

DARE COUNTY TOURISM BOARD MEETING
SPECIAL MEETING
THURSDAY, JULY 15, 2021
9:00 A.M.
OUTER BANKS VISITORS BUREAU ADMINISTRATIVE OFFICES
ONE VISITORS CENTER CIRCLE
MANTEO, NC 27954

AGENDA

- I. Call to Order
- II. Pledge of Allegiance & Moment of Silence
- III. Approval of Agenda
- IV. Soundside Event Site Discussion
- V. Adjournment

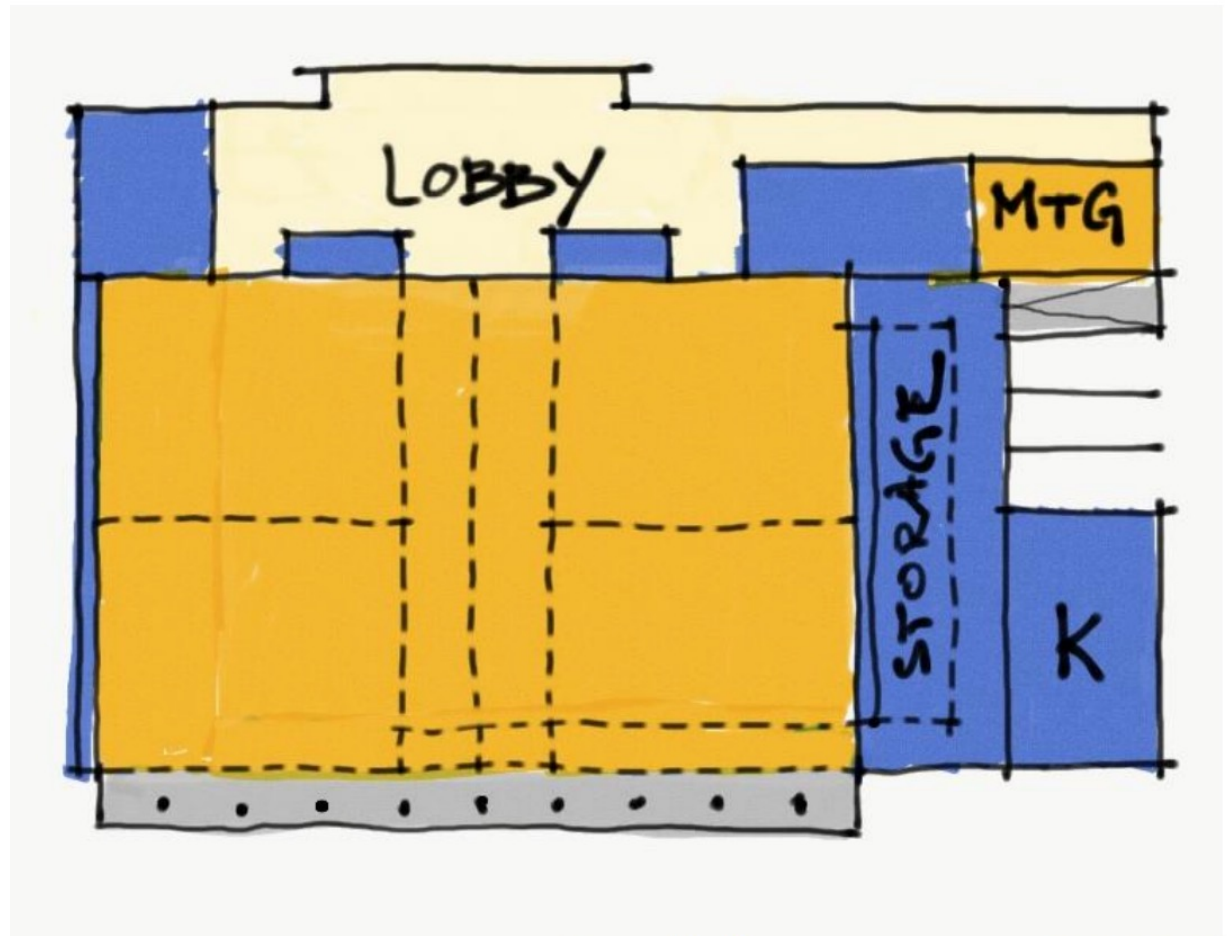
The Soundside Event Center

July 2021

What?

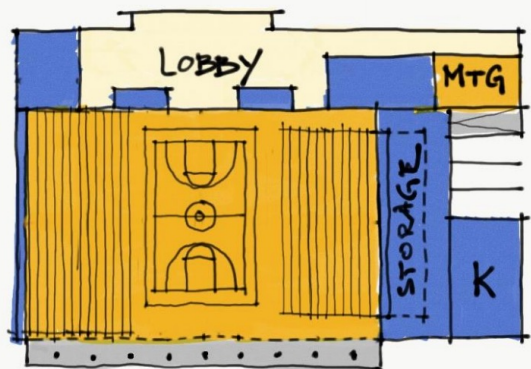
- 48,275 square foot, flexible-space indoor Event Center
- Largest room: 26,000 square feet event hall
- Designed to attract Sporting Events, Concerts, Banquets, Small Tradeshows, Meetings and other group functions with attendance of 300-2,500 people
- Incubator/Test Kitchen

Event Center

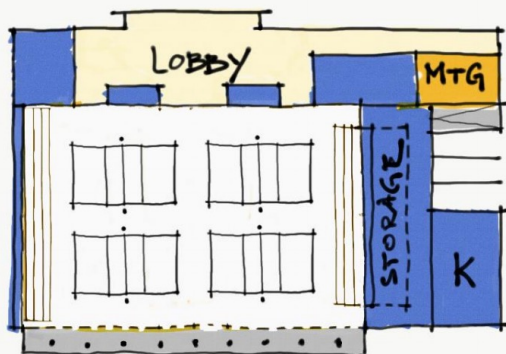


Event Hall	26,000 SF
Meeting Room	1500 SF
Catering Kitchen	2800 SF
Total Gross Area	48,275 SF

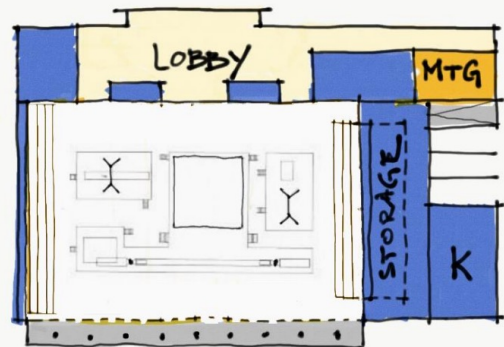
Basketball



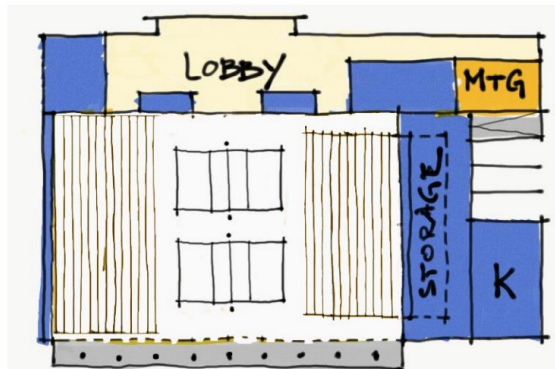
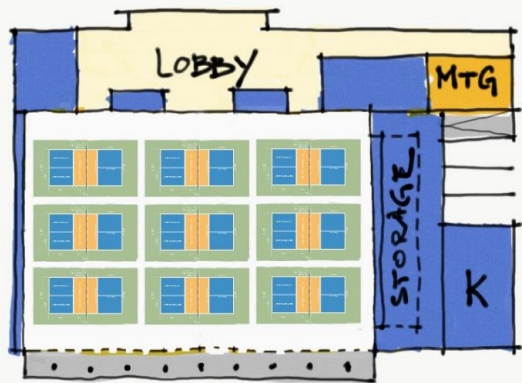
Volleyball



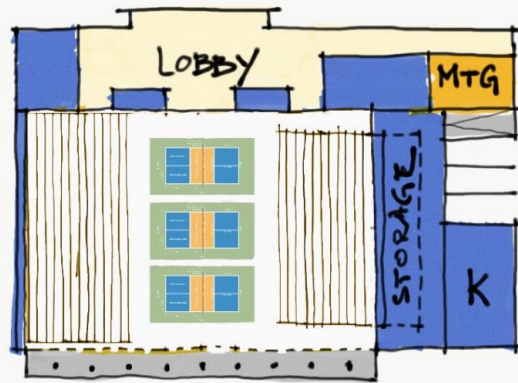
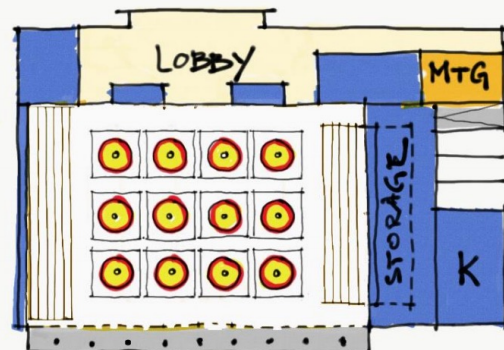
Gymnastics



Pickleball



Wrestling



Why?

- Events draw out-of-market visitation during non-summer months (the mission of DCTB)
- The lack of a large indoor facility means:
 - Bigger events have outgrown existing facilities or never happen in the first place
 - Outdoor events are vulnerable to weather and season
 - Outdoor events incur high infrastructure costs (tents, portas, etc)

Why?

- Annually, the Indoor Event Center and Event Lawn are projected to generate and/or support:
 - \$25,150,000 in new spending
 - Facility operating deficit of \$312,000
 - More than 14,000 room nights
 - \$1,171,000 in tax revenue
 - 191 jobs (9 FTE at Event Center)
 - \$8,094,000 increased earnings

Figures reflect a "stabilized" year – Year 5

Where?

- Nags Head zoned: General Commercial Overlay (C-2), Commercial-Outdoor Recreation; and Hotel Overlay
- Building placement preserves and leverages Event Lawn with back wall that opens on to the lawn
- Preserves most of existing parking
- Preserves 72% of sound view from the Bypass

ROANOKE SOUND

APPROXIMATE
LOCATION OF
EXISTING
CLIMBING TOWER

STORMWATER
BIEN

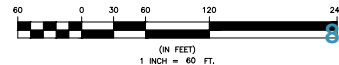
REINFORCED
TURF AREA

WASTEWATER
TREATMENT SYSTEM
(SUB-SURFACE)

S. CROATAN HIGHWAY - US 158 BYPASS
(S&P R/W)

**PRELIMINARY ONLY
NOT FOR
CONSTRUCTION**

GRAPHIC SCALE



Variances

Current Ordinance

- Building Size: 20,000 sqft
- Parking: ~597 spaces (incl Ropes)
- Height: 42'
- Septic: 12.5k GPD, 26,000 sqft

Proposed

- Building: 48,300 sqft
- Parking: 578 shown (312 paved, 266 grassed without SBG or main Event Lawn)
- Height: 45'
- Septic: As per ordinance

Action

- Hotel
- Agreement on concept?



DRAFT

The Soundside Site

Market/ Site Feasibility & Economic Impact Study



**JOHNSON
CONSULTING**

July 2021 - Update

Table of Contents

SECTION

1

PAGE 3:
Introduction

SECTION

2

PAGE 8:
Economic & Demographic Trends

SECTION

3

PAGE 16:
Indicated Facilities Analysis

SECTION

4

PAGE 26:
Program Recommendations

SECTION

5

PAGE 38:
Demand & Financial Projections

SECTION

6

PAGE 43:
Economic & Fiscal Impact Analysis

SECTION

7

PAGE 49:
Conclusion

An aerial photograph of a coastal area. In the center, there is a large, rectangular parking lot with many white lines. To the left of the parking lot is a road with a roundabout. To the right of the parking lot is a large, green, open field. In the background, there are several buildings, including a large white building with a blue roof. The ocean is visible on the left side of the image.

Section 1

Introduction



JOHNSON
CONSULTING

Introduction

Transmittal Letter

Re: DRAFT The Soundside Site: Market/ Site Feasibility and Economic Impact Study Update

Dear Lee:

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this DRAFT report to you regarding The Soundside site in Nags Head, NC. This report serves as an update of our 2019 study, focusing on a free-standing multi-purpose event venue, reflecting the architectural and engineering work since completion of our initial analysis. Pursuant to our engagement, this report provides an updated analysis of the economic, demographic, and market characteristics of Dare County, as well as the broader region; identifies characteristics of regional and comparable facilities; summarizes key observations from stakeholder engagement; provides strategic recommendations; and projects demand, financial performance, and the economic and fiscal impact generated by the recommended event venue.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact are still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

DRAFT

C.H. Johnson Consulting, Inc

Introduction

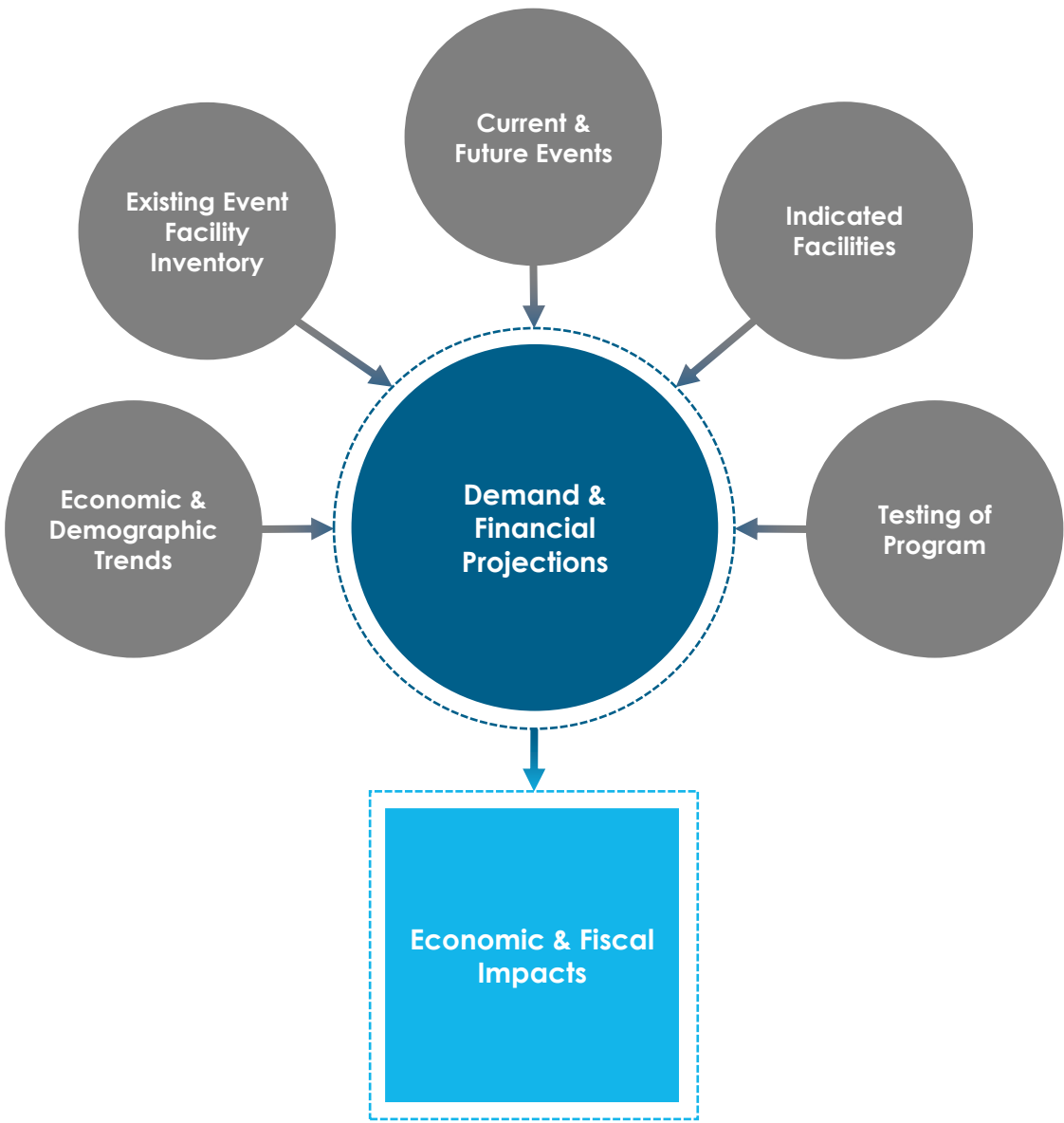
Introduction & Methodology

Johnson Consulting was retained by the Dare County Tourism Board (DCTB) to provide an updated market, site-specific and economic and fiscal impact analysis of The Soundside site in Nags Head, NC. Our prior study (2019) considered the potential for a variety of synergistic land uses to be developed on The Soundside site to formalize its role as an event venue and be responsive to the Nags Head Comprehensive Plan (2017), which envisions high-quality, mixed-use development, including recreation uses and hotel(s), supported by restaurant and retail uses throughout the Soundside Activity Node.

