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FACILITY IMPROVEMENT STUDY FOR THE MESA CONVENTION CENTER AND AMPHITHEATRE

MARCH 11, 2025

March 11, 2025

Andrea Moore
Director
City of Mesa Parks, Recreation and Community Facilities
708 W Baseline Rd Building 4
Mesa, Arizona 85210

Dear Ms. Moore:

Conventions, Sports & Leisure International (CSL), with the participation of HMC Architects, has completed a Feasibility Study of potential improvements to the Mesa Convention Center and Amphitheatre in Mesa, Arizona. The study effort included research and analysis of market demand, supportable program, development scenarios, preliminary construction costs, financial operations, economic impacts, and funding issues.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by study stakeholders, surveys of user groups and community constituents, discussions with industry participants and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented herein are based on analyses of present and near-term conditions in the Mesa area. As in all studies of this type, the recommendations and estimated results are based on competent and efficient management of the subject facility and assume that no significant changes in the event/utilization markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

The report has been structured to provide the City of Mesa and other stakeholders with a foundation of research to provide decision makers with the information necessary to evaluate issues related to development and operation of potential improvements to the Mesa Convention Center and Amphitheatre and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

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INTRODUCTION & BACKGROUND

Conventions, Sports & Leisure International (CSL), with the participation of HMC Architects, was retained by the City of Mesa (City), through the Mesa Department of Parks, Recreation & Community Facilities, to conduct a feasibility study for the potential improvement of the Mesa Convention Center (MCC) and Amphitheatre in Mesa, Arizona. The purpose of the analysis is to assist the City and other stakeholders in evaluating key market, program, financial, economic, and funding aspects of a potential improved Convention Center and Amphitheatre in Mesa.

The Mesa market has experienced notable residential and economic growth in recent years. The destination's downtown continues to undergo similar growth; in addition to the development of lightrail along Main Street in 2019 and the development of Arizona State University's (ASU) state-of-the art MiX Center, downtown will be further transformed by significant residential and mixed-use projects planned throughout the area and additional ASU-related development. The remainder of this Summary provides in-depth analysis, findings, and recommendations concerning the current conditions and potential improvements for the Mesa Convention Center (MCC), Mesa Amphitheatre, and the surrounding Downtown Mesa area. This comprehensive evaluation will consider various aspects such as facility upgrades, technological enhancements, and strategic partnerships, aiming to maximize the appeal and functionality of these venues.

This study draws from extensive research and analysis, including a facility operations review of the Mesa Convention Center and Amphitheatre, an assessment of the Greater Phoenix and Arizona markets with over 50 competing venues, and a benchmarking study of 21 comparable destinations. Industry trends were analyzed, incorporating national meeting planner surveys on shifting event preferences. Additionally, a multi-day site visit engaged 20 key stakeholders, with further outreach to event planners and concert promoters through 65 interviews covering over 300 events.

The attached report outlines the findings associated with the analysis. The full report should be reviewed in its entirety to gain an understanding of analysis methods, limitations and implications.

EXISTING FACILITIES

- **EXISTING EVENT SPACE**: The Mesa Convention Center features 30,600 square feet of sellable event space, including a 15,000-square foot Main Hall that serves as the campus's primary exhibit space. The Mesa Convention Center features two additional ballrooms, the larger of which being 5,100 square feet, as well as 5,900 square feet of meeting room space. The adjacent Delta Hotel's ballroom of 9,000 square feet is often used as the primary food function space by events and is the campus's largest ballroom. The Amphitheatre has a maximum concert capacity of 5,000 attendees.
- **EVENT MIX:** The Mesa Convention Center averaged approximately 175 annual events in 2022 and 2023. Highly lucrative conferences/conventions make up a small but growing portion of MCC business, with attendance of these events far out-performing pre-Pandemic numbers. Touring concerts at the Amphitheatre are growing relative to pre-pandemic levels, as are attendee days and revenue per event.
- **EXHIBIT & BALLROOM SPACE OCCUPANCY:** The Main Hall exceeded 70 percent daily occupancy in 2019, 2023, and 2024. Occupancy of the Main Hall is rising primarily due to increasing demand from conference / convention events. With investment that improves the marketability of the MCC to this high-value segment, it may be important to consider an expansion of this space as well as continuing the yield management strategy wherein conference/convention events are given priority over public consumer shows as part of future booking guidelines. Further, rental rates to use the space could be increased for consumer shows and other events with lower impact.
- **MESA CONVENTION CENTER OPERATING REVENUE:** The Mesa Convention Center's revenue more than doubled in 2023 relative to 2019 data largely due to increased Conferences and Conventions, while the Amphitheatre's revenue doubled in both 2022 and 2023 relative to 2019 due to more concerts. Facility investment concepts presented later herein aim to sustain and build on this portfolio of business.
- **PLACER.AI ANALYSIS:** Placer.AI, a service which tracks cell phone location data to investigate visitors to a facility, was queried for general Mesa Convention Center and Amphitheatre visitors, as well as those during specific targeted 2023 conventions and concerts. The data shows that most visitors are daytrippers from the Phoenix Valley Metro but significant visitation takes place from around the state of Arizona. Visitors tend to be more affluent and educated than the state of Arizona as a whole. Visitors, particularly convention visitors, also travel to many downtown Mesa restaurants and businesses, but opportunity likely exists to enhance this visitation.

LOCAL & REGIONAL CONDITIONS

- **SUPPORTING INFRASTRUCTURE:** The Delta Hotel Mesa (274 rooms) serves as the headquarter hotel for events at the Mesa Convention Center; however, there are no other convention-quality hotels within four (4) miles of the MCC, which limits its potential to attract conferences and conventions. There are a variety of restaurants, bars, and other amenities that position Mesa as an attractive destination for events. However, these are generally located more than half a mile from the Convention Center, and the walking experience to these assets is lackluster. It will be important to consider wayfinding and placemaking investments that improve this walking experience to some of these distant places of interest for MCC attendees. In addition, efforts to further develop the area around the MCC should continue to be prioritized, and the City should work with developers to bring more street level dining, retail and entertainment within the identified ½-mile zone.
- **AREA DEMOGRAPHICS:** According to estimates by GIS software ESRI based on data sourced from the United States Census Bureau, the estimated 2024 population within the city of Mesa and Maricopa County is approximately 522,000 and 4.7 million, respectively. The population within 30 minutes of the Mesa Convention Center is approximately 2.2 million. Each of these area populations have grown slightly since 2010. Tucson and Flagstaff are the only major metro areas outside of the Phoenix Valley within a 180-minute drive of the Mesa Convention Center. There are an estimated 14,500 SIC businesses in Mesa.
- **MESA VISITOR PROFILE:** The city of Mesa received 2.4 million visitors and 7.4 million visit nights in 2023. A significant majority of visitors are from Arizona metro areas including Phoenix, Tucson, and Flagstaff. Major visitation also comes from Los Angeles, Riverside-San Bernadino, and Seattle. A majority of Mesa's visitors only stay for one to two days, highlighting its identity as a daytrip destination within the Valley, and only 31 percent of visitors have a household income of $90,000 or more. An improved MCC should be able to attract multi-day conventions with affluent attendees, thereby enhancing Mesa's visitor base and the impacts of tourism on the economy.
- **LOCAL HOTEL INVENTORY:** There are 43 hotels in Mesa with 20 or more rooms for a total of 4,626 rooms. Of these, only the Delta Hotel Mesa is located within 1 mile of the Mesa Convention Center. There are 14 upscale or higher properties located in Mesa, with a total of 1,940 rooms.
- **COMPETITIVE CONVENTION FACILITIES:** In addition to the Mesa Convention Center, there are 26 facilities in Arizona which offer a contiguous event space of 10,000 square feet or more. The Mesa Convention Center's Main Hall ranks near the median of the 27-facility competitive set, and there is a significant inventory of single event spaces (10) that offer between 14,000 and 20,000 square feet. It will be important to consider facility investments that could differentiate the MCC from this crowded field of competitors. Further, the Delta's ballroom is the smallest ballroom within the competitive set. The facility also ranks well below the median in terms of hotel rooms with ½-mile, though the dining sales within a 20-minute walktime rank well above the many self-contained resorts and hotel-conference centers in the area. The walkable environment surrounding the MCC should serve as a competitive advantage in the Valley market, though, as previously discussed, additional development, wayfinding and placemaking is still needed within ½-mile area surrounding the MCC.
- **COMPETITIVE CONCERT VENUES:** There are 21 concert venues in Arizona which have capacity for between 2,000 and 8,000 attendees. These include amphitheaters and traditional concert auditoriums, as well as casinos, clubs, convention centers, outdoor venues, and arenas. Using Placer.ai, CSL identified the four facilities that represent the Amphitheatre's greatest competition: AVA Amphitheater in Tucson, and Celebrity Theatre, The Van Buren, and Arizona Financial Theatre in Phoenix. The slightly smaller Ikeda Theater at the Mesa Arts Center is also analyzed due to geographic proximity. Notably, Mesa Amphitheatre has attracted a greater share of more lucrative Tier 3 concerts post-Pandemic relative to 2019, while its competitors are drawing the same types of business. It will be important to consider investment strategies that could build on this momentum.

EXECUTIVE SUMMARY

INDUSTRY TRENDS

- **MACRO CONVENTION INDUSTRY DATA:** The Pandemic took a significant toll on the U.S. exhibition industry. As U.S. GDP decreased by over three percent in 2020, the exhibition industry's total attendance, square footage, and revenues decreased by nearly 80 percent due to the restrictions for public assembly events during the COVID-19 Pandemic. As meetings and conventions continue to rebound, CEIR estimates indicate that 2023 approximated 90 percent of pre-Pandemic industry metrics. Net growth from the pre-Pandemic period is anticipated for the first time in 2024, as the industry is estimated to grow by four (4.0) percent from 2019 figures.
- **EVOLVING CONVENTION FACILITY TRENDS:** The convention industry continues to evolve as attendee bases undergo generational shifts, and as planner preferences regarding event spaces, services and technologies continue to change. Event planner feedback suggests that it will be important to prioritize the inclusion of dynamic pre-function areas, signature outdoor space, local/authentic food and beverage outlets, pop-up/temporary food stations, hybrid event technology, and immersive event experiences as part of a potential Mesa Convention Center expansion/improvement project.
- **CONVENTION DISTRICTS TRENDS:** Event planners increasingly consider the appeal of a convention facility's surrounding destination as part of their host facility selection process. Event planner input highlights the need to include various "district" elements around a potentially expanded/improved Mesa Convention Center, including modern, full-service hotel properties, pedestrian lighting, sit-down and fast/casual restaurants, easy to understand pedestrian wayfinding, and shuttle/trolley vehicle service.
- **GROWING CONCERT INDUSTRY:** According to Pollstar's 2023 Mid-Year Report on North American Tours, North American box-office activity for 2023 has shown growth in year-to-year comparison with 2022 in all four box-office metrics; average paid attendance, ticket price average, overall gross sales, and the number of sold tickets.
- **IMPORTANCE OF ANCILLARY REVENUES AT CONCERT FACILITIES:** Venue operators are increasingly relying on revenue from ancillary sources such as facility fees, ticket sales rebates, concessions, merchandise, parking, advertising/sponsorships, and premium seating to generate operating profits.
- **EMERGING LIVE MUSIC VENUE TRENDS:** In tandem with the growing interest in flexible, niche facilities that are designed to prioritize the accommodation of small- to mid-sized live music performances, the live music venue industry is adapting to an evolving landscape by creating new ways to monetize the in-person attendee experience. Performer revenue sharing requirements have been consistently growing for performance venues, as album and music sales revenues have greatly decreased for performers in recent years. Aiming to create a comprehensive entertainment experience, performance venues are increasingly incorporating attached bars and restaurants, while increasing the number of in-venue concession areas, aiming for longer visitor engagement with the venue. These integrations promote a 360-degree engagement model, where every aspect of the venue aims to contribute to a rich, immersive experience, boosting visitor satisfaction and spending. Venues are also offering wider selections of culinary options and increasing operational efficiencies in food and beverage service, to yield higher throughput, ensuring that visitors spend less time in line and increased time enjoying the venue experience. This strategic reimagining of the live venue experience addresses increasing financial pressures and promotes a more engaging experience for concert-goers.
- **AMPHITHEATER TRENDS:** An analysis of the top 100 amphitheaters nationally indicates that this facility type is experiencing significant growth in concerts and revenue following the Pandemic. The 12 venues on the list that have a capacity of 5,000 or less average 30 concerts annually. This is more than double the average concert count at the Mesa Amphitheatre over the last three years, suggesting potential opportunity to grow the facility's touring act count with market-supported investment. However, it is important to consider the limitations presented by challenging conditions during summer.

COMPARABLE FACILITIES

- **COMPARABLE CONVENTION CENTER EVENT SPACE:** Twelve markets comparable to Mesa offer convention or conference facilities with a median largest contiguous space of 53,000 square feet and a median largest contiguous space of 31,100 square feet. In terms of total meeting and ballroom space, the Mesa Convention Center ranks at or near the midpoint of the comparable set. However, the Delta Hotel's Arizona Ballroom is the smallest single ballroom in the comparison set.
- **COMPARABLE CONVENTION CENTER HOTELS: The** 274 rooms available at the Delta hotels adjacent to the Mesa Convention Center ranks seventh overall among the comparable markets. However, the number of hotel rooms available within one-half mile of the identified comparable facilities is second-to-last, only ahead of New Braunfels, TX. As noted, this significantly limits the MCC's potential market capture and highlights a potential need for Visit Mesa and MCC management to work with area hotels to provide shuttling services to/from the Center to help attract impactful conventions and conferences.
- **COMPARABLE CONVENTION CENTER EVENT AND VISITOR DATA:** A selected number of comparable convention centers offered historical event data for a recent competitive year. Mesa ranks 5th out of 8 among this set with 182 events, though the number conventions and tradeshows it hosted in 2023 ranked only 6th of 8. The Mesa Convention Center also ranks below the median in terms of the average household income of visitors and percentage of visitors originating from over 50 miles, suggesting that the MCC should be attracting a greater share of non-local visitation like other mid-sized convention facilities.
- **COMPARABLE AMPHITHEATER FACILITIES:** CSL identified nine (9) comparable amphitheaters to benchmark against the Mesa Amphitheater. Facilities reviewed range in concert capacity from Ting Pavilion in Charlottesville, VA (4,000 capacity) to the Vetter Stone Amphitheatre in Mankato, MN (7,800 capacity). The average facility reviewed offers a concert capacity of approximately 5,300 and an average of 121 premium seats. On average, facilities within the comparable set feature 55 percent fixed seating and 45 percent berm capacity. The availability of fixed and premium seating options allows for higher ticket prices and additional revenue streams, which is reflected in the average gross per event averaging $170,000 across the comparable set, far exceeding Mesa Amphitheatre's average of $115,600 in gross ticket sales. Mesa Amphitheatre is one of the four facilities that does not offer premium seating, and one of only two facilities that does not have fixed seating.
- **COMPARABLE AMPHITHEATER EVENT DATA:** Out of the ten facilities identified, the Mesa Amphitheatre had the 7th most events in 2022. The event mix among all facilities is similar, however, several comparable amphitheaters are able to attract more lucrative Tier 2 acts. Generally, the reviewed amphitheaters experienced a marked improvement in their event mixes, hosting more Tier 3 and Tier 2 acts in 2022 than in 2019 (pre-Pandemic).
- **COMPARABLE AMPHITHEATER CASE STUDIES:** Many amphitheaters have invested in premium seating, back-of-house offerings, rigging, and other capabilities to improve the experience for performers and guests. Case studies of all nine amphitheaters are included within the full report, as well as Pollstar data on the number and average revenue of recent events.

MARKET DEMAND SUMMARY

Key takeaways, segmented by convention/meeting planner and concert promoter demand, are summarized below.

MESA CONVENTION CENTER DEMAND

- **OPPORTUNITY FOR ADDED BUSINESS**: CSL identified moderate demand, particularly among state and regional associations, for an improved Mesa Convention Center. Planners generally agreed that there are various improvements that could be made to the facility that would enhance the likelihood that they would use it in the future. Many also indicated a lack of familiarity with the MCC that suggests opportunity to further market the venue and reach a wider inventory of events from around the state, region and country.

- **EXHIBIT SPACE EXPANSION NOT NEEDED IN SHORT- TO MID-TERM**: The Main Hall can currently accommodate 90 percent of its event market. Considering the moderate interest expressed by planners and their event space needs, a significant expansion of Main Hall is likely not needed within the next ten years.

- **PRIMARY LIMITATION – SUPPORTING HOTELS**: The 274 rooms at the Delta Hotel accommodate approximately 75 percent of Mesa's event market, and this figure likely drops closer to 60 to 65 percent when considering how many rooms the Hotel can commit to events at the MCC (assumed to be 70 percent of inventory). Without an added hotel in downtown, the MCC will not be able to greatly expand their event market. However, by undergoing improvements and employing targeted sales and marketing strategies, MCC management, Visit Mesa and other stakeholders should be able to gain greater penetration into its defined small-to-mid-sized event market and attract high-value events to the facility.

- **SECONDARY LIMITATION – BALLROOM SPACE**: The Delta Ballroom only accommodates 80 percent of its event market, and considering previous comparable analysis, the MCC's most pressing facility challenge might be its lack of ballroom space. This aligns with comments made by stakeholders that the facility could use another larger ballroom so that the campus could host food functions and general sessions concurrently.

- **FACILITY UPDATES AND IMPROVEMENTS NEEDED**: The degree of demand does not warrant a significant expansion of the MCC; rather, high-value investments should be made to improve the aesthetics and functionality of the facility to capture select high-value pieces of business. Market demand findings suggest added/expanded outdoor event space, larger and more trend forward lobby spaces, updated event spaces (including the Main Hall), and unique immersive technologies to enhance the MCC's market capture. Other improvements noted by high-value groups from the corporate segment include Main Hall sub-divisibility and turnkey streaming/hybrid capabilities in the meeting rooms.

- **PLANNER INTEREST IN NEW CONCEPTS**: Seventy (70) percent of planners expressed interest in using a unique three-season indoor/outdoor patio space for their food functions at the Center. A slightly smaller number (63 percent) also showed interest in using immersive media technologies to enhance their event(s), though intensity of interest was more limited relative to the outdoor facility concepts.

MESA CONVENTION CENTER DEMAND (continued)

- **DISTRICT AND WALKABILITY IMPROVEMENTS NEEDED**: Planners also recommended that efforts be made to enhance the overall sense of place in the area surrounding the MCC. Planner feedback highlights the importance of greater pedestrian lighting, wayfinding, public art, and other placemaking enhancements to improve the connection to Downtown and Main Street. Further, comments made by past users of the MCC indicate a desire for more dining, retail and entertainment options near the facility.

MESA AMPHITHEATRE DEMAND

- **OPPORTUNITY TO BUILD ON MOMENTUM:** Promoters recognize the Mesa Amphitheatre as a key component of the Phoenix metro area's live performance scene due to its ideal capacity, central location, and historical significance. The venue is appreciated for its intimate atmosphere and excellent sightlines, but it faces growing competition from newly improved venues. To avoid a decline in touring acts—which could drop from 10 to 15 concerts per year to as few as six in ten or so years without investment—industry experts suggest upgrading the Amphitheatre to attract more events and maintain its competitive edge in the vibrant outdoor concert market. Key improvements should be able to help the facility grow its number of concerts.

- **PRIMARY RECOMMENDATIONS:** Key improvements recommended by promoters include improving the back-of-house experience for artists and enhancing the Amphitheatre's rigging capabilities. These two investments would likely help the Amphitheatre sustain and even grow its level of concert activity. Other frequently discussed investments include climate-proofing the facility with overhead shading, in-house A/V capabilities, experiential/immersive lighting technology, and extending the City's curfew to enable the hosting of more EDM shows.

- **SECONDARY RECOMMENDATIONS:** Other improvements that could be made at the Amphitheatre that would enhance the attendee experience and facility revenues include a new permanent beer stand, VIP/premium seating, shaded gathering areas, greater ADA accessibility, and an expanded box office. Though these projects would not have a direct impact on concert levels at the venue, they would increase the revenue generated on a per event basis and grow repeat visitation potential due to the improved experience for the attendee. Over time, greater repeat visitation due to a quality venue experience will improve the facility's appeal to promoters and touring artists, who prioritize venues that consistently draw high attendance levels.

MESA CONVENTION CENTER RECOMMENDATIONS

Based on the market analysis, CSL has prepared recommendations designed to maximize the MCC's capture of its identified market, as well as associated revenue and economic impacts from convention event activity. Considering the previous market data, a significant expansion of the MCC is not needed at this time. Instead, an assortment of trend-focused improvements for the MCC should be considered that will enhance its appeal to conferences and conventions from the association and high-value corporate segments.

CSL has developed the following two scenarios to guide the next five years of investment at the MCC. Scenario 1 is a more comprehensive, emerging trend-driven investment scenario designed to maximize capture of high-value corporate and association groups, while Scenario 2 is a value-driven approach that aims to modernize the venue at a lower cost.

A longer-term scenario has also been included that assumes a significant expansion of Main Hall and the development of a new 200- to 250-room hotel near the Center. Though this scenario is not recommended at this time, it has been included in this analysis to show Mesa's long-term potential within the convention industry. Each of the three scenarios are summarized below, with more detail regarding each recommendation presented on the following pages. Detailed cost/benefit analysis of each scenario is presented herein.

Scenario 1: Cutting-Edge MCC

Facility Improvements:
- Develop 10K sf "3-season" outdoor patio space
- New entry experience and expanded lobby
- Immersive experience technology
- Improve connection to downtown
- Add 1-3 high-end LED panels
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:
- Convention marketing strategies
- Establish shuttling service to other hotels

Scenario 2: Updated MCC

Facility Improvements:
- Fabric tent structure to create covered pavilion
- Switch entrance to face hotel & expand lobby
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:
- Convention marketing strategies
- Establish shuttling service to other hotels

Long-Term Scenario

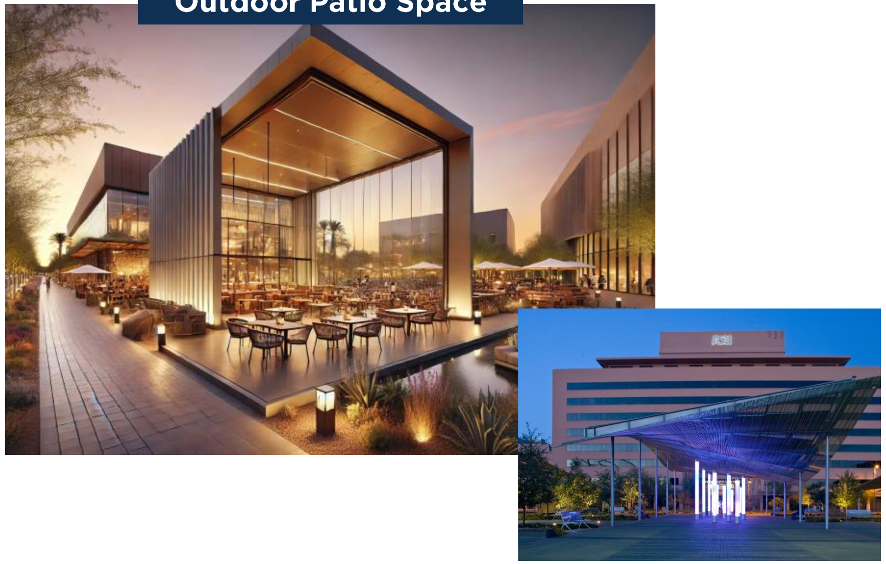
Facility Improvements:
- All Scenario 1 facility improvements
- Expansion of Main Hall to a 30,000 sf, sub-divisible exhibition hall
- Addition of ~10,000 sf of sub-divisible multipurpose space
- Development of new ~200-room hotel

Other Improvements:
- Convention marketing strategies
- Establish shuttling service to other hotels

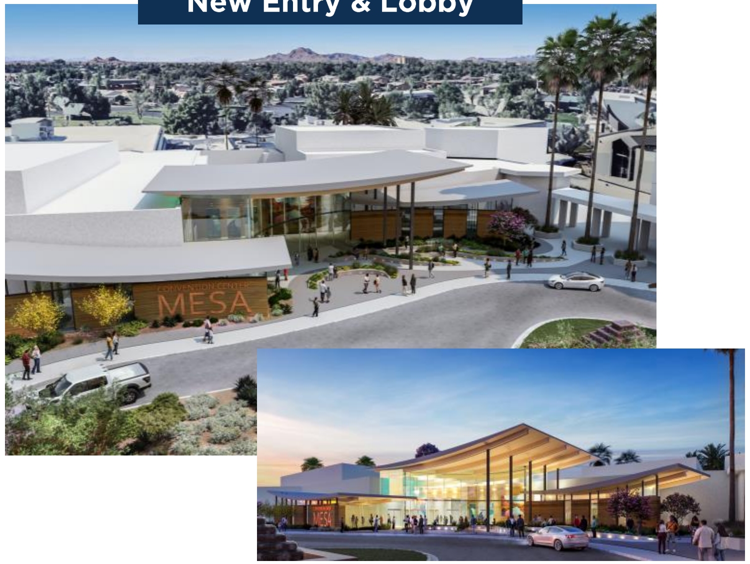
E EXECUTIVE SUMMARY

MESA CONVENTION CENTER RECOMMENDATIONS: VISUAL EXAMPLES

Outdoor Patio Space



New Entry & Lobby



DT Connectivity

LED Panels

Immersive Experiences

Updated Event Space

MESA AMPHITHEATRE RECOMMENDATIONS

CSL has also developed the following two investment scenarios to guide the next five years of investment at the Amphitheatre. Scenario 1 includes those most critical recommendations provided by promoters, while Scenario 2 adds other attendee experience- and revenue-related enhancements.

These two scenarios are summarized below, with visual examples of physical facility improvements provided on the following page. Further detail and cost/benefit analysis of each scenario is presented within the full report.

Scenario 1: Increased Concerts + Enhanced Experience

Facility Improvements:
- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue
- New permanent beer stand
- Develop VIP seating area
- Install projection mapping and a/v technology
- Add ADA ramp on west side of complex

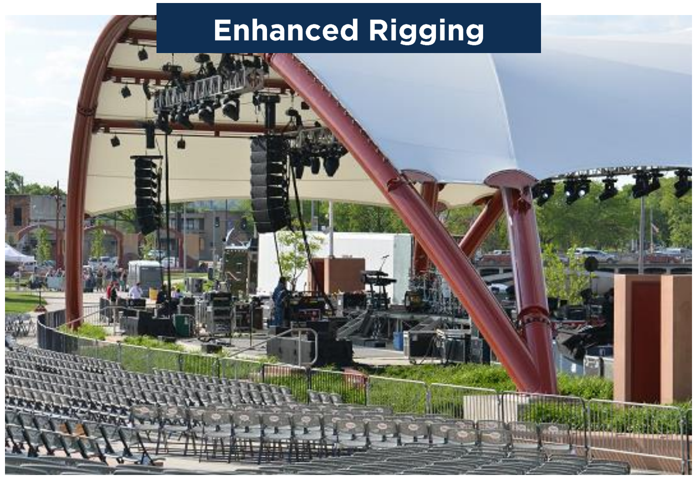
Scenario 2: Increased Concerts

Facility Improvements:
- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue

MESA AMPHITHEATRE RECOMMENDATIONS: VISUAL EXAMPLES

Talent Hospitality

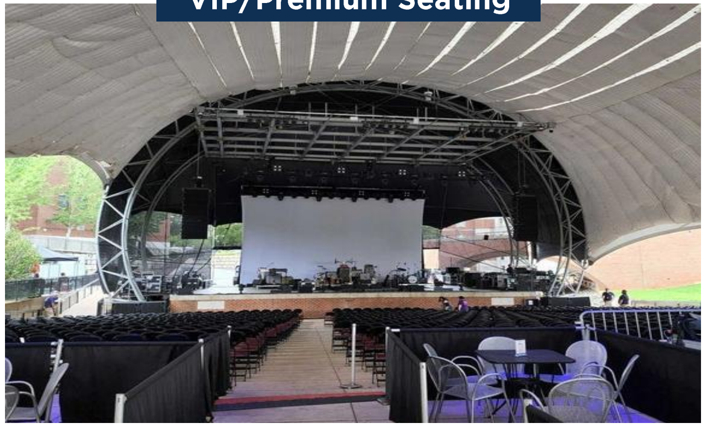
Enhanced Rigging



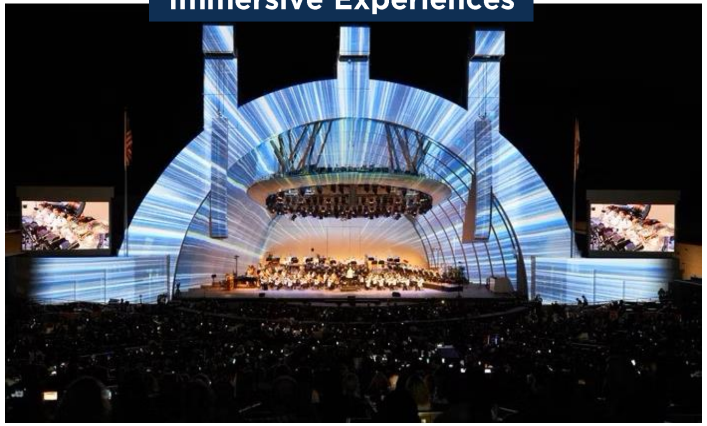
Overhead Shading

New Beer Stand

VIP/Premium Seating



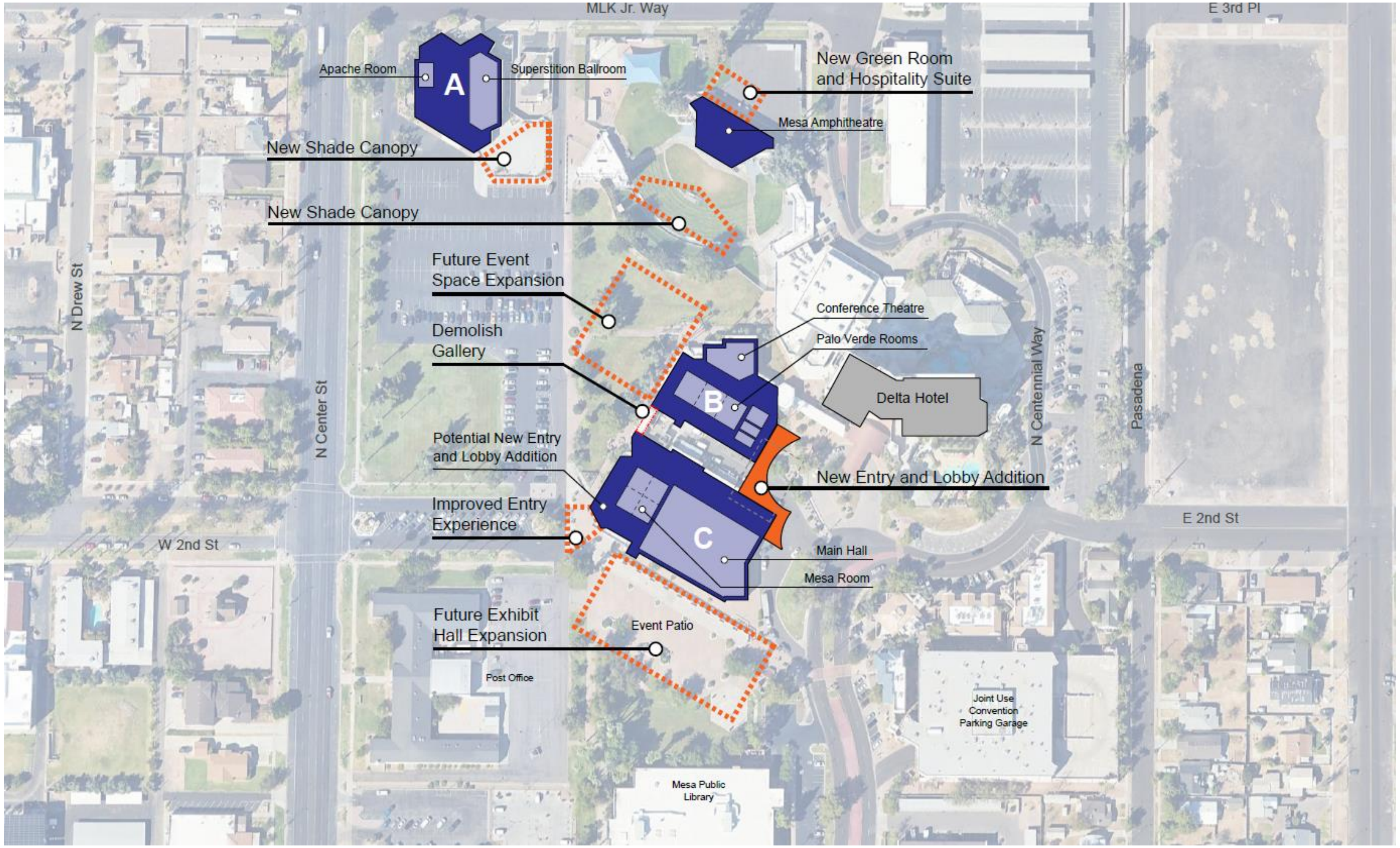
Immersive Experiences



RECOMMENDATIONS OVERVIEW

To provide a high-level overview of the recommendations presented on the previous pages, HMC Architects has prepared the following conceptual layout that outlines various investments that should be made throughout the MCC campus.

As shown, recommended improvements as well as additional facilities that could be developed are included in the map. To accommodate the new entry and lobby addition, a new loading dock approach is also highlighted.



Source: HMC Architects, 2025.

MASTER PROJECT COMPARISON

The table below provides a summary of the impacts associated with each of the previously shown MCC and Amphitheatre scenarios. Metrics are presented in terms of net differences relative to Do Nothing scenarios, wherein both facilities lose market capture due to lack of investment. Key highlighted metrics include 20-year net present value (NPV) estimates of facility revenue, city tax collections, and total economic output. Ratios of these values in comparison with total project costs convey the overall value that each scenario could provide the Mesa community. As shown, Scenario 1 MCC investment provides the greatest ROI from both a City and overall economic standpoint, while the Amphitheatre scenarios differ in their benefits; Scenario 1 provides a greater return for the city in the form of facility and tax revenue, while Scenario 2 provides better value as an economic generator for downtown and the broader community.

Annual Impacts	Convention Center Scenario 1	Convention Center Scenario 2	Convention Center Long-Term	Ampitheatre Scenario 1	Ampitheatre Scenario 2
Total Development Costs	$30,315,000	$18,335,000	$100,000,000	$17,325,000	$9,800,000
Net Events	27	15	59	10	6
Net Attendee Days	17,200	10,400	55,700	39,900	22,000
Net Hotel Room Nights	3,700	1,400	8,300	1,130	680
Net Jobs Supported	40	16	101	22	13
Added Facility Revenue	$863,000	$409,500	$1,404,100	$317,500	$129,800
20-Year NPV Net Facility Revenue*	$9,957,700	$4,725,000	$16,201,200	$3,663,500	$1,497,700
Net City Tax Collections	$75,100	$30,600	$185,500	$33,300	$19,900
20-Year NPV City Tax Collections	$1,444,200	$588,500	$3,567,300	$640,400	$382,700
20-Year NPV Net Facility Revenue + City Tax Collections	$11,401,900	$5,313,500	$19,768,500	$4,303,900	$1,880,400
City ROI (20 yr NPV Revenue + City Tax to Development Cost)	0.38	0.29	0.20	0.25	0.19
Net Economic Output	$3,340,000	$1,377,700	$8,464,000	$1,806,800	$1,075,900
20-Year NPV Economic Output	$64,230,800	$26,494,200	$162,769,200	$34,746,200	$20,690,400
Economic ROI (20 yr NPV Output to Development Cost)	2.12	1.45	1.63	2.01	2.11

*: net revenue calculated by assuming a 60 percent margin for event-related revenues.

DELTA HOTEL IMPROVEMENTS

In addition to the recommended improvements to the MCC and Amphitheatre, there is also an opportunity to enhance the overall marketability of the campus by elevating the quality of the adjacent Delta Hotel. Ownership is currently planning a series of investments to position the property as both a premier leisure and convention hotel should investment in the MCC and Amphitheatre take place. These enhancements include transforming the adjacent restaurant into a high-end dining lounge with live music, introducing hospitality suites, creating a premium club space, expanding outdoor event and lounge areas, and improving pedestrian connectivity to the MCC and surrounding districts. Visuals showing these preliminary plans are presented on the following page.

Importantly, these hotel investments would complement the recommended upgrades to the MCC and Amphitheatre, further strengthening the appeal of the greater MCC campus and directly addressing key opportunities and challenges identified by interviewed meeting planners. Key components of the plan include:

- A potential chain scale upgrade to a branded Marriott.
- Updated ballroom and breakout spaces to accommodate diverse event needs.
- Expanded and upgraded food & beverage offerings to enhance the guest experience.
- New outdoor gathering and event spaces to activate the hotel grounds.
- Dedicated event spaces and premium club areas for socials, private parties, and other events linked to MCC and Amphitheatre activity. These could partially address the discussed hospitality and VIP opportunities for the Amphitheatre.
- Enhanced pedestrian connectivity, linking the hotel seamlessly to the MCC and Amphitheatre to the west, downtown to the south, and the planned Culdesac development to the east.

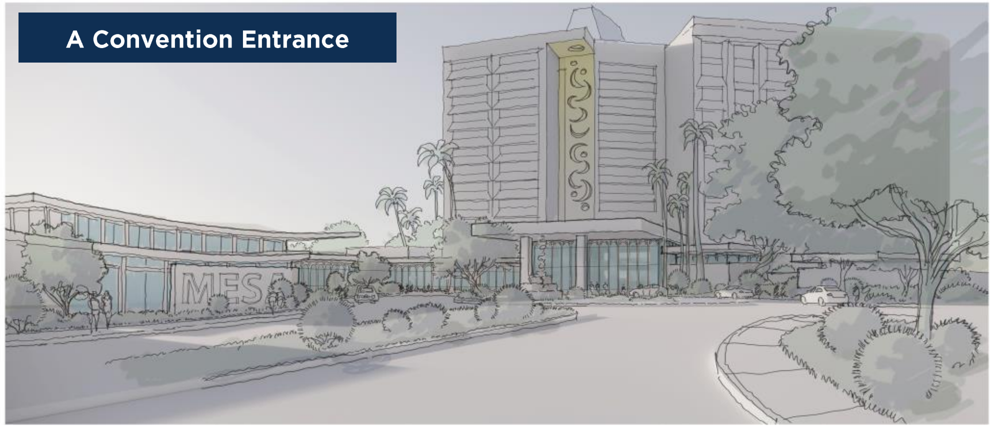
Collectively, the investments in the Hotel, MCC, and Amphitheatre would create a pioneering indoor-outdoor, technologically advanced, and highly competitive event destination—one that could rival or even surpass the Valley's leading resorts and convention venues.

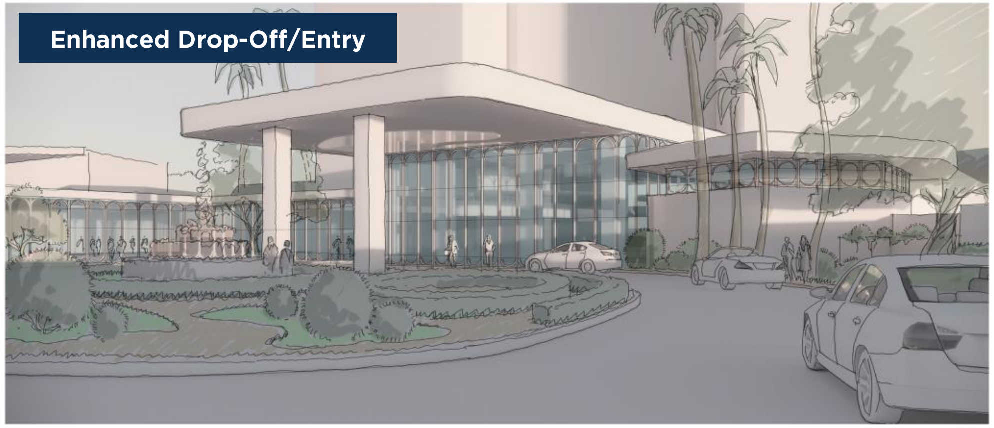
To fully capitalize on these opportunities, city decision-makers should collaborate closely with Delta Hotel ownership to align project timelines and maximize the impact of these enhancements. The ultimate goal should be to develop a premier convention and entertainment district, solidifying the campus as a top-tier destination for conventions, concerts, and high-impact events.

Source: Cuningham Group Architecture, 2025.

DELTA HOTEL IMPROVEMENTS – PRELIMINARY CONCEPTS

Preliminary Delta Hotel improvement plans noted on the previous page are illustrated below.





Source: Cuningham Group Architecture, 2025.

POTENTIAL IMPACTS OF DELTA HOTEL IMPROVEMENTS

As noted, Delta Hotel ownership is planning significant improvements to the property should the recommended investment in the MCC and/or Amphitheatre take place. These improvements would particularly enhance the MCC's marketability within the competitive convention / conference marketplace, leading to greater event retention, hotel room night generation, and economic impacts. The adjacent graphic summarizes the overall costs / benefits associated with the two MCC short-term scenarios should the planned improvements to the Hotel also be made.

The estimated incremental impacts of Convention Center Scenario 1 attributed to the proposed improvements in the Delta Hotel include the following:

- 11 additional events annually
- 8,000 more annual attendee days
- 1,800 more annual room nights
- Just over $3.9 million in net revenue for the City over 20 years (net present value)
- Over $33.7 million in additional economic output over 20 years (net present value)

These estimates highlight the importance of the hotel investments being considered. Efforts should be made to work with Delta Hotel ownership to jointly improve the MCC, Amphitheatre and Hotel to maximize the marketability and impacts of the MCC campus. Further data regarding potential overall impacts of all three projects are shown on the following page.

Estimated Net Impacts of MCC Investment + Delta Hotel Investment

Annual Impacts	Convention Center Scenario 1	Convention Center Scenario 2
Total Development Costs	$30,315,000	$18,335,000
Net Events	38	25
Net Attendee Days	26,000	17,600
Net Hotel Room Nights	5,500	2,900
Net Jobs Supported	61	33
Added Facility Revenue	$1,136,100	$622,100
20-Year NPV Net Facility Revenue*	$13,108,800	$7,178,100
Net City Tax Collections	$114,100	$61,000
20-Year NPV City Tax Collections	$2,194,231	$1,173,077
20-Year NPV Net Facility Revenue + City Tax Collections	$15,303,031	$8,351,177
City ROI (20 yr NPV Revenue + City Tax to Development Cost)	0.50	0.46
Net Economic Output	$5,092,700	$2,750,100
20-Year NPV Economic Output	$97,936,691	$52,886,918
Economic ROI (20 yr NPV Output to Development Cost)	3.23	2.88

SUMMARY OF POTENTIAL IMPACTS

An overview of total estimated impacts associated with the combined investment in Convention Center Scenario 1, Amphitheatre Scenario 1 and the Delta Hotel are shown in the adjacent graphic.

Note that the $133 million in estimated economic output over a 20-year span nearly triples the amount of estimated public investment in the projects ($47.6 million). Total economic output is projected to surpass the investment within seven years of operations.

In addition to the quantifiable projections of utilization, financial operations and economic impacts shown above and within this report, there are a number of potential benefits associated with the recommended projects that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These qualitative impacts/benefits may include:

- Potential transformative and iconic effects.
- Enhanced quality of life for community residents.
- Inducement of follow-up visitation.
- Spin-off development.
- Anchor for revitalization of targeted areas within a community.
- Various other benefits.

IMPACTS OF MCC CAMPUS INVESTMENT

Summary of Key Cost/Benefit Projections Associated with full Convention Center and Amphitheatre investment scenarios, in addition to proposed Delta Hotel improvements.

NET NEW ANNUAL EVENTS
48

NET NEW ANNUAL ATTENDEE DAYS
65,900

NET NEW ANNUAL HOTEL ROOM NIGHTS
6,630

PROJECT COSTS (PUBLIC SHARE)
$47.6M

ANNUAL NET FACILITY REVENUE
$1.5M

20-yr NPV NET FACILITY REVENUE
$16.8M

20-yr NPV DIRECT SPENDING
$78.5M

+

20-yr NPV INDIRECT/INDUCED SPENDING
$54.2M

=

20-yr NPV ECONOMIC OUTPUT
$133M

20-yr NPV PERSONAL INCOME
$54.2M

ANNUAL EMPLOYMENT (FULL & PART-TIME JOBS)
83

20-yr NPV CITY/COUNTY TAX REVENUE
$2.8M

1 INTRODUCTION & BACKGROUND

CSL

INTRODUCTION & BACKGROUND

Conventions, Sports & Leisure International (CSL), with the participation of HMC Architects, was retained by the City of Mesa (City), through the Mesa Department of Parks, Recreation & Community Facilities, to conduct a feasibility study for the potential improvement of the Mesa Convention Center (MCC) and Amphitheatre in Mesa, Arizona. The purpose of the analysis is to assist the City and other stakeholders in evaluating key market, program, financial, economic, and funding aspects of a potential improved Convention Center and Amphitheatre in Mesa.

The Mesa market has experienced notable residential and economic growth in recent years. The destination's downtown continues to undergo similar growth; in addition to the development of lightrail along Main Street in 2019 and the development of Arizona State University's (ASU) state-of-the art MiX Center, downtown will be further transformed by significant residential and mixed-use projects planned throughout the area and additional ASU-related development.

Against this backdrop, many area stakeholders feel that the Mesa Convention Center lags behind this substantial evolution in the destination and downtown. Thought the facility offers ample space for a variety of meetings, consumer shows, community events, and other activity, many feel that the building requires material investment to attract more high-value conventions and tradeshows to the market. Doing so would help to elevate downtown business revenues, generate room nights for the adjacent Delta by Marriott, and expose thousands of influential decisionmakers from various corporations and associations to the continued transformation of downtown Mesa.

The live event industry has undergone significant change in recent years. Issues impacting the industry, including changing demand for event space, technological amenities, hotels, service levels and other such characteristics, have been joined by recent, and sometimes dramatic, fluctuations in event activity due to nationwide economic conditions and travel costs. Throughout the country, public sector investment in event facility product development is increasingly targeting both the facilities themselves (physical facilities and policies/procedures) and its supporting visitor amenities (hotel, restaurants, entertainment, attractions, etc.)—all geared towards enhancing attractiveness compared to other competitive destinations.

The remainder of this report provides in-depth analysis, findings, and recommendations concerning the current conditions and potential improvements for the Mesa Convention Center (MCC), Mesa Amphitheatre, and the surrounding Downtown Mesa area. This comprehensive evaluation will consider various aspects such as facility upgrades, technological enhancements, and strategic partnerships, aiming to maximize the appeal and functionality of these venues.

mesa CONVENTION CENTER

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INTRODUCTION & BACKGROUND

The study results detailed herein consisted of extensive research and analysis, including a comprehensive set of market-specific information derived from the following:

- PROJECT EXPERIENCE: Experience garnered through more than 2,000 convention, conference, exhibition, hospitality, sports, entertainment and event facility evaluation, planning and benchmarking projects in communities of all sizes throughout the country.
- EXISTING CONDITIONS: Review of the existing and evolving conditions of the Greater Phoenix and Arizona area marketplaces, including evaluation of an inventory of more than 50 competitive convention and amphitheater facilities.
- COMPARABLE ANALYSIS: Benchmarking analysis of 21 comparable facilities and markets throughout the country, with a focus on event space square footage, supporting hotel inventories, and surrounding destination amenities.
- INDUSTRY TRENDS: Detailed evaluation of macroeconomic trends in the convention, conference, exhibition and meetings industries, as well as survey results provided by national meeting planners regarding changing event space and destination preferences during/after the COVID-19 pandemic.
- INITIAL SITE VISIT, INTERVIEWS & OUTREACH: Completed a multi-day site visit for tours and meetings with approximately 20 stakeholders, hospitality and tourism industry representatives, government officials, and community leaders. Detailed telephone interviews were completed with representatives of past and potential new user groups, including state/regional/national conventions, conferences, tradeshows, corporate events, and other such groups/events. Completed approximately 65 videoconference, telephone and email interviews of convention, meeting and event planners representing more than 300 total events.

STAKEHOLDER INTERVIEWS

Extensive in-market interviews were conducted with a wide cross-section of stakeholder organizations, including organization leaders and decision-makers from the local tourism industry, City government, economic development entities, local businesses, hotels and school districts. In total, more than 25 individuals across 20 organizations were interviewed. This research provided insight into existing destination strengths and weaknesses and helped generate ideas for Mesa Convention Center and Amphitheatre improvements. The organizations that participated in this process are listed to the right

Feedback provided by these stakeholders provided important insights and helped guide the direction of subsequent study tasks. Many of the strengths and deficiencies of Mesa as a convention and event destination were initially highlighted as part of these conversations, and then further analyzed via local, comparable and other market demand research.

Name	Title	Organization
Randy McGrane	Owner	Delta Hotel
Janet Hof	General Manager	
Bianca Morales	Director of Sales	
Scott Somers	Councilmember	Mesa City Council
Jen Duff	Councilmember	
John Giles	Mayor	City of Mesa
Kevin Thorpe	General Manager	Sheraton Mesa
Jaye O'Donnell	Deputy Director	Mesa Office of Economic Development
Eric Guderian	Deputy Director	Mesa Transportation Department
Chris Brady	City Manager	Office of the City Manager
Candace Cannistraro	Deputy City Manager	
Michael Kennington	Chief Financial Officer	
Tammy Miller	Executive Assistant	
Danny Zelisko	Concert Promoter	Danny Zelisko Presents
Chris Nelson	Director of Sales	Residence Inn by Marriott
Polly Bonnett	Director	Mesa Public Library
Marc Ahlstrom	Assistant City Engineer	Mesa Engineering Department

Name	Title	Organization
Tanner Johnson	Box Office Manager	Mesa Amphitheatre
Terry Madeksza	President	Downtown Mesa Association
Alison Brooks	Vice President, Destination Experience & Advocacy	Visit Mesa
David Kolozar	Managing Director, National Sales	
Andrea Moore	Director	Mesa Parks, Recreation & Community Facilities
Jeff McVay	Manager	Mesa Urban Transformation
Illya Riske	Arts and Culture Director	Mesa Arts Center
Johanna Richards	Assistant Director, Community and Public Engagement	Arizona State University Media and Immersive eXperience (MiX) Center
Terry Burke	Regional President Southwest	Live Nation
Mary Anne Whittle	President	Sunbelt MPI
Duke Reiter	Executive Director	University City Exchange
Rick Naimark	Associate Vice President of Program Development	ASU Enterprise Planning
Elaine Becherer	Director of Special Projects	

PAST STUDIES

CSL acknowledges the valuable insights from past feasibility studies conducted by Hunden Strategic Partners in 2022 and based on previous research in the market, which assessed the potential for renovating the Mesa Convention Center. These studies provided helpful recommendations regarding potential strengths, challenges, and opportunities for improvement associated with the Convention Center and Amphitheatre. CSL's study leverages up-to-date market data and industry-leading analysis tools to further evaluate market supportable improvement opportunities for both facilities.

Recommendations from the Hunden Strategic Partners study did not include expansions to physical space, rather, they emphasized improving the existing building through interconnectivity, building updates, and technology improvements. Recommendations included creating "enclosed and climate-controlled links" between MCC buildings B and C as well as the Delta Hotel; modernizing the FF&E and flooring; and improving the website, A/V, and event booking software. Amphitheatre recommendations included adding a VIP lounge, improving concessions, and investing in back-of-house facilities and A/V technology. Costs were estimated at $18 million and $8 million for the convention center and Amphitheatre upgrades, respectively. Hunden Strategic Partners estimated an increase of 15 events per year following these improvements.

Looking ahead, having dedicated stakeholders and a cohesive vision will be essential to successfully renovate the Mesa Convention Center. This updated Study effort also includes an emphasis on execution of recommended development concepts. To advance CSL's recommendations and some of those made by past consultant teams, various stakeholders within the community will be necessary to plan, advocate for, and build these projects. As such, a detailed implementation plan, complete with budgets and responsible partners, is presented later herein.

Hunden Strategic Partners Mesa Convention Center, Amphitheatre, and Delta Hotel Optimization Analysis (2022)

- Feasibility conducted by Hunden Strategic Partners for City of Mesa.
- Report completed in 2022.
- **Estimated cost of improvements: $26,000,000.**
- **Recommended improvements:**
  - Interconnectivity
  - Building updates
  - Technology improvements.

STAKEHOLDER AND PAST RESEARCH TAKEAWAYS

As mentioned previously, CSL interviewed over 25 individual stakeholders across 20 community organizations including the local tourism industry, City governments, economic development entities, local businesses, and hotels. These interviews led to eight primary takeaways related to the potential improvements to the Mesa Convention Center and Amphitheatre. These primary takeaways include the following:

1. **Limited Event and Hotel Capacity:** Mesa Convention Center lacks adequate flat-floor space for larger events and expos. This limitation excludes the city from hosting regional and national events. Additionally, the nearby hotel inventory is insufficient, with the Delta Hotel offering only 274 rooms. Expanding flat floor spaces and securing nearby hotel investments are critical to attracting larger conventions and boosting tourism
2. **Leveraging ASU and Innovation Synergy:** The presence of ASU and the emerging innovation district downtown provide significant opportunities to attract high-tech, education-focused events. Stakeholders highlight the potential for hybrid events and tech expos to meet evolving industry demands.
3. **Need for Downtown Revitalization:** Development plans emphasize creating a walkable, pedestrian-friendly downtown with improved infrastructure. Proposed projects like Center Street revitalization, high-rise housing near the light rail, and unique restaurants aim to attract residents, tourists, and businesses. However, these plans face challenges to development and funding.
4. **Economic Growth Through Sports and Tourism:** Mesa's position as a growing regional hub can be further solidified with improved facilities. Stakeholders support investing in year-round facilities (e.g., tech-enhanced venues, outdoor space integration) to host sports tourism, community festivals, and regional conferences, strengthening the city's economic impact.
5. **Cultural and Community Integration:** Facilities like the Mesa Arts Center and ASU MiX Center showcase Mesa's commitment to culture and innovation. Stakeholders recommend aligning the convention center's development with nearby community programs and arts initiatives, ensuring accessibility and relevance for residents.
6. **Funding and Investment Challenges:** Securing sustainable funding remains a key concern. Stakeholders propose exploring public-private partnerships, bonds, and external investment to fund expansions and improvements. However, achieving this will require a clear demonstration of economic ROI and broad stakeholder support.
7. **Modernizing Facilities to Compete Regionally:** Mesa's facilities need modernization to compete with Phoenix, Scottsdale, and Glendale. Recommendations include upgrading the convention center's technology infrastructure, expanding space, and improving aesthetics to appeal to corporate clients, regional associations, and high-profile event planners.
8. **Improved Accessibility and Integration:** The convention center's success is linked to its integration with existing transportation and entertainment networks. Stakeholders emphasize the importance of improved connectivity between the convention center, nearby hotels, and downtown amenities to create a seamless experience for visitors.

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2 EXISTING FACILITIES

CSL

2 EXISTING FACILITIES

INTRODUCTION

This section begins with an analysis of the current MCC and Mesa Amphitheatre facilities. Analysis of existing facilities allows for uniform baseline information and an understanding of potential shortcomings. Following this, a detailed analysis of past MCC and Mesa Amphitheatre event data is conducted. Lastly, an analysis of Placer.AI visitor data is performed.

Past operating data for the MCC and Mesa Amphitheatre can provide one indication as to the ability of the existing space to accommodate potential market demand, pressure points within the space that may be limiting market capture, and indications as to the need for added space.

These data can also expose limitations to convention industry product, desirability of the event mix, room night generation and areas of potential excess capacity that could be leveraged in the future for added event activity.

We have reviewed the historical operating performance of the MCC and Mesa Amphitheatre, focusing on the following key metrics:

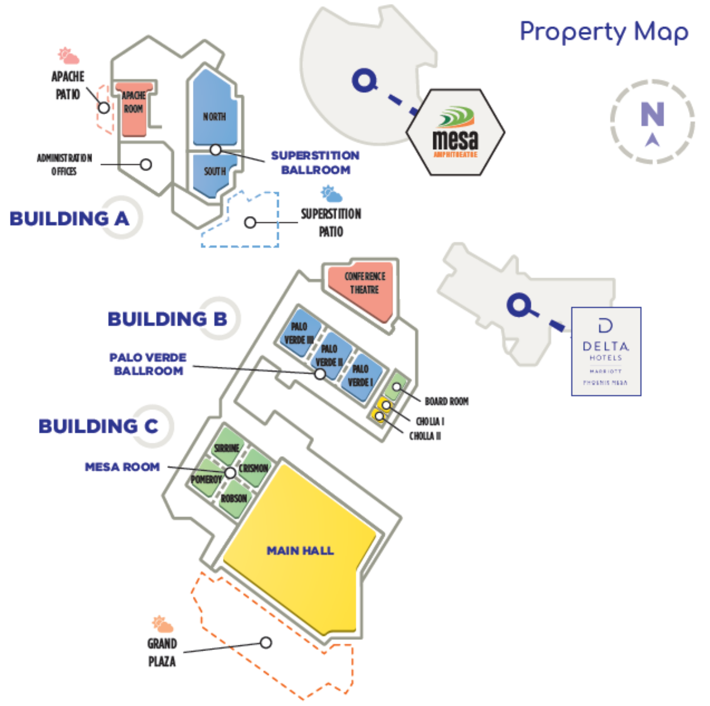
- Event Levels
- Exhibit Space Occupancy
- Ballroom Space Occupancy
- Seasonality
- Attendance
- Room Nights
- Event Revenue

Within the remainder of this section, historical data for the MCC and Mesa Amphitheatre in each of these areas is presented. Subsequently, data sourced from cell phone tracking software Placer.AI is used to create a comprehensive picture of the current MCC and Mesa Amphitheatre visitor profiles.

MESA CONVENTION CENTER OVERVIEW

The Mesa Convention Center was opened in 1974 and is owned and operated by the City of Mesa Department of Parks, Recreation & Community Facilities. The facility features 30,600 square feet of total sellable event space. Spaces include the Main Hall, a 15,000 square foot exhibit hall which is the third largest exhibit space in Arizona, as well as several ballrooms and meeting spaces. In addition, the facility includes 50,000 square feet of total outdoor event space. In addition, the campus features the 5,000-capacity Mesa Amphitheatre, which hosted 18 events in 2023, including concerts by nationally-recognized performers. The Amphitheatre was built in 1979 and is one of three amphitheaters in the Phoenix Valley Metro. The headquarter hotel operates under the Delta Hotel brand and offers 274 rooms and an additional 12,000 square feet of meeting space, including a 9,000 square foot ballroom. The Delta Hotel and MCC often collaborate to offer their facilities as a combined package to larger conventions, conferences, and tradeshows.

Owner/Operator:	
Year Opened:	1974
Center Ownership:	City of Mesa
Management:	City of Mesa
Main Hall:	
Floor Space (SF):	15,000
Floor Type:	Carpet
Meeting Space:	
Ballroom Space (SF, carpeted):	9,700
Largest Contiguous Ballrom Space (SF):	*5,100*
Meeting Space (SF):	5,900
Total Traditional Sellable Space (SF):	30,600
Headquarters (HQ) Hotel:	
Hotel Rooms (number of rooms):	274
Hotel Brand (flag):	Delta
Type:	Upper Upscale
In-House Meeting Space (SF):	12,000
Amphitheater:	
Capacity (persons)	5,000
Other Characteristics:	
Parking (spots):	503
Outdoor Event Space (SF):	50,000



Source: Facility Management, Visit Mesa, 2024.

CONVENTION CENTER EVENT TYPES

The following pages show historical event data as provided by Mesa Convention Center staff from the years 2019-2024. To provide an overview of the characteristics associated with different event types presented on the following pages, the following graphic shows their average attendance, event days, and revenues.

Banquet

2023 Average Attendance: 432
2023 Average Event Days: 1.06
2023 Average Revenue/Event: $27k
Arizona Elks Society
Parker and Sons
Arizona Interfaith Movement

Community

2023 Average Attendance: 1,246
2023 Average Event Days: 1.77
2023 Average Revenue/Event: $20k
Iglesia Apostolica De La Fe En Cristo
Cactus Con
High School/College Graduations

Conference / Convention

2023 Average Attendance: 2,269
2023 Average Event Days: 2.38
2023 Average Revenue/Event: $67k
Mobile Solutions
Arizona Fur Con
AZ Assn. for Gifted and Talented

Consumer Show

2023 Average Attendance: 2,644
2023 Average Event Days: 1.81
2023 Average Revenue/Event: $18k
Anime Arizona
Phoenix Reptile Expo
Terror Trader Horror Con

Entertainment

2023 Average Attendance: 4,720
2023 Average Event Days: 1.20
2023 Average Revenue/Event: $2k
Celebration of Freedom
Concerts

Mesa Convention Center
Internal

2023 Average Attendance: 29
2023 Average Event Days: 2.94
2023 Average Revenue/Event: n/a
Staff Meetings
Interviews
MCC/City Staff Operations

Meeting

2023 Average Attendance: 309
2023 Average Event Days: 1.56
2023 Average Revenue/Event: $10k
AZ Assn Of Jr High Student Councils
Leona Arizona Management
World Wide Dreambuilders

Sports

2023 Average Attendance: 1,003
2023 Average Event Days: 1.43
2023 Average Revenue/Event: $7k
Whitney Jones Bodybuilding
Yu-Gi-Oh! Regional Qualifier
NPC Iron Games

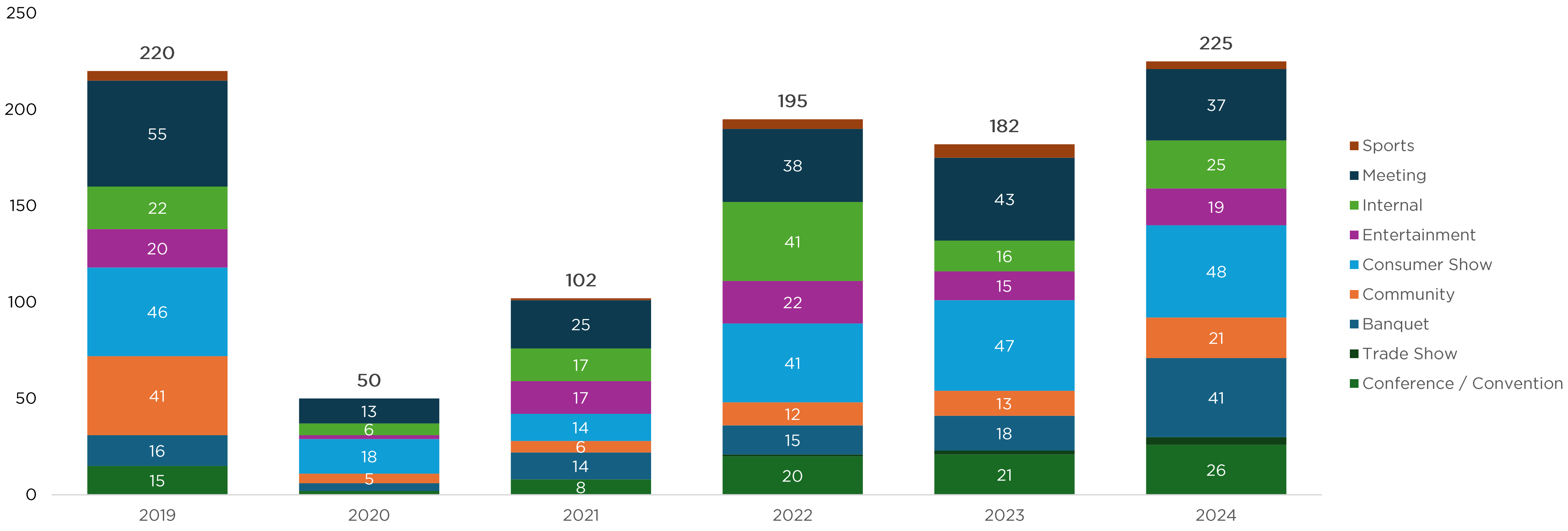
Trade Show

2023 Average Attendance: 1,048
2023 Average Event Days: 2.00
2023 Average Revenue/Event: $28k
AZ Builder’s Exchange
SGRA Buyer’s Expo

Source: Facility Management, 2024.

