

FEASIBILITY ANALYSIS OF A NEW CONVENTION CENTER

In Wichita, Kansas

January 12, 2022





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Ms. Susie Santo
President and CEO
Visit Wichita
515 S. Main Street, Suite 115
Wichita, Kansas 67202

Dear Ms. Santo:

Conventions, Sports & Leisure International (CSL) has completed a report summarizing the results of a Feasibility Analysis associated with a new Convention Center in Wichita, Kansas. The purpose of the analysis is to assist Visit Wichita and other stakeholders in evaluating key market, program, financial, and economic impact aspects associated with a new Convention Center in downtown Wichita.

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

The findings presented herein are based on analysis of present and near-term conditions in the Wichita area (including consideration of both pre- and post-pandemic environments), as well as existing interest levels by the potential base of users for a new Convention Center product. Any significant future changes in the characteristics of the local community, such as growth in population, corporate inventory, competitive inventory and visitor amenities/attractions, could materially impact the key market conclusions developed as a part of this study. As in all studies of this type, the estimated results are based on competent and efficient management of the potential facilities and assume that no significant changes in the event markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

This report has been prepared for the internal use of the Visit Wichita and other related stakeholders and should not be relied upon by any other party. The report has been structured to provide Visit Wichita with a foundation of research to provide decision makers with the information necessary to strategically plan for Wichita's future in the convention industry, with a focus on protecting and growing its competitive position in the evolving regional and national convention industry and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

A handwritten signature in black ink that reads "CSL International". The signature is written in a cursive, flowing style.

CSL International



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EXECUTIVE
SUMMARY

Introduction & Background

Conventions, Sports & Leisure International (CSL) was retained by Visit Wichita to conduct a Feasibility Analysis associated with a new Convention Center in Wichita, Kansas. The purpose of the study is to assist Visit Wichita, the City of Wichita and other community stakeholders to evaluate the key market, program, financial, operational, and economic impact aspects of a new Convention Center in downtown Wichita. A “new” Convention Center could ultimately consist of one of several development options, including a new-build facility or a redevelopment/expansion of Bob Brown Expo Hall.

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

CSL previously completed a Market and Economic Assessment of Wichita’s Convention Center Product in 2013, as well as a subsequent Cost/Benefit Analysis of Wichita’s Performing Arts and Convention Center Product in 2016. Given the time that has elapsed since the original feasibility study and its foundational market research, as well as impacts associated with the COVID-19 pandemic and changes undergone within the previously-studied event markets, this current study is intended to update estimates of future market demand and supportable program for the Convention Center project. Additionally, a number of new downtown development projects and strategies have occurred or been announced for downtown Wichita in the years since the original market analysis.

Since 1969, the Century II Performing Arts and Convention Center (CII) has functioned as Wichita’s primary convention and performing arts venue. CII has served a very important role in the Wichita community, hosting a wide variety of local and non-local convention, exhibition, meeting, performing arts, and other entertainment event activity. However, after many decades of service, a substantial level of evidence has mounted indicating that CII’s space being substandard in industry terms and is significantly challenged with its marketability and functionality for events and clients of all types. Surveys of existing and past users (performed for this study and previous studies) have consistently indicated satisfaction with service quality, but have also indicated a number of critical deficiencies pertaining to functionality, event logistics, space levels and apportionment, aesthetics and marketability to exhibitors/attendees.

The convention, tradeshow and meetings industry has undergone significant change recently and over the past decade, let alone over the 55-year period since CII was originally designed. Issues impacting the industry, including changing demand for event space, technological amenities, hotels, service levels and other such characteristics, have been joined by recent, and sometimes dramatic, fluctuations in event activity due to nationwide economic conditions and travel costs.

A convention center acts as an economic generator and a public resource for the local community, hosting conventions, conferences, tradeshows, public/consumer shows, meetings, civic events and other activities of both a non-local and local nature. An important goal of a convention center is to attract non-local events to the local area that otherwise cannot be accommodated by other existing local facilities, providing increased visitation and related economic impact in the local area.

Throughout the country, public sector investment in convention product development is increasingly targeting both convention facility (physical facilities and policies/procedures) and its supporting visitor amenities (hotel, restaurants, entertainment, attractions, etc.)—all geared towards enhancing attractiveness compared to other competitive destinations. Nearly all of Wichita’s peer destinations have expanded or developed new convention centers within the past several decades. Further, many of these communities have also invested substantial public sector dollars into enhancing the convention product’s supporting amenity infrastructure, including incentivizing appropriate headquarter hotel products and entertainment/mixed use districts and infrastructure nearby the convention center.

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

- **PROJECT EXPERIENCE:** Experience garnered through more than 1,000 convention center and other event facility planning and benchmarking projects in communities of all sizes throughout the country, including past studies in Wichita.
- **BENCHMARKING:** Research and analysis of facility data and interviews conducted with more than 30 competitive/regional and comparable convention center facilities.
- **INTERVIEWS & OUTREACH:** Telephone and videoconference interviews with key stakeholders, and telephone and online surveys conducted with representatives of potential user groups, including existing and potential new planners of conventions, conferences, tradeshows, public/consumer shows, and other event types. In total, nearly 130 interviews were completed with event planners representing more than 150 total events.

Market Demand & Opportunities

Wichita continues to fall behind its competition in terms of convention product and convention destination attractiveness due to limited public sector investment in recent decades (concerning convention and visitor industry product development). Further, industry trends are rapidly evolving to emphasize convention products with facility design elements and site area amenities that are increasingly in contrast with what is provided by CII and the surrounding walkable area. The next generation of convention center attendees will require greater flexibility in how meetings are conducted, the types of spaces that are preferred, how information is delivered, and how technology is used. Greater emphasis is being placed on the ability of a destination to offer a unique, authentic and productive experience.

Relative to the time of the last Wichita convention center feasibility study (2013), industry trends and demand for traditional, concrete floor exhibit space in convention centers continues to show retraction, while demand/preferences for other types of spaces, such as ballroom, breakout meeting space, modern open space learning and flex spaces, and outdoor event spaces continue to grow in emphasis.

While Bob Brown Expo Hall offers a significant amount of concrete floor exhibition space (93,000 gross square feet in total), it has a number of characteristics that work to reduce CII's (and Wichita's) competitiveness in the national convention marketplace. Specifically, only 63,500 square feet of exhibit space in CII (via a portion of Bob Brown Expo Hall) is considered "prime" exhibit space (i.e., what is expected by the national convention marketplace). The remainder of CII's concrete floor space is considered substandard for national conventions (due to ceiling height, dimensions, lack of subdivisibility, and other issues). Bob Brown Expo Hall and the other exhibit space areas offered in CII are most prominently deficient relative to these modern industry standards:

- 1. Contiguous Space:** CII has been advertised as offering approximately 170,000 square feet of total exhibit space. However, this square footage is split into 93,000 square feet in Bob Brown Expo Hall, 45,000 square feet in Exhibition Hall, and 32,000 square feet in Convention Hall. The large majority of small and mid-sized national conventions are unwilling to split their exhibition activities amongst non-contiguous exhibit halls.
- 2. "Prime" Space:** Within the convention industry, "prime" exhibit space is that which generally corresponds to the industry standards outlined on the previous page. The 77,000 square feet offered by Convention Hall and Exhibition Hall cannot be considered "prime" exhibit space, nor can 29,500 square feet of Bob Brown Expo Hall's total space as its 14-foot ceiling height is far below industry standard. Therefore, of the 170,000 total square feet in CII that has been and is marketed as "exhibit space", only 63,500 square feet of this inventory is considered to be prime space. Many small and mid-sized national conventions are unwilling to utilize non-prime exhibit space.
- 3. Subdivisibility:** The only prime exhibit space in CII (a portion of Bob Brown Expo Hall) cannot be subdivided in any practical and functional manner. This limits the facility's ability to market to and accommodate concurrent events in Expo Hall. Due to the predominantly local and in-state focus of event activity in CII, as well as the offering of the Convention Hall and Exhibition Hall, this issue of subdivisibility has not heretofore been a prominent issue in Wichita. The accommodation of concurrent convention event activity (involving some overlap of move-in days, event/show days, and/or move-out days) is prevalent and typically critical for the financial and economic performance of modern convention centers throughout the country.

Further, CII has also been hindered since its inception by the circular design of the original building. The "pie slice" layout, apportionment and configuration of event spaces in the original "round building" are atypical—if not completely unique—in the overall event industry. There are varying degrees of functional challenges associated with attracting/producing events of most types (convention, trade/consumer, meetings, entertainment, sports, and performing arts). CII's round building and its signature "blue dome"—while a recognized, iconic landmark unique to Wichita—gives the impression of a dated, substandard convention product to certain participants in the national convention marketplace, working to reduce, rather than enhance the competitiveness of the Wichita convention product within the broader national convention market.

Overall, market analysis findings suggest sufficient demand to support a new convention center in Wichita. In particular, national convention demand for a convention center in Wichita increased significantly since the last feasibility study. Further, in general, a strengthening of interest among national convention planners was noted for mid-sized urban destinations, such as Wichita, since the start of the COVID-19 pandemic. This suggests a material opportunity to gain market share in the national event marketplace through a new convention center product.

Survey research findings indicate that it will be important to prioritize a hotel development (via Hyatt Regency expansion or a new attached or adjacent full-service hotel) in conjunction with the any new convention center, preferably one that is connected or adjacent.

Finally, industry trends and demand research specific to Wichita suggest that an expansion of the current CII product is becoming less viable as a long-term solution to protect and grow Wichita's penetration within the national convention industry. A new or substantially redeveloped downtown convention center product would best align with anticipated future needs to ensure Wichita's competitiveness within the industry and ability to drive visitation, hotel room nights, and economic impact.

Recommended Program & Development Option

Based on the previous analyses undertaken, key aspects of a market supportable facility program for a state-of-the-industry convention center in Wichita are presented below.

- Exhibit Space:** 130,000 SF of contiguous, prime exhibit space (some Bob Brown space could be used).
- Ballroom Space:** 30,000-square foot subdividable ballroom.
- Meeting Space:** 40,000 square feet, including breakout space, open space learning and other flex meeting spaces (some existing space could be renovated).
- Outdoor Plaza:** 20,000 square feet or more of immediately adjacent, signature outdoor plaza space.
- HQ Hotel:** 100 new full-service hotel rooms (attached/adjacent).

It is important to note that these space figures represent the amount of convention facility space that would be required to accommodate a majority of Wichita’s event demand, particularly that which is currently estimated to be un-accommodated. A summary of these key programmatic recommendations is presented below, in addition to a comparison with the existing CII product and recommendations developed under the previous 2013 feasibility study.

	EXISTING WICHITA PRODUCT			2013 Feasibility Study	Current Feasibility Study
	CII	Hyatt	CII + Hyatt		
Exhibit Space (SF)	170,000	0	170,000	150,000	130,000
<i>Largest Contiguous Prime Exhibit Space (SF)</i>	<i>63,500</i>	<i>0</i>	<i>63,500</i>	<i>150,000</i>	<i>130,000</i>
Ballroom Space (SF)	0	10,200	10,200	30,000	30,000
<i>Largest Contiguous Ballroom (SF)</i>	<i>0</i>	<i>10,200</i>	<i>10,200</i>	<i>30,000</i>	<i>30,000</i>
Meeting Space (SF)	27,600	7,900	35,500	30,000	40,000
Total Indoor Sellable Space (SF)	197,600	18,100	215,700	210,000	200,000
Dedicated Outdoor Space (SF)	0	0	0	0	20,000
Headquarters Hotel Rooms	0	303	303	400	400

Based on the results of the market and building program analyses, the following represent development recommendations should convention center product investment be pursued in Wichita.

- **Supportable Facility Model:** A new downtown convention center is market supportable in Wichita and would be the type of project necessary to protect and grow Wichita’s market share within the national convention industry into the future.
- **Existing CII:** The current downtown site area is appropriate for the development. It is not believed that the existing CII round building is appropriate for addressing square footage recommendations serving to address future convention industry needs. While not specifically studied under this current analysis, the CII round building may be a candidate for renovation/conversion into a dedicated performing arts facility or other similar space that would be suitable for the needs of many local events.
- **Hyatt Regency:** The Hyatt Regency Wichita (and any new full-service headquarters hotel) needs to control its own ballroom and meeting space; likewise, the convention center needs to control its own ballroom and meeting space. As such, at a minimum, a new 30,000-square foot ballroom should be developed as part of a new convention center project. The Hyatt Regency’s existing 10,200-square foot ballroom would then functionally serve as a de facto “junior ballroom” for some convention center events requiring additional ballroom space. A collaborative use agreement would be struck with the Hyatt Regency to protect targeted access to the Hyatt’s ballroom.
- **Additional Hotel Needs:** Additional headquarters hotel rooms will be required to support the new convention center. This could be achieved through an expansion of the Hyatt Regency (via addition of a second tower of 100 or more rooms) or the development of a new attached or adjacent full-service hotel.
- **Greater Site Development:** The development and/or inducement of an expanded set of visitor amenities (e.g., restaurants, bars, entertainment, ancillary hotel product, retail) within close walking distance of the convention center site should be an important constituent part of the greater site plan, which could include public sector investment and incentives for private sector partners.
- **Integral Component of Downtown Planning:** Ideally with an orientation both towards walkable amenities of downtown and the river, convention center development should tie in directly with the downtown master plan strategy for the future—maximizing synergy and leveraging of public and private dollars.

ES EXECUTIVE SUMMARY

Event & Utilization Levels

A detailed utilization and economic model was developed. Based on the market and program assumptions discussed herein, the exhibit below presents a summary of the estimated annual event levels, event days, and utilization days (move-in + event + move-out days) by event type for a new Convention Center in downtown Wichita. Event days tend to be the one of the key metrics for economic impact analyses, as this measurement reflects the number of days that event attendees are drawn to the Convention Center (and number of days that non-local event attendees are in Wichita as a part of their visit).

A comparison with the existing CII under a Base Case scenario is also shown. The Base Case only focuses on CII convention space activity (i.e., not including performing arts) and assumes no major capital improvements are made to CII within the projection time period. For comparison purposes, CII Base Case figures represent the assumed stabilized year for a new Convention Center (2029) and includes some adjustments to reflect expected year-over-year deterioration of event capture and operating efficiency.

As shown, upon stabilization of operations (fourth full year, or 2029), a new Wichita Convention Center is estimated to attract 351 events annually, consisting of 489 event days and 667 utilization days, respectively. Incrementally, relative to the existing CII, it is estimated that a new Convention Center could significantly improve the attraction of national convention, conference and tradeshow business.



UTILIZATION ESTIMATES	Opening			Stabilized	Existing CII	
	Year 1	Year 2	Year 3	Year 4	Base Case	Incremental
	2026	2027	2028	2029	2029	
NUMBER OF EVENTS						
Conventions - National	14	16	18	20	3	17
Conventions - State/Regional	24	25	26	27	18	9
Public/Consumer Shows	21	22	23	24	34	(10)
Banquets	68	72	76	80	10	70
Meetings	135	140	145	150	100	50
Other/Miscellaneous Events	35	40	45	50	52	(2)
Total	297	315	333	351	217	134
EVENT DAYS						
Conventions - National	46	53	59	66	9	57
Conventions - State/Regional	60	63	65	68	41	26
Public/Consumer Shows	53	55	58	60	85	(25)
Banquets	68	72	76	80	10	70
Meetings	135	140	145	150	100	50
Other/Miscellaneous Events	46	52	59	65	62	3
Total	407	434	461	489	308	180
UTILIZATION DAYS						
Conventions - National	74	85	95	106	15	91
Conventions - State/Regional	96	100	104	108	68	40
Public/Consumer Shows	95	99	104	108	153	(45)
Banquets	68	72	76	80	10	70
Meetings	135	140	145	150	100	50
Other/Miscellaneous Events	81	92	104	115	114	1
Total	548	588	627	667	461	206

ES EXECUTIVE SUMMARY

Financial Operating Projections

An analysis of estimated operating revenues and expenses associated with a new Convention Center in downtown Wichita was conducted. A comparison with the existing CII under a Base Case scenario is also shown. This presentation is designed to assist project representatives in estimating the financial attributes of a new Convention Center and cannot be considered to be a presentation of expected future results. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.

This financial operating analysis only considers revenues and expenses generated through the operation of the Convention Center itself. Additionally, the analysis does not consider potential ancillary income that may be related to the project (such as incremental tax revenue, parking income, admissions surcharges, naming rights income, interest income, etc.), nor does it consider other non-operating costs, such as construction debt service and capital repair/replacement funding. As with all new convention facilities, an initial startup period is assumed before event levels are anticipated to stabilize. Financial operating estimates are shown in terms of constant 2021 dollars. It is assumed that the new Convention Center will be owned by the City of Wichita and managed privately by a qualified third-party management firm.

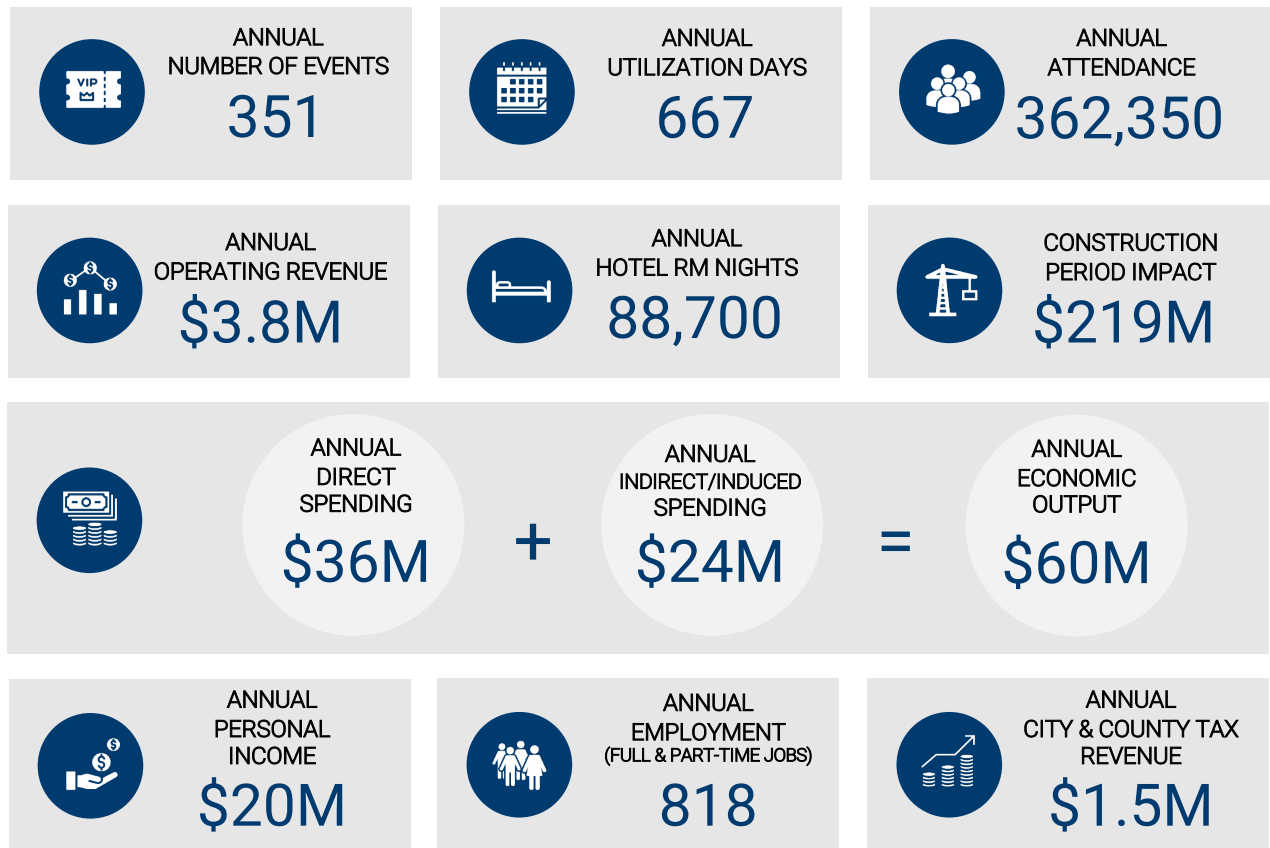
As shown in the exhibit, upon stabilization of operations (in 2021 dollars), a new Convention Center in downtown Wichita is projected to generate approximately \$3.8 million in annual net operating revenue, while incurring approximately \$4.4 million in net operating expenses. The projected annual operating loss of approximately \$600,000 (upon stabilization) is consistent with industry averages for other comparable convention centers located throughout the country. Based on estimates of future CII operations (assuming no significant capital improvements are undertaken), the financial performance of a new Convention Center would be estimated to represent an improvement of nearly \$1.7 million per year (resulting in a significant drop in the assumed operating subsidy provided by the City).

FINANCIAL OPERATIONS	Opening	Year 2	Year 3	Stabilized	Existing CII	
	Year 1			Year 4	Base Case	Incremental
	2026	2027	2028	2029	2029	
OPERATING REVENUES						
Event Revenue						
Rental Income	\$2,377,975	\$2,586,890	\$2,795,805	\$3,004,720	\$991,000	\$2,013,720
Service Income (Loss)	(\$566,750)	(\$610,750)	(\$654,750)	(\$698,750)	(\$322,000)	(\$376,750)
Subtotal - Net Rental Income	\$1,811,225	\$1,976,140	\$2,141,055	\$2,305,970	\$669,000	\$1,636,970
Other Revenue:						
Food & Beverage (net)	\$983,089	\$1,066,622	\$1,150,155	\$1,233,688	\$347,000	\$886,688
Advertising/Sponsorship (net)	\$136,000	\$144,000	\$152,000	\$160,000	\$76,000	\$84,000
Naming/Service Rights (net)	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$30,000	\$40,000	\$50,000	\$60,000	\$48,000	\$12,000
Subtotal - Other Revenue	\$1,149,089	\$1,250,622	\$1,352,155	\$1,453,688	\$471,000	\$982,688
Total Operating Revenues	\$2,960,314	\$3,226,762	\$3,493,210	\$3,759,658	\$1,140,000	\$2,619,658
OPERATING EXPENSES						
Personnel	\$1,931,400	\$1,983,600	\$2,035,800	\$2,088,000	\$1,792,000	\$296,000
Utilities	\$751,800	\$781,200	\$810,600	\$840,000	\$905,000	(\$65,000)
Operations	\$748,750	\$779,500	\$810,250	\$841,000	\$429,000	\$412,000
General & Administrative	\$392,850	\$396,900	\$400,950	\$405,000	\$165,000	\$240,000
Insurance	\$220,000	\$220,000	\$220,000	\$220,000	\$180,000	\$40,000
Total Operating Expenses	\$4,044,800	\$4,161,200	\$4,277,600	\$4,394,000	\$3,471,000	\$923,000
OPERATING INCOME (LOSS)	(\$1,084,486)	(\$934,438)	(\$784,390)	(\$634,343)	(\$2,331,000)	\$1,696,658

Economic Impacts & Key Quantifiable Projections

Based on analysis results, a summary of key cost/benefit projections for a new Convention Center in downtown Wichita associated with its construction and annual operations is presented below (upon stabilization of operations, in 2021 dollars). Further detail surrounding all the assumptions, calculations and projections that were developed are presented with the body of this report.

SUMMARY OF KEY PERFORMANCE PROJECTIONS ASSOCIATED WITH A NEW CONVENTION CENTER IN DOWNTOWN WICHITA, KANSAS (Annual Operating Impacts Upon Stabilization Plus One-Time Construction Period Impact, 2021 dollars)



As shown, upon stabilization of operations (fourth full year, or 2029), a new Wichita Convention Center is estimated to annually attract 351 events, 667 utilization days, and 362,350 attendee days, while generating approximately \$3.8 million in operating revenue.

Upon stabilization, the total annual economic output associated with the operations of a new Convention Center in Wichita is estimated at approximately \$60 million per annum. Additionally, a new Convention Center is projected to generate approximately 88,700 annual hotel room nights in Sedgwick County. Further, it is estimated the new economic spending as a result of the annual operations of a new Convention Center will support 818 full- and part-time jobs throughout the entire Sedgwick County economy, driving \$1.5 million in annual, cumulative City and County tax revenues (in 2021 dollars).

Other Benefits of a New Convention Center

In addition to the aforementioned quantifiable benefits, some benefits related to the construction and operation of a new Convention Center in downtown Wichita cannot be quantitatively measured. Beyond the economic activity and jobs indirectly provided, these types of non-quantifiable impacts of a project of this nature and scope can serve to elevate Wichita's profile and brand as a visitor destination and as a quality place to live, work, learn and play.

In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature, particularly those involving a major investment in community assets and infrastructure. These include issues pertaining to quality of life, ancillary economic development facilitation, employment opportunities, community pride and other such issues. Potential non-quantifiable benefits could include:



Potential Transformative and Iconic Effects – High profile, event facility projects, like a new Convention Center, can have extensive, long-lasting transformative impacts on the Wichita community and destination, in terms of quality of life, community prestige, perception by visitors and non-locals, and other such effects.



Quality of Life for Residents – New/enhanced convention centers and other similar event facility projects provide diversified activities for local residents and families, which can make Wichita a more attractive and enjoyable place to reside. Quality public assembly facilities can contribute to enhancing community pride, self-image, exposure and reputation. All these items can assist in retaining and attracting an educated workforce, particularly younger adults who often desire quality meeting, entertainment, cultural, leisure and recreational amenities.



New Visitation – New visitors will be attracted to the area because of an event at the new Convention Center. These attendees, in turn, may elect to return to the area later with their families, etc. for a leisure visit after visiting the area for the first time.



Spin-Off Development – New retail/business tend to invariably sprout up near major new convention center developments, spurred by the operations and activities associated with the convention facility, representing additions to the local tax base.



Anchor for Revitalization – Major convention center development can oftentimes serve as an anchor for larger master plans and revitalization efforts. Convention centers can annually attract hundreds of thousands of attendees. This added visitation to a downtown can be critical to the health & vitality of existing nearby businesses, as well as providing the incentive for future investment by the private sector in business improvements.



Other Benefits – Increased synergy with the other local event, hospitality and entertainment facilities can lead to increased tourism activity to Wichita and Sedgwick County. Likewise, convention facility and hospitality infrastructure investment will enhance the options for area residents and businesses to select as a host venues for events.



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BACKGROUND & SITUATION

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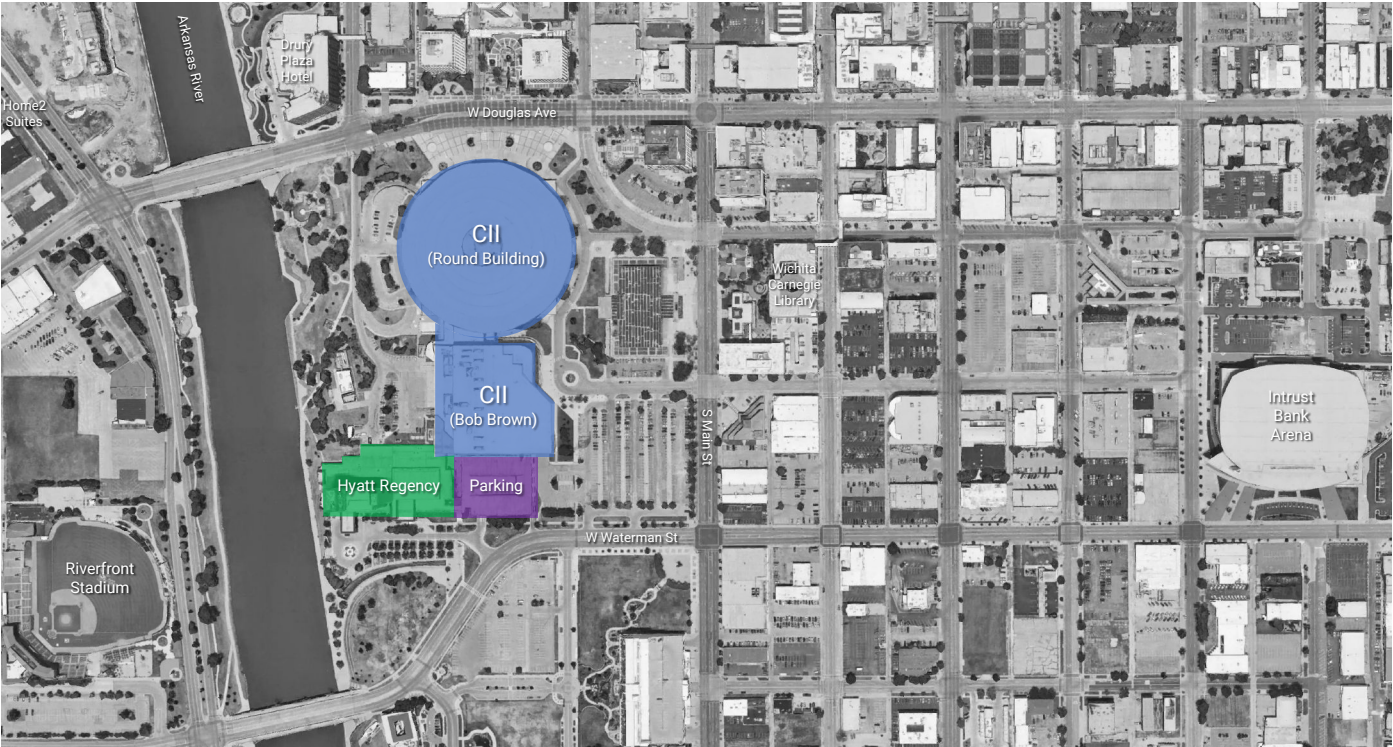
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BACKGROUND & SITUATION

Existing Primary Convention Center Product (CII + Hyatt Regency)

Located in downtown Wichita and originally opened in 1969 with the original round building with iconic blue roof, Century II Performing Arts and Convention Center (CII) continues to serve as Wichita’s primary convention facility. A major CII expansion in 1986, adding Bob Brown Expo Hall, and the addition of the 303-room Hyatt Regency headquarters hotel in 1997 were two important convention infrastructure improvement milestones.



CII offers 170,000 square feet of exhibit space and 27,600 square feet of meeting space throughout 21 breakout meeting rooms. CII essentially consists of two separate, but connected spaces. The round building, with its iconic blue roof, was the original structure and is a circularly-designed building consisting of Carl Bell Convention Hall, Exhibition Hall, Concert Hall, the Mary Jane Teall Theater and breakout meeting rooms.

There is approximately 32,000 square feet of exhibit space in Convention Hall (in addition to seating available for over 4,700), approximately 45,000 square feet of exhibit space in Exhibition Hall, fixed seating for nearly 2,200 in Concert Hall and seating for approximately 650 in Mary Jane Teall Theater. Though there is a significant amount of event space available within this building, the nature of its design presents certain logistical issues with regard to event planning (i.e., issues with respect to ingress/egress, flow of event space, load-in/out, etc.). The 1986 expansion to create Bob Brown Expo Hall, consisting of approximately 93,000 square feet of more traditional exhibition space provided needed new square footage.

The opening of the connected 303-room Hyatt Regency Wichita in 1997 filled a significant need in terms of a full-service headquarters hotel product, along with its in-house ballroom and meeting space. The Hyatt was originally owned by the City of Wichita and managed by Hyatt under a qualified management contract, but was subsequently transacted to a private party in 2016. The Hyatt includes a 10,200-square foot ballroom and approximately 7,900 square feet of breakout meeting space. The combination of CII and the Hyatt form the current convention center product that is marketed to nonlocal convention, conference, tradeshow and meeting groups. Total convention space square footage is shown to the table to the right.