Johnson Consulting presented 3 alternative programs: A). Free-standing multi-purpose event venue; B). Multi-purpose event venue with hotel; C). Multi-purpose event venue with hotel located on the adjacent Pamlico Jack’s site, the acquisition of which was assessed in our 2019 study.

It is our understanding that the DCTB’s preferred option is A). Free-standing multi-purpose event venue and that there is a desire to attract and accommodate sports uses, in addition to supporting community activities and events, and drawing visitors to the market.

Johnson Consulting has developed and executed a comprehensive methodology to analyze the market potential for, and feasibility of, a free-standing event venue on The Soundside site, as highlighted in the graphic to the right. Our observations, analysis, and conclusions are presented throughout the balance of this report.



Introduction

The Soundside Site

The Soundside site is a 10-acre upland and 5-acre wetland site on the shores of Roanoke Sound that is currently utilized as an event site. Acquisition of the site began in 2007 and in 2013, the DCTB approved a Master Plan that included Phase 1 improvements to formalize the site for use for events. Phase 1 improvements were completed in June 2015, and Phases 2 and 3 (partial) site improvements were completed in 2017.

In 2018, the DCTB purchased the 1-acre South Beach Grill adjacent to the Event Site (identified as 'SBG' on the site plan shown) and in April 2019, purchased the property immediately to the north of the Event Site, currently occupied by Dairy Queen/ Mini golf/ Ropes Course (identified as 'DQ'). In December 2019, the DCTB approved the acquisition of the Pamlico Jack's restaurant (identified as 'PJ') to expand The Soundside site.

In 2019, the DCTB committed to the utilization of The Soundside site as an event site indefinitely.



Introduction

Current Utilization

The DCTB’s decision to dedicate The Soundside site for use as an event space was influenced in part by the success of the inaugural Outer Banks Seafood Festival and Nags Head 50th Anniversary carnival, which were held on the site in 2012. In 2019, The Soundside hosted 10 events, totaling 19 event days and attracted 20,300 attendees. The Outer Banks Seafood Festival attracted 8,000 attendees alone.

In 2020, all events were canceled due to the ongoing pandemic, however The Soundside had booked 8 events, totaling 17 event days and projected to attracted 23,300 attendees. In 2021, some events have also been canceled or postponed.

In recent years, The Soundside site has hosted, or booked, 9 events annually, totaling 17 event days and attracting 23,000 attendees.

The Soundside Events Schedule (2019-2021)						
Event	Event Days			Attendance		
	2019	2020*	2021	2019	2020	2021
OBSF's Chowder Banks Fest**			1			1,500
OBX Brewtag	1		1	1,700		2,000
CYP Soundside Fun Fair**	4	4	4	3,000	3,500	3,000
Outer Banks Jeep Jam**	2	2	2	900	2,000	5,000
OBX Shred Fest**	1	1	1	400	300	300
Outer Banks Seafood Festival	1	1	1	8,000	8,000	7,500
Outer Banks Food Truck Showdown**	2	2	2	2,000	4,000	4,000
Outer Banks Taste of the Beach	3	3		1,000	1,500	
OBX Rod & Custom Festival**	2	2	2	1,000	2,000	2,000
Outer Banks Tiny Home Festival	2	2		2,000	2,000	
Sumospeed Beach Bash	1		1	300		500
TOTAL	19	17	15	20,300	23,300	25,800

* All 2020 events were canceled due to COVID-19 pandemic
** 2021 events were either canceled or postponed due to COVID-19 pandemic
Source: DCTB, Johnson Consulting

An aerial photograph of a coastal area. In the center, there is a large, paved parking lot with many spaces. To the left of the parking lot, a road runs along the coast. To the right, there is a body of water with some buildings and a pier. The background shows a mix of greenery, buildings, and a beach area.

Section 2

Economic & Demographic Trends



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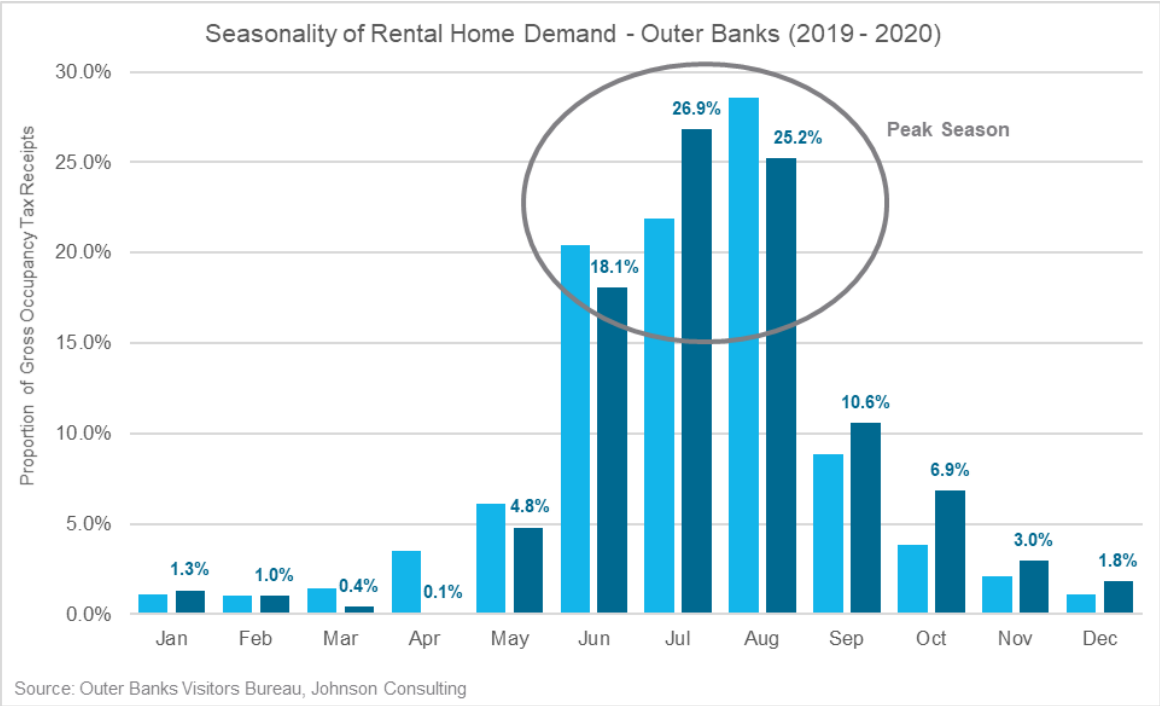
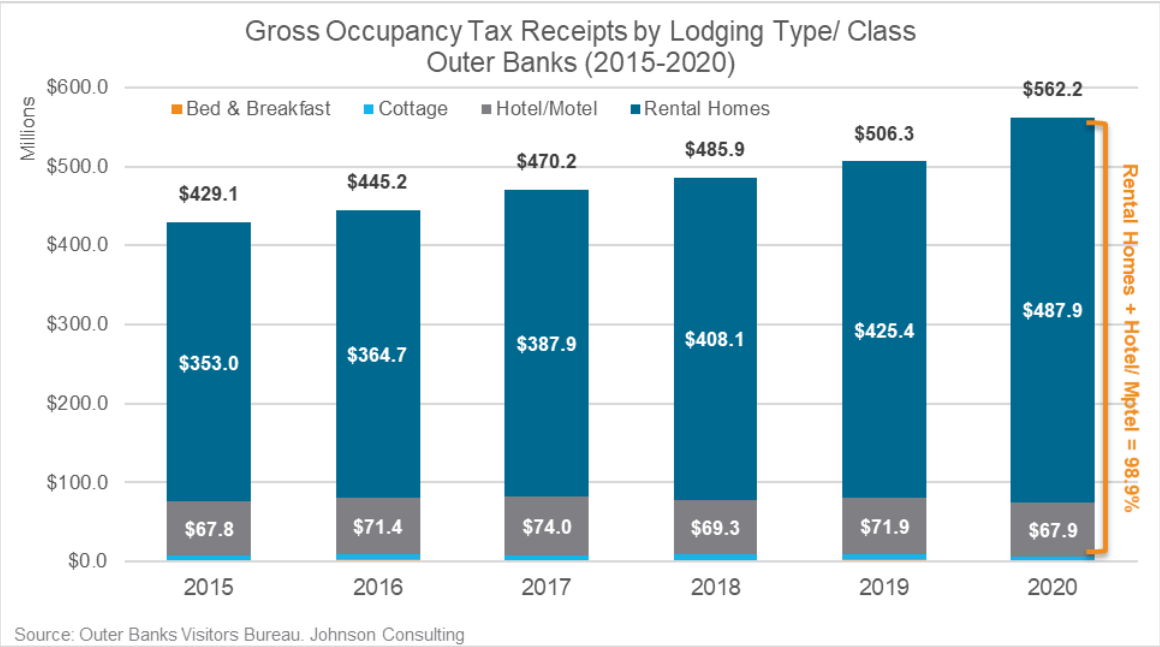
Economic & Demographic Trends

Visitor Statistics

With an estimated 3.0M visitors annually, including between 250,000 and 300,000 persons per week in the summer months, tourism is a key driver of Dare County's economy. In addition to The Soundside site, key attractions in Dare County include the aquarium, Bodie Island Lighthouse, Cape Hatteras, Fort Raleigh, Jennette's Pier, Jockey's Ridge, R.I. Festival Park, and the Wright Brothers National Memorial, among others.

In 2020, data collected by the Outer Banks Visitors Bureau indicates that gross occupancy tax receipts totaled \$562.2M, representing an 11.0 percent increase over 2019 despite the ongoing impact of the global pandemic on the travel industry. The vast majority of occupancy tax revenues are generated from rental homes (86.8 percent of receipts in 2020), followed by hotels and motels (12.1 percent). This reflects the types of lodging that are available in Dare County.

Utilizing gross occupancy tax receipts from rental homes as an indicator of seasonality of the market, the peak tourist season in the Outer Banks is June to August. Gross occupancy tax receipts during this 3-month period accounted for 70.1 percent of total receipts in 2020. In July alone, total receipts from rental homes amounted to \$131.0M, which was more than double the total annual receipts from hotels and motels (\$67.9M).



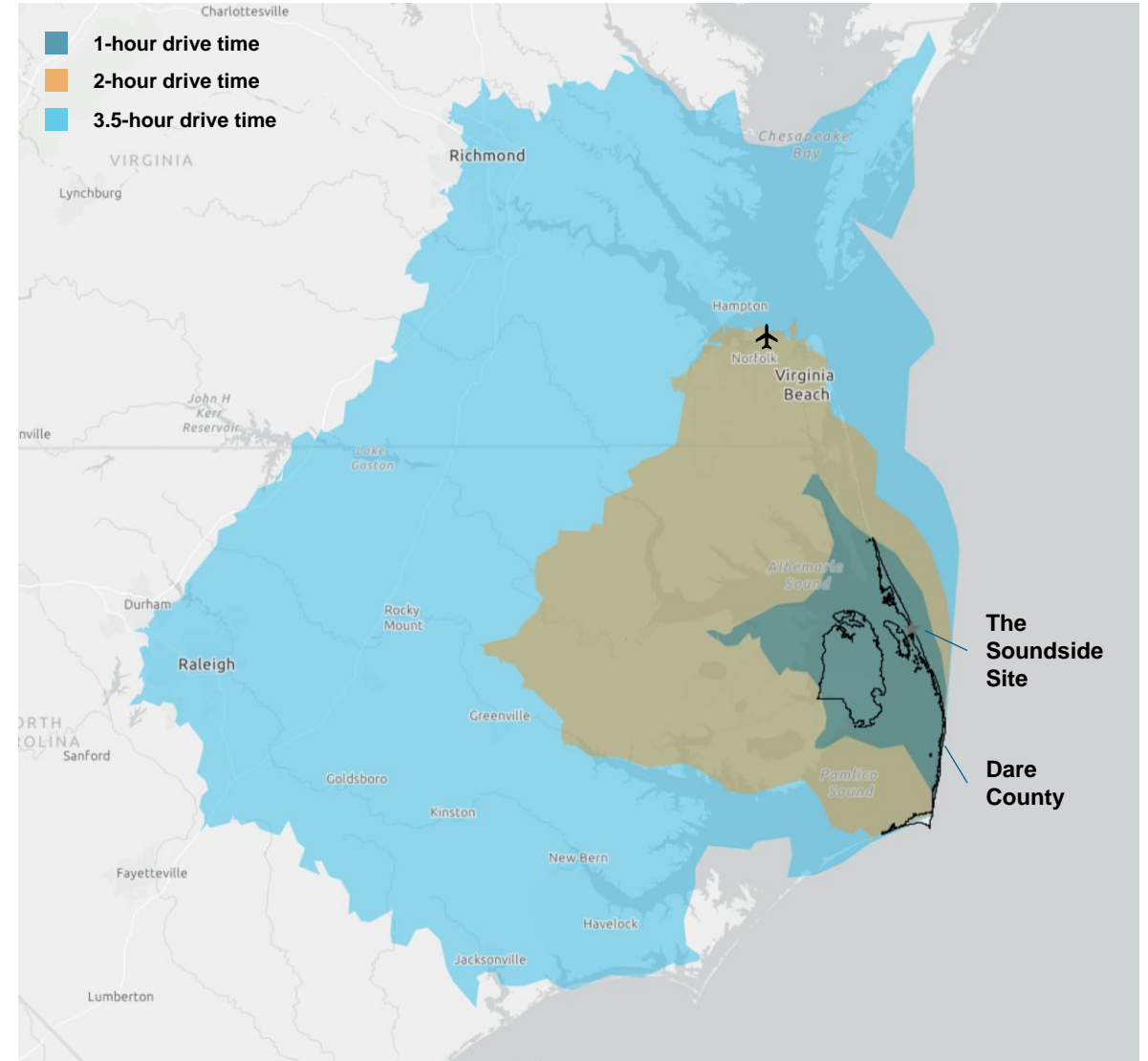
Economic & Demographic Trends

Resident Population Characteristics

In order to analyze the market opportunity for a new free-standing, multi-purpose event venue on The Soundside site, Johnson Consulting undertook a detailed analysis of market conditions in Dare County and the broader region within a 1-, 2- and 3.5-hour drive time. These reflect the likely primary, secondary and tertiary catchment areas for a new venue. Within a 3.5-hour drive time, there is access to a population of close to 5.7M persons, which is a significant demand pool that can potentially be attracted to The Soundside site.

The key objectives of our analysis were to identify structural factors, strengths and weaknesses that may affect the market's ongoing competitive position, and to gauge the level of support that exists for event space.

While characteristics such as population, employment, and income are not strict predictors of the performance of event venues or tourism and economic development potential, they provide insight into the ongoing support for facilities and activities. In addition, the size and role of a marketplace, its civic leadership, corporate presence, proximity to other metropolitan areas, land use patterns, transportation concentrations, and amenities and attractions directly influence the scale and quality of development that can be supported within that particular market.



Economic & Demographic Trends

Population

The 2020 resident population of Dare County was 35,446 persons. Between 2010 and 2020, the population of the County increased at an average annual rate of 0.4 percent, which was lower than the rate of growth observed throughout the U.S. (0.8 percent per annum). Within a 1-hour drive time radius of The Soundside site, the resident population was 47,144 persons, increasing to 1.3M persons within a 2-hour drive-time radius and close to 5.7M persons within a 3.5-hour drive time radius of the site. Since 2010, population growth within the 1-hour drive and 3.5 hour-drive time catchment outpaced the rate of growth recorded in Dare County,, while growth within the 2-hour drive time radius lagged slightly.

Going forward, the population of Dare County is projected to reach 36,250 persons by 2025. This represents an average annual increase of 0.2 percent over 2020, which is below the forecast growth rate throughout the U.S. (0.8 percent per annum). A slightly higher rate of growth (0.9 percent per annum) is projected within a 3.5-hour drive time radius of The Soundside site, while slightly lower rates of growth is projected within the 1-hour (0.7 percent per annum) and 2-hour drive time catchment area (0.4 percent per annum).

