

# Mandan Events Center

Mandan, ND



Feasibility Study - May 2008

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# Executive Summary

**Mandan Events Center**  
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## 1.2 EXECUTIVE SUMMARY

This document outlines the research undertaken for the feasibility of a new Multi-Purpose Events Center Facility and defines the recommended programmatic requirements for such a facility in the city of Mandan, North Dakota.

Currently, most event functions for this area are held at the Mandan Community Center's gymnasium. The Mandan Community Center's gymnasium is typically rented 40-50 weekends a year for events such as craft and trade shows, special meetings, weddings and other events. It is the community's desire to have these events moved to a new multi-purpose events center which would enable the current Community Center to serve as a more complete fitness and health facility.

In addition to this current event activity, community leaders want to identify potential "new" activities that could be a source of revenue to support and sustain a potential Multi-purpose Events Center in Mandan.

Five event profiles (types of possible events) have been identified and market demand for each type of event profile has been studied. The event profiles identified are: athletic events, private events, exhibit events, dirt-covered floor events, and stage events.

Site options for a potential event center have been reviewed and are summarized within this report. Five potential areas within the city of Mandan have been identified and evaluated for their suitability for a new multi-purpose event center.

Based on the market demand discovered for the various event profiles, a program of recommended space has been compiled for a new events center for the city of Mandan. This feasibility study culminates with a conceptual design for a multi-purpose events center that is based on the program of recommended space. This conceptual architectural design is based on its application on the optimal site(s); depending on the actual site proposed by the city or future developers, alternations to the conceptual design may be deemed necessary.

### SUMMARY OF EVENTS CENTER FACILITY

The conceptual design of the Mandan Event Center Facility consists of approximately 114,000 square feet with an optional 40,000 square foot practice arena and 75 to 100 stables. The size of the arena is based on a facility that would cater to Equestrian / Ag related events, motorsports events, athletic events, trade shows, and smaller concert / spectator events. Parking is recommended to be 1,500 to 2,000 stalls, but less could be initially developed with overflow parking for large events occurring on graveled or grassed areas.

Although multiple sites were identified as possible locations for the Events Center, the preferred location has been determined to be on a site north of Interstate 94 which contains enough acreage for the events center, future events center expansion and left over space for economic growth to occur.

The feasible cost for the Events Center can range from \$11.8 million to \$26.9 million, depending on which options are chosen and the level of quality that a final design would include. For the purposes of building the hypothetical event calendar and economic projections, the main events center facility with the stables was used. Such a facility could expect reasonable construction cost of \$13.5 to \$14 million is the conceptual plan is currently configured, not including land purchase costs.

### SUMMARY OF EVENTS CENTER ECONOMICS

The economic realities of a multi-purpose event center is based on the understanding that the cost of such a facility is an investment that is meant to produce economic growth that profits the whole community, rather than viewing an events center as a self-contained profit generator. Understanding this, the projected proforma for the Mandan Events Center is projecting a net loss of about \$310,000, but can generate a 1st year economic impact as much as \$12.3 million. These projections are based on a hypothetical calendar that has the facility holding events 228 days of the year and having a yearly attendance over 156,000.

If the cost of the facility is factored in, the total yearly expenditure for the City can be understood. For example, the Mandan Event Center were to cost \$15 million to be built, the annual debt service would be just under \$1.2 million (presuming a 30 year loan at 7 % interest). Combined with the potential operating loss, the City's yearly expense for an Event Center would be just under \$1.5 million.

Comparing a community's expense of \$1.5 million per year to get an economic return of up to \$12.3 million per year is a great investment. But the City of Mandan is in a unique position that needs to be considered in how such a return on the City's investment should be evaluated. Bismarck's larger retail and business infrastructure is in such close proximity to Mandan that it will compete heavily for the economic impact from the Events Center. The success of an investment into a Mandan Events Center is dependant on how much of the projected \$12.3 million of economic impact can be captured and directed to growth within Mandan.

As the City of Mandan weighs the findings of this study to make a decision about investing into an Events Center, the following factors ought to be considered:

1. What is the current split that can be expected between Bismarck and Mandan of the Economic impact? Currently, it is estimated that 1 out of every ten consumer dollars is spent in Mandan rather than Bismarck. If that is the case, Mandan's business community could see an economic growth of \$1.23 million from the impact of the event center. That would be roughly equal the City's expenditure for the cost of the facility. If any operating losses were also incurred, the community would not see any return on that until the Mandan business community grew enough to capture more share of the event center economic impact.
2. How quickly can the Mandan business community grow around the events center to benefit from the events center? This is dependant on the vision of investors and developers to take advantage of the positive impact of being located near the events center. The sooner the business growth occurs, the faster Mandan's share of the events center economic impact will increase. If Mandan's share of consumer dollars spent can move from 1 out of 10 dollars to 3 out of ten dollars, then the Mandan Events Center would be bringing in an economic return that is more than double it's expenses.
3. Will the Events Center contribute to the rate of economic growth in Mandan? The projected \$12.3 million dollar economic impact is only for the 1st year of operation. Once the facility is built, the yearly expense from the construction cost can be fixed and the yearly net operating costs are predicted to decrease. But the economic impact will continue to increase over time, following the economic growth rate of the City. The Mandan Events Center will actually become a contributing factor to increasing the City's economic growth rate. Many Cities do not plan on any economic growth rate and Mandan may not wish to bank on such growth either, however the benefits of potential increase in the economic growth rate of the City should at least be understood and not ignored.
4. How much more attractive will the Mandan Events Center make Mandan to future business investors? What premium is that worth? The economic impact produced by the events center alone is one thing to consider, but what share of the economic impact of the business development it will help attract? The Mandan Events Center should be used as the bait to attract more development to its location rather than seen as the big "economic catch" itself. An investment in an events center is meant to create an environment that will foster more development growth. The City of Mandan will need to weigh such an investment against the potential success of other strategies to attract business. Currently, the growth in the community is been primarily experienced the Bismarck side of the community rather than on the Mandan side. Any strategy the city of Mandan employs to reverse this lop-sided trend of growth will come at a cost and will be a process over time. A Mandan Events Center would be such a strategy.

## CONCLUSION

There is a market for an events center in Mandan that can fill a niche based on athletic events, equestrian / agricultural events, motocross / motorsports events and smaller spectator/concert events that doesn't primarily compete with the Bismarck Civic Center and local meeting / banquet facilities. Although a certain amount of competition will be unavoidable.

There are good sites available for a Mandan Events Center that meets the facilities space needs and offers the potential for surrounding business development.

An Events Center can be built in Mandan that can potentially return an economic impact specifically to Mandan that is slightly under its expense in the 1st year of operation with a prediction of increased returns in future years depending on the economic growth rate of Mandan and the development rate of Mandan; which would be aided by the presence of an events center.

Building an events center that is part of a larger business development (ie; hotel, retail park, etc...) would lessen the financial risk to the City of Mandan and guarantee a larger economic return to the community. For example, a private developer could commit to such business investments as a match to the City's investment in an events center. Such an arrangement would help to promote the success of both the private business development and the City's Events Center. Therefore, pursuing such private partnership opportunities is recommended.

A Mandan Events Center could still be viewed as feasible without a combined private development investment, but it would take much longer to realize the economic benefit for the cost of the upfront investment.

## 1.3 Methodology

### PARTICIPATION OF JLG ARCHITECTS and VENUWORKS

JLG Architects is an architecture firm specializing in the design of public facilities, events centers, arenas, educational facilities, housing and urban masterplanning. JLG Architects has four offices: Fargo, ND, Grand Forks, ND, Alexandria, MN, and Minneapolis, MN. JLG Architects is one of the leading firms in the Upper Midwest offering facility assessment, feasibility studies and architectural design services. JLG Architects and Venuworks have partnered to offer this Events Center Feasibility Study to the City of Mandan.

VenuWorks is a private company providing full management services to arenas, convention centers, and theaters. The company currently operates: Hoyt Sherman Place, Des Moines, Iowa; RiverCenter and Adler Theatre, Davenport, Iowa; U.S. Cellular Center, Cedar Rapids Ice Arena and Paramount Theatre, Cedar Rapids, Iowa; Alerus Center, Grand Forks, North Dakota; Three Rivers Convention Center, Toyota Center and Toyota Arena, Kennewick, Washington; Racine Civic Center, Racine, Wisconsin; Duplin County Events Center, Kenansville, North Carolina; Clay County Regional Events Center, Spencer, Iowa; Topeka Performing Arts Center, Topeka, Kansas; Burnsville Performing Arts Center, Burnsville, Minnesota (opening in late 2008); Swiftel Center in Brookings, South Dakota; Vicksburg Convention Center and Auditorium, Vicksburg, Mississippi; Jones Convocation Center, Chicago State University, Chicago Illinois. In addition to management services, VenuWorks performs consulting work for Counties, Universities, municipalities, public agencies, and private facility owners throughout the country.

Because VenuWorks manages buildings day in and day out, it brings an operator's mindset to the consulting work it does, emphasizing solutions that are practical, cost effective, and workable. For this project VenuWorks was asked to collect and review the materials for the perspective facility and perform the following tasks:

#### PROSPECTIVE CLIENT ANALYSIS

- Research event types that are perceived as important to the community.
- Research what type of events would help draw more people to the area and keep them longer.
- Work with JLG Architects and make recommendations as to where an event center should be built.
- Research who might use the facility, for what, and how much they reasonably expect to pay.
- Survey current users of community facilities.
- Survey potential users of an event center.

The purpose of this research component is to determine the market demand for events so that we can project the net revenue value of these events.

#### MARKET POSITION STATEMENT AND SITUATION ANALYSIS

Research the competitive environment including the strengths and weaknesses of the market and facilities

- Analyze potential new business and the marketing affect of the proposed facility.
- Discuss the present market conditions and factors affecting the facility's ability to attract business, and to deliver the services required of it as a community entity.
- Analyze how an event center in Mandan will complement current facilities in the market area.

#### DETERMINE FACILITY DESIGN AND CONSTRUCTION COSTS

Work with JLG Architects and make recommendations as to:

- An architectural program detailing the types, sizes and number of spaces needed to fulfill user requirements.
- An assessment of design alternatives to make it truly multi-purpose.

#### ANALYSIS OF POTENTIAL FOR PRIVATE SECTOR INVOLVEMENT

Evaluate the potential for dedicated revenues (commonly referred to as "Contractually Obligated Incomes" or "COI's") to be used to offset capital expenses.

Revenues to be reviewed and identified include:

- Advertising
- Food / beverage service licenses
- Naming rights
- Soft drink pour rights
- Ticketing rights

#### METHODOLOGY

In determining the nature, demand and competition for a new multi-use facility in the Mandan area, a broad view of the area was taken. As a part of the analysis, VenuWorks interviewed, surveyed, and/or consulted community members, event producers and industry professionals. Research was also conducted with regard to the capabilities and amenities of comparable and potentially competitive facilities within North Dakota.

#### Surveys and Interviews

Clients - Current and potential client groups were surveyed or interviewed to gather information related to their events and the facilities and amenities necessary to attract their business to a new facility.

Civic Leaders and Business Associates, Public Officials, City Staff and Residents -In an effort to gain an understanding of the community's view on a potential event center, Dan Miller with JLG Architects, Ron Cummins and Sharon Cummins from VenuWorks Planning & Development, met with the following community leaders, citizens, staff and business leaders during three separate meetings:

- Kelvin Hullet, President Bismarck-Mandan Chamber
- Sheri Grossman, Director of Sales Bismarck-Mandan CVB
- Heather LeMoine, Marketing Director ND DOC – Tourism Division
- Ellen Huber, Development Director City of Mandan
- Richard Mower, Vice President Special Projects Bismarck-Mandan Development Association
- Brian Gray, Mandan News
- Gordon Weixel, Bismarck Tribune
- Reid Katzung, Resident
- Susan Beehler, Resident
- Dan Ulmer, City of Mandan
- Jim Neubauer, City of Mandan
- Cole Higlin, Mandan Park District
- Wanda Knoll, Mandan Park District
- Jason Arenz, Mandan Park District
- Matt Ernhardt, Morton County
- James Boehm, Morton County
- Paul Trauger, Morton County
- Jay Feil, Starion Bank
- Dennis Haider, Montana-Dakota Utility Company
- Shannon Gangl, Seven Seas Hotel & Waterpark

While the attendees agreed that it was important to research the viability of a multi-purpose center in Mandan and provided their views on potential events that could be held at the facility, there was not a consensus as to where the facility should be located. Attendees stated that the facility should be designed to complement existing facilities in the community (including Bismarck), not compete with these facilities.

## 1.4 IDENTIFYING MARKET DEMAND AND COMPETITION

From the VenuWorks perspective as operators of facilities, a successful events center fulfills several baseline criteria:

- The form and function must arise out of the activities of the groups that will use it.
- It must attract NEW business to the community in the form of live entertainment, conventions, meeting and trade shows that infuse new dollars from outside the local community.
- It must book and/or promote new commercial activity in the form of specialized shows and exhibitions for the benefit of the show promoter, the exhibitors and the patrons attending the event.
- It may provide the city and the region with reasonably priced space for non-profit, charitable and community activities.
- It must attract promoters and/or self-promote entertainment, cultural, religious, business, tourist and other special events for the community's benefit.

Public assembly facilities, at their essence, are a big box – a box that has attributes that are essentially much the same from building to building. Although in different proportions and in differing degrees, the following elements would be a part of any modern, efficient event facility:

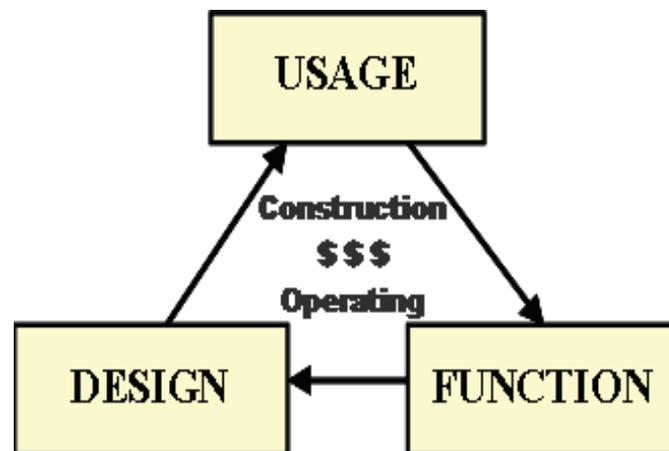
- Banquet/Meeting Hall
- Catering/Concessions
- Event Staging Capabilities
- Exhibition Hall
- Flexible Spectator Seating
- Food Preparation/Processing
- Load-in and Access
- Lobby
- Locker/Dressing Rooms
- Offices
- Restrooms
- Storage and Marshalling

Similarly, each public assembly facility should ultimately have a list of equipment items that is appropriate for the intended usage of the facility:

- Exhibitor pipe and drape
- Modern communications / data equipment
- Portable concessions stands
- Portable stage
- Power distribution system
- Risers and telescoping seating units
- Signage – permanent and movable
- Sound/lighting equipment
- Tables and chairs
- Ventilation capacity for a broad range of events

The critical part of the discovery process is to find the proper proportion of each of these space and equipment elements – one to the other – to meet the needs of the people who will sponsor and attend events, and those who will provide governance and management for a facility. It also takes a thorough understanding of the dynamic forces at work in any market to assess the facilities needed to serve it.

