



HOTEL & LEISURE ADVISORS

**FEASIBILITY STUDY REPORT
FOR THE
PROPOSED AMPHITHEATER OR THEATER
SANTA FE, SANTA FE COUNTY, NEW MEXICO**



Date of Report:

April 10, 2025

For

Mr. Randy Randall
Executive Director
Tourism Santa Fe
201 W. Marcy Street
Santa Fe, NM 87501



HOTEL & LEISURE ADVISORS

April 10, 2025

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Executive Director
Tourism Santa Fe
201 W. Marcy Street
Santa Fe, NM 87501

**RE: Feasibility Study Report and Economic Impact Analysis for Proposed Amphitheater or Theater
Santa Fe, Santa Fe County, New Mexico**

Dear Mr. Randall:

In fulfillment of the agreement outlined in the letter of engagement, we completed our study of the market demand and financial feasibility analysis for the proposal to develop either an amphitheater or theater in Santa Fe, Santa Fe County, New Mexico. A site for either development has not been determined. We also completed an economic impact analysis of the more viable development. The study is based upon market conditions observed as of the date of our market inspection on November 13, 2024, and research conducted in November 2024 through February 2025.

Assumptions

The conclusions contained in this report are based upon a review of information provided by you and fieldwork in the market area, which is described in the Scope of Assignment section. As in all studies of this type, the conclusions reached do not consider or provide for the effect of any sharp rise or decline in local or general economic conditions that are not presently foreseeable. The estimated results are based on competent and efficient management of the proposed amphitheater or theater, as well as an aggressive marketing program. We assume the proposed development will open January 1, 2027. We presume no significant change in the competitive position of the amphitheater and theater industry in the area from that as set forth in this report. We do not warrant that the estimates will be attained, but they have been conscientiously prepared based on information obtained and our experience in the amphitheater and theater industries.

It is expressly understood that the scope of this study and the report thereon do not include the possible impact of zoning regulations, licensing requirements, or other restrictions concerning the project, except where such matters have been brought to our attention and which are set forth in this report.

This report and its contents are intended solely for the information of our client for internal use relative to determining the feasibility of the project. The report should not be relied upon for any other purpose. Neither our report nor any of its contents nor any reference to Hotel & Leisure Advisors, LLC (H&LA) may be disseminated online or included or quoted in any document, offering circular, registration statement, prospectus, sales brochure, other appraisal, or other agreement without our prior written approval. Such permission will not be unreasonably withheld.

Mr. Randy Randall
April 10, 2025
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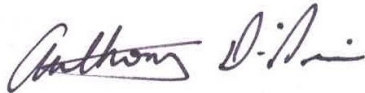
We offer additional consulting services as the scope of the development is finalized. These options can include an economic study, appraisal report, or management company analysis for the proposed development. We appreciate the opportunity to be of service to your organization and look forward to working with you again.

Respectfully submitted,

Hotel & Leisure Advisors, LLC



David J. Sangree, MAI, ISHC
President



Anthony DiPonio, CHIA
Associate

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PROPOSED AMPHITHEATER OR THEATER
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SCOPE OF THE ASSIGNMENT

Mr. Randy Randall, Executive Director with Tourism Santa Fe retained Hotel & Leisure Advisors, LLC to estimate the potential market feasibility and economic impact analysis of the development of either an amphitheater or theater in Santa Fe, Santa Fe County, New Mexico.

We made several independent investigations and analyses in preparing this study including:

- Evaluated the subject market and its relationship to potential users as well as its attributes relative to the amphitheaters, theaters, and other entertainment venue competitors.
- Interviewed representatives and/or researched information from the local convention and visitors bureau, chamber of commerce, assessor's office, as well as city, county, and economic development officials, regarding the proposed site and region.
- Interviewed managers or owners of existing competitive amphitheater and theater properties.
- Researched the performance of U.S. amphitheaters and theaters.
- Interviewed representatives of area venue promoters to determine usage and new supply additions.
- Conducted demand interviews with potential users of the proposed facility.
- Conducted a survey to determine interest in the proposed amphitheater development.
- Researched information from Pollstar concerning performance levels for regional concert venues
- Contacted agencies and databases for demographic data, land use policies and trends, growth estimates, and employment data. We also relied on data retained in our office, which is updated regularly for use in all assignments.
- Completed a physical inspection of potential sites and the area. Mr. Justin Greene and other representatives of Tourism Santa Fe provided the subject data. In addition to the subject's specific information, we considered relevant market data when determining the projections.

The financial analysis was based primarily upon the probable operating experience of the property relative to gross operating revenues, typical expense levels, and resultant net cash flow. Estimates of operating revenues were based upon market data relative to industry standards and comparable properties in the subject area. Expense levels were estimated based upon industry standards and operating histories of similar properties. We estimated the financial projections for both the proposed amphitheater and theater facilities for 11 years beginning January 1, 2027.

EXECUTIVE SUMMARY

The closing of the Paolo Soleri Amphitheater in 2010 reduced the available options for concerts and performances in the Santa Fe area. In more recent years, there has been demand for another performance venue that has not been satisfied. The client is considering the development of either an amphitheater or theater in Santa Fe, for which we have conducted a detailed analysis of the market and potential demand. We recommend development of either a 4,500-seat partially covered amphitheater or a 1,800-seat theater. The goal of either development is to attract concerts and events to the area. The multipurpose partially covered amphitheater or theater will bring a venue for social events, school programs, concerts, community events, plays, and more to the city of Santa Fe, broadening entertainment opportunities for the immediate area. Our study assumes the client would develop the theater or amphitheater as a public-private partnership, and our analysis determines which development would be the priority. The following table summarizes our recommendations for the proposed amphitheater development.

Summary of Proposed Features		
Proposed Amphitheater		
Sizing		Range
Covered amphitheater seating	2,000 seats	1,500-2,500 seats
Outdoor amphitheater lawn seating	2,500 seats	2,000-3,000 seats
Total number of seats	4,500 seats	3,500-5,500 seats
Area Amenities		
Flexible indoor seating that can retract		
Dressing rooms		
Storage space for portable chairs etc.		
Ticket or box office space for walk-up sales		
Food and beverage outlets (3 concessions) and/or food trucks		
Club lounge area		
Merchandise stalls		1,000-1,500 stalls
Parking		
Amphitheater		
Permanent stage with rigging grid		
Permanent lawn seating		
Open-air (not covered) above lawn area		
Indoor restrooms building		

Source: Hotel & Leisure Advisors

- We recommend the proposed amphitheater include 2,000 versatile seats in a covered area and space for an additional 2,500 lawn seats for a partially open-air, 4,500-person capacity. We recommend a seating range capacity of 4,000 to 5,000 seats but use the 4,500-seating capacity throughout the report for the projections. We selected the seating capacity for the subject based on the average seating capacity of the selected comparables except for Isleta Amphitheater due to its much larger capacity compared to the set.
 - The seating capacity affects the types of performances and events that the venue can host. Too large a seating capacity can result in lower occupancies at multiple events and may result in events booking at other competitive smaller venues.

- We recommend the subject offer food and beverage concessions or food trucks and merchandise stalls strategically located in areas situated throughout the facility.
- We recommend the subject architects and engineers design the amphitheater with sustainable design practices to achieve operational energy savings throughout the facility. Some of these design practices include the use of high-efficiency motors and fixtures, heat recovery units and computer-controlled systems.
- We recommend dressing rooms that can be used by performers that rent the facility.
- The amphitheater will feature a concert season between April and October.
- The amphitheater seating options will include lawn seating and permanent seating. Permanent seating should be covered so that it can be used in the event of inclement weather.
- We recommend lawn seating should have attractive natural views of trees and grassy areas (not buildings).

The following table indicates our recommendations for the major components for the theater.

Summary of Proposed Features			
Proposed Theater			
Sizing			Range
Multi-tiered seating		1,800 seats	1,300-2,300 seats
Area Amenities			
Ticket or box office space for walk-up sales			
Food and beverage concessions			
Club lounge area			
Parking			600-1,200 stalls
Merchandise stalls			
Theater			
Permanent stage for up to 100-125 performers			
Loading dock			
Dressing rooms			
Rehearsal room			
Workshop			
Orchestra pit			
Green room			
Storage space for portable chairs etc.			
Black box theater			
Classrooms for youth/adult education			

Source: Hotel & Leisure Advisors

- We recommend the proposed theater include 1,800 seats in multi-tiered seating areas: orchestra, mezzanine, balcony, and box seats. Orchestra seating should contain a greater number of seats followed by mezzanine and balcony-level seating. Box seating should be on both sides of the theater and contain four to six

seats per box. We recommend a seating range capacity of 1,500 to 2,000 seats but use the 1,800-seating capacity throughout the report for projections. We developed the recommended seating capacity based on the average seating capacity of the selected comparables excluding the Vilar Performing Arts Center due to its much smaller capacity compared to the set.

- The seating capacity affects the types of performances and events that the venue can host. Too large a seating capacity may result in lower occupancies at multiple events and may result in events booking at other competitive smaller venues.
- We recommend a ticketing and box office space at the entrance of the theater for ticket sales and will-call.
- We recommend the subject offer food and beverage concessions and merchandise stalls strategically located in areas situated throughout the facility.
- We recommend the theater include a club lounge area.
- We recommend a spacious lobby area at the entrance with a coat check room.
- We recommend dressing rooms that can be used by performers.
- We recommend the developers install a stage large enough to accommodate 100 to 125 performers at one time for larger performances such as a symphony or Broadway production that may include large stage sets. An orchestra pit should also be installed in front of the stage.
- We recommend a rehearsal room for performers when the stage is not available.
- We recommend a black box theater for smaller attendance performances.
- We recommend a workshop for stage sets to be designed, built, and stored for Broadway productions.
- We recommend a green room.
- We recommend a meeting room that can be used for educational classes.
- We recommend the subject architects and engineers design HVAC with sustainable design practices to achieve operational energy savings throughout the facility. Some of these design practices include the use of high-efficiency motors and fixtures, heat recovery units and computer-controlled systems.

Development Budget

The following table indicates the proposed development budget range inclusive of hard costs, soft costs, and financing costs. The budget excludes any land value and entrepreneurial profit.

	Development Budget Ranges				
	# of Seats	Total		Per Seat	
		Low	High	Low	High
Amphitheater	4,500	\$30,000,000	\$50,000,000	\$6,667	\$11,111
Theater	1,800	\$40,000,000	\$60,000,000	\$22,222	\$33,333

Source: Hotel & Leisure Advisors

The proposed development may be funded by a mixture of sources that could include city, county, state, federal funds as well as donor funds and a private developer partner. It is unknown at the current time how the project will be funded.

Area Review

Santa Fe is within the Albuquerque-Santa Fe-Los Alamos, NM Combined Statistical Area (CSA), a larger statistical area that is comprised of the four-county Albuquerque, NM MSA, plus the adjoining New Mexico population centers of Espanola, Las Vegas, Los Alamos, and Santa Fe. With a history dating back more than 400 years, Santa Fe is one of the oldest cities in the United States, offering distinctive Southwest architecture and numerous historic sites. As the capital city of New Mexico, Santa Fe is an important center for government operations. Albuquerque, the state's most populous city, lies approximately 60 miles southwest of Santa Fe via Interstate 25.

The following table compares the Albuquerque/Santa Fe Designated Market Area (DMA) to other comparable DMAs based on concert sales relative to population. Based on the latest delineations, the Albuquerque-Santa Fe DMA covers most of New Mexico and extends into portions of Arizona and Colorado.

Comparison of Albuquerque-Santa Fe, NM to Comparable DMAs						
DMA Name	Population, 2024 Est.	Reported Gross Concert Sales, 2024	Gross Sales per Population	Reported Tickets Sold, 2024	Tickets Sold per Population	Avg Ticket Price
Albuquerque-Santa Fe, NM	1,953,361	\$14,762,446	\$7.56	247,184	0.13	\$59.72
El Paso (Las Cruces), TX	1,112,204	\$13,168,255	\$11.84	138,777	0.12	\$94.89
Wichita-Hutchinson, KS	1,208,047	\$11,219,008	\$9.29	187,531	0.16	\$59.82
Omaha, NE	1,210,424	\$59,497,937	\$49.15	823,337	0.68	\$72.26
Des Moines-Ames, IA	1,244,725	\$47,606,444	\$38.25	527,294	0.42	\$90.28
Tucson (Sierra Vista), AZ	1,244,754	\$8,744,219	\$7.02	177,603	0.14	\$49.23
Tulsa, OK	1,466,255	\$34,378,278	\$23.45	391,444	0.27	\$87.82
Oklahoma City, OK	2,020,626	\$44,546,820	\$22.05	522,561	0.26	\$85.25
Kansas City, MO	2,657,202	\$56,526,278	\$21.27	697,833	0.26	\$81.00
Austin, TX	2,714,683	\$138,160,326	\$50.89	1,333,626	0.49	\$103.60
San Antonio, TX	3,049,659	\$89,630,090	\$29.39	828,536	0.27	\$108.19
Avg of Comparable DMAs	1,792,858	\$50,347,766	\$26.26	562,854	0.31	\$83.23

Sources: Pollstar, ESRI

Albuquerque-Santa Fe has fewer tickets sold per population compared to the average of the comparable DMAs. If the Albuquerque-Santa Fe population is applied to the overall average of 0.31 tickets sold per population, it would equal a projected attendance of 601,180, which is 353,996 greater than the actual reported tickets sold in 2024. This indicates a significant shortage of concert venues in the area available to offer tickets for events. Santa Fe is approximately halfway between El Paso and Denver and makes an ideal venue for performing acts visiting both of these larger markets.

Subject Amphitheater Projections

The following table indicates our projections of financial performance for the proposed amphitheater for the first four years of the analysis.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Introduction

A-7

Forecasted Financial Performance

Proposed Amphitheater																
	2027 - First Year				2028 - First +1				2029 - First +2				2030 - First +3			
Capacity	4,500				4,500				4,500				4,500			
Attendance	109,000				114,000				118,000				121,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Revenues																
Admissions	\$7,318	58.9%	\$1,626	\$67.14	\$8,046	59.1%	\$1,788	\$70.58	\$8,661	59.3%	\$1,925	\$73.40	\$9,148	59.4%	\$2,033	\$75.60
Food and Beverage	1,700	13.7%	378	15.60	1,845	13.6%	410	16.18	1,970	13.5%	438	16.69	2,071	13.4%	460	17.12
Retail	164	1.3%	36	1.50	177	1.3%	39	1.55	189	1.3%	42	1.60	199	1.3%	44	1.64
Rentals and Other Income (Net)	200	1.6%	44	1.83	213	1.6%	47	1.87	224	1.5%	50	1.90	234	1.5%	52	1.93
Contributions/Grants/Fundraising	2,250	18.1%	500	20.64	2,472	18.2%	549	21.68	2,662	18.2%	592	22.56	2,812	18.3%	625	23.24
Sponsorships	450	3.6%	100	4.13	471	3.5%	105	4.13	491	3.4%	109	4.16	509	3.3%	113	4.21
Parking / Other	350	2.8%	78	3.21	380	2.8%	84	3.33	406	2.8%	90	3.44	426	2.8%	95	3.52
Total Operating Revenue	12,432	100.0%	2,763	114.06	13,604	100.0%	3,023	119.33	14,603	100.0%	3,245	123.75	15,399	100.0%	3,422	127.26
Cost of Sales																
Food and Beverage	595	35.0%	132	5.46	637	34.5%	142	5.59	675	34.3%	150	5.72	706	34.1%	157	5.83
Total Departmental Expenses	595	4.8%	132	5.46	637	4.7%	142	5.59	675	4.6%	150	5.72	706	4.6%	157	5.83
Total Departmental Profit	11,837	95.2%	2,630	108.60	12,967	95.3%	2,882	113.75	13,928	95.4%	3,095	118.03	14,693	95.4%	3,265	121.43
Undistributed Operating Expenses																
Talent/Labor	4,973	40.0%	1,105	45.62	5,327	39.2%	1,184	46.73	5,640	38.6%	1,253	47.80	5,902	38.3%	1,312	48.78
Administrative & General	746	6.0%	166	6.84	799	5.9%	178	7.01	846	5.8%	188	7.17	885	5.7%	197	7.31
Sales & Marketing	622	5.0%	138	5.71	666	4.9%	148	5.84	705	4.8%	157	5.97	738	4.8%	164	6.10
Operating Supplies/Utilities	1,865	15.0%	414	17.11	1,972	14.5%	438	17.30	2,069	14.2%	460	17.53	2,155	14.0%	479	17.81
Prop. Oper. & Maintenance	560	4.5%	124	5.14	624	4.6%	139	5.48	690	4.7%	153	5.85	718	4.7%	160	5.93
Total Undistributed Oper. Expenses	8,766	70.5%	1,948	80.42	9,388	69.0%	2,086	82.35	9,950	68.1%	2,211	84.32	10,398	67.5%	2,311	85.93
Gross Operating Profit	3,071	24.7%	682	0.03	3,579	26.3%	795	0.03	3,978	27.2%	884	0.03	4,295	27.9%	954	0.04
Management Fees	622	5.0%	138	5.71	680	5.0%	151	5.96	730	5.0%	162	6.19	770	5.0%	171	6.36
Income Before Non-Oper. Expense:	2,449	19.7%	544	22.47	2,899	21.3%	644	25.43	3,248	22.2%	722	27.53	3,525	22.9%	783	29.13
Non-Operating Expenses																
Insurance	124	1.0%	28	1.14	128	0.9%	28	1.12	132	0.9%	29	1.12	136	0.9%	30	1.12
Reserve for Replacement	249	2.0%	55	2.28	408	3.0%	91	3.58	584	4.0%	130	4.95	616	4.0%	137	5.09
Total Non-Operating Expenses	373	3.0%	83	3.42	536	3.9%	119	4.70	716	4.9%	159	6.07	752	4.9%	167	6.21
EBITDA Less Reserve	\$2,076	16.7%	\$461	\$ 19.05	\$2,363	17.4%	\$525	\$ 20.73	\$2,532	17.3%	\$563	\$ 21.46	\$2,773	18.0%	\$616	\$ 22.92

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the proposed amphitheater produces a positive return and would attract strong attendance for a variety of concerts, community, and corporate events. The facility would achieve strong revenues from admissions, food and beverage, rentals, and other departmental categories. However, operating an amphitheater may require a municipal subsidy or philanthropic support. We project the subject property may need a subsidy to contribute towards debt service payments.

We analyzed the potential value for the amphitheater utilizing a 12.0% discount rate and a 10.0% terminal capitalization rate. The valuation indicates a conclusion of \$26,000,000 as completed for the development. The discounted cash flow as stabilized valuation equals \$30,800,000. The discounted cash flow analysis utilizes higher discount and terminal capitalization rates than typical for commercial properties like apartments to account for the added risk involved in owning and operating an amphitheater. The value conclusions are not meant to be market value because there are still many unknowns concerning the subject project; rather, they are presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

Demand Survey

Hotel & Leisure Advisors worked with Santa Fe County and the City of Santa Fe to conduct a survey of residents, visitors, and members of the performance arts community. The survey asked respondents about developing a regional open-air concert and performance venue. Overall, results from this survey show that people like the idea of the proposed amphitheater. According to the comments, people enjoyed going to the Paolo Soleri Amphitheater, which closed in 2010, and would like to visit something similar. Of the 768 people who completed the survey, approximately 77% reported that they have at least a high to very high interest in a new amphitheater. Additionally, 52% of the respondents reported that they would visit the amphitheater two to four times per year and 24% claimed they would visit five or more times per year indicating that there is strong demand for an amphitheater in the area.

Comparable Amphitheater Market

The proposed amphitheater will be the largest amphitheater in Santa Fe county. Currently, the area has only one small amphitheater and a seasonal-use Opera House. The closest larger amphitheater is Isleta Amphitheater in Albuquerque. There are multiple proposals for amphitheaters in the surrounding states. We presented information concerning the performance at competitive amphitheaters located in New Mexico and Colorado in the following table. These comparable properties include a mixture of nearby competitors to the subject amphitheater as well as regional benchmark properties. The success of these comparable properties provides a proof of concept for the development of a new facility in Santa Fe.

Proposed Amphitheater or Theater - Santa Fe, New Mexico

Introduction

A-9

Comparable Amphitheater Overview									
	The Santa Fe Opera - Santa Fe, NM	The Bridge at Santa Fe Brewing - Santa Fe, NM	Isleta Amphitheater - Albuquerque, NM	Sandia Resort & Casino Amphitheatre - Albuquerque, NM	Kit Carson Park Amphitheater - Taos, NM	Lake Dillon Amphitheatre - Dillon, CO	Red Rocks Amphitheatre - Morrison, CO	Gerald R Ford Amphitheater - Vail, CO	Proposed Amphitheater - First Year - Santa Fe, NM
Year open	1998	2016	2000	1994	1988	1993	1906	1987	2027
Property type	Opera House	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater
Capacity (people)	2,232	1,400	15,000	4,100	8,000	3,000	9,525	2,565	4,500
Estimated paid annual attendance	64,000	40,000	312,000	39,000	38,000	116,000	396,000	164,000	109,000
Local (<60 mi) vs. Tourist (>60 mi)	71% / 29%	88% / 12%	76% / 24%	87% / 13%	84% / 16%	61% / 39%	61% / 39%	54% / 46%	N/A
Days open	152	180	180	180	180	180	180	180	180
Visitors per day	423	224	1,733	219	213	642	2,201	912	606
Visitors per seats	29	29	21	10	5	39	42	64	24
Admission and Rental Fees									
Rental fees for amphitheater	N/A	N/A	\$15,000	\$1,500	N/A	N/A	11% with a minimum of \$20,000	N/A	N/A
Estimated total revenues	\$9,200,000	\$1,587,431	\$20,193,498	\$3,634,488	\$1,680,000	\$9,002,748	\$33,521,852	\$19,789,291	\$7,318,000
Number of events per year	36	43	30	12	16	44	52	90	60
Ownership (private/municipal/university)	Private	Private	Private	Private	Municipal	Municipal	Municipal	Municipal	Municipal
Number of attendees per concert	1,500	1,100	10,000	3,936	6,000	4,127	9,203	2,390	3,079
Types of Events	Opera, social events	Concerts, social events, art show, parties	Concerts, meetings, social events, political events	Concerts, comedians, social events	Concerts, meetings, social gatherings	Concerts, meetings, social events, film screenings, theater productions, festivals	Concerts, festivals, film screenings	Concerts, community events, festivals, educational programs, season celebrations	Meetings, social events, concerts, graduations and school events, associations, festivals, community events
Pollstar Box Office events	N/A	2	26	2	N/A	6	155	5	N/A
Pollstar average tickets sold	N/A	1,007	13,058	4,116	N/A	3,531	8,551	2,390	N/A
Pollstar average gross revenue	N/A	\$36,917	\$761,673	\$301,374	N/A	\$191,592	\$624,651	\$157,071	N/A
Pollstar average ticket price	\$185.00	\$36.66	\$58.33	\$73.22	\$70.00	\$54.26	\$72.96	\$65.72	N/A
Paid events	36	36	26	12	6	28	52	80	60
Non-paid events	0	7	4	0	10	16	0	10	0
Amenities									
Features	Covered seating, event space, 155 total acres which includes the theater grounds and the area known as "The Ranch," including offices, cantina, pool, guest resort house, gardens	Standing-room lawn, concessions, adjacent brewey	Concessions, merchandise stalls, VIP Club, covered seating, lawn seating	Bowl-shaped amphitheater, concessions, adjacent casino	Bandstand within the 19-acre Kit Carson Park containing walking and jogging track, baseball fields, soccer fields, basketball court, picnic shelter, tennis courts	Concessions, adjacent lake within public park	Concessions, gift shop, shuttle service, visitor center, museum	Concessions, box offices, event space, shuttle service, adjacent resort, gift shop, VIP services	Flexible indoor seating that can retract, dressing rooms, storage space, concessions, club lounge, merchandise stalls, lawn seating (open-air)
Parking fees	\$0	\$0	General: \$0 Premier: \$20	\$0	\$15	\$10 - \$20	\$0	\$15	\$10 - \$15
Food and Beverage									
F&B types	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions
Alcohol sales	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Hotel & Leisure Advisors, Pollstar, and individual attractions' websites

Subject Amphitheater Usage

We analyzed the potential demand for a 4,500-seat amphitheater to be developed in Santa Fe, New Mexico. The following table indicates our projections of attendance and revenue from corporate and social events, concerts, and other events.

Forecasted Number of Events and Attendance						
	Proposed Amphitheater					
	2027	2028	2029	2030	2031	2032
Corporate & Social Events						
Number of events	15	15	15	15	15	15
Attendance per event	400	400	400	400	400	400
Average price per attendee	\$30	\$32	\$33	\$34	\$35	\$36
Total visitors per year	6,000	6,120	6,181	6,181	6,181	6,181
Total revenue	\$180,000	\$192,780	\$202,496	\$208,571	\$214,828	\$221,273
Concerts						
Number of events	30	32	33	34	34	34
Attendance per event	3,079	3,079	3,079	3,079	3,079	3,079
Average price per attendee	\$75	\$79	\$82	\$84	\$87	\$89
Total visitors per year	92,375	96,994	100,874	103,900	103,900	103,900
Total revenue	\$6,928,125	\$7,638,258	\$8,261,540	\$8,764,667	\$9,027,607	\$9,298,436
Other events						
Number of events	15	15	15	15	15	15
Attendance per event	700	700	700	700	700	700
Average price per attendee	\$20	\$21	\$22	\$22	\$23	\$24
Total visitors per year	10,500	10,710	10,817	10,817	10,817	10,817
Total revenue	\$210,000	\$224,910	\$236,245	\$243,333	\$250,633	\$258,152
Total						
Number of events	60	62	64	65	65	65
Attendance per event	1,817	1,817	1,817	1,817	1,817	1,817
Average price per attendee	\$67	\$71	\$73	\$76	\$78	\$80
Total visitors per year	109,000	114,000	118,000	121,000	121,000	121,000
Total revenue	\$7,318,000	\$8,046,000	\$8,661,000	\$9,148,000	\$9,422,000	\$9,705,000
Visitors per seat (4,500)	24	25	26	27	27	27
Demand Segmentation						
Corporate & Social Events	25%	25%	24%	24%	24%	24%
Concerts	50%	51%	51%	52%	52%	52%
Other events	25%	25%	24%	24%	24%	24%

Source: Hotel & Leisure Advisors

Subject Theater Projections

The following table indicates our projections of financial performance for the proposed theater for the first four years of analysis.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Introduction

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Forecasted Financial Performance

Proposed Theater

	2027 - First Year				2028 - First +1				2029 - First +2				2030 - First +3			
Capacity	1,800				1,800				1,800				1,800			
Attendance	96,000				100,000				103,000				106,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Revenues																
Admissions	\$6,904	58.2%	\$3,836	\$71.92	\$7,563	57.9%	\$4,202	\$75.63	\$8,101	57.7%	\$4,501	\$78.65	\$8,587	57.8%	\$4,771	\$81.01
Food and Beverage	400	3.4%	222	4.17	440	3.4%	244	4.40	472	3.4%	262	4.58	498	3.4%	277	4.70
Rentals and Other Income (Net)	325	2.7%	181	3.39	349	2.7%	194	3.49	369	2.6%	205	3.58	386	2.6%	214	3.64
Contributions/Grants/Fundraising	3,600	30.3%	2,000	37.50	4,021	30.8%	2,234	40.21	4,353	31.0%	2,418	42.26	4,614	31.1%	2,563	43.53
Sponsorships	153	1.3%	85	1.59	161	1.2%	89	1.61	168	1.2%	93	1.63	174	1.2%	97	1.64
Parking / Other	480	4.0%	267	5.00	528	4.0%	293	5.28	566	4.0%	314	5.50	597	4.0%	332	5.63
Total Operating Revenue	11,862	100.0%	6,590	123.56	13,062	100.0%	7,257	130.62	14,029	100.0%	7,794	136.20	14,856	100.0%	8,253	140.15
Cost of Sales																
Food and Beverage	140	35.0%	78	1.46	152	34.5%	84	1.52	161	34.1%	89	1.56	169	33.9%	94	1.59
Total Departmental Expenses	140	1.2%	78	1.46	152	1.2%	84	1.52	161	1.1%	89	1.56	169	1.1%	94	1.59
Total Departmental Profit	11,722	98.8%	6,512	122.10	12,910	98.8%	7,172	129.10	13,868	98.9%	7,704	134.64	14,687	98.9%	8,159	138.56
Undistributed Operating Expenses																
Talent/Labor	5,101	43.0%	2,834	53.14	5,520	42.3%	3,067	55.20	5,865	41.8%	3,258	56.94	6,152	41.4%	3,418	58.04
Administrative & General	593	5.0%	329	6.18	637	4.9%	354	6.37	673	4.8%	374	6.53	704	4.7%	391	6.64
Sales & Marketing	593	5.0%	329	6.18	637	4.9%	354	6.37	673	4.8%	374	6.53	704	4.7%	391	6.64
Operating Supplies/Utilities	2,372	20.0%	1,318	24.71	2,567	19.7%	1,426	25.67	2,728	19.4%	1,516	26.49	2,861	19.3%	1,589	26.99
Prop. Oper. & Maintenance	320	2.7%	178	3.34	366	2.8%	203	3.66	409	2.9%	227	3.97	429	2.9%	238	4.05
Total Undistributed Oper. Expenses	8,979	75.7%	4,989	93.54	9,727	74.5%	5,404	97.27	10,348	73.8%	5,749	100.47	10,850	73.0%	6,028	102.36
Gross Operating Profit	2,743	23.1%	1,524	0.03	3,183	24.4%	1,768	0.03	3,520	25.1%	1,956	0.03	3,837	25.8%	2,132	0.04
Management Fees	593	5.0%	329	6.18	653	5.0%	363	6.53	701	5.0%	389	6.81	743	5.0%	413	7.01
Income Before Non-Oper. Expense:	2,150	18.1%	1,194	22.39	2,530	19.4%	1,406	25.30	2,819	20.1%	1,566	27.37	3,094	20.8%	1,719	29.19
Non-Operating Expenses																
Insurance	95	0.8%	53	0.99	98	0.8%	54	0.98	101	0.7%	56	0.98	104	0.7%	58	0.98
Reserve for Replacement	237	2.0%	132	2.47	392	3.0%	218	3.92	561	4.0%	312	5.45	594	4.0%	330	5.60
Total Non-Operating Expenses	332	2.8%	184	3.46	490	3.8%	272	4.90	662	4.7%	368	6.43	698	4.7%	388	6.58
EBITDA Less Reserve	\$1,818	15.3%	\$1,010	\$ 18.93	\$2,040	15.6%	\$1,133	\$ 20.40	\$2,157	15.4%	\$1,198	\$ 20.94	\$2,396	16.1%	\$1,331	\$ 22.60

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the proposed theater requires philanthropy, grants, or municipal funding to generate a positive return. The proposed development of a theater would attract strong attendance to the Santa Fe market for a variety of performances, community, and corporate events, generating strong revenues from admissions, food and beverage, rentals, and other departmental categories. However, operating a theater typically requires a municipal subsidy, and we project a subsidy will be used to cover debt service and contribute toward operations.

We analyzed the potential value for the theater utilizing a 12.0% discount rate and a 10.0% terminal capitalization rate. The valuation indicates a conclusion of \$22,500,000 as completed for the development. The discounted cash flow as stabilized valuation equals \$26,600,000. The discounted cash flow analysis utilizes higher discount and terminal capitalization rates than typical for commercial properties like apartments to account for the added risk involved in owning and operating a theater. The value conclusions are not meant to be market value because there are still many unknowns concerning the subject project; rather, they are presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

Comparable Theater Market

The proposed theater will be the largest year-round theater in Santa Fe county. The Lensic Performing Arts Center is the only other comparable theater in the area. There are multiple proposals for theaters in the surrounding states. The following table presents information concerning the performance of competitive theaters located in New Mexico, Arizona, and Colorado. These comparable properties include a mixture of nearby competitors to the subject theater as well as regional benchmark properties.

Proposed Amphitheater or Theater - Santa Fe, New Mexico

Introduction

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Comparable Theaters Overview									
	Lensic Performing Arts Center - Santa Fe, NM	Popejoy Hall - Albuquerque, NM	Kiva Auditorium - Albuquerque, NM	Pikes Peak Center - Colorado Springs, CO	Pueblo Memorial Hall - Pueblo, CO	Vilar Performing Arts Center - Beaver Creek, CO	Rialto Theatre - Tucson, AZ	Chandler Center for the Arts - Chandler, AZ	Proposed Theater - First Year - Santa Fe, NM
Year open	1931	1966	1972	1982	1919	1997	1922	1989	2027
Property type	Theater	Theater	Theater	Theater	Theater	Theater	Theater	Theater	Theater
Capacity (people)	821	1,985	2,322	2,012	1,600	575	1,300	1,500	1,800
Estimated paid annual attendance	37,000	87,000	48,000	215,000	84,000	46,000	234,000	60,000	96,000
Local (<60 mi) vs. Tourist (>60 mi)	78% / 22%	89% / 11%	63% / 37%	78% / 22%	87% / 13%	51% / 49%	80% / 20%	97% / 3%	N/A
Days open	365	365	365	365	365	365	365	365	365
Visitors per day	101	239	132	588	230	126	641	164	263
Visitors per seats	45	44	21	107	53	80	180	40	53
Admission and Rental Fees									
Rental fees for theater	\$2,600 - \$3,700 plus additional fees and labor	N/A	\$3,000	\$7,500 min vs 10% gross	\$2,400 plus expenses	N/A	N/A	\$2,000 + labor + 4% gross tkt. sales	N/A
Estimated total revenues	\$6,440,957	\$3,536,060	\$3,480,000	\$14,669,415	\$1,300,000	\$7,659,337	\$6,946,791	\$3,018,271	\$6,904,000
Number of events per year	65	55	40	150	105	150	225	80	110
Ownership (private/municipal/universi	Non-profit	University	Private	Private	Municipal	Private	Non-profit	Municipal	Municipal
Types of Events	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet, conferences, meetings	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet, meetings	Broadway productions, concerts, comedians, symphony, ballet, educational performances	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, dance, meetings, social events, graduations and school events, associations, community events
Pollstar Box Office events	3	3	25	29	18	3	477	9	N/A
Pollstar average tickets sold	736	1,239	1,739	1,431	1,014	456	697	1,134	N/A
Pollstar average gross revenue	\$42,953	\$64,292	\$122,008	\$90,296	\$52,779	\$28,833	\$27,671	\$59,422	N/A
Pollstar average ticket price	\$58.36	\$51.89	\$70.00	\$63.10	\$52.05	\$63.23	\$39.70	\$52.40	N/A
Paid events	50	55	40	150	70	100	225	50	110
Non-paid events	15	0	0	0	35	50	0	30	0
Amenities									
Features	Concessions, box office, event space	Concessions, box office, VIP services	Concessions, box office, convention center	Concessions, box office, event space	Concessions, box office, event space	Concessions, box office, event space, VIP services, adjacent to Beaver Creek Resort	Concessions, box office, event space	Concessions, box office, Black Box Theater, Gallery	Concessions, box office, Black Box Theater, merchandise stalls, Club Lounge, classrooms, green room
Parking fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10-\$15

Source: Hotel & Leisure Advisors, Pollstar, and individual attractions' websites

Subject Theater Usage

We analyzed the potential demand for a 1,800-seat theater to be developed in Santa Fe, New Mexico. The following table indicates our projections of attendance and revenue from corporate and social events, performances, and other events.

Forecasted Attendance and Revenue						
	Proposed Theater					
	2027	2028	2029	2030	2031	2032
Corporate & Social Events						
Number of events	25	26	26	26	26	26
Attendance per event	550	550	550	550	550	550
Average price per attendee	\$30	\$32	\$33	\$34	\$35	\$36
Total visitors per year	7,250	7,395	7,469	7,469	7,469	7,469
Total revenue	\$217,500	\$232,943	\$244,683	\$252,023	\$259,584	\$267,372
Performances						
Number of events	60	63	66	67	67	67
Attendance per event	5,940	5,940	5,940	5,940	5,940	5,940
Average price per attendee	\$85	\$89	\$93	\$96	\$98	\$101
Total visitors per year	75,600	79,380	82,555	85,032	85,032	85,032
Total revenue	\$6,426,000	\$7,084,665	\$7,662,774	\$8,129,437	\$8,373,320	\$8,624,519
Other Events						
Number of events	25	26	26	26	26	26
Attendance per event	520	520	520	520	520	520
Average price per attendee	\$20	\$21	\$22	\$22	\$23	\$24
Total visitors per year	13,000	13,260	13,393	13,393	13,393	13,393
Total revenue	\$260,000	\$278,460	\$292,494	\$301,269	\$310,307	\$319,617
Total						
Number of events	110	114	117	119	119	119
Attendance per event	873	873	873	873	873	873
Average price per attendee	\$72	\$76	\$79	\$81	\$83	\$86
Total visitors per year	96,000	100,000	103,000	106,000	106,000	106,000
Total revenue (rounded)	\$6,904,000	\$7,563,000	\$8,101,000	\$8,587,000	\$8,845,000	\$9,110,000
Visitors per seat (1,800)	53	56	57	59	59	59
Demand Segmentation						
Corporate & Social Events	23%	22%	22%	22%	22%	22%
Performances	55%	55%	56%	57%	57%	57%
Other Events	23%	22%	22%	22%	22%	22%

Source: Hotel & Leisure Advisors

Subject Development Outlook

Overall, our study revealed that both proposed developments can be viable, however, government funding, grants, contributions, and fundraising may be necessary for these developments to be feasible. To assist in deciding which proposed development would be the best fit, our analysis ranked both proposed venues according to a selected ranked criterion. The results are shown in the following table:

Proposed Amphitheater or Theater - Santa Fe			
Weighted Ranking of Potential Venue Development			
Venue Attributes	Ranking of Importance 1 - 5	Rating	
	<u>of Attribute</u>	<u>Amphitheater</u>	<u>Theater</u>
Net Income Potential	5	4	2
Number/Types of Events	5	2	4
Attendance	2	4	3
Nearby Competition	3	3	2
Development Cost per Seat	4	4	1
Amenities	3	2	4
Weighted Rating Score (Rank x Rating) Total	Average = 55	69	58
Percentage above or (below) Average Rating		25.5%	5.5%

Source: Hotel & Leisure Advisors

Overall, the amphitheater scored higher in comparison to the theater. It would be a more cost-effective development for the community as it could be developed through a public-private partnership, whereas the theater would likely be developed as a nonprofit or by the government. However, a theater could operate year-round and may attract greater philanthropy funding.

Our analysis of both proposed developments, and our subsequent rankings, recommends prioritizing the development of the proposed amphitheater. While we consider both developments to be viable ventures assuming the availability of government and nonprofit assistance, we believe the amphitheater has the greater financial potential and should be prioritized over the development of the theater.

Economic Impact Conclusions - Amphitheater

We estimated the economic impact that may be generated by the proposed amphitheater, which is the performance venue with greater profitability. The economic impact analysis quantifies the economic impact in terms of economic output (spending), earnings, direct employment (jobs), and tax revenues. The city, county, and state will realize new tax revenues generated from incremental visitor spending, additional employment-related taxes, potentially reduced unemployment costs, and net returns realized through higher utilization of state operated public services.

H&LA estimated three types of new economic impact of the proposed subject on Santa Fe County.

- *Direct-Effect Impact* includes the jobs and spending directly created by the construction and operations of the amphitheater.
- *Indirect or Induced Impact* results from production changes in downstream industries associated with the initial direct spending and employment at the facility. For example, a direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. These restaurant purchases are an example of an indirect economic impact.

- *Final Impact* represents the overall economic impact of a change in final demand on output, earnings, and employment on a region's economy. The final impact calculations represent the increased output, earnings, and employment, which occur in an economy because of spending caused by the proposed amphitheater. The following formula shows the derivation of the final impact conclusion.

$$\text{Final Impact} = \text{Direct-Effect Impact} + \text{Indirect or Induced Impacts}$$

Construction Conclusion: The following table indicates our estimates of the direct impact associated with the construction and development costs of the proposed amphitheater.

Estimated Preliminary Construction and Development Costs

Proposed Amphitheater

Development budget per seat (4,500 seats)	\$8,889
Total development budget	\$40,000,000
% for construction	70%
Construction budget	\$28,000,000
% of construction budget for payroll	40%
Direct Payroll budget	\$11,200,000

Source: Hotel & Leisure Advisors

Ten-Year Combined Operation and Visitor Spending Conclusion: The development of the subject amphitheater will result in the following combined operation and visitor spending economic impact over a 10-year period in Santa Fe County, New Mexico.

10-Year Combined Attraction and Visitor Spending Impact

Proposed Amphitheater

Direct Impact

Output (10-year business created)	\$203,773,544
Earnings	\$36,664,636
Employment per year	70

Indirect Impact

Output (10-year business created)	\$114,037,000
Earnings	\$30,623,000
Employment per year	90

Final Demand Impacts

Output (10-year business created)	\$317,810,544
Earnings	\$67,287,636
Employment per year	160

Source: Hotel & Leisure Advisors

Prospective Tax Impact Conclusion: Our analysis indicates that the development of the subject amphitheater will result in the following additional taxes for the city, county, and state over a 10-year period.

Projected 10-Year Taxation Impact		
Proposed Amphitheater		
Taxing Authority	Projected Taxes	Ratio
State of New Mexico	\$22,219,000	67.7%
Santa Fe (county)	\$0	0.0%
Santa Fe (city)	\$10,619,000	32.3%
Total for 10 years (rounded)	\$32,838,000	
Total annually (divided by 10)	\$3,283,800	

Source: Hotel & Leisure Advisors

Other Benefits to the Development of the Amphitheater or Theater

The operation of the proposed subject is anticipated to create other significant benefits for the city, county, and state that are less explicit and more difficult to quantify. These benefits include:

- An anchor for seasonal commerce
- Community pride and identity
- Regional and national exposure
- Improved quality of life
- Prestige associated with having a new amphitheater development
- Expanded food and beverage and entertainment outlets and event space

The proposed amphitheater development will complement and add to Santa Fe's highly touted and ranked vibrant arts and entertainment community.

Recommended Next Steps

The following list indicates the next steps to be taken to proceed with the amphitheater or theater development.

Select Site and Review Zoning: Find a suitable location and ensure zoning laws support the intended project.

Engage Stakeholders and Community: Involve residents and businesses for input and support. Hold Town Hall style meetings to solicit feedback and gauge community interest.

Determine Private Versus Public Funding: The community will need to decide if the project will be funded by government or whether they should identify a private developer and provide municipal incentives to them.

Establish Partnerships & Incentives: Explore public-private partnerships and available incentives or create incentives that will help to attract developers.

Create Design & Development Plan: Plan sustainable, scalable venue design that fits the community.

Secure Funding & Financing: Determine costs and obtain financing through investors or loans.

Obtain Permits & Approvals: Apply for necessary permits and ensure regulatory compliance.

Develop Marketing Strategy: Promote the venue via digital platforms and partnerships with local entities.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

It is assumed that qualified professional management with demonstrated expertise in management of amphitheaters or theaters will operate the subject. It is assumed that adequate funds will be available for upkeep and repair of the facility.

The location and amenities of the proposed amphitheater or theater are still being finalized and the financial projections shown later in this report may change depending upon the location and type of amenities utilized in the proposed development. As these plans are determined, they could have a material impact on this study.

There are no other extraordinary assumptions or hypothetical conditions.

COMPETENCY OF THE CONSULTANTS

Hotel & Leisure Advisors, LLC is an international hospitality consulting firm specializing in appraisals, feasibility studies, and impact analysis for hotels, outdoor and indoor waterparks, resorts, performance venues, golf courses, restaurants, conference and convention centers, and other leisure real estate. We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to this industry. Our participation in industry associations and trade groups keeps us abreast of developments affecting our clients and gives us access to rich sources of data. We follow news and transactions occurring in the hospitality industry on a daily basis. The consultants of the firm have performed over 4,000 hotel and waterpark studies since 1987 at various firms.

David J. Sangree, MAI, CPA, ISHC has written articles concerning waterpark resorts for *Hotel/Motel Management*, *Lodging Hospitality*, *World Waterpark Magazine*, *Midwest Real Estate News*, *Aquatics Magazine* and *Hotel Online* and is a national expert on these types of properties. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks.

H&LA maintains databases and files concerning various types of hospitality properties. Therefore, we possess the knowledge and experience to conduct the inspection, analysis, and reasoning necessary to estimate the feasibility of the subject.

STANDARD CONDITIONS

The following Standard Conditions apply to real estate consulting engagements and appraisals by Hotel & Leisure Advisors, LLC (H&LA). Extraordinary Assumptions are added as required.

1. The report is to be used in whole and not in part. The report, engagement letter and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any and all prior or current agreements or understandings between the parties, whether in writing or orally. The report and engagement letter may not be amended except in writing signed by the parties hereto. These standard conditions shall survive the completion of the assignment.
2. Publication of the report or engagement letter without the prior written consent of H&LA is prohibited unless otherwise stated in the letter of engagement. Neither the report nor engagement letter may be used by any person other than the party to whom they are addressed, nor may they be used for purposes other than that for which they were prepared. Neither the engagement letter, nor the report, nor their contents, nor any reference to the appraisers or H&LA or any reference to the Appraisal Institute, International Society of Hospitality Consultants, American Institute of Certified Public Accountants, or the American Institute of Architects, (or the MAI, ISHC, CPA or AIA designations) may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan, or other agreement or document without H&LA's prior written permission, in its sole discretion. Moreover, "H&LA" is a registered trademark of Hotel & Leisure Advisors, LLC. The client agrees that in the event of a breach of this Section 2, in addition to any other rights and remedies of H&LA and hereby consents to injunctive relief.
3. No responsibility is assumed for the legal description or any matters which are legal in nature. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. No survey of the property was performed. Sketches, maps, photos, or other graphic aids included in the reports are intended to assist the reader in ready identification and visualization of the property and are not intended for technical purposes.
4. The information contained in the assignment is based upon data gathered from sources the consultant or appraiser assumes to be reliable and accurate. Some of this information may have been provided by the owner of the property. Neither the consultants nor H&LA shall be responsible for the accuracy or completeness of such information including the correctness of public records or filings, estimates, opinions, dimensions, sketches, exhibits, and other factual matters.
5. The report may contain prospective financial information, estimates, or opinions that represent the consultants' or appraisers' view of reasonable expectations at a particular point in time. Such information, estimates, or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by H&LA's prospective

financial analyses will vary from those described in the report, and the variations may be material. The financial projections stated in the report and any opinions of value are as of the date stated in the report. Changes from that date in external and market factors or in the property itself can significantly affect property value or performance.

6. H&LA has not considered the presence of potentially hazardous materials and contaminants such as asbestos, urea formaldehyde foam insulation, toxic waste, PCBs, pesticides, mold, lead-based paints, or other materials. The appraisers and consultants are not qualified to detect or report on hazardous material contamination and H&LA urges the client to retain an expert in this field if desired.
7. Unless noted, H&LA assumes there are no encroachments, zoning violations, or building violations encumbering the subject property. It is assumed that the property will not be operated in violation of any applicable government regulations, zoning, codes, ordinances, or statutes. No responsibility is assumed for architectural design and building codes. The analysis and concept drawings included in the report are not intended for technical purposes.
8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. Real estate consulting engagements and appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and the client will be obligated to pay in advance for the standard per diem fees and travel costs.
10. No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal or consulting engagement assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, H&LA or the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.
11. The quality of a lodging facility or other leisure property's management has a direct effect on the property's economic viability. It should be specifically noted by any prospective reader that the engagement assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. H&LA is not responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.
12. The forecast of income and expenses are not predictions of the future. Rather, they are the consultants' best estimates of current market thinking on future income and expenses. We do not warrant that the estimates will be obtained, but that they have been prepared in a conscientious manner based on information obtained during the course of this study.
13. The subject property is valued assuming all items of furniture, fixtures, equipment, working capital, and inventory are in place. Should items essential in

the operation of the subject property prove to be missing, we reserve the right to amend the opinion of value expressed in an appraisal report.

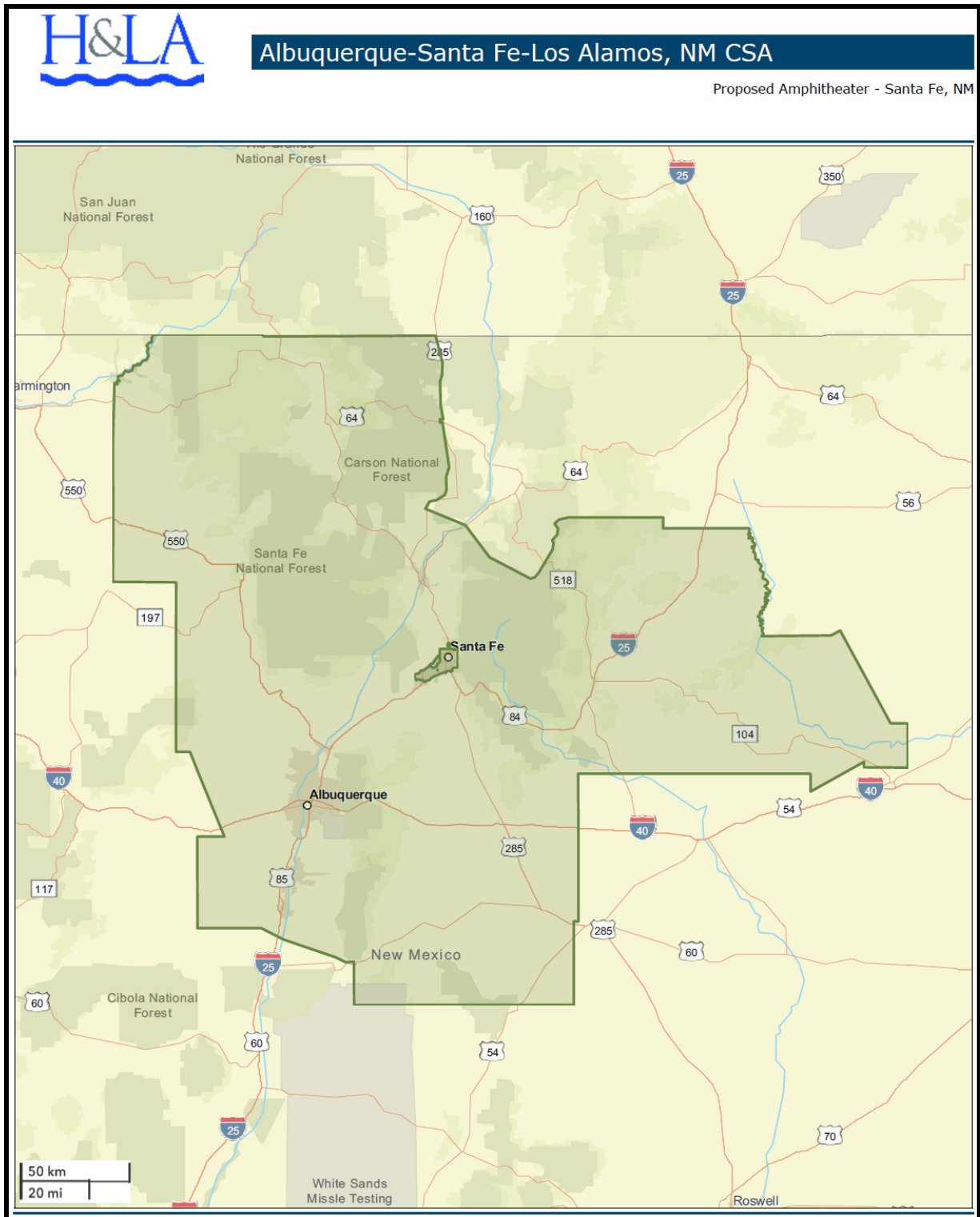
14. H&LA does not, as part of this consulting report or appraisal, perform an audit, review, or examination (as defined by the American Institute of Certified Public Accountants) of any of the historical or prospective financial information used and therefore, does not express any opinion with regard to it.
15. The consulting engagement or appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute. No other code, ordinance, rule or regulation of any kind or nature whatsoever shall apply.
16. It is agreed that the maximum damage recoverable from H&LA or its affiliates or their respective employees relative to this engagement shall be the amount of money actually collected by H&LA or its affiliates for work performed pursuant to the engagement letter. The client acknowledges that H&LA cannot and does not guarantee and makes no representations as to the success of the project. H&LA shall not be liable for any incidental, breach of warranty, consequential or punitive damages, expenses, costs or losses whatsoever directly or indirectly arising out of the services performed hereunder (including negligence and/or gross negligence). In addition, there is no accountability or liability to any third party.
17. The client hereby releases and discharges H&LA, its directors, officers, and employees, from and against any and all claims and demands of any nature or kind whatsoever arising as a result of the design, development, operations, and performance of the proposed or existing project. The client furthermore agrees to indemnify, defend and hold harmless H&LA and its directors, officers and employees, from any and all claims of any nature whatsoever, including attorney fees, expenses and costs.
18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act as well as regulations and accessibility guidelines promulgated thereunder.
19. The provisions of the report, the engagement letter and these standard conditions shall be severable, and if a court of competent jurisdiction holds any provisions of the report, engagement letter and these standard conditions invalid, illegal or unenforceable, the remaining provisions shall nevertheless remain in full force and effect as written.

AREA REVIEW

The feasibility of a performance venue is influenced in a general manner by the economic, political, physical, and social characteristics of its surrounding area. The proposed property will be in the city of Santa Fe, located in Santa Fe County, New Mexico, within the Santa Fe, NM Metropolitan Statistical Area (MSA). An MSA consists of at least one urbanized area of 50,000 or more people plus adjacent areas having a high degree of social and economic integration with the core. In this case, however, the Santa Fe, NM MSA consists of just one county: Santa Fe County. Throughout this section of the report, this statistical area will be referred to as Santa Fe County.

Santa Fe is also within the Albuquerque-Santa Fe-Los Alamos, NM Combined Statistical Area (CSA), comprised of the four-county Albuquerque, NM MSA, plus the adjoining New Mexico population centers of Espanola, Las Vegas, Los Alamos, and Santa Fe. This expansive area will be referred to simply as the Albuquerque CSA.

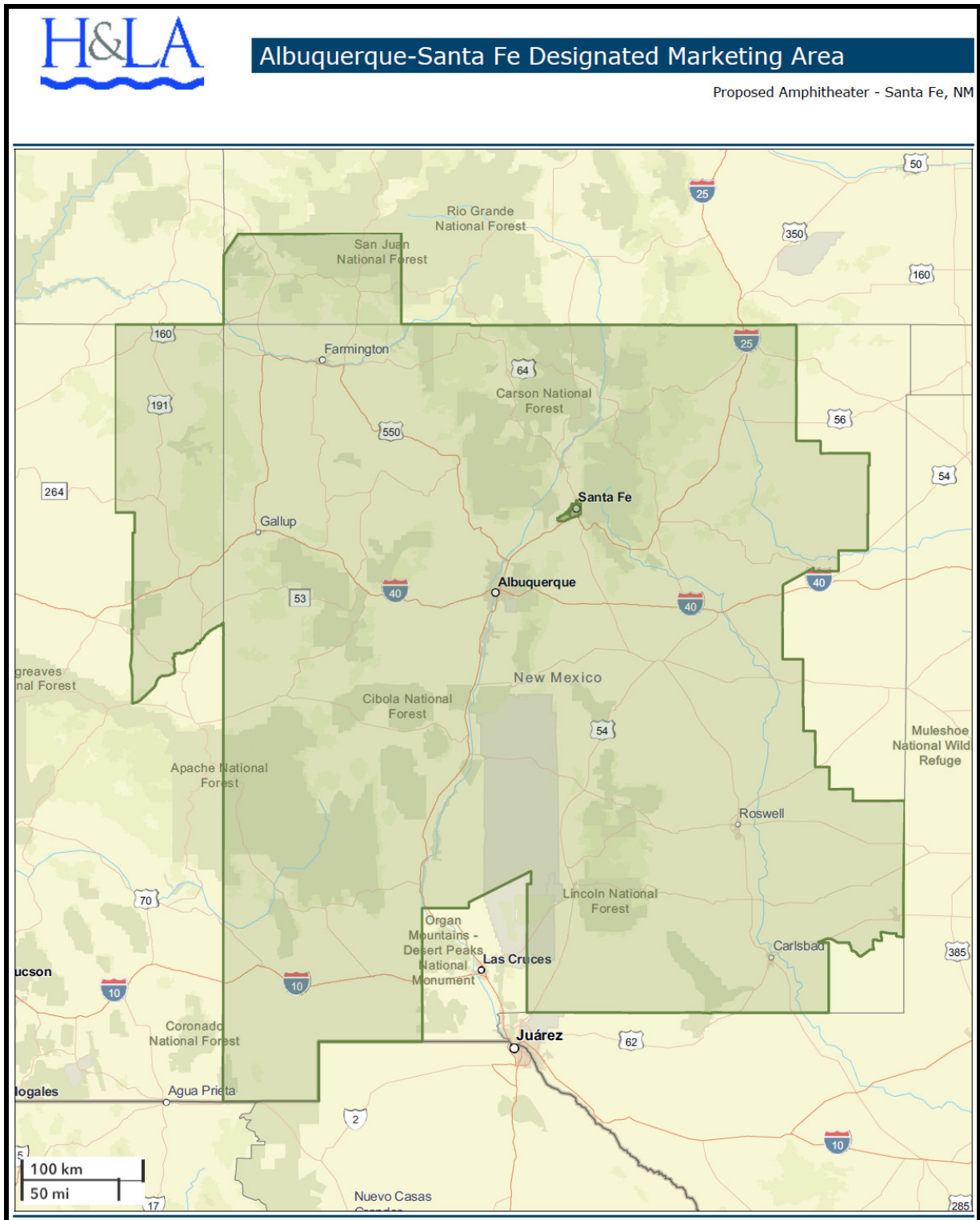
The following map shows the location of Santa Fe within the Albuquerque CSA.



Santa Fe is also part of the Albuquerque-Santa Fe Designated Marketing Area (DMA). Defined by Nielsen Media Research, a DMA is a geographic region of the United States that is used to measure local television viewing and advertising. Based on the latest

delineations, the Albuquerque-Santa Fe DMA covers most of New Mexico and extends into portions of Arizona and Colorado.

The following map shows Santa Fe's location within the Albuquerque-Santa Fe DMA.



With a history dating back more than 400 years, Santa Fe is one of the oldest cities in the United States, offering distinctive Southwest architecture and numerous historic sites. As the capital city of New Mexico, Santa Fe is an important center for government

operations. Albuquerque, the state's most populous city, lies approximately 60 miles southwest of Santa Fe via Interstate 25.

According to The Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute, real estate markets are influenced by the attitudes, motivations, and interactions of buyers and sellers of real property, which in turn are subject to various social, economic, governmental, and environmental forces. Analysis of these forces is performed by investigating specific factors pertaining to each. With hospitality properties, particular emphasis is placed on trends affecting visitation to the area.

Social Forces

In performing a market area analysis, it is necessary to identify relevant social characteristics and influences. The characteristics that influence property values most in a community tend to overlap. Price levels in the subject market in relation to prices in competing areas reflect the overall desirability of the subject market area. Relevant demographic characteristics include population density, employment categories, age levels, household size, and employment status. This section of the report will present demographics and income figures for Santa Fe, Santa Fe County, the Albuquerque CSA, and the state of New Mexico based on official Census findings and estimates and projections from the Environmental Systems Research Institute (ESRI).

Population Trends: The following table presents population growth trends for the subject area.

Population Growth Trends							
Santa Fe, New Mexico							
Area	2010 Census	2020 Census	2024 Est.	2029 Proj.	%Change 2010-20	%Change 2020-24	%Change 2024-29
Santa Fe	80,996	87,505	90,187	90,852	8.0%	3.1%	0.7%
Santa Fe County	144,171	154,823	157,871	160,973	7.4%	2.0%	2.0%
Albuquerque CSA	1,123,717	1,162,523	1,175,210	1,203,993	3.5%	1.1%	2.4%
Albuquerque-Santa Fe DMA	1,895,865	1,944,360	1,953,361	1,975,569	2.6%	0.5%	1.1%
New Mexico	2,059,211	2,117,522	2,129,661	2,153,214	2.8%	0.6%	1.1%

Sources: U.S. Census Bureau, ESRI

Santa Fe County is currently home to about 158,000 people, with over 90,000 in the city of Santa Fe alone. There are nearly 1.2 million residents in the larger Albuquerque CSA and 1.9 million in the Albuquerque-Santa Fe DMA. On a percentage basis, the Santa Fe area has seen a higher degree of growth than any of the larger geographic areas to which it belongs. As shown, the area is projected to continue gaining residents over the next few years.

Households: Household consumption plays a critical role in the economic outlook of a region. A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. The following table presents household growth trends for the subject area.

Household Growth Trends

Santa Fe, New Mexico

Area	2010 Census	2020 Census	2024 Est.	2029 Proj.	%Change 2010-20	%Change 2020-24	%Change 2024-29
Santa Fe	35,997	39,683	41,335	42,662	10.2%	4.2%	3.2%
Santa Fe County	61,964	68,020	70,446	73,604	9.8%	3.6%	4.5%
Albuquerque CSA	446,852	473,398	484,406	505,944	5.9%	2.3%	4.4%
New Mexico	791,403	829,514	845,697	873,106	4.8%	2.0%	3.2%

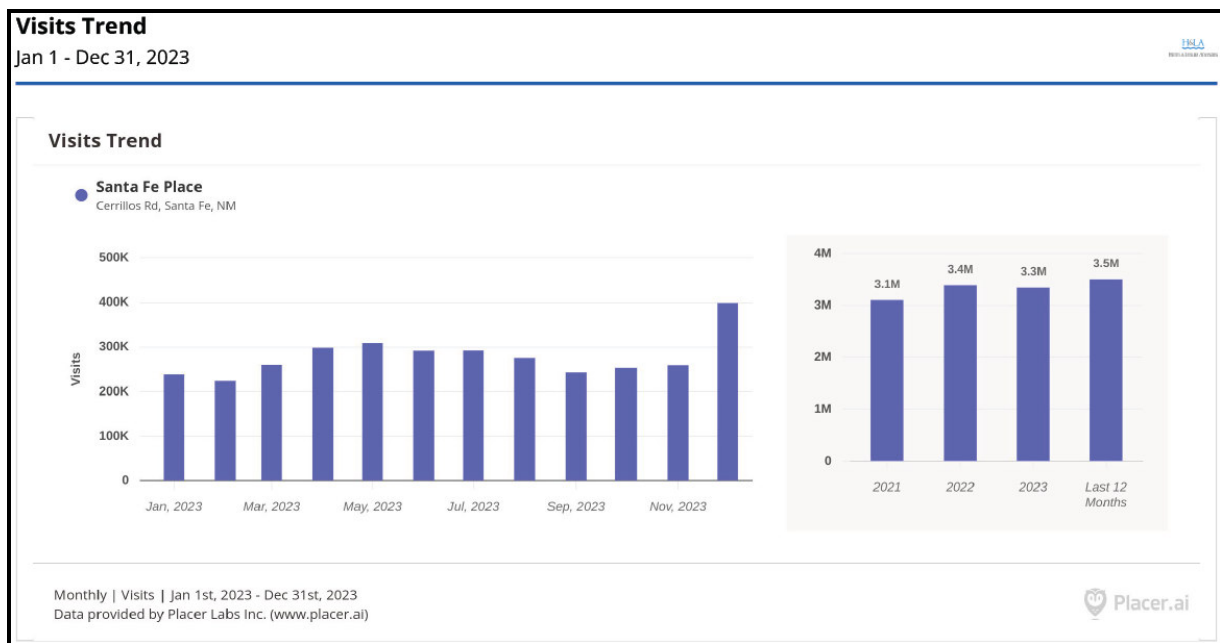
Sources: U.S. Census Bureau, ESRI

Once again, these figures depict an area of strong and continued growth, which is generally a sign of economic vitality. The city, county, and CSA are all projected to see higher growth rates over the next few years than the state of New Mexico as a whole. By 2029, the household count in the Albuquerque CSA is projected to top half a million.

Higher Education: Institutions of higher learning are typically demand generators for leisure facilities, and they help to provide an area with a stable employment base. The city's largest higher education institution is Santa Fe Community College. Located south of Interstate 25, this two-year public institution serves around 3,300 students each year. Other notable institutions in and around Santa Fe include the Institute of American Indian Arts (IAIA), St. John's College, the University of New Mexico-Los Alamos, Northern New Mexico College, and New Mexico Highlands University. Santa Fe is about 60 miles from the main campus of the University of New Mexico in Albuquerque. With a total enrollment of more than 20,000 students, this major university is an important economic driver for the Northern New Mexico region.

Retail Centers: According to the U.S. Travel Association, shopping is one of the most frequent travel activities among domestic leisure travelers, second only to visiting relatives. While there may be many types of retail stores in a given area, travelers are typically drawn to traditional enclosed malls, outlet malls, downtown shopping districts, and outdoor "lifestyle" centers.

The largest retail center in the local market area is Santa Fe Place, an enclosed shopping mall with over 70 individual retailers, restaurants, and service providers. The mall is along Cerillos Road and is surrounded by several big box retailers, restaurants, and hotels. The following chart, generated by Placer.ai, shows recent annual and monthly visitation trends at Santa Fe Place. Placer.ai utilizes cell phone tracking software to determine the number of visits to a predefined target area. Such tracking does not provide exact visitation to a destination but does offer a representation of the number of visitors. As shown, the mall has averaged about 3.3 million visits per year in recent years, which translates to roughly 275,000 visits per month. In 2023, the busiest month was December, which correlates to the busy holiday shopping season.



