. The Angus are also considering a female pen show,

which in itself would cause a very large increase in cattle in the Yards. Angus could grow from 420 to 500 head and the juniors from 200 to 250 head given the space.

- Held in the first “wave” of exhibitors in the barns, Red Angus breeds are growing exhibited numbers. For example, Red Angus open and junior shows, previously held concurrently, now must be split due to growth in both divisions. Show days grew to be 12-hour days. The shows in the Stadium Arena are now on different days. (Junior cattle can also show in the open division so growth is potentially compounded.) Barns get so full some exhibitors are not happy with the crowding. Red Angus open could grow from 210 to 300 head.
- Charolais and Shorthorns are moving to hold their national shows at Denver every year rather than a four-year rotation. Hosting the national show at the NWSS means a larger head count for that breed. The Charolais open division could increase from 100 to 200 head with the national show and the Shorthorn open from 150 to 275.
- Simmental, a breed that is growing, has discussed having the national show in Denver as well (versus a rotation), but space is a limitation. To fit the Simmentals, another breed’s space must be sacrificed. Usually 150 head, hosting the national show would attract 250 head.
- Open Prospect has grown by 33% over the past four years and is expected to grow from 420 head to 500.
- New breeds such as Wagyu that are in their second year at NWSS.
- The Dexter Breed is interested in starting a show in Denver.
- The Texas Longhorn Associations have merged and exhibited numbers are expected to increase.
- Bison sales are strong and exhibited numbers are expected to increase. They also hold a sale the last Saturday of the Show.
- Expansion of the Commercial Female sale.

**Junior Breeding Competitions** - Junior breeding heifer shows are held for almost all of the 20+ breeds of cattle that are exhibited in the open shows. These heifers are owned by youth 7-21



years of age. These shows have grown in excess of 20% over the past three years and another 30% growth is anticipated.

**Junior Market Livestock Shows (4 species)** - These events are open to youth 8-18 years of age (generally youth in 4-H or Future Farmers of America). Unique to NWSS is the fact that these shows are open to the world, in contrast to junior shows such as Houston and Fort Worth where only youth from within that state can compete. Additionally, the NWSS shows are terminal market animal events where each entrant must be harvested immediately after the Show. Denver has been a terminal show throughout its existence. Because of this policy, steers that do show in Denver will be targeted to hit their market weight in Denver, or only a small portion of animals are shown in Denver with the others being saved for the other non-terminal shows.

Significant growth is easily achievable by eliminating the terminal requirement of the shows. Many of these youth would travel to Denver to compete in a national competition if their livestock was not mandatorily harvested after the Show so that they could compete in subsequent shows. To provide perspective, the NWSS currently hosts about 120 animals in these divisions, and Fort Worth has over 1,000 head just from Texas. The head count is estimated to be able to grow conservatively to 500 head in the first year of a non-terminal show, and probably 1,000+ after two years, which is significant growth considering the entire Hill barn capacity is 800 to 1,000 head today.

A highlight of the junior beef show is that the day after the selection of the Grand Champion beef steer, this animal is brought to downtown Denver to be displayed to the public for several hours at the Brown Palace, an historic Denver hotel. Hundreds of people come to see the champion steer, have their picture taken with him, and have an elegant luncheon honoring western heritage, which is a valuable promotional activity that draws attention to the NWSS.

**Herd Sire Display Area** - This is one of the most unique exhibits of breeding bulls anywhere. These exhibits are held in the Yards in a designated area where 115 display pens are currently available. The pens not only display top bulls, but also key vendors/sponsors and are decorated with signs, banners, and photos that create almost a carnival atmosphere. During the time this event is open, thousands of visitors attend to view and buy semen on this elite set of animals. Currently the NWSS has a long waiting list of current exhibitors wishing to expand their space and prospective exhibitors wishing to lease space in this prestigious show. In the future this portion of the show could expand to be herd sires and commercial trade show. The future plan

calls for an area increase to 40,000 SF to accommodate the demand. At least 30% growth is anticipated and likely more.

**Heifer Mart** - Heifer Mart is a new concept, similar to the Herd Sire area, which is previewing for the first time at the 2014 NWSS. The event will be a newly designed area in the Yards where cattle breeders can display and promote their breeding programs to the huge number of livestock enthusiasts attending each year. These cattle will be on display for the sole purpose of selling them. Staff believes that this is an opportunity to significantly increase cattle numbers, exhibitors, and attendees at the NWSS.

**Commercial Female Show and Sale** – A long-running NWSS event, staff believes that with increased attention significant growth is achievable. This sale currently generates approximately \$120,000 in cattle sales each year. The NWSS goal is to grow this to over \$1 million over the next several years by increasing entries, quality, and potential buyers. In fact, 2014 sales grew to more than \$330,000.

**Prospect Steers and Heifers** - This is a relatively new event for the NWSS with growth potential. Although this is an open competition, exhibitors in these divisions are primarily young people under the age of 21. This event currently attracts exhibitors from a wide geographic area and has significant growth potential. The word prospect means that these are market calves that will be exhibited at regional and national shows across the country during the next year, with Denver being the start of that show season. It is common for the value of individual animals to exceed \$20,000 in this division. These are some of the most elite livestock in the country to be shown by youth exhibitors.

**Hog** - The junior market hog show is another event with tremendous growth potential. The NWSS currently maxes out the capacity of the Junior Barn (Stadium Hall I) at 500 head of hogs. A random drawing of 1,600 potential entrants pre-registered for the draw reduces this potential pool substantially. By providing more capacity (even keeping the terminal structure), this show could easily double or triple in size. Removing the terminal structure of the show would expand the show significantly more. It is conceivable that the swine show could grow to as large as 2,000 to 3,000 hogs. Showing occurs within the junior barn as well, so this magnitude of expansion requires more time or another show arena within the barn to show the animals as well.

Regarding a new show, in August of 2013 the livestock department received a letter from the National Swine Registry expressing the strong desire to add a pedigreed junior breeding gilt show (young female hogs that have not yet given birth), which would be another large swine show. The letter referenced the Registry's conversations with 15 influential farms (listed in the letter) from ten states. Every breeder was very supportive and excited about the potential of this addition to the Show. Noted in the letter, some breeders felt the logistics of working the gilt show into the current facility would be problematic due to limited penning space. These same breeders felt a gilt show has the potential to be very successful as long as it would coincide with the market show, allowing families to bring junior breeding gilts at the same time as their junior market hogs. The letter further references that many of the names listed are not only influential breeders, but are also involved in various leadership roles within the state and national levels of livestock organizations.

Hogs are an example of where additional time does not help the situation. The junior market hog show must gather all the hogs into the barns at one time. As such, growth is dependent on additional space.

Another factor is that market hogs, goats, lambs, etc. that are to be sold at auction need to be housed in the barn (instead of moving out) until the auction, which takes up space. Similarly, some animals are held for drug testing and must be housed as well. As the overall Show grows, these needs will grow as well (although relatively insignificant).

**Goat** - Growth potential exists in the goat show by eliminating the mandatory harvest restrictions and other potential show revisions. The lamb show is popular for pure bred and cross bred sheep entries in both wool and market categories. While the lamb show currently brings in 500 entries from over 10 different breeds ranging from Suffolk to Targhee, the livestock staff believes the NWSS could grow the show to upwards of 800 entries.

**Alpaca** – Alpacas currently exhibit about 335 head, which max out the junior barn. Staff believes this show could at least double in size. Alpaca shows held at other times of the year maxes out the entire NWSS livestock facilities (not just the relatively small junior barn). Many of these same people would exhibit at the January show if space allowed.

**Lamb** - Growth potential exists in the lamb show by eliminating the mandatory harvest restrictions. The lamb show is popular for purebred and cross bred sheep entries in both wool

and market categories. While the lamb show currently brings in 500 entries from over 10 different breeds ranging from Suffock to Targhee the livestock staff believes the show could grow the show to upwards of 800 entries.

**Poultry** - These are primarily attractions for the general public to enjoy. The poultry show does have growth potential because of the urban interest in raising chickens in backyards. This show, managed by a third-party promoter, is currently limited to 500 head and there is a waiting list today. The poultry show could double or triple in size, although the space requirements are much less than larger animals. This promoter would also like to add more types of shows, such as a junior meat poultry (broiler) show.

**Stock Dog and Sheep and Dog Competitions and Sales** – People love dogs and for urban guests seeing them interact and work with livestock is entertaining. Designated areas especially for these events in the future are proposed. Currently, no entry fees are charged for these dog events. However, the popularity that continues to grow may present a revenue-generating concept for the future.

Stock dog competitions and sales are held in the Yards where an elite group of the competition dogs are sold. This past year averaged more than \$3,000 per dog sold. Each dog demonstrates its skill before being auctioned off. Sheep and dog competitions feature dog breeders and trainers demonstrating and competing by herding sheep and/or cattle around obstacles and into pens.

These more entertainment-based “filler” events would give way to livestock focused events should the choice need to be made between the two. Generally, there is more capacity in Yards facilities than the indoor Hill facilities. As the NWSS has found ways to add more livestock events, these types of filler events are pushed as required. Other types of these popular events include Frisbee dogs, splash dogs, dog pulling contests, combined dog and horse events, etc. The outdoor area would have bleacher seating to accommodate the crowds and this event space would be flexible to house a wide range of outdoor events. Should the expanded equestrian complex come to fruition, it is possible that some of these types of events might be brought indoors.

**National 4H Livestock Judging Contest** - This contest is supported by the NWSS but is currently held offsite at the Adams County Fairgrounds because of space limitations during the January Show. This is a missed opportunity to expose these youth to the NWSS. There are nearly 500

participants from around the nation that compete in this event. The actual contest is administered by the animal science department at Colorado State University. Bringing this event back to the NWSS is an example of an enhancement to the Show that could occur with more facilities; additional time is not deemed to be required.

**Industry Related Seminars/Conferences** - The International Livestock Congress (ILC) has been held during the National Western Stock Show for many years. The program focuses on topics important to the livestock industry and invites well known speakers from across the country. This one-day event is typically held at a hotel near the Stock Show grounds. The primary purpose of the program is to educate producers, consumers and youth attendees. With greater emphasis and promotion on this program, staff believes attendance could be significantly increased.

**International Program** – The International Livestock Congress (ILC) has been held during the NWSS for many years. The program focuses on topics important to the livestock industry and invites well know speakers from across the country. This one day event is typically held at a hotel near the stock show grounds. The primary purpose of the program is to educate producers, consumers and youth attendees. With greater emphasis and promotion on the program, staff believes attendance could be significantly increased.

These are only some of the many examples of growth opportunities derived from the event-by-event analysis in the livestock segment, which are ripe to happen with new facilities. Overall the NWSS livestock staff estimates 25-30% growth potential in cattle events is achievable. It is also clear that other livestock has similar unmet demand. The greatest limiting factors are space for almost every event along with the difficulty of site ingress and egress and loading and unloading.

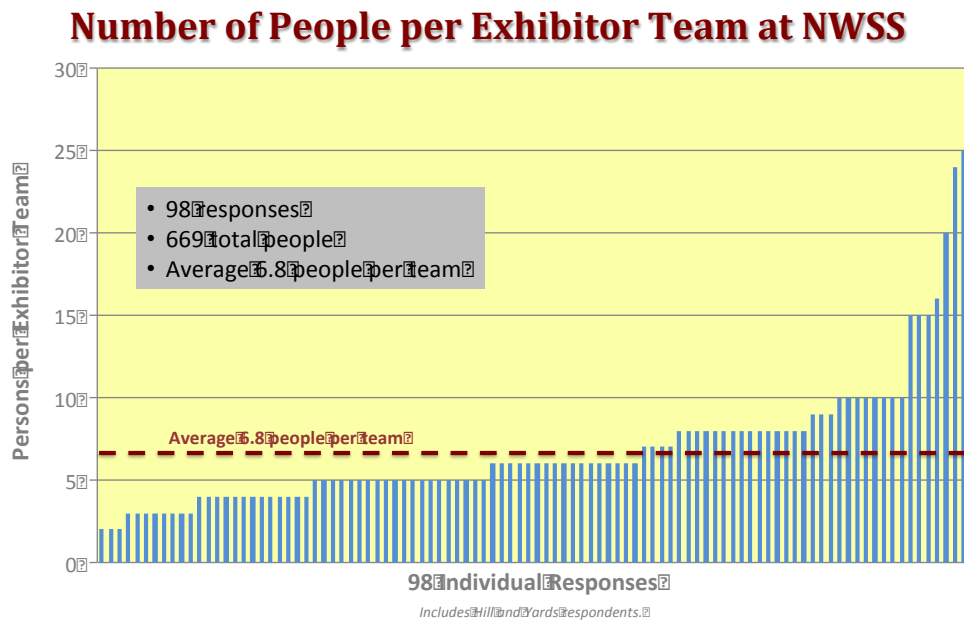
**Other Ideas** - The NWSS staff also compiled a list/sample of new or enhanced events that could occur given larger facilities or more time:

- Rabbit show (a large existing rabbit show that occurs in December elsewhere in Colorado would like to move to the National Western)
- Junior meat poultry (broiler) show
- Growth in turkeys, ducks, geese, other species
- Dairy milking demonstrations
- More dog events, such as splash dog, Frisbee dog, sheep dog, dog and horse, etc.
- Sheep shearing demonstrations
- Wool spinning demonstrations
- Dairy goat show

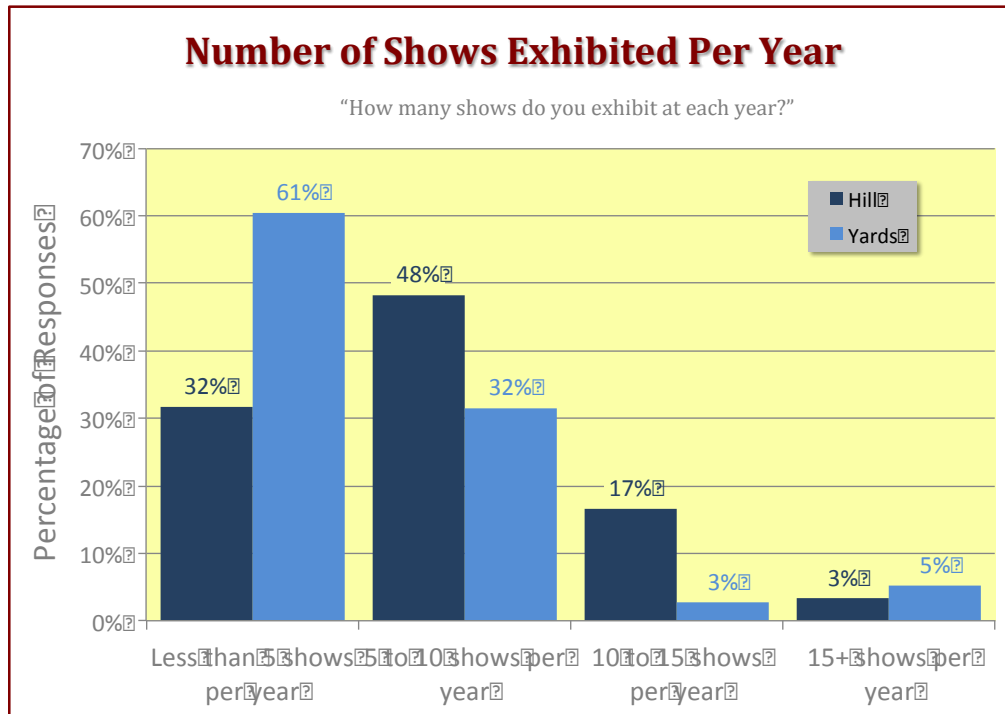
- Cattle fitting and showing demonstrations for public consumption
- Longhorn exhibitions
- Yak demonstrations
- Bison seminars
- Antique tractor and machinery show
- Tractor pulling contests - conventional and customized hot rod tractors
- Cattle hoof trimming demonstrations
- Horse shoeing demonstrations
- Roping demonstrations
- Ranching heritage seminars
- Mock auction with public participation
- 4H dairy cattle show
- Feeder cattle sales
- Livestock industry workshops for ranchers
- Cattle handling demonstrations
- Livestock judging seminar
- Chuck wagon and cook-off contests
- Food Fair and educational seminars
- Meat animal quality assurance shows
- CSU Meat Science demonstrations

## Hill and Yards Exhibitor Survey

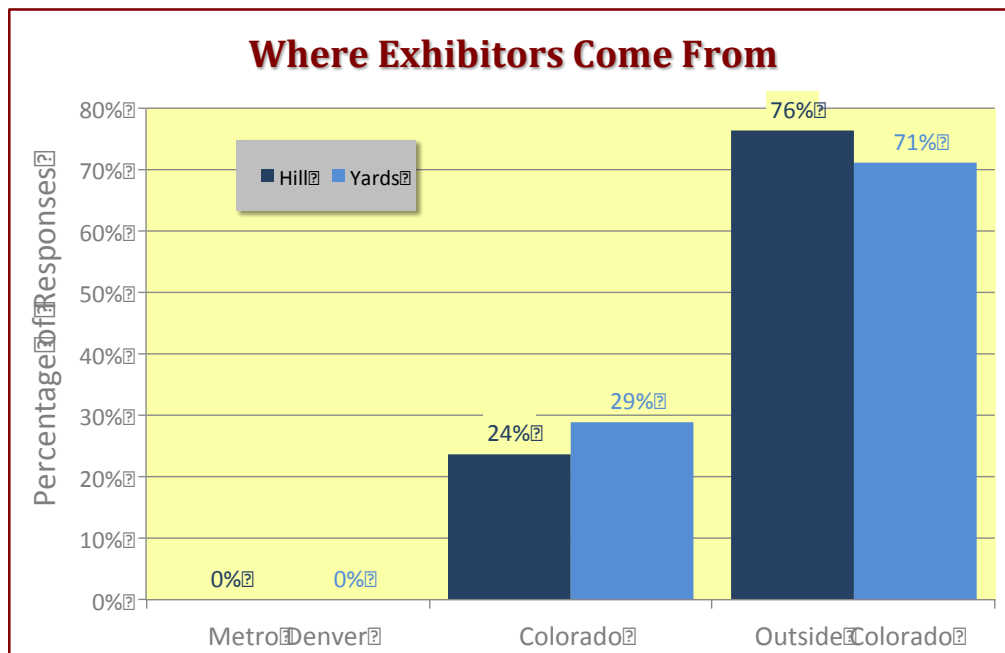
An online survey was conducted to gain input from both Hill and Yards exhibitors. The Hill survey had 60 respondents and the Yards survey had 38 respondents, discussed below. Each blue bar below represents the number of people in each of the 98 responses. The average number of people per exhibitor team at the NWSS is nearly 7 people. The 98 total responses encompassed 669 people in total.



Most exhibitors exhibit at less than 10 shows per year. Building reputation is a key component to a successful livestock operation, and major livestock shows are a key marketing and sales outlet.

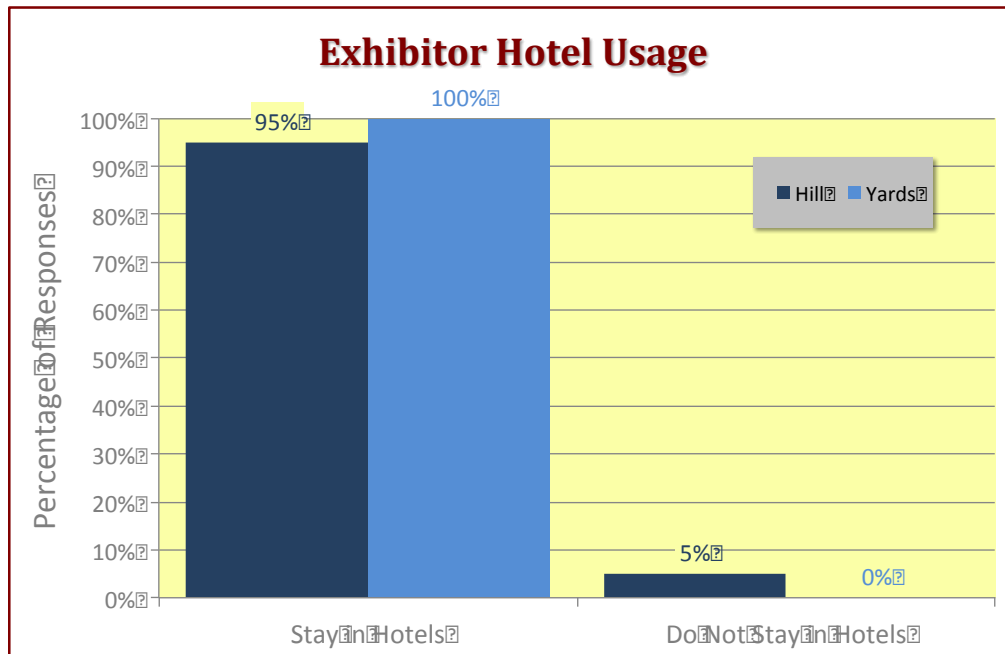


About three quarters of the cattle exhibitors surveyed come from outside Colorado, and the remainder comes from around the state of Colorado.

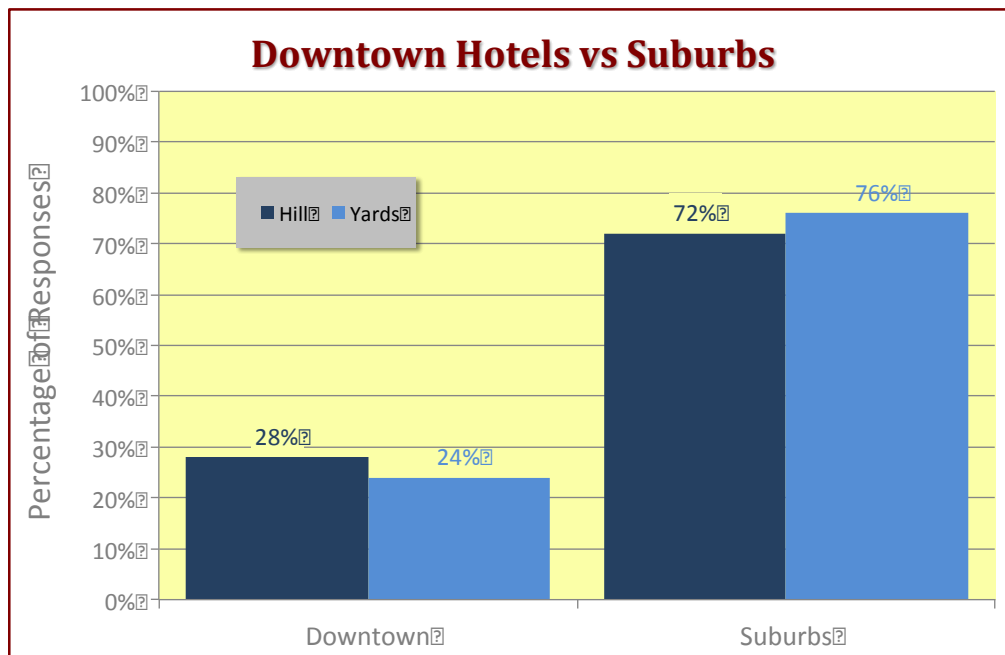




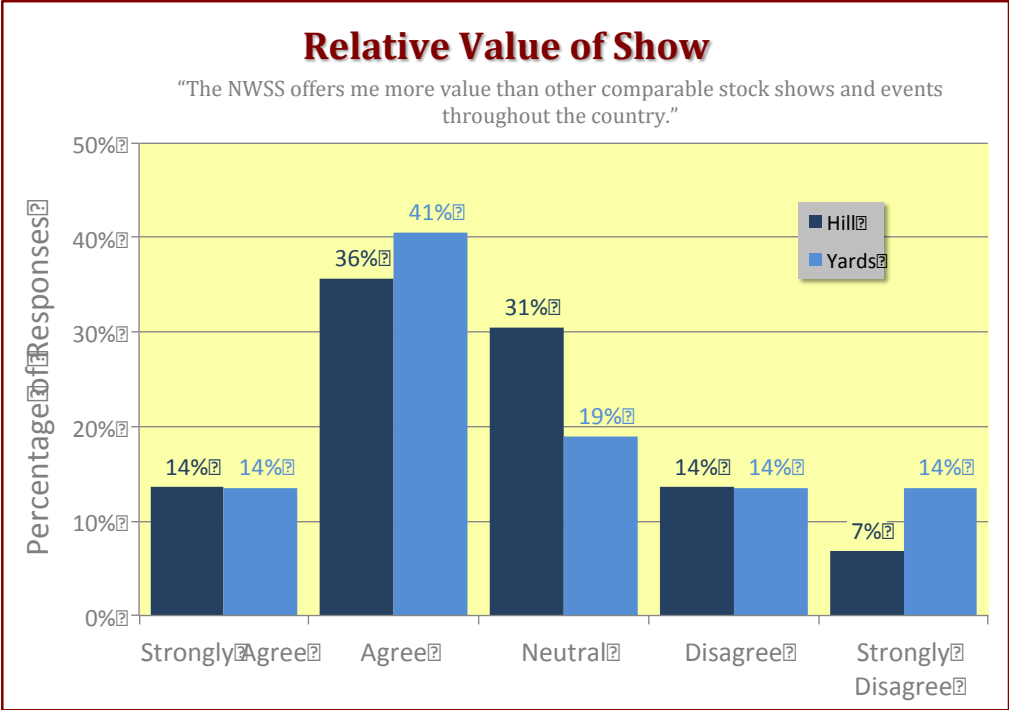
Virtually all of the cattle exhibitors surveyed stay in hotels.



About three quarters stay in suburban hotels and the remainder stays downtown.



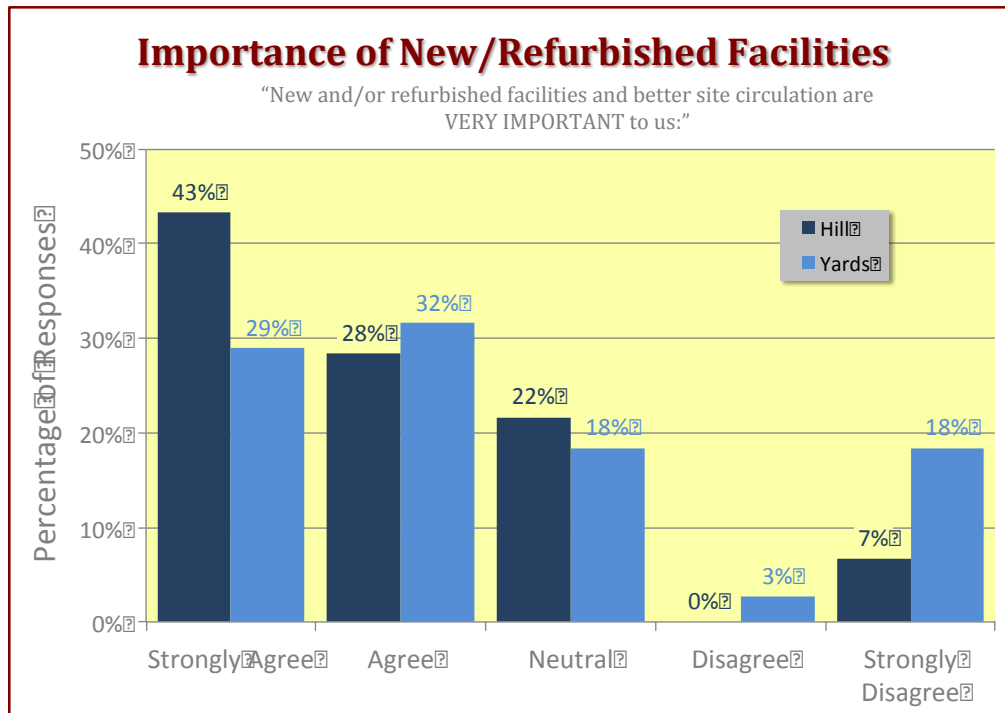
When asked if the NWSS offers more value than other comparable stock shows around the country, at least half agreed or strongly agreed. A relatively small percentage disagreed with this statement.



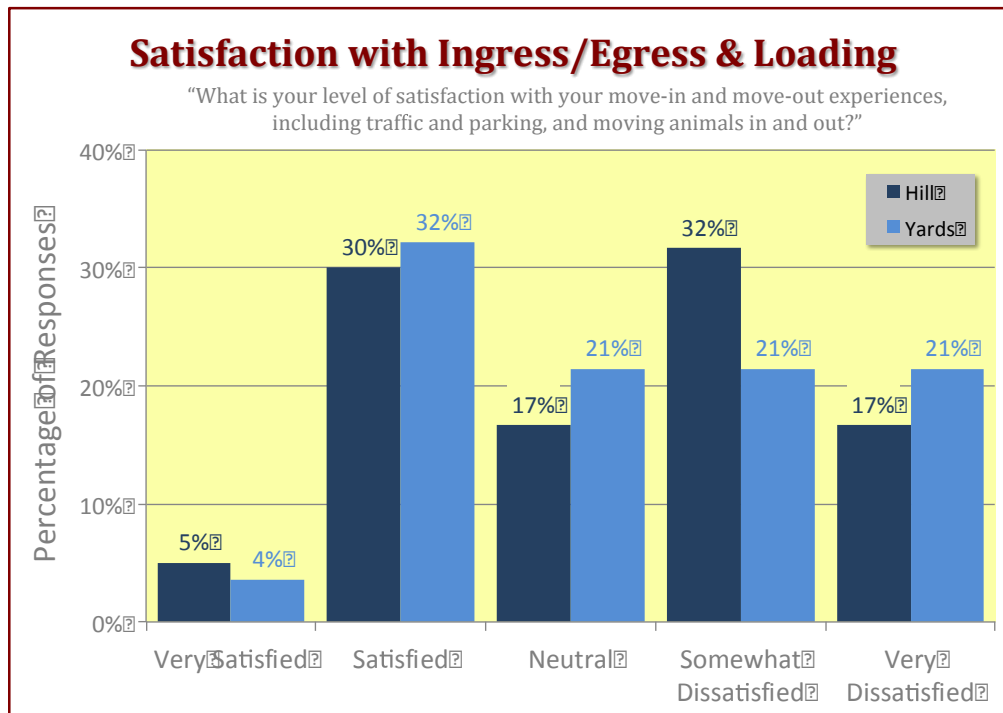
As a follow-up, the survey asked respondents to list the show that they found most valuable. Recognizing that the results may be skewed because these are NWSS clients, clearly the NWSS is highly regarded with 69% of the respondents ranking the NWSS as the most valuable show.

<b>Stock Show with the Highest Value</b>		
	<b>Count</b>	<b>Percent</b>
NWSS	66	69%
Colorado State Fair	5	5%
Louisville	5	5%
All	4	4%
Iowa State Fair	3	3%
Canadian Western Agribition	2	2%
Ft. Worth	2	2%
Wyoming State Fair	2	2%
Cowtown Beef Breeders Show, Miles City, MT	1	1%
Int'l Texas Longhorn Assn	1	1%
Kansas City	1	1%
Morgan County Fair	1	1%
Northeast Highland Cattle Show	1	1%
Red Bluff Bull Sale	1	1%
Spokane Interstate Fair & Expo	1	1%
	<b>96</b>	<b>100%</b>

Users were first asked about the importance of new facilities and satisfaction levels pertaining to both facilities and site circulation. When asked if new and/or refurbished facilities and better site circulation were VERY IMPORTANT, 60 to 70% agreed or strongly agreed with that statement.



Focusing on site and loading issues, while almost a third of the respondents were satisfied with the ingress/egress and loading at the Show, 40 to 50% of the respondents were somewhat dissatisfied or very dissatisfied.



There appears to be a fairly broad based dissatisfaction with the site traffic flow/circulation and loading into the Hill and Yards facilities. Issues include: long lines and wait times; crowding; inconvenient parking; hurried move-in/out process; general site logistics. One comment was "Worst facilities in the country."

Below are the actual comments exhibitors left related to the question in the above graphic: "What is your level of satisfaction with move-in and move-out experiences, including traffic and parking, and moving animals in and out?"

**Hill comments:**

- Hate waiting for hours to move in. Should have 2 lines: one for trailers and one for tack on trucks.
- Getting market beef in last year was very difficult! Procedures for moving in and out are confusing the first time and slow and frustrating after that.

- *Not enough time allowed to move in and when we have to move out other breeds are moving in. As much as it costs us as exhibitors we should not have to wait in lines for 10 to 12 hours to move in on the hill.*
- *Don't like parking trailer at Coor's Field. For the first time showing at this show, the flow of how everything should go is not very well communicated. There were times we just got lucky.*
- *Waiting for one of four tractors in the yards when there are 40 farms trying to move out.*
- *Don't like moving out immediately after our show.*
- *We get there first thing, but long hours to get in can be discouraging.*
- *Congested...too long of lines.*
- *Moving in herefords is very disorganized and we are not given enough time to prepare for the show once on the hill, moving out is a cluster and we are rushed out right after the show.*
- *The people are very helpful.*
- *It would be nice to move in earlier in the day as it is usually 3:00 am before we are done.*
- *It's always a challenge moving in and out of shows. NWSS does a fairly efficient job. The guys on the hill are the best.*
- *Just takes too long.*
- *Next to impossible!!!!*
- *We know what to expect and deal with it.*
- *With what you have to work with now, it couldn't be done much better.*
- *Wait time is way too long.*
- *At times there are long wait lines to load and unload.*
- *The hill is a mess, the yards are wonderful, have exhibited both places for decades.*
- *Takes too long.*
- *Very limited space to back in trailer, cattle stalls located quite a distance from unloading area, congestion, etc.*
- *We show all over the world and Denver is one of the worst experiences of our year. 2014 will be our 54th straight year.*
- *More room for trucks and trailers.*
- *Worst facilities in the country.*
- *The Hill check-in is onerous. Yards are better.*
- *It can get very late at night.*

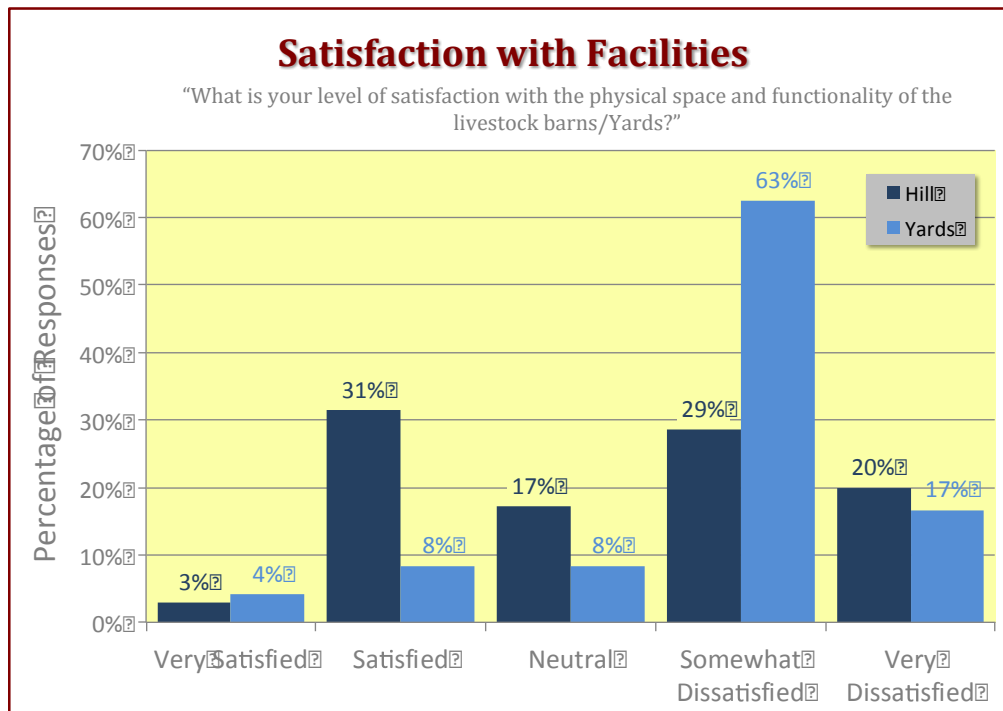
- *Overcrowded, slow, congested.*
- *Slow and congested.*
- *It is a pain and requires patience and expertise for the driver to maneuver in tight spots.*
- *Not enough exhibitor parking, too far from hill.*
- *It would be nice to get in the evening before we are scheduled but it's not a priority. Over the last 2 years they have changed the schedule to accommodate us better.*
- *Not enough load in load out areas. Long lines and wait to unload in the middle of the night.*
- *Not enough parking space outside of the Hill. Loading out while others are moving in is a mess. Moving animals around while move in/out takes place is very dangerous.*
- *Unorganized, limited access to building for the number of cattle to move in and out. It is a goat trail to get to the opposite side of the hill.*
- *Too much bottleneck when moving in and out. Waiting for hours. Also, feed and bedding vendor is very slow.*

**Yards comments:**

- *Roads are very rough. Crossing traffic to back trailer up is unsafe.*
- *Staff-excellent. Ease of access to load and unload-could offer a couple more places to load and unload. We had pedestrians open a gate and our cattle were out of the yards pens and alleys in 2013. Parking for truck and trailer is slim or far away. Hauling feed is cumbersome.*
- *Takes too long as area too small, trailer parking should be on site for exhibitors to bring in daily feed, etc.*
- *We need more time in the yards and more display area. More tack trailers to help haul would be beneficial.*
- *I was generally satisfied, but it is hard to back into the unloading chute over the railroad tracks. Also I was disappointed that there is no place to park my trailer while I am there. The tack haulers were great.*
- *At the 2013 show it took an additional 6 hours to move out of the yards due to congestion.*
- *It would be a lot easier if we could drive closer to our pen to unload and not have to wait so long for a tractor driver. It seems like every year when it's time to load out it takes way too long to get loaded out.*

- *It is extremely difficult getting unloaded and set up. There are certain "high dollar cattle operations" that receive preferential treatment.*
- *Much easier to get in/out of the yards versus the hill.*
- *Move out is very slow*

Focusing on facilities, when asked about their level of satisfaction with the physical space and functionality of the Hill and Yards facilities, Hill users were about 50% somewhat dissatisfied or very dissatisfied, and Yards users were 80% somewhat dissatisfied or very dissatisfied.



Issues with facilities included: lack of space; lack of modernity; congestion; ventilation; ample room for animals and tack; amenities such as tie-out pen space, corral panels, wash areas, lighting, power, water, and rest rooms; and others.

Below are the actual comments exhibitors left with this question:

**Hill comments:**

- *It stinks. Some people have more tack space then they have cattle. Past few years we have had no space and we have even had more cattle signed up than we had in the barn.*
- *Facilities are adequate but could use a lot of updating!*



- *Very out of date! The worst air ventilation! You should all go visit the new Forth Worth facility! Plus they are all so pleased to have exhibitors!*
- *Need more wash racks, better ventilation.*
- *Tight wash rack space, bad electric.*
- *Too congested.*
- *Lack adequate wash areas.*
- *We come to NWSS to market cattle and our program but are very limited on space. No tack space to visit with buyers and cattle are crowded in the stalls.*
- *Dirty and very dusty.*
- *Need more available room to place tack to keep the facility looking neat.*
- *Depends on the year. Don't like being at the goat door, it smells awful but the space was good. Been there other years when there wasn't adequate space. Keeping people to their assigned footage is a task requiring full time policing.*
- *Space is always too tight, and barns not ventilated properly.*
- *Many times you have to squeeze animals into a smaller space than you would like - turns into an animal welfare issue when they are crowded in and don't have proper space to lay down and rest.*
- *We have HUGE crews to help take care of our big strings and get shorted space every year! The Gelbvieh Breed has a bigger numbered show every year and still gets treated to substandard space!*
- *Hard getting cattle to show ring because of visitors. Could use more wash space. Not enough room to put our grooming chutes without being in the walkway.*
- *Dirty, unhealthy and not enough room.*
- *Terrible. Worst in the country.*
- *Wish there was better ventilation in the Hill barns to limit the ammonia.*
- *Poor ventilation on the hill.*
- *Space is tight and requires exhibitors to take up aisles, which doesn't allow for spectators. It also challenges the exhibitors to make sure animals have adequate space to not become excited and create safety issues. Facilities are not adequate from a safety perspective either with cords, water, and equipment causing issues that would otherwise be considered unsafe for animals and people.*
- *Need way more ventilation. Need more room to stall. Need better electric.*

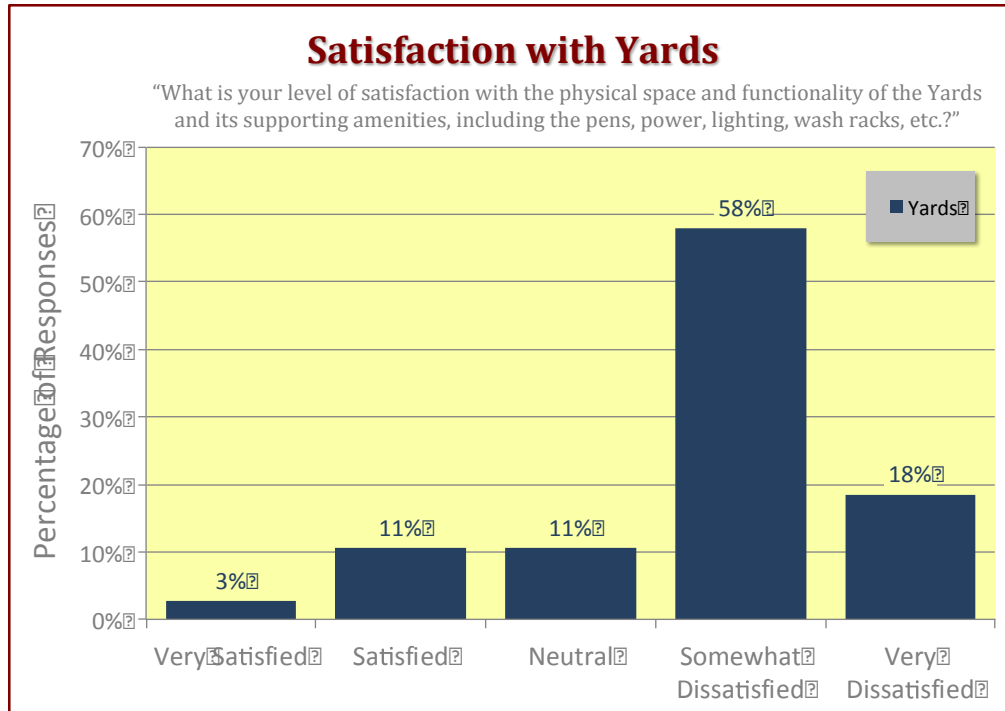
- *Air quality is a real issue difficult on the animals and people.*
- *Depends on where they put you.*
- *Need higher tie rails so exhibitors don't have to bring panels. Stretch a wire down the entire run for hanging stall cards, etc.*
- *Cramped.*

**Yards comments:**

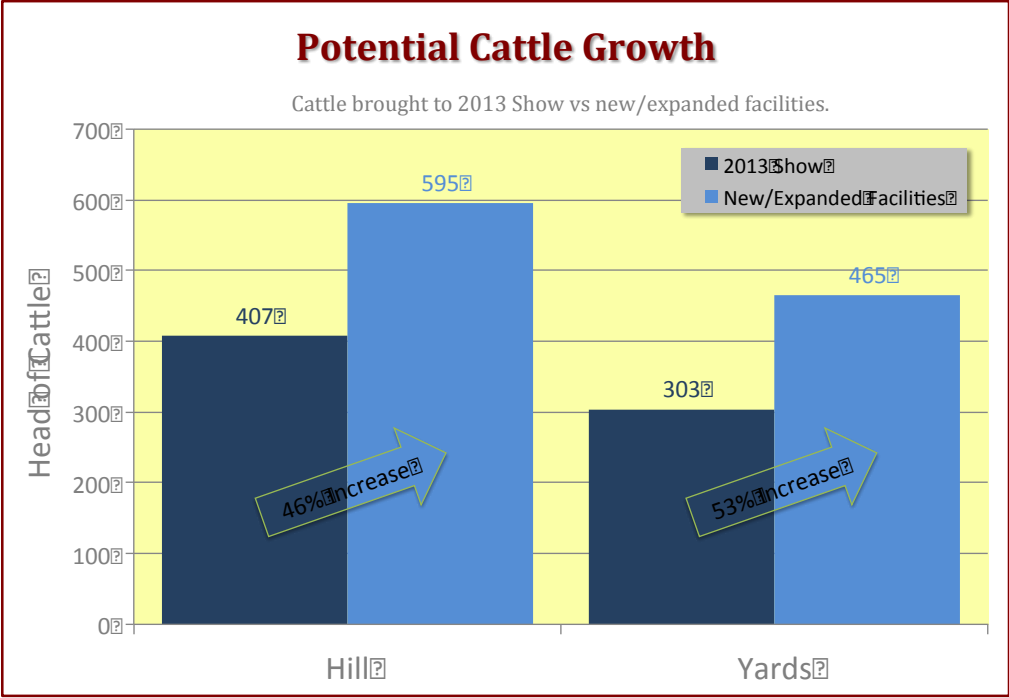
- *New pen are great but the Longhorn do not use the newer pens.*
- *The pens are in terrible condition, too few spaces to wash, very poor lighting, and power outlets are non-existent.*
- *Wash rack in a busy pedestrian traffic area. Pens are worn out. 2012 we had wooden pens with an actual gate. 2013 our pens were wired and tied together-panels set up after arrival- we left our cattle on the trailer during the wait, unloaded, penned and fed cattle in the dark. The old yards are nostalgic; I LIKE THE FEEL OF THE PLACE. Pens are in need of repair NOT replacement, being clean and functional is WAY more important than new. We have had no problems with water, we do not use electricity.*
- *Power & wash racks are not an option at this time. Tie out space in the yards is always a problem especially for the breeds showing in the yards later.*
- *Yards are not large enough for animals entered, there is no lighting, wash racks are located next to the arena which interferes with shows.*
- *No power, wash racks terrible, pens are all falling apart.*
- *NO POWER, LIGHTING or WASH RACKS?*
- *Need more pens and power, wash racks.*
- *The pens are fine but lights and power would be nice to have. Washing in our pen is fine.*
- *Pens are deteriorating but functional. No wash racks that are indoor and heated. Have to rent or bring our own generator - big expense and hassle. Limited lighting. Needs to be improved.*
- *Pens are in shambles, falling apart, can get night pens in a timely manner.*
- *When in the yards there are no facilities to wash inside.*

- *It's hard to imagine anyone anything other than "Somewhat or Very Dissatisfied". Unfortunately, there has been inadequate investment in these items for some time - deferred maintenance is a huge issue in the yards with water, electricity, pens, gates, etc.*

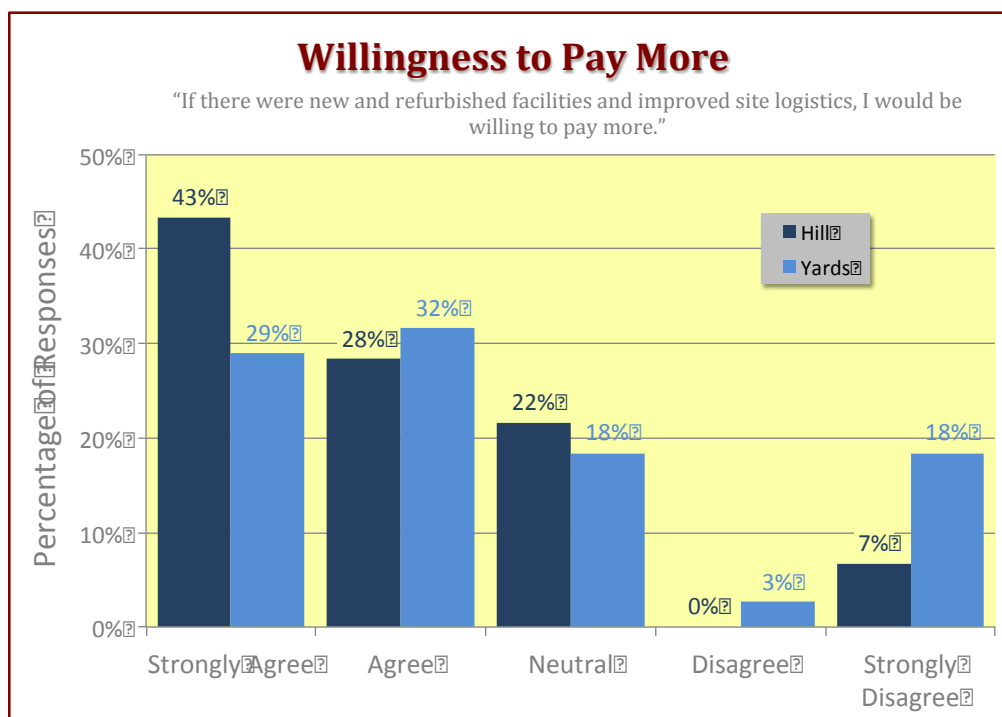
As a follow-up related to functionality and amenities in the Yards, users were asked to rate their satisfaction. Again, 76% were somewhat dissatisfied or very dissatisfied.



Regarding growth potential, both Hill and Yards exhibitors were asked how many additional head they would bring to the show if the facilities were modernized and expanded. The results indicated 46% and 53% increases, respectively, which is an indicator of unmet demand.



Users were asked if they would be willing to pay more for new facilities and improved site logistics. Recognizing the added value, 60 to 70% were willing to pay more.



At the end of the survey, exhibitors were asked to leave any final comments they wished. The comments reflected what is already generally known about the facilities and reflected in earlier comments. Comments were supportive of new and modern facilities and addressed issues including: need for updated and expanded facilities, including more aisle space; ample room for animals and tack; site traffic flow; convenient exhibitor and trailer parking; ease of loading; amenities such as tie-out pen space, corral panels, wash areas, lighting, power, water, and rest rooms; ventilation as a safety concern; cost concerns; show logistics/coordination.

Below are those actual comments:

**Summary comments left by Hill exhibitors:**

- *I think for the future of the show, you need to renovate or rebuild. Go to Omaha’s Ak-Sar-Ben Race Track and Coliseum and notice how clean everything is. NWSS management is doing a great job, facilities just need updated.*
- *I think this is a great idea & would love to see it implemented.*
- *Please do it. It’s terrible for such a great show.*

- *Easier loading and unloading. Clean the barns out between breeds the ammonia buildup causes a lot of sickness in the exhibitors.*
- *Closer parking to where livestock are stalled. Keep cost to exhibitors down as much as possible. We travel with 3 vehicles over 700 miles and watch expenses closely.*
- *Ventilation is poor, the Denver crude is real we are sick every year after the show. I have a child with asthma and it is difficult.*
- *Parking an issue. Need more and better yard tie-out pen space, corral panels and baling wire no good.*
- *The other challenge is exhibitor parking and trailer parking. Exhibitor parking is tight and can be a problem on certain days. Trailer parking is virtually non-existent.*
- *Rail from airport to stock show and downtown would be very useful.*
- *I know there's been talk about a new complex close to airport, etc. I'm old school....I've been coming for 30 years and the tradition and "feel" of the yards would not be reflected. I'd rather see improved parking and facilities where it is.*
- *We brought 2 Juniors to compete last year and are planning on adding to the number of Juniors fullblood Limousin Showmen we bring in 2014. But, the trip is a LONG one to travel to and to stay for. The 2013 NWSS was our first time SHOWING and our first time to Denver. We had a great time and will try to be back in 2014 with more fullblood Limousin!!! Our other fullblood Limousin exhibitor came through 2 snow storms, taking over 32 hours to travel from Oregon. So our 21 hour driving straight through didn't sound so bad then. I am sure the refurbished complex will be nice, but also be considerate of the costs to the JUNIOR showmen and smaller farms.*
- *With the highland cattle it would be nice to have more room for our animals, tack and chutes. We travel from upstate New York, approximately 2,000 miles.*
- *I love the history and the family/community feel of NWSS. I would love to see the quality of the facilities equal the history and pride people feel for the show!*
- *We love Denver and it has always been a highlight of the New Year.*
- *Traffic flow, adequate room for cattle and tack, good air flow that is healthy for both cattle and people.*
- *Look into the livestock facilities in Grand Island, Nebraska at the state fair park and built by 2015.*

- *Put the lowliness back in the first rotation where they belong. One of the biggest shows in Denver and breeders for other breeds are buying lowliness and if they were there when the other breeds were there would be more exposure.*
- *The facilities are too congested and need upgraded. The location is really not ideal since it is right on I-70.*
- *I would like to see it stay where it is. Penn State has the best setup I have ever seen, on a much smaller scale.*
- *We do not seek hotels downtown because parking our bigger trucks is a nightmare in parking facilities. We do enjoy going downtown for dinner one night. I try to cook other nights because of time constraints and cost.*
- *Can't wait to be proud of our new complex in Colorado! Lived here all my life.*
- *It would be devastating to see the stockyards moved. It is such an important piece of history.*
- *Keep the facility in the current location and refurbish. Much of the history and prestige will be lost if it is moved. If you pay to enter 6 head, then you get 6 head of space. If you want to spend the money to enter 15 and bring 3, then that should be your option, not the stalling staff. It is expensive to be an exhibitor, thank you for combining the parking with the exhibitor badges!!!!*
- *Just as important as the issue of ease of loading and unloading is how courteous the NWSS employees are - don't forget this is also a factor in how pleasurable your experience at a show is.*
- *Please remember that most breeders that attend Denver do so as an advertising, marketing and promotional outlet. It isn't an "oh goody we are going to the fair" event for us. Clean, ample space to put up a display and healthy are important.*
- *Costs of beds in barns on the hill should be shared by all exhibitors who use them. Angus spends a lot of money that benefits those behind them.*
- *I hate to see the old stockyards go so what would be ideal is to keep the location the same just revamp it some. There is a lot of history at the stockyards.*
- *Widen the aisles. Have more power available, electric. More wash racks. More in and out capability. More doors that are easier to access with large trailers and trucks. Higher ceilings with better air circulation.*
- *There is also food (fast food & downtown restaurants), rental cars, airline tickets, supplies purchased at local stores, labor, fuel, repairs, etc. We go to Denver because it is like the*

World Series of cattle shows. The facilities are in dire need of updating. If you spread out the show please keep the main cattle breeds close together. If you want to have a dog show, llamas, etc., have them at other times. We have exhibited there since 1978 (35 years). Willing to answer more questions if needed.

### **Summary comments left by Yards exhibitors:**

- *It is very important to us to have as many "commercial" breeds exhibiting at once as possible. Ranchers don't come to look at club calves, yaks and Galloways. Angus, Herefords, Simmentals, Limousin, and Charolais need to be in the yards at the same time. This might require more pens and an additional show arena in the yards area to accommodate the show time crunch. Lighting and drainage in the refurbished yards should also be considered.*
- *A world qualifying show would help our personal business and possibly entice more longhorn breeders to show. Showing loose cattle at night is DANGEROUS, please arrange the show schedule to allow us to show during the daylight. Some of the pens are in good condition, leave them there. New restrooms would be an improvement over the trailer-it is small and difficult for some people to access. If the NWSS increases fees it would prohibit us from exhibiting. This is by far the most expensive show we attend and our premiums cover less than 1/5 of our expenses. As an exhibitor it would be a nice perk to be given a one-day pass to see the whole show. To save on expense we show and leave and do not walk through the exhibit hall.*
- *We feel there needs to be more convenient parking (including trailers). We come to Denver to sell bulls & don't feel that the commercial cattlemen are coming to buy bulls at the stock show like they used to.*
- *The Yards is the only reason we attend. If we lose the Yards, you will lose your show. The Yards staff has been great the last couple years, too. Do not add days to the cattle show. Every day's expense of feed, hotel, fuel, food, and opportunity costs of being away from home do take their toll. It is already tough to show Red and Black Angus with the current schedule.*
- *You cannot have enough power or ventilation!!!!!! Need more space in aisles and better lighting.*
- *Get us inside. TOO COLD AND WINDY.*



- *PLEASE incorporate ample electricity and water in the plans.*
- *Assistance while checking in is dismal. Also, hay and straw are akin to highway robbery. We try and bring our own hay and are expected to pay anyway. It's ridiculous that we are required to buy hay and straw and wood chips and an outlandishly marked up price.*
- *I'd like to see a better tack moving system. If you had pods or karts like the airlines to park, load then pull to a pen or pull to a trailer so the tack haulers are not tied up so long. Small wagons - maybe 20 - so many could load and unload at once speeding arrival and departing.*
- *Please do it as rapidly as possible.*
- *The Yards are a mess. If there is inclement weather it is really a pain. The Mini Hereford are inside, why can't we be with the Lowlines.*
- *We are excited to see improvements and progress forward but are very glad the location is not moving.*
- *It's important to provide a facility that is large enough to accommodate the number of cattle that are exhibited. Exhibitors and livestock are at the show for a long time it's important for "ALL" to be comfortable. An updated show arena would make it safer for the exhibitors and livestock.*
- *We would like to enter the yards with more time prior to show day.*
- *Amenities like wash racks, power, tie out areas and restrooms are the most limiting at the current facilities. Everything else can be dealt with easily. If the cost increased very much, we would not be able to afford to exhibit animals. We travel from California.*
- *Move the lowline show to the first week of the show.*
- *Thanks for requesting feedback. The NWSS yards are an amazing place (due to its history), and an abysmal place (unsafe area of Denver at night, somewhat of an eye sore, dirty, poorly laid out, no parking, railroad through the middle, etc., etc.). The actual yards and its pens need to be maintained and its historical significance needs to be leveraged. But, ALL buildings in the surrounding area need to be demolished or moved. And, significant investment into the animal pens in the yards is needed - the current situation is dangerous, disjointed, and dilapidated. It comes across more as ram-shackle than as a place that prestigious seedstock are exhibited to the world. The NWSS yards should become the west's premier marketplace for selling/exhibiting beef cattle genetics to commercial cattlemen, and the aura in the yards needs to promote this. This should include facilities that promote this -*

*possibly a museum about seedstock and beef cattle history, a place for breeders to meet and mingle w/ potential customers (that's out of the cold), large and modern display boards that summarize/promote cattle for sale or attendees' upcoming sales, etc. In addition, the yards can serve as a way to educate the public about beef cattle production - but that would require a separate investment to highlight the industry in a positive manner.*

### Livestock Stadium Arena Sizing

From the Stock Show perspective, 5,000 seats (2,500 fixed seats and 2,500 pullout seats) is considered to be the correct size for the Livestock Stadium Arena. While many of the livestock or horse events held in the Stadium will not be at capacity, there are functions that require this size during the Show. The 5,000-seat capacity is consistent with the size of the current 4,600-seat Stadium Arena, as well as other similar venues used for similar purposes around the country, such as Fort Worth's 5,652-seat Will Rogers Coliseum or the new 5,000-seat arena planned at the American Royal.

An important part of the thinking in sizing this “#2 arena” at the new Complex is that it would be multi-purpose to accommodate the needs of uses throughout the year. The aspect of the Livestock Stadium Arena sizing is discussed further later in the report.

### Livestock Hall Sizing

Much of the analysis above was focused on correct stalling capacity. The recommendations are deemed to be correct and allow for significant but realistic growth, allow for wider aisles, and allow for some room to make breed transitions smoother.

### Yards Sizing

The number of pens in the Yards is planned to remain the same even though growth is anticipated. The reason is that the number of head the Yards pens hold can be flexible. For example, an exhibitor that brings seven head of cattle might be given a pen and other space for his seven head. The next year that same exhibitor might bring 12 head, a significant increase, and they would fit into that same pen. NWSS staff is confident, even with strong growth, that new and flexible pens, along with more tie-out and other supporting spaces, will accommodate the needs of future growth. Furthermore, the modern pens with removable panels will be much more flexible than the current fixed pens.

### Other Important Considerations

Consistent with the survey results and comments, and based on extensive interviews with NWSS staff, management at competitive and comparable venues, facility users, master planners, and others, convenient parking is a key to success. It is estimated that many visitors are lost due to the challenges of parking and wayfinding in the current situation. Parking can also be very expensive, particularly if one must park in a private lot. New parking fee policies where parking is added to the ticket/pass appears to have increased overall revenue and made parking more palatable. However the most important issue related to parking (assuming a reasonable price) is convenience. If guests find that parking is too inconvenient, some will simply not attend the Show. The degree of convenience of parking and other multi-modal transit options to the Complex will impact overall attendance and satisfaction levels.

### **Recommendations**

No major revisions to the livestock portion of the program, both indoor and outdoor, are recommended.

One small enhancement might be to incorporate a slightly larger capacity (800 to 1,000) and a curtain system in the Livestock Hall Auction Arena, the primary auction arena. With a curtaining system, the space could be cut down for smaller audiences, which helps to keep excitement levels high at auctions, and opened up for the largest junior livestock and major breed auctions that can reach overcapacity currently. (The secondary Livestock Center Auction Arena is appropriate at 700 seats.)

The Livestock Hall should be adjacent to the Yards as animals move between these facilities often. The Livestock Stadium Arena and Livestock Hall also have the configuration to serve as a supplemental horse show venue for very large events, which are anticipated to occur just a few times per year. The Livestock Hall should be an easy connection to the equestrian arenas as well as they will be used for horse stalls on larger horse shows. Also, the Livestock Hall could be used as large exhibit space for large equipment or farm trade/consumer shows or for such shows as the RV show, auto show or indoor fair. As such, the master planner should pay close attention to these relationships.

## Equestrian (Horse)

### Previous Recommendations

The Association recommends building a new set of facilities for the horse show activities. However, **the primary driver of the equestrian component is not the Stock Show, but rather the Association's desire to become a major competitor for large national horse shows in non-Stock Show months.**

This aspect is discussed more fully in the non-Stock Show section of this report. Facilities include:

- Equestrian Events Center - Concrete floor, multi-purpose arena with 4,500 seats (2,500 fixed and 2,000 pullout) plus floor seating to replace the existing 4,777-fixed seat Events Center.
- Equestrian Arena - Dirt floor, single-purpose horse arena with 500 fixed seats. This facility represents an incremental step for the Complex designed to make the horse show offering competitive for large horse shows with other cities such as Fort Worth and Oklahoma City.
- Two Enclosed Practice Arenas – One dirt floor practice/warm-up area attached to each arena floor and connecting to the Horse Stall Barn. This is the staging area for animals about to enter the performance space.
- Horse Stall Barn – Attached horse stall barn to house 1,000 horses in 10' x 10' horse stalls (recommended 100% portable).
- Two Outside Covered Horse Exercise Arenas – Dirt floor covered exercise arenas.

These facilities would replace the existing Events Center and horse barn/Expo Hall first floor.

The HVS study was based on a single 5,000-seat arena and CSL recommended a single 5,000 to 7,000-seat arena for the Complex, and it appears this secondary arena was geared toward horse events. This would be a departure from the current configuration of one ~5,000-seat arena each for livestock and horse events (Stadium Arena and Events Center). Without a separate performance space for livestock and horses, the Stock Show would need to be scaled back.

The HVS study program was based on 500 permanent stalls with total capacity onsite up to 700. The CSL study recommended 1,000 permanent stalls with total capacity onsite up to 2,500.

## Historical Utilization

The current facilities devoted to horses are the 4,777-seat Events Center with an adjacent warm up area, and stalling for 560 or so horses in primarily relatively small 8' x 10' stalls. The horse stalls are split between the barn adjacent to the Events Center (about 325 stalls) and space on the first floor of Expo Hall. However, the cattle shows have grown so big at the Stock Show that horses and cattle now share Expo Hall I. Horse/cattle stall counts fluctuate depending on which one needs the stalls on a particular day. As such, horse stalling capacity at the Show is significantly less than the 560 stalls. Generally, the horse department could offer just over 400 stalls across the two buildings.

In 2013 there were nine horse events at the NWSS, summarized below:

2013 NWSS Horse Shows			
Breed	Total Entries (1)	Number of Horses	Number of Stalls
Quarter Horse Division	6,016	291	397
Hunter/Jumper Division	993	212	394
Draft Horse Show	304	351	351 Teams of horses
Paint Horse Division	3,198	124	175
Open Horse Show	684	107	161
Mule & Donkey Show	310	71	94
Horse Sale	47	47	47 Sale
Freestyle Reining	18	18	36
Versatility Ranch Horse	230	15	26
	<u>11,800</u>	<u>1,236</u>	<u>1,681</u>

(1) An entry is an individual performance by a horse and rider.

Source: National Western.

In terms of attendance, the American Quarter Horse Association (the largest breed organization) estimates that on average 2.5 people per horse attend horse shows (excluding spectators). Other industry interviews place that figure at about three people per horse. Data from the key competitive venues indicates this figure to be around four attendees per rented stall. Each of these people generally returns to the Show each day for the length of their particular event, usually a few days.

Like livestock, these groups of horses occupy the venue in waves over the course of the Show. In fact, two major components occur in the week to ten days prior to the official start of the Show, the PRCA Qualifier (qualifying rounds for the PRCA event) and the Pre Denver Quarter Horse Show.

These events often overlap much like livestock events and occur in multiple venues. The existing Events Center Arena is fairly dedicated to horse shows morning, afternoon and evening throughout the Show. The venue fits in other various events as well, such as Boots N Business (1,000-seat luncheon with Denver Metro Chamber of Commerce), Citizen of the West (scholarship fundraiser dinner on the Events Center floor), Cowboy Mounted Shooting, Wild West Show, Dancing Horses, Super Dogs, and other ticketed events. Unlike the other event types, the horse events spill over into other venues as well. For example, the Denver Coliseum hosts six performances of Quarter Horse Roping, as well as Paint Horse Roping, Team Penning, and Versatility Ranch Horse around the rodeo events. The Livestock Stadium hosts some Quarter Horse and Paint Horse performances as well. Furthermore, a Team Penning event holds six performances at the Jefferson County Fairgrounds, which could be moved back to the NWSS (growth opportunity).

## **Growth Opportunities**

Given the current facilities, growth is limited. Growth is best achieved when additional stalling capacity is accompanied by additional performance arenas, which the recommended program provides. Consider hosting a 1,000-horse event where horses perform back-to-back in the show arena. With that many horses and just one arena, the event would take a very long time. As such, as horse shows reach 500 horses (give or take) a second performance space is required to be able to attract the event. Even larger horse shows can require a third arena (and more stalls). And all show sizes require other rings (generally outdoor and often covered) to exercise the animals.

Existing shows would grow if not limited by space. For example, the Pre Denver Quarter Horse Show, sponsored by the Rocky Mountain Quarter Horse Association, is limited to around 300 horses that take nearly 400 stalls, but that show could grow to 600 or more stalls. The NWSS hosts its own Quarter Horse Show subsequent to the RMQHA Show, resulting in a longer (week long) overall show.

Hunter Jumpers currently use about 400 stalls (all of the available stalls) and the primary limitation to growth is show rings because of the time it takes to run all the exhibitors through. A second ring would allow for growth in this discipline, which would require more stalls. The show might grow another 50%.

The Paint Horse Show is about 175 horses that has decreased in size due to the difficult economy and growing pains from previously rapid growth rates. However, this show was much larger previously and, as a large nationally active breed, staff believes this breed show will return to growth.

The open show entails primarily youth and a wide variety of breeds performing an array of disciplines, including Western Pleasure, Horsemanship, Showmanship and Halter, Hunter Under Saddle, and Hunt Seat Application. This event could double from 100 to 200 horses.

Although not a large number of horses today, Versatility Ranch Horse, an in-house promoted event that requires each horse to perform a variety of skills, could grow. The NWSS envisions creating a unique event in this discipline that could one day entail a ticketed final event with significant attendance.

The Draft Horse show is recognizable to most as it includes such large breeds as Clydesdales working as a team pulling hitches. This a spectacular event and the NWSS envisions growing this event in a variety of ways. These horses are quite large and the current 8' x 10' stalls are particularly uncomfortable for these horses. Part of the NWSS budget is prize money for this event, which is currently about \$100,000. Increasing this prize money (say \$50,000) could improve the show to attract national teams (versus more regional).

Another example would be Cowboy Mounted Shooting. Currently this event is a free non-ticketed event and is considered a fun, filler event. Staff believes that with new facilities, this event could be a world class shoot as a ticketed event.

A "Ranch" Rodeo could now be held in the Equestrian Events Center. This ticketed event is new and involves regional cowboys competing in a wide variety of skills, including fun events not seen in the typical rodeo. At the same time, horse events could continue in the adjacent smaller arena, which would not be possible in the existing configuration.

The National Reining Horse Association has expressed interest in moving the Arabian Reining Finals from Scottsdale to Denver to put that show in front of a larger audience. While this would be a relatively small number of horses, it is a wonderful ticketed event for spectators and represents further growth.

In 2014, the Complex will host a 10-day Cutting Horse event formerly held in Reno with approximately 800 horses. The NWSS envisions creating a new Cutting event at the NWSS. This new show would likely start at 300 horses and grow.

Mustang Challenge is a new event where cowboys and cowgirls get 120 days to tame a wild mustang, then bring the horse back and show off how well the horse is trained. The event might

include the sale of the horses as well. The idea would be to start this new event in the smaller arena and grow it to a popular ticketed event in the larger arena.

Other identified new events that could be held given more space or time include: moving events held offsite back to the NWSS, Cutting, Hunter Derby, Cowboy Church, various clinics/demonstrations and other events. Furthermore, while January is not the active season for horse shows, the NWSS is currently not “on the radar” for most horse associations or promoters that might seek to take advantage of an expanded Stock Show because the Complex currently offers small and poor facilities. However, the recommended facilities would represent a world-class complex in a first-rate geographic location and destination. It is likely that additional, currently unidentified, demand will arise and wish to create a show at the NWSS.

A key benefit of the added horse arena and stall capacity is that other venues free up because the horse events that spill over into other venues can now be held in the new equestrian venues. As such, the other venues can experience growth, even at the current 16-day show length.

An example of this improved scheduling is the Pre Denver Quarter Horse Show held prior to the start of the show. (In reality, the horse show portion of the NWSS is already three weeks long.) In some years, the official start of the Show can be within just a few days of New Years Day. Since the Pre Denver must be held in that year to qualify for AQHA points, this can create scheduling problems, including not fitting the show in the current year and asking participants to sacrifice their holiday. The facility recommendation would alleviate such issues, even if the show grows substantially.

Other benefits of the program include:

- More and larger horse shows with additional stalling.
- Increased revenue due to additional entries, stalls and grounds admissions.
- Exhibitor convenience.
- Improved move in/out schedule and logistics.
- Capacity for creative growth.
- Improved notoriety of the NWSS and Complex as a whole.

## **Venue Sizing**

Horse events typically do not involve large audiences in the arena, but rather only involve the exhibitors, their support group, and other show participants watching the activities. However, there are large horse events that require a modest arena. Freestyle Reining is an example of a ticketed



event that is a sellout at the Events Center during the Show at about 4,800 seats. This is an invitational event with only a few competitors but big audience draws. Similarly, the Hunter Jumper Grand Prix is a ticketed event that sells out. Super Dogs on Martin Luther King Day is a sellout. Two Dancing Horses performances currently held during the week generate 2,700 and 3,400 in attendance. Moving this event to a weekend should sell out the show. In summary, the 4,500-seat sizing of the Equestrian Events Center is deemed to be appropriate for Stock Show needs and is consistent with venues in comparable complexes around the country.