The evolution of a public assembly facility arises out of an interrelated circle encompassing usage, function, and design, as illustrated by the diagram below:



# 1.4

Layout and design decisions affect operational capabilities. Operational capabilities affect service capabilities and service capabilities affect the ability of the facility to serve a diverse group of potential users. The ability to sell the facility directly impacts the operating bottom line. Decisions made as early as the design/development stage of a project can have a profound effect on the level of success the facility ultimately achieves.

The process begins with a survey to determine the range of events that might occur at the facility. After the list of events is assembled, questions are asked about how each event will use the space, how many people, what they are doing, how they need to relate to each other and what equipment, tools, and furnishings they require to have a successful event or meeting. With the usage and function in hand, criteria can be developed to produce an effective facility design that will meet the usage and function criteria.

The most important characteristics and needs of each of the event categories listed below have been compiled from standards established by VenuWorks in the operation of facilities it manages and specific information derived from interviews with current and potential user groups of a proposed Mandan Events Center.

VenuWorks believes that the nature of a public assembly facility begins and ends with the events. Without the life blood of events, a facility will most likely die. We believe this so strongly that the development of events makes up the core of our mission statement. People don't go to a venue just because you build it; they go because of their interest in the events that are held at the facility.

## Market Demand

In looking at the needs for Mandan, survey responses and personal interviews indicate that the following types of events should drive the scheduling at the facility:

1. Athletic Events
2. Conference, Meeting, Banquet, Private Events
3. Flat Floor/Exhibition Events
4. Agricultural, Equestrian, Livestock Events , Motocross (dirt-covered floor events)
5. Spectator/Stage Events

The following sections highlight each of the above event types and the amenities and capabilities required to secure and maintain this business. The list in each category has been compiled from two sources; standards established by VenuWorks in the operation of facilities it manages and specific information derived from the interviews as listed in each category for current and potential user groups of a proposed Mandan Events Center.

# Event Profiles & Requirements

**Mandan Events Center**  
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## 2.1 EVENT TYPOLOGIES AND REQUIREMENTS

An Events Center must be flexible enough to support a wide range of space requirements. Such a facility must also contain the amenities to host a range of functions as each feature will have its own individual set of needs.

Events are often categorized by the type of venue space and the special requirements that are needed for each function. Typical events include:

- Athletic events such as basketball, volleyball, indoor soccer, turf and ice hockey
- Private events such as meetings, parties, banquets, conventions, and weddings
- Exhibit and display events such as outdoor, auto, boat, quilt, and antique shows
- Larger scale sales events such as flea markets and swap meets
- Agricultural events which include competitions, shows, and sales
- Stage shows such as graduation ceremonies, concerts, and plays
- Motocross races and competitions

This section profiles the common types of events anticipated and the special needs of each function.

Discussion was pursued regarding an Event Profile for Private Events (weddings, banquets, etc...). Ideally, for the functionality of the Events Center, private events with capacity up to 500 in banquet-style seating would be preferred. But the Event Center Committee elected to not pursue this type of event for the purposes of this feasibility study for the reason of not competing with existing businesses. Banquet / meeting space has only been included within the conceptual plans and economic forecasts to accommodate 150 seats (banquet-style) with the ability to have 2 to 4 break-out meeting rooms. This minimal programming for meeting space will be needed as auxiliary usage to the other event profiles only.

## 2.2 ATHLETIC EVENTS PROFILE

The results of the Bismarck-Mandan Leadership Team survey indicated that athletic events ranked as one of the top three priorities for the Events Center. The top three athletic events they chose were basketball, volleyball and soccer. Typically, additional sports that could utilize an indoor facility could include wrestling and gymnastics. Other sports possibilities may include a little league baseball throwing and hitting area, indoor golf, lacrosse, drill team, and clinics in baseball, softball, and football.

To gain an overview of potential event usage, calls were placed to the following Mandan area athletic event planners to inquire about the events they are currently hosting and how their organization might utilize a new facility.

- Mandan Girls Backboard Booster Club
- Mandan Hockey Club
- Dakota Star Gymnastics
- Bismarck Bobcat Hockey
- Mandan Public Schools
- Mandan Soccer Club
- University of Mary
- Dickinson State University
- Mandan Park District/Adult League Activities
- Youth Football Association

Responses received are listed below.

Mandan Public Schools – Lorell Jungling, Activities Director

Mr. Jungling provided the information listed in the following chart as potential athletic events that could be pursued for the Events Center. It is important to note that Mr. Jungling indicated that rental cost and concessions revenue would be significant issues to discuss. Current rental fees paid varied from no fees up to \$100 per day and the organizations sponsoring the event must have the concessions revenue to support their programs.

## MANDAN AREA ATHLETIC EVENTS

## Event Descriptions and Requirements

EVENT NAME	EVENT TYPE	TIME OF YEAR	DAYS OF WEEK	ATTENDANCE NUMBERS	CURRENT HOST LOCATION	CURRENT RENTAL FEES	ADMISSION COST	CONCESSIONS AGREEMENT	CONTACT PERSON	COMMENTS
Region 5 Boys Basketball	Tournament	End Feb/bgn Mar	M,Tu,Th	3,000-3,500	BCC/U of Mary	Unknown	NDHSAA	BCC/U of Mary get concessions	Sherrn Sylling	Want it in Mandan, but no place to host
WDA Volleyball	Tournament	Middle November	Th, Fri, Sat	1,000-1,500	MHS Gym	\$100 per day plus custodial	NDHSAA	Mandan Athletic Dept.	Lorell Jungling	Concession done by MHS Athletic Dept.
District 9 Basketball	Tournament	End of Feb	Fri, Sat, Mon	2,000 plus	MHS Gym	\$100 per day plus custodial	District 9 schools	Mandan Athletic Dept.	Lorell Jungling	Concession done by MHS Athletic Dept.
Bismarck/Mandan game	Regular Season Game	Winter	??	2,000 plus	MHS Gym	none	Adult 4 Student 2	Mandan Athletic Dept.	Lorell Jungling	Concession done by MHS Athletic Dept.
Invitational Tournament	Tournament	End of Dec	Varies	1,500 plus	MHS Gym	\$100 per day plus custodial	Unknown	Renters get concessions	Gary Kincaid	Not sure if they want to move it.
Youth Basketball	Tournament	Various times	Fri, Sat, Sun	Unknown	All Gyms in Mandan	Vary from \$50 to \$100	Unknown	Renters get concessions	Mike Larson Gary Kincaid	They will want concessions
Practice Facility	Soccer, Baseball, Tennis, Football	Fall and Spring	M-F	None	Various small facilities	None	None	None	Lorell Jungling	Seasonal and hope to not pay rent
WDA Hockey	Tournament	Middle February	Th, Fri, Sat	1,500-2,000	Minot Bismarck	Unknown	NDHSAA	Unknown	Lorell Jungling	Concession done by MHS Athletic Dept.

Information supplied by Lorell Jungling, Activities Director for the Mandan Public Schools

VenuWorks Graphic

### University of Mary – Al Bortke, Athletic Director

The activities center on the University campus has a seating capacity of 2000 which meets the schools current needs. As the University is now a DII school, they anticipate growth in the attendance at their basketball events. Expansion of the basketball/volleyball gym is not currently a part of the school's long-term capital plan. Therefore, Mr. Bortke indicated that should an Event Center be built that could accommodate between 3000-5000 fans, they would be interested in discussing a rental arrangement to host their games at the facility as their attendance grows. He anticipated that the facility would retain 100% of the concession revenue.

Mr. Bortke believes there is also a need for an 8 lane, 160 meter indoor track to complement the current track. Additionally there is a need for indoor hitting nets for baseball, softball and shot-put spring practices.

Although hockey is not a sanctioned sport for the University, Mr. Bortke felt there was a need in the community for a single sheet ice facility to supplement the existing facilities.

## 2.2

Currently the University plays their football and soccer games at the Community Bowl in Bismarck. This is a very busy facility and in 2009 there is a conflict for the University in the athletic calendar as both a football game and soccer game fall on the same day and the facility cannot accommodate both. Mr. Bortke indicated that Mandan has excellent soccer fields and they may try and move the soccer game to the Mandan field.

### Mandan Soccer Club – Randy Baumgartner

Currently the Soccer Club is using the Golf Dome owned by the Bismarck Parks and Recreation and paying \$65-\$75 per hour. They have weekday practices and games on the weekend and a one time per year tournament with 200 spectators. This tournament draws attendees from surrounding states. They need an area of 70x70 or 80x80 for their events. They cannot play on a concrete surface, so easily removable artificial turf would be necessary for the playing surface and easy conversions.

There is typically no admission charged to their events. Two locker rooms would be sufficient. A small portable scoreboard would be necessary for each playing surface. On site parking is very important as their attendees expect the facility to be easily accessible.

Baumgartner stated the facility appearance is secondary to functionality. While the facility needs to look welcoming, the available funds should be focused on the interior to meet user and patron needs. He feels there should be a few small to medium sized meeting rooms that would hold 12-24 people for board or group meetings. These rooms could also be available for rent to the community for other small functions.

The North Dakota State Soccer Association has an annual general membership meeting which includes floor sessions and meetings, usually 10-30 people. This is currently held at the Bismarck Civic Center and he feels that facility is too large for this event.

The most important characteristics and needs of athletic events are listed below. The list has been compiled from standards established by VenuWorks in the operation of facilities it manages. Specific information derived from the interviews as listed above for current and potential user groups of a proposed Mandan Events Center has been included.

## 2.3 ATHLETIC FACILITY REQUIREMENTS

The general requirements of the various athletic events to be planned for this facility are as follows:

### Basketball:

- Normally 50' wide by 94' long. Minimum is 42' wide by 74' long.
- A removable floor in 4' x 8' sections takes up 60' x 112', made up of 203 - 4' x 8' sections and 14 - 4' x 4' sections stored on 15 carts.
- Seating for 3,000-5,000 patrons
- Ceiling height 23'-30'

### Volleyball:

- Essentially fits within a regulation basketball floor, with the addition of anchors for the nets.
- The court must be free of overhead obstructions to a height of 23'.

### Indoor soccer:

- Adult - normally played inside hockey rink dashers with glass
- Youth – can be adapted to smaller facilities with artificial turf and the playing surfaces divided by nets

### Sports turf/ice

- 85' wide by 200' long for NHL; 100' wide x 200' long for Olympic.
- 28' radius at each of the four corners
- Appropriate height clearance

### Other specifications:

- Scoreboards
- Seating for 300 - 500 for youth tournaments
- Multiple courts may be needed for youth tournaments

### Pre/Post Event Function Space:

- Lobby for spectators prior to opening arena doors
- Ticket office for public admission sales
- Storage areas for portable floor, baskets, hockey dashers, sports turf when not needed

#### Food/Beverage/Kitchen Needs:

- Concessions available to the public

#### Dressing Rooms:

- Dressing rooms, showers, and toilet facilities separate from spectators to accommodate two to four teams simultaneously

#### Load-in/Load-out:

- Not a primary consideration for this category

#### Revenue Opportunities:

- Shared revenue from novelties - booster groups selling items

#### Electrical Power/Lighting:

- Minimal need for extra power, except for hair dryers in dressing rooms
- Sufficient overhead lighting for court/field activities to be conducted safely
- Lighting control for halftime event production
- Spot lights – 2 minimum for presentations

#### Summary:

It is recommended that the facility have a concrete floor and a portable basketball floor with the equipment necessary to do volleyball and soccer. In a facility committed to multi-purpose use, it is possible to disassemble a portable floor and store it out of harm's way when other events are scheduled. The "default" status of the arena can be the concrete floor. With proper equipment and a well-trained crew, a changeover to other athletic options can be accomplished in a minimal amount of time.

## 2.4 PRIVATE EVENTS PROFILE

### CONFERENCE-MEETING-BANQUET-PRIVATE EVENT PROFILE

In early discussions with business leaders, civic and community leaders in the Mandan area, their opinions as to the direction the Events Center should take when dealing with conference, meeting, banquet and private events differed from the Leadership survey results. Some business leaders indicated they did not want the new event center to compete in these areas with the local hoteliers or the Bismarck Civic Center. They also discussed the need to have “new dollars” brought into the community as opposed to just recirculating existing activity revenue.

The Leadership survey specifically addressed conferences and private events as a part of their questionnaire. Survey results from both residential and business respondents listed conferences as their top choice (18%) for the type of events that should be hosted at a new center. Private events ranked among the responses at 13% and 14% respectively.

When asked about convention/conference services that should be considered in the planning stages of an event center, residential and business survey respondents both chose meeting rooms as their top choice.

Based on the direction that the proposed Mandan Events Center should not compete with the local hoteliers and the Bismarck Civic Center, VenuWorks did not specifically interview meeting and convention planners as a part of this study. The majority of the respondents VenuWorks interviewed regarding other types of event activity indicated that, as a part of their current events, they needed two-four rooms and banquet space to accommodate up to 100 people.

VenuWorks feels that it is important to have an understanding of the competition and event requirements for meeting and convention business so the community can evaluate this potential business in making their decisions about proposed facility capabilities. The following outlines the current capabilities in the Mandan-Bismarck area and the results of a convention and meeting planners survey recently conducted in the region.

## Mandan-Bismarck Facilities

The following chart shows a sampling of the current meeting and exhibition capabilities of facilities in the Mandan and Bismarck area.

MANDAN AREA COMPETITIVE FACILITIES						
Meeting, Convention, Conference, Banquet Facilities and Trade Shows						
LOCATION	FACILITY	NUMBER OF MEETING ROOMS	SEATING CAPACITIES	BANQUET CAPACITY	EXHIBIT/MEETING SPACE SQUARE FOOTAGE	FREE PARKING SPACES
Bismarck	Civic Center (Exhibit Hall)	7	116-5,400	80-3,240	48,600	1,185
Bismarck	Civic Center (Arena)	12	25-3,000 (Arena seating up to 10,100)	Not listed	10,123 for meeting rooms plus 30,096 on the arena floor	
Bismarck	Ramkota Hotel	12	8-1,300	75-1,300	28,000	700
Mandan	Community Center	2	up to 950	1,500	14700 s.f., 75- 8' x 10' booths, 16' x 14' load in door	300
Bismarck	Doublewood Inn	11	15-500	32-450	10,818	Yes, number not listed
Mandan	Seven Seas	8	24-700	32-500	10,378	Yes, number not listed
Bismarck	Radisson Hotel	15	10-500	Not listed	10,000	Not listed
Bismarck	Kelly Inn	6	20-220	50-220	4,000	Yes, number not listed
Bismarck	Comfort Inn	5	up to 150	Not listed	Not listed	Not listed
Bismarck	Days Inn	2	40-50	Not listed	Not listed	Not listed
Information Source- Bismarck-Mandan CVB Meeting and Event Planners Guide						
VenuWorks Graphics						

In a VenuWorks interview with Bill Wocken, Bismarck City Administrator, he indicated the City will be working on a Master Plan for the Bismarck Civic Center in the first quarter of 2008. He anticipates that a feasibility study will be forthcoming to determine the future of the Bismarck Civic Center. As decisions made with regard to upgrade and expansion of the Civic Center may impact event activity at the Mandan Events Center it will be important for the two communities to communicate their goals for these two facilities.

