

Mesa County Fairgrounds 2012 Master Plan

Mesa County Fairgrounds Master Plan



Presented by
Crossroads Consulting Services and Populous

December 2012



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Section 1-1 | Executive Summary

Introduction

Established in the 1940s, the Mesa County Fairgrounds has served as an important asset to the residents of Mesa County. The facility typically hosts approximately 500 activities that draw more than 100,000 attendees including both residents and visitors.

The project team of Crossroads Consulting and Populous were retained by Mesa County to assist it in developing a Master Plan for the Mesa County Fairgrounds. It is our understanding that the driving forces of the Master Plan are to continue to accommodate diverse community usage, minimize the financial operating subsidy, and maximize economic and fiscal impacts to the community. This project is one of the few that allow the local government to directly positively impact the local economy through its investment.

The following summarizes major tasks conducted by our project team that served as the basis of the Master Plan:



The detailed existing facilities assessment, market analysis, and business plan as well as a list of stakeholders contacted throughout the Master Plan process can be found in the Appendix.

The Master Plan has been organized into three geographical sections – west, east, and central. Geographical organization was selected to emphasize that specific phasing priority has not been assigned to any particular component of the Master Plan. Phasing of implementation will be determined with further review after the Master Plan is adopted. The Master Plan West primarily impacts venues and parking for outdoor recreation activities such as little league, BMX, dog show groups, and outdoor expo events. Aging site utilities such as electrical service, sanitary sewer, storm water management, and irrigation will be replaced and expanded when the new circulation road is constructed and opened to the highway 50 traffic signal. The Master Plan East expands the capacity of the livestock and equestrian venue. The Master Plan West and Master Plan East components may be constructed in part or whole without impacting functions of their respective users and activities. Neither the Master Plan West nor the Master Plan East is dependent on the construction of the Master Plan Central. The Master Plan Central represents the event core of the Fairgrounds. Currently the grandstand facility is the primary event core venue which would not be negatively affected by either Master Plan West or Master Plan East. The proposed Master Plan Central venues will enhance and expand opportunities for users and events held at the Master Plan West and Master Plan East areas. The Master Plan Central represents a convergence of the diverse activities to its east and west as indicated in the following diagram.



The Master Plan document includes the following for each geographic section:

- Proposed Master Plan description
- Proposed facilities description
- Master Plan drawing
- Aerial perspective rendering
- Fair overlay drawing
- Proposed facility drawings
- Cost estimate / program document
- Economic analysis

Section 1-2 | Executive Summary

Executive Summary

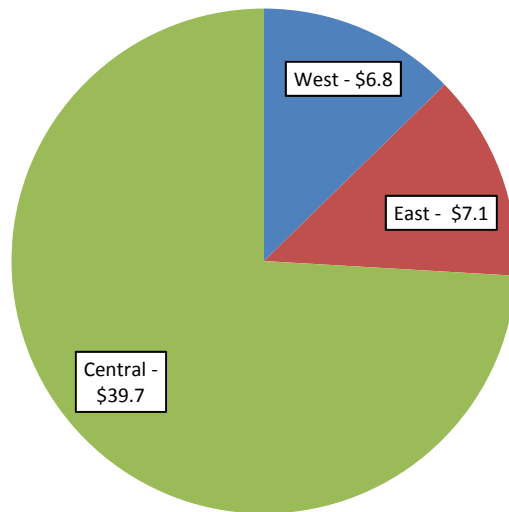
The proposed Master Plan includes a new primary circulation road connecting the two Highway 50 Fairgrounds entries. Improvements at the west end of the site include relocation and expansion of the BMX venue to a professional BMX course, relocated and enlarged Veteran's Park, relocated Veteran's Intermountain Memorial, and expanded paved parking. Improvements to the east end of the site include additional stall barns, a new covered arena, a permanent show office and restroom pavilion, and expanded RV sites. Improvements to the center of the site include a proposed 5,000 seat indoor event arena with attached 30,000 square foot divisible exhibition hall and expanded paved parking. The following images depict the fully developed Master Plan, more detailed information and images can be found in the Master Plan section of the report.



Conceptual cost estimates are provided for each geographical Master Plan area totaling around 100 acres of facility and infrastructure development. The cost estimates are based on conceptual order of magnitude numbers derived from recently bid Populous projects. They include estimated utilities and infrastructure, buildings, contingency, FF&E, contractors profit and overhead, and design/engineering fees. The specific scope of utility infrastructure replacement is estimated to be significant however extreme accuracy is not attainable at this level of study. The high cost of the Master Plan Central is primarily due to the cost of the indoor event center and expo hall facility. It is important to reiterate this is not an “all or nothing” planning approach. The Master Plan West and Master Plan East components may be fully implemented independent of the central event core plan.

The estimated total costs for each geographical area of the Master Plan are indicated in the following diagram.

Estimated Project Cost (\$ in millions)



As a point of reference, these preliminary project costs associated with the Master Plan for the 100 acre Fairgrounds are consistent with the following recent or planned projects in the community such as the Mesa County Workforce Center, which has a \$7.5 million budget, and the Fruita Recreational Center and Library which was built at a total project cost of \$13.4 million.

Usage/Event Activity

The following table summarizes the estimated incremental usage/event activity at the Fairgrounds in a stabilized year of operations associated with the proposed Master Plan West, Master Plan East and Master Plan Complete improvements (which reflects all three Master Plans).

Master Plan	Number of Events	Total Usage Days	Total Attendee Days
Master Plan West	7 – 11	10 – 16	15,000 – 25,500
Master Plan East	17 – 20	45 – 51	24,000 – 26,600
Master Plan Complete	77 – 93	171 – 205	153,400 – 189,900

Notes: - Refer to the Market Analysis in Appendix B and the Business Plan in Appendix C for more detail regarding the above estimates.
 - Chart indicates the impact of all three Master Plans as the “Complete” Master Plan. The Master Plan Central components are not summarized independently because their construction is contingent upon the implementation of the Master Plan West and Master Plan East.

The estimated usage/event activity shown in the table above is incremental new to the current activity occurring at the Fairgrounds which has historically averaged approximately 140 events and 100,000 attendees including the Fair.

Impact to Financial Operations

The following table compares the estimated operating revenues and operating expenses for the Fairgrounds in a stabilized year of operations with the proposed Master Plan West, Master Plan East and Master Plan Complete improvements (which reflects all three Master Plans) to the three-year historical average. As shown in the Business Plan in Appendix C, the three-year historical operating subsidy for the Fairgrounds compares favorably to other similar complexes. Further, the average operating subsidy for the Fairgrounds represents an annual cost of approximately \$1.70 per resident in Mesa County.

Category	Three-Year Historical Average	Master Plan West	Master Plan East	Master Plan Complete
Operating Revenues	\$125,000	\$164,500	\$433,000	\$1,191,000
Operating Expenses	\$375,000	\$396,500	\$535,500	\$1,422,500
Net Operating Gain/(Loss)	(\$250,000)	(\$232,000)	(\$102,500)	(\$231,500)

Notes: - Slight differences due to rounding.
 - Refer to the Business Plan in Appendix C for more detail regarding the above estimates.
 - Amounts shown for Master Plan reflect the midpoint of the range.
 - Chart indicates the impact of all three Master Plans as the “Complete” Master Plan. The Master Plan Central components are not summarized independently because their construction is contingent upon the implementation of the Master Plan West and Master Plan East.

On average, the annual operating loss for the Fairgrounds is estimated to decrease by 7% with Master Plan West which primarily involve outdoor recreation and infrastructure improvements, 59% with Master Plan East which involves equine/livestock facilities, and 7% with the complete build out of the Master Plan including the new Event Center and Expo Hall.

Economic Impacts

The following table compares the estimated economic impacts associated with on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan West, Master Plan East and Master Plan Complete improvements (which reflects all three Master Plans) to the three-year historical average.

Category	Three-Year Historical Average	Master Plan West	Master Plan East	Master Plan Complete
Direct Spending	\$2.4 million	\$2.9 million	\$4.4 million	\$10.1 million
Indirect/Induced Spending	\$1.4 million	\$1.8 million	\$2.7 million	\$6.2 million
Total Spending	\$3.8 million	\$4.6 million	\$7.1 million	\$16.3 million
Total Earnings	\$1.1 million	\$1.4 million	\$2.1 million	\$4.9 million
Total Employment	50	60	90	215

Notes: - Slight differences due to rounding.
 - Refer to the Business Plan in Appendix C for more detail regarding the above estimates.
 - Amounts shown for Master Plan reflect the midpoint of the range.
 - One-time economic impacts associated with construction are not included in this analysis.
 - Chart indicates the impact of all three Master Plans as the "Complete" Master Plan. The Master Plan Central components are not summarized independently because their construction is contingent upon the implementation of the Master Plan West and Master Plan East.

Fiscal Impacts

The following table compares the estimated fiscal impacts (or tax revenues) associated with on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan West, Master Plan East and Master Plan Complete improvements (which reflects all three Master Plans) to the three-year historical average.

Jurisdiction	Three-Year Historical Average	Master Plan West	Master Plan East	Master Plan Complete
Mesa County	\$47,000	\$55,000	\$84,000	\$182,000
City of Grand Junction	\$94,000	\$105,500	\$164,500	\$334,000
State of Colorado	\$94,000	\$111,000	\$168,500	\$374,500
Grand Total	\$235,000	\$271,500	\$417,000	\$890,500

Notes: - Slight differences due to rounding.
 - Refer to the Business Plan in Appendix C for more detail regarding the above estimates.
 - Amounts shown for Master Plan reflect the midpoint of the range.
 - One-time fiscal impacts associated with construction are not included in this analysis.
 - Chart indicates the impact of all three Master Plans as the "Complete" Master Plan. The Master Plan Central components are not summarized independently because their construction is contingent upon the implementation of the Master Plan West and Master Plan East.

Overall Summary

The following outlines key benefits of each of the three geographic Master Plans.

Master Plan West	Master Plan East	Master Plan Central
<ul style="list-style-type: none"> • Provide the ability to leverage private investment with BMX • Relocates Veterans Memorial to a more prominent place • Improves safety and on-site circulation with better access from Highway 50 • Provides needed upgrades to aging irrigation and general utilities • Provides flood protection for much of the Orchard Mesa area • Improves use potential of Veteran’s Park for events (e.g., better size, shape, parking, and amenities) • Improves visual appeal and public perception from Highway 50 • Improves dust mitigation 	<ul style="list-style-type: none"> • Builds upon an existing strong niche market (i.e., equestrian) • Relieves pressure on existing facilities due to heavy use/no open dates for new events • Allows for expansion of the annual Mesa County Fair • Provides additional stalls and RV hookups which increases revenue generating opportunities for events • Provides opportunity to potentially reduce Fairgrounds’ operating subsidy 	<ul style="list-style-type: none"> • Allows Grand Junction to attract new types of events • Replaces aging grandstands facility • Allows growth of indoor exhibits and events • Expands marketability for both Master Plan West and Master Plan East facilities • Provides the potential for public/private partnerships in construction and management • Serves as an economic catalyst for Orchard Mesa area, and entire community • Allows for dramatic expansion of the annual Mesa County Fair

The County has committed through its budgeting process \$8.0 million of the Capital Improvement Fund to be spent on Fairgrounds improvements including \$1.5 million in FY 2013, \$1.5 million in FY 2014, \$2.0 million in FY 2015, \$2.0 million in FY 2016 and \$1.0 million in FY 2017. The Capital Improvement Fund is funded using dollars from the County local sales tax. This fund was approved by Mesa County voters in 1981 and can only be used for capital/infrastructure projects such as roads, bridges, utilities, and buildings.

Although each potential development alternative results in varying levels of an operating deficit, there are several potential opportunities that may assist in mitigating either the construction costs or the on-going operating subsidy including, but not limited to, naming rights, concessionaire rights, pouring rights, long-term advertising/sponsorship sales, the sale/lease of retail parcels, grants, etc. which are discussed in more detail in the Business Plan found in Appendix C.

Next Steps

Upon adoption of the Master Plan, a series of grant applications will be developed with the objective of obtaining State or federal funds to help plan and construct some portions of the Master Plan. Design engineering will begin for the new entrance road and associated infrastructure, including design of a new irrigation system for the property. The first steps of implementation would include portions of the Master Plan West. As funding partners are secured, design and construction of additional elements will be pursued.

This section summarizes key findings outlined in the report. Because the information presented in the executive summary is extracted from the more detailed analysis, it is important for the reader to review the report in its entirety in order to gain a better understanding of the research, methodology and assumptions used.

Section 2-1 | Proposed Master Plan West

Proposed Plan Description

The majority of the Master Plan West involves infrastructure, parking, and utility work centered around development of the new traffic light and entry road off of Highway 50. The new entry road will be the primary circulation spine for the Fairgrounds site. Construction of this road will affect circulation and activities for the entire west side of the Fairgrounds so reconfiguring the west side of the Fairgrounds site around the new road and updating aging utilities is necessary at the time the new road is constructed. Aging and undersized utilities such as sewer, water, and irrigation will be replaced and properly sized to accommodate future growth of the Fairgrounds.

The route of the new entry road will clip off the south west corner of existing Veteran's Park. The route has been developed to provide space for parking at the little league fields. The new little league parking lots serve as a replacement for existing parking lost when the entry road re-opens for vehicular circulation. A drop off circle is provided for little league users who park in the outlying lots. Pedestrian circulation from outlying parking lots is accommodated by a pedestrian circulation spine in a large island running east and west through the center of the site. The Orchard Mesa Little League venue will be provided with space to expand their north east ball field by 50 feet which will enhance their opportunities for hosting tournaments. Should expansion of the field not occur additional parking may be developed in this area. The field expansion will be done at the operator's expense.

Green space and infrastructure at Lion's park remains unchanged with the exception of a slight reduction on the east edge of the park and the circulation road to the west of the park will be terminated in a cul-de-sac. Vehicular access to the park utilizes the entry road to the little league fields. Horseshoe pits have been added to the park for community use and to host horseshoe competitions. Lion's park will transition to a more traditional community park providing space for birthday parties, small gatherings, etc.

The Grand Valley BMX venue is relocated to the existing Veteran's Park area. Relocation of the BMX allows for proper expansion of the facility to include both professional and amateur track options, expansion of seating, and a permanent administration building. Grand Valley BMX will remove the old track and construct the new track at the operator's expense. The Fairgrounds may assist with funding the administration building and a restroom pavilion to be shared with the new Veteran's Park.

Veteran's Park is relocated to the center of the Fairgrounds site. The park offers enlarged green space, a stage venue, measured walking track, and a small plaza area around the relocated Intermountain Veteran's Memorial. The enlarged green space serves as a multi-use recreation field, festival grounds, and retention area for a 100 year flood event. A festival stage with green rooms and restrooms is centrally located on the west edge of the park. The grass area is graded downward sloping from east to west around two feet overall. The sloping grade creates a retention basin and assists with views of the stage. The existing Intermountain Veteran's Memorial statue, flag poles, and related plaques have been relocated to a small plaza area near an entry to the park. This is a central location for pedestrian circulation at the park and BMX

venue. At one end of the plaza is a new restroom pavilion intended to serve park and BMX activities. A new parking lot has been developed along the south side of the park to accommodate the ever growing need for parking at the Fairgrounds.

Two potential retail lots are identified at the north side of Veteran's Park. The lots encompass about two acres each and are located for Highway 50 frontage. Vehicular access to the lots will be required to circulate through one of the two existing Fairgrounds entries. Pending future development, should it occur, the lots will remain green space as part of Veteran's Park.

The CSU Tri-River Extension and Arboretum remain relatively untouched in the proposed Master Plan West. A road is cut through the arboretum for access to the proposed maintenance facility. The road will be constructed of paving and appropriate materials to minimize visual impact on the arboretum. The proposed maintenance compound is located at the west side of the existing BMX venue and provides a screened back of house location for storage of materials and equipment that may be unsightly. Relocation of the Extension's maintenance yard is recommended and may be accommodated along the south west side of the arboretum or as a part of the proposed new maintenance yard.

Relocation of the existing irrigation pond, currently to the east of existing Veteran's Park, is recommended. The proposed location is in the south west corner of the Fairgrounds site. The County Parks Manager believes this relocation concept is feasible however further study of the utility must occur before approving the relocation. Should the relocation prove too costly or challenging the irrigation pond will be located somewhere in the new Veteran's Park or Lion's Park.

The bulk of the existing BMX area will be converted into a community dog park or neighborhood park upon relocation of the BMX track. The park will be easily accessible from the adjacent neighborhood and the arboretum will screen the park from distracting activities in other areas of the Fairgrounds site. Veteran's Park would be used for large dog shows and events.

Parking is expanded in the proposed Master Plan West. The net gain of spaces is somewhat unclear as portions of the closed road and gravel areas currently used for parking will be lost and the exact capacity of those areas is difficult to determine. Based on a comparison to existing paved parking spaces the total number of paved parking spaces will increase by 657 spaces. The total parking count in Master Plan West public paved parking lots will be 1,256 spaces.

Existing venues at the central and east side of the Fairgrounds including the grandstand venue, barns, and fair office are not altered in the Master Plan West.

Section 2-2 | Proposed Master Plan West

Proposed Facility Descriptions

BMX Venue The existing BMX venue is a heavily used community asset. Relocation of the venue allows for proper expansion and amenities at the venue. The Master Plan West indicates an area near the entrance of the Fairgrounds as the proposed relocation of the BMX venue. This location serves as a transition between the sports and recreation areas of the site and the expo/event center. Additionally, the proposed site provides greater visibility for the BMX venue to attract and generate interest in Fairgrounds activities from highway travelers. The existing BMX track is located in tight proximity to the Extension gardens and Arboretum. Activities at the two venues are highly incompatible creating issues for the operators and users of both facilities. Relocating the BMX facility will alleviate the compatibility issues and have a positive effect for all related stakeholders.

Little League Fields The proposed Master Plan West provides for the expansion of one existing ball field to accommodate tournament play. 156 parking spaces are provided in close proximity to the fields to accommodate parking for families with young children, elderly spectators, and handicapped visitors. A defined entry plaza with a drop-off circle is designed to help define and coordinate pedestrian and vehicular access to the facility.

Lion's Park Lion's Park remains relatively unchanged in the proposed Master Plan West. The existing pavilions, restrooms, and trees will remain. Vehicular access is limited to a single entry shared with the ball fields. Multiple vehicular access points are not an option due to safety considerations for vehicular circulation on the new entry road. Parking is available along the drive at the west side of the park. Six regulation horse shoe pits have been located near the restroom pavilion. Expansion of the pits is an option if activity at the pits warrants additional growth.

Veteran's Park / Festival Ground Veteran's park has been relocated in the proposed Master Plan West. The new location allows for expansion of the green space, better accessibility from parking, and provides overflow space for the fair and other large events. The existing memorial sculpture for the Intermountain Veteran's group is relocated to the park making it highly visible and centrally accessible for visitors. A new restroom pavilion is proposed to serve the daily functions at the park as well as visitors to the BMX venue. The Master Plan indicates a proposed festival stage at the west end of the park. This facility will provide a covered stage and small dressing/green rooms for performances in the park. The stage facility provides an opportunity for the Fairgrounds to host music festivals or other events at the recreational field and creates a stage venue for fair related performances. The grade of the park is designed to slope downward from the east end to the west. The slope will accommodate water detention requirements and enhance views of the stage.

CSU Tri-River Extension Facility / Arboretum The CSU Extension office and Arboretum is located directly to the east of the ball fields toward the south edge of the Fairgrounds site. The Extension service provides a variety of community outreach programs. The most visible of these programs is the Arboretum that has been created through the volunteer efforts of the master gardener program. The proposed Master Plan West indicates the Extension offices and

Arboretum remaining in their existing locations. Space is available at their current location for expansion of the gardens and the addition of future offices or related facilities. The existing Fairgrounds office building may be relocated to serve this purpose. Populous recommends the relocation of the existing CSU Extension maintenance yard from the north end of the venue to the south in an effort to improve the appearance of the venue. Fencing and vegetation along the south edge of the Arboretum is used to screen the proposed maintenance facility yard. An access road runs through the Arboretum. The road will be constructed with materials that complement the aesthetic of the Arboretum.

Dog Park The dog park is located in the area vacated by the existing BMX track. The location of the dog park provides good community access and isolation from distractions and potentially conflicting activities that occur in the more heavily used park and recreation areas.

Facility Maintenance and Service Yard Development of the Fairgrounds will require larger dedicated service yard for daily maintenance operations and storage of related items. The proposed Master Plan West identifies the west end of the BMX site as the location for creating a screened back of house maintenance facility with room to expand as needed. A maintenance storage area would remain at the east end of the existing pavilion for storage of equipment and supplies directly related to the daily maintenance of those facilities. A maintenance shop would be a central part of the relocated facility for general repair and maintenance operations.

Retail Lots Two potential retail lots are identified near the highway on the north side of the site. Accessibility to the retail lots must be through an existing intersection at Highway 50 as future intersections are highly unlikely to be approved. The retail lot locations are situated to take advantage of highway access from the east entry road off of Highway 50. The lots identified in the proposed Master Plan are appropriate for smaller retail establishments. Service and delivery is challenging for retail in this setting due to limited opportunity to create a back of house space. This can be overcome with careful design of the site and retail buildings. Each retail lot is sized at just over two acres.

Section 2-3 | Proposed Master Plan West

Proposed Master Plan Drawing



- 1 LED MARQUEE BOARD
- 2 PARK ENTRANCE SIGN
- 3 LION'S PARK
- 4 HORSESHOE PITS
- 5 BMX TRACK
- 6 ORCHARD MESA LITTLE LEAGUE BALLPARK
- 7 PROPOSED BALLPARK PARKING I (62 spaces)
- 8 PROPOSED BALLPARK PARKING II (94 spaces)
- 9 CSU EXTENSION & ARBORETUM
- 10 IRRIGATION POND
- 11 PROPOSED MAINTENANCE YARD
- 12 FENCED DOG PARK
- 13 EXISTING PARKING (599 spaces)
- 14 PROPOSED PARKING (220 spaces)
- 15 PROPOSED PARKING (281 spaces)
- 16 VETERAN'S INTERMOUNTAIN MEMORIAL
- 17 VETERAN'S PARK/MULTI-USE FESTIVAL GROUND
- 18 PROPOSED STAGE
- 19 POTENTIAL COMMERCIAL PARCEL A (2.16 ac.)
- 20 POTENTIAL COMMERCIAL PARCEL B (2.18 ac.)
- 21 PROPOSED EVENT CENTER DROP OFF
- 22 EVENT CENTER
- 23 EVENT CENTER PARKING (84 spaces)
- 24 PROPOSED PARKING (276 spaces)
- 25 TRAILER PARKING
- 26 LOAD/UNLOAD LANE
- 27 EXISTING BARN (75 stalls)
- 28 PROPOSED BARN I (90 stalls)
- 29 PROPOSED BARN II (90 stalls)
- 30 PROPOSED SHOW OFFICE
- 31 PROPOSED BARN III (90 stalls)
- 32 PROPOSED BARN IV (90 stalls)
- 33 EXISTING COVERED ARENA (120' x 265')
- 34 PROPOSED COVERED ARENA (120' x 265')
- 35 PROPOSED STORAGE BUILDING
- 36 EXISTING OUTDOOR WARM-UP ARENA
- 37 EXISTING LIVESTOCK PAVILION
- 38 EXISTING COMMUNITY BUILDING
- 39 PROPOSED RV SPACES (78 spaces)



Section 2-4 | Proposed Master Plan West

Perspective Renderings



MASTER PLAN // WEST AERIAL

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 2-4 | Proposed Master Plan West

Perspective Renderings



VETERAN'S INTERMOUNTAIN MEMORIAL PLAZA / MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 2-5 | Proposed Master Plan West

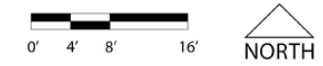
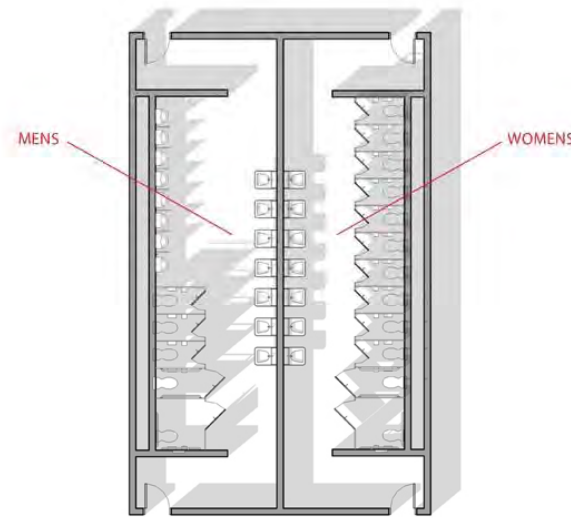
Proposed Master Plan Fair Overlay Drawing

The Master Plan West Fair Overlay utilizes the new Highway 50 entry and circulation road to improve vehicular circulation through the fair site. The event area of the fair and exhibitor circulation remains similar to the existing fair overlay with the primary event area at the east end of the site. Livestock exhibitors will be encouraged to enter at the existing central entry off Highway 50. Veteran's Park will be used as overflow visitors parking.



Section 2-6 | Proposed Master Plan West

Proposed Facility Drawings



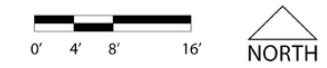
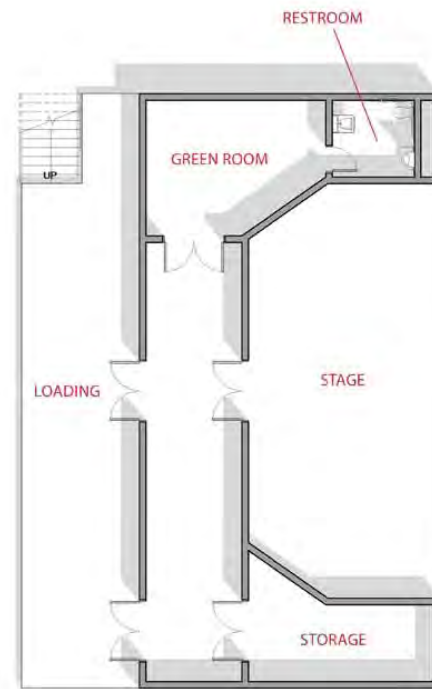
RESTROOM PAVILION 50'-0" x 30'-0"

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 2-6 | Proposed Master Plan West

Proposed Facility Drawings



STAGE 60'-0" x 30'-0"

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 2-7 | Proposed Master Plan West

Cost Estimate / Programming

Mesa County Fairgrounds
Proposed West Master Plan Program
11/19/2012

Master Plan Program Summary Proposed Indoor Arena

Room / Functional Space	Total Structure gsf	Total Conceptual Estimate		
		Low	High	Average
A. BMX Venue	4,900	\$274,800	\$400,700	\$337,750
B. Maintenance Building	5,317	\$345,605	\$398,775	\$372,190
C. Festival Stage	3,200	\$256,000	\$304,000	\$280,000
D. Highway Marquee	N/A	\$70,000	\$94,000	\$82,000
E. Site Development	38 acres	\$3,648,000	\$4,788,000	\$4,218,000
PROBABLE DIRECT CONSTRUCTION COST		\$4,594,405	\$5,985,475	\$5,289,940
CONTRACTOR P&O, BOND, ETC.	15%	\$689,161	\$897,821.25	\$793,491.00
DESIGN & CONSTRUCTION CONTINGENCY	10%	\$459,441	\$598,548	\$528,994
DESIGN & ENGINEERING FEES	2%	\$114,860	\$149,637	\$132,249
FURNITURE/FIXTURES/EQUIPMENT (FF&E)	1%	\$57,430	\$74,818	\$66,124
TOTAL PROJECT COST		\$5,915,296	\$7,706,299	\$6,810,798

NOTE: All costs September 2012, Project has not been designed

NOTE: Order of magnitud costs based on actual bids and project estimates for similar Populous projects across the United States

**Mesa County Fairgrounds
Proposed West Master Plan Program
11/19/2012**

A. BMX Venue								
<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Registration Office								
- Offices	1	500	500	Entry, Seating, Parking	- Climate controlled facility - Portable toilets to be used for large events - Adjacent to track entry, seating, and staging areas			
- Concessions	1	400	400					
Registration Office Total	2	900						\$ 80.00
					Estimated Direct Construction Cost	\$ 72,000.00	\$ 85,500.00	\$ 78,750.00
2.0 Covered Seating								
- Cover Structure	1	4,000	4,000	Entry, Office, Parking				
Cover Structure Total	1	4,000						\$ 30.00
						\$ 120,000.00	\$ 200,000.00	\$ 160,000.00
Aluminum Bleachers Add	1				- 1,000 seats @ \$23 to \$32 per square foot	\$ 82,800.00	\$ 115,200.00	\$ 99,000.00
					Estimated Direct Construction Cost	\$ 202,800.00	\$ 315,200.00	\$ 259,000.00
3.0 Track Construction								
- Site Mass Grading				6,000 cubic yards	TRACK CONSTRUCTION PROVIDED BY GRAND VALLEY BMX - NOT INCLUDED IN TOTAL BUDGET SUMMARY	\$19,200	\$24,000	\$ 21,600.00
- Curve Paving and Start Pad				6,200 square feet		\$12,400	\$24,800	\$ 18,600.00
- Asphalt Paving						\$1,080	\$1,386	\$ 1,233.00
- Concrete Start Pad 24'x30'						\$50,000	\$80,000	\$ 65,000.00
- Outdoor Lighting and related electrical								
					Estimated Direct Construction Cost	\$82,680	\$130,186	\$106,433
A. BMX Venue								
			4,900		Total Estimated Cost:	\$274,800	\$400,700	\$337,750
					Average Cost Per Square Foot:	\$56	\$82	\$69

**Mesa County Fairgrounds
Proposed West Master Plan Program
11/19/2012**

B. Maintenance Building

<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Service / Maintenance Building					- pre-engineered steel building			
- 16' x 50' bays	4	800	3,200					
- 1- 16' x 50' work bay	1	800	800					
- maint. Mgrs. Office	1	158	158					
- 10' x 10' office	1	100	100					
- meeting Room	1	327	327					
- break room	1	256	256					
- unisex toilet	1	36	36					
- locked tool/supply storage	1	400	400					
- mechanical/electrical	2	20	40					
- covered storage bay	1	2,760	2,760					
Enclosed Maintenance Area Total			5,317			\$ 65.00	\$ 75.00	\$ 70.00
Estimated Direct Construction Cost						\$ 345,605.00	\$ 398,775.00	\$ 372,190.00

B. Maintenance Building	5,317	Total Estimated Cost:	\$345,605	\$398,775	\$372,190	
			Average Cost Per Square Foot:	\$65	\$75	\$70

C. Festival Stage

<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Stage					- pre-engineered steel building			
- covered performance stage	1	1,800	1,800	30'x60'				
Stage Total	1	1,800				\$ 80.00	\$ 95.00	\$ 87.50
Estimated Direct Construction Cost						\$ 144,000.00	\$ 171,000.00	\$ 157,500.00
2.0 Green Rooms					- pre-engineered steel building			
- dressing rooms	2	500	1,000		- Portable toilets to be used for large events			
- restrooms	1	400	400		- Adjacent to track entry, seating, and staging areas			
Green Rooms Total	3	1,400				\$ 80.00	\$ 95.00	\$ 87.50
Estimated Direct Construction Cost						\$ 112,000.00	\$ 133,000.00	\$ 122,500.00

C. Festival Stage	3,200	Total Estimated Cost:	\$256,000	\$304,000	\$280,000	
			Average Cost Per Square Foot:	\$80	\$95	\$88

**Mesa County Fairgrounds
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D. Highway Marquee

<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Marquee - 5'x12' two sided LED screen - Static sponsor logo space								
Enclosed Maintenance Area Total	1		1			\$ 70,000.00	\$ 94,000.00	\$ 82,000.00
Estimated Direct Construction Cost						\$ 70,000.00	\$ 94,000.00	\$ 82,000.00

D. Highway Marquee **Total Estimated Cost: \$70,000 \$94,000 \$82,000**

E. Phase 1 Site Development

<i>Room / Functional Space</i>	<i>No.</i>	<i>Acres</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per acre Low</i>	<i>Order of Magnitude est. cost per acre High</i>	<i>Order of Magnitude est. cost per acre Average</i>
1.0 General Site Development - General Site Development (acres)	38.0	1.0	38.0		- asphalt parking / concrete walks - landscaping - major utility work			
Site Development Total	1		38.0			\$ 96,000.00	\$ 126,000.00	\$ 111,000.00
Estimated Direct Construction Cost						\$ 3,648,000.00	\$ 4,788,000.00	\$ 4,218,000.00

E. Phase 1 Site Development
Acreage **Total Estimated Cost: \$3,648,000 \$4,788,000 \$4,218,000**
Average Cost Per Acre: \$96,000 \$126,000 \$111,000

Section 2-8 | Proposed Master Plan West

Economic Analysis

Usage/Event Activity

The following table summarizes the estimated incremental usage/event activity at the Fairgrounds in a stabilized year of operations associated with the proposed Master Plan West improvements.

Event Type	Number of Events	Total Usage Days	Total Attendee Days
Concerts/Festivals	2 – 3	2 – 3	7,000 – 10,500
BMX Events	1 – 2	2 – 4	6,000 – 12,000
Civic/Community Events	4 – 6	6 – 9	2,000 – 3,000
Total	7 – 11	10 – 16	15,000 – 25,500

Note: Refer to the Market Analysis in Appendix B and the Business Plan in Appendix C for more detail regarding the above estimates.

Impact to Financial Operations

The following table shows the estimated operating revenues and operating expenses for the Fairgrounds in a stabilized year of operations with the proposed Master Plan West improvements compared to the three-year historical average.

Category	Three-Year Historical Average	Master Plan West
Operating Revenues	\$125,000	\$157,000 – \$172,000
Operating Expenses	\$375,000	\$394,000 – \$399,000
Net Operating Gain/(Loss)	(\$250,000)	(\$237,000) – (\$227,000)

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Economic Impacts

The following table shows the estimated economic impacts associated with on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan West improvements compared to the three-year historical average.

Category	Three-Year Historical Average	Master Plan West
Direct Spending	\$2.4 million	\$2.8 million – \$3.0 million
Indirect/Induced Spending	\$1.4 million	\$1.7 million – \$1.8 million
Total Spending	\$3.8 million	\$4.4 million – \$4.8 million
Total Earnings	\$1.1 million	\$1.3 million – \$1.5 million
Total Employment	50	57 – 63

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Fiscal Impacts

The following table shows the estimated fiscal impacts (or tax revenues) associated with on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan West improvements compared to the three-year historical average.

Municipality	Three-Year Historical Average	Master Plan West
Mesa County	\$47,000	\$53,000 – \$57,000
City of Grand Junction	\$94,000	\$102,000 – \$109,000
State of Colorado	\$94,000	\$106,000 – \$116,000
Grand Total	\$235,000	\$261,000 – \$282,000

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Section 3-1 | Proposed Master Plan East

Proposed Plan Description

The Master Plan East is designed to accommodate expected growth at the equestrian and livestock venue. Event size and quantity are expected to continue increasing. The addition of two new barns and a covered arena will be sufficient to support growth of equestrian and livestock events until the construction of the proposed indoor event arena in the Master Plan Central.

Two new barns will add 180 stalls bringing the total barn stall count to 255. Seventy-five (75) additional stalls can be housed in the pavilion if needed. The aged existing north barns and existing restroom pavilion are removed to open up event circulation. Portable stalls may be used in the rare circumstance that the existing pavilion is unable to house enough temporary stalls for an event. Given the number of arenas it is unlikely the facility will attract an event that would use more stalls than provided. A new show office and restroom building is proposed adjacent to the proposed new barns and covered arena.

Additional RV spaces are proposed along the east boundary of the Fairgrounds site. The number of new RV sites will depend on available funding however, a total of 78 new spaces are indicated on the Master Plan. The RV spaces will continue along the north edge of the trailer parking once the RV spaces along the east side of the site are fully developed.

A new storage building is proposed at the south east corner of the Fairgrounds site to provide small animal and 4-H storage as well as additional storage for equestrian/livestock related items. The exact size of this building will be determined by an assessment of the storage capacity needed after the new Maintenance compound is constructed.

Section 3-2 | Proposed Master Plan East

Proposed Facilities Description

Barns Four new barns are proposed in the Master Plan East. Proposed new barns are 10 feet wider and equal in length to the existing “New Stable”. The additional 10 feet allows a more efficient stall grid utilizing a 10’x10’ stall unit resulting in 15 more stalls per barn (90 per barn) than the existing Stable (75 stalls). The fully developed barn stall count is 435 stalls. The existing Livestock Pavilion can be utilized as a stall barn when needed for large equestrian events, and to offset the need for temporary stalls in the short term. Restrooms are provided in the proposed new barns. New stall barns are designed as clear span buildings. The clear span structure provides flexibility of use for multiple events. The equestrian stalls may be converted to livestock pens or removed to provide open space for an indoor livestock show ring or small animal exhibition.

Populous recommends developing the utility infrastructure and building pads for the new barns in an early phase and utilizing the pads for temporary stalls as needed to accommodate growth of equestrian events. Over time new barns will be built on the pads until the complete Master Plan build out has been realized.

Show Office A permanent show office facility is proposed near the new barns. The open office space is over 300 square feet with two entry doors allowing space for competitor circulation and administrative activity. A file/copy room is provided for administration assistance and to serve as a lockable room for safe keeping of money and awards. A staff restroom is located in the administrative area of the office. Additional restrooms are attached to the facility for outside competitor or general event use.

Covered Arenas A new covered arena is proposed between the existing covered arena and the new Event Arena. The new covered arena is the same size as the existing with a similar aesthetic as the new barns. The new covered arena has a floor size of 120’x270’.