EVENTS BY TYPE

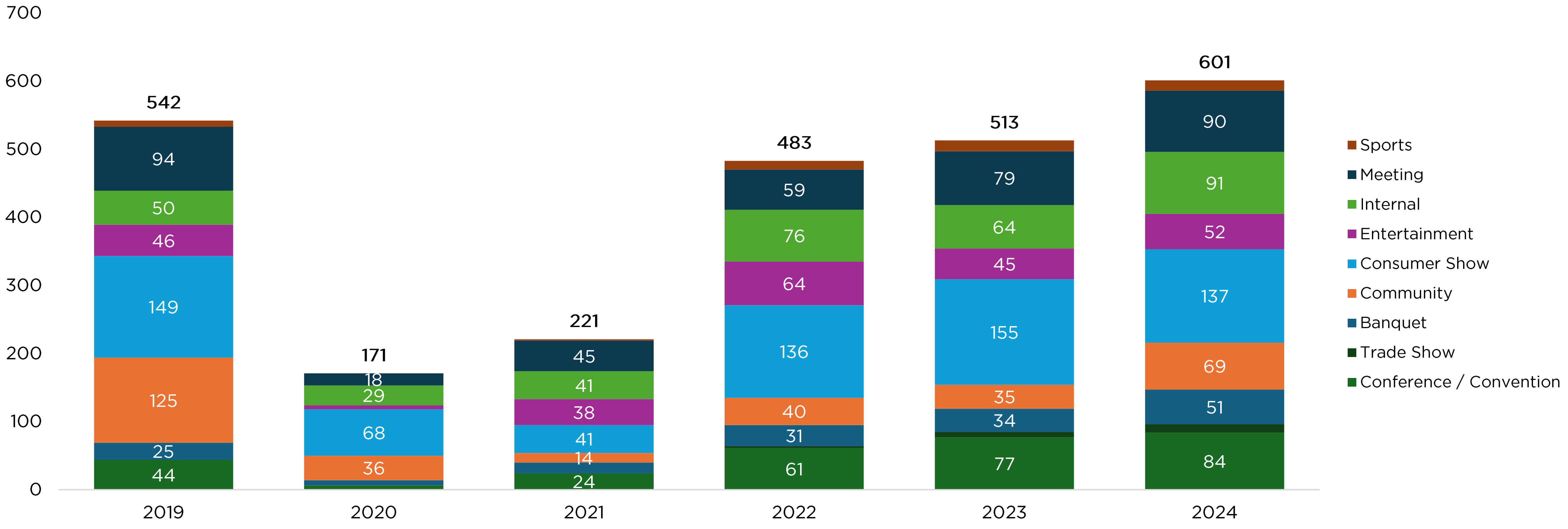
The chart below displays historical MCC event data from 2019 through 2024 categorized into the CSL-defined event types discussed on the previous page. Meetings and consumer shows are the largest event types, with banquets showing significant growth. Conference / convention events have grown from 15 in 2019 to 26 in 2024. These impactful events have been steady and remain an important portion of overall event activity. The data reflect the building's multi-functionality and the many roles which it serves in the community.



Source: Facility Management, 2024.

UTILIZATION DAYS BY TYPE

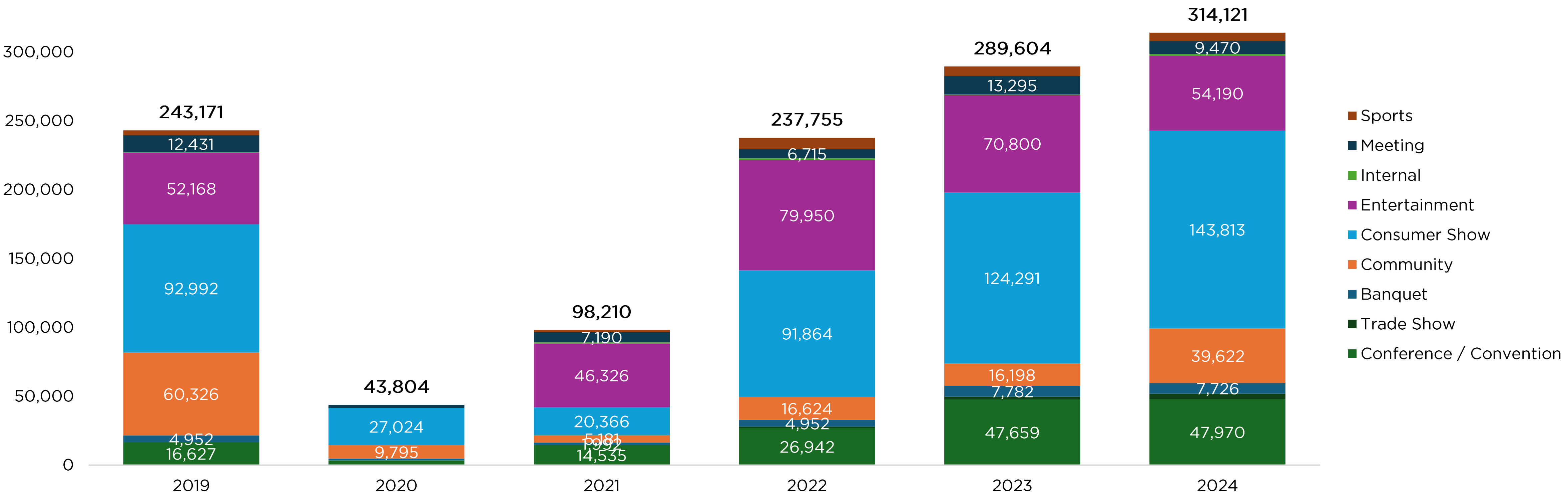
Utilization days include days during which the event is in session, as well as days to set up and tear down exhibits, registration and other event production elements. Due to the average length of events, conference / convention events and consumer shows make up a greater share of utilization days relative to overall event counts. High-value conference / conventions have grown significantly since the pandemic.



Source: Facility Management, 2024.

ATTENDEE DAYS BY TYPE

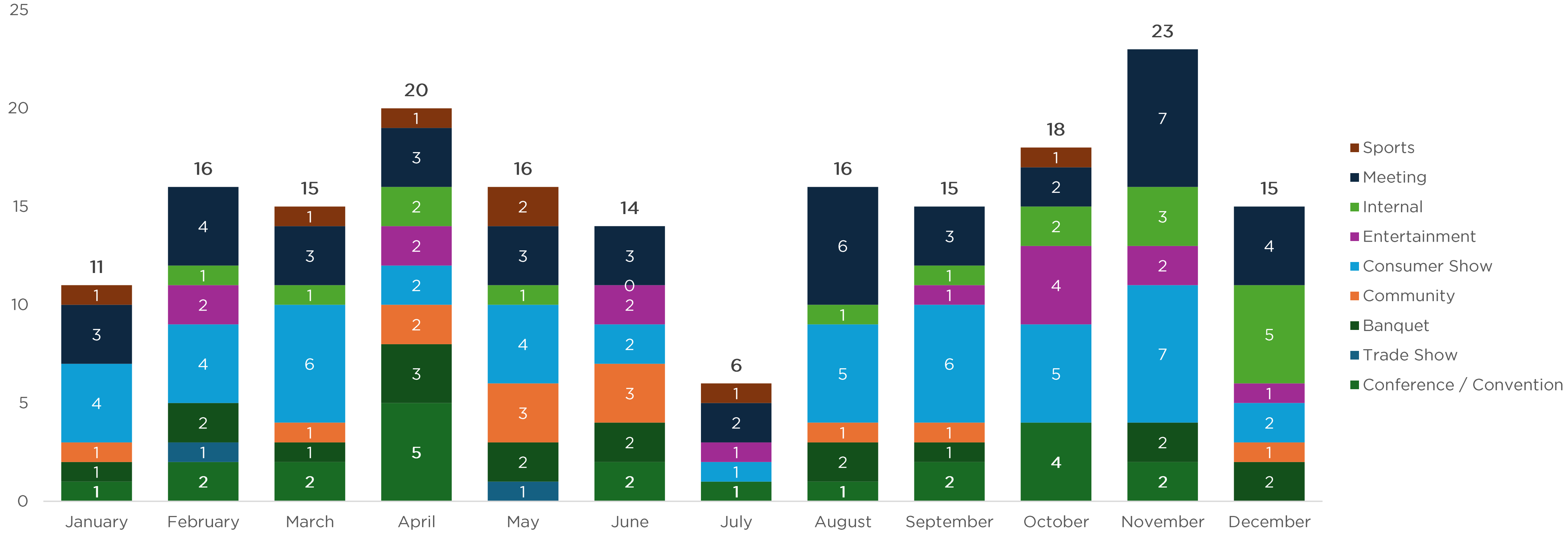
Attendee days counts each day that each individual attendee spends at a convention center event. In other words, one attendee spending two days at an event equates to two attendee days. Consumer shows and entertainment are the highest in this category. Conference / conventions also contribute significantly to this category and have grown since the pandemic.



2024 data is through August 30th.
Source: Facility Management, 2024.

EVENTS BY TYPE AND MONTH – 2023

An analysis of seasonality for 2023 shows spring and fall as the facility's busiest periods, with November and April being the strongest months. July is by far the weakest month. Events from the high-value conference / convention segment used the facility most during April (5 times) and October (4 times). Considering the weather in Phoenix during the winter/spring period spanning October through April, investment in outdoor facilities could enhance the marketability of the MCC to high-value events during these months.



Source: Facility Management, 2024.

UTILIZATION BY SPACE AND YEAR

Occupancy levels (measured by dividing the total amount of sold event space within individual Mesa Convention Center event spaces by the total amount of sellable space within the respective event space multiplied by the number of days in the year) can indicate the degree to which facility usage has reached a maximum capacity. The occupancy of a given facility is determined to be within a target occupancy range when the actual occupied space reaches a level of between 50 and 70 percent of total sellable capacity. Above 70 percent occupancy, a facility has exceeded practical maximum capacity and may be turning away significant business. These assumptions account for the reality that a portion of the facility's total capacity is un-sellable due to holidays, maintenance days and inherent booking inefficiencies that result when events cannot be scheduled immediately back-to-back.

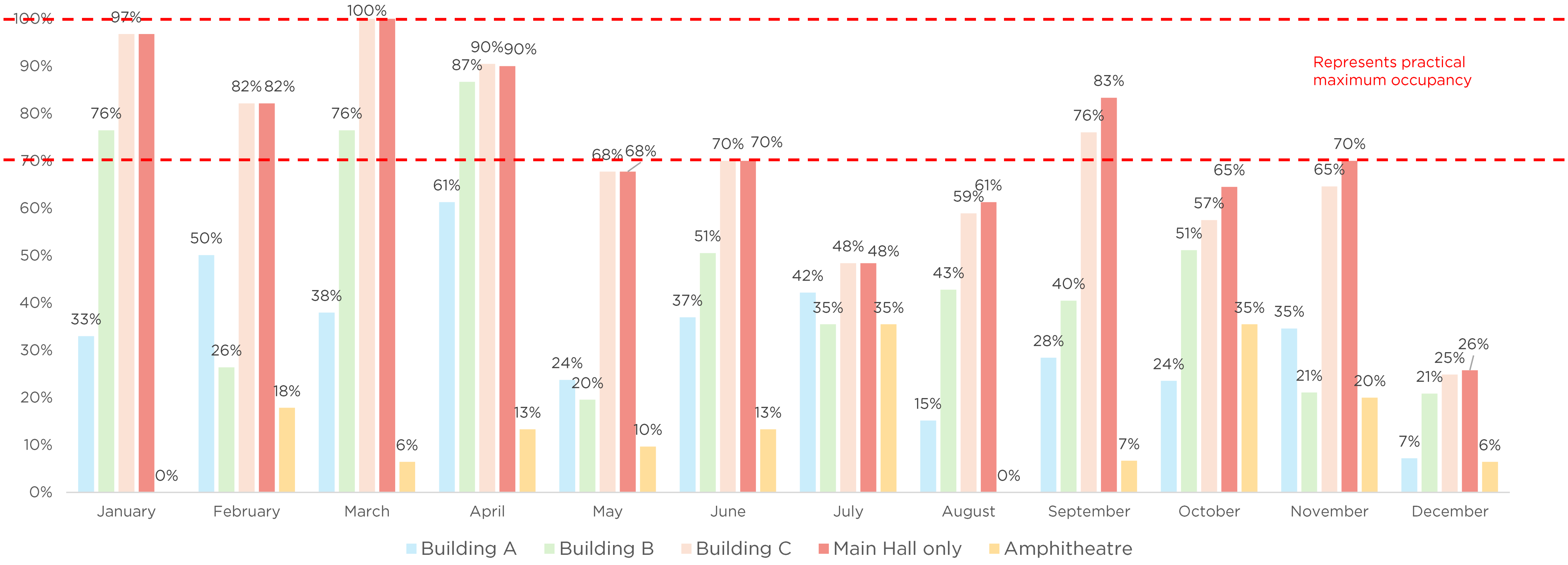
Disregarding the pandemic-affected years of 2020 and 2021, Building C shows occupancy near capacity. The Main Hall exceeds 70 percent for the years 2019, 2023, and 2024. In addition, Building B shows high occupancy ranging between 40 and 60 percent for non-pandemic affected years. Building A has significant capacity for additional events.

UTILIZATION - PERCENT	2019	2020	2021	2022	2023	2024
Rendezvous Center - Building A Full Buyout	20.27%	2.19%	0.00%	11.78%	22.19%	18.85%
North Superstition	37.53%	13.93%	6.58%	29.86%	35.34%	28.96%
South Superstition	40.55%	14.21%	5.21%	29.32%	32.88%	28.69%
Apache	33.70%	2.73%	3.84%	16.99%	26.03%	23.50%
Conference Center - Building B Full Buyout	40.00%	7.10%	7.12%	32.88%	40.55%	37.16%
Palo Verde 1	54.25%	9.29%	16.16%	42.47%	45.21%	46.72%
Palo Verde 2	53.15%	9.56%	17.81%	41.10%	45.21%	45.36%
Palo Verde 3	53.97%	9.56%	18.90%	41.10%	45.21%	43.44%
Cholla 1	41.37%	9.02%	7.12%	36.16%	40.82%	39.34%
Cholla 2	41.37%	9.02%	7.12%	36.16%	40.82%	39.34%
Boardroom	45.75%	8.47%	7.67%	41.64%	41.92%	43.17%
Theater	44.93%	8.47%	16.16%	41.92%	48.22%	49.73%
Centennial Hall - Building C Full Buyout	70.41%	13.66%	10.68%	48.22%	58.36%	57.65%
Main Hall	71.51%	13.66%	17.53%	56.99%	71.23%	72.13%
Mesa Room	70.68%	13.66%	12.60%	48.22%	60.55%	64.48%
Sirrine	70.96%	13.66%	11.51%	49.32%	69.32%	64.21%
Pomeroy	71.23%	13.66%	11.51%	49.32%	69.32%	65.03%
Crimson	71.51%	13.66%	10.68%	49.32%	68.77%	63.93%
Robson	71.78%	13.66%	10.68%	49.32%	68.77%	63.93%
Amphitheater	12.33%	0.00%	11.51%	15.62%	13.70%	6.83%

Source: Facility Management, 2024.

OCCUPANCY BY MONTH – 2023

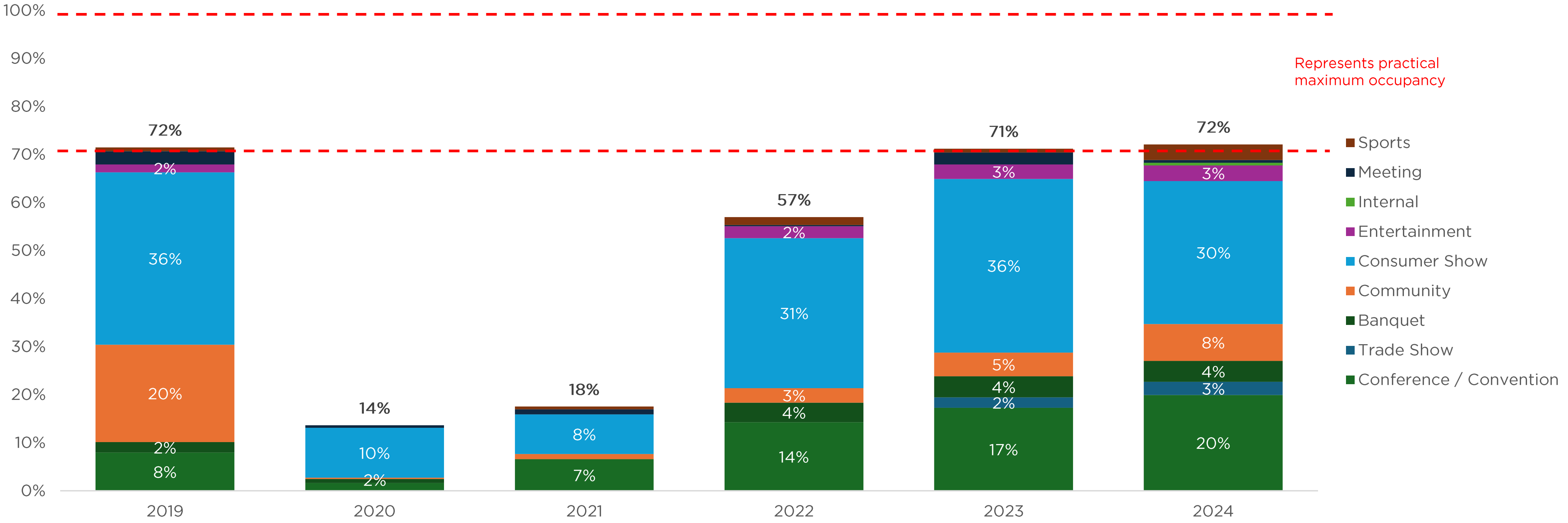
Analysis of seasonal fluctuations in convention center occupancy similarly shows busier periods during cooler months. Several large events in Building C led to full or near-full months in January, March, and April. These include the Old West Show, Reptile Expo, Privilege Conference, AAGT Annual Conference, and more. The Main Hall exceeds the 70 percent occupancy threshold for seven out of 12 months, suggesting a limited ability to accommodate more events. The Amphitheatre's season follows a different pattern, with the Celebration of Freedom generating significant occupancy in July and a general preference for fall months.



Source: Facility Management, 2024.

MAIN HALL OCCUPANCY BY EVENT TYPE AND YEAR

The Main Hall is primarily utilized for consumer shows and conference / convention events. Occupancy of the Main Hall is rising primarily due to increasing demand from conference / convention events and has reached practical maximum capacity levels each of the last two years. With investment that improves the marketability of the MCC to this high-value segment, it may be important to consider an expansion of this space or continuing a yield management strategy wherein conference/convention events are given priority over public consumer shows as part of future booking guidelines. Further, rental rates to use the space could be increased for consumer shows and other events with lower impact.



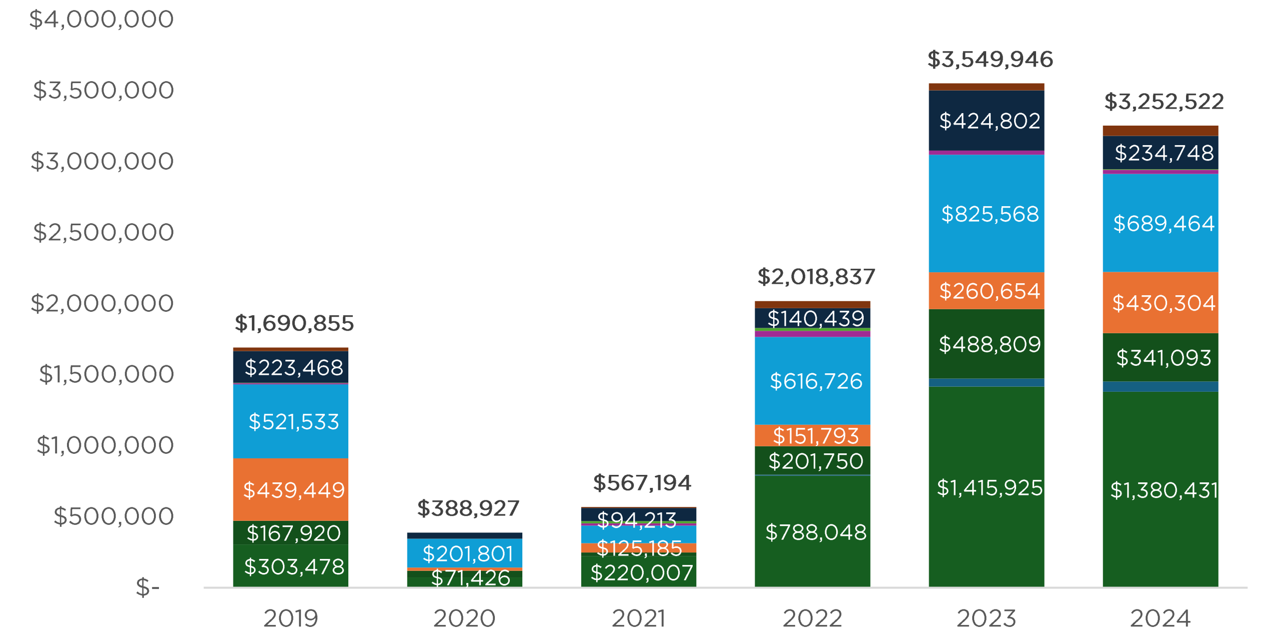
Source: Facility Management, 2024.

REVENUE BY EVENT TYPE AND REVENUE PER EVENT – CONVENTION CENTER

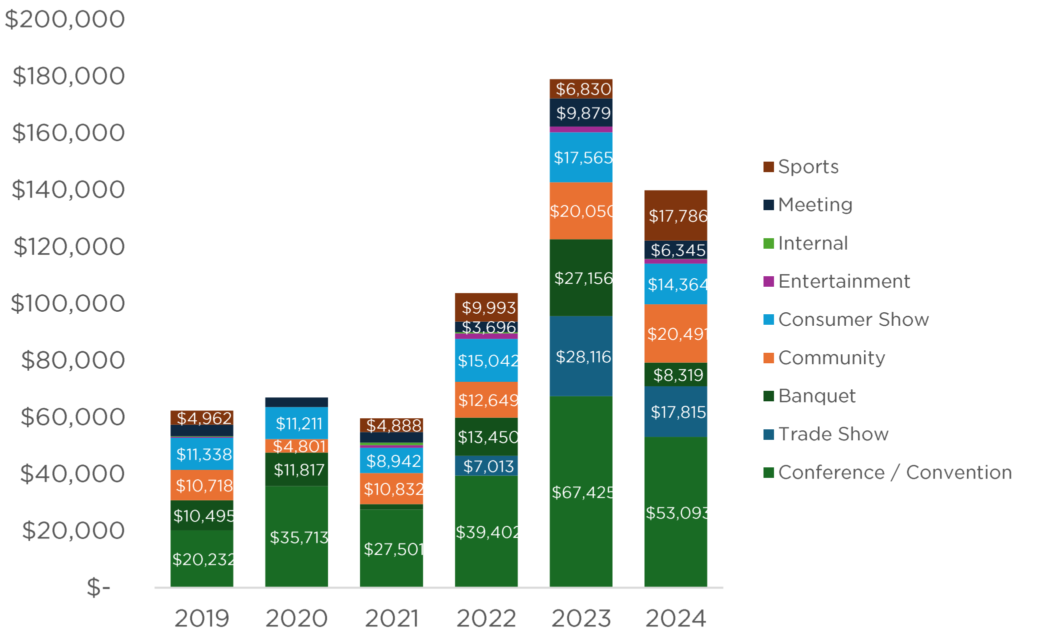
When considering overall Mesa Convention Center revenue by event type, a clear pattern of growth since 2019 can be seen, particularly among conferences / conventions. In addition, banquets are an event type with significant revenue generation, as well as meetings. Revenue is also shown to have grown significantly following the COVID-19 pandemic. Overall, revenue increased by 210 percent in 2023 from 2019. Devising strategies to sustain this level of revenue generation is a key consideration of investment recommendations presented later herein.

Conferences / conventions are by far the most lucrative event type for the MCC on a per-event basis. Consumer shows, trade shows, and meetings generate more moderate, but still material, revenue for the building.

Revenue by Event Type



Revenue Per Event

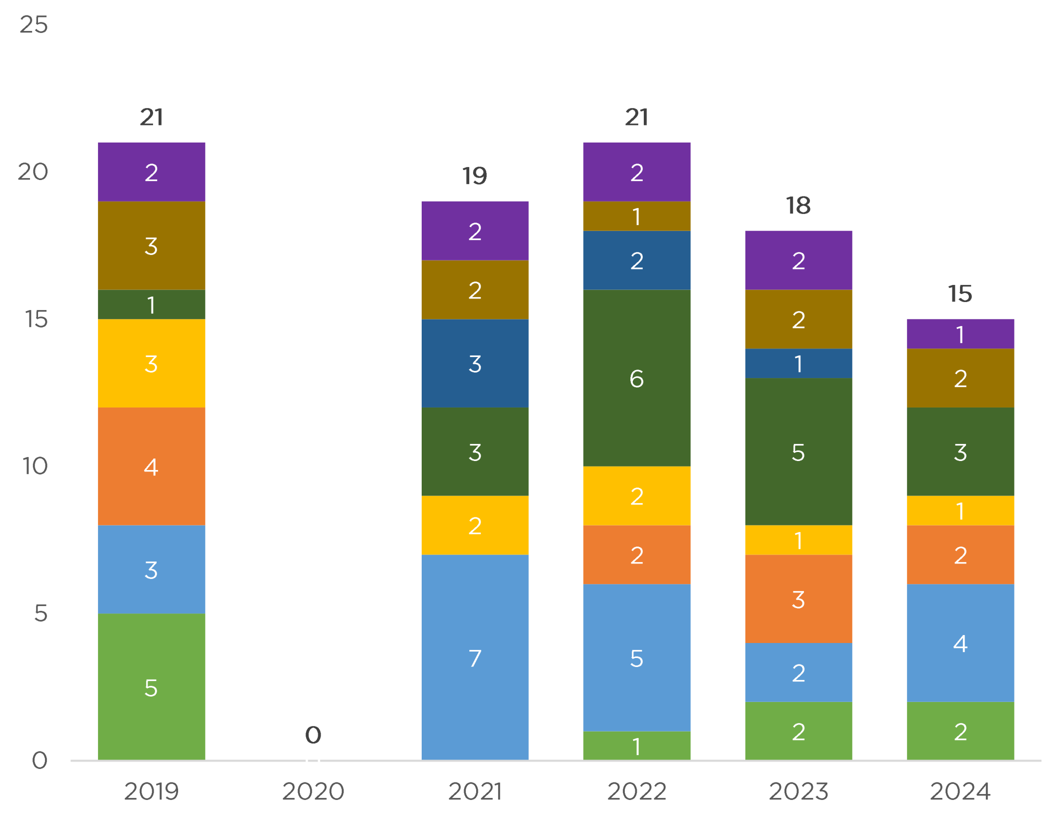


Source: Facility Management, 2024.

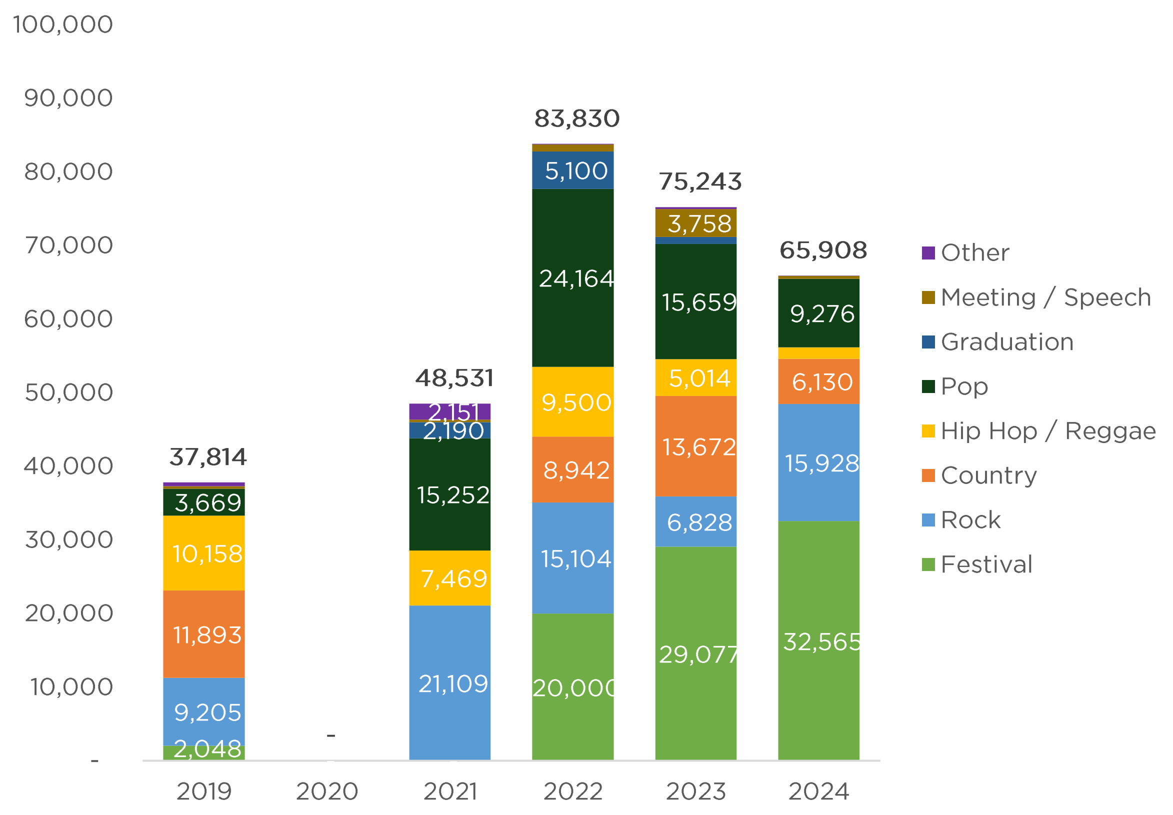
AMPHITHEATRE EVENTS AND ATTENDEE DAYS BY TYPE

Analysis of event data and attendance for the Mesa Amphitheatre shows that pandemic recovery has been strong, with the attendee days increasingly significantly more than the event count. Despite pop attracting a high number of visitors, concerts often generate lower ancillary revenues.

Events by Type



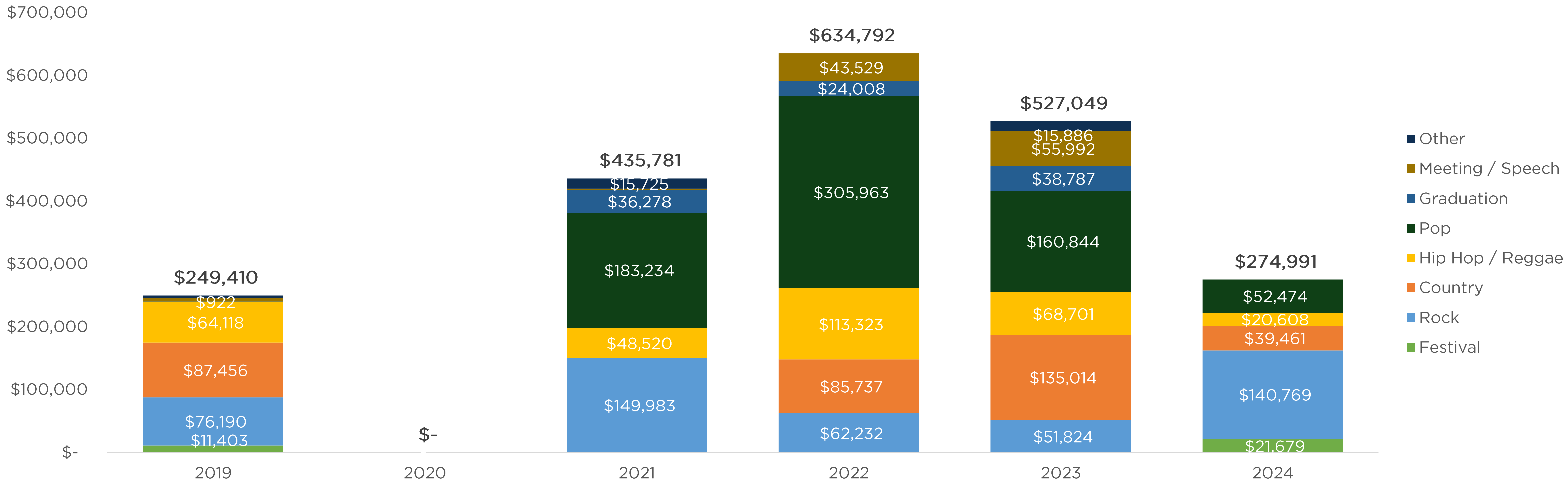
Attendee Days by Type



Source: Facility Management, 2024.

AMPHITHEATRE REVENUE BY EVENT TYPE

Amphitheatre revenue analysis considers the ticket sales and food and beverage sales retained by the MCC. Facility revenue more than doubled in both 2022 and 2023 relative to 2019, largely due to revenue from Pop acts, though Country acts in 2023 materially contributed as well. Acts in 2023 included pop musician Sabrina Carpenter and country performers Jordan Davis and Koe Wetzel. Interviews with facility management suggest that the older audience generally attracted by country and rock artists tends to spend more on food and beverage. 2022 and 2023 both show high revenue and a high quantity of event bookings. Amphitheatre investment concepts presented later herein aim to sustain and build on this portfolio of touring acts.



Source: Facility Management, 2024.

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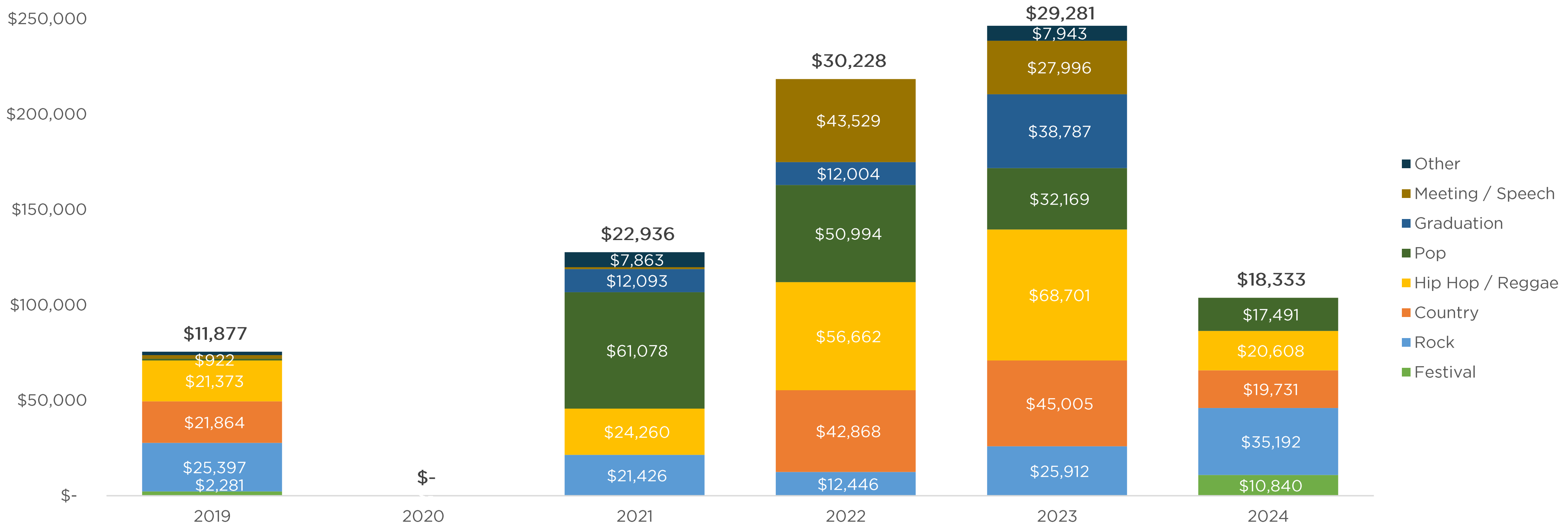
AMPHITHEATRE ANALYSIS

AMPHITHEATRE REVENUE BY EVENT TYPE PER EVENT

On a revenue per event basis, pop acts seem to be decreasing year to year while rock and country acts are growing. This is in line with reports from facility management noting that country and rock attract older crowd withs a higher per capita spend on alcoholic beverages and food. Hip hop / reggae revenue averages are also growing, although 2024 data suggest this may have stagnated. It is important to consider facility improvements that would benefit the Rock, Country and other audiences, which will allow the Mesa Amphitheatre to continue attracting artists with high average revenues.



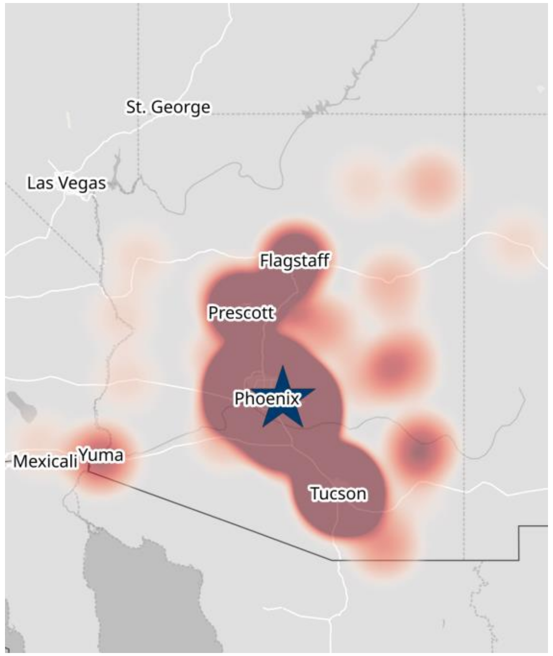
Source: Facility Management, 2024.

MESA CONVENTION CENTER 2023 TRADE AREA AND VISITOR DEMOGRAPHICS, PLACER.AI

Placer.AI is a service which leverages cellphone data to provide accurate visitation data to a location, as well as analysis of key demographics to a facility. The data below displays the key demographics and trade area of Mesa Convention Center visitors, also defined as the home locations of MCC visitors. The data to the right shows their key Experian Mosaic categories, which sorts visitors into helpful groups based on key demographic and socioeconomic categories.

As shown, Mesa Convention Center visitors tend to be younger and more affluent than the State of Arizona as a whole. The MCC's visitor base is primarily drawn from greater Phoenix but includes visitors from around the state.

	Mesa Convention Center	State Of Arizona
Median Household Income	$77,400	$72,800
Bachelor's Degree	32.8%	31.8%
Median Age	33.3	37.7
Most Common Ethnicity	White (51.8%)	White (53.0%)
Persons per Household	2.70	2.62
Visits	219,500	n/a
Visitors	150,900	n/a
Average Visits per Visitor	1.45	n/a



1 **O – Singles and Starters – 15.6%**
Young singles starting out and some starter families living a city lifestyle.

2 **C – Booming with Confidence – 11.0%**
Prosperous, established couples in their peak earning years living in suburban homes.

3 **B – Flourishing Families – 8.2%**
Affluent, middle-aged families and couples earning prosperous incomes and living very comfortable, active lifestyles.

4 **Q – Golden Year Guardians – 7.9%**
Retirees living in old homes, settled residences and communities.

5 **I – Family Union – 6.8%**
Middle income, middle-aged families living in homes supported by solid blue-collar occupations.

Source: Placer.AI, 2024.

MESA CONVENTION CENTER TOP CONCERTS AND CONVENTIONS TRADE AREA AND VISITOR DEMOGRAPHICS, PLACER.AI

An analysis focused on the visitor base associated with the MCC's top three most attended conventions and concerts was also conducted. The vital economic role played by these events is reflected in the type of the demographic they attract to Mesa. Each event type attracts visitors with a median household income around $85,000, approximately ten (10) percent higher than MCC's overall year-round visitation, and 17 percent higher than the statewide median income. These events also bring a diverse array of psychographic types to Mesa, including Singles and Starters, Flourishing Families, Booming with Confidence, and Power Elite.

With improvements, the MCC may be able to attract higher value conferences and conventions with greater representation of high net-worth psychographic types such as Power Elite. This will result in greater spending at businesses in the downtown and other areas of Mesa.

	2023 MCC Full Year	2023 MCC Conventions	2023 Amphitheatre Concerts	State Of Arizona
Median Household Income	$77,400	$86,800	$84,400	$72,800

Top 3 MCC Conventions

1. **O – Singles and Starters – 12.1%**
Young singles starting out and some starter families living a city lifestyle.
2. **B – Flourishing Families – 11.2%**
Affluent, middle-aged families and couples earning prosperous incomes and living very comfortable, active lifestyles.
3. **C – Booming with Confidence – 10.9%**
Prosperous, established couples in their peak earning years living in suburban homes.
4. **I – Family Union – 7.9%**
Middle income, middle-aged families living in homes supported by solid blue-collar occupations.
5. **D – Suburban Style – 7.7%**
Middle income, middle-aged families living in homes supported by solid blue-collar occupations.

Top 3 Concerts

1. **B – Flourishing Families – 14.3%**
Affluent, middle-aged families and couples earning prosperous incomes and living very comfortable, active lifestyles.
2. **C – Booming with Confidence – 14.1%**
Prosperous, established couples in their peak earning years living in suburban homes.
3. **O – Singles and Starters – 13.0%**
Young singles starting out and some starter families living a city lifestyle.
4. **A – Power Elite – 9.1%**
The wealthiest households in the US, living in the most exclusive neighborhoods, and enjoying all that life has to offer.
5. **D – Suburban Style – 7.8%**
Middle income, middle-aged families living in homes supported by solid blue-collar occupations.

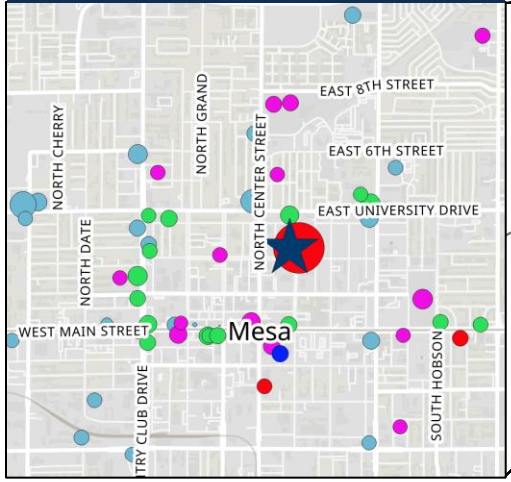
Source: Placer.AI, 2024.

PLACER.AI LOCAL DATA, 2023 TOP THREE CONVENTIONS – FAVORITE PLACES

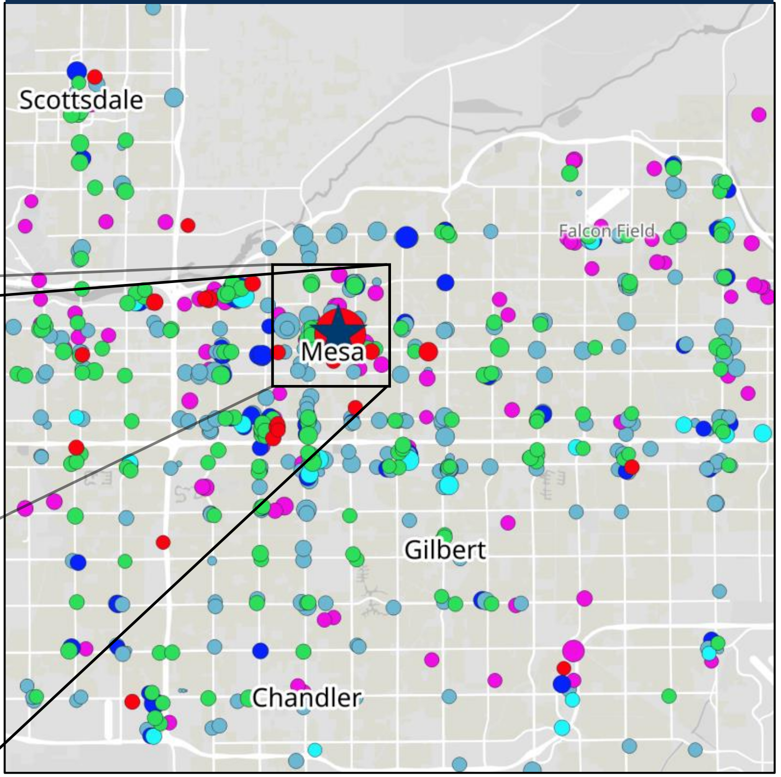
Placer.AI also offers analysis of visitor Favorite Places. These are all the other places which attendees of the conventions shown in the chart visited over the duration of the event. The points shown in the map are color coded by type and sized by the number of visits on a continuous scale. As shown in the inset map, Downtown Mesa receives significant visitation, with many restaurants and leisure options receiving traffic. Popular leisure options include the Mesa Arts Center as well as local breweries, concert venues, and parks. In addition, the high quantity of green dots displayed in the inset map shows that restaurants in Downtown Mesa are benefitting from conventions through the increased visitation.

Restaurants with notable visitation include Tacos Chiwas and the Original Blue Adobe Grill, as well as national chains such as Jimmy John's and Taco Bell. Gas stations and convenience stores such as Circle K and QuikTrip are among the most visited stores. This is common as convention center visitors often require basic essentials and snacks. Recommendations discussed later herein are designed to continue the trend of support for local restaurants.

Downtown Mesa Favorite Places, Top Conventions 2023



Mesa Convention Center Favorite Places, Top Conventions 2023



Convention:	Start Date	Attendee Days
Mobile Solutions MasterTech EXPO	March 4, 2023	8,524
AAGT Annual Conference	January 10, 2023	4,010
HIV Integrated Symposium	April 25, 2023	2,646

Favorite Places Types (Sized by Visit Frequency)	
Restaurant	●
Hotel	●
Leisure	●
Store	●
Superstore	●
Mall	●

Sizing

>200 Visits | 500 Visits | 1,000+ Visits

Top Favorite Places	Total Visits
Delta Hotels by Marriott Phoenix Mesa	2,270
Mesa Riverview	631
QuikTrip	393
Mesa Grand Shopping Center	258
Arizona State University	256

Source: Placer.AI, 2024.

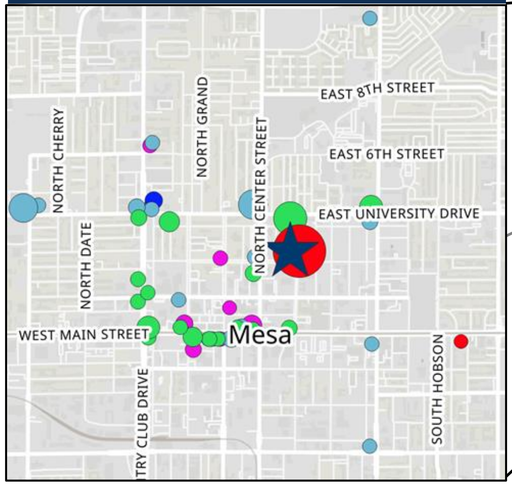
PLACER.AI LOCAL DATA, 2023 TOP THREE CONVENTIONS – FAVORITE PLACES

Analysis of Favorite Places for the three most attended concerts in 2023, shown in the chart to the right, reveals a similar but unique story. Visitors are far more biased towards restaurants and leisure locations, suggesting that many visitors will eat at a restaurant or visit a brewery either before or after a concert at the Mesa Amphitheatre, which is consistent with typical concert attendee behavior. Popular restaurants and breweries include the now closed Pier de Orleans as well as Tacos Chiwas and fast-food franchises. Breweries including 12 West Brewing are popular among leisure options. Visitor behavior is also more localized to provide impact directly at or near the Convention Center.

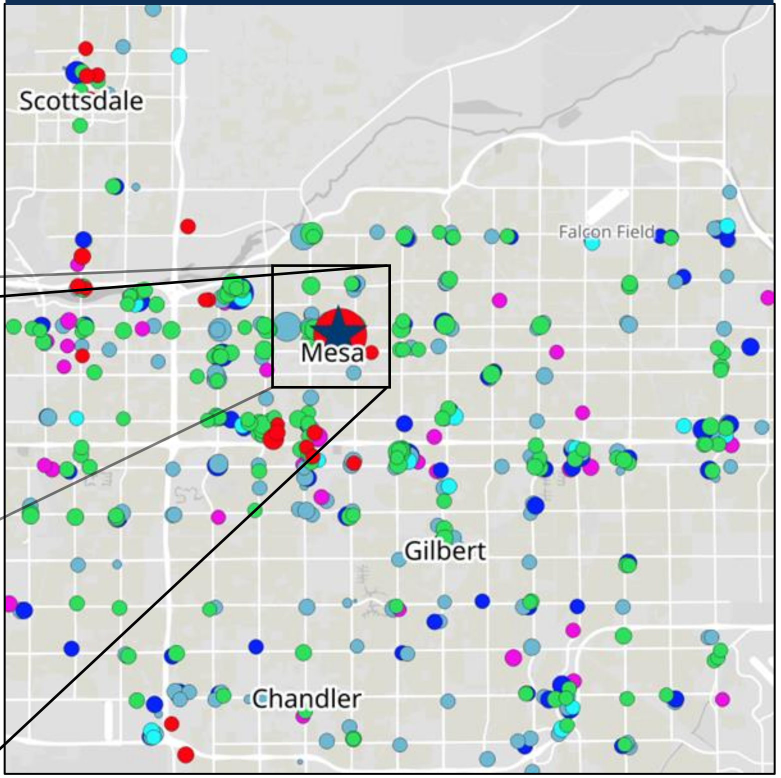
As concerts are only single-day events, the maps shown account for a smaller number of days than those on the previous page and reflect a different set of needs for a visitor base which is more local and entertainment-oriented.

Conversely, visitation of the Delta Hotel and other Mesa hotels shows that a significant number of total visitors are staying overnight before or after seeing a concert. However, a portion of these visits are accounted for by visitors to hotel bars and other ancillary hotel amenities.

Downtown Mesa Favorite Places, Top Concerts 2023



Mesa Convention Center Favorite Places, Top Concerts 2023



Performers:	Date	Total Visitors
Koe Wetzel (Country)	June 17, 2023	5,000
Jordan Davis (Country)	October 19, 2023	5,000
Sabrina Carpenter (Pop)	April 23, 2023	4,565

Favorite Places Types (Sized by Visit Frequency)

Restaurant ●
Hotel ●
Leisure ●
Store ●
Superstore ●
Mall ●

Sizing

>200 Visits · 500 Visits · 1,000+ Visits

Top Favorite Places	Total Visits
Delta Hotels by Marriott Phoenix Mesa	2,476
Mesa Riverview	773
Circle K	556
Mesa Community College	412
Mesa Grand Shopping Center	379

Source: Placer.AI, 2024.

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mesa CONVENTION CENTER

3 LOCAL & REGIONAL CONDITIONS

CSL

INTRODUCTION

An analysis of the full offerings and profile of the local market, combined with an analysis of regionally competitive venues, allows CSL to create a complete picture of the MCC/Mesa Amphitheatre and the local and regional markets as they are now. These data are used to understand the level of space and inventory of visitor industry amenities and accommodations offered by local and competitive facilities and destinations, and the implications of recent, current or planned investment in their space offerings that may negatively impact future competitiveness and event potential for the MCC and Mesa Amphitheatre.

An initial analysis of Downtown Mesa identifies existing dining / drinking establishments and attractions listed on TripAdvisor, as well as upcoming developments in the area. Downtown Mesa is an asset consistently mentioned in CSL's study process and its analysis is crucial to this project. Subsequently, demographics are analyzed within predetermined drive time distances as calculated by Esri. These rings are the primary base from which the MCC and Mesa Amphitheatre will draw additional visitors. Following this, visitors to the whole city of Mesa are analyzed based on origin, household income, and seasonality and length of visitation. Analysis of Mesa's largest employers and hotel base is also conducted as these groups will be critical to supporting additional convention business.

Regionally competitive convention and concert venues are discussed at the close of this chapter. These include all statewide convention centers with a largest contiguous space of at least 10,000 square feet as well as all statewide concert venues with a capacity between 2,000 and 8,000 as reported by Pollstar. Convention spaces are compared by their available space inventory along standard categories. Concert venues are compared by capacity; a selected subsection of competitive concert venues are also compared through case studies and additional Placer.AI data. This will allow CSL to effectively place the MCC and Mesa Amphitheatre within the context of similar Arizona facilities.

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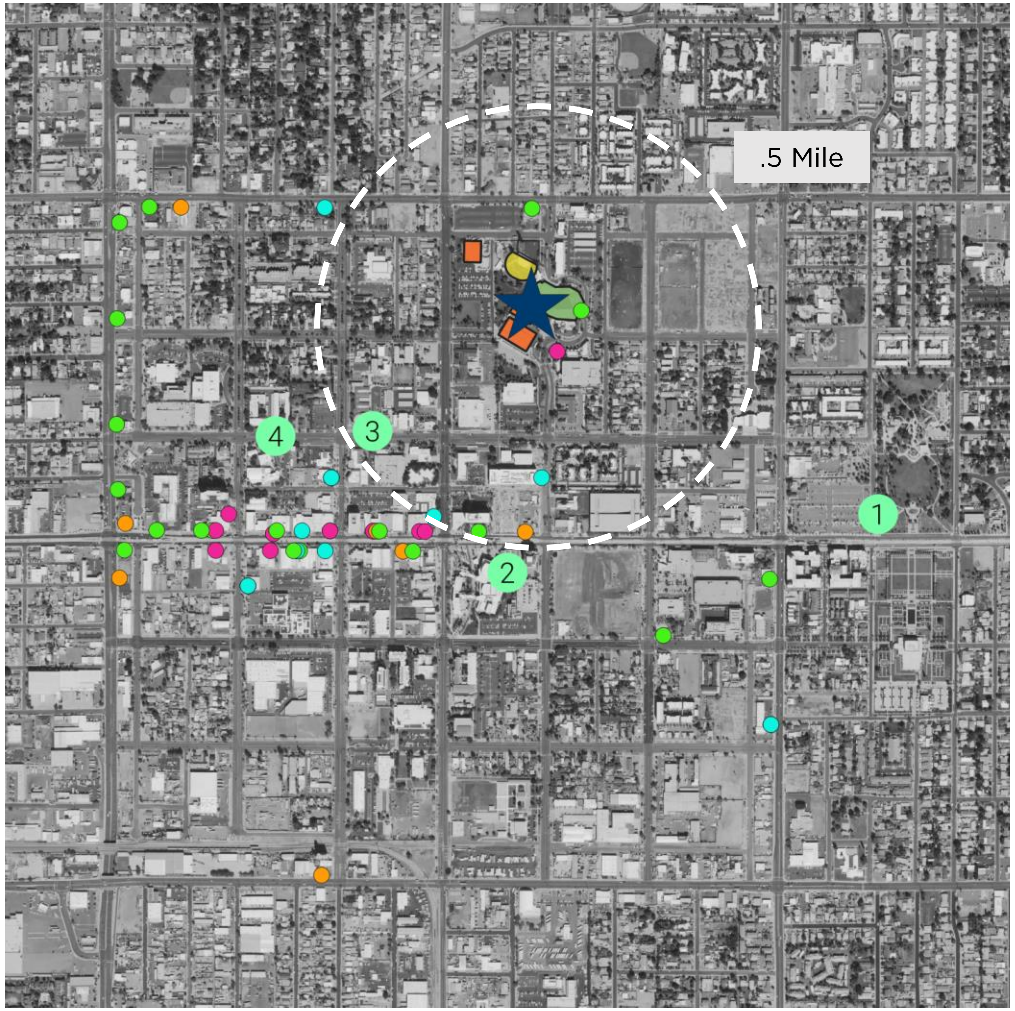
DOWNTOWN AMENITIES

Event planners routinely consider the destination outside of the host facility when selecting sites for their events. To evaluate the appeal and vibrancy of the area around the MCC, we have prepared the adjacent map displaying the hotel, attractions and dining inventory within half-mile of the Center. There are a total of 52 dining establishments and four attractions garnering 1,597 reviews on Trip Advisor. The four attractions are the Mesa Visitor Center, Mesa Arts Center, Arizona Museum of Natural History, and i.d.e.a Museum. In addition, there are a total of 52 eating/drinking establishments in Downtown Mesa, although only 7 are within ½ mile of the MCC.

It will be important to consider wayfinding and placemaking investments that improve this walking experience to some of these distant places of interest for MCC attendees. In addition, efforts to further develop the area around the MCC should continue to be prioritized, and the City should work with developers to bring more street level dining, retail and entertainment within the identified ½-mile zone.



	Name	Tripadvisor Reviews (Count)
1	Mesa Visitor Center	602
2	Mesa Arts Center	542
3	Arizona Museum of Natural History	374
4	i.d.e.a Museum	79
	TOTAL	1,597

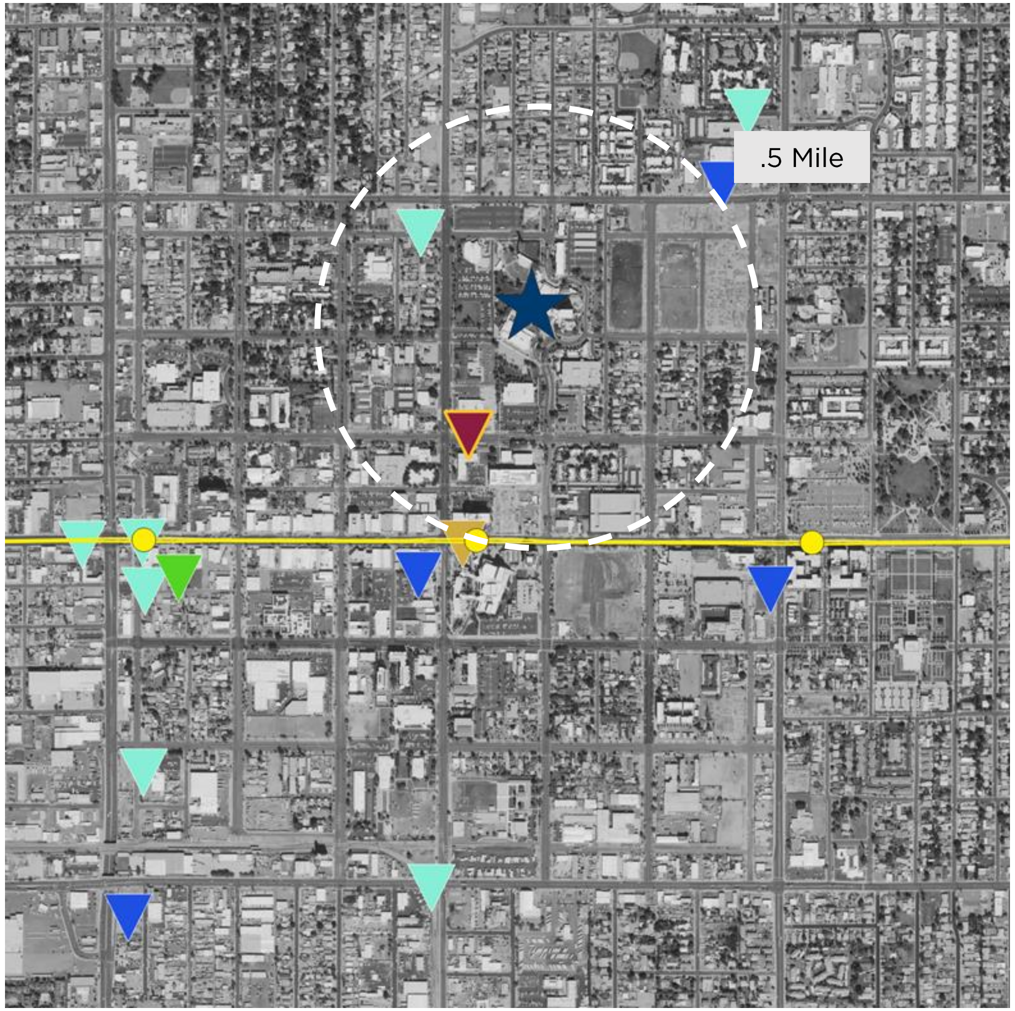
	Type	Count	Count Within ½ Mile
●	Restaurant	22	3
●	Fast Food	7	1
●	Café/Bakery	12	2
●	Bar/Lounge	11	1
	TOTAL	52	7

Source: Facility Management, Visit Mesa, 2024.

DOWNTOWN FUTURE DEVELOPMENT

An analysis of future developments shows that Downtown Mesa continues to grow and see investment. The data, sourced from stakeholder interviews and Placer.AI, shows planned and in-progress developments in the area, as well as the recently completed light rail line and stations.

Incoming development primarily consists of residential and retail development, which should enhance foot traffic and overall vibrancy downtown. In maroon is the planned redevelopment of the United States Post Office building by Arizona State University (ASU). Additional planning and collaboration with both ASU and the private sector will be necessary to improve the appeal of the walkable environment around the MCC. This will be further discussed throughout multiple sections later herein.



	Type	Count
	Arizona State University	1
	Government	1
	Residential	7
	Restaurant / Bar	1
	Retail	4
	TOTAL	14
	Valley Metro Rail Line	
	Valley Metro Rail Station	

Source: Facility Management, Placer.AI, Visit Mesa, 2024.

3 LOCAL & REGIONAL CONDITIONS

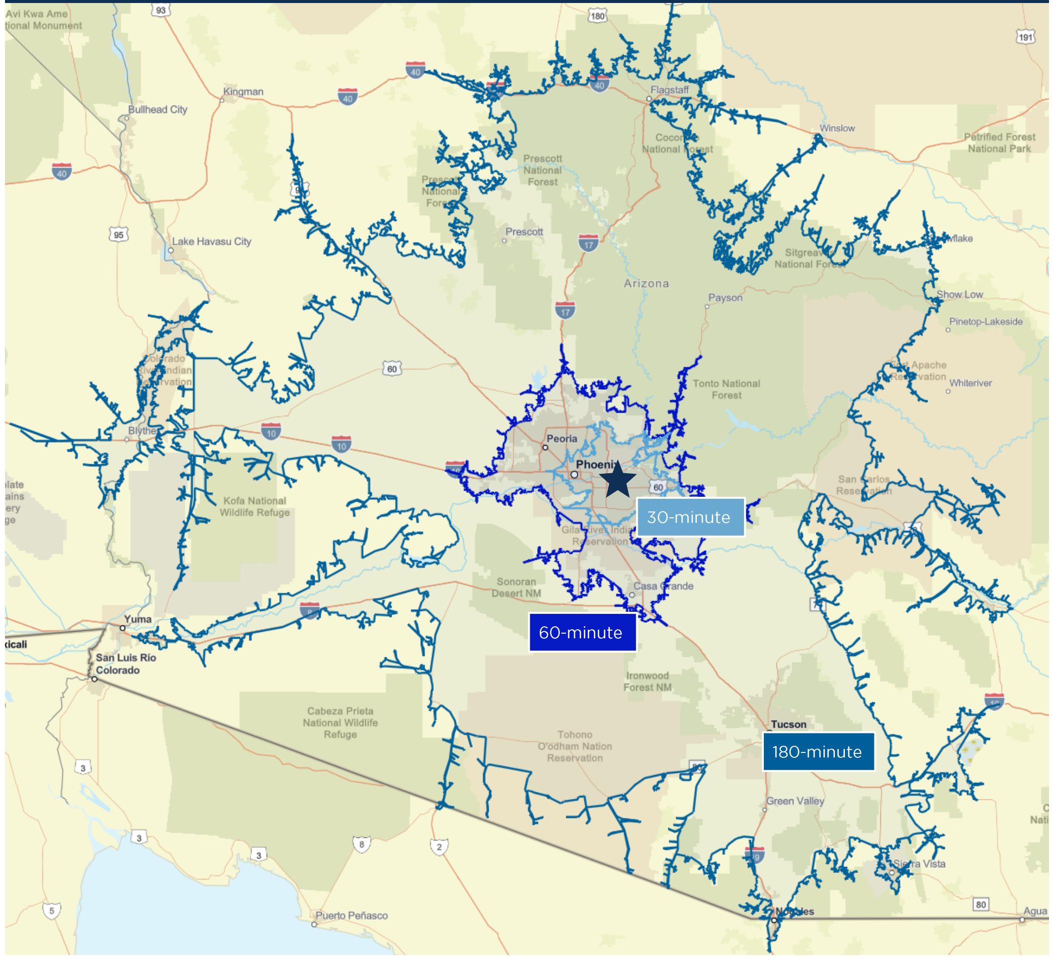
ACCESSIBILITY & PROXIMITY

The exhibit to the right illustrates the proximity of Mesa, Arizona to other nearby markets and the markets/land area captured within an estimated 30-, 60- and 180-minute drivetime of the Mesa Convention Center. These driving distances will be utilized on the subsequent pages and later in the report for the purpose of comparing demographic and socioeconomic variables.

As presented, the largest market within the largest of these drivetime radii is Phoenix, followed by Tucson and several other Phoenix suburbs. The entire Phoenix metro area is within a 60-minute drivetime of the MCC. In addition, the population centers of Las Vegas, Los Angeles, Albuquerque, and San Diego are all within approximately 400 miles. A key goal for an improved MCC will be to attract greater group visitation from these more distant markets.

City, State	Distance to Mesa Convention Center (miles)	Drive Time (hrs:min)	Market Population
Tempe, AZ	7	0:17	189,834
Gilbert, AZ	7	0:18	275,411
Chandler, AZ	9	0:20	280,684
Scottsdale, AZ	11	0:19	244,394
Phoenix, AZ	18	0:25	1,650,070
Glendale, AZ	26	0:36	253,855
Tucson, AZ	113	1:45	547,239
Flagstaff, AZ	160	2:31	76,586
Yuma, AZ	192	3:03	98,517
Las Vegas, NV	317	5:00	656,302
San Diego, CA	362	5:34	1,381,182
Los Angeles, CA	389	6:14	3,822,224
Albuquerque, NM	405	6:26	561,006

30-, 60-, and 180- Minute Drivetime Areas



Source: Esri, 2024.

SUMMARY OF KEY DEMOGRAPHIC STATISTICS

The table to the right presents a summary of key demographic metrics associated with the previously identified land areas captured within 30-, 60- and 180-minute drivetime distances of the Mesa Convention Center, as well as city, county, state and United States benchmarking data.

There are more than 2 million people living within a 30-minute drivetime of Mesa, nearly 5 million within 60 minutes and nearly 7 million within a three-hour drive.

Business inventory and employment are important socioeconomic characteristics to consider as a part of any convention center expansion planning effort. There are approximately 89,000 businesses and nearly 1.3 million employees within a 30-minute drive of the Mesa Convention Center. The employee-to-residential ratios for this drivetime radius are significantly higher than those of the state of Arizona and United States. These data suggest a strong regional economy that can help to support incremental event activity at a potential expanded/improved Mesa Convention Center.