Historic & Current Population - Dare County (2010-2020)

	2010	2020	CAGR* 2010-2020
U.S.	308,745,538	333,793,107	0.8%
Dare County	33,920	35,446	0.4%
1-hour drive time	43,635	47,144	0.8%
2-hour drive time	1,284,456	1,329,540	0.3%
3.5-hour drive time	5,151,156	5,661,110	0.9%

* Compounded Annual Growth Rate

Note: Distance Measured from The Soundside Site

Source: Esri BAO, Johnson Consulting

Projected Population - Dare County (2020-2025)

	2020	2025	CAGR* 2019-2025
U.S.	332,417,793	346,021,282	0.8%
Dare County	35,919	36,250	0.2%
1-hour drive time	47,144	48,852	0.7%
2-hour drive time	1,329,540	1,358,299	0.4%
3.5-hour drive time	5,661,110	5,913,086	0.9%

* Compounded Annual Growth Rate

Note: Distance Measured from The Soundside Site

Source: Esri BAO, Johnson Consulting

Economic & Demographic Trends

Median Age

The age composition of a particular market can be a particularly important factor in determining potential demand for an event venue, as certain types of events appeal to specific age groups. In 2020, the median age of residents of Dare County was 46.2 years, which was considerably older than the national average (38.5 years). The median age of residents within a 1-hour drive time radius of The Soundside site was similar to Dare County (45.5 years), with significantly younger median ages reported throughout the 2-hour (37.7 years) and 3.5-hour (37.6 years) drive time catchment areas.

Going forward, the median age of residents of Dare County is expected to grow to 46.3 years by 2025, representing an increase of 1.7 percent over 2020 figures, which is slightly lower than the rate of growth forecast throughout the U.S. (2.1 percent per annum).

Median Age - Dare County (2010-2025)					
	2010	2020	2025	% Growth 2010-2020	Growth 2020-2025
U.S.	37.1	38.5	39.3	3.8%	2.1%
Dare County	43.6	46.2	47.0	6.0%	1.7%
1-hour drive time	43.2	45.5	46.3	5.3%	1.8%
2-hour drive time	35.5	37.7	38.8	6.2%	2.9%
3.5-hour drive time	36.0	37.6	38.4	4.4%	2.1%

Note: Distance Measured from The Soundside Site
Source: Esri BAO, Johnson Consulting

Educational Attainment

Residents of Dare County are well educated, with 45.8 percent of residents aged 25 years and older holding an Associate’s degree or higher in 2020. This is higher than the national average (41.8 percent). Lower educational attainment levels are recorded in the catchment areas, ranging from 40.1 percent of residents holding an Associate’s degree or higher within a 1-hour drive time radius of The Soundside site, to 43.2 percent of residents within a 3.5-hour drive time radius. A further 26.0 percent of Dare County residents have at least some college experience, which is significantly higher than the national average (20.1 percent).

Educational Attainment 25+ Years - Dare County (2020)										
	U.S.		Dare County		1-hour drive time		2-hour drive time		3.5-hour drive time	
	No.	%	No.	%	No.	%	No.	%	No.	%
Less than High School	25,897,955	11.3%	1,576	5.9%	3,030	8.6%	84,849	9.3%	395,625	10.3%
High School Graduate	52,254,282	22.8%	5,074	19.0%	7,575	21.5%	192,508	21.1%	802,773	20.9%
GED/Alternative Credential	8,938,232	3.9%	855	3.2%	1,586	4.5%	41,056	4.5%	157,482	4.1%
Some College, No Degree	46,066,275	20.1%	6,944	26.0%	8,914	25.3%	222,615	24.4%	821,978	21.4%
Associates Degree	19,939,134	8.7%	2,831	10.6%	3,629	10.3%	91,236	10.0%	368,738	9.6%
Bachelor's Degree	46,295,460	20.2%	6,116	22.9%	6,871	19.5%	176,085	19.3%	810,455	21.1%
Graduate Degree	29,564,923	12.9%	3,285	12.3%	3,629	10.3%	104,921	11.5%	480,128	12.5%
TOTAL	229,185,446		26,707		35,234		912,358		3,841,020	

Note: Distance Measured from The Soundside Site
Source: Esri BAO, Johnson Consulting

Economic & Demographic Trends

Income & Entertainment Spend

In 2020 the median household income in Dare County is \$58,795, which is slightly lower than the national average (\$62,203 per annum). Within a 1-hour drive time, the median income was slightly lower (\$56,267), while higher median incomes were reported in the 2- and 3.5-hour drive time radii of The Soundside site (\$62,275 and \$59,764 per annum, respectively). By 2024, the median household income in Dare County is expected to reach \$62,460, representing an average annual increase of 1.2 percent. This growth rate is slightly lower than the national forecast rate of growth average (1.6 percent), but generally consistent with the drive time catchment areas.

Residents of Dare County, as well as the 1-, 2- and 3.5-hour drive time catchment areas spend slightly less on entertainment than the average spending across the U.S. In Dare County, residents spend an average of \$69.52 annually on theaters, operas, and concert tickets (representing 86.0 percent of the national average spending), \$79.83 on tickets to movies, museums, and parks (89.0 percent of the U.S. average), \$53.54 on admission to sporting events (85.0 percent of the U.S. average), \$88.85 on fees for participant sports (90.0 percent of the U.S. average), and \$124.43 on fees for recreation lessons (86.0 percent of the U.S. average).

Slightly lower spend than the U.S. average may be attributed to a lack of opportunities to spend on entertainment, at least in part, rather than a lack of propensity to spend money on entertainment. This has positive implications for the level of demand that may exist for a new event space.

Median Household Income - Dare County (2020-2025)

	2020	2025	CAGR* 2020-2025
U.S.	\$62,203	\$67,325	1.6%
Dare County	\$58,795	\$62,460	1.2%
1-hour drive time	\$56,267	\$59,662	1.2%
2-hour drive time	\$62,275	\$66,296	1.3%
3.5-hour drive time	\$59,764	\$64,051	1.4%

* Compounded Annual Growth Rate

Note: Distance Measured from The Soundside Site

Source: Esri BAO, Johnson Consulting

Average Spending on Entertainment - Dare County (2020)

Spending Category	Dare County		1-Hour Drive Time Catchment		2-Hour Drive Time Catchment		3.5-Hour Drive Time Catchment	
	Average Spend *	Index**	Average Spend *	Index**	Average Spend *	Index**	Average Spend *	Index**
Tickets to Theater/ Operas/ Concerts	\$69.52	86	\$62.60	77	\$73.74	91	\$71.21	88
Tickets to Movies/ Museums/ Parks	\$79.83	89	\$74.15	83	\$83.68	93	\$83.87	93
Admission to Sporting Events	\$53.54	85	\$50.92	83	\$56.89	91	\$57.09	91
Fees for Participant Sports	\$88.85	90	\$81.18	83	\$91.09	93	\$91.12	93
Fees for Recreational Lessons	\$124.43	86	\$111.25	77	\$130.53	90	\$126.30	87
TOTAL	\$416.17	-	\$380.10	-	\$435.93	-	\$429.59	-

* Average spend per person, per annum

** National Average = 100

Note: Distance Measured from The Soundside Site

Source: Esri BAO, Johnson Consulting

Economic & Demographic Trends

Employment

In 2019, which is the most current data available, the Bureau of Labor Statistics (BLS) indicates that the predominant industry of employment in Dare County was Leisure and Hospitality (27.3 percent of employed persons aged 16 years and older), followed by Trade, Transportation and Utilities (21.1 percent), and Government (17.8 percent). Between 2018 and 2019, the largest increase in employment was recorded in Professional Services (21.4 percent), while the largest decreases were reported in Manufacturing, contracting by (8.4) percent, and Financial Services, contracting by (8.2) percent.

Unemployment

In 2019, which is the most current annualized data available at the County level, Dare County reported an unemployment rate of 9.8 percent, which was higher than the State (7.3 percent) and national (8.1 percent) averages. Prior to 2020, which was heavily impacted by the ongoing pandemic, the unemployment rate in Dare County trended downwards, dropping to the most recent low of 4.6 percent in 2019, but has consistently tracked above the national average over the past 5 years.

Major Employers

A strong corporate and business presence can be an important factor in the success of any new development, because local businesses support facilities by attracting residents to the area and providing disposable income, through their requirement for event space and hotel accommodations, and through donations, advertising, and sponsorships. The largest employers in Dare County are both public entities - Dare County Schools and Dare County. Notwithstanding this, the County’s economic base does exhibit some diversity, with other major employers spread across the healthcare, finance, trade and retail trade industries.

Non-Farm Employment by Industry - Dare County (2018-2019)			
Industry	2018	2019	Growth Rate 2018-2019
Natural Resources and Mining	10	10	0.0%
% of Total	0.1%	0.1%	
Construction	1,148	1,081	(5.8%)
% of Total	6.0%	5.5%	
Manufacturing	535	490	(8.4%)
% of Total	2.8%	2.5%	
Trade, Transportation, and Utilities	4,124	4,118	(0.1%)
% of Total	21.4%	21.1%	
Information	158	146	(7.6%)
% of Total	0.8%	0.7%	
Financial Activities	2,690	2,469	(8.2%)
% of Total	14.0%	12.6%	
Professional and Business Services	1,071	1,300	21.4%
% of Total	5.6%	6.7%	
Education and Health Services	588	587	(0.2%)
% of Total	3.1%	3.0%	
Leisure and Hospitality	5,094	5,336	4.8%
% of Total	26.4%	27.3%	
Other Services	489	521	6.5%
% of Total	2.5%	2.7%	
Government	3,361	3,469	3.2%
% of Total	17.4%	17.8%	
TOTAL	19,268	19,527	1.3%

Source: BLS, Johnson Consulting

Economic & Demographic Trends

Locational Attributes

The remote location of Dare County on the Outer Banks of North Carolina makes access somewhat of a challenge. However, in the recent years, infrastructure improvements have been made, specifically on highways, to make travel easier. Access is currently provided via the following modes of transportation including:

- **Road:** The main highway that runs through Dare County is highway 158. To the north, this Highway provides access to Norfolk, VA. Running south of the Outer Banks, Highway 158 becomes Highway 64, which connects Dare County with Raleigh, NC. Highway 64 runs from Nags Head all the way to northeast Arizona.
- **Air:** The closest major international airport to Dare County is the Norfolk International Airport (ORF), which is approximately 90-minutes from the subject site. This airport has two terminals with 30 total gates and serves major airlines including Delta, American Airlines, United, Southwest, Frontier, and Allegiant. The closest airport to the site is the Dare County Regional Airport, which is located on Roanoke Island.

Observations

Like many destination communities, the Outer Banks faces challenges in establishing a greater basis for year-round tourism and permanent residents and businesses. The economy is geared towards the leisure and hospitality industries, which provides a solid base for new and expanded event space. Although Dare County has a relatively small permanent population base, it has many of the key demographic and socioeconomic characteristics necessary to support event space, including a population that is slightly older and well-educated, with a propensity to spend on entertainment, including live performances and shows. Further, there is a significant population base within a 3.5-hour drive time radius of the subject site, which can serve as a potential demand base for a new multi-purpose event venue.





Section 3

Indicated Facilities Analysis



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Indicated Facilities Analysis

Introduction

In order to understand the market opportunity for the more formalized utilization of The Soundside site as event space, this section summarizes the inventory of existing venues in the local and regional areas and presents case study profiles of a set of comparable venues, including flexible multi-purpose event venues, and projects that demonstrate innovative design elements that could have applicability to Dare County. The size and character of these venues, recent and/ or planned expansions, and demand and operating performance provide insight into the general parameters within which The Soundside could reasonably expect to operate.

Inventory of Existing Facilities

The closest venue to The Soundside site is Jennette’s Pier, which includes a 3,500 SF indoor events space and outdoor event space (Pier Deck). The largest venue is the 13,000 SF pavilion at Pirates Cove in Manteo. The largest true indoor event space is the 3,660 SF ballroom at the Hilton Garden Inn in Kitty Hawk. Based upon our experience in similar markets, it is our assessment that overall, the indoor multi-purpose event spaces in Outer Banks are oriented primarily to smaller, social events and not sporting, entertainment or conventions and tradeshow.

Regional Event Venues within 60 miles of Subject Site (2021)						
Name	Location	Distance from The Soundside site (miles)	Venue Type	Size (SF)	Max. Capacity	Average Rental Rate
Jennette's Pier	Nags Head	0.9	Indoor Multi-Purpose Ballroom; Outdoor Space (Pier Deck)	3,500	200	\$4,000
Pirates Cove	Manteo	3.7	Pavilion	13,000	800	\$4,000
Ramada Plaza	Kill Devil Hills	6.5	Hotel Meeting Space	3,000	260	\$1,900 (Ballroom)
Roanoke Island Festival Park	Manteo	6.7	Indoor Multi-Purpose; Theatre; Pavilion Stage and Lawn; Outdoor Venues	3,800 (Pavilion); 2,230 SF (Event Room)	-	\$3,000 (Pavilion); \$1,000 (Event Room)
Elizabethan Gardens	Manteo	9.4	Reception Room; Various Outdoor Spaces	-	300	\$1,100-\$5,500
N.C. Aquarium	Manteo	9.5	Indoor Multi-Purpose	-	300	\$3,200
Hilton Garden Inn - Ballroom	Kitty Hawk	14.5	Hotel Meeting Space	3,660	400	\$2,650
Hilton Garden Inn - Pier House	Kitty Hawk	14.5	Hotel Meeting Space	2,240	150	\$3,250-\$4,250
Promenade	Kitty Hawk	15.7	Outdoor (Lawn)	-	-	-
Town of Duck Park	Duck	19.6	Various Outdoor Spaces	-	500	\$150-\$1,000
Sanderling Resort	Duck	23.7	Various Indoor Multi-Purpose; Pavilion; Various Outdoor Spaces	-	200	\$2,500
Currituck Country Club	Corolla	29.8	Indoor Multi-Purpose; Outdoor Space	-	200	\$3,000
Whalehead Club	Corolla	35.1	Indoor Multi-Purpose; Outdoor Space	40 acres of park	1,000	\$1,000-\$2,500
Spa Kuru	Avon	41.7	Indoor Multi-Purpose; Outdoor Space	4,000 (Pavilion)	200	\$2,500
Avon Harbor	Avon	42.0	Outdoor	-	-	\$895-\$1,995
Inn at Pamlico	Buxton	50.4	Restaurant; Pavilion	3 acres	150	-
Hatteras Village Civic Center	Hatteras Village	60.0	Indoor Multi-Purpose spaces	-	350	\$1,000-\$1,500
Average					360	

Source: Outer Banks Visitors Bureau, Johnson Consulting

Indicated Facilities Analysis

Case Studies

Case Study profiles of indicative and comparable venues are presented under 3 categories:

- 1. Comparable Multi-Purpose Event Venues – reflecting facilities of similar scale that indicate the potential to supplement the formalized outdoor event space at The Soundside site with dedicated, flexible, multi-purpose indoor event space.
- 2. Aspirational Multi-Purpose Event Venues – reflecting larger facilities with program elements, event types, and market attributes that are similar and relevant to The Soundside site.
- 3. Innovative Design – reflecting unique design elements that may be appropriate for a multi-purpose event venue on The Soundside site.

Among the identified markets, The Soundside site’s primary market, as defined by a 1-hour drive time radius, is the smallest with regard to population, but has the oldest population. The Soundside site’s market characteristics are most similar to those of the Jekyll Island Convention Center, which is also located in a destination market.

The proximate inventory of hotel guest rooms to The Soundside site ranks among the middle of the indicated facility markets. This reflects a preponderance of vacation rentals in the local market but nonetheless can have negative implications for the success of an event venue.