Outdoor Arena The large existing outdoor arena remains on the Master Plan East. Permanent rails would be a beneficial addition to this arena as the equestrian venues develop a more permanent organization. The smaller outdoor arena along the east property line will be removed to open up vehicular circulation.

R.V. Parking and Connections Existing RV pedestals and parking spaces are located along the east boundary of the site to the east of the equestrian/livestock facilities. Equestrian/livestock events are the primary driver for the addition of proposed new RV sites. The key to renting these sites will be to locate as many sites as close to the barns as possible. Equestrian/livestock users are interested in the convenience of the connection and do not look for spacious amenities found in a traditional RV park environment. Existing RV spaces are ideally situated and should remain unchanged. Proposed additional RV pedestals will be located along the perimeter of trailer parking areas. They are intended to be connections only. Full service pedestal connections are preferred with 50 amp electrical. 78 spaces are indicated on the Master Plan East. More can be added in the future if demand warrants.

Existing Pavilion The existing pavilion is not a clear span structure, which limits its flexibility as a dedicated component of the equestrian venue. It is however ideally suited for hosting smaller livestock events with pens around the perimeter and show rings in the center. For larger livestock events the pavilion could be completely dedicated to pens and a portion of the equestrian venues would be used for show rings or additional stalling as needed. The maintenance area at the east end of the pavilion will be utilized as storage for equipment related to servicing the livestock/equestrian venues.

Existing Community Building The existing Community Building will continue to be utilized for its current functions by smaller community groups. Larger commercial expo functions are envisioned to be held at the proposed new Expo Hall, a major element of the Master Plan Central development.

Section 3-3 | Proposed Master Plan East

Proposed Master Plan Drawing



- 1 LED MARQUEE BOARD
- 2 PARK ENTRANCE SIGN
- 3 LION'S PARK
- 4 HORSESHOE PITS
- 5 BMX TRACK
- 6 ORCHARD MESA LITTLE LEAGUE BALLPARK
- 7 PROPOSED BALLPARK PARKING I (62 spaces)
- 8 PROPOSED BALLPARK PARKING II (94 spaces)
- 9 CSU EXTENSION & ARBORETUM
- 10 IRRIGATION POND
- 11 PROPOSED MAINTENANCE YARD
- 12 FENCED DOG PARK
- 13 EXISTING PARKING (599 spaces)
- 14 PROPOSED PARKING (220 spaces)
- 15 PROPOSED PARKING (281 spaces)
- 16 VETERAN'S INTERMOUNTAIN MEMORIAL
- 17 VETERAN'S PARK/MULTI-USE FESTIVAL GROUND
- 18 PROPOSED STAGE
- 19 POTENTIAL COMMERCIAL PARCEL A (2.16 ac.)
- 20 POTENTIAL COMMERCIAL PARCEL B (2.18 ac.)
- 21 PROPOSED EVENT CENTER DROP OFF
- 22 EVENT CENTER
- 23 EVENT CENTER PARKING (84 spaces)
- 24 PROPOSED PARKING (276 spaces)
- 25 TRAILER PARKING
- 26 LOAD/UNLOAD LANE
- 27 EXISTING BARN (75 stalls)
- 28 PROPOSED BARN I (90 stalls)
- 29 PROPOSED BARN II (90 stalls)
- 30 PROPOSED SHOW OFFICE
- 31 PROPOSED BARN III (90 stalls)
- 32 PROPOSED BARN IV (90 stalls)
- 33 EXISTING COVERED ARENA (120' x 265')
- 34 PROPOSED COVERED ARENA (120' x 265')
- 35 PROPOSED STORAGE BUILDING
- 36 EXISTING OUTDOOR WARM-UP ARENA
- 37 EXISTING LIVESTOCK PAVILION
- 38 EXISTING COMMUNITY BUILDING
- 39 PROPOSED RV SPACES (78 spaces)



MASTER PLAN // PHASE EAST

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 3-4 | Proposed Master Plan East

Perspective Rendering



Section 3-5 | Proposed Master Plan East

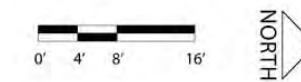
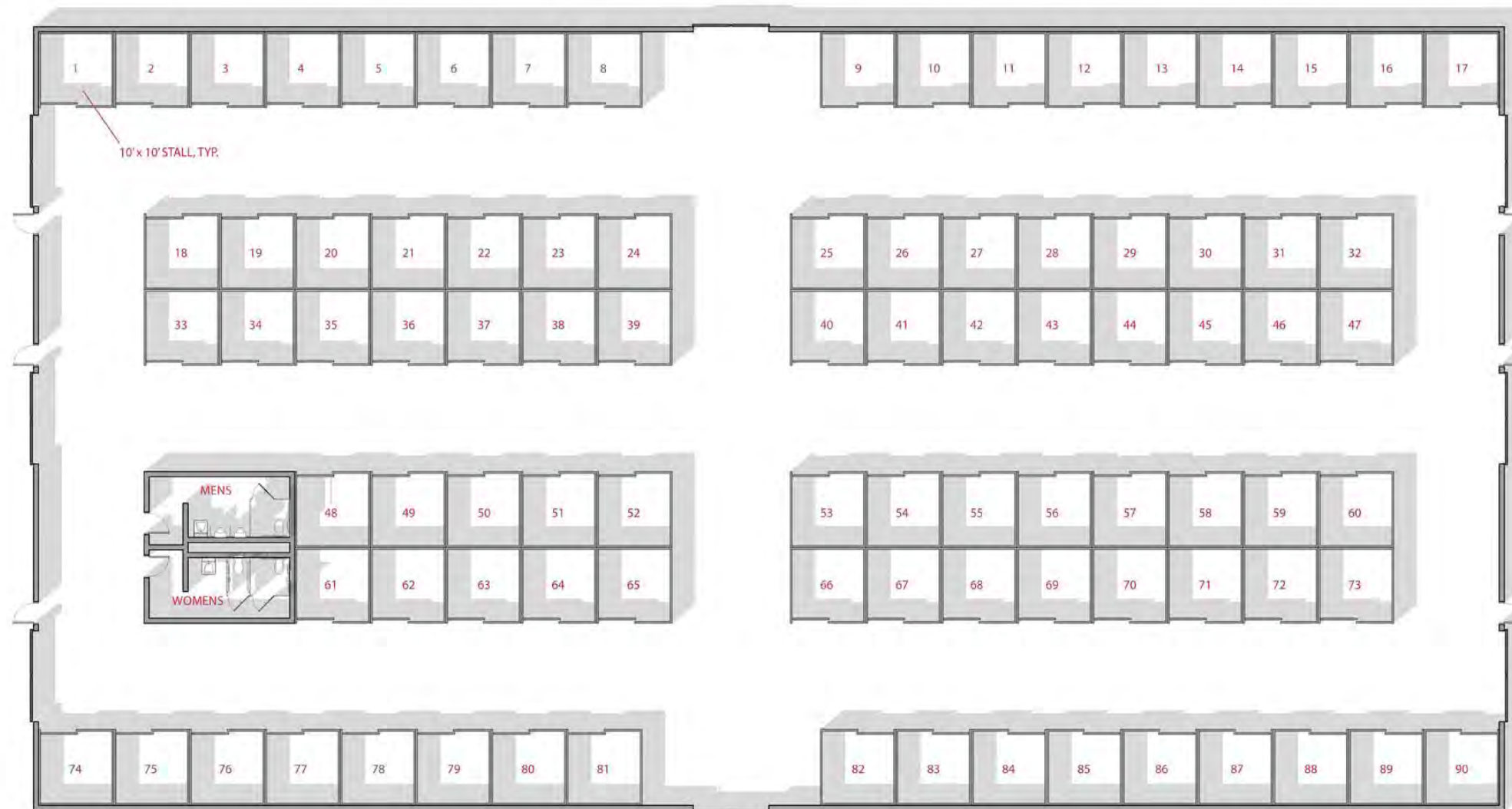
Proposed Master Plan Fair Overlay Drawing

The Master Plan East Fair Overlay utilizes the new Highway 50 entry and circulation road to improve vehicular circulation through the fair site. The event area of the fair and exhibitor circulation remains similar to the existing and Master Plan West fair overlay with the primary event area at the east end of the site although the configuration of the event area is reconfigured substantially. Livestock exhibitors will be encouraged to enter at the existing central entry off Highway 50. Veteran's Park will be used as overflow visitors parking. Expanded stabling areas provide indoor stalling space for small animals adjacent to the large show and sales rings in the covered arena. The carnival midway is relocated.



Section 3-6 | Proposed Master Plan East

Proposed Facility Drawings



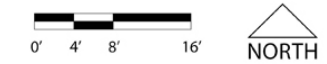
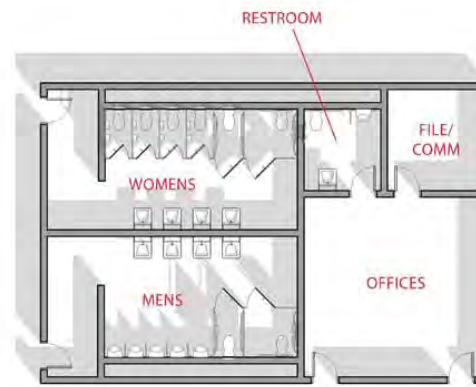
NEW STALL BARN 194'-4" x 102'-8"

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 3-6 | Proposed Master Plan East

Proposed Facility Drawings



SHOW OFFICE 45'-0" x 30'-0"

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 3-6 | Proposed Master Plan East

Proposed Facility Drawings



COVERED ARENA 270'-0" x 120'-0"

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 3-7 | Proposed Master Plan East

Cost Estimate / Programming

Mesa County Fairgrounds
Proposed East Master Plan Program
11/19/2012

Master Plan Program Summary Proposed Indoor Arena

Room / Functional Space	Total Structure gsf	Total Conceptual Estimate		
		Low	High	Average
A. Barn 1	20,188	\$1,317,280	\$1,609,160	\$1,463,220
B. Barn 2	20,188	\$1,317,280	\$1,609,160	\$1,463,220
C. Covered Arena	32,400	\$1,417,200	\$1,839,000	\$1,628,100
D. Show Office	1,138	\$102,420	\$125,180	\$113,800
E. Site Development	6 acres	\$655,500	\$775,500	\$715,500
PROBABLE DIRECT CONSTRUCTION COST		\$4,809,680	\$5,958,000	\$5,383,840
CONTRACTOR P&O, BOND, ETC.	15%	\$721,452	\$893,700.00	\$807,576.00
DESIGN & CONSTRUCTION CONTINGENCY	10%	\$480,968	\$595,800	\$538,384
DESIGN & ENGINEERING FEES	5%	\$300,605	\$372,375	\$336,490
FURNITURE/FIXTURES/EQUIPMENT (FF&E)	0.50%	\$7,515	\$9,309	\$8,412
TOTAL PROJECT COST		\$6,320,220	\$7,829,184	\$7,074,702

NOTE: All costs September 2012, Project has not been designed

NOTE: Order of magnituded costs based on actual bids and project estimates for similar Populous projects across the United States

**Mesa County Fairgrounds
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A-B. Stall Barn								
<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Restrooms / Showers - Clear Span Space for Stalls	1	400	400	Stalls, Coveres Arenas, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - cmu block construction w/ mechanical above			
Restrooms / Showers Subtotal	1		400			\$ 100.00	\$ 110.00	\$ 105.00
					Estimated Direct Construction Cost	\$ 40,000.00	\$ 44,000.00	\$ 42,000.00
2.0 Open Floor Area - Open Floor for Stalls or Pens	1	19,788	19,788	Restrooms, Covered Arenas, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - clear span pre-engineered steel structure - cuploa vents at ridge			
Open Floor Area Total	1		19,788			\$ 60.00	\$ 70.00	\$ 65.00
						\$ 1,187,280.00	\$ 1,385,160.00	\$ 1,286,220.00
Stalls Add	1			90 stalls - \$1,000 to \$2,000 each		\$ 90,000.00	\$ 180,000.00	\$ 135,000.00
					Estimated Direct Construction Cost	\$ 1,277,280.00	\$ 1,565,160.00	\$ 1,421,220.00

A-B. Stall Barn	20,188	Total Estimated Cost:	\$1,317,280	\$1,609,160	\$1,463,220
		Average Cost Per Square Foot:	\$65	\$80	\$72

C. Covered Arena								
<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Open Floor Area - Open Floor for Riding	1	32,400	32,400	Restrooms, Barns, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - clear span pre-engineered steel structure - cuploa vents at ridge			
Open Floor Area Total	1		32,400			\$ 40.00	\$ 50.00	\$ 45.00
						\$ 1,296,000.00	\$ 1,620,000.00	\$ 1,458,000.00
Railing Add	1			Estimate 780 linear feet		\$ 31,200.00	\$ 39,000.00	\$ 35,100.00
Footing Add	1			\$1 to \$2 per square foot		\$ 90,000.00	\$ 180,000.00	\$ 135,000.00
					Estimated Direct Construction Cost	\$ 1,417,200.00	\$ 1,839,000.00	\$ 1,628,100.00

C. Covered Arena	32,400	Total Estimated Cost:	\$1,417,200	\$1,839,000	\$1,628,100
		Average Cost Per Square Foot:	\$44	\$57	\$50

**Mesa County Fairgrounds
Proposed East Master Plan Program
11/19/2012**

D. Show Office and Restroom Pavilion

<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>	
1.0 Office Space				Restrooms, Barns, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - clear span pre-engineered steel structure - cuploa vents at ridge				
- Large Administration Room	1	333	333						
- File/Copy Room	1	100	100						
- Staff Restroom	1	65	65						
Office Space Total	1		498			\$ 90.00	\$ 110.00	\$ 100.00	
						\$ 44,820.00	\$ 54,780.00	\$ 49,800.00	
2.0 Restrooms				Restrooms, Barns, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - clear span pre-engineered steel structure - cuploa vents at ridge				
- Mens and Womens Restrooms	1	640	640						
Restrooms Total	1		640					\$ 90.00	\$ 110.00
						\$ 57,600.00	\$ 70,400.00	\$ 64,000.00	

D. Show Office and Restroom Pavilion	1,138	Total Estimated Cost:	\$102,420	\$125,180	\$113,800
		Average Cost Per Square Foot:	\$90	\$110	\$100

E. Phase 2 Site Development

<i>Room / Functional Space</i>	<i>No.</i>	<i>Acres</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per acre Low</i>	<i>Order of Magnitude est. cost per acre High</i>	<i>Order of Magnitude est. cost per acre Average</i>		
1.0 General Site Development					- asphalt parking / concrete walks - landscaping - assumes major utilities available on-site					
- General Site Development (acres)	6.0	1.0	6.0							
Site Development Total	1		6.0					\$ 80,000.00	\$ 100,000.00	\$ 90,000.00
								\$ 480,000.00	\$ 600,000.00	\$ 540,000.00
RV Spaces Add	1			- Estimate \$2,700 per space	- 65 spaces	\$ 175,500.00	\$ 175,500.00	\$ 175,500.00		
					Estimated Direct Construction Cost	\$ 655,500.00	\$ 775,500.00	\$ 715,500.00		

E. Phase 2 Site Development				Total Estimated Cost:	\$655,500	\$775,500	\$715,500
Acreeage		6.0		Average Cost Per Acre:	\$109,250	\$129,250	\$119,250

Section 3-8 | Proposed Master Plan East

Economic Analysis

Usage/Event Activity

The following table summarizes the estimated incremental usage/event activity at the Fairgrounds in a stabilized year of operations associated with the proposed Master Plan East improvements.

Event Type	Number of Events	Total Usage Days	Total Attendee Days
Equine/Rodeo Events	13 – 14	39 – 42	22,000 – 23,600
Civic/Community Events	4 – 6	6 – 9	2,000 – 3,000
Total	17 – 20	45 – 51	24,000 – 26,600

Note: Refer to the Market Analysis in Appendix B and the Business Plan in Appendix C for more detail regarding the above estimates.

Impact to Financial Operations

The following table shows the estimated operating revenues and operating expenses for the Fairgrounds in a stabilized year of operations with the proposed Master Plan East improvements compared to the three-year historical average.

Category	Three-Year Historical Average	Master Plan East
Operating Revenues	\$125,000	\$420,000 – \$446,000
Operating Expenses	\$375,000	\$527,000 – \$544,000
Net Operating Gain/(Loss)	(\$250,000)	(\$107,000) – (\$98,000)

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Economic Impacts

The following table shows the estimated economic impacts associated with on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan East improvements compared to the three-year historical average.

Category	Three-Year Historical Average	Master Plan East
Direct Spending	\$2.4 million	\$4.3 million – \$4.5 million
Indirect/Induced Spending	\$1.4 million	\$2.6 million – \$2.7 million
Total Spending	\$3.8 million	\$6.9 million – \$7.2 million
Total Earnings	\$1.1 million	\$2.1 million – \$2.1 million
Total Employment	50	88 - 92

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Fiscal Impacts

The following table shows the estimated fiscal impacts (or tax revenues) associated with on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan East improvements compared to the three-year historical average.

Municipality	Three-Year Historical Average	Master Plan East
Mesa County	\$47,000	\$83,000 – \$85,000
City of Grand Junction	\$94,000	\$161,000 – \$168,000
State of Colorado	\$94,000	\$165,000 – \$172,000
Grand Total	\$235,000	\$409,000 – \$425,000

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Section 4-1 | Proposed Master Plan Central

Proposed Plan Description

The Master Plan Central is likely to be the final Master Plan area to be implemented. The proposed new indoor event arena and expo hall are the core elements of the Master Plan Central. Construction of these facilities requires the removal of the existing grandstand venue and fair offices. The grandstand and fair office functions are relocated to the proposed indoor event arena. The existing fair office building is relocated to the CSU Extension site to provide expanded office and meeting space.

Two paved parking lots are proposed. A large lot to the north of the event arena provides 276 new paved parking spaces and will serve as the midway location during the fair. A second smaller lot is proposed to the south of the event arena adjacent to the arena / expo drop off. This lot provides 84 spaces to be used as handicap and VIP parking for events in the arena and expo venue. The addition of these two parking lots brings the total number of paved parking spaces on the Fairgrounds to 1,616. Gravel trailer parking areas may be used for event overflow parking when not in use for equestrian or livestock events. A 5,000 seat sold out event in the arena would require 1,250 to 1,650 parking spaces that could easily be accommodated within the available parking options at the Fairgrounds site.

Construction of the indoor event arena will be a catalyst for growth of equestrian events at the Fairgrounds. This growth will prompt the construction of two additional stall barns indicated in the Master Plan Central. The addition of two barns will bring the total stall count to 435 stalls with the option of additional temporary stalls in the existing pavilion.

Depending on how much time lapses between the finalization of this Master Plan document and construction of the indoor event center, additional market research may be required to reflect any changes in the competitive environment, industry trends, area demographics, and associated operational and development costs.

Section 4-2 | Proposed Master Plan Central

Proposed Facilities Description

Proposed New Multi-Use Event Arena and Exposition Hall The proposed multi-use event arena is located adjacent to the equestrian facilities and oriented to facilitate proper circulation of vehicles, people, and animals. The proposed new Expo Hall is attached to the arena to accommodate events requiring expo space and allowing the two facilities to share common amenities where possible.

The scale of the proposed facility ensures its visibility to highway traffic and will attract the attention and interest of potential visitors. Event parking is organized on the site to provide as much central access to the arena as possible while also serving the other venues around the site. A drop off circle and VIP/handicap parking area are located directly adjacent to the entry. The primary entry for the arena and expo hall is oriented toward the bulk of on-site parking. This orientation conceals visibility of the arena entry from Highway 50 however, the north side of the arena (facing Highway 50) is detailed and landscaped for strong aesthetic impact.

The event arena design has been carefully developed to provide maximum flexibility for a diverse variety of entertainment and equestrian events. A fixed seating bowl with 2,556 chair back seats and 1,092 bleacher seats provides two tiers of seating at the perimeter of the arena floor. An additional 1,296 seats are located on the concourse as retractable bleacher seats. Retractable seats are used to bring the full seating count to 5,016 including ADA required seats. Many events will not require the full seating capacity and may use the open concourse as exhibitor space when retractable bleachers are not in use.

The dirt event floor is approximately 150'x300'. Dirt has been selected over concrete after an evaluation of the event opportunities available to the facility. The majority of events in the arena will utilize the dirt floor. Moving dirt on and off of a concrete event floor is cost prohibitive for equestrian events which are expected to comprise at least 50% of the arena's regular users. Arena dirt will be rolled and covered for events requiring a hard floor surface. This method of operation has proven successful in numerous arenas throughout the country. The flexibility and size of the floor will allow the arena to accommodate all events currently held at the outdoor grandstand venue as well as a large number of new events.

The proposed expo hall is attached to the event arena via a shared entry corridor. This corridor allows for some shared amenities such as ticketing, restrooms, and concessions. The expo floor provides 30,000 square feet of expo space. The large expo floor is divisible into two spaces of about 15,00 square feet each. Restrooms and breakout rooms are provided to allow the expo hall to host events unaffiliated with the event arena.

Fairgrounds Staff Offices Expanded office space for the Fairgrounds staff and arena facility manager are located at the northwest corner of the Event Arena. The offices are accessible from outside of the arena.

Section 4-3 | Proposed Master Plan Central

Proposed Master Plan Drawing



- 1 LED MARQUEE BOARD
- 2 PARK ENTRANCE SIGN
- 3 LION'S PARK
- 4 HORSESHOE PITS
- 5 BMX TRACK
- 6 ORCHARD MESA LITTLE LEAGUE BALLPARK
- 7 PROPOSED BALLPARK PARKING I (62 spaces)
- 8 PROPOSED BALLPARK PARKING II (94 spaces)
- 9 CSU EXTENSION & ARBORETUM
- 10 IRRIGATION POND
- 11 PROPOSED MAINTENANCE YARD
- 12 FENCED DOG PARK
- 13 EXISTING PARKING (599 spaces)
- 14 PROPOSED PARKING (220 spaces)
- 15 PROPOSED PARKING (281 spaces)
- 16 VETERAN'S INTERMOUNTAIN MEMORIAL
- 17 VETERAN'S PARK/MULTI-USE FESTIVAL GROUND
- 18 PROPOSED STAGE
- 19 POTENTIAL COMMERCIAL PARCEL A (2.16 ac.)
- 20 POTENTIAL COMMERCIAL PARCEL B (2.18 ac.)
- 21 PROPOSED EVENT CENTER DROP OFF
- 22 EVENT CENTER
- 23 EVENT CENTER PARKING (84 spaces)
- 24 PROPOSED PARKING (276 spaces)
- 25 TRAILER PARKING
- 26 LOAD/UNLOAD LANE
- 27 EXISTING BARN (75 stalls)
- 28 PROPOSED BARN I (90 stalls)
- 29 PROPOSED BARN II (90 stalls)
- 30 PROPOSED SHOW OFFICE
- 31 PROPOSED BARN III (90 stalls)
- 32 PROPOSED BARN IV (90 stalls)
- 33 EXISTING COVERED ARENA (120' x 265')
- 34 PROPOSED COVERED ARENA (120' x 265')
- 35 PROPOSED STORAGE BUILDING
- 36 EXISTING OUTDOOR WARM-UP ARENA
- 37 EXISTING LIVESTOCK PAVILION
- 38 EXISTING COMMUNITY BUILDING
- 39 PROPOSED RV SPACES (78 spaces)



Section 4-4 | Proposed Master Plan Central

Perspective Renderings



MASTER PLAN // CENTER AERIAL

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 4-4 | Proposed Master Plan Central

Perspective Renderings



- 1 EVENT CENTER PARKING
- 2 EXPO HALL
- 3 MULTI-PURPOSE EVENT ARENA
- 4 PARKING
- 5 TRAILER PARKING
- 6 LOADING/UNLOADING
- 7 EXISTING BARN
- 8 PROPOSED BARN I
- 9 PROPOSED BARN II
- 10 SHOW OFFICE
- 11 PROPOSED BARN III
- 12 PROPOSED BARN IV
- 13 EXISTING COVERED ARENA
- 14 PROPOSED COVERED ARENA
- 15 STORAGE
- 16 EXISTING OUTDOOR ARENA
- 17 EXISTING LIVESTOCK PAVILION
- 18 RV PARKING
- 19 COMMUNITY BUILDING

LIVESTOCK AND BARN AERIAL

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 4-5 | Proposed Master Plan Central

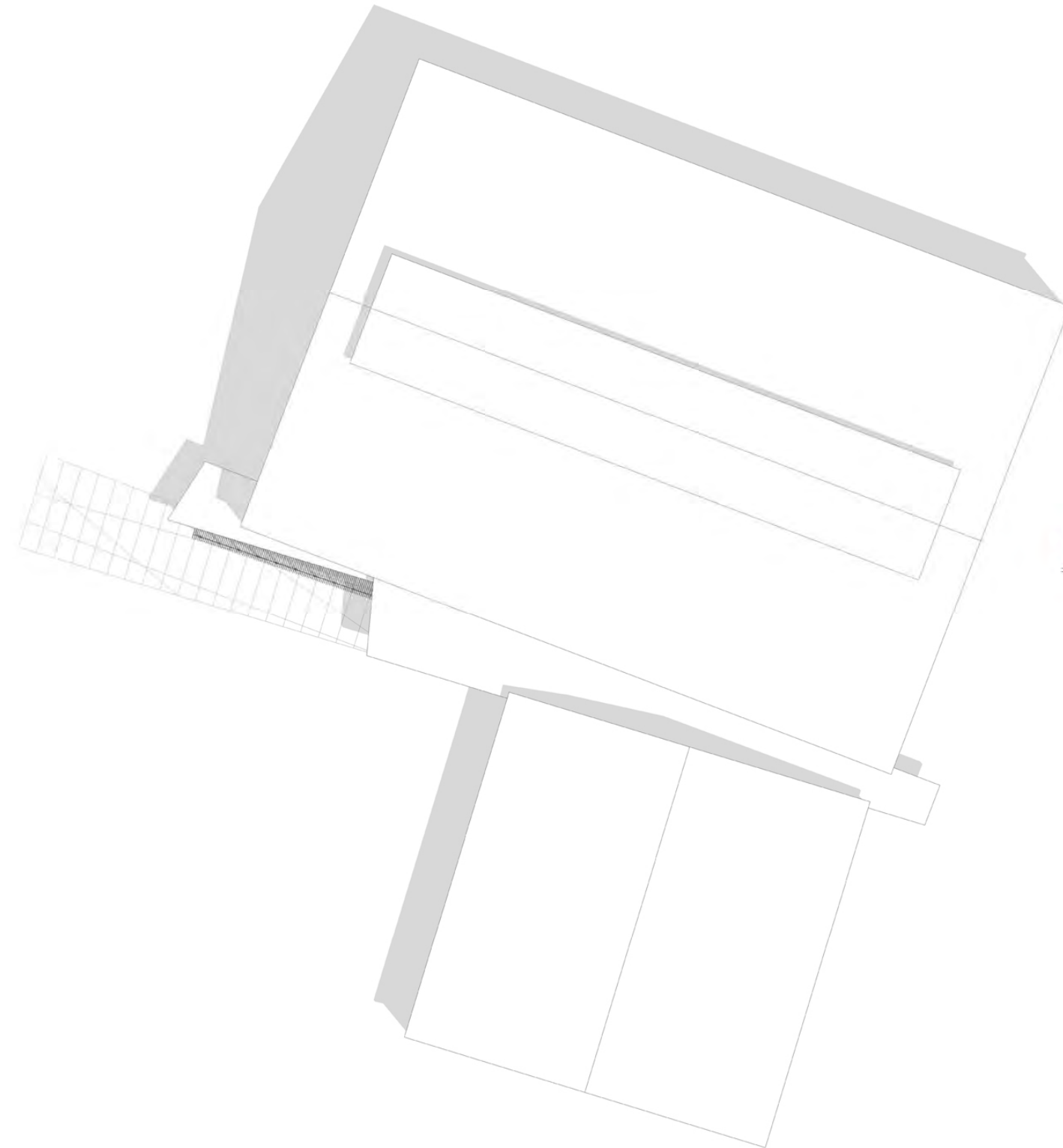
Proposed Master Plan Fair Overlay Drawing

The event area of the fair and exhibitor circulation is altered substantially from the East and Master Plan West fair overlay. The primary event area remains at the east end of the site with the additional of a festival ground at Veteran's Park. Livestock exhibitors will enter at the existing central entry off Highway 50. General public will enter through the northwest Highway 50 entry. The vehicular circulation loop seen on previous overlays is blocked between the event arena / carnival area and Veteran's Park to provide vendor space and safe pedestrian circulation within the expanded secure zone of the fair. Livestock exhibits and animal housing will be in the stall barns with show and auction rings in the arenas. The additional of two new barns will allow horses to be shown as part of the primary fair event schedule.

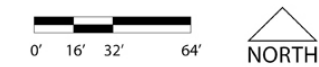


Section 4-6 | Proposed Master Plan Central

Proposed Facility Drawings



000 EVENT LEVEL	148,930 sq. ft.
100 CONCOURSE LEVEL	56,440 sq. ft.
<hr/>	
TOTAL AREA	205,370 sq. ft.



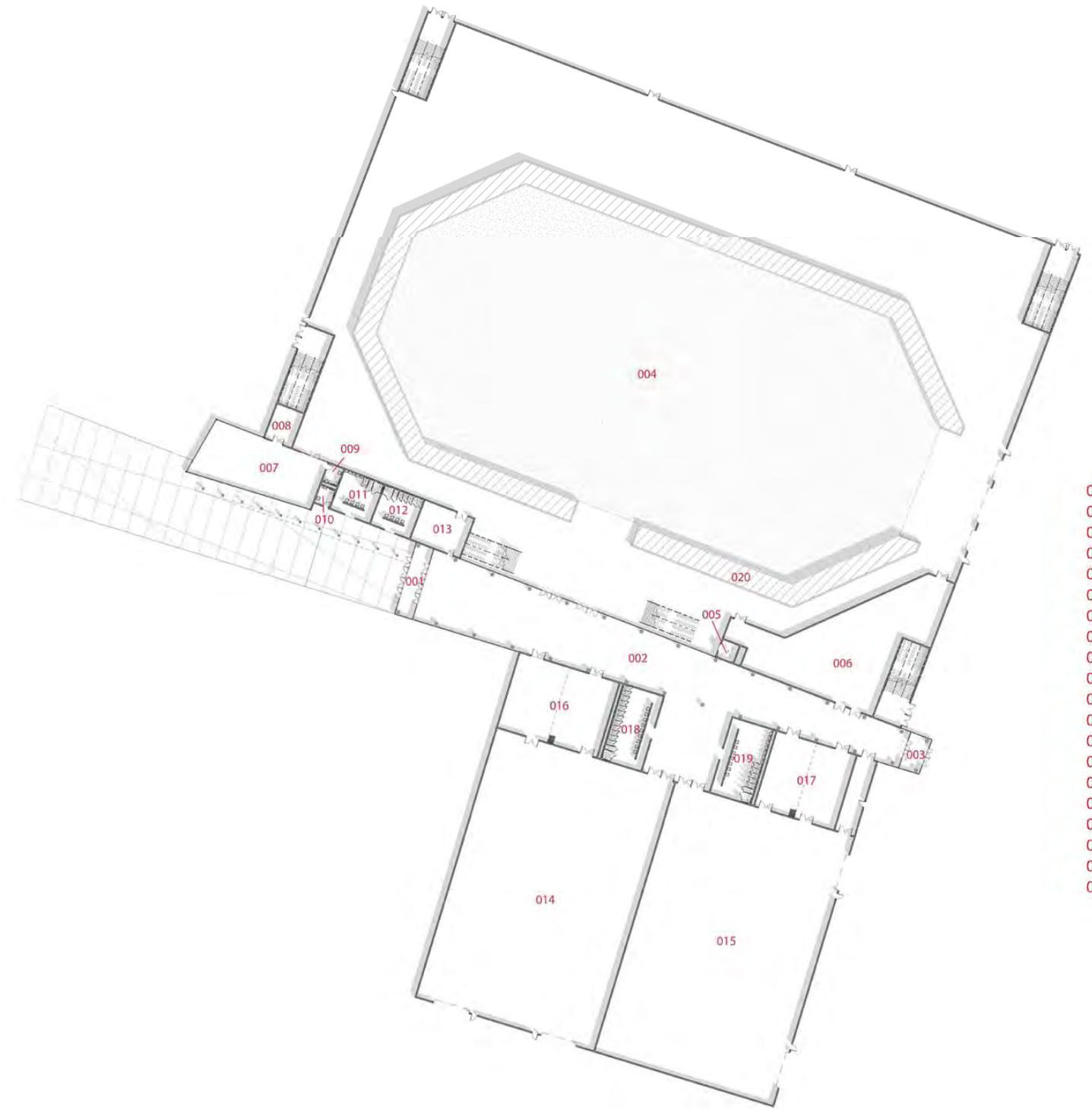
EVENT CENTER // ROOF PLAN

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 4-6 | Proposed Master Plan Central

Proposed Facility Drawings



001 VESTIBULE	390 sq. ft.
002 ATRIUM	9,550 sq. ft.
003 VESTIBULE	230 sq. ft.
004 ARENA FLOOR	40,950 sq. ft.
005 ELEVATOR	90 sq. ft.
006 KITCHEN/SUPPORT	4,115 sq. ft.
007 OFFICES	1,890 sq. ft.
008 OFFICE STORAGE	295 sq. ft.
009 OFFICE FAMILY RESTROOM	80 sq. ft.
010 FAMILY RESTROOM	80 sq. ft.
011 MEN'S RESTROOM	490 sq. ft.
012 WOMEN'S RESTROOM	486 sq. ft.
013 STORAGE	615 sq. ft.
014 EXPO HALL I	14,850 sq. ft.
015 EXPO HALL II	14,850 sq. ft.
016 BREAKOUT ROOM I	2,290 sq. ft.
017 BREAKOUT ROOM II	1,825 sq. ft.
018 WOMEN'S RESTROOM	895 sq. ft.
019 MEN'S RESTROOM	895 sq. ft.
020 UNUSABLE	



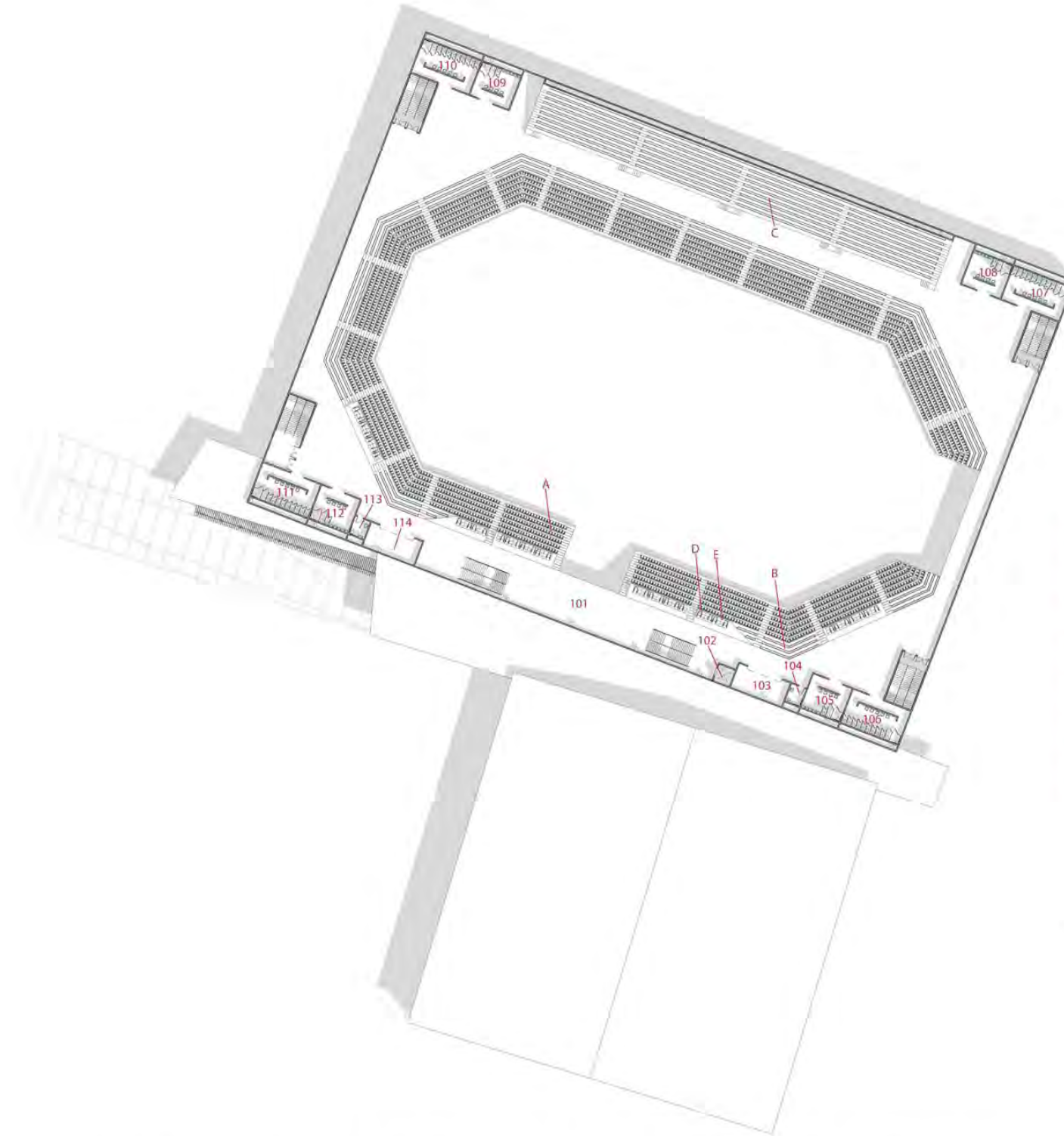
EVENT CENTER // EVENT LEVEL

MESA COUNTY FAIRGROUNDS 11.19.2012

POPULOUS

Section 4-6 | Proposed Master Plan Central

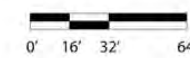
Proposed Facility Drawings



101 CONOURSE	2,0375 sq. ft.
102 ELEVATOR	90 sq. ft.
103 CONCESSION	400 sq. ft.
104 FAMILY RESTROOM	85 sq. ft.
105 MEN'S RESTROOM	410 sq. ft.
106 WOMEN'S RESTROOM	615 sq. ft.
107 WOMEN'S RESTROOM	615 sq. ft.
108 MEN'S RESTROOM	410 sq. ft.
109 MEN'S RESTROOM	410 sq. ft.
110 WOMEN'S RESTROOM	615 sq. ft.
111 WOMEN'S RESTROOM	615 sq. ft.
112 MEN'S RESTROOM	410 sq. ft.
113 FAMILY RESTROOM	85 sq. ft.
114 CONCESSION	400 sq. ft.