VenuWorks believes that the results of our recent survey of convention and meeting planners that we conducted for the Swiftel Center in Brookings, SD is indicative of what meeting and convention planners in the region would require.

The highlights of the survey showed that:

- The majority of the Respondent's convention and meeting events have between 100 and 500 attendees
- They are usually accompanied by a spouse or guest
- Their events run between two and four days
- They prefer an attached hotel
- Their exhibit space requirements ranged from 600 square feet to upwards of 30,000 square feet
- Meeting room and break out room capacities ranged from under 25 people to over 200 people and the majority needed between one and six rooms to meet their event requirements
- The majority required banquet space for between 100 and 300 guests and they typically needed banquet and exhibit space on the same day.

We believe the Brookings survey supports VenuWorks' long held opinion that versatility is the key component to becoming a true multi-purpose facility. The information gathered during the survey indicated that convention and meeting clients need a facility that is able to accommodate simultaneous, multiple functions thus requiring versatility in design, function and usage of the facility.

Should Mandan decide they want to pursue mid to large sized convention and conference business at the Event Center, the number and size of meeting rooms, break out rooms and kitchen capabilities will need to be considered.

The most important characteristics and needs of conference, meeting, banquet and private events are listed below. The list has been compiled from standards established by VenuWorks in the operation of facilities it manages. Specific information derived from our Brookings Survey has been included.

## 2.5 PRIVATE EVENTS REQUIREMENTS

The general requirements of the various private events to be planned for this facility are as follows:

Exhibition Space:

- Small: 5,000 Sq. ft.
- Large: 25,000 sq. ft.

Meeting/Breakout Rooms: (for medium sized conventions and conferences)

Versatility is the key consideration when deciding on the size and configuration of meeting rooms. The number of rooms will depend on the type of business that the Center chooses to pursue. Our recommendation would be that the design of the building include at the minimum one large banquet room (column free) that can be divided into six smaller meeting or breakout rooms. Capacities should range from boardroom size of 10-12 people to rooms that can seat 300-400 people in a classroom configuration.

Meetings:

- Projection screens, Power Point projector, phone lines for Internet hookup
- Convenient room lighting controls
- Room blackout capability for slide/video presentations
- Overhead mirror for demonstrations

Parties/Banquets:

- Tables and chairs to accommodate 500+ guests for wedding receptions
- Dance floor for social dancing
- Separate bar and dinner areas
- Pipe and drape for staging or tables
- Portable stage for banquets with post-dinner entertainment

Pre/Post Event Function Space:

- Bar and concession service areas
- Load-in and load-out facilities

#### Food/Beverage/Kitchen Needs:

To properly service the multi-purpose capabilities of the center, a full service kitchen should be considered as a part of the facility which can provide catering for 25 to 500+ guests. Decisions regarding handling the food service in-house or out sourcing to preferred vendors may have a financial impact on the facility.

The kitchen should include:

- Place settings, serving carts, coffee pots and water pitchers
- Additional warmers
- Coolers
- Ice Maker
- Dishwasher
- 50 amp 220v power connections
- Plentiful hot water
- Stove tops, solid top grills and open flame grills
- Refrigerators; walk-in refrigerators
- Soft drink dispensers
- Freezer

Interview respondents stated they have rented the kitchen at the Community Center in the past. Understanding that while this is currently a revenue source for the Community Center, this kind of arrangement typically would not be part of rental packet at a multi-purpose facility because of agreements with either the in-house caterer or the preferred list of caterers.

#### Dressing Rooms:

- Needed for party performers
- Separate men's and women's for bands and choruses

#### Load-in/Load-out:

- Separated from meeting spaces for noise and disruption prevention

#### Electrical Power:

- Distributed throughout the rooms (both in the walls and floor) to accommodate technical equipment

## Water:

- Pitchers at tables

## Telephones:

- Phone lines or wireless routers for Internet connections

## Other:

- Stage for performers
- Piano
- Podium/Sound System for speakers
- American flag

## Summary:

The determination of meeting room numbers, sizes and capacities can vary more widely in this category than any other. Meeting facility characteristics are determined principally by the needs of the target market and by what is needed to both complement and compete with other meeting facilities in the area. Catering and equipment rental for these events can be a significant revenue generator for the facility. In a City-owned facility, convention and meeting planners will often seek to use the meeting facilities at a reduced rate or no charge based on the economic impact their event activity brings to a community.

## 2.6 EXHIBIT EVENTS PROFILE

The majority of the current weekend activity at the Community Center is in the area of flat floor/exhibition events. As stated above, it is the desire of the community to move this activity to a new multi-purpose facility.

These events are defined as activities that require a defined flat floor space, usually with no central focal point such as a stage. They feature exhibition booths with distributed services, including electricity, phone/internet. They may have auxiliary activities featured in other categories we have defined - for example meeting rooms, banquets, or provision for animals - but the key requirement is a large flat floor space. Catering may be required and could include concessions and vending.

Typical events may include: Off-season farm equipment shows, new auto shows, car parts swap meets, collector car shows, custom car shows, RV and boat shows, flea markets, book sales, antique shows, home and garden shows, car clubs, health fairs, gun shows, retail weekend sales, tool shows, local industry shows and educational fairs.

Calls were placed to the following groups to inquire about the events they are currently hosting either at the Community Center or at other facilities in the region and how their organization might utilize a new facility.

- Gun Show – Roger Krumm
- Quilt Show – Cynthia Haakeson
- Flea Market/Antique Show – Dean Moos
- Ag Day – Sunny Berg, Morton County Farm Bureau
- Bismarck Home & Builder's Association – Carol Vondracheck
- Bill Barth Ford – Ryan Barth
- Ressler Chevrolet – D. Frank
- Schwan Pontiac – Jeff Albers
- Swap Meet – Herb Bargmann
- Implement Dealers – Rick Solberg

The most important characteristics and needs of flat floor/exhibition events are listed below. The list has been compiled from standards established by VenuWorks in the operation of facilities it manages. Specific information derived from interviews with seven of the above listed current and potential user groups of a proposed Mandan Events Center has been included.

## 2.7 EXHIBIT EVENTS REQUIREMENTS

### Exhibition Space:

- 30,000 – 40,000 square feet of unobstructed open floor space.

### Meeting Rooms:

- Two to four that can accommodate capacities from 25-75 attendees

### Pre/Post Event Function Space:

- Bar and concession service areas
- Load-in and load-out facilities

### Food/Beverage/Kitchen Needs:

Concessions available to the public. Catering is normally needed for groups from 25 to 300 in conjunction with exhibit shows. Caterers typically list the following as most important equipment to have on site:

- Place settings
- Additional warmers
- Coolers
- Freezers
- Ice maker
- Dish washer
- 50 amp 220v power connections
- Plentiful hot water
- Stove tops

### Dressing Rooms:

- Not a priority for this type of event unless used for office or other needed space.
- Require rest rooms for attendees.

### Load-in/Load-out:

Doors and traffic patterns for exhibit load-in/load-out is critical. Drive-in loading or air lock loading area mentioned. Staging area for vehicles outside loading area needed and the minimum of at least one forklift. Overhead door size to accommodate agricultural equipment displays should be at least 18'x18'. A second load in/out door (8'x9' minimum) with a dock should be considered.

#### Revenue Opportunities:

Temporary signage areas for event sponsors, electric supply, decorator materials: curtains, etc.

#### Electrical Power:

Almost all exhibit booth events need power. Consideration needs to be given as to how the utility services will be distributed in various exhibit booth configurations. Providing in-house electrical services to vendors may be a source of revenue to the facility.

#### Water:

Not typically mentioned as an exhibit booth priority.

#### Telephones:

Availability mentioned, both phone and data lines. Prevalent cell phone availability makes internet access the predominant reason for phone line availability. Wireless capability should be considered.

#### Other:

- Office space for cash handling, registration, accounting and show management
- Ticket office for public admission sales
- General announcement sound systems
- Tables, chairs, pipe and drape for booths
- Access to copier and fax for facility user – client service center
- For banquets, stage for head table and speaker(s)
- Backdrops for stage/head tables

#### Summary:

The large floor area of the arena is well suited for the exhibit events. All necessary equipment is normally brought in by the event promoter. If the facility has sufficient storage capability and wishes to have its own exhibit drapes, booth pipe, and tables, the cost of that equipment can be recovered through rental fees and can be used effectively throughout the venue. In-house equipment would also attract events not wishing to pay the high cost of transporting equipment from off-site. Booth electric supply cables/service would be an up front expense item (part of FF&E); however, this service is an effective revenue generator.

## 2.8 DIRT-COVERED FLOOR EVENTS PROFILE

During the meetings with community members a “niche” usage was proposed in the area of agricultural, equestrian and livestock events for a multi-purpose facility. Further study in this area by VenuWorks involved calls requesting input from the following:

- Bruce Stinden, resident of Mandan
- American Quarter Horse Association – Dallas Schmidt
- American Paint Horse Association – Myron Strom
- Mandan Progress Organization – Del Wetsch
- ND Rodeo Association – LeAnn Hovde
- ND Cutting Horse Association – John Hovde
- Dickinson State University – Dustin Heick
- Kist Livestock Auction Company – Diane Givan
- North Dakota Stockmen’s Association – Wade Moser

The indoor staging of these shows is a category quite different from the others we have defined as part of this analysis. Meeting the needs for the proper handling of animals and preparing them for competition calls for infrastructure somewhat different, but adaptable to large public assembly facilities. Those needs include an earthen floor 8” to 12” deep (a permanent concrete floor under the dirt), large livestock unloading and staging areas, washing and grooming areas equipped with water and electricity, waste disposal, and different shaped performance and show ring areas. These events require a greater amount of physical support than other events, including but not limited to; dirt, dirt move-in/move-out, stalls, barns/inclement weather shelter, water service to the animals, washing area, electricity to stalling area. These events also require greater facility down time related to the move-in/move-out functions.

There is also an expressed need for an indoor facility that could host motocross and off-road races during the winter months. The location of such a facility in Mandan Events Center could provide riders from not only North Dakota but surrounding states a place to race and compete in arena cross and motocross events. Event details for this segment of programming were gathered from correspondence and conversations with the following:

- Tammy Bohn, KTM Cycle Hutt
- Steve Drewlo
- Justin Fisk, Grass Roots Motocross
- Ed Kuhlmann, Member of DNMA

The indoor staging of these events also require the floor be covered with dirt at a depth of 1’. Arena exhaust

fans must be adequately sized to remove the bike exhaust in an efficient manner to reduce the build up of fumes in the arena.

The following table depicts three regional facilities that host the agricultural, equestrian and livestock events. The table also lists three VenuWorks facilities located in other areas of the country that host livestock events as a part their overall programming which also includes concerts, conventions, trade shows and meetings. This chart provides an overview of the amenities they provide for agricultural/equestrian/livestock events.

COMPARABLE FACILITIES							
Agricultural, Livestock and Equestrian Indoor Facilities							
LOCATION	FACILITY	SEATING CAPACITIES	ARENA SPACE	EXHIBIT SPACE	LIVESTOCK FACILITIES	PARKING SPACES	OTHER
REGIONAL FACILITIES							
Valley City ND	NDWS Event Center	3,500 plus portable bleachers	Main Arena 280 x 432 Small Arena 47 x 110	Main Building 30,240 sf w/ cement floor. South Building 28,000 sf w/ asphalt floor.	635 Cattle ties, 88 sheep & swine pens, 27 more avail., 293 horse stalls, 22 stallion box stalls	"Ample Parking"	
North Dakota State Fair, Minot, ND	All Seasons Arena	6,000 (3,900 permanent, 2,100 portable)	85 x 200	17,000 sf concrete floor, over 200,000 sf on fair grounds.	Barns on fair grounds for over 1,200 cattle, sheep, horses or swine.	Over 2,000 spaces.	Arena space is an ice rink that can be converted for other events.
Fergus Falls, MN	Red Horse Ranch Arena	Indoor number not listed	135 x 400	144,000 sf total space under one roof.	Over 200 10 x 12 stalls, portables may be added.	n/a	Privately owned facility.
VENUWORKS MANAGED FACILITIES							
Brookings, SD	Swiftel Center	5,000 festival, 3,200 rodeo	118 x 258	29,500 sf in arena with concrete floor.	Have dirt stored on site. Have 150- 10' x 10' and 50- 8' x 10' portable stalls.	719 paved spaces-free, other various gravel spaces	2006 Economic Impact \$5,842,067 w/o multiplier.
Spencer, IA	Clay County Events Center	1,462 all riser, 2,554 riser and floor seating	100 x 200	24,000 sf in arena with concrete floor.	Have to haul in dirt for equestrian events. Center is part of county fair facility. Most livestock events held in other fair buildings.	280 paved spaces- free, various gravel spaces.	2006 Economic Impact \$2,873,668 w/o multiplier.
Duplin County, North Carolina	Duplin County Events Center	1,886 w/o floor, 4,000 with floor	120 x 220	27,000 sf in arena with concrete floor.	Room for 126 stalls on the arena floor.	215 paved spaces-free, several thousand unpaved spaces	More paved spaces planned

VenuWorks Graphic

The most important characteristics and needs of agricultural/equestrian/livestock events are listed below. The list has been compiled from standards established by VenuWorks in the operation of facilities it manages. Specific information derived from interviews with five of the above listed current and potential user groups of a proposed Mandan Events Center has been included.

## 2.9 DIRT-COVERED FLOOR EVENTS REQUIREMENTS

### Main Arena:

- 120' x 240' on the arena floor (28,000 square feet)
- Seating capacities 200 to 4000
- Arena floor covered with a 12" min. depth of dirt

### Practice Arena:

- Separate from main arena and smaller in size

### Meeting Rooms:

- Four needed
- Maximum capacity of 50 in each
- Theatre style seating in each

### Pre/Post Event Function Space:

- Lobby 10,000 to 20,000 sq. ft.

### Food/Beverage/Kitchen Needs:

- Concessions available to the public
- Catering is normally needed for groups from 25 to 300 in conjunction with exhibit shows. Caterers typically list the following as most important equipment to have on site:

- Place settings
- Additional warmers
- Coolers
- Freezers
- Ice maker
- Dish washer
- 50 amp 220v power connections
- Plentiful hot water
- Stove tops

### Dressing Rooms:

- Two large

- Two small

Load-in/Load-out:

- One flat entrance
- One recessed dock

Electrical Power:

- Two 20amp outlets at each stall

Telephones:

- In each stall if possible

Other:

- 75 – 100 Stalls
- Wash racks, warm up rings, practice ring and show offices
- On site sheltered area for storage of dirt
- Area to pin cattle
- On site camping capabilities with electrical service
- Exhaust fans capable of removing engine exhaust fumes

Summary:

Financial return for agricultural/livestock/equestrian events can be good if the number of participants is high. Motocross events provide the opportunity to bring riders and enthusiasts to the area for a 3 day weekend of competition several times a year.