Also common in other horse complexes is the stratification of venue sizes. There is generally the primary show arena (4,500-seat Equestrian Events Center in this case) accompanied by one or two smaller arenas. Again, the equestrian portion of the Association's future competitive positioning is geared toward non-Stock Show horse events (discussed later in this report) but the 500-seat Equestrian Arena will serve the Stock Show well and allow it to thrive.

Similarly, the 1,000-stall count, designed for non-Stock Show horse events, will serve the Stock Show well and allow it to thrive.

## **Recommendations**

From the Stock Show perspective, the **equestrian related facilities appear reasonable** and should allow the Stock Show to thrive.

The choice could be made not to pursue horse events on a national basis. In that case, the horse component of the Stock Show would be well served with only the Equestrian Events Center and approximately 500-700 stalls. However, this would limit growth at the Stock Show and would limit growth during non-Stock Show months to competing only for smaller state/regional horse shows similar to how the Complex functions today.

## **Trade Show (Indoor and Outdoor)**

### **Previous Recommendations**

The Association recommends a Trade show/Exposition Hall with a 400,000 square foot gross building area footprint, which equates to an exhibit hall with an interior area of 300,000 to 320,000 leasable SF. The other 80,000 to 100,000 SF provides for support space such as lobbies and corridors, food areas, rest rooms, administration, storage, etc. An additional 3,500 SF of leasable space would be provided in the corridors of the primary Equestrian Events Center to focus on equestrian related

vendors at horse shows (discussed later under the horse section). The current thinking is to find new uses for the current exhibit space among the multiple floors of the existing Expo Hall, Hall of Education and Stadium Hall, although new uses are yet undefined.

Outdoor trade show space includes allocations for food and beverage and trade show vendor space. Other outdoor areas, festival space and a recreation complex, are undefined.

The concept is to position the new Exposition Hall adjacent to the new Arena so that trade show exhibitors could take advantage of the crowds that attend the rodeos (and possibly concerts).

Both the HVS and CSL studies envisioned the Stock Show facilities to be co-located with a new Gaylord convention hotel, which could house much of the trade show exhibit space needs. A second phase of the CSL work examined stand-alone sites, but a new program was not developed.

It is unclear in the HVS study where the “trade show” function would occur versus the livestock function. The study appears to house all of the livestock functions (stalling and performance areas) into a 300,000 gross SF “multi-purpose Livestock/Trade Show Facility”. The assumption was likely made because it would be reasonable that the trade show function would have occurred at the adjacent Gaylord property in its 200,000+ SF exhibit hall. Furthermore, there is no separate arena recommendation for the livestock show arena, so it is assumed to be within this Livestock/Trade Show Facility.

The CSL study recommended 100,000 to 200,000 gross SF of prime exhibit space, along with “other enclosed flat floor space sufficient to accommodate NWSS needs”. It is unclear where specifically events would be held.

The HVS study was based on a 5,000-seat Events Center arena, which appears to replace the existing Events Center (primarily used for horse events). The study appears to house all of the livestock functions (stalling and performance areas) into a 300,000 gross SF “multi-purpose Livestock/Trade Show Facility”. The study was also based on a 500-seat Stock Yard Show Arena versus the Association’s recommendation of 1,000 seats; a 750-seat Livestock Center Auction Arena versus the Association’s recommendation of 700 seats; and 400 Yards pens versus the existing 800 and the Association’s recommendation of 800.

## Historical Utilization

The NWSS trade show currently involves approximately 320 vendors and about 65 sponsorship packages that can include exhibit space. The NWSS policy is to maintain at least 50% agriculture/western lifestyle brands, products and services vendors with the remaining approximately 50% in related and unrelated categories. Because many vendors purchase multiple booth/exhibit spaces, there are 696 exhibit spaces (excluding outdoor exhibits).

The trade show does not occur in a specific exhibit hall, but rather occurs in virtually every available space throughout the Complex, including spaces not designed for booth exhibits. Demand for exhibit space has maxed out the entire Complex for many years and there is a waiting list of additional vendors who would like to exhibit at the Show.

The proposal is to consolidate the trade show vendors into a modern, primary exhibit hall, with a small portion of the vendors that are equestrian focused and housed in the Equestrian Events Center.

The current NWSS trade show utilizes the following spaces:

**Current NWSS Exhibition Space Utilized by Venue  
vs Business Plan Proposed**

	<b>Existing Gross SF Including Support Areas (1)</b>	<b>Existing Gross Leasable SF</b>	<b>2013 Net SF Leased</b>	<b>Gross to Net Ratio</b>
<b>Primary Exhibit Space:</b>				
Expo Hall II	53,500	34,700	20,292	1.7
Expo Hall III Hall of the West (carpeted)	53,500	31,600	12,386	2.6
Hall of Education II	118,400	95,000	45,821	2.1
Stadium Hall II/Connecting Link	70,500	52,400	27,509	1.9
Subtotal	295,900	213,700	106,008	
<b>Supplemental Exhibit Space:</b>				
Events Center Concourse	5,000	5,000	4,059	1.2
Stadium Arena Concourse	25,000	25,000	11,285	2.2
Coliseum Concourse	15,000	15,000	11,851	1.3
Livestock Center Lobby	3,000	1,300	120	10.8
Subtotal	48,000	46,300	27,315	
<b>Grand Total Existing</b>	<b>343,900</b>	<b>260,000</b>	<b>133,323</b>	2.0
<b>Business Plan Proposed:</b>				
Exposition Hall	400,000	320,000		
Equestrian Events Center Concourse	3,500	3,500		
<b>Grand Total Proposed</b>	<b>403,500</b>	<b>323,500</b>		

*Note (1): Separate lobbies, food areas, administrative areas, bathrooms, stairwells, dead spaces, Coors Art room, etc.*

*Excludes outdoor space.*

*Square footages are approximate.*

*Source: National Western Center, Populous.*

Including arena concourses and lobbies, the trade show utilizes 260,000 leasable SF in its current configuration, albeit cut up among a variety of facilities of varying shapes and quality on different levels.

As an additional insight into the functioning for the current facilities, the last two columns analyze the net SF leased in each space and examine the efficiency of each space. (Net SF includes only booth/exhibit space and excludes all aisle and support space.)

## **Conversion to Modern Exhibit Hall**

One of the aspects of the current trade show space is that it is spread among several facilities, on several floors, and often in spaces not designed for exhibits. The space is inefficient in that each room requires space for perimeter aisles that would be more efficient in a single space. Also, few of the

rooms are rectangular in shape that allows for efficient booth spacing, and irregular columns and ingress/egress requirements further exacerbates the inefficiencies. To compare the existing square footage numbers with those of a modern exhibit hall is apples to oranges.

To understand the needs of the Stock Show, five areas were considered, discussed below:

1. Needs of current users.
2. Potential growth of current users.
3. Waiting list applications.
4. Additional demand due to the overall upgrade of the facilities and Show.
5. Attrition due to lengthened duration.

### Needs of Current Users

The preceding table presented the current net SF leased at the Stock Show by venue. But what is important to understand is how all those booths will convert into a single modern exhibit hall. The following table presents the current net SF leased by booth size.

Current NWSS Net SF by Booth Size vs Regularized Booth Sizes in Modern Facilities				
Net SF Rented (Booth SF only)	In Current Facilities		In Modern Facilities	
	Number of Booths	Total Net SF	Number of Booths	Total Net SF
0 to 79	90	5,142	0	0
80	304	24,320	0	0
81 - 99	22	2,002	0	0
100	68	6,800	500	50,000
101 - 199	109	13,569	40	6,000
200 - 499	60	18,711	113	29,800
500 - 999	23	15,247	21	14,200
1,000 - 4,999	19	40,068	20	37,900
5,000 and over	1	7,464	2	13,000
<b>Total</b>	<b>696</b>	<b>133,323</b>	<b>696</b>	<b>150,900</b>
			<b>Percent Increase: 13.2%</b>	

*Excludes outdoor space.*

*Source: National Western Center.*

Due to the irregular shapes of many of the available spaces and the demand to squeeze in exhibits wherever they might fit, the Stock Show utilizes a wide variety of irregular booth/exhibit sizes. The 696 individual exhibits encompass approximately 133,000 net SF. Some of the vendors in this count

are “consumable product” vendors that are booked through the concessionaire (K-M Concessions). These vendors sell such items as Dippin’ Dots and the revenues derive through the concession contract rather than as a trade show booth space rental. Nevertheless, any new trade show hall will contain these types of vendors as does the current hall. Not shown on this analysis is some of the space leased outdoors for booths and some large equipment, such as the display of trucks.

In order to project the needs of these vendors in a new modern expo hall, each of the 696 exhibits was converted into booth sizes that would be probable given a new exhibit hall. Most of the booths were enlarged slightly to conform to a standard booth size, but some were decreased slightly. The result was that the existing vendors in standardized booths would require approximately 150,000 net SF, which is an increase of approximately 13% over today’s somewhat piecemeal configuration.



As a means to understand the leasable SF required to accommodate this 150,000 net SF, several modern exhibit halls were examined, as follows:

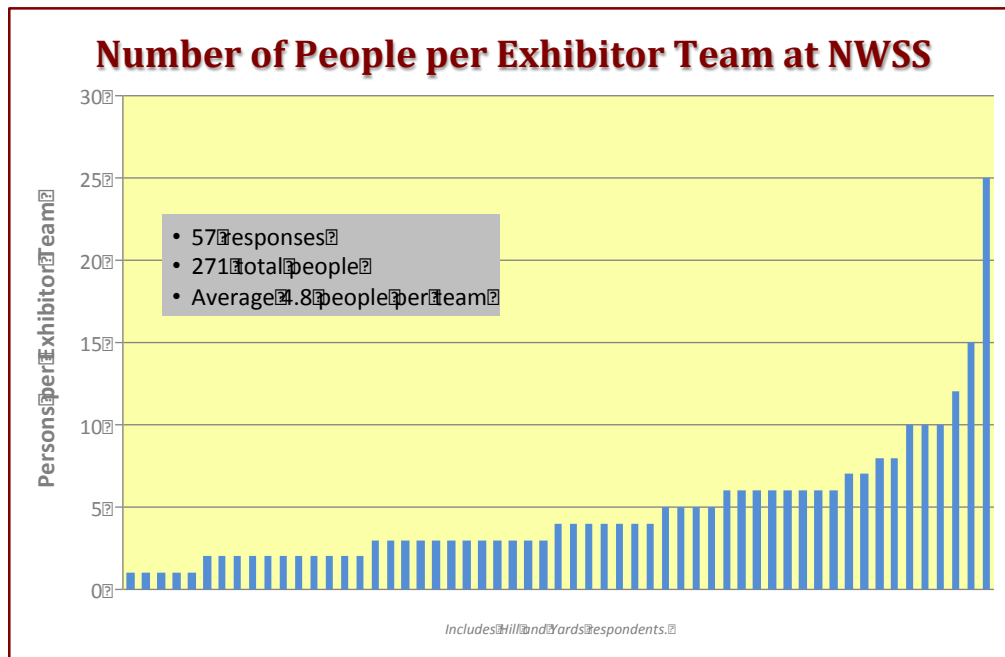
Gross to Net Comparison with Other Exhibit Halls				
	Leasable Gross SF	Number of 10' x 10' Booths	Leasable Gross SF per Booth	Gross to Net Ratio (1)
Theoretically Most Efficient per Populous (300' x 270')	81,000	500	162	1.6
Fort Worth Will Rogers Memorial Center exhibit hall	94,460	476	198	2.0
Tampa CC exhibit hall (East Hall)	100,000	520	192	1.9
Tampa CC exhibit hall (All Halls)	200,000	1,000	200	2.0
New San Antonio CC exhibit hall	260,000	1,500	173	1.7

Note (1): 162 leasable gross SF to house a 100 net SF booth equates to 1.62 Gross to Net Ratio.  
Source: Individual facilities, Populous.

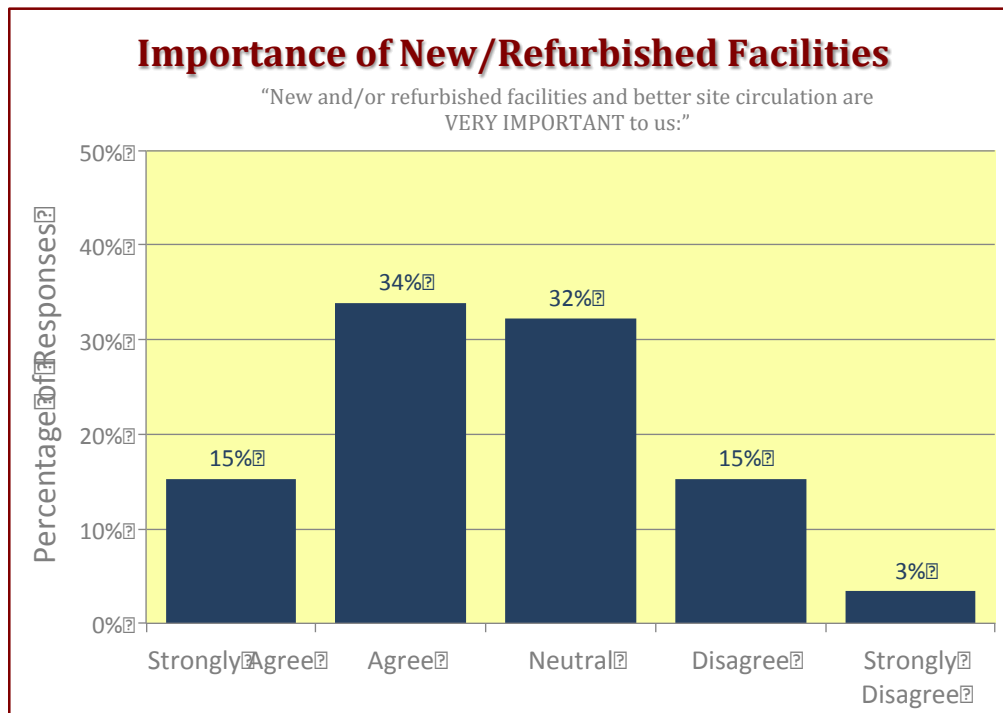
First, Populous calculated the theoretically most efficient exhibit hall possible, which is comprised of 10' x 10' booths, 10' aisles between, and a 10' aisle around the perimeter of a column-free hall (no major cross aisles). 81,000 leasable SF is required for 500 booths, or a “gross to net” ratio of 1.6 (162 gross SF for each 100 net SF booth). However, actual halls have other design considerations, including wider aisles in major traffic and cross aisles, staging areas, lost space to support structures and ingress/egress areas, etc. The analysis of existing and planned exhibit halls indicates a gross to net ratio of 1.7 to 2.0, indicating that the leasable SF needs to be approximately double the net SF. Applying a reasonable 2.0 factor to the 150,000 net SF of the current Stock Show exhibitors, the required gross leasable space would be 300,000 SF. Note that this space accounts for booths and aisles only of today’s existing vendors.

### Potential Growth of Current Users

An online survey of existing exhibitors was sent to 220 vendors (some with multiple spaces), representing approximately two-thirds of the existing vendor base (excluding sponsors). 59 completed a portion of the survey and 55 completed the entire survey. Each exhibit averages 4.8 people per exhibitor team.



49% of the respondents agreed or strongly agreed that new and/or refurbished facilities are very important. 18% disagreed saying new facilities are not important.

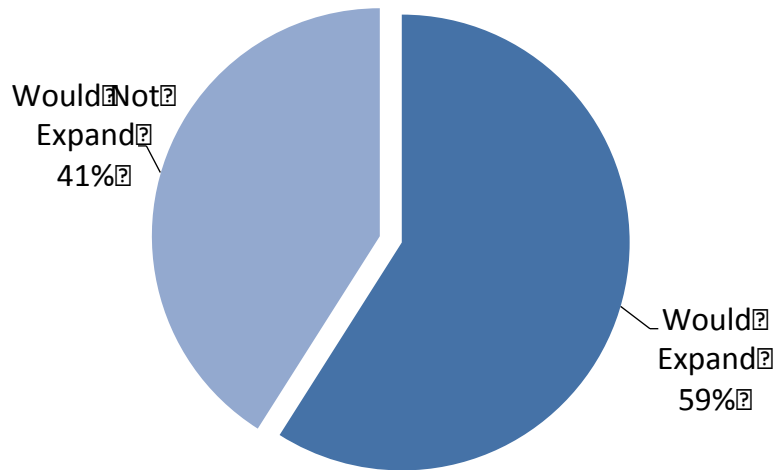


34 out of 58 responses (59%) said they would expand their booth space. Responses ranged from 10 additional net SF to up to 1,000. Based on this survey of about 25% of the standard trade show vendors, this process documented about 6,600 additional net SF that would likely be rented if given the opportunity. It is reasonable to assume that at least some of the other 75% of standard vendors may wish to expand their presence as well, as may some of the sponsors that exhibit. It is estimated that available new space might yield an increase of 15,000 new net SF from growth of existing vendors.



## Current Users' Desire to Expand

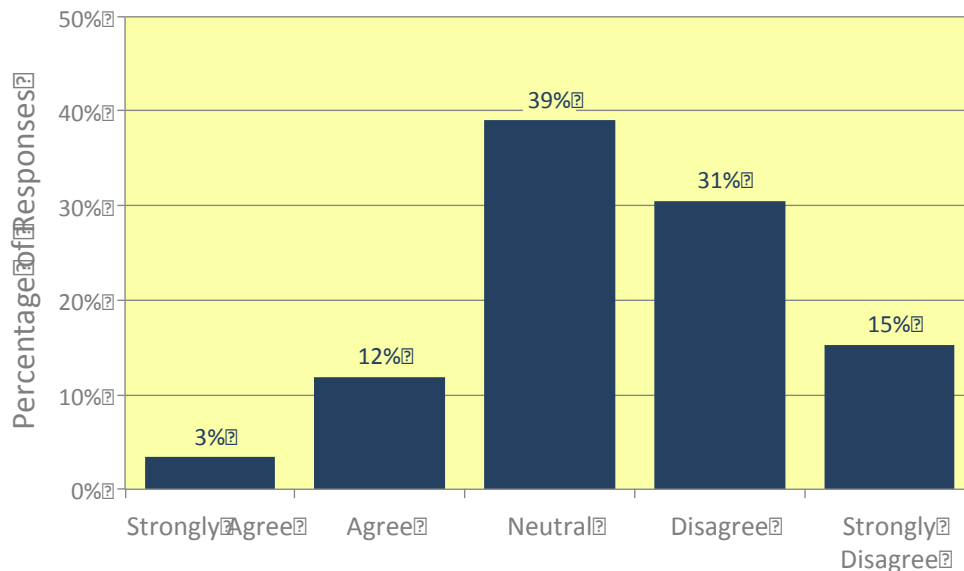
"If you had opportunity for a larger exhibit footprint, would you have interest in expanding?"



Based on the user surveys, large price increases may be met with apprehension. However, the research, including these users' comments, indicates that a modest price increase would not come unexpected.

## Willingness to Pay More

"If there were new and refurbished facilities, I would be willing to pay more."



### Waiting List Applications

Each year the NWSS asks potential new vendors to apply for space at the upcoming Show. From 2010 through 2013 the NWSS received, on average, 236 new applications annually from trade show vendors waiting to exhibit at the Show. On average, the NWSS was able to accept 15 to 20 applications annually due to attrition of vendors that leave the Show for various reasons. Therefore, the NWSS is denying, on average, over 200 potential vendors each year. With that said, the NWSS would most likely still decline some vendors due to saturation of product (for example, the NWSS would not want 20 different vendors selling similar jewelry). If the NWSS accepted 160 vendors and gave them all the minimum amount of space (10' x 10') that would account for 16,000 additional net SF. The NWSS knows that many of these 160 vendors would require more space than a 10' x 10' (much more in some cases) so 20,000 net SF is estimated to represent this additional demand. However, this analysis assumes that only half the wait list vendors would be accepted or 10,000 net SF.

### Additional Demand Due to the Overall Upgrade of the Facilities and Show

The view that a significantly upgraded site plan, facilities and overall user experience could spur exhibitor demand, combined with the notion that some exhibitors that have tried for years to get accepted into the trade show but have been unsuccessful and stopped applying due to frustration, may have relevance. However, no additional demand from this possible factor was considered, which could be considered a conservative approach.

### Summary

The following table summarizes the discussion above:

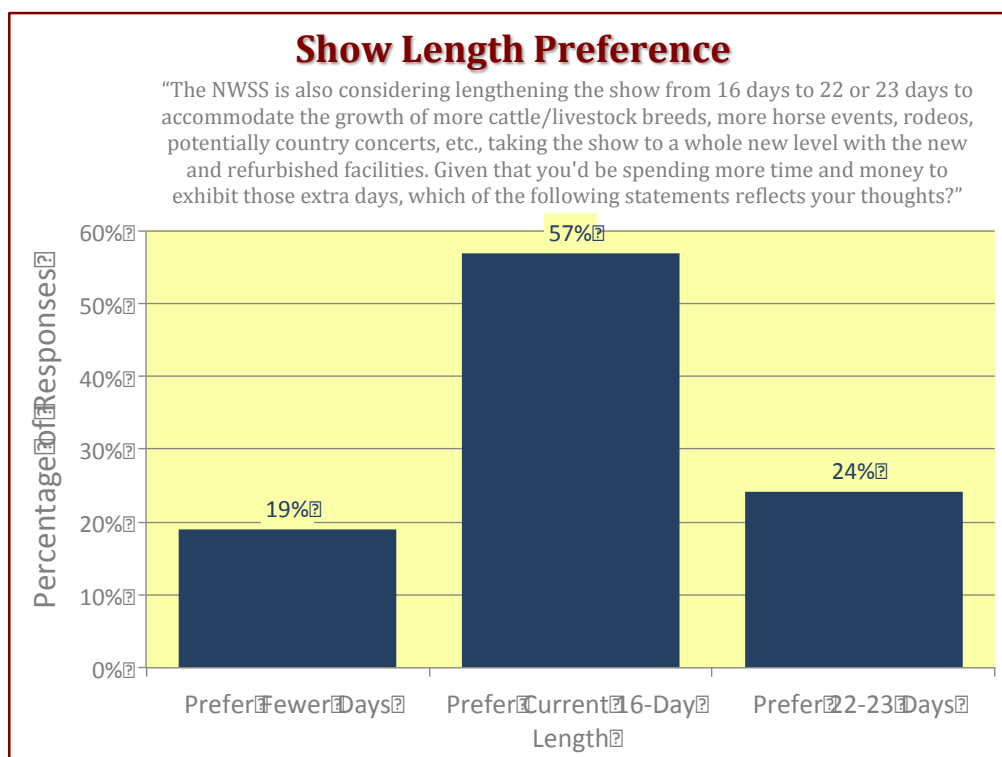
	<b>Gross Leasable SF Required for Stock Show</b>	
	<b>Net SF</b>	<b>Gross to Net of 2.0</b>
Needs of Current Users	150,000	300,000
Potential Growth of Current Users	15,000	30,000
Waiting List Applications (50%)	10,000	20,000
Additional Demand	0	0
	<hr/>	<hr/>
Total	175,000	350,000
	<hr/> <hr/>	<hr/> <hr/>

The analysis above indicates that an Exposition Hall with leasable SF of 350,000 should fulfill the needs of the Stock Show as conditions exist today and assuming half the waiting list applicants are accommodated, but does not account for continued long-term future growth.

This square footage does not include space for important functions such as loading docks and staging; lobbies, ticketing and registration areas; major food areas such as cafes, clubs, buffet areas, concessions, etc.; restrooms; administrative support areas; storage; or other support areas. These spaces should be planned in conjunction with Stock Show staff and users of the facility.

### Attrition Due to Lengthened Duration

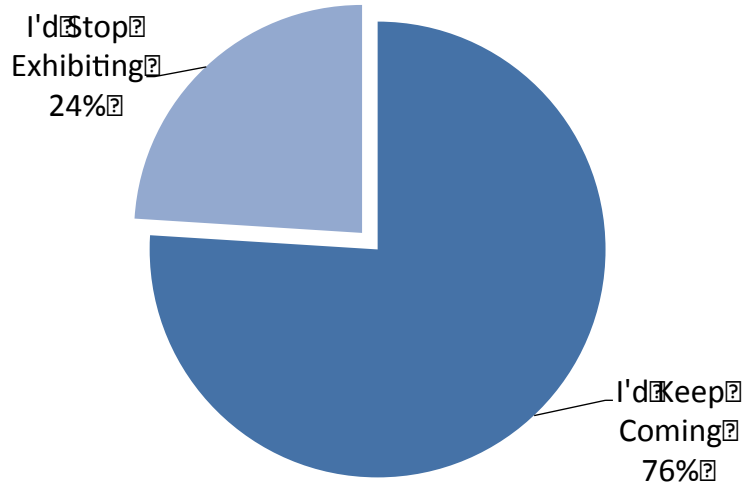
Trade show vendor survey participants were asked their views on Show duration. Out of 54 responses, 57% prefer the current 16-day length, 18% prefer fewer days, and 24% prefer the 22-23 day show.



When asked if they would continue to exhibit at the Stock Show with the 22-23 day duration, 76% said they would continue to come and 24% said they would not.

## Current Users' Propensity to Stay Given Longer Show

"If the NWSS is extended to 22-23 days:"

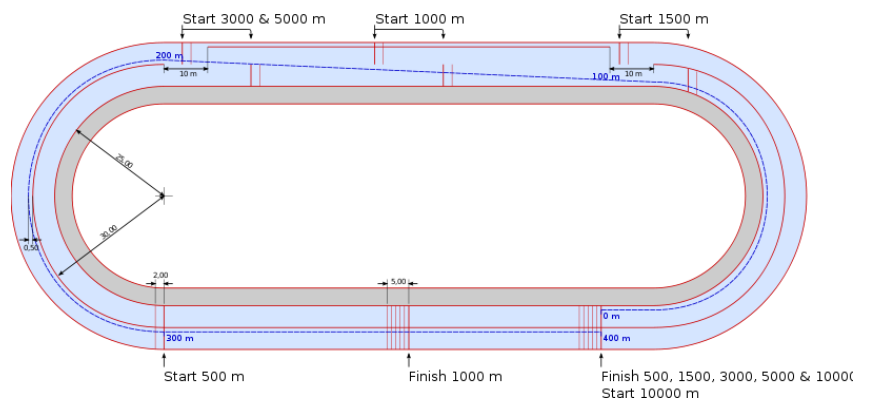


Based on the survey (and user comments), the Stock Show may actually lose a portion of exhibitors for various reasons with an extended Show. It is also reasonable to assume that some of the potential new trade show vendors may also dislike the longer Show format. It is doubtful that vendors whose businesses are targeted to the audiences at the Stock Show would leave the Show due to its longer duration, and it is these vendors that are likely to have the larger exhibits. If the Show is extended, it is estimated that attrition for dislike of the longer format could cost the trade show 10%, or 17,500 net SF (35,000 gross SF), which would reduce the hall size to 315,000 gross SF.

Several of the trade show user comments advocated concerts as a means to gain traffic, particularly if a longer Show format were adopted. Some of the comments referenced this trend to include concerts at other shows around the country.

### Olympic Speed Skating Oval

One directive for the study was to consider planning the exhibition space for an Olympic speed skating oval should Denver seek to host a Winter Olympics. A standard speed skating track is, according to the regulations of



the International Skating Union, 400 meters long and, based on conversations with Populous, the minimum required building size is approximately 200,000 SF of column-free space. (It is unclear in the absence of further architectural study if this size includes room for seating and other required amenities.)

The Utah Olympic Oval, an indoor speed skating oval built for the 2002 Winter Olympics, is located 14 miles southwest of Salt Lake City. The oval cost \$30 million, which was reportedly 10% of the cost of the Richmond Olympic Oval for the 2010 Winter Olympics. Inside the facility the 400-meter skating track surrounds two international sized ice sheets (slightly larger than NHL rinks), and is itself surrounded by a 442-meter running track. Available information on dimensions did not reconcile, but the building was listed as 310 feet wide by 655 feet long, or 203,000 SF. However, the same source listed the building SF as 275,000, roughly the size of four football fields. (This larger dimension is likely the gross footprint of the building.) Utah's ceiling height is 55 feet, and a higher than normally recommended height would be needed should Denver host such an event. The primary Exposition Hall would ideally have ceiling heights in the 27 to 30 foot range (to accommodate volleyball, etc.), so architects may need to plan for raising the roof for the Olympics (or some other option) and then returning the height to normal. Specialists should confirm all of this information.



## Configuration Options

If providing for an Olympic oval is preferred by Denver, planning for this space should be column-free and take into account other design considerations such as load capacity, ice making, etc. Given this amount of column-free space required for the ice oval, it would appear the Exposition Hall could be designed in three primary ways:

- On one level at grade,
- On one level with parking underneath, or
- On two levels with the upper level containing the prime column-free exhibit space sufficient to house the Olympic ice oval, and the lower level containing space with approximately 22' ceilings that could be flexible for exhibit space for large trade shows (such as the Stock Show), animal stalls for the rare massive horse show, parking, or other flexible uses. Fort Worth incorporates this bi-level strategy on a small portion of its facilities.

If a two-level design is selected, the size requirements of the ice oval combined with any seating and support required on that upper floor may cause the sum of the space on both levels to exceed the recommendation. This reality of a larger than required building program could serve several purposes, including:

- Added flexibility for the Stock Show and other year-round events.
- Providing for future Stock Show growth and the growth of large trade/consumer shows.
- Greater capacity to host large trade and consumer shows that might otherwise meet at the Colorado Convention Center, thus freeing space at the convention center for higher impact events (discussed in the convention center section of the report).
- Potentially creating a space for a flexible “swing space” that could serve as either an exhibit hall or a low-end ballroom for large food functions or general sessions. This space would be similar in use to the existing 28,000 SF Hall of the West or to Fort Worth’s 18,000 SF Round Up Inn. Although not required for the Stock Show, such a flexible space would be welcome and put to good use during the Stock Show (potentially as a primary food location or special purpose such as art exhibits, general sessions or special functions), and would be used by small consumer shows and other local functions throughout the remainder of the year.

Given the limitations on available land area and other site attributes, these options should be explored in detail.

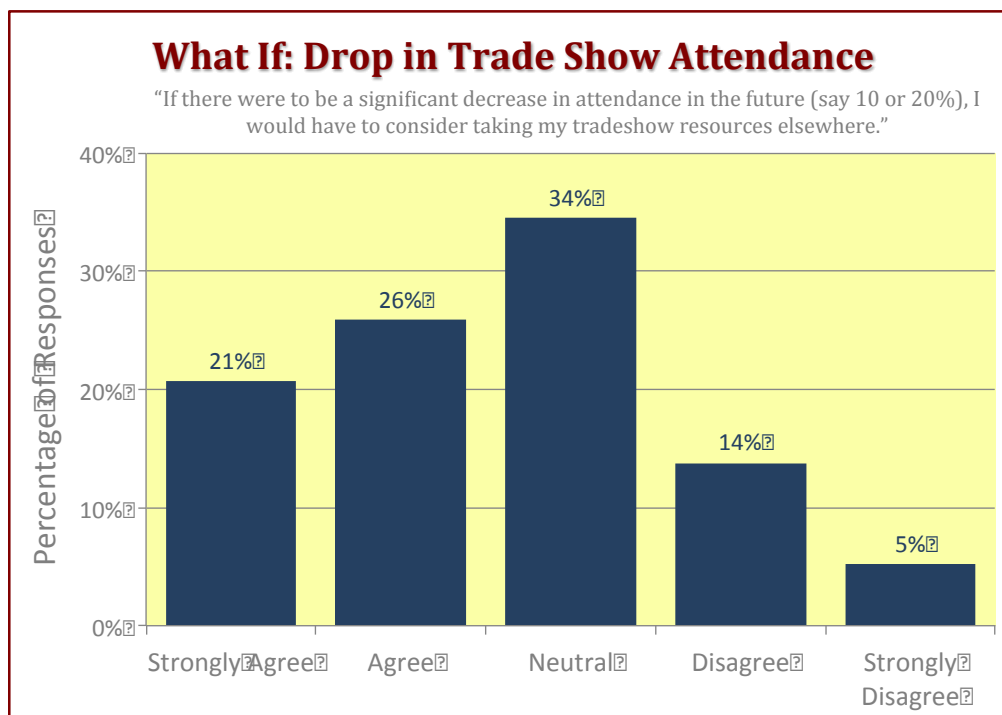
The choice could be made to limit exhibit space. While current vendors require approximately 300,000 gross leasable SF when their trade show booths are regularized, a decision could be made to build a smaller exhibit hall and thus reduce the size of the Show (and limit growth). To accomplish this, it is likely that the vendors that would be denied space would be primarily non-agricultural vendors. However it should be noted that many of these vendors have been with the Show for years or decades. If this route were desired, the minimum space to allow for the ice oval would be in the range of 200,000 SF, and probably slightly larger upon design.

A decision could also be made to build the space for the size of the existing Show (about 300,000 SF) but no more so as to limit or postpone growth opportunities. This size would easily accommodate the ice oval. Under any scenario, a phasing plan could be adopted that could allow for expansion in the future as need and funds align.

Based on interviews in the community, the Denver community at large would appear to wish the Stock Show all the opportunity to allow the Show to thrive and grow. However, those same interviews recognized the cost to implement a new master plan and facilities is high, and the discussion of return on investment was an ongoing question.

One of the concerns with the “Do Nothing” scenario is that the Stock Show’s value proposition and position relative to competitors could erode. Trade show vendors indicated that a drop in attendance of 10 to 20% could lead to a significant loss in vendors. 47% said they agreed or strongly agreed that they would consider taking their exhibit business elsewhere if overall Stock Show attendance dropped 10 to 20%.





#### Other Exhibit Space

With respect to the exhibit space planned for the horse shows, approximately 3,500 SF of exhibit space in the corridors of the primary Equestrian Events Center was proposed for use specifically by horse shows. This exhibit space is discussed in the Horse section.

#### **Recommendations**

To meet the needs of the Stock Show, an Exposition Hall of 350,000 leasable SF is recommended, which is slightly larger than the Association’s recommendation of 300,000 to 320,000 SF. Gross building square feet would be larger to account for support areas such as lobbies, restrooms and back-of-house areas. This sizing would allow for modern and consistent booth sizes (versus today’s irregular sizes), growth of existing vendors, and accommodating approximately half of the waiting list vendors. This sizing does not allow space for potential long-term growth, however, master planning should allow for future expansion if possible. If the Show duration were extended, some attrition would likely occur. In this case, either a slightly smaller exhibit hall could be built (approximately 315,000 leasable SF) or more of the waiting list applicants could be accommodated.

Should Denver decide to design this venue to be convertible into an Olympic speed skating oval, at least 200,000 SF (or slightly more) should be column-free, and possibly more to accommodate the other support spaces (such as seating) required (requires design work). A two-level design may provide some advantages. If that approach is taken, it may create slightly more space than recommended. In this case, consideration should be given to designing a portion of the space to function as a flexible “swing space” for both exhibits and low-end ballroom functions. This space could also be used to house the Coors Art Exhibit. Appropriate sizing for this swing space would be in the 20,000 to 25,000 SF range similar to the Hall of the West.

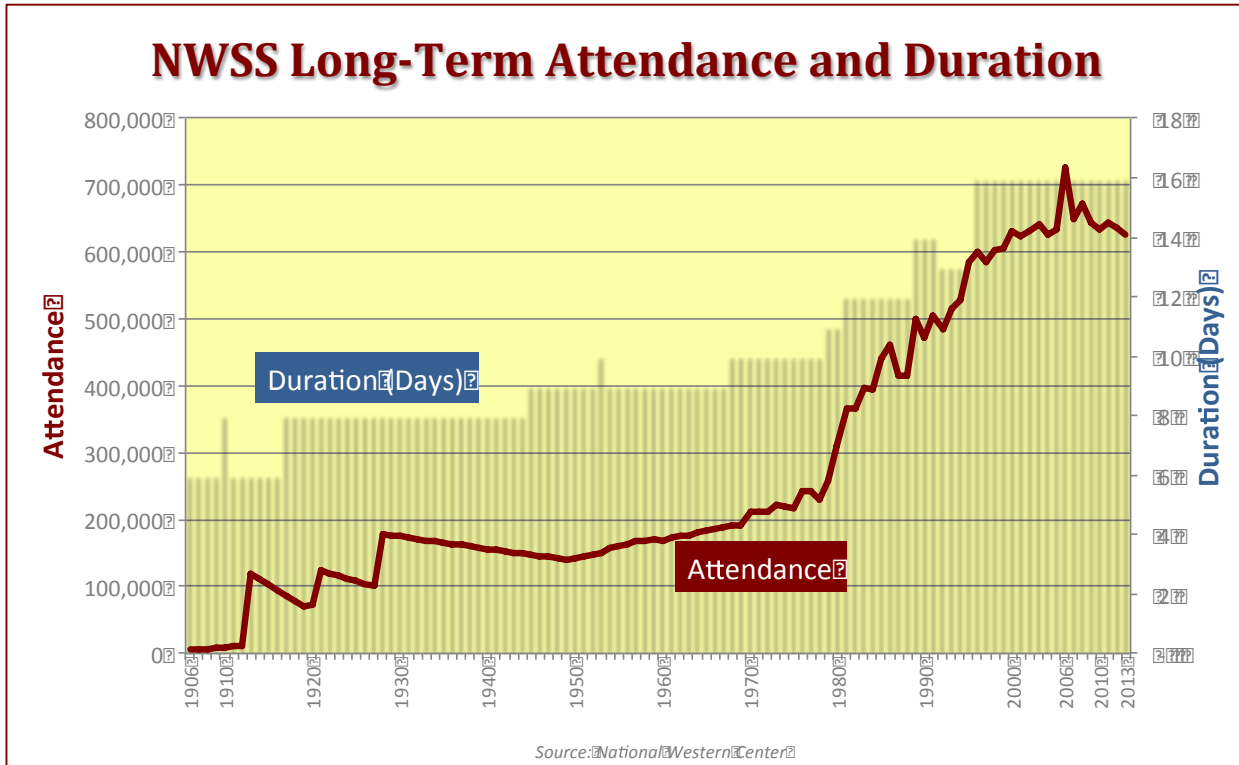
This square footage does not include space for important functions such as loading docks and staging; lobbies, ticketing and registration areas; major food areas such as cafes, clubs, buffet areas, concessions, etc.; restrooms; administrative support areas; storage; or other support areas. These spaces should be planned in conjunction with Stock Show staff and users of the facility.

## Show Duration

Based on interviews with Association leadership, the Association is considering a preliminary plan to lengthen the duration of the Stock Show from 16 days to 22 or 23 days. The Association’s plan would be to first finish construction of the new and/or modified facilities and allow a short time (three years or less) to achieve operational stabilization, allowing existing and new attendees to become familiar with the new facilities.

### History

The following chart illustrates (using some estimates in early years due to missing data) the long-term attendance (red line) and Show duration (blue bars) history of the Stock Show.



The Stock Show has lengthened its duration over the years from six days to the current 16 days, and attendance has grown with duration (and the addition of facilities). Also, aside from a spike related to the 100<sup>th</sup> anniversary in 2006, attendance appears to have plateaued over the last 10 to 15 years. All facilities are full at virtually all times during the Show and indications are present that unmet demand exists in the various market segments, signaling the opportunity for growth.

### The Fort Worth Story

The Fort Worth Stock Show & Rodeo, which actually overlaps the last few days of the NWSS, is very much a sister event to the Denver Show. In fact, while both stock shows borrow ideas from one another, the Association considers many aspects of the activities and facilities in Fort Worth to be a model for its future plans, particularly in relation to a longer duration Stock Show and horse events throughout the year (discussed later). A case study on the Fort Worth Memorial Center is presented later in this report.

The Fort Worth stock show management indicated that its 16 day show did not allow the time required to move the massive numbers of livestock through the events and the comfortable transition between events, even though Fort Worth had larger facilities. As such, leadership

decided to lengthen the show by a week to 23 days beginning in 2002. That year, a record 951,000 visitors attended the show. In 2012, the Fort Worth Stock Show hosted 1,166,000 exhibitors and attendees, and this is with a primary arena with fixed seating of only 5,600 and hosting no concert events as Houston and San Antonio do so successfully. Management reports that the attendance ranges from 900,000 to over 1.1 million, depending on weather. (As discussed in the case study, Fort Worth is planning to add a \$450 million 12,000+ fixed seat arena that will serve as the community's primary arena. This new arena will be used solely for dirt events (rodeo and some horse) during the show, and for concerts and family shows at other times.)

For perspective, the Fort Worth show averages about 50,000 people per day while the Denver show averages about 40,000 people per day. Much of this comparison is undoubtedly due to the superior facilities in Fort Worth, both in terms of size and quality.

Fort Worth is very pleased with its decision to extend its show to 23 days, which allows for less stress (even a day between breed transitions), more time in the barns for networking and sales, more facility revenue opportunities and more opportunity for visitors to spend money in the community.

Potential overlap with the Fort Worth stock show, which overlaps at the back end of the Denver Stock Show, does present some issues. Martin Luther King Day is always the second Monday at the NWSS, as well as the first Monday at the Fort Worth show. Since this holiday floats, the current Show can start as early as January 7<sup>th</sup> or so in some years. Cattle enter the barns several days prior to the start of the show, and the Pre Denver Quarter Horse Show and PRCA pre qualifications occur the week before the Show as well. Allowing for travel time to the Show, the Show simply can't start earlier in many years without encroaching on holidays. The NWSS also plans the overall Show around the timing of the MLK long weekend to bring together many exciting aspects of the Show surrounding the largest breeds. As such, it does not wish to alter that second (long) weekend – MLK holiday relationship. Any duration expansion of the Show will generally be executed at the tail end, potentially encroaching an additional week into Fort Worth dates.

#### Methodology to Consider Show Extension

For the NWSS, the consideration of a longer Show duration had to be accomplished alongside the considerations for new/upgraded facilities, as both are related. As the primary means to

communicate and discuss the issues and constraints related to the operations of the existing Denver Show, as well as the plan for a longer Show and how a longer duration solves many of those issues, the Stock Show staff prepared a detailed, day-by-day, venue-by-venue program of how the extended show might function. The staff and consulting team then walked through the details of each day (morning, afternoon and evening events) and each venue, and the transitions of rodeo events, cattle breeds, horse shows, etc. that take place throughout the Show and around the Complex. For each event in each venue, the staff and consulting team discussed the constraints and opportunities that exist, and how the recommended improvements offered solutions for future growth and sustainability. Different issues affect different events/venues, so additional research was conducted on a targeted basis to deepen the research in several key areas. Each major area is discussed below.

The financial aspects of extending the Show are addressed later in the report.

#### Rodeo/Coliseum

Although some of the performance days and times are less than optimal (held on a weekday or early in the day for example), the rodeo events (along with several other events) can be held within the current 16-day schedule. Based on the research, it is not imperative that the Show be extended for rodeos.

In some of the other venues at the Complex, larger more modern facilities, such as in the Livestock Hall, actually add flexibility for the schedule and allow more activities to occur within the same amount of time. Furthermore, some of the spaces actually expand, such as the equestrian facilities with the incremental addition of another arena. Different from some of these other venues at the Complex, replacing the Coliseum with a slightly larger and more modern arena does not add capacity in terms of adding more date or time flexibility. As such, only extending the Show can add more performance capacity. One of the key features of a longer Show would be more prime days and times, such as weekend days and nights and weeknights, and fewer days where events are held morning, afternoon and evening (“three-a-days”).

The addition of new facilities, particularly a new equestrian arena, does allow more of the horse events (which some now occur in the Coliseum) to occur in the equestrian venues, thus freeing up dates in what would be the new Arena.

There is however a case for extension of the Show. Ticketed events (primarily rodeo) represent the largest source of revenue at the Show. The events are held in the premier arena and can benefit from hosting the events on the best days and times possible given the Show length. A longer Show provides another week's worth of quality days and times. Like the other event types, the new schedule would be built around the prime weekend days and nights. Just as focus is brought to maximize current weekends (particularly MLK weekend), so too would new emphasis need to be brought around programming a newly created week and weekend.

With respect to rodeo, an important variable in the decision to extend is the format of the PRCA rodeo, the longest and most important rodeo. Discussions with the PRCA would surely occur if the decision to remake the Complex is confirmed, and may result in a different format. In this case, the decision to extend the duration may depend on that potentially new format.

An expanded schedule would allow more events to be held during the Stock Show. Such events could include more rodeo performances (including such new categories as youth or women's) or new concerts, major horse events or other special events.

Throughout the research, interviewees consistently mentioned, in a positive light, the concept of a small concert schedule. Concerts would likely add a new excitement to the Show and add revenue. A small concert schedule might be more reason to extend the Show.

With a combination of 1) more events (including concerts), 2) better events (through better prize money and format), 3) better days and 4) better times, extending the Show may be advantageous.

## **Conclusions**

Consistent with the overall recommendation for the Stock Show duration, the recommendation is to get the facilities built/modernized and allow some time to achieve operational stabilization, and to then reassess extending the Show. This plan is consistent with the Association's current thinking.

### Livestock

Like in Fort Worth, the logistics of the livestock portion of the Show may be the primary driver of any decision to extend the Show.

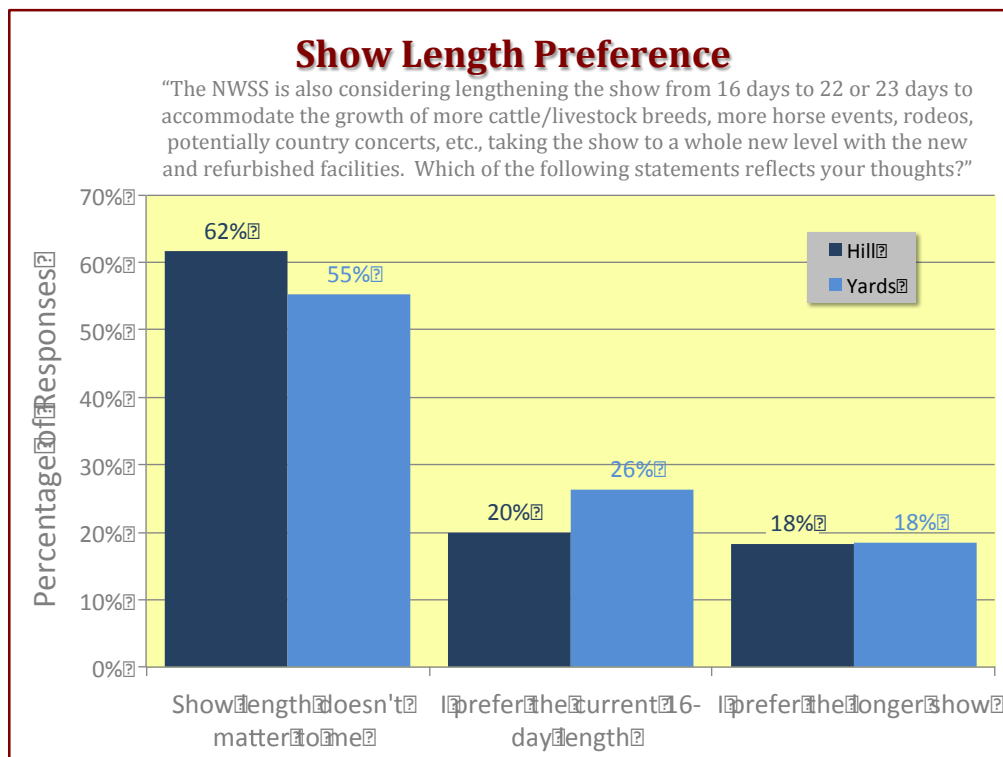
Regarding the livestock portion of the Show, on a pure need basis from a market perspective, lengthening the Show is considered a secondary need compared to new facilities and functional site master plan. With new and expanded facilities, the Show will be much better positioned than today even at the existing duration. There are other events that draw more visitors than the NWSS in a shorter time frame, so extending the Show is not necessarily required for growth.

That said, extending the Show has some benefits. With new and expanded facilities, as well as the potential policy change to remove the terminal nature of the Show, the Stock Show could experience significant growth in livestock. Similar to Fort Worth's decision to extend, Denver may find that the time required to make the Stock Show a valuable experience for attendees may need to be longer.

One key factor is the long MLK weekend. MLK weekend is an exciting weekend when the two major breeds (Angus and Hereford) are in both the Yards and the Hill at the same time. Major sales and national shows are occurring, the Herd Sire outdoor exhibit area is active, and visitors can see these big events at one time. This peak weekend is a major draw for visitors from out of town and out of state. The NWSS would most likely not want to decrease the intensity and large crowds of this weekend by separating these activities.

By breed, Hill and Yards cattle must be on location at the same time and not have split dates so that buyers for that breed come at one time. With expanded barn capacity, it should not be an issue to keep breeds together even with significant growth.

When cattle exhibitors were surveyed about Show duration, overall show length did not matter to 55-60% of the respondents because most are concerned only with their limited time at the Show. 18% of respondents preferred a longer Show and slightly more liked the current duration.



### Current Issues

One issue is the rushed move in process that occurs today generally due to lack of space and a difficult loading/unloading situation. These prized animals need to be at their best for the Show. They need time to settle and be fed, watered, groomed and rested for the show. Stress and the lack of facilities and services in this process make for a bad Show and unhappy customers.

Another of the issues regarding time is that once the show for a particular breed or “wave” of breeds is done, NWSS staff is working to get animals and owners out of the barns as quickly as possible so that the next wave can get moved in. Generally at these “wave” transition periods (every few days), this rushed and stressed process is good for no one – animal, exhibitor or NWSS staff.



Furthermore, some of the most valued time to network and discuss business is in the barns once that breed show is complete. Huge crowds have just watched the best breeding programs in the country and many seek to spend time with the exhibitors and animals in the barns after the show to discuss their programs and possibly transact business. Asking these exhibitors who have invested heavily in this Show and who depend on this show as an important part of their livelihood to immediately move out in managed chaos in tight barns to difficult loading areas is less than desirable.

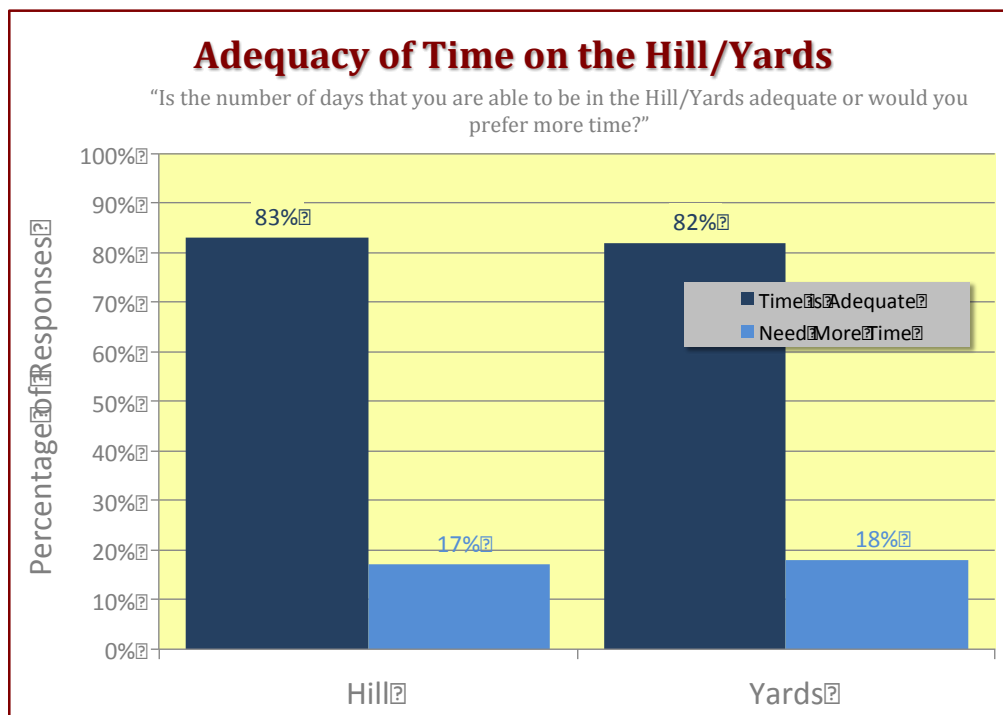
One of the reasons that some exhibitors may not wish to extend the Show is that it can be difficult and costly to attend the Show, and a longer Show exacerbates these issues. Finding labor to allow the farmers/ranchers to be away for an extended period can be difficult. If cattlemen have to stay more days, the costs of 1) being at the Show and 2) being away from the ranch/work can be high.

### **Solutions Due To Facilities Expansion**

For livestock, at least in the short term, additional space is more important than a longer Show, and the staff believes the 16-day length would work well in many respects. New and expanded facilities would allow Show staff the flexibility to stagger the flow of breeds versus wholesale change-outs that can be somewhat chaotic. Facilities that are not cramped with even a small amount of additional flexible space can ease this staggering and transition, and improved loading areas can make all the difference. Part of the space planning will be for better circulation, including wider aisles, within the barns allowing for easy and stress-free movement of large numbers of animals and people. By way of example on how space could help, staff might arrange to have the Red Angus move in a bit earlier and get their show started while moving in the hundreds of other animals from other breeds. The Red Angus could finish their show a day early and begin an orderly, stress-free move-out. This kind of process is achievable with modern facilities and more space. Exhibitors (customers) would welcome this type of improvement that comes with new and more space. In summary, some added space flexibility could add significant and needed efficiency to the Hill activity.

In essence, added space flexibility allows staff the ability to create more time and space for those breeds that need it most, even within the current schedule.

When asked specifically about the adequacy of the exhibitors' time on the Hill/Yards, over 80% said their time is adequate:



Generally, the livestock staff feels that expansion of the facilities is the key to a better Show and better customer experience, and lengthening the Show would be secondary.

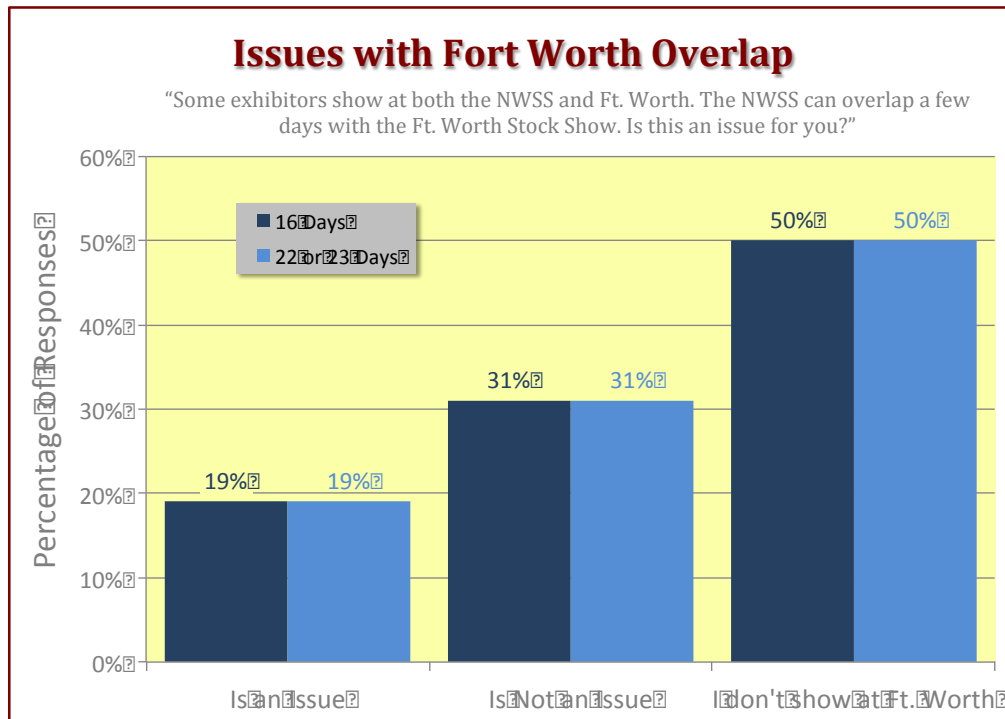
### Benefits of a Longer Show

With a longer Show, even more stress-free flexibility is created. More breeds/events could be added (including creative new events), more exhibitors/head per event, more time per event, more time between events, and moving some growing breeds from the Yards to the Hill could all come into play with a longer duration. Conversion to a non-terminal Show may suggest a longer duration as well due to the likely significant growth of multiples of the current head count in some junior market divisions across breeds.

### Potential Issues with Overlap with Fort Worth

With the longer Show, several breed shows would be pushed back to that last week, which may begin to conflict with Fort Worth. However, many time slots when corresponding individual shows occur are staggered between the two shows. For example, the junior market divisions that occur

the last four days of the Denver stock show also occur at the end of the three-week Fort Worth stock show, so exhibitors have time to move. Based on the survey results, it would appear that issues related to overlap with Fort Worth maybe limited to less than 20% of the exhibitors, as over 80% of the respondents indicated that it was not an issue or that they did not show at Fort Worth.



**Conclusions**

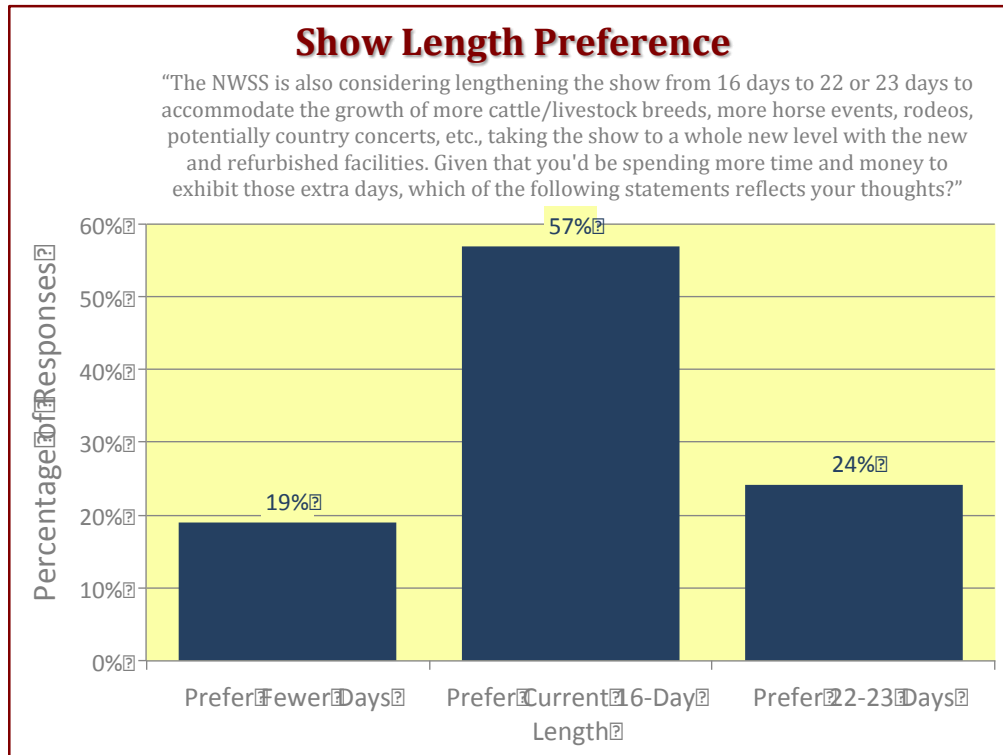
The research indicates that creating a functional master plan and new and expanded facilities will go a long way toward alleviating many of the issues that plague the livestock portion of the Show today. However, successfully adding another week to the Show opens up new opportunities and could add significant economic impact to the Denver area.

No one understands the workings of the Show more than the management and staff of the NWSS, and the decision to extend should be left in these hands.

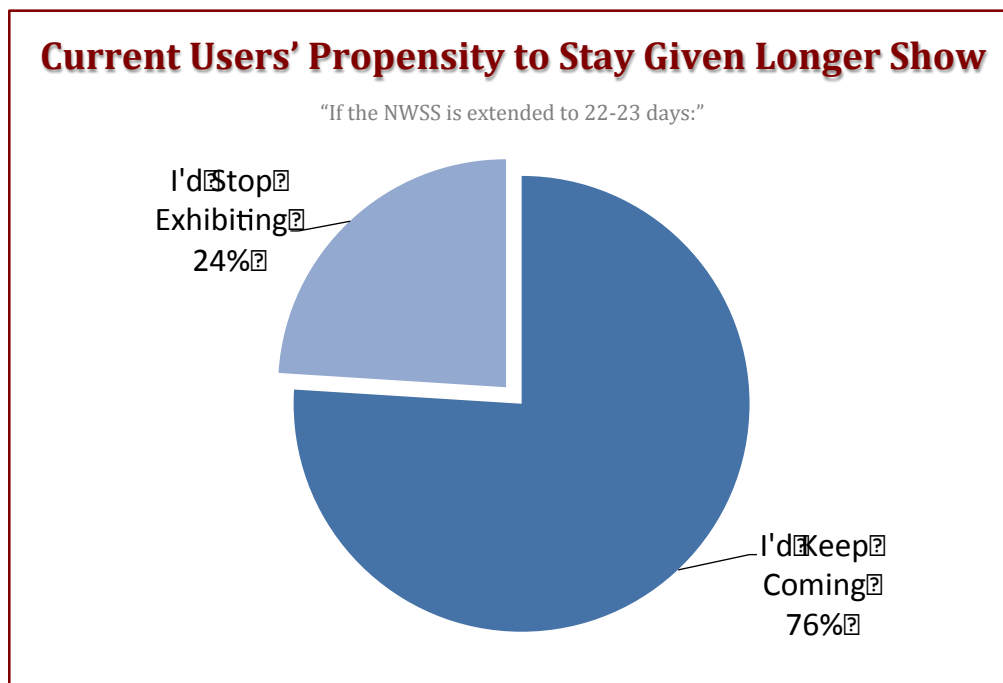
Again, consistent with the overall recommendation for the Stock Show duration, the recommendation is to get the facilities built and allow some time to achieve operational stabilization, and to then reassess extending the Show. This plan is consistent with the Association’s current thinking.

## Trade Show

As discussed previously, 57% of vendors surveyed prefer the current 16-day length, 19% prefer fewer days, and 24% prefer the 22-23 day show.



When asked if they would continue to exhibit at the Stock Show with the 22-23 day duration, 76% said they would continue to come and 24% said they would not.



Based on the survey (and user comments), the Stock Show may actually lose a portion of exhibitors for various reasons with an extended Show. It is also reasonable to assume that some of the potential new trade show vendors may also dislike the longer Show format. It is doubtful that vendors whose businesses are targeted to the audiences at the Stock Show would leave the Show due to its longer duration, and it is these vendors that are likely to have the larger exhibits. If the Show is extended, it is estimated that attrition for dislike of the longer format could cost the trade show 10% of new SF rented.

Several of the trade show user comments advocated concerts as a means to gain traffic, particularly if a longer Show format were adopted. Some of the comments referenced this trend to include concerts at other shows around the country.

### Conclusions

Similar to the findings for livestock, the Show will likely achieve a new level of success even at the current 16 days. The prudent course, consistent with the Association's current plan, is to get the facilities built, achieve stabilized operations, and then assess the extended duration option.

## Horse

Interestingly, the Stock Show is essentially already three weeks in duration with the Pre Denver Quarter Horse Show and the PRCA pre qualification rounds that occur prior to official opening. (This is true for livestock as well as several breeds move into the livestock barns several days prior to official Show kickoff.)

If the strategic choice is made to pursue large national horse shows during non-Stock Show months, then the additional equestrian facilities will be required. Given more show rings and significantly more stall capacity, the horse portion of the Stock Show will have significantly more capacity. Many of the horse performances that currently occur in other Complex venues would be relocated back to the new equestrian facilities, and this relocation would thus free up time in those other venues.

## **Conclusion**

Because of the enhanced facilities to pursue larger shows throughout the year, the horse portion of the Stock Show can expand significantly within the current 16-day duration. However, Stock Show staff does have a robust plan to expand events even further given a longer schedule. Again, the recommendation is to expand facilities first and then to reevaluate the option to lengthen the Show.

## **Recommendation**

In each of the major event/facility categories, the NWSS staff prepared a robust plan to add programming to extend the Show from two weeks to three. This additional programming entails expanding the scope of existing events and adding new events.

However, in each area, staff's primary objective is to get new and expanded facilities built at the Complex. The secondary objective was to lengthen the duration of the Show. The recommendation is to achieve these two key objectives in order. The first objective would be to build new facilities and getting those facilities operationally stabilized. Secondly, the option to extend the Show by another week should be reevaluated at that time.

From a market perspective, while a portion of Stock Show customers will not like the extended duration, a longer Show format would likely be widely accepted. The recommendations could

cement the Denver Stock Show as a top livestock show (if not the top show) in the country/world (even at the current duration). Continuing the trend throughout the 100+ year history of the Stock Show, extending the Show by another week appears to be a reasonable plan, and the Stock Show staff appears to be ready to make that happen.

## Recommendations – National Western Stock Show

A complete summary of the physical program recommendations is presented in the major section Summary of Recommendations.

### Demand Projections

New and modernized facilities, which are part of a new site master plan could achieve a key objective for the Show: to maintain and enhance the Stock Shows' position as a top national/international stock show for decades to come at its current location.

The previous HVS and CSL studies projected total attendance at the Stock Show to be 750,000 versus the FY 2013 attendance of 637,000 (an 18% increase over FY 2013 levels). Both of these studies/projections assumed a location adjacent to the new Gaylord project. CSL subsequently opined on two non-Gaylord sites and projected attendance to decrease to 705,000, an 11% increase over FY 2013 levels.

Based on the calculations used by the NWSS to estimate on-site daily attendance, the current Stock Show generates approximately 40,000 attendees per day on average. At 750,000 total attendee days, that average increases to 47,000. In a good year weather-wise, Fort Worth averages approximately 50,000 visitors per day.

The number of trade show exhibitors is likely to increase 10% or less, while the number of combined horse and livestock exhibitors is likely to increase 15% or more. It is also likely that additional events, including ticketed events, will be added, and the average attendance at ticketed events is likely to increase. Visitors such as general grounds admissions, season passes, complimentary tickets, school admissions, etc. are difficult to project, but some growth is likely. While there is ample research to indicate that significant growth can occur, projecting more than an 18% increase would be difficult without a better understanding of the final master plan. Parking and other multi-modal options will need to be convenient to achieve best Show results. As such, the projection in this report is 750,000 total attendee days for the 16-day Show.

A longer Show would almost assuredly mean attendee day growth across the board, including trade show vendor days, livestock and horse attendee days, more ticketed events and more days for the general public to attend the Show. The best guide to attendee day growth is Fort Worth, which generates total attendee days of 900,000 to over 1.1 million, depending on the weather. This equates to between 40,000 and 50,000 attendees per day. The Denver Stock Show currently generates approximately 40,000 attendees per day on average with the worst facilities in the country, and with new facilities that average is projected to climb to nearly 47,000. If Denver were to average 40,000 attendees per day over 23 days, which the research supports, total attendee days would be 920,000 over 23 days.



## **NATIONAL WESTERN COMPLEX AND DENVER COLISEUM (NON-STOCK SHOW)**

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This section analyzes the potential event activity during the non-Stock show months of February through December. A key difference between the current site layout and the recommendations is that the new Arena (Denver Coliseum replacement) is located among the other Complex venues north of I-70 and ideally situated in close proximity to the new RTD North Metro Line station. The choice was made to discuss the totality of the event activity by event type (as opposed to by venue type) and relate the activity to the appropriate venue within each discussion.

Excluding the 300+ individual events held at the Stock Show during January, the Complex hosted approximately 147 events/performances during FY 2013 and the Coliseum hosted 74, totaling 222 events and over 1.3 million attendee days. Additional event day and attendance data is provided in the following tables:

## FY2013 Utilization

	NWC	Coliseum	Combined
<b>Number of Events:</b>			
Stock Show			1
Equestrian	28		28
Other Livestock	6		6
Consumer/Trade	29	2	31
Conference		2	2
Meeting/Banquet	54		54
Tenant Sports		33	33
Non-Tenant Sports	17	7	24
Concert	13	2	15
Family Show (1)		24	24
Other		4	4
Subtotal	147	74	222
<b>Total Event Days:</b>			
Stock Show			16
Equestrian	103		103
Other Livestock	14		14
Consumer/Trade	65	6	71
Conference		5	5
Meeting/Banquet	54		54
Tenant Sports		33	33
Non-Tenant Sports	20	11	31
Concert	13	2	15
Family Show (1)		12	12
Other		4	4
Subtotal	269	73	358
<b>Average Event Days:</b>			
Stock Show			16.0
Equestrian	3.7		3.7
Other Livestock	2.3		2.3
Consumer/Trade	2.2	3.0	2.3
Conference		2.5	2.5
Meeting/Banquet	1.0		1.0
Tenant Sports		1.0	1.0
Non-Tenant Sports	1.2	1.6	1.3
Concert	1.0	1.0	1.0
Family Show (1)		0.5	0.5
Other		1.0	1.0

### FY2013 Utilization (continued)

	NWC	Coliseum	Combined
<b>Total Attendee Days:</b>			
Stock Show			637,000
Equestrian	65,150		65,150
Other Livestock	23,200		23,200
Consumer/Trade	144,400	12,100	156,500
Conference		26,400	26,400
Meeting/Banquet	21,500		21,500
Tenant Sports		90,000	90,000
Non-Tenant Sports	61,100	40,100	101,200
Concert	60,500	13,400	73,900
Family Show (1)		114,400	114,400
Other		10,300	10,300
Subtotal	375,850	306,700	1,319,550

#### **Average Attendee Days Per Event:**

Stock Show			637,000
Equestrian	2,330		2,330
Other Livestock	3,870		3,870
Consumer/Trade	4,980	6,050	5,050
Conference		13,200	13,200
Meeting/Banquet	400		400
Tenant Sports		2,730	2,730
Non-Tenant Sports	3,590	5,730	4,220
Concert	4,650	6,700	4,930
Family Show (1)		4,770	4,770
Other		2,580	2,580

#### **Average Attendance Per Day:**

Stock Show			39,810
Equestrian	630		630
Other Livestock	1,660		1,660
Consumer/Trade	2,220	2,020	2,200
Conference		5,280	5,280
Meeting/Banquet	400		400
Tenant Sports		2,730	2,730
Non-Tenant Sports	3,050	3,650	3,270
Concert	4,650	6,700	4,930
Family Show (1)		9,540	9,540
Other		2,580	2,580

Stock Show utilizes all facilities in January.

Note (1): Performances.

Source: National Western Association, Arts & Venues.

Each of these event types is discussed below.