Fashion Outlets of Santa Fe, the state's only outlet mall, offers a small collection of popular brand name outlet stores. Other notable retail areas include the Santa Fe Plaza, DeVargas Center, New Solana Shopping Center, and San Isidro Plaza. Beyond Santa Fe, the closest major retail developments are the Coronado Center and the Cottonwood Mall, both of which are about an hour's drive away in Albuquerque.

Tourism Statistics: Tourism is a major economic driver for the state of New Mexico, particularly in the Santa Fe area. Based on the latest numbers reported by the New Mexico Tourism Department, the state saw 41.8 million visitors in 2023, with approximately 17.1 million overnight visitors and 24.7-million-day visitors. Total direct visitor spending in the state reached \$8.6 billion in 2023, supporting over 72,000 jobs.

According to Visit Santa Fe, the area's official destination marketing organization, the city has averaged about two million overnight visitors annually in recent years. The top states of origin among domestic travelers are Texas, California, New Mexico, Colorado, Illinois, New York, Florida, and Arizona. The largest share of international visitors come from Canada, Germany, and the United Kingdom.

The next table presents a summary of visitor spending statistics in Santa Fe County and New Mexico for each of the past five years.

Direct Visitor Spending (\$Billions) in Santa Fe County, NM

	Santa Fe County	% Change	New Mexico	% Change
2019	\$1.0	—	\$7.4	—
2020	\$0.7	-32.0%	\$5.8	-21.6%
2021	\$0.9	35.6%	\$7.2	24.1%
2022	\$1.1	19.4%	\$8.3	15.3%
2023	\$1.2	9.1%	\$8.6	3.6%

Source: Tourism Economics

Direct visitor spending in Santa Fe County reached \$1.2 billion in 2023. On a percentage basis, the county saw stronger growth over the past three years than the state as a whole. Overall, these numbers indicate a strong upward trend in tourism activity in the area post-pandemic.

Hotel Market: The size and performance of the local hotel market can be important determinants of leisure demand. Based on CoStar delineations, the Santa Fe submarket holds 5,500 rooms spread across 64 hotels. Santa Fe is also part of the larger New Mexico North market, which is essentially the northern half of the state, excluding the Albuquerque metro area. This larger market area has around 17,000 hotel rooms spread across 300 individual properties.

The following table presents a summary of hotel market statistics in the area for the past five years.

Hotel Market Statistics						
Santa Fe, New Mexico						
Santa Fe Submarket						
	Occupancy Rate	% Change	Average Daily Rate	% Change	Revenue per Available Room	% Change
2020	38.4%	—	\$106.80	—	\$41.04	—
2021	60.1%	56.5%	\$160.82	50.6%	\$96.68	135.6%
2022	67.0%	11.5%	\$190.70	18.6%	\$127.74	32.1%
2023	66.7%	-0.4%	\$194.54	2.0%	\$129.81	1.6%
2024	68.4%	2.5%	\$196.91	1.2%	\$134.64	3.7%
New Mexico North Market						
	Occupancy Rate	% Change	Average Daily Rate	% Change	Revenue per Available Room	% Change
2020	41.6%	—	\$85.62	—	\$35.63	—
2021	59.6%	43.3%	\$115.65	35.1%	\$68.94	93.5%
2022	62.4%	4.7%	\$137.78	19.1%	\$85.92	24.6%
2023	60.2%	-3.5%	\$142.01	3.1%	\$85.46	-0.5%
2024	60.2%	0.0%	\$145.92	2.8%	\$87.87	2.8%

Source: CoStar, March 2025

As shown, occupancy, average daily rate, and revenue per available room in the Santa Fe submarket are all well above market level. While hotel performance in the area suffered in 2020 amid the COVID-19 pandemic, the area recovered quickly, with revenue per available room returning to pre-pandemic levels in 2021 and achieving further gains in 2022, 2023, and 2024.

The following charts show monthly performance in the Santa Fe submarket for 2024 and year-to-date 2025.



Recreation and Regional Attractions: Recreational facilities and regional attractions enhance an area’s quality of life. These activities also have a significant economic impact on an area by increasing the demand for services and retail trade created by visitors. Tourists in turn tend to generate lodging demand on weekends, holidays, and summer months, offsetting commercial visitations during weaker periods. The following table lists major attractions in the area.

Major Tourist Attractions

in the Santa Fe Area

Attraction	Location	Est. Annual Attendance/Visitation
Meow Wolf Santa Fe	Santa Fe, NM	310,000
Ski Santa Fe	Santa Fe, NM	240,000
Bandelier National Monument	Los Alamos, NM	100,000
Valles Caldera National Preserve	Jemez Springs, NM	80,000
Georgia O'Keeffe Museum	Santa Fe, NM	60,000
Pecos National Historical Park	Pecos, NM	50,000
Museum of International Folk Art	Santa Fe, NM	30,000
Museum of Indian Arts & Culture	Santa Fe, NM	20,000

Source: Hotel & Leisure Advisors

Santa Fe offers a wide range of cultural attractions that enhance the quality of life for residents and serve as a draw for visitors. The city is home to the original Meow Wolf, an immersive art attraction that surrounds visitors with surreal and transporting art exhibits. Other points of interest include the Georgia O'Keeffe Museum, the Canyon Road Arts District, the Santa Fe Railyard, the IAIA Museum of Contemporary Native Arts, the Museum of Indian Arts and Culture, and the Museum of International Folk Art. Prominent annual events include the Santa Fe Film Festival, Art + Sol Winter Arts Festival, Santa Fe International Literary Festival, and Fiesta de Santa Fe.

The following table lists major events held in the area in 2024 based on information provided by Tourism Santa Fe.

Prominent Annual Events

Santa Fe, New Mexico

Event	2024 Date(s)	Description
WinterBrew 2024	January 26	Beer festival
Santa Fe Film Festival	February 2-11	Film festival
Art + Sol Winter Arts Festival	February 9-19	Music festival
CloudTop Comedy Festival	May 9-11	Comedy festival
Santa Fe International Literary Festival	May 17-19	Literary festival
CURRENTS 2024 ART&TECH Festival	June 14-23	Technology festival
PRIDE Santa Fe on the Plaza	June 29	Pride festival
Art Santa Fe	July 12-14	Contemporary art fair
SWAIA Santa Fe Indian Market	August 16-18	Native American arts market
Mono Mundo World	August 24	Dance festival
Fiesta de Santa Fe	August 18 - September 2	Community celebration
Santa Fe International Film Festival	October 23-27	Film festival
New Year's Eve on the Plaza	December 31	Holiday celebration

Source: Tourism Santa Fe

In December 2024, Santa Fe was named the number one arts community among medium-sized cities in the United States by the National Center for Arts Research at Southern Methodist University. These annual rankings are based on the Center's Arts Vibrancy Index, which is composed of 13 unique measures covering aspects of supply,

demand, and public support for arts and culture that are adjusted for cost of living and population differences among communities. Santa Fe ranked second in its size category in 2023, and it is one of only three communities to rank in the top ten every year since 2015.

Ski Santa Fe, about 15 miles northeast of the city, offers downhill skiing and snowboarding, with seven ski lifts and over 80 individual trails. The city is within a short drive of several national park sites, including Bandelier National Monument, Valles Caldera National Preserve, and Pecos National Historical Park. Taos, about 70 miles north of Santa Fe, offers a wealth of historic buildings, downhill skiing, and a thriving arts community. Santa Fe is also within about an hour's drive of several Albuquerque area attractions, such as the ABQ BioPark, Petroglyph National Monument, Indian Pueblo Cultural Center, and the New Mexico Museum of Natural History and Science.

Convention and Event Facilities: Large event facilities such as convention centers, exposition centers, fairgrounds, theaters, stadiums, and arenas play a major role in attracting visitors to an area. These visitors frequently make use of paid overnight accommodations and patronize local restaurants, retail stores, and tourist attractions.

The city's main convention venue is the Santa Fe Community Convention Center, which offers 40,000 square feet of total event space, with an 18,000-square-foot ballroom, underground parking, and a landscaped outdoor courtyard. Santa Fe Plaza, located in the heart of downtown, hosts community festivals, concerts, and other outdoor events throughout the year. Meeting and banquet space is available at several hotels, with the largest being the Eldorado Hotel, Drury Plaza Hotel, and La Fonda on the Plaza. New Mexico's largest convention venue, the Albuquerque Convention Center, is about an hour's drive southwest of Santa Fe.

Economic Forces

Economic considerations relate to the financial capacity of a market area's occupants and their ability to purchase goods and services. Economic factors that can be considered in this analysis are median household income levels, per capita income, income distribution for households, unemployment levels, and the amount and type of economic development in a given area.

Income: The economic vitality of an area is an important consideration in forecasting the demand and potential income for commercial real estate. The following table lists median household income estimates for the subject area.

Median Household Income Estimates			
Santa Fe, New Mexico			
Area	2024 Est.	2029 Proj.	%Change 2024-29
Santa Fe	\$74,201	\$84,174	13.4%
Santa Fe County	\$77,007	\$89,332	16.0%
Albuquerque CSA	\$70,754	\$81,704	15.5%
New Mexico	\$62,263	\$73,921	18.7%

Sources: U.S. Census Bureau, ESRI

Households in the Albuquerque CSA tend to have higher earnings than those in the state at large, and this is particularly true of the Santa Fe area. As an additional point of comparison, the median household income for the United States as a whole was estimated at \$79,068 for 2024. At all geographic levels, the area is projected to see healthy income growth over the next few years.

Cost of Living: According to the latest cost index data from the U.S. Bureau of Economic Analysis, the cost of living in the Santa Fe area is below average relative to other major metro areas in the United States. An index value of 100 represents the national average, so metro areas with an overall price index value below 100 are considered to have a lower cost of living while those with index values above 100 are considered to have a higher cost of living.

The following table compares the cost of living in the Santa Fe area to that of other major metro areas in the United States.

Metro Area Regional Price Parities Index (All Items)	
Metro Area	Index Value
Las Cruces, NM	89.3
Albuquerque, NM	93.0
Santa Fe, NM	93.4
San Antonio-New Braunfels, TX	93.7
St. Louis, MO-IL	96.3
Charlotte-Concord-Gastonia, NC-SC	97.0
Detroit-Warren-Dearborn, MI	98.0
Houston-The Woodlands-Sugar Land, TX	100.2
Atlanta-Sandy Springs-Alpharetta, GA	100.9
Orlando-Kissimmee-Sanford, FL	101.1
Chicago-Naperville-Elgin, IL-IN-WI	102.6
Baltimore-Columbia-Towson, MD	102.7
Dallas-Fort Worth-Arlington, TX	103.3
Tampa-St. Petersburg-Clearwater, FL	103.4
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	103.5
Minneapolis-St. Paul-Bloomington, MN-WI	104.5
Denver-Aurora-Lakewood, CO	105.5
Phoenix-Mesa-Chandler, AZ	105.5
Portland-Vancouver-Hillsboro, OR-WA	106.6
Washington-Arlington-Alexandria, DC-VA-MD-WV	108.6
San Diego-Chula Vista-Carlsbad, CA	111.5
Boston-Cambridge-Newton, MA-NH	111.6
Miami-Fort Lauderdale-Pompano Beach, FL	111.8
New York-Newark-Jersey City, NY-NJ-PA	112.5
Seattle-Tacoma-Bellevue, WA	113.0
Los Angeles-Long Beach-Anaheim, CA	115.5
San Francisco-Oakland-Berkeley, CA	118.2

Source: U.S. Bureau of Economic Analysis, 2023

Industries and Employment

Information on the size of a region's labor force and the relative trends in employment and unemployment are key local economic indicators.

Unemployment Rates: The widely cited unemployment rate provides a good measure of the relative utilization of labor in a region. These measures are "residency-based," providing current information on the labor force status of the residents of a county or region. The following table presents unemployment rates for the subject area.

Historical Unemployment Rates					
	2019	2020	2021	2022	2023
Santa Fe	4.0%	8.3%	6.7%	3.6%	3.3%
Santa Fe County	4.1%	7.7%	6.4%	3.6%	3.4%
Albuquerque CSA	4.6%	7.6%	6.6%	3.8%	3.5%
New Mexico	5.0%	7.9%	7.1%	4.1%	3.8%
United States	3.7%	8.1%	5.3%	3.6%	3.6%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Like most parts of the country, the Santa Fe area saw a marked increase in unemployment in 2020 due to the COVID-19 pandemic. This was followed by three years of improvement, with rates falling below 4% in 2022 and 2023. The Bureau of Labor Statistics also tracks unemployment monthly. Preliminary figures for September 2024 indicate an unemployment rate of 3.7% in Santa Fe, 3.8% in Santa Fe County, 4.0% in the Albuquerque CSA, and 4.1% in the state of New Mexico.

Employment by Industry: The distribution of employment helps determine the economic character of an area. The following table shows the three largest industrial sectors in terms of the estimated number of persons employed in 2024 for each geographic area.

Largest Industrial Sectors, 2024						
Santa Fe, New Mexico						
	Largest industrial sector		2nd largest industrial sector		3rd largest industrial sector	
	Industry	% of employees	Industry	% of employees	Industry	% of employees
Santa Fe	Public Administration	29.2%	Health Care/ Social Assistance	13.8%	Retail Trade	12.8%
Santa Fe County	Public Administration	28.0%	Health Care/ Social Assistance	12.6%	Accommodation/ Food Services	12.1%
Albuquerque CSA	Health Care/ Social Assistance	14.7%	Retail Trade	11.5%	Public Administration	11.1%
New Mexico	Health Care/ Social Assistance	15.0%	Retail Trade	12.0%	Public Administration	11.5%

Source: ESRI

The leading sector in the Santa Fe area is Public Administration, which represents almost 30% of all employment in the city. This is largely attributable to the many state government offices in Santa Fe, as well as to the city's role as the county seat of Santa Fe County. Other top sectors in the region include Health Care/Social Assistance and Retail Trade. Employment in the Accommodation/Food Services sector is a reliable indicator of the importance of tourism to a local economy. In 2024, this sector accounted for an estimated 11.2% of the overall employment in Santa Fe, 12.1% in Santa Fe County, 10.0% in the Albuquerque CSA, and 10.3% in New Mexico.

The next table shows the total annual employment in Santa Fe County, the Albuquerque CSA, and the state of New Mexico for the years 2019 through 2023, plus the latest monthly numbers for 2024 as compared to the same period in 2023.

Total Employment, 2019-2023						
	Santa Fe County	% Change	Albuquerque CSA	% Change	New Mexico	% Change
2019	70,835	—	531,830	—	908,397	—
2020	65,291	-7.8%	503,723	-5.3%	858,100	-5.5%
2021	67,643	3.6%	519,052	3.0%	875,911	2.1%
2022	69,627	2.9%	539,508	3.9%	908,878	3.8%
2023	70,517	1.3%	551,667	2.3%	928,983	2.2%
September 2023	70,353		552,011		932,970	
September 2024, Preliminary	70,976	0.9%	554,117	0.4%	940,841	0.8%

Source: U.S. Department of Labor, Bureau of Labor Statistics

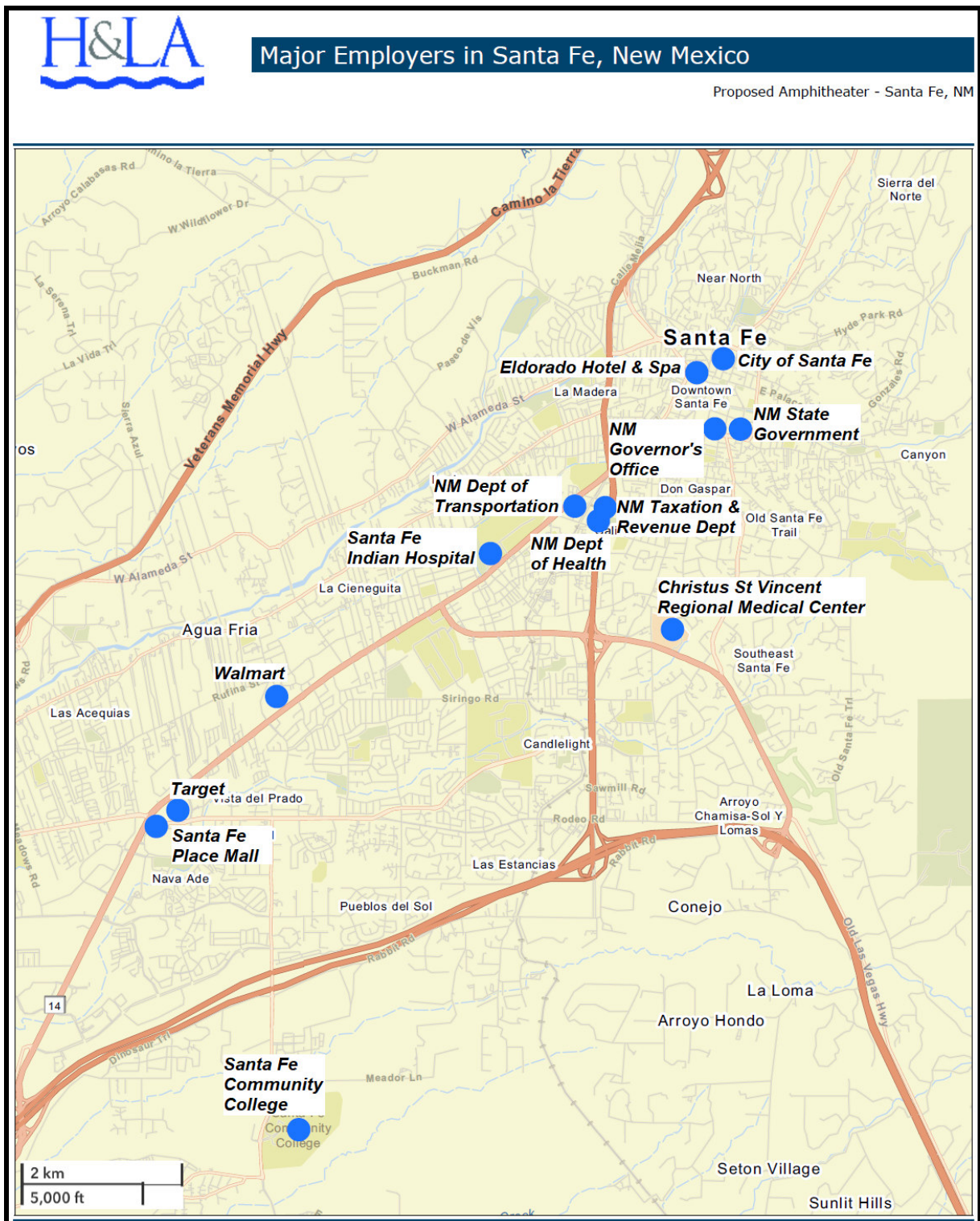
The area saw a sharp drop in total employment in 2020 amid the pandemic. This was followed by three years of steady gains, with employment largely returning to pre-pandemic levels by 2022 and achieving further growth in 2023. The latest monthly numbers show that the area continued to gain jobs well into the third quarter of 2024.

Major Employers: The demand for entertainment venues is closely tied to the types of businesses in an area, their economic strengths, and their growth potential. The largest employers in the area are listed in the following table.

Major Employers in the Albuquerque-Santa Fe-Los Alamos Area			
Firm/Organization	Location	#Employees	Industry Description
New Mexico State Government	Statewide	31,100	Government
US Federal Government	Statewide	28,900	Government
Sandia National Laboratories	Albuquerque	15,100	Research & Development
Walmart	Statewide	14,725	Retail
Los Alamos National Laboratory	Los Alamos	14,150	Research & Development
University of New Mexico	Albuquerque	11,875	Education
Presbyterian Healthcare Services	Statewide	11,575	Health Care
Albuquerque Public Schools	Albuquerque	10,150	Education
City of Albuquerque	Albuquerque	5,800	Government
McDonalds	Statewide	4,675	Food Service
Lovelace Hospitals	Albuquerque	3,650	Health Care
Amazon	Albuquerque	3,500	Retail
Allsup's Convenience Stores	Statewide	3,000	Retail
Albertsons Market	Statewide	2,750	Retail
Lowes Home Improvement	Statewide	2,600	Retail/Call Center
Bernalillo County	Albuquerque	2,375	Government
Christus St. Vincent Hospital	Santa Fe	2,375	Health Care
Smith's Food	Statewide	2,350	Retail
Central NM Community College (CNM)	Albuquerque	2,200	Education
Speridian Technologies	Albuquerque	2,200	IT Services
Burger King	Statewide	1,850	Food Service
Blue Cross Blue Shield	Albuquerque	1700+	Call Center/Insurance
Public Service Co. New Mexico	Statewide	1,675	Utility
Home Depot	Statewide	1,650	Retail
Target	Statewide	1,650	Retail

Source: New Mexico Partnership

The next map shows the location of leading employers in and around the city of Santa Fe.



New Developments: The following bullets describe recent developments that will influence tourism, employment, and the general economy in the area.

- For the second year in a row, readers of *Travel + Leisure* ranked Santa Fe number two on the list of the “15 Best Cities in the U.S.” in 2024. The publication’s rankings also named Bishop’s Lodge and Ten Thousand Waves Japanese Spa Resort among the top 15 properties in their respective categories in 2024. These recognitions confirm Santa Fe’s status as a prime leisure travel destination.
- In 2024, Santa Fe was one of six finalist cities in a bid to host the 2027 Sundance Film Festival. While Santa Fe was later dropped from consideration, this widely publicized distinction raised the city’s profile as an arts destination, increasing the likelihood of such events coming to the area in the future.
- A new mixed-use development called Aspect Media Village is planned for a 21-acre site on St. Michael’s Drive in the Midtown district of south Santa Fe. Representing a total investment of around \$115 million, this project will create a large commercial soundstage by combining two smaller existing soundstages, as well as two apartment complexes, retail, office space, and a movie theater. This project will be completed in phases over the next two to three years. As envisioned, Aspect Media Village will attract the type of large film productions that previously would not have considered Santa Fe, creating hundreds of jobs and heightened demand for goods and services.
- The City of Santa Fe recently released a request for proposals to redevelop a 17,000-square-foot city-owned building in the Railyard District that currently sits vacant. Possible uses include performing arts space, gallery space, and studio space for film and audio production.
- Plans for a new 57-acre medical office complex called Las Soleras Medical Junction are moving forward at the corner of Beckner Road and Rail Runner Road in Santa Fe. This project – featuring three buildings totaling 200,000 square feet – will be adjacent to two existing health facilities: Presbyterian Santa Fe Medical Center and the recently opened Nexus Health Center.
- In August 2024, Singapore-based Maxeon Solar Technologies announced plans for a new solar cell and panel factory on a 160-acre site in the Mesa del Sol neighborhood of Albuquerque, with production slated to begin in 2026. Representing a total investment of over \$1 billion, this large-scale facility will create about 1,800 jobs and have a major impact on the region for years to come.
- Netflix Studios recently completed a major expansion of its Mesa Del Sol campus in Albuquerque, growing from 28 acres to 108 acres. This project involved the development of four new soundstages, a production office, and support buildings. Since opening in 2018, Netflix Studios has supported almost \$900 million worth of film production, generating thousands of jobs in the region.
- In February 2024, Cinelease Studios announced plans for a major expansion of its existing facilities in Albuquerque. The company will invest \$95 million to add five soundstages and two ancillary buildings, roughly doubling its current footprint.

This move signals a long-term commitment to the Northern New Mexico area and will create hundreds of temporary and permanent jobs going forward.

- A major renovation is now underway at the Albuquerque International Sunport, the primary commercial airport serving Northern New Mexico. This project includes a new TSA screening checkpoint that opened in late 2023, as well as new retail offerings, a new food hall, art installations, and updated seating and carpeting. Representing a total investment of about \$87 million, this project is expected to be finished by mid-2025.

Governmental Forces

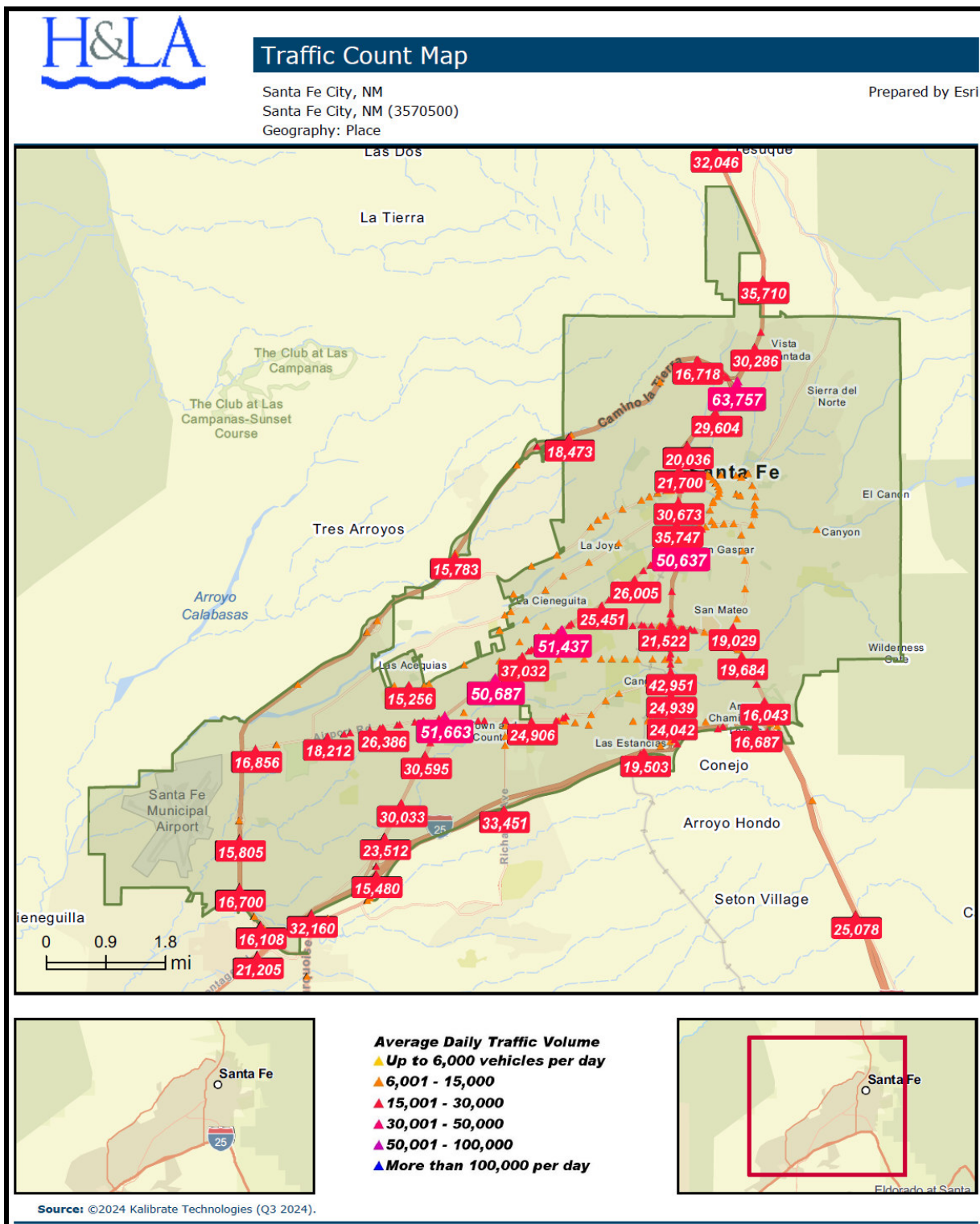
Governmental considerations relate to the laws, regulations, and property taxes that affect properties in the market area and the administration and enforcement of these constraints such as zoning laws, building codes, and housing and sanitary codes. The property tax burden associated with the benefits provided and the taxes charged for similar benefits in other areas are considered. The enforcement of applicable codes, regulations, and restrictions should be equitable and effective. Governmental characteristics that should be considered in the analysis of a market area include property tax burden relative to services provided, special assessments, zoning and building codes, quality of public services, and environmental regulations. Some of these factors are discussed in the zoning and real estate tax sections later in this report.

Environmental Forces

Environmental influences consist of any natural or human-made features that are contained in or affect the market area and its location. These include a building's type and size, topographical features such as terrain and vegetation, changes in property use and land use patterns, and the adequacy of public utilities.

Highway Transportation: Highway accessibility is a primary consideration in planning an area's future growth and development. Santa Fe sits along Interstate 25, which provides a direct, high-speed connection to and from greater Albuquerque. To the northeast, Interstate 25 connects the area to the major markets of Colorado Springs and Denver. The city is further served by US Route 84, US Route 285, and a well-developed system of state and local roads.

The following map shows the estimated average daily traffic volume on major roads and highways in Santa Fe.



Public Transportation: Fixed-route public bus service is provided by Santa Fe Trails, offering low-fare public transportation to various points of interest throughout the city.

Air Transportation: The closest airport offering scheduled commercial passenger service is the Santa Fe Regional Airport, on the southwest edge of the city. This facility is served by three airlines and offers nonstop flights to Dallas/Fort Worth, Denver, Phoenix, and Houston. The nearest major airport is the Albuquerque International Sunport, about 60 miles southwest of Santa Fe. This airport is served by eight major carriers, with nonstop flights to 30 U.S. destinations.

The following table presents historical passenger activity at Santa Fe Regional Airport and the Albuquerque International Sunport.

Passenger Volume		
Santa Fe Regional Airport		
	Passenger Enplanements	%Change
2019	142,774	—
2020	49,856	-65.1%
2021	94,906	90.4%
2022	123,452	30.1%
2023	140,257	13.6%

Source: Federal Aviation Administration

Passenger Volume		
Albuquerque International Sunport		
	Passenger Enplanements	%Change
2019	2,641,450	—
2020	868,922	-67.1%
2021	1,688,646	94.3%
2022	2,317,836	37.3%
2023	2,605,163	12.4%

Source: Federal Aviation Administration

Rail Transportation: Santa Fe is served by the New Mexico Rail Runner Express, a commuter rail system that stretches for almost 100 miles, from Santa Fe to Belen, New Mexico, south of Albuquerque. Amtrak's *Southwest Chief* line, which runs daily between Chicago and Los Angeles, passes through the area and can be accessed from the station in Lamy, New Mexico, about 15 miles southeast of Santa Fe.

Climate: The climate of the Santa Fe area is generally warm in the summer and mild in the winter, with low levels of precipitation throughout most of the year. The city's high elevation contributes to more comfortable summer temperatures relative to other cities in the Southwest region. The average daily temperature in January is 32.0 degrees Fahrenheit and the average daily temperature in July is 73.0 degrees Fahrenheit. The following table depicts typical weather conditions for the area based on data collected over a 30-year period.

Average Weather Conditions for Santa Fe, New Mexico (1981-2010)

	Avg Daily High Temperature (°F)	Mean Temperature (°F)	Avg Daily Low Temperature (°F)	Precipitation (inches)
January	44.9	32.0	19.0	0.6
February	49.7	36.3	23.0	0.5
March	57.9	42.8	27.6	0.8
April	66.3	50.2	34.1	0.7
May	76.2	59.7	43.3	0.9
June	86.5	69.0	51.4	1.1
July	89.0	73.0	57.0	1.8
August	85.5	71.0	56.4	2.6
September	79.5	64.0	48.5	1.6
October	67.6	52.6	37.5	1.4
November	54.2	40.3	26.3	0.7
December	44.0	31.4	18.8	0.8
Average/Total	66.9	51.9	37.0	13.5

Source: The National Oceanic and Atmospheric Administration's National Climatic Data Center

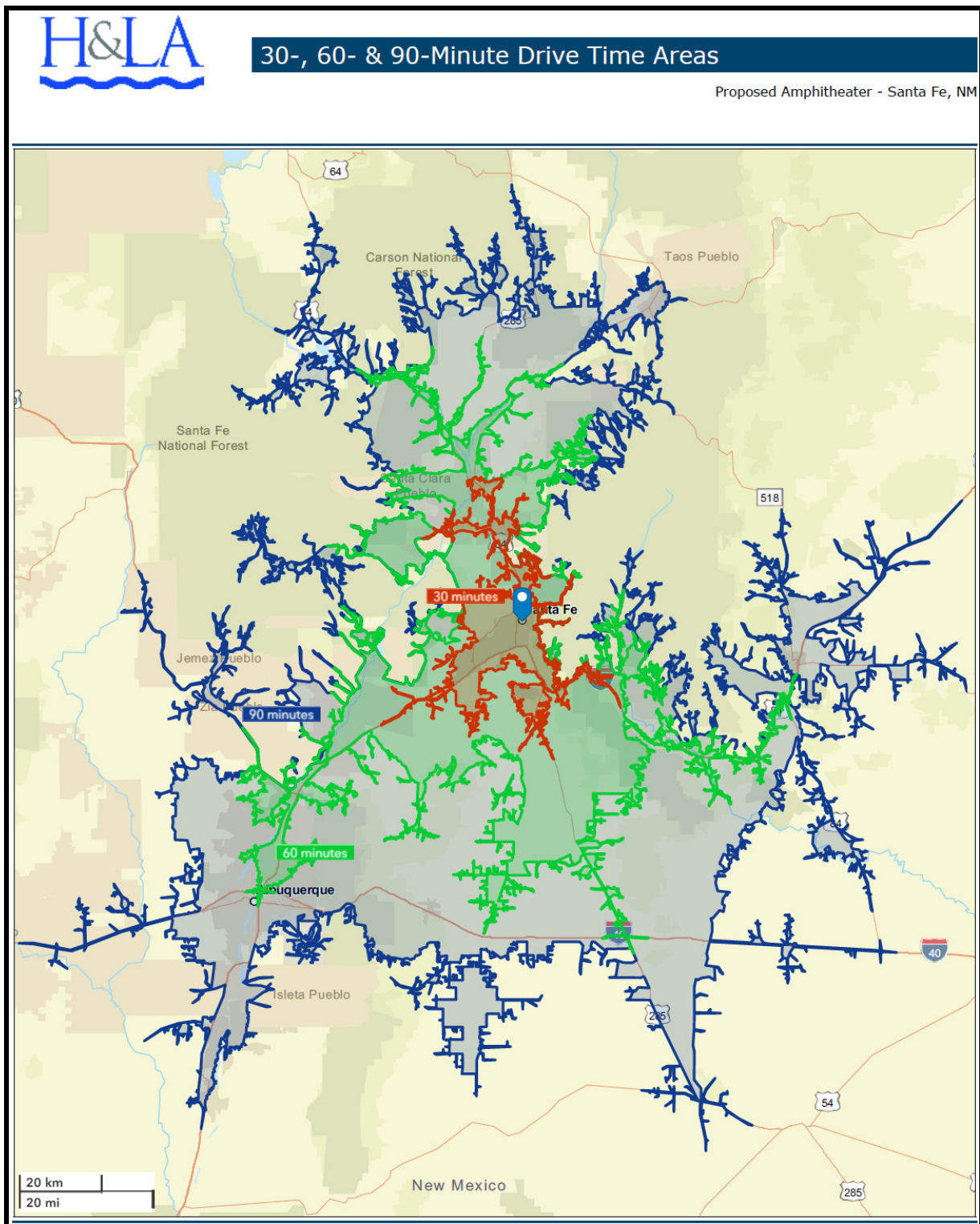
Outlook

Our review of the above data indicates a positive outlook for the subject area based on recent trends in population, income, employment, and visitor spending. As the capital city of New Mexico, Santa Fe is home to several large government employers that bolster the overall economy and contribute to the area's comparatively high-income levels. From a tourism standpoint, the city offers a wealth of cultural and historical attractions. Located along Interstate 25, Santa Fe is well positioned within the regional transportation infrastructure and easy to reach from surrounding markets. These factors point to sustained economic growth within the region and should benefit the subject property by ensuring high levels of demand heading into the future.

CONSUMER BEHAVIOR ANALYSIS

To gauge the potential interest in the proposed development, we considered consumer behaviors within the larger market area, which we have defined as the 30-, 60-, and 90-minute drive time areas surrounding the subject site. The numbers in the following table are based on information collected by the data firm GfK MRI in a nationally representative survey of U.S. households. From this survey, we selected the activities most relevant to the type of facility proposed for the subject site. The Market Potential Index (MPI) measures the propensity of the local population to engage in a particular consumer behavior as compared to the national average of 100. We have also presented the total population, adult population, youth population, number of households, and median household income for the three drive time areas.

The following map shows the approximate outlines of the 30-, 60-, and 90-minute drive time areas surrounding Santa Fe.



Proposed Amphitheater - Santa Fe, New Mexico

Regional Consumer Behavior

30-Minute Drive

Est. 2024 Population	137,953
Adult (18+) Population	115,605
Youth (<18) Population	22,348
Households	61,876
Median Household Income	\$77,918

Consumer Behavior	Expected # of Adults/Households	% of Total	MPI
Attended Rock Music Performance/past 12 months	9,727	8.4%	103
Attended Country Music Performance/past 12 months	5,678	4.9%	104
Attended Classical Music/Opera Performance/past 12 months	4,471	3.9%	119
Went to Live Theater/past 12 months	11,158	9.7%	111
Went to Art Gallery/past 12 months	12,221	10.6%	114
Attended Dance Performance/past 12 months	3,548	3.1%	97

60-Minute Drive

Est. 2024 Population	344,072
Adult (18+) Population	281,426
Youth (<18) Population	62,646
Households	147,251
Median Household Income	\$79,551

Consumer Behavior	Expected # of Adults/Households	% of Total	MPI
Attended Rock Music Performance/past 12 months	23,274	8.3%	102
Attended Country Music Performance/past 12 months	13,738	4.9%	104
Attended Classical Music/Opera Performance/past 12 months	10,072	3.6%	110
Went to Live Theater/past 12 months	25,682	9.1%	105
Went to Art Gallery/past 12 months	27,587	9.8%	106
Attended Dance Performance/past 12 months	8,756	3.1%	99

90-Minute Drive

Est. 2024 Population	1,129,794
Adult (18+) Population	908,344
Youth (<18) Population	221,450
Households	468,197
Median Household Income	\$72,150

Consumer Behavior	Expected # of Adults/Households	% of Total	MPI
Attended Rock Music Performance/past 12 months	72,816	8.0%	99
Attended Country Music Performance/past 12 months	43,178	4.8%	101
Attended Classical Music/Opera Performance/past 12 months	29,918	3.3%	101
Went to Live Theater/past 12 months	77,618	8.5%	98
Went to Art Gallery/past 12 months	82,441	9.1%	98
Attended Dance Performance/past 12 months	28,246	3.1%	99

Note: MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.

Sources: ESRI and GfK MRI

Income levels often have a significant impact on consumers' choice of leisure activities, as higher-income consumers are more likely to engage in activities that require high admission fees. According to the MPI values presented, consumers inside a 30-minute

drive of Santa Fe are more likely to attend cultural events such as live theater, opera, and classical music performances than those in the 60- and 90-minute areas. While interest in country and rock music performances is near-average at all three drive time levels, consumers living within a 30- to 60-minute drive are somewhat more likely to attend these types of events than those in the larger 90-minute area. Overall, these figures indicate a substantial base of potential consumers for the proposed development in the market surrounding the subject site.

POTENTIAL SITES FOR DEVELOPMENT

A site for either proposed development has not been determined. We have examined each potential site provided by the client and narrowed the site selection to ten sites. The following map shows where each site is located.



City Owned Sites

1. **Northwest Quadrant of City (North)** – This site is in the northeast quadrant of State Highway 599 and Camino de los Montoyas. This site is favorable due to its close location to State Highway 599 and US Highway 285.

2. **Northwest Quadrant of City (South)** – This site is in the southwest quadrant of State Highway 599 and South Ridgetop Road. It is across State Highway 599 from the city owned site mentioned previously and is close to State Highway 599 and US Highway 285.
3. **Midtown Campus** – This site is along Alumni Drive at the southeast quadrant of Cerillos Road and St. Michael's Drive. The neighborhood includes complementary attractions to a theater such as the Santa Fe Art Institute, Carson Studios, and nearby public schools. Some of the existing structures are dilapidated or vacant. The addition of a theater could revive the neighborhood and make it more attractive.
4. **Tierra Contenta** – This site is in the southeast quadrant of Jaguar Drive and State Highway 599. It is directly south of SWAN Park and north of a residential neighborhood.

County Owned Site

5. **County Fairgrounds** – This site is in the northwest quadrant of Rodeo Road and Richards Avenue. It is directly east of a residential neighborhood.

State Owned Sites

6. **South Meadows and State Highway 599** – This site is in the northwest quadrant of South Meadows Road and State Highway 599. It is accessible from State Highway 599.
7. **Agua Fria and State Highway 599** – This site is adjacent to the north of the Santa Fe River and Agua Fria Street and south of State Highway 599 across from Caja Del Rio Road. There are residential neighborhoods to the south and west.
8. **Highway 14** – This site is adjacent to the east of Highway 14 and south of the Camino Vista Grande, which is a residential neighborhood. It is north of Santa Fe Studios.

Privately Owned Sites

9. **Komis Property at 599** – This site is in the northwest quadrant of Interstate 25 and State Highway 599. As well as being close to Interstate 25, which is the fastest route to Albuquerque, there is a Rail Runner stop near the site. Rail Runner is a railway that services commuters to and from Albuquerque and Santa Fe. If the city could acquire the site, it would be favorable for the proposed development as visitors from Albuquerque could take the train to events.
10. **South St. Francis Drive and Rabbit Road** – This site is in the northwest quadrant of South St. Francis Drive and Rabbit Road. It is directly south of South St. Francis Drive and US Highway 285 Exits off Interstate 25.

Typically, an amphitheater is located in rural or suburban location that offers surrounding green space while a theater is typically located in an urban or suburban location. Our

study assumes a site for either option will have good access, visibility, and an attractive neighborhood surrounding it.

Sites utilized for amphitheaters vary in acreage. As an example, the Lake Dillon Amphitheater is situated on approximately three acres of land but this does not account for parking. It has views of Lake Dillon and the surrounding mountains. Red Rocks Amphitheatre sits on 86 acres as part of the Denver Mountain Parks system.

Theaters and performing arts centers are typically located in more urban areas and require less land than an amphitheater. For example, Pueblo Memorial Hall sits on approximately 2.5 acres of land. Pikes Peak Center for the Performing Arts is situated on approximately 3.5 acres of land and the Chandler Center for the Arts is on about 4.5 acres of land. A theater may need approximately three to ten acres of land, depending on utilities, parking, and access. An amphitheater may need 15 to 30 acres of land, depending on utilities, parking, and access. As part of selecting a site, the client needs to consider parking, utilities, sound buffering, and access. Consideration of transportation options to the site should also be considered specifically whether there is public transportation or guests will only be able to arrive by their own car.

Pictures of Potential Sites for Development



Northwest Quadrant of City Site



South Meadows and Highway 599 Site



Agua Fria and Highway 599 Site



Tierra Contenta Site



Komis Property at Highway 599 Site



South St. Francis and Rabbit Road Site



Midtown Campus



Midtown Campus



Highway 14 Site



Rail Runner near Komis Property Site

DESCRIPTION OF PROPOSED/RECOMMENDED AMPHITHEATER AND THEATER

General: We have analyzed the proposed amphitheater and theater developments. Our study assumes the client would develop the theater or amphitheater, but not both. The client has not prepared any renderings for the project. Under either scenario, we recommend that the proposed development be a multi-purpose event and entertainment facility built in a cost-effective manner. The multipurpose, partially covered amphitheater or theater will bring a venue for corporate events, school programs, concerts, community events, plays, and more to the city of Santa Fe, broadening entertainment opportunities for the immediate area. We project the proposed property will open by January 1, 2027. The following table indicates our recommendations for the major components for the amphitheater.

Summary of Proposed Features		
Proposed Amphitheater		
Sizing		Range
Covered amphitheater seating	2,000 seats	1,500-2,500 seats
Outdoor amphitheater lawn seating	2,500 seats	2,000-3,000 seats
Total number of seats	4,500 seats	3,500-5,500 seats
Area Amenities		
Flexible indoor seating that can retract		
Dressing rooms		
Storage space for portable chairs etc.		
Ticket or box office space for walk-up sales		
Food and beverage outlets (3 concessions) and/or food trucks		
Club lounge area		
Merchandise stalls		
Parking		
Amphitheater		
Permanent stage with rigging grid		
Permanent lawn seating		
Open-air (not covered) above lawn area		
Indoor restrooms building		

Source: Hotel & Leisure Advisors

- We recommend the proposed amphitheater include 2,000 versatile seats in a covered area and space for an additional 2,500 lawn seats for a partially open-air, 4,500-person capacity. We recommend a seating range capacity of 4,000 to 5,000 seats but use the 4,500-seating capacity throughout the report for the projections. We selected the seating capacity for the subject based on the average seating capacity of the selected comparables except for Isleta Amphitheater due to its much larger capacity compared to the set.
 - The seating capacity affects the types of performances and events that the venue can host. Too large a seating capacity can result in lower occupancies at multiple events and may result in events booking at other competitive smaller venues.
- We recommend the subject offer food and beverage concessions or food trucks and merchandise stalls strategically located in areas situated throughout the facility.

- We recommend the subject architects and engineers design the amphitheater with sustainable design practices to achieve operational energy savings throughout the facility. Some of these design practices include the use of high-efficiency motors and fixtures, heat recovery units and computer-controlled systems.
- We recommend dressing rooms that can be used by performers that rent the facility.
- The amphitheater will feature a concert season between April and October.
- The amphitheater seating options will include lawn seating and permanent seating. Permanent seating should be covered so that it can be used in the event of inclement weather.
- We recommend lawn seating should have attractive natural views of trees and grassy areas (not buildings).

The following table indicates our recommendations for the major components for the theater.

Summary of Proposed Features		
Proposed Theater		
Sizing		Range
Multi-tiered seating	1,800 seats	1,300-2,300 seats
Area Amenities		
Ticket or box office space for walk-up sales		
Food and beverage concessions		
Club lounge area		
Parking		
Merchandise stalls		
Theater		
Permanent stage for up to 100-125 performers		
Loading dock		
Dressing rooms		
Rehearsal room		
Workshop		
Orchestra pit		
Green room		
Storage space for portable chairs etc.		
Black box theater		
Classrooms for youth/adult education		

Source: Hotel & Leisure Advisors

- We recommend the proposed theater include 1,800 seats in multi-tiered seating areas: orchestra, mezzanine, balcony, and box seats. Orchestra seating should contain a greater number of seats followed by mezzanine and balcony-level seating. Box seating should be on both sides of the theater and contain four to six seats per box. We recommend a seating range capacity of 1,500 to 2,000 seats but use the 1,800-seating capacity throughout the report for projections. We developed the recommended seating capacity based on the average seating

capacity of the selected comparables excluding the Vilar Performing Arts Center due to its much smaller capacity compared to the set.

- The seating capacity affects the types of performances and events that the venue can host. Too large a seating capacity may result in lower occupancies at multiple events and may result in events booking at other competitive smaller venues.
- We recommend a ticketing and box office space at the entrance of the theater for ticket sales and will-call.
- We recommend the subject offer food and beverage concessions and merchandise stalls strategically located in areas situated throughout the facility.
- We recommend the theater include a club lounge area.
- We recommend a spacious lobby area at the entrance with a coat check room.
- We recommend dressing rooms that can be used by performers.
- We recommend the developers install a stage large enough to accommodate 100 to 125 performers at one time for larger performances such as a symphony or Broadway production that may include large stage sets. An orchestra pit should also be installed in front of the stage.
- We recommend a rehearsal room for performers when the stage is not available.
- We recommend a black box theater for smaller attendance performances.
- We recommend a workshop for stage sets to be designed, built, and stored for Broadway productions.
- We recommend a green room.
- We recommend a meeting room that can be used for educational classes.
- We recommend the subject architects and engineers design HVAC with sustainable design practices to achieve operational energy savings throughout the facility. Some of these design practices include the use of high-efficiency motors and fixtures, heat recovery units and computer-controlled systems.

VENUE MANAGEMENT

We recommend that either venue be managed by a nonprofit organization or private company. Responsibilities would include employment of managers, annual operating and capital budget approval, establishing bookings, rental rates and fee structures, approving tenant lease agreements, providing direction for marketing, and overseeing risk management programs. A nonprofit organization may have an advisory board to convey ideas from the community to the managers. A third-party management company would manage the property for a base fee and incentive. Live Nation and AEG Presents are examples of private management companies that focus on managing music venues.

According to Public Assembly Venue Management: Sports, Entertainment, Meeting, and Convention Venues from the International Association of Venue Managers (IAVM), a government may decide to hire a private management company to avoid the following issues:

- Bureaucratic controls over the budget are contrary to free-market thinking.
- Financial losses caused by economic problems; intense competition in the area; difficulties managing a sales and marketing enterprise that apply to governmental taxpayer services; customer and tenant dissatisfaction; deterioration of the structure; and burdensome labor agreements.
- The demand for more event activity, especially for venues in secondary and tertiary markets.
- The need for investment money for renovations, expansions, and equipment purchases.
- The need for experienced and professional direction.
- Unwillingness by ownership to undertake significant effort to manage effectively and successfully.
- A private company may have the ability to take the financial risk on events without the city or county risking public money.

DEVELOPMENT COSTS FOR AMPHITHEATERS AND THEATERS

In the following table, we compiled a variety of development cost data for amphitheaters and theaters in the United States inclusive of land, building, and all development costs.

Development Costs for Recent U.S. Theater and Amphitheater Projects							
Property Name	City	State	Open Year	Property Type	Capacity	Development Cost	Development Cost/Capacity
The BayCare Sound	Clearwater	FL	2023	Amphitheater	9,000	\$84,000,000	\$9,333
Atrium Health Amphitheatre	Macon	GA	2024	Amphitheater	12,000	\$45,000,000	\$3,750
Plain Township Amphitheater	Canton	OH	2023	Amphitheater	2,000	\$3,000,000	\$1,500
Sunset Amphitheater	Oklahoma City	OK	2025	Amphitheater	12,000	\$70,000,000	\$5,833
Amphitheater - Notes Live	Colorado Springs	CO	2024	Amphitheater	12,500	\$93,000,000	\$7,440
Amphitheater - Notes Live	Broken Arrow	OK	2025	Amphitheater	8,000	\$90,000,000	\$11,250
El Paso Amphitheater	El Paso	TX	2026	Amphitheater	12,500	\$80,000,000	\$6,400
McKinney Amphitheater	McKinney	TX	2026	Amphitheater	20,000	\$300,000,000	\$15,000
Ronald O. Perelman Performing Arts Center	New York	NY	2023	Theater	1,200	\$560,000,000	\$466,667
The Venue at Thunder Valley	Lincoln	CA	2022	Theater	4,600	\$100,000,000	\$21,739
Gulfshore Playhouse	Naples	FL	2024	Theater	350	\$72,000,000	\$205,714
Hilberry Gateway	Detroit	MI	2023	Theater	600	\$65,000,000	\$108,333
Forsyth County Arts and Learning Center	Cumming	GA	2021	Theater	1,813	\$25,000,000	\$13,789
Vibrant Music Hall	Waukegan	IA	2023	Theater	2,500	\$25,000,000	\$10,000
Nashua Center for the Arts	Nashua	NH	2023	Theater	750	\$25,000,000	\$33,333
The Factory at the District	Chesterfield	MO	2021	Theater	4,000	\$23,000,000	\$5,750
Arkansas Symphony Orchestra	Little Rock	AR	2024	Theater	300	\$11,750,000	\$39,167
Capital One Hall	Tysons	VA	2021	Theater	1,561	\$11,000,000	\$7,047
Steelhouse Omaha	Omaha	NE	2023	Theater	2,900	\$10,300,000	\$3,552
The Atlantis	Washington	DC	2023	Theater	450	\$10,000,000	\$22,222
Globe Iron (U/C)	Cleveland	OH	2025	Theater	1,200	\$5,500,000	\$4,583
The Grand Lyric Theatre	Louisville	KY	2024	Theater	300	\$2,000,000	\$6,667

Sources: CoStar, Pollstar, Hotel & Leisure Advisors

Development costs for new construction amphitheaters and theaters have ranged from \$1,500 to \$466,667 per seat. An amphitheater construction will typically be lower as a large portion of the amphitheater is outdoors. The wide range depends upon the quality

of property and the extent of the facilities. The range of costs is also impacted by union requirements for construction work, financing costs, and entrepreneurial profit.

The client has not prepared a formal development budget for the proposed project as of our research date. Development costs for construction of properties have increased in the past year due to inflationary pressures and supply considerations. We project development costs for the proposed amphitheater to range from \$30,000,000 to \$50,000,000, which equals \$6,667 to \$11,111 per seat. We project the development costs for the proposed theater to range from \$40,000,000 to \$60,000,000, which equals \$22,222 to \$33,333 per seat.

AMPHITHEATER & THEATER OVERVIEW

The following provides a general description of amphitheaters and theaters to differentiate between the two types of venues.

Amphitheater: An amphitheater is an outdoor venue with a semi-circular, fan-shaped, or elongated auditorium facing a grass, masonry, or wooden stage. Amphitheaters typically range between 5,000 and 30,000 seats that, depending on location, are generally used in the summer. Designs may include stationary seats, turf terraces, and/or a sloped or flat lawn. Although some amphitheaters are truly open-air, many designs include a bandshell structure over the stage area, which helps to amplify sound. Typical events held at amphitheaters include concerts, stage presentations, and community events.

Theater: According to the International Association of Venue Managers (IAVM), a theater or auditorium is defined as an indoor performing arts facility or concert hall usually with some type of permanent stage and permanent seats on a raked (sloped) floor, or a center or thrust stage with either permanent and/or portable seating. Typical events hosted at theaters include concerts, symphonies, ballet, opera, stage presentations, drama, dance, touring Broadway shows, and other community events. These facilities also may hold conventions, trade shows, and meetings but are not primarily convention and exhibition centers.

The following information generally relates to both amphitheaters and theaters.

Concerts: Live musical entertainment has become increasingly popular. Per Statista.com, the global live music industry will have a market volume of approximately \$36.7 billion by 2027 (an estimated annual growth rate of 5.1% from 2023 to 2027). In the U.S., revenue is projected to reach approximately \$18.1 billion by 2027 (an estimated annual growth rate of 6.9% from 2023 to 2027).

According to Goldman Sachs and the website for the International Live Music Conference held annually in London, the worldwide live music industry is estimated to be worth €38 billion annually by 2030 and employs hundreds of thousands of people. Beyond artists, the live music industry includes the following key roles:

- **Artist manager:** Oversees an artist's career, acting as liaison between the artist and the record company, music publisher, agent, promoters, and corporate brands and sponsors.
- **Agent:** Manages an artist's live performance career; large tours may require more than one agent to cover specific markets and sub-markets.
- **Promoter:** Negotiates a fee with the agent to secure an artist for a particular show, festival date, or tour, taking on risk. The promoter hires the venue and undertakes a campaign to sell tickets, determining ticket prices for the show with input from the agent and artist manager. The promoter's costs also include contractors and production specialists who supply lights, audio equipment, stages, video screens, transport, insurance, and security.
- **Tour manager:** Travels with the artist's crew, technicians, and equipment to handle traveling logistics of the tour.

- **Other players:** Venue operators, ticketing companies, other suppliers and contractors.

Touring is a musical artist's largest source of income. While this may be true across the board, there are not only many different types of musical genres but many levels or tiers of acts. Artists of different genres who are starting their careers often have more in common with each other than artists within the same genre who are at different stages of their careers. Categorizing by tier also considers how often an artist performs and their geographic range (local, regional, national, or international). The following table outlines five tiers for touring artists, a framework developed by promogogo.com, a ticket sale analytics dashboard designed for the business side of the live music industry. The "type of venue" could include amphitheaters and theaters in addition to those listed, depending on the act that is performing.

Tier System for Live Music Touring Artists					
	TIER 1	TIER 2	TIER 3	TIER 4	TIER 5
	Top Artists in Most Popular Genres for 10 Years or More	Top Artists in Slightly Smaller Genres or for Less than 10 Years	Professional Artists Who Are New or Known But Touring Less	Artists Whose Profitability Depends on Work Ethic, Marketing, & Label or Management Support	Artists Who Are Getting Started, Hyper-Local, or Don't Make a Living from Touring
Venue Capacity Range	15,000 to 70,000	5,000 to 20,000	1,000 to 12,000	100 to 3,000	50 to 1,500
Typical Venue Capacity	40,000	12,000	5,000	1,200	300
Type of Venue	stadium & outdoor space	arena & stadium	theater, arena, & big club	club & local venue	local venue, bar, & public house
Ticket Price Range	\$70 to \$160	\$35 to \$200	\$20 to \$70	\$10 to \$50	free to \$10
Typical Ticket Price	\$110	\$80	\$35	\$35	varies
Average Annual Dates Range	12 to 92	20 to 120	0 to 70+	0 to 100+	0 to 36+
Average Annual Dates	40	60	20	varies	varies
Turnover per Event	\$1.5 to \$10 million	\$400,000 to \$2 million	\$20,000 to \$500,000	\$1,000 to \$30,000	limited
Estimated Annual Revenue	\$80 to \$300 million	\$20 to \$80 million	N/A	still becoming profitable	still becoming profitable
Geographic Range	international or global superstar popular with multiple generations	international star, at minimum a star in their country	stronger in their region	strong locally, building elsewhere	building locally & in home region
Name Recognition	household name	most people will recognize their name	within the genre or region, but not necessarily outside it	limited except among their crowd	artist's own network

Source: promogogo.com

This tier system acknowledges a profitability break between Tier 3 and Tier 4. Artists in Tiers 4 and 5 are not widely known and have fewer resources than those in Tiers 1, 2, and 3. They are working towards becoming professional musicians or don't intend to make a living from touring. Each act is a unique operation with different needs related to ticket price, venue size, and geographic range. Potential acts for the proposed subject site would most likely fall into Tiers 3, 4, or 5, and possibly Tier 2. To maximize profitability, potential events for the proposed subject site would need to have wide market appeal.

A trending topic in the live music industry is secondary ticket sales or ticket scalping. Such sales (reselling tickets at a higher price than was set by the concert organizers) works when demand exceeds supply because the market is willing to pay more – although this practice is often considered unethical, as fans pay extravagant prices while the artist, management, and venues lose revenue to scalpers. Concert tickets that sell out very quickly are often purchased on a large scale by scalpers or automated "scalper bots." If allowed by the artist,

ticket sellers have begun enacting dynamic pricing, much like the airlines, essentially charging higher prices when demand is high. While this puts more risk on the tour organizers to sell out shows, it removes power from scalpers and scalper bots. This sometimes leads to fan backlash when ticket prices become excessively inflated. However, if the artist is in high enough demand, the strategy works. For example, Taylor Swift's 2018 Reputation Stadium Tour utilized dynamic pricing through Ticketmaster and sold out, making it the highest-grossing tour ever in the U.S. and North America at the time.

According to Pollstar, which tracks data on the global live entertainment industry, the following table shows the rank for the Dallas-Ft. Worth, Denver, Phoenix, and Oklahoma City markets (the larger markets that surround Santa Fe) among the top 100 concert markets in the United States for 2023 and 2022, based on reported gross revenue. Also shown is data for Albuquerque (the only market in New Mexico that ranked among the top 100) and for comparison purposes the markets that ranked just above and below Albuquerque for those two years.

Concert Market Rankings								
Market	Year	Rank	Reported Gross	Reported Tickets Sold	Average Ticket Price	Reported Shows	Average Revenue per Show	Designated Market Area (DMA) Rank
Dallas-Ft. Worth	2023	8	\$206,799,956	2,252,572	\$91.81	394	\$524,873	5
Denver	2023	16	\$134,568,071	1,569,758	\$85.73	412	\$326,622	17
Phoenix	2023	19	\$118,125,380	1,341,434	\$88.06	364	\$324,520	12
Oklahoma City	2023	42	\$28,256,082	383,781	\$73.63	85	\$332,424	41
Madison	2023	84	\$8,444,094	196,184	\$43.04	235	\$35,932	80
Albuquerque	2023	85	\$8,261,222	156,324	\$52.85	114	\$72,467	48
Dayton	2023	86	\$8,088,168	146,297	\$55.29	71	\$113,918	64
Dallas-Ft. Worth	2022	7	\$60,905,142	683,363	\$89.13	134	\$454,516	5
Denver	2022	8	\$56,340,791	706,176	\$79.78	152	\$370,663	16
Phoenix	2022	16	\$37,372,226	486,807	\$76.77	140	\$266,944	11
Oklahoma City	2022	59	\$5,205,592	107,983	\$48.21	39	\$133,477	44
Grand Rapids-Kalamazoo	2022	61	\$4,944,432	94,903	\$52.10	77	\$64,213	41
Albuquerque	2022	62	\$4,872,886	103,599	\$47.04	26	\$187,419	48
Rochester	2022	63	\$4,561,347	84,383	\$54.06	26	\$175,436	77

2023 rankings include all reported box office data for U.S. venues for shows played from 11/18/2021 through 11/16/2022

2022 rankings include all reported box office data for U.S. venues for shows played from 11/19/2020 through 11/17/2021

Source: Pollstar

Concert Ticket Guarantees

To understand the estimated utilization of the proposed subject, it is necessary to develop a building program that properly facilitates this utilization. Every act requires a guarantee often determined by an artist's tier; an artist will require, on average, at least 70% of the gross ticket revenue they are able to generate. If a promoter cannot sell enough tickets in a given market for a specific act to cover that act's guarantee, the promoter would be unlikely to book the venue unless there are other revenue streams to make up for the gap.

Premium Seating

Premium seating often represents a significant ancillary revenue source for a venue. Premium seating typically consists of box seats or suites, which are areas for four to 12 individuals with upscale seating and food & beverage service. Box seats can be sold individually by event or can be priced to include tickets and parking passes to all events. Box seats can also be packaged with naming and sponsorship packages to provide an additional amenity for corporate partners.

Concert Ticket Trends

Over the past decade, organizations such as Live Nation and AEG Worldwide have taken control of more acts through organic growth and acquisition of other promoters and have sought exclusive rights to book at particular venues, altering the former “free market” relationship among artists, promoters, and venues. The power of these organizations has grown such that in 2022, of the total tickets sold by the top 100 worldwide promoters, Live Nation and AEG combined to sell a vast majority of them. Live Nation and Ticketmaster merged in 2010 and is the largest music promotion company in the world. The following table compares the Albuquerque/Santa Fe DMA to other comparable DMAs based on concert sales relative to population.

Comparison of Albuquerque-Santa Fe, NM to Comparable DMAs						
DMA Name	Population, 2024 Est.	Reported Gross Concert Sales, 2024	Gross Sales per Population	Reported Tickets Sold, 2024	Tickets Sold per Population	Avg Ticket Price
Albuquerque-Santa Fe, NM	1,953,361	\$14,762,446	\$7.56	247,184	0.13	\$59.72
El Paso (Las Cruces), TX	1,112,204	\$13,168,255	\$11.84	138,777	0.12	\$94.89
Wichita-Hutchinson, KS	1,208,047	\$11,219,008	\$9.29	187,531	0.16	\$59.82
Omaha, NE	1,210,424	\$59,497,937	\$49.15	823,337	0.68	\$72.26
Des Moines-Ames, IA	1,244,725	\$47,606,444	\$38.25	527,294	0.42	\$90.28
Tucson (Sierra Vista), AZ	1,244,754	\$8,744,219	\$7.02	177,603	0.14	\$49.23
Tulsa, OK	1,466,255	\$34,378,278	\$23.45	391,444	0.27	\$87.82
Oklahoma City, OK	2,020,626	\$44,546,820	\$22.05	522,561	0.26	\$85.25
Kansas City, MO	2,657,202	\$56,526,278	\$21.27	697,833	0.26	\$81.00
Austin, TX	2,714,683	\$138,160,326	\$50.89	1,333,626	0.49	\$103.60
San Antonio, TX	3,049,659	\$89,630,090	\$29.39	828,536	0.27	\$108.19
Avg of Comparable DMAs	1,792,858	\$50,347,766	\$26.26	562,854	0.31	\$83.23

Sources: Pollstar, ESRI

Albuquerque-Santa Fe has less tickets sold per population compared to the average of the comparable DMAs. If the Albuquerque-Santa Fe population is applied to the overall average of 0.31 tickets sold per population, it would equal a projected attendance of 601,180, which is 353,996 greater than the actual reported tickets sold in 2024. This indicates a significant shortage of concert venues in the area available to offer tickets for events.

NATIONAL AMPHITHEATER OVERVIEW

Amphitheaters are popular because they are designed specifically for concerts, with premium seat packages and better lines of sight and acoustics. Most amphitheaters have a fixed seating area and lawn area. Tickets for the lawn area tend to be less expensive. The lawn area at outdoor amphitheaters maximizes capacity since there are no designated seats.

The size and amenities an amphitheater offer are important elements for booking shows and festivals. Venues are not chosen based on capacity alone. Amphitheaters with a competitive advantage have infrastructure such as lighting, sound, security, and stagehands included with the venue. Usually, these amenities must be rented through third parties.