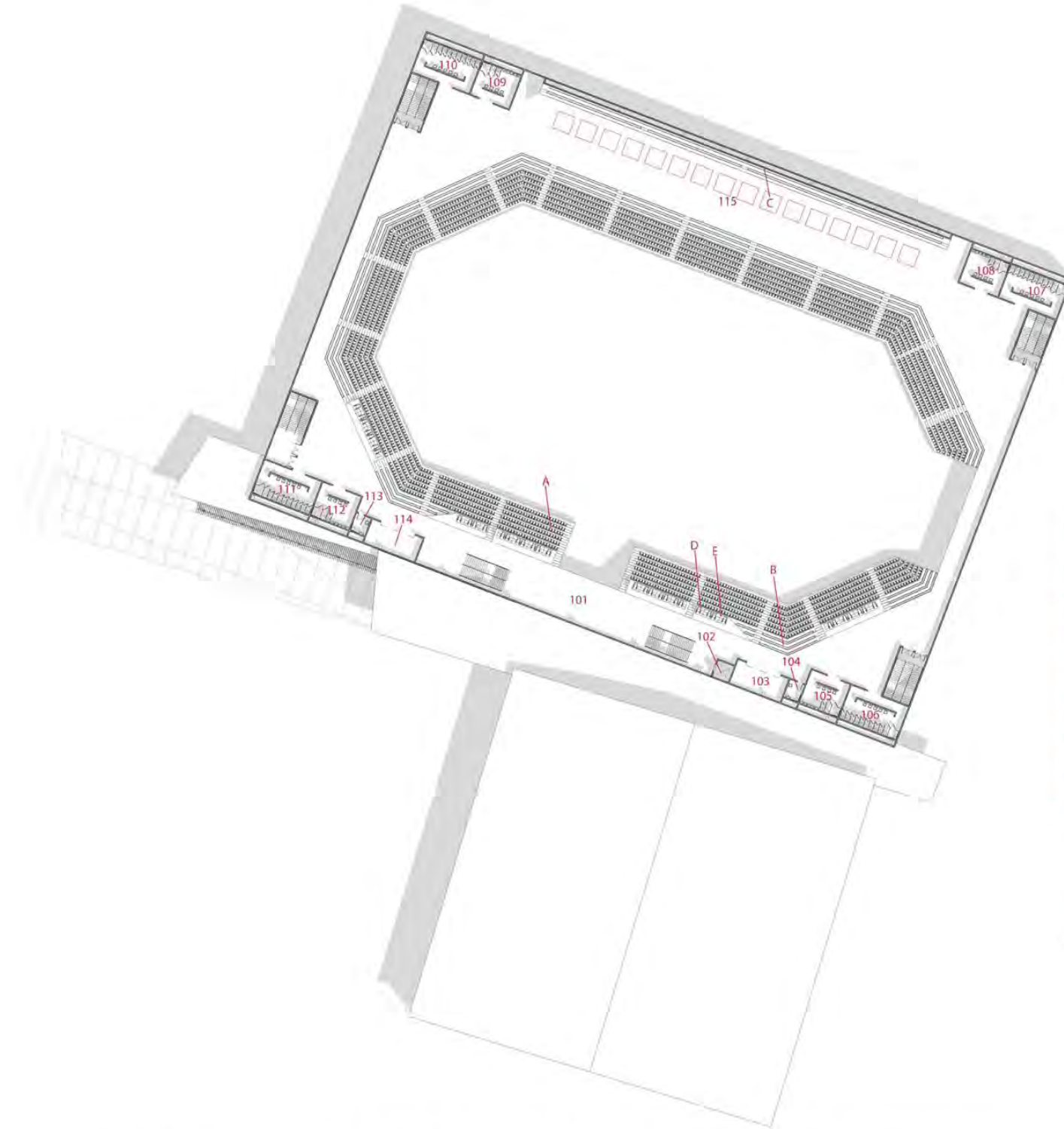
A FIXED STADIUM SEATS	2,556 seats
B BLEACHER SEATS	1,092 seats
C RETRACTABLE SEATING	1,296 seats
D ADA WHEELCHAIR SPOT	36 spots
E ADA COMPANION SEATS	36 seats

TOTAL SEATS 5,016 seats



Section 4-6 | Proposed Master Plan Central

Proposed Facility Drawings



101 CONOURSE	203,380 sq. ft
102 ELEVATOR	90 sq. ft
103 CONCESSION	400 sq. ft
104 FAMILY RESTROOM	85 sq. ft
105 MEN'S RESTROOM	410 sq. ft
106 WOMEN'S RESTROOM	615 sq. ft
107 WOMEN'S RESTROOM	615 sq. ft
108 MEN'S RESTROOM	410 sq. ft
109 MEN'S RESTROOM	410 sq. ft
110 WOMEN'S RESTROOM	615 sq. ft
111 WOMEN'S RESTROOM	615 sq. ft
112 MEN'S RESTROOM	410 sq. ft
113 FAMILY RESTROOM	85 sq. ft
114 CONCESSION	400 sq. ft
115 VENDOR SPACE	5,315 sq. ft
A FIXED STADIUM SEATS	2,556 seats
B BLEACHER SEATS	1,092 seats
C RETRACTABLE SEATING	—
D ADA WHEELCHAIR SPOT	36 spots
E ADA COMPANION SEATS	36 seats
TOTAL SEATS	3,720 seats

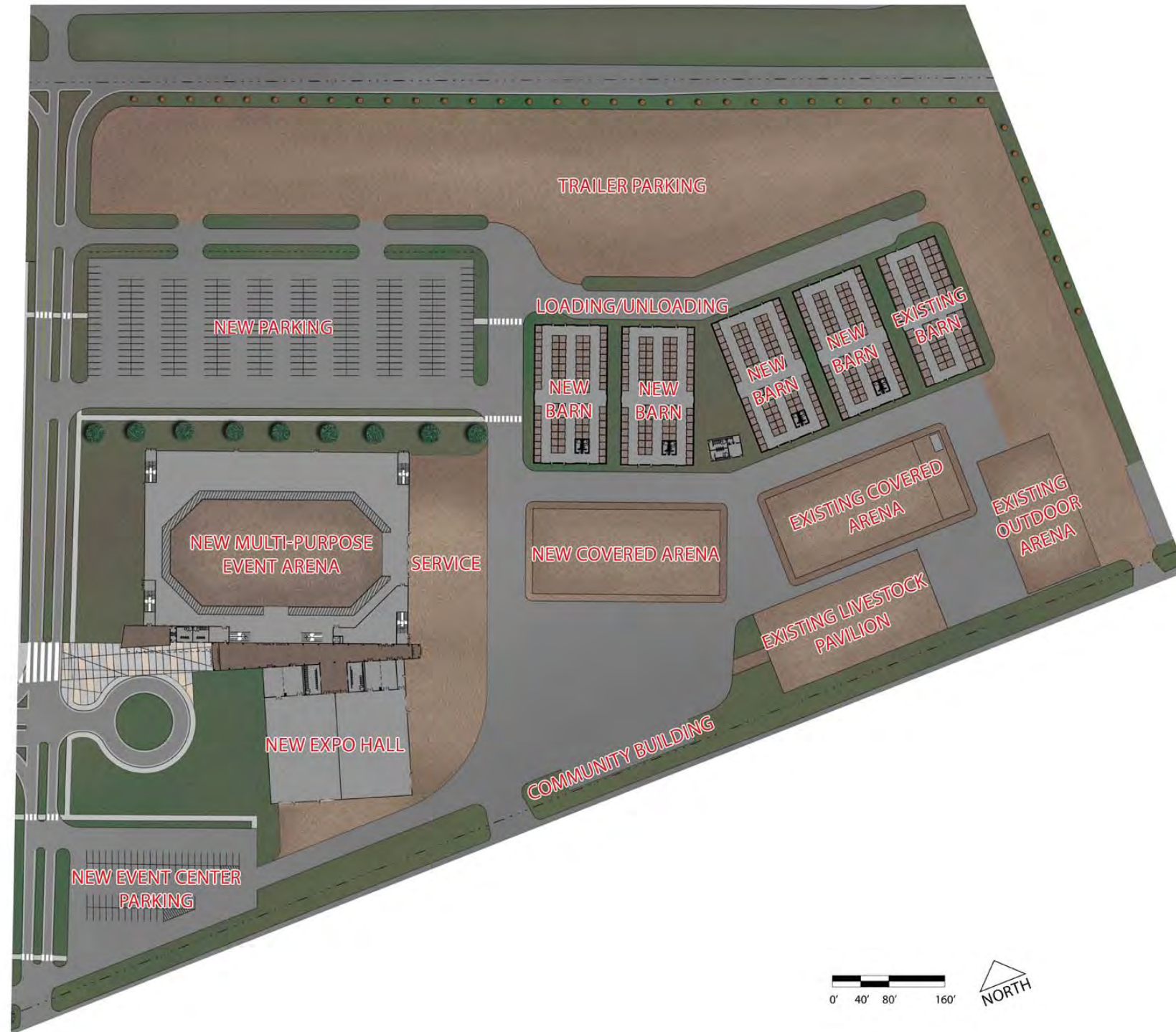


EVENT CENTER // CONCOURSE LEVEL RETRACTED / **MESA COUNTY FAIRGROUNDS** 11.19.2012

POPULOUS

Section 4-6 | Proposed Master Plan Central

Proposed Facility Drawings



Section 4-7 | Proposed Master Plan Central

Cost Estimate / Programming

Mesa County Fairgrounds
Proposed Central Master Plan Program
11/19/2012

Master Plan Program Summary Proposed Indoor Arena

Room / Functional Space	Total Structure gsf	Total Conceptual Estimate		
		Low	High	Average
A. Indoor Arena	167,037	\$20,978,610	\$24,513,540	\$22,746,075
B. Expo Hall	38,333	\$3,449,970	\$4,676,626	\$4,063,298
C. Barn 1	20,188	\$1,317,280	\$1,609,160	\$1,463,220
D. Barn 2	20,188	\$1,317,280	\$1,609,160	\$1,463,220
E. Site Development	15 acres	\$900,000	\$1,200,000	\$1,050,000
PROBABLE DIRECT CONSTRUCTION COST		\$27,963,140	\$33,608,486	\$30,785,813
CONTRACTOR P&O, BOND, ETC.	15%	\$4,194,471	\$5,041,272.90	\$4,617,871.95
DESIGN & CONSTRUCTION CONTINGENCY	10%	\$2,796,314	\$3,360,849	\$3,078,581
DESIGN & ENGINEERING FEES	3%	\$1,048,618	\$1,260,318	\$1,154,468
FURNITURE/FIXTURES/EQUIPMENT (FF&E)	0.25%	\$87,385	\$105,027	\$96,206
TOTAL PROJECT COST		\$36,089,928	\$43,375,952	\$39,732,940

NOTE: All costs September 2012, Project has not been designed

NOTE: Order of magnituded costs based on actual bids and project estimates for similar Populous projects across the United States

**Mesa County Fairgrounds
Proposed Central Master Plan Program
11/19/2012**

A. Indoor Arena

<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Vestibule and Atrium	1	7,976	7,976	Arena, Seating, Parking, Concessions, Restrooms,	- central circulation spine between arena and expo			
Vestibule and Atrium Total	1		7,976			\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 1,076,760.00	\$ 1,236,280.00	\$ 1,156,520.00
2.0 Arena Floor - 150x300	1	40,950	40,950	Barns, Seating, Parking, Concessions, Restrooms,	- dirt floor arena event surface			
Arena Floor (Building Structure) Total	1		40,950			\$ 135.00	\$ 155.00	\$ 145.00
						\$ 5,528,250.00	\$ 6,347,250.00	\$ 5,937,750.00
Arena Footing Add	1			\$2 to \$3 per Square Foot		\$ 81,900.00	\$ 122,850.00	\$ 102,375.00
					Estimated Direct Construction Cost	\$ 5,610,150.00	\$ 6,470,100.00	\$ 6,040,125.00
3.0 Kitchen / Support - Full Service Kitchen	1	4,115	4,115	Arena, Expo	- serves arena concessions and expo events			
Kitchen / Support Total	1		4,115			\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 555,525.00	\$ 637,825.00	\$ 596,675.00
4.0 Restrooms - Event Level - Mens, Womens, and Family	1	1,056	1,056	Arena, Entry, Exterior, Concessions, Seating	- exterior and interior access			
Restrooms Total	1		1,056			\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 142,560.00	\$ 163,680.00	\$ 153,120.00
5.0 Admin Offices - Office Space - Office Restrooms - Office Storage	1 1 1	1,890 80 295	1,890 80 295	Arena, Seating, Parking, Concessions, Restrooms,	- fair and arena staff offices - accessible from inside or outside arena			
Admin Offices Total	1		2,265			\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 305,775.00	\$ 351,075.00	\$ 328,425.00
6.0 Storage/Circulation/Structure - Circulation / Storage - Structure (seating bowl)	1 1	40,047 42,282	40,047 42,282					
Storage/Circulation/Structure Total	1		82,329			\$ 110.00	\$ 130.00	\$ 120.00
					Estimated Direct Construction Cost	\$ 9,056,190.00	\$ 10,702,770.00	\$ 9,879,480.00

**Mesa County Fairgrounds
Proposed Central Master Plan Program
11/19/2012**

A. Indoor Arena								
Room / Functional Space	No.	Sq. Ft.	Total	Adjacencies	Design Comments	Order of Magnitude est. cost per sf Low	Order of Magnitude est. cost per sf High	Order of Magnitude est. cost per sf Average
7.0 Stairways								
- Access and Exit Stairways	1	2,721	2,721					
Stairways Total	1	2,721				\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 367,335.00	\$ 421,755.00	\$ 394,545.00
8.0 Elevator								
\	1	180	180	Entry, Seating, Parking, Concessions, Restrooms,				
Elevator Total	1	180				\$ 500.00	\$ 750.00	\$ 625.00
					Estimated Direct Construction Cost	\$ 90,000.00	\$ 135,000.00	\$ 112,500.00
9.0 Upper level Concourse								
- Concourse	1	20,375	20,375	Entry, Seating, Concessions, Restrooms,				
Upper level Concourse Total	1	20,375				\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 2,750,625.00	\$ 3,158,125.00	\$ 2,954,375.00
10.0 Concessions								
- Concourse Level Concessions	1	800	800	Seating, Concourse Restrooms				
Concessions Total	1	800				\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 108,000.00	\$ 124,000.00	\$ 116,000.00
11.0 Restrooms - Concourse Level								
- Combined Restrooms	1	4,270	4,270	Seating, Concourse Concessions	- 4 mens, 4 womens, 2 family restrooms			
Restrooms Total	1	4,270				\$ 135.00	\$ 155.00	\$ 145.00
					Estimated Direct Construction Cost	\$ 576,450.00	\$ 661,850.00	\$ 619,150.00
12.0 Event Seating								
- Fixed Chair Back Seats			2,556		- multiple seating options for flexibility and pricing - 36 ADA wheelchair spaces w/ 36 companion seats	\$ 70.00	\$ 90.00	\$ 80.00
						\$ 178,920.00	\$ 230,040.00	\$ 204,480.00
- Fixed Bleacher Seats			1,092			\$ 40.00	\$ 60.00	\$ 50.00
						\$ 43,680.00	\$ 65,520.00	\$ 54,600.00
- Retractable Bleacher Seats			1,296			\$ 90.00	\$ 120.00	\$ 105.00
						\$ 116,640.00	\$ 155,520.00	\$ 136,080.00
Event Seating Total			5,016					
					Estimated Direct Construction Cost	\$ 339,240.00	\$ 451,080.00	\$ 395,160.00

A. Indoor Arena	167,037	Total Estimated Cost:	\$20,978,610	\$24,513,540	\$22,746,075
		Average Cost Per Square Foot:	\$126	\$146.76	\$136.17

**Mesa County Fairgrounds
Proposed Central Master Plan Program
11/19/2012**

B. Expo Hall

<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Expo Floor - Expo Floor	1	29,700	29,700	Event Arena, Restrooms, Parking	- divisible in two			
Expo Floor Subtotal	1		29,700			\$ 90.00	\$ 122.00	\$ 106.00
Estimated Direct Construction Cost						\$ 2,673,000.00	\$ 3,623,400.00	\$ 3,148,200.00
2.0 Break Out Rooms - Divisible Room 1 - Divisible Room 2	1 1	2,290 1,825	2,290 1,825	Event Arena, Restrooms, Parking, Expo Floor	- two rooms each divisible in two			
Break Out Rooms Total	2		4,115			\$ 90.00	\$ 122.00	\$ 106.00
Estimated Direct Construction Cost						\$ 370,350.00	\$ 502,030.00	\$ 436,190.00
3.0 Restrooms - Mens - Womens	1 1	895 895	895 895	Event Arena, Expo Floor	- two rooms each divisible in two			
Restrooms Total	2		1,790			\$ 90.00	\$ 122.00	\$ 106.00
Estimated Direct Construction Cost						\$ 161,100.00	\$ 218,380.00	\$ 189,740.00
4.0 Circulation / Structure - Divisible Room 1	1	2,728	2,728	Event Arena, Restrooms, Parking, Expo Floor	- two rooms each divisible in two			
Circulation / Structure Total	1		2,728			\$ 90.00	\$ 122.00	\$ 106.00
Estimated Direct Construction Cost						\$ 245,520.00	\$ 332,816.00	\$ 289,168.00

B. Expo Hall	38,333	Total Estimated Cost:	\$3,449,970	\$4,676,626	\$4,063,298	
			Average Cost Per Square Foot:	\$90	\$122	\$106

**Mesa County Fairgrounds
Proposed Central Master Plan Program
11/19/2012**

C-D. Stall Barn								
<i>Room / Functional Space</i>	<i>No.</i>	<i>Sq. Ft.</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per sf Low</i>	<i>Order of Magnitude est. cost per sf High</i>	<i>Order of Magnitude est. cost per sf Average</i>
1.0 Restrooms / Showers - Clear Span Space for Stalls	1	400	400	Stalls, Covered Arenas, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - cmu block construction w/ mechanical above			
Restrooms / Showers Subtotal	1	400				\$ 100.00	\$ 110.00	\$ 105.00
					Estimated Direct Construction Cost	\$ 40,000.00	\$ 44,000.00	\$ 42,000.00
2.0 Open Floor Area - Open Floor for Stalls or Pens	1	19,788	19,788	Restrooms, Covered Arenas, Wash Stalls, Show Office	- aesthetic design to match existing "new stable" - clear span pre-engineered steel structure - cuploa vents at ridge			
Open Floor Area Total	1	19,788				\$ 60.00	\$ 70.00	\$ 65.00
						\$ 1,187,280.00	\$ 1,385,160.00	\$ 1,286,220.00
Stalls Add	1			90 stalls - \$1,000 to \$2,000 each		\$ 90,000.00	\$ 180,000.00	\$ 135,000.00
					Estimated Direct Construction Cost	\$ 1,277,280.00	\$ 1,565,160.00	\$ 1,421,220.00

C-D. Stall Barn	20,188	Total Estimated Cost:	\$1,317,280	\$1,609,160	\$1,463,220
		Average Cost Per Square Foot:	\$65	\$80	\$72

E. Phase 3 Site Development								
<i>Room / Functional Space</i>	<i>No.</i>	<i>Acres</i>	<i>Total</i>	<i>Adjacencies</i>	<i>Design Comments</i>	<i>Order of Magnitude est. cost per acre Low</i>	<i>Order of Magnitude est. cost per acre High</i>	<i>Order of Magnitude est. cost per acre Average</i>
1.0 General Site Development - General Site Development (acres)	15.0	1.0	15.0		- asphalt parking / concrete walks - landscaping - demolition - major utilities			
Site Development Total	1	15.0				\$ 60,000.00	\$ 80,000.00	\$ 70,000.00
					Estimated Direct Construction Cost	\$ 900,000.00	\$ 1,200,000.00	\$ 1,050,000.00

E. Phase 3 Site Development Acreage	15.0	Total Estimated Cost:	\$900,000	\$1,200,000	\$1,050,000
		Average Cost Per Acre:	\$60,000	\$80,000	\$70,000

Section 4-8 | Proposed Master Plan Central

Economic Analysis

Usage/Event Activity

The following table summarizes the estimated incremental usage/event activity at the Fairgrounds in a stabilized year of operations associated with **all** of the proposed Master Plan improvements (i.e., East, West, and Central referred to as “Complete”).

Event Type	Number of Events	Total Usage Days	Total Attendee Days
Equine/Rodeo Events	21 – 24	68 – 78	45,400 – 53,800
Concerts/Festivals	6 – 8	6 – 8	21,000 – 28,000
Family Shows	8 – 10	20 – 25	24,000 – 30,000
BMX/Sporting Events	4 – 5	8 – 10	24,000 – 30,000
Consumer Shows/Expos	8 – 10	24 – 30	24,000 – 30,000
Civic/Community Events	30 – 36	45 – 54	15,000 – 18,000
Total	77 – 93	171 – 205	153,400 – 189,800

Note: Refer to the Market Analysis in Appendix B and the Business Plan in Appendix C for more detail regarding the above estimates.

Impact to Financial Operations

The following table shows the estimated operating revenues and operating expenses for the Fairgrounds in a stabilized year of operations with all of the proposed Master Plan improvements compared to the three-year historical average.

Category	Three-Year Historical Average	Master Plan Complete
Operating Revenues	\$125,000	\$1,095,000 – \$1,287,000
Operating Expenses	\$375,000	\$1,358,000 – \$1,487,000
Net Operating Gain/(Loss)	(\$250,000)	(\$263,000) – (\$200,000)

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Economic Impacts

The following table shows the estimated economic impacts associated with on-going operations of the Fairgrounds in a stabilized year of operations with all of the proposed Master Plan improvements compared to the three-year historical average.

Category	Three-Year Historical Average	Master Plan Complete
Direct Spending	\$2.4 million	\$9.3 million – \$10.8 million
Indirect/Induced Spending	\$1.4 million	\$5.7 million – \$6.7 million
Total Spending	\$3.8 million	\$15.0 million – \$17.5 million
Total Earnings	\$1.1 million	\$4.6 million – \$5.3 million
Total Employment	50	200 - 230

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Fiscal Impacts

The following table shows the estimated fiscal impacts (or tax revenues) associated with on-going operations of the Fairgrounds in a stabilized year of operations with all of the proposed Master Plan improvements compared to the three-year historical average.

Municipality	Three-Year Historical Average	Master Plan Complete
Mesa County	\$47,000	\$169,000 – \$195,000
City of Grand Junction	\$94,000	\$311,000 – \$357,000
State of Colorado	\$94,000	\$347,000 – \$402,000
Grand Total	\$235,000	\$827,000 – \$954,000

Notes: Slight differences due to rounding. Refer to the Business Plan in Appendix C for more detail regarding the above estimates.

Appendix A | Existing Facilities

The following is a brief analysis of the primary existing facilities on the Fairgrounds site. Facilities left vacant due to the relocation and expansion of their current programmatic functions are repurposed and/or relocated when possible with the exception of those facilities that have reached the end of their serviceable life.

Grandstand



The existing grandstand facility is nearing the end of its serviceable life. Accessibility, general infrastructure, and structural issues are numerous including large cracks in the concrete, aging restrooms, undersized and poorly fitted kitchen and concessions, outdated ticketing facility, and non-compliant handicap facilities and accommodations.

Renovating the Grandstand will require a substantial investment and, upon completion, will not be able to host any more or different events than it currently accommodates. The county will receive much greater value from replacing the Grandstand with an Event Arena that can host a wider variety of events in all weather conditions including those events currently held at the Grandstand.

Fairgrounds Office



The existing Fairgrounds office is a nice facility however it is close to capacity with the current administration staff. Populous recommends relocation and expansion of the office functions to the new Multi-Purpose Event Arena and Expo facility. Relocating to this new facility provides a centralized easy to find location for the administration offices and the opportunity for expansion of the offices to accommodate growth of the administrative staff. The existing location of the office may prohibit critical future phased growth of parking area and circulation to support functions at the equestrian/livestock facilities and Event Arena if it remains in place. The office building will be relocated in to the CSU Extension area in the long term planning and may serve as an office and/or community meeting space.

Jockey Club



The existing Jockey Club building location may prohibit critical long term growth of parking area to support functions at the equestrian/livestock facilities and Event Arena. Populous recommends the removal or relocation of this facility when the Multi-Purpose Event Arena and Expo Hall is constructed. Meeting rooms will be included as a programmatic requirement of the new facilities to replace the current function of the Jockey Club building.

The county might explore the relocation of this facility to the new maintenance compound as an office and break room building. The practicality of relocating the aging structure would require further review.

Community Building



The role of the existing Community Building as the largest exhibit hall space on site will be replaced by the proposed Expo Hall at the Multi-Purpose Event Arena. The existing Community Building will continue to be utilized for its current functions by smaller community groups such as 4-H.

Parks, Sports, and Rec Fields



Lion's Park and Veteran's Park are regularly used as sports practice fields for youth sport leagues. They are also used for organized events such as dog shows. Existing pavilions, restrooms, and other hard scape features will remain in Lion's Park. Veteran's Park will be relocated.

Once the new entry road to the Fairgrounds is developed it will be necessary to provide separate parking for the green space to either side of the entry road and to eliminate or highly control pedestrian circulation between the fields. To address this issue the Master Plan indicates a new parking area to the west of the entry drive serving the ball fields and Lion's Park.

Show Office



The existing Show Office at the Equestrian/Livestock venue is a new portable building located at the end of the existing Covered Arena. The existing facility will function well for short term future growth however, a permanent show office and restroom building is a long term goal.

The portable Show Office building should be utilized for other needs on site once removed from the Covered Arena. The Covered Arena will benefit from the removal of the Show Office by the expansion of the covered staging area at the end of the arena.

R.V. Sites



Existing RV pedestals and parking spaces are located along the east boundary of the site to the east of the equestrian/livestock facilities. The existing spaces are ideally situated and should remain as they are. Additional RV pedestals will be located along the perimeter of trailer parking areas. They are intended to be connections only. Islands and other landscape features found in a typical RV park take up too much space in the parking areas and are not required. Full service pedestal connections are preferred with 50 amp electrical.

Outdoor Rodeo / Event Arena



The existing Rodeo Event Grounds are located directly to the north of the existing Grandstand. The Grandstand is the spectator platform for the Rodeo Grounds. The infrastructure of the Rodeo Grounds is aging and would be removed with the Grandstand when the Multi-Purpose Event Arena is constructed. Some components of the Rodeo Grounds should be salvaged such as lighting and bleachers for reuse at other venues such as the Outdoor Riding Arena at the equestrian venue or the BMX track. Rodeos and other events currently held at the Rodeo Grounds would be held in the Event Arena.

Covered Arena



The existing Covered Arena is perfectly sized and well situated for integration into the equestrian venue Master Plan. Long term improvements might include permanent railing and aesthetic updates such as painting, new metal panels, and roof vent structures to match the design aesthetic of the proposed new equestrian venue facilities.

Pavilion



The existing pavilion is not a clear span structure, which limits its flexibility as a dedicated component of the equestrian venue. It is however ideally suited for hosting smaller livestock events with pens around the perimeter and show rings in the center. For larger livestock events the pavilion could be completely dedicated to pens and a portion of the equestrian venues would be used for show rings or additional stalling as needed. The existing Livestock Pavilion can be utilized as a stall barn when needed for large equestrian events, and to offset the need for temporary stalls in the short term.

Long term improvements might include aesthetic updates such as painting, new metal panels, and roof vent structures to match the design aesthetic of the proposed new equestrian venue facilities.

New Stable



The existing recently constructed 75 stall barn is an anchor and model for the future barns and overall aesthetic language of the proposed future equestrian/livestock facilities. Future barns will likely utilize a more flexible stall system allowing the clear span barn structures to be used as open floor arena type facilities or setup with a mixture for stalls and open floor space. New stall barns are designed around a 10'x10' portable stall system to maximize the stall count under roof.

Gazebo



The existing Gazebo facility will require relocation when the Multi-Purpose Event Arena is constructed. Possible relocation opportunities are at the sports and rec fields or perhaps integrated into the arboretum to create a wedding venue.

Tri-River Extension Office



The CSU Extension office and Arboretum is located directly to the east of the ball fields toward the south edge of the Fairgrounds site. The extension service provides a variety of community outreach programs. The most visible of these programs is the arboretum that has been created through the volunteer efforts of the master gardener program. The proposed Master Plan indicates the Extension offices and Arboretum remaining in their existing locations. Space is available at their current location for expansion of the gardens and the addition of future offices or related facilities.

Equine / Livestock Area Restroom Building



The existing restroom building between the new barn and the large outdoor arena will remain in place until it reaches the end of its serviceable life. This is a critical amenity for equestrian and livestock events. The proposed Master Plan indicates the development of a new show office and restroom building in the stabling area in the long term Master Plan. The existing restroom facility sits in the center of a critical equestrian circulation route and will be removed in a later phase of the Master Plan implementation.

Grand Valley BMX Venue



The existing BMX venue is a great community asset. It is highly utilized and offers strong potential for growth of participation and events. In its current location it is land locked and unable to expand. The facility lacks permanent well developed amenities such as restrooms, concessions, and covered spectator seating. The existing BMX track is located in tight proximity to the Extension gardens and Arboretum. Activities at the two venues are highly incompatible creating issues for the operators and users of both facilities. Relocating the BMX facility will alleviate the compatibility issues and have a positive effect for all related stakeholders.

Orchard Mesa Little League Venue



The existing ball fields and open green spaces are heavily utilized by community groups for sports and recreation. The Master Plans propose no changes to the existing ball fields with the exception of a more defined entry plaza to fit with pedestrian circulation access paths, parking alterations, and the 50' expansion of one field to enhance tournament hosting opportunities.

Arboretum



The conceptual Master Plan indicates the Extension offices and Arboretum remaining in their existing locations. Space is available at their current location for expansion of the gardens and the addition of future offices or related facilities.

Arboretum Amphitheater



The Arboretum Amphitheatre is located along the south side of the Fairgrounds to the east of the BMX venue. The Master Plan indicates a future shade structure over the amphitheater to enhance the opportunities for use of the venue.

4-H Storage Building



The 4-H storage building is located just to the west of the existing North Barns. The storage building should be relocated in a future phase to open up circulation and trailer parking space for the equestrian venue as it grows. A possible solution for relocation of this building might be the relocation of 4-H storage to the existing maintenance shop area once the maintenance function is relocated. The existing 4-H storage building could then be moved to the new maintenance compound for storage of equipment or used as a shop building. 4-H storage will be fully accommodated in the proposed Master Plan.

Master Plan for the Mesa County Fairgrounds

Appendix B: Market Analysis

Submitted to:



November 2012

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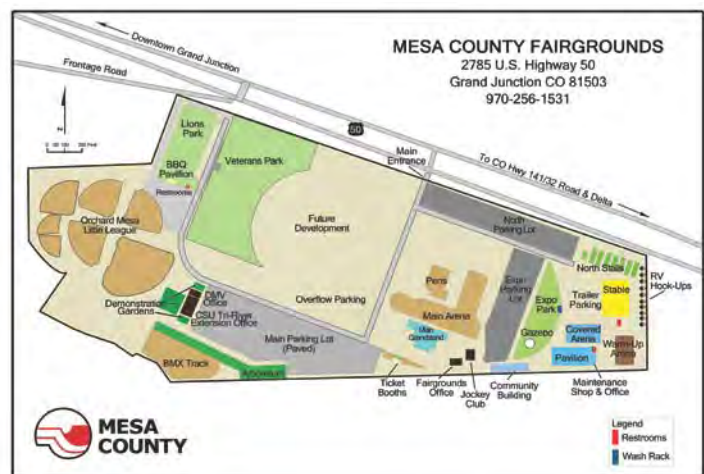
Introduction

Located on the Western Slope of Colorado approximately midway between Denver and Salt Lake City, Mesa County has a population of nearly 150,000 and median household income of more than \$47,000. The County seat is Grand Junction which has a population of more than 52,900 people. Grand Junction is the largest city in a 250-mile radius and serves as the regional center for entertainment, professional/medical services, and retail merchandising.

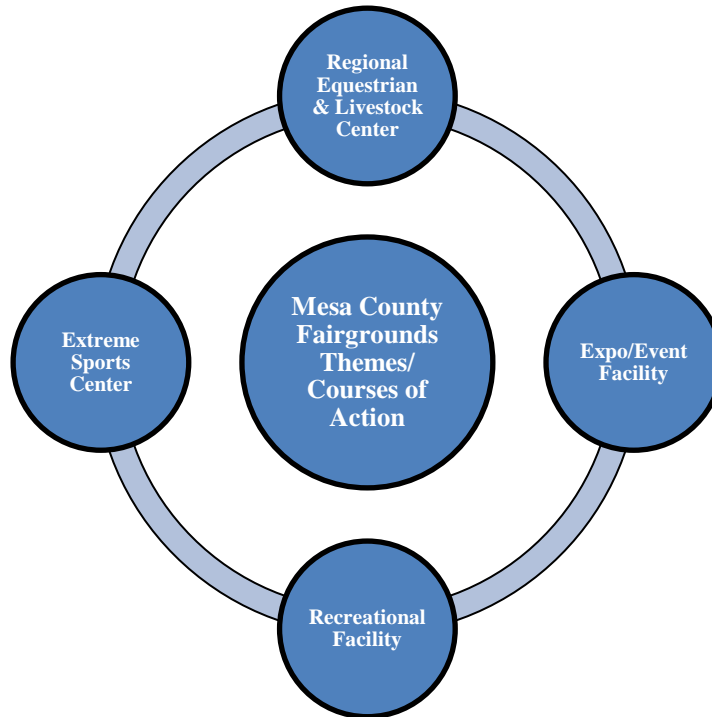
Established in the 1940s, the Mesa County Fairgrounds (Fairgrounds) complex has served Mesa County residents for over 70 years. Located along US Hwy 50 in the Orchard Mesa area of Grand Junction, the 93-acre facility is approximately five miles east of the city center. As with many fairgrounds in the U.S., the Mesa County Fairgrounds was originally developed outside of the City limits in a relatively undeveloped area. However, given the residential and recreational demands associated with a steady population growth, the Mesa County Fairgrounds is now located within a neighborhood. In addition, the City and County have plans to build an I-70 interstate interchange at 29 Road. While portions of this project were completed in 2011, the future connection to I-70 is still several years away. These highway improvements will have a direct impact on vehicular accessibility to the Fairgrounds.

The mission of the Fairgrounds is to provide the citizens of Mesa County with a multi-use event facility which serves agricultural, business, cultural, educational, recreational, urban and youth interests of Mesa County and the Western Slope. As such, the Fairgrounds hosts a diverse set of event activities including, but not limited to, the County Fair, festivals, rodeos, carnivals, horse/livestock shows, 4-H activities, concerts, family shows, expos and conferences, private receptions and meetings/trainings for other County departments. The Fairgrounds is typically used more than 295 days per year to host nearly 500 activities and serve more than 100,000 residents and area visitors. In addition, the property is utilized by neighborhood residents for activities such as walking, bicycling, picnicking, and exercising dogs.

The Fairgrounds are operated by four full-time staff that are responsible for booking, executing contracts, setting up rooms/facilities for different users, managing events, and maintaining the grounds. As shown in the adjacent graphic, the Fairgrounds consists of numerous buildings/barns that comprise 137,000+ square feet of space, two indoor facilities, the Colorado State University (CSU) Extension Offices and arboretum, a Little League Baseball complex, and a BMX bicycle track. Over the past 20 years, several plans have been developed for new and improved facilities, most of which have not garnered the necessary support for implementation in their entirety. In 2011, a new 75-stall horse barn was built and other significant equestrian facility improvements were completed.



In 2009, Mesa County staff prepared a document that summarized various facility improvement options. Subsequent to this effort, a 17-member Steering Committee including, but not limited to, representatives from Mesa County, the Mesa County Fair Board, the City of Grand Junction Parks and Recreation, the Grand Junction Visitor and Convention Bureau (VCB), and the CSU Extension was formed to develop a series of recommendations for development themes and strategies that blended community stated needs and County objectives. An interim report was prepared in January of 2011 that summarized the master planning efforts to date and identified the major themes or focus areas that the Fairgrounds should consider developing or expanding. In July 2011, the Master Plan Steering Committee's preferred ideas included the following:



Based on this backdrop, Mesa County retained Crossroads and Populous to prepare a Master Plan for the Fairgrounds to be used as a decision-making tool in evaluating the relative merits of various courses of action for the next 10 years.

Specific research tasks conducted as part of the market analysis include, but were not limited to, the following:

- Conducted interviews and/or work sessions with various stakeholders.
- Reviewed previous studies and documentation related to the Fairgrounds.
- Analyzed select market characteristics including demographic/economic data, employment base, accessibility, lodging supply, tourism statistics, climate, and area attractions.
- Reviewed industry trends including: equine, agriculture, agritourism, state/regional animal science education/research, expositions/exhibitions, sports/entertainment, and extreme sports.
- Analyzed historical Fairgrounds operating data.
- Analyzed operating data from competitive/comparable facilities.