Dirt events generate a great amount of dust which filters throughout the entire facility. Animal odors are a factor while the event is ongoing; however, as soon as the show leaves, chemicals can be charged into the HVAC system so as to completely eliminate any residual odors.

## 2.10 STAGE EVENTS PROFILE

The Bismarck-Mandan Leadership survey results indicated that the majority of respondents wanted a complex that would seat 3,000 patrons in a 40,000 square foot facility. Based on the seating capacity and proximity of the Bismarck Civic Center, a multi-purpose event center of this size in Mandan would not likely be able to compete for large touring concerts and family shows with the Civic Center.

Spectator/Stage events should be an important aspect of the overall programming mix of the arena. Rental of the space for this type of activity can be a significant contributor to the net revenue of the building. VenuWorks discussions with national agents and promoters indicate:

- The “niche” for Mandan in concert, comedy and other stage performance events will most likely be focused on the smaller events that are looking for a more intimate setting.
- Artists have a strong preference not to play in a cut-down arena if there is a choice in the market for the right size venue.
- Pursuit of this type of event activity (regardless of the size of event) will compete with facilities in the regional market.
- It is imperative to have a dedicated staff with the local, regional and national relationships necessary to secure, market and promote all aspects of this event activity.

The most important characteristics and needs of Spectator/Stage events are listed below. The list has been compiled from standards established by VenuWorks in the operation of facilities it manages. Specific information derived from interviews with the above listed agents/promoters regarding performance opportunities at the Mandan Events Center has been included.

## 2.11 STAGE EVENTS REQUIREMENTS

### Main Arena:

Seating capacity 2000 – 5000 (These capacities assume a 60' x 40' end stage, 4' to 6' high with 12' x 12' sound wings on each side of the stage. The audience seating should be located along the three sides of the space, with additional seats on the floor.)

### Ceiling Height and Load Capacities:

#### Ceiling height considerations:

- 50' overall
- 45' to the low steel
- 43' to the grid

#### Hanging load points in design of roof support to include:

- Hanging point relation to location of stage
- Load capacity (approx. 2,000 lbs per point), including under snow load
- Access to hanging points by riggers via catwalks or other safety insured methods

### Meeting Rooms:

Possible ancillary uses as tour manager office, event settlement room, novelty seller storage, extra dressing rooms, meet and greet locations for performances, parents room at concerts, extra media room

### Pre/Post Event Function Space:

- Box office with optimum of four selling windows
- Lobby space to accommodate audience prior to opening arena doors

### Food/Beverage/Kitchen Needs:

- Permanent and/or portable concession stands designed to service a high volume of sales during pre-show and inter-mission periods
- Kitchen to accommodate backstage catering

### Handicap Accessibility:

- Seating in all price categories by law must be available to wheelchair and physically challenged patrons
- Access to stage by persons using wheelchairs must be a consideration

#### Dressing Rooms:

Three different sizes are optimum:

- One-person "star" dressing rooms – Quantity: 2
- Four-person dressing rooms – Quantity: 2 to 4
- Large team/chorus dressing rooms: Quantity: 2 minimum; 4 provides greater flexibility

- Dressing rooms can double as locker rooms
- Must have close access to stage without going through public areas and be secured from patrons

#### Load-in/Load-out:

- Doors to allow unloading of at least two semi trucks simultaneously
- Dock loading not critical, but forklift needed in all cases
- Road box storage needed backstage or nearby

#### Revenue Opportunities:

- Event sponsorship signage locations

#### Electrical Power:

- Minimum 800A three phase disconnect for lights
- Separate earth ground 400A three phase for sound
- Multiple 50A Shore power outlets for tour busses

#### Telephones:

- Need phone line availability in dressing rooms, tour manager office and tour bus area
- Can usually be charged back to event promoter
- Internet access via DSL/cable or high speed lines – possibly wireless with code system

#### Other:

- Concert level acoustics in main hall
- Sturdy portable chairs for main floor seating

Summary:

As most of these types of events that the Mandan Events Center secures will be the smaller events, it may be necessary to have an adequate sound and lighting system available for use by the performers. While this equipment may be able to be charged to the client, often times the cost to rent the equipment locally on an as-needed basis becomes cost prohibitive to the smaller events.

The concessions preparation and commissary area should be large enough to accommodate sufficient equipment and personnel to maximize concession stand sales (and net revenues) for both athletic and spectator/stage events. There should be locker rooms/dressing rooms for artists and other participants which need to dress for events. The addition of some theatrical lighting instrument packages with adjustable focus that could light a portable stage would be useful. Other additional equipment, such as follow spots and a half house curtain would also be desirable for entertainment events, banquets, and sporting events.

# Management Considerations

## 3.2 FINANCIAL REALITIES

Very few events centers of the type described in this report make money. In most cases, annual earned revenues are less than annual operating expenses. This is especially true in a market like Mandan. It matters little whether the facility is an arena, convention center, or theater; in the vast majority of markets, its operation will require an operating subsidy from some dedicated funding source. The amount of the subsidy will vary based on event activity, sponsorships and the market competition.

Results of both the residential and business surveys of the Bismarck-Mandan Leadership survey indicate that 64% of the respondents in both categories agreed that the facility will require a combination of event-generated revenue and City funding to operate. To provide an accurate foundation on which to build an event grid, and subsequently, a budget, a fairly specific facility design must be determined. Once the design is formalized, an operating pro forma showing anticipated revenues, expenses and potential subsidy can be developed based on the capacities and amenities of the facility.

With the need for City funding in mind, why would communities like Mandan consider building an events center? The answer lies in the economic impact and quality of life enhancements provided by such a facility. Patrons of an events center typically pump millions of dollars into the local economy.

This influx of dollars is most visible in such areas as:

- Increased sales in restaurants, bars, and attractions
- Increased retail sales in neighboring areas bordering the events center
- Increased hotel occupancy
- The events center becomes a catalyst for other economic development

The quality of life of local residents is enhanced by the opportunity to host and attend conferences, entertainment events, business, religious, and recreational activities that might otherwise had not been available without an events center.

The financial challenge in developing an events center is two-fold:

- Identify or create a source of funding that can be sustained for a long period – perhaps 20 years – to pay down the financing on the facility
- Identify or create a source of funding sufficient to cover any annual operating subsidy and ongoing maintenance expenses for the facility

For the City of Mandan, there is the added dimension of sharing the economic impact from the events center with the City of Bismarck. The value of the City of Mandan's share of the economic benefit will need to be weighed against the costs associated with an events center. Please refer to the executive summary where this issue is addressed in further detail.

### 3.3 PUBLIC / PRIVATE PARTNERSHIPS

Most of the multi-purpose events centers constructed in the United States over the past ten years have been the result of a partnership between the public sector (cities, counties, and state authorities) and private sector business interests. The most advantageous financing methods for events centers are available through the public sector. The outline below demonstrates the range of options available:

Financing Methods:	Revenue Sources for Repayment:
Project Revenue Bonds	<ul style="list-style-type: none"> <li>• Events center revenues</li> <li>• Parking, ticketing, and/or facility fees</li> <li>• Contractually obligated income streams from naming rights, pour rights, and advertising</li> </ul>
Special Tax or Excise Bonds	<ul style="list-style-type: none"> <li>• Events center sales tax rebates</li> <li>• General city/county sales taxes</li> <li>• Special taxes (hotel, rental car, admissions, and amusements)</li> </ul>
Special District Bonds	<ul style="list-style-type: none"> <li>• Tax incentive financing (TIF) District</li> <li>• Facilities district (state by state)</li> <li>• Community or entertainment district</li> <li>• Tax revenue increment</li> <li>• Special assessments</li> </ul>

## 3.4 CONTRACTUALLY OBLIGATE INCOMES

### BACKGROUND

Public assembly facilities have the potential for generating operating funds through the solicitation of Contractually Obligated Incomes or COI's. COI's represent fees paid to the facility for varying rights, such as

- Naming Rights
- Pour Rights
- Advertising Sales
- Event sponsorships

The development of each of these income streams requires careful research, patience, and a determined effort to find the best fit for both the facility and the sponsor.

### NAMING RIGHTS

The benefits realized by a facility from a naming sponsorship are many and varied. First, of course, there is the financial benefit. Naming sponsorships involve cash payments from the sponsor to the facility. For new facilities, the cash realized from naming sponsorships might be the vital missing link to financing construction of the facility and purchasing equipment. Once the facility is constructed, naming sponsorship revenues may fall directly to the bottom line to offset operating expenses or major maintenance items. For many facilities, the greatest benefit of a naming sponsorship comes from the marketing partnership that develops with the sponsor.

### PARTNERSHIPS, SPONSORSHIP, AND ADVERTISING SALES

Finding sponsors and advertisers for a facility is much like the process for finding a naming sponsor. The best potential sponsors and advertisers are those who are seeking to position themselves with the likely attendees of the facility.

### POUR RIGHTS

An additional form of private sector support for the facility can be found in pour rights – the solicitation of contracts to be the exclusive provider of beverages for the facility.

### SUMMARY

In the naming rights and sponsorship agreements VenuWorks has brokered, it has been our experience that the negotiation of naming rights cannot readily be forced into narrow time frames, and to do so often penalizes the facility. It is to the advantage of both the facility and the sponsor that the right partnership be found. By analyzing and appraising the options outlined above, it is possible to maximize income from sponsorships, ad sales, and corporate partnerships.

## 3.5 OWNERSHIP AND GOVERNANCE

### OWNERSHIP OF THE EVENTS CENTER

Actual ownership of the events center will depend on the method used to finance its construction. Assuming that there will be a considerable public sector involvement in the bonding for the facility, it would follow that the City would actually own the facility.

### GOVERNING

The governance of events centers across the country is almost always tied to the entity that bears the bottom line responsibility for the facility's day-to-day operations. The responsible operating entity is not always the entity that founded the creation of the facility. For example, a private corporation may be hired to manage the facility on behalf of the ownership entity. Or, a not-for-profit foundation may be tasked with operating a city owned facility. Most cities will create a board of publicly appointed members to govern the facilities they build.

Survey results from both the residential and business Respondent's indicate that 46% of each of these groups agreed that the Event Center should be managed by the City of Mandan. The second choice for each of these groups, indicated that 29% felt that a private contractor should be hired to manage the facility on behalf of the City.

VenuWorks would recommend the creation of an independent Authority, with the following elements in place:

- All funding partners would be represented equally on the Authority.
- The Authority would set policy and budget, and oversee management
- The Authority would create a joint marketing committee to oversee a marketing plan, to jointly market the Events Center and pursue joint sponsorship and event hosting opportunities

# New Facility Considerations

## 4.2 SITE REQUIREMENTS

### POTENTIAL SITES

JLG Architects reviewed 5 possible areas within Mandan that are considered potential Multi-Purpose Events Center sites. The 5 proposed site areas are as follows:

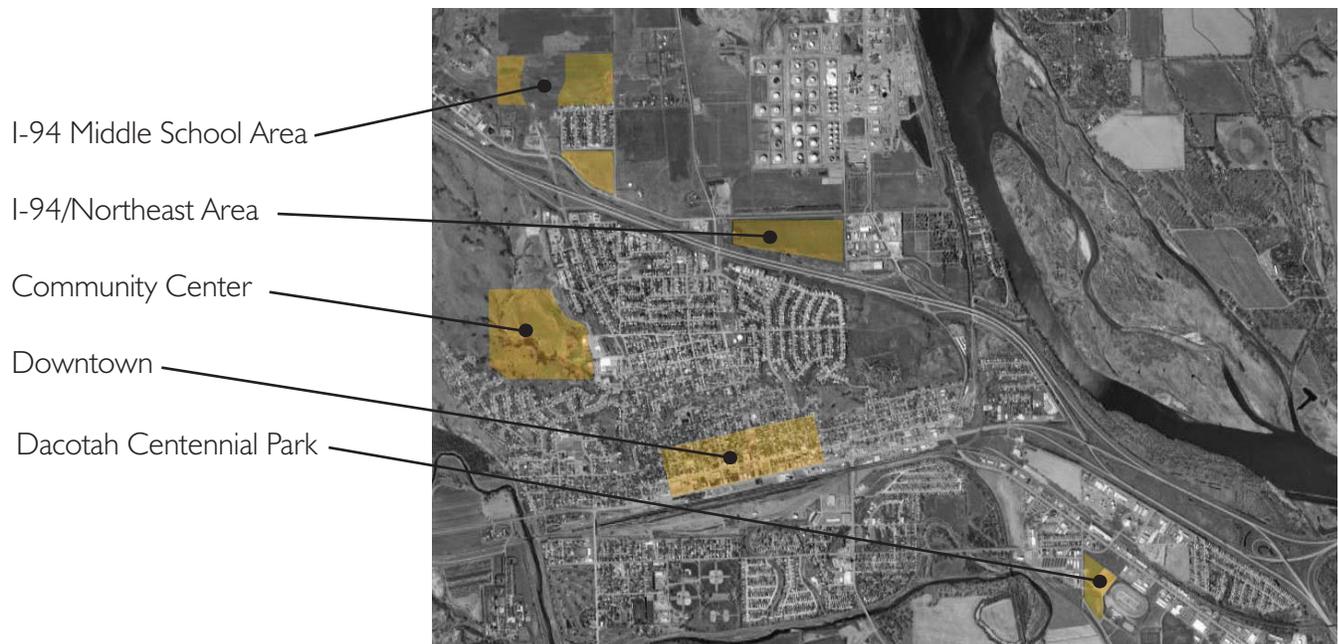
1. Downtown
2. Dacotah Centennial Park
3. Community Center
4. I-94/Middle School Area
5. I-94/Northeast Area

### Site Criteria

JLG Architects looked at a wide range of important contextual considerations when reviewing the viability of each site. The most important criteria in determining the appropriateness of a site for this facility are as follows:

	Total Points
1. Potential Economic Impact for Greatest Number of Businesses	15 points
2. Cost of Land Acquisition and land preparation	15 points
3. Proximity to Parking	15 points
4. Ease of Accessibility / Traffic	15 points
5. Proximity to Existing Sleeping Rooms	15 points
6. Visibility / Attractiveness of Site	15 points
7. Ability to Fulfill Mission of the Events Center	10 points
Total Points = 100 points	

Note: Public Utilities were considered to be equally accessible on each site, therefore it was not considered as a grading criteria. (source: Dave Betchel, Project Manager, Mandan City Engineering & Planning Department). Sites further from the City of Mandan were discussed, but not included due to lack of nearby utilities and distance from the mass of the City which would limit the event center's impact to be catalyst for future business growth/development.



# 4.3 SITE OPTIONS



## I-94 / NORTHEAST SITE

Site Size: 56 +/- acres

Lot shape: Mostly rectangular and large enough to fit buildings, parking, access and site circulation required for this facility.