## Equestrian

As presented earlier in the Stock Show section, the Association recommends building a new set of facilities for the horse show activities. However, **the primary driver of the equestrian component is not the Stock Show, but rather the Association's desire to become a major competitor for large national horse shows in non-Stock Show months.** Facilities include:

- Equestrian Events Center - Concrete floor, multi-purpose arena with 4,500 seats (2,500 fixed seats and 2,000 pullout seats) plus floor seating to replace the existing 4,777-fixed seat Events Center.
- Equestrian Arena - Dirt floor, single-purpose horse arena with 500 fixed seats. This facility represents an incremental step for the Complex designed to make the horse show offering competitive for large horse shows with other cities such as Fort Worth and Oklahoma City.
- Two Enclosed Practice Arenas – One dirt floor practice/warm-up area attached to each arena floor and connecting to the Horse Stall Barn. This is the staging area for animals about to enter the performance space.
- Horse Stall Barn – Attached horse stall barn to house 1,000 horses in 10' x 10' horse stalls (recommended 100% portable).
- Two Outside Covered Horse Exercise Arenas – Dirt floor covered exercise arenas.

These facilities would replace the existing Events Center and horse barn/Expo Hall first floor.

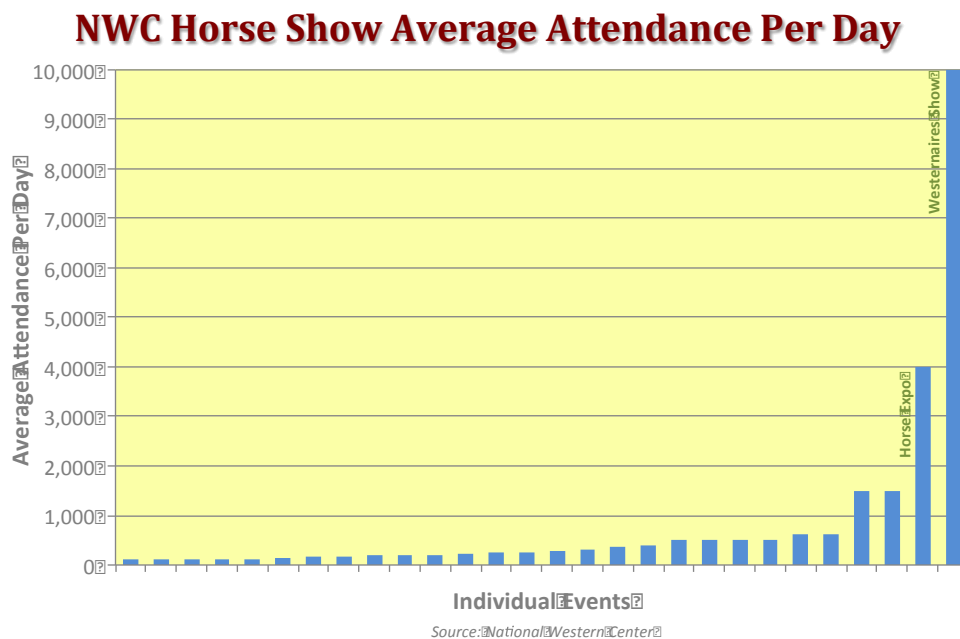
The HVS study was based on a single 5,000-seat arena and CSL recommended a single 5,000 to 7,000-seat arena for the Complex, and it appears this secondary arena was geared toward horse events. This would be a departure from the current configuration of one ~5,000-seat arena each for livestock and horse events (Stadium Arena and Events Center). Without a separate performance space for livestock and horses, the Stock Show would need to be scaled back.

The HVS study program was based on 500 permanent stalls with total capacity onsite up to 700. The CSL study recommended 1,000 permanent stalls with total capacity onsite up to 2,500.

## Historical Utilization and Previous Studies

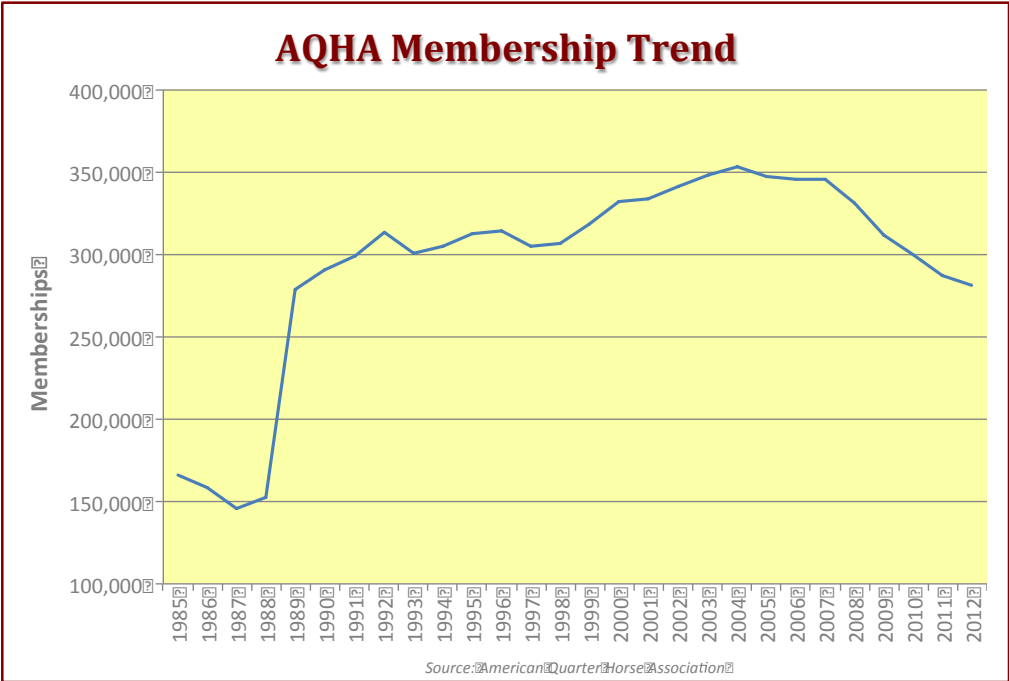
As a backdrop to the discussion on historical utilization and the previous studies, it should be noted that Complex management and staff has worked over the last few years to record the most accurate attendance figures available from promoters, which has led to the reporting of lower attendance figures since the previous studies. This focus on increased accuracy is commendable. The Complex has lost several shows to other locations or attrition as well. In some shows, economic pressures have reduced participation levels, which is more common for smaller state and regional events versus the larger national events that appear to be growing.

The graphic below illustrates the daily attendance of the 28 existing Complex horse shows.



Staff indicates that the Complex used to have more horse shows that required more than 340 stalls (two shows spill over from the 340 horse barn stalls into other areas), but the economic shock of 2007-09 shrank a number of shows, and many of them have not yet come back. When the economy declined, weaker parts of the industry lost horses, trainers, etc. and many have moved on to other work. For example, the Region 8 Arabian Show used to be upwards of 800 stalls but has shrunk in half. Another example is that the Complex used to host several Paint shows, but many of these have shrunk and sought less expensive venues. Other existing shows or breeds, such as the Summer Slide, have continued to do well and even grow.

Membership data from the American Quarter Horse Association, the largest breed association, indicates a long history of growth, but supports the trend of weakness since 2007:



Based on discussions with show organizers, industry professionals and key competitive venues, larger shows have grown and are doing well. In fact, the major competitors all stated that their facility expansions have continually led to larger and larger shows. Many see the trend for participants to devote resources to the larger more important shows to continue.

However, it should not be lost that nurturing smaller shows and qualifying shows is critical to the long-term sustainability of the industry. Data on the many smaller shows sanctioned by the AQHA indicate that shows across the board appear to be well sustained:

## AQHA Horse Show Trends

<b>SHOW ENTRIES</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
NUMBER OF APPROVED SHOWS	2,493	2,547	2,704	2,590	2,709
NUMBER OF SPECIAL EVENTS	608	602	593	547	522
AVERAGE ENTRIES PER SHOW	343	323	301	314	335
AVERAGE ENTRIES PER SPECIAL EVENT	57	64	64	65	68
TOTAL SHOW ENTRIES	855,917	823,874	851,478	813,881	907,420
TOTAL SPECIAL EVENT ENTRIES	34,913	38,577	37,933	35,556	35,223
TOTAL SHOW ENTRIES INCLUDING SPECIAL EVENTS	890,830	862,451	851,478	849,437	942,643

*Source: American Quarter Horse Association*

Colorado ranks 4<sup>th</sup> in AQHA membership behind Texas, California and Oklahoma, and ranks ahead of Ohio, Missouri, Florida and Kansas.

Focusing on Complex utilization, the following table provides an overview of historical utilization, previous study projections and comparable data for both horse and other livestock events, followed by discussion.

Equestrian and Livestock Historical Utilization, Previous Study Projections and Comparable Data

	NWC per HVS 2010/11	HVS w/ Hotel Projected	NWC per CSL 2010	CSL Projected			NWC 2012/13	Fort Worth 2012	Okla City 2012	Louisville 2009
				w/ Hotel Base Case	w/ Hotel Aggressive	Brighton Blvd.				
<b>Number of Events:</b>										
Equestrian (1)						28	19	25	3	
Cattle							9		5	
Dog						1	12	3	2	
Cat						2		2		
Other Livestock						3	3	1	2	
<b>Total</b>	<b>32</b>	<b>40</b>	<b>31</b>	<b>40</b>	<b>40</b>	<b>34</b>	<b>43</b>	<b>31</b>	<b>12</b>	
<b>Total Event Days:</b>										
Equestrian						103	162	142		
Cattle							19			
Dog						5	29	6		
Cat						4		4		
Other Livestock						5	9	1		
<b>Total</b>	<b>105</b>	<b>132</b>	<b>205</b>	<b>264</b>	<b>264</b>	<b>117</b>	<b>219</b>	<b>153</b>		
<b>Average Event Days:</b>										
Equestrian						3.7	8.5	5.7		
Cattle							2.1			
Dog						5.0	2.4	2.0		
Cat						2.0		2.0		
Other Livestock						1.7	3.0	1.0		
<b>Overall Average</b>	<b>3.3</b>	<b>3.3</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>3.4</b>	<b>5.1</b>	<b>4.9</b>		
		(estimated)								
<b>Total Attendee Days:</b>										
Equestrian						65,150	632,000	827,600		
Cattle							10,400			
Dog						20,000	19,400	1,100		
Cat						1,000		500		
Other Livestock						2,200	2,100	300		
<b>Total</b>	<b>107,000</b>	<b>114,000</b>	<b>52,900</b>	<b>72,600</b>	<b>72,600</b>	<b>88,350</b>	<b>663,900</b>	<b>829,500</b>		
<b>Average Attendee Days Per Event:</b>										
Equestrian						2,330	33,260	33,100		
Cattle							1,160			
Dog						20,000	1,620	370		
Cat						500		250		
Other Livestock						730	700	300		
<b>Overall Average</b>	<b>3,344</b>	<b>2,850</b>	<b>1,706</b>	<b>1,815</b>	<b>1,815</b>	<b>2,600</b>	<b>15,440</b>	<b>26,760</b>		
<b>Average Attendance Per Day:</b>										
Equestrian						630	3,900	5,830		
Cattle							550			
Dog						4,000	670	190		
Cat						250		130		
Other Livestock						440	230	300		
<b>Overall Average</b>	<b>1,019</b>	<b>864</b>	<b>258</b>	<b>275</b>	<b>275</b>	<b>756</b>	<b>3,030</b>	<b>5,420</b>		

Note (1): Fort Worth hosted approximately 25 horse shows in 2013, including new large shows.  
Source: Studies, National Western Center, Denver Arts & Venues, Facilities.



There appears to be some differences with the historical data from the previous studies, which led to similar differences in their projections. The table below focuses on the historical data used by the studies, including the 2012/13 data used in this report.

<b>Equestrian and Livestock Historical Utilization Comparison</b>			
	<b>NWC per HVS 2010/11</b>	<b>NWC per CSL 2010</b>	<b>NWC 2012/13</b>
Number of Events	32	31	34
Total Event Days	105	205	117
Average Event Days	3.3	6.6	3.4
Total Attendee Days	107,000	52,900	88,350
Average Attendee Days per Event	3,344	1,706	2,600
Average Attendance per Day	1,019	258	756

*Note: Current equestrian data is calendar 2013.*

Note that the number of events is similar, but the CSL total event days is approximately double the HVS and 2013 figures. Mathematically, the average event days are approximately double (6.6 versus 3.3/3.4). HVS total attendee days, the sum of daily attendance counts, is approximately double CSL's figures (107,000 versus 52,900). As a result, the HVS average attendee days per event and per day are significantly higher than CSL. Comparison of each firm's projections in relation to the historical data it used indicates that each firm relied upon that data as a basis for its projections. This report relies on the 2012/13 data provided by Complex management.

Focusing on the current data, the Complex hosted 28 horse events with total attendance of 65,150 and average attendance of 610 each day for an average of 3.7 days per event. This demonstrates the Complex's success with horse events but on a very small scale. The Complex is limited by the lack of modern facilities and stalling capacity. The facility functions for small state and regional shows, but it is not competitive for larger shows with more than 500 horses that require multiple show rings and additional amenities, such as outdoor and/or covered exercise areas. Larger shows also prefer modern facilities with, for example, 10' x 10' stalls.

## **Summary of Previous Study Projections**

Disregarding the differences in the data from the previous studies, there are several key takeaways from these previous studies, as follows.

**Performance Arenas** - First, a single show ring for horses was assumed/recommended. Assuming the new 10,000-seat Arena was not to be used on a regular basis for the small horse events, the recommendations did not appear to provide for additional show rings. Furthermore, it was unclear whether a third Arena was recommended for livestock purposes, which could have been used for larger horse events (but then would not be available for other multi-purpose uses). A single equestrian show ring limits the Complex to being a small state and regional competitor, similar to current operations. As such, one would expect only modest growth in the projections, which was the case. Concurrent events would not be possible with a single show ring.

**Stall Capacity** - Second, the HVS study was based on 500 permanent stalls with total capacity on-site up to 700. This stall count is consistent with a single show ring and competing for smaller events on a state and regional basis, similar to its current operations.

The CSL study recommended 1,000 permanent stalls with a total capacity onsite up to 2,500. Horse shows with 500 to 1,000 horses will generally require at least two performance arenas, and larger shows will require three performance arenas as well as well-developed supporting amenities, such as outdoor exercise arenas.

**Projections** – Third, the HVS projections indicate that it assumed that the Complex would remain a small state and regional competitor, projecting a few more events, the same event duration (approximately 3.3 days), and slightly more total attendee days. Average attendance per day actually dropped from 1,019 to 864 people per day. Overall this is indicative of replacing the current facilities on a new site and continuing with business as usual.

CSL's projections are similar in nature in that the number of events increases slightly, as does the remainder of the projection data. If the intent were to remain as a small state and regional player with a single performance arena as the projections indicate, it would appear 500 to 700 stalls would be sufficient (versus 1,000 to 2,500). Larger shows would generally require additional performance arenas. In the horse show world, the number of performance arenas and stalling capacity go hand-in-hand.

## **Competitive Positioning**

Separating from the thinking of the previous studies, the Association has since worked further with Populous on a building program for the equestrian complex designed to compete with the top equestrian destinations in the country, including Fort Worth, Oklahoma City and Tulsa. As such, the

updated facilities program presented in this report proposes two performance arenas dedicated to equestrian activities, each with an enclosed practice arena attached to the performance space. In addition, the overall facilities program includes the Livestock Stadium Arena, which could also be brought to bear for horse events. Furthermore, performance rings could be constructed within the Horse Stall Barn and/or the Livestock Hall. For very large events, the new Arena could be utilized and even the Exposition Hall could be used as Tulsa does for its largest 3,500-horse event.

The Horse Stall Barn is designed with 1,000 stalls, which is suitable for the majority of horse shows. The Complex could provide up to 2,500 total horse stalls via the Livestock Hall barn or temporary outdoor stalls or in other parts of the Complex to accommodate the needs of larger shows or concurrent events. Assuming the proposed multiple arenas, the stall count will allow Denver to effectively compete with the best facilities in the country.

Larger shows also require multiple areas to practice and exercise the horses, which the building program provides in the form of two outdoor covered horse exercise arenas. Other practice areas are often developed in other outdoor spaces or within the barn(s).

Taken as a whole, the overall equestrian complex facility program is appropriate to compete not only for state and regional shows with 200 to 500 horses, but also for the nation's largest shows with 1,000, 1,500, or more horses.

#### Can the National Western compete at this top level?

To explore this question the consulting team spent several months conducting research, including:

- Collaboration in the research with sub-consultants Langer Equestrian Group, experts in equestrian consulting and event production.
- Collaboration with Association leadership and staff, including the Association's equestrian subcommittee comprised of experienced industry professionals.
- Analysis of detailed event data from Fort Worth and Oklahoma City, and of data from other venues and sources.
- Facility tours and multiple interviews with various officials and staff from Fort Worth, Oklahoma City and Tulsa, as well as interviews with other facilities around the nation.
- Extensive interviews with major industry organizations and associations, including: World Horse Council, United States Equestrian Federation (and database review), American Quarter Horse

Association (and database review), Rocky Mountain Quarter Horse Association, National Cutting Horse Association, Arabian Horse Association, American Paint Horse Association, U.S. Team Penning Association, and others representing a wide variety of breeds and disciplines.

- Interviews with various show promoters that manage/promote multiple horse shows. Combined with the interviews with the associations that also manage/promote multiple shows, the shows represented throughout the interviews were extensive. As an active horse state, Colorado is home to both regional and national show organizers and associations.
- Interviews discussing the specific use of each facility with top industry master planners and architects familiar with this industry and building type.

The horse world is comprised of many breeds and disciplines, many of whose events are sanctioned by the United States Equestrian Federation. Many of these breeds/disciplines would not be appropriate candidates for the new National Western Center for a variety of reasons, including breed/discipline too small, require outdoor space such as horse parks (Kentucky Horse Park, Georgia International Horse Park, WestWorld in Arizona, Colorado Horse Park, etc.), or other reasons. In addition, other large breed/discipline organizations, such as the American Quarter Horse Association or the National Cutting Horse Association, host or sanction regional, national, and international events both large and small. Many of these events are sanctioned qualifying events to gain entry into a large national show and might have names like: futurity, youth, novice, open, spring/fall, circuit, spectacular, challenge, classic, battle, etc. Some of these shows can be quite large. The largest shows, typically a few for each breed/organization and often sponsored directly by the association, have names like: championship, world show, finals, etc. These are the big shows for which the Association aspires to compete. These large shows are relatively limited in number.

To be successful to win the majority of these events, several key ingredients are required:

- Facilities
- Central geographic location
- Incentives

Without any one of these key factors, market success would be limited.

Based on the many industry interviews and research conducted, three cities have geared their facilities, resources, marketing, and even brand messaging toward the same group of large horse shows that Denver would target: Fort Worth, Oklahoma City and Tulsa. Each has extensive facilities geared toward horse events, is centrally located, and offers significant incentives to show producers.

Furthermore, each of these cities welcomes horse events as a strong part of its overall brand. Appropriately, it is this competitive set that was the central focus of the Association's competitive positioning efforts related to its move into the national horse show market.

Literally **100% of the industry professionals, associations, and show promoters interviewed recognized that Denver is almost perfectly positioned to compete at the top level**, and that there are very few other cities that could enter the market at this level. Denver's potential for success was also openly recognized throughout the interviews and tours with Denver's key competitors. Disregarding financial criteria, **from a market perspective Denver can be a top competitor for large horse show events.**

Denver has built a very strong brand, which has been earned over the years by the National Western within the livestock industry, but it is also recognized that Denver's facilities are substandard. Show organizers like Denver's strategic central geographic location within the U.S. Denver's location is more convenient to markets in the west, northwest and north central U.S. than the competitive set, and yet can still capture markets from Texas and east of the Mississippi River (although the Far East coast is a long drive). Denver's destination attributes, such as an excellent downtown, mountains and outdoor brand, and variety of available activities, were deemed to be excellent, particularly in relation to the competition. **In fact, having Denver as an alternate to the destinations of Fort Worth, Oklahoma City and Tulsa was deemed to be very positive.** The three competitors are in relatively close proximity to one another and share some similar features. Several interviews brought up the risk of severe summer weather in all three cities and summer temperatures can be quite hot. When asked about hotel rates for these large shows, show organizers consistently stated that the facilities were the most important determinant for the show and that they were confident that an acceptable hotel package could be formulated in Denver, even in seasonal periods when rates might be significantly higher than the competitive cities. The incremental difference in hotel rates between destinations was deemed to be a very small component of the overall financial picture for the participants relative to their overall spend and the value that they seek by participating at these shows. Participating in horse shows is an expensive proposition.

A full event calendar in top horse show cities like Fort Worth, Oklahoma City or Tulsa is comprised of about 25 events, with 8 to 12 being very large horse shows and the remainder being state and regional shows like Denver hosts today. Denver already hosts a strong slate of smaller state and

regional shows, some of which will grow given larger facilities. So the increment between today's Complex calendar and that of the top competitive cities is a dozen or fewer events.

For Fort Worth (and Oklahoma City and Tulsa), horse shows are the highest priority events aside from the stock show/fairs. Fort Worth's 2012 horse events sorted by total attendee days are presented below.

Fort Worth Memorial Center 2012 Horse Events						
Event Name	Anchor Venue	Total		Average		Attendance
		Attendee Days	Event Deys	Attendance Per Day	Peak Stalls	Per Stall Per Day
Nat'l Cutting Horse Assn Futurity	Coliseum	140,900	21	6,710	1,677	4.0
NCHA Summer Cutting Spectacular	Coliseum	98,300	21	4,680	1,223	3.8
NCHA Super Stakes & Classic	Coliseum	91,900	22	4,180	1,044	4.0
Reichert Celebration	Coliseum	73,700	10	7,370	1,674	4.4
Am Paint Horse Assn World Championship	Justin Arena	53,600	11	4,880	1,229	4.0
Appaloosa Horse Club World Championship	Justin Arena	45,200	9	5,030	1,131	4.4
Am Miniature Horse Assn World Championship	Justin Arena	37,200	10	3,720	932	4.0
National Reining Horse Assn Cowtown Classic	Coliseum	20,700	7	2,950	645	4.6
Region 9 Arabian Horse Championship	Coliseum	18,900	10	1,890	799	2.4
Am Paint Horse Assn Youth World Championship	Justin Arena	17,100	9	1,900	440	4.3
Int'l Andalusian & Lusitano Horse Assn National	Watt Arena	6,700	6	1,120	279	4.0
Legacy Arabian 2012 Cowtown Classic	Justin Arena	5,900	4	1,480	369	4.0
Supreme Extreme Mustang Makeover	Justin Arena	5,300	3	1,750	259	6.8
Mayfest Challenge Arabian Horse Show	Coliseum	4,300	3	1,440	361	4.0
NTASHA - UPHA Fall Classic Horse Show (1)	Watt Arena	3,600	4	900	225	4.0
U.S. Team Penning Assn Coors Challenge	Justin Arena	2,900	3	980	244	4.0
AmerEquine Festival of the Horse	Coliseum	2,400	3	810	96	8.4
U.S. Nat'l Peruvian Horse Show	Justin Arena	2,300	3	750	188	4.0
Horse O Rama	Justin Arena	1,100	3	380	95	4.0
<b>Total</b>		<b>632,000</b>	<b>162</b>			

(1) North Texas Am Saddlebred Horse Assn - United Pro Horsemen's Assn  
Source: City of Fort Worth.

About half the events (the lower half) average between 380 and 2,000 people per day onsite and require a maximum of 500 stalls, except for one event with 800 stalls. The top eight shows average between about 3,000 and 6,700 people onsite each day. Note that Fort Worth has placed special focus on hosting the largest Cutting Horse events, each of which is three weeks in duration. If Denver were host one of these events, it would likely be the Summer Cutting Spectacular, which brings about 4,700 people to Denver each day and requires over 1,200 stalls. The event lasts three weeks. This caliber of horse show would be considered a "signature event" for Denver. Of course, all of the events have peak periods when attendance will be significantly higher than the average.

The venues in Fort Worth are very comparable to those proposed for the National Western Center. While Fort Worth markets a total stall capacity of 2,800, the largest shows require about 1,700 stalls. However capacity flexibility within the barns is required to manage the logistics of animal movement and placement and transitions between shows.

Oklahoma City has a similar story. Oklahoma City's 2012 horse events sorted by total attendee days are presented below.

Oklahoma State Fair Park 2012 Horse Events			
Event Name	Total Attendee Days	Event Deys	Average Attendance Per Day
U.S. Team Roping Championship	193,200	9	21,470
AQHA World Championship Quarter Horse Show	150,900	16	9,430
National Reining Horse Futurity	77,400	10	7,740
American Quarter Horse Assn	67,200	8	8,400
Grand Nat'l & World Champion Morgan Horse Show	55,100	8	6,890
Better Barrel Races World Show	42,900	3	14,300
World Championship Barrel Racing Futurity	40,700	5	8,140
Battle in the Saddle	39,200	6	6,530
OQHA Redbud Spectacular Quarter Horse Show	34,600	11	3,150
National Reining Horse Derby	32,700	7	4,670
Greater OK Hunter Jumper Show	21,600	12	1,800
Non-Pro Cutting Horse Event	15,200	8	1,900
Summer Shootout Barrel Racing Event	11,200	3	3,730
OK Quarter Horse Spring Show	11,100	4	2,780
KS Prairie Classic Quarter Horse Show	8,800	5	1,760
OK Paint Horse Club Holiday Classic	6,600	7	940
Centennial Horse Show	6,300	3	2,100
Cattleman's Assn Range Round-Up	4,900	2	2,450
Central 4D Barrel Race	2,200	2	1,100
Red River Classic Morgan Horse Show	2,000	4	500
National Sorting Cow Horse Assn	1,000	2	500
Greater OK Hunter Jumper Schooling Show	1,000	2	500
OK Paint Horse Show	800	2	400
Greater OK Hunter Jumper Schooling Show	800	2	400
4H/FAA Spring Horse Show	100	1	100
<b>Total</b>	<b>827,500</b>	<b>142</b>	

Source: Oklahoma State Fair Park.

Similar to Fort Worth, about half of OKC's shows would be considered state and regional shows and would likely be accommodated with 500 to 700 stalls. The top half of the list, about 12 shows, includes similar large events as in Fort Worth. The two largest shows are more than twice as large in terms of attendee days that the third largest show. (It is notable that both Fort Worth and Oklahoma City (and Tulsa too) each have two or three "signature" events that are significantly larger than the other events.)

Horse shows are a significant part of the brand messaging for Oklahoma City (and Fort Worth and Tulsa). One subset of the overall brand messaging within the VISIT OKC (convention bureau) website under Things To Do is "Horse Shows", which reveals the following messaging:

#### *HORSE SHOW CAPITAL*

*Home to more equine events than any other city in the world, Oklahoma City is the venue of choice for more than a dozen top national and world championship horse shows, attracting riders from across the nation - and world - each year.*

*Not only do Oklahoma City horse shows provide family fun entertainment, they make a substantial contribution to the city's economy. Total estimated economic impact of all Oklahoma City horse shows exceeds \$126.5 million each year.*

*Citizens gave the nod to Oklahoma City's western heritage in 2004, when they voted to increase the hotel tax, which is financing a bond to pay for upgrades and continuous improvements to State Fair Park equine and livestock facilities. Providing top-notch showing facilities secures the city's position as Horse Show Capital of the World, helping it retain current horse shows and pursue new shows.*

*Equine organizations around the world are noticing the state-of-the-art, 21st century complex at State Fair Park. The complex will feature nine barns, VIP RV parking, exercise areas and a conference and meetings facility.*

Focusing on stall counts, the table below categorizes the Fort Worth events by number of stalls. Approximately two-thirds of the events require 1,000 stalls or less, six events require 1,000 to 1,500, and two events require 1,500 to 1,700 stalls. (Fort Worth reported hosting a few more large events in 2013 so the number of shows at the upper end is likely higher for 2013.)



Fort Worth Memorial Center 2012 Horse Events					
Number of Stalls	Number of Events	Attendance		Event Days	
		Total	Per Day	Total	Average
1,500 to 1,700	2	214,600	6,920	31	15.5
1,000 to 1,500	4	289,000	4,590	63	15.8
500 to 1,000	3	76,800	2,840	27	9.0
500 or less	10	51,600	1,260	41	4.1
Total	19	632,000		162	

Source: City of Fort Worth.

One of the aspects of horse shows liked by these competitive communities is the fact that some of the shows can last a week to two weeks, and even up to three weeks. The following two tables present the event day information for Fort Worth and Oklahoma City.

Fort Worth Memorial Center 2012 Horse Events					
Event Days	Number of Events	Total Days	Attendance		Average Stalls
			Total	Per Day	
20 or 21 Days	3	64	331,100	5,170	1,310
9 to 11 Days	6	59	245,700	4,160	1,030
5 to 7 Days	2	13	27,400	2,110	460
3 or 4 Days	8	26	27,800	1,070	230
Total	19	162	632,000		

Note: All 20-21 day events are Cutting Horse events.  
Source: City of Fort Worth.

Oklahoma State Fair Park 2012 Horse Events

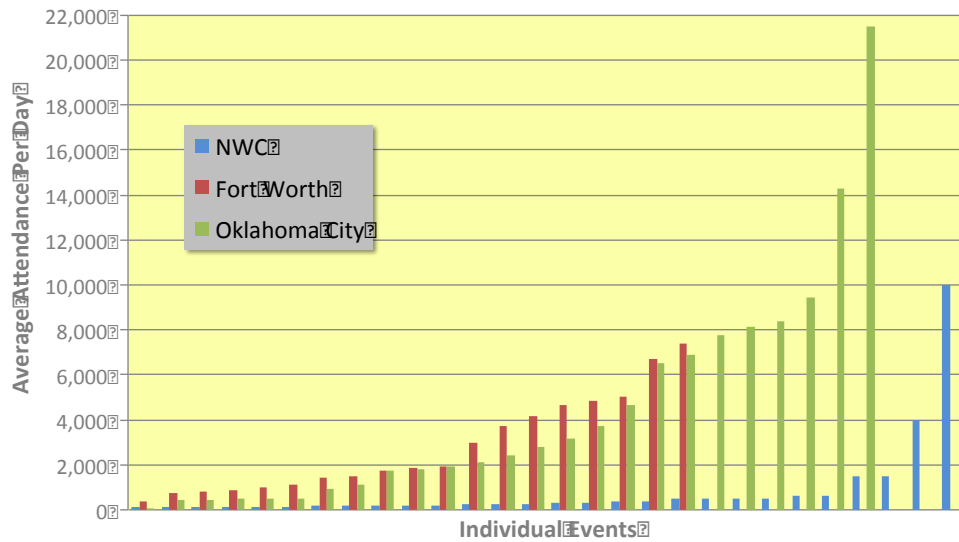
Event Days	Number of Events	Total Days	Attendance		
			Total	Per Day	
16 Days	1	16	150,900	9,430	
10 to 12 Days	3	33	133,600	4,050	
7 to 9 Days	6	47	370,000	7,870	(US Team Roping @ 193,200 total attendee days)
4 to 6 Days	6	27	144,700	5,360	
2 or 3 Days	8	18	28,200	1,570	
1 Day	1	1	100	100	
Total	25	142	827,500		

Source: Oklahoma State Fair.

Fort Worth's three long-duration shows are the Cutting Horse shows that each last three weeks. Similarly, Oklahoma City has one show that is 16 days in length, the AQHA World Championship Quarter Horse Show with over 150,000 total attendee days. Both cities then have a similar array of shows ranging from weekend shows to 11-12 days in duration.

All of the above tables provide information on average attendance per day. Ultimately, this important factor is the key differentiating factor between the current Complex horse activity (comparatively small) and that of the major competitors (comparatively large). Below is a graphic of per day attendance that illustrates this differential.

## Horse Show Average Attendance Per Day

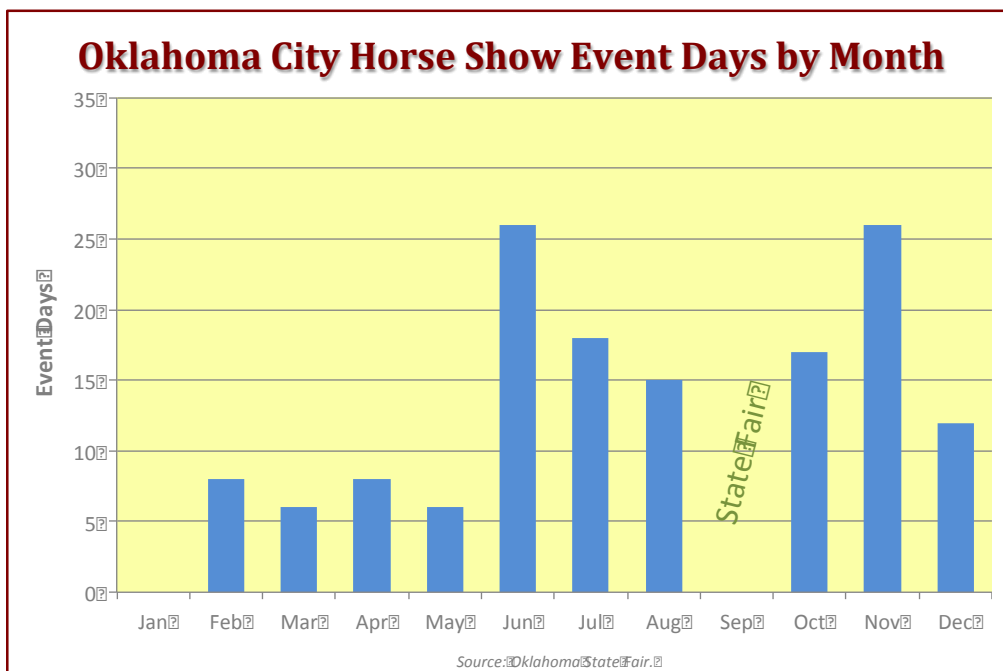
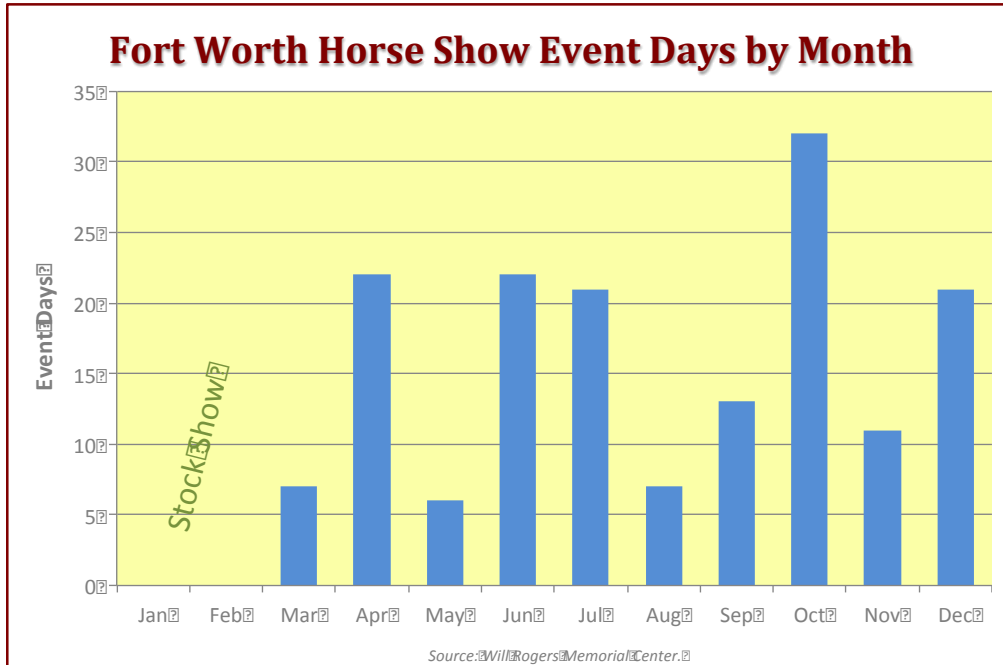


Source: National Western Center, Will Rogers Memorial Center, Oklahoma State Fair Park.

(It should be noted that, to be comparable, the Complex’s two larger shows on this graph are the Westernaires, a spectator event akin to a Family Show, and the Horse Expo that has a large consumer show component.)

Essentially, the largest traditional horse shows held currently at the Complex are comparable with the smallest horse shows at Fort Worth and Oklahoma City, and the medium and large shows in the competitive cities are much larger than what the Complex can currently host.

In terms of seasonality, the following two graphics indicate that horse shows occur beginning in early Spring through December.



The most-mentioned venue other than the competitive set discussed above is the state-owned Kentucky Exposition Center in Louisville where the North American international Livestock Exposition is held. The HVS report event data lists 12 “livestock/horse” events in 2009. Analysis of the venue’s current event calendar indicates that it hosts only a few horse events, a handful of livestock/cattle events, and a few

other various other livestock events, such as dog or reptile events. Clearly the KY Expo's focus is not on horse events like Fort Worth, Oklahoma City and Tulsa. There are many other venues around the country that host horse events, but none with the focus, scale and success with the largest events of this small competitive set.

## **Incentives**

While smaller horse shows generally do not command incentives (or the incentives are small) to bring their event to a venue, large events that provide substantial economic impact do seek incentives, and receive them. While Denver may become an exciting new destination for these large shows, substantial incentives will be required or these groups will not, for the most part, come to Denver.

While incentives often come through the convention bureau and the funding it reserves to win events (often through hotel or auto rental taxes), the State of Texas established a fund that can be tapped by communities and events throughout the state. Described below, this fund is important to understand because it gives Texas communities (particularly Fort Worth in this case) a large pool of funds from which to draw. The three large Cutting Horse events receive several million in incentives due to their economic impact (relatively high attendance and long event duration), and the other major events receive incentives as well.

From the state website, below is a description of the Texas incentive fund:

*Texas' event trust fund programs help its communities offset the costs of hosting sporting and non-athletic events. To qualify for these funds, an event must be competitively bid, and the community must be competing with cities outside Texas for the right to host it.*

*Eligible events should draw out-of-state visitors, since the money they spend during their stays increases tax revenues for the state and local governments.*

*Generally, the state's contribution is capped at the amount of state revenue the Comptroller estimates will be generated by the event, in the form of increased receipts from sales, hotel occupancy, motor vehicle rental, mixed beverage and alcoholic beverage taxes.*

*A local government seeking event trust funds must bear some of the cost of hosting the event. The local contribution must match the state's, at a rate of \$1 of local funds for*

*every \$6.25 in state funds. If the local government submits less than the full matching amount, state funds are reduced proportionally.*

*After the event is held, a local government must submit a request for reimbursement from the trust fund for event-related expenditures to the Comptroller's office. The total amount reimbursed through a trust fund for any event cannot exceed the amount of funding contributed into a trust fund for that event.*

In Fort Worth's case, while the City of Fort Worth provides a small part of the incentive funds, the State of Texas provides the lion's share, basically equating to most of the state taxes that the event generates.

It is our understanding that there have been movements in Texas to clamp down somewhat on this program, and that its future may be uncertain. Should this funding be repealed or scaled back, Fort Worth would need to find alternative funding to remain competitive, and this situation could leave a window open for competitors to win business away from the very attractive Fort Worth facility.

Incentives available in Texas begin with the highest dollar amounts in the first year and the amount declines over time to a fraction of the initial amount. One strategy to gain longer-term loyalty may be to reverse that and offer incentives that grow over time.

Based on extensive interviews on this topic, larger shows typically require incentives with value ranging from \$100,000 to \$250,000, or potentially more for the rare very large show. These incentives might take the form of cash grants, rent buy-downs or other forms of value. **In sum, Denver and its partners should be planning financially to be able to offer \$1 million to \$2 million annually in relation to a full event calendar, depending on the mix of events and negotiations, to compete with the top horse shows.**

It must be noted that competition among these cities and among many of the events is fierce. Denver should not expect to be able to take events from these other cities without response. It is likely that in most cases the cities will go to extra lengths to keep shows, and in some cases they may go to any lengths to keep certain shows. Incentives are becoming very much like the convention center business in that cities almost have to give the facilities away to gain the economic impact.

### Plan to Achieve Occupancy

A main theme heard throughout the variety of interviews conducted was that “dates” are the premium commodity at Fort Worth, Oklahoma City and Tulsa. For the shows that could move/rotate, the venues are very full for the time periods desired by events to host their shows. It is very difficult for a show to move to another city because dates are not available. This tightness among the competitive set should help a new Denver equestrian center ramp utilization over the first few years because Denver could offer dates. It is important to realize that many of these larger shows are under multi-year contracts so filling the event calendar in Denver will be a process over many years, likely five or more years.

Achieving a target of 10 to 12 large horse shows likely comes from several sources, including pulling shows from the competitive set, pulling shows from smaller competitors such as Reno or Louisville or Scottsdale, new events that might be created from associations or other promoters (including events like large barrel racing events), and/or self-promoted events created by the National Western. (The consulting team spoke with show organizers that looked forward to creating new events at the Complex were it to come to fruition.)

Generally, the plan would be to gain a large show or two each year, filling in the rest of the calendar with smaller shows, which is already in place. Over a period of 5 to 8 years the calendar could flesh out as smaller shows with shorter durations are relocated/replaced by larger shows with longer durations. As in the competitive set cities, as longer duration shows are established in Denver date availability will likely become a limiting factor. This longer-term plan would likely result in practical maximum occupancy for the equestrian component.

If for some reason the facilities related to equestrian need to be phased in over a long period of time, Denver should understand that winning the big shows will likely not occur until the master plan is complete.

### Exhibit Space

As discussed briefly previously, the preliminary building program provides 3,500 SF of exhibition space in the main corridors of the Equestrian Events Center. The concept to provide a small amount of exhibit space specifically for equestrian events within the equestrian complex is correct. However, assuming that the strategic move to target much larger horse events is adopted, more space may be required.

Only one to three very large horse shows per year will have exhibit needs that require the use of the larger Exposition Hall, but a number of large and medium-sized shows might need more space than 3,500 SF. If additional flexibility/capacity is not programmed in for this use, it will be difficult to find a good space for these vendors. It is recommended to seek further collaboration with a variety of larger horse show organizers during the design phase to plan and design this space.

One way to create flexible space for both arenas that would likely be a high-traffic area would be to create an common indoor plaza that could be used for exhibits, food and restroom areas, and a fun, centralized place for exhibitors and other visitors to mingle. Such a space would likely become a focal point of the equestrian complex. However, it must also be able to meet the separate needs of concurrent groups, so two small, open, flexible tradeshow areas might be created with access to the larger central plaza.

### Strategic Considerations

Getting into the horse business at the top level during non-Stock Show months is a big commitment. From a facility perspective, for the Stock Show to continue to have horse events it will require at least one performance arena and a few hundred horse stall barns – a replacement of today’s facilities. This assumes no growth in Stock Show operations. Should the decision be made to provide the horse arena and barns for the Stock Show, **the increment to go after the 8 to 12 top horse shows that Denver might expect to capture involves:**

- Adding the small 500-seat, dirt floor Equestrian Arena,
- Basically doubling the size of the Horse Stall Barn from 500 (up to 700) stalls needed for one arena/Stock Show to the 1,000 proposed, and
- Adding amenities such as multiple outdoor exercise areas (two covered arenas in the Plan).

In the broader sense of the overall Complex, this increment is a relatively small portion. In addition to the investment in new facilities, some of which are beyond the needs of the Stock Show itself, the commitment includes:

- Likely ongoing capital improvements and expansions over time as the key competitors have tax funding in place and are not standing still. Longer term planning should consider the potential future need for land and potentially more buildings.
- Incentives with value estimated to sum between \$1 and \$2 million annually upon full occupancy.

Other financial aspects of this decision are discussed later in the report.



It should be noted that under the category of “Livestock/Agricultural/Equine Events”, CSL was unenthusiastic about this market segment, writing: “*However, many of the shows/events within this segment do not provide significant net income for facility operations and should not be the driving force behind future facility development/expansion plans.*” It was unclear if this comment was geared toward the Association’s plan to move into the national horse show market. This comment appears to have been directed at livestock/horse events during the non-Stock Show period, but the CSL single arena recommendation and the projections indicate that the Complex would remain a small state and regional player.

From a marketing perspective, National Western is deeply involved in the horse/livestock business, although on primarily a state and regional basis. The national horse show business represents a broadened scope for Denver as a destination. As a destination, Denver currently competes with cities like Chicago, Las Vegas and San Diego for large conventions and sporting events. However, given the competitive set, the national horse business entails a focus on Fort Worth, Oklahoma City and Tulsa, as well as other destinations that host less frequent major horse/livestock events, such as Reno, Louisville, Scottsdale, Grand Island, NE, etc.

## **Recommendation**

The research indicates that Denver can compete with the top horse show competitors. One revision to the proposed facilities is recommended to achieve this goal. It is recommended that slightly larger exhibit space be incorporated into the equestrian complex. One concept would be to tie the two equestrian arenas together with a “central plaza” that could be flexible for exhibits, food areas, special functions, etc. This space could become a central feature of the equestrian complex. Depending upon design, 10,000 to 20,000 SF is recommended.

The Livestock Hall barn should be convenient to the equestrian complex arenas. Longer term planning should consider the possibility of having to add facilities incrementally over time to stay competitive.

With the goal of relocating/replacing some of Denver’s existing horse shows with 8 to 12 top national shows that feature a longer show duration and significantly higher attendance, a full calendar would likely be achieved over an extended ramp up period of five to eight years. Denver’s event count will not be an issue to achieve as it already hosts many shows. But the process of winning a large show here and a large show there in the face of attractive, well-funded and established competition will likely be a long process.

It is projected that Denver will transition its horse show business from the current 28 small shows to 25 much larger shows (some very large shows and some smaller shows). The average show is projected to last five days with 3,500 attendees on-site per day. This equates to an average of 17,500 attendee days per show, and 437,500 total attendee days upon stabilization.

## Other Livestock

In this report, “Other Livestock” generally refers to non-equestrian animal events, including cattle, hog, sheep, alpaca, goat, rabbit, dog, cat, others. Other livestock events will generally occur in the new “livestock complex” that includes the Livestock Stadium Arena, Livestock Hall and Livestock Hall Auction Arena. Additional show/practice rings could be set up within the spaces of the Livestock Hall. Some events will utilize the Exposition Hall as well.

The outdoor livestock facilities generally associated with the Yards will be available, however the Stock Yards pens will have been disassembled and stored for the non-Stock Show season, so this area will likely serve as parking, flexible outdoor function space or similar use.

It is recommended that maximum flexibility be maintained throughout the barn facilities utilizing primarily modern portable stalling. In this way, not only can multiple animal breeds be accommodated, but stalls could be moved or removed to provide flexibility for all types of functions, including large exhibit shows such as the RV, auto or a heavy equipment or farm show.

## Historical Utilization

Repeating the table from the Equestrian section above, the following table provides an overview of current Complex usage, previous study projections and comparable data, followed by discussion.

**Equestrian and Livestock Historical Utilization, Previous Study Projections and Comparable Data**

	NWC per HVS 2010/11	HVS w/ Hotel Projected	NWC per CSL 2010	CSL Projected			NWC 2012/13	Fort Worth 2012	Okla City 2012	Louisville 2009	
				w/ Hotel Base Case	w/ Hotel Aggressive	Brighton Blvd.					Dick's Park
<b>Number of Events:</b>											
Equestrian (1)						28	19	25	3		
Cattle							9		5		
Dog						1	12	3	2		
Cat						2		2			
Other Livestock						3	3	1	2		
<b>Total</b>	<b>32</b>	<b>40</b>	<b>31</b>	<b>40</b>	<b>40</b>	<b>38</b>	<b>36</b>	<b>34</b>	<b>43</b>	<b>31</b>	<b>12</b>
<b>Total Event Days:</b>											
Equestrian						103	162	142			
Cattle							19				
Dog						5	29	6			
Cat						4		4			
Other Livestock						5	9	1			
<b>Total</b>	<b>105</b>	<b>132</b>	<b>205</b>	<b>264</b>	<b>264</b>	<b>251</b>	<b>238</b>	<b>117</b>	<b>219</b>	<b>153</b>	
<b>Average Event Days:</b>											
Equestrian						3.7	8.5	5.7			
Cattle							2.1				
Dog						5.0	2.4	2.0			
Cat						2.0		2.0			
Other Livestock						1.7	3.0	1.0			
<b>Overall Average</b>	<b>3.3</b>	<b>3.3</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>3.4</b>	<b>5.1</b>	<b>4.9</b>
		<i>(estimated)</i>									
<b>Total Attendee Days:</b>											
Equestrian						65,150	632,000	827,600			
Cattle							10,400				
Dog						20,000	19,400	1,100			
Cat						1,000		500			
Other Livestock						2,200	2,100	300			
<b>Total</b>	<b>107,000</b>	<b>114,000</b>	<b>52,900</b>	<b>72,600</b>	<b>72,600</b>	<b>68,970</b>	<b>65,340</b>	<b>88,350</b>	<b>663,900</b>	<b>829,500</b>	
<b>Average Attendee Days Per Event:</b>											
Equestrian						2,330	33,260	33,100			
Cattle							1,160				
Dog						20,000	1,620	370			
Cat						500		250			
Other Livestock						730	700	300			
<b>Overall Average</b>	<b>3,344</b>	<b>2,850</b>	<b>1,706</b>	<b>1,815</b>	<b>1,815</b>	<b>1,815</b>	<b>1,815</b>	<b>1,815</b>	<b>2,600</b>	<b>15,440</b>	<b>26,760</b>
<b>Average Attendance Per Day:</b>											
Equestrian						630	3,900	5,830			
Cattle							550				
Dog						4,000	670	190			
Cat						250		130			
Other Livestock						440	230	300			
<b>Overall Average</b>	<b>1,019</b>	<b>864</b>	<b>258</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>756</b>	<b>3,030</b>	<b>5,420</b>

Note (1): Fort Worth hosted approximately 25 horse shows in 2013, including new large shows.

Source: Studies, National Western Center, Denver Arts & Venues, Facilities.

Currently the Complex is only modestly successful in hosting livestock shows due to poor facilities, including the lack of air conditioning in the Stadium Arena. Many top shows require air conditioning in the primary show arena. Furthermore, the scale and quality of facilities at competitors is significantly better than Denver. The Complex hosts a few cattle, alpaca, etc. shows each year, but not on a large scale. Discussed later, a significant dog show with 20,000 total attendee days was one of the Complex's best events.

However, given the recommended set of facilities built for the Stock Show, Denver and the Complex will possess the first rate facilities capable of hosting virtually any livestock show in the country. The same excellent attributes described above relative to the Stock Show and the equestrian business could also support the livestock business in Denver.

## **Growth Opportunities**

**Cattle** - Most of the 20± major breeds hold junior national and regional beef shows that typically rotate around the country with a practical eastern boundary of Louisville and western boundary of Denver. The Hereford and Angus shows, the two largest breeds, attract 1,200 head each or more. The other breeds are in the 500 to 700 head range and sometimes combine breeds to get good numbers. Other breed shows deemed targets include: Shorthorn, Maine Anjou, Simmental, Limousin, Chianina, Red Angus, Charolais, Lowlines and Miniature Herefords. Shows last about a week.

One example of this opportunity is the Junior National Hereford Expo. This show was held at the National Western in 2007 but the show now seeks air-conditioned performance facilities. The show has been held in new fairgrounds facilities in Grand Island NE and in Harrisburg PA. (Grand Island, which rebuilt its fairgrounds facilities three years ago, has cut into Denver's livestock business.) Denver would be a strong candidate to capture this show and others like it once again.

**Other Livestock** – Other livestock opportunities include:

- Regional and national swine shows with 500 to 1,000 head are held around the country and, given air-conditioned livestock facilities, the Complex could capture two of these shows each year on average.
- Alpaca breeders hold large regional and national shows that the Complex has hosted for several years.
- National and regional sheep, goat, other shows and sales.
- National and regional cattle and swine sales.
- Professionally managed livestock auctions.

- Breeder sales – all species.
- Colorado junior/open livestock expo.

**Dogs and Cats** – Arguably one of the Complex’s best shows in 2013 was a dog show with 20,000 total attendee days spanning five days. This event encompassed the dog exhibitors from around the country, a trade/consumer show component, and spectators to enjoy the event. Some cities, like Fort Worth, place a marketing emphasis on dog shows in particular. Fort Worth hosts 12 dog shows that last 2.4 event days on average (a full month of event activity) and generate 1,620 total attendee days each on average. Often these shows draw exhibitors and their dogs from around the country so they do generate some economic impact, somewhat similar to other cattle or hog shows. With the scale and quality of the offering that would be available in Denver combined with its destination features, the Complex could make dog and cat shows a focus and likely be successful.

**Other Livestock-Related Opportunities** – While not livestock events per se, other agriculture and livestock related events would be likely targets for a redeveloped Complex, including such events as:

- Farm and ranch equipment shows - With new facilities, Denver could be viewed as the ideal location to host a large farm and ranch equipment show. Although there are several strong regional events, there is nothing in the West that rivals the huge farm show held in Louisville each year. Such a show might be called the “Western States Farm Equipment Show”.
- Livestock and agricultural industry events - New facilities could also be a catalyst to attract large conventions or other industry related events. Opportunities might include:
  - National Cattlemen’s Beef Association, which shares its convention with the Cattlemen’s Beef Promotion & Research Board, American National CattleWomen, Inc., CattleFax and National Cattlemen’s Foundation. The NCBA holds both a summer and a winter conference each year that is typically held at a large convention hotel property. Cementing Denver as a key livestock nexus city could help not only the Complex but also other Denver assets to pick up livestock and agricultural convention business like this convention in the future.
  - Breed association annual meetings and conventions.
  - Numerous agricultural conventions held across the country.
  - Future Farmers of America events.
  - 4-H events.
  - Livestock Publications Council events, etc.

## Recommendations

Given the livestock facilities provided for the Stock Show, the Complex will be capable of hosting a wide variety of livestock and agricultural events. However, the projections reflect the fact that this industry segment is likely a relatively small portion of the overall Complex utilization. **No revisions are recommended** to the proposed facilities to accommodate this business segment.

It is projected that the number of other livestock events could increase from six to 15 shows. The event mix will likely be comprised of a mix of farm animal shows, such as cattle, hog, alpaca, etc., and pet-related shows, such as dog shows, cat shows, bird shows, etc. Average attendance per day is projected to be relatively modest at 600 attendees per day for an average show length of 3.5 days. A few of the large cattle and hog shows might last up to a week, while most other shows would likely be weekend shows. (Of course, hosting one or more very large shows, like the 20,000 attendee day dog show recently held, would increase the averages, but this was not projected to occur regularly. However, this is a real possibility.) Total attendee days are projected to be 31,500.

## Consumer/Trade Show

Consumer/trade show events will generally occur in the new Exposition Hall. The recommendation for the Stock Show is for up to 350,000 gross leasable SF (or possibly larger if a multi-floor/stacked design is adopted). While there may be an occasional trade or consumer show that requires more square footage than the Exposition Hall as recommended, other venues within the Complex, such as the arena floors and/or the Livestock Hall (barn), can be utilized for this rare occurrence (which is how the Association handles these large events currently).

### Historical Utilization

One of the key conclusions of the previous studies is that consumer shows (along with concerts) is a business segment that is projected to drive most of the non-Stock Show incremental growth as a result of rebuilding and renovating the Complex.

The following table and discussion provides context for the projections from the previous studies and how they relate to historical attendance.

Trade and Consumer Show Data from Previous Reports, and NWC/Coliseum Historical Data							
	NWC 2010 Data Used by CSL	HVS w/ Hotel	w/ Hotel Base Case	w/ Hotel Aggressive	Brighton Blvd.	Dick's Park	NWC + Coliseum 2012/13
<b>Number of Events:</b>							
Trade Show		5					2
Consumer Show		30					29
<b>Total</b>	<b>21</b>	<b>35</b>	<b>37</b>	<b>45</b>	<b>30</b>	<b>28</b>	<b>31</b>
<b>Total Attendance:</b>							
Trade Show		12,500					1,500
Consumer Show		345,000					155,000
<b>Total</b>	<b>201,250</b>	<b>357,500</b>	<b>444,000</b>	<b>540,000</b>	<b>360,000</b>	<b>336,000</b>	<b>156,500</b>
<b>Average Attendance:</b>							
Trade Show		2,500					750
Consumer Show		11,500					5,340
<b>Overall Average</b>	<b>9,583</b>	<b>10,214</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>5,048</b>

Source: Studies, National Western Center, Denver Arts & Venues.

Note in the first column that the FY 2010 data utilized in the previous research showed 21 trade and consumer show events with total attendance of 201,250, yielding average attendance of

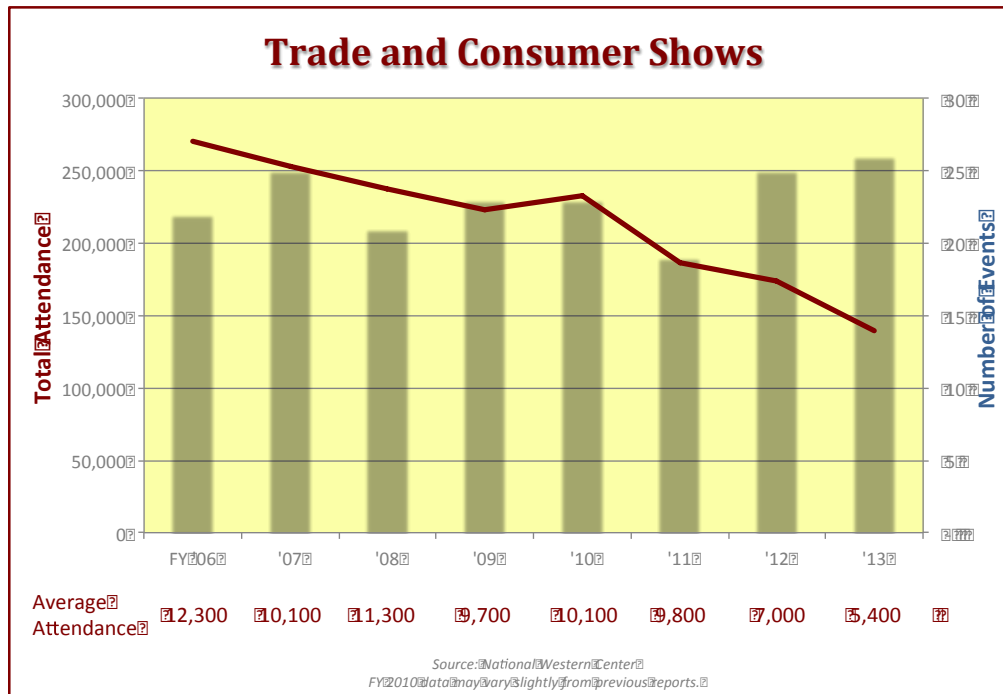


approximately 9,583 per show. It appears this data did not include any consumer show activity that may have been held in the Coliseum.

The following three columns represent the HVS and CSL projections in their analysis of the National Western being relocated adjacent to the planned new Gaylord hotel project. The number of shows ranges from 35 to 45 and total attendance ranges from 357,500 to 540,000. Average attendance ranges from 10,214 to 12,000.

However, as the decision was made to keep the Complex in Denver County, CSL revised those estimates downward to 26 and 28 events on sites it deemed to be more attractive than the current site (next two columns). Attendance estimates were also lowered by approximately 100,000 due to the reduced number of events (average attendance remained the same at 12,000 per show). CSL's analysis indicated that the number of events would increase from 21 to 28 or 30 depending on the site – an increase of approximately one-third.

The last column presents the actual FY 2013 information provided by the Association, and also includes the two consumer shows held at the Coliseum. (Since all the studies, including this one, view the totality of the facilities as one overall complex, it was deemed appropriate to include the Coliseum shows.) The 31 shows in FY 2013 represent a 48% increase over the 2010 data, and total and average attendance is significantly lower. The following chart provides some longer trending data on trade and consumer shows at the Complex. (The data below is slightly inconsistent with the previous studies and with the way the current data is being compiled, however it is consistent within the 8-year period and is reflective of the overall trend as discussed below.)



Since FY 2006, the number of shows (blue bars) has remained within a consistent range of 20 to 26 shows, with 2012 and 2013 showing strong results as the economy has improved. More notable is the decrease in total and average attendance. Based on discussions with staff, the downturn in the economy is partially to blame for lower attendance, but more relevant is management’s increased efforts to accurately account for attendance at these shows. While some show promoters can exaggerate show attendance figures, the Complex has worked to provide improved and realistic counts. As a result, the “base” attendance figures from which the previous projections were made now appear to be lower. Based on discussions with Complex staff, this more conservative average attendance data likely provides a better picture of today’s environment.

FY 2013 number of events is slightly higher in the table above due to the inclusion of events in the consumer show category that were classified elsewhere. For example, the Complex hosted two “bird expos” that are appropriately categorized as consumer shows that were in another category.

Activity at comparable venues is consistent with a higher number of events with lower average attendance:

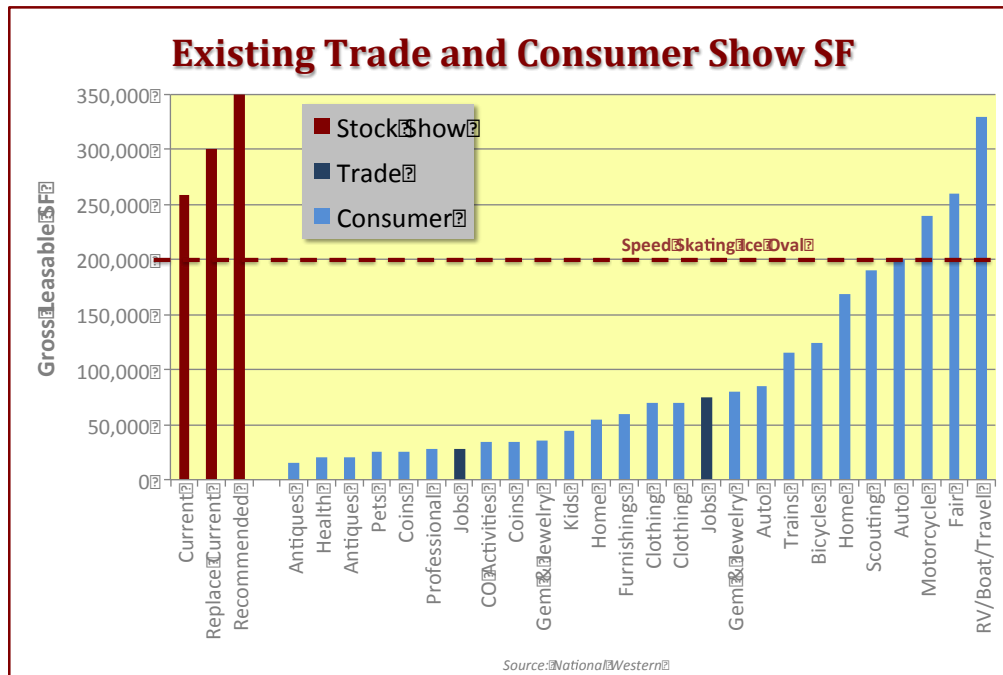
**Trade/Consumer Show Levels at Comparable Facilities**

	<b>NWC + Coliseum 2012/13</b>	<b>Fort Worth</b>	<b>Oklahoma City</b>	<b>Louisville</b>
<b>Number of Events:</b>				
Trade Show	2	6	7	16
Consumer Show	29	28	56	48
Gun Show		12	30	6
Flea Market		2	13	
<b>Total</b>	<b>31</b>	<b>48</b>	<b>106</b>	<b>70</b>
<b>Total Attendance:</b>				
Trade Show	1,500	8,700	24,300	
Consumer Show	155,000	90,400	272,800	
Gun Show		114,900	79,600	
Flea Market		8,800	19,000	
<b>Total</b>	<b>156,500</b>	<b>222,800</b>	<b>395,700</b>	
<b>Average Attendance:</b>				
Trade Show	750	1,450	3,470	
Consumer Show	5,340	3,230	4,870	
Gun Show		9,580	2,650	
Flea Market		4,400	1,460	
<b>Overall Average</b>	<b>5,048</b>	<b>4,642</b>	<b>3,733</b>	

Source: Facilities.

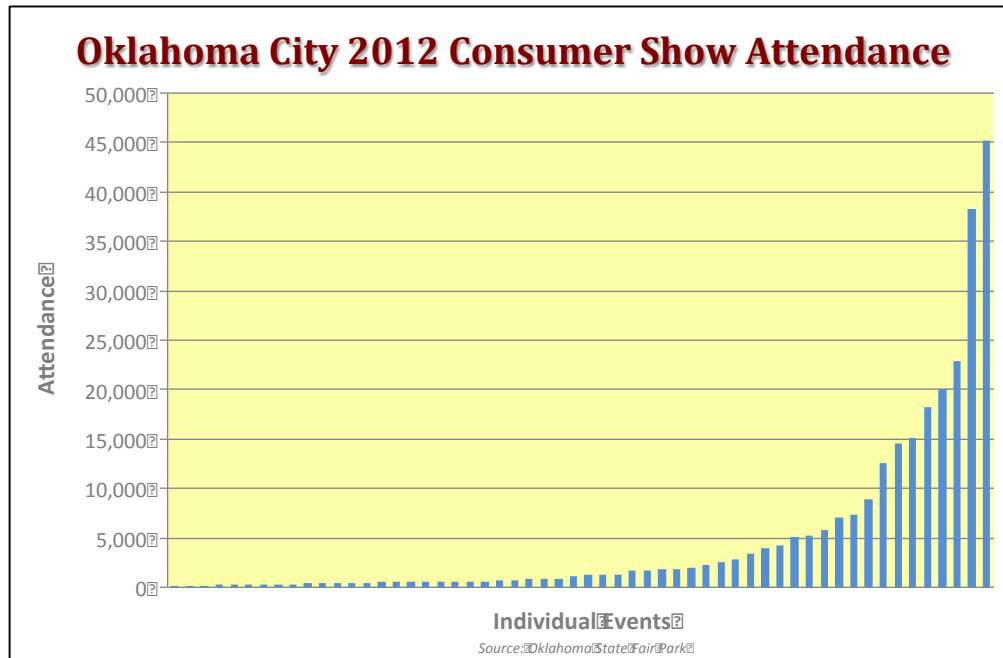
At similar venues in Fort Worth and Oklahoma City, the facilities are the primary exhibit based venues for consumer shows in the market, whereas Denver has a second suburban venue that splits the demand (discussed later). Note that comparable facilities host gun shows that increases activity substantially (discussed later).

The chart below illustrates the gross leasable SF of many of the trade and consumer shows held at the Complex in FY 2013. Note the red bars at the left for reference to the Stock Show exhibit hall sizing.



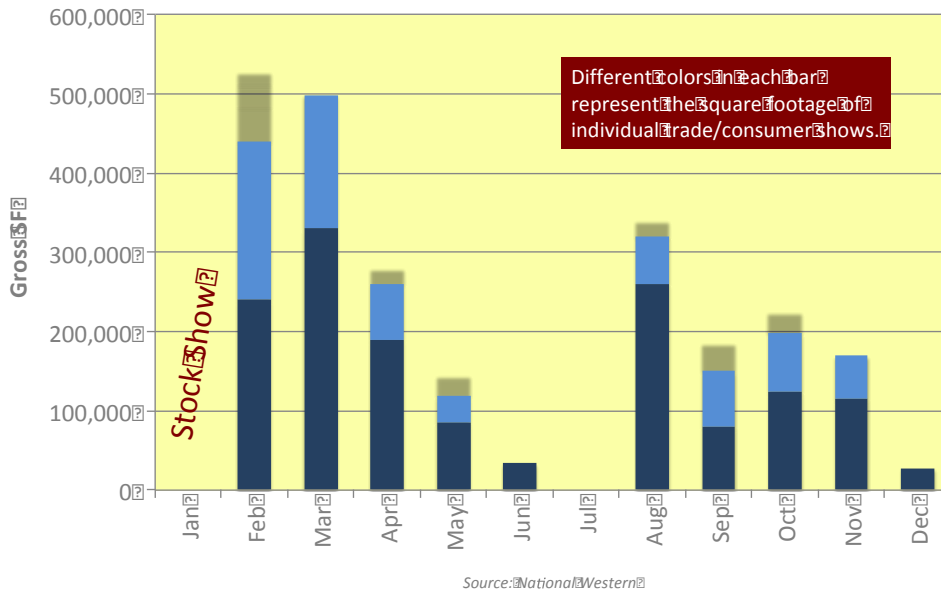
This graphic demonstrates that the vast majority of shows will fit easily within the exhibit space required/recommended for the Stock Show. Based on interviews, it is likely that a few of these shows may expand, including most of the larger shows (RV, fair, motorcycle) that are currently maxing out the facilities. While this graphic makes it appear that the larger shows are at risk of outgrowing the recommended space, the fact is that the larger shows currently might use other spaces than exhibit halls. For example, the RV/Boat show uses not only all of the existing exhibit space, but also the Stadium Arena floor (about 20,000 SF), the Events Center floor (about 70,000 SF) and an outside courtyard (about 20,000 SF). In a new complex, all of these types of space would be available and would be in addition to the recommended exhibit space. As another alternative, the Livestock Hall (barn) represents an additional 200,000+ SF that could be used for exhibit space for extremely large trade or consumer shows. As such, the recommendation provides a great deal of potential total exhibit space, depending on the show, and space for concurrent shows.

The pattern to host many small and medium shows, along with a smaller portion of very large shows, is common to expo halls. A similar graphic to the one above illustrating consumer show attendance at the Oklahoma State Fair Park expo hall confirms this pattern. (See graphic below.)



With respect to seasonality, illustrated in the graphic below, trade and consumer shows at the existing buildings occur in the spring and fall months, as the Stock Show takes up January and outdoor activities are the norm in summer months in Colorado. (Discussed below, the Denver Mart appears to be busy most of the year.) As such, the number of the most desirable weekends for these shows is limited. At times, the Complex hosts multiple exhibit shows concurrently, along with other types of events throughout the Complex.

## Trade and Consumer Shows by Month



If a new integrated Complex were built as proposed, it is likely that management would seek to place all non-equestrian consumer/trade shows in the exhibit hall and reserve the other venues for their intended purposes. Only in overflow situations would space in the other venues be used for exhibit shows. However, the arena floors and the livestock barn would all be suitable.

National Western staff believes a few shows may be lost with a new facility, particularly if prices increase. Only a few current shows are national promoters, meaning most shows are smaller promoters that run one or two shows, and they can be price conscious. Overall, the Complex anticipates gaining several more shows than those lost, and overall growth of 15 to 20% focused primarily on the expansion of the larger shows.

### Gun Shows

Guns shows are typically significant pieces of business for most expo halls, particularly in regions where firearm sports and hunting related merchandise is popular. Gun shows are prohibited in Denver County so the Complex does not have the opportunity for these shows. Rather, most are held in Adams County at the Denver Mart.