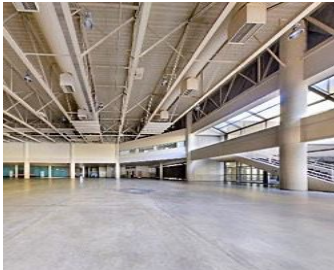
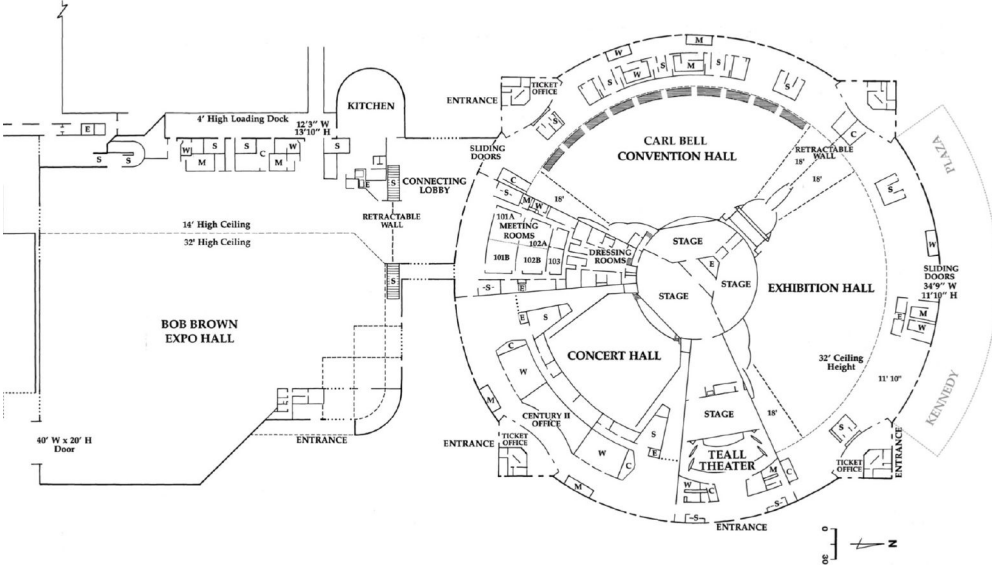
Facility Space Type	CII	Hyatt Regency	CII + Hyatt Regency	%
Exhibit Space (SF)	170,000	0	170,000	79%
Ballroom Space (SF)	0	10,200	10,200	5%
Meeting Space (SF)	27,600	7,900	35,500	16%
Total (SF)	197,600	18,100	215,700	100%
Largest Contiguous (SF)	93,000	10,200	-	-

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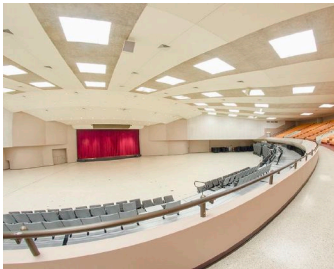
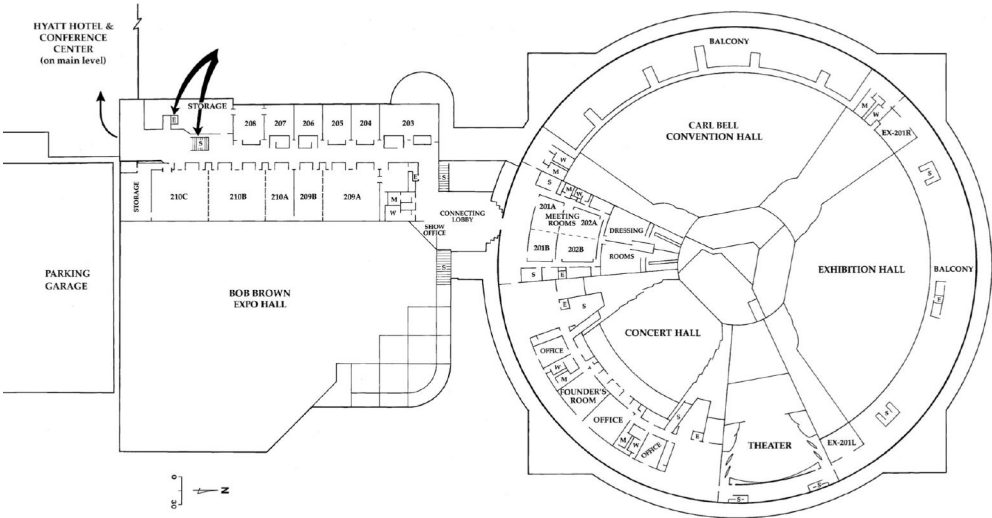
BACKGROUND & SITUATION

CII's existing floor plan, shown in terms of ground floor and second level elevations, is presented below.

▼ GROUND LEVEL MEETING ROOM LAYOUT



▼ PROMENADE LEVEL MEETING ROOM LAYOUT

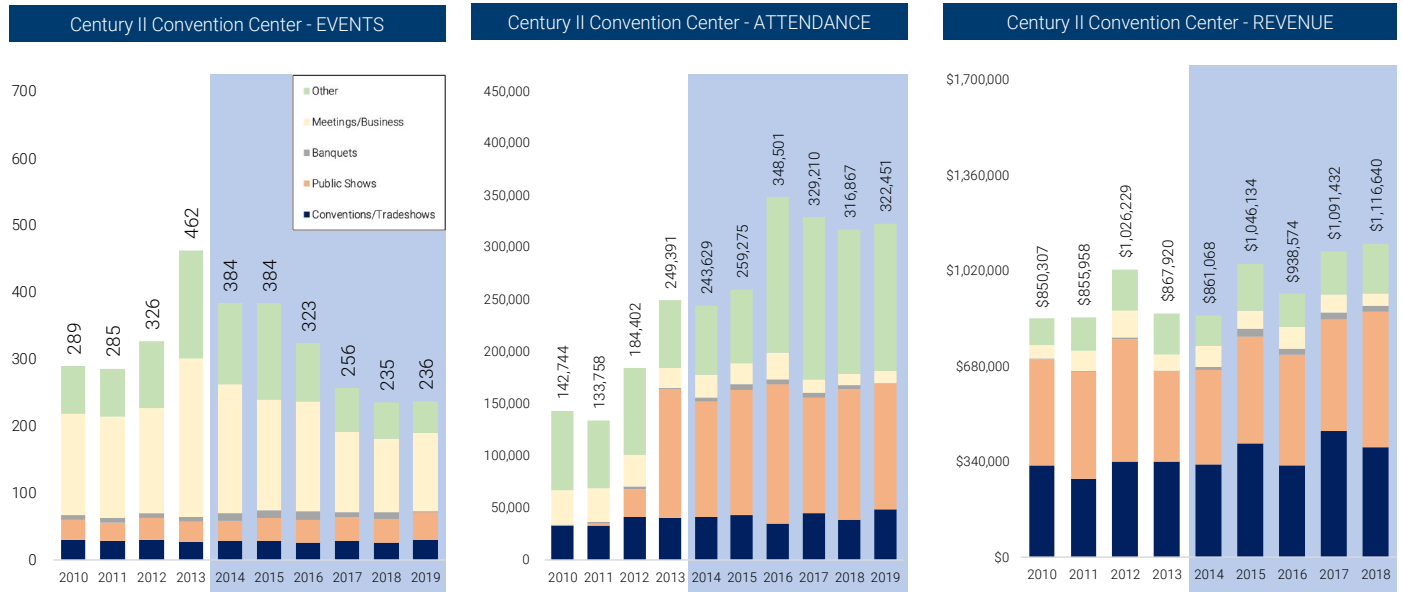


Since the outset, CII has accommodated high levels of use, hosting a wide array of local and non-local events including conventions, tradeshows, conferences banquets, meetings and special events. CII has served a very important role in the Wichita community, hosting a wide variety of local and non-local convention, exhibition, meeting, arts, and entertainment event activity. However, after many decades of service, CII's space is substandard in industry terms and is significantly challenged with its marketability and functionality. As summarized in CSL's 2013 study, a number of critical deficiencies exist pertaining to functionality, event logistics, space levels and apportionment, aesthetics and marketability to exhibitors/attendees.

1

BACKGROUND & SITUATION

An overview of event, attendance and revenue levels associated with activity at the Convention Center is presented below. To assess growth or retractions in event and attendance levels, we have reviewed the historical operations of the Century II Performing Arts & Convention Center during the period spanning 2014 through 2019.



Source: Facility management, 2021.

Since 2013, event levels have steadily gone down, as Meetings/Business events have significantly decreased, as well as “Other” events such as competitions, ceremonies, and religious events, among others. Meanwhile, attendance has significantly increased during this period, with public shows and Other events growing significantly on a per event basis. This suggests a generation of greater economic impact in recent years, despite the drop in event levels.

Revenue levels generated by events. As shown, revenues have gradually increased since 2010, with a recent jump from \$938,600 in 2016 to more than \$1.1 million in 2018. These data will be closely considered as part of expansion/redevelopment event and attendance estimates presented later herein.

CII Relative to the State-of-the-Industry

CII has served a critical need in Wichita for decades—serving local and non-local events of a wide variety of types. Wichita is well-established and demanded in the state/regional convention market. However, beyond niche industries, Wichita is currently challenged in its ability to compete in the national convention market. In today’s industry environment, CII continues to be functional as a “local” event facility, but it does not compete well in the broader national marketplace as a convention center (“nonlocal” events).

The state-of-the-industry in terms of convention center physical product aesthetics and functionality has continued to advance year-over-year since the original construction and subsequent expansion of CII, now decades ago. As would be expected, this has degraded Wichita’s ability to compete for national pieces of convention, conference, tradeshow and meeting business (and its resulting economic impact).

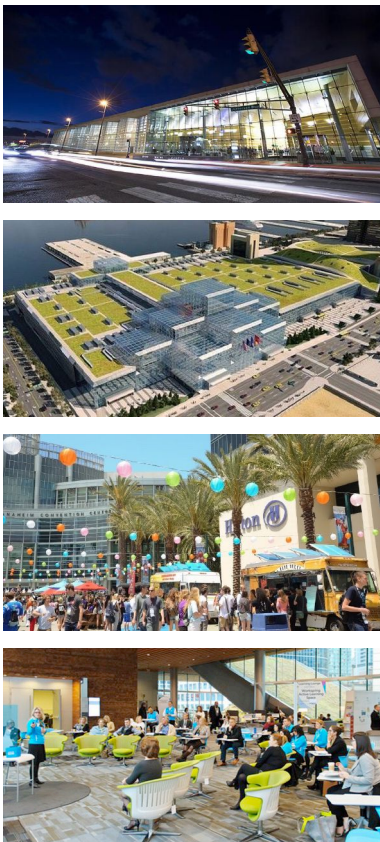
Wichita continues to fall behind its competition in terms of convention product and convention destination attractiveness due to lack of investment in new convention center product. Omaha, Tulsa, Oklahoma City, Nashville, Lexington, and Overland Park are prominent examples of convention/destination return-on-investment success stories, particularly as they relate to strategic planning and investment in facilities and urban planning projects relating to the convention and visitor industries.

1 BACKGROUND & SITUATION

While Bob Brown Expo Hall offers a significant amount of concrete floor exhibition space (93,000 gross square feet in total), it has a number of characteristics that work to reduce CII's (and Wichita's) competitiveness in the national convention marketplace. The exhibit below shows some precedent imagery of modern convention centers and an example of a newly-built exhibit hall layout—in this case, the Level 1 exhibit space at the new Oklahoma City Convention Center, which is typical of design characteristics associated with state-of-the-industry exhibit space in convention centers throughout the country. These characteristics typically include:

- Column-free (or at least no less than a 90-by-90-foot matrix), contiguous, concrete floor space.
- Ceiling heights in excess of 30 feet.
- A rectangular hall shape with a length-to-width ratio that approximates 2:1.
- Subdivisibility of the space into several individual spaces via modern movable air walls, with public access and service access separated and possible for each of the subdivided spaces. This importantly allows for the accommodation of concurrent events and enhances marketability to events with exhibitions of a size smaller than the entire available hall.
- Floor utility boxes on a 30-by-30-foot matrix.
- Significant prefunction space leading into the exhibit halls.
- Back of house service into the exhibit hall to allow for event set up without working through public spaces.
- Covered loading docks for exhibit halls separate from docks for other facility operating needs.
- State-of-the-industry capabilities with respect to wireless internet, audiovisual, telecommunications, electrical, etc.

Modern Design Examples



State-of-the-Industry Exhibit Hall Layout (Oklahoma City Convention Center)



1 BACKGROUND & SITUATION

Bob Brown Expo Hall and the other exhibit space areas offered in CII are most prominently deficient relative to these modern industry standards:

1. **Contiguous Space:** CII has been advertised as offering approximately 170,000 square feet of total exhibit space. However, this square footage is split into 93,000 square feet in Bob Brown Expo Hall, 45,000 square feet in Exhibition Hall, and 32,000 square feet in Convention Hall. The large majority of small and mid-sized national conventions are unwilling to split their exhibition activities amongst non-contiguous exhibit halls.
2. **"Prime" Space:** Within the convention industry, "prime" exhibit space is that which generally corresponds to the industry standards outlined on the previous page. The 77,000 square feet offered by Convention Hall and Exhibition Hall cannot be considered "prime" exhibit space, nor can 29,500 square feet of Bob Brown Expo Hall's total space as its 14-foot ceiling height is far below industry standard. Therefore, of the 170,000 total square feet in CII that has been and is marketed as "exhibit space", only 63,500 square feet of this inventory is considered to be prime space. Many small and mid-sized national conventions are unwilling to utilize non-prime exhibit space.
3. **Subdivisibility:** The only prime exhibit space in CII (a portion of Bob Brown Expo Hall) cannot be subdivided in any practical and functional manner. This limits the facility's ability to market to and accommodate concurrent events in Expo Hall. Due to the predominantly local and in-state focus of event activity in CII, as well as the offering of the Convention Hall and Exhibition Hall, this issue of subdivisibility has not heretofore been a prominent issue in Wichita. The accommodation of concurrent convention event activity (involving some overlap of move-in days, event/show days, and/or move-out days) is prevalent and typically critical for the financial and economic performance of modern convention centers throughout the country.

Beyond these critical exhibit space issues, there are a whole host of other functional and aesthetic challenges associated with CII that serve to significantly weaken its competitiveness in the national convention and event marketplace. While certainly understandable given the respective 52-year-old and 35-year-old ages of the two primary facility components, CII has also been hindered since its inception by the circular design of the original building. The "pie slice" layout, apportionment and configuration of event spaces in the original "round building" are atypical—if not completely unique—in the overall event industry. There are varying degrees of functional challenges associated with attracting/producing events of most types (convention, trade/consumer, meetings, entertainment, sports, and performing arts).

Additionally, CII's round building and its signature "blue dome"—while a recognized, iconic landmark unique to Wichita—gives the impression of a dated, substandard convention product to certain participants in the national convention marketplace, working to reduce, rather than enhance the competitiveness of the Wichita convention product within the broader national convention market.

Meanwhile, the competitive "state-of-the-industry" standard, in terms of convention center physical product aesthetics and functionality, has continued to advance year-over-year since the original construction and subsequent expansion of CII, now decades ago. Based on a detailed benchmarking effort undertaken for this study, over the past 20 years, more than 80 percent of cities that are identified as Wichita's key national and regional convention industry competition have expanded or built new convention center facilities. As would be expected, this has degraded Wichita's ability to compete for national pieces of convention, conference, tradeshow and meeting business (and its resulting economic impact).



2

LOCAL & REGIONAL CONDITIONS

2 LOCAL & REGIONAL CONDITIONS

Introduction

An important component in assessing the potential success of a new Convention Center in downtown Wichita is the demographic and socioeconomic profile of the local and regional market. The strength of a market in terms of its ability to support and utilize a convention center is measured, to some extent, by the size of the regional market area population, its age, income, and other characteristics. In addition to the demographic profile of the local and regional market area, other local market characteristics have relevance when considering the attractiveness of a particular community as a host for convention events and attendance. These include items such as the existing/future inventory of local event facilities, the presence and proximity of downtown amenities (such as hotels, restaurants/bars, parking, attractions, and other such items), transportation accessibility, ingress/egress convenience, corporate and resident base, among others.

Wichita Destination

Located in southeastern Kansas at the confluence of Interstates 135 and 35, Wichita is the largest city in the state of Kansas and within short driving range of population center such as Kansas City, Oklahoma City, Topeka and Salina. Air access to/from the market is served by the Wichita Dwight D. Eisenhower National Airport.

Originally founded as a trading post on the Chisholm Trail in 1870, the city became an engineering and manufacturing hub in the 1920's and 1930's, and the city remains a major center for the American aircraft industry. Local aviation organizations include Textron Aviation, Spirit AeroSystems, and McConnel Air Force Base. Other major companies in the area include Koch Industries, Johnson Controls, Wesley Healthcare, and Cargill Meat Solutions Corp. Wichita is also home to several universities, including Wichita State University, Newman University and Friends University.

The area is also home to several popular attractions and experiences that support the visitor economy, including Sedgwick County Zoo, Botanica: The Wichita Gardens, The Keeper of the Plains landmark, Old Cowtown Museum, Exploration Place, Museum of World Treasures, and Frank Lloyd Wright's Allen House, among others.

Based on stakeholder feedback, event planner input, and high-level review of existing conditions, Wichita's key areas for opportunity in the convention industry include a new Convention Center, enhancing walkability and vibrancy in the downtown through transformational projects, and development of additional convention-quality hotel rooms. These issues will be further explored with data-backed findings later herein.

Located along the Arkansas River, plans exist to redevelop the downtown portion of the Riverfront into a vibrant, pedestrian-oriented district that would improve quality of life in the area and serve as a key visitor industry asset. More details on this plan are presented later in this section.



2 LOCAL & REGIONAL CONDITIONS

Hotel Inventory

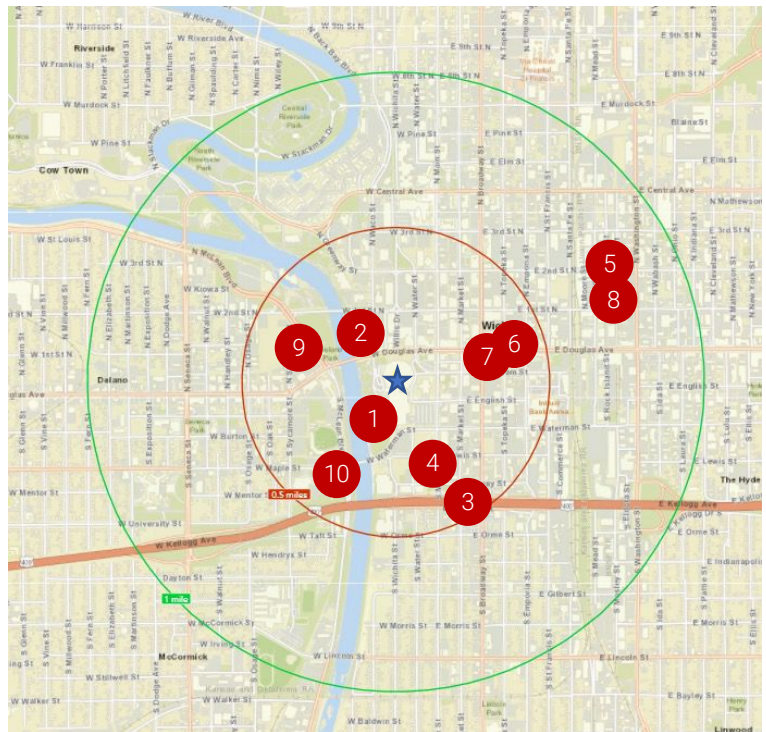
As noted in the 2013 study, a community’s hospitality infrastructure, in terms of hotels, restaurants, entertainment and other such factors, contributes heavily to the potential success of a market’s convention center product. The marketability of any event facility increases when there exists the support of amenities and infrastructure within close proximity.

The chart and map below summarize the key lodging facilities located in the downtown Wichita area. There are 1,430 rooms within a mile of CII, distributed across ten hotel properties. There are currently eight hotels within ½-mile of the facility, and together they amass nearly 1,200 sleeping rooms. Specifically, the Hyatt Regency Wichita, Drury Plaza Hotel Broadview, and the Fairfield Inn & Suites are the closest hotels to CII.

Committable hotel room inventory is one of the most critical aspects of a convention destination. When factoring for rooms occupied by corporate and leisure visitors, hotel rooms within an urban area can typically commit between 40 percent to 70 percent of their hotel room inventory. As such, the downtown Wichita hotel inventory can likely offer between 475 and 830 total hotel rooms for citywide conventions. This will be explored further as part of the Market Demand chapter herein.

Hotel Property	Room Count	Distance to CII (in miles)
1 Hyatt Regency Wichita	303	0.1
2 Drury Plaza Hotel Broadview	200	0.2
3 Wyndham Garden Downtown	150	0.5
4 Fairfield Inn & Suites Downtown	131	0.3
5 Courtyard Old Town	128	0.8
6 Hilton Garden Inn Downtown	127	0.4
7 Ambassador Hotel	117	0.3
8 Hotel at Old Town	115	0.8
9 Home2 Suites by Hilton	95	0.3
10 WaterWalk Wichita	64	0.4
Total	1,430	0.4 Average

Source: Visit Wichita, Google Maps, 2021.



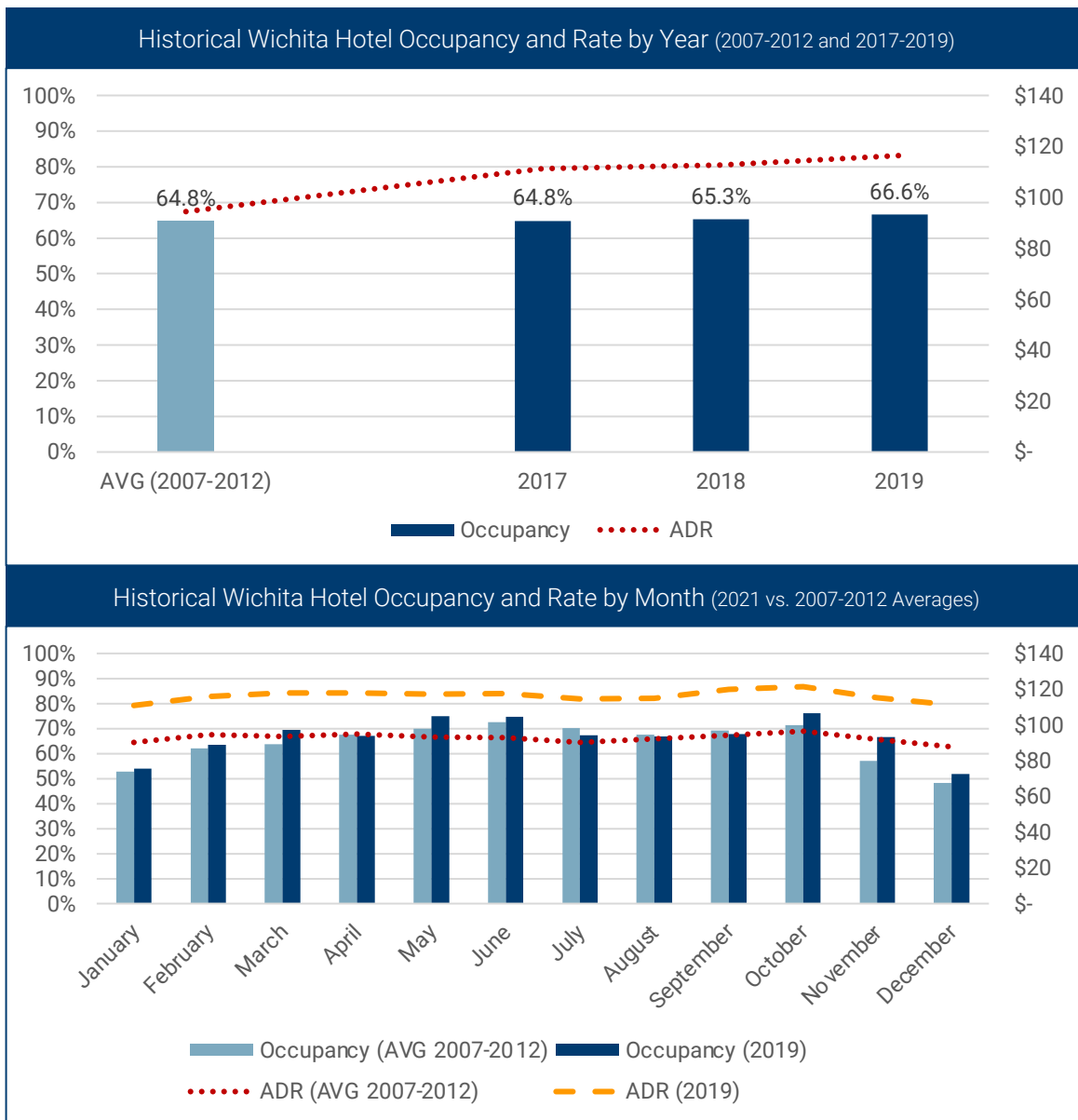
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LOCAL & REGIONAL CONDITIONS

Hotel Occupancy & ADR Data

Decisions as to the future of any substantial hospitality-related investment such as a new convention center or hotel development should consider the overall performance of a given area’s hospitality sector, which is partly defined by overall hotel occupancy and room rates. Markets with substantial leisure, group, and/or corporate transient demand often experience hotel occupancy levels ranging between 70 percent and 80 percent. In these cases, additional hotel inventory may be supported. The average daily rate (ADR) is also important to consider as part of any convention-related investment, as event planners typically seek competitive hotel rates when selecting a host destination.

As shown below, hotel occupancy rose slightly from the average of 2007-2012 to 2019, going from 64.8 percent to 66.6 percent. ADR rose more sharply, from an annual average of \$94.40 between 2007 and 2012, to \$116.40 in 2019. Seasonal hotel performance has largely remained the same since the 2013 study, with Wichita hotels still experiencing peak occupancy and ADR in the spring, fall and early summer months.



Source: STR, Visit Wichita, 2021.

2

LOCAL & REGIONAL CONDITIONS

Meeting Facility Inventory

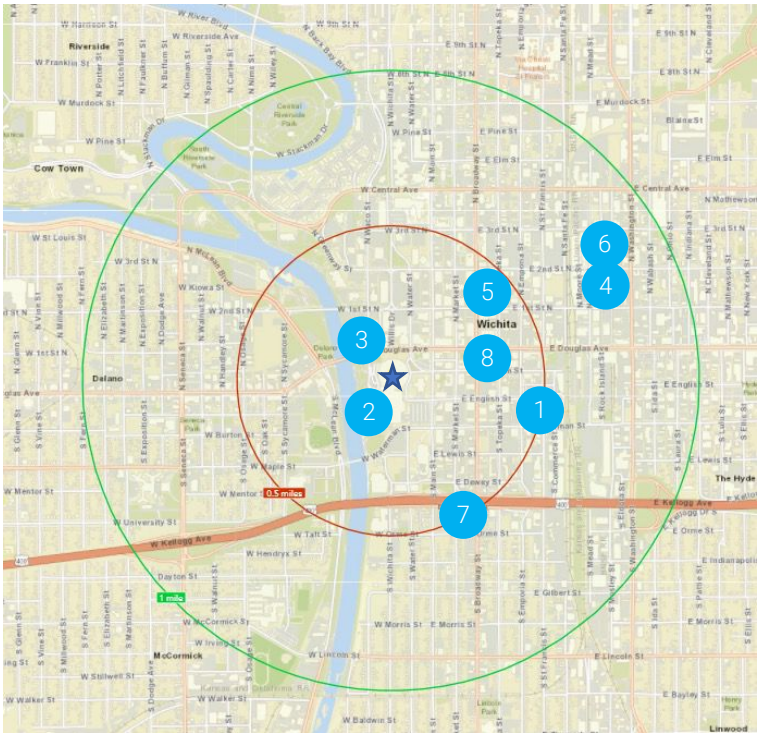
As presented, there are eight primary meeting facilities in downtown Wichita, aside from the previously discussed CII. Intrust Bank Arena is the only other downtown facility offering exhibit space, with approximately 32,000 square feet of contiguous exhibit space (provided via the arena floor); however, an arena floor is not considered “prime” convention-quality exhibit space, and the facility lacks traditional meeting or ballroom/multipurpose space often necessary to accommodate large conventions, conferences, tradeshows and other such events. Further, its primary function is to house ticketed events such as the Wichita Thunder (minor league hockey), concerts, family shows, and other such events.

The Hyatt Regency offers approximately 18,100 square feet of total sellable space, including the 10,200-square foot Grand Eagle Ballroom, which is the largest ballroom in Wichita. Other notable facilities include the Drury Plaza Hotel Broadview, which offers 13,400 square feet of total sellable space and a 9,200 square foot ballroom, Hotel at Old Town (9,800/8,200), and the Wichita Scottish Rite Center (11,200/6,800). In total, these venues offer approximately 98,300 square feet of total flat floor event space.

Over the last eight years, meeting planners have shown an increasing use of off-site venues for after-hour programming, networking events, cocktail hours and other functions, and will typically use the types of spaces below to accommodate this activity. As such, these venues should be seen as complementary assets to the CII Convention Center and be leveraged as part of broader “convention destination” to event planners.

Meeting Facility	Sellable Space	Largest Contiguous Space
1 Intrust Bank Arena	32,000	32,000
2 Hyatt Regency Wichita	18,100	10,200
3 Drury Plaza Hotel Broadview	13,400	9,200
4 Hotel at Old Town	9,800	8,200
5 Wichita Scottish Rite Center	11,200	6,800
6 Courtyard at Old Town	7,000	4,500
7 Wyndham Garden Downtown	3,200	1,800
8 Ambassador Hotel	3,600	1,700
98,300 Total		

Source: Visit Wichita, facility management, 2021.



2 LOCAL & REGIONAL CONDITIONS



Intrust Bank Arena

With 15,000 seats, 300 premium seats, 40 loge boxes, and 22 suites, the Intrust Bank arena is a major sports and entertainment venue in Wichita. The arena often hosts local college teams like the Wichita Thunder, Wichita Force, and Wichita State Shockers basketball. With 32,000 square feet of contiguous event space, the arena has capacity to host some flat floor public and tradeshow events, as well as general sessions and food functions for more than 2,000 people. Opened in 2010, construction costs for this arena totaled \$205.5 million.



Hyatt Regency Wichita

Connected to the Century II Convention Center, the Regency hosts a range of event attendees throughout the year. With 303 guest rooms, this hotel has the most rooms of any in the downtown area. The hotel holds a 10,000-square foot ballroom as well as additional meeting spaces and ballrooms totaling over 8,000 square feet in sellable space. The hotel often utilizes sellable space from the Century II, providing access to over 230,000 square feet in sellable space.



Drury Plaza Hotel Broadview

In a rustic building opened in 1922, the Drury Plaza Hotel contains 200 total guest rooms. Located on the Arkansas River, the hotel's scenery and amenities appeal to both group and leisure travelers. The hotel offers 11,000 square feet in sellable meeting spaces and is in close proximity to the Century II Convention Center. With its largest meeting space totaling 9,200 square feet, the hotel can host many smaller and some mid-sized SMERF (social, military, educational, religious, fraternal), association and corporate business.



Hotel at Old Town

Built in 1906, this refurbished building is in the center of Wichita's entertainment district. The historic hotel is within proximity to numerous dining, retail and entertainment options. The building offers 9,800 square feet of sellable meeting space. Nearby, there are options for unique meetings at breweries, distilleries, and smaller event venues. With 103 rooms and over 50 shops, restaurants, and theaters nearby, this location functions well for smaller events.



Wichita Scottish Rite Center

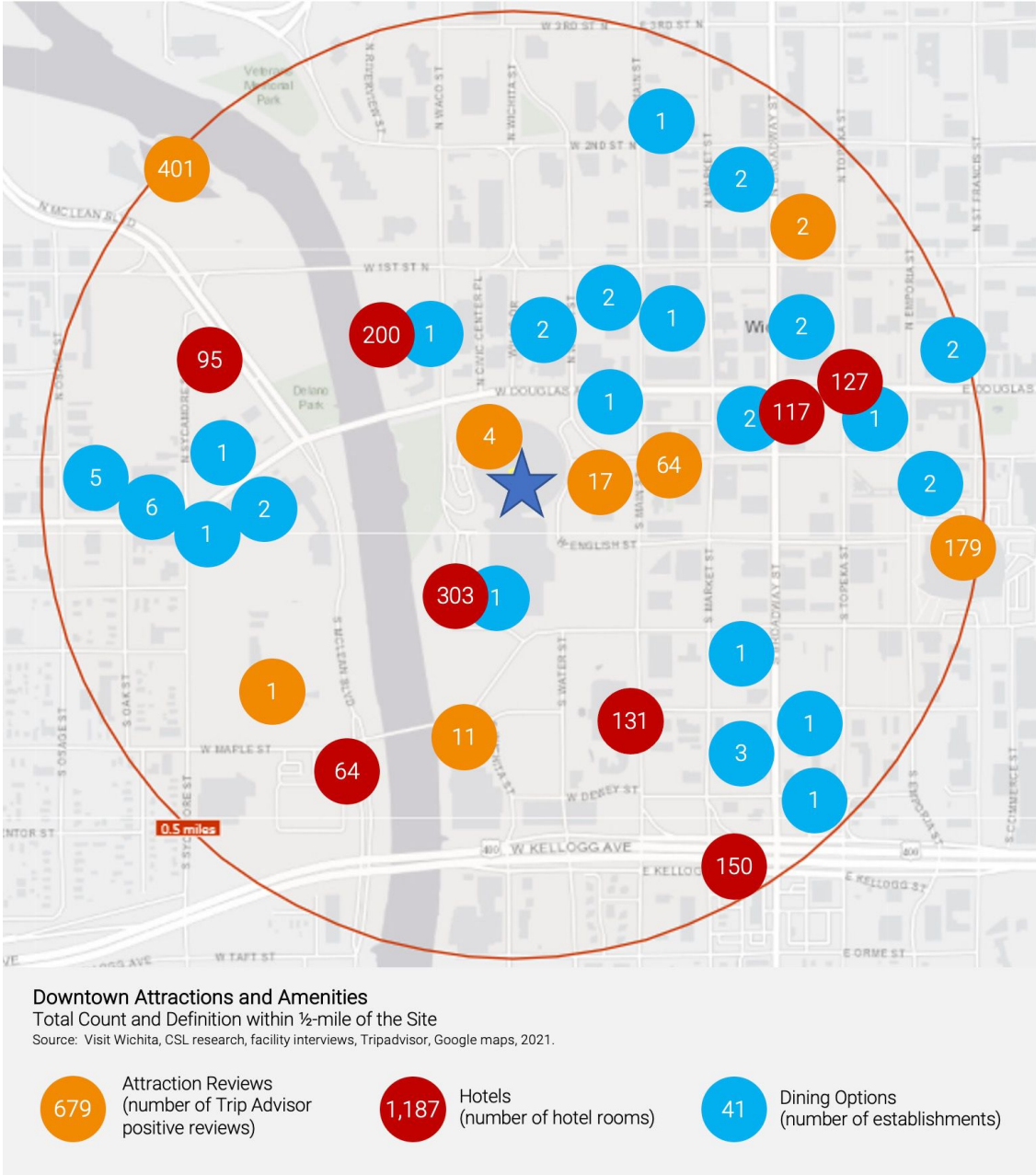
Built in 1888, this building has undergone two expansions throughout its life. Originally built for the YMCA and later sold to the Scottish Rite Freemasons, the building features a robust inventory of historic artifacts and exhibits. With a main dining room hosting up to 450 guests, a theater holding 700 guests, and small meeting rooms designed for 25 to 150 guests, this building works well large food functions, meetings, and some conference business.

