

# ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN

PREPARED BY:

THE CITY OF NORMAN, OKLAHOMA



## **I. DESCRIPTION OF PROJECT**

The Rock Creek Entertainment District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.* (“Act”), and is referred to here as the “Project Plan.” The Project is being undertaken by the City of Norman, Oklahoma (“City”) to develop an area of town that has remained largely undeveloped. By developing the property with uses including office, retail, hotel, and residential, anchored by a multi-purpose arena and public plaza (“Project”), the City’s hope is to incentivize private investment in this area of the City, which abuts Interstate 35. The development will help achieve some of the City’s development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. The Project includes the development of a multi-purpose arena to be used by the University Oklahoma basketball and gymnastics teams and as the venue for high school and other sports activities as well as concerts and other performances. The development also includes commercial and retail uses with restaurants and bars and a public festival plaza street, a public parking garage, as well as over 1000 residential units.

In 2006, the City approved a project plan and created an increment district for an area that includes the property where the Project is contemplated, as well as property immediately to the south (respectively, “Original UNP Project Plan” and “Original UNP Project” or “TIF No. 2”). The Original UNP Project resulted in a large retail development, one that generates more visits than any other retail center in central Oklahoma and \$13,400,000 in estimated annual sales tax revenue. Certain components of the Original UNP Project were left unrealized. In 2018, the City explored an amendment to the Original UNP Project to provide public financial assistance towards an arena and entertainment district. That amendment did not move forward; the proposal was tabled. At that time, the City, by approval of Ordinance O-1920-24, also terminated the apportionment of new incremental tax revenues for TIF No. 2, which was created in the adoption of the Original UNP Project Plan and amended the authorized projects for which incremental tax revenues could be used.<sup>1</sup>

The opportunity for an arena and entertainment district has presented itself again, along with significant residential development. The City is positioned to pursue its development objectives, capitalize on the retail development immediately adjacent, and complete the development of the area through the approval and implementation of the Project.

This Project Plan is a critical element in fostering public-private partnerships to make the Project happen and can be achieved by means of the financing tools available under the Act, including the establishment of an increment district. An increment district provides funding for public sector costs to stimulate the development and provide public improvements to the area. The Project will be financed from a combination of public and private sources.

## **II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICTS**

The Project Area is the area in which Project activities will take place and Project expenditures may be made and can be generally described as the area between Interstate 35 on the west, the western edge of the Westheimer Airport on the east, Tecumseh Road on the north, and just south of Rock Creek Road on the south.

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<sup>1</sup> As of the date of this Project Plan, there remain unexpended incremental tax revenues from TIF No. 2 that may still be used for eligible project costs described in the Original UNP Project Plan.

The increment districts are the area in which incremental tax revenues will be collected. Increment District No. 4 is a sales tax increment district and will become effective on May 1, 2025. Increment District No. 5 is an ad valorem increment district and will become effective on December 31, 2026. The boundaries of Increment District No. 4 and Increment District No. 5 are coextensive with the boundaries of the Project Area.

The legal description of the Project Area, Increment District No. 4, and Increment District No. 5 is provided in Exhibit A and boundaries are depicted on Exhibit A-1.

### **III. ELIGIBILITY OF PROJECT AREA**

In order to establish a tax increment district, Section 856(B)(4)(a) of the Act requires the City to find that the proposed Project Area or Increment Districts meets one of the following criteria:

- (1) Is a reinvestment area,
- (2) Is a historic preservation area,
- (3) Is an enterprise area, or
- (4) Is a combination of the areas specified in divisions (1), (2) and (3) of this subparagraph.

All of Increment District No. 4, Increment District No. 5, and the Project Area lie within a state-designated enterprise zone, and therefore qualifies as an enterprise area. A map showing the enterprise zone boundaries is attached as Exhibit B.

### **IV. OBJECTIVES**

The principal objectives of the Project are:

- A. To retain or expand employment, to attract major investment in the area, and reverse economic stagnation.
- B. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the Project and the apportionment of incremental tax revenues.
- C. To stimulate private commitments to invest and reinvest in the area.

### **V. STATEMENT OF PRINCIPAL ACTIONS**

Implementation actions for the Project, including all necessary, appropriate, and supportive steps, will consist principally of providing financial assistance toward the following:

- A. Project planning, design, and approval.
- B. Construction of public improvements, streets, streetscapes, utilities and other public infrastructure and facilities serving the Project Area, including appropriate landscape improvements, a public festival plaza, lighting, signage, and sidewalks serving the area.
- C. Support of the Project, which redevelops and activates vacant property.

## **VI. ESTABLISHMENT OF INCREMENT DISTRICTS**

A. This Project Plan establishes Increment District No. 4, a sales tax increment district, which will become effective on May 1, 2025. The increment of the City's sales and use taxes generated by Increment District No. 4 is a portion of the City's non-dedicated and capital improvements sales tax attributable to investment and development within Increment District No. 4. The sales tax increment shall be 3% of the gross proceeds or gross receipts derived from all sales in Increment District No. 4 that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof), to be collected only from the non-dedicated (General Fund) and Capital Improvements portions of the City's sales taxes. The sales tax increment shall also include 3% of the gross proceeds or gross receipts generated by investment, construction, and development that is taxable under the sales tax code of Oklahoma, that takes place in Increment District No. 4 pursuant to a development agreement under which development financing assistance is provided from sales tax ("Economic Development Agreement") and which obligates the developer to provide periodic reporting of sales and use taxes paid in connection with construction projects within Increment District No. 4 (increment sales tax from taxable sales and from construction activity, collectively, "Sales Tax Increment"). The Sales Tax Increment may be used to pay Project Costs authorized pursuant to Section IX of this Project Plan, for a period not to exceed 25 fiscal years from the effective date of Increment District No. 4, or the period required for payment of the Project Costs authorized pursuant to Section IX of this Plan, whichever is less. The Sales Tax Increment may be supplemented by state local government matching payments pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.* ("Leverage Act").

B. This Project Plan establishes Increment District No. 5, an ad valorem increment district. Increment District No. 5 will become effective on December 31, 2026.

C. The increment of ad valorem taxes from Increment District No. 5 in excess of the base assessed values of Increment District No. 5 ("Ad Valorem Increment") shall be apportioned to pay Project Costs authorized pursuant to Section IX of this Project Plan for a period not to exceed 25 fiscal years from the effective date of Increment District No. 5, or the period required for the payment of the Project Costs authorized pursuant to Section IX of this Project Plan, whichever is less.

D. During the period of apportionment, the apportionment fund (1) shall be available to pay Project Costs under Section IX, (2) shall constitute special funds of the Norman Tax Increment Finance Authority ("Authority"), and (3) shall not be subject to annual appropriation as a part of the General Fund of the City.

## **VII. OVERSIGHT AND APPROVAL OF INCREMENTAL TAX REVENUES FOR PROJECT COSTS**

### **A. Oversight Procedures.**

Prior to expenditure of funds from the Increment Districts established under this Project Plan, the proposed development and budgetary allocation of increment shall be considered and approved in accordance with the procedures contained in this Section VII.

### **B. Initiation of the Consideration and Approval Process.**

Initiation of the consideration and approval process for expenditures within the Project Area shall be undertaken by City staff, acting under such procedures as the City may prescribe from time to time.

C. City and Authority Approval.

All budgetary allocations and expenditures of funds from the Increment Districts established under this Project Plan shall be approved by the City Council or, subject to legally sufficient delegation by City Council, the board of trustees of the Authority.

**VIII. PROJECT AND INCREMENT DISTRICTS AUTHORIZATIONS**

A. The City of Norman is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Act, 62 O.S. § 854.

B. The Authority is authorized and designated to carry out those provisions of the Project Plan related to issuance of bonds or notes as provided in Section 863 of the Act, subject to approval of the governing body of the City of any specific notes or bonds. The Authority is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854, which are reserved by the City. As a public entity designated by the City, the Authority is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) incur Project Costs, pursuant to Section IX of this Project Plan; (3) provide funds to or reimburse the City for the payment of Project Costs; (4) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; and (5) enter into an Economic Development Agreement with the Project's developer for the provision of Assistance in Development Financing. Project Costs shall mean (a) the public costs authorized to be paid by apportioned tax increments pursuant to Section IX of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section IX, which may be authorized without amendment to this Project Plan.

C. Darrel Pyle, City Manager, or his successor in office, or his designee shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan. The City Manager or his designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.

**IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM THE INCREMENT DISTRICTS**

A. The Project Costs that will be financed by the apportionment of incremental tax revenues from Increment District No. 4 and Increment District No. 5 are:

1. Generally.

The costs to incur or to be incurred by the City and the Authority in implementing and administering this Project Plan, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of this Project Plan, administrative costs, organizational costs, professional services costs, and financing costs and fees.

## 2. Authorized Project Cost Limits.

Authorized Project Costs include Assistance in Development Financing and Administration/Implementation. The amount of Assistance in Development Financing shall not exceed \$600,000,000. The amount of Administration/Implementation shall not exceed \$200,000 annually and \$5,000,000 total. The amount of total authorized collections and expenditures are \$600,000,000. The Maximum Authorized Collections/Expenditures and the amounts authorized for each individual Project Cost Budget category are based on the maximum amount of Assistance in Development Financing to be authorized by an Economic Development Agreement between the Authority and the Project's developer, which will provide for the Project's developer and its development partners to shoulder the full cost and financing risk toward the Project's construction, development, and operations, and will provide such Assistance in Development Financing solely as a pay-as-you-go contractual obligation from generated incremental tax revenues and supplemental funds from the State of Oklahoma, as more specifically outlined in subparagraph 3 below.

## 3. Assistance in Development Financing.

Assistance in Development Financing consists of amounts paid to the Project's developer to incentivize the Project and shall be limited to an amount equal to 100% of the Ad Valorem Increment less an amount equal to the lesser of (i) 2% of the Ad Valorem Increment, or (ii) \$200,000, per year, which shall be retained by the Authority for Administrative/Implementation costs described in subparagraph 2 until the maximum level of Administration/Implementation costs described in subparagraph 2 has been reached, and 100% of the Sales Tax Increment, all of which shall not exceed the lesser of (a) the maximum amount of Assistance in Development Financing listed in subparagraph 2 above or (b) the amount necessary, in combination with 100% of any potential state local government matching payments received from the State of Oklahoma pursuant to the Leverage Act ("Leverage Act Payments"), for the Project's developer and its development partners to finance \$230,000,000 in private development and public infrastructure costs. Leverage Act Payments will be supplemental and in addition to the maximum amount listed in authorized Project Cost limits in subparagraph 2 above, but will be applied to the private financing assistance cap described in (b) of this subparagraph. Any amounts of Assistance in Development Financing and Leverage Act Payments that are paid to the Project's developer in excess of the amounts necessary to make the Project's developer's financing payments annually are anticipated to be paid toward the outstanding principal on such financing, and any accumulated funds in any required reserve account remaining unexpended toward such financing when such financing is retired will either be applied toward the costs of paying off such financing or else will be returned to the Authority for distribution to the affected taxing entities as specific revenue source payments in proportion to the sales and ad valorem levies that contributed to the payments.

## 4. Administration/Implementation.

Authorized administration and implementation costs consist of direct administrative costs (including reasonable charges for time spent by City and Authority employees in connection with this Project Plan), organizational costs, and other incidental costs involved with creating and publicizing the consideration of this Project Plan, Increment District No. 4, and Increment District No. 5. Administration and implementation costs shall be limited to the lesser of (i) 2% of the Ad Valorem Increment, or (ii)

\$200,000, per year, which shall be retained by the Authority for Administrative/Implementation costs described in subparagraph 2.

B. The incremental tax revenues expected to be generated from the Increment Districts and authorized for payment of Project Costs within the Project Area are as follows:

|                          |               |
|--------------------------|---------------|
| Increment District No. 4 | \$151,000,000 |
| Increment District No. 5 | \$389,000,000 |

The amounts set forth above in this Section IX(B) are estimated collections and not limits on increment collections from Increment District No. 4 or Increment District No. 5. Increment collections will be limited only to such amounts as needed to pay all project costs described in Section IX.A.2.

Incremental tax revenues are anticipated to be supplemented by up to \$151,000,000 or more in potential Leverage Act Payments.

C. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned Ad Valorem Increment and Sales Tax Increment may be approved by the City at any time. The provisions of this Section IX are not a limitation on Project Costs to be financed by other than apportioned Ad Valorem Increment and Sales Tax Increment.

**X. FINANCING PLAN AND REVENUE SOURCES**

A. Financing Plan.

The proposed private development is projected to generate tax increments necessary to pay authorized public costs of the Project. The financing of the projected private development in the area will be provided by private equity and debt financed by the Project's developer and its development partners and secured by the private development. It is anticipated that incremental tax revenues will be paid as Assistance in Development Financing once increments are generated by the Project. Such Assistance in Development Financing shall be paid in accordance with an Economic Development Agreement and are intended to provide up to \$230,000,000 in present value toward construction of an arena and a parking garage serving the arena and toward the costs of infrastructure to be dedicated to the public, which is anticipated to be comprised of approximately \$190,000,000 in present value toward construction of an arena and a parking garage serving the arena, both of which will be components of the Project, and approximately \$40,000,000 in present value toward the costs of infrastructure to be dedicated to the public. The Assistance in Development Financing is anticipated to be provided through a contractual obligation that provides such assistance on a pay-as-you-go basis. Neither the City nor the Authority intend to authorize or issue any public debt to finance any of the costs of the Project.

B. Financing Authorizations.

The implementation of the Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, as may be authorized from time to time by the City.

C. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section IX are the portion of the incremental tax revenue attributable to investment and development within Increment District No. 4 and Increment District No. 5. Project Costs will be paid by the City and/or the Authority.

D. Financial Reports and Audits.

The redevelopment activities undertaken by the City, pursuant to this Project Plan, shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

E. Other Necessary and Supporting Costs.

The Authority is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the Project and the construction of improvements therein in addition to Project Costs to be financed pursuant to Section IX.

**XI. ESTIMATED PRIVATE AND PUBLIC INVESTMENTS STIMULATED BY THE PROJECT, ASSOCIATED IMPACTS ON BUSINESS ACTIVITIES, AND FINANCIAL IMPACTS ON TAXING JURISDICTIONS**

A. Estimated Private and Public Investment.

The total estimated investment in the Project is over \$1 billion, including the estimated public investment described in Section IX above. Private investment in the area is expected to consist of the Project and its various new residential, retail, office, commercial, arena, parking garage, and hotel development, along with necessary adjacent public improvements. The Project will be financed by the developer and the developer's partners. Public investment will include Assistance in Development Financing to contribute to the construction of the Project, including the arena, parking garage, infrastructure improvements, landscaping, and streetscape improvements.

B. Estimated Public Revenue.

The incremental tax revenues, which will serve as the revenue source for financing the Project Costs authorized by Section IX, is the public revenue directly attributable to the Project defined by establishment of Increment District No. 4 and Increment District No. 5. The City, the State, and other taxing entities should anticipate experiencing increases in tax revenues that are not a part of the incremental tax revenues. Incremental tax revenues are anticipated to be supplemented by potential Leverage Act Payments.

Incremental tax revenues anticipated to be collected and apportioned pursuant to this Project Plan are estimated to average \$30,000,000 annually upon build out. The public revenue anticipated includes increased tax revenue both inside and outside Increment District No. 4 and Increment District No. 5, as well as the potential Leverage Act Payments. The economic benefits of the Project Plan indicate positive financial impacts for the community as a whole. The aggregate impacts on the City from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.



C. Impacts on Business Activities.

The Project is anticipated to increase business activity within the Increment Districts and Project Area by adding new businesses and residences. Measuring the specific impacts of the Project on business activities and the greater community is more difficult. An economic analysis commissioned by the Norman Economic Development Coalition and conducted by the Oklahoma Department of Commerce indicates that the Project will generate over 4,600 jobs and contribute over \$350 million per year to the state's Gross Domestic Product ("GDP") once the Project has been completed, and those figures would increase to upwards of 6,600 jobs and \$454 million in annual GDP during peak construction years. The Department of Commerce report indicates that job growth and GDP effects will not be limited to the City and will be seen in surrounding communities and the state as a whole. A copy of the Department of Commerce's report is attached to this Project Plan as Exhibit E.

Another report commissioned by the Cleveland County Industrial Development Authority and performed by Hunden Partners includes an analysis of the Project's market demand, feasibility, and economic impacts. Hunden Partners' report estimates a little over 1,000 direct jobs and approximately 800 additional indirectly-generated or induced jobs, all of which bring with it approximately \$1.8 billion in net new earnings over a 25-year period. In addition to employment impacts and related earnings, the Hunden Report also looked at net new consumer spending that the Project might generate, and concluded that direct, indirect, and induced new spending from the Project in Cleveland County as a whole would total over \$4.5 billion over 25 years. Hunden estimates that 17% of the direct on-site sales on the Project would be net new in Cleveland County, and most of that will be from recaptured spending that currently occurs in Oklahoma County. Hunden also estimates that 78% of new office tenants and 14% of the new prospective residents who will lease the residences proposed as part of the Project will be new to the County. A copy of the Hunden Partners report is attached to this Project Plan as Exhibit F.

D. Financial Impacts on Taxing Jurisdictions.

1. Norman Public Schools.

Norman Public Schools may experience growth in enrollment as a result of the Project's employment, new residences, and the ancillary economic impacts from the Project. The financial impacts of this enrollment growth may be mitigated by the fact that only 14% of the proposed residents in the residential components of the Project will be new to Cleveland County (according to the Hunden report). Depending on from where in Cleveland County the other 86% of the new residents will be relocating, the overall growth levels may be minimal or significant. The table below shows estimated scenarios for new enrollment and corresponding new/increased State School Aid in Year 10 of the Project (i.e., upon Project buildout and stabilization), based on how many new residents may relocate to the Project from within or outside of Norman Public Schools' jurisdiction:<sup>2</sup>

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<sup>2</sup> Assumptions: (a) residential units would add residents at the average household size for the City of Norman per U.S. Census (2.4 persons per household) and those residents would include a percentage population under age 18 equal to the City of Norman's demographics according to the U.S. Census; (b) state appropriations for State Aid would start at 2023-2024 levels and increase 2% annually; (c) post-stabilization occupancy rate will be 93% listed in Hunden Partners Report.

| <b>Year 10:</b>         | <b>14% Residents<br/>New to NPS<sup>3</sup></b> | <b>25% Residents<br/>New to NPS<sup>4</sup></b> | <b>40% Residents<br/>New to NPS<sup>5</sup></b> |
|-------------------------|---|---|---|
| <i>– New Enrollment</i> | 95  | 171   | 273   |

Norman Public Schools should anticipate an increase in non-sinking fund ad valorem tax revenue of approximately \$7,900,000 annually upon termination of Increment District No. 5. Assuming no major changes in the Oklahoma State School Aid formula and no major shifts in Norman Public Schools’ ratio of ad valorem valuation to student population at that time, the State Aid formula will offset approximately 79% of that new non-sinking fund ad valorem tax revenue, resulting in a net increase of non-sinking fund revenue to the school district of approximately \$1,680,000 annually.

2. Cleveland County.

A demand for increased services from Cleveland County is anticipated to result from the Project. Projections show new ad valorem tax revenue to the County upon completion of the Project and expiration of Increment District No. 5 of approximately \$1,900,000 annually. Additional ad valorem and sales tax revenues for the County may be generated by increased consumer spending and GDP growth anticipated to be observed within Cleveland County due to the Project.

3. Cleveland County Health Department.

Demand for increased services from the Cleveland County Health Department (“CCHD”) anticipated to result from the Project are not quantifiable at present, but some may be anticipated. Projections show that CCHD should anticipate receiving additional operational ad valorem revenue annually approximating \$495,000 upon termination of Increment District No. 5, not including any ad valorem tax revenue growth from new residential and commercial construction that will occur outside of the Project but within CCHD’s jurisdiction as a result of increased GDP experienced in the County.

4. Moore Norman Technology Center.

Demand for increased services from Moore Norman Technology Center (“MNTC”) anticipated to result from the Project are not quantifiable at present, but some may be anticipated. Opportunities for complementary job training programs (including, but not limited to construction-related trades) may be utilized through the public and private construction projects anticipated. In addition, MNTC should anticipate receiving approximately \$2,900,000 in non-sinking fund ad valorem tax revenue annually upon Increment District No. 5’s termination, not including any ad valorem revenue growth from new residential and commercial construction that will occur outside of the Project as a result of increased GDP experienced in MNTC’s jurisdiction.

<sup>3</sup> Minimum number of new residents, based on number of residents anticipated to be new to Cleveland County in Hunden Partners report.

<sup>4</sup> Includes minimum number of residents new to Cleveland County from the Hunden Partners report, plus an additional 11% of new residents moving to the Project from outside of Norman Public Schools jurisdiction.

<sup>5</sup> Includes minimum number of residents new to Cleveland County from the Hunden Partners report, plus an additional 26% of new residents moving to the Project from outside of Norman Public Schools jurisdiction.

5. Pioneer Multi-County Library System.

Demand for increased services from Pioneer Multi-County Library System (“Pioneer Library”) anticipated to result from the Project are not quantifiable at present, but some may be anticipated. Pioneer Library should anticipate receiving approximately \$1,100,000 in non-sinking fund ad valorem tax revenue annually upon Increment District No. 5’s termination, not including any ad valorem revenue growth from new residential and commercial construction that will occur outside of the Project as a result of increased GDP experienced in Pioneer Library’s jurisdiction.

6. City of Norman.

The Project likely has the largest impacts on the City. As stated in Section VI(B) herein, the Sales Tax Increment is 3% of the City’s sales tax revenue, which includes only the non-dedicated (General Fund) and Capital Improvement portions of the City’s sales tax rate. The City’s sales tax projections show over \$32 million in City sales taxes generated over the life of Increment District No. 4 that will not be increment—\$23.2 million each to the City’s Public Safety fund, \$3.3 million to Norman Forward funds,<sup>6</sup> and \$5.8 million to the City’s Public Transit fund. The hotel component of the Project is also anticipated to generate \$8 million in hotel occupancy taxes to the City over the 25-year life of Increment District No. 4, which will not be apportioned as increment.

The Hunden Partners report indicates that 17% of the retail anticipated to be generated by the Project will be net new to Cleveland County. It is unknown at this time how much additional retail activity will result from activity new to the City from other locations within Cleveland County, though it is worth noting that, aside from the retail sales from the Lloyd Noble Center that would take place instead at the new arena, the concept provided for the Project indicates that nearly all of the retail is anticipated to be small-scale stores and entertainment businesses, not major retail outlets. The Project’s developer or its affiliate also owns a significant portion of the University North Park shopping center immediately to the south of the Project and has a strong incentive to avoid cannibalization from or relocation of existing retailers.

It is anticipated that additional sales tax revenues outside of the Project Area will be generated because of the Project due to the increased gross domestic product, consumer spending, and local earnings from the Project. The Hunden Partners report and the Department of Commerce report do not quantify those indirect impacts, however. The Hunden Partners report indicates that the Project will generate \$608 million in City of Norman taxes over 25 years.

Upon completion, the City will become responsible for maintenance of all new public infrastructure and improvements anticipated to be constructed by the Project, in addition to providing police, fire, parks, and other general municipal services to serve the Project. It is anticipated that the arena will operate independently of the City, with no direct revenue or expense impacts on City operational funds. Additionally, a portion of the costs associated with the maintenance of certain infrastructure, improvements, and transportation may be borne by an improvement district created under the Oklahoma Improvement District Act, 11 O.S. § 39-101, *et seq.*, covering the Project Area, or by a property owners’ association or other mechanism.

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<sup>6</sup> Norman Forward is set to sunset in 2030. If the voters elect to reenact or renew it beyond that date, additional revenues will be available.

**XII. LAND USE**

Existing uses and conditions of real property in the Project Area are shown on the map attached as Exhibit C. The proposed improvements to and the proposed uses of the real property in the Project Area are shown on Exhibit D.

**XIII. MISCELLANEOUS PROVISIONS**

An amendment to the existing Planned Unit Development (Ordinance O-2122-21) is necessary to accommodate this Project, and an application to amend is pending as of the date of this Project Plan. Property owners are responsible for all required zoning changes necessary to accommodate the Project. This Project Plan complies with the objectives and priorities of the Norman 2025 Plan, the City's Comprehensive Plan.

**EXHIBIT A**  
**PROJECT AREA, INCREMENT DISTRICT NO. 4, AND INCREMENT DISTRICT NO. 5**  
**LEGAL DESCRIPTION**

A tract of land beginning in the West quarter of Section 13, and the East Half of Section 14, and the Northwest Quarter of Section 24, and the Northeast Quarter of Section 23, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows:

Beginning at the northeast corner of Thedford Addition, Norman, Cleveland County, Oklahoma;

Thence south 639.11';

Thence west 660', said point being the northeast addition corner of University North Park XVII Addition;

Thence south 503.88';

Thence south 89 degrees west 596.33';

Thence south 3182' along the east right-of-way line of Interstate 35;

Thence east 190';

Thence south 81 degrees east 495';

Thence south 84 degrees east 65';

Thence south 180' to a point on north right-of-way line of Rock Creek Road;

Thence south 32 degrees east 73.54'

Thence south 250';

Thence west 159.49';

Thence south 23 degrees west 54.45';

Thence west 162.29;

Thence south 86.29';

Thence south 67 degrees east 401';

Thence north 22 degrees east 141.19';

Thence north 42.18', to a point being southwest corner of lot 1A Block 1, University North Park Section VI;

Thence east 433.4';

Thence north 14 degrees east 14.89';

Thence south 76 degrees east 184.16';

Thence east 41.09';

Thence north 65', said point being northwest corner lot 6A block 1 University North Park section VI;

Thence south 87 degrees east 430' to a point on east right-of-way line NW 24<sup>th</sup> Ave;

Thence on a non-tangent curve to the right R=1965.41' cord bearing south 14 degrees west 750' to a point being the southwest corner of lot 1 block 3 of University North Park Section XXI;

Thence south 87 degrees east 333.87';

Thence south 70 degrees east 234.39';

Thence north 1 degree east 842.87';

Thence south 89 degrees east 539.59';

Thence north 1635.98';

Thence west 559.68';

Thence north 7 degrees east 489.83';

Thence east 496.47';

Thence north 00 degrees, 38 minutes west 1741.56';

Thence west 470';

Thence north along a curve to the east, having a radius of 936.15' a distance of 600.12';

Thence north 260';

Thence east 233';

Thence north 158.45';

Thence west 233';

Thence north 173.29';

Thence west 1330', to the point of beginning.

AND

A tract of land lying in the northwest corner of Section 13, and the Northeast Quarter of Section 14, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows:

University North Park Professional Center Lot 1 Block 1

LESS AND EXCEPT

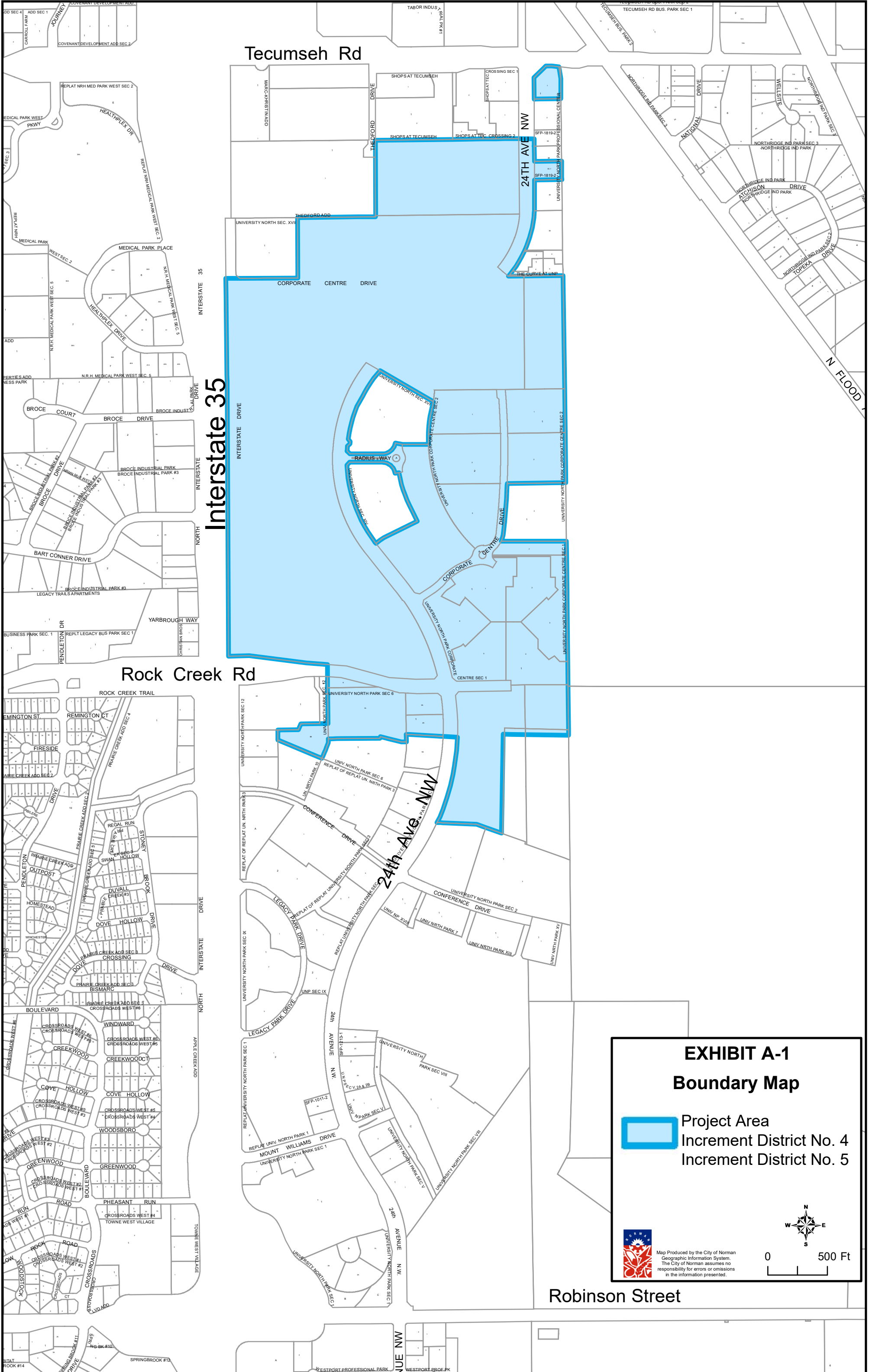
Two tracts of land lying in the East half of Section 14, in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows:

University North Park Section XIV Lot 1 Block 1 and University North Park Section XVI Lot 1 Block 1




Tecumseh Rd

Interstate 35

Rock Creek Rd



**EXHIBIT A-1**  
**Boundary Map**

-  Project Area
-  Increment District No. 4
-  Increment District No. 5



Map Produced by the City of Norman  
 Geographic Information System.  
 The City of Norman assumes no  
 responsibility for errors or omissions  
 in the information presented.

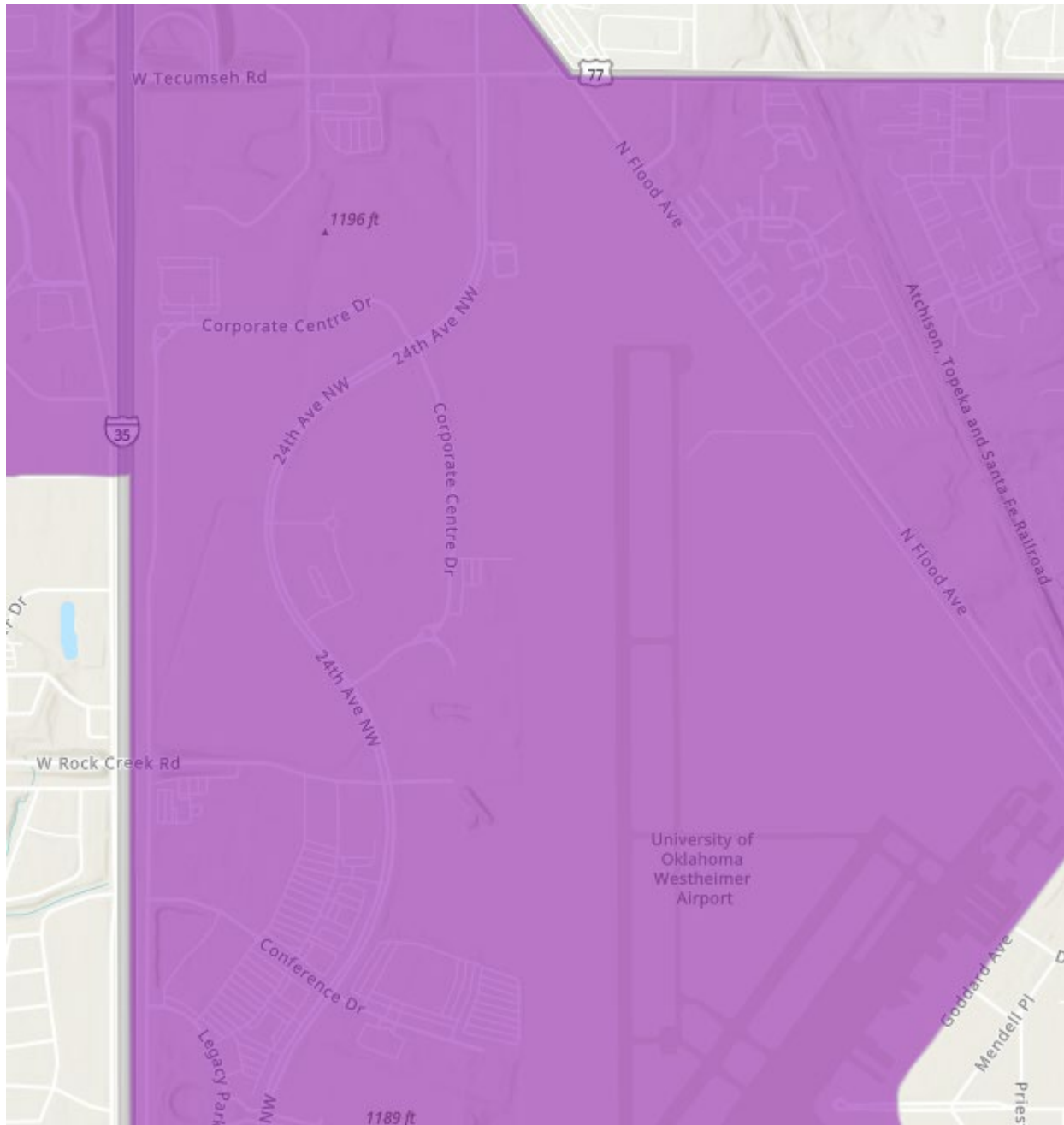


Robinson Street



# EXHIBIT B

## ENTERPRISE ZONE BOUNDARY MAP



Tecumseh Rd

Interstate 35

Rock Creek Rd

24th Ave NW

Robinson Street

### EXHIBIT C Existing Improvements and Uses

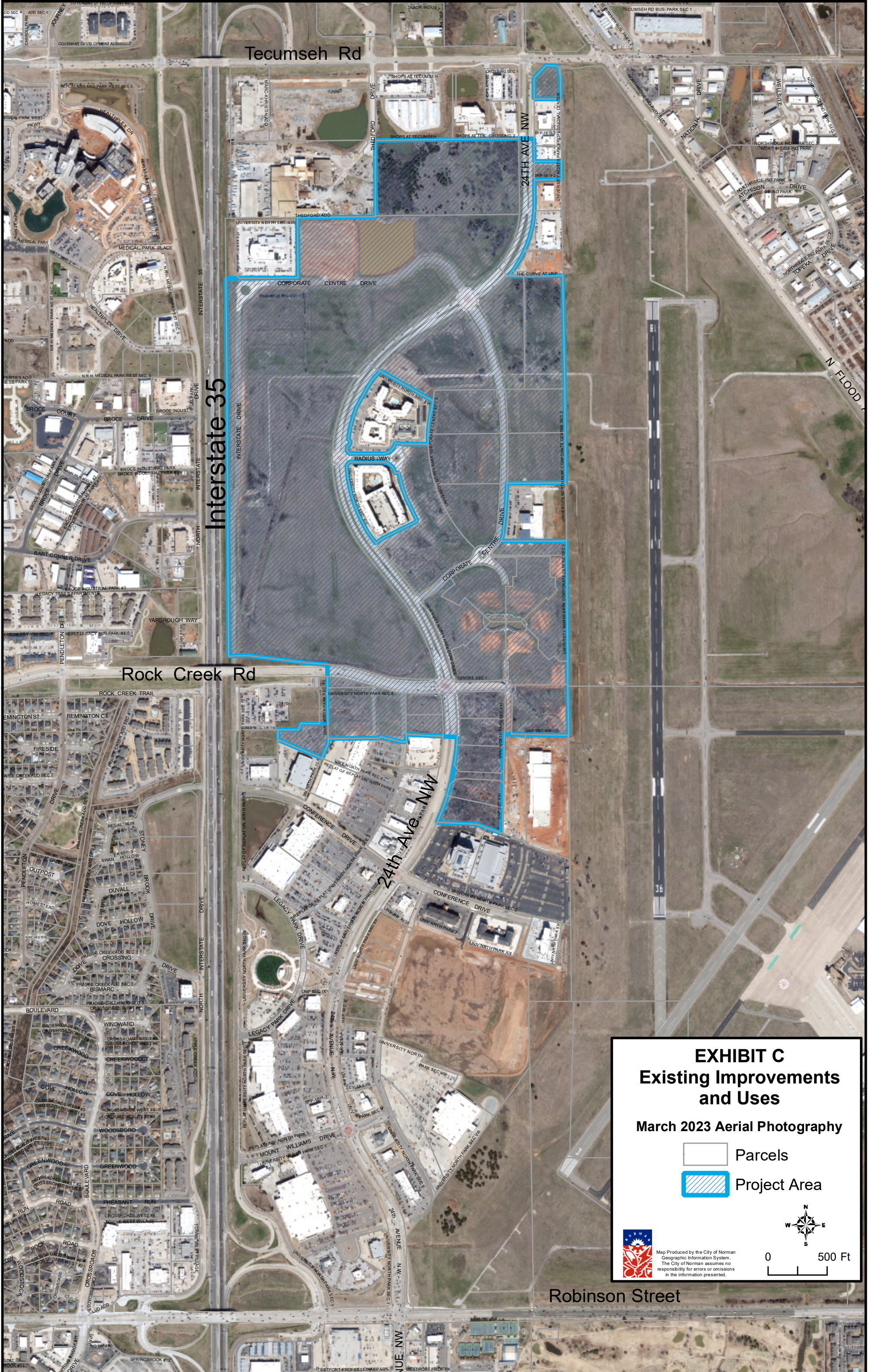
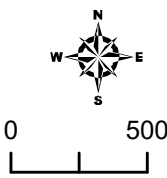
March 2023 Aerial Photography

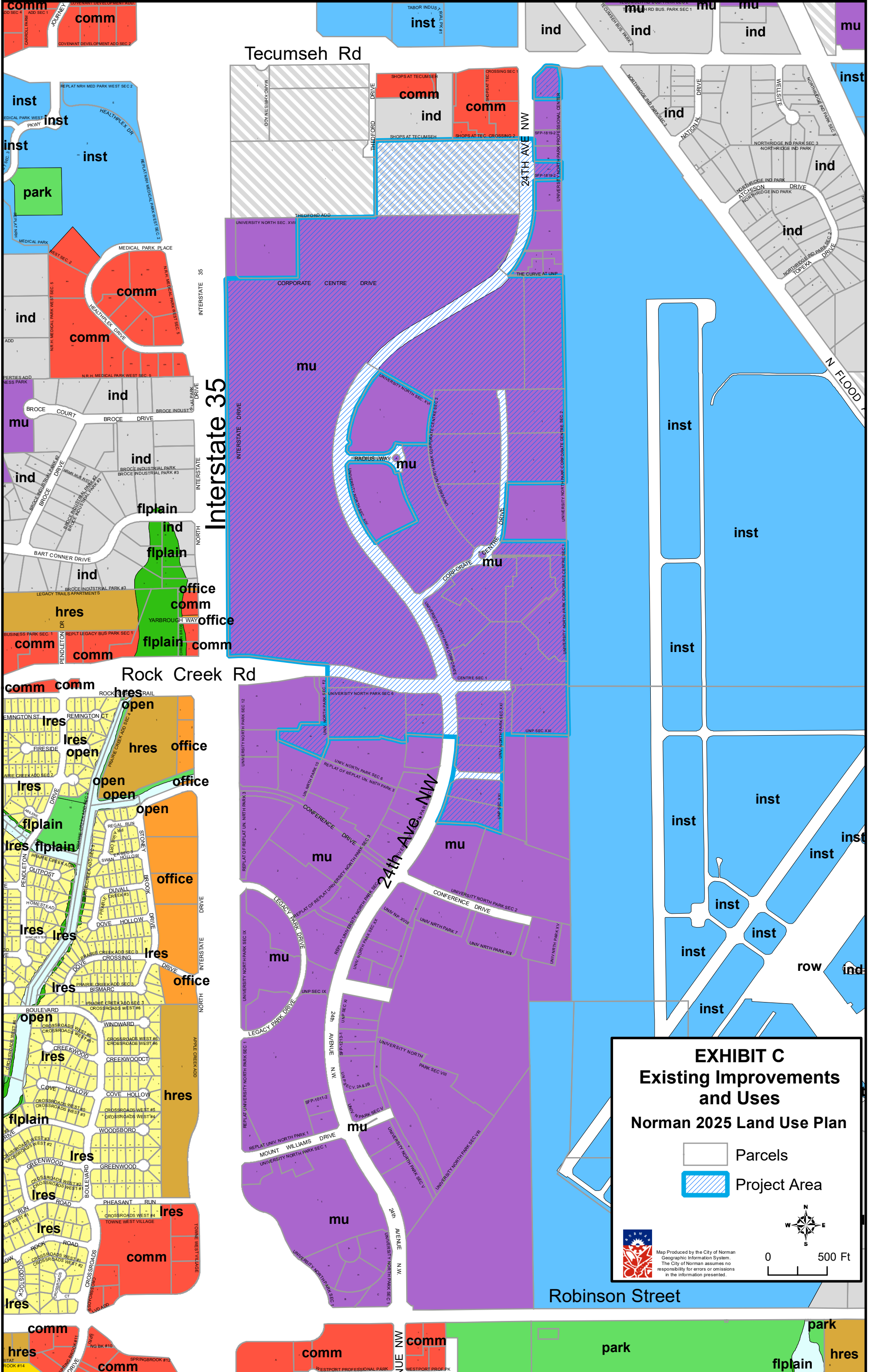
 Parcels

 Project Area



Map Produced by the City of Norman  
Geographic Information System.  
The City of Norman assumes no  
responsibility for errors or omissions  
in the information presented.



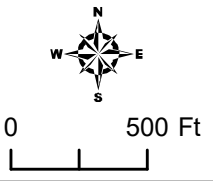


**EXHIBIT C**  
**Existing Improvements**  
**and Uses**  
**Norman 2025 Land Use Plan**

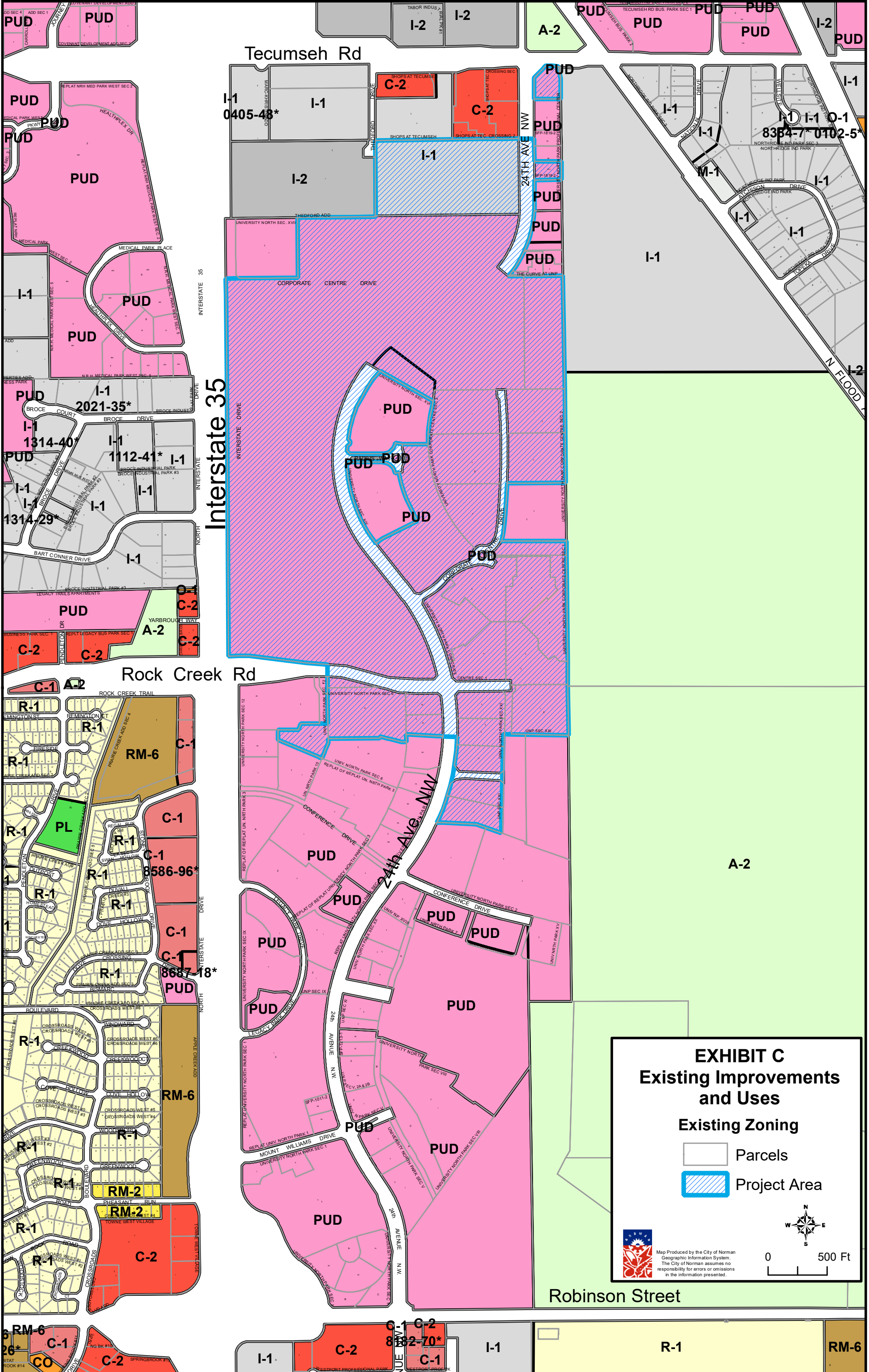
-  Parcels
-  Project Area



Map Produced by the City of Norman  
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 responsibility for errors or omissions  
 in the information presented.