Key Market Characteristics - Indicated Facilities							
Metric	The Soundside Site	Comparable Multi-Purpose Event Centers			Aspirational Multi-Purpose Event Centers		Innovative Design
		South Padre Island Convention Centre	Vicksburg Convention Center	Jim R. Miller Park and Event Center	Jekyll Island Convention Center	Rocky Mount Event Center	Proposed Event Center
Location	Nags Head, NC	South Padre Island, TX	Vicksburg, MS	Marietta, GA	Jekyll Island, GA	Rocky Mount, NC	Billings, MT
Demographic Characteristics (2020) 1-Hour Drive Time Radius							
Population	47,144	405,283	466,065	4,597,942	178,644	1,381,255	187,234
Rank	7	4	3	1	6	2	5
Median Age	45.5	31.4	36.6	36.1	38.1	36.9	40.0
Rank	1	7	5	6	3	4	2
Median Household Income	\$56,267	\$38,301	\$49,116	\$70,196	\$54,135	\$53,930	\$56,704
Rank	3	7	6	1	4	5	2
Entertainment Spending (per capita)*	\$380.10	\$271.81	\$337.88	\$540.96	\$385.06	\$385.79	\$386.29
Rank	5	7	6	1	4	3	2
Location Attributes							
Major International Airport	Norfolk	McAllen	Jackson	Hartsfield-Jackson Atlanta	Jacksonville	Raleigh-Durham	Billings Logan
Annual Airlift # Passengers (Million)	3.4	0.4	0.5	104.2	5.6	12.8	0.9
Rank	4	7	6	1	3	2	5
Hotels < 1 Mile (# Properties)	9	8	2	0	3	1	13
Hotel Guest Rooms < 1 Mile	367	1,028	105	0	431	40	1,134
Rank	4	2	5	7	3	6	1
CVB	Outer Banks	South Padre Island	Vicksburg	Marietta-Washington County	Jekyll Island Authority	Nash County Tourism	Billings
CVB Budget (Million)	\$7.0	\$7.9	\$1.0	\$0.6	\$29.9	\$1.0	\$1.7
Rank	3	2	5	7	1	5	4

* Includes annual average spending on tickets to theater/ operas/ concerts; tickets to movies/ museums/ parks; admission to sporting events; fees for participant sports and fees for recreational lessons
Source: Relevant Facilities, Ersi BAO, CoStar, STR, Johnson Consulting

Comparable Multi-Purpose Event Venues

South Padre Island Convention Centre – South Padre Island, TX

Location: The South Padre Island Convention Centre (SPICC) is located on South Padre Island, TX, a barrier island off the southern coast of Texas that is a major tourism destination, attracting approximately 5 million visitors annually. The 45,000 SF SPICC opened in 1992 and is currently contemplating an expansion. There are 3 full-service hotels located on the Island (totaling 563 guest rooms).

Ownership/ Management: The SPICC is owned and operated by the South Padre Island Convention and Visitors Bureau.

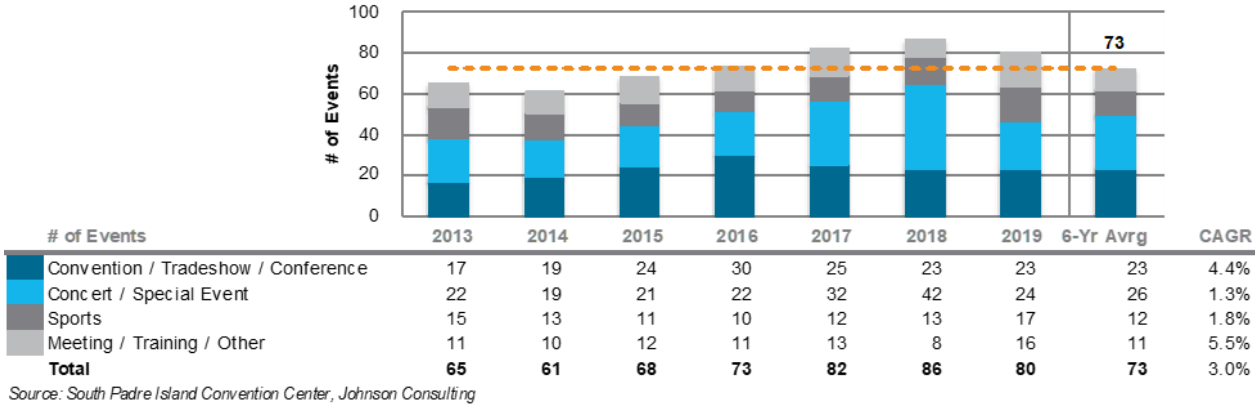
Facilities: The SPICC comprises a 22,500 SF exhibit hall, a 260-seat conference theater, 7 meeting rooms totaling 8,380 SF and a 4,776 SF covered sun terrace.

Demand Schedule: The SPICC hosted 80 events in 2019, the preponderance of which were conventions/ trade shows/ conferences and concerts/ special events. In the same year, attendance totaled 49,925 persons.

Revenue & Expenses: In 2019, the SPICC reported a net operating deficit of (\$120,000), which represented a significant decrease from 2017 (net operating profit of \$378,000) and 2018 (net operating profit of \$697,000) but an improvement over 2016 when it incurred a deficit of (\$513,000). Over the past 4 years, the SPICC has operated with an average budget of \$1.9 million. Rental revenues account for the highest proportion of operating revenues, totaling \$215,000 in 2019.



South Padre Island Convention Center
Historical Event Demand (2013-2019)

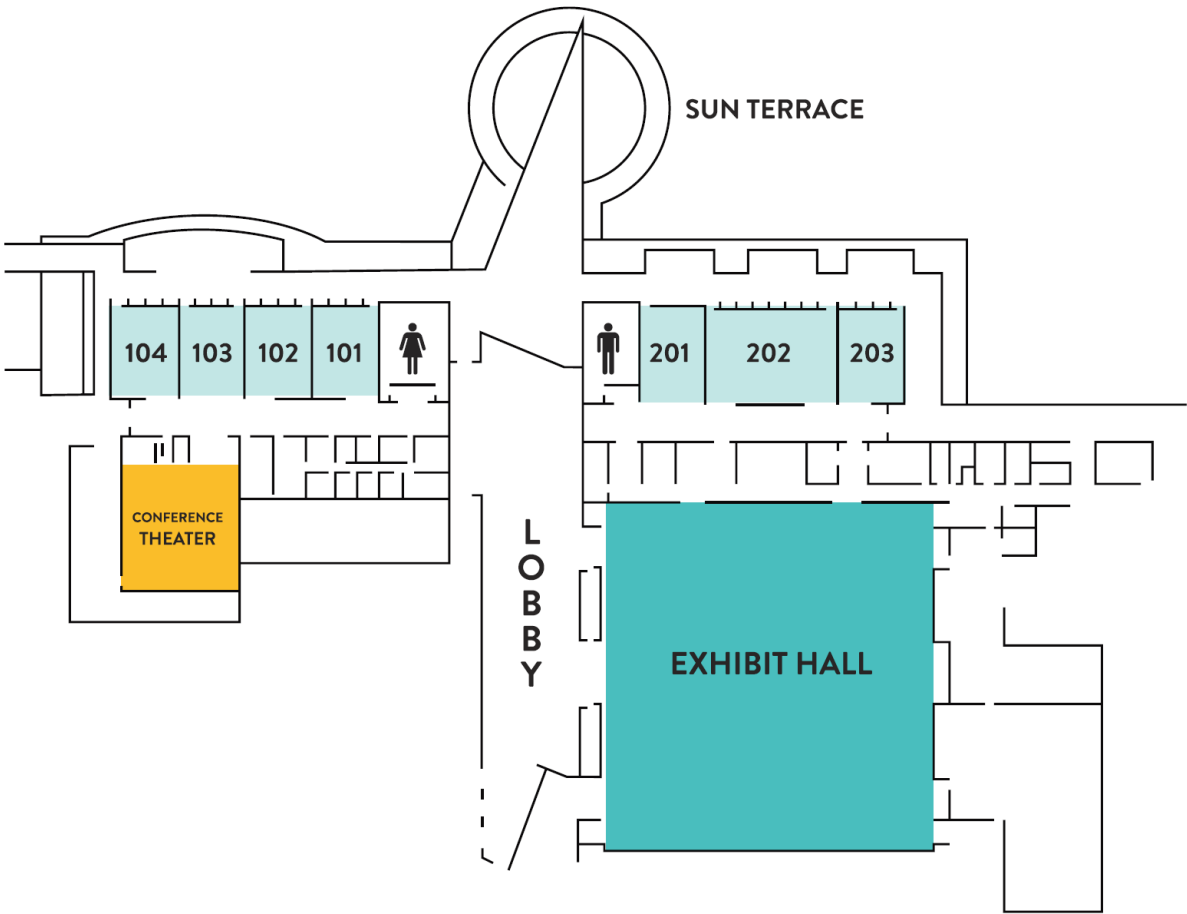


Comparable Multi-Purpose Event Venues

South Padre Island Convention Centre – South Padre Island, TX

Funding: Operations of the SPICC are supported by hotel/ motel tax and other non-property tax revenues, which have averaged \$1.6 million over the past 4 years.

Observations: The SPICC is located in a popular tourism destination and provides an example of a successful venue that still incurs an operating deficit in some years and is reliant on tax receipts for operating support. In recent years, the SPICC has hosted more frequent, but smaller events. This reflects the fact that the overall size of exhibit space offerings and the lack of dedicated ballroom space is not conducive to attracting larger, targeted conventions and trade show events.



Comparable Multi-Purpose Event Venues

Vicksburg Convention Center – Vicksburg, MS

Location: The Vicksburg Convention Center (VCC) is located in Vicksburg, MS, on the Mississippi River, approximately 44 miles to the west of Jackson. The 50,000 SF VCC opened in 1997.

Ownership/ Management: The VCC is owned by the City of Vicksburg and operated by VenuWorks.

Facilities: The 2-story VCC comprises a 17,000 SF Exhibit Hall, divisible into 2 Halls of 6,280 SF and 10,230 SF, and 8 meeting rooms, ranging from 239 SF to 6,111 SF.

Demand Schedule: The VCC has hosted over 1.5 million attendees since opening. In 2019, the venue reported 175 event days and 50,824 attendees. The preponderance of event days related to meetings/conferences (30 event days and 3,993 attendees), followed by banquets (25 event days and 3,743 attendees), and conventions (18 event days and 13,480 attendees).

Rental Rates: Rental fees range from \$900 to \$1,900 for reception events, which includes 12 hours of rental, excluding set up, tear down and cleaning fees.

Revenue & Expenses: In 2019 the VCC reported operating revenues of \$400,321 and operating expenses of \$976,973, resulting in a net operating deficit of (\$576,652), before non-operating support.

Funding: In 2019, the VCC received an operating subsidy from the City equal to the operating deficit incurred (\$576,652).

Observations: The VCC provides an example of a well-utilized venue that is of similar scale to the venue envisaged for The Soundside site, although it is intentionally designed to serve its target market – meetings, banquets, conferences and small conventions. It operates at a deficit that is subsidized by the City.



Comparable Multi-Purpose Event Venues

Jim R. Miller Park and Event Center – Marietta, GA

Location: The Jim R. Miller Park and Event Center (JMPEC) is located in Marietta, GA, approximately 20 miles to the north of Atlanta. The 100-acre JMPEC is home to the annual North Georgia State Fair. In September 2018, a 41,000 SF Event Center was completed on the campus.

Ownership/ Management: The JMPEC is owned and operated by Cobb County.

Facilities: The 41,000 SF Event Center at JMPEC comprises 25,000 SF of rentable space, including a multi-purpose hall that is divisible into 3 equal sections and 3 separate meeting halls. The meeting and event space is supported by a full kitchen and concession areas.

Demand Schedule: The Event Center is flexible in design to accommodate a variety of different events including arts and crafts events, banquets, dances/parties, meetings/seminars, political rallies, gun shows, trade shows, weddings, equipment sales, conferences, and weddings/receptions, among others.

Rental Rates: Rental fees are categorized by user type – Civic and Commercial – and are charges on an hourly or daily basis for events lasting 6 or more hours. A 2-hour minimum is required for all bookings.

Revenue & Expenses: Detailed financial information for the JMPEC is not reported.

Funding: The \$13.2 million Event Center was funded through a 2016 Special Purpose Local Option Sales Tax.

Observations: The Event Center is another example of a multi-purpose venue developed at an existing campus and designed to drive year-round utilization.



Rental Rates (2021) Jim R. Miller Park and Event Center		
Space Type	Civic Rate	Commercial Rate
Entire Park and Event Center	\$3,000	\$5,000
Event Halls at Event Center		
1 Event Hall Section		
per hour	\$100	\$125
per day (6+ hours)	\$650	\$850
2 Event Hall Sections		
per hour	\$200	\$250
per day (6+ hours)	\$1,300	\$1,700
3 Event Hall Sections		
per hour	\$300	\$375
per day (6+ hours)	\$1,950	\$2,550
Kitchen Only	\$500	\$600
Kitchen Rented with Event Space	\$250	\$300
Meeting Room Only (per hour)	\$40	\$50
Meeting Room Rented with Additional Event Space (per hour)	\$20	\$25

Source: Jim R. Miller Park and Event Center , Johnson Consulting

Aspirational Multi-Purpose Event Venues

Jekyll Island Convention Center – Jekyll Island, GA

Location: Jekyll Island is located off the coast of Georgia on the Atlantic Ocean and is part of the Georgia Barrier Islands. The 128,000 SF Jekyll Island Convention Center (JICC) opened in 2012 and is the only oceanfront convention center on the east coast south of New Jersey.

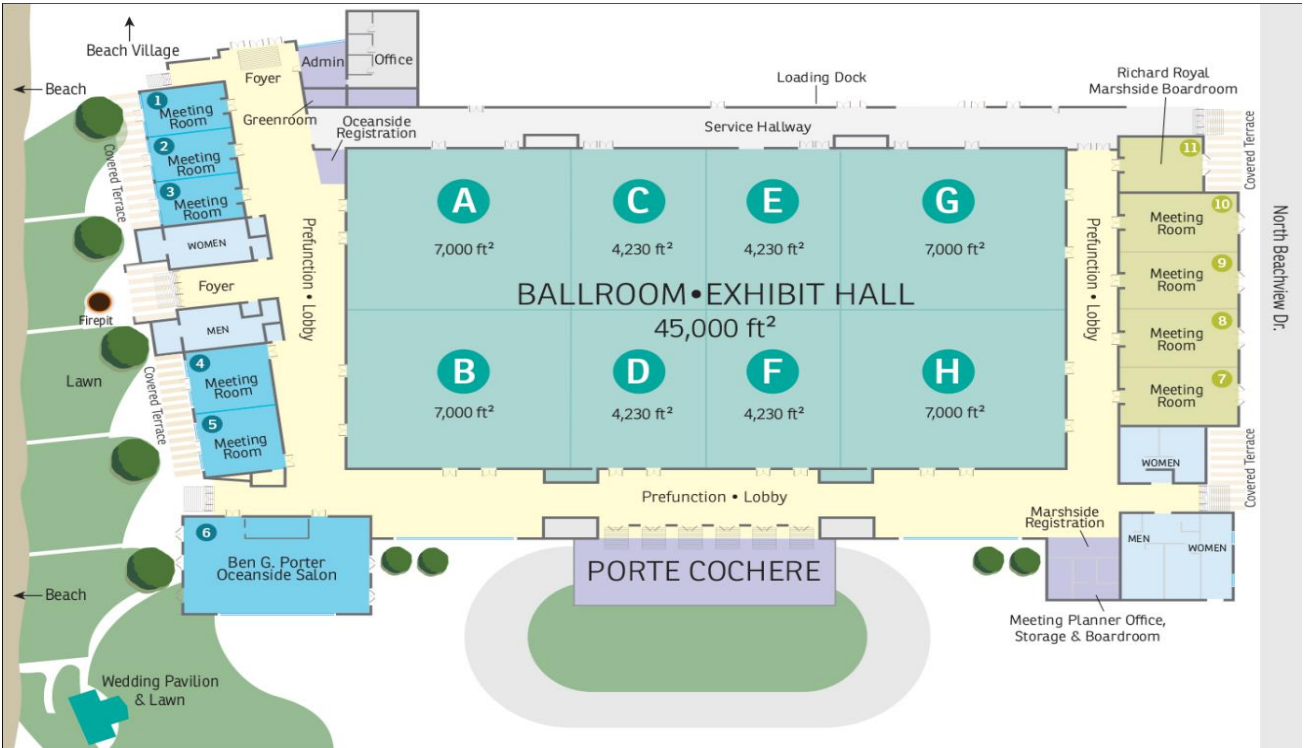
Ownership/ Management: The JICC is owned by the Jekyll Island Authority and operated by ASM Global (formerly SMG).

Facilities: The JICC comprises 58,310 SF of multi-purpose event space, with the largest space being a 45,140 SF ballroom/exhibit hall. Indoor space is supplemented by SF of outdoor lawn space.



Jekyll Island Convention Center Summary of Meeting and Event Space							
	Size (SF)		Capacity (# of Persons)				
	Individual (Smallest)	Combined (Largest)	Reception	Theater	Classroom	Banquet	10 x 10 Booths
Ballroom							
Atlantic Hall (A-f)	-	45,140	6,450	3,600	1,800	2,000	238
Sections A, B, G or H	7,000		1,005	578	260	250	30
Sections CD or EF	8,460		1,215	738	368	300	39
Subtotal Ballroom SF		45,140					
Meeting Rooms							
Number of Rooms	11	5					
Smallest Room	720	-	100	60	32	30	2
Largest Room	-	5,200	650	500	240	220	16
Subtotal Meeting Room SF		13,170					
Total Meeting Space		58,310					
Outdoor Space							
Gazebo and Lawn		25,000	4,000			1,000	
Oceanside Lawn		12,000	1,700			500	
Total Outdoor Space		37,000					

Source: Jekyll Island Convention Center, Johnson Consulting



Aspirational Multi-Purpose Event Venues

Jekyll Island Convention Center – Jekyll Island, GA

Demand Schedule: The JICC primarily serves the southeast coastal region of Georgia. In a typical year, the JICC records 400 event days and 124,000 total attendees. Peak attendance months are March and July. Event types at the JICC predominantly include conventions, conferences, trade shows, weddings, and banquets.