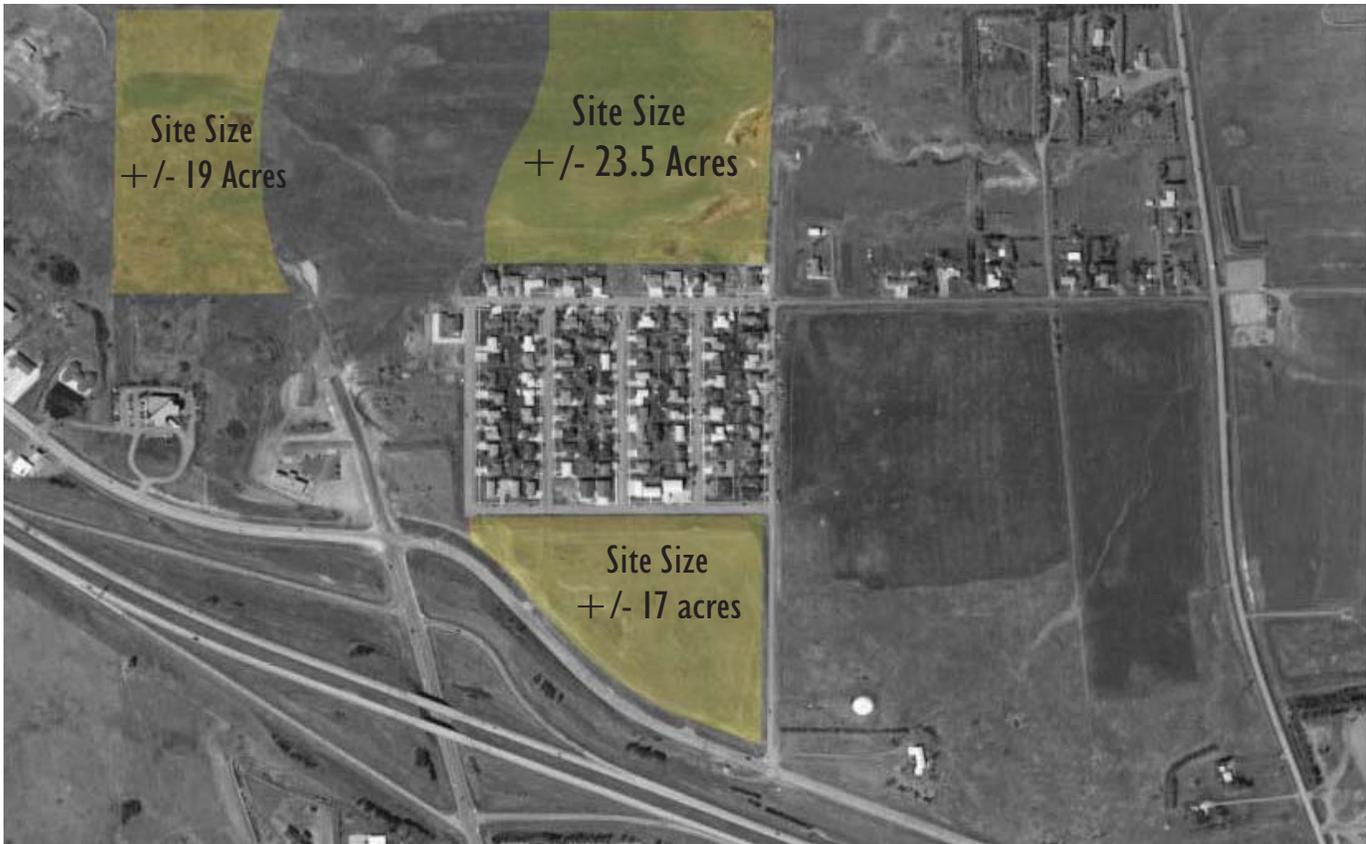
Site access: Good access from I94.

### Site Criteria

	Points
1. Potential Economic Impact for Greatest Number of Businesses	11 points
2. Cost of Land Acquisition and land preparation	10 points
3. Proximity to Parking	12 points
4. Ease of Accessibility / Traffic	13 points
5. Proximity to Existing Sleeping Rooms	10 points
6. Visibility / Attractiveness of Site	12 points
7. Ability to Fulfill Mission of the Events Center	8 points
Total Points =	76 points

Final site assessment and recommendation: a highly recommended site due to space for future business growth as well as expansion of the events center, good visibility, and good access.

## 4.3



## I-94 / MIDDLE SCHOOL SITE(S)

Site Size: Varies from 17 to 23.5 +/- acres

Lot shape: Mostly rectangular and large enough to fit buildings, parking, access and site circulation required for this facility.

Site access: Good access from I94 via 6.

## Site Criteria

	Points
1. Potential Economic Impact for Greatest Number of Businesses	11 points
2. Cost of Land Acquisition and land preparation	9 points
3. Proximity to Parking	7 points
4. Ease of Accessibility / Traffic	14 points
5. Proximity to Existing Sleeping Rooms	12 points
6. Visibility / Attractiveness of Site	13 points
7. Ability to Fulfill Mission of the Events Center	7 points
<b>Total Points =</b>	<b>66 points</b>

Final site assessment and recommendation: An acceptable site due to good vehicular access, good room for surrounding business growth, and good visibility. Although contiguous property sizes would limit the expansion capability of the event center.

# 4.3



## DOWNTOWN SITE

Site Size: Variable – Building owner will need to purchase a contiguous area as needed for the program of the Events Center. No exact, specific lots have been identified at this time.

Lot shape: Downtown lots are rectilinear, which are desired in order to fit the rectilinear nature of this building, staging, and parking areas. Lots need to be large enough to accommodate the buildings, parking, access and site circulation for this facility. For an events center that meets the needs of the identified event profiles, as much as 6 to 8 contiguous blocks may be needed.

Site access: Access to be assessed when exact location is determined.

### Site Criteria

	Points
1. Potential Economic Impact for Greatest Number of Businesses	13 points
2. Cost of Land Acquisition and land preparation	4 points
3. Proximity to Parking	5 points
4. Ease of Accessibility / Traffic	10 points
5. Proximity to Existing Sleeping Rooms	8 points
6. Visibility / Attractiveness of Site	12 points
7. Ability to Fulfill Mission of the Events Center	4 points
Total Points =	56 points

Final site assessment and recommendation: Not a highly desirable location for equestrian or ag related events due to the space confines. Acquiring land would be difficult. Although an events center in downtown would spur business development for the downtown, but it would be at the cost of the functionality of the events center.

## 4.3



## COMMUNITY CENTER SITE

Site Size: 40 +/- acres

Lot shape: Mostly rectangular and large enough to fit buildings, parking, access and site circulation required for this facility. Difficult terrain to suite an events center.

Site access: Fair access from I94 via 6. Widening of streets to handle large amounts of traffic would be difficult.

## Site Criteria

	Points
1. Potential Economic Impact for Greatest Number of Businesses	6 points
2. Cost of Land Acquisition and land preparation	0 points
3. Proximity to Parking	4 points
4. Ease of Accessibility / Traffic	5 points
5. Proximity to Existing Sleeping Rooms	7 points
6. Visibility / Attractiveness of Site	10 points
7. Ability to Fulfill Mission of the Events Center	0 points
Total Points =	32 points

Final site assessment and recommendation: The site is not highly desirable due to the difficult topography and the contrained vehicular access to the site for large traffic volume.

# 4.3



DACOTAH CENTENNIAL PARK SITE

Site Size: 16 +/- acres

Lot shape: Irregular, but large enough to fit buildings, parking, access and site circulation required for this facility. Parking would need to be shared with the speedway facility.

Site access: Good access from I94 via Memorial Drive.

### Site Criteria

	Points
1. Potential Economic Impact for Greatest Number of Businesses	9 points
2. Cost of Land Acquisition and land preparation	11 points
3. Proximity to Parking	10 points
4. Ease of Accessibility / Traffic	10 points
5. Proximity to Existing Sleeping Rooms	7 points
6. Visibility / Attractiveness of Site	8 points
7. Ability to Fulfill Mission of the Events Center	10 points
Total Points =	65 points

Final site assessment and recommendation: An acceptable site due to enough size for an events center, but surrounding space available to allow future business growth is limited. Sharing of parking space is workable, but may affect the scheduling of events center and the speedway. Types of events between the Dacotah Centennial Park and the events center would be complimentary.

## 4.3

## FINAL SITE RECOMMENDATION:

After studying the factors above and grading the possible sites per our established site criteria, we feel the I94 Northeast area will be the site best suited for the proposed Mandan Events Center facility.

The I94 Northeast area site is the most desirable because it is:

1. Large enough to accommodate the physical needs of the program.
2. Located off of a main highway – good visibility
3. The site is located nearby the main source of hotel rooms in Mandan.
4. Additional acreage on this site can be developed with businesses that compliment the events center.

These elements and other study considerations all point to this site having the greatest likelihood of meeting the Mandan Events Center mission. Each of the sites have limitations and challenges, but we believe it is better to spend extra time, money, and effort getting the best possible site for this project, rather than building and operating one that will not succeed in accomplishing its mission. We believe that the I94 Northeast site will have the best impact on the area than the other sites studied.



The site layout above shows an approximate amount of space required from the I-94 Northeast site for the Events Center conceptual program. Actual site design layout to be determined.

## SECONDARY SITE RECOMMENDATION:

After studying the factors above and grading the possible sites per our established site criteria, we feel the Middle School area will be the best alternate site for the proposed Mandan Events Center facility.

The Middle School area site is desirable because it is:

1. Large enough to accommodate the physical needs of the program.
2. Located close to a main highway.
3. The site is located nearby the main source of hotel rooms in Mandan.
4. Additional acreage on this site can be developed with businesses that compliment the events center.



The site layout above shows an approximate amount of space required from the I-94 Middle School site for the Events Center conceptual program. Actual site design layout to be determined.

## 4.4 BUILDING PROGRAM

In order to meet the needs of the Event Profiles identified, the Mandan Event Center will need the following space requirements:

- Seating for approx. 3,000 to 4,000 for most athletic events (basketball, volleyball, wrestling, etc...)
- Seating for approx. 1,500 to 2,000 for Ag/Equestrian/Livestock Events
- Seating for approx. 4,000 to 5,000 for Stage Events
- Meeting space for up to 150 banquet-style, divisible into 2 to 4 meeting (breakout) rooms
- Support spaces of kitchen, locker facilities, storage, and marshalling/receiving
- Optional Practice Arena for Ag/Equestrian & 75 to 100 optional stables
- Optional Separate Hockey Ice Sheet
- Parking for at least 1/3 the number of seats.

The conceptual Plan for the events center is approximately 114,000 sf. and the optional practice area is shown at approximately 39,000 sf. 75 to 100 stables are highly recommended and are more critical to the booking of events than the practice arena is. If stables are not built immediately, then tenting and temporary stables would need to be considered for the booking of some events.

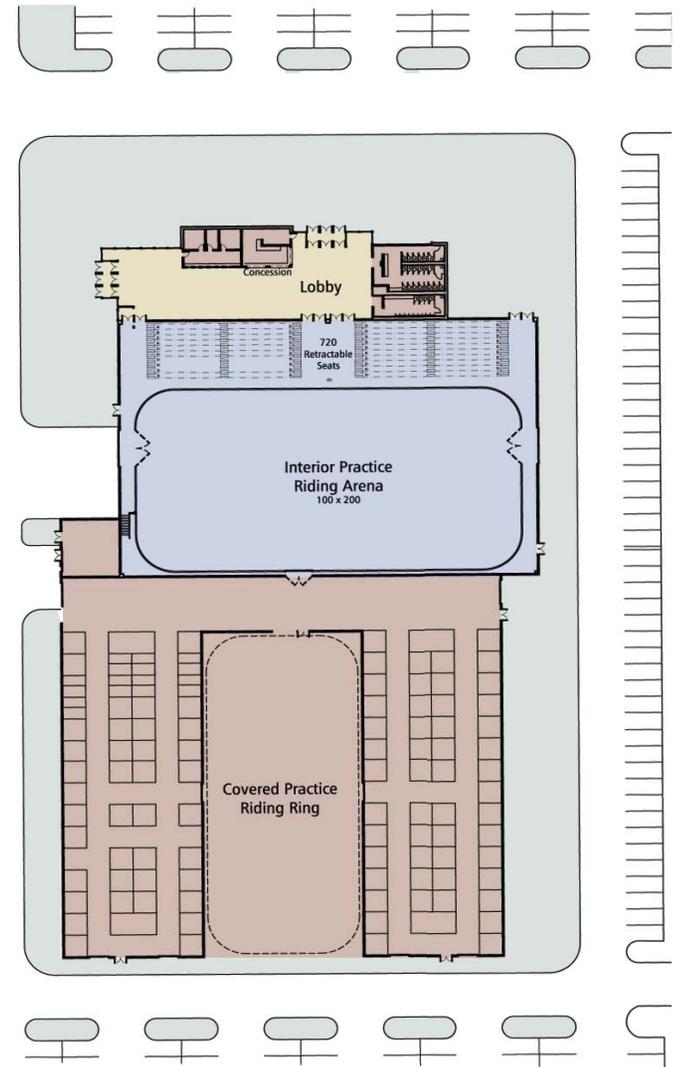
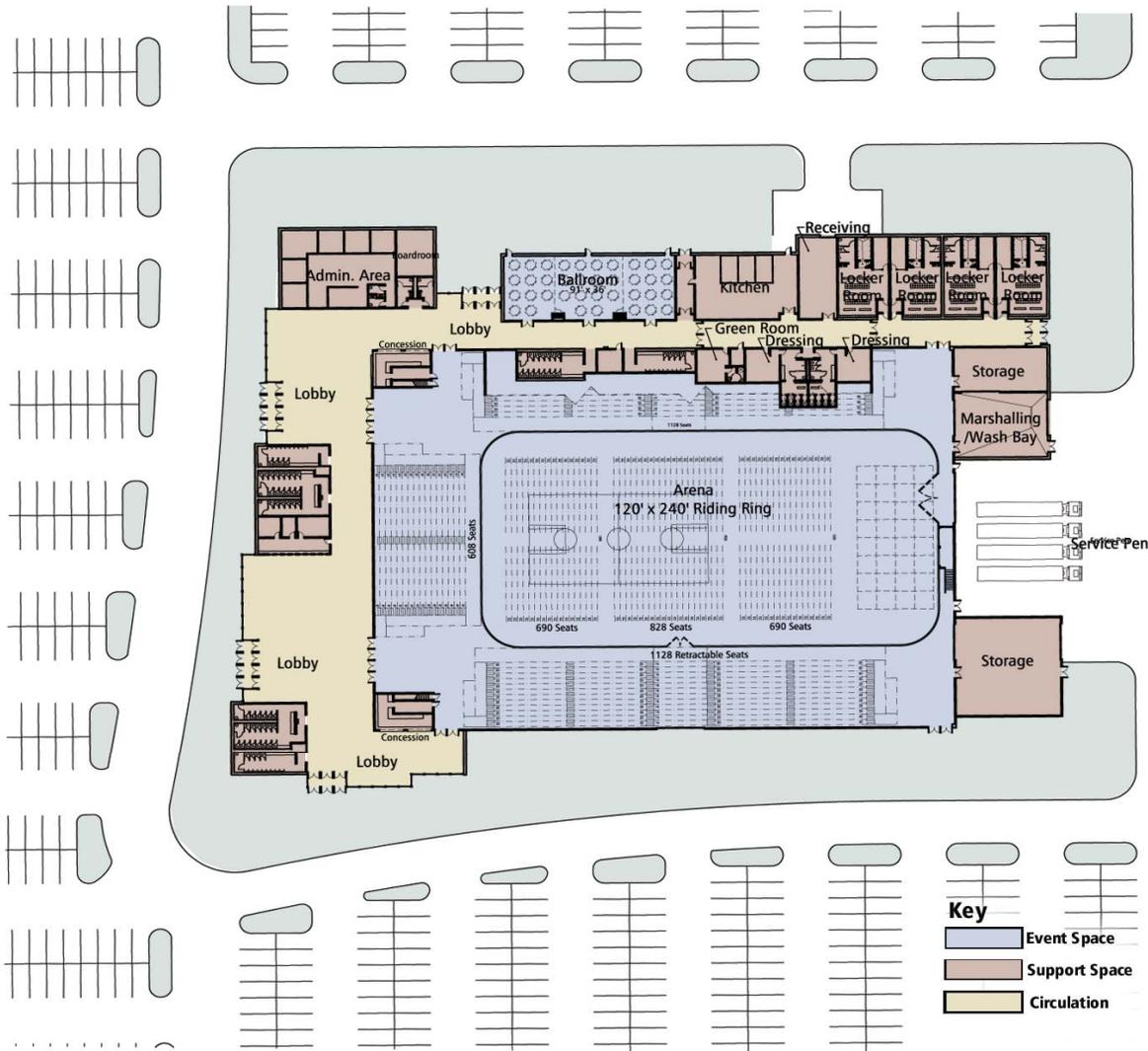
Parking is recommended to be approximately 1/3 the number of seats that are in the facility. With occupancy for some concerts being recommended as high as 5,000, the recommended parking stall count would be 1,500 to 2,000 stalls. For budget reasons, a smaller number of paved parking stalls could be provided and then parking for large events could be supplemented with either graveled areas or level grassed areas (weather permitting). Actual parking counts would need to be determined with input from the City of Mandan Planning and Zoning as the design for an event center progresses.