Robinson Street



Interstate 35

**EXHIBIT C**  
**Existing Improvements and Uses**

**Existing Zoning**

- Parcels
- Project Area

Map Produced by the City of Norman Geographic Information System. The City of Norman assumes no responsibility for errors or omissions in the information presented.

0 500 Ft

Tecumseh Rd

Rock Creek Rd

Robinson Street

Interstate 35

24th Ave NW

0405-48\*

2021-35\*

1314-40\*

1112-41\*

1314-29\*

8586-96\*

8687-18\*

8182-70\*

8354-7\*

0102-5\*

PUD

I-1

I-2

C-2

A-2

R-1

RM-6

RM-2

C-1

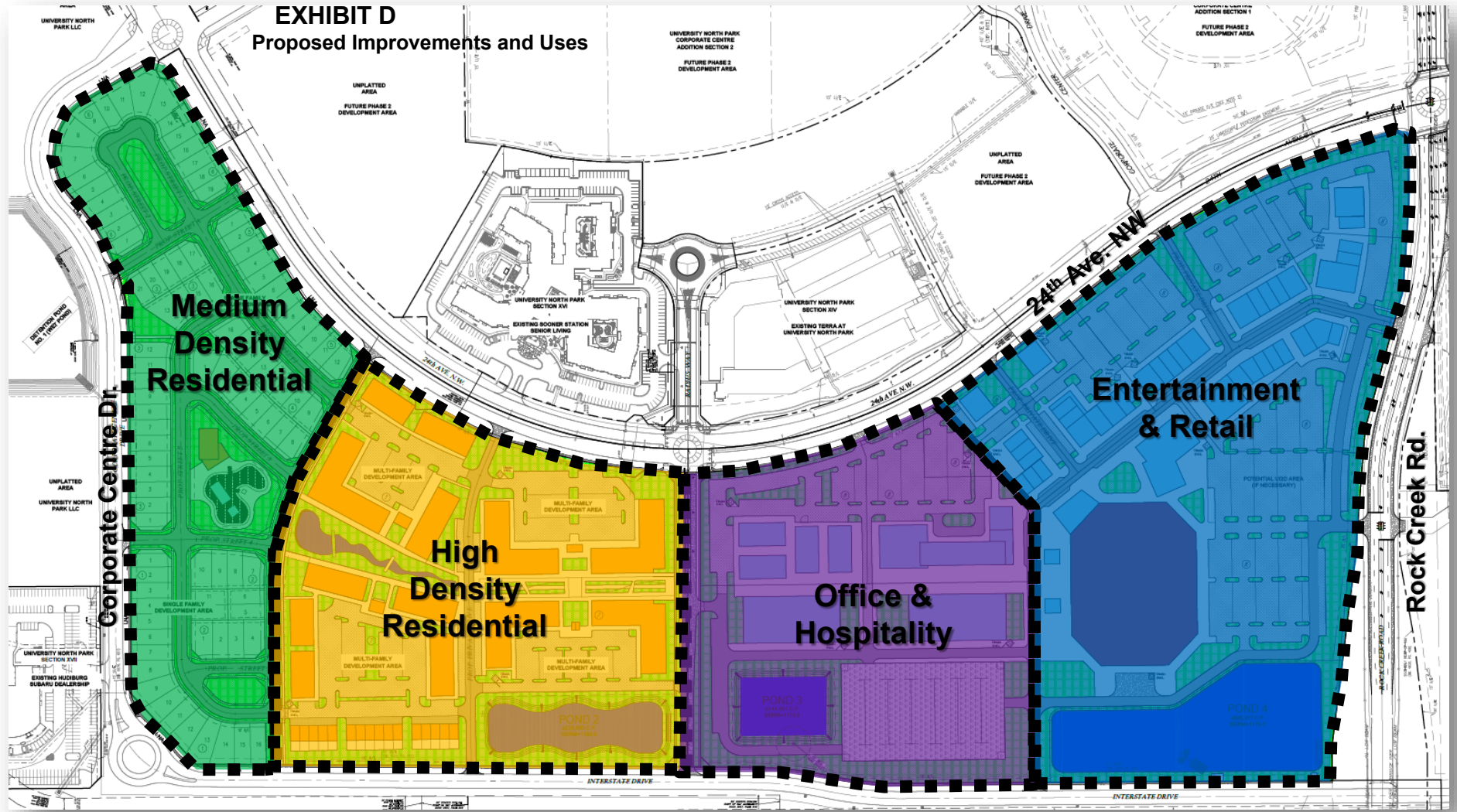
C-2

I-1

R-1

RM-6

# EXHIBIT D Proposed Improvements and Uses





Oklahoma Department of Commerce

# Economic Impact of Norman TIF District

Research and Economic Analysis Division

Aldwyn Sappleton and Jon Chiappe  
4-3-2024

## Economic Impact Methodology Summary

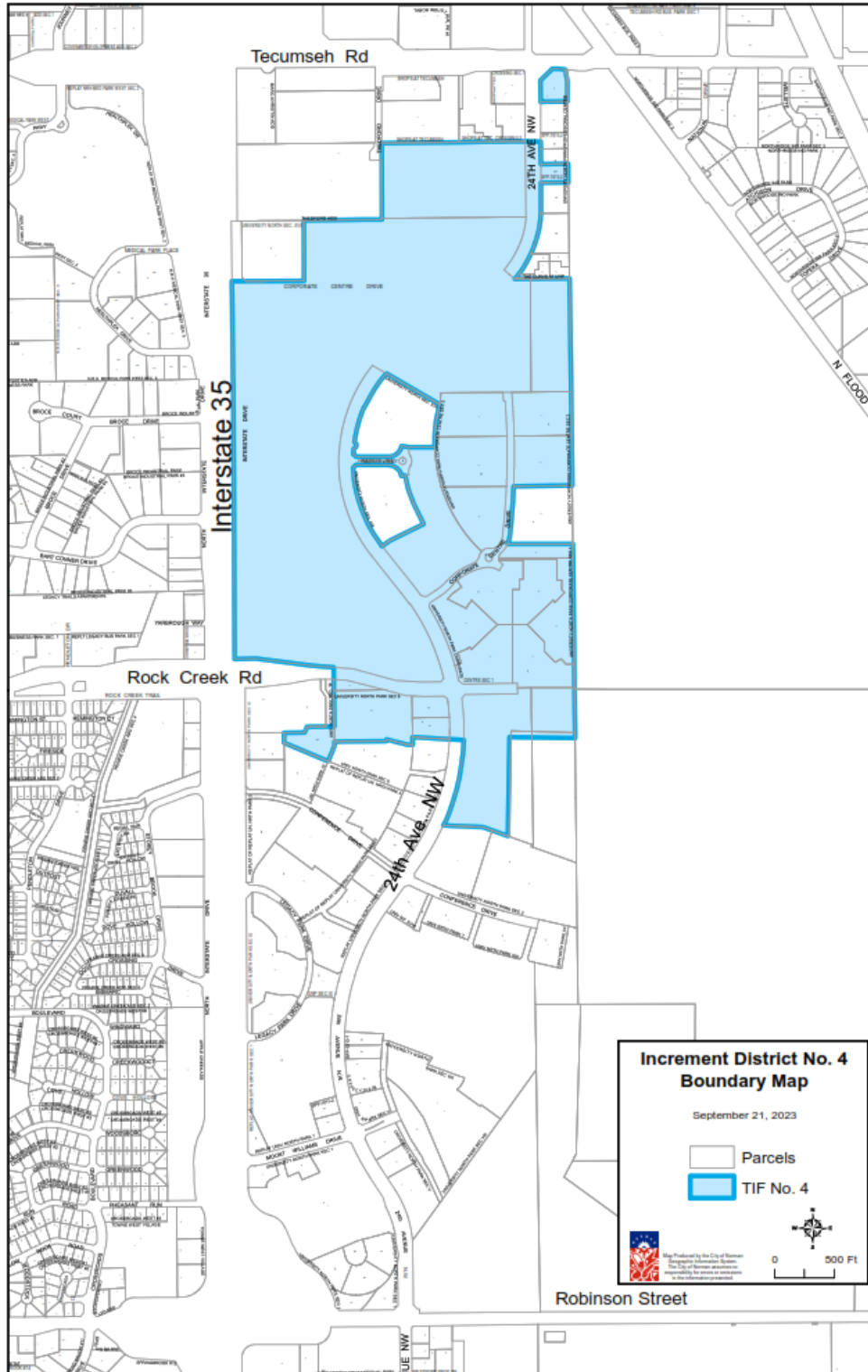
This report is based on estimates from key stakeholders that have provided building and operations costs of facilities included in the OU Foundation plan (See Appendix 2), along with proposed Norman Economic Development Coalition (NEDC) developments that have provided some level of commitment should the tax increment finance (TIF) area (see appendix 1) and arena be approved. The NEDC development primarily consist of a restaurant, a recreational/entertainment facility and a Weather Museum. The impact result reflects how each development has a staggered timeline that may not span the full life of the TIF. The National Weather Museum is a great example of an operation that was estimated to only capture 13 to 15 years of payments during the TIF. However, the impacts do span further outside timeline of the TIF. The estimate on the operations involved significant planning and adjustments to primarily include projects or operations that have a strong chance of meeting the proposed timelines in the development. Some operations did not have sales estimates but did have property tax calculations due to lack of scaling details. In this report there were no additional estimates on likely personal property that should be purchased to furnish and facilitate business operations within the proposed operations. Property values are estimated to increase 3% each year but are heavily offset by a depreciation schedule plus NPV discount rates to factor the time-value of money or cost of capital. A similar 3% growth was assumed for sales tax in the larger sales scenarios, but the discount rate fully covers that increase with an additional dampening effect evident in the net present value calculations.

The key figures for employment and GDP were generated using the REMI PI+ economic impact modeling tool. This tool is a dynamic policy model that takes into consideration cannibalization, business cycle, inflation and other regional and national factors. The GDP dollars communicated are in 2012 chained dollars, but inputs were pegged to 2022 dollar value. This economic impact report also considers the construction activities proposed in the overall TIF development (see appendix 1). Construction impacts are temporary in nature and will fade away shortly after construction activities have ended and workers move on to other geographies and/or projects. This report will look at employment, wages and GDP sales generated by the construction, and ongoing operation of businesses proposed by OU Foundation developers and the three NEDC prospects. Economic impacts are primarily influenced by three categories: direct, induced and indirect impacts. An analysis of the construction activities and ongoing operations of the University North Park developments (TIF area) yielded strong economic results. The results communicate the combined impacts from direct, indirect and induced activities. The direct impacts are measured by the direct jobs and investment listed by the developers. Those workers directly employed by proposed businesses earn wages that they in turn spend in the local economy (induced impacts from employee wages) to pay for food entertainment, housing and such. Indirect impacts occur when the proposed businesses spend significant dollars at local suppliers like Target, Crest, Home Depot, Lowes and others, on supplies to support their day-to-day operations. The impact results communicate the combined direct, indirect and induced impacts as a result of the proposed operations in the TIF.

The estimates for property taxes and sales taxes are based on the direct estimates of sales or items subjected to sales tax during construction and operations of the facilities proposed to be located in the TIF. Additional developments outside the planned and measured impacts would yield higher results. Also, if the developments do not occur then estimated tax revenue and development costs would be reduced somewhat proportionally depending on the type of business operation. The exclusion of an Arena would have an outsized negative impact on the overall viability of the development.

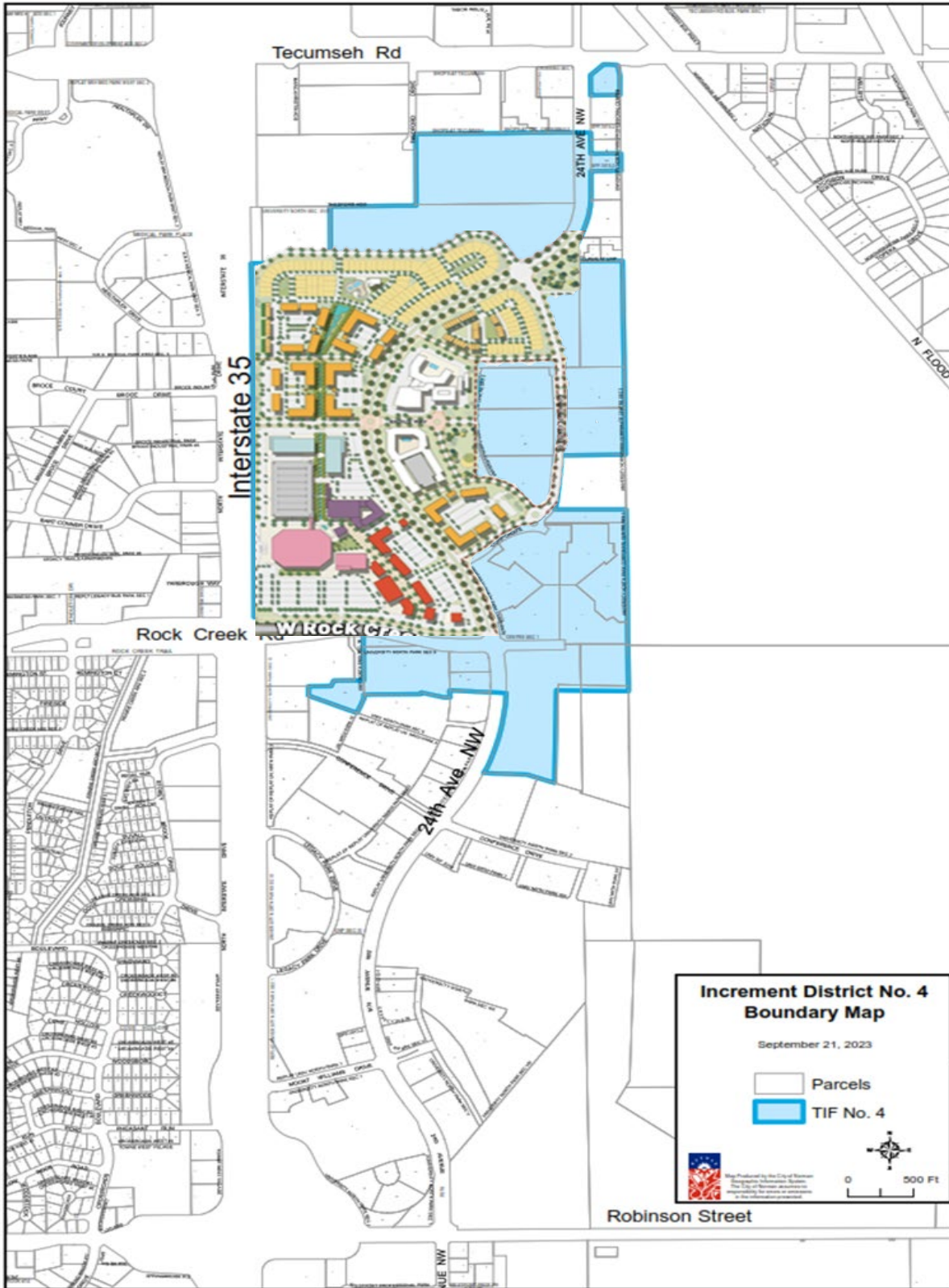
The maps in Appendices 1 and 2 cover the proposed Project Area, but the current economic impact estimates are focused on planned developments within the Project Area.

**Appendix 1:** Map of proposed TIF District 4.





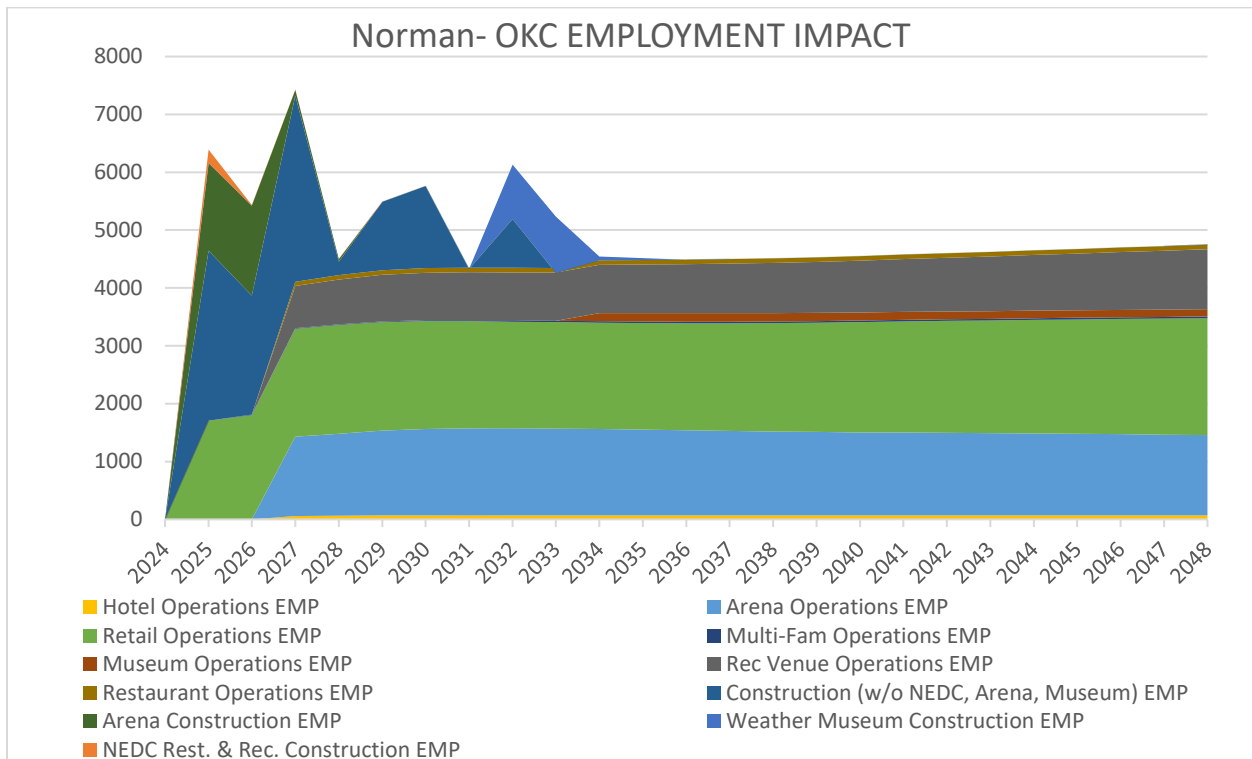
Appendix 2: Map of the OU Foundation Property overlaid onto TIF District 4.



### Employment Impacts

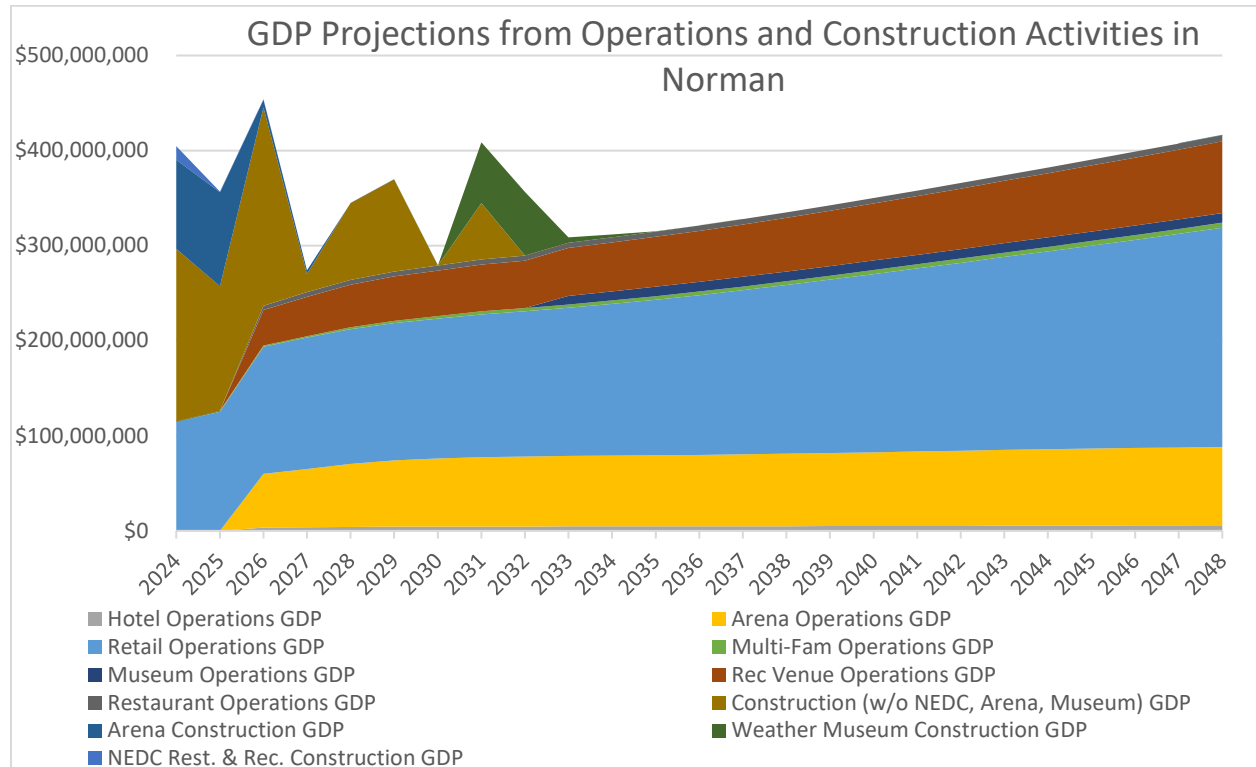
Employment impacts are estimated to top well over 7,400 jobs during peak construction periods. Construction without the NEDC projects would reduce the overall jobs impact to over 6,600 jobs. As illustrated in the chart below, those construction activities are temporary in nature and will fade over time, leaving sustained impacts that occur from the day-to-day operations of the proposed businesses in the TIF area. The construction employment increases roughly 8 to 10 years into the TIF based on estimated construction of the weather museum. After temporary construction activities have faded, the jobs impact from the current development plan is estimated to average over 4,600 jobs.

The full scale of jobs growth projected in this impact report will not be limited to Norman; surrounding communities and the state of Oklahoma are poised to be impact with net new overall job growth.



### Gross Domestic Product (GDP)

The proposed NEDC and OU Foundation developments are estimated to add significant dollars in the local economy through construction activities and then the on-going operations of the businesses located in the TIF district. As with employment, construction activities are temporary in nature and contribute to significant spikes in the first half of the TIF – as construction fades, the longer-term effects from the day-to-day business will remain. Peak construction shows a high \$454M in GDP added to the local economy. In post construction years that addition to GDP averages over \$350M per year from normal operations.

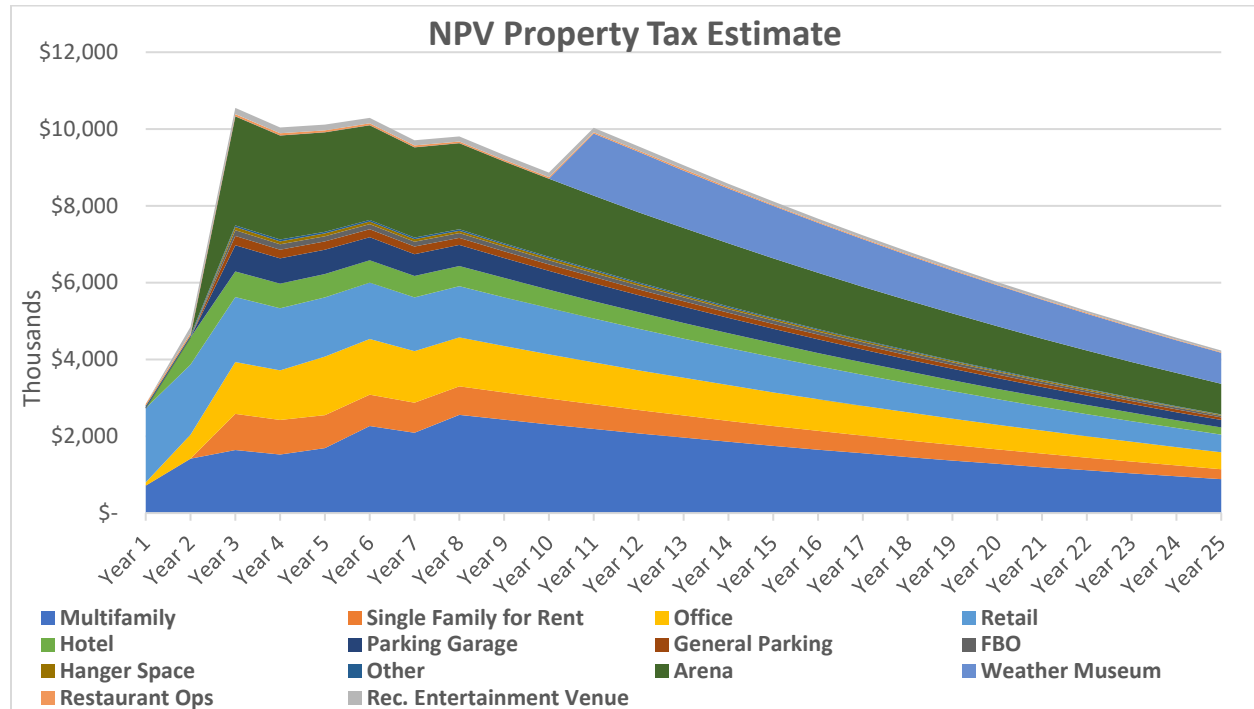


The impact without the NEDC projects would be roughly \$411M at peak construction and an average of \$285M in GDP in the post construction years of the TIF.



### Net Present Value (NPV) of Direct Property Taxes

The Net Present Value of Property Taxes factoring depreciation over the life of the TIF would lead to a relatively smaller return on taxes over time, mainly due to the time-value of money. The chart below shows peak taxes generated over the life of the TIF when projects come online. The overall NPV is over \$169M for the original OU Foundation plan and over \$190 million in property taxes with NEDC projects added.



- Total Potential Property Tax \$425,213,366 (arena pays taxes thru a PILOT)
- Total with Depreciation \$280,593,521
- **Total NPV (5%) with Depreciation \$169,264,657**

#### With National Weather Experience Museum \$115M facility

- Total Potential Property Tax \$30,073,439 (15 Years of TIF start 2033)
- Total with Depreciation \$24,646,488
- **Total NPV (5%) with Depreciation \$17,922,737**

#### With NEDC Tecumseh Restaurant – Email commitment from large restaurant group

- Total Potential Property Tax \$2,050,527 (23 Years of TIF)
- Total with Depreciation \$1,416,866
- **Total NPV (5%) with Depreciation \$889,661**

#### With NEDC Recreational Entertainment Venue – LOI received

- Total Potential Property Tax \$5,808,599 (23 Years of TIF)
- Total with Depreciation \$3,964,910
- **Total NPV (5%) with Depreciation \$2,429,363**

**Summary of Property Taxes- NEDC**

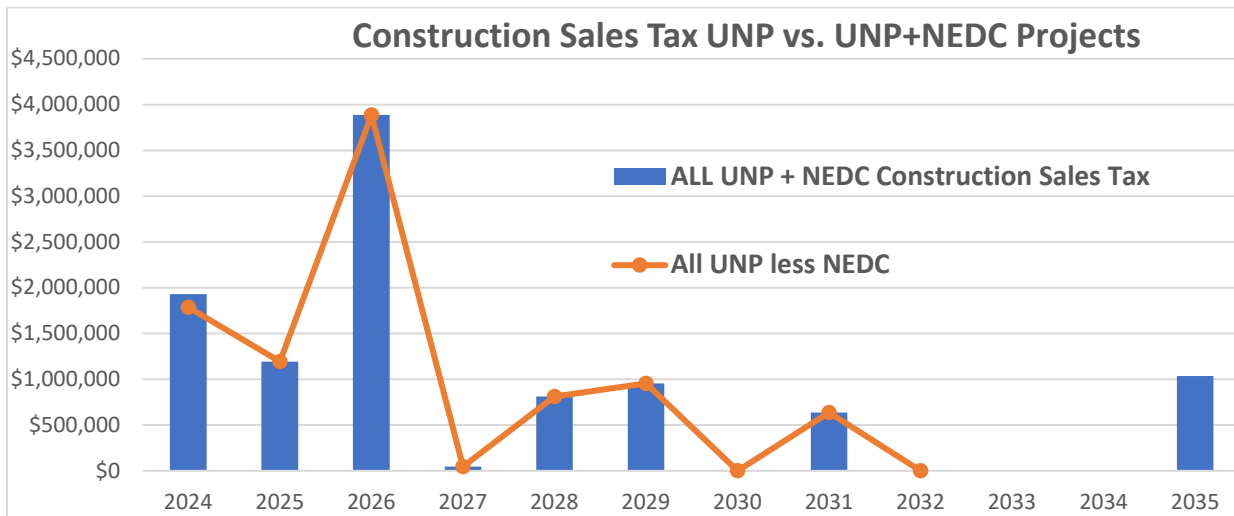
- Total Potential Property Tax \$37,932,566 (Museum et al- All Private Ownership and/or pays taxes thru a PILOT)
- Total with Depreciation \$30,028,263
- **Total NPV (5%) with Depreciation \$21,241,761**

**Grand Total Property Tax Estimate**

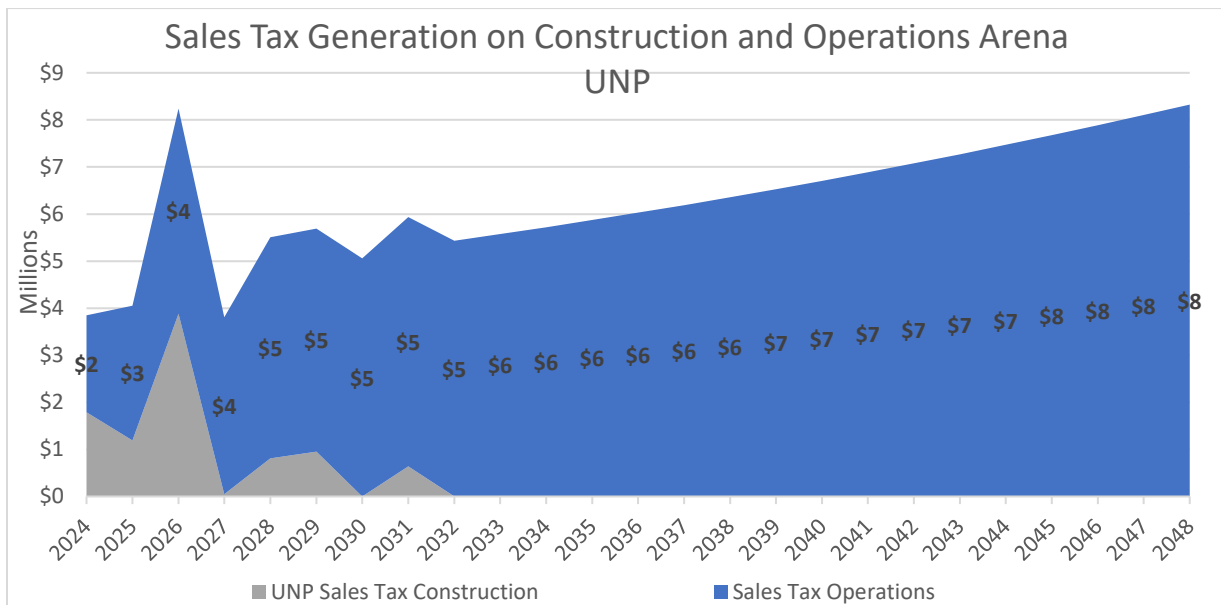
- Total Potential Property Tax \$463,145,932 (arena pays taxes thru a PILOT)
- Total with Depreciation \$310,621,784
- **Total NPV (5%) with Depreciation \$190,506,418**

## Sales Tax Estimates

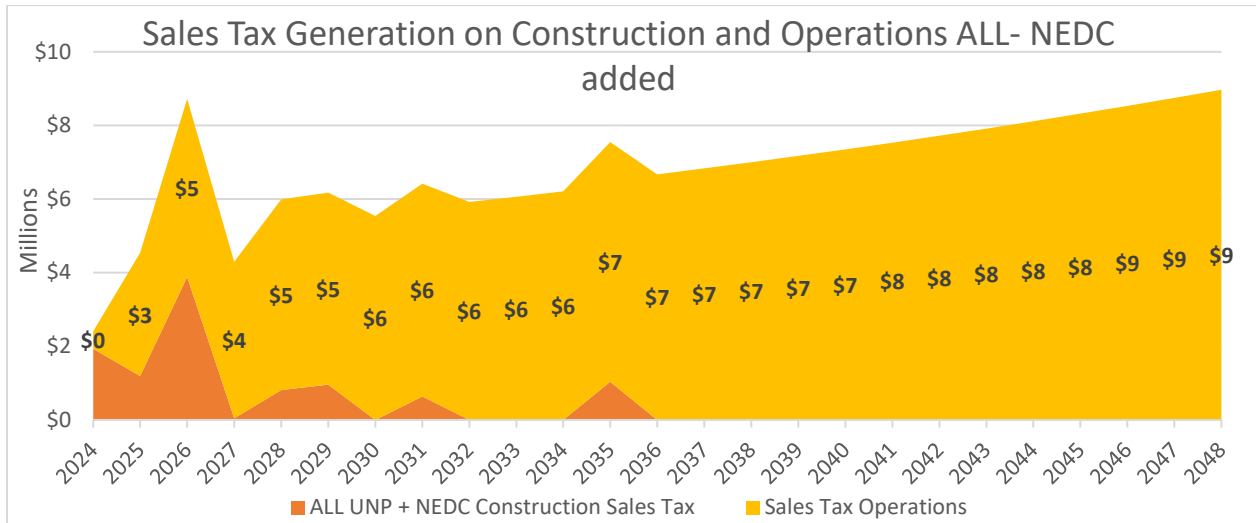
With a preliminary look at only construction sales taxes so far, we are estimating that just under \$9 to \$10.5 million in local sales taxes will be generated from construction activities through the proposed developments. This estimate assumes roughly 30-35% of the construction costs are spent in the TIF district on building materials that are subject to sales taxes. Other sources such as RSMeans show materials cost at over 45% for multifamily production as an example. The chart below shows construction sales tax with and without the NEDC projects based on a conservative material cost ratio.



Should Norman apply and get approval for programs such as the Leverage Act, the full amount of construction sales tax could potentially be leveraged and matched by the state. Additionally, sales taxes from operations over the life of the TIF is estimated to be a steady number. When considering all sales subjected to sales taxes, roughly \$148M is estimated to be generated from the Arena and other projects in the OU Foundation plan for the University North Park area (see chart below).



With NEDC properties and the Weather Center Museum, roughly \$12M in net new sales taxes are estimated to be generated over the life of the TIF. The total sales tax from operations is estimated to be over \$160M over the life of the TIF. When the construction sales taxes are added, the grand total sales tax is estimated to be over \$157M without the NEDC projects and over \$170M in sales tax with all UNP, Arena and NEDC projects combined (see chart below).



Again, based on performance, those funds could be leveraged to maximize matching state funds.

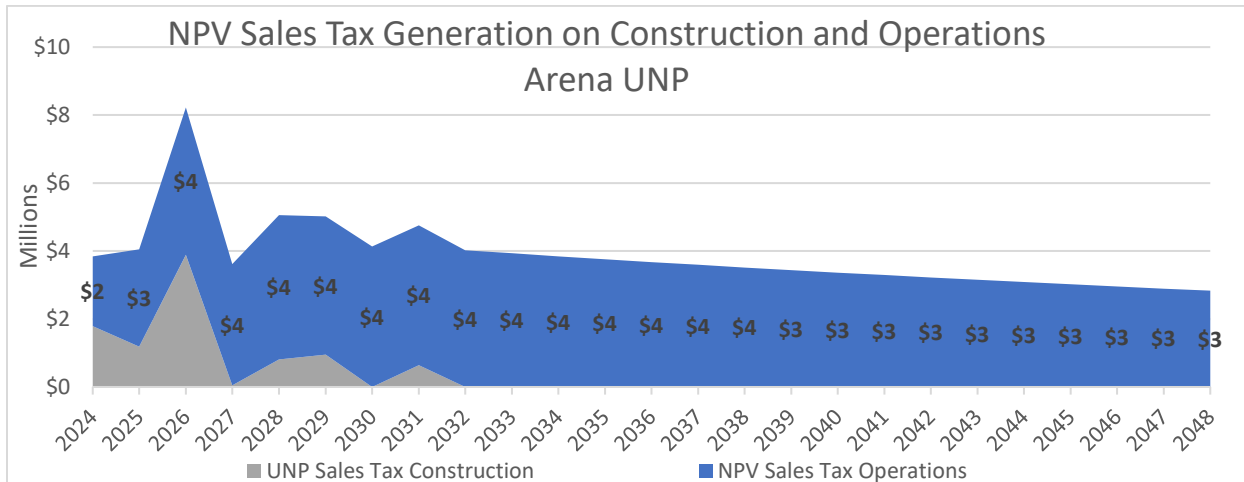
**Summary estimate of overall sales tax generation through the life of the TIF**

- UNP OU Foundation developments including the Arena
  - **\$148M** in operations sales tax
  - **\$157M** in construction and operations sales tax
  
- All NEDC developments and OU Foundation development projections
  - **\$160M** in operations sales tax
  - **\$170M** in construction and operations sales tax

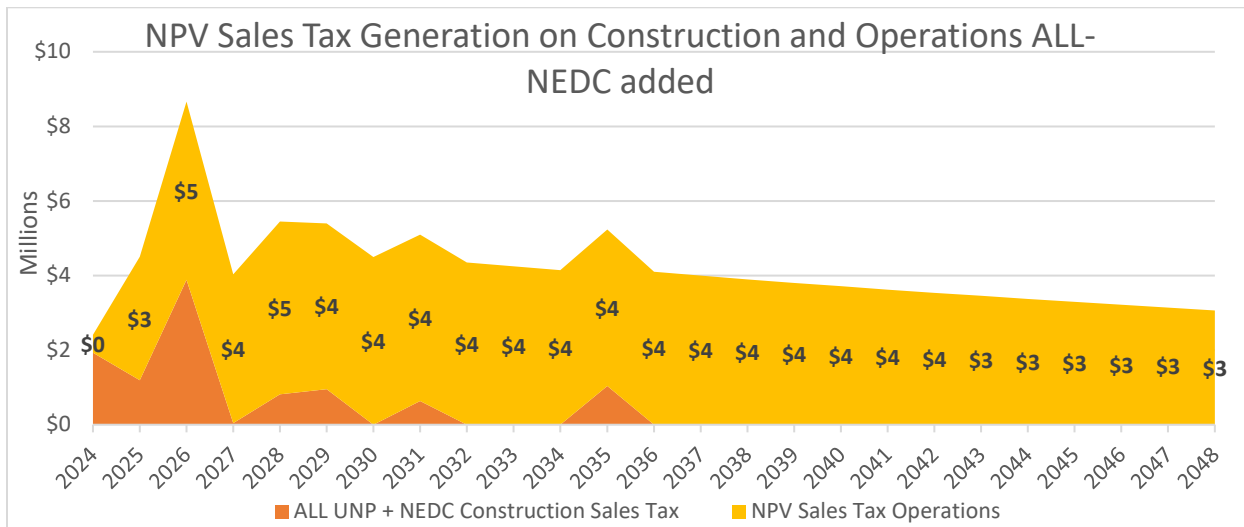


### NPV Sales Tax Breakdown

When considering the net present value of those sales tax dollars estimated to be generated over the life of TIF, the sales tax revenue for the Arena plus the original UNP developments reduces to \$87M. When construction sales tax revenues are added in the total, NPV rises to \$96M total for operations and constructions sales tax.



With the addition of the NEDC projects, including the Museum, Rec facility and restaurant, the total NPV estimate tax revenue will increase over the life of the TIF to \$94M without construction sales tax and \$104M with construction sales taxes added in.



### Summary estimate of overall NPV sales tax generation through the life of the TIF

- **NPV** Arena plus UNP original developments
  - **\$87M** in operations sales tax
  - **\$96M** in construction and operations sales tax
- **NPV** All NEDC developments along with Arena and UNP projections
  - **\$94M** in operations sales tax
  - **\$104M** in construction and operations sales tax

### Summary of Property and Sales Tax generation estimate

- UNP original developments plus Arena
  - **\$280M** in property taxes
  - **\$157M** in construction and operations sales tax
    - **\$148M** in operations sales tax
  - **\$438M Total Sales and Property Taxes**
  
- All NEDC developments along with Arena and UNP projections
  - **\$310M** in property tax
  - **\$170M** in construction and operations sales tax
    - **\$160M** in operations sales tax
  - **\$481M Total Sales and Property Taxes**

### NPV Summary of Property and Sales Tax generation estimate

- **NPV** Arena plus UNP original developments
  - \$169M in property taxes
  - **\$96M** in construction and operations sales tax
    - **\$87M** in operations sales tax
  - **\$266M Total Sales and Property Taxes**
  
- **NPV** All NEDC developments along with Arena and UNP projections
  - **\$190M** in property taxes
  - **\$104M** in construction and operations sales tax
    - **\$94M** in operations sales tax
  - **\$295M Total Sales and Property Taxes**

# EXHIBIT F

**hunden**  
partners

## Cleveland County Multi-Purpose Event Venue

Market Demand, Financial  
Feasibility & Impact Study





# Table of Contents

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# Introduction

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The Cleveland County Industrial Development Authority engaged Hunden Partners to provide a financial feasibility and economic and fiscal impact study related to a proposed event venue and mixed-use entertainment district (Project) in Cleveland County, Oklahoma. This report includes a cost-benefit analysis of the Project, followed by recommendations for the mixed-use entertainment district immediately adjacent to the performance venue based on market conditions and best practices. The following highlights the key goals of the study:

- **Analyze** the destination and real estate metrics, including marketing and visitor metrics, current market performance statistics, and product offerings.
- **Review** existing research, development plans and other planning documents.
- **Identify** relevant local and national trends and comparable developments focusing on the best practices for arena anchored mixed-use districts.
- **Prepare Projections** for the economic, fiscal and employment impacts of the Project.



## Executive Summary

# Key Questions

- **Will the Project generate a net increase in out-of-town visitors to Cleveland County?**
- **Will net new, or recaptured, spending be generated in Cleveland County from the Project?**
- **What impact, if any, will financing the event venue have on the local taxpayer?**
- **Will there be cannibalization of spending in the surrounding retail stores, restaurants, hotels and entertainment venues?**
- **Are there concerts, family shows, and other events that could be held at the event venue that are currently not being accommodated in the market and if so, how many?**
- **Are there other comparable projects across the country that are successful and if so, what makes them successful?**



# Project Overview

## Executive Summary



The Project is located adjacent to I-35 and it includes the entirety of the approximately 269-acre proposed Rock Creek Entertainment District TIF #4, which includes about 121 acres of OU Foundation land, approximately 60 acres of land controlled by NEDC, and about 88 acres owned by others.

**Hunden's analysis assesses the OU Foundation Development Program provided by Team Norman and the potential development that would likely occur on the additional land within the Rock Creek Entertainment District TIF #4.**



# Executive Summary

## Project Assumptions

This report assesses the financial feasibility and economic impact of a performance arena and event venue anchoring a compelling mixed-use entertainment district. Hunden was provided the OU Foundation Development Program from Team Norman, which is designated as the “Original Development.”

In addition, Hunden made market-based projections of development that would occur on the additional land surrounding the development program proposed for the OU Foundation land. This additional development would increase the property and sales tax revenue for the Rock Creek Entertainment District TIF #4.

The table to the top right shows the OU Foundation Development Program and the program recommended by Hunden for the additional land, together forming Rock Creek Entertainment District TIF #4.

Cleveland County Development Program Summary (All Phases, 10-Year Build Out)  
Rock Creek TIF #4 Entertainment District

| Use                            | Original Development*<br>121 Acres | Additional Development within TIF #4<br>148 Acres | Rock Creek TIF #4 District Full Buildout<br>269 Acres | Unit        |
|--------------------------------|------------------------------------|---|---|-------------|
| Performance Arena              | 10,500                             | -   | 10,500  | Capacity    |
| Retail & Restaurant            | 275,500                            | 55,000  | 330,500   | Square Feet |
| Hotel                          | 150                                | 120   | 270   | Rooms       |
| Multifamily                    | 1,424                              | 220   | 1,644   | Units       |
| Single Family For Rent         | 177                                | -   | 177   | Units       |
| Office                         | 564,322                            | -   | 564,322   | Square Feet |
| FBO                            | 48,000                             | -   | -   | -           |
| Hangar Space                   | 60,000                             | -   | 60,000  | Square Feet |
| National Weather Experience    | -                                  | 100,000   | 100,000   | Square Feet |
| Central Community Plaza        | 38,000                             | -   | 38,000  | Square Feet |
| Parking (Structured & Surface) | 4,665                              | Parking Analysis Req.                             | -   | Spaces      |

\*Development program provided by OU Foundation & Team Norman  
Source: Hunden Partners, OU Foundation, Team Norman





# Economic Impact Summary



**Hunden’s analysis assessed economic impact in two ways. First, Hunden assessed the conceptual net new economic impact the Project would generate for Cleveland County. Second, Hunden assessed the on-site fiscal impact which would contribute directly to the revenue streams of the Rock Creek Entertainment District TIF #4.**

## Conceptual Net New Impact to Cleveland County

- The conceptual net new impact from the Project shows the net new direct, indirect and induced spending, earnings and FTE jobs generated by the Project over a 25-year timeframe.
- The conceptual net new impact projections take into account cannibalized and recaptured spending that would likely occur.
- Hunden utilized the IMPLAN input-output multiplier model, which determines the level of additional activity in the Cleveland County economy due to the Project.