Large amphitheaters used as concert venues are predominantly owned by promoters, while smaller venues are frequently owned by municipalities. It is important for an amphitheater to have a promoter; otherwise, the owner must be involved with the intricacies of operations and production. Promoters help gain attention for their clients, which in turn helps gain attention for venues and make booking acts easier. If a venue is not owned by a promoter, the owner typically negotiates a revenue-share agreement with an established regional or national promoter. Though each agreement is different, the gross revenue split is higher for the promoter (80% to 95%) and lower for the owner (5% to 20%).

Community amphitheaters, if located in the proper place, can add a new dimension to modern cities and towns, bringing people of all ages together for entertainment, recreation, and interaction. In recent years, urban planners have begun to focus on multi-purpose, open-air amphitheaters as a catalyst for redevelopment. In addition to concerts, many outdoor community amphitheaters are being used to host movie nights, festivals, and other community events.

Pollstar's Global Live Boxoffice report (as published on its website and in Pollstar magazine) ranks shows that are performed around the world by gross revenue. The following table summarizes a sampling of shows from their reports that were held at amphitheaters in the U.S. as an example of the types of acts that might be considered for the proposed subject site. The shows included here were held at venues of a comparable capacity to our recommendations for the proposed site. Sales results are mixed, as each venue and act are unique, with a wide range of ticket prices and varying levels of popularity in each market.

Proposed Amphitheater or Theater - Santa Fe, New Mexico Market Analysis

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Examples of 2024 Shows at Amphitheaters with Capacities Similar to Proposed										
Date	Artist	Genre	Venue	Location	Capacity	Tickets Sold	% Tickets Sold	Ticket Price Range	Gross Revenue	
5/10/2024 & 5/11/2024	Willie Nelson	Country	Whitewater Amphitheater	New Braunfels, TX	5,224	8,353	80%	\$75 to \$150	\$691,875	
8/21/2024 & 8/22/2024	Khruangbin	Alternative/Indie	KettleHouse Amphitheater	Bonner, MT	3,783	7,250	96%	\$49 to \$100	\$449,806	
5/9/2024	Diana Ross	Soul/Pop/Disco	The BayCare Sound	Clearwater, FL	3,645	3,645	100%	\$50 to \$150	\$334,493	
11/14/2024	Dwight Yoakam	Country	The BayCare Sound	Clearwater, FL	6,000	3,166	53%	\$49 to \$149	\$281,813	
8/30/2024	Lindsey Stirling	Violin/Pop/Rock	KettleHouse Amphitheater	Bonner, MT	3,783	3,740	99%	\$45 to \$100	\$218,138	
5/4/2024	In This Moment / Motionless In White	Hard Rock/Metal	Whitewater Amphitheater	New Braunfels, TX	5,224	2,817	54%	\$59 to \$125	\$187,633	
11/11/2024	Daryl Hall	Rock/Pop	The BayCare Sound	Clearwater, FL	4,500	1,742	39%	\$39 to \$174	\$182,644	
10/1/2024	Till Lindemann	Metal	The Rooftop at Pier 17	New York, NY	3,500	2,205	63%	\$79 to \$125	\$178,511	
11/17/2024	O.A.R.	Alternative Rock	The St. Augustine Amphitheatre	Saint Augustine, FL	4,661	3,064	66%	\$20 to \$72	\$177,446	
11/16/2024	Mannheim Steamroller	New Age	The St. Augustine Amphitheatre	Saint Augustine, FL	4,545	3,234	71%	\$26 to \$76	\$168,193	
4/28/2024	Needtobreathe	Christian Rock	Daily's Place Amphitheater	Jacksonville, FL	4,095	3,385	83%	\$15 to \$69	\$137,888	
4/28/2024	The Teskey Brothers	Blues/Rock	Pier Six Pavilion	Baltimore, MD	4,014	1,911	48%	\$15 to \$81	\$100,435	
5/4/2024	Rain - A Tribute to the Beatles	Rock/Pop	The BayCare Sound	Clearwater, FL	3,500	1,500	43%	\$35 to \$100	\$81,199	
9/27/2024	David Kushner	Pop	The Rooftop at Pier 17	New York, NY	3,500	1,667	48%	\$37 to \$79	\$67,391	

Source: Pollstar

Pollstar ranks amphitheaters by gross revenue on a quarterly basis, excluding the winter season. The following table summarizes these rankings published by Pollstar for three 2023 quarters (fourth quarter 2024 rankings were not yet available as of our research date), including tickets sold, gross revenue, capacity, and gross revenue per seat. Included are U.S. venues that appear on all three 2023 quarterly rankings that have a capacity similar to that of the proposed site.

U.S. Amphitheaters with Smaller Capacities that Rank on All of Pollstar's 2023 Quarterly Ranking Reports								
Venue	Location	6/26/2023 Rank	9/25/2023 Rank	12/11/2023 Rank	2023 Tickets Sold	2023 Gross Revenue	Capacity	2023 Gross Revenue per Seat
Greek Theatre	Los Angeles, CA	30	7	18	373,961	\$27,914,480	5,801	\$4,812
Orion Amphitheater	Huntsville, AL	15	22	33	286,002	\$19,102,815	8,000	\$2,388
Daily's Place Amphitheater	Jacksonville, FL	14	38	66	143,427	\$10,653,463	5,500	\$1,937
KettleHouse Amphitheater	Bonner, MT	38	46	61	180,820	\$9,315,980	4,500	\$2,070
Vina Robles Amphitheatre	Paso Robles, CA	42	53	67	108,837	\$7,589,811	3,018	\$2,515
Hartford Healthcare Amphitheater	Bridgeport, CT	24	69	65	89,684	\$7,447,534	5,700	\$1,307
Cal Coast Credit Union Open Air Theatre	San Diego, CA	28	71	86	63,774	\$4,540,162	4,635	\$980
The Basi Nationwide Amphitheater at the Fruityard	Modesto, CA	26	81	87	60,434	\$4,259,100	4,500	\$946
McGrath Amphitheatre	Cedar Rapids, IA	31	73	97	59,164	\$3,685,521	4,100	\$899

Note: 2023 totals are comprised of three quarters, as reported by Pollstar

Source: Pollstar

As the table shows, amphitheater rankings vary quite a bit among quarters. Venues located in regions that have warm weather for most of the year are able to operate almost year-round. Facilities located in areas that are limited by weather, and operate only in summer and fall, disrupt the overall rankings during those times of the year.

REGIONAL AMPHITHEATER OVERVIEW

We analyzed the amphitheater market in New Mexico and the surrounding states of Arizona, Colorado, Texas, and Oklahoma. The venues in the following table are those that report to Pollstar or otherwise provide capacity information. The table excludes state, regional, and city park amphitheaters that do not have assigned seating and rely on guests to bring their own chairs or blankets for events and those for which capacity information is not published.

Resident Population per Amphitheater					
State	Number of Venues	Number of Seats	Population (2023 est.)	Residents per Venue	Residents per Seat
New Mexico	5	32,000	2,114,371	422,874	66
Arizona	4	33,200	7,431,344	1,857,836	224
Colorado	12	70,388	5,877,610	489,801	84
Texas	36	255,665	30,503,301	847,314	119
Oklahoma	7	49,200	4,053,824	579,118	82

Sources: Pollstar; individual facility websites; U.S. Census Bureau

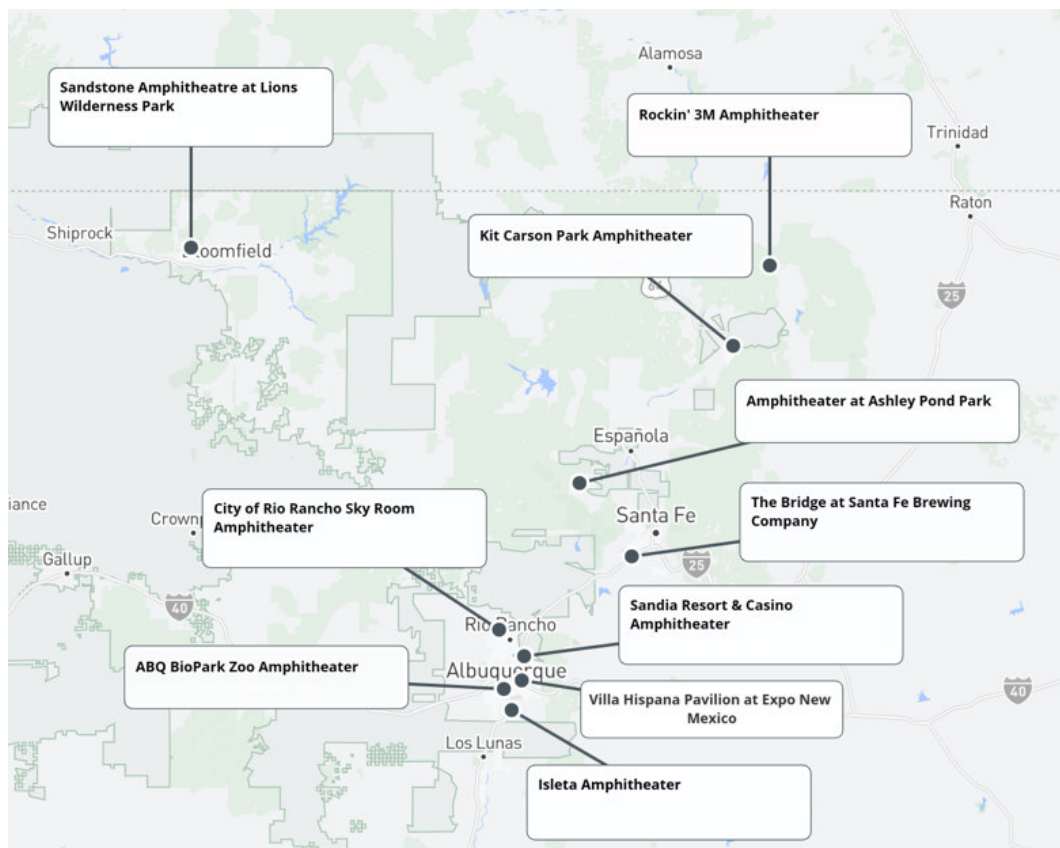
Among these states, New Mexico has fewer amphitheaters than Texas and Colorado, which is reasonable considering it has a smaller population. On both a residents per venue and a residents per seat basis, New Mexico has the fewest among these states indicating the potential for a new facility.

The following table outlines amenities at amphitheaters in northern New Mexico, including privately and municipally owned facilities. Unlike the summary table presented above, this table includes amphitheaters that do not have assigned seating and rely on guests to bring their own chairs or blankets for events and those that do not report to Pollstar. While these facilities commonly serve as venues for live music performances, their capacity, alternate uses, design, and surrounding amenities vary.

Amphitheaters in New Mexico				
Name	Location	Capacity	Types of Events Held	Features/Amenities
ABQ BioPark Zoo Amphitheater	Albuquerque	N/A	Performances by national touring entertainment	Bandshell with lawn seating for evening summer concerts and other events within the 64-acre zoo, which was established in 1927 next to the Rio Grande River
Amphitheater at Ashley Pond Park	Los Alamos	N/A	Summer concert series, other events	Concert stage within 10-acre downtown county park named after Ashley Pond, the founder of the Los Alamos Ranch School; provides residents space for walks, picnics, concerts, & other events; pond with fish & fowl; picnic pavilion
The Bridge at Santa Fe Brewing Company	Santa Fe	1,400	Concerts, private events	Multi-purpose event venue across from craft beer brewery with an outdoor stage & an indoor stage; ADA seating near outdoor stage with more seating inside main bar & on patio
City of Rio Rancho Sky Room Amphitheater	Rio Rancho	N/A	Concerts (including New Mexico Philharmonic), city events	Located on the city's 6-acre Campus Park, a multi-purpose community gathering space; features roofed performance space, elevated seating, 5 grass event lawns, walking paths, meditation maze, & shaded picnic tables
Isleta Amphitheater	Albuquerque	15,000	Concerts, private events	Large concert venue with theatre-style seats & lawn seats; multiple food & beverage outlets; offers premier parking (quicker entry & exit), VIP parking (includes access to exclusive bars, private restrooms, & private entrance), & fast passes; owned by Live Nation
Kit Carson Park Amphitheater	Taos	8,000	Concerts, music festivals, other events	19-acre city park with bandstand, baseball/softball diamond, basketball court, tennis court, soccer fields, picnic tables & grills, playground, walking track, & Kit Carson Cemetery
Rockin' 3M Amphitheater	Red River	N/A	Concerts with chuckwagon-themed meals	Family-oriented venue on a mountain lake among the trees for Michael Martin Murphey (3M) concerts; covered stage with open-air tables and tent-covered tables; ticket includes chuckwagon-themed buffet meal
Sandia Resort & Casino Amphitheater	Albuquerque	4,100	Concerts, other live entertainment	Theater-style seats in outdoor setting with mountain views; multiple food & beverage outlets; casino; hotel with restaurants & bars, event space, outdoor pool, & fitness center; spa; golf course
Sandstone Amphitheatre at Lions Wilderness Park	Farmington	N/A	Theater productions, private events	Home of summer theater productions in mountain setting; outdoor stage/theater; commercial kitchen & dining area; hiking trails, mountain biking, picnic areas, & disc golf course in adjacent park
Villa Hispana Pavilion at Expo New Mexico	Albuquerque	3,500	Live music, other events	Professional outdoor performance venue in Spanish-styled courtyard at the New Mexico State Fair; both covered & uncovered seating; dressing rooms & office; multiple food & beverage outlets

Sources: Pollstar; individual facility websites

The following map shows the location of these New Mexico amphitheaters.



NATIONAL THEATER OVERVIEW

The International Association of Assembly Managers surveyed 122 auditoriums and theaters to gather basic theater statistics in 1996. Key findings concerning theaters with a capacity of over 2,500 are presented in the table below. It should be noted that the 1996 data reflects the most recent data available from IAVM.

Select Statistics for Auditoriums/Theaters with Over 2,500 Capacity

Event Type	Average Number of Events Held Per Year	Average Attendance Per Year	Average Attendance Per Event
Religious/motivational speakers	5	7,073	1,415
Concerts	12	17,913	1,493
Civic events	9	16,877	1,875
Symphony	35	58,589	1,674
Drama	41	35,832	874
Ballet	18	39,108	2,173
Opera	14	29,830	2,131
Broadway musicals	33	81,466	2,469
Broadway dramas	3	11,951	3,984
Popular concerts	18	31,035	1,724
Children's theater	10	24,615	2,462
Chamber music	4	2,344	586
Solo artists	5	7,484	1,497
Recitals	6	8,447	1,408
Modern dance	10	14,235	1,424
Closed college events	4	7,186	1,797
Academic theater	4	4,667	1,167
Miscellaneous	31	36,240	1,169
Corporate - new products, shareholders, etc.	4	4,682	1,171
Convention sessions	23	16,797	730
Parking lot events	1	3,452	3,452
Totals	160	279,566	1,747

Source: IAAM Industry Profile Survey

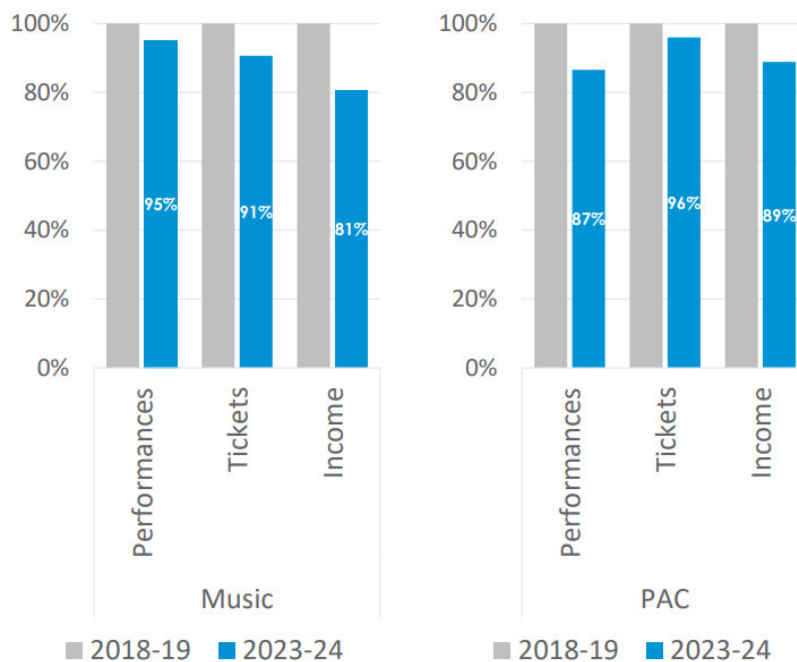
According to the survey, the events hosted most frequently at larger theaters include dramas, symphonies, and Broadway musicals. The most attended events on a yearly basis are Broadway musicals, followed by symphonies and ballet. On a per-event basis, the best attended events include Broadway dramas, followed by Broadway musicals and children's theater.

Market Analysis

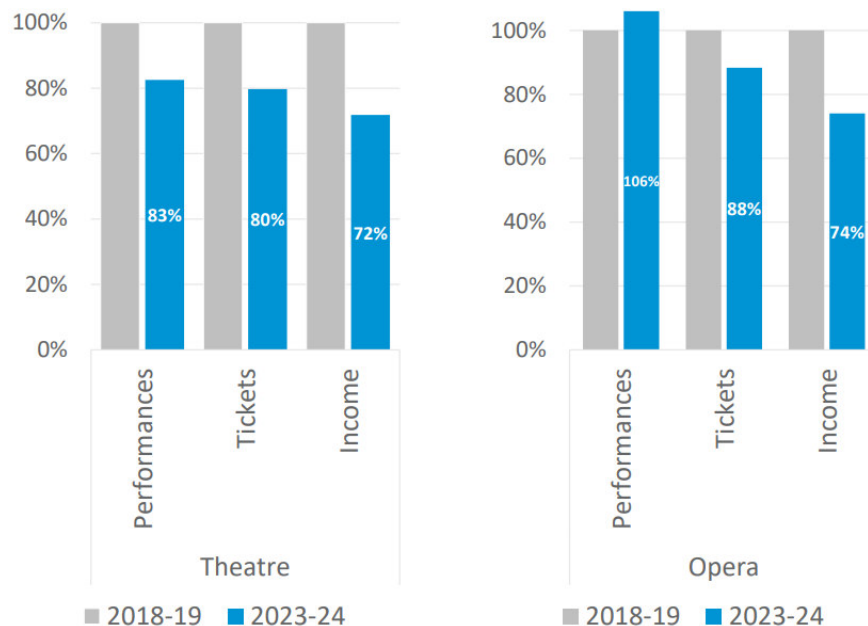
The consulting firm JCA Performing Arts released a study in August 2024 called *Trends in Audience Behavior: What's Up in 2024?* The study analyzed ticket sales and audience trends from 21 major performing arts organizations across the country, including eight theatre companies, six music organizations, three operas, three performing arts centers, and one dance company, all of which have fall to spring seasons.

Results show that while ticket sales have steadily increased over the past three years, reaching 88% of the 2018-19 season (the last full season before the pandemic) in 2023-24, income reached only 79% of pre-pandemic levels, due in part to inflation; however, average sales per performance have returned to levels similar to those of the 2018-19 season.

In terms of organization type, the following charts show study results for music organizations, performing arts centers, theatre, and opera for the 2023-24 season compared to the 2018-19 season.



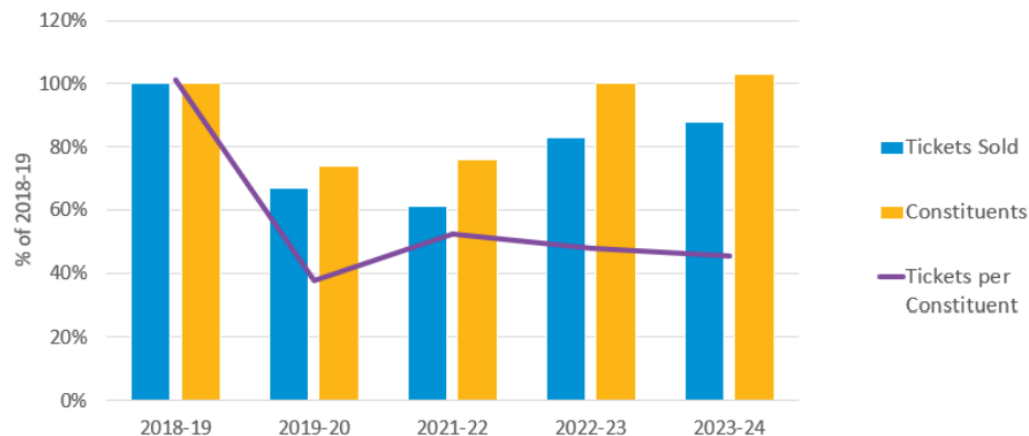
Source: JCA Performing Arts, Trends in Audience Behavior: What's Up in 2024?



Source: JCA Performing Arts, Trends in Audience Behavior: What's Up in 2024?

Music organizations retained the most performances (95%) in 2023-24 and were at 91% of ticket sales and 81% of income compared to 2018-19. Performing arts centers had fewer performances (87% of 2018-19 levels) but had 96% of ticket sales (the best of all organization types) and 89% of 2018-19 income. Theatre organizations saw just 80% of 2018-19 ticket sales (the smallest of all organization types) and 72% of income. Hit theater performances did very well while non-hits had far fewer sales than before the pandemic. Opera struggled to recover income at 74% of pre-pandemic levels, despite offering more performances – 106% compared to the 2018-19 season.

Overall, while there were more ticket buyers (103% of 2018-19), annual ticket sales in 2023-24 reached only 88% of 2018-19, which means that, on average, each constituent bought fewer tickets annually than they did before the pandemic. The study accounts for this decrease in attendance frequency by noting an uptick in standard ticket sales and fewer subscription sales. According to the study, subscriber loss was approximately 10% across all organization types. The following graph compares the number of tickets sold with the number of constituents since the 2018-19 season.



Source: JCA Performing Arts, *Trends in Audience Behavior: What's Up in 2024?*

The number of new buyers (those who had not booked tickets before) during the 2023-24 season was 55% – very close to the 58% experienced during the 2018-19 season. The percentage of returning buyers in 2023-24 was higher than that of 2018-19 levels, resulting in overall audience constituents surpassing pre-pandemic levels. Patrons who accompany ticket buyers to shows, termed “shadow audiences,” represent approximately 60% of the audience but are typically not in an organization’s database. These constituents are becoming more known to organizations with the increase in digital ticket sharing.

Theater Attendance

Every few years the National Endowment for the Arts (NEA) compiles a report looking at trends in theater, visual arts, museum attendance, and musical preferences of U.S. adults. This report, the Survey of Public Participation in the Arts (SPPA), represents the largest, most detailed long-term data source for a broad range of arts participation in the country. The 2022 Survey of Public Participation in the Arts, the most recent available, was published in October 2023. Administered in July 2022 as a supplement to the U.S. Census Bureau’s Current Population Survey (CPS), the 2022 SPPA collected arts participation data and other information from more than 24,000 adults (aged 18 and above) across the United States.

Nearly half (48%) of all adults attended at least one arts event in person – down slightly from 54% in 2017 and 50% in 2012. The table below shows attendance statistics at various types of theater events. It should be noted that not all types of theater performances are represented.

Percent of U.S. Adult Yearly Theater Attendance: 2017, 2022			
Performance Type	2017	2022	Percentage Point Change 2017 - 2022
Jazz music	8.6%	6.3%	-2.3%
Latin, Spanish, or salsa music	5.9%	3.9%	-2.0%
Classical music	8.6%	4.6%	-4.0%
Opera	2.2%	0.7%	-1.5%
Musical stage play	16.5%	10.3%	-6.2%
Non-musical stage play	9.4%	4.5%	-4.9%
Ballet	3.1%	2.0%	-1.2%
Other dance	6.3%	3.3%	-3.0%
Other performing arts	15.0%	21.2%	6.2%

Source: National Endowment for the Arts, 2022 Survey of Public Participation in the Arts

Most performance types listed above lost attendees from 2017 to 2022. Other performing arts was the only category that had an increased attendance. This category includes such types of events as rock, pop, folk, or country music concerts; rap or hip-hop performances; music from other countries and cultural traditions; and comedy/improv, magic shows, or circus acts.

The table below compares the number of attendances per attendee at various types of theater events for five years, as detailed in NEA's 2008 and 2017 SPPA reports. The 2017 SPPA is the most recent report that includes this information.

U.S Adult Average Number of Attendances per Attendee: 1992 - 2017					
Performance Type	1992	2002	2008	2012	2017
Jazz music	2.9	3.1	2.9	2.8	3.0
Latin, Spanish, or salsa music	N/A	N/A	3.5	2.4	2.3
Classical music	2.6	3.1	2.9	2.6	2.5
Opera	1.7	2.0	1.8	2.0	1.5
Musical stage play	2.3	2.3	2.2	2.0	2.1
Non-musical stage play	2.4	2.3	2.3	2.2	2.3
Ballet	1.7	1.7	1.6	1.5	1.5
Other dance	3.0	2.0	2.2	2.2	2.1

Source: National Endowment for the Arts, Survey of Public Participation in the Arts (2008 & 2017)

In the years shown, the number of attendances per attendee has remained relatively steady in most categories. The Latin, Spanish, or salsa music category showed the greatest decline (from 3.5 in 2008 to 2.3 in 2017, or 35%) followed by the other dance category (from a high of 3.0 in 1992 to 2.1 in 2017, or 30%).

Musical Preference Trends

One way to gauge the success of various types of theater performances is to look at the musical preferences of U.S. adults. In its 2008 SPPA (the most recent SPPA report that includes this information), the National Endowment for the Arts looked at musical preference trends over the years. The table below tracks the top five musical forms throughout the years.

Music Preference Rankings/Top Five Music Types: 1982 - 2008				
Rank	1982	1992	2002	2008
1	Country	Country	Classic rock/oldies	Classic rock/oldies
2	Mood/easy	Mood/easy	Country	Country
3	Hymn/gospel	Rock	Blues/R&B	Contemporary rock
4	Rock	Blues/R&B	Mood/easy	Hymn/gospel
5	Big band	Hymn/gospel	Hymn/gospel	Classical/chamber

Source: National Endowment for the Arts, 2008 Survey of Public Participation in the Arts

The table below itemizes the musical preferences of U.S. adults by genre, as outlined in NEA's 2008 and 2012 SPPA reports (the most recent SPPA reports that include this information).

Percent of U.S. Adults Who Like Each Type of Music: 1982 - 2012

Type of Music	1982	1992	2002	2008	2012	% Change 2008 - 2012
Classical/chamber	28.0%	33.0%	27.4%	25.7%	26.3%	0.6%
Opera	10.0%	12.0%	10.2%	8.3%	8.8%	0.5%
Broadway musicals/show tunes	23.0%	28.0%	16.7%	19.7%	20.1%	0.4%
Jazz	26.0%	34.0%	27.5%	24.2%	26.6%	2.4%
Reggae	N/A	19.0%	15.7%	N/A	15.5%	
Rap/hip-hop	N/A	12.0%	17.1%	16.9%	20.0%	3.1%
Soul	26.0%	24.0%	N/A	N/A	N/A	
Blues/R&B/soul	N/A	40.0%	29.9%	27.0%	29.3%	2.3%
Latin/Spanish/salsa	N/A	20.0%	20.0%	17.5%	19.0%	1.5%
Big band	33.0%	35.0%	23.4%	N/A	N/A	
Parade/march	N/A	18.0%	11.8%	N/A	N/A	
Country-western	58.0%	52.0%	40.4%	36.0%	40.5%	4.5%
Bluegrass	25.0%	29.0%	20.2%	15.2%	16.3%	1.1%
Rock	35.0%	44.0%	N/A	N/A	N/A	
Classic rock/oldies	N/A	N/A	48.3%	48.1%	48.9%	0.8%
Contemporary rock	N/A	N/A	N/A	29.0%	N/A	
Rock/heavy metal	N/A	N/A	26.6%	N/A	N/A	
Ethnic/national	N/A	22.0%	17.2%	N/A	N/A	
Folk	25.0%	23.0%	14.8%	15.4%	16.0%	0.6%
Mood/easy	48.0%	49.0%	29.1%	N/A	N/A	
New age	N/A	15.0%	12.3%	N/A	N/A	
Choral glee club	N/A	14.0%	9.4%	N/A	N/A	
Hymns/gospel/choir	36.0%	38.0%	27.4%	24.5%	25.7%	1.2%
Electronic	N/A	N/A	16.8%	N/A	N/A	
Alternative/indie rock	N/A	N/A	N/A	N/A	19.4%	
Pop	N/A	N/A	N/A	N/A	36.7%	
Dance/techno/electronica	N/A	N/A	N/A	N/A	15.9%	
Asian/African/Middle Eastern	N/A	N/A	N/A	N/A	8.3%	
Other	N/A	N/A	N/A	6.7%	N/A	

Sources: National Endowment for the Arts, 2008 Survey of Public Participation in the Arts; A Decade of Arts Engagement: Findings from the Survey of Public Participation in the Arts, 2002-2012

Of the categories included in both the 2008 and 2012 reports, the popularity of country music increased the most at 4.5%, followed by rap/hip-hop at 3.1%. New categories introduced to the report in 2012 include alternative/indie rock, pop, dance/techno/electronica, and Asian/African/Middle Eastern music.

Regional Difference

NEA's *A Decade of Arts Engagement: Findings from the Survey of Public Participation in the Arts, 2002-2012* includes a section on attendance at various events segmented by region. This is the most recent SPPA report that includes this information. The table below shows detailed participation statistics for each region.

Percentage of U.S. Adults Who Attended Arts Events at Least Once in 2012										
Performance Type	All Regions	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Jazz	8.1%	10.4%	7.7%	7.8%	9.7%	8.1%	4.6%	7.9%	7.6%	9.1%
Classical music	8.8%	10.2%	8.3%	9.6%	8.6%	7.0%	6.6%	8.5%	13.0%	9.4%
Opera	2.1%	1.6%	2.8%	1.9%	2.4%	1.5%	1.1%	1.7%	2.5%	3.0%
Musical plays	15.2%	16.6%	17.5%	15.0%	19.5%	12.7%	9.8%	13.1%	17.4%	16.8%
Non-musical plays	8.3%	8.3%	9.2%	7.7%	9.7%	7.1%	6.2%	5.6%	10.5%	10.5%
Ballet	2.7%	2.8%	2.9%	3.1%	2.2%	2.3%	2.2%	2.7%	2.6%	3.4%
Latin music	5.1%	4.9%	5.5%	3.5%	3.5%	4.6%	1.6%	5.4%	5.0%	8.3%
Dance other than ballet	5.6%	6.0%	5.5%	5.8%	6.6%	5.0%	5.1%	5.2%	5.4%	6.5%
Visual arts festivals or craft fairs	22.4%	23.9%	20.5%	24.2%	24.6%	20.2%	19.5%	18.0%	26.4%	26.2%
Any other music, theater, or dance	11.6%	16.6%	11.2%	13.6%	14.4%	9.2%	8.6%	8.5%	11.7%	13.8%

Source: National Endowment for the Arts, *A Decade of Arts Engagement: Findings from the Survey of Public Participation in the Arts, 2002-2012*

Mountain (Montana, Idaho, Nevada, Utah, Wyoming, Colorado, Arizona, and New Mexico): Residents of this region ranked notably high in attending classical music performances, musical plays, non-musical plays, and visual arts festivals or craft fairs.

Pollstar's Global Live Boxoffice report (as published on its website and in Pollstar magazine) ranks shows that are performed around the world by gross revenue. The following table summarizes a sampling of shows from their reports that were held at theaters as an example of the types of acts that might be considered for the proposed subject site. The shows included here were held at venues of a comparable capacity to our recommendations for the proposed site. As each venue and act is unique, with a wide range of ticket prices and varying popularity in each market, sales results are mixed.

Proposed Amphitheater or Theater - Santa Fe, New Mexico Market Analysis

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Examples of 2024 Shows at Theaters with Capacities Similar to Proposed									
Date(s)	Artist/Show	Genre	Venue	Location	Capacity	Tickets Sold	% Tickets Sold	Ticket Price Range	Gross Revenue
3/19/2024 - 3/24/2024	"Clue"	Broadway show	Fox Cities Performing Arts Center	Appleton, WI	2,051	15,942	97%	\$35 to \$115	\$1,189,215
3/21/2024 & 3/22/2024	Brandi Carlile	Folk Rock/Alternative Country/Americana	The Anthem	Washington, DC	3,217	6,432	100%	\$75 to \$250	\$1,076,173
2/29/2024 - 3/2/2024	Tedeschi Trucks Band	Blues/Rock	Beacon Theatre	New York, NY	2,769	8,307	100%	\$35 to \$150	\$775,955
3/8/2024 - 3/10/2024	"Mean Girls"	Broadway show	Velma V. Morrison Center for the Performing Arts	Boise, ID	1,940	9,554	98%	\$41 to \$160	\$703,799
3/22/2024 - 3/24/2024	"Little Women: The Broadway Musical"	Broadway show	Hanover Theatre for the Performing Arts	Worcester, MA	2,265	7,744	68%	\$39 to \$89	\$443,593
3/23/2024 & 3/24/2024	Bob Dylan	Folk/Rock/Blues/Jaz	The Louisville Palace Theatre	Louisville, KY	2,607	4,170	80%	\$60 to \$140	\$402,665
9/21/2024 - 9/22/2024	"Bluey's Big Play"	Theater show	Belk Theater	Charlotte, NC	2,085	6,984	67%	\$18	\$359,041
3/10/2024	Dr. Neil DeGrasse Tyson	Astrophysicist	Fox Theatre	Atlanta, GA	3,020	2,813	93%	\$41 to \$246	\$242,456
3/8/2024	The Beach Boys	Rock	Barbara B. Mann Performing Arts Hall	Fort Myers, FL	1,859	3,026	81%	\$48 to \$108	\$242,456
3/16/2024	"Dancing with the Stars Live"	Dance	San Jose Civic Center	San Jose, CA	2,624	2,624	100%	\$60 to \$90	\$219,429
2/6/2024 - 2/8/2024	Brittany Howard	Alternative/Indie	Thalia Hall	Chicago, IL	1,838	3,672	50%	\$26 to \$106	\$186,556
3/8/2024	Jason Isbell & The 400 Unit	Rock/Country	Embassy Theatre	Fort Wayne, IN	2,396	2,310	96%	\$49 to \$135	\$183,594
9/30/2024	Brandon Lake	Christian	Ryman Auditorium	Nashville, TN	2,270	2,270	100%	\$50 to \$105	\$155,050
10/9/2024	Violent Femmes	Punk	Schermerhorn Symphony Hall	Nashville, TN	1,686	1,396	83%	\$60 to \$107	\$106,869
10/11/2024	Air Supply	Soft Rock	Southern Kentucky Performing Arts Center	Bowling Green, KY	1,731	1,315	76%	\$50 to \$300	\$99,565

Source: Pollstar

Pollstar ranks theaters by gross revenue on a quarterly basis. The following table summarizes these rankings published by Pollstar for 2024, including tickets sold, gross revenue, capacity, and gross revenue per seat. Included are U.S. venues that appear on all four 2024 quarterly rankings that have a capacity similar to that of the proposed site.

U.S. Theaters with Capacities Less than 3,000 that Rank on All of Pollstar's 2024 Quarterly Ranking Reports									
Venue	Location	3/25/2024 Rank	6/24/2024 Rank	9/23/2024 Rank	12/13/2024 Rank	2024 Tickets Sold	2024 Gross Revenue	Capacity	2024 Gross Revenue per Seat
Beacon Theatre	New York, NY	4	6	7	7	1,095,427	\$105,312,738	2,894	\$36,390
DPAC	Durham, NC	10	10	8	8	1,260,324	\$93,170,002	2,712	\$34,355
Paramount Theatre	Seattle, WA	9	9	9	9	1,222,250	\$89,614,164	2,872	\$31,203
Broward Center Au-Rene Theater	Fort Lauderdale, FL	8	7	13	23	824,411	\$75,679,033	2,700	\$28,029
Dreyfoos Hall	West Palm Beach, FL	26	14	11	17	799,754	\$66,166,340	2,195	\$30,144
Orpheum Theatre	Minneapolis, MN	24	13	18	29	749,524	\$60,300,899	2,579	\$23,382
Carol Morsani Hall	Tampa, FL	15	18	20	31	654,411	\$56,088,955	2,610	\$21,490
Belk Theater	Charlotte, NC	41	32	27	20	620,852	\$50,677,762	2,100	\$24,132
Orpheum Theater	Omaha, NE	22	20	24	33	699,212	\$49,996,034	2,600	\$19,229
Barbara B. Mann Performing Arts Hall	Fort Myers, FL	28	21	32	37	587,341	\$45,128,557	1,874	\$24,081
The Smith Center / Reynolds Hall	Las Vegas, NV	44	38	31	27	541,483	\$43,960,777	2,050	\$21,444
DeVos Performance Hall	Grand Rapids, MI	35	40	26	32	654,449	\$42,739,641	2,543	\$16,807
Van Wetzel Performing Arts Hall	Sarasota, FL	49	25	38	48	466,549	\$39,243,589	1,741	\$22,541
Cobb Energy Performing Arts Centre	Atlanta, GA	21	36	40	40	497,178	\$38,879,461	2,750	\$14,138
Des Moines Performing Arts - Des Moines Civic Center	Des Moines, IA	29	37	43	43	469,488	\$36,240,713	2,762	\$13,121
McCallum Theatre	Palm Desert, CA	14	43	57	73	264,076	\$29,020,664	1,127	\$25,750
Mayo Performing Arts Center	Morristown, NJ	38	48	50	57	521,910	\$27,089,850	1,319	\$20,538
Moore Theatre	Seattle, WA	48	64	58	54	455,736	\$25,763,190	1,800	\$14,313
Clowes Memorial Hall	Indianapolis, IN	47	53	59	59	390,818	\$25,098,030	2,148	\$11,684
Florida Theatre	Jacksonville, FL	39	51	63	61	532,984	\$24,850,885	1,900	\$13,079
State Theatre New Jersey	New Brunswick, NJ	34	56	67	85	335,983	\$22,819,804	1,847	\$12,355
Plaza Theatre	El Paso, TX	45	60	76	86	327,269	\$20,297,547	2,050	\$9,901

Source: Pollstar

Theater rankings can vary quite a bit among quarters. Ticket sales and revenues fluctuate by quarter and by market, depending on the range of ticket prices and the popularity of the acts offered.

REGIONAL THEATER OVERVIEW

We analyzed the theater market in New Mexico and the surrounding states of Arizona, Colorado, Texas, and Oklahoma. The venues in the following table are those that report to Pollstar and provide capacity information. The table of New Mexico theaters presented later in this report includes some venues that do not report to Pollstar, which accounts for the difference in numbers.

Resident Population per Theater					
State	Number of Venues	Number of Seats	Population (2023 est.)	Residents per Venue	Residents per Seat
New Mexico	11	11,770	2,114,371	192,216	180
Arizona	37	43,168	7,431,344	200,847	172
Colorado	43	59,336	5,877,610	136,689	99
Texas	132	255,752	30,503,301	231,086	119
Oklahoma	21	77,377	4,053,824	193,039	52

Sources: Pollstar; U.S. Census Bureau

Among these states, New Mexico has the least number of theaters, which is reasonable considering it has the smallest population. On a residents per seat basis, New Mexico has the most among these states at 180 indicating the potential demand for a new venue.

The following table describes theaters in New Mexico, including privately-owned and non-profit facilities. This table includes theaters that do not report to Pollstar. While these facilities commonly serve as venues for live performances, their capacity, alternate uses, design, and surrounding amenities vary.

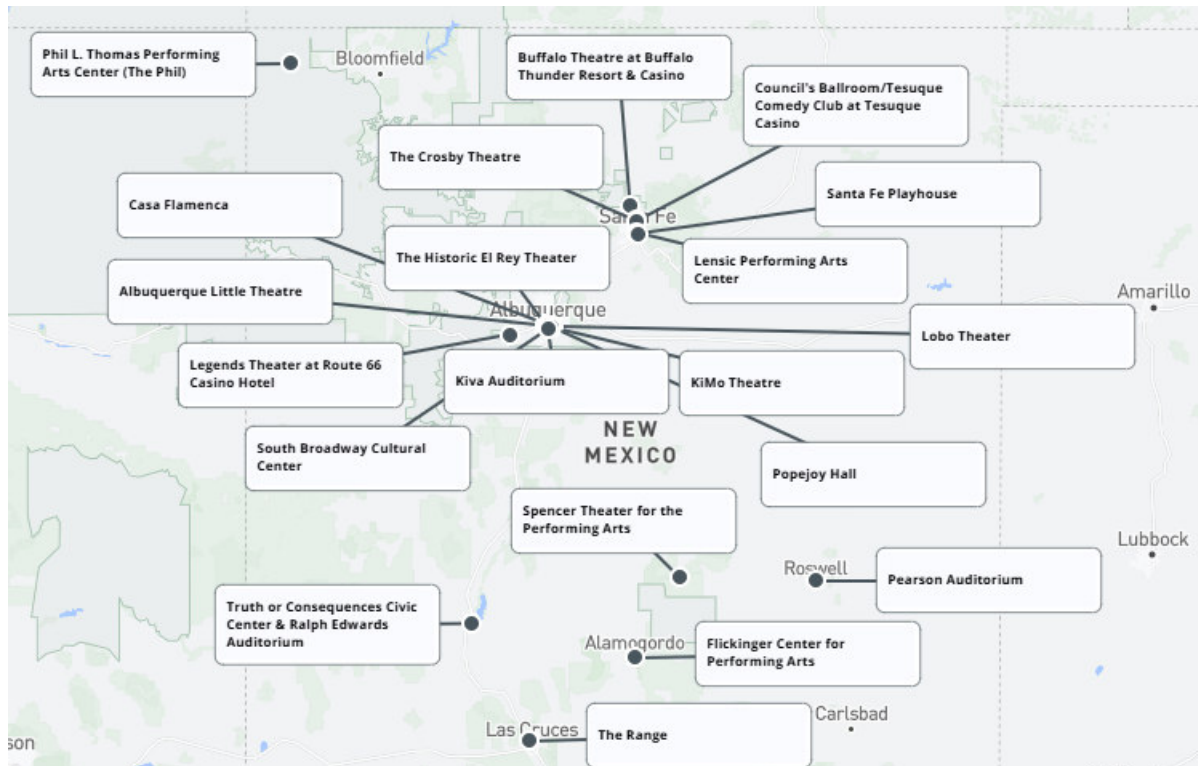
Proposed Amphitheater or Theater - Santa Fe, New Mexico Market Analysis

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Theaters in New Mexico				
Name	Location	Capacity	Types of Events Held	Features/Amenities
Albuquerque Little Theatre	Albuquerque	480	Live theatre productions & educational programs	Non-profit community theater founded in 1930
Buffalo Theatre at Buffalo Thunder Resort & Casino	Santa Fe	1,400	Live performances by national acts, including music & comedy	Indoor entertainment venue at resort & casino north of downtown Santa Fe, with dining, spa, & golf
Casa Flamenca	Albuquerque	40	Flamenco-based music & dance performances	Small home-based center for flamenco arts that hosts performances & teaches dance
Council's Ballroom/Tesuque Comedy Club at Tesuque Casino	Santa Fe	N/A	Live musical performances, comedy, & themed special events	Entertainment venue, with hotel, casino, & dining
The Crosby Theatre	Santa Fe	2,232	Opera performances	Open-air theater on 155-acre campus that is home to the Santa Fe Opera, with separate orchestra hall for rehearsals, recitals, lectures, & other events
Flickinger Center for Performing Arts	Alamogordo	612	Variety of performance, education, & community programs, including children's theater	Non-profit live performance venue for music, theater, comedy, dance, & film
The Historic El Rey Theater	Albuquerque	1,200	Concerts & other acts	Former movie theater opened in 1936 that serves as a live music venue on downtown Albuquerque's music & arts corridor
KiMo Theatre	Albuquerque	650	Live performances, movies, & art	Historic theater in Pueblo-Deco architectural style that opened in 1927 in downtown Albuquerque
Kiva Auditorium	Albuquerque	2,300	Concerts, comedy, magic shows, & other events	Located at the Albuquerque Convention Center
Legends Theater at Route 66 Casino Hotel	Albuquerque	3,000	Concerts, comedy, & other acts	Entertainment venue with grand re-opening in November 2024, with hotel, casino, & dining
Lensic Performing Arts Center	Santa Fe	821	Music, dance, theater, & classic films	Historic movie & vaudeville theater that opened in 1931 in downtown Santa Fe, now a non-profit performing arts venue
Lobo Theater	Albuquerque	500	Movies, live performances, & community events	Historic theater originally owned & operated by Paramount Pictures that opened in 1938 in Albuquerque's Nob Hill, now a movie theater, concert venue, & cocktail lounge
Pearson Auditorium	Roswell	1,200	Symphony orchestra concerts & special events	Located on the campus of the New Mexico Military Institute and performance home of the Roswell Symphony Orchestra
Phil L. Thomas Performing Arts Center (The Phil)	Shiprock	796	Musical & theatrical productions	Named after local musician & educator
Popejoy Hall	Albuquerque	1,985	Broadway shows, dance companies, & other national acts	Performing arts center located on the University of New Mexico campus
The Range	Las Cruces	N/A	Concerts, other live entertainment, & art shows	Performance & event venue with a recording studio
Santa Fe Playhouse	Santa Fe	99	Theater productions & educational programs	Non-profit professional theater founded in 1919, the oldest operating theater west of the Mississippi
South Broadway Cultural Center	Albuquerque	309	Concerts, live entertainment, original art, workshops, classes, & cultural events	Community event & art center with a theater & library
Spencer Theater for the Performing Arts	Alto	514	Touring concerts, shows, plays, dance companies, family & children's shows	74-acre site with theater, dining, bar, & outdoor stage, funded solely by local residents Dr. A.N. Spencer & Jackie Spencer Morgan
Truth or Consequences Civic Center & Ralph Edwards Auditorium	Truth or Consequences	825	Concerts, theater productions, & other events	Multi-purpose venue with stage, auditorium, & meeting rooms

Sources: Pollstar; individual facility websites

The following map shows the location of these New Mexico theaters.



NEW SUPPLY

Our research revealed the following regional new amphitheater supply:

- In October 2023, ground was broken on a new concert and entertainment complex in Sunland Park, New Mexico, close to the Texas border. Dubbed Nation Entertainment, the 120,000-square foot complex – adjacent to the Sunland Park Racetrack & Casino and Western Playland – will be another step forward in creating an entertainment corridor. Initial plans for the complex include a multi-use amphitheater with up to 4,000 seats, along with food & beverage outlets, indoor & outdoor pickleball and multi-use courts, indoor & outdoor arcades and gaming for all ages, and a cannabis superstore. Nation Entertainment expects to host such events as festivals, concerts, comedy shows, boxing matches, and MMA events. They aim to provide space for local musicians who are a good fit for mid-sized venues. The facility also will be available for community and private events such as weddings and quinceañeras. The project is slated for a Fall 2025 opening.
- An 8,000-seat amphitheater is planned as part of the VAI Resort in Glendale, Arizona, near State Farm Stadium. Combining a hotel and concert venue, the project is billed as the first of its kind. A tower will feature approximately 300 rooms, about half of which will have private balconies for up to six guests that face the stage, serving as sky boxes. More than 7,000 stadium-style seats are also planned to surround the stage and sit on two party decks on the mezzanine level, as well as pit tickets in front of the stage. Plans call for year-round programming and mini

residencies that will feature artists from a variety of genres. Construction has begun and the venue is expected to open in late 2025.

- VENU, a Colorado-based developer of luxury live music venues, plans to expand in growing southern cities where outdoor concerts and other events can be held most months of the year, with a goal of operating properties in a dozen markets by 2028. The company's venues offer elevated experiences, with state-of-the-art sound, unobstructed sightlines, and premium food & beverage options. As one source of funding for their projects, they sell luxury fire pit suites in their amphitheaters (what the company's founder, JW Roth, compares to selling a condominium unit). Purchase of a suite includes lifetime ownership with tickets to all live music events, parking passes, and access to food & beverage service. Investment levels vary by location, starting at approximately \$275,000 for a four-seat suite. VENU boasts entertainment campuses in Gainesville, Georgia and Colorado Springs, Colorado, which serve as blueprints for new venues. Following are descriptions of several of VENU's new and proposed regional projects.
 - VENU's new 8,000-seat Ford Amphitheater in Colorado Springs, Colorado opened in August 2024 with three sold-out OneRepublic concerts. The company's website states that Ford Amphitheater's 90 fire pit investment suites sold out in 10 months. The Colorado Springs amphitheater plans to host 20 "A-list" shows along with smaller acts, for a total of 40 to 45 shows from May through September. Ticket prices are reported to range from \$40 to more than \$300, depending on the band. During the off-season, planned uses include renting the facility for such events as Easter sunrise services or graduations. The Colorado Springs project faced – and defeated – a homeowners lawsuit that sited noise pollution, nuisance to residents, and a negative impact on property values.
 - VENU won approval from city council in March 2024 to construct a \$93 million, 12,500-capacity outdoor amphitheater on 13 acres adjacent to Events Park in Broken Arrow, Oklahoma, outside of Tulsa. It will be a private-public partnership, with the city contributing approximately \$30 million and the Oklahoma Department of Commerce committing up to \$39.5 million through its Enterprise Zone Incentive Leverage Act. This facility is anticipated to hold a minimum of 45 annual scheduled events and draw 600,000 visitors to the area each year. The city started construction on interior park roads in May 2024 to facilitate the project. Amphitheater construction is expected to begin in late 2024 and be completed by late 2025/early 2026.
 - In July 2024, VENU announced that final approval was granted by the El Paso, Texas city council for an \$80+ million outdoor music venue with a capacity of 12,500. Named the Sunset Amphitheater, construction is expected to begin in late 2024 to anchor the mixed-use Cohen Entertainment District in northeast El Paso, adjacent to the Franklin Mountains. The venue will feature an owner's club, luxury fire pit suites, seating in the mid and lower bowl sections, and a hydro-chilled grass berm. The project is a public-private partnership between VENU and the city, with a \$30.6 million performance-based economic incentive package that includes the conveyance of 17 acres of city-owned land, tax rebates, and an \$8 million, eight-year development note from the

Texas Economic Development Fund. The facility is expected to open for the 2026 touring season.

- In March 2024, VENU announced a \$300 million, 20,000-capacity amphitheater in McKinney, Texas, approximately 30 miles north of downtown Dallas. It will be a private-public partnership, with the city contributing approximately \$18 million and the McKinney Economic Development Corp adding millions in grants. Project plans call for nearly 300 luxury fire pit investment suites, an owner's club suite with 200 memberships, traditional reserved seating in the mid and lower bowl, and a landscaped grass berm. Their goal is to create a world-class outdoor music facility that rivals iconic venues such as Red Rocks Amphitheater and Toyota Music Factory. Construction is anticipated to begin in late 2024 with completion by the 2026 touring season.
- In 2023, VENU announced plans to construct a 12,000-seat outdoor amphitheater in the Mustang Creek Crossing development in western Oklahoma City, Oklahoma. Dubbed the Sunset Amphitheater, the proposed project was rejected by city council in April 2024 due to local concerns regarding such things as noise pollution and increased traffic. VENU is exploring other sites in the region for the proposed project. If the project moves forward, plans call for Sunset Amphitheater to include fixed seats, general lawn seating, 12 "super suites," and 120 natural gas-powered fire pit suites available with lifetime ownership.

Our research revealed the following regional new theater supply:

- In October 2024, the University of New Mexico broke ground on its Center for Collaborative Arts & Technology in Albuquerque. Plans call for a 60,000-square-foot facility for the university's College of Fine Arts, including a state-of-the-art multi-purpose performance hall with 600 seats, rehearsal rooms, a 50-seat classroom, 1,000-square-foot art gallery, and collaborative workspaces. The center will become the central performance space for the departments of music, theater, & dance, as well as the department of film & digital arts. Its location on a major thoroughfare will act as a gateway to the university and provide views of the historic Route 66 and the Sandia Mountains. The project is funded through general obligation bonds approved by voters in 2022, institutional bonds, and philanthropic fundraising. The center is anticipated to be complete in spring 2026.
- The city of Carlsbad, New Mexico has begun a multi-phase rehabilitation of the historic Cavern Theatre, built in 1951 as a premier movie theatre. The city envisions developing a multi-purpose space, dubbed the Cavern Theatre Performing Arts Centre, to promote economic development in its downtown commercial district. The original building featured a multi-colored neon marquee, a large auditorium with balcony, and painted murals of local landmarks. The theatre stopped screening movies in the 1990s and while the building was used occasionally for musical performances and other events over the past few decades, it has largely been vacant. Plans call for an enlarged stage for visiting performers, local musicians, and community theatre troops, along with classroom space for media arts classes and other activities supported by local schools, as well as film festivals. A timeline for completion has not been announced.

COMPARABLE AMPHITHEATER ANALYSIS

In analyzing the competitive market for the subject amphitheater, we have selected a comparable set based on their similar amenities, sizing, and similar shared target markets.

Small to mid-size amphitheaters typically draw from the region surrounding them. We have profiled amphitheaters from the regional area and a group of comparables from a broad area of the United States.

Attendance figures provided in the following table are based on our interviews, analysis, and knowledge of the market. As additional support, we have also utilized Placer.ai reports which utilizes cell phone tracking software to determine the visitation and number of visits to a predefined target area. Such tracking does not provide exact attendance at a destination but does offer a representation of the number of visitors to the attraction. Attendance figures shown in the following table are not always the same as the Placer.ai results because of the property performance data we have reviewed.

The following table contains an overview of seven amphitheaters and the Santa Fe Opera House that have comparable attributes to the proposed subject. These comparable properties include a mixture of nearby competitors to the subject amphitheater as well as regional benchmark properties.

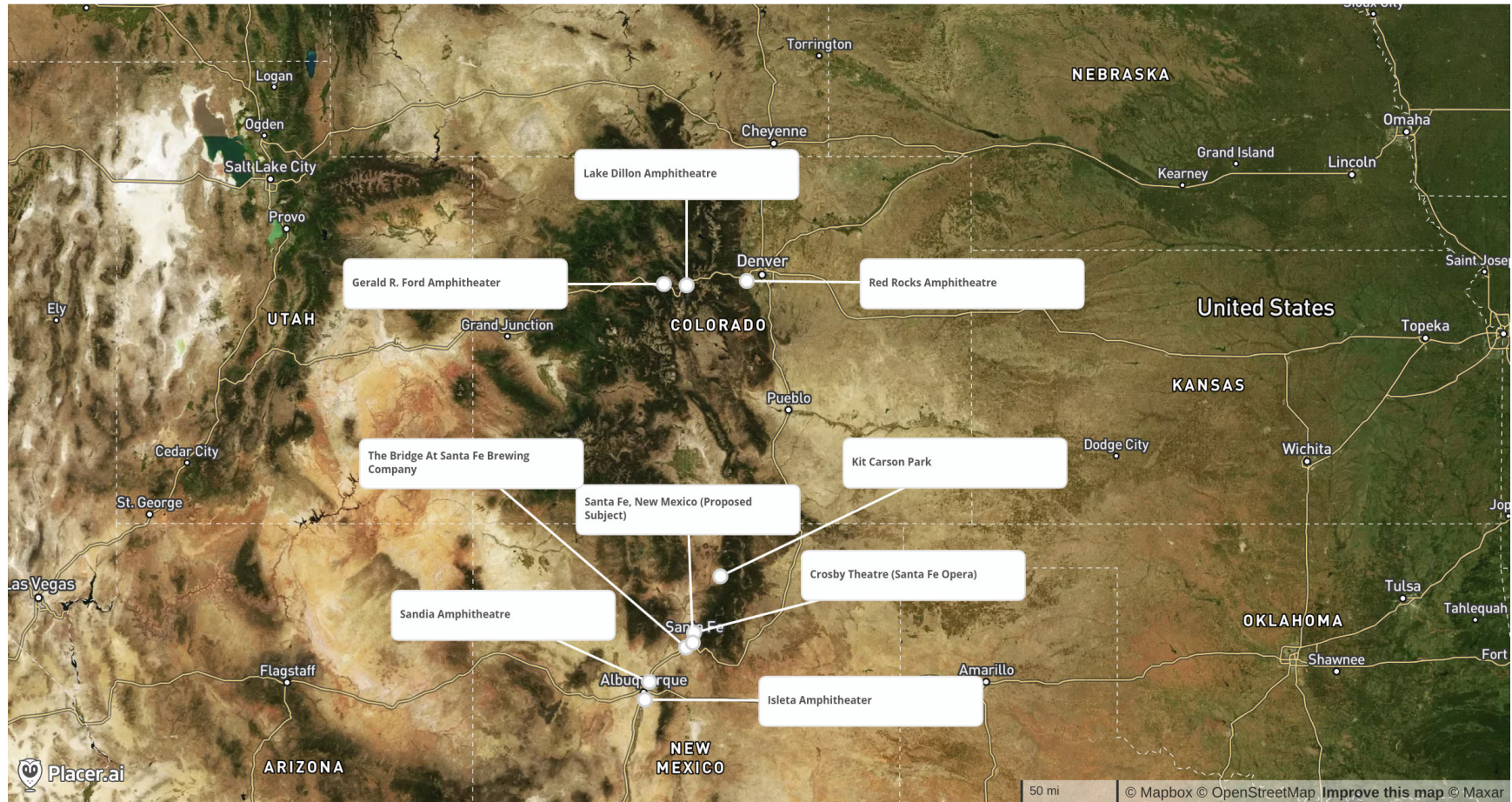
Proposed Amphitheater or Theater - Santa Fe, New Mexico Market Analysis

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Comparable Amphitheater Overview									
	The Santa Fe Opera - Santa Fe, NM	The Bridge at Santa Fe Brewing - Santa Fe, NM	Isleta Amphitheater - Albuquerque, NM	Sandia Resort & Casino Amphitheatre - Albuquerque, NM	Kit Carson Park Amphitheater - Taos, NM	Lake Dillon Amphitheatre - Dillon, CO	Red Rocks Amphitheatre - Morrison, CO	Gerald R Ford Amphitheater - Vail, CO	Proposed Amphitheater - First Year - Santa Fe, NM
Year open	1998	2016	2000	1994	1988	1993	1906	1987	2027
Property type	Opera House	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater	Amphitheater
Capacity (people)	2,232	1,400	15,000	4,100	8,000	3,000	9,525	2,565	4,500
Estimated paid annual attendance	64,000	40,000	312,000	39,000	38,000	116,000	396,000	164,000	109,000
Local (<60 mi) vs. Tourist (>60 mi)	71% / 29%	88% / 12%	76% / 24%	87% / 13%	84% / 16%	61% / 39%	61% / 39%	54% / 46%	N/A
Days open	152	180	180	180	180	180	180	180	180
Visitors per day	423	224	1,733	219	213	642	2,201	912	606
Visitors per seats	29	29	21	10	5	39	42	64	24
Admission and Rental Fees									
Rental fees for amphitheater	N/A	N/A	\$15,000	\$1,500	N/A	N/A	11% with a minimum of \$20,000	N/A	N/A
Estimated total revenues	\$9,200,000	\$1,587,431	\$20,193,498	\$3,634,488	\$1,680,000	\$9,002,748	\$33,521,852	\$19,789,291	\$7,318,000
Number of events per year	36	43	30	12	16	44	52	90	60
Ownership (private/municipal/university)	Private	Private	Private	Private	Municipal	Municipal	Municipal	Municipal	Municipal
Number of attendees per concert	1,500	1,100	10,000	3,936	6,000	4,127	9,203	2,390	3,079
Types of Events									
	Opera, social events	Concerts, social events, art show, parties	Concerts, meetings, social events, political events	Concerts, comedians, social events	Concerts, meetings, social gatherings	Concerts, meetings, social events, film screenings, theater productions, festivals	Concerts, festivals, film screenings	Concerts, community events, festivals, educational programs, season celebrations	Meetings, social events, concerts, graduations and school events, associations, festivals, community events
Pollstar Box Office events	N/A	2	26	2	N/A	6	155	5	N/A
Pollstar average tickets sold	N/A	1,007	13,058	4,116	N/A	3,531	8,551	2,390	N/A
Pollstar average gross revenue	N/A	\$36,917	\$761,673	\$301,374	N/A	\$191,592	\$624,651	\$157,071	N/A
Pollstar average ticket price	\$185.00	\$36.66	\$58.33	\$73.22	\$70.00	\$54.26	\$72.96	\$65.72	N/A
Paid events	36	36	26	12	6	28	52	80	60
Non-paid events	0	7	4	0	10	16	0	10	0
Amenities									
Features	Covered seating, event space, 155 total acres which includes the theater grounds and the area known as "The Ranch," including offices, cantina, pool, guest resort house, gardens	Standing-room lawn, concessions, adjacent brewey	Concessions, merchandise stalls, VIP Club, covered seating, lawn seating	Bowl-shaped amphitheater, concessions, adjacent casino	Bandstand within the 19-acre Kit Carson Park containing walking and jogging track, baseball fields, soccer fields, basketball court, picnic shelter, tennis courts	Concessions, adjacent lake within public park	Concessions, gift shop, shuttle service, visitor center, museum	Concessions, box offices, event space, shuttle service, adjacent resort, gift shop, VIP services	Flexible indoor seating that can retract, dressing rooms, storage space, concessions, club lounge, merchandise stalls, lawn seating (open-air)
Parking fees	\$0	\$0	General: \$0 Premier: \$20	\$0	\$15	\$10 - \$20	\$0	\$15	\$10 - \$15
Food and Beverage									
F&B types	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions	General concessions
Alcohol sales	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Hotel & Leisure Advisors, Pollstar, and individual attractions' websites

Comparable Amphitheaters Map



Jan 1, 2024 - Dec 31, 2024
Data provided by Placer Labs Inc. (www.placer.ai)



Competitive Property #1



Comparable 1 Summary

The Santa Fe Opera - Santa Fe, NM

Year open	1998	Rental fees for amphitheater	N/A
Property type	Opera House	Number of events per year	36
Capacity (people)	2,232	Number of attendees per concert	1,500
Estimated paid annual attendance	64,000	Pollstar Box Office events	N/A
Local (<60 mi) vs. Tourist (>60 mi)	71% / 29%	Pollstar average ticket price	\$185.00
Days open	152	Pollstar average gross revenue	N/A
Types of Events	Opera, social events	Estimated total revenues	\$9,200,000

Source: Hotel & Leisure Advisors

The Santa Fe Opera is a performance venue known for its exceptional acoustics. Part of the renowned Santa Fe Opera complex, the theater serves as an indoor space for a variety of events, from opera to concerts and theatrical performances. The theater is on 76 acres of land in northern Santa Fe. In 2015, it completed a \$35 million expansion which increased the size of the facility from 34,000 square feet to 66,000 square feet. According to management, ticket prices range from \$20-\$300 with an average ticket price of about \$185. Although it is in Santa Fe, this property would compete only for smaller shows with the subject due to the types of performances and events it hosts and its focus on its anchor tenant.

Competitive Property #2



Comparable 2 Summary

The Bridge at Santa Fe Brewing - Santa Fe, NM

Year open	2016	Rental fees for amphitheater	N/A
Property type	Amphitheater	Number of events per year	43
Capacity (people)	1,400	Number of attendees per concert	1,100
Estimated paid annual attendance	40,000	Pollstar Box Office events	2
Local (<60 mi) vs. Tourist (>60 mi)	88% / 12%	Pollstar average ticket price	\$36.66
Days open	180	Pollstar average gross revenue	\$36,917
Types of Events	Concerts, social events, art show, parties	Estimated total revenues	\$1,587,431

Source: Hotel & Leisure Advisors

The Bridge at Santa Fe Brewing is a standing-room-only event venue with a capacity of 1,400 people. This is the smallest venue of the comparables. It is in the south part of Santa Fe. The venue hosts approximately 43 events per year, which include concerts, social events, parties, and shows. According to Pollstar, the venue reported two events with an average of 1,007 tickets sold and an average gross revenue of \$36,917. Ticket prices generally range from \$20 to \$50. This venue may compete with the subject for smaller events.

Competitive Property #3



Comparable 3 Summary

Isleta Amphitheater - Albuquerque, NM

Year open	2000	Rental fees for amphitheater	\$15,000
Property type	Amphitheater	Number of events per year	30
Capacity (people)	15,000	Number of attendees per concert	10,000
Estimated paid annual attendance	312,000	Pollstar Box Office events	26
Local (<60 mi) vs. Tourist (>60 mi)	76% / 24%	Pollstar average ticket price	\$58.33
Days open	180	Pollstar average gross revenue	\$761,673
Types of Events	Concerts, meetings, social events, political events	Estimated total revenues	\$20,193,498

Source: Hotel & Leisure Advisors

Isleta Amphitheater in Albuquerque, New Mexico, is the largest comparable with a seating capacity of 15,000 people. Originally opened as Mesa del Sol Amphitheater in 2000, it has changed names three times and has been known as Isleta Amphitheater since 2013. In 2009, the lawn area was expanded, increasing its capacity from 12,000 to 15,000. The venue is owned by Live Nation and includes a VIP Club, multiple concessions and merchandise stands, covered seating, and lawn seating. Lawn chairs are also available for rent. According to Pollstar, there were 26 box office events reported with an average of 13,058 tickets sold and an average gross revenue of \$761,673. Ticket prices range from \$20 to \$965, depending on the ticket package experience and artist. This venue may directly compete with the subject due to its location, size, and types of events offered.