Revenue & Expenses: In 2021, the JICC has an operating budget that includes \$2.7M in revenues and \$2.6M in expenses, resulting in a net operating income of \$52,708. Revenue estimates reflect actual bookings and estimated pickup business but sales have been significantly cut due to the ongoing pandemic. Between 2017 and 2021, average revenues are estimated at \$3.6M and expenses at \$2.8M, resulting in a net operating income of \$710,625.

Funding: The \$36.0 million JICC was developed as the centerpiece of \$50 million in recent improvements to Jekyll Island funded through state-backed financing.

Observations: Jekyll Island shares similar locational attributes with the Outer Banks, being a popular tourist destination particularly during the summer months. The JICC demonstrates a conscious effort to drive year-round visitation to the area. Its success, in part, can be attributed to a significant inventory of proximate hotels, and concurrently, hotel performance has improved significantly since the JICC opened in 2016. Although it is currently not contemplated, in Outer Banks, consideration should be given to additional hotel inventory in the future to support any new event venue.

Net Operating Income (2017-2021) Jekyll Island Convention Center						
	2017	2018	2019	2020 Budget	2021 Budget	Average
Revenues (Net of Cost of Goods Sold)	\$3,563,026	\$3,892,780	\$4,123,882	\$3,512,713	\$2,739,905	\$3,566,461
Expenses	\$2,636,173	\$2,951,994	\$2,973,490	\$3,030,328	\$2,687,197	\$2,855,836
Net Operating Income (Deficit)	\$926,853	\$940,786	\$1,150,392	\$482,385	\$52,708	\$710,625

Source: Jekyll Island Authority, Johnson Consulting

Aspirational Multi-Purpose Event Venues

Rocky Mount Event Center – Rocky Mount, NC

Location: Rocky Mount is located approximately 60 miles east of Raleigh. The 165,000 SF Rocky Mount Event Center (RMEC) opened in October 2018 and was intentionally designed to position Rocky Mount as a destination for sports tourism, entertainment and events.

Ownership/ Management: The RMEC is owned by the City of Rocky Mount and operated by Sports Facilities Management (SFM).

Facilities: The main event floor can accommodate 8 basketball courts or 16 volleyball courts, telescoping seating for 3,000 spectators and 900 seats on the floor. It can be configured to accommodate 372 10' by 10' trade show booths. Additional amenities include a mezzanine/ observation deck with 135 seats, 4 locker rooms, 6 team/ meeting/ breakout rooms, concessions, and a full kitchen.

Demand Schedule: In 2019, the RMEC hosted 23 sports travel events and 102 banquets, with the Game Day Entertainment Center hosting 273 group, social, non-profit and corporate events. It is estimated that the facility attracted close to 70,000 participants and spectators. At the end of 2019, there were 39 sports travel events and 100 non-sports events booked at the RMEC for 2020.

Rental Rates: Pre-opening rental rates were defined on per cap basis for sporting events, tournaments and other competitions, and concerts, ranging between \$1.00 and \$2.00, and on an event day basis for family shows, conventions and trade shows, consumer shows, meeting and conferences, community events and social events, ranging between \$1,000 and \$3,500 per day. The venue charges \$5.00 per car for parking.



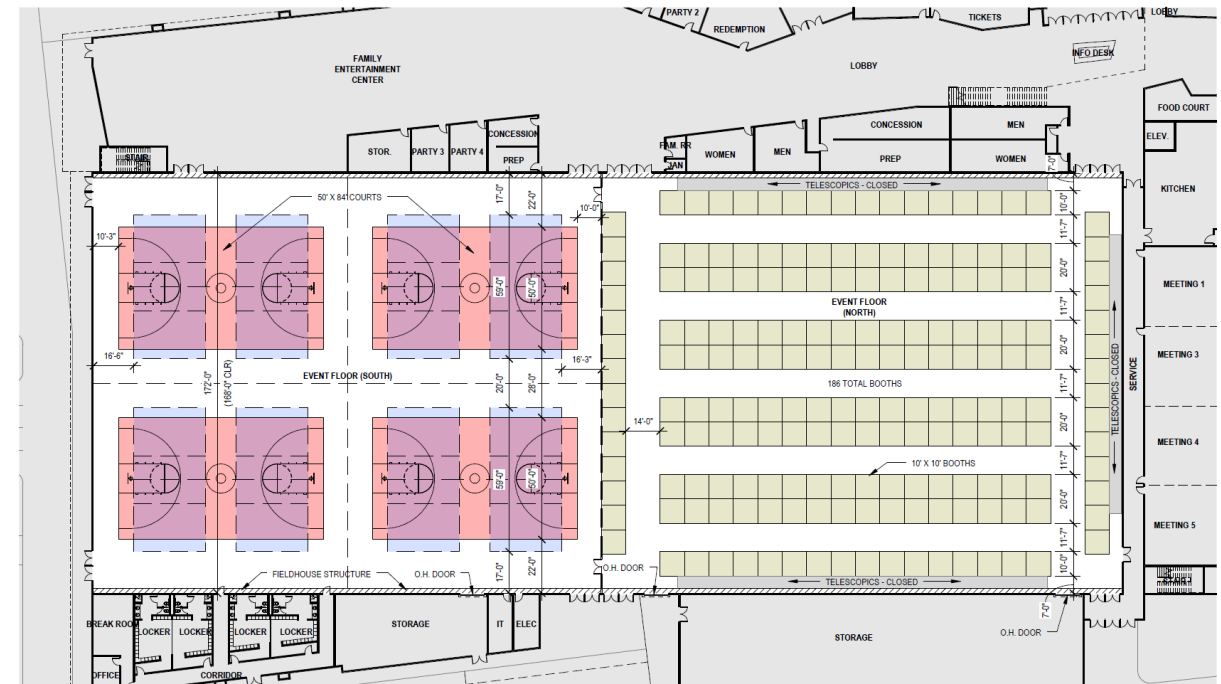
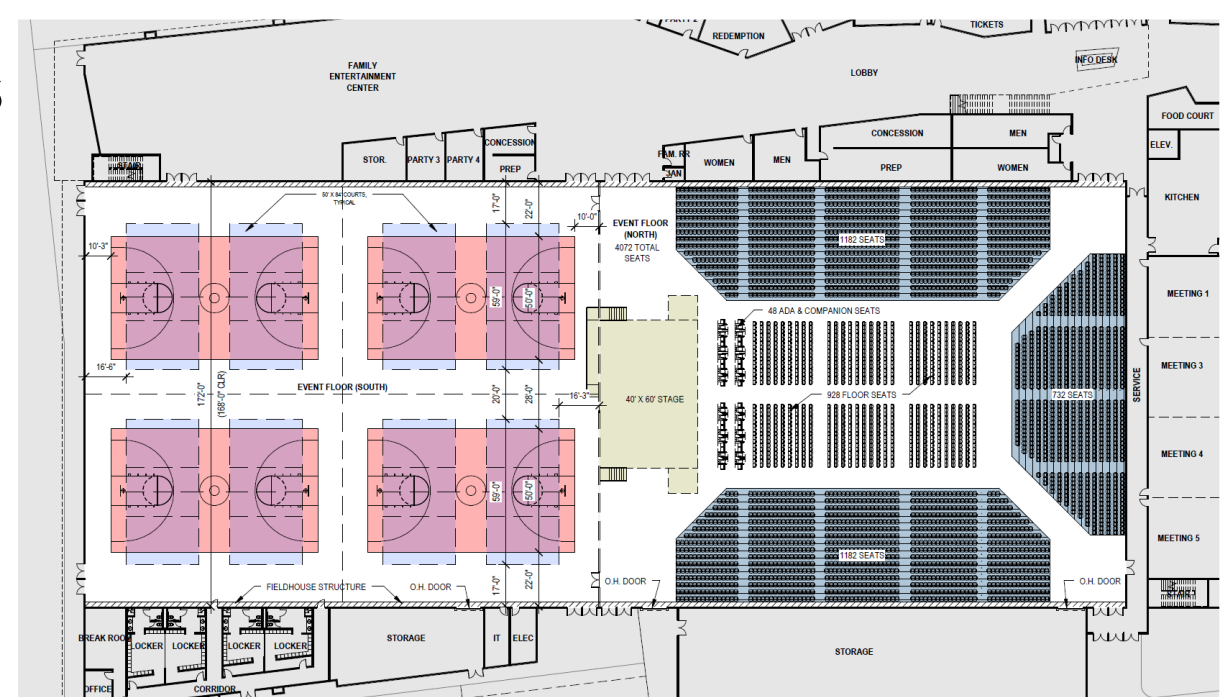
Aspirational Multi-Purpose Event Venues

Rocky Mount Event Center – Rocky Mount, NC

Revenue & Expenses: Pre- and post-opening operational costs are estimated at \$2.2M for the FY ending June 2019.

Funding: The \$36.5 million RMEC was funded new market tax credits, bonds and property tax revenues.

Observations: The RMEC is a state-of-the-art facility that exemplifies a purposeful design intended to grow sports tourism, while also being flexible enough to attract a variety of non-sports activities including concerts/entertainment, community, trade and consumer shows, meetings, banquets and social activities. In its opening year, the RMEC exceeded demand projections, reflecting the quality of the venue and latent demand in the marketplace. Although it does not offer dedicated outdoor event space, it is an attractive building that has design characteristics and amenities that are appropriate for a new multi-purpose event venue on The Soundside site.



Innovative Design

Proposed Event Center – Billings, MT

Johnson Consulting performed a financial feasibility study and economic impact analysis of a proposed, major redevelopment project in downtown Billings, MT, anchored by a 150,000 SF multi-purpose event center.

The proposed venue will have capability to accommodate eight regulation basketball courts, allowing for youth sports tournaments and 3,000 to 4,000 persons for concerts. Other intended uses include: trade shows, conventions, flat floor events, banquets, and weddings, among others. The first phase of this development also includes an attached 270-key hotel that is expandable to 420 keys in future phases.

Observations: Although the proposed event venue in Billings, MT is much larger than indoor space contemplated for The Soundside site, the thoughtful design, which honors the history of Billings and flexible interior space, are program elements that have relevance to Dare County. The addition of an adjoining hotel is intended to maximize demand for the venue.



Indicated Facilities Analysis

Observations

Each of the facilities profiled above was developed in response to a community's desire to create an attractive civic amenity, generating significant benefits for the local and regional economies, and in many cases increasing tourism in the shoulder and off-peak months and driving year-round utilization. Because of the unique attributes of The Soundside site, there is no single comparable venue, but rather a combination of attributes from various venues may have relevance for the site.

As demonstrated, simple designs such as the Event Center at the Jim R. Miller Park and Event Center, and the proposed Event Center in Billings, MT, offer the greatest flexibility and allow for the greatest integration with surrounding landscapes. The most successful venues are those that are well-promoted, with a wide range of event offerings. Although there is variation in the size, orientation, operating approach, and role that each of the case studies play in their communities, they demonstrate how outdoor and indoor event venues can serve as catalysts for both the local and tourism communities. The data presented above also helps to define the ideal product for Dare County, as well as the range of events, attendance and revenues that the venue may be able to attract, and the costs that it will incur.



Section 4

Program Recommendations



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Program Recommendations

Stakeholder Input

Building upon the extensive community and stakeholder engagement conducted during Johnson Consulting's 2019 Study, which included interviews with key stakeholders and participation in a public meeting, key observations are summarized as follows:

- There is a need for a multi-purpose venue for shows, concerts, sports tournaments, weddings, banquets, trade shows, and conferences, specifically an indoor space that can accommodate 500 to 2,000 people.
- Development should not hinder utilization of the existing event lawn at The Soundsite site for events. Although the preponderance of events occurring on the event lawn are well suited to being held outdoors, there is unmet demand for new events that require indoor space.
- Dare County is a popular destination for a variety of sporting events and tournaments, and a new multi-purpose venue would be well positioned to support and grow the sports market. Sports tourism is a growing trend nationally that should be contemplated for Dare County.
- Improvements to the site should be designed to allow for views to the water, maintained green space, and connection to the retail outlets to the south, as well as future potential commercial and lodging development in the vicinity. Adequate parking to accommodate visitors will be crucial.
- There is a general desire for the building to be low profile and the design should consider the building scale from different vantage points.

Overall, there is a high level of interest in a new multi-purpose venue to supplement and support the existing event lawn at The Soundside site that is designed in a manner that is respectful and reflective of the unique characteristics of the site. Although the scale of the proposed venue may not be sufficient to truly compete in the sports tourism market, it will serve to better align Dare County with national trends, leveraging the draw of the local area as a popular tourism and sports destination. While there are mixed opinions regarding the desire for an onsite or proximate hotel, it is Johnson Consulting's opinion that lodging growth near the site, as market demand increases, would be strategic.

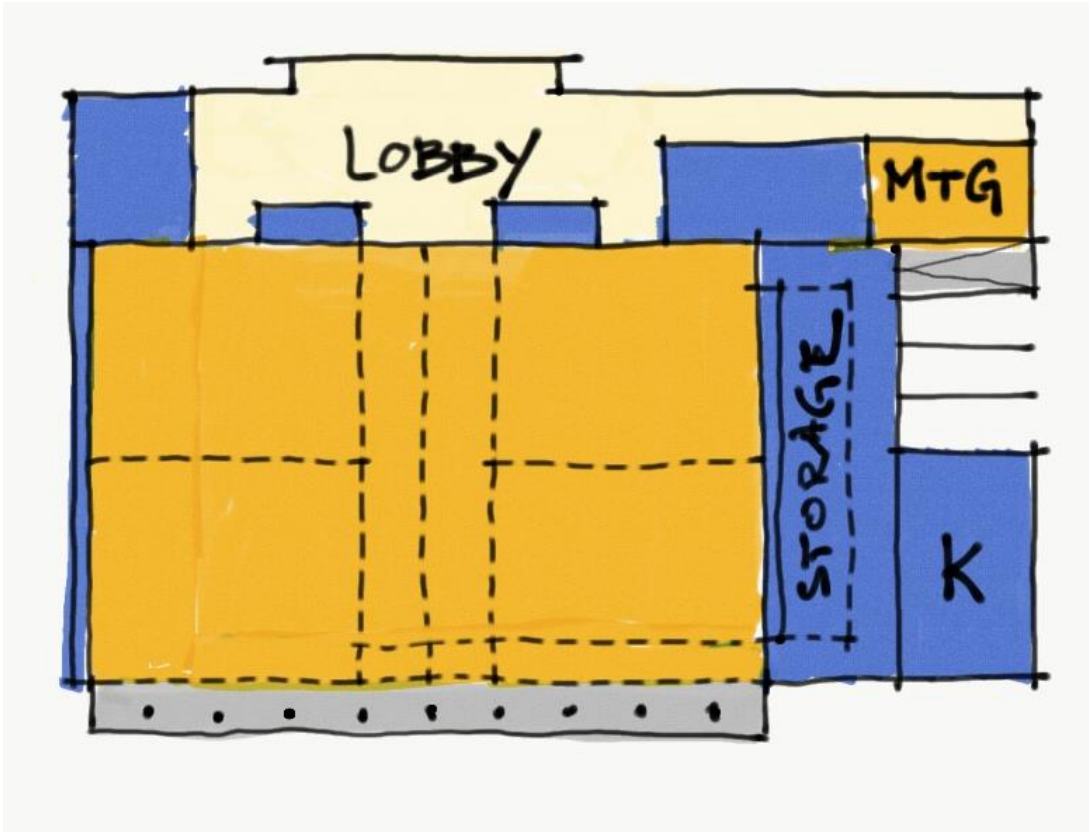
Program Recommendations

Preliminary Concept

Based upon the analyses presented in preceding sections of this report and building upon the recommendations presented in Johnson Consulting’s 2019 Study, it is concluded that there is a clear gap in the marketplace for a larger, indoor multi-purpose event space. It is recommended that a net useable ±26,000 SF multi-purpose event venue be contemplated for The Soundside site. This would complement the existing outdoor event space and if designed appropriately, could be used for sporting tournaments, consumer shows, music events, trade shows, conferences and occasional conventions, throughout the year.