DEMOGRAPHIC VARIABLE	30-Minute	60-Minute	180-Minute	City of Mesa	Maricopa County	State of Arizona	United States
POPULATION:							
2010 Total Population	1,864,791	4,061,179	5,789,255	439,723	3,817,117	6,391,984	308,745,538
2024 Total Population	2,168,856	4,973,502	6,892,278	521,604	4,674,502	7,517,580	338,440,954
2029 Total Population	2,242,623	5,201,036	7,171,931	532,770	4,877,522	7,801,501	344,873,411
Historical Annual Growth (2010 to 2024)	1.3%	1.7%	1.5%	1.4%	1.7%	1.4%	0.7%
Projected Annual Growth (2024 to 2029)	0.7%	0.9%	0.8%	0.4%	0.9%	0.8%	0.4%
AGE:							
Median Age	37.4	37.9	39.3	37.9	37.9	39.6	39.3
Population age 25 to 44	29.4%	27.4%	26.3%	27.7%	27.6%	26.0%	26.9%
AGE DISTRIBUTION:							
Under 15	17.0%	18.3%	17.4%	18.7%	18.1%	17.4%	17.4%
15 to 24	13.8%	13.7%	13.5%	12.8%	13.7%	13.4%	13.2%
25 to 34	16.0%	14.2%	13.6%	14.6%	14.3%	13.4%	13.6%
35 to 44	13.5%	13.3%	12.8%	13.1%	13.3%	12.6%	13.3%
45 to 54	11.8%	12.0%	11.6%	11.1%	12.0%	11.5%	12.1%
55 and over	28.0%	28.7%	31.3%	29.9%	28.6%	31.8%	30.4%
HOUSEHOLD INCOME:							
Median Household Income	$86,436	$87,360	$81,755	$79,614	$88,096	$79,653	$79,068
Per Capita Income	$48,355	$44,614	$43,096	$40,844	$45,269	$41,971	$43,829
INCOME DISTRIBUTION:							
$0 to $24,999	11.6%	10.8%	12.4%	11.8%	10.7%	13.2%	14.9%
$25,000 to $49,999	15.0%	14.7%	16.3%	17.1%	14.8%	16.9%	16.8%
$50,000 to $74,999	16.1%	16.4%	16.6%	17.6%	16.1%	16.7%	15.7%
$75,000 to $99,999	13.9%	14.3%	14.0%	14.7%	14.2%	13.9%	12.8%
$100,000 to $149,999	19.1%	20.1%	19.3%	19.6%	20.0%	19.0%	17.6%
$150,000 or more	24.3%	23.7%	21.3%	19.2%	24.2%	20.4%	22.2%
POPULATION BY RACE/ETHNICITY:							
White/Caucasian	59.5%	58.2%	59.6%	64.0%	58.1%	58.9%	60.3%
Black/African American	5.8%	6.1%	5.3%	4.4%	6.1%	5.0%	12.5%
American Indian	2.8%	2.5%	2.9%	2.8%	2.3%	4.4%	1.2%
Asian	5.7%	4.8%	4.1%	2.9%	4.9%	3.9%	6.4%
Pacific Islander	0.3%	0.3%	0.3%	0.4%	0.3%	0.2%	0.2%
Other Race	12.5%	14.0%	13.3%	12.6%	14.1%	13.1%	8.8%
Two or More Races	13.5%	14.2%	14.5%	12.9%	14.2%	14.5%	10.7%
Hispanic Origin	28.7%	31.6%	31.8%	28.4%	31.8%	31.8%	19.6%
Diversity Index	76.7	78.2	77.4	73.5	78.3	77.8	72.5
BUSINESS:							
Total Business 2024	89,313	141,842	199,135	14,457	137,615	214,933	12,883,225
Total Employees 2024	1,348,963	2,033,643	2,777,801	191,301	1,981,391	2,992,770	160,403,925
Employee to Residential Population Ratio	0.62:1	0.41:1	0.50:1	0.37:1	0.42:1	0.50:1	0.47:1

Source: Esri, 2024.

MESA TOURISM ANALYSIS

Placer.ai was leveraged to evaluate visitation to Mesa in 2023. The exhibits below and to the right present the market's total number of visitors, visit nights, median income, primary markets from which Mesa tourists originate, their typical length of visitation and the seasonality of visits to the market. The majority of Mesa visitation comes from in-state markets with the Phoenix metro being the most significant contributor of visitors. The market also has limited fluctuation in terms of seasonality. A majority of Mesa's visitors only stay for one to two days, highlighting its identity as a daytrip destination within the Valley, and only 31 percent of visitors have a household income of $90,000 or more. An improved MCC should be able to attract multi-day conventions with affluent attendees, thereby enhancing Mesa's visitor base and the impacts of tourism on the economy.

MARICOPA COUNTY VISITORS (2023):

22,000,000

MESA VISITORS (2023):

2,400,000

MARICOPA COUNTY VISIT NIGHTS (2023):

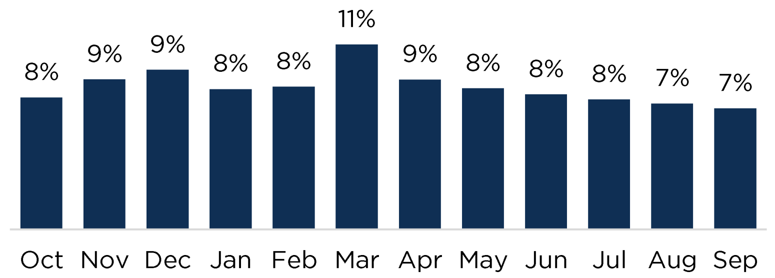
63,200,000

MESA VISIT NIGHTS (2023):

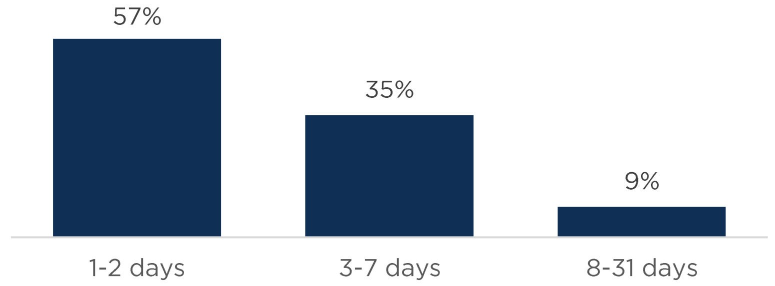
7,400,000

CBSA	2023 Visitors
Phoenix-Mesa-Chandler, AZ	666.7K
Tucson, AZ	119.3K
Los Angeles-Long Beach-Anaheim, CA	99.8K
Show Low, AZ	88.5K
Flagstaff, AZ	58.2K
Riverside-San Bernadino-Ontario, CA	55.5K
San Diego-Chula Vista-Carlsbad, CA	45.4K
Seattle-Tacoma-Bellevue, WA	43.8K
Prescott Valley-Prescott, AZ	40.4K
Las Vegas-Henderson-Paradise, NV	39.3K
Minneapolis-St. Paul-Bloomington, MN	36.8K
Chicago-Naperville-Elgin,IL-IN	35.6K
Provo-Orem, UT	31.3K
Payson, AZ	28.6K
Denver-Aurora-Lakewood, CO	27.9K

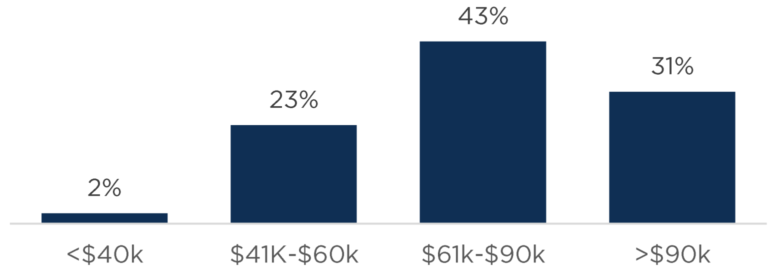
Visitor Base Seasonality (Oct '23 – Sep '24)



Visitor Base Length of Visitation (2023)



Visitor Base Median Household Income (2023)



Source: Placer AI, 2024.

CORPORATE BASE – TOP 30 EMPLOYERS

The depth of Mesa's corporate and employer base provides valuable insight into the potential demand for an improved MCC. Major employers in the area, such as Banner Health, Dexcom, and Boeing, represent key sources of local meeting and event needs, including corporate meetings, training sessions, and community gatherings. These activities are essential to the utilization and financial viability of a Convention Center, as they help maintain steady demand throughout the year.

The size and diversity of Mesa's corporate base also support a range of community amenities—hotels, restaurants, and transportation infrastructure—that contribute to the City's ability to attract both local and non-local events. Development goals in Mesa align with sectors represented by top employers, including healthcare, education, and financial services. Attracting events that align with these industry clusters could enhance the local economy through business synergies and generate additional demand for conference facilities.

The adjacent exhibit lists Mesa's top 30 employers by employee count, with the Banner Health leading the region. Many of these employers, especially those in sectors like healthcare, education, and finance, would likely benefit from and support a local Convention Center to host various events and gatherings.

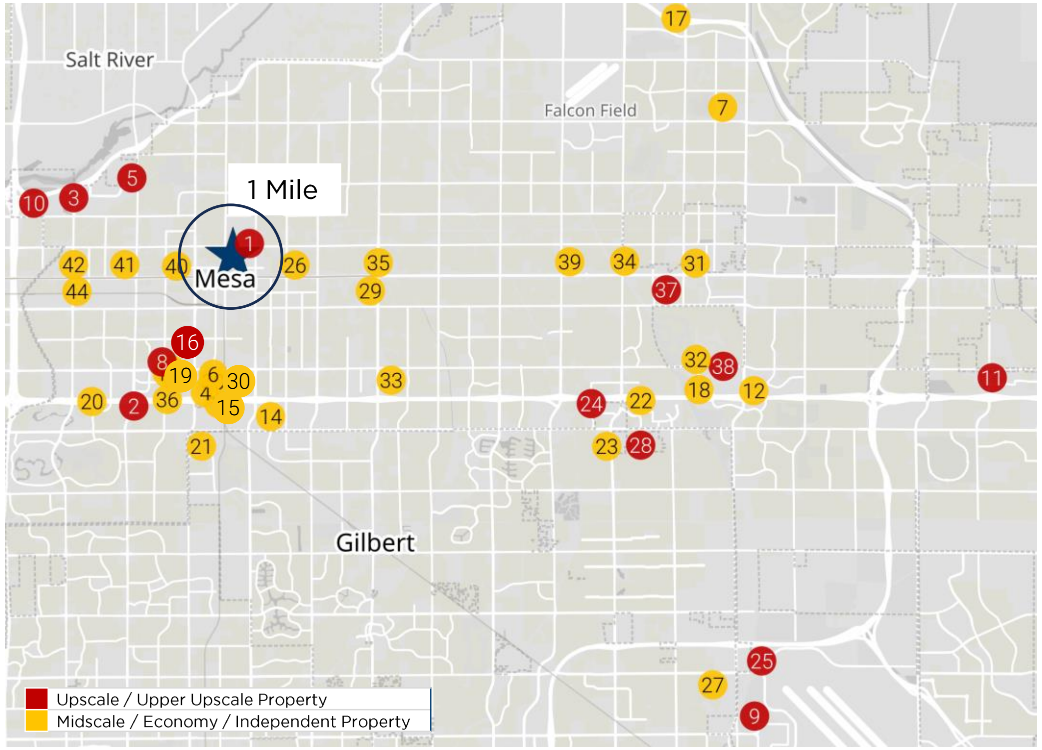
	Company	Mesa-Based Employees
1	Banner Health	10,550
2	Mesa Public Schools	7,708
3	The Boeing Company	4,778
4	City of Mesa	4,412
5	Dexcom	2,200
6	Maricopa County Community College District	1,805
7	Drivetime Automotive Group	1,448
8	Steward Health Care	947
9	Maricopa County	928
10	Santander Consumer USA	830
11	Empire Southwest	810
12	United Parcel Service	710
13	AT&T	687
14	United States Postal Service	653
15	SRP	641
16	ZF TRW	589
17	Intouch CX	570
18	Arizona State University	530
19	Flex Technology Group	440
20	Daicel Corporation	386
21	Able Aerospace Services	354
22	Nextcare	351
23	Community Bridges	350
24	Td Power	347
25	Lexington LLC	332
26	MD Helicopters	329
27	Nammo Talley	324
28	National General Management Corporation	311
29	Crescent Crown Distributing	308
30	Fujifilm	301

Source: Select Mesa, 2024.

OVERVIEW OF ALL LOCAL HOTELS

The chart and map summarize the key existing lodging facilities located in Mesa. As shown, there are 43 hotel properties in the city of Mesa that offer more than 20 sleeping rooms and 24 properties with over 100 rooms. In total, there are just over 4,600 total sleeping rooms in the city. The spectrum of properties in Mesa, according to the hotel classification system maintained by STR, is shown on the map, with Upscale and Upper Upscale hotels being displayed in red and midscale, economy, and independent hotels being displayed in yellow.

The Delta Hotel Phoenix Mesa, the MCC's headquarter hotel, is the largest property in the displayed area. The DoubleTree Mesa and Sheraton Mesa at Wrigleyville West collectively offer another 442 rooms, but these properties are approximately four miles away in separate directions of the MCC. All three of the top properties in Mesa are upscale or upper upscale, which is desirable for convention attendees.

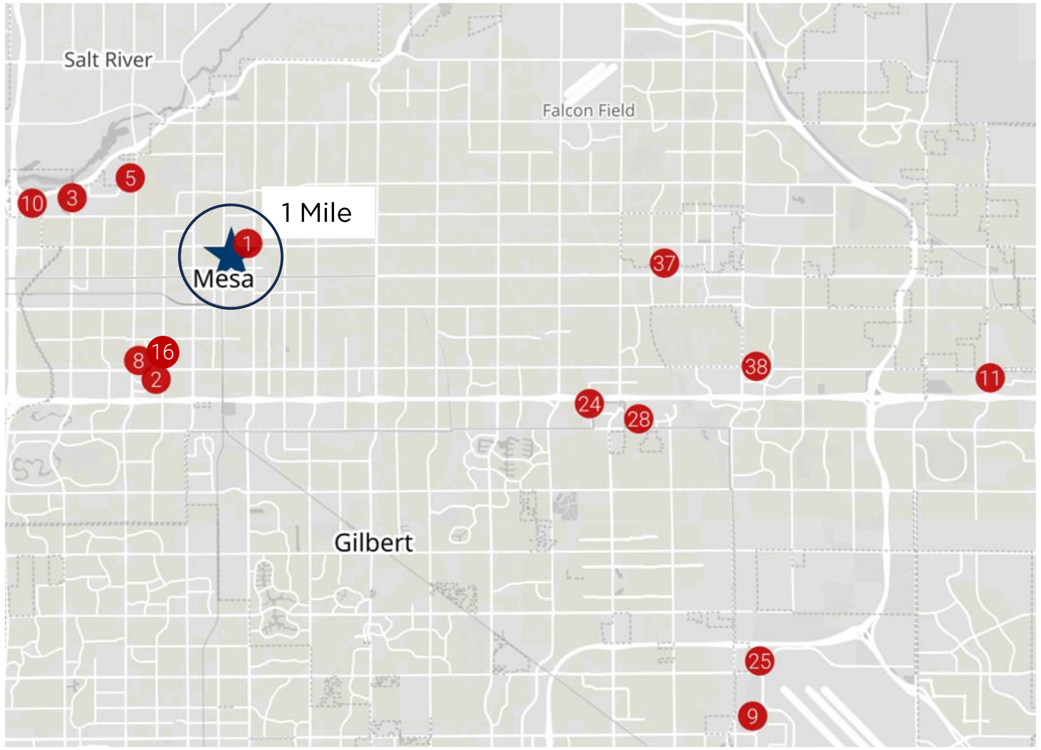


	Lodging Property	Chain Scale	Hotel Guest Rooms (count)
1	Delta Hotels Phoenix Mesa	Upper Upscale	274
2	DoubleTree by Hilton Phoenix Mesa	Upscale	262
3	Sheraton Mesa Hotel at Wrigleyville West	Upper Upscale	180
4	Holiday Inn & Suites Phoenix-Mesa/Chandler, an IHG Hotel	Upper Midscale	165
5	Hyatt Place Phoenix/Mesa	Upscale	152
6	Motel 6 Mesa, AZ - North	Economy	151
7	Westgate Painted Mountain Golf Resort	Independent	151
8	Courtyard Phoenix Mesa	Upscale	149
9	Four Points by Sheraton at Phoenix Mesa Gateway Airport	Upscale	134
10	Courtyard Mesa at Wrigleyville West	Upscale	128
11	Residence Inn Phoenix Mesa East	Upscale	127
12	Country Inn & Suites by Radisson, Mesa, AZ	Upper Midscale	125
13	La Quinta Inn & Suites by Wyndham Phoenix Mesa West	Midscale	125
14	WoodSpring Suites Mesa Chandler	Economy	122
15	Days Inn & Suites by Wyndham Mesa Near Phoenix	Economy	120
16	Residence Inn Phoenix Mesa	Upscale	117
17	Home2 Suites by Hilton Mesa Longbow	Upper Midscale	111
18	La Quinta Inn & Suites by Wyndham Mesa Superstition Springs	Midscale	107
19	GreenTree Inn & Suites Mesa / Phoenix	Economy	106
20	Extended Stay America - Phoenix - Mesa East	Economy	104
21	Extended Stay America Select Suites - Phoenix - Mesa - West	Economy	104
22	Hampton Inn & Suites Phoenix East Mesa	Upper Midscale	101
23	Holiday Inn Express & Suites Phoenix East - Gilbert	Upper Midscale	100
24	Residence Inn Phoenix Gilbert	Upscale	100
25	Courtyard Phoenix Mesa Gateway Airport	Upscale	99
26	The Azure Hotel	Independent	99
27	Holiday Inn Express & Suites Gilbert – Mesa Gateway Airport	Upper Midscale	98
28	Staybridge Suites Phoenix East - Gilbert, an IHG Hotel	Upscale	98
29	Motel 6 Mesa, AZ - Downtown	Economy	98
30	Motel 6 Mesa, AZ - South	Economy	91
31	Miles Motel	Independent	85
32	SureStay Plus by Best Western Mesa Superstition Springs	Midscale	84
33	Colonade Motel	Independent	70
34	Super 8 by Wyndham Phoenix/Mesa/Gilbert Road	Economy	70
35	Holiday Inn Express & Suites Phoenix - Mesa West	Upper Midscale	64
36	Quality Inn & Suites Downtown Mesa	Midscale	64
37	Travel Inn	Upscale	61
38	Best Western Superstition Springs Inn	Upscale	59
39	Superior Suites Phoenix Mesa	Independent	50
40	Travelodge by Wyndham Mesa	Midscale	39
41	American Executive Inn Mesa	Independent	37
42	Del Rio Lodge Motel	Independent	25
43	Mesa Oasis Inn & Motel	Independent	20
	TOTAL		4,626
	AVERAGE		108

Source: STR, Facility Websites, Visit Mesa, 2024.

OVERVIEW OF LOCAL UPSCALE HOTELS

The chart and map summarize the key existing upscale and upper upscale lodging facilities in Mesa, which are typically preferred by convention planners and attendees. Fourteen (14) properties are available with nearly 2,000 rooms, which is a robust inventory. However, the map shows that there are no other properties within a comfortable walking distance of the Mesa Convention Center. The presence of one nearby convention-quality hotel limits the MCC's market capture to smaller and mid-sized conventions, conferences, and other high-value groups. This is further analyzed as part of comparable and market demand analyses later herein.



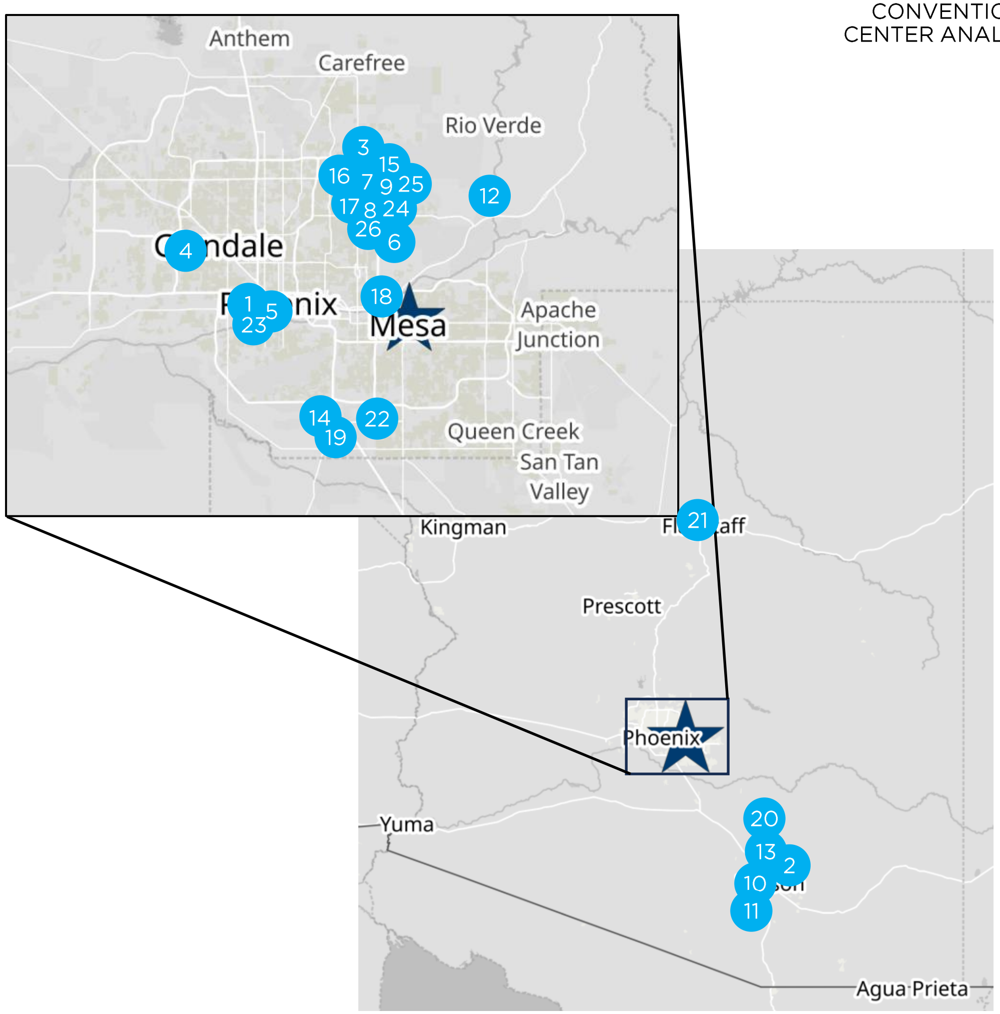
	Lodging Property	Chain Scale	Hotel Guest Rooms (count)
1	Delta Hotels Phoenix Mesa	Upper Upscale	274
2	DoubleTree by Hilton Phoenix Mesa	Upscale	262
3	Sheraton Mesa Hotel at Wrigleyville West	Upper Upscale	180
5	Hyatt Place Phoenix/Mesa	Upscale	152
8	Courtyard Phoenix Mesa	Upscale	149
9	Four Points by Sheraton at Phoenix Mesa Gateway Airport	Upscale	134
10	Courtyard Mesa at Wrigleyville West	Upscale	128
11	Residence Inn Phoenix Mesa East	Upscale	127
16	Residence Inn Phoenix Mesa	Upscale	117
24	Residence Inn Phoenix Gilbert	Upscale	100
25	Courtyard Phoenix Mesa Gateway Airport	Upscale	99
28	Staybridge Suites Phoenix East - Gilbert	Upscale	98
37	Travel Inn	Upscale	61
38	Best Western Superstition Springs Inn	Upscale	59
	TOTAL		1,940
	AVERAGE		139

Source: STR, Facility Websites, Visit Mesa, 2024.

OVERVIEW OF REGIONAL COMPETITIVE EVENT SPACES

The chart and map summarize competitive convention, conference and/or meeting facilities that currently serve the Greater Phoenix and Arizona markets as primary event facility products. In total, there are 26 facilities in Arizona with at least 10,000 contiguous square feet of sellable space, with 20 of those being located in Greater Phoenix. In addition to the Mesa Convention Center, only two of the listed facilities, the Phoenix and Tucson Convention Centers, offer flat floor exhibit space. All other facilities are hotels or casinos which offer event space. Detailed comparisons of event spaces are shown on the following pages.

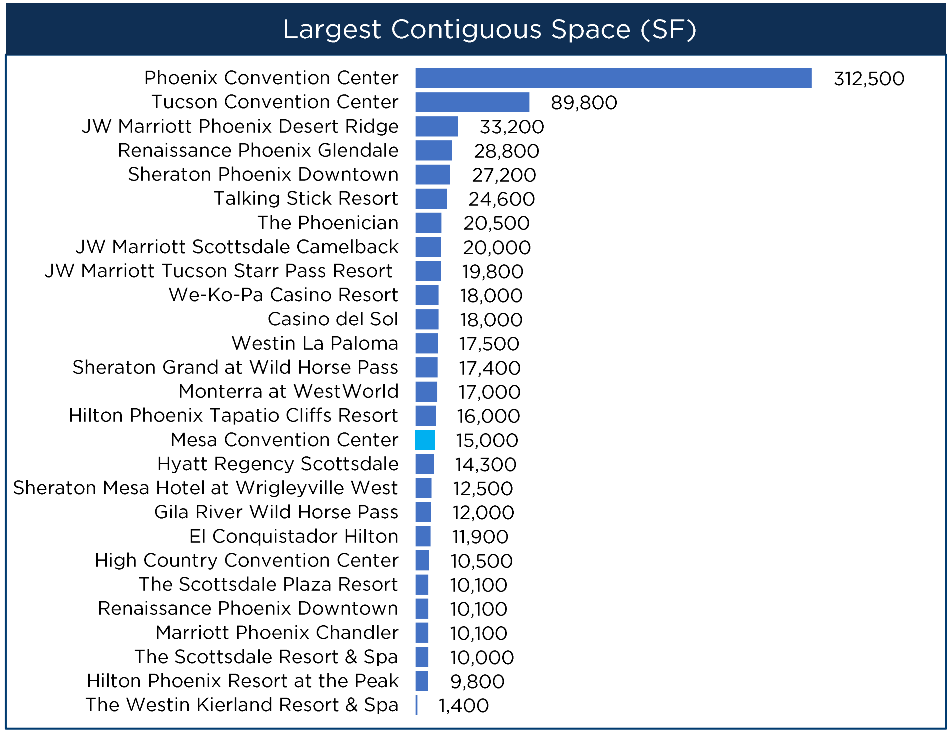
	Facility	City, State	Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Total Sellable Space (SF)	Largest Contiguous Space (SF)	Largest Contiguous Ballroom (SF)	HQ Hotel Rooms (number)
1	Phoenix Convention Center	Phoenix, AZ	502,500	90,800	134,000	727,300	312,500	45,600	693
2	Tucson Convention Center	Tucson, AZ	89,800	20,200	17,200	127,200	89,800	20,200	170
3	JW Marriott Phoenix Desert Ridge	Phoenix, AZ	0	89,000	13,800	102,800	33,200	33,200	950
4	Renaissance Phoenix Glendale	Glendale, AZ	0	38,500	6,300	44,800	28,800	28,800	324
5	Sheraton Phoenix Downtown	Phoenix, AZ	0	41,200	33,000	74,200	27,200	27,200	1,003
6	Talking Stick Resort	Scottsdale, AZ	0	24,600	12,600	37,200	24,600	24,600	496
7	The Westin Kierland Resort & Spa	Scottsdale, AZ	0	53,100	12,300	65,400	24,400	24,400	735
8	The Phoenician	Scottsdale, AZ	0	40,700	21,100	61,800	20,500	20,500	645
9	JW Marriott Scottsdale Camelback	Scottsdale, AZ	0	35,000	1,200	36,200	20,000	20,000	453
10	JW Marriott Tucson Starr Pass Resort	Tucson, AZ	0	34,500	6,700	41,200	19,800	19,800	575
11	Casino del Sol	Tucson, AZ	0	18,000	1,600	19,600	18,000	18,000	215
12	We-Ko-Pa Casino Resort	Ford McDowell, AZ	0	18,000	2,100	20,100	18,000	18,000	246
13	Westin La Paloma	Tucson, AZ	0	17,500	15,600	33,100	17,500	17,500	487
14	Sheraton Grand at Wild Horse Pass	Chandler, AZ	0	39,500	12,300	51,800	17,400	17,400	500
15	Monterra at WestWorld	Scottsdale, AZ	0	17,000	0	17,000	17,000	17,000	0
16	Hilton Phoenix Tapatio Cliffs Resort	Phoenix, AZ	0	28,100	11,100	39,200	16,000	16,000	584
17	Hyatt Regency Scottsdale	Scottsdale, AZ	0	26,100	13,200	39,300	14,300	14,300	495
18	Sheraton Mesa Hotel at Wrigleyville West	Mesa, AZ	0	12,500	3,400	15,900	12,500	12,500	180
19	Gila River Wild Horse Pass	Chandler, AZ	0	20,000	8,100	28,100	12,000	12,000	405
20	El Conquistador Hilton	Tucson, AZ	0	26,700	14,700	41,400	11,900	11,900	428
21	High Country Convention Center	Flagstaff, AZ	0	12,300	5,200	17,500	10,500	10,500	160
22	Marriott Phoenix Chandler	Chandler, AZ	0	10,100	8,500	18,600	10,100	10,100	264
23	Renaissance Phoenix Downtown	Phoenix, AZ	0	10,100	14,500	24,600	10,100	10,100	445
24	The Scottsdale Plaza Resort	Scottsdale, AZ	0	10,100	4,100	14,200	10,100	10,100	404
25	The Scottsdale Resort & Spa	Scottsdale, AZ	0	16,100	16,100	32,200	10,000	10,000	278
26	Hilton Phoenix Resort at the Peak	Phoenix, AZ	0	21,700	10,600	32,300	9,800	9,800	224
	Mesa Convention Center	Mesa, AZ	15,000	18,700	8,100	41,800	15,000	9,100	274
	Rank		3	17	17	9	17	27	19
	Average		22,800	29,700	15,400	67,800	31,400	18,400	440
	Median		0	23,200	11,700	36,700	17,500	17,500	440

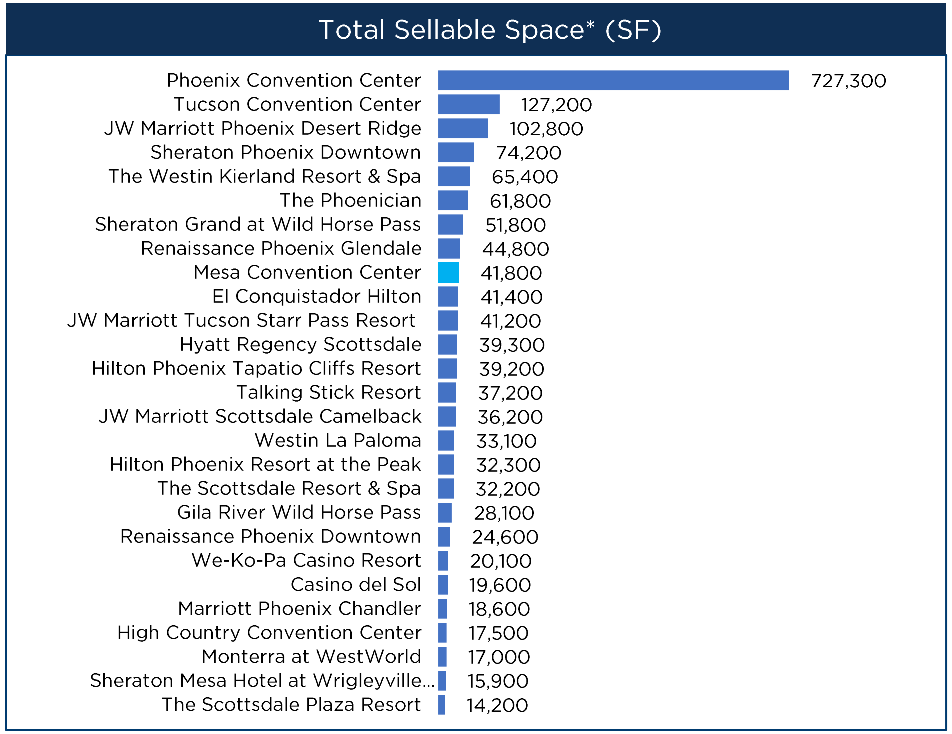


Source: Facility Websites, 2024.

RANKING OF COMPETITIVE EVENT SPACES

The Mesa Convention Center ranks near the median in terms of largest contiguous space (17th out of 26) and total sellable space (9th out of 26). The Phoenix and Tucson Convention Centers are the highest ranked in both of these categories, with a large advantage over the competition in terms of largest contiguous available space. With 15,000 square feet of contiguous space, the Mesa Convention Center is within 5,000 square feet of 18 of the 26 comparable facilities, reflecting the area's large inventory of similar-sized facilities. Other than expanding, it will be important to consider facility investments that could differentiate the MCC from this crowded field of competitors.



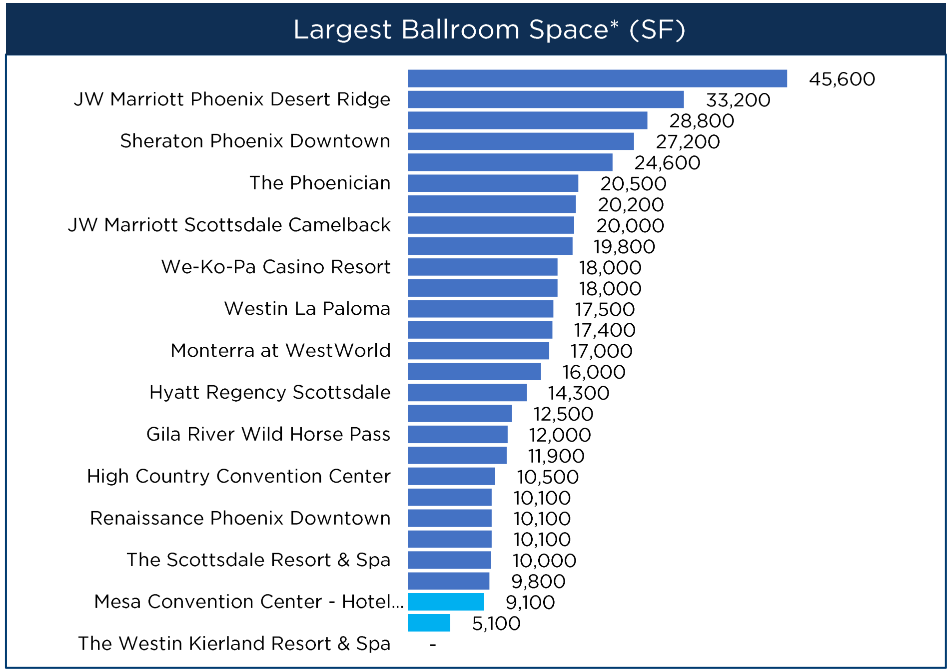


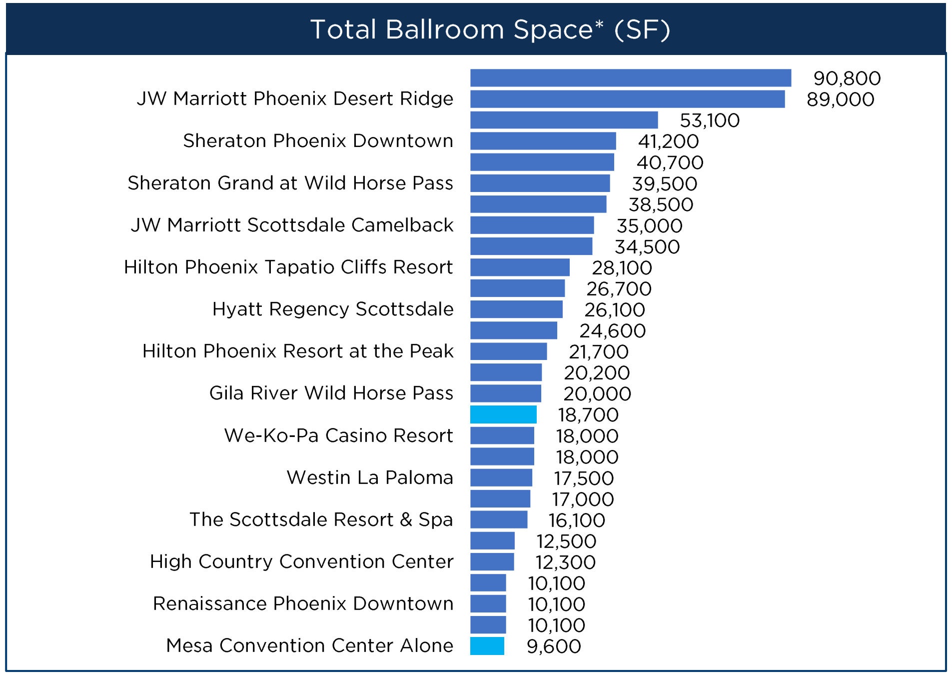
*Displays Mesa Convention Center with Delta Hotel.
Source: Facility Websites, 2024.

RANKING OF COMPETITIVE BALLROOM SPACES

Ballroom space is an important venue component for meeting and event planners, catering to banquets, displays, general sessions, poster sessions, entertainment and other functions. CSL research suggests that regional and national event planners increasingly prefer large, multipurpose rooms with dynamic lighting, high-quality acoustic treatments and other elements to accommodate their general sessions and food functions. Further breakdown on the importance of ballroom space is detailed in the subsequent Industry Trends chapter of this report. The charts below demonstrate the level of ballroom space offered at comparable facilities and the ratio of ballroom space relative to the exhibit space offerings at each of the reviewed facilities.

Though the combined square footage of the MCC's ballrooms and the Arizona ballroom at the Delta is near the competitive set's median, the Delta's Arizona ballroom and the MCC's Superstition ballroom are the smallest ballrooms reviewed. Though the MCC's Main Hall can be used as ballroom space, this precludes its use as an exhibit hall, which limits its ability host many conventions and tradeshows that require both types of space. Ways to address this ballroom space shortage are discussed later herein.

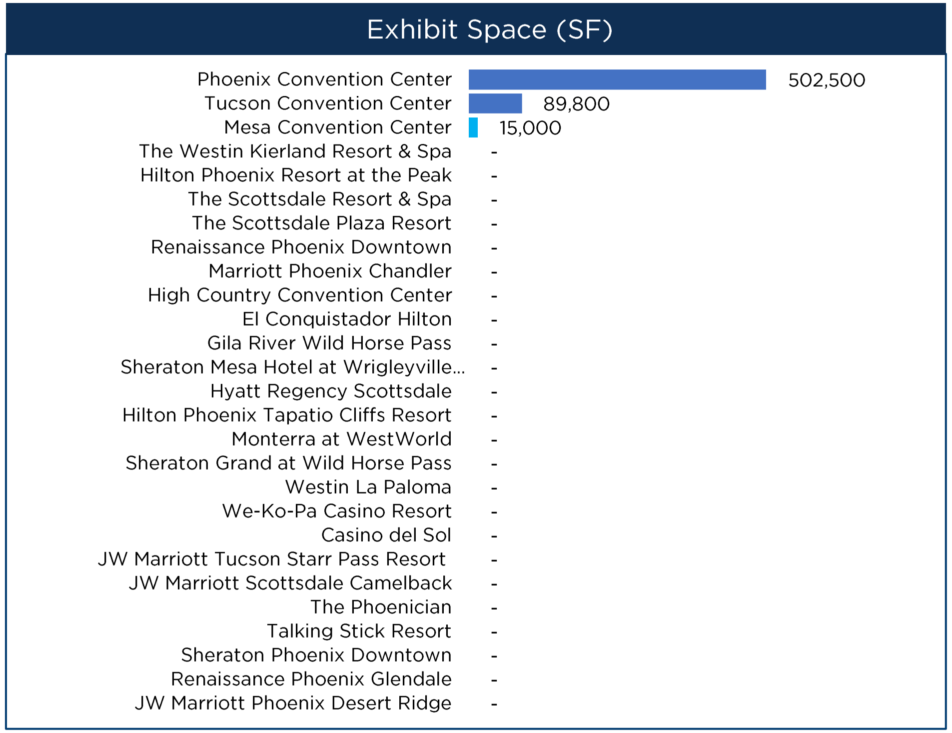


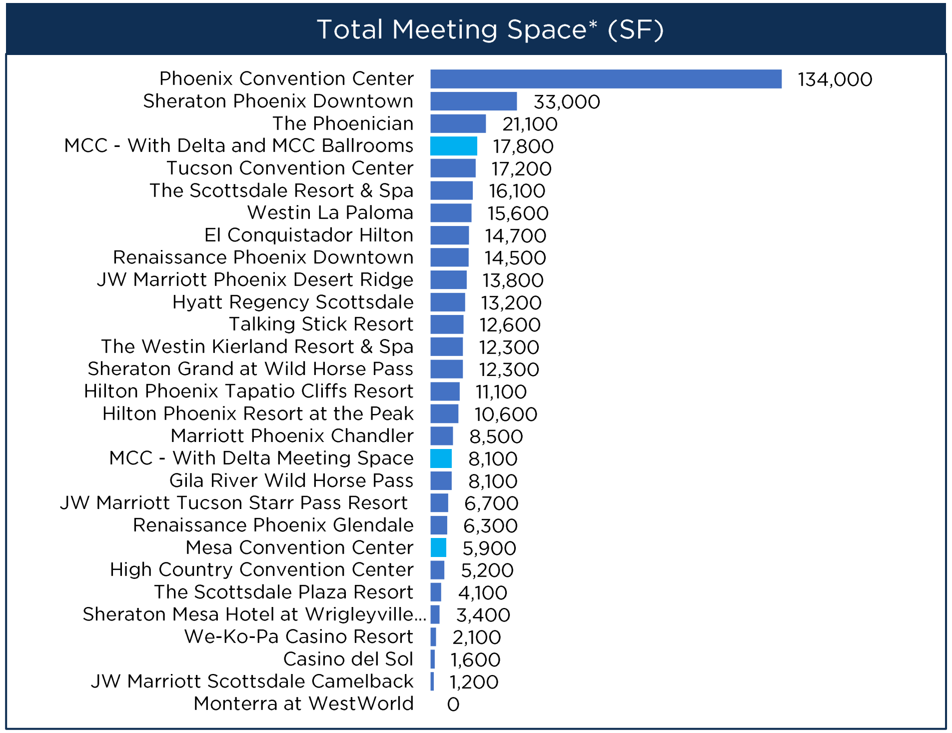


*Displays Mesa Convention Center alone and with Delta Hotel.
Source: Facility Websites, 2024.

RANKING OF COMPETITIVE EXHIBIT AND MEETING SPACES

The Mesa Convention Center is one of only three facilities in Arizona which offers exhibit space. As shown by previous occupancy analysis, this is among the most in-demand space at the Convention Center. In terms of meeting space, the Mesa Convention Center itself features only 5,900 square feet of space. However, this rises to 8,100 with the inclusion of meeting spaces at the Delta Hotel and 17,800, fourth in the comparison set, when considering the MCC's Superstition and Palo Verde ballrooms as meeting space. In such a configuration, the Arizona Ballroom located at the Delta Hotel could still be used for meal functions.

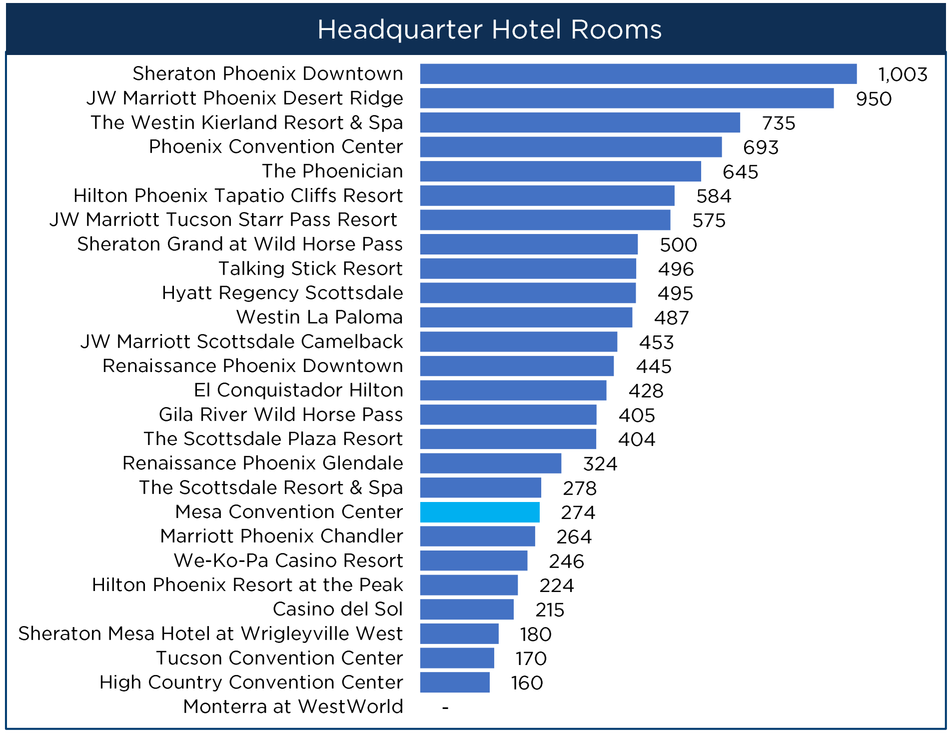


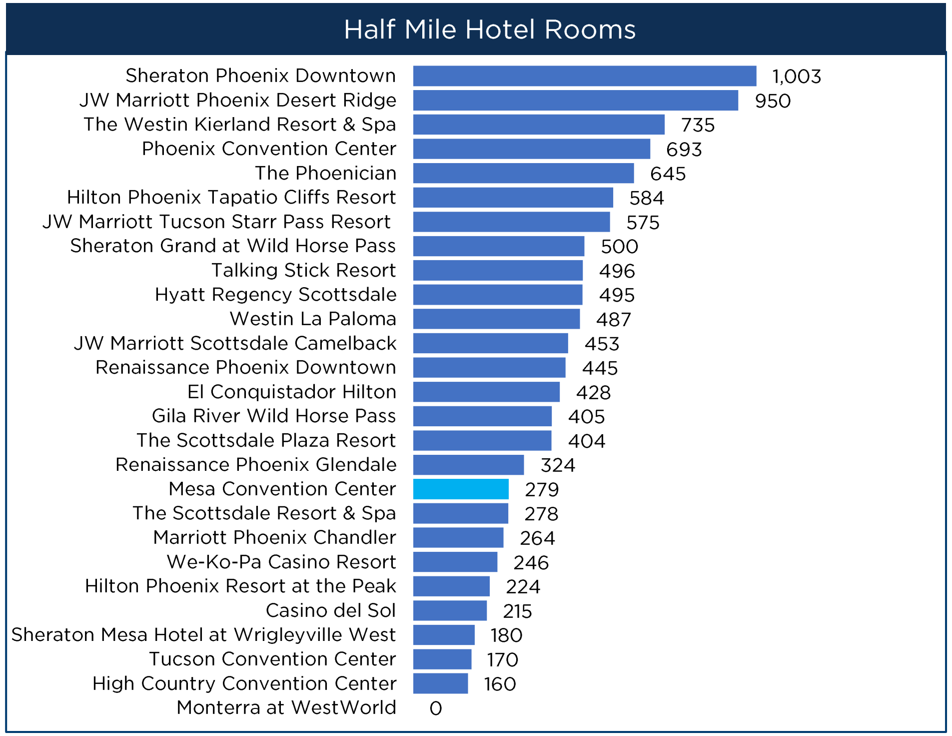


Source: Facility Websites, 2024.

RANKING OF COMPETITIVE HOTEL SPACE

With 274 headquarter hotel rooms and only five additional hotel rooms within a half mile, the Mesa Convention Center ranks in the bottom half of the comparison set in terms of both headquarter hotel and ½-mile hotel room support. To greatly improve market capture at the MCC, one or more nearby hotel properties are likely needed. However, the Market Demand chapter later herein presents strategies to target and attract a moderate selection of the state and regional convention market even with existing hotel support. Various stakeholders have stated that the Delta Hotel cannot accommodate the full room demand of some large events.

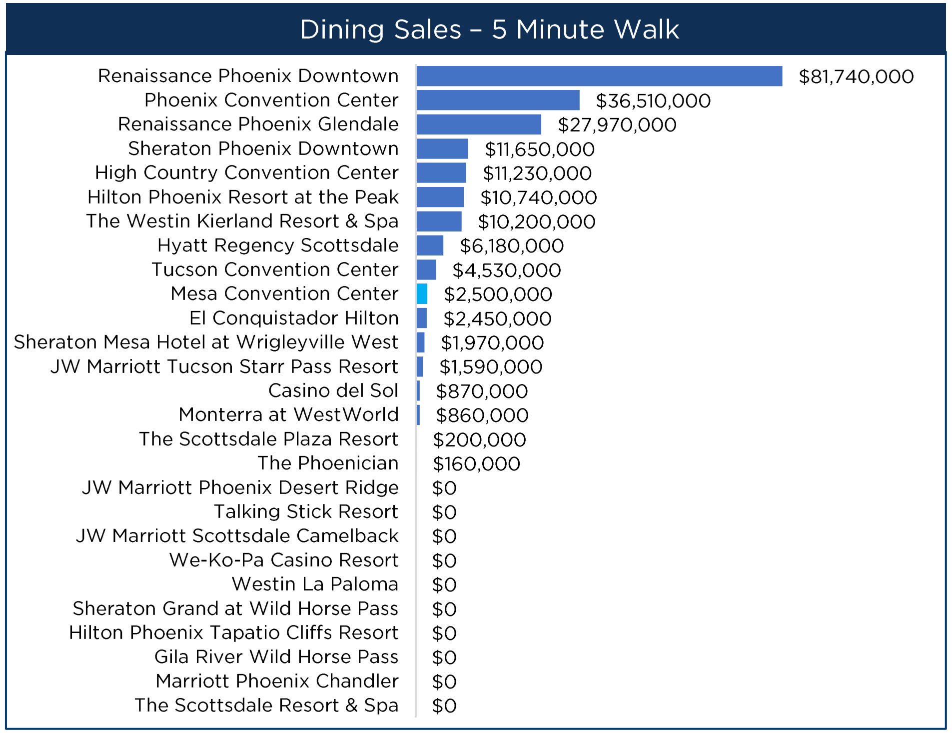


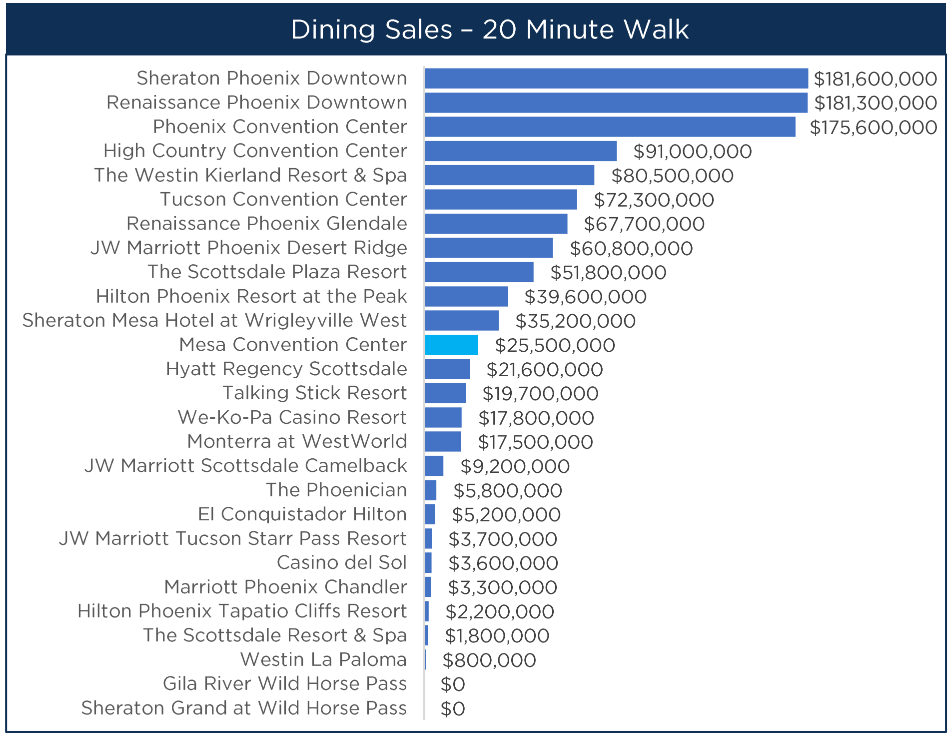


*Displays Mesa Convention Center alone.
Source: Facility Websites, 2024.

RANKING OF DINING SALES WITHIN WALKING DISTANCE

Comparing dining sales within walking distance of an event facility, as reported by Esri, is a good indicator of the strength of the area immediately surrounding an event facility. The selected walking distances are representative of distances which convention attendees are typically comfortable walking. As shown, a large number of competitive facilities exist as self-contained resort properties and thus have no or negligible dining sales in their immediate vicinity. The walkable environment surrounding the MCC should serve as a competitive advantage in the Valley market, though, as previously discussed, additional development, wayfinding and placemaking is still needed within ½-mile area surrounding the MCC. It is also important to note that due to the Mesa Convention Center's location on the edge of downtown, not all businesses on the Main Street corridor are accounted for in the 20-minute walktime analysis.





Source: Esri, 2024.

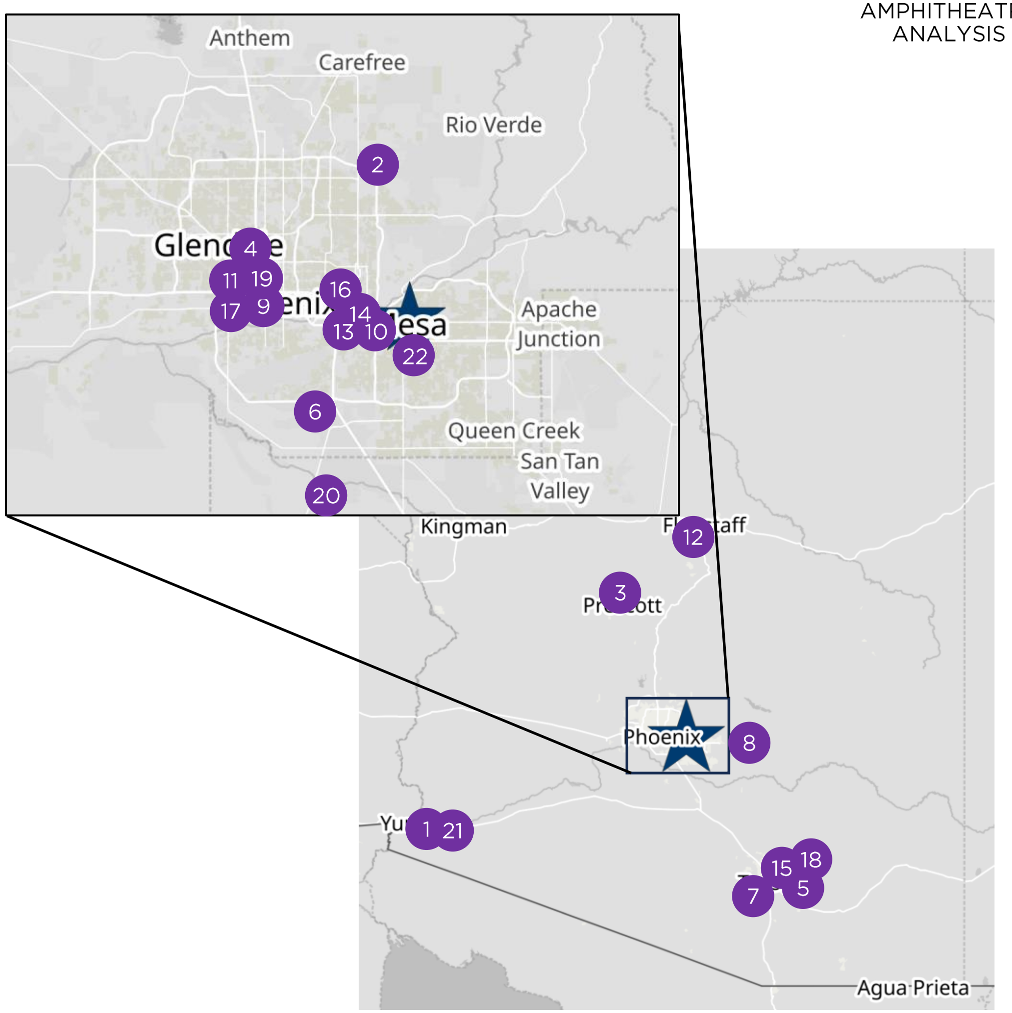
CONFIDENTIAL DRAFT

AMPHITHEATRE ANALYSIS

OVERVIEW OF REGIONAL COMPETITIVE CONCERT VENUES

The chart and map summarize competitive concert facilities that currently serve the Greater Phoenix and Arizona markets as primary event facility products. In total, there are 21 facilities in Arizona with a capacity of between 2,000 and 8,000 attendees, with 12 of those being located in Greater Phoenix. The Ikeda Theatre at the Mesa Arts Center, with 1,600 seats, is also included in this analysis for geographic purposes. Only three of the facilities are dedicated amphitheaters. Other facility types include outdoor stadiums, indoor arenas, casino facilities, auditoriums / theatres, and clubs. Case studies on the four most competitive facilities follow on subsequent pages.

	Name	Type	City	Visitor Capacity (count)
1	Desert Sun Stadium	Stadium	Yuma, AZ	8,000
2	Scottsdale Sports Complex	Outdoor Venues	Scottsdale, AZ	8,000
3	Findlay Toyota Center	Arena	Prescott Valley, AZ	7,000
4	Grand Canyon University Arena	Arena	Phoenix, AZ	7,000
5	Tucson Expo Center	Convention Center	Tucson, AZ	7,000
6	Rawhide Pavilion	Outdoor Venues	Chandler, AZ	6,833
7	Anselmo Valencia Tori Amphitheater	Amphitheater	Tucson, AZ	5,000
8	Apache Gold Casino Resort	Casino	San Carlos, AZ	5,000
9	Arizona Financial Theatre	Auditorium / Theatre	Phoenix, AZ	5,000
	Mesa Amphitheatre	Amphitheater	Mesa, AZ	5,000
10	Mullett Arena - Arizona State University	Arena	Tempe, AZ	5,000
11	Talking Stick Resort - The Pool	Outdoor Venues	Scottsdale, AZ	3,426
12	Pepsi Amphitheater At Fort Tuthill Park	Amphitheater	Flagstaff, AZ	3,200
13	ASU Gammage	Auditorium / Theatre	Tempe, AZ	3,011
14	Celebrity Theatre	Auditorium / Theatre	Phoenix, AZ	2,650
15	Centennial Hall - University of Arizona	Auditorium / Theatre	Tucson, AZ	2,492
16	The Marquee	Club	Tempe, AZ	2,425
17	Symphony Hall	Auditorium / Theatre	Phoenix, AZ	2,312
18	The Linda Ronstadt Music Hall	Auditorium / Theatre	Tucson, AZ	2,289
19	The Van Buren	Club	Phoenix, AZ	2,040
20	Harrah's Phoenix Ak-Chin Casino	Casino	Maricopa, AZ	2,000
21	Yuma Civic Center	Convention Center	Yuma, AZ	2,000
22	Mesa Arts Center - Ikeda Theater	Auditorium / Theatre	Mesa, AZ	1,600
	AVERAGE			4,300
	MEDIAN			3,400

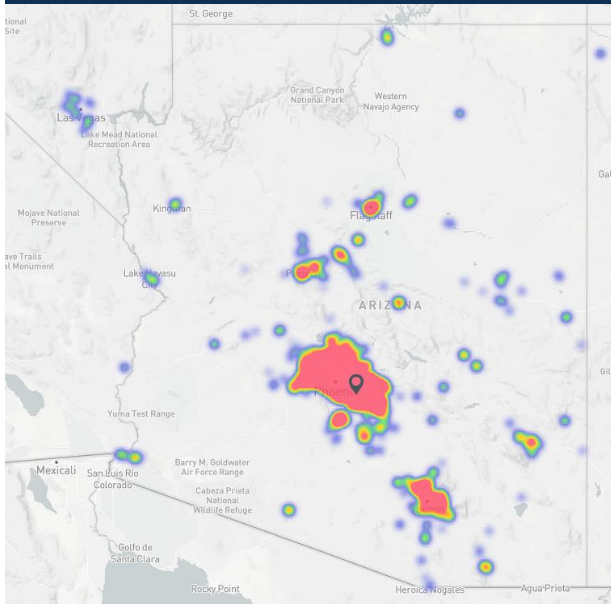


Source: Pollstar, Facility Websites, 2024.

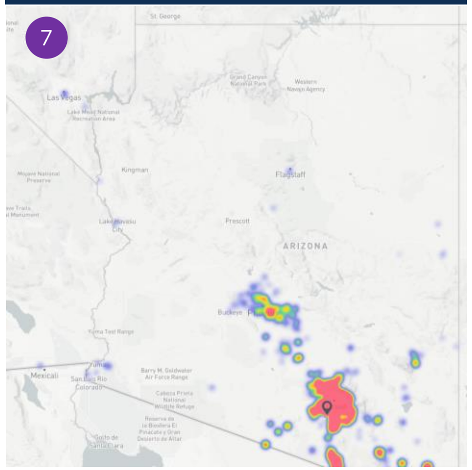
SELECTED COMPETITIVE VENUES, PLACER.AI TRADE AREA 2023

As previously discussed, the Placer.AI trade area displays the home locations of all visitors to a facility in a given time period. The exhibits below and to the right compare the Mesa Amphitheatre's 2023 trade area to those of the AVA Amphitheater, Arizona Financial Theatre, Celebrity Theatre, and The Van Buren. In analysis of event data and CSL interviews with local event promoters, these facilities were identified as the Mesa Amphitheatre's nearest competitors. The Mesa Amphitheatre's primary visitor base comes from Greater Phoenix with significant visitation from other areas of the state as well as Las Vegas. The reviewed facilities have very similar trade areas, however, only the Arizona Financial Theatre has a stronger regional draw. It will be important to identify facility investments and strategies to attract concerts to further penetrate this trade area and retain a greater share of concert goers from these rival facilities. Case studies for the selected venues are presented later herein.

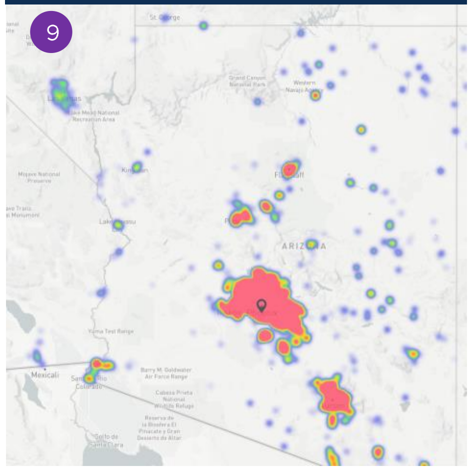
Mesa Amphitheatre



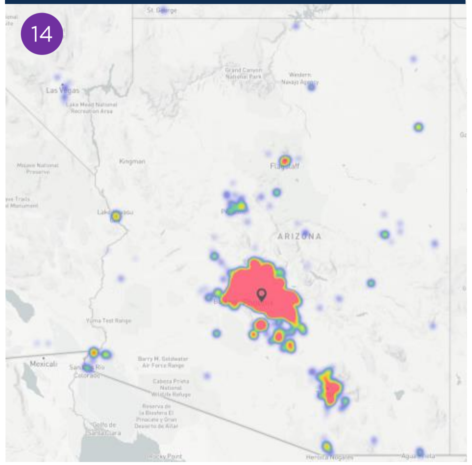
AVA Amphitheater



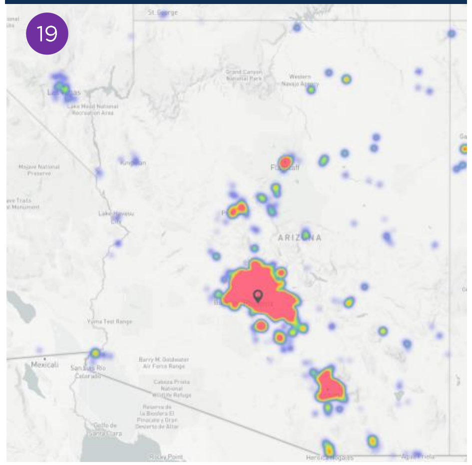
Arizona Financial Theatre



Celebrity Theatre



The Van Buren



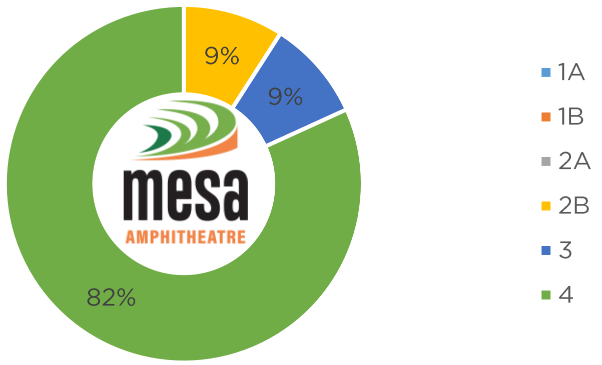
Source: CSL Interviews, Placer.AI, 2024.