## The Denver Mart

The National Western Complex competes with the Denver Mart, a second suburban expo hall in the market located off I-70 and I-25 in unincorporated Adams County.



*Locational Map for National Western Complex and Denver Mart.*

The Denver Mart, originally built in 1965, has five interconnected facilities that offer over 200,000 square feet of space on one floor ranging in size from 30,500 SF to 65,000 SF. In addition to its age, one of the physical disadvantages of the Mart is that larger shows must utilize more than one hall, each of which is somewhat distinct in character and is separated from the other halls from a perception perspective. (Most shows require one hall or less.) While this is also true at the existing

Complex facilities, this issue will no longer be an obstacle at a new Exposition Hall. A modern consolidated space at a new Exposition Hall is likely to be very appealing to many larger shows.

To enhance the offering, the Mart is building a drive-in movie theater on an adjacent five-acre parcel opening summer 2014.

The Mart consists of a full-time wholesale merchandise mart, producing the Denver Gift Shows and the Denver Apparel & Accessory Markets, as well as events related to this wholesale market business, such as Super Mondays that are one day markets scheduled throughout the year featuring the gift, home and jewelry showrooms on the first and second floor. (Many of the third and fourth floor apparel showrooms are also open.) The Mart also rents the exhibit spaces to individual trade and consumer shows, including the World Wide Antique & Vintage Show and the bi-annual Denver International Western/English Apparel & Equipment Market (claimed as the world's largest trade event for the equestrian industry), state associations (that need only a moderate level of hotel room inventory and quality) and other local events. The Mart is also the primary venue for gun shows in the market.

Both the Complex and Denver Mart host mostly smaller shows, with only a few big shows. Costs for show promoters are similar but changes appear to be occurring in pricing at the Mart. The Mart offers free parking, but that may be changing as it has notified vendors that rental rates may be increasing and a \$5 parking charge will be implemented (versus the Complex's \$10). Generally, the Complex appears to offer lower rental rates, but has higher parking fees and is subject Denver County's Seat Tax (10% per paid ticket). Because of the rate structures, it appears the Complex might be more cost effective for smaller shows, but larger shows might feel the cost pinch due to higher parking and tax charges. As a result of higher rates at the Mart, the Complex may be able to win a few additional shows, likely at the lower end, in the current environment. However, the differential in product quality given a new Complex would change that relationship. At the same price point, customers would be receiving a significantly better product and experience at the new Complex facilities, so Mart management is concerned it would need to reduce prices that would hurt its bottom line.

Based on a personal tour and multiple conversations with Mart management, the facility is quite active, hosting approximately 75 exhibit based trade and consumer shows annually. Management reports that the primary exhibit halls have occupancy of approximately 65%, which is relatively strong occupancy. Management further commented that it considered 75% occupancy to be peak occupancy. At least one building, if not all three, is busy 40 out of 52 weekends, and all three



buildings are full approximately 35 out of 52 weekends. It should be noted that Denver Mart management is very concerned about significant cannibalization of events and is not in favor of stiffer competition for its private facility.

Because the consumer show supply is split in the Denver market between the Complex and the Mart, projections for the number of shows at the Complex must be tempered for this competitive supply reality. The Denver Mart experienced some financial difficulties over the last couple of years, and the new owners made some renovations. If the Denver Mart were to ever exit the business, the Complex would be the primary beneficiary of additional shows.

With a new trade show facility, the Complex will be a high quality expo venue in all respects and will have the advantage over the Mart from a physical perspective. Like the experience at the Mart, some smaller state associations and trade shows are likely to use the new Complex facility, but only those that do not require a nearby hotel inventory and are willing to shuttle to the venue. By far the biggest opportunity for a new Exposition Hall (and concern for the Mart) is the cannibalization of shows that could occur from the Mart. While the Mart today might be considered a slightly superior product, a new Complex exhibit hall will likely become the dominant expo hall in the market.

#### Relocation of Shows from the Colorado Convention Center

One potential source of new demand (for the Complex) is the relocation of certain shows from the Colorado Convention Center. The potential here is for shows that do not seek the downtown environment, do not require the hotel inventory offered downtown, and primarily cater to a local customer base.

A detailed write-up regarding the list of existing shows currently held at the convention center that might fit these criteria is presented in the convention center section of this report. In summary, it is estimated that one to three shows might move to a new Complex, but even these shows would be uncertain until the new Complex is under construction or complete. Should this occur, these would be relatively large shows, and their relocation would free up space and dates at the convention center.

When new large shows look at the Denver market, the convention center is an obvious candidate due to the size of the exhibit halls. Not only are potential dates limited at the center, but the center's booking policy is designed to give priority to room night generating events and not consumer shows. As such, these large shows may now have a viable alternative in a large, modern Complex Exposition Hall.

## Impact of Gaylord

It is unlikely that the planned Gaylord project will have an impact on the consumer show market as consumer shows are not its preferred target clients. Trade shows that find high value in the type of hotel room inventory that can be offered in downtown or at the Gaylord hotel may choose one of these options over the Complex. However, some trade shows will still occur at the Complex and the Mart due to price, lack of need for hotel rooms, suitability of the space, location, and other factors.

## New Market Segments

The consumer show business is primarily a local business. Virtually every major city in America hosts a similar slate of consumer shows, such as home and garden, auto, boat, RV, gun, arts and crafts, antiques, etc. The consulting team conducted a variety of interviews seeking ideas of “gaps” in the Denver market among these different segments. Very few specific new shows were identified. Furthermore, the Denver market currently has some space and date availability if new shows wanted to enter the Denver market.

That is not to say, however, that new shows will not be launched, but rather that the primary market segments appear to be covered in Denver. The consulting team reviewed the event calendars of several comparable cities/venues sifting and sorting to identify new ideas in these markets. The finding was that there are different variations on the same primary themes, and some market segments are more active in some markets while others are less active. New shows will be in niche markets, such as a vegetarian focused show within a broader category of food shows.

It is possible that a new venue of size like the recommended Complex Exposition Hall might prompt large national promoters to reassess the Denver market to try a new show. However, the Denver market is relatively small for large promoters that may seek much larger population bases in, for example, coastal cities with higher population density.

Existing smaller promoters may launch new shows likely related to their primary market segment. It is the nature of this industry for new shows to launch periodically – successful shows grow and last and unsuccessful shows disappear.

The Complex also provided a list of ideas for new shows. Again, most of the shows are themes already existing in the market or seen in other markets, however there are an infinite variety of niche opportunities. All in all, the consulting team had difficulty identifying where the “five big new shows”

would come from, but it is expected that the new Exposition Hall will gain a few new shows as discussed above. The projection in this report does however acknowledge the likelihood of significant growth, some of which will result from market cannibalization.

One of the ideas that might likely crop out of the Complex's idea list or other new thinking is the notion of promoting or co-promoting one or two or three very high impact events, similar to the Stock Show, which would likely utilize the Exposition Hall. Ideas such as this can be found in Kansas City's World Series of Barbecue or Scottsdale's Barrett-Jackson Collector Car Auctions. Given the entire list of first-rate attributes this Complex and destination will possess, creating special events at the Complex would appear ripe for the undertaking. With just one or two such very large events, average attendance could increase dramatically. Such events could also increase area economic impact and could have a positive impact on financial operations. Furthermore, brand recognition and media exposure could be enhanced.

## **Recommendations**

With respect to the exhibit needs of large horse shows (discussed in the Horse section), only one to three large horse shows would ever be expected to utilize a significant portion of the recommended exhibit hall. As such, the recommended sizing should be plenty for horse shows. In fact, Denver will be among the top of the competitive set for large horse shows (Fort Worth, Oklahoma City, or Tulsa) in terms of exhibit space.

In summary, **the facilities program recommendation(s) for the Stock Show is sufficient to accommodate the trade and consumer show usage during non-Stock Show months.** Most of the trade and consumer show events held at the new Complex will be small and require a small exhibit hall. As such, the exhibit space should be flexible to meet this need for divisibility.

The existing site, with modern facilities, improved roads and easy ingress/egress, commuter rail, and a strong connection to downtown, can be a dynamic and inviting location if executed properly. Based on the analysis presented above, the number of trade and consumer shows is projected to grow significantly, but attendance is estimated to be lower than projected in the previous studies. It is projected that 5 trade and 40 consumer shows can be achieved upon stabilization, so long as the exhibit hall is flexible to accommodate concurrent smaller shows. Average total attendee days, given the conservative and diligent reporting instituted by the Complex staff, is projected to be 6,250 per

show, equating to total attendance of 281,250. Trade show and consumer show attendance is likely to average approximately 1,500 and 6,800, respectively.

## Conference

Conventions and conferences are typically hotel-based and seek hotel quality ballroom and meeting space amenities. Large events seek convention centers with nearby hotels or very large convention resort hotel properties. The Complex is not designed for this type of convention or conference group.

However, there are groups that require space for large general sessions, like an arena or large exhibit hall. Often, these groups do not require that a large hotel or group of hotels be directly attached or adjacent to the meeting venue, so some groups will find the venues at the Complex to be suitable.

The Coliseum hosted two such large events in 2012 (see next paragraph) with average attendance of 13,200. The HVS report projected five large assemblies with average attendance of 3,500. (In this case, it is likely that HVS and this study categorized these events differently.) CSL addressed large conventions but did not breakout large general sessions specifically.

Examples of this type of group that currently meet at the Denver Coliseum include Acquire the Fire, a Teen Mania Ministries event that brings together thousands of teenagers for a religious gathering. Since 1984, the heritage of American Indians has been celebrated in Denver every year at the Denver March Powwow, one of the largest events of its kind in the country. The Powwow features more than 1,600 dancers from close to 100 tribes from 38 states and three



Canadian provinces. The three-day event in the Denver Coliseum is packed with singing, dancing, storytelling, food, art and more.

These types of events are commonly referred to as the SMERF (Social, Military, Educational, Religious, Fraternal) or Special markets. An article from the *SMERF Meetings Journal* references an even more diverse market, encompassing sports, special interest groups, ethnic, talent and dance organizations, hobby groups, diverse professional associations, to name just a few. Subcategories within these areas

might include ladies, youth, and adult conferences or many other variations. In this report, sports, including such events as cheerleading, is broken out separately for discussion.

Whether meetings from this segment are state, regional, national or international in scope, competition is fierce and these groups have many modern facilities from which to choose. The current slate of aging facilities with functional obsolescence is unacceptable to many groups. With excellent air access, overall destination appeal, nearby hotels along I-70 and Quebec and commuter rail connection to an excellent downtown and downtown hotels, the updated Complex with its variety of multi-purpose facilities should be a viable choice for some groups.

Some of these groups will require meeting space, which is discussed in the subsequent Meeting/Banquet section.

## **Recommendation**

It is projected that the modern Complex facilities will attract more large conferences, particularly in the SMERF/Special Markets. Large general session events will occur in either the New Arena or the Livestock Stadium Arena. Exposition Hall, which should include the compliment of meeting space described in the Meeting/Banquet section below, is likely to be utilized from time to time as well for these large groups. No revisions to the building program are recommended from this event category (other than the meeting space described below). Seven such large conferences are projected upon stabilization with large events averaging 6,000 attendees per day and small events averaging 3,000 per day, totaling 90,000 attendee days.

## **Meeting/Banquet**

The Complex currently hosted over 50 meetings and banquets in 2012/13, virtually all of which were local in nature, with average attendance of 400. Types of events include meetings, seminars, banquets, weddings, parties, dances, receptions, etc., many of which are Association mission related.

Examples include:

- Alpaca Meeting
- Boots and Business
- Boy Scouts
- Catch-a-Calf
- Citizens of the West
- Clinica Tepeyac Gala

- Colorado Conservation Trust
- Colorado Fiscal Managers' Association
- Coors Art Red Carpet
- Denver Agriculture
- Denver Health Foundation
- Lockheed Holiday Party
- Machebeuf Ball
- Neighborhood Christmas Party
- NW Volunteers Kick-Off Party
- NWSS Annual Meeting
- Oakwood Holiday Party
- Regional Transportation District Luncheon
- Republican National Committee
- Rocky Mountain Holdum Event
- Rocky Mountain Paint Horse Association Meeting
- Round Up Riders
- Silver Pen Sales
- Wedding Receptions

HVS projected 30 meetings/banquets upon stabilization with average attendance between 1,500 and 2,000. CLS projected 50 meetings/banquets with average attendance of 100 under its base case, and 60 events with average attendance of 120 under its aggressive case.

The discussion of meeting space that follows is relevant not only to smaller local meetings, but also to larger convention, conference and trade show groups that require a large space for food functions and for breakout meetings.

The preliminary building program prepared by Populous footnotes the need to finalize the program related to 20 breakout meeting rooms. There does not appear to be a ballroom component in the program.

The HVS study states that a specific meeting square footage estimate was not available at the time of its report. However it does list an estimate of appropriate meeting space of 30,000 SF based on a gross area of 320,000 SF of exhibit space, and it does not list a number of divisible rooms. It appears this estimate may be based on the average of the listed comparable facilities, restated below:

### Meeting Space at Comparable National Complexes

	Square Feet	Number of Rooms
Reliant Park	96,800	66
Kentucky Exposition Center	60,000	25
Farm Show and Expo complex	39,000	12
Proposed NWC	30,000	n/a
Oklahoma State Fair Park	19,600	4
Georgia National Fairgrounds and Agricenter	11,000	10
Will Rogers Memorial Center	4,400	3
San Antonio Livestock Exhibition Grounds	600	1
American Royal Center	0	0
Average	32,675	17

Source: HVS report.

The nature and scope of the complexes listed above can vary greatly. For example, Reliant Park and the Kentucky Exposition Center offer exhibit space larger than the Colorado Convention Center's 600,000 SF and up to 1 million SF.

The CSL study found that the attractiveness of this Complex for traditional conventions, conferences and meetings would be primarily of a local nature. It goes on to say that: "there is real potential (especially under a scenario that would include substantial new hotel inventory attached or adjacent to the Complex) that the site/location could enhance the ability to attract more conventions, conferences and trade shows to the complex." (It is important to bear in mind that the CSL study involved locating the facilities adjacent to a large Gaylord resort hotel.) A specific meeting space recommendation is not made in the report, nor do the event projections include conventions or conferences.

Based on the visits to comparable buildings and the recognition that this Complex does not need to possess the high-end and very large ballroom and breakout meeting rooms that a large convention center would require, the appropriate meeting space compliment for the intended uses should include:

**Swing Space** - A "swing space" low-end ballroom/exhibit hall similar to the existing Hall of the West or Fort Worth's 18,000 SF Round Up Inn. This would be a space that could be used for small consumer shows, for low-end food functions, and for special events. During the Stock Show, this room might be used for the Coors Art Exhibit, food functions, or other uses. This would be a very flexible room and would likely be highly utilized. As the destination works to sell this Complex to a wide variety of event types, not having a room that can provide a large food function may be detrimental



to sales across event categories. 20,000 to 25,000 SF is recommended, and some divisibility with retractable walls would make the space highly flexible. High-end finishes are not required.

**Meeting Rooms** – Only a small compliment is required. Complimenting the Swing Space should be three to five meeting rooms that have internal retractable walls to create several smaller meeting rooms. The greater the flexibility the better. Ten rooms total should be sufficient. In addition, show offices will be required. Again, high-end finishes are not required.

## Recommendation

In order to be a well-rounded and marketable event Complex to accommodate a wide variety of events, the **Complex should possess a flexible “swing space”** that can serve for both exhibit use, for large food functions, or for special events such as (potentially) the Coors Art Exhibit. The space is recommended to be 20,000 to 25,000 SF and have significantly lower-end finished that a hotel or convention center ballroom, yet slightly higher than an exhibit hall. The Complex should also possess **a small complement of approximately 10 flexible breakout meeting rooms when fully divided**, with the ability to create larger rooms with the walls retracted.

With modern facilities, it is projected that local event activity will increase across the various event types. The Complex is projected to host 70 meetings, banquets, etc. as the entire Complex will be new and much more flexible.

## Tenant Sports

Denver’s primary sports franchises are accommodated at the 20,000-seat (17,000+ fixed) downtown Pepsi Center. The building is home to the Denver Nuggets of the National Basketball Association, the Colorado Avalanche of the National Hockey League, and the Colorado Mammoth of the National Lacrosse League. (Pepsi Center, right).



There has been a significant change in utilization at the Denver Coliseum since the previous studies. Beginning in the 2012-13 Central Hockey League season, the Coliseum has hosted a new

CHL team, the Denver Cutthroats. The CHL season runs from mid-October through the end of March and the team seeks as many prime weekend dates as possible. In Denver, the home game schedule is interrupted by the Stock Show's use of the facility in January (which sends the team on the road during this period). City Arts & Venues reports that approximately six cheerleading events have been displaced at the Coliseum as a result of the addition of hockey.

The Cutthroats currently entail about 33 games per season with total attendance of about 90,000, which equates to an average attendance of 2,730 per game. It is common for minor league hockey teams to have attendance in this range.

Another tenant sport, such as arena football, could join one of the arenas. The Pepsi Center hosted the Arena Football League's Colorado Crush from 2003-2008. It is common for minor league sports teams to come and go in markets around the country. Additional sports teams are not projected in this report.

## **Recommendation**

It is projected that average hockey game attendance would go up slightly due to the improved atmosphere of the facility itself. Average per game attendance is projected to be 3,000.

## **Non-Tenant Sports**

**The entire new Complex is envisioned as a strategic set of venues to host sports related activities, such as high school and college sports championships and tournaments, cheerleading competitions, Olympic or international sports, etc.** The new Arena, Livestock Stadium Arena and Exposition Hall could all host a wide variety of local, state, regional, national and international sporting events.

Disregarding tenant sports (CHL hockey discussed above) and viewing the Complex as a whole, the Coliseum hosted seven sporting events (CHSAA, cheerleading, etc.) and the existing National Western Complex hosted 17 non-tenant sporting events (mostly ring-based martial arts and motor sports). Combined, 24 events were hosted in 2012/13. Average attendee days were approximately 4,200, with the Coliseum events averaging about 5,700 and the Complex events averaging about 3,600.

Based on the facilities and historical data it was working with, HVS projected the Complex to stabilize at 12 sporting events averaging 5,000 attendee days and three motor sports events averaging

7,500, totaling 15 events. CSL projected five non-tenant sporting events under its base case and seven under the aggressive case. Below is a discussion of the some key sports areas:

### Colorado High School Sports

The Colorado High School Activities Association (CHSAA) hosted three quality events the Denver Coliseum: basketball, volleyball and state spirit, in 2012. Overall, CHSAA likes the current Coliseum due to pricing, good staff relationships and the venue is adequate. However, CHSAA would likely bring a few more events to Denver in the new Complex. Pricing would still be a limiting factor for this client.

The consulting team and staff from Arts & Venues reviewed every CHSAA sport to understand its needs. State finals wrestling and basketball are held at the Pepsi Center as the events attract 14,000 and 11-12,000, respectively. Providing 12,000 seats for basketball at a new Coliseum could potentially win the basketball event, which would be a single weekend event. Winning wrestling is not likely as 14,000 seats is a minimum requirement.

For all other events, the current Coliseum capacity is more than adequate. Regional basketball and other events sell 6-8,000 seats or less, and in many cases the Complex's smaller arena may be sufficient depending on the event and format. CHSAA might also find the occasion to utilize two arenas, one for boys and one for girls. Based on the review of all sports, the Complex as proposed could accommodate all except the very largest of CHSAA's needs (basketball and wrestling), and the new facilities would be ideal for CHSAA. Sports that the new Arena and smaller Livestock Stadium Arena are likely to host include basketball (regionals), volleyball, hockey, and spirit. CHSAA sees several more events being hosted at the Complex versus current levels.

Volleyball is a good case study. The current Coliseum floor is approximately 127' x 230' and it holds five volleyball courts. This is a good configuration for CHSAA as games are back to back all day and it wants the thousands of friends and family to be able to come and go in a single venue and see all games. The current Coliseum capacity is sufficient for volleyball. The floor dimensions of the new Arena is currently proposed to be 140' x 260', which would appear to be sufficient for CHSAA volleyball. The new Livestock Stadium Arena is proposed to be 120' x 200' with retractable 2,500 seats, but the floor area under each configuration is unclear. It will be important for designers to consult with CHSAA in the design process related to its entire slate of sports uses.

Again, price is important as the tickets might only be \$8 and CHSAA needs to earn a profit on some events to support its programs. Many arenas around that state court CHSAA, but their bids must be very aggressive due to CHSAA's pricing needs.

Overall, CHSAA does not envision large growth of its programs over the long term, but the Complex can compete well for additional events that occur elsewhere in the state today.

#### Amateur sports events and sports related tournaments

**Given the flexible set of modern facilities at the Complex, Denver, as a major hub city in the region, is likely to be an attractive location for amateur sporting events that bring participants and families from around the state and region, and even for national events.** Examples include the success the Coliseum has experienced with cheerleading events ranging from 1,000 to 3,000 in attendance, hosting three events in 2012/13. Importantly, Arts & Venues notes that the Coliseum has lost up to six of these events due to the Cutthroats consuming many desirable weekends through the winter months. With a broader, more diverse set of facilities, it is anticipated that these events and more can be won. The National Western has had good success with martial arts fights, averaging around 2,500 in attendance, perfect for the Livestock Stadium Arena.

The list of amateur sports is staggering, including Olympic, disabled sports, ring sports (boxing, martial arts), ice-related sports (hockey, curling, skating), racquet sports (badminton, squash), table sports (table tennis, billiards), court sports (basketball, volleyball, tennis), mat sports (wrestling, gymnastics, martial arts), indoor field sports (soccer, lacrosse, field hockey), shooting sports (archery), individual sports (bodybuilding, fencing), demonstration sports (roller hockey), electronic sports (video games, multiplayer online), and a wide range of other sports and related events. Traveling state and regional club sports and tournaments for middle and high school athletes across a wide range of sports can be quality events generating significant economic impact. Many of these sports have opportunities for both boys and girls.

The Pepsi Center will generally only be interested in the largest events that require seating capacity of 10,000 or significantly larger. Below this size, the AEG-promoted 1STBANK Center appears to be focused on concerts and not sports (as it once was under different management). As such, the multiple versatile and modern facilities at the Complex are likely to be on every event organizer's radar when considering this region.

## Rodeo

Non-Stock Show rodeos were not specifically addressed in the HVS and CSL studies. The Association has been intent on identifying ways in which rodeo events could be developed year round. Colorado is the birthplace of rodeo, with the first rodeo occurring in Deer Trail Colorado in 1869, and the Association sees the new Complex celebrating that rich history and featuring many events throughout the year for the Denver area. Rodeos are also deemed to further the Association's mission related to western culture. The Association sees growth in rodeo activity coming from the following areas:

**Rodeo All-Star Weekend** - Patterned after NBA All-Star Weekend, this event launched in Denver in April of 2013. The three-night event lures the best cowboys and cowgirls from around the country to compete and be crowned All-Star Champion. New facilities are anticipated to strengthen this new event.

**PBR Bull Riding** – Professional Bull Riders events could be held throughout the year with new facilities. The PBR has various competitions that are currently hosted in cities across the United States. With the Association's existing solid relationships and new, quality venues, PBR is anticipated to be attracted for two to three additional events throughout the year from February through December. PBR events can bring national TV exposure.

**CBR Bull Riding** - Championship Bull Riding events would also be an option from February through December. The CBR is relatively new as an organization, but they are producing successful bull riding events throughout the country and gaining momentum. It is anticipated the new Complex could land one or two dates.

**Indian National Finals Rodeo** – The Association has met with a leader in the Native American culture and discussed hosting the Indian National Finals Rodeo in Denver in March of 2014 and beyond. Plans are being finalized now and this event, coupled with the Denver March Powwow, an established event, could draw well.

**PRCA rodeo** – There is potential with the PRCA to host a competition of the cowboys and cowgirls that did not make the top 15 that go to the National Finals Rodeo in Las Vegas each December. The concept is that the 16<sup>th</sup> through 30<sup>th</sup> ranked competitors could be celebrated in a format that is similar to the N.I.T. tournament that college basketball uses for their schools that don't make the top 64. It is projected that this would be a two to three event competition over one weekend.

**Colorado Rodeo Team** – The Association is exploring a concept where Denver would launch a rodeo franchise that would compete against other cities throughout the year in the same fashion as other local sports teams. It is a concept that would need to be developed and analyzed, but the idea is one that could be explored with other cities.

Given new facilities and the strong brand already present in the field, there appears to be a good chance that many of these could come to fruition, and potentially others. However, there is a limit as to how much rodeo content a community can absorb, so the success and market balance of this segment must be monitored. The Complex operator would have three suitable arena venues from which to select, reserving the Coliseum for the more major, high capacity events that can garner national media exposure.

### Motor Sports

Taking advantage of its large dirt floor, the Complex hosts three motorsports events (motorcycle races, monster truck, etc.) with five performances. Attendance averages about 5,000 per performance. HVS projected three performances with average attendance of 7,500. It is expected that this type of activity would continue to occur at the new Complex, but probably with only small growth.

### Olympic and International Events

Should Denver pursue and win a Winter Olympics bid, the Complex could host some Olympic events. As discussed previously, the Exposition Hall could be designed to be able to be reconfigured (primarily temporarily raising the roof) to hold a speed skating oval. The new Arena and Livestock Stadium Arena would have floors suitable for international ice hockey rink standards, as well as other ice related events such as figure skating, curling, etc. because the floor areas proposed are significantly larger than international ice rink standards.

## **Recommendation**

The new Complex will be a modern and very versatile sports complex located in a major hub city with excellent destination attributes viewed from either a state, regional, national or even international perspective. **No revisions to the building program are recommended.** With increased emphasis from Denver's best marketing and sales organizations, additional sports uses are projected.

Viewed as a complex, the combined venues hosted 24 sporting events, including high schools events, cheerleading, fights, motor sports and others, with total attendee days of 101,200. The research indicates that more events could be hosted within the existing business segments, and new segments, such as rodeo and a wide variety of amateur sports, could be developed. It is projected that 35 total non-tenant sporting events could be hosted across the various venues, with average attendee days per day of 3,650 and total attendee days of 187,800.

## Concerts

In the previous studies, concerts, along with consumer shows, were projected to provide the greatest growth for the new Complex. Viewed as a complex, the combined facilities hosted 15 concerts in 2012/13 (one event was held in the Complex exhibit hall). The table below illustrates that the two Coliseum concerts averaged 6,700 in attendance, and the Complex concerts averaged almost 5,000.

Selected Denver Area Concert Venues and Activities						
Venue	Venue Type	Indoor/Outdoor	Concert Seating	Concert Operator	2012 Concerts	Average Tickets Sold
Sports Authority Field at Mile High	Football Stadium	Outdoor	76,000	Denver Broncos	3	35,500
Coors Field	Baseball Stadium	Outdoor	50,000	Colorado Rockies	0	0
Dick's Sporting Goods Park	Soccer Stadium	Outdoor	26,000	Kroenke Sports Ent	3	19,500
Fiddler's Green Amphitheatre	Amphitheater	Outdoor	18,000	Live Nation (AEG in 2014)	11	11,600
Red Rocks Amphitheatre	Amphitheater	Outdoor	9,500	Arts & Venues	81	7,300
Chatfield Reservoir	Amphitheater	Outdoor	5,000	Botanic Gardens	2	5,000
Hudson Gardens	Amphitheater	Outdoor	3,000	Independent	9	3,300
Denver Botanic Gardens	Amphitheater	Outdoor	2,500	Botanic Gardens	13	2,500
Pepsi Center	Arena	Indoor	20,000	Kroenke Sports Ent	17	9,000
Coors Events Center (Boulder)	Arena	Indoor	11,100	Univ of Colorado	0	0
Denver Coliseum	Arena	Indoor	10,500	Arts & Venues	2	6,700
National Western Events Center	Arena	Indoor	7,200	National Western Assn	1	3,300
National Western Stadium Arena	Arena	Indoor	6,600	National Western Assn	11	4,900
1STBANK Center	Arena	Indoor	6,500	AEG Live	41	4,200
Magnuson Arena @ Univ of Denver	Arena	Indoor	5,500	Univ of Denver	0	0
Bellco Theatre	Theater	Indoor	5,000	SMG	13	3,570
Buell Theatre	Theater	Indoor	2,800	Arts & Venues	7	2,100
Boettcher Concert Hall	Theater	Indoor	2,600	Arts & Venues	0	0
Ellie Caulkins Opera House	Theater	Indoor	2,100	Arts & Venues	7	1,600
Paramount Theatre	Theater	Indoor	2,000	Kroenke Sports Ent	50	1,500
Fillmore Auditorium	Club	Indoor	3,600	Live Nation	100	2,500
Ogden Theatre	Club	Indoor	2,200	AEG Live	136	1,300
Grizzly Rose	Club	Indoor	1,800	AEG Live	64	1,400

Note: Some shows may not be reported to Pollstar. Some figures are estimated.  
Source: Pollstar, Arts & Venues, Individual Venues.

The HVS report projected 15 concerts averaging 6,000 (blended figure with 15 family shows) in attendance. CSL projected seven concerts under its base case and 12 under the aggressive case. CSL blended several entertainment event types so average attendance could not be identified.

### Denver Market Overview

The table above summarizes the major (potential) concert venues in the Denver area and their concert activity. Given its size, Denver is an active concert market, a feature that was recognized during the local interviews related to the project. CSL's comparison of seat supply in Denver and other markets ("market ratio analysis") indicated that replacing the existing facilities with two new arenas would yield a market in relative equilibrium versus other similar markets.

For larger events, the summer concert season is dominated by outdoor amphitheaters. Notably, Denver Arts & Venues operates the Red Rocks Amphitheatre, a "must play" venue for many acts. As is the case today, the Complex venues will likely see a reduced level of concert demand in the summer due to patrons' desire to attend outdoor activities in warmer months.

The two primary indoor arenas are the Pepsi Center, an NBA/NHL 20,000-seat arena that hosted 17 top concerts, and the recently built 6,500-seat 1STBANK Center in suburban Broomfield that hosted 41 concerts. Both are modern venues well positioned to host concerts at their respective sizes. The aging Denver Coliseum and the arenas at the Complex, which are not as well positioned for concerts from a facility perspective, have difficulty competing. Pepsi and 1STBANK are promoted exclusively by private promoters (Kroenke Sports and AEG Live, respectively), while the Coliseum and Complex are managed as "open" venues, open to all promoters on a rental basis (as is Red Rocks). The Pepsi Center has a very busy schedule with three professional sports teams, concerts and family shows, and other events, resulting in a dearth of open dates throughout the year. The 1STBANK Center is operated primarily as a concert venue.

The market also has a number of fixed seat theaters, most City-owned. The relatively new 5,000-seat Bellco Theatre in the Colorado Convention Center is a very nice concert theater managed by SMG, again as an open venue. The Bellco hosted 13 concerts in 2012. The City's performing arts theaters are more appropriately suited for the fine arts, but do host some concerts.

A major promoter change in the market is that AEG Live, the nation's second largest promoter, takes over the 18,000-seat Fiddler's Green Amphitheatre in 2014 from Live Nation, the nation's largest promoter. This leaves Live Nation, which controls a tremendous amount of talent supply, with only the



3,600-seat Fillmore Auditorium and cements AEG as the best-positioned promoter in the Denver area. Both Live Nation and AEG seek opportunities in the open venues, particularly Red Rocks. As the Complex operations and concert promotion structure is formulated, the impact of this situation should be fully considered.

#### New Arena Concerts

The new Arena would be positioned between the two prime arenas, Pepsi and 1STBANK, from a capacity standpoint. At 10,000 fixed seats, which will often translate to 8,000-8,500 for concerts, the Arena may be viewed as “too small for top acts” and “too big for the majority of (smaller) acts”. A sweet spot for concert venues can be in the 6,000-seat range, which is why 1STBANK was built at the size it was. When acts blossom to national stardom, they often move up to large arenas like Pepsi Center or large outdoor amphitheaters that can offer significantly more seating capacity and ticket revenue. As such, the country’s top acts that can fill a significantly larger venue are not likely to book the New Arena. In order to win large concerts, the new Arena would need to be upsized to 12-14,000 seats to generate the revenue required to have the chance to compete against the Pepsi Center. However, the Arena will have very little other demand to support that capacity like the Pepsi Center does with professional sports. Other event activity in the Arena will generally be well below 10,000 seats. Upsizing the new Arena would likely yield only a few incremental concerts annually (although hosting sellout major shows could be profitable for the building). Considering the strong competition for concerts in the market, and with Red Rocks dominating the summer schedule, it is not recommended to increase the capacity of the new Arena for concerts.

HVS performed an analysis comparing event activity at 15 arenas with seating capacity ranging from 5,350 to 16,680, averaging 9,775 seats. The result was that the average number of concerts for this comparable set was 15. The highest concert counts were seen in venues with 16,680 seats (27 concerts) and 14,600 seats (21 concerts). The lowest concert counts (10-12) were seen in the smaller venues. This is likely because the larger venues were the dominant venues in those markets, and the smaller venues were secondary venues.

The consulting team interviewed the major promoters in the market and toured many of the major facilities and met with management, including the Pepsi Center and 1STBANK. Based upon all the research, a projection that is conservative is probably warranted in this case as Denver will now have three modern venues competing, as well as one of the most recognized outdoors amphitheaters in the country in Red Rocks. Ten concerts are projected upon stabilization in the new Arena.

## Livestock Stadium Arena Concerts

It appears that the previous studies considered only the concert potential in the new Arena, which is understandable because the secondary arena was viewed as primarily a livestock/equestrian venue. However, as proposed with a separate livestock arena and two dedicated arenas for horse events, the Livestock Stadium Arena is positioned as a multi-purpose arena with seating scalable from 2,500 to 5,000 seats, with a concrete floor, and designed and equipped as a concert venue. As such, management would put a focus on activating this arena with concerts.

Referring to the market venue supply table above, with the exception of the unique Red Rocks and the City's performing arts venues (designed primarily for other purposes), smaller venues are able to host many more shows than larger venues because the supply of acts at the smaller capacity is much greater. With the exception of Red Rocks, it is notable that the most successful venues appear to be operated by Kroenke, AEG or Live Nation in exclusive promoter roles. One key aspect is that these firms have the right venue for the right purpose. Replacing aging and functionally obsolescent arenas with modern multi-purpose arenas could certainly afford the Complex a much greater opportunity to be competitive in the market.

The Livestock Stadium Arena will compete against the 1STBANK Center and other venues either slightly smaller slightly larger. Again, based on extensive discussions with area promoters and building managers, and considering that the existing Complex already hosts 13 concerts, 25 concerts are projected for the Livestock Stadium Arena. One potentially restrictive factor for additional concert activity in this venue would be potential date availability issues as horse, livestock, sports and other event types will be vying for limited prime dates.

## **Recommendation**

**No revisions to the building program are recommended.** To be suitable for a wide range of users, the Livestock Stadium Arena should be multi-purpose with a slightly lower level of finish than the 1STBANK Center but slightly nicer than a "bare bones" livestock arena.

## **Family Shows**

The Denver Coliseum hosted two major family shows in 2012/13 with 24 performances and average attendance of approximately 4,800. These quality shows were the Ringling Brothers Circus (16 performances over 8 days) and Disney on Ice (8 performances over 4 days).

The HVS study projected 15 performances with average attendance of approximately 6,000. The CSL study projected 10 performances under the base case and 18 under the aggressive case.

Family shows can come and go into the Complex venues from year to year. As a result, just one show holding its event in another venue from time to time means significantly fewer performances on average. The converse (winning an additional show in a given year) is true as well. HVS' analysis of 15 comparable arenas indicates an average of 20 family show performances. Given the additional venue flexibility and capacity than contemplated in the previous studies (secondary multi-purpose arena available for such shows), this report projects 24 performances in a stabilized year. It is possible that a family show occurs in the smaller arena, but the projection is listed in the more likely New Arena.

## **Recommendation**

**No revisions to the building program are recommended.**

## **Other**

The analysis in this report categorized only four events at the Coliseum as “Other” events. They included a color guard competition, ROTC marching and a graduation. Average attendance was 2,580. HVS projected a stabilized 30 Other events with average attendance of 1,500. CSL projected 15 Other events average 4 event days each and daily attendance of 1,750 under its base case, and 18 events in its aggressive case.

This report projects ten uncategorized Other events as a “catch-all” estimate.

## **Recommendation**

**No revisions to the building program are recommended.**

## SUMMARY OF RECOMMENDATIONS

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This section brings together the recommendations from both the Stock Show and non-Stock Show sections, and provides the final recommendations for the core physical program, Stock Show duration, branding and utilization projections.

### Physical Program Recommendations

Focusing on the core Complex facilities, this report's recommendations are generally consistent with the Association's recommendations, but several revisions are recommended. The program and revisions are summarized below:

The proposal is to locate all of the facilities on one logistically integrated site north of I-70, which entails exploring the potential of re-purposing the Denver Coliseum and building the new Arena among the other facilities in closer proximity to the new RTD Metro Line station. This is deemed to be an important strategic move for the overall success of the Stock Show and the broader Complex's year-round use.

The four key areas that comprise the Stock Show include rodeo, livestock, horse and trade show. Taking into account the strategic move to be a national player for large horse shows, the recommended facilities include:

1. **Rodeo-Primary Arena** – It is recommended to replace the existing 8,140-seat Denver Coliseum built in 1952 with a new, **multi-purpose 10,000 fixed seat Arena** with up to 40 suites. The arena floor is appropriately larger than most arenas at 260' x 140'. To accommodate rodeo and other livestock events, a staging and warm-up area should be directly adjacent to the arena floor. It is recommended that the new primary arena be relocated from the current Denver Coliseum site to north of Interstate 70 to integrate more effectively with the other facilities and the new commuter rail station. Repurposing the existing Denver Coliseum for other uses is being explored.
2. **Livestock**
  - **Indoor** – It is recommended to replace the existing Stadium Arena built in 1909 with a **new multi-purpose, 5,000 seat (2,500 fixed seats and 2,500 pullout seats), concrete floor Livestock Stadium Arena**. It is also recommended to attach a 230,000 SF

Livestock Hall (barn) to accommodate livestock and provide a staging area for livestock events in the Arena. In addition to livestock, the arena could be configured and equipped to host a variety of events, including concerts, sporting events, family shows, large conferences, etc. Finally, it is recommended that the Livestock Hall Auction Arena provide 800 to 1,000 seats and use a curtaining system to make this space more flexible.

- **Outdoor** – It is recommended that the existing Stock Yards built in 1886, a unique and important feature of the Denver Stock Show, be replaced with new Stock Yard pens that would be modern and flexible. Pen count of around 800 would remain the same, but modern pens should provide more flexibility that will allow for growth and efficiency.

3. **Horse** – Horse shows is the one area that involves building more than would be strictly required for the Stock Show itself, and could materially change Denver’s position in this business segment. The assumption has been made that the **City, and its partners, will actively explore the strategic move to compete for the country’s largest horse shows.** Given this strategic direction, the building program is recommended as follows:

- Replace the existing 4,777 fixed seat Events Center with a 4,500 seat (2,500 fixed seats and 2,000 pullout seats), concrete floor Equestrian Events Center, with an adjacent staging and warm-up area.
- Build a new 500 fixed seat, dirt floor Equestrian Arena, with an adjacent staging and warm-up area.
- Replace the existing horse barn (about 340 stalls) with a new barn to house 1,000 modern 10’ x 10’ stalls, which when combined with other facilities on the site, would allow the Complex to host horse shows with up to 2,500 stalls.
- Add two outdoor covered exercise arenas.
- Develop 10,000 to 20,000 SF of flexible exhibit space to be used for exhibits, food areas, special functions, general gathering space, etc. This could possibly be accomplished by creating a central plaza connecting the two arenas.

#### 4. Trade Show

- **Indoor Exhibit Space** – It is recommended to develop a new Exposition Hall with 350,000 gross leasable SF (slightly larger than the proposed 320,000 SF). At the City’s direction, this space could be configured to be able to house an Olympic Speed Skating Oval to enable Denver to pursue a winter Olympics. This requires approximately 200,000 SF of column-free space.
- **Swing Space** – It is recommended to develop 20,000 to 25,000 SF in “swing space” that could function as both a small exhibit hall and a low-finish ballroom for food functions and special events. This space could be used to house the Coors Art Exhibit.
- **Breakout Meeting Rooms** - It is recommended to develop three to four rooms that could be divisible up to 10 smaller rooms, which is fewer than the initial Association proposal.
- **Outdoor Exhibit Areas** – It is recommended to develop the outdoor exhibit areas consistent with the proposed program, totaling approximately 50,000 SF.

This square footage does not include space for important supporting functions such as loading docks and staging; lobbies, ticketing and registration areas; major food areas such as cafes, clubs, buffet areas, concessions, etc.; restrooms; administrative support areas; storage; or other support areas. These spaces should be planned in conjunction with Stock Show staff and users of the Complex.

#### **Stock Show Duration Recommendations**

The NWSS has a robust plan to add programming to extend the Show from two weeks to three. This additional programming entails expanding the scope of existing events and adding new events. However, the recommendation is to get new and expanded facilities built at the Complex as the top priority. Once the Complex operations are stabilized, the secondary objective to lengthen the duration of the Show should be reevaluated at that time. Overall, the move to a longer should be well received (although not by all) and should generate higher utilization at the Show.

## Branding: Old vs. New West

The Association envisions a “year-round Western heritage tourism destination center”, incorporating other Western culture supporting elements at the site, such as an agricultural business office/research park, an animal science clinic, agricultural education areas, exploratoriums, etc. The research indicated that the Western culture “brand” ranked very low in brand priorities for Denver as a destination. While devoting the entire site to this “old west” brand/theme is certainly an option, it is most appropriate in three cases: 1) during the Stock Show; 2) for equestrian and livestock events that will occur during the rest of the year; and 3) as part of the Western Heritage theme. Much of the event activity in the arenas and exhibition hall will not be livestock or agriculturally related.

One concern is that an over-dominating (old) Western culture brand/theme may discourage some users from using the Complex. **Consideration should be given to limiting the Western culture brand/theme to the Stock Show itself, the equestrian and livestock components, and the other limited spaces that are devoted to the Western theme.** The other livestock and agricultural related uses might be best positioned grouped with the equestrian and livestock facilities.

As such, the new Arena, the new Exposition Hall, and the new Livestock Stadium Arena may be best positioned without the (old) Western culture brand/theme that is too dominant in order to afford these facilities their best opportunity to attract a wide variety of state, regional, national and international events throughout the year.

To that end, Denver and the Rocky Mountain West is well positioned to celebrate the idea of the “new west”, showcasing health, recreation and the over-arching pioneering spirit through cutting edge science, education and research that is emerging in this region of the United States. Again, the site is ideally located to create a new gateway for Denver and the Front Range, through the new MOU Partners - especially in the case of Colorado State University - promoting global solutions for some of the world’s most pressing issues around food production, food safety, large animal science, and the use of our natural resources through the latest sustainability practices.

In this way, the best of both worlds (a celebration of the historic Western culture and the modern pioneering spirit) might be realized. Ultimately, the selected master planning team and the MOU Partners can explore the right balance between the old and new western themes as the formal planning effort unfolds.

## Utilization Projections

Below is a summary of the historical and projected (stabilized) Complex utilization for both the National Western facilities and the Denver Coliseum, assuming the current 16-day Stock Show. **The development of the new/modernized facilities as proposed is estimated to increase facility utilization by 88 events and 910,000 attendee days.** Growth is driven by the ability of the larger and modernized facilities to accommodate more vendors, exhibitors, spectators, and grounds visitors. Growth is projected across all event types. The proposed entry into the national horse show market is projected to drive higher utilization and attendance than previously projected.

FY2013 Utilization				Projected Stabilized Increment				Projected Stabilized			
	NWC	Coliseum	Combined		NWC	Coliseum	Combined		NWC	Coliseum	Combined
<b>Number of Events:</b>											
Stock Show			1	Stock Show			0	Stock Show			1
Equestrian	28		28	Equestrian	-3		-3	Equestrian	25		25
Other Livestock	6		6	Other Livestock	9		9	Other Livestock	15		15
Consumer/Trade	29	2	31	Consumer/Trade	16	-2	14	Consumer/Trade	45		45
Conference		2	2	Conference	2	3	5	Conference	2	5	7
Meeting/Banquet	54		54	Meeting/Banquet	16		16	Meeting/Banquet	70		70
Tenant Sports		33	33	Tenant Sports		0	0	Tenant Sports		33	33
Non-Tenant Sports	17	7	24	Non-Tenant Sports	3	8	11	Non-Tenant Sports	20	15	35
Concert	13	2	15	Concert	12	8	20	Concert	25	10	35
Family Show (1)		24	24	Family Show (1)		0	0	Family Show (1)		24	24
Other		4	4	Other	10	6	16	Other	10	10	20
Subtotal	147	74	222	Subtotal	65	23	88	Subtotal	212	97	310
<b>Total Event Days:</b>											
Stock Show			16	Stock Show			0	Stock Show			16
Equestrian	103		103	Equestrian	22		22	Equestrian	125		125
Other Livestock	14		14	Other Livestock	39		39	Other Livestock	53		53
Consumer/Trade	65	6	71	Consumer/Trade	48	-6	42	Consumer/Trade	113		113
Conference		5	5	Conference	5	8	13	Conference	5	13	18
Meeting/Banquet	54		54	Meeting/Banquet	16		16	Meeting/Banquet	70		70
Tenant Sports		33	33	Tenant Sports		0	0	Tenant Sports		33	33
Non-Tenant Sports	20	11	31	Non-Tenant Sports	6	15	21	Non-Tenant Sports	26	26	52
Concert	13	2	15	Concert	12	8	20	Concert	25	10	35
Family Show (1)		12	12	Family Show (1)		0	0	Family Show (1)		12	12
Other		4	4	Other	10	6	16	Other	10	10	20
Subtotal	269	73	358	Subtotal	157	30	187	Subtotal	426	103	545
<b>Average Event Days:</b>											
Stock Show			16.0	Stock Show			16.0	Stock Show			16.0
Equestrian	3.7		3.7	Equestrian	5.0		5.0	Equestrian	5.0		5.0
Other Livestock	2.3		2.3	Other Livestock	3.5		3.5	Other Livestock	3.5		3.5
Consumer/Trade	2.2	3.0	2.3	Consumer/Trade	2.5		2.5	Consumer/Trade	2.5		2.5
Conference		2.5	2.5	Conference	2.5	2.5	2.5	Conference	2.5	2.5	2.5
Meeting/Banquet	1.0		1.0	Meeting/Banquet	1.0		1.0	Meeting/Banquet	1.0		1.0
Tenant Sports		1.0	1.0	Tenant Sports		1.0	1.0	Tenant Sports		1.0	1.0
Non-Tenant Sports	1.2	1.6	1.3	Non-Tenant Sports	1.3	1.7	1.5	Non-Tenant Sports	1.3	1.7	1.5
Concert	1.0	1.0	1.0	Concert	1.0	1.0	1.0	Concert	1.0	1.0	1.0
Family Show (1)		0.5	0.5	Family Show (1)		0.5	0.5	Family Show (1)		0.5	0.5
Other		1.0	1.0	Other	1.0	1.0	1.0	Other	1.0	1.0	1.0



FY2013 Utilization (continued)			
	NWC	Coliseum	Combined
<b>Total Attendee Days:</b>			
Stock Show			637,000
Equestrian	65,150		65,150
Other Livestock	23,200		23,200
Consumer/Trade	144,400	12,100	156,500
Conference		26,400	26,400
Meeting/Banquet	21,500		21,500
Tenant Sports		90,000	90,000
Non-Tenant Sports	61,100	40,100	101,200
Concert	60,500	13,400	73,900
Family Show (1)		114,400	114,400
Other		10,300	10,300
Subtotal	375,850	306,700	1,319,550

Average Attendee Days Per Event:			
Stock Show			637,000
Equestrian	2,330		2,330
Other Livestock	3,870		3,870
Consumer/Trade	4,980	6,050	5,050
Conference		13,200	13,200
Meeting/Banquet	400		400
Tenant Sports		2,730	2,730
Non-Tenant Sports	3,590	5,730	4,220
Concert	4,650	6,700	4,930
Family Show (1)		4,770	4,770
Other		2,580	2,580

Average Attendance Per Day:			
Stock Show			39,810
Equestrian	630		630
Other Livestock	1,660		1,660
Consumer/Trade	2,220	2,020	2,200
Conference		5,280	5,280
Meeting/Banquet	400		400
Tenant Sports		2,730	2,730
Non-Tenant Sports	3,050	3,650	3,270
Concert	4,650	6,700	4,930
Family Show (1)		9,540	9,540
Other		2,580	2,580

Stock Show utilizes all facilities in January.

Note (1): Performances.

Source: National Western Association, Arts & Venues.

Projected Stabilized Increment (continued)			
	NWC	Coliseum	Combined
<b>Total Attendee Days:</b>			
Stock Show			113,000
Equestrian	372,350		372,350
Other Livestock	8,300		8,300
Consumer/Trade	136,850	-12,100	124,750
Conference	15,000	48,600	63,600
Meeting/Banquet	6,500		6,500
Tenant Sports		9,000	9,000
Non-Tenant Sports	24,700	61,900	86,600
Concert	39,500	56,600	96,100
Family Show (1)		5,600	5,600
Other	10,000	14,700	24,700
Subtotal	613,200	184,300	910,500

Projected Stabilized (continued)			
	NWC	Coliseum	Combined
<b>Total Attendee Days:</b>			
Stock Show			750,000
Equestrian	437,500		437,500
Other Livestock	31,500		31,500
Consumer/Trade	281,250		281,250
Conference	15,000	75,000	90,000
Meeting/Banquet	28,000		28,000
Tenant Sports		99,000	99,000
Non-Tenant Sports	85,800	102,000	187,800
Concert	100,000	70,000	170,000
Family Show (1)		120,000	120,000
Other	10,000	25,000	35,000
Subtotal	989,050	491,000	2,230,050

Average Attendee Days Per Event:			
Stock Show			750,000
Equestrian	17,500		17,500
Other Livestock	2,100		2,100
Consumer/Trade	6,250		6,250
Conference	7,500	15,000	12,860
Meeting/Banquet	400		400
Tenant Sports		3,000	3,000
Non-Tenant Sports	4,290	6,800	5,370
Concert	4,000	7,000	4,860
Family Show (1)		5,000	5,000
Other	1,000	2,500	1,750

Average Attendance Per Day:			
Stock Show			46,880
Equestrian	3,500		3,500
Other Livestock	600		600
Consumer/Trade	2,500		2,500
Conference	3,000	6,000	5,140
Meeting/Banquet	400		400
Tenant Sports		3,000	3,000
Non-Tenant Sports	3,300	4,000	3,650
Concert	4,000	7,000	4,860
Family Show (1)		10,000	10,000
Other	1,000	2,500	1,750

## Impact on Projections of an Extended Duration Stock Show

A longer Stock Show could increase event attendee days, including trade show vendor days, livestock and horse attendee days, more ticketed events and more days for the general public to attend the Show. It is projected that the new facilities could generate 750,000 attendee days, or approximately 47,000 per day over 16 days. If the Show is extended by seven days and averages a lower 40,000 over 23 days, the total attendee days could increase by 170,000 to 920,000.

## **INVESTMENT – NATIONAL WESTERN CENTER**

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A cost estimate for the overall project is not determined at the finalization of this report. The City, in collaboration with the MOU Partners has selected a master planning team and will spend the balance of 2014 focused on developing the master plan and preliminary project budget. This report will serve as a key data point in helping direct the MOU Partners and master planning team in the pending planning process. Furthermore, a phased implementation plan will be required that allows the Stock Show to continue the annual Show during construction.

# GOVERNANCE AND MANAGEMENT – NATIONAL WESTERN CENTER

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## Governance

A new governance structure is required to both implement and manage the National Western Center. As a starting point, the governance structure(s) should be formed in a manner that accomplishes the following objectives:

- Reflects the requirements of the financing for the site and facility improvements and resulting ownership;
- Creates a unified and collaborative sales, marketing and management approach among facilities and associated vendors and subcontractors;
- Assures representation and participation among stakeholders and contractors;
- Merges and aligns efforts on a broad geographic basis to include downtown, Arts and Venues facilities, throughout Denver and the National Western Center; and
- Jointly establishes and tracks shared use performance metrics to advance out of town visitor and guests for Denver.

There are many different models to evaluate as best practices in Denver and from around the country. A number of examples are listed in this report. The key is building a collaborative structure. One example in Denver is the success of the Denver Alliance, which includes all stakeholders associated with the shared use of certain facilities. Stakeholders would work together to jointly form strategic and operational plans for review by the owners, be it the City, a new district or authority, such as Denver's Metropolitan Football or Baseball Districts and be held accountable through contracts with the owner(s). The over-arching objective would be to align the physical assets under a development/operating vehicle, and to serve as the unifying asset manager to keep the assets maintained long-term.

Benefits of a unified governance and management system include:

- Fully aligned model allows all stakeholders to maximize use of resources.
- Leverages Denver's very skilled talent and models of collaboration, such as the Denver Alliance.
- Allows stakeholders to focus all its respective energy and resources on growing their programs/events, as defined by their core mission.
- Creates a new level of strategic collaboration across all facilities within the City.
- Establishes a single point for strategic planning, sales, marketing and asset management.
- Provides an organizational framework for long-term stability/sustainability in the delivery of events and activities for the City and its Partners.

By way of example, the following table summarizes **the elements of a collaborative approach to governance** and is not intended to represent the only approach:

Potential Unified Structure	
Role	Organization
National Western Center Owner	City or New Authority/District formed by and among financing entities and operating partners
Facilities and Event Contract Oversight	New Authority/District Board of Directors
Facility Manager	Single operator selected by District/ Authority Board
Sales/National Events	Visit Denver (Alliance)
Sales/Local	Center Operator
Sales/Equestrian, Livestock and Rodeo	NWSS (subject matter expert)
Food and Beverage	General Concessions (single vendor); Premium Concessions & Catering (single vendor)
Tenants	NWSS, CSU, Museum of Nature and Science, History Colorado, Cutthroats Hockey, etc.
Promoter	Exclusive or Open
Partnerships	Denver Alliance

## **Operating Continuity - New District/Authority Board – National Western Center**

Under the above example, which is one of many that could be explored, the unified district/authority governance concept would establish a dedicated Board of Directors who would be created by and among the NWC funding partners/key tenants, whom would be charged with primary oversight of the Center's operations through an agreed upon operator and be integrated into the Alliance to maximize year-round use of all Denver public venues. Depending upon the final master plan of the new National Western Center, this could be one of the many places the MOU Partners elect to formalize long-term roles and responsibilities.

## **Economic Impact – National Western Center**

The implementation of the recommendations for the National Western Center, including the new Arena, is estimated to position the updated complex as a very competitive facility for a wide variety of entertainment, trade/consumer shows, sports, educational and livestock events. Importantly, the recommendations are designed to allow the NWSS and its new partners to flourish for many decades and of equal importance, aid in the re-emergence of the adjoining neighborhoods.

## FINANCIAL OPERATIONS – NATIONAL WESTERN CENTER

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The consulting team worked extensively with Arts & Venues and National Western staff analyzing the impacts on a line-by-line basis of the shift in operations contemplated by the governance and management assumptions. The analysis considered existing operations, anticipated future operations and comparable venue information. The information is presented in 2013 dollars for a stabilized year. Implementation of the as yet undetermined master plan will impact how and when operational stabilization with all facilities occurs. Stabilization typically occurs 3-4 years from project completion, but the horse show component is anticipated to require several more years to reach optimum capacity as the limited number of large horse shows will need to fulfill any contracts they may be under at other facilities, which can typically be 5 years or longer.

The assumed governance and management change will have a significant effect on the operating revenues and expenses of the Stock Show and the Complex. For the purposes of this analysis, it is assumed that a single operator manages all of the National Western Center facilities, including the new Arena (replacement for the Denver Coliseum). For projection purposes only, it is further assumed in this analysis that the operator is not the Association. Furthermore, although the new Arena and the other National Western facilities are assumed to be operated as one Complex, the financial information splits out the Arena projections in the event that Denver's decision-makers require that information separately.

### Overview of Operating Revenue and Expenses

The financial analysis included work with the Association to allocate all of its operational revenues and expenses between the Stock Show itself and those associated with operating the Complex during non-Stock Show months. Based on the research and modifying the current financial operations to reflect Stock Show only, the Stock Show generates approximately \$3.4 million in excess revenue over expenses on \$16.3 million in revenue. Operations of the Complex the remainder of the year create an approximately \$1 million operating shortfall on \$2 million in revenue. The existing Denver Coliseum generates approximately \$600,000 in contribution margin (gross profit available to pay overhead costs) on \$2 million in revenue. After working to allocate appropriate Arts & Venues overhead and other costs to the Coliseum, it is estimated that the Coliseum approximately breaks even.

By way of illustration, under the example of the NWSS becoming a tenant of the Center, many of the sites operating costs are shifted away from the Stock Show to the operator. As such, the projections indicate that the Stock Show, operating as an anchor tenant of the Complex, may generate \$5.4 million in excess revenue over expenses on \$19.7 million of revenue (excludes non-cash items such as depreciation and other non-operating revenue and expenses). The operator, which is assumed to be responsible for all facilities on site, is projected to generate a \$1.5 million operating shortfall on \$12.3 million in revenue. The new Arena is projected to generate \$1.8 million in excess of revenue over expenses, while the other facilities at the Complex are projected to generate a \$3.4 million operating shortfall. These and other options will be explored in greater depth as part of the overall financing and governance process.

## Operating Revenue and Expense Assumptions\*

Key assumptions contemplated in this financial analysis include:

- The Association retains land currently owned, thus property taxes are still paid on that land.
- City/District/Authority owns any additional land and all venues, subject to who pays for it.
- The existing Denver Coliseum is not involved in the financial projection.
- A single operator (assumed not to be the Association in this model) is responsible for operations of all the facilities. The projections exclude private management fees, if applicable.
- The Association/Stock Show is a tenant, similar to the arrangement in Fort Worth, and offices on-site. Office space rent is described below.
- Assumes that the National Western staff will market, sell, and coordinate events for the horse and livestock market segments year round. It is assumed that the Association will absorb the full cost of these personnel. All revenue and other costs are assumed to accrue to the operator. The Association, and particularly this team of horse and livestock related personnel, will become integrated into a broader Alliance to strategically sell the Complex.
- Similarly, the Association's sponsorship department is tasked with handling all Stock Show and Complex sponsorship marketing, sales and contract fulfillment, including naming rights, pouring rights, luxury suite sales, etc.
- Assumes no further overhead allocation from a public body.

The following three pages present the operating revenue and expenses for 1) current operations, as if the Stock Show is a stand-alone anchor tenant, 2) the increment, and 3) stabilized future operations. Line-by-line assumptions are described below. A major Capital Improvement Program is discussed at the end of this section.

*\*The assumptions noted on the previous page are intended to provide an example of one possible model. It should be noted that the final structure of the financial operations will be developed as part of new agreements among the parties.*



	Current Operations			
	Operator: NW Association			
	Stock Show Only	Other NW Venues (1)	Denver Coliseum	Total
<b>Revenue:</b>				
Ticket Sales	\$6,566,000			\$6,566,000
Stock Show Rent, Reimbursables & Parking			\$720,000	720,000
Rent-Other	1,187,000	\$663,000	496,000	2,346,000
Concessions	1,067,000	484,000	1,090,000	2,641,000
Merchandise/Feed	455,000		7,000	462,000
Sponsorship	2,669,000		500,000	3,169,000
Premium Seating				
Parking	101,000	679,000	629,000	1,409,000
Equipment/Labor Reimbursables	46,000	164,000	559,000	769,000
Fundraising (to Scholarship Trust)	1,469,000			1,469,000
Other	2,734,000	36,000	101,000	2,871,000
<b>Total Revenue</b>	<b>16,294,000</b>	<b>2,026,000</b>	<b>4,102,000</b>	<b>22,422,000</b>
<b>Expenses:</b>				
Salaries, Wages & Benefits	3,611,000	1,557,000	856,000	6,024,000
Cost of Goods Sold/Revenue Sharing	820,000	68,000		888,000
Rent	934,000	3,000	114,000	1,051,000
Stock Show Reimbursables	221,000			221,000
Contracted Services	1,399,000	26,000	2,127,000	3,552,000
Prizes & Premiums	1,178,000			1,178,000
Advertising	977,000	13,000	169,000	1,159,000
Food & Entertainment	214,000	1,000		215,000
Repairs & Maintenance	250,000	270,000	191,000	711,000
Supplies	247,000	124,000	125,000	496,000
Utilities	230,000	753,000	375,000	1,358,000
Insurance	100,000	135,000	50,000	285,000
Property Taxes	276,000			276,000
Fundraising (to Scholarship Trust)	1,092,000			1,092,000
Donations to Scholarship Trust	377,000			377,000
Horse Show Incentives				
Stock Show Office Expense				
Management Fees				
Other	952,000	100,000	75,000	1,127,000
<b>Total Expenses</b>	<b>12,878,000</b>	<b>3,050,000</b>	<b>4,082,000</b>	<b>20,010,000</b>
<b>Excess of Revenue over Expenses</b>	<b>\$3,416,000</b>	<b>(\$1,024,000)</b>	<b>\$20,000</b>	<b>\$2,412,000</b>

**Notes:**

(1) Represents non-Stock Show activity.

(2) Operates all facilities year round.

Excludes private operator management fees. Excludes major capital improvements.

Excludes non-cash and non-operating items.

Source: National Western Center, Arts & Venues, comparable venues.

	Increment			
	Stock Show Only	Other NW Venues	Coliseum	Total
<b>Revenue:</b>				
Ticket Sales	\$1,182,000			\$1,182,000
Stock Show Rent, Reimbursables & Parking		\$980,000	(\$230,000)	750,000
Rent-Other	708,000	615,000	404,000	1,727,000
Concessions	90,000	1,368,000	522,500	1,980,500
Merchandise/Feed	137,000		13,000	150,000
Sponsorship	500,000	250,000	250,000	1,000,000
Premium Seating	300,000		600,000	900,000
Parking		136,000	126,000	262,000
Equipment/Labor Reimbursables	(46,000)	646,000	423,000	1,023,000
Fundraising (to Scholarship Trust)	147,000			147,000
Other	410,000	14,000	24,000	448,000
<b>Total Revenue</b>	<b>3,428,000</b>	<b>4,009,000</b>	<b>2,132,500</b>	<b>9,569,500</b>
<b>Expenses:</b>				
Salaries, Wages & Benefits	(611,000)	1,443,000	1,144,000	1,976,000
Cost of Goods Sold/Revenue Sharing	246,000	(68,000)		178,000
Rent	501,000	7,000	(64,000)	444,000
Stock Show Reimbursables	129,000			129,000
Contracted Services	28,000	724,000	(1,377,000)	(625,000)
Prizes & Premiums	565,000			565,000
Advertising	195,000	112,000	(44,000)	263,000
Food & Entertainment	43,000	(1,000)		42,000
Repairs & Maintenance	(50,000)	730,000	309,000	989,000
Supplies	(47,000)	126,000	125,000	204,000
Utilities	(130,000)	747,000	125,000	742,000
Insurance	75,000	115,000	50,000	240,000
Property Taxes				
Fundraising (to Scholarship Trust)	55,000			55,000
Donations to Scholarship Trust	92,000			92,000
Horse Show Incentives		1,500,000		1,500,000
Stock Show Office Expense	120,000			
Management Fees				0
Other	190,000	900,000		1,090,000
<b>Total Expenses</b>	<b>1,401,000</b>	<b>6,335,000</b>	<b>268,000</b>	<b>7,884,000</b>
<b>Excess of Revenue over Expenses</b>	<b>\$2,027,000</b>	<b>(\$2,326,000)</b>	<b>\$1,864,500</b>	<b>\$1,685,500</b>

**Notes:**

(1) Represents non-Stock Show activity.

(2) Operates all facilities year round.

Excludes private operator management fees. Excludes major capital improvements.

Excludes non-cash and non-operating items.

Source: National Western Center, Arts & Venues, comparable venues.

**Stabilized Future Operations (2013 dollars)**

	<b>Single Operator (2)</b>			<i>Total</i>
	<i>Stock Show Only</i>	<i>Other NW Venues</i>	<i>Rodeo Coliseum</i>	
<b>Revenue:</b>				
Ticket Sales	\$7,748,000			\$7,748,000
Stock Show Rent, Reimbursables & Parking		\$980,000	\$490,000	1,470,000
Rent-Other	1,895,000	1,278,000	900,000	4,073,000
Concessions	1,157,000	1,852,000	1,612,500	4,621,500
Merchandise/Feed	592,000		20,000	612,000
Sponsorship	3,169,000	250,000	750,000	4,169,000
Premium Seating	300,000		600,000	900,000
Parking	101,000	815,000	755,000	1,671,000
Equipment/Labor Reimbursables		810,000	982,000	1,792,000
Fundraising (to Scholarship Trust)	1,616,000			1,616,000
Other	3,144,000	50,000	125,000	3,319,000
<b>Total Revenue</b>	<b>19,722,000</b>	<b>6,035,000</b>	<b>6,234,500</b>	<b>31,991,500</b>
<b>Expenses:</b>				
Salaries, Wages & Benefits	3,000,000	3,000,000	2,000,000	8,000,000
Cost of Goods Sold/Revenue Sharing	1,066,000			1,066,000
Rent	1,435,000	10,000	50,000	1,495,000
Stock Show Reimbursables	350,000			350,000
Contracted Services	1,427,000	750,000	750,000	2,927,000
Prizes & Premiums	1,743,000			1,743,000
Advertising	1,172,000	125,000	125,000	1,422,000
Food & Entertainment	257,000			257,000
Repairs & Maintenance	200,000	1,000,000	500,000	1,700,000
Supplies	200,000	250,000	250,000	700,000
Utilities	100,000	1,500,000	500,000	2,100,000
Insurance	175,000	250,000	100,000	525,000
Property Taxes	276,000			276,000
Fundraising (to Scholarship Trust)	1,147,000			1,147,000
Donations to Scholarship Trust	469,000			469,000
Horse Show Incentives		1,500,000		1,500,000
Stock Show Office Expense	120,000			120,000
Management Fees				0
Other	1,142,000	1,000,000	150,000	2,292,000
<b>Total Expenses</b>	<b>14,279,000</b>	<b>9,385,000</b>	<b>4,425,000</b>	<b>28,089,000</b>
<b>Excess of Revenue over Expenses</b>	<b>\$5,443,000</b>	<b>(\$3,350,000)</b>	<b>\$1,809,500</b>	<b>\$3,902,500</b>

**Notes:**

(1) Represents non-Stock Show activity.

(2) Operates all facilities year round.

Excludes private operator management fees. Excludes major capital improvements.

Excludes non-cash and non-operating items.

Source: National Western Center, Arts & Venues, comparable venues.

## Operating Financial Assumptions

### National Western Stock Show

The Association accounts for all of its activities in approximately 27 departments, 23 of which relate to the Stock Show, two of which relate to fundraising activities for the National Western Scholarship Trust, and two of which relate to the activities of non-Stock Show events (Complex shows such as consumer shows and concerts), all accounted for utilizing approximately 130 accounts. This departmental breakout and consideration of operations under a new structure was the basis for developing the financial information.

#### 1. Revenue

##### a. Ticket Sales

- i. Current - Activity includes all Stock Show ticketed events (about 42 events), grounds admissions and Rodeo All-Star Weekend in April.
- ii. Projected – It is assumed that overall pricing for exhibitors, paid gate admissions and paid tickets is consistent with 2013 pricing levels. As such, the increase in ticket revenue is consistent with the increase in attendee days (from 637,000 to 750,000, or approximately 18%).

##### b. Rent – Other

- i. Current – Includes tradeshow booth rental and herdsire pen rental (outdoor space in the Yards). Tradeshow: Represents approximately 90% of this revenue line item and an average \$7.48 per new square foot (includes booth space given for free to major sponsors). Herdsire pens: 10% of this line item.
- ii. Projected – Tradeshow: Assumed increase to \$10.00 per net square foot. Herdsire pens: Assumed 50% increase due to herdsire pen space expansion and slightly higher per pen price.

##### c. Concessions

- i. Current – Concessions for the Complex is contracted by the Association to K-M Concessions. The Association received a percentage of all gross food and beverage sales. Catering represents approximately 4.5% of total food and beverage sales.
- ii. Projected – The management structure assumes a single operator over all facilities that would enter into a contract with food and beverage

cessionaires. It is assumed that this contract provides the operator with 50% of gross food and beverage sales, comparable to the Coliseum's current deal. For the Stock Show, it is assumed that the Association will share in 50% of the operator's share of food and beverage, or 25% of gross sales. Based on analysis of both Complex and Coliseum food and beverage sales, the per capita spending was \$5.61. A 10% increase in this per cap is assumed based on slightly more upscale and diversified food offerings and slightly more consumption per person. The projected per cap is applied to the projected 750,000 attendee days. It is assumed the remaining 50% of the net food and beverage proceeds accrues to the operator.

d. Merchandise/Feed

- i. Current - The Association sells animal feed and bedding in-house and expenses are reflected in Cost of Goods Sold. (The Association also contracts with a third party to sell merchandise online and onsite, and receives a percentage of gross sales. This net amount received is reflected under Rent.)
- ii. Projected – Based on the significant anticipated increases in animals, particularly livestock, brought to light in the market research, feed sales are projected to increase by 30%.

e. Sponsorship

- i. Current - The Association's sponsorship department negotiates a variety of cash and in-kind sponsorship deals related to the Stock Show and Rodeo All Star Weekend. Approximately \$1.5 million is cash and the remainder is in-kind, such as advertising with local media or with John Deere for equipment. Cash sponsorships typically relate to signage, announcements at rodeos, naming opportunities, trade show space, pouring rights, and other promotional assets sold to companies, such as CenturyLink, Chevrolet, MillerCoors, Miller International (Cinch Jeans and Shirts), Pepsi, RAM Rodeo, and many others. All in-kind revenue is associated with an in-kind expense in the same amount (spread among various expense accounts).
- ii. Projected – A new Complex represents a significant new level of sponsorship opportunities for both the Stock Show and the Complex as a

whole, including naming rights opportunities (Complex, venue (arenas, barns, etc.), sub-venue, (rotunda, parking lot, pavers, entrances, etc.), event, etc.), pouring rights, arena suite sales, and many other high profile promotional opportunities. A detailed sponsorship strategic plan or financial plan has not been completed as part of this study. Given the governance structure that is ultimately put in place, a plan to coordinate, negotiate and execute the various opportunities, both from the Complex perspective and from the Stock Show perspective, will need to be created and implemented. Both the Stock Show and the City will have a strong vested interest in the sponsorship revenue that can be generated from the Complex as one of several key funding approaches to help pay for the proposed Complex improvements. The Stock Show sponsorship department and other top NWSS executives have strong existing sponsor relationships and significant industry experience in promoting, selling and contract fulfillment of all forms of sponsorship packages. For the purposes of this financial analysis, sponsorship responsibilities are assumed to remain with the Association sponsorship department, as this revenue category is vital to the financial success of the Stock Show. A loss of these important sponsorship relationships could negatively impact the Stock Show's financial stability. For the purposes of this analysis, it is assumed that total sponsorship revenue will increase by \$1 million, and that a revenue sharing arrangement will be in place such that the Complex/operator/City will receive \$1 million, which has been allocated primarily to the Coliseum.

f. Premium Seating

- i. Current – No premium seating currently exists.
- ii. Projected - A detailed premium seating demand and pricing analysis has not been completed as part of this study. As part of the governance negotiation, it should be agreed among the parties who should market and sell the premium seating, as there are several qualified entities that could fulfill this role. It is assumed for the purposes of this analysis that the Association sponsorship department would be responsible for premium seating marketing and sales, and that a portion of the sales would cover the cost of the sales. A few suites would likely be held back as rentals on

an event-by-event basis. It is assumed that the Stock Show, as an anchor tenant, would receive an agreed-upon split based roughly on relative value of the gross proceeds from annual lease sales. The Stock Show would also have the right to lease and retain the revenue from any available suite inventory during the Stock Show. The estimate also assumes that a small additional portion of suite revenue may be negotiated away to other event producers outside the Stock Show.

g. Parking

- i. Current – The Association provides approximately 250 spaces for VIP parking, primarily sold its members for \$225, which generates the revenue shown in the historical financial statement. (For the 2013 Show and beyond, the Association included a Facility Fee of \$3.00 per paid ticket, allowing patrons to park in any non-VIP and pass-only parking lot, and this revenue amount is included in Ticket Sales above.)
- ii. Projected - – It is assumed that a comparable number of spaces are made available under a comparable pricing model for VIP parking.