## On-Site Fiscal Impact

- The on-site fiscal impact includes the tax generation that would occur from the development within the Rock Creek Entertainment District TIF#4. Hunden assumed that these include the ad valorem generated from commercial development within the district as well as the sales tax generated from on-site spending.



# **Conceptual Net New Impact to Cleveland County**

# 25-Year Impact Summary

Over a 25-year period, the mixed-use entertainment district is expected to generate the impacts summarized in the table to the right for Cleveland County. These impacts are net new to the County and account for cannibalization and recaptured spending.

Hunden estimates that the OU Foundation Development Program will generate \$3.7 billion in net new spending, \$1.6 million in net new earnings, 1,513 FTE jobs, \$2.9 million in county taxes, \$546 million in City of Norman taxes, and \$6.7 million of City of Moore taxes in the overall economy over a 25-year timespan.

Based on Hunden's market assessment for the additional development for the Project located in the Rock Creek Entertainment District TIF #4, the Project has the potential to generate an estimated \$4.5 billion in net new spending, \$1.8 billion in new earnings, 1,804 FTE jobs, \$3.6 million in county taxes, \$608 million in City of Norman taxes and \$8.3 million in City of Moore taxes.

Construction impacts of the original development program would be robust. The Project is estimated to support 1,988 construction jobs within the county.



|                                      |                |
|--------------------------------------|----------------|
| Development Cost - Estimated         | (millions)     |
| Labor (60%)                          | \$723          |
| Materials (40%)                      | \$482          |
| <b>Total</b>                         | <b>\$1,205</b> |
| % Labor in Cleveland County          | 22%            |
| % Materials In Cleveland County      | 11%            |
| Construction Jobs in Years In-County | 1,988          |
| Taxes Generated                      | (millions)     |
| State Sales Tax (4.5%)               | \$19.5         |
| State Income Tax (wtd. 4.7%)         | \$33.3         |
| Local Sales Tax (4.25%)              | \$2.3          |
| <b>Total</b>                         | <b>\$55.1</b>  |

\*Total development cost was provided by OU Foundation and is based on Fair Market Value upon full-build out of the development  
Source: Hunden Partners

|                         | Original<br>(millions) | Additional<br>Development<br>(millions) | Full Buildout TIF#4<br>(millions) |
|-------------------------|------------------------|---|-----------------------------------|
| <b>Net New Spending</b> |                        |   |                                   |
| Direct                  | \$2,328                | \$516                                   | \$2,844                           |
| Indirect                | \$835                  | \$164                                   | \$998                             |
| Induced                 | \$534                  | \$142                                   | \$677                             |
| <b>Total</b>            | <b>\$3,697</b>         | <b>\$822</b>                            | <b>\$4,520</b>                    |
| <b>Net New Earnings</b> | (millions)             | (millions)                              | (millions)                        |
| From Direct             | \$996                  | \$136                                   | \$1,133                           |
| From Indirect           | \$328                  | \$60                                    | \$389                             |
| From Induced            | \$253                  | \$55                                    | \$307                             |
| <b>Total</b>            | <b>\$1,577</b>         | <b>\$252</b>                            | <b>\$1,829</b>                    |
| <b>Net New FTE Jobs</b> | Average                | Average                                 | Average                           |
| From Direct             | 922                    | 166                                     | 1,088                             |
| From Indirect           | 363                    | 68                                      | 431                               |
| From Induced            | 227                    | 58                                      | 285                               |
| <b>Total</b>            | <b>1,513</b>           | <b>291</b>                              | <b>1,804</b>                      |
| <b>Net New Taxes</b>    | (millions)             | (millions)                              | (millions)                        |
| <b>Cleveland County</b> |                        |   |                                   |
| Sales Tax (0.125%)      | \$2.9                  | \$0.6                                   | \$3.6                             |
| <b>Norman</b>           |                        |   |                                   |
| City Sales Tax (4.25%)  | \$92                   | \$20                                    | \$112                             |
| City Hotel Tax (8%)     | \$8                    | \$6                                     | \$13                              |
| Property Tax            | \$446                  | \$36                                    | \$482                             |
| <b>Total</b>            | <b>\$546</b>           | <b>\$62</b>                             | <b>\$608</b>                      |
| <b>Moore</b>            |                        |   |                                   |
| City Sales Tax (3.875%) | \$6.3                  | \$1.4                                   | \$7.7                             |
| City Hotel Tax (5%)     | \$0.4                  | \$0.3                                   | \$0.6                             |
| <b>Total</b>            | <b>\$6.7</b>           | <b>\$1.7</b>                            | <b>\$8.3</b>                      |

Source: Hunden Partners



# On-Site Tax Impacts

# 25-Year On-Site Tax Impacts

**The Rock Creek Entertainment District TIF #4 would utilize the on-site incremental property tax and sales tax impact generated by the uses within the district.**

The OU Foundation Development Program is estimated to generate \$446 million in on-site property taxes and \$116 million in sales tax revenue over a 25-year timeframe.

Additional development within the TIF is expected to occur on non-OU Foundation land. When accounting for this, the total on-site property taxes generated increase to an estimated \$482 million and sales tax revenues increase to an estimated \$138 million.

Hunden also showed the estimated on-site hotel occupancy tax revenue for the entire Project over a 25-year timeframe which totals \$31 million for the City of Norman.

Hunden acknowledges that there would be a loss to the City of Norman general fund from the sales tax that will no longer be generated at Lloyd Noble. The sales tax generated at the new performance venue/arena will contribute to the Rock Creek TIF #4. However, Hunden expects this will be negated by positive benefits shown in the 25-Year Conceptual Impacts, which shows the estimated level of net new spending within the greater Cleveland County economy.

## The Rock Creek Entertainment District TIF #4

| 25-Year On-Site Tax Impacts |                      |                        |                     |
|-----------------------------|----------------------|------------------------|---------------------|
|                             | Original Development | Additional Development | Full Buildout TIF#4 |
| TIF Capturable Taxes        | (millions)           | (millions)             | (millions)          |
| Property Tax                | \$446                | \$37                   | \$482               |
| Sales Tax                   | \$116                | \$22                   | \$138               |
| Total Onsite Tax Impact     | \$561                | \$58                   | \$620               |
|                             | (millions)           | (millions)             | (millions)          |
| City On-Site HOT Tax        | \$20                 | \$11                   | \$31                |

Source: Hunden Partners

*The 25-year on-site tax impacts have not discounted back to present value and therefore do not represent the actual value of capital available for the construction of components of the Project. The local sales tax rate capturable within the TIF is 3% (Norman General Fund & City Capital Projects)*

# Headlines

---

- 1 Market supported residential and commercial uses.** Market demand supports residential and commercial development within the Project.
- 2 Market Need for a mid-sized event venue in the OKC metropolitan area.** Nationally, medium-sized venues with a capacity of between 2,500 to 10,000 seats are in demand. Promoters said that acts that want to play the OKC market but can't sell out the Paycom Center are forced to either perform in a venue that is too small to profitably meet demand for the entertainment act or alternatively avoid the market completely. Further, modern event venues which feature the closure of upper concourse levels to create a more intimate concert atmosphere have found success in routing many more shows through their doors.
- 3 Impact of Concerts.** Privately managed collegiate venues that fill the calendar with entertainment acts have been shown to induce substantially more visitors to each market assessed, generating spending that 'but for' these performances, would not have occurred.
- 4 Destination Hub.** Norman is lacking a central 'hub' of activity, or a destination for visitors and residents. There is a genuine opportunity for this Project to be that central hub.
- 5 Catalyst for additional development.** The Project has the potential to be a catalyst for additional development within Norman and Cleveland County.

## Executive Summary

# Answers to the Key Questions

- Will the Project generate a net increase in out-of-town visitors to Cleveland County? **Yes, largely driven by the increase in promoted concerts, family shows, and other events and overall destination draw.**
- Will net new, or recaptured, spending be generated in Cleveland County from the Project? **Yes.**
- What impact, if any, will financing the Event Venue have on the local taxpayer? **Based on the development program provided by the OU Foundation, Hunden expects that there is a strong opportunity for the Project to have no impact to the local taxpayer.**
- Will there be cannibalization of spending in the surrounding retail stores, restaurants, hotels and entertainment venues? **Yes, Hunden accounted for the cannibalization of spending but believes the Project will recapture a comparable amount of spending that currently leaves Norman and goes to OKC.**
- Are there concerts, family shows, and other events that could be held at the Event Venue that are currently not being accommodated in the market and if so, how many? **Based on Hunden's market assessment the venue is projected to host 25 concerts, family shows and comedy acts upon stabilization.**
- Are there other comparable projects across the country that are successful and if so, what makes them successful? **Yes, typically the success is driven by strong management and a flexible design that accommodates a variety of event types.**

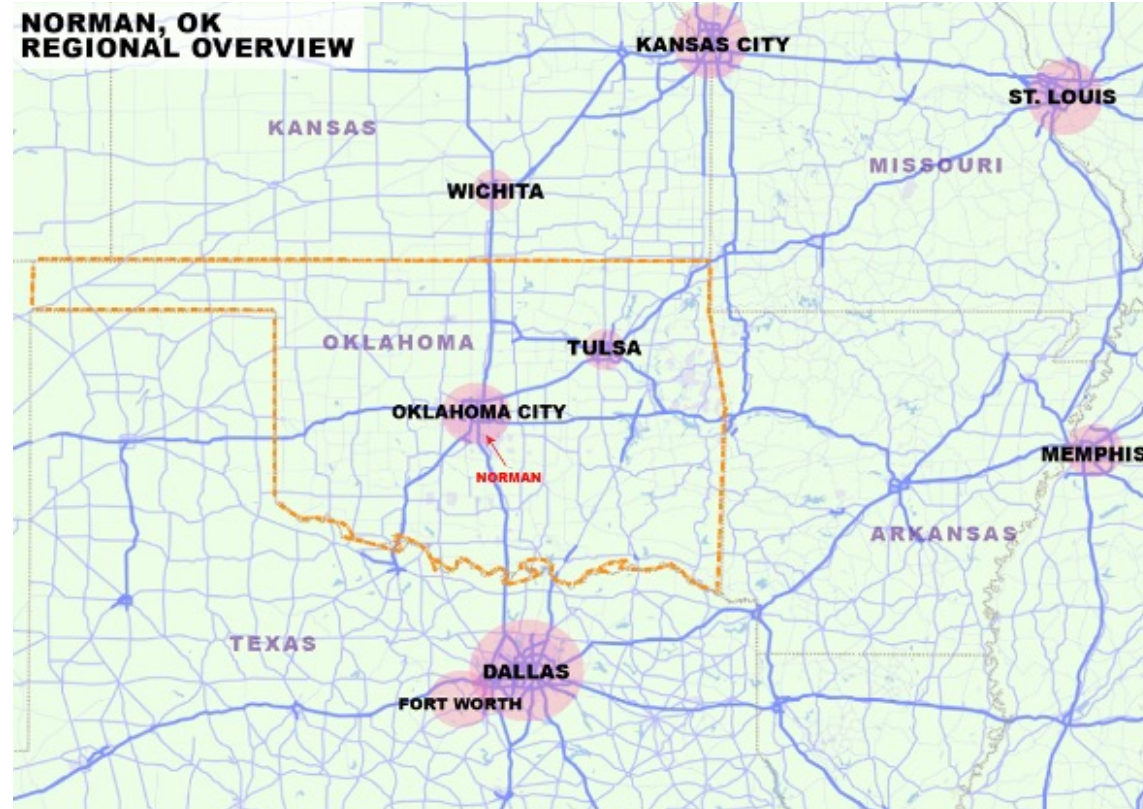


# Economic, Demographic & Tourism

## FOCUS

Evaluate the Project site area and Norman's position as a center of economic activity, related to resident population and business location growth, accessibility, and as a destination for visitors.

- Located in central Oklahoma, approximately 20 miles south of Oklahoma City, Norman has emerged as Oklahoma's third largest city.
- The project site is located in a prime location, offering easy access to major transportation routes such as Interstate 35, U.S. Highway 77 and State Highway 9.
- The population reaches nearly 1.5 million within a one-hour drive time of Norman and nearly 11 million with a three-hour drive time. The three-hour drive time captures markets such as Tulsa, Dallas, Texas, and Wichita, Kansas.
- Traffic counts are robust along the I-35 corridor with an average of 69,000 cars per day traveling both north and southbound.



## Population & Growth

Population growth across the Oklahoma City MSA significantly outperformed the US and state of Oklahoma average from 2010 to 2023.

## University of Oklahoma

The University of Oklahoma brings in significant activity to Cleveland County and the city of Norman, offering the area the potential to grow its tourism assets. The area has a variety of offerings that cater to a variety of markets, including young families and adults.

## Leakage

Norman residents and visitors will travel to Oklahoma City for additional entertainment and dining options due to the lack of supply within the City of Norman.

The average distance of an entertainment venue from the project site is approximately 18 miles away.

## Education & Skills

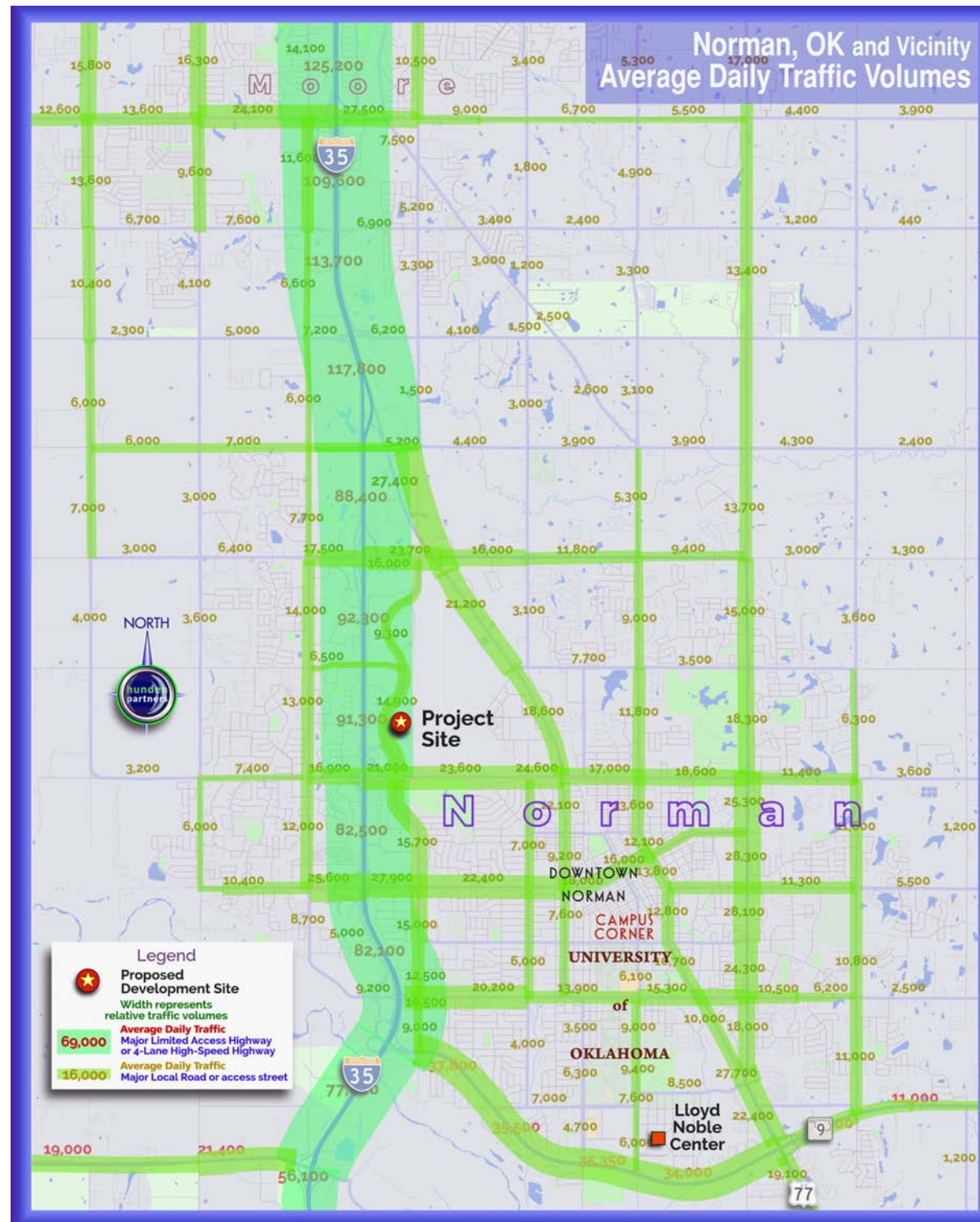
The educational attainment level for bachelor's and master's degrees in Norman are higher than the US, state and county averages. Areas with higher educational attainment levels often comprise of higher-paying careers and stronger public schools, which help to attract more affluent families and individuals.



# Local Traffic Counts

I-35 will remain one of the busiest thoroughfares in the entire southern side of the metro area and south of downtown OKC. The development and event venue will be seen easily by the area's travelers and commuters.

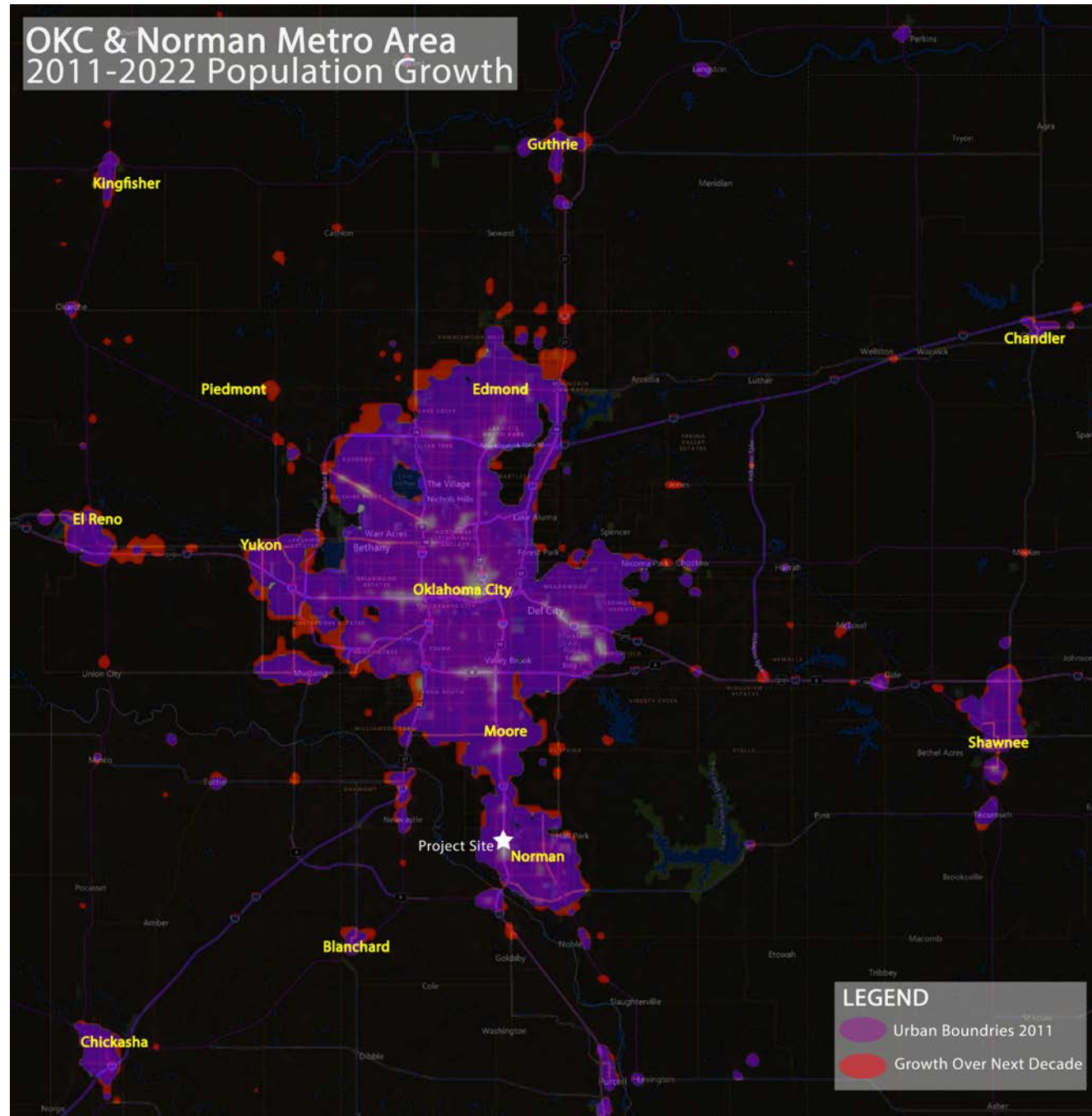
- Traffic counts bolster the strength of the site as a location for a large event venue.
- Even with the new toll turnpikes being built near and around Norman's east side, those new highways will never have nearly the traffic volumes and visibility that I-35 has currently. The south end of the metro-area highway loop should help traffic from the west and east sides get to an event venue in Norman, once built.
- The site is better than the current Lloyd Noble Center for travelers going to games, although college kids will no longer have an on-campus event venue to go to, and it may lack some of the college campus vibe.
- Norman's event venue will be able to get mid-sized shows that the entire central Oklahoma market can easily get to.



# Regional Area Growth

Over the past 11 years the OKC & Norman metro area has grown significantly, which is a good sign for an arena development's future stability.

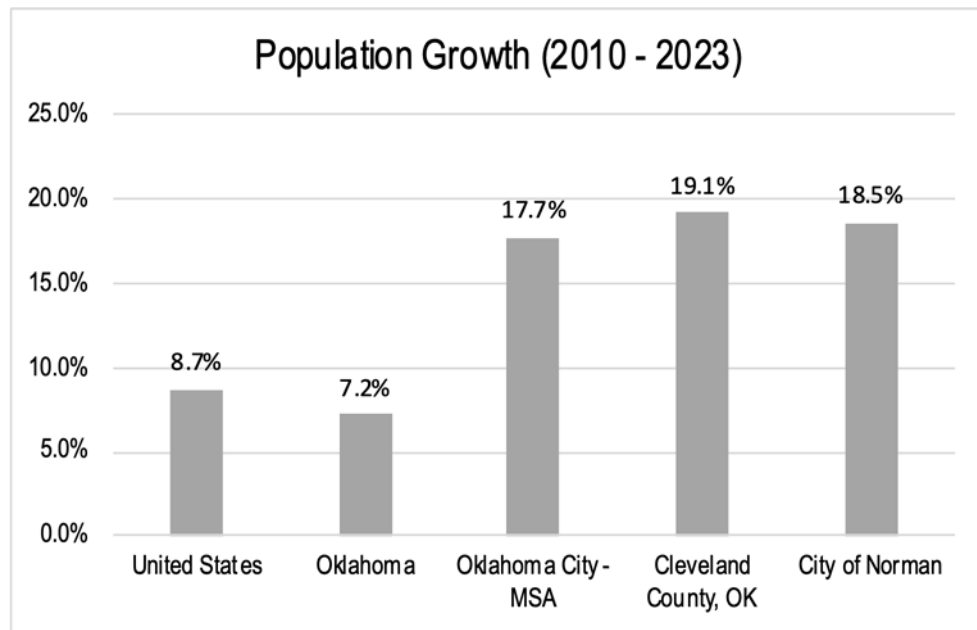
- Residential growth is occurring at the greatest rate on the north and west sides of Oklahoma City (in and around Edmond).
- The south side is also experiencing expansion, notably in the spaces between Norman and Moore, and on Norman's east periphery.
- Overall, an event venue's marketplace is the entire media broadcast marketplace, not a specific submarket or side of town, and the events will attract its audience from anyplace within that market, as long as it is familiar and easily accessible from a major highway.
- This location's high visibility potential enhances the venue's prospects of attracting touring shows because of the logistical needs of funneling a large number of vehicles to and from the Site, as well as for loading trucks required to transport touring acts.



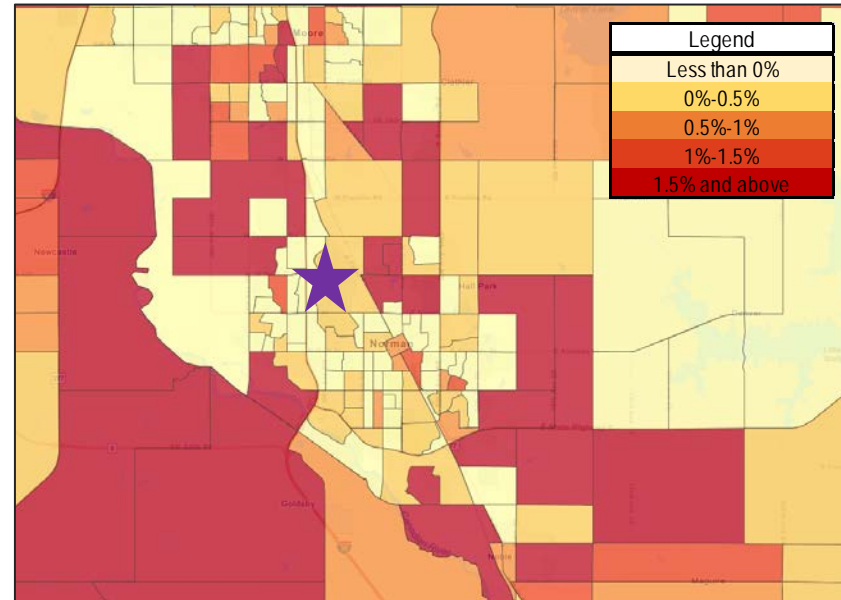
# Economic, Demographic & Tourism

## Population & Growth

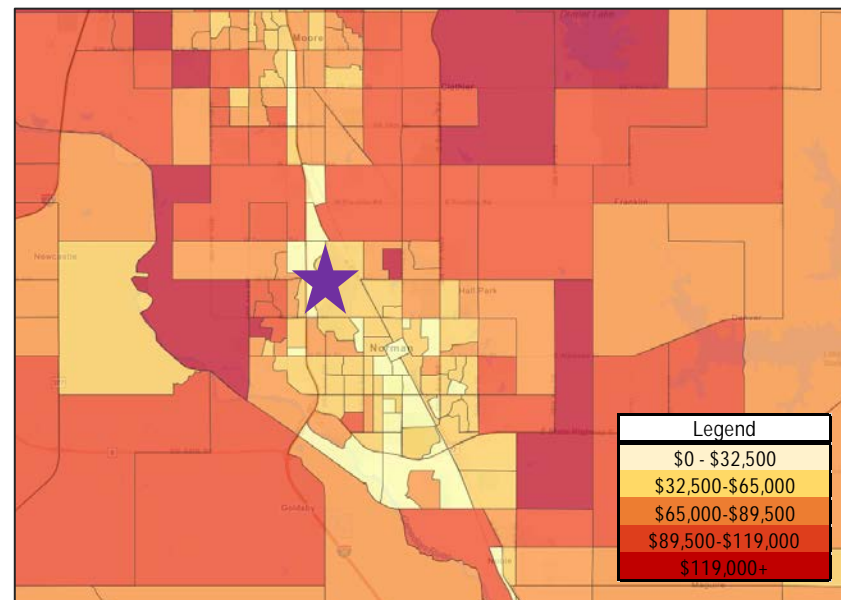
- Although downtown Norman sees minimal population growth and a lower median household income than surrounding areas, cities such as Goldsby, Hall Park and Newcastle are seeing significant population growth and median household incomes above \$89,000. Several of these areas can help generate consistent activity for the project.
- In comparison to the state of Oklahoma, Norman has higher median household incomes. Paired with its educational attainment levels, this data indicates that Norman and Cleveland County are home to several affluent neighborhoods. With higher levels of disposable income, households are more likely to spend money on entertainment and events related to the Project.



## Population Growth Projection 2023 - 2028



## Median Household Income 2023



# University of Oklahoma

|                             |             |
|-----------------------------|-------------|
| <b>Year Founded:</b>        | 1890        |
| <b>Current Enrollment:</b>  | 32,676      |
| <b>Highest Degree:</b>      | Doctorate   |
| <b>Core Campus Acreage:</b> | 3,326 acres |

University of Oklahoma (OU) is a public research university, located on three campuses in Norman, Oklahoma. It has the largest enrollment within the state of Oklahoma.

- **In State Tuition:** \$36,412
- **Out of State Tuition:** \$53,482
- **Athletic Conference:** Big 12 Conference, SEC (2024)

OU has seen an increase in total enrollment since 2020, with more than a three percent increase from 2022 to 2023 in the fall semester. Total enrollment for fall 2023 was approximately 32,676 students and approximately 29,920 students in the spring. The City of Norman, like many college towns, face challenges with seasonality of student populations.

As of 2024, OU has joined the Southeastern Conference (SEC) which is expected to significantly impact the athletics environment.



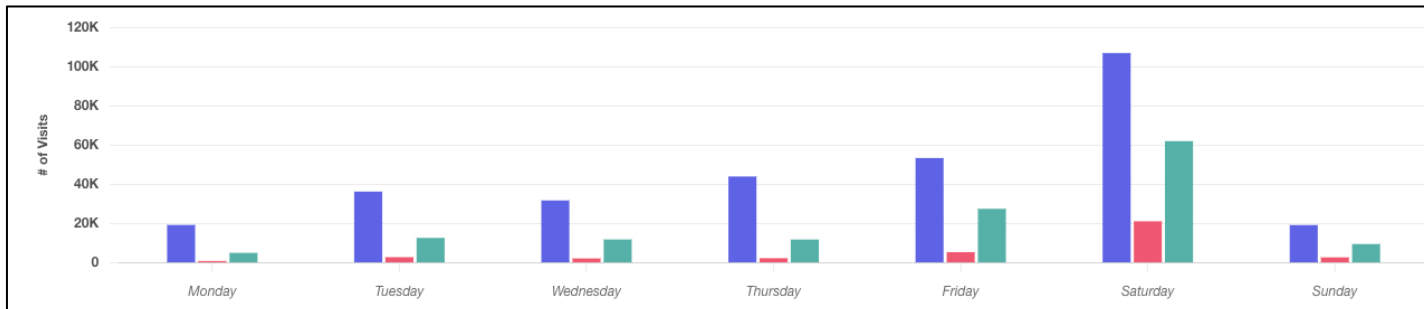
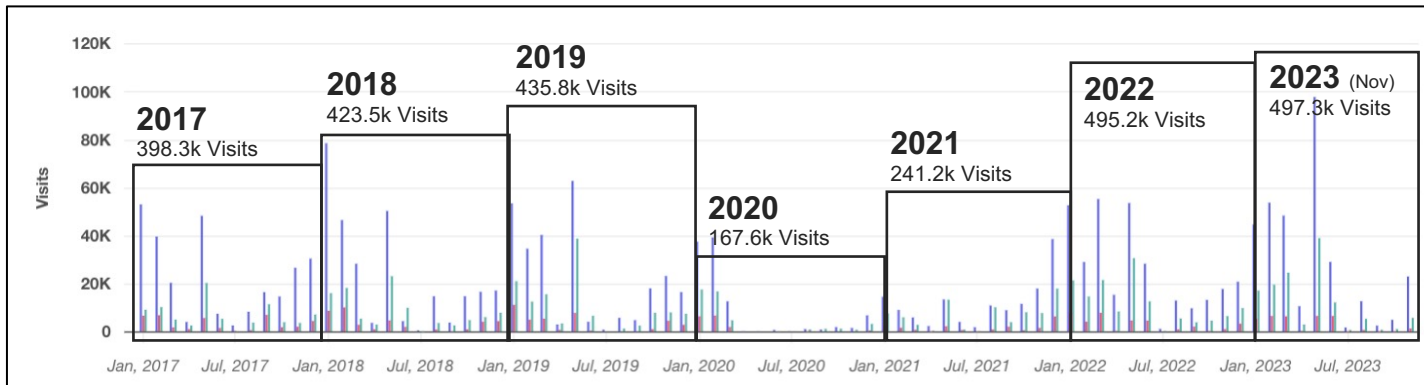
# Lloyd Noble Center Visitation Analysis

Hunden utilizes Placer.ai which is a geofencing platform that monitors selected points of interest (POIs). The following points highlight key headlines from the geofencing analysis of the Lloyd Noble Center in 2022:

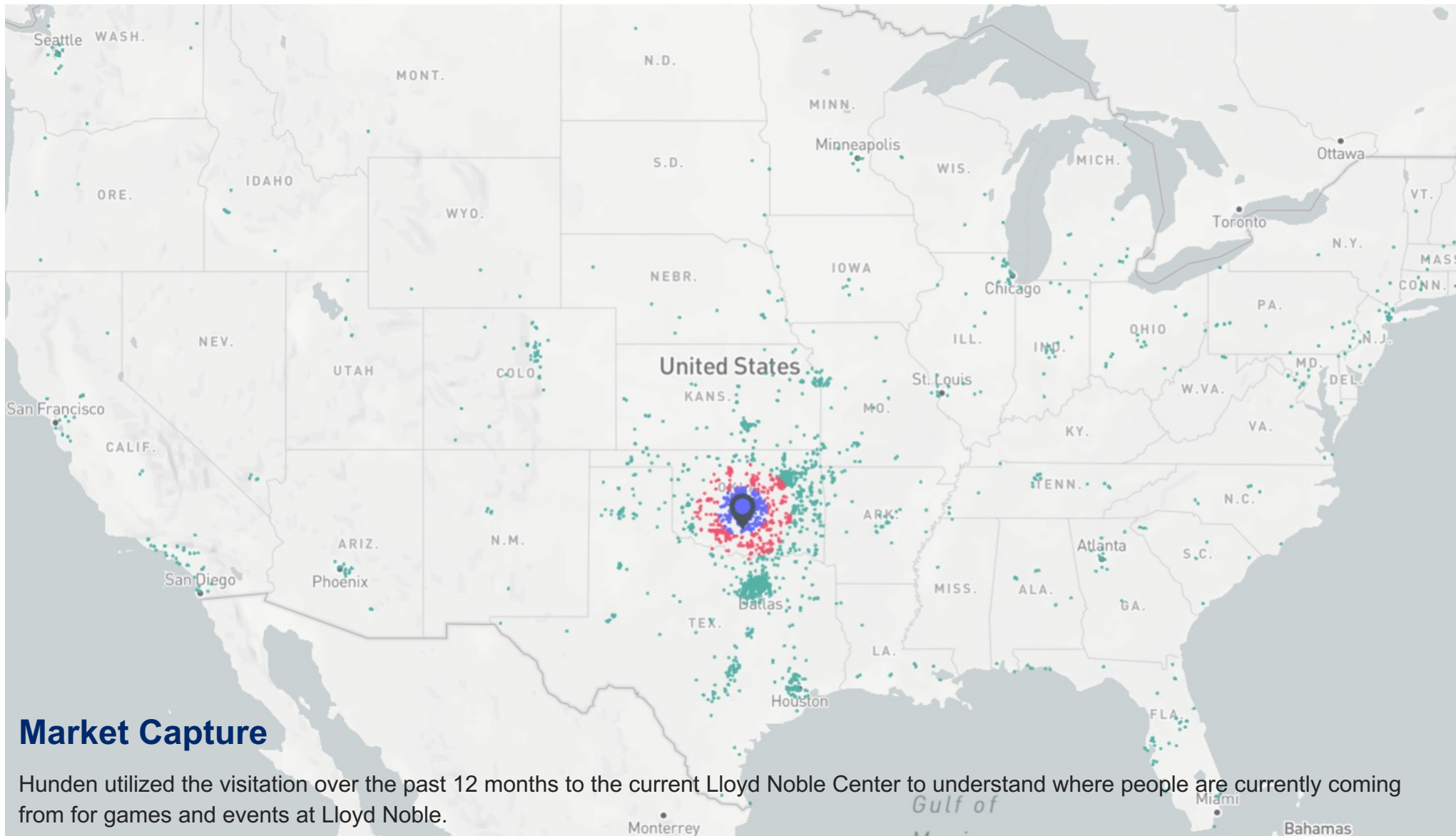
**Nearly 64 percent, or 311,258, of total visits to the Lloyd Noble Center came from within 50 miles. Long distance visitation from over 100 miles encompassed nearly 29 percent of total visits, with 141,047 total visits.**

| Lloyd Noble Center - Total Visitation<br>January 1st, 2022- December 31st, 2022 |                       |                         |                          |                            |                          |
|---|-----------------------|-------------------------|--------------------------|----------------------------|--------------------------|
| Visitor Origins by Distance from Site<br>(Colors correspond to charts & maps)   | Total Visits          |                         | Total Unique Customers   |                            | Avg. Visits per Customer |
|   | Est. Number of Visits | Percent of Total Visits | Est. Number of Customers | Percent of Total Customers |                          |
| Locals - Within 50 miles  | 311,258               | 63.5%                   | 162,061                  | 57.8%                      | 1.92                     |
| Regional Distance - Over 50 miles & Less Than 100 miles                         | 38,241                | 7.8%                    | 26,995                   | 9.6%                       | 1.42                     |
| Long Distance only - Over 100+ miles  | 141,047               | 28.8%                   | 91,529                   | 32.6%                      | 1.54                     |
| Total Visits  | 490,546               | 100.0%                  | 280,585                  | 100.0%                     | 1.75                     |

Source: Placer.ai



# Performance Venue, Entertainment & Events Market



## Market Capture

Hunden utilized the visitation over the past 12 months to the current Lloyd Noble Center to understand where people are currently coming from for games and events at Lloyd Noble.

Placer registers a new “home” for a cell phone owner after 30 days of being at a new city every night. Thus, for each arena there is a slight overestimation of out-of-county and out-of-state visits during the initial events of the school year.

# Key Highlights

## Economic, Demographic & Tourism

Local market area characteristics such as population, demographics, a diversified economy, access and attractions influence the potential demand for tourism developments as well as the overall attractiveness of an area to any potential visitor or group.

The project site is located in a prime location, with easy access through major interstates. The three-hour drive time captures markets such as Tulsa, Dallas, Texas, and Wichita, Kansas, which indicates the Project can drive tourism from major markets both in and out of state.

The University of Oklahoma brings in significant activity to Cleveland County and the city of Norman, offering the area the potential to grow its tourism assets. The student population is continuously growing, with a current enrollment of over 32,000 students.

Norman and Cleveland County are home to several affluent neighborhoods. With higher levels of disposable income, households are more likely to spend money on entertainment and events related to the Project.

Currently, there is significant leakage of spending from Norman and the surrounding area to OKC for entertainment and dining.

## Norman Snapshot



Easy Access



Population Growth



High Educational Attainment



High Median Household Income

# Performance Venue, Entertainment & Events Market

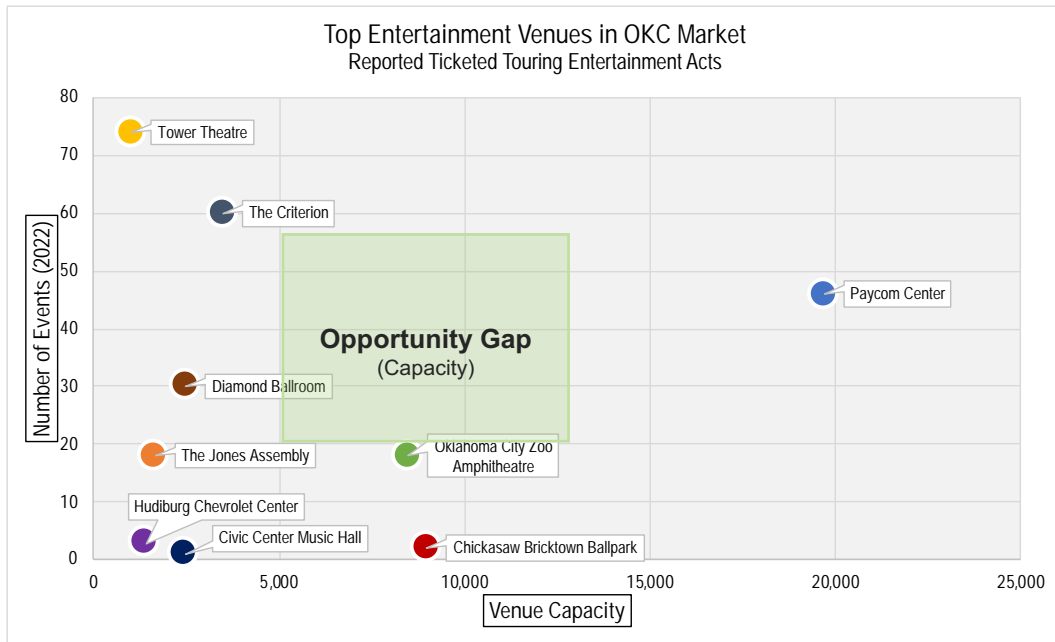
## Key Market Indicators

Pollstar compiled data between November 2021 and November 2022 to publish their Concert Market Rankings report. The following bullets summarize Oklahoma City's performance throughout the period.

- OKC ranked 42<sup>nd</sup> overall in reported gross dollars of ticket sales. Over the period, there was a reported \$28.26 million in ticket sales (383,781 reported tickets sold).
- Across 85 shows reported, the average ticket price was \$73.63.

## 2023 POLLSTAR CONCERT MARKET RANKINGS

| RANK | RANK CHANGE | MARKET                   | 2022 REPORTED GROSS | 2022 REPORTED TICKETS SOLD | 2022 AVG. TICKET PRICE | 2022 AVG. TICKET PRICE CHANGE | 2022 REPORTED SHOWS | 2023 DMA RANK | DMA CHANGE |
|------|-------------|--------------------------|---------------------|----------------------------|------------------------|-------------------------------|---------------------|---------------|------------|
| 37   | -11         | Jacksonville             | \$ 42,568,649       | 634,134                    | \$ 67.13               | 6%                            | 302                 | 47            | -4         |
| 38   | 3           | Salt Lake City           | \$ 38,454,385       | 619,892                    | \$ 62.03               | 19%                           | 283                 | 34            | -4         |
| 39   | 3           | Greenville-Spartanburg   | \$ 36,390,876       | 509,173                    | \$ 71.47               | 37%                           | 312                 | 37            | -2         |
| 40   | 49          | Greensboro-Winston Salem | \$ 32,015,006       | 378,757                    | \$ 84.53               | 76%                           | 190                 | 46            | 1          |
| 41   | 56          | Knoxville                | \$ 29,518,974       | 389,997                    | \$ 75.69               | 46%                           | 149                 | 62            | -          |
| 42   | 17          | Oklahoma City            | \$ 28,256,082       | 383,781                    | \$ 73.63               | 53%                           | 85                  | 41            | 3          |
| 43   | 38          | Little Rock              | \$ 27,748,330       | 330,390                    | \$ 83.99               | 81%                           | 67                  | 57            | 2          |
| 44   | -4          | Columbus                 | \$ 27,644,508       | 371,655                    | \$ 74.38               | 6%                            | 252                 | 32            | 1          |
| 45   | 35          | Boise                    | \$ 26,877,242       | 409,406                    | \$ 65.65               | 26%                           | 287                 | 106           | -5         |
| 46   | -3          | Louisville               | \$ 26,113,121       | 361,788                    | \$ 72.18               | 22%                           | 81                  | 49            | -          |
| 47   | -9          | Cincinnati               | \$ 24,865,505       | 410,073                    | \$ 60.64               | 9%                            | 183                 | 36            | -          |



| Venue                                  | Location          | Venue Type         | Capacity   | Miles from Project Site | 2022 Shows (Played and Scheduled) |
|--|-------------------|--------------------|------------|-------------------------|-----------------------------------|
| Paycom Center                          | Oklahoma City, OK | Arena              | 19,711     | 16.6                    | 46                                |
| Bennett Event Center                   | Oklahoma City, OK | Auditorium/Theatre | 18,600     | 20.7                    | -                                 |
| Remington Park                         | Oklahoma City, OK | Outdoor Venues     | 15,000     | 21.8                    | -                                 |
| Jim Norick Arena                       | Oklahoma City, OK | Arena              | 12,500     | 20.4                    | -                                 |
| Lloyd Noble Center                     | Norman, OK        | University Arena   | 12,000     | 7.0                     | -                                 |
| Chickasaw Bricktown Ballpark           | Oklahoma City, OK | Stadium            | 9,000      | 16.9                    | 2                                 |
| Oklahoma City Zoo Amphitheatre         | Oklahoma City, OK | Amphitheatre       | 8,500      | 20.9                    | 18                                |
| Oklahoma Expo Hall                     | Oklahoma City, OK | Auditorium/Theatre | 4,000      | 21.5                    | -                                 |
| The Criterion                          | Oklahoma City, OK | Auditorium/Theatre | 3,500      | 17.0                    | 60                                |
| Diamond Ballroom                       | Oklahoma City, OK | Club               | 2,500      | 11.9                    | 30                                |
| Civic Center Music Hall                | Oklahoma City, OK | Auditorium/Theatre | 2,477      | 17.5                    | 1                                 |
| The Jones Assembly                     | Oklahoma City, OK | Club               | 1,672      | 18                      | 18                                |
| Hudiburg Chevrolet Center              | Midwest City, OK  | Auditorium/Theatre | 1,401      | 20                      | 3                                 |
| Cowboys OKC                            | Oklahoma City, OK | Club               | 1,400      | 19                      | -                                 |
| OCCE Visual and Performing Arts Center | Oklahoma City, OK | Auditorium/Theatre | 1,067      | 15                      | -                                 |
| Tower Theatre                          | Oklahoma City, OK | Auditorium/Theatre | 1,042      | 18                      | 74                                |
| Beer City Music Hall                   | Oklahoma City, OK | Club               | 500        | 18                      | -                                 |
| <i>Average</i>                         |                   |                    | <i>500</i> | <i>18</i>               | <i>-</i>                          |

Source: Pollstar



# Performance Venue, Entertainment & Events Market

## Venue Supply

One large prominent indoor venue, Paycom Center Arena, which attracts top national arena touring acts. For a market the size of Oklahoma City, the supply of large venues is adequate; however, in the medium-size capacity range there is not much. There are many strong performers and acts that cannot necessarily sell out Paycom Center and seek spaces within the 2,500 – 10,000 capacity range. This is especially evident in secondary cities and markets.