Competitive Property #4



Comparable 4 Summary

Sandia Resort & Casino Amphitheatre - Albuquerque, NM			
Year open	1994	Rental fees for amphitheater	\$1,500
Property type	Amphitheater	Number of events per year	12
Capacity (people)	4,100	Number of attendees per concert	3,936
Estimated paid annual attendance	39,000	Pollstar Box Office events	2
Local (<60 mi) vs. Tourist (>60 mi)	87% / 13%	Pollstar average ticket price	\$73.22
Days open	180	Pollstar average gross revenue	\$301,374
Types of Events	Concerts, comedians, social events	Estimated total revenues	\$3,634,488

Source: Hotel & Leisure Advisors

Sandia Resort & Casino Amphitheatre has a capacity of 4,100 people. The venue's seating is not covered. It hosts a variety of shows including concerts, comedians, and other casino-related social events. According to Pollstar, the venue reported two box office events with an average of 4,116 tickets sold and an average gross revenue of \$301,374 per event. Ticket prices range from \$30 to \$300 depending on the event. This venue may directly compete with the subject due to its location, size, and types of events offered.

Competitive Property #5



Photo Courtesy of Google Earth

Comparable 5 Summary

Kit Carson Park Amphitheater - Taos, NM

Year open	1988	Rental fees for amphitheater	N/A
Property type	Amphitheater	Number of events per year	16
Capacity (people)	8,000	Number of attendees per concert	6,000
Estimated paid annual attendance	38,000	Pollstar Box Office events	N/A
Local (<60 mi) vs. Tourist (>60 mi)	84% / 16%	Pollstar average ticket price	\$70.00
Days open	180	Pollstar average gross revenue	N/A
Types of Events	Concerts, meetings, social gatherings	Estimated total revenues	\$1,680,000

Source: Hotel & Leisure Advisors

Kit Carson Park Amphitheater is a municipally owned venue in Taos, New Mexico. The venue opened in 1988 within the 19-acre Kit Carson Park. The park contains walking and jogging tracks, baseball and soccer fields, basketball and tennis courts, and picnic pavilions. In 2001, Sting performed here as part of his *Sacred Love Tour*. According to Lensic 360, the venue hosts only four concerts each year while other events are community-driven and free. Ticket prices range from \$50 to \$90. The concerts had a range of 4,000 to 8,000 attendees.

Competitive Property #6



Photo Courtesy of Google Images

Comparable 6 Summary

Lake Dillon Amphitheatre - Dillon, CO

Year open	1993	Rental fees for amphitheater	N/A
Property type	Amphitheater	Number of events per year	44
Capacity (people)	3,000	Number of attendees per concert	4,127
Estimated paid annual attendance	116,000	Pollstar Box Office events	6
Local (<60 mi) vs. Tourist (>60 mi)	61% / 39%	Pollstar average ticket price	\$54.26
Days open	180	Pollstar average gross revenue	\$191,592
Types of Events	Concerts, meetings, social events, film screenings, theater productions, festivals	Estimated total revenues	\$9,002,748

Source: Hotel & Leisure Advisors

Lake Dillon Amphitheatre is a municipally owned venue in Dillon, Colorado. The venue opened in 1993 and is adjacent to Lake Dillon, offering views of the lake and Rocky Mountains. The venue hosts a variety of events including concerts, meetings, social events, film screenings, theater productions, and festivals. AEG Presents hosts shows at the amphitheater. A \$9.7 million renovation of the venue was completed in 2018, which included a new stage, restroom and concession buildings, new lighting, earthwork and retaining walls, utility work, ADA-approved handrails, guardrails, and ramps, bicycle parking for up to 66 bicycles. The renovation was funded through various channels. Approximately \$1.69 million came from the Lake Dillon Theatre Company, \$5 million came from a bank loan, \$1 million in grant money from the Department of Local Affairs, \$75,000 from Summit County government, and \$50,000 from The Summit Foundation. In 2018, it was reported that people who come to shows spend an average of about \$39 per person outside the venue.

According to Pollstar, the venue had six box office events reported with an average of 3,531 tickets sold per event and an average gross revenue of \$191,592 per event. Ticket prices range from \$15 to \$245, depending on ticket package experience and type of show. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject as it may attract similar events.

Competitive Property #7



Photo Courtesy of Google Images

Comparable 7 Summary

Red Rocks Amphitheatre - Morrison, CO

Year open	1906	Rental fees for amphitheater	11% with a minimum of \$20,000
Property type	Amphitheater	Number of events per year	52
Capacity (people)	9,525	Number of attendees per concert	9,203
Estimated paid annual attendance	396,000	Pollstar Box Office events	155
Local (<60 mi) vs. Tourist (>60 mi)	61% / 39%	Pollstar average ticket price	\$72.96
Days open	180	Pollstar average gross revenue	\$624,651
Types of Events	Concerts, festivals, film screenings	Estimated total revenues	\$33,521,852

Source: Hotel & Leisure Advisors

Red Rocks Amphitheatre in Morrison, Colorado is an iconic outdoor concert venue that opened in 1906. The venue sits within the red sandstone rock formations of the Rocky Mountains and has a capacity of 9,525 people. The surrounding parklands provide ample opportunities for hiking and exploration, with several scenic trails winding through the area, allowing guests to take in the impressive rock formations and surrounding landscapes. For those interested in the history of the amphitheatre, there are regular guided tours that offer a deeper look at its construction, cultural significance, and its role in the music industry. According to Pollstar, the venue reports 155 box office events over the last three years. The average number of tickets sold per event was 8,551 with an average gross revenue of \$624,651. Placer shows that this venue had the most visitors in 2024 of the comparable amphitheatres. Ticket prices range from \$40 to \$2,500, but certain experience packages are included in the higher-end of the range depending on the artist. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject to show what a larger venue with recognition within the industry may achieve.

Competitive Property #8



Photo Courtesy of Google Images

Comparable 8 Summary

Gerald R Ford Amphitheater - Vail, CO

Year open	1987	Rental fees for amphitheater	N/A
Property type	Amphitheater	Number of events per year	90
Capacity (people)	2,565	Number of attendees per concert	2,390
Estimated paid annual attendance	164,000	Pollstar Box Office events	5
Local (<60 mi) vs. Tourist (>60 mi)	54% / 46%	Pollstar average ticket price	\$65.72
Days open	180	Pollstar average gross revenue	\$157,071
Types of Events	Concerts, community events, festivals, educational programs, season celebrations	Estimated total revenues	\$19,789,291

Source: Hotel & Leisure Advisors

The **Gerald R Ford Amphitheater** in Vail, Colorado opened in 1987 and has a capacity of 2,565 people. The open-air design features a large stage set against a dramatic backdrop of mountain ridges and lush landscapes, creating a unique ambiance for performances. The surrounding parkland offers ample space for picnicking and relaxation, allowing attendees to enjoy the beauty of Vail's outdoor environment before or after performances. The venue is operated by the Vail Valley Foundation. According to management, the amphitheater completed its last renovation in 2013 and is planning to begin another renovation in 2025 or 2026. Management also stated that 55 shows sold out in 2024. Pollstar shows the venue reported five box office events over the last three years. The average number of tickets sold for those events was 2,390 with an average gross revenue of \$157,071. Ticket prices range from \$30 to \$350. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject as it may attract similar events.

DEMOGRAPHIC COMPARISON OF SUBJECT VERSUS COMPARABLE AMPHITHEATER PROPERTIES

The success of the proposed amphitheater is closely tied to demographics and income levels within its market area. For this analysis, we have defined the subject's market area as the 30-minute, 60-minute, and 90-minute drive times from the site. In this section, we will compare attendance, population, and income figures from these defined areas to figures within the same drive-time areas surrounding eight comparable amphitheater properties.

The following tables present a comparison of drive time areas surrounding the subject site and each of the comparable amphitheater locations. The figures presented in this section were generated by the Environmental Systems Research Institute (ESRI) and are based on official data from the U.S. Census Bureau.

Population: The following table presents the drive time resident population for the subject site and the comparable property market areas. It also shows each venue's annual attendance per population for each drive time area.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Market Analysis

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Attendance at Comparable Amphitheaters							
	Annual Attendance	Total Population within 30 min. drive	Attendance per 30 min. pop.	Total Population within 60 min. drive	Attendance per 60 min. pop.	Total Population within 90 min. drive	Attendance per 90 min. pop.
Subject		137,953		344,072		1,129,794	
Crosby Theatre - Santa Fe, NM	64,000	142,731	0.45	246,801	0.26	1,109,663	0.06
The Bridge at Santa Fe Brewing - Santa Fe, NM	40,000	134,577	0.30	956,011	0.04	1,146,883	0.03
Isleta Amphitheater - Albuquerque, NM	312,000	649,488	0.48	937,453	0.33	1,099,937	0.28
Sandia Resort & Casino Amphitheatre - Albuquerque, NM	39,000	772,035	0.05	1,048,210	0.04	1,139,145	0.03
Kit Carson Park Amphitheater - Taos, NM	38,000	25,582	1.49	44,553	0.85	104,922	0.36
Lake Dillon Amphitheatre - Dillon, CO	116,000	26,215	4.42	85,809	1.35	2,779,482	0.04
Red Rocks Amphitheatre - Morrison, CO	396,000	1,331,114	0.30	3,474,200	0.11	4,860,846	0.08
Gerald R Ford Amphitheater - Vail, CO	164,000	25,316	6.48	81,814	2.00	279,260	0.59
Average of Comparables	146,125	388,382	0.38	859,356	0.17	1,565,017	0.09

Sources: Hotel & Leisure Advisors, ESRI 2024 Estimates

Among the competitive set, the amphitheaters with the largest surrounding market populations are those in the Denver and Albuquerque areas. If we apply the average attendance per 60 minute population of the profiled venues of 0.17 times the available population within 60 minutes of 344,072 people, this equals a projected attendance of 58,492. If we apply the average attendance per 90 minute population of the profiled venues of 0.09 times the available population within 90 minutes of 1,129,794 people equals a projected attendance of 101,681.

Median Household Income: We have analyzed the U.S. median household income around each of the drive time areas for the subject site and comparable locations. Income levels on a per capita, per family, or household basis indicate the economic level of the residents of the market area and form an important component of this total analysis. More directly, household income, when combined with the number of people, is a major determinate of an area's sales potential. The following table presents current median household income levels for the drive times surrounding the subject site and each of the comparable properties.

2024 U.S. Median Household Income Near Comparable Amphitheaters			
	Median Household Income within 30 min. drive	Median Household Income within 60 min. drive	Median Household Income within 90 min. drive
Subject	\$77,918	\$79,551	\$72,150
Crosby Theatre - Santa Fe, NM	\$75,433	\$80,708	\$72,218
The Bridge at Santa Fe Brewing - Santa Fe, NM	\$78,531	\$74,051	\$71,437
Isleta Amphitheater - Albuquerque, NM	\$65,864	\$70,855	\$70,949
Sandia Resort & Casino Amphitheatre - Albuquerque, NM	\$71,886	\$72,068	\$70,932
Kit Carson Park Amphitheater - Taos, NM	\$53,540	\$55,298	\$59,545
Lake Dillon Amphitheatre - Dillon, CO	\$107,867	\$107,246	\$100,592
Red Rocks Amphitheatre - Morrison, CO	\$100,416	\$104,923	\$101,368
Gerald R Ford Amphitheater - Vail, CO	\$107,411	\$102,011	\$105,464
Average of Comparables	\$82,619	\$83,395	\$81,563

Sources: Hotel & Leisure Advisors, ESRI 2024 Estimates

While the market areas surrounding the three amphitheaters in Colorado have the highest income levels of the group, the median household income in the Santa Fe market area is in the middle of the range when compared to the full set of comparables. This analysis indicates that the proposed pricing structure for the subject should be close to average compared to other amphitheaters in the region.

COMPARABLE THEATER ANALYSIS

In analyzing the competitive market for the subject theater, we have selected a comparable set based on their similar amenities, sizing, and similar shared target markets. The following table contains an overview of eight theaters that have comparable attributes to the proposed subject. These comparable properties include a mixture of nearby competitors to the subject theater as well as regional benchmark properties.

Proposed Amphitheater or Theater - Santa Fe, New Mexico Market Analysis

C-38

Comparable Theaters Overview									
	Lentic Performing Arts Center - Santa Fe, NM	Popejoy Hall - Albuquerque, NM	Kiva Auditorium - Albuquerque, NM	Pikes Peak Center - Colorado Springs, CO	Pueblo Memorial Hall - Pueblo, CO	Vilar Performing Arts Center - Beaver Creek, CO	Rialto Theatre - Tucson, AZ	Chandler Center for the Arts - Chandler, AZ	Proposed Theater - First Year - Santa Fe, NM
Year open	1931	1966	1972	1982	1919	1997	1922	1989	2027
Property type	Theater	Theater	Theater	Theater	Theater	Theater	Theater	Theater	Theater
Capacity (people)	821	1,985	2,322	2,012	1,600	575	1,300	1,500	1,800
Estimated paid annual attendance	37,000	87,000	48,000	215,000	84,000	46,000	234,000	60,000	96,000
Local (<60 mi) vs. Tourist (>60 mi)	78% / 22%	89% / 11%	63% / 37%	78% / 22%	87% / 13%	51% / 49%	80% / 20%	97% / 3%	N/A
Days open	365	365	365	365	365	365	365	365	365
Visitors per day	101	239	132	588	230	126	641	164	263
Visitors per seats	45	44	21	107	53	80	180	40	53
Admission and Rental Fees									
Rental fees for theater	\$2,600 - \$3,700 plus additional fees and labor	N/A	\$3,000	\$7,500 min vs 10% gross	\$2,400 plus expenses	N/A	N/A	\$2,000 + labor + 4% gross tkt. sales	N/A
Estimated total revenues	\$6,440,957	\$3,536,060	\$3,480,000	\$14,669,415	\$1,300,000	\$7,659,337	\$6,946,791	\$3,018,271	\$6,904,000
Number of events per year	65	55	40	150	105	150	225	80	110
Ownership (private/municipal/universi	Non-profit	University	Private	Private	Municipal	Private	Non-profit	Municipal	Municipal
Types of Events									
	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet, conferences, meetings	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet, meetings	Broadway productions, concerts, comedians, symphony, ballet, educational performances	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, ballet	Broadway productions, concerts, comedians, symphony, dance, meetings, social events, graduations and school events, associations, community events
Pollstar Box Office events	3	3	25	29	18	3	477	9	N/A
Pollstar average tickets sold	736	1,239	1,739	1,431	1,014	456	697	1,134	N/A
Pollstar average gross revenue	\$42,953	\$64,292	\$122,008	\$90,296	\$52,779	\$28,833	\$27,671	\$59,422	N/A
Pollstar average ticket price	\$58.36	\$51.89	\$70.00	\$63.10	\$52.05	\$63.23	\$39.70	\$52.40	N/A
Paid events	50	55	40	150	70	100	225	50	110
Non-paid events	15	0	0	0	35	50	0	30	0
Amenities									
Features	Concessions, box office, event space	Concessions, box office, VIP services	Concessions, box office, convention center	Concessions, box office, event space	Concessions, box office, event space	Concessions, box office, event space, VIP services, adjacent to Beaver Creek Resort	Concessions, box office, event space	Concessions, box office, Black Box Theater, Gallery	Concessions, box office, Black Box Theater, merchandise stalls, Club Lounge, classrooms, green room
Parking fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10-\$15

Source: Hotel & Leisure Advisors, Pollstar, and individual attractions' websites

Comparable Theaters Map



Feb 1, 2024 - Jan 31, 2025
Data provided by Placer Labs Inc. (www.placer.ai)



Competitive Property #1



Comparable 1 Summary

Lensic Performing Arts Center - Santa Fe, NM

Year open	1931	Rental fees for theater	\$2,600 - \$3,700 plus additional fees and labor
Property type	Theater	Number of events per year	65
Capacity (people)	821	Number of attendees per event	736
Estimated paid annual attendance	37,000	Pollstar Box Office events	3
Local (<60 mi) vs. Tourist (>60 mi)	78% / 22%	Pollstar average ticket price	\$58.36
Days open	365	Pollstar average gross revenue	\$42,953.00
Types of Events	Broadway productions, concerts, comedians, symphony, ballet	Estimated total revenues	\$6,440,957

Source: Hotel & Leisure Advisors

The **Lensic Performing Arts Center** in Santa Fe, New Mexico has a capacity of 821 people. It originally opened in 1931 as a movie theater and was restored in the early 2000s. The theater is operated by a non-profit organization and has offered a variety of shows that include classical music concerts, ballet, theater productions, and film screenings. According to Pollstar, the venue reported three box office events. The average ticket price was \$58.36 and the average number of tickets sold was 736 tickets, resulting in an average gross revenue of \$42,953. According to management, the venue has an average ticket price of \$80-\$85 throughout the year. Ticket prices range from \$20 to \$300.

Competitive Property #2



Comparable 2 Summary

Popejoy Hall - Albuquerque, NM

Year open	1966	Rental fees for theater	N/A
Property type	Theater	Number of events per year	55
Capacity (people)	1,985	Number of attendees per event	1,588
Estimated paid annual attendance	87,000	Pollstar Box Office events	3
Local (<60 mi) vs. Tourist (>60 mi)	89% / 11%	Pollstar average ticket price	\$51.89
Days open	365	Pollstar average gross revenue	\$64,292
Types of Events	Broadway productions, concerts, comedians, symphony, ballet	Estimated total revenues	\$3,536,060

Source: Hotel & Leisure Advisors

Popejoy Hall is on the campus of the University of New Mexico in Albuquerque. The venue opened in 1966 and has a total capacity of 1,985. Over the years, the venue has been the setting for a wide range of performances, including Broadway productions, concerts, ballets, symphony orchestras, and cultural events. Management stated that 94% of their revenue comes from ticket sales and the remaining 6% comes from donations. According to Pollstar, the venue reported three box office events with an average of 1,239 tickets sold at an average ticket price of \$51.89. Ticket prices range from \$30 to \$250. The average gross revenue was \$64,292. Placer reports this venue of having the most visitors of the theater comparables in 2024. This venue may directly compete with the subject due to its location, size, and types of events offered.

Competitive Property #3



Photo Courtesy of Google Images

Comparable 3 Summary

Kiva Auditorium - Albuquerque, NM

Year open	1972	Rental fees for theater	\$3,000.00
Property type	Theater	Number of events per year	40
Capacity (people)	2,322	Number of attendees per event	1,200
Estimated paid annual attendance	48,000	Pollstar Box Office events	25
Local (<60 mi) vs. Tourist (>60 mi)	63% / 37%	Pollstar average ticket price	\$70.00
Days open	365	Pollstar average gross revenue	\$122,008
Types of Events	Broadway productions, concerts, comedians, symphony, ballet, conferences, meetings	Estimated total revenues	\$3,480,000

Source: Hotel & Leisure Advisors

The **Kiva Auditorium** is a theater within the Albuquerque Convention Center, which opened in 1972. In addition to being used for a variety of different types of performances, the auditorium is frequently used for meetings, conferences, and shows in conjunction with events held at the convention center. Management stated that 15 of the 40 shows sold out in 2024. According to Pollstar, the venue reported 25 box office events, in which an average of 1,739 tickets were sold per event with an average gross revenue of \$122,008. The average ticket price for these events was \$70. Ticket prices range from \$20 to \$1,000, depending on experience packages. This venue may only be competitive to the subject for certain types of events as this venue is utilized more for events hosted at the convention center.

Competitive Property #4



Photo Courtesy of Google Images

Comparable 4 Summary			
Pikes Peak Center - Colorado Springs, CO			
Year open	1982	Rental fees for theater	\$7,500 min vs 10% gross
Property type	Theater	Number of events per year	150
Capacity (people)	2,012	Number of attendees per event	1,431
Estimated paid annual attendance	215,000	Pollstar Box Office events	29
Local (<60 mi) vs. Tourist (>60 mi)	78% / 22%	Pollstar average ticket price	\$63.10
Days open	365	Pollstar average gross revenue	\$90,296
Types of Events	Broadway productions, concerts, comedians, symphony, ballet	Estimated total revenues	\$14,669,415

Source: Hotel & Leisure Advisors

Located in Colorado Springs, Colorado, **Pikes Peak Center** can accommodate up to 2,012 people for a variety of performances. The venue opened in 1982 and has hosted numerous events from Broadway productions to concerts and community events. The venue is also home to the Colorado Springs Philharmonic. El Paso County owns the theater, and it is operated by Broadmoor World Arena. Management states that they host approximately 150 performances each year. According to Pollstar, the venue reported 29 box office events, in which an average of 1,431 tickets were sold per event with an average gross revenue of \$90,296. The average ticket price for these events was \$63.10. Ticket prices range from \$20 to \$200. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject as it may attract similar events.

Competitive Property #5



Photo Courtesy of Google Images

Comparable 5 Summary

Pueblo Memorial Hall - Pueblo, CO

Year open	1919	Rental fees for theater	\$2,400 plus expenses
Property type	Theater	Number of events per year	105
Capacity (people)	1,600	Number of attendees per event	1,200
Estimated paid annual attendance	84,000	Pollstar Box Office events	18
Local (<60 mi) vs. Tourist (>60 mi)	87% / 13%	Pollstar average ticket price	\$52.05
Days open	365	Pollstar average gross revenue	\$52,779
Types of Events	Broadway productions, concerts, comedians, symphony, ballet, meetings	Estimated total revenues	\$1,300,000

Source: Hotel & Leisure Advisors

Pueblo Memorial Hall in Pueblo, Colorado opened in 1919, making it the oldest theater of the comparables. It has hosted a wide variety of events over the years, including concerts by national touring acts, Broadway shows, dance performances, and local productions. It is particularly well known for its strong community presence and the variety of events that it attracts. The venue is owned by the city of Pueblo and is managed by Oakview Group. The theater has a capacity of 1,600 people. Management stated that they hosted 65 ticketed events in 2023 and 70 in 2024. They host 30-40 non-ticketed community-driven events. According to Pollstar, the venue reported 18 box office events, in which an average of 1,014 tickets were sold per event with an average gross revenue of \$52,779. The average ticket price for these events was \$52.05. Ticket prices range from \$20 to \$200. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject as it may attract similar events.

Competitive Property #6



Photo Courtesy of Google Images

Comparable 6 Summary

Vilar Performing Arts Center - Beaver Creek, CO

Year open	1997	Rental fees for theater	N/A
Property type	Theater	Number of events per year	150
Capacity (people)	575	Number of attendees per event	460
Estimated paid annual attendance	46,000	Pollstar Box Office events	3
Local (<60 mi) vs. Tourist (>60 mi)	51% / 49%	Pollstar average ticket price	\$63.23
Days open	365	Pollstar average gross revenue	\$28,833
Types of Events	Broadway productions, concerts, comedians, symphony, ballet, educational performances	Estimated total revenues	\$7,659,337

Source: Hotel & Leisure Advisors

The **Vilar Performing Arts Center** in Beaver Creek, Colorado opened in 1997 with a capacity of 575 people. The venue hosts international artists, touring Broadway productions, and local talent, making it a key cultural hub in the Vail Valley. Additionally, the Vilar Performing Arts Center's proximity to Beaver Creek Resort makes it a popular destination for both locals and visitors, who often combine an evening of entertainment with the resort's outdoor activities. The venue is owned and operated by the Vail Valley Foundation. According to management, they host about 150 events each year, 100 being ticketed events. During the mud-season (April through June), there are no ticketed events, only donor-supported educational programming. According to Pollstar, the venue reported three box office events, in which an average of 456 tickets were sold per event with an average gross revenue of \$28,833. The average ticket price for these events was \$63.23. Ticket prices range from \$30 to \$250. Although it is not in the same market as the subject and has a lower capacity, this venue is analyzed as a regional benchmark for the subject as it may attract some similar events.

Competitive Property #7



Photo Courtesy of Google Images

Comparable 7 Summary

Rialto Theatre - Tucson, AZ

Year open	1922	Rental fees for theater	N/A
Property type	Theater	Number of events per year	225
Capacity (people)	1,300	Number of attendees per event	1,040
Estimated paid annual attendance	234,000	Pollstar Box Office events	477
Local (<60 mi) vs. Tourist (>60 mi)	80% / 20%	Pollstar average ticket price	\$39.70
Days open	365	Pollstar average gross revenue	\$27,671
Types of Events	Broadway productions, concerts, comedians, symphony, ballet	Estimated total revenues	\$6,946,791

Source: Hotel & Leisure Advisors

The **Rialto Theatre** in downtown Tucson, Arizona opened in 1922 and has a capacity of 1,300 people. The theater originally opened as a movie theater and was renovated and restored in the 1990s. The theater is owned and operated by the Rialto Theatre Foundation. It hosts a variety of live music performances, ranging from rock concerts and indie bands to classical performances and cultural events. It is also a hub for community engagement, hosting film screenings, theater productions, dance performances, and other cultural events. According to management, the theater hosted 225 events with most events being concerts.

According to Pollstar, the venue reported 477 box office events, in which an average of 697 tickets were sold per event with an average gross revenue of \$27,671. The average ticket price for these events was \$39.70. Ticket prices range from about \$15 to \$100. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject as it may attract similar events.

Competitive Property #8



Photo Courtesy of Google Images

Comparable 8 Summary

Chandler Center for the Arts - Chandler, AZ

Year open	1989	Rental fees for theater	\$2,000 + labor + 4% gross tkt. sales
Property type	Theater	Number of events per year	80
Capacity (people)	1,500	Number of attendees per event	1,200
Estimated paid annual attendance	60,000	Pollstar Box Office events	9
Local (<60 mi) vs. Tourist (>60 mi)	97% / 3%	Pollstar average ticket price	\$52.40
Days open	365	Pollstar average gross revenue	\$59,422
Types of Events	Broadway productions, concerts, comedians, symphony, ballet	Estimated total revenues	\$3,018,271

Source: Hotel & Leisure Advisors

The **Chandler Center for the Arts**, located in Chandler, Arizona, opened in 1989 with a seating capacity of 1,500 people. This modern performing arts center is designed to accommodate a wide variety of events, including concerts, theater productions, dance performances, community gatherings, and educational programs. It also has smaller spaces such as the Gallery, showcasing local and regional visual art exhibitions, and a Black Box Theater for smaller productions, workshops, and more experimental performances. The facility also provides rehearsal and meeting spaces. The venue is owned and operated by the city of Chandler. According to management, the theater underwent an \$8 million renovation and is budgeted for another \$6.7 million renovation in 2025. The theater only has paid ticketed events Fridays through Sundays and free community events are hosted Mondays through Thursdays. According to Pollstar, the venue reported nine box office events, in which an average of 1,134 tickets were sold per event with an average gross revenue of \$59,422. The average ticket price for these events was \$52.40. Ticket prices range from \$20 to \$150. Although it is not in the same market as the subject, this venue is analyzed as a regional benchmark for the subject as it may attract similar events.

DEMOGRAPHIC COMPARISON OF SUBJECT VERSUS COMPARABLE THEATER PROPERTIES

The success of the proposed theater is closely tied to demographics and income levels within its market area. For this analysis, we have defined the subject's market area as the 30-minute, 60-minute, and 90-minute drive from the site. In this section, we will compare attendance, population, and income figures from these defined areas to figures within the same drive time areas surrounding eight comparable theater properties.

The following tables present a comparison of drive time areas surrounding the subject site and each of the comparable theater locations. The figures presented in this section were generated by the Environmental Systems Research Institute (ESRI) and are based on official data from the U.S. Census Bureau.

Population: The following table presents the drive time resident population for the subject site and the comparable property market areas. It also shows each venue's annual attendance per population for each drive time area.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Market Analysis

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Attendance at Comparable Theaters							
	Annual Attendance	Total Population within 30 min. drive	Attendance per 30 min. pop.	Total Population within 60 min. drive	Attendance per 60 min. pop.	Total Population within 90 min. drive	Attendance per 90 min. pop.
Subject		137,953		344,072		1,129,794	
Lensic Performing Arts Center - Santa Fe, NM	37,000	133,285	0.28	352,764	0.10	1,127,913	0.03
Popejoy Hall - Albuquerque, NM	87,000	755,433	0.12	1,019,917	0.09	1,113,690	0.08
Kiva Auditorium - Albuquerque, NM	48,000	754,983	0.06	1,020,415	0.05	1,113,500	0.04
Pikes Peak Center - Colorado Springs, CO	215,000	719,760	0.30	1,600,118	0.13	4,050,841	0.05
Pueblo Memorial Hall - Pueblo, CO	84,000	169,790	0.49	894,719	0.09	1,294,341	0.06
Vilar Performing Arts Center - Beaver Creek, CO	46,000	27,905	1.65	79,113	0.58	154,253	0.30
Rialto Theatre - Tucson, AZ	234,000	935,602	0.25	1,148,244	0.20	1,671,977	0.14
Chandler Center for the Arts - Chandler, AZ	60,000	1,955,020	0.03	4,841,433	0.01	5,251,379	0.01
Average of Comparables	101,375	681,472	0.15	1,369,590	0.07	1,972,237	0.05

Sources: Hotel & Leisure Advisors, ESRI 2024 Estimates

Among the competitive set, the theaters with the largest surrounding market populations are those in the Denver and Phoenix areas. If we apply the average attendance per 60 minute population of the profiled venues of 0.07 times the available population within 60 minutes of 344,072 people, this equals a projected attendance of 24,085. If we apply the average attendance per 90 minute population of the profiled venues of 0.05 times the available population within 90 minutes of 1,129,794 people equals a projected attendance of 56,490.

Median Household Income: We have analyzed the U.S. median household income around each of the drive time areas for the subject site and comparable locations. Income levels on a per capita, per family, or household basis indicate the economic level of the residents of the market area and form an important component of this total analysis. More directly, household income, when combined with the number of people, is a major determinate of an area's sales potential. The following table presents current median household income levels for the drive times surrounding the subject site and each of the comparable properties.

2024 U.S. Median Household Income Near Comparable Theaters			
	Median Household Income within 30 min. drive	Median Household Income within 60 min. drive	Median Household Income within 90 min. drive
Subject	\$77,918	\$79,551	\$72,150
Lensic Performing Arts Center - Santa Fe, NM	\$78,697	\$79,458	\$72,187
Popejoy Hall - Albuquerque, NM	\$70,143	\$70,851	\$70,632
Kiva Auditorium - Albuquerque, NM	\$70,160	\$70,845	\$70,638
Pikes Peak Center - Colorado Springs, CO	\$88,157	\$99,283	\$99,094
Pueblo Memorial Hall - Pueblo, CO	\$60,558	\$79,245	\$89,843
Vilar Performing Arts Center - Beaver Creek, CO	\$108,045	\$102,150	\$103,291
Rialto Theatre - Tucson, AZ	\$66,679	\$69,443	\$75,366
Chandler Center for the Arts - Chandler, AZ	\$89,069	\$86,960	\$87,179
Average of Comparables	\$78,939	\$82,279	\$83,529

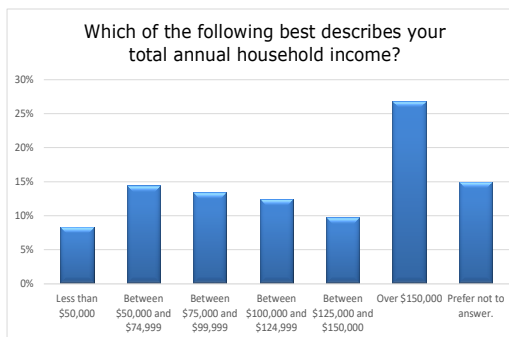
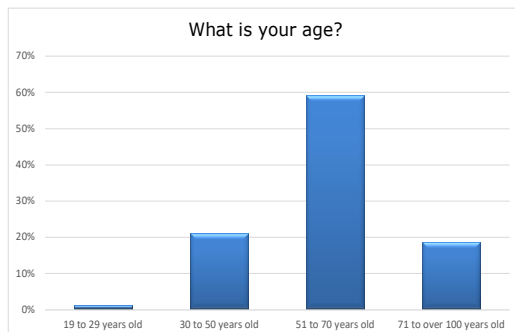
Sources: Hotel & Leisure Advisors, ESRI 2024 Estimates

While the market areas surrounding the three theaters in Colorado have the highest income levels of the group, the median household income in the Santa Fe market area is in the lower quartile of the range when compared to the full set of comparables. This analysis indicates that the proposed pricing structure for the subject should be below the average compared to other theaters in the region.

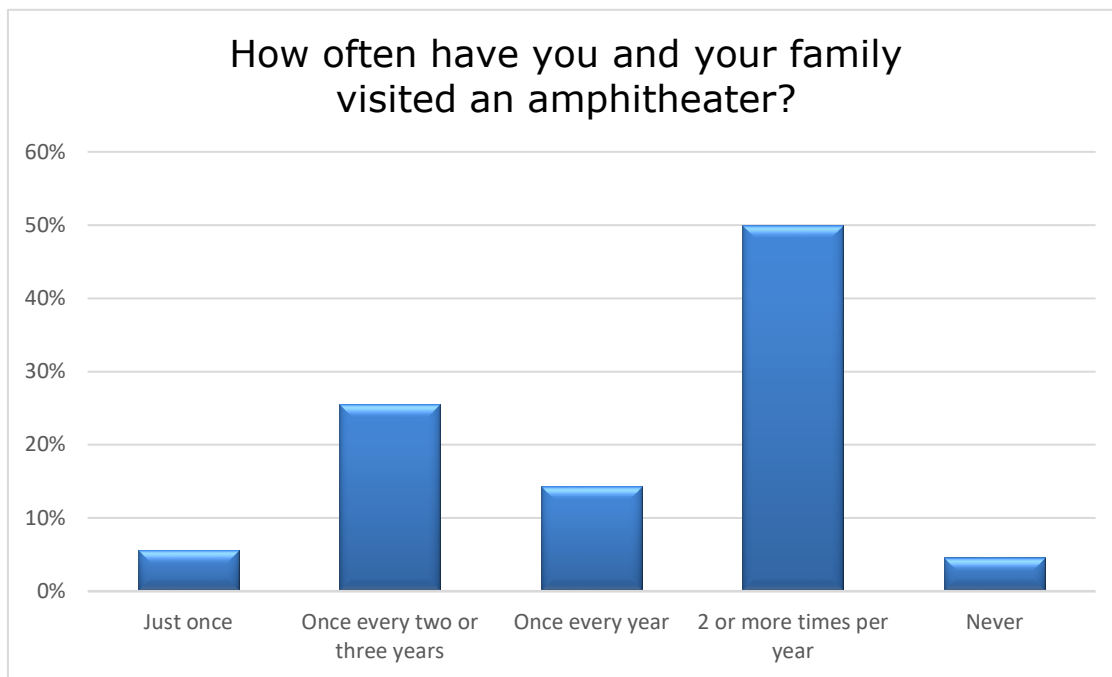
SURVEYMONKEY SUMMARY

Hotel & Leisure Advisors worked with Santa Fe County and the City of Santa Fe to conduct a survey of residents, visitors, and members of the performance arts community. The survey asked respondents about developing a regional open-air concert and performance venue. There were questions about interest in a new venue, types of events, amenities, seating, pricing, and location. Responses were collected from November 28 to December 17, 2024. During that time, 768 people responded to the survey. Complete survey results and open-ended responses are included in the addenda of our final report.

Respondents' Demographics:



- Most of the respondents are in the 51-70 age range. 1% are in the 19 – 29 year old range, 21% are in the 30 – 50 year old range, 59% are in the 51 – 70 year old range, and 19% are in the 71 - 100 year old range.
- Approximately 8% of households earn less than \$50,000, 14% earn between \$50,000 and \$75,000, 13% earn between \$75,000 and \$100,000, 12% earn between \$100,000 and \$125,000, 10% earn between \$125,000 and \$150,000, and 27% earn an annual income above \$150,000; 15% chose not to answer.
- Of the 663 responders who provided their zip code, most of them (89%) live in Santa Fe, primarily in the 87505 (30%), 87507 (18%), and 87508 (23%) zip codes.
- When asked how often they have visited an amphitheater, 50% of responders said 2 or more times per year, 14% once every year, 26% once every two or three years, and 6% just once. 5% of responders have never visited an amphitheater.

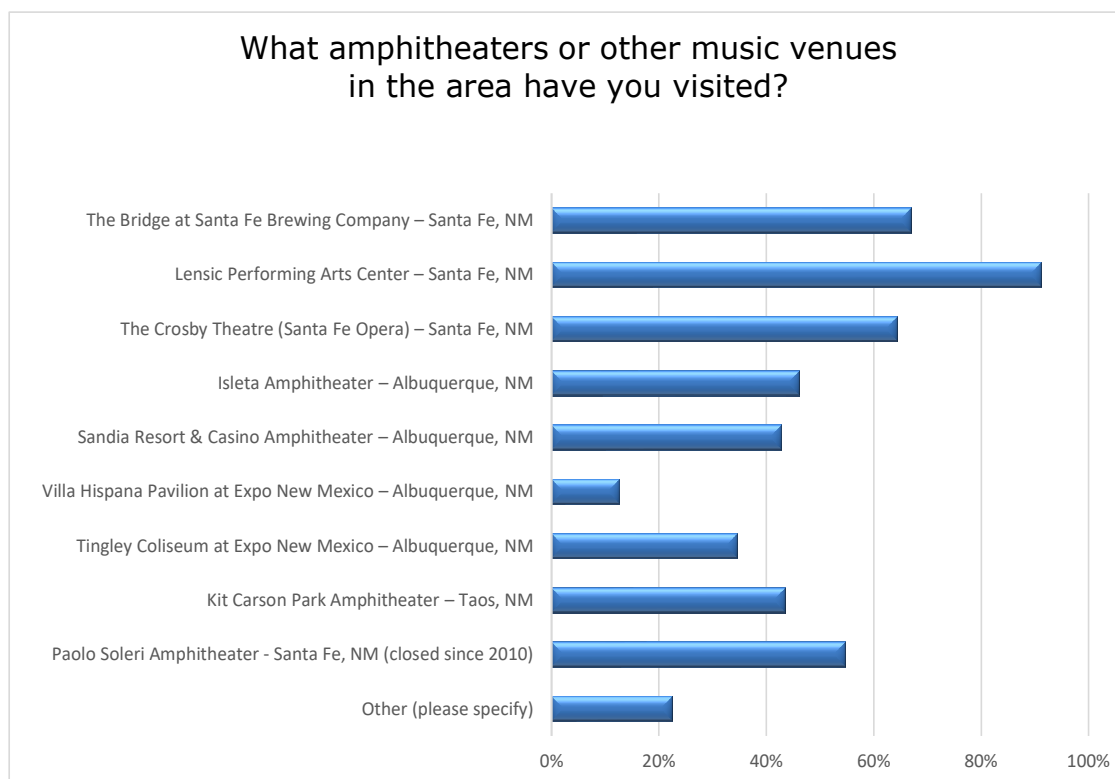


Key Findings:

- Respondents are interested in a new amphitheater.
- They prefer live music, national bands, and rock music
- Important amenities include food trucks, lawn and covered seating, and multiple comments included sufficient permanent restrooms.
- The summer months (May – September) are the most popular for visiting.
- Most respondents are willing to pay up to \$110 for reserved seating and up to \$60 for lawn seating for a national act.
- The most popular location was southwest of Santa Fe between State Routes 599 and 14.

About the Amphitheater

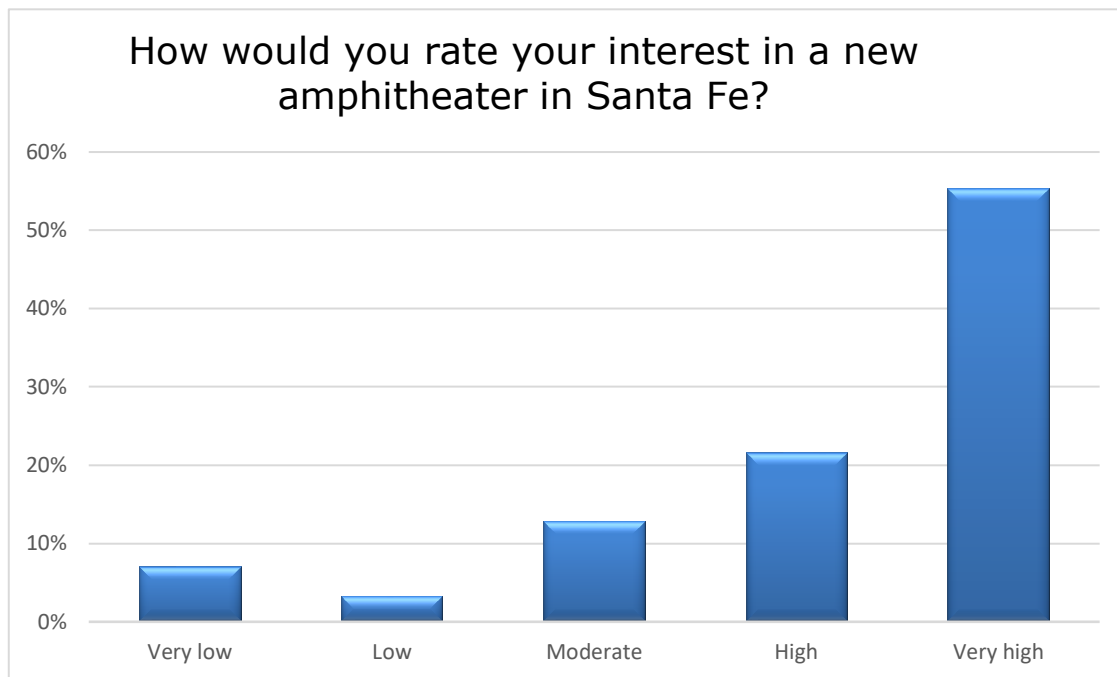
Respondents were asked what amphitheaters or other music venues they had visited in the area. The most popular was the Lensic Performing Arts Center in Santa Fe (91%) followed by The Bridge at Santa Fe Brewing Company (67%), and The Crosby Theatre (64%) where the Santa Fe Opera performs.



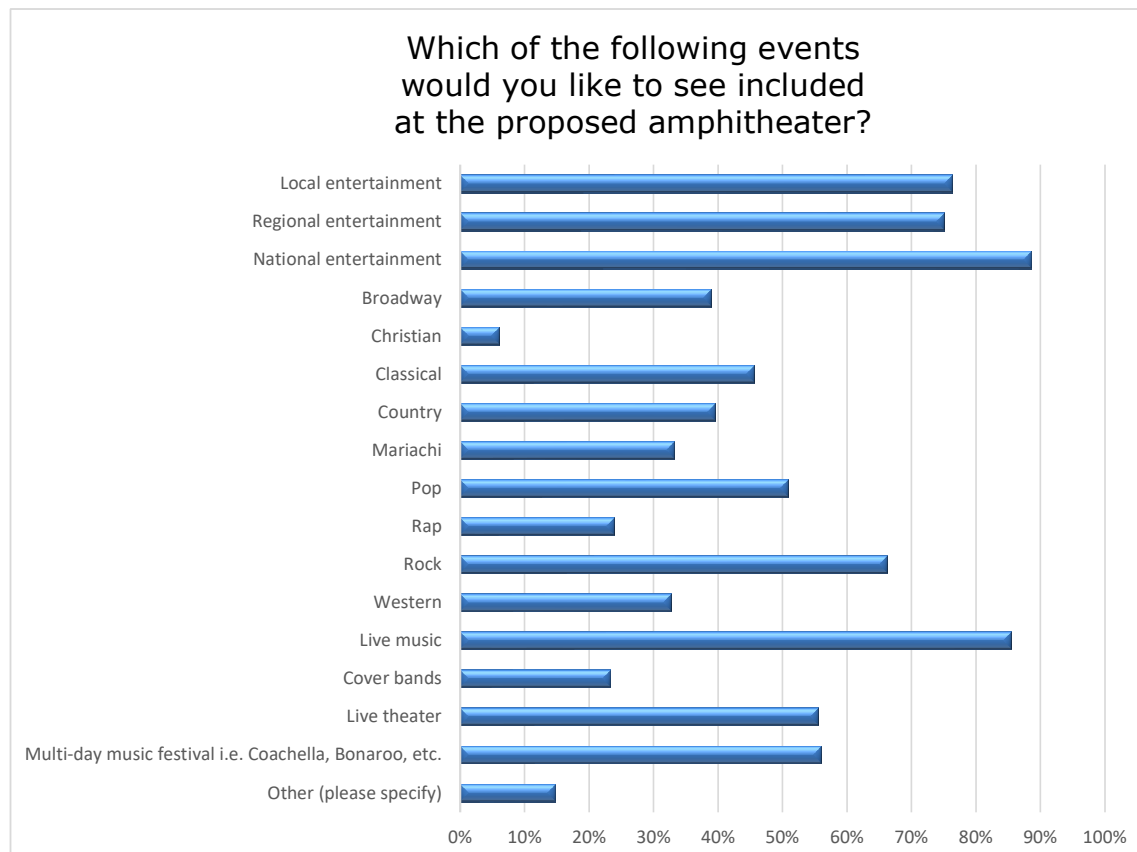
Other local venues mentioned in the survey included Santa Fe Plaza, Santa Fe Rodeo, Santa Fe Botanical Garden, Santa Fe Railyard, and Meow Wolf Santa Fe – House of Eternal Return. Respondents had nice memories of the Paolo Soleri Amphitheater which closed in 2010 and the Downs at Santa Fe which is owned by Pojoaque Pueblo and is currently being razed. Outside of

New Mexico, respondents mentioned visiting Red Rocks Park & Amphitheatre in Morrison, CO, Ford Amphitheater in Colorado Springs, CO, and the Hollywood Bowl in Hollywood, CA.

Respondents were asked if they were interested in a new amphitheater in Santa Fe. 77% rated their interests as high or very high.



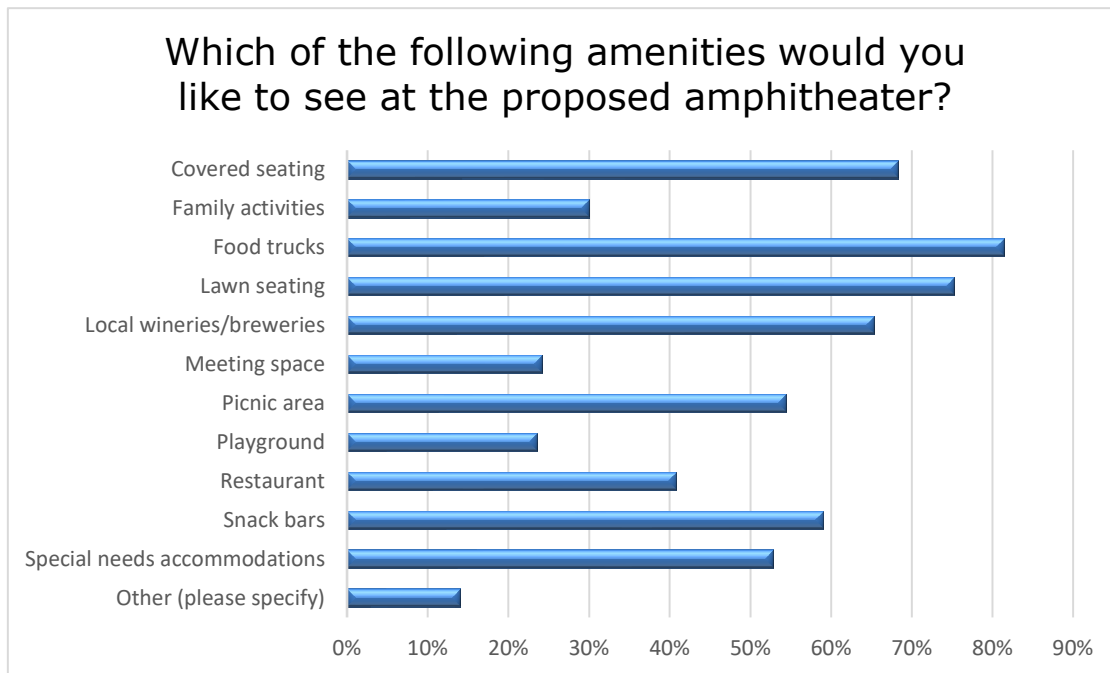
Respondents were given a list of various events that could be held at the amphitheater. National entertainment was more popular than regional or local. Rock and pop were the favored types of music. Live music was very popular with live theater and multi-day music festivals equally liked.



Other suggestions included:

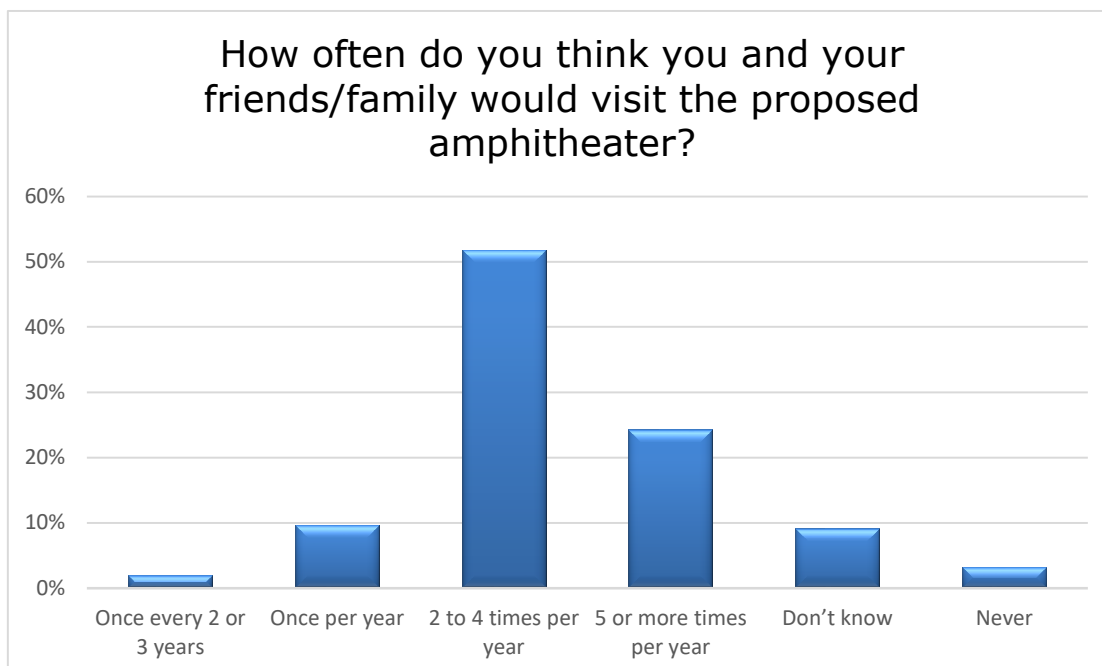
- Jazz, folk, indie rock, punk rock, reggae, and world music
- Comedy, drag/burlesque, modern dance, folk dance, and Native American dances and singing
- International musicians, and Indigenous performers
- Outdoor films, outdoor speakers/lectures
- Local school productions from all levels — elementary, junior high, high school, college

When asked about the amenities they would like to see at the proposed amphitheater, 81% of respondents preferred food trucks followed by 75% preferring lawn seating and 68% preferring covered seating. A playground and meeting space were the least popular at 24%.

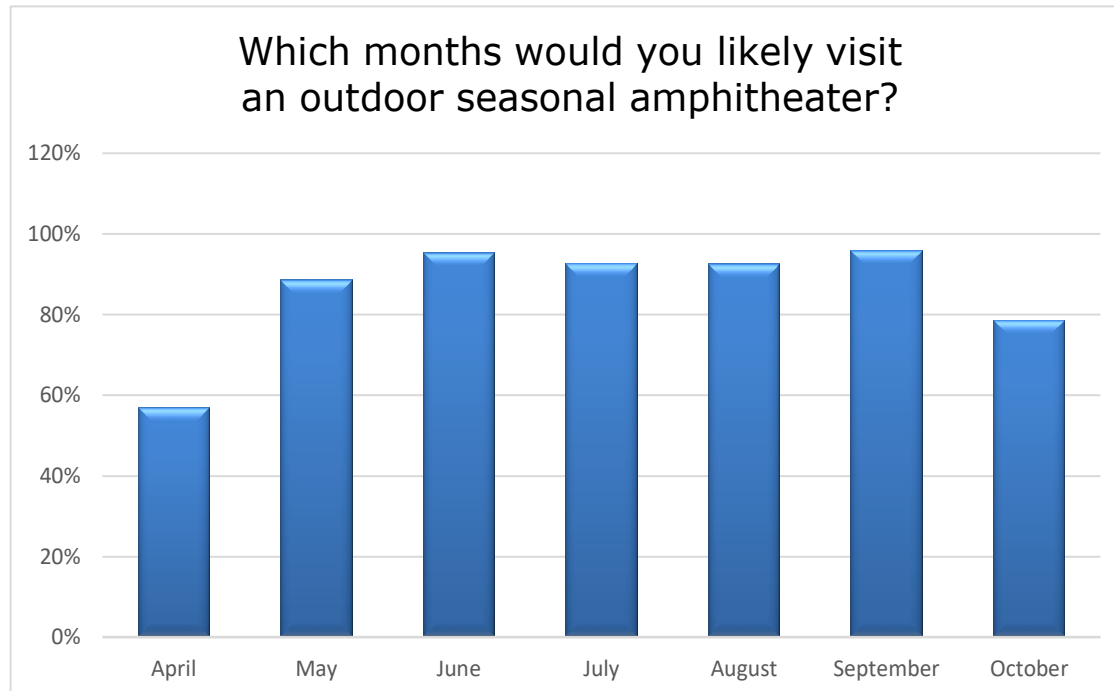


Other amenities suggested included plentiful permanent restrooms, water stations, supplemental indoor performance space, well-laid-out parking facilities, walking trails around the area, and seats with backs.

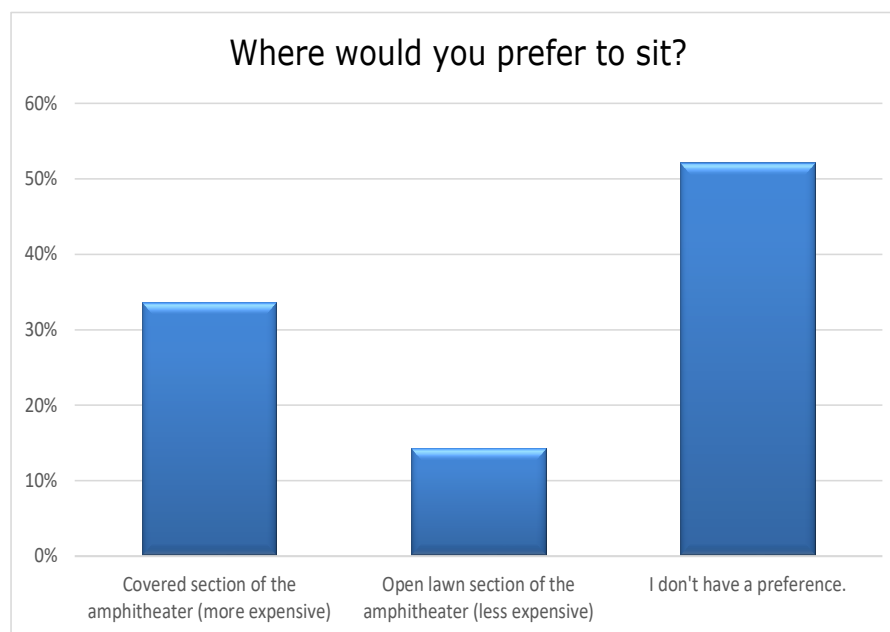
When asked how often they think they would visit the proposed outdoor amphitheater, 52% of responses would visit two or more times per year, 24% would visit 5 or more times per year, 10% would visit once per year, and 2% would visit once every two or three years. 9% did not know, and 3% would never visit the proposed outdoor amphitheater.



We asked respondents when they are likely to visit the outdoor seasonal amphitheater. September was most popular at 96%, followed by June at 95%. July and August were tied at 93%, followed by May at 89% and October at 79%. April was the least popular at 57%.

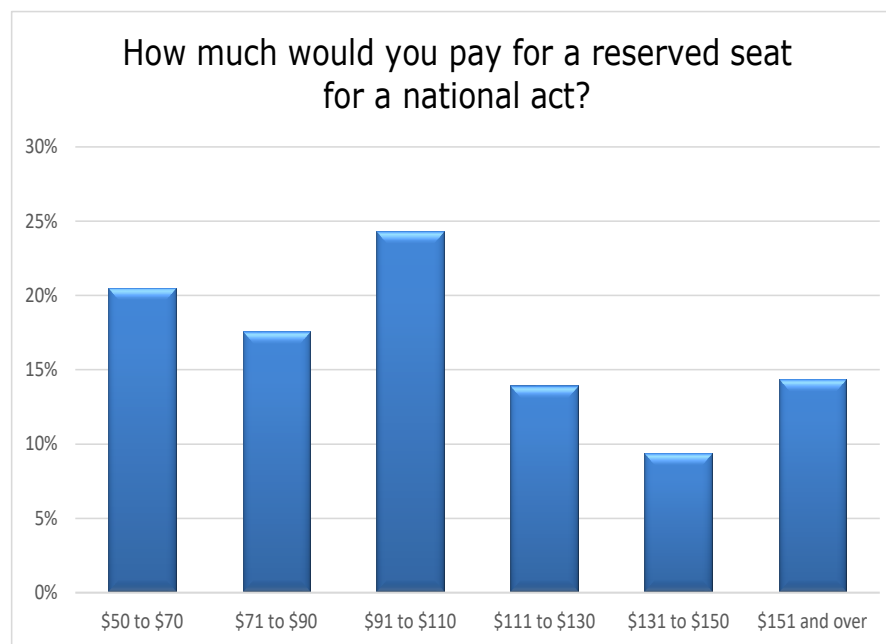


Respondents were asked where they would prefer to sit at the outdoor amphitheater. A little over half (52%) of respondents did not have a preference, while 34% preferred the more expensive covered section and 14% preferred the less expensive open lawn section.

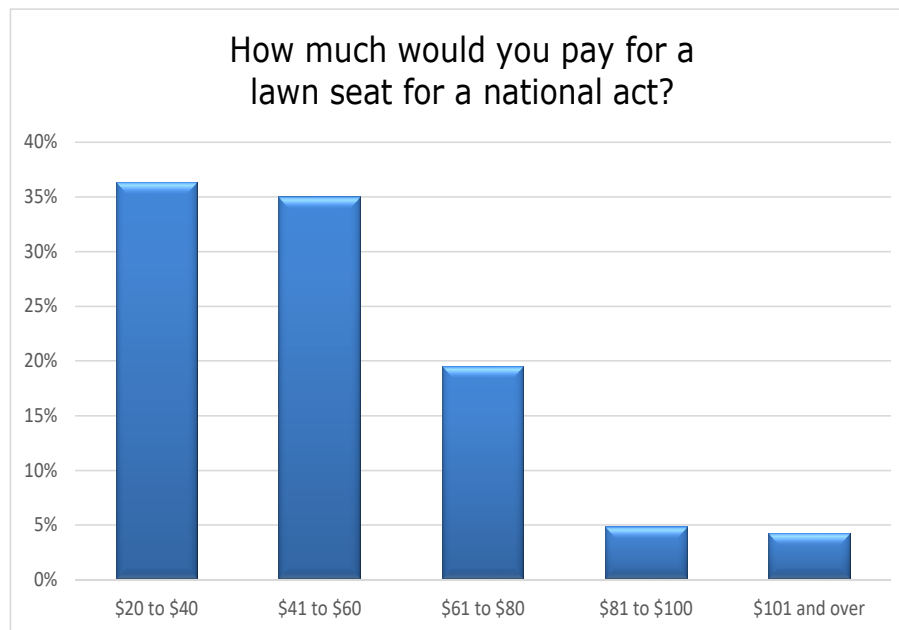


Pricing

Respondents were asked how much they would pay for a reserved seat for a national act at the outdoor amphitheater. 21% said they would be willing to pay \$50 to \$70 per seat, 18% said they would be willing to pay \$71 to \$90, 24% said they would be willing to pay \$91 to \$110, and 14% said they would be willing to pay \$111 to \$130. The remaining 24% would be willing to pay \$131 or more for a reserved seat for a national act.

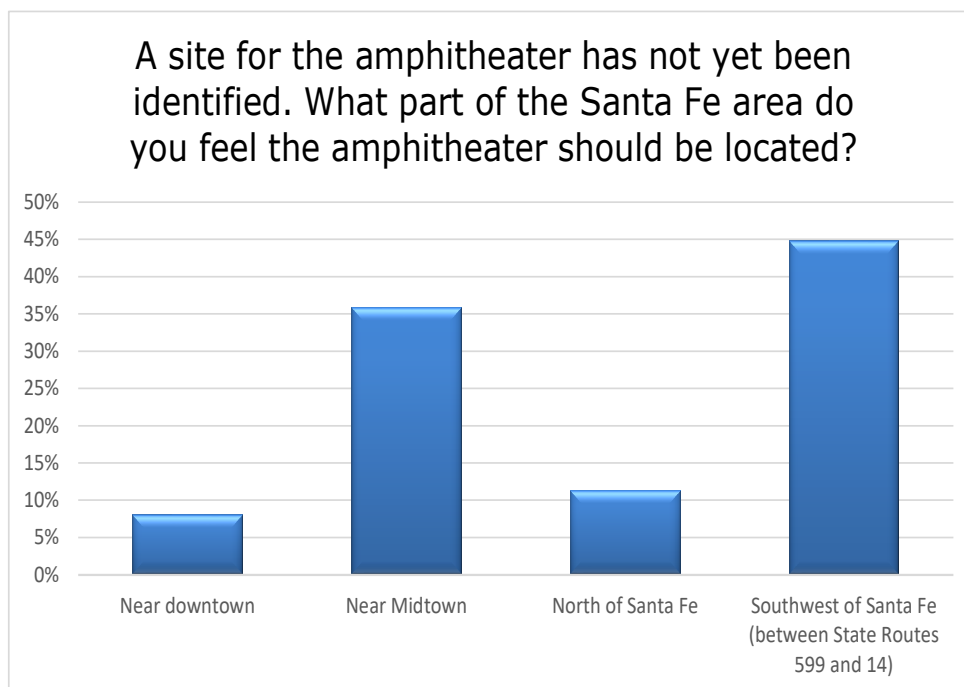


Respondents were also asked how much they would pay for a lawn seat for a national act at the outdoor amphitheater. 36% said they would be willing to pay \$20 to \$40 a seat, 35% said they would be willing to pay \$41 to \$60, and 20% said they would be willing to pay \$61 to \$80. The remaining 9% would be willing to pay \$81 or more for a lawn seat for a national act.



Location

When respondents were asked about the location of the proposed amphitheater, the most popular (45%) was southwest of Santa Fe between State Routes 599 and 14, followed by 36% selecting near Midtown. North of Santa Fe and near downtown were the least popular at 11% and 8% respectively.



Open-Ended Responses

In the final survey question, 395 respondents added open-ended comments expressing their opinions about the proposed amphitheater project:

- *So glad we're talking about this! Santa Fe has become the hub within New Mexico for live music, and this is a size/type of venue that would get a lot of use.*
- *Plan! Plan for easy access, parking, public transportation, and safety! Design seating (fixed or lawn) for good visibility and comfort, taking crowd capacity into account. Consider acoustics.*
- *This is an opportunity for Santa Fe to take its entertainment choices up 2 to 3 levels. A multi-use facility with prices ranging from covered seating to the lawn seating is outstanding.*
- *Will this only be for musical and theater events? What about local events like July 4th fireworks and Zozobra? And absolutely must factor plenty of parking, more than one ingress/egress and ample lighting*
- *We have sorely missed Paolo Soleri and a new amphitheater would be a huge addition to Santa Fe and would, surely, attract many outstanding musicians.*
- *We actually need a better indoor performing arts center more than an amphitheater*
- *Santa Fe is a hub for art and culture in the Southwest and there are already many performance art spaces. I do not believe it is a priority for taxpayer dollars. However, if an amphitheater is built a focus should be on promoting and hosting regional and local talent and performances. Accessible to community groups and schools and not so expensive for attendance and to rent. Locally ran and a business model where big-ticket events can keep the lights on but allow school groups and local non profits to use it for little to no cost.*
- *SFIS is already receiving state funding to refurbish their amphitheater, also the mid-town Greer Garson stands unused and somehow is in the process of getting rid of physical equipment like instruments. The county and city would be better off leveraging existing structures, resources, and funding on one of these two venues. If the county and city have funding for an amphitheater project, they should instead use that funding to address more pressing needs of the areas including public safety, road improvements, trail development, and utility/infrastructure improvement.*

Conclusion

Overall, results from this survey show that people like the idea of the proposed amphitheater. According to the comments, people enjoyed going to the Paolo Soleri Amphitheater, which closed in 2010, and would like to visit something similar. Of the 768 people who completed the survey, approximately 77% reported that they have at least a high to very high interest in a new amphitheater. Additionally, 52% of the respondents reported that they would visit the amphitheater two to four times per year and 24% claimed they would visit five or more times per year, indicating that there is strong demand for an amphitheater in the area.

SWOT ANALYSIS OF SUBJECT – AMPHITHEATER

We assessed the projected competitive position of the proposed subject property as it compares to the defined competitive amphitheater supply in the following SWOT analysis.

Strengths

- The consumer behavior analysis shows there is a substantial base of potential consumers for a proposed amphitheater.
- The subject will offer another feature to the city's established arts culture.
- The subject will offer a new and attractive facility with a wide range of seating, concessions, and event space. Many of the amphitheater facilities in the region do not offer covered seating.
- Santa Fe is surrounded by mountains and the proposed amphitheater could be developed in an area capturing picturesque mountain views, similar to the comparables in Colorado.