The following page illustrates the recommended facility requirements for various events.

MANDAN MULTI-PURPOSE EVENTS CENTER						
Amenities, Function Spaces, Recommendations						
EVENTS AND AMENITIES	ATHLETICS	CONFERENCE MEETING BANQUET PRIVATE EVENT	FLAT FLOOR EXHIBITION TRADE SHOW	AGRICULTURAL EQUESTRIAN LIVESTOCK	SPECTATOR STAGE EVENT	MOTOCROSS ARENACROSS
SPECTATOR SEATING CAPACITIES	3,000-5,000	N/A	N/A	200-4,000	2,000-5,000	3000
ARENA FLOOR / EXHIBIT SPACE	Basketball 60' X 112' for removable floor, Hockey 85' x 200' for NHL; 100' x 200' for Olympic	5,000 - 25,000 sf	30,000 – 40,000 sf unobstructed open floor space	(28,000 SF) 120' x 240' on the arena floor, separate smaller practice arena	TBD	(28,000 SF) 120' x 240' on the arena floor, separate area for pit area
CEILING HEIGHT	23' -30'	N/A	Over 18'	Over 18'	Access to hanging points by riggers via catwalks or other safety insured methods, ceiling height-50' overall, 45' to the low steel, 43' to the grid	23' -30'
MEETING, BREAKOUT, BANQUET ROOMS AND CAPACITIES	2-4 with seating for 10-30 people	1 ballroom divisible into 6 meeting / breakout rooms with seating for 10-400, over 500 for banquets	2-4 with seating for 25-75 people	4 with theater seating for 50 in each room	Possible uses as tour manager office, event settlement room, novelty seller storage, extra dressing rooms, meet and greet locations, parents room at concerts, extra media room	Possible use for merchandise sales (i.e. tires, tubes, oil, etc.)
CONCESSIONS, CATERING, FOOD & BEVERAGE SERVICE	Concessions available to the public	Full service kitchen should be considered. Catering for 25 to 500. On-site equipment-place settings, additional warmers, coolers, freezers, ice maker, dish washer, 50 amp 220v power connections, plentiful hot water, and stove tops.	Concessions available to the public. Catering for 25 to 300. On-site equipment-place settings, additional warmers, coolers, freezers, ice maker, dish washer, 50 amp 220v power connections, plentiful hot water, and stove tops.	Concessions available to the public. Catering for 25 to 300. On-site equipment-place settings, additional warmers, coolers, freezers, ice maker, dish washer, 50 amp 220v power connections, plentiful hot water, and stove tops.	Permanent and/or portable concession stands designed to service a high volume of sales during pre-show and intermission periods, kitchen to accommodate backstage catering	Concessions available to the public
LOCKER & DRESSING ROOMS	Dressing rooms, showers, and toilet facilities separate from spectators for 2-4 teams simultaneously	Dressing rooms needed for party performers, separate men's and women's for bands and choruses	Not a priority for this type of event unless used for office or other needed space, require rest rooms for attendees.	Two large and two small dressing rooms	2-4 One-person "star" dressing rooms, 2-4 Four-person dressing rooms, 2 Large team/chorus dressing rooms, dressing rooms can double as locker rooms, must have close access to stage without going through public areas and be secured from patrons	Not a priority for this type of event unless used for office or other needed space, require rest rooms for attendees.
PRE & POST EVENT SPACE	Lobby for spectators, Ticket office for public admission sales, Storage areas for portable floor, baskets, hockey dashers, sports turf		Office space for cash handling, registration, accounting and show management. Ticket office for public admission sales.	Lobby 10,000 to 20,000 sq. ft. and show offices	Box office with optimum of four selling windows, lobby space to accommodate audience prior to opening arena doors	N/A
LOAD-IN & LOAD-OUT	Not a primary consideration for this category	Bar and concession service areas, load-in and load-out facilities separated from meeting spaces	Doors for exhibit load-in/load-out is critical, drive-in loading or air lock loading area, staging area for vehicles outside loading area, least one forklift, overhead door 18'x18' and 8'x9' with a dock.	Flat entrance and one recessed dock	Doors to allow unloading of at least two semi trucks simultaneously, dock loading not critical, but forklift needed in all cases, road box storage needed backstage or nearby	Doors for load in and load out of bikes, trailers and equipment
EVENT DRIVEN POWER & LIGHTING REQUIREMENTS	Minimal need for hair dryers in dressing rooms, sufficient overhead lighting for court/field activities to be conducted safely, lighting control for halftime event production, spot lights – 2 minimum for presentations	Distributed throughout the rooms (both in the walls and floor) to accommodate technical equipment	Almost all exhibit booth events need power. Consideration needs to be given as to how the utility services will be distributed in various exhibit booth configurations.	Two 20amp outlets at each stall	Minimum 800A three phase disconnect for lights, separate earth ground 400A three phase for sound, multiple 50A Shore power outlets for tour busses	Electric available in the parking lot for trailers
OTHER	Scoreboards and removable turf	Tables and chairs, dance floor, refreshment bar, pipe and drape, portable stage	Stage for performers, piano, podium/sound system, phone lines or wireless routers, American flag	75 – 100 stalls (with telephones), wash racks, warm up rings, practice ring, on site sheltered area for storage of dirt, area to pin cattle, on site camping capabilities with electrical service	60' x 40' end stage, 4' to 6' high with 12' x 12' sound wings on each side of the stage.	On site sheltered area for storage of dirt and on site camping capabilities with electrical service

VenuWorks Graphic

### 4.5 BUILDING DESIGN





**Mandan Events Center**  
Feasibility Study  
Mandan, ND



**Mandan Events Center**  
Feasibility Study  
Mandan, ND

## 4.6 BUILDING BUDGET

The budget costs for the Mandan Events Center are factored as a range due to the wide choice of design options that may be made. The Event Center facility could be built for as low as \$11.8 million to as much as \$26.9 million depending on the type of construction and the various program options that could be included.

To relate to the economic forecasts, the main Events Center building with only the stabling option was used. This program setup would related to just under \$14.5 million if 800 parking stalls were included.

Following is a breakdown of the costs for each component of the Events Center facility. The following page shows the total costs of various combinations of these program components.

### Mandan Event Center Estimated Cost Ranges\*\*

jlg 07057

#### Multi-purpose Event Center Building

	SF	Cost per SF Range		Extended Costs	
		Low	High	Low	High
Public Concourses, Offices, Concess, Ballrm, etc...	35,426 sf	\$ 103	\$ 139	\$ 3,648,878	to \$ 4,924,214
Multi-purpose Arena / Marshalling area	67,222 sf	\$ 81	\$ 118	\$ 5,444,982	to \$ 7,932,196
Storage - back of house	3,131 sf	\$ 40	\$ 68	\$ 125,240	to \$ 212,908
Toilets / Kitchen	5,143 sf	\$ 180	\$ 263	\$ 925,740	to \$ 1,352,609
Toilets below seating*	1,451 sf	\$ 107	\$ 147	\$ 155,257	to \$ 213,297
Dressing rms / misc below seating*	1,258 sf	\$ 16	\$ 22	\$ 20,128	to \$ 27,676
Storage below seating*	3,146 sf	\$ -	\$ -	\$ -	to \$ -
				<b>Construction Costs</b>	<b>\$ 10,320,225</b> to <b>\$ 14,662,900</b>
				Soft costs 15%	1,548,033.75 to 2,199,435.00

#### Optional Facility Components

	SF	Cost per SF Range		Extended Costs	
		Low	High	Low	High
Practice Arena	30,956 sf	\$ 87	\$ 118	\$ 2,693,172	to \$ 3,652,808
Stables	34,434 sf	\$ 30	\$ 50	\$ 1,033,020	to \$ 1,721,700
Covered practice ring (small)	14,880 sf	\$ 24	\$ 37	\$ 357,120	to \$ 550,560
Public Concourse, Ticketing, Concess	6,541 sf	\$ 103	\$ 139	\$ 673,723	to \$ 909,199
Toilets	1,657 sf	\$ 194	\$ 263	\$ 321,458	to \$ 435,791
				<b>Construction Costs</b>	<b>\$ 5,078,493</b> to <b>\$ 7,270,058</b>
				Soft costs 15%	761,773.95 to 1,090,508.70

#### Site Development (will vary depending on site)

(includes \$110,000 allowance for utilities & landscape + \$1,600 per car cost)

Parking for	600 cars	\$ 1,070,000
Parking for	800 cars	\$ 1,390,000
Parking for	1,000 cars	\$ 1,710,000
Parking for	1,500 cars	\$ 2,510,000

## 4.6

Following are the total costs of various combinations of these program components:

Multi-purpose Building Only -	Preliminary Cost Range Estimate	
	Low	High
Multi-purpose Building Only w/ soft Costs	\$ 11,868,259	to \$ 16,862,335
Building + 600 parking	\$ 12,938,259	to \$ 17,932,335
Building + 800 parking	\$ 13,258,259	to \$ 18,252,335
Building + 1,000 parking	\$ 13,578,259	to \$ 18,572,335

Multi-purpose Building & Stables Only -	Preliminary Cost Range Estimate	
	Low	High
Multi-purp. Bldg & Stables Only w/ soft Costs	\$ 13,056,232	to \$ 18,842,290
Building, Stables + 600 parking	\$ 14,126,232	to \$ 19,912,290
Building, Stables + 800 parking	\$ 14,446,232	to \$ 20,232,290
Building, Stables + 1,000 parking	\$ 14,766,232	to \$ 20,552,290

Multi-purpose Building w/ all Options -	Preliminary Cost Range Estimate	
	Low	High
Multi-purp. Bldg w/ all Options + soft Costs	\$ 17,708,526	to \$ 25,222,902
All options + 600 parking	\$ 18,778,526	to \$ 26,292,902
All Options + 800 parking	\$ 19,098,526	to \$ 26,612,902
All Options + 1,000 parking	\$ 19,418,526	to \$ 26,932,902

Notes:

\* The SF costs for these spaces are reduced by the amount of the typical arena SF cost due to these spaces being below the fixed seating of the arena. Cost of the enclosure for this space is included in the cost for the arena space.

\*\* Further development of the architectural design with input for an owner's task force is recommended to allow the budget of the facility to be further defined.

# Proforma & Economic Forecast

**Mandan Events Center**  
Feasibility Study  
Mandan, ND

# 5.1 Pro Forma & Economic Forecast

## INTRODUCTION

The pro forma, or projected annual budget estimate, for the Mandan Events Center, consists of six distinct parts:

- Individual Event Projected Revenue Grid
- Annual Event Projected Revenue Grid
- Full-Time Salary Budget
- Pro Forma Facility Budget
- Five-Year Pro Forma Facility Budget
- Line Item Commentary

The projected revenue grid is made up of a list of likely events for the new facility along with potential revenue sources for each event. By filling in the revenue grid for each event, a building usage model is created that can then be used for developing staffing needs and budget projections.

A rate schedule and an expense budget were established taking into consideration information from competitive facilities in the market, comparable facilities managed by VenuWorks, and opinions gathered from interviews with potential facility users. Because the process of estimating the operating costs of a facility such as the Mandan Events Center is not a perfect science, VenuWorks has provided detailed information in the line item descriptions indicating what each budget line includes and how the budget figure was arrived at. By knowing the premise behind each budget line, the accuracy of each line item can be evaluated, and future planning sessions can adjust the calculations as needed to meet changes that occur as the building moves closer to opening.

Several general assumptions were made in the preparation of the pro forma and can be summarized as follows:

- The Center will be owned, operated, and maintained by the City with a local oversight committee, or a combined governmental authority.
- The Center will have its own corps of full-time and part-time employees.
- The annual budget represents a year of mature operation of the facility with a schedule built up with several years of marketing and sales initiatives.
- Mandan Event Center will be set up as an independent financial operation on its own individual budget with funds held separately from the General Fund. The City should have financial oversight and audit capabilities but the Mandan Event Center needs to be able to determine individual event profit and loss, track expenses and revenue in a much more detailed fashion, track overall profitability and expense, and maintain separation of ticket funds from the

General Fund of the City (escrow ticket sales are the property of the individual event until the event is held, at which time funds are paid to the show and revenues for the event are transferred to the facility operating fund).

- The programming emphasis in the pro forma focuses on a wide variety of event activity from equestrian/agricultural events to consumer/trade shows.
- Events that could be considered to be competition with either the Bismarck Civic Center or local hotels, have been either eliminated or reduced in number from the programming mix.
- There is no provision made for capital expenditures in the five year pro forma. It is expected that the need for a capital outlay would begin around the sixth year to begin to replace worn furnishings and fixtures.