- Identified market related strengths, weaknesses, opportunities and threats facing the Fairgrounds.
- Prioritized the preferred themes/courses of action currently under consideration for further analysis.
- Summarized findings and conducted work sessions/presentations to convey results to stakeholders.

The remainder of this report summarizes the key findings from our research and analysis.

Market Overview

Given the County's objective to prioritize the themes/courses of action identified by the Master Plan Steering Committee based on their ability to meet the County's overall mission and long-term operating objectives for the Fairgrounds, our team assessed the existing market within which the complex operates. This section of the report profiles select market characteristics including demographic/economic data, area employment, accessibility, lodging supply, tourism statistics, climate and area attractions.

Demographic/Economic Data

Demographic and economic indicators are pertinent to estimating future market demand for several reasons. Event activity at the Fairgrounds is diverse and includes sporting events, consumer/tradeshows, equine and agricultural activity, as well as various other civic/community events such as 4-H activity, meetings/seminars, banquets/receptions, and social functions. Depending on the scope and nature of the event, the facility draws from both area residents and out-of-town attendees.

In addition, event promoters/producers for certain event activity such as concerts, family shows, consumer shows and special events consider a variety of factors such as population, age distribution, and income characteristics when selecting markets to host their events. The demographic data presented in this report is based on the anticipated primary and secondary markets of the Fairgrounds as defined below. Demographic statistics are provided by Claritas, a Nielsen company that provides current and projected U.S. demographics based on U.S. census figures.

Population

Population serves as a base from which events at the Fairgrounds draw attendance and other forms of support. Local, civic based events tend to attract attendees from a relatively close primary market area such as Mesa County. Exhibit, flat floor events as well as sports and entertainment events typically draw from a broader area considered the primary and secondary market (e.g., 75 mile radius). This is common, particularly in rural communities, where competitive facilities are not proximate. Depending on the scope of event (e.g., State, regional, national), shows/competitions (e.g., equine, dog shows) can draw participants and spectators from an even larger radius. For example, contestants are typically willing to travel farther to sanctioned events in order to compete in qualifying shows/events.

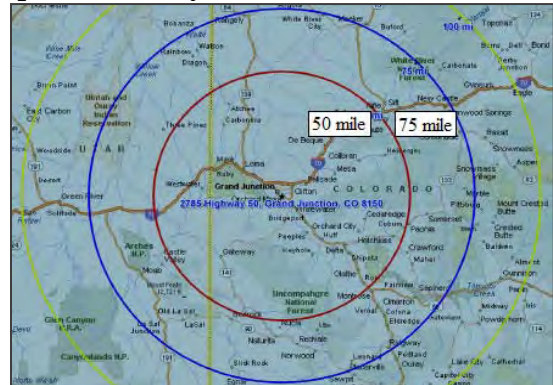
As shown in the following map, Mesa County is located in western Colorado along the border with Utah. The Rocky Mountains separate Mesa County and other "Western Slope" communities from those on the east side of the range.

Primary Market Area – Mesa County



Source: www.googlemaps.com.

Map of Secondary Market Area– 75-Mile Radius



Source: Claritas.

The table below shows the historical and projected trends in population for Mesa County and a 75-mile radius around Grand Junction. There are approximately 148,800 people living in Mesa County and 293,100 people living within a 75-mile radius. Between 2011 and 2016, the population in the County and the broader radius is projected to increase by an average annual rate of approximately 2.0%.

Trends in Population		
Data	Mesa County	75-mile radius
2000 Census	116,255	232,473
2011 Population	148,772	293,070
2016 Projection	163,452	320,748
Average Annual Growth 2000-2011	2.5%	2.4%
Average Annual Growth 2011-2016	2.0%	1.9%

Source: Claritas.

Age Distribution

Analysis by age group is helpful since certain events are targeted toward consumers who fall within specific age categories. As shown in the table below, nearly 50% of residents in Mesa County and the broader radius are within the ages of 18 and 54, a popular target market for expositions, concerts, family shows, rodeos, festivals and other spectator events.

2011 Population by Age				
Age Category	Mesa County		75-mile radius	
	Number	%	Number	%
Under 18 Years Old	36,149	24.3%	73,093	24.9%
18 - 34 Years Old	34,585	23.2%	63,134	21.5%
35 - 54 Years Old	37,573	25.3%	75,854	25.9%
55+ Years Old	40,465	27.2%	80,990	27.6%
2011 Median Age	37.2		38.0	

Source: Claritas.

Income

Income offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase a variety of goods and services including admission to events. As shown in the table that follows, the estimated 2011 median household income in Mesa County (\$47,100) is similar to that in the broader surrounding radius (\$47,500). In addition, approximately one-quarter of the households in Mesa County and the surrounding radius have income levels of \$75,000 or more.

2011 Households by Household Income				
Income Category	Mesa County		75-mile radius	
	Number	%	Number	%
Less than \$15,000	6,778	11.4%	13,168	11.4%
\$15,000 to \$24,999	7,164	12.0%	13,650	11.8%
\$25,000 to \$34,999	7,212	12.1%	14,151	12.2%
\$35,000 to \$49,999	10,653	17.9%	20,327	17.5%
\$50,000 to \$74,999	12,514	21.0%	24,686	21.3%
\$75,000 to \$99,999	7,004	11.8%	13,706	11.8%
\$100,000 to \$149,999	5,158	8.7%	10,700	9.2%
\$150,000 to \$199,999	1,451	2.4%	2,713	2.3%
\$200,000 to \$499,999	1,327	2.2%	2,280	2.0%
\$500,000 or more	281	0.5%	454	0.4%
2011 Median Household Income	\$47,133		\$47,507	
2011 Average Household Income	\$61,732		\$61,096	
2011 Per Capita Income	\$24,980		\$24,464	

Source: Claritas.

Area Employment Base

A broad workforce distribution helps lessen a community's dependency on support from any one single industry segment. Industry diversification also helps a local economy withstand economic downturns due to dependency upon one industry; should one industry fail, there are others upon which the local economy can rely. While Mesa County offers employment in various industries, employment data shown in the following table indicates that the workforce is primarily concentrated in private services. Trade, transportation and utilities comprise the largest segment of private employment followed by education and health services.

Employment by Industry for Mesa County (2011)		
Industry	Total Jobs	% of Total
Total Private	49,600	83%
Government	9,900	17%
Goods Producing	9,500	16%
Service-Providing	50,000	84%
Private Sector Distribution		
Retail Trade	7,700	13%
Transportation Warehousing and Utilities	2,700	5%
Wholesale Trade	2,300	4%
Educational and Health Services	9,100	15%
Mining, Logging and Construction	6,900	12%
Leisure and Hospitality	6,800	11%
Professional and Business Services	5,300	9%
Financial Activities	2,900	5%
Manufacturing	2,600	4%
Other Services	2,400	4%
Information	900	2%
Total Nonfarm Employment	59,500	100%

Notes : *Italics* indicates a subset of a larger category.

Sorted in descending order by total jobs.

Source: Colorado Department of Labor.

As of June 2012, the annual unemployment rate for Mesa County was 9.4%, which was higher than that for the State of Colorado (8.3%) and the U.S. (8.3%).

Mesa County School District 51, State of Colorado, and Mesa County comprise three of the top five employers in the Grand Junction area while City Markets, Inc., St. Mary's Hospital and Medical Center, Halliburton Energy, and Wal-Mart are the largest private sector employers.

Grand Junction Area - Major Employers 2012	
Company Name	Employees
Mesa County School District #51	2,554
City Markets, Inc.	1,656
St. Mary's Hospital & Medical Center	1,494
State of Colorado	973
Mesa County	962
Halliburton Energy	855
Wal-mart	775
City of Grand Junction	625
Star Tek USA, Inc.	600
VA Medical Center	600
Community Hospital	583
Colorado Mesa University	556
Hilltop Community Hospital	530
Family Health West	447
Mesa Developmental Services	395
Rocky Mountain Health Plans	355
U.S. Post Office	335
West Star Aviation	318
McDonald's	277
PCP Primary Care Partners	238
StarTek USA, Inc.	237
FCI Constructors	235
Colorado West Regional Mental Health	231
Hospice & Palliative Care	228
Schlumberger Tech Corp	220
United Companies	215
Choice Hotels	204
Total	16,698

Source: Grand Junction Economic Partnership.

Accessibility

Accessibility, particularly via highway, is an important factor to the overall success of multi-use event centers and tourist attractions. Located on the western border of Colorado, Grand Junction is located along Interstate 70, which provides a convenient link with such major population and tourist centers as Denver, Vail, Aspen and Salt Lake City.

Regional Vehicular Access



Source: Googlemaps.

As shown in the previous map, Interstate 70 provides significant east-west access to Grand Junction with north/south interstate access available via I-25 through Denver to the east and I-15 through Salt Lake City to the west.

Commercial air service is provided by the Grand Junction Regional Airport which is just minutes from downtown. This airport offers daily non-stop flights to Denver, Salt Lake City, Phoenix, Las Vegas, Dallas and Houston via Allegiant, American Airlines, Delta, United, and US Airways.

As shown in the adjacent table, passenger enplanements increased by 37% between 2006 and 2011. The Federal Aviation Administration (FAA) defines enplanements as domestic, territorial and international passengers who board an aircraft in scheduled and non-scheduled service of aircraft.

Grand Junction Regional Airport		
Year	Passenger Enplanements	Percentage Change
2006	159,509	
2007	170,443	6.9%
2008	212,588	24.7%
2009	228,850	7.6%
2010	219,358	-4.1%
2011	217,988	-0.6%
Average	198,000	
6-Year Change	37%	

Sources: Federal Aviation Administration.

Lodging Supply

The diversity and supply of hotel rooms proximate to the Fairgrounds can be an important factor in attracting events, accommodating spectators/participants and generating room nights. According to data provided by the Grand Junction VCB, the City has 35 hotel properties offering over 3,000 hotel rooms. The adjacent table lists properties in the City offering at least 100 rooms.

Larger Hotels in the City of Grand Junction	
Property	Number of Rooms
Doubletree by Hilton	273
Clarion Inn	239
Grand Vista Hotel	158
Country Inns of America	141
Courtyard by Marriott	133
Super 8 - Grand Junction	130
Holiday Inn & Suites	118
La Quinta Inn & Suites	108
Quality Inn	107
Residence Inn by Marriott	104
Marriott-Downtown Springhill Suites	100
Motel 6	100
Ramada Inn	100
West Gate Inn	100
Total	1,911

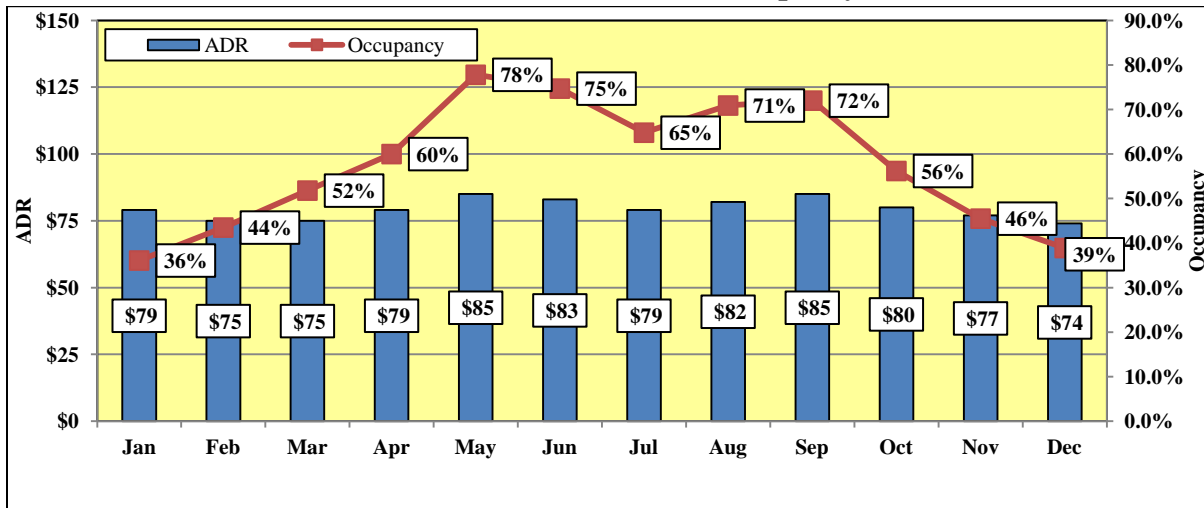
Notes: Sorted in descending order by number of rooms.

Only includes hotels with a minimum of 100 rooms.

Source: Grand Junction VCB.

The graph that follows summarizes the occupancy and ADR by month at Grand Junction hotels in 2011. As shown, the Grand Junction community experiences seasonality in its visitation with peak months of May through September. According to the *Rocky Mountain Lodging Report*, average hotel occupancy in Grand Junction during 2011 was 58% with an annual ADR of \$80 which was consistent with 2010. One goal of any new Fairgrounds development is to augment visitation particularly during the shoulder months.

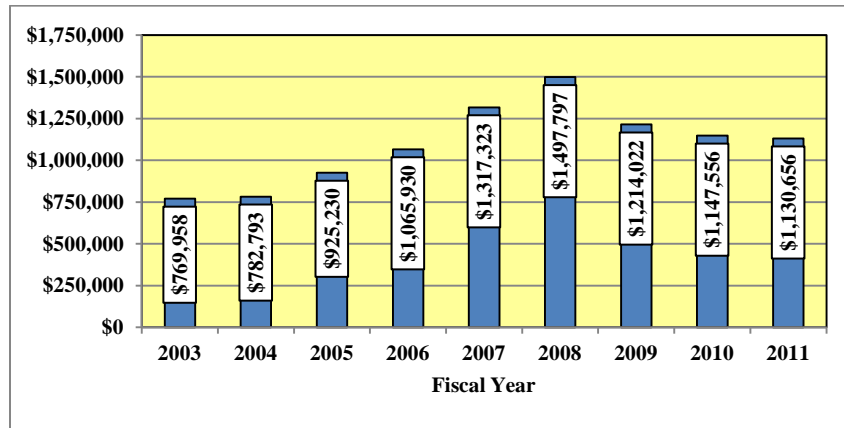
Grand Junction Hotel ADR and Occupancy – 2011



Source: Grand Junction VCB.

Other objectives of enhancing the Fairgrounds include further enhancing and diversifying the Grand Junction area as a destination, draw out-of-town visitors as well as increasing economic impact and lodging tax collections. The City currently imposes a 3% lodging tax which is used solely by the VCB to promote tourism in the City. As shown in the following graph, lodging tax collections in the City of Grand Junction peaked in 2008 and have declined each year since.

City of Grand Junction Lodging Tax Collections



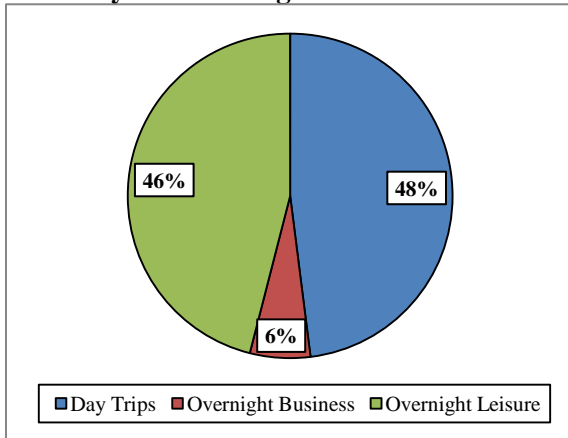
Source: Grand Junction VCB.

Tourism Statistics

Tourism is a significant economic generator for Grand Junction and the State of Colorado. Visitors spending money on items such as lodging, retail, eating/drinking and entertainment/recreational establishments supplements local resident spending at area businesses and increases tax revenues to both local and State governments. As such, several research studies have been conducted at the State level.

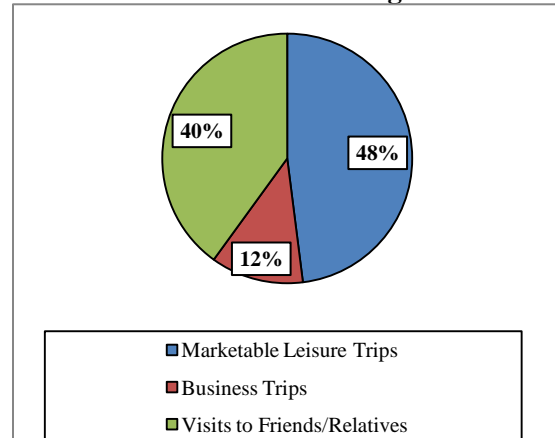
According to research conducted by Longwoods International, Colorado welcomed over 55.1 million visitors to the State in 2010 including approximately 28.9 million overnight visitors, a 5% increase over the number of overnight visitors in to the State in 2009. The primary reason for the overnight trip was marketable leisure trips (48%) which are defined as discretionary leisure trips most subject to influence by marketing and promotional activity. Visits to friends/relatives (40%) were the second largest reason for overnight trips followed by business trips (12%).

2010 Day and Overnight Visitors to Colorado



Source: Longwoods International.

2010 Distribution of Overnight Visitors



Outside of Colorado, the primary states of origin for overnight visitors were California, Texas, Arizona, Illinois, New Mexico and Florida.

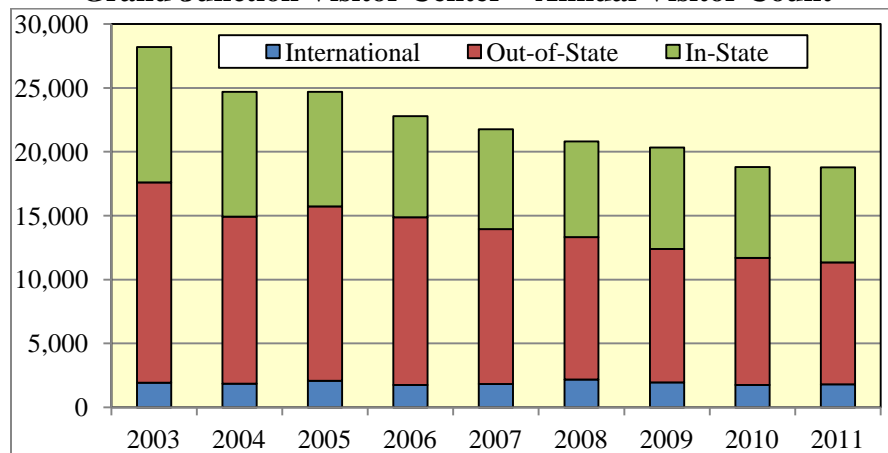
Overnight leisure visitors spent an average of 4.8 nights with an average party size of three people. July through September was the most popular season for overnight visitors, representing 30% of total visitation. The most popular activities cited by overnight visitors included shopping (33%), visiting National/State parks (24%), fine dining (22%), and landmark/historic sites (19%).

Visitors traveling to and throughout Colorado represent an important component of the State's economy. According to a recent study conducted by Dean Runyan Associates for the Colorado Tourism Office, travel spending by all overnight and day visitors in Colorado was nearly \$14.6 billion in 2010, an increase of over 8% from 2009. Visitors who stayed overnight in commercial lodging facilities accounted for approximately 60% of all visitor spending. These spending amounts directly supported approximately 136,900 jobs with earnings of \$3.9 billion in 2010. Since 1996, visitor-generated spending has increased at an average annual rate of 3.5%, earnings by 2.7% and local and state tax revenues by 3.7% and 2.5%, respectively.

Local and State government revenues generated by travel spending were estimated to be \$750 million (excluding property taxes). Approximately one-half of all travel-generated government revenue accrues to the State of Colorado including the State sales tax, the motor fuel tax, income taxes on travel-generated earnings and travel-related business income. The Dean Runyan study also estimated the overnight travel impacts by tourism region and by individual county. Mesa County was estimated to generate approximately \$210 million of direct overnight travel spending in 2010 which represents 2% of such spending in the State of Colorado.

Grand Junction has a Visitor Center at Exit 31 on I-70 offering visitor information for Grand Junction and the surrounding area. Visitor count statistics are collected tracking where visitors are from, some of whom may be passing through. As shown, total visitor counts at the Visitor Center has steadily declined since 2003. The decline is primarily due to increased usage of the internet for trip planning which is consistent with visitor center trends nationwide.

Grand Junction Visitor Center – Annual Visitor Count



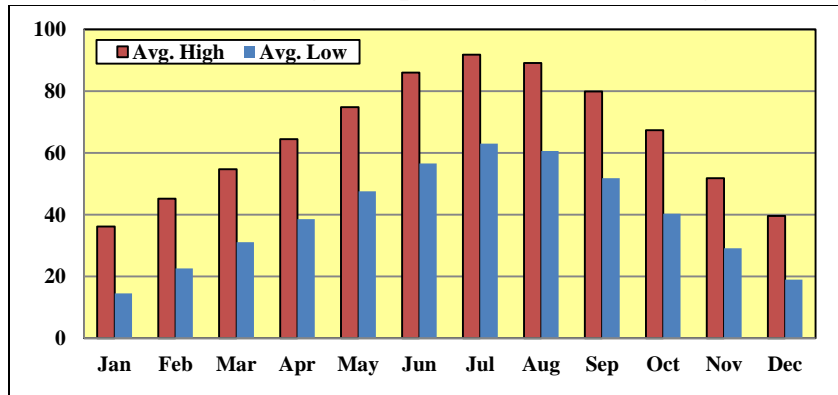
Source: Grand Junction VCB.

The results of these studies and the County’s goal to retain more visitor spending or extend the length of stay of existing visitors were taken into account relative to prioritizing the market for various improvements to the Fairgrounds.

Climate

Both tourism to Grand Junction and usage at the Fairgrounds are impacted by the weather/climate particularly for outdoor activities. Temperatures generally reach the low 60s in April increasing to the 70s and 80s from May through September with a high in the low 90s in July before falling back to the 60s in October.

Grand Junction Average Temperatures by Month (High & Low)



Source: worldclimate.com.

Area Attractions

In order for any new attraction or facility to be successful and attract incremental new visitors, it should complement existing offerings. The region is best known for its outdoor activities such as biking, hiking/backpacking, horseback riding and fishing. In addition, Grand Junction is located in Colorado’s wine country and boasts over 20 wineries/tasting rooms. Some of the region’s attractions include, but are not limited to, the following:

- Colorado Riverfront Trails
- Powderhorn Mountain Resort
- Grand Junction Motor Speedway
- State forests
- The Art Center
- Avalon Theatre
- State and national parks
- Golf

The Grand Valley has a local trail system that is hoped will one day be part of a statewide trail system linking communities via rivers and historic transportation routes. Work is on-going to expand to a 21-mile continuous Riverfront trail which is envisioned to be complete by 2014.

The Colorado National Monument, a 23,000-acre scenic area of sandstone beauty includes over 50 miles of trails. McInnis Canyons National Conservation Area, Little Book Cliffs Wild Horse Range, and the Dominguez-Escalante National Conservation Area offer over 300,000 acres of natural landscapes for exploration. The Grand Mesa is a 10,000 foot high National Forest with fishing on over 300 lakes and hiking from hundreds of trailheads for hikers or horseback riders. Grand Junction also offers a number of parks. The community hosts a variety of festivals annually that attract residents and visitors alike to enjoy a cultural, music, food and wine-themed gatherings.

Summary

An area's demographics play a key role in its marketability for various activities. Both the primary and secondary markets are projected to increase in population by 2% annually through 2016. The primary/secondary market median household income is just over \$47,000.

Vehicular accessibility along I-70 presents opportunities to draw attendees from Western Colorado as well as from other states in the region. In addition, the Grand Junction Regional Airport provides air accessibility for events drawing from a broader market area.

Mesa County's employment is concentrated in private services including hospitality which is important for accommodating visitors. The availability and affordability of lodging present an opportunity for enhanced Fairgrounds facilities to draw new visitors and/or extend the length of stay of existing visitors.

Colorado's existing reputation for attracting visitors associated with outdoor travel can provide an opportunity for Mesa County to capture some of those visitors via new or enhanced Fairgrounds facilities. The area's relatively mild year-round climate makes it attractive for a diverse set of outdoor activities.

Industry Trends Overview

Any development project is somewhat dependent on the attributes of the industry as a whole. This section summarizes key trends in the equine/agricultural, exposition and extreme sports industries that may guide future decisions regarding the Fairgrounds.

Equine

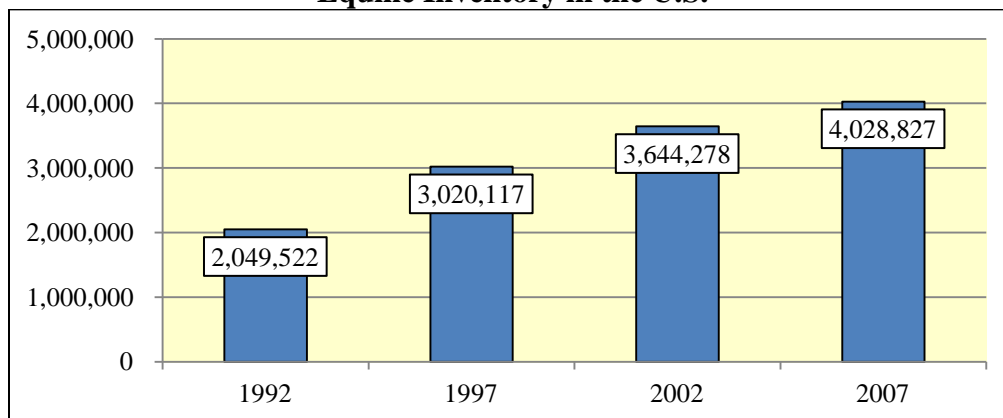
Although several sources indicate that the U.S. equine population has been trending upward, the actual number of equine in the U.S. varies significantly based on the different methodologies/definitions used to calculate the inventory.

Inventory and Type of Activity

The American Horse Council (AHC) Foundation commissioned a study in 2004 to estimate the economic impact of the horse industry on the U.S. Approximately 27,950 horse owner/industry suppliers participated in the survey process with 18,650 individuals providing complete and useable surveys. Additional surveys were received from horse show organizers and racetrack representatives. The AHC study estimated that there were more than 9.2 million horses in the U.S., approximately 2.7 million of which participated in horse shows and other competitions. This study estimated that there were approximately 255,500 horses in Colorado. This source also estimated that nearly two million people own horses with another two million involved as volunteers or through a family affiliation.

The National Agricultural Statistics Service (NASS), which is an agency of the U.S. Department of Agriculture (USDA), estimated that the U.S. inventory of horses and ponies was 4.0 million in 2007, an increase of 11% from 2002. In addition, the U.S. equine inventory has nearly doubled between 1992 and 2007.

Equine Inventory in the U.S.



Note: Equine inventory includes horses and ponies only.

Sources: NASS; USDA.

The USDA 2007 Census also reported an increase in the inventory of horses and ponies in Colorado and surrounding states between 2002 and 2007. In addition, Colorado had the third highest inventory of horses and ponies in its surrounding region according to the USDA 2007 Census, increasing by 11% over 2002 figures.

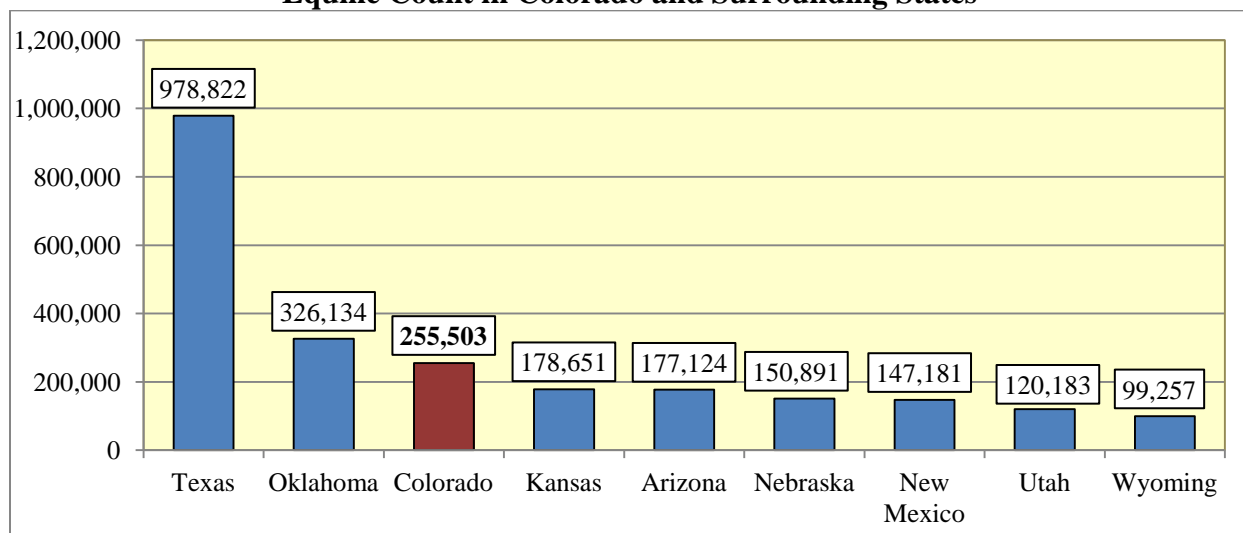
State	Horses and Ponies Inventory		
	2002	2007	% Change
Texas	372,341	438,827	18%
Oklahoma	150,142	165,555	10%
Colorado	107,091	119,040	11%
Kansas	67,428	89,898	33%
Wyoming	62,916	80,476	28%
Arizona	46,866	68,745	47%
Nebraska	58,928	65,624	11%
Utah	61,368	59,783	-3%
New Mexico	46,686	53,616	15%
Total (excluding Colorado)	866,675	1,022,524	18%
United States	3,644,278	4,028,827	11%

Note: Sorted in descending order by 2007 agritourism sales.

Source: USDA 2007 Census of Agriculture.

The following graph illustrates there are approximately 2.4 million equine in Colorado and surrounding states, according to the AHC study. The Tri River Extension office estimates there are 5,400 horses and ponies in Mesa County and a total of 13,100 in the Tri-River Area.

Equine Count in Colorado and Surrounding States

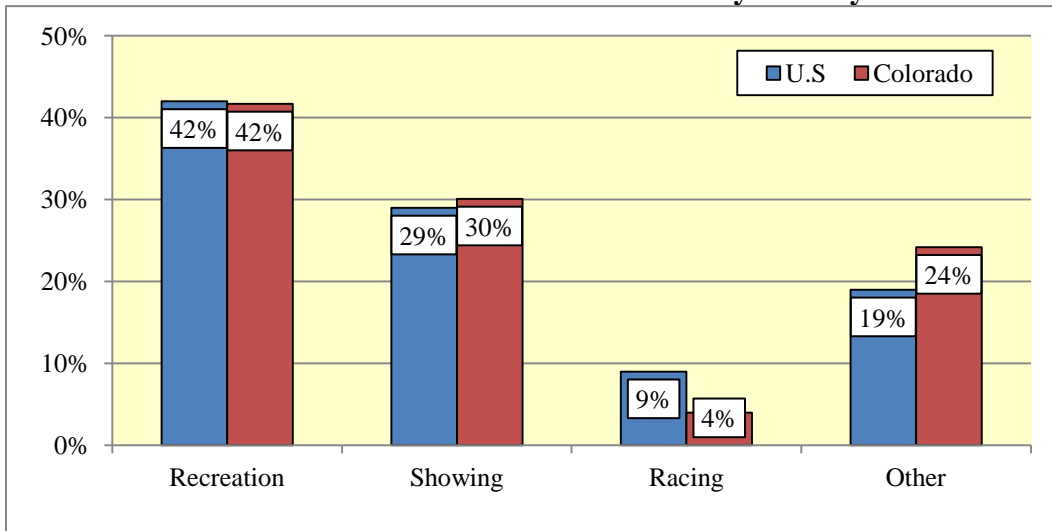


Source: American Horse Council.

One of the differences in the equine count between the 2005 AHC study and the USDA Census is that the latter only counts horses living on farms (defined as any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the census year). As such, many horses likely live in places that do not qualify as farms by that definition.

The 2005 AHC study cited that more than 90% of the horses in the U.S. are involved in competitive activities such as showing, jumping, barrel racing, carriage driving, cutting, endurance riding, cross country, dressage and rodeo rather than racing. Many others are used for recreational purposes such as trail riding and carriage rides.

Percent of U.S. and Colorado Horses by Activity



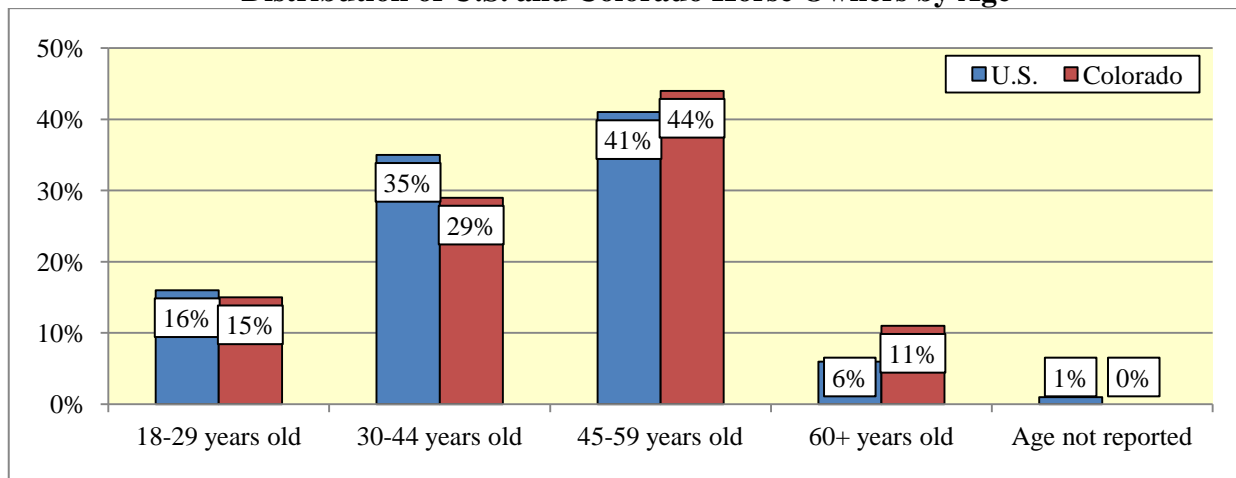
Source: 2005 AHC Study.

The 2005 AHC study indicated that more than 70% of the national and Colorado equine population is involved in recreation and showing. Racing makes up a smaller portion of Colorado equine activity than the nation. The “other” activity category comprises respondents to the AHC survey who did not indicate a specific primary use for their horses.

Age and Income Characteristics of Horse Owners

The horse industry also represents many different age and income categories. As shown below, the survey indicated that 55% of horse owners in Colorado are older than 45 years of age compared to 47% in the U.S.

Distribution of U.S. and Colorado Horse Owners by Age

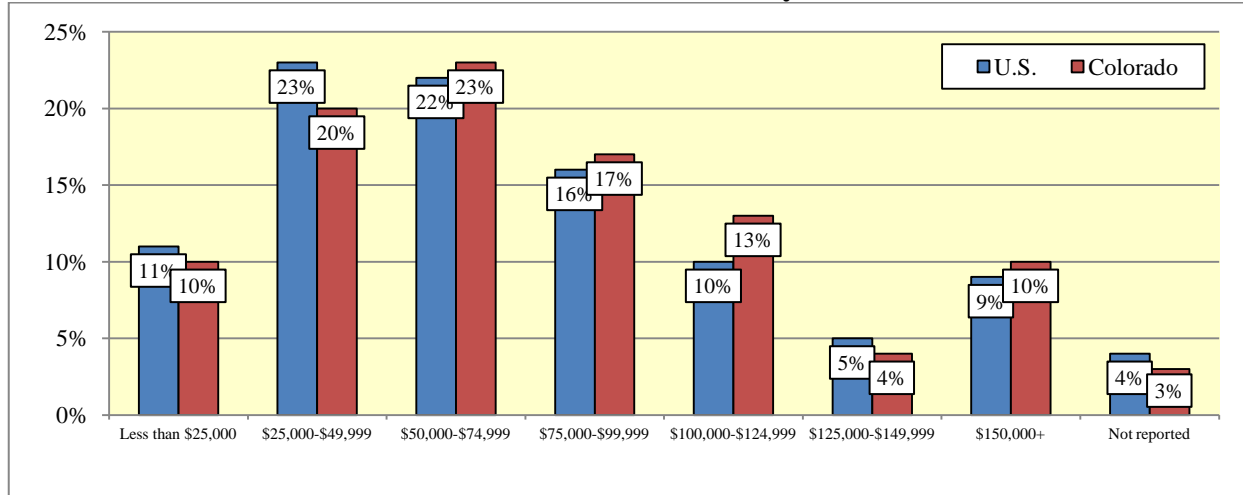


Note: Statistics do not include individuals under the age of 18.

Source: 2005 AHC Study.

Approximately 47% of horse owners in Colorado have an annual household income of at least \$75,000 compared to 44% in the U.S.

Distribution of U.S. and Colorado Horse Owners by Annual Household Income



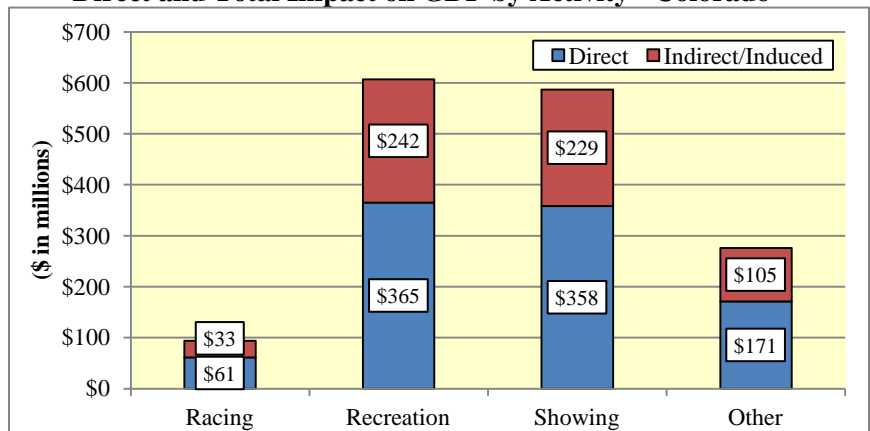
Note: Statistics do not include individuals under the age of 18.
 Source: 2005 AHC Study.