SELECTED COMPETITIVE VENUE ACTS BY TIER

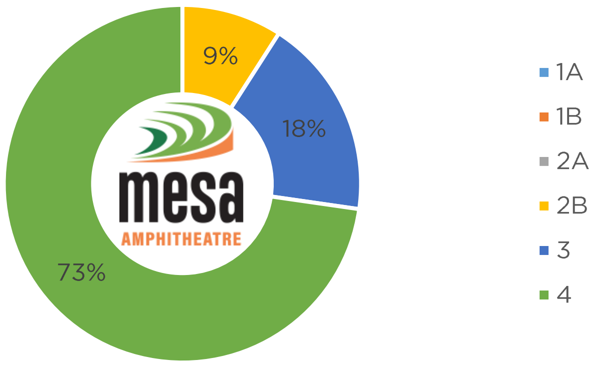
To further determine the value of Mesa Amphitheatre's business mix, a comparative analysis of its touring act "tiers" was conducted relative to the five competitive facilities shown on the previous page. A detailed explanation of different tier categories can be found in the industry trends section.

As shown, Tier 3 acts made up a materially greater portion of the Amphitheatre's business mix in 2023 relative to the pre-Pandemic year of 2019. The other facilities generally hosted the same type of business mix across both years. Facility improvements designed to build on this recent growth in Tier 3 business are presented later herein.

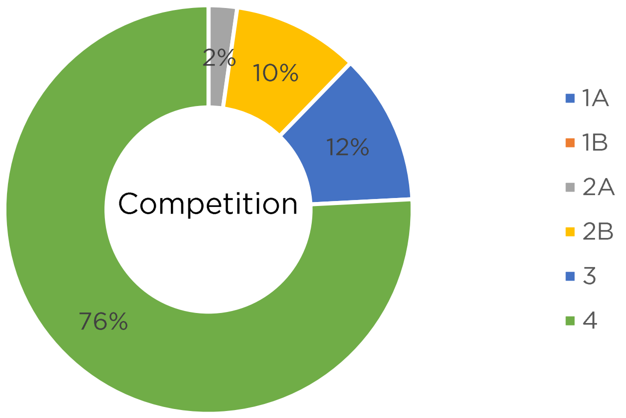
2019 Mesa Amphitheatre Act Tiers



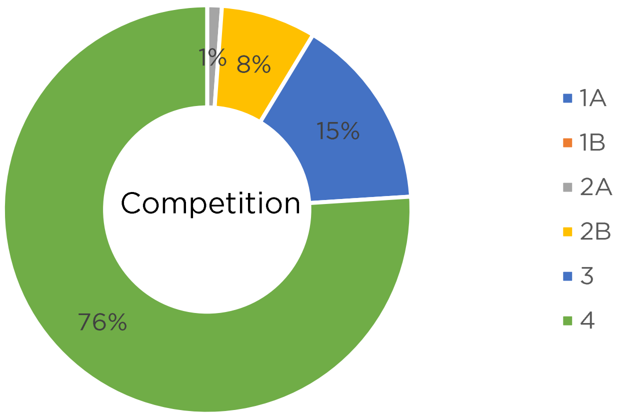
2023 Mesa Amphitheatre Act Tiers



2019 Selected Competitive Concert Venue Act Tiers



2023 Selected Competitive Concert Act Tiers



Source: Pollstar, Facility Websites, 2024.

FACILITY CASE STUDIES

ANSELMO VALENCIA TORI AMPHITHEATRE

7

City, State: Tucson, Arizona
Owner: Casino del Sol
Operator: Casino del Sol
Year Opened: 2001
Capacity: 5,000
Seating Type: Fixed, Berm
VIP Offerings: None
Shows in 2023: 11
Average Gross per Event: $305,494

VENUE OVERVIEW

- The Anselmo Valencia Tori Amphitheatre, or AVA Amphitheatre, was opened in 2001 and functions as the primary outdoor event venue at the Casino del Sol, Tucson.
- The Casino del Sol is owned by the Pascua Yaqui tribe, for whom the facility also hosts community events.
- The venue includes 1,700 fixed seats and a total capacity for up to 5,000 attendees. Fixed seats are located closest to the stage and are sold at a premium.
- In addition, some areas have space for guests to bring lawn chairs or for the venue to place folding chairs.
- In addition to concerts, a large number of community festivals are held, such as an annual tamale contest. This contributes to the secondary goal of providing an event venue for the tribal community.
- Due to tribal policy, the AVA Amphitheatre greatly reduced its shows relative to surrounding venues in response to the COVID-19 pandemic.
- Recent artists include the Black Crowes; Earth, Wind & Fire; and Alice Cooper.

Year:	Number of Events	Average Attendance	Average Gross
2018	19	3,217	$ 281,127
2019	20	4,281	$ 149,667
2021	8	n/a	n/a
2022	15	n/a	n/a
2023	11	5,051	$ 485,688
AVERAGE:	**15**	**4,183**	**$ 305,494**

Estimated Competitive Pressure:
Moderate

Source: Pollstar, Facility Websites, CSL research, 2024.

FACILITY CASE STUDIES

ARIZONA FINANCIAL THEATRE

9

City, State: Phoenix, Arizona
Owner: JDM Partners, City of Phoenix
Operator: Live Nation
Year Opened: 2002
Capacity: 5,000
Seating Type: Fixed, Standing
VIP Offerings: 16 Suites
Shows in 2023: 24
Average Gross per Event: $408,782

VENUE OVERVIEW

- Opened in 2002, Arizona Financial Theatre is a multi-use theater located in Downtown Phoenix with a capacity of 5,000.
- The facility was developed by JDM Partners in collaboration with the City of Phoenix. It has been run by Live Nation since 2007.
- 16 VIP Suites are available for purchase. Suites include dedicated alcohol service and premier seating.
- Other seating options include main floor seating, balcony seating, and a general admission pit.
- Recent major artists include Vampire Weekend, Gunna, and Laufey.
- The facility is multi-use and hosts a variety of events. These include comedians, classical symphony and ballet concerts, WWE and monster truck events, film screenings, speeches, and more.

Year:	Number of Events	Average Attendance	Average Gross
2018	70	4,161	$ 320,655
2019	85	3,474	$ 185,266
2021	109	4,073	$ 262,948
2022	79	3,867	$ 242,481
2023	111	5,181	$ 408,782
AVERAGE:	91	4,151	$ 284,026

Estimated Competitive Pressure:
Strong

Source: Pollstar, Facility Websites, CSL research, 2024.

CONFIDENTIAL DRAFT

AMPHITHEATRE ANALYSIS

FACILITY CASE STUDIES

CELEBRITY THEATRE

14

City, State: Phoenix, Arizona
Owner: Celebrity Theatre, LLC.
Operator: Celebrity Theatre, LLC.
Year Opened: 1963
Capacity: 2,650
Seating Type: Fixed
VIP Offerings: None
Shows in 2023: 61
Average Gross per Event: $160,093

VENUE OVERVIEW

- Celebrity Theatre is a mid-sized venue located in eastern Phoenix with a capacity of 2,650 seats.
- The venue exclusively features fixed seats. There is no standing room or designated VIP area available.
- Celebrity Theatre offers a unique Theatre-in-the-Round experience, with a 30-foot circular stage and seating on all sides. The stage has revolving capabilities.
- The facility is multi-use and includes an orchestra pit. Its design also lends itself well to comedians and combat sports including Boxing and MMA.
- A major overhaul was implemented in 2021. This included replacing plumbing and bathrooms. The overall cost of the overhaul was approximately $1.8 million.
- The 2021 overhaul added a second performance venue known as the Encore Lounge. This is designated for smaller acts and includes a stage area and bar. The Lounge allows Celebrity Theatre to continue its commitment to up-and-coming artists.

Year:	Number of Events	Average Attendance	Average Gross
2018	39	1,378	$ 92,882
2019	50	1,879	$ 107,228
2021	81	4,079	$ 293,637
2022	59	3,848	$ 222,137
2023	61	2,064	$ 124,581
AVERAGE:	58	2,650	$ 168,093

Estimated Competitive Pressure: Moderate

Source: Pollstar, Facility Websites, CSL research, 2024.

FACILITY CASE STUDIES

THE VAN BUREN

19

City, State: Phoenix, Arizona
Owner: Live Nation
Operator: Live Nation
Year Opened: 2017
Capacity: 2,040
Seating Type: Fixed, Standing
VIP Offerings: Party Platform, Loge Boxes
Shows in 2023: 179
Average Gross per Event: $50,618

VENUE OVERVIEW

- Originally built in 1929 as the home to the defunct Phoenix Motor Company, the Van Buren was reopened as a concert venue in 2017.
- Funding for the overhaul included a $250,000 grant from the City of Phoenix.
- The facility offers GA Standing tickets as well as seating options. Loge boxes and a party platform are available to guests looking to purchase a VIP experience.
- Facility management struggled due to the COVID-19 pandemic, with Live Nation purchasing the venue in 2021.
- The venue's small size and the facility management's emphasis on efficiency contribute to very high event counts.
- Recent artists include EDEN, Smino, Pixies, and Lil Wayne.

Year:	Number of Events	Average Attendance	Average Gross
2018	164	1,391	$ 44265
2019	161	1,611	$ 51,772
2021	80	1,706	$ 53,228
2022	168	1,442	$ 49,288
2023	179	1,720	$ 54,535
AVERAGE:	**150**	**1,574**	**$ 50,618**

Estimated Competitive Pressure: Moderate

Source: Pollstar, Facility Websites, CSL research, 2024.

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4 INDUSTRY TRENDS

CSL

INTRODUCTION

Convention planners and concert promoters view the site selection process in a very broad way, considering not just the center space, but a wide variety of amenities and services. The increasing importance placed on the adoption and use of technology, the physical design and flexibility of convention space, and the emphasis on authentic and unique destination experiences, among other elements, are indicative of the future trends within the industry as a whole.

In order for an improved Mesa Convention Center and Amphitheatre to remain relevant in the increasingly competitive convention environment, it is critical to understand and adapt to these needs. The following pages summarize emerging and future trends of the convention industry as well as examples of how facilities around the country have adapted to the changing needs of convention and meeting attendees.

Simply maintaining the amenities, space types, technology and other aspects of a convention center and amphitheatre will, over time result in a competitive disadvantage when competing for events. Relying on existing hotel, entertainment and other visitor assets to support a convention destination without continued investment will also place any market at a long-term competitive disadvantage.

As investment in event center product takes place in markets throughout North America, numerous trend-forward investments are being made or considered. In this section of the report, we explore future investment in convention and destination assets among competitive and comparable markets and identify elements that could be applied to the Mesa concert, convention and visitor sector.

The following specific areas are addressed throughout this section.

Convention Center Trends:

- Interior and exterior flexibility
- Iconic public art
- Augmented/Virtual Reality (AR/VR) and other technologies
- Food service
- Emerging event types
- Destination development trends

Amphitheatre Trends:

- Ticket Sales and Event Economics
- Promoter Consolidation
- Industry Structure
- Tour Tiers
- Top Amphitheaters
- Emerging Live Music Venue Trends

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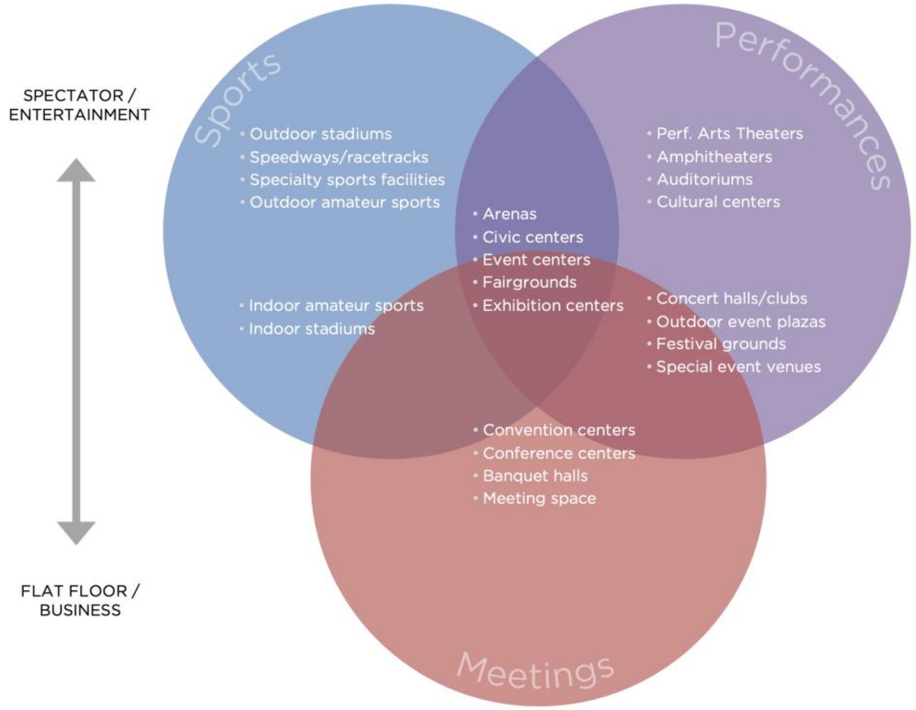
EVENT INDUSTRY & FACILITY ALIGNMENT

It is often useful to consider events as those residing in one of three general categories: sports, performances, and meetings. Facilities that normally accommodate these event types tend to overlap somewhat, as certain event facilities can accommodate events in multiple categories. The exhibits below illustrates how specific types of industry-typical event facilities fit within this framework of events. As shown, event facilities situated near the top of the diagram tend to be facilities that are more spectator/entertainment event-oriented, while those facilities located near the bottom of the diagram tend to be those that do not integrate fixed seating and are instead flat floor venues that focus on conventions, meetings, tradeshows and other such events. The MCC often hosts the top six event segments: Conventions, Conferences, Meetings, Banquets/Receptions, Tradeshows, and Consumer/Public Shows. Important facility elements that are considered as part of subsequent recommendations for these segments include high quality finish, exhibit space, upscale carpeted space, breakout rooms, nearby hotels, and nearby visitor amenities.



MCC Event Mix

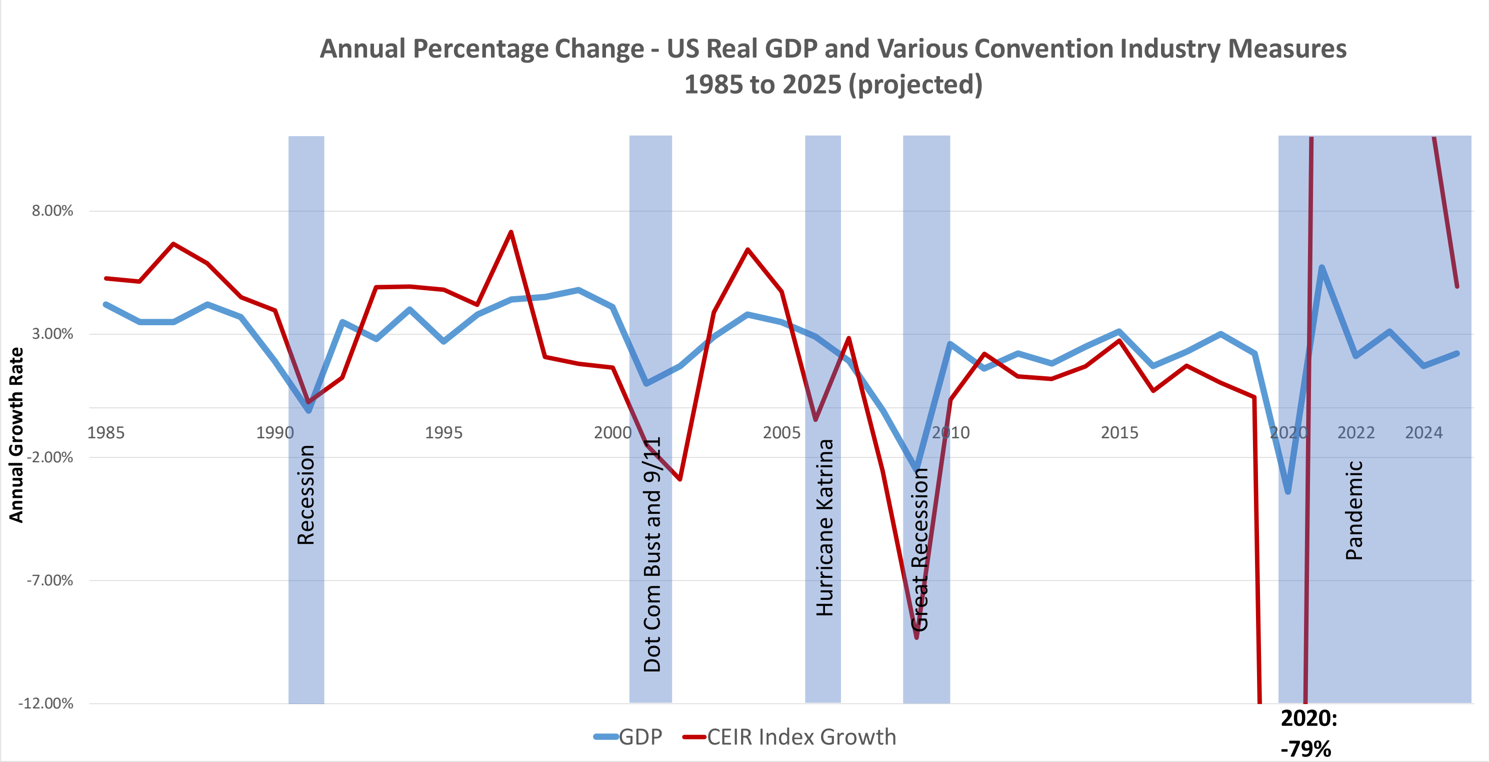
	High Quality Finish	Exhibit/ Lg. Event Facility	Upscale Carpeted Space	Breakout Rooms	Spectator Seating	Parking	Nearby Hotels	Secondary Facilities	Nearby Visitor Amenities
Conventions	HIGH	HIGH	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Conferences	HIGH	MED	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Meetings	HIGH	LOW	MED	HIGH	LOW	LOW	LOW	LOW	MED
Banquets/Receptions	HIGH	LOW	HIGH	MED	LOW	MED	LOW	LOW	MED
Tradeshows	MED	HIGH	LOW	LOW	LOW	HIGH	MED	LOW	HIGH
Consumer/Public Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	MED
Livestock/Ag Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	HIGH	LOW
Equestrian Events	LOW	HIGH	LOW	LOW	MED	HIGH	LOW	HIGH	MED
Rodeos	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	MED	LOW
Fairs	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	HIGH	LOW
Sports (ticketed)	MED	MED	LOW	LOW	HIGH	HIGH	LOW	LOW	LOW
Sports (amateur/youth)	MED	HIGH	LOW	LOW	HIGH	HIGH	MED	MED	MED
Concerts	MED	MED	LOW	LOW	HIGH	HIGH	LOW	LOW	MED
Festivals	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	LOW

HISTORICAL INDUSTRY & ECONOMIC CYCLES

The U.S. economy appeared to be on solid footing prior to the COVID-19 outbreak. A historical perspective focusing on changes to GDP growth relative to the national convention industry may be useful in assessing the longer-term impact of the COVID-19 Pandemic. As outlined in the adjacent chart, broad industry changes, characterized by retraction and expansion in exhibition, convention, conference, tradeshow and meeting demand have taken place during the past 38 years, with projections for 2024 to 2025.

The Pandemic took a significant toll on the U.S. exhibition industry. As U.S. GDP decreased by over three percent in 2020, the exhibition industry's total attendance, square footage, and revenues decreased by nearly 80 percent due to the restrictions for public assembly events during the COVID-19 Pandemic. Beginning in 2021, measures of industry performance increased by 50 to 60 percent from the 2020 lows, followed by an approximate 128 percent growth in overall convention industry measures in 2022.

As meetings and conventions continue to rebound, CEIR estimates indicate that 2023 approximated 90 percent of pre-Pandemic industry metrics. Net growth from the pre-Pandemic period is anticipated for the first time in 2024, as the industry is estimated to grow by four (4.0) percent from 2019 figures.



Note: (1) Measures attendance, exhibit space and exhibitor performance.
Source: U.S. Bureau of Economic Analysis, Conference Board, St. Louis Fed, CEIR, CSL, 2024.

COVID Rebound

2023:
90% of 2019 figures

2024:
Projected to reach 104% of 2019 figures

OVERVIEW OF CONVENTION PLANNER PREFERENCES & EMERGING TRENDS

The type, level of finish, configuration, and amenities of the space offered in any convention/conference or event facility will play a strong role in determining the ability of the facility to attract and accommodate certain types of events. The "state-of-the-industry" in terms of the physical product aesthetics and functionality of convention and event facilities has continued to advance year-over-year in cities throughout the country. Event planners and users increasingly prefer, and oftentimes demand, the modern, spacious aesthetics and optimized, advanced functionality and efficiency of newer facility designs and programs. Beyond attracting higher numbers of groups, visitors and economic impact, modern convention/conference and event facilities often offer significant advancements in operating efficiencies and enhanced revenue generation opportunities, as compared to previous generations of facilities. Facility and destination features that are typically important to convention and event planners when selecting a destination and facility include those shown to the below left. The graphic shown to the below right highlights existing and emerging trends in terms of convention event preferences and requirements that, in turn, are affecting forward-thinking design of new facility products. An enlarged version of this graphic is presented on the following page.

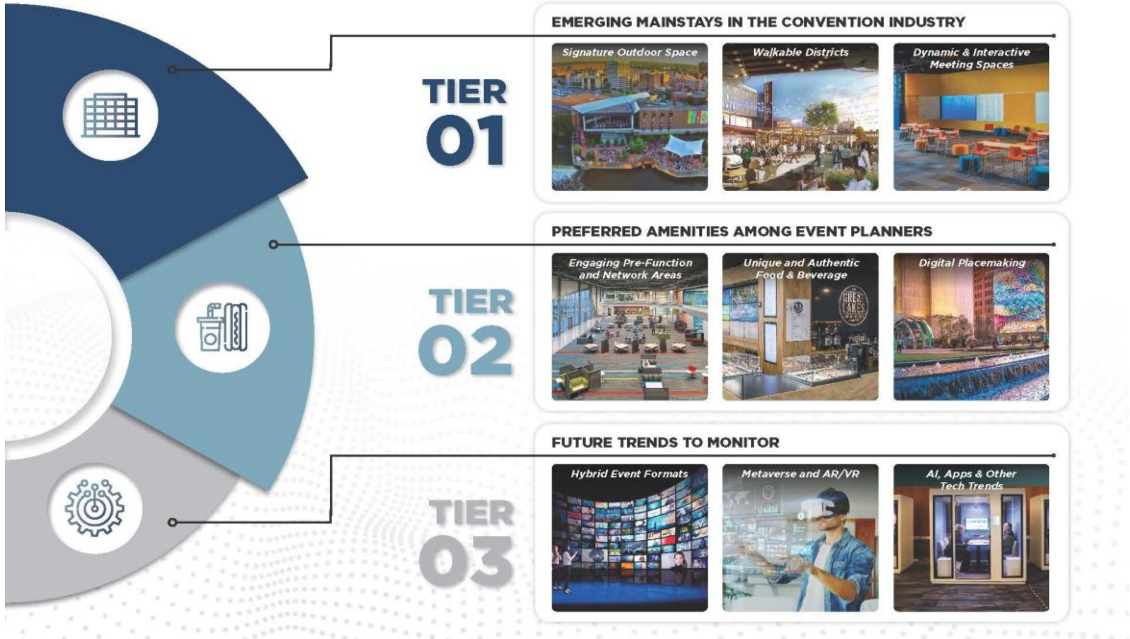
Site & Destination Preferences

- Attached/integrated full-service hotel.
- Nearby ancillary hotel offerings.
- Affordability and diversity of overall destination lodging inventory.
- On-site and walkable proximity to attractive visitor amenities (restaurants, bars/nightlight, and retail).
- Quality and density of authentic destination amenities and attractions.
- Proximity to airport & flight availability/costs to/from major markets.
- Visitor-friendly, walkable environment surrounding convention/event space.
- Availability of ground transportation, including rideshare and shuttling.

Facility Preferences

- High-quality convention/event space with flexible design/functionality.
- Integrated or direct connection to headquarters hotel.
- High ceiling heights (30+ feet for exhibit halls, 20+ feet for ballrooms)
- Flexibility in terms of ballroom and exhibit hall subdivisibility.
- Plentiful breakout meeting space of wide variety of sizes & configurations.
- Large pre-function & networking spaces.
- Outdoor activity spaces.
- Moveable, flexible furniture offerings in public and pre-function spaces.
- Unique and authentic food & beverage.
- Modern audiovisual & technology capabilities, incl. complementary wifi.
- Dynamic digital placemaking & signage.
- Ease of load-in/out.
- ADA accessibility.
- Parking availability.

Next Generation Convention/Conference Facility Trends



TIER 01

EMERGING MAINSTAYS IN THE CONVENTION INDUSTRY


Signature Outdoor Space


Walkable Districts


Dynamic & Interactive Meeting Spaces

TIER 02

PREFERRED AMENITIES AMONG EVENT PLANNERS

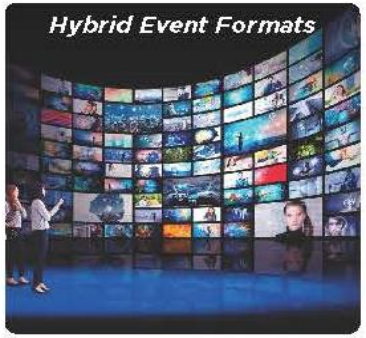

Engaging Pre-Function and Network Areas


Unique and Authentic Food & Beverage


Digital Placemaking

TIER 03

FUTURE TRENDS TO MONITOR


Hybrid Event Formats


Metaverse and AR/VR


AI, Apps & Other Tech Trends

PRIMARY TRENDS

Signature Outdoor Space

Even prior to the Pandemic, event planners indicated an increasing demand for unique outdoor event space at their host sites. Popular conference/convention facilities throughout the country offer terraces, patios, lawns, and pavilions to events for networking event planners or general sessions. Outdoor event space provides attendees with the opportunity to connect with the culture and feeling of a destination in a unique event setting while creating an additional selling point and source of revenue for centers. The MCC can greatly enhance its outdoor event space offering by redeveloping its central courtyard. These options will greatly enhance the MCC's marketability in the evolving convention industry.

Surrounding Amenities

As the competition to attract nationally rotating conferences has become increasingly intense, many facilities have begun to position themselves as "convention districts". In this way, the value proposition for an event planner broadens beyond traditional event space and hotel criteria to include restaurant, retail, entertainment and transportation within walking distance of a convention facility.

Convention and conference facilities located within vibrant mixed-use districts cater to this emerging event planner demand, and those that integrate with their surrounding dining, retail and entertainment environments are positioned to succeed in the post-COVID convention industry. As downtown Mesa's entertainment districts continue to develop, efforts will need to be made to improve connections to these areas.

Dynamic & Interactive Meeting Space

Planners are increasingly using larger, more versatile spaces for breakout sessions. These rooms range anywhere between 3,000 and 10,000 square feet and feature portable and modular furniture to accommodate a variety of programs. The Cantilever Room at the Henry B. Gonzalez Convention Center in San Antonio (TX) is often cited by event planners as an exemplary multipurpose space. The room's built-in A/V, digital signage, movable furniture, and dual-purpose window/whiteboard help create a flexible and open environment for workshops, brainstorm sessions, and strategy meetings.

PRIMARY TRENDS

Engaging Pre-Function & Network Areas

The Open Space Learning (OSL) concept challenges traditional lecture or seminar-based formats that tend to draw attendees off the main show floor during events and instead provides unique and creative learning environments that can be constructed in lobbies, pre-function areas, atriums, etc. Facilities such as the Renasant Convention Center in Memphis, the Vancouver Convention Centre, and the Grand Wayne Convention Center in Fort Wayne (IN) have invested in portable and versatile furniture to create environments for small meetings and lectures, podcasts, and informal networking events. With spacious pre-function areas in select areas throughout its campus, opportunity may exist to develop dynamic OSL areas in the MCC.

Unique and Authentic Food & Beverage

Recent trends in the food and beverage sector are more reflective of changing demographics and how conventions and meetings are being produced. The balance between standard sit-down banquets and more formal food options may be shifting towards the informal, and the ability of a center to offer more convenient "grab & go" or "pop-up" dining opportunities could become much more important in the future. Planners and attendees today also prefer a highly localized food and beverage product, often provided in lobby outlets, pop-ups and food trucks. Partnership opportunities with local brewers, distillers, food trucks, and restaurants should be explored by MCC stakeholders to develop programming for these types of permanent and/or temporary kiosks.

Digital Placemaking

LED digital signage is flexible and can be contoured to walls and other spaces within a facility. Use cases include providing information to attendees in real-time, displaying local art, providing sponsors with a flexible platform for messaging, showing dynamic logos and company graphics, and enhancing presentations that may take place in pre-function areas. Moreover, these digital signs can be remotely managed and updated, making it convenient for event organizers to adapt content in real-time. High-resolution displays with vibrant colors capture attention and create a visually engaging environment. Large displays spread throughout the building now deliver real-time event updates, social media content, wayfinding information, sponsorship messaging, and live streams of presentations occurring throughout the building.

PRIMARY TRENDS

Hybrid Event Formats

Event planners interviewed by CSL in recent years suggest a significant interest in "plug and play" production and broadcast capabilities on-site at event venues to stream and produce content for events in real-time. This also opens the door to attending conventions via Virtual Reality platforms such as Metaverse.

Facilities are investing in technologies to accommodate virtual attendees. The Huntington Center in Detroit includes a 5,000-square foot broadcast studio that offers the technologies and services needed to create programming, live event webcasting, and large-scale program distribution, among other offerings. These technologies and their applications are still evolving, but many conference and convention industry leaders envision multipurpose "black box" rooms that will host completely immersive environments rendered as lifelike to its observers.

Immersive Experiences

Augmented reality technologies allow for "shared experiences" among attendees. By using headsets or mobile technologies, attendees can collectively access common information and create "group solutions" to tasks or challenges. With the release of Apple's Vision Pro and more affordable Augmented Reality options on the horizon, significant growth in the use of these applications for meetings and conventions will likely take place. In response, convention facilities nationally will have to be outfitted with robust internet/5G/WiFi capabilities, and program modifications may be needed to create easily adaptable, "white slate" rooms for attendees to meet in while using AR applications.

AI, Apps & Other Tech Trends

AI is a powerful tool for any individual managing a large facility. When integrated with sensors and building technology, it can maximize building energy efficiency by reducing unneeded energy usage and identifying placemaking strategies based on tracked foot traffic flows. AI can also be used to track space utilization, identifying which spaces are being over and under utilized.

In addition, new event booking technologies have emerged that allow for app-based scheduling of breakout meeting spaces in venues. Private, tech-enabled Smart Pods outfitted with comfortable booth seating, tabletops, whiteboards, monitors, HDMI cables and phone charging stations that can be rented on demand are increasingly common at meeting facilities.

CONVENTION CENTER FEATURE PREFERENCES

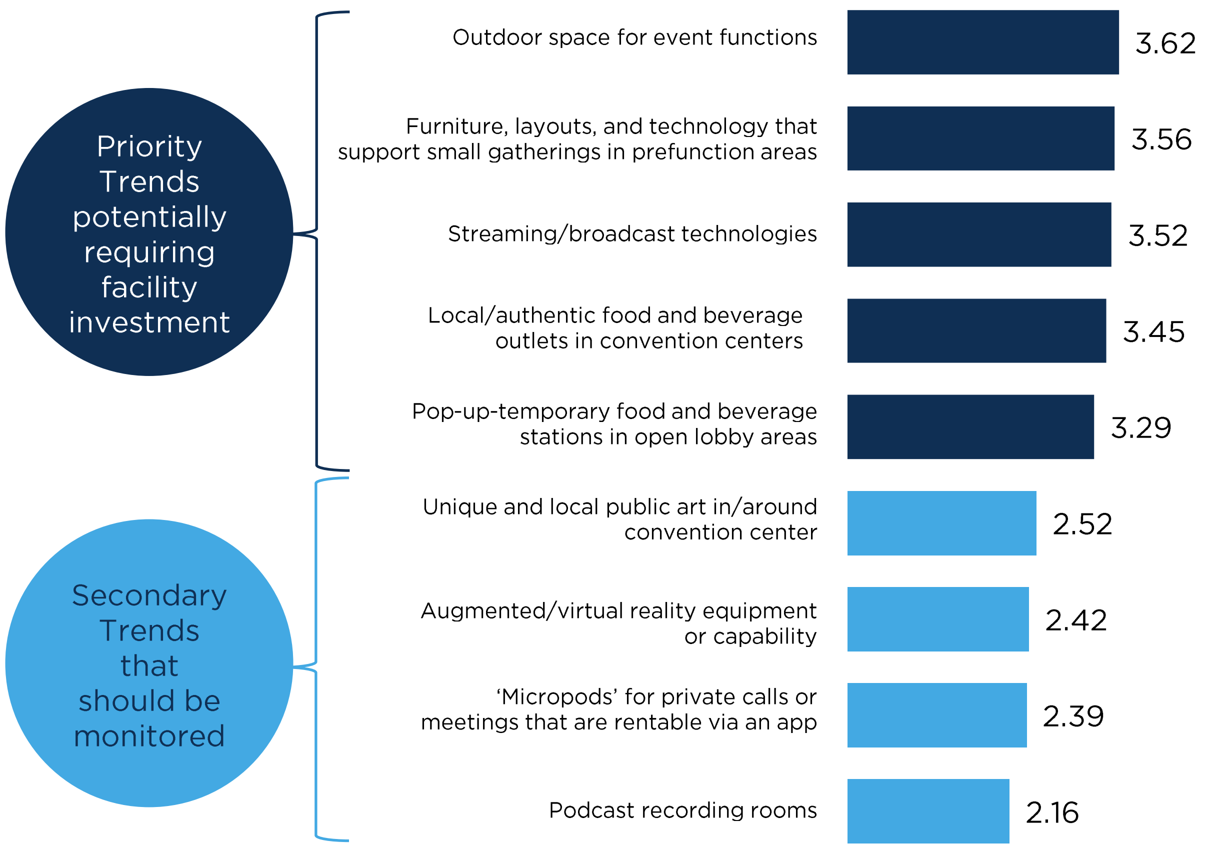
The illustrations and exhibit shown on the previous three pages highlight existing and emerging trends in terms of convention event preferences and requirements that, in turn, are affecting forward-thinking design of new facility products.

With respect to the exhibit on this page, CSL recently collected survey input from nearly 90 planners of major national and regional conferences and conventions. Participating planners were asked to rate the importance and appeal of several different event facility trends on a scale of "1" to "5", with "5" being the highest score. Their feedback is summarized in the chart to the right.

Trends that should be considered a high priority by the conference, meeting, and convention industry garnered scores of 3.25 or higher. As shown, outdoor event space received the highest rating from planners (score of 3.62 out of 5), followed by using pre-function areas for informal meetings (3.56), streaming and broadcast technologies (3.52), local and authentic food stations (3.45), and pop-up/temporary food stations (3.29). It will be important to consider each of these trends as part of any conference center development.

Trends that scored lower are less of a near-term priority but should still be considered important as part of convention facility investment. These include unique or local public art installations, augmented and virtual reality capabilities, 'micro pods', and podcast recording rooms.

Convention Center Facility Feature Trends by Importance and Appeal
(according to surveyed event planners)



Facility Factors

Source: CSL Survey of Meeting and Event Planners, 2022.

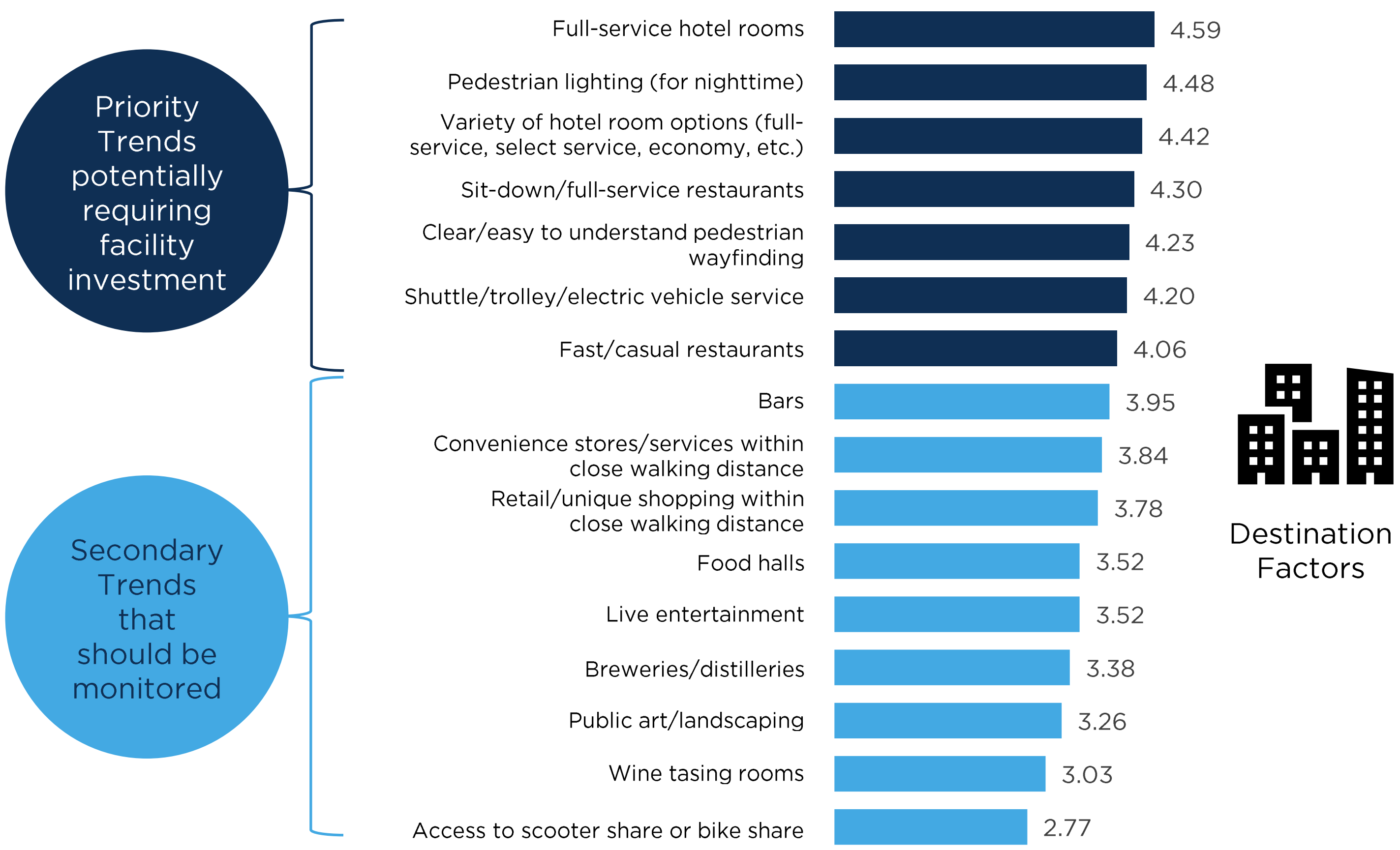
CONVENTION DISTRICT AMENITY PREFERENCES

CSL also asked national and regional conference and convention planners to rate the importance and appeal of various surrounding event center district amenities for their events. This question was similarly scaled from "1" to "5", with "5" as the highest score. Notably, many amenities received significantly higher levels of importance relative to previously presented conference or convention facility features.

Surrounding district trends that should be considered a high priority garnered scores of 4.00 or higher. Access to full-service hotel rooms (score of 4.59) represents the most important convention district amenity among surveyed event planners. This is followed by pedestrian lighting for nighttime activities (4.48), a variety of hotel offerings (4.42), full-service restaurant options (4.30), easily understandable wayfinding for pedestrians (4.23), some form of shuttle/trolley vehicle service (4.20), and access to fast-casual dining options (4.06).

Trends that scored lower are less important to planners but should still be considered as part of an event facility district development. These amenities include nearby bars, convenience stores and services within walking distance, food halls, access to live entertainment, breweries and/or distilleries, and public art and landscaping design.

Convention District Amenity Trends by Importance and Appeal (according to surveyed event planners)



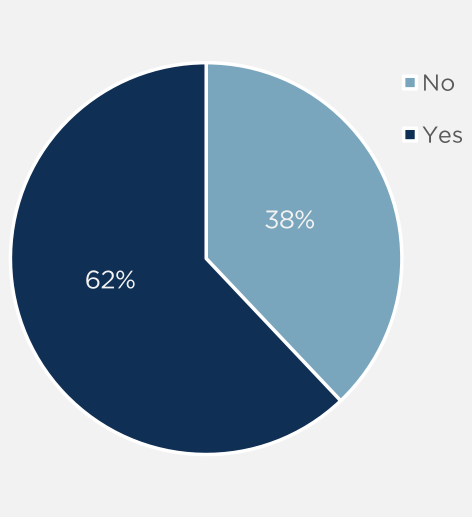
Source: CSL Survey of Meeting and Event Planners, 2022.

CONVENTIONS – OTHER INFLUENCING TRENDS

Due to significant COVID-19 pandemic impacts and growing political turbulence since 2020, in 2022, CSL distributed a questionnaire to event planners to gather insight into how the industry has changed in recent years and will continue to change moving forward. Several analyses with notable takeaways are presented below. As shown in the left exhibit, CSL asked national meeting and event planners if their interest in small/mid-sized markets has increased due to the pandemic. Of these respondents, 62 percent indicated that they are more interested in smaller and mid-sized destination markets than they were prior to the pandemic. This aligns with a gradually growing notion within the convention industry that planners are looking for smaller, safer destinations with closer access to outdoor experiences to host their events. The Mesa destination offers these and other advantages, and the destination's convention industry has an opportunity to benefit as a result.

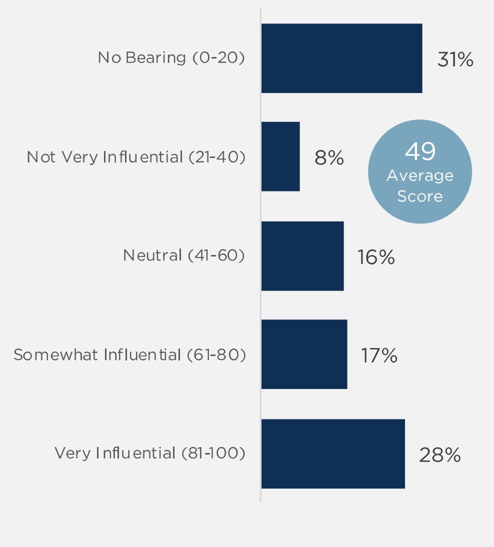
Planners were also asked (1) to estimate the level of influence that the political policies of a state or region may have on their site selection process, (2) whether they anticipate an increased online attendee base for their events, and (3) to rate how important the sustainability practices of a host facility when selecting a host facility/site. Respective results are also shown below.

Increased Interest in Small/Mid-Sized Markets Post-Pandemic?

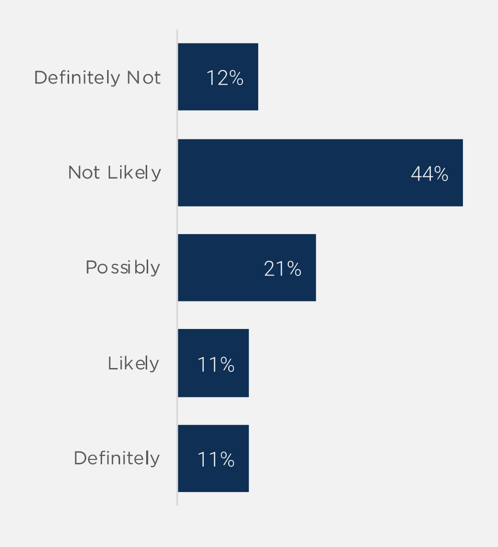


Source: CSL Surveys of Convention Planners, 2022.

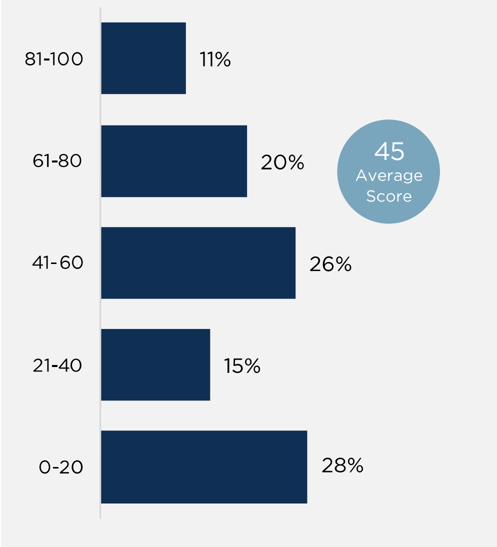
How Influential Are Political Policies in Your Site Selection?



Do You Anticipate a Larger Online Presence in the Future?



How Important Are Sustainability Practices of a Facility?



CONCERT INDUSTRY TREND OVERVIEW

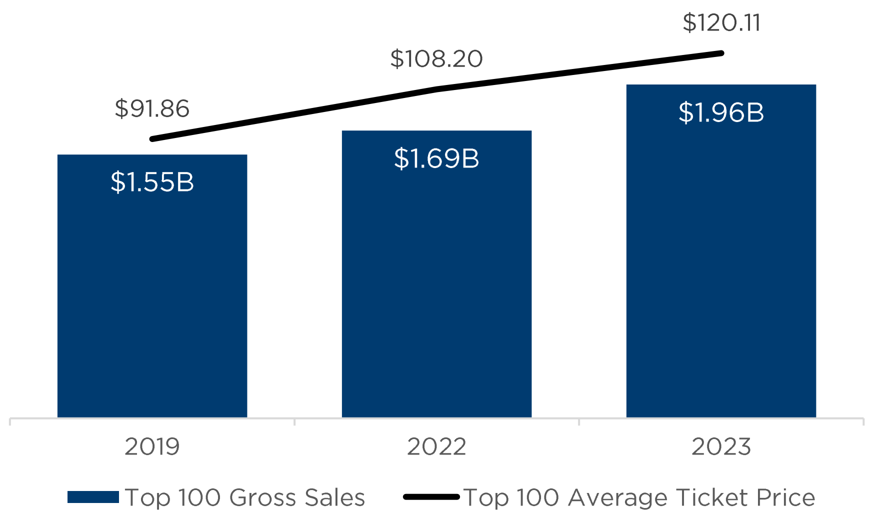
The viability of a potential renovated/expanded Amphitheatre will be impacted by the overall trends and characteristics of the live music industry. In order to provide a perspective from which to assess how these trends may impact operations, a review of historical performance and economic dynamics of the industry was completed. Specifically, this report section includes a summary of:

- Ticket Sales & Prices.
- Promoter Consolidation.
- Event Economics.
- Industry Structure.
- Tour Tiers.
- Attendance.
- Top Amphitheaters.
- Emerging Live Music Venue Trends.
- Summary & Conclusions.

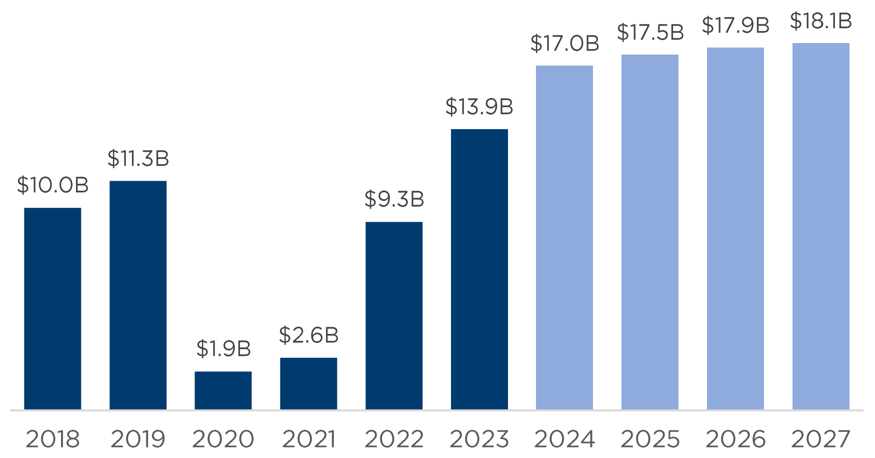
TICKET SALES & PRICES

According to Pollstar's 2023 Mid-Year Report on the top North American Tours, North American box office activity for 2023 has shown growth in year-to-year comparison with 2022 in all four metrics—average paid attendance, ticket price average, overall gross sales, and the number of sold tickets. North American box-office activity for 2023 has grown in all aspects besides overall number of sold tickets in comparison to 2019. For the first time in North America, the gross sales average per show is greater than $1,000,000. The United States music event total ticket revenue was projected to surpass pre-COVID revenues in 2023 at $13.9 billion, a 49 percent increase from 2022. United States music event total ticket revenue is projected to grow 95 percent from 2022 to a total of $18.1 billion in 2027. The charts below show average ticket prices and gross sales for the top 100 North American tours 2019-2022 and the total music event ticket revenue in the United States from 2018 to 2027.

Average Ticket Prices & Gross Sales – Top 100 North American Tours



Total U.S. Music Event Ticket Revenue

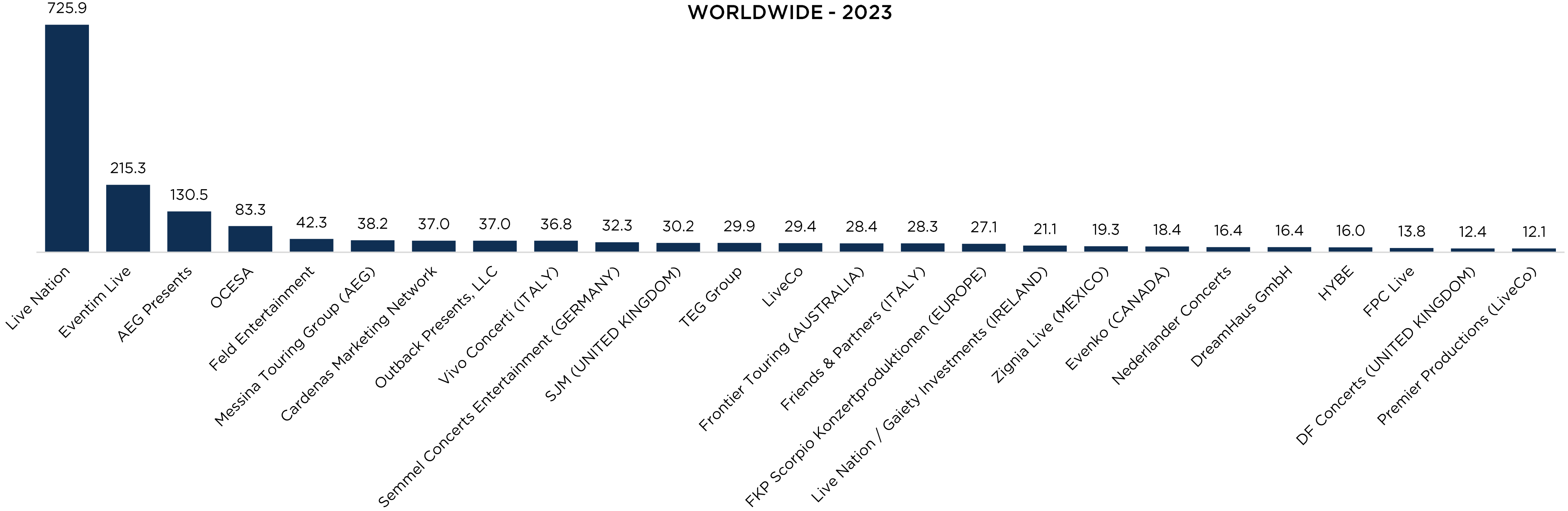


Note: Data is from the top 100 North American Tours and compares the same mid year time frame across the three years.

PROMOTER CONSOLIDATION

Because of ongoing promoter consolidation with larger promoters purchasing smaller, regional promotion firms and providing ultra-competitive guarantees to artists to further expand market share, venue booking success is often dependent on relationships with the two largest promotion companies in the world, Live Nation and AEG Presents (AEG). As detailed in the chart below, the two U.S.-based companies accounted for over one-third of worldwide concert ticket sales in 2023 as reported to Pollstar, the industry's leading live entertainment event publication.

TOP 25 PROMOTERS BY TICKETS SOLD (MILLIONS)
WORLDWIDE - 2023



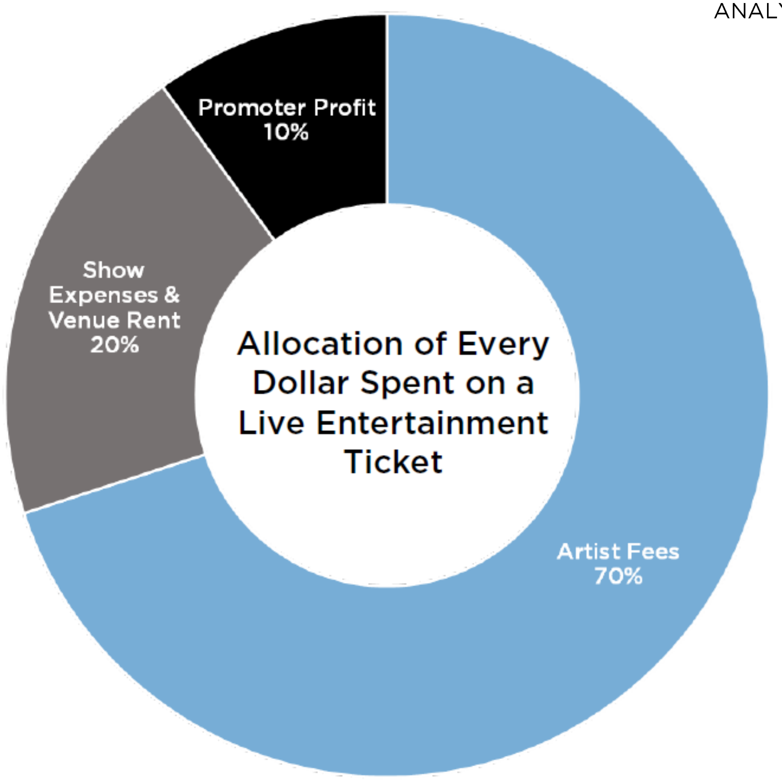
EVENT ECONOMICS

Artist guarantee trends have generally resulted in lower margins for promoters and live music venues, as an increasing share of ticket sales revenue is now allotted to artists. The chart to the right illustrates a general breakdown of the average dollar spent on a live entertainment act ticket.

Live entertainment ticket revenue is generally divided between the artists, show expenses (including venue rent), and the promoter. While each deal is unique and can vary considerably based on the event and market, live entertainment ticket revenue is generally allocated as follows: approximately 65 to 75 percent of the ticket price is paid to the artist (either through a flat guarantee or a percentage of total ticket revenues); approximately 20 percent pays for show expenses including staffing, utilities, facility rent, and other such costs; and approximately five to 15 percent is retained by the event promoter.

While shifting ticket price allocation trends have tightened margins, venues and promoters have placed increased emphasis on concessions, premium sales, and sponsorships to make up some of the profitability lost due to larger artist guarantees. Ancillary revenue sources have become an area of negotiation in booking acts, something that was not the case a decade ago.

As artist guarantees grow, promoters need to ensure that event ticket and negotiated ancillary revenues will cover not just this guarantee, but expenses, rent and preferred profit, as well. As margins continue to tighten, it will be critical that venues identify and target only events that their local markets can readily accommodate. Promoters will only commit to a venue if they feel they can recoup and profit from their investment in the artist.



EMERGING LIVE MUSIC VENUE TRENDS

As album and music sales revenues have greatly decreased for performers in recent years, performer revenue sharing requirements have been consistently growing for performance venues. The live music venue industry is adapting to this evolving landscape by creating new ways to monetize the in-person attendee experience. Aiming to create a comprehensive entertainment experience, performance venues are increasingly incorporating attached bars and restaurants, while increasing the number of in-venue concession areas, aiming for longer visitor engagement with the venue. These integrations promote a 360-degree engagement model, where every aspect of the venue aims to contribute to a rich, immersive experience, boosting visitor satisfaction and spending.

Venues are also offering wider selections of culinary options and increasing operational efficiencies in food and beverage service, to yield higher throughput, ensuring that visitors spend less time in line and increased time enjoying the venue experience. This strategic reimagining of the live venue experience addresses increasing financial pressures and promotes a more engaging experience for concert-goers. According to interviewed promoters and stakeholders, opportunities may exist to further monetize the Mesa Amphitheatre by investing in additional points of sale, premium seating, shaded attendee gathering areas, and other similar investments.

Restaurant

Pre-Show

360 Engagement

Greater Venue Exploration

Premium Experience

Higher Ticket Prices and Likelihood of F&B Spending

High Throughput F&B

Multiple Transactions

Source: Pollstar, CSL Research, 2024.

PERFORMANCE TIERS

The following graphic depicts average attendance, ticket price, shows, and the types of venues associated with each of the five tiers of touring artists. As noted previously, the Mesa Amphitheatre primarily hosts Tier 4 acts, though has increased its capture of Tier 3 shows since the pre-Pandemic year of 2019.

TIER 1A	TIER 1B	TIER 2A	TIER 2B	TIER 3	TIER 4
$5,000,000+ in gross ticket sales revenue per show	***$5,000,000 - $2,500,000 in gross ticket sales revenue per show***	***$2,500,000 - $1,000,000 in gross ticket sales revenue per show***	***$1,000,000 - $500,000 in gross ticket sales revenue per show***	***$500,000 - $250,000 in gross ticket sales revenue per show***	***Less than $250,000 in gross ticket sales revenue per show***
45,309 Average Attendance	**22,735** Average Attendance	**12,867** Average Attendance	**9,114** Average Attendance	**5,475** Average Attendance	**3,080** Average Attendance
$194.36 Average Ticket Price	**$175.80** Average Ticket Price	**$131.13** Average Ticket Price	**$83.82** Average Ticket Price	**$74.39** Average Ticket Price	**$67.09** Average Ticket Price
19 Average Shows Per Artist	**17** Average Shows Per Artist	**22** Average Shows Per Artist	**29** Average Shows Per Artist	**48** Average Shows Per Artist	**86** Average Shows Per Artist
17 Number of Tours 2023 (Top 200 Tours)	**16** Number of Tours 2023 (Top 200 Tours)	**70** Number of Tours 2023 (Top 200 Tours)	**59** Number of Tours 2023 (Top 200 Tours)	**25+** Number of Tours 2023 (Top 200 Tours)	**100's** Number of Tours 2023 (Top 200 Tours)
Example Artists: Taylor Swift, Beyoncé	*Example Artists: Luke Combs, Harry Styles*	*Example Artists: Doja Cat, Dave Matthews Band*	*Example Artists: Snoop Dog, The Chicks*	*Example Artists: Noah Kahn, Hozier*	*Example Artists: Tank and the Banga's, Chicago*
Target Venue Type: Stadium	Target Venue Type: Stadium, Arena, Amphitheater	Target Venue Type: Arena, Amphitheater	Target Venue Type: Amphitheater, Theater	Target Venue Type: Amphitheater, Theater, Club	Target Venue Type: Theater, Club
					

Source: Pollstar, 2024.

MESA AMPHITHEATRE CAPACITY

Understanding the attendance across the top 200 North American tours (measured by gross ticket sales) is important in order to assess what capacity venue will be able to accommodate a large percentage of events.

The following chart displays the percentage of the top 200 North American tours that have average attendance at a variety of thresholds. As shown, approximately 46 percent of all top 200 concerts can be accommodated through a venue with 10,000 capacity.

As noted, the Mesa Amphitheatre is well-positioned to accommodate tier 3 and 4 acts and can capture approximately 14 percent of the top 200 North American touring acts.

TIER 3

$500,000 - $250,000 in gross ticket sales revenue per show

5,475
Average Attendance

$74.39
Average Ticket Price

48
Average Shows Per Artist

25+
Number of Tours 2023 (Top 200 Tours)

Recent Mesa Amp. Artists: Koe Wetzel, Willie Nelson

Target Venue Type: Amphitheater, Theater, Club

TIER 4

Less than $250,000 in gross ticket sales revenue per show

3,080
Average Attendance

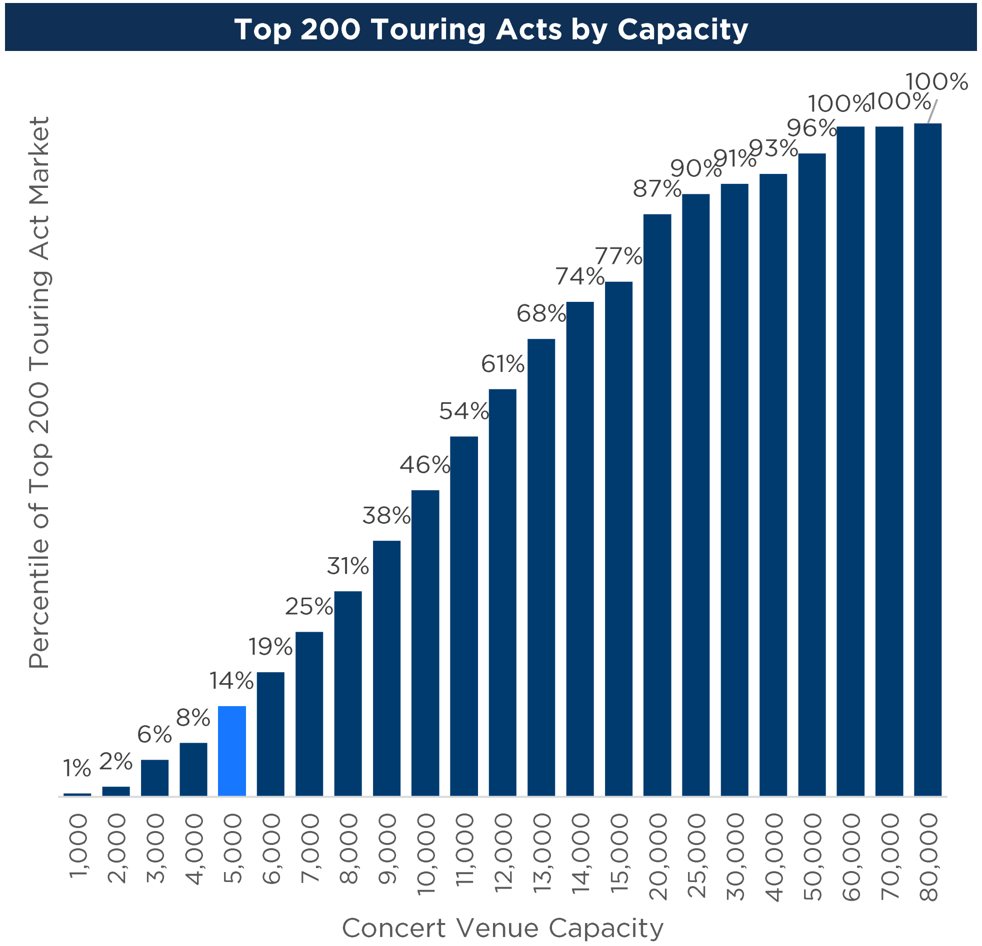
$67.09
Average Ticket Price

86
Average Shows Per Artist

100's
Number of Tours 2023 (Top 200 Tours)

Recent Mesa Amp. Artists: Opeth, LSDREAM

Target Venue Type: Theater, Club



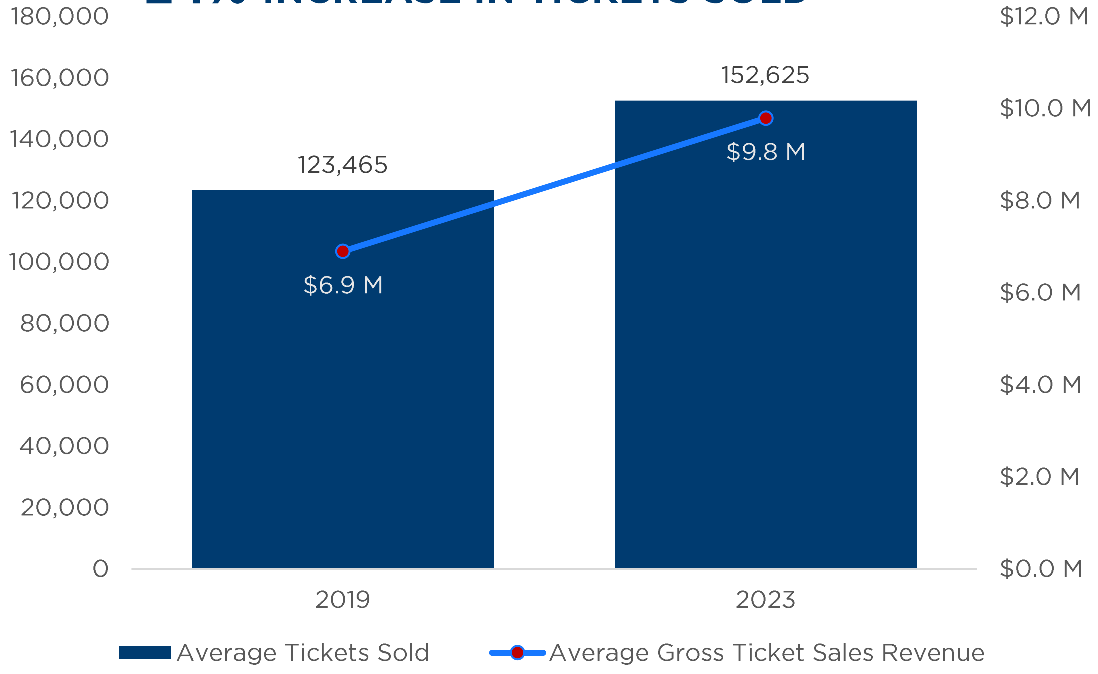
Source: Pollstar, 2024.