2

LOCAL & REGIONAL CONDITIONS

Downtown Attractions & Amenities

Event planners increasingly consider the destination outside of the host facility when selecting sites for their events. To evaluate the appeal and vibrancy of the area around the CII Convention Center, we have prepared the map below that displays the hotel, attractions, and dining inventory within a half mile of the facility. There are a total of 41 dining establishments within ½-mile of the Convention Center, as well as eight attractions listed on TripAdvisor. The most reviewed attractions include Exploration Place (401 reviews), Intrust Bank Arena (179), and the Wichita Sedgwick County Historical Museum (64). Other attractions include Wichita Public Library, Kansas Sports Hall of Fame, Wichita Symphony Orchestra, Wichita Scottish Rite Center, and the Riverfront.



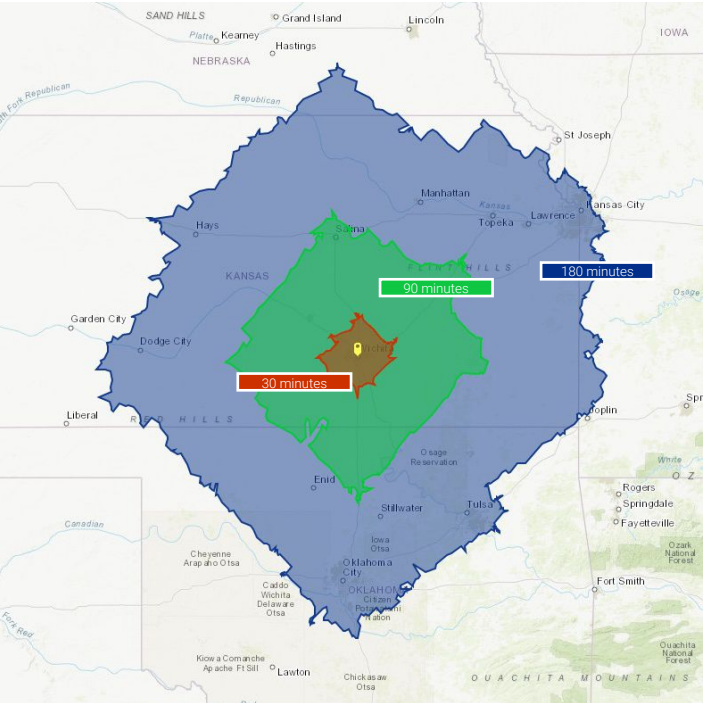
Additionally, in recent years, a number of master plans and other mixed-use development proposals have been discussed to redevelop the Riverfront and other areas in and around CII’s site. These plans include the Riverfront Legacy Master Plan and Project Downtown, among others. All the major plans and proposals should improve the walkability and appeal of the downtown area for residents and visitors (including convention attendees). In today’s convention industry, the walkability surrounding a convention facility is highly beneficial to retaining a growing number of citywide conventions and other larger events and activities.

2

LOCAL & REGIONAL CONDITIONS

Location & Accessibility

The exhibits below illustrates the proximity of Wichita with other nearby markets and the markets/land area captured within an estimated 30-, 90- and 180-minute drive of CII. These driving distances will be utilized on the subsequent page and later in the report for purposes of comparing demographic and socioeconomic variables.



Market	Distance to Site (in miles)	Drive Time (hrs:mins)	Market Population
Salina, KS	89	1:20	59,928
Enid, OK	123	1:55	61,056
Manhattan, KS	130	2:05	130,300
Topeka, KS	140	2:05	232,000
Oklahoma City, OK	162	2:20	1,409,000
Lawrence, KS	162	2:20	122,300
Tulsa, OK	175	2:35	998,600
Kansas City, MO	200	2:50	2,156,000
Lincoln, NE	280	4:20	336,400
Omaha, NE	300	4:50	949,400
Dallas, TX	360	5:20	5,081,900
Fort Worth, TX	360	5:15	2,491,200
Des Moines, IA	390	5:40	699,300
St. Louis, MO	440	6:25	2,803,200
Little Rock, AR	450	6:30	742,400
Colorado Springs, CO	500	7:15	745,800
Denver, CO	520	7:20	2,967,200

Source: Esri, 2021.



Demographic & Socioeconomic Characteristics

The exhibit below presents a summary of key demographic metrics associated within the aforementioned driving distances surrounding CII, along with city of Wichita, Sedgwick County, state of Kansas, and United States benchmarking data. As shown in the exhibit, the estimated population within the city of Wichita and Sedgwick County is approximately 400,000 and 526,400, respectively. Population within both areas are expected to grow at a rate higher than that projected for the state of Kansas. The population within 30 minutes of the targeted site is approximately 581,100. Within 180 minutes, population jumps considerably to nearly 6.5 million, capturing the Kansas City and Oklahoma City metropolitan markets. The level of population from which convention centers will draw participants for public shows, state/regional events and other activity impacts the utilization of the facilities.

DEMOGRAPHIC VARIABLE	30-Minutes	90-Minutes	180-Minutes	City of Wichita	Sedgwick County	State of Kansas	United States
POPULATION:							
2010 Total Population	550,865	963,496	5,885,718	382,567	498,365	2,853,118	308,745,538
2021 Total Population	581,100	983,048	6,298,905	400,035	526,373	2,955,657	333,934,112
2026 Total Population	595,459	988,872	6,495,540	408,141	539,918	2,996,473	345,887,495
Historical Annual Growth Rate (2010 to 2020)	5.49%	2.03%	7.02%	4.57%	5.62%	3.59%	8.16%
Projected Annual Growth Rate (2021 to 2026)	2.47%	0.59%	3.12%	2.03%	2.57%	1.38%	3.58%
AGE:							
Median Age	36.4	37.9	37.6	35.9	36.2	37.6	38.5
Population age 25 to 44	27.20%	25.70%	26.80%	27.00%	26.50%	26.00%	26.60%
AGE DISTRIBUTION:							
Under 15	21.20%	20.00%	19.40%	22.40%	22.80%	19.70%	18.4%
15 to 24	12.80%	12.70%	13.20%	14.30%	14.10%	13.40%	13.0%
25 to 34	14.10%	13.40%	13.90%	14.70%	14.10%	13.50%	14.0%
35 to 44	13.10%	12.30%	12.90%	12.30%	12.40%	12.50%	12.6%
45 to 54	11.10%	11.00%	11.40%	13.80%	14.10%	11.20%	12.5%
55 and over	27.70%	30.60%	29.20%	22.50%	22.60%	29.80%	29.50%
HOUSEHOLD INCOME:							
Median Household Income	\$59,060	\$56,086	\$59,741	\$54,562	\$58,720	\$61,084	\$62,203
Per Capita Income	\$30,480	\$29,255	\$32,450	\$29,270	\$30,485	\$32,644	\$34,136
INCOME DISTRIBUTION:							
\$0 to \$24,999	18.30%	19.50%	18.70%	21.10%	18.70%	17.50%	19.1%
\$25,000 to \$49,999	22.50%	23.90%	22.20%	23.80%	22.40%	22.00%	20.9%
\$50,000 to \$74,999	20.00%	20.00%	18.80%	19.90%	20.00%	19.30%	17.3%
\$75,000 to \$99,999	12.40%	12.50%	13.30%	11.50%	12.30%	13.70%	12.6%
\$100,000 to \$149,999	16.60%	15.20%	15.20%	14.60%	16.30%	15.60%	15.3%
\$150,000 or more	10.30%	8.80%	11.80%	9.20%	10.40%	11.90%	14.8%
POPULATION BY RACE/ETHNICITY:							
White/Caucasian	76.00%	80.50%	74.30%	72.00%	74.50%	81.40%	72.4%
Black/African American	8.20%	5.90%	9.40%	11.50%	9.00%	5.90%	12.6%
American Indian	1.00%	1.50%	3.00%	1.20%	1.10%	1.00%	0.9%
Asian	4.40%	3.10%	3.20%	4.80%	4.60%	3.30%	4.8%
Pacific Islander	0.10%	0.10%	0.20%	0.10%	0.10%	0.10%	0.2%
Other Race	5.70%	4.80%	5.10%	6.10%	6.10%	4.60%	6.2%
Two or More Races	4.60%	4.20%	4.90%	4.30%	4.70%	3.70%	2.9%
Hispanic Origin	14.90%	12.90%	11.90%	15.30%	15.70%	12.70%	16.3%
Diversity Index	56.3	49.4	55.5	64.7	58.5	48.1	60.6
BUSINESS:							
Total Business 2020	20,523	38,014	244,610	15,809	18,871	121,063	11,994,763
Total Employees 2020	317,866	512,002	3,223,877	223,223	297,704	1,560,022	146,120,824
Employee to Residential Population Ratio	0.55:1	0.52:1	0.51:1	0.56:1	0.57:1	0.53:1	0.44:1

Source: Esri, 2021.

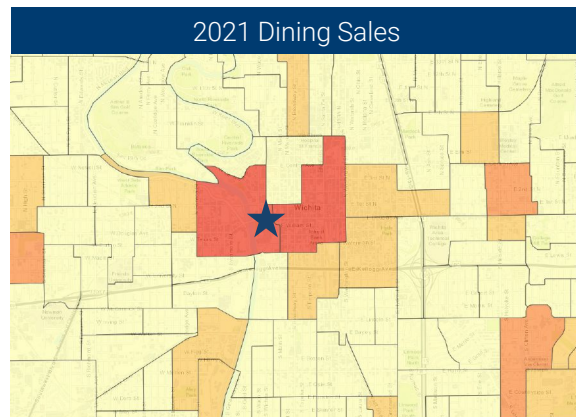
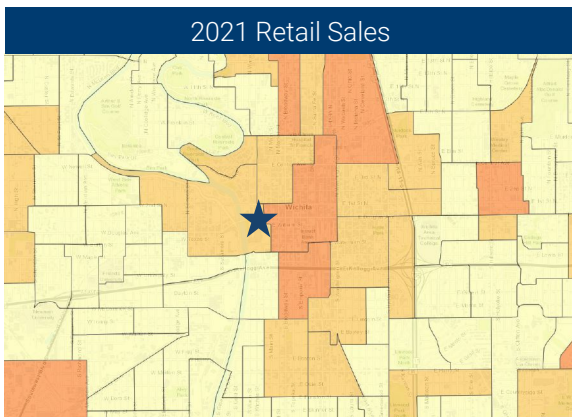
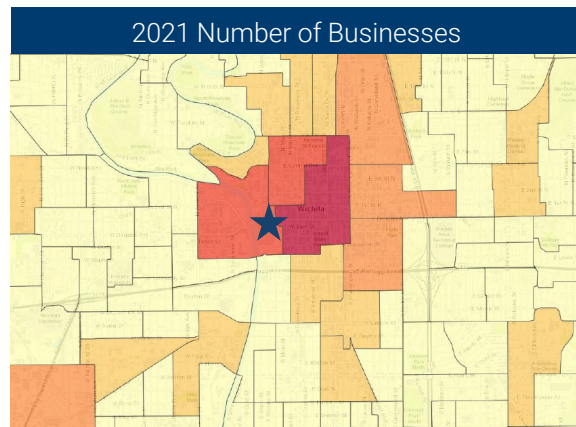
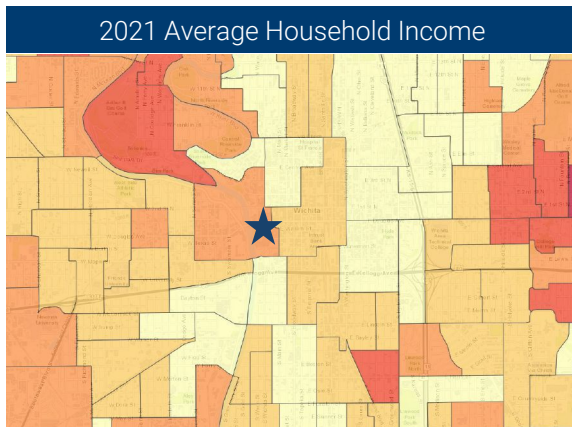
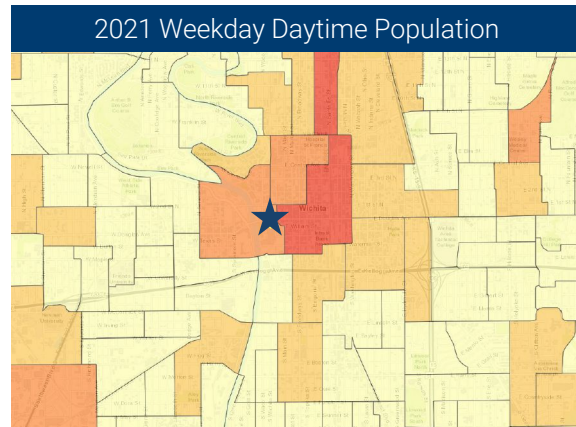
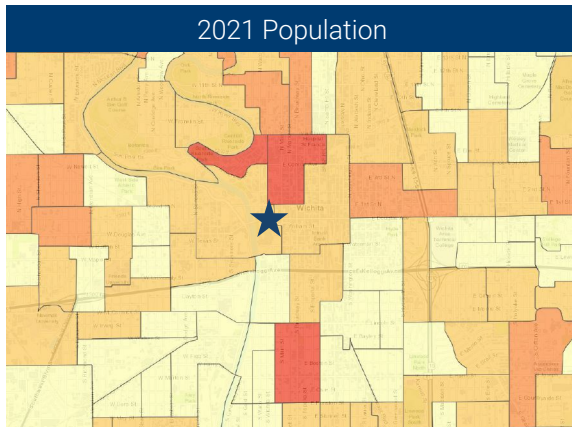
Business inventory is another important socioeconomic characteristic to consider a part of any new convention center planning effort. There are approximately 20,500 businesses within a 30-minute drive of CII, with a total of 317,900 employees. The employee-to-residential ratio for each of the geographic areas identified outperforms that of the U.S., suggesting an above average economy to help support the local and regional events industry.

2 LOCAL MARKET CONDITIONS

Demographic & Socioeconomic Heat Maps

The heat maps display the relative density of demographic data points as varying sets of colors ranging from cool (lighter color, indicating a low density of points) to hot (darker color, indicating a high relative density of points). These data are segmented by census tract.

As shown, the downtown area surrounding CII has a stronger daytime population than population. This suggests a robust workforce during the day that likely contributes to the significant dining revenues in the area. Retail sales are not as strong in downtown, and this may be due to the more limited resident base in the area. Added residential could support a more robust retail environment and 24/7 vibrancy that would be highly appealing to convention attendees, which is a key goal of the current downtown planning efforts.



Source: Google Maps, Esri, 2021.

2 LOCAL & REGIONAL CONDITIONS

Corporate Base

The depth of the inventory of local corporations and employers can provide an indication of potential for corporate meeting activity in a given market. Often, the major employers in a local market are an important source of facility usage with regard to corporate meetings, banquets and other similar uses, all of which are important to maintain the utilization and financial viability of a convention center. Indirectly, the size of a local corporate base also tends to correlate with the level and breadth of supporting community amenities (i.e., hotels, restaurants, transportation infrastructure, etc.), which are relevant when considering the ability to attract non-local events. Also, attracting events consistent with industry clusters that are prioritized by local economic development organizations can create important business generation synergies.

The chart below provides a listing of the top 20 employers within the Greater Wichita region measured by employee count. Of the 20 listed, the entities with the highest employment Spirit AeroSystems, Textron Aviation, and Unified School District 259 - Wichita.



Summary of Largest Employers in Greater Wichita Region

	Name	Number of Employees	Industry/ Sector
1	Spirit AeroSystems	9,500	Manufacturing
2	Textron Aviation (Beechcraft and Cessna)	9,000	Manufacturing
3	Unified School District 259 – Wichita	5,600	Education
4	Ascension Via Christi	5,400	Health Care
5	U.S. Government (a)	5,200	Government
6	McConnell Air Force Base	3,500	Government
7	Koch Industries	3,300	Conglomerate
8	City of Wichita	2,800	Government
9	Sedgwick County	2,600	Government
10	Wichita State University	2,100	Education
11	State of Kansas	2,100	Education / Government
12	Johnson Controls	2,000	Manufacturing
13	Wesley Healthcare	1,800	Health Care
14	Cargill Meat Solutions Corp.	1,100	Food Processing
15	Dillons Food Stores	1,100	Retail
16	Unified School District 260 – Derby	1,100	Education
17	Bombardier	1,100	Manufacturing
18	Cox Communications	1,100	Communications
19	U.S Postal Service	1,000	Delivery
20	Robert J. Dole VA Medical Center	1,000	Health Care

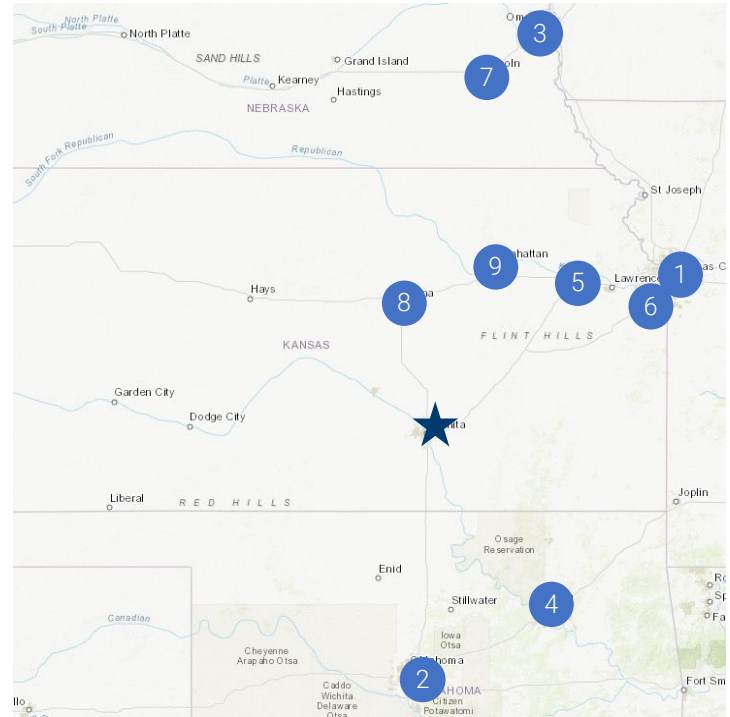
Source: Greater Wichita Partnership, 2021.

2 LOCAL & REGIONAL CONDITIONS

Regional Competitive Facilities

As a part of this analysis, we identified nine convention facilities throughout the state of Kansas and the regional marketplace that may offer some level of competition to a new convention center product in Wichita. The map and exhibit on this page show these facilities. For comparison purposes, CII is also shown, both in terms of CII-only space and also assuming the additional of the Hyatt Regency's ballroom and meeting space.

The amount of total sellable space (exhibit, ballroom and breakout meeting space) offered at the competitive facilities reviewed varies widely, averaging approximately 182,500 square feet. The largest facility in terms of total sellable space is the Kansas City Convention Center, offering approximately 556,100 square feet of total sellable space. Importantly, the 207,800 square feet of total sellable space at CII includes approximately 106,500 square feet of non-prime exhibit space. Further, it includes 23,000 square feet of meeting space within the Promenade Level and the 10,200-square foot Grand Eagle Ballroom, for which booking is the sole responsibility of the Hyatt Regency. The characteristics and mix of the sellable space offerings within each of these competitive facilities underscores the importance of offering a sufficient volume and mix of functional facility spaces.



Facility	City, State	Distance from Wichita (miles)	Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Total Sellable (SF)	Largest Contiguous (SF)	Rooms at HQ Hotel(s)	
1	Kansas City Convention Center	Kansas City, MO	195	388,800	70,800	96,900	556,500	388,800	0
2	OKC Convention Center	Oklahoma City, OK	162	200,730	39,600	35,300	275,630	200,730	311
3	CHI Health Center	Omaha, NE	301	194,300	31,000	63,000	288,300	194,300	600
CII (with Hyatt meeting space)		Wichita, KS	0	170,000	10,200	35,500	215,700	93,000	303
CII (without Hyatt Regency meeting space)		Wichita, KS	0	170,000	0	27,600	197,600	93,000	303
4	Cox Business Convention Center	Tulsa, OK	176	102,600	30,060	22,800	155,460	102,600	126
5	Stormont Vail Events Center	Topeka, KS	138	95,500	23,550	0	119,050	95,500	224
6	Overland Park Convention Center	Overland Park, KS	185	58,500	25,000	14,100	97,600	58,500	394
7	Pinnacle Bank Arena	Lincoln, NE	278	49,800	0	8,100	57,900	30,000	0
8	Tony's Pizza Event Center	Salina, KS	89	24,800	0	18,400	43,200	24,800	113
9	Manhattan Conference Center	Manhattan, KS	131	22,400	24,400	2,000	48,800	24,400	135
Average (excluding Wichita)			184	126,381	27,157	28,956	182,493	124,403	211
Median (excluding Wichita)			176	95,500	25,000	18,400	119,050	95,500	135

Source: CSL research, interviews with facility management, facility websites, Google maps, 2021.



3

INDUSTRY TRENDS

3 INDUSTRY TRENDS

Tourism-Focused Event Facilities

The economy of any destination can be influenced by many factors outside the control of community leaders. Economic conditions, corporate relocations, changes in governmental or institutional presence and other factors will influence employment, income, tax revenues and other critical aspects of an economy.

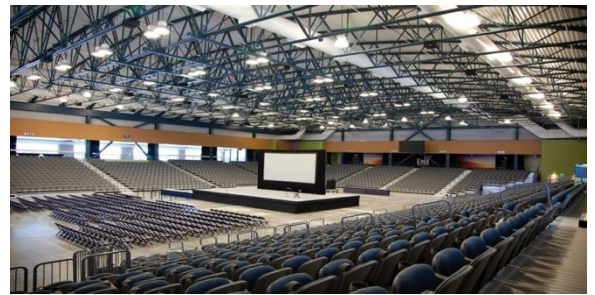
In most communities, the visitor industry also plays an important role in local and regional economic health. Visitors to a market offer an opportunity to inject new dollars into the economy, with relatively limited use of public infrastructure. Visitor spending then generates net new tax revenue, reducing the tax burden on residents.

At the same time, the competition for visitor industry market share is fierce. Communities throughout the country continue to invest in assets and amenities that are designed in part to attract visitors. Much of this investment involves convention, sports and entertainment facilities.

The market success of convention, sports and entertainment facility products can be partially attributed to broader industry characteristics and trends. In order to assess the current and future strength of any market with regard to a potential new/expanded facility product, it is important to evaluate prominent and emerging trends from a national perspective.

Additionally, the “state-of-the-industry” in terms of the physical product aesthetics and functionality of convention, sports and entertainment facilities has continued to advance year-over-year in cities throughout the country. Event planners and users increasingly prefer, and oftentimes demand, the modern, spacious aesthetics and optimized, advanced functionality and efficiency of newer facility designs and programs. Beyond attracting higher numbers of groups, visitors and economic impact, modern exhibition facilities often offer significant advancements in operating efficiencies and enhanced revenue generation opportunities, as compared to previous generations of facilities.

Broad industry changes, characterized by—sometimes significant—retraction and expansion in event demand and attendance and participation characteristics have taken place within the industry over the past few decades. Most recently, the COVID-19 pandemic has caused dramatic disruption in all sectors of the global economy, including severe impacts in the convention, entertainment, sports, and tourism industries.



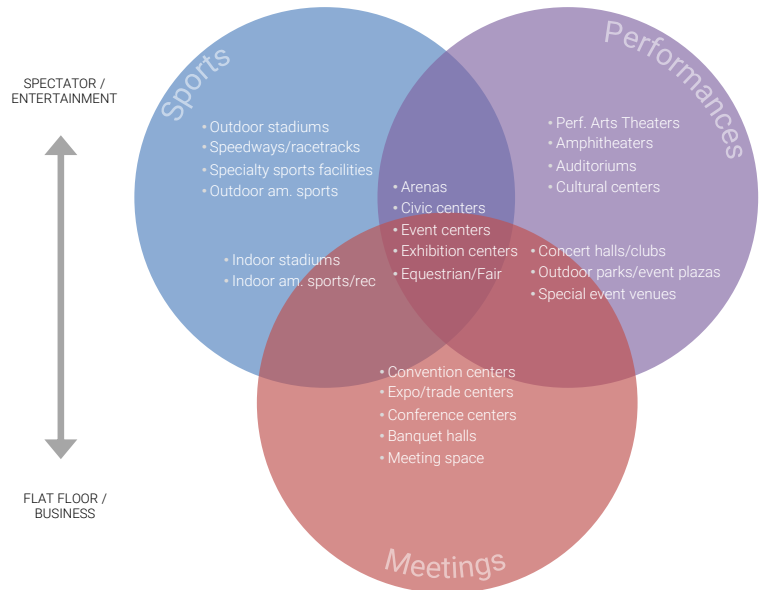
3 INDUSTRY TRENDS

Event & Facility Alignment

It is often useful to consider events as those residing in one of three general categories: sports, performances, and meetings. Facilities that normally accommodate these event types tend to overlap somewhat, as certain event facilities can accommodate events in multiple categories.

The exhibit to the right illustrates how specific types of industry-typical event facilities fit within this framework of events. As shown, event facilities situated near the top of the diagram tend to be facilities that are more spectator/entertainment event-oriented, while those facilities located near the bottom of the diagram tend to be those that do not integrate fixed seating and are instead flat floor venues that focus on conventions, meetings, tradeshows and other such events.

While facilities employ varying degrees of flexibility and multipurpose space, allowing them to technically accommodate events from all three general categories (for instance, arenas and civic centers), any event facility will possess attributes that will allow it to better compete/serve certain event types, while being less competitive, efficient, and/or effective in other segments.



As shown in the exhibit below, different types of events can have very different preferences and requirements with regard to facility characteristics. For example, conventions typically place high premiums on high quality finish of event space (including carpeted space), adjacent or proximate full-service hotel rooms and other visitor amenities (i.e., restaurants, retail, entertainment, etc.) in close walking distance, while sporting events typically focus on large seating capacities and plentiful parking.

This discussion begins to lay the groundwork for some important issues that will likely affect the types of events that may be attracted to any new convention, sports or entertainment facility product in a particular community. The type, level of finish, configuration, and amenities of the space offered in any potential facility will play a strong role in determining the ability of the facility to attract and accommodate certain types of events. Ultimately, this information also implies that industry best practices dictate that event facilities cannot, and should not, be “everything to everyone”.

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

3 INDUSTRY TRENDS

CONVENTION CENTER:

Typical Facility Model Characteristics

Convention centers typically incorporate exhibit, meeting and ballroom space. Usually located in medium- to large-sized cities, convention centers tend to focus on attracting non-local economic impact-generating events such as conventions, tradeshow and conferences. It is imperative that convention-quality hotel inventory is located close to the center. Convention centers also tend to host a large number of secondary events, such as corporate meetings, public shows and banquets.

The exhibit to the right presents a visual representation of how traditional convention center products align with typical facility requirements and preferences of variety event types.

While convention center products throughout the country vary widely in terms of physical and operational characteristics, convention center products typically possess the following attributes:

- **Typical Mission/Orientation:**
 - Tourism & economic impact generation
 - Driving new hotel room nights
 - Large flat floor events (non-local & local)
- **Typical Event Focus:**
 - Conventions
 - Tradeshow
 - Conferences
 - Public/consumer shows
- **Typical Owner/Operator Model:**
 - Publicly-owned
 - Privately-managed via third party
- **Typical Space Components:**
 - Exhibit Space (concrete floor)
 - Ballroom Space (carpeted)
 - Meeting Space (carpeted)
- **Typical Site Factors:**
 - Attached or adjacent full-service hotel(s)
 - Downtown, urban environment
 - Walkable visitor amenities, including ancillary hotels
- **Typical Funding Structure:**
 - Public: 100%
 - Private: 0%

CONVENTION CENTER:
Alignment of Facility with Event Types

	1	2	3	4	5	6	7	8	9	10
	Weak					Strong				
Flat Floor (Business-Focused)										
Conventions (with exhibits)	1	2	3	4	5	6	7	8	9	10
Conventions (without exhibits)	1	2	3	4	5	6	7	8	9	10
Tradeshows	1	2	3	4	5	6	7	8	9	10
Public/Consumer Shows	1	2	3	4	5	6	7	8	9	10
Conferences	1	2	3	4	5	6	7	8	9	10
Meetings	1	2	3	4	5	6	7	8	9	10
Banquets	1	2	3	4	5	6	7	8	9	10
Receptions	1	2	3	4	5	6	7	8	9	10
Community Meetings/Assemblies	1	2	3	4	5	6	7	8	9	10
Agricultural/Animal Shows & Events	1	2	3	4	5	6	7	8	9	10
Entertainment (Spectator-Focused)										
Concerts (touring)	1	2	3	4	5	6	7	8	9	10
Concerts (local/community)	1	2	3	4	5	6	7	8	9	10
Family Shows	1	2	3	4	5	6	7	8	9	10
Ice Shows	1	2	3	4	5	6	7	8	9	10
Boxing/MMA	1	2	3	4	5	6	7	8	9	10
Pro/Minor League Sports (tenant)	1	2	3	4	5	6	7	8	9	10
Pro/Minor League Sports (exhibitions)	1	2	3	4	5	6	7	8	9	10
High School Sports Games/Tournaments	1	2	3	4	5	6	7	8	9	10
Rodeos	1	2	3	4	5	6	7	8	9	10
Tractor Pulls / Motocross	1	2	3	4	5	6	7	8	9	10
E-Sports events/competitions	1	2	3	4	5	6	7	8	9	10
Broadway/Musicals	1	2	3	4	5	6	7	8	9	10
Theatricals/Plays	1	2	3	4	5	6	7	8	9	10
Opera	1	2	3	4	5	6	7	8	9	10
Ballet / Dance Productions	1	2	3	4	5	6	7	8	9	10
Entertainment/Leisure/Other (Participant-Focused)										
Basketball tournaments, camps/clinics	1	2	3	4	5	6	7	8	9	10
Volleyball tournaments, camps/clinics	1	2	3	4	5	6	7	8	9	10
Gymnastic meets, camps/clinics	1	2	3	4	5	6	7	8	9	10
Wrestling meets, camps/clinics	1	2	3	4	5	6	7	8	9	10
Cheer/dance competitions, camps	1	2	3	4	5	6	7	8	9	10
Futsal tournaments, clinics	1	2	3	4	5	6	7	8	9	10
Table tennis tournaments	1	2	3	4	5	6	7	8	9	10
Robotics/engineering competitions	1	2	3	4	5	6	7	8	9	10
Indoor soccer tournaments, camps/clinics	1	2	3	4	5	6	7	8	9	10
Pickleball tournaments, camps/clinics	1	2	3	4	5	6	7	8	9	10
Open recreation	1	2	3	4	5	6	7	8	9	10
Civic assemblies/events	1	2	3	4	5	6	7	8	9	10
Festivals/fairs	1	2	3	4	5	6	7	8	9	10
Graduations/commencements	1	2	3	4	5	6	7	8	9	10
Cultural/heritage events	1	2	3	4	5	6	7	8	9	10
Emergency Shelter/Operations Center	1	2	3	4	5	6	7	8	9	10

3 INDUSTRY TRENDS

Conventions, Tradeshows & Meetings

In the pre-pandemic/pre-recession environment, according to a PricewaterhouseCoopers study, just over 1.8 million meetings were held annually, attracting a total of just under 225 million meeting participants. Corporate/business meetings made up the largest portion of meeting activity, encompassing 50 percent of all meetings, with conventions/conferences following behind at 27 percent.

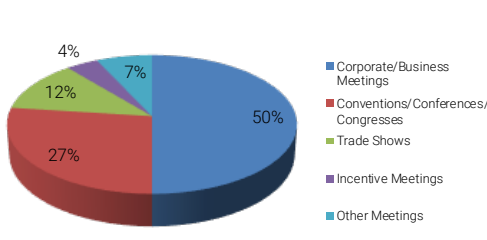
Direct spending levels resulting from these meetings approximated \$280 million, that was directly attributable to meeting activity. Spending on accommodations and food and beverage resulted in just under \$70 million of total direct spending, making up a majority of the \$130 million of direct spending on travel and tourism commodities. Also of note, money spent on meeting planning and production resulted in a total of \$107 million of direct spending.

Number of Meetings and Participants

Number of Meetings and Participants by Meeting Type

Meeting Type	Number of Meetings	Participants (in millions)
Corporate/Business Meetings	1,298,300	113,337
Conventions/Conferences/Congresses	273,700	60,960
Trade Shows	10,900	26,768
Incentive Meetings	67,700	9,172
Other Meetings	182,600	14,710
Total	1,833,200	224,947

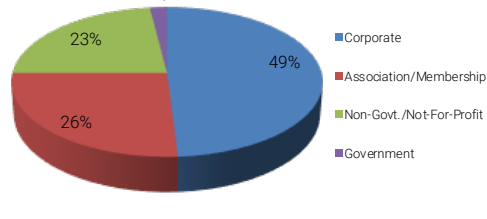
Percentage of Participants



Number of Meetings and Participants by Host Type

Host Type	Number of Meetings	Participants (in millions)
Corporate	1,017,000	109,571
Association/Membership	315,400	59,495
Non-Govt./Not-For-Profit	432,100	51,572
Government	68,600	4,308
Total	1,833,200	224,947

Percentage of Participants

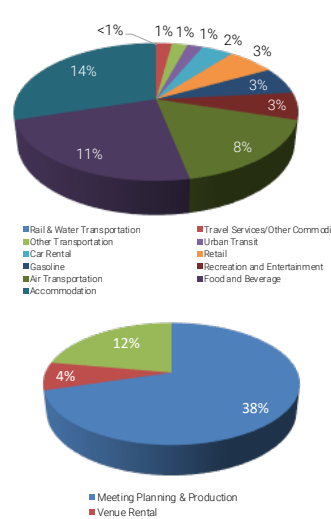


Meeting/Event Spending by Industry Sector

Commodities Direct Spending (in millions)

Travel & Tourism Commodities	
Accommodation	\$39,315
Food and Beverage	29,832
Air Transportation	23,761
Retail	8,235
Gasoline	7,498
Recreation and Entertainment	7,034
Car Rental	6,258
Travel Services and Other Tourism Commodities	3,707
Other Transportation	2,369
Urban Transit	1,577
Rail & Water Transportation	600
Subtotal	\$130,186
Meetings & Other Commodities	
Meeting Planning & Production	\$106,658
Venue Rental	10,363
Other Meetings-related Commodities	33,195
Subtotal	\$150,216
Total Direct Spending	\$280,402

Percentage of Direct Spending



Source: PWC, The Economic Significance of Meetings in the U.S. Economy.

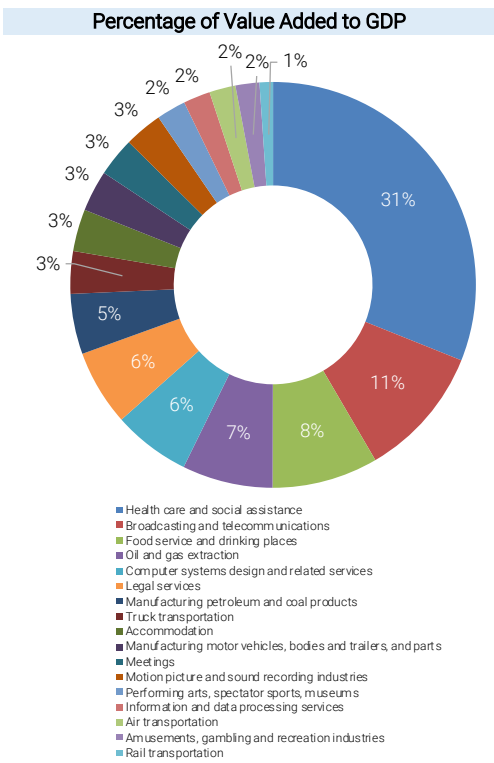
3 INDUSTRY TRENDS

The Center for Exhibition Industry Research (CEIR) is a nonprofit organization whose mission is to advance the growth, awareness and value of conferences, exhibitions and meetings in the United States. The annual CEIR Index Report is developed to provide an objective measure of the annual performance of the conference, exhibition and meetings industry. The CEIR Index Report measures year-over-year changes in key metrics of industry performance. The industry's performance within these metrics was calculated from data provided from over 400 events. The CEIR Index Report displays and analyzes actual event-specific data and provides future forecasts. The Report's findings for number of events and direct spending by commodity are shown to the right and below (relating to a pre-pandemic time period).

Number of Exhibition Events by Industry Sector	
Industry Sector	Number of Events
Medical and Health Care	1,549
Raw Materials and Science	930
Professional Business Services	893
Communications and Information Technology	784
Education	672
Financial, Legal and Real Estate	658
Consumer Goods and Retail Trade	649
Sporting Goods, Travel and Amusement	491
Discretionary Consumer Goods and Services	472
Industrial/Heavy Machinery and Finished business Outputs	435
Transportation	413
Building, Construction, Home and Repair	386
Government	352
Food	278
Total Events	8,962

Direct Contribution to GDP of Select Industries

Industry	Estimated Value Added to GDP (in millions)
Health care and social assistance	\$1,157,000
Broadcasting and telecommunications	392,000
Food service and drinking places	315,000
Oil and gas extraction	269,000
Computer systems design and related services	230,000
Legal services	225,000
Manufacturing petroleum and coal products	179,000
Truck transportation	126,000
Accommodation	125,000
Manufacturing motor vehicles, bodies and trailers, and parts	122,000
Meetings	115,615
Motion picture and sound recording industries	113,000
Performing arts, spectator sports, museums	87,000
Information and data processing services	80,000
Air transportation	78,000
Amusements, gambling and recreation industries	71,000
Rail transportation	40,000
Total	\$3,724,615



Source: Center for Exhibition Industry Research (CEIR), CEIR Index Report.

COVID-19 Pandemic Effects & Recovery

Since early 2020, the negative impact of the COVID-19 pandemic on the event, entertainment, retail, hospitality and tourism industries cannot be understated. Cancellations and postponements of nearly all events and gatherings through the end of 2020 and early 2021 occurred. Most live event activity throughout the country has been cancelled, postponed or shifted to a virtual format through mid-2021. Even now, with rise of the Delta and Omicron variants, live events and facility re-openings are experiencing turbulence. These conditions, however, will not be permanent. The timeline for full industry recovery is still somewhat uncertain; however, the development and approval of effective COVID-19 vaccines in December 2020 began to bring the recovery into greater focus. At this point, indications suggest that mid-2022 will represent a widespread loosening of public assembly restrictions and will manifest a general return of consumer confidence, travel and participation in all types of event activities. However, as witnessed through the proliferation of the Delta and Omicron variants, a timeline for a complete recovery is still uncertain.

From the perspective of a redeveloped CII Convention Center, it is important to consider how the planned product will be positioned following this highly unusual period. Careful planning during this period could lead to significant and cost-effective product development over the next economic recovery and growth cycle and beyond. Near-term planning, marketing and sales efforts associated with redeveloped CII Convention Center should be able to capitalize on this unique timing. Subsequent operational planning will certainly take into account the evolving needs and best practices facing such facilities in a post-COVID environment (including emphasis on flex spaces, attendee/participant social distancing, PPE and other health/safety policies, amenities and operating practices). A best practices approach developed by Legends, CSL’s parent company, is summarized below.

VRP - OUR SOLUTION

OUR SOLUTION HAS BEEN DEVELOPED TO FOCUS ON THE REOPENING AND MAINTENANCE OF PUBLIC ASSEMBLY VENUES WITH THE GUEST AND EMPLOYEE IN MIND.

- HYPER CLEANING & HYGIENE PROCESS
- PRODUCTS & SOLUTIONS
- HEALTH & MEDICAL APP
- TRAINING PROTOCOLS
- MONITORING
- PROCUREMENT

- GUEST JOURNEY
- CASHLESS OPERATION
- CONTACT LESS OPERATION
- GUEST MESSAGING
- GUEST FEEDBACK
- TICKETING & SOCIAL DISTANCING PLANNING

- OPERATIONAL LAYOUT
- TEMPERATURE TESTING
- PACKAGING & DELIVERY HANDLING
- PPE EQUIPMENT EVALUATION & SOURCING
- SECURITY
- F&B, MERCHANDISE & PARKING OPERATIONS
- EMPLOYEE CHECK-IN & INTERACTION
- COMMUNICATION PROTOCOLS

OUR PROCESS

OUR PROCESS IS BASED ON DATA AND PROVEN TECHNIQUES WITH THE FOCUS ON THE NEW COVID ENVIRONMENT.

- CURRENT VENUE ASSESSMENT
- PLANNING & DESIGN
- IMPLEMENTATION
- MESSAGING, ENGAGEMENT AND MAINTENANCE

As a long-term planning document, the findings and conclusions presented herein are believed to be relevant with respect to a post-pandemic recovery within the context of the likely timeframe of facility development and operation of a redeveloped CII Convention Center. For example, the timeline of facility development would most likely represent construction completion and commencement of operations in 2024 or later. Indications suggest that the industry will most likely be in a post-COVID environment by that time, with a significant portion of event activity nationwide functioning consistent with the pre-COVID environment and a portion of activity continuing to grow or evolve.

3 INDUSTRY TRENDS

Convention & Conference Industry Performance (Historical & Projected)

Broad industry changes, characterized by retraction and expansion in convention and tradeshow demand have taken place during the past decade. After steady growth following the recession that ended in 2009, demand for conference, convention, and related public assembly space has been upended by the COVID-19 pandemic.



Many indicators suggest that the national economy is rebounding at a significant pace. A large collection of data suggests that the health of the conference and meetings industry, like nearly all industries, has historically been and is currently linked to the strength and fluctuations of the overall U.S. economy. This “linkage” is a fundamental premise of any analysis of future convention and conference industry performance. To address the question of future industry trends, we need to consider how the future performance of the convention and conference industry will respond in the post COVID period.

The Center for Exhibition Industry Research (CEIR) is a nonprofit organization whose mission is to advance the growth, awareness and value of exhibitions in the United States. The annual CEIR Index Report is developed to provide an objective measure of the annual performance of the exhibition industry.

The CEIR Index Report measures year-over-year changes in three key metrics of industry performance:

- Square Feet of Exhibit Space Sold
- Number of Exhibiting Companies
- Professional Attendance

The industry's performance within these three metrics was calculated from data provided by more than 13,000 industry conferences, conventions, and tradeshows that utilize more than 3,000 net square feet of exhibit space in off-site public and private event facilities. The 2019 CEIR Index Report displays and analyzes actual and projected event-specific data through 2021, though the COVID-19 pandemic has significantly impacted these projections. As such, the analysis on the next page analyzes actual exhibition industry performance through 2019, with a focus on historical exhibition industry rebounds following substantial downturns in the U.S. economy.

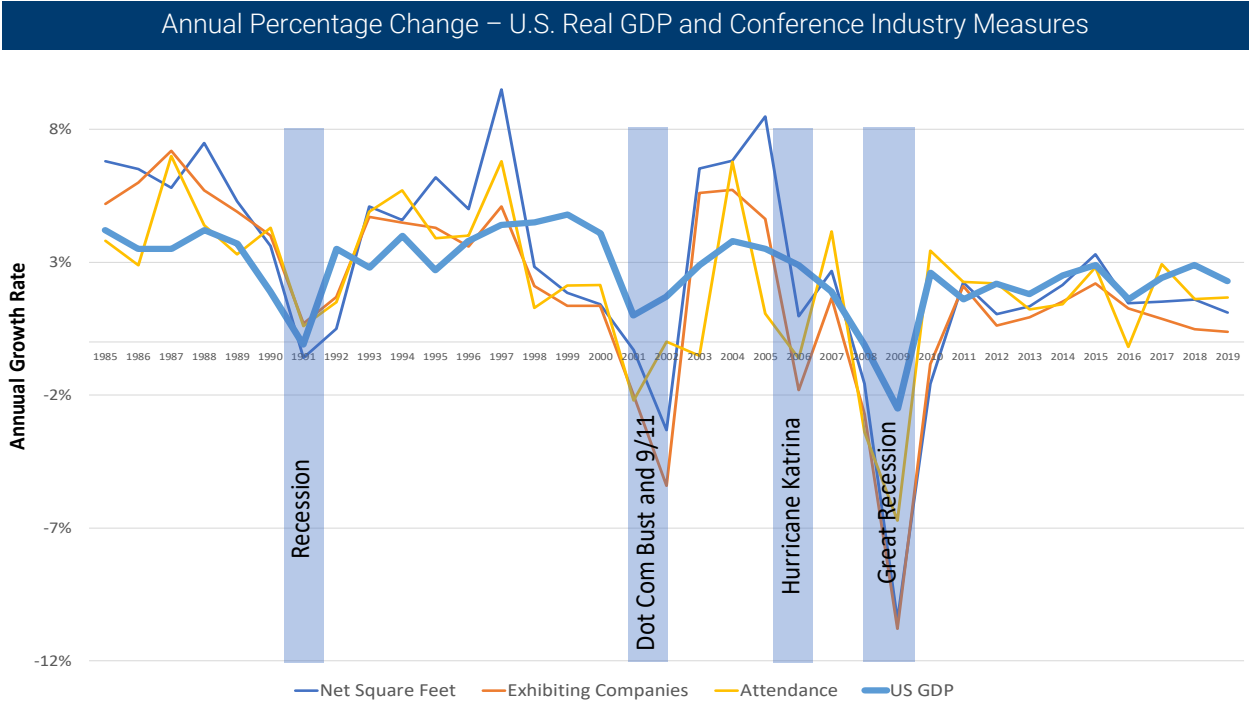
3

INDUSTRY TRENDS

The U.S. economy appeared to be on solid footing prior to the COVID-19 outbreak. An historical perspective focusing on changes to GDP growth relative to the national conference and meetings industry may be useful in assessing the longer-term impact of the COVID-19 pandemic. As outlined in the chart below, broad industry changes, characterized by retraction and expansion in exhibition, convention, conference, tradeshow and meeting demand have taken place during the past 35 years.

A large collection of data suggests that the health of the convention, conference, tradeshow and meetings industry, like nearly all industries, has historically been linked to the strength and fluctuations of the overall U.S. economy. This “linkage” is a fundamental premise of any analysis of future convention, conference, tradeshow and meeting industry performance.

Given the close parallels between GDP changes and changes in various measures of the exhibition, convention and meetings industry, we expect future industry growth to continue to mirror the overall health of the economy. With leading economists noting that the economy has now entered a recession, the impacts on the convention and meetings industry will likely be significant. A return to “normal” growth may not take place until sometime in late 2022, consistent with a future rebound in overall economic conditions.



Source: U.S. Bureau of Economic Analysis, Center for Exhibition Industry Research, CSL research, 2020.

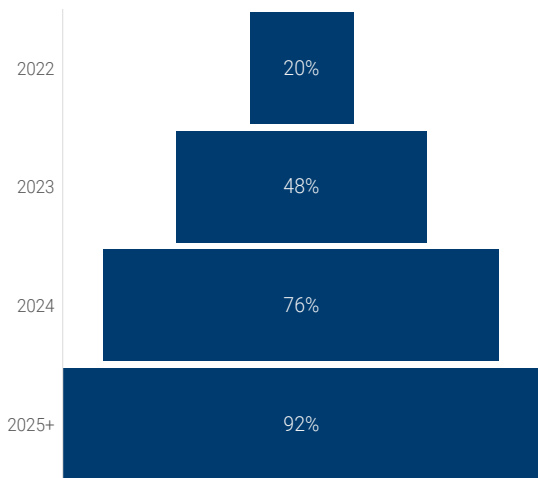
3 INDUSTRY TRENDS

The pandemic took a significant toll on the U.S. exhibition industry. As U.S. GDP decreased by over three percent in 2020, the exhibition industry's total attendance, square footage, and revenues decreased by nearly 80 percent due to the COVID-19 pandemic.

As previously noted, a gradual rebound has already started. Many event planners and event facilities are now booking in-person events in mid-2021, with plans to ramp up this activity through the fall and winter. According to a CEIR poll of event planners, 78 percent of attendees expect to attend in-person events in fall of 2021, increasing to 94 percent by winter. Likewise, 80 percent of exhibitors expect to return to in-person events this fall, with 95 percent anticipating a winter return.

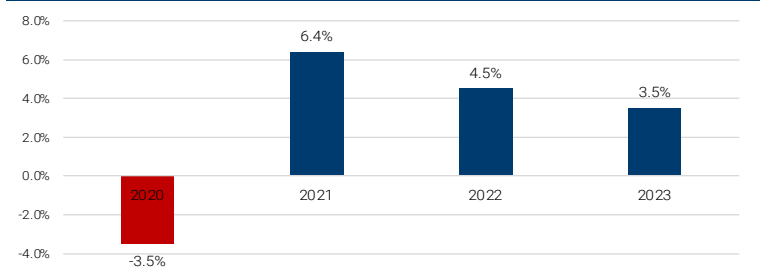
This gradual rebound of the events industry will not mirror the anticipated growth of the broader economy due to the negative impact of the pandemic on domestic and global travel. The CEIR total index is estimated to improve to 57 percent below 2019 performance, with a near return to normalcy by 2022 (only ten percent below 2019 performance). By 2023, the industry will begin to resume its growth beyond 2019 metrics. The exhibit to the below right presents a summary of forecasted U.S. GDP (gross domestic product) growth, along with expected CEIR index growth. Additionally, the chart to the below left presents the results of a recent survey conducted by CSL of national convention planners who were asked to identify the year in which they expect the convention industry to largely return to pre-pandemic conditions. As shown, 76 percent expect a return to pre-pandemic conditions by 2024, while 92 percent expect a return by 2025 or later.

Survey of Convention Planners
Expectation of the year the convention industry will return to pre-pandemic conditions

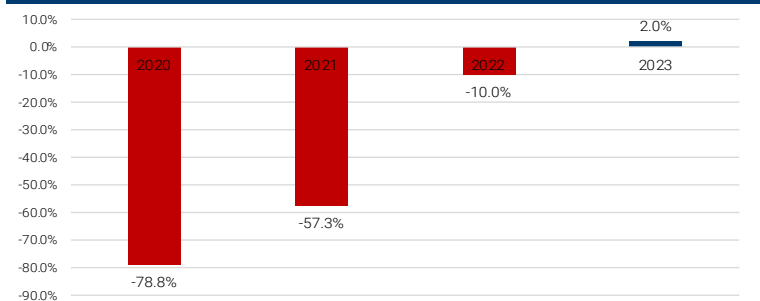


Source: CSL survey of national convention planners, 2021.

Forecasted Real GDP Growth (% change over year)



Forecasted CEIR Total Index Deviation from 2019 (% change)



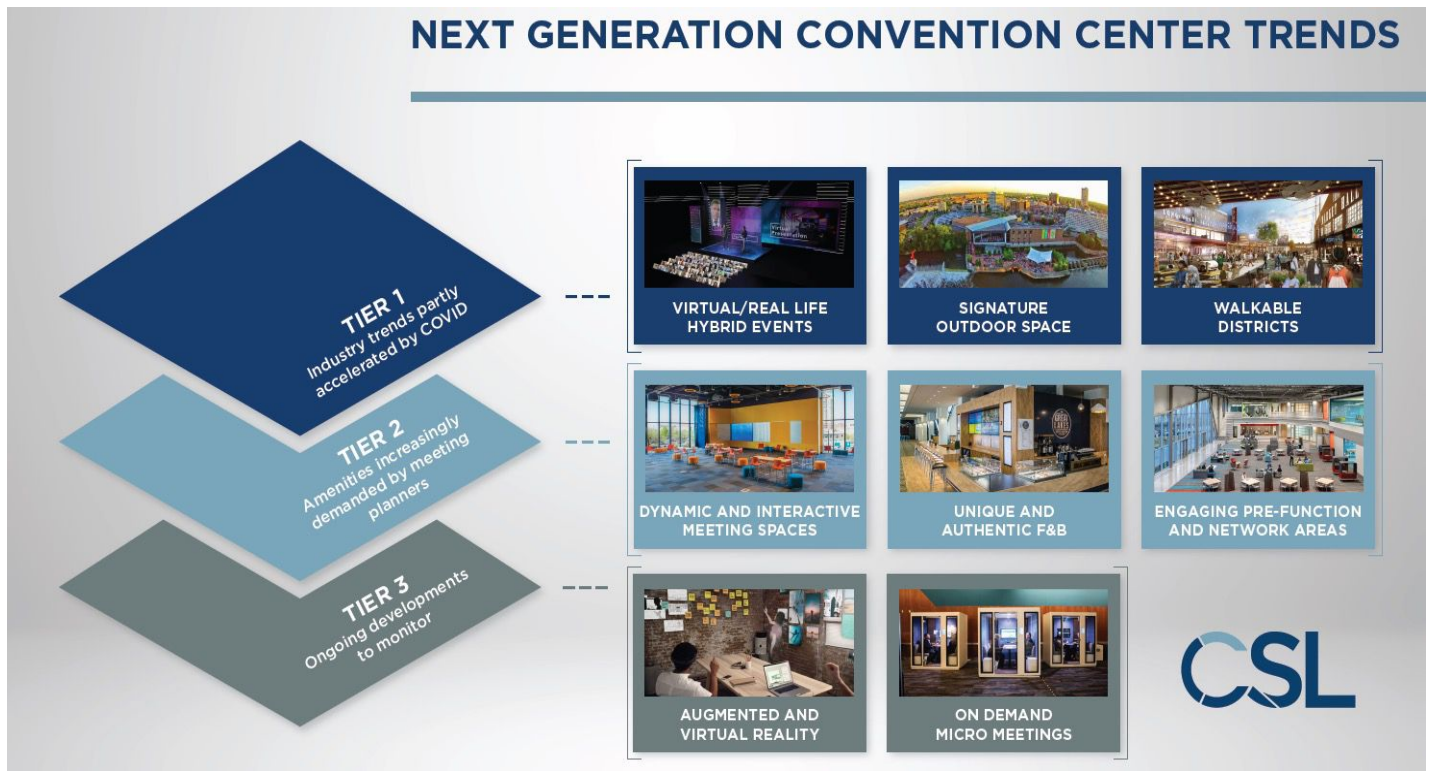
Source: Center for Exhibition Industry Research (CEIR), 2021.

Beyond external economic trends, the conference, convention and meeting industry landscape continues to evolve and expand. The increasing importance placed on the adoption and use of technology, the physical design and flexibility of facility space, and the emphasis on an authentic and unique destination experience, among other elements, are indicative of the future trends within the industry as a whole. In order for any convention or exhibition center to sustain market share in an increasingly competitive environment, it is critical to understand and adapt to these needs. The remainder of this section summarizes our assessment of future initiatives that should be considered for any future convention development in order to address the constantly evolving conference, convention and meeting industry.

3 INDUSTRY TRENDS

As with any product in any industry, continual investment is required to respond to evolving customer and industry demands. Planning a convention center expansion requires a future-focused approach to market-supported design and technology investments in an evolving and highly competitive environment.

Even prior to the COVID-19 pandemic, CSL's research had shown that the increasing Millennial and Gen-Z convention attendee base was creating new demands and expectations of event facility design and programming. The next generation of event attendees will require greater flexibility in how meetings are conducted, how information is delivered, and how technology is used. Greater emphasis is being placed on the ability of a destination to offer a unique, authentic and productive experience.



At the same time, the COVID-19 pandemic has greatly accelerated the demand for specific convention facility elements, including broadcast and hybrid event capabilities, space for outdoor functions, and safe and walkable environments in desirable (but not overcrowded) urban locations. It is critical to consider how planner preferences and attendee behavior may be impacted in the short- and long-term as the event industry “returns to normal”.

Key Pre- and Post-COVID Convention/Conference Center Trends

Event planners and attendees are increasingly emphasizing the following facility/destination attributes. The following pages summarize these emerging and future trends of various event industries, as well as examples of how facilities around the country have adapted to changing needs of event attendees:

- **Virtual/hybrid events** – turnkey broadcast and production studios will help in-person events stream to broader virtual audiences.
- **Outdoor event space** – planners increasingly use terraces, rooftops, patios, and pavilions for off-site events and general sessions.
- **Walkable districts** – vibrant, safe and navigable districts around a facility are nearly as important as event space square footage.
- **Dynamic meeting spaces** – larger meeting spaces with modular furniture help support creative and interactive breakout sessions.
- **Unique and authentic F&B** – static food courts are being replaced by locally owned pop-ups and stylish food halls.
- **Flexible pre-function space** – events increasingly utilize lobbies and concourses for presentations and networking events.
- **Augmented/virtual reality** – virtual, shared experiences are increasingly important to science, medical and tech organizations.
- **On demand meeting space** – app-activated breakout spaces support frictionless scheduling for tomorrow's event attendees.
- **Other trends** – public art, digital signage, natural lighting, and casual furniture each enhance the appeal of any convention product.

3 INDUSTRY TRENDS

Tier 1 Facility Trends – The Most Important Trends Accelerated by Pandemic

Sans Expo & Convention Centre
(Singapore)

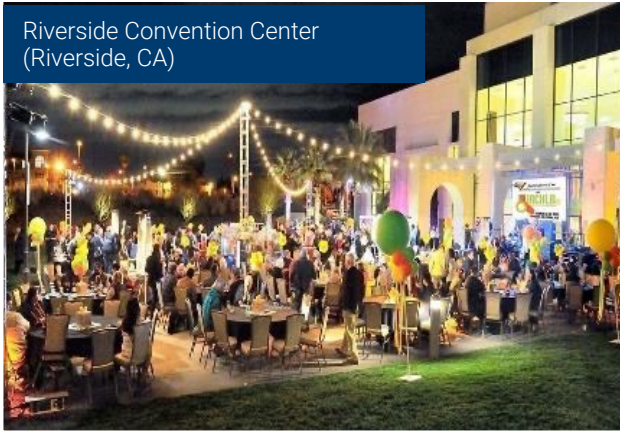


Virtual/Hybrid Events

Event planners interviewed by CSL in recent months suggest a significant interest in permanent turnkey production and broadcast facilities onsite at event venues to stream and produce content for events in real-time.

Some facilities have already invested in technologies to accommodate virtual attendees. The tcf Center in Detroit includes a 5,000-square foot broadcast studio that offers the technologies and services needed to create programming, live event webcasting, and large-scale program distribution, among other offerings. Centers in Baltimore and Houston are also being outfitted with enhanced broadcast/ production capabilities.

Riverside Convention Center
(Riverside, CA)



Outdoor Event Space

Even prior to the pandemic, event planners indicated an increasing demand for unique outdoor event space at their host sites. Popular conference/convention facilities throughout the country offer terraces, patios, lawns, and pavilions to events for networking events or general sessions.

Outdoor event space provides attendees with the opportunity to connect with the culture and feeling of a destination in a unique event setting while creating an additional selling point and source of revenue for centers.

Planned Mixed-Use District
(New Haven, CT)



Walkable Destinations

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

Convention and conference facilities located within vibrant mixed-use districts cater to this emerging event planner demand, and those that integrate with their surrounding dining, retail and entertainment environments are positioned to succeed in the post-COVID convention industry.

3 INDUSTRY TRENDS

Tier 2 Facility Trends – Amenities Increasingly Preferred by Event Planners

Cantilever Room at HGBCC
(San Antonio, TX)



Dynamic/Interactive Meeting Spaces

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

tcf Center
(Detroit, MI)



Unique and Authentic Food & Beverage

Recent trends in the food and beverage sector are more reflective of changing demographics and how conventions and meetings are being produced. The balance between standard sit-down banquets and more formal food options may be shifting towards the informal, and the ability of a center to offer more convenient “grab & go” or “pop-up” dining opportunities could become much more important in the future. Planners and attendees today are also preferring more trend forward amenities such as food trucks, and locally sourced offerings at pop-ups within the center.

Waukee Innovation Center
(Waukee, IA)

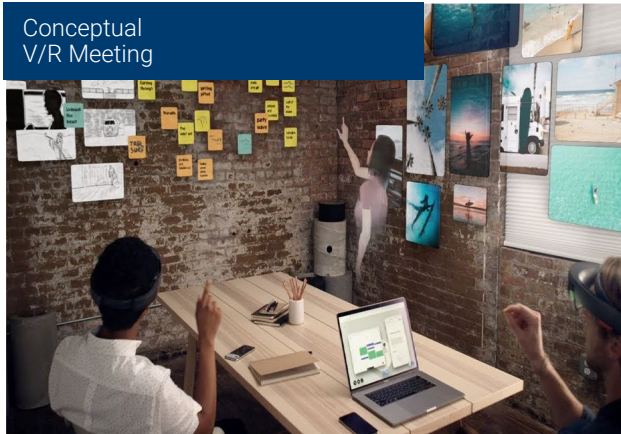


Engaging Pre-Function Areas

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

3 INDUSTRY TRENDS

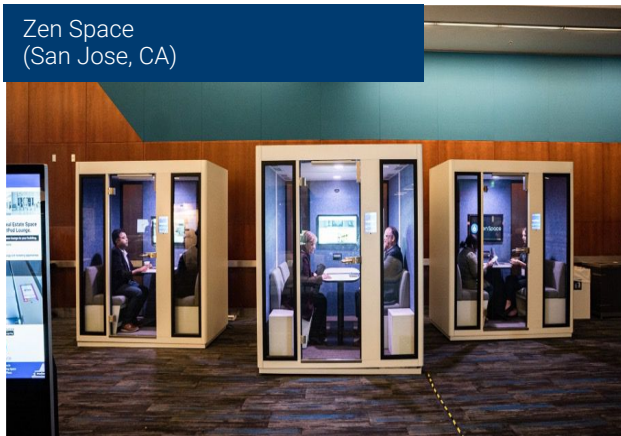
Tier 3 Facility Trends – Other Trends to Monitor



Augmented and Virtual Reality

Augmented reality technologies allow for “shared experiences” among attendees. By using headsets or mobile technologies, attendees can be alerted by the same statistics or goals/waypoints in the real world while they attempt to complete a shared task.

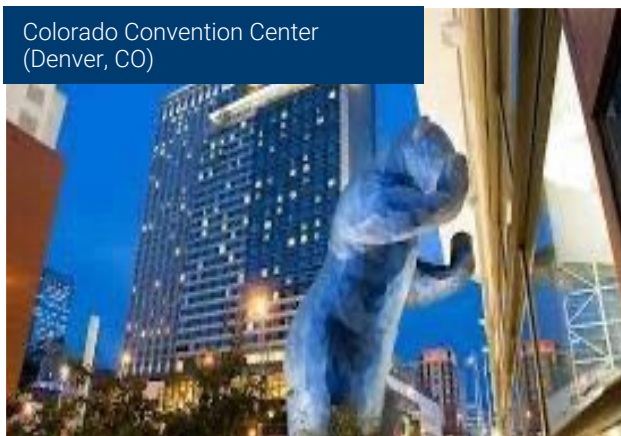
Beyond A/R, virtual reality enables medical professionals to share experiences in completely simulated environments by wearing headsets or other currently available technologies. These technologies and their applications are still evolving, but many conference and convention industry leaders envision multipurpose “black box” rooms that will host completely immersive environments rendered as lifelike to its observers.



On Demand Micro Meetings

As Millennials and Gen-Z make up an increasing share of the convention and conference attendee base, event booking technologies have emerged that allow for app-based scheduling of breakout meeting spaces in a venue.

ZenSpace has developed private, tech-enabled Smart Pods that can be rented on demand using an integrated mobile app. These spaces are outfitted with comfortable booth seating, tabletops, whiteboards, monitors, HDMI cables and phone charging stations. This allows planners to schedule their own impromptu, private meeting sessions.



Other Trends

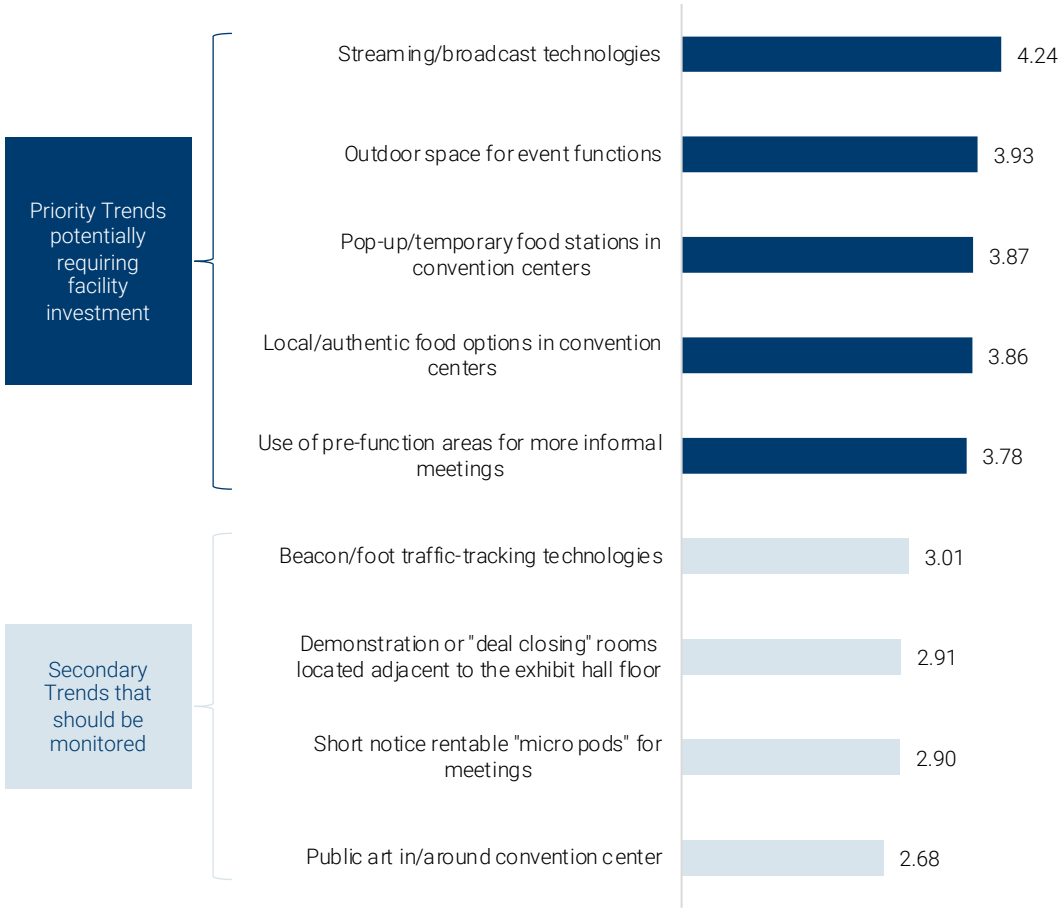
Other conference facility building program and technology trends increasingly noted by event planners during interviews include:

- Public art
- Internet
- Cyber cafes
- Digital signage and monitors throughout venue
- Charging stations
- Natural lighting
- Casual furniture

3

INDUSTRY TRENDS

Convention/Conference Center Trends by Importance and Appeal (according to surveyed event planners, 1-5 scale with 5 being the highest)



Source: CSL survey of planners of national and regional conventions, 2021.

To test the demand for each of the concepts presented on the previous pages, CSL collected survey input from nearly 90 planners of major national and regional conventions and conferences. Participating planners were asked to rate the importance and appeal of several different event facility trends on a scale of "1" to "5", with "5" being the highest score. Their feedback is summarized in the above chart.

Trends that should be considered a high priority by the convention industry garnered scores of 3.75 or higher. As shown, streaming and broadcast technologies received a significantly high rating from planners, followed by outdoor event spaces, pop-up/temporary food stations, local and authentic food stations, and the use of pre-function areas for informal meetings. It will be important to consider each of these trends as part of any conference center development.

Trends that scored lower may not be a near-term priority but should still be considered important as part of any convention center development or expansion project. These include demonstration rooms adjacent to the exhibit hall or ballroom, rentable micro pods, and public art in and around a conference or convention center.



4

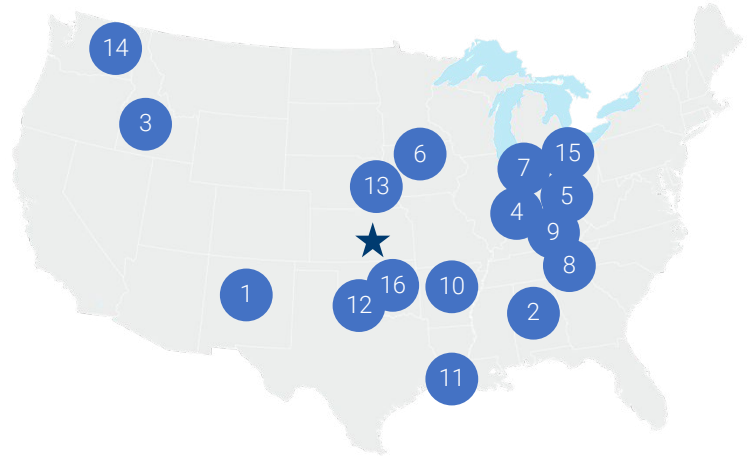
COMPARABLE FACILITIES

4 COMPARABLE FACILITIES

Overview

Certain inferences can be made by reviewing comparable convention facilities operating in markets throughout the country of a similar size and/or geographic positioning to Wichita. These data help place a potential new convention center in Wichita within a comparable context with respect to facility offerings, demographics and other related host market features.

The comparable convention centers reviewed were selected based on their event space offerings, hotel inventories, walkable surrounding environments, and market population characteristics. The exhibit below presents a summary of the 16 selected comparable convention facilities and markets analyzed. As shown, facilities reviewed range from Boise Center on the Grove (61,500 square feet of sellable space) to the Birmingham-Jefferson Convention Complex (301,000 square feet). In all, the facilities reviewed offer an average of 120,400 square feet of exhibit space, 29,700 square feet of ballroom space, and 33,400 square feet of meeting space.



Facility	City, State	Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Total Sellable (SF)	Largest Contiguous (SF)	Number of Meeting Rooms	Hotel Rms within 1/2-mile	HQ Hotel Rooms
1	Albuquerque Convention Center	166,500	42,400	31,200	240,100	106,200	30	1,176	295
2	Birmingham-Jefferson Convention Complex	207,700	79,300	14,000	301,000	94,300	46	1,320	757
3	Boise Center on the Grove	0	19,300	42,200	61,500	24,400	17	995	250
4	Duke Energy Convention Center	195,300	44,300	57,300	296,900	195,300	30	2,384	0
5	Dayton Convention Center	68,400	12,600	20,000	101,000	68,400	15	292	287
6	Iowa Events Center	146,900	48,800	28,800	224,500	96,100	34	2,086	330
7	Grand Wayne Convention Center	48,500	11,500	16,000	76,000	48,500	9	746	246
8	Knoxville Convention Center	119,900	19,900	27,300	167,100	119,900	16	1,412	82
9	Central Bank Center	99,400	24,200	24,300	147,900	99,444	16	777	366
10	Statehouse Convention Center	80,200	24,900	19,400	124,500	80,200	14	1,999	418
11	Arthur R. Outlaw Mobile Convention Center	100,000	25,900	15,500	141,400	100,000	16	1,486	374
12	Oklahoma City Convention Center	200,730	39,600	45,000	285,330	200,730	35	933	600
13	CHI Health Center Omaha	194,300	22,100	41,900	258,300	194,300	12	2,463	600
14	Spokane Convention Center	120,000	27,300	50,700	198,000	120,000	31	2,342	375
15	Glass City Convention and Event Center	75,000	17,100	0	92,100	75,000	20	641	400
16	Cox Business Center	102,600	16,500	101,500	220,600	102,600	21	2,045	0
CII (with Hyatt meeting space)		170,000	10,200	35,500	215,700	93,000	30	1,187	303
CII (without Hyatt Regency meeting space)		170,000	0	27,600	197,600	93,000	21	1,187	303
Average (excluding Wichita)		120,339	29,731	33,444	183,514	107,836	23	1,444	336
Median (excluding Wichita)		111,250	24,550	28,050	182,550	99,722	19	1,366	348

Source: CSL research, interviews with facility management, facility websites, Google maps, 2021.

4 COMPARABLE FACILITIES

Demographic Comparison

The level of drive-in population from which convention centers will drive some state- and regional-based business is an important element to consider as part of any expansion planning effort. As shown in the exhibits to the right, the Wichita area's population ranks slightly below average among the comparable facility markets for most population measurements. The numbers indicated in the farthest left column on each chart correspond to the market/facility identification established on the previous page.

Household income is another important socioeconomic characteristic of host markets that typically impacts arena performance. The affluence of area households can impact the types of drive-in programming that will be most successful at a convention center, and it can also serve as a proximate indicator of the economic vibrancy of a market. Similar to its population rankings, the Wichita area ranks slightly lower, but still within the middle tier of comparable facility market averages among the 30- and 90-minute drive-in markets. The three-hour drive area surrounding the Convention Center ranks third in the comparison set.

The regional corporate base (number of companies) also can play an important role in the success of convention centers. Corporate events and sponsorships often contribute significantly to convention facility income. As shown in the exhibit, Wichita ranks in the bottom half of the comparison set, with its 30-minute drive-in capture comparing closely with convention destinations such as Lexington, Toledo, Des Moines and Little Rock.

Population

Market	30-min	90-min	180-min	
4	Cincinnati, OH	1,390,300	4,301,700	14,052,500
12	Oklahoma City, OK	1,218,500	2,094,900	7,378,600
5	Dayton, OH	953,000	5,688,000	16,185,200
13	Omaha, NE	882,300	1,582,600	5,523,100
16	Tulsa, OK	822,200	1,884,200	6,392,800
1	Albuquerque, NM	816,600	1,136,500	1,480,700
2	Birmingham, AL	794,100	2,407,600	12,865,700
8	Knoxville, TN	672,000	1,792,700	8,909,300
3	Boise, ID	655,900	895,300	1,166,500
15	Toledo, OH	652,700	5,853,500	20,064,000
6	Des Moines, IA	642,900	1,166,100	5,488,000
	Wichita, KS	568,900	975,700	6,150,700
10	Little Rock, AR	552,800	1,333,900	4,630,400
14	Spokane, WA	532,000	893,300	1,882,300
9	Lexington, KY	506,300	3,196,800	10,554,200
11	Mobile, AL	477,000	1,703,300	5,466,100
7	Fort Wayne, IN	444,700	2,004,800	18,978,000
	AVERAGE	750,800	2,371,000	8,813,600
	Rank (out of 17)	12	15	10

Average Household Income

Market	30-min	90-min	180-min	
6	Des Moines, IA	\$93,200	\$84,200	\$79,800
3	Boise, ID	\$90,500	\$85,000	\$81,900
4	Cincinnati, OH	\$90,300	\$85,200	\$80,200
13	Omaha, NE	\$90,200	\$85,500	\$83,500
2	Birmingham, AL	\$87,000	\$75,300	\$84,900
16	Tulsa, OK	\$83,800	\$76,600	\$73,800
12	Oklahoma City, OK	\$83,700	\$77,600	\$87,500
9	Lexington, KY	\$83,200	\$78,500	\$75,900
1	Albuquerque, NM	\$81,100	\$80,100	\$76,000
8	Knoxville, TN	\$80,100	\$70,100	\$74,700
5	Dayton, OH	\$79,200	\$86,800	\$80,900
	Wichita, KS	\$79,000	\$74,600	\$82,100
14	Spokane, WA	\$78,100	\$76,300	\$77,200
7	Fort Wayne, IN	\$75,500	\$71,900	\$80,700
10	Little Rock, AR	\$75,100	\$68,600	\$68,600
15	Toledo, OH	\$74,200	\$82,800	\$80,700
11	Mobile, AL	\$72,100	\$72,100	\$73,600
	AVERAGE	\$82,300	\$78,500	\$78,700
	Rank (out of 17)	12	13	4

Number of Companies

Market	30-min	90-min	180-min	
4	Cincinnati, OH	50,500	141,100	448,100
12	Oklahoma City, OK	49,400	79,200	276,800
16	Tulsa, OK	33,900	73,800	235,100
2	Birmingham, AL	31,800	79,600	433,000
5	Dayton, OH	28,900	178,000	517,200
13	Omaha, NE	28,200	56,500	210,000
1	Albuquerque, NM	27,500	39,000	50,600
3	Boise, ID	23,900	30,300	42,100
8	Knoxville, TN	23,200	54,500	298,700
10	Little Rock, AR	22,300	45,500	151,900
6	Des Moines, IA	21,700	43,000	199,100
15	Toledo, OH	21,100	191,000	644,700
9	Lexington, KY	20,400	113,700	339,800
	Wichita, KS	20,100	37,500	240,700
14	Spokane, WA	17,800	30,800	60,900
11	Mobile, AL	16,700	56,500	207,600
7	Fort Wayne, IN	15,000	65,300	597,600
	AVERAGE	27,000	79,900	294,600
	Rank (out of 17)	14	15	9

Source: Esri, 2021.

4 COMPARABLE FACILITIES

Recent Expansions

The exhibit below presents a summary of facility expansions or new developments that have opened within the past 23 years for each of the comparable facilities and CII. Expansion Year (footnote 2) signifies facilities that have added event space since the 2013 study. In 2013, eight of the 16 facilities above had expanded or opened during the period spanning 1999 through 2012, comprising a total of more than 1.6 million square feet of sellable convention center product. Factoring additional new builds and expansions that have taken place since 2013, more than 1.3 million square feet of sellable event space have been added to the compared facilities since 1999.

	Facility	City, State	Year Opened	Expansion Year (1)	Expansion Year (2)	Sellable SF Added	Total Sellable Space
1	Albuquerque Convention Center (3)	Albuquerque, NM	1972	-	2014	0	240,100
2	Birmingham-Jefferson Convention Complex (4)	Birmingham, AL	1976	-	TBD	-	301,000
3	Boise Center on the Grove	Boise, ID	1990	-	2016	51,500	61,500
4	Duke Energy Convention Center	Cincinnati, OH	1968	2006	-	75,200	296,900
5	Dayton Convention Center	Dayton, OH	1973	-	-	-	101,000
6	Iowa Events Center	Des Moines, IA	1955	2012	-	114,700	224,500
7	Grand Wayne Convention Center	Fort Wayne, IN	1985	2005	-	48,500	76,000
8	Knoxville Convention Center	Knoxville, TN	2002	2002	-	167,100	167,100
9	Central Bank Center	Lexington, KY	1976		2022	46,900	147,900
10	Statehouse Convention Center	Little Rock, AR	1980	1999	-	39,400	124,500
11	Arthur R. Outlaw Mobile Convention Center	Mobile, AL	1993	-	-	-	141,400
12	Oklahoma City Convention Center	Oklahoma City, OK	2021		2021	285,330	285,330
13	CHI Health Center Omaha	Omaha, NE	2003	2003	-	258,300	258,300
14	Spokane Convention Center	Spokane, WA	1974	2006	2016	85,000	198,000
15	Glass City Convention and Event Center	Toledo, OH	1987	-	-	-	92,100
16	Cox Business Center	Tulsa, OK	1964	2010	2020	79,100	220,600

(1) Expansions that occurred prior to the 2013 Wichita convention study.

(2) Expansions that occurred after the 2013 Wichita convention study.

(3) A \$25 million renovation was completed in 2014 improving functionality and marketability, but sellable space SF did not materially change.

(4) A \$300 million expansion project had recently progressed through advanced planning, but is currently paused during the pandemic.

Source: CSL research, interviews with facility management, facility websites, Google maps, 2021.

As presented, six of the 16 facilities reviewed have built new or expanded since 2013 or are in the middle of a soon-to-be-completed expansion. These projects include the following:

- **Albuquerque Convention Center (Albuquerque, NM)** – completed a \$25 million renovation, net sellable space did not change.
- **Boise Center on the Grove (Boise, ID)** - added more than 30,000 square feet of ballroom and meeting space in 2017.
- **Central Bank Center (Lexington, KY)** – completing a 46,900-square foot expansion of sellable space in 2022.
- **Cox Business Center (Tulsa, OK)** – converted adjacent arena into a 41,500-square foot multipurpose hall.
- **Oklahoma City Convention Center (Oklahoma City, OK)** – a new \$288 million convention center opened in January 2021.
- **Spokane Convention Center (Spokane, WA)** – added 45,500 square feet of sellable space in 2016.

It should also be noted that several facilities on the list above are also in early expansion planning stages, including:

- **Birmingham-Jefferson Convention Complex (Birmingham, AL)** – planning \$300 million expansion that would renovate arena and significant expansion of sellable event space, project had progressed through advanced planning but is currently paused.
- **Dayton Convention Center (Dayton, OH)** – evaluating opportunity to moderately expand exhibit hall to accommodate new 25,000-square foot multipurpose hall, as well as to develop new headquarter hotel.
- **Duke Energy Convention Center (Cincinnati, OH)** – in early planning stages of 90,000-square foot sellable space expansion and development of an 800-room headquarter hotel.
- **Statehouse Convention Center (Little Rock, AR)** – in preliminary discussions for potential event space expansion.
- **Grand Wayne Convention Center (Fort Wayne, IN)** – considering addition of 20,000 to 30,000 square feet of unique, trend forward multipurpose event space.

4

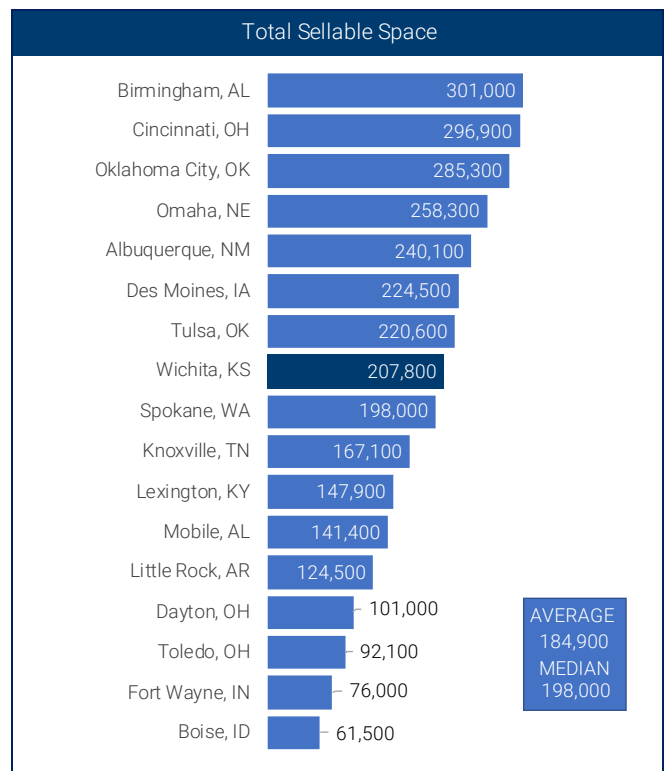
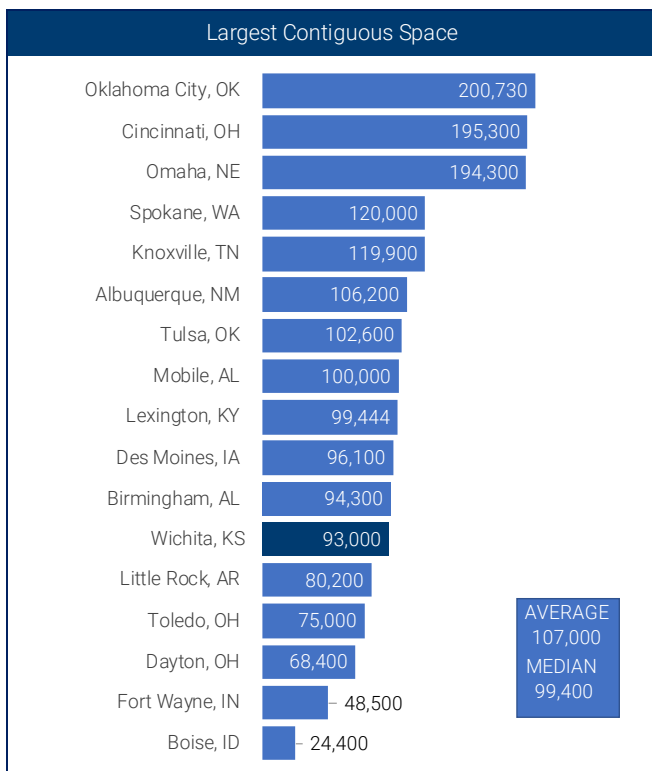
COMPARABLE FACILITIES

Event Space Comparisons

To provide further context regarding the competitive facilities reviewed on the previous page, we have prepared the bar charts below that compare the sellable event spaces at the competitive facilities with those offered at Century II Convention Center. As shown, the average facility within the comparison set have a largest contiguous space offering 107,000 square feet and offer 184,900 square feet of total sellable event space.

As shown, Wichita ranks below the average and median in terms of largest contiguous space, but offers an above average amount of total sellable event space. While the building's multiple exhibit spaces can be useful in supporting concurrent flat floor event activity, planners of regionally and nationally rotating conventions and tradeshows often consider a building's largest contiguous event hall as the primary deciding factor when selecting their host sites.

To better compete for economically impactful events at the state, regional, and national levels, a larger singular exhibit hall may be warranted. Potential development programs are evaluated later in this report.



Source: Facility management, facility websites, 2021.

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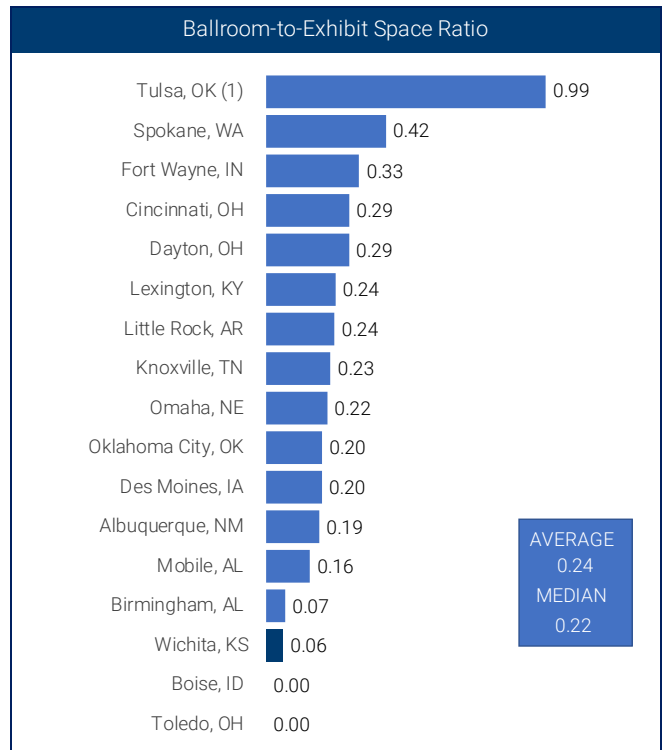
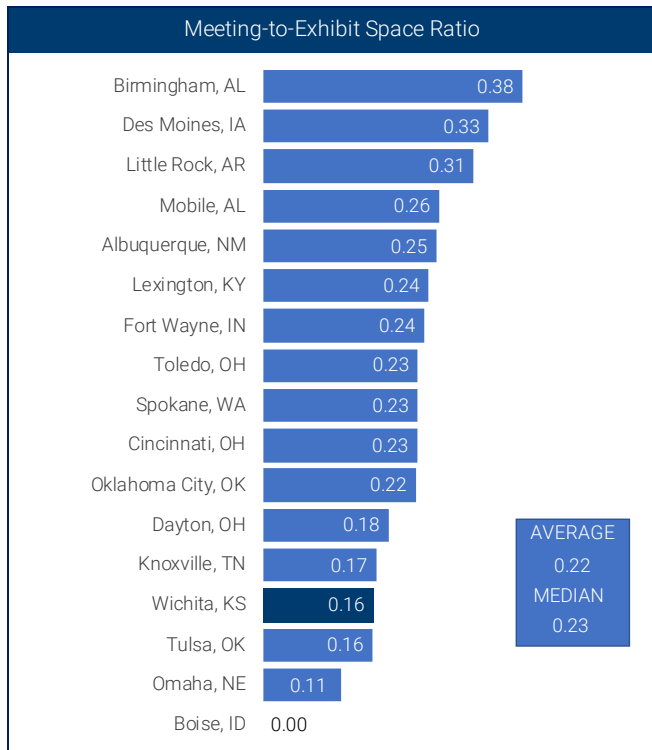
COMPARABLE FACILITIES

Proportionality Comparisons

In an effort to better understand the relationship of a facility's relative supply of sellable space we have conducted a ratio analysis of various facility space and market-related metrics. The charts below demonstrate the balance between both meeting and ballroom space inventories relative to the exhibit space offering at each of the reviewed facilities.

As shown, the Century II Convention Center has both a low meeting-to-exhibit space and ballroom-to-exhibit space ratio among the comparison set. The building's meeting-to-exhibit space is lower than the comparable average, falling just short of competitive products in Knoxville and Dayton. To meet increasing meeting planner demand for flexible breakout meeting space, it will be important to prioritize the development of additional meeting space inventory that is beyond commensurate with the ultimate amount of exhibit space.

According to average and median comparison set figures for ballroom-to-exhibit space ratios, the 10,200-square foot ballroom at the Hyatt Regency falls well short of supporting the CII Convention Center's exhibit space. At the same time, meeting planners nationally have shown increasing preference for carpeted, divisible multipurpose spaces that can serve a variety of needs. To meet this trend in demand, a significant increase in ballroom space will likely be necessary.



(1) Tulsa figure includes Grand Hall as ballroom which can double as a multi-purpose space. Source: Facility management, facility websites, 2021.

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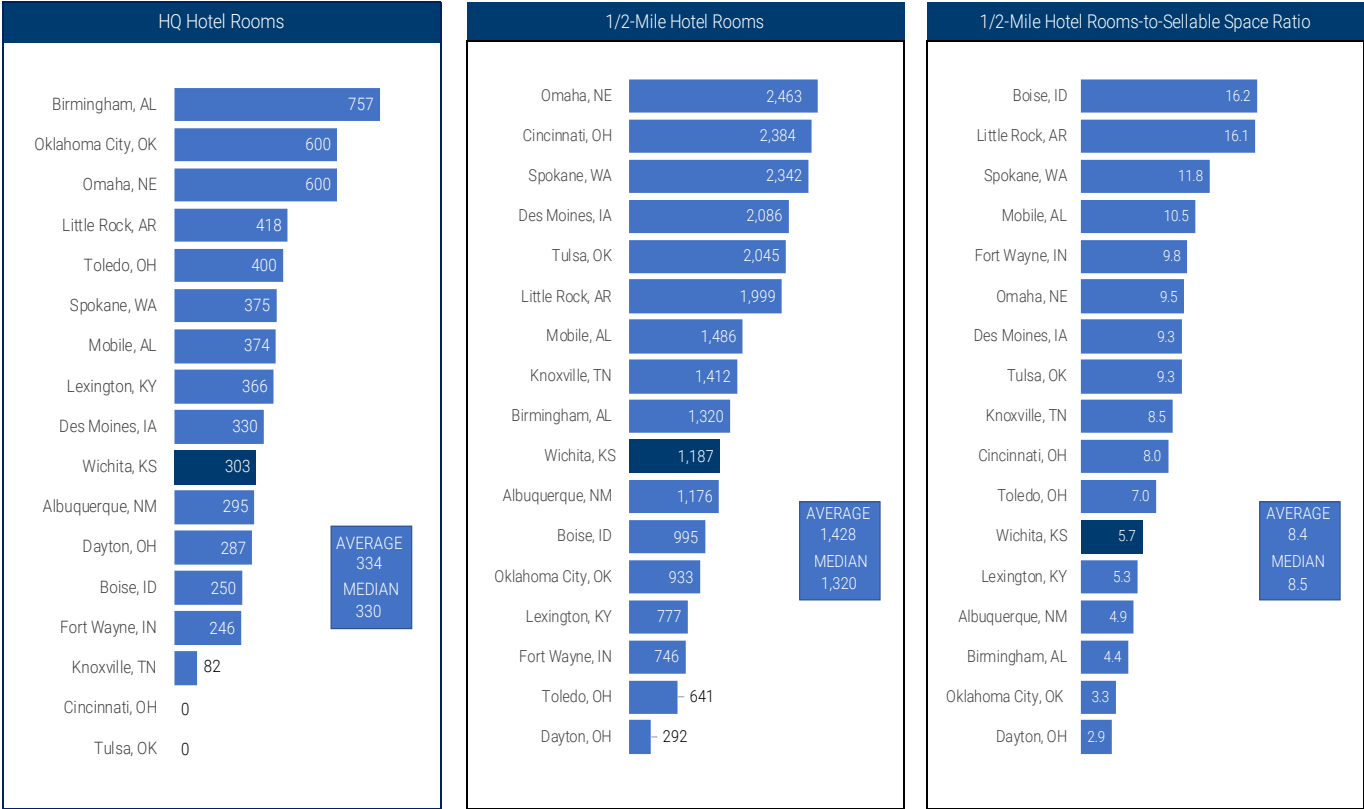
COMPARABLE FACILITIES

Hotel Inventory Comparison

The supporting hotel inventory of a convention facility is instrumental in competing for regional and national conventions and tradeshows with significant non-local attendee bases. Headquarter and other supporting hotel inventory are often among the first data points sought by event planners when considering a future host site. To evaluate potential need for added hotel inventory, the charts below show Wichita’s hotel inventory in context with other hotel and convention products nationally.

As shown, the 303 rooms offered at the Hyatt Regency ranks near the median and average of the comparison set’s headquarter hotel inventory. However, when the broader ½-mile area surrounding each convention center is considered, the hotel package in downtown Wichita falls short of the average and median of the comparison set. This issue is intensified when considering this inventory’s proportionality of total sellable event space. For every 1,000 square feet of sellable space, the ½-mile area surrounding Century II Convention Center offers 5.7 sleeping rooms. For comparative context, competitive markets in Knoxville, Tulsa, and Des Moines can offer more than nine rooms per 1,000 square feet.

To better compete with other similar sized convention destinations, it will be important to prioritize continued hotel development in downtown Wichita, particularly within proximity of the Convention Center.



Source: CVBs, Google Maps, Trip Advisor, 2021.

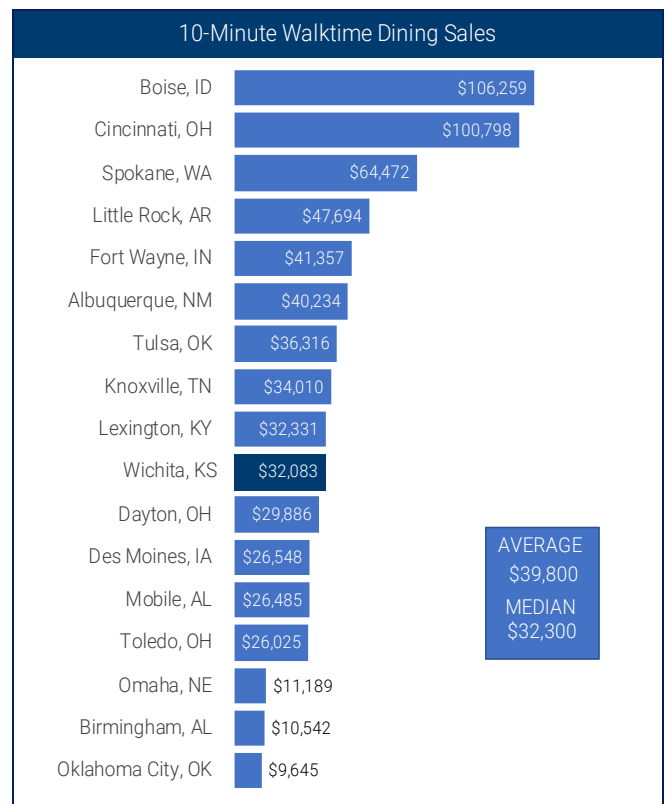
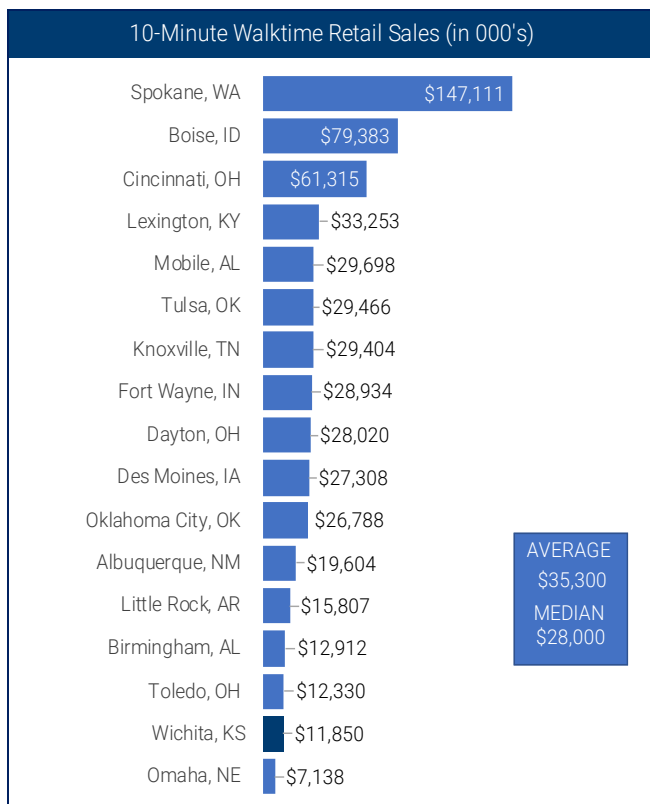
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COMPARABLE FACILITIES

Dining and Retail Environment Comparison

Using GIS software, we can analyze the level of hospitality spending (food, beverage and retail) on a geographically targeted basis. The data presented below show the level of spending in these segments that takes place within a 10-minute walk time from each compared convention center. The environment immediately surrounding the CII site presently generates limited retail revenues. A larger downtown resident base would likely support the needed 24/7 foot-traffic needed to create demand for added retail in downtown. Downtown planning efforts should continue to prioritize additional resident base going forward.

The ½-mile area’s dining sales rank closer to the average and median of the comparison set. As previously discussed in the Local Market chapter, the downtown’s daytime population of workers helps support restaurant inventory outperforms other convention destinations in Dayton, Des Moines, and Mobile. For a facility of its size, the restaurant scene within a half-mile of CII could be considered a moderate point of strength, and an expansion or redevelopment of the facility could likely further support these types of businesses.



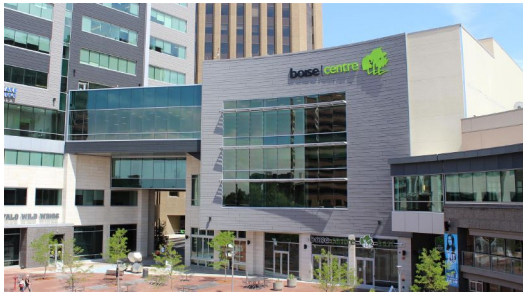
Source: Esri, 2021.

Case Studies

Case studies for a select set of comparable convention facilities are provided on the following pages. Construction costs are shown in terms of their original costs, as well as adjusted costs (modified for time and place).

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COMPARABLE FACILITIES



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BOISE CENTER ON THE GROVE

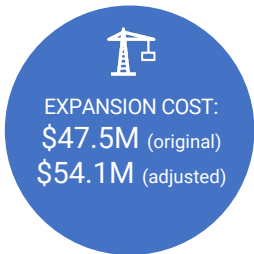
City, State: Boise, Idaho
 Owner: City of Boise
 Operator: City of Boise
 Year Opened/Expanded: 1990/2017
 Expansion Cost: \$47.5 million
 Exhibit Space: 0 sf
 Ballroom Space: 42,200 sf
 Meeting Space: 19,300 sf

The Boise Center, located in downtown Boise, opened in 1990 and is owned and operated by the City of Boise. At the time of the 2013 study, the Center offered 33,000 square feet of sellable space, including 9,000 square feet of meeting space within 8 separate meeting rooms and nearly 25,000 square feet of ballroom space. In 2017, the facility underwent a \$47.5 million expansion to add Boise Center East, a new wing that added a 13,700-square foot junior ballroom as well as more than 10,000 square feet of highly divisible breakout meeting space.

The expansion enabled the Center to accommodate significantly more concurrent activity from the state and regional association and corporate marketplace, as well as offer its Grand Ballroom as a primary convention space. In this way, the Ballroom serves as an exhibit hall while the junior ballroom hosts general sessions and meal functions.

Significant hotel development in downtown Boise has also taken place since the 2013 study. Rooms within ½-mile of the Center have grown from 760 to nearly 1,000, and this area generated more than \$79.4 million and \$106.3 million in retail and dining sales, respectively in a recent year. The condensed and highly walkable area surrounding the Center has been noted by planners as an ideal convention environment.

In a recent year, the Center operated at a loss of approximately \$890,000, with \$1.5 million in operational revenues and \$2.4 million in expenses. This same year, the facility hosted nearly 220 events that generated nearly 140,000 attendees.

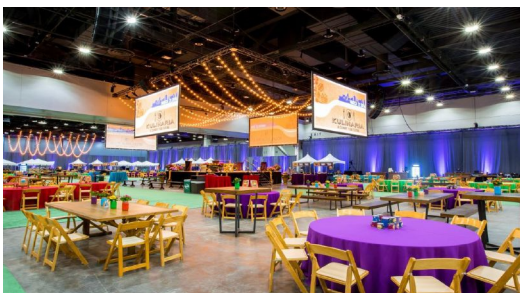


STRENGTHS & WEAKNESSES RELEVANT TO WICHITA

STRENGTHS:	<ul style="list-style-type: none"> • Very flexible, high-finish event space. • Access to outdoor event space, nearby arena, and other off-site facility options that event planners desire. • Highly-walkable surrounding district that continues to improve.
WEAKNESSES:	<ul style="list-style-type: none"> • Lack of contiguous event space; cannot host national events that Century II could accommodate. • Split nature of original building and Boise Center East not ideal for large events that require the entire event space inventory.

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COMPARABLE FACILITIES



4

DUKE ENERGY CONVENTION CENTER

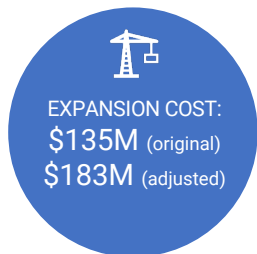
City, State: Cincinnati, Ohio
 Owner: City of Cincinnati
 Operator: Spectra
 Year Expanded: 2006
 Expansion Cost: \$135 million
 Exhibit Space: 195,300 sf
 Ballroom Space: 57,300 sf
 Meeting Space: 44,300 sf

Originally opened in 1968, the Duke Energy Center is owned by the City of Cincinnati and operated by Spectra. Located in downtown Cincinnati within the City's Central Business District, the facility was last renovated/expanded in 2006. The \$135 million investment that year funded the addition of 75,200 square feet of sellable event space.

In recent years, local convention industry stakeholders have led multiple efforts to begin planning for an expansion and headquarter hotel development. The existing exhibit hall, which totals 195,300 square feet, features approximately 40,000 square feet "sub-prime" exhibit space due to lower ceiling heights in portions of the hall. This lowers the building's prime exhibit space considerably, and as a result the facility loses regional and national events to new and improved convention products in Nashville, Columbus, Indianapolis, and Cleveland.

At the same time, the Center's former headquarter hotel property, the 872-room Millennium Hotel closed in 2019, which has had a significant negative impact on the facility ability to accommodate events with substantial non-local attendee bases. Even prior to COVID, the facility's business mix was shifting from state/regional association to more local-oriented consumer show and SMERF business. The facility averaged 143 events annually between 2015 and 2019.

The Center is within 1/2-mile of more than 85 restaurants, in addition to popular attractions such as Fountain Square, National Underground Railroad Freedom Center, and Paul Brown Stadium.



STRENGTHS & WEAKNESSES RELEVANT TO WICHITA	
STRENGTHS:	<ul style="list-style-type: none"> Situated in core of downtown and within close walking distance to above average amounts of retail, dining and entertainment relative to peer facilities. Large, state of the art ballroom that serves a variety of functions.
WEAKNESSES:	<ul style="list-style-type: none"> Lack of supporting headquarter hotel inventory has shifted facility's business mix to less economically impactful event types. Lower ceiling heights negatively impact exhibit space's ability to accommodate events with significant contiguous space needs.

4

COMPARABLE FACILITIES



7

GRAND WAYNE CONVENTION CENTER

City, State: Fort Wayne, Indiana
 Owner: Fort Wayne-Allen County Conv. & Tourism Authority
 Operator: Fort Wayne-Allen County Conv. & Tourism Authority
 Year Expanded: 2006
 Expansion Cost: \$42 million
 Exhibit Space: 48,500 sf
 Ballroom Space: 16,000 sf
 Meeting Space: 11,500 sf



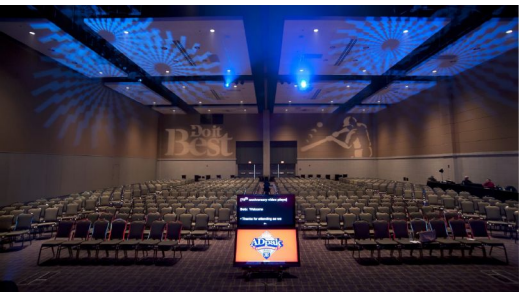
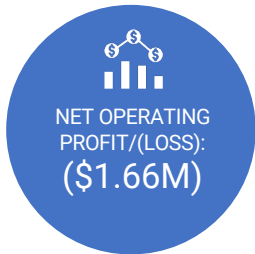
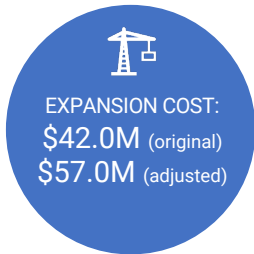
Opened in 1985, the Grand Wayne Convention Center features a carpeted 48,500-square foot exhibit/multipurpose hall, in addition to a 16,000-square foot ballroom and 11,500 square feet of breakout meeting space. The building is supported by 246 headquarter hotel rooms at the adjacent Hilton Fort Wayne, and a total of 746 rooms exist within ½-mile of the Center.



The facility added the \$42 million, 48,500-square foot convention hall in 2006 to evolve its event mix beyond SMERF hobby events and to better compete for state, regional and national business with other Midwest facilities in Dayton, Toledo, and Evansville. This expansion project also provided significant amounts of pre-function space, and facility management has invested in portable lounge furniture, lamps, charging stations, electronic whiteboards, and desks throughout these areas to provide event attendees with tools necessary to conduct more informal/open meeting formats.



Facility leadership are now considering an expansion of the facility that would add a separate building across the street on a block adjacent to Parkview Field, their Minor League ballpark. To synergize with the Field and other planned mixed-use development near the site, this new building would have retractable exterior walls to create an indoor/outdoor event environment, and a central enclosed room would provide high-end technology solutions to support hybrid events, esports, hackathons and other emerging event types.



STRENGTHS & WEAKNESSES RELEVANT TO WICHITA	
STRENGTHS:	<ul style="list-style-type: none"> Substantial amount of pre-function space that offers high degree of versatility and functionality for events. Large, carpeted multi-purpose space can serve variety of event types. Expansion plans in place to even better integrate with surrounding attractions and amenities.
WEAKNESSES:	<ul style="list-style-type: none"> Limited exhibit space for a community of its size. Runs with significant overhead due to equipment and maintenance costs associated with high-finish space.

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COMPARABLE FACILITIES



9

CENTRAL BANK CENTER

City, State: Lexington, Kentucky
 Owner: Lexington-Fayette Urban County Government
 Operator: Oak View Group
 Year Expanded: 2022 (to open)
 Expansion Cost: \$275 million
 Exhibit Space: 99,900 sf
 Ballroom Space: 24,300 sf
 Meeting Space: 29,000 sf



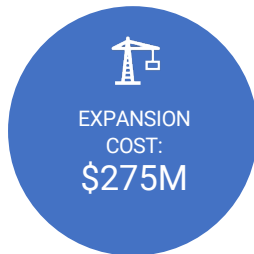
Located adjacent to the Rupp Arena (home of the University of Kentucky basketball team) in downtown Lexington, the Central Bank Center originally opened in 1976. The facility is undergoing a significant expansion of its event space that will add grow its exhibit space from 66,000 square feet to nearly 100,000 square feet, ballroom space from 17,600 square feet to 24,300 square feet, a well as 29,000 square feet in breakout meeting space.



After 10+ years of planning efforts, the expansion was implemented to enable Lexington to capture the growing state and regional event market that was becoming more available due to the “watershed” effect of the expanded Kentucky International Convention Center (KICC). Due to the KICC’s new size and rates, it was able to host larger national events and therefore smaller events that would use the facility in the past have now become available for other venues.

The expansion will also include a unique, convention-usable connection to the Rupp Arena, wherein club and pre-function spaces on the Arena side will be usable by Central Bank Center events. The new and improved building will also feature significant natural light and outdoor event space within a plaza between the Center and Arena.

Today, the Center is supported by a 366-room Hyatt Regency and 777 hotel rooms with ½-mile. Pre-COVID, the downtown area surrounding the Center featured more than 60 dining establishments.

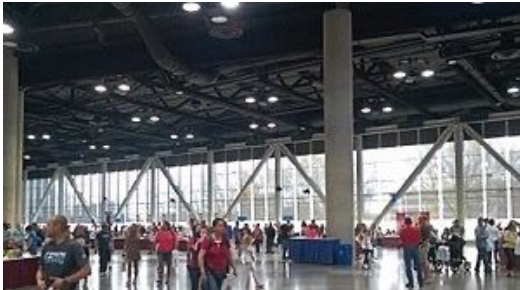


STRENGTHS & WEAKNESSES RELEVANT TO WICHITA

STRENGTHS:	<ul style="list-style-type: none"> • Significant overall expansion of event space tied to development of an indoor/outdoor district with Rupp Arena and the rest of downtown. • Adjacent to Town Branch Park project that will add amphitheater, park space, and pedestrian and bike trails to/from the Center.
WEAKNESSES:	<ul style="list-style-type: none"> • May require additional hotel development in near-term to support added event space.

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COMPARABLE FACILITIES



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SPOKANE CONVENTION CENTER

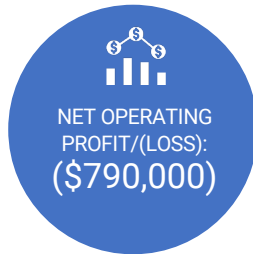
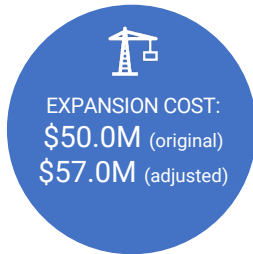
City, State: Spokane, Washington
 Owner: Spokane Public Facilities District
 Operator: Spokane Public Facilities District
 Year Opened/Expanded: 1974/2006/2016
 Expansion Cost: \$50.0 million (2016)
 Exhibit Space: 120,000 sf
 Ballroom Space: 50,700 sf
 Meeting Space: 27,000 sf

Owned and operated by the Spokane Public Facilities District, the Spokane Convention Center is located along the Spokane River and adjacent to the city's 100-acre Riverfront Park. Originally opened in 1974, the SCC underwent an expansion in 2016 that added a total of 45,500 square feet of sellable event space. This expansion added approximately 20,000 square feet of contiguous event space to the existing exhibit hall, as well as two junior ballrooms totaling nearly 25,500 square feet. More than 20,000 square feet of pre-function and other areas of the building were also given significant aesthetic and technology upgrades.

The facility's added event space helped the facility continue to attract state, regional and some national association business, as well as other groups with larger exhibit space needs such as public consumer shows, hobby shows, and sports tournaments. The new junior ballrooms, each of which are highly sub-divisible, enable the facility to offer seven additional breakout spaces when broken apart, which helped accommodate more concurrent activity as well as the growing meeting space needs of today's event planners.

The Center is within a half-mile of more than 2,300 hotel rooms, in addition to dozens of restaurants, retail stores, Riverfront Park, and other amenities. The 375-room DoubleTree by Hilton is situated atop the western portion of the building.

In a recent year, the Center operated at a loss of approximately \$790,000 and hosted approximately 450 events.



STRENGTHS & WEAKNESSES RELEVANT TO WICHITA

STRENGTHS:	<ul style="list-style-type: none"> • Significant amount of prime, contiguous exhibit space. • Robust inventory of headquarter hotel rooms onsite. • Central component of Riverfront transformation. • Significant amount of pre-function space usable for events.
WEAKNESSES:	<ul style="list-style-type: none"> • Located outside core, most active part of downtown. • Somewhat limited breakout meeting space relative to amount of exhibit space.



5

MARKET DEMAND

5

MARKET DEMAND

Interviews & Primary Market Research

The purpose of this chapter is to provide an updated analysis of market demand for a new convention center product in Wichita. In addition to key research and findings developed as part of past study efforts in Wichita, the data generated as part of this market analysis have been derived from the following:

- CSL experience gained from 1,000 convention, conference, exhibition, hospitality, sports, entertainment and event facility projects throughout North America.
- Updated research and analysis of local market conditions including hotel inventory, walkability, commercial development, hospitality assets, attractions and other components of a successful conference and visitor destination.
- Review of Century II Convention Center operational and performance data since it was last analyzed under the previous feasibility study (in 2013).
- Updated analysis of the competitive and comparable facilities and host destinations.
- Completed a total of 130 interviews with event planners representing more than 150 total events, including:
 - Telephone interviews – 25 state/regional convention and conference planners and 20 national convention, conference, and tradeshow planners.
 - Online survey – 85 planners of national conventions, tradeshow, conferences, and other events.

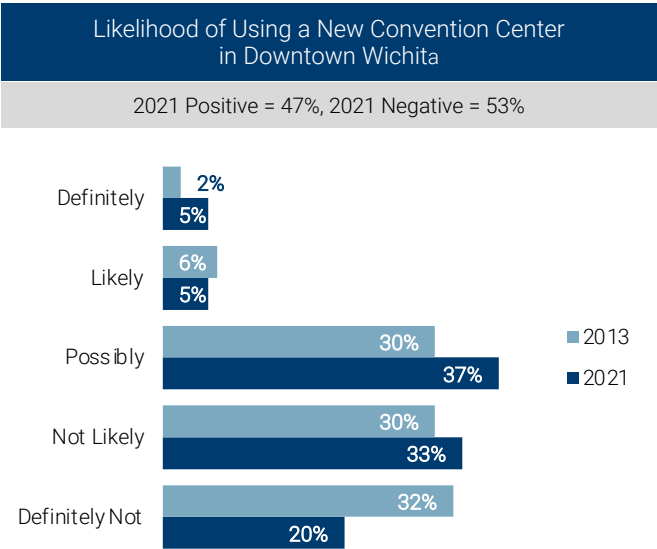


The focus of much of the remainder of this chapter is on quantified survey data associated with two primary groupings of research completed for this study: 1) nationally rotating conventions and tradeshow, and 2) state and regional conventions and tradeshow. As presented in the 2013 feasibility study, these event sectors represent logical, economic impact generating targets for a potentially redeveloped Century II Convention Center.

A National Convention Planners

As detailed previously, CSL conducted an electronic survey of over 85 nationally rotating convention, conference, and tradeshow planners, in addition to 20 telephone interviews. The data presented herein combines the results from both exercises and focuses on event planner feedback regarding interest in Wichita and a new convention center, event space and hotel needs, and their thoughts and opinions regarding the impacts of COVID-19 on the in-person events industry. Key changes in these data relative to 2013 study results are also noted.

We begin with an overview of event planner interest in a new convention center in Wichita and the Wichita destination. In 2013, 38 percent of surveyed planners expressed positive interest in utilizing a Wichita convention center product, which increased to 47 percent in 2021. The percentage of organizations expressing "definitely" and "possibly" is higher at five percent and 37 percent, respectively.



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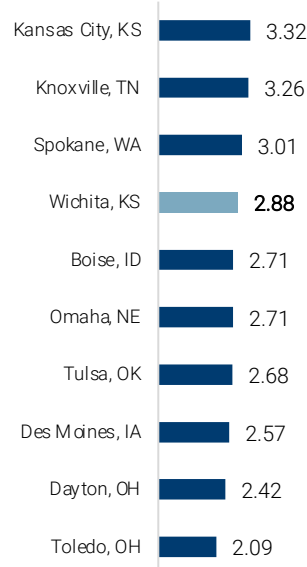
MARKET DEMAND

Surveyed planners also rated Wichita favorably relative to peer destinations, and awareness of the market falls near the middle of the comparison set. Results are shown in the exhibit to the right, with "1" represent the weakest rating and "5" representing the strongest rating. Results suggest a quality convention experience for those familiar with the market, but also potential to further establish an identity in the national event marketplace. Expanded promotion efforts, in tandem with a facility expansion, could gain greater market share at the national level.

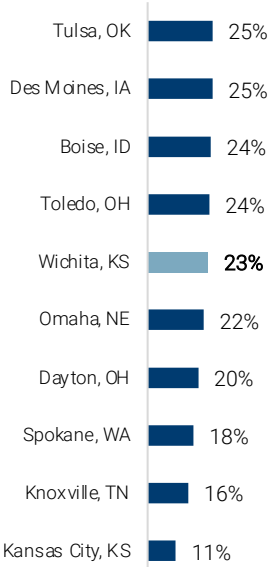
Respondents that reported they would "not likely" or "definitely not" rotate their events to a new convention center in Wichita were asked to provide their rationale for negative interest. Forty percent indicated that they exclusively host in Tier-1 convention destinations such as Orlando, Las Vegas, Los Angeles, etc., which was the most common reason given. Other reasons for disinterest include lack of convention-related membership in Kansas or the Midwest (18 percent), a preference for self-contained hotels instead of convention centers (15 percent), airlift concerns (15 percent), and lack of familiarity with the Wichita destination (10 percent), among other reasons.

Interviewees that responded positively to using a new convention center in Wichita were also asked about their event space requirements and preferences, assuming a post-pandemic recovery of the convention industry. Exhibits summarizing these responses are shown below and on the following page. Percentages in the below charts indicate the percentage of positive respondents (and, therefore, the percentage of positive respondent market share captured at the respective levels for the metrics labeled to the left). These data are followed by observations regarding key differences from 2013 survey data regarding event space.

Destination Ratings



Destination Unfamiliarity Rate



Largest Contiguous Event Space

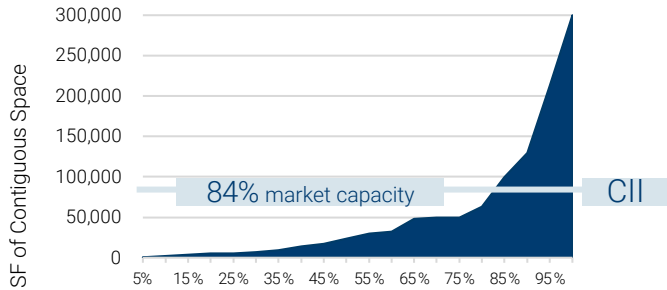
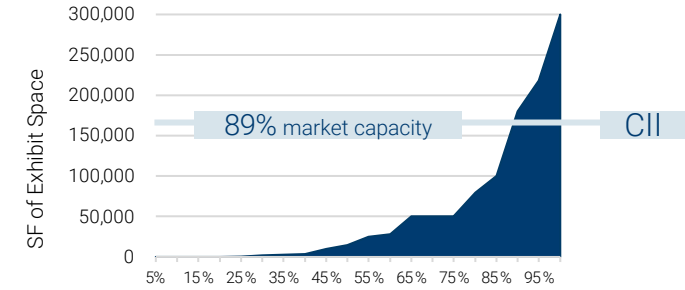
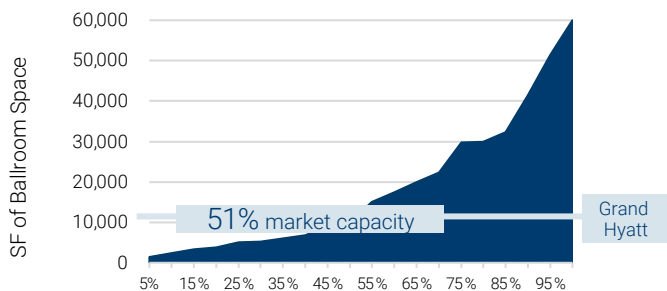


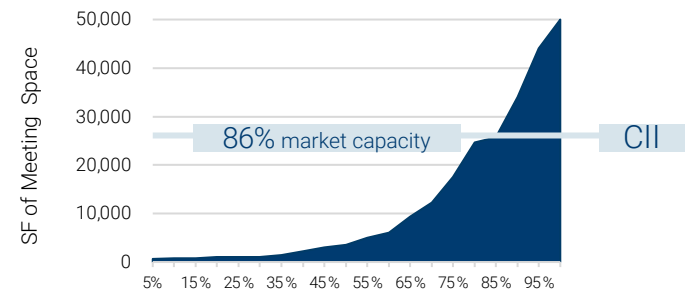
Exhibit Space



Ballroom Space

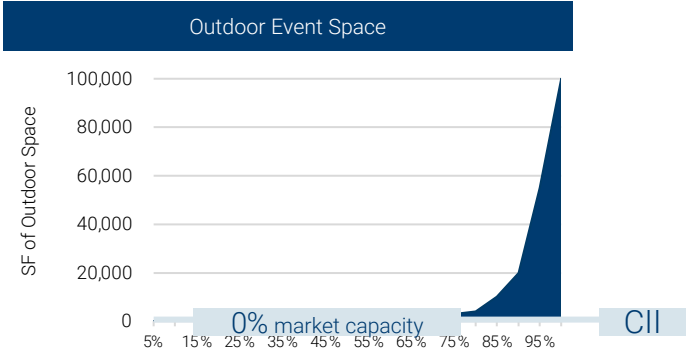
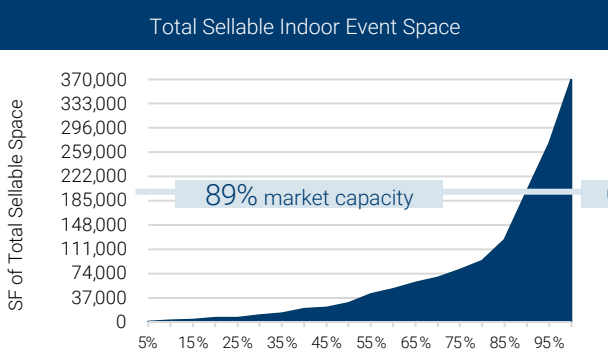


Meeting Space



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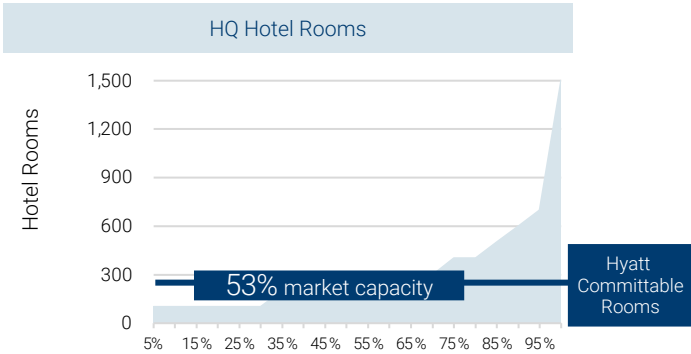
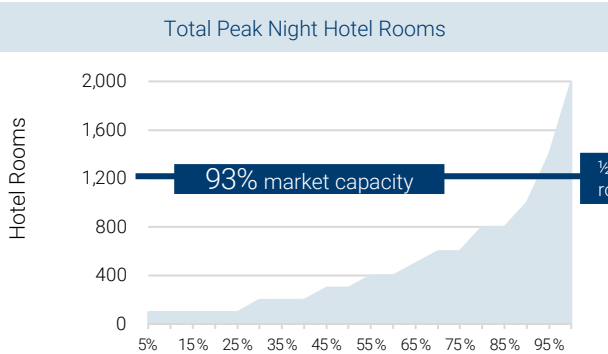
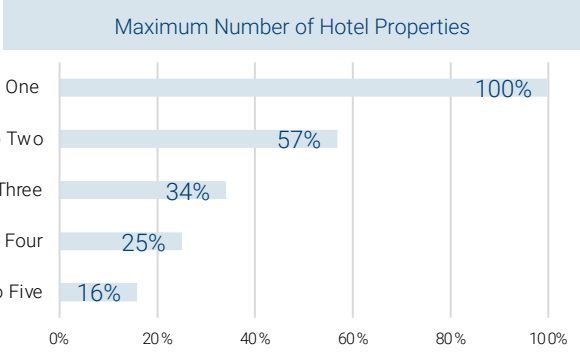
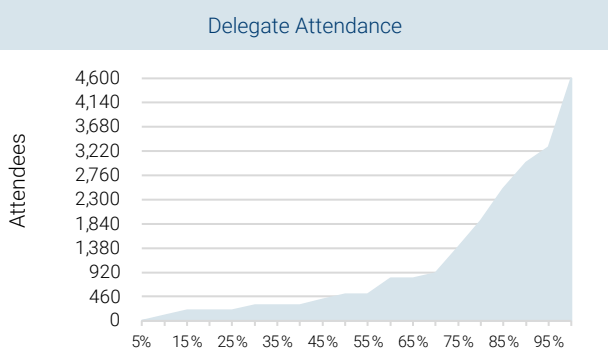
MARKET DEMAND



Key differences from the 2013 study include:

- 24 percent decrease in ability to accommodate ballroom space demand (with use of the Hyatt Regency).
- 4 percent decrease in ability to accommodate meeting space demand.
- 6 percent decrease in ability to accommodate total sellable space demand.
- No dedicated outdoor space to accommodate newly identified 30 percent of market that requires/prefers outdoor event space.

Interested respondents were also asked to provide data regarding the hotel needs of their event(s), including total peak night hotel room counts, number of rooms required within a single hotel property, and the maximum number of hotel properties they are willing to use to accommodate their event(s). These data are summarized in the area charts below, with Wichita’s ½-mile and headquarter hotel room inventories highlighted to show the destination’s ability to accommodate existing national event demand. Again, these data represent estimates provided by event planners that assume post-pandemic conditions.



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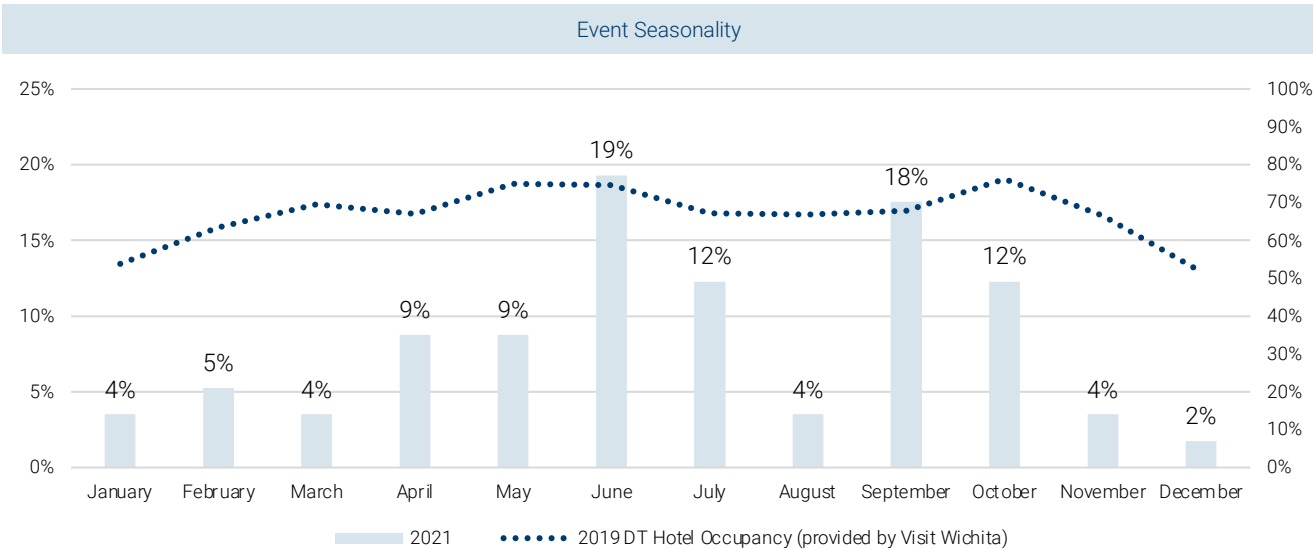
MARKET DEMAND

As shown on the previous page, approximately 50 percent of events identified feature 500 or more delegate attendees. This translates to a median total peak night hotel need of 300 total rooms. The bottom left chart on the previous page shows that the hotel inventory identified within ½-mile of CII can accommodate 93 percent of event demand. Considering typical industry norms, 70 percent of this inventory could be estimated as truly “committable” hotel rooms for event room blocks. Therefore, the 840 rooms that are committable within a ½-mile of CII can accommodate approximately 86 percent of identified demand.

Approximately 43 percent of interested events require room blocks be accommodated within a single hotel property. The other 57 percent are willing to use multiple properties, though 23 percent would only be willing to spread to two properties, a separate nine percent would use up to three, and another nine percent would use up to four. Sixteen percent of identified events would be willing to use five or more hotel properties.

Considering this preference for fewer hotel properties, it is important to review the headquarter hotel needs of these events (the number of rooms they require within a single hotel property). As shown in the bottom-right chart on the previous page, approximately 50 percent of the identified market requires at least 200 hotel rooms within their headquarter hotel. The 250 committable rooms within the Hyatt Regency can accommodate only 53 percent of market needs. This represents a decrease of two percent in market capture from the 2013 study. To best accommodate future demand, particularly in the event of a new Wichita convention product, an expansion of the Hyatt Regency or a second headquarter hotel property will likely be necessary.

It is also important to consider the seasonality of event demand, particularly with respect to hotel conditions in downtown Wichita. The exhibit below presents the seasonality patterns, by month, for those national organization events that represent the primary event market demand for Wichita. For purposes of comparison, we have also presented the average occupancy rate for the downtown Wichita hotels, by month, in 2019.



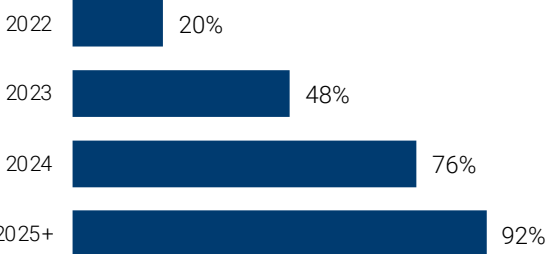
The seasonality of demand can assist in understanding demand potential for multiple overlapping events. For example, heavy demand for a particular event type during historically busy periods can indicate a “clustering” of demand, and highlight the need for a center to be able to accommodate multiple overlapping events. As presented above, seasonal preference among national groups with an interest in Wichita follow a pattern somewhat standard in the industry, specifically with regard to the strong demand in the fall months. Peak demand in June suggests the opportunity for the addition of outdoor event space at the convention campus to accommodate the outdoor needs of previously identified groups.

5

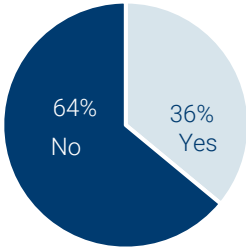
MARKET DEMAND

National event planners were also asked their opinion as to when the in-person event industry will resume its growth trajectory from 2019, as well as indicate whether their interest in mid-sized urban destinations such as Wichita has increased since the start of the pandemic (relative to traditional Tier-1 convention destinations). Their feedback is summarized below.

When Will The In-Person Event Industry Resume Its 2019 Growth Trajectory?



Has interest in hosting events in mid-sized urban destinations such as Wichita increased since the beginning of the pandemic?



As shown, only 20 percent of surveyed planners expect the event industry to resume its pre-2020 growth by 2022. Nearly half expect this “return to normal” by 2023, and just over three out of four planners think the industry will recover by 2024.

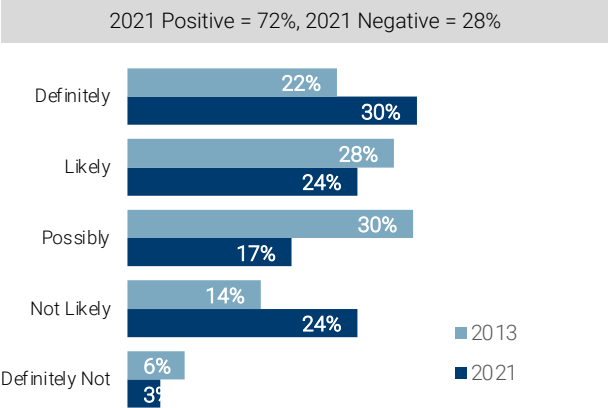
Thirty-six percent of national event planners surveyed reported that their interest in mid-sized urban destinations like downtown Wichita has increased since the start of the pandemic. Commonly cited reasons for this increase include the safety, walkability, navigability, and affordability of these types of destinations. Combining these data with the increased positive interest shown previously, Wichita may have stronger potential to gain market share in the national convention industry than in 2013.

B State/Regional Convention Planners

As determined in 2013, it is still believed that a significant contributor of non-local event activity for a future Wichita convention center product would be events hosted by state and regional groups. Twenty-three state and regional organizations that were surveyed as part of the 2013 study effort were again contacted to provide updated input regarding their interest in using a new convention center in Wichita, as well as the space and hotel needs of their events.

State and regional organization planners were asked to indicate the likelihood of their organization using a potential new convention facility in downtown Wichita, assuming that the facility and the area’s hotel inventory fully meets the needs of their event(s). Results are shown below, along with a comparison with results obtained in the original 2013 feasibility study. These data are paired with comments provided by organizations regarding their change from positive to negative interest, as well as their statements regarding COVID-19’s impact on size/attendance levels.

Likelihood of Using a New Convention Center in Downtown Wichita



COVID-19 Impacts



Why New Negative Interest?

- Shrinkage of event space needs, attendance
- More emphasis on affordability of destinations
- COVID concerns/perceptions of safety in urban area

5

MARKET DEMAND

As shown on the previous page, positive interest among state/regional event planners is estimated to have decreased slightly from 80 percent in 2021 to 72 percent in 2020; however, the percentage of groups indicating “definitely” has increased significantly. In reviewing reasons given for conversion from positive to negative interest, several planners indicated that their events have reduced in size (either before or after COVID), and that they no longer need the amount of space offered by CII or a potential new downtown Wichita convention center. Other reasons given include a preference for even lower cost destinations than Wichita. A small number of interviewed planners also prefer smaller, less urban destinations due to heightened concerns regarding social distancing and increased crime levels nationally.

Referring to the middle text box on the previous page, 15 percent of interviewed planners believe that their events will shift to a hybrid virtual/in-person event model even after the pandemic subsides. Many added that this may have an impact on their event space and technology needs going forward. Five percent of planners are still facing cancellations and indefinite postponements of their events, which may negatively impact the the size of the state/regional event market in the short-term.

	Wichita		Past CSL State/Reg. Telephone Surveys 65 Comparable Markets			
	2013	2021	AVERAGE	MEDIAN	Low metric	High metric
Interest Levels:						
Definitely Use	22%	30%	10%	10%	0%	33%
Likely Use	28%	24%	13%	13%	3%	29%
Possibly Use	30%	17%	28%	28%	9%	44%
Not Likely Use	14%	24%	25%	25%	7%	48%
Definitely Not Use	6%	3%	23%	23%	0%	48%
Positive	80%	72%	52%	51%	21%	86%
Strength of Interest	4.20	4.59	2.26	2.04	0.54	4.50
Population Basis	0.81	0.81	1.09	0.89	0.38	3.25
Demand Index	3.41	3.72	2.39	2.08	0.54	7.82

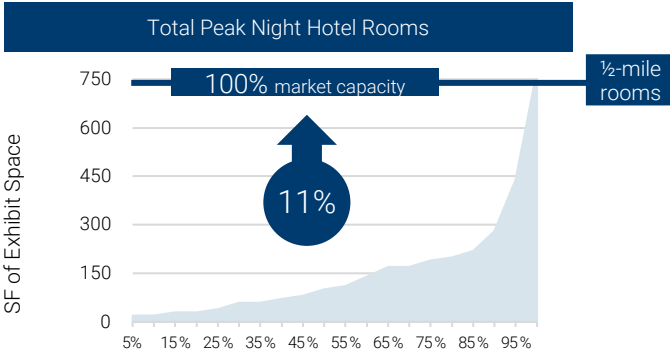
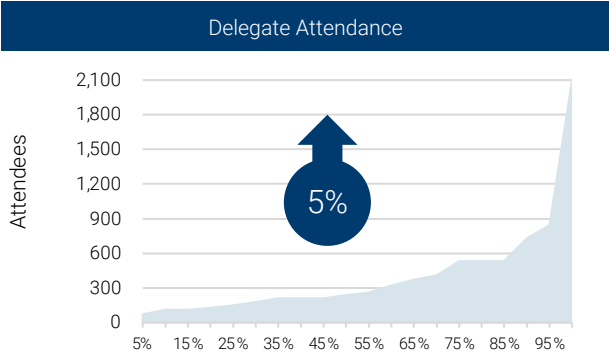
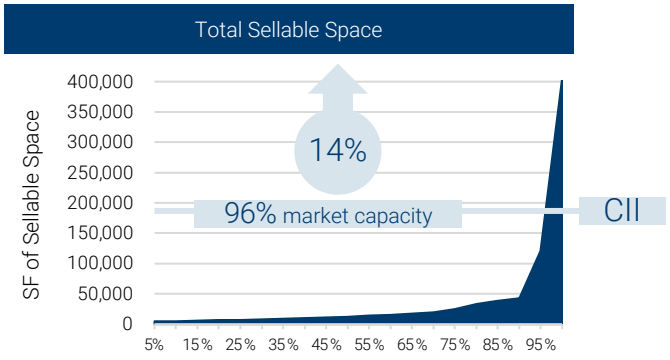
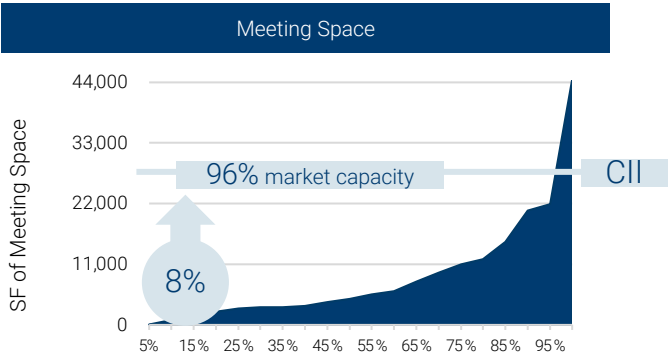
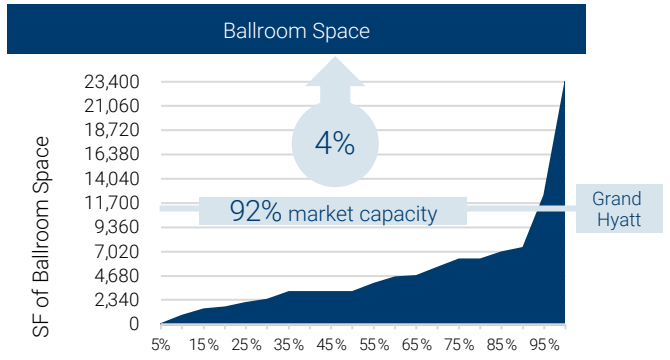
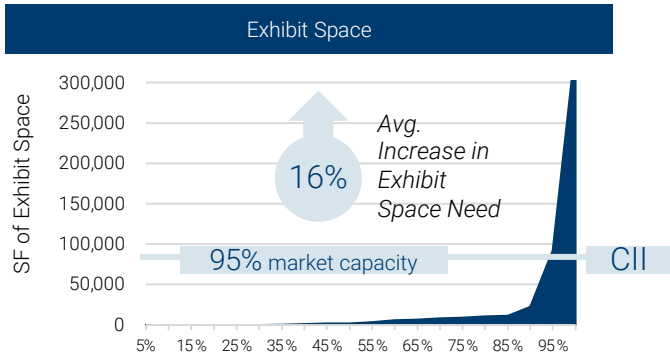
Though state/regional event planners positive interest decreased slightly from the 2013 study, overall strength of state/regional demand compares favorably with other similar past studies conducted by CSL. The Demand Index in the adjacent graphic factors strengths of interest and the estimated population of rotating events within each respective state to provide a weighted and comparable score with market demand measured under each survey.

As shown, though Wichita’s Demand Index fell slightly from 3.72 to 3.41, this still rates well above the average and median of the 65 comparable markets. It is important to note that this analysis is a characterization of comparative gross demand, but does not take into consideration (1) competition from other regional convention/conference facilities, (2) the specific ability of a local community to accommodate this demand through its amenity package and the unique characteristics of the ultimately developed convention center and its site characteristics, and (3) other quantifiable and non-quantifiable cost/benefit justifications for considering facility development.

As was done for the national event segment, interviewed state/regional event planners were asked to provide event space, attendance, and hotel room count information for their events. Since each interviewed planner had participated in the 2013 survey, discussions focused on how their event needs had changed over the last eight years. A summary of these changes in event space needs among those who expressed interest in a new convention center in Wichita is presented on the following page, along with changes in attendance and hotel needs.

5

MARKET DEMAND



Though exhibit, ballroom, and meeting space needs have grown since 2013 among surveyed planners, CII and the Wichita destination are still able to accommodate nearly the entire state/regional convention, conference and meeting market. Approximately 95 percent of the market's exhibit space needs can be accommodated by the facility, as well as 96 percent of its meeting space needs and total sellable event space needs, respectively. Approximately 92 percent of ballroom space needs can be accommodated by the Grand Eagle Ballroom at the Hyatt Regency. Further, there were no identified events with hotel needs larger than those that can be accommodated by the hotel room inventory within 1/2-mile of the convention center.

5 MARKET DEMAND

CII and the State-of-the-Industry

A large majority of Wichita's peer destinations have expanded or developed new convention centers within the past 20 years. Further, many of these communities have also invested substantial public sector dollars into enhancing the convention product's supporting amenity infrastructure, including incentivizing appropriate headquarter hotel products and entertainment/mixed use districts and infrastructure nearby the convention center. Wichita continues to fall behind its competition in terms of convention product and convention destination attractiveness due to limited public sector investment in recent decades (concerning convention and visitor industry product development).

Further, industry trends are rapidly evolving to emphasize convention products with facility design elements and site area amenities that are increasingly in contrast with what is provided by CII and the surrounding walkable area. The next generation of convention center attendees will require greater flexibility in how meetings are conducted, the types of spaces that are preferred, how information is delivered, and how technology is used. Greater emphasis is being placed on the ability of a destination to offer a unique, authentic and productive experience.

Relative to the time of the last Wichita convention center feasibility study (2013), industry trends and demand for traditional, concrete floor exhibit space in convention centers continues to show retraction, while demand/preferences for other types of spaces, such as ballroom, breakout meeting space, modern open space learning and flex spaces, and outdoor event spaces continue to grow in emphasis.

While Bob Brown Expo Hall offers a significant amount of concrete floor exhibition space (93,000 gross square feet in total), it has a number of characteristics that work to reduce CII's (and Wichita's) competitiveness in the national convention marketplace. Specifically, only 63,500 square feet of exhibit space in CII (via a portion of Bob Brown Expo Hall) is considered "prime" exhibit space (i.e., what is expected by the national convention marketplace). The remainder of CII's concrete floor space is considered substandard for national conventions (due to ceiling height, dimensions, lack of subdivisibility, and other issues).

Further, CII has also been hindered since its inception by the circular design of the original building. The "pie slice" layout, apportionment and configuration of event spaces in the original "round building" are atypical—if not completely unique—in the overall event industry. There are varying degrees of functional challenges associated with attracting/producing events of most types (convention, trade/consumer, meetings, entertainment, sports, and performing arts). CII's round building and its signature "blue dome"—while a recognized, iconic landmark unique to Wichita—gives the impression of a dated, substandard convention product to certain participants in the national convention marketplace, working to reduce, rather than enhance the competitiveness of the Wichita convention product within the broader national convention market.

Key Market Demand Conclusions

Overall, market analysis findings suggest sufficient demand to support a new convention center in Wichita. More detailed notes are listed below.

- National event planner demand in Wichita increased by approximately 24 percent since 2013 (from 38 percent of respondents to 47 percent of respondents), and 36 percent of these planners indicated an increased interest in mid-sized urban destinations such as Wichita since the start of the pandemic. This suggests a material opportunity to gain market share in the national event marketplace through a new convention center product.
- To accommodate 90 percent of largest contiguous space needs identified among national planners, a 130,000-square foot hall will be needed, in addition to 41,500 square feet of ballroom/multipurpose space and 34,000 square feet of meeting space to accommodate ballroom and meeting space needs, respectively. A 20,000-square foot outdoor space would accommodate 90 percent of outdoor space needs.
- The existing hotel inventory within ½-mile of CII can accommodate 93 percent of peak night hotel room needs, though the estimated "commitability" of these properties (likely 70 percent) drops market accommodation to 86 percent. Moreover, the existing Grand Hyatt's 250 committable rooms can only accommodate 53 percent of national event headquarter hotel needs. Therefore, it will be critical to prioritize a hotel development (via Hyatt Regency expansion or a new attached or adjacent full-service hotel) in conjunction with the any new convention center, preferably one that is connected or within close proximity to the facility.
- Though state/regional event interest in a new convention center in Wichita has dropped slightly since 2013, the CSL Demand Index still suggests a higher-than-average demand from this segment relative to similar past studies.
- Industry trends and demand research specific to Wichita suggest that an expansion of the current CII product is becoming less viable as a long-term solution to protect and grow Wichita's penetration within the national convention industry. A new or substantially redeveloped downtown convention center product would best align with anticipated future needs to ensure Wichita's competitiveness within the industry and ability to drive visitation, hotel room nights, and economic impact.



6

SUPPORTABLE PROGRAM

Overview

Based on the results of the analysis of local market conditions, historical facility operations, competitive/comparable facilities and host communities, industry conditions/trends and market demand, an evaluation of facility program components and relevant development issues was performed for a potential new convention center product in Wichita. The estimated market supportable facility program is tied closely to the unique characteristics of the Wichita market. The characteristics of the current/potential future hotel inventory and other visitor amenities in the area also influence program estimates. Adjustments to the convention center program are made to reflect event segments that require hotel room blocks beyond the expected capacity of the Wichita area. The resulting market-supportable convention center building program focuses on the levels of sellable space that would be necessary to accommodate potential convention, conference and meeting event demand for a new Wichita convention center product. Specific square footage and configuration of individual support areas for both facilities, such as lobby, circulation, storage, box office, administrative office and other front/back-of-house areas, are not specifically itemized.

Recommended Facility Program & Site Needs

Based on the previous analyses undertaken, key aspects of a market supportable facility program for a state-of-the-industry convention center in Wichita are presented below.

Exhibit Space (130,000 square feet, some Bob Brown Expo Hall space could be used):

- 130,000 square feet of contiguous exhibit space in a single hall (with planning consideration for an adjacent parcel to accommodate up to 100,000 square feet in additional exhibit space under a potential future expansion).
- Ceiling heights with minimum clearance of at least 35 feet from floor surface to the underside of the ceiling structure.
- Floor utility boxes on a 30-by-30-foot matrix, and including industry standard power, telecommunications, water, compressed air and other needed utilities.
- Column structure that provides for no less than a 90-by-90-foot matrix.
- A length/width ratio that approximates two to one.
- Significant prefunction space leading into the exhibit halls.
- Back of house service into the exhibit hall to allow for event set up without working through public spaces.
- Consideration of natural lighting to address emerging industry trends and environmental standards.
- Support/"show" office space for event planners.
- Covered loading docks for exhibit halls separate from docks for other facility operating needs.

Ballroom Space (30,000 square feet):

- A new ballroom of 30,000 square feet of contiguous space.
- Ballroom would offer sub-dividable, column-free space.
- Temperature and lighting controls in each individual ballroom/multi-use space module.
- A level of finish (wall treatment, floor covering, lighting, etc.) that is characteristic of three or four-star hotels.
- Significant prefunction space leading into the ballroom space.
- Back of house service into the ballroom/multi-use space to allow for event set up without working through public spaces.
- A generally central location for the Main Ballroom within the overall building to allow for effective multiple overlapping event use.

Meeting Space (40,000 square feet, some existing space could be used):

- Approximately 40,000 square feet of well-apportioned space, including breakout rooms, open space learning and other flex meeting spaces.
- User accessible temperature and lighting controls in each individual meeting room module.
- A level of finish (wall treatment, floor covering, lighting, etc.) that is characteristic of three or four-star hotels.
- Significant pre-function space leading into the meeting room blocks.
- A distribution of meeting space throughout the overall facility to allow for effective accommodation of multiple overlapping events.
- Back of house service into the meeting space to allow for event set up without working through public spaces.

Outdoor Event Space (20,000 square feet):

- Outdoor plaza of at least 20,000 square feet immediately adjacent to the front portion of the convention center.
- In addition to accommodating growing industry needs for this type of space, it allows for greater connectivity to the surrounding district and offers expanded opportunities for special events.

Headquarter Hotel Product (additional 100 full-service hotel rooms):

- A total of 400 full-service hotel rooms attached/adjacent would be needed to support the project. This is an amount approximately 100 more than presently provided by the Hyatt Regency Wichita.
- Could be achieved through an expansion of the Hyatt Regency (via addition of a second tower) or the development of a new attached or adjacent full-service hotel.

It is important to note that these space figures represent the amount of convention facility space that would be required to accommodate a majority of Wichita's event demand, particularly that which is currently estimated to be un-accommodated. A summary of these key programmatic recommendations is presented below, in addition to a comparison with the existing CII product and recommendations developed under the previous 2013 feasibility study.

	EXISTING WICHITA PRODUCT			2013 Feasibility Study	Current Feasibility Study
	CII	Hyatt	CII + Hyatt		
Exhibit Space (SF)	170,000	0	170,000	150,000	130,000
<i>Largest Contiguous Prime Exhibit Space (SF)</i>	<i>63,500</i>	<i>0</i>	<i>63,500</i>	<i>150,000</i>	<i>130,000</i>
Ballroom Space (SF)	0	10,200	10,200	30,000	30,000
<i>Largest Contiguous Ballroom (SF)</i>	<i>0</i>	<i>10,200</i>	<i>10,200</i>	<i>30,000</i>	<i>30,000</i>
Meeting Space (SF)	27,600	7,900	35,500	30,000	40,000
Total Indoor Sellable Space (SF)	197,600	18,100	215,700	210,000	200,000
Dedicated Outdoor Space (SF)	0	0	0	0	20,000
Headquarters Hotel Rooms	0	303	303	400	400

Development Issues

Based on the results of the market and building program analyses, the following represent development recommendations should convention center product investment be pursued in Wichita.

- **Supportable Facility Model:** A new downtown convention center is market supportable in Wichita and would be the type of project necessary to protect and grow Wichita's market share within the national convention industry into the future.
- **Existing CII:** The current downtown site area is appropriate for the development. It is not believed that the existing CII round building is appropriate for addressing square footage recommendations serving to address future convention industry needs. While not specifically studied under this current analysis, the CII round building may be a candidate for renovation/conversion into a dedicated performing arts facility or other similar space that would be suitable for the needs of many local events.
- **Hyatt Regency:** The Hyatt Regency Wichita (and any new full-service headquarters hotel) needs to control its own ballroom and meeting space; likewise, the convention center needs to control its own ballroom and meeting space. As such, at a minimum, a new 30,000-square foot ballroom should be developed as part of a new convention center project. The Hyatt Regency's existing 10,200-square foot ballroom would then functionally serve as a de facto "junior ballroom" for some convention center events requiring additional ballroom space. A collaborative use agreement would be struck with the Hyatt Regency to protect targeted access to the Hyatt's ballroom.
- **Additional Hotel Needs:** Additional headquarters hotel rooms will be required to support the new convention center. This could be achieved through an expansion of the Hyatt Regency (via addition of a second tower of 100 or more rooms) or the development of a new attached or adjacent full-service hotel.
- **Greater Site Development:** The development and/or inducement of an expanded set of visitor amenities (e.g., restaurants, bars, entertainment, ancillary hotel product, retail) within close walking distance of the convention center site should be an important constituent part of the greater site plan, which could include public sector investment and incentives for private sector partners.
- **Integral Component of Downtown Planning:** Ideally with an orientation both towards walkable amenities of downtown and the river, convention center development should tie in directly with the downtown master plan strategy for the future—maximizing synergy and leveraging of public and private dollars.



7

COST / BENEFIT ANALYSIS

7 COST / BENEFIT ANALYSIS

Overview & Key Assumptions

This section presents an analysis of estimated utilization and costs/benefits associated with a new Convention Center in downtown Wichita, Kansas. Initially, a detailed computer-based model was developed, along with key assumptions, to generate estimates related to a new Wichita Convention Center. Performance estimates for a new Convention Center have been presented over a 20-year projection period. A stabilized year of operation is assumed to occur by the fourth full year of facility operations. All dollar figures are represented in terms of 2021 dollars. Key assumptions used in the analysis and projection of operating performance associated with a new Convention Center in downtown Wichita include, but are not limited to the following:

1. This analysis is designed to assist project representatives in assessing the potential utilization, financial and economic impacts associated with a new Convention Center in downtown Wichita and cannot be considered a presentation of expected future results. The assumptions disclosed herein are not all-inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.
2. It is assumed that the new Convention Center will be owned by the City of Wichita and operated privately via contract by a qualified third-party firm (the City recently contracted with ASM Global to manage CII, in addition to Intrust Bank Arena, and a similar arrangement is assumed for the new Convention Center).
3. Projections of utilization, attendance, financial operations, and economic impacts only consider the new Convention Center itself per the recommended concept and program outlined in the previous chapter of this report. Should CII's existing round building be renovated and converted for a focus on performing arts and/or other similar local uses, any potential usage and financial and economic implications have not been studied or captured under this analysis.
4. Since detailed facility design, configuration, site selection, and final costing have not yet been completed, the assumptions used in this analysis are based on the research and analysis completed for this study engagement, past similar studies in Wichita, industry experience with similar facility projects, comparable facility data, and information provided by certain stakeholders, including Visit Wichita, the City of Wichita, candidate user groups, and other stakeholders and community leaders. Additional physical development planning must be completed before more precise estimations of the Convention Center's operating costs can be made, and likewise, estimates of construction costs. Also, upon completion of further planning, revenue and expense assumptions should be updated to reflect changes to the assumptions made herein. These changes could significantly affect the analysis of future operating results.
5. The market, financial and economic projections related to the Convention Center presented herein assume improvements to the surrounding district, consistent with current iterations of the Riverfront Legacy Master Plan.
6. The analysis and projection of tax revenues generated by the Convention only considers directly-attributable taxes relevant to the City of Wichita and Sedgwick County. For purposes of this analysis, the taxes considered are the 0.58% City Sales Tax, the 6.0% City Transient Guest Tax, the 2.75% City Tourism Fee, and the 0.29% County Sales Tax. Positive impacts may also be realized with respect to the collection of other taxes and governmental fees (i.e., property taxes, income taxes, licenses, permitting, etc.); however, they tend to have a less direct correlation with the construction and operation of a convention center. As such, for conservative purposes, these other types of taxes were not considered in this analysis.
7. For purposes of this analysis, total hard and soft construction costs have been assumed at \$260.0 million. This figure does not include any costs related to site acquisition, nor does it consider the highly-volatile steel, lumber and materials costs presently impacting the construction industry nationwide as the country exits the unprecedented pandemic. It is assumed that current construction cost volatility will largely be normalized to pre-pandemic levels by the time that construction services would be contracted/purchased for any new Convention Center project in Wichita. Many variables exist that influence actual realized construction costs, including type of facility (facilities), size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, and other such aspects. Detailed architectural concept, design and costing study would be required to specifically estimate construction costs for the project.
8. It is assumed that the new Convention Center will be aggressively marketed by contracted management, providing competitive rental rates and focusing on attracting hotel room night-generating business such as conventions, conferences and tradeshow. It is assumed that there are no significant or material changes in the supply or quality of existing competitive venues in the local and regional marketplace, nor are there any significant or material changes to local and national event industry trends.
9. The projections developed herein relate to opening and annual operations in a post-COVID-19 environment (first full year of operations is assumed to be 2026). Should the recovery from the pandemic be slower than broadly expected, disruption by new virus variants, or economic conditions and commerce have not substantially recovered by 2026, the performance projections outlined herein will need to be revised.
10. Stabilization of operations is assumed to occur by the fourth full year of operations (2029). At which time, annual event levels, attendance and operating performance are projected at consistent year-over-year levels. All figures are presented in terms of constant 2021 dollars over the entirety of the projection period.
11. For certain exhibits herein, comparison to a CII Base Case scenario are displayed. The Base Case only focuses on CII convention space activity (i.e., not including performing arts) and assumes no major capital improvements are made to CII within the projection time period. For comparison purposes, CII Base Case figures represent the assumed stabilized year for a new Convention Center (2029) and includes some adjustments to reflect expected year-over-year deterioration of event capture and operating efficiency.

Event & Utilization Levels

A detailed utilization and economic model was developed. Based on the market and program assumptions discussed herein, the exhibit below presents a summary of the estimated annual event levels, event days, and utilization days (move-in + event + move-out days) by event type for a new Convention Center in downtown Wichita. A comparison with the existing CII under a Base Case scenario is also shown. Event days tend to be the one of the key metrics for economic impact analyses, as this measurement reflects the number of days that event attendees are drawn to the Convention Center (and number of days that non-local event attendees are in Wichita as a part of their visit).

As shown, upon stabilization of operations (fourth full year, or 2029), a new Wichita Convention Center is estimated to attract 351 events annually, consisting of 489 event days and 667 utilization days, respectively. Incrementally, relative to the existing CII, it is estimated that a new Convention Center could significantly improve the attraction of national convention, conference and tradeshow business.



UTILIZATION ESTIMATES	Opening	Year 2	Year 3	Stabilized	Existing CII	
	Year 1			Year 4	Base Case	Incremental
	2026	2027	2028	2029	2029	
NUMBER OF EVENTS						
Conventions - National	14	16	18	20	3	17
Conventions - State/Regional	24	25	26	27	18	9
Public/Consumer Shows	21	22	23	24	34	(10)
Banquets	68	72	76	80	10	70
Meetings	135	140	145	150	100	50
Other/Miscellaneous Events	35	40	45	50	52	(2)
Total	297	315	333	351	217	134
EVENT DAYS						
Conventions - National	46	53	59	66	9	57
Conventions - State/Regional	60	63	65	68	41	26
Public/Consumer Shows	53	55	58	60	85	(25)
Banquets	68	72	76	80	10	70
Meetings	135	140	145	150	100	50
Other/Miscellaneous Events	46	52	59	65	62	3
Total	407	434	461	489	308	180
UTILIZATION DAYS						
Conventions - National	74	85	95	106	15	91
Conventions - State/Regional	96	100	104	108	68	40
Public/Consumer Shows	95	99	104	108	153	(45)
Banquets	68	72	76	80	10	70
Meetings	135	140	145	150	100	50
Other/Miscellaneous Events	81	92	104	115	114	1
Total	548	588	627	667	461	206

7

COST / BENEFIT ANALYSIS

Attendance & Hotel Room Nights

The exhibit below presents a summary of the estimated attendee days by event type for a new Convention Center in Wichita for the initial years of operation, during a stabilized year (assumed fourth full year), and a cumulative total over the 20-year projection period. A comparison with the existing CII under a Base Case scenario is also shown.

A breakdown of assumed “non-local” attendee days (i.e., Convention Center attendees that do not reside in Sedgwick County) and hotel room nights generated have also been projected. These figures can be important to demonstrate the “net new” visitors and economic impact of any convention facility project—particularly important when public sector funding is accessed for development and/or ongoing operations.

Most of the attendees are assumed to be “local” (i.e., reside in the Sedgwick County area). While some of the “non-local” attendee base would represent “daytrip” attendees (i.e., drive in and out of Wichita the same day), much of the “non-local” attendee base will require overnight lodging, generating new hotel room nights in Wichita.

As shown, upon stabilization, a new Convention Center in downtown Wichita is estimated to attract approximately 362,350 attendee days per annum, while annually generating 88,696 new hotel room nights in Sedgwick County. Incrementally, a new Convention Center would be estimated to generate 163,760 additional attendee days, 91,983 of which would be estimated to represent non-local attendee days.



ATTENDANCE ESTIMATES	Opening				Stabilized	
	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Existing CII Base Case 2029	Incremental
ATTENDEE DAYS						
Conventions - National	50,820	58,080	65,340	72,600	5,580	67,020
Conventions - State/Regional	30,000	31,250	32,500	33,750	16,560	17,190
Public/Consumer Shows	91,875	96,250	100,625	105,000	106,250	(1,250)
Banquets	47,600	50,400	53,200	56,000	3,400	52,600
Meetings	27,000	28,000	29,000	30,000	20,000	10,000
Other/Miscellaneous Events	45,500	52,000	58,500	65,000	46,800	18,200
Total	292,795	315,980	339,165	362,350	198,590	163,760
ATTENDEE DAYS (NON-LOCAL)						
Conventions - National	48,279	55,176	62,073	68,970	5,301	63,669
Conventions - State/Regional	27,000	28,125	29,250	30,375	14,904	15,471
Public/Consumer Shows	13,781	14,438	15,094	15,750	15,938	(188)
Banquets	7,140	7,560	7,980	8,400	510	7,890
Meetings	4,050	4,200	4,350	4,500	3,000	1,500
Other/Miscellaneous Events	9,100	10,400	11,700	13,000	9,360	3,640
Total	109,350	119,899	130,447	140,995	49,013	91,983
HOTEL ROOM NIGHTS						
Conventions - National	39,501	45,144	50,787	56,430	4,337	52,093
Conventions - State/Regional	20,250	21,094	21,938	22,781	11,178	11,603
Public/Consumer Shows	1,034	1,083	1,132	1,181	1,195	(14)
Banquets	3,021	3,198	3,376	3,554	216	3,338
Meetings	2,025	2,100	2,175	2,250	1,500	750
Other/Miscellaneous Events	1,750	2,000	2,250	2,500	1,800	700
Total	67,580	74,619	81,658	88,696	20,226	68,470

Square Footage Occupancy

Additionally, occupancy levels of the exhibit hall and ballroom in a new Convention Center in Wichita have been estimated. Occupancy levels (measured by dividing the total amount of sold subject room space by the total amount of available subject room space multiplied by the number of days in the year) can indicate the degree to which facility usage is nearing maximum capacity. The occupancy of exhibit and ballroom space is determined to be within a target occupancy range when the actual occupied space is nearing 70 percent of net total sellable capacity. Levels significantly above 70 percent occupancy indicate that the subject space has exceeded practical maximum capacity and business may be being turned away. These assumptions account for the reality that a portion of the subject space's total capacity is un-sellable due to holidays, maintenance days and inherent booking inefficiencies that result when events cannot be scheduled immediately back-to-back. This is particularly relevant for exhibit space.

As shown in the exhibit below, total square footage occupancy estimated for the exhibit hall and ballroom in a new Wichita Convention Center is estimated to approximate 71 percent and 74 percent, respectively, upon stabilization of operations.