These age and income statistics are generally consistent with those cited in a recent 2009-2010 equine industry survey conducted for American Horse Publications (AHP) which estimated that 60% of the equine participant population is over the age of 45 years old and 53% have an annual household income of at least \$75,000. AHP is a non-profit association which promotes better understanding and communications with the equine publishing industry. Its members include equine-related publications, professionals, students, organizations and businesses.

Economic Impact of the Equine Industry

The AHC study estimated the total economic impacts generated by the horse industry to be \$101.5 billion in the U.S. and \$1.6 billion in Colorado, 37% of which was attributable to horse showing.

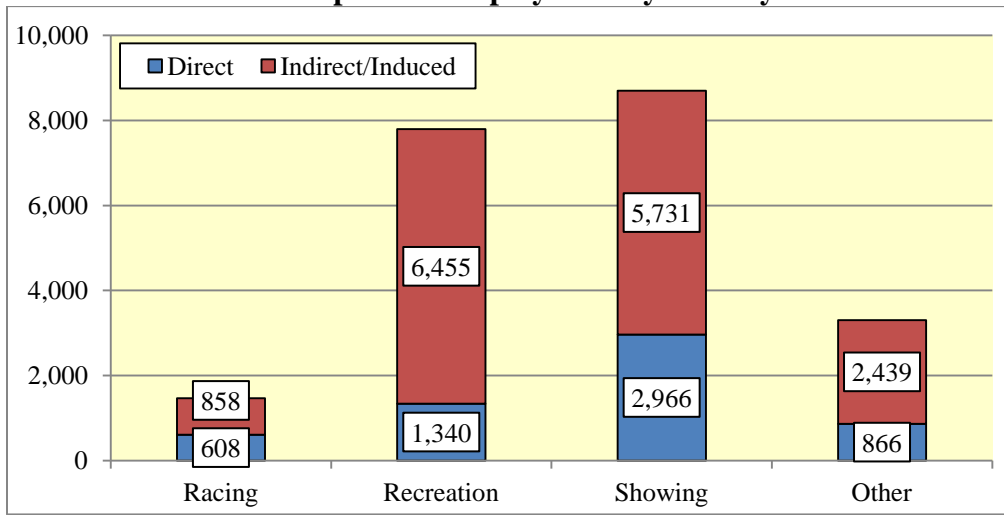
Direct and Total Impact on GDP by Activity - Colorado



Source: 2005 AHC Study.

The AHC study also estimated that the horse industry sustains 1.4 million full-time equivalent (FTEs) jobs in the U.S. and nearly 21,300 FTEs in Colorado.

Direct and Total Impact on Employment by Activity - Colorado



Source: 2005 AHC Study.

Lastly, the AHC study estimated that annual taxes paid by the horse industry were approximately \$1.9 billion in the U.S and \$21 million in Colorado. At both the national and State levels, the majority of taxes were paid to state governments, followed by the federal and local governments, respectively.

Irrespective of the method used for quantification, the breadth and diversity of the equine industry is substantial. Data from the USDA 2007 Census indicates that the equine inventory in Colorado and surrounding states increased between 2002 and 2007 providing a strong target market for business at the Fairgrounds. Furthermore, the strong income characteristics of horse owners result in the generation of significant economic and fiscal impacts which Mesa County could capture a larger percentage of if the Fairgrounds is improved.

Agriculture and Agritourism

Agriculture

According to results of the USDA 2007 Census that was released in 2009, the number of farms in the U.S. grew by 4% between 2002 and 2007 and the operators of those farms have become more diverse. The 2007 Census reported 2.2 million farms, a net increase of approximately 75,800 farms since 2002 occupying 922.1 million acres. There was a 30% increase in women as the principal farm operator during the same time period. Other minority groups also saw increases as principal operators.

The same USDA 2007 Census reports that despite an 18% increase in the number of farms in Colorado, the total acres of farm land in the State only increased by 1.6% between 2002 and 2007. The market value of agricultural products sold in 2007 was estimated to be more than \$6.1 billion, an increase of nearly 34% from 2002 which is indicative of this industry's significance to Colorado's economy.

Comparison of Select Agriculture Growth Statistics			
Statistic	Colorado		
	2002	2007	% Change
Farms (number)	31,369	37,054	18.1%
Farm land (acres)	31,093,336	31,604,911	1.6%
Market value of ag products sold (\$000s)	\$4,525,196	\$6,061,134	33.9%

Source: USDA 2007 Census of Agriculture.

Relative to inventory, numbers for cattle and calves as well as hogs/pigs were all up between 2002 and 2007 in Colorado. Further, Colorado ranked second in terms of the value of sheep/goats sold and 5th in terms of the value of cattle/calves sold among the 50 states.

Subsequent to the 2007 USDA census, the CSU Extension office conducted prepared estimates of agriculture statistics for the Tri-River Area including Delta, Mesa, Montrose and Ouray Counties. As shown in the following table, the market value of agricultural products sold in 2011 was more than \$233.9 million. According to the CSU estimate, more than 4,200 farms exist in the Tri-River Area accounting for nearly 226,800 acres. A variety of livestock are raised on these farms and their owners/operators represent a potential target market for the Fairgrounds and its activities.

2011 Tri-River Area Agriculture Statistics					
County	Delta	Mesa	Montrose	Ouray	Total
Market Value of Products Sold	\$61,163,700	\$79,635,650	\$88,340,800	\$4,804,100	\$233,944,250
Farms (number)	1,294	1,767	1,045	105	4,211
Farm land (acres)	66,169	64,272	85,656	10,681	226,778
<i>Livestock Inventories</i>					
Beef Cows	17,000	23,000	20,500	4,500	65,000
Milk Cows	1,600	-	-	-	1,600
Hogs and Pigs	558	316	675	n/a	1,549
Horses and Ponies	4,292	5,375	3,040	404	13,111
Sheep and Goats	11,267	5,174	21,278	n/a	37,719

Note: n/a - denotes data withheld to prevent disclosing individual farms.

Source: CSU Extension

Several organizations promote and foster agricultural education for youth as well as strong business development skills for the agricultural community including, but not limited to, farm bureaus, industry councils, associations, and 4-H programs.

Agritourism

Agritourism typically refers to any activity, enterprise or business designed to increase farm and community income by attracting the public to visit agricultural operations and outlets that provide educational and/or recreational experiences to help sustain and build awareness of the rural quality of life.

Agritourism can take many forms including retail sales, hay rides, corn mazes, pick-your-own operations, and use of woodlands on farms for hunting, hiking, horseback riding, and other activities. There may be educational components such as programs for schoolchildren, tours, as well as exhibits and demonstrations tailored to specific visitor groups. Farms may combine retail sales and tours with accommodations such as bed and breakfasts and farm-stays. In general, agritourism is providing educational and authentic agricultural experiences that enhance direct marketing of farm products and improve public support for agriculture. Agritourism combines essential elements of the tourism “experience” and agriculture industries. It offers visitors something to see, do and/or buy.

The USDA 2007 Census reported a significant increase in agritourism and recreational services sales in Colorado between 2002 and 2007. The following table illustrates how Colorado and the surrounding region experienced growth in agritourism sales between 2002 and 2007 despite a declining number of agritourism farms.

Agritourism in Colorado and Surrounding States						
State	Agritourism Farms			Agritourism Sales (\$000s)		
	2002	2007	% Change	2002	2007	% Change
Texas	8,230	5,322	-35%	\$77,616	\$109,904	42%
Colorado	867	679	-22%	\$12,042	\$32,913	173%
Wyoming	729	464	-36%	\$5,301	\$15,126	185%
New Mexico	372	345	-7%	\$3,797	\$14,958	294%
Kansas	1,290	930	-28%	\$2,886	\$8,091	180%
Arizona	55	111	102%	\$1,146	\$6,291	449%
Oklahoma	891	616	-31%	\$2,953	\$6,088	106%
Utah	212	191	-10%	\$1,868	\$6,034	223%
Nebraska	350	301	-14%	\$1,375	\$4,455	224%
Total (excluding Colorado)	12,129	8,280	-32%	\$96,942	\$170,947	76%
United States	28,016	23,350	-17%	\$202,184	\$566,834	180%

Note: Sorted in descending order by 2007 agritourism sales.

Source: USDA 2007 Census of Agriculture.

Historically, counties and states have acknowledged the value of fairgrounds and other similar facilities in supporting the agriculture industry as well as providing a source of education and entertainment for attendees. Fairs also provide a focal point for community members to celebrate their heritage, compete in a variety of events, hold family reunions, display and view artwork, learn about other cultures, premier new technologies, and showcase their State’s specialties. Agricultural fairs in many parts of the U.S. struggle to remain relevant in the changing American society where fewer people rely on the land for their livelihoods. The ability for fairs to remain relevant and attractive to the next generation has caused many communities to combine traditional agricultural elements with other facilities that can accommodate a variety of event activity and generate greater economic and fiscal returns year-round.

Agritourism businesses have operated in the U.S. for a number of years however, it is only in recent years that this industry has been given official status and strategically promoted to tourists. Several states have created positions that bridge the agriculture and tourism industries at the state level, others have gone further to pass legislation defining the enterprises and establishing their liability. Many have, at the least, created avenues for farm-owners to become educated on agritourism opportunities and implementation and included them in promotional materials associated with more traditional visitor attractions. This year marked the 125th Mesa County Fair held at the Fairgrounds with attendance exceeding 63,400 during the five-day event.

The economic impacts of blending tourism and agriculture have significant potential. Trends that are favorably impacting agritourism include a growing desire to buy local produce, concerns about health and obesity, an economic crisis that brings people back to basics and increased environmental awareness. The Fairgrounds represents a unique opportunity to capitalize on these trends.

State & Regional Animal Science Education & Research

Given the continued growth, evolution and specialization of the equine and agricultural industries, the demand for specially trained professionals is on the rise. Higher education institutions are meeting this demand by increasingly providing training in the equine sciences and the infrastructure to foster equine and agriculture-related professions.

The College of Veterinary Medicine and Biomedical Sciences (CVMBS) is a professional school at CSU in Fort Collins. One of 28 colleges of veterinary medicine in the U.S., the CVMBS offers comprehensive educational programs including basic biomedical sciences and clinical sciences. Many students take additional coursework to supplement their degrees with areas of special expertise.

CSU offers higher education in agricultural sciences such as agronomy, animal science, equine science, horticulture, landscape architecture and agribusiness. Equine science related degrees include a Bachelor of Science in equine science; Master of Science and Doctor of Philosophy in the fields of nutrition, reproduction and clinical sciences; Doctor of Veterinary Medicine. Facilities on campus include an indoor arena, offices, a veterinary treatment area, and the Equine Reproduction Laboratory offering hands-on learning experiences. The CSU Equine Sciences Outreach Program is charged with connecting the CSU Equine Program with local, state, national and international horse communities. Faculty and students travel to other areas for expositions, seminars and other events representing unique opportunities to showcase the program in real-world settings.

Growing interest in animal-related sciences and the businesses associated with equine and agriculture activities provide unique opportunities for the Fairgrounds to foster continued growth in animal science, research and veterinary medicine as well as to provide educational seminars, internships and continuing education learning experiences in the animal science and hospitality industries.

Expositions/Exhibitions

The following table summarizes industry data provided by the Center for Exhibition Industry Research (CEIR) which tracks annual changes in several industry metrics: net SF used for exhibitions, total number of exhibitors and attendees and industry revenues. Exhibitions represented by this source

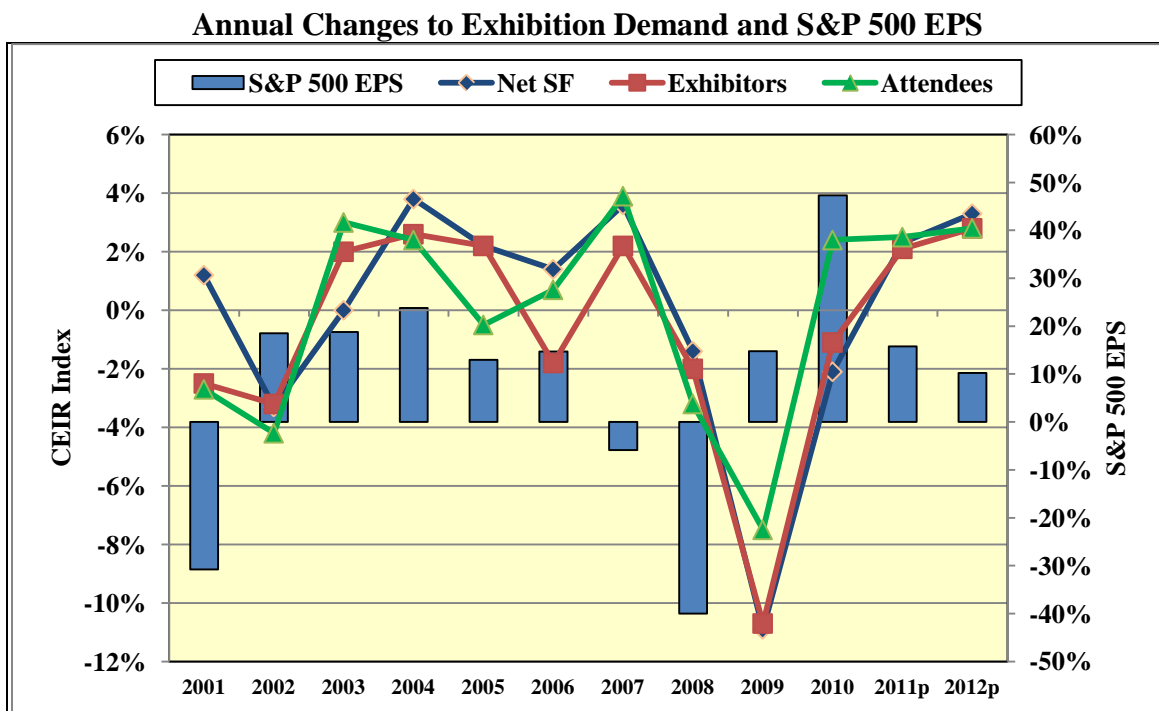
include both business-to-business and business-to-consumer expositions. As shown, the industry has undergone two seasons of negative growth at the start of the decade as well as between 2008 and 2010. Several national economic events led to periods of slower growth or retraction in the convention/exhibition industry since 2001. The events of September 11, 2001, had a direct impact on the recession in the early part of the decade while various national and global events impacted the convention/exhibition industry during recent years. According to data provided by CEIR, the industry rebounded to pre-recession levels approximately three years after the recession in 2001 - 2002. CEIR is projecting a longer turnaround from the current recession with moderate growth projections beginning in 2011 but 2013 levels of all metrics to remain below the start of the decade.

Year-On-Year Percent Change of the Metrics and CEIR Index														CAGR, 2000- 2010
Metric	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011p	2012p	2013p	2010
Net SF	1.2	-3.3	0.0	3.8	2.2	1.4	3.6	-1.4	-10.9	-2.1	2.3	3.3	3.0	-0.6
Exhibitors	-2.5	-3.2	2.0	2.6	2.2	-1.8	2.2	-2.0	-10.7	-1.1	2.1	2.8	2.4	-1.2
Attendees	-2.7	-4.2	3.0	2.4	-0.5	0.7	3.9	-3.2	-7.5	2.4	2.5	2.8	2.5	-0.6
Real Revenues ¹	3.8	-5.6	-2.1	3.9	5.7	0.6	4.8	-3.6	-9.6	-8.4	2.5	3.9	3.4	-1.1
Total	-0.1	-4.1	0.7	3.2	2.4	0.2	3.6	-2.6	-9.7	-2.4	2.4	3.2	2.8	-0.9

Notes: ¹Inflation adjusted revenues, adjusted for CPI for all urban consumers. P = projected.

Source: CEIR

The following graph illustrates annual changes of key exhibition industry measures alongside the S&P 500 earnings-per-share (EPS) in order to further illustrate the relationship between the exhibition industry and overall economic conditions.



Note: p = projected

Sources: CEIR, Standard & Poors, 2012.

The correlation between overall U.S. economic trends and that of the exhibition industry is highlighted in the graph. Negative S&P earnings per share data precedes periods of exhibition industry retraction similar to periods of positive economic and industry growth. S&P earnings began to experience growth in 2009 whereas the exhibition industry tends to lag 12 to 18 months behind the broader economy. According to S&P and CEIR, overall economic and exhibition industry conditions are projected to increase throughout 2011 and 2012.

CEIR also tracks the exhibition industry by segment. As shown in the following table, the machinery and finished products, medical and healthcare, and sports goods, travel and amusement industries represented the top non-government industries in terms of growth over the past decade. Consumer goods/retail which are representative of public shows where businesses sell directly to consumers experienced a decline over the past decade due to economic changes as well as the growth of internet based sales. Given Mesa County's location and demographic characteristics, consumer-based expositions such as outdoor equipment, sporting goods, farm equipment/products, etc. may be appropriate market niches for the Fairgrounds.

Industry Wide Growth by Segment			
Industry	% of Exhibitions	2010 Growth	CAGR 2000-
		Rate	2010
Government	3.9%	3.1%	3.6%
Machinery and Finished Business Outputs	4.9%	-8.9%	2.4%
Medical and Healthcare	17.3%	-1.3%	0.6%
Sporting Goods, Travel and Amusement	5.5%	-3.0%	0.6%
Raw Materials and Science	10.4%	-5.2%	-0.2%
Building, Construction, Home & Repair	4.3%	-8.7%	-0.9%
Discretionary Consumer Services	5.3%	1.5%	-1.1%
Communications and Information Technology	8.7%	-5.7%	-1.9%
Transportation	4.6%	-2.3%	-2.0%
Financial, Legal, Real Estate	7.3%	1.1%	-2.3%
Consumer Good/Retail	7.2%	6.2%	-2.4%
Education	7.5%	-3.7%	-2.5%
Food	3.1%	4.5%	-2.6%
Business Services	10.0%	-5.5%	-3.4%
Overall Exhibition Industry	100.0%	-2.4%	-0.9%

Notes: Sorted in descending order by CAGR 2000-2010 growth.

Source: CEIR.

CEIR also tracks exhibition industry data by segment and projects future changes given broader economic and segment-specific factors which is illustrated in the following table.

Projected growth in exhibition metrics for 2013 is led by communications and information technology as well as consumer related segments such as building/construction/home & repair and sporting goods, travel and amusement.

CEIR Index Projections by Segment	
Segment	2013p
Communications and Information Technology	6.2%
Building, Construction, Home & Repair	5.0%
Machinery and Finished Business Outputs	4.8%
Sporting Goods, Travel and Amusement	3.8%
Food	3.4%
Raw Materials and Science	3.4%
Transportation	3.3%
Financial, Legal & Real Estate	3.0%
Professional Business Services	2.9%
Overall Exhibition Industry	2.8%
Consumer Goods & Retail Trade	2.7%
Discretionary Consumer Services	2.7%
Medical and Healthcare	1.5%
Government	0.9%
Education	-1.1%

Source: CEIR

Economic growth and job creation improvements are anticipated to drive pent-up consumer demand after several years of decline. This improvement in demand is anticipated to translate to increased exhibition activity in these related sectors as well. Industries that ranked among the highest over the last decade in terms of annual growth (i.e., medical/healthcare, raw materials/science) are projected to grow at a higher rate than they have in the past, though not as strongly as consumer goods.

Sports

Arenas can host a variety of user types. Tenant users, such as sports teams, can represent a base of usage that can provide steady and contractually obligated income for some facilities. Rotational users are shows or events that return to the facility on a regular basis, usually during a designated time of year, and may have a long-term contract to do so. An athletic tournament is an examples of a rotational user. Special/one-time users are irregular or spot users such as one-time sporting events and tournaments, etc. Although these events can be significant revenue generators, they are not guaranteed and the number of these events will vary from year to year.

Some communities choose to lease their arenas to sports tenants because they generally provide a guaranteed number of event dates to a facility. However, there is always a possibility that a team might move or cease operations. Additionally, many teams require weekend or other prime dates to play their games at the facility in an attempt to positively influence attendance and financial performance. Holding quality dates for a tenant team which does not operate successfully can be a risk for the facility. For instance, in the case where the team is not financially successful, date availability may not allow a facility to host a more profitable event such as a concert. Attendance and the contractual agreement between the facility and the team also influence this impact to the facility.

Some facilities that are more multi-purpose in nature, including those located at fairgrounds, choose not to host sports teams as a primary tenant in order to allow them to accommodate a diverse amount of activity and focus more on meeting their mission/economic goals. In addition, regardless of the facility, the success of a sports team is dependent on several external factors including, but not limited to, the strength of the overall league and of individual ownership as well as economic conditions.

As such, facilities that choose not to host a tenant team have more control over prime dates and space availability that allows them to better react to market forces and achieve their operating/economic objectives. This is consistent with the Fairgrounds' mission to provide a multi-use event facility which serves agricultural, business, cultural, educational, recreational, urban, and youth interests of Mesa County and the Western Slope. Other non-tenant sporting events can provide a potential market for arenas and include a wide variety of indoor sports for teams or individuals playing at the youth, amateur or collegiate level. The ability for a venue to accommodate this type of demand is often driven by location, proximity to athletes/fan base, availability of competitive venues, market size and facility rental costs.

Entertainment

A facility's ability to successfully host entertainment events such as concerts, festivals and family shows can positively or negatively impact its financial operating results. Consolidation of the entertainment industry has impacted arenas around the country, especially with respect to the concert market. Currently, the most predominant players in the live entertainment industry are Live Nation and AEG Live. Live Nation operates three global live-content divisions (theatrical, music and sports) as well as owning, operating and/or exclusively booking approximately 135 live entertainment venues. Live Nation operates an integrated franchise that promotes and produces a broad variety of live entertainment events locally, regionally, nationally and internationally via its large number of venues, its strong market presence and the long operating history of the businesses it has acquired. AEG Live is comprised of touring, festival, exhibition, broadcast, merchandise and special event divisions. AEG Live operates 15 regional offices and owns, operates or exclusively books 35 state-of-the-art venues from clubs to theaters.

This consolidation of venues and live entertainment significantly changed the composition of the industry. By assuming the roles of both promoter and venue manager, these companies can buy a show and book it into their network of venues. This consolidation over the past decade coupled with the economic pressures on ticket buyers combined to create a very competitive entertainment industry.

Extreme Sports

Extreme sports still represent a relatively new segment of the sports industry and include a broad age-range in its customer base encompassing youth as well as adults. The extreme sports segment includes certain activities perceived as having a high level of inherent danger. These activities often involve speed, height, a high level of physical exertion, and highly specialized gear or spectacular stunts. While use of the term "extreme sport" has spread to describe a multitude of different activities, exactly which sports are considered 'extreme' is debatable. There are however several characteristics common to most extreme sports. While not the exclusive domain of youth, extreme sports tend to have a younger-than-average target demographic, are rarely sanctioned by schools, and tend to be more solitary than traditional team sports.

Extreme sports comprise a wide variety of adventurous activities, ranging from BMX racing to snowboarding. The five most popular extreme sports include in-line skating, skateboarding, paintball, snowboarding, and mountain biking. The broader industry has gained popularity moving into the mainstream market in recent years. Early industry growth was driven largely by the interest of hard-core participants, nationwide popularity of elite athletes, snowboarding inauguration into the 1998 Winter Olympics, BMX inauguration into the Summer Olympics in 2008 and media exposure to ESPN's X-Games. Historically, the industry's growth was largely the result of the rise in the number of spectators and participants spurred on by the popularity and introduction of events, such as X Games, and wider cable TV coverage of events. Media has and continues to play a critical role in promoting extreme sports. A large number of sports and adventure channels are dedicated to extreme sports, while even movie channels show such sports.

Extreme motorsports and BMX bike racing are potential target markets for the Fairgrounds given its existing track. The motorized niche includes motocross, snocross, arenacross and supercross. A variety of events are possible including traditional motorcycles, all-terrain vehicles, and side cars that can take place in arenas, stadiums, outdoor dirt and/or paved tracks. The object is typically to finish a course of turns, jumps, and obstacles first although some competitions such as arenacross are also judged on acrobatics.

BMX is governed in the U.S. by a single sanctioning body, USA BMX that includes 375 sanctioned tracks in the U.S. and Canada including 17 in Colorado. The Fairgrounds are included in this list as well as facilities in Montrose and Eagle County. The organization boasts 60,000 members and over 11,000 sanctioned events annually including 23 U.S. national races and three regional championships.

With millions of rugged acres, many people come to Colorado for adventure vacations and activities year-round. While skiing and associated snow sports are popular in the winter, warm weather commonly attracts residents and visitors using thousands of miles of Rocky Mountain trails for ATVing, four wheeling, mountain biking, backpacking and climbing Colorado's 14ers (54 peaks rising more than 14,000 above sea level). According to a Longwoods study conducted for Colorado Tourism for Travel Year 2010, outdoor trips accounted for the second highest number of marketable overnight trips in both 2009 and 2010 (ahead of ski trips). According to the Longwoods study, this growth in outdoor recreation is consistent with national trends.

In response to growing national and international interest in extreme sports, there is a trend to develop complexes to accommodate their unique needs. While some local municipalities are developing "skate parks" that can accommodate some wheel sports such as skateboards and BMX bikes, other complexes are being developed or envisioned by the private sector. These may include a variety of unique sports niches or a combination such as:

- Vertical sports – mountain or rock climbing, ropes courses, etc.
- Water sports – surf centers, white water courses, etc.
- Wheel sports – skate park, mountain bike park, BMX competition tracks, etc.

Offering up-to-date facilities for extreme sports including enhancements to the existing BMX course could provide the Fairgrounds a marketable location to capture more visitor spending associated with outdoor sports visitors.

Summary

Key industry trends impact the potential market demand for new/expanded facilities at the Fairgrounds.

- The breadth/diversity of the equine industry is substantial.
- Growth in agriculture statistics which is a solid market for Colorado.
- Growth of agri-tourism which blends agriculture and tourism; a natural fit for the Fairgrounds facilities.

- Growing interest in animal-related science, education and research.
- Key metrics for expositions/exhibitions indicate positive future growth.
- Extreme sports, specifically BMX, are growing in popularity resulting in new facilities both regionally and nationally.
- Large extreme sports events rotate geographically and many build their own facilities on-site.
- The public and private sector are building special purpose competitive sports complexes with a critical mass of fields to be able to effectively host large tournaments that generate economic/fiscal impacts.

Historical Fairgrounds Operations

The Fairgrounds offers several facilities including the following:

- Community building – 4,200 SF used for banquets, meetings and expos
- Jockey club building – 880 SF used for meetings, trainings, small receptions
- Grandstands lobby – 5,600 SF including concessions areas
- Grandstands arena – 3,000 to 4,000 seat capacity with 21,250 SF area used for rodeos, concerts, bull rides, and motorized sports shows
- Covered arena – 31,125 SF
- Warm-up arena – 22,000 SF
- Practice arena – 31,250 SF
- Horse stable – enclosed barn with 75 stalls
- North barns – seven (7) barns totaling 98 stalls
- Livestock pavilion – accommodates 40 to 60 portable stalls
- BMX track – home to Grand Valley BMX year-round practice and racing
- Ball fields – five (5) baseball/softball fields for community use

The Fairgrounds has historically accommodated a variety of event types. As shown in the following table, the most popular events include social functions, meetings and horse shows. Combined, these three event types averaged nearly two-thirds of annual event activity between 2006 and 2011. Overall facility usage has experienced significant growth over the past five years accounted for primarily due to increases in social functions and meetings/seminars.

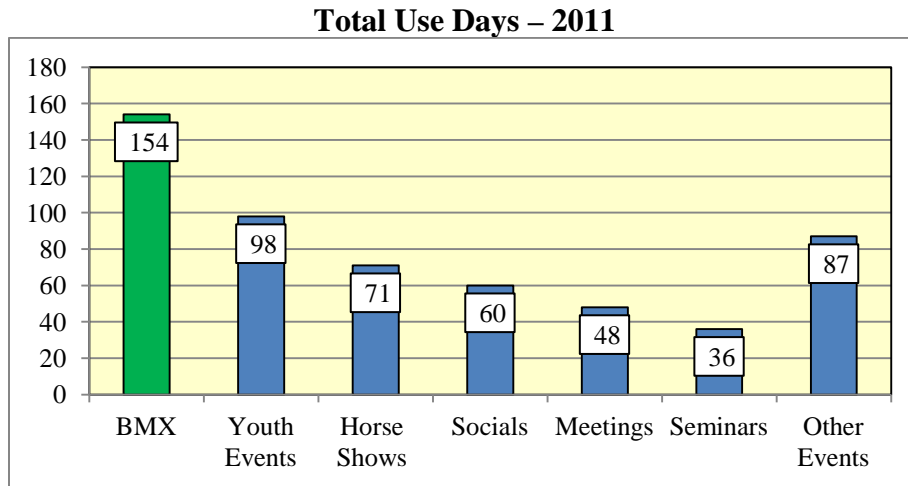
Number of Events Held at the Mesa County Fairgrounds By Type (2006 - 2011)								
Event Type	2006	2007	2008	2009	2010	2011	Average	% of Total
Meetings	43	26	17	28	76	48	40	28%
Receptions/Banquets	23	23	22	26	36	50	30	21%
Horse Shows	24	24	24	22	22	23	23	16%
(excluding County Fair Shows)	8	9	14	13	13	9	11	8%
Seminar/Training	4	7	12	13	12	10	10	7%
Sales and Auctions	5	4	7	8	6	9	7	5%
Dog Shows	4	3	4	5	4	8	5	3%
Other	5	3	8	3	3		4	3%
Animal Shows (non-horse)	3	4	5	4	5	5	4	3%
Youth Events	1	4	6	5	2	5	4	3%
Consumer/Public Shows	1	3	3	3	4	2	3	2%
Fund Raisers	3	2	2	2	2	3	2	2%
Total	124	112	124	132	185	172	142	101%
% Change		-10%	11%	6%	40%	-7%		

Note: Sorted in descending order by six-year average.

Source: Facility management.

In 2011, youth events accounted for a total of nearly 100 use days and, according to management, consistently account for the greatest number of annual usage days. Usage days are defined as event days and any other required move in/out days. Horse shows rank second with 71 use days followed by receptions/banquets with 60. Consumer/public shows accounted for the least number of usage days in 2011 which is reflective of the existing Fairgrounds’ limited amount of exhibit space.

Given the variety of event activity that takes place at the complex using multiple facilities over multiple days, attendance statistics can be difficult to track by event type. Annual event activity at the Fairgrounds typically draws approximately 100,000 attendees including the annual County Fair. Total use days include event days as well as any necessary move-in/out days. As shown in the following graph, youth events accounted for the greatest number of use days in 2011 followed by horse shows, socials, meetings and seminars. Other events include ticketed spectator events (excluding County Fair shows), sales/auctions, dog shows, non-horse animal shows, consumer/public shows and fund raisers.



Notes: Green denotes privately leased venues.
Total use days exclude County Fair.

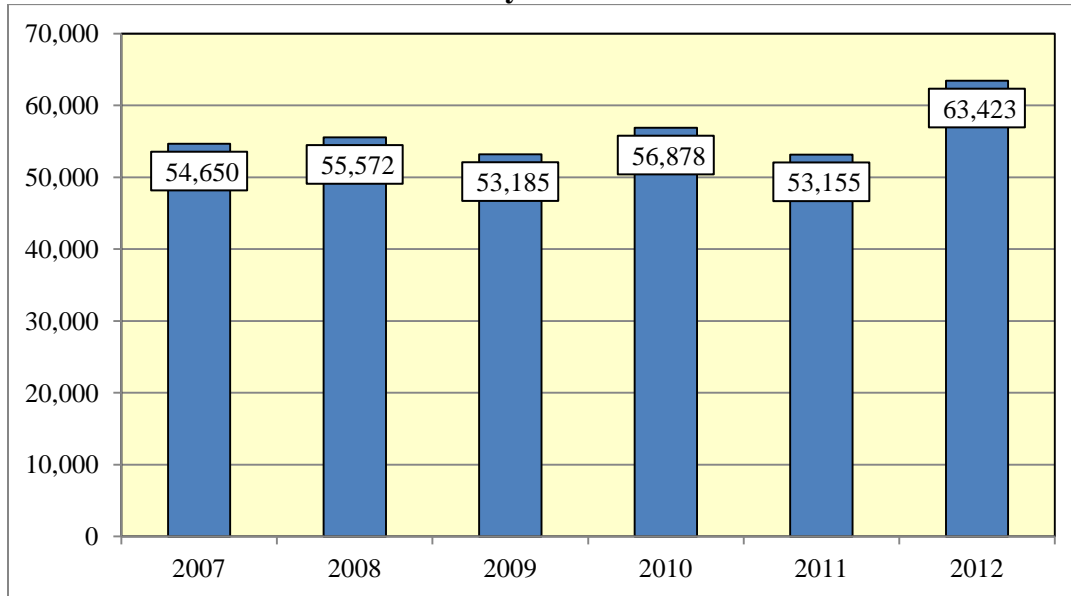
Source: Fairgrounds management.

In 2012, the existing arena is scheduled 30 of 32 available weekends which is a direct reflection of recent improvements to the covered arena and new barns.

The BMX venue is leased to Grand Valley BMX and privately managed. Grand Valley BMX utilizes the track year-round, weather permitting. Races are held on Sunday afternoons and Tuesday evenings during the summer and Friday evenings in late spring and early fall. Grand Valley BMX accounts for a total of 154 use days annually. The ball fields, which are also leased and privately managed, account for additional event activity at the Fairgrounds.

As mentioned previously, the Mesa County Fair completed its 125th year in July 2012. The five-day event utilizes the entire complex and includes a carnival, concerts, agricultural shows, expos, commercial winemaker’s competition, rodeo and related 4-H and Future Farmers of America activities. The following graphic illustrates annual Fair attendance for the past six years which accounts for approximately one-half of the annual attendance at the Fairgrounds. This year marked a 16% increase in attendance over the previous five-year average.

Mesa County Fair Attendance



Source: Fairgrounds management.

Financial operations for the Fair are accounted for separate from the Fairgrounds. As shown in the following table, the Fairgrounds has averaged approximately \$125,000 in annual revenues over the past three fiscal years compared to \$111,000 for the Fair. Combined, these two entities have averaged a net loss of approximately \$291,000.

Historical Financial Operations				
Category	FY 2009	FY 2010	FY 2011	Average
Mesa County Fairgrounds				
Total Revenues	\$140,000	\$111,000	\$124,000	\$125,000
Total Expenses	\$406,000	\$366,000	\$352,000	\$375,000
Net Operating Loss	(\$266,000)	(\$255,000)	(\$228,000)	(\$250,000)
Mesa County Fair				
Total Revenues	\$105,000	\$114,000	\$115,000	\$111,000
Total Expenses	\$161,000	\$147,000	\$149,000	\$152,000
Net Operating Loss	(\$56,000)	(\$33,000)	(\$34,000)	(\$41,000)

Source: Fairgrounds management.

Summary

The Fairgrounds is an active facility that hosts a diverse set of event activity which provides a solid base of future business. Recent facility improvements have resulted in increased event activity and related revenues. As with most similar complexes, the Fairgrounds realizes an operating deficit which has averaged \$250,000 over the last three fiscal years.

Competitive Environment

Because any improvements to the Fairgrounds are anticipated to accommodate a diverse set of equine and non-equine entertainment activity that may potentially be appealing to residents and out-of-town visitors, it is useful to gain an understanding of the existing supply of State and regional facilities. Facility size, location, configuration, market focus and date availability are factors that impact how competitive area facilities are, and may be in the future, to an enhanced Fairgrounds. While this section provides an overview of select State and regional facilities that may offer elements similar in nature to those envisioned at the Fairgrounds, it is not meant to be an exhaustive inventory representing all facilities.

Local Sports/Entertainment Facilities

Grand Junction offers several venues to accommodate entertainment, sporting, meeting and social events. It is important to recognize that any enhancements to the Fairgrounds seek to attract incremental new event activity to the area, not transfer events from existing facilities.

Avalon Theatre is located downtown and offers seating for approximately 900. The facility hosts concerts, Broadway theater, movies, special events and lectures. Given its location between Salt Lake City and Denver, it is often used as a stopover for traveling acts. An expansion of the theatre is currently underway. The expansion will entail knocking out the east wall and expanding the building into the existing parking lot, effectively doubling the size of the lobby and stage. Other planned improvements include ADA accessible restrooms, an elevator, and expanded concession areas. Funding was provided by the City of Grand Junction, Downtown Development Authority and the Avalon Theatre Foundation Board. Future plans call for renovations such as replacing the seats, improving lighting and enhancing acoustic which is anticipated to be paid for through private fundraising efforts. In 2011, the Avalon Theatre drew total attendance of approximately 53,500.

Two Rivers Convention Center offers nearly 23,000 SF of function space and hosts meetings, socials, and exhibitions. The 18,600 SF ballroom is divisible into three smaller rooms and offers a maximum banquet capacity of 1,200. Five meeting rooms support larger functions or can be used to host smaller stand-alone events. The Convention Center hosted more than 500 events in 2011 attracting more than 76,600 attendees to a variety of events including banquets/social functions, tradeshow, meetings, concerts and conventions.

Doubletree Grand Junction offers a total of 12,000 SF of banquet and meeting space including a 5,000 SF ballroom as well as 273 guest rooms. This space is used for meetings and social functions for up to 400 in a seated banquet setting.