Weaknesses

- The population and median household income levels within a 30- and 60-minute drive around the subject site are less than many of the comparable facilities indicating that a greater number of people will need to travel longer distances. The subject will need to attract a larger percentage of visitors from the Albuquerque area.
- There are two amphitheaters in the Albuquerque area: Sandia Resort and Casino Amphitheatre and Isleta Amphitheater. The subject would need to attract people from the Albuquerque market, which has the greatest population within 90 miles of Santa Fe.
- The climate in the area is not favorable for year-round outdoor events and would be closed from November through April.

Opportunities

- The closing of the Paolo Soleri Amphitheater in 2010 created a demand for an outdoor music venue that has not been satisfied.
- The proposed amphitheater has the capability to draw performers to a venue that is similar in size to the Sandia Resort and Casino Amphitheatre but does not want to be associated with a casino for performances.
- The Albuquerque-Santa Fe DMA has a low number of tickets sold per population compared to the average comparable DMAs, which indicates a potential demand for more concert venues.
- The demand survey results indicated strong interest in the development of an amphitheater in the area with most respondents wanting to visit two to four times per year.

Threats

- A similar venue or attraction may be developed that could compete with the subject.

PROJECTED DEMAND ANALYSIS

Based on interviews with representatives of the proposed subject, comparable amphitheatres, knowledge of the market area, and consideration of factors such as competent and efficient management, a well-defined marketing program, the subject's location, and the quality of its facility, we estimated future demand for the proposed amphitheater. In this section, we estimated the number of events and their attendance for the subject.

Days Open: The proposed amphitheater is anticipated to be open throughout the year for approximately 180 days and closed during the winter months.

Projected Subject Demand

Our demand analysis considers that the subject will be used by multiple types of attendees and events.

Concerts: We forecast concerts and performances to be held at the amphitheater during the spring, summer, and fall seasons. Our size recommendation of approximately 4,500 seats for the amphitheater allows for a variety of tier 2 to 4 type bands and musical events to utilize the subject property.

Concerts - Forecasted Demand			
Proposed Amphitheater			
First Year - 2027			
	Number of events	Estimated attendance per event	Total
Concerts			
Outdoor Concerts (including lawn seats)	25	3,375	84,375
Concerts in covered seating area	5	1,600	8,000
Total	30	3,079	92,375

Source: Hotel & Leisure Advisors

Corporate and social events: The covered stage area can be made available for corporate and social events when concerts are not typically held on slower weekdays.

Corporate and Social Events - Forecasted Demand

Proposed Amphitheater

First Year - 2027

	Number of events	Attendance per event	Total
Corporate & Social Events			
Meetings	5	200	1,000
Social Events	10	500	5,000
Total corporate and social events	15	400	6,000

Source: Hotel & Leisure Advisors

Other Events: We forecast the subject to host a variety of other events that could include graduations, school events, festival events, and community events. It may also host political or community rallies and events, consumer shows, family shows and other events.

Other Events - Forecasted Demand

Proposed Amphitheater

First Year - 2027

	Number of events	Estimated attendance per event	Total
Other events			
Graduations/schools	5	500	2,500
Associations/festival days	5	800	4,000
Community events	5	800	4,000
Total	15	700	10,500

Source: Hotel & Leisure Advisors

The following table projects the number of events, average attendance per event, and total attendance for the amphitheater. We project average attendance growth rates for all event types of 3.5% in the second year of the analysis, 2.5% in the third year of the analysis, and 1.5% in the fourth year of the analysis which is considered the stabilized year. Our projections may vary from the following forecast depending upon which site is selected.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Amphitheater

D-4

Forecasted Number of Events and Attendance						
Proposed Amphitheater						
	2027	2028	2029	2030	2031	2032
Concerts						
Number of events	30	32	33	34	34	34
Attendance per event	3,079	3,079	3,079	3,079	3,079	3,079
Average price per attendee	\$75	\$79	\$82	\$84	\$87	\$89
Total visitors per year	92,375	96,994	100,874	103,900	103,900	103,900
Total revenue	\$6,928,125	\$7,638,258	\$8,261,540	\$8,764,667	\$9,027,607	\$9,298,436
Corporate & Social Events						
Number of events	15	15	15	15	15	15
Attendance per event	400	400	400	400	400	400
Average price per attendee	\$30	\$32	\$33	\$34	\$35	\$36
Total visitors per year	6,000	6,120	6,181	6,181	6,181	6,181
Total revenue	\$180,000	\$192,780	\$202,496	\$208,571	\$214,828	\$221,273
Other events						
Number of events	15	15	15	15	15	15
Attendance per event	700	700	700	700	700	700
Average price per attendee	\$20	\$21	\$22	\$22	\$23	\$24
Total visitors per year	10,500	10,710	10,817	10,817	10,817	10,817
Total revenue	\$210,000	\$224,910	\$236,245	\$243,333	\$250,633	\$258,152
Total						
Number of events	60	62	64	65	65	65
Attendance per event	1,817	1,817	1,817	1,817	1,817	1,817
Average price per attendee	\$67	\$71	\$73	\$76	\$78	\$80
Total visitors per year	109,000	114,000	118,000	121,000	121,000	121,000
Total revenue	\$7,318,000	\$8,046,000	\$8,661,000	\$9,148,000	\$9,422,000	\$9,705,000
Visitors per seat (4,500)	24	25	26	27	27	27
Demand Segmentation						
Corporate & Social Events	25%	25%	24%	24%	24%	24%
Concerts	50%	51%	51%	52%	52%	52%
Other events	25%	25%	24%	24%	24%	24%

Source: Hotel & Leisure Advisors

Attendance Comparable Attractions vs. Subject Projections			
	Seating	Annual Attendance	Attendance per Seat
The Santa Fe Opera - Santa Fe, NM	2,232	64,000	29
The Bridge at Santa Fe Brewing - Santa Fe, NM	1,400	40,000	29
Isleta Amphitheater - Albuquerque, NM	15,000	312,000	21
Sandia Resort & Casino Amphitheatre - Albuquerque, NM	4,100	39,000	10
Kit Carson Park Amphitheater - Taos, NM	8,000	38,000	5
Lake Dillon Amphitheatre - Dillon, CO	3,000	116,000	39
Red Rocks Amphitheatre - Morrison, CO	9,525	396,000	42
Gerald R Ford Amphitheater - Vail, CO	2,565	164,000	64
Proposed Amphitheater-Santa Fe	4,500	118,000	26

Source: Hotel & Leisure Advisors

Our estimated visitors per seat of 27 in a stabilized year is at the middle of the range of comparable venues of 5 to 60. Our estimate considers the demographics, tourism, and competitive landscape for amphitheaters in the local market.

The stabilized usage level is intended to reflect the property's anticipated results over its remaining economic life, given all changes in the life cycle of the amphitheater and assuming continual reinvestment in the facility. Thus, the stabilized usage level excludes any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low usage levels. Although the subject property may operate at usage levels above this stabilized level, we believe it equally possible for shifts in the local economy and changes in the market's demand patterns to force the usage level below this selected point of stability.

Our estimates as outlined in this section of the report are predicated on the following assumptions:

1. The subject will be professionally managed and maintained;
2. The subject will be effectively promoted with a well-targeted marketing program throughout the analysis period;
3. A continued program of periodic replacement of furniture, fixtures, and equipment will continue throughout the analysis period to help maintain the efficiency of operation for the subject.

INTRODUCTION

To estimate the statement of annual operating results of the subject amphitheater, we analyzed the scope and characteristics of the amphitheater development. We have identified operating statements of comparable properties and reviewed industry standards for comparable properties in forecasting the financial performance of the subject.

The general steps include the following:

- Estimated the potential gross revenues for the subject property based upon an examination of the operating history of comparable properties in the subject market area and on a national basis, and an analysis of industry trends.
- Analyzed departmental, undistributed, and fixed expenses, and project appropriate amounts in each category.
- Projected the resultant net operating income (cash flow before debt service) over an appropriate holding period.

Account classifications generally conform to the standards presented in the International Association of Venue Managers Operating Expense and Revenue Survey. All percentages or amounts per visitor presented in the following pages were first computed on the basis of the revenue and expenses expressed in constant dollars and then inflated. All dollar amounts are expressed in stated year dollars unless otherwise noted.

The prospective financial analysis is based on the results of operations of comparable facilities, industry standards, and projections regarding the future environment in which the venue will operate. This includes the assumption that the property will be operated in a competent and professional manner and will be properly advertised and promoted.

Financial Comparables: We considered the performance of comparable amphitheaters and compiled a group of eight amphitheater facilities using their Form 990 Reports and financial statements provided by the local government offices.

The following statements present comparable amphitheater operating results.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Financial Projections - Amphitheater

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Comparable Amphitheater Financial Statements																
	Rose Music Center at the Heights - Dayton, OH - 2022				Longs Park Amphitheater Foundation - Lancaster, PA - 2022				Kenley Amphitheater - Davis Arts Council - Layton, UT - 2022				Peter Britt Gardens Music & Arts Festival Association - Medford, OR - 2022			
Capacity	4,200				5,000				1,800				2,200			
Attendance	84,800				88,000				30,200				52,568			
	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee
Revenues																
Admissions	\$6,342,770	73.3%	\$1,510	\$74.80	\$343,741	56.3%	\$69	\$3.91	\$628,412	60.0%	\$349	\$20.81	\$2,863,709	52.7%	\$1,302	\$54.48
Food and Beverage	1,404,194	16.2%	334	16.56	10,350	1.7%	2	0.12	-	-	-	-	-	-	-	-
Retail	119,614	1.4%	28	1.41	2,974	0.5%	1	0.03	-	-	-	-	-	-	-	-
Rentals and Other Income (Net)	4,490	0.1%	1	0.05	1,500	0.2%	0	0.02	-	-	-	-	99,710	1.8%	45	1.90
Contributions/Grants/Fundraising	-	-	-	-	252,471	41.3%	50	2.87	415,345	39.7%	231	13.75	2,431,326	44.8%	1,105	46.25
Sponsorships	446,431	5.2%	106	5.26	-	-	-	-	-	-	-	-	-	-	-	-
Parking / Other	335,882	3.9%	80	3.96	-	-	-	-	3,658	0.3%	2	0.12	34,289	0.6%	16	0.65
Total Operating Revenue	8,653,381	100.0%	2,060	102.04	611,036	100.0%	122	6.94	1,047,415	100.0%	582	34.68	5,429,034	100.0%	2,468	103.28
Cost of Sales																
Food and Beverage	372,381	26.5%	89	4.39	-	-	-	-	-	-	-	-	-	-	-	-
Total Departmental Expenses	372,381	4.3%	89	4.39	0				0				0			
Total Departmental Profit	8,281,000	95.7%	1,972	97.65	611,036	100.0%	122	6.94	1,047,415	100.0%	582	34.68	5,429,034	100.0%	2,468	103.28
Undistributed Operating Expenses																
Talent/Labor	4,695,654	54.3%	1,118	55.37	51,880	8.5%	10	0.59	335,965	32.1%	187	11.12	1,353,919	24.9%	615	25.76
Administrative & General	227,593	2.6%	54	2.68	43,826	7.2%	9	0.50	20,714	2.0%	12	0.69	358,265	6.6%	163	6.82
Sales & Marketing	462,856	5.3%	110	5.46	20,312	3.3%	4	0.23	52,826	5.0%	29	1.75	69,071	1.3%	31	1.31
Operating Supplies/Utilities	744,664	8.6%	177	8.78	362,546	59.3%	73	4.12	605,750	57.8%	337	20.06	2,571,166	47.4%	1,169	48.91
Prop. Oper. & Maintenance	94,483	1.1%	22	1.11	-	-	-	-	-	-	-	-	50,107	0.9%	23	0.95
Total Undistributed Oper. Expenses	6,225,250	71.9%	1,482	73.41	478,564	78.3%	96	5.44	1,015,255	96.9%	564	33.62	4,402,528	81.1%	2,001	83.75
Gross Operating Profit	2,055,750	23.8%	489	24.24	132,472	21.7%	26	1.51	32,160	3.1%	18	1.06	1,026,506	18.9%	467	19.53
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Non-Oper. Expenses	2,055,750	23.8%	489	24.24	132,472	21.7%	26	1.51	32,160	3.1%	18	1.06	1,026,506	18.9%	467	19.53
Non-Operating Expenses																
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	146,242	1.7%	35	1.72	1,286	0.2%	0	0.01	6,921	0.7%	4	0.23	124,882	2.3%	57	2.38
Total Non-Operating Expenses	146,242	1.7%	35	1.72	1,286	0.2%	0	0.01	6,921	0.7%	4	0.23	124,882	2.3%	57	2.38
EBITDA Less Reserve	\$1,909,508	22.1%	\$455	\$ 22.52	\$131,186	21.5%	\$26	\$ 1.49	\$25,239	2.4%	\$14	\$ 0.84	\$901,624	16.6%	\$410	\$ 17.15

Source: Form 990 Reports; Rose Music Center - City of Huber Heights, OH financial statements

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Financial Projections - Amphitheater

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Comparable Amphitheater Financial Statements																	
	Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO					Tuacahn Center for the Arts - Ivins, UT				Vail Valley Foundation - Avon, CO				Red Rocks Amphitheater - Morrison, CO			
	2022				2022				2021				2023				
Capacity	7,739				1,920				2,600				9,525				
Attendance	269,132				284,300				90,000				1,400,000				
	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	
Revenues																	
Admissions	\$15,253,699	56.3%	\$1,971	\$56.68	\$14,553,485	72.1%	\$7,580	\$51.19	\$6,155,170	41.0%	\$2,367	\$68.39	\$11,437,201	18.8%	\$1,201	\$8.17	
Food and Beverage	3,486,650	12.9%	451	12.96	1,886,645	9.3%	983	6.64	-	-	-	-	24,667,983	40.5%	2,590	17.62	
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rentals and Other Income (Net)	333,855	1.2%	43	1.24	1,762,170	8.7%	918	6.20	1,151,337	7.7%	443	12.79	15,363,667	25.2%	1,613	10.97	
Contributions/Grants/Fundraising	7,344,055	27.1%	949	27.29	1,977,284	9.8%	1,030	6.95	7,708,720	51.3%	2,965	85.65	-	-	-	-	
Sponsorships	613,901	2.3%	79	2.28	-	-	-	-	-	-	-	-	-	-	-	-	
Parking / Other	45,901	0.2%	6	0.17	-	-	-	-	-	-	-	-	9,494,651	15.6%	997	6.78	
Total Operating Revenue	27,078,061	100.0%	3,499	100.61	20,179,584	100.0%	10,510	70.98	15,015,227	100.0%	5,775	166.84	60,963,502	100.0%	6,400	43.55	
Cost of Sales																	
Food and Beverage	1,847,513	53.0%	239	6.86	1,458,334	77.3%	760	5.13	-	-	-	-	-	-	-	-	
Total Departmental Expenses	1,847,513	6.8%	239	6.86	1,458,334	7.2%	760	5.13	0	0.0%			0	0.0%			
Total Departmental Profit	25,230,548	93.2%	3,260	93.75	18,721,250	92.8%	9,751	65.85	15,015,227	100.0%	5,775	166.84	60,963,502	100.0%	6,400	43.55	
Undistributed Operating Expenses																	
Talent/Labor	\$4,804,668	17.7%	621	17.85	\$11,882,674	58.9%	6,189	41.80	\$6,379,224	42.5%	2,454	70.88	\$17,618,365	28.9%	1,850	12.58	
Administrative & General	617,990	2.3%	80	2.30	-	-	-	-	1,316,475	8.8%	506	14.63	7,825,176	12.8%	822	5.59	
Sales & Marketing	1,318,594	4.9%	170	4.90	1,149,435	5.7%	599	4.04	852,191	5.7%	328	9.47	4,103	0.0%	0	0.00	
Operating Supplies/Utilities	14,386,219	53.1%	1,859	53.45	7,026,021	34.8%	3,659	24.71	4,772,005	31.8%	1,835	53.02	2,623,789	4.3%	275	1.87	
Prop. Oper. & Maintenance	42,319	0.2%	5	0.16	-	-	-	-	-	-	-	-	-	-	-	-	
Total Undistributed Oper. Expenses	21,169,790	78.2%	2,735	78.66	20,058,130	99.4%	10,447	70.55	13,319,895	88.7%	5,123	148.00	28,071,433	46.0%	2,947	20.05	
Gross Operating Profit	4,060,758	15.0%	525	15.09	-1,336,880	-6.6%	-696	(4.70)	1,695,332	11.3%	652	18.84	32,892,069	54.0%	3,453	23.49	
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income Before Non-Oper. Expenses	4,060,758	15.0%	525	15.09	-1,336,880	-6.6%	-696	(4.70)	1,695,332	11.3%	652	18.84	32,892,069	54.0%	3,453	23.49	
Non-Operating Expenses																	
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	120,764	0.4%	16	0.45	117,510	0.6%	61	0.41	163,203	1.1%	63	1.81	-	-	-	-	
Total Non-Operating Expenses	120,764	0.4%	16	0.45	117,510	0.6%	61	0.41	163,203	1.1%	63	1.81	0	0.0%			
EBITDA Less Reserve	\$3,939,994	14.6%	\$509	\$ 14.64	-\$1,454,390	-7.2%	-\$757	\$ (5.12)	\$1,532,129	10.2%	\$589	\$ 17.02	\$32,892,069	54.0%	\$3,453	\$ 23.49	

Source: Form 990 Reports; Red Rocks Amphitheater financial statements - City and County of Denver, CO

Fixed and Variable Component Analysis

In forecasting revenues and expenses for a venue, we utilized a fixed and variable component model. The model is based on the premise that revenues and expenses have a component that is fixed and another component that varies directly with facility utilization. Therefore, a projection is estimated by taking a known level of revenue or expense and calculating the fixed component as well as the variable portion. The fixed component is then held at a constant level, while the variable portion is adjusted for the percentage change between the projected facility utilization, which produces the projected level of revenue or expense.

INCOME AND EXPENSE ANALYSIS

The following indicates our projections for the various revenue and expense categories for the operation of the amphitheater, which will attract concerts, community, and corporate events.

Admissions Revenue: Admissions revenue includes revenue earned from ticket sales (event income) at various events. Different types of events will have different revenue splits with the subject depending on the promoter of the event. We have calculated admissions revenue by analyzing the historical admissions revenue at comparable facilities and making an estimate on a per seat basis.

Admissions Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$2,863,709	52.7%	\$1,302	\$54.48
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$628,412	60.0%	\$349	\$20.81
Longs Park Amphitheater Foundation - Lancaster, PA	\$343,741	56.3%	\$69	\$3.91
Rose Music Center at the Heights - Dayton, OH	\$6,342,770	73.3%	\$1,510	\$74.80
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$15,253,699	56.3%	\$1,971	\$56.68
Tuacahn Center for the Arts - Ivins, UT	\$14,553,485	72.1%	\$7,580	\$51.19
Vail Valley Foundation - Avon, CO	\$6,155,170	41.0%	\$2,367	\$68.39
Red Rocks Amphitheater - Morrison, CO	\$11,437,201	18.8%	\$1,201	\$8.17
Average	\$7,197,273	53.8%	\$2,044	\$42.30
H&LA Forecasted First Year	\$7,318,000	58.9%	\$1,626	\$67.14
H&LA Stabilized Year 4	\$9,148,000	59.4%	\$2,033	\$75.60

Source: Hotel & Leisure Advisors

We forecast admissions revenue within the range of comparables on a per seat basis. We anticipate that the subject will mostly attract concerts, with a smaller percentage of events.

Food and Beverage Revenue: The subject will offer three concessions. This line item also includes revenue for catering during corporate meetings and for VIP seating. The subject will also offer bar service for adult guests who wish to purchase alcoholic beverages. Guests desiring food and beverage will be required them from the outlets. The following table outlines our analysis of the subject's food and beverage department revenue.

Food and Beverage Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	-	-	-	-
Kenley Amphitheater - Davis Arts Council - Layton, UT	-	-	-	-
Longs Park Amphitheater Foundation - Lancaster, PA	\$10,350	1.7%	\$2	\$0.12
Rose Music Center at the Heights - Dayton, OH	\$1,404,194	16.2%	\$334	\$16.56
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$3,486,650	12.9%	\$451	\$12.96
Tuacahn Center for the Arts - Ivins, UT	\$1,886,645	9.3%	\$983	\$6.64
Vail Valley Foundation - Avon, CO	-	-	-	-
Red Rocks Amphitheater - Morrison, CO	\$24,667,983	40.5%	\$2,590	\$17.62
Average	\$6,291,164	51.0%	\$872	\$10.78
H&LA Forecasted First Year	\$1,700,000	13.7%	\$378	\$15.60
H&LA Stabilized Year 4	\$2,071,000	13.4%	\$460	\$17.12

Source: Hotel & Leisure Advisors

We have projected food and beverage revenues of \$1,700,000 in total dollars or \$15.60 per attendee in the first year of our analysis. Our projection is at the high end of the range of comparable properties on a per attendee basis. Some comparables have food and beverage outlets managed by a third party, thus indicating only net income.

Retail Revenue: The subject is expected to sell amphitheater-related items like T-shirts, snacks, and themed merchandise in its retail outlet. The following table outlines our analysis of the subject's retail revenue.

Retail Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	-	-	-	-
Kenley Amphitheater - Davis Arts Council - Layton, UT	-	-	-	-
Longs Park Amphitheater Foundation - Lancaster, PA	\$2,974	0.5%	\$1	\$0.03
Rose Music Center at the Heights - Dayton, OH	\$119,614	1.4%	\$28	\$1.41
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	-	-	-	-
Tuacahn Center for the Arts - Ivins, UT	-	-	-	-
Vail Valley Foundation - Avon, CO	-	-	-	-
Red Rocks Amphitheater - Morrison, CO	-	-	-	-
Average	\$61,294	0.9%	\$15	\$0.72
H&LA Forecasted First Year	\$164,000	1.3%	\$36	\$1.50
H&LA Stabilized Year 4	\$199,000	1.3%	\$44	\$1.64

Source: Hotel & Leisure Advisors

Rental Income: This line item includes all income (net) associated with renting all or part of the amphitheater for outside events where the property provides no food and beverage service. The following table outlines our analysis of the subject's rental revenue.

Rentals and Other Income (Net)				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$99,710	1.8%	\$45	\$1.90
Kenley Amphitheater - Davis Arts Council - Layton, UT	-	-	-	-
Longs Park Amphitheater Foundation - Lancaster, PA	\$1,500	0.2%	\$0	\$0.02
Rose Music Center at the Heights - Dayton, OH	\$4,490	0.1%	\$1	\$0.05
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$333,855	1.2%	\$43	\$1.24
Tuacahn Center for the Arts - Ivins, UT	\$1,762,170	8.7%	\$918	\$6.20
Vail Valley Foundation - Avon, CO	\$1,151,337	7.7%	\$443	\$12.79
Red Rocks Amphitheater - Morrison, CO	\$15,363,667	25.2%	\$1,613	\$10.97
Average	\$2,673,818	6.4%	\$438	\$4.74
H&LA Forecasted First Year	\$200,000	1.6%	\$44	\$1.83
H&LA Stabilized Year 4	\$234,000	1.5%	\$52	\$1.93

Source: Hotel & Leisure Advisors

We project the new venue to achieve rental revenue below the range of the comparable facilities on a per attendee basis as most revenue is accounted for in the admissions and food and beverage category.

Contributions/Grants/Fundraising Revenue: Contributions include taxes that are designated for the theater and fundraising. This can include bed taxes, sales taxes, or other sources. It can also include fundraising, donations, and grants from other sources.

Contributions/Grants/Fundraising				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$2,431,326	44.8%	\$1,105	\$46.25
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$415,345	39.7%	\$231	\$13.75
Longs Park Amphitheater Foundation - Lancaster, PA	\$252,471	41.3%	\$50	\$2.87
Rose Music Center at the Heights - Dayton, OH	-	-	-	-
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$7,344,055	27.1%	\$949	\$27.29
Tuacahn Center for the Arts - Ivins, UT	\$1,977,284	9.8%	\$1,030	\$6.95
Vail Valley Foundation - Avon, CO	\$7,708,720	51.3%	\$2,965	\$85.65
Red Rocks Amphitheater - Morrison, CO	-	-	-	-
Average	\$3,354,867	35.7%	\$1,055	\$30.46
H&LA Forecasted First Year	\$2,250,000	18.1%	\$500	\$20.64
H&LA Stabilized Year 4	\$2,812,000	18.3%	\$625	\$23.24

Source: Hotel & Leisure Advisors

We have projected the proposed amphitheater will actively solicit contributions, grants, and/or municipal funding. However, this would not occur if it were operated as a for-profit business. Further discussion regarding public and private management is highlighted in B-28 and B-29 of the report.

Sponsorship Revenue: This line item includes all revenue associated with sponsorship income from a variety of sponsors that will want to affiliate with the subject property and

include their company information within the venue. The following table outlines our analysis of the subject's sponsorship revenue.

Sponsorships Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	-	-	-	-
Kenley Amphitheater - Davis Arts Council - Layton, UT	-	-	-	-
Longs Park Amphitheater Foundation - Lancaster, PA	-	-	-	-
Rose Music Center at the Heights - Dayton, OH	\$446,431	5.2%	\$106	\$5.26
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$613,901	2.3%	\$79	\$2.28
Tuacahn Center for the Arts - Ivins, UT	-	-	-	-
Vail Valley Foundation - Avon, CO	-	-	-	-
Red Rocks Amphitheater - Morrison, CO	-	-	-	-
Average	\$530,166	3.7%	\$93	\$3.77
H&LA Forecasted First Year	\$450,000	3.6%	\$100	\$4.13
H&LA Stabilized Year 4	\$509,000	3.3%	\$113	\$4.21

Source: Hotel & Leisure Advisors

We estimate sponsorship revenues in line with the average of the comparable facilities on a per seat basis.

Parking/Other Income Revenue: This line item includes all other income revenue. It can include licensing fees, reimbursements from maintenance/facility fees, parking fees, and other miscellaneous income. We project the subject to only charge for parking for large concerts or parking lot events. The following table outlines our analysis of the subject's other income revenue.

Parking / Other Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$34,289	0.6%	\$16	\$0.65
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$3,658	0.3%	\$2	\$0.12
Longs Park Amphitheater Foundation - Lancaster, PA	-	-	-	-
Rose Music Center at the Heights - Dayton, OH	\$335,882	3.9%	\$80	\$3.96
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$45,901	0.2%	\$6	\$0.17
Tuacahn Center for the Arts - Ivins, UT	-	-	-	-
Vail Valley Foundation - Avon, CO	-	-	-	-
Red Rocks Amphitheater - Morrison, CO	\$9,494,651	15.6%	\$997	\$6.78
Average	\$1,982,876	4.1%	\$220	\$2.34
H&LA Forecasted First Year	\$350,000	2.8%	\$78	\$3.21
H&LA Stabilized Year 4	\$426,000	2.8%	\$95	\$3.52

Source: Hotel & Leisure Advisors

We assume parking fees of \$15 per car and one car for every three people. We project total other income revenue of \$350,000, which is within the range of the comparable facilities on a per seat and per attendee basis.

Total Revenue: The following table indicates the comparables, and our projection of the first-year total revenue.

Total Operating Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$5,429,034	100.0%	\$2,468	\$103.28
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$1,047,415	100.0%	\$582	\$34.68
Longs Park Amphitheater Foundation - Lancaster, PA	\$611,036	100.0%	\$122	\$6.94
Rose Music Center at the Heights - Dayton, OH	\$8,653,381	100.0%	\$2,060	\$102.04
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$27,078,061	100.0%	\$3,499	\$100.61
Tuacahn Center for the Arts - Ivins, UT	\$20,179,584	100.0%	\$10,510	\$70.98
Vail Valley Foundation - Avon, CO	\$15,015,227	100.0%	\$5,775	\$166.84
Red Rocks Amphitheater - Morrison, CO	\$60,963,502	100.0%	\$6,400	\$43.55
Average	\$17,372,155	100.0%	\$3,927	\$78.62
H&LA Forecasted First Year	\$12,432,000	100.0%	\$2,763	\$114.06
H&LA Stabilized Year 4	\$15,399,000	100.0%	\$3,422	\$127.26

Source: Hotel & Leisure Advisors

The projected total revenues for the subject are within the range of the comparable properties shown on a per seat and per attendee basis.

Departmental Expenses

Departmental expenses are costs borne by individual departments of the facility and can be segmented separately. Labor costs, including payroll and benefits, are shown separately as a single line item.

Food and Beverage Expenses: These expenses reflect the cost of food and beverages, and other expenses related to the operation of the food and beverage facilities. Labor costs are shown separately. The following table outlines our analysis of the subject's food and beverage department expenses.

Food and Beverage Expense				
	Amount	% of Dept. Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	-	-	-	-
Kenley Amphitheater - Davis Arts Council - Layton, UT	-	-	-	-
Longs Park Amphitheater Foundation - Lancaster, PA	-	-	-	-
Rose Music Center at the Heights - Dayton, OH	\$372,381	26.5%	\$89	\$4.39
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$1,847,513	53.0%	\$239	\$6.86
Tuacahn Center for the Arts - Ivins, UT	\$1,458,334	77.3%	\$760	\$5.13
Vail Valley Foundation - Avon, CO	-	-	-	-
Red Rocks Amphitheater - Morrison, CO	-	-	-	-
Average	\$1,226,076	52.3%	\$362	\$5.46
H&LA Forecasted First Year	\$595,000	35.0%	\$132	\$5.46
H&LA Stabilized Year 4	\$706,000	34.1%	\$157	\$5.83

Source: Hotel & Leisure Advisors

We have estimated food and beverage expenses considering results from the National Restaurant Association's Restaurant Operation Report that indicates a typical food and beverage establishment will have food and beverage expenses of around 35%.

Undistributed Expenses

Undistributed operating expenses are costs borne by the entire operation and are not attributable to any one specific department or profit center.

Talent/Labor Costs: This involves both direct and indirect labor costs such as hourly workers' wages management's salaries paid on these wages and salaries for the amphitheater operations including food and beverage, retail, and parking departments. This also includes the expenses associated with booking the performers and their fees. The following table outlines our analysis of the subject's labor department expenses.

Talent/Labor Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$1,353,919	24.9%	\$615	\$25.76
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$335,965	32.1%	\$187	\$11.12
Longs Park Amphitheater Foundation - Lancaster, PA	\$51,880	8.5%	\$10	\$0.59
Rose Music Center at the Heights - Dayton, OH	\$4,695,654	54.3%	\$1,118	\$55.37
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$4,804,668	17.7%	\$621	\$17.85
Tuacahn Center for the Arts - Ivins, UT	\$11,882,674	58.9%	\$6,189	\$41.80
Vail Valley Foundation - Avon, CO	\$6,379,224	42.5%	\$2,454	\$70.88
Red Rocks Amphitheater - Morrison, CO	\$17,618,365	28.9%	\$1,850	\$12.58
Average	\$5,890,294	33.5%	\$1,630	\$29.49
H&LA Forecasted First Year	\$4,973,000	40.0%	\$1,105	\$45.62
H&LA Stabilized Year 4	\$5,902,000	38.3%	\$1,312	\$48.78

Source: Hotel & Leisure Advisors

We have projected a talent and labor expense figure within the range of the comparables on a percentage of total revenue basis.

Administrative and General Expenses: These expenses represent expenses for management and administration, including such items as the cost of accounting and legal fees, credit card commissions, donations, and telephone charges. The following table outlines our analysis of the subject's administrative and general department expenses.

Administrative & General Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$358,265	6.6%	\$163	\$6.82
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$20,714	2.0%	\$12	\$0.69
Longs Park Amphitheater Foundation - Lancaster, PA	\$43,826	7.2%	\$9	\$0.50
Rose Music Center at the Heights - Dayton, OH	\$227,593	2.6%	\$54	\$2.68
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$617,990	2.3%	\$80	\$2.30
Tuacahn Center for the Arts - Ivins, UT	-	-	-	-
Vail Valley Foundation - Avon, CO	\$1,316,475	8.8%	\$506	\$14.63
Red Rocks Amphitheater - Morrison, CO	\$7,825,176	12.8%	\$822	\$5.59
Average	\$1,487,148	6.0%	\$235	\$4.74
H&LA Forecasted First Year	\$746,000	6.0%	\$166	\$6.84
H&LA Stabilized Year 4	\$885,000	5.7%	\$197	\$7.31

Source: Hotel & Leisure Advisors

Sales & Marketing Expenses: This includes the cost of advertising and client promotions in various media such as television, newspapers, the Internet, social media, magazines and directories, as well as direct mail campaigns, billboards, and miscellaneous sales and marketing expenses. We expect that the promoters for the various events will do their own marketing for shows, but the subject will be marketing the events that it is self-promoting. The following table outlines our analysis of the subject's marketing department expenses.

Sales & Marketing Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$69,071	1.3%	\$31	\$1.31
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$52,826	5.0%	\$29	\$1.75
Longs Park Amphitheater Foundation - Lancaster, PA	\$20,312	3.3%	\$4	\$0.23
Rose Music Center at the Heights - Dayton, OH	\$462,856	5.3%	\$110	\$5.46
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$1,318,594	4.9%	\$170	\$4.90
Tuacahn Center for the Arts - Ivins, UT	\$1,149,435	5.7%	\$599	\$4.04
Vail Valley Foundation - Avon, CO	\$852,191	5.7%	\$328	\$9.47
Red Rocks Amphitheater - Morrison, CO	\$4,103	0.0%	\$0	\$0.00
Average	\$491,174	3.9%	\$159	\$3.40
H&LA Forecasted First Year	\$622,000	5.0%	\$138	\$5.71
H&LA Stabilized Year 4	\$738,000	4.8%	\$164	\$6.10

Source: Hotel & Leisure Advisors

We have shown marketing expenses within the range of comparables on a percentage of revenue basis. This amount will provide the subject with sufficient funds to achieve the projected attendance figures and promote the property.

Operating Supplies/Utilities: These include costs necessary for operating the amphitheater, such as LED lighting, portable stages, audience risers, decks, acoustic shells, equipment, facility services, and others. It also includes expenditures for gas, sewer, water waste removal, and related operating supplies. The following table outlines our analysis of the subject's operating supplies department expenses.

Operating Supplies/Utilities Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$2,571,166	47.4%	\$1,169	\$48.91
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$605,750	57.8%	\$337	\$20.06
Longs Park Amphitheater Foundation - Lancaster, PA	\$362,546	59.3%	\$73	\$4.12
Rose Music Center at the Heights - Dayton, OH	\$744,664	8.6%	\$177	\$8.78
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$14,386,219	53.1%	\$1,859	\$53.45
Tuacahn Center for the Arts - Ivins, UT	\$7,026,021	34.8%	\$3,659	\$24.71
Vail Valley Foundation - Avon, CO	\$4,772,005	31.8%	\$1,835	\$53.02
Red Rocks Amphitheater - Morrison, CO	\$2,623,789	4.3%	\$275	\$1.87
Average	\$4,136,520	37.1%	\$1,173	\$26.87
H&LA Forecasted First Year	\$1,865,000	15.0%	\$414	\$17.11
H&LA Stabilized Year 4	\$2,155,000	14.0%	\$479	\$17.81

Source: Hotel & Leisure Advisors

Our projection is within the range of the comparables as a percentage of total revenue and on a per attendee basis.

Property Operations and Maintenance: This category includes expenses related to maintenance and repairs for the entire facility including building electrical, plumbing, HVAC, fire and life safety, and other building systems and components. It also includes grounds maintenance of the exterior grounds of the facility. The following table outlines our analysis of the subject's repairs and maintenance department expenses.

Prop. Oper. & Maintenance Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$50,107	0.9%	\$23	\$0.95
Kenley Amphitheater - Davis Arts Council - Layton, UT	-	-	-	-
Longs Park Amphitheater Foundation - Lancaster, PA	-	-	-	-
Rose Music Center at the Heights - Dayton, OH	\$94,483	1.1%	\$22	\$1.11
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$42,319	0.2%	\$5	\$0.16
Tuacahn Center for the Arts - Ivins, UT	-	-	-	-
Vail Valley Foundation - Avon, CO	-	-	-	-
Red Rocks Amphitheater - Morrison, CO	-	-	-	-
Average	\$62,303	0.7%	\$17	\$0.74
H&LA Forecasted First Year	\$559,800	4.5%	\$124	\$5.14
H&LA Stabilized Year 4	\$718,000	4.7%	\$160	\$5.93

Source: Hotel & Leisure Advisors

We have projected repair and maintenance expenses above the range of the comparables on a percentage of total revenue basis. We assume that the comparables have included a portion of this expense with operating supplies/utilities expense. We are also projecting a reserve for replacement within our financial projections.

Management Fee: The projection for the subject's income and expenses assumes competent management by a professional management company. The developers have not yet selected a management company. We assume that a prudent investor would utilize a competent management company with fees structured at market rates. Management fees typically range between 3% to 8% of total revenue for hospitality and venue properties. Based on the industry standards, we have accounted for management fee of 5.0% of total revenue throughout our analysis.

Income Before Non-Operating Expenses: The following table shows income before non-operating expenses of the subject and comparable properties.

Income Before Non-Operating Expenses				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$1,026,506	18.9%	\$467	\$19.53
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$32,160	3.1%	\$18	\$1.06
Longs Park Amphitheater Foundation - Lancaster, PA	\$132,472	21.7%	\$26	\$1.51
Rose Music Center at the Heights - Dayton, OH	\$2,055,750	23.8%	\$489	\$24.24
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$4,060,758	15.0%	\$525	\$15.09
Tuacahn Center for the Arts - Ivins, UT	-\$1,336,880	-6.6%	-\$696	-\$4.70
Vail Valley Foundation - Avon, CO	\$1,695,332	11.3%	\$652	\$18.84
Red Rocks Amphitheater - Morrison, CO	\$32,892,069	54.0%	\$3,453	\$23.49
Average	\$5,069,771	17.6%	\$617	\$12.38
H&LA Forecasted First Year	\$2,449,200	19.7%	\$544	\$22.47
H&LA Stabilized Year 4	\$3,525,000	22.9%	\$783	\$29.13

Source: Hotel & Leisure Advisors

Non-Operating Expenses

Non-operating expenses include any expenses that relate to the ownership of the attraction, including property taxes, buildings and contents insurance, reserve for replacement, and any applicable land, building, or equipment rental.

Real Estate and Property Taxes: These taxes are comprised of real estate and personal property taxes. We do not project any real estate taxes due to the development being on city or county owned land.

Building and Property Insurance: The insurance expense category includes the cost of insuring the facility and its contents against damage or destruction from fire, weather, sprinkler leakage, boiler explosion, breakage, and other potential disasters. It also includes insurance from liability from accidents and general liability insurance. The following table outlines our analysis of the subject's insurance department expenses.

Insurance Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Comparables				
Peter Britt Gardens Music & Arts Festival Association - Medford, OR	\$124,882	2.3%	\$57	\$2.38
Kenley Amphitheater - Davis Arts Council - Layton, UT	\$6,921	0.7%	\$4	\$0.23
Longs Park Amphitheater Foundation - Lancaster, PA	\$1,286	0.2%	\$0	\$0.01
Rose Music Center at the Heights - Dayton, OH	\$146,242	1.7%	\$35	\$1.72
Starlight Theatre Assoc. of Kansas City, Inc. - Kansas City, MO	\$120,764	0.4%	\$16	\$0.45
Tuacahn Center for the Arts - Ivins, UT	\$117,510	0.6%	\$61	\$0.41
Vail Valley Foundation - Avon, CO	\$163,203	1.1%	\$63	\$1.81
Red Rocks Amphitheater - Morrison, CO	-	-	-	-
Average	\$97,258	1.0%	\$34	\$1.00
H&LA Forecasted First Year	\$124,000	1.0%	\$28	\$1.14
H&LA Stabilized Year 4	\$136,000	0.9%	\$30	\$1.12

Source: Hotel & Leisure Advisors

We have projected first year insurance expense within the range of comparable properties on a percentage of total revenue and per seat basis.

Reserve for Replacement: This represents a reserve set aside to provide for the periodic replacement of furniture, fixtures and equipment during the life of the building. Although the comparables do not separately account for this figure in their income statements, our financial analysis assumes that enough cash would be available to maintain the overall condition of the subject over its useful life. A portion of capital expenditures could be considered as a reserve for replacement while the remaining would be considered as capital additions to various properties. We have applied a reserve for replacement of 2.0% of total revenue in the first year of the projection rising to 4.0% in the third year and beyond.

Inflation: The assumed 3.0% per annum rate of inflation for the analysis is derived by a review of historical increases to the Consumer Price Index (CPI) and various inflation forecasts by the Federal Reserve Bank, Livingston Survey, and U.S. Congressional Budget Office. The following table presents a historical analysis of the Consumer Price Index.

U.S. Consumer Price Index		
Year	CPI	% Change
2000	172.200	
2001	177.100	2.85%
2002	179.900	1.58%
2003	184.000	2.28%
2004	188.900	2.66%
2005	195.300	3.39%
2006	201.600	3.23%
2007	207.300	2.83%
2008	215.303	3.86%
2009	214.537	-0.36%
2010	218.056	1.64%
2011	224.939	3.16%
2012	229.594	2.07%
2013	232.957	1.46%
2014	236.736	1.62%
2015	237.017	0.12%
2016	240.007	1.26%
2017	245.120	2.13%
2018	251.107	2.44%
2019	255.657	1.81%
2020	258.811	1.23%
2021	270.97	4.70%
2022	292.655	8.00%
2023	304.702	4.12%
Average		2.53%

Source: US Bureau of Labor Statistics

The table shows an average growth rate of 2.53% since 2000. However, based upon our review of various economic forecasts, we project a 3.0% per annum rate of inflation is realistic. To the extent that actual rates differ from this percentage, the estimates would have to be adjusted. All revenue and expense items were first calculated in first year dollars. A 3.0% growth rate was applied to all revenue and expenses.

PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS

The following forecasts of income and expenses reflect the subject's anticipated performance for 11 years beginning in 2027. We have projected that the subject operations will stabilize in the fourth year and all income and expense items will increase thereafter at the underlying inflation rate of 3.0%. All other expense ratios are expressed as a percentage of total revenues.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Financial Projections - Amphitheater

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Forecasted Financial Performance

Proposed Amphitheater

	2027 - First Year				2028 - First +1				2029 - First +2				2030 - First +3			
Capacity	4,500				4,500				4,500				4,500			
Attendance	109,000				114,000				118,000				121,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Revenues																
Admissions	\$7,318	58.9%	\$1,626	\$67.14	\$8,046	59.1%	\$1,788	\$70.58	\$8,661	59.3%	\$1,925	\$73.40	\$9,148	59.4%	\$2,033	\$75.60
Food and Beverage	1,700	13.7%	378	15.60	1,845	13.6%	410	16.18	1,970	13.5%	438	16.69	2,071	13.4%	460	17.12
Retail	164	1.3%	36	1.50	177	1.3%	39	1.55	189	1.3%	42	1.60	199	1.3%	44	1.64
Rentals and Other Income (Net)	200	1.6%	44	1.83	213	1.6%	47	1.87	224	1.5%	50	1.90	234	1.5%	52	1.93
Contributions/Grants/Fundraising	2,250	18.1%	500	20.64	2,472	18.2%	549	21.68	2,662	18.2%	592	22.56	2,812	18.3%	625	23.24
Sponsorships	450	3.6%	100	4.13	471	3.5%	105	4.13	491	3.4%	109	4.16	509	3.3%	113	4.21
Parking / Other	350	2.8%	78	3.21	380	2.8%	84	3.33	406	2.8%	90	3.44	426	2.8%	95	3.52
Total Operating Revenue	12,432	100.0%	2,763	114.06	13,604	100.0%	3,023	119.33	14,603	100.0%	3,245	123.75	15,399	100.0%	3,422	127.26
Cost of Sales																
Food and Beverage	595	35.0%	132	5.46	637	34.5%	142	5.59	675	34.3%	150	5.72	706	34.1%	157	5.83
Total Departmental Expenses	595	4.8%	132	5.46	637	4.7%	142	5.59	675	4.6%	150	5.72	706	4.6%	157	5.83
Total Departmental Profit	11,837	95.2%	2,630	108.60	12,967	95.3%	2,882	113.75	13,928	95.4%	3,095	118.03	14,693	95.4%	3,265	121.43
Undistributed Operating Expenses																
Talent/Labor	4,973	40.0%	1,105	45.62	5,327	39.2%	1,184	46.73	5,640	38.6%	1,253	47.80	5,902	38.3%	1,312	48.78
Administrative & General	746	6.0%	166	6.84	799	5.9%	178	7.01	846	5.8%	188	7.17	885	5.7%	197	7.31
Sales & Marketing	622	5.0%	138	5.71	666	4.9%	148	5.84	705	4.8%	157	5.97	738	4.8%	164	6.10
Operating Supplies/Utilities	1,865	15.0%	414	17.11	1,972	14.5%	438	17.30	2,069	14.2%	460	17.53	2,155	14.0%	479	17.81
Prop. Oper. & Maintenance	560	4.5%	124	5.14	624	4.6%	139	5.48	690	4.7%	153	5.85	718	4.7%	160	5.93
Total Undistributed Oper. Expenses	8,766	70.5%	1,948	80.42	9,388	69.0%	2,086	82.35	9,950	68.1%	2,211	84.32	10,398	67.5%	2,311	85.93
Gross Operating Profit	3,071	24.7%	682	0.03	3,579	26.3%	795	0.03	3,978	27.2%	884	0.03	4,295	27.9%	954	0.04
Management Fees	622	5.0%	138	5.71	680	5.0%	151	5.96	730	5.0%	162	6.19	770	5.0%	171	6.36
Income Before Non-Oper. Expenses	2,449	19.7%	544	22.47	2,899	21.3%	644	25.43	3,248	22.2%	722	27.53	3,525	22.9%	783	29.13
Non-Operating Expenses																
Insurance	124	1.0%	28	1.14	128	0.9%	28	1.12	132	0.9%	29	1.12	136	0.9%	30	1.12
Reserve for Replacement	249	2.0%	55	2.28	408	3.0%	91	3.58	584	4.0%	130	4.95	616	4.0%	137	5.09
Total Non-Operating Expenses	373	3.0%	83	3.42	536	3.9%	119	4.70	716	4.9%	159	6.07	752	4.9%	167	6.21
EBITDA Less Reserve	\$2,076	16.7%	\$461	\$ 19.05	\$2,363	17.4%	\$525	\$ 20.73	\$2,532	17.3%	\$563	\$ 21.46	\$2,773	18.0%	\$616	\$ 22.92

Source: Hotel & Leisure Advisors

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Financial Projections - Amphitheater

E-16

Forecasted Financial Performance

Proposed Amphitheater

	2031 - First +4				2032 - First +5				2033 - First +6				2034 - First +7			
Capacity	4,500				4,500				4,500				4,500			
Attendance	121,000				121,000				121,000				121,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Admissions	\$9,422	59.4%	\$2,094	\$77.87	\$9,705	59.4%	\$2,157	\$80.21	\$9,996	59.4%	\$2,221	\$82.61	\$10,296	59.4%	\$2,288	\$85.09
Food and Beverage	2,133	13.4%	474	17.63	2,197	13.4%	488	18.16	2,263	13.4%	503	18.70	2,331	13.4%	518	19.26
Retail	205	1.3%	46	1.69	211	1.3%	47	1.74	218	1.3%	48	1.80	224	1.3%	50	1.85
Rentals and Other Income (Net)	241	1.5%	54	1.99	249	1.5%	55	2.06	256	1.5%	57	2.12	264	1.5%	59	2.18
Contributions/Grants/Fundraising	2,896	18.3%	644	23.93	2,983	18.3%	663	24.65	3,072	18.3%	683	25.39	3,165	18.3%	703	26.16
Sponsorships	525	3.3%	117	4.34	540	3.3%	120	4.46	557	3.3%	124	4.60	573	3.3%	127	4.74
Parking / Other	439	2.8%	98	3.63	452	2.8%	100	3.74	466	2.8%	104	3.85	480	2.8%	107	3.97
Total Operating Revenue	15,861	100.0%	3,525	131.08	16,337	100.0%	3,630	135.02	16,828	100.0%	3,740	139.07	17,333	100.0%	3,852	143.25
Cost of Sales																
Food and Beverage	727	34.1%	162	6.01	749	34.1%	166	6.19	772	34.1%	172	6.38	795	34.1%	177	6.57
Total Departmental Expenses	727	4.6%	162	6.01	749	4.6%	166	6.19	772	4.6%	172	6.38	795	4.6%	177	6.57
Total Departmental Profit	15,134	95.4%	3,363	125.07	15,588	95.4%	3,464	128.83	16,056	95.4%	3,568	132.69	16,538	95.4%	3,675	136.68
Undistributed Operating Expenses																
Talent/Labor	6,079	38.3%	1,351	50.24	6,261	38.3%	1,391	51.74	6,449	38.3%	1,433	53.30	6,643	38.3%	1,476	54.90
Administrative & General	912	5.7%	203	7.54	939	5.7%	209	7.76	967	5.7%	215	7.99	996	5.7%	221	8.23
Sales & Marketing	760	4.8%	169	6.28	783	4.8%	174	6.47	806	4.8%	179	6.66	830	4.8%	184	6.86
Operating Supplies/Utilities	2,219	14.0%	493	18.34	2,286	14.0%	508	18.89	2,354	14.0%	523	19.45	2,425	14.0%	539	20.04
Prop. Oper. & Maintenance	740	4.7%	164	6.12	762	4.7%	169	6.30	785	4.7%	174	6.49	808	4.7%	180	6.68
Total Undistributed Oper. Expenses	10,710	67.5%	2,380	88.51	11,031	67.5%	2,451	91.17	11,361	67.5%	2,525	93.89	11,702	67.5%	2,600	96.71
Gross Operating Profit	4,424	27.9%	983	0.04	4,557	27.9%	1,013	0.04	4,695	27.9%	1,043	0.04	4,836	27.9%	1,075	0.04
Management Fees	793	5.0%	176	6.55	817	5.0%	182	6.75	841	5.0%	187	6.95	867	5.0%	193	7.17
Income Before Non-Oper. Expenses	3,631	22.9%	807	30.01	3,740	22.9%	831	30.91	3,854	22.9%	856	31.85	3,969	22.9%	882	32.80
Non-Operating Expenses																
Insurance	140	0.9%	31	1.16	144	0.9%	32	1.19	148	0.9%	33	1.22	153	0.9%	34	1.26
Reserve for Replacement	634	4.0%	141	5.24	653	4.0%	145	5.40	673	4.0%	150	5.56	693	4.0%	154	5.73
Total Non-Operating Expenses	774	4.9%	172	6.40	797	4.9%	177	6.59	821	4.9%	182	6.79	846	4.9%	188	6.99
EBITDA Less Reserve	\$2,857	18.0%	\$635	\$ 23.61	\$2,943	18.0%	\$654	\$ 24.32	\$3,033	18.0%	\$674	\$ 25.07	\$3,123	18.0%	\$694	\$ 25.81

Source: Hotel & Leisure Advisors

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Financial Projections - Amphitheater

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Forecasted Financial Performance												
Proposed Amphitheater												
	2035 - First +8				2036 - First +9				2037 - First +10			
Capacity	4,500				4,500				4,500			
Attendance	121,000				121,000				121,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Admissions	\$10,605	59.4%	\$2,357	\$87.64	\$10,923	59.4%	\$2,427	\$90.27	\$11,251	59.4%	\$2,500	\$92.98
Food and Beverage	2,401	13.4%	534	19.84	2,473	13.4%	550	20.44	2,547	13.4%	566	21.05
Retail	231	1.3%	51	1.91	238	1.3%	53	1.97	245	1.3%	54	2.02
Rentals and Other Income (Net)	272	1.5%	60	2.25	280	1.5%	62	2.31	288	1.5%	64	2.38
Contributions/Grants/Fundraising	3,260	18.3%	724	26.94	3,357	18.3%	746	27.74	3,458	18.3%	768	28.58
Sponsorships	591	3.3%	131	4.88	608	3.3%	135	5.02	626	3.3%	139	5.17
Parking / Other	494	2.8%	110	4.08	509	2.8%	113	4.21	524	2.8%	116	4.33
Total Operating Revenue	17,854	100.0%	3,968	147.55	18,388	100.0%	4,086	151.97	18,939	100.0%	4,209	156.52
Cost of Sales												
Food and Beverage	819	34.1%	182	6.77	843	34.1%	187	6.97	869	34.1%	193	7.18
Total Departmental Expenses	819	4.6%	182	6.77	843	4.6%	187	6.97	869	4.6%	193	7.18
Total Departmental Profit	17,035	95.4%	3,786	140.79	17,545	95.4%	3,899	145.00	18,070	95.4%	4,016	149.34
Undistributed Operating Expenses												
Talent/Labor	6,842	38.3%	1,520	56.55	7,047	38.3%	1,566	58.24	7,259	38.3%	1,613	59.99
Administrative & General	1,026	5.7%	228	8.48	1,057	5.7%	235	8.74	1,089	5.8%	242	9.00
Sales & Marketing	855	4.8%	190	7.07	881	4.8%	196	7.28	907	4.8%	202	7.50
Operating Supplies/Utilities	2,498	14.0%	555	20.64	2,573	14.0%	572	21.26	2,650	14.0%	589	21.90
Prop. Oper. & Maintenance	833	4.7%	185	6.88	858	4.7%	191	7.09	883	4.7%	196	7.30
Total Undistributed Oper. Expenses	12,054	67.5%	2,679	99.62	12,416	67.5%	2,759	102.61	12,788	67.5%	2,842	105.69
Gross Operating Profit	4,981	27.9%	1,107	0.04	5,129	27.9%	1,140	0.04	5,282	27.9%	1,174	0.04
Management Fees	893	5.0%	198	7.38	919	5.0%	204	7.60	947	5.0%	210	7.83
Income Before Non-Oper. Expenses	4,088	22.9%	908	33.79	4,210	22.9%	936	34.79	4,335	22.9%	963	35.83
Non-Operating Expenses												
Insurance	157	0.9%	35	1.30	162	0.9%	36	1.34	167	0.9%	37	1.38
Reserve for Replacement	714	4.0%	159	5.90	736	4.0%	164	6.08	758	4.0%	168	6.26
Total Non-Operating Expenses	871	4.9%	194	7.20	898	4.9%	200	7.42	925	4.9%	206	7.64
EBITDA Less Reserve	\$3,217	18.0%	\$715	\$ 26.59	\$3,312	18.0%	\$736	\$ 27.37	\$3,410	18.0%	\$758	\$ 28.18

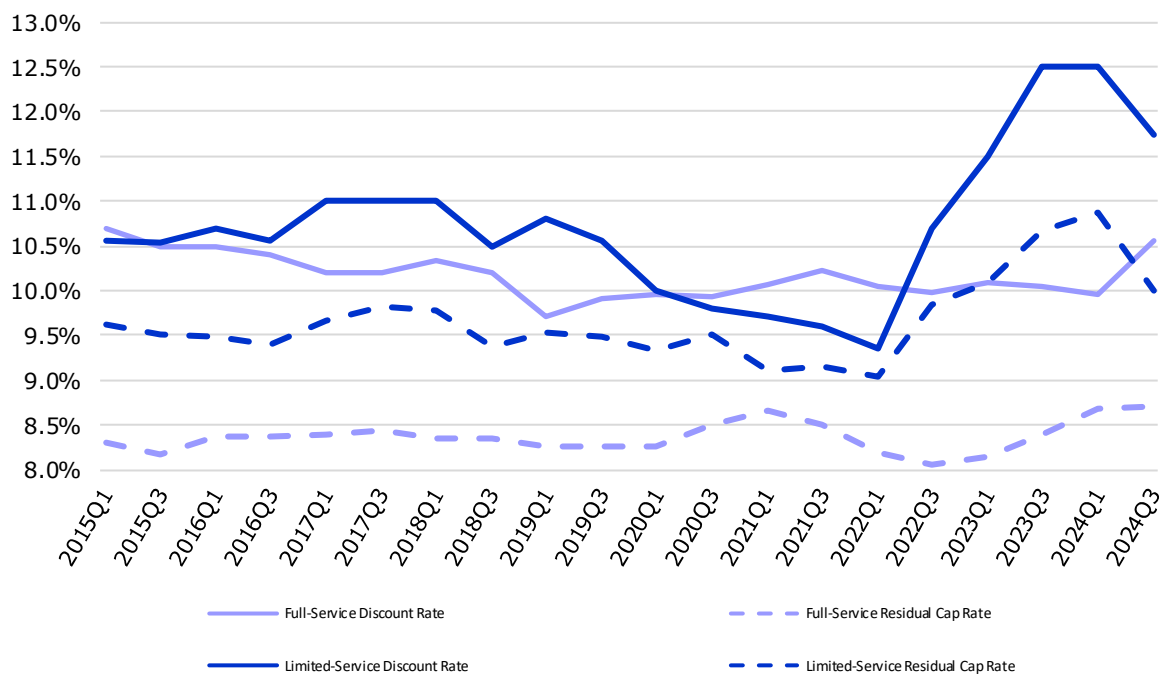
Source: Hotel & Leisure Advisors

FEASIBILITY ANALYSIS

The economic value of a proposed amphitheater is calculated through a discounted cash flow analysis. This analysis utilizes the property's projected net income before debt service (EBITDA) and applies a discount rate and terminal capitalization rate to determine the valuation. This is a common method utilized in a formal appraisal process. Present value, also called discounted value, is the current worth of the future sum of money or stream of cash flow given a specified rate of return. The discount rate is the average annual rate of return necessary to attract capital based upon the overall investment characteristics. The terminal capitalization rate is applied to a future year's net income to calculate a potential sale price for the property in the future.

There are no published surveys concerning trends in amphitheater capitalization and discount rates. We have considered historical trends in hotel residual capitalization and discount rates, as they represent similar leisure-oriented properties.

10-Year Lodging Discount and Residual Capitalization Rate History



Source: PwC Investor Surveys

We utilized estimates higher than for hotels since sale transactions of attractions show rates are typically above those of hotels due to the added risk factors involved in operating an attraction. We analyzed the potential value for the proposed amphitheater utilizing a 12.0% discount rate and a 10.0% terminal capitalization rate as completed and 11.5% discount rate and a 9.5% terminal capitalization rate as stabilized. The differences in utilizing a lower terminal capitalization rate in the "as stabilized" value accounts for the anticipated goodwill and reputation that has been developed by the operator after having been operational for a period of time and having a better understanding of the operations and market. The

following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

Discounted Cash Flow Analysis - As Completed				
Proposed Amphitheater				
Cash Flow at Discount Rate of 12.0%				
	<u>Net Income</u>		<u>P.V. Factor</u>	<u>Present Value</u>
2027	\$2,076,000	x	0.8929	= \$1,853,571
2028	\$2,363,000	x	0.7972	= \$1,883,769
2029	\$2,532,000	x	0.7118	= \$1,802,228
2030	\$2,773,000	x	0.6355	= \$1,762,292
2031	\$2,857,000	x	0.5674	= \$1,621,139
2032	\$2,943,000	x	0.5066	= \$1,491,015
2033	\$3,033,000	x	0.4523	= \$1,371,975
2034	\$3,123,000	x	0.4039	= \$1,261,327
2035	\$3,217,000	x	0.3606	= \$1,160,082
2036	\$3,312,000	x	0.3220	= \$1,066,375
Present Value of Cash Flow				\$15,273,774
Reversionary Benefit				
Net income for 2037				\$3,410,000
Divided by reversion overall rate				10%
Gross reversion				\$34,100,000
Less cost of sale at 2.0%				\$682,000
Net reversion				\$33,418,000
Value per seat				\$7,426
Present Value of Reversion				\$10,759,702
Market Value				
PV from cash flow				\$15,273,774
PV from reversion				\$10,759,702
Market value as of 1/1/2027				\$26,033,476
Rounded Market Value				\$26,000,000
Valuation Factors				
Price per seat				\$5,778
% of value from cash flow				59%
% of value from reversion				41%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of \$26,000,000.

We also analyzed the potential value for the proposed amphitheater as stabilized utilizing a 9.5% discount rate and an 11.5% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject as stabilized.

Discounted Cash Flow Analysis - As Stabilized

Proposed Amphitheater

Cash Flow at Discount Rate of 11.5%

	Net Income		P.V. Factor		Present Value
2030	\$2,773,000	x	0.8969	=	\$2,486,996
2031	\$2,857,000	x	0.8044	=	\$2,298,055
2032	\$2,943,000	x	0.7214	=	\$2,123,077
2033	\$3,033,000	x	0.6470	=	\$1,962,334
2034	\$3,123,000	x	0.5803	=	\$1,812,165
2035	\$3,217,000	x	0.5204	=	\$1,674,179
2036	\$3,312,000	x	0.4667	=	\$1,545,846
2037	\$3,410,000	x	0.4186	=	\$1,427,432
2038	\$3,515,000	x	0.3754	=	\$1,319,628
2039	\$3,620,000	x	0.3367	=	\$1,218,877
Present Value of Cash Flow					\$17,868,588

Reversionary Benefit

Net income for 2040	\$3,729,000
Divided by reversion overall rate	9.5%
Gross reversion	\$39,252,632
Less cost of sale at 2.0%	\$785,053
Net reversion	\$38,467,579
Value per seat	\$8,548
Present Value of Reversion	\$12,952,279

Market Value

PV from cash flow	\$17,868,588
PV from reversion	\$12,952,279
Market value as of 1/1/2030	\$30,820,867
Rounded Market Value	\$30,800,000

Valuation Factors

Price per seat	\$6,844
% of value from cash flow	58%
% of value from reversion	42%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of \$30,800,000 as stabilized.

Comparison of Value Created to Projected Costs

A key component of a feasibility study is to determine whether the projected value created, as shown from the discounted cash flow analysis, equals or exceeds the development cost for the proposed project. Our feasibility study presented the projected value created after performing a detailed analysis of the market, projected usage, and financial analysis. In some cases, the feasibility study will not have the detailed costs available, and this conclusion will be determined after the client has cost estimates performed by building contractors and architects. In other cases, the client has already performed estimates of construction costs, and the feasibility study will present these estimates and compare the

value created to the development costs to determine if the project is feasible. Determining the sources and uses of funds is outside the scope of this study.

Based on our analysis of the proposed amphitheater, the estimated value created through the financial analysis shown in this report is below the estimated development costs of \$30 million to \$50 million, indicating that the project would require government incentives to justify its development. The financial analysis also includes an assumption that the property will receive municipal or philanthropic ongoing support. The discounted cash flow analysis utilizes higher discount and terminal capitalization rates than typical for commercial properties like apartments to account for the added risk involved in owning and operating an amphitheater. The analysis requires further details concerning a site to be selected and the cost to develop the project.

We note that the value conclusion is not meant to be market value because there are still many unknowns concerning the subject project. Rather it is presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

SWOT ANALYSIS OF SUBJECT – THEATER

We assessed the projected competitive position of the proposed subject theater as it compares to the defined competitive theater supply in the following SWOT analysis.

Strengths

- The consumer behavior analysis shows that there is a substantial base of potential consumers for a proposed theater.
- The subject will offer another feature to the city's established arts culture.
- The subject will offer a new and attractive facility with a wide range of seating, concessions, and larger stage space not offered in the area.
- There is a strong tourism base that may utilize the theater.

Weaknesses

- The population and median household income levels within a 30- and 60-minute drive around the subject site are less than many of the comparable facilities, indicating a greater number of people will need to travel longer distances. The subject will need to attract a larger percentage of visitors from the Albuquerque area.
- There are two theaters in the Albuquerque area in the comparable set: Popejoy Hall and Kiva Auditorium; as well as a few other indoor venues that could accommodate performances. The Lensic Performing Arts Center in Santa Fe would also be nearby the subject and may compete for similar business.

Opportunities

- The Lensic Performing Arts Center is not capable of hosting larger performances due to its smaller size in capacity and smaller stage than the proposed. The subject can attract a different set of events to the area.
- The Albuquerque-Santa Fe DMA has a low number of tickets sold per population compared to the average comparable DMAs, which indicates a demand for more concerts and events.

Threats

- A similar venue or attraction may be developed that would compete with the subject.

PROJECTED DEMAND ANALYSIS

Based on interviews with representatives of the subject, comparable theaters, knowledge of the market area, and consideration of factors such as competent and efficient management, a well-defined marketing program, the subject's location, and the quality of its facility, we estimated future demand for the proposed theater. In this section, we estimated the number of events and their attendance for the subject.

Projected Subject Demand

Our demand analysis considers that the subject will be used by multiple types of attendees and events.

Performances: We forecast concerts and performances to be held at the theater throughout the year. Our size recommendation of approximately 1,800 seats for the theater allows for a variety of Tier 2 to 4 type bands and musical events to utilize the subject property. We also anticipate other performances such as Broadway productions, orchestras, dance, and comedy shows to utilize the subject.

Performances - Forecasted Demand

Proposed Theater

First Year - 2027

	Number of events	Estimated attendance per event	Total
Performances			
Concerts	30	1,350	40,500
Broadway	10	1,260	12,600
Symphony/orchestra	5	1,080	5,400
Dance	5	1,080	5,400
Comedy	10	1,170	11,700
Total	60	5,940	75,600

Source: Hotel & Leisure Advisors

Corporate and social events: The theater can be made available for corporate events and social events when performances are not typically scheduled, particularly on weekdays.