Keeping in mind the desire to be respectful of the surrounding area and preserve the unique attributes of the subject site, Johnson Consulting and TVS have prepared a preliminary concept for a new multi-purpose event venue for The Soundside site. The proposed design is intended to be conceptual so that it can be modified in the future, while still highlighting the scale and success factors to best position the venue to accommodate the variety of event types identified. Concurrent to this study, plans are being prepared that take into account Nags Head ordinances.

The event space would be designed to be divisible into sections and the entire wall would be openable to the adjacent event lawn. The building itself may integrate glass walls to maintain a high degree of transparency. It could also be designed to allow for future expansion. The main 26,000 SF event space would be supplemented by a 1,500 SF meeting/ flex room and a catering kitchen. In addition to its support function, the kitchen could be designed to serve as a teaching kitchen that would support the local restaurant businesses and colleges by providing training opportunities. This would be a unique amenity that is consistent with growing food incubator and food sustainability trends nationally.

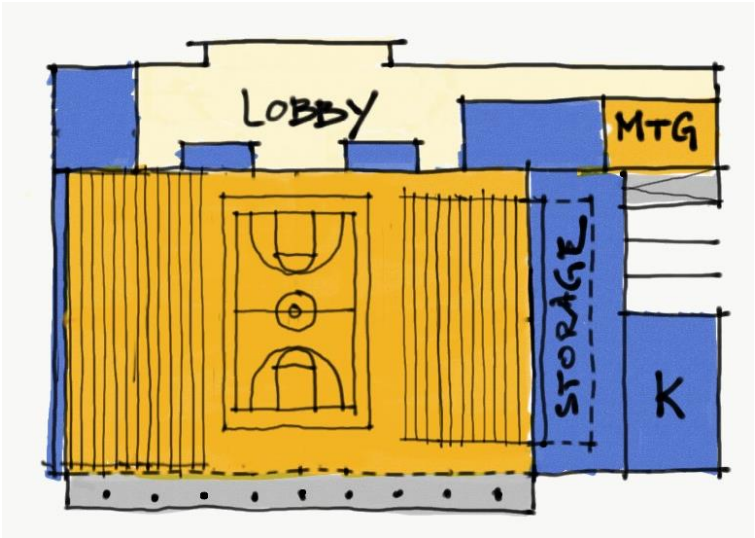


Event Hall	26,000 SF
Meeting Room	1500 SF
Catering Kitchen	2800 SF
Total Gross Area	48,275 SF

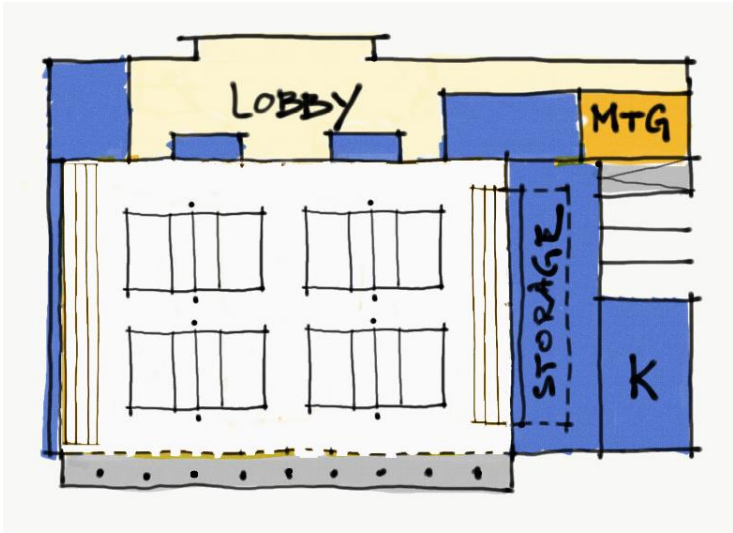
Program Recommendations

Alternate Configurations – Sports Tournaments and Activities

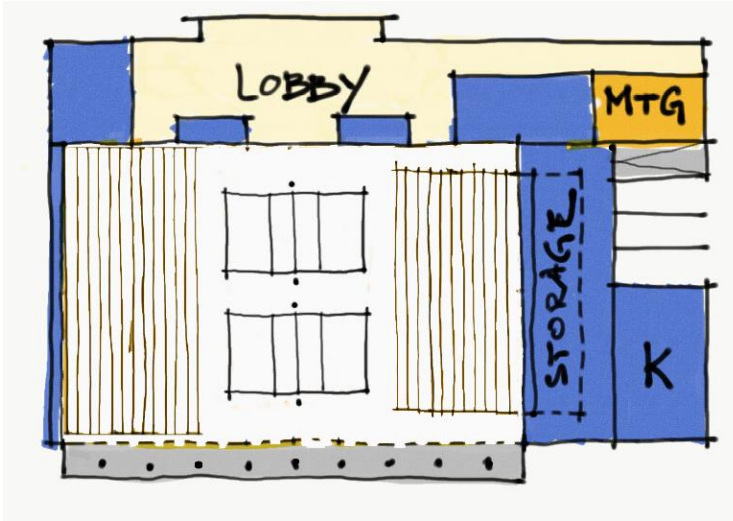
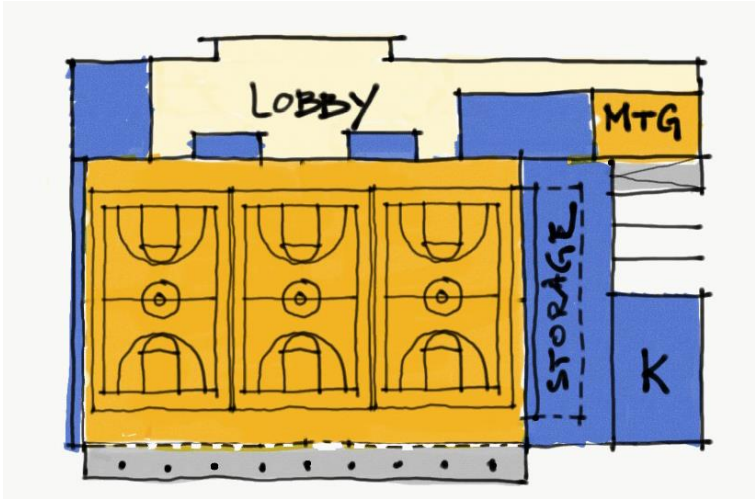
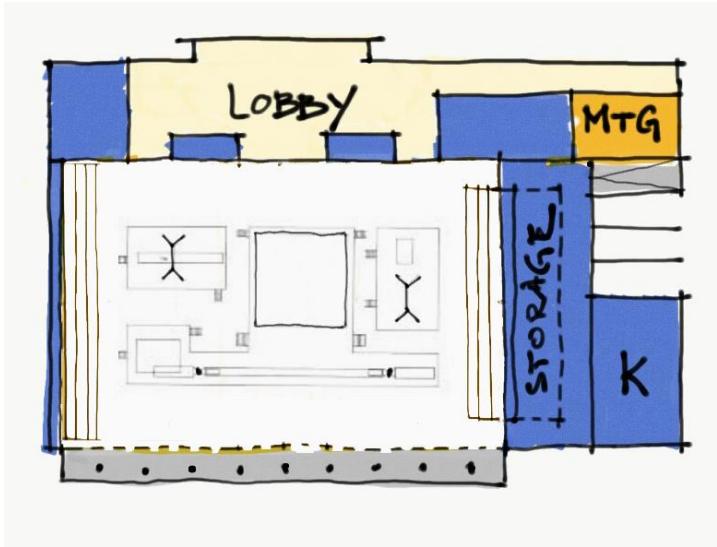
Basketball



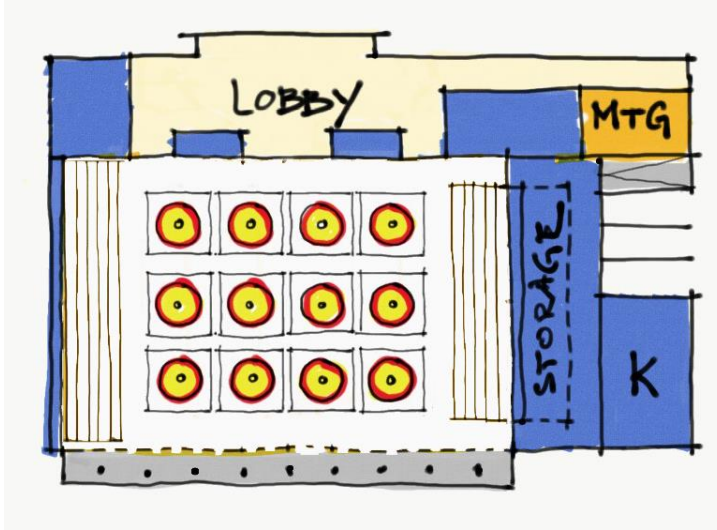
Volleyball



Gymnastics



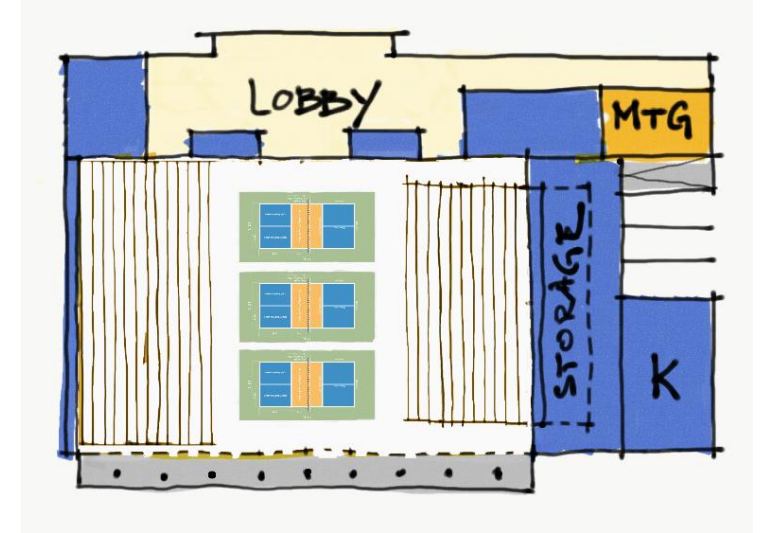
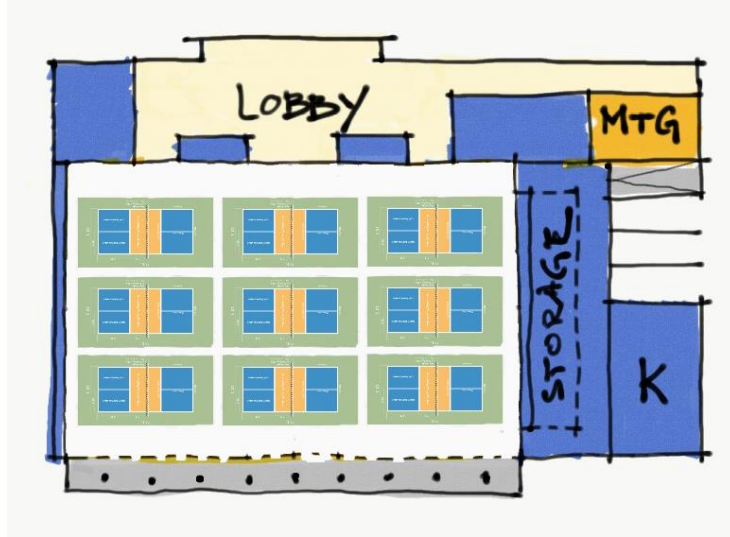
Wrestling



Program Recommendations

Alternate Configurations – Sports Tournaments and Activities

Pickleball



Summary

The proposed multi-purpose venue at The Soundside site will be designed to be sufficiently flexible to accommodate the needs of diverse groups, with unique design, theme and program attributes that will allow it to capture latent demand and drive new demand to the local marketplace. As shown, a multi-purpose event venue with a 26,000 SF main event hall is appropriately sized to accommodate a variety of sporting events and tournaments, including basketball (building upon current AAU demand in the local market), volleyball, pickleball, wrestling, and gymnastics, among others, with alternate seating configurations and capacity for spectators in retractable bleacher seating. The flexible design will also allow for consumer shows, music events, trade shows, conferences and conventions. This will position the venue to be responsive to current and likely future market opportunities and is respectful of the unique attributes of The Soundside site by allowing for a maximized outdoor space to supplement the indoor space.

The Rough Order of Magnitude (ROM) cost of the proposed multi-purpose venue at The Soundside site, as described above, is estimated to be ~\$17.6M. This reflects comparable ROM cost estimates for similar facilities, and is preliminary at this stage.

Conceptual Site Plan

Narrative

A conceptual site layout has been developed by Albemarle & Associates, Inc., in conjunction with the recommendations above. This plan was developed to determine space needs for the placement of an ~48,300 SF structure to support a number of different type of functions and includes all properties controlled by the Dare County Tourism Board that are west of US 158. The property located east of US 158 (South Beach Grill property / SBG) has not been included at this time but could be incorporated into the conceptual plan for either remote parking or to support additional septic system needs.

There are several Town ordinances that we have concluded will need to be amended to construct a building of this size on these properties. As the site development plan is further developed and refined, other ordinance amendments may be identified. Identified ordinances include:

- Building Size and Height – the anticipated building size (48,300 SF) and anticipated height (45'+) exceeds the maximum building size (20,000 SF) and height (42').
- Parking – the number of paved parking spaces shown on this plan does not meet the Town minimum standards for the identified use in the Town Code, however with occasional grass overflow parking on various lawn areas, over 600 spaces can be achieved not including the SBG property.
- Remote Parking Options – the ordinance does not allow offsite parking to be located across US 158. The potential to use the SBG property might be allowable if there was a traffic light and connecting sidewalks at Grouse Street but a zoning amendment will still be required.

The conceptual plan was developed to meet a variety of site uses, both indoor and out. The new building has been located north of the reinforced lawn areas in the location of the former Dairy Queen building and miniature golf areas. The orientation was developed so that the event hall was adjacent to and looking out onto the lawn areas for events that will utilize both indoor and outdoor spaces. The orientation also directs view to the southwest and places the climbing tower north and west of the building. This plan shows the removal of the Dairy Queen and Pamlico Jacks buildings but does retain the ship structure at Pamlico Jacks site to potentially be used for climbing tower offices and support.

The plan utilizes almost all the current paved parking both on the Event Site and on the Pamlico Jacks site. The existing pavement on the Dairy Queen site is all planned to be removed as is the current site's northern driveway and the Dairy Queen driveway. This reduces the number of curb cuts onto US 158 from 4 to 2.

Conceptual Site Plan

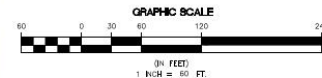
Narrative

Expansions to paved parking are primarily located north of the current driveway as are some spaces shown east of the new proposed structure. Some additional grassed or paved parking is shown on the Pamlico Jacks site where the building was removed. The current Pamlico Jacks driveway is shown to be used with some onsite modifications to support the vehicular needs of the site. Interconnectivity between the northern and southern parking areas includes a drive and drop-off area and accommodates pedestrian movement to and from the front, Lobby side, of the new building.

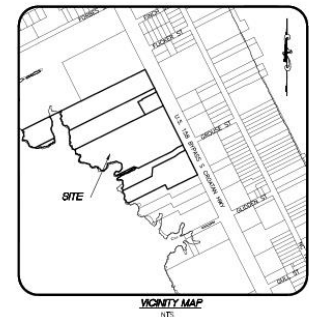
The Town Code currently requires one parking space per 55 SF of customer areas for indoor assembly. We have assumed that the event space, meeting room and lobby area will be included in the customer area. This appears to be approximately 31,500 SF for a parking requirement of 573 spaces. An additional 24 spaces are required for the climbing tower bringing the total parking spaces required to 597 spaces. The conceptual plan illustrates 312 paved parking spaces with the ability to park an additional 266 cars on grassed areas as shown (578 total spaces shown).

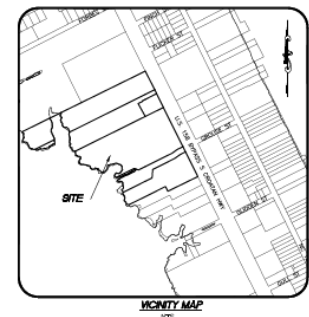
Septic system flow rates based upon an event with 2,500 people is 12,500 gallons per day. This plan assumes that some sort of advanced sewage pretreatment system will be used and that approximately 26,000 SF of drainfield and repair area will be required. Adequate area along the northeastern and southeastern property lines has been shown to accommodate this space need. Further investigations into treatment and disposal methods are anticipated.

Stormwater modifications will include alteration of some existing onsite management devices and additional storage requirements for the new parking and building. These measures could include infiltration basins, wet detention areas, sheet drainage across lawn area, pervious pavement, and underground storage and infiltration chambers. The site is currently regulated by a State Stormwater Permit which will be modified to accommodate the proposed improvements.

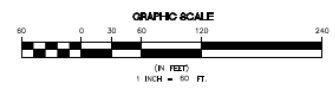


PRELIMINARY ONLY
NOT FOR
CONSTRUCTION

[illegible]



**PRELIMINARY ONLY
NOT FOR
CONSTRUCTION**



Albemarle
ASSOCIATES, LTD.
Engineering - Environmental - Land Planning

Prepared by: [Name]
Checked by: [Name]
Reviewed by: [Name]
Date: [Date]

CONCEPTUAL SITE PLAN
THE SOUNDSIDE EVENT SITE
6813 S CROATAN HIGHWAY

MASS HEAD TOWNSHIP DARE COUNTY NORTH CAROLINA

DATE: 06/24/2021
BY: [Name]
CHECKED: [Name]
REVIEWED: [Name]
FILE: 014110

SCALE:
1" = 60'

C201
PROJ. NO. 04110

An aerial photograph of a coastal development project. The image shows a large, rectangular parking lot with many white-painted spaces, situated next to a road. To the left of the parking lot is a large, green, grassy area. In the background, there are several buildings, including a large white building with a blue roof. The coastline is visible on the right side of the image, with a body of water and a pier. The overall scene is a mix of natural and developed land.

Section 5

Demand & Financial Projections



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Demand & Financial Projections

Event Demand

The proposed multi-purpose venue on The Soundside site is projected to host 116 events in Year 1, including 97 indoor events at the new event venue and 19 outdoor events. In the interest of remaining conservative, our outdoor event projections reflect the current event schedule at The Soundside site (based on 2019 actual events as 2020 and 2021 were influenced by the ongoing pandemic). Total indoor and outdoor events at The Soundside site are projected to stabilize at 154 events in Year 5.

Attendance

Total attendance is projected to be 66,810 persons in Year 1, increasing to 103,310 persons in Year 5 (stabilized year). Attendance is projected to increase with increases in the number of events, as shown in the previous table, but average attendance at individual events is also projected to increase year-on-year. As such, when the event schedule remains steady, as is assumed beyond Year 5, total attendance is still projected to increase slightly. Our figures do not include people days, or attendees that come to the venue on multiple days for one event, which may be included in visitor counts at other venues.

The Soundside Site - Dare County, NC Projected Event Demand										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sporting Events/ Tournaments	11	12	13	14	15	15	15	15	15	15
Entertainment Events/ Concerts	21	22	23	24	25	25	25	25	25	25
Conventions/ Trade Shows	2	3	4	5	6	6	6	6	6	6
Consumer Shows/ Public Events	4	5	6	7	8	8	8	8	8	8
Meetings/ Conferences	44	47	49	51	53	53	53	53	53	53
Banquets/ Social	12	14	16	18	20	20	20	20	20	20
Other	3	3	3	4	4	4	4	4	4	4
Total	97	106	114	123	131	131	131	131	131	131
Outdoor Events	19	20	21	22	23	23	23	23	23	23
Total (Indoor & Outdoor)	116	126	135	145	154	154	154	154	154	154

Source: Johnson Consulting

The Soundside Site - Dare County, NC Estimated Average Attendance										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sporting Events/ Tournaments	1,500	1,560	1,620	1,680	1,750	1,790	1,830	1,870	1,910	1,950
Entertainment Events/ Concerts	500	520	540	560	580	590	600	610	620	630
Conventions/ Trade Shows	650	680	710	740	770	790	810	830	850	870
Consumer Shows/ Public Events	1,250	1,300	1,350	1,400	1,460	1,490	1,520	1,550	1,580	1,610
Meetings/ Conferences	100	100	100	100	100	100	100	100	100	100
Banquets/ Social	350	360	370	380	400	410	420	430	440	450
Other	100	100	100	100	100	100	100	100	100	100
Outdoor Events	1,300	1,330	1,360	1,390	1,420	1,430	1,440	1,450	1,460	1,470

Source: Johnson Consulting

The Soundside Site - Dare County, NC Projected Attendance										
Event Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sporting Events/ Tournaments	16,500	18,720	21,060	23,520	26,250	26,850	27,450	28,050	28,650	29,250
Entertainment Events/ Concerts	10,500	11,440	12,420	13,440	14,500	14,750	15,000	15,250	15,500	15,750
Conventions/ Trade Shows	1,300	2,040	2,840	3,700	4,620	4,740	4,860	4,980	5,100	5,220
Consumer Shows/ Public Events	5,000	6,500	8,100	9,800	11,680	11,920	12,160	12,400	12,640	12,880
Meetings/ Conferences	4,380	4,680	4,880	5,080	5,280	5,280	5,280	5,280	5,280	5,280
Banquets/ Social	4,130	4,968	5,846	6,764	7,920	8,118	8,316	8,514	8,712	8,910
Other	300	300	300	400	400	400	400	400	400	400
Total	42,110	48,648	55,446	62,704	70,650	72,058	73,466	74,874	76,282	77,690
Outdoor Events	24,700	26,600	28,560	30,580	32,660	32,890	33,120	33,350	33,580	33,810
Total (Indoor & Outdoor)	66,810	75,248	84,006	93,284	103,310	104,948	106,586	108,224	109,862	111,500

Source: Johnson Consulting

Demand & Financial Projections

Operating Proforma

After consideration of all operating revenues and expenses, The Soundside site is projected to incur a net operating deficit of (\$453,000) in Year 1, improving to a net operating deficit of (\$220,000) in Year 5, and to (\$173,000) in Year 10, before reserve for replacement and debt service. It is noted that it is common for venues of this type to incur a deficit through stabilization.

Revenues include all revenues that can be used for operations. All revenues and expenses are inflated at an annual rate of 2.5 percent.

The Soundside Site - Dare County, NC										
Pro Forma Operating Statement of Revenue and Expenses (\$000, Inflated)										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Space Rental	\$268	\$306	\$346	\$389	\$433	\$446	\$459	\$473	\$487	\$502
Food and Beverage Sales (Gross)	889	1,057	1,242	1,446	1,678	1,761	1,847	1,937	2,031	2,128
Cost of Goods Sold	(\$578)	(\$687)	(\$807)	(\$940)	(\$1,090)	(\$1,144)	(\$1,201)	(\$1,259)	(\$1,320)	(\$1,383)
Equipment Rental and Event Services	54	61	69	78	87	89	92	95	97	100
Advertising Revenue	23	23	24	24	25	25	26	27	27	28
Miscellaneous	38	45	52	60	69	72	75	78	82	85
Total Revenues	\$694	\$806	\$925	\$1,057	\$1,200	\$1,248	\$1,298	\$1,350	\$1,404	\$1,460
Expenses										
Salaries and Wages	\$481	\$493	\$505	\$518	\$531	\$544	\$558	\$572	\$586	\$601
Employee Benefits	168	173	177	181	186	190	195	200	205	210
Advertising and Promotion	50	51	53	54	55	57	58	59	61	62
Administrative and General	138	141	144	148	152	156	159	163	168	172
Utilities	49	55	62	69	76	78	80	82	84	86
Maintenance and Repairs	77	87	97	109	120	123	126	129	132	136
Insurance	127	149	173	200	229	239	250	261	272	284
Miscellaneous	57	61	64	67	71	73	75	77	79	82
Total Expenses	\$1,147	\$1,210	\$1,276	\$1,346	\$1,420	\$1,460	\$1,502	\$1,544	\$1,588	\$1,633
Net Operating Income (Deficit)	(\$453)	(\$405)	(\$351)	(\$289)	(\$220)	(\$212)	(\$203)	(\$194)	(\$184)	(\$173)
Reserve for Replacement	\$51	\$60	\$69	\$80	\$92	\$96	\$100	\$104	\$109	\$114
NOI(D) after Reserve for Replacement	(\$504)	(\$464)	(\$420)	(\$369)	(\$312)	(\$308)	(\$303)	(\$298)	(\$293)	(\$287)

Source: Johnson Consulting

Demand & Financial Projections

Revenue Assumptions

Key revenue assumptions used for the proforma are described as follows:

- Space Rental:** Assumes a fee is charged for the rental of the venue and other facilities utilized for events. For concerts, entertainment, and sporting events, we have assumed a flat rate of \$2,000 per indoor event and \$1,000 per outdoor event. For all other events, rates are based on the size and duration of events, at a rate of \$0.10 per SF per day. This is consistent with comparable venues.
- Food & Beverage:** Revenue projections are based upon event attendance and reflect net revenues paid to the venue by an exclusive provider of catered meals. Net food and beverage revenue is projected to be \$311,000 in Year 1, increasing to \$587,000 in Year 5. Our food and beverage revenue assumptions on a per cap basis are shown to the right, reflecting our analysis of regional and comparable facilities. The cost margin on food and beverage sales is assumed to be 65.0 percent throughout the projection period.
- Equipment Rental & Event Services:** Facilities typically charge their users for a range of services, including decorating, electrical, cleaning, and security. Service charges include the rental of furniture and other equipment (excluding audio/ visual), along with revenue from services and reimbursements for labor provided to facility users. The facility will continue receive revenue from the provision of these services, either through direct charges provided by facility staff or through shared revenues from services provided through third-party vendors. Event service and equipment rental charges are assumed to account for 20.0 percent of total rental revenues and are projected to total \$54,000 in Year 1, increasing to \$87,000 in Year 5.
- Advertising:** Revenue projections assume that there is \$50,000 of available advertising space at the venue, of which 90 percent is sold. Of this, the venue is assumed to receive a 50.0 percent share of revenues. Depending on strategic placements and number of such ads spaces, these revenues could be higher.
- Miscellaneous Revenue:** Conservatively assumed to be 3.0 percent of total revenues. Miscellaneous revenues include items that are not included in the previous categories such as interest, vending machine income, cloakroom/ coat checks, and other miscellaneous amounts.

The Soundside Site - Dare County, NC Revenue Assumptions		
Line Item	Assumptions (Year 1)	
Food and Beverage Sales (Gross)		
Conventions/ Trade Shows	\$20.00	per cap
Consumer Shows/ Public Events	\$9.00	per cap
Meetings/ Conferences	\$9.00	per cap
Banquets/ Social	\$20.00	per cap
Entertainment Events/ Concerts	\$9.00	per cap
Sporting Tournaments	\$12.00	per cap
Other	\$5.00	per cap
Outdoor Events	\$9.00	per cap
Cost of Goods Sold	65%	of gross F&B sales

Source: Johnson Consulting

Demand & Financial Projections

Expense Assumptions

Key expense assumptions used for the proforma are described as follows:

- **Salaries & Wages:** The venue is assumed to employ a total of 9 full-time equivalent (FTE) staff to support operations. Total expenses related to salaries and wages are assumed to be \$481,000 in Year 1, increasing to \$531,000 in Year 5, although it is noted that salaries and wages are an expense that is highly dependent on decisions made by the owner.
- **Benefits:** Employee benefits are estimated at 35.0 percent of total salaries and wages.
- **Advertising & Promotion:** Total advertising expenses are projected to be \$50,000 in Year 1, increasing to \$55,000 in Year 5.
- **Administrative & General:** Administrative and general expenses include any general office expenditures related to day-to-day operations of the facility. These expenses are projected on a rate per SF of event space basis and are estimated to be \$138,000 in Year 1, increasing to 152,000 in Year 5.
- **Utilities:** Projected on per use day basis for the venue and estimated to be \$49,000 in Year 1, increasing to \$76,000 in Year 5
- **Maintenance & Repairs:** Reflects unscheduled maintenance associated with particular events occurring at the venue, and are estimated on use day basis. This expense is projected to be \$77,000 in Year 1, increasing to 120,000 in Year 5.
- **Insurance:** Based upon the premium paid by facilities that are similar to the planned facility and are projected at 10.0 percent of gross revenues.
- **Miscellaneous Expenses:** Miscellaneous operating expenditures include any additional expenses not accounted for in the above categories. These expenditures are estimated at 5.0 percent of total expenses.
- **Reserve for Replacement:** Reserve for replacement for future capital needs is estimated at 4.0 percent of gross revenues, which is consistent with comparable facilities.

The Soundside Site - Dare County, NC Staffing and Salaries			
	# of Staff	Salary/ Staff	Amount
General Manager	1	\$95,000	\$95,000
Sales Director	2	\$70,000	140,000
Assistant Manager	1	\$35,000	35,000
Operations Personnel	3	\$45,000	135,000
Administrative/ Support	2	\$38,000	76,000
Total	9		\$481,000

Source: Johnson Consulting



Section 6

Economic & Fiscal Impact Analysis



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Economic & Fiscal Impact Analysis

Definitions

When construction of the proposed multi-purpose event venue on The Soundside site is complete, various transactions occurring on the improved site will generate ongoing, annual economic and fiscal impacts to the local and regional economies. Initial transactions occurring within the project will ‘ripple out’ and generate indirect spending, induced spending, increased earnings, and employment, as well as various tax revenues for the local economy.

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. The levels of impacts are described as follows:

- **Direct Spending** is an expression of the spending that occurs as a direct result of the events and activities that occur in the subject facility. For example, an event attendee’s expenditures on hotel rooms, shopping, and meals are direct spending.
- **Indirect Spending** consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in the subject facility. For example, a hotel guest’s direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect spending.
- **Induced Spending** represent changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may have more personal income as a result of the hotel guest’s visit. The amount of the increased income the waiter spends in the local economy is called an induced spending.
- **Total Spending** is the sum of direct spending, indirect spending, and induced spending.
- **Increased Earnings** measures increased employee and worker compensation related to the project being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- **Employment** measures the number of jobs supported in the study area related to the spending generated as a result of the events occurring in the multi-purpose center. Employment impact is stated in a number of full-time equivalent jobs.

Economic & Fiscal Impact Analysis

Definitions

Indirect spending, induced spending, increased earnings, and employment are estimated using a set of multiplier rates that are applied to the amount of direct spending. These figures are derived from an IMPLAN input-output model specifically purchased from IMPLAN Group, LLC. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through various sectors of the economy.

The Soundside Site - Dare County, NC Economic Impact Multilpliers

Impact	Multiplier	Base
Indirect and Induced Spending	0.808	of direct spending
Increased Earnings	0.582	of direct spending
Increased Employment	15.14	per \$1 million of direct spending

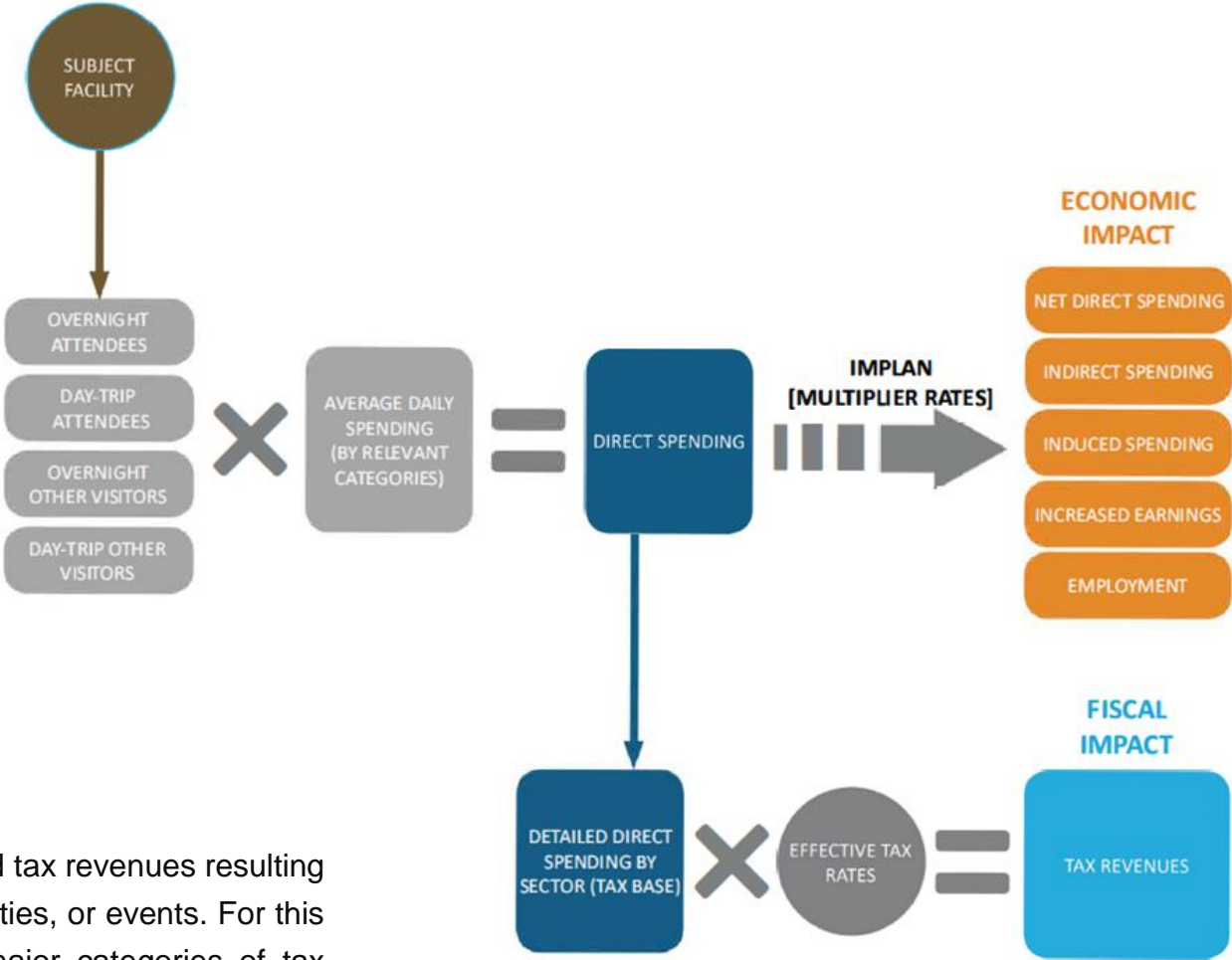
Source: University of North Carolina, IMPLAN, Johnson Consulting

The Soundside Site - Dare County, NC Applicable Tax Rates

	Rate
Sales Tax	6.75%
Food and Beverage Tax	1.00%
Hotel Tax	6.00%

Source: Johnson Consulting

Fiscal impact analysis measures the estimated tax revenues resulting from direct spending on certain activities, facilities, or events. For this analysis, fiscal impact estimates focus on major categories of tax revenues that are directly affected by a visitor’s activity –general sales and use tax, food and beverage tax, and hotel/ motel tax.