The *Moss Performing Arts Center* at Colorado Mesa University (CMU) is the home to the Theatre and Music Departments which offer a variety of entertainment for the campus and local community throughout the year. The Center, which recently underwent a \$5.1 million renovation and expansion, is home to the 600-seat William S. Robinson Theatre, a 300-seat recital hall, the Walter Walker Reception Area, the Mesa Experimental Theatre, a design studio, numerous music practice rooms, smart technology classrooms, faculty offices and a dance studio.

Brownson Arena at the Maverick Center is home to indoor athletics for CMU. Originally opened in 1968, the facility recently underwent a renovation that included new seat back bleachers, additional seating, brand new scoreboards and sound system. The arena offers 2,000 seats and hosts primarily basketball and volleyball. Given its schedule for athletics, the facility has limited dates available for other entertainment activity.

Grand Junction Motor Speedway is a Kart racing facility providing a full Kart rental program, corporate and team-building programs, professional race management, arrive and drive, racing schools, private and race team test sessions, and regularly scheduled race events. The 0.9 mile, 32' wide asphalt sprint track offers fast straights, technical corners, and hairpin turns, ideal for intense racing or a day battling with friends or competitors. The Speedway has an approved master plan that includes a number of additional new tracks and an oval track with grandstands. There is no current timeline for completion of the new developments.

Las Colonias Park/Amphitheater is a City park located near downtown along the Riverfront. The City is currently undergoing planning associated with its development. Initial plans call for an amphitheater with lawn seating for between 5,000 and 7,000 people, picnic shelters, a playground, dog park and primarily natural space. Previous plans had included recreational fields but these are not anticipated in current plans. According to City representatives, infrastructure development could begin on the park within one year.

State Equine/Livestock Facilities

There are a number of fairgrounds and equestrian facilities throughout Colorado. These are profiled on the following page to provide an understanding of what program elements are available elsewhere in the State.

Colorado Equine/Livestock Facilities

Facility	Existing Mesa County Fairgrounds	Colorado Horse Park	The Ranch Complex	Island Grove Regional Park	Boulder County Fairgrounds	Colorado State Fairgrounds	National Western Events Center	Norris Penrose Event Center	Montrose County Fairgrounds	Garfield County Fairgrounds	Douglas County Fairgrounds
Location	Grand Junction	Parker	Loveland	Greeley	Boulder	Pueblo	Denver	CO Springs	Montrose	Rifle	Castle Rock
Program Element											
Owner	County	Public/Private	County	City	County	State	County/Non-Profit	Non-Profit	County	County	County
Operator	County	Non-Profit	Private	City	County	State	Non-Profit	Non-Profit	County	County	County
Site size (acres)	93	286	244	145	100	100	95	73	25	20	n/s
Indoor arena (number)	n/a	2	2	1	1	1	2	1	n/a	1	1
Indoor arena (capacity)	n/a	100/150	1,000/7,200	3,000	1,300	3,500	4,600/4,800	550	n/a	300	2,000
Indoor arena (SF of largest)	n/a	14,000/19,350	45,000/25,000	30,000	37,500	37,500	45,000	36,000	n/a	31,500	33,040
Show rings (number)	3	12	2	4	1	4	4	6	1	0	2
Outdoor stadium (capacity)	3,000	5,000	n/a	9,000	6,000	10,000	n/a	6,100	1,500	1,500	2,800
Stalls - permanent	173	300	300	150	173	402	n/a	350	20	100	336
Stalls - temporary	60	700	n/a	n/a	n/a	1,200	800	n/s	50	96	n/a
Exhibition Facility	Yes	No	48,500	30,800	Yes	Yes	154,200	Yes	Yes	Yes	29,000
Banquet/meeting facilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Food service/catering	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Campground sites (full-service)	10	96	50	200	100	53	40	70	n/a	25	7

Notes: Sorted in descending order by site size.
 Garfield County Fairgrounds indoor arena not climate controlled; looking for sites to move fairgrounds.
 Norris Penrose developing a new indoor warm-up arena and 5 new outdoor hunter/jumper arenas.
 Source: Individual facilities.

The Mesa County Fairgrounds is comparable in size to several other County fairgrounds and the State fairgrounds. All but one of the profiled complexes offers an indoor arena that range in capacity from 150 to 7,200 seats. The Norris Penrose Event Center is currently developing a new indoor warm-up arena and five new outdoor hunter/jumper arenas. In addition, seven of the profiled facilities offer outdoor stadiums ranging in capacity from 1,500 to 10,000 seats. Profiled facilities offer an average of 240 stalls and 50 full-service RV sites. Each venue offers exhibition, banquet/meeting facilities and food service on-site. The Montrose County Fairgrounds and Event Center includes a bicycle racing track operated by a private company through an annual lease. The race track hosts small weekly races from April through October in addition to two larger, State-qualifying races annually.

Although there are several other private farms, equine facilities and county fairgrounds throughout the State, most of these venues are focused primarily on boarding, training, riding and/or local agricultural/entertainment activity rather than on hosting larger competitive events. An enhanced Fairgrounds, and specifically one offering an indoor arena, is anticipated to attract more statewide and regional level events drawing overnight visitors to western Colorado.

Regional Equine/Livestock Facilities

Equine events often include a circuit of competitions within a specific region (or nationally) where participants accumulate points throughout the season while traveling from site to site. Circuits sometimes culminate in a season championship. Mesa County's accessibility and location within an established equine/rodeo region make it an ideal site for regional competitions.

In addition to equine/livestock facilities located in Colorado, there are several in Utah and Wyoming that offer indoor arenas ranging in size from 1,100 seats to 9,900 seats. Much like the Fairgrounds, these facilities host a variety of events including horse shows, banquets, meetings, agricultural events, and festivals.

Summary of Regional Equine/Livestock Facilities					
Facility	Existing Mesa County Fairgrounds	Cam-Plex	Equestrian Park & Events Center	Old Spanish Trail Arena	Wasatch County Special Events Center
Location	Grand Junction, CO	Gillette, WY	Salt Lake City, UT	Moab, UT	Heber City, UT
Program Element					
Site size (acres)	93	1,000	120	56	n/s
Indoor arena (number)	n/a	1	1	1	1
Indoor arena (capacity)	n/a	9,900	3,000	1,100	1,850
Indoor arena (SF of largest)	n/a	175,000	45,000	24,800	48,000
Show rings (number)	3	2	4	1	2
Outdoor stadium (capacity)	3,000	3,000	5,000	n/a	5,800
Stalls - permanent	173	1,560	300	162	178
Stalls - temporary	60	n/a	n/a	n/a	322
Exhibition Facility	Yes	Yes	No	No	No
Banquet/meeting facilities	Yes	Yes	Yes	Yes	Yes
Food service/catering	Yes	Yes	Yes	Yes	Yes
Campground sites (full-service)	10	1,730	0	0	0

Notes: n/s - denotes not supplied; n/a - denotes not applicable.

Source: Individual facilities.

State/Regional Indoor Arenas

The region also offers a number of indoor arenas that host diverse demand generators ranging from tenant sports teams, commercial entertainment acts, and equestrian/agricultural related users. As shown in the following table, all of the existing regional indoor arenas are located greater than 100 miles from Grand Junction. Many entertainment acts and equestrian competitions require a minimum radius from one host venue to the next, typically ranging from 50 to 100 miles.

Shaded arenas represent facilities similar in size to the indoor arena under consideration in Grand Junction. As shown, all of the shaded Colorado facilities are located on the Front Range. Two facilities in this capacity range are located more than 250 miles from Grand Junction in Utah.

State/Regional Indoor Arenas					
Facility	Location	Approximate Distance from Grand Junction	Direction from Grand Junction	Seating Capacity	Primary Uses
Energy Solutions Arena	Salt Lake City, UT	300	West	20,400	Major SLC Arena
Pepsi Center	Denver, CO	240	East	18,700	Main Denver arena
Hunstman Center	Salt Lake City, UT	300	West	15,000	Univ of UT Sports
Maverik Center	Salt Lake City, UT	300	West	12,500	Sports/entertainment
Dee Events Center	Ogden, UT	320	West	12,000	Weber State Univ Sports
Coors Events Conference Center	Boulder, CO	260	East	11,000	UC Sports
Denver Coliseum	Denver, CO	240	East	10,500	Sports/entertainment
Casper Events Center	Casper, WY	390	Northeast	10,000	Multi-purpose sports/entertainment/rodeo
Colorado Springs World Arena	Colorado Springs, CO	310	East	9,200	Sports/entertainment
Magness Arena	Denver, CO	240	East	8,000	Univ of Denver Sports
Colorado State Fair Event Center	Pueblo, CO	290	East	7,800	Equestrian/ag, entertainment, consumer shows
Utah Community Credit Union Center	Orem, UT	250	West	7,500	Campus and community sports/entertainment
Budweiser Events Center	Loveland, CO	290	East	7,200	Equestrian, sports, entertainment
1st Bank Center	Broomfield, CO	250	East	7,100	Equestrian, sports, entertainment
Centrum Arena	Cedar City, UT	340	West	5,000	Southern UT Univ sports
National Western Complex	Denver, CO	240	East	4,800	Equestrian, entertainment, consumer shows
Butler-Hancock Arena	Greeley, CO	300	East	3,300	UNC Sports
Dobson Event Center	Vail, CO	150	East	3,000	Resort events
Taco John's Event Center	Cheyenne, WY	340	Northeast	2,500	Equestrian/agricultural
Douglas County Fairgrounds	Castle Rock, CO	270	East	2,000	Equestrian/agricultural
Boulder County Fairgrounds	Boulder, CO	260	East	1,300	Equestrian/agricultural
Old Spanish Trails Arena	Moab, UT	112	Southwest	1,100	Bleacher seating for equestrian primarily
Norris Penrose Event Center	Colorado Springs, CO	310	East	550	Equestrian/agricultural

Note: Shading represents facilities similar in size to that being considered in Grand Junction.
Source: Individual facilities; Mapquest.

Extreme Sports Facilities

USA BMX has over 375 sanctioned tracks around the U.S., Canada, and Puerto Rico including 55 in the Colorado region. Colorado offers the most tracks of surrounding states indicating the sport's popularity.

Regional BMX Tracks	
State	Sanctioned Tracks
Colorado	17
Texas	13
Arizona	10
Utah	7
New Mexico	4
Wyoming	4
Total	55

Source: USA BMX.

Several BMX venues were noted by stakeholders and are profiled in the following table. Two have indoor tracks located at larger multi-use venues; two offer covered tracks. The Duke City BMX venue in Albuquerque is home to the spring nationals race.

State/Regional BMX Venues				
Facility	Location	Approximate Distance from Grand Junction	Indoor/Outdoor	Comments
Colorado Indoor BMX	Greeley, CO	300	Indoor	Utilize Island Grove Regional Park
Duke City BMX	Albuquerque, NM	380	Covered	Home of Spring Nationals
Legacy Raceway BMX	Farmington, UT	300	Outdoor	Utilize Davis County Fairgrounds
Metroplex BMX	DeSoto, TX	970	Covered	
Pikes Peak BMX	Colorado Springs, CO	310	Outdoor	
Rad Canyon BMX	South Jordan, UT	270	Outdoor	
Southern Colorado BMX	Colorado Springs, CO	310	Indoor	Utilize Norris Penrose Event Center

Note: Sorted in alphabetical order by facility.
Source: USA BMX.

Colorado also offers 157 skateparks with new ones under construction as communities throughout the State add these to their parks/recreational space. New facilities are in the planning or development stages in Fort Collins, Thornton, and Gunnison. According to the *Colorado Skateboard Guide*, there are six indoor skateparks in Colorado. Skateparks are common for local, recreational use as well as for State, regional or national competitions or special events.

Summary

Existing State and regional equine/livestock complexes are popular for local, state, regional and national showing and competition indicating demand for this unique type of venue; however, none offer the unique setting and broader mixed-use development proposed in the current Fairgrounds master plan. In addition, the relative distance from existing State and regional equine/livestock facilities, indoor arenas and sanctioned BMX tracks and the accessibility along I-70 provides a unique opportunity for the proposed Fairgrounds enhancements to draw visitors to western Colorado.

Input from Potential Demand Generators

As part of its planning efforts to date, the County has conducted numerous meetings with existing Fairgrounds users which were primarily local-based including 31 focus groups with 110 people participating. We reviewed the input obtained from previous research and study efforts including several public meetings associated with its prior research that were attended by 60 people.

In order to broaden user input, we conducted interviews/surveys with existing and potential State, regional and national event producers/promoters. Input was obtained from 16 focus groups with 64 stakeholders participating as well as phone surveys attempted with over 100 potential users. Existing users and stakeholders were asked how the Fairgrounds could be improved to enhance their event's marketability, overall ingress/egress and/or revenue generation. Potential users were asked what program and/or destination characteristics were necessary to attract their event(s) to the Fairgrounds and, if interested, what their typical event statistics were. The input obtained is not intended to be statistically valid but rather reflects a representative sample of how the proposed Fairgrounds' improvements could impact usage by existing and potential user groups.

Equestrian/Livestock Activity

In addition to input received from local-based users such as the Fair Board and 4-H Extension, State and regional equestrian organizations were contacted to gain insights regarding the Fairgrounds' marketability for their events. Input was obtained from representatives of the following organizations, many of which represent multiple events:

- Circle J Regional Championship
- Colorado Reined Cow Horse Association
- EMJ Productions
- Jed Jacobs Roping
- Professional Bull Riding, Inc.
- Rope the Rockies
- Western Slope Reining Horse Association
- Colorado Pro Rodeo Association
- Colorado West Hunter Jumper Association
- Excel Associates Show Management
- National Barrel Horse Association
- Racing in the Rockies
- U.S. Hunter/Jumper Zone 8
- Z and D Roping

A facility's ability to accommodate equestrian competitions is typically directly related to its program elements such as the nature and number of competition arenas, warm up arenas, stalls and RV hook ups. According to equestrian event promoters, the Fairgrounds is currently limited by its outdoor arena, number of stalls and RV hook up inventory. Offering an indoor arena of 150' x 300' with a covered warm up ring, appropriate footing, additional enclosed stalls, and full-service RV hook ups could enhance the complex's marketability for new equestrian events as well as allow existing users to expand their events. Survey respondents indicated that adding these amenities would allow the Fairgrounds to effectively compete for a total of 34 new local, State and regional shows which, in aggregate, averaged 200 horses. Twenty (20) of these 34 new events would draw between 200 and 450 horses per show.

Event producers were asked to rank certain program elements in terms of their importance. An indoor arena and appropriate footing ranked the highest whereas highway access and hotel proximity ranked relatively lowest. Other important factors included a covered arena and appropriate number of practice rings. Event producers interested in hosting events at the Fairgrounds require an average of 31 RV hook-ups and two practice rings in addition to their competition/warm-up space.

Events most interested in hosting activity at the Fairgrounds involve western horse shows such as reining, cutting, barrel racing and roping. Event promoters who would consider the Fairgrounds if it offered an indoor arena would bring an average of four new events to the facility annually averaging three event days that occur year-round. Promoters who would not consider hosting events at the Fairgrounds, even with additional program elements, stated it was due to Grand Junction being outside their district because they promote activity on the east side of the Rockies.

According to equestrian event promoters, Grand Junction is in an ideal location to host State and regional level events, drawing overnight visitors from western Colorado and the surrounding states. Long term development of hotels, restaurants and other amenities proximate to the Fairgrounds would make the complex more marketable relative to other State/regional venues and promote more overnight stays for equestrian, sports and entertainment activity.

Rodeo

Professional Bull Riding and Colorado Pro Rodeo Association event planners stated that an indoor arena offering between 5,000 and 8,000 seats would be ideal for their needs. In the short-term, offering temporary but durable center-load chutes with back pens would make the existing arena more user-friendly for their events. Designing the competition arena this way would allow for more efficient use of the current arena, freeing up space for more seating. An indoor arena would allow existing events to grow to 5,000 attendees each. Promoters estimate 20% to 30% of these participants and spectators travel from out-of-town and stay in Grand Junction an average of two days. In addition to enhanced competition space, rodeo event planners noted that the Fairgrounds needs improved acoustics, sound system and perimeter security to control admittance.

Other noted improvements include more water lines to serve pens, better truck access for load in/out, improvements to irrigation/drainage throughout grounds, more full-service RV spaces. These could be operated year-round as a stop-over for travelers, particularly those trailering horses who need short-term stall rental.

Expositions

In general, Mesa County and the Fairgrounds offer limited open floor space for indoor expositions. With 4,200 SF the Community Building at the Fairgrounds offers the third largest public space for expositions behind the Two Rivers Convention Center which has an 18,000 SF ballroom and the Grand Junction Doubletree which has a 5,000 SF ballroom. Offering just 4,200 SF limits the types of expositions that can be accommodated. Additional exposition space could be utilized by a variety of consumer/public shows such as craft fairs, home shows, large equipment supply shows, gun shows, coin shows, and other specialty expositions.

Additional exposition space would better accommodate the County Fair offering expanded areas for small animal exhibitions as well as those associated with arts/crafts, 4-H presentations, vendor booths, etc. With the appropriate space, the County should be better able to capitalize on hosting expositions that are synergistic with its market attributes such as outdoor sporting/recreation and agriculture/agritourism related activity either independently or in conjunction with another event simultaneously being held at the Fairgrounds (e.g., equestrian competition being held in the event center and equine-related trade show at the expo hall). Again, the objective is not to compete with existing facilities in the market.

Entertainment Events

Major concert/entertainment promoters in the Rocky Mountain region including, but not limited to, Live Nation and AEG Live were contacted to discuss the potential to host entertainment acts in the proposed event arena. Representatives indicated the importance of having a promoter partner involved with the County throughout the entire development process from pre-construction to venue opening. Doing so can enhance a venue's marketability and often avoid programmatic design issues that can ultimately cause some acts to choose other competitive facilities or skip playing the market. Establishing this promoter relationship early on in the proposed facility's development planning can also foster important relationships with promoters/artists which can contribute to its long-term popularity. The financial terms of renting the venue was mentioned as another primary consideration when routing events.

Most artists and their production crew will travel through Grand Junction en route to Salt Lake City and Denver. Most shows have daily travel limitations of 400 miles which places the Fairgrounds in an ideal geographic location to capitalize on the routing of entertainment acts.

Input from concert promoters regarding usage was somewhat inconsistent ranging from the potential to host a relatively limited number of concerts to ten per year. The market's success in hosting large scale entertainment events was viewed as a positive while challenges cited included the County's relatively small market size and the competitive supply of venues on the east side of the Rockies.

Another consideration is that Grand Junction hosts the annual Country Jam in June and Rock Jam Festival in August which each attract 10+ bands. Those bands would most likely be contractually prohibited from playing the market in another venue. These two multi-day events have the potential to draw in well over 100,000 attendees annually.

Family shows represent a substantial piece of the live event touring industry. Local family show promoters that host events at the existing Fairgrounds were interviewed as well as national promoters that represent the Harlem Globetrotters, Feld Motor Sports, Feld Entertainment, WWE, and VEE Corporation. These promoters represent some of the largest touring shows globally including products such as Disney on Ice, Disney Live, Monster Jam, Freestyle Motocross, AMA Supercross, WWE Wrestling, and Sesame Street Live.

Family show promoters indicated an interest in hosting events at the proposed new arena. The highest level of interest related to hosting the circus, Disney Live, Sesame Street Live and WWE Wrestling events. Input from event promoters suggested that the proposed arena could potentially host between 10 and 14 performances annually. Several events would realistically play the market once every two to five

years rather than every year so as not to over-saturate the market. Having said that, the ultimate success of each event in terms of attendance and financial profitability will impact future routing from a rotational perspective. Capacity requirements ranged between 2,000 and 5,000 seats.

National indoor motor sports require a minimum capacity of 5,000 seats as well but, given required space for safety, places their typical minimum venue capacity at 6,500. Although national motor sports have played the Fairgrounds grandstand in the past, its limited capacity and current financial terms with event promoters do not make it economically favorable for the promoter. Suggested enhancements include rental rate adjustments for events that draw out-of-town visitors or create economic impact, more seamless cooperation between management, event promoters and service providers, and better revenue sharing arrangements with event planners. That said, should the grandstand's capacity be increased or a sufficient indoor arena be developed in conjunction with favorable rental terms, national motor sports promoters expressed an interest in hosting events at the Fairgrounds. Given its location and routing potential, Grand Junction is an attractive destination for regional, independent motor sports promoters as well who could potentially recoup some of their expenses via local participant entry fees.

Each of the interested family shows have specific program requirements such as a basketball floor, seating capacity, rigging points, loading docks, locker rooms, and parking. Each of the national promoters would be willing to provide specific requirements throughout the Fairgrounds' on-going development planning to ensure any new venues would be suitable for their events. Other important factors for family show promoters include the lack of competitive events within a certain timeframe, protection of preferred dates and favorable rental/revenue-sharing arrangements. Given the Fairgrounds location, it would likely be a mid-week stop over for concerts and family show acts that could be staged year-round.

Extreme Sports

The BMX track underwent a rebuild in Spring 2012 that was privately funded. The seating is aging and needs improvements. According to existing and past users, expanded and modernized spectator seating would enhance the overall marketability of the track. Paved parking for spectator events would be preferred or, at a minimum, improving the drainage for existing dirt lots. The track needs improvements to irrigation system and electrical service which can frequently malfunction. The addition of proximate restrooms and concessions would also make the track more user-friendly. Aside from physical improvements, promoters mentioned the need for operational changes that would make the facility more user- and fan-friendly.

Grand Valley BMX currently utilizes the track from February through December accounting for 72 race days. In addition, the organization utilizes the track twice weekly for practices. Practices and races combined account for approximately 20,000 to 25,000 participants and spectators annually. Representatives indicated they experienced 25% growth in participants in 2012 indicating the growing popularity of the sport. While practices typically draw primarily from the local residential population, races draw 50% of attendance from outside the immediate area. The Fairgrounds has hosted the Colorado State Finals each of the last six years. According to representatives, improved seating for up to 1,000 would be beneficial in addition to improved drainage, asphalt turns and a shaded staging area.

Other extreme sports in Colorado and the surrounding region have historically focused on winter sports given the area's popularity for snow sports. However, the mild climate for the balance of the year and the existing base of Colorado tourists seeking outdoor adventure year-round makes this niche a possible demand generator for use of the proposed indoor arena or outdoor spaces for skateboard and/or bike competitions.

Orchard Mesa Neighborhood Impact Association

Representatives from the Orchard Mesa Neighborhood Impact Association were generally positive about the potential of enhancing the Fairgrounds and suggested several recommendations relative to the master plan including: dust mitigation (particularly on the open land north of the fields which is adjacent to the highway and can present a hazard on windy days); roadway improvements along B Road to allow for future increases in Fairgrounds usage/traffic; an indoor arena to host sports and entertainment events; and creation of an overall complex-wide development plan that is cohesive (i.e., weave the landscaping throughout, plan for roadway improvements before increasing traffic, etc.).

Summary

Multiple demand generators expressed interest in utilizing a new multi-use event center and/or expo hall:

- Larger, multi-day equine events
- Agricultural/small animal shows
- Consumer and business expositions
- Social functions
- Meetings/seminars
- Concerts/festivals, family shows, entertainment events
- BMX/motor sports

Required/desired support elements varied by market segment including, but not limited to, the following:

- Indoor arena offering appropriate footing
- Adjacent warm up area
- Additional stalls for equine users
- On-site RV hook-ups
- Improved seating and other spectator/patron amenities for BMX track
- Expanded, climate-controlled, and flexible expo space with divisible meeting rooms

Overall ingress/egress to the site and throughout the site should be carefully considered to accommodate increased auto, pedestrian, and animal traffic.

Recommended Development Concepts

The previous section discussed various supply and demand factors that may influence the type of development concepts that would place the Fairgrounds in a better long-term strategic position. A SWOT analysis outlines key internal and external factors, both positive and negative, impacting a project or a concept. Based on the primary and secondary research conducted, the following summarizes relative strengths, weaknesses, opportunities, and threats of the market and existing Fairgrounds relative to the proposed development concepts.

	Positive	Negative
Internal	Strengths	Weaknesses
	<ul style="list-style-type: none"> • Existing base of business • Proximity to hotels • Affordability • Existing attractions • Accessibility west of the Rockies • Previous master planning efforts 	<ul style="list-style-type: none"> • Lack of indoor arena • Limited exhibition space in the community • Aging support facilities for equine activity • Ingress/egress to and within the site • Drainage and dust
External	Opportunities	Threats
	<ul style="list-style-type: none"> • Projected population growth • Increase visitor spending/extend the length of stay – particularly during shoulder months • Location within an established equine/rodeo region make it ideal for regional competitions • Limited competitive facilities West of Rockies • Potential out-of-state users for regional equine activity • Potential job creation from spin-off economic activity • Substantial equine inventory in region • Capitalize on agri-tourism niche • Foster animal science research and education • Accommodate growing residential exhibition and entertainment needs • Consumer related expositions forecasting growth • Popularity and media attention of extreme sports 	<ul style="list-style-type: none"> • Limited population base for some entertainment acts to play annually • Supply of sports/entertainment event venues in eastern Colorado • Rising costs associated with equine ownership and showing • Economic challenges associated with consumer show and concert industries in recent years • General economic conditions

1

Recommended Building Program

As mentioned previously, the Fairgrounds Master Plan Steering Committee identified four major themes or focus areas for consideration of future expansion/enhancement: regional equestrian and livestock center, expo/event facility, recreational facility, and extreme sports center. The following evaluation criteria were used to assist the County in prioritizing future development concepts:

- Market demand opportunities
- Complementary use with existing Fairgrounds facilities
- Ability to serve multiple demand segments
- Revenue generation potential
- Ability to draw new visitor segments during shoulder season(s)
- Economic/fiscal impact potential
- Preliminary order of magnitude cost/benefit

Based on the above evaluation criteria, market research suggests the following prioritization for the four development concepts under consideration:

Concept	Prioritization	Rationale
Regional Equestrian/ Livestock Center	High	<ul style="list-style-type: none"> • Significant market potential to attract multi-day events • Ability to generate incremental new economic/fiscal impacts • Potential incremental new activity to Colorado and Mesa County from destinations west of State • Relatively limited competition in western Colorado • Some activities can be incorporated into indoor event center • Allow County Fair to expand competition/entertainment events
Expo/Event Facility	High	<ul style="list-style-type: none"> • Relatively limited venues in immediate market and Western Colorado • Ability to support regional businesses • Complementary to regional equestrian/livestock center • Variety of potential uses/target markets (i.e., equine, agricultural, outdoors, consumer related, large equipment, etc.) • Allows County Fair to expand
Extreme Sports Center	Moderate	<ul style="list-style-type: none"> • BMX continued growth • Regional popularity • Public/private partnership potential • Potential competition with private facilities regionally/nationally • Airport limitations are a concern for larger events
Recreational Facility	Low	<ul style="list-style-type: none"> • City of Grand Junction has comprehensive plan to meet recreational needs • Trends are to build special purpose competitive complexes with critical mass of fields

Based on our research and input from the client group, it is recommended that the County pursue a new multi-use event center, a new expo hall and an expanded BMX track. Preliminary recommended program elements include the following:

- Event center with approximately 5,000 fixed seats and the ability to expand using the floor
 - ✓ Seating adaptability to meet a variety of market needs
 - ✓ Floor space large enough to accommodate equine/livestock events and other specialty sporting events
 - ✓ Floor type (i.e. concrete, dirt) to be determined
 - ✓ Other required supporting infrastructure includes an adjacent warm up area, additional stalls and RV hookups
 - ✓ Flexible space throughout to be multi-purpose
- Expo hall with 25,000 SF to 30,000 SF of clear span, climate controlled space
 - ✓ Other support infrastructure such as meeting rooms, warming kitchen
- Expanded/modernized BMX track

The market analysis findings and resulting recommended development concepts were used to guide the Fairgrounds master plan, business plan and economic analysis.

Master Plan for the Mesa County Fairgrounds

Appendix C: Business Plan

Submitted to:



November 2012

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Business Plan

In addition to market and site-related factors, Mesa County (County) is continuing to ascertain various financial factors as it explores the merits of expanding/enhancing the Mesa County Fairgrounds (Fairgrounds). With respect to financial performance, it is important to understand that one reason that such facilities are developed or expanded is because of the economic activity that they can generate in terms of spending, employment, earnings and tax revenues to local and state governments. These facilities can attract events that draw patrons from outside of the immediate market area who spend money on hotels, restaurants and other related services. In many instances, these net new benefits can outweigh any potential operating costs. Consequently, when evaluating the merits of these types of projects, it is important to consider all aspects of the costs and benefits including operating requirements, debt service and economic/fiscal benefits. An order-of-magnitude estimate of the potential economic/fiscal benefits associated with possible Fairgrounds expansion/enhancement is provided in the next section of this report.

Crossroads Consulting Services LLC (Crossroads) assisted the County in developing a hypothetical, order-of-magnitude estimate of the impact to operating revenues and operating expenses before taxes, depreciation and debt service for the proposed Fairgrounds Master Plan for a stabilized year of operations. The financial estimate and related assumptions are based on information from primary and secondary sources including, but not limited to, historical operations of the Fairgrounds, general market data, input from existing/potential users and area stakeholders as well as data on competitive/comparable facilities which provides a general frame of reference relative to potential usage and financial operations that may occur at an enhanced Fairgrounds. This analysis is also based on certain hypothetical assumptions pertaining to operations of the complex, attendance levels and other related financial assumptions provided by and agreed to by Fairgrounds management. The accompanying analysis was prepared for internal use by the County for its consideration of its Fairgrounds Master Plan and should not be used or relied upon for any other purpose including financing of the project.

The analysis performed was limited in nature and, as such, Crossroads does not express an opinion or any other form of assurance on the information presented in this report. As with all estimates of this type, we cannot guarantee the results nor is any warranty intended that they can be achieved. The estimates of operating revenues and operating expenses are based on the anticipated size, quality and efficiency of the proposed expanded/enhanced facilities. Since these estimates and assumptions are based on circumstances that have not yet transpired, they are subject to variation. Further, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.



Impact to Financial Operations

The following table shows the estimated operating revenues and operating expenses for the Fairgrounds in a stabilized year of operations with the proposed Master Plan improvements compared to the three-year historical average. Although the proposed Master Plan improvements for the three geographic areas are estimated to positively contribute to the bottom-line, the Fairgrounds is still estimated to incur an annual operating deficit. Pursuing the Master Plan East option is estimated to result in the largest incremental benefit to the financial operations.

Summary of Estimated Impact to Fairgrounds Financial Operations							
Category	Three-Year Historical Average	Master Plan West Only		Master Plan East Only		Master Plan Central (Including West and East)	
Operating Revenues	\$125,000	\$157,000	- \$172,000	\$420,000	- \$446,000	\$1,095,000	- \$1,287,000
Operating Expenses	\$375,000	\$394,000	- \$399,000	\$527,000	- \$544,000	\$1,358,000	- \$1,487,000
Net Operating Gain/(Loss)	(\$250,000)	(\$237,000)	- (\$227,000)	(\$107,000)	- (\$98,000)	(\$263,000)	- (\$200,000)
Incremental Impact to Financial Operations		\$13,000	\$23,000	\$143,000	\$152,000	(\$13,000)	\$50,000
Expense Coverage Ratio	33%	40%	- 43%	80%	- 82%	81%	- 87%

Notes: Expense coverage ratio is calculated by dividing the operating revenues by the operating expenses.

No specific reserve for replacement fund is shown in the above table.

The above estimate of financial operations does not include any revenues that may be generated from naming rights, beverage pouring rights or other long-term advertising/sponsorship opportunities.

Although not shown in the above table, the Fairgrounds received \$1.0 million in County funding for capital improvements during 2010 and 2011.

Financial operations presented above do not include County Fair operations which would likely be positively impacted by the proposed Master Plan improvements in terms of attendance and financial operations.

As a point of reference, operated data was obtained from the following facilities which are direct competitors, operate in a similar market and/or have a similar function:

Select Profiled Competitive/Comparable Facilities	
Facility	Location
Cabarrus Arena & Events Center	Concord, NC
CAM-PLEX Multi-Event Facilities	Gillette, WY
Casper Events Center	Casper WY
Colorado Horse Park	Parker, CO
Curry County Events Center	Clovis, NM
Governor Hunt Complex	Raleigh, NC
National Western Complex	Denver, CO
Norris Penrose Event Center	Colorado Springs, CO
Santa Ana Star Center	Rio Rancho, NM
Sen. Martin Eastern Ag. Center	Williamston, NC

Note: Sorted alphabetically.

While there is no perfect comparable, data on these facilities can provide context for estimated financial operations. As a point of reference, the following table illustrates operating revenues, operating expenses and operating income/loss from the above facilities. Individual facilities are not identified in the comparative tables because some information from privately operated facilities was provided confidentially.

Summary of Competitive/Comparable Facility Financial Operating Data			
Facility	Operating Revenues	Operating Expenses	Operating Income/(Loss)
Facility 1	\$533,000	\$505,000	\$28,000
Facility 2	\$1,125,000	\$1,231,000	(\$106,000)
Facility 3	\$238,000	\$543,000	(\$305,000)
Facility 4	\$5,187,000	\$5,580,000	(\$393,000)
Facility 5	\$672,000	\$1,073,000	(\$401,000)
Facility 6	\$551,000	\$1,174,000	(\$623,000)
Facility 7	\$930,000	\$1,556,000	(\$626,000)
Facility 8	\$1,234,000	\$2,165,000	(\$931,000)
Facility 9	\$2,110,000	\$3,136,000	(\$1,026,000)
Facility 10	\$7,054,000	\$8,204,000	(\$1,150,000)
Average	\$1,963,000	\$2,517,000	(\$553,000)
Median	\$1,027,500	\$1,393,500	(\$512,000)

Notes: Sorted in descending order by operating income/(loss).

Medians are calculated by line item, therefore the columns will not add across.

Sources: Individual facilities; secondary research.

Operating expenses at competitive/comparable facilities can vary significantly based on factors such as building program, site size, management structure, event activity, age of venues, energy efficiency resources, and contracted services.

General Assumptions

General assumptions used in this analysis include, but are not limited to, the following:

- The building program components outlined in the Master Plan are built.
- One primary objective of the proposed Master Plan is to host more events that attract out-of-town attendees who generate economic and fiscal activity.
- The facility continues to be publicly owned and operated by the County.
- Recommended changes in certain operating strategies such as booking policy, rental rates and marketing are reflected.
- Facility management has established contacts and strong relationships with State and regional event promoters/producers in the equine/rodeo and commercial entertainment industries.
- The facility is aggressively marketed by established tourism agencies in addition to facility marketing efforts.
- A high level of quality customer service is provided.
- Future development is adequate in terms of visibility, ingress and egress, parking, safety and other similar issues.
- No other similar, competitive/comparable facilities are built in the region.
- Amounts are presented in current dollars and reflect a stabilized year of operations which is defined below.

Usage/Event Activity Assumptions

The financial analysis is based on several factors including a hypothetical estimate of utilization for each geographic component of the proposed Master Plan that was developed from the research previously referenced including the Market Analysis found in Appendix B.

Subsequent to construction, event activity at new/enhanced facilities typically experiences a “ramp up” period to a stabilized level of activity which occurs for several reasons. For instance, some groups that book their event years in advance may not want to risk that a facility’s construction is delayed and not completed in time for their event. In addition, some groups may choose to let management “fine tune” its operations before hosting an event at an expanded/enhanced Fairgrounds. The length of time for new venues to reach stabilized operations varies but typically ranges from three to five years. Overall utilization at any facility is typically dependent on a number of factors (e.g., market size; accessibility; nearby amenities; size, configuration and quality of the facilities offered; effectiveness of the management team in booking the facility; date availability; cost, etc.) and is rarely consistent. As such, the estimated ranges of incremental utilization represent a stabilized year of operations.

Estimated Range of Incremental New Usage/Event Activity - Stabilized Year of Operations												
Master Plan West Only												
Event Type	Number of Events			Number of Event Days			Total Usage Days		Total Attendee Days			
<i>Non-Equine/Rodeo Events</i>												
Concerts/festivals	2	-	3	2	-	3	2	-	3	7,000	-	10,500
BMX/sporting events	1	-	2	2	-	4	2	-	4	6,000	-	12,000
Civic/community events	4	-	6	4	-	6	6	-	9	2,000	-	3,000
Subtotal	7	-	11	8	-	13	10	-	16	15,000	-	25,500
Grand Total	7	-	11	8	-	13	10	-	16	15,000	-	25,500
Master Plan East Only												
Event Type	Number of Events			Number of Event Days			Total Usage Days		Total Attendee Days			
<i>Equine/Rodeo Events</i>												
Level 1	0	-	0	0	-	0	0	-	0	0	-	0
Level 2	13	-	14	33	-	35	39	-	42	22,000	-	23,600
Subtotal	13	-	14	33	-	35	39	-	42	22,000	-	23,600
<i>Non-Equine/Rodeo Events</i>												
Civic/community events	4	-	6	4	-	6	6	-	9	2,000	-	3,000
Subtotal	4	-	6	4	-	6	6	-	9	2,000	-	3,000
Grand Total	17	-	20	37	-	41	45	-	51	24,000	-	26,600
Master Plan Central (Including West and East)												
Event Type	Number of Events			Number of Event Days			Total Usage Days		Total Attendee Days			
<i>Equine/Rodeo Events</i>												
Level 1	3	-	4	12	-	16	14	-	18	15,000	-	20,000
Level 2	18	-	20	45	-	50	54	-	60	30,400	-	33,800
Subtotal	21	-	24	57	-	66	68	-	78	45,400	-	53,800
<i>Non-Equine/Rodeo Events</i>												
Concerts/festivals	6	-	8	6	-	8	6	-	8	21,000	-	28,000
Family shows	8	-	10	12	-	15	20	-	25	24,000	-	30,000
BMX/sporting events	4	-	5	8	-	10	8	-	10	24,000	-	30,000
Consumer shows/expos	8	-	10	16	-	20	24	-	30	24,000	-	30,000
Civic/community events	30	-	36	30	-	36	45	-	54	15,000	-	18,000
Subtotal	56	-	69	72	-	89	103	-	127	108,000	-	136,000
Grand Total	77	-	93	129	-	155	171	-	205	153,400	-	189,800

The 21 to 24 projected equine/rodeo events represent a small portion of the potential market of State, regional and/or national equine competitions/shows and exclude local schooling shows and other competitions that the complex currently accommodates. These events are categorized as Level 1 or Level 2 based on their likelihood to draw overnight attendees and generate greater economic impact. For purposes of this analysis, Level 1 consists of events such as state or regional championships that are estimated to average approximately four event days and draw a greater number of participants. Level 2 events include those events which are more moderately sized and average approximately 2.5 event days.