Corporate and Social Events - Forecasted Demand

Proposed Theater

First Year - 2027

	Number of events	Estimated attendance per event	Total
Corporate & Social Events			
Meetings	10	200	2,000
Social Events	15	350	5,250
Total	25	550	7,250

Source: Hotel & Leisure Advisors

Other Events: - We forecast the subject to host a variety of other events that could include graduations, school events, associations, and community events. It may host political or community rallies and events, consumer shows, family shows, and other events.

Other Events - Forecasted Demand

Proposed Theater

First Year - 2027

	Number of events	Estimated attendance per event	Total
Other events			
Graduations/school events	10	600	6,000
Associations	5	400	2,000
Community events	10	500	5,000
Total	25	520	13,000

Source: Hotel & Leisure Advisors

The following table projects the number of events, average attendance per event, and total attendance for the theater. We project average attendance growth rates for all event types of 3.6% in the second year of the analysis, 2.7% in the third year of the analysis, and 1.7% in the fourth year of the analysis which is considered the stabilized year.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

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Forecasted Attendance and Revenue						
	Proposed Theater					
	2027	2028	2029	2030	2031	2032
Performances						
Number of events	60	63	66	67	67	67
Attendance per event	5,940	5,940	5,940	5,940	5,940	5,940
Average price per attendee	\$85	\$89	\$93	\$96	\$98	\$101
Total visitors per year	75,600	79,380	82,555	85,032	85,032	85,032
Total revenue	\$6,426,000	\$7,084,665	\$7,662,774	\$8,129,437	\$8,373,320	\$8,624,519
Corporate & Social Events						
Number of events	25	26	26	26	26	26
Attendance per event	550	550	550	550	550	550
Average price per attendee	\$30	\$32	\$33	\$34	\$35	\$36
Total visitors per year	7,250	7,395	7,469	7,469	7,469	7,469
Total revenue	\$217,500	\$232,943	\$244,683	\$252,023	\$259,584	\$267,372
Other Events						
Number of events	25	26	26	26	26	26
Attendance per event	520	520	520	520	520	520
Average price per attendee	\$20	\$21	\$22	\$22	\$23	\$24
Total visitors per year	13,000	13,260	13,393	13,393	13,393	13,393
Total revenue	\$260,000	\$278,460	\$292,494	\$301,269	\$310,307	\$319,617
Total						
Number of events	110	114	117	119	119	119
Attendance per event	873	873	873	873	873	873
Average price per attendee	\$72	\$76	\$79	\$81	\$83	\$86
Total visitors per year	96,000	100,000	103,000	106,000	106,000	106,000
Total revenue (rounded)	\$6,904,000	\$7,563,000	\$8,101,000	\$8,587,000	\$8,845,000	\$9,110,000
Visitors per seat (1,800)	53	56	57	59	59	59
Demand Segmentation						
Corporate & Social Events	23%	22%	22%	22%	22%	22%
Performances	55%	55%	56%	57%	57%	57%
Other Events	23%	22%	22%	22%	22%	22%

Source: Hotel & Leisure Advisors

Attendance Comparable Attractions vs. Subject Projections			
	Seating	Annual Attendance	Attendance per Seat
Lensic Performing Arts Center - Santa Fe, NM	821	37,000	45
Popejoy Hall - Albuquerque, NM	1,985	87,000	44
Kiva Auditorium - Albuquerque, NM	2,322	48,000	21
Pikes Peak Center - Colorado Springs, CO	2,012	215,000	107
Pueblo Memorial Hall - Pueblo, CO	1,600	84,000	53
Vilar Performing Arts Center - Beaver Creek, CO	575	46,000	80
Rialto Theatre - Tucson, AZ	1,300	234,000	180
Chandler Center for the Arts - Chandler, AZ	1,500	60,000	40
Proposed Theater-Santa Fe	1,800	106,000	59
<i>Source: Hotel & Leisure Advisors</i>			

Our estimated visitors per seat of 59 in a stabilized year is within the range of comparable venues of 21 to 180 and considers the demographics, tourism, and potential usage levels for the facility. The stabilized usage level is intended to reflect the property's anticipated results over its remaining economic life, given all changes in the life cycle of the theater and assuming continual reinvestment in the facility. Thus, the stabilized usage level excludes any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low usage levels. Although the subject property may operate at usage levels above this stabilized level, we believe it equally possible for shifts in the local economy and changes in the market's demand patterns to force the usage level below this selected point of stability.

Our estimates as outlined in this section of the report are predicated on the following assumptions:

1. The subject will be professionally managed and maintained;
2. The subject will be effectively promoted with a well-targeted marketing program throughout the analysis period;
3. A continued program of periodic replacement of furniture, fixtures, and equipment will continue throughout the analysis period to help maintain the efficiency of operation for the subject.

INTRODUCTION

To estimate the statement of annual operating results of the subject theater, we analyzed the scope and characteristics of the theater development. We have identified operating statements of comparable properties and reviewed industry standards for comparable properties in forecasting the financial performance of the subject.

The general steps include the following:

- Estimated the potential gross revenues for the subject property based upon an examination of the operating history of comparable properties in the subject market area and on a national basis, and an analysis of industry trends.
- Analyzed departmental, undistributed, and fixed expenses, and project appropriate amounts in each category.
- Projected the resultant net operating income (cash flow before debt service) over an appropriate holding period.

Account classifications generally conform to the standards presented in the International Association of Venue Managers Operating Expense and Revenue Survey. All percentages or amounts per visitor presented in the following pages were first computed on the basis of the revenue and expenses expressed in constant dollars and then inflated. All dollar amounts are expressed in stated year dollars unless otherwise noted.

The prospective financial analysis is based on the results of operations of comparable facilities, industry standards, and projections regarding the future environment in which the venue will operate. This includes the assumption that the property will be operated in a competent and professional manner and will be properly advertised and promoted.

Financial Comparables: We considered the performance of comparable theaters and compiled a group of eight theater facilities using their Form 990 Reports and financial statements provided by municipal entities. The following statements present comparable theater operating results.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

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Comparable Theater Financial Statements																				
	Arvada Center for the Arts and Humanities - Arvada, CO - 2022								Fox Tucson Theatre Foundation - Tucson, AZ - 2022								Lentic Performing Arts Center - Santa Fe, NM - 2022			
Capacity	900				1508				1164				821							
Attendance	109,500				210,000				67,989				56,500							
	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee				
Revenues																				
Admissions	\$4,998,848	40.3%	\$5,554	\$45.65	\$2,200,027	77.4%	\$1,459	\$10.48	\$2,771,915	38.0%	\$2,381	\$40.77	\$2,122,941	33.4%	\$2,586	\$37.57				
Food and Beverage	89,161	0.7%	99	0.81	39,393	1.4%	26	0.19	329,561	4.5%	283	4.85	90,286	1.4%	110	1.60				
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Rentals and Other Income (Net)	281,553	2.3%	313	2.57	-	-	-	-	-	-	-	-	-	-	-	-				
Contributions/Grants/Fundraising	7,027,827	56.7%	7,809	64.18	527,864	18.6%	350	2.51	4,191,648	57.5%	3,601	61.65	4,151,830	65.2%	5,057	73.48				
Sponsorships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Parking / Other	-	-	-	-	73,462	2.6%	49	0.35	1,594	0.0%	1	0.02	-	-	-	-				
Total Operating Revenue	12,397,389	100.0%	13,775	113.22	2,840,746	100.0%	1,884	13.53	7,294,718	100.0%	6,267	107.29	6,365,057	100.0%	7,753	112.66				
Cost of Sales																				
Food and Beverage	-	-	-	-	8,549	21.7%	6	0.04	88,879	27.0%	76	1.31	33,524	37.1%	41	0.59				
Total Departmental Expenses	0				8,549	0.3%	6	0.04	88,879	1.2%	76	1.31	33,524	0.5%	41	0.59				
Total Departmental Profit	12,397,389	100.0%	13,775	113.22	2,832,197	99.7%	1,878	13.49	7,205,839	98.8%	6,191	105.99	6,331,533	99.5%	7,712	112.06				
Undistributed Operating Expenses																				
Talent/Labor	6,302,888	50.8%	7,003	57.56	981,179	34.5%	651	4.67	3,048,740	41.8%	2,619	44.84	2,044,211	32.1%	2,490	36.18				
Administrative & General	1,656,834	13.4%	1,841	15.13	139,481	4.9%	92	0.66	296,930	4.1%	255	4.37	539,023	8.5%	657	9.54				
Sales & Marketing	299,618	2.4%	333	2.74	400,210	14.1%	265	1.91	473,861	6.5%	407	6.97	111,169	1.7%	135	1.97				
Operating Supplies/Utilities	5,020,961	40.5%	5,579	45.85	722,270	25.4%	479	3.44	499,570	6.8%	429	7.35	1,001,043	15.7%	1,219	17.72				
Prop. Oper. & Maintenance	-	-	-	-	-	-	-	-	47,619	0.7%	41	0.70	51,815	0.8%	63	0.92				
Total Undistributed Oper. Expenses	13,280,301	107.1%	14,756	121.28	2,243,140	79.0%	1,487	10.68	4,366,720	59.9%	3,751	64.23	3,747,261	58.9%	4,564	66.32				
Gross Operating Profit	-882,912	-7.1%	-981	(8.06)	589,057	20.7%	391	2.81	2,839,119	38.9%	2,439	41.76	2,584,272	40.6%	3,148	45.74				
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Income Before Non-Oper. Expenses	-882,912	-7.1%	-981	(8.06)	589,057	20.7%	391	2.81	2,839,119	38.9%	2,439	41.76	2,584,272	40.6%	3,148	45.74				
Non-Operating Expenses																				
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Insurance	99,101	0.8%	110	0.91	-	-	-	-	6,782	0.1%	6	0.10	35,209	0.6%	43	0.62				
Total Non-Operating Expenses	99,101	0.8%	110	0.91	0				6,782	0.1%	6	0.10	35,209	0.6%	43	0.62				
EBITDA Less Reserve	-\$982,013	-7.9%	-\$1,091	\$ (8.97)	\$589,057	20.7%	\$391	\$ 2.81	\$2,832,337	38.8%	\$2,433	\$ 41.66	\$2,549,063	40.0%	\$3,105	\$ 45.12				

Source: Form 990 Reports

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

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Comparable Theater Financial Statements																
	Parker Arts, Culture & Events Center - Parker, CO				Pioneer Center for the Performing Arts - Reno, NV				Rialto Theatre Foundation - Tucson, AZ				Vilar Performing Arts Center Inc. - Avon, CO			
	2022				2022				2022				2022			
Capacity	542				1,500				1,200				530			
Attendance	101,136				122,881				109,200				35,866			
	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee	\$	%	\$ / Seat	\$ / Attendee
Revenues																
Admissions	\$2,243,510	30.7%	\$4,139	\$22.18	\$1,953,007	50.3%	\$1,302	\$15.89	\$5,152,926	69.1%	\$4,294	\$47.19	\$2,316,855	31.2%	\$4,371	\$64.60
Food and Beverage	255,879	3.5%	472	2.53	448,524	11.6%	299	3.65	1,652,695	22.2%	1,377	15.13	261,800	3.5%	494	7.30
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rentals and Other Income (Net)	1,252,370	17.1%	2,311	12.38	1,306,342	33.7%	871	10.63	40,521	0.5%	34	0.37	12,763	0.2%	24	0.36
Contributions/Grants/Fundraising	3,543,624	48.5%	6,538	35.04	171,166	4.4%	114	1.39	458,858	6.2%	382	4.20	4,830,233	65.1%	9,114	134.67
Sponsorships	-	-	-	-	-	-	-	-	100,450	1.3%	84	0.92	-	-	-	-
Parking / Other	9,859	0.1%	18	0.10	-	-	-	-	48,972	0.7%	41	0.45	-	-	-	-
Total Operating Revenue	7,305,242	100.0%	13,478	72.23	3,879,039	100.0%	2,586	31.57	7,454,422	100.0%	6,212	68.26	7,421,651	100.0%	14,003	206.93
Cost of Sales																
Food and Beverage	79,644	31.1%	147	0.79	229,710	51.2%	153	1.87	537,668	32.5%	448	4.92	93,751	35.8%	177	2.61
Total Departmental Expenses	79,644	1.1%	147	0.79	229,710	5.9%	153	1.87	537,668	7.2%	448	4.92	93,751	1.3%	177	2.61
Total Departmental Profit	7,225,598	98.9%	13,331	71.44	3,649,329	94.1%	2,433	29.70	6,916,754	92.8%	5,764	63.34	7,327,900	98.7%	13,826	204.31
Undistributed Operating Expenses																
Talent/Labor	\$2,051,327	28.1%	3,785	20.28	\$1,113,457	28.7%	742	9.06	\$5,141,214	69.0%	4,284	47.08	\$4,251,532	57.3%	8,022	118.54
Administrative & General	382,272	5.2%	705	3.78	139,710	3.6%	93	1.14	143,246	1.9%	119	1.31	468,923	6.3%	885	13.07
Sales & Marketing	348,890	4.8%	644	3.45	339,556	8.8%	226	2.76	274,948	3.7%	229	2.52	514,816	6.9%	971	14.35
Operating Supplies/Utilities	2,398,134	32.8%	4,425	23.71	1,535,594	39.6%	1,024	12.50	390,790	5.2%	326	3.58	961,564	13.0%	1,814	26.81
Prop. Oper. & Maintenance	615,379	8.4%	1,135	6.08	39,909	1.0%	27	0.32	158,651	2.1%	132	1.45	-	-	-	-
Total Undistributed Oper. Expenses	5,796,002	79.3%	10,694	57.31	3,168,226	81.7%	2,112	25.78	6,108,849	81.9%	5,091	55.94	6,196,835	83.5%	11,692	172.78
Gross Operating Profit	1,429,596	19.6%	2,638	14.14	481,103	12.4%	321	3.92	807,905	10.8%	673	7.40	1,131,065	15.2%	2,134	31.54
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Non-Oper. Expenses	1,429,596	19.6%	2,638	14.14	481,103	12.4%	321	3.92	807,905	10.8%	673	7.40	1,131,065	15.2%	2,134	31.54
Non-Operating Expenses																
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	25,473	0.3%	47	0.25	65,577	1.7%	44	0.53	99,692	1.3%	83	0.91	56,864	0.8%	107	1.59
Total Non-Operating Expenses	25,473	0.3%	47	0.25	65,577	1.7%	44	0.53	99,692	1.3%	83	0.91	56,864	0.8%	107	1.59
EBITDA Less Reserve	\$1,404,123	19.2%	\$2,591	\$ 13.88	\$415,526	10.7%	\$277	\$ 3.38	\$708,213	9.5%	\$590	\$ 6.49	\$1,074,201	14.5%	\$2,027	\$ 29.95

Source: Form 990 Reports; Parker Arts, Culture, and Events Center - City of Parker

Fixed and Variable Component Analysis

In forecasting revenues and expenses for a venue, we utilized a fixed and variable component model. The model is based on the premise that revenues and expenses have a component that is fixed and another component that varies directly with facility utilization. Therefore, a projection is estimated by taking a known level of revenue or expense and calculating the fixed component as well as the variable portion. The fixed component is then held at a constant level, while the variable portion is adjusted for the percentage change between the projected facility utilization, which produces the projected level of revenue or expense.

INCOME AND EXPENSE ANALYSIS

The following indicates our projections for the various revenue and expense categories for the operation of the theater, which will attract concerts, community, and corporate events.

Admissions Revenue: Admissions revenue includes revenue earned from ticket sales (event income) at various events. Different types of events will have different revenue splits with the subject depending on the promoter of the event. We have calculated admissions revenue by analyzing the historical admissions revenue at the comparable facilities and making an estimate on a per seat basis.

Admissions Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$2,122,941	33.4%	\$2,586	\$37.57
Fox Tucson Theatre Foundation - Tucson, AZ	\$2,771,915	38.0%	\$2,381	\$40.77
Chandler Cultural Foundation - Chandler, AZ	\$2,200,027	77.4%	\$1,459	\$10.48
Arvada Center for the Arts and Humanities - Arvada, CO	\$4,998,848	40.3%	\$5,554	\$45.65
Parker Arts, Culture & Events Center - Parker, CO	\$2,243,510	30.7%	\$4,139	\$22.18
Pioneer Center for the Performing Arts - Reno, NV	\$1,953,007	50.3%	\$1,302	\$15.89
Rialto Theatre Foundation - Tucson, AZ	\$5,152,926	69.1%	\$4,294	\$47.19
Vilar Performing Arts Center Inc. - Avon, CO	\$2,316,855	31.2%	\$4,371	\$64.60
Average	\$2,975,940	46.4%	\$3,231	\$35.33
H&LA Forecasted First Year	\$6,904,000	58.2%	\$3,836	\$71.92
H&LA Stabilized Year 4	\$8,587,000	57.8%	\$4,771	\$81.01

Source: Hotel & Leisure Advisors

We forecast admissions revenue within the range of comparables on a per seat basis. We anticipate that the subject will mostly attract performances, with a smaller percentage of events.

Food and Beverage Revenue: The subject will offer concessions. This line item also includes revenue for catering during corporate meetings and for VIP seating. We envision venues will be open during events only. The subject will also offer bar service for adult guests who wish to purchase alcoholic beverages. Guests desiring food and beverage will be required to purchase them from the outlets. The following table outlines our analysis of the subject's food and beverage department revenue.

Food and Beverage Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$90,286	1.4%	\$110	\$1.60
Fox Tucson Theatre Foundation - Tucson, AZ	\$329,561	4.5%	\$283	\$4.85
Chandler Cultural Foundation - Chandler, AZ	\$39,393	1.4%	\$26	\$0.19
Arvada Center for the Arts and Humanities - Arvada, CO	\$89,161	0.7%	\$99	\$0.81
Parker Arts, Culture & Events Center - Parker, CO	\$255,879	3.5%	\$472	\$2.53
Pioneer Center for the Performing Arts - Reno, NV	\$448,524	11.6%	\$299	\$3.65
Rialto Theatre Foundation - Tucson, AZ	\$1,652,695	22.2%	\$1,377	\$15.13
Vilar Performing Arts Center Inc. - Avon, CO	\$261,800	3.5%	\$494	\$7.30
Average	\$367,155	5.6%	\$366	\$4.21
H&LA Forecasted First Year	\$400,000	3.4%	\$222	\$4.17
H&LA Stabilized Year 4	\$498,000	3.4%	\$277	\$4.70

Source: Hotel & Leisure Advisors

We have projected food and beverage revenues of \$400,000 in total dollars or \$4.17 per attendee in the first year of our analysis. Our projection is within the range of the comparable properties on a per attendee basis. Some food and beverage concessions are managed by a third party, thus indicating only net income.

Rental Income: This line item includes all income (net) associated with renting all or part of the theater for events where the property provides no food and beverage service, youth classes, and reimbursements. The following table outlines our analysis of the subject's rental revenue.

Rentals and Other Income (Net)				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	-	-	-	-
Fox Tucson Theatre Foundation - Tucson, AZ	-	-	-	-
Chandler Cultural Foundation - Chandler, AZ	-	-	-	-
Arvada Center for the Arts and Humanities - Arvada, CO	\$281,553	2.3%	\$313	\$2.57
Parker Arts, Culture & Events Center - Parker, CO	\$1,252,370	17.1%	\$2,311	\$12.38
Pioneer Center for the Performing Arts - Reno, NV	\$1,306,342	33.7%	\$871	\$10.63
Rialto Theatre Foundation - Tucson, AZ	\$40,521	0.5%	\$34	\$0.37
Vilar Performing Arts Center Inc. - Avon, CO	\$12,763	0.2%	\$24	\$0.36
Average	\$529,184	9.3%	\$644	\$4.81
H&LA Forecasted First Year	\$325,000	2.7%	\$181	\$3.39
H&LA Stabilized Year 4	\$386,000	2.6%	\$214	\$3.64

Source: Hotel & Leisure Advisors

We project the new venue to achieve rental revenue within the range of the comparable facilities on a per attendee basis.

Contributions/Grants/Fundraising Revenue: Contributions include taxes that are designated for the theater. This can include bed taxes, sales taxes, or other designated sources. It can also include fundraising, donations, and grants from other sources.

Contributions/Grants/Fundraising				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$4,151,830	65.2%	\$5,057	\$73.48
Fox Tucson Theatre Foundation - Tucson, AZ	\$4,191,648	57.5%	\$3,601	\$61.65
Chandler Cultural Foundation - Chandler, AZ	\$527,864	18.6%	\$350	\$2.51
Arvada Center for the Arts and Humanities - Arvada, CO	\$7,027,827	56.7%	\$7,809	\$64.18
Parker Arts, Culture & Events Center - Parker, CO	\$3,543,624	48.5%	\$6,538	\$35.04
Pioneer Center for the Performing Arts - Reno, NV	\$171,166	4.4%	\$114	\$1.39
Rialto Theatre Foundation - Tucson, AZ	\$458,858	6.2%	\$382	\$4.20
Vilar Performing Arts Center Inc. - Avon, CO	\$4,830,233	65.1%	\$9,114	\$134.67
Average	\$3,208,649	41.3%	\$4,130	\$47.51
H&LA Forecasted First Year	\$3,600,000	30.3%	\$2,000	\$37.50
H&LA Stabilized Year 4	\$4,614,000	31.1%	\$2,563	\$43.53

Source: Hotel & Leisure Advisors

The proposed theater may be operated as a public/private partnership or by a nonprofit. We have projected contributions revenue on a per seat basis as the development will need help being funded by the nonprofit and governments sectors. We expect it to actively solicit philanthropy money.

Sponsorship Revenue: This line item includes all revenue associated with sponsorship income from a variety of sponsors that will want to affiliate with the subject property and include their company information within the venue. The following table outlines our analysis of the subject's sponsorship revenue.

Sponsorships Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	-	-	-	-
Fox Tucson Theatre Foundation - Tucson, AZ	-	-	-	-
Chandler Cultural Foundation - Chandler, AZ	-	-	-	-
Arvada Center for the Arts and Humanities - Arvada, CO	-	-	-	-
Parker Arts, Culture & Events Center - Parker, CO	-	-	-	-
Pioneer Center for the Performing Arts - Reno, NV	-	-	-	-
Rialto Theatre Foundation - Tucson, AZ	\$100,450	1.3%	\$84	\$0.92
Vilar Performing Arts Center Inc. - Avon, CO	-	-	-	-
Average	\$100,450	1.3%	\$84	\$0.92
H&LA Forecasted First Year	\$153,000	1.3%	\$85	\$1.59
H&LA Stabilized Year 4	\$174,000	1.2%	\$97	\$1.64

Source: Hotel & Leisure Advisors

We estimate sponsorship revenues in line with other comparable facilities on a per seat basis.

Parking/Other Income Revenue: This line item includes all other income revenue. It can include licensing fees, reimbursements from maintenance/facility fees, parking fees, and other miscellaneous income. We project the subject may charge for parking for large concerts and events. The following table outlines our analysis of the subject's other income revenue.

Parking / Other Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	-	-	-	-
Fox Tucson Theatre Foundation - Tucson, AZ	\$1,594	0.0%	\$1	\$0.02
Chandler Cultural Foundation - Chandler, AZ	\$73,462	2.6%	\$49	\$0.35
Arvada Center for the Arts and Humanities - Arvada, CO	-	-	-	-
Parker Arts, Culture & Events Center - Parker, CO	\$9,859	0.1%	\$18	\$0.10
Pioneer Center for the Performing Arts - Reno, NV	-	-	-	-
Rialto Theatre Foundation - Tucson, AZ	\$48,972	0.7%	\$41	\$0.45
Vilar Performing Arts Center Inc. - Avon, CO	-	-	-	-
Average	\$34,283	0.9%	\$27	\$0.22
H&LA Forecasted First Year	\$480,000	4.0%	\$267	\$5.00
H&LA Stabilized Year 4	\$597,000	4.0%	\$332	\$5.63

Source: Hotel & Leisure Advisors

We have assumed a \$15 per car parking charge for every three attendees.

Total Revenue: The following table indicates the comparables, and our projection of the first-year total revenue.

Total Operating Revenue				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$6,365,057	100.0%	\$7,753	\$112.66
Fox Tucson Theatre Foundation - Tucson, AZ	\$7,294,718	100.0%	\$6,267	\$107.29
Chandler Cultural Foundation - Chandler, AZ	\$2,840,746	100.0%	\$1,884	\$13.53
Arvada Center for the Arts and Humanities - Arvada, CO	\$12,397,389	100.0%	\$13,775	\$113.22
Parker Arts, Culture & Events Center - Parker, CO	\$7,305,242	100.0%	\$13,478	\$72.23
Pioneer Center for the Performing Arts - Reno, NV	\$3,879,039	100.0%	\$2,586	\$31.57
Rialto Theatre Foundation - Tucson, AZ	\$7,454,422	100.0%	\$6,212	\$68.26
Vilar Performing Arts Center Inc. - Avon, CO	\$7,421,651	100.0%	\$14,003	\$206.93
Average	\$6,909,194	100.0%	\$8,153	\$90.26
H&LA Forecasted First Year	\$11,862,000	100.0%	\$6,590	\$123.56
H&LA Stabilized Year 4	\$14,856,000	100.0%	\$8,253	\$140.15

Source: Hotel & Leisure Advisors

The projected total revenues for the subject are within the range of the comparable properties shown on a per seat and per attendee basis.

Departmental Expenses

Departmental expenses are costs borne by individual departments of the facility and can be segmented separately. Labor costs, including payroll and benefits, are shown separately as a single line item.

Food and Beverage Expenses: These expenses reflect the cost of food and beverages, and other expenses related to the operation of the food and beverage facilities. Labor costs are shown separately. The following table outlines our analysis of the subject's food and beverage department expenses.

Food and Beverage Expense				
	Amount	% of Dept. Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$33,524	37.1%	\$41	\$0.59
Fox Tucson Theatre Foundation - Tucson, AZ	\$88,879	27.0%	\$76	\$1.31
Chandler Cultural Foundation - Chandler, AZ	\$8,549	21.7%	\$6	\$0.04
Arvada Center for the Arts and Humanities - Arvada, CO	-	-	-	-
Parker Arts, Culture & Events Center - Parker, CO	\$79,644	31.1%	\$147	\$0.79
Pioneer Center for the Performing Arts - Reno, NV	\$229,710	51.2%	\$153	\$1.87
Rialto Theatre Foundation - Tucson, AZ	\$537,668	32.5%	\$448	\$4.92
Vilar Performing Arts Center Inc. - Avon, CO	\$93,751	35.8%	\$177	\$2.61
Average	\$153,104	33.8%	\$150	\$1.73
H&LA Forecasted First Year	\$140,000	35.0%	\$78	\$1.46
H&LA Stabilized Year 4	\$169,000	33.9%	\$94	\$1.59

Source: Hotel & Leisure Advisors

We have estimated food and beverage expenses considering results from the National Restaurant Association's Restaurant Operation Report that indicates a typical food and beverage establishment will have food and beverage expenses of around 35%.

Undistributed Expenses

Undistributed operating expenses are costs borne by the entire operation and are not attributable to any one specific department or profit center.

Talent/Labor Costs: This involves both direct and indirect labor costs such as hourly workers' wages management's salaries paid on these wages and salaries for the theater operations including food and beverage, retail, and parking departments. This also includes the expenses associated with booking the performers and their fees. The following table outlines our analysis of the subject's labor department expenses.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

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Talent/Labor Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$2,044,211	32.1%	\$2,490	\$36.18
Fox Tucson Theatre Foundation - Tucson, AZ	\$3,048,740	41.8%	\$2,619	\$44.84
Chandler Cultural Foundation - Chandler, AZ	\$981,179	34.5%	\$651	\$4.67
Arvada Center for the Arts and Humanities - Arvada, CO	\$6,302,888	50.8%	\$7,003	\$57.56
Parker Arts, Culture & Events Center - Parker, CO	\$2,051,327	28.1%	\$3,785	\$20.28
Pioneer Center for the Performing Arts - Reno, NV	\$1,113,457	28.7%	\$742	\$9.06
Rialto Theatre Foundation - Tucson, AZ	\$5,141,214	69.0%	\$4,284	\$47.08
Vilar Performing Arts Center Inc. - Avon, CO	\$4,251,532	57.3%	\$8,022	\$118.54
Average	\$3,114,311	42.5%	\$3,643	\$41.56
H&LA Forecasted First Year	\$5,101,000	43.0%	\$2,834	\$53.14
H&LA Stabilized Year 4	\$6,152,000	41.4%	\$3,418	\$58.04

Source: Hotel & Leisure Advisors

We have projected a talent and labor expense figure within the range of the comparables on a percentage of total revenue basis.

Administrative and General Expenses: These expenses represent expenses for management and administration, including such items as the cost of accounting and legal fees, credit card commissions, donations, and telephone charges. The following table outlines our analysis of the subject's administrative and general department expenses.

Administrative & General Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$539,023	8.5%	\$657	\$9.54
Fox Tucson Theatre Foundation - Tucson, AZ	\$296,930	4.1%	\$255	\$4.37
Chandler Cultural Foundation - Chandler, AZ	\$139,481	4.9%	\$92	\$0.66
Arvada Center for the Arts and Humanities - Arvada, CO	\$1,656,834	13.4%	\$1,841	\$15.13
Parker Arts, Culture & Events Center - Parker, CO	\$382,272	5.2%	\$705	\$3.78
Pioneer Center for the Performing Arts - Reno, NV	\$139,710	3.6%	\$93	\$1.14
Rialto Theatre Foundation - Tucson, AZ	\$143,246	1.9%	\$119	\$1.31
Vilar Performing Arts Center Inc. - Avon, CO	\$468,923	6.3%	\$885	\$13.07
Average	\$283,538	4.3%	\$451	\$4.83
H&LA Forecasted First Year	\$593,000	5.0%	\$329	\$6.18
H&LA Stabilized Year 4	\$704,000	4.7%	\$391	\$6.64

Source: Hotel & Leisure Advisors

Sales & Marketing Expenses: This includes the cost of advertising and client promotions in various media such as television, newspapers, the Internet, social media, magazines and directories, as well as direct mail campaigns, billboards, and miscellaneous sales and marketing expenses. We expect that the promoters for the various events will do their own marketing for shows, but the subject will be marketing the events that it is self-promoting. The following table outlines our analysis of the subject's marketing department expenses.

Sales & Marketing Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$111,169	1.7%	\$135	\$1.97
Fox Tucson Theatre Foundation - Tucson, AZ	\$473,861	6.5%	\$407	\$6.97
Chandler Cultural Foundation - Chandler, AZ	\$400,210	14.1%	\$265	\$1.91
Arvada Center for the Arts and Humanities - Arvada, CO	\$299,618	2.4%	\$333	\$2.74
Parker Arts, Culture & Events Center - Parker, CO	\$348,890	4.8%	\$644	\$3.45
Pioneer Center for the Performing Arts - Reno, NV	\$339,556	8.8%	\$226	\$2.76
Rialto Theatre Foundation - Tucson, AZ	\$274,948	3.7%	\$229	\$2.52
Vilar Performing Arts Center Inc. - Avon, CO	\$514,816	6.9%	\$971	\$14.35
Average	\$342,698	6.1%	\$389	\$4.45
H&LA Forecasted First Year	\$593,000	5.0%	\$329	\$6.18
H&LA Stabilized Year 4	\$704,000	4.7%	\$391	\$6.64

Source: Hotel & Leisure Advisors

We have shown marketing expenses within the range of comparables on a per attendee basis. This amount will provide the subject with sufficient funds to achieve the projected attendance figures and promote the property.

Operating Supplies/Utilities: These include costs necessary for operating the theater, such as LED lighting, portable stages, audience risers, decks, acoustic shells, equipment, facility services, and others. It also includes expenditures on gas, sewer, water waste removal, and related operating supplies. The following table outlines our analysis of the subject's operating supplies department expenses.

Operating Supplies/Utilities Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$1,001,043	15.7%	\$1,219	\$17.72
Fox Tucson Theatre Foundation - Tucson, AZ	\$499,570	6.8%	\$429	\$7.35
Chandler Cultural Foundation - Chandler, AZ	\$722,270	25.4%	\$479	\$3.44
Arvada Center for the Arts and Humanities - Arvada, CO	\$5,020,961	40.5%	\$5,579	\$45.85
Parker Arts, Culture & Events Center - Parker, CO	\$2,398,134	32.8%	\$4,425	\$23.71
Pioneer Center for the Performing Arts - Reno, NV	\$1,535,594	39.6%	\$1,024	\$12.50
Rialto Theatre Foundation - Tucson, AZ	\$390,790	5.2%	\$326	\$3.58
Vilar Performing Arts Center Inc. - Avon, CO	\$961,564	13.0%	\$1,814	\$26.81
Average	\$1,593,432	22.4%	\$1,913	\$17.73
H&LA Forecasted First Year	\$2,372,000	20.0%	\$1,318	\$24.71
H&LA Stabilized Year 4	\$2,861,000	19.3%	\$1,589	\$26.99

Source: Hotel & Leisure Advisors

Our projection is within the range of the comparables as a percentage of total revenue and on a per seat basis.

Property Operations and Maintenance: This category includes expenses related to maintenance and repairs for the entire facility including building electrical, plumbing, HVAC, fire and life safety, and other building systems and components. It also includes grounds

maintenance of the exterior grounds of the facility. The following table outlines our analysis of the subject's repairs and maintenance department expenses.

Prop. Oper. & Maintenance Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$51,815	0.8%	\$63	\$0.92
Fox Tucson Theatre Foundation - Tucson, AZ	\$47,619	0.7%	\$41	\$0.70
Chandler Cultural Foundation - Chandler, AZ	-	-	-	-
Arvada Center for the Arts and Humanities - Arvada, CO	-	-	-	-
Parker Arts, Culture & Events Center - Parker, CO	\$615,379	8.4%	\$1,135	\$6.08
Pioneer Center for the Performing Arts - Reno, NV	\$39,909	1.0%	\$27	\$0.32
Rialto Theatre Foundation - Tucson, AZ	\$158,651	2.1%	\$132	\$1.45
Vilar Performing Arts Center Inc. - Avon, CO	-	-	-	-
Average	\$160,515	2.3%	\$242	\$1.71
H&LA Forecasted First Year	\$320,400	2.7%	\$178	\$3.34
H&LA Stabilized Year 4	\$429,000	2.9%	\$238	\$4.05

Source: Hotel & Leisure Advisors

We have projected repair and maintenance expenses within the range of the comparables on a percentage of total revenue basis. We are also projecting a reserve for replacement within our financial projections.

Management Fee: The projection for the subject's income and expenses assumes competent management by a professional management company. The developers have not yet selected a management company. We assume that a prudent investor would utilize a competent management company with fees structured at market rates. Management fees typically range between 3% to 8% of total revenue for hospitality and venue properties. Based on the industry standards, we have accounted for management fee of 5.0% of total revenue throughout our analysis.

Income Before Non-Operating Expenses: The following table shows income before non-operating expenses of the subject and comparable properties.

Income Before Non-Operating Expenses				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$2,584,272	40.6%	\$3,148	\$45.74
Fox Tucson Theatre Foundation - Tucson, AZ	\$2,839,119	38.9%	\$2,439	\$41.76
Chandler Cultural Foundation - Chandler, AZ	\$589,057	20.7%	\$391	\$2.81
Arvada Center for the Arts and Humanities - Arvada, CO	-\$882,912	-7.1%	-\$981	-\$8.06
Parker Arts, Culture & Events Center - Parker, CO	\$1,429,596	19.6%	\$2,638	\$14.14
Pioneer Center for the Performing Arts - Reno, NV	\$481,103	12.4%	\$321	\$3.92
Rialto Theatre Foundation - Tucson, AZ	\$807,905	10.8%	\$673	\$7.40
Vilar Performing Arts Center Inc. - Avon, CO	\$1,131,065	15.2%	\$2,134	\$31.54
Average	\$1,140,177	19.4%	\$1,335	\$17.75
H&LA Forecasted First Year	\$2,149,600	18.1%	\$1,194	\$22.39
H&LA Stabilized Year 4	\$3,094,000	20.8%	\$1,719	\$29.19

Source: Hotel & Leisure Advisors

Non-Operating Expenses

Non-operating expenses include any expenses that relate to the ownership of the attraction, including property taxes, buildings and contents insurance, reserve for replacement, and any applicable land, building, or equipment rental.

Real Estate and Property Taxes: These taxes are comprised of real estate and personal property taxes. We do not project any real estate taxes due to the development being on city or county owned land.

Building and Property Insurance: The insurance expense category includes the cost of insuring the facility and its contents against damage or destruction from fire, weather, sprinkler leakage, boiler explosion, breakage, and other potential disasters. It also includes insurance from liability from accidents and general liability insurance. The following table outlines our analysis of the subject's insurance department expenses.

Insurance Expense				
	Amount	% of Total Revenue	\$ / Seat	\$ / Attendee
Subject				
Lensic Performing Arts Center - Santa Fe, NM	\$35,209	0.6%	\$43	\$0.62
Fox Tucson Theatre Foundation - Tucson, AZ	\$6,782	0.1%	\$6	\$0.10
Chandler Cultural Foundation - Chandler, AZ	-	-	-	-
Arvada Center for the Arts and Humanities - Arvada, CO	\$99,101	0.8%	\$110	\$0.91
Parker Arts, Culture & Events Center - Parker, CO	\$25,473	0.3%	\$47	\$0.25
Pioneer Center for the Performing Arts - Reno, NV	\$65,577	1.7%	\$44	\$0.53
Rialto Theatre Foundation - Tucson, AZ	\$99,692	1.3%	\$83	\$0.91
Vilar Performing Arts Center Inc. - Avon, CO	\$56,864	0.8%	\$107	\$1.59
Average	\$54,466	0.8%	\$62	\$0.68
H&LA Forecasted First Year	\$95,000	0.8%	\$53	\$0.99
H&LA Stabilized Year 4	\$104,000	0.7%	\$58	\$0.98

Source: Hotel & Leisure Advisors

We have projected first year insurance expense within the range of comparable properties on a percentage of total revenue and on a per seat basis.

Reserve for Replacement: This represents a reserve set aside to provide for the periodic replacement of furniture, fixtures and equipment during the life of the building. Although the comparables do not separately account for this figure in their income statements, our financial analysis assumes that enough cash would be available to maintain the overall condition of the subject over its useful life. A portion of capital expenditures could be considered as a reserve for replacement while the remaining would be considered as capital additions to various properties. We have applied a reserve for replacement of 2.0% of total revenue in the first year of the projection rising to 4.0% in the third year and beyond.

Inflation: The assumed 3.0% per annum rate of inflation for the analysis is derived by a review of historical increases to the Consumer Price Index (CPI) and various inflation forecasts by the Federal Reserve Bank, Livingston Survey, and U.S. Congressional Budget Office. The following table presents a historical analysis of the Consumer Price Index.

U.S. Consumer Price Index		
Year	CPI	% Change
2000	172.200	
2001	177.100	2.85%
2002	179.900	1.58%
2003	184.000	2.28%
2004	188.900	2.66%
2005	195.300	3.39%
2006	201.600	3.23%
2007	207.300	2.83%
2008	215.303	3.86%
2009	214.537	-0.36%
2010	218.056	1.64%
2011	224.939	3.16%
2012	229.594	2.07%
2013	232.957	1.46%
2014	236.736	1.62%
2015	237.017	0.12%
2016	240.007	1.26%
2017	245.120	2.13%
2018	251.107	2.44%
2019	255.657	1.81%
2020	258.811	1.23%
2021	270.97	4.70%
2022	292.655	8.00%
2023	304.702	4.12%
Average		2.53%

Source: US Bureau of Labor Statistics

The table shows an average growth rate of 2.53% since 2000. However, based upon our review of various economic forecasts, we project a 3.0% per annum rate of inflation is realistic. To the extent that actual rates differ from this percentage, the estimates would

have to be adjusted. All revenue and expense items were first calculated in first year dollars. A 3.0% growth rate was applied to all revenue and expenses.

PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS

The following forecasts of income and expenses reflect the subject's anticipated performance for 11 years beginning in 2027. We have projected that the subject operations will stabilize in the fourth year and all income and expense items will increase thereafter at the underlying inflation rate of 3.0%. All other expense ratios are expressed as a percentage of total revenues.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

G-15

Forecasted Financial Performance

Proposed Theater																
	2027 - First Year				2028 - First +1				2029 - First +2				2030 - First +3			
Capacity	1,800				1,800				1,800				1,800			
Attendance	96,000				100,000				103,000				106,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Revenues																
Admissions	\$6,904	58.2%	\$3,836	\$71.92	\$7,563	57.9%	\$4,202	\$75.63	\$8,101	57.7%	\$4,501	\$78.65	\$8,587	57.8%	\$4,771	\$81.01
Food and Beverage	400	3.4%	222	4.17	440	3.4%	244	4.40	472	3.4%	262	4.58	498	3.4%	277	4.70
Rentals and Other Income (Net)	325	2.7%	181	3.39	349	2.7%	194	3.49	369	2.6%	205	3.58	386	2.6%	214	3.64
Contributions/Grants/Fundraising	3,600	30.3%	2,000	37.50	4,021	30.8%	2,234	40.21	4,353	31.0%	2,418	42.26	4,614	31.1%	2,563	43.53
Sponsorships	153	1.3%	85	1.59	161	1.2%	89	1.61	168	1.2%	93	1.63	174	1.2%	97	1.64
Parking / Other	480	4.0%	267	5.00	528	4.0%	293	5.28	566	4.0%	314	5.50	597	4.0%	332	5.63
Total Operating Revenue	11,862	100.0%	6,590	123.56	13,062	100.0%	7,257	130.62	14,029	100.0%	7,794	136.20	14,856	100.0%	8,253	140.15
Cost of Sales																
Food and Beverage	140	35.0%	78	1.46	152	34.5%	84	1.52	161	34.1%	89	1.56	169	33.9%	94	1.59
Total Departmental Expenses	140	1.2%	78	1.46	152	1.2%	84	1.52	161	1.1%	89	1.56	169	1.1%	94	1.59
Total Departmental Profit	11,722	98.8%	6,512	122.10	12,910	98.8%	7,172	129.10	13,868	98.9%	7,704	134.64	14,687	98.9%	8,159	138.56
Undistributed Operating Expenses																
Talent/Labor	5,101	43.0%	2,834	53.14	5,520	42.3%	3,067	55.20	5,865	41.8%	3,258	56.94	6,152	41.4%	3,418	58.04
Administrative & General	593	5.0%	329	6.18	637	4.9%	354	6.37	673	4.8%	374	6.53	704	4.7%	391	6.64
Sales & Marketing	593	5.0%	329	6.18	637	4.9%	354	6.37	673	4.8%	374	6.53	704	4.7%	391	6.64
Operating Supplies/Utilities	2,372	20.0%	1,318	24.71	2,567	19.7%	1,426	25.67	2,728	19.4%	1,516	26.49	2,861	19.3%	1,589	26.99
Prop. Oper. & Maintenance	320	2.7%	178	3.34	366	2.8%	203	3.66	409	2.9%	227	3.97	429	2.9%	238	4.05
Total Undistributed Oper. Expenses	8,979	75.7%	4,989	93.54	9,727	74.5%	5,404	97.27	10,348	73.8%	5,749	100.47	10,850	73.0%	6,028	102.36
Gross Operating Profit	2,743	23.1%	1,524	0.03	3,183	24.4%	1,768	0.03	3,520	25.1%	1,956	0.03	3,837	25.8%	2,132	0.04
Management Fees	593	5.0%	329	6.18	653	5.0%	363	6.53	701	5.0%	389	6.81	743	5.0%	413	7.01
Income Before Non-Oper. Expenses:	2,150	18.1%	1,194	22.39	2,530	19.4%	1,406	25.30	2,819	20.1%	1,566	27.37	3,094	20.8%	1,719	29.19
Non-Operating Expenses																
Insurance	95	0.8%	53	0.99	98	0.8%	54	0.98	101	0.7%	56	0.98	104	0.7%	58	0.98
Reserve for Replacement	237	2.0%	132	2.47	392	3.0%	218	3.92	561	4.0%	312	5.45	594	4.0%	330	5.60
Total Non-Operating Expenses	332	2.8%	184	3.46	490	3.8%	272	4.90	662	4.7%	368	6.43	698	4.7%	388	6.58
EBITDA Less Reserve	\$1,818	15.3%	\$1,010	\$ 18.93	\$2,040	15.6%	\$1,133	\$ 20.40	\$2,157	15.4%	\$1,198	\$ 20.94	\$2,396	16.1%	\$1,331	\$ 22.60

Source: Hotel & Leisure Advisors

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

G-16

Forecasted Financial Performance

Proposed Theater																
	2031 - First +4				2032 - First +5				2033 - First +6				2034 - First +7			
Capacity	1,800				1,800				1,800				1,800			
Attendance	106,000				106,000				106,000				106,000			
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Admissions	\$8,845	57.8%	\$4,914	\$83.44	\$9,110	57.8%	\$5,061	\$85.94	\$9,383	57.8%	\$5,213	\$88.52	\$9,665	57.8%	\$5,369	\$91.18
Food and Beverage	512	3.3%	284	4.83	528	3.4%	293	4.98	544	3.4%	302	5.13	560	3.3%	311	5.28
Rentals and Other Income (Net)	397	2.6%	221	3.75	409	2.6%	227	3.86	422	2.6%	234	3.98	434	2.6%	241	4.09
Contributions/Grants/Fundraising	4,752	31.1%	2,640	44.83	4,895	31.1%	2,719	46.18	5,042	31.1%	2,801	47.57	5,193	31.1%	2,885	48.99
Sponsorships	180	1.2%	100	1.70	185	1.2%	103	1.75	191	1.2%	106	1.80	196	1.2%	109	1.85
Parking / Other	615	4.0%	342	5.80	633	4.0%	352	5.97	652	4.0%	362	6.15	672	4.0%	373	6.34
Total Operating Revenue	15,301	100.0%	8,501	144.35	15,760	100.0%	8,756	148.68	16,234	100.0%	9,019	153.15	16,720	100.0%	9,289	157.74
Cost of Sales																
Food and Beverage	174	34.0%	97	1.64	179	33.9%	99	1.69	185	34.0%	103	1.75	190	33.9%	106	1.79
Total Departmental Expenses	174	1.1%	97	1.64	179	1.1%	99	1.69	185	1.1%	103	1.75	190	1.1%	106	1.79
Total Departmental Profit	15,127	98.9%	8,404	142.71	15,581	98.9%	8,656	146.99	16,049	98.9%	8,916	151.41	16,530	98.9%	9,183	155.94
Undistributed Operating Expenses																
Talent/Labor	6,336	41.4%	3,520	59.77	6,526	41.4%	3,626	61.57	6,722	41.4%	3,734	63.42	6,924	41.4%	3,847	65.32
Administrative & General	725	4.7%	403	6.84	747	4.7%	415	7.05	769	4.7%	427	7.25	792	4.7%	440	7.47
Sales & Marketing	725	4.7%	403	6.84	747	4.7%	415	7.05	769	4.7%	427	7.25	792	4.7%	440	7.47
Operating Supplies/Utilities	2,947	19.3%	1,637	27.80	3,036	19.3%	1,687	28.64	3,127	19.3%	1,737	29.50	3,220	19.3%	1,789	30.38
Prop. Oper. & Maintenance	442	2.9%	246	4.17	455	2.9%	253	4.29	469	2.9%	261	4.42	483	2.9%	268	4.56
Total Undistributed Oper. Expenses	11,175	73.0%	6,208	105.42	11,511	73.0%	6,395	108.59	11,856	73.0%	6,587	111.85	12,211	73.0%	6,784	115.20
Gross Operating Profit	3,952	25.8%	2,196	0.04	4,070	25.8%	2,261	0.04	4,193	25.8%	2,329	0.04	4,319	25.8%	2,399	0.04
Management Fees	765	5.0%	425	7.22	788	5.0%	438	7.43	812	5.0%	451	7.66	836	5.0%	464	7.89
Income Before Non-Oper. Expenses	3,187	20.8%	1,771	30.07	3,282	20.8%	1,823	30.96	3,381	20.8%	1,878	31.90	3,483	20.8%	1,935	32.86
Non-Operating Expenses																
Insurance	107	0.7%	59	1.01	110	0.7%	61	1.04	113	0.7%	63	1.07	117	0.7%	65	1.10
Reserve for Replacement	612	4.0%	340	5.77	630	4.0%	350	5.94	649	4.0%	361	6.12	669	4.0%	372	6.31
Total Non-Operating Expenses	719	4.7%	399	6.78	740	4.7%	411	6.98	762	4.7%	423	7.19	786	4.7%	437	7.42
EBITDA Less Reserve	\$2,468	16.1%	\$1,371	\$ 23.28	\$2,542	16.1%	\$1,412	\$ 23.98	\$2,619	16.1%	\$1,455	\$ 24.71	\$2,697	16.1%	\$1,498	\$ 25.44

Source: Hotel & Leisure Advisors

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Subject Projections – Theater

G-17

Forecasted Financial Performance												
Proposed Theater												
	2035 - First +8				2036 - First +9				2037 - First +10			
	Capacity	Attendance										
	1,800	106,000			1,800	106,000			1,800	106,000		
	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee	\$ (000)	%	\$ / Seat	\$ / Attendee
Admissions	\$9,955	57.8%	\$5,531	\$93.92	\$10,253	57.8%	\$5,696	\$96.73	\$10,561	57.8%	\$5,867	\$99.63
Food and Beverage	577	3.4%	321	5.44	594	3.3%	330	5.60	612	3.3%	340	5.77
Rentals and Other Income (Net)	447	2.6%	248	4.22	461	2.6%	256	4.35	475	2.6%	264	4.48
Contributions/Grants/Fundraising	5,349	31.1%	2,972	50.46	5,509	31.1%	3,061	51.97	5,675	31.1%	3,153	53.54
Sponsorships	202	1.2%	112	1.91	208	1.2%	116	1.96	215	1.2%	119	2.03
Parking / Other	692	4.0%	384	6.53	713	4.0%	396	6.73	734	4.0%	408	6.92
Total Operating Revenue	17,222	100.0%	9,568	162.47	17,738	100.0%	9,854	167.34	18,272	100.0%	10,151	172.38
Cost of Sales												
Food and Beverage	196	34.0%	109	1.85	202	34.0%	112	1.91	208	34.0%	116	1.96
Total Departmental Expenses	196	1.1%	109	1.85	202	1.1%	112	1.91	208	1.1%	116	1.96
Total Departmental Profit	17,026	98.9%	9,459	160.62	17,536	98.9%	9,742	165.43	18,064	98.9%	10,036	170.42
Undistributed Operating Expenses												
Talent/Labor	7,132	41.4%	3,962	67.28	7,346	41.4%	4,081	69.30	7,566	41.4%	4,203	71.38
Administrative & General	816	4.7%	453	7.70	841	4.7%	467	7.93	866	4.7%	481	8.17
Sales & Marketing	816	4.7%	453	7.70	841	4.7%	467	7.93	866	4.7%	481	8.17
Operating Supplies/Utilities	3,317	19.3%	1,843	31.29	3,417	19.3%	1,898	32.24	3,519	19.3%	1,955	33.20
Prop. Oper. & Maintenance	498	2.9%	277	4.70	512	2.9%	284	4.83	528	2.9%	293	4.98
Total Undistributed Oper. Expenses	12,579	73.0%	6,988	118.67	12,957	73.0%	7,198	122.24	13,345	73.0%	7,414	125.90
Gross Operating Profit	4,447	25.8%	2,471	0.04	4,579	25.8%	2,544	0.04	4,719	25.8%	2,622	0.04
Management Fees	861	5.0%	478	8.12	887	5.0%	493	8.37	914	5.0%	508	8.62
Income Before Non-Oper. Expenses	3,586	20.8%	1,992	33.83	3,692	20.8%	2,051	34.83	3,805	20.8%	2,114	35.90
Non-Operating Expenses												
Insurance	120	0.7%	67	1.13	124	0.7%	69	1.17	128	0.7%	71	1.21
Reserve for Replacement	689	4.0%	383	6.50	710	4.0%	394	6.70	731	4.0%	406	6.90
Total Non-Operating Expenses	809	4.7%	449	7.63	834	4.7%	463	7.87	859	4.7%	477	8.10
EBITDA Less Reserve	\$2,777	16.1%	\$1,543	\$ 26.20	\$2,858	16.1%	\$1,588	\$ 26.96	\$2,946	16.1%	\$1,637	\$ 27.79

Source: Hotel & Leisure Advisors

FEASIBILITY ANALYSIS

The economic value of a proposed theater is calculated through a discounted cash flow analysis. This analysis utilizes the property's projected net income before debt service (EBITDA) and applies a discount rate and terminal capitalization rate to determine the valuation. This is a common method utilized in a formal appraisal process. Present value, also called discounted value, is the current worth of the future sum of money or stream of cash flow given a specified rate of return. The discount rate is the average annual rate of return necessary to attract capital based upon the overall investment characteristics. The terminal capitalization rate is applied to a future year's net income to calculate a potential sale price for the property in the future.

We utilized the same estimates for the discount rate and terminal capitalization rate for the theater as the amphitheater. We analyzed the potential value for the proposed theater utilizing a 12.0% discount rate and a 10.0% terminal capitalization rate as completed and 11.5% discount rate and a 9.5% terminal capitalization rate as stabilized. The differences in utilizing a lower terminal capitalization rate in the "as stabilized" value accounts for the anticipated goodwill and reputation that has been developed by the operator after having been operational for a period of time and having a better understanding of the operations and market. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

Discounted Cash Flow Analysis - As Completed

Proposed Theater

Cash Flow at Discount Rate of 12.0%

	<u>Net Income</u>		<u>P.V. Factor</u>		<u>Present Value</u>
2027	\$1,818,000	x	0.8929	=	\$1,623,214
2028	\$2,040,000	x	0.7972	=	\$1,626,276
2029	\$2,157,000	x	0.7118	=	\$1,535,310
2030	\$2,396,000	x	0.6355	=	\$1,522,701
2031	\$2,468,000	x	0.5674	=	\$1,400,409
2032	\$2,542,000	x	0.5066	=	\$1,287,856
2033	\$2,619,000	x	0.4523	=	\$1,184,703
2034	\$2,697,000	x	0.4039	=	\$1,089,273
2035	\$2,777,000	x	0.3606	=	\$1,001,414
2036	\$2,858,000	x	0.3220	=	\$920,200
Present Value of Cash Flow					\$13,191,356

Reversionary Benefit

Net income for 2037	\$2,946,000
Divided by reversion overall rate	10%
Gross reversion	\$29,460,000
Less cost of sale at 2.0%	\$589,200
Net reversion	\$28,870,800
Value per seat	\$16,039
Present Value of Reversion	\$9,295,625

Market Value

PV from cash flow	\$13,191,356
PV from reversion	\$9,295,625
Market value as of 1/2/2027	\$22,486,981
Rounded Market Value	\$22,500,000

Valuation Factors

Price per seat	\$12,500
% of value from cash flow	59%
% of value from reversion	41%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of \$22,500,000.

We also analyzed the potential value for the proposed theater as stabilized utilizing a 9.5% discount rate and a 11.5% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject as stabilized.

Discounted Cash Flow Analysis - As Stabilized

Proposed Theater

Cash Flow at Discount Rate of 11.5%

	<u>Net Income</u>		<u>P.V. Factor</u>		<u>Present Value</u>
2030	\$2,396,000	x	0.8969	=	\$2,148,879
2031	\$2,468,000	x	0.8044	=	\$1,985,160
2032	\$2,542,000	x	0.7214	=	\$1,833,796
2033	\$2,619,000	x	0.6470	=	\$1,694,478
2034	\$2,697,000	x	0.5803	=	\$1,564,972
2035	\$2,777,000	x	0.5204	=	\$1,445,196
2036	\$2,858,000	x	0.4667	=	\$1,333,946
2037	\$2,946,000	x	0.4186	=	\$1,233,201
2038	\$3,034,000	x	0.3754	=	\$1,139,047
2039	\$3,125,000	x	0.3367	=	\$1,052,207
Present Value of Cash Flow					\$15,430,882

Reversionary Benefit

Net income for 2040	\$3,219,000
Divided by reversion overall rate	9.5%
Gross reversion	\$33,884,211
Less cost of sale at 2.0%	\$677,684
Net reversion	\$33,206,526
Value per seat	\$18,448
Present Value of Reversion	\$11,180,849

Market Value

PV from cash flow	\$15,430,882
PV from reversion	\$11,180,849
Market value as of 1/1/2030	\$26,611,730
Rounded Market Value	\$26,600,000

Valuation Factors

Price per seat	\$14,778
% of value from cash flow	58%
% of value from reversion	42%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of \$26,600,000 as stabilized.

Comparison of Value Created to Projected Costs

A key component of a feasibility study is to determine whether the projected value created, as shown from the discounted cash flow analysis, equals or exceeds the development cost for the proposed project. Our feasibility study presented the projected value created after performing a detailed analysis of the market, projected usage, and financial analysis. In some cases, the feasibility study will not have the detailed costs available, and this conclusion will be determined after the client has cost estimates performed by building contractors and architects. In other cases, the client has already performed estimates of construction costs, and the feasibility study will present these estimates and compare the

value created to the development costs to determine if the project is feasible. Determining the sources and uses of funds is outside the scope of this study.

Based on our analysis of the proposed theater, the estimated value created through the financial analysis shown in this report is below the estimated development costs of \$40 million to \$60 million, indicating that the project would only be feasible with government or nonprofit funding. The financial analysis also includes an assumption that the property will receive municipal or philanthropy ongoing support. The discounted cash flow analysis utilizes higher discount and terminal capitalization rates than typical for commercial properties like apartments to account for the added risk involved in owning and operating a theater.

We note that the value conclusion is not meant to be market value because there are still many unknowns concerning the subject project. Rather it is presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

COMPARATIVE ANALYSIS

This analysis determines which proposed development offers the greater advantages for the Santa Fe community between the amphitheater and the theater. We use a market standard rating to assess the various attributes of each development. The following describes the rating system employed.

Market Standard Ratings			
Poor	Fair	Good	Excellent
1	2	3	4
Mean Rating = 2.5			

These market standard ratings are applied to various attributes for each development. A higher rating indicates a development has a competitive advantage, while a lower rating indicates a site's competitive disadvantage. We based these ratings on the findings contained in this report regarding potential revenue, attendance, and comparable properties. The following presents six attributes considered in this analysis.

Net Income Potential: We assigned the highest ranking to the development with the higher net income potential.

Number/Types of Events: We assigned the higher ranking to the development that would be able to host a variety of more events and performances throughout the year.

Attendance: We assigned the higher ranking to the development that would capture the higher attendance in a year.

Nearby Competition: We assigned the higher ranking to the development that would likely have the least competition within the market.

Development Cost per Seat: We assigned the higher ranking to the development that would cost less on a per seat basis to develop. Development costs were established from recently developed theater and amphitheaters in the United States.

Amenities: We assigned the higher ranking to the development that would have more amenities to attract different types of events, performances, and consumers.

Development Selection Scoring

We weighed some criteria higher in importance than others to come up with a scoring system that considered each attribute. The weighted totals were calculated by multiplying the non-weighted number (1 to 4) by the weighted rank of importance (1 to 5, with 5 being the highest and 1 being the lowest). The results are shown in the following table:

Proposed Amphitheater or Theater - Santa Fe Weighted Ranking of Potential Venue Development			
Venue Attributes	Ranking of Importance 1 - 5 of Attribute	Rating	
		<u>Amphitheater</u>	<u>Theater</u>
Net Income Potential	5	4	2
Number/Types of Events	5	2	4
Attendance	2	4	3
Nearby Competition	3	3	2
Development Cost per Seat	4	4	1
Amenities	3	2	4
Weighted Rating Score (Rank x Rating) Total	Average = 55	69	58
Percentage above or (below) Average Rating		25.5%	5.5%

Source: Hotel & Leisure Advisors

The scores are compared to the average score and to each other. Both developments rated above the mean, indicating they both have potential for future development. The amphitheater scores higher and would be a more cost effective development for the community as it could be developed privately. However, a theater could be open on a year-round basis and may attract substantial philanthropy funding.

Conclusion

Our analysis of both proposed developments, and our subsequent rankings, recommends prioritizing the development of the proposed amphitheater. Both developments would further enhance the highly ranked Santa Fe arts and entertainment community. The proposed amphitheater reflects a greater rating for net income potential, attendance, nearby competition, and development cost per seat. The theater boasts a better rating in the number and types of events offered and amenities.

As discussed in the B-Section of the report, we project development costs for the proposed amphitheater to range from \$30,000,000 to \$50,000,000, which equals \$6,667 to \$11,111 per seat. We project the development costs for the proposed theater to range from \$40,000,000 to \$60,000,000, which equals \$22,222 to \$33,333 per seat. The amphitheater's valuation as stabilized of \$30,800,000 is within the development cost range; however, the theater's valuation as stabilized of \$26,600,000 is below the development cost range. While we consider both developments to be viable ventures assuming the availability of government and nonprofit assistance, based on our analysis, we believe the amphitheater has the greater income potential and would be less of a financial burden for the city of Santa Fe.

Our recommendation does not consider a selected site for either development.

INTRODUCTION

This section of the study utilizes the financial projections we developed for the proposed amphitheater to determine economic impact that may be generated by its development and operation. The “multiplier effect,” or the effect that a proposed project has on an area, means that a project creates even more income and consumption in the area than what is initially spent on the project. The economic impact of this project and its multiplier effect will be experienced on a temporary and permanent basis throughout many levels of the economy. We have considered the economic impact of this project in three parts:

1. The impact generated by the facility’s construction
 - Temporary impact on increased jobs and related tax revenues for construction and support services
 - One-time economic impact as goods and services are purchased during the construction period
2. The impact that occurs as a result of the facility’s operation
 - Permanent impact of newly created jobs and related tax revenues
 - Ongoing revenues realized by service providers
 - Annual recurring economic impact as expenditures of amphitheater guests generate new demand for goods and services
3. The impact that occurs from the consequent increase in visitors to the subject area
 - Additional spending by subject visitors within the greater community
 - Permanent impact of newly created jobs and related tax revenues at other establishments

This analysis quantifies the economic impact in terms of economic output (spending), earnings, direct employment (jobs), and tax revenues. The city, county, and state will realize new tax revenues generated from incremental visitor spending, additional employment-related taxes, potentially reduced unemployment costs, and net returns realized through higher utilization of state operated public services.

Methodology for Estimation of Economic Impact

The study relies on conclusions from the financial projections for the amphitheater shown in the earlier chapters of this report prepared by our firm. We utilized the U.S. Department of Commerce for economic multipliers, employment statistics, and wage data. Additionally, we incorporated the Regional Input-Output Modeling System II (RIMS II), which provides multipliers for output, earnings, and employment by industry aggregation for Santa Fe County, New Mexico. These multipliers were generated by the U.S. Department of

Commerce's Bureau of Economic Analysis. To estimate the economic impacts of the proposed subject, we have relied on the following:

- Employment and wage data and economic multipliers supplied by the U.S. Department of Commerce.
- Regional Input-Output Modeling System II (RIMS II) which provides multipliers for output, earnings, and employment by industry aggregation for Santa Fe County, New Mexico which we had generated by the U.S. Department of Commerce's Bureau of Economic Analysis.

Utilizing this information, H&LA estimated three types of new economic impact of the proposed subject on Santa Fe County.

- *Direct-Effect Impact* includes the jobs and spending directly created by the construction and operations of the amphitheater.
- *Indirect or Induced Impact* results from production changes in downstream industries associated with the initial direct spending and employment at the facility. For example, a direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. These restaurant purchases are an example of an indirect economic impact.
- *Final Impact* represents the overall economic impact of a change in final demand on output, earnings, and employment on a region's economy. The final impact calculations represent the increased output, earnings, and employment, which occur in an economy because of spending caused by the proposed amphitheater. The following formula shows the derivation of the final impact conclusion.

$$\text{Final Impact} = \text{Direct-Effect Impact} + \text{Indirect or Induced Impact}$$

The multiplier concept recognizes that income is spent in successive rounds within the community and that these chain reactions create an economic impact greater than that of the original expenditure and employment levels. For example, each dollar collected by the proposed amphitheater will eventually recycle or multiply itself, creating many levels of economic activity in an area. As an employer, an amphitheater pays wages and these wage earners in turn make purchases from local businesses. As taxpayers, all businesses and individuals benefiting from or adding incremental revenue to the economy also confer revenue to the community in terms of taxes. As a consumer, the proposed amphitheater will buy goods and services from area businesses. Hence, the multiplier concept represents multilevel economic activity.

The multiplier effect is directly related to a region's geographic size, population, and the diversity of its industrial and commercial base. Densely populated areas are generally able to support a more diverse economic base, and more products are likely to be manufactured and purchased locally rather than imported. Therefore, money injected into the economy more often is spent locally, causing greater changes in local business volume. In the case of the subject area, Santa Fe County, the multiplier effects may be somewhat limited in that a portion of the impact may be directed to areas outside Santa Fe County. For example, it is

likely that the furniture, fixtures, and equipment for the amphitheater will be manufactured and shipped from areas outside of Santa Fe County.

Santa Fe County Multipliers

Utilizing results from the RIMS II Multipliers prepared by the United States Department of Commerce for Santa Fe County, the multipliers for the industry aggregations most closely related to the proposed development are: Construction; Accommodation; Amusements, Gambling, and Recreation; Retail Trade; Food Services and Drinking Places; and Transit and Ground Passenger Transportation.