Economic & Fiscal Impact Analysis

Visitation

Visitation to The Soundside site is measured in terms of person-days (whereby 1 person attending a 3-day event is counted as 3 person-days) and including event attendees as well as other visitors to the venue, such as performers, production team staff, tournament officials, etc. As shown, total visitation will equate to 89,978 person-days in Year 1, which is assumed to be the first full year of operation of the event venue, of which 81,250 person-days (90.6 percent) are projected to be from attendees, and stabilizing at 143,295 person-days in Year 5, including 130,515 (or 90.7 percent) person-days associated with attendees.

The Soundside Site - Dare County, NC Projected Person-Days from Attendees and Other Visitors										
Attendees	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sporting Events/ Tournaments	28,050	31,824	35,802	39,984	44,625	45,645	46,665	47,685	48,705	49,725
Entertainment Events/ Concerts	10,500	11,440	12,420	13,440	14,500	14,750	15,000	15,250	15,500	15,750
Conventions/ Trade Shows	2,470	3,876	5,396	7,030	8,778	9,006	9,234	9,462	9,690	9,918
Consumer Shows/ Public Events	7,000	9,100	11,340	13,720	16,352	16,688	17,024	17,360	17,696	18,032
Meetings/ Conferences	4,380	4,680	4,880	5,080	5,280	5,280	5,280	5,280	5,280	5,280
Banquets/ Social	4,130	4,968	5,846	6,764	7,920	8,118	8,316	8,514	8,712	8,910
Other	300	300	300	400	400	400	400	400	400	400
Total	56,830	66,188	75,984	86,418	97,855	99,887	101,919	103,951	105,983	108,015
Outdoor Events	24,700	26,600	28,560	30,580	32,660	32,890	33,120	33,350	33,580	33,810
Total (Indoor & Outdoor)	81,530	92,788	104,544	116,998	130,515	132,777	135,039	137,301	139,563	141,825
Other Visitors										
Sporting Events/ Tournaments*	688	750	813	875	938	938	938	938	938	938
Entertainment Events/ Concerts**	1,260	1,320	1,380	1,440	1,500	1,500	1,500	1,500	1,500	1,500
Conventions/ Trade Shows	832	1,248	1,664	2,080	2,496	2,496	2,496	2,496	2,496	2,496
Consumer Shows/ Public Events	1,248	1,560	1,872	2,184	2,496	2,496	2,496	2,496	2,496	2,496
Outdoor Events***	4,420	4,650	4,880	5,120	5,350	5,350	5,350	5,350	5,350	5,350
GRAND TOTAL	89,978	102,316	115,153	128,697	143,295	145,557	147,819	150,081	152,343	154,605

*Examples of Other Visitors include visiting tournament officials and others, assumed at 25 persons per event.

**Examples of Other Visitors include visiting performers (singers, musicians, dancers, artists, etc), production team staff, and others, assumed at 40 persons per event.

***Including other visitors that are assumed at 25 persons per event.

Source: Johnson Consulting

Economic & Fiscal Impact Analysis

Out-of-Town Visitation

Person-days generated by visitors from out-of-town will equate to 22,160 person-days in Year 1, representing 24.6 percent of total person-days, and stabilizing at 37,850 person-days from out-of-town visitors in Year 5, representing 26.4 percent of total person-days. This includes event attendees and other visitors such as performers, production team staff, tournament officials, and others.

Room Night Generation

Out-of-town visitors will generate an estimated demand for 8,105 room nights in Year 1 and stabilizing at 14,136 room nights in Year 5. The preponderance of room nights will be generated by other visitors to The Soundside site, reflecting the local and regional orientation of the proposed event venue. It is anticipated that this demand can be accommodated at the existing inventory of hotels/ motels and rental properties, however, as noted, lodging growth near The Soundside site, as market demand increases, would be strategic.

The Soundside Site - Dare County, NC Projected Out-of-Town Person-Days											
Attendees	% Out-of-Town	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sporting Events/ Tournaments	15%	4,210	4,770	5,370	6,000	6,690	6,850	7,000	7,150	7,310	7,460
Entertainment Events/ Concerts	15%	1,580	1,720	1,860	2,020	2,180	2,210	2,250	2,290	2,330	2,360
Conventions/ Trade Shows	60%	1,480	2,330	3,240	4,220	5,270	5,400	5,540	5,680	5,810	5,950
Consumer Shows/ Public Events	40%	2,800	3,640	4,540	5,490	6,540	6,680	6,810	6,940	7,080	7,210
Meetings/ Conferences	30%	1,310	1,400	1,460	1,520	1,580	1,580	1,580	1,580	1,580	1,580
Banquets/ Social	15%	620	750	880	1,010	1,190	1,220	1,250	1,280	1,310	1,340
Other	5%	20	20	20	20	20	20	20	20	20	20
Total		12,020	14,630	17,370	20,280	23,470	23,960	24,450	24,940	25,440	25,920
Outdoor Events	15%	3,710	3,990	4,280	4,590	4,900	4,930	4,970	5,000	5,040	5,070
Total		15,730	18,620	21,650	24,870	28,370	28,890	29,420	29,940	30,480	30,990
Other Visitors*											
Sporting Events/ Tournaments	80%	550	600	650	700	750	750	750	750	750	750
Entertainment Events/ Concerts	80%	1,010	1,060	1,100	1,150	1,200	1,200	1,200	1,200	1,200	1,200
Conventions/ Trade Shows	70%	580	870	1,160	1,460	1,750	1,750	1,750	1,750	1,750	1,750
Consumer Shows/ Public Events	60%	750	940	1,120	1,310	1,500	1,500	1,500	1,500	1,500	1,500
Outdoor Events	80%	3,540	3,720	3,900	4,100	4,280	4,280	4,280	4,280	4,280	4,280
GRAND TOTAL		22,160	25,810	29,580	33,590	37,850	38,370	38,900	39,420	39,960	40,470
% Total Person-Days		24.6%	25.2%	25.7%	26.1%	26.4%	26.4%	26.3%	26.3%	26.2%	26.2%

* Other Visitors including performers, production team staff, tournament officials, etc.
Source: Johnson Consulting

The Soundside Site - Dare County, NC Projected Room Nights											
From Attendees	% Lodgers	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sporting Events/ Tournaments	75%	1,860	2,110	2,370	2,650	2,950	3,020	3,090	3,160	3,220	3,290
Entertainment Events/ Concerts	75%	1,180	1,290	1,400	1,510	1,630	1,660	1,690	1,720	1,740	1,770
Conventions/ Trade Shows	80%	620	980	1,360	1,780	2,220	2,280	2,330	2,390	2,450	2,510
Consumer Shows/ Public Events	30%	600	780	970	1,180	1,400	1,430	1,460	1,490	1,520	1,550
Meetings/ Conferences	75%	990	1,050	1,100	1,140	1,190	1,190	1,190	1,190	1,190	1,190
Banquets/ Social	75%	460	560	660	760	890	910	940	960	980	1,000
Other	30%	5	5	5	6	6	6	6	6	6	6
Total		5,715	6,775	7,865	9,026	10,286	10,496	10,706	10,916	11,106	11,316
Outdoor Events	30%	1,110	1,200	1,290	1,380	1,470	1,480	1,490	1,500	1,510	1,520
Total		6,825	7,975	9,155	10,406	11,756	11,976	12,196	12,416	12,616	12,836
Other Visitors*											
Sporting Events/ Tournaments	75%	250	270	290	320	340	340	340	340	340	340
Entertainment Events/ Concerts	75%	250	260	280	290	300	300	300	300	300	300
Conventions/ Trade Shows	50%	270	410	550	680	820	820	820	820	820	820
Consumer Shows/ Public Events	60%	370	470	560	660	750	750	750	750	750	750
Outdoor Events	75%	140	150	160	170	170	170	170	170	170	170
GRAND TOTAL		8,105	9,535	10,995	12,526	14,136	14,356	14,576	14,796	14,996	15,216

* Other Visitors including performers, production team staff, tournament officials, etc.
Source: Johnson Consulting

Economic & Fiscal Impact Analysis

Estimated Impact

Reflecting the calculations, assumptions and multipliers described above, visitors to The Soundside site are projected to generate \$14.1 million in total spending and \$4.5 million in increased earnings, and support 118 full-time equivalent (FTE) jobs annually in Year 1, which is assumed to be the first full year of operation of the event venue. Upon stabilization (Year 5), visitors to The Soundside site are estimated to generate \$25.2 million in total spending and \$8.1 million in increased earnings, and support 191 FTE jobs annually.

The fiscal impact of The Soundside site is projected to total \$652,000 in tax revenues from sales, food and beverage and hotel taxes in Year 1, and stabilizing at \$1.2 million in tax revenues in Year 5.

The Soundside Site - Dare County, NC Estimated Spending and Impact (Inflated \$000)										
	Rate/ Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Activity Volume										
1 Attendance		39,810	45,088	50,526	56,324	62,560	63,348	64,136	64,924	65,712
Person-Days										
2 Attendees		81,530	92,788	104,544	116,998	130,515	132,777	135,039	137,301	139,563
3 Exhibitors and Other Visitors		8,445	9,528	10,611	11,694	12,777	12,777	12,777	12,777	12,777
4 Total		89,975	102,316	115,155	128,692	143,292	145,554	147,816	150,078	152,340
5 Room Nights		8,105	9,535	10,995	12,526	14,136	14,356	14,576	14,796	14,996
Sales Volume (\$000)										
6 Spending at Event Venue		\$694	\$806	\$925	\$1,057	\$1,200	\$1,248	\$1,298	\$1,350	\$1,404
Additional Spending										
	<i>Average Spending</i>									
7 On Lodging	\$131.60 (a)	\$1,067	\$1,286	\$1,520	\$1,775	\$2,053	\$2,138	\$2,225	\$2,315	\$2,404
On Food and Incidentals										
8 Attendees	\$58.29 (b)	\$4,752	\$5,544	\$6,402	\$7,344	\$8,397	\$8,757	\$9,128	\$9,513	\$9,912
9 Exhibitors and Other Visitors	\$108.29 (c)	915	1,058	1,207	1,364	1,527	1,565	1,605	1,645	1,686
10 On Car Rental	\$47.00 (d)	381	459	543	634	733	763	794	827	859
11 Subtotal Additional Spending		\$7,114	\$8,347	\$9,673	\$11,117	\$12,712	\$13,223	\$13,752	\$14,299	\$14,861
12 Total		\$7,808	\$9,153	\$10,598	\$12,174	\$13,912	\$14,471	\$15,050	\$15,650	\$16,265
Economic Impact (\$000)										
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
13 Direct Spending	<i>Multipliers</i>	\$7,808	\$9,153	\$10,598	\$12,174	\$13,912	\$14,471	\$15,050	\$15,650	\$16,265
14 Indirect and Induced Spending	0.808	6,308	7,394	8,561	9,835	11,238	11,690	12,158	12,642	13,139
15 Total Spending		\$14,116	\$16,546	\$19,159	\$22,009	\$25,150	\$26,161	\$27,208	\$28,292	\$29,405
16 Increased Earnings	0.582	\$4,543	\$5,325	\$6,166	\$7,083	\$8,094	\$8,420	\$8,757	\$9,106	\$9,464
17 Increased Employment	15.14	118	135	153	171	191	194	197	199	202
Fiscal Impact (\$000)										
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Tax Revenues										
	<i>Tax Rate</i>									
18 Sales Tax (e)	6.75%	\$527	\$618	\$715	\$822	\$939	\$977	\$1,016	\$1,056	\$1,098
19 Food and Beverage Tax	1.00%	61	72	83	95	109	114	118	123	128
20 Hotel Tax	6.00%	64	77	91	107	123	128	133	139	144
21 Total Tax Revenues		\$652	\$767	\$890	\$1,024	\$1,171	\$1,219	\$1,268	\$1,319	\$1,371

Notes:

a) From GSA Per Diem for Dare County.

b) Assuming an average spend of \$58.29 on meals and incidentals ON TOP OF what they may have spent already at the Event Venue. Total daily spending corresponds to GSA Per Diem for Dare County.

c) Assuming an average spend of \$108.29 on meals and incidentals (or \$50 higher than that of an attendee's) ON TOP OF what they may have spent already at the Event Venue.

d) Derived from Corporate Travel Index for Charlotte, NC per Business Travel News. Only applied to overnight visitors who stay in hotels (represented approx. by number of roomnights).

e) Assuming that room revenues are sales-taxed at 6.75 percent as well.

Source: Johnson Consulting

Section 7

Conclusion



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Conclusion

Summary of Findings and Recommendations

The Soundside site presents a unique opportunity to create a formalized event venue that serves residents and visitors alike and has the potential to draw year-round visitation to the Outer Banks. With its scenic viewsheds of Roanoke Sound and large expanses of marshes, The Soundside site and surrounding area are characterized by low-density development that accommodates outdoor entertainment, water-based recreation, and commercial (restaurant and retail) uses. There is a high level of stakeholder and community interest in a new multi-purpose venue to supplement and support the existing event lawn at The Soundside site that is designed in a manner that is respectful and reflective of the unique characteristics of the site.

The preceding analysis identified a clear gap in the marketplace for a larger, indoor multi-purpose event space. It is recommended that a net useable $\pm 26,000$ SF multi-purpose event venue be contemplated for The Soundside site. This would complement the existing outdoor event space and if designed appropriately, could accommodate a variety of sporting events and tournaments, including basketball (building upon current AAU demand in the local market), volleyball, pickleball, wrestling, and gymnastics, among others, with alternate seating configurations and capacity for spectators in retractable bleacher seating. Although the scale of the proposed venue may not be sufficient to truly compete in the sports tourism market, it will serve to better align Dare County with national trends, leveraging the draw of the local area as a popular tourism and sports destination.

The flexible design will also allow for consumer shows, music events, trade shows, conferences and conventions, with projected demand for a total of 154 indoor and outdoor (sports and non-sports) events in a stabilized year of operation. While there are mixed opinions regarding the desire for an onsite or proximate hotel, it is Johnson Consulting's opinion that lodging growth near the site, as market demand increases, would be strategic.

A new multi-purpose event venue on The Soundside site, as described in this report, will be well-positioned to be responsive to current and likely future market opportunities and will be respectful of the unique attributes of The Soundside site by allowing for a maximized outdoor space to supplement the indoor space. Simple designs offer the greatest flexibility and allow for the greatest integration with surrounding landscapes. The most successful venues are those that are well-promoted, with a wide range of event offerings.