OCCUPANCY ESTIMATES	EXHIBIT SPACE				BALLROOM SPACE			
	Opening			Stabilized	Opening			Stabilized
	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029
SQUARE FOOTAGE AVAILABLE								
Subject Space Square Footage	130,000	130,000	130,000	130,000	30,000	30,000	30,000	30,000
Days	365	365	365	365	365	365	365	365
Effective Practical Capacity	70%	70%	70%	70%	70%	70%	70%	70%
Total Effective Available SF	33,215,000	33,215,000	33,215,000	33,215,000	7,665,000	7,665,000	7,665,000	7,665,000
SQUARE FOOTAGE USED								
Conventions - National	7,420,000	8,480,000	9,540,000	10,600,000	1,855,000	2,120,000	2,385,000	2,650,000
Conventions - State/Regional	2,400,000	2,500,000	2,600,000	2,700,000	1,440,000	1,500,000	1,560,000	1,620,000
Public/Consumer Shows	8,032,500	8,415,000	8,797,500	9,180,000	189,000	198,000	207,000	216,000
Banquets	0	0	0	0	544,000	576,000	608,000	640,000
Meetings	0	0	0	0	202,500	210,000	217,500	225,000
Other/Miscellaneous Events	805,000	920,000	1,035,000	1,150,000	241,500	276,000	310,500	345,000
Total	18,657,500	20,315,000	21,972,500	23,630,000	4,472,000	4,880,000	5,288,000	5,696,000
OCCUPANCY PERCENTAGES								
Conventions - National	22.3%	25.5%	28.7%	31.9%	24.2%	27.7%	31.1%	34.6%
Conventions - State/Regional	7.2%	7.5%	7.8%	8.1%	18.8%	19.6%	20.4%	21.1%
Public/Consumer Shows	24.2%	25.3%	26.5%	27.6%	2.5%	2.6%	2.7%	2.8%
Banquets	0.0%	0.0%	0.0%	0.0%	7.1%	7.5%	7.9%	8.3%
Meetings	0.0%	0.0%	0.0%	0.0%	2.6%	2.7%	2.8%	2.9%
Other/Miscellaneous Events	2.4%	2.8%	3.1%	3.5%	3.2%	3.6%	4.1%	4.5%
Total	56.2%	61.2%	66.2%	71.1%	58.3%	63.7%	69.0%	74.3%

Financial Operating Projections

An analysis of estimated operating revenues and expenses associated with a new Convention Center in downtown Wichita was conducted. A comparison with the existing CII under a Base Case scenario is also shown. This presentation is designed to assist project representatives in estimating the financial attributes of a new Convention Center and cannot be considered to be a presentation of expected future results. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.

This financial operating analysis only considers revenues and expenses generated through the operation of the Convention Center itself. Additionally, the analysis does not consider potential ancillary income that may be related to the project (such as incremental tax revenue, parking income, admissions surcharges, naming rights income, interest income, etc.), nor does it consider other non-operating costs, such as construction debt service and capital repair/replacement funding. As with all new convention facilities, an initial startup period is assumed before event levels are anticipated to stabilize. Financial operating estimates are shown in terms of constant 2021 dollars. As mentioned earlier in this chapter, it is assumed that the new Convention Center will be owned by the City of Wichita and managed privately by a qualified third-party management firm.

As shown in the exhibit, upon stabilization of operations (in 2021 dollars), a new Convention Center in downtown Wichita is projected to generate approximately \$3.8 million in annual net operating revenue, while incurring approximately \$4.4 million in net operating expenses. The projected annual operating loss of approximately \$600,000 (upon stabilization) is consistent with industry averages for other comparable convention centers located throughout the country. Based on estimates of future CII operations (assuming no significant capital improvements are undertaken), the financial performance of a new Convention Center would be estimated to represent an improvement of nearly \$1.7 million per year (resulting in a significant drop in the assumed operating subsidy provided by the City).

FINANCIAL OPERATIONS	Opening			Stabilized	Existing CII	
	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Base Case 2029	Incremental
OPERATING REVENUES						
Event Revenue						
Rental Income	\$2,377,975	\$2,586,890	\$2,795,805	\$3,004,720	\$991,000	\$2,013,720
Service Income (Loss)	(\$566,750)	(\$610,750)	(\$654,750)	(\$698,750)	(\$322,000)	(\$376,750)
Subtotal - Net Rental Income	\$1,811,225	\$1,976,140	\$2,141,055	\$2,305,970	\$669,000	\$1,636,970
Other Revenue:						
Food & Beverage (net)	\$983,089	\$1,066,622	\$1,150,155	\$1,233,688	\$347,000	\$886,688
Advertising/Sponsorship (net)	\$136,000	\$144,000	\$152,000	\$160,000	\$76,000	\$84,000
Naming/Service Rights (net)	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$30,000	\$40,000	\$50,000	\$60,000	\$48,000	\$12,000
Subtotal - Other Revenue	\$1,149,089	\$1,250,622	\$1,352,155	\$1,453,688	\$471,000	\$982,688
Total Operating Revenues	\$2,960,314	\$3,226,762	\$3,493,210	\$3,759,658	\$1,140,000	\$2,619,658
OPERATING EXPENSES						
Personnel	\$1,931,400	\$1,983,600	\$2,035,800	\$2,088,000	\$1,792,000	\$296,000
Utilities	\$751,800	\$781,200	\$810,600	\$840,000	\$905,000	(\$65,000)
Operations	\$748,750	\$779,500	\$810,250	\$841,000	\$429,000	\$412,000
General & Administrative	\$392,850	\$396,900	\$400,950	\$405,000	\$165,000	\$240,000
Insurance	\$220,000	\$220,000	\$220,000	\$220,000	\$180,000	\$40,000
Total Operating Expenses	\$4,044,800	\$4,161,200	\$4,277,600	\$4,394,000	\$3,471,000	\$923,000
OPERATING INCOME (LOSS)	(\$1,084,486)	(\$934,438)	(\$784,390)	(\$634,343)	(\$2,331,000)	\$1,696,658

Economic Impact Concepts & Methods

The investment in a new Convention Center project will be expected to provide substantial quantifiable benefits. These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop the facility project and site. Quantifiable measurements of the effects that facility project could have on the local economy are characterized in terms of economic impacts and fiscal impacts. Direct spending represents the primary spending that would occur as a result of the construction and operations of the Convention Center. Direct spending occurs in three ways:



A primary intent of this analysis is to estimate the direct spending that could occur directly at the Convention Center itself, in order to approximate the potential associated tax revenues generated from such spending. The vast majority of Construction and In-Facility Spending will be estimated to occur within the Sedgwick County area. Additionally, net new impacts will be generated throughout the Sedgwick County area, primarily relating to Out-of-Facility Spending (i.e., spending occurring off the Convention Center site by visitors to the Sedgwick County area on items such as hotels, restaurants, retail, transportation, etc.).

From a broad perspective, gross direct spending would flow to various economic entities, including the City of Wichita, Sedgwick County and local restaurants, hotel operators, retail businesses and other such entities. However, some of the spending that occurs in connection with the ongoing operations of the Convention Center project would not fully impact the local area. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the Convention Center project and site improvements that are considered net new to Wichita and Sedgwick County. These adjustments include:

LEAKAGE represents the portion of gross spending estimated to occur outside the larger geographic area considered for this analysis (Sedgwick County). Immediate leakage occurs when initial direct expenditures occur outside the area, such as an out-of-town Convention Center visitor that patronizes a hotel or restaurant located outside of Sedgwick County. Leakage also occurs when initial local spending is used immediately to pay for goods, services, etc. outside of Sedgwick County. Examples of this type of secondary leakage include food and beverage profits retained by companies based outside of Sedgwick County.

DISPLACEMENT refers to spending that would have likely occurred anyway in Sedgwick County without the presence of the Convention Center. Examples of displaced spending would include spending by Sedgwick County residents in connection with their visit to the new Convention Center site (registrations, food and beverage, retail items, etc.) that would have been spent Sedgwick County anyway on other items (e.g., movies, restaurants, shopping, etc.) if they did not visit the Convention Center site. Another example of displaced spending would include out-of-facility spending by non-local individuals visiting from outside of Sedgwick County whose primary purpose for visiting Sedgwick County was something other than visiting or participating in activities at the Convention Center itself, and who would have spent their money in some other form in Sedgwick County. The concept of displacement is oftentimes referred to as the substitution effect.

The flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy (i.e., Sedgwick County). The resulting spending after all adjustments is referred to throughout the remainder of this analysis as net new direct spending.

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail below.

INDIRECT EFFECTS consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact.

Indirect impacts occur in a number of areas including the following:

- Wholesale industry as purchases of food and merchandise products are made.
- Transportation industry as the products are shipped from purchaser to buyer.
- Manufacturing industry as products used to service the Convention Center and site, vendors and others are produced.
- Utility industry as the power to produce goods and services is consumed.
- Other such industries.

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the Convention Center and other related facilities. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the IMPLAN system. IMPLAN, which stands for Impact Analyses and Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. Input-output models are a technique for quantifying interactions between firms, industries and social institutions within a local economy. IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc., which licenses and distributes the software to users. Currently, there are thousands of licensed users in the United States including universities, government agencies, and private companies.

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 440 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs). Industry sectors are classified on the basis of the primary commodity or service produced. Corresponding data sets are also produced for each county and zip code in the United States, allowing analyses at both the city and county level and for geographic aggregations such as clusters of contiguous cities, counties, individual states, or groups of states.

Data provided for each industry sector include outputs and inputs from other sectors; value added, employment, wages and business taxes paid; imports and exports; final demand by households and government; capital investment; business inventories; marketing margins and inflation factors (deflators). These data are provided both for the 440 producing sectors at the national level and for the corresponding sectors at the local level. Data on the technological mix of inputs and levels of transactions between producing sectors are taken from detailed input-output tables of the national economy. National and local level data are the basis for IMPLAN calculations of input-output tables and multipliers for geographic areas. 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 local economic area.

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COST / BENEFIT ANALYSIS

The multiplier effects estimated in this analysis include:

- **TOTAL OUTPUT** represents the total direct, indirect, and induced spending effects generated by the new Convention Center. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **PERSONAL INCOME (EARNINGS)** represent the wages and salaries earned by employees of businesses impacted by the new Convention Center. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.
- **EMPLOYMENT** is expressed in terms of total jobs and includes both full and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

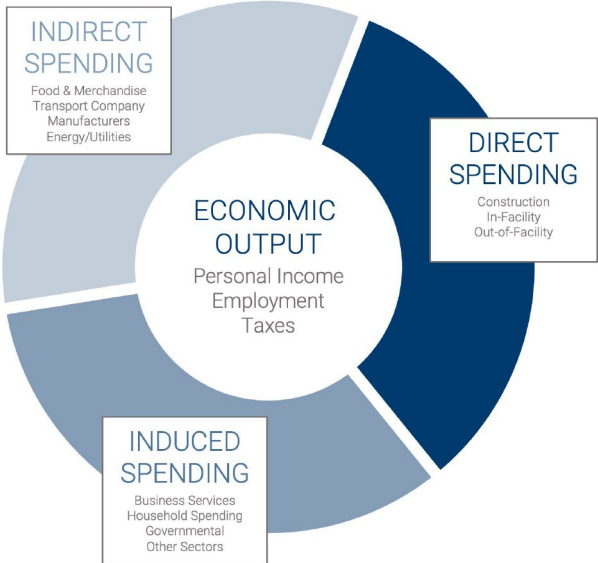
In addition to the economic impacts that could be generated by the new Convention Center, fiscal revenues could be generated to Sedgwick County and various other municipal/governmental entities from a variety of sources. In preparing estimates of fiscal impacts, revenues generated to the City of Wichita and Sedgwick County from direct, indirect and induced spending were examined. As a focus of this analysis relates to the economic and tax impact within the Sedgwick County area, the primary fiscal revenues estimated herein are sales and lodging taxes that are estimated to be generated within Sedgwick County. The net new tax impacts consider reductions for assumed displaced spending within Sedgwick County, as well as spending that is assumed to occur outside of Sedgwick County.

Although there may be other tax revenues and public sector fees/charges generated as a result of the construction and operations of the new Convention Center, net new sales and hotel-related taxes represent the most directly-attributable and relevant sources relating to this analysis.

The graphic to the right illustrates key measurements of economic and tax impacts utilized in this analysis. Commencing with the estimation of net new direct spending associated with the Convention Center project, successive rounds of re-spending generate indirect and induced effects. The sum of all this net new spending in Sedgwick County's economy represents total Economic Output. This new economic output, in turn, likewise generates added earnings (personal income), jobs (employment), and tax revenues.

In addition to the quantifiable benefits associated with a new Convention Center, there are a number of existing and potential benefits that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These include issues pertaining to quality of life, ancillary economic development facilitation, employment opportunities, community pride, complementing the greater Riverfront Legacy project, and other items.

The quantitative impact figures do not include economic impact that could be generated by other greater project elements associated with the Riverfront Legacy project and other ancillary private sector development/investment that may occur as result of the Convention Center development (i.e., hotels, restaurants, etc.). Some of the impacts associated with the new Convention Center would be quantitatively captured by these other developments and improvements, but substantial additional economic impact could be generated by any new public or private investment that occurs at, or near, the site. The net effect of a calculation of quantified economic impact could hypothetically be several times greater in magnitude (depending on the level of investment and development outcomes that are ultimately realized at, or near, the site).



7

COST / BENEFIT ANALYSIS

As previously indicated, the economic impacts associated with a new Convention Center in downtown Wichita have been analyzed and projected. Results are shown and discussed within the following four groupings:

- A) Construction Impacts
- B) In-Facility Impacts
- C) Out-of-Facility Impacts
- D) Qualitative Impacts / Other Benefits

(A) Construction Impacts (one-time)

The impact of the construction phase is determined by the volume and nature of the construction expenditures as well as the geographic region in which they take place. The exhibit below summarizes the estimated net new economic and fiscal impacts that could be generated in Wichita and Sedgwick County associated with the construction of a new Convention Center in downtown Wichita. These impacts represent one-time impacts from construction.

For purposes of this analysis, hard and soft construction costs associated with the Convention Center are assumed to approximate \$260.0 million. Construction costs related to other Riverfront Legacy Master Plan elements were not considered in this analysis.

As shown, the estimated economic output (direct spending plus indirect and induced spending) in Sedgwick County associated with the Convention Center construction period is estimated at \$219.3 million (in 2021 dollars). This impact figure is lower than the assumed total construction cost expenditures amount due to the assumed leakage of a subset of materials and labor spending outside of Sedgwick County.



A) CONSTRUCTION IMPACTS	Construction Period		Construction Period Cumulative
	CP 1 2024	CP 2 2025	
TOTAL CONSTRUCTION IMPACTS			
Direct Spending	\$65,000,000	\$65,000,000	\$130,000,000
Indirect/Induced Spending	\$44,630,180	\$44,630,180	\$89,260,359
Economic Output	\$109,630,180	\$109,630,180	\$219,260,359
Personal Income	\$36,918,213	\$36,918,213	\$73,836,427
Employment (full & part-time jobs)	779	779	779
City Sales Tax	\$454,657	\$454,657	\$909,313
City Transient Guest	\$0	\$0	\$0
City Tourism Fee	\$368,199	\$368,199	\$736,398
County Sales Tax	\$0	\$0	\$0
Total Taxes	\$822,855	\$822,855	\$1,645,711

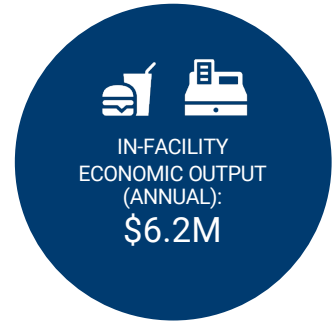
(B) In-Facility Impacts (ongoing)

Direct spending is generated through the operations of the Convention Center (represented through operating revenues) driven by events, attendees and renting organizations. This spending occurs with respect to both event and non-event items, such as space rental, admissions, food and beverage, retail sales, sponsorship and advertising, and other such in-facility purchases.

As previously mentioned, economic impacts associated with non-Convention Center elements of recent iterations of downtown/riverfront master plans have not been included in these figures.

Estimated in-facility direct spending associated with the operation of a new Convention Center is summarized below. A comparison with the existing CII under a Base Case scenario is also shown.

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Estimated "net new" in-facility economic impacts associated with the operation of a new Convention Center in downtown Wichita is summarized below.

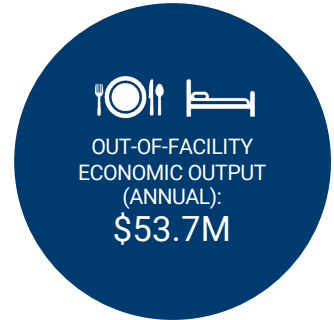


B) IN-FACILITY IMPACTS	Opening			Stabilized	Existing CII	
	Year 1	Year 2	Year 3	Year 4	Base Case	Incremental
	2026	2027	2028	2029	2029	
IN-FACILITY DIRECT SPENDING (GROSS)						
Rent	\$1,811,225	\$1,976,140	\$2,141,055	\$2,305,970	\$991,000	\$1,314,970
Food & Beverage (gross)	\$3,932,356	\$4,266,488	\$4,600,619	\$4,934,750	\$1,388,000	\$3,546,750
Other Operated	\$166,000	\$184,000	\$202,000	\$220,000	\$124,000	\$96,000
Total	\$5,909,581	\$6,426,628	\$6,943,674	\$7,460,720	\$2,503,000	\$4,957,720
IN-FACILITY DIRECT SPENDING (NET NEW)						
Rooms	\$905,613	\$988,070	\$1,070,528	\$1,152,985	\$495,500	\$657,485
Food & Beverage	\$1,966,178	\$2,133,244	\$2,300,309	\$2,467,375	\$694,000	\$1,773,375
Miscellaneous Income	\$83,000	\$92,000	\$101,000	\$110,000	\$62,000	\$48,000
Total	\$2,954,791	\$3,213,314	\$3,471,837	\$3,730,360	\$1,251,500	\$2,478,860
DIRECT SPENDING BY INDUSTRY						
Hotel	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant	\$1,966,178	\$2,133,244	\$2,300,309	\$2,467,375	\$694,000	\$1,773,375
Entertainment	\$0	\$0	\$0	\$0	\$0	\$0
Retail	\$905,613	\$988,070	\$1,070,528	\$1,152,985	\$495,500	\$657,485
Auto Rental	\$0	\$0	\$0	\$0	\$0	\$0
Other Local Transit	\$0	\$0	\$0	\$0	\$0	\$0
Other Industries	\$83,000	\$92,000	\$101,000	\$110,000	\$62,000	\$48,000
Construction - Non Residential	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Spending	\$2,954,791	\$3,213,314	\$3,471,837	\$3,730,360	\$1,251,500	\$2,478,860
TOTAL IN-FACILITY IMPACTS						
Direct Spending	\$2,954,791	\$3,213,314	\$3,471,837	\$3,730,360	\$1,251,500	\$2,478,860
Indirect/Induced Spending	\$1,937,172	\$2,106,730	\$2,276,288	\$2,445,846	\$821,008	\$1,624,838
Economic Output	\$4,891,963	\$5,320,044	\$5,748,125	\$6,176,206	\$2,072,508	\$4,103,698
Personal Income	\$1,782,057	\$1,937,863	\$2,093,669	\$2,249,475	\$749,342	\$1,500,133
Employment (full & part-time jobs)	75	81	88	94	31	64
City Sales Tax	\$20,508	\$22,303	\$24,097	\$25,892	\$8,687	\$17,205
City Transient Guest	\$0	\$0	\$0	\$0	\$0	\$0
City Tourism Fee	\$0	\$0	\$0	\$0	\$0	\$0
County Sales Tax	\$10,254	\$11,151	\$12,049	\$12,946	\$4,344	\$8,602
Total Taxes	\$30,763	\$33,454	\$36,146	\$38,838	\$13,031	\$25,807

(C) Out-of-Facility Impacts (ongoing)

Outside the Convention Center itself, additional direct spending is generated in the local area by attendees, exhibitors, participants, and event staff on lodging, food and beverage, retail, entertainment, transportation, etc. in connection with their visit to the area. Estimated out-of-facility direct spending associated with the operation of a new Convention Center in downtown Wichita is summarized below. Estimated out-of-facility direct spending (by industry) associated with the operation of a new Convention Center is summarized below. A comparison with the existing CII under a Base Case scenario is also shown.

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Estimated out-of-facility economic impacts associated with the operation of a new Convention Center in downtown Wichita are summarized below.



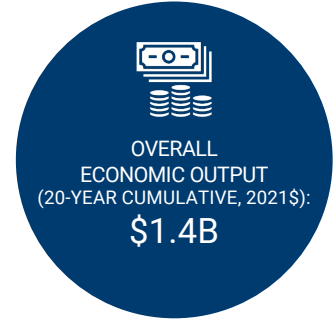
C) OUT-OF-FACILITY IMPACTS	Opening				Existing CII	
	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Base Case 2029	Incremental
DIRECT SPENDING BY EVENT TYPE						
Conventions - National	\$14,387,142	\$16,442,448	\$18,497,754	\$20,553,060	\$1,579,698	\$18,973,362
Conventions - State/Regional	\$6,952,500	\$7,242,188	\$7,531,875	\$7,821,563	\$3,837,780	\$3,983,783
Public/Consumer Shows	\$930,234	\$974,531	\$1,018,828	\$1,063,125	\$1,075,781	(\$12,656)
Banquets	\$904,995	\$958,230	\$1,011,465	\$1,064,700	\$64,643	\$1,000,058
Meetings	\$539,663	\$559,650	\$579,638	\$599,625	\$399,750	\$199,875
Other/Miscellaneous Events	\$716,625	\$819,000	\$921,375	\$1,023,750	\$737,100	\$286,650
Total	\$24,431,159	\$26,996,047	\$29,560,935	\$32,125,823	\$7,694,752	\$24,431,071
DIRECT SPENDING BY INDUSTRY						
Hotel	\$9,759,820	\$10,803,876	\$11,847,932	\$12,891,988	\$2,704,165	\$10,187,823
Restaurant	\$7,602,478	\$8,390,464	\$9,178,449	\$9,966,434	\$2,587,730	\$7,378,704
Entertainment	\$1,067,236	\$1,177,513	\$1,287,790	\$1,398,067	\$369,747	\$1,028,320
Retail	\$3,114,880	\$3,433,504	\$3,752,128	\$4,070,752	\$1,140,718	\$2,930,034
Auto Rental	\$1,774,513	\$1,964,341	\$2,154,169	\$2,343,998	\$491,666	\$1,852,331
Other Local Transit	\$221,814	\$245,543	\$269,271	\$293,000	\$61,458	\$231,541
Other Industries	\$890,417	\$980,806	\$1,071,195	\$1,161,584	\$339,267	\$822,317
Construction - Non Residential	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Spending	\$24,431,159	\$26,996,047	\$29,560,935	\$32,125,823	\$7,694,752	\$24,431,071
TOTAL OUT-OF-FACILITY IMPACTS						
Net New Hotel Room Nights	67,580	74,619	81,658	88,696	20,226	68,470
Total Attendee Days	292,795	315,980	339,165	362,350	198,590	163,760
Net New Non Local Visitor Days	109,350	119,899	130,447	140,995	49,013	91,983
Direct Spending	\$24,431,159	\$26,996,047	\$29,560,935	\$32,125,823	\$7,694,752	\$24,431,071
Indirect/Induced Spending	\$16,396,364	\$18,119,014	\$19,841,665	\$21,564,315	\$5,139,594	\$16,424,722
Economic Output	\$40,827,523	\$45,115,061	\$49,402,599	\$53,690,138	\$12,834,345	\$40,855,792
Personal Income	\$13,469,468	\$14,882,223	\$16,294,978	\$17,707,733	\$4,267,568	\$13,440,164
Employment (full & part-time jobs)	551	608	666	724	175	549
City Sales Tax	\$170,230	\$188,104	\$205,978	\$223,852	\$53,572	\$170,279
City Transient Guest	\$585,589	\$648,233	\$710,876	\$773,519	\$162,250	\$611,269
City Tourism Fee	\$268,395	\$297,107	\$325,818	\$354,530	\$74,365	\$280,165
County Sales Tax	\$85,115	\$94,052	\$102,989	\$111,926	\$26,786	\$85,140
Total Taxes	\$1,109,330	\$1,227,495	\$1,345,661	\$1,463,826	\$316,973	\$1,146,853

7 COST / BENEFIT ANALYSIS

(A+B+C) Summary of Quantifiable Impacts

A summary of all estimated economic impacts (grouped by impact type) associated with a new Convention Center in downtown Wichita is presented below. A comparison with the existing CII under a Base Case scenario is also shown. The total economic output associated with the construction and the first 20 years of operation of a new Wichita Convention Center is estimated at approximately \$1.4 billion in 2021 dollars.

Upon stabilization, the total economic output associated with the annual operations of a new Convention Center in Wichita is estimated at approximately \$59.9 million per annum. Additionally, a new Convention Center is projected to accommodate approximately 362,400 annual attendee days and generate approximately 88,700 annual hotel room nights in Sedgwick County. Further, it is estimated that approximately \$1.5 million in cumulative City and County tax revenues (in 2021 dollars) will be annually generated as a result of operations of a new downtown Wichita Convention Center.



TOTAL ECONOMIC IMPACTS	Opening				Existing CII	
	Year 1 2026	Year 2 2027	Year 3 2028	Stabilized Year 4 2029	Base Case 2029	Incremental
Net New Hotel Room Nights	67,580	74,619	81,658	88,696	20,226	68,470
Total Attendee Days	292,795	315,980	339,165	362,350	198,590	163,760
Net New Non Local Visitor Days	109,350	119,899	130,447	140,995	49,013	91,983
Direct Spending	\$27,385,950	\$30,209,361	\$33,032,772	\$35,856,183	\$8,946,252	\$26,909,931
Indirect/Induced Spending	\$18,333,536	\$20,225,744	\$22,117,953	\$24,010,161	\$5,960,602	\$18,049,559
Economic Output	\$45,719,486	\$50,435,105	\$55,150,724	\$59,866,343	\$14,906,853	\$44,959,490
Personal Income	\$15,251,526	\$16,820,086	\$18,388,647	\$19,957,208	\$5,016,910	\$14,940,297
Employment (full & part-time jobs)	625	690	754	818	206	612
City Sales Tax	\$190,739	\$210,407	\$230,075	\$249,744	\$62,260	\$187,484
City Transient Guest	\$585,589	\$648,233	\$710,876	\$773,519	\$162,250	\$611,269
City Tourism Fee	\$268,395	\$297,107	\$325,818	\$354,530	\$74,365	\$280,165
County Sales Tax	\$95,369	\$105,204	\$115,038	\$124,872	\$31,130	\$93,742
Total Taxes	\$1,140,093	\$1,260,950	\$1,381,807	\$1,502,664	\$330,004	\$1,172,660

7 COST / BENEFIT ANALYSIS

(D) Qualitative Impacts / Other Benefits

In addition to the quantifiable benefits discussed in this chapter, some benefits related to the construction and operation of a new Convention Center in downtown Wichita cannot be quantitatively measured. Beyond the economic activity and jobs indirectly provided, these types of non-quantifiable impacts of a project of this nature and scope can serve to elevate Wichita's profile and brand as a visitor destination and as a quality place to live, work, learn and play.

In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature, particularly those involving a major investment in community assets and infrastructure. These include issues pertaining to quality of life, ancillary economic development facilitation, employment opportunities, community pride and other such issues. Potential non-quantifiable benefits could include:



Potential Transformative and Iconic Effects – High profile, event facility projects, like a new Convention Center, can have extensive, long-lasting transformative impacts on the Wichita community and destination, in terms of quality of life, community prestige, perception by visitors and non-locals, and other such effects.



Quality of Life for Residents – New/enhanced convention centers and other similar event facility projects provide diversified activities for local residents and families, which can make Wichita a more attractive and enjoyable place to reside. Quality public assembly facilities can contribute to enhancing community pride, self-image, exposure and reputation. All these items can assist in retaining and attracting an educated workforce, particularly younger adults who often desire quality meeting, entertainment, cultural, leisure and recreational amenities.



New Visitation – New visitors will be attracted to the area because of an event at the new Convention Center. These attendees, in turn, may elect to return to the area later with their families, etc. for a leisure visit after visiting the area for the first time.



Spin-Off Development – New retail/business tend to invariably sprout up near major new convention center developments, spurred by the operations and activities associated with the convention facility, representing additions to the local tax base.



Anchor for Revitalization – Major convention center development can oftentimes serve as an anchor for larger master plans and revitalization efforts. Convention centers can annually attract hundreds of thousands of attendees. This added visitation to a downtown can be critical to the health & vitality of existing nearby businesses, as well as providing the incentive for future investment by the private sector in business improvements.



Other Benefits – Increased synergy with the other local event, hospitality and entertainment facilities can lead to increased tourism activity to Wichita and Sedgwick County. Likewise, convention facility and hospitality infrastructure investment will enhance the options for area residents and businesses to select as a host venues for events.

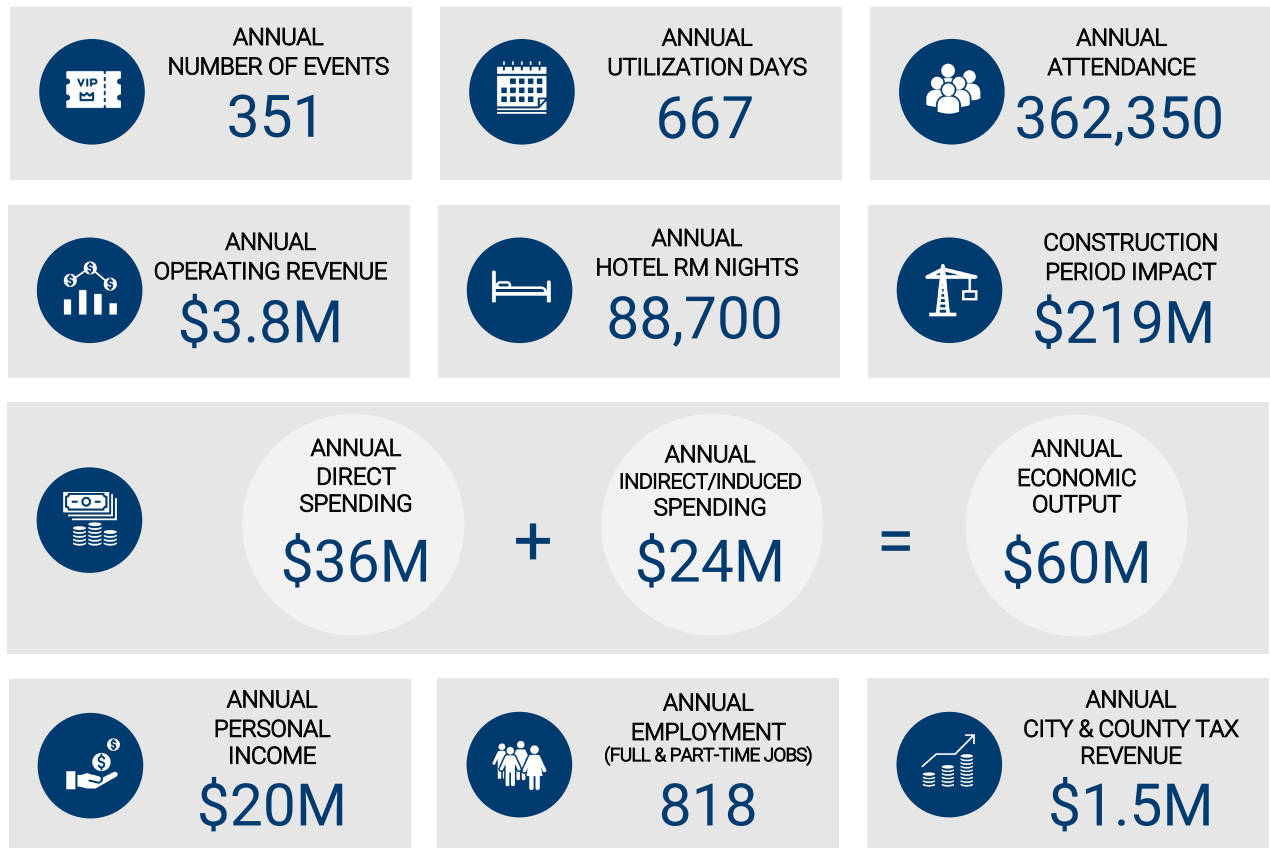
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COST / BENEFIT ANALYSIS

Summary & Key Projections

Based on analysis results, a summary of key cost/benefit projections for a new Convention Center in downtown Wichita associated with its construction and annual operations is presented below (upon stabilization of operations, in 2021 dollars).

**SUMMARY OF KEY PERFORMANCE PROJECTIONS ASSOCIATED WITH
A NEW CONVENTION CENTER IN DOWNTOWN WICHITA, KANSAS**
(Annual Operating Impacts Upon Stabilization Plus One-Time Construction Period Impact, 2021 dollars)



As discussed on the previous page, in addition to the quantifiable projections of utilization, financial operations and economic impacts (shown above), there are a number of potential benefits associated with a new Convention Center in downtown Wichita that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These qualitative impacts/benefits may include:

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