Santa Fe County, New Mexico Multipliers					
	<u>Direct Effect Multiplier</u>		<u>Final Demand Multiplier</u>		
	Earnings (\$) ¹	Employment (jobs) ²	Output (\$) ³	Earnings (\$) ⁴	Employment (jobs) ⁵
Construction	1.3613	1.5139	1.4174	0.4023	7.7877
Accommodation	1.4195	1.3188	1.3705	0.3275	9.7471
Amusements, Gambling, and Recreation	1.3693	1.2578	1.4288	0.3882	12.2571
Retail Trade, General Merchandise Stores	1.3848	1.2649	1.3740	0.3373	10.6569
Food Services and Drinking Places	1.3723	1.2694	1.4364	0.3968	12.4404
Transit and Ground Passenger Transportation	1.4394	1.1850	1.4997	0.4412	20.9329

Source: *RIMS II Multipliers 2022 (United States Department of Commerce)*

¹ Represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.

² Represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

³ Represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

⁴ Represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

⁵ Represents the total dollar change in number of jobs that occurs in all industries for each additional \$1 million of output delivered to final demand by the industry corresponding to the entry.

Source: *Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis*

This table summarizes the direct effect and final demand multipliers used in the study from the United States Department of Commerce for Santa Fe County. Each multiplier represents the estimated impact generated in one year. The final demand multipliers for output are the basic multipliers from which all other RIMS II Multipliers are derived. The multipliers presented above reflect several assumptions, including the spending patterns for construction, hotel accommodations, food services and drinking places, amusements, retail trade, and transportation. We applied the most recent multipliers available from the Bureau of Economic Analysis, which are based on 2022 national benchmark input-output data and 2022 regional data.

It is important to note that economic multipliers produce estimates, not exact calculations. The numbers presented in this report are meant to convey the scale of impact rather than the exact amount of money that will be spent.

A limitation of utilizing the multipliers is that it is generally assumed that no substitution across the expenditure category occurs, when in fact substitution does occur. If visitors would otherwise have spent dollars on other entertainment facilities within the region in absence of the proposed amphitheater, it could be argued that the proposed facility would not be responsible for any increase in regional spending. Conversely, if leisure dollars spent by local residents would otherwise have been used for activities in the regional area, then these dollars do not represent an increase in spending but merely displaced spending. However, without the proposed facility, the area would lose funds to other areas, which are developing similar amphitheaters. In other words, it is assumed that none of the spending amounts used in the models represent displaced spending or that without the proposed development, incremental business activity generated by the amphitheater would take place outside of the region.

In addition, it is assumed that excess capacity in business employment does not exist. If area enterprises employ sufficient staff to accommodate a larger volume of sales, it is unlikely that increased sales will cause additional employment. The model used to compute multipliers assumes all sales volume requires additional employment.

This report does not examine the cost of increased public services that Santa Fe and Santa Fe County will require. A cursory review suggests that additional costs to local governments will be low. The city and county may have to upgrade or expand their infrastructure to accommodate the amphitheater. The new amphitheater may require additional patrols, fire protections and EMS services.

CONSTRUCTION IMPACT

We assume that the subject development will include an amphitheater with 4,500 covered seats and lawn seats at a site to be determined in Santa Fe, New Mexico. We project a development budget of approximately \$40,000,000, excluding land costs and entrepreneurial profit for the proposed property. Our analysis assumes an opening of January 1, 2027. The development budget is very preliminary, and numerous details about the project have not yet been determined.

H&LA estimated the economic impact of constructing the subject. This construction represents a one-time activity, expected to occur over approximately a two-year period. We estimated the preliminary construction and development costs, which are shown in the following table.

Estimated Preliminary Construction and Development Costs

Proposed Amphitheater

Development budget per seat (4,500 seats)	\$8,889
Total development budget	\$40,000,000
% for construction	70%
Construction budget	\$28,000,000
% of construction budget for payroll	40%
Direct Payroll budget	\$11,200,000

Source: Hotel & Leisure Advisors

The construction costs were analyzed based on the final demand multiplier and the resulting indirect multiplier. The following table indicates the direct construction impact from the development of the subject.

Direct Construction Impact

Proposed Amphitheater

Construction payroll	\$11,200,000
Average construction salary in Santa Fe MSA	\$52,221
Direct jobs created (annual)	214

Source: Hotel & Leisure Advisors

The average construction wage presented above represents the inflated estimate available from the U.S. Department of Labor's Bureau of Labor Statistics and was taken from the May 2023 U.S. Department of Labor Occupational Employment Statistics for Santa Fe MSA. Based on our analysis, we estimate that the development of the subject will create in approximately 214 annual full-time equivalent direct jobs.

Allocation of Construction Budget: In County vs. Out of County

We have utilized the construction budget rather than the total development budget for estimating the economic impact because the purchases of soft costs represent expenditures that are unlikely to occur in the county. Typically, construction materials such as steel, wood, and concrete are not produced where they are utilized and have to be imported from various places. The following table highlights our allocation of the In County vs. Out of County construction budget.

Construction Budget Allocation - Santa Fe County

Proposed Amphitheater

Construction Budget	\$28,000,000
% In Santa Fe County	30%
In County	\$8,400,000
% Outside Santa Fe County	70%
Out of County	\$19,600,000

Source: Hotel & Leisure Advisors

We estimate that 30% of the goods and services utilized in construction will be local in nature and will be produced in Santa Fe County. We project that the majority of this in county expenditure will be payroll related.

Final Impact

The following table represents our analysis to determine the economic impact of construction enterprises on other industries within Santa Fe County. The change in final demand – i.e. the total amount invested in the construction project – is multiplied by the respective final demand multipliers for output, earnings, and employment to yield the anticipated economic impact. The Output Multiplier (Row 2) represents the total dollar change in output that occurs in each industry for every additional dollar of final demand by construction. The Earnings Multiplier (Row 3) represents the total dollar change in earnings of households employed by each industry for every additional dollar of final demand by construction. The Employment Multiplier (Row 4) represents the total change in the number of jobs that occurs in each industry aggregation for every \$1 million of output delivered to final demand by construction enterprises in the county.

H&LA utilized the RIMS II multipliers to project the impact of the proposed amphitheater construction. The following table displays the final impact of the proposed construction.

Final Construction Impact	
Proposed Amphitheater	
1 Construction Budget Local (change in final demand)	\$8,400,000
Multipliers	
2 Output (dollars)	1.4174
3 Earnings (dollars)	0.4023
4 Employment (jobs)	7.7877
Direct Impact	
5 Output (dollars)	\$28,000,000
6 Earnings (dollars)	\$11,200,000
7 Employment (jobs)	214
Indirect or Induced Impact	
8 Output (row 1 times row 2, rounded)	\$11,900,000
9 Earnings (row 1 times row 3, rounded)	\$3,400,000
10 Employment (row 1 times row 4/1,000,000)	65
Final Impact (Direct + Indirect or Induced)	
11 Output (row 5 + row 8)	\$39,900,000
12 Earnings (row 6 + row 9)	\$14,600,000
13 Employment (row 7 + row 10)	279

Source: Hotel & Leisure Advisors

The \$8,400,000 in local construction budget will result in a total of \$11,900,000 in indirect or induced impact being created in the local area. This includes all types of additional spending,

as money paid to construction workers and material suppliers is recirculated within the community through construction suppliers, real estate services, retail, food service, health care, etc. The following table indicates which sectors of the local economy benefit from the local construction budget's indirect or induced impact.

Local Economic Activity Generated by the Resort Construction		
Indirect or Induced Impact		
	Multipliers	Amount
Agriculture, forestry, fishing, and hunting	0.0008	\$7,000
Mining	0.0027	\$23,000
Utilities	0.0062	\$52,000
Construction	1.004	\$8,434,000
Durable goods manufacturing	0.0194	\$163,000
Nondurable goods manufacturing	0.0068	\$57,000
Wholesale trade	0.0202	\$170,000
Retail trade	0.0982	\$825,000
Transportation and warehousing	0.0067	\$56,000
Information	0.0131	\$110,000
Finance and insurance	0.0223	\$187,000
Real estate and rental and leasing	0.0636	\$534,000
Professional, scientific, and technical services	0.0272	\$228,000
Management of companies and enterprises	0.003	\$25,000
Administrative and waste management services	0.0116	\$97,000
Educational services	0.0051	\$43,000
Health care and social assistance	0.0519	\$436,000
Arts, entertainment, and recreation	0.0057	\$48,000
Accommodation	0.0066	\$55,000
Food services and drinking places	0.0199	\$167,000
Other services	0.0226	\$190,000
Total Indirect or Induced Impact - Output (rounded)		\$11,900,000

Source: RIMS II Multipliers and Hotel & Leisure Advisors

These jobs and revenues will be created in the development and construction of the proposed amphitheater and companies providing services to the developers of the proposed amphitheater. Jobs and revenues will be created by companies throughout the county that benefit from secondary spending of money introduced by the construction of the proposed amphitheater.

Construction Conclusion: Our analysis indicates that the construction of the subject facility will result in the following economic impact in Santa Fe County, New Mexico.

Construction Output	
Proposed Amphitheater	
Earnings	\$14,600,000
Jobs (annual)	279
Total Output	\$39,900,000

Source: Hotel & Leisure Advisors

OPERATION AND VISITOR IMPACT

The tables on the following pages indicate the economic impact of revenues generated within sectors related to the proposed amphitheater on other industries within Santa Fe County. We have prepared operational impact tables to show the one-year and 10-year impacts of the proposed development.

Operation Impact

First Year of Operation: In the following table, we have presented revenue and expense figures for the proposed amphitheater shown earlier in this report. We have categorized the expenses in two categories: Food and Beverage and Amusement and Recreation, based on the type of RIMS II multipliers.

First Year Financial Projections	
Proposed Amphitheater	
First Year Total Revenues	\$12,432,000
<u>Expenses Breakdown</u>	
Food & Beverage	\$658,329
Amusement & Recreation	\$9,685,071
First Year Total Expenses	\$10,343,400

Source: Hotel & Leisure Advisors

The expenses stated above include goods and services produced both locally and imported from other regions outside of Santa Fe County. The following table highlights payroll-related expenses.

First Year Financial Projections	
Proposed Amphitheater	
First year total revenue	\$12,432,000
% of total revenues for payroll	16.0%
Payroll budget excluding benefits (rounded)	\$1,989,000
Average hourly wage	\$21.78

Source: Hotel & Leisure Advisors

The average hourly wage of \$21.78 was taken from our analysis of the Occupational Employment Survey for the Santa Fe MSA conducted by the Bureau of Labor Statistics and is an inflated average considering wages for supervisors, ticket takers, maintenance workers, etc. We have allocated 50% of labor/talent costs to labor, with the remaining 50% allocated to talent costs. According to our financial projections, total payroll costs, excluding benefits,

are projected to be \$1,989,000 in the first year of our analysis. We have reduced this figure to exclude payroll taxes and employee benefits. The first-year revenues and expenses were analyzed to determine the direct impact and the final impact. The following table indicates the direct impact from the operation of the subject in its first year in 2027 dollars.

Direct Impact - First Year Operations	
Proposed Amphitheater	
Payroll/household earnings	\$1,989,000
Average venue wage in county	\$45,302
Direct FTE jobs created	44

Source: Hotel & Leisure Advisors

We estimate that the development of the subject will create approximately 44 annual full-time equivalent direct jobs in the county. The actual number of jobs will be higher as many amphitheater and service industry workers are part-time. More specifically, we estimate the actual number of jobs including part-time and full-time employment will be approximately 2.5 times the number of full-time equivalent jobs, or 110 full- and part-time positions.

The following table highlights the breakdown of employees by position among fitness and recreational sports centers nationwide based on information from the Bureau of Labor Statistics, along with median wage data for each occupation.

Employment and Wages by Occupation in Arts, Entertainment, and Recreation Sector				
Occupation	% of Total Employment	Median Hourly Wage	Mean Hourly Wage	Mean Annual Wage
Personal Care and Service Occupations	28.8%	\$16.15	\$18.73	\$38,950
Food Preparation and Serving Related Occupations	13.1%	\$16.35	\$17.82	\$37,060
Office and Administrative Support Occupations	9.8%	\$16.63	\$18.38	\$38,220
Arts, Design, Entertainment, Sports, and Media Occupations	9.6%	\$25.96	\$44.21	\$91,960
Building and Grounds Cleaning and Maintenance Occupations	7.0%	\$16.62	\$17.71	\$36,840
Sales and Related Occupations	6.8%	\$15.91	\$17.74	\$36,900
Management Occupations	6.6%	\$38.33	\$51.16	\$106,400
Protective Service Occupations	4.0%	\$16.29	\$17.80	\$37,020
Business and Financial Operations Occupations	4.0%	\$29.27	\$35.17	\$73,160
Installation, Maintenance, and Repair Occupations	3.7%	\$20.47	\$22.60	\$47,000
Educational Instruction and Library Occupations	2.3%	\$21.62	\$25.27	\$52,560
Other Occupations	4.3%			
Industry Total	100.0%	\$17.65	\$24.31	\$50,550

Source: Bureau of Labor Statistics, Occupational Employment Statistics, May 2023

Allocation of Expenses for Indirect or Induced Impact

The total expenses by the amphitheater will include goods and services that will be produced both locally and imported from out-of-county areas. For example, most retail shop items such as clothing, gifts, toys, and novelties will be imported. This creates leakage since part of the retail spending does not stay in the local area. Hence, we have estimated what

percentages of these expenditures are projected to be local in nature versus what will be imported from out of Santa Fe County.

Analysis of Expense Derivations: Local vs. Out of County					
Proposed Amphitheater					
	Expenses	Local Production	Local Expenses	Out of County	Out of County Expenses
Food & Beverage	\$658,329	50%	\$329,165	50%	\$329,165
Amusement & Recreation	\$9,685,071	50%	\$4,842,536	50%	\$4,842,536
Total	\$10,343,400	50%	\$5,172,000	50%	\$5,172,000

Source: Hotel & Leisure Advisors

Approximately \$5,172,000 or 50% of amphitheater expenses are projected to stay in the local area for the purposes of calculating the indirect or induced impact.

Final Impact

H&LA applied the RIMS II multipliers to project the impact of the proposed amphitheater on output, earnings, and employment. The Output Multiplier (Row 2) represents the total dollar change in output that occurs in each industry for every additional dollar of output delivered to final demand by the different sectors we have profiled. The Earnings Multiplier (Row 3) represents the total dollar change in earnings of households employed by each industry for every dollar of output from this sector. The Employment Multiplier (Row 4) represents the total changes in the number of jobs that occur in each of the industry aggregations for every \$1 million of output delivered to final demand within Santa Fe County. The following table displays the final impact of the proposed development in the first year.

Final Impact - First Year of Operations

Proposed Amphitheater

	Food & Beverage	Amusement & Recreation	Total
Projected first year expenses	\$658,329	\$9,685,071	\$10,343,000
% Local	50%	50%	
1 Projected first year expenses (local)	\$329,165	\$4,842,536	\$5,172,000
Multipliers			
2 Output multiplier (dollars)	1.4364	1.4288	1.4292
3 Earnings multiplier (dollars)	0.3968	0.3882	0.3888
4 Employment multiplier (jobs)	12.4404	12.2571	12.2681
Direct Impact			
5 Output			\$12,432,000
6 Earnings			\$1,989,000
7 Employment			44
Indirect and Induced Impact			
8 Output (row 1 times row 2)	\$473,000	\$6,919,000	\$7,392,000
9 Earnings (row 1 times row 3)	\$131,000	\$1,880,000	\$2,011,000
10 Employment (row 1 times row 4/1,000,000)	4	59	63
Final Impact (Direct + Indirect or Induced) In County			
11 Output (row 5 + row 8)			\$19,824,000
12 Earnings (row 6 + row 9)			\$4,000,000
13 Employment (row 7 + row 10)			107

Source: Hotel & Leisure Advisors

We have applied the RIMS II multipliers to the two categories as described above. We project approximately \$5,172,000 of amphitheater expense dollars to remain in the local area, which will result in a total of approximately \$7,392,000 in indirect or induced impact in the county and region. We have added this to the direct impact by the amphitheater of \$12,432,000. This results in a final impact of \$19,824,000 in the county.

Operations Impact - First Year Conclusion: The development of the subject amphitheater will result in the following economic impact in the first year of the projection in Santa Fe County.

Operations Impact

Proposed Amphitheater

Earnings	\$4,000,000
Jobs (per year)	107
Total Output	\$19,824,000

Source: Hotel & Leisure Advisors

Ten-Year Operation Impact

We have estimated and projected the 10-year operation impact from the development of the subject amphitheater shown in the following table. The stabilized figures shown are inflated each year by an inflation rate of 3.0%.

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Economic Impact Analysis – Amphitheater

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10-Year Operations Impact											
Proposed Amphitheater											
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Total revenues	\$12,432,000	\$13,604,000	\$14,603,000	\$15,399,000	\$15,861,000	\$16,337,000	\$16,828,000	\$17,333,000	\$17,854,000	\$18,388,000	\$158,639,000
Total expenses	\$10,343,400	\$11,233,550	\$12,068,000	\$12,315,000	\$12,683,000	\$13,064,000	\$13,455,000	\$13,860,000	\$14,275,000	\$14,703,000	\$127,999,950
% of revenue for payroll	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	
Payroll budget	\$1,989,000	\$2,177,000	\$2,336,000	\$2,464,000	\$2,538,000	\$2,614,000	\$2,692,000	\$2,773,000	\$2,856,000	\$2,942,000	\$25,381,000
Average hourly wage	\$21.78	\$22.43	\$23.11	\$23.80	\$24.51	\$25.25	\$26.01	\$26.79	\$27.59	\$28.42	
Direct Impact											
Output	\$12,432,000	\$13,604,000	\$14,603,000	\$15,399,000	\$15,861,000	\$16,337,000	\$16,828,000	\$17,333,000	\$17,854,000	\$18,388,000	\$158,639,000
Operations payroll	\$1,989,000	\$2,177,000	\$2,336,000	\$2,464,000	\$2,538,000	\$2,614,000	\$2,692,000	\$2,773,000	\$2,856,000	\$2,942,000	\$25,381,000
Average wage in county	\$45,302	\$46,661	\$48,061	\$49,503	\$50,988	\$52,518	\$54,093	\$55,716	\$57,388	\$59,109	
Direct FTE jobs created	44	47	49	50	50	50	50	50	50	50	
Indirect or Induced Impact											
Output	\$7,392,000	\$8,028,000	\$8,624,000	\$8,801,000	\$9,064,000	\$9,336,000	\$9,616,000	\$9,905,000	\$10,202,000	\$10,508,000	\$91,476,000
Earnings	\$2,011,000	\$2,184,000	\$2,346,000	\$2,394,000	\$2,466,000	\$2,540,000	\$2,616,000	\$2,695,000	\$2,775,000	\$2,859,000	\$24,886,000
Employment	63	69	74	74	74	74	74	74	74	74	
Final Impact (Direct + Indirect or Induced Impact)											
Output (annual business created)	\$19,824,000	\$21,632,000	\$23,227,000	\$24,200,000	\$24,925,000	\$25,673,000	\$26,444,000	\$27,238,000	\$28,056,000	\$28,896,000	\$250,115,000
Earnings	\$4,000,000	\$4,361,000	\$4,682,000	\$4,858,000	\$5,004,000	\$5,154,000	\$5,308,000	\$5,468,000	\$5,631,000	\$5,801,000	\$50,267,000
Employment	107	116	123	124	124	124	124	124	124	124	

Source: Hotel & Leisure Advisors

Operations Impact – 10-Year Operation Conclusion: The development of the subject amphitheater will result in the following economic impact over a 10-year period in Santa Fe County, New Mexico.

10-Year Operations Impact	
Proposed Amphitheater	
Earnings	\$50,267,000
Jobs (per year)	124
Total Output	\$250,115,000

Source: Hotel & Leisure Advisors

Impact of Increased Visitor Spending

The proposed amphitheater will also have an impact on the economy of the surrounding area because of the increase in visitors and visitor spending. The proposed amphitheater is projected to draw new visitors to Santa Fe County and the Santa Fe area. Our calculations of the economic impact in this area are tied directly to our estimated number of projected visitors. Economic impact results from the import of new dollars from spending primarily by nonresidents in the local economy. The extent to which visitor dollars are retained locally depends on the types of establishments visitors utilize. As shown earlier in this study, we project first-year attendance of 109,000 people. We project a portion of the overnight visitors will be new visitors to the Santa Fe County area who come because of the subject amphitheater, and previously would not have considered Santa Fe County as their vacation destination. Specifically, we estimate that 25% of the attendance will be new travelers to the region. We base this figure on the amphitheater comparables, which have a range of 12% to 46% and an average of 27% of visitors traveling from greater than 60 miles. The remaining attendees to the subject are projected to be local residents or visitors already coming to Santa Fe County.

According to the *2023 Economic Impact of Tourism in New Mexico Study* prepared by Tourism Economics, the average overnight traveler spent \$299.29 in New Mexico during their trip. This includes both people hiring lodging and those staying with family and friends. Costar reports the ADR in Santa Fe's submarket is \$194.52 in 2023.

Based on our analysis of these studies and others, we project an average spending in Santa Fe County per additional overnight visitor household (assuming two visitors per household) of \$600.00 per room per day due to the subject amphitheater.

Initial Adjustments: This per household expenditure breaks down into five major tourism spending categories: transportation, food and beverage, retail, amusement and recreation, and accommodation. Guests to the proposed amphitheater, however, will spend a portion of their food and beverage, retail, and recreation dollars on the subject, which have been accounted for in the preceding section. For this reason, we have removed 50% of food and beverage, 0% from retail, and 25% from recreation (which includes the amphitheater admission) categories from this portion of the analysis. We also removed 70% of transportation to account for transportation spending related to airlines or cars driven outside of the county, which will not affect the subject county. The retail category comprises the highest remaining amount. This results in an average daily expenditure of \$445.76 per

household. The following table highlights visitor spending by categories and our initial adjustments.

Average Expenditure per Household per Day				
Santa Fe County, New Mexico				
Category	Before Adjustments		After Initial Adjustments	
	Amount	% of Total	Amount	% of Total
Transportation	\$91.76	15.3%	\$27.53	6.2%
Food & Beverage	\$141.18	23.5%	\$70.59	15.8%
Retail	\$98.82	16.5%	\$98.82	22.2%
Amusement & Recreation	\$77.65	12.9%	\$58.24	13.1%
Accommodation	\$190.59	31.8%	\$190.59	42.8%
Average Daily Expenditure	\$600.00		\$445.76	

Source: Hotel & Leisure Advisors

We have estimated that one household represents 2.0 visitors to the subject, which yields 13,625 visitor households. In the following table, we have presented the projected expenses related to the visitor expenditures and our estimate of payroll expenditures.

First Year Financial Projections	
Visitor Spending Outside of Amphitheater	
Total new visitors to county	27,250
Visitors per party	2.0
New households visiting county	13,625
Spending per day	\$445.76
Non-amphitheater spending (rounded)	\$6,073,544
% of total expenses of non-amphitheater spending	75.0%
Total expenses of non-amphitheater spending	\$4,555,158
% of total revenue for payroll	25.0%
Payroll budget	\$1,518,386
Average hourly wage	\$21.78

Source: Hotel & Leisure Advisors

We have utilized the same average hourly wage as presented earlier in this section of the report. The first-year revenues and expenses were analyzed based on the direct-effect multiplier, final demand multiplier, and the resulting indirect multiplier. The following table indicates the direct impact from the operation of the subject in its first year in 2027 dollars.

Direct Impact - First Year Operations	
Wages Created by Non-attraction Spending	
Payroll/household earning	\$1,518,386
Average service wage in county	\$45,302
Direct jobs created	34

Source: Hotel & Leisure Advisors

We estimate the development of the subject will result in a total increase of \$1,518,386 in household earnings to establishments outside of the amphitheater that overnight visitors will utilize. Utilizing an average annual wage estimate of \$45,302 for Santa Fe MSA employees in the range of occupations in this study, we estimate that approximately 34 annual full-time equivalent direct jobs will be created. The actual number of jobs will be higher because many service industry workers are part-time.

Local Adjustments: The \$445.76 per household expenditure includes goods and services produced locally as well as imported from other regions outside of Santa Fe County. We have estimated that 64.3% of this spending will translate to expenses for local businesses. We have further estimated what percentage of these expenditures will be recirculated locally. For example, we have estimated only 20% of transportation related expenditure dollars will remain local in nature because a majority of this expenditure is related to gasoline, which is not locally produced. For this reason, we estimate that 50% of food and beverage, 30% of retail, 70% of amusement and recreation expenditures, and 80% of accommodation are locally recirculated. This results in an average of \$159.64 per household that is estimated to remain in the local area and is subject to the multiplier effect. The following table presents a breakdown of how these dollars are spent by the typical visitor household to Santa Fe County and our adjustments.

Average Local Expenditure per Household per Day							
Santa Fe County, New Mexico							
Category	After Initial Adjustments		Expenses		Local % of Total	After Local Adjustments	
	Amount	% of Total	%	Amount		Amount	% of Total
Transportation	\$27.53	6.2%	75.0%	\$20.65	20%	\$4.13	2.6%
Food & Beverage	\$70.59	15.8%	75.0%	\$52.94	50%	\$26.47	16.6%
Retail	\$98.82	22.2%	75.0%	\$74.12	30%	\$22.24	13.9%
Amusement & Recreation	\$58.24	13.1%	75.0%	\$43.68	70%	\$30.57	19.2%
Accommodation	\$190.59	42.8%	50.0%	\$95.29	80%	\$76.24	47.8%
Average Daily Expenditure	\$445.76		64.3%	\$286.68	55.7%	\$159.64	

Source: Hotel & Leisure Advisors

As shown in the following table, the total estimated increase in local spending in the first year of the projection due to the proposed amphitheater will be \$2,175,000.

Total Estimated Economic Impact	
Non-attraction Spending	
Total new visitors to county	27,250
Visitors per party	2.0
New households visiting county	13,625
Average daily expenditure remaining local	\$159.64
Total annual new household visitor expenditures/non-attraction spending (rounded)	\$2,175,000

Source: Hotel & Leisure Advisors

H&LA utilized the RIMS II multipliers to project the resulting indirect or induced impact of the visitor spending from new visitors to the county who come because of the development of the subject amphitheater. The figures in Output Multiplier (Row 2) represent the total dollar change in output that occurs in each industry for every additional dollar of output delivered

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Economic Impact Analysis – Amphitheater

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to final demand by the different sectors we have profiled. Figures in the Earnings Multiplier (Row 3) represent the total dollar change in earnings of households employed by each industry for every dollar of output from this sector. The Employment Multiplier (Row 4) represents the total changes in the number of jobs that occur in each of the industry aggregations for every \$1 million of output delivered to final demand within Santa Fe County. The following table displays the final impact of visitor spending in the first year.

Final Impact - New Visitor Spending to County						
Proposed Amphitheater						
Row	Transportation	Food & Beverage	Retail	Amusement & Recreation	Accommodation	Total
1 Projected first year spending in County	\$56,259	\$360,637	\$302,935	\$416,535	\$1,038,634	\$2,175,000
2 Output multiplier (dollars)	1.4997	1.4364	1.3740	1.4288	1.3705	1.3959
3 Earnings multiplier (dollars)	0.4412	0.3968	0.3373	0.3882	0.3275	0.3549
4 Employment multiplier (jobs)	20.9329	12.4404	10.6569	12.2571	9.7471	11.0904
Direct Impact						
5 Output (dollars)						\$6,073,544
6 Earnings (dollars)						\$1,518,386
7 Employment (jobs)						34
Indirect or Induced Impact						
8 Output (row 1 times row 2)	\$84,000	\$518,000	\$416,000	\$595,000	\$1,423,000	\$3,036,000
9 Earnings (row 1 times row 3)	\$25,000	\$143,000	\$102,000	\$162,000	\$340,000	\$772,000
10 Employment (row 1 times row 4/1,000,000)	1	4	3	5	10	24
Final Impact (Direct + Indirect or Induced) In County						
11 Output (row 5 + row 8)						\$9,109,544
12 Earnings (row 6 + row 9)						\$2,290,386
13 Employment (row 7 + row 10)						58

Source: Hotel & Leisure Advisors

The \$2,175,000 first year non-attraction local expenditures will result in a total of \$3,036,000 in indirect or induced business output in the county. We have added this to the direct impact of visitors spending of \$6,073,544. This results in a final impact of \$9,109,544 in the county.

Visitor Spending Outside of the Amphitheater First Year Conclusion: The development of the subject amphitheater will result in the following economic impact from non-amphitheater visitor spending in the first year of the projection in Santa Fe County, New Mexico.

Visitor Spending Outside of Amphitheater	
Proposed Amphitheater	
Earnings	\$2,290,386
Jobs (per year)	58
Total Output	\$9,109,544

Source: Hotel & Leisure Advisors

Ten-Year Impact of Visitor Spending and Combined Ten-Year Impact of Operation and Visitor Spending

We estimated and projected the 10-year operation impact from the development of the subject amphitheater on non-amphitheater visitor spending. The following table indicates the annual and combined 10-year impact from the subject's development. The stabilized figures

are inflated utilizing a 3.0% inflation rate. The table also shows the combined operation and non-attraction 10-year spending.

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Economic Impact Analysis – Amphitheater

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10-Year Operations Impact											
Visitor Spending Outside of Amphitheater											
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Direct Impact											
Total new overnight visitor households	13,625	8,083	8,406	8,406	8,406	8,406	8,406	8,406	8,406	8,406	88,957
Non-attraction spending (Output)	\$6,073,544	\$3,711,000	\$3,975,000	\$4,095,000	\$4,217,000	\$4,344,000	\$4,474,000	\$4,609,000	\$4,747,000	\$4,889,000	\$45,134,544
Total expenses of non-attraction spending	\$4,555,000	\$2,783,000	\$2,981,000	\$3,071,000	\$3,163,000	\$3,258,000	\$3,356,000	\$3,457,000	\$3,560,000	\$3,667,000	\$33,851,000
% of total revenue for payroll	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Payroll budget (Earnings)	\$1,518,386	\$927,750	\$993,750	\$1,023,750	\$1,054,250	\$1,086,000	\$1,118,500	\$1,152,250	\$1,186,750	\$1,222,250	\$11,283,636
Average hourly wage	\$21.78	\$22.43	\$23.11	\$23.80	\$24.51	\$25.25	\$26.01	\$26.79	\$27.59	\$28.42	
Employment	34	20	21	21	21	21	21	21	21	21	
Local Expenses	\$2,175,000	\$1,329,000	\$1,424,000	\$1,466,000	\$1,510,000	\$1,556,000	\$1,602,000	\$1,650,000	\$1,700,000	\$1,751,000	16,163,000
Indirect or Induced Impact											
Output (annual business created)	\$3,036,000	\$1,855,000	\$1,988,000	\$2,046,000	\$2,108,000	\$2,172,000	\$2,236,000	\$2,303,000	\$2,373,000	\$2,444,000	\$22,561,000
Earnings	\$772,000	\$472,000	\$505,000	\$520,000	\$536,000	\$552,000	\$569,000	\$586,000	\$603,000	\$622,000	\$5,737,000
Employment	24	15	16	16	16	16	16	16	16	16	
Final Impact											
Output	\$9,109,544	\$5,566,000	\$5,963,000	\$6,141,000	\$6,325,000	\$6,516,000	\$6,710,000	\$6,912,000	\$7,120,000	\$7,333,000	\$67,695,544
Earnings	\$2,290,386	\$1,399,750	\$1,498,750	\$1,543,750	\$1,590,250	\$1,638,000	\$1,687,500	\$1,738,250	\$1,789,750	\$1,844,250	\$17,020,636
Employment	58	35	36	36	36	36	36	36	36	36	
Combined Amphitheater and Visitor Spending											
Direct Impact											
Household earnings	\$3,507,386	\$3,104,750	\$3,329,750	\$3,487,750	\$3,592,250	\$3,700,000	\$3,810,500	\$3,925,250	\$4,042,750	\$4,164,250	\$36,664,636
Average hotel wage in County	\$45,302	\$46,661	\$48,061	\$49,503	\$50,988	\$52,518	\$54,093	\$55,716	\$57,388	\$59,109	
Direct jobs created	77	67	69	70	70	70	70	70	70	70	
Final Impact											
Output (annual business created)	\$28,933,544	\$27,198,000	\$29,190,000	\$30,341,000	\$31,250,000	\$32,189,000	\$33,154,000	\$34,150,000	\$35,176,000	\$36,229,000	\$317,810,544
Earnings	\$6,290,386	\$5,760,750	\$6,180,750	\$6,401,750	\$6,594,250	\$6,792,000	\$6,995,500	\$7,206,250	\$7,420,750	\$7,645,250	\$67,287,636
Employment	165	150	159	160	160	160	160	160	160	160	

Source: Hotel & Leisure Advisors

Ten-Year Combined Operation and Visitor Spending Conclusion: The development of the subject amphitheater will result in the following combined operation and visitor spending economic impact over a 10-year period in Santa Fe County, New Mexico.

10-Year Combined Attraction and Visitor Spending Impact

Proposed Amphitheater

Direct Impact

Output (10-year business created)	\$203,773,544
Earnings	\$36,664,636
Employment per year	70

Indirect Impact

Output (10-year business created)	\$114,037,000
Earnings	\$30,623,000
Employment per year	90

Final Demand Impacts

Output (10-year business created)	\$317,810,544
Earnings	\$67,287,636
Employment per year	160

Source: Hotel & Leisure Advisors

TAX REVENUE IMPACT METHODOLOGY

Tax revenue impact consists of city, county, and state tax revenues that result from the net new spending and income related to the activities at the subject amphitheater. In this analysis, fiscal impacts are shown for the governmental unit that levies the tax. Subsequent redistributions of tax revenue, such as state income or sales tax distributions to local government units, were not estimated.

For each tax category, H&LA estimated the appropriate tax base and multiplied it by the corresponding effective tax rate. The effective tax rate is the rate calculated after adjustments, exemptions, deductions, credits, and other tax provisions are considered. Estimates of taxable amounts of spending and income were based on the direct, indirect or induced, and final estimates presented herein. Dozens of taxes, fees, and other government revenue sources will be influenced by the subject's operations. Three of the major categories of tax revenues were considered in this analysis.

Income Tax – The state of New Mexico collects a personal income tax for residents of New Mexico. There is no local income tax for cities in New Mexico. The income tax rate equals 1.5% of income up to \$8,000, 3.2% between \$8,000 and \$25,000, 4.3% between \$25,000 and \$50,000, 4.7% between \$50,000 and \$100,000, and higher rates on higher incomes. We have utilized the income tax rate of 3.4%, which is based on the average wage for the workers at the subject property.

The state of New Mexico has an average business income tax of 5.9%, which is applied to the projected amphitheater's net operating income less grants/contributions/fundraising. It should be noted that these are nominal income tax rates. It is likely that many corporations will qualify for certain deductions and exemptions that are not contemplated by this study; therefore, the actual tax collections may be some amount less than projected in this study.

Sales Tax – In New Mexico, sales taxes are levied on the sales and rental of tangible property and selected services. Certain items are exempted, but it is generally a broad-based sales and use tax. The total amount of sales tax paid in the subject area is 4.9% for the state of New Mexico with an additional 3.3% for Santa Fe. In New Mexico, the sales tax includes most items. Only the taxable portions of direct and indirect spending were considered part of the tax base.

Occupancy Tax – There is a hotel occupancy tax collected in Santa Fe of 7.0% of room revenue. We have multiplied the projected occupancy tax percentage by the additional rooms revenue that the amphitheater will generate from new overnight families visiting Santa Fe.

Real Estate/Property Tax – The subject may be owned by the City of Santa Fe and as such the property would be exempt from real estate taxes. We have not projected any real estate taxes for the proposed development due to its projected exempt status.

Other Taxes – The city, county, and state generate revenue from a set of excise and other taxes on cigarettes, fuel, alcohol, realty transfer, hotel rooms, and other items. The available data does not allow for specific estimation of each tax category. In order to capture the fiscal impact of these various taxes, it was assumed that they generate 20.0% of the revenue generated by the other taxes shown in this analysis.

A summary of relevant taxes and tax rates is shown in the following table.

Tax Rate Assumptions			
	Proposed Amphitheater		
	Santa Fe	Santa Fe County	New Mexico
Income Tax - Individual	0.0%	0.0%	3.4%
Income Tax - Business	0.0%	0.0%	5.9%
Sales Tax	3.3%	0.0%	4.9%
Hotel Occupancy	7.0%	0.0%	0.0%

Source: Hotel & Leisure Advisors

Summary of Tax Impact Estimates

The projected tax revenue impacts for the city, county, and state are shown in the following table for a 10-year analysis.

Proposed Amphitheater or Theater - Santa Fe, New Mexico
Economic Impact Analysis – Amphitheater

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10-Year Tax Impact												
Proposed Amphitheater												
Year	Rate	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Income Tax												
Construction earnings (2025 & 2026)		\$14,600,000										
Individual income tax - state	3.39%	\$495,000										\$495,000
Payroll earnings		\$4,000,000	\$4,361,000	\$4,682,000	\$4,858,000	\$5,004,000	\$5,154,000	\$5,308,000	\$5,468,000	\$5,631,000	\$5,801,000	\$50,267,000
Non-amphitheater earnings		\$2,290,386	\$1,399,750	\$1,498,750	\$1,543,750	\$1,590,250	\$1,638,000	\$1,687,500	\$1,738,250	\$1,789,750	\$1,844,250	\$17,020,636
Combined payroll budget		\$6,290,386	\$5,760,750	\$6,180,750	\$6,401,750	\$6,594,250	\$6,792,000	\$6,995,500	\$7,206,250	\$7,420,750	\$7,645,250	\$67,287,636
Individual income tax - state	3.39%	\$213,000	\$195,000	\$210,000	\$217,000	\$224,000	\$230,000	\$237,000	\$244,000	\$252,000	\$259,000	\$2,281,000
Sales Tax												
Total output		\$19,824,000	\$21,632,000	\$23,227,000	\$24,200,000	\$24,925,000	\$25,673,000	\$26,444,000	\$27,238,000	\$28,056,000	\$28,896,000	\$250,115,000
Non-amphitheater output		\$9,109,544	\$5,566,000	\$5,963,000	\$6,141,000	\$6,325,000	\$6,516,000	\$6,710,000	\$6,912,000	\$7,120,000	\$7,333,000	\$67,695,544
Total output		\$28,933,544	\$27,198,000	\$29,190,000	\$30,341,000	\$31,250,000	\$32,189,000	\$33,154,000	\$34,150,000	\$35,176,000	\$36,229,000	\$317,810,544
Output subject to taxation	90.00%	\$26,040,190	\$24,478,200	\$26,271,000	\$27,306,900	\$28,125,000	\$28,970,100	\$29,838,600	\$30,735,000	\$31,658,400	\$32,606,100	\$286,029,490
Sales tax - city	3.31%	\$863,000	\$811,000	\$870,000	\$905,000	\$932,000	\$960,000	\$988,000	\$1,018,000	\$1,049,000	\$1,080,000	\$9,476,000
Sales tax - state	4.88%	\$1,269,000	\$1,193,000	\$1,281,000	\$1,331,000	\$1,371,000	\$1,412,000	\$1,455,000	\$1,498,000	\$1,543,000	\$1,590,000	\$13,943,000
Total sales tax	8.19%	\$2,132,000	\$2,004,000	\$2,151,000	\$2,236,000	\$2,303,000	\$2,372,000	\$2,443,000	\$2,516,000	\$2,592,000	\$2,670,000	\$23,419,000
Business Tax												
Amphitheater net income (less fundraising)		-\$161,400	-\$101,550	-\$127,000	\$272,000	\$282,000	\$290,000	\$301,000	\$308,000	\$319,000	\$328,000	\$1,710,050
Income subject to taxation (25%)		-\$40,000	-\$25,000	-\$32,000	\$68,000	\$71,000	\$73,000	\$75,000	\$77,000	\$80,000	\$82,000	\$429,000
State business tax	5.90%	-\$2,000	-\$1,000	-\$2,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$26,000
Occupancy Tax												
Additional rooms revenue from amphitheater		\$1,423,000	\$1,465,690	\$1,509,661	\$1,554,951	\$1,601,599	\$1,649,647	\$1,699,136	\$1,750,111	\$1,802,614	\$1,856,692	\$16,313,100
Occupancy tax - city	7.00%	\$100,000	\$103,000	\$106,000	\$109,000	\$112,000	\$115,000	\$119,000	\$123,000	\$126,000	\$130,000	\$1,143,000
Other Taxes												
Subtotal taxation impact		\$2,938,000	\$2,301,000	\$2,465,000	\$2,566,000	\$2,643,000	\$2,721,000	\$2,803,000	\$2,888,000	\$2,975,000	\$3,064,000	\$27,364,000
Additional state taxes	20.0%	\$588,000	\$460,000	\$493,000	\$513,000	\$529,000	\$544,000	\$561,000	\$578,000	\$595,000	\$613,000	\$5,474,000
Total taxation impact		\$3,526,000	\$2,761,000	\$2,958,000	\$3,079,000	\$3,172,000	\$3,265,000	\$3,364,000	\$3,466,000	\$3,570,000	\$3,677,000	\$32,838,000

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the subject amphitheater will result in the following additional taxes for the city, county, and state over a 10-year period.

Projected 10-Year Taxation Impact		
Proposed Amphitheater		
Taxing Authority	Projected Taxes	Ratio
State of New Mexico	\$22,219,000	67.7%
Santa Fe (county)	\$0	0.0%
Santa Fe (city)	\$10,619,000	32.3%
Total for 10 years (rounded)	\$32,838,000	
Total annually (divided by 10)	\$3,283,800	

Source: Hotel & Leisure Advisors

10-Year Tax Impacts - Breakdown Summary		
Proposed Amphitheater		
	10-Year	Annual
Income Tax	\$2,776,000	\$277,600
Sales Tax	\$23,419,000	\$2,341,900
State Business Tax	\$26,000	\$2,600
Occupancy Tax	\$1,143,000	\$114,300
Additional State Taxes	\$5,474,000	\$547,400
Total	\$32,838,000	\$3,283,800

Source: Hotel & Leisure Advisors

State taxes will result from individual income tax, business income tax, sales tax, and other/miscellaneous taxes. City taxes will result from sales tax and occupancy tax.

OTHER IMPACTS

Real Estate Impact

We analyzed the impact on the marketability and value of the existing properties in the subject neighborhood in addition to analyzing what new developments could occur in the area if the proposed development is constructed.

The development of the proposed amphitheater will be favorable for Santa Fe because it will provide a major attraction for new concerts and events not currently coming to the area. The proposed amphitheater is projected to achieve total attendance of 109,000 people in the first year of the analysis and 121,000 in a stabilized year of our analysis. The projected level of attendance is due to the strong interest in the project by the local population and high levels of tourism. The proposed amphitheater will provide a music venue for residents of the Albuquerque-Santa Fe region to enjoy outdoor performances on a seasonal basis. It will provide an entertainment venue for existing and new overnight visitors to the Santa Fe market.

The development of the proposed amphitheater may positively influence the neighborhood surrounding it and will provide local residents with an affordable and convenient world-class amphitheater to enjoy. The development of the proposed project will generate increased real estate development. Real estate holdings in the neighborhood will be positively influenced by

the presence of the proposed amphitheater and the increased visitor spending from its guests. We have already accounted for this influence in the previous projections, which indicate the direct and indirect impact of visitor spending both at the subject and in the surrounding area. Given the magnitude of the proposed subject development concerning its size and development budget, it is projected to raise property values in the immediate neighborhood of the subject.

Impact on Other Attractions in the Community

We analyzed the impact the subject will have upon other attractions within the county. The market section in our market feasibility study indicates that there is currently one small amphitheater and a seasonal opera house theater in Santa Fe. These facilities target different types of performances than those proposed by the subject and are projected to have very little impact from the development of the subject.

In 2024, Santa Fe was named the number one arts community among medium-sized cities in the United States by the National Center for Arts Research at Southern Methodist University. The proposed amphitheater will provide an additional entertainment option for families living in and visiting the Santa Fe market and will complement the vibrant arts and culture community. The proposed amphitheater will cause a reduction in the number of people going to Albuquerque and other competitive regional amphitheaters.

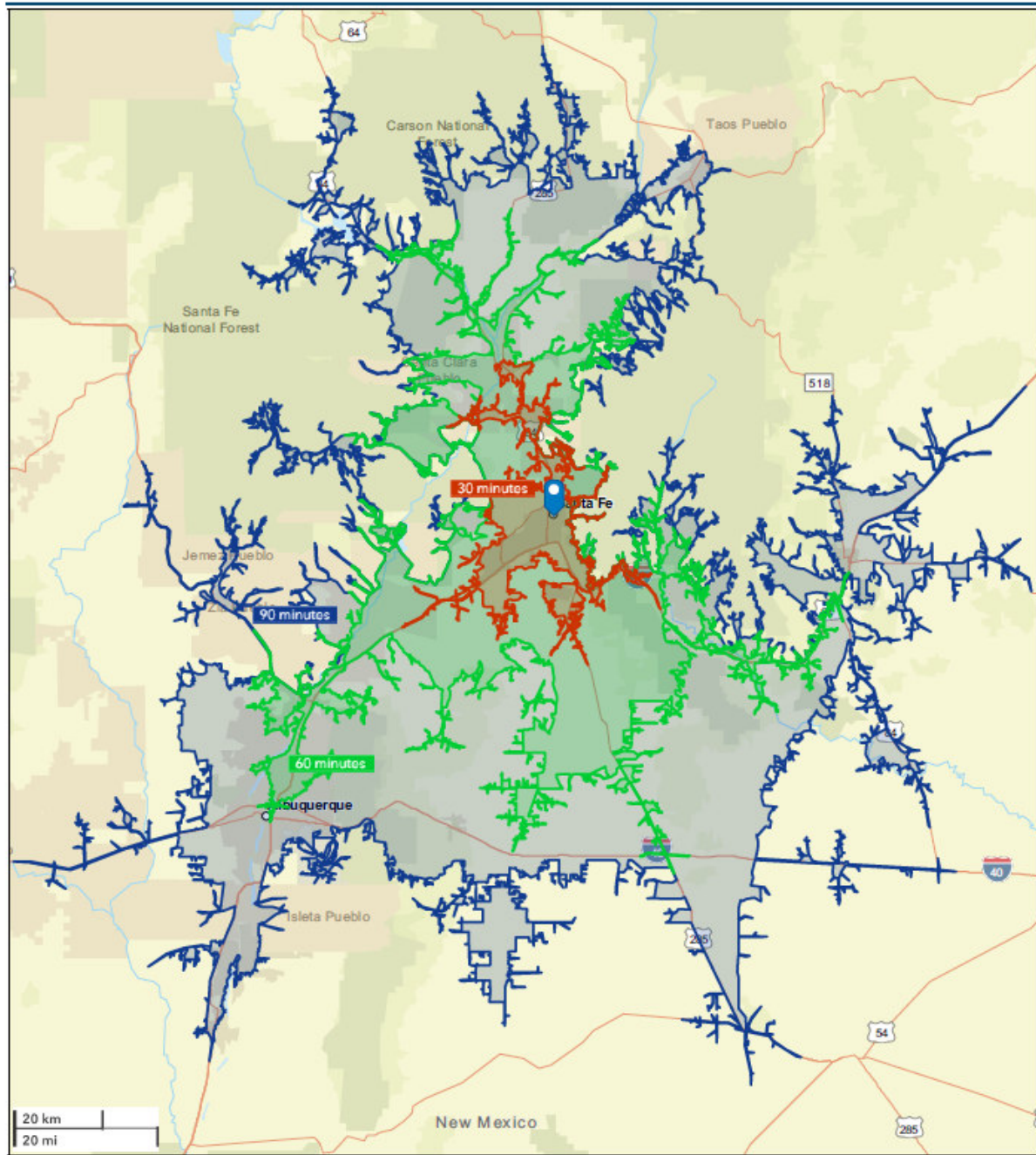
Visitor Draw of Project

The proposed amphitheater is projected to draw local visitors from within a 90-minute drive in addition to overnight visitors visiting Santa Fe County. We project most visitors will be local residents of the Albuquerque-Santa Fe regional market. The following map indicates the communities included within a 90-minute drive of the subject site.



30-, 60- & 90-Minute Drive Time Areas

Proposed Amphitheater - Santa Fe, NM



December 06, 2024

Other Benefits

The operation of the proposed subject is anticipated to create other significant benefits for the city, county, and state that are less explicit and more difficult to quantify. These benefits include:

- An anchor for seasonal commerce
- Community pride and identity
- Regional and national exposure
- Improved quality of life
- Prestige associated with having a new amphitheater development
- Expanded food and beverage and entertainment outlets and event space

The value and impact of these benefits have not been estimated in this study.

Other Costs

It is difficult to identify the interests of all potential stakeholders for a project as large as the proposed subject, which has the potential to greatly impact a community. It is possible that there are additional costs not contemplated by this study. Potential additional costs could include:

- Additional traffic during peak periods
- Increased demand on municipal services
- Increased crime
- Increased inflation
- The need for widening of roads to accommodate additional traffic
- Increased strain on utilities

Our analysis of numerous other amphitheater projects indicates that these other costs are a relatively small addition to a municipality's expenses in comparison to the revenues the amphitheater generates. The most common cost that can occur is the additional traffic during times when the amphitheater is busy. The value and impact of these costs have not been estimated in this study.

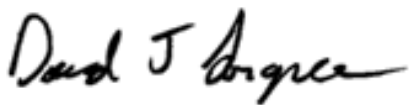
Conclusion

The proposed subject amphitheater will enhance the existing entertainment offerings in Santa Fe. Our review of the proposed amphitheater indicates the facility will create numerous economic benefits for the area that will help justify the government providing funding towards developing the amphitheater.

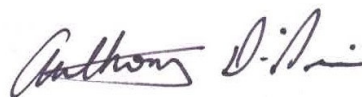
The amphitheater will also help maintain Santa Fe's status as a top arts and entertainment community in the country. The development will complement the existing attractions and could become a new anchor attraction for the area. The market will greatly benefit from the projected \$9,109,544 in visitor spending outside of the amphitheater in Santa Fe as well as \$3,296,300 in projected annual tax revenue.

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Anthony DiPonio, CHIA, and David J. Sangree, MAI, ISHC have visited the market of the property that is the subject of this report.
- Kyle Mossman and Gina Svat provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, David J. Sangree, MAI, ISHC has completed the continuing education program for Designated Members of the Appraisal Institute.

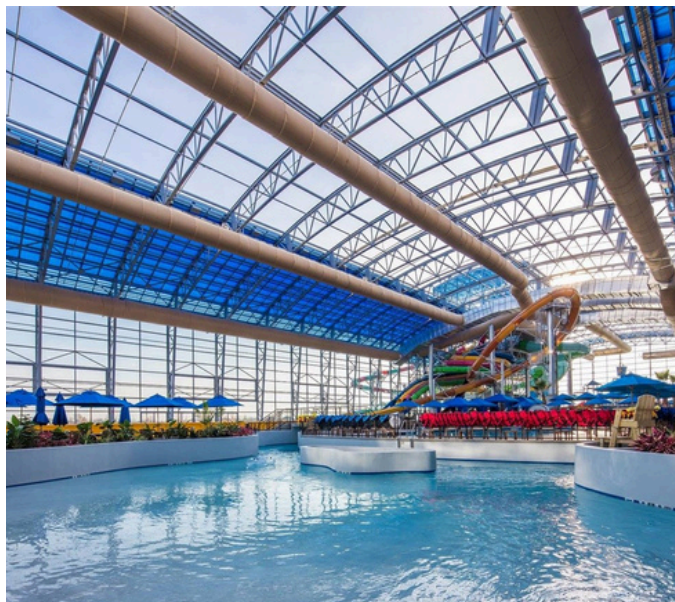


David J. Sangree, MAI, ISHC
President



Anthony DiPonio, CHIA
Associate

ADDENDUM I



HOTEL & LEISURE ADVISORS



hladvisors.com

Cleveland, Ohio 216-228-7000 • Atlanta, Georgia 470-521-0551
Corporate Headquarters: 14805 Detroit Avenue, Suite 420, Cleveland, Ohio 44107





WHY HOTEL & LEISURE ADVISORS?

Our extensive background in hotel and leisure property operations and consulting gives H&LA the experience and financial acumen necessary to analyze all types of hotel, leisure, and attraction properties, including resorts, waterparks, sports complexes, surf parks, golf courses, ski resorts, conference and convention centers, amusement parks, spas, and casinos.

We have consulted on every major type of hospitality and leisure property and understand the unique challenges these properties face. We evaluate complex factors and approach each project with a unique perspective about what needs to be accomplished to ensure success.



OUR EXPERTISE

- Since 2005, H&LA has studied every major hotel brand in the United States.
- H&LA has completed more than 4,000 studies for hotels, resorts, and leisure properties across North America and internationally. We have completed work in all 50 states.
- We have contacts with industry leaders and keep up on the latest trends, performance, challenges, and opportunities.
- Our consultants are experts in the lodging and hospitality industry, with over 150 combined years of consulting, operations, and research experience.
- Our dedicated research and support staff assist our consultants in bringing the best quality reports to our clients.
- Our consultants network with industry leaders by attending and/or presenting at leading industry conferences such as the Hunter Hotel Conference, ISHC Conference, ALIS Conference, World Waterpark Association Symposium and Tradeshow, IAAPA Attractions Expo, the NYU International Hospitality Industry Investment Conference, and the Surf Park Central Summit.

OUR RESOURCES

We curate and maintain robust and updated hospitality and leisure industry data for use in our reports. We have a financial statements database of over 2,000 properties and a sales database of over 10,000 sales from across the United States and Canada.

We regularly consult leading industry experts and reports from:

- | | |
|---|--|
| • CBRE Hotels | • International Society of Hospitality Consultants |
| • STR | • International Association of Amusement Parks and Attractions |
| • Lodging Econometrics | • Outdoor Hospitality Industry |
| • American Resort Development Association | • World Waterpark Association |
| • PwC | • National Ski Area Association |
| • International Spa Association | • Sports and Fitness Industry Association |
| • CoStar | • Surf Park Central |
| • National Golf Foundation | |



OUR PROJECTS

We give our clients individualized attention and provide the very best and most thorough analysis that only a company with our expertise and knowledge can deliver. Our expertise includes the following property types:

- Hotels
- Resorts
- Outdoor Waterparks
- Indoor Waterpark Resorts
- Amusement Parks
- Golf Courses
- Ski Resorts
- Conference & Convention Centers
- Casinos
- Family Entertainment Centers
- RV Parks and Campgrounds
- Sports Complexes
- Timeshare/Fractional Resorts
- Spas
- Aquariums
- Retail/Mixed-Use
- Residential
- Surf Parks

MARKET & FINANCIAL FEASIBILITY STUDY

WHAT H&LA PROVIDES

- Sophisticated hospitality and leisure feasibility models that provide detailed market analysis and assists our consultants in making credible financial projections
- Expertise from years of experience and education in the hospitality and consulting industries from our dedicated consultants and support staff
- Expert data generated from STR, ISHC, and other hospitality industry data centers and reports



WHAT TO EXPECT FROM A FEASIBILITY ANALYSIS

- Market Analysis
- Site Review
- Brand Franchise
- Analysis
- Usage Levels
- Development Costs
- Financial Analysis
- Valuation Analysis
- Cost-to-Value Ratio

We analyze market conditions, economic and demographic factors, site conditions, and their effects on a proposed project. H&LA completes a detailed analysis of comparable properties' performance and conditions. The study estimates the operating performance of the project and may suggest variations in size or scope that would improve performance.

We analyze supply and demand when researching performance of hotels and leisure real estate within local and regional markets. We utilize sophisticated hospitality and leisure valuation models that enable us to provide detailed market analyses by evaluating competitive factors, comparable financial information, and comparisons with similar properties and industry standards. We forecast reasonable financial projections and discern a credible valuation to determine if the project is feasible considering the development costs.

The results of our analysis are high-quality, thorough market and financial feasibility studies that are insightful and well-researched. Our clients can utilize our reports in the process of obtaining financing or investors and as a tool to help determine whether to move forward with development.

"Your report was incredible, and we are using it constantly! It will be a critical element in the construction of our project. Best and most thorough report that we have had the pleasure to see in our careers."

-Rick, Grand Prairie Park, Arts & Recreation Department

APPRAISAL & MARKET ANALYSIS REPORT

WHAT H&LA PROVIDES

- Sophisticated hospitality and leisure valuation models that provide detailed market analysis and aid our consultants in arriving at a credible and defensible opinion of value
- The expertise of MAI-designated and state-certified hospitality appraisers with years of experience
- Expert data generated from STR, CBRE, and other hospitality industry data centers and reports



WHAT TO EXPECT FROM AN APPRAISAL REPORT

- Area Review
- Local Market Analysis
- Demand and Pricing Analysis
- Attendance and Usage Analysis
- Highest and Best Use Analysis
- Income Capitalization Approach
- Sales Comparison Approach
- Cost Approach
- Reconciled Opinion of Value

H&LA has multiple state-licensed appraisers. Multiple appraisers boast the MAI designation from the Appraisal Institute. An appraiser with the MAI designation exceeds the state certification and licensing required of all appraisers. When you hire an MAI, you receive the services of a professional with specialized training and experience in the appraisal industry who adheres to specific standards and ethics and must fulfill continuing education requirements.

H&LA appraisals value the going-concern of a hotel or leisure property and then allocate that value among the real estate, personal property, and any business value component that may exist. Our reports are available in either a comprehensive or a summary format.

H&LA also offers retrospective tax appeal appraisals, a specialized form of an appraisal that is completed for a tax assessment appeal by either the government or the property owner to determine the real estate market value. Among the appraisal services we offer, we also provide appraisal reviews.

"We appreciate all the assistance you gave us on this matter. Your excellent appraisals helped us reach a good compromise settlement of this case."

-Richard, Fayette County Attorney's Office

ECONOMIC IMPACT STUDIES

WHAT H&LA PROVIDES

- A sophisticated economic impact and financial model that provides detailed analysis of future economic benefits from a proposed development
- Expertise of consultants with a variety of qualifications including MAI, CPA, ISHC, CHIA and MBA
- Expert data from RIMS II and other sources



WHAT TO EXPECT FROM AN ECONOMIC IMPACT STUDY

- Indirect and direct output from the proposed development
- The number of jobs that the proposed development will create
- Estimated tax revenue for city, county, and state/province

An economic impact study analyzes the financial impact a project will have throughout the many levels of the economy. This impact will include both temporary and permanent effects. Temporary impacts include jobs and revenues created during the construction of the facility and related costs. Permanent economic impacts are generated by jobs created, and ongoing revenues realized by service providers.

Our studies identify significant economic events resulting from the construction and operation of a proposed facility; consider event patron surveys to estimate spending patterns; analyze relevant municipal revenues; and project the impact on the market. We estimate three types of economic impact, including Direct-Effect Impact, Indirect or Induced Impact, and Final Impact on local economies. We utilize the RIMS II multipliers for output earnings and employment by industry for the county.

We calculate the projected jobs and output for the proposed development for a 10-year period. We calculate projected tax revenue and profile municipal incentives similar projects have received. The economic impact study is an essential tool for cities looking to publicly fund a project or for developers vying for municipal incentives.

"Everyone I've spoken to thinks very highly of you and your work. I think we're making a lot of good decisions with this project but the best so far has been hiring you. We sincerely appreciate the work you're doing."

-Justin Aden, New Lion

OPERATIONAL REVIEWS

We prepare an operational analysis and review of an existing hotel or leisure property to determine areas that are performing well and those in need of improvements. This study will find opportunity at the property to enhance performance, streamline operations, and reevaluate revenue centers. Our report considers:

- Objective and subjective performance characteristics observed during our property inspection and interviews with property management and clients, management of comparable properties, and city and county officials
- Financial review analyzing all major departments and comparing the performance of the subject property with industry standards and our database of over 2,000 hotel and leisure property financial statements
- Analysis and recommendations of operational changes and renovations or capital improvements that should be completed at the property

BRAND IMPACT STUDIES

An impact analysis measures the financial impact of a brand-affiliated property entering a market in which the brand already exists. We have prepared impact studies for nearly all major hotel brands. Our impact analyses include:

- Interviewing representatives of the applicant and objecting properties and conducting an area market review
- Determining current demand at the objecting property and considering specific demand sources that may switch to a new property if it were constructed or rebranded
- Analyzing potential additional demand that would come to the objecting property from having another brand affiliation in a general market
- Estimating the occupancy, average daily rate, and room revenue impact that may occur from the addition of new supply or conversion of an existing hotel

RFQ PREPARATION & SOLICITATION

Finding a qualified management or development company can make or break a hotel or leisure property project. Through our RFQ preparation and solicitation process, we assist our clients in identifying appropriate management companies and developers for all types of hospitality projects. Our goal is to have our clients receive proposals from competent and competitive companies that will share similar goals and vision for the project.

LITIGATION SUPPORT & EXPERT WITNESS TESTIMONY

H&LA provides expert witness testimony for attorneys in litigation cases involving hospitality industry valuations and consulting assignments. Our consultants have testified in various states concerning hotel- and leisure-related projects. Our understanding of the industry gives us the credibility necessary to be considered experts in our field.

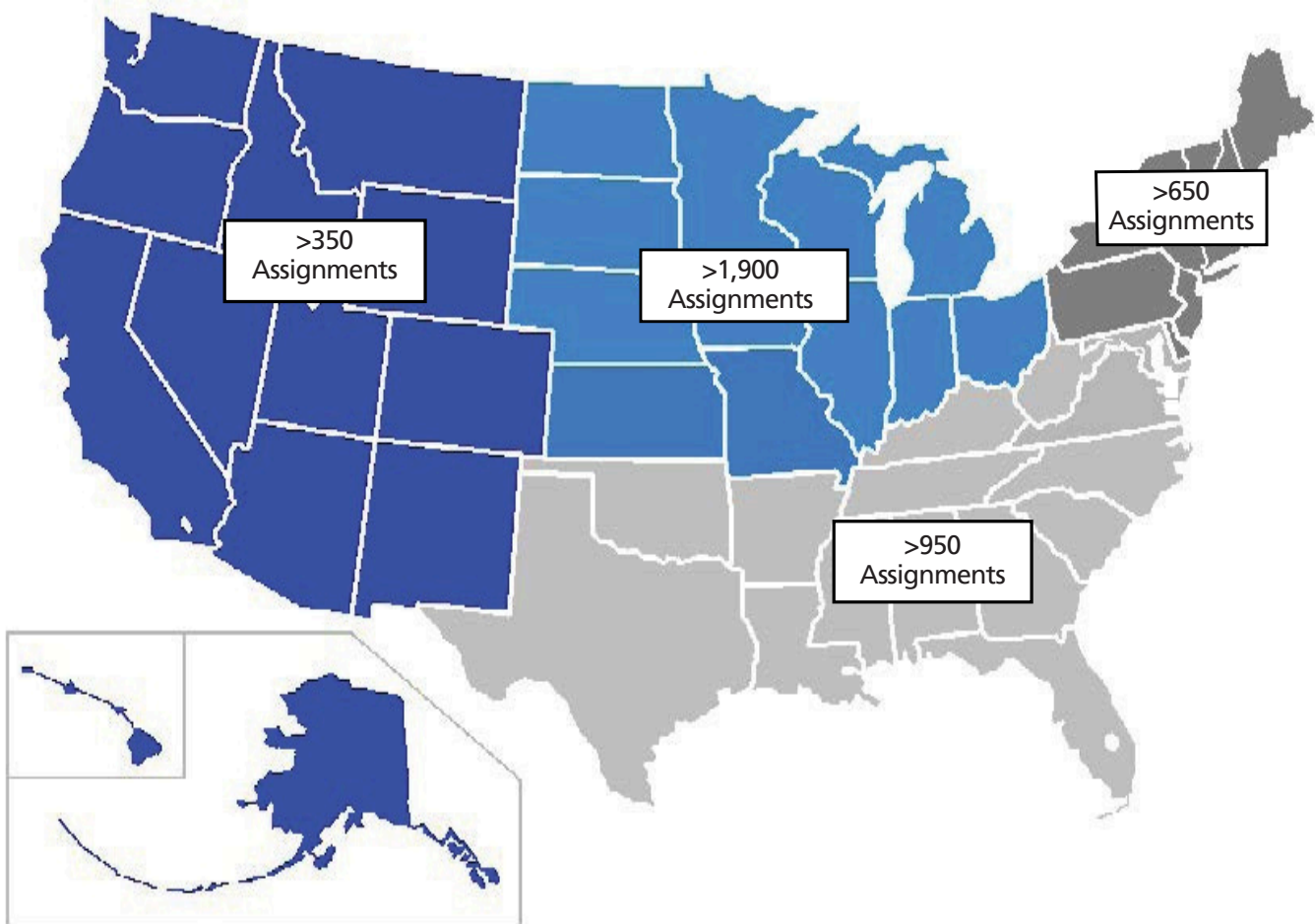
OTHER H&LA SERVICES

- Renovation Feasibility and ROI Analysis
- Site Selection Services
- Hotel Brand Facilitator/Selection Assistance
- Hotel Brand Compliance Services
- Site Verification

These services help developers, corporate brand franchisors, and/or owners with their various development needs.