**There is a gap in the market for a medium-sized indoor entertainment venue. Neither of the proposed Projects will truly be directly competitive to the Project.**

## New Developments



The 7,000-seat arena is currently under construction with plans for completion by 2025. The new facility will replace the aging Jim Norick Arena and be focused on accommodating large ag and equine shows. On average, the Fairgrounds host more than 2.5 million people every year with nearly 200 events which generates robust economic impact for the city. The project is paid for through MAPS 3 and 4 funds and hotel tax revenues.



City leadership announced in July 2022 preliminary plans for the development of a new arena for the OKC Thunder. Paycom Center is approaching 22 years old, with its only major renovating occurring in 2008. Plans for financing have not been determined but preliminary costs of \$900 million have been floated, with a contribution of an estimated \$50 million from Thunder ownership. A proposed opening of 2029-30 season has been targeted.

# Key Highlights

## Entertainment Market

The proposed entertainment venue and surrounding mixed-use district would generate many new events to the Norman market that are currently not being accommodated in Lloyd Noble Center. In conversations with promoters that cover the Oklahoma City market it was indicated that there is no strong indoor venue that is scalable within the medium size range.

OKC is in a strong position geographically for the routing of acts. Performers playing markets in Texas that are moving to the north or vice versa can add a stopover in OKC for a show. Tulsa is a competitive market given that the BOK Center does not have an NBA/NHA anchor tenant.

A venue similar to Moody Center or Dickies Arena in terms of scalability and size would perform well in the OKC market. **A venue of this size would not be directly competitive with a potential new arena for the Thunder** that would replace Paycom Center.

**The proposed venue would be able to conservatively host approximately 25 – 30 ticketed non-university events.** Many of these would not be at the full capacity of the venue, half house or closed upper bowl would be an attractive configuration for touring acts.

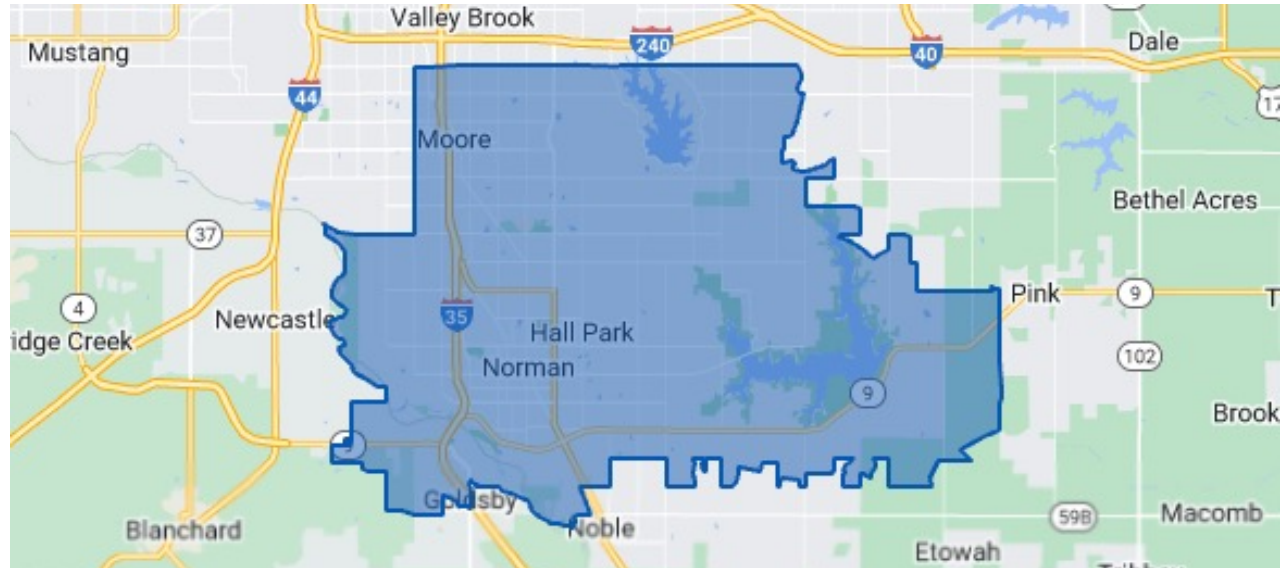


# Hotel Submarket

Hunden utilizes CoStar, which owns Smith Travel Research (STR) to assess the hotel performance in the market. The Norman/Moore submarket consists of close to 4,000 rooms spread across 37 properties. Just south of the project site, is a 124-room Residence Inn that is under construction, and a 102-room Home2Suites is proposed.

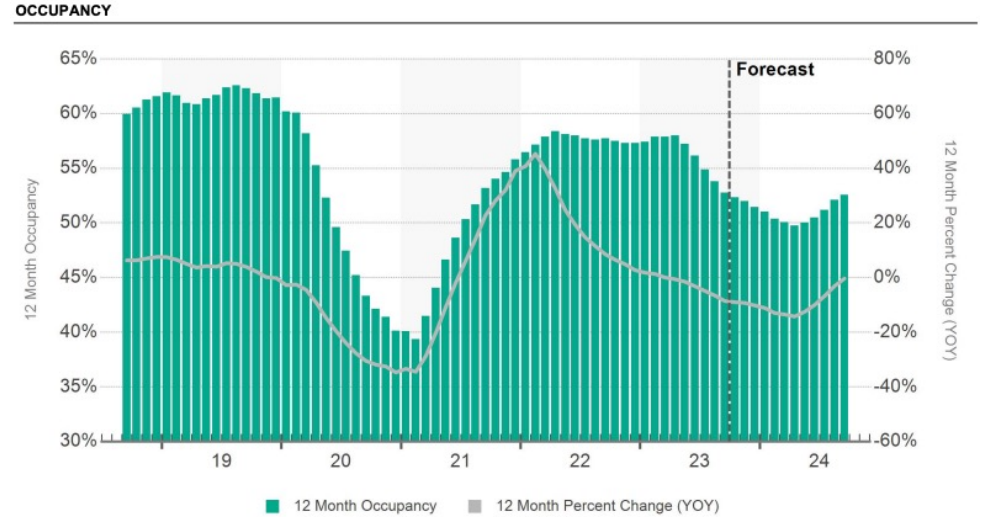
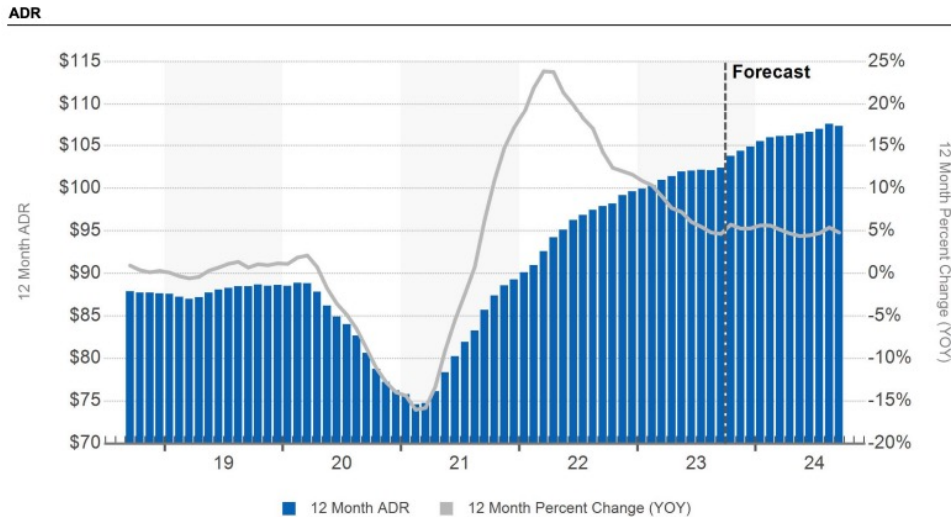
62 percent of the supply are Upscale and Upper Midscale properties, with limited Luxury and Upper Upscale supply. Twelve-month occupancy within the submarket is approximately 3.3 percent lower than the broader market, and twelve-month RevPAR (a product of occupancy and rate) has decreased, while the broader market's RevPAR continues to increase.

While ADR within the submarket is projected to continue to increase, occupancies are projected to decrease further in 2024.



| 12 Mo Occupancy | 12 Mo ADR       | 12 Mo RevPAR   | 12 Mo Supply | 12 Mo Demand  |
|-----------------|-----------------|----------------|--------------|---------------|
| <b>52.7%</b>    | <b>\$102.38</b> | <b>\$53.99</b> | <b>1.4M</b>  | <b>733.2K</b> |

| Class                    | Rooms        | 12 Mo Occ    | 12 Mo ADR       | 12 Mo RevPAR   | 12 Mo Delivered | Under Construction |
|--------------------------|--------------|--------------|-----------------|----------------|-----------------|--------------------|
| Luxury & Upper Upscale   | 390          |              |                 |                | 0               | 0                  |
| Upscale & Upper Midscale | 2,470        | 50.9%        | \$108.10        | \$54.98        | 0               | 124                |
| Midscale & Economy       | 1,098        | 50.2%        | \$66.97         | \$33.64        | 0               | 0                  |
| <b>Total</b>             | <b>3,958</b> | <b>52.7%</b> | <b>\$102.38</b> | <b>\$53.99</b> | <b>0</b>        | <b>124</b>         |



# Hotel Market Analysis

- Hunden identified a hotel competitive set within Norman, selected based on quality and vicinity to the Project site.
- Hotel occupancy within the competitive set has yet to recover to pre-pandemic levels; however, average daily rate (ADR) has hit new peaks, leading to an overall increase of RevPAR compared to pre-pandemic levels.
- Stabilization of recent growth in ADR is expected and is exhibited in year-to-date ADR growth of 3.3 percent.

| Property Name  | Miles from |       |             | Chain Scale    |
|--|------------|-------|-------------|----------------|
|  | Site       | Rooms | Year Opened |                |
| Embassy Suites by Hilton Norman Hotel & Conference Center    | 0.1        | 283   | 2008        | Upper Upscale  |
| Holiday Inn Express & Suites Norman                          | 0.1        | 116   | 2015        | Upper Midscale |
| Hampton by Hilton Inn & Suites Norman Conference Center Area | 0.1        | 104   | 2020        | Upper Midscale |
| StoneHill Norman, Trademark Collection by Wyndham            | 1.0        | 116   | 2016        | Upper Midscale |
| Comfort Inn & Suites Norman Near University                  | 1.1        | 73    | 2008        | Upper Midscale |
| Courtyard Norman   | 1.2        | 113   | 2009        | Upscale        |
| Hilton Garden Inn Norman                                     | 1.3        | 121   | 2008        | Upscale        |
| Fairfield Inn & Suites Norman                                | 2.0        | 74    | 1995        | Upper Midscale |
| La Quinta Inns & Suites Oklahoma City Norman                 | 2.5        | 117   | 1997        | Upper Midscale |
| Country Inn & Suites by Radisson, Norman, OK                 | 2.6        | 77    | 2007        | Upper Midscale |
| Total / Average  |            | 1,194 | 2008        |                |

Source: CoStar, Smith Travel Research

| Year             | Annual Avg. Available Rooms | Available Room Nights | % Change | Room Nights Sold | % Change | % Occupancy | % Change | ADR      | % Change | RevPar  | % Change |
|------------------|-----------------------------|-----------------------|----------|------------------|----------|-------------|----------|----------|----------|---------|----------|
| 2015             | 955                         | 348,666               | --       | 236,301          | --       | 67.8        | --       | \$103.96 | --       | \$70.46 | --       |
| 2016             | 1,023                       | 373,258               | 7.1%     | 231,384          | -2.1%    | 62.0        | -8.5%    | \$104.68 | 0.7%     | \$64.89 | -7.9%    |
| 2017             | 1,090                       | 397,850               | 6.6%     | 252,027          | 8.9%     | 63.3        | 2.2%     | \$102.28 | -2.3%    | \$64.79 | -0.1%    |
| 2018             | 1,090                       | 397,850               | 0.0%     | 279,784          | 11.0%    | 70.3        | 11.0%    | \$99.20  | -3.0%    | \$69.76 | 7.7%     |
| 2019             | 1,090                       | 397,850               | 0.0%     | 274,806          | -1.8%    | 69.1        | -1.8%    | \$101.75 | 2.6%     | \$70.28 | 0.8%     |
| 2020             | 1,133                       | 413,506               | 3.9%     | 164,670          | -40.1%   | 39.8        | -42.3%   | \$91.35  | -10.2%   | \$36.38 | -48.2%   |
| 2021             | 1,194                       | 435,810               | 5.4%     | 234,976          | 42.7%    | 53.9        | 35.4%    | \$106.65 | 16.7%    | \$57.50 | 58.1%    |
| 2022             | 1,194                       | 435,810               | 0.0%     | 253,562          | 7.9%     | 58.2        | 7.9%     | \$118.33 | 11.0%    | \$68.84 | 19.7%    |
| 2023 YTD (Sept.) | 1,194                       | 325,962               | 0.0%     | 202,247          | 4.5%     | 62.0        | 4.5%     | \$121.87 | 3.3%     | \$75.62 | 8.0%     |
| CAGR (2015-22)   | 3.57%                       | 3.57%                 |          | 1.04%            |          | -2.02%      |          | 1.97%    |          | -0.33%  |          |

Source: Smith Travel Research, Hunden Partners

**Occupancy**  
62%  
YOY  
▲ 4.5%

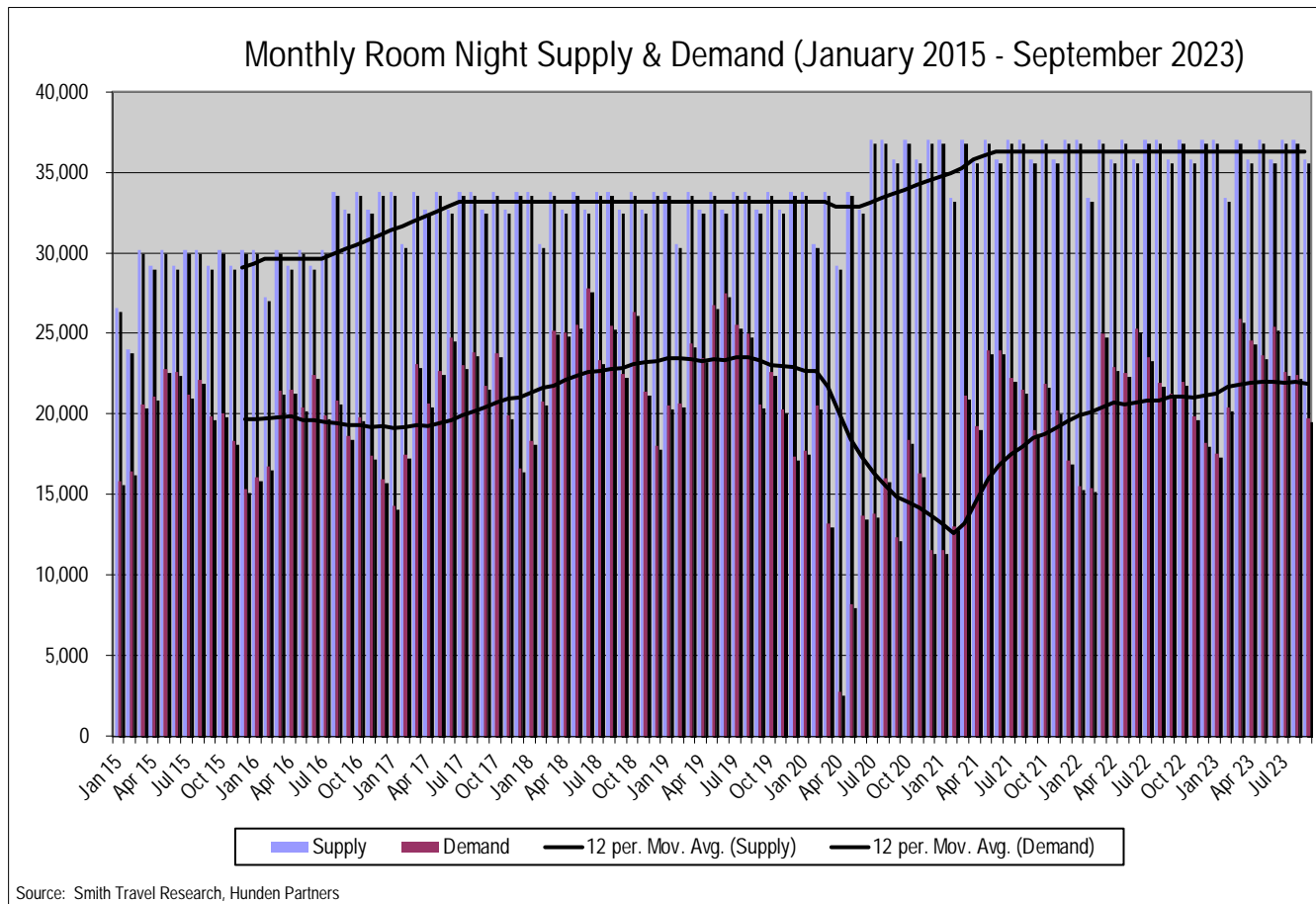
**ADR**  
\$121.87  
YOY  
▲ 3.3%

**RevPAR**  
\$75.62  
YOY  
▲ 8.0%

# Supply & Demand

The supply of room nights in the local competitive set was relatively constant leading up to the COVID-19 pandemic. Once the pandemic occurred in 2020, there was significant depleted demand. Since the pandemic, additional supply was introduced to the market, though absorption has been slow, with demand yet to recover to pre-pandemic levels.

Hotel room demand shows consistent seasonal trends with winter months seeing significantly lower demand.



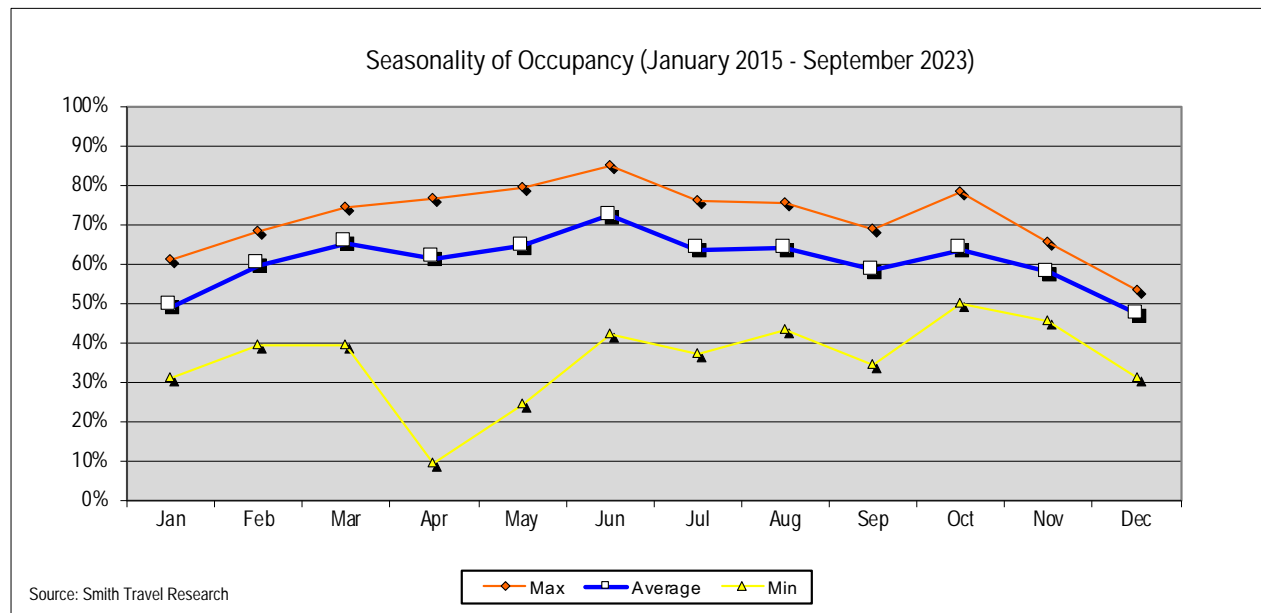
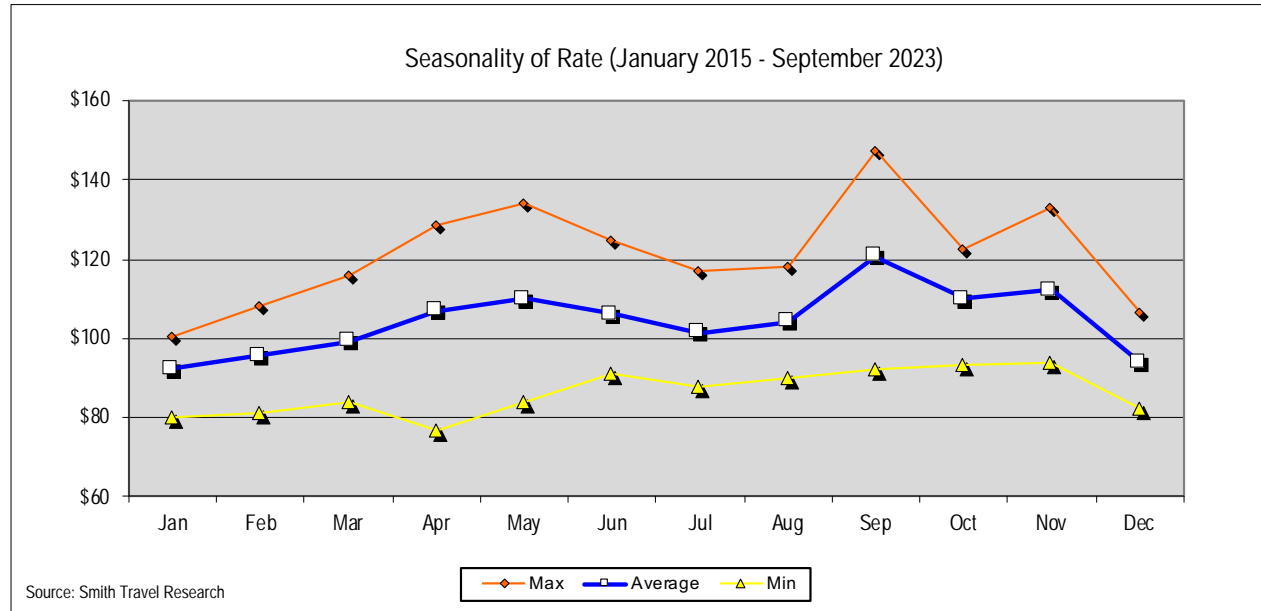
# Seasonality

## ADR & Occupancy

The adjacent tables detail the seasonal performance of the competitive set since January 2015.

As shown, the competitive set experiences its highest rates during the the months of May, September and November. This is likely due to travel induced from OU sporting and academic events such as home football games and graduation. The winter months are historically more affordable.

Though rates peaked in May, September and November, occupancy did not, showing high rates may be associated with major events rather than extended periods of increased demand. Highest occupancies occurred in June and were lowest in the winter months.

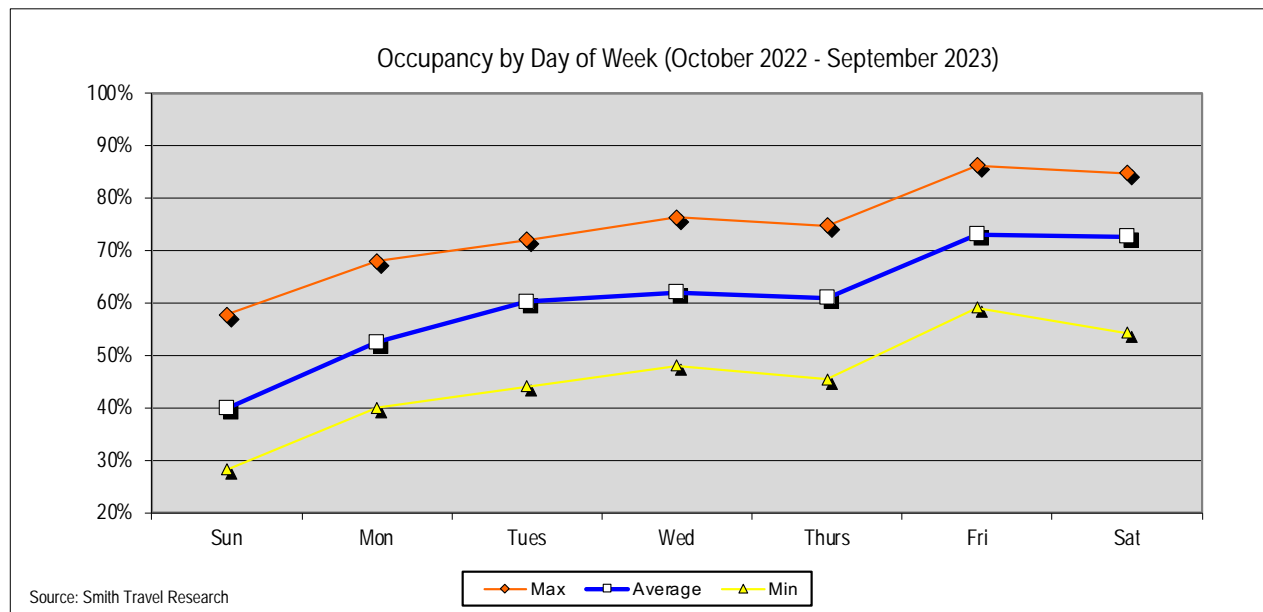
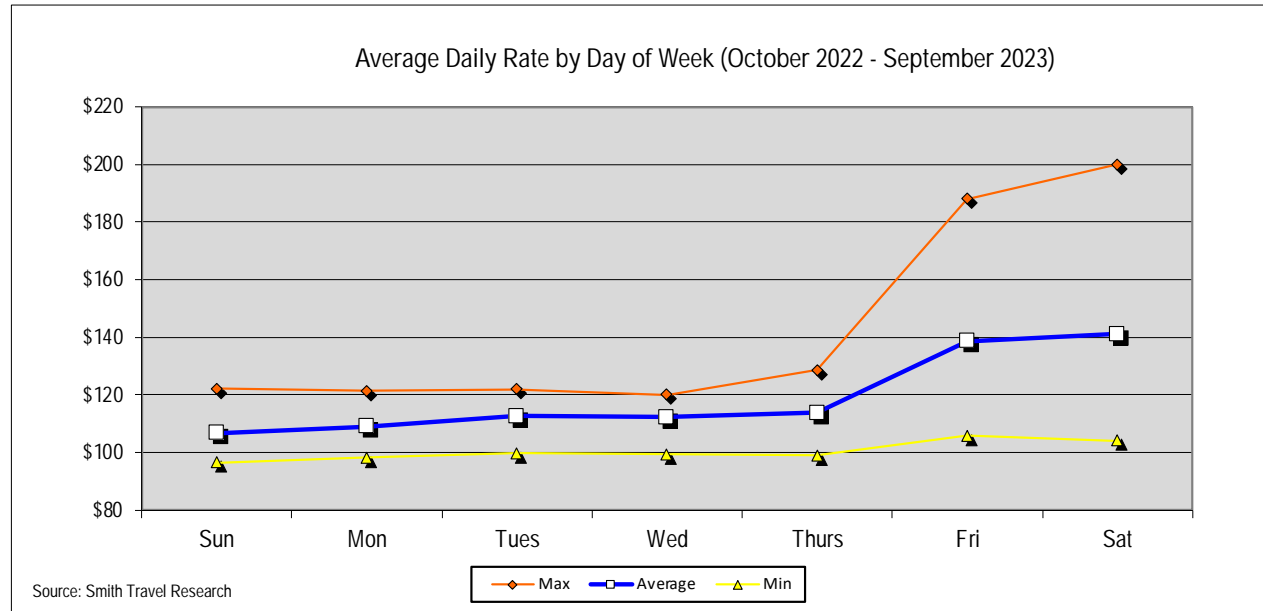


# Day of Week ADR & Occupancy

The adjacent tables detail the weekly performance of the local competitive set from October 2022 through September 2023.

Typically, group and corporate travel occurs from Sunday through Thursday, while leisure travel occurs on Fridays and Saturdays. The highest rates in the competitive set are on the weekends, which suggests strong leisure demand.

In addition, occupancy is highest on weekends, suggesting the need for more weekday demand generators to diversify the mix of hotel business.



# Heat Chart

## ADR & Occupancy

The adjacent tables detail the weekly performance of the local competitive set by month from October 2022 through September 2023.

As shown, both rate and occupancy were highest on weekends, which suggest strong leisure demand. Highest rates occurred in May, September, and November, while highest occupancies occurred from March through June.

Low weekday occupancy and rate suggest lower corporate and group demand. Throughout the year, Sundays and Mondays recorded the weakest occupancies and rates.

| ADR by Day of Week by Month - October 2022 - September 2023 |        |        |         |           |          |        |          |       |
|---|--------|--------|---------|-----------|----------|--------|----------|-------|
|   | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Avg   |
| Oct - 22  | \$105  | \$105  | \$108   | \$110     | \$110    | \$141  | \$134    | \$117 |
| Nov - 22  | \$101  | \$107  | \$111   | \$105     | \$113    | \$165  | \$189    | \$133 |
| Dec - 22  | \$98   | \$98   | \$102   | \$103     | \$100    | \$113  | \$119    | \$107 |
| Jan - 23  | \$97   | \$98   | \$100   | \$99      | \$99     | \$106  | \$104    | \$101 |
| Feb - 23  | \$100  | \$101  | \$109   | \$104     | \$102    | \$118  | \$115    | \$108 |
| Mar - 23  | \$106  | \$109  | \$111   | \$113     | \$115    | \$125  | \$124    | \$116 |
| Apr - 23  | \$109  | \$111  | \$118   | \$117     | \$119    | \$157  | \$149    | \$129 |
| May - 23  | \$122  | \$121  | \$122   | \$120     | \$129    | \$156  | \$158    | \$134 |
| Jun - 23  | \$122  | \$118  | \$119   | \$120     | \$119    | \$136  | \$136    | \$125 |
| Jul - 23  | \$104  | \$108  | \$113   | \$115     | \$118    | \$129  | \$124    | \$117 |
| Aug - 23  | \$101  | \$111  | \$121   | \$118     | \$116    | \$117  | \$117    | \$116 |
| Sep - 23  | \$105  | \$113  | \$110   | \$114     | \$116    | \$188  | \$200    | \$147 |
| Average   | \$107  | \$109  | \$113   | \$112     | \$114    | \$139  | \$141    |       |

Sources: Smith Travel Research

| Occupancy Percent by Day of Week by Month - October 2022 - September 2023 |        |        |         |           |          |        |          |       |
|---|--------|--------|---------|-----------|----------|--------|----------|-------|
|   | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Avg   |
| Oct - 22  | 41.8%  | 53.7%  | 63.4%   | 63.4%     | 61.3%    | 68.6%  | 67.3%    | 59.4% |
| Nov - 22  | 28.2%  | 46.1%  | 54.4%   | 55.9%     | 52.3%    | 74.0%  | 77.9%    | 55.5% |
| Dec - 22  | 35.1%  | 41.3%  | 46.4%   | 48.8%     | 45.4%    | 59.1%  | 63.0%    | 49.2% |
| Jan - 23  | 34.9%  | 41.7%  | 44.1%   | 48.1%     | 49.6%    | 64.5%  | 54.3%    | 47.4% |
| Feb - 23  | 37.4%  | 60.1%  | 72.0%   | 61.2%     | 54.8%    | 74.3%  | 67.6%    | 61.1% |
| Mar - 23  | 47.5%  | 62.5%  | 69.1%   | 66.9%     | 74.3%    | 86.3%  | 79.6%    | 70.1% |
| Apr - 23  | 41.1%  | 56.2%  | 70.5%   | 76.4%     | 72.7%    | 84.0%  | 82.6%    | 68.6% |
| May - 23  | 45.5%  | 55.2%  | 59.3%   | 60.0%     | 65.6%    | 81.0%  | 84.8%    | 63.9% |
| Jun - 23  | 57.8%  | 67.9%  | 69.8%   | 72.5%     | 71.3%    | 78.5%  | 76.4%    | 70.9% |
| Jul - 23  | 40.9%  | 47.4%  | 58.8%   | 64.3%     | 74.8%    | 71.9%  | 74.7%    | 61.1% |
| Aug - 23  | 37.7%  | 58.8%  | 62.1%   | 65.0%     | 60.8%    | 64.3%  | 73.5%    | 60.5% |
| Sep - 23  | 30.9%  | 40.0%  | 53.4%   | 62.6%     | 48.7%    | 70.6%  | 71.3%    | 55.1% |
| Average   | 39.9%  | 52.4%  | 59.9%   | 62.1%     | 61.1%    | 73.1%  | 72.7%    |       |

Sources: Smith Travel Research



# Key Highlights

## Hotel Market

The proposed entertainment venue and surrounding mixed-use district would generate new hotel demand to Norman. With mostly limited-service properties near the Project site, there is an opportunity to develop additional boutique or full-service hotels as part of the overall development plan. As Norman hotels exhibit weak weekday demand, proposed office development at the Project site, if successful, could aid in increasing weekday corporate hotel demand. Year-round programming of the entertainment venue and the district itself can also help generate incremental weekday overnight stays. Below highlights Hunden's additional findings on the local hotel market.

There are only 374 upper upscale rooms in the broader Norman / Moore submarket, and no luxury products. Overall, the submarket's 12-month RevPAR has decreased by approximately four percent, though the competitive set has a 2023 YTD RevPAR that increased eight percent, which is higher when compared to the broader OKC market.

There have been minimal new hotel deliveries in Norman over the last few years with the exception of the 91-room NOUN Hotel and 104-room Hampton Inn. A 124-room Residence Inn is nearing completion in Norman directly south of the Project site.

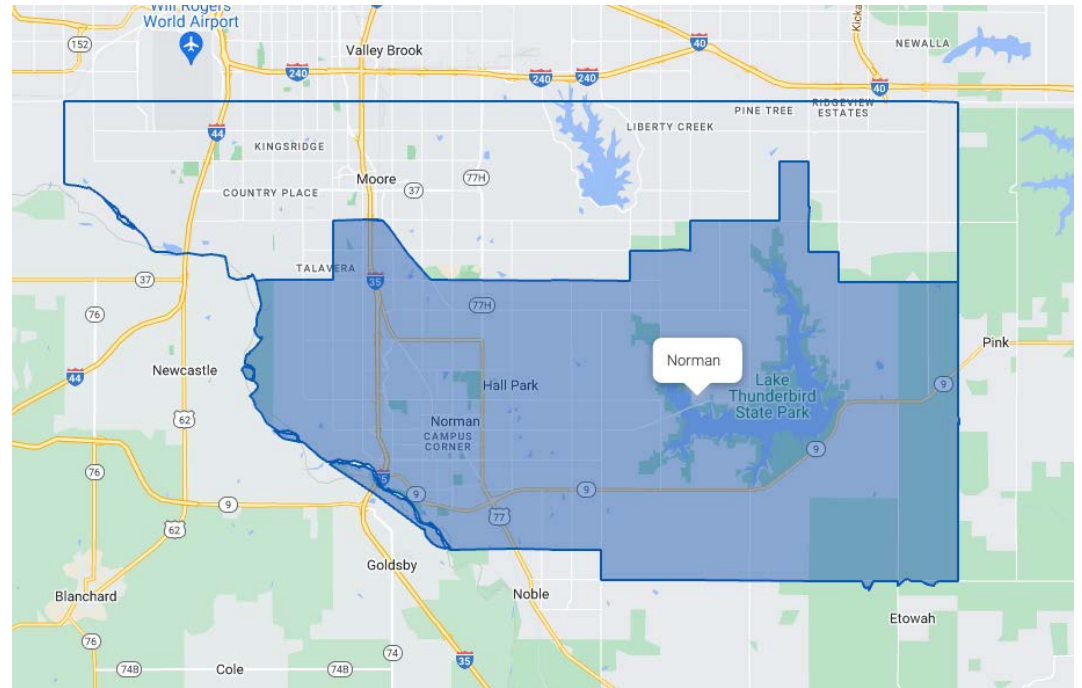
While the 283-room Embassy Suites has a significant amount of meeting spaces, including a 28,800 SF ballroom, 7,200 SF junior ballroom, and over 6,000 SF of meeting rooms, it is in need of major improvements. A new high-quality hotel that offers additional on-site amenities would complement the proposed entertainment venue. Management has indicated that the property is scheduled for renovation in 2025.



# Multifamily Submarket

## Submarket Analysis

- Norman is seeing high population growth in the past decade, with the submarket's vacancy being at 7.1 percent, which is below the market average of 10.4 percent.
- University of Oklahoma (OU) heavily influences the Norman multifamily submarket. Norman overall offers great retail offerings, easy access and convenient commutes along I-35, and established neighborhoods.
- Student housing is a competitor to market-rate communities. Most market-rate developments have been focused along the interstate, which has direct access to downtown Oklahoma City.
- 4 & 5-Star properties possess the highest share in the submarket, with over 5,000 units currently available. 1 & 2-Star rated properties have the highest vacancy rate, which suggests that the submarket consists of a more affluent population that places an emphasis on quality.
- The selected multifamily competitive set was decided based on their location, quality, and year built. This may help to offer an idea of how a new multifamily project would perform in Norman, OK. The newest property has noticeably higher vacancy rates, suggesting a long lease-up period before stabilization.



| 12 Mo. Delivered Units | 12 Mo. Absorption Units | Vacancy Rate | 12 Mo. Asking Rent Growth |
|------------------------|-------------------------|--------------|---------------------------|
| <b>0</b>               | <b>(14)</b>             | <b>7.1%</b>  | <b>4.3%</b>               |

| KEY INDICATORS              |               |                    |                  |                |                  |                 |                    |
|-----------------------------|---------------|--------------------|------------------|----------------|------------------|-----------------|--------------------|
| Current Quarter             | Units         | Vacancy Rate       | Asking Rent      | Effective Rent | Absorption Units | Delivered Units | Under Constr Units |
| 4 & 5 Star                  | 3,451         | 4.9%               | \$1,234          | \$1,228        | 0                | 0               | 0                  |
| 3 Star                      | 5,504         | 7.1%               | \$923            | \$917          | 0                | 0               | 0                  |
| 1 & 2 Star                  | 3,870         | 9.0%               | \$816            | \$811          | 4                | 0               | 0                  |
| <b>Submarket</b>            | <b>12,825</b> | <b>7.1%</b>        | <b>\$983</b>     | <b>\$978</b>   | <b>4</b>         | <b>0</b>        | <b>0</b>           |
| Annual Trends               | 12 Month      | Historical Average | Forecast Average | Peak           | When             | Trough          | When               |
| Vacancy Change (YOY)        | 0.1%          | 7.3%               | 6.9%             | 12.7%          | 2015 Q2          | 4.2%            | 2021 Q3            |
| Absorption Units            | (14)          | 130                | 27               | 614            | 2010 Q4          | (449)           | 2022 Q4            |
| Delivered Units             | 0             | 160                | 0                | 654            | 2016 Q1          | 0               | 2023 Q3            |
| Demolished Units            | 0             | 13                 | 10               | 260            | 2016 Q2          | 0               | 2023 Q3            |
| Asking Rent Growth (YOY)    | 4.3%          | 2.7%               | 4.1%             | 9.7%           | 2021 Q4          | -6.5%           | 2010 Q1            |
| Effective Rent Growth (YOY) | 4.5%          | 2.7%               | 4.1%             | 10.6%          | 2021 Q4          | -6.4%           | 2010 Q1            |
| Sales Volume                | \$47M         | \$29.3M            | N/A              | \$146.1M       | 2023 Q1          | \$0             | 2007 Q4            |

# Multifamily Submarket

## Comparable Market Developments



**Sooner Station and University North Park**  
**Built:** 2021  
**Vacancy:** 18.7%  
**Unit Mix:** 88 Studio, 71 1-Bed, 30 2-Bed  
**Avg Asking Rent:** \$3,556, \$4.16 PSF



**Artisan Crossing**  
**Built:** 2021  
**Vacancy:** 3.8%  
**Unit Mix:** 129 1-Bed, 117 2-Bed  
**Avg Asking Rent:** \$1,354, \$1.38 PSF



**Carlstone**  
**Built:** 2020  
**Vacancy:** 2.3%  
**Unit Mix:** 74 1-Bed, 14 2-Bed  
**Avg Asking Rent:** \$2,503, \$3.26 PSF



**TERRA at University North Park**  
**Built:** 2018  
**Vacancy:** 5.8%  
**Unit Mix:** 40 Studio, 105 1-Bed, 138 2-Bed, 20 3-Bed  
**Avg Asking Rent:** \$1,404, \$1.64 PSF



**Legacy Trail Apartments**  
**Built:** 2017  
**Vacancy:** 4.5%  
**Unit Mix:** 29 1-Bed, 59 2-Bed, 120 3-Bed  
**Avg Asking Rent:** \$1,288, \$1.12 PSF



**Anatole at Norman**  
**Built:** 2016  
**Vacancy:** 7.2%  
**Unit Mix:** 157 1-Bed, 73 2-Bed  
**Avg Asking Rent:** \$1,252, \$1.45 PSF

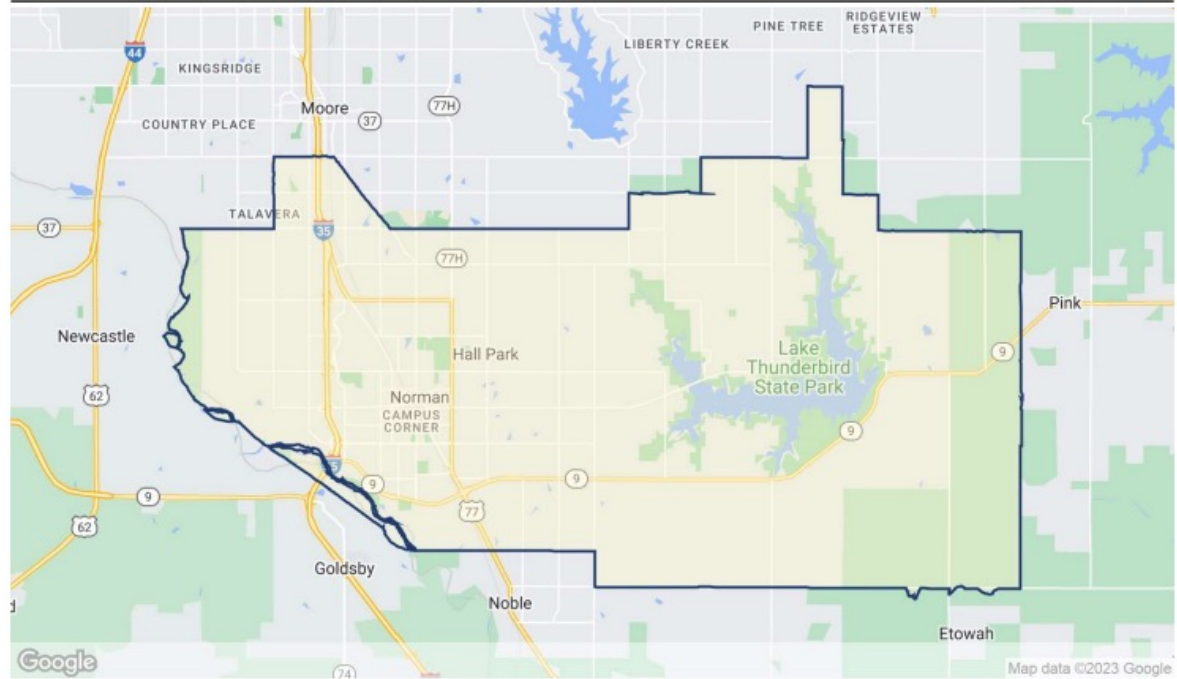
# Multifamily Submarket

## Supply, Demand & Development Pipeline

- The Norman submarket has on average 156 units delivered to the market on an annual basis. There have been zero units delivered to the submarket since 2021. This alludes to a slow multifamily delivery to the market based on historic averages.
- One of the properties delivered to the market within the past two years is a 189-unit complex located in University North Park. Currently there is an 18.7 percent vacancy rate, so properties in the submarket have a prolonged lease-up period.
- The other property recently delivered to the market is a 246-unit facility that has a 3.8 percent vacancy rate.
- According to the Overall Supply & Demand table to the right, with the delivery of zero units in 2023, there will be no increase in the submarket inventory.
- In the future, it is projected that there will be mostly positive absorption with future deliveries until 2027.

| All-Time Annual Avg. Units | Delivered Units Past 8 Qtrs | Delivered Units Next 8 Qtrs | Proposed Units Next 8 Qtrs |
|----------------------------|-----------------------------|-----------------------------|----------------------------|
| 156                        | 0                           | 0                           | 0                          |

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

| Year | Inventory |        |          | Absorption |          |                    |
|------|-----------|--------|----------|------------|----------|--------------------|
|      | Units     | Growth | % Growth | Units      | % of Inv | Construction Ratio |
| 2027 | 12,779    | (12)   | -0.1%    | 8          | 0.1%     | -                  |
| 2026 | 12,791    | (12)   | -0.1%    | 41         | 0.3%     | -                  |
| 2025 | 12,803    | (11)   | -0.1%    | (7)        | -0.1%    | 1.6                |
| 2024 | 12,814    | (11)   | -0.1%    | 21         | 0.2%     | -                  |
| 2023 | 12,825    | 0      | 0%       | 131        | 1.0%     | 0                  |
| YTD  | 12,825    | 0      | 0%       | 139        | 1.1%     | 0                  |
| 2022 | 12,825    | 0      | 0%       | (476)      | -3.7%    | 0                  |
| 2021 | 12,825    | 246    | 2.0%     | 376        | 2.9%     | 0.7                |
| 2020 | 12,579    | 0      | 0%       | 201        | 1.6%     | 0                  |
| 2019 | 12,579    | (45)   | -0.4%    | 127        | 1.0%     | -                  |
| 2018 | 12,624    | 347    | 2.8%     | 537        | 4.3%     | 0.6                |
| 2017 | 12,277    | 208    | 1.7%     | 74         | 0.6%     | 2.8                |
| 2016 | 12,069    | 256    | 2.2%     | (2)        | 0%       | -                  |
| 2015 | 11,813    | 368    | 3.2%     | 257        | 2.2%     | 1.4                |
| 2014 | 11,445    | 256    | 2.3%     | 143        | 1.2%     | 1.8                |
| 2013 | 11,189    | 170    | 1.5%     | 141        | 1.3%     | 1.2                |
| 2012 | 11,019    | 396    | 3.7%     | 390        | 3.5%     | 1.0                |
| 2011 | 10,623    | 0      | 0%       | 1          | 0%       | 0                  |

# Key Highlights

## Multifamily Submarket

The proposed entertainment venue and surrounding mixed-use district would generate a higher quality of life for the citizens of Norman, especially for prospective students at the university. With a limited number of multifamily properties near to the Project site, there is an opportunity to develop additional Class A and B housing units as part of the overall development plan. As the Norman submarket has low vacancies and stable rent growth, there is potential to accompany a growing community and student population in newer multifamily facilities.