TOP 100 AMPHITHEATERS

An analysis of the top 100 amphitheaters nationally indicates that this facility type is experiencing significant growth post-Pandemic. Comparing 2023 to 2019, there has been a $2.9 million increase in average facility revenue as well as 29,000 more tickets sold on average. These account for 42 and 24 percent increases, respectively. This group of venues averages 31 events per year, while the 12 venues in the list that have a capacity of 5,000 or less average 30 annually. This is more than double the average concert count at the Mesa Amphitheatre over the last three years, suggesting potential opportunity to grow the facility's touring act count with market-supported investment.

42% INCREASE IN REVENUE

24% INCREASE IN TICKETS SOLD



ALL TOP 100 AMPHITHEATERS:
31 AVERAGE EVENTS PER YEAR

12 VENUES WITH <5K CAPACITY:
30 AVERAGE EVENTS PER YEAR

ALL TOP 100 AMPHITHEATERS:
10,100 AVERAGE ATTENDANCE PER EVENT

12 VENUES WITH <5K CAPACITY:
3,400 AVERAGE ATTENDANCE PER EVENT

Source: Pollstar, CSL Research, 2024.

5 COMPARABLE FACILITIES

INTRODUCTION

The following section includes data and case studies among a set of 12 nationwide comparable convention centers and nine (9) nationwide comparable amphitheaters.

Certain inferences can be made by reviewing comparable convention and conference facilities operating in markets throughout the country of a similar size and/or geographic positioning to Mesa. These data help place a potentially expanded/improved Mesa Convention Center within a comparable context with respect to facility offerings, demographics and related host market features. The comparable convention centers reviewed were selected based on their event space offerings, hotel inventories, walkable surrounding environments, and market population characteristics. The facilities are compared based on available space as well as Placer.AI data and historical event data. This allows MCC management to identify challenges among the quantity and types of events at the facility currently, as well as among the distance and affluence of current MCC visitors.

CSL also reviewed facilities that are similar to Mesa Amphitheatre around the country. These data help place a potential improved/expanded Mesa Amphitheatre within a comparable context with respect to facility offerings, demographics and related host market features. The comparable amphitheaters reviewed were selected based on their physical characteristics, seating and space offerings, and market population characteristics. In addition, significant emphasis is placed on the VIP offerings available at five of the comparable facilities. This is investigated further in the case studies. Finally, analysis of historical concert data from Pollstar is conducted, including revenue generation, quantity and tier of concerts, and more.

mesa CONVENTION CENTER

mesa·az

COMPARABLE CONVENTION CENTER VENUES

The adjacent exhibit presents a summary of the 12 selected comparable convention facilities and markets analyzed. As shown, facilities reviewed range from the New Braunfels Civic and Convention Center in New Braunfels, TX (25,300 square feet of sellable space) to the Pasadena Convention Center in Pasadena, CA (116,000 square feet). In all, the facilities reviewed offer an average of 19,800 square feet of exhibit space, 19,700 square feet of ballroom space, and 9,700 square feet of meeting space.

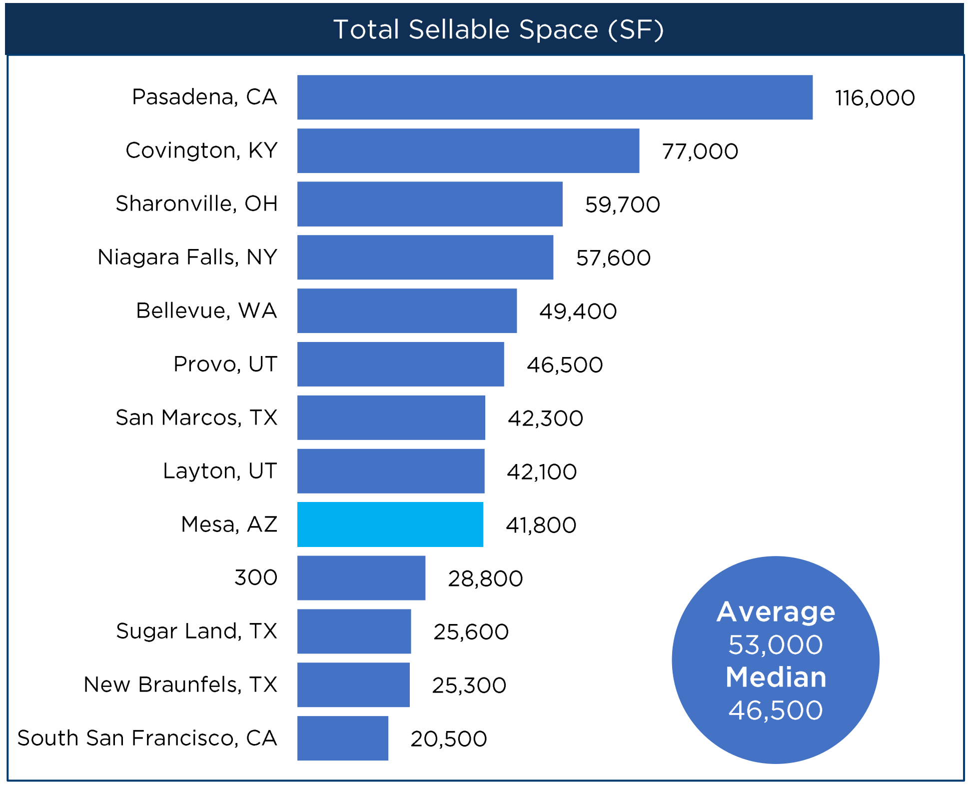
	Facility	City, State	Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Total Sellable Space (SF)	Largest Contiguous Space (SF)	Largest Contiguous Ballroom (SF)	HQ Hotel Rooms (number)	Half-mile Hotel Rooms (number)
1	Pasadena Convention Center	Pasadena, CA	70,200	24,800	21,000	116,000	70,200	24,800	311	1,623
2	Northern Kentucky Convention Center	Covington, KY	46,200	17,500	13,300	77,000	46,200	17,500	548	1,168
3	Sharonville Convention Center	Sharonville, OH	39,300	14,100	6,300	59,700	39,300	14,100	125	1,175
4	Meydenbauer Center	Bellevue, WA	0	36,000	13,400	49,400	36,000	36,000	253	3,284
5	Niagara Falls Convention Center	Niagara Falls, NY	32,200	15,700	9,700	57,600	32,200	10,500	391	2,742
6	San Marcos Conference Center	San Marcos, TX	0	36,000	6,300	42,300	28,800	28,800	283	371
7	Utah Valley Convention Center	Provo, UT	19,600	16,900	10,000	46,500	19,600	16,900	329	557
8	Davis Conference Center	Layton, UT	18,400	15,600	8,100	42,100	18,400	12,500	147	1,010
9	Sugar Land Marriott Town Square	Sugar Land, TX	0	15,500	10,100	25,600	15,500	15,500	300	652
10	Vancouver Convention Center	Vancouver, WA	0	21,500	7,300	28,800	14,000	14,000	226	669
11	South San Francisco Conference Center	South San Francisco, CA	0	13,500	7,000	20,500	13,500	13,500	223	1,823
12	New Braunfels Civic and Convention Center	New Braunfels, TX	11,800	9,300	4,200	25,300	11,800	9,300	0	64
	Average		22,800	20,100	10,100	53,000	31,100	18,300	300	1,200
	Median		18,400	16,900	9,700	46,500	28,800	15,500	300	1,100
	Mesa Convention Center	Mesa, AZ	15,000	18,700	8,100*	41,800	15,000	9,100	274	279

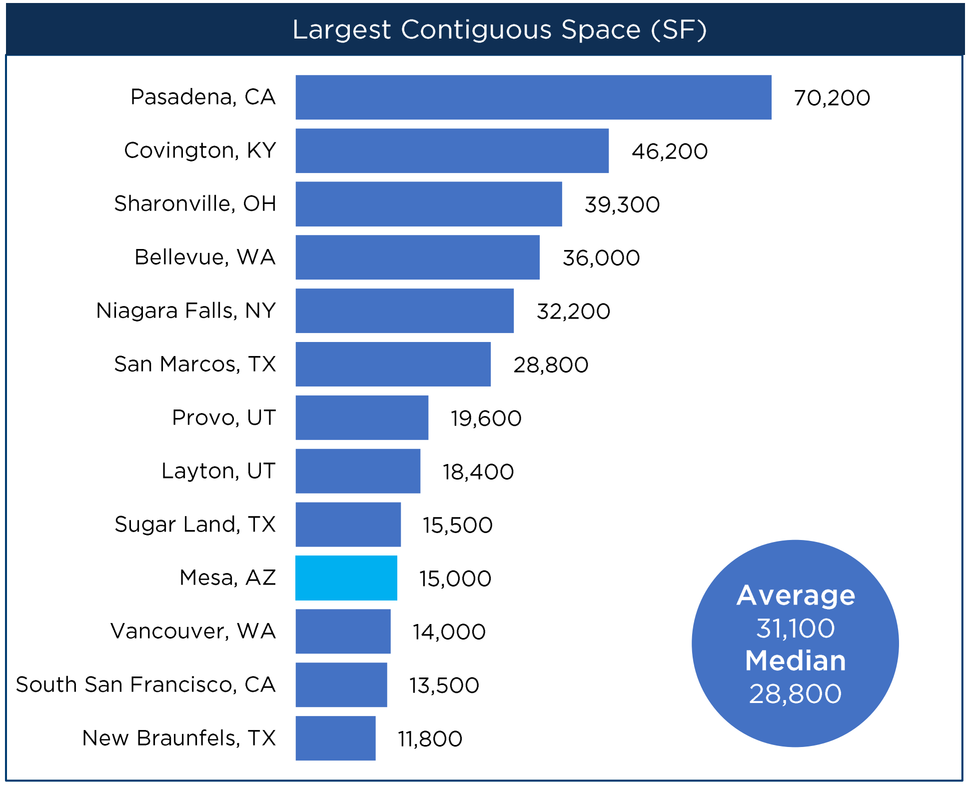
*Includes Delta Hotel meeting spaces
Source: Facility Websites, 2024.

5 COMPARABLE FACILITIES

CONVENTION SPACE COMPARISONS

To provide further context regarding the comparable facilities reviewed on the previous page, we have prepared the bar charts below comparing the sellable event spaces offered by identified facilities. As shown, the average largest single space among comparable facilities is approximately 31,100 square feet, while the total sellable space offered among comparable facilities averages 53,000 square feet. With a 15,000-square foot Main Hall and 41,800 square feet of total sellable space when including the Delta Hotel, the MCC is one of the smaller facilities included in the comparison set.





Note: Mesa Convention Center includes Delta Hotel event spaces.
Source: Facility Websites, 2024.

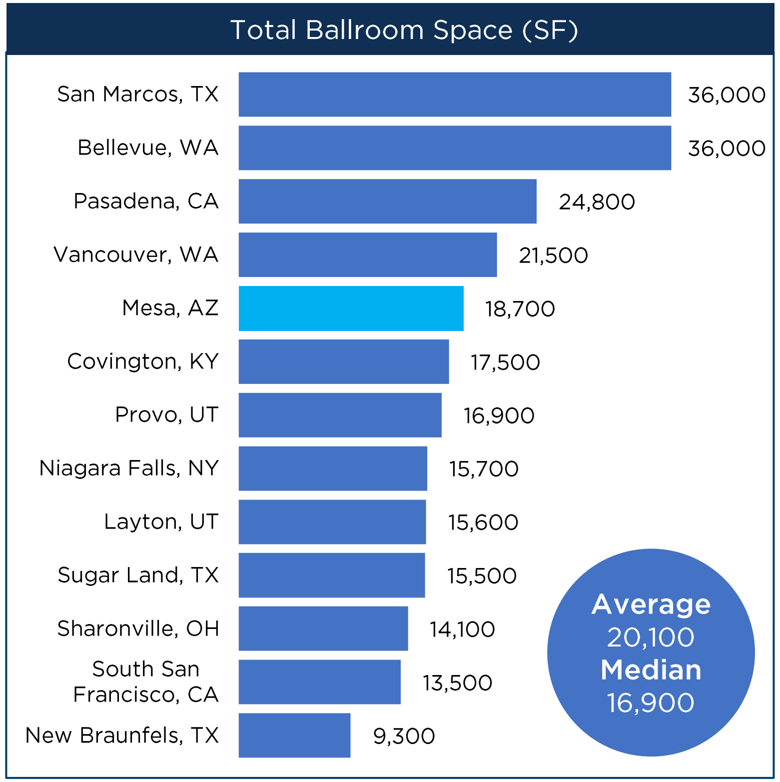
CONFIDENTIAL DRAFT

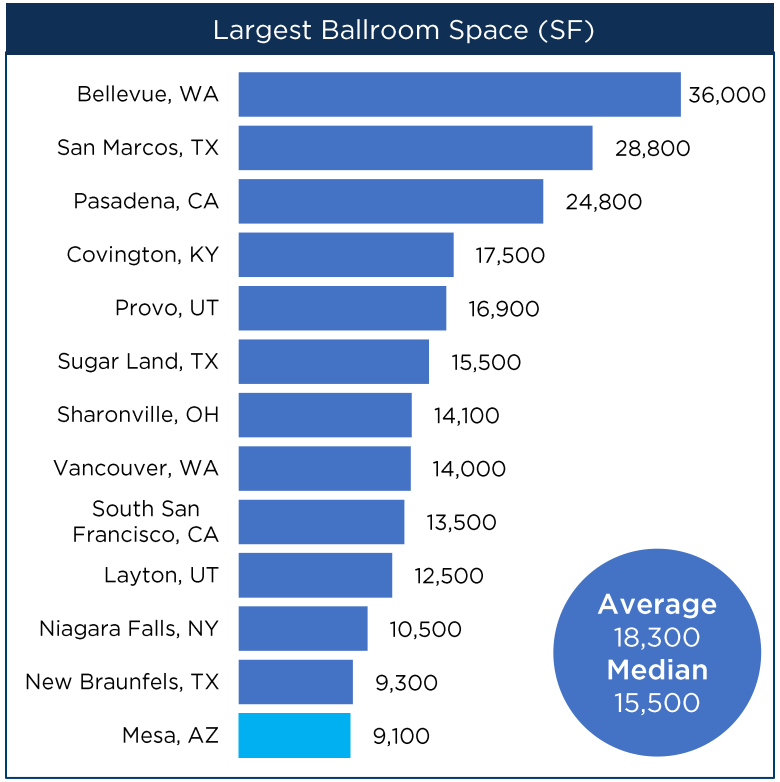
CONVENTION CENTER ANALYSIS

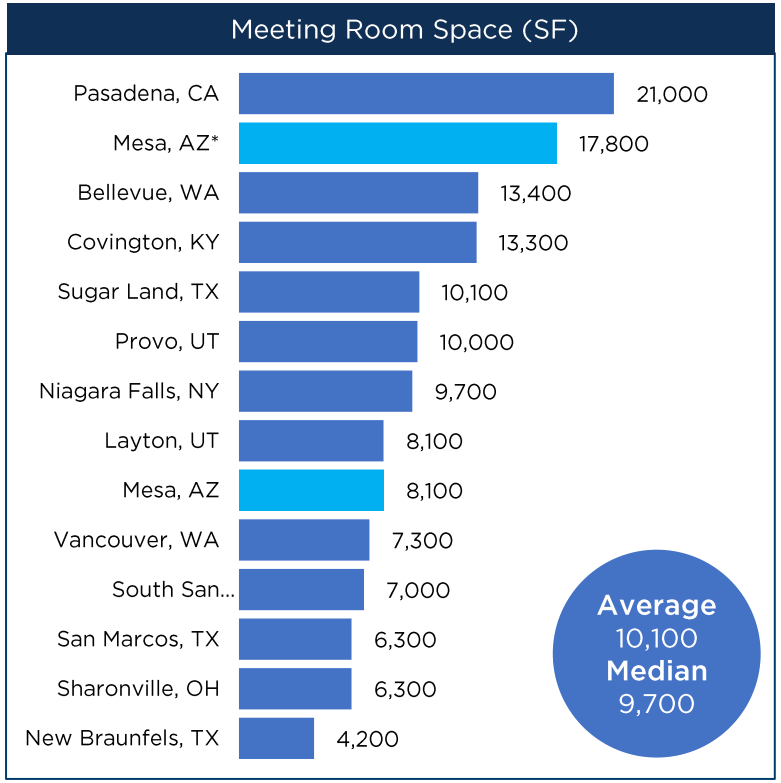
CONVENTION SPACE COMPARISONS

An analysis of ballroom and meeting space has also been prepared, considering both the largest and total ballroom space. In terms of total meeting and ballroom space, the Mesa Convention Center ranks at or near the midpoint of the comparable set. However, with the Delta Hotel's Arizona Ballroom measuring only 9,100 square feet, the Mesa Convention Center and Delta Hotel lack the necessary contiguous ballroom space to host large events that can be hosted by the comparable set. Various facility investment scenarios to address this issue are presented later herein.

The MCC's meeting space inventory meets the median of the comparison set, suggesting that near-term expansion of meeting space should not be a high priority.





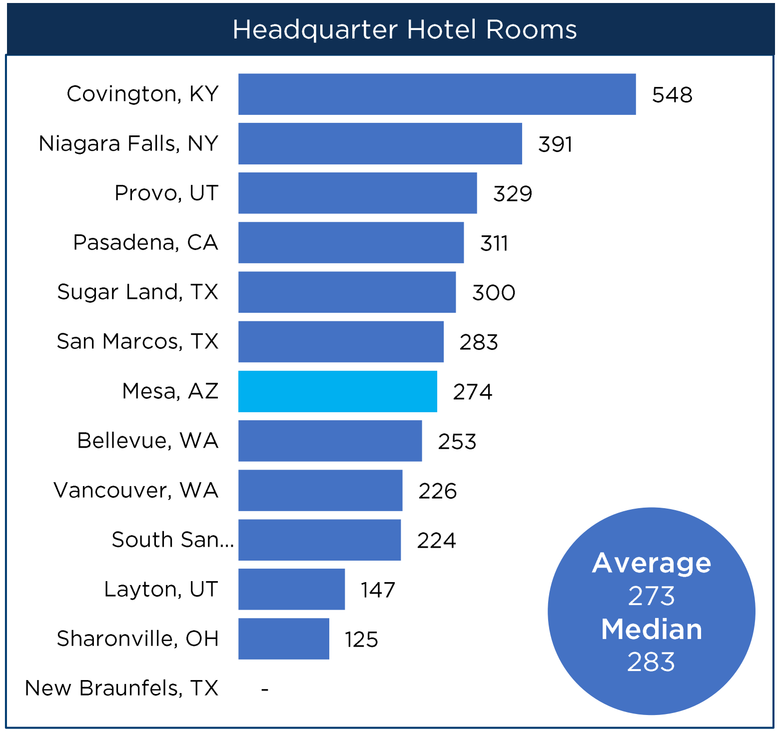


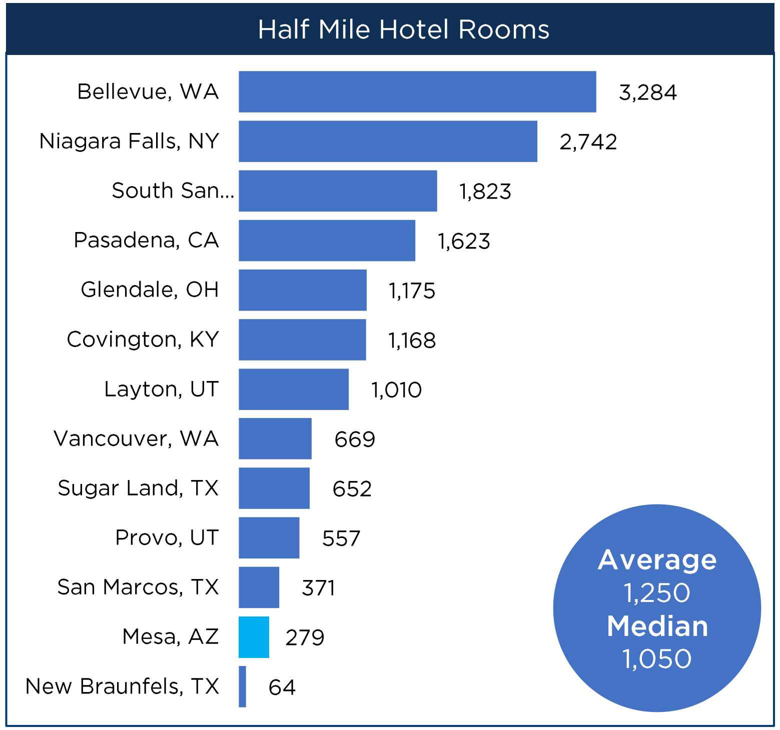
*also includes Superstition and Palo Verde Ballrooms as meeting spaces.
Note: Mesa Convention Center includes Delta Hotel event spaces.
Source: Facility Websites, 2024.

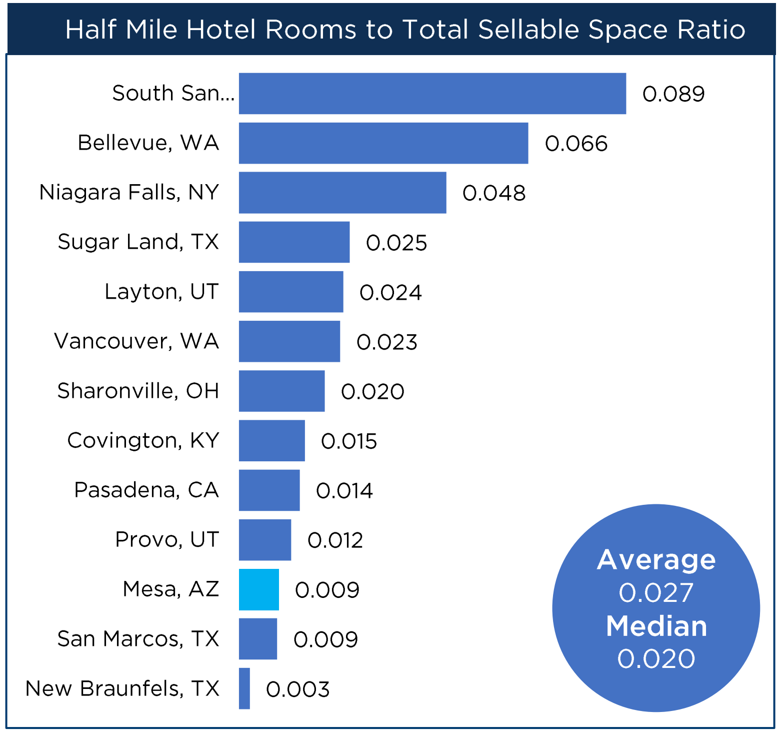
CONVENTION SPACE COMPARISONS

The supporting hotel inventory for a convention facility intended to attract non-local attendees is critical in competing for state, regional and national conventions and tradeshows. To evaluate the Mesa Convention Center's current supporting hotel inventory, the charts below provide comparisons with hotel inventory of other national convention products.

As shown, the 274 rooms available at the Delta hotels adjacent to the Mesa Convention Center ranks seventh overall among the comparable markets. However, the number of hotel rooms available within one-half mile of the identified comparable facilities is second-to-last, only ahead of New Braunfels, TX. As noted, this significantly limits the MCC's potential market capture and highlights a potential need for Visit Mesa and MCC management to work with area hotels to provide shuttling services to/from the Center to help attract impactful conventions and conferences.



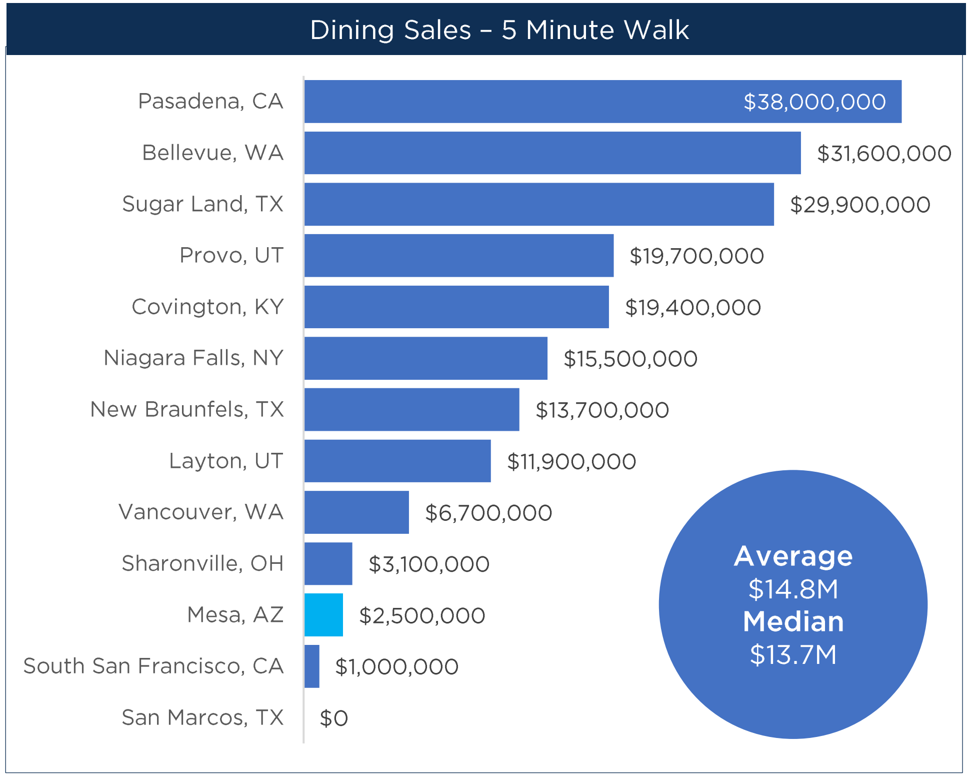


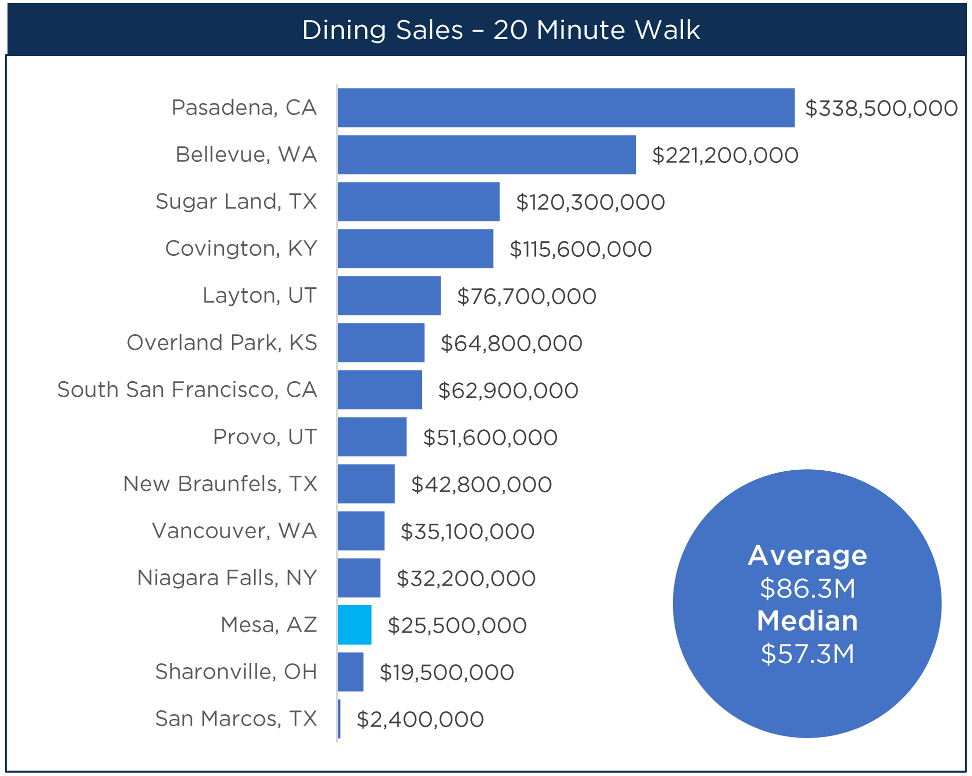


Source: STR, Facility Websites, 2024.

COMPARISON OF DINING SALES WITHIN WALKING DISTANCE

Comparing dining sales within walking distance of an event facility, as reported by Esri, is a good indicator of the strength of the area immediately surrounding an event facility. The selected walking distances are representative of distances which convention attendees are typically comfortable walking. The average dining sales within a 5-minute walk are $14.8 million per year, rising to $86.3 million per year across a 20-minute radius. Due to the Mesa Convention Center's location on the edge of downtown, not all businesses on the Main Street corridor are accounted for in this analysis. As a result, the Mesa Convention Center ranks 10th for both 5- and 20- minute walk distances. As previously highlighted, continued downtown development will help improve these figures, and a focus should be made to enhance the 5-minute area around the MCC. At the same time, MCC improvements should lead to greater retention of conference and convention activity, which should help to increase sales at local dining and other local businesses.





Source: Esri, 2024.

PLACER.AI – COMPARISON OF VISITOR DATA

This chart provides insights into visitation patterns across various comparable convention and conference facilities. Reviewing the overall attendance to these markets and specific facilities helps gauge the Mesa Convention Center's potential and current ability to attract non-local visitation associated with event activity. The Sugar Land Marriott Town Square ranks highest in terms of annual visitors with over 700,000 visitors in 2023, however, many of these attendees are hotel guests staying at the property for work or leisure. The Mesa Convection Center is comparable in terms of overall visitation with dedicated event facilities such as the Sharonville Convention Center and Meydenbauer Center, with 207,000 and 311,000 visitors, respectively.

Attracting visitors from extended distances is a key strength for facilities such as the San Marcos Conference Center in San Marcos, TX, and the Vancouver Convention Center in Vancouver, WA, both of which see a significant percentage of attendees traveling from over 100 miles away. Facility improvements to the MCC are likely to increase the proportion of conferences, conventions and other events with high levels of attendees from outside of 100 miles. In addition, it is likely that this would raise the average household income of visitors, leading to greater spending at the Delta Hotel and other businesses in Downtown Mesa.

	Facility	City, State	2023 Total Visitors	Visitor Average Household Income	Total Visitors 100+ Mile Home Distance	Percent of Visitors 100+ Mile Home Distance
1	Pasadena Convention Center	Pasadena, CA	78,800	$77,900	18,400	23%
2	Northern Kentucky Convention Center	Covington, KY	115,700	$72,600	42,800	37%
3	Sharonville Convention Center	Glendale, OH	206,700	$71,400	33,800	16%
4	Meydenbauer Center	Bellevue, WA	311,100	$123,700	52,900	17%
5	Niagara Falls Convention Center	Niagara Falls, NY	127,700	$67,500	39,200	31%
6	San Marcos Conference Center	San Marcos, TX	397,200	$79,000	258,100	65%
7	Utah Valley Convention Center	Provo, UT	101,700	$90,100	32,700	32%
8	Davis Conference Center	Layton, UT	195,600	$93,200	31,700	16%
9	Sugar Land Marriott Town Square	Sugar Land, TX	739,900	$82,000	196,400	27%
10	Vancouver Convention Center	Vancouver, WA	345,400	$93,700	142,600	41%
11	South San Francisco Conference Center	South San Francisco, CA	75,300	$125,200	7,400	10%
12	New Braunfels Civic and Convention Center	New Braunfels, TX	41,700	$87,100	7,700	18%
	Average		228,100	$88,600	72,000	28%
	Median		161,700	$84,600	36,500	25%
	Mesa Convention Center	Mesa, AZ	219,400	$77,400	40,300	18%

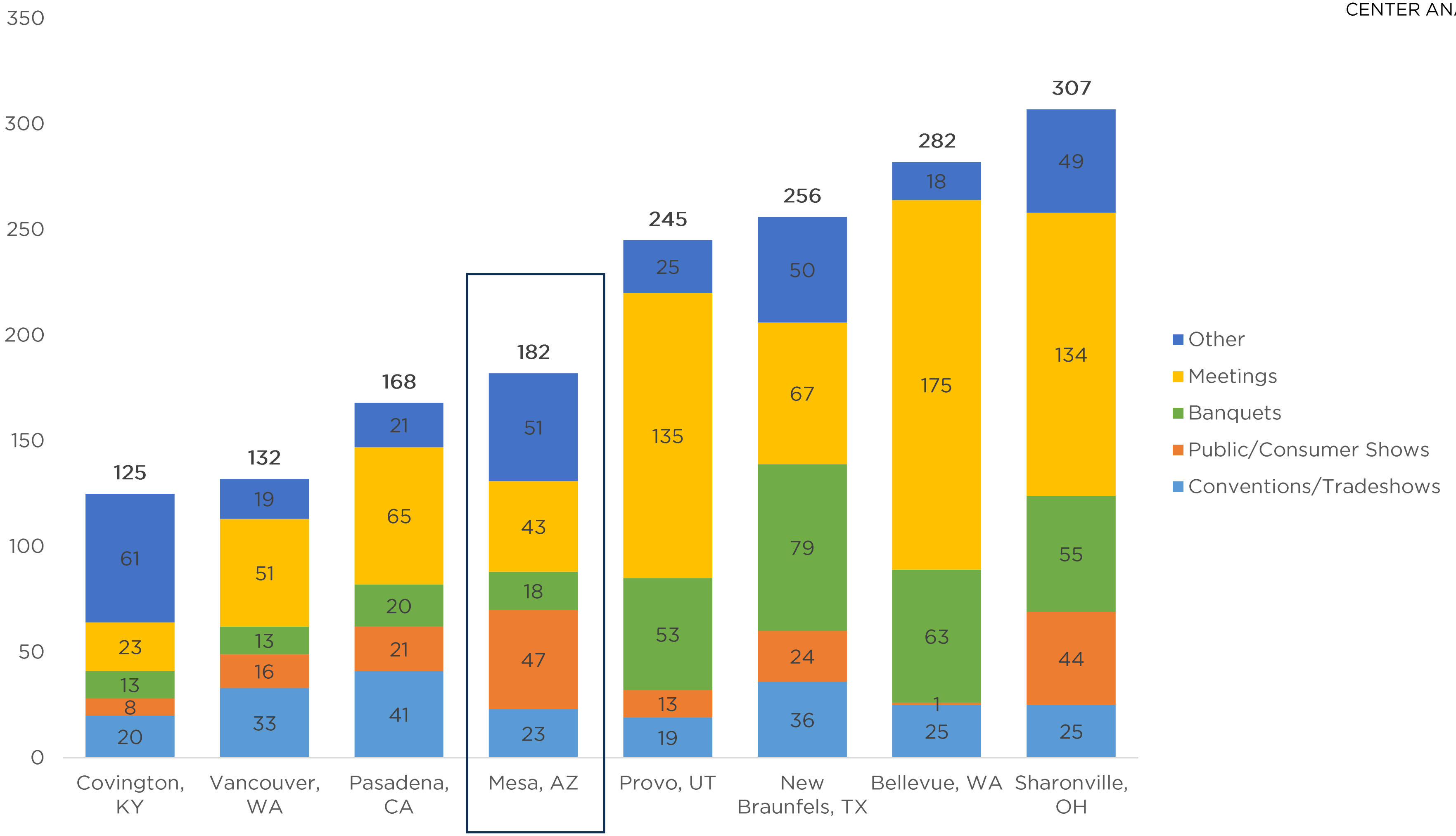
Source: Placer.AI, 2024.

SELECTED COMPARABLE FACILITIES EVENT DATA

To further evaluate the MCC's event mix and level of high-value conference and convention activity, we have collected event data from a recent representative year from seven of the 12 comparable convention centers. These data are displayed to the right alongside the Mesa Convention Center's 2023 event data.

The Mesa Convention Center ranks fifth out of eight facilities in terms of the number of events but has the most public / consumer shows of any facility for which data is available. These events drive significant visitation to the facility but typically generate limited economic impact as visitors tend to be from the local area.

Ranking sixth out of eight for conventions / tradeshows indicates that significant growth in high-value business could be had with material investment.

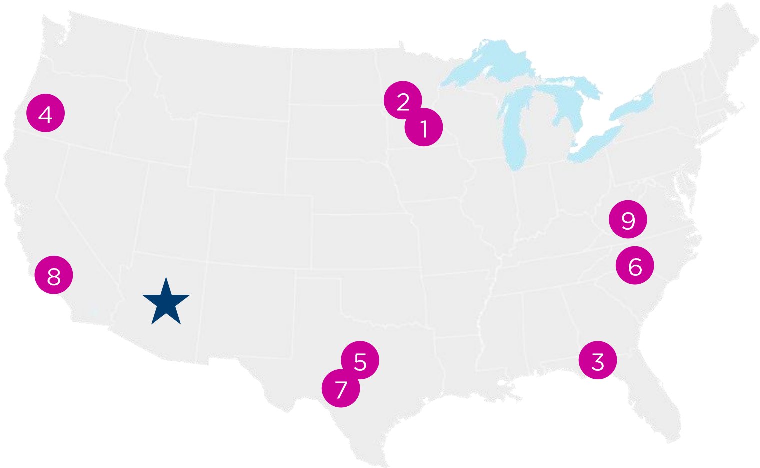


Data displayed is the most recent representative year for which data are available.
Source: Facility Websites, CSL Research, 2024.

COMPARABLE AMPHITHEATER VENUES

The exhibit to the right presents a summary of the nine selected comparable amphitheaters and markets analyzed. As shown, facilities reviewed range in concert capacity from Ting Pavilion in Charlottesville, VA (4,000 capacity) to the Vetter Stone Amphitheatre in Mankato, MN (7,800 capacity). Six of the facilities are owned by a public sector or nonprofit entity while the remaining are owned by for-profit and commercial entities. Detailed analysis and case studies are found on the following pages.

	Facility	City, State	Owner	Operator	Capacity
1	Vetter Stone Amphitheater	Mankato, MN	City of Mankato	Mayo Clinic Health System Event Center	7,800
2	The Ledge Amphitheater	Waite Park, MN	City of Waite Park	City of Waite Park	6,000
3	Daily's Place	Jacksonville, FL	City of Jacksonville	Bold Events	5,500
4	Cuthbert Amphitheater	Eugene, OR	City of Eugene	Kesey Enterprises	5,000
5	Moody Amphitheater	Austin, TX	Waterloo Greenway	Live Nation	5,000
6	Skyla Credit Union Amphitheater	Charlotte, NC	Live Nation	Live Nation	4,983
7	Sunken Garden Theater	San Antonio, TX	City of San Antonio	Brackenridge Park Conservancy	4,800
8	Santa Barbara Bowl	Santa Barbara, CA	Santa Barbara Bowl Foundation	Santa Barbara Bowl Foundation	4,563
9	Ting Pavilion	Charlottesville, VA	Red Light Management	Red Light Management	4,000
	Average				5,300
	Median				5,000
	Mesa Amphitheatre	Mesa, AZ	City of Mesa	City of Mesa	5,000



Source: City of Mesa, Pollstar, 2024.

COMPARABLE AMPHITHEATER VENUES

The average facility reviewed offers a concert capacity of approximately 5,300 and an average of 121 premium seats. On average, facilities within the comparable set feature 55 percent fixed seating and 45 percent berm capacity. The availability of fixed and premium seating options allows for higher ticket prices and additional revenue streams, which is reflected in the average gross per event averaging $170,000 across the comparable set.

With 14 shows in 2023, the Mesa Amphitheatre is below the average of 20, suggesting that there is potential capacity to grow the facility's concert calendar. In addition, it is important to note that the Mesa Amphitheatre is one of only four facilities among the comparable set that does not offer premium seating.

	Facility	Capacity	% Fixed	% Berm	Premium Seats	Premium Boxes	Shows in 2023	Average Ticket Sales per Event	Average Gross Per Event
1	Vetter Stone Amphitheater	7,800	42%	58%	0	0	10	1,812	$88,785
2	The Ledge Amphitheater	6,000	70%	30%	100	18	13	3,888	$273,386
3	Daily's Place	5,500	100%	0%	700	8	30	3,623	$253,485
4	Cuthbert Amphitheater	5,000	30%	70%	136	0	22	3,011	$113,853
5	Moody Amphitheater	5,000	55%	45%	100	8	14	4,035	$236,580
6	Skyla Credit Union Amphitheater	4,983	0%	100%	0	30	32	3,322	$126,540
7	Sunken Garden Theater	4,800	17%	83%	0	0	4	3,988	$102,369
8	Santa Barbara Bowl	4,563	100%	0%	0	0	36	3,991	$234,024
9	Ting Pavilion	4,000	87%	13%	50	24	17	2,652	$106,163
	Average	5,300	56%	44%	121	10	20	3,369	$170,576
	Median	5,000	55%	45%	50	8	17	3,623	$126,540
	Mesa Amphitheatre	5,000	0%	100%	0	0	14	3,521	$115,595

Source: City of Mesa, Pollstar, 2024.

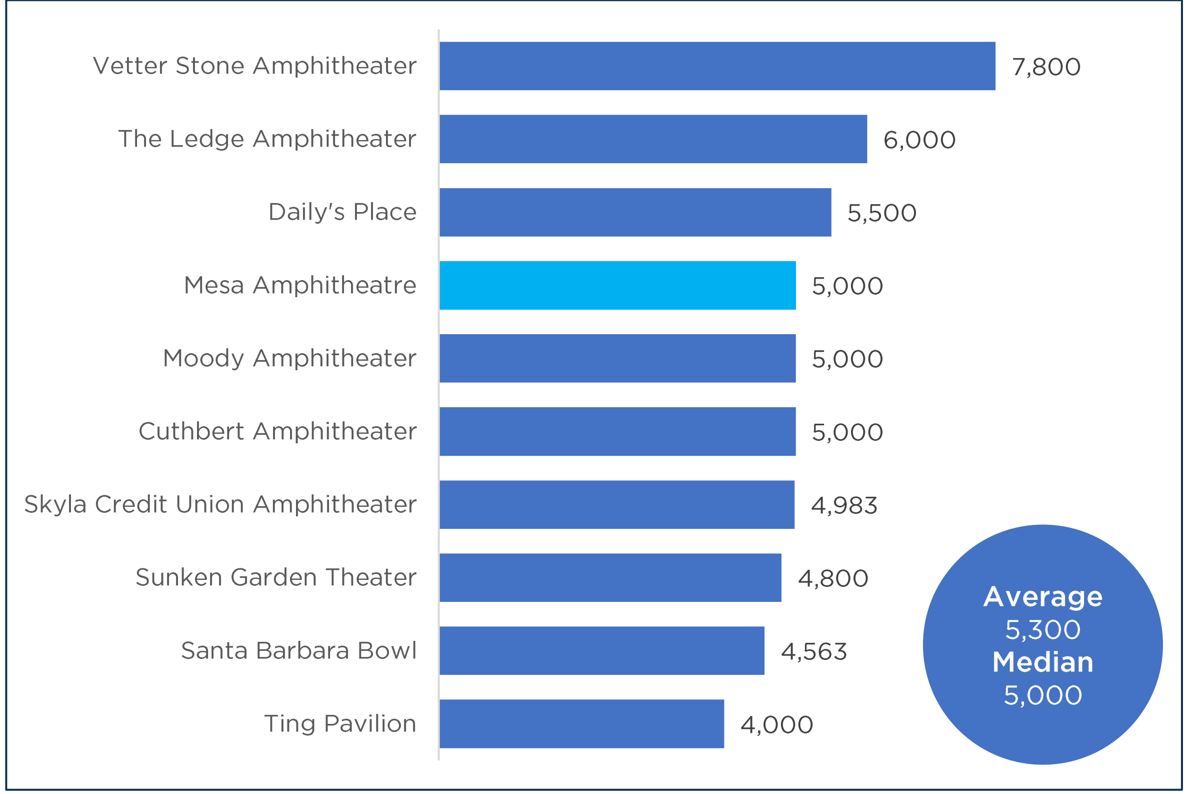
CONFIDENTIAL DRAFT

AMPHITHEATRE ANALYSIS

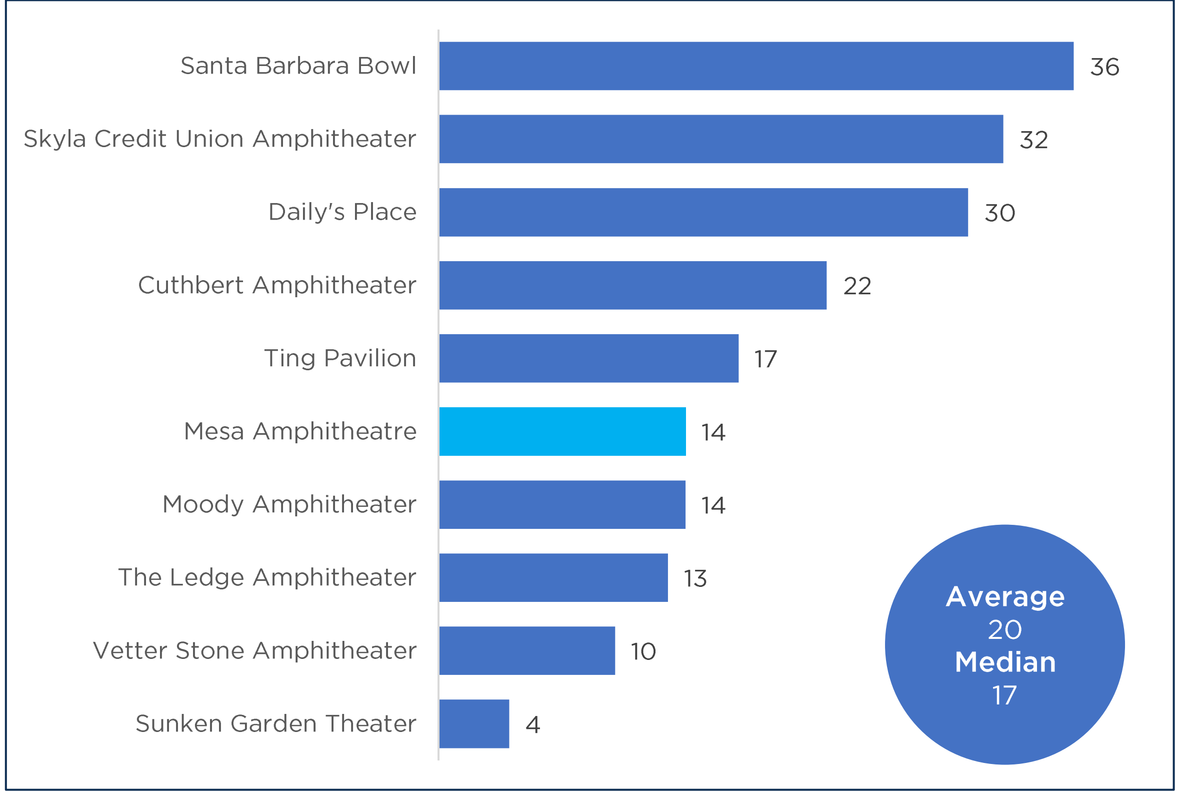
COMPARABLE AMPHITHEATER METRICS

The charts below provide visual comparison of the key metrics of capacity and number of shows in 2023. With a capacity of 5,000, the Mesa Amphitheatre ranks fourth and is just below the average of 5,300 attendees. This size is ideal for attracting tier 3 and 4 acts as well as a smaller number of tier 2B acts. With 14 shows in 2023 compared to the average of 20, the Mesa Amphitheatre may have potential to grow its concert count.

Capacity



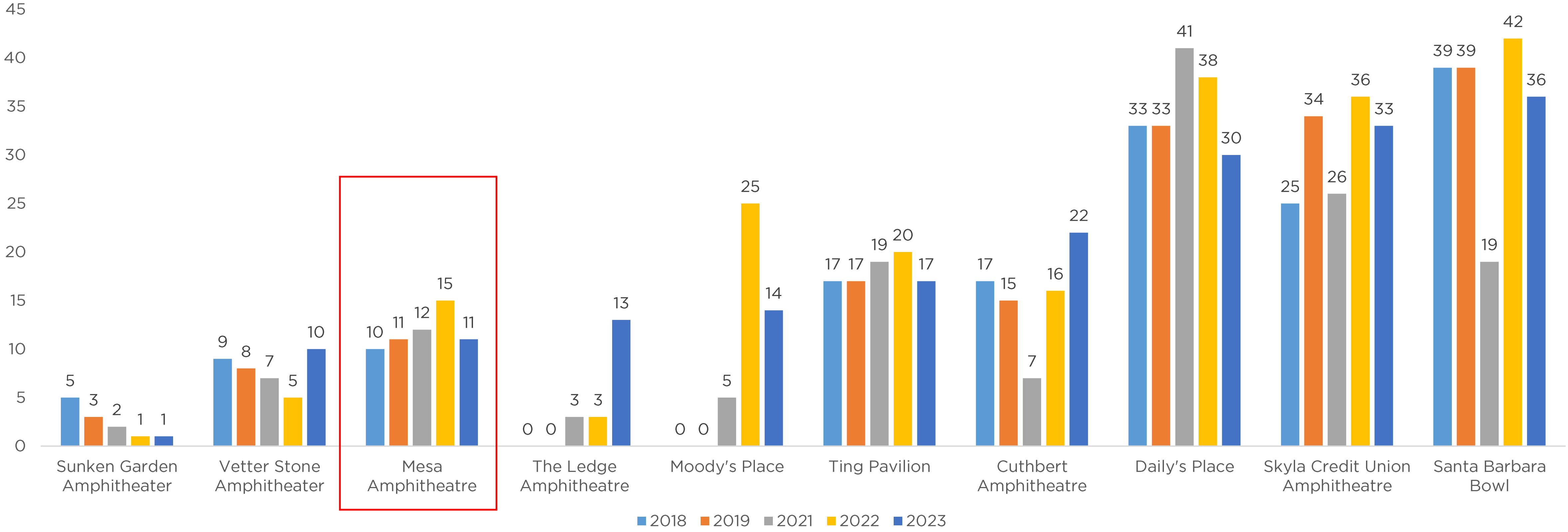
Shows in 2023



Source: Pollstar, 2024.

COMPARABLE AMPHITHEATER EVENTS BY YEAR

Post-pandemic, most outdoor concert venues have equaled or surpassed their pre-pandemic event levels, as shown by the chart below. Note that Sunken Garden Amphitheater is currently planning renovations and The Ledge Amphitheatre and Moody's Place both opened in 2021. Skyla Credit Union Amphitheatre and the Santa Barbara Bowl have recently expanded their back of house and/or hospitality options, making them more attractive to performers and concertgoers.



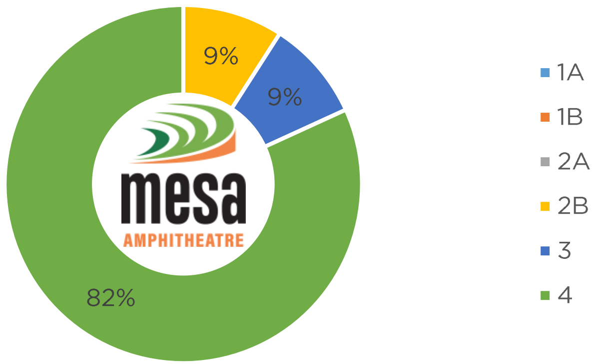
Source: Facility Websites, Pollstar, 2024.

COMPARABLE AMPHITHEATER ACTS BY TIER

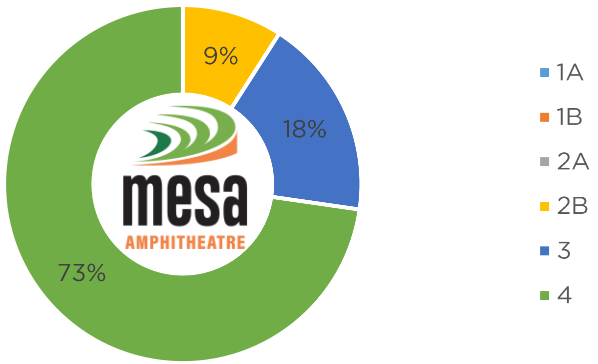
The charts to the right compare the tiers for the Mesa Amphitheatre's recent bookings to those of the venues found on the previous slide.

The comparable set averages a much higher percentage of Tier 2 acts relative to the MCC. By adding amenities found at some of the more successful amphitheater venues reviewed, the MCC may be able to improve its capture of financially lucrative Tier 2 and Tier 3 events.

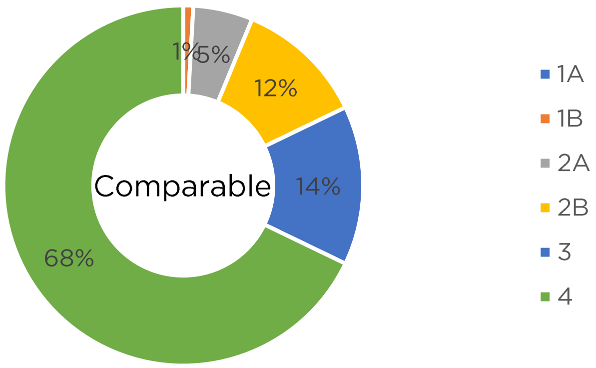
2019 Mesa Amphitheater Act Tiers



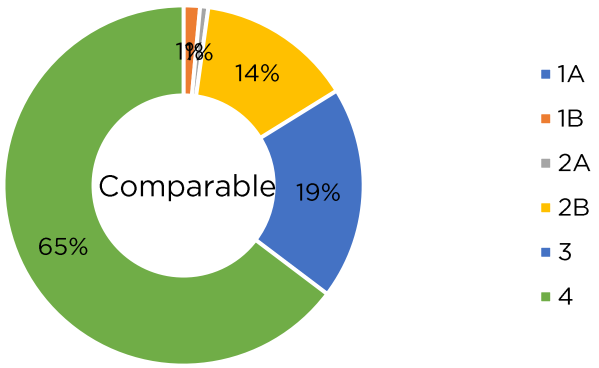
2023 Mesa Amphitheater Act Tiers



2019 Comparable Amphitheater Act Tiers



2023 Comparable Amphitheater Act Tiers



Source: Pollstar, 2024.

FACILITY CASE STUDIES

VETTER STONE AMPHITHEATER

1

City, State: Mankato, Minnesota
Owner: City of Mankato
Operator: Mayo Clinic Health System Event Center
Year Opened: 2010
Capacity: 7,800
Percent of Fixed Seats: 42%
Premium Seats: 0
Premium Boxes: 0
Shows in 2023: 10
Average Gross per Event: $88,785

VENUE OVERVIEW

- Opened in 2010 along the Minnesota River in Mankato, Minnesota, just two blocks from the downtown area.
- Located in Riverfront Park, a 650,000-square-foot green space transformed from an industrial sector into a recreational hub.
- Venue amenities include alcohol sales, ASL interpreters, ATM access, restrooms, concessions, and other guest services during events.
- Riverfront Park also offers a playground, information center, picnic shelter, art installations, sculptures, gardens, and scenic walkways for visitors.
- Hosts approximately 18 events each year, including concerts, festivals, community gatherings, private events, and more. Known for attracting top national and regional performers like Justin Bieber, Pat Benatar, Willie Nelson, and Jamey Johnson, as well as local acts.
- RibFest is the amphitheater's biggest annual event, a three-day food and concert festival that draws over 20,000 attendees each year.
- The Vetter Stone Amphitheater will soon undergo a $3.6 million upgrade. This will include a permanent roof and rigging system, allowing for flexibility with weather and for larger productions with complex set decorations.
- The improvements include full overhauls of backstage hospitality areas. The venue has experienced challenges with attracting major artists due to a lack of air conditioning and showers in their green room.

Year:	Number of Events	Average Attendance	Average Gross
2018	9	1,406	$82,558
2019	8	1,817	$79,280
2021	7	1,968	$88,220
2022	5	2,554	$129,947
2023	10	2,162	$121,256
AVERAGE:	**8**	**1,981**	**$100,252**

Source: Pollstar, Facility Websites, CSL research, 2024.

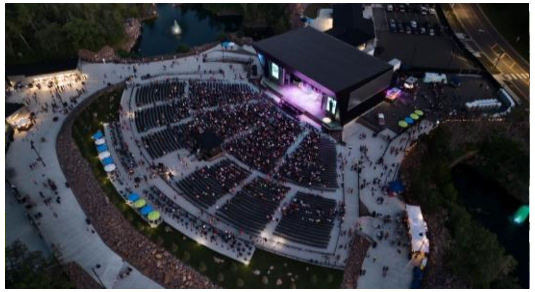
AMPHITHEATRE ANALYSIS

FACILITY CASE STUDIES

THE LEDGE AMPHITHEATER

2

City, State: Waite Park, Minnesota
Owner: City of Waite Park
Operator: City of Waite Park
Year Opened: 2021
Capacity: 6,000
Percent of Fixed Seats: 70%
Premium Seats: 100
Premium Boxes: 18
Shows in 2023: 13
Average Gross per Event: $273,386



VENUE OVERVIEW

- The Ledge Amphitheater in Waite Park, Minnesota, opened in 2021 as an outdoor concert venue.
- Its design emphasizes integration with the natural landscape, enhancing both visuals and acoustics. The facility is located in an abandoned quarry, with rocks from the quarries used as building material.
- Located on land formerly used for baseball fields, it required additional infrastructure, including expanded parking. Local businesses donated time and resources to the construction of the project.
- The venue has helped establish Waite Park as a new entertainment destination in central Minnesota.
- Hosts a variety of events, including concerts from national and local acts, festivals, and community gatherings. It has quickly gained popularity, drawing crowds for both music and cultural events.
- Recent performers include Lady A, Nelly, and Counting Crows.
- In addition to concerts, community events such as movies in the park and vendor shows utilize the space.
- Its location and unique feel allow promoters to charge premium prices for tickets, leading to the highest average gross per event among the comparable set.
- The variety of genres has established The Ledge as a versatile venue, welcoming fans of country, hip-hop, rock, and more.

Year:	Number of Events	Average Attendance	Average Gross
2021	3	n/a	n/a
2022	3	n/a	n/a
2023	13	3,990	$289,998
AVERAGE:	6	3,990	$289,998

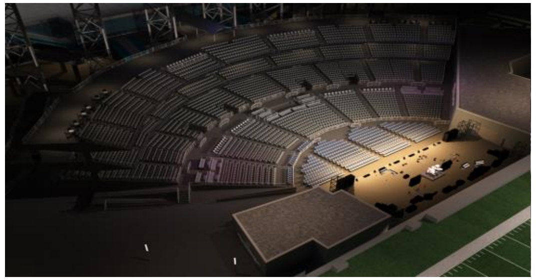
Source: Pollstar, Facility Websites, CSL research, 2024.

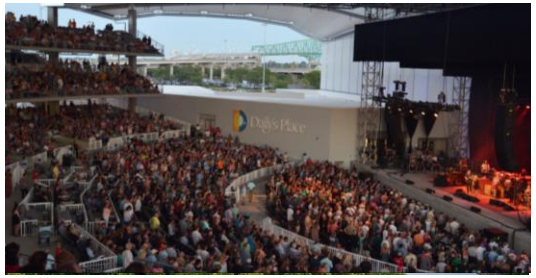
FACILITY CASE STUDIES

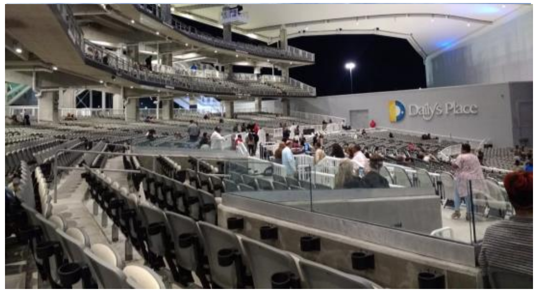
DAILY'S PLACE

3

City, State: Jacksonville, Florida
Owner: City of Jacksonville
Operator: Bold Events
Year Opened: 2017
Capacity: 5,500
Percent of Fixed Seats: 100%
Premium Seats: 700
Premium Boxes: 8
Shows in 2023: 30
Average Gross per Event: $253,485







VENUE OVERVIEW

- Daily's Place, an outdoor amphitheater with a full roof for year-round events, is located in downtown Jacksonville, connected to TIAA Bank Field's south end.
- It features a full roof, enabling year-round events without weather disruptions.
- Opened in 2017 as part of TIAA Bank Field's $90 million renovation, co-funded by the City of Jacksonville and Jaguars owner Shahid Khan's Iguana Investments.
- The amphitheater seats 5,500, all fixed seats, including around 770 premium options: the Fields Auto Group Terrace Suite with 700 seats, five Loge Boxes, and three Lounge Boxes.
- Daily's, a local convenience chain, secured the naming rights upon opening.
- Construction costs totaled $44.8 million (about $47.7 million in 2019 dollars), slightly above initial estimates.
- Thanks to its partnership with the Jacksonville Jaguars, 500 tickets per event are available for presale to Jaguars season ticket holders.
- The city funded its $45 million portion through a bed tax, allocated to stadium upgrades and maintenance.

Year:	Number of Events	Average Attendance	Average Gross
2018	33	3,538	$208,610
2019	33	3,634	$273,322
2021	41	2,915	$191,876
2022	38	4,115	$307,464
2023	30	4,452	$318,046
AVERAGE:	35	3,731	$259,864

Source: Pollstar, Facility Websites, CSL research, 2024.

FACILITY CASE STUDIES

CUTHBERT AMPHITHEATER

4

City, State: Eugene, Oregon
Owner: City of Eugene
Operator: Kesey Enterprises
Year Opened: 1982
Capacity: 5,000
Percent of Fixed Seats: 30%
Premium Seats: 136
Premium Boxes: 0
Shows in 2023: 22
Average Gross per Event: $113,853

VENUE OVERVIEW

- The Cuthbert Amphitheater, located at the edge of Alton Baker Park in Eugene, Oregon, opened in 1982.
- Owned by the City of Eugene and operated by Kesey Enterprises, it has a total capacity of 5,000, including 1,500 fixed seats and 3,500 lawn seats.
- In 2009, the venue underwent a $220,000 renovation funded by Eugene’s capital improvement budget and the Hult Center's operating funds.
- Renovations included new backstage areas, 3,000 portable bleacher seats, permanent bicycle parking, and landscaping upgrades.
- Recent performances include Norah Jones and Boy George, as well as comedian Tom Segura.
- The Cuthbert Amphitheater also offers events by the Eugene Symphony.

Year:	Number of Events	Average Attendance	Average Gross
2018	17	3,688	$140,497
2019	15	3,395	$126,093
2021	7	3,496	$127,804
2022	16	2,786	$126,234
2023	22	3,075	$156,869
AVERAGE:	**15**	**3,288**	**$135,499**

Source: Pollstar, Facility Websites, CSL research, 2024.

AMPHITHEATRE ANALYSIS

FACILITY CASE STUDIES

MOODY AMPHITHEATER

5

City, State: Austin, Texas
Owner: Waterloo Greenway
Operator: Live Nation
Year Opened: 2021
Capacity: 5,000
Percent of Fixed Seats: 0%
Premium Seats: 100
Premium Boxes: 8
Shows in 2023: 14
Average Gross per Event: $236,580

VENUE OVERVIEW

- Moody Amphitheater is a 5,000-capacity venue in Waterloo Park, Austin, TX, opened in 2021.
- The facility was built as part of a $250 million renovation to the Waterloo Greenway.
- The amphitheater primarily includes lawn seating and features a large stage under a 16-layer canopy.
- A small number of premium seats is available, as well as eight premium boxes.
- It will also offer tree-lined hike-and-bike trails and a flexible design for large performances and park activities.
- Phase One of the renovation, costing $64 million, was funded by a $15 million donation from the Moody Foundation.
- The venue is operated by Live Nation and C3 Presents, and recent artists include Kaleo, Gracie Abrams, Omar Apollo, and Charley Crockett.

Year:	Number of Events	Average Attendance	Average Gross
2021	5	3,782	$173,515
2022	25	3,733	$259,808
2023	14	4,392	$218,397
AVERAGE:	9	2,381	$162,930

Source: Pollstar, Facility Websites, CSL research, 2024.

AMPHITHEATRE ANALYSIS

FACILITY CASE STUDIES

SKYLA CREDIT UNION AMPHITHEATER

6

City, State: Charlotte, North Carolina
Owner: Live Nation
Operator: Live Nation
Year Opened: 2009
Capacity: 4,983
Percent of Fixed Seats: 41%
Premium Seats: 0
Premium Boxes: 30
Shows in 2023: 32
Average Gross per Event: $126,540

VENUE OVERVIEW

- The Skyla Credit Union Amphitheater, located in downtown Charlotte, is a 5,000-seat open-air venue with 2,000 fixed seats and nearly 3,000 lawn spaces.
- Opened in 2009, it is part of the AvidxChange Music Factory, a mixed-use entertainment complex built on a former mill site.
- The venue offers views of the Charlotte skyline and features a Bourbon Street-inspired concession area.
- Skyla Credit Union, formerly Charlotte Metro Credit Union, secured naming rights in 2016 through a multi-year partnership with Live Nation.
- Recent performers include The Kid LAROI and Orville Peck.

Year:	Number of Events	Average Attendance	Average Gross
2018	25	2,725	$101,154
2019	34	4,527	$196,906
2021	26	4,297	$185,376
2022	36	4,322	$195,700
2023	33	5,395	$280,497
AVERAGE:	31	4,253	$191,927

Source: Pollstar, Facility Websites, CSL research, 2024.