*The Western Stock Show Association currently awards 74 scholarships annually to students from across Colorado and Wyoming.*

h. Equipment/Labor Reimbursables

- i. Current – The NWSS charges some clients for such items as forklift services, electrical services, technology services, etc. primarily in the trade show hall.
  - ii. Projected – In the assumed new model, trade show vendors would procure these services through the operator. As such, the Stock Show is assumed to garner no revenues from labor and equipment charges.
- i. Fundraising revenue (to Scholarship Trust)
- i. Current – The Association undertakes a variety of fundraising activities for the benefit of The National Western Scholarship Trust, a 501(c)(3). These include the Coors Art Western Art Sale, Junior Livestock Auction, and Citizen of the West dinner. The objective of the Trust is to provide college and graduate level scholarships in agriculture and medicine for practice in

rural areas. Gross revenues from all fundraising activities are shown as Fundraising revenue, and expenses are shown as Fundraising expenses. The resulting net profit is the actual contribution to the Trust (see Donations to Trust expense item). As such, the fundraising activities have no impact on the operating financials. The Trust also receives additional funds from the Denver Metro Chamber of Commerce Boots and Business Luncheon.

- ii. Projected - The Trust spending policy provides for 5% of corpus to be utilized for scholarships. The Trust has been able to provide scholarships of \$300,000 or more per year, even though the corpus was less than \$6 million. The corpus has recently reached a level that may likely support the \$300,000 annual target spending, and is expected to grow beyond the required approximately \$6 million (assuming a 5% average annual return). As such, the Trust, which might now be considered self-sustaining, could provide the \$300,000 annual scholarships without the additional income from the Stock Show. It is assumed in this analysis the Stock Show's annual fundraising net profits will continue to go to the Trust. Fundraising revenue is assumed to increase by 10% and expenses have been increased by 5%. (This assumption is net neutral.)

- j. Other

- i. Current – Other revenues include entry fees, stall fees, passes and badges, program book sales, program advertising, commissions on auctions, etc.
- ii. Projected – Based on analysis of the mix of revenues, it is projected that other revenue will increase by 15%.

## 2. Expenses

- a. Salaries, Wages & Benefits

- i. Current – Estimates for overall staffing costs were made based on discussions with NWSS staff, AVD staff, analysis of existing venue operations and analysis of comparable facilities. Personnel costs include the approximately 50 full-time staff that receive benefits, approximately 35 part-time employees that work a full-time schedule (subject to staffing needs and no guarantee of work), and approximately 750 seasonal positions during Stock Show. Non-Stock Show personnel costs are based on non-Stock Show event staffing attributable directly to the event, as well as



an allocation for year round staffing transferred from the Stock Show column to the Other NW Venues column.

ii. Projected – Much of the Stock Show staff will need to be retained due to the magnitude of coordinating the annual Show and the continuity of staff required in a variety of areas. Assumptions of key changes in specific areas as a result of the assumed management shift include:

1. Payroll figures presented are approximately \$300,000 higher than anticipated in the near future due to scheduled retirements, and these positions are not anticipated to be refilled (staffing has been realigned).
2. Temporary Show labor – Most general building and janitorial temporary labor costs would transfer to the operator. Stock Show would maintain personnel related to industry and event specific duties, such as working the rodeo dirt, stall set-up/cleaning, etc.
3. Security – The operator is assumed to be responsible for security.
4. Parking - The operator is assumed to be responsible for parking. (It is assumed that the Stock Show will include parking in the price of the ticket and will retain all revenue.)
5. Sponsorship – Stock Show sponsorship department is assumed to be responsible for all sponsorship sales, as described in Sponsorship revenue above.
6. Year-round horse and livestock sales and marketing and event coordination responsibilities are assumed to remain with Stock Show staff. (Stock Show is assumed to fully pay these positions' salaries and benefits.)

b. Cost of Goods Sold/Revenue Sharing

- i. Current – Reflects the cost of goods sold primarily for feed and bedding sales, revenue sharing for some ticketed events (with Professional Bull Riding, Mexican Rodeo, etc.), and some in-kind sponsorship expenditures.
- ii. Projected – Additional feed and bedding sales will accompany the increase in animals at the Stock Show. A 30% increase in the Cost of Goods Sold expense is projected, which is consistent with the revenue increase.

c. Rent

- i. Current – The Association rents the Denver Coliseum parking lot from the City for \$1.58 per paid ticket (\$3.00 Facility Fee is included in the ticket), capped at \$499,000 annually. The Stock Show also rents several private parking lots, portable equipment (lights, port-a-potty, etc.), and some in-kind costs.
- ii. Projected – As of the date of this projection, the parking arrangement is undefined. For the purposes of this analysis, it is assumed that the Stock Show will pay \$1 million in rent and that this rent will include all Complex operator-managed parking lots utilized by the Stock Show. It is further assumed that any available parking at the existing Coliseum site will be available for use for the Stock Show at no cost. Other rent items are assumed to remain unchanged.

d. Stock Show Reimbursables

- i. Current – The Stock Show incurs reimbursable charges at the Coliseum for stagehands, ushers and equipment of \$221,000.
- ii. Projected – Reimbursable equipment and labor paid to the operator relating to all facilities during the Stock Show are projected to be \$350,000.

e. Contracted Services

- i. Current – The Association utilizes contracted services for such areas as judges and superintendents, veterinarians, medical, ushers, firemen, stagehands, announcers, specialty acts, etc. Other significant services that similar facilities sometimes contract out, such as trash removal, janitorial, landscaping, snow removal, etc., are generally performed in-house.
- ii. Projected – Little change is anticipated in contracted services unless the show duration is extended and significantly more events are held. A 2% increase in contracted services is assumed.

f. Prizes and Premiums

- i. Current – The success and attractiveness of rodeo, horse and livestock events are partially dependent upon the quality of the contestants and animals, and the pool of prizes and premiums funds are used to attract top talent.

- ii. Projected – Prizes and Premiums increase by \$500,000 to attract the best rodeo talent. In addition, an increase of \$65,000 (approximately 20% of existing payouts) was included for livestock and horse prizes and premiums. This 20% is consistent with the revenue related to this expense, which is reflected in Other revenue.
- g. Advertising
  - i. Current – Includes cash (40%) and in-kind (60%) advertising, printing and ad production costs.
  - ii. Projected – Additional advertising will be required to attract significantly more attendees. It is anticipated that the large majority of future advertising expenditures will be made in cash. It is assumed that cash expenditures would increase by 50%. In-kind expenses are assumed not to change.
- h. Food & Entertainment
  - i. Current – The Association hosts various events as part of the overall sponsorship benefit package, such as receptions prior to major rodeos. Costs also include such items as fundraising dinners, meal coupons for some employees, feeding of judges and contract labor, etc.
  - ii. Projected – Based on a higher level of overall Show activity, Food & Entertainment costs are projected to increase by 20%.
- i. Repairs & Maintenance
  - i. Current – Operating repairs and maintenance encompasses expenditures that do not prolong the life of the asset. Expenses include traditional building, equipment and vehicle maintenance, as well as significant costs related to website and software maintenance.
  - ii. Projected – It is assumed that all responsibility for repairs and maintenance for grounds and facilities, operator equipment, operator vehicles, etc. would be the responsibility of the operator. For the Stock Show, it is anticipated that the Stock Show would continue to own some vehicles and equipment, such as forklifts, shuttle busses, etc., and would have similar costs for website and software. Costs have been reduced slightly to reflect that some of the overall maintenance costs shift to the operator, and that Stock Show related costs might rise slightly.

- j. Supplies
  - i. Current – Includes operating supplies such as office, janitorial, fuel, minor equipment, etc. Allocations were made based on estimated usage.
  - ii. Projected – The majority of supply costs would remain with the Stock Show for such items as fuel costs during Stock Show, year round office and staff operations, etc. Costs have been reduced to reflect that the operator will assume responsibility for janitorial and similar related costs.
- k. Utilities
  - i. Current – Total Complex utilities, including telephone, electric, gas, trash, water/sewer, were estimated based on actual usage and estimated allocated usage.
  - ii. Projected – Utility costs shift to the operator. It is assumed that the Stock Show will incur \$100,000 in telephone and other technology costs paid to the service provider related to its office space.
- l. Insurance
  - i. Current – Includes property, life, general, auto, directors & officers liability coverage for all current operations and an estimated allocation was made to the Other NW Venues column.
  - ii. Projected – The Stock Show (as a tenant) is projected to have slightly higher costs due to increased attendance and Show complexity, and based on comparability show insurance costs.
- m. Property Taxes
  - i. Current – Property taxes are assessed to the Association based on land values only.
  - ii. Projected – It is assumed that any additional land purchases for the site are made by an entity other than the Association, and that the Association will continue to own and pay property taxes on its existing holdings at the same rate.
- n. Fundraising expense (and Donations to Scholarship Trust)
  - i. Current and Projected – Costs relate to artists, dinners, advertising, etc. See description in Fundraising revenue section above.
- o. Stock Show Office Expense

- i. Current – Office expenses are absorbed within the broader Association budget.
  - ii. Projected – This projection assumes that the Association will office at the site, but these arrangements are as of yet undefined. An allocation has been made for \$10,000 per month (\$120,000 annual) for office space rent and all common area charges, such as utilities, janitorial, etc. paid to the operator. (Additionally, \$100,000 annually for telephones and technology has been assumed that is captured under the Stock Show Utilities expense line item and paid to third parties.)
- p. Other
- i. Current – Includes miscellaneous program/event expenses, postage, credit card and bank fees, training, travel, professional fees, etc., and was allocated based on expected usage.
  - ii. Projected – 20% increase assumed.

## Other National Western Venues (Excluding Coliseum)

Historical financial information - Revenues and expenses reflected for the Other National Western Venues for events held during non-Stock Show months include the direct revenue and expenses associated with the event activity and other various allocations as described above. Additional information may be included below.

### 3. Revenue

- a. Stock Show Rent, Reimbursables & Parking – See description under Coliseum below.
- b. Rent-Other – The Complex currently averages \$2,500 per day in rent across all event types. Based on analysis of the anticipated future event mix and event days, as well as average rents achieved at comparable facilities, non-Stock Show rent was projected at \$3,000 per event day.
- c. Concessions - For the Stock Show, the operator is projected to receive an equal share of net concessions from the F&B concessionaire (50/50 split between the Stock Show and operator). The non-Coliseum venues are assumed to generate approximately two-thirds of this concession revenue. During non-Stock Show months, net concessions was projected based on the operator's 50% share of gross F&B sales across the Complex. Projections were based on the anticipated increase in event activity with per capita spending consistent with today's spending levels.
- d. Sponsorship – See description under Stock Show Only Sponsorship revenue above.
- e. Parking – Parking revenue for non-Stock Show activity is assumed to increase by 20% based on activity.
- f. Equipment/Labor Reimbursables - From the Stock Show, trade show vendors are projected to pay the operator (versus the Stock Show in the old model) \$60,000 in reimbursables for utilities, wireless, etc. For the remainder of the year, the Association is currently not generally aggressive in charging for potentially reimbursable expenses, particularly given the relatively low quality level of the facilities. The financial performance at other comparable facilities indicates that newer, more modern facilities can help generate higher revenues. It is projected that reimbursable labor and equipment will rise significantly for non-Stock Show events, including the sharp rise in large national horse show activity, consumer shows and concerts in the new Livestock Stadium Arena.

- g. Other – A small increase in Other expenses is assumed.
4. Expenses
- a. Salaries, Wages & Benefits – See discussion under the Stock Show Only Salaries, Wages & Benefits expense section above.
  - b. Cost of Goods Sold/Revenue Sharing – Represents a small revenue share with select promoters on select events for parking charges. It is assumed that this practice will not continue in the future with improved facilities.
  - c. Rent – A small provision for rent expense is provided, as most items that are rented are charged back to or taken care of by the promoter.
  - d. Contracted Services – Current expenses for outside contract is relatively low because management provides the majority of services in-house. In the future under single management with more multi-purpose venues, contracted services was estimated based on anticipate usage.
  - e. Advertising – The Association currently spends a small amount on advertising because it has found it more effective to hire sales staff to sell into the various market segments. Because the Complex will have a more significant scope of reach and operations, a \$250,000 advertising budget has been provided across the Complex.
  - f. Repairs & Maintenance – The operator would be responsible for all repairs and maintenance (except for those costs incurred by the Stock Show itself). An allocation significantly higher than current levels has been provided based on analysis of comparable venues and the ideal to keep the facilities well maintained. Major capital improvements are discussed below.
  - g. Supplies – Supplies has been increase to reflect estimated actual usage levels of the operator based on analysis of existing usage and comparable venues.
  - h. Utilities – Utilities was estimated based on analysis of current usage and comparable facilities. Utilities is an area where evolving technologies, such as wind, solar, LED lighting, etc., may offer significant savings to the operator. It is assumed in this analysis that such savings are not reaped. However, it is recommended to explore these investment and savings opportunities in the design phase.

- i. Insurance – Insurance was projected based on consultation with the Association and Arts & Venues based on analysis of current premiums (some allocated), an estimate of future growth and comparable venue premiums.
- j. Horse Show Incentives - In order to fulfill the strategic option to attract large national horse shows, incentive funding must be provided. The market section of this report discusses the requirement for \$1 to \$2 million annually. In many communities, such incentive funding is provided by or funneled through convention bureaus, often supported by hotel, car rental taxes or other dedicated funding sources. For the purposes of this analysis, \$1.5 million has been included in the financial projections and has been assumed to be funded by the City via the operator. The funding source for amounts required in excess of \$1.5 million would need to be identified.
- k. Management Fees – Management fees, if applicable, have been excluded from this analysis. The payment of management fees would increase the operating deficit for the Complex.
- l. Other – Based on analysis of comparable facility information, other expenses were increased significantly to recognize the increased scale of the overall operation and to bring into line the anticipated level of operational shortfall at the Complex.



## Coliseum

Coliseum financial information is based on City Arts & Venues financial information and includes allocations of items related to the broader AVD operations, such as marketing, executive staff, etc., to the Coliseum itself.

### 5. Revenue

#### a. Stock Show Rent, Reimbursables & Parking

- i. Current - The Stock Show pays for use of the Coliseum and Coliseum parking in three ways: 1) rent is \$1 annually, 2) reimbursable charges for stagehands, ushers and equipment is \$221,000, and 3) parking is \$1.58 paid to the City out of the \$3.00 included for parking in each paid ticket, capped at \$499,000. (Prior to 2013, the City collected and retained parking fees for the Coliseum parking usage.) Combined, the Stock Show payments to the City total approximately \$720,000.
- ii. Projected – It is assumed that the Stock Show will pay \$1 million in annual rent to the operator (which operates all facilities in the future), which is a similar model as Fort Worth, but a significantly higher dollar amount of rent. It is assumed that the rent payment includes use of all Complex operator-managed parking lots and the Stock Show retains the parking fees included in Ticket Sales. It is further assumed that the operator will charge reimbursables back to the Stock Show and \$350,000 in charges will be incurred for all facilities (not just the Coliseum). In addition, this revenue line item captures office rent of \$120,000 annually paid by the Stock Show for use of on-site office space. The total \$1,470,000 was allocated one-third to the Coliseum.

#### b. Rent-Other

- i. Current - The Coliseum is managed by Arts & Venues as an “open” venue, meaning it is open to all promoters who wish to rent the facility. Amounts shown represent negotiated and collected rent. This level of rent might be considered low because the NWSS currently pays \$1 per year for use of the Coliseum during the Stock Show. Other comparable arenas would collect significant rent (likely several hundred thousand dollars) for the 26+ major events hosting almost 170,000 patrons during the Stock Show.

- ii. Projected – Based on analysis of current Coliseum operations and similar newer arenas in similar markets in conjunction with Arts & Venues staff, rent revenue to the operator from the new Coliseum is projected to increase substantially due to slightly larger capacity, higher venue quality, higher attendance, and slightly stronger rental rates.
- c. Concessions
  - i. Current – The Coliseum is paid 50% of gross F&B sales in its deal with Aramark unless Aramark's gross profits exceed 50%, in which case the Coliseum's share might be slightly higher. The Coliseum currently generates just under \$1.1 million in concession revenue, approximately \$470,000 of which is attributable to the Stock Show.
  - ii. Projected – For the Stock Show, the operator is projected to receive an equal share of net concessions from the F&B concessionaire (50/50 split between the Stock Show and operator). The Coliseum is assumed to generate approximately one-third of this concession revenue. During non-Stock Show months, net concessions were projected based on the higher projected attendance levels and a slightly higher per capita spending level. The higher per cap was estimated based on the projection that the mix of events will favor higher per cap events (such as more concerts) as compared to today's lower per cap event mix (very few concerts). Furthermore, the higher quality facilities are anticipated to spur slightly higher per cap spending.
- d. Merchandise/Feed
  - i. Current – The F&B concessionaire sells merchandise and the Coliseum receives approximately 50% of the net proceeds that the concessionaire receives.
  - ii. Projected – It is assumed that net merchandise proceeds will be significantly higher (although a relatively small dollar amount) due to the improved event mix to support merchandise sales.
- e. Sponsorship
  - i. Current - Across all its venues, A&V generates approximately \$2.5 million in sponsorship revenue, such as pouring rights. For the purposes of this analysis, \$500,000 in sponsorship revenue was allocated to the Coliseum.

- ii. Projected - See description under Stock Show Only Sponsorship revenue above.
- f. Premium Seating – See description under National Western Stock Show Premium Seating above.
- g. Parking
  - i. Current - Coliseum generated approximately \$1.13 million in parking revenue, approximately \$499,000 of which was generated from the Stock Show.
  - ii. Projected – Parking charges are assumed to apply to non-Stock Show events only. Parking revenue was projected based on similar pricing as today and the projected increased attendance.
- h. Equipment/Labor Reimbursables
  - i. Current – Excludes Stock Show reimbursables (presented under Stock Show Rent, Reimbursables & Parking above). Represents charges to event promoters for the use/rental of equipment and Coliseum provided labor.
  - ii. Projected – Reimbursable charges are projected to be higher on average than current operations based on the projected event mix that includes more events that are production heavy, such as concerts, and more events that may require more equipment and labor.
  - i. Other – A small increase in Other expenses is assumed.
- 6. Expenses
  - a. Salaries, Wages & Benefits
    - i. Current - A&V manages the Coliseum and Red Rocks with a team of approximately 10 full time equivalent staff. These facilities employ a wide range of contracted and/or temporary labor (versus having these resources on staff) for larger functions such as stagehands, janitorial, event staff, etc., which are presented under Contracted Services. In addition to these 10 staff, a portion of the A&V overhead staff (top executive staff and marketing department) is allocated to the Coliseum. A further allocation of \$100,000 has been made for City staff services that include human resources, legal, purchasing, etc.
    - ii. Projected – Estimates for overall staffing costs were made based on discussions with NWSS staff, A&V staff, analysis of existing venue

operations and analysis of comparable facilities. This area is also discussed under the Stock Show Only Salaries, Wages & Benefits expense section above.

b. Rent -

- i. Current – The Coliseum currently leases land at the east end of the Coliseum adjacent to I-70 from the Colorado Department of Transportation for parking for approximately \$58,000 annually. Other rent expense is primarily equipment rental.
- ii. Projected – It is assumed that a new management arrangement on the entire Coliseum site will result in no rent expense for the new operator of the Complex site related to the CDOT property. Furthermore, it is assumed in this financial analysis that the operator will incur no other rent expense for land. The amounts reflected relate to anticipated equipment rentals.

c. Contracted Services

- i. Current – The Coliseum currently maintains a relative small in-house staff and contracts out many of the large labor functions, such as janitorial, ushers, stagehands, parking, etc. As such, the contracted services line item is relatively large compared to salaries.
- ii. Projected – Under a new management model, it is assumed that a larger share of the services would be handled by operator employees (in-house), but that significant contracted services would still be utilized because of the increased event activity projected in the multiple multi-purpose venues.

d. Advertising

- i. Current – Represent a 20% allocation of the entire A&V marketing department spending.
- ii. Projected – A \$250,000 advertising budget has been provided across the Complex.

e. Repairs & Maintenance

- i. Current – Arts & Venues currently spends approximately \$200,000 on repairs and maintenance at the Coliseum from its operating budget on a wide variety of small maintenance items. This amount excluded larger capital replacement projects and any new capital projects.

- ii. Projected – The responsibility for maintenance would shift to the operator. An allocation significantly higher than current levels has been provided based on analysis of comparable venues and the ideal to keep the facilities well maintained. Major capital improvements are discussed below.
- f. Supplies
  - i. Current – Includes operating supplies such as office, janitorial, software, minor equipment, etc.
  - ii. Projected – Costs have been increased to reflect anticipated actual usage.
- g. Utilities - Utilities was estimated based on analysis of current usage and comparable facilities. Utilities is an area where evolving technologies, such as wind, solar, LED lighting, etc., may offer significant savings to the operator. It is assumed in this analysis that such savings are not reaped. However, it is recommended to explore these investment and savings opportunities in the design phase.
- h. Insurance
  - i. Current – Coliseum insurance was allocated based on estimates in consultation with Arts & Venues staff.
  - ii. Projected - Insurance was projected based on consultation with the Association and Arts & Venues based on analysis of current premiums (some allocated), an estimate of future growth and comparison with comparable arena premiums.
- i. Other – Projected \$150,000.

## Capital Improvement Program

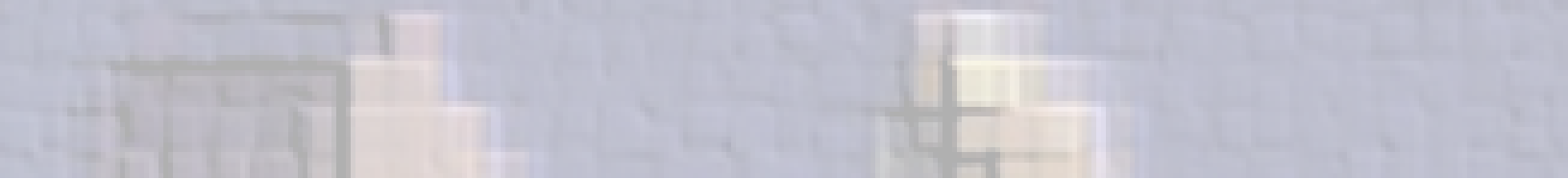
Major facilities such as the National Western Center have an ongoing need to both replace existing assets and systems to extend their useful life and to implement new projects to maintain competitiveness and address market needs. Separate from the repairs and maintenance budget, which is intended for maintenance that does not extend the life of the asset, the Partners should strongly consider some sort of Capital Improvement Program needed to fund these large capital needs. It is recommended that, as part of the design process, a schedule of fixed assets and systems, their costs, and their estimated useful life be created. This schedule, projecting the costs of replacing these systems over time, can form the basis of a Capital Improvement Program for the Complex. Owners often neglect the need to fund for these inevitable major improvements, or the costs of these replacements/improvements are underestimated.

For example, the Coliseum is currently undertaking a roof repair/replacement that is merely placing a new material on top of half the older roof at a cost of \$300,000. The Coliseum recently remodeled dressing rooms at a cost of \$1 million. A new marquee was \$800,000 and a center-hung scoreboard was nearly \$1 million. To rework the existing parking lot is estimated to be \$15 million. The myriad of other systems include technology, mechanical, electrical and plumbing systems, furniture, fixtures and equipment, and many others. The National Western has a similar list of items that have received work or need work.

Denver has a Facilities Development Admissions Tax (aka FDA or Seat Tax) that acts as a sales tax on all tickets sold at all City owned venues. The tax is levied at the point of sale at 10% of the face value of the ticket. The City places these proceeds in a fund for debt service and capital projects at those City facilities.

It is generally the responsibility of the promoter to collect and remit the Seat Tax to the City. The Stock Show generated approximately \$550,000 in 2013, including approximately \$390,000 from Coliseum events and \$160,000 from other Complex venues. The Association also promoted the Rodeo All-Star Weekend, which generated approximately \$23,000 in Seat Tax. Other non-Stock Show ticketed events, such as concerts, family shows and consumer shows, add to the Seat Text collections.

The concept in Denver currently is that the Seat Tax would be allocated back to the venue that generated it for capital maintenance. The allocation of the capital funds for Coliseum projects



has varied over the last several years. Based on the current agreement, the National Western receives approximately \$300,000 annually to help maintain the facilities.

This is an example of a functioning Capital Improvement Project funding stream. However, if a full schedule for a reserve for replacements is developed for the entire slate of new facilities and grounds, the funding required will likely be significantly higher than current levels. To achieve the goal of complete self-sustainability, funding for a fully-loaded Capital Improvement Project fund should be identified and funding would ideally begin near project inception.

## ECONOMIC IMPACT – NATIONAL WESTERN CENTER

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The implementation of the recommendations for the National Western Center, including the new Arena, is estimated to position the Complex as a very competitive facility for a wide variety of entertainment, trade/consumer show and livestock events. Importantly, the recommendations are designed to allow the Stock Show to flourish for many decades. Additionally, these suggested improvements will enhance the adjoining neighborhoods and create a new, 21<sup>st</sup> century “gateway” into downtown Denver, promoting the City’s vision as emerging global city.

The economic impact analysis generally followed the research methodology employed in the University of Colorado Boulder’s Leeds School of Business (Business Research Division) June 2010 report, which was a follow-up study to previous studies prepared by Statistical Consulting Services and the Economic Development Department of the Denver Metro Chamber of Commerce. One of the primary reasons to utilize the CU-Boulder methodology was its primary research in the form of after-the-fact online surveys of actual livestock exhibitors and trade show vendors, and on-site surveys of general attendees.

The CU-Boulder per capita spending research was generally employed in this analysis, with some modifications based on discussions with the City and National Western staff regarding current and future expected operations. Consistent with the CU–Boulder study, the Stock Show analysis was based on overnight visitors who were showing livestock, performing, or promoting at commercial exhibits. Local visitors were excluded from these two major spending components. With respect to general visitors to the Stock Show, both out of town (Metro area) and local spending were included and were captured in separate columns.

The analysis findings are presented in the tables below:



## Summary Tables: Existing, Incremental and Projected Stabilized Impacts

Existing Annual Impact				Incremental Annual Impact			
(millions)	Spending			(millions)	Spending		
	Local	Non-Local	Total		Local	Non-Local	Total
<b>Stock Show</b>				<b>Stock Show</b>			
Stock Show @ All Venues	\$15.9	\$67.6	\$83.5	Stock Show @ All Venues	\$2.2	\$10.4	\$12.6
Subtotal	\$15.9	\$67.6	\$83.5	Subtotal	\$2.2	\$10.4	\$12.6
<b>Non-Stock Show</b>				<b>Non-Stock Show</b>			
NWC	\$5.8	\$7.1	\$12.8	NWC	\$5.3	\$48.1	\$53.4
Coliseum	6.7	2.9	9.6	Coliseum	2.9	4.3	7.2
Subtotal	\$12.5	\$10.0	\$22.5	Subtotal	\$8.2	\$52.4	\$60.6
Total Spending	\$28.4	\$77.6	\$106.0	Total Spending	\$10.4	\$62.8	\$73.2
<b>Taxes</b>				<b>Taxes</b>			
(millions)	Local	Non-Local	Total	(millions)	Local	Non-Local	Total
<b>Stock Show</b>				<b>Stock Show</b>			
City	\$0.3	\$2.6	\$3.0	City	\$0.1	\$0.4	\$0.4
State	0.0	1.0	1.0	State	0.0	0.1	0.2
Other	0.0	0.4	0.4	Other	0.0	0.1	0.1
Subtotal	\$0.4	\$4.0	\$4.4	Subtotal	\$0.1	\$0.6	\$0.6
<b>Non-Stock Show</b>				<b>Non-Stock Show</b>			
City	\$1.0	\$0.5	\$1.5	City	\$0.6	\$2.2	\$2.9
State	0.1	0.2	0.3	State	0.1	1.1	1.2
Other	0.0	0.1	0.1	Other	0.0	0.4	0.4
Subtotal	\$1.2	\$0.8	\$2.0	Subtotal	\$0.8	\$3.7	\$4.5
Total Taxes	\$1.5	\$4.8	\$6.3	Total Taxes	\$0.8	\$4.3	\$5.1

Projected Stabilized Annual Impact			
(millions)	Spending		
	Local	Non-Local	Total
<b>Stock Show</b>			
Stock Show @ All Venues	\$18.1	\$78.0	\$96.1
Subtotal	\$18.1	\$78.0	\$96.1
<b>Non-Stock Show</b>			
NWC	\$11.1	\$55.1	\$66.2
Coliseum	9.7	7.2	16.8
Subtotal	\$20.7	\$62.3	\$83.0
Total Spending	\$38.8	\$140.3	\$179.2
<b>Taxes</b>			
(millions)	Local	Non-Local	Total
<b>Stock Show</b>			
City	\$0.4	\$3.0	\$3.4
State	0.0	1.1	1.2
Other	0.0	0.4	0.4
Subtotal	\$0.4	\$4.6	\$5.0
<b>Non-Stock Show</b>			
City	\$1.6	\$2.7	\$4.4
State	0.2	1.3	1.5
Other	0.1	0.5	0.6
Subtotal	\$1.9	\$4.5	\$6.4
Total Taxes	\$2.4	\$9.1	\$11.4

Source: NWSS, City of Denver, Leeds School of Business, SAG.

In addition to Stock Show and non-Stock Show spending by commercial (trade/consumer show) vendors, livestock exhibitors and general attendees, the CU-Boulder study added the estimated impacts of other more indirect spending, including capital maintenance construction, operational spending, indirect spending (based on multipliers by Minnesota IMPLAN Group), and employee (off-site) spending, as well as deducting for some relatively small public costs. Were these same calculations added to the current analysis, total impacts would be approximately 22% higher.

## Existing and Incremental Tax Breakdown (Complex and Coliseum Combined)

Existing Annual Impact				Incremental Annual Impact			
	Taxes				Taxes		
<b>Stock Show</b>				<b>Stock Show</b>			
<b>City</b>				<b>City</b>			
Occupancy (10.75%)	\$0	\$1,546,000	\$1,546,000	Occupancy (10.75%)	\$0	\$228,800	\$228,800
Sales (4.0%)	28,000	801,300	829,300	Sales (4.0%)	3,900	119,300	123,200
Admissions (10.0%)	319,900	228,800	548,700	Admissions (10.0%)	48,000	34,300	82,300
Car Rental (7.25%)	0	28,000	28,000	Car Rental (7.25%)	0	3,900	3,900
<b>City Subtotal</b>	<b>\$347,900</b>	<b>\$2,604,100</b>	<b>\$2,952,000</b>	<b>City Subtotal</b>	<b>\$51,900</b>	<b>\$386,300</b>	<b>\$438,200</b>
<b>State</b>				<b>State</b>			
Sales Tax (2.9%)	\$20,300	\$998,000	\$1,018,300	Sales Tax (2.9%)	\$2,800	\$148,200	\$151,000
<b>State Subtotal</b>	<b>\$20,300</b>	<b>\$998,000</b>	<b>\$1,018,300</b>	<b>State Subtotal</b>	<b>\$2,800</b>	<b>\$148,200</b>	<b>\$151,000</b>
<b>Other</b>				<b>Other</b>			
Regional Transit District (1.0%)	\$7,000	\$344,100	\$351,100	Regional Transit District (1.0%)	\$1,000	\$51,100	\$52,100
Cultural Facilities District (0.1%)	700	34,400	35,100	Cultural Facilities District (0.1%)	100	5,100	5,200
<b>Other Subtotal</b>	<b>\$7,700</b>	<b>\$378,500</b>	<b>\$386,200</b>	<b>Other Subtotal</b>	<b>\$1,100</b>	<b>\$56,200</b>	<b>\$57,300</b>
<b>Total Taxes</b>	<b>\$375,900</b>	<b>\$3,980,600</b>	<b>\$4,356,500</b>	<b>Total Taxes</b>	<b>\$55,800</b>	<b>\$590,700</b>	<b>\$646,500</b>
<b>Non-Stock Show</b>				<b>Non-Stock Show</b>			
<b>City</b>				<b>City</b>			
Occupancy (10.75%)	\$0	\$309,800	\$309,800	Occupancy (10.75%)	\$0	\$1,086,000	\$1,086,000
Sales (4.0%)	162,200	162,300	324,500	Sales (4.0%)	137,900	1,081,100	1,219,000
Admissions (10.0%)	845,700	26,400	872,100	Admissions (10.0%)	477,100	18,500	495,600
Car Rental (7.25%)	0	7,200	7,200	Car Rental (7.25%)	0	49,900	49,900
<b>City Subtotal</b>	<b>\$1,007,900</b>	<b>\$505,700</b>	<b>\$1,513,600</b>	<b>City Subtotal</b>	<b>\$615,000</b>	<b>\$2,235,500</b>	<b>\$2,850,500</b>
<b>State</b>				<b>State</b>			
Sales Tax (2.9%)	\$117,600	\$201,200	\$318,800	Sales Tax (2.9%)	\$100,000	\$1,076,800	\$1,176,800
<b>State Subtotal</b>	<b>\$117,600</b>	<b>\$201,200</b>	<b>\$318,800</b>	<b>State Subtotal</b>	<b>\$100,000</b>	<b>\$1,076,800</b>	<b>\$1,176,800</b>
<b>Other</b>				<b>Other</b>			
Regional Transit District (1.0%)	\$40,600	\$69,400	\$110,000	Regional Transit District (1.0%)	\$34,500	\$371,300	\$405,800
Cultural Facilities District (0.1%)	4,100	6,900	11,000	Cultural Facilities District (0.1%)	3,400	37,100	40,500
<b>Other Subtotal</b>	<b>\$44,700</b>	<b>\$76,300</b>	<b>\$121,000</b>	<b>Other Subtotal</b>	<b>\$37,900</b>	<b>\$408,400</b>	<b>\$446,300</b>
<b>Total Taxes</b>	<b>\$1,170,200</b>	<b>\$783,200</b>	<b>\$1,953,400</b>	<b>Total Taxes</b>	<b>\$752,900</b>	<b>\$3,720,700</b>	<b>\$4,473,600</b>

Source: NWSS, City of Denver, Leeds School of Business, SAG.

The Projected Stabilized Tax Breakdown is presented on the following page.

## Projected Stabilized Tax Breakdown

Projected Stabilized Annual Impact			
	Taxes		
<b>Stock Show</b>			
<b>City</b>			
Occupancy (10.75%)	\$0	\$1,774,800	\$1,774,800
Sales (4.0%)	31,900	920,600	952,500
Admissions (10.0%)	367,900	263,100	631,000
Car Rental (7.25%)	0	31,900	31,900
<b>City Subtotal</b>	<b>\$399,800</b>	<b>\$2,990,400</b>	<b>\$3,390,200</b>
<b>State</b>			
Sales Tax (2.9%)	\$23,100	\$1,146,200	\$1,169,300
<b>State Subtotal</b>	<b>\$23,100</b>	<b>\$1,146,200</b>	<b>\$1,169,300</b>
<b>Other</b>			
Regional Transit District (1.0%)	\$8,000	\$395,200	\$403,200
Cultural Facilities District (0.1%)	800	39,500	40,300
<b>Other Subtotal</b>	<b>\$8,800</b>	<b>\$434,700</b>	<b>\$443,500</b>
<b>Total Taxes</b>	<b>\$431,700</b>	<b>\$4,571,300</b>	<b>\$5,003,000</b>
<b>Non-Stock Show</b>			
<b>City</b>			
Occupancy (10.75%)	\$0	\$1,395,800	\$1,395,800
Sales (4.0%)	300,100	1,243,400	1,543,500
Admissions (10.0%)	1,322,800	44,900	1,367,700
Car Rental (7.25%)	0	57,100	57,100
<b>City Subtotal</b>	<b>\$1,622,900</b>	<b>\$2,741,200</b>	<b>\$4,364,100</b>
<b>State</b>			
Sales Tax (2.9%)	\$217,600	\$1,278,000	\$1,495,600
<b>State Subtotal</b>	<b>\$217,600</b>	<b>\$1,278,000</b>	<b>\$1,495,600</b>
<b>Other</b>			
Regional Transit District (1.0%)	\$75,100	\$440,700	\$515,800
Cultural Facilities District (0.1%)	7,500	44,000	51,500
<b>Other Subtotal</b>	<b>\$82,600</b>	<b>\$484,700</b>	<b>\$567,300</b>
<b>Total Taxes</b>	<b>\$1,923,100</b>	<b>\$4,503,900</b>	<b>\$6,427,000</b>

Source: NWSS, City of Denver, Leeds School of Business, SAG.

Generally, the Stock Show impacts increase relative to the anticipated increase in attendance and overall activity.

From the non-Stock Show perspective, the analysis reveals similar conclusions to the previous studies that new concert activity and new consumer activity are two of the primary sources of new impact. However, both of these event types are generally local draws – very few out of town visitors attend these types of events, so the net new incremental impact is relatively low.

What is different in this study versus the previous studies is the potential strategic move to compete for large national horse shows and addition of a strong K-20 education component to the Complex through a partnership with Colorado State University. The tables on the following page illustrate that the projections indicate over a ten-fold increase in equestrian event spending from \$4.3 million to \$50.5 million.

These spending figures are driven primarily by the projected attendance. It was the market study's conclusion that, given an entire new set of appropriately designed facilities, Denver and the new National Western Center could compete with cities such as Fort Worth, Oklahoma City and Tulsa for large national horse shows. The total attendee days for horse shows in Denver was projected to be 437,500. This projection figure is 69% of Fort Worth's reported figure of 632,000, and 53% of Oklahoma City's reported figure of 827,000. Should Denver achieve the projected 437,500 attendee days, and assuming the total per capita daily spending is consistent with the \$162.49 used in this analysis (which is less than the per capita amount used in the CU-Boulder study), the spending projection would hold true.

The incremental \$46.2 million in spending would be a significant injection of spending into local businesses. However, tax impacts are smaller. The total incremental non-local non-Stock Show tax impact is projected to be \$3.3 million annually (excludes Coliseum impacts). Based on the assumptions, the incremental spending from horse shows is projected to be approximately 86% of that total incremental spending. As such, roughly 86% of the \$3.3 million incremental tax impact can be attributed to horse shows.

In order to accommodate the strategic move to host large national horse shows, the incremental facilities include the 500-seat Equestrian Arena, associated indoor and outdoor warm-up areas, and the associated land and infrastructure. The master planning study could determine the cost of

these incremental components. Furthermore, \$1 to \$2 million must be available for incentives to attract these large national shows.

## Non-Stock Show Annual Spending

Existing Non-Stock Show Impact			
	Local	Non-Local	Total
<b>Annual Spending</b>			
Equestrian	\$1,357,000	\$2,950,000	\$4,307,000
Other Livestock	118,000	1,306,000	1,424,000
Consumer/Trade	1,615,000	2,384,000	3,999,000
Conference	0	0	0
Meetings & Banquets	0	52,000	52,000
Non-Tenant Sports	1,078,000	171,000	1,249,000
Concerts	1,601,000	188,000	1,789,000
Family Shows	0	0	0
Other	0	0	0
<b>Total</b>	<b>\$5,769,000</b>	<b>\$7,051,000</b>	<b>\$12,820,000</b>

Incremental Non-Stock Show Impact			
	Local	Non-Local	Total
<b>Total Annual Spending</b>			
Equestrian	\$2,239,000	\$43,939,000	\$46,178,000
Other Livestock	28,000	575,000	603,000
Consumer/Trade	1,530,000	2,259,000	3,789,000
Conference	0	1,080,000	1,080,000
Meetings & Banquets	0	16,000	16,000
Non-Tenant Sports	436,000	69,000	505,000
Concerts	1,045,000	134,000	1,179,000
Family Shows	0	0	0
Other	20,000	19,000	39,000
<b>Total</b>	<b>\$5,298,000</b>	<b>\$48,091,000</b>	<b>\$53,389,000</b>

Incremental Non-Stock Show Impact			
	Local	Non-Local	Total
<b>Total Annual Spending</b>			
Equestrian	\$3,596,000	\$46,889,000	\$50,485,000
Other Livestock	146,000	1,881,000	2,027,000
Consumer/Trade	3,145,000	4,643,000	7,788,000
Conference	0	1,080,000	1,080,000
Meetings & Banquets	0	68,000	68,000
Non-Tenant Sports	1,514,000	240,000	1,754,000
Concerts	2,646,000	322,000	2,968,000
Family Shows	0	0	0
Other	20,000	19,000	39,000
<b>Total</b>	<b>\$11,067,000</b>	<b>\$55,142,000</b>	<b>\$66,209,000</b>

Source: NWSS, City of Denver, Leeds School of Business, SAG.

## SECTION 2 - COLORADO CONVENTION CENTER

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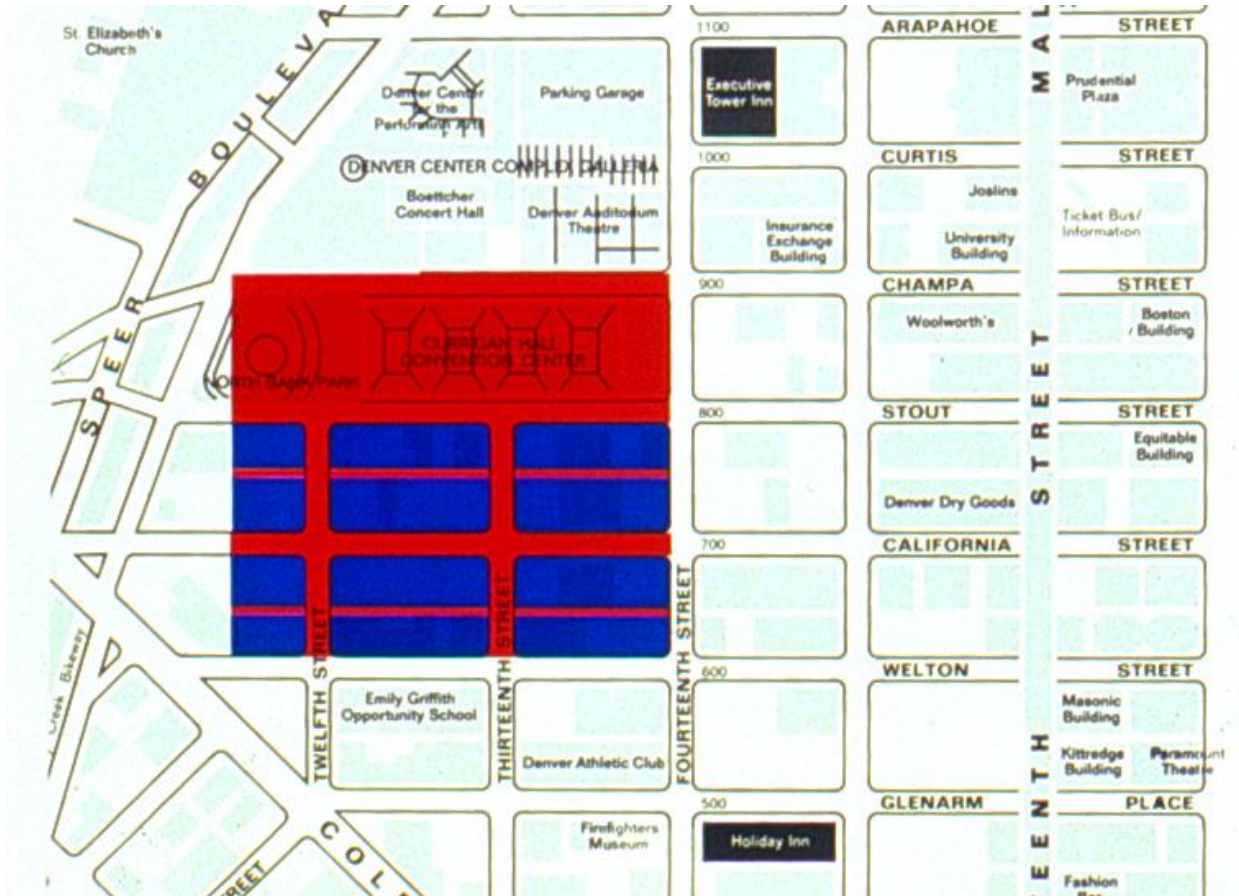
### Overview

A recent study conducted by Watkins Research ranked Denver fourth among destinations in the U.S. and Canada. The areas of the study included value, positive experience and activities of the destination management organization. The study showed **improvement in Denver** in key categories including convention center service and facilities. The Democratic National Convention and the Major League Baseball All Star Game are examples of high profile events that have elevated Denver's stature as a destination. Convention business has a wide range of benefits for Denver beyond economic gains. Examples of these include being catalytic for potential long-term investment, cultural and educational exchange, opportunities for residents to participate by attending shows, concerts and private events, new business opportunities being showcased and community pride that is associated with Denver hosting high profile events.

The overriding theme that was consistent in the discussions and surveys with the variety of constituents was the high level of satisfaction with the overall meetings and convention experience in Denver. Clients, suppliers, internal team members, and community partners shared this view. The recommendations contained in this section of the report are reflective of an opportunity to utilize the input received to improve an overall experience that currently receives high marks from a wide spectrum of stakeholders. The success of the Denver Alliance, coupled with the continued improvement in Denver's perception in the market place, creates an opportunity to implement recommendations that will continue to move Denver forward as a leader in the convention market.

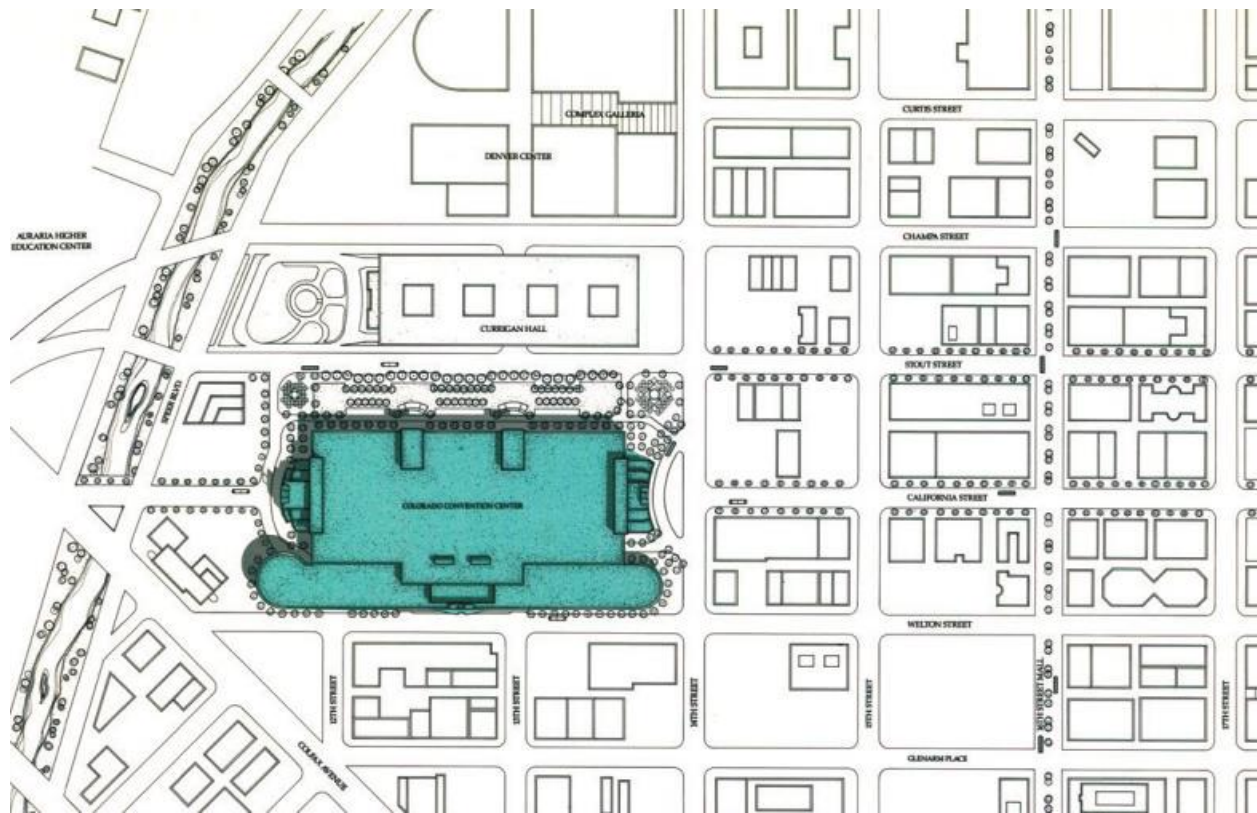
## Brief History of Expansion of the Colorado Convention Center

1970's



The convention center in Denver started in the 1970's as a simple exhibit hall called Currihan Hall. It was bounded by Champa Street, Stout Street, 14th Street, and 12th Street. In the late 1980's, a master plan was developed to provide future expansions of the convention center. A nine-block site, bounded by Speer Boulevard, 14th Street, Welton Street, and Champa Street was defined.

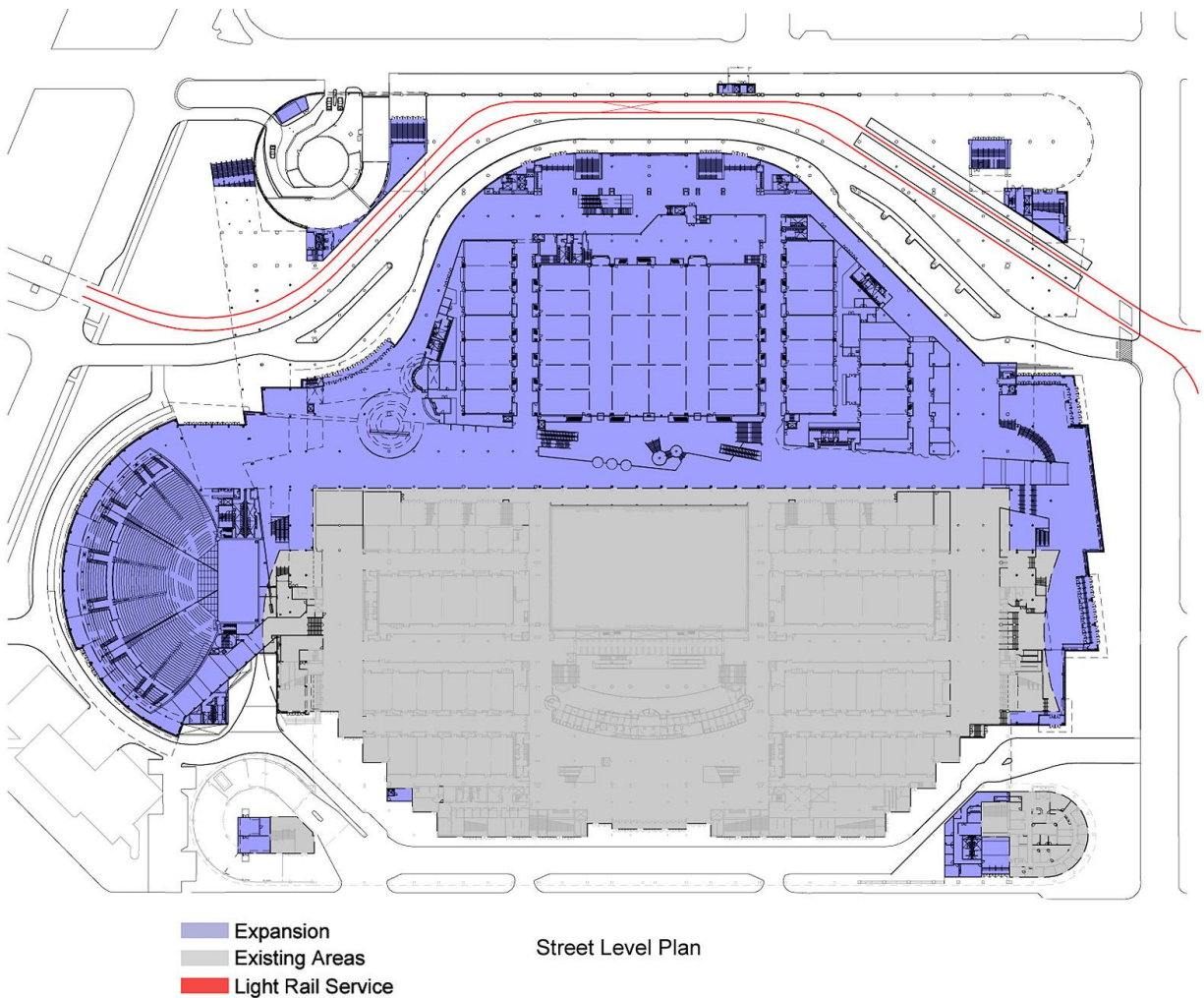
## 1990's



In 1990, the city added what is now the Colorado Convention Center adjacent to Currigan Hall. As part of the master plan developed in 1990, the center was planned to double in size by expanding onto the Currigan Hall site.



## 2000's



In 2004, the center realized this expansion which removed Currigan Hall and doubled the size of the convention center to its current size. The current center is bounded by Champa Street, Welton Street, 14th Street, and Speer Boulevard. In its 40 year history, the convention center has gone through many transformations including constructing and tearing down Currigan Hall, building the original Colorado Convention Center and then expanding it. In order to preserve at least one additional future expansion for the center, the city had the vision to incorporate the structural ability for the center to expand vertically over the 2004 addition. This was important to the city and the convention center as it planned for the future growth on a land-locked urban site, saved on the cost of purchasing new land, and provided a future expansion site which could take

advantage of the spectacular Rocky Mountain views for which Denver is famous. The site area available for this expansion was over 340,000 square feet.

**An Inclusive Approach**

In conjunction with VISIT DENVER and industry leadership input, an inclusive approach was developed to determine opportunities to evolve the Colorado Convention Center (CCC). The intent of the approach was to gain understanding and insight from the Denver hospitality and tourism industry, community leaders, meeting planners, consumer show executives, convention centers and CVBs in competing destinations, suppliers to the convention center, convention industry thought leaders, and the internal teams of VISIT DENVER and the CCC. The names of the participants are listed in Appendix A of this report.



**Internal Team**

Meetings with members of the internal teams of VISIT DENVER and the CCC were conducted and included senior leadership, as well as the sales and services teams. These discussions encompassed all aspects of building design and overall operational opportunities. SAG also met with the partners in the Denver Alliance, which include SMG, Centerplate Catering, VISIT DENVER, The Division of Theatres and Arenas for the City and County of Denver and the Hyatt Regency Denver. These discussions included design and operational input, as well as the future

opportunities to enhance the Denver downtown hotel package. Finally, SAG facilitated a charette with members of the Denver Alliance, the Denver hotel community, and Fentress Architects to review the research findings and discuss the implication and potential direction for the CCC.

### **Community Leaders**

Meetings with members of the Denver Business Community, Economic Development Corporations, and key organizational partners were conducted to gain insights on the Denver economy, future development and the Denver brand.

### **Customer Advisory Board**

Two sessions of focus groups with the Denver Customer Advisory Board (CAB) were conducted to gain insight and validate the input gathered throughout the process. The final session with the CAB was an interactive design discussion with SAG and Fentress Architects. The members of the CAB reviewed the outcome of the qualitative and quantitative research and gave input to the architecture team on key areas and trends.

### **Industry Thought Leaders**

Feedback from the leaders of the following industry organizations was included in the overall analysis:

- Center for Exhibition Industry Research
- Professional Convention Management Association
- International Association of Exhibitions and Events
- International Association of Venue Managers

These discussions centered on the future of the industry and recent research that had been conducted. The trends that were surfaced in the focus group discussion were also reviewed with these industry leaders.

### **Hotel Community**

Meetings with leaders from the Denver hotel community were conducted to gain insight related to market opportunities and understand the dynamics of the Denver downtown hotel package.

## **Suppliers**

Meetings and interviews were conducted with many of the key vendors who are active in the CCC, including general service contractors and technology providers. The focus of these discussions related to physical and operational trends in the convention center industry. Companies that participated in the interviews included Shepard Exposition Services, Freeman Decorating Company, Reed Expositions, Levy Restaurants, and Brede Allied Services.

## **Customer Focus Groups**

Work sessions were conducted with over 100 customers in a combination of focus groups and one-on-one meetings. The focus of these discussions was to understand specific thoughts on the current design of the CCC, as well as operational input. A wide variety of both corporate and association planners expressed their ideas on current strengths and areas for future improvement. The discussions also focused on future trends of the meetings industry.

## **Customer Surveys**

The target market was surveyed to understand how Denver could compete effectively over the next 25 years. The online survey was designed to seek input on CCC design and configuration opportunities, as well as validate key industry trends that emerged from other research. The surveys were designed for three sizes of meeting/convention events and included:

1. Groups with 1,500 to 4,500 hotel rooms needed on their peak night, with exhibit space needs that fit into the Colorado Convention Center.
2. Groups with less than 1,500 hotel rooms needed on their peak nights, with overall space needs that fit into the Colorado Convention Center. These groups are also able to meet in the larger hotels with large amount of convention and meeting space.
3. Groups with a need for more exhibit space than is currently available at the Colorado Convention Center.

The list of meeting planners surveyed was provided by VISIT DENVER and included 965 targeted meeting planners. The responses include a cross section of event types and sizes of events, primarily from the groups with less than 1,500 peak room nights (“small groups”) and those ranging from 1,500 to 4,500 peak room nights (“large groups”). The groups with a need for more exhibit space than is offered at the CCC did not respond and are not included in the analysis.

## Consumer Show Leadership

Event organizers for consumer shows that are held in the CCC were interviewed to gather feedback on the CCC, and to gain insight on the value of a potential new expo hall at the Western Stock Show site. Discussions included design input and overall insight on the future of the consumer show market in Denver.

## Competitive Convention Center and Destination Benchmarking

A review and comparison of Denver’s convention infrastructure and the Colorado Convention Center’s performance was benchmarked to 15 competitive destinations. This included comparing the leasable exhibit, ballroom and meeting square feet, divisibility of leasable space, downtown hotel infrastructure and nearby convention hotel infrastructure, total event and citywide activity level. Facilities included in the benchmarking analysis were as follows:

Benchmarked Destinations						
Center	Population	Airlift	Convention Center SF		Full-Service Hotels	
			Exhibit	Total Leasable	Within CCC	Downtown
Chicago	9,522,400	41,608,200	2,598,500	3,164,000	800	27,509
Dallas	6,701,000	31,925,500	745,800	909,600	1,001	11,356
Houston	6,177,000	24,082,700	862,000	989,700	2,866	5,934
Philadelphia	6,018,800	14,589,300	714,000	941,900	3,247	8,945
Washington DC	5,860,300	20,278,500	703,000	904,400	3,263	22,034
Atlanta	5,457,800	45,798,900	1,366,000	1,672,400	1,391	11,781
Boston (BCEC)	4,640,800	14,293,700	516,000	704,400	793	15,737
San Francisco	4,455,600	21,284,200	538,700	860,300	3,862	21,190
Phoenix	4,329,500	19,560,900	612,500	894,400	2,462	5,897
Seattle	3,552,200	16,121,100	205,700	345,900	2,793	7,798
San Diego	3,177,100	8,686,600	615,700	816,100	5,930	12,563
Denver	2,645,201	25,799,800	579,000	753,100	4,047	7,058
San Antonio	2,234,000	4,036,600	438,500	630,100	4,670	7,408
Orlando	2,223,700	17,159,400	2,053,800	2,536,800	5,507	11,561
Indianapolis	1,929,000	3,586,400	566,600	738,800	4,428	5,015
New Orleans	1,227,100	4,293,600	1,026,300	1,290,700	3,477	15,436

Sources: FAA, Census Bureau, Facilities, CVBs.  
 Note: Chicago, Dallas, DC, Houston include two airports.

The destinations were selected in conjunction with VISIT DENVER based on destinations that Denver competes with on a routine basis. In addition to the benchmark analysis, interviews were conducted with the general managers of the Charlotte, Orlando and Nashville convention centers to gain additional insight for the analysis.

### Current Utilization and Lost Business Analysis

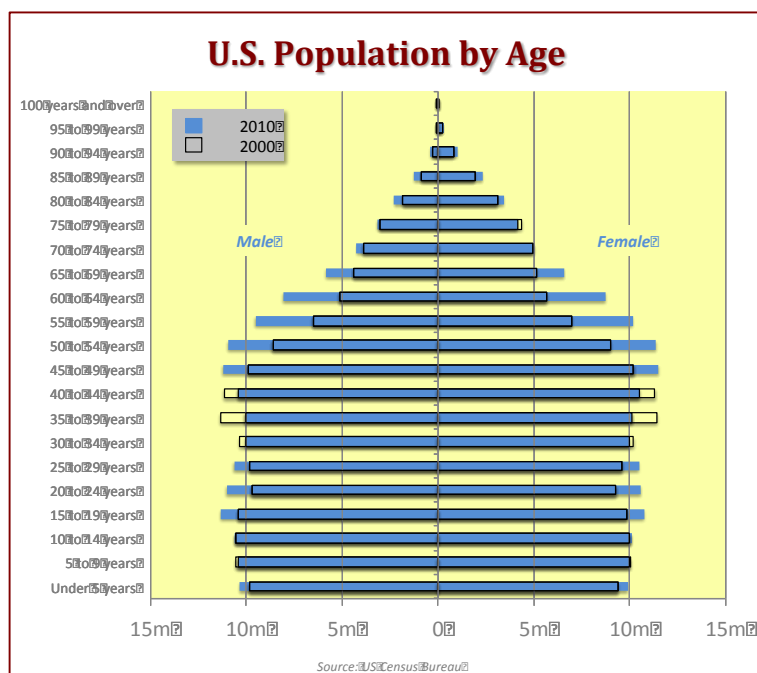
The CCC calendar was analyzed to gain an understanding of the overall utilization of the available space. Additional analysis was performed on events that considered Denver, but had to be turned down due to CCC space not being available and/or hotel rooms not being available. This analysis included assessing the additional CCC space and/or additional hotel rooms required to be able to accommodate the lost business.

## Convention Center Industry Trends

Moving forward in a strategic direction needs to take into account where key societal, technological, business, and industry trends are headed. From the broadest worldview, dramatic geopolitical and economic pressures are reshaping our planet. Today, political and economic changes are allowing many countries to exert significant influence on global markets. U.S. demographics are changing as the boomers age while the echo generation becomes earners, and personal technology is changing the way people interact at every level. All this plays into the convention industry that has experienced tremendous growth in supply over the past two decades, while demand experienced the impact of two major recessions.

### Demographics

Demographics in the U.S. are shifting. The baby boom generation has dominated U.S.



wealth creation and business thinking for the past 20 years. However, major shifts are coming. While the baby boomers grew up in a world where their primary influences were the other kids on the block and the local newspaper, the ways of this older generation are giving way to new generations who view the world and conduct their lives in new and rapidly evolving ways. These **new generations** are growing up in a different political, economic, technological and social environment. Today, many children learn without textbooks and comfortably employ a stunning array of communications tools on a global basis. Destinations must be thinking about Gen X, Gen Y (Millennials) and beyond. **They do things differently.**

Trends suggest that the economy will experience a huge shock factor as the numerous **boomers** transition from their most productive years to retirement and the potential collapse of their spending, as well as their influence on decision making at all levels.

## Technology

Technology will continue to have a material impact in our lives and in the convention industry. Twenty-five years ago, personal computers had barely been introduced, and one might have had to insert a floppy disk to make the new machine work. Today, communications are **instantaneous** via text, e-mail, cellular phones, video-teleconferencing, even virtual reality. Most workers have more computing power in machines the size of a book than NASA had with machines that filled entire rooms. Further, unfathomable amounts of information are available at the touch of a button and the exponential rate of change of today's technology is difficult to comprehend even for today's most forward thinkers. This also bodes well for the importance of meeting and conventions as a platform to learn the latest technological advances.

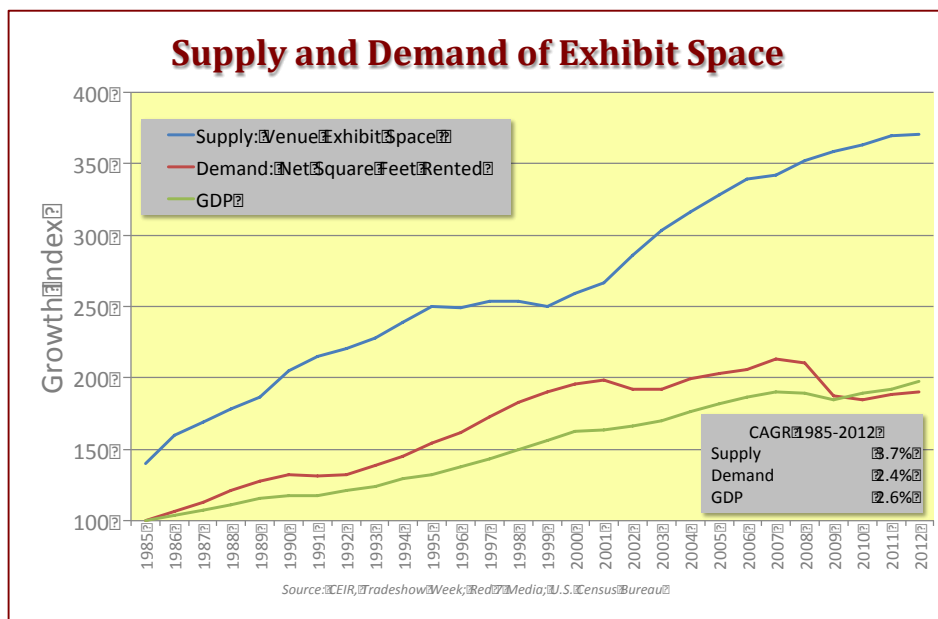


With today's interconnected world, one person's reach can be **global**, and a global company's goods can be tailored to be personal. Real-time holographic presence is already here. Additive manufacturing (3D printing) is today allowing the making of three-dimensional solid objects of virtually any shape from a digital model – desktop manufacturing. Need a new golf club? Hit

print. Google has rolled out computer glasses that will surely lead to greater use of virtual reality. And technology is advancing at an exponential rate.

## Convention Center Supply

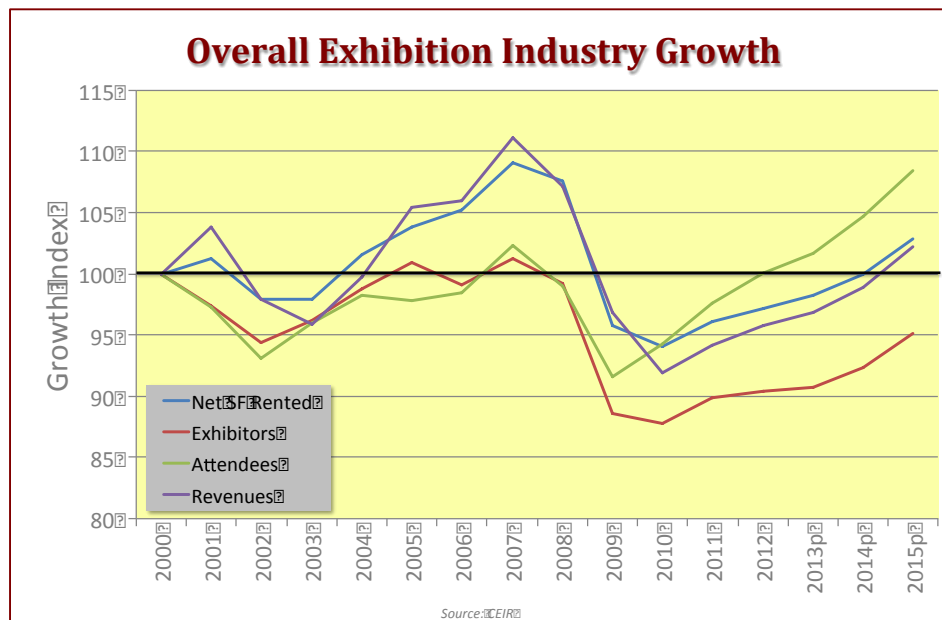
From 1980 to 2007 (led by the boomer generation), travel and the convention/tradeshow industry blossomed into an economic powerhouse. Cities have grown to covet the economic impact large conventions and tradeshow deliver while imposing relatively little stress on the services cities/states provide to their residents. In their zeal to win this lucrative business, cities have participated in an exhibit “space race” and **all major cities now have large convention centers**. From 1985 to 2012, the supply of exhibit space averaged 3.7% annual growth annually. Due to the time it takes centers to be constructed, supply typically grows into recessionary periods. For example, supply grew 6.0% annually from 1985 to 1995, well past the 1991/1992 recession. Supply was relatively stable through the 1990s economic expansion, but cities were busy planning and funding projects that opened during and after the 2001 recession. Supply grew 4.6% on average from 1999 to 2005 and slowed to 1.8% annually from 2005 to 2012. According to Trade Show Executive, there are 17 North American convention centers under construction and nearly 30 more considering development. This equates to approximately 640,000 square feet in prime exhibit space and 280,000 square feet of meeting space to be added. Recent announced or completed expansions include San Diego, San Francisco, and San Antonio.