Most of the projected events will likely occur over multiple days. As such, event days reflect the number of days that a particular event uses the facility. Total usage days include both event days as well as move-in/move-out days. Likewise, attendees consist of both participants and spectators who often attend each event day. An attendee day is defined as total attendance multiplied by the event length.

For example, a three-day equine competition with 200 attendees equates to 600 attendee days which reflects that the same attendees return to the event each of the three days.

Non-equine/rodeo events primarily attract attendees who attend only once during the event. Concerts/festivals include commercial concerts and/or community sponsored festivals that may include food, music and/or cultural/heritage events. Family shows represent touring acts such as the circus, Disney Live, Sesame Street Live and/or WWE Wrestling events. BMX/sporting events may include competitions involving a variety of sports such as BMX, basketball, volleyball, mixed martial arts, wrestling, etc. Consumer shows/expos include those events open to the public such as an agricultural showcase or a large equipment supply show. Other civic/community events, which include meetings, seminars, walk-a-thons, rallies, fund-raisers, social functions and special events, currently comprise a large portion of existing activity at the Fairgrounds.

As noted earlier, the event activity reflected in the analysis is anticipated to be incremental net new to the community. However, there will likely be some transfer of events among facilities in the community, particularly in the early years after construction, as groups want to utilize the ‘new’ facility in the market. As such and when appropriate, it is recommended that Fairgrounds management work with representatives at other local public assembly facilities and marketing agencies to coordinate event bookings and rental rate policies in order to maximize event activity in the community.

Market penetration, which is defined as annual attendance divided by Core Based Statistical Area (CBSA) population, can provide a good barometer for assessing facility usage (i.e., attendance) relative to the population base. The following table lists similarly sized arenas to the proposed new event center shown in Master Plan Central, their seating capacity and CBSA population.

Key Market Attributes for Comparable Indoor Arenas			
Facility	Location	Seating Capacity	CBSA Population
1st Bank Center	Broomfield, CO	7,100	2,600,500
Budweiser Event Center	Loveland, CO	7,200	307,200
Centrum Arena	Cedar City, UT	5,000	48,300
Curry County Events Center	Clovis, NM	3,300	49,100
Dow Event Center	Saginaw, MI	7,600	198,300
Santa Ana Star Center	Rio Rancho, NM	8,000	914,200
Sioux Falls Arena	Sioux Falls, SD	6,500	235,800
Sovereign Center	Reading, PA	8,900	416,600
Average of Comparable Arenas		6,700	596,300
Proposed New Event Center	Grand Junction, CO	5,000	148,800

Note: Sorted in descending order by seating capacity.

Sources: Facility management, Claritas.

As shown in the table that follows, the market penetration rate of profiled indoor arenas ranges from 6% to 414% and averages 152%. Estimated annual attendance for just the proposed new event center at the Fairgrounds yields a market penetration rate of 85% for the full Master Plan build out which appears achievable relative to that for profiled comparable facilities. In addition, Mesa County’s CBSA consists of the County. It is likely that the proposed new arena will draw attendees from a larger radius which would make the estimated market penetration rate even lower.

Comparable Indoor Arenas - Market Penetration Rate	
Facility	Market Penetration Rate
Facility 1	6%
Facility 2	30%
Facility 3	115%
Facility 4	119%
Facility 5	126%
Facility 6	177%
Facility 7	226%
Facility 8	414%
Average of Comparable Arenas	152%
Proposed New Event Center	85%

Note: Market penetration rate = total attendance/CBSA population.

Sources: Facility management; secondary research.



Operating Revenues

The following table summarizes the estimated operating revenues associated with the proposed Master Plan improvements for a stabilized year of operations as compared to the three-year historical average.

Estimated Impact to Operating Revenues With Proposed Master Plan Improvements										
Category	Three-Year Historical Average	Master Plan West Only			Master Plan East Only			Master Plan Central (Including West and East)		
Facility Rent/Admissions	\$103,000	\$117,000	-	\$124,000	\$326,000	-	\$344,000	\$732,000	-	\$859,000
Food & Beverage	11,000	18,000	-	21,000	28,000	-	29,000	150,000	-	173,000
Parking - Spectator & RV	8,000	8,000	-	8,000	44,000	-	46,000	168,000	-	204,000
Advertising/Sponsorships	0	10,000	-	15,000	15,000	-	20,000	30,000	-	35,000
Other	3,000	4,000	-	4,000	7,000	-	7,000	15,000	-	16,000
Total	\$125,000	\$157,000	-	\$172,000	\$420,000	-	\$446,000	\$1,095,000	-	\$1,287,000
Incremental Impact to Operating Revenues		\$32,000	-	\$47,000	\$295,000	-	\$321,000	\$970,000	-	\$1,162,000

The following provides a description of each line item as well as supporting data for the assumptions.

Facility Rent/Admissions – Facility rent/admissions are typically derived from three primary usage fees: general facility rental, stall rental and bedding. It is important to recognize that facility management will likely negotiate rental terms based on various factors. Comparable facilities’ published rental rates are commonly negotiated based on the event’s seasonality, type of venue(s) rented (e.g., indoor/ outdoor, lighted, seating, etc.), event length, number of stall rentals and/or multi-year contracts.

Based on the published rental rate structures at comparable facilities, general facility rental for equine/rodeo events is based on an average negotiated rental rate of \$750 per event day for the Master Plan East and an average of \$1,000 per event day for the Master Plan Central which includes the proposed new climate controlled event center. These average rental rates take into account that some events may choose to rent outdoor arenas which would offer a lower average daily rental rate than the new indoor arena. It should be noted that it is common industry practice for event planners to negotiate the event day rental rate, particularly for larger regional/national shows and, as such, negotiated rates are typically lower than published rates. Stall rental is calculated by multiplying the estimated number of horses by the number of usage days by an average net stall fee rental of \$20 to the facility which includes bedding.

As shown in the adjacent table, profiled fairgrounds/equestrian centers charge between \$1,000 and \$3,500 in rent for climate controlled arenas and between \$250 and \$1,500 in rent for outdoor arenas. The relatively wide range in published rental rates is primarily based on the quality of the facilities including their age, aesthetics, seating capacity, lighting, etc.

In addition to facility rental, profiled facilities charge \$8 to \$30 per day for stall rental where the higher end typically includes a daily bedding and/or cleaning charge.

Fairgrounds/Equestrian Centers - Published Event Rental Rates			
Facility	Location	Climate Controlled Arena	Outdoor Arena
Colorado State Fairgrounds	Pueblo, CO	\$3,500	\$450
MetraPark	Billings, MT	\$3,000	\$1,500
Casper Events Center	Casper, WY	\$2,500	n/a
CamPlex	Gillette, WY	\$2,100	\$250
Adams County Fairgrounds	Brighton, CO	\$1,300	\$775
Governor Hunt Horse Complex	Raleigh, NC	\$1,200	\$700
The Ranch Complex	Loveland, CO	\$1,200	\$630
Douglas County Fairgrounds	Castle Rock, CO	\$1,000	\$500
Average (excluding Mesa)		\$2,000	\$700
Current Mesa County Fairgrounds Grand Junction, CO		n/a	\$200-\$350

Notes: Sorted in descending order by rental rate for climate controlled arena.
n/a denotes not applicable.

Sources: Individual facilities; secondary research.

Fairgrounds/Equestrian Centers - Stall Rental Rates		
Facility	Location	Rent/Day
Governor Hunt Horse Complex	Raleigh, NC	\$30.00
The Ranch Complex	Loveland, CO	\$20.00
Jefferson County Fairgrounds	Golden, CO	\$20.00
Montrose County Fairgrounds	Montrose, CO	\$15.00
Logan County Fairgrounds	Sterling, CO	\$15.00
Salt Lake Equestrian Center	Salt Lake City, UT	\$15.00
MetraPark	Billings, MT	\$15.00
Adams County Fairgrounds	Brighton, CO	\$15.00
Douglas County Fairgrounds	Castle Rock, CO	\$12.00
Boulder County Fairgrounds	Boulder, CO	\$8.00
Average (excluding Mesa)		\$17.00
Current Mesa County Fairgrounds Grand Junction, CO		\$22.25

Notes: Sorted in descending order by stall rent/day.

Mesa County Fairgrounds rate excludes one-time \$5.00 cleaning charge.

Sources: Individual facilities; secondary research.

For non-equine/livestock events, the rental generated from utilization of the facility is typically derived from two primary rental arrangements. In the case of most concerts/festivals, family shows and other high attendance events, facility rental is calculated by taking a percentage of the gross ticket sales for each event or a minimum rent per event day, whichever is greater. The other rental arrangement is when the user pays a base rental rate per event day which typically occurs for low attendance events that do not generate significant ticket sales.

The inputs which impact facility rental revenue are attendance, ticket price or base rental rates, and the appropriate rental revenue capture rate based on a percentage of ticket sales. Rental rates can vary by facility depending on the specific details of the arrangements with the event promoter/producer. Some facilities structure their rental rates to better accommodate civic groups (such as non-profits) who would like to utilize the facility but cannot afford “market” rental rates. In addition, preferential rates may be necessary to attract certain concerts/festivals/entertainment acts given the competitive regional market.

Commercial event promoters that bring concerts and family shows typically negotiate rental terms for use of an arena. While published rental terms vary based on the arena capacity, quality, location, and competitive environment; negotiated rates are typically driven by economic factors such as demand for the particular act, seasonality and routing of the show. As such, average negotiated rental terms do not always reflect published terms.

As a point of reference, the following table illustrates published rental terms for a variety of sports/entertainment arenas in the region. It should be noted that these facilities are not all comparable to the proposed new event center at the Fairgrounds.

Commercial Event Rental Terms		
Facility	Location	Published Rental Terms
Balch Fieldhouse - University of Colorado	Boulder, CO	\$4,500 or 10.0% of gross
Budweiser Events Center	Loveland, CO	\$5,000 or 10.0% of gross
Colorado State Fair Events Center	Pueblo, CO	\$3,500
Grand Canyon University Arena	Phoenix, AZ	\$3,500 or 10.0% of gross
Hartman Arena	Park City, KS	\$7,500 or 10.0% of gross
Kansas Expocentre	Topeka, KS	\$2,000 or 12.5% of gross
Mabee Center Arena	Tulsa, OK	10%
Oklahoma State Fair Arena	Oklahoma City, OK	\$2,400 or 13.0% of gross
Pershing Center	Lincoln, NE	\$2,000 or 12.5% of gross
Spirit Bank Event Center	Tulsa, OK	\$5,000
Utah Community Credit Union Center	Orem, UT	\$2,000 or 10.0% of gross
Viaero Event Center	Kearney, NE	\$5,000

Note: Sorted alphabetically by facility.

Sources: Individual facilities; Pollstar

The table below shows the average ticket gross, tickets sold and ticket price for select regional arenas.

Commercial Arena Average Ticket Prices				
Facility	Location	Average Gross	Average Tickets Sold	Average Ticket Price
1st Bank Center	Broomfield, CO	\$216,770	4,178	\$52
Budweiser Events Center	Loveland, CO	\$135,655	2,723	\$50
Colorado Springs World Arena	Colorado Springs, CO	\$174,484	3,876	\$45
Viaero Event Center	Kearney, NE	\$141,223	3,250	\$43
Tim's Toyota Center	Prescott Valley, AZ	\$95,069	2,229	\$43
Utah Community Credit Union Center	Orem, UT	\$216,509	5,203	\$42
Magness Arena	Denver, CO	\$136,025	3,638	\$37
Kansas Expocentre	Topeka, KS	\$65,211	1,879	\$35
Heartland Events Center	Grand Island, NE	\$104,241	3,022	\$34
Pershing Center	Lincoln, NE	\$94,204	2,804	\$34
Hartman Arena	Park City, KS	\$67,353	2,114	\$32
Grand Canyon University Arena	Phoenix, AZ	\$117,356	3,710	\$32
SpiritBank Event Center	Tulsa, OK	\$98,989	3,368	\$29
Average		\$127,900	3,200	\$40

Notes: Sorted in descending order by average ticket price.

Gross includes reported amounts for all ticketed events which may include concerts, family shows and/or sporting events.

Source: Pollstar.

Expo centers or exhibit halls are typically rented on a per day basis. The following table outlines comparable expo/exhibit hall published rental rates to that charged for the existing Community Building at the Fairgrounds. Consistent with comparable facilities, the Fairgrounds offers a lower rental rate for community or non-profit organizations.

Fairgrounds/Equestrian Centers - Expo Center/Exhibit Hall Rental Rates			
Facility	Location	Rent/Day	
		Community Rate	Commercial Rate
MetraPark	Billings, MT	\$4,000	\$4,000
Douglas County Fairgrounds	Castle Rock, CO	\$800	\$1,500
Adams County Fairgrounds	Brighton, CO	\$740	\$1,300
The Ranch Complex	Loveland, CO	\$950	\$950
Jefferson County Fairgrounds	Golden, CO	\$360	\$900
Boulder County Fairgrounds	Boulder, CO	\$380	\$800
Montrose County Fairgrounds	Montrose, CO	\$475	\$650
CamPlex	Gillette, WY	\$260	\$520
Logan County Fairgrounds	Sterling, CO	\$140	\$420
Average (excluding Mesa)		\$900	\$1,200
Current Mesa County Fairgrounds	Grand Junction, CO	\$300	\$475

Note: Sorted in descending order by commercial rate/day.

Given the competitive nature of Colorado and the surrounding region with several modern indoor arenas of varying capacities, conservative rental terms are assumed for non-equine/rodeo activity. The following table outlines the assumptions used to estimate rental for non-equine/rodeo events at the Fairgrounds with the proposed improvements. The lower prices reflect those associated with Master Plan West or Master Plan East whereas the higher prices reflect Master Plan Central including the new event center and expo hall.

Event Type	Average Ticket Price/Rental Rate	Percentage to Facility
Concerts/festivals	\$40/\$20	10%
Family shows	\$15	10%
Sporting events	\$10	10%
Consumer shows/expos	\$1,000	100%
Civic/community events	\$750/\$350	100%

In addition, move-in/move-out days are typically charged at one-half of the base rental rates depending on the event and negotiated rental agreement.

For purposes of this analysis, certain existing operating policies (e.g., flat fee leasing of BMX track and Orchard Mesa Little League fields, preferred rates to certain user groups such as 4-H groups) are assumed to remain the same. Other similar facilities also offer reduced or complimentary rates for certain users.

Food & Beverage/Merchandise Sales – The operation and management of food and beverage sales are generally handled by one of two methods. The first method, which is the most common, allows an independent concessionaire exclusive rights to facility events with the facility taking a percentage of gross sales. The second method allows for the facility owner to own and operate the food and beverage service. Under this method, the facility owner captures all food and beverage sales but also incurs expense items related to purchase and maintenance of equipment, labor costs and costs of goods sold. It has not yet been decided whether the proposed Fairgrounds expansion/enhancement will contract with a third party for food and beverage operations or retain concessions/catering in-house. For purposes of this analysis, a net food and beverage amount is estimated based on the experience of comparable facilities. Consequently, the method of food and beverage operations is not required.

Parking – This line item includes revenues generated from car, trailer and recreational vehicle (RV) parking. A parking charge of \$20 per RV space for any event is assumed for Master Plan East and \$5 per car for spectator events including concerts/festivals, family shows and sporting events is assumed for Master Plan Central. There may be an opportunity to charge for parking at other select events such as national BMX races and/or larger consumer shows/expos.

As a point of reference, comparable facilities charge between \$15 and \$30 for overnight RV parking and depend on whether they are full-service (i.e., water, electric, sewer hook ups) and the level of electrical power available (i.e., 30 amp vs 50 amp). Mesa County Fairgrounds RV rates are currently \$20 per night for 30 amp spots and \$25 per night for 50 amp spots. Given that the Master Plan calls for a significant increase in available RV spaces (78 total), it is anticipated that the daily rate charged would be on the lower end of the current Fairgrounds range.

Advertising/Sponsorships – Advertising and sponsorship opportunities are diverse and can range from temporary signage at a single event to permanent signage on buildings or billboards located throughout one or more buildings to advertising in a program to sponsoring an entire event/ championship. Events sponsored by outside organizations do not typically share revenues with the facility owner/operator. However, advertising and sponsorship revenue generated from events that are organized/sponsored by the facility operator, or other local community groups is usually retained by the facility and is a function of the amount and type of event activity in terms of events and attendance (e.g., large national championships), the strength/breadth of the area employment base, and the approach taken by management in terms of the amount and type of advertising and sponsorships it wants to sell.

Other Revenues – This line item consists of revenue generated from items such as vending machines, vendor space rental, as well as other miscellaneous sources.



Operating Expenses

The following table summarizes the estimated operating expenses associated with the proposed Master Plan improvements for a stabilized year of operations as compared to the three-year historical average.

Estimated Impact to Operating Expenses With Proposed Master Plan Improvements										
Category	Three-Year Historical Average	Master Plan West Only			Master Plan East Only			Master Plan Central (Including West and East)		
Salaries/Wages	\$225,000	\$225,000	-	\$225,000	\$300,000	-	\$300,000	\$455,000	-	\$485,000
Benefits	49,000	56,000	-	56,000	75,000	-	75,000	114,000	-	121,000
Utilities	11,000	13,000	-	14,000	20,000	-	24,000	311,000	-	356,000
Unreimbursed Contract Services	30,000	33,000	-	35,000	45,000	-	50,000	88,000	-	95,000
Repairs/Maintenance	31,000	33,000	-	34,000	40,000	-	42,000	206,000	-	226,000
Materials & Supplies	17,000	19,000	-	20,000	24,000	-	26,000	92,000	-	102,000
Marketing/Promotion	2,000	3,000	-	3,000	10,000	-	12,000	62,000	-	69,000
Other	10,000	12,000	-	12,000	13,000	-	15,000	30,000	-	33,000
Total	\$375,000	\$394,000	-	\$399,000	\$527,000	-	\$544,000	\$1,358,000	-	\$1,487,000
Incremental Impact to Operating Expenses		\$19,000	-	\$24,000	\$152,000	-	\$169,000	\$983,000	-	\$1,112,000

The following provides a description of each line item.

Salaries/Wages - Although the staffing requirements and subsequent salaries and wages can represent a significant expense, permanent full-time staffing plans can vary. This variance in staffing levels is generally attributed to multiple factors. One factor relates to the management philosophy of maintaining event-related personnel as full-time or part-time staff. Another factor relates to the management and physical relationship the facility might have to other facilities (e.g., convention center, stadium, etc.). For example, the staffing plan for a stand-alone facility is different than for an entire complex that can share administrative costs among several venues. In addition, the extent that contracted services are used also impacts staffing at a facility.

As shown below, staffing at comparable facilities ranges from four (4) to 36 full-time positions.

Summary of Full-Time Staff at Comparable Facilities		
Facility	Location	Full-Time Staff
CAM-PLEX Multi-Event Facilities	Gillette, WY	36
Casper Events Center	Casper, WY	18
Santa Ana Star Center	Rio Rancho, NM	14
Sen. Martin Eastern Ag. Center	Williamston, NC	11
Colorado Horse Park	Parker, CO	7
Boulder County Fairgrounds	Boulder, CO	5
Curry County Events Center	Clovis, NM	4
Norris Penrose Event Center	Colorado Springs, CO	4
Average		12
Median		9

Note: Sorted in descending order.

Sources: Individual facilities; secondary research.

The full-time staffing plan in this analysis assumes the following ramp-up including a general description of new full-time positions:

Summary of Full-Time Staffing Levels with Proposed Improvements				
Category	Three-Year Historical Average	Master Plan West Only	Master Plan East Only	Master Plan Central (Including West and East)
Total Full-Time Staff	4	4	6	10 - 11
Additional Positions		none	Maintenance Superintendent Maintenance Technician	Finance Manager Marketing Manager Event Coordinator Maintenance Technician (1-2)

Certain staff positions will need to be hired prior to the event center and expo hall opening. It is recommended that the Marketing Manager be hired one year prior to opening whereas other positions such as the Finance Manager and Event Services Manager can come online between six and eight months in advance. Other employees such as the Event Coordinator and Maintenance Technicians are assumed to be brought on board one to four months in advance of the anticipated opening date.

Benefits – This line item includes employer paid benefits such as healthcare, retirement, etc. which are assumed to be 25% of salaries/wages expense.

Utilities - Utilities generally represents one of the highest expense items for these types of facilities and can be variable depending upon the level of utilization, the type of facilities and climate. For purposes of this analysis, it is assumed that the operating entity passes through to the user, to the extent possible, event-related utility costs. In many facilities, these costs are handled as an expense that is fully or partially reimbursed by the event or, for civic uses, a utilities charge is assessed. The utility cost shown in this analysis represents the total non-reimbursable costs. It should be noted that actual utility expenses will depend on facility design and decisions concerning energy systems and management.

Unreimbursed Contract Services – Unreimbursed contract services represent a variety of professional services which may include legal, accounting, janitorial, trash removal, landscaping, and/or maintenance contracts as well as other services that are not chargeable to event promoters/producers or users and are borne by the facility.

Repairs/Maintenance - This line item includes various expenses that will be incurred related to building, equipment and grounds maintenance and will vary based on utilization. Expense allocations for repair and maintenance are also highly dependent upon the owner/management philosophy relative to upkeep of the facility. Given the high-level nature of the equine/rodeo events assumed to be held at the proposed new event center and the variety of event activity projected, it is assumed that management will maintain top level venues and competition spaces.

Materials & Supplies – This line item includes various general expenses used in the day-to-day management of the Fairgrounds that may include travel, communications, technology, postage, etc.

Marketing/Promotion – Providing new or enhanced facilities alone will not bring events. An aggressive marketing strategy will need to be undertaken to better allow the facility to diversify and enhance its event base, particularly for large equestrian/rodeo events or concerts/festivals, family shows and sporting events. While other marketing agencies (e.g., the Grand Junction VCB, Colorado Horse Council, etc.) are assumed to assist in marketing/promotion efforts; the facility should have its own dedicated resources. This amount is intended to supplement other agencies' sales and marketing efforts for the Fairgrounds in an approach that seeks to maximize both financial and human resources and minimize the marketing dollars spent by the Fairgrounds.

Marketing expenses associated with the proposed expansion/enhancement pre-opening will be a critical factor in its ability to attract high caliber competitions given the nature of the equestrian and entertainment industries. In order to become ingratiated in these industries, it will be imperative for the Executive Director and Marketing Manager to attend trade conferences/ conventions as well as major competitive events prior to opening to understand the unique needs of these events, foster business contacts and bid for future year competitions.

Other Expenses – This line item consists of miscellaneous operating costs for which the Fairgrounds may be responsible such as bank fees, memberships, subscriptions, etc.

Insurance – Due to factors such as utilization and facility size as well as the amount and type of coverage, insurance expenses can vary greatly among public assembly facilities. For purposes of this analysis, it is assumed that the County continues to self-insure the Fairgrounds as part of its blanket coverage and, as such, no insurance cost is shown.

Reserve for Replacement Fund – Although not reflected in the financial analysis, it is recommended that the County plan for an annual payment specifically designated as a reserve for replacement fund in order to safeguard its investment in the Fairgrounds. This fund is intended to cover any extraordinary annual/future capital repairs or improvements to the facilities.

Taxes, Ground Lease, Debt Service and Depreciation - This analysis does not estimate any taxes, a ground lease payment for use of the property, debt service or depreciation.

Other Operating Strategies

While several recommended operating strategies are incorporated into the assumptions outlined earlier in this section, the following outlines various policy, marketing and financial strategies that the County may want to incorporate in future operations at the Fairgrounds.

Operating Policy

The County may want to consider revising its mission statement to reflect the new and enhanced venues and overall new direction of the Fairgrounds development/operation. Adding wording that includes the goal to attract out-of-town visitors and generate economic/fiscal impacts from their associated spending can help to direct other operational, marketing and management objectives.

The mission statement is a critical element to a facility's operation because it dictates the booking policy, utilization and financial performance of that asset. A facility's mission statement should clearly outline the goals and operating objectives of the facility (e.g., diversity of event mix, financial profitability, economic impact, etc.) and the expectations of facility management. The booking policy should appropriately support and implement the mission statement through its prioritization of events. For instance, some events that generate economic impact to the community may not result in positive financial performance for the facility, particularly given the competitiveness among fairgrounds/equestrian facilities and commercial arenas. Irrespective of the management approach utilized, a well-defined mission statement and booking policy can help reduce the potential for perceived differences in the facility's role by various stakeholders.

The Fairgrounds' booking policy should be revised to establish a priority level that supports the mission statement. For example, events that generate certain room night thresholds may be given booking priority over those that are local in nature. The County may want to grant certain exceptions for long-standing local events such as the County Fair that require the Fairgrounds on an established annual cycle. However, these exceptions should be kept to a minimum. The booking strategy should focus on maximizing weekend dates with those events that generate economic/fiscal impacts to area governments since offering new and enhanced facilities will allow management the opportunity to more effectively accommodate simultaneous events.

Marketing Efforts

Given the recommended programmatic additions/enhancements and on-going master planning efforts, the Fairgrounds should develop a strategic plan that incorporates key objectives over the next five to ten years. The strategic plan should be updated every three to five years to account for market and facility changes.

A formal marketing plan should be created to guide future efforts and measure performance associated with key target markets (e.g., equestrian/livestock activity, sports, entertainment, expositions, extreme sports, etc.). To ensure that this strategic plan is achieved, the marketing plan should complement the strategic plan and provide the exact methods of execution and goals to measure success. Moreover, the marketing plan and strategic plan should work in association with the County's idea for the image it

wants to reflect to Fairgrounds visitors. The brand recognition connected with a facility is vital in conveying its marketability and distinguishing it from competitors.

Strategies should include leveraging local relationships to draw state, regional and/or national events such as JUCO, USA BMX, Fair Board, and CMU. For instance, networking with local residents who have a connection to various state, regional and/or national events that could be held at the Fairgrounds. A key objective should be to develop and grow relationships with broader event producers/promoters in the equestrian, exposition, sports and entertainment industries. Fairgrounds staff should collaborate with the Grand Junction VCB and other local public assembly facilities on methods for lead generation, staff training, outreach and a joint marketing strategy. Efforts should be made to create consistent print/electronic marketing materials highlighting the destination and facility attributes.

Once the program and timing are formalized for the recommended additions/enhancements, a pre-opening and grand opening strategy and budget should be developed. Effort should be made to incorporate existing users as well as prospective event producers/promoters to establish new relationships.

Financial Operations

Rental rates should be revised to reflect new/enhanced venues and market rates for commercial groups in order to maximize the Fairgrounds' competitive position and financial performance. Rates should be increased incrementally as new/enhanced program elements are added. For instance, rates are assumed to remain consistent with existing rates for the initial Master Plan West development. Given the addition of a new covered arena and additional stalls in Master Plan East, rental rates are assumed to increase for all of these elements. Finally, the development of the new event center and expo hall in Master Plan Central should include another rental rate adjustment for these elements that coincides with their opening. All rates should be reviewed and adjusted for competitive market conditions.

The County should establish a policy relative to selling commercial rights such as naming rights, advertising, retail space lease, etc. Once the policy is formally established, efforts should be made to maximize revenue generation through marketing and sales of agreed-upon opportunities.

In order to maximize operating efficiency and more accurately report performance measures, the County should consider implementing a new computer system for booking, tracking event statistics, and maintaining event settlement sheets which will improve overall operating efficiency. Reporting from the new system should allow management to assess the relative value of an event.

Finally, in order to protect the County's investment a plan should be created to establish and maintain a dedicated, long-term capital reserve fund.

As part of its on-going planning efforts, the Fairgrounds should continue to enhance attendance tracking and reporting by event in order to aid in its marketing, booking prioritization and/or rental negotiation. Tracking both attendance and attendee days is an important performance measurement for understanding the operational success of the Fairgrounds over time.

Economic/Fiscal Impact Analysis

It is our understanding that two primary objectives of the proposed expansion/enhancements to the Fairgrounds are to increase the overall tourism appeal of the County and attract attendees that generate economic and fiscal impacts to the local economies.

The City, County and the State of Colorado would benefit from expansion/enhancement of the Fairgrounds in a number of ways, including such tangible and intangible benefits as:

- Enhancing the region's image as a tourism destination by increasing its visitor amenities
- Broadening market reach to new visitors and/or extending the length of stay for existing visitors
- Capitalizing on existing tourism efforts
- Receiving increased media exposure through hosting large State and regional event activity
- Providing another forum to promote agriculture, equine, and sports related businesses
- Serving as a catalyst for future, long-term development initiatives in the area including private sector investment
- Increasing economic and fiscal impacts for local and State governments
- Fostering relationships with State educational institutions and providing venues for the expansion of existing educational programs and/or the development of new programs

Each of these benefits is important in assessing the impacts that the proposed improvements may have on the area. While the value of many of these benefits is difficult to measure, the estimated economic activity generated in the region can be quantified. This analysis quantifies the direct, induced and indirect benefits associated with the on-going operations of an expanded/enhanced Fairgrounds.

General Methodology Overview

An assessment of the economic benefits that could occur in the County as a result of the proposed improvements can be approached in several ways. The approach used in this analysis considers estimated operating revenues generated from items such as facility rental/admissions, food & beverage, parking, and advertising/sponsorships as well as estimated spending by attendees outside of the facility on items such as lodging, restaurants, entertainment, transportation and retail as an initial measure of economic activity in the marketplace.

Once the amount for direct spending is quantified, a calculated multiplier is applied to generate the indirect and induced effects. The sum of direct, indirect and induced effects equals total economic impact which is expressed in terms of spending (output), employment (jobs), and personal earnings. This analysis also estimates the fiscal impacts generated from on-going operations of an expanded/enhanced Fairgrounds.



Economic and Fiscal Impacts Associated with the Proposed Master Plan

Spending (Output)

Total direct, indirect, induced spending effects generated by the improvements



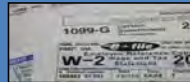
Employment (Jobs)

Number of full and part-time jobs supported by the improvements



Personal Earnings

Wages and salaries earned by employees of businesses associated with or impacted by the improvements



Tax Revenues (Fiscal)

Sales and use tax
Personal income tax
Lodging tax
Corporate income tax



All amounts depicted in this analysis are presented in current dollars, reflect a stabilized year of operations and assume taxes continue at their current rates.



Economic Impact Analysis

The following table summarizes the estimated economic benefits from the on-going activities at the expanded/enhanced Fairgrounds in a stabilized year as measured by spending, earnings and jobs.

Estimated Economic Impacts Generated From On-Going Operations of the Mesa County Fairgrounds				
Category	Three-Year Historical Average	Master Plan West Only	Master Plan East Only	Master Plan Central (Including West and East)
Spending				
Direct	\$2,376,000	\$2,752,000 - \$3,005,000	\$4,308,000 - \$4,472,000	\$9,324,000 - \$10,839,000
Indirect/Induced	1,449,000	1,679,000 - 1,836,000	2,633,000 - 2,735,000	5,722,000 - 6,659,000
Total	\$3,825,000	\$4,431,000 - \$4,841,000	\$6,941,000 - \$7,207,000	\$15,046,000 - \$17,498,000
Total Earnings	\$1,130,000	\$1,322,000 - \$1,450,000	\$2,058,000 - \$2,136,000	\$4,553,000 - \$5,297,000
Total Jobs	50	57 - 63	88 - 92	200 - 230

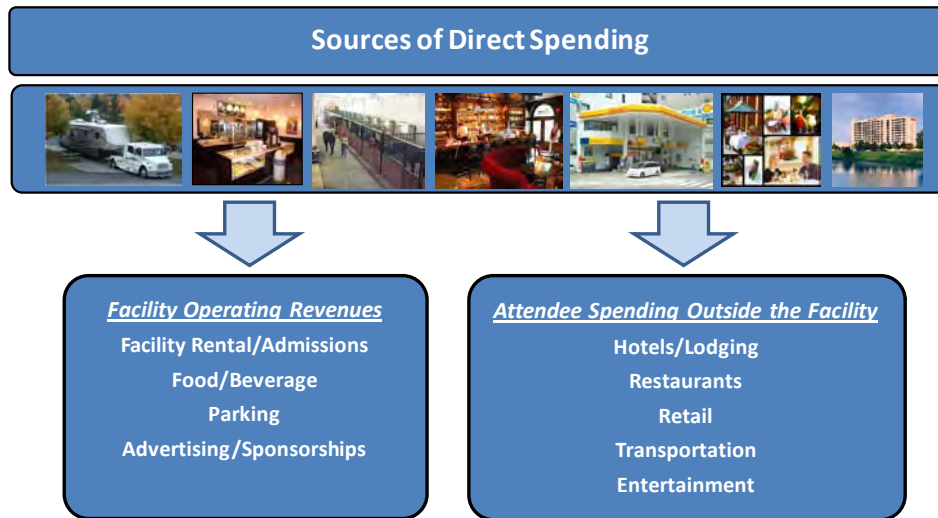
Note: Economic impacts for the three Master Plan scenarios reflect total amounts. The difference between these amounts and those shown for the three-year historical average reflect the incremental new economic impacts associated with each option.

The following describes the assumptions used in this analysis.

Direct Spending

Regional input-output models are typically used by economists as a tool to understand the flow of goods and services among regions and measure the complex interactions among them given an initial spending estimate. As such, estimating direct spending is the first step in calculating economic impact.

Direct spending represents the initial change in spending that occurs as a direct result of on-going operations of the expanded/enhanced Fairgrounds. As graphically depicted on the page that follows, direct spending occurs both inside and outside of the facility.



Because all of this spending does not occur in the local area, adjustments are made to account for leakage (spending which occurs outside of the local economy) and displacement (spending which would have occurred elsewhere in the local economy without the presence of the expanded/enhanced Fairgrounds).

Facility Operating Revenues

An assessment of the economic benefits that is accrued to the local area as a result of the proposed improvements can be approached in several ways. One approach, which is frequently used in the industry, considers the revenue side of a facility for documentation of the initial direct impacts to a community. In this approach, operating revenues estimated to be generated at the Fairgrounds from sources such as facility rent/admissions, food/beverage sales, parking and advertising/sponsorships are used as an initial measure of economic activity within the marketplace. Direct spending associated with the existing Fairgrounds is based on the three-year historical average of operating revenues.

Attendee Spending Outside of the Fairgrounds

This category attempts to reflect the spending patterns of attendees, including participants and spectators, outside of the Fairgrounds before and after events. Based on the estimated mix of event activity, attendees are categorized as either high impact, defined as those generating hotel room nights, or low impact and are assigned different spending amounts. These spending amounts are allocated among various categories including hotel, food/beverage, entertainment, transportation and retail. For purposes of this analysis, a weighted average spending amount of \$100 per day for high impact attendees and \$20 per day for low impact attendees is utilized based on primary and secondary



research including, but not limited to, surveys previously conducted with similar user groups; research conducted for Colorado Tourism and data provided by the Grand Junction VCB. In addition, it is assumed that 95% of attendee spending outside the Fairgrounds occurs in local economies.

As outlined in the Market Analysis found in Appendix B, the Fairgrounds has historically held approximately 140 events annually drawing approximately 100,000 attendees. For purposes of estimating the three-year historical average attendee spending outside the facility, management provided statistics associated with 53 events held during 2010, 2011 and 2012. These events combined represent a total of 143 event days and 71,000 attendee days. While this sample is not inclusive of all events held at the Fairgrounds over the past three years, these events represent the primary activities that draw out-of-town visitors and, therefore, contribute most significantly to out-of-facility spending.

Summary of Direct Spending

Based on these assumptions, the following table summarizes the estimated direct spending related to the proposed Master Plan improvements in a stabilized year of operations.

Summary of Direct Spending				
Category	Three-Year Historical Average	Master Plan West Only	Master Plan East Only	Master Plan Central (Including West and East)
Facility Operating Revenues	\$125,000	\$157,000 - \$172,000	\$420,000 - \$446,000	\$1,095,000 - \$1,287,000
Attendee Spending Outside Facility	\$2,251,000	\$2,595,000 - \$2,833,000	\$3,888,000 - \$4,026,000	\$8,229,000 - \$9,552,000
Total	\$2,376,000	\$2,752,000 - \$3,005,000	\$4,308,000 - \$4,472,000	\$9,324,000 - \$10,839,000

Note: Direct spending amounts for the three Master Plan scenarios reflect total amounts. The difference between these amounts and those shown for the three-year historical average reflect the incremental new direct spending associated with each option.

These spending amounts are considered direct output and, therefore, serve as the basis for the multiplier analysis. Direct spending amounts were assigned logical industry categories and relevant multipliers were applied to these amounts in order to calculate estimates for total spending, earnings and jobs.

Indirect and Induced Impacts

The economic activity generated by on-going operations of an expanded/enhanced Fairgrounds affects more than just the complex. In preparation for new spending in the economy, several other economic sectors are impacted and jobs are created. Indirect effects reflect the re-spending of the initial or direct expenditures or the business-to-business transactions required to satisfy the direct effect. Induced effects reflect changes in local spending on goods and services that result from income changes in the directly and indirectly affected industry sectors. The model generates estimates of these impacts through a series of relationships using local-level average wages, prices and transportation data, taking into account commute patterns and the relative interdependence of the economy on outside regions for goods and services.