FACILITY CASE STUDIES

SUNKEN GARDEN THEATER

7

City, State: San Antonio, Texas
Owner: City of San Antonio
Operator: Brackenridge Park Conservancy
Year Opened: 2021
Capacity: 6,000
Percent of Fixed Seats: 70%
Premium Seats: 100
Premium Boxes: 18
Shows in 2023: 13
Average Gross per Event: $102,369

VENUE OVERVIEW

- The Sunken Garden Theater, built by the Works Progress Administration in 1937, celebrates Texas' Centennial and is located in Brackenridge Park, San Antonio.
- The venue's backdrop features distinctive stone outcroppings from the Alamo Cement Company's limestone quarry, adding historical significance.
- With a 5,000-seat capacity, it has hosted major acts like Bob Dylan, Santana, Poison, and Foo Fighters over the years.
- A $320,000 renovation was completed in 1984, and another renovation is currently planned for the future. Recommended investments include additions to seating capacity, the construction of VIP seats and boxes, and improvements to ancillary amenities such as parking, concession stands, and green rooms.
- This renovation is estimated to cost $62 million and is currently awaiting city funding.

Year:	Number of Events	Average Attendance	Average Gross
2018	5	4,674	$184,623
2019	3	n/a	$ -
2021	2	n/a	$ -
2022	1	n/a	$ -
2023	1	n/a	$ -
AVERAGE:	2	4,674	$36,925

Source: Pollstar, Facility Websites, CSL research, 2024.

FACILITY CASE STUDIES

SANTA BARBARA BOWL

8

City, State: Santa Barbara, California
Owner: Santa Barbara Bowl Foundation
Operator: Santa Barbara Bowl Foundation
Year Opened: 1994
Capacity: 4,563
Percent of Fixed Seats: 100%
Premium Seats: 0
Premium Boxes: 0
Shows in 2023: 36
Average Gross per Event: $234,024

VENUE OVERVIEW

- The Santa Barbara Bowl, located in Santa Barbara, CA, has a 4,563-seat capacity and was originally built in 1936 as part of a Works Progress Administration project.
- It has been operated by the Santa Barbara Bowl Foundation since 1991, which has invested over $42 million in renovations.
- Renovations include seating improvements, a new box office, improvements to the stage and sound system, new concession stands, and landscaping investments.
- The venue's capacity can expand to nearly 5,000 when front seats are removed for general admission.
- Recent artists include Clairo, Anderson .Paak, and Kacey Musgraves.

Year:	Number of Events	Average Attendance	Average Gross
2018	39	4,270	$280,950
2019	39	4,486	$372,635
2021	19	4,841	$357,773
2022	42	4,515	$287,240
2023	36	5,764	$521,239
AVERAGE:	**35**	**4,775**	**$363,967**

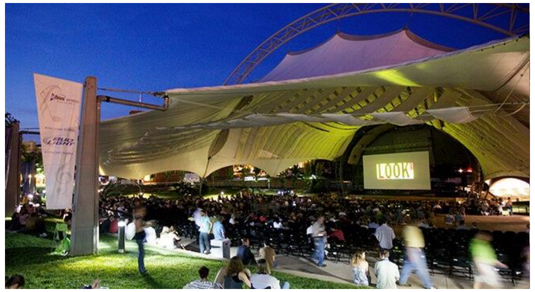
Source: Pollstar, Facility Websites, CSL research, 2024.

FACILITY CASE STUDIES

TING PAVILION

9

City, State: Charlottesville, VA
Owner: Red Light Management
Operator: Red Light Management
Year Opened: 2005
Capacity: 4,000
Percent of Fixed Seats: 0%
Premium Seats: 50
Premium Boxes: 24
Shows in 2023: 17
Average Gross per Event: $106,163



VENUE OVERVIEW

- The Ting Pavilion, located in Charlottesville, VA, opened in 2005 and was renamed from Sprint Pavilion in 2021.
- The venue hosts over 40 events annually, including concerts, festivals, and community gatherings.
- It features 24 VIP boxes and a VIP Party Porch for 30-50 guests. VIP Boxes are located between the upper and lower orchestra seating. The Party Porch is located on the side lawn and is advertised as having the best view in the venue.
- Operated by Red Light Management, it is owned by the City of Charlottesville.
- Recent performers include Vampire Weekend and Jason Isbell & the 400 Unit.
- All General Admission seating at the Ting Pavilion must be brought in by venue management or concertgoers themselves. No fixed seating is provided.

Year:	Number of Events	Average Attendance	Average Gross
2018	17	3,000	$124,038
2019	17	2,356	$107,043
2021	19	n/a	n/a
2022	20	3,439	$171,067
2023	17	4,000	$201,850
AVERAGE:	**18**	**3,199**	**$151,000**

Source: Pollstar, Facility Websites, CSL research, 2024.

6 MARKET DEMAND & PROGRAM

CONVENTION CENTER OUTREACH: OVERVIEW & METHODS

The purpose of this chapter is to provide an analysis of convention and event planner demand for a potential improvement of the Mesa Convention Center and Amphitheatre in Mesa, AZ. The data generated as part of this market analysis have been derived from the following:

- Experience gained from more than 2,000 convention, conference, exhibition, hospitality, sports, entertainment and event facility projects throughout North America.
- Site visit and community and facility tours, including the Mesa Convention Center and key area hotels and event spaces.
- Research and analysis of local market conditions including hotel inventory, walkability, commercial development, hospitality assets, attractions and other components of a successful conference and visitor destination.
- Analysis of the competitive and comparable facilities and host destinations.
- In-person meetings in Mesa with approximately 20 stakeholders, hospitality and tourism industry representatives, government officials, and community leaders.
- Completed a total of nearly 70 survey interviews (via videoconference, telephone or email surveys) of convention and event planners representing more than 300 total events, including:
    - State and Regional Event Planners: 39 interviews with state and regional associations.
    - National Event Planners: 10 completed surveys of national event planners.
    - MPI Planners: 16 completed surveys of Arizona-based MPI members.
    - Concert Promoters: 4 completed surveys of local and national entertainment promoters.

The focus of much of the remainder of this chapter is on quantified survey data associated with the two primary groupings of research completed for this study: 1) interviews with planners of conventions and tradeshows, and 2) interviews with promoters of concerts, comedy shows and other touring performance acts. These event sectors represent logical, economic impact generating targets for potentially improved facilities, and as such it will be critical to consider their interest, event space and hotel requirements, and various destination preferences. Feedback from each of these groups is presented on the following pages.

Source: CSL Surveys, 2024.

CONVENTIONS, CONFERENCES & TRADESHOWS SURVEY

Overall, based on other surveys that CSL has completed in recent years, the Mesa Convention Center's measured interest response is below average. To provide a comparative context for survey data presented on the previous page, the survey interest levels collected for this study can be compared to that of other similar surveys completed in the past by CSL in 65 comparable markets throughout the country. The exhibit below presents this summary comparison.

As presented in the exhibit, Mesa's overall positive response percentage ("definitely," "likely," and "possibly") of 40 percent falls below the average of the similar study surveys conducted. Further, while the overall positive response percentage is useful in comparatively evaluating the general interest in a particular destination, it is important to recognize differences in the "strength" of specific stated interest. To better assess these variations, a formula was developed to consider the "strength of interest," whereby a weighting system is applied to positive responses. The highest weight is applied to a "definitely use" response, while the lowest weight is applied to a "possibly use" response. Using this method, Mesa remains below the average of all precedent surveys included in this comparison in terms of its "strength of interest" score (1.51 versus an average survey score of 2.26 and a median score of 2.04), reflecting slightly weaker than average positive response percentages among the highest weighted categories (i.e., "definitely" and "likely").

As each convention destination has a different population of rotating state/regional events, a "demand index" was formulated. The "demand index" uses the "strength of interest" score for each market and weights it against the estimated population base of rotating events. The resulting demand index for a potentially expanded/improved Mesa Convention Center is 1.70 which is slightly lower than the average demand index score of 2.39 among the online/telephone surveys completed for comparable projects throughout the country. It is important to note that this analysis is a characterization of comparative gross demand, but does not take into consideration (1) the level of competitive convention facility supply in the state/regional area, (2) the specific ability of the subject community to accommodate this demand through its amenity package nor the characteristics of the ultimately-developed subject convention center and its site characteristics, and (3) other quantifiable and non-quantifiable cost/benefit justifications for considering facility development.

	Potential MCC Users	Precedent CSL State/Regional Telephone Surveys (Data from 65 Similar Surveys in Comparable Markets)			
		Average	Median	Low	High
INTEREST LEVELS:					
Definitely Use	3%	10%	10%	0%	33%
Likely Use	15%	13%	13%	3%	29%
Possibly Use	22%	28%	28%	9%	44%
Not Likely Use	9%	25%	25%	7%	48%
Definitely Not Use	51%	23%	23%	0%	48%
CONTEXTUAL DEMAND STRENGTH:					
Positive Response Rate	40%	52%	51%	21%	86%
Strength of Interest	1.51	2.26	2.04	0.54	4.50
Population Basis	1.13	1.09	0.89	0.38	3.25
DEMAND INDEX	**1.70**	**2.39**	**2.08**	**0.54**	**7.82**

Source: CSL Surveys, 2024.

CONVENTIONS, CONFERENCES & TRADESHOWS SURVEY (continued)

The purpose of this section is to provide a summary of the online and telephone survey research conducted with respect to organizations that produce off-site, rotating convention, conference, and tradeshow events. This survey-based technique provides a detailed understanding of potential user group needs, their willingness to use a potentially expanded/improved Mesa Convention Center, as well as overall perceptions of the Mesa area as a host destination for their event(s).

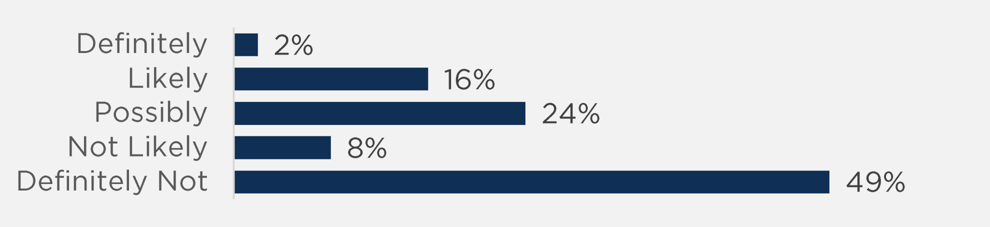
The convention, conference, and tradeshow industries are diverse and dynamic, consisting of a wide variety of events, many of which focus on a collection or gathering of individuals for the purpose of entertainment/education/leisure, business development and/or face-to-face communication and the transmission of ideas/information. They tend to be high-impact events in terms of driving tourism, hotel room nights and economic impact. Telephone interviews and digital surveys were conducted with convention, conference and tradeshow planners of state, regional and national scope representing more than one hundred annually rotating events.

The charts to the right display interest in the Mesa Convention Center segmented by group type. As shown, 43 percent of regional/national association groups expressed interest in the facility. Although this is below the average for past CSL surveys of this type, this suggests that event growth can be had among regional/national associations. A smaller but significant 31 percent of corporate MPI planners expressed positive interest in the Mesa Convention Center. Prioritizing corporate business is beneficial for meeting/convention facilities as these groups tend to generate more revenue for the facility. Their needs can be prioritized through facility development as well as marketing.

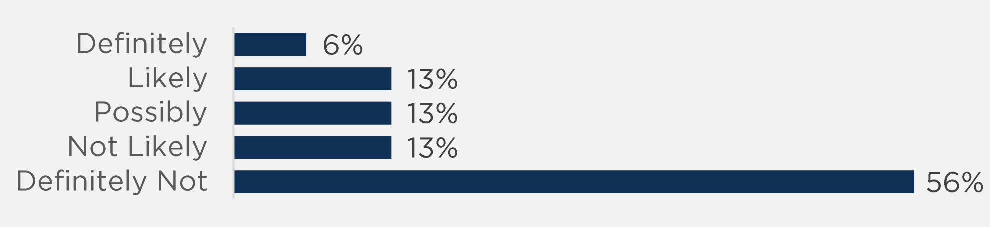
A large majority (86 percent) of contacted planners across all groups are unfamiliar with the Mesa Convention Center. Moreover, of those who are familiar with the facility, 27 percent would require renovations to the building before considering utilizing the facility. As a result, it is likely that investment into updated/modernized facilities and increased market visibility will have material impacts on event business at the Mesa Convention Center.

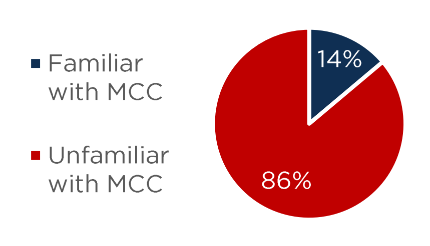
Likelihood of Using an Expanded/Improved Mesa Convention Center

Regional/National Groups
Positive Response = 43%, n = 49



Corporate and Independent Meeting Planners
Positive Response = 31%, n = 16





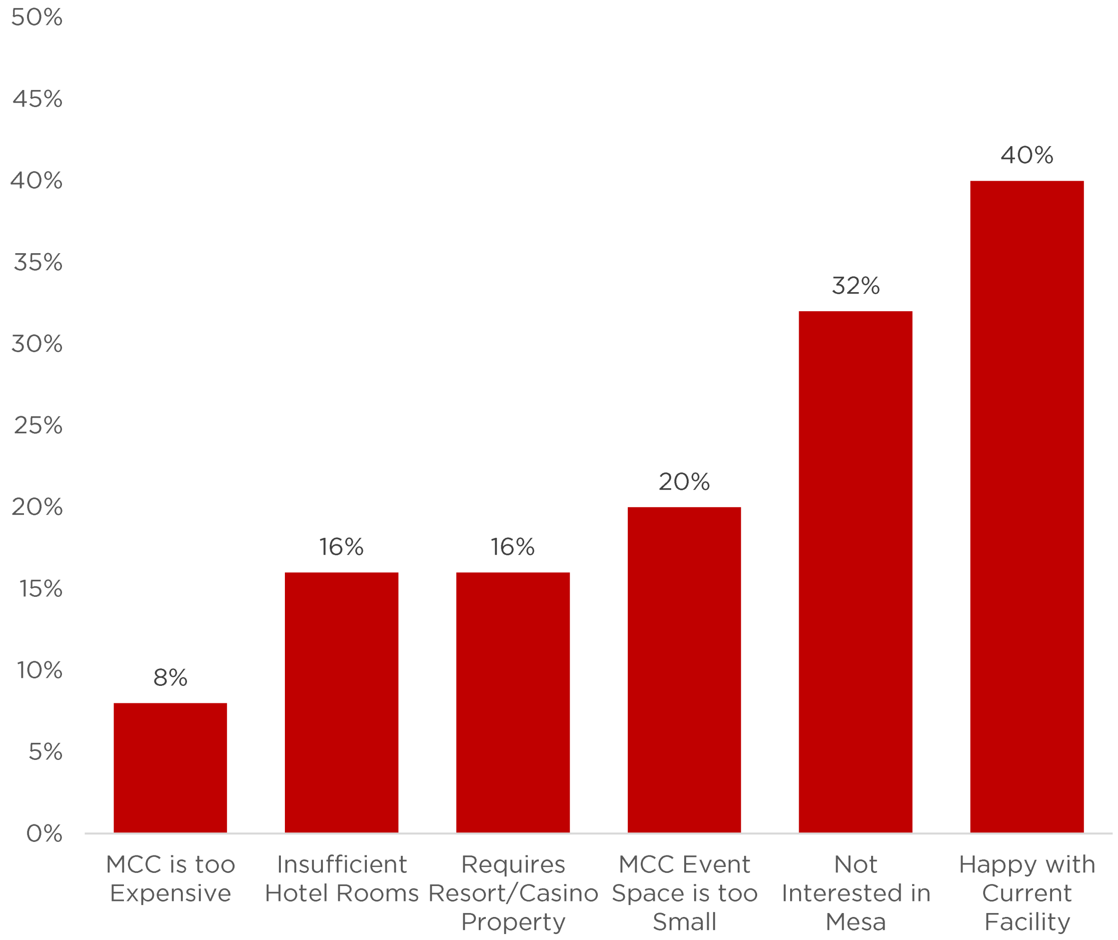
27%

of positive respondents require MCC renovations before they would consider using the facility

REASONS FOR DISINTEREST IN THE MESA CONVENTION CENTER

Disinterested event planners were asked to provide reasons for their lack of interest in moving one or more events to the Mesa Convention Center. Please note that the data displayed to the right represents only the subsection of contacted planners who were uninterested in the facility but were willing to provide feedback as to their lack of interest. In addition, some respondents provided more than one reason why not.

40 percent of respondents are happy with their current facility, suggesting that their existing venues meet their needs and they do not wish to seek out a new host venue. Additionally, 32 percent expressed disinterest in Mesa as a destination, highlighting a challenge in regional appeal. While 20 percent cited the MCC's event space as too small, 16% pointed to insufficient hotel rooms as a key barrier.



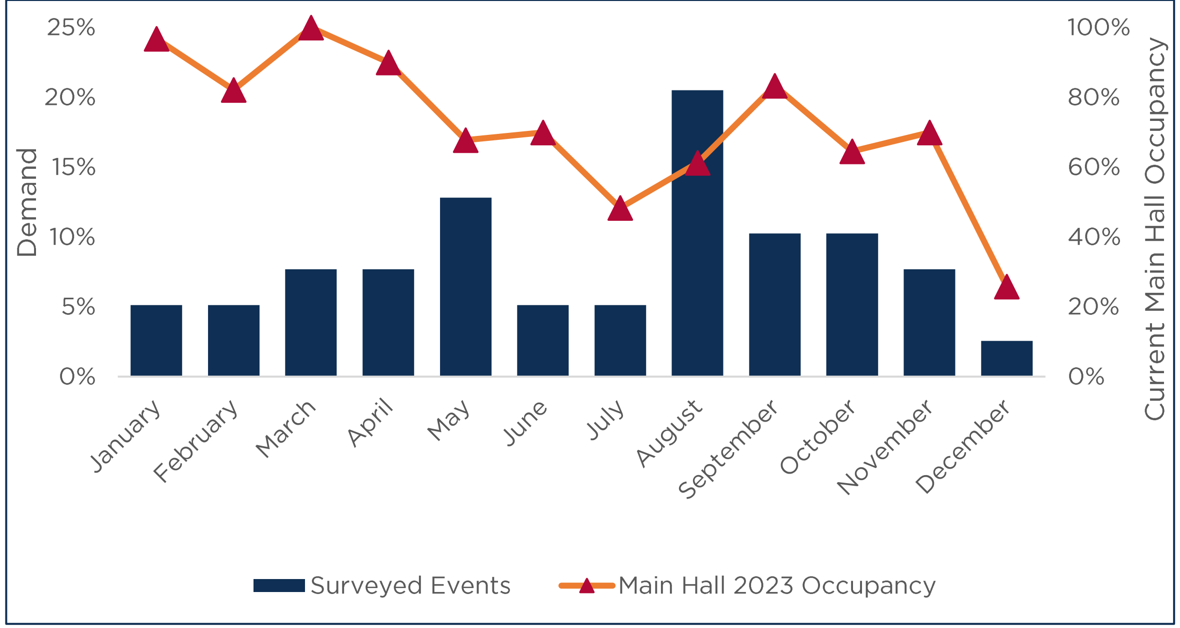
Source: CSL Surveys, 2024.

SEASONALITY AND HOTEL NEEDS

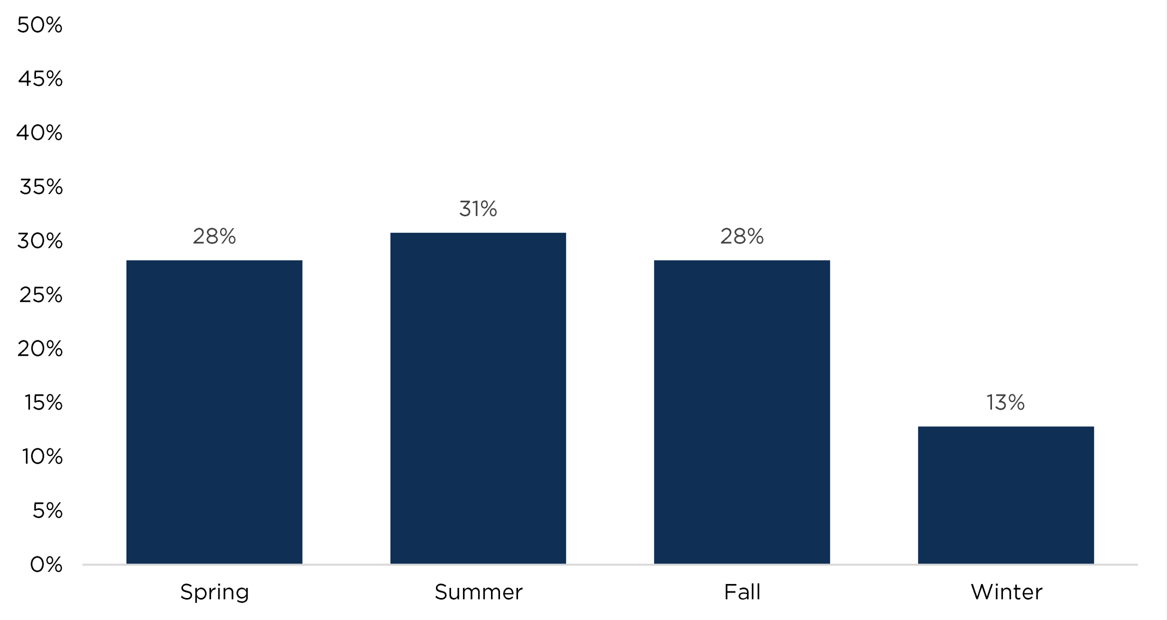
It is also important to consider the seasonality of event demand, particularly with respect to walking conditions from hotels and key points of interest to/from a potentially expanded/improved Mesa Convention Center. The seasonality of demand can also assist in understanding demand potential for multiple overlapping events. For example, significant demand for a particular event type during historically busy periods can indicate a "clustering" of demand and highlight the need for a center to be able to accommodate multiple overlapping events. The exhibits below present the demand patterns, by season and by month, for those state/regional and national organization events that represent the primary event market demand for Mesa. The charts below display the seasonality of events compared to the Main Hall's 2023 occupancy.

As presented, an expanded/improve Mesa Convention Center's potential event market peaks during the late summer and fall season, with significant demand also in late spring. May and August in particular represent a combination of high demand and low Main Hall occupancy. Opportunities exist to leverage this lower occupancy during periods of high demand into increased event business for the Mesa Convention Center.

Event Activity and Demand by Month



Seasonality of Events



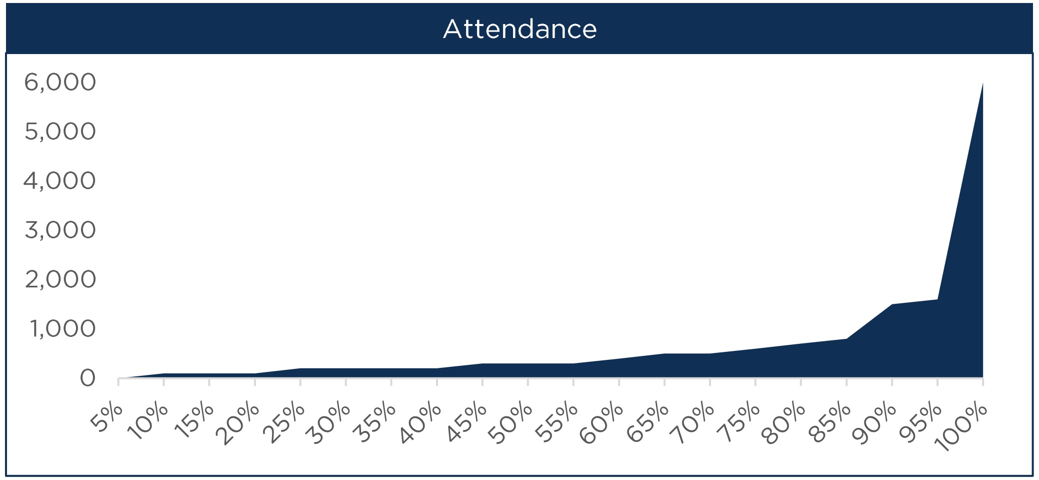
Source: CSL Surveys, 2024.

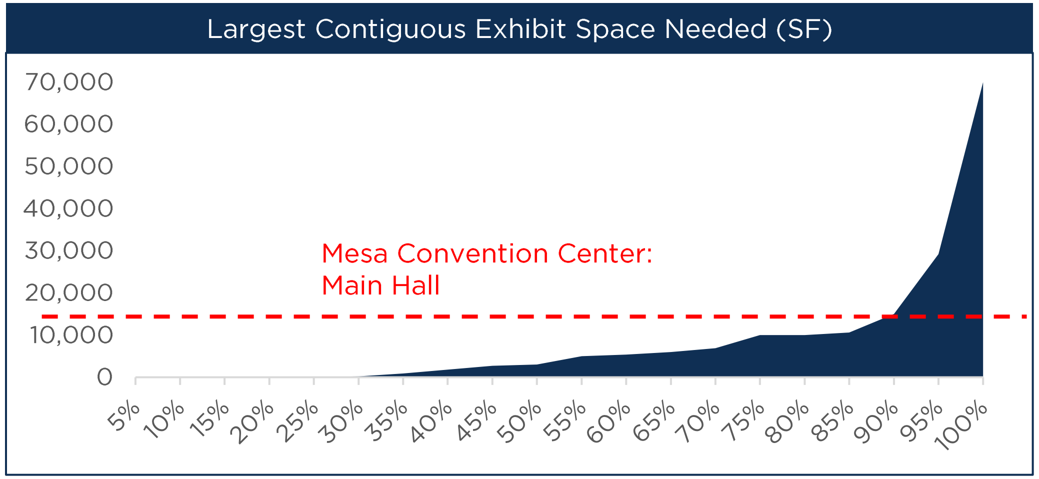
ATTENDANCE AND EXHIBIT SPACE NEEDS

For those state, regional and targeted national planners who expressed a positive interest in future use of an expanded/improved Mesa Convention Center, additional information was obtained regarding event characteristics and requirements and preferences regarding a host facility and supporting hotel package.

Specifically, positive respondents were asked about expected delegate and exhibitor attendance levels of events they could potentially bring to an expanded/improved Mesa Convention Center, as well as the exhibit space needs of those events. The area charts to the right show attendance levels and largest contiguous exhibit space requirements for positive respondents. Among those planners interested in rotating one or more future events to an expanded/improved Mesa Convention Center, the 90th percentile would have 1,500 total attendees (including delegates and exhibitor personnel). Events which represent the 70th percentile of the indicated market have a maximum of 500 total attendees. A small number of positive events can have a capacity of up to 6,000 attendees.

35 percent of positive respondents do not require exhibit space, while 90 percent of positive respondents require less than 15,000 square feet of exhibit space, suggesting that the Main Hall is properly sized for Mesa's convention and tradeshow market. The remaining positive respondents range from 20,000 to 70,000 square feet of exhibit space.





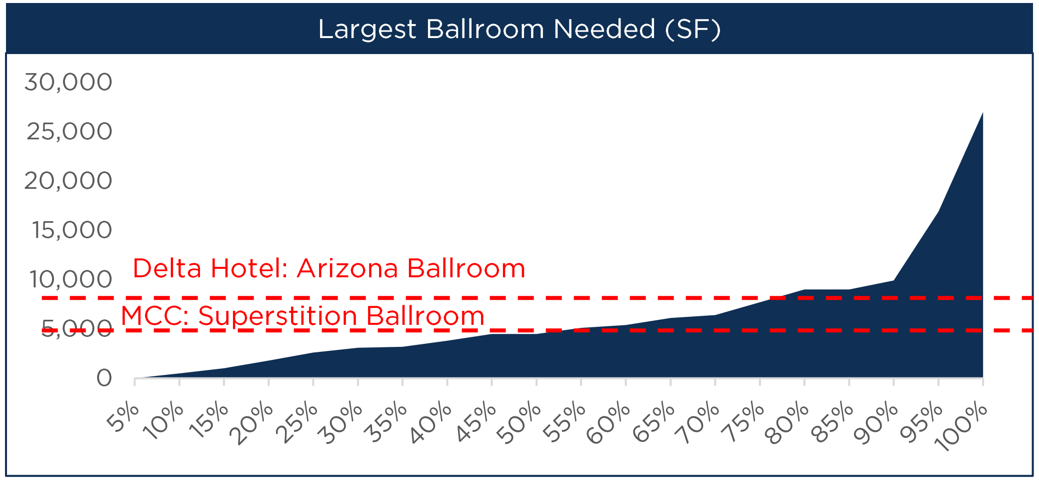
Source: CSL Surveys, 2024.

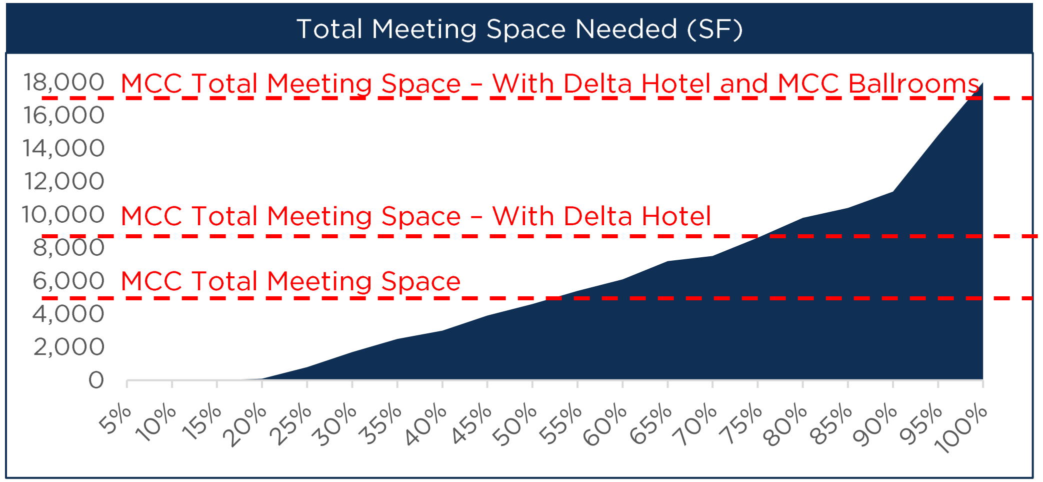
BALLROOM AND MEETING SPACE NEEDS

The charts to the right summarize the demand for ballroom and meeting space needed among event planners who expressed an interest in using an improved MCC in the future.

Contiguous ballroom space is a challenge for the Mesa Convention Center, with only 50 percent of positive respondents stating that Building A's Superstition Ballroom would have sufficient space for their largest meal function and/or general session. The Arizona Ballroom located in the attached Delta Hotel would cover the needs of 80 percent of meal functions and/or general sessions. This ballroom capacity lags somewhat behind the MCC's exhibit space market capture of 90 percent. According to some stakeholders, this limiting size of the Delta's Ballroom, in addition to the lack of another similar-sized space at MCC, sometimes precludes the MCC from being able to accommodate the general session and food function needs of some prospective conferences and conventions. Many planners of these events increasingly require separate spaces to meet these needs, so that they can host both programs in the same day. Another event space of 12,000 square feet or larger could address this need.

In terms of meeting space, the MCC and Delta can accommodate more than 95 percent of the market when offering Superstition and Palo Verde Ballrooms as meeting rooms. This figure falls to 75 percent when excluding the ballrooms, and 50 percent when only including the breakout rooms at the MCC. This highlights the importance of the collaboration between the MCC and the Delta to jointly package their spaces as part of conference and convention sales and marketing efforts.





Source: CSL Surveys, 2024.

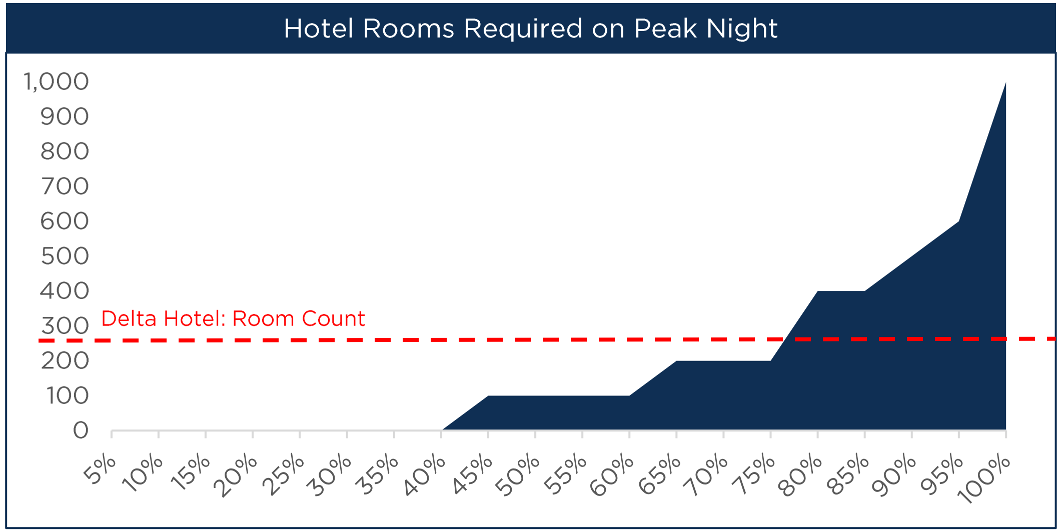
HOTEL NEEDS

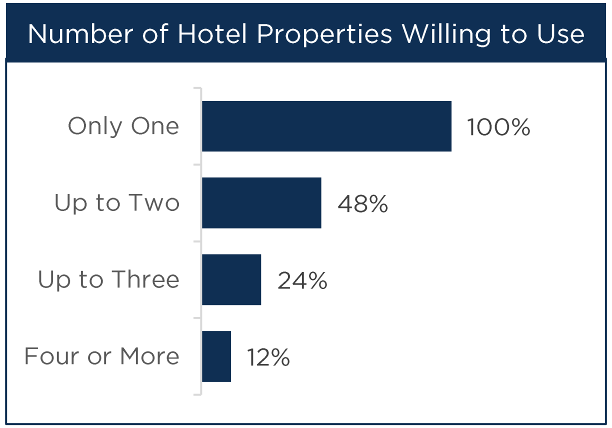
Interested respondents were asked about the number of headquarter hotel rooms needed on their peak night, as well as to provide additional data related to their hotel needs, including the requirement of a headquarter hotel product, the number of properties they are willing to use to accommodate their room block, and specific hotel preferences/recommendations with regard to hotel brand, amenities, rate and other capabilities.

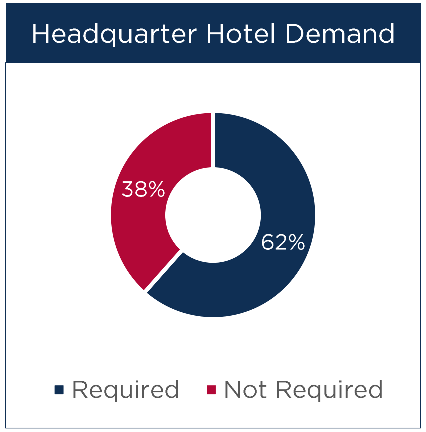
62 percent of surveyed event planners indicated that their event required a headquarter hotel, with over 75 percent indicating that the Delta's room inventory would meet their peak night room needs. However, it is important to consider the committability of the Delta's room inventory. If only 70 percent of its rooms are available for conferences and conventions, a generally standard figure among headquarter convention hotels nationally, the remaining 192 rooms would be able to accommodate only 65 percent of the market.

In addition, 48 percent of planners would be willing to utilize more than one hotel to meet the demands of their event. However, some planners who were familiar with the facility noted that the lack of proximate hotels would present a challenge to them, although they would be open to using multiple hotels if both were within walking distance of the convention center. Without another downtown hotel option, the MCC has a finite conference and convention market, though efforts should be made to provide shuttling solutions to/from other full-service hotels in Mesa to occasionally "expand" the convention product's market capacity.

Desirable amenities at the Mesa Convention Center's headquarter hotel included a full-service dinner restaurant and a hotel bar. Other amenities such as room service and valet parking were mentioned as desirable by a smaller number of planners. Planners who were familiar with the facility praised the management and service at the Delta Hotel, although it was criticized for its age and small size. Planners noted that the lack of other hotels within walking distance of the Mesa Convention Center presents a challenge.







Source: CSL Surveys, 2024.

MARKET CAPTURE REQUIREMENTS

The table below outlines the space (exhibit, ballroom and meeting) and headquarter hotel levels of a potentially expanded/improved Mesa Convention Center necessary to capture incremental percentages of the event market identified via the surveying of state, regional and niche national event planners. As presented, an expanded/improved Mesa Convention Center with approximately 15,000 square feet of contiguous exhibit space, 10,000 square feet of ballroom space, and 11,500 square feet of total meeting space would be able to accommodate 90 percent of the potential market for events indicated by current and past event planners. This potential facility product would also require a proximate headquarter hotel with an estimated 500 sleeping rooms.

Facility & Hotel Requirements Necessary to Capture Mesa Market Share									
	20%	30%	40%	50%	60%	70%	80%	90%	100%
CONVENTION SPACE (SF):									
Contiguous Exhibit Space	0	200	1,800	3,000	5,400	6,900	10,000	15,000	70,000
Ballroom Space	1800	3100	3,800	4,500	5,400	6,400	9,000	9,900	27,000
Meeting Space	100	1700	3,000	4,600	6,100	7,500	9,800	11,400	18,000
HOTEL ROOMS:									
Peak Hotel Rooms	0	0	0	100	100	200	400	500	1,000

Source: CSL Surveys, 2024.

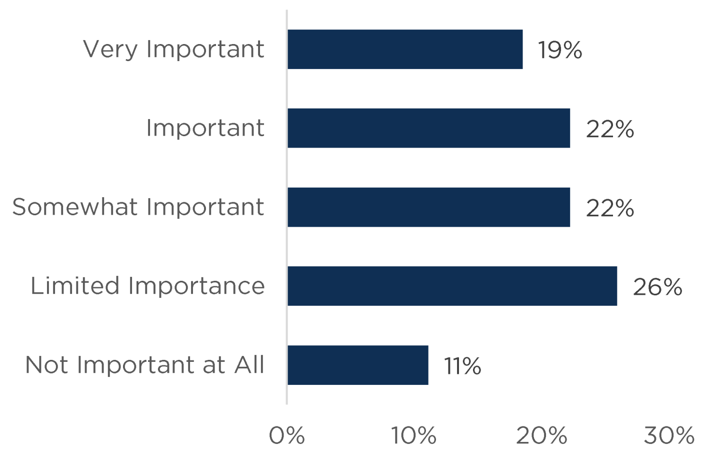
MARKET DEMAND SURVEY – ALL POSITIVE RESPONDENTS

Event planners were also asked specifically about three unique aspects of the Mesa Convention Center and its potential renovation/expansion. These were a question regarding Downtown Mesa and the importance of a convention center district, a question regarding outdoor covered meal-function space, and a question gauging the interest to collaborate with the ASU MiX Center for immersive meeting experiences.

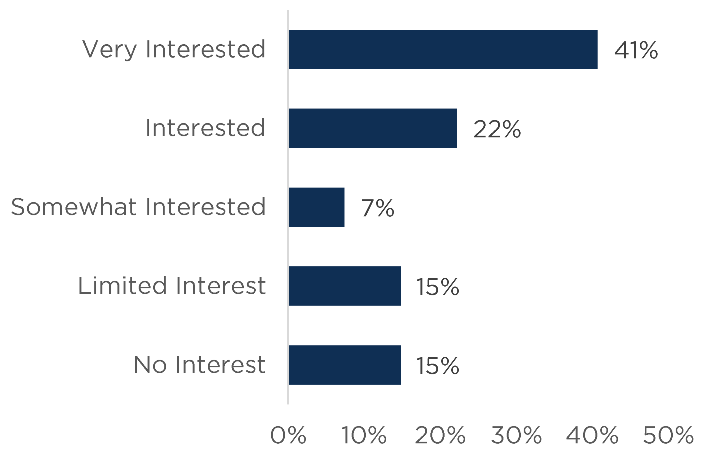
A convention center district is important to 63 percent of survey respondents, who described their attendees as seeking out restaurants and bars after the event. Those who were uninterested in a convention center district typically have short meetings or offer longer programming which includes three meal services in a day. These planners also leaned towards using self-contained resort properties for their events.

A semi-enclosed outdoor space such as the one being considered by the Mesa Convention Center was desirable to 70 percent of planners. Many of the remaining 30 percent host events in the summertime or had other weather-related concerns. 63 percent of respondents also expressed interest in collaborating with the MiX Center, with many suggesting that interactive and immersive presentations could be desirable for their speakers. However, many of these respondents noted that they would require guidance on the best usage of this space.

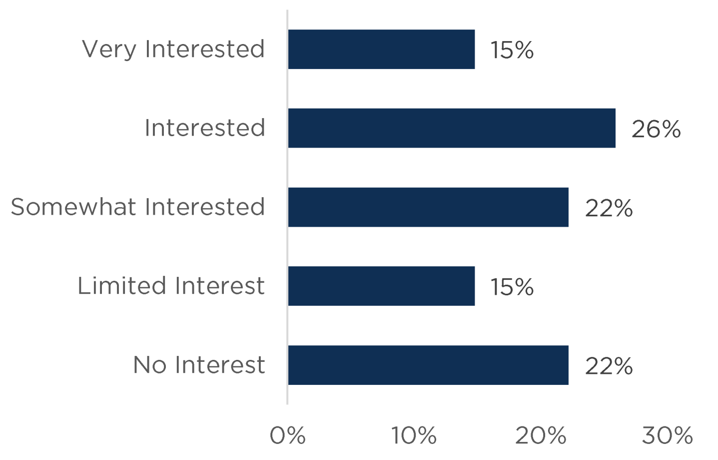
How important is having a convention center district to your event?



Please rate your interest in utilizing a semi-enclosed outdoor meal function space.



Please rate your interest in working with the MiX Center for immersive meetings.



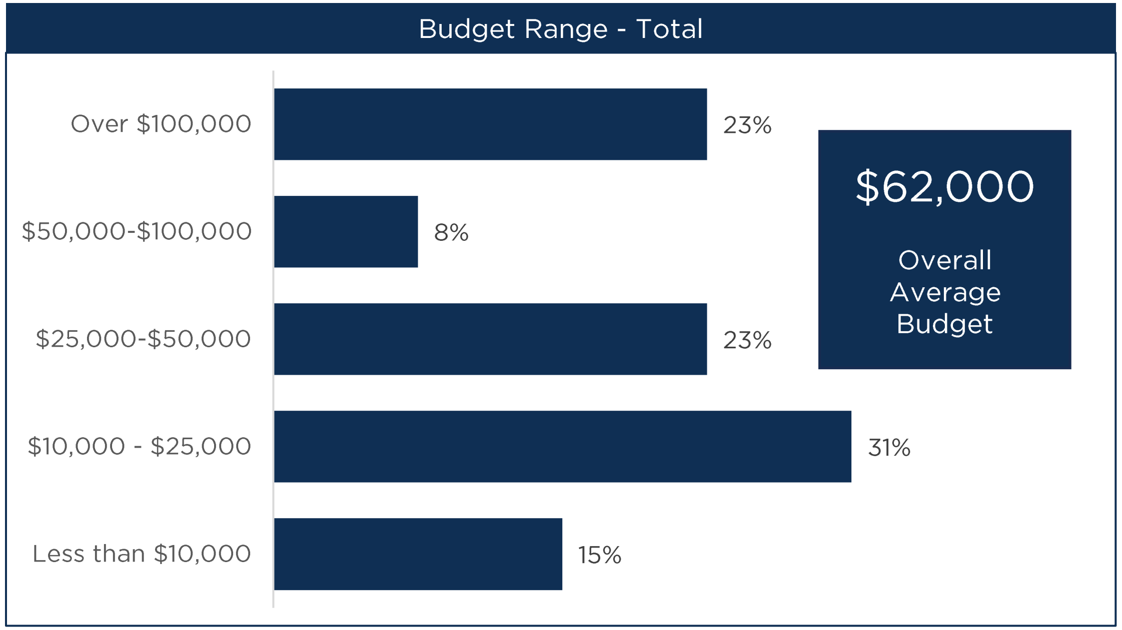
Source: CSL Surveys, 2024.

EVENT BUDGETS

Meeting planners were also asked about their estimated budgets for events identified as candidates to use the Mesa Convention Center. Approximately 48 percent of events have total event budgets ranging from $25,000 to $50,000. Approximately 23 percent of events were described as having a budget above $100,000. The average overall budget of all potential events is $62,000. Among current MCC business, only conferences/conventions are in this budget range, a phenomenon which has only taken place in 2023 and 2024.

Event planners described a variety of pricing structures at various other facilities which they had utilized. These included a standard itemized pricing model, one all-inclusive price, or complimentary space rental when meeting a predetermined food & beverage minimum. There is a general preference for an all-inclusive pricing model, which is seen to be simpler for planners. Planners also noted the willingness to pay a premium for high quality equipment and good service. A/V equipment is critical to the success of many events, particularly those with a high component of speaking/presenting. Facilities which have in-house A/V which is high quality and optimized for the specific venue have a significant advantage over the competition.

The chart below shows "high-value" events with significant reported budgets that could be accommodated by existing MCC space and Delta hotel inventory. It will be important to consider the needs of such groups, and to focus on these types of events as part of future marketing efforts.



Potential Event Targets – High-Value Events that can be accommodated by existing MCC space and Delta hotel rooms

Organization Name	Event Name	Group Type	Notes	Estimated Budget
AZ Mining Association	Reverse Expo	State/Regional	Requires A/V for speakers	$180,000
Lamont Associates	Regional Conferences	National Survey	Requires upgrades	Up to $1,000,000
ConferenceDirect	Client Dependent	MPI	WiFi and aesthetic upgrades needed	Up to $300,000
Arizona Outdoor Hospitality Association	Annual Convention	State/Regional	Prefers package pricing	$120,000
Arizona Association of Realtors	Spring Conference	State/Regional	Praised current facility	$40,000

Source: CSL Surveys, 2024.

CONVENTIONS, CONFERENCES & TRADESHOWS SURVEY CONTACTED GROUP TYPES

Groups contacted for CSL's market demand survey consisted of four types: State/Regional associations, SMERF (Social, Military, Educational, Religious, Fraternal) groups, professional corporate meeting planners who are members of the Arizona chapter of Meeting Planners International (MPI), and national meeting planners surveyed via an online form.

State/regional associations include professional associations, nonprofit agencies, and other groups with a shared industry or policy goals. Although this group has the lowest average attendees with 413, some groups spend significantly on food & beverage. This group had the highest positive response rate. SMERF groups expressed the lowest interest in the MCC; these groups see a higher attendance but lower average event budget as attendees typically have to pay for their own travel, food, hotel, and other items.

MPI-associated planners either work as independent meeting planning consultants or are dedicated planners for a large organization; this group expressed a 31 percent positive response rate and an average budget of $300,000. Respondents to the national survey, with 40 percent positive response, suggest the possibility to attract a small number of lucrative, national events. However, these groups typically require significantly more hotel rooms than are available in downtown Mesa. Investing in facility improvements and sales and marketing strategies that cater to these groups is an important consideration for recommendations presented later herein.

State/Regional Associations

- 47 percent positive response rate.
- 413 attendees on average.
- 128 average hotel rooms on peak night.
- $40,000 average budget for all events.

Social, Military, Educational, Religious, Fraternal (SMERF)

- 11 percent positive response rate.
- 570 attendees on average.
- 107 average hotel rooms on peak night.
- $25,000 average budget for all events.

Corporate and Independent Meeting Planners

- 31 percent positive response rate.
- 695 attendees on average.
- 132 average hotel rooms on peak night.
- $300,000 average budget for all events.

National Survey

- 40 percent positive response rate.
- 2,111 attendees on average.
- 2,184 average hotel rooms on peak night.
- $610,000 average budget for all events.

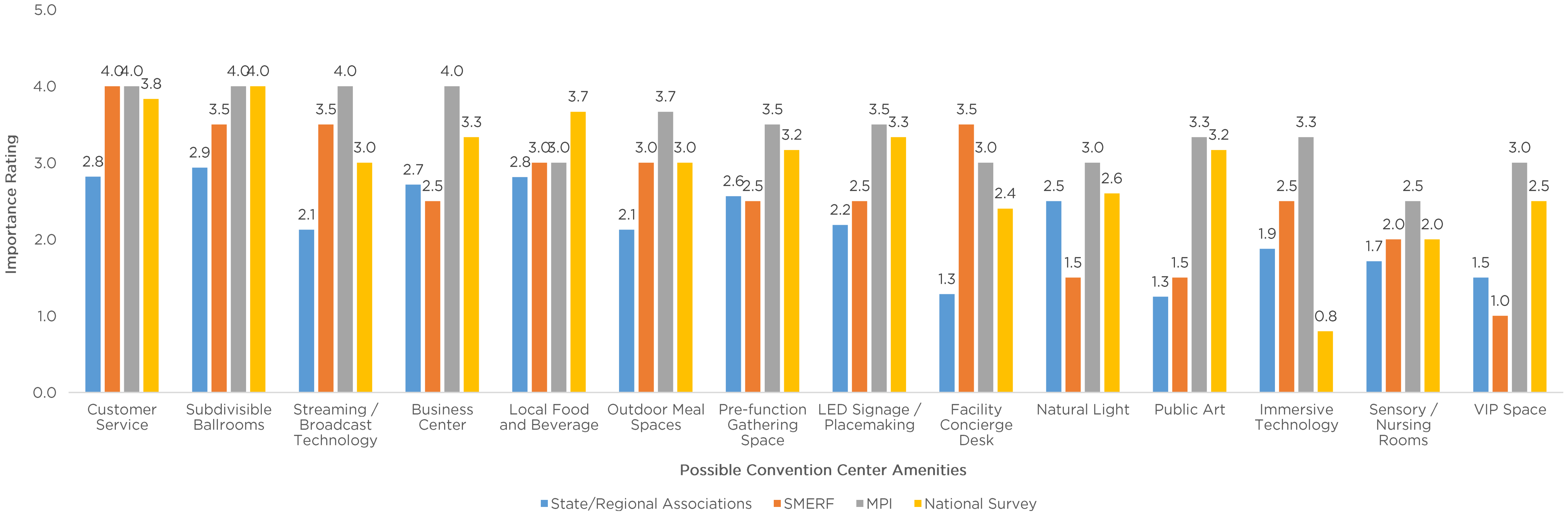
Source: CSL Surveys, 2024.

CONVENTION CENTER ANALYSIS

DESIRABLE AMENITIES – CONVENTION CENTER

Event planners were asked about a series of possible and existing amenities at the Mesa Convention Center. The list is informed by conversations with facility management and site visits as well as by CSL's understanding of convention facility trends nationally. Planners were asked to rate a series of possible / existing amenities in terms of desirability and importance on a scale of 1-5, with a five representing the most desirable amenities. The chart below displays these data segmented by event planner category.

The most desirable amenities were streaming / broadcast technology, which includes good WiFi and A/V; local food and beverage; subdivisible ballrooms; and customer service. The Mesa Convention Center's customer service was praised by planners who were familiar with the facility.

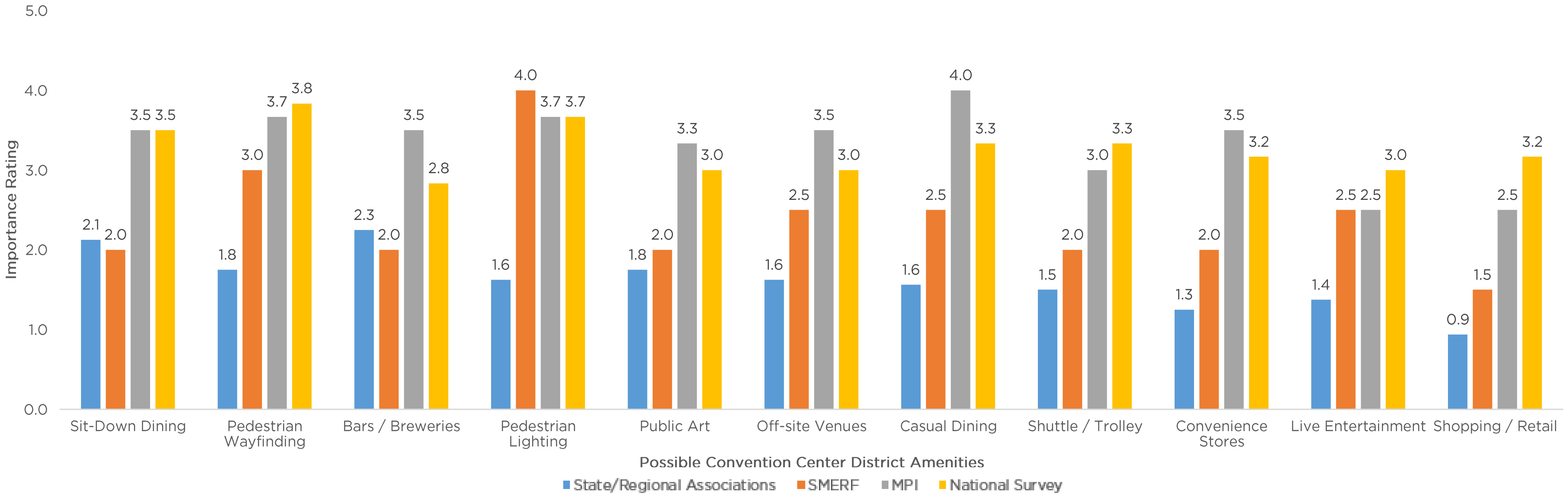


Source: CSL Surveys, 2024.

DESIRABLE AMENITIES – DISTRICT

Event planners were similarly asked about desirable amenities to be found in the convention center district to be rated on a scale of 1-5. These options were similarly influenced by CSL's experience in the local market as well as knowledge of event planner needs and trends nationally.

Dining, both sit-down and casual, as well as bars and breweries were the most important groups. Many events are social in nature and attendees are interested in finding locations to continue to socialize after programming is complete for the day. Casual dining was more important to event planners whose events did not include food functions. Pedestrian wayfinding and lighting were also noted as being of high importance as many attendees would need to navigate a convention center district, potentially at nighttime following time spent at a restaurant or bar. Convenience stores received lower importance, however Placer.AI data discussed in section 2 suggests that a high percentage of convention center visitors travel to these businesses.



Source: CSL Surveys, 2024.

OUTREACH OVERVIEW – CONCERT PROMOTERS

To evaluate the potential for an improved Mesa Amphitheatre to host additional high-value touring acts, CSL conducted interviews with several concert promoters to collect feedback regarding Mesa's potential for increased market capture. Areas of focus for this analysis included the strengths and challenges of the existing Amphitheatre, the area's potential in the touring concert industry, preferences regarding host facility design and amenities, and trends relating to industry best practices and outdoor concert venue design.

Information regarding the promoters interviewed is provided below, followed by a collective summary of the input they provided on the following page.

LIVE NATION

A leading global live entertainment company that operates several prominent venues in Arizona, including the Arizona Financial Theatre, Talking Stick Resort Amphitheatre, and The Van Buren, hosting a wide range of concerts and events.

AEG LIVE

Second largest global live entertainment company that promotes concerts and events across various venues, including those in Arizona.

Lucky Man CONCERTS

An independent concert promotion company based in Tempe, Arizona, that organizes over 150 concerts annually across Arizona and New Mexico. They own and operate the Marquee Theatre, a 1,500-capacity venue in Tempe.

An independent concert promotion company based in Arizona that organizes a wide range of concerts and events across the Southwest, including Arizona, New Mexico, and Las Vegas.

Source: CSL Surveys, 2024.

4
completed interviews

100+
potential events/programs

10 to 12
Near-term annual concert estimate

6 to 9
5+ year annual concert estimate without improvements

14 to 18
5+ year annual concert estimate with improvements

Concert Promoter Input

Input provided by interviewed concert promoters, segmented by subject, is summarized below.

Strengths: Overall, interviewed promoters have enjoyed routing acts through the Mesa Amphitheatre, and believe its capacity, location within the Valley and historical significance make it an important part of the concert and performance ecosystem in the Phoenix metro area. Key strengths of the venue include its intimate feel, strong sightlines, downtown location and proximity to ample parking.

Potential: Generally, promoters feel that the Amphitheatre does well for its size and the degree of competition from similar sized venues in the Valley but noted that it could likely increase its number of touring acts per year with proper investment. Acknowledging that the venue has hosted between 10 and 15 touring acts the past three years following COVID, promoters believe that this range could be grown to 14 to 18 if efforts are made to make the Amphitheatre more like a state-of-the-industry concert venue. At the same time, if no investment is made, touring acts will likely begin to pass over the venue in favor of other existing or future amphitheaters, or similar-sized indoor venues in downtown Phoenix. Within five years, promoters estimated that the venue's annual concert total could drop to nine or as low as six per year.

Competitive Landscape: With recent improvements to the Van Buren and Arizona Financial Theatre, and early plans for other future venues in the market, promoters explained that the Valley's supply of venues has created a flourishing live concert industry that, for now, should continue to benefit its few outdoor venues such as the Amphitheatre. Artists continue to go on tours that exclusively use outdoor venues, which should continue to maintain the venue's 10 to 15 annual concert figure. However, with added competition over time, and with several similar-sized venues that offer much higher quality and more modern amenities, the Amphitheatre could likely lose market share within the next five to ten years.

Recommendations: When asked to provide recommendations regarding how they would like to see the Mesa Amphitheatre be improved, each interviewed promoter suggested improving the back-of-house experience for artists. New dressing rooms, a green room, and a hospitality lounge were among the most discussed items. These types of amenities are increasingly expected by touring artists, and many are beginning to skip venues that have sub-standard amenities for them. Most of the promoters also recommended investment in the Amphitheatre's rigging capabilities, noting that touring acts, even at the 5,000-capacity level, are touring with substantially more production that they need to hang. If investment in the rigging is not made in the next several years, touring acts may begin to pass over Mesa. Further, each promoter suggested that Amphitheatre decisionmakers should find ways to make the venue unique and cutting edge to differentiate it from other venues in the marketplace. Live Nation representatives discussed using projection mapping and large-scale LED's at the venue to create an immersive environment during concerts. Primary recommendations that interviewed promoters believed should be short-term priorities for the Amphitheatre are presented on the following page, followed by more secondary initiatives that should be considered in the mid- or long-term.

Source: CSL Surveys, 2024.

CONCERT PROMOTERS: PRIMARY RECOMMENDATIONS FOR GROWING AMPHITHEATRE'S MARKET CAPTURE

1 Backstage Hospitality

- Build a new back-of-house hospitality building for artists.
- Improving artist comfort and convenience is critical to attracting and retaining acts.
- Should include modern VIP lounge and at least two dressing rooms.

2 Enhance Rigging

- Invest in rigging infrastructure to support at least 5,000 pounds of load per bay.
- Rigging upgrades would make Mesa more versatile and reduce the risk of losing acts to venues with more robust production setups.

3 Weather Proof

- Invest in overhead shading to protect the audience during the summer and extend usability of facility throughout the year.
- Add portable mister systems to make the venue more comfortable during the hottest months.

4 High-Tech Capabilities

- Invest in projection mapping to create custom stage effects; artists could use AI to quickly develop content before their Mesa shows.
- Unique visual capabilities could give Mesa a competitive edge, particularly if it partners with ASU for advanced technology.

5 A/V Investments

- Providing essentials like spotlights, speakers and other AV equipment could reduce operational friction for events, attract local promoters, and support smaller community events.

6 Evaluate Curfew

- Adjusting curfews would primarily benefit late-night acts, like EDM shows, that prefer starting later. While impactful for these genres, it's less critical for attracting the 10-12 core shows currently hosted.

Source: CSL Surveys, 2024.

CONCERT PROMOTERS: SECONDARY RECOMMENDATIONS FOR MAXIMIZING FAN EXPERIENCE AND AMPHITHEATRE REVENUE

1 New Beer Stand

- Replace the beer tent with a permanent, air-conditioned building to reduce line times and improve efficiency.

2 VIP Seating

- Level off Concrete and one or more grass terraces to create fixed seat / membership area and VIP boxes.

3 Shaded Gathering Space

- Install extended shading in a designated hangout area, providing guests with relief from the sun, which would allow for more comfortable day events.

4 ADA Ramp

- Add an ADA ramp to the mound in the left field area, providing access to a VIP lounge with a deck for improved views and seating options.

5 Permanent Retail Stand

- Add semi-temporary structure to be used for pop-up retail and various other functions.

6 Box Office Expansion

- Expand the box office to handle more customers at once.

Source: CSL Surveys, 2024.

AMPHITHEATRE INVESTMENT IMPACTS

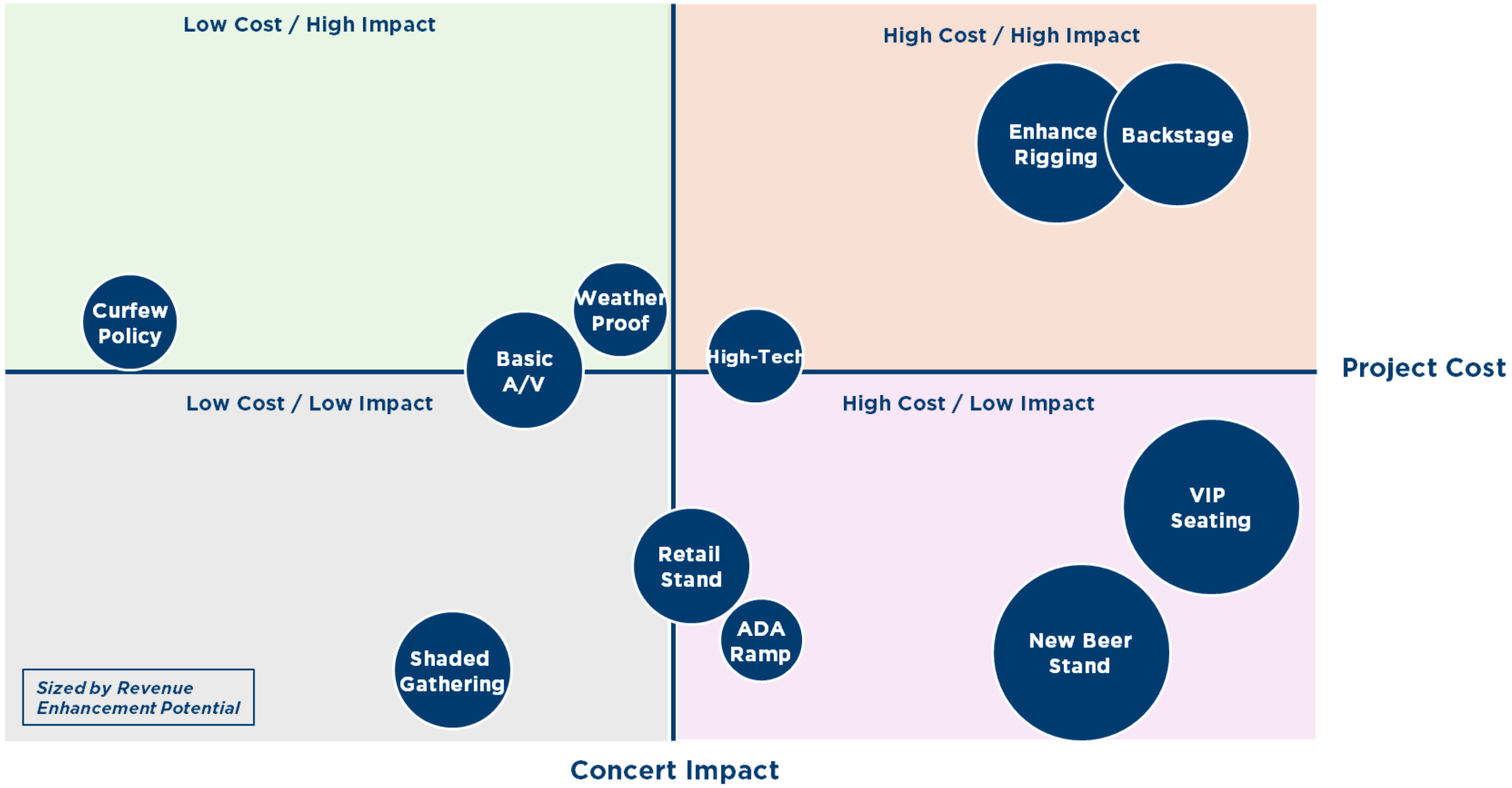
CSL has prepared the adjacent four-quadrant scatter plot to summarize the potential impacts on market capture, preliminary costs, and Amphitheatre revenue potential associated with each of the promoter recommendations on the previous pages.

The horizontal axis represents preliminarily estimated costs, while the vertical axis represents the anticipated impact on the Amphitheatre's annual level of touring acts. To help highlight those investments that would have positive financial benefits, the circles scatted throughout the chart are sized according to their estimated impact on Amphitheatre revenues.

As shown, the projects with the highest estimated impact on touring act levels are also among the most expensive. Enhancing the rigging and developing a new backstage hospitality area will likely cost several million dollars, but they will materially grow the level of annual concert activity at the Amphitheatre going forward.

Concepts that may not impact the venue's market capture but would greatly enhance revenue potential and attendee experience include the addition of VIP or premium seating, as well as a new permanent beer with multiple points of sale to decrease wait times for patrons.