4 & 5-Star properties possess the highest share in the submarket, with over 5,000 units currently available. 1 & 2-Star rated properties have the highest vacancy rate, which suggests that the submarket consists of a more affluent population that places an emphasis on quality.

OU heavily influences the Norman multifamily submarket. Overall, Norman offers great retail offerings, easy access to and a convenient commute along I-35, and established neighborhoods.

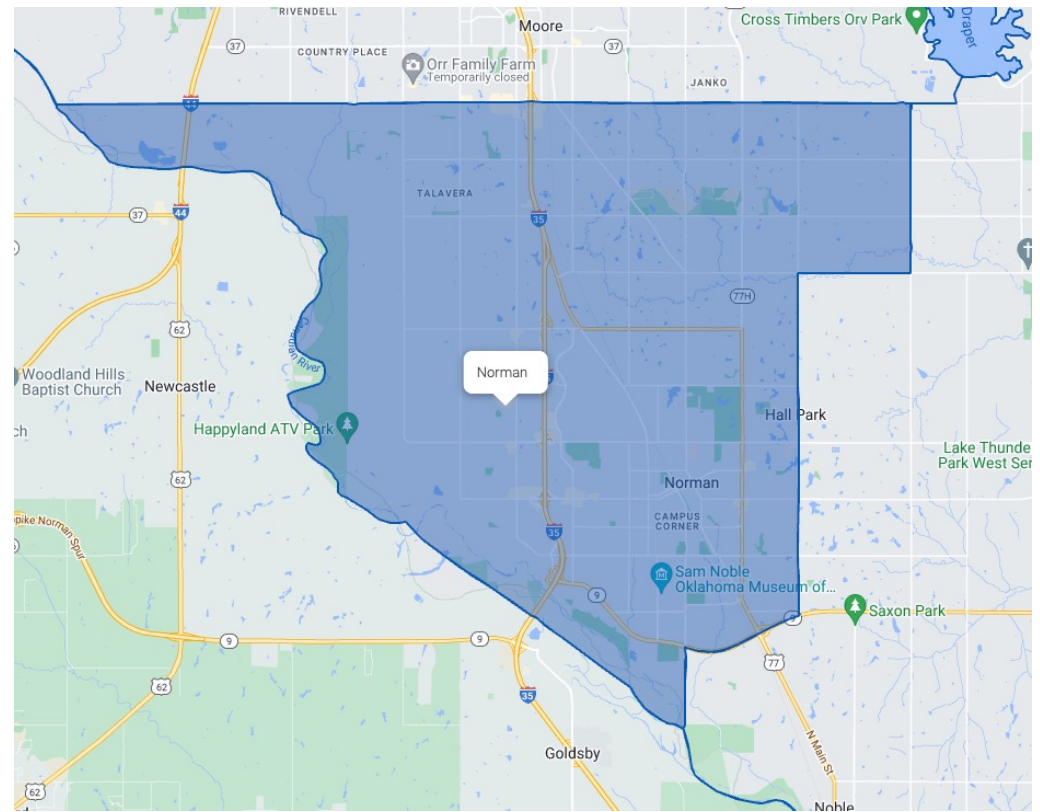
Student housing is a competitor to market-rate communities. Most market-rate developments have been focused along the interstate, which has direct access to downtown Oklahoma City.



# Office Submarket

## Submarket Analysis

- The Norman office submarket has a vacancy rate of 6.9 percent and has increased 1.4 percent in the past year, which is higher than that of the Oklahoma City market of 0.6 percent.
- 1 and 2-star spaces are the most abundant subtype with nearly 2.1 million SF in the category. The submarket is in line with Oklahoma City when it comes to rents, with the average being \$19.50/SF.
- Within the past 3 years 84 sales have taken place, with 19 of those being within this past year. Sales have averaged approximately \$147/SF.
- The majority of construction completed within the past 8 quarters are along I-35 near the Project site, as well as construction that is currently underway and proposed.
- Franklin Business Park has seen the most recent deliveries along Adams Road, with the most recent being October 2023.
- Annual sales volume is at an average of \$30 million within the past five years, with the highest deal reaching nearly \$50.8 million within a 12-month period.



### KEY INDICATORS

| Current Quarter      | RBA              | Vacancy Rate       | Market Rent      | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|----------------------|------------------|--------------------|------------------|-------------------|-------------------|---------------|--------------------|
| 4 & 5 Star           | 271,656          | 7.9%               | \$25.75          | 4.2%              | (4,651)           | 0             | 0                  |
| 3 Star               | 1,836,077        | 8.8%               | \$20.76          | 11.9%             | (22)              | 11,002        | 8,900              |
| 1 & 2 Star           | 2,174,230        | 6.6%               | \$17.59          | 7.1%              | (12,896)          | 0             | 0                  |
| <b>Submarket</b>     | <b>4,281,963</b> | <b>7.6%</b>        | <b>\$19.47</b>   | <b>9.0%</b>       | <b>(17,569)</b>   | <b>11,002</b> | <b>8,900</b>       |
| Annual Trends        | 12 Month         | Historical Average | Forecast Average | Peak              | When              | Trough        | When               |
| Vacancy Change (YOY) | 1.9%             | 6.0%               | 7.8%             | 8.8%              | 2019 Q1           | 3.2%          | 2015 Q1            |
| Net Absorption SF    | (18.1K)          | 77,730             | 12,859           | 211,744           | 2015 Q3           | (59,023)      | 2017 Q4            |
| Deliveries SF        | 69.1K            | 83,090             | 36,691           | 247,587           | 2019 Q1           | 4,358         | 2013 Q4            |
| Rent Growth          | 2.5%             | 2.0%               | 0.9%             | 9.2%              | 2008 Q1           | -7.3%         | 2017 Q3            |
| Sales Volume         | \$9.7M           | \$14.2M            | N/A              | \$50.8M           | 2019 Q3           | \$669.5K      | 2008 Q2            |

# Office Submarket

## Comparable Market Developments



**Cornerstone Home Lending, Inc**  
**Built:** 2020  
**Vacancy:** 0.0%  
**RBA:** 6,653 SF  
**CoStar Est. Rent:** \$21.17-25.88 PSF



**Mustang Extreme Environmental Services**  
**Built:** 2018  
**Vacancy:** 0.0%  
**RBA:** 5,422 SF  
**Est. Rent:** \$17.16-20.97 PSF



**Landmark Fine Home**  
**Built:** 2018  
**Vacancy:** 0.0%  
**RBA:** 7,009 SF  
**Asking Office Rent:** \$18.55-22.68 PSF



**Walker H D & J K Trust**  
**Built:** 2018  
**Vacancy:** 0.0%  
**Size:** 111,693 SF  
**Asking Rent:** \$18.46-22.56 PSF



**GulfTex Energy IV, LP**  
**Built:** 2017  
**Vacancy:** 50.0%  
**Size:** 3,450 SF  
**Asking Rent:** \$20.00 PSF



**Valliance Bank**  
**Built:** 2012  
**Vacancy:** 0.0%  
**Size:** 15,279 SF  
**Asking Rent:** \$17.32-21.17 PSF

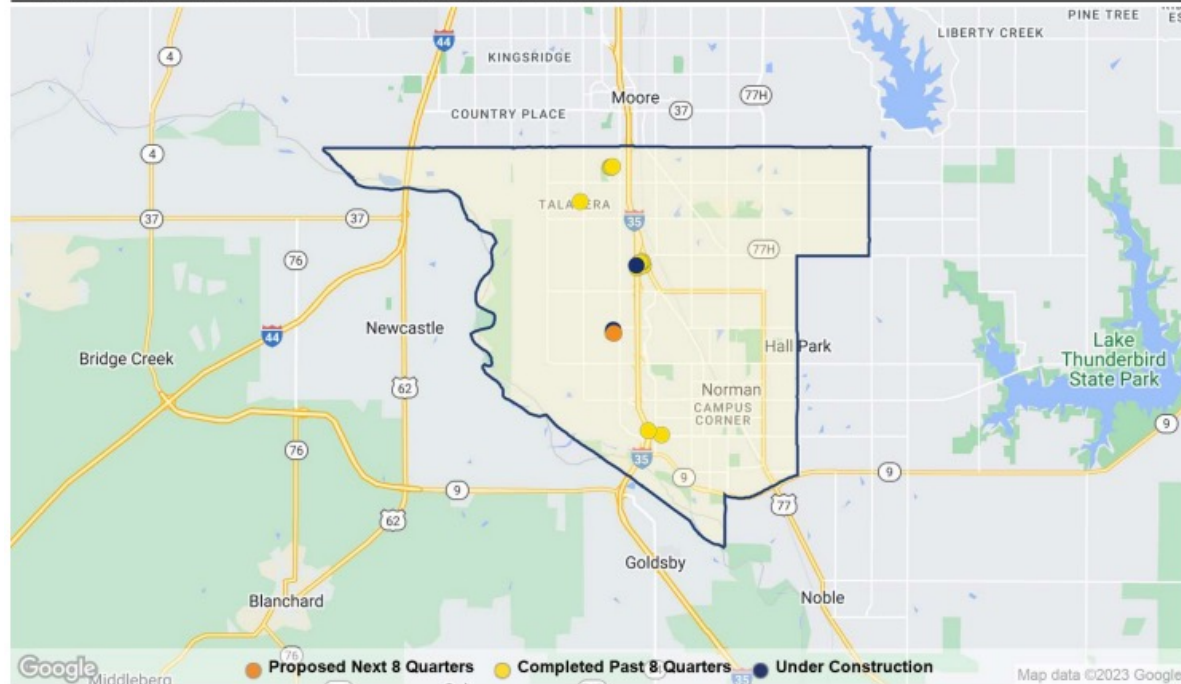
# Office Submarket

## Supply, Demand & Development Pipeline

- The Norman submarket has on average 82,148 square feet delivered to the market on an annual basis. There have been a total of 110,187 square feet delivered to the submarket over the past two years. This is a bit slower in office delivery to the market based on historic averages.
- According to the Overall Supply & Demand table to the right, there is an expected delivery of 5,000 square feet to the submarket over the next two years.
- The supply projection for the next year is negative as it is predicted that there will be no deliveries when in fact there will be a decrease in the supply of office in the submarket. After 2024, the following three years are positive, indicating an increase of deliveries and supply in the market.
- Alongside the decrease in supply, it is projected that there will be negative absorption for the next coming year, then numbers should rise and see a positive absorption in the three years to follow.

| All-Time Annual Avg. Square Feet | Delivered Square Feet Past 8 Qtrs | Delivered Square Feet Next 8 Qtrs | Proposed Square Feet Next 8 Qtrs |
|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 82,148                           | 110,187                           | 8,900                             | 5,000                            |

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

| Year | Inventory |           |          | Net Absorption |          |                    |
|------|-----------|-----------|----------|----------------|----------|--------------------|
|      | SF        | SF Growth | % Growth | SF             | % of Inv | Construction Ratio |
| 2027 | 4,375,625 | 45,437    | 1.0%     | 39,493         | 0.9%     | 1.2                |
| 2026 | 4,330,188 | 34,777    | 0.8%     | 34,604         | 0.8%     | 1.0                |
| 2025 | 4,295,411 | 10,973    | 0.3%     | 12,151         | 0.3%     | 0.9                |
| 2024 | 4,284,438 | 2,475     | 0.1%     | (35,704)       | -0.8%    | -                  |
| 2023 | 4,281,963 | 57,576    | 1.4%     | (17,520)       | -0.4%    | -                  |
| YTD  | 4,281,963 | 57,576    | 1.4%     | (42,573)       | -1.0%    | -                  |
| 2022 | 4,224,387 | 45,611    | 1.1%     | 90,905         | 2.2%     | 0.5                |
| 2021 | 4,178,776 | 74,277    | 1.8%     | 67,988         | 1.6%     | 1.1                |
| 2020 | 4,104,499 | 144,416   | 3.6%     | 188,362        | 4.6%     | 0.8                |
| 2019 | 3,960,083 | 144,322   | 3.8%     | 146,613        | 3.7%     | 1.0                |
| 2018 | 3,815,761 | 151,548   | 4.1%     | 82,477         | 2.2%     | 1.8                |
| 2017 | 3,664,213 | 74,903    | 2.1%     | (59,023)       | -1.6%    | -                  |
| 2016 | 3,589,310 | 66,910    | 1.9%     | 111,125        | 3.1%     | 0.6                |
| 2015 | 3,522,400 | 129,068   | 3.8%     | 89,081         | 2.5%     | 1.4                |
| 2014 | 3,393,332 | 128,804   | 3.9%     | 158,925        | 4.7%     | 0.8                |
| 2013 | 3,264,528 | 4,358     | 0.1%     | 63,427         | 1.9%     | 0.1                |
| 2012 | 3,260,170 | 88,456    | 2.8%     | 60,776         | 1.9%     | 1.5                |
| 2011 | 3,171,714 | 20,289    | 0.6%     | 30,031         | 0.9%     | 0.7                |



# Key Highlights

## Office Market

The Norman office submarket has been stable in terms of growth and development of the total square footage offered in the submarket. The current vacancy rate is at 6.9 percent and has increased 1.4 percent in the past year. The average office property size in the submarket is 6,700 SF where the median office property size is around 5,000 SF. Norman is plentiful in terms of smaller office buildings with fewer larger office complexes.

1 and 2 Star are the most abundant subtype with nearly 2.1 million SF in the category. The submarket is in line with Oklahoma City when it comes to rents, with the average being \$19.50/SF.

The Norman office submarket has a vacancy rate of 6.9 percent and has increased 1.4 percent in the past year, which is higher than that of the Oklahoma City market of 0.6 percent.

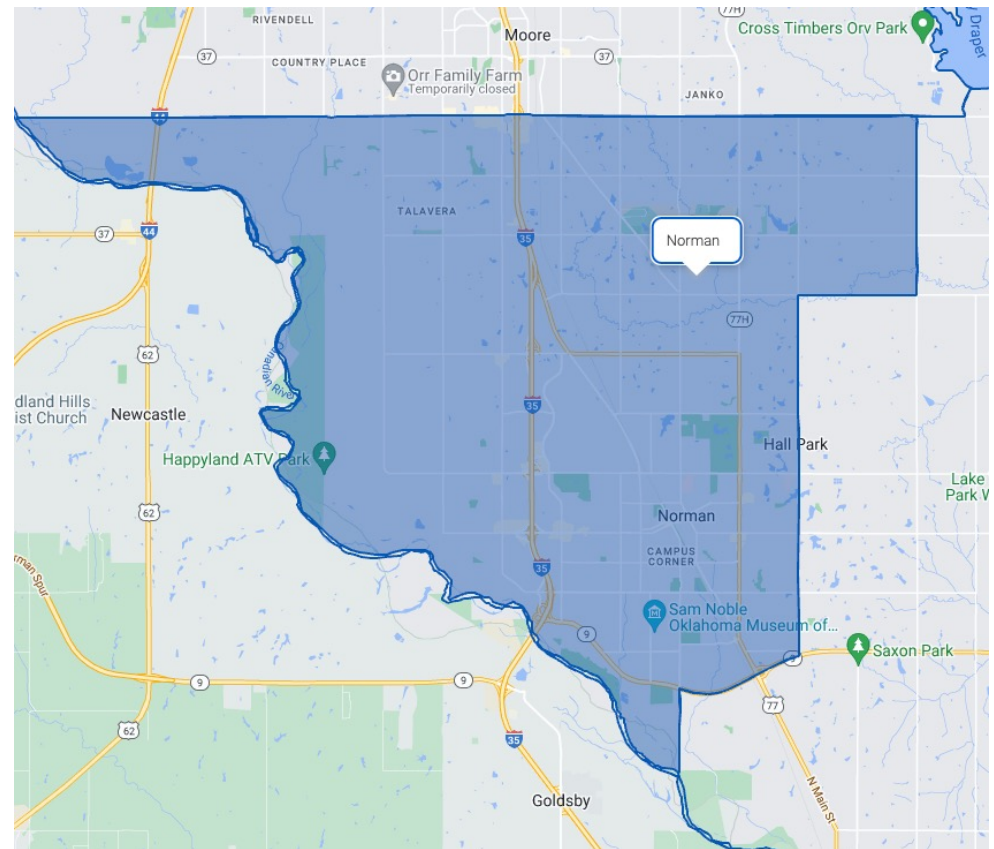
The Comparable Market Developments Set shows properties that display opportunity with a large Master Plan like the recommendations. Franklin Business Park has seen the most recent deliveries along Adams Road.



# Retail Submarket

## Submarket Analysis

- The Norman retail submarket has seen negative net absorption over the past 12 months of nearly 68,000 SF. Vacancy rates are also at a rise of 0.9 percent over the same period and are currently at 6.6 percent.
- Within the submarket, general retail is the largest subtype with approximately 6.2 million SF under construction.
- There have been 83 sales within the past 3 years, and 17 of those sales have taken place within the past year and averaged about \$260/SF.
- Rents are at approximately \$18.80/SF and continue to increase.
- The market price is up since the fourth quarter of last year and the level average is above that of the Oklahoma City metro.



### KEY INDICATORS

| Current Quarter     | RBA               | Vacancy Rate | Market Rent    | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|---------------------|-------------------|--------------|----------------|-------------------|-------------------|---------------|--------------------|
| Malls               | 693,640           | 15.0%        | \$21.43        | 6.1%              | 0                 | 0             | 0                  |
| Power Center        | 1,283,409         | 6.7%         | \$21.61        | 9.1%              | 0                 | 0             | 0                  |
| Neighborhood Center | 1,876,531         | 7.7%         | \$16.38        | 8.3%              | (27)              | 0             | 0                  |
| Strip Center        | 367,695           | 11.0%        | \$19.32        | 11.3%             | 8,476             | 0             | 0                  |
| General Retail      | 6,119,611         | 5.0%         | \$18.47        | 6.1%              | 4,160             | 0             | 6,180              |
| Other               | 159,943           | 0%           | \$23.18        | 0%                | 0                 | 0             | 0                  |
| <b>Submarket</b>    | <b>10,500,829</b> | <b>6.5%</b>  | <b>\$18.77</b> | <b>7.0%</b>       | <b>12,609</b>     | <b>0</b>      | <b>6,180</b>       |

| Annual Trends        | 12 Month | Historical Average | Forecast Average | Peak     | When    | Trough    | When    |
|----------------------|----------|--------------------|------------------|----------|---------|-----------|---------|
| Vacancy Change (YOY) | 0.9%     | 3.9%               | 6.9%             | 6.6%     | 2023 Q3 | 2.1%      | 2015 Q4 |
| Net Absorption SF    | (46.6K)  | 147,878            | 17,408           | 665,781  | 2007 Q1 | (194,780) | 2020 Q2 |
| Deliveries SF        | 52.1K    | 182,162            | 55,751           | 678,007  | 2007 Q1 | 23,722    | 2021 Q2 |
| Rent Growth          | 1.9%     | 2.3%               | 1.0%             | 4.6%     | 2022 Q3 | -0.5%     | 2009 Q2 |
| Sales Volume         | \$12.9M  | \$51.5M            | N/A              | \$231.2M | 2015 Q2 | \$4.8M    | 2009 Q3 |

# Retail Submarket

## Comparable Market Developments



**Brookhaven Village Building E**

**Built:** 1985

**Vacancy:** 27.5%

**Size:** 63,341 SF

**CoStar Est. Rent:** \$22.00 PSF



**Parkway Plaza**

**Built:** 1996

**Vacancy:** 44.8%

**Size:** 112,917 SF

**Est. Rent:** \$24.00 PSF



**University Town Center**

**Built:** 2013

**Vacancy:** 0.0%

**Size:** 64,360 SF

**Asking Office Rent:** \$22.43 PSF



**Madison Square**

**Built:** 2008

**Vacancy:** 0.0%

**Size:** 88,000 SF

**Asking Rent:** \$18.00 PSF



**Shops at Tecumseh**

**Built:** 2018

**Vacancy:** 0.0%

**Size:** 18,379 SF

**Asking Rent:** \$25.00 PSF



**Alameda Square Shopping Center**

**Built:** 1984

**Vacancy:** 27.5%

**Size:** 93,858 SF

**Asking Rent:** \$12.98 PSF

# Retail Submarket

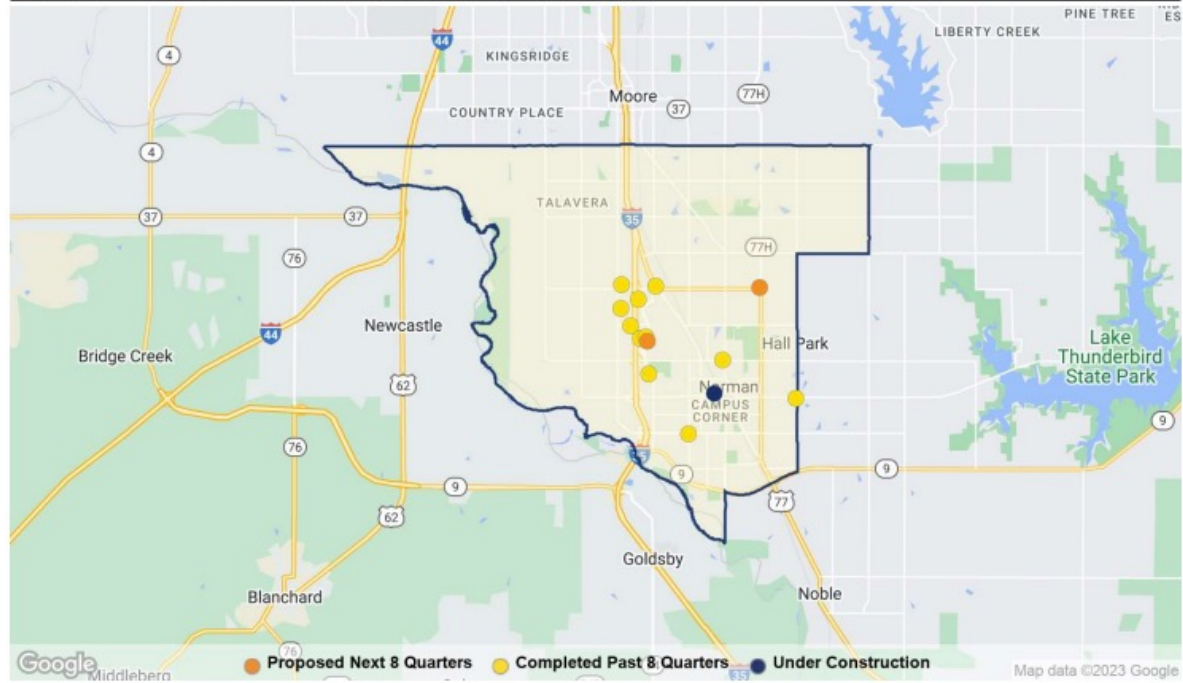
All-Time Annual Avg. Square Feet    Delivered Square Feet Past 8 Qtrs    Delivered Square Feet Next 8 Qtrs    Proposed Square Feet Next 8 Qtrs

**176,540**    **194,998**    **6,180**    **116,400**

## Supply, Demand & Development Pipeline

- The Greater Norman submarket has on average 176,540 square feet delivered to the market on an annual basis. There has been 194,998 square feet delivered to the submarket over the past two years. This is above the retail delivery average in the market based on historic averages.
- When analyzing the next two years, there is 6,180 square feet that will be delivered to the market and 116,400 square that is proposed to be delivered in the next two years.
- The proposed 116,400 square feet is divided between two properties. The 66,400 square foot property will be an addition to University Town Center. The 50,000 square foot property will be located on East Tecumseh Road.
- According to the Overall Supply & Demand table shown to the right, there is negative absorption levels projected for the next year in the submarket, until numbers stabilize and become positive in the three years to follow. Based on positive absorption of new supply in the coming years, there is opportunity for additional retail development.

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

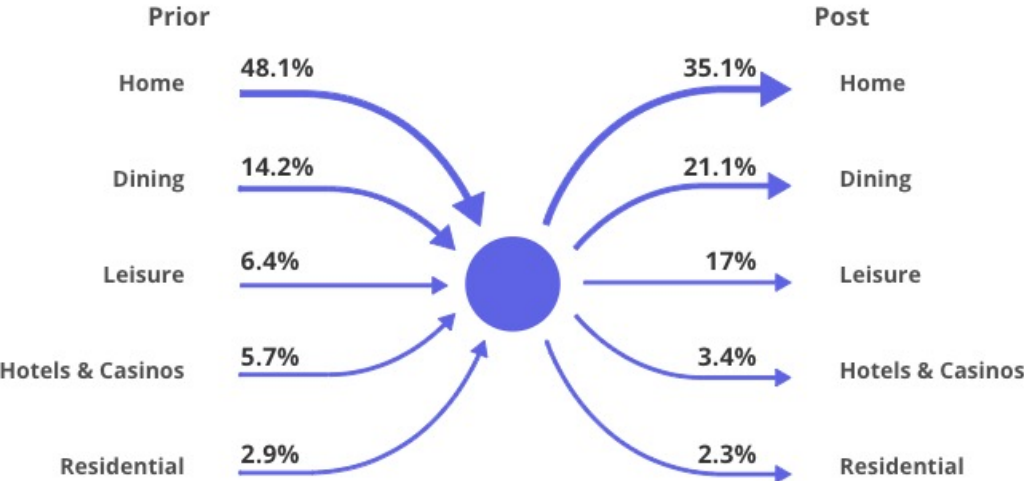
| Year | Inventory  |           |          | Net Absorption |          |                    |
|------|------------|-----------|----------|----------------|----------|--------------------|
|      | SF         | SF Growth | % Growth | SF             | % of Inv | Construction Ratio |
| 2027 | 10,665,412 | 71,807    | 0.7%     | 52,831         | 0.5%     | 1.4                |
| 2026 | 10,593,605 | 60,312    | 0.6%     | 46,746         | 0.4%     | 1.3                |
| 2025 | 10,533,293 | 35,527    | 0.3%     | 26,833         | 0.3%     | 1.3                |
| 2024 | 10,497,766 | (3,063)   | 0%       | (32,237)       | -0.3%    | -                  |
| 2023 | 10,500,829 | 50,500    | 0.5%     | (62,933)       | -0.6%    | -                  |
| YTD  | 10,500,829 | 50,500    | 0.5%     | (61,884)       | -0.6%    | -                  |
| 2022 | 10,450,329 | 101,780   | 1.0%     | 115,034        | 1.1%     | 0.9                |
| 2021 | 10,348,549 | 204,902   | 2.0%     | 76,174         | 0.7%     | 2.7                |
| 2020 | 10,143,647 | 42,115    | 0.4%     | 102,405        | 1.0%     | 0.4                |
| 2019 | 10,101,532 | 29,241    | 0.3%     | (124,157)      | -1.2%    | -                  |
| 2018 | 10,072,291 | 183,026   | 1.9%     | 57,201         | 0.6%     | 3.2                |
| 2017 | 9,889,265  | 28,656    | 0.3%     | 31,345         | 0.3%     | 0.9                |
| 2016 | 9,860,609  | 137,688   | 1.4%     | 99,047         | 1.0%     | 1.4                |
| 2015 | 9,722,921  | 77,085    | 0.8%     | 194,162        | 2.0%     | 0.4                |
| 2014 | 9,645,836  | 110,670   | 1.2%     | 95,498         | 1.0%     | 1.2                |
| 2013 | 9,535,166  | 341,445   | 3.7%     | 416,836        | 4.4%     | 0.8                |
| 2012 | 9,193,721  | 120,920   | 1.3%     | 93,224         | 1.0%     | 1.3                |
| 2011 | 9,072,801  | 218,913   | 2.5%     | 169,871        | 1.9%     | 1.3                |

# Retail Visitation

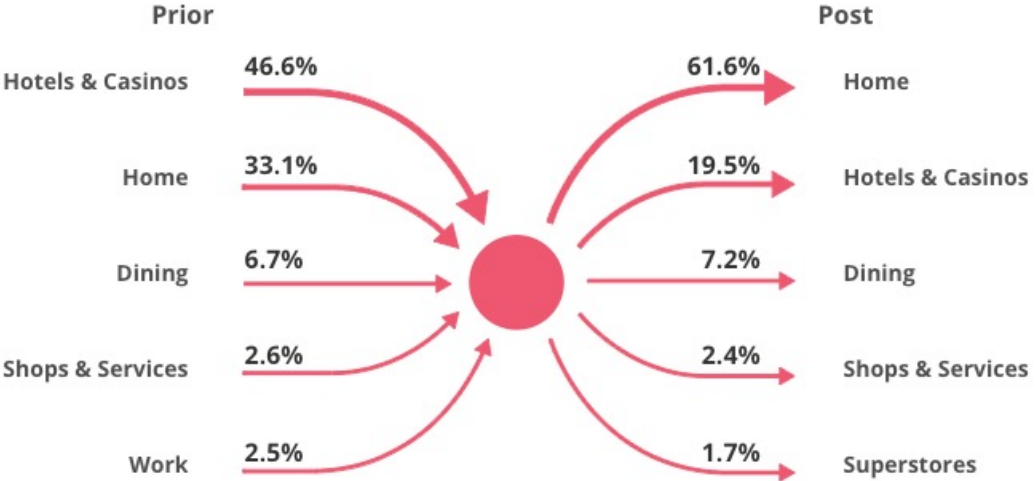
## Retail Visitation Analysis

With the incorporation of Placer.ai as a visitation tracking tool, Hunden has analyzed prior and post points of interests and the “Favorite Places” of the Lloyd Noble Center and Riverwind Casino. Favorite Places is defined as a list of other local places that visitors to a certain property have also visited during the selected time frame. The Top Five most popular points of interest for both subject properties are all in the retail industry, classified as malls or shopping centers. Additionally, Leisure and Dining are seen as most popular for visitors to frequent before and after visiting the Lloyd Noble Center and Riverwind Casino.

### Lloyd Noble Center



### Riverwind Casino



| Rank | Point of Interest                        | Miles Away | # of Visitors |
|------|--|------------|---------------|
| #1   | University Town Center                   | 4.2        | 154,000       |
| #2   | Penn Square Mall                         | 24.1       | 118,500       |
| #3   | Will Rogers World Airport                | 16.7       | 93,400        |
| #4   | Gaylord Family Oklahoma Memorial Stadium | 1.3        | 91,400        |
| #5   | Target                                   | 4.0        | 89,100        |

Source: Placer.ai

| Rank | Point of Interest         | Miles Away | # of Visitors |
|------|---------------------------|------------|---------------|
| #1   | University Town Center    | 4.2        | 114,700       |
| #2   | Penn Square Mall          | 24.0       | 104,000       |
| #3   | Westgate Marketplace      | 20.7       | 99,700        |
| #4   | Newcastle Casino          | 8.6        | 82,300        |
| #5   | Will Rogers World Airport | 15.8       | 73,700        |

Source: Placer.ai

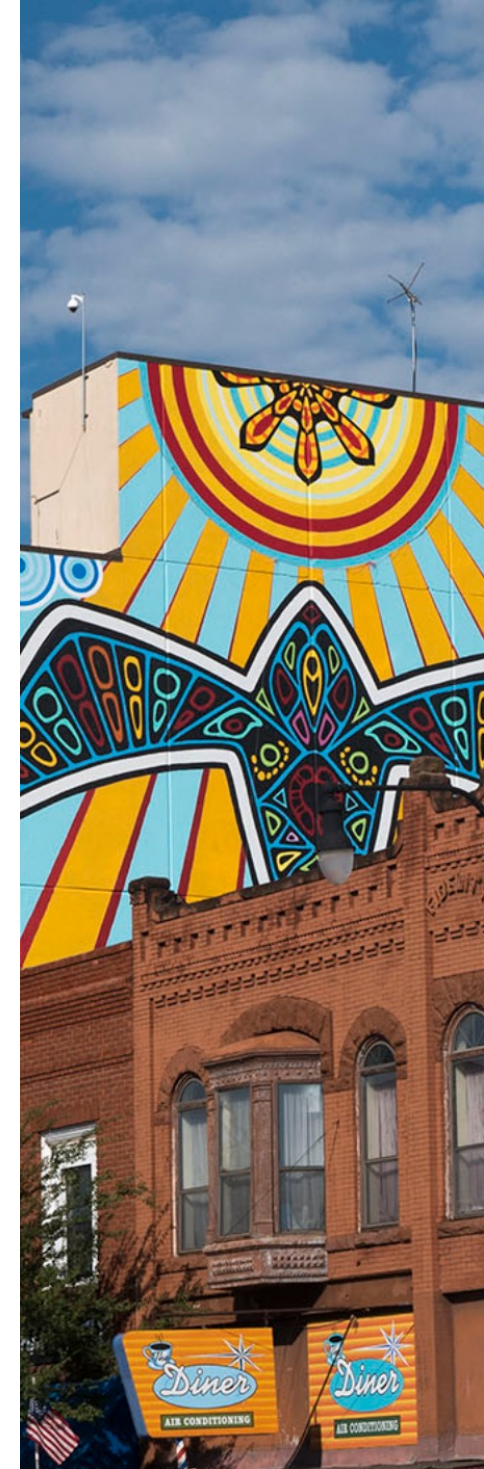
# Retail / Dining Nodes

Norman, OK Major Retail & Dining Nodes - Ranked by Total 2022 Visits

| Area                   | 2022 Visits | 2022 Visitors | Visits Per Customer | Visits Over 100 Miles | % Visits over 100 Miles | Restaurants | Retailers | Adjacent Hotel Rooms |
|------------------------|-------------|---------------|---------------------|-----------------------|-------------------------|-------------|-----------|----------------------|
| University Town Center | 4,900,000   | 944,800       | 5.19                | 703,800               | 14.4%                   | 22          | 41        | 503                  |
| Campus Corner          | 3,300,000   | 545,100       | 6.05                | 1,100,000             | 33.3%                   | 23          | 22        | 91                   |
| Parkway Plaza          | 2,300,000   | 595,800       | 3.86                | 277,600               | 12.1%                   | 2           | 13        | 194                  |
| Historic Downtown      | 1,900,000   | 504,100       | 3.77                | 483,300               | 25.4%                   | 42          | 50        | 16                   |
| Redbud Plaza           | 1,800,000   | 427,800       | 4.21                | 148,400               | 8.2%                    | 4           | 17        | 135                  |
| Sooner Mall            | 1,500,000   | 562,400       | 2.67                | 142,300               | 9.5%                    | 7           | 52        | 283                  |
| Brookhaven Village     | 935,500     | 231,300       | 4.04                | 146,500               | 15.7%                   | 6           | 22        | 0                    |
| Robinson Crossing      | 821,600     | 310,900       | 2.64                | 152,000               | 18.5%                   | 4           | 28        | 0                    |
| Total                  | 17,457,100  | 4,122,200     | 4.23                | 3,153,900             | 18.1%                   | 110         | 245       | 1,222                |

Source: Placer.ai

- Norman has a number of major retail and dining nodes, with multiple nodes located adjacent to or near the Project site.
- University Town Center (UTC), located directly south of the Project site, generated an estimated 4.9 million visits in 2022 with 503 walkable hotel rooms over three properties. The UTC POI that resulted in these visitation statistics does not include roads or large surface parking areas.
- Campus Corner, located on OU’s campus, generated the highest number of estimated long-distance visits.
- Commercial tenants at these major nodes include mostly big box, chain, or fast casual concepts that do not drive long-distance visitation.
- Downtown Norman has the highest density of unique and locally driven restaurants and retailers, often sought after by visitors looking for a unique, historic or walkable setting.
- Downtown OKC offers additional high-end retail in its traditional mall settings, along with additional retail centers located outside the downtown core.
- The Project presents the opportunity to attract unique and experiential restaurant and retail concepts that drive long-distance visitor spending and impacts. “Eatertainment” concepts are attractive to both residents and families and those visiting Norman or the district for major events.
- Though most of these nodes have walkable hotels, these are mostly limited-service properties, and offerings within these nodes themselves are not cause enough to generate new overnight demand.



# Key Highlights

## Retail Market

The proposed entertainment venue and surrounding mixed-use district will generate a much larger customer segment to the area that in turn will further support retail centers and mall developments. As Norman expands on the multi purpose event center, there will be large demand for the visitors to this facilities to dine and shop locally after attending a show, conference or sporting event.

The Norman retail submarket has seen negative net absorption over the past 12 months of nearly 68,000 SF. Vacancy rates have also risen 0.9 percent over the same period and are currently at 6.6 percent.

Within the submarket, general retail is the largest subtype with approximately 6.2 million SF under construction.

The Comparable Market Developments Set displays properties that are extensive in size, have large visitation, and have low vacancies. One of the latest major deliveries to the market was the Shops at Tecumseh and has performed strongly with full-occupancy.



# Entertainment



The table to the right details popular arts, amateur sports, and entertainment assets with associated estimated 2022 visitation.

- There are a wide variety of entertainment driven assets in Norman, including casinos, family-entertainment retail, outdoor sports and recreation, and arts facilities.
- These types of assets not only service the local community, but aid in generating long-distance visitation and spending.
- The future planned National Weather Center Museum would also drive tourism and spending to the district.
- Though OKC has additional arts and entertainment offerings, the Project can infuse additional entertainment assets to help activate the district on a year-round basis and generate additional economic impacts and taxes.

Norman, OK Arts & Entertainment Assets - Ranked by Total 2022 Visits

| Facility                         | 2022 Visits      | 2022 Visitors    | Visits Per Customer | Visits Over 100 Miles | % Visits over 100 Miles |
|----------------------------------|------------------|------------------|---------------------|-----------------------|-------------------------|
| Riverwind Casino                 | 1,600,000        | 328,400          | 4.87                | 286,900               | 17.9%                   |
| OU Arts District                 | 585,600          | 82,400           | 7.11                | 222,900               | 38.1%                   |
| Reaves Sports Complex            | 481,100          | 198,300          | 2.43                | 86,400                | 18.0%                   |
| HeyDay Norman                    | 406,000          | 235,800          | 1.72                | 52,900                | 13.0%                   |
| Griffin Sports Complex           | 316,200          | 65,200           | 4.85                | 37,400                | 11.8%                   |
| Sooner Bowling Center            | 195,000          | 95,000           | 2.05                | 24,000                | 12.3%                   |
| Robinson Crossing AMC Theatre    | 192,000          | 92,600           | 2.07                | 22,100                | 11.5%                   |
| Thunderbird Casino               | 154,300          | 30,800           | 5.01                | 14,400                | 9.3%                    |
| National Weather Center          | 86,500           | 10,100           | 8.56                | 36,700                | 42.4%                   |
| Westwood Family Aquatic Center   | 76,100           | 29,500           | 2.58                | 6,000                 | 7.9%                    |
| Stratus Climbing, Yoga & Fitness | 62,200           | 11,300           | 5.50                | 11,200                | 18.0%                   |
| Goldby Gaming Center             | 54,500           | 13,600           | 4.01                | 2,400                 | 4.4%                    |
| Oklahoma Motor Sports Complex    | 47,800           | 23,700           | 2.02                | 12,300                | 25.7%                   |
| Calypso Cove Marina              | 23,400           | 11,100           | 2.11                | 2,500                 | 10.7%                   |
| The Depot                        | 18,200           | 15,900           | 1.14                | 5,300                 | 29.1%                   |
| Sooner Theatre                   | 18,100           | 9,800            | 1.85                | 2,500                 | 13.8%                   |
| <b>Total</b>                     | <b>4,317,000</b> | <b>1,253,500</b> | <b>3.44</b>         | <b>825,900</b>        | <b>19.1%</b>            |

Source: Placer.ai



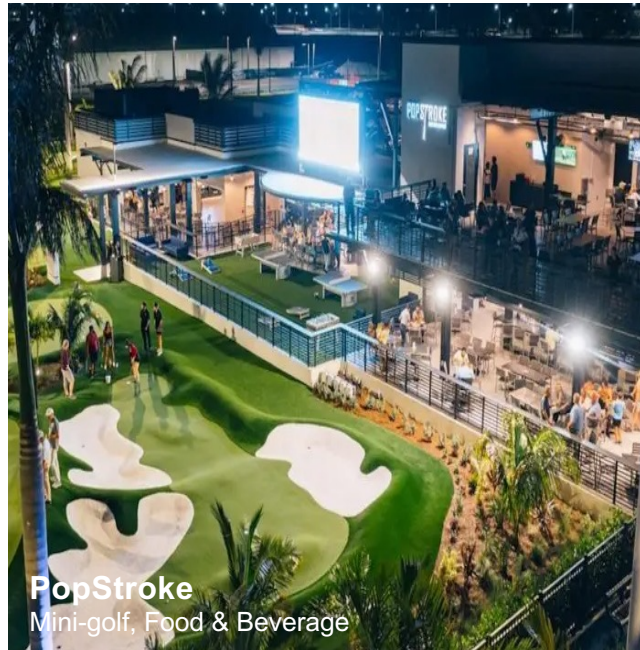
# Family Entertainment / “Eatertainment”

Even with the planned entertainment venue for the Project, there are other sources of entertainment that are widely popular around the country that wouldn't require as significant public investment or incentives as the proposed venue. These facilities are often developed as part of a broader mixed-use district to provide additional activities for visiting families and guests that can aid in extending stays and spending.

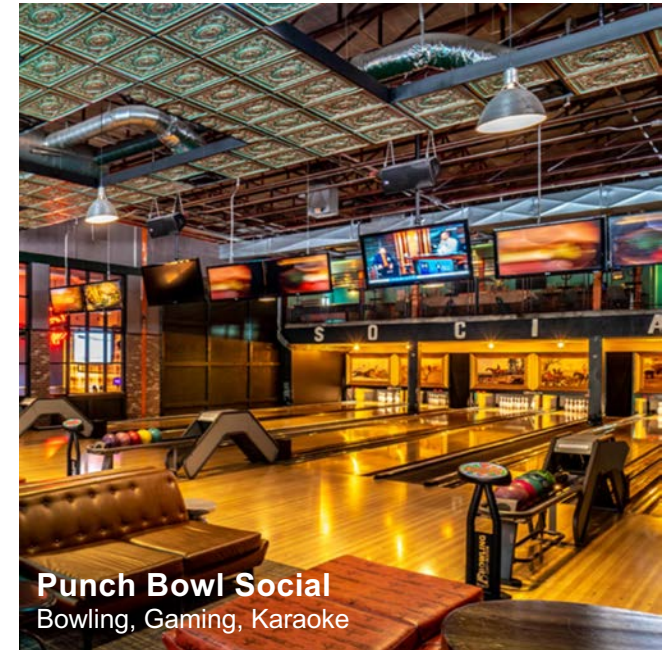
Eatertainment venues combine dining with entertainment options but are higher end experiences than traditional arcades or bowling alleys. Eatertainment venues are a one-stop experience for premium meals, fun activities and a destination for consumers to meet up with friends and family in a more active and engaging fashion than a standard restaurant. OKC offers such popular concepts as Topgolf and Chicken N Pickle.

These venues are often very successful in sports and entertainment districts because of their ability to accommodate large groups. Eatertainment venues are typically large in size, which is beneficial for meetings and events as they can host groups looking for entertainment and restaurant options. They can serve as an anchor for a sports or entertainment district.

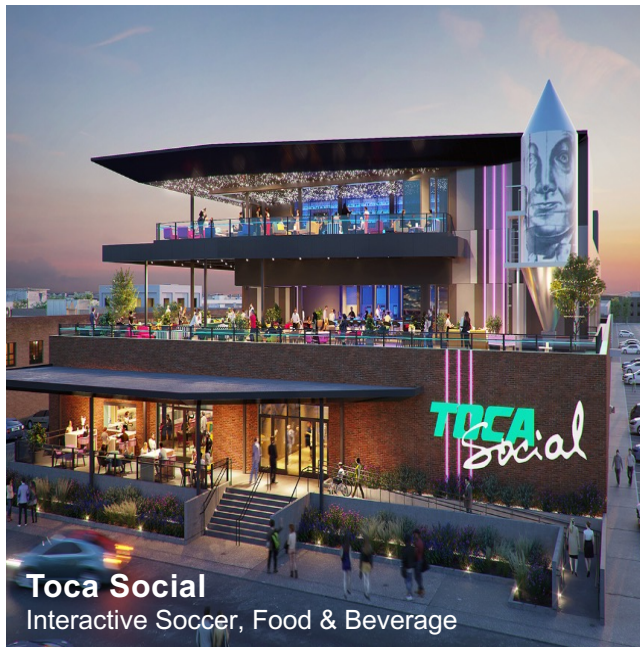
The images to the right show examples of these innovative concepts to show potential development opportunities in the area of experiential dining, sports, and family entertainment.



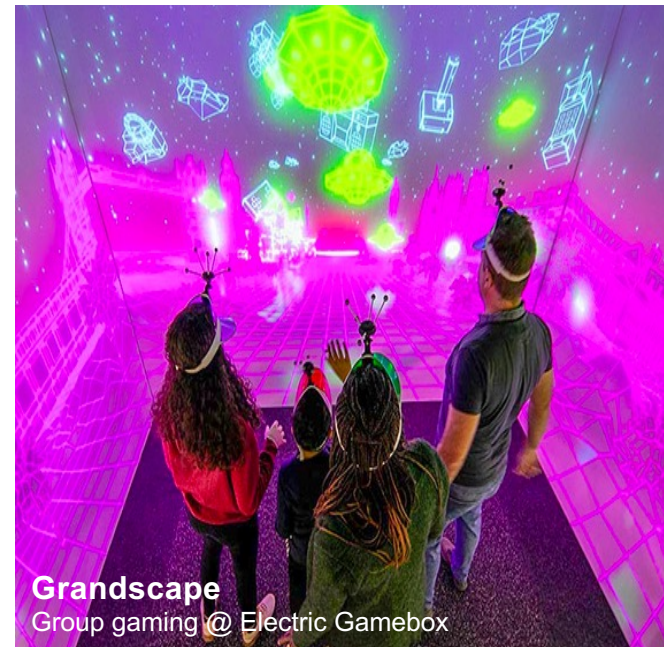
**PopStroke**  
Mini-golf, Food & Beverage



**Punch Bowl Social**  
Bowling, Gaming, Karaoke



**Toca Social**  
Interactive Soccer, Food & Beverage



**Grandscape**  
Group gaming @ Electric Gamebox

# Food Halls

Food halls are an increasingly popular dining option that offer consumers a high-end, unique experience. Food halls consist of an assortment of food and beverage options and often are combined with retail shops and entertainment nodes to make the space a destination.

Restaurants in food halls focus on locally-developed start-ups as opposed to food courts that offer large national chains. The assortment of options that are offered attract large groups of people, fulfilling the desires of all consumers in the group and allowing them to enjoy a meal together. Food halls also often incorporate outdoor dining and event space often activated with live entertainment and events.

- Norman has number of breweries located mostly downtown. Additions to these can be infused into food halls as well as part of a district's overall food and beverage plan.
- The Collective, OKC's first food hall, features 11 kitchens, a 32-tap bar, and rooftop patio.

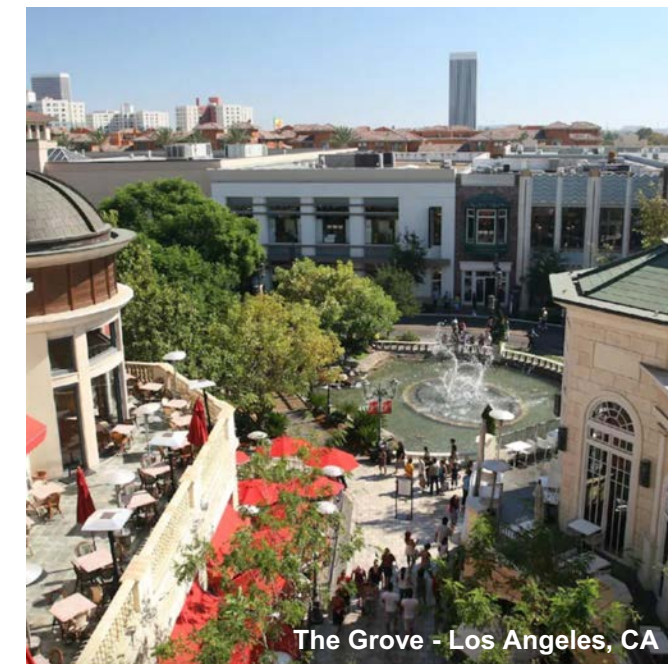
The pictures on the right show the Ponce City Market food halls in Atlanta, GA.



# Campus-Style Clustering

There are two main types of district design: linear street layout and campus-style clustering. The Project is best suited for campus-style clustering, features of which include:

- Large indoor spaces and rooftops create opportunities for scenic views and stand-out entertainment concepts
- Combine well with recreational trails and outdoor / activated plaza spaces
- Large building sizes offer multiple uses on different level, such as co-working offices, hotels, loft-style residences, meeting and event space, and small-shop marketplaces
- Often house city-markets with locally-made goods and fresh foods
- Are distinctly attractive for arts-based events, art installations, and become stops for tourists looking for something to augment their driving tours
- Groupings of buildings allows for clusters of theme-based retailers and uses, lifestyle retail, and hospitality/nightlife
- Creative lighting at night highlights the 18-hour day variety of uses and activities, looking vastly different than typical retail centers



# Key Highlights

## Retail, Dining, and Entertainment

Based on Hunden’s analysis of retail and dining nodes and existing entertainment assets, there are additional opportunities to enhance Norman’s overall appeal to increase incremental revenues at the Project site. A dense and vibrant mixed-use district surrounding the proposed entertainment venue would aid in providing a sense of place, providing unique offerings beyond the mostly traditional retail and restaurant development currently in Norman. Below outlines key elements to successful districts that can be applied to the Project.

Create a **density of retail, restaurant, entertainment, multifamily, office, and hotel offerings** adjacent to major demand inducing assets such as arenas, stadiums or convention centers in order to create a critical mass of people 24/7.

Feature vehicular through-streets that allow cars to drive through the development for better visibility and access, just as a village “main street.”

All-year programmed events that cater to all age groups will create a true community civic space, often in central park greens and inside food hall buildings during colder seasons.



# Case Studies

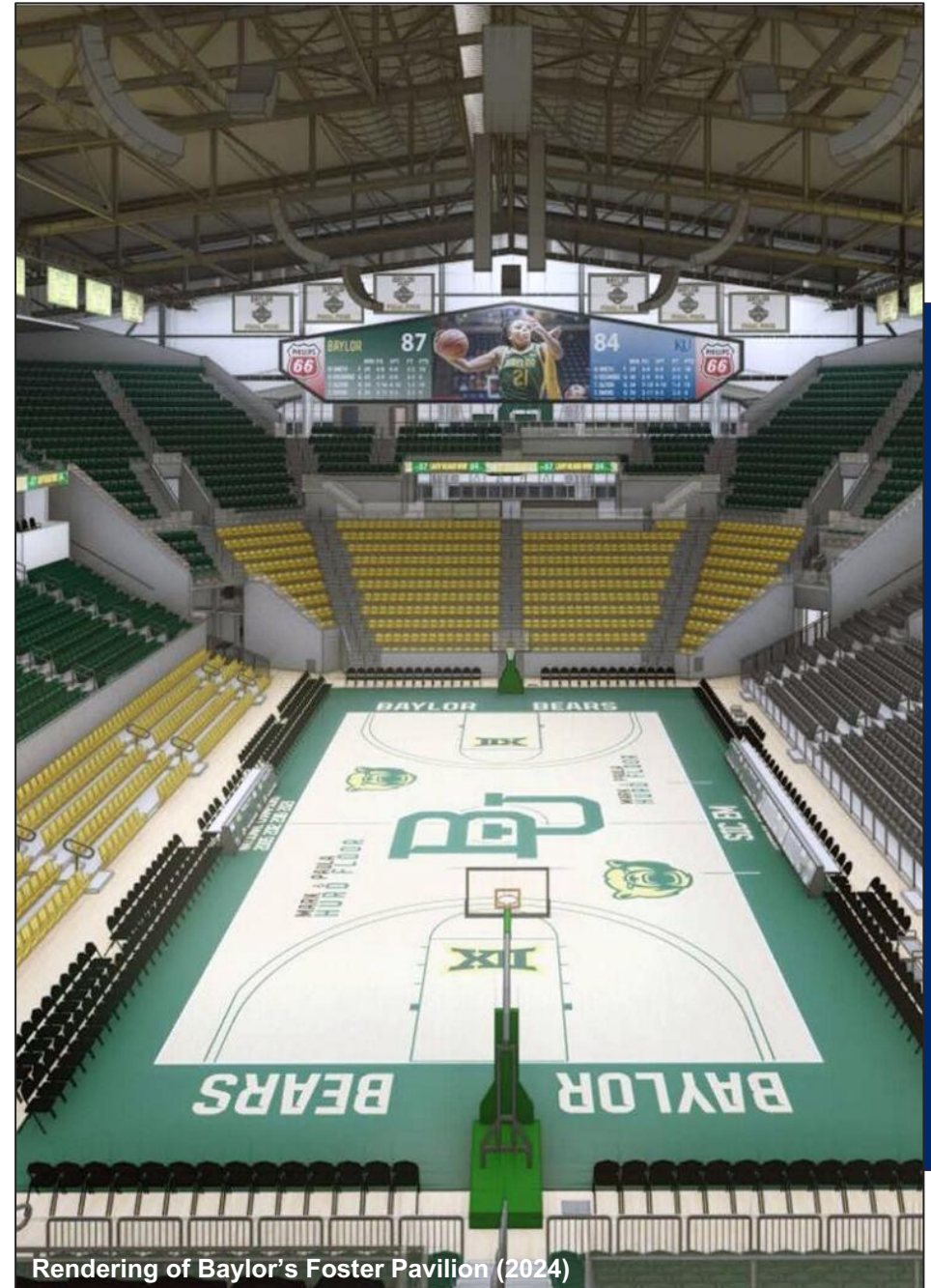
## Introduction

Hunden analyzed many University arenas across the country with the goal of answering many of the key questions outlined at the beginning of this report. Additionally, with OU joining the SEC in 2024, it is important to understand visitation trends of comparable universities within this conference.

**New Developments:** What can be learned from newly developed collegiate areas, or those under development currently? How does the mixed-use nature of many of the new developments influence these projects?

**Public-Private Financing:** How have collegiate arenas been financed?

**Third-Party Operator:** What is the impact of concerts, family shows and other events on the visitation to University arenas? How can a new arena's calendar be optimized to generate economic impact, that 'but for' the arena project, would not have occurred in the local area?



Rendering of Baylor's Foster Pavilion (2024)

# Case Studies

**30.9**

Average Number of  
Ticketed Non-University  
Events in 2022

**55%**

Average Public-Sector  
Funding Contribution



## Foster Pavilion

Baylor University  
Open: 2024  
Seats: 7,000  
Cost: \$213 million  
Public Share: 30.6%  
Management: OVG360



## Moody Center

University of Texas - Austin  
Open: 2022  
Seats: 15,000  
Cost: \$375 million  
Public Share: 0%  
Management: OVG360  
Non-University Events (2022): 72



## Chesapeake Employers Insurance Arena

University of Maryland, Baltimore County  
Open: 2018  
Seats: 4,654  
Cost: \$85 million  
Public Share: 0%  
Management: OVG360  
Non-University Events (2022): 27



## Pinnacle Bank Arena

University of Nebraska  
Open: 2013  
Seats: 15,500  
Cost: \$181 million  
Public Share: 100%  
Management: ASM  
Non-University Events (2022): 14



## KFC Yum! Center

University of Louisville  
Open: 2010  
Seats: 22,000  
Cost: \$238 million  
Public Share: 54%  
Management: ASM  
Non-University Events (2022): 39



## Tsongas Center

University of Massachusetts  
Open: 1998  
Seats: 7,000  
Cost: \$24 million  
Public Share: 90%  
Management: OVG360  
Non-University Events (2022): 11



## Chaifetz Arena

St. Louis University  
Open: 2008  
Seats: 10,600  
Cost: \$80.5 million  
Public Share: 10%  
Management: OVG360  
Non-University Events (2022): 21



## Addition Financial Arena

University of Central Florida  
Open: 2007  
Seats: 10,000  
Cost: \$107 million  
Public Share: 0%  
Management: Spectra  
Non-University Events (2022): 32

# Visitation Analysis

## Collegiate Arenas

Hunden assessed comparable arenas over the Big 12 and the SEC and those that were identified as comparable public-private developments with private professional management. This analysis leverages Placer.Ai geofencing data which utilizes cell phone data to provide estimates of visitation to specific points of interest (POI).

| Collegiate Arena Visitation 2022               |  |              |          |   |                      |             |           |       |               |     |           |       |              |     |  |
|--|--|--------------|----------|---|----------------------|-------------|-----------|-------|---------------|-----|-----------|-------|--------------|-----|--|
| Venue  | University                               | Conference   | Capacity | No. of Ticketed<br>Non-University<br>Events | Total Visits<br>2022 | Visits/Seat | In-County |       | Out-of-County |     | In-State  |       | Out-of-State |     |  |
|  |  |              |          |   |                      |             | Visits    | %     | Visits        | %   | Visits    | %     | Visits       | %   |  |
| KYC Yum! Center                                | University of Louisville                 | ACC          | 22,000   | 39  | 1,400,000            | 64          | 560,280   | 40.0% | 839,720       | 60% | 938,775   | 67.1% | 461,225      | 33% |  |
| Moody Center                                   | University of Texas - Austin             | Big 12       | 15,000   | 72  | 1,100,000            | 73          | 460,793   | 41.9% | 639,207       | 58% | 983,750   | 89.4% | 116,250      | 11% |  |
| Pinnacle Bank Arena                            | University of Nebraska                   | Big 10       | 15,500   | 14  | 1,000,000            | 65          | 388,561   | 38.9% | 611,439       | 61% | 905,560   | 90.6% | 94,440       | 9%  |  |
| Addition Financial Arena                       | University of Central Florida            | Big 12       | 10,000   | 31  | 977,900              | 98          | 358,117   | 36.6% | 619,783       | 63% | 867,045   | 88.7% | 110,855      | 11% |  |
| United Supermarkets Arena                      | Texas Tech University                    | Big 12       | 15,000   | 4   | 865,800              | 58          | 446,500   | 51.6% | 419,300       | 48% | 789,739   | 91.2% | 76,061       | 9%  |  |
| Chaifetz Arena                                 | St. Louis University                     | A10          | 10,600   | 21  | 713,400              | 67          | 172,367   | 24.2% | 541,033       | 76% | 518,123   | 72.6% | 195,277      | 27% |  |
| Tsongas Center                                 | University of Massachusetts              | A10          | 6,500    | 11  | 509,700              | 78          | 264,591   | 51.9% | 245,109       | 48% | 421,928   | 82.8% | 87,772       | 17% |  |
| Chesapeake Employers Insurance Arena           | University of Maryland, Baltimore County | America East | 4,654    | 27  | 455,400              | 98          | 146,701   | 32.2% | 308,699       | 68% | 336,434   | 73.9% | 118,966      | 26% |  |
| <b>Other Relevant Venues</b>                   |  |              |          |   |                      |             |           |       |               |     |           |       |              |     |  |
| Thompson-Boling Arena                          | University of Tennessee                  | SEC          | 21,678   | 26  | 1,300,000            | 60          | 430,028   | 33.1% | 869,972       | 67% | 948,762   | 73.0% | 351,238      | 27% |  |
| Rupp Arena                                     | University of Kentucky                   | SEC          | 20,545   | 37  | 1,400,000            | 68          | 355,813   | 25.4% | 1,044,187     | 75% | 1,151,947 | 82.3% | 248,053      | 18% |  |
| The Sandy and John Black Pavillion at Ole Miss | Ole Miss University                      | SEC          | 9,500    | 0   | 475,800              | 50          | 144,300   | 30.3% | 331,500       | 70% | 305,449   | 64.2% | 170,351      | 36% |  |
| Average  |  |              | 12,930   | 26  | 927,091              | 71          | 338,914   | 36.9% | 588,177       | 63% | 742,501   | 79.6% | 184,590      | 20% |  |
| Lloyd Noble                                    | University of Oklahoma                   | Big 12       | 11,528   | 0   | 489,000              | 42          | 166,241   | 34.0% | 322,759       | 66% | 385,666   | 78.9% | 103,334      | 21% |  |

Source: Polstar

In terms of the student population, Placer registers a new “home” for a cell phone owner after 30 days of being at a new city every night. Thus, for each arena there is a slight overestimation of out-of-county and out-of-state visits during the initial events of the school year.

# Visitation Analysis

## Collegiate Arenas

Hunden’s assessment of several privately managed arenas was aimed at understanding the potential visitation increase of the Project compared to what is currently experienced at Lloyd Noble. The analysis below shows that if the average efficiency (visits per seat) of the eight arenas analyzed is applied to the proposed Project of 10,500 capacity. The baseline visitation increase compared to the visitation at Lloyd Noble in 2022 is an estimated to be 256,500 additional annual visits. This analysis shows the impact of concerts and other non-university events and supports the projections completed in the demand, financial and impact chapters of this report.

|                                 |          |                                     |          |                                   |
|---------------------------------|----------|-------------------------------------|----------|-----------------------------------|
| <b>920k</b>                     | <b>/</b> | <b>12,930</b>                       | <b>=</b> | <b>71</b>                         |
| Average Number of Annual Visits |          | Average Capacity of Venues Analyzed |          | Average Number of Visits Per Seat |

|                                   |          |                              |          |   |
|-----------------------------------|----------|------------------------------|----------|---|
| <b>71</b>                         | <b>x</b> | <b>10,500</b>                | <b>=</b> | <b>745,500</b>                              |
| Average Number of Visits Per Seat |          | Proposed Capacity of Project |          | Estimated Baseline Annual Visits of Project |

|   |   |                                      |   |
|---|---|--------------------------------------|---|
| <i>Current</i>                              | <i>Estimated</i>                            | <i>Increase</i>                      |  |
| <b>489,000</b>                              | <b>745,500</b>                              | <b>256,500</b>                       |   |
| 2022 Estimated Visits to Lloyd Noble Center | Estimated Baseline Annual Visits of Project | Estimated Annual Visitation Increase |   |





# Case Study: Profiles

# Moody Center

## Austin, TX

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**Tenant(s)** — UT Basketball, UT Volleyball, Austin Gamblers (PBR)

**Seating Capacity** — 15,000 seats (total), 10,763 (basketball)

**Year Built** — 2022

**Ownership** — University of Texas, Austin

**Operator** — OVG 360 & UT Austin

**Project Cost** — \$338 million

**Financing** — 100% University/Private Share

**Notes** — The Moody Center is the new home for the Longhorns. When the arena opened in 2022, it replaced the Frank Erwin Center. The arena predominantly services the University; however, it hosts many other events such as concerts, family shows and other entertainment acts. There are multiple groups that have contributed to the success of the venue including Oakview Group, Live Nation/C3 Presents and the University of Texas.

UT contributed the approximately 6.6 acres to OVG in a lease agreement. OVG developed the arena and provides UT with approximately 60 dates per year for athletics and other university events.

The Moody Foundation contributed a \$130 million grant for the arena, which gave them naming rights for the venue.



# Moody Center & Frank Erwin Center

## Moody Center - Austin, Texas

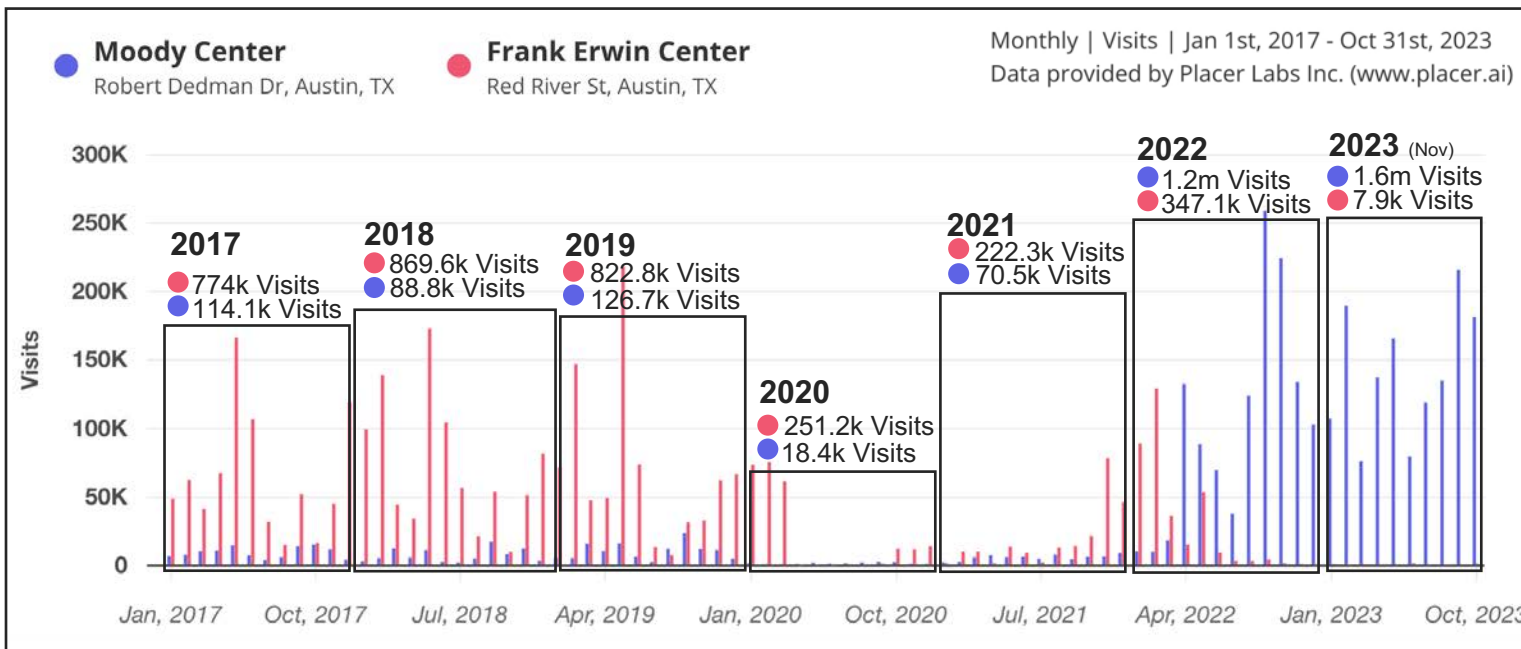
| Year           | Number of Events | % Events Represented | % of Available Tickets Sold | Average Attendance | Avg. Ticket Price | Estimated Gross Ticket Revenue (millions) |
|----------------|------------------|----------------------|-----------------------------|--------------------|-------------------|---|
| 2023           | 75               | 89.3%                | 90%                         | 9,025              | \$105.83          | \$71.64                                   |
| 2022           | 73               | 95.9%                | 90%                         | 8,797              | \$106.17          | \$68.18                                   |
| <b>Average</b> | <b>74</b>        | <b>93%</b>           | <b>90%</b>                  | <b>8,911</b>       | <b>\$106.00</b>   | <b>\$69.91</b>                            |
| 2019-15        | <b>73</b>        | <b>96%</b>           | <b>90%</b>                  | <b>8,797</b>       | <b>\$106.17</b>   | <b>\$68.18</b>                            |

Source: Pollstar

## Frank Erwin Center - Austin, Texas

| Year           | Number of Events | % Events Represented | % of Available Tickets Sold | Average Attendance | Avg. Ticket Price | Estimated Gross Ticket Revenue (millions) |
|----------------|------------------|----------------------|-----------------------------|--------------------|-------------------|---|
| 2021           | 8                | 62.5%                | 91%                         | 8,920              | \$83.90           | \$5.99                                    |
| 2020           | 4                | 75.0%                | 99%                         | 10,425             | \$99.56           | \$4.15                                    |
| 2019           | 16               | 87.5%                | 90%                         | 8,243              | \$90.25           | \$11.90                                   |
| 2018           | 18               | 77.8%                | 73%                         | 5,706              | \$77.60           | \$7.97                                    |
| 2017           | 19               | 78.9%                | 77%                         | 6,493              | \$80.27           | \$9.90                                    |
| 2016           | 24               | 87.5%                | 77%                         | 7,108              | \$76.05           | \$12.97                                   |
| 2015           | 22               | 72.7%                | 80%                         | 6,998              | \$73.59           | \$11.33                                   |
| 2014           | 11               | 81.8%                | 78%                         | 6,544              | \$55.01           | \$3.96                                    |
| 2013           | 23               | 82.6%                | 78%                         | 7,498              | \$67.55           | \$11.65                                   |
| 2012           | 11               | 100.0%               | 87%                         | 8,073              | \$84.18           | \$7.48                                    |
| 2011           | 24               | 70.8%                | 79%                         | 7,060              | \$57.26           | \$9.70                                    |
| 2010           | 18               | 83.3%                | 80%                         | 7,045              | \$52.30           | \$6.63                                    |
| 2009           | 26               | 92.3%                | 78%                         | 5,926              | \$51.26           | \$7.90                                    |
| <b>Average</b> | <b>17</b>        | <b>80.99%</b>        | <b>82.01%</b>               | <b>7,388</b>       | <b>\$72.98</b>    | <b>\$8.58</b>                             |
| 2021-2017      | <b>13</b>        | <b>76.35%</b>        | <b>85.99%</b>               | <b>7,957</b>       | <b>\$86.31</b>    | <b>\$7.98</b>                             |

Source: Pollstar



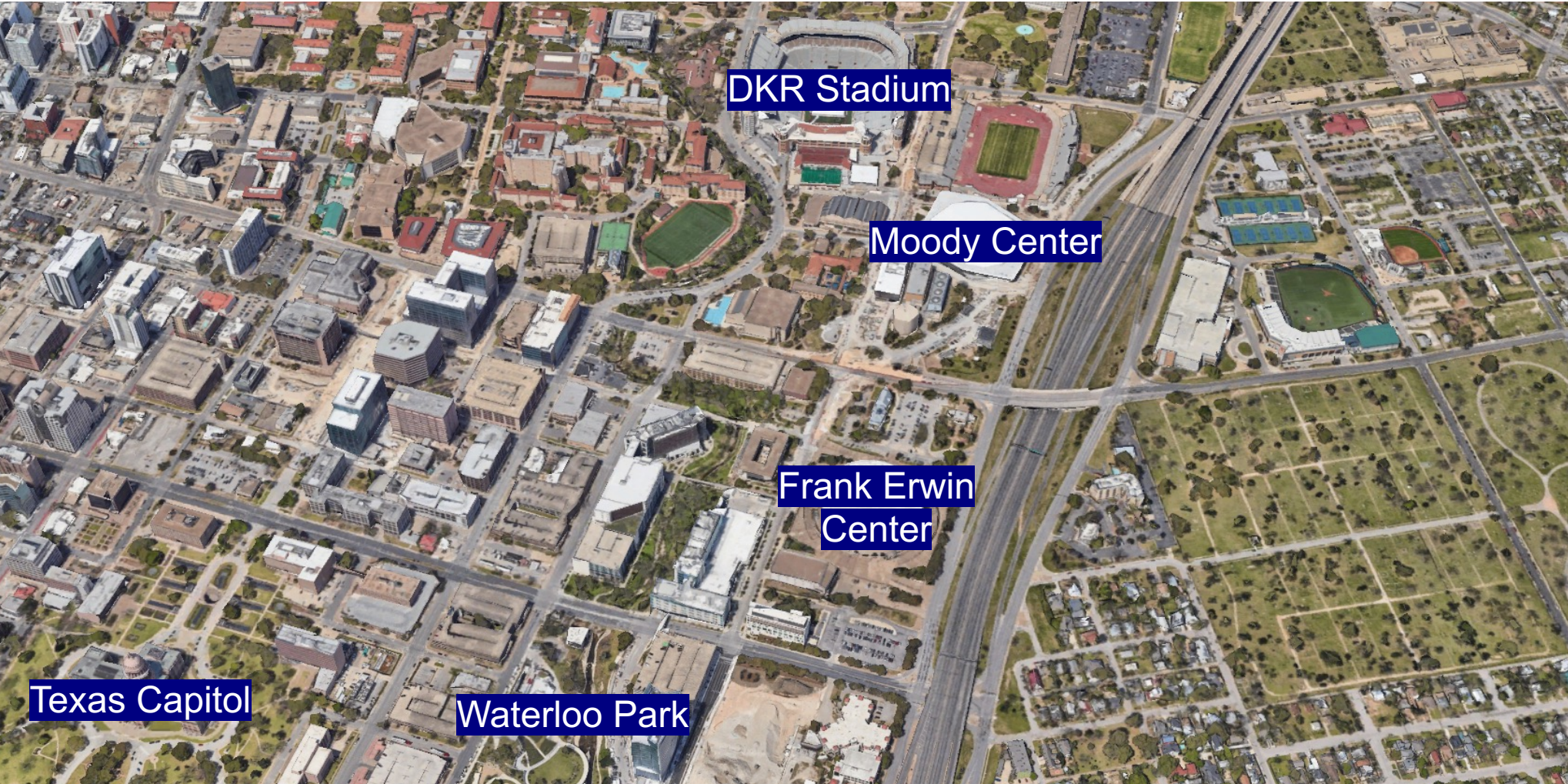
**Frank Erwin Center**  
Average 2017 – 2019  
**822.1k Visits**

**Moody Center**  
Average 2022 – 2023 (Est)  
**1.47m Visits**

**650.6k Visit**  
Difference

# Moody Center

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# Chesapeake Employers Insurance Arena

## Baltimore, MD

**Tenant(s)** — UMBC Athletics

**Seating Capacity** — 4,654 (basketball) 5,500 (concerts)

**Year Built** — 2018

**Ownership** — UMBC

**Operator** — OVG 360

**Project Cost** — \$85 million

**Financing** — 100% University/Private Share

**Notes** — The Chesapeake Employers Insurance Arena was completed in 2018 for the University of Maryland, Baltimore County (UMBC). Prior to the completion of the new arena that UMBC athletics basketball and volleyball programs played in the Retriever Activities Center, which is the school's recreation center.

The naming rights deal with Chesapeake Employers Insurance was a 15-year \$5 million deal. The arena was largely funded by the University and private organizations.



# Chesapeake Employers Insurance Arena

Chesapeake Employers Insurance Arena - Baltimore, MD

| Year              | Number of Events | % Events Represented | % of Available Tickets Sold | Average Attendance | Avg. Ticket Price | Estimated Gross Ticket Revenue (millions) |
|-------------------|------------------|----------------------|-----------------------------|--------------------|-------------------|---|
| 2023              | 9                | 22.2%                | 70%                         | 3,007              | \$64.74           | \$1.75                                    |
| 2022              | 27               | 33.3%                | 77%                         | 3,578              | \$70.13           | \$6.78                                    |
| 2021              | 5                | 40.0%                | 64%                         | 2,968              | \$56.85           | \$0.84                                    |
| 2020              | 1                | 0.0%                 | --                          | --                 | --                | --  |
| 2019              | 19               | 31.6%                | 86%                         | 3,833              | \$66.59           | \$4.85                                    |
| 2018              | 10               | 70.0%                | 55%                         | 2,424              | \$47.22           | \$1.14                                    |
| Average (Ex 2020) | <b>9</b>         | <b>35.39%</b>        | <b>68.25%</b>               | <b>3,075</b>       | <b>\$56.89</b>    | <b>\$2.28</b>                             |

Source: Pollstar

## Retriever Activities Center

2017 (Last Year as Home of the UMBC Basketball & Volleyball Programs)

**153.6k Visits**

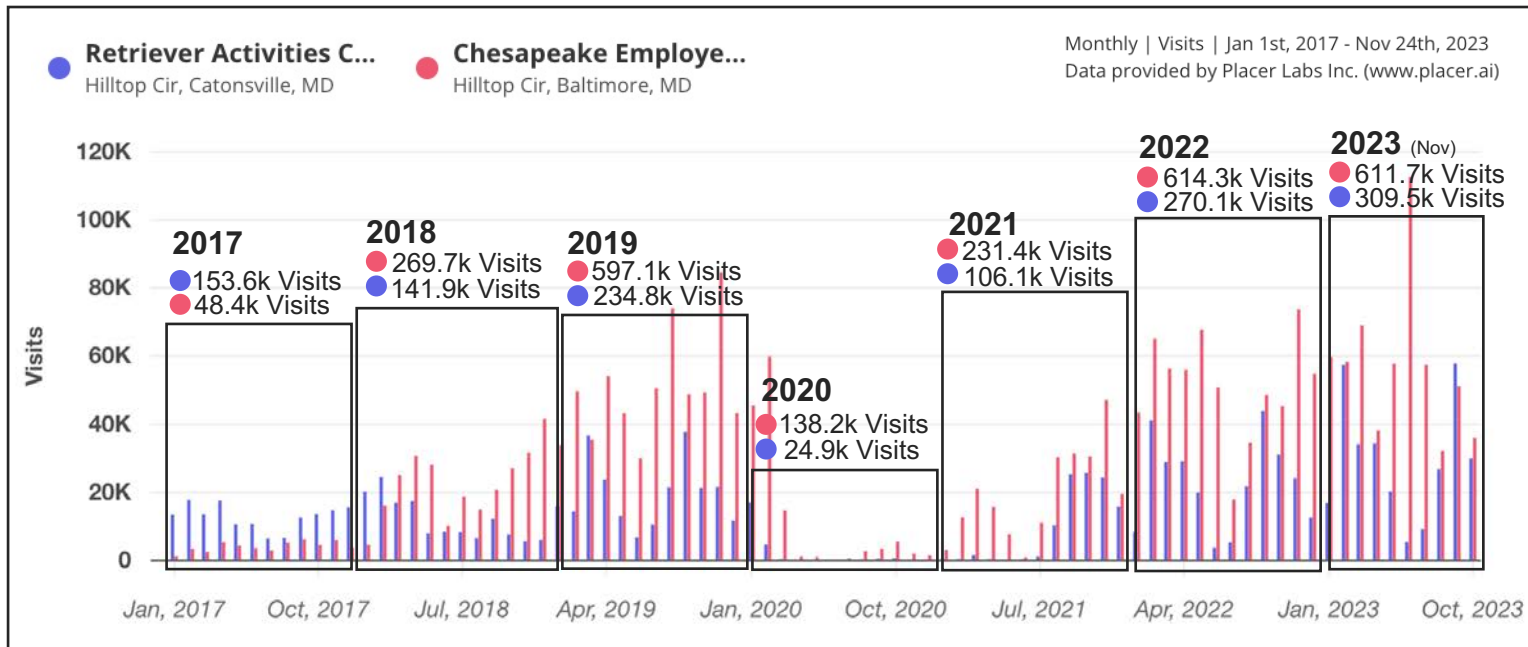
## Chesapeake Employers Insurance Arena

Average (2019, 2022 & 2023)

**607.7k**

**454.1k Visit**

Difference



# Chesapeake Employers Insurance Arena



Chesapeake  
Employers  
Insurance Arena

# Pinnacle Bank Arena

## Lincoln, NE

**Tenant(s)** — Nebraska Cornhuskers

**Seating Capacity** — 15,500 seats (basketball), 16,130 (center stage)

**Year Built** — 2013

**Ownership** — City of Lincoln

**Operator** — ASM Global

**Project Cost** — \$181 million, \$375 million West Haymarket District

**Financing** — 100% Public

**Notes** — The Pinnacle Bank Arena was completed in 2013 to replace the former Bob Devaney Sports Center. The arena was a part of a larger revitalization effort of the West Haymarket District in downtown Lincoln, NE. The surrounding West Haymarket District includes over 100,000 SF of retail space, 100,000 SF of office space, 200 hotel rooms, 4,000 parking spaces, and 373 residential units.

The construction of the arena was largely a city driven effort. Funding from the city, which is further detailed on following slides, largely came from a bond offering for the development of the arena and the surrounding Haymarket District. The city imposed several additional taxes that went to a vote, which would assist in paying off the cities bond payment obligations.





# Pinnacle Bank Arena Financing Detail

Although the financing may be different than what takes shape in Cleveland County/Norman, the Pinnacle Bank Arena project is a strong case study to show that it takes creative financing to fund these large, significantly impactful projects. Additionally, the tax generation that has occurred to assist in funding the arena has far exceeded expectations showing the significant impact in terms of new spending these Project can generate.

The funding of Pinnacle Bank Arena required a creative financing strategy that required voter approval of additional taxes to revitalize the West Haymarket District and construct the arena.

## Revenue Streams to Payback City Issued Debt

- 2% occupation tax on Lincoln's restaurants and bars
- 4% hotel/motel
- 4% rental car tax
- State sales turnback tax
- Parking revenue
- Premium seating revenue
- Naming rights

A joint public agency (JPA) was created to oversee finances of Pinnacle Bank Arena and the surrounding West Haymarket District. The project involved the relocation and elimination of existing railroad tracks and completion of other site preparation activities, the construction of Pinnacle Bank Arena, a community ice center, private retail and office space, a new Amtrak Station, residential units, surface and decked parking, public gathering areas, street and utility

improvements, landscaping, trails and walkways, pedestrian bridges, and environmental enhancements

Currently, occupation tax revenue is able to cover the bond repayment, stated in September of 2023 by Lyn Heaton the cities Finance Director. The following breakdown is the financial position of the financing of the Project as of September of 2023:

## Bond Debt:

Total: \$595.5 million

Amount Paid: \$166 million

## Revenue:

Occupation Taxes: \$202.8 million

Premium Arena Seating: \$24.2 million

Turnback Taxes: \$15.4 million

Parking Revenue: \$22.2 million

\*Arena revenue used to covert operating expenses not included.

# Pinnacle Bank Arena Outperforming Expectations

## 2022 Revenue

Occupation Taxes: \$20,004,357

Intergovernmental: \$3,585,254

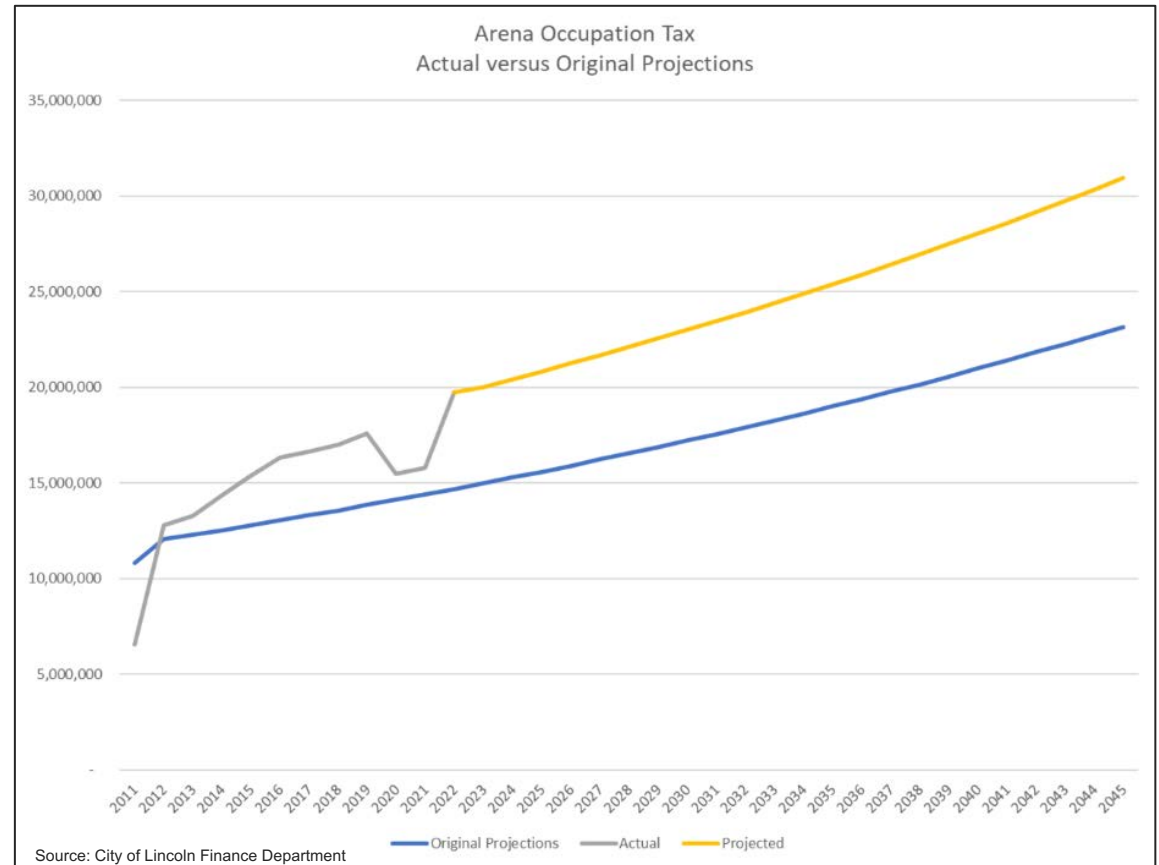
Parking facility revenue: \$3,049,351

Suit and premium seating revenue: \$2,444,564

Investment Income: (\$16,614)

Other program revenues: \$3,648,9

The chart to the right shows that the revenue from the occupation taxes imposed has far surpassed initial projections. Collection of occupation taxes is currently \$30 million more to date than originally projected, which has assisted paying off the city's debt obligations. One driving factor behind this is the fact that the arena created a ripple effect of additional new development beyond what was initially planned in the West Haymarket District.



# Pinnacle Bank Arena & West Haymarket District



# KFC Yum! Center

## Louisville, KY

**Tenant(s)** — University of Louisville

**Seating Capacity** — 22,090 seats (basketball), 17,500 (end stage)

**Year Built** — 2010

**Ownership** — Louisville Arena Authority

**Operator** — ASM Global

**Project Cost** — \$238 million

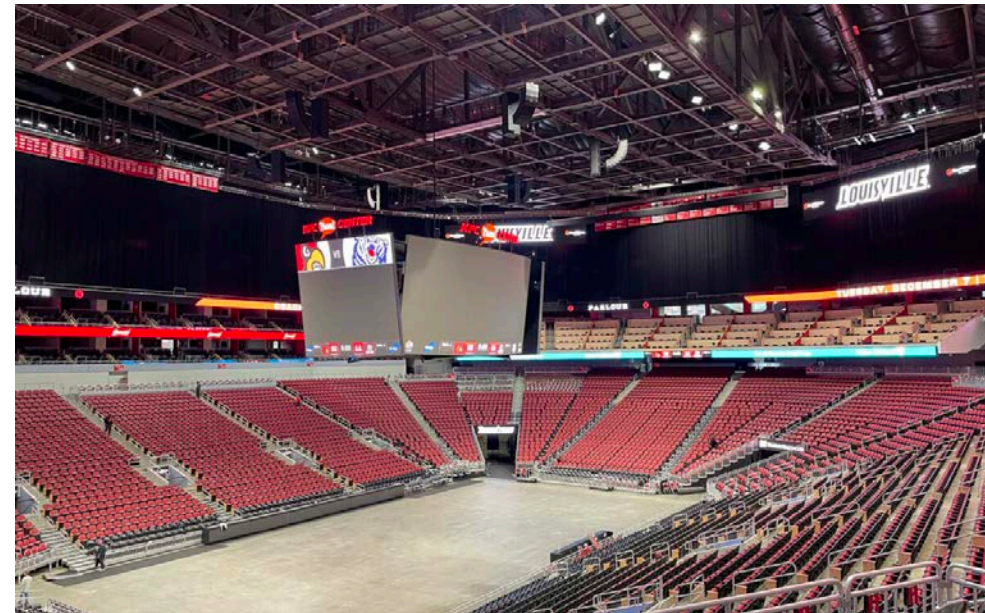
**Financing** — 54% Public, 46% Private

**Notes** — The KFC Yum! Center is the home of the University of Louisville Cardinal's men's and women's basketball teams, volleyball team, and the Louisville Xtreme of the IFL.

Financing for the venue came from \$339 million in bonds through Kentucky's Economic Development Finance Authority. The debt would be paid off over 30-years from many sources. The city set up a downtown TIF of six square miles in the downtown. The TIF has fallen short of expectations, which has resulted in the Arena Authority restructuring its annual payments.

There are several reasons the financing fell short. The projections on the TIF revenue streams were made directly before the 2008 recession. Additionally, given that the projections of the TIF were inflated compared to reality, the deal with UL was less favorable for the building itself.

Despite these concerns and challenges, the facility is a robust economic driver in the downtown. During the nine-year period between FY 2015 and 2023, the facility has generated nearly \$942 million in total spending within the Louisville economy, or an average of nearly \$122 million per year when excluding the pandemic.

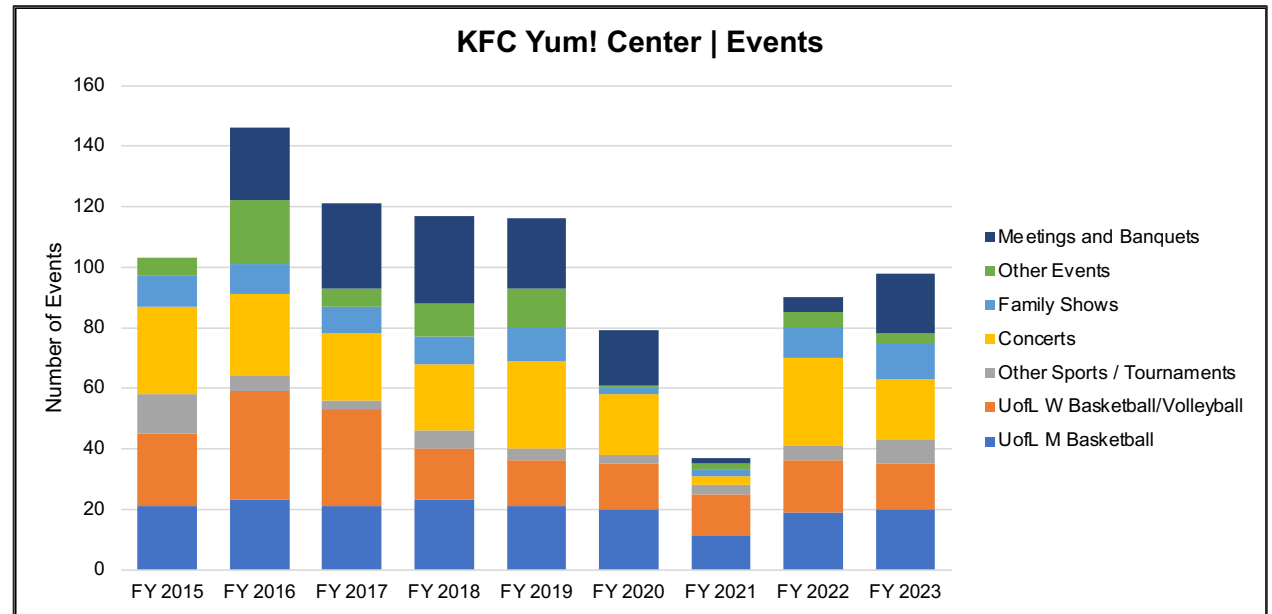


# KFC Yum! Center Events

The table and chart to the right outlines the number and type of events held at the KFC Yum! Center from fiscal years 2015 through 2023.

In 2023 the KFC Yum! Center continues to rebound from the pandemic, hosting 16 percent fewer events than the facility did in 2019. The facility maintains a similar number of concerts and sporting events as it did in 2019 but hosts fewer events in the “Other Events” category (i.e. blood drives, community events).

Additionally, since FY 2017 only selected women’s volleyball games have been hosted at the KFC Yum! Center.



| Event Type                   | FY 2015    | FY 2016    | FY 2017    | FY 2018    | FY 2019    | FY 2020   | FY 2021   | FY 2022   | FY 2023   |
|------------------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| UofL M Basketball            | 21         | 23         | 21         | 23         | 21         | 20        | 11        | 19        | 20        |
| UofL W Basketball/Volleyball | 24         | 36         | 32         | 17         | 15         | 15        | 14        | 17        | 15        |
| Other Sports / Tournaments   | 13         | 5          | 3          | 6          | 4          | 3         | 3         | 5         | 8         |
| Concerts                     | 29         | 27         | 22         | 22         | 29         | 20        | 3         | 29        | 20        |
| Family Shows                 | 10         | 10         | 9          | 9          | 11         | 2         | 2         | 10        | 12        |
| Other Events                 | 6          | 21         | 6          | 11         | 13         | 1         | 2         | 5         | 3         |
| Meets and Banquets           | --         | 24         | 28         | 29         | 23         | 18        | 2         | 5         | 20        |
| <b>Total</b>                 | <b>103</b> | <b>146</b> | <b>121</b> | <b>117</b> | <b>116</b> | <b>79</b> | <b>37</b> | <b>90</b> | <b>98</b> |

Source: KFC Yum! Center

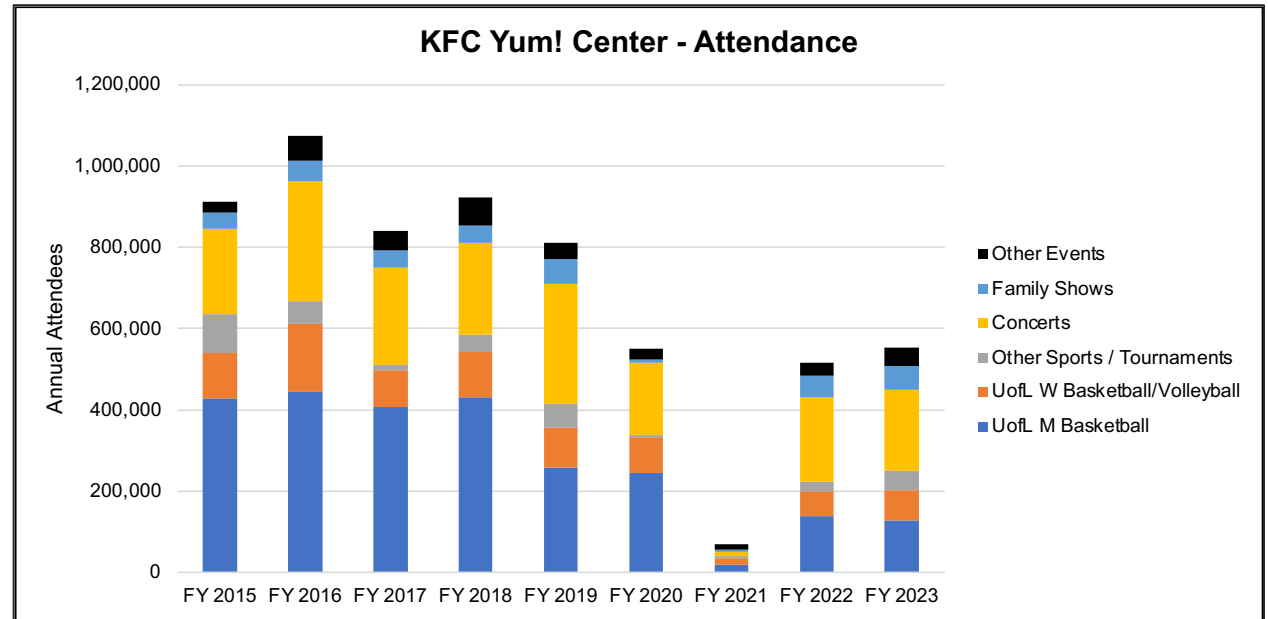
# KFC Yum! Center Attendance

The table and graph to the right outlines estimated event attendance by event type for the KFC Yum! Center.

Though the total number of events hosted at the KFC Yum! Center has rebounded to 84 percent of pre-pandemic levels, total attendance has not, with FY 2022 and FY 2023 attendance at 64 and 68 percent of FY 2019 attendance.

This is largely due to reduced attendance per game for University of Louisville men's basketball games, which is often tied to each season's team performance.

Attendance per concert is currently higher than prior to the pandemic.



| Event Type                   | FY 2015        | FY 2016          | FY 2017        | FY 2018        | FY 2019        | FY 2020        | FY 2021       | FY 2022        | FY 2023        |
|------------------------------|----------------|------------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|
| UofL M Basketball            | 429,398        | 443,320          | 406,481        | 430,224        | 258,416        | 244,422        | 19,639        | 138,943        | 129,205        |
| UofL W Basketball/Volleyball | 112,000        | 168,506          | 91,403         | 113,641        | 98,945         | 88,987         | 16,503        | 61,531         | 72,933         |
| Other Sports / Tournaments   | 95,089         | 57,045           | 12,941         | 40,983         | 57,183         | 4,586          | 3,138         | 23,169         | 48,083         |
| Concerts                     | 209,923        | 295,040          | 238,100        | 225,270        | 295,988        | 178,774        | 10,581        | 208,332        | 200,711        |
| Family Shows                 | 39,765         | 48,682           | 44,614         | 44,393         | 59,634         | 6,303          | 5,549         | 53,176         | 57,541         |
| Other Events                 | 25,500         | 61,001           | 46,573         | 68,000         | 40,229         | 26,695         | 15,395        | 30,903         | 45,490         |
| <b>Total</b>                 | <b>911,675</b> | <b>1,073,594</b> | <b>840,112</b> | <b>922,511</b> | <b>810,395</b> | <b>549,767</b> | <b>70,805</b> | <b>516,054</b> | <b>553,963</b> |

Source: KFC Yum! Center

# KFC Yum! Center Financials

The table to the right outlines the historical financials for the KFC Yum! Center. While per capita spending within the arena has increased significantly, a decrease in attendance (mainly to university-oriented events) has led to decreased revenues for the facility.

Inflationary pressures and below average Men's basketball attendance has led to reduced margins, yet the facility continues to operate profitably. In FY 2022 and 2023 the facility operated at an 8 and 9 percent operating margin, respectively.

| KFC Yum! Center - Operating Financials |                      |                      |                      |                      |                      |                      |                       |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
|  | FY 2015              | FY 2016              | FY 2017              | FY 2018              | FY 2019              | FY 2020              | FY 2021               | FY 2022              | FY 2023              |
| <b>Revenue</b>                         |                      |                      |                      |                      |                      |                      |                       |                      |                      |
| Arena Rent                             | \$ 6,442,841         | \$ 6,874,499         | \$ 5,161,016         | \$ 5,654,108         | \$ 6,517,356         | \$ 4,354,496         | \$ 1,006,449          | \$ 5,218,586         | \$ 5,302,146         |
| Premium Seating                        | \$ 1,126,208         | \$ 987,545           | \$ 748,826           | \$ 1,117,221         | \$ 1,641,707         | \$ 1,091,023         | \$ 56,453             | \$ 1,364,458         | \$ 1,122,615         |
| Food & Beverage, Merchandise           | \$ 2,970,410         | \$ 3,068,420         | \$ 2,871,574         | \$ 2,793,806         | \$ 3,430,206         | \$ 2,616,472         | \$ 177,443            | \$ 2,730,682         | \$ 3,045,026         |
| Event Revenue                          | \$ 3,993,479         | \$ 4,596,119         | \$ 3,855,821         | \$ 4,695,858         | \$ 5,554,110         | \$ 3,182,330         | \$ 326,919            | \$ 5,222,163         | \$ 5,260,665         |
| Parking                                | \$ 76,341            | \$ 60,790            | \$ 40,508            | \$ 22,575            | \$ 19,960            | \$ 18,601            | \$ -                  | \$ -                 | \$ -                 |
| Other Income                           | \$ 410,013           | \$ 23,536            | \$ 42,243            | \$ 23,066            | \$ 41,802            | \$ 14,832            | \$ 54,947             | \$ 93,229            | \$ -                 |
| <b>Total</b>                           | <b>\$ 15,019,292</b> | <b>\$ 15,610,909</b> | <b>\$ 12,719,988</b> | <b>\$ 14,306,634</b> | <b>\$ 17,205,141</b> | <b>\$ 11,277,754</b> | <b>\$ 1,622,211</b>   | <b>\$ 14,629,118</b> | <b>\$ 14,730,452</b> |
| <b>Direct Expenses</b>                 |                      |                      |                      |                      |                      |                      |                       |                      |                      |
| Event Expenses                         | \$ 5,038,522         | \$ 5,799,120         | \$ 3,973,314         | \$ 4,817,328         | \$ 6,608,724         | \$ 4,048,754         | \$ 651,838            | \$ 5,237,215         | \$ 5,626,401         |
| Food & Beverage, Merchandise           | \$ 931,879           | \$ 835,936           | \$ 834,362           | \$ 705,815           | \$ 817,733           | \$ 658,158           | \$ 48,216             | \$ 503,114           | \$ 657,812           |
| Other Expenses                         | \$ 66,765            | \$ 51,705            | \$ 35,420            | \$ 65,942            | \$ 174,880           | \$ 100,418           | \$ 7,652              | \$ 140,666           | \$ -                 |
| <b>Total</b>                           | <b>\$ 6,037,166</b>  | <b>\$ 6,686,761</b>  | <b>\$ 4,843,096</b>  | <b>\$ 5,589,085</b>  | <b>\$ 7,601,337</b>  | <b>\$ 4,807,330</b>  | <b>\$ 707,706</b>     | <b>\$ 5,880,995</b>  | <b>\$ 6,284,213</b>  |
| <b>Gross Profit</b>                    | <b>\$ 8,982,126</b>  | <b>\$ 8,924,148</b>  | <b>\$ 7,876,892</b>  | <b>\$ 8,717,549</b>  | <b>\$ 9,603,804</b>  | <b>\$ 6,470,424</b>  | <b>\$ 914,505</b>     | <b>\$ 8,748,123</b>  | <b>\$ 8,446,239</b>  |
| <i>Gross Profit Margin</i>             | <i>60%</i>           | <i>57%</i>           | <i>62%</i>           | <i>61%</i>           | <i>56%</i>           | <i>57%</i>           | <i>56%</i>            | <i>60%</i>           | <i>57%</i>           |
| <b>Operating Expenses</b>              |                      |                      |                      |                      |                      |                      |                       |                      |                      |
| Administration                         | \$ 4,558,816         | \$ 4,516,932         | \$ 4,239,464         | \$ 4,574,548         | \$ 4,841,635         | \$ 4,128,057         | \$ 3,627,126          | \$ 4,808,912         | \$ 4,339,327         |
| Utilities                              | \$ 1,423,507         | \$ 1,232,000         | \$ 1,154,382         | \$ 1,193,869         | \$ 1,169,647         | \$ 1,034,188         | \$ 801,225            | \$ 1,265,656         | \$ 1,302,014         |
| Insurance                              | \$ 478,875           | \$ 505,395           | \$ 531,199           | \$ 472,048           | \$ 405,169           | \$ 713,734           | \$ 619,038            | \$ 792,853           | \$ 787,763           |
| Management Fee                         | \$ 494,508           | \$ 494,508           | \$ 451,847           | \$ 710,500           | \$ 721,158           | \$ 729,090           | \$ 731,277            | \$ 742,247           | \$ 753,380           |
| <b>Total</b>                           | <b>\$ 6,955,706</b>  | <b>\$ 6,748,835</b>  | <b>\$ 6,376,892</b>  | <b>\$ 6,950,965</b>  | <b>\$ 7,137,609</b>  | <b>\$ 6,605,069</b>  | <b>\$ 5,778,666</b>   | <b>\$ 7,609,668</b>  | <b>\$ 7,182,484</b>  |
| <b>Net Operating Income</b>            | <b>\$ 2,026,420</b>  | <b>\$ 2,175,313</b>  | <b>\$ 1,500,000</b>  | <b>\$ 1,766,584</b>  | <b>\$ 2,466,195</b>  | <b>\$ (134,645)</b>  | <b>\$ (4,864,161)</b> | <b>\$ 1,138,455</b>  | <b>\$ 1,263,755</b>  |
| <i>Operating Margin</i>                | <i>13%</i>           | <i>14%</i>           | <i>12%</i>           | <i>12%</i>           | <i>14%</i>           | <i>-1%</i>           | <i>-300%</i>          | <i>8%</i>            | <i>9%</i>            |
| Source: KFC Yum! Center                |                      |                      |                      |                      |                      |                      |                       |                      |                      |

# New Developments: Baylor University

## Waco, TX

Baylor University is currently underway with a new 7,500-seat basketball arena, Foster Pavilion, which is nearing completion and will host its first collegiate basketball game in early January 2024. The arena was the conception of a public-private partnership between the university and the city of Waco, with \$65 million of financing coming from the city and the remaining coming from the university sources. The total project cost is reported at \$212.6 million. Outside of this new project the city, university and private development community have planned for a mixed-use entertainment and lifestyle district directly outside of the new venue.

Phase I includes the following elements which are completed and leasing:

- 266 units residential, 250 units student housing
- 6,000 SF of retail & restaurant space
- 600 new parking spaces, in addition to the 400 recently completed

The city of Waco approved \$20.2 million in TIF funding for the mixed-use components, which includes the clean up of environmental contaminants, create public improvements, waterfront improvements, news streets, infrastructure, a parking garage and a re-do of University Parks streetscape from Jackson to I-35. The public improvements include Farmers Market Plaza.

Phase II and III-unit count and square footage detail has not been released but will include an extensive amount of retail and restaurant space, hotels and additional residential development, which is shown on the following slide.





# Brazos Riverfront Project

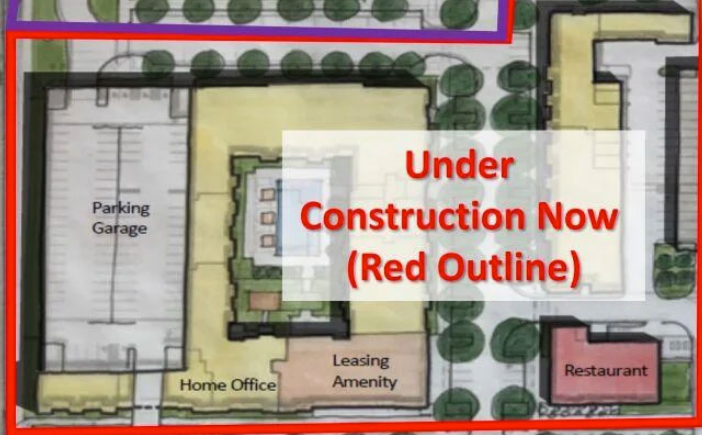
The mixed-use district will occur over three phases with phase I elements already being delivered.

Phase II and III are planned to deliver in 2025.

There was a complex land swaps to get Project off the ground. The University purchased land from the City for the Foster Pavilion, and the City did a long-term lease to Catalyst Development for the commercial components of phase I.

CONCEPTUAL

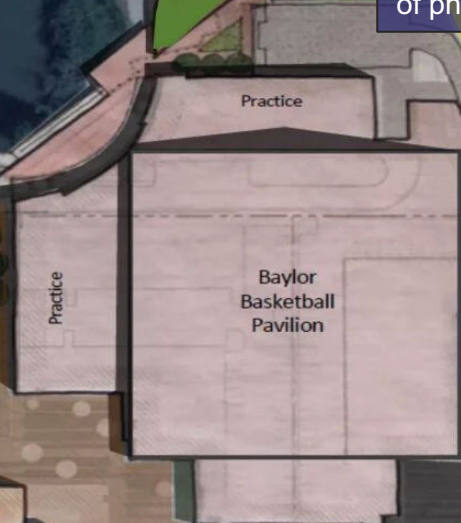
**Future Phase (Purple Outline)  
Office / Mixed-Use**



**Under Construction Now  
(Red Outline)**



**Pavilion Phase (Yellow Outline)  
Start in 2022  
Finish in 2024**



THE RIVERFRONT



# Brazos Riverfront Construction



As of February of 2023, both the new Foster Pavilion and Phase I components of the mixed-use district were well underway. Today, the highlighted red portions of residential and retail space are completed.

February 17, 2023

# University of Central Florida Orlando, FL

In 2007, the University of Central Florida opened Knights Plaza, an athletic village and shopping center on campus located near the now FBC Mortgage Stadium. The plaza consists of student housing for 2,000 students in four towers, 183,000 SF of retail and restaurant space, as well as a new 9,400-seat Addition Financial Arena and renovated 2,300-seat Spectra-managed The Venue at UCF Arena which is used as both a practice facility and concert / event venue.

In the past, the plaza has had difficulties filling the retail space due to lack of free parking and changing economic conditions. The plaza is currently occupied by more than 15 dining and retail establishments that cater to the large student population.

The \$107 million development was funded through the following:

- Student housing revenues - \$59 million
- University operating funds - \$30 million
- Naming rights / sponsorships - \$11 million
- Commercial leases - \$7 million

In Spring 2022, the UCF Board of Trustees approved numerous improvement projects for the football stadium and Knights Plaza including additional stadium seating, premium options, relocation of practice fields, new resistance river and hydrotherapy pools, and additional parking. Total cost of these phased improvements is expected at \$125 million to be funded by university-issued debt and private donations.



# Knights Plaza Development Overview

Knights Plaza incorporates retail, restaurants, public space and student housing adjacent to University of Central Florida's athletic facilities. The plaza acts as the "Campus Town Center."

Recently approved investment in the district will allow for a renovated football stadium, additional commercial developments and new public gathering spaces.



# Key Highlights

## Case Studies

There is no “magic bullet” on how to get large event venue anchored mixed-use districts done. However, these case studies show some examples on how it has been done elsewhere, how these venues have performed, and what the true impact is when a high-caliber venue is privately managed.

The net new economic impact of several of the arenas analyzed can be seen in the significant boost in annual visitation to these venues compared to the old venue where the team played. The geofencing analysis shows that many of these fans came from outside the given city or county.

Revenue streams within the venue and outside of the building are used to assist in the funding of these large projects. This includes naming rights, advertising, luxury suite revenue and others. Although not applicable in all situations, district taxes such as ticket taxes or others can be levied on events within the venue, with the goal of those revenue streams being another funding stream to fund the project.

Venues with private management maximize the efficiency of the venue, as seen by the significant visitation generated by these venues. Those operated by universities that do not open their schedules to external events, such as Lloyd Noble currently, do not.





# **Demand & Financial Projection Overview**

Original Development – OU Foundation  
Development Program provided by  
Team Norman

# Original Development – OU Foundation Development Program Demand & Financial Projections

The adjacent table shows Hunden’s projections of key performance metrics for the core elements of the OU Foundation Development Program provided by Team Norman.

Lease/rental rates and occupancy levels were based on Hunden’s assessment of the competitive market environment and performance of comparable assets.

| Development Assumptions             |          | 2027   | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      | 2034      | 2035      | 2036      | 2051      |
|-------------------------------------|----------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| ORIGINAL DEVELOPMENT                |          | Year 1 | Year 2    | Year 3    | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   | Year 25   |
| Inflation Factor 3%                 |          |        |           |           |           |           |           |           |           |           |           |           |
| <b>Performance Venue / Arena</b>    |          |        |           |           |           |           |           |           |           |           |           |           |
| Capacity (8,000 Fixed Seats)        |          |        |           | 10,500    | 10,500    | 10,500    | 10,500    | 10,500    | 10,500    | 10,500    | 10,500    | 10,500    |
| Total Number of Events              |          |        |           | 136       | 147       | 160       | 160       | 160       | 160       | 160       | 160       | 160       |
| Number of Promoted Concerts & Shows |          |        |           | 14        | 17        | 21        | 21        | 21        | 21        | 21        | 21        | 21        |
| Total Attendance                    |          |        |           | 428,015   | 465,025   | 501,615   | 501,615   | 501,615   | 501,615   | 501,615   | 501,615   | 501,615   |
| <b>Multifamily</b>                  |          |        |           |           |           |           |           |           |           |           |           |           |
| Total Units                         |          |        | 250       | 500       | 500       | 500       | 750       | 1,079     | 1,424     | 1,424     | 1,424     | 1,424     |
| Total SF                            | 1,001    |        | 250,166   | 500,332   | 500,332   | 500,332   | 750,499   | 1,079,717 | 1,424,947 | 1,424,947 | 1,424,947 | 1,424,947 |
| Average Rent PSF                    | \$ 1.42  |        | \$ 1.60   | \$ 1.65   | \$ 1.70   | \$ 1.75   | \$ 1.80   | \$ 1.85   | \$ 1.91   | \$ 1.97   | \$ 2.02   | \$ 3.15   |
| Occupancy                           |          |        | 58%       | 66%       | 86%       | 82%       | 93%       | 84%       | 86%       | 89%       | 93%       | 93%       |
| <b>Single Family for Rent</b>       |          |        |           |           |           |           |           |           |           |           |           |           |
| Total Units                         |          |        | 177       | 177       | 177       | 177       | 177       | 177       | 177       | 177       | 177       | 177       |
| Total SF                            | 1,300    |        | 230,100   | 230,100   | 230,100   | 230,100   | 230,100   | 230,100   | 230,100   | 230,100   | 230,100   | 230,100   |
| Average Rent PSF                    | \$ 1.21  |        | \$ 1.40   | \$ 1.44   | \$ 1.49   | \$ 1.53   | \$ 1.58   | \$ 1.62   | \$ 1.67   | \$ 1.72   | \$ 1.72   | \$ 2.68   |
| Occupancy                           |          |        | 62%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       |
| <b>Office</b>                       |          |        |           |           |           |           |           |           |           |           |           |           |
| Total SF                            |          |        | 48,000    | 138,000   | 318,000   | 330,502   | 420,502   | 565,322   | 565,322   | 565,322   | 565,322   | 565,322   |
| % Leasable                          |          |        | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       | 93%       |
| Occupancy                           |          |        | 50%       | 73%       | 68%       | 73%       | 78%       | 86%       | 93%       | 93%       | 93%       | 93%       |
| Average Rent PSF                    | \$ 22.00 |        | \$ 25.50  | \$ 26.27  | \$ 27.06  | \$ 27.87  | \$ 28.71  | \$ 29.57  | \$ 30.45  | \$ 31.37  | \$ 31.37  | \$ 48.87  |
| <b>Retail/F&amp;B</b>               |          |        |           |           |           |           |           |           |           |           |           |           |
| Total SF                            |          |        | 275,500   | 275,500   | 275,500   | 275,500   | 275,500   | 275,500   | 275,500   | 275,500   | 275,500   | 275,500   |
| % Leasable                          |          |        | 100%      | 100%      | 100%      | 100%      | 100%      | 100%      | 100%      | 100%      | 100%      | 100%      |
| Occupancy                           |          |        | 60%       | 88%       | 88%       | 88%       | 88%       | 88%       | 88%       | 88%       | 88%       | 88%       |
| Avg. Ann. Sales PSF                 | 8%       |        | \$ 355.51 | \$ 366.18 | \$ 377.16 | \$ 388.48 | \$ 400.13 | \$ 412.13 | \$ 424.50 | \$ 437.23 | \$ 437.23 | \$ 681.20 |
| Average Rent PSF                    | \$ 23.00 |        | \$ 26.66  | \$ 27.46  | \$ 28.29  | \$ 29.14  | \$ 30.01  | \$ 30.91  | \$ 31.84  | \$ 32.79  | \$ 32.79  | \$ 51.09  |
| <b>Hotel Assets</b>                 |          |        |           |           |           |           |           |           |           |           |           |           |
| Total Keys                          |          |        | 150       | 150       | 150       | 150       | 150       | 150       | 150       | 150       | 150       | 150       |
| Conference Center                   |          |        | 40,000    | 40,000    | 40,000    | 40,000    | 40,000    | 40,000    | 40,000    | 40,000    | 40,000    | 40,000    |
| Occupancy                           |          |        | 65%       | 74%       | 78%       | 78%       | 78%       | 81%       | 83%       | 84%       | 84%       | 83%       |
| ADR                                 |          |        | \$ 177.14 | \$ 182.53 | \$ 187.40 | \$ 192.09 | \$ 196.89 | \$ 201.67 | \$ 206.64 | \$ 211.92 | \$ 211.92 | \$ 326.85 |
| <b>Airport Related Assets</b>       |          |        |           |           |           |           |           |           |           |           |           |           |
| FBO Total SF                        |          |        | 48,000    | 48,000    | 48,000    | 48,000    | 48,000    | 48,000    | 48,000    | 48,000    | 48,000    | 48,000    |
| Hangar Space Total SF               |          |        | 60,000    | 60,000    | 60,000    | 60,000    | 60,000    | 60,000    | 60,000    | 60,000    | 60,000    | 60,000    |

Source: Hunden Partners



# Event Venue Projections



# Arena & Event Venue

## Event & Attendance Projections

The table shows the estimated event projections for the event venue in Norman. These event assumptions were created based on Hunden's assessment of the market, conversations with promoters and stakeholder groups, and analysis of other comparable venues across the country.

| Norman, Oklahoma Event Venue      | 2029           | 2030           | 2031           | 2032           | 2033           | 2034           | 2035           | 2036           | 2051           |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Events & Attendance               | Year 3         | Year 4         | Year 5         | Year 6         | Year 7         | Year 8         | Year 9         | Year 10        | Year 25        |
| <b>Events by Type</b>             |                |                |                |                |                |                |                |                |                |
| OU Men's Basketball               | 18             | 18             | 18             | 18             | 18             | 18             | 18             | 18             | 18             |
| OU Women's Basketball             | 18             | 18             | 18             | 18             | 18             | 18             | 18             | 18             | 18             |
| OU Gymnastics                     | 5              | 5              | 5              | 5              | 5              | 5              | 5              | 5              | 5              |
| Concerts - End/Center Stage       | 5              | 6              | 7              | 7              | 7              | 7              | 7              | 7              | 7              |
| Concerts - Half House             | 4              | 5              | 6              | 6              | 6              | 6              | 6              | 6              | 6              |
| Family Shows                      | 5              | 8              | 10             | 10             | 10             | 10             | 10             | 10             | 10             |
| High School Sports                | 8              | 8              | 10             | 10             | 10             | 10             | 10             | 10             | 10             |
| Motor Sports, Wrestling and Rodeo | 4              | 5              | 6              | 6              | 6              | 6              | 6              | 6              | 6              |
| Comedy Shows                      | 1              | 1              | 2              | 2              | 2              | 2              | 2              | 2              | 2              |
| Other Sporting Events             | 3              | 5              | 6              | 6              | 6              | 6              | 6              | 6              | 6              |
| Graduations                       | 14             | 14             | 14             | 14             | 14             | 14             | 14             | 14             | 14             |
| Banquets                          | 13             | 15             | 18             | 18             | 18             | 18             | 18             | 18             | 18             |
| Meetings                          | 35             | 35             | 35             | 35             | 35             | 35             | 35             | 35             | 35             |
| Community Events                  | 3              | 4              | 5              | 5              | 5              | 5              | 5              | 5              | 5              |
| <b>Total</b>                      | <b>136</b>     | <b>147</b>     | <b>160</b>     | <b>160</b>     | <b>160</b>     | <b>160</b>     | <b>160</b>     | <b>160</b>     | <b>160</b>     |
| <b>Annual Attendance</b>          |                |                |                |                |                |                |                |                |                |
| OU Men's Basketball               | 129,600        | 129,600        | 129,600        | 129,600        | 129,600        | 129,600        | 129,600        | 129,600        | 129,600        |
| OU Women's Basketball             | 63,000         | 63,000         | 63,000         | 63,000         | 63,000         | 63,000         | 63,000         | 63,000         | 63,000         |
| OU Gymnastics                     | 12,000         | 12,000         | 12,000         | 12,000         | 12,000         | 12,000         | 12,000         | 12,000         | 12,000         |
| Concerts - End/Center Stage       | 37,000         | 44,400         | 51,800         | 51,800         | 51,800         | 51,800         | 51,800         | 51,800         | 51,800         |
| Concerts - Half House             | 14,800         | 18,500         | 22,200         | 22,200         | 22,200         | 22,200         | 22,200         | 22,200         | 22,200         |
| Family Shows                      | 17,500         | 28,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         | 35,000         |
| High School Sports                | 16,000         | 16,000         | 20,000         | 20,000         | 20,000         | 20,000         | 20,000         | 20,000         | 20,000         |
| Motor Sports, Wrestling and Rodeo | 22,000         | 27,500         | 33,000         | 33,000         | 33,000         | 33,000         | 33,000         | 33,000         | 33,000         |
| Comedy Shows                      | 2,800          | 2,800          | 5,600          | 5,600          | 5,600          | 5,600          | 5,600          | 5,600          | 5,600          |
| Other Sporting Events             | 12,000         | 20,000         | 24,000         | 24,000         | 24,000         | 24,000         | 24,000         | 24,000         | 24,000         |
| Graduations                       | 91,000         | 91,000         | 91,000         | 91,000         | 91,000         | 91,000         | 91,000         | 91,000         | 91,000         |
| Banquets                          | 3,640          | 4,200          | 5,040          | 5,040          | 5,040          | 5,040          | 5,040          | 5,040          | 5,040          |
| Meetings                          | 2,625          | 2,625          | 2,625          | 2,625          | 2,625          | 2,625          | 2,625          | 2,625          | 2,625          |
| Community Events                  | 4,050          | 5,400          | 6,750          | 6,750          | 6,750          | 6,750          | 6,750          | 6,750          | 6,750          |
| <b>Total</b>                      | <b>428,015</b> | <b>465,025</b> | <b>501,615</b> | <b>501,615</b> | <b>501,615</b> | <b>501,615</b> | <b>501,615</b> | <b>501,615</b> | <b>501,615</b> |
| Source: Hunden Partners           |                |                |                |                |                |                |                |                |                |

# Arena & Event Venue

## Proforma Projections

The table below outlines the proforma financial statement of the proposed 10,500-seat event venue within the greater development.

**Hunden expects that arena and event venue will generate a net profit of approximately \$423,000 in Year 1 of operation and stabilize at approximately \$1.8 million by stabilization in Year 3 of operation.**

| Norman, Oklahoma Event Venue    | 2029<br>Year 3      | 2030<br>Year 4      | 2031<br>Year 5       | 2032<br>Year 6       | 2033<br>Year 7       | 2034<br>Year 8       | 2035<br>Year 9       | 2036<br>Year 10      | 2051<br>Year 25      |
|---------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Operating Revenues</b>       |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <u>Event Rental Revenue</u>     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| University Rent                 | \$ 500,000          | \$ 515,000          | \$ 530,450           | \$ 546,364           | \$ 562,754           | \$ 579,637           | \$ 597,026           | \$ 614,937           | \$ 958,052           |
| Other Rental Income             | \$ 783,996          | \$ 987,865          | \$ 1,210,654         | \$ 1,274,673         | \$ 1,342,299         | \$ 1,413,744         | \$ 1,489,231         | \$ 1,568,997         | \$ 3,491,699         |
| Service Income (Loss)           | \$ (295,838)        | \$ (372,767)        | \$ (456,836)         | \$ (480,993)         | \$ (506,512)         | \$ (533,471)         | \$ (561,956)         | \$ (592,055)         | \$ (1,317,579)       |
| Subtotal - Event Rental Revenue | \$ 988,158          | \$ 1,130,098        | \$ 1,284,268         | \$ 1,340,044         | \$ 1,398,542         | \$ 1,459,910         | \$ 1,524,302         | \$ 1,591,879         | \$ 3,132,172         |
| <u>Event Ancillary Revenue</u>  |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Concessions (net)               | \$ 1,365,585        | \$ 1,541,630        | \$ 1,732,413         | \$ 1,784,385         | \$ 1,837,917         | \$ 1,893,054         | \$ 1,949,846         | \$ 2,008,341         | \$ 3,128,931         |
| Catering (net)                  | \$ 98,390           | \$ 111,229          | \$ 129,841           | \$ 133,737           | \$ 137,749           | \$ 141,881           | \$ 146,138           | \$ 150,522           | \$ 234,508           |
| Parking (net)                   | \$ 1,281,858        | \$ 1,504,516        | \$ 1,736,229         | \$ 1,788,316         | \$ 1,841,965         | \$ 1,897,224         | \$ 1,954,141         | \$ 2,012,765         | \$ 3,135,823         |
| Merchandise (net)               | \$ 100,593          | \$ 112,308          | \$ 125,619           | \$ 129,388           | \$ 133,270           | \$ 137,268           | \$ 141,386           | \$ 145,627           | \$ 226,883           |
| Convenience Charge Rebates      | \$ 95,128           | \$ 108,509          | \$ 122,390           | \$ 126,062           | \$ 129,844           | \$ 133,739           | \$ 137,751           | \$ 141,884           | \$ 221,051           |
| Facility Fees                   | \$ 647,679          | \$ 858,883          | \$ 1,078,237         | \$ 1,110,585         | \$ 1,143,902         | \$ 1,178,219         | \$ 1,213,566         | \$ 1,249,973         | \$ 1,947,417         |
| Subtotal - Ancillary Revenue    | \$ 3,589,233        | \$ 4,237,075        | \$ 4,924,731         | \$ 5,072,473         | \$ 5,224,647         | \$ 5,381,386         | \$ 5,542,828         | \$ 5,709,113         | \$ 8,894,611         |
| <u>Other Revenue</u>            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Advertising/Sponsorship (net)   | \$ 1,500,000        | \$ 1,545,000        | \$ 1,591,350         | \$ 1,639,091         | \$ 1,688,263         | \$ 1,738,911         | \$ 1,791,078         | \$ 1,844,811         | \$ 2,874,155         |
| Naming/Service Rights (net)     | \$ 938,000          | \$ 966,140          | \$ 995,124           | \$ 1,024,978         | \$ 1,055,727         | \$ 1,087,399         | \$ 1,120,021         | \$ 1,153,622         | \$ 1,797,305         |
| Premium Seating                 | \$ 1,283,000        | \$ 1,321,490        | \$ 1,361,135         | \$ 1,401,969         | \$ 1,444,028         | \$ 1,487,349         | \$ 1,531,969         | \$ 1,577,928         | \$ 2,458,361         |
| Other                           | \$ 30,000           | \$ 30,900           | \$ 31,827            | \$ 32,782            | \$ 33,765            | \$ 34,778            | \$ 35,822            | \$ 36,896            | \$ 57,483            |
| Subtotal - Other Revenue        | \$ 3,751,000        | \$ 3,863,530        | \$ 3,979,436         | \$ 4,098,819         | \$ 4,221,784         | \$ 4,348,437         | \$ 4,478,890         | \$ 4,613,257         | \$ 7,187,304         |
| <b>Total Operating Revenues</b> | <b>\$ 8,328,392</b> | <b>\$ 9,230,703</b> | <b>\$ 10,188,435</b> | <b>\$ 10,511,335</b> | <b>\$ 10,844,973</b> | <b>\$ 11,189,734</b> | <b>\$ 11,546,020</b> | <b>\$ 11,914,248</b> | <b>\$ 19,214,087</b> |
| <b>Operating Expenses</b>       |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Personnel                       | \$ 3,791,557        | \$ 3,905,303        | \$ 4,022,462         | \$ 4,143,136         | \$ 4,267,430         | \$ 4,395,453         | \$ 4,527,317         | \$ 4,663,136         | \$ 7,265,014         |
| Utilities                       | \$ 1,095,398        | \$ 1,128,260        | \$ 1,162,108         | \$ 1,196,971         | \$ 1,232,880         | \$ 1,269,867         | \$ 1,307,963         | \$ 1,347,201         | \$ 2,098,896         |
| Operations                      | \$ 1,166,809        | \$ 1,201,814        | \$ 1,237,868         | \$ 1,275,004         | \$ 1,313,254         | \$ 1,352,652         | \$ 1,393,231         | \$ 1,435,028         | \$ 2,235,727         |
| General & Admin                 | \$ 1,364,466        | \$ 1,405,400        | \$ 1,447,562         | \$ 1,490,988         | \$ 1,535,718         | \$ 1,581,790         | \$ 1,629,243         | \$ 1,678,121         | \$ 2,614,457         |
| Insurance                       | \$ 168,327          | \$ 173,376          | \$ 178,578           | \$ 183,935           | \$ 189,453           | \$ 195,137           | \$ 200,991           | \$ 207,020           | \$ 322,531           |
| Management Fee                  | \$ 318,800          | \$ 328,364          | \$ 338,215           | \$ 348,362           | \$ 358,813           | \$ 369,577           | \$ 380,664           | \$ 392,084           | \$ 610,854           |
| <b>Total Operating Expenses</b> | <b>\$ 7,905,357</b> | <b>\$ 8,142,517</b> | <b>\$ 8,386,793</b>  | <b>\$ 8,638,397</b>  | <b>\$ 8,897,548</b>  | <b>\$ 9,164,475</b>  | <b>\$ 9,439,409</b>  | <b>\$ 9,722,591</b>  | <b>\$ 15,147,481</b> |
| <b>Net Operating Income</b>     | <b>\$ 423,035</b>   | <b>\$ 1,088,186</b> | <b>\$ 1,801,642</b>  | <b>\$ 1,872,939</b>  | <b>\$ 1,947,424</b>  | <b>\$ 2,025,259</b>  | <b>\$ 2,106,610</b>  | <b>\$ 2,191,657</b>  | <b>\$ 4,066,606</b>  |

Source: Hunden Partners



**Full Development – Rock  
Creek Entertainment District  
TIF #4**

# Full Development – TIF #4

## Demand & Financial Projections

The adjacent table shows projections of key performance metrics for the core elements of the OU Foundation Development Program as well as the additional development that would occur within surrounding parcels within the TIF #4 district.

**This includes the addition of the National Weather Experience, additional retail and hotel assets in Year 8, retail and restaurants in Year 9 and finally multifamily in Year 10.**

Lease/rental rates and occupancy levels were based on Hunden’s assessment of the competitive market environment and performance of comparable assets.

| Development Assumptions<br>ROCK CREEK TIF#4 FULL DEVELOPMENT |                |                |                |                |                |                |                |                |                |                 |                 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
|  | 2027<br>Year 1 | 2028<br>Year 2 | 2029<br>Year 3 | 2030<br>Year 4 | 2031<br>Year 5 | 2032<br>Year 6 | 2033<br>Year 7 | 2034<br>Year 8 | 2035<br>Year 9 | 2036<br>Year 10 | 2051<br>Year 25 |
| Performance Venue / Arena                                    |                |                |                |                |                |                |                |                |                |                 |                 |
| Capacity (8,000 Fixed Seats)                                 |                |                | 10,500         | 10,500         | 10,500         | 10,500         | 10,500         | 10,500         | 10,500         | 10,500          | 10,500          |
| Total Number of Events                                       |                |                | 136            | 147            | 160            | 160            | 160            | 160            | 160            | 160             | 160             |
| Number of Promoted Concerts & Shows                          |                |                | 14             | 17             | 21             | 21             | 21             | 21             | 21             | 21              | 21              |
| Total Attendance   |                |                | 428,015        | 465,025        | 501,615        | 501,615        | 501,615        | 501,615        | 501,615        | 501,615         | 501,615         |
| Multifamily  |                |                |                |                |                |                |                |                |                |                 |                 |
| Total Units  |                | 250            | 500            | 500            | 500            | 750            | 1,079          | 1,424          | 1,424          | 1,644           | 1,644           |
| Total SF   | 1,001          | 250,166        | 500,332        | 500,332        | 500,332        | 750,499        | 1,079,717      | 1,424,947      | 1,424,947      | 1,645,093       | 1,645,093       |
| Average Rent PSF   | \$ 1.42        | \$ 1.60        | \$ 1.65        | \$ 1.70        | \$ 1.75        | \$ 1.80        | \$ 1.85        | \$ 1.91        | \$ 1.97        | \$ 2.02         | \$ 3.15         |
| Occupancy  |                | 58%            | 66%            | 86%            | 82%            | 93%            | 84%            | 86%            | 89%            | 93%             | 93%             |
| Single Family for Rent                                       |                |                |                |                |                |                |                |                |                |                 |                 |
| Total Units  |                |                | 177            | 177            | 177            | 177            | 177            | 177            | 177            | 177             | 177             |
| Total SF   | 1,300          |                | 230,100        | 230,100        | 230,100        | 230,100        | 230,100        | 230,100        | 230,100        | 230,100         | 230,100         |
| Average Rent PSF   | \$ 1.21        |                | \$ 1.40        | \$ 1.44        | \$ 1.49        | \$ 1.53        | \$ 1.58        | \$ 1.62        | \$ 1.67        | \$ 1.72         | \$ 2.68         |
| Occupancy  |                |                | 62%            | 93%            | 93%            | 93%            | 93%            | 93%            | 93%            | 93%             | 93%             |
| Office   |                |                |                |                |                |                |                |                |                |                 |                 |
| Total SF   |                |                | 48,000         | 138,000        | 318,000        | 330,502        | 565,322        | 565,322        | 565,322        | 565,322         | 565,322         |
| % Leasable   |                |                | 93%            | 93%            | 93%            | 93%            | 93%            | 93%            | 93%            | 93%             | 93%             |
| Occupancy  |                |                | 50%            | 73%            | 68%            | 73%            | 78%            | 86%            | 93%            | 93%             | 93%             |
| Average Rent PSF   | \$ 22.00       |                | \$ 25.50       | \$ 26.27       | \$ 27.06       | \$ 27.87       | \$ 28.71       | \$ 29.57       | \$ 30.45       | \$ 31.37        | \$ 48.87        |
| Retail/F&B   |                |                |                |                |                |                |                |                |                |                 |                 |
| Total SF   |                |                | 275,000        | 275,000        | 275,000        | 275,000        | 275,000        | 330,000        | 330,000        | 330,000         | 330,000         |
| % Leasable   |                |                | 100%           | 100%           | 100%           | 100%           | 100%           | 100%           | 100%           | 100%            | 100%            |
| Occupancy  |                |                | 60%            | 88%            | 88%            | 88%            | 88%            | 86%            | 86%            | 86%             | 86%             |
| Avg. Ann. Sales PSF  | 8%             |                | \$ 355.51      | \$ 366.18      | \$ 377.16      | \$ 388.48      | \$ 400.13      | \$ 412.13      | \$ 424.50      | \$ 437.23       | \$ 681.20       |
| Average Rent PSF   | \$ 23.00       |                | \$ 26.66       | \$ 27.46       | \$ 28.29       | \$ 29.14       | \$ 30.01       | \$ 30.91       | \$ 31.84       | \$ 32.79        | \$ 51.09        |
| Hotel Assets   |                |                |                |                |                |                |                |                |                |                 |                 |
| Total Keys   |                |                | 150            | 150            | 150            | 150            | 150            | 270            | 270            | 270             | 270             |
| Conference Center  |                |                | 40,000         | 40,000         | 40,000         | 40,000         | 40,000         | 40,000         | 40,000         | 40,000          | 40,000          |
| Occupancy  |                |                | 65%            | 74%            | 78%            | 78%            | 78%            | 75%            | 76%            | 77%             | 76%             |
| ADR  |                |                | \$ 177.14      | \$ 182.53      | \$ 187.40      | \$ 192.09      | \$ 196.89      | \$ 201.67      | \$ 206.64      | \$ 211.92       | \$ 326.85       |
| National Weather Experience                                  |                |                |                |                |                |                |                |                |                |                 |                 |
| Total Square Footage Estimate                                |                |                |                | 100,000        | 100,000        | 100,000        | 100,000        | 100,000        | 100,000        | 100,000         | 100,000         |
| Total Estimated Annual Attendance                            |                |                |                | 203,172        | 199,901        | 193,029        | 172,311        | 172,311        | 172,311        | 172,311         | 172,311         |
| Airport Related Assets                                       |                |                |                |                |                |                |                |                |                |                 |                 |
| FBO Total SF   |                |                | 48,000         | 48,000         | 48,000         | 48,000         | 48,000         | 48,000         | 48,000         | 48,000          | 48,000          |
| Hangar Space Total SF  |                |                | 60,000         | 60,000         | 60,000         | 60,000         | 60,000         | 60,000         | 60,000         | 60,000          | 60,000          |

Source: Hunden Partners

# Economic Impact Summary

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Hunden uses the IMPLAN input-output multiplier model, which determines the level of additional activity in the Cleveland County economy due to additional inputs. For example, for every dollar of direct new spending in Cleveland County, the IMPLAN model provides multipliers for the indirect and induced spending that will result.

The net new and recaptured direct spending discussed earlier in the chapter is considered to be the **Direct Impact**.

- From the direct spending figures, further impact analyses will be completed.
- **Indirect Impacts** are the supply of goods and services resulting from the initial direct spending. For example, a visitor's direct expenditure on a hotel room causes the hotel to purchase linens and other items from suppliers. The portion of these hotel purchases that are within the local economy is considered an indirect economic impact.
- **Induced Impacts** embody the change in spending due to the personal expenditures by employees whose incomes are affected by direct and indirect spending. For example, a waitress at a restaurant may have more personal income as a result of the induced customer's visit. The amount of the increased income that the employee spends in the area is considered an induced impact.
- **Fiscal Impacts** represent the incremental tax revenue collected by the state, county or city due to the net new economic activity. The fiscal impact represents the government's share of total economic benefit. Fiscal impacts provide an offset to the potential public expenditures required to support the development.
- **Employment Impacts** include the incremental employment provided not only onsite, but due to the spending associated with it. For example, the direct, indirect and induced impacts generate spending, support new and ongoing businesses, and ultimately result in ongoing employment for citizens. Hunden will show the number of ongoing jobs supported by the project and provide the resulting income and income taxes generated.

# Net New Assumptions

It is expected that there will be some level of substitution/cannibalized spending that would occur due to the development of the project. However, similarly there is also expected to be some recaptured spending that would occur that is currently leaked to surrounding markets outside of Cleveland County for retail, restaurant, and entertainment offerings.

The following table shows Hunden's projections of substitution/cannibalization, as well as recaptured spending, within each asset within the development. These assumptions are kept constant in each scenario.

Hunden utilized several quantitative methods which resulted in the adjacent daytripper, overnighiter, and net new percentages shown. These methods for each asset category are explained in further detail on the following slide.

| Net New Assumptions - Cleveland County                             |                   |                  |
|--|-------------------|------------------|
|  | General Assump.   | Cleveland County |
| <b>Arena</b>   |                   |                  |
| Visitors   |                   |                  |
| % & # Daytripper   | % of Visitor Type |                  |
| OU Sports  | 86%               | -10%             |
| Concerts, Comedy Shows   | 79%               | 95%              |
| Family Shows   | 90%               | 95%              |
| High School Sports and Community Events                            | 98%               | 5%               |
| Other Sports   | 95%               | 90%              |
| Graduation, Banquets, Meetings                                     | 90%               | 12%              |
| Total  | 87%               | 41%              |
| <i>% of Visits to Lloyd Noble Under 200 Miles (2022)</i>           | 89%               |                  |
| % & # Overnighiter   |                   |                  |
| OU Sports  | 14%               | 8%               |
| Concerts, Comedy Shows   | 21%               | 95%              |
| Family Shows   | 10%               | 95%              |
| High School Sports and Community Events                            | 2%                | 5%               |
| Other Sports   | 5%                | 90%              |
| Graduation, Banquets, Meetings                                     | 10%               | 12%              |
| Total  | 21%               | 44%              |
| <i>% of Visits to Lloyd Noble Beyond 200 Miles (2022)</i>          | 11%               |                  |
| <b>Weather Experience Museum</b>                                   |                   |                  |
| Visitors   |                   |                  |
| % & # Daytripper   | % of Visitor Type |                  |
| OU Sports  | 84%               | 78%              |
| <i>% of Visits Among Comparable Museums Under 250 Miles (2022)</i> | 84.4%             |                  |
| % & # Overnighiter   | 16%               | 83%              |
| <i>% of Visits Among Comparable Museums Over 250 Miles (2022)</i>  | 15.6%             |                  |
| <b>Restaurant &amp; Retail</b>                                     |                   |                  |
| % Sales Net New to Cleveland County                                |                   | 17%              |
| % Not Captured in Other Components                                 |                   | 84%              |
| <b>Office</b>  |                   |                  |
| % Income Net New to Cleveland County                               |                   | 78%              |
| % Not Captured in Other Components                                 |                   | 100%             |
| <b>Residential</b>   |                   |                  |
| % Residents Net New to Cleveland County                            |                   | 14%              |
| % Not Captured in Other Components                                 |                   | 100%             |
| <b>Hotel</b>   |                   |                  |
| % Rooms Revenue Net New to Cleveland County                        |                   | 31%              |
| % Not Captured in Other Components                                 |                   | 68%              |
| People Per Room  | 1.5               |                  |

Source: Hunden Partners

# Net New Assumptions

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**Arena:** Lloyd Noble is much larger than the proposed Project. Average attendance for OU Men’s Basketball over the past decade was approximately 9,500. With an arena that only contains 8,000 fixed seats for basketball games, Hunden assumed that there would be negative net new for OU Sporting events. However, given that Lloyd Noble currently does not host any other external events, such as concerts, family shows, or other events, these would yield a high net new percentage to the county. Daytripper and overnigher percentages were crafter based on Hunden’s geofencing analysis of Lloyd Noble over the past several years and of comparable university arenas.

**National Weather Experience:** The National Weather Experience will be an impactful asset for the county, given that the county does not contain anything similar to what is being proposed. The current National Weather Museum and Science Center in the county is not located in compelling location and receives little visitation. Hunden assessed comparable museum experiences across the country to understand their levels of visitation and how far people travel to visit these experiences.

**Retail:** Hunden assumed 17 percent of sales would be net new to the County. For substitution, Hunden assessed the current levels of visitation to UNP and other core retail nodes in Cleveland County and discounted the net new percentage to account for substitution that would occur. Moreover, Hunden utilized geofencing from Placer.Ai to assess the number of people who live in Cleveland County who currently leave the county and go to core entertainment and retail districts in Oklahoma City, this included Bricktown among other popular retail nodes. This analysis assisted in accounting for recaptured spending that would occur for residents that are currently leaving the county for these offerings. The result of this analysis was a net new assumption of 17 percent for the retail within the district.

**Office:** Hunden assumed 78 percent of the incomes/employees onsite would be net new to the County, meaning that the companies that leased space within the development came to Cleveland County for a compelling office location for their employees. Conversations local groups and data from the Bureau of Labor Statistics on employment assisted in deriving this percentage, although this is highly contingent on the types of employers that lease space within the office component of the development.

**Residential:** It was estimated 14 percent of new residents would move from outside of Cleveland County. Hunden utilized the Bureau of Labor Statistics and Lightcast to assess migration to Cleveland County.

**Hotel:** Utilizing Placer.ai geofencing data and historical hotel performance from Smith Travel Research (STR), Hunden determined that 31 percent of the rooms revenue generated from onsite hotels would be net new to the county.



# **Original Development – OU Foundation Development Program**

Economic, Fiscal & Employment Impact



# Net New Spending to Cleveland County

## Original Development – OU Foundation Development Program

Direct net new/recaptured spending, falls into the five categories: food & beverage, lodging, retail, transportation and other.

The total of these direct spending categories during the 25-year period shown is more than \$2.3 billion for the entire Project. The retail category is the largest category of direct spending, contributing to an estimated \$820 million over the time period. The direct retail spending is new spending that would occur across the Cleveland County economy in existing retail establishments due to the Project. The other component of direct spending, which includes spending on ticketed events within the event venue, is the second largest category of direct spending and is expected to generate approximately \$652 million.

Total net new spending impact to Cleveland County over the 25-year time period, including indirect and induced spending that would occur, is estimated to total \$3.7 billion.

| Direct, Indirect and Induced Net New Spending to Cleveland County (\$000s) - Norman Arena Mixed-Use District - Original Development |        |          |           |           |           |           |            |            |            |            |            |            |              |
|---|--------|----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|--------------|
|   | 2027   | 2028     | 2029      | 2030      | 2031      | 2032      | 2033       | 2034       | 2035       | 2036       | 2046       | 2051       | Total        |
|   | Year 1 | Year 2   | Year 3    | Year 4    | Year 5    | Year 6    | Year 7     | Year 8     | Year 9     | Year 10    | Year 20    | Year 25    |              |
| <b>Direct Spending</b>  |        |          |           |           |           |           |            |            |            |            |            |            |              |
| Food & Beverage   | \$ -   | \$ 96    | \$ 8,005  | \$ 12,367 | \$ 14,792 | \$ 15,719 | \$ 17,475  | \$ 20,401  | \$ 21,573  | \$ 22,228  | \$ 29,425  | \$ 33,906  | \$ 553,056   |
| Lodging   | \$ -   | \$ -     | \$ 2,415  | \$ 2,893  | \$ 3,303  | \$ 3,386  | \$ 3,470   | \$ 3,637   | \$ 3,776   | \$ 3,911   | \$ 5,200   | \$ 6,028   | \$ 100,980   |
| Retail  | \$ -   | \$ 275   | \$ 6,347  | \$ 11,566 | \$ 16,302 | \$ 18,310 | \$ 22,630  | \$ 30,290  | \$ 32,894  | \$ 33,992  | \$ 45,330  | \$ 52,387  | \$ 819,529   |
| Transportation  | \$ -   | \$ 55    | \$ 2,294  | \$ 3,456  | \$ 4,795  | \$ 5,206  | \$ 6,079   | \$ 7,653   | \$ 8,204   | \$ 8,453   | \$ 10,888  | \$ 12,404  | \$ 202,420   |
| Other   | \$ -   | \$ 208   | \$ 5,012  | \$ 8,847  | \$ 13,334 | \$ 14,892 | \$ 18,202  | \$ 24,048  | \$ 26,066  | \$ 26,945  | \$ 36,062  | \$ 41,737  | \$ 651,930   |
| <b>Total</b>  | \$ -   | \$ 633   | \$ 24,072 | \$ 39,129 | \$ 52,527 | \$ 57,513 | \$ 67,857  | \$ 86,030  | \$ 92,512  | \$ 95,529  | \$ 126,905 | \$ 146,462 | \$ 2,327,915 |
| <b>Total Spending</b>   |        |          |           |           |           |           |            |            |            |            |            |            |              |
| Direct  | \$ -   | \$ 633   | \$ 24,072 | \$ 39,129 | \$ 52,527 | \$ 57,513 | \$ 67,857  | \$ 86,030  | \$ 92,512  | \$ 95,529  | \$ 126,905 | \$ 146,462 | \$ 2,327,915 |
| Indirect  | \$ -   | \$ 236   | \$ 8,446  | \$ 13,827 | \$ 18,501 | \$ 20,324 | \$ 24,140  | \$ 30,873  | \$ 33,253  | \$ 34,341  | \$ 45,583  | \$ 52,590  | \$ 834,909   |
| Induced   | \$ -   | \$ 144   | \$ 5,777  | \$ 9,102  | \$ 12,221 | \$ 13,343 | \$ 15,689  | \$ 19,841  | \$ 21,319  | \$ 22,004  | \$ 29,032  | \$ 33,415  | \$ 534,419   |
| <b>Total</b>  | \$ -   | \$ 1,014 | \$ 38,295 | \$ 62,057 | \$ 83,248 | \$ 91,179 | \$ 107,686 | \$ 136,744 | \$ 147,084 | \$ 151,873 | \$ 201,520 | \$ 232,467 | \$ 3,697,243 |

Source: Hunden Partners

# Employment & Earning Impact

| Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (\$000s) - Norman Arena Mixed-Use District - Original Development |                |                |                |                |                |                |                |                |                |                 |                 |                 |              |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|--------------|
|  | 2027<br>Year 1 | 2028<br>Year 2 | 2029<br>Year 3 | 2030<br>Year 4 | 2031<br>Year 5 | 2032<br>Year 6 | 2033<br>Year 7 | 2034<br>Year 8 | 2035<br>Year 9 | 2036<br>Year 10 | 2046<br>Year 20 | 2051<br>Year 25 | Total        |
| Net New Earnings   |                |                |                |                |                |                |                |                |                |                 |                 |                 |              |
| From Direct  | \$ -           | \$ 312         | \$ 8,733       | \$ 14,970      | \$ 20,638      | \$ 22,968      | \$ 27,930      | \$ 36,729      | \$ 39,776      | \$ 41,116       | \$ 54,876       | \$ 63,450       | \$ 996,200   |
| From Indirect  | \$ -           | \$ 92          | \$ 3,416       | \$ 5,475       | \$ 7,254       | \$ 7,966       | \$ 9,454       | \$ 12,093      | \$ 13,034      | \$ 13,471       | \$ 17,933       | \$ 20,717       | \$ 328,233   |
| From Induced   | \$ -           | \$ 70          | \$ 2,679       | \$ 4,189       | \$ 5,602       | \$ 6,144       | \$ 7,284       | \$ 9,317       | \$ 10,042      | \$ 10,380       | \$ 13,783       | \$ 15,909       | \$ 252,516   |
| Total  | \$ -           | \$ 473         | \$ 14,828      | \$ 24,634      | \$ 33,494      | \$ 37,079      | \$ 44,669      | \$ 58,139      | \$ 62,852      | \$ 64,967       | \$ 86,591       | \$ 100,077      | \$ 1,576,949 |
| Net New FTE Jobs   |                |                |                |                |                |                |                |                |                |                 |                 |                 | Average      |
| From Direct  | 0              | 9              | 304            | 485            | 638            | 686            | 800            | 1005           | 1060           | 1072            | 1148            | 1194            | 922          |
| From Indirect  | 0              | 3              | 124            | 195            | 255            | 274            | 317            | 396            | 417            | 422             | 451             | 468             | 363          |
| From Induced   | 0              | 2              | 85             | 129            | 168            | 178            | 203            | 250            | 262            | 265             | 278             | 287             | 227          |
| Total  | 0              | 14             | 512            | 809            | 1,061          | 1,138          | 1,320          | 1,651          | 1,740          | 1,758           | 1,877           | 1,949           | 1,513        |

Source: Hunden Partners

Net New Earnings from job growth are expected to total \$1.6 billion over the 25-year time period. New full-time equivalent jobs are expected to be created from the Project, primarily in the mixed-use district but also at the new event venue. During the 25-year period, the Project is expected to support an average of roughly 1,513 jobs in the Cleveland County economy. These are net new jobs generated by the Project, meaning those that would not be created 'but for' the development. Labor that is transferred or would have been created regardless of the Project is not included.

# Fiscal Impact

| Fiscal Impact - Tax Impacts from New District Spending (\$000s) - Norman Arena Mixed-Use District - Original Development |                |                |                |                |                |                |                |                |                |                 |                 |                 |            |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|------------|
|  | 2027<br>Year 1 | 2028<br>Year 2 | 2029<br>Year 3 | 2030<br>Year 4 | 2031<br>Year 5 | 2032<br>Year 6 | 2033<br>Year 7 | 2034<br>Year 8 | 2035<br>Year 9 | 2036<br>Year 10 | 2046<br>Year 20 | 2051<br>Year 25 | Total      |
| Cleveland County   |                |                |                |                |                |                |                |                |                |                 |                 |                 |            |
| Sales Tax (0.125%)   | \$ -           | \$ 1           | \$ 30          | \$ 49          | \$ 66          | \$ 72          | \$ 85          | \$ 108         | \$ 116         | \$ 119          | \$ 159          | \$ 183          | \$ 2,910   |
| Norman   |                |                |                |                |                |                |                |                |                |                 |                 |                 |            |
| City Sales Tax (4.25%)   | \$ -           | \$ 25          | \$ 951         | \$ 1,547       | \$ 2,076       | \$ 2,273       | \$ 2,682       | \$ 3,400       | \$ 3,657       | \$ 3,776        | \$ 5,016        | \$ 5,789        | \$ 92,011  |
| City Hotel Tax (8%)  | \$ -           | \$ -           | \$ 180         | \$ 215         | \$ 246         | \$ 252         | \$ 258         | \$ 271         | \$ 281         | \$ 291          | \$ 387          | \$ 448          | \$ 7,513   |
| Property Tax   | \$ -           | \$ 760         | \$ 8,191       | \$ 8,950       | \$ 10,277      | \$ 11,516      | \$ 14,485      | \$ 16,719      | \$ 17,221      | \$ 17,737       | \$ 23,838       | \$ 27,634       | \$ 445,650 |
| Total  | \$ -           | \$ 785         | \$ 9,322       | \$ 10,712      | \$ 12,599      | \$ 14,041      | \$ 17,425      | \$ 20,390      | \$ 21,158      | \$ 21,804       | \$ 29,240       | \$ 33,872       | \$ 545,174 |
| Moore  |                |                |                |                |                |                |                |                |                |                 |                 |                 |            |
| City Sales Tax (3.875%)  | \$ -           | \$ 2           | \$ 65          | \$ 106         | \$ 142         | \$ 156         | \$ 184         | \$ 233         | \$ 251         | \$ 259          | \$ 344          | \$ 397          | \$ 6,314   |
| City Hotel Tax (5%)  | \$ -           | \$ -           | \$ 8           | \$ 10          | \$ 12          | \$ 12          | \$ 12          | \$ 13          | \$ 13          | \$ 14           | \$ 18           | \$ 21           | \$ 353     |
| Total  | \$ -           | \$ 2           | \$ 74          | \$ 116         | \$ 154         | \$ 168         | \$ 196         | \$ 246         | \$ 264         | \$ 273          | \$ 362          | \$ 418          | \$ 6,668   |

Source: Hunden Partners

Hunden estimated the potential tax collections that would be generated from the project that would be considered net new to Cleveland County, Norman and Moore.

The Project is expected to generate \$545 million in City of Norman taxes over 25 years, with a majority of this coming from onsite property tax generation. Additionally, it is estimated that net new spending generated across the county will generate \$2.9 million in Cleveland County taxes and \$6.7 million in City of Moore taxes.

# Onsite Property Tax Projections

## Original Development – OU Foundation Development Program

The following table shows the property tax projections for the Original Development on the OU Foundation land over 25 years. Over 25 years the development is estimated to generate nearly \$446 million in ad valorem which contributes directly to the Rock Creek TIF #4.

| On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - OU Foundation Land |                |                |                |                |                |                |                |                |                |                 |                 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
|  | 2027<br>Year 1 | 2028<br>Year 2 | 2029<br>Year 3 | 2030<br>Year 4 | 2031<br>Year 5 | 2032<br>Year 6 | 2033<br>Year 7 | 2034<br>Year 8 | 2035<br>Year 9 | 2036<br>Year 10 | 2051<br>Year 25 |
| <b>PROPERTY TAXES (\$000s)</b>   |                |                |                |                |                |                |                |                |                |                 |                 |
| Office   | \$ -           | \$ -           | \$ 266         | \$ 788         | \$ 1,869       | \$ 2,001       | \$ 3,526       | \$ 3,632       | \$ 3,741       | \$ 3,853        | \$ 6,002        |
| MultiFamily  | \$ -           | \$ 760         | \$ 1,565       | \$ 1,612       | \$ 1,660       | \$ 2,565       | \$ 3,801       | \$ 5,167       | \$ 5,322       | \$ 5,482        | \$ 8,540        |
| Single Family For Rent and Townhomes   | \$ -           | \$ -           | \$ 500         | \$ 515         | \$ 531         | \$ 547         | \$ 563         | \$ 580         | \$ 598         | \$ 616          | \$ 959          |
| Retail & Restaurant  | \$ -           | \$ -           | \$ 1,696       | \$ 1,747       | \$ 1,799       | \$ 1,853       | \$ 1,909       | \$ 1,966       | \$ 2,025       | \$ 2,086        | \$ 3,250        |
| Hotel  | \$ -           | \$ -           | \$ 473         | \$ 487         | \$ 501         | \$ 516         | \$ 532         | \$ 1,096       | \$ 1,128       | \$ 1,162        | \$ 1,811        |
| Hangar   | \$ -           | \$ -           | \$ 80          | \$ 83          | \$ 85          | \$ 88          | \$ 90          | \$ 93          | \$ 96          | \$ 99           | \$ 154          |
| Plaza Spaces   | \$ -           | \$ -           | \$ 53          | \$ 55          | \$ 57          | \$ 58          | \$ 60          | \$ 62          | \$ 64          | \$ 66           | \$ 102          |
| Arena  | \$ -           | \$ -           | \$ 3,557       | \$ 3,664       | \$ 3,774       | \$ 3,887       | \$ 4,004       | \$ 4,124       | \$ 4,248       | \$ 4,375        | \$ 6,816        |
| Weather Experience Museum*   |                |                |                |                |                |                |                |                |                |                 |                 |
| Parking*   |                |                |                |                |                |                |                |                |                |                 |                 |
| FBO*   |                |                |                |                |                |                |                |                |                |                 |                 |
| Total Property Tax   | \$ -           | \$ 760         | \$ 8,191       | \$ 8,950       | \$ 10,277      | \$ 11,516      | \$ 14,485      | \$ 16,719      | \$ 17,221      | \$ 17,737       | \$ 27,634       |
| <i>Cumulative</i>  | \$ -           | \$ 760         | \$ 8,951       | \$ 17,901      | \$ 28,178      | \$ 39,694      | \$ 54,179      | \$ 70,898      | \$ 88,119      | \$ 105,856      | \$ 445,650      |

\*The National Weather Experience, Parking, and FBO will contribute via a Payment In-Lieu of Taxes (PILOT), these values are yet to be determined  
Source: Hunden Partners

Dollars shown are not in present value dollars.

# Onsite Sales Tax Projections

## Original Development – OU Foundation Development Program

The adjacent table shows the onsite sales tax revenue calculation that would be generated by OU Foundation Development Program. Hunden estimates that based on direct onsite spending these would generate an estimated \$116 million over 25 years.

Moreover, although not directly applicable to TIF#4, the onsite hotels are estimated to generate \$20 million in City of Norman HOT tax over 25 years.

| On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - Original Development |        |        |           |            |            |            |            |            |            |            |            |            |
|--|--------|--------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2027   | 2028   | 2029      | 2030       | 2031       | 2032       | 2033       | 2034       | 2035       | 2036       | 2051       |            |
|  | Year 1 | Year 2 | Year 3    | Year 4     | Year 5     | Year 6     | Year 7     | Year 8     | Year 9     | Year 10    | Year 25    |            |
| <b>SALES TAX REVENUES (\$000s)</b>   |        |        |           |            |            |            |            |            |            |            |            |            |
| Taxable Revenues (\$000s)  |        |        |           |            |            |            |            |            |            |            |            |            |
| Retail & F&B   | \$ -   | \$ -   | \$ 58,659 | \$ 88,615  | \$ 91,273  | \$ 94,011  | \$ 96,832  | \$ 97,470  | \$ 100,394 | \$ 103,406 | \$ 161,103 |            |
| Arena  | \$ -   | \$ -   | \$ 19,740 | \$ 22,630  | \$ 25,671  | \$ 26,441  | \$ 27,234  | \$ 28,051  | \$ 28,893  | \$ 29,760  | \$ 46,365  |            |
| Hotel  | \$ -   | \$ -   | \$ 9,565  | \$ 11,120  | \$ 12,002  | \$ 12,232  | \$ 12,551  | \$ 13,246  | \$ 13,789  | \$ 14,309  | \$ 21,952  |            |
| Total Sales Tax  | \$ -   | \$ -   | \$ 87,965 | \$ 122,365 | \$ 128,946 | \$ 132,685 | \$ 136,617 | \$ 138,767 | \$ 143,076 | \$ 147,475 | \$ 229,420 |            |
| Sales Tax Avail for TIF Fundings (\$000s)      Rate  |        |        |           |            |            |            |            |            |            |            |            |            |
| State  | 4.500% | \$ -   | \$ -      | \$ 3,958   | \$ 5,506   | \$ 5,803   | \$ 5,971   | \$ 6,148   | \$ 6,245   | \$ 6,438   | \$ 6,636   | \$ 10,324  |
| Cleveland County Jail  | 0.125% | \$ -   | \$ -      | \$ 110     | \$ 153     | \$ 161     | \$ 166     | \$ 171     | \$ 173     | \$ 179     | \$ 184     | \$ 287     |
| City General Fund  | 2.300% | \$ -   | \$ -      | \$ 2,023   | \$ 2,814   | \$ 2,966   | \$ 3,052   | \$ 3,142   | \$ 3,192   | \$ 3,291   | \$ 3,392   | \$ 5,277   |
| City of Norman Capital Projects  | 0.700% | \$ -   | \$ -      | \$ 616     | \$ 857     | \$ 903     | \$ 929     | \$ 956     | \$ 971     | \$ 1,002   | \$ 1,032   | \$ 1,606   |
| City of Norman Public Safety   | 0.500% | \$ -   | \$ -      | \$ 440     | \$ 612     | \$ 645     | \$ 663     | \$ 683     | \$ 694     | \$ 715     | \$ 737     | \$ 1,147   |
| City of Norman Public Transit  | 0.125% | \$ -   | \$ -      | \$ 110     | \$ 153     | \$ 161     | \$ 166     | \$ 171     | \$ 173     | \$ 179     | \$ 184     | \$ 287     |
| Norman Forward Projects  | 0.500% | \$ -   | \$ -      | \$ 440     | \$ 612     | \$ 645     | \$ 663     | \$ 683     | \$ 694     | \$ 715     | \$ 737     | \$ 1,147   |
| Total  |        | \$ -   | \$ -      | \$ 7,697   | \$ 10,707  | \$ 11,283  | \$ 11,610  | \$ 11,954  | \$ 12,142  | \$ 12,519  | \$ 12,904  | \$ 20,074  |
| Sales Tax Avail for TIF Fundings (\$000s)      Available?                                    |        |        |           |            |            |            |            |            |            |            |            |            |
| State  |        | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Cleveland County Jail  |        | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| City General Fund  |        | \$ -   | \$ -      | \$ 2,023   | \$ 2,814   | \$ 2,966   | \$ 3,052   | \$ 3,142   | \$ 3,192   | \$ 3,291   | \$ 3,392   | \$ 5,277   |
| City of Norman Capital Projects  |        | \$ -   | \$ -      | \$ 616     | \$ 857     | \$ 903     | \$ 929     | \$ 956     | \$ 971     | \$ 1,002   | \$ 1,032   | \$ 1,606   |
| City of Norman Public Safety   |        | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| City of Norman Public Transit  |        | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Norman Forward Projects  |        | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Total  |        | \$ -   | \$ -      | \$ 2,639   | \$ 3,671   | \$ 3,868   | \$ 3,981   | \$ 4,099   | \$ 4,163   | \$ 4,292   | \$ 4,424   | \$ 6,883   |
| Cumulative   |        | \$ -   | \$ -      | \$ 2,639   | \$ 6,310   | \$ 10,178  | \$ 14,159  | \$ 18,257  | \$ 22,420  | \$ 26,713  | \$ 31,137  | \$ 115,776 |
| Non-TIF Additional On-Site Tax Impacts (\$000s)  |        |        |           |            |            |            |            |            |            |            |            |            |
| City Hotel Occupancy Tax   | 8.000% | \$ -   | \$ -      | \$ 507     | \$ 591     | \$ 641     | \$ 657     | \$ 673     | \$ 717     | \$ 750     | \$ 781     | \$ 1,191   |
| Total  |        | \$ -   | \$ -      | \$ 507     | \$ 591     | \$ 641     | \$ 657     | \$ 673     | \$ 717     | \$ 750     | \$ 781     | \$ 1,191   |
| Cumulative   |        | \$ -   | \$ -      | \$ 507     | \$ 1,097   | \$ 1,738   | \$ 2,395   | \$ 3,068   | \$ 3,785   | \$ 4,535   | \$ 5,316   | \$ 19,990  |

Source: Hunden Partners

Dollars shown are not in present value dollars.



**Full Development – Rock Creek  
Entertainment District TIF #4**  
Economic, Fiscal & Employment Impact

# Net New Spending to Cleveland County

## Full Development – Rock Creek TIF #4

As noted earlier, the full development includes the OU Foundation Development Program and the additional land within the TIF #4 that is owned by NEDC and other entities.

Direct net new/recaptured spending falls into five categories: food & beverage, lodging, retail, transportation and other.

The total of the direct net new/recaptured spending for all five categories during the 25-year period is close to \$2.8 billion for the entire Project, inclusive of additional land within the TIF that would be built out during later phases of development. Spending generated by the National Weather Experience would contribute to additional spending in the form of ticket sales and there would likely be substantial retail and food and beverage spending generated onsite and in the greater local economy.

Total net new spending impact to Cleveland County over the 25-year period, including indirect and induced spending that would occur, is estimated to total \$4.5 billion.

| Direct, Indirect and Induced Net New Spending to Cleveland County (\$000s) - Norman Arena Mixed-Use District - Full Development Program - Rock Creek TIF#4 |                |                |                |                |                |                |                |                |                |                 |                 |              |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|--------------|
|  | 2027<br>Year 1 | 2028<br>Year 2 | 2029<br>Year 3 | 2030<br>Year 4 | 2031<br>Year 5 | 2032<br>Year 6 | 2033<br>Year 7 | 2034<br>Year 8 | 2035<br>Year 9 | 2036<br>Year 10 | 2051<br>Year 25 | Total        |
| <b>Direct Spending</b>   |                |                |                |                |                |                |                |                |                |                 |                 |              |
| Food & Beverage  | \$ -           | \$ 96          | \$ 7,995       | \$ 16,639      | \$ 19,073      | \$ 19,930      | \$ 22,822      | \$ 25,777      | \$ 27,068      | \$ 28,017       | \$ 42,153       | \$ 692,955   |
| Lodging  | \$ -           | \$ -           | \$ 2,415       | \$ 4,736       | \$ 5,161       | \$ 5,225       | \$ 5,153       | \$ 6,600       | \$ 6,838       | \$ 7,070        | \$ 10,709       | \$ 176,017   |
| Retail   | \$ -           | \$ 275         | \$ 6,340       | \$ 14,614      | \$ 19,353      | \$ 21,307      | \$ 29,706      | \$ 34,321      | \$ 37,016      | \$ 38,699       | \$ 59,113       | \$ 934,204   |
| Transportation   | \$ -           | \$ 55          | \$ 2,294       | \$ 5,133       | \$ 6,446       | \$ 6,800       | \$ 8,369       | \$ 9,719       | \$ 10,303      | \$ 10,680       | \$ 15,080       | \$ 252,773   |
| Other  | \$ -           | \$ 208         | \$ 5,011       | \$ 13,401      | \$ 17,933      | \$ 19,450      | \$ 25,673      | \$ 28,755      | \$ 30,906      | \$ 32,292       | \$ 49,800       | \$ 788,441   |
| <b>Total</b>   | \$ -           | \$ 633         | \$ 24,055      | \$ 54,524      | \$ 67,967      | \$ 72,712      | \$ 91,723      | \$ 105,171     | \$ 112,131     | \$ 116,758      | \$ 176,855      | \$ 2,844,390 |
| <b>Total Spending</b>  |                |                |                |                |                |                |                |                |                |                 |                 |              |
| Direct   | \$ -           | \$ 633         | \$ 24,055      | \$ 54,524      | \$ 67,967      | \$ 72,712      | \$ 91,723      | \$ 105,171     | \$ 112,131     | \$ 116,758      | \$ 176,855      | \$ 2,844,390 |
| Indirect   | \$ -           | \$ 236         | \$ 8,439       | \$ 18,351      | \$ 23,024      | \$ 24,763      | \$ 31,901      | \$ 36,982      | \$ 39,510      | \$ 41,166       | \$ 62,202       | \$ 998,449   |
| Induced  | \$ -           | \$ 144         | \$ 5,774       | \$ 13,551      | \$ 16,671      | \$ 17,712      | \$ 21,942      | \$ 25,248      | \$ 26,853      | \$ 27,923       | \$ 41,664       | \$ 676,902   |
| <b>Total</b>   | \$ -           | \$ 1,014       | \$ 38,268      | \$ 86,425      | \$ 107,661     | \$ 115,187     | \$ 145,566     | \$ 167,401     | \$ 178,494     | \$ 185,846      | \$ 280,721      | \$ 4,519,741 |

Source: Hunden Partners

# Employment & Earning Impact

| Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (\$000s) - Norman Arena Mixed-Use District - Full Development Program - Rock Creek TIF#4 |                |                |                |                |                |                |                |                |                |                 |                 |              |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|--------------|
|   | 2027<br>Year 1 | 2028<br>Year 2 | 2029<br>Year 3 | 2030<br>Year 4 | 2031<br>Year 5 | 2032<br>Year 6 | 2033<br>Year 7 | 2034<br>Year 8 | 2035<br>Year 9 | 2036<br>Year 10 | 2051<br>Year 25 | Total        |
| Net New Earnings  |                |                |                |                |                |                |                |                |                |                 |                 |              |
| From Direct   | \$ -           | \$ 312         | \$ 8,725       | \$ 17,940      | \$ 23,607      | \$ 25,883      | \$ 35,509      | \$ 41,622      | \$ 44,801      | \$ 46,825       | \$ 71,673       | \$ 1,132,572 |
| From Indirect   | \$ -           | \$ 92          | \$ 3,413       | \$ 6,783       | \$ 8,562       | \$ 9,250       | \$ 12,069      | \$ 14,359      | \$ 15,365      | \$ 16,030       | \$ 24,406       | \$ 388,652   |
| From Induced  | \$ -           | \$ 70          | \$ 2,677       | \$ 5,470       | \$ 6,882       | \$ 7,402       | \$ 9,538       | \$ 11,394      | \$ 12,179      | \$ 12,701       | \$ 19,237       | \$ 307,393   |
| Total   | \$ -           | \$ 473         | \$ 14,816      | \$ 30,192      | \$ 39,052      | \$ 42,534      | \$ 57,117      | \$ 67,375      | \$ 72,344      | \$ 75,555       | \$ 115,316      | \$ 1,828,617 |
| Net New FTE Jobs  |                |                |                |                |                |                |                |                |                |                 |                 | Average      |
| From Direct   | 0              | 9              | 303            | 639            | 788            | 828            | 1051           | 1193           | 1248           | 1271            | 1379            | 1,088        |
| From Indirect   | 0              | 3              | 124            | 259            | 318            | 333            | 418            | 474            | 495            | 504             | 544             | 431          |
| From Induced  | 0              | 2              | 85             | 190            | 227            | 235            | 282            | 318            | 330            | 334             | 350             | 285          |
| Total   | 0              | 14             | 512            | 1,089          | 1,332          | 1,396          | 1,750          | 1,985          | 2,072          | 2,110           | 2,272           | 1,804        |

Source: Hunden Partners

Net New Earnings from job growth are expected to total approximately \$1.8 billion over the 25-year period. Onsite new full-time equivalent jobs are expected to be created from the full development, primarily in the mixed-use district, but also at the new event venue and the National Weather Experience. During the 25-year period, the Project is expected to support an average of roughly 1,804 jobs. Labor that is transferred or would have been created regardless of the Project is not included.



# Fiscal Impact

| Fiscal Impact - Tax Impacts from New District Spending (\$000s) - Norman Arena Mixed-Use District - Full Development Program - Rock Creek TIF#4 |        |        |          |           |           |           |           |           |           |           |           |            |
|---|--------|--------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|   | 2027   | 2028   | 2029     | 2030      | 2031      | 2032      | 2033      | 2034      | 2035      | 2036      | 2051      | Total      |
|   | Year 1 | Year 2 | Year 3   | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   | Year 25   |            |
| Cleveland County  |        |        |          |           |           |           |           |           |           |           |           |            |
| Sales Tax (0.125%)  | \$ -   | \$ 1   | \$ 30    | \$ 68     | \$ 85     | \$ 91     | \$ 115    | \$ 131    | \$ 140    | \$ 146    | \$ 221    | \$ 3,555   |
| Norman  |        |        |          |           |           |           |           |           |           |           |           |            |
| City Sales Tax (4.25%)  | \$ -   | \$ 25  | \$ 951   | \$ 2,155  | \$ 2,686  | \$ 2,874  | \$ 3,625  | \$ 4,157  | \$ 4,432  | \$ 4,615  | \$ 6,990  | \$ 112,425 |
| City Hotel Tax (8%)   | \$ -   | \$ -   | \$ 180   | \$ 352    | \$ 384    | \$ 389    | \$ 383    | \$ 491    | \$ 509    | \$ 526    | \$ 797    | \$ 13,096  |
| Property Tax  | \$ -   | \$ 760 | \$ 8,191 | \$ 8,950  | \$ 10,277 | \$ 11,516 | \$ 14,485 | \$ 17,551 | \$ 18,077 | \$ 19,466 | \$ 30,328 | \$ 482,189 |
| Total   | \$ -   | \$ 785 | \$ 9,321 | \$ 11,458 | \$ 13,347 | \$ 14,779 | \$ 18,494 | \$ 22,199 | \$ 23,018 | \$ 24,607 | \$ 38,115 | \$ 607,709 |
| Moore   |        |        |          |           |           |           |           |           |           |           |           |            |
| City Sales Tax (3.875%)   | \$ -   | \$ 2   | \$ 65    | \$ 148    | \$ 184    | \$ 197    | \$ 249    | \$ 285    | \$ 304    | \$ 317    | \$ 480    | \$ 7,715   |
| City Hotel Tax (5%)   | \$ -   | \$ -   | \$ 8     | \$ 17     | \$ 18     | \$ 18     | \$ 18     | \$ 23     | \$ 24     | \$ 25     | \$ 37     | \$ 616     |
| Total   | \$ -   | \$ 2   | \$ 74    | \$ 164    | \$ 202    | \$ 216    | \$ 267    | \$ 308    | \$ 328    | \$ 341    | \$ 517    | \$ 8,331   |

Source: Hunden Partners

Hunden estimated the potential tax collections that would be generated from the project that would be considered net new to Cleveland County, Norman and Moore.

The Project is expected to generate \$608 million in City of Norman taxes over 25 years, with a majority of this coming from onsite property tax generation. Additionally, it is estimated that net new spending generated across the county will generate \$3.6 million in Cleveland County taxes and \$8.3 million in City of Moore taxes.

# Onsite Property Tax Projections

## Full Development – Rock Creek TIF #4

The following table shows the property tax projections for the full development and build out within the TIF #4 district over 25 years. Over 25 years the development is estimated to generate \$482 million in ad valorem which contributes directly to the Rock Creek TIF #4.

| On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - Full Development |        |        |          |           |           |           |           |           |           |            |            |
|--|--------|--------|----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
|  | 2027   | 2028   | 2029     | 2030      | 2031      | 2032      | 2033      | 2034      | 2035      | 2036       | 2051       |
|  | Year 1 | Year 2 | Year 3   | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10    | Year 25    |
| <b>PROPERTY TAXES (\$000s)</b>   |        |        |          |           |           |           |           |           |           |            |            |
| Office   | \$ -   | \$ -   | \$ 266   | \$ 788    | \$ 1,869  | \$ 2,001  | \$ 3,526  | \$ 3,632  | \$ 3,741  | \$ 3,853   | \$ 6,002   |
| MultiFamily  | \$ -   | \$ 760 | \$ 1,565 | \$ 1,612  | \$ 1,660  | \$ 2,565  | \$ 3,801  | \$ 5,167  | \$ 5,322  | \$ 6,329   | \$ 9,860   |
| Single Family For Rent and Townhomes   | \$ -   | \$ -   | \$ 500   | \$ 515    | \$ 531    | \$ 547    | \$ 563    | \$ 580    | \$ 598    | \$ 616     | \$ 959     |
| Retail & Restaurant  | \$ -   | \$ -   | \$ 1,696 | \$ 1,747  | \$ 1,799  | \$ 1,853  | \$ 1,909  | \$ 2,359  | \$ 2,430  | \$ 2,503   | \$ 3,900   |
| Hotel  | \$ -   | \$ -   | \$ 473   | \$ 487    | \$ 501    | \$ 516    | \$ 532    | \$ 1,534  | \$ 1,580  | \$ 1,627   | \$ 2,535   |
| Hangar   | \$ -   | \$ -   | \$ 80    | \$ 83     | \$ 85     | \$ 88     | \$ 90     | \$ 93     | \$ 96     | \$ 99      | \$ 154     |
| Plaza Spaces   | \$ -   | \$ -   | \$ 53    | \$ 55     | \$ 57     | \$ 58     | \$ 60     | \$ 62     | \$ 64     | \$ 66      | \$ 102     |
| Arena  | \$ -   | \$ -   | \$ 3,557 | \$ 3,664  | \$ 3,774  | \$ 3,887  | \$ 4,004  | \$ 4,124  | \$ 4,248  | \$ 4,375   | \$ 6,816   |
| Weather Experience Museum*   |        |        |          |           |           |           |           |           |           |            |            |
| Parking*   |        |        |          |           |           |           |           |           |           |            |            |
| FBO*   |        |        |          |           |           |           |           |           |           |            |            |
| Total Property Tax   | \$ -   | \$ 760 | \$ 8,191 | \$ 8,950  | \$ 10,277 | \$ 11,516 | \$ 14,485 | \$ 17,551 | \$ 18,077 | \$ 19,466  | \$ 30,328  |
| <i>Cumulative</i>  | \$ -   | \$ 760 | \$ 8,951 | \$ 17,901 | \$ 28,178 | \$ 39,694 | \$ 54,179 | \$ 71,730 | \$ 89,807 | \$ 109,273 | \$ 482,189 |

\*The National Weather Experience, Parking, and FBO will contribute via a Payment In-Lieu of Taxes (PILOT), these values are yet to be determined

Source: Hunden Partners

Dollars shown are not in present value dollars.

# Onsite Sales Tax Projections

## Full Development – Rock Creek TIF #4

The adjacent table shows the onsite sales tax revenue calculation that would be generated by all development within the Rock Creek TIF #4 district over 25 years. Hunden estimates that based on direct onsite spending these would generate an estimated \$138 million over 25 years.

Moreover, although not directly applicable to TIF#4, the onsite hotels are estimated to generate \$31 million in City of Norman HOT tax over 25 years.

| On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - Full Development |        |        |           |            |            |            |            |            |            |            |            |
|--|--------|--------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2027   | 2028   | 2029      | 2030       | 2031       | 2032       | 2033       | 2034       | 2035       | 2036       | 2051       |
|  | Year 1 | Year 2 | Year 3    | Year 4     | Year 5     | Year 6     | Year 7     | Year 8     | Year 9     | Year 10    | Year 25    |
| <b>SALES TAX REVENUES (\$000s)</b>   |        |        |           |            |            |            |            |            |            |            |            |
| Taxable Revenues (\$000s)  |        |        |           |            |            |            |            |            |            |            |            |
| Retail & F&B   | \$ -   | \$ -   | \$ 58,659 | \$ 88,615  | \$ 91,273  | \$ 94,011  | \$ 96,832  | \$ 116,964 | \$ 120,473 | \$ 124,087 | \$ 193,323 |
| Arena  | \$ -   | \$ -   | \$ 19,740 | \$ 22,630  | \$ 25,671  | \$ 26,441  | \$ 27,234  | \$ 28,051  | \$ 28,893  | \$ 29,760  | \$ 46,365  |
| Weather Experience   | \$ -   | \$ -   | \$ -      | \$ 4,367   | \$ 4,425   | \$ 4,401   | \$ 4,047   | \$ 4,168   | \$ 4,293   | \$ 4,422   | \$ 6,890   |
| Hotel  | \$ -   | \$ -   | \$ 9,565  | \$ 11,120  | \$ 12,002  | \$ 12,232  | \$ 12,551  | \$ 19,984  | \$ 20,826  | \$ 21,626  | \$ 33,129  |
| Total Sales Tax  | \$ -   | \$ -   | \$ 87,965 | \$ 126,732 | \$ 133,371 | \$ 137,086 | \$ 140,664 | \$ 169,168 | \$ 174,485 | \$ 179,895 | \$ 279,706 |
| Sales Tax Avail for TIF Fundings (\$000s)      Rate                                      |        |        |           |            |            |            |            |            |            |            |            |
| State  | \$ -   | \$ -   | \$ 3,958  | \$ 5,703   | \$ 6,002   | \$ 6,169   | \$ 6,330   | \$ 7,613   | \$ 7,852   | \$ 8,095   | \$ 12,587  |
| Cleveland County Jail  | \$ -   | \$ -   | \$ 110    | \$ 158     | \$ 167     | \$ 171     | \$ 176     | \$ 211     | \$ 218     | \$ 225     | \$ 350     |
| City General Fund  | \$ -   | \$ -   | \$ 2,023  | \$ 2,915   | \$ 3,068   | \$ 3,153   | \$ 3,235   | \$ 3,891   | \$ 4,013   | \$ 4,138   | \$ 6,433   |
| City of Norman Capital Projects  | \$ -   | \$ -   | \$ 616    | \$ 887     | \$ 934     | \$ 960     | \$ 985     | \$ 1,184   | \$ 1,221   | \$ 1,259   | \$ 1,958   |
| City of Norman Public Safety   | \$ -   | \$ -   | \$ 440    | \$ 634     | \$ 667     | \$ 685     | \$ 703     | \$ 846     | \$ 872     | \$ 899     | \$ 1,399   |
| City of Norman Public Transit  | \$ -   | \$ -   | \$ 110    | \$ 158     | \$ 167     | \$ 171     | \$ 176     | \$ 211     | \$ 218     | \$ 225     | \$ 350     |
| Norman Forward Projects  | \$ -   | \$ -   | \$ 440    | \$ 634     | \$ 667     | \$ 685     | \$ 703     | \$ 846     | \$ 872     | \$ 899     | \$ 1,399   |
| Total  | \$ -   | \$ -   | \$ 7,697  | \$ 11,089  | \$ 11,670  | \$ 11,995  | \$ 12,308  | \$ 14,802  | \$ 15,267  | \$ 15,741  | \$ 24,474  |
| Sales Tax Avail for TIF Fundings (\$000s)      Available?                                |        |        |           |            |            |            |            |            |            |            |            |
| State  | \$ -   | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Cleveland County Jail  | \$ -   | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| City General Fund  | \$ -   | \$ -   | \$ 2,023  | \$ 2,915   | \$ 3,068   | \$ 3,153   | \$ 3,235   | \$ 3,891   | \$ 4,013   | \$ 4,138   | \$ 6,433   |
| City of Norman Capital Projects  | \$ -   | \$ -   | \$ 616    | \$ 887     | \$ 934     | \$ 960     | \$ 985     | \$ 1,184   | \$ 1,221   | \$ 1,259   | \$ 1,958   |
| City of Norman Public Safety   | \$ -   | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| City of Norman Public Transit  | \$ -   | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Norman Forward Projects  | \$ -   | \$ -   | \$ -      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Total  | \$ -   | \$ -   | \$ 2,639  | \$ 3,802   | \$ 4,001   | \$ 4,113   | \$ 4,220   | \$ 5,075   | \$ 5,235   | \$ 5,397   | \$ 8,391   |
| <i>Cumulative</i>  | \$ -   | \$ -   | \$ 2,639  | \$ 6,441   | \$ 10,442  | \$ 14,555  | \$ 18,775  | \$ 23,850  | \$ 29,084  | \$ 34,481  | \$ 137,676 |
| Non-TIF Additional On-Site Tax Impacts (\$000s)  |        |        |           |            |            |            |            |            |            |            |            |
| City Hotel Occupancy Tax   | \$ -   | \$ -   | \$ 507    | \$ 591     | \$ 641     | \$ 657     | \$ 673     | \$ 1,185   | \$ 1,239   | \$ 1,290   | \$ 1,969   |
| Total  | \$ -   | \$ -   | \$ 507    | \$ 591     | \$ 641     | \$ 657     | \$ 673     | \$ 1,185   | \$ 1,239   | \$ 1,290   | \$ 1,969   |
| <i>Cumulative</i>  | \$ -   | \$ -   | \$ 507    | \$ 1,097   | \$ 1,738   | \$ 2,395   | \$ 3,068   | \$ 4,253   | \$ 5,492   | \$ 6,782   | \$ 31,031  |

Source: Hunden Partners

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# Appendix

# Local Traffic Counts