## Convention Center Demand

The meetings business is a **mature industry** and generally ebbs and flows with the broader economy. Over time, the demand for convention center exhibit space, in terms of net square feet rented, has grown at an average rate of 2.4% annually since 1985, slightly less than GDPs growth rate of 2.6% over the same period. During the economic expansion from 2003 through 2007, building revenues and net square feet rented grew approximately 10%; however, the number of exhibitors and attendees remained relatively flat. In 2012, only the number of attendees has returned to 2000 levels, while net square feet, exhibitors and rental revenues are still below the 2000 benchmark. CEIR projects that all demand measures, other than number of exhibitors, **will exceed 2000 levels by 2015**.



**The size of events is shrinking.** Large events are subdividing into smaller events. For example, there are a small number of events that require 1 million net square feet or more of exhibit space, and these events have been decreasing over the past five years. Since 2008, these “mega” tradeshow events have dropped from eight to five annually. Similarly, those needing 500,000 to less than 1 million net square feet has also shown a decline from 30 events in 2008 to 24 events in 2012. (Net square feet represents the space rented to the exhibitor. Gross square feet adds aisles and other non-rentable areas and is generally double the net square feet. So a 500,000 net square feet event requires 1 million gross square feet.)

The convention industry is driven by the different **economic sectors**. CEIR reports convention demand growth in terms of net square feet rented by sector. From the year 2000 to 2012, the sectors that grew the most for convention industry included government, machinery and finished business outputs, and sporting goods, travel and amusement. CEIR projections through 2015 indicate growth of the next few years will be fueled by finance, legal and real estate; building, construction & home repair; transportation; communications & IT; and consumer goods & retail.

Growth Index by Sector																	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013p	2014p	2015p	Growth 2012-2015
Financial, Legal, & Real Estate	100.0	96.2	88.5	89.6	95.5	100.4	90.1	101.3	99.5	78.6	79.7	81.9	88.0	91.8	96.8	103.0	17%
Building, Construction & Home Repair	100.0	109.1	101.0	104.1	105.3	111.7	121.8	126.0	117.7	100.1	93.6	87.4	86.4	89.4	94.0	100.1	16%
Transportation	100.0	100.4	97.5	93.5	97.8	100.2	99.7	99.3	96.5	83.7	81.7	85.6	91.4	94.0	96.9	101.3	11%
Communications & IT	100.0	97.9	83.6	82.2	85.7	89.3	92.5	98.3	99.2	88.0	82.4	88.3	92.0	94.8	97.1	101.4	10%
Consumer Goods & Retail Trade	100.0	97.6	89.5	88.5	91.9	94.2	91.4	91.1	84.6	73.9	77.3	80.1	82.1	84.0	87.4	90.3	10%
Discretionary/consumer Goods & Services	100.0	97.0	87.6	91.1	91.2	95.4	94.9	95.9	92.9	88.1	89.4	92.3	95.0	96.6	99.3	103.2	9%
Sporting Goods, Travel and Amusement	100.0	105.7	107.1	114.0	115.6	119.0	122.6	130.3	126.6	109.3	107.2	108.0	110.7	113.2	116.2	119.7	8%
Machinery and Finished Business Outputs	100.0	112.3	109.2	128.6	114.6	126.5	135.3	144.6	144.8	139.5	131.7	145.2	146.3	148.7	152.0	157.3	8%
Food	100.0	99.8	95.4	97.6	95.1	92.3	91.5	92.2	85.1	73.6	74.5	75.1	77.6	79.0	80.7	83.1	7%
Raw Materials and Science	100.0	97.2	99.0	96.8	101.0	98.8	105.0	109.4	109.7	103.8	101.7	106.0	106.4	106.6	108.5	112.0	5%
Medical and Health	100.0	101.8	105.4	105.4	112.7	116.5	118.5	118.9	116.4	107.3	105.9	106.2	106.3	106.7	108.4	111.4	5%
Business Services	100.0	94.2	83.3	80.7	81.5	83.6	82.1	83.9	81.9	74.7	71.0	72.8	73.0	72.5	72.5	73.2	0%
Education	100.0	97.3	97.3	95.6	104.3	96.9	85.6	90.9	86.2	80.5	82.9	82.8	79.5	77.6	77.4	78.6	-1%
Government	100.0	106.5	110.1	114.4	113.4	121.4	131.2	137.3	137.0	138.1	146.5	156.4	152.6	148.9	146.5	145.7	-5%
Overall	100.0	99.8	95.8	96.5	99.5	101.9	102.1	105.9	103.2	93.1	91.9	94.4	95.7	96.8	98.8	102.0	7%

The following are excerpts from the CEIR Index Report titled: *An Analysis of the 2012 Exhibition Industry and Future Outlook.*

### Financial, Legal & Real Estate

The economic crisis of 2007 to 2010 originated within the finance and real estate industries, and these sectors sustained above average hits to employment. By 2012, a sustained recovery was underway across the board. This recovery was led by improving household and business balance sheets and a revival of housing markets. This strong momentum should continue. Despite moderate employment growth, there are important developments in regulation, technology and products occurring across the finance, insurance and real estate industries. Therefore, conferences and exhibitions that offer consumers and firm's value in this changing environment can enjoy a thriving business.

### Building, Construction & Home Repair

The building, construction, and home repair sector's exhibitions grew substantially from 2002 to 2007, but they collapsed along with construction activity as the recession spread across the economy. Underlying fundamentals in the private sector are favorable for faster growth. In particular, the balance sheets of nonfinancial firms, commercial banks and the average household have improved dramatically since the depths of recession. The end of deleveraging in the private sector bodes well for nonresidential investment in

equipment, software and buildings. Improved household finances are combining with low interest rates and substantial pent-up demand to boost housing. Continued low interest rates, rising housing prices and home equity, and releases of pent-up demand should spark a recovery in construction and home improvement through 2015. Spending on both residential and private nonresidential construction is projected to rise at robust rates, which bodes well for the sector's output and employment.

### **Transportation**

Output in the industries making up the transportation sector declined substantially during the Great Recession. The growth of industry output accelerated, in 2011 and 2012. The recovery of motor vehicles production and purchases, albeit from depressed levels, led the resurgence. The sector is projected to maintain production growth by approximately 2.5% to 5.0% per year through 2015. The transportation sector exhibition performance is correlated with sector output and employment growth. As the economy gains momentum, increased production and employment for the sector should improve the business climate for sector exhibitions. From 2013 to 2015, transportation-related exhibitions are expected to grow between 2.8% and 4.6% per year. Transportation sector exhibitions are projected to outperform the overall exhibition industry.

### **Communications & Information Technology**

Communications and information technology exhibitions grew from 2004 to 2008 but collapsed in 2009 and 2010. These decreases were driven by declines in IT sector employment during the Great Recession. Consumer sentiment is on an upward trend as financial wealth and home equity recover from recession. Inflation and interest rates remain low and the unemployment rate is slowly but steadily is falling. Business also is more optimistic and there are signs that corporations are ready to put some of their stockpiled cash to work. However, the reduction in government spending on employees, contractors, manufactured goods and construction might adversely affect the climate for some business services and information technology exhibitions. Moreover, political gridlock concerning the federal budget still could undermine confidence.

The private economy should gain strength, but cuts to federal spending and higher taxes will dampen growth in 2013. Overall GDP growth in 2013 is expected to register approximately 1.7%, down from 2.2% in 2012. Growth over 2014 to 2015 likely will accelerate, reaching almost 4.0% by 2015. Personal spending on electronics and communications services is expected to grow more rapidly than overall consumption spending. In particular, purchases of personal IT devices (computers, tablets, phones, etc.) are expected to expand substantially between 2013 and 2015. Increases in IT sector sales should bolster output, leading to better IT exhibition performance.

## Consumer Goods and Retail Trade

Consumer goods and retail trade exhibitions declined precipitously in 2008 and 2009 but have since rebounded with growth of 4.6%, 3.6% and 2.5% respectively in 2010, 2011 and 2012. Growth in 2012 was mainly driven by gains in NSF (3.2%) and number of exhibiting companies (3.3%).

Overall GDP growth in 2013 is expected to register about 1.7%, down from 2.2% percent in 2012. Employment will grow at about 1.0% and unemployment will fall only slightly, from 8.1% in 2012 to 7.7% in 2013. Personal consumption expenditures, in real terms, are projected to expand between 2.1% and 3.3% annually from 2013 to 2015. In particular, durable goods appear to be poised for several more years of strong growth.

Following declines in 2008 and 2009, retail sales expanded in each of the last three years. Thanks in part to improving balance sheets and a stronger housing market, consumers have begun to unleash pent-up demand for retail goods such as apparel, gifts, home improvement and jewelry. Despite political gridlock, recovery in the consumer sector is expected to continue through the forecast horizon.

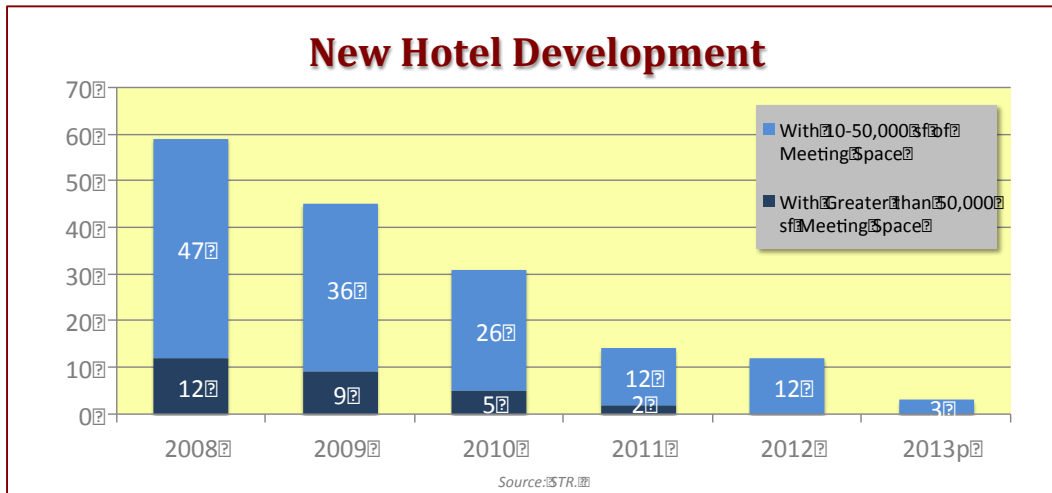
## Supply-Demand Relationship

Over time, **supply growth** that has averaged 3.7% annually has **outpaced demand growth** that has averaged 2.4% annually. Exhibit hall occupancies are lower nationwide as a result. **It is a buyer's market.** Meeting planners now consider the convention center somewhat of a commodity as the development boom has led to larger and nicer buildings. So building more exhibit space is not necessarily the answer for every city to win more business. The meetings industry is in a slow growth mode and competition is diluting opportunities to attract additional events. There has been pressure on facility rental rates, food and beverage pricing, local transportation subsidies, and even hotel pricing. Many cities have gone to the extent of offering free rent as an inducement for events.

## Hotel Development

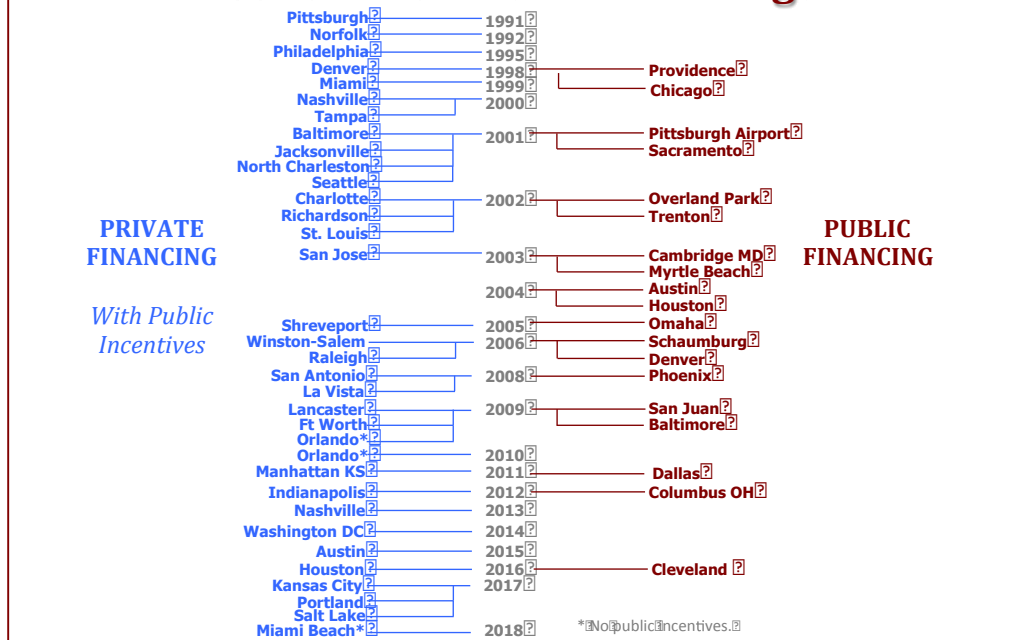
According to Smith Travel Research, the number of hotel rooms under construction in July 2013 was 23% higher than the same time in 2012. Further, the vast majority of development included **limited-service hotels** and only a few full-service hotels. A recent US pipeline data report

indicates that 90% of all current hotel development is in limited service properties. Limited-service hotels are less expensive to develop and provide less financial burden than full-service properties, which generally require public investment in order to make the project financially feasible.



The last large convention headquarter hotel to be built, outside of Las Vegas or Orlando without public participation, was the Chicago Sheraton that opened in the early 1990s. The popularity of developing full-service hotels through **public private partnerships** has increased over the past five years. Many destinations have either recently announced new development, completed new hotels or are actively pursuing public private partnerships to facilitate full service hotel development.

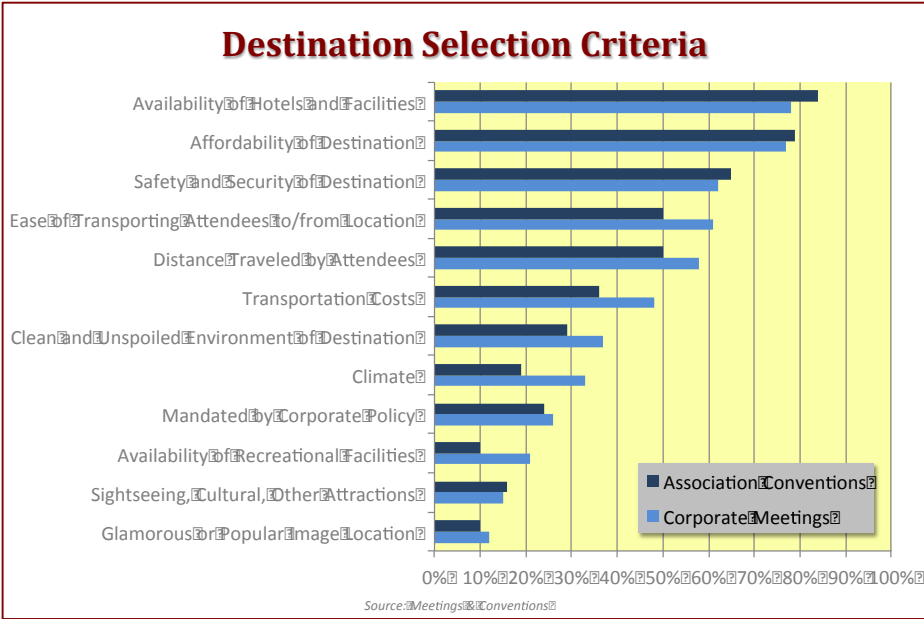
## Convention Hotel Financings



### Destination Appeal

Destination appeal can be understood using the “6-8-10 rule”. Meeting/event attendees spend 6 hours at the meeting/event so the convention center must be competitive. Delegates spend 8 hours sleeping, so the hotel package must be right. They spend 10 hours doing something else. Those ten hours can make or break the success of an event (and a destination). Culture, the environment, transportation infrastructure, entertainment, shopping, convenience, and price are just of a few attributes to consider. Destination appeal is a critical sales component. Meeting planners are successful when they draw large attendance, and they do that by selecting fun and interesting destinations. Each destination possesses its own unique destination attributes outside the doors of the facility.



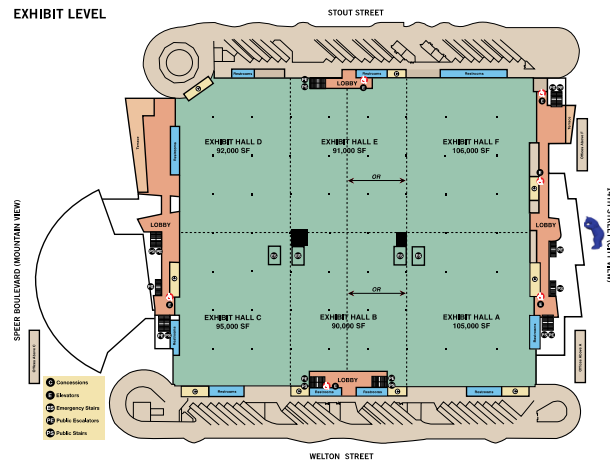


### Conclusion

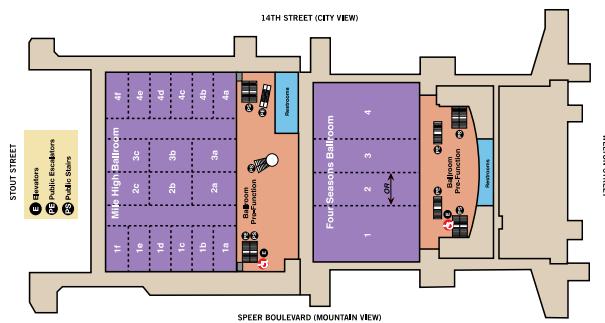
As Denver moves forward with its convention center product, it will do so under changing broad demographic and technological forces. The convention center industry is struggling to absorb historical growth in supply while demand has experienced moderate overall growth impacted by recessionary periods. In the end, destinations with a convention center that anticipates the changing client’s needs from both a physical and service perspective, coupled with the best hotel room block and destination attributes will win.

## Current Program

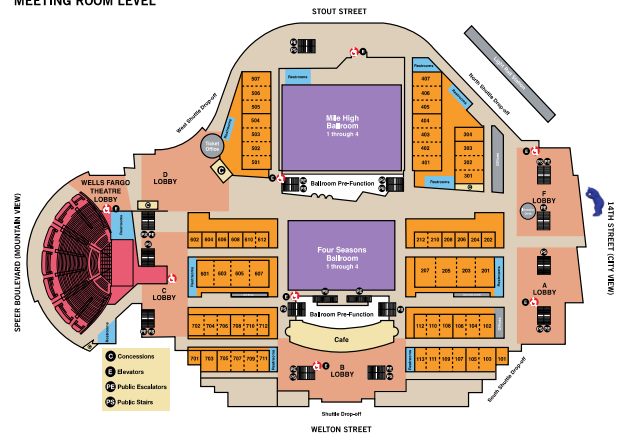
The Colorado Convention Center offers 584,000 square feet of contiguous exhibit space on one level, 63 meeting rooms providing 92,000 square feet of meeting space on one level, the 50,000 square foot Mile High Ballroom and the 35,000 square foot Four Seasons Ballroom. In addition, the CCC offers the 5,000 seat Bellco Theatre.



**BALLROOM LEVEL**



**MEETING ROOM LEVEL**



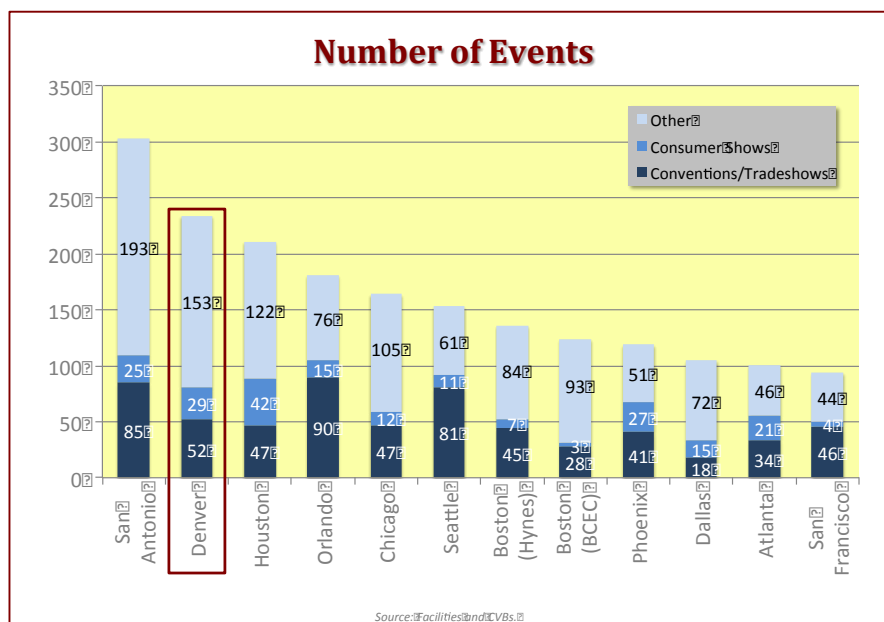


## Utilization

### Number of Events

According to VISIT DENVER and the CCC, the center hosted 234 events with more than 847,000 attendees in 2012. This included 52 conventions and tradeshow with 252,700 attendees, 29 consumer shows with 334,700 attendees and 153 other meetings and events with 259,600 attendees.

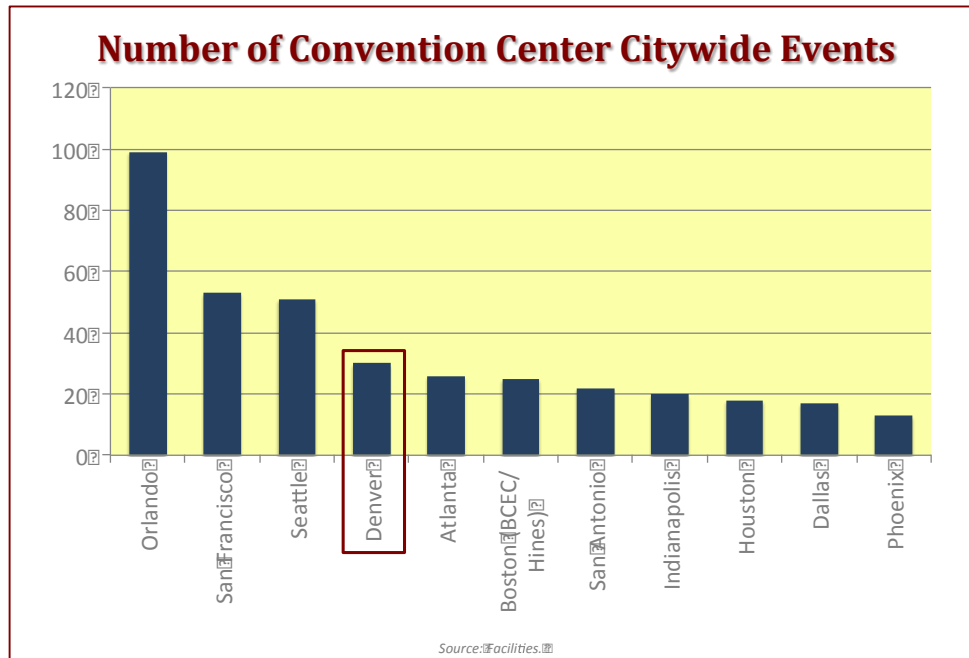
Denver's performance compares favorably in terms of the total number events among benchmarked destinations, second only to San Antonio. In terms of conventions and tradeshow, CCC **ranked fourth overall, third when excluding industry powerhouse Orlando**. Interestingly, Denver hosted more conventions and tradeshow than many larger destinations with more convention facilities, including Chicago, Atlanta, San Francisco, Boston, and Houston.



### Convention Center Citywide Events

Denver defines a citywide event as one requiring at least 1,200 room nights on peak, utilizing multiple hotels and the CCC. In 2012, the CCC hosted 30 convention center related citywide events. Most of these are classified as “conventions and tradeshow” by VISIT DENVER, with five citywide events classified as “meetings” or “sports”. Denver ranks among the top in hosting larger

room night driven conventions and tradeshow. When excluding larger destinations/facilities Orlando and San Francisco, and Seattle that has a lower citywide definition threshold definition of 1,000 rooms on peak, **Denver is the top performer.**



*Each destination varies in its definition of a citywide event. Denver defines a citywide event as one requiring at least 1,200 room nights on peak, using multiple hotels and the CCC. Other destinations have similar measures that vary from 1,000 to 2,500 on peak.*

The analysis of the Convention Center included reviewing the number and size of citywide events in the CCC. The current 30 citywide events were reviewed by the date they occurred and by which exhibit halls they utilized. **Citywide events drive 33% of the CCC's occupancy**, with an additional 20% driven by smaller convention and tradeshow, consumer shows and other events. The analysis reveals that there are open dates throughout the calendar year, less availability in the warmer periods and more availability during colder times of the year. There appears to be **exhibit space available** for additional citywide convention bookings.

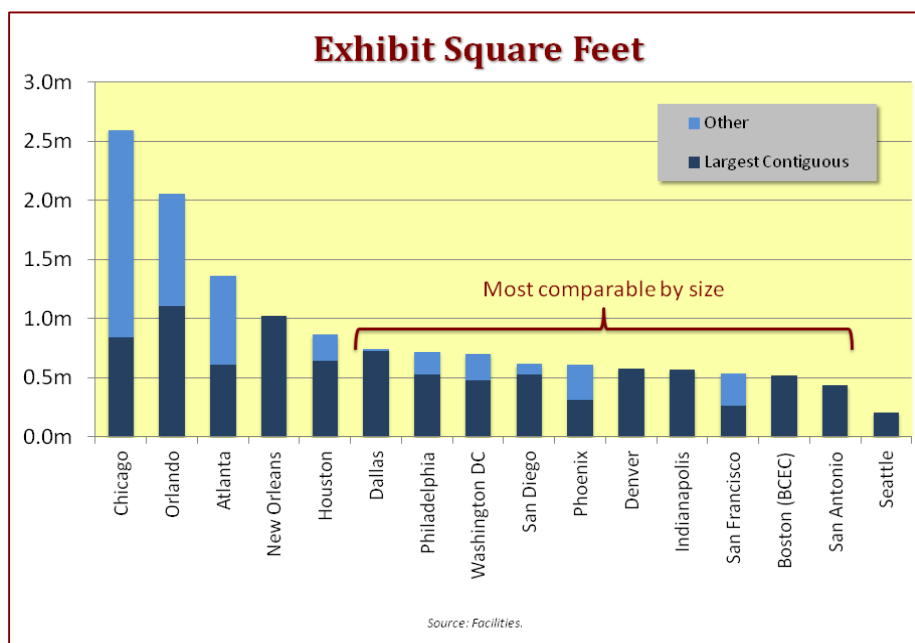
## Operating Revenues and Expenses

SAG reviewed the financial information that was supplied by the benchmarked Convention Centers. Based on this information, the Colorado Convention Center has one of the lowest operating deficits of the benchmarked facilities. Of the comparable sized centers that were studied, Denver has the third lowest reported deficit. This is an important foundation in gaining support for enhancements or expansion to the CCC. The ability to demonstrate an efficient operating model that is focused on increasing economic impact while maintaining the fiscal results of the CCC will be an important overall goal in the proposed expansion and capital investment recommendations.

## Exhibit Space

### Benchmarks

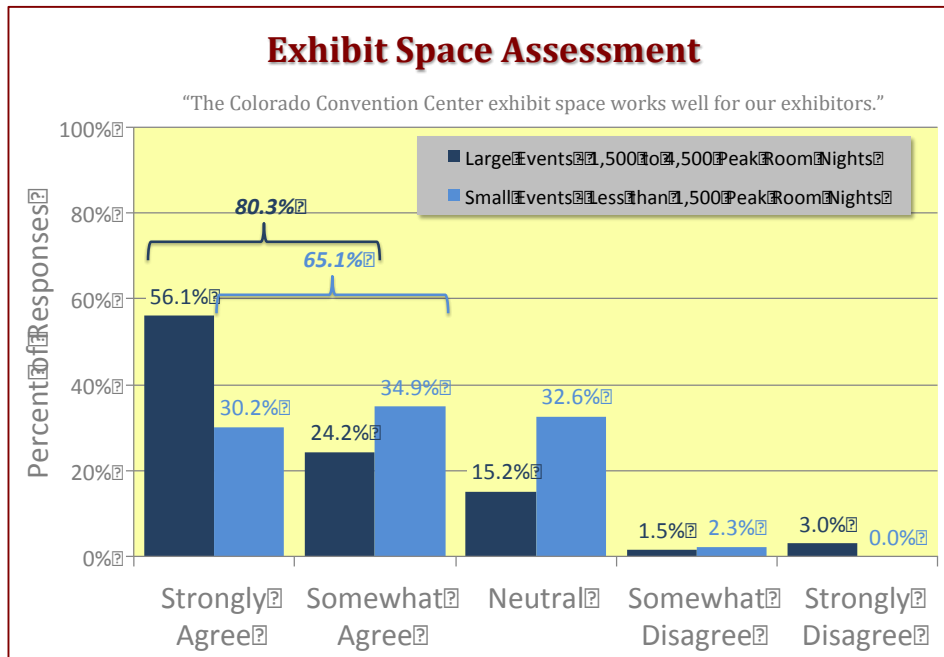
The Colorado Convention Center (CCC) ranked 11<sup>th</sup> out of 16 benchmarked facilities in total leasable square feet of exhibit space and 7<sup>th</sup> in contiguous leasable square feet. VISIT DENVER stated the CCC loses convention business most often to the facilities benchmarked; however, several of the facilities offer substantially more exhibit space than the CCC, including Chicago, Orlando, Atlanta, New Orleans, and Houston. Also, the Washington State Convention Center in Seattle is a smaller facility, offering just over 200,000 square feet of exhibit space. When excluding these facilities from the analysis and focusing on the “most comparable” facilities in terms of exhibit square feet offered, the **CCC ranks near the middle out of 10 facilities**. The average square feet offered at these nine facilities is 605,000 compared to the CCC’s 584,000.



The exhibit space at the CCC has the ability offered as one large contiguous hall or can be subdivided into a maximum of six separate halls. The CCC’s ability to offer a maximum of six separate halls is similar to the benchmarked facilities.

## Target Market Survey

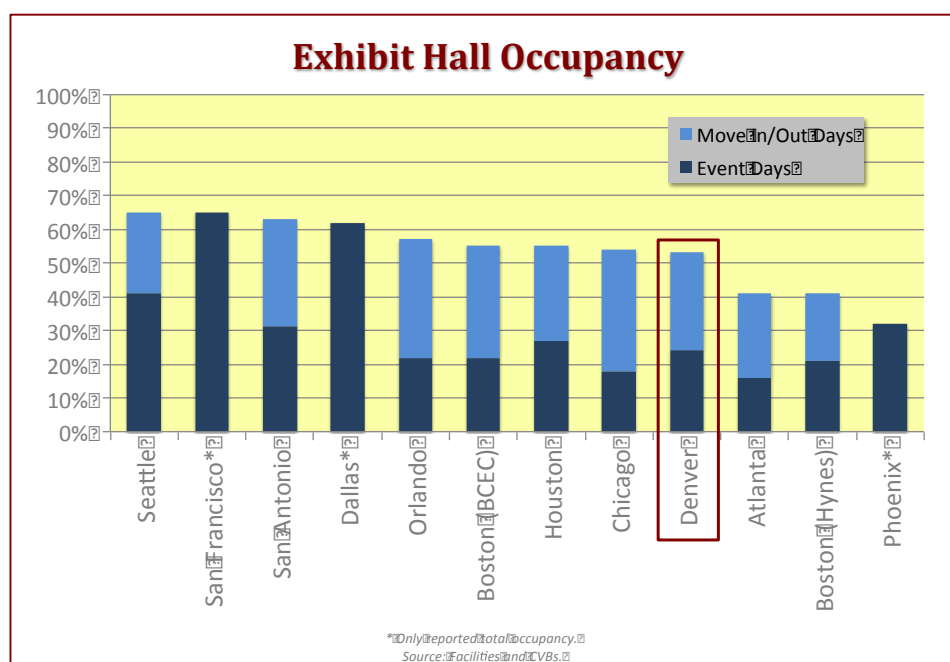
In addition to comparing the CCC to the benchmarks, the target market survey results revealed that a majority of the respondents feel the existing **exhibit hall configuration meets their needs**. Survey respondents were asked whether they strongly agree, somewhat agree, are neutral, somewhat disagree or strongly disagree the CCC exhibit space works well for their needs.



More than 80% of the Large Event survey respondents stated they strongly agree or somewhat agree the exhibit space works well. More than 65% of the Small Event survey respondents indicated they strongly agree or somewhat agree the exhibit space works well. The only negative comment cited by Small Event respondents related to the location of the exhibit halls being located one floor above the ballroom and meeting space.

## Occupancy Analysis

Exhibit hall occupancy was calculated on a common basis for benchmarked facilities, utilizing move-in/move-out days and event days during a calendar year. The CCC total **exhibit hall occupancy for 2012 was 53%\***, similar to the 54% average of the benchmarked facilities. Event day occupancy (excluding move in/out periods) was 25%, similar to the average at 24% at the benchmarked facilities. Generally, expansion is considered for exhibit halls when occupancy approaches 70%. It is not feasible to achieve higher occupancies due to holidays and dark days between events that are too small to accommodate an event.



The calculation of exhibit hall occupancy takes into account all of the available days at the convention center. The benchmarked data that SAG received was also calculated using all available exhibit hall space. There are dates in a convention center that are generally considered “unsellable”. These include major holidays where there are virtually no large conventions that meet during these times. If the unsellable dates are removed from the available days, the CCC occupancy would be at or near 70%.

## Denver Consumer/Public Shows

The primary focus of the CCC is to host conventions and other events that generate economic impact by bringing out-of-town delegates to Denver. In addition, the CCC hosts a number of consumer shows, shows that are generally attended by local Denver residents. The following is a summary of the large consumer/public shows.

High-Profile Large Consumer/Public Shows				
Event	Dates	Days	Attendance	Exhibit SF
The Denver International Sportsmen's Expo	1/2 - 1/9	8	37,000	288,000
The Colorado RV and Adventure Travel Show	1/8 - 1/15	8	20,100	290,000
The Denver Boat Show	1/9 - 1/15	7	8,600	196,000
The Colorado Garden and Home Show	2/6 - 2/21	16	53,500	391,000
The Denver Auto Show	3/17 - 3/27	11	68,300	383,000
The Fall Home Show	9/4 - 9/10	7	9,200	151,000
Beerfest	10/7 - 10/14	8	52,900	288,000
The Colorado Ski and Snowboard Expo	10/31 - 11/5	6	9,300	106,000
The Holiday Food and Gift Show	11/7 - 11/12	6	31,000	105,000

The CCC hosts nine large public shows during the year. These shows range in exhibit hall needs from one hall to four halls. Over the course of a year, these shows consume over **77 exhibit hall days**. This includes dates needed to move in and move out as well as show days.

Six of the nine major consumer shows take place in the cold months of January, February, March, and November. These colder months coincide with the months that are most challenging to book conventions in Denver due to perception of bad/ unpredictable weather, which results in lower overall occupancy for the hotels and thus lower Lodger's Tax and spending.

Moreover, three of the events occur in January at the **same time as the Western Stock Show**, making it impossible to relocate these events to a facility at the Western Stock Show site. There are only three consumer shows (Fall Home Show, Beerfest, and the Ski & Snowboard Expo) that meet during ideal convention booking periods. While these events might be relocated to an exhibit facility at the Western Stock Show site, this is not enough to warrant developing a new facility solely for purposes of freeing up the CCC calendar. If there are other reasons to develop an expo hall on the Western Stock Show site then there might be an opportunity to relocate CCC

events that meet during prime convention months. Discussions with show planners indicated there was **not overwhelming support to relocate** to the Stock Show site. This level of interest may change when a formal plan can be viewed for the new Expo Hall at the Western Stock Show site.

## **Recommendation**

As discussed in the Industry Trends section of the report, exhibit hall supply growth has outpaced demand growth in terms of net square feet rented and this had led to a highly competitive environment for exhibit space rental. The market for exhibit space is generally perceived as a “**buyers’ market**”. In addition to this, the universe of events requiring is shrinking while available exhibit space is still expanding. Two high profile examples of this are San Diego and San Francisco. An analysis of the CCC’s exhibit hall utilization indicates that there is no need to master plan additional exhibit space. Overall occupancy is 53%, and occupancy driven by citywide conventions is 33%. This provides ample opportunity to book additional higher impact conventions into the exhibit space. Moreover, both the benchmarking target market survey results and lost business report indicate additional exhibit space at the CCC is not required. Given this and the broader over supply of exhibit space throughout the country, **it is not recommended that additional exhibit space be master planned.**

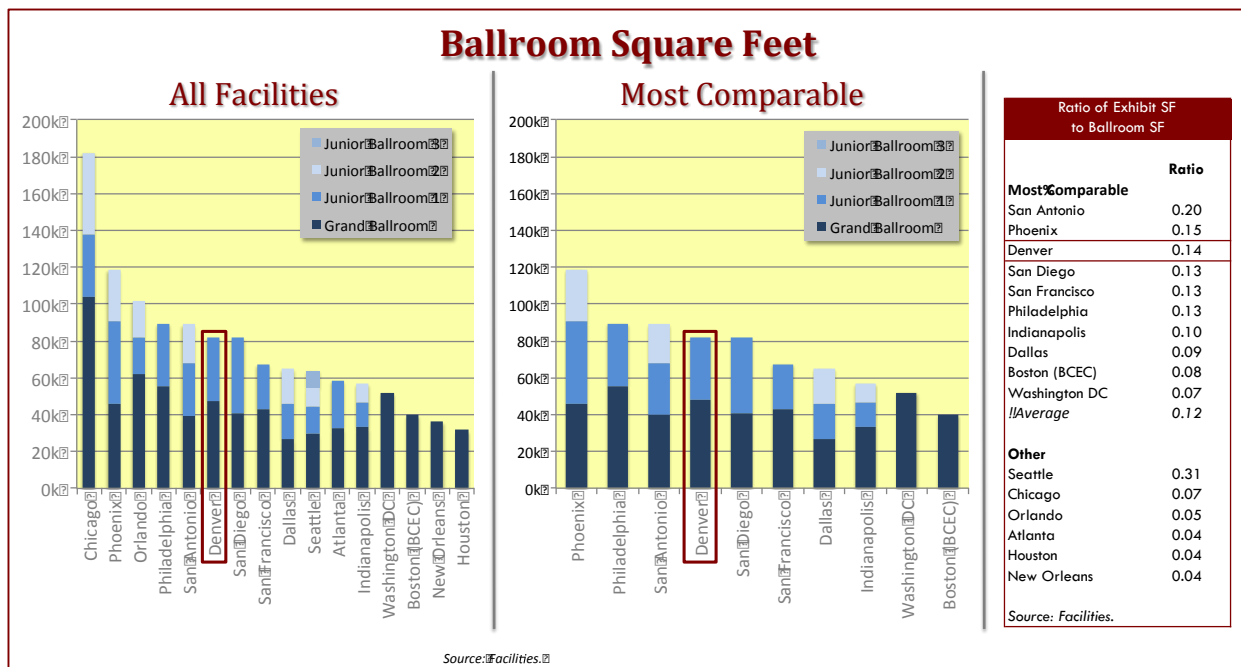


## Ballroom & Meeting Space

### Ballroom Benchmarks

The CCC currently offers a 50,000 square foot grand ballroom and a 35,000 square foot junior ballroom. A comparison of the grand ballroom space offered at the benchmarked facilities revealed the CCC offers a **larger grand ballroom than most**, ranking fifth out of 16. Only the larger facilities in Chicago, Orlando, Philadelphia and Washington, DC offer larger grand ballrooms. A comparison of the facilities most comparable in size to the CCC revealed the CCC's grand ballroom is similar in size to the other facilities. When analyzed from an exhibit space to ballroom ratio perspective, Denver is among the top of its competitors. The **focus groups indicated satisfaction** with the size and divisibility of the grand ballroom at the CCC. However, there was a suggestion was to create a more effective transition between the grand and junior ballrooms.

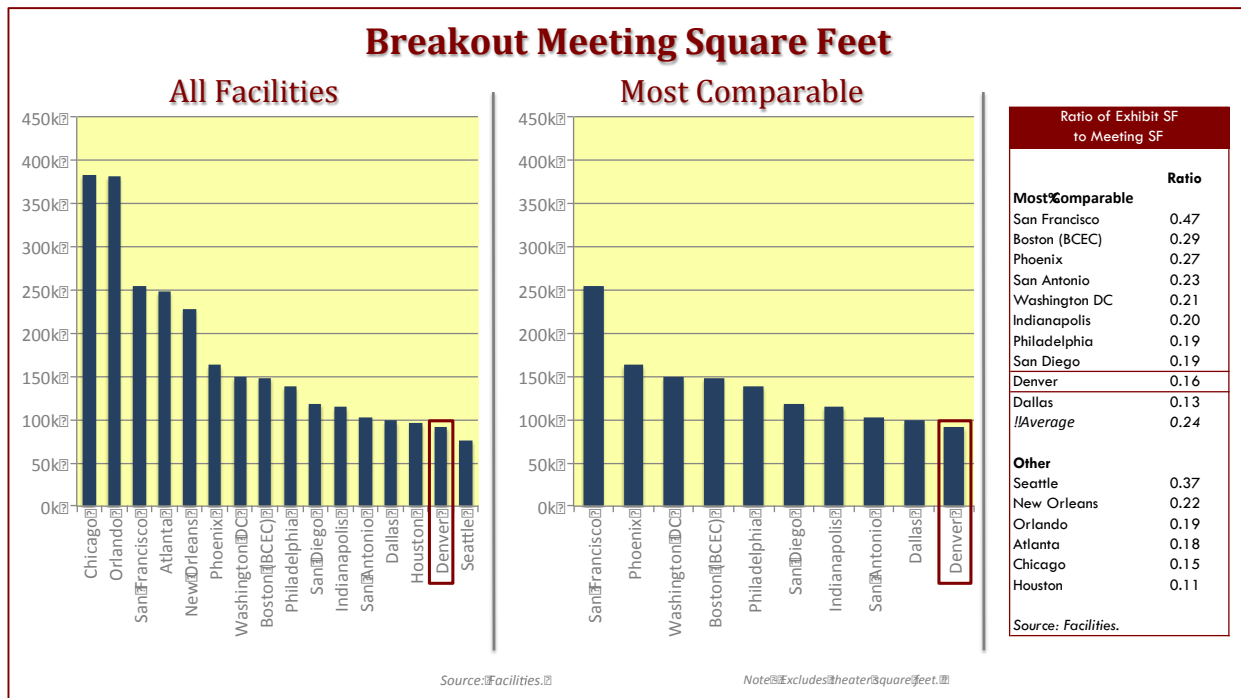
From the junior ballroom perspective, while the CCC offers one competitively sized ballroom, approximately half of the competitive facilities offer **more than one junior ballroom**.



## Meeting Space Benchmarks

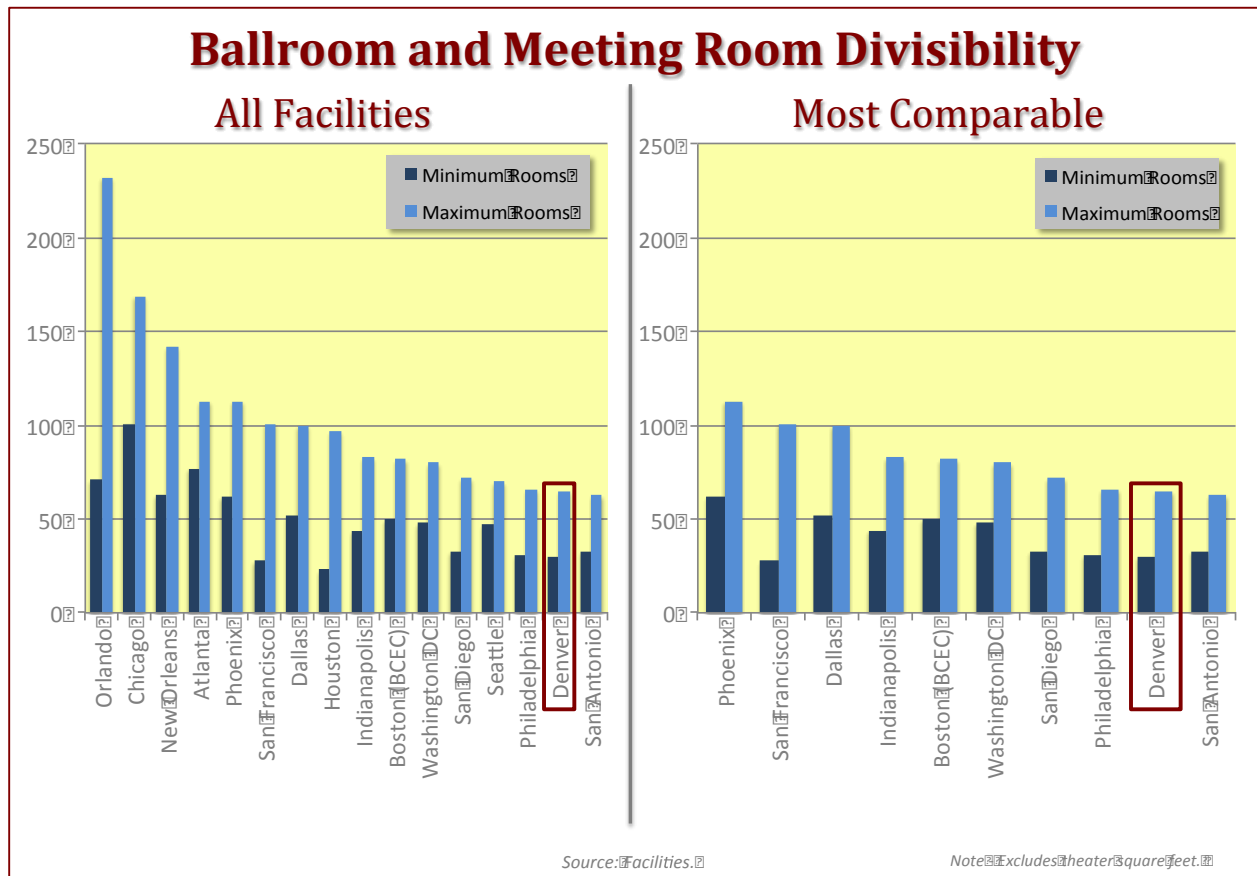
The CCC currently offers 91,900 square feet of leasable meeting space. A comparison of the meeting square feet, excluding ballroom and fixed theater square feet, revealed the **CCC ranks near the lowest in leasable square feet**. Only the Washington State Convention Center offers less breakout meeting space and it only has 200,000 square feet of exhibit space. When focusing on those most comparable facilities in terms of exhibit square feet, the CCC offers the least amount of breakout meeting space. When analyzed from an exhibit space to meeting space ratio perspective, **Denver is among the lowest of its competitors**. If Denver's exhibit space to meeting space ratio were among the best in class at 1 to 0.3, the facility should offer a total of approximately 175,000 square feet or **an additional 83,000**.

Focus groups also indicated they often must look for additional meeting spaces outside the CCC in nearby hotels to accommodate their needs. Meeting Planners also indicated the need have increased space for educational and continuing education purposes.



## Divisibility Benchmarks

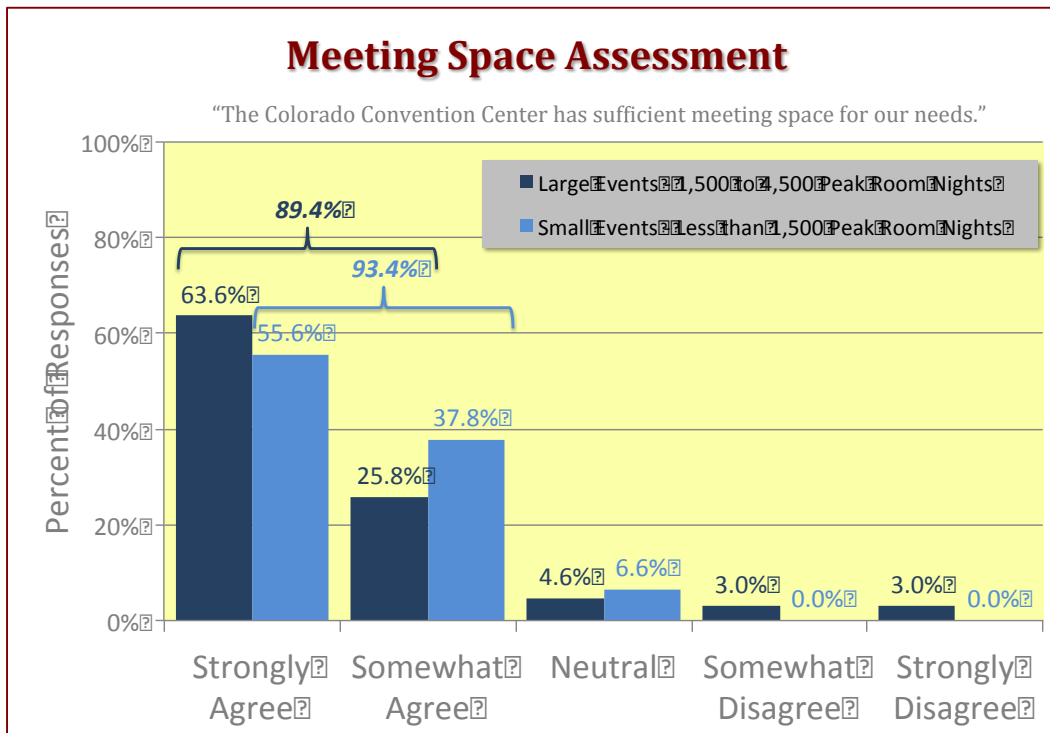
Flexibility of ballroom and meeting space is a high priority for event planners. The CCC offers just over 174,000 square feet of ballroom/meeting square feet that can be divided into a maximum of 63 separate rooms. When compared to the benchmarks, Denver is among the **lowest in terms of the number of divisible meeting rooms**, which is consistent with Denver being among the lowest in terms of square feet offered.



## Target Market Survey

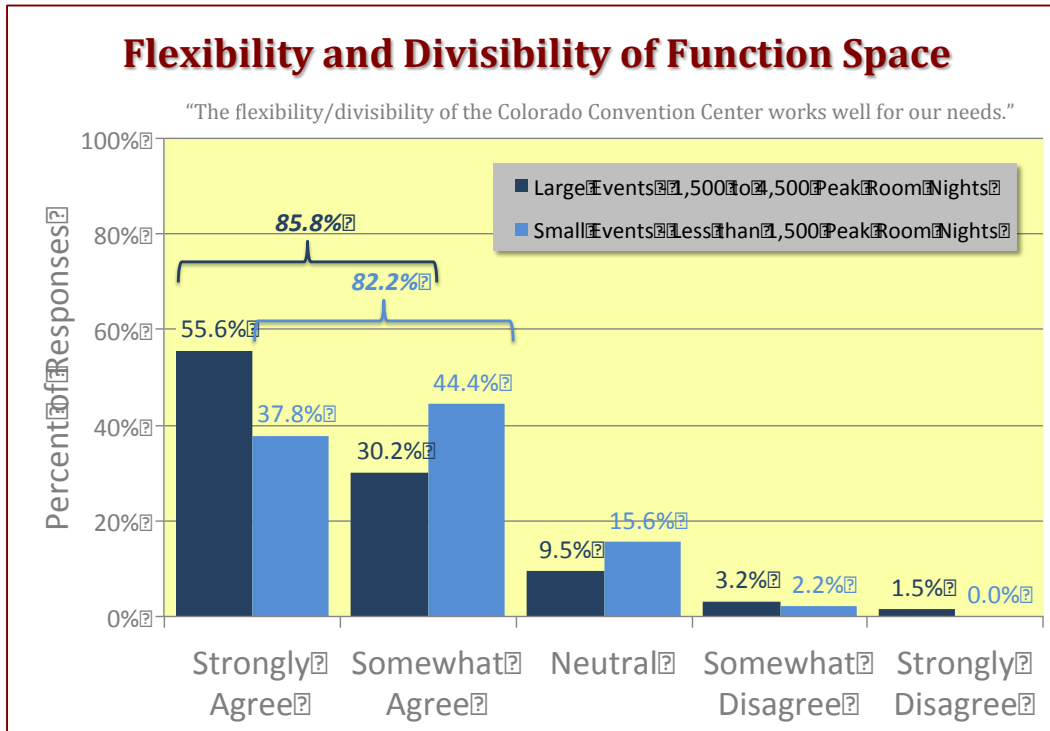
### Meeting Space

The target market was surveyed to understand their impressions of the CCC meeting space. Results indicated that the **CCC meeting space generally meets the needs** of the target market. Moreover, those with higher ratios of exhibit space to meeting space (Boston-BCEC, San Francisco and Phoenix), only San Francisco (53 events) books more citywide events than Denver (30).



## Flexibility/Divisibility

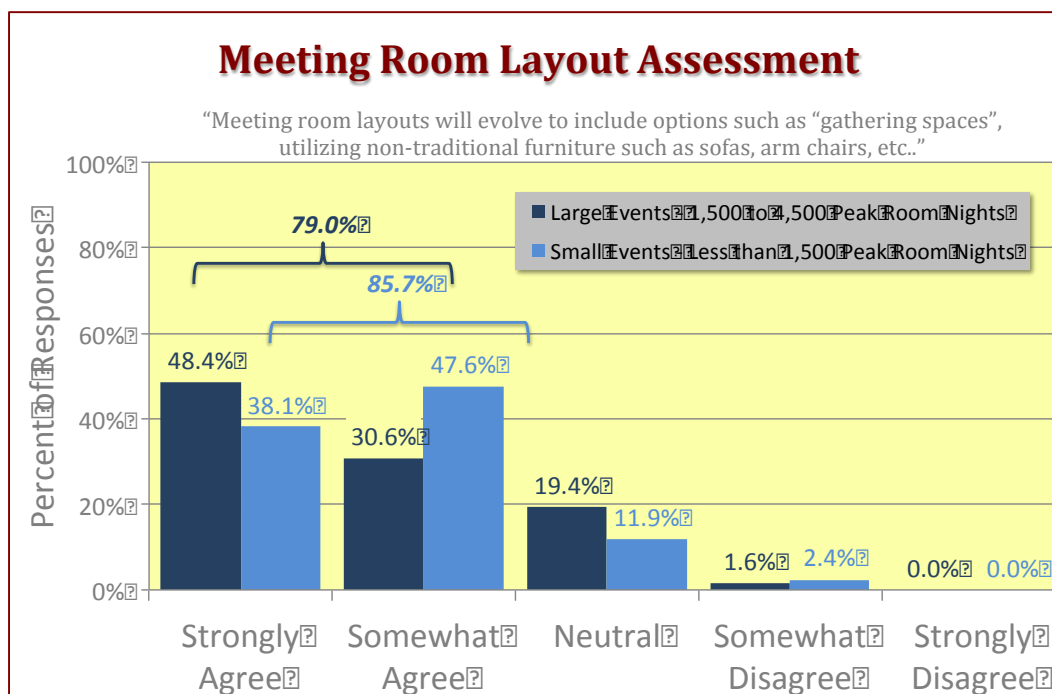
The target market was also surveyed to understand if the flexibility and divisibility of the CCC worked well for their needs. While the benchmark analysis revealed the CCC offers the fewest divisible meeting rooms, the survey responses indicated the **flexibility/divisibility of the CCC works well** for the target market needs.



## Layout

Focus Group discussion and industry research indicated growing interest in having meeting room environments that were focused on creating unique gathering spaces, and moving away from traditional U-shape or classroom style meetings. Discussions in the focus group supported this as a **potential enhancement for the CCC**.

The target market was surveyed to understand if planners believe meeting room layouts will evolve to include such options as “gathering spaces”, utilizing non-traditional furniture and layouts.



The responses revealed that planners believe that **meeting room layout will evolve** and move toward non-traditional meeting room set-ups. The discussions around this topic also included the interest of the planners to keep as much neutrality and flexibility in the design of spaces so they could create the type of identity and layouts that best fit their particular group. Meeting rooms do not necessarily need to be redesigned; rather the set-up of the space for a particular event needs to evolve.

## CCC Calendar Analysis

As mentioned above, the exhibit space is 53% occupied. A detailed day-by-day analysis of the 2012 calendar revealed that there are 50 4-day booking windows (excluding holidays) that could accommodate an event requiring 100,000 exhibit square feet. There are 30 (of the 50) 4-day booking windows that could accommodate a show requiring 200,000 exhibit square feet. Further analysis of the calendar revealed that the exhibit booking opportunities are materially reduced when considering an event's need for ballroom and meeting space. The 50 4-day booking windows for events requiring 100,000 of exhibit space is reduced to 15 when considering the lack of available ballroom and meeting space. The 30 4-day booking windows for events requiring 200,000 square feet of exhibit space is reduced to five when considering the lack of available ballroom and meeting space. **While there are a number of opportunities to book the exhibit hall, it cannot be accomplished without additional ballroom and meeting space.** The analysis revealed that the best opportunity for Denver to book additional events are for events requiring 100,000+/- square feet of exhibit space. Such events generally require a ballroom of 35,000 to 40,000 square feet and 25,000 to 35,000 square feet of meeting space. If an additional ballroom and meeting space are developed, it could enable the CCC to increase its exhibit hall occupancy and ultimately the facility's economic impact. If the space is developed and is booked one-half the available days, an additional 60,000 room nights could be generated by the CCC annually.

## CCC Lost Business

An analysis of the CCC's lost business corroborates the need for additional ballroom and meeting space. The 2012 lost business report summarizes 157 events that were turned down due to unavailability of adequate space in the CCC, unavailability of requested dates due to existing bookings, or insufficient hotel rooms to accommodate the room block. Focusing on the CCC space issues revealed that the CCC **could have accommodated 50 of the events** listed on the lost business report if an additional 35,000 to 40,000 square foot ballroom and 25,000 to 35,000 square feet of meeting space were available. This is not to indicate 50 events would have been booked, rather it indicates that there were at least 50 additional proposals that could have been submitted to meeting planners. SAG found approximately 50 groups that were considering Denver, but were unable to be accommodated since they needed additional ballroom and meeting space. SAG assumed that only 30% annually would be booked. SAG also validated that each group would have had enough hotel rooms to accommodate the convention.

The review of the 2013 lost business report for the CCC also reinforces the need for the proposed ballroom and meeting space. The summary of the lost business indicated that 236 events were turned away due to lack of convention center space.

In addition to reviewing lost business, an assumption could be made that larger groups that are currently selecting other cities, might chose Denver if Denver added this new flexible and intriguing space. If the Denver team converted 10% more large center business with more than 2,000 rooms on peak, it would represent nearly \$493 million in economic impact or \$49.3 million in direct spending, which would generate nearly \$4 million in tax revenue. Therefore, citywide business for Denver has the potential to grow as well.

The combination of available opportunities for smaller events and the consistent high level of lost business of groups that could utilize currently available exhibit space with an increase in meeting and ballroom space provide compelling support for expansion.

## Specialty Space

The focus groups indicated that the CCC might be able to improve its marketability with the addition of “specialty space” that takes advantage of Denver’s unique topography. There is an opportunity to expand “upward” to take advantage of the spectacular views of the Rocky Mountains.



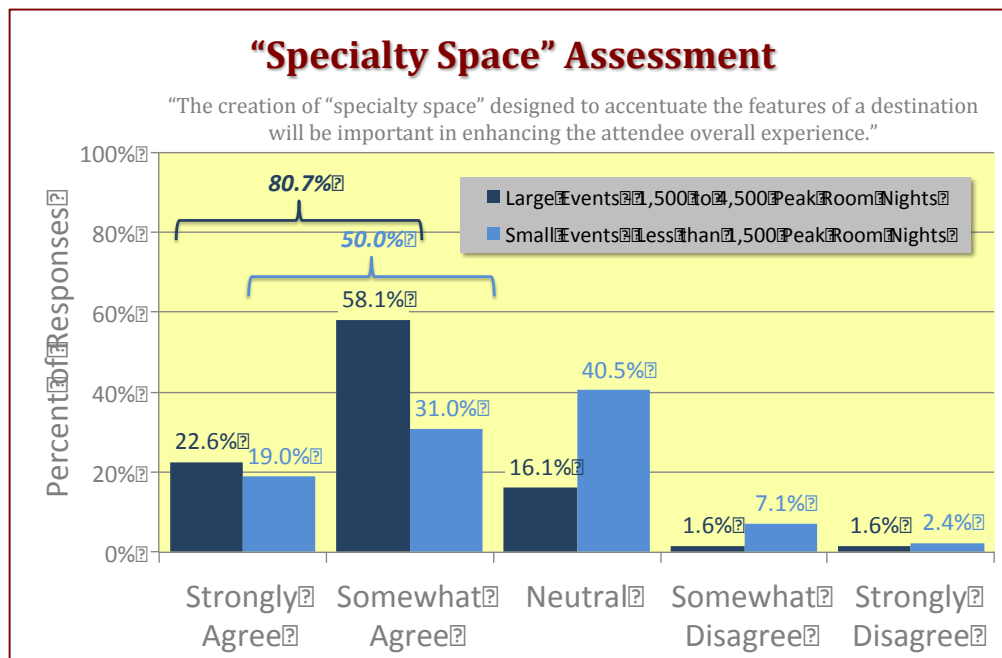
A few of the benchmarked convention centers offer unique leasable space as an added amenity for convention delegates. The following are examples of some of the **unique leasable spaces**:

- San Diego Convention Center - The 90,000 square foot glass enclosed Sails Pavilion, which offers panoramic views of downtown San Diego and San Diego Bay.



- Henry B. Gonzalez Convention Center in San Antonio - The 15,800 square foot Grotto spans the entire width of Bridge Hall of the Center and has numerous trees, foliage, and a waterfall. This space can accommodate up to 3,000 people for a reception and opens on to the River Walk.
- McCormick Place – Offers several outdoor terraces, including the West and East Garden with 3,000 square feet, the West and East Terraces with 70,200 square feet, and the Lakeside Fountain Terrace with 13,500 square feet.
- Georgia World Congress Center – The Georgia Aquarium, adjacent to the center, offers a 60,000 square foot ballroom where one of the walls is a glass wall looking into the whale exhibit.

The majority of the benchmarked facilities do not offer unique leasable spaces; however, these features can offer an additional “selling point” when a facility is competing against other destinations. The target market was surveyed to understand how they view unique specialty spaces within a convention center.



The survey responses indicate the larger groups that typically use convention center space more often, believe “specialty spaces” will become more important in enhancing the overall attendee experience, reflected in the 80% that responded they strongly agreed or somewhat agreed. The smaller groups believe this type of space is not as important to enhancing attendee overall experience, reflected in the 50% that responded they strongly agreed or somewhat

agreed. The CCC may want to **consider adding specialty space** as part of its program in the future. The results indicate that the addition of specialty space will enhance Denver's ability to convert larger conventions. In the current competitive meetings and convention market, facilities alone are not enough to be successful. Competitors in other cities are building ballrooms that have an entire wall facing an aquarium, or ballrooms that open to outdoor decks offering ocean views, or on to decks filled with trees, waterfalls, and gardens. It is imperative that Denver think beyond square footage and envision a facility that captures the spirit of the city. Meeting planners are demanding unique spaces that add networking opportunities to the convention, and competitors in other cities are providing such spaces.

This type of space could also enhance the ability to facilitate networking by keeping attendees in the Convention Center for events after the meeting day is completed. The focus groups also supported the need to develop opportunities to experience the "Denver Brand" in the future.

### **Hyatt Meeting Space Expansion**

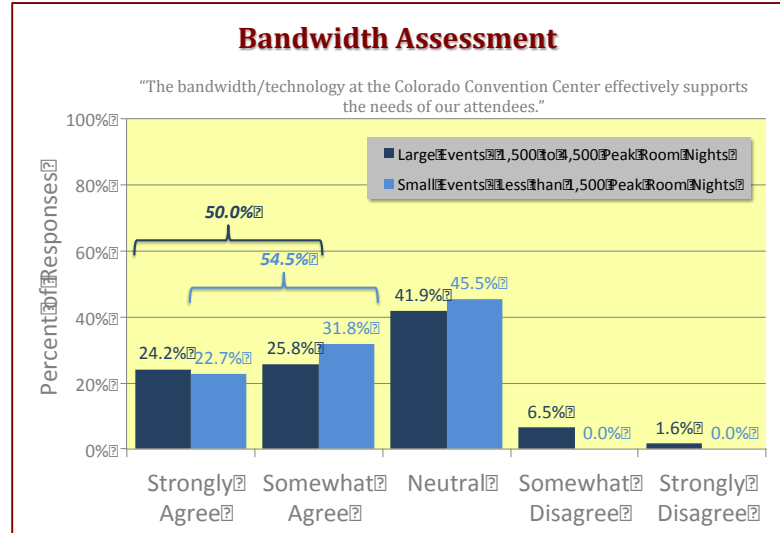
The Hyatt Regency is proposing to develop a 56,000 square foot ballroom and 6,600 square feet of meeting space. This ballroom could help solve the CCC's ballroom/meeting space shortfall issue if it could be available for CCC events. The challenge is that the hotel needs this new ballroom to book in-house group meetings and the CCC needs to keep a ballroom available to accommodate the needs of smaller, shorter term booking convention center events. To succeed at both the hotel and CCC, **both projects will need to be developed**.

SAG has reviewed the proposed expansion of ballroom and meeting space, and concurs with the industry standard of 100 square feet of meeting space per guest room as an industry average. The Hyatt is currently well below this standard. After review of the information provided, there is a need for further exploration. The clear indication of the importance of proximity of a headquarter hotel and supporting meeting space would suggest that the convenience and proximity needs to be evaluated. The opportunity to construct a bridge could provide advantages that should be further explored including the potential of a joint sales approach with the Convention Center. A survey of planners to understand the importance of a bridge in mitigating weather concerns would help understand whether a bridge could affect the conversion of groups during challenging weather periods. SAG recommends conducting a study to review these opportunities. This would include an analysis of the viability and impact of creating space that is jointly operated by the Hyatt and CCC.

# Technology

## Bandwidth

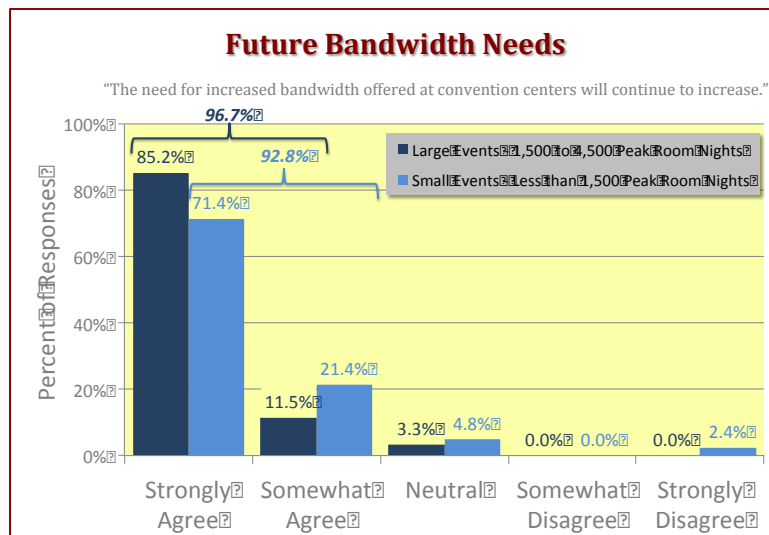
Convention centers across the country are struggling to keep up with the ever-increasing technology demands. Bandwidth is the single most challenging issue as users demand flawless wireless connection everywhere. The focus group and discussions with industry leaders confirmed the importance of staying ahead of the technology needs of the industry.



The target market clients were surveyed to understand bandwidth issues.

The CCC's target clients **do not agree that the center's technology effectively supports the needs of their attendees**. Many attendees carry multiple devices and exhibitors are requiring more and more bandwidth to effectively service and event.

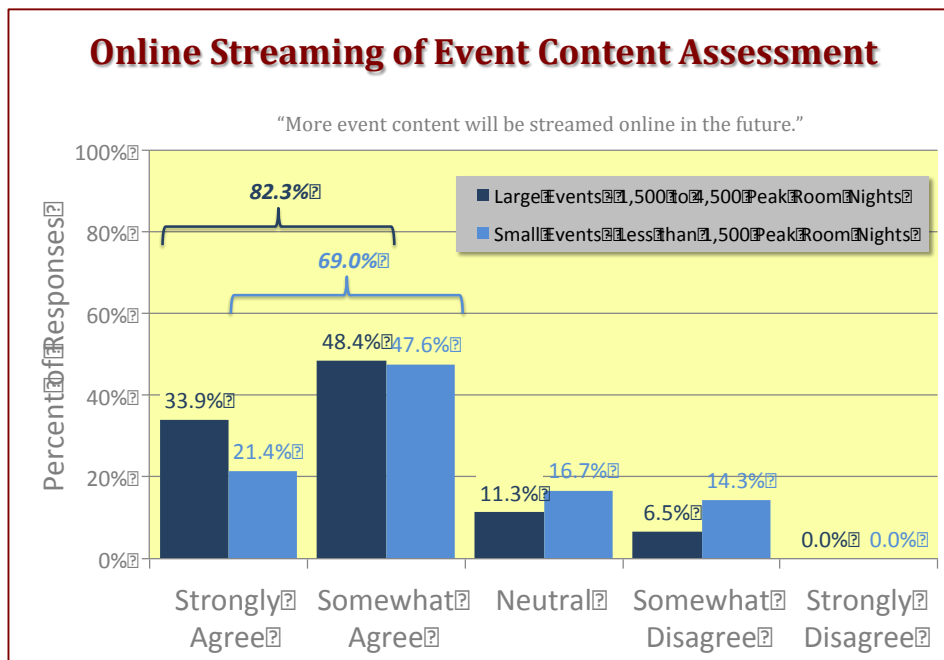
This trend is not changing. CCC's target customers almost holistically agree that the need for **increased bandwidth at the center** will continue to increase in the future.



It is recommended the CCC and their technology partners create an ongoing plan, and allocate the appropriate budget, to **create a class-leading technology infrastructure** with sufficient bandwidth to meet the needs of the customer base.