It has been assumed that revenues will grow 7.0% annually in years two through five. Expenses are expected to increase at a 3.75% rate for years two through five. After the first five years, there are so many variables to the operation of a multi-purpose events center that predictions are purely speculative. Factors certain to affect annual performance include:

- Ebb and flow of suitable entertainment attractions
- Peaks and valleys in the number of events available for the market
- Level of activity among community groups
- Local and regional economic conditions

The information in this pro forma is based on data collected to date, and is not a guarantee of performance. As conditions in the marketplace change or the characteristics of the facility are altered from the assumptions in this pro forma, the financial outcome of the proposed facilities will be impacted. The following pages contain the Projected Revenue Grid, Annual Revenue Grid, Full-time salary budget, Annual Budget, and the Five Year Pro Forma Facility Budget followed by a Line Item Commentary.

# 5.2 PROJECTED REVENUE GRID

## PRO FORMA WORKSHEET BY DAY MULTI-USE COMPLEX MANDAN, ND

FACILITY ACTIVITY	TYPE OF EVENT	ATTEND PER DAY	APPROX. NO. OF STALLS USED/DAY	SPACE RENTAL	STALL	TOTAL RENT	EQUIP / ELEC RENTAL	BOX OFFICE FEES	MEAL COST	CATERING NET	MERCHANDISE COMM.		ALCOHOL REVENUE			CONCESSIONS			Parking RATE	Parking Revenue	Facility Fee	Facility Fee Revenue	TOTAL PER DAY REV	
					RENT (CREDIT) / REV						18%	20%	PER CAPITA	GROSS	NET	PER CAPITA	GROSS	REVENUE						35%
					Rate \$5.00		Flat Fee	Flat Fee																
* = Ticketed Event																								
Equestrian/Agricultural Event - Large		1,500	100	\$2,500.00	\$500.00	\$3,000.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$375.00	\$131.25	\$1.50	\$2,250.00	\$787.50	\$2.00	\$1,200.00	\$1.00	\$1,500.00	\$6,869	
Equestrian/Agricultural Event - Medium		500	75	\$1,500.00	\$375.00	\$1,875.00	\$175.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.75	\$375.00	\$131.25	\$0.00	\$0.00	\$0.00	\$0.00	\$2,181	
Equestrian/Agricultural Event - Small		100	25	\$500.00	\$125.00	\$625.00	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$25.00	\$8.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$734	
Move-In Days		100	25	\$250.00	\$125.00	\$375.00	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$475	
Concerts - Large		4,000	0	\$2,500.00	\$0.00	\$2,500.00	\$750.00	\$1,000.00	\$3,500.00	\$630.00	\$3.50	\$2,800.00	\$3.50	\$14,000.00	\$4,900.00	\$2.00	\$8,000.00	\$2,800.00	\$2.00	\$3,200.00	\$1.00	\$4,000.00	\$22,580	
Concerts - Mid-Size		1,000	0	\$1,500.00	\$0.00	\$1,500.00	\$375.00	\$1,000.00	\$3,500.00	\$630.00	\$2.00	\$400.00	\$3.50	\$3,500.00	\$1,225.00	\$1.00	\$1,000.00	\$350.00	\$2.00	\$800.00	\$1.00	\$1,000.00	\$7,280	
Motorsports Event		1,000	0	\$1,500.00	\$0.00	\$1,500.00	\$375.00	\$250.00	\$100.00	\$18.00	\$1.00	\$200.00	\$2.00	\$2,000.00	\$700.00	\$1.00	\$1,000.00	\$350.00	\$2.00	\$800.00	\$1.00	\$1,000.00	\$5,193	
Consumer Shows		500	0	\$1,500.00	\$0.00	\$1,500.00	\$750.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$125.00	\$43.75	\$0.50	\$250.00	\$87.50	\$0.00	\$0.00	\$0.00	\$0.00	\$2,631	
Trade Shows		250	0	\$1,500.00	\$0.00	\$1,500.00	\$750.00	\$0.00	\$5.00	\$225.00	\$0.00	\$0.00	\$0.25	\$62.50	\$21.88	\$0.50	\$125.00	\$43.75	\$0.00	\$0.00	\$0.00	\$0.00	\$2,541	
Motocross - Large		3,000	0	\$2,500.00	\$0.00	\$2,500.00	\$250.00	\$250.00	\$0.00	\$0.00	\$1.00	\$600.00	\$0.50	\$1,500.00	\$525.00	\$1.25	\$3,750.00	\$1,312.50	\$2.00	\$2,400.00	\$1.00	\$3,000.00	\$10,838	
Motocross - Medium		1,000	0	\$1,500.00	\$0.00	\$1,500.00	\$175.00	\$250.00	\$0.00	\$0.00	\$0.50	\$100.00	\$0.25	\$250.00	\$87.50	\$0.75	\$750.00	\$262.50	\$0.00	\$0.00	\$0.00	\$0.00	\$2,375	
Motocross - Small		500	0	\$500.00	\$0.00	\$500.00	\$100.00	\$0.00	\$0.00	\$0.00	\$0.50	\$50.00	\$0.00	\$0.00	\$0.00	\$0.25	\$125.00	\$43.75	\$0.00	\$0.00	\$0.00	\$0.00	\$694	
Convention (Large)		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Convention (Small)		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Community Events		500	0	\$200.00	\$0.00	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$125.00	\$43.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$244	
Festivals		500	0	\$1,500.00	\$0.00	\$1,500.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00	\$1,000.00	\$350.00	\$2.00	\$1,000.00	\$350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,450	
Sports Activity - Tournaments		2,000	0	\$1,500.00	\$0.00	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00	\$4,000.00	\$1,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,900	
Sports Activity - Local		1,200	0	\$500.00	\$0.00	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.75	\$900.00	\$315.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$815	
Family		1,000	0	\$2,500.00	\$0.00	\$2,500.00	\$375.00	\$0.00	\$0.00	\$0.00	\$0.50	\$100.00	\$0.00	\$0.00	\$0.00	\$1.25	\$1,250.00	\$437.50	\$2.00	\$800.00	\$1.00	\$1,000.00	\$5,213	
Banquet		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Catering Revenue - Large		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Catering Revenue - Medium		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Catering Revenue - Small		50	0	\$125.00	\$0.00	\$125.00	\$0.00	\$0.00	\$15.00	\$135.00	\$0.00	\$0.00	\$1.00	\$50.00	\$17.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$278
Meeting Rooms - Large		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Meeting Rooms - Medium		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Meeting Rooms - Small		50	0	\$125.00	\$0.00	\$125.00	\$0.00	\$0.00	\$15.00	\$135.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$260
Graduations		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	
Misc. School Events		250	0	\$250.00	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250	
Auction		150	0	\$500.00	\$0.00	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$37.50	\$13.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$513	
<b>Practice Arena</b>																								
Equestrian Event - Large		500	50	\$500.00	\$250.00	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$125.00	\$43.75	\$1.50	\$750.00	\$262.50	\$0.00	\$0.00	\$0.00	\$0.00	\$1,056.25	
Equestrian Event - Medium		300	30	\$275.00	\$150.00	\$425.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$75.00	\$26.25	\$0.75	\$225.00	\$78.75	\$0.00	\$0.00	\$0.00	\$0.00	\$530.00	
Equestrian Event - Small		100	15	\$175.00	\$75.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$25.00	\$8.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258.75	
Agricultural Event - Large		500	50	\$500.00	\$250.00	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$125.00	\$43.75	\$1.50	\$750.00	\$262.50	\$0.00	\$0.00	\$0.00	\$0.00	\$1,056.25	
Agricultural Event - Medium		300	30	\$275.00	\$150.00	\$425.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$75.00	\$26.25	\$0.75	\$225.00	\$78.75	\$0.00	\$0.00	\$0.00	\$0.00	\$530.00	
Agricultural Event - Small		100	15	\$175.00	\$75.00	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$25.00	\$8.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258.75	
Special Events		150	0	\$175.00	\$0.00	\$175.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25	\$37.50	\$13.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$188.13	

# 5.3 ANNUAL REVENUE GRID

**PRO FORMA REVENUE WORKSHEET BY EVENT  
MULTI-USE COMPLEX  
MANDAN, NORTH DAKOTA**

FACILITY ACTIVITY	NUMBER OF DAYS	TOTAL ATTENDANCE	APPROX NO. OF STALLS USED/DAY	TOTAL RENT	EQUIPMENT RENTAL	BOX OFFICE FEES	CATERING NET	MERCH NET	Alcohol GROSS	Alcohol NET	Concessions GROSS	Concessions Net	Parking Revenue	Facility Fee Revenue	TOTAL EVENT REVENUE
* = Ticketed Event															
Equestrian/Agricultural Event - Large	6	9,000	600	\$18,000	\$1,500	\$0	\$0	\$0	\$2,250	\$788	\$13,500	\$4,725	7,200.00	\$9,000	\$41,213
Equestrian/Agricultural Event - Medium	15	7,500	1,125	\$28,125	\$2,625	\$0	\$0	\$0	\$0	\$0	\$5,625	\$1,969	0.00	\$0	\$32,719
Equestrian/Agricultural Event - Small	24	2,400	600	\$15,000	\$2,400	\$0	\$0	\$0	\$0	\$0	\$600	\$210	0.00	\$0	\$17,610
Move-In Days	16	1,600	400	\$6,000	\$1,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$7,600
Concerts - Large	2	8,000	0	\$5,000	\$1,500	\$2,000	\$1,260	\$5,600	\$28,000	\$9,800	\$16,000	\$5,600	6,400.00	\$8,000	\$45,160
Concerts - Mid-Size	3	3,000	0	\$4,500	\$1,125	\$3,000	\$1,890	\$1,200	\$10,500	\$3,675	\$3,000	\$1,050	2,400.00	\$3,000	\$21,840
Motorsports Event	2	2,000	0	\$3,000	\$750	\$500	\$36	\$400	\$4,000	\$1,400	\$2,000	\$700	1,600.00	\$2,000	\$10,386
Consumer Shows	25	12,500	0	\$37,500	\$18,750	\$6,250	\$0	\$0	\$3,125	\$1,094	\$6,250	\$2,188	0.00	\$0	\$65,782
Trade Shows	3	750	0	\$4,500	\$2,250	\$0	\$675	\$0	\$188	\$66	\$375	\$131	0.00	\$0	\$7,622
Motocross - Large	12	36,000	0	\$30,000	\$3,000	\$3,000	\$0	\$7,200	\$18,000	\$6,300	\$45,000	\$15,750	28,800.00	\$36,000	\$130,050
Motocross - Medium	12	12,000	0	\$18,000	\$2,100	\$3,000	\$0	\$1,200	\$3,000	\$1,050	\$9,000	\$3,150	0.00	\$0	\$28,500
Motocross - Small	10	5,000	0	\$5,000	\$1,000	\$0	\$0	\$500	\$0	\$0	\$1,250	\$438	0.00	\$0	\$6,938
Convention (Large)	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Convention (Small)	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Community Events	4	2,000	0	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$175	0.00	\$0	\$975
Festivals	3	1,500	0	\$4,500	\$750	\$0	\$0	\$0	\$3,000	\$1,050	\$3,000	\$1,050	0.00	\$0	\$7,350
Sports Activity - Tournaments	10	20,000	0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000	\$14,000	0.00	\$0	\$29,000
Sports Activity - Local	10	12,000	0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000	\$3,150	0.00	\$0	\$8,150
Family	4	4,000	0	\$10,000	\$1,500	\$0	\$0	\$400	\$0	\$0	\$5,000	\$1,750	3,200.00	\$4,000	\$20,850
Banquet	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Catering Revenue - Large	2	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Catering Revenue - Medium	4	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Catering Revenue - Small	10	500	0	\$1,250	\$0	\$0	\$1,350	\$0	\$500	\$175	\$0	\$0	0.00	\$0	\$2,775
Meeting Rooms - Large	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Meeting Rooms - Medium	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Meeting Rooms - Small	15	750	0	\$1,875	\$0	\$0	\$2,025	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$3,900
Graduations	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$0
Misc. School Events	4	1,000	0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0	\$1,000
Auction	4	600	0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$150	\$53	0.00	\$0	\$2,053
<b>Practice Arena</b>															
Equestrian Event - Large	4	2,000	200	\$3,000	\$0	\$0	\$0	\$0	\$500	\$175	\$3,000	\$1,050	0.00	\$0	\$4,225
Equestrian Event - Medium	4	1,200	120	\$1,700	\$0	\$0	\$0	\$0	\$300	\$105	\$900	\$315	0.00	\$0	\$2,120
Equestrian Event - Small	4	400	60	\$1,000	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$35	0.00	\$0	\$1,035
Agricultural Event - Large	4	2,000	200	\$3,000	\$0	\$0	\$0	\$0	\$500	\$175	\$3,000	\$1,050	0.00	\$0	\$4,225
Agricultural Event - Medium	4	1,200	120	\$1,700	\$0	\$0	\$0	\$0	\$300	\$105	\$900	\$315	0.00	\$0	\$2,120
Agricultural Event - Small	4	400	60	\$1,000	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$35	0.00	\$0	\$1,035
Special Events	4	600	0	\$700	\$0	\$0	\$0	\$0	\$0	\$0	\$150	\$53	0.00	\$0	\$753
<b>TOTAL BY REVENUE CATEGORY</b>	<b>228</b>	<b>149,900</b>	<b>3,485</b>	<b>\$228,150</b>	<b>\$40,850</b>	<b>\$17,750</b>	<b>\$7,236</b>	<b>\$16,500</b>	<b>\$74,163</b>	<b>\$25,958</b>	<b>\$168,400</b>	<b>\$58,942</b>	<b>\$49,600</b>	<b>\$62,000</b>	<b>\$506,986</b>

Note: For the Large and Medium Equestrian/Agricultural and Motocross events it is anticipated these events will span 2-3 days per occurrence.