Lower cost projects that would moderately improve fan experience and revenue generation include adding weather proofing (i.e., audience shading and misters), basic in-house a/v, a new retail stand, ADA ramp, high-tech installations (i.e., projection mapping), and shaded gathering areas. Revising the curfew policy would also be a low-cost initiative that would help the venue potentially attract a greater number of touring EDM shows.



Source: CSL Surveys, 2024.

MARKET DEMAND SUMMARY

Key takeaways, segmented by convention/meeting planner and concert promoter demand, are summarized below.

MESA CONVENTION CENTER DEMAND

- **OPPORTUNITY FOR ADDED BUSINESS**: CSL identified moderate demand, particularly among state and regional associations, for an improved Mesa Convention Center. Planners generally agreed that there are various improvements that could be made to the facility that would enhance the likelihood that they would use it in the future. Many also indicated a lack of familiarity with the MCC that suggests opportunity to further market the venue and reach a wider inventory of events from around the state, region and country.

- **EXHIBIT SPACE EXPANSION NOT NEEDED IN SHORT- TO MID-TERM**: The Main Hall can currently accommodate 90 percent of its event market. Considering the moderate interest expressed by planners and their event space needs, a significant expansion of Main Hall is likely not needed within the next ten years.

- **PRIMARY LIMITATION – SUPPORTING HOTELS**: The 274 rooms at the Delta Hotel accommodate approximately 75 percent of Mesa's event market, and this figure likely drops closer to 60 to 65 percent when considering how many rooms the Hotel can commit to events at the MCC (assumed to be 70 percent of inventory). Without an added hotel in downtown, the MCC will not be able to greatly expand their event market. However, by undergoing improvements and employing targeted sales and marketing strategies, MCC management, Visit Mesa and other stakeholders should be able to gain greater penetration into its defined small-to-mid-sized event market and attract high-value events to the facility.

- **SECONDARY LIMITATION – BALLROOM SPACE**: The Delta Ballroom only accommodates 80 percent of its event market, and considering previous comparable analysis, the MCC's most pressing facility challenge might be its lack of ballroom space. This aligns with comments made by stakeholders that the facility could use another larger ballroom so that the campus could host food functions in one and general sessions concurrently.

- **FACILITY UPDATES AND IMPROVEMENTS NEEDED**: The degree of demand does not warrant a significant expansion of the MCC; rather, high-value investments should be made to improve the aesthetics and functionality of the facility to capture select high-value pieces of business. Market demand findings suggest added/expanded outdoor event space, larger and more trend forward lobby spaces, updated event spaces (including the Main Hall), and unique immersive technologies to enhance the MCC's market capture. Other improvements noted by high-value groups from the corporate segment include Main Hall sub-divisibility and turnkey streaming/hybrid capabilities in the meeting rooms.

- **PLANNER INTEREST IN NEW CONCEPTS**: Seventy (70) percent of planners expressed interest in using a unique three-season indoor/outdoor patio space for their food functions at the Center. A slightly smaller number (63 percent) also showed interest in using immersive media technologies to enhance their event(s), though intensity of interest was more limited relative to the outdoor facility concepts.

MARKET DEMAND SUMMARY

MESA CONVENTION CENTER DEMAND (continued)

- **DISTRICT AND WALKABILITY IMPROVEMENTS NEEDED**: Planners also recommended that efforts be made to enhance the overall sense of place in the area surrounding the MCC. Planner feedback highlights the importance of greater pedestrian lighting, wayfinding, public art, and other placemaking enhancements to improve the connection to Downtown and Main Street. Further, comments made by past users of the MCC indicate a desire for more dining, retail and entertainment options near the facility.

MESA AMPHITHEATRE DEMAND

- **OPPORTUNITY TO BUILD ON MOMENTUM:** Promoters recognize the Mesa Amphitheatre as a key component of the Phoenix metro area's live performance scene due to its ideal capacity, central location, and historical significance. The venue is appreciated for its intimate atmosphere and excellent sightlines, but it faces growing competition from newly improved venues. To avoid a decline in touring acts—which could drop from 10 to 15 concerts per year to as few as six in ten or so years without investment—industry experts suggest upgrading the Amphitheatre to attract more events and maintain its competitive edge in the vibrant outdoor concert market. Key improvements should be able to even help the facility grow its number of concerts.

- **PRIMARY RECOMMENDATIONS:** Key improvements recommended by promoters include improving the back-of-house experience for artists and enhancing the Amphitheatre's rigging capabilities. These two investments would likely help the Amphitheatre sustain and even grow its level of concert activity. Other frequently discussed investments include climate-proofing the facility with overhead shading, in-house A/V capabilities, experiential/immersive lighting technology, and extending the City's curfew to enable the hosting of more EDM shows.

- **SECONDARY RECOMMENDATIONS:** Other improvements that could be made at the Amphitheatre that would enhance the attendee experience and facility revenues include a new permanent beer stand, VIP/premium seating, shaded gathering areas, greater ADA accessibility, and an expanded box office. Though these projects would not have a direct impact on concert levels at the venue, they would increase the revenue generated on a per event basis and grow repeat visitation potential due to the improved experience for the attendee. Over time, greater repeat visitation due to a quality venue experience will improve the facility's appeal to promoters and touring artists, who prioritize venues that consistently draw high attendance levels.

MESA CONVENTION CENTER RECOMMENDATIONS

Based on the market analysis, CSL has prepared recommendations designed to maximize the MCC's capture of its identified market, as well as associated revenue and economic impacts from convention event activity. Considering the previous market data, a significant expansion of the MCC is not needed at this time. Instead, an assortment of trend-focused improvements for the MCC should be considered that will enhance its appeal to conferences and conventions from the association and high-value corporate segments.

CSL has developed the following two scenarios to guide the next five years of investment at the MCC. Scenario 1 is a more comprehensive, emerging trend-driven investment scenario designed to maximize capture of high-value corporate and association groups, while Scenario 2 is a value-driven approach that aims to modernize the venue at a lower cost.

A longer-term scenario has also been included that assumes a significant expansion of Main Hall and the development of a new 200- to 250-room hotel near the Center. Though this scenario is not recommended at this time, it has been included in this analysis to show Mesa's long-term potential within the convention industry. Each of the three scenarios are summarized below, with more detail regarding each recommendation presented on the following pages. Detailed cost/benefit analysis of each scenario is presented herein.

Scenario 1: Cutting-Edge MCC

Facility Improvements:

- Develop 10K sf "3-season" outdoor patio space
- New entry experience and expanded lobby
- Immersive experience technology
- Improve connection to downtown
- Add 1-3 high-end LED panels
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

Scenario 2: Updated MCC

Facility Improvements:

- Fabric tent structure to create covered pavilion
- Switch entrance to face hotel & expand lobby
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

Long-Term Scenario

Facility Improvements:

- All Scenario 1 facility improvements
- Expansion of Main Hall to a 30,000 sf, sub-divisible exhibition hall
- Addition of ~10,000 sf of sub-divisible multipurpose space
- Development of new ~200-room hotel

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

MCC RECOMMENDATIONS SCENARIO 1

Planners expressed significant interest in using a unique indoor/outdoor pavilion space for their food functions, general sessions and other activity. The 3-season event patio concept, illustrated by an AI-generated image to the right, would help address the MCC's modest ballroom space shortage, while also giving the facility a new revenue generator. This would be a nationally leading outdoor event space outfitted with a high-end finish and advanced lighting and technology capabilities. To maximize the space's usage year-round, the structure should feature operable walls to allow for both indoor and open-air settings.

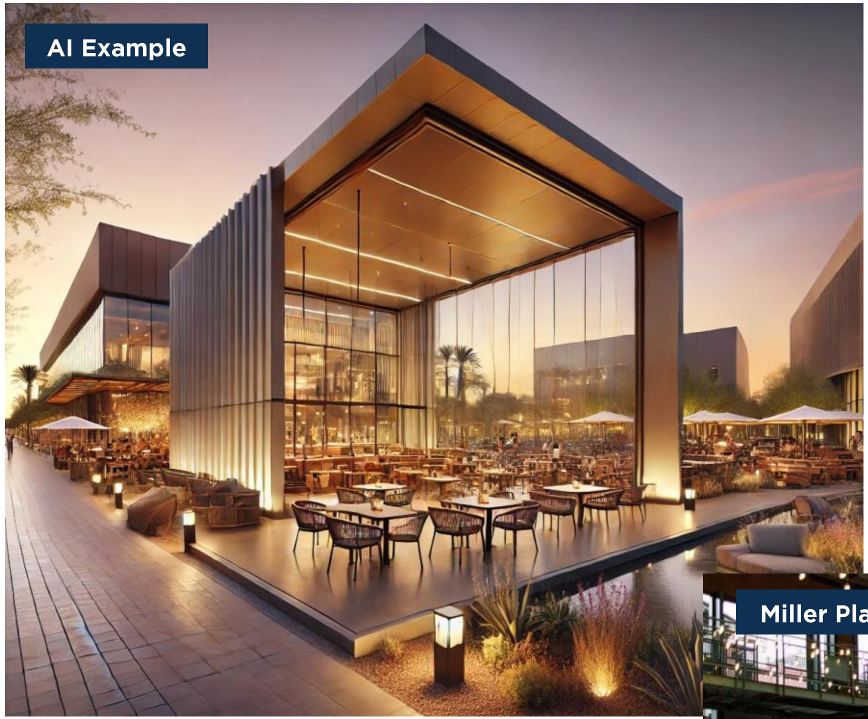
Scenario 1: Cutting-Edge MCC

Facility Improvements:

- Develop 10K sf "3-season" outdoor patio space
- New entry experience and expanded lobby
- Immersive experience technology
- Improve connection to downtown
- Add 1-3 high-end LED panels
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels



AI Example

Miller Plaza (Chattanooga, TN)

MCC RECOMMENDATIONS SCENARIO 2

A shaded pavilion would be the more cost-effective alternative to the 3-season event patio concept. This would involve adding a unique shade structure over the plaza to support outdoor events. This type of space would be able to host a selection of convention and conference food functions and general sessions, but on a more limited basis than the previous concept due to its lack of protection from hotter climates.

Shade Canopy Examples for Plaza

Scenario 2: Updated MCC

Facility Improvements:

- Fabric tent structure to create covered pavilion

MCC RECOMMENDATIONS SCENARIOS 1 & 2

Stakeholder feedback indicates the MCC lacks a strong entry presence, while industry trends and planner input highlight the need for more pre-function space. The adjacent renderings show a potential new entrance facing the Delta Hotel that would enhance both the exterior and interior, making the facility more attractive to high-value events. Alternatively, expanding the southwest entrance could better serve drive-in attendees. Ideally, both entries should be improved, adding at least 8,000 square feet of pre-function space. This expansion could also accommodate food kiosks or pop-ups, providing attendees with unique and authentic food and beverage options.

Scenarios 1 & 2: Cutting-Edge & Modernized MCC

Facility Improvements:

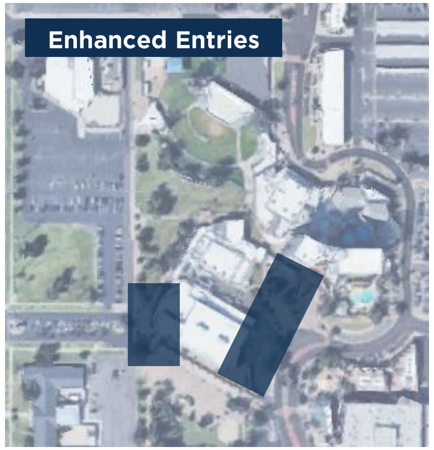
- Develop 10K sf “3-season” outdoor patio space
- New entry experience and expanded lobby
- Immersive experience technology
- Improve connection to downtown
- Add 1-3 high-end LED panels
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

HMC Rendering

Enhanced Entries



HMC Rendering

Local F&B Kiosks

MCC RECOMMENDATIONS SCENARIO 1

The MCC has the opportunity to position itself as a leader in the future of meetings and conferences by embracing cutting-edge immersive technologies. By integrating innovations such as interactive digital environments, extended reality (XR) experiences, and dynamic visual storytelling, the facility could significantly enhance its appeal and functionality. Partnering with Arizona State University (ASU) could be a strategic advantage, given the MiX Center's focus on media development and emerging technology. ASU representatives have expressed interest in providing faculty and student expertise to guide the selection and installation of these technologies, as well as collaborating with event organizers to develop customized, immersive content. This partnership could transform the convention center into a forward-thinking hub for both local gatherings and high-profile, tech-enhanced conventions and exhibitions. Potential spaces for immersive meetings include the Main Hall and the envisioned event patio, offering dynamic, next-generation event experiences.

Further, these technologies could be used to support unique exhibitions, festivals, and other uses that could attract paying patrons, thereby generating greater revenue for the facility.

Scenario 1: Cutting-Edge MCC

Facility Improvements:
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Other Improvements:
- Convention marketing strategies
- Establish shuttling service to other hotels


Wisdome (Los Angeles, CA)


Area 15 (Las Vegas, NV)

MCC RECOMMENDATIONS SCENARIO 1

The MCC is somewhat isolated from the core of the downtown. Connecting the MCC campus to other hospitality nodes in the downtown area is key to enhancing the convention visitor experience. The adjacent map highlights the opportunities for connectivity, with a focus on pedestrian corridors running along Center Street, Centennial Way and the Mesa Public Library paseo. Investing in unique placemaking assets that both engage and guide convention attendees will both enhance the appeal of the MCC and downtown as a convention destination, as well as increase the amount of convention-related visitation and spending at downtown businesses.

With City plans to enhance the walkability of Center Street, efforts should be made to prioritize features that would appeal to the convention visitors. Potential placemaking investments are shown to the right.

Scenario 1: Cutting-Edge MCC

Facility Improvements:

- Develop 10K sf "3-season" outdoor patio space
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- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

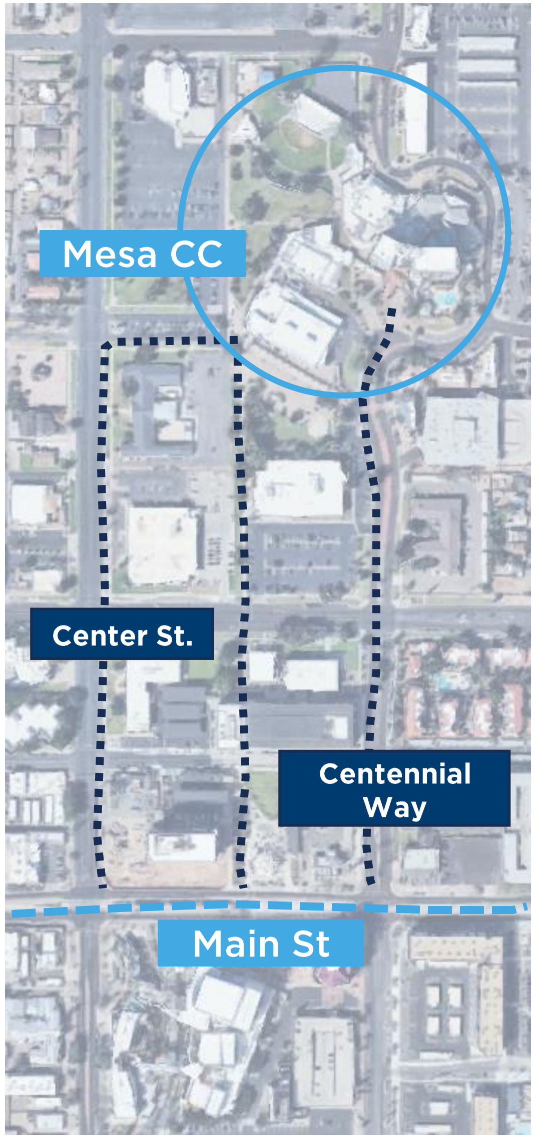
Unique Lighting

Public Art 2.0

EV's

District Wayfinding

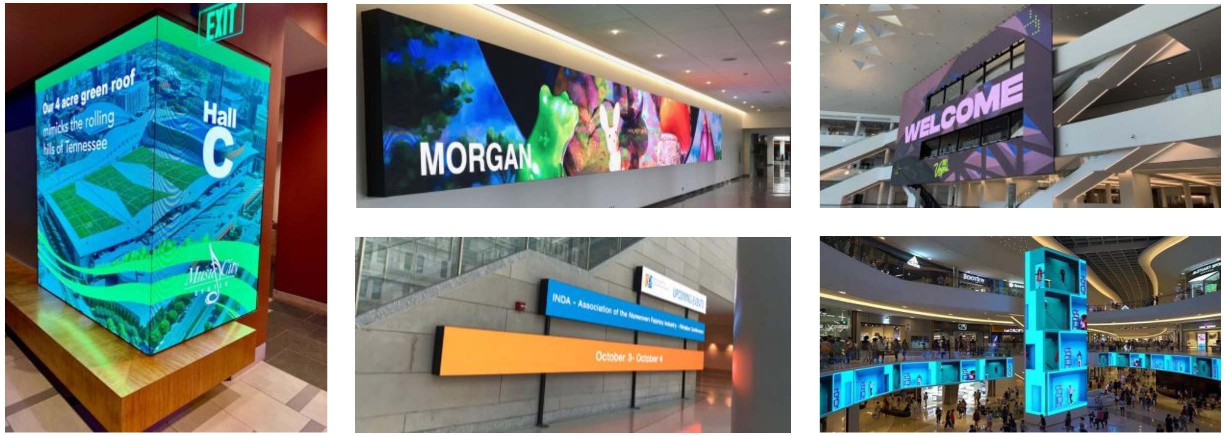
Placemaking



MCC RECOMMENDATIONS SCENARIO 1

Emerging trends in the convention industry highlight the importance of adapting to new technologies and amenities to stay competitive. MCC decisionmakers should plan for LED panel infrastructure in various pre-function areas that supports interactive installations and rotating digital art. These LED panels could feature playable games or Mesa-focused content, enhancing attendee engagement and generating significant advertisement revenue. A larger panel could also act as a central information hub to efficiently guide attendees to various meeting spaces and downtown locations.

The Growing Application of LED Panels at Convention Facilities



Scenario 1: Cutting-Edge MCC

Facility Improvements:

- Develop 10K sf "3-season" outdoor patio space
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- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

Interactive Installations

Video Chat Spaces

Rotating Digital Art

Information Hub

MCC RECOMMENDATIONS SCENARIOS 1 & 2

As noted by event planners, the MCC is due for significant updates in its Main Hall, ballrooms, meeting rooms, and lobby areas. Investing in the appearance of the interior will increase its likelihood of attracting high-value association and corporate groups to Mesa, leading to greater revenues for the City and economic impacts for the surrounding downtown area.

HMC Architects prepared the adjacent renderings to showcase how unique and authentic elements could be used to aesthetically elevate these spaces, as well as improve the functionality of the Main Hall as a higher-end multipurpose space. Specific elements included in the envisioned update include lighting, ceilings, carpet, and other finishes. Enhanced, MCC-specific Wi-Fi is also recommended to support the robust connectivity needs of many impactful conferences and conventions.

Scenarios 1 & 2: Cutting-Edge & Modernized MCC

Facility Improvements:

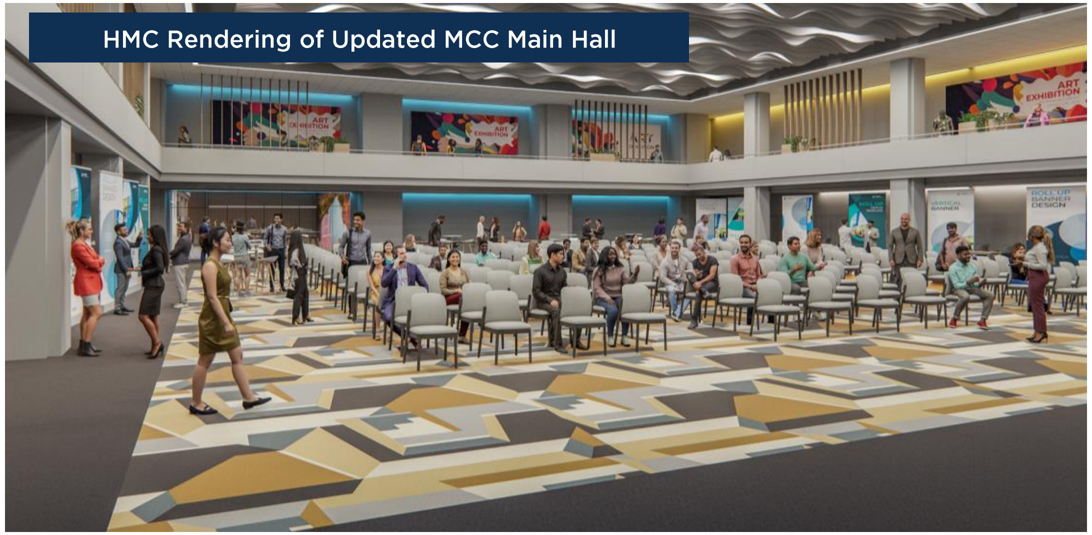
- Develop 10K sf "3-season" outdoor patio space
- New entry experience and expanded lobby
- Immersive experience technology
- Improve connection to downtown
- Add 1-3 high-end LED panels
- Update lobby space
- Update finish of Main Hall
- Update finish of ballrooms/meeting rooms
- Improve Wi-Fi

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

HMC Rendering of Updated MCC Meeting Room

HMC Rendering of Updated MCC Main Hall



MCC RECOMMENDATIONS SCENARIOS 1 & 2

As noted, event planner input suggests a lack of awareness of the MCC in the state and regional event marketplace. At the same time, MCC management, Delta Hotel and Visit Mesa have recently developed a Memorandum of Understanding (MOU) that informally lays a framework for the three parties to jointly sell and market the MCC. Many stakeholders from the three parties attribute some of the recent rise in convention / conference events to this initiative.

It is assumed that the recommended physical improvements to the facility will generate interest in the marketplace for at least several years upon their completion. To maximize the benefits from this momentum, it will be important for the three parties to build on the success of the MOU and consider the following initiatives CSL and interviewed stakeholders discussed:

Maintain Strategic Collaboration: Continue adhering to the Memorandum of Understanding, ensuring regular meetings to assess performance, set goals, and prioritize the growth of convention and conference bookings over a multi-year period.

Strengthen the MCC/Delta Campus Brand: Further develop a cohesive brand identity for the MCC and Delta Hotel, positioning the area as a comprehensive convention district that integrates the facilities, hotel, and surrounding downtown amenities.

Scenarios 1 & 2: Cutting-Edge & Modernized MCC

Other Improvements:
- Convention marketing strategies
- Establish shuttling service to other hotels

Enhance Integration with Downtown Mesa: Work with Downtown Mesa Association to create a seamless "convention district experience" by investing in immersive street-view marketing tools (e.g., Xplorit, Threshold 360), launching "show your badge" programs, fostering in-venue partnerships with local businesses, and expanding digital resources to promote events and downtown attractions to visiting attendees.

Optimize Event Prioritization & Pricing Strategy: Maintain a strong focus on convention and conference bookings. Consider adjusting pricing strategies for consumer shows and other lower-impact events to generate greater revenue and free up high-value dates for larger conventions.

Develop a Shared Long-Term Event Calendar: Implement a shared event calendar tool that provides visibility into MCC bookings at least five years in advance, ensuring better planning and coordination across stakeholders.

MCC RECOMMENDATIONS SCENARIOS 1 & 2

Expand Sales & Marketing Investments: In many markets, CVBs and facility teams jointly invest $150,000 to $250,000 annually in sales and marketing for primary convention venues. Various examples of convention center sales and marketing strategies in other markets are summarized to the right. Stakeholder feedback suggests MCC, Delta, and Visit Mesa's combined investment is relatively low. Consider increasing resources for marketing efforts through industry networks such as MPI, Cvent, and ASAE, with a focus on digital and social media marketing, physical collateral, FAM (familiarization) tours, and greater presence at tradeshows and networking events.

Leverage Tourism Improvement District Funding: Advocate for the creation of a Tourism Improvement District (TID) and allocate a portion of funds to marketing the group segment, particularly for a potentially enhanced MCC. This could include hiring an external agency to revamp marketing efforts, with an emphasis on digital marketing strategies and targeted outreach.

Grand Wayne Convention Center, Fort Wayne, Indiana

- Both Visit Fort Wayne (VFW) and the Grand Wayne Convention Center (GWCC) sales and marketing teams actively sell and promote the convention center.
- VFW dedicates 45% of its group sales and marketing efforts to GWCC, including $78,750 (45% of a $175,000 budget) for marketing the center.
- In the future VFW will focus on long-term bookings (beyond 12 months) and GWCC will prioritize short-term bookings.

Sioux Falls Convention Center, Sioux Falls, South Dakota

- Experience Sioux Falls employs six sales personnel and spends $300,000 annually on group marketing.
- Only 25% of their efforts target the Sioux Falls Convention Center (SFCC) due to its distance from hotel properties.
- A management change at SFCC has reduced the willingness to offer discounts.
- SFCC's sales team of three and two marketing personnel focuses more on revenue-generating events than those driving hotel room nights.

Benton Convention Center, Winston Salem, North Carolina

- Visit Winston Salem (VWS) employs six group sales and five marketing personnel, dedicating 60% of sales efforts and 40% of marketing efforts to the Benton Convention Center (BCC).
- VWS serves as the lead marketer for BCC and led the rebranding of its website.
- The BCC employs a sales team of four people and works closely with VWS to drive bookings.
- The BCC focuses on national and regional events, while the adjoining Marriott targets state and local events to fill its 319 rooms and nearby 900 rooms.

Lancaster County Convention Center Lancaster, Pennsylvania

- A Marketing Consortium funds one full-time sales and marketing position and two limited support roles, focusing on large-scale events requiring overflow rooms beyond the Lancaster Marriott.
- A marketing manager at the facility oversees social media, website, and content management for the integrated facility.
- Discover Lancaster supports the LCCC with five staff members focusing on attracting group business year-round.

Scenarios 1 & 2: Cutting-Edge & Modernized MCC

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

MCC RECOMMENDATIONS SCENARIOS 1 & 2

The limited hotel support beyond the Delta constrains the MCC's ability to capture market share. A potential solution is the introduction of a dedicated shuttle service connecting full-service hotels across the city, specifically tailored for conferences and conventions.

Options include partnering with national electric vehicle shuttle providers like Circuit, or the city could opt to purchase its own fleet of electric vehicles. For example, Plymouth's tourism marketing entity, See Plymouth, recently invested approximately $150,000 to acquire 15 electric vehicles at $10,000 each. These vehicles are either operated by permanent staff or temporary workers during peak seasons, such as summer.

Scenarios 1 & 2: Cutting-Edge & Modernized MCC

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

CASE STUDY: RYDE – DOWNTOWN ELECTRIC PEOPLE MOVERS

RYDE is a service provided by Circuit, a private company providing "turnkey solutions" to cities and municipalities looking to address last-mile transit, reduce congestion and air pollution, and provide a flexible and on-demand transportation option for residents and visitors alike. It aims to combine the flexibility and accessibility of rideshare services while ensuring the consistent quality and affordability of public transport. With its own fleet of fully electric vehicles and a staff of full-time drivers, RYDE creates local well-paying jobs and has a high-quality vehicle product. Vehicles are limited to a predetermined geographical area that is agreed upon by city officials before service begins in a market. Users then can hail rides via app or street hail, although the app takes priority. Often, riders will drive downtown, park their car, and use Circuit/RYDE services to get around downtown during their stay.

The RYDE subdivision of Circuit operates specifically in Austin, Dallas, and Houston Texas and exclusively operates the people movers pictured above. RYDE partners with cities as well as directly with private organizations. The company offers fleet rentals for conferences, conventions, and corporate events. The ease of access and comfortable open-air environment is well-suited to visitors of warm markets who need to travel distances of five miles or less without traveling on a highway.

Source: Circuit Inc., CSL Research, 2024.
More Information

MCC LONG-TERM SCENARIO

In ten or more years, an expansion of the MCC may be needed. The adjacent graphic shows that a 30,000-square foot expansion of Building A's footprint could fit alongside the existing layout. This could accommodate a 15,000-square foot expansion of Main Hall, a new second-story ballroom or multipurpose room of 10,00 square feet, and additional lobby and back-of-house space.

It is important to note that additional hotel rooms on or near the site would be needed to support this facility. As noted, private sector interest to build such a full-service property in downtown is limited, and significant incentives would have to be provided by the City.

Long-Term Scenario

Facility Improvements:

- All Scenario 1 facility improvements
- Expansion of Main Hall to a 30,000 sf, sub-divisible exhibition hall
- Addition of ~10,000 sf of sub-divisible multipurpose space
- Development of new ~200-room hotel

Other Improvements:

- Convention marketing strategies
- Establish shuttling service to other hotels

MESA AMPHITHEATRE RECOMMENDATIONS

CSL has also developed the following two investment scenarios to guide the next five years of investment at the Amphitheatre. Scenario 1 includes those most critical recommendations provided by promoters, while Scenario 2 adds other attendee experience- and revenue-related enhancements.

These two scenarios are summarized below, with more detail regarding each recommendation presented on the following pages. Detailed cost/benefit analysis of each scenario is presented herein.

Scenario 1: Increased Concerts + Enhanced Experience

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue
- New permanent beer stand
- Develop VIP seating area
- Install projection mapping and a/v technology
- Add ADA ramp on west side of complex

Scenario 2: Increased Concerts

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 1

To enhance the appeal of the Mesa Amphitheatre and ensure it remains a top choice for high-caliber performers, it is essential to construct a new back-of-house hospitality building dedicated to artist comfort and convenience. This new facility should be designed with modern amenities, featuring a VIP lounge where artists can relax in a luxurious and private setting. Additionally, the building must include at least two star dressing rooms, providing a personal and comfortable space for performers to prepare for their shows. An enclosed pool and patio area could be added to further differentiate the space from other venues in the Valley.

Considering each of the features above, an allotment of 8,000 square feet should be planned for the new hospitality structure.

Examples of Trend Forward Hospitality Spaces for Artists

Scenarios 1 & 2: Increased Concerts

Facility Improvements:

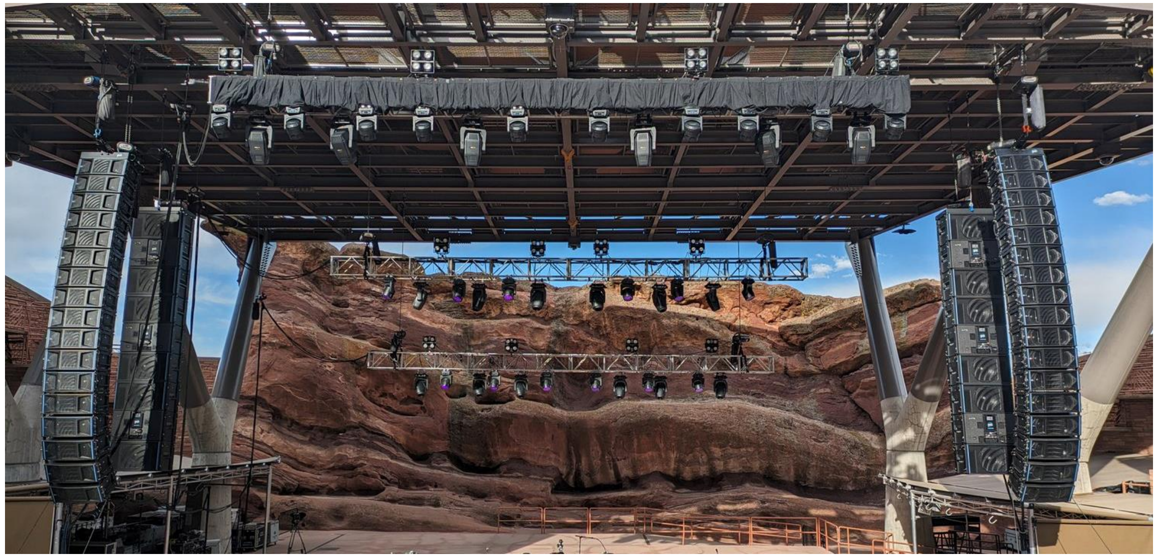
- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 1

The Mesa Amphitheatre would benefit from enhancements to its rigging infrastructure. By investing in upgrades that support at least 5,000 pounds of load per bay, the amphitheatre will significantly expand its capacity for hosting diverse and elaborate production setups. Such improvements in rigging capabilities will not only make the venue more versatile but also reduce the risk of losing acts to competing venues that can accommodate more complex and heavier production demands.

An architect specializing in theater and performance venues will be needed to determine how much new rigging the Amphitheatre's roof can support, and to decide whether a new roof structure will be necessary.

Modern Rigging Set Ups



Scenarios 1 & 2: Increased Concerts

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 1

To enhance audience comfort and ensure an enjoyable experience during the hottest months, the Mesa Amphitheatre should invest in significant shading and climate control improvements. Implementing an overhead shade structure would provide crucial protection from the intense summer sun, making the venue more appealing and accessible even during peak heat.

Additionally, integrating portable mister systems within this structure would further enhance comfort, offering a cooling effect throughout the venue. These upgrades would not only increase the Amphitheatre usability during extreme weather but also position it as a considerate and innovative venue focused on visitor satisfaction. The structure could also provide important lighting

Scenarios 1 & 2: Increased Concerts

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue

HMC-Provided Example of Overhead Shading at an Amphitheater

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 2

To elevate the guest experience and streamline service at the Mesa Amphitheatre, it is advisable to replace the current temporary beer tent with a permanent, air-conditioned beer stand. This upgrade reflects a growing trend in the amphitheater and concert industries to enhance amenities for concertgoers, focusing on comfort and convenience. A permanent structure would not only reduce wait times significantly by allowing for more efficient service layouts but also offer a cooler, more comfortable environment for guests during hot events. Additionally, a dedicated building for beverage services could incorporate advanced technology for order processing and payment, further speeding up transactions and reducing congestion.

Scenario 1: Increased Concerts + Enhanced Experience

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue
- New permanent beer stand
- Develop VIP seating area
- Install projection mapping and a/v technology
- Add ADA ramp on west side of complex

Examples of Trend Forward Beer Stands

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 2

To enhance the Mesa Amphitheatre's appeal and functionality, converting the sloped lawn area in front of the stage into a flat concrete space with grass terraces would be a strategic improvement. This transformation would allow for the installation of seats and exclusive VIP zones, catering to a more diverse audience and enhancing revenue opportunities through premium memberships and corporate packages. The level concrete area would facilitate better sightlines and increased comfort, making it ideal for VIP activations that require a more controlled and upscale environment. Additionally, incorporating grass terraces can maintain a natural aesthetic and provide flexible seating options, blending comfort with the outdoor ambiance that concert-goers value.

Scenario 1: Increased Concerts + Enhanced Experience

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
- Provide overhead shading and mister stations throughout venue
- New permanent beer stand
- Develop VIP seating area
- Install projection mapping and a/v technology
- Add ADA ramp on west side of complex

Examples of VIP Seating Areas

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 2

Installation of immersive technologies would allow for the creation of dynamic, customized stage effects that can transform the concert experience into something truly spectacular. By leveraging artificial intelligence, artists could rapidly develop tailored content specific to their performances at Mesa, thereby reducing preparation time and increasing creative possibilities.

Incorporating unique visual capabilities not only positions Mesa as a cutting-edge venue but also provides a substantial competitive edge. Partnering with Arizona State University (ASU) for access to advanced technology and expertise could further amplify this advantage. In this way, ASU students and faculty could work with incoming production teams to develop unique immersive content for their shows.

Scenario 1: Increased Concerts + Enhanced Experience

Facility Improvements:
- Develop new green room and hospitality space
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- Add ADA ramp on west side of complex

Examples of Projection Mapping

MESA AMPHITHEATRE RECOMMENDATIONS SCENARIO 2

To enhance accessibility and inclusivity at the Mesa Amphitheatre, it is recommended to convert the mound in the left field area into an ADA-accessible ramp. This modification would allow attendees with disabilities to easily access the VIP area and other close-to-stage locations, promoting a more inclusive environment.

Additionally, the ramp could lead to a specially designed VIP lounge with a deck, offering elevated views and enhanced comfort.

Scenario 1: Increased Concerts + Enhanced Experience

Facility Improvements:

- Develop new green room and hospitality space
- Enhance the rigging capacity of the Amphitheatre
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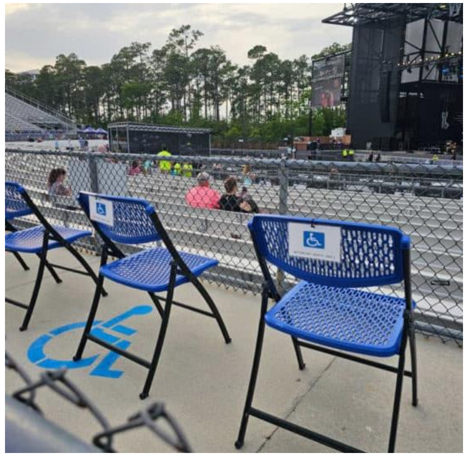
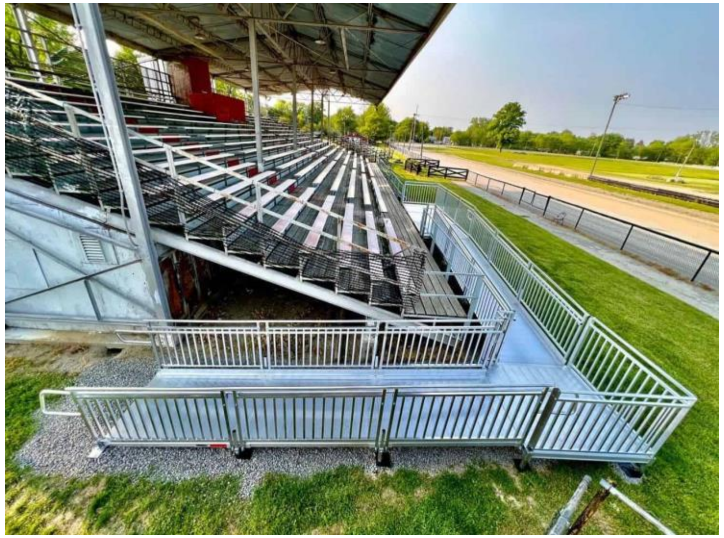
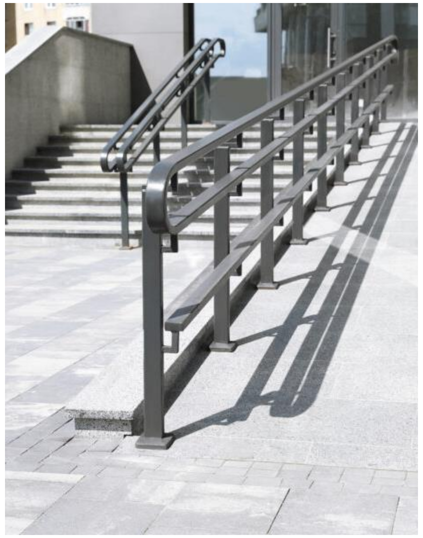
Examples of ADA Enhancements



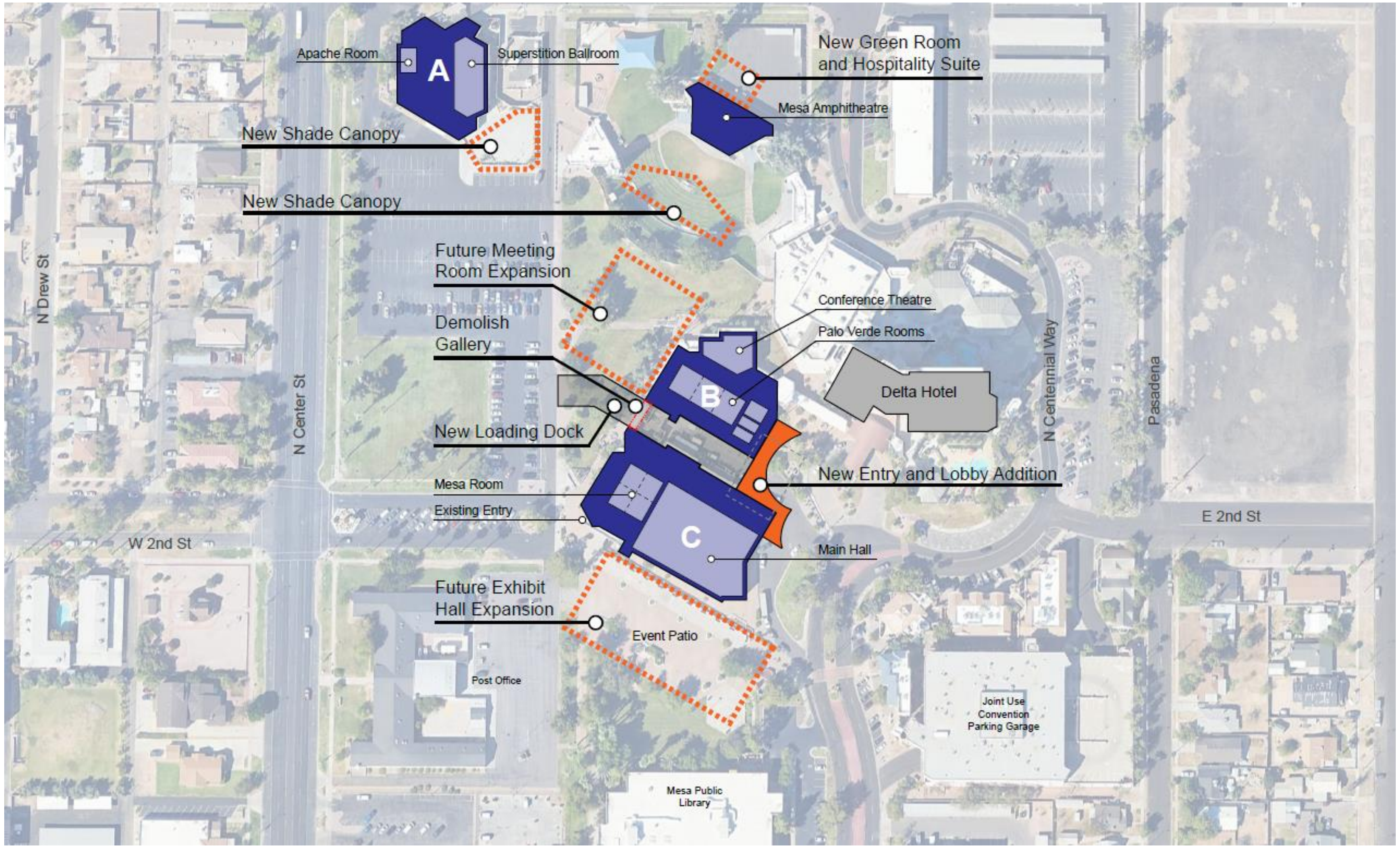




RECOMMENDATIONS OVERVIEW

To provide a high-level overview of the recommendations presented on the previous pages, HMC Architects has prepared the following conceptual layout that outlines various investments that should be made throughout the MCC campus.

As shown, recommended improvements as well as additional facilities that could be developed are included in the map. To accommodate the new entry and lobby addition, a new loading dock approach is also highlighted.



DELTA HOTEL IMPROVEMENTS

In addition to the recommended improvements to the MCC and Amphitheatre, there is also an opportunity to enhance the overall marketability of the campus by elevating the quality of the adjacent Delta Hotel. Ownership is currently planning a series of investments to position the property as both a premier leisure and convention hotel should investment in the MCC and Amphitheatre take place. These enhancements include transforming the adjacent restaurant into a high-end dining lounge with live music, introducing hospitality suites, creating a premium club space, expanding outdoor event and lounge areas, and improving pedestrian connectivity to the MCC and surrounding districts. Visuals showing these preliminary plans are presented on the following page.

Importantly, these hotel investments would complement the recommended upgrades to the MCC and Amphitheatre, further strengthening the appeal of the greater MCC campus and directly addressing key opportunities and challenges identified by interviewed meeting planners. Key components of the plan include:

- A potential chain scale upgrade to a branded Marriott.
- Updated ballroom and breakout spaces to accommodate diverse event needs.
- Expanded and upgraded food & beverage offerings to enhance the guest experience.
- New outdoor gathering and event spaces to activate the hotel grounds.
- Dedicated event spaces and premium club areas for socials, private parties, and other events linked to MCC and Amphitheatre activity. These could partially address the discussed hospitality and VIP opportunities for the Amphitheatre.
- Enhanced pedestrian connectivity, linking the hotel seamlessly to the MCC and Amphitheatre to the west, downtown to the south, and the planned Culdesac development to the east.

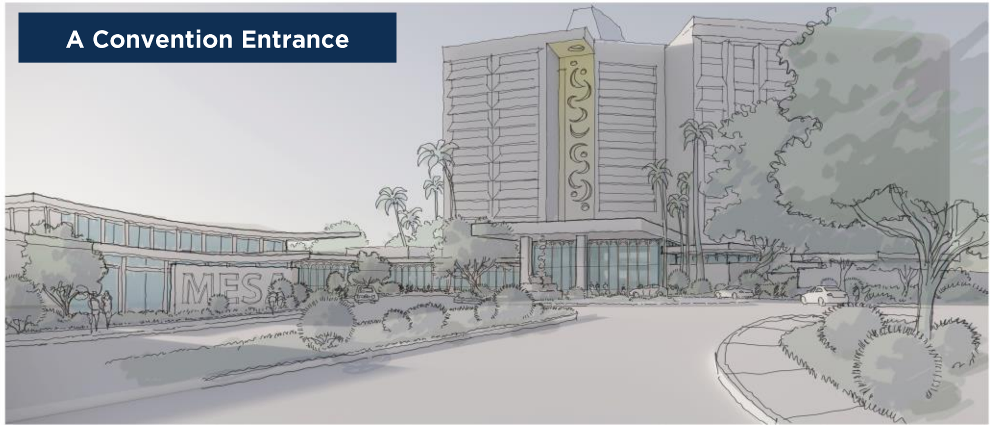
Collectively, the investments in the Hotel, MCC, and Amphitheatre would create a pioneering indoor-outdoor, technologically advanced, and highly competitive event destination—one that could rival or even surpass the Valley's leading resorts and convention venues.

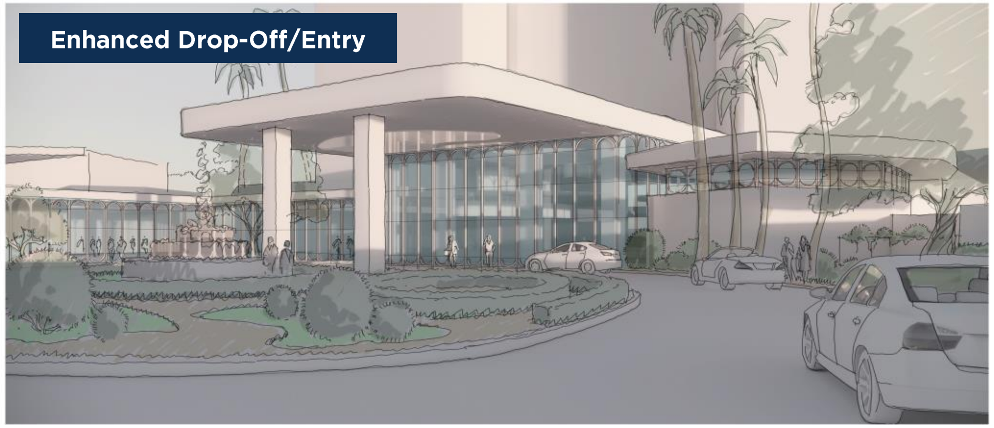
To fully capitalize on these opportunities, city decision-makers should collaborate closely with Delta Hotel ownership to align project timelines and maximize the impact of these enhancements. The ultimate goal should be to develop a premier convention and entertainment district, solidifying the campus as a top-tier destination for conventions, concerts, and high-impact events.

Source: Cuningham Group Architecture, 2025.

DELTA HOTEL IMPROVEMENTS – PRELIMINARY CONCEPTS

Preliminary Delta Hotel improvement plans noted on the previous page are illustrated below.





Source: Cuningham Group Architecture, 2025.

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7 COST / BENEFIT ANALYSIS

CSL

OVERVIEW AND KEY ASSUMPTIONS

This chapter presents an analysis of estimated utilization and costs/benefits associated with an improved MCC and Mesa Amphitheatre, focusing on incremental costs/benefits relative to the existing facilities and the performance that could be achieved under a no-investment scenario. A stabilized year of operation is assumed to occur by the fifth full year of improved facility operations. All dollar figures are represented in terms of constant 2024 dollars. Key assumptions used in the analysis and projection of operating performance associated with an improved MCC and Amphitheatre include, but are not limited to the following conditions:

1. This analysis is designed to assist project representatives in assessing the potential utilization, financial and economic impacts associated with an improved MCC and Mesa Amphitheatre and cannot be considered a presentation of expected future results. The assumptions disclosed herein are not all-inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.

2. It is assumed that there are no significant or material changes in the supply or quality of existing competitive venues in the local and regional marketplace beyond those referenced in this report, nor are there any significant or material changes to local and national event industry trends beyond those described herein.

3. Stabilization of operations is assumed to occur by the fifth full year of operation, at which time annual event levels, attendance and operating performance are projected at consistent year-over-year levels.

4. For exhibits herein, comparisons to existing MCC operations are displayed. The "Non-COVID Average" represents an average of the three most recent operational years that were not significantly impacted by the pandemic (2019, 2022, and 2023).

5. It is important to note that these scenarios do not assume the previously discussed improvements of the adjacent Delta Hotel, which would likely further enhance the impacts associated with each scenario.

The remainder of this Chapter presents estimates of budgeted costs, events, attendance, room nights, economic impacts and revenues associated with various scenarios. We begin with an analysis of MCC scenarios on the subsequent page, followed by an analysis of the Amphitheatre.

CONVENTION CENTER - FUTURE SCENARIOS

The analysis herein presents MCC event and attendance levels, associated economic and fiscal/tax impacts, and facility revenue analyses for four potential future scenarios. These are described below:

1. **Do Nothing**: The MCC product continues to operate as is; lack of investment leads to deterioration of market share, as planners of rotating conventions select convention facilities and destinations with more updated amenities, walkable districts and greater hotel room support.

2. **Scenario 1 – Cutting-Edge MCC**: Previously discussed improvements and advancements are made to the MCC convention product, including the development of a new 3-season event patio, a new entrance and expanded lobby, investment in more usable and active pre-function space, updates to the Main Hall and meeting rooms, and enhanced pedestrian connectivity to Main Street and other areas of Downtown Mesa. Resources available to market the MCC are also enhanced, and a new shuttling solution is provided to better connect other full-service hotels to the facility.

3. **Scenario 2 – Modernized MCC**: A more affordable MCC update plan is completed that includes a covered outdoor event space (instead of a 3-season patio), creating a new entrance, expanding the lobby, and updating finishes and technology throughout the building; this Scenario does not include investment in projection mapping technology, state of the art LED's, or enhancing connectivity to other areas of downtown.

4. **Long-Term Improvements:** Transformational projects previously discussed are completed, including a 30,000-square foot expansion of Building A's footprint and the addition of a nearby 200- to 250-room hotel.

The remainder of this section presents analysis and takeaways regarding the various economic, fiscal and financial operating impacts associated with each of these four scenarios.

CONVENTION CENTER – SCENARIO 1 COSTS

Preliminary costs associated with Scenario 1 investments are presented below in 2024 dollars. As shown, a budget of approximately $30.3 million is recommended for the Scenario 1 improvements. Note that these are high-level estimates, and additional analysis will be needed by the future project team as MCC planning efforts advance.

	Scenario 1: Cutting-Edge MCC			
	Prelim Cost per SF	Square Feet	Estimated Budget	Notes
Develop "3-season" outdoor patio space	$500	12,000	$6,000,000	Covered pavilion space with operable walls, capable of hosting food functions.
New entry experience and expanded lobby	$730	7,500	$5,475,000	Enhance both entrances, with expansion of pre-function on one side to create stronger entry experience.
Update lobby space	$250	12,000	$3,000,000	Invest in unique and authentic pre-function aesthetic.
Improve connection to downtown	n/a	n/a	$2,000,000	Develop pedestrian journey to downtown with wayfinding, public art and lighting.
Add 1-3 high-end LED panels	n/a	n/a	$1,500,000	Add floor to ceiling LED panels to support sponsorships, media, art, and pre-function activity.
Work with ASU on immersive media	n/a	n/a	$5,000,000	Collaborate with ASU to develop projection mapping system and/or volume stages; with focus on new 3-season space.
Update finish of Main Hall	$300	15,000	$4,500,000	Update ceilings, lighting and concession stand in Main Hall with modern finish.
Update finish of ballrooms/meeting rooms	$150	15,600	$2,340,000	Update with modern finish, with a focus on local/authentic aesthetics.
Improve WiFi	n/a	n/a	$500,000	Improve connection to WiFi even from Delta hotel.
Create marketing consortium	n/a	n/a	n/a	Establish formal CVB, hotel and facility sales team that collaborates on different market segments.
Establish shuttling service to other hotels	n/a	n/a	n/a	Invest in 5-6 electric vehicles to transport attendees to surrounding hotels.
Total Recommended Budget			$30,315,000	Updated facility designed to slightly increase market capture and generate greater revenue per event.

CONVENTION CENTER – SCENARIO 2 COSTS

The recommended budget for Scenario 2 approximates $18.4 million. Again, these are high-level estimates, and additional analysis will be needed by the future project team as MCC planning efforts advance.

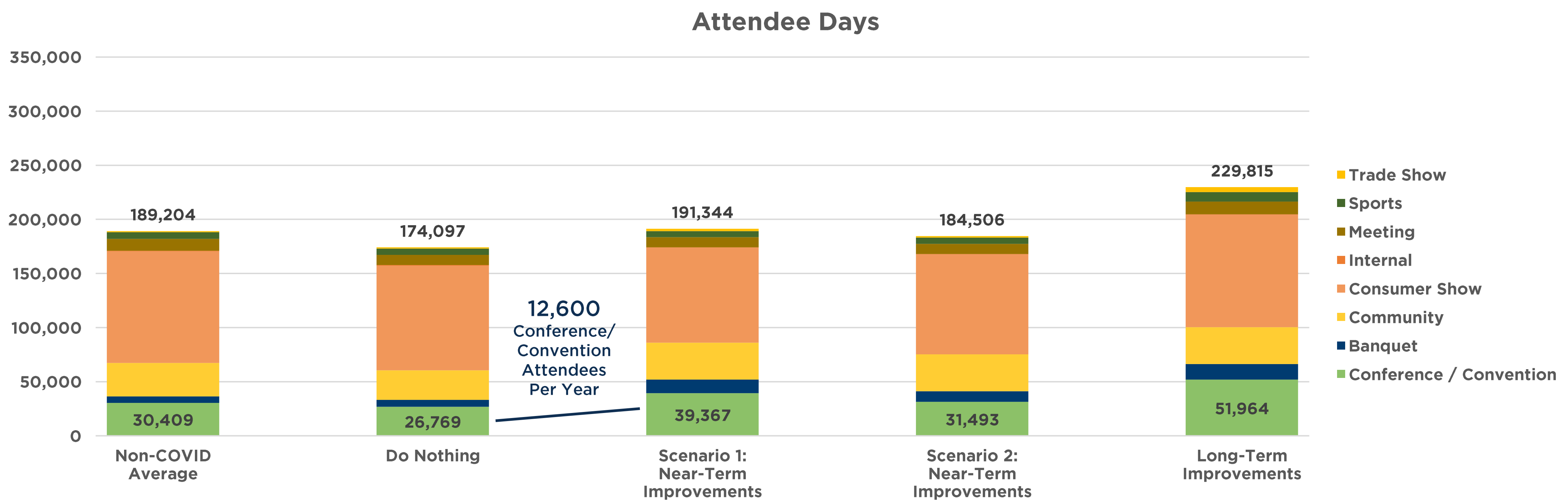
	Scenario 2: Updated MCC			
	Prelim Cost per SF	Square Feet	Estimated Budget	Notes
Covered event plaza with tent structure	$210	12,000	$2,520,000	Fabric tent structure used as event pavilion, capable of hosting food functions.
New entry experience and expanded lobby	$730	7,500	$5,475,000	Enhance both entrances, with expansion of pre-function on one side to create stronger entry experience.
Update lobby space	$250	12,000	$3,000,000	Invest in unique and authentic pre-function aesthetic.
Update finish of Main Hall	$300	15,000	$4,500,000	Update ceilings, lighting and concession stand in Main Hall with modern finish.
Update finish of ballrooms/meeting rooms	$150	15,600	$2,340,000	Update with modern finish, with a focus on local/authentic aesthetics.
Improve WiFi	n/a	n/a	$500,000	Improve connection to WiFi even from Delta hotel.
Create marketing consortium	n/a	n/a	n/a	Establish formal CVB, hotel and facility sales team that collaborates on different market segments.
Establish shuttling service to other hotels	n/a	n/a	n/a	Invest in 5-6 electric vehicles to transport attendees to surrounding hotels.
Total Recommended Budget			$18,335,000	Updated facility designed to slightly increase market capture.

CONVENTION CENTER – ANNUAL EVENTS

As noted in the following table, historical and forecasted MCC event data are presented for Conferences/Conventions, Trade Shows, Sports, Consumer Shows, Banquets, Internal meetings, Meetings, and Community events. Convention/Tradeshows, highlighted in light green, represent the most important target for the MCC and Visit Mesa. However, competition for attracting these events is significant. In a Do Nothing scenario, Conferences and Conventions are estimated to drop from 19 to 17 per year, which is eight (8) less than the estimated figure under Scenario 1 and three (3) less than Scenario 2 estimates.

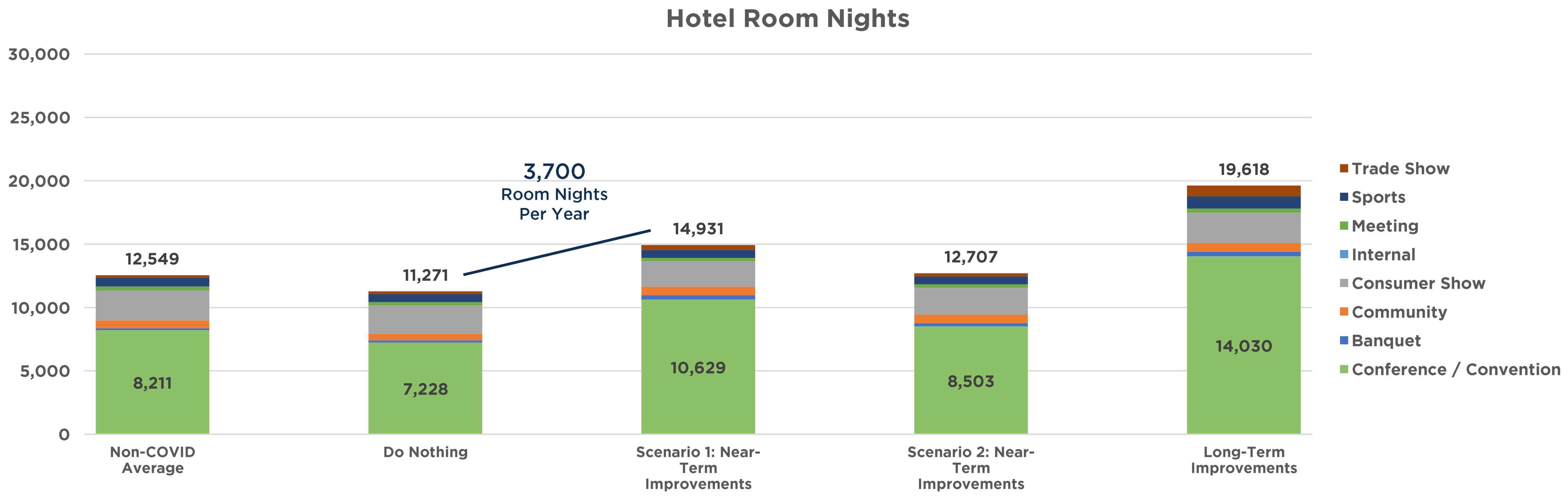
CONVENTION CENTER – ANNUAL ATTENDEE DAYS

Changes in event counts will have a significant impact on attendance. For this analysis, we have prepared estimates of attendee days, wherein event attendees are counted for each day they are in the destination. As shown, the MCC averaged approximately 189,200 attendees during non-COVID years, including 30,400 Conference/Convention attendees. This latter figure is estimated to increase to 39,400 under Scenario 1. Note Scenario 1's total attendee days figure represents a more limited increase relative to the average due to an assumed drop in consumer shows. MCC management will likely need to turn away a short list of Consumer Shows in order to accommodate more economically impactful Conferences/Conventions.



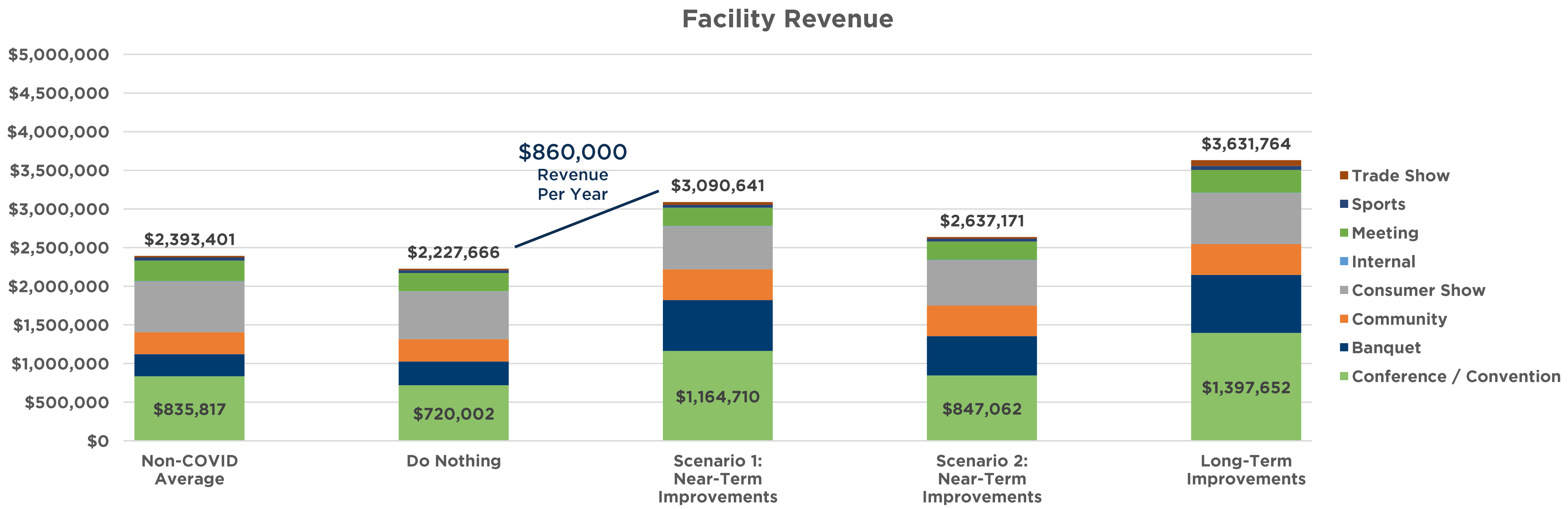
CONVENTION CENTER – ANNUAL HOTEL ROOM NIGHTS

Room night levels associated with annual event activity under each scenario are presented below. Scenario 1 is estimated to generate approximately 3,700 more room nights than a Do Nothing Scenario (a 33 percent increase), which would create important benefits for area hotel properties. Scenario 2 offers a more limited increase of approximately 1,400 room nights (12 percent).



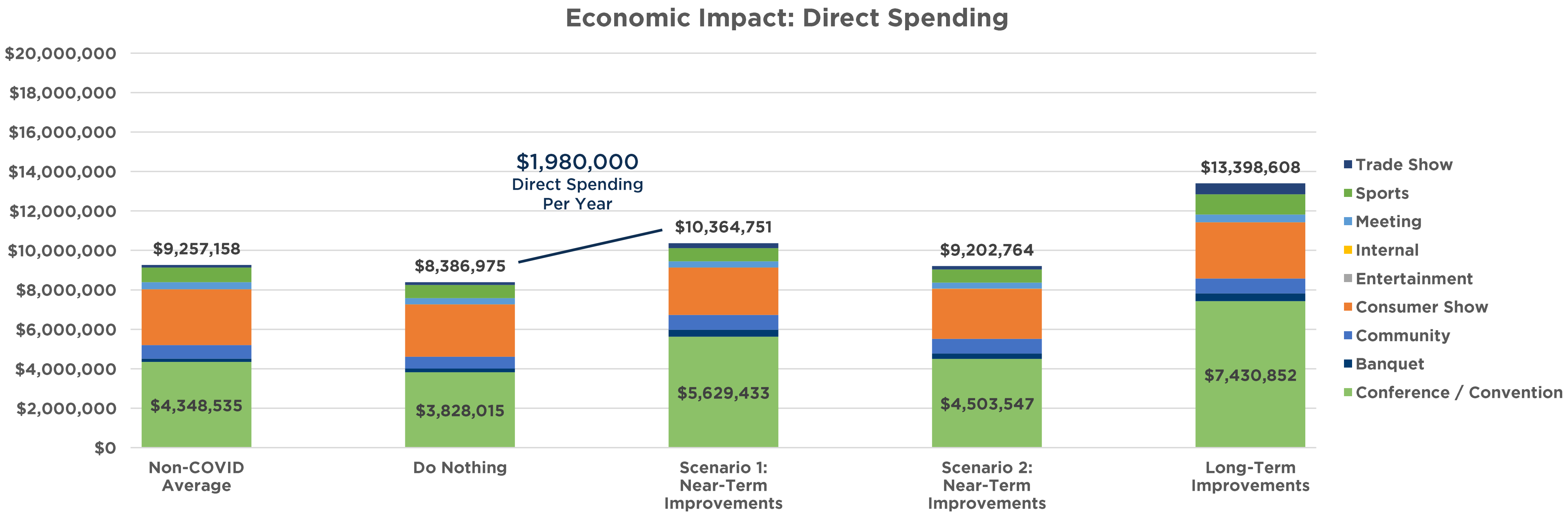
CONVENTION CENTER – ANNUAL FACILITY REVENUE

Changes in event levels, particularly Conferences/Conventions, will have significantly impact overall revenue generation at the MCC. Revenue estimates for each scenario are presented below. Note that added revenue generators, including LED's for sponsorships, food & beverage kiosks in the lobby, and projection mapping technologies, are assumed to drive higher revenues per event under Scenario 1. The Do Nothing scenario is estimated to generate approximately $800,000 less per year than Scenario 1 largely due to the hosting of less Conference/Conventions and Banquets.