## Streamed Content

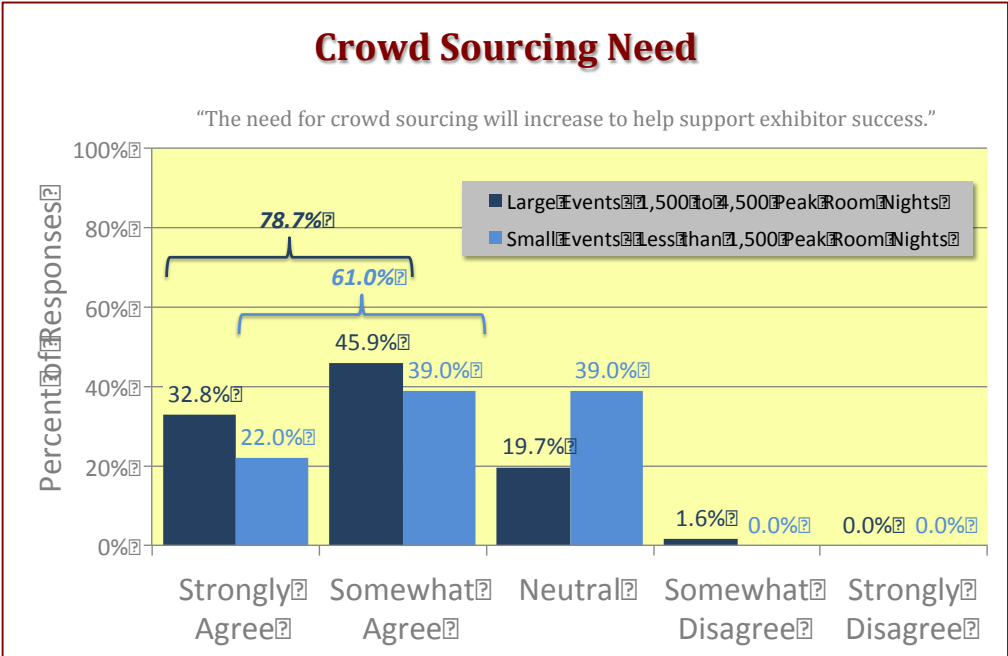
Citywide conventions, especially the association market, are continually looking for vehicles to reach their members. One emerging trend is the online streaming of event content to members unable to attend an event. One planner described this as a new “hybrid approach” to managing educational content and providing content to a broader audience that is intended to both educate and encourage attendance in future meetings.



The survey of the target market indicated that **more event content will be streamed online** in the future. It is recommended the CCC and their technology partners create an ongoing plan, and allocate the appropriate budget, to create a class-leading technology infrastructure to accommodate the online streaming needs of the customer base.

# Crowd Sourcing

Crowd sourcing in the convention industry is using technology to gather and disseminate information about the attendees to maximize their event experience and the exhibitor’s ability to connect with their customers. Crowd sourcing can enhance an event experience by enabling attendees to locate each other, exhibitors to find target customers and target customers to find exhibitors. It also can assist event and center management better plan and execute staffing and other event planning needs.



The survey of the target market indicated a **high degree of interest in crowd-sourcing** technology, especially for the larger groups. The industry interviews and discussions with the current technology service provider reinforced the increased interest in providing this type of technology. It is recommended the CCC and their technology partners create an ongoing plan, and allocate the appropriate budget, to **implement crowd-sourcing technology** to accommodate the needs of the customer base.

Denver is currently doing a good job of keeping up with the competition in offering new technologies at the Colorado Convention Center. The current approach is to contract with a national firm, making improvements and upgrades periodically during contract negotiations. This allows Denver to be competitive with other cities; however, it also treats technology as more of a

commodity. SAG recommends an investment in the technology infrastructure to increase the built in capacity of the CCC.

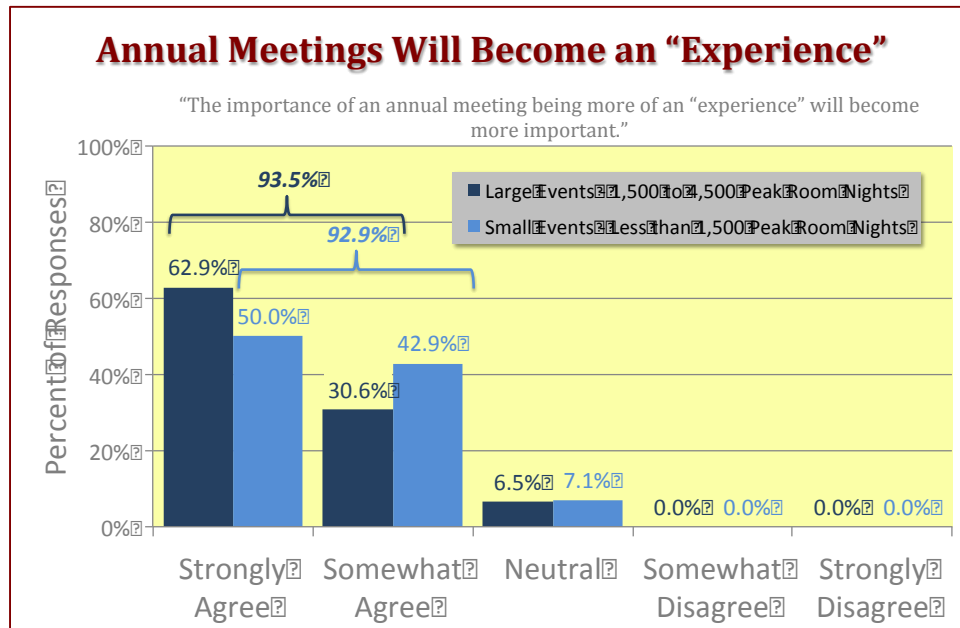
The recommended approach is to make more cutting edge upgrades to technology, which is done with industry and expert analysis. This would allow Denver to be able to stand alone in the center world, have a reputation for technology and innovation. In addition, customers are willing to pay for new technologies but just are not able to afford establishing tentative infrastructure city to city.

An example of the importance of importance of staying competitive and investing directly in technology is the recent announcement by Chicago's McCormick Place of the completion of their state-of-the-art Internet and Wi-Fi upgrades, which represents a significant change in their business model for providing Internet services to attendees, exhibitors, and show management. The new wireless infrastructure will support up to 45,000 concurrent users facility-wide.

## Meeting Experience

### Creating an Experience

The industry research indicated that there was an increasing need to create an “experience” for attendees to drive attendance. The focus groups and interviews revealed a consistent interest in developing new opportunities for attendees to participate in new activities.

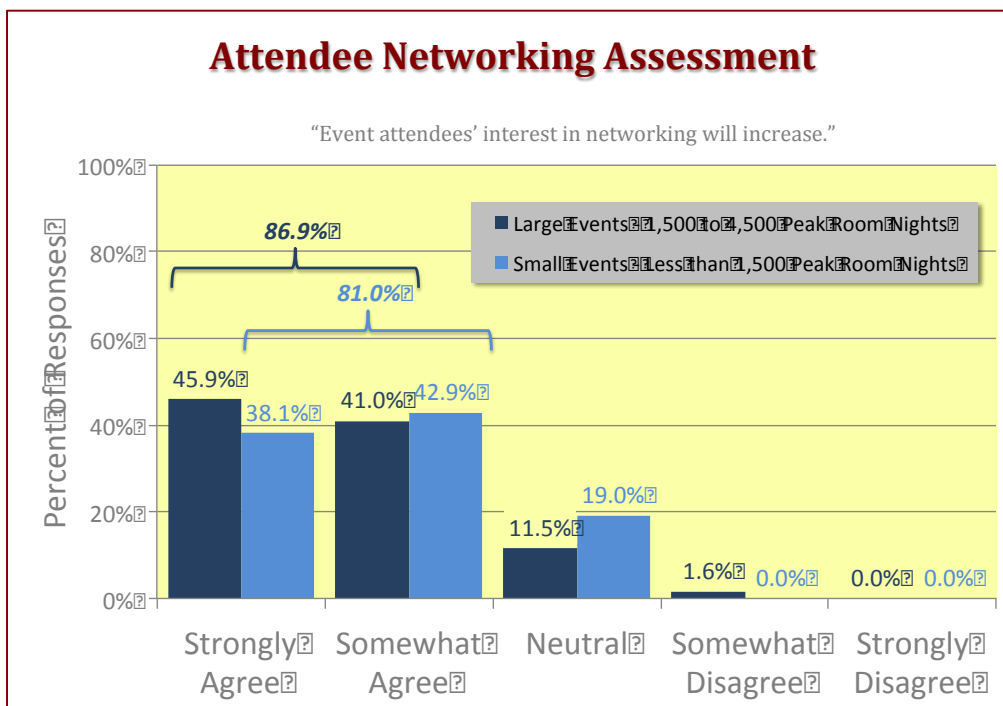


Denver should continue to explore its unique facility and destination attributes to maximize its penetration in the target market. From a facility perspective, this could be through the development of the specialty space, thoughtful human interaction/networking areas, and by providing a state-of-the-art technology environment. Outside the facility, Denver has a number of destination attributes that will continue to play a major role in winning events.

### Networking

Industry research has indicated that a prospective meeting attendee has more access to relevant content on a year round basis due to on-line education and other vehicles. This has created a challenge for meeting planners to enhance other aspects of the overall experience. The ability of attendees to interact and learn from their peers is an increasingly important activity. One planner relayed that over 60% of their attendees stated that the **primary reason for attending their conference was networking** with colleagues. The focus groups and interviews with industry

leaders indicated that there is a need to continue to improve the ability for attendees to network during a conference. The planners expressed the important of proactive planning for how attendees could interact during a conference. The interviews and focus groups noted that a “networking plan” should be holistic, addressing all areas from offering more seating opportunities to internet cafes, pre-function area lounges, food and beverage settings, and other social functions.



The quantitative survey validated the importance of attendee networking. Over 80% of the planners surveyed indicated an increased need to improve the attendee’s ability to network with others as a key factor in overall satisfaction.

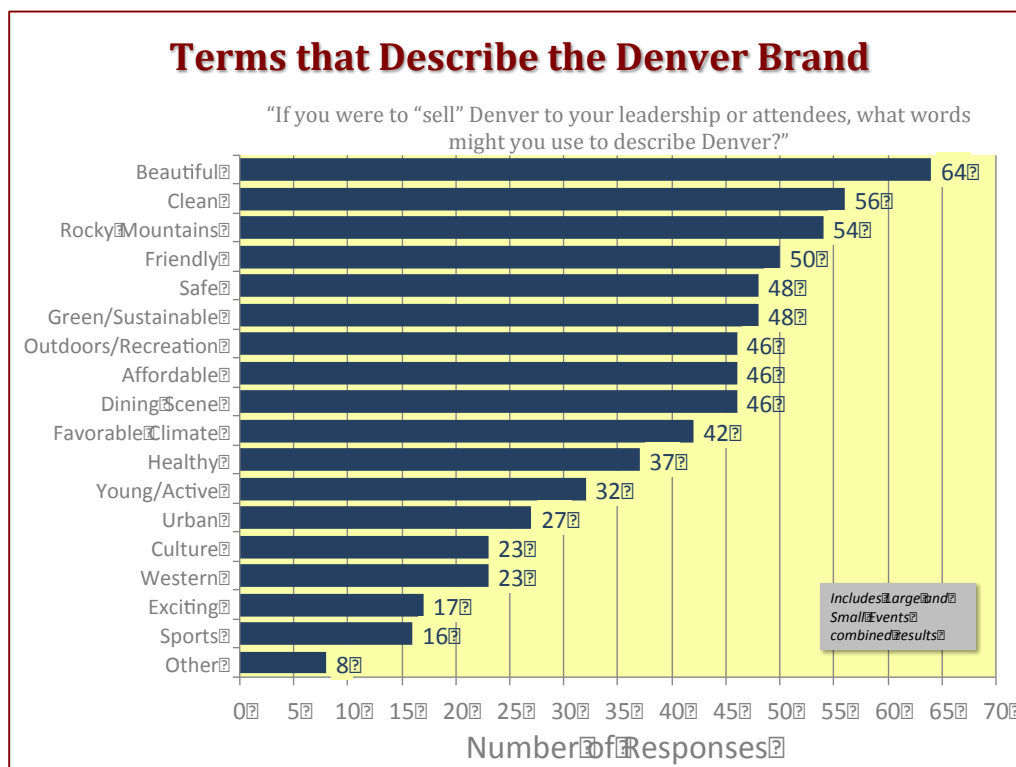
Meeting planners supported the need for the Colorado Convention Center to **create a design and operational plan** to support this trend in the meetings industry. The work session with the Customer Advisory Board reinforced the importance of networking and the need for the CCC to provide a networking plan that was designed to bring attendees together, and not just supply furniture or areas for people for network. The plan would create options for the planner to choose from. The opportunity is to provide a **reason to come** to a networking space due to a food and beverage offering and/or an activity for attendees. A current possibility to improve the networking opportunities at the CCC is the reconfiguration of the B lobby as well as the café space in this area. The re-working this space would provide new networking locations in this area



of the CCC. This would also create an opportunity to have more usable “front doors” for the CCC as surrounding hotels are developed. This could have a positive impact on stacking multiple groups and accommodate the hotel development on the Welton side of the building.

## Selling Denver

The stakeholder discussions and focus group meetings discussed which Denver attributes resonate with the target market. These discussions generated 17 words or phrases that were tested in the target market survey.



The following are groupings of common words that were popular among planers when describing Denver:

Beautiful, Outdoors, Rocky Mountains, Green, Favorable Climate

Clean, Friendly, Safe, Affordable

Healthy, Young, Active

Dining, Urban, Culture

Those terms that resonate highest with the meeting planners should be integrated into the messaging, as well as the design and branding of the convention center itself. For example, the specialty space might be defined as providing a *beautiful, friendly, and safe environment with views of the Rocky Mountains*. Another example would be to stress health in the food and beverage offerings. Interestingly, the Western theme was not viewed by many as an important characteristic of Denver. This is consistent with the results of the recent State Branding exercise.

In conjunction with the feedback regarding the need for creating space that is more reflective of the Denver brand, SAG recommends utilizing this information as a foundational part of future design decisions.

## Recommendation

The following summarizes the recommendations related to the convention center in order of priority.

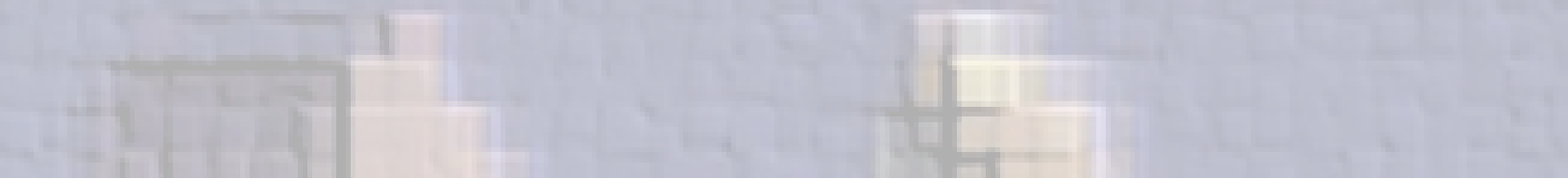
1. **Ballroom/Meeting Space** – It is recommended that the CCC master plan for the addition of a 35,000 to 50,000 square foot ballroom and 25,000 to 35,000 square feet of meeting space. As much of the new space as possible should be developed as “**specialty space**”, providing a unique experience that takes advantage of Denver’s natural attributes, such as a view to the Rocky Mountains. This recommendation is driven by the analysis of the event calendar, which demonstrated there are over 50 4-day periods a year where the convention could host a 100,000 square foot exhibit event if it had additional ballroom and meeting space. The lost business analysis also indicated the need for meeting and ballroom space and the benchmarking revealed that the CCC has a low exhibit space to ballroom/meeting space ratio among its competitors. This need, coupled with a current positive perception of Denver and the CCC by the target market surveyed, provides further support for this recommendation.
2. **Meeting Experience** – It is recommended the existing and any proposed new facilities consider the creation of unique meeting experiences and social **networking** in any

planning effort. This recommendation is supported by discussions with meeting planners and industry thought leaders, as well as the survey of the target market.

3. **Technology** - It is recommended that the CCC create a plan and allocate the appropriate budget to be a class-leading facility from a technology perspective. The main areas of focus should include offering sufficient **bandwidth** to accommodate the needs of the attendees and exhibitors, providing the infrastructure to accommodate event **online video streaming**, and supporting leading edge **crowdsourcing** technology. Based on discussions with the current technology service provider and Cisco Systems, it is understood that there are new technological approaches to support the evolving needs of clients. This includes conducting a thorough site survey and increasing the overall coverage by adding access points in hard to reach (non line of sight) areas, reducing dead spots to enable attendees to connect to Wi-Fi from any location within the facility. To enhance Wi-Fi capacity and overall network performance, it is recommended utilizing the newest “Smart Antennas” which automatically tune the Wi-Fi signals traveling up and down between a visitor’s mobile device and the Wi-Fi network. This helps optimize speeds, regardless of the model of smartphone, tablet or laptop. The wireless Access Points support streaming content and provide crowd-sourcing opportunities for Denver clients. Specific recommendations to accomplish this plan could include:

- a. Increasing the number of access points to 1 per 2,500 square feet. Currently the CCC has a ratio of 1 per 18,000 square feet.
- b. Utilizing the latest standards and “smart” technology with access points that will provide crowdsourcing capabilities.
- c. Utilize the latest Wi-Fi standards for access point capacity to better optimize the existing building infrastructure needs for bandwidth thus reducing the cost of delivering a higher quality experience.
- d. Increasing building outbound Internet transport back-haul to match the improvement in the new wireless network to support premium services such as user generated rich media (e.g. iPhone photos, short video uploads) sent from conventioners out to the Internet.
- e. Installing a VideoScape server infrastructure for content management and streaming.

The recommendations above are designed to elevate Denver’s meeting and convention product, and enhance its position as a leading destination. The meetings and convention industry is evolving due to new dynamics and is highly competitive. Industries such as auto and technology



dedicate significant ongoing research to stay in front of the needs of their customers. If companies in these industries decided not to advance their products, they would lose market share. The same logic can be applied to the negative impact that could occur if the CCC does not continue to invest in design and operational advancements.

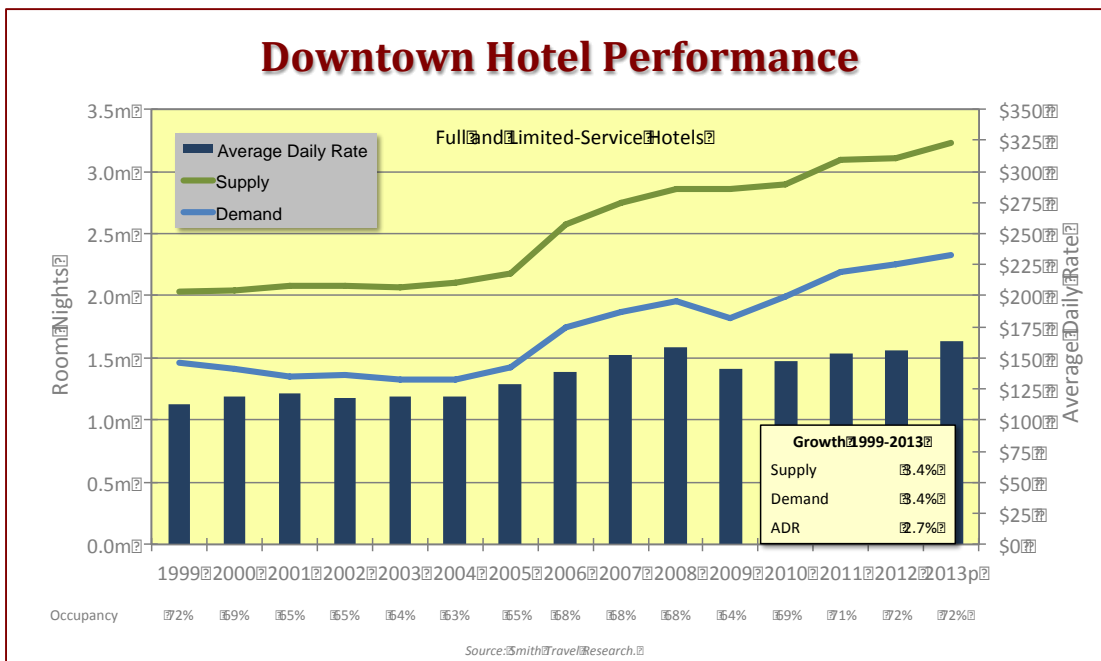
While it is difficult to quantify, there is a risk to not moving forward. Competing convention centers and destinations are developing new and innovative approaches to increase their market share. Denver has already demonstrated that it can elevate its position as a top tier destination. The implementation of the recommendations can create a new path to advancing Denver's competitive position in the future.

# HOTEL INVENTORY AND CONFIGURATION

## Downtown Market

### Overall Market

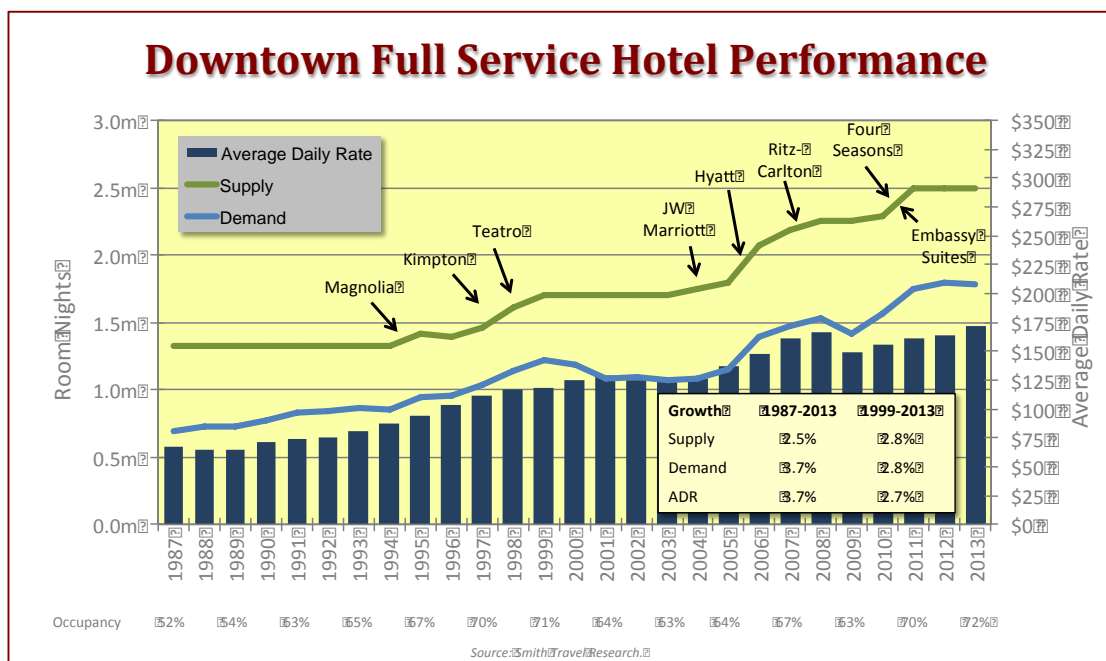
Denver's downtown full and limited-service hotel market has performed well over the last 15 years. The supply of rooms in 1999 was 5,600 and it has grown an average of 3.4% annually through 2013. Today there are 8,900 full and limited service rooms in downtown. Supply and demand have remained in equilibrium, with the average growth in demand of 3.4% tracking the average growth in supply at 3.4%. On average, the **downtown hotel market has added 235 rooms annually** since 1999. Average daily rate has kept up with inflation, growing 2.4% annually to \$164 in 2013.



## Full-Service

Downtown's full-service hotels have also performed well. Since 1987, the demand for full-service rooms has grown an average of 3.7% annually, outpacing supply, which grew at 2.7%. The supply of rooms was relatively flat from 1987 through 1994. The economic expansion of the late-1990s facilitated the addition of 1,100-rooms in downtown. Supply remained relatively flat until the JW Marriott opened in 2004, followed by the Hyatt in 2005. The Ritz-Carlton opened in 2008 and the Embassy Suites and the Four Seasons opened in 2010. In 2014, the new full-service Renaissance hotel is expected to open as well. Downtown now offers 6,800 full-service hotel rooms. On average, the downtown hotel market has **added 125 full-service rooms annually** since 1987 and 155 annually since 1999.

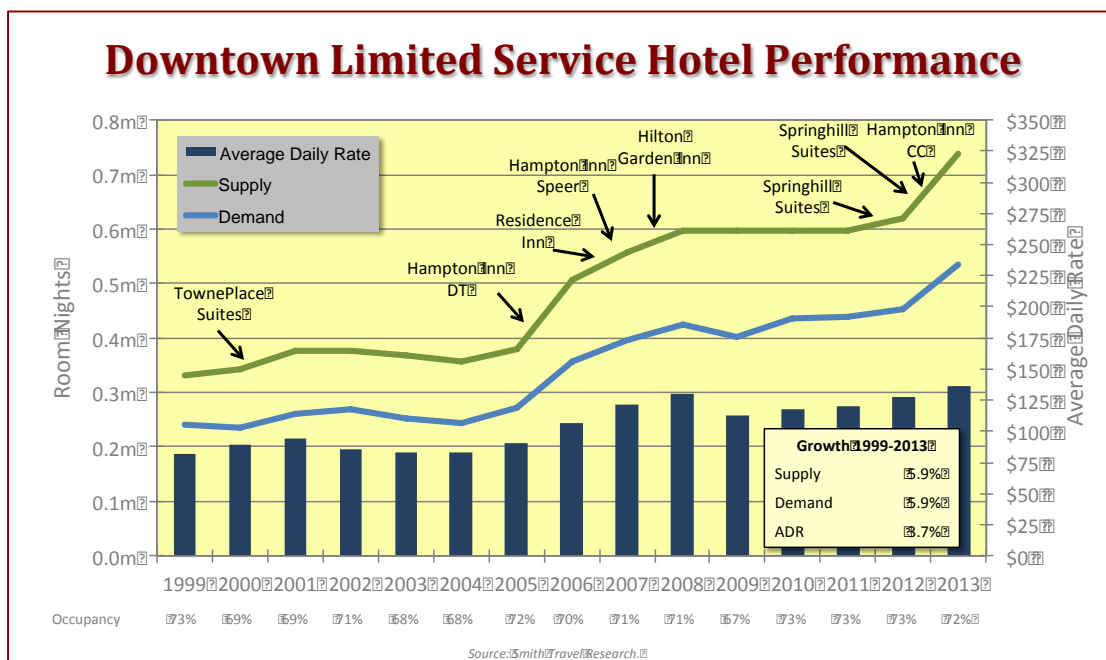
Beginning in 1999, **supply and demand have grown in equilibrium** at 2.8% annually through 2013. Average daily rate for full-service hotels has kept up with inflation, growing at 2.7% over the same time period. The average daily rate for full-service hotels has grown from \$68 in 1987 to \$125 in 2000 to an estimated \$172 in 2013.



## Limited Service

Consistent with the overall trend in the U.S., the limited-service hotel market has outperformed the full-service hotel market. Beginning in 1999, supply and demand grew in equilibrium at 5.9% annually through 2013. The supply of rooms has grown from 900 in 1999 to 2,000 in 2013. Recent supply growth has been driven by the Hampton Inn in 2005, followed by the Residence Inn and another Hampton Inn in 2006, a Hilton Garden Inn in 2007, a Springhill Suites in 2012, and a Homewood Suites and another Hampton Inn in 2013. On average, the downtown hotel market has **added 80 limited-service rooms annually** since 1999.

Average daily rate for limited-service hotels has **outpaced inflation**, growing at 3.7% since 1999. The average daily rate for full-service hotels has grown from \$89 in 2000 to an estimated \$137 in 2013.



## Convention Room Package

A destination's convention room package is an important selection criterion for meeting planners. Destinations with the most full-service rooms that are closest to the convention center are ideal for meeting planners. Planners desire their delegates in close proximity to reduce transportation costs and promote group interaction/networking.

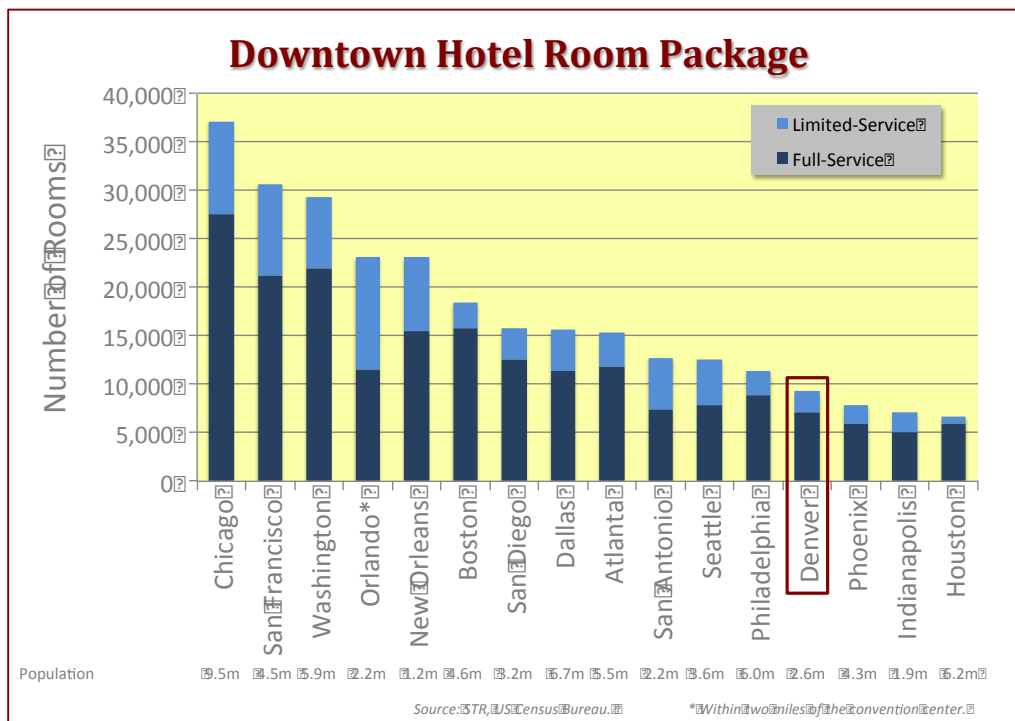
Denver offers a convention package comprised of 9,300 full and limited-service hotel rooms in downtown. This includes 2,000 hotel rooms within two blocks of the CCC. The largest convention hotels include the 1,100-room Hyatt Regency adjacent to the CCC and the 1,231-room Sheraton located 3 ½ blocks from the CCC.



## Benchmarks

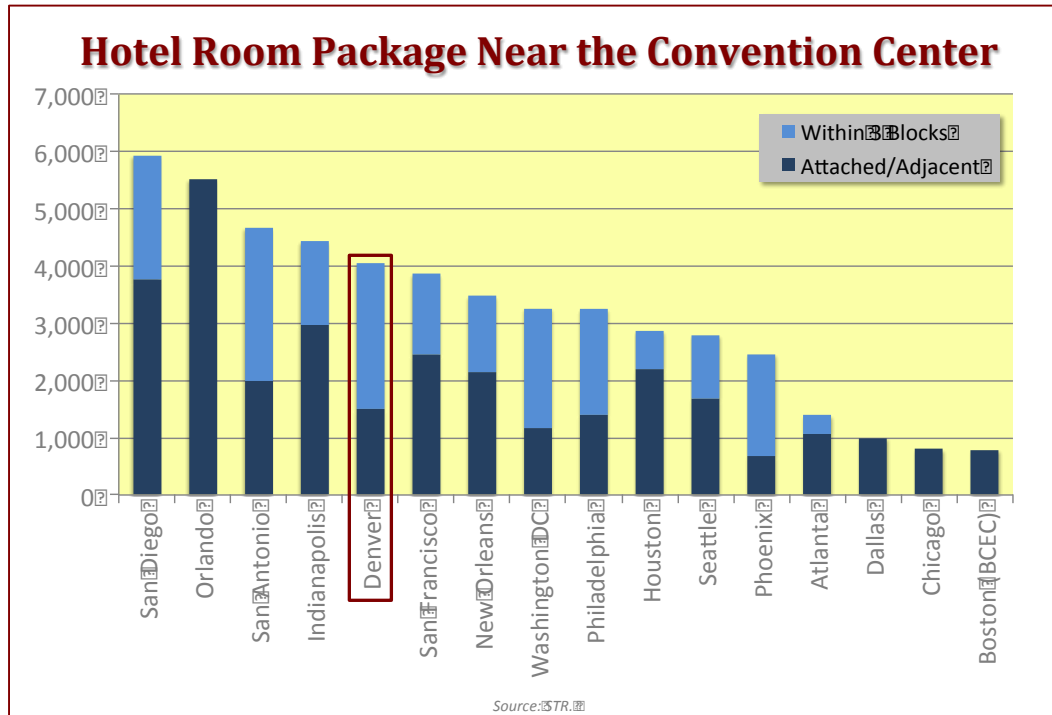
### Downtown Hotel Supply

According to Smith Travel Research (STR), Denver offers nearly 9,300 full and limited service hotel rooms downtown. Denver competes, from a convention center perspective, with several facilities that are located in larger metropolitan area that support more hotels rooms in their downtown. When comparing Denver’s downtown supply to the facilities that Denver competes with, **Denver ranks 13<sup>th</sup> out of the 16** benchmarked communities in terms of total downtown hotel room supply.



## Supply near the Convention Center

The number of full-service, convention quality hotel rooms attached or adjacent to the convention center is also important to event planners. Denver currently offers 1,503 adjacent hotel rooms in two hotels, the 1,100-room Hyatt and the 403-room Embassy Suites and **ranks 9<sup>th</sup>** in the number of full-service rooms attached or adjacent to the convention center.



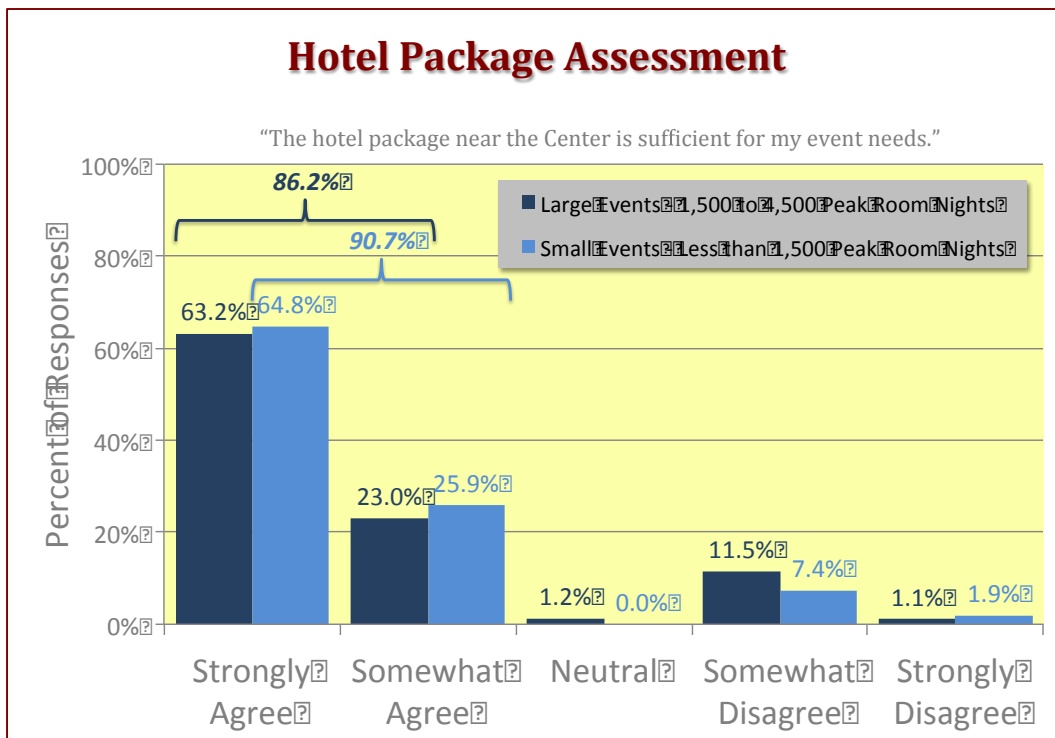
The attached/adjacent hotels are augmented by an additional 2,500 rooms in seven hotels (including the Renaissance projected to open in January 2014). When comparing Denver’s rooms within three blocks of the center, it **ranked 5<sup>th</sup>** out of the 16 benchmarks, **exceeded only by tourist and larger destinations**, including San Diego, Orlando, San Antonio and “up and comer” Indianapolis.

Competing destinations such as Houston, Salt Lake City, Indianapolis, and others have evaluated the best approach to improving their full service room block capacity. This has resulted in public private partnerships including incentives for private developers to build new full service hotels in close proximity to their convention centers.

## Target Market Survey

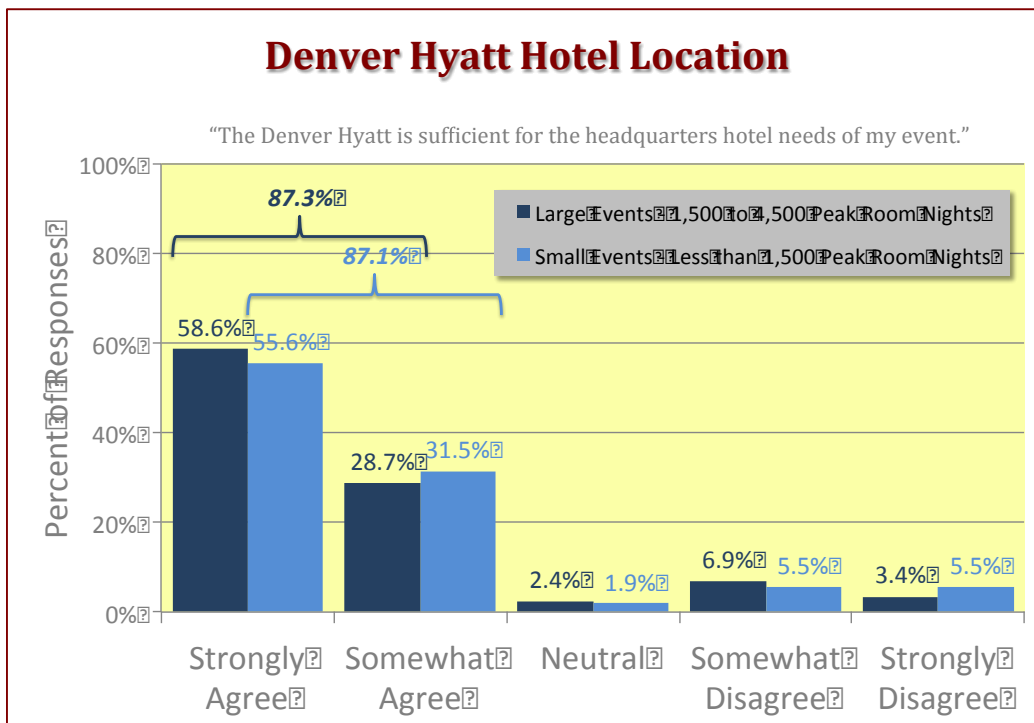
### Supply near the Convention Center

The target market survey indicated the overall hotel package near the CCC is generally sufficient to meet their event's needs. Over 86% of the respondents in the Larger Group and over 90% of the respondents in Smaller Group stated they strongly agree or somewhat agree that Denver's **hotel package near the CCC is sufficient for their needs.**



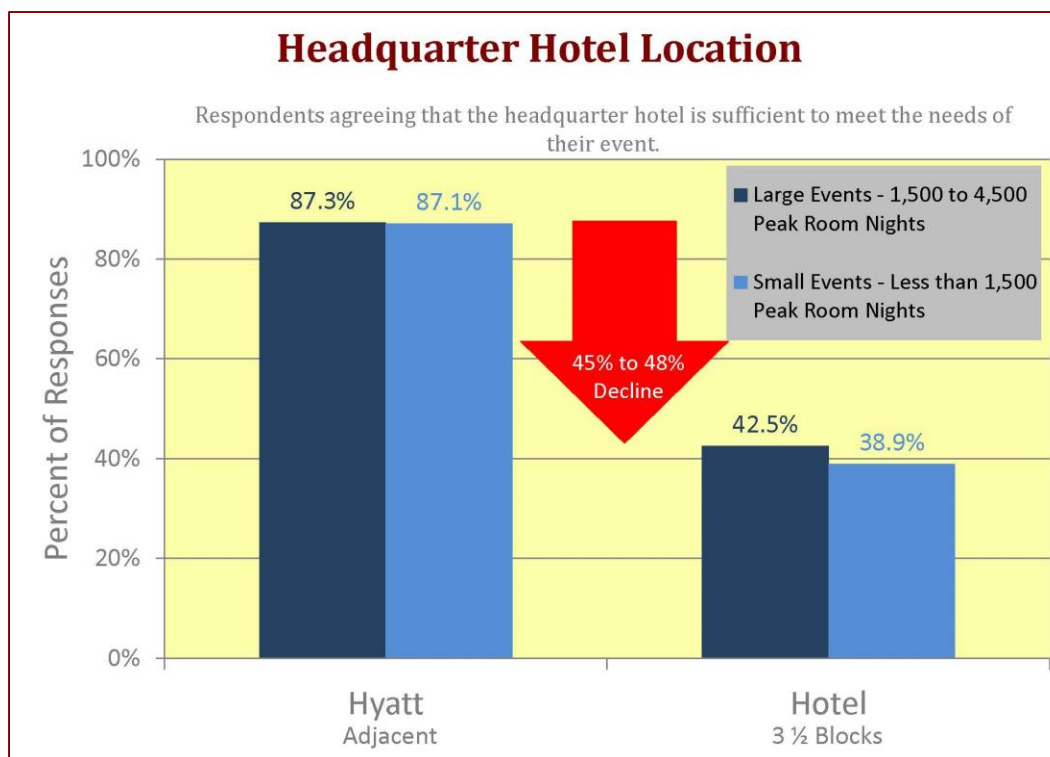
## Adjacent Headquarter Hotel

The size and location of convention headquarters hotels are becoming increasingly important in planners' decisions when selecting a destination. Cities across the U.S. understand this and have been actively developing headquarters hotels over the past two decades. Denver proactively invested in the 1,100-room Hyatt in 2005 and it made a positive impact on the city's ability to book events. The survey of meeting planners confirmed that Denver made the right decision with over 87% of the respondents agreeing that the **Hyatt meets their headquarters hotel needs**.



## Remote Headquarter Hotel

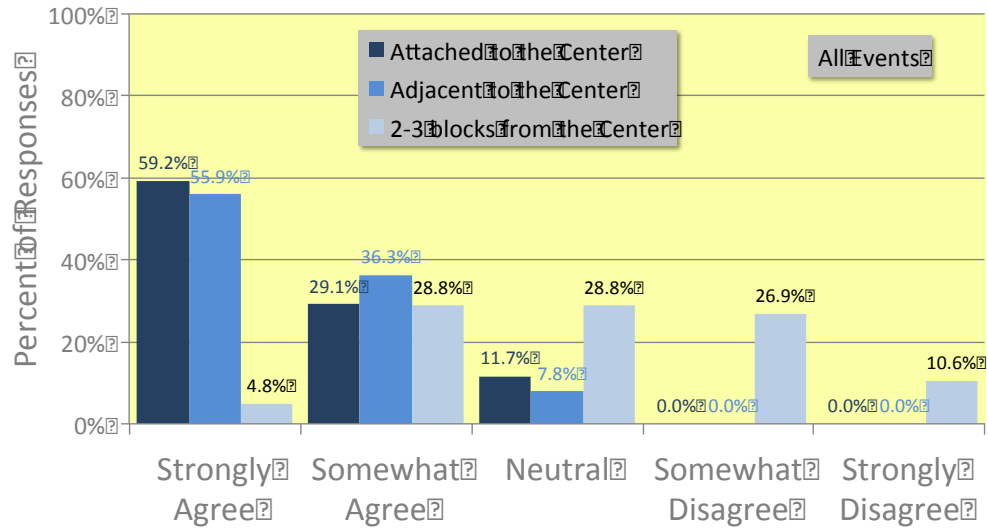
Meeting planners generally require their headquarter hotel to be attached or adjacent to the convention center. Survey respondents were asked if the distance of the Sheraton Denver (3.5 blocks) would be sufficient for their headquarters hotel if the Denver Hyatt were not available. Although Denver's hotel package is well received by the target meeting planners surveyed, the responses indicate the importance of headquarters hotel location. The focus groups reiterated that planners had more destination options with adjacent or attached hotel room blocks and were less willing to consider a headquarter hotel that was two to three blocks away. Even though the Denver Sheraton is located only 3 ½ blocks from the CCC, the survey respondents' satisfaction with this location for their headquarter hotel was materially lower than an attached/adjacent location. The meeting planner level of satisfaction with their headquarter hotel located 3 ½ blocks away was **cut in half** when compared to their satisfaction with an attached/adjacent location. To maximize the convention center success, **full-service hotel development should be fostered as close to the CCC as possible.**



This concept was reinforced when meeting planners were asked whether or not they would book an event at a convention center if the headquarter hotel was attached, adjacent or 2 to 3 blocks from the center.

## Hotel Proximity Impact on Booking

"I would book my event at a convention center if the headquarters hotel is."



## Current Denver Hotel Inventory and available lots in proximity to CCC

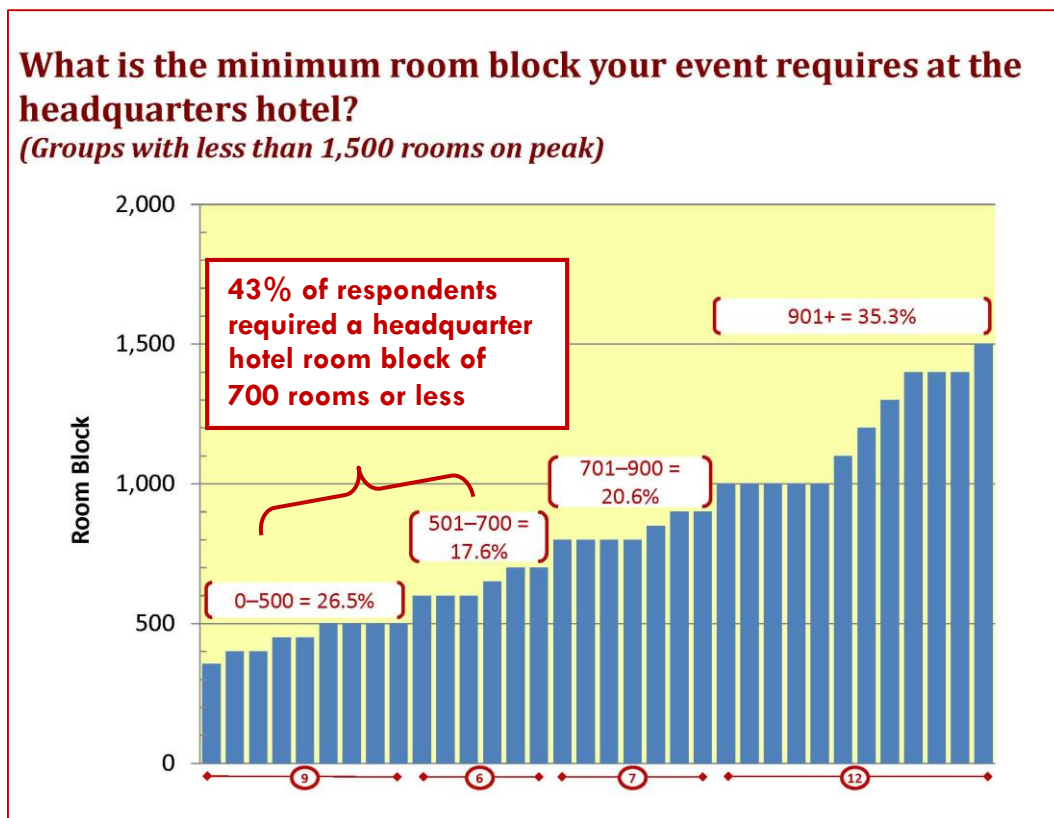


The diagram above demonstrates the small amount of land and options for full service hotel development. The research indicated the growing importance of full service hotel rooms within a short distance of the Convention Center for Denver's

competitive position. The development of full service hotels in close proximity must be a focus of future planning efforts.

## Minimum Room Block Requirements – Future Hotel Development

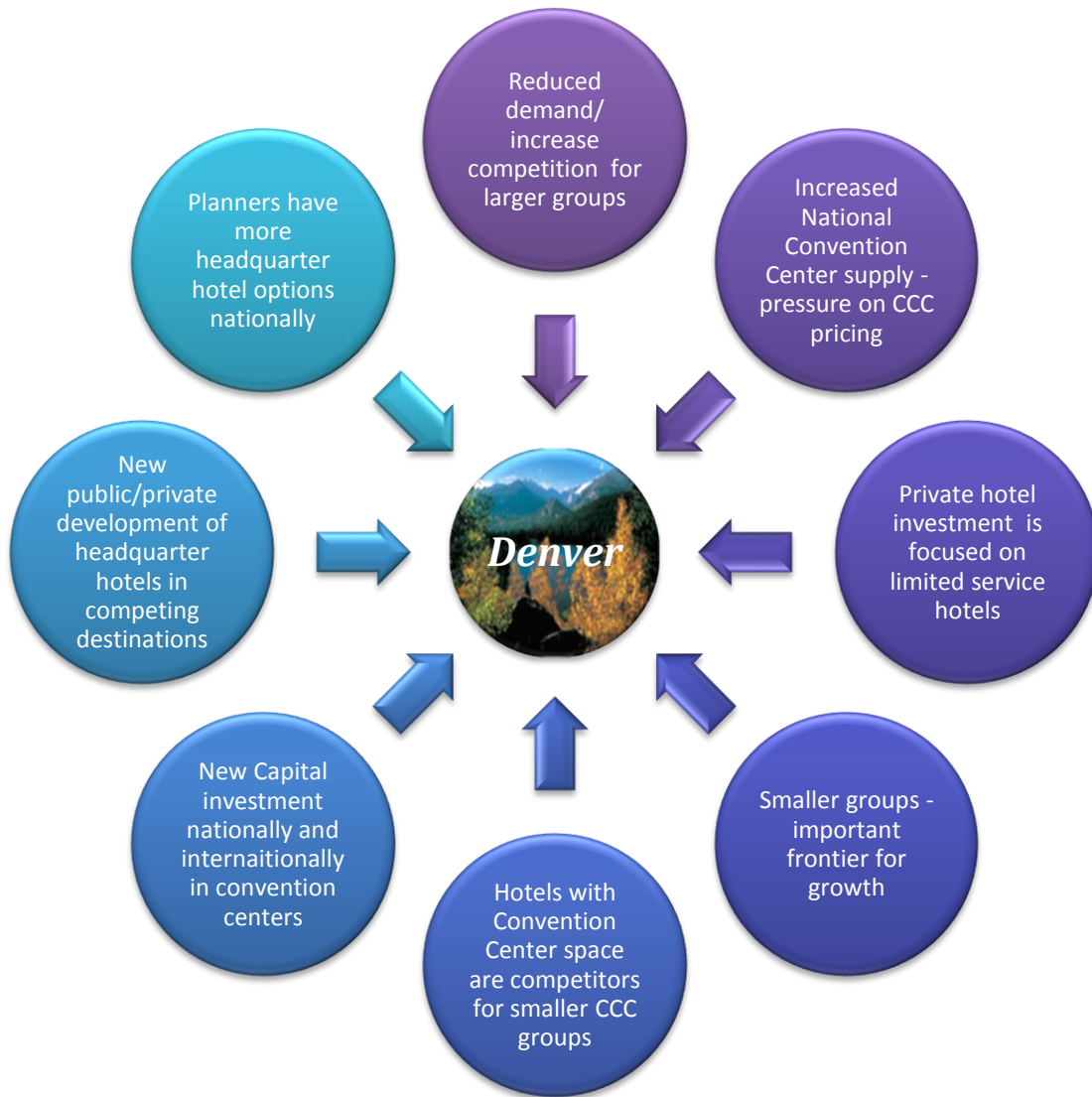
Meeting Planners who supported groups with less than 1,500 rooms needed for their peak room night indicated their minimum room block requirements for a headquarter hotel. Over 40% of the respondents indicated a requirement of less than 700 rooms for their headquarter hotel room block needs.



SAG also reviewed a recent study by the Watkins Research Group that included larger meeting and conventions. The Watkins Research Group *Meeting and Convention Planners Survey* is a biennial study of perceptions about 46 cities and convention bureaus and about important industry topics as perceived by meeting planners. The 2012 report is based on surveys of 730 participants, representing 650 unique companies and/or associations. This is one of the most prestigious and respected meeting planner studies in the nation. This study indicated that 54% of the respondents needed 750 rooms or less on the peak room night for a hotel to be considered their “headquarter”.

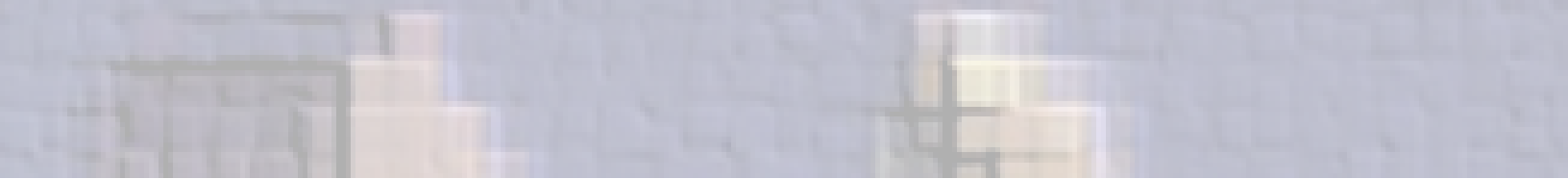
The results of this research reinforce the importance of encouraging full service hotel development in Downtown Denver within close proximity to the CCC.

## Competitive Forces in Convention Center/Hotel Industries



The chart above illustrates the market dynamics that currently impact Denver as a meeting and convention destination. The expansion of competitive convention centers have created significant pressure on center pricing as well as increased the destination options for large groups. The review of the largest tradeshow indicates no significant growth and more conventions centers where they can meet. The development of new full-service hotels that are within one block of competing convention centers has created an expectation for the location of a headquarter hotel.





This makes the selling of Denver when the Hyatt is full more challenging. These are examples where Denver has the opportunity to stay ahead of these market dynamics and develop new physical enhancements in conjunction with new operating approaches. These investments and improvements will continue to elevate Denver's position in the meetings industry.

## Recent Convention Center/Hotel Developments - Competitive Destinations

The following are examples of new developments in competitive destinations. This reinforces the need to continue to improve the overall Denver convention and meetings experience. The expectation of having improved Convention Center space and connected or adjacent hotel rooms is continuing to increase due to new developments

Destination	Hotel/Convention Center	Opening/Completion
Orlando, Florida	1,400 room Hilton (connected to Convention Center)	2009
Dallas, Texas	1,000 room Omni (connected to Convention Center)	2011
San Antonio, Texas	1,003 room Grand Hyatt	2008
San Antonio, Texas	Convention Center Renovation/ Expansion	2016
San Diego, California	1,190 room Hilton (adjacent to Convention Center)	2008
San Diego, California	Convention Center Expansion	2016
San Diego, California	500 room Hotel (adjacent to Convention Center)	TBD (approved)
Indianapolis, Indiana	980 room JW Marriott Hotel	2011
Indianapolis, Indiana	Convention Center Expansion	2011
Austin, Texas	1,012 room JW Marriott Hotel	2015
Houston, Texas	1,000 room Hilton Hotel (connected to Center)	2003
Houston, Texas	1,000 room Marriott Hotel (adjacent to Center)	2016
San Francisco, California	Convention Center Expansion	2018
Chicago, Illinois	1,200 room Hotel (connected to Center)	TBD (approved)
Phoenix, Arizona	Convention Center Expansion	2009
Phoenix Arizona	1,000 room Sheraton Hotel (adjacent to Convention Center)	2008
Philadelphia, Pennsylvania	Convention Center Expansion	2011
Anaheim, California	Convention Center Expansion	2016
Chicago, Illinois	Internet and Wi-Fi Upgrades	2014
Washington D.C.	1,175 room Marriott Marquis (connected to Center)	2014

## Large Convention Hotels

The growth of hotels with large amounts of exhibit, ballroom, and meeting space increases the competition for groups that could also meet in the CCC.

The proposed Gaylord Hotel that the Marriott developers plan to build will be the state's largest hotel and convention center and only 9 miles from the passenger terminal of Denver International Airport. The subsidy for the proposed hotel is \$81.4 million in state sales tax rebates and an additional \$300 million from the City of Aurora.

The 1,500 room Gaylord Rockies Hotel & Conference Center is projected to have exhibit and meeting room space that will compete with Denver for conventioners. The following chart compares the meeting room space and hotel rooms.

	CCC	Gaylord
<b>Exhibit</b>	584,000	180,000
<b>Ballroom</b>	50,000	49,000
<b>Jr. Ballroom</b>	35,000	32,000
<b>Meeting Space</b>	92,000	45,000
<b>Total Leasable</b>	761,000	306,000
<b>Hotel Rooms</b>	9,000	1,500

An analysis of the fifty-seven 2012 CCC events that VISIT DENVER classifies as convention, tradeshow or citywide events indicates that 26 of the 57 events could be accommodated by a large convention hotel if the event desired to meet at a singular property instead of a downtown Convention Center. While the number of events appears large, the events that are vulnerable represent 19% of the room nights booked. In 2013, the number of events represented 16% of the rooms nights booked.

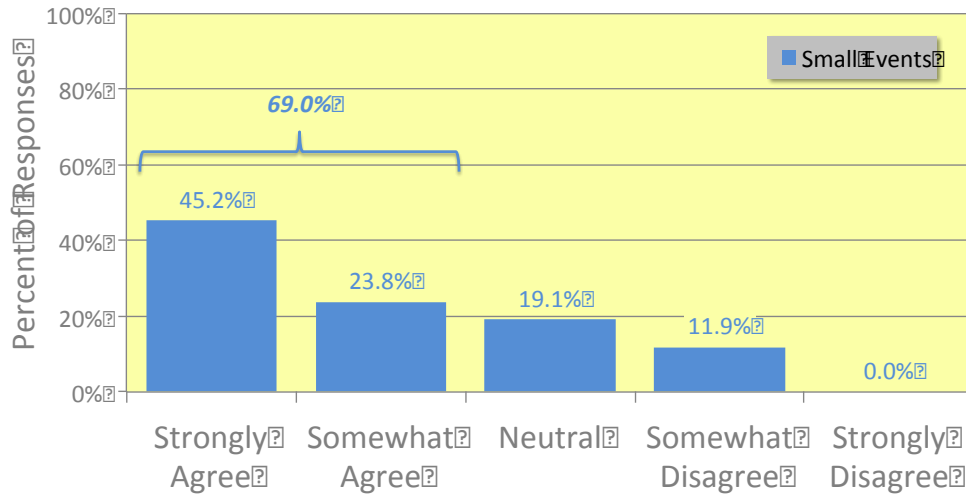
A 2011 study by Greenwood Village-based Hospitality Real Estate Counselors Inc. for the Denver Metro Convention & Visitors Bureau produced a similar percentage of room nights that were vulnerable at 20%, and in addition to center business that would be vulnerable, analyzed Sheraton and Hyatt Hotel business as well. The numbers may fluctuate annually, however two years of analysis with two independent consultants demonstrate room night vulnerability in the range of 20%.

2012 and 2013 Vulnerability Comparison			
	2012		2013
Room Night Generating Events	97		82
<b>Total Room Nights</b>			
Conventions/Tradeshows/Citywide	375,973		383,537
Other Room Night Generating Events	44,699		48,266
<b>Total Room Nights</b>	<b>420,672</b>		<b>431,803</b>
<b>Vulnerable to Large Convention Hotel</b>			
Conventions/Tradeshows/Citywide	35,651		34,911
Other Room Night Generating Events	44,506		35,204
<b>Total Room Nights</b>	<b>80,157</b>		<b>70,115</b>
<b>Percent of Total Room Nights</b>	<b>19%</b>		<b>16%</b>
Conventions/Tradeshows/Citywide Events % lost	9.5%		9.1%

The smaller meeting planners surveyed (requiring up to 1,500 rooms on peak) as part of this study indicated they were **more interested in utilizing the CCC and downtown hotels** than a large convention hotel. Sixty-nine percent of the respondents indicated a preference for a downtown package, with another 19% being neutral. Those surveyed generally desire an urban downtown experience over a suburban resort.

## Downtown Convention Center vs. Suburban Resort

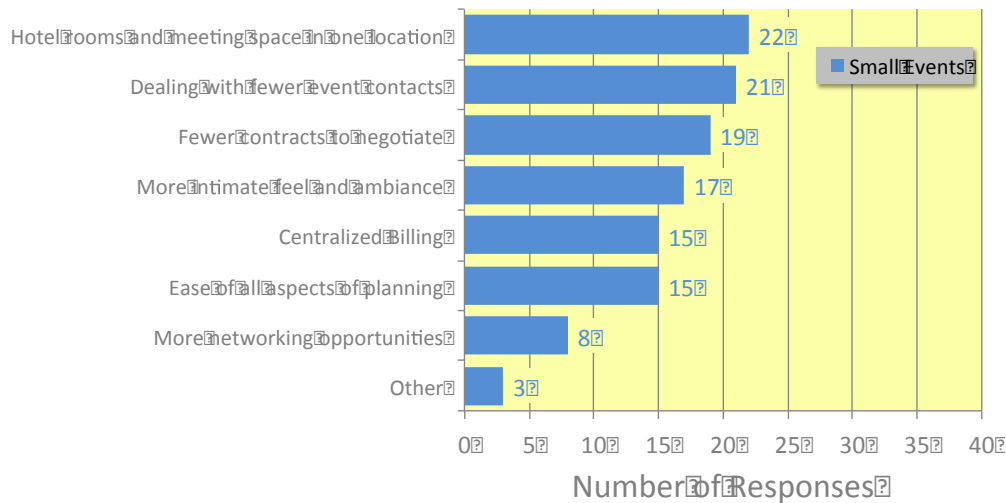
"If the CCC offered the overall experience and hotel package required for my event, I would choose the downtown Denver package over a hotel/resort where my event could be self-contained but located outside of downtown Denver."



One of the selling points a suburban resort will use when competing against a downtown product relates to ease in the booking process. A suburban resort by definition is a one-stop-shop. One salesperson and one event manager can take care of an event's sleeping, meeting, and eating needs. In a downtown environment, a meeting planner often deals with a CVB salesperson upfront, negotiates with more than one hotel, negotiates with a convention center for space rental, negotiates with a separate caterer, and must coordinate the event with multiple event managers at the hotels, convention center, caterer and other vendors. The survey revealed that 54% of the respondents believe that the **single hotel experience is much better than a downtown convention center multi-hotel experience**. When asked the question with a list of service options, planners specifically mentioned fewer contacts, fewer contracts, centralized billing, and ease of planning, as reasons for favoring the single hotel experience like the large convention hotels will offer.

## Meeting in Hotels vs. Convention Centers

“How has your experience with hotels been better?”



Destinations across the country are experimenting with the implementation of a one-stop-shop program to better compete for smaller meetings. Such programs generally involve bringing together key partners such as the convention center, its service contractors, and key hotels to create a cohesive package – **“One Denver”**. The sales teams are trained and empowered to sell all the assets. Contracts are coordinated with a goal to have one contract go to the client (often the rooms contracts must be separate but the terms for each hotel are identical). Finally, there is one event coordinator from the client’s perspective, with others assisting behind the scenes. To minimize the impact of the Gaylord Rockies, **it is recommended a “One-Denver” concept be developed** that will make it as easy to book in downtown as it will be to book at a suburban resort.

The opportunity for Denver is to build off an operational structure that is known as the Denver Alliance. The Denver Alliance is a partnership that was established in 2008 between SMG, Centerplate Catering, VISIT DENVER, the City & County of Denver, the Division of Theatres and Arenas, and the Hyatt Regency Denver at the Colorado Convention Center. The Alliance collaborates on sales, marketing and operations of the Colorado Convention Center. The feedback received from planners is an indicator of the success of the Denver Alliance. This collaboration will be an important foundation for the implementation of the “One-Denver” concept.

## Recommendation

The convention hotel package is the single most important destination selection criteria once an event knows it can be accommodated in the convention center. The closer the hotel block is to the convention center the better it will work for meeting planners. It is recommended that the city **foster hotel development as close to the CCC as possible**. This can be accomplished through the acquisition of desirable sites and by offering incentives for full service hotel projects near the CCC.

It is also **recommended that a “One-Denver” concept be developed** that will make it as easy to book a convention in downtown Denver as it will be to book at a suburban resort with large exhibit and meeting space. This type of functionality and service approach is critical if downtown Denver and the CCC is to maintain and grow its share of these types of meetings.

Denver is positioned well to be the first major destination offering a seamless approach to servicing conventions including all destination and convention center services, as well as downtown hotels. In 2008, a new advisory structure was implemented called the Denver Alliance. The Alliance members include Visit Denver, SMG, City & County of Denver division of Theatres & Arenas, Hyatt Regency Denver at Colorado Convention Center, and Centerplate Catering. The purpose of the Alliance is to effectively maximize space and profits at the Colorado Convention Center and visitor spending in the community. This functioning collaboration creates a solid foundation for the implementation of a seamless approach to selling and servicing smaller conventions. SAG believes that the Alliance is already industry leading and that others will be reshaping their management based on Denver’s system. SAG also believes that the Alliance could go to the next step by perfecting a “One Denver” concept

“One Denver” will entail creating a CCC and hotel package that can be sold and executed as one product to the meeting planner. This will enable downtown to effectively compete with the Gaylord Rockies project and large convention hotels, as well as set Denver ahead of its competitive convention destinations.

## Conceptual Approach to CCC Expansion Recommendations

SAG's architectural team at Fentress Architects has reviewed the proposed expansion and examined the potential opportunities for achieving the recommendations of this report. Preliminary investigation shows there are at minimum three possible options for these additions. Other options will be investigated in different price ranges to finalize the direction for the expansion.

The following is an overview of their findings.

### **Potential Program Space**

Expansion options were explored for a potential program of the following new spaces:

- Ballroom 50,000 net leasable square feet
- Meeting Rooms 25,000 net leasable square feet

The new net leasable space would total 75,000 square feet. Generally, to get to a total area required to support net leasable areas a factor of 2.0 to 2.3 is typical to get to a total gross building area. For the 75,000 net leasable square feet roughly an additional 75,000 to 97,500 square feet would be required to support the net leasable space. The new support space required would be defined as registration lobbies, pre-function, balconies, terraces, food & beverage concessions, toilets, room entry vestibules, vertical circulation (fire stairs, escalators, public elevators, freight and service elevators), back of house support for service corridors, storage, wall storage closets, kitchen, food storage, pantries, ice and beverage stations, recycling areas, employee break-rooms, lockers, structure, mechanical, electrical, plumbing, audio visual, IT, and other miscellaneous spaces.

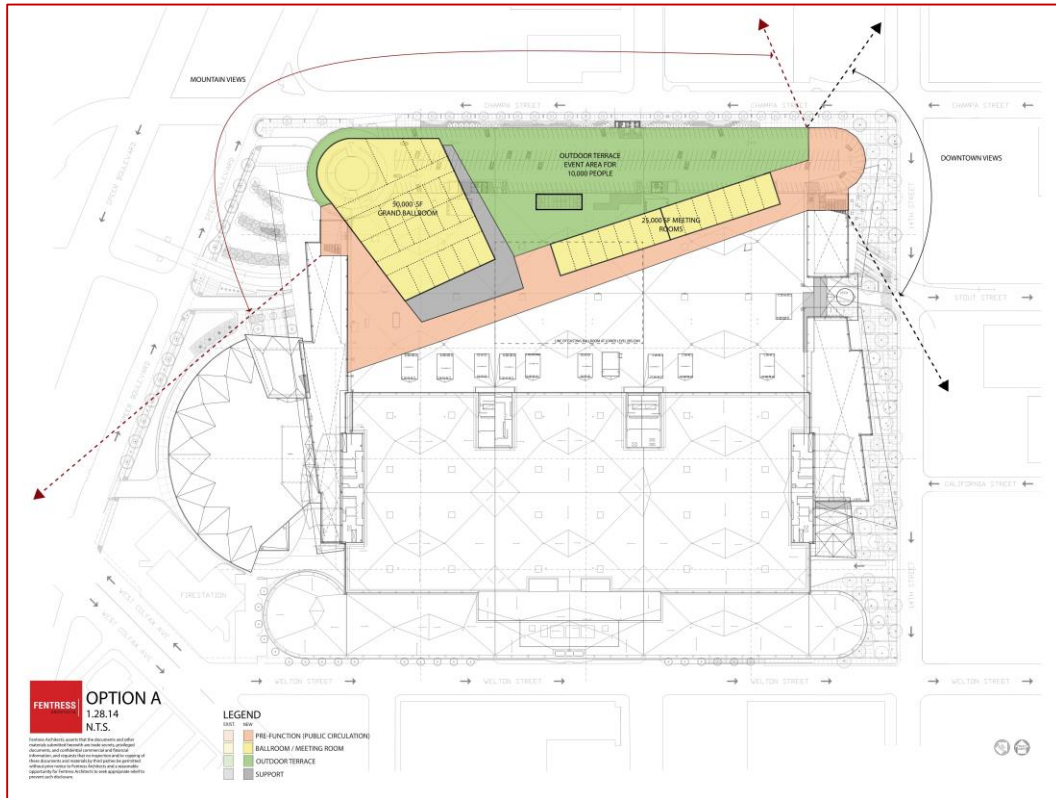
If the city's desire is to create a special outdoor space as a rooftop events plaza, which will take advantage of the expansive views to the Rocky Mountains, then it would be prudent to use the 2.3 factor for support space. This factor would equate to a gross building area of approximately 172,500 square feet. In discussions with the city, an outdoor event space which could accommodate convention closeout parties was discussed. If the space could accommodate up to 10,000 people, then events could remain at the center rather than being bused off-site.



## Potential Expansion Options

Given a net leasable area of 75,000 square feet and a gross building area of 172,500 square feet, three potential expansion options have been discussed.