## 5.4 FACILITY STAFFING

### Projected Full-Time Staff Multi-Use Complex Mandan, ND

Full Time Positions	Annual Salary
General Manager	\$70,000
Receptionist	\$25,000
Business Office/Box Office Manager	\$45,000
Marketing, PR, and Sales Manager	\$45,000
Operations Manager	\$45,000
Events Coordinator	\$30,000
Setup Supervisor	\$25,000
Head Custodian	\$25,000
<b>SUB-TOTAL</b>	<b>\$310,000</b>
28% Benefit Overhead	\$86,800
<b>FULL TIME TOTAL</b>	<b>\$396,800</b>

**Pro Forma Annual Budget  
MULTI-USE COMPLEX  
Mandan, ND**

	<b>Annual Budget</b>
<b>REVENUES:</b>	
Building Rental	\$228,150
Equipment Rental	\$40,850
Box Office Fees	\$17,750
Catering Commissions	\$7,236
Merchandise Commissions	\$16,500
Alcohol Revenue	\$25,958
Concessions Revenue	\$58,942
Parking Revenue	\$49,600
Facility Fee Revenue	\$62,000
Part-time Reimbursed Event Labor	\$60,000
Advertising / Signage / Sponsorships	\$10,000
Naming Rights	\$0
	<hr/>
<b>TOTAL REVENUE</b>	<b>\$576,986</b>
 <b>EXPENSES</b>	
<b>Personnel Services</b>	
Full Time Labor	\$310,000
Part Time Permanent Labor	\$0
Part-Time Non-Event Labor	\$71,000
Part-Time Event Labor	\$50,000
Taxes and Benefits	\$97,690
	<hr/>
<b>SUB-TOTAL</b>	<b>\$528,690</b>
 <b>Operating Expenses</b>	
Telephone	\$12,500
Utilities	\$100,000
Postage / Shipping	\$2,500
Office Equipment / Repair / Supplies	\$5,000
Subscriptions / Dues / Memberships	\$2,500
Employee Training	\$2,500
Printing / Copying	\$9,500
Travel	\$10,000
Vehicle Expense	\$3,000
Professional Fees / Licenses	\$20,000
Computer / Internet	\$8,500
Heating and Ventilation Repair and Maintenance	\$20,000
Equipment Repair and Maintenance	\$5,000
Building Repair	\$15,000
Groundskeeping	\$20,000
Liability and Property Insurance	\$15,000
Rental Equipment	\$2,500
Supplies	\$25,000
Marketing / Promotions	\$20,000
Banking Fees / Bad Debt	\$300
Waste Disposal	\$16,000
Equipment Purchases	\$40,000
Uniforms	\$4,000
	<hr/>
<b>SUB-TOTAL</b>	<b>\$358,800</b>
	<hr/>
<b>TOTAL EXPENSES</b>	<b>\$887,490</b>
 <b>NET INCOME (LOSS)</b>	 <b>(\$310,504)</b>

# 5.6 5-YEAR ANNUAL OPERATING BUDGET

Pro Forma 5-Year Annual Operating Budget  
Multi-Use Complex - Mandan, ND

	Annual Budget				
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Revenue Adjustment		7.0%	7.0%	7.0%	7.0%
<b>REVENUES:</b>					
Space Rental	\$228,150	\$244,121	\$261,209	\$279,494	\$299,059
Equipment Rental	\$40,850	\$43,710	\$46,770	\$50,044	\$53,547
Box Office Fees	\$17,750	\$18,993	\$20,323	\$21,746	\$23,268
Catering Commissions	\$7,236	\$7,743	\$8,285	\$8,865	\$9,486
Merchandise Commissions	\$16,500	\$17,655	\$18,891	\$20,213	\$21,628
Alcohol Revenue	\$25,958	\$27,775	\$29,719	\$31,799	\$34,025
Concessions Revenue	\$58,942	\$63,068	\$67,483	\$72,207	\$77,261
Parking Revenue	\$49,600	\$53,072	\$56,787	\$60,762	\$65,015
Facility Fee Revenue	\$62,000	\$66,340	\$70,984	\$75,953	\$81,270
Part-time Reimbursed Event Labor	\$60,000	\$64,200	\$68,694	\$73,503	\$78,648
Advertising / Signage / Sponsorships	\$10,000	\$10,700	\$11,449	\$12,250	\$13,108
Naming Rights	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$576,986</b>	<b>\$617,377</b>	<b>\$660,594</b>	<b>\$706,836</b>	<b>\$756,315</b>
<b>EXPENSES:</b>					
Annual Expense Adjustment		3.75%			
Personnel Services					
Full Time Labor	\$310,000	\$321,625	\$333,686	\$346,199	\$359,181
Part Time Permanent Labor	\$0	\$0	\$0	\$0	\$0
Part-Time Non-Event Labor	\$71,000	\$73,663	\$76,425	\$79,291	\$82,264
Part-Time Event Labor	\$50,000	\$51,875	\$53,820	\$55,838	\$57,932
Taxes and Benefits	\$97,690	\$101,353	\$105,154	\$109,097	\$113,188
<b>Sub-Total</b>	<b>\$528,690</b>	<b>\$548,516</b>	<b>\$569,085</b>	<b>\$590,425</b>	<b>\$612,565</b>
Operating Expenses					
Telephone	\$12,500	\$12,969	\$13,455	\$13,960	\$14,484
Utilities	\$100,000	\$103,750	\$107,641	\$111,678	\$115,866
Postage / Shipping	\$2,500	\$2,594	\$2,691	\$2,792	\$2,897
Office Equipment / Repair / Supplies	\$5,000	\$5,188	\$5,383	\$5,585	\$5,794
Subscriptions / Dues / Memberships	\$2,500	\$2,594	\$2,691	\$2,792	\$2,897
Employee Training	\$2,500	\$2,594	\$2,691	\$2,792	\$2,897
Printing / Copying	\$9,500	\$9,856	\$10,226	\$10,609	\$11,007
Travel	\$10,000	\$10,375	\$10,764	\$11,168	\$11,587
Vehicle Expense	\$3,000	\$3,113	\$3,230	\$3,351	\$3,477
Professional Fees / Licenses	\$20,000	\$20,750	\$21,528	\$22,335	\$23,173
Computer / Internet	\$8,500	\$8,819	\$9,150	\$9,493	\$9,849
Heating and Ventilation Repair and Maintenance	\$20,000	\$20,750	\$21,528	\$22,335	\$23,173
Equipment Repair and Maintenance	\$5,000	\$5,188	\$5,383	\$5,585	\$5,794
Building Repair	\$15,000	\$15,563	\$16,147	\$16,753	\$17,381
Groundskeeping / Snow Removal	\$20,000	\$20,750	\$21,528	\$22,335	\$23,173
Liability and Property Insurance	\$15,000	\$15,563	\$16,147	\$16,753	\$17,381
Rental Equipment	\$2,500	\$2,594	\$2,691	\$2,792	\$2,897
Supplies	\$25,000	\$25,938	\$26,911	\$27,920	\$28,967
Marketing / Promotions	\$20,000	\$20,750	\$21,528	\$22,335	\$23,173
Banking Fees / Bad Debt	\$300	\$311	\$323	\$335	\$348
Waste Disposal	\$16,000	\$16,600	\$17,223	\$17,869	\$18,539
Equipment Purchases	\$40,000	\$41,500	\$43,056	\$44,671	\$46,346
Uniforms	\$4,000	\$4,150	\$4,306	\$4,467	\$4,635
<b>Sub-Total</b>	<b>\$358,800</b>	<b>\$372,259</b>	<b>\$386,221</b>	<b>\$400,705</b>	<b>\$415,735</b>
<b>Total Expenses</b>	<b>\$887,490</b>	<b>\$920,775</b>	<b>\$955,306</b>	<b>\$991,130</b>	<b>\$1,028,300</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(\$310,504)</b>	<b>(\$303,398)</b>	<b>(\$294,712)</b>	<b>(\$284,294)</b>	<b>(\$271,985)</b>

## 5.7 LINE ITEM COMMENTARY

### REVENUE

- **BUILDING RENT:** Category represents solely those monies collected from daily rentals of the arena and other spaces in the Center. The rates used are as follows:
  - \$2500 ticketed event such as concerts, large equestrian/agricultural events, large motocross events
  - \$1500 non-ticketed such as consumer/trade shows and smaller ticketed and non-ticketed events
  - Various rates for move in/out and non profit events

There are common incentive rate policies available for use, as the rate sheet is fine-tuned. These include provision for multi-day discounts, reduced rates for setup and tear-down days, higher rates for more sought-after weekend dates, or special rates for first-time users or local groups. It is also important that the facility operators have the flexibility to negotiate rental rates as needed.

- **EQUIPMENT RENTAL:** Can cover follow spots, sound systems, tables, chairs, and/or any building-owned items not included in the base rental fee. Since these fees are too varied to estimate individually, a relatively conservative flat fee has been used for this category where applicable.
- **BOX OFFICE FEES:** This category represents a charge to facility users to cover the cost of the box office operation. It is calculated here as a flat fee.
- **CATERING COMMISSIONS:** As the venue will not have a full-service kitchen, this category represents income from commissions paid by an approved caterer for the facility. The rates as approved provide for a discount in the applicable rent for events with catered food service. VenuWorks has assumed that the Center would realize a commission of 18% on all catering done in the building by local caterers.
- **MERCHANDISE COMMISSIONS:** Those revenues gained from commissions for allowing the sale of merchandise at concerts and family events. It is assumed that a 20% commission will be charged with various per capita sales on different events.
- **ALCOHOL REVENUE:** In this example, the per capita sales vary, but the net profit is calculated to be 35%.
- **CONCESSIONS REVENUE:** This revenue category is for concession stand food services only, and does not include revenues from catering commissions. The assumption here is that the Center will receive an expected return of 35%. Concessions stands could be staffed by service clubs for a contracted fee.
- **PARKING / FACILITY MAINTENANCE FEES:** The facility fee represents a surcharge added to the cost of each ticket (varies for public ticketed events). This surcharge is a valuable tool for revenue generation. Parking fees are per car (based on an estimated 2.5 person riders per car) and varies per event.
- **PART-TIME REIMBURSED EVENT LABOR:** This figure is 20% larger than the Event labor category to allow labor charged back to events to recoup payroll costs, as well as acting as another profit center for the facility.

- **ADVERTISING/SIGNAGE / SPONSORSHIP / NAMING REVENUE:** The assumption here is that major sponsors will pay to appear on any outdoor marquee along with one sign panels inside the arena. These will likely come from categories such as a brewery, a soft drink supplier, communications, financial services, and/or a media outlet. Naming revenue has not been factored into these budget numbers as a Naming Rights Valuation would need to be completed to determine the market value of this sponsorship.

## EXPENSES

- **FULL TIME STAFF:** This figure represents the full-time labor that would be required to provide staffing of a first-class facility. A list of specific staff members can be found in this pro forma.
- **PART-TIME NON-EVENT LABOR:** Represents payroll for all part-time employees not billed to an event. Our assumption is that an indoor climate controlled arena will require an increased level of upkeep and setup activity to keep the facility in good condition and provide for the non-reimbursed labor needed to prepare the building and grounds for the event.
- **PART-TIME EVENT LABOR:** Line item to cover the actual cost of part-time labor charged to an event.
- **TAXES & BENEFITS:** Taxes and benefits that include FICA, FUTA, SUTA, and Workman's Comp, health, dental, disability, 401 K, and payroll processing cost.
- **TELEPHONE:** Regular (land based) and cellular (mobile) telephone, long distance and related (roaming charges, etc.) services. Allows for phone lines in the building to serve events and a cell phone for each full-time employee.
- **UTILITIES:** Projected expenses for gas, electric, water and sewer service. Local market conditions or special consideration from local utility providers could have an effect on this category.
- **POSTAGE / SHIPPING:** Projected additional expenses for United States. Postal mail, overnight and two-day delivery services, common carrier shipping and postage meter expenses.
- **OFFICE EQUIPMENT / REPAIR / SUPPLIES:** Projected expenses for repair of fax machines, copiers, and non-disposable office equipment.
- **SUBSCRIPTIONS / DUES / MEMBERSHIPS:** Industry trade magazines, journals or publications as well as local, regional, and national newspapers and periodicals. Also participation in professional organizations and associations, as well as local Chamber of Commerce and Convention and Visitors Bureau.
- **EMPLOYEE TRAINING:** Projected expenses related to tuition, registration, enrollment fees for continuing education of staff members.
- **PRINTING / COPYING:** Lease expense on copy and fax machines; outsourced printing for business cards, stationery, envelopes, labels, forms, and other large copy projects.
- **TRAVEL:** Costs of business-related travel to professional meetings. This category also covers expenses related

to travel and incidental expenses to solicit events or promote the Events Center at conventions and trade shows.

- VEHICLE EXPENSE: Projected expenses related to operating expenses of a company vehicle
- PROFESSIONAL FEES / LICENSES: Annual audit fees, payroll processing, attorney's fees, data processing, ASCAP, BMI, SESAC
- COMPUTER / INTERNET / IT: Maintenance of computers, computer networks, web site, and Internet service
- HEATING / VENTILATION REPAIR AND MAINTENANCE: Projected expenses for regular service (preventive maintenance) contracts, water treatment, filters and belts, hoses and related equipment and emergency service. This category and the two that follow are shown, as they would be in approximately the third year of operation when warranties begin to expire and the need for equipment maintenance increases.
- EQUIPMENT REPAIR AND MAINTENANCE: Projected expenses for building equipment such as tables, chairs, two-way radio repair, sound system, microphones, forklift, scrubber, pest control, fire extinguishers, battery backup, security and fire alarms, lock service, etc.
- BUILDING REPAIR AND MAINTENANCE: Projected expenses for repair to the facility or permanent fixtures of the facility such as overhead doors, exit doors, windows, railings, bleacher seating, drywall, concrete block, plumbing, electrical, etc.
- GROUNDSKEEPING / SNOW REMOVAL: Expenses to maintain property, such as lawn service, snow and ice removal, and general grounds maintenance.
- LIABILITY AND PROPERTY INSURANCE: If the facility falls under the protections of the City's coverages, there would not be an expense in this category.
- RENTAL EQUIPMENT: For facility use only - not charged to any client or event. Typically, this is equipment used to perform maintenance at the facility.
- SUPPLIES: Non-administrative or office related consumable supplies used throughout the facility; i.e. toilet paper, paper towels, filters, rags, light bulbs, duct tape, extension cords, wax, stripper, cleaning supplies, disinfectants, degreaser, and general sanitizing solutions, etc.
- MARKETING / PROMOTIONS: Budgeted amount for an awareness and marketing campaign for the facility. This line item should be provided annually as a tool to solicit sufficient bookings.
- BANKING FEES / BAD DEBT: A normal cost of doing business
- WASTE DISPOSAL: Cost of regular trash removal from the facility
- PROFESSIONAL SERVICES: This category covers annualized contract services provided to the facility, such as legal retainers, etc.
- EQUIPMENT PURCHASES: Equipment that is not included in the building FF&E.
- UNIFORMS: Cost of purchasing uniforms for full-time, part-time staff, and/or contract labor.

## 5.8 ECONOMIC IMPACT

### ESTIMATED FIRST YEAR OF FULL OPERATION ECONOMIC IMPACT STATEMENT

Estimated Total Attendance	149,900
Daily Average spending for meals, retail purchases, entertainment, travel, suppliers: 149,900 x \$40 =	\$5,996,000
Overnight Daily Average spending for overnight events for meals, retail purchases, entertainment, travel, suppliers: (1% of Total Yearly Attendance) 1,499 Room Nights x \$63 per room	\$94,437
Wages - Full Time	\$310,000
Part Time	\$121,000
Total Wages	\$431,000
Contracted Services, Equipment Repair, Maintenance and Supplies	\$152,500
Marketing & Advertising	\$20,000
ESTIMATED ECONOMIC IMPACT (without multiplier)	\$6,843,837
ESTIMATED ECONOMIC IMPACT (with multiplier of 1.8)	\$12,318,907

Sources: International Association of Assembly Managers, Calculating Economic Impact" by  
Bonnie Finnie, *Facility Manager*, November-December, 1997, pages 22-24.

Bismarck-Mandan Convention and Visitors Bureau