Multiplier Effect

In an effort to quantify the inputs needed to produce the total output, economists have developed multiplier models. The estimation of multipliers relies on input-output models, a technique for quantifying interactions between firms, industries and social institutions within a local economy. This analysis uses IMPLAN software and databases which are developed under exclusive rights by the Minnesota IMPLAN Group, Inc. IMPLAN, which stands for *Impact Analysis for Planning*, is a computer software package that consists of procedures for estimating local input-output models and associated databases. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a defined economic area. Its proprietary methodology includes a matrix of production and distribution data among all counties in the U.S. As such, the advantages of this model are that it is sensitive to both location and type of spending and has the ability to provide indirect/induced spending, employment and earnings information by specific industry category while taking into account the leakages associated with the purchase of certain goods and services outside the economy under consideration.

Once the direct spending amounts are assigned to a logical category, the IMPLAN model estimates the economic multiplier effects for each type of direct new spending attracted to or retained in the County resulting from operations of an expanded/enhanced Fairgrounds.

For purposes of this analysis, the following industry multipliers were used:

Category	Mesa County		
	Spending	Employment*	Earnings
Hotels	1.595	16.0	0.4132
Entertainment	1.647	31.0	0.4516
Eating & Drinking Places	1.557	23.3	0.4826
Retail Trade	1.642	21.1	0.6292
Transportation	1.707	12.3	0.5943
Horse Industry Services	1.465	12.0	0.3444
Business Services	1.512	11.3	0.4138

Note: *indicates the number of jobs per \$1 million in spending.

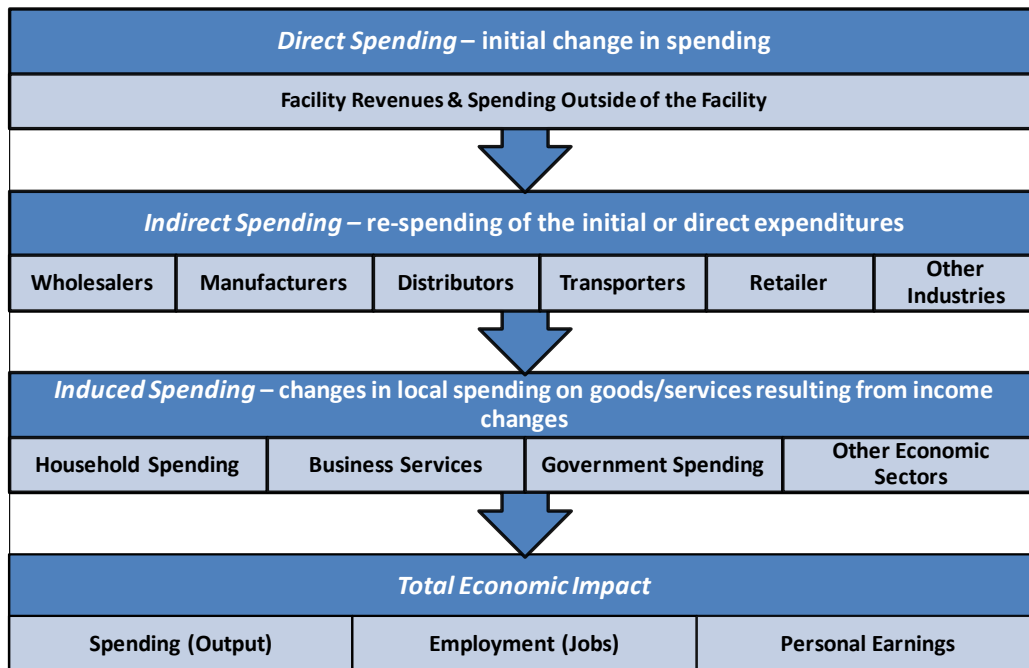
Source: IMPLAN.

Total Economic Impact

The calculated multiplier effect is then added to the direct impact to quantify the total economic impact in terms of spending, employment and earnings which are defined below:

- *Spending* (output) represents the total direct and indirect/induced spending effects generated by the expanded/enhanced Fairgrounds. This calculation measures the total dollar change in spending (output) that occurs in the local economy for each dollar of output delivered to final demand.
- *Employment* (jobs) represents the number of full and part-time jobs supported by the expanded/enhanced Fairgrounds. The employment multiplier measures the total change in the number of jobs supported in the local economy for each additional \$1.0 million of output delivered to final demand.
- *Personal Earnings* represent the wages and salaries earned by employees of businesses associated with or impacted by the expanded/enhanced Fairgrounds. In other words, the multiplier measures the total dollar change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.

The following graphic illustrates the multiplier effects for calculating total economic impact.



Outputs from the IMPLAN model indicate that total (i.e., direct, indirect and induced) annual spending from on-going operations of the expanded/enhanced Fairgrounds yields an economic multiplier of approximately 1.60. Thus, every dollar of direct spending is estimated to generate \$1.60 in total economic activity.



Fiscal Impact Analysis

The total spending generated by on-going operations of the expanded/enhanced Fairgrounds creates tax revenues for the City, County and the State. Although experience in other markets indicates that a significant portion of the direct spending would occur near the facility, spending also occurs in other areas within the State, particularly such spending as business services and the everyday expenditures of residents.

The following table compares the estimated fiscal impacts associated with the on-going operations of the Fairgrounds in a stabilized year of operations with the proposed Master Plan improvements to the three-year historical average. Given the tax structure and the nature of this project, the fiscal impacts are higher for the City and the State as compared to the County.

Estimated Fiscal Impacts Generated From On-Going Operations of the Mesa County Fairgrounds					
Municipality/Tax	Three-Year Historical Average	Master Plan West Only		Master Plan East Only	Master Plan Central (Including West and East)
Mesa County					
County Sales & Use Tax	\$47,000	\$53,000	- \$57,000	\$83,000 - \$85,000	\$169,000 - \$195,000
Total	\$47,000	\$53,000	- \$57,000	\$83,000 - \$85,000	\$169,000 - \$195,000
City of Grand Junction					
City Sales & Use Tax	\$64,000	\$71,000	- \$77,000	\$112,000 - \$117,000	\$231,000 - \$266,000
Lodging Tax	30,000	31,000	- 32,000	49,000 - 51,000	80,000 - 91,000
Total	\$94,000	\$102,000	- \$109,000	\$161,000 - \$168,000	\$311,000 - \$357,000
State of Colorado					
Sales & Use Tax	\$68,000	\$76,000	- \$83,000	\$118,000 - \$123,000	\$243,000 - \$281,000
Individual Income Tax	21,000	24,000	- 27,000	38,000 - 39,000	83,000 - 97,000
Corporation Income Tax	5,000	6,000	- 6,000	9,000 - 10,000	21,000 - 24,000
Total	\$94,000	\$106,000	- \$116,000	\$165,000 - \$172,000	\$347,000 - \$402,000
GRAND TOTAL	\$235,000	\$261,000	- \$282,000	\$409,000 - \$425,000	\$827,000 - \$954,000

Note: Fiscal impacts for the three Master Plan scenarios reflect total amounts. The difference between these amounts and those shown for the three-year historical average reflect the incremental new fiscal impacts associated with each option.

Each major tax source impacted by Fairgrounds operations was analyzed in order to estimate the taxable amount of direct and indirect/induced spending to apply the respective tax rate. In addition, other taxes at the local and State level (e.g., gasoline tax, rental car tax and liquor excise tax) may also be positively impacted by this project that are not included in this fiscal analysis.



The assumptions utilized in this fiscal analysis are described below.

Mesa County

Local Sales and Use Tax – Mesa County imposes a 2.0% local sales and use tax. Taxable items are governed by the State’s sales and use tax. Hotel and RV stays, prepared food and beverages, and retail sales are subject to the tax. Motor fuel and admissions are exempt from the sales tax. For purposes of this analysis, the tax rate was applied to the estimated taxable direct spending as well as a percentage of indirect/induced spending generated by the expanded/enhanced Fairgrounds.

City of Grand Junction

Local Sales and Use Tax – Grand Junction imposes a 2.75% local sales and use tax. Taxable items are governed by the State’s sales and use tax discussed above. For purposes of this analysis, the tax rate was applied to the estimated taxable direct spending as well as a percentage of indirect/induced spending generated by the expanded/enhanced Fairgrounds.

Lodging Tax – Grand Junction imposes a 3.0% lodging tax on short term hotel, motel stays and rentals. The 3.0% tax rate is applied to direct hotel spending estimated to be generated by the expanded/enhanced Fairgrounds.

State of Colorado

Sales and Use Tax – At the State level, sales and use tax is the primary tax impacted by the on-going operations of the Fairgrounds. The State of Colorado imposes a 2.9% tax on retail sales, rental or leases of personal property; and some business services. For purposes of this analysis, the tax rate was applied to the estimated taxable direct spending as well as a percentage of indirect/induced spending generated from event activity.

Individual Income Tax - The State of Colorado imposes an individual income tax which is assessed against personal income earned in the State by residents and nonresidents. The individual income tax is a flat rate of 4.63% of adjusted gross income. For purposes of this analysis and based on information provided by the Colorado Department of Revenue and the U.S. Bureau of Economic Analysis, an effective tax rate of 1.82% was calculated based on the total tax collections and the total adjusted personal income for the State in FY 2011. This effective tax rate was multiplied by the total earnings estimated to be generated by the expanded/enhanced Fairgrounds.

Corporation Income Tax - The Colorado corporation income tax applies to net income derived from Colorado sources. The tax rate is 4.63%. Based on data provided by the Colorado Department of Revenue, the total tax liability for the State was approximately 0.14% of Colorado’s Gross State Product (GSP), a measure of total output in the economy. For purposes of this analysis, the 0.14% effective tax rate was multiplied by the total spending estimated to be generated by the expanded/enhanced Fairgrounds.

Construction Impacts

Although not quantified in this analysis, project costs associated with the development of the Master Plan would provide additional economic and fiscal impacts to the region during the construction period.

Management Alternatives

There are several potential management options for Fairgrounds/multi-facility complexes. While the governance structure should play a significant role in oversight, establishing and administering policy as well as maintaining accountability for the facility, the management team should be responsible for overseeing the day-to-day operations of the complex including implementing the mission statement and operating policies. Consequently, the management approach is important because it typically impacts all aspects of operations including marketing, utilization, financial operations and overall efficiency of a complex. For instance, management's ability to effectively negotiate rental rates and be flexible in implementation of the booking policy can directly impact utilization, financial performance and/or economic impact generated from the complex. In some instances, publicly run facilities are limited in their capability to act as quickly as other management approaches.

As such, some elected bodies choose to delegate the management of facility operations to some form of third party that provides industry knowledge and representation. In addition to the issues of industry knowledge and representation, management through a third party can offer stability and insulation from political influence which can be desired attributes by customers, vendors, facility management and staff who typically prefer a continuity of purpose and ability to function within a business environment that is not affected by each political election.

Examples of existing management options at comparable facilities include, but are not limited to, the following:

- Operating through traditional governmental management such as a County departmental structure
- Operating as an independent authority
- Operating as a not-for-profit
- Contracting with a third party that specializes in managing similar facilities

Each of these alternative approaches to management can be found within the public assembly facility industry and are discussed in more detail on the pages that follow.

Traditional Governmental Management

Historically, public assembly facilities are one of the few public assets that operate in a semi-business atmosphere requiring contractual agreements, frequent short term lease/use of facilities by customers, management of part-time and temporary staff resources for numerous events and partnership with third party vendors and tenants. These operating conditions are unique within the public services provided by government whose natural inclination is to apply one set of guidelines to all municipal departments.

Unlike many municipal services where citizens do not have a choice, event promoters/ producers have a variety of facilities to choose from when deciding where to host their event. In addition, attendees have a variety of options where they can spend their discretionary income. Given the competitiveness among fairgrounds/equestrian centers, these facilities need to operate in a manner that is consistent with well-established industry practices.

As with any governmentally run facility, the goals and objectives may change with each political cycle. For instance, the number and diversity of events may be the primary objective of one official and fiscal performance may be the priority of another. These changes in the facility objectives can be counter-productive if not managed effectively. As such, clearly defining a mission statement that reflects community consensus and operating objectives (e.g., generating economic impact) can allow a facility to set forth an operating and marketing strategy that is consistent and long-term in implementation. This approach also can provide a more stable environment for event promoters/producers when considering a facility for future use. In general, governmentally operated facilities are more successful when management has the ability and the authority needed to aggressively operate and book the facility without incurring onerous procedures.

Examples of governmentally run facilities include the Colorado State Fairgrounds in Pueblo; Heart of Texas Fair Complex in Waco; Will Rogers Memorial Center in Fort Worth; and WestWorld of Scottsdale, Arizona. In addition, most local fairgrounds are publicly operated.

Independent Authority

In many states, an authority is a political subdivision of one or more governmental entities (e.g., City, County and/or State) that is allowed by an act of local or state legislature. Authorities are usually governed by a Board of Directors that provides oversight and accountability. The Maryland-National Capital Park and Planning Commission in Prince George's County and the Lancaster County Agricultural Society in Nebraska are two examples of authorities that operate multi-use/equestrian centers. An authority can also be multi-jurisdictional such as the Lancaster County Agricultural Society which is a quasi-State organization funded by both the City of Lincoln and Lancaster County, Nebraska.

This form of management structure is typically pursued when a fiscal resource is created or allocated by a unit(s) of government and when an inter-local agreement is pledged to the authority for specific purposes. In many cases, the authority is tasked with the planning, design, financing, construction, operations and improvement to a designated project(s).

One primary objective of creating an authority can be to obtain a funding source that can allow for the independent operations of the facility. This approach has value if there is a political consensus and will to identify a revenue stream from existing or new fiscal sources that can help stabilize the operations of a public assembly facility and provide for its long-term improvement and maintenance.

While authorities similar to those in Prince George's and Lancaster counties often provide autonomy and independence, they are typically most effective when they control a revenue source that is dedicated to funding operations and/or retiring debt service. Authorities can also be beneficial when multiple jurisdictions and/or entities (e.g., facility and convention/visitors bureau) are involved in the funding and/or operations of public assembly facilities such as in Lancaster County.

Not-for-Profit

Unlike some traditional public assembly facilities such as stadiums, arenas and convention centers, fairgrounds/equestrian facilities are sometimes owned and operated by not-for-profit organizations similar to performing arts centers and museums. Examples include the National Western Events Center in Denver; the Norris Penrose Event Center in Colorado Springs; and the Oklahoma State Fair Park.

Not-for-profit organizations may manage a facility that they own or is a publicly owned asset. Typically, the not-for-profit organization is established to manage and fund the operations of the facility while the public entity may participate in the initial funding of its development. Similar to authorities, not-for-profits are typically controlled by a Board of Directors, Board of Governors or Board of Trustees.

The not-for-profit structure appears to work well with facilities that want the ability to solicit donations and volunteer labor hours from a defined set of users (e.g. equestrian/livestock groups) who typically have higher disposable incomes. Annual memberships, sponsorships and other forms of ongoing support can be collected from the private or public sector, typically through a foundation. In many cases, donations are tax deductible. Further, users can maintain a high level of input into the facility's usage and future development when a relatively small group of local stakeholders represent the Board. Not-for-profit status can also provide legal and/or tax advantages relative to other options. Because most not-for-profit entities are dependent on external funding from private or public sources such as government grants and direct donations, ongoing funding is one of the challenges of a not-for-profit entity. Any changes to the funding of the organization can impact the ability to hire and retain staff as well as sustain facility operations. Not-for-profits are typically more effective when they have a dedicated source of funding for ongoing operations and/or retiring debt service such as an endowment.

Third Party Management Company

Many municipalities around the country utilize the services of a private management company (e.g., SMG, Global Spectrum, Dooley Management,) to manage the operations of their facilities. Examples of privately operated facilities include the Ranch Complex in Loveland; the Idaho Center in Nampa; and the Somervell County Expo in Glen Rose, Texas.

Private management companies can address a variety of needs and issues confronted by governmental entities that, in many cases, result in a more effective and efficient means of facility operations than municipally run venues. Although the majority of comparable facilities realize an operating deficit, these facilities are usually developed because of the economic and fiscal impacts that they can generate. Consequently, these facilities typically aim to attract events that draw patrons from outside the immediate market area who spend money on hotels, restaurants, and other similar services. Given these unique economics and the financial constraints for many municipalities, there is sometimes a conflict for the management team which struggles to balance hosting events that operate at a profit and positively impact the facility's financial performance and hosting events that do not necessarily contribute positive cash flow but generate significant economic impact to a community.

As such, private management of a public assembly facility may be more effective under certain conditions which include, but are not limited to, the following:

- Civil service constraints may limit a municipality's ability to retain and hire qualified personnel that are experienced in the industry and compensated for their skill set relative to other similar positions in the industry.
- Union labor will be involved and the municipality is unable or unwilling to negotiate a favorable contract for rates.
- Efficient operations will likely be hampered by strong political influence and operating autonomy is desired.
- Facility management will likely be unable to effectively negotiate rates and other concessions and consequently would not be as competitive with other facilities because of municipal constraints in negotiating financial terms with event promoters.
- Contract approval requirements would likely be onerous and time consuming.
- Municipalities have limited funds for significant maintenance requirements and/or capital improvements to facilities and a third party contractor agrees to provide funding as part of its management agreement.

Typically the management company charges a base management fee in addition to a performance or incentive fee. The performance or incentive fee is capped at the annual base management fee amount and is usually tied to measurable operating results such as increasing the number of events and/or attendance and/or improving the financial operations as compared to a baseline benchmark target.

Private management contracts have become more common in recent years and, as such, facility owners are demanding more from them. Some municipalities have required the management company to commit capital funds for the project to help ensure they have a vested interest in its operational success. Sources of such commitments may include naming rights, sponsorships and advertising contracts. Private management contracts are including an increasingly higher portion of the fee based on performance. Various regulations restrict management contracts for facilities financed by tax exempt bonds which include, but are not limited to, the following:

- Limiting performance or incentive fees to the negotiated base fee
- Limiting the term of the agreement
- Excluding distribution of profits to the management company

One common apprehension for municipalities considering third party management is losing control of the asset. However, third party management is an agent of the municipality charged with managing and promoting the asset. As such, the municipality can manage the amount and type of control that it retains through the terms of its management agreement. For instance, in most private management agreements, municipalities still retain ownership; approve the operating and capital budgets; provide input and direction regarding policy; receive regular financial and management reports; and have the ability to terminate the management company for cause. Typically, municipalities are actively involved in the

hiring and/or approval of the facility’s general manager and have a designated contract administrator that oversees the terms of the contract and serves as liaison between the governmental entity and the management company.

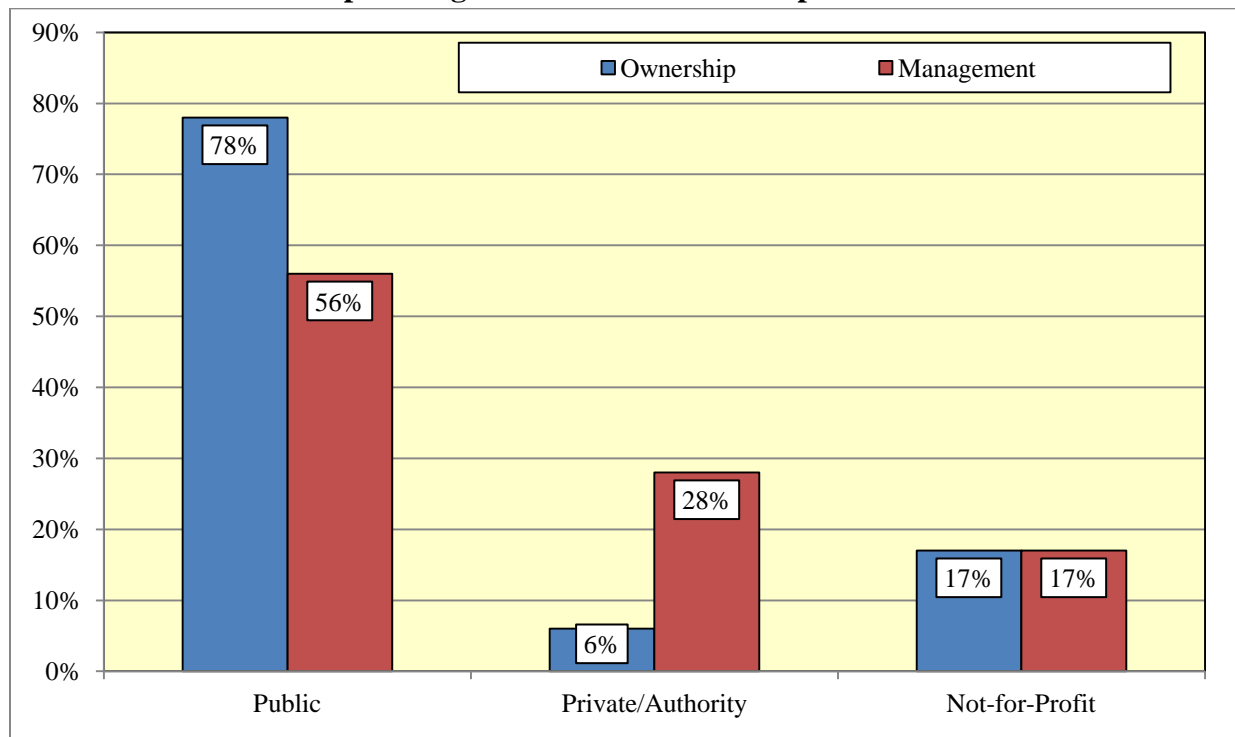
Potential risks associated with third party management include, but are not limited to, the following:

- The municipality does not control all aspects of its asset including hiring of personnel, determining the event mix, ensuring quality service and overseeing ongoing repairs and maintenance of the facility.
- Third party management could potentially be less sensitive to users, especially those that are locally based and do not generate significant economic impact.
- Because of the facility’s proposed size, the overall cost of third party management (e.g., base and performance incentive fees, capital improvements) may be greater than the estimated operating deficit.

Comparable Facility Ownership/Management Structures

As a point of reference, the graph that follows outlines the ownership and management structure at select comparable facilities. While 78% of profiled facilities are publicly owned, only 56% are publicly managed. Nearly half of the profiled facilities are managed by a third party management company, an authority, or a not-for-profit.

Ownership/Management Structure at Comparable Facilities



Sources: Individual facility management; other research.



The following table outlines the ownership and management structures of a sample of comparable facilities in greater detail.

Ownership and Management Structure at Select Competitive/Comparable Facilities			
Facility	Location	Owner	Operator
Boulder County Fairgrounds	Boulder, CO	County	County
Colorado State Fairgrounds	Pueblo, CO	State	State
Douglas County Fairgrounds	Castle Rock, CO	County	County
Equestrian Park & Events Center	Salt Lake City, UT	County	County
Garfield County Fairgrounds	Rifle, CO	County	County
Heart of Texas Fair Complex	Waco, TX	County	County
Idaho Center	Nampa, ID	City	Private
Island Grove Regional Park	Greeley, CO	City	City
Jacksonville Equestrian Center	Jacksonville, FL	City	Private
Lancaster Event Center	Lincoln, NE	Authority	Authority
Montrose County Fairgrounds	Montrose, CO	County	County
National Western Events Center	Denver, CO	County/Not-for-Profit	Not-for-Profit
Norris Penrose Event Center	CO Springs, CO	Non-Profit	Not-for-Profit
Oklahoma State Fair Park	Oklahoma City, OK	Not-for-Profit	Not-for-Profit
Somervell County Expo	Glen Rose, TX	County	Private
The Ranch Complex	Loveland, CO	County	Private
WestWorld of Scottsdale	Scottsdale, AZ	City	City
Will Rogers Memorial Center	Fort Worth, TX	City	City

Note: Sorted alphabetically by facility.

Sources: Individual facility management; other research.

Summary

As the County continues to explore the merits of the proposed Fairgrounds improvements, it should evaluate which ownership and/or management approach best meets its long-term objectives for the facility.

Relative to the management approach, the Fairgrounds should continue to be operated in a first-class manner by an aggressive, experienced management team with strong industry contacts in order to enhance its competitiveness which could be accomplished by any of the four management options. As with any business operation, there are several approaches to managing facilities, each of which has advantages and disadvantages depending on the situation.

Typically there is pressure on most publicly funded assets to operate with a high degree of fiscal responsibility. Potential benefits of operating the Fairgrounds through an independent entity such as an authority, a not-for-profit organization or a third party management company rather than as a governmental department include, but are not limited to, providing greater latitude in staffing, compensation, contracts and incentive pay; increasing revenue generating potential; providing financial accountability and reporting; and allowing for greater autonomy while still being funded by public and private sources.

Based on our research and given the unique nature of the asset, it is recommended that the Fairgrounds continue to be publicly operated with qualified personnel and an appropriate staff structure/count to adequately service the proposed Fairgrounds improvements outlined in the Master Plan. In the long-term, the County may want to evaluate the merits of alternative management structures as it embarks on development of the event center and expo hall. These may include an Authority structure or privatizing one or more elements (i.e., the event center) to maximize utilization and routing power of third party management companies.

Summary

The project team of Crossroads Consulting and Populous were retained by Mesa County to assist it in developing a Master Plan for the Mesa County Fairgrounds. It is our understanding that the driving forces of the Master Plan is to continue to accommodate diverse community usage, minimize the financial operating subsidy, and maximize economic and fiscal impacts to the community. This project is one of the few that allow the local government to positively impact the economy through its investment.

The following summarizes the key financial elements of the proposed Master Plan.

Summary of Key Financial Elements of the Proposed Master Plan				
Category	Three-Year Historical Average	Master Plan West Only	Master Plan East Only	Master Plan Central (Including West and East)
Incremental Usage/Event Activity				
Number of Events	n/a	9	19	85
Total Usage Days	n/a	13	48	188
Total Attendees	n/a	20,250	25,300	171,600
Financial Operations				
Operating Revenues	\$125,000	\$164,500	\$433,000	\$1,191,000
Operating Expenses	\$375,000	\$396,500	\$535,500	\$1,422,500
Net Operating Gain/(Loss)	(\$250,000)	(\$232,000)	(\$102,500)	(\$231,500)
Project Cost Estimates				
		\$6,800,000	\$7,100,000	\$39,700,000
Economic Impacts				
Direct Spending	\$2,376,000	\$2,878,500	\$4,390,000	\$10,081,500
Indirect/Induced Spending	\$1,449,000	\$1,757,500	\$2,684,000	\$6,190,500
Total Spending	\$3,825,000	\$4,636,000	\$7,074,000	\$16,272,000
Total Earnings	\$1,130,000	\$1,386,000	\$2,097,000	\$4,925,000
Total Employment	50	60	90	215
Fiscal Impacts				
Mesa County	\$47,000	\$55,000	\$84,000	\$182,000
City of Grand Junction	\$94,000	\$105,500	\$164,500	\$334,000
State of Colorado	\$94,000	\$111,000	\$168,500	\$374,500
Total	\$235,000	\$271,500	\$417,000	\$890,500

Notes: Amounts used for the Master Plan improvements by geographic area represent midpoint of the ranges.

As stated in the executive summary, the County has committed through its budgeting process \$8.0 million of the Capital Improvement Fund to be spent on Fairgrounds improvements including \$1.5 million in FY 2013, \$1.5 million in FY 2014, \$2.0 million in FY 2015, \$2.0 million in FY 2016 and \$1.0 million in FY 2017.

The Capital Improvement Fund is funded using dollars from the County local sales tax. This fund was approved by Mesa County voters in 1981 and can only be used for capital/infrastructure projects such as roads, bridges, utilities, and buildings.

In addition, there are several potential opportunities that may assist to mitigate the construction costs and/or the ongoing operating subsidy from non-governmental sources such as naming rights, concessionaire rights, pouring rights, long-term advertising/sponsorship sales, the sale/lease of retail parcels, etc. However, it should be recognized that each of these options are highly market-driven and their viability at the Fairgrounds would need to be tested through an extensive pre-development marketing initiative.

- *Naming rights* - where one or more parties can be solicited for up-front or annually recurring commitments. As a point of reference, the following table summarizes naming rights at select arenas throughout the U.S.

Summary of Naming Rights Deals at Select Arenas in the U.S.							
Facility	Location	Population	Opened	Capacity	Price	Term	Annual Average
Denny Sanford PREMIER Center	Sioux Falls, SD	417,200	2014	12,500	\$18,750,000	25	\$750,000
Ford Center	Evansville, IN	355,402	2011	11,000	\$4,200,000	10	\$420,000
Comcast Arena at Everett	Everett, WA	3,381,567	2003	10,000	\$3,700,000	10	\$370,000
Germain Arena	Esteros, FL	618,754	1998	8,300	\$7,000,000	20	\$350,000
Huntington Center	Toledo, OH	648,286	2009	8,000	\$2,100,000	6	\$350,000
1st Bank Center	Broomfield, CO	2,528,842	2006	6,500	\$1,750,000	5	\$350,000
ShoWare Center	Kent, WA	3,407,848	2009	7,687	\$3,175,000	10	\$317,500
Sovereign Center	Reading, PA	477,200	2001	9,000	\$9,000,000	30	\$300,000
AMSOIL Arena	Duluth, MN	275,486	2010	8,500	\$6,000,000	20	\$300,000
Rabobank Arena	Bakersfield, CA	812,047	1998	10,000	\$2,500,000	10	\$250,000
U.S. Cellular Coliseum	Bloomington, IL	167,699	2006	8,000	\$1,750,000	10	\$175,000

Note: Sorted in descending order by annual average.

Source: Primary and secondary research.

- *Concessionaire rights* – where a third party concessionaire provides food/beverage equipment and/or capital in exchange for exclusive rights for a specified term.
- *Pouring rights* - where a beverage manufacturer pays the facility for exclusive selling rights for a specified term.
- *Long-term advertising/sponsorships* – include the sale of advertising for particular “zones” within or outside the facility such as a private area to gather prior to and after events or an entry boulevard named for a sponsor.
- *Retail parcel lease* – lease of retail lots for smaller establishments such as a coffee shop, tack store, etc. could serve to mitigate operating costs and/or spur additional private sector investment in surrounding parcels. Given the history of the Fairgrounds, it is unlikely that the County would sell any existing parcels to the private sector through a commercial land sale. However, if the County

wants to explore leasing parcels to the private sector to complement development uses, it would probably need to provide at least a two acre parcel of land that has frontage, easy access/availability, and ample parking to support the commercial development. Local real estate resources indicated that commercial lease rates are about \$10/SF/year with a triple net lease. It would be likely that rental concessions and some type of allowance for tenant improvements would be required. Relative to a ground lease, a hypothetical, preliminary analysis suggests that the commercial property component could potentially generate approximately \$1600/month. Assuming a hypothetical lease would be for an initial term of five years with three five-year renewals including a \$5,000/year escalation, the total of future rental income could be approximately \$534,000 over 20 years. Any improvements on the property would become the landlord's responsibility at the end of the term. As such, there may be some disposition income after the term of the lease. The monthly lease rate is comparable to what someone might pay if they financed the parcel over 20 years without a down payment. However, a major caveat is that Ground Leases are more prevalent in high demand areas which may not be applicable at the Fairgrounds site, particularly in the short-term.

Grants also represent a potential funding source for both planning and project execution/implementation of Master Plan improvements. Many grants require matching funds which would allow the County to maximize its committed investment as well as any capital obtained from the private sector (e.g., construction of the BMX track)

Great Outdoors Colorado (GOCO) is the primary source for the improvements that can be defined as outdoor recreation. GOCO has a Planning Grant program for design/engineering efforts where the maximum award is \$75,000 with a minimum match of 25%. GOCO also has a Local Parks and Outdoor Recreation (LPOR) grant program for construction/implementation/maintenance of outdoor recreation facilities where the maximum award is \$350,000 with a minimum match of 30%. Both grant programs are offered each Spring and Fall and awarded in June and December. Mesa County has a good track record with GOCO. Because GOCO funds are from the Colorado Lottery, they are not significantly impacted by the economic conditions in Colorado.

For projects that have components that could be more energy efficient, use renewable energy, and sustainable technologies practices, the following agencies have several grant programs that should be considered:

- Department of Energy
- Sustainable Communities (a partnership of Department of Transportation, Environmental Protection Agency, and Housing and Urban Development)
- Department of Commerce, Economic Development Administration
- Colorado Water Conservation Board
- Bureau of Reclamation, Water SMART grant program
- Colorado Department of Public Health and Environment
- Colorado Energy Office
- National Fish and Wildlife Foundation/Wells Fargo

In general, infrastructure improvements at the Fairgrounds such as recycling the irrigation water, energy efficient pumps, using low-flow appliances/equipment, solar on the buildings, LED lighting in the barns/arenas, recycling facilities and education, etc. may qualify for grants.

Colorado Department of Local Affairs, Energy and Mineral Impact Assistance Funds may be able to provide funding for some of the improvements, depending on the activity in Mesa County, the impact on the community, how well those factors can be tied together as well as the budget in the year the project would be performed.

The Veterans Administration could be a potential partner and may be able to provide some support funds for the proposed improvements to the Veterans Park (e.g., relocation of the memorial, adding viewing amenities, constructing the festival area and stage, and providing a trail around the park).

All potential grants are contingent on factors such as:

- Changes to the Federal and State grant programs (including eligible projects, applicants and most of all funding levels each cycle).
- State of Colorado budget changes.
- Mesa County's economic condition (e.g., if the area becomes more distressed, it may be eligible for more grants).
- Mesa County's Energy Industry activity.

As the project Master Plan continues to evolve, these and other potential revenue sources should be evaluated and actively pursued.

Overall Summary

The proposed Fairgrounds Master Plan represents an opportunity for the County to invest in future economic and fiscal benefits for the area. As mentioned previously, one reason that such facilities are developed or expanded is because of the economic activity that they can generate in terms of spending, employment, earnings and tax revenues to local and state governments by attracting patrons from outside the immediate market area. Developing the proposed Fairgrounds Master Plan in conjunction with revising various operating strategies will place the complex in a better position to accommodate residential needs, bolster community pride associated with this unique asset, draw out-of-town visitors as well as drive economic impacts to the area. In addition, the proposed Master Plan represents an opportunity to attract various funding partners from both the public and private sectors that can serve as an economic catalyst for the Orchard Mesa area and broader County.

Next Steps

Upon adoption of the Master Plan, a series of grant applications will be developed with the objective of obtaining State or federal funds to help plan and construct some portions of the Master Plan. Design engineering will begin for the new entrance road and associated infrastructure, including design of a new irrigation system for the property. The first steps of implementation would include portions of the Master Plan West. As funding partners are secured, design and construction of additional elements will be pursued.

Appendix D | Stakeholder List

The following is a list of Fairgrounds Stakeholders and User Groups interviewed in the Master Plan and Market Analysis development:

Rodeo Groups:

- CMU Rodeo Team
- CPRA (Colorado Pro Rodeo Assn)
- PBR (Pro Bull Riders)

Dog Groups:

- Grand Valley Kennel Club
- Zippety Do Dogs
- Westside Woofers
- DOCNA (Dogs on Course in North America)

Livestock Groups:

- 4-H Small Animal Superintendents
- 4-H Livestock Superintendents
- Animal Expo

Sports and Recreation:

- BMX
- Western Slope Extreme Sports
- Supercross
- Grand Junction Motor Speedway
- Grand Junction Horseshoe League
- Grand Valley Jeep Club
- Orchard Mesa Little League

Other

- Tri River Extension: 4-H and Master Gardeners programs
- RAP (liquor concessionaire)

Fair Groups:

- Mesa County Executive Fair Board
- Fairgrounds Employees/Staff
- Master Plan Steering Committee

Horse Groups:

- Grand Junction Horse Show
- Western Slope Reining Horse Assn
- Grand Valley Dressage Society
- Grand Valley Pony Club
- 4-H Horse project
- Colorado West Paint Horse Club

Orchard Mesa Business:

- KOA Campground
- Sorter Construction
- State Farm- LaVonne Gorsuch
- Dominoes Pizza
- Western Slope Colorado Oil & Gas Association (bull ride sponsor)
- Various Business Leaders

Community / Local Government Groups:

- Sheriff's Posse
- Grand Junction Economic Partnership
- Grand Junction Business Incubator
- OMNIA (Orchard Mesa Neighborhood Impact Assn)
- Grand Junction Visitor and Convention Bureau
- Mesa County Workforce Center/ Economic Development
- Grand Junction Chamber of Commerce
- Mesa County Planning Dept
- City of Grand Junction Public Works/Panning Dept
- City of Grand Junction Parks & Recreation
- Mesa County Parks & Trails
- Mesa County Engineering
- Mesa County Facilities Department
- Veterans representing Intermountain Veterans group
- Candidates for County Commissioner
- Board of County Commissioners
- The Public

Appendix E | Limiting Conditions

Statement of Assumptions and Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Crossroads Consulting Services LLC, and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Crossroads Consulting Services LLC from its independent research effort, general knowledge of the industry and information provided by the consultations with the client and client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agents and representatives, or any other data source used in preparing or presenting this study.

Our performance of the tasks completed does not constitute an opinion of value or appraisal, or a projection of financial performance or audit of the facility in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions. They represent only the judgment of the author based on information provided by operators and owners active in the market place, and their accuracy is in no way guaranteed.

The consultant assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinion in this report if said economic, physical or demographic factors were not presented as of the date of the letter of transmittal accompanying this report. The consultant is not obligated to predict future political, economic or social trends. In preparing this report, the consultant was required to rely on information furnished by other individuals or found in previously existing records, and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the consultant for the accuracy of such information and the consultant assumes no responsibility for information relied upon later found to have been inaccurate. The consultant reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the consultant, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its states purpose.

The definitions and assumptions upon which our analysis, opinions and conclusions are based as set forth in appropriate sections of this report and are to be part of these general assumptions as if included herein in their entirety.

Crossroads Consulting Services LLC cannot be held liable in any cause of action resulting in litigation for any dollar amount which exceeds the total fees collected from this individual engagement.