CONVENTION CENTER – ANNUAL DIRECT SPENDING

CSL has developed models that incorporate MCC event, attendance, attendee origin and other data in order to measure the amount of direct delegate spending that has been created on a net new basis. As noted in the exhibit below, events at the MCC generated approximately $9.3 million per year on average prior to the Pandemic. Should no improvements to the convention product take place, this spending is estimated to drop to $8.4 million (just under a 10 percent drop). Conversely, Scenario 1 is estimated to increase MCC delegate spending to $10.4 million (12 percent increase). Long-Term Improvements are estimated to generate approximately $13.4 million annually, representing a 44 percent increase over Non-COVID levels and 49 percent more impact relative to the Do Nothing Scenario.



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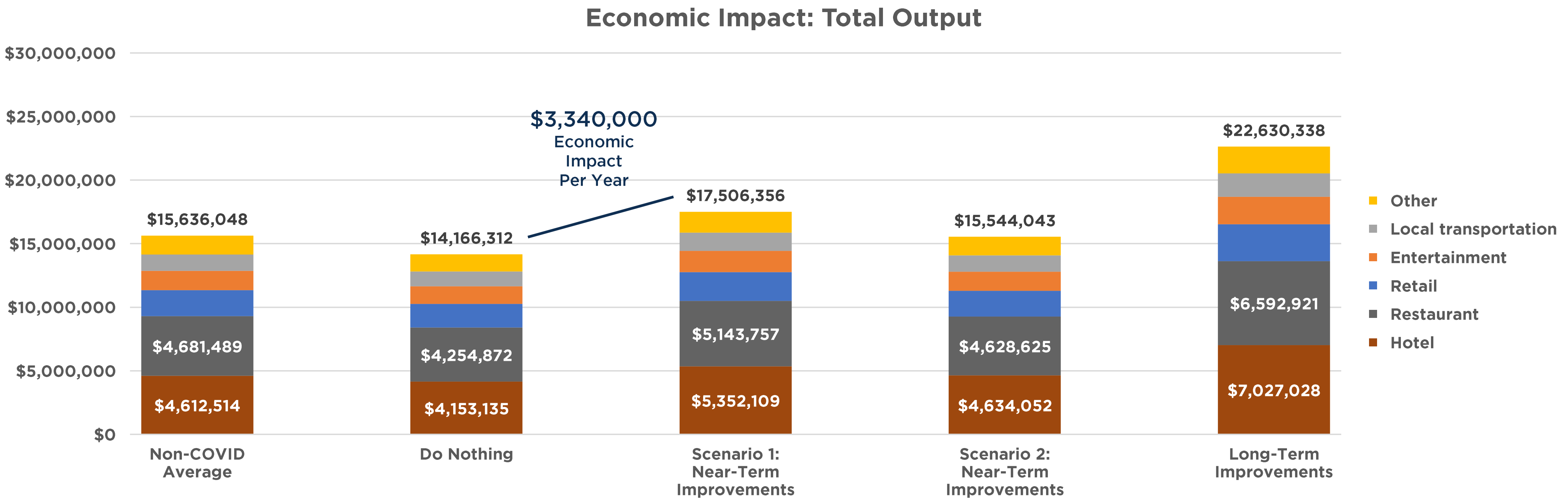
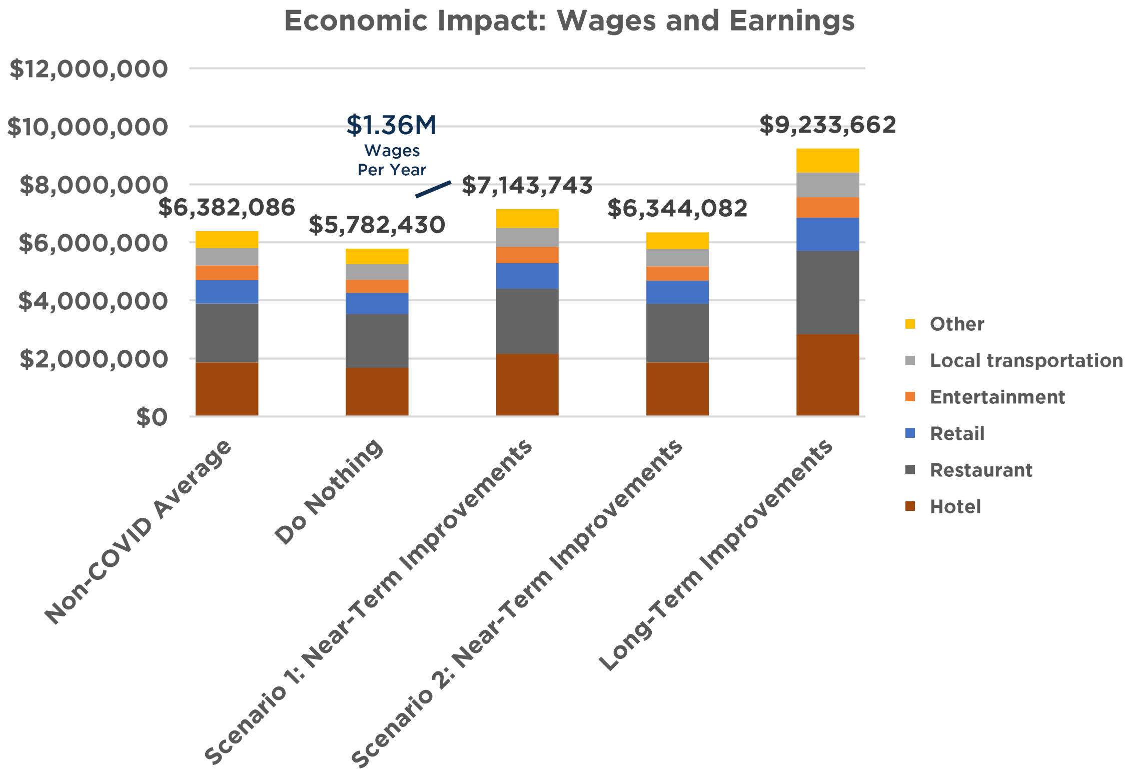
CONVENTION CENTER – ANNUAL ECONOMIC OUTPUT

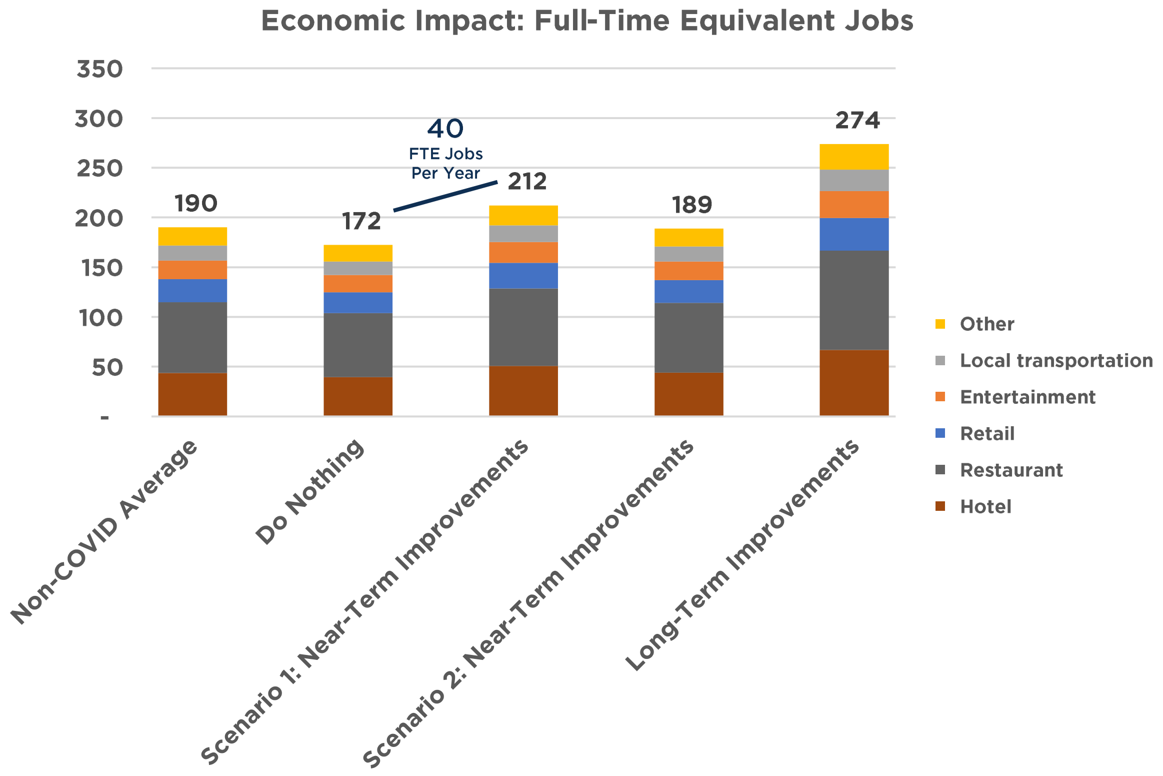
The net new direct spending generated by events held at the MCC circulates throughout the local economy, creating indirect and induced spending. Combined, the direct, indirect and induced spending is termed total output. The total output generated by MCC events averaged $15.7 million in non-COVID years. Modeling suggests that this impact could increase to $17.5 million annually with Scenario 1 improvements. Without these investments, output is estimated to drop by nearly 10 percent to $14.2 million annually.



CONVENTION CENTER – ANNUAL EARNINGS AND EMPLOYMENT IMPACTS

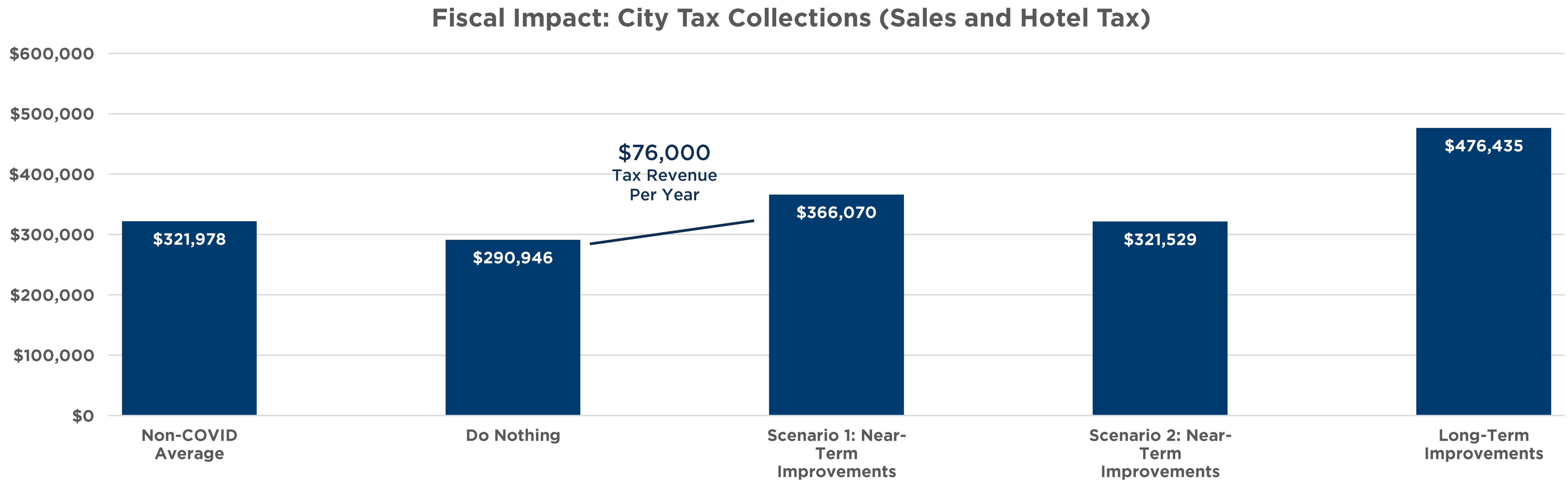
The total output generated by MCC events includes a component of employee earnings and job creation. These earning impacts take place throughout the economy, certainly in the hospitality sector, but also within other sectors. As shown, Scenario 1 is estimated to generate more than $1.3 million in annual wages and earnings relative to the Do Nothing scenario, supporting approximately 40 more full-time equivalent jobs each year.





CONVENTION CENTER – FISCAL IMPACTS

Direct spending, total output and earnings will all help to support the generation of new tax revenues to various public sector entities. The exhibit below presents estimates of combined city sales and hotel tax revenues associated with historical MCC event activity and the four investment scenarios. The MCC event activity generated an estimated $322,000 per year in tax collections during non-COVID years. With Scenario 1 improvements, this is estimated to increase to $366,100 million annually. Lack of investment will lead to $31,000 less in estimated tax revenue per year relative to the historical non-COVID average. Significant Long-Term initiatives are estimated to lead to an increase of $154,500 in annual tax revenue.



AMPHITHEATRE - FUTURE SCENARIOS

The analysis herein presents Amphitheatre event and attendance levels, associated economic and fiscal/tax impacts, and facility revenue analyses for three potential future scenarios. These are described below:

1. **Do Nothing**: The Amphitheatre product continues to operate as is; lack of investment leads to touring acts passing over the venue in favor of other Arizona facilities that offer better hospitality for artists, sufficient rigging, and higher quality experiences for their fans.

2. **Scenario 1 – Increased Concerts + Enhanced Experience**: The critical investments in back-of-house hospitality, rigging, and shading/protection from climate are made, as well as various improvements to the venue's accessibility and hospitality, including a new beer stand, the flattening of the sloped grass area in front of the stage to support VIP seating, the addition of an ADA-accessible ramp, and the incorporation of unique projection mapping technology.

3. **Scenario 2 – Increased Concerts**: Critical investments suggested by promoters are made, including the development of a new backstage hospitality building for artists, enhancements to the Amphitheatre's rigging, and the addition of a shaded structure and misters to address heat issues during the summer.

The remainder of this section presents analysis and takeaways regarding the various economic, fiscal and financial operating impacts associated with each of these three scenarios.

AMPHITHEATRE – SCENARIO 1 COSTS

Preliminary costs associated with Scenario 1 investments are presented below in 2024 dollars. The recommended budget for Scenario 1 approximates $17.3 million. Again, these are high-level estimates, and additional analysis will be needed by the future project team as Amphitheatre planning efforts advance.

	Scenario 1: Increased Concerts & Enhanced Experience			
	Prelim Cost per SF	Square Feet	Estimated Budget	Notes
Develop new green room and hospitality space	$600	8,000	$4,800,000	New backstage green room and hospitality area to improve likelihood of repeat business.
Enhance rigging capacity	n/a	n/a	$3,000,000	Increase rigging load to be able to accommodate growing production needs of touring shows.
Add summertime protection	n/a	n/a	$2,000,000	Provide overhead, retractable shading and mister stations throughout venue. Convert grass to turf.
New permanent beer stand	$550	3,500	$1,925,000	Develop new beer stand with shading overhead to provide new, efficient point of sale for maximizing alcohol sales.
New VIP seating area	$300	7,000	$2,100,000	Level grass hill in front of stage to create a concrete pad for higher priced seating and VIP areas.
Work with ASU on trend forward technology	n/a	n/a	$2,500,000	Collaborate with ASU to develop projection mapping system and other immersive medias that could be used by touring concerts.
Add ADA ramp on west side of complex	$200	5,000	$1,000,000	Update with modern finish, with a focus on local/authentic aesthetics.
Total Recommended Budget			$17,325,000	Updated facility designed to grow market capture and generate greater revenue per event.

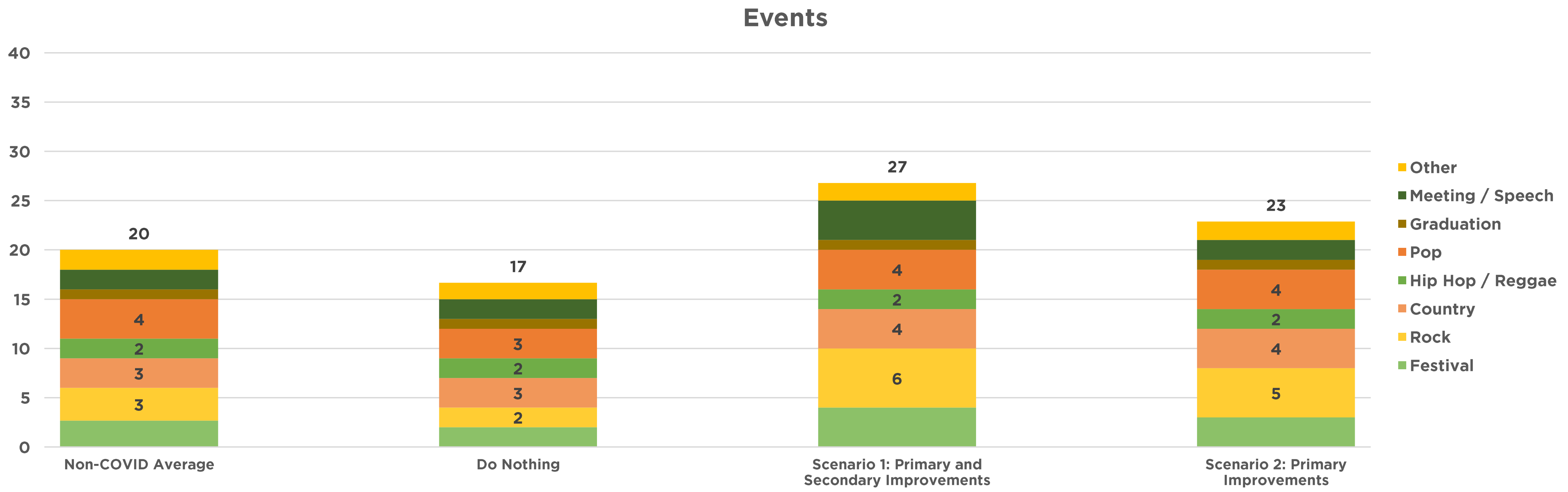
AMPHITHEATRE – SCENARIO 2 COSTS

As shown, a budget of approximately $9.8 million is recommended for the Scenario 2 Amphitheatre improvements. Note that these are high-level estimates, and additional analysis will be needed by the future project team as Amphitheatre planning efforts advance.

	Scenario 2: Increased Concerts			
	Prelim Cost per SF	**Square Feet**	**Estimated Budget**	**Notes**
1.Develop new green room and hospitality space	**$600**	**8,000**	**$4,800,000**	**New backstage green room and hospitality area to improve likelihood of repeat business.**
2.Enhance rigging capacity	**n/a**	**n/a**	**$3,000,000**	**Increase rigging load to be able to accommodate growing production needs of touring shows.**
3. Add summertime protection	**n/a**	**n/a**	**$2,000,000**	**Provide overhead, retractable shading and mister stations throughout venue**
Total Recommended Budget			**$9,800,000**	**Updated facility designed to protect market capture.**

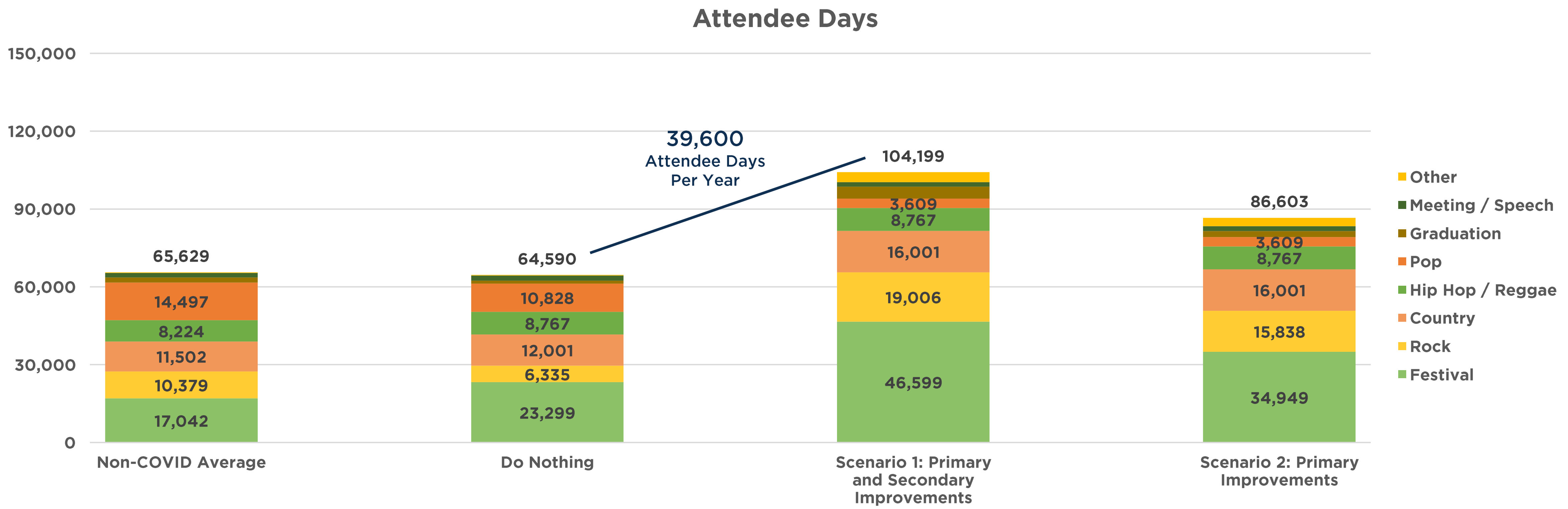
AMPHITHEATRE – ANNUAL EVENTS

Improvements to the Amphitheatre are anticipated to attract more touring acts to the venue under both Scenario 1 and Scenario 2, particularly from the Rock and Country segments. Due to projection mapping technologies and greater ADA accessibility, Scenario 1 is estimated to host a greater number of Festivals and Meetings / Speeches. Under the Do Nothing scenario, overall events are estimated to drop from 20 to 17 per year at the Amphitheatre, including a loss of two touring concerts annually.



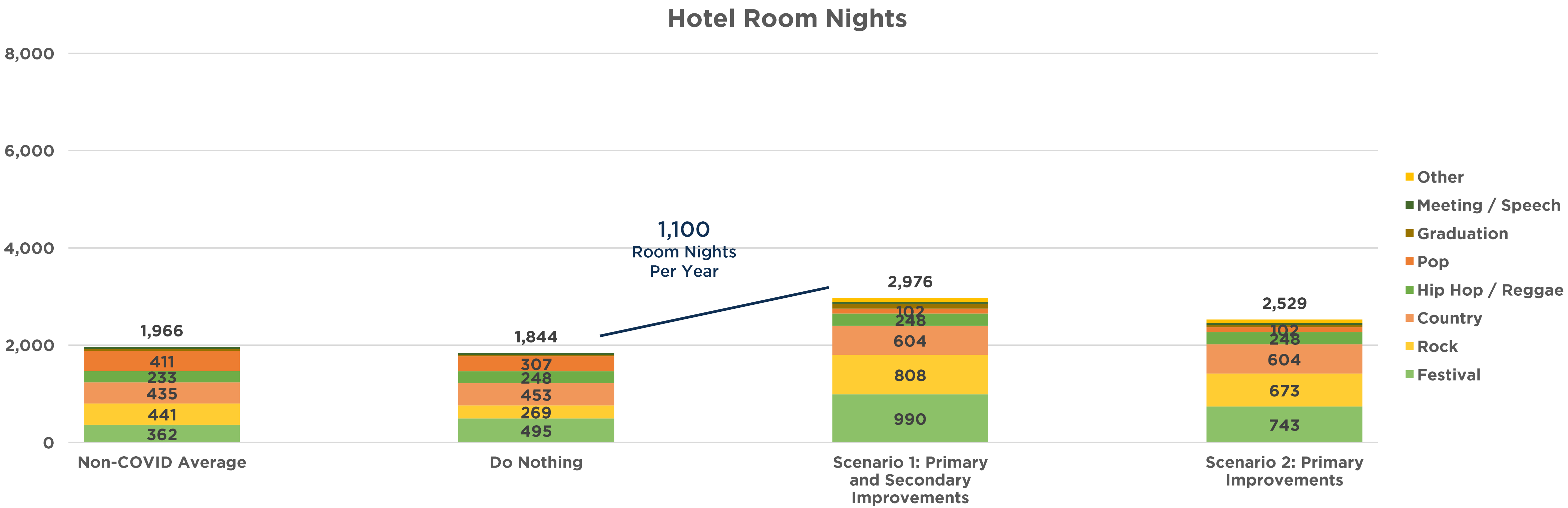
AMPHITHEATRE – ANNUAL ATTENDEE DAYS

Greater concert activity will generate higher attendance levels at the Amphitheatre. Scenario 1 is estimated to attract approximately 39,600 more attendees per year than the Do Nothing scenario during a mature year of operations. This is partially due to an additional Festival, potentially tied to ASU and a "future of film and visual media" theme. The less costly Scenario 2 is estimated to attract 22,000 more annual attendees thana Do Nothing scenario.



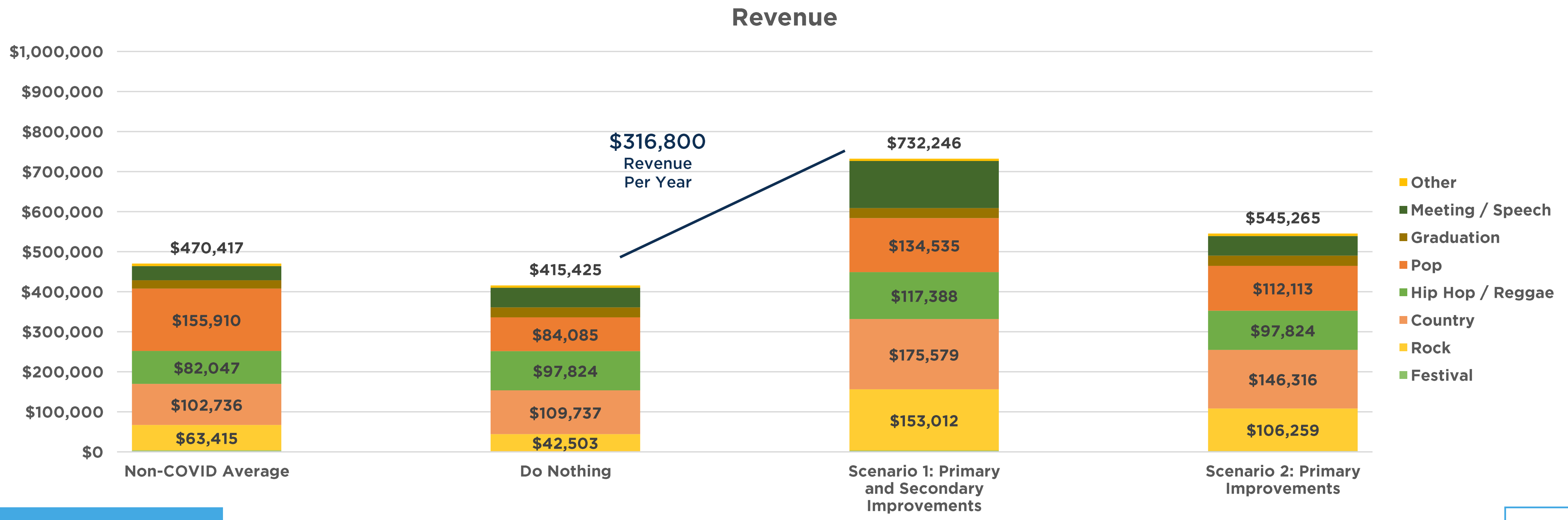
AMPHITHEATRE – ANNUAL HOTEL ROOM NIGHTS

A greater number of popular touring artists performing at the Amphitheatre will also generate more hotel room nights on an annual basis. As shown, Scenario 1 is estimated to generate nearly 1,100 additional rom nights per year relative to the Do Nothing scenario.



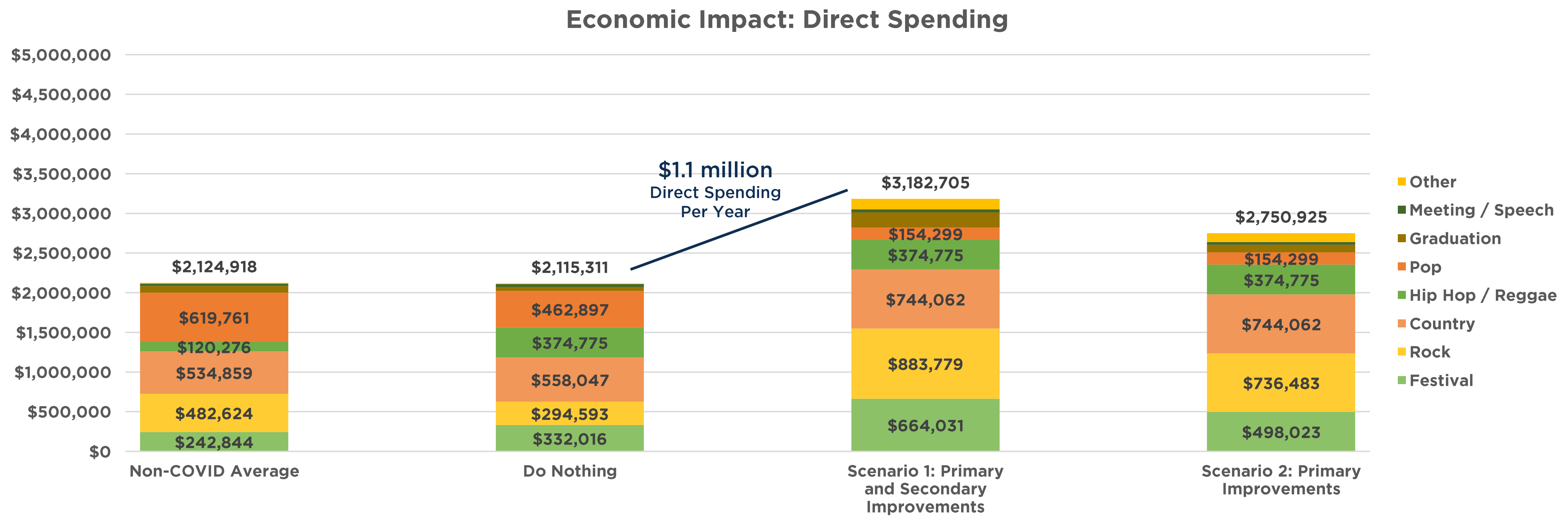
AMPHITHEATRE – ANNUAL FACILITY REVENUE

With improvements designed to reduce wait times, enhance attendee experiences, and encourage greater spending on food & beverage and premium seating, Scenario 1 is estimated to generate approximately $732,200 per year, 76 percent more than the Do Nothing scenario.



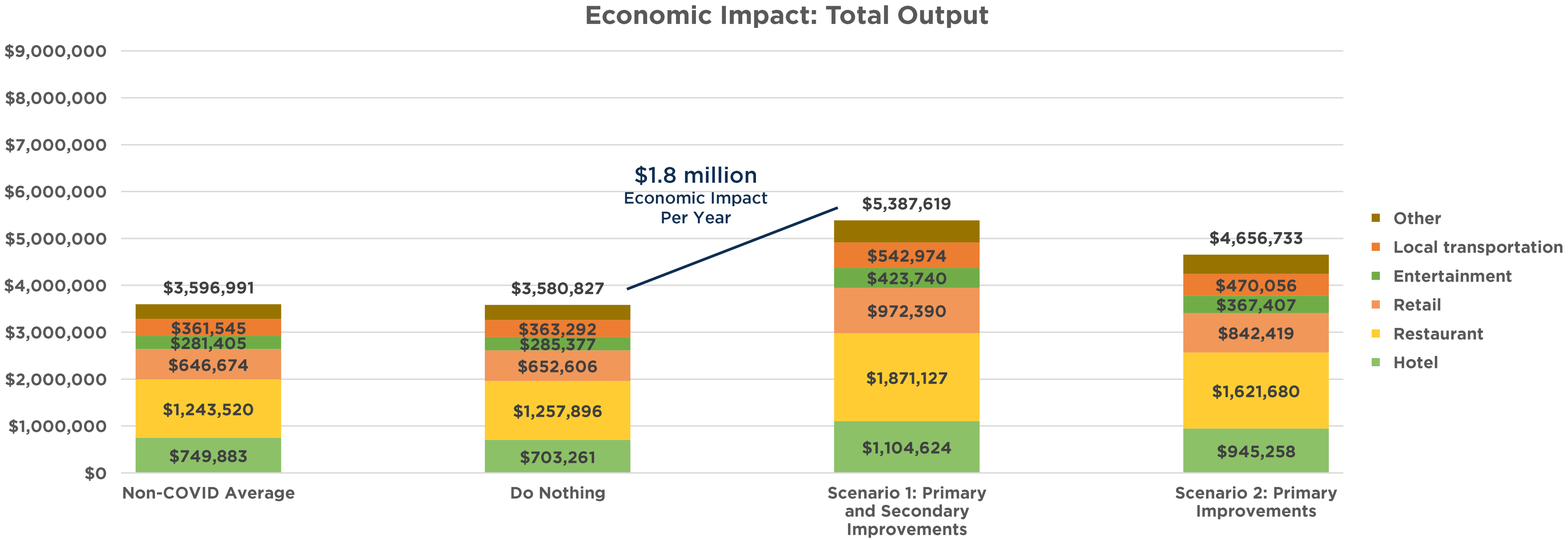
AMPHITHEATRE – ANNUAL DIRECT SPENDING

With greater attendance levels, Scenarios 1 and 2 will consequently generate greater event-associated sales for Mesa businesses, particularly in the downtown area. Note that overall economic impacts associated with performance venues such as the Amphitheatre are typically lower than convention facilities due to a smaller number of visitors staying overnight to attend concerts.



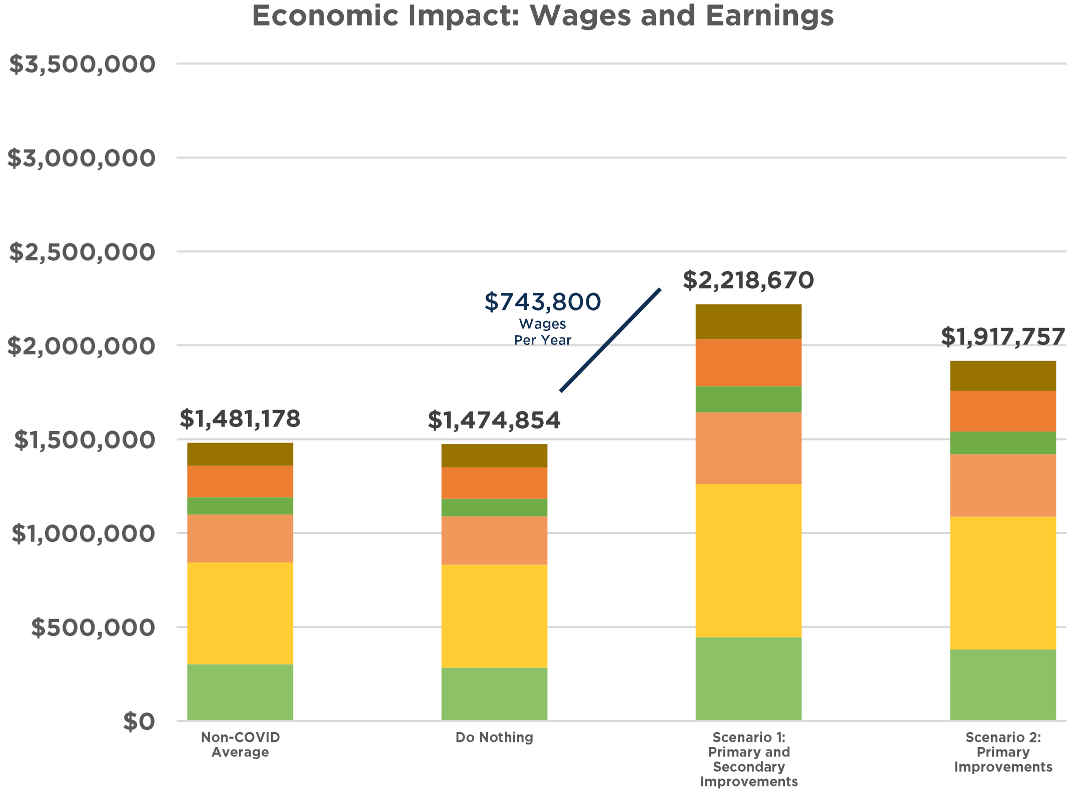
AMPHITHEATRE – ANNUAL ECONOMIC OUTPUT

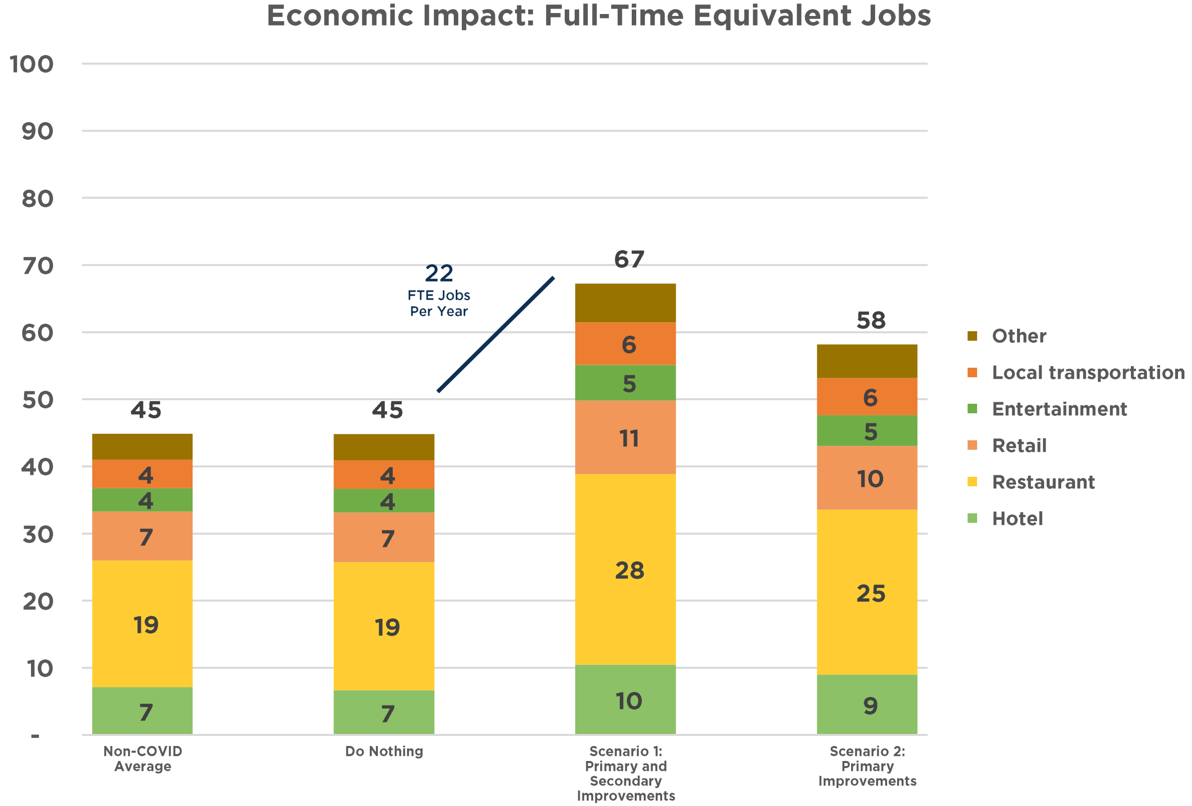
Total output estimates that account for dollars that are re-spent within the community are shown below. As shown, Scenario 1 is estimated to generate approximately $5.4 million per year in total output, approximately $1.8 million more than the Do Nothing scenario.



AMPHITHEATRE – ANNUAL EARNINGS AND EMPLOYMENT IMPACTS

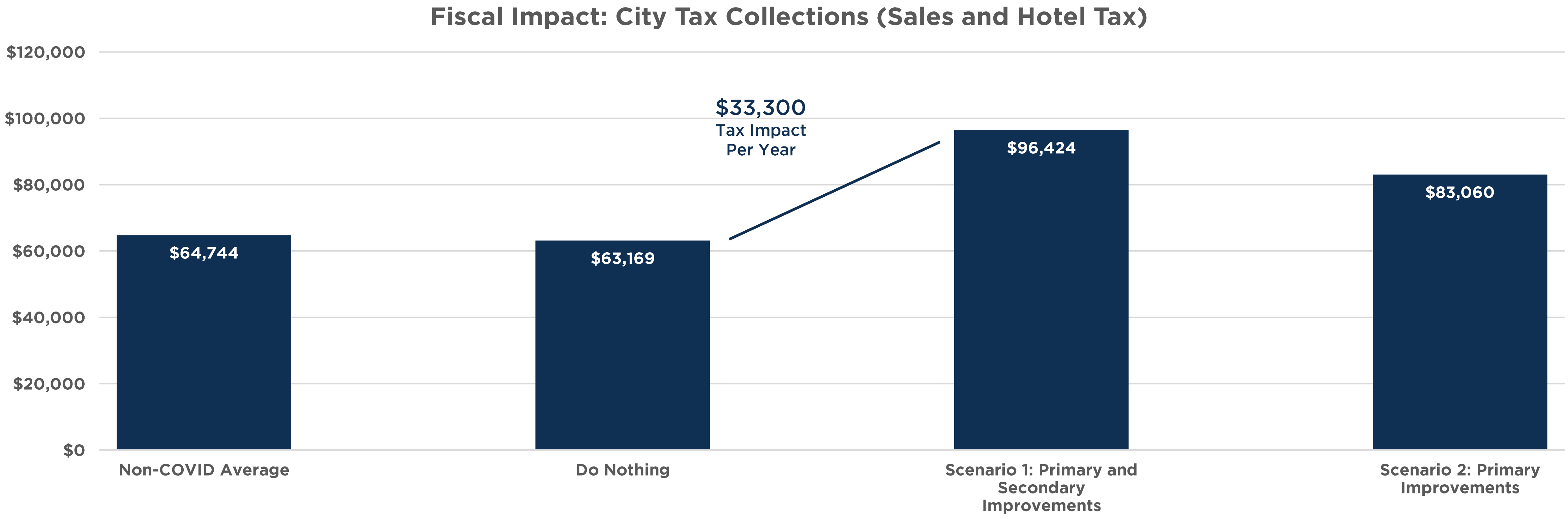
Amphitheatre economic impacts are estimated to generate $2.2 million in annual wages and earnings for the community under Scenario 1, supporting 67 jobs per year. This represents an increase of 22 full-time equivalent jobs relative to the Do Nothing scenario.





AMPHITHEATRE – FISCAL IMPACTS

The Amphitheatre is estimated to have generated approximately $64,700 per year in city tax collections. This figure is estimated to increase to $96,400 under Scenario 1 and $83,100 under Scenario 2.



FINANCIAL ANALYSIS – HISTORICAL OPERATIONS

It is also important to consider the impacts of various investment scenarios on the operational revenues and expenses of the MCC and Amphitheatre. To establish a baseline from which to assess incremental impacts in the future, CSL prepared the following financial operating statement summarizing MCC and Amphitheatre revenues and expenses for fiscal years 2016 through 2024. The table below highlights a marked change in the MCC's event mix. Previously shown increases in Conference/Conventions at the MCC and Concerts at the Amphitheatre have helped the campus reach an average surplus of $221,800 per fiscal year for the City during the 2022-2024 period, a substantial increase from the annual average deficit of $363,800 prior to the Pandemic. The projects presented throughout the previous chapter would likely support the continuation of this financial performance. However, forgoing any investment in the MCC and/or Amphitheatre will likely negatively impact revenue levels and result in a return to annual operational deficits as the market shares of both facilities erode.

REVENUES	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Pre-Pandemic Avg.	Post-Pandemic Avg.
Convention Center Rent	$512,863	$469,095	$479,025	$630,206	$384,101	$159,115	$526,176	$741,665	$770,577	$522,797	$679,472
Convention Center Food & Beverage	$102,628	$108,930	$88,909	$110,286	$106,754	$649	$137,895	$215,552	$69,406	$102,689	$140,951
Convention Center Services	$106,698	$107,239	$127,267	$159,385	$131,775	$27,092	$192,733	$370,009	$197,749	$125,147	$253,497
Amphitheatre Rent	$0	$22,475	$51,084	$17,146	$22,075	$0	$10,719	$0	$24,127	$22,676	$11,615
Amphitheatre Food & Beverage	$90,995	$155,505	$94,263	$179,139	$142,881	$0	$468,073	$312,288	$291,970	$129,976	$357,444
Amphitheatre Fees	$1,388,588	$1,664,159	$1,275,562	$1,182,648	$990,746	$7,773	$4,115,852	$2,848,335	$2,016,974	$1,377,739	$2,993,720
Amphitheatre Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Food & Beverage	$373,293	$381,657	$319,176	$378,655	$217,271	-$6,734	$438,517	$869,724	$1,272,165	$363,195	$860,135
General Services	$346,413	$350,985	$321,099	$448,630	$233,933	$93,124	$461,349	$1,032,789	$932,738	$366,782	$808,958
Other	$14,670	$19,803	$9,593	$10,714	$498,510	$1,185,162	$159,476	$105,203	$346,269	$13,695	$203,649
Parking	$19,545	$19,003	$42,926	$36,485	$14,875	$0	$57,153	$32,909	$22,758	$29,490	$37,607
TOTAL	$2,955,693	$3,298,851	$2,808,903	$3,153,294	$2,742,922	$1,466,182	$6,567,943	$6,528,473	$5,944,732	$3,054,185	$6,347,049

EXPENSES	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Pre-Pandemic Avg.	Post-Pandemic Avg.
Full-Time Personnel	$1,079,142	$1,226,307	$1,254,174	$1,144,543	$1,051,632	$444,902	$1,121,909	$1,210,956	$1,413,089	$1,176,041	$1,248,651
Contract Workers and Services	$68,272	$73,479	$141,976	$173,285	$130,325	$52,293	$259,768	$241,348	$188,318	$114,253	$229,811
Utilities	$253,703	$259,351	$227,182	$212,172	$199,070	$209,993	$355,034	$274,044	$298,509	$238,102	$309,196
Repairs and Maintenance	$16,128	$29,939	$7,528	$494	$7,062	$860	$441	$0	$36,010	$13,522	$12,150
Operations and Supplies	$122,188	$102,382	$85,935	$61,853	$120,747	$80,777	$150,511	$123,198	$77,192	$93,090	$116,967
General and Administrative	$187,514	$206,377	$159,080	$271,140	$124,119	$31,674	$239,732	$673,004	$711,545	$206,028	$541,427
Insurance	$0	$0	$0	$0	$151,983	$51,442	$157,224	$178,397	$212,943	$0	$182,855
Other	$38	-$73	$405	$733	$341	$5,763	$32,546	$90,160	$90,206	$276	$70,971
F&B COGS	$392,555	$400,491	$313,082	$335,265	$218,259	-$1,251	$372,250	$890,043	$937,861	$360,348	$733,384
Event-Related Expenses	$1,313,037	$1,449,828	$1,038,119	$1,064,229	$1,058,954	$10,428	$3,827,279	$2,432,497	$1,779,893	$1,216,303	$2,679,890
TOTAL	$3,432,577	$3,748,081	$3,227,480	$3,263,714	$3,062,493	$886,881	$6,516,694	$6,113,646	$5,745,564	$3,417,963	$6,125,301
NET OPERATING INCOME	($476,884)	($449,231)	($418,577)	($110,420)	($319,571)	$579,301	$51,249	$414,827	$199,167	($363,778)	$221,748

Source: Facility Management, 2024.

MASTER PROJECT COMPARISON

The table below provides a summary of the impacts associated with each of the previously shown MCC and Amphitheatre scenarios. Metrics are presented in terms of net differences relative to Do Nothing scenarios, wherein both facilities lose market capture due to lack of investment. Key highlighted metrics include 20-year net present value (NPV) estimates of facility revenue, city tax collections, and total economic output. Ratios of these values in comparison with total project costs convey the overall value that each scenario could provide the Mesa community. As shown, Scenario 1 MCC investment provides the greatest ROI from both a City and overall economic standpoint, while the Amphitheatre scenarios differ in their benefits; Scenario 1 provides a greater return for the city in the form of facility and tax revenue, while Scenario 2 provides better value as an economic generator for downtown and the broader community.

Annual Impacts	Convention Center Scenario 1	Convention Center Scenario 2	Convention Center Long-Term	Amphitheatre Scenario 1	Amphitheatre Scenario 2
Total Development Costs	$30,315,000	$18,335,000	$100,000,000	$17,325,000	$9,800,000
Net Events	27	15	59	10	6
Net Attendee Days	17,200	10,400	55,700	39,900	22,000
Net Hotel Room Nights	3,700	1,400	8,300	1,130	680
Net Jobs Supported	40	16	101	22	13
Added Facility Revenue	$863,000	$409,500	$1,404,100	$317,500	$129,800
20-Year NPV Net Facility Revenue*	$9,957,700	$4,725,000	$16,201,200	$3,663,500	$1,497,700
Net City Tax Collections	$75,100	$30,600	$185,500	$33,300	$19,900
20-Year NPV City Tax Collections	$1,444,200	$588,500	$3,567,300	$640,400	$382,700
20-Year NPV Net Facility Revenue + City Tax Collections	$11,401,900	$5,313,500	$19,768,500	$4,303,900	$1,880,400
City ROI (20 yr NPV Revenue + City Tax to Development Cost)	0.38	0.29	0.20	0.25	0.19
Net Economic Output	$3,340,000	$1,377,700	$8,464,000	$1,806,800	$1,075,900
20-Year NPV Economic Output	$64,230,800	$26,494,200	$162,769,200	$34,746,200	$20,690,400
Economic ROI (20 yr NPV Output to Development Cost)	2.12	1.45	1.63	2.01	2.11

*: net revenue calculated by assuming a 60 percent margin for event-related revenues.

POTENTIAL IMPACTS OF DELTA HOTEL IMPROVEMENTS

As noted, Delta Hotel ownership is planning significant improvements to the property should the recommended investment in the MCC and/or Amphitheatre take place. These improvements would particularly enhance the MCC's marketability within the competitive convention / conference marketplace, leading to greater event retention, hotel room night generation, and economic impacts. The adjacent graphic summarizes the overall costs / benefits associated with the two MCC short-term scenarios should the planned improvements to the Hotel also be made.

The estimated incremental impacts of Convention Center Scenario 1 attributed to the proposed improvements in the Delta Hotel include the following:

- 11 additional events annually
- 8,000 more annual attendee days
- 1,800 more annual room nights
- Just over $3.9 million in net revenue for the City over 20 years (net present value)
- Over $33.7 million in additional economic output over 20 years (net present value)

These estimates highlight the importance of the hotel investments being considered. Efforts should be made to work with Delta Hotel ownership to jointly improve the MCC, Amphitheatre and Hotel to maximize the marketability and impacts of the MCC campus. Further data regarding potential overall impacts of all three projects are shown on the following page.

Estimated Net Impacts of MCC Investment + Delta Hotel Investment

Annual Impacts	Convention Center Scenario 1	Convention Center Scenario 2
Total Development Costs	$30,315,000	$18,335,000
Net Events	38	25
Net Attendee Days	26,000	17,600
Net Hotel Room Nights	5,500	2,900
Net Jobs Supported	61	33
Added Facility Revenue	$1,136,100	$622,100
20-Year NPV Net Facility Revenue*	$13,108,800	$7,178,100
Net City Tax Collections	$114,100	$61,000
20-Year NPV City Tax Collections	$2,194,231	$1,173,077
20-Year NPV Net Facility Revenue + City Tax Collections	$15,303,031	$8,351,177
City ROI (20 yr NPV Revenue + City Tax to Development Cost)	0.50	0.46
Net Economic Output	$5,092,700	$2,750,100
20-Year NPV Economic Output	$97,936,691	$52,886,918
Economic ROI (20 yr NPV Output to Development Cost)	3.23	2.88

SUMMARY OF POTENTIAL IMPACTS

An overview of total estimated impacts associated with the combined investment in Convention Center Scenario 1, Amphitheatre Scenario 1 and the Delta Hotel are shown in the adjacent graphic.

Note that the $133 million in estimated economic output over a 20-year span nearly triples the amount of estimated public investment in the projects ($47.6 million). Total economic output is projected to surpass the investment within seven years of operations.

In addition to the quantifiable projections of utilization, financial operations and economic impacts shown above and within this report, there are a number of potential benefits associated with the recommended projects that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These qualitative impacts/benefits may include:

- Potential transformative and iconic effects.
- Enhanced quality of life for community residents.
- Inducement of follow-up visitation.
- Spin-off development.
- Anchor for revitalization of targeted areas within a community.
- Various other benefits.

IMPACTS OF MCC CAMPUS INVESTMENT

Summary of Key Cost/Benefit Projections Associated with full Convention Center and Amphitheatre investment scenarios, in addition to proposed Delta Hotel improvements.

NET NEW ANNUAL EVENTS
48

NET NEW ANNUAL ATTENDEE DAYS
65,900

NET NEW ANNUAL HOTEL ROOM NIGHTS
6,630

PROJECT COSTS (PUBLIC SHARE)
$47.6M

ANNUAL NET FACILITY REVENUE
$1.5M

20-yr NPV NET FACILITY REVENUE
$16.8M

20-yr NPV DIRECT SPENDING
$78.5M

+

20-yr NPV INDIRECT/INDUCED SPENDING
$54.2M

=

20-yr NPV ECONOMIC OUTPUT
$133M

20-yr NPV PERSONAL INCOME
$54.2M

ANNUAL EMPLOYMENT (FULL & PART-TIME JOBS)
83

20-yr NPV CITY/COUNTY TAX REVENUE
$2.8M

8 PROJECT IMPLEMENTATION

PROJECT IMPLEMENTATION: MCC SCENARIO 1 – CUTTING-EDGE

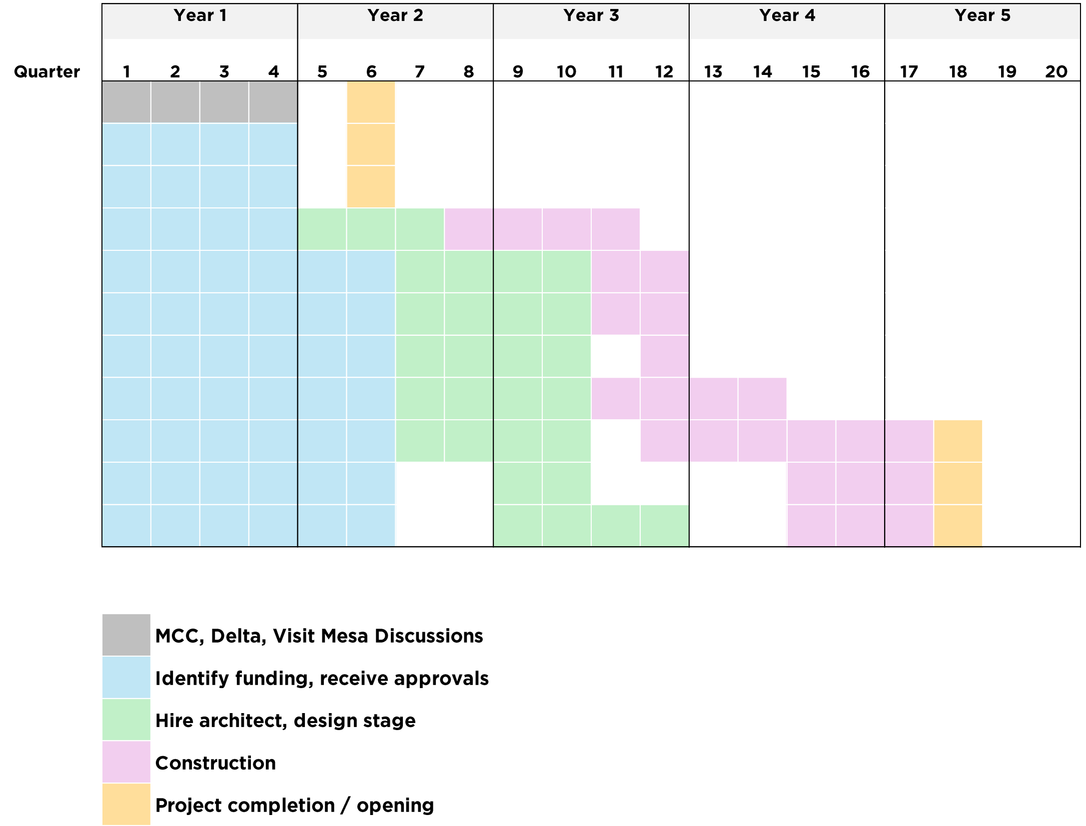
To guide implementation, we have prepared the adjacent high-level development timeline, with discussion, financing, design, and construction phases segmented into three-month quarters.

Strengthening the marketing partnership between Delta, MCC, and Visit Mesa should be an early priority, with a focus on enhancing sales collaboration and increasing marketing resources within 18 months. During this period, efforts to improve shuttle services and upgrade Wi-Fi should also be completed.

Major construction and renovation projects are expected to span approximately four years, following a phased approach to allow sequential updates across the facilities. Potential Delta Hotel improvements are not included in this timeline but should ideally align with MCC and Amphitheatre upgrades if pursued.

Scenario 1: Cutting-Edge MCC

	Estimated Budget
Create marketing consortium	n/a
Establish shuttling service to other hotels	n/a
Improve WiFi	$500,000
Improve connection to downtown	$2,000,000
Update lobby space	$3,000,000
Update finish of Main Hall	$4,500,000
Update finish of ballrooms/meeting rooms	$2,340,000
Develop “3-season” outdoor patio space	$6,000,000
New entry experience and expanded lobby	$5,475,000
Add 1-3 high-end LED panels	$1,500,000
Work with ASU on immersive media	$5,000,000
Total Recommended Budget	$30,315,000

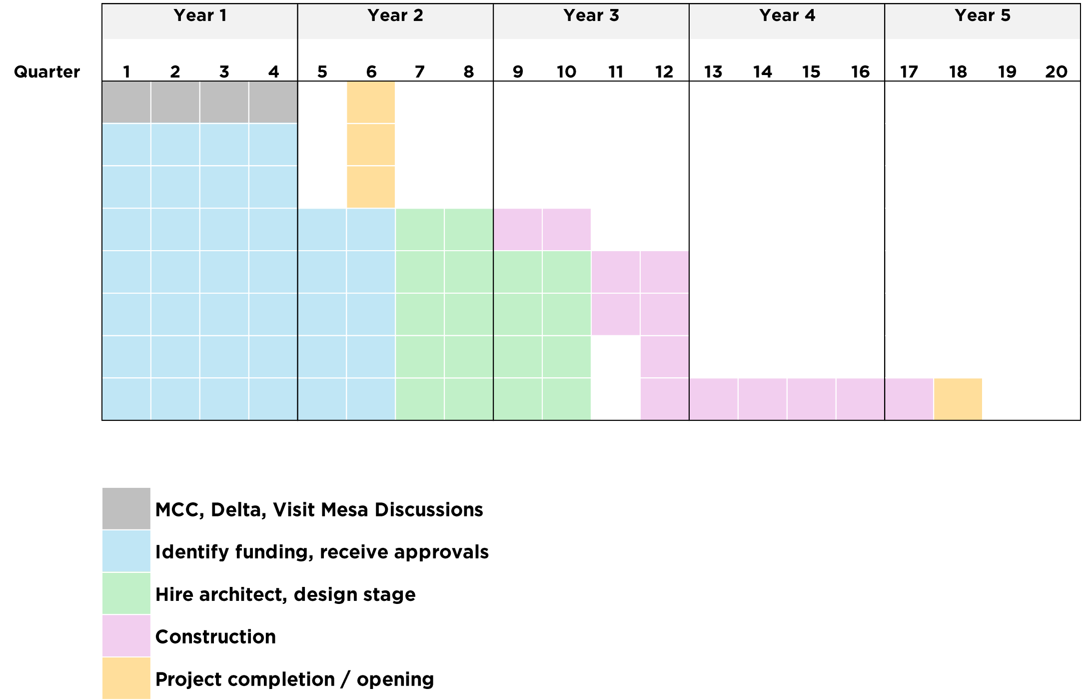


PROJECT IMPLEMENTATION: MCC SCENARIO 2 – UPDATED

Scenario 2 has the same estimated project timeline as Scenario 1, though the tent structure would likely take significantly less time to develop than the 3-season event patio concept, enabling it to open as a special event venue by the end of Year 3.

Scenario 2: Updated MCC

	Estimated Budget
Create marketing consortium	n/a
Establish shuttling service to other hotels	n/a
Improve WiFi	$500,000
Covered event plaza with tent structure	$2,520,000
Update lobby space	$3,000,000
Update finish of Main Hall	$4,500,000
Update finish of ballrooms/meeting rooms	$2,340,000
New entry experience and expanded lobby	$5,475,000
Total Recommended Budget	$18,335,000



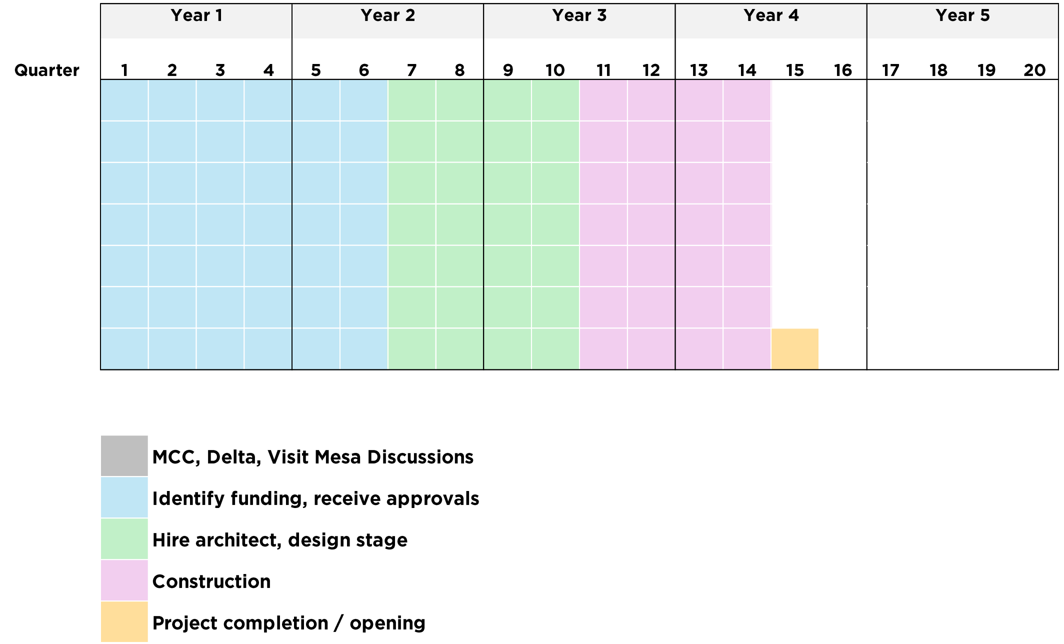
PROJECT IMPLEMENTATION: AMPHITHEATRE SCENARIO 1 – INCREASED CONCERTS + ENHANCED EXPERIENCE

Amphitheatre Scenario 1 is projected to be completed three quarters (nine months) faster than the Convention Center improvements. The timeline includes an 18-month phase for funding identification and approval, followed by a year dedicated to design, and another year for construction.

Considering the relatively minor erosion in event levels expected at the Amphitheatre over the next five years, it may be strategic to first complete the MCC projects if funding both projects becomes a challenge. This approach allows the Amphitheatre financing to be deferred until Year 5, aiming for project completion by Year 9.

Scenario 1: Increased Concerts & Enhanced Experience

	Estimated Budget
Develop new green room and hospitality space	$4,800,000
Enhance rigging capacity	$3,000,000
Add summertime protection	$2,000,000
New permanent beer stand	$1,925,000
New VIP seating area	$2,100,000
Work with ASU on trend forward technology	$2,500,000
Add ADA ramp on west side of complex	$1,000,000
Total Recommended Budget	$17,325,000



PROJECT IMPLEMENTATION: AMPHITHEATRE SCENARIO 2 – INCREASED CONCERTS

Scenario 2 is expected to be completed three months sooner than Scenario 1, due to the reduced scope that eliminates the need for extensive landscaping to add the concrete pad for VIP seating and the addition of an ADA ramp.

Scenario 2: Increased Concerts

	Estimated Budget
Develop new green room and hospitality space	**$4,800,000**
Enhance rigging capacity	**$3,000,000**
Add summertime protection	**$2,000,000**
Total Recommended Budget	**$9,800,000**