### **Option A: Rooftop – North West Corner**

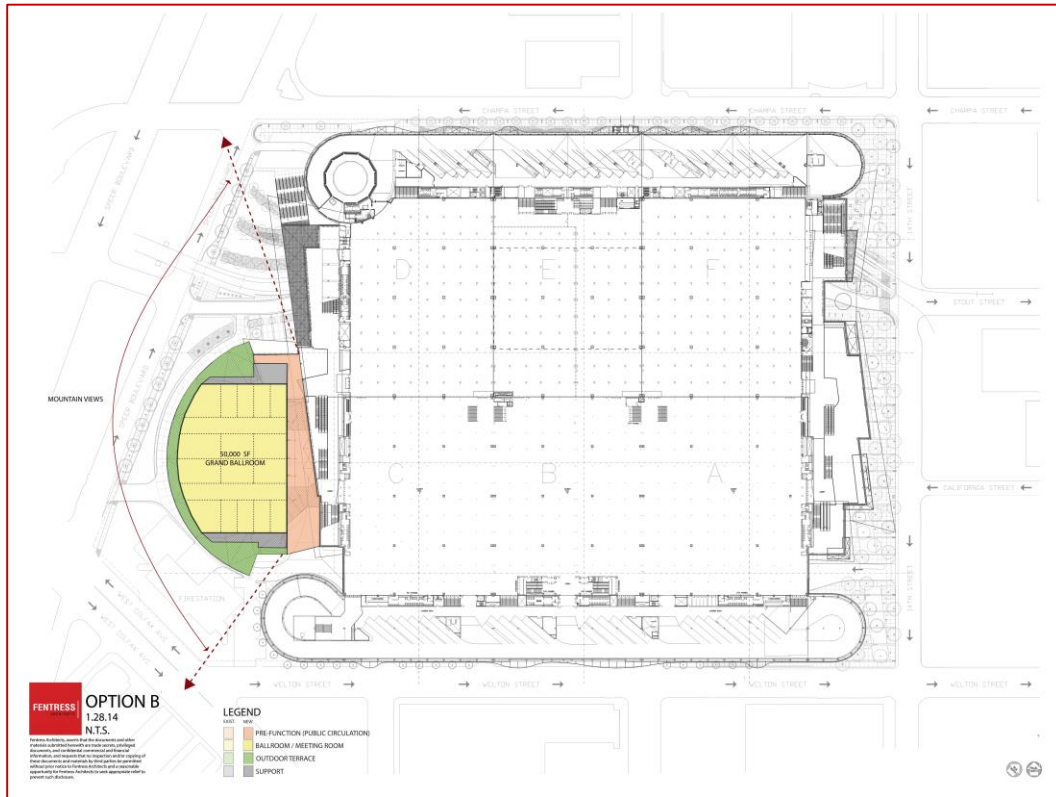


Option A would place a new 50,000 square foot Ballroom and 25,000 square feet of new Meeting Rooms on the North West corner of the roof of the 2004 addition. This location would provide the best possible western views to the front range of the Rocky Mountains and a strong visual connection to the urban core of the Downtown Denver skyline. Vertical circulation and access to this new space would occur at the west D and F Lobbies.

Structural capacity was designed and built into the foundations and vertical support columns during the 2004 expansion, to accommodate expansion at this location. The columns would simply be extended up vertically and new floor beams would create a platform for this new construction. Service and loading would be connected to this level and new mechanical systems would be placed to support this new space.

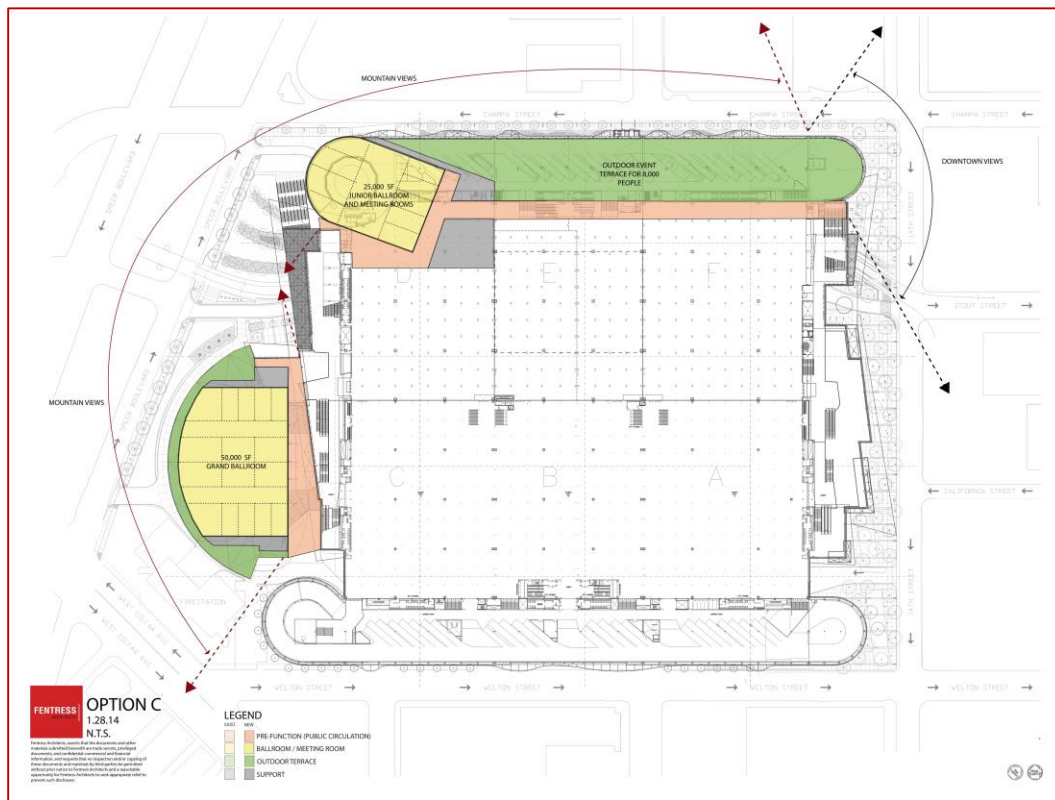
An outdoor events plaza would be capable of having event tents, food & beverage service and outdoor parties looking to the sunset over the mountains to the west.

### Option B: Ballroom Only Above Theater



Option B provides only the 50,000 sf flexible, divisible ballroom. This location provides dramatic panoramic views to the Rocky Mountain Front Range. Its location adjacent to the C and D Halls will help activate these Halls. This option could be seen as an initial expansion, with less cost, while still preserving a future expansion on the rooftop of the 2004 addition. In other words, Option B could be constructed first, while still preserving Option A or Option C as a future expansion.

## Option C: Ballroom above Theater, Meeting Rooms/Jr. Ballroom at Rooftop



Option C looks at adding new space over the top of the existing theater and meeting space on the roof of the 2004 expansion. This potential site is directly adjacent to the C & D Exhibit Halls and has direct views to the Rocky Mountains to the west. This location has the potential to add events to the west end of the center and the C & D Exhibit Halls. The research indicated that more attractive entry points and lobbies, which could be used for multi-group events and used by delegates staying in hotels being developed around the CCC, would enhance CCC's competitiveness.

The theater was not designed to have an addition over the top of it. In order to accommodate an expansion in this location, new structural columns would be added to the outside perimeter of the theater. New structural trusses would be designed to span across and over the roof of the existing theater to these new perimeter columns. The depth required for these new trusses would elevate the floor of the new Ballroom above the current existing exhibit hall floor. Escalators would be added to efficiently transport delegates between these levels.

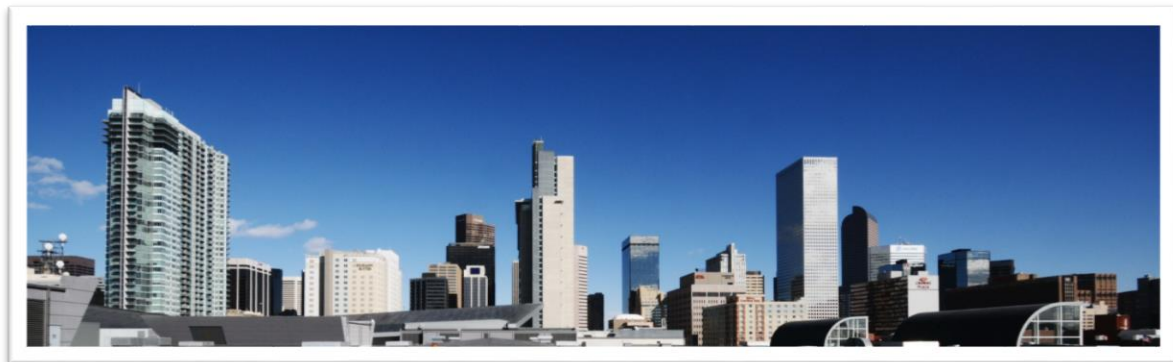
This western location for a new Ballroom would feature the panoramic views to the mountains. The west wall of the Ballroom could be glass, with motorized, electronically controlled blackout shades. These shades allow for ultimate flexibility for audiovisual events as well as a spectacular, dramatic event of opening the blinds to expose the sunset over the mountains (similar to the Sewell Ballroom). The west side meeting space could have a positive impact on activating west facing halls.

This site location is more limited in size than Option A, and would only allow for the ballroom and associated support space to be built over the theater. The upper roof area above the 2004 expansion could be utilized to add additional meeting space, or it could be preserved for another future expansion.

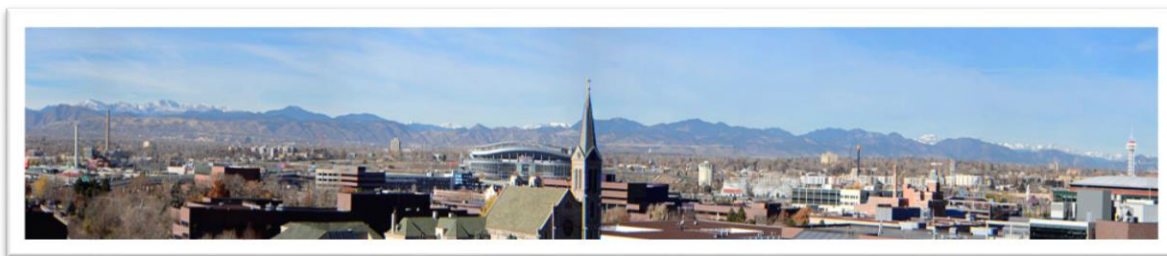
The cost to construct new space above the theater will have a higher unit cost due to the fact that the structure was not provided to add space over the theater. The total cost will depend on the final plan and resulting size of the gross area of the new construction. Internal staff and planner input should be factored into the final direction of these options. Both Option A and Option B would allow for meeting space to be added in the near future, while preserving the opportunities for expansion at a later date.

### **The Views – the “Denver Brand”**

The following are the potential views from the new spaces that are recommended in this report. The proposed locations combine the need for additional ballroom and meeting space with the ability to highlight the views towards the Rockies and Downtown Denver. As stated earlier, the Meetings Planners indicated a high degree of interest in the CCC having “specialty space” that capitalizes on the “Denver Brand”.



*Downtown*



*Rockies*

# ECONOMIC IMPACT

The implementation of the Convention Center recommendations herein is estimated to enable Denver to maintain its historical level of success and to improve its overall impact. As outlined in the study, in 2012 there were 50 four-day periods (excluding holidays) that the center could book events needing up to 100,000 square feet of exhibit space if there were ballroom and meeting space as recommended herein. If the CCC could book half of those dates with 25 events that average 3.0 days in length and 800 hotel rooms on peak, it would equate to 36,000 incremental attendees and 60,000 room nights annually.

Average Spending Per Attendee	
Lodging	\$679.84
Transportation	75.13
Food & Beverage	251.35
Retail	46.04
Recreation	35.29
Space Rental	44.01
Business Services	182.16
<b>Total Direct</b>	<b>\$1,313.83</b>

Source: DMAI Event Calculator.

According to Destination Marketing Association International’s (DMAI) event calculator, the average spending per attendee in markets similar to Denver is \$1,314. This incremental impact results in an additional **\$47.2 million** in annual direct delegate spending, generating an additional \$3.4 million annually in local sales and hotel taxes. Over a 30-year period (assuming 2.5% inflation), incremental spending totals \$2.1 billion and incremental local taxes total \$148.6 million.

SAG did not analyze the local, regional and social business that may choose to use the space or the additional ancillary business that might be gained by current conventions hosting their opening reception in the CCC versus an outside venue. This incremental activity would further support the addition of recommended space.

The level of incremental direct spending in conjunction with the importance of staying competitive in an industry where new investment is prevalent validates the importance of the recommendations contained in this report.

## The Cost of Doing Nothing

The customer survey and focus groups delivered a clear message that Denver is currently a highly successful conventions and meetings destination. The level of activity in the CCC is above many of Denver's key competitors and while there is always opportunity to increase overall bookings, Denver is in a strong position currently. The Denver Alliance has been a highly successful collaboration, which has proven to deliver excellent customer service and continues to growth results in the shared metrics of overall success.

If Denver and CCC were to take no action related to the recommendations in the report and not improve the physical plant or evolve the overall service delivery it would be logical to assume that it will lose market share to its competitors. This comes in many forms from not evolving the approach to capture and service smaller groups that will use the CCC and nearby hotels to not investing in technology and creating specialty space.

The smaller groups which are an important highly competitive market have given specific feedback on how the CCC can compete in winning their business. The development of the Gaylord Rockies and competition from other large convention hotels create a real possibility of the CCC losing as much as 20% of its current smaller group business. This market is a critical area for future growth and will require additional resources and focus in the coming years. If Denver does not move in the direction outlined in this report, which includes a streamlined booking, contracting and servicing approach, it will risk losing significant market share over time.

This is highlighted further by the fact that the number of larger premier conventions are staying flat with more convention center space coming on line in competing destinations. This ongoing development will force more destinations to focus on smaller groups to fill their convention centers.

The future of the downtown Denver hotel industry is another key consideration. The addition of the Hyatt Regency has been well received by convention planners. The ongoing challenge is the need for more meeting space to accommodate self-contained groups for the Hyatt that book after the larger conventions have been secured. Without additional meeting space, the Hyatt and therefore Denver, stand to not realize the full share of meetings business from an 1,100 room downtown hotel.

The importance of effecting planning for future downtown hotel development in commensurate with other recommendation contained in the report. If there is no specific plan put into action to encourage full service hotel development, Denver stands to lose market share as well as decrease the opportunities to grow additional business after the allocated rooms at the Hyatt are committed. If Denver “does nothing” and lets the natural market forces dictate future hotel development there is a high likelihood of an abundance of limited service hotels, which research shows are not a primary factor when convention and meeting planners are determining which destination they will choose for their group. While Denver is performing well today, if nothing is done to alter the meeting facility package as recommended, Denver can expect to see a slow decline in market share and bookings over time.

This study was designed to specifically look at the facilities and marketplace. The recommendation, based on opportunity and lost demand is to increase flexible and iconic meeting space, which in tax dollars could generate nearly \$3.4 million a year. However, it is important to understand the other two opportunities would be to convert more large business with iconic space and the cost of doing nothing at all in this competitive market place.

In 2014 dollars, just a 10 percent decline of convention center business would represent \$40 million of business, and nearly \$2 million decline of tax revenue to the city. **The negative impact of doing nothing will most likely be significant.** In addition, if the sales staff converts just 10% more of the larger lost business (52 groups and \$400 million) it also represents an additional \$2 million a year in revenue. Both hard to quantify, but valid considerations.

SAG recommends the full implementation of the recommendations in this report to keep Denver a market leader in the future.



## EXHIBIT A – STUDY PARTICIPATION

---

### Internal Team

Rich Carollo – Director of Sales and Marketing, Colorado Convention Center  
Chris Adamec - Senior Event Manager, Colorado Convention Center  
Randy Welsh – Director of Operations, Colorado Convention Center  
Lindsey Richeaux - Senior Event Manager, Colorado Convention Center  
Morgan Wheeler - Senior Event Manager, Colorado Convention Center  
Brandon Sims - Senior Event Manager, Colorado Convention Center  
Tyler Hunt - Event Manager, Colorado Convention Center  
Brian Clark - Event Manager, Colorado Convention Center  
Tricia Weldon - Event Manager, Colorado Convention Center  
Becky Capolungo - Event Manager, Colorado Convention Center  
Karissa Burns - Event Manager, Colorado Convention Center  
Samantha McDonald - Event Manager, Colorado Convention Center  
Mona Roy - Event Management Coordinator, Colorado Convention Center  
Harry Emmerson - Convention Information Analyst, Visit Denver  
Rachel Benedick - Vice President of Sales and Services, Visit Denver  
Jason Lusk - Director of Sales, Visit Denver  
Vikki Kelly - Convention Service Director, Visit Denver

### The Denver Alliance

Kent Rice - Executive Director                      Denver Arts & Venues, Denver Alliance  
John Adams - General Manager, Colorado Convention Center, Denver Alliance

### Community Leaders

Kelly Leid – Executive Director, North Denver Cornerstone Collaborative  
Tracy Huggins - Executive Director, Denver Urban Renewal Authority  
Navin Dimond - President & CEO, Stonebridge Companies  
Tom Clark - CEO, Metro Denver EDC  
Paul Washington - Executive Director, Denver - Economic Development  
Rob Cohen - CEO, IMA Financial Group  
Rus Heise - Managing Director, RBC Capital Markets  
Craig Piper - President/CEO, Denver Zoo Mission  
Bill Mosher - CEO, Denver Convention Center Hotel Authority  
Kelly Brough - President, Metro Denver EDC  
Lance Zanett - AGM, Colorado Convention Center

### Customer Advisory Board

Emily Catanzaro - Director, Meeting Services, American Thoracic Society  
Kara Cox - Marketing/Event Specialist, Emerson Process Management  
Carol Cudworth - Meetings Manager, Society for Mining, Metallurgy & Exploration, Inc.  
Nancy Gavin - Operations Director, National Safety Council  
Jim Goodman - Managing Vice President, Division of Conference & Meeting Services, American Dental Association  
Tonya Horsley - Director, Large Meetings & Registration, American Institute of Architects  
Ron Houghtaling - Vice President Americas Marketing, CBRE  
Jackie Newis - Meetings Manager, American Association of Critical Care Nurses  
Jackie Riscoe - Director, Meetings and Conferences, International Council of Shopping Centers  
Gail Schuster - Manager, Village Gatherings, Wisdom Team, DaVita HealthCare Partners  
Debbie Smithey - Director, Educational Meetings, American College of Emergency Physicians  
Stacey Trey - Manager, Meetings & Events, NCATE - National Council for Accreditation of Teacher Education  
Danielle Urbina - Director of Meetings & Exhibits, American Nuclear Society

## **Industry Thought Leaders**

Steve Bagwell - President & CEO, Charlotte Convention Center, Charlotte, NC  
Kathie Canning - Executive Director (CEO), Orange County Convention Center, Orlando, FL  
Bob DeFacci - Managing Director, Czarnowski Europe, Cologne, Germany  
Les Goldberg - President & CEO (Owner), LMG, Las Vegas, NV  
Richard Maples - Executive VP/National Sales, Shepard Exposition Services, Atlanta, GA  
Jeff McCaw - Senior VP of Operations, Freemanco (Freeman Decorating Co.), Dallas, TX  
Ken McAvoy - Senior VP, Reed Expositions, Norwalk, CT  
Jim Milanowski - VP, Czarnowski (Exhibit Services), Austell, GA  
Jon Mills - General Manager, Brede/Allied, Orlando Florida  
Sisco Spence - Regional Director of Operations (Eastern US), Levy Restaurants, Charlotte, NC  
Charles Starks - President & CEO, Music City Center, Nashville, TN  
Doug Ducate - Former CEO, CEIR  
Vicki Hawarden - President and CEO, International Association of Venue Managers (IAVM)  
David DuBois – President, International Association of Exhibitions & Events (IAEE)

## **Hotel Community**

Walter Isenberg – CEO/Founder/President, Sage Hospitality  
Tom Curl – GM, Westin Denver Downtown  
Ed Bucholtz – GM, Hyatt Regency Denver at the Colorado Convention Center

## **Suppliers**

Nicole Marsh – President, Arrangers DMC  
Rob Venus - General Manager, FREEMAN

## **Customer Focus Groups**

Donna Cappo - Director of SIG Services, Association for Computing Machinery  
Cathy Scheck - VP of Meetings, Heart Rhythm Society  
Tom Pellet - Director, Meetings & Conventions, American Academy Of Family Physicians  
Cele Fogarty - VP for Meetings and Member Experience, American Society of Nephrology  
Christopher Gribbs - Managing Director, AIA Convention, American Institute of Architects  
Stephen Emery - Senior Mgr., Meetings and Expositions, Society of Exploration Geophysicists  
Sharon Sullivan - Vice President, Conference Services & Sales, LeadingAge  
Cynthia Airhart - Director, Division of Conv. & Meeting Svc., American Academy of Pediatrics  
Trina Armstrong - Director of Meetings, American Society for Cell Biology  
Kristin House - Vice President/Team Director, ConferenceDirect  
Frank Hugelmeyer - President, Outdoor Industry Association  
Ann Kilian - Senior Conference Manager, International Association of Chiefs of Police  
Gary Schirmacher - Senior Vice President, Strategic Account Services, Experient  
Steve Kinsley - President, Kinsley Meetings  
Steve Okuley - Associate Vice President, National Conferences & Events, Noel-Levitz Inc  
Gail Schuster - Manager, Wisdom, DaVita HealthCare Partners  
Cari (Cas) Strouse - Meeting & Event Director, CH2M Hill  
Amy Kreps - Senior Corporate Events Manager, IHS  
Michael Clarke - Operations Director, Penton Media Inc.  
Pia Williams - General Manager, Dish Network  
Kristin House - Vice President/Team Director, ConferenceDirect  
Jeff Wood - Vice President, Worldwide Product Management, Hewlett-Packard Company  
Janice Field - Event Coordinator, E Source  
Pam Newman - Vice President, Event Management, RE/MAX International, Inc.  
Julie Kraft - Manager, Event Planning & Marketing, AVNET TECHNOLOGY SOLUTIONS  
Daniel Stones - Institutes Department, Solution Tree  
Matt Pesce - Vice President of Product Strategy, Zoll Data Systems  
Gretchen Bliss - Director, Conference and Educational Activities, EDUCAUSE

Debbie Kaylor - Executive Director, Conventions & Meetings, National Cattlemens Beef Assn.  
Chuck Potter - Director of Meetings - American Animal Hospital Association  
Justin Ball - President, Bespoke Event Group  
Russell Kraus - President, Meetings in General  
Garth Jordan - Vice President, Operations, EDUCAUSE  
Melissa Cummiskey - Senior Director of Meetings & Events, Geological Society of America  
Dave Kanagy - Society for Mining, Metallurgy & Exploration, Inc.  
Nelson Fabian - Executive Director, National Environmental Health Association (NEHA)  
Stephanie Lasser - Director of Conferences, Investment Management Consultants Association  
Heather Plush - Program Manager, National Conference of State Legislatures  
April DeBaker - Director of Conventions, American Water Works Association  
James Cousin – CFO, Association of periOperative Registered Nurses  
Carol Cudworth - Meetings Manager, Society for Mining, Metallurgy & Exploration, Inc.  
Sondra Doolittle - Meetings and Expositions Manager, American Academy of Forensic Sciences  
Lori Buster - Director of Meetings & Conferences, MGMA-ACMPE  
Frank Hugelmeier – President, Outdoor Industry Association  
Lori Herrera - Executive VP and COO, Outdoor Industry Association  
Jill McClure - Senior Vice President, Colorado Oil & Gas Association  
Elizabeth Price - Executive Director, Metropolitan Denver Dental Society  
Lori Herrera - Executive VP and COO, Outdoor Industry Association  
Leslie Hettenbach - Meetings Manager, American Urological Association  
Beverly Johnson - Manager, Dept. of Mtgs. and Exposition Svc., American Chemical Society  
Susan Katz - Director of Corporate Events & Travel, True Value Company  
Amy Kreps - Senior Corporate Events Manager, IHS  
Jill Perlstein - Meetings and Planning Officer, American Booksellers Association  
Debra Arneson - Associate Director of Convention & Events, Metropolitan Denver Dental Society  
Diane Vidoni - Vice President, Operations and Conferences, National Trade Productions  
Melissa Cummiskey - Senior Director of Meetings & Events, Geological Society of America  
Kristin Bakota - Meetings Manager, APICS-The Association for Operations Management  
Michael Clarke - Operations Director, Penton Media Inc  
Carol Cudworth - Meetings Manager, Society for Mining, Metallurgy & Exploration, Inc.  
Janice Field - Event Coordinator, E Source  
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Pia Williams - General Manager, Dish Network  
Jodie Wilmot - Director of Meetings, National Association of College Stores  
James Goodman - Managing VP, Division of Conf. & Meeting Svc., American Dental Association  
Russell Kraus – President, Meetings in General  
Renee Peiper - Assistant Director, Institutes Solution Tree  
Kirsten Olean - Director of Meetings, Association of American Medical Colleges  
Carrie Abernathy - Director of Education, Training & Events Practice, Greenhealth  
Lauren Chelf - Director of Meetings and Education, AOAC International  
Bethany Chirico - Dir. of Conference & Mtgs, National Assn. for College Admission Counseling  
Windy Christner - Senior Director, Meetings & Expositions, American Pharmacists Association  
James Cousin- CFO, Association of Perioperative Registered Nurses  
Cameron Curtis - Senior Manager, Meetings and Events, Courtesy Associates  
Nancey DeBrosse - Sr. Vice President, Sales and Account Management, Experient  
Sondra Doolittle - Meetings and Expositions Manager, American Academy of Forensic Sciences  
Sue Dykema - Executive Director, American Society for Aesthetic Plastic Surgery  
Nelson Fabian - Executive Director, National Environmental Health Association

Jill Ferguson - Associate VP Meetings and Registration Services, Mortgage Bankers Association  
Tamera Gayden - Meetings Manager, American College of Obstetricians and Gynecologists  
Jennifer Haire - Director of Assn. and Conference Services, National Center for State Courts  
Pam Harris - Vice President, Event Management, RE/MAX International, Inc.  
Frank Hugelmeyer – President, Outdoor Industry Association  
Garth Jordan - Vice President of Operations, EDUCAUSE  
Ray Kopcinski - Meeting Services Director/Executive Producer, Million Dollar Roundtable  
Julie Kraft - Manager, Event Planning & Marketing, Avnet Electronics  
Eileen Mantel – Sr. Administrator Heating, Air Conditioning and Refrigeration Distributors, Intl.  
Jill McClure - Chief Operating Officer, Colorado Oil and Gas Association  
Kristina Mechelis - Meeting Planner, Association for Financial Professionals  
Catherine Mills - Director, Council on ADA Sessions, American Dental Association  
Matt Pesce - Vice President, Product Strategy, ZOLL Data Systems  
Felicia Price – Sr. Mgr., Meetings, Am. Academy of Otolaryngology-Head and Neck Surgery  
Stuart Ruff - Director Meeting & Events, Risk and Insurance Management Society  
Robert Smith - Director of Meetings, American Council for Technology  
Daniel Stones - Solution Tree  
Cari (Cas) Strouse - Meeting & Event Director, CH2M Hill  
Pam Valenzuela – President, ASCENT Management, LLC  
Jennifer Vaughn - Asst. Director Conventions and Meetings, American Farm Bureau Federation  
Chris Wehking - Director of Meetings & Exhibits, American Society of Anesthesiologists  
Jeff Wood - Vice President, Worldwide Product Management, Hewlett-Packard Company  
April DeBaker - Director of Conventions, American Water Works Association

#### **Consumer Show Industry**

Jim Fricke - Executive Director, Colorado Garden Show Inc.  
Rick Flattum - Director of Operations, International Angler's Expositions, Inc. dba International Sportsmen's

## EXHIBIT B – LIVESTOCK INDUSTRY OVERVIEW SLIDES

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The following presents slides from various livestock industry presentations provided by CattleFax, a global leader in beef industry research, analysis, and information since 1968. This information is summarized in the Livestock sub-section of the Stock Show section of this report.



**UN/FAO Projections**

- Global food production will need to increase 40% by 2030 and 70% by 2050; **beef and dairy production will need to DOUBLE by 2050**
- Farming in 2050 will occupy **only 13% more land** than is used in 2008

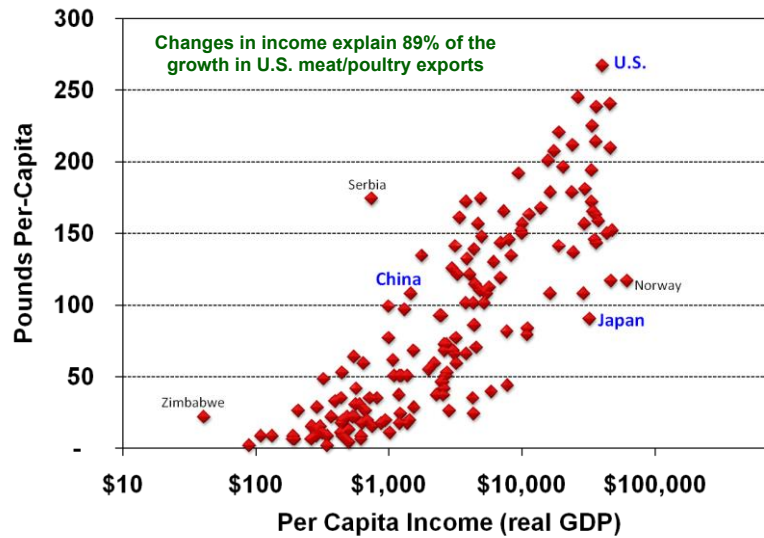
## World Population



Source: US Department of Commerce, plus other published estimates

**CattleFax** THE DECIDING FACTOR

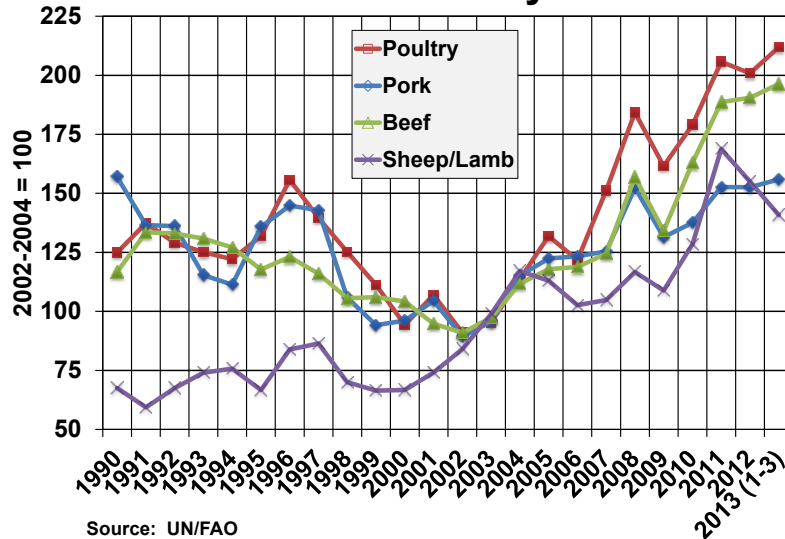
## Meat Consumption and Per-Capita Income



Source: FAO, USDA, 2003 data, includes beef, pork, and poultry

**CattleFax** THE DECIDING FACTOR

## Global Meat/Poultry Inflation



**CattleFax** THE DECIDING FACTOR

Food Spending* %	
Selected Countries	
U.S.	6.2%
U.K.	8.8%
Australia	10.5%
Netherlands	11.5%
Hong Kong	12.2%
France	13.5%
Japan	14.2%
S. Korea	15.1%
Argentina	20.3%
S. Arabia	23.7%
Mexico	24.0%
Brazil	24.7%
Russia	28.0%
China	32.9%
Tunisia	35.7%
Philippines	36.7%
Egypt	38.1%
Morocco	40.4%
Indonesia	43.0%
Pakistan	45.5%

**The world's poor bear the brunt of global food inflation**

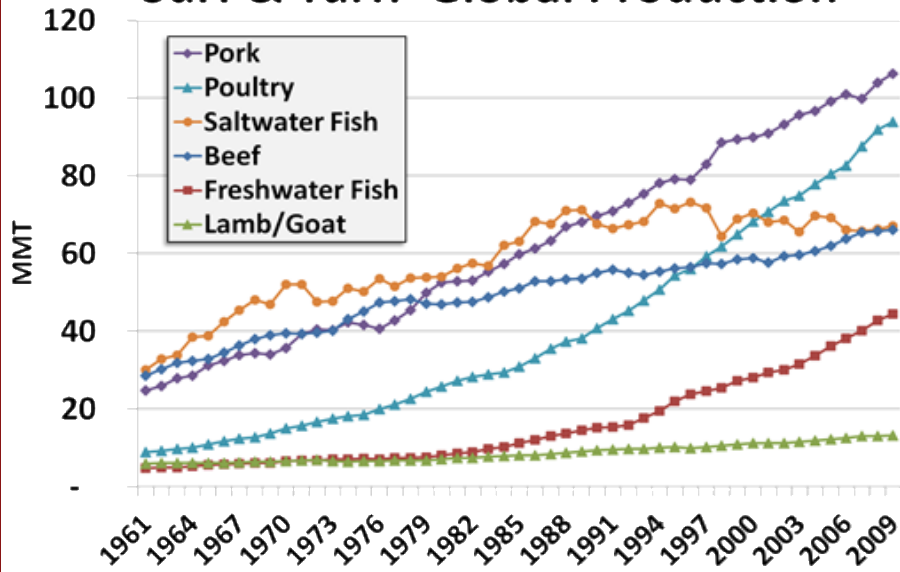


**1 in 6 are hungry today**  
UN/FAO

Source: USDA, Euromonitor, \*% of spending on food consumed at home

**CattleFax** THE DECIDING FACTOR

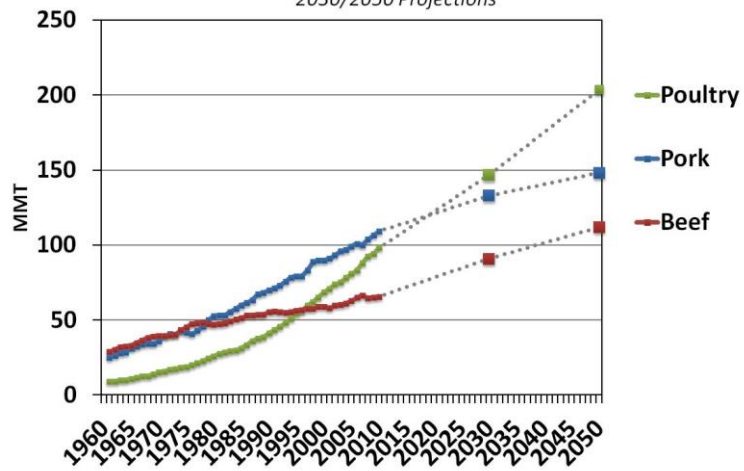
## Surf & Turf: Global Production



CattleFax THE DECIDING FACTOR

## Global Meat/Poultry Production

2030/2050 Projections

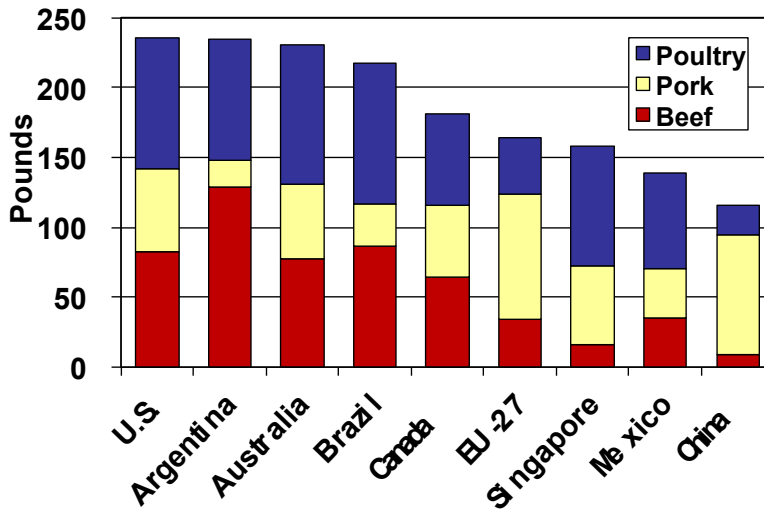


Source: FAO, FAOSTAT

CattleFax THE DECIDING FACTOR



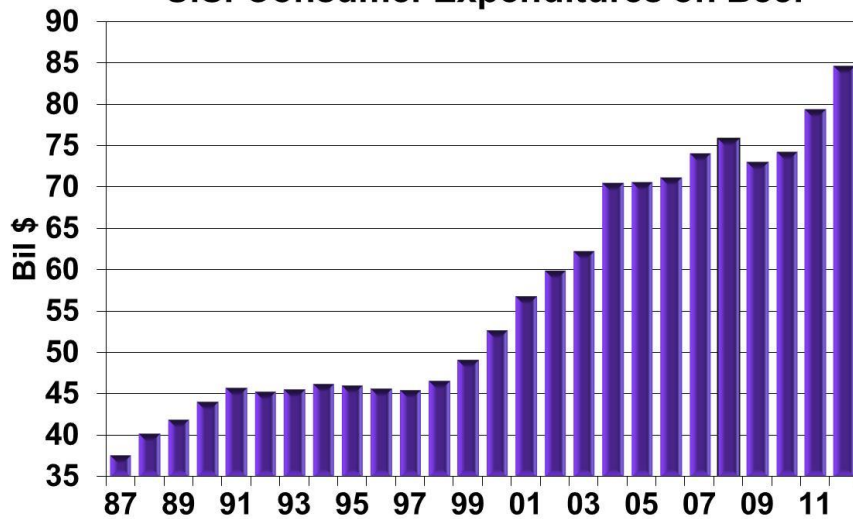
### Global Meat CONSUMERS: PER CAPITA



Source: 2013 F, USDA/FAS, carc wt equiv.

**CattleFax** THE DECIDING FACTOR

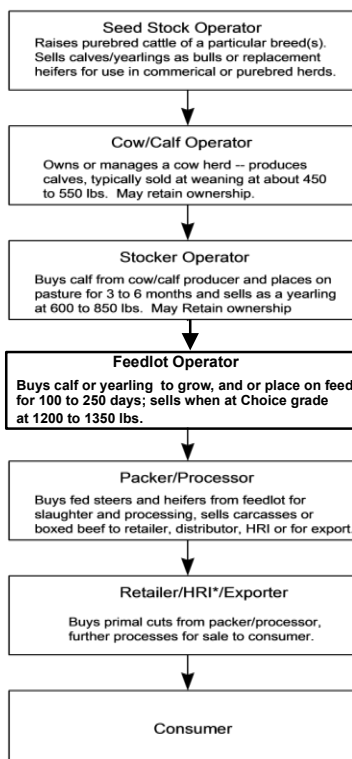
### U.S. Consumer Expenditures on Beef



Source: USDA & CattleFax  
Domestic disappearance valued at all-fresh retail

**CattleFax** THE DECIDING FACTOR

## Segments of the U.S. Beef Industry



\*Hotel, Restaurant, Institution

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FACTOR

### Beef Industry Concentration

- Cow/Calf ↔ 70,000 producers  
Control 55% of cows
- Feedlot ↔ 275 feedyards  
64% market share  
Top 26 companies  
47% market share
- Packer ↔ 4 major packers  
85% fed slaughter
- Retail ↔ Big 10 retail chain  
70% market share
- Consumer ↔ 314 million domestic  
10% export

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DECIDING  
FACTOR

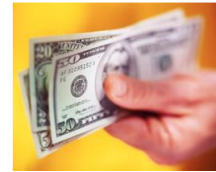
# Industry Margin Structure

## Consumer Revenue Fuels the Industry

Roughly \$73 billion in consumer spending on beef annually

Costs and Margin for

- Retail
- Packer
- Feeder
- Cow-calf
- Affiliates (seedstock, pharma, equipt, etc)



CattleFax THE DECIDING FACTOR

## Top 10 Cattle Countries in the World 2012

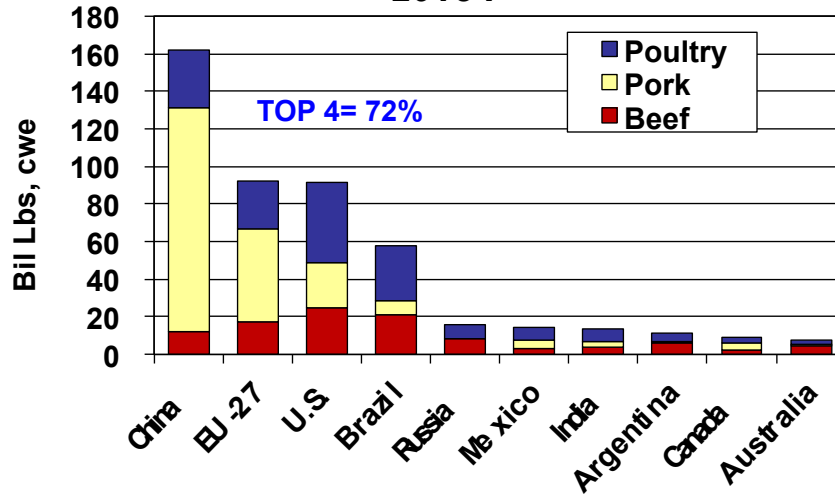
<u>Rank</u>	<u>Head (000)</u>	<u>Percent of Total</u>
1. India	323,700	32%
2. Brazil	197,550	19%
3. China	104,346	10%
4. United States	90,769	9%
5. EU-27	86,196	8%
6. Argentina	49,597	5%
7. Colombia	30,910	3%
8. Australia	28,506	3%
9. Mexico	20,090	2%
10. Russian Fed.	19,695	2%
World Total	1,019,291	

Source: USDA/FAS

CattleFax THE DECIDING FACTOR

# Global Meat PRODUCERS

- 2013 F -

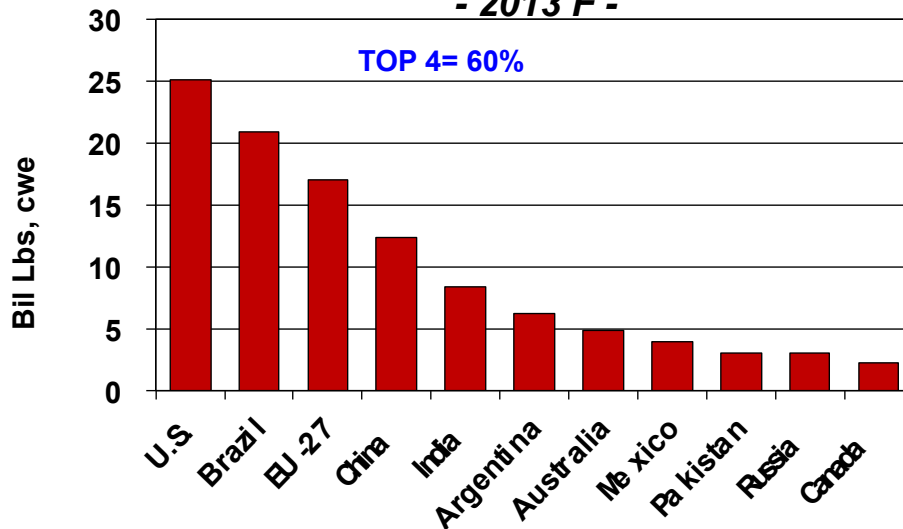


Source: USDA/FAS

CattleFax THE DECIDING FACTOR

# Global Beef PRODUCERS

- 2013 F -



Source: USDA/FAS

CattleFax THE DECIDING FACTOR



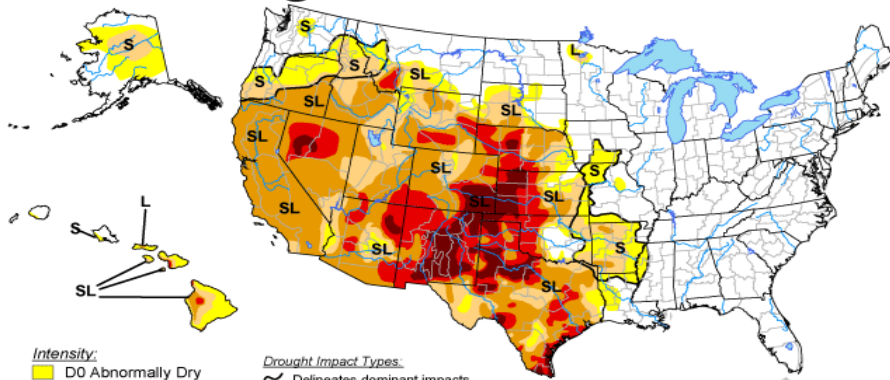
## Beef Herd Contracting:

- Weather
- Land Values
- Ethanol
- Alternative Land Uses
- Urban Sprawl
- Government Policy
- Age of Producer

## U.S. Drought Monitor

July 16, 2013

Valid 7 a.m. EDT



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

Drought Impact Types:

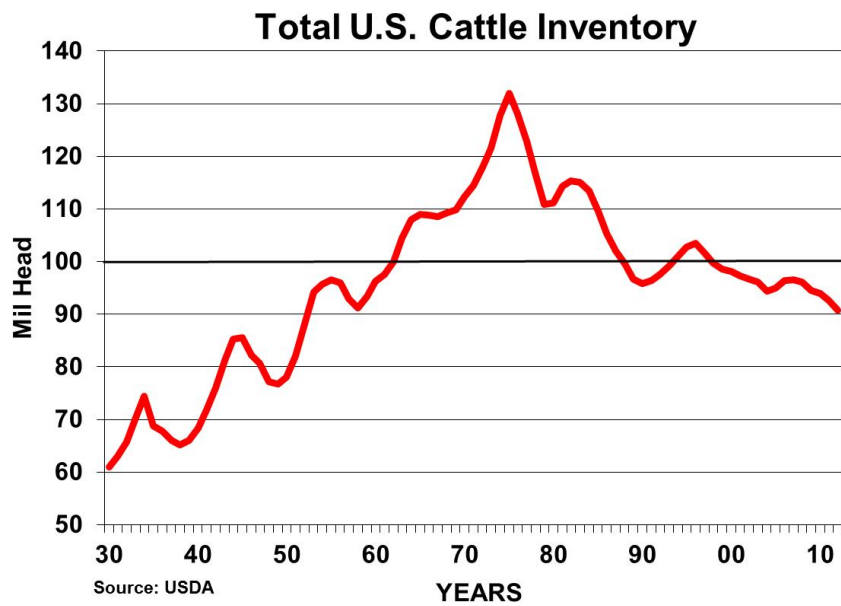
- Delineates dominant impacts
- S = Short-Term, typically <6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months (e.g. hydrology, ecology)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

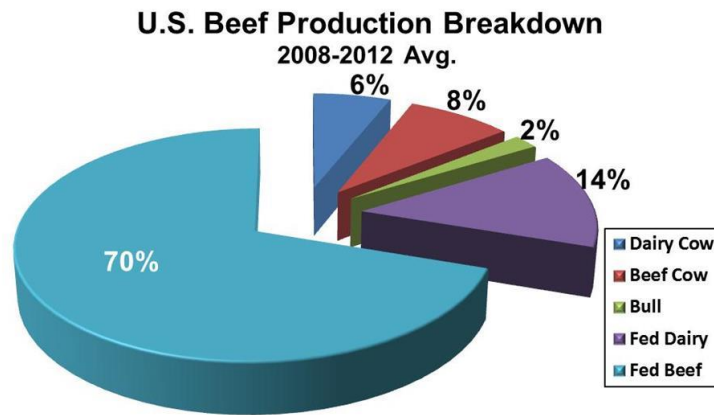
<http://droughtmonitor.unl.edu/>



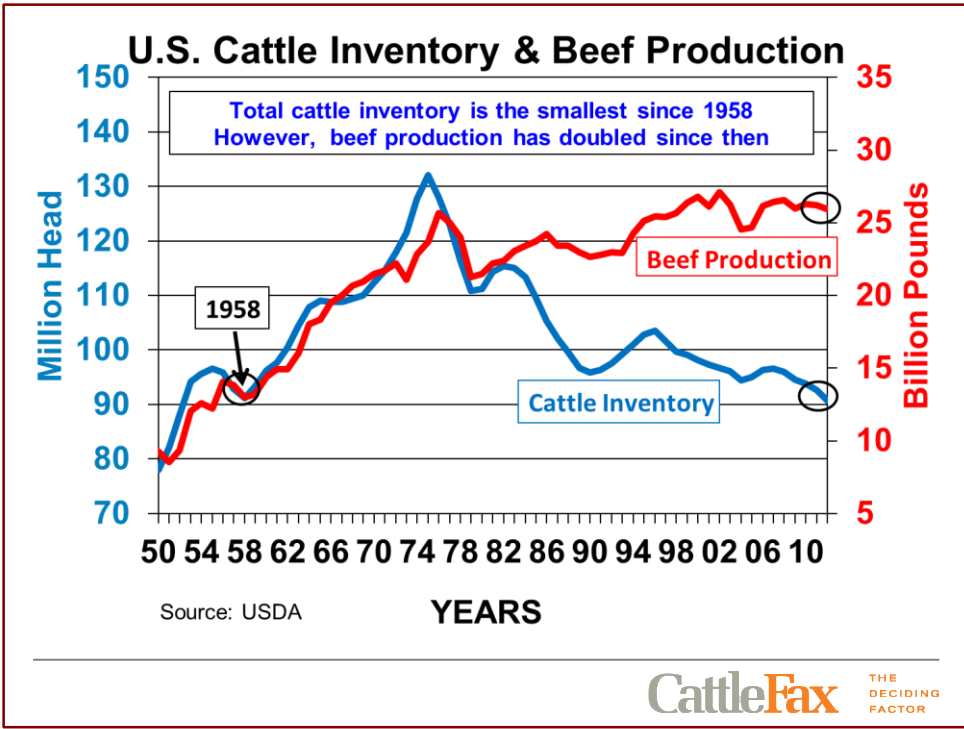
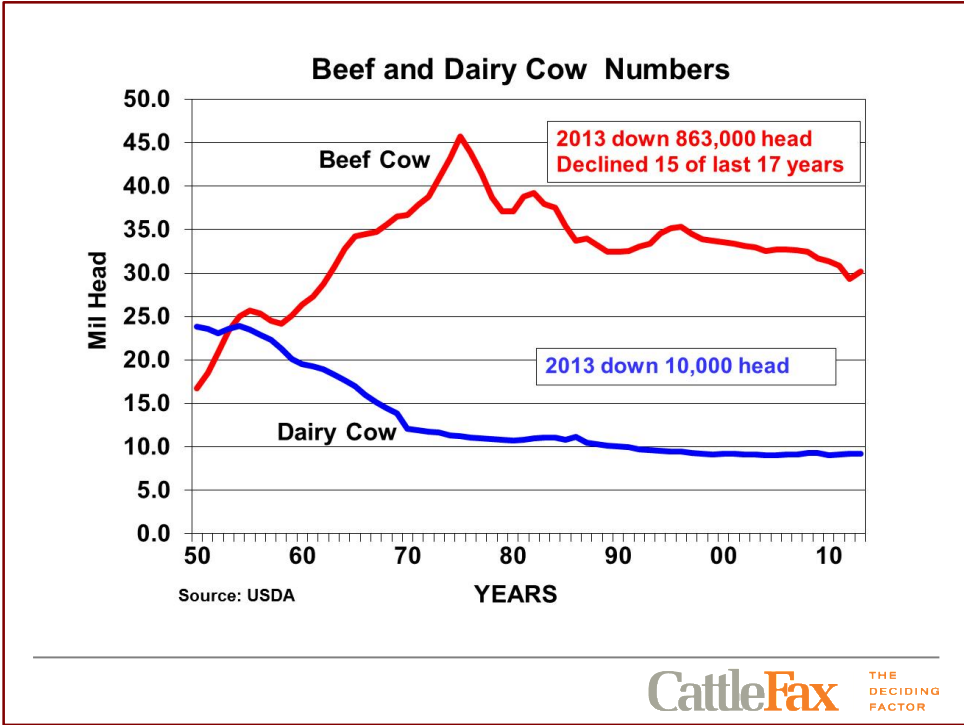
Released Thursday, July 18, 2013  
 Author: Richard Heim, NOAA/NESDIS/NCDC

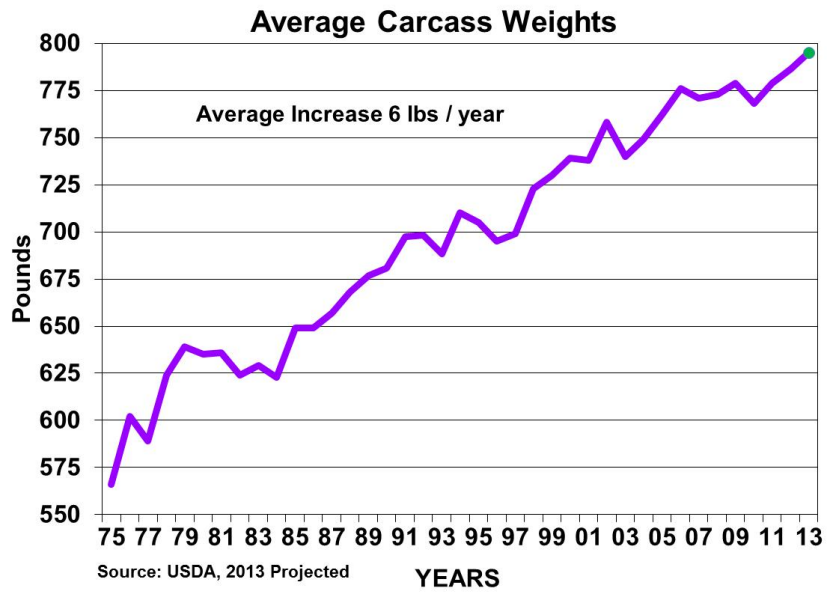


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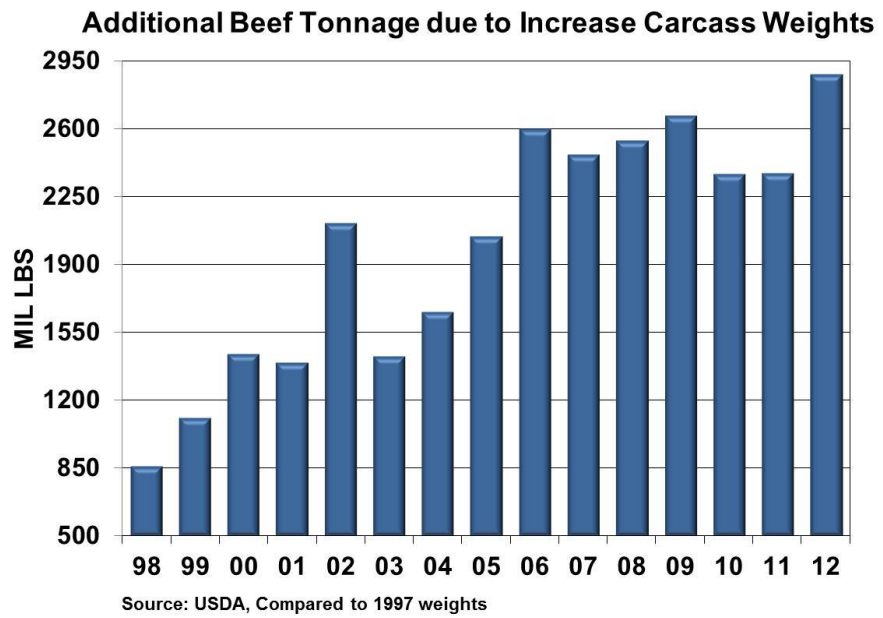


**CattleFax** THE DECIDING FACTOR





**CattleFax** THE DECIDING FACTOR

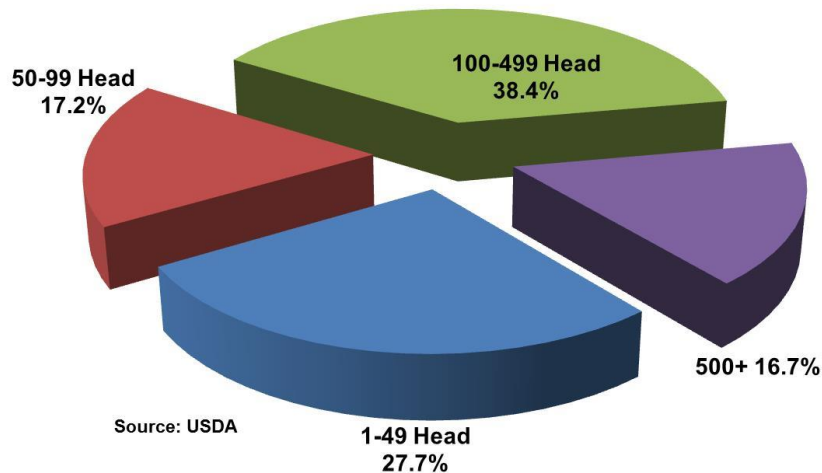


**CattleFax** THE DECIDING FACTOR

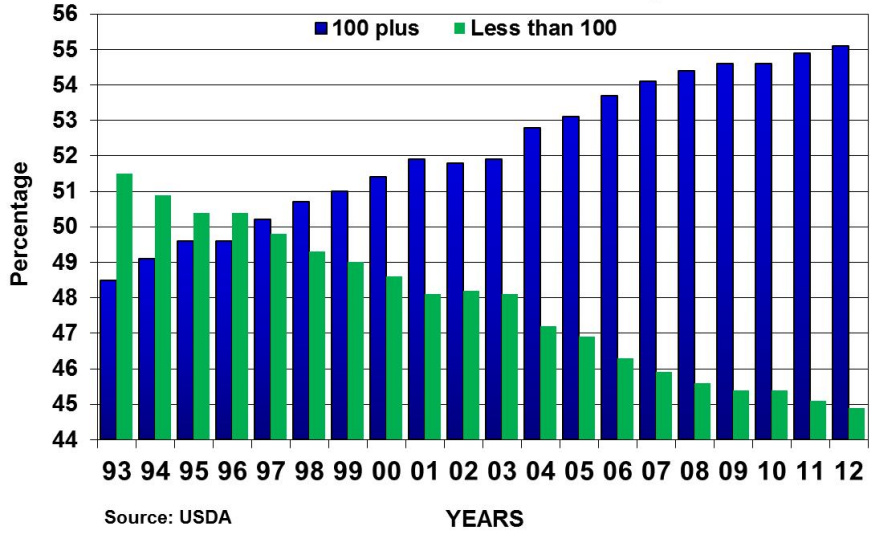


• Number of calves weaned per cow exposed has gone up through the years. Increasing productivity

Percent of Beef Cows by Operations Size 2012

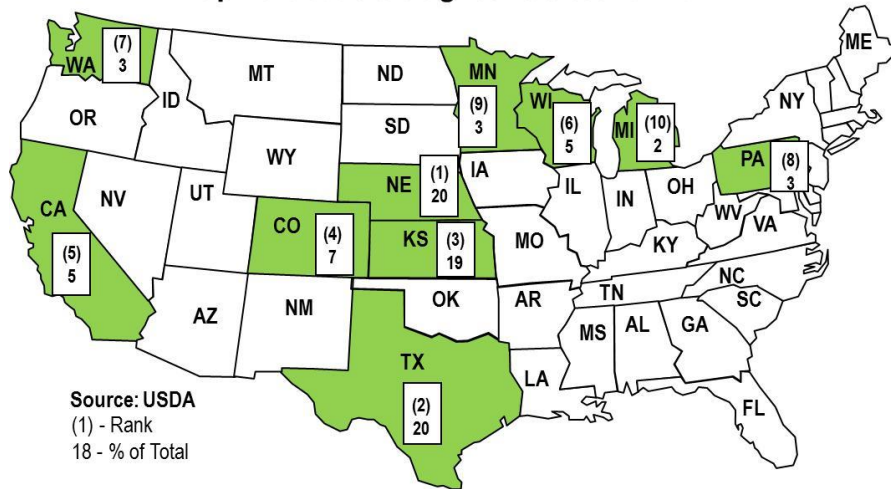


### Percent of U.S. Beef Cow Herd Operations



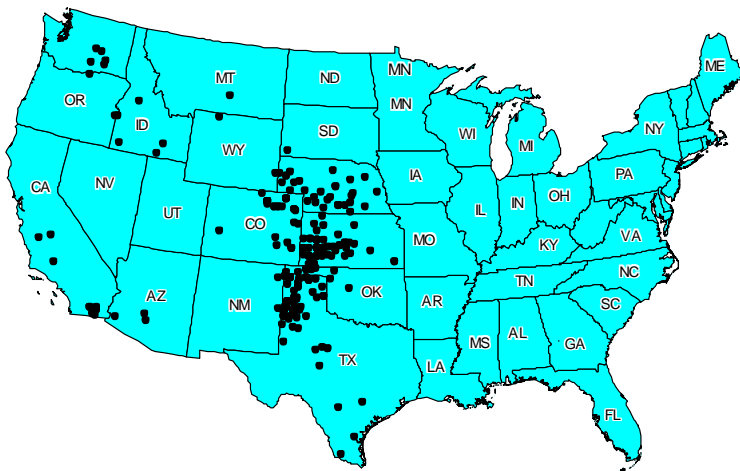
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### Top 10 Cattle Slaughter States for 2012



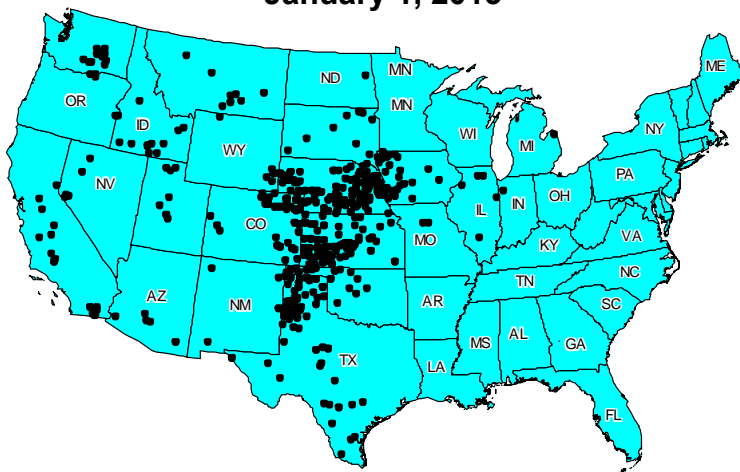
CattleFax THE DECIDING FACTOR

**United States Feedyards >16,000 Head  
January 1, 2013**

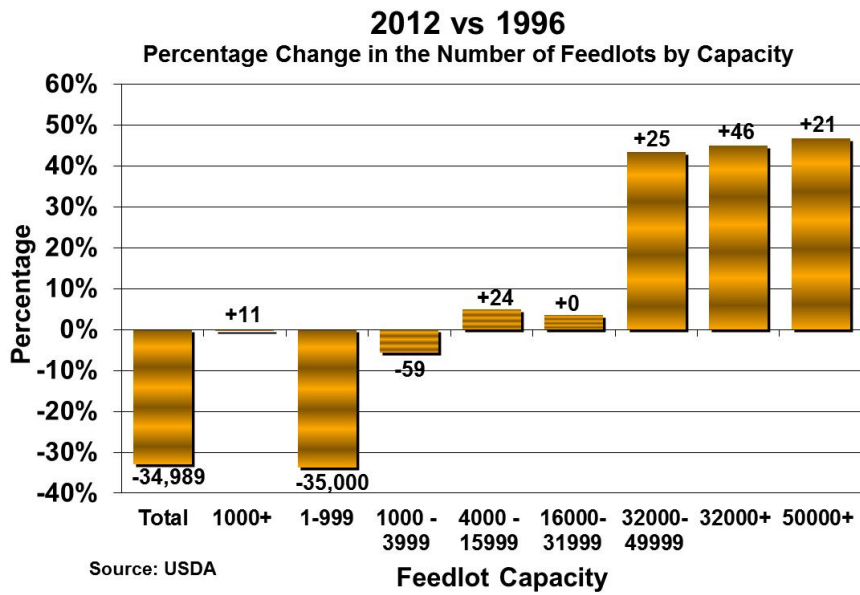


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**United States Feedyards >4,000 Head  
January 1, 2013**

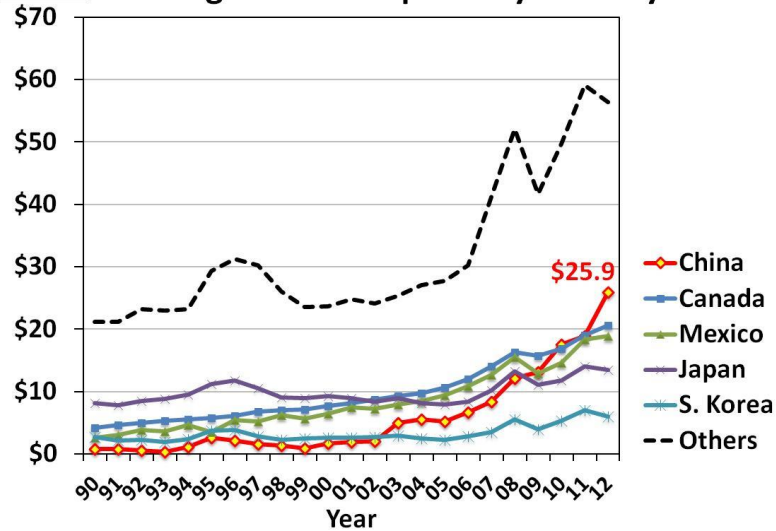


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*US\$ Billions* **U.S. Agriculture Exports by Country**

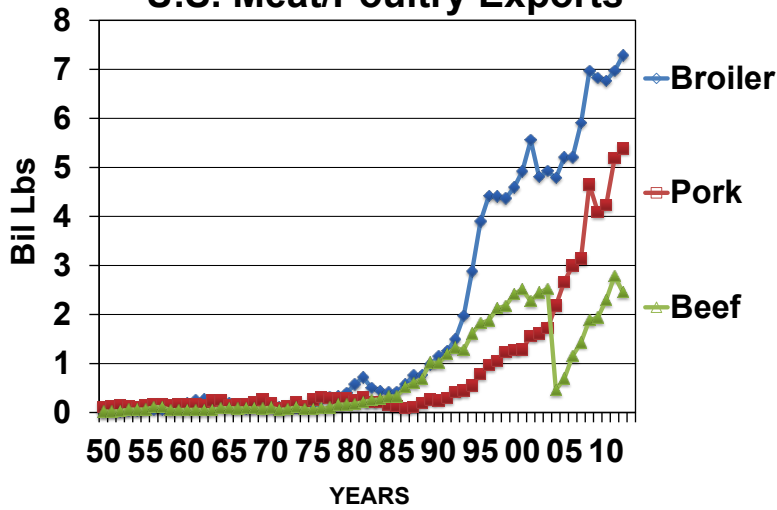


Source: USDA/FAS

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# U.S. TRADE

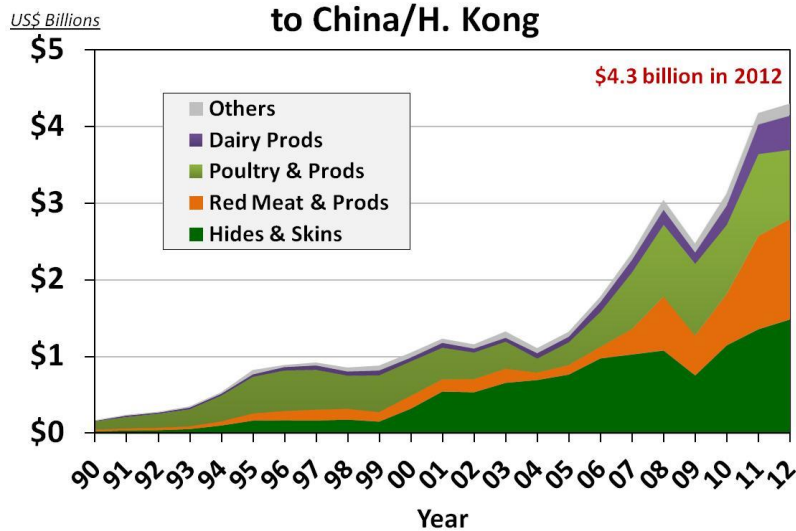
## U.S. Meat/Poultry Exports



Source: USDA/FAS

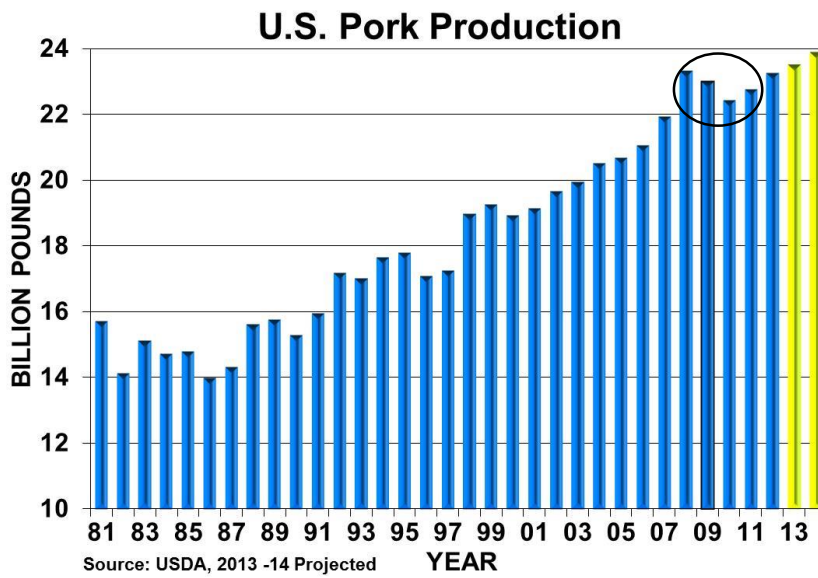
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## U.S. Animal Product Exports to China/H. Kong

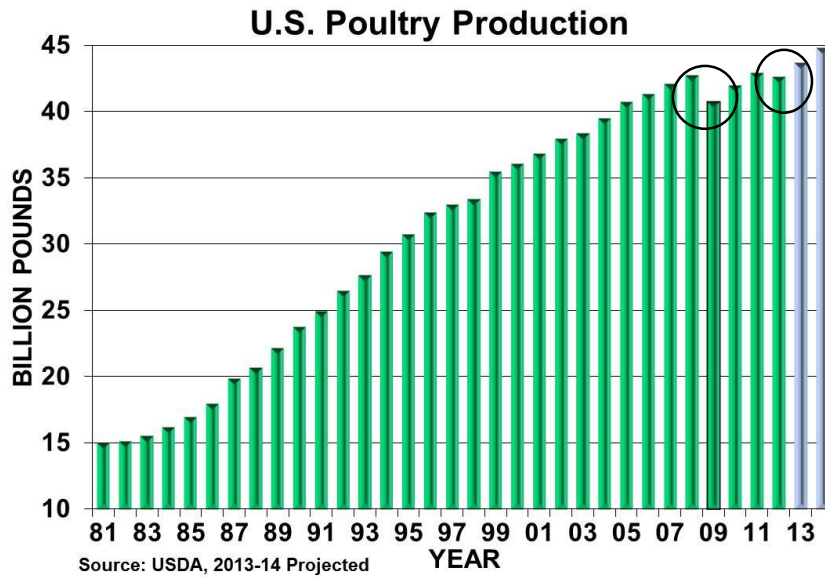


Source: USDA/FAS

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## In Summary:

### Global Beef

- Tightening global supplies
- Increasing global demand
- Price inflation



### U.S. Beef

- Exports slightly higher due to Japan
- Global opportunities are great (billions vs millions)



**GLOBAL potential for U.S. beef is VERY GOOD**

## *Downtown Skyline*

Views from the proposed new  
Colorado Convention Center Ballroom  
and Meeting Space



... an opportunity to highlight the  
Denver Brand ...