H&LA PROJECTS

Our studies have taken us all across the United States, Canada, and Internationally. We have analyzed an extensive range of hospitality property types. We have completed studies of various properties in almost every major market in the United States.



H&LA works in all sectors of the hotel and leisure industry. We have experience with all hotel brands and chain scales. In addition, we are the leading national experts in waterparks. These properties represent a sampling of the many property types we have studied.

Hotels

- Westin Hotel - Cleveland, OH
- Hilton Garden Inn - Ann Arbor, MI
- The Shoreham Hotel - New York, NY
- Embassy Suites - Chicago, IL
- Courtyard by Marriott - Houston, TX

Resort Hotels

- Pointe Hilton Squaw Peak Resort - Phoenix, AZ
- The Shores Resort & Spa - Daytona Beach, FL
- Sundara Spa Resort - Wisconsin Dells, WI
- Hilton Hawaiian Village - Honolulu, HI

Indoor Waterpark Resorts

- Great Wolf Lodge Resorts (ten locations)
- Kalahari Resorts (five locations)
- Splash Lagoon Resort - Erie, PA
- Camelback Indoor Waterpark Resort - Tannersville, PA
- Chula Vista Resort - Wisconsin Dells, WI

Outdoor Waterparks

- Typhoon Texas - Katy, TX
- Myrtle Waves Waterpark - Myrtle Beach, SC
- Lost Island Waterpark - Waterloo, IA
- Cowabunga Bay - Henderson, NV
- Raging Waves Outdoor Waterpark - Yorkville, IL

Amusement Parks/Family Entertainment Centers

- Elitch Gardens Amusement Park - Denver, CO
- Proposed Family Entertainment Center - Portland, OR
- Crystal Falls Amusement Park - Hot Springs, AR
- Cypress Gardens Amusement Park - Winter Haven, FL

Golf Courses and Ski Resorts

- Heritage Hills Golf Course - York, PA
- Silverado Golf Course - Durant, OK
- Peek n Peak Ski Resort - Vernon, NJ
- Hidden Valley Ski Resort - Hidden Valley, PA

Sports Complexes

- Proposed Sports Complex - Springfield, IL
- Proposed Youth Sports Venue - Sunland Park, NM
- Civic Center Hockey & Ice Arena - Decatur, IL

Campgrounds/RV Resorts

- Jellystone Park Camp Resort - Larkspur, CO
- Frontiertown Campground Resort - Berlin, MD
- Maddox Family Campground - Chincoteague, VA

Casinos

- Foxwoods Casino Resort - Mashantucket, CT
- JACK Casinos - Cleveland & Cincinnati, OH
- Silver Reef Casino Resort - Ferndale, WA
- Wheeling Island Casino and Hotel - Wheeling, WV

Conference and Convention Centers

- Marriott Chicago Convention Center Hotel - Chicago, IL
- International Exposition Center - Cleveland, OH
- Gaylord Opryland Convention Center - Nashville, TN

Retail/Mixed-Use

- Proposed Mixed-Use Retail - Portland, OR
- Proposed Mixed-Use Retail - Dallas, TX
- Proposed Retail Center - Kapolei, HI



H&LA CLIENTS

H&LA works with a wide range of developers, investors, hotel companies, lenders, management companies, attorneys, and others. These clients represent a sampling of the various client types we serve.

Developers and Investors

- Scott Enterprises
- Delaware North Companies
- Kalahari Resorts
- Sun Communities
- Stark Enterprises
- CNL Lifestyle Companies
- Triple Five
- Crystal Lagoons

Hotel Companies

- Best Western International
- Choice Hotels International
- Marriott International
- Host Hotels
- InterContinental Hotels Group

Operators/Management Companies

- Herschend Family Entertainment
- Cedar Fair
- Great Wolf Resorts
- American Hospitality Group
- Brittain Resorts

Lenders

- Wells Fargo
- US Bank
- Deutsche Bank
- M&T Bank
- PNC Financial Services
- C-III Asset Management

Attorneys

- Kadish Hinkel & Weibel
- Sleggs Danzinger & Gill
- Smith Peters & Kalail
- Baker & Hostetler
- Thompson Hine
- McDonald Hopkins

Government/Municipal

- Ohio Department of Transportation
- Cincinnati USA
- Columbus Regional Airport Authority
- States Attorney of Cook County
- Frisco Economic Development Corporation
- Destination Cleveland
- Assessor of Hancock County, WV

Native American Tribes

- Tulalip Tribe
- Choctaw Nation of Oklahoma
- Nottawaseppi Band of Potawatomi
- The Confederated Tribe of the Grand Ronde
- HoChunk Gaming

Other

- JACK Entertainment
- EPR Properties
- The Trust for Public Land
- Six Flags
- Michigan State University
- Inland Capital Management

DAVID J. SANGREE, MAI, CPA, ISHC

PRESIDENT

Contact

dsangree@hladvisors.com
216-810-5800

Education

Bachelor of Science, Hotel Administration, Cornell University, 1984

Various International Society of Hospitality Consultants, Appraisal Institute, & Certified Public Accountant (CPA) continuing education courses

State Certification

Certified as a General Real Estate Appraiser in the states of Ohio, Michigan, Illinois, Kentucky, Texas, Pennsylvania, and Wisconsin.

Certified as a Public Accountant in the state of Ohio

Professional Affiliations

- Appraisal Institute, MAI (Former President, Northern Ohio Chapter)
- Cornell Hotel Society (Past Treasurer - Chicago, IL chapter)
- Cornell University Real Estate Council
- International Association of Amusement Parks and Attractions
- International Society of Hospitality Consultants
- National Golf Foundation
- Ohio Travel Association
- Outdoor Hospitality Industry
- Surf Park Central
- The School of Hospitality Business at MSU Real Estate & Development Advisory Council
- The Appraisal Journal Review Panel
- World Waterpark Association (Hall of Fame Award Winner)

Experience

- President, Hotel & Leisure Advisors, Cleveland, Ohio, since 2005
- Director of Hospitality Consulting & Principal, US Realty Consultants, Cleveland, Ohio, 2001-2005
- Director of Hospitality Consulting, US Realty Consultants, Columbus, Ohio, 1992-2001
- Financial & Training Consultant, Malawi National Credit Union League (US Peace Corps), Malawi, Africa, 1989-1991
- Senior Consultant in the Hospitality Group, Pannell Kerr Forster, Chicago, Illinois, 1987-1989
- Management positions with four Westin Hotels and Resorts in Cincinnati, Chicago, New York, and Fort Lauderdale, 1983-1987

David's expertise is in the feasibility analysis, appraisal, and valuation of hotels, resorts, indoor waterpark resorts, waterparks, amusement parks, conference centers, family entertainment centers, casinos, restaurants, land, and golf courses. He has completed studies on more than 4,000 existing and proposed properties in all 50 states and internationally. He has prepared hotel studies on all chain scales, including economy, limited service, full-service, extended-stay, upper upscale, luxury, and resorts, and indoor waterpark resorts.

David is a nationally recognized expert in the waterpark industry, having completed over 1,000 studies of various waterpark resorts since 1999 and visited most of the open waterpark properties in the United States and Canada. Recognizing David as an industry leader, Aquatics International named him to their "Power People" list of the most influential people in the aquatics industry in 2019 and the World Waterpark Association honored him with induction into their Hall of Fame in 2022 and with their Executive Board Award in 2016. These awards signified David's commitment to the waterpark industry and identified him as helping to shape some of the latest trends. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks. In addition, he is a regular contributor to many industry publications, offering his expertise on various hospitality industry segments.

Most Recent Published Articles and Media Relations

"Measuring Economic Impact is a Win-Win for Developers and Municipalities," Hotel Online, July 2024
"Waterparks Maintain Momentum in 2024," World Waterpark Association, May 2024
"Waterparks Poised for More Growth Amid Robust Recovery," World Waterpark Association, April 2023
"Waterpark Resort Development: Successes and Pitfalls," InPark Magazine, August 2022
"Waterparks: Riding a Recovery Wave," World Waterpark Association, April 2022
"What's Next for Waterparks?," World Waterpark Association, April, 2021
"COVID-19 Impact on U.S. Waterparks," Hotel Online, August 2020
"Hotel Feasibility Study Methodology," July 2020
"Waterpark Financing Fundamentals," World Waterpark Association, June 2020
"U.S. and Canada Waterpark Resort Trends in 2020," World Waterpark Magazine, Hotel Online, April 2020
"Diving into Waterpark Growth Trends in 2019," World Waterpark Magazine, Hotel Online, April 2019
"Waterparks: What's on Deck on 2018?," World Waterpark Magazine, Hotel Online, April 2018
"2017 Waterpark Forecast: Continued Growth," World Waterpark Magazine, Hotel Online, April 2017
"2016's Waterpark Forecast: Bigger is Better," Hotel News Now, World Waterpark Magazine, March 2016
"2015 Indoor and Outdoor Waterpark Supply Continues Growth as Surf Simulators Take Center Wave," Hotel News Now, April 2015
"2014 Waterpark Resorts Supply and Demand Update" Hotel News Now, March 2014
"Room Service more than Revenue Generator" Hotel News Now, August 2013
"Waterpark Resorts Supply and Demand 2013 Update" Hotel Online, January 2013
"Weight Loss Resorts are Boon for Developers" Hotel News Now, August 2012
"Perform Market Analysis with a Feasibility Study for Indoor Waterpark Resorts and Outdoor Waterparks" Appraisal Journal Spring 2012 and WWA Development Guide
"Top 10 Largest Hotel Brands Average Sale Prices" Hotel News Now, September 2011
"Waterpark Resorts Supply and Demand 2011 Update" Hotel News Now, August 2011
"The Lodging Market is Improving in Ohio's Big Cities" Hotel Online, September 2010
"Financing your Indoor Waterpark Resort in 2010" Hotel News Now, June 2010
"2009 Median Hotel Prices Plummet – Is it Time to Appeal Your Property Taxes?" Hotel Online, Nov. 2009
"Outdoor Waterparks: Private vs. Municipal" Aquatics International, September, 2009
"Indoor Waterpark Resort Supply Grows and Faces Challenges in 2009" Hotel News Now February, 2009
"Dealing With the Economic Downturn: 10 Ideas for Hotels and Resorts" Hotel Online, December, 2008
"Indoor Waterparks Surfing a Wave in North America in '08," Hotel Online, July 2008 and Water Leisure and Lodging, July, 2008
"Economic Impact Studies Help Land Financing" Hotel Motel Management, May 2008
"Unique Ways for Resorts to Radically Increase Revenue" Developments Magazine an ARDA Publication, April, 2008
"Indoor Waterparks Supply and Demand Growth in '07," Lodging Hospitality, September 2007
"Appraisal & Market Analysis of Indoor Waterpark Resorts," Waterpark Development & Expansion Guide '07

Quoted extensively in CNN.com, Columbus Business First, Columbus Monthly, Hotel Business, Columbus Dispatch, Cleveland Crain's, Cleveland Plain Dealer, Cincinnati Business Courier, Hotel News Now, Cornell Hotel and Restaurant Quarterly, Meeting News, Aquatics International, Midwest Real Estate News, New York Times, CNBC, Albany Times Union, RCI Ventures, Time Magazine, USA Today, and other publications. He has appeared on CNBC, ABC, and Fox8 News on segments concerning resorts and waterparks.

Speaking Engagements

"Waterpark Resorts Market/Feasibility Analysis and Appraisal" presentations at the World Waterpark Association annual conventions in 2003 through 2024

"Impact of Whitewater Waterpark Equipment on Resorts," International Society of Hospitality Consultants Conference, 2021, and the International Association of Amusement Parks and Attractions Expo, 2022

"Water Parks: Impact from COVID-19 Pandemic in 2020 and Recovery in 2021", IAAPA Expo, 2021

"U.S. Waterpark and Waterpark Resort Trends," 2020 World Waterpark Association Symposium, Virtual

"Global Valuation," International Society of Hospitality Consultants webinar, 2020 and 2021

"Virtual Reality Entertainment in Hotels," InfoComm 2019, Orlando, FL

"Hotel Valuation Techniques," Institute for Professionals in Taxation Annual Symposium, 2018, Orlando, FL

"Ohio Lodging Overview," Ohio Hotel & Lodging Association Annual Meeting, 2017, Columbus, OH

"Hotels & Waterpark Industry – Insights, Trends, and Valuation Keys" May 2016 at the Appraisal Day Seminar by the International Right-of-Way Association, Columbus, OH

"Revenue Management-to Do List" Nov. 2014 at NATHIC Hotel Investment Seminar, Chicago, IL

"The Food Revolution" Nov. 2013 for NATHIC Hotel Investment Seminar, Chicago, IL

"Waterparks and Resorts Outlook" April 2013 for Aquatics International webinar

"Hotel Valuation Seminar" October 2012 at the Integra Realty Resources appraiser training, Las Vegas, NV

"Suburban Hotels Panel" July 2012 at the Midwest Lodging Investors Summit in Chicago, IL

"Overview of Cleveland Lodging Market" April 2012 at the OHLA Cleveland Lodging Council Meeting

"Cleaning up Hotel Distress" July 2011 at the Midwest Lodging Investors Summit, Chicago, IL

"Valuation Issues Affecting Hotel Properties in the Current Real Estate Economy" August 2010 at the Institute for Professionals in Taxation in Cleveland, OH

"Indoor Waterpark Resorts: Where Are the Opportunities?" July 2010 at the Midwest Lodging Investors Summit, Chicago, IL

"Opportunities for Innovation" April 2010 at the Cornell University School of Hotel Administration's Hotel Ezra Cornell (HEC) conference, Ithaca, NY

"Case Study Presentation on Performing a Market Feasibility Study" October 2009 at the International Society of Hospitality Consultants annual conference, Québec City

"Insights into 2010 Market Performance" October 2009 - a video segment on Hotel News Network interviewing Mr. Sangree along with other leading ISHC consultants

"Hotel Financing Track - Taking Advantage of Distress: Where are the Opportunities?", July 2009 at the Midwest Lodging Investors Summit, Chicago, IL

"Seminar on Hospitality Industry" February 2008 at the Northern Ohio Chapter of the Appraisal Institute quarterly meeting, Cleveland, OH

"Challenges of Obtaining Financing for Indoor Waterpark Resorts," November 2007 at the World Resort Leadership and Development Conference, Orlando, FL

"Water Park Wars" An in-depth news segment on Good Morning America on June 23, 2007

Guest Speaker at Cornell University's School of Hotel Administration and Michigan State University's School of Hospitality Business

Litigation Assignments Involving Expert Testimony

United States District Court Tampa Division (2024)
Re: Crystal Lagoons US Corp. and Crystal Lagoons Technologies vs Oasis Amenities

York County Board of Equalization (2024)
Re: Water Country USA, Williamsburg, Virginia

Superior Court of California - El Dorado County (2023)
Re: Quarry Park Adventures, Rocklin California

American Arbitration Association (2023)
Re: Murraysville Golf Course, Murraysville, Pennsylvania

Licking County Ohio Common Pleas Court (2023)
Re: Moundbuilders Country Club, Newark, Ohio

Ohio Board of Tax Appeals (2023)
Re: Marriott Hotel at Key Tower, Cleveland, Ohio

Franklin County, Ohio Board of Revision (2012)
Re: Hilton Garden Inn & Comfort Suites Columbus, Ohio

Montgomery County, Ohio Common Pleas Court (2023)
Re: Hampton Inn, Sidney; Best Western Plus Dayton Northwest, Englewood; Best Western Plus Dayton South, Dayton; Quality Inn and Suites South, Obetz; and Super 8 Zanesville, Ohio

Ohio Board of Tax Appeals and Cuyahoga County Board of Revision (2023)

Re: Doubletree Hotel, Independence, Ohio, Doubletree Hotel, Westlake, Ohio, Best Western Plus, Strongsville, Ohio

Board of Revision, Franklin County, Ohio (2022)
Re: Fairfield Inn, Columbus, Ohio

Board of Revision, Belmont County, Ohio (2022)
Re: Days Inn, Belmont, Ohio

Ohio Board of Tax Appeals (2022)
Sheraton Suites, Cuyahoga Falls, Ohio

Circuit Court of Fond du Lac County, Wisconsin (2022)
Re: Hampton Inn, Fond du Lac, Wisconsin

Board of Revision, Cuyahoga County, Ohio (2021)
Re: Crowne Plaza Hotel, Cleveland, Ohio

Board of Revision, Summit County, Ohio (2021)
Re: Sheraton Suites, Cuyahoga Falls; Doubletree, and Hilton Hotel, Fairlawn, Ohio

Board of Revision of Hamilton County, Ohio (2020)
Re: Cincinnati Hotel

Board of Revision of Cuyahoga County, Ohio (2020/2022/2023)
Re: Hampton Inn Brooklyn, Ohio

Board of Revision of Cuyahoga County, Ohio (2019)
Re: Doubletree Cleveland, Ohio

Board of Revision of Medina County, Ohio (2019)
Re: Fairfield Inn & Suites, Medina, Ohio

State of Wisconsin Circuit Court (2019)
Re: American Transmission Company LLC vs Helugus, LLC, Sauk County, Wisconsin

District Court of Moore County, Texas (2018)
Re: Holiday Inn Express, Dumas, Texas

Ohio Board of Tax Appeals & BOR (2018, 2015 & 2013)
Re: Thistledown Racetrack, Warrensville Heights, Ohio

Boone County, Kentucky Board of Revision (2015)
Turfway Park, Florence, Kentucky

Lancaster County, Pennsylvania Common Pleas Court (2014)
Re: Sight & Sound Theater, Strasburg, Pennsylvania

Sauk County, Wisconsin Circuit Court (2014)
Re: Great Wolf Lodge Wisconsin Dells, Wisconsin

Somerset County, Pennsylvania Common Pleas Court (2013)
Re: Hidden Valley Resort, Somerset, Pennsylvania

Ohio Board of Tax Appeals (2013)
Re: Maui Sands Hotel, Sandusky, Ohio

Hamilton County, Ohio Board of Revision (2012)
Re: Five Seasons Country Club, Cincinnati, Ohio

Cuyahoga County, Ohio Board of Revision (2012)
Re: 3 McDonald's Restaurants

U.S. Bankruptcy Court (2012)
Re: Holiday Inn Express Houston, Texas

Franklin County, Ohio Board of Revision (2012)
Re: Hilton Garden Inn & Comfort Suites Columbus, Ohio

State of Tennessee Administrative Court (2012)
Re: Embassy Suites Murfreesboro, Tennessee

Clark County, Nevada District Court (2012)
Re: Stallion Mountain Country Club, Las Vegas, Nevada

Litigation Assignments Involving Expert Testimony

State of Michigan Tribunal (2011)
Re: Radisson Hotel, Kalamazoo, Michigan

Franklin County, Ohio Board of Revision (2011)
Re: Sheraton Suites, Columbus, Ohio

Nebraska Tax Equalization & Review Commission (2011)
Re: LaVista Conference Center, LaVista, Nebraska

State of Virginia Circuit Court (2011)
Re: Keswick Club, Charlottesville, Virginia

Licking County, Ohio Board of Revision (2010)
Re: Cherry Valley Lodge and CoCo Key Indoor Waterpark,
Newark, Ohio

Ohio Board of Tax Appeals (2010)
Re: Doubletree Hotel, Independence, Ohio

Ohio Board of Tax Appeals (2010)
Re: Courtyard Hotel, Willoughby, Ohio

San Diego, California Superior Court (2010)
Re: La Costa Resort and Spa, Carlsbad, California

Hamilton County, Ohio Board of Revision (2010)
Re: Crowne Plaza and Fairfield Inn, Sharonville, Ohio

United States Bankruptcy Court (2010)
Re: Peek 'n Peak Resort, Findley Lake, New York

Board of Review, Lake Delton, Wisconsin (2009)
Re: Great Wolf Lodge Wisconsin Dells

Cuyahoga County, Ohio Board of Revision (2008)
Re: Residence Inn, Cleveland, Ohio

Marion County, Indiana Superior Court (2008)
Re: Indiana Stadium and Convention Building Authority vs.
Michael A. Maio

New York Supreme Court, Niagara County (2008)
Re: Splash Outdoor Waterpark

State of Virginia Circuit Court (2005 and 2008)
Re: Keswick Club, Charlottesville, Virginia

Hamilton County, Ohio Board of Revision (2006)
Re: Five Seasons Country Club, Cincinnati, Ohio

Cuyahoga County, Ohio Board of Revision (2005)
Re: Various Residence Inns, Hilton Garden Inn, Embassy
Suites, Cuyahoga County, Ohio

United States Bankruptcy Court (2004)
Re: Days Inn, Monroeville, Pennsylvania

State of Florida Circuit Court (2004)
Re: Howard Johnson Plaza, Orlando, Florida

Hamilton County, Ohio Board of Revision (2003)
Re: Preston Hotel, Sharonville, Ohio

Cuyahoga County, Ohio Board of Revision (2003)
Re: Radisson Gateway Hotel, Cleveland, Ohio

Nationwide Insurance versus Motor Inn, Inc. (2003)
Re: Drawbridge Inn, Fort Mitchell, Kentucky

ANTHONY DIPONIO, CHIA

ASSOCIATE

Contact

sadiponiol@hladvisors.com
216-403-1743

Education

Bachelor of Arts in Hospitality Business, Michigan State University

Professional Certifications

Registered Real Estate Appraiser Assistant in Ohio
Certification in Hotel Real Estate Investment and Asset Management, Cornell University
Certification in Hotel Industry Analytics

Professional Affiliations

- Ohio Travel Association
- National Golf Foundation
- International Association of Amusement Parks and Attractions
- World Waterpark Association
- Michigan State University Alumni Association
- Outdoor Hospitality Industry

Experience

- Associate - Hotel & Leisure Advisors, Cleveland, Ohio - Present
- Director of Hotel Operations - Element Hotel Detroit at The Metropolitan Building, Detroit, Michigan
- Site Manager - Trilogy Corporate Services - BAE Systems, Sterling Heights, Michigan
- Executive Housekeeper - Spire Hospitality - Embassy Suites Detroit/Livonia, Livonia, Michigan
- Executive Housekeeper - Winegardner & Hammons Hotel Group - The Phelps, Cincinnati, Ohio
- Executive Housekeeper/Operations Manager - various Drury Hotels properties: Springfield, Illinois; Findlay, Ohio; Columbus, Ohio; and Dayton, Ohio

Anthony prepares appraisals, market feasibility studies, economic impact studies, and impact studies throughout the United States. Anthony's expertise is in the evaluation of hospitality and leisure properties, including hotels, resorts, waterparks, golf courses and other leisure real estate. He has expertise in financial statement analysis, competitive benchmarking, market analysis, and operations. Prior to his tenure at Hotel & Leisure Advisors, he worked in management roles at eight hotels throughout the Midwest United States. As Director of Hotel Operations for the Element Hotel in Detroit, his property was in the top 10 within the brand for Intent to Recommend, Cleanliness, and Staff Service. Anthony earned a Bachelor of Arts from Michigan State University's School of Hospitality Business, and a certificate in Hotel Real Estate Investment and Asset Management from Cornell University's Nolan School of Hotel Administration.

Published Articles

"As Camping Popularity Surges, RV Resorts Look to Capitalize With Hotel-Like Comforts," July 2023, Hotel Online

Presentations

"Methodology for Feasibility Studies for Waterparks and Hotels" presentation at the World Waterpark Association Annual Convention 2024

ADDENDUM II



Demographic and Income Profile

Santa Fe County, NM
Santa Fe County, NM (35049)
Geography: County

Prepared by Esri

Summary	Census 2010		Census 2020		2024		2029	
Population	144,171		154,823		157,871		160,973	
Households	61,964		68,020		70,446		73,604	
Families	36,183		39,699		39,317		40,422	
Average Household Size	2.28		2.24		2.20		2.15	
Owner Occupied Housing Units	42,879		46,871		50,706		52,730	
Renter Occupied Housing Units	19,085		21,149		19,740		20,874	
Median Age	43.0		47.9		48.3		49.3	
Trends: 2024-2029 Annual Rate	Area		State		National			
Population	0.39%		0.22%		0.38%			
Households	0.88%		0.64%		0.64%			
Families	0.56%		0.37%		0.56%			
Owner HHs	0.79%		1.13%		0.97%			
Median Household Income	3.01%		3.49%		2.95%			
Households by Income			2024		2029			
			Number	Percent	Number	Percent		
<\$15,000			5,850	8.3%	5,099	6.9%		
\$15,000 - \$24,999			5,845	8.3%	4,991	6.8%		
\$25,000 - \$34,999			4,851	6.9%	4,043	5.5%		
\$35,000 - \$49,999			6,573	9.3%	6,105	8.3%		
\$50,000 - \$74,999			11,223	15.9%	10,860	14.8%		
\$75,000 - \$99,999			8,517	12.1%	8,971	12.2%		
\$100,000 - \$149,999			13,934	19.8%	16,239	22.1%		
\$150,000 - \$199,999			5,962	8.5%	7,839	10.7%		
\$200,000+			7,691	10.9%	9,457	12.8%		
Median Household Income			\$77,007		\$89,332			
Average Household Income			\$110,028		\$126,362			
Per Capita Income			\$49,148		\$57,828			
Population by Age	Census 2010		Census 2020		2024		2029	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0 - 4	8,217	5.7%	6,296	4.1%	6,378	4.0%	6,396	4.0%
5 - 9	8,275	5.7%	7,130	4.6%	6,930	4.4%	6,618	4.1%
10 - 14	8,531	5.9%	8,458	5.5%	7,588	4.8%	7,251	4.5%
15 - 19	8,387	5.8%	8,323	5.4%	8,206	5.2%	7,375	4.6%
20 - 24	7,526	5.2%	7,234	4.7%	7,991	5.1%	7,741	4.8%
25 - 34	16,628	11.5%	17,183	11.1%	17,202	10.9%	17,810	11.1%
35 - 44	18,196	12.6%	17,797	11.5%	18,792	11.9%	19,075	11.8%
45 - 54	22,351	15.5%	18,592	12.0%	18,536	11.7%	18,847	11.7%
55 - 64	24,256	16.8%	23,981	15.5%	22,479	14.2%	21,244	13.2%
65 - 74	13,385	9.3%	25,427	16.4%	26,188	16.6%	26,824	16.7%
75 - 84	6,167	4.3%	11,081	7.2%	13,886	8.8%	17,119	10.6%
85+	2,252	1.6%	3,321	2.1%	3,695	2.3%	4,673	2.9%
Race and Ethnicity	Census 2010		Census 2020		2024		2029	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White Alone	109,801	76.2%	88,915	57.4%	89,389	56.6%	88,542	55.0%
Black Alone	1,239	0.9%	1,412	0.9%	1,566	1.0%	1,599	1.0%
American Indian Alone	4,486	3.1%	5,558	3.6%	5,724	3.6%	5,769	3.6%
Asian Alone	1,672	1.2%	2,367	1.5%	2,577	1.6%	2,786	1.7%
Pacific Islander Alone	108	0.1%	128	0.1%	120	0.1%	122	0.1%
Some Other Race Alone	21,730	15.1%	22,348	14.4%	23,162	14.7%	24,625	15.3%
Two or More Races	5,135	3.6%	34,095	22.0%	35,333	22.4%	37,530	23.3%
Hispanic Origin (Any Race)	73,015	50.6%	74,377	48.0%	76,471	48.4%	81,003	50.3%

Data Note: Income is expressed in current dollars.

Source: Esri forecasts for 2024 and 2029. U.S. Census Bureau 2020 decennial Census in 2020 geographies.

December 09, 2024

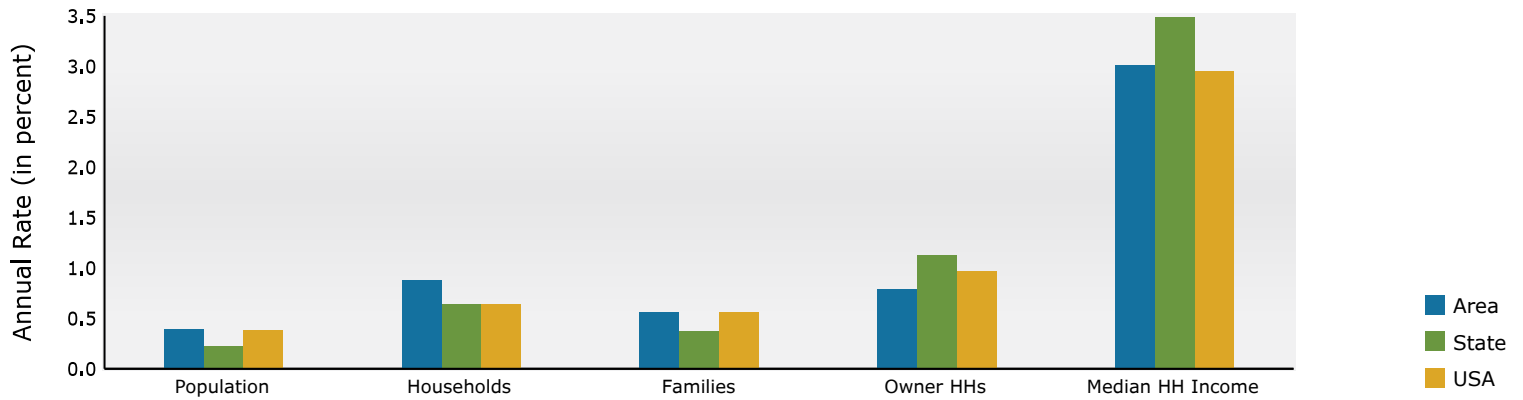


Demographic and Income Profile

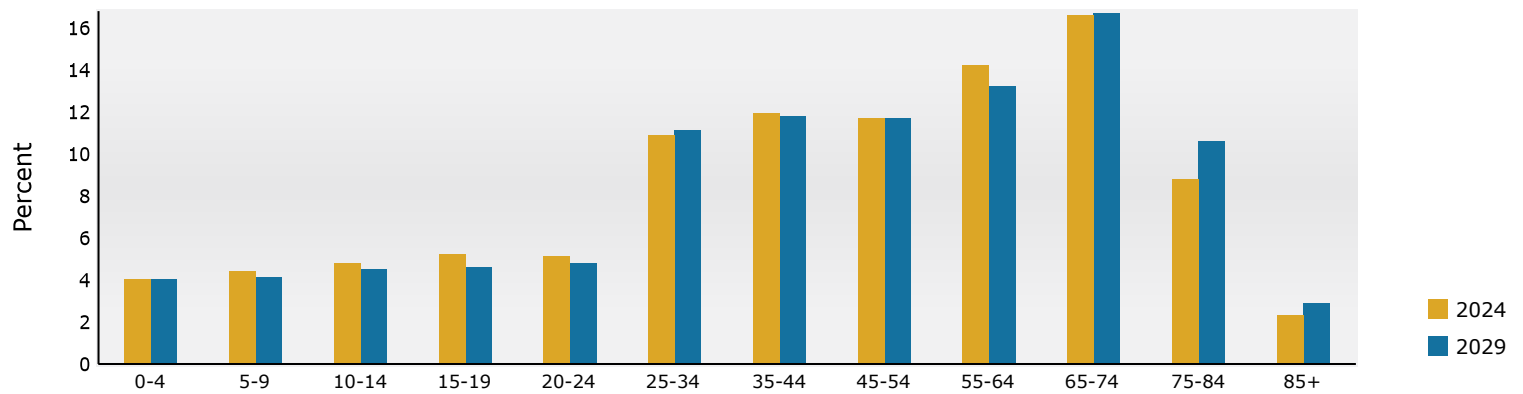
Santa Fe County, NM
Santa Fe County, NM (35049)
Geography: County

Prepared by Esri

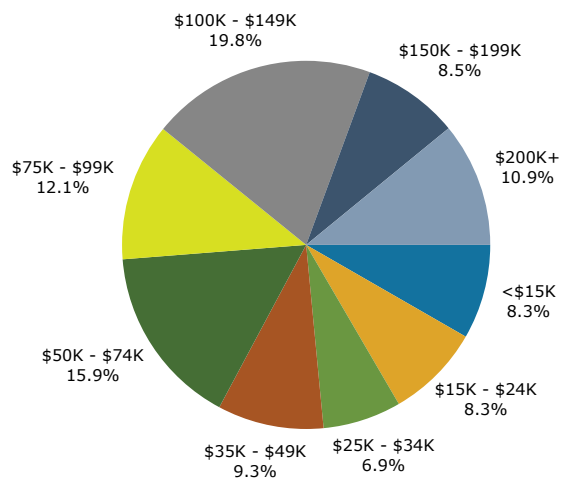
Trends 2024-2029



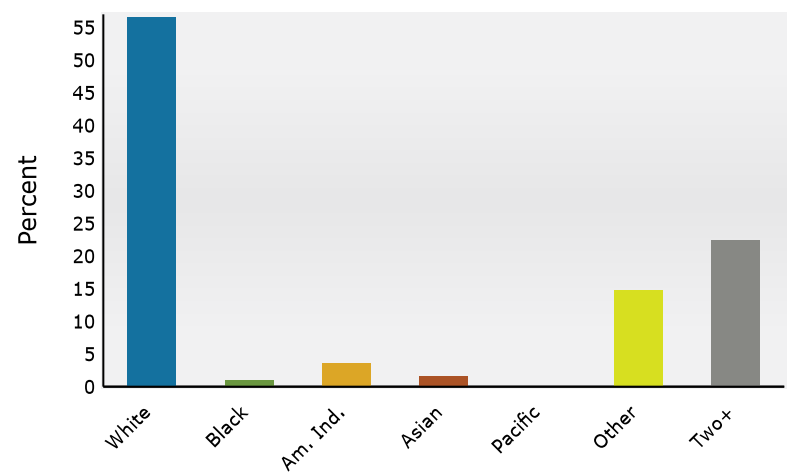
Population by Age



2024 Household Income



2024 Population by Race



2024 Percent Hispanic Origin: 48.4%

Source: Esri forecasts for 2024 and 2029. U.S. Census Bureau 2020 decennial Census in 2020 geographies.

December 09, 2024

ADDENDUM III



Property Overview

Jan 1 - Dec 31, 2024

Metrics

Metric Name	<div><div></div><div>Santa Fe Opera</div><div>Opera Dr, Santa Fe, NM</div></div>	<div><div></div><div>The Bridge At Santa Fe Brewing Company</div><div>Fire Pl, Santa Fe, NM</div></div>	<div><div></div><div>Isleta Amphitheater</div><div>University Blvd, Albuquerque, NM</div></div>	<div><div></div><div>Sandia Amphitheatre</div><div>Rainbow Rd, Albuquerque, NM</div></div>
Visits	36.1K	20.9K	325.8K	25.5K
Visitors	21.9K	16.1K	211.1K	23.1K
Visit Frequency	1.62	1.34	1.56	1.1
Avg. Dwell Time	171 min	168 min	181 min	141 min



Property Overview

Jan 1 - Dec 31, 2024

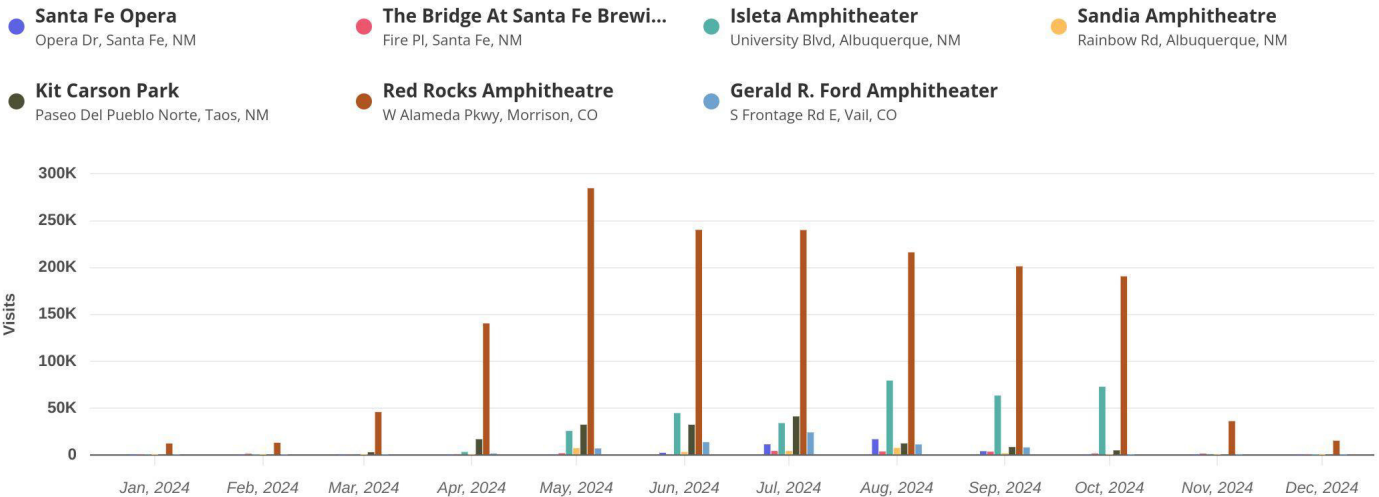
Metric Name	<div><div></div>Kit Carson Park</div> <div>Paseo Del Pueblo Norte, Taos, NM</div>	<div><div></div>Red Rocks Amphitheatre</div> <div>W Alameda Pkwy, Morrison, CO</div>	<div><div></div>Gerald R. Ford Amphitheater</div> <div>S Frontage Rd E, Vail, CO</div>
Visits	154.6K	1.6M	66.5K
Visitors	42.4K	1.3M	40.1K
Visit Frequency	3.64	1.31	1.68
Avg. Dwell Time	139 min	162 min	143 min
Data provided by Placer Labs Inc. (www.placer.ai)			



Property Overview

Jan 1 - Dec 31, 2024

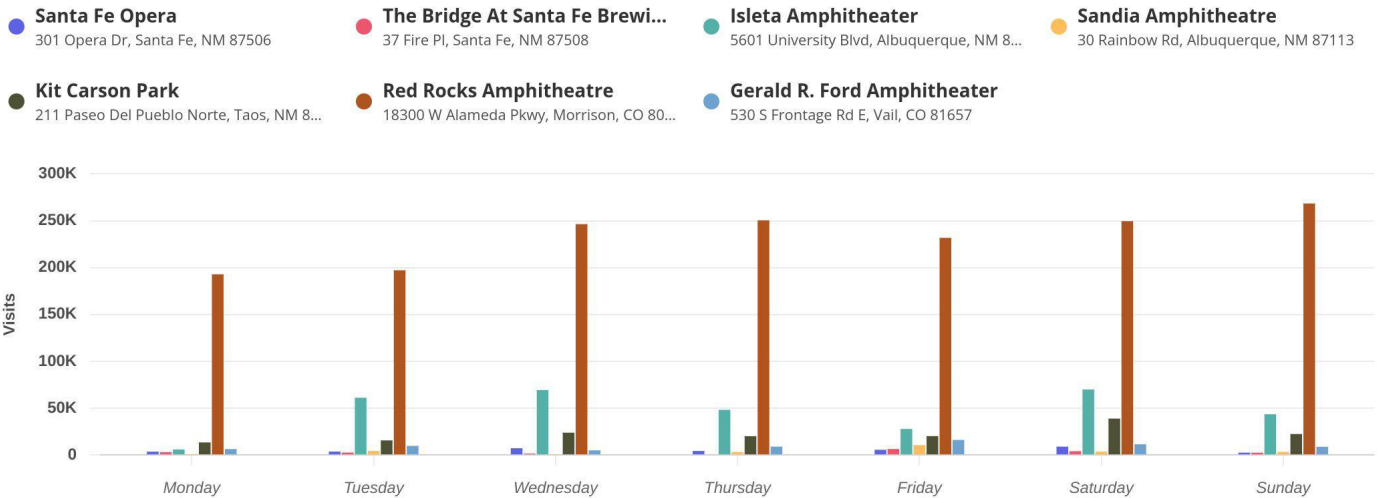
Visits Trend



Data provided by Placer Labs Inc. (www.placer.ai)



Daily Visits



Data provided by Placer Labs Inc. (www.placer.ai)





Property Overview

Jan 1 - Dec 31, 2024

Metrics

Dillon Amphitheater (Nearby A...
135 W Lodgepole St, Dillon, CO 80435

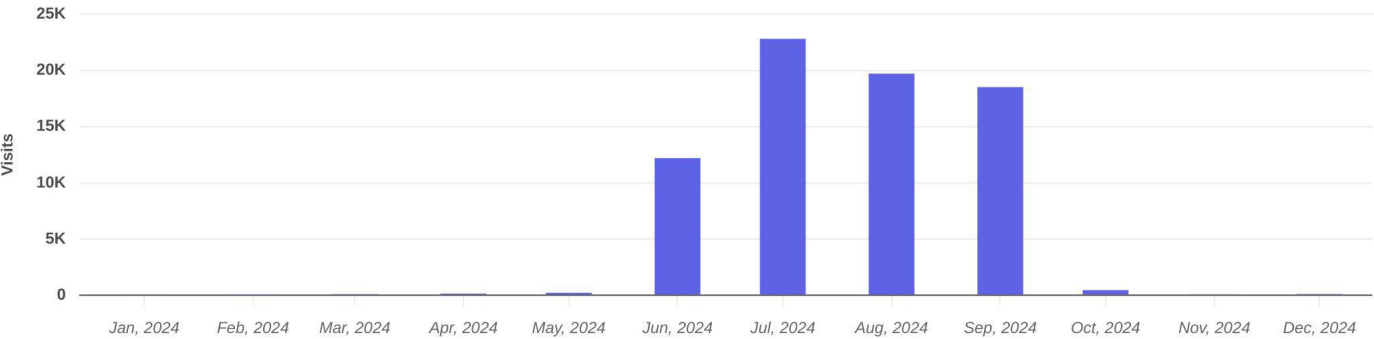
Visits	74.4K	Visit Frequency	1.35
Visitors	55.1K	Avg. Dwell Time	138 min

Data provided by Placer Labs Inc. (www.placer.ai)



Visits Trend

Dillon Amphitheater (Nearby ...
W Lodgepole St, Dillon, CO



Data provided by Placer Labs Inc. (www.placer.ai)

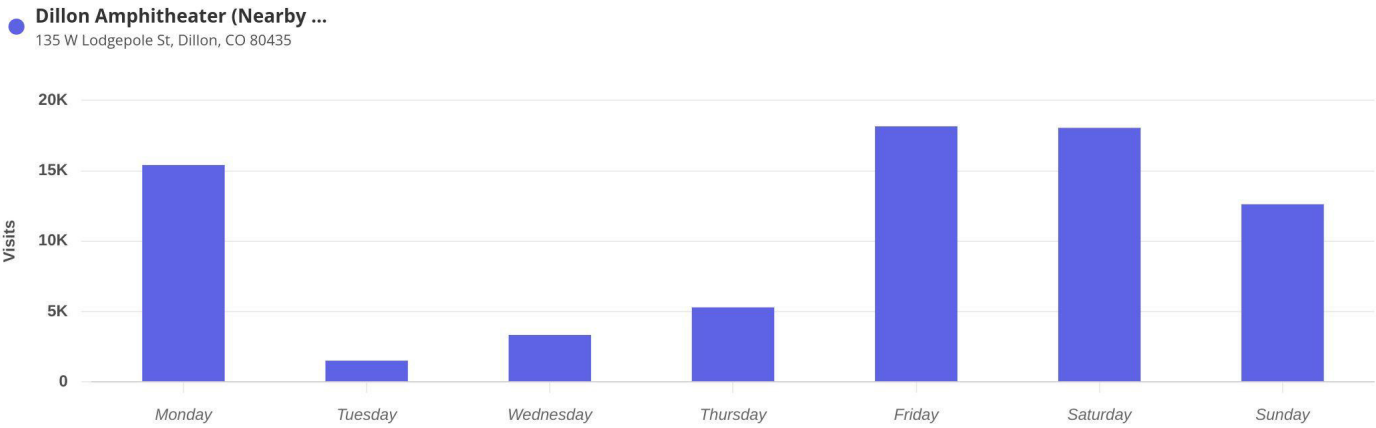




Property Overview

Jan 1 - Dec 31, 2024

Daily Visits



Data provided by Placer Labs Inc. (www.placer.ai)





Property Overview

Jan 1 - Dec 31, 2024

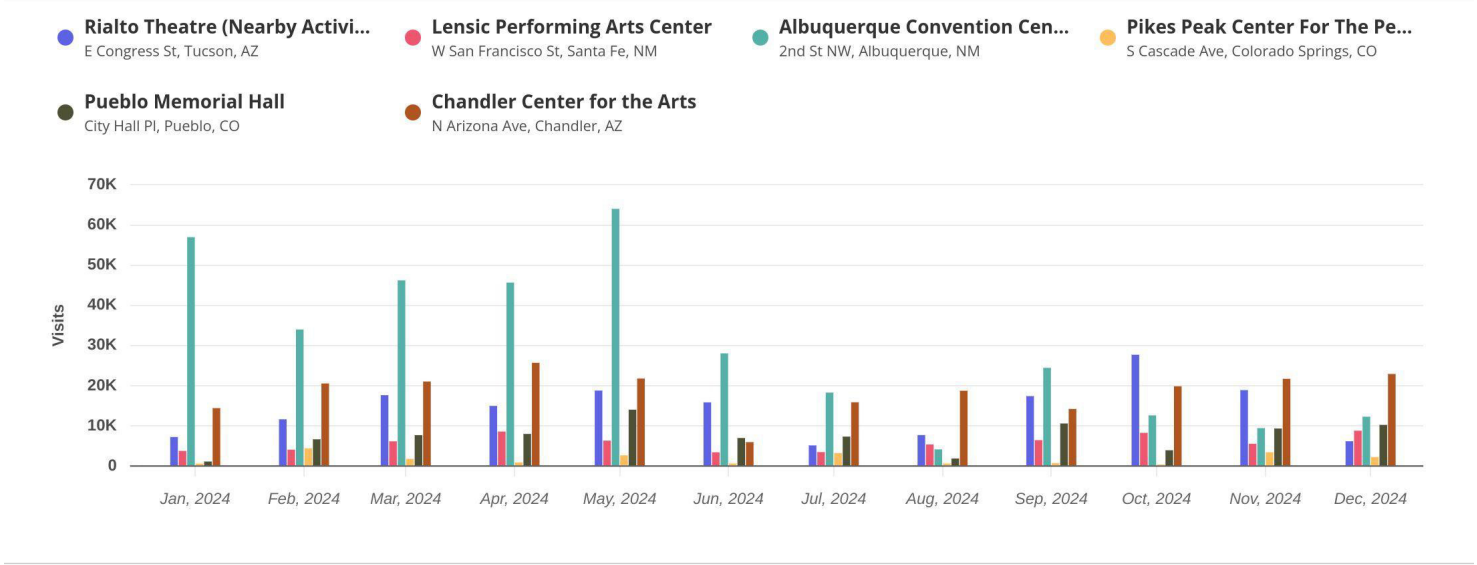
Metrics

Metric Name	Rialto Theatre (Nearby Activity 100 ft) E Congress St, Tucson, AZ	Lensic Performing Arts Center W San Francisco St, Santa Fe, NM	Albuquerque Convention Center 2nd St NW, Albuquerque, NM	Pikes Peak Center For The Performing Arts S Cascade Ave, Colorado Springs, CO	Pueblo Memorial Hall City Hall Pl, Pueblo, CO	Chandler Center for the Arts N Arizona Ave, Chandler, AZ
Visits	169.1K	70.2K	356.1K	21.6K	87.8K	222.7K
Visitors	129.1K	48.9K	207.5K	14.6K	56.4K	72.8K
Visit Frequency	1.31	1.43	1.73	1.44	1.56	3.17
Avg. Dwell Time	164 min	124 min	216 min	146 min	142 min	120 min

Jan 1st, 2024 - Dec 31st, 2024
Data provided by Placer Labs Inc. (www.placer.ai)



Visits Trend



Data provided by Placer Labs Inc. (www.placer.ai)

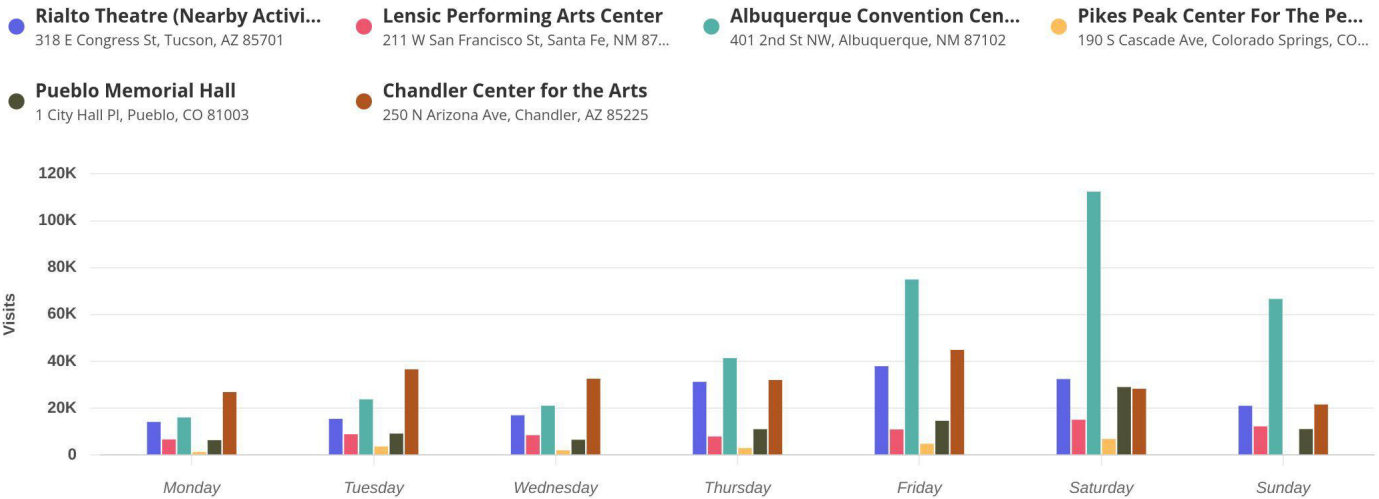




Property Overview

Jan 1 - Dec 31, 2024

Daily Visits



Data provided by Placer Labs Inc. (www.placer.ai)





Property Overview

Jan 1 - Dec 31, 2024

Metrics

Popejoy Hall (Nearby Activity 1...
203 Cornell Dr, Albuquerque, NM 87131

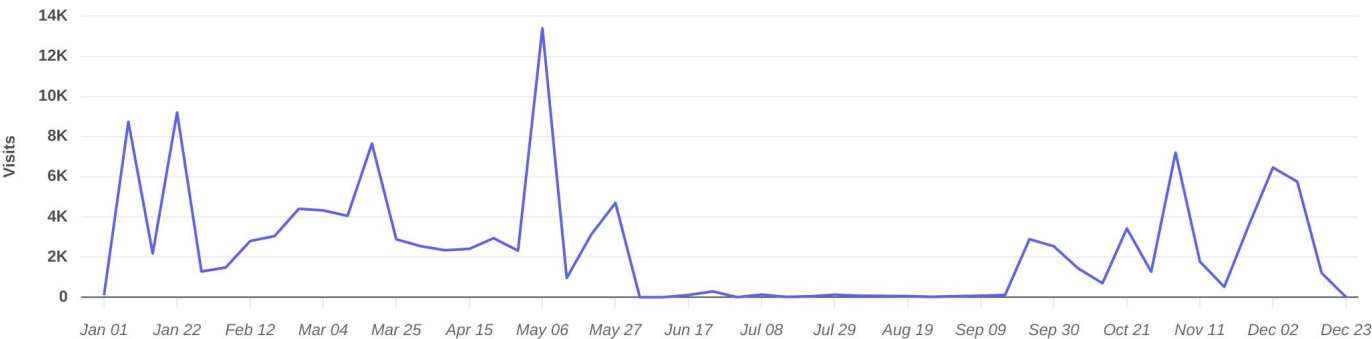
Visits	126.7K	Visit Frequency	1.53
Visitors	82.8K	Avg. Dwell Time	141 min

Data provided by Placer Labs Inc. (www.placer.ai)



Visits Trend

Popejoy Hall (Nearby Activity ...
Cornell Dr, Albuquerque, NM



Data provided by Placer Labs Inc. (www.placer.ai)

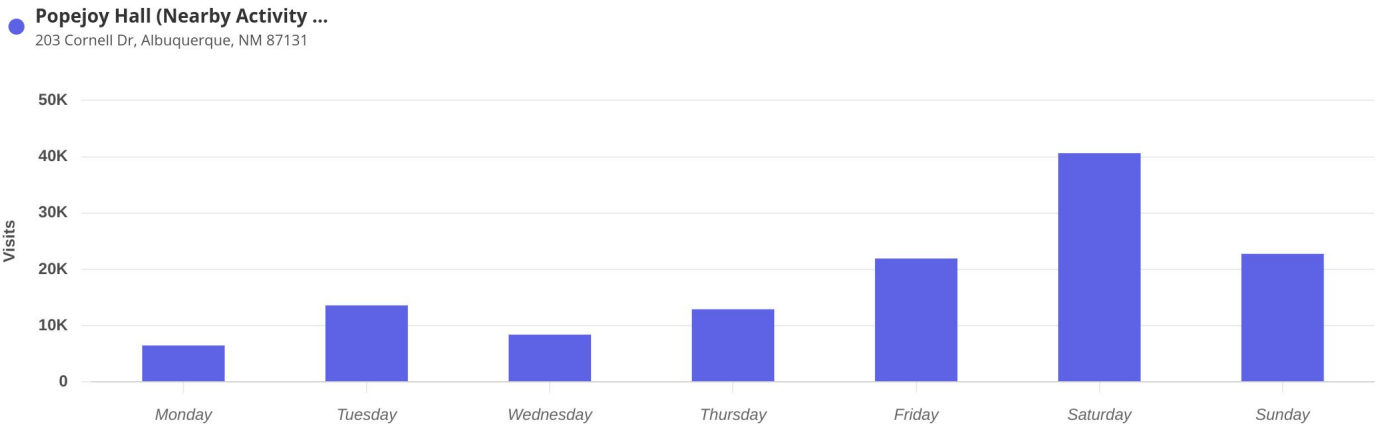




Property Overview

Jan 1 - Dec 31, 2024

Daily Visits



Data provided by Placer Labs Inc. (www.placer.ai)





Property Overview

Jan 1 - Dec 31, 2024

Metrics

Vilar Performing Arts Center (N...
68 Avondale Ln, Beaver Creek, CO 81620

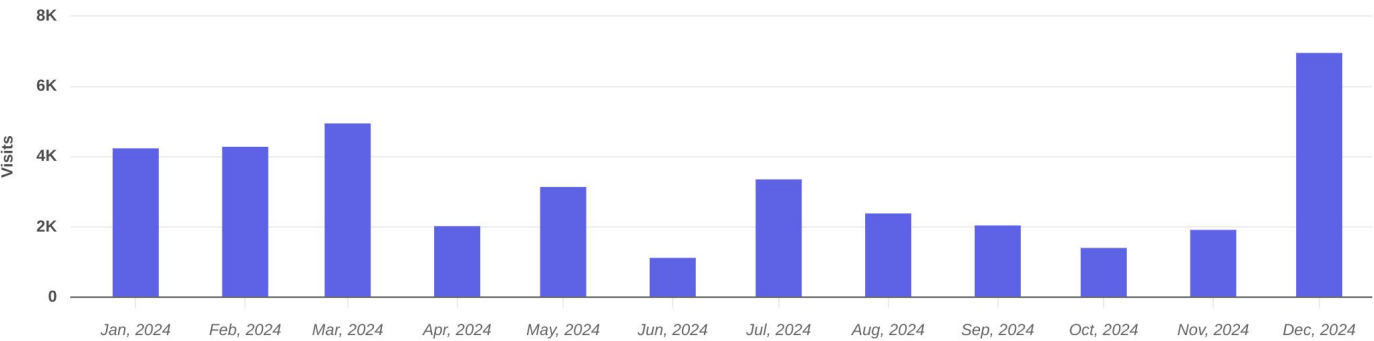
Visits	37.8K	Visit Frequency	1.65
Visitors	22.9K	Avg. Dwell Time	202 min

Data provided by Placer Labs Inc. (www.placer.ai)



Visits Trend

Vilar Performing Arts Center (...)
Avondale Ln, Beaver Creek, CO



Data provided by Placer Labs Inc. (www.placer.ai)

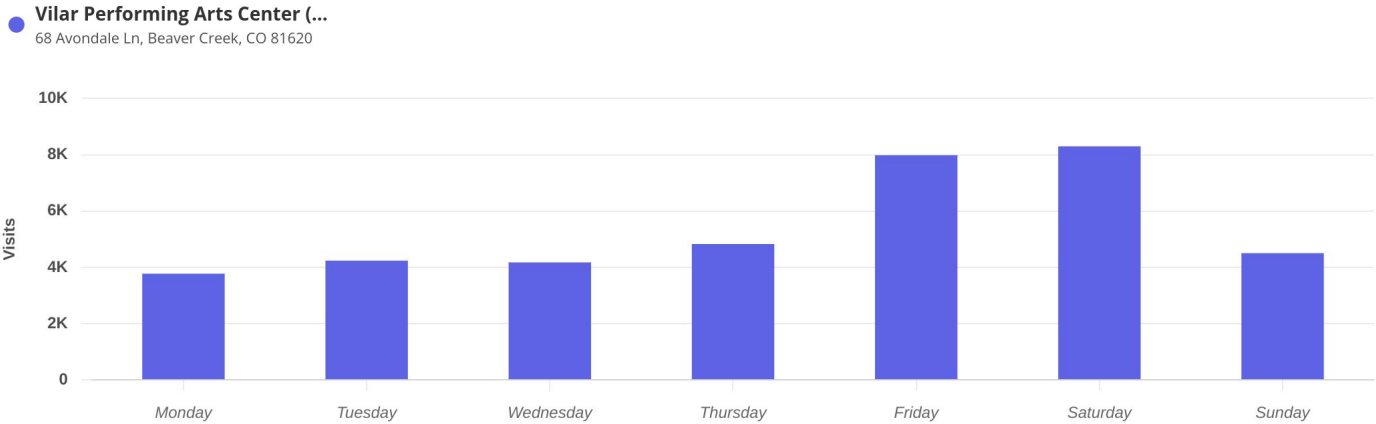




Property Overview

Jan 1 - Dec 31, 2024

Daily Visits



Data provided by Placer Labs Inc. (www.placer.ai)



ADDENDUM IV

**Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
Santa Fe County, NM (Type II)**

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
1. Farms	1.4365	0.2265	6.9238	0.5713	1.6769	1.5728
2. Forestry, fishing, and related activities	1.3514	0.4874	18.9246	0.9263	1.2334	1.1349
3. Oil and gas extraction	1.3283	0.3805	4.8845	0.8347	1.2935	1.6855
4. Mining (except oil and gas)	1.3651	0.3225	4.8713	0.7316	1.4161	1.7629
5. Support activities for mining	1.4468	0.3830	6.3064	0.7678	1.4859	2.0941
6. Utilities*	1.2890	0.2034	2.8564	0.8081	1.6399	2.5210
7. Construction	1.4174	0.4023	7.7877	0.7837	1.3613	1.5139
8. Wood product manufacturing	1.2879	0.2242	5.0842	0.4860	1.4314	1.4363
9. Nonmetallic mineral product manufacturing	1.3213	0.2383	4.3897	0.6458	1.4916	1.6085
10. Primary metal manufacturing	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11. Fabricated metal product manufacturing	1.2905	0.2801	5.4159	0.5913	1.3692	1.4737
12. Machinery manufacturing	1.2607	0.2303	4.1659	0.5473	1.4078	1.5781
13. Computer and electronic product manufacturing	1.2954	0.3916	4.8547	0.8813	1.2455	1.6238
14. Electrical equipment, appliance, and component manufacturing	1.2541	0.2486	4.7175	0.6171	1.3558	1.4666
15. Motor vehicles, bodies and trailers, and parts manufacturing	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
16. Other transportation equipment manufacturing	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
17. Furniture and related product manufacturing	1.3927	0.3982	9.4318	0.6073	1.3364	1.3390
18. Miscellaneous manufacturing	1.3370	0.2443	5.3532	0.7472	1.5123	1.5408
19. Food and beverage and tobacco product manufacturing	1.3026	0.2227	4.7381	0.4484	1.4396	1.4832
20. Textile mills and textile product mills	1.3186	0.3547	9.3484	0.5357	1.2959	1.2642
21. Apparel, leather, and allied product manufacturing	1.4673	0.5549	17.2537	0.8842	1.2788	1.1994
22. Paper manufacturing	1.2473	0.2149	3.9711	0.4475	1.3995	1.5207
23. Printing and related support activities	1.3544	0.3538	9.2137	0.6978	1.3514	1.3162
24. Petroleum and coal products manufacturing	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25. Chemical manufacturing	1.2211	0.2097	3.2049	0.5735	1.3573	1.6367
26. Plastics and rubber products manufacturing	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
27. Wholesale trade	1.3593	0.2870	4.8655	0.7924	1.5160	1.9221
28. Motor vehicle and parts dealers	1.3551	0.3275	5.8569	0.8810	1.3834	1.5801
29. Food and beverage stores	1.3937	0.3620	11.1639	0.8944	1.3657	1.2654
30. General merchandise stores	1.3740	0.3373	10.6569	0.8812	1.3848	1.2649
31. Other retail	1.3959	0.3360	10.7728	0.8703	1.4106	1.2808
32. Air transportation	1.2977	0.2585	4.2277	0.7230	1.4568	1.9494
33. Rail transportation	1.3506	0.2688	3.8707	0.7660	1.5389	2.1560
34. Water transportation	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35. Truck transportation	1.4415	0.3916	7.6200	0.7517	1.4393	1.6810
36. Transit and ground passenger transportation*	1.4997	0.4412	20.9329	0.6501	1.4394	1.1850
37. Pipeline transportation	1.5005	0.6912	7.1845	1.1571	1.2356	1.8237

(Continued)

Region Definition: Santa Fe, NM

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2022 data, the output delivered to final demand should be in 2022 dollars.

4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.

6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.--Multipliers are based on the 2017 Benchmark Input-Output Table for the Nation and 2022 regional data. Industry List B identifies the industries corresponding to the entries.

SOURCE.--Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis.

**Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
Santa Fe County, NM (Type II)**

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
38. Other transportation and support activities*	1.4251	0.4896	15.5132	0.8478	1.2979	1.2246
39. Warehousing and storage	1.4712	0.4413	11.2716	0.7825	1.3779	1.3535
40. Publishing industries (except Internet)	1.3880	0.3052	6.4535	0.8498	1.5059	1.5510
41. Motion picture and sound recording industries	1.4566	0.2905	5.4772	0.9343	1.6094	1.9057
42. Broadcasting (except Internet) and telecommunications	1.3700	0.2364	4.7692	0.7625	1.6476	1.7990
43. Data processing, hosting, and other information services	1.3682	0.3039	4.9413	0.8107	1.4937	1.8898
44. Monetary Authorities-central bank, credit intermediation, and related services	1.4098	0.3078	5.4727	0.8610	1.5544	1.9571
45. Securities, commodity contracts, and other financial investments and related activities	1.6194	0.5553	19.3298	0.8938	1.4424	1.2693
46. Insurance carriers and related activities	1.3541	0.3189	5.8764	0.7548	1.4032	1.5561
47. Funds, trusts, and other financial vehicles	2.1413	0.5030	25.8918	0.6765	3.5555	1.8304
48. Real estate	1.3561	0.2370	6.0662	0.9163	1.6379	1.5579
49. Rental and leasing services and lessors of nonfinancial intangible assets	1.4009	0.3368	5.6532	0.8516	1.4408	1.7869
50. Professional, scientific, and technical services	1.5202	0.5711	8.8330	0.9814	1.3232	1.6108
51. Management of companies and enterprises	1.3556	0.2711	4.1599	0.8709	1.5391	2.1136
52. Administrative and support services	1.5040	0.5129	12.5211	0.8922	1.3538	1.3438
53. Waste management and remediation services	1.4011	0.3111	5.2315	0.6966	1.4942	1.8191
54. Educational services	1.5191	0.5538	17.3638	1.0058	1.3110	1.2304
55. Ambulatory health care services	1.4524	0.4873	9.2772	0.9391	1.3189	1.4477
56. Hospitals	1.5069	0.4525	7.3327	0.8854	1.4294	1.7831
57. Nursing and residential care facilities	1.5242	0.5005	12.6804	0.9277	1.3571	1.3450
58. Social assistance	1.4860	0.5120	17.3678	0.8669	1.3181	1.2154
59. Performing arts, spectator sports, museums, and related activities	1.4987	0.4089	13.2645	0.9476	1.4735	1.3436
60. Amusement, gambling, and recreation industries	1.4288	0.3882	12.2571	0.8223	1.3693	1.2578
61. Accommodation	1.3705	0.3275	9.7471	0.8457	1.4195	1.3188
62. Food services and drinking places	1.4364	0.3968	12.4404	0.8013	1.3723	1.2694
63. Other services*	1.4801	0.3819	9.2992	0.8439	1.5085	1.4614
64. Households	0.7583	0.1988	5.0468	0.4619	0.0000	0.0000

Region Definition: Santa Fe, NM

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2022 data, the output delivered to final demand should be in 2022 dollars.

4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.

5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.

6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.--Multipliers are based on the 2017 Benchmark Input-Output Table for the Nation and 2022 regional data. Industry List B identifies the industries corresponding to the entries.

SOURCE.--Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis.