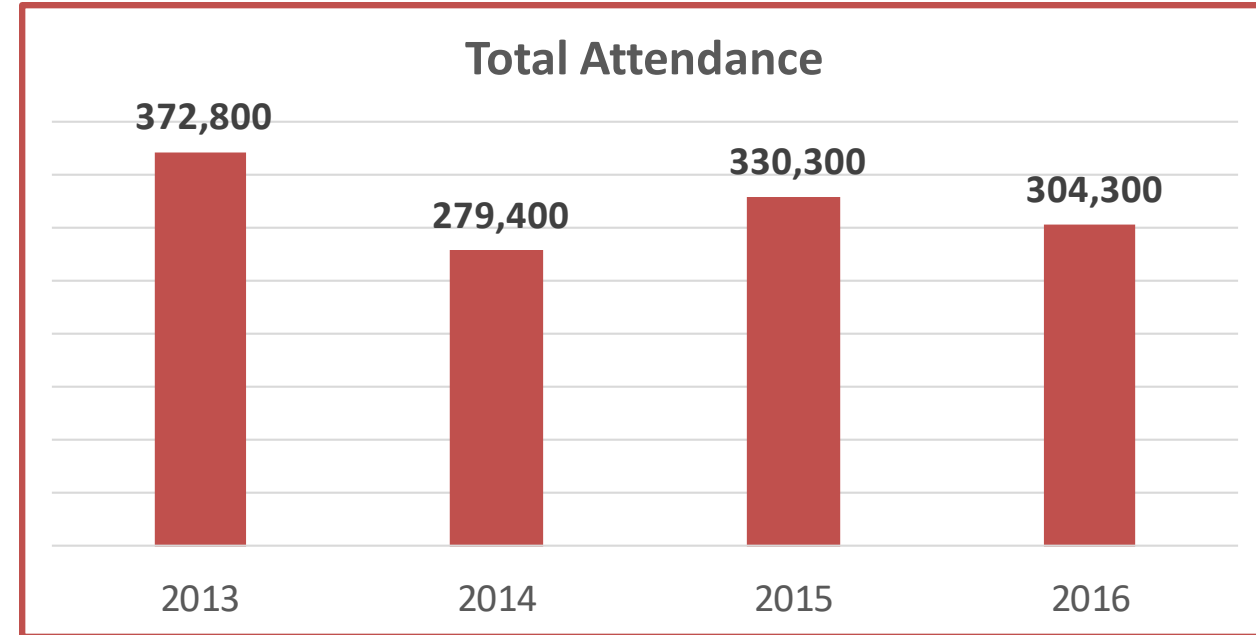
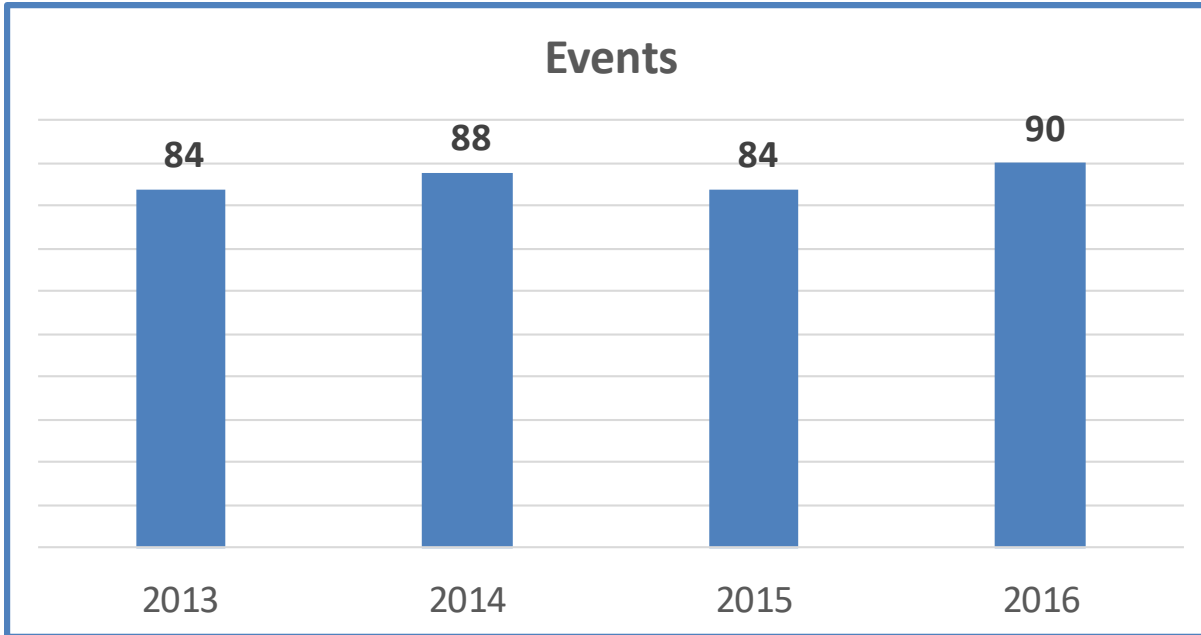




Convention Center and Headquarters Hotel
Market and Economic Impact Study Results
Oklahoma City, OK
July 18, 2017



Cox Center – Historical Events & Attendance



Source: Cox Convention Center, SMG-managed events only and does not include OKC Blue games, OKC Barons games, and concerts.

Lost Business

Annual Average Lost Events and Room Nights

Reason Lost	Events	Room Nights
Lack of Convention Center Space or Dates	23	72,669
Hotel and Room Block	16	39,773
Total	39	112,442
Estimated Recovery (25%)	10	28,111

Source: Visit OKC. Includes lost group events with room block size of 500 or more.

Prospective Business

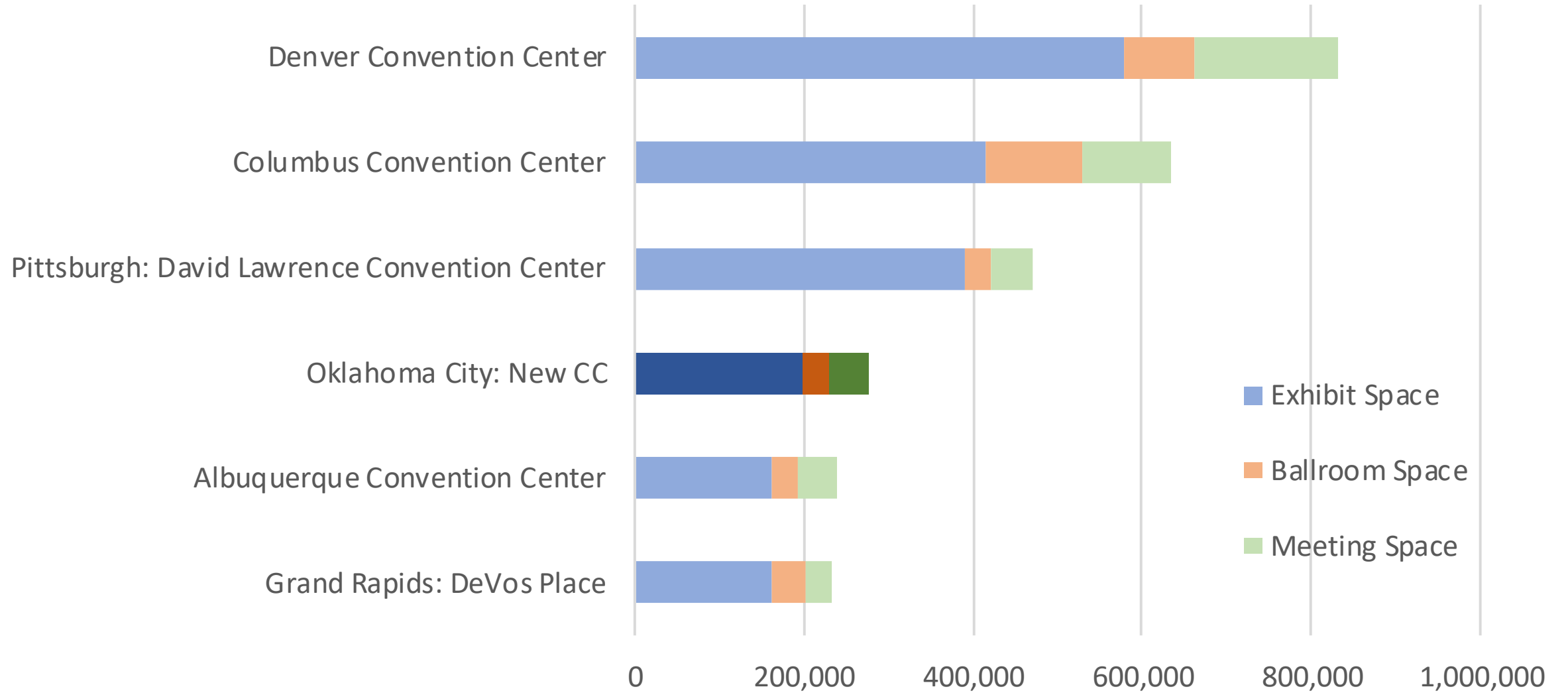
	Number of Events	Average Room Nights
Total Events in MINT Database	1,119	4,759
Regional Events *	417	4,529
Regional Events ($\leq 5,000$ Attendees)	334	2,929
Nationally Rotating Events ** ($\leq 5,000$ Attendees)	269	3,061

Source: MINT Database updated as of January 2017.

*Regional events include those held in the states of Oklahoma, Kansas, Arkansas, Colorado, Missouri, Texas, New Mexico, Utah, Nebraska, Tennessee, Kentucky, Indiana, and Wisconsin.

**Nationally rotating events are those that are not held in their state of origin.

Comparable Convention Destinations



Sources: Respective Convention Centers

Comparable Convention Destinations

Adjacent Hotel Rooms	
Denver	1,100
Grand Rapids	682
Columbus	633
Pittsburgh	616
New OKC	600
Albuquerque	295

Proximate Hotel Rooms (1-mile)	
Denver	10,365
Pittsburgh	5,613
Columbus	3,657
New OKC	3,220
Grand Rapids	1,691
Albuquerque	1,686

Source: Esri

Comparable Destinations (15 minute walking distance)

Resident Population	
Denver	12,898
Grand Rapids	5,958
Albuquerque	5,771
Columbus	5,607
Pittsburgh	4,693
New OKC	1,021

Median Household Income	
Columbus	\$56,963
New OKC	\$50,000
Denver	\$49,812
Albuquerque	\$29,401
Pittsburgh	\$29,182
Grand Rapids	\$26,066

Total Business Sales (\$000,000)	
Denver	\$16,238
Pittsburgh	\$10,610
New OKC	\$5,253
Columbus	\$4,806
Grand Rapids	\$2,931
Albuquerque	\$2,094

Source: Esri

Comparable Destinations (15 minute walking distance)

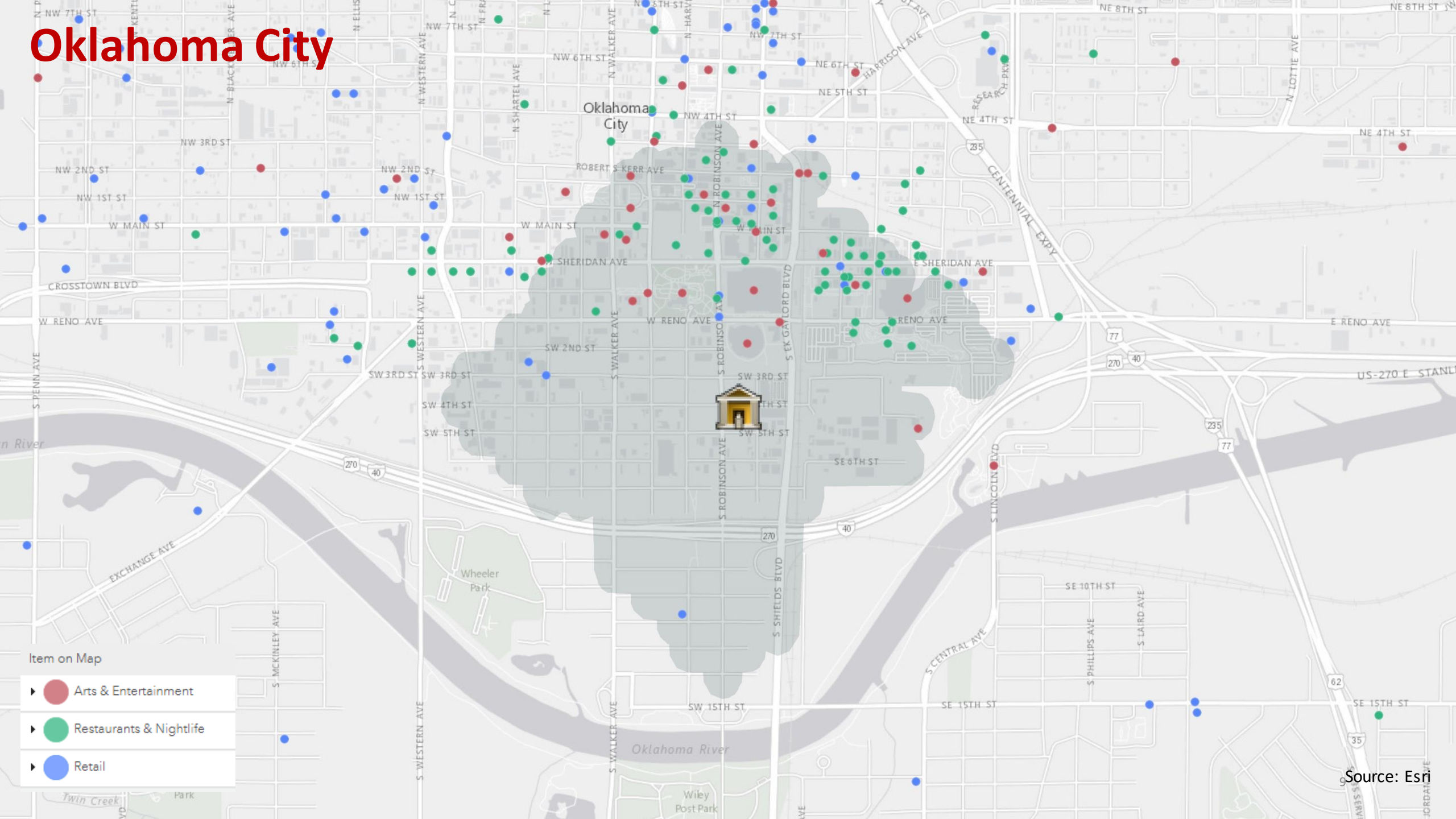
Retail Sales (\$000,000)	
Denver	\$1,010
Pittsburgh	\$491
Columbus	\$294
Albuquerque	\$185
Grand Rapids	\$117
New OKC	\$109

Arts, Entertainment, and Recreation Sales (\$000,000)	
New OKC	\$276
Denver	\$253
Pittsburgh	\$59
Columbus	\$38
Grand Rapids	\$21
Albuquerque	\$13

Restaurants and Bars Sales (\$000,000)	
Denver	\$449
Grand Rapids	\$176
Pittsburgh	\$172
Columbus	\$141
New OKC	\$63
Albuquerque	\$61

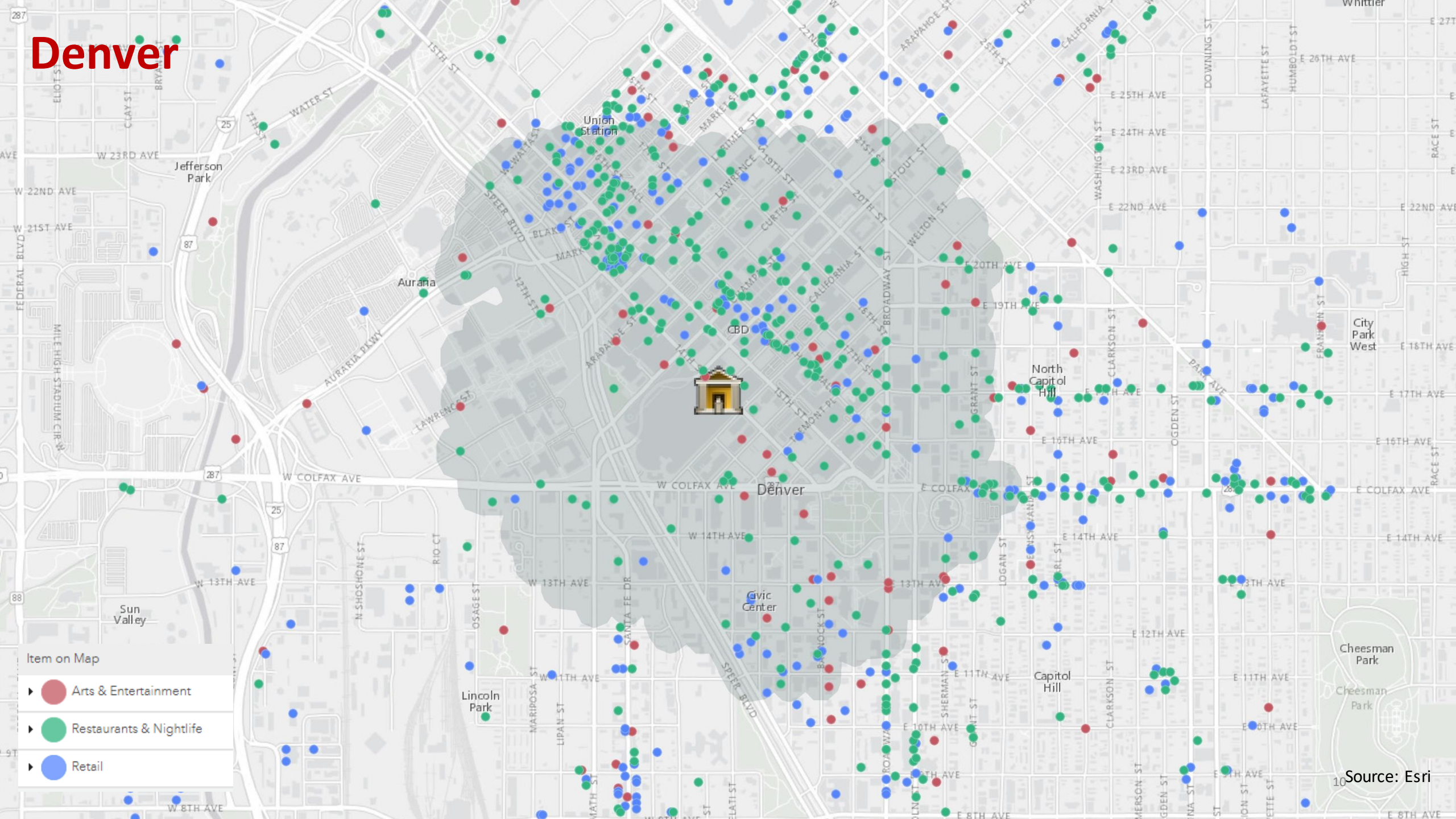
Source: Esri

Oklahoma City



- Item on Map
- ▶ Arts & Entertainment
 - ▶ Restaurants & Nightlife
 - ▶ Retail

Denver

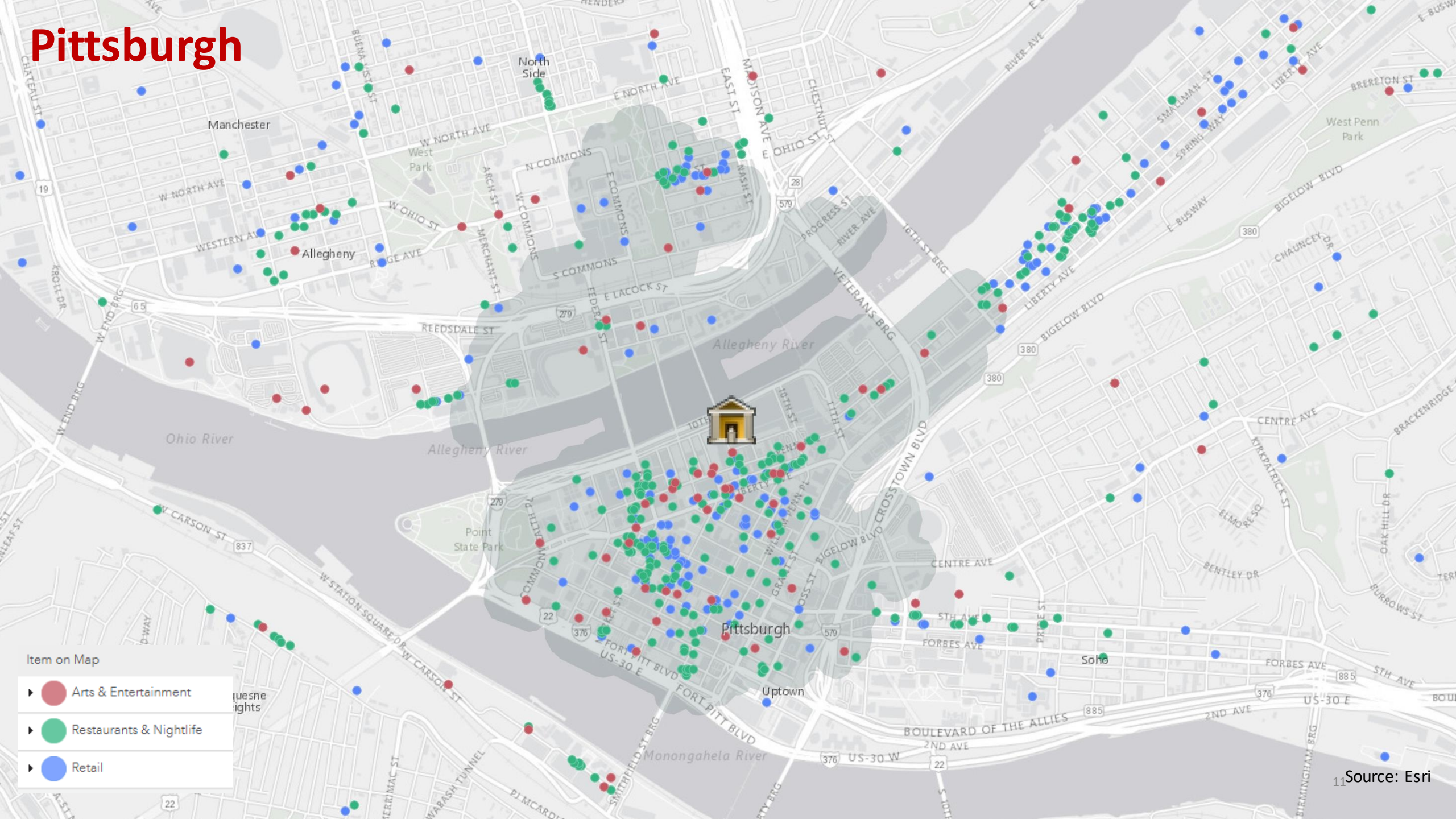


Item on Map

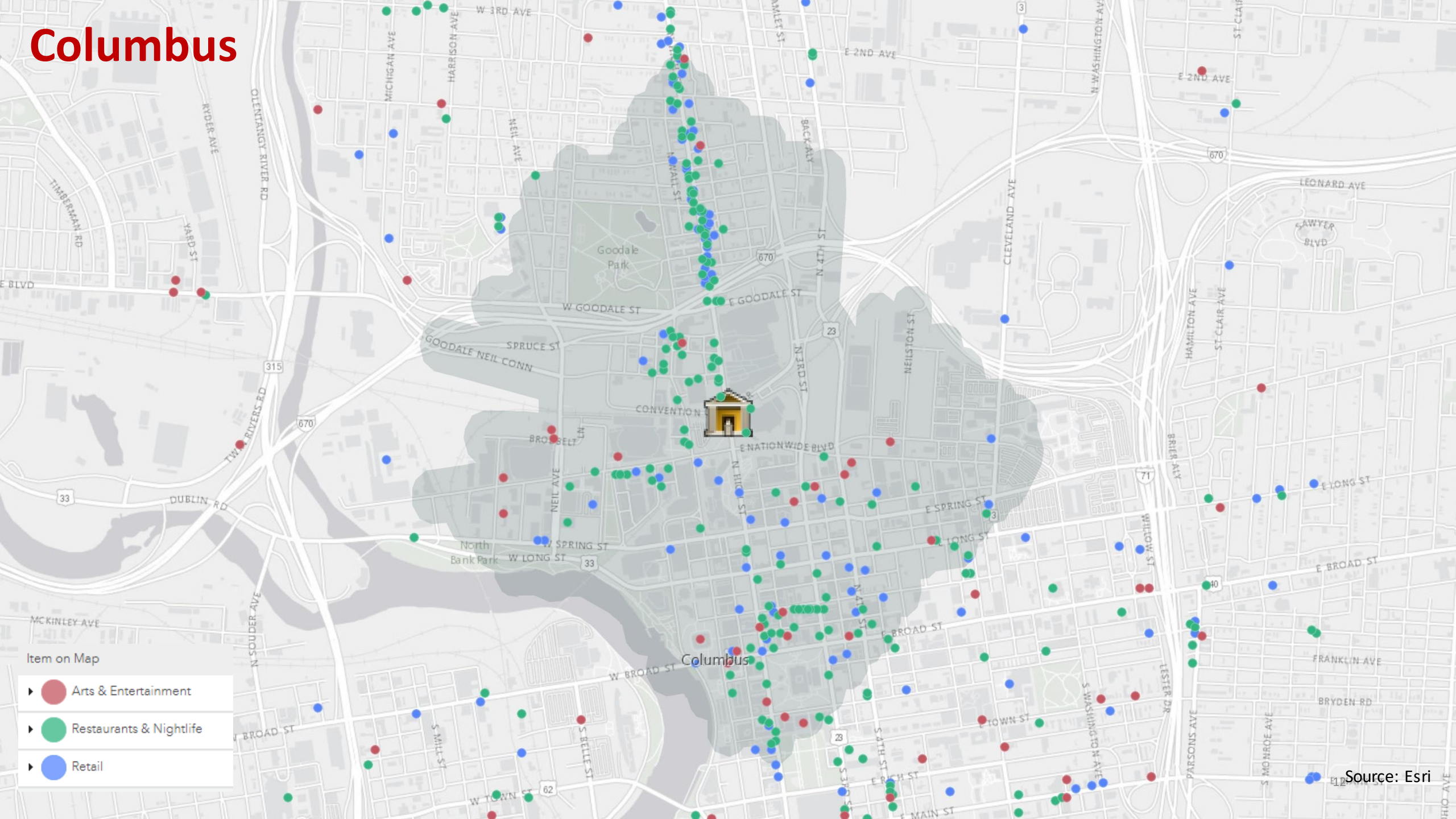
- ▶ Arts & Entertainment
- ▶ Restaurants & Nightlife
- ▶ Retail

Source: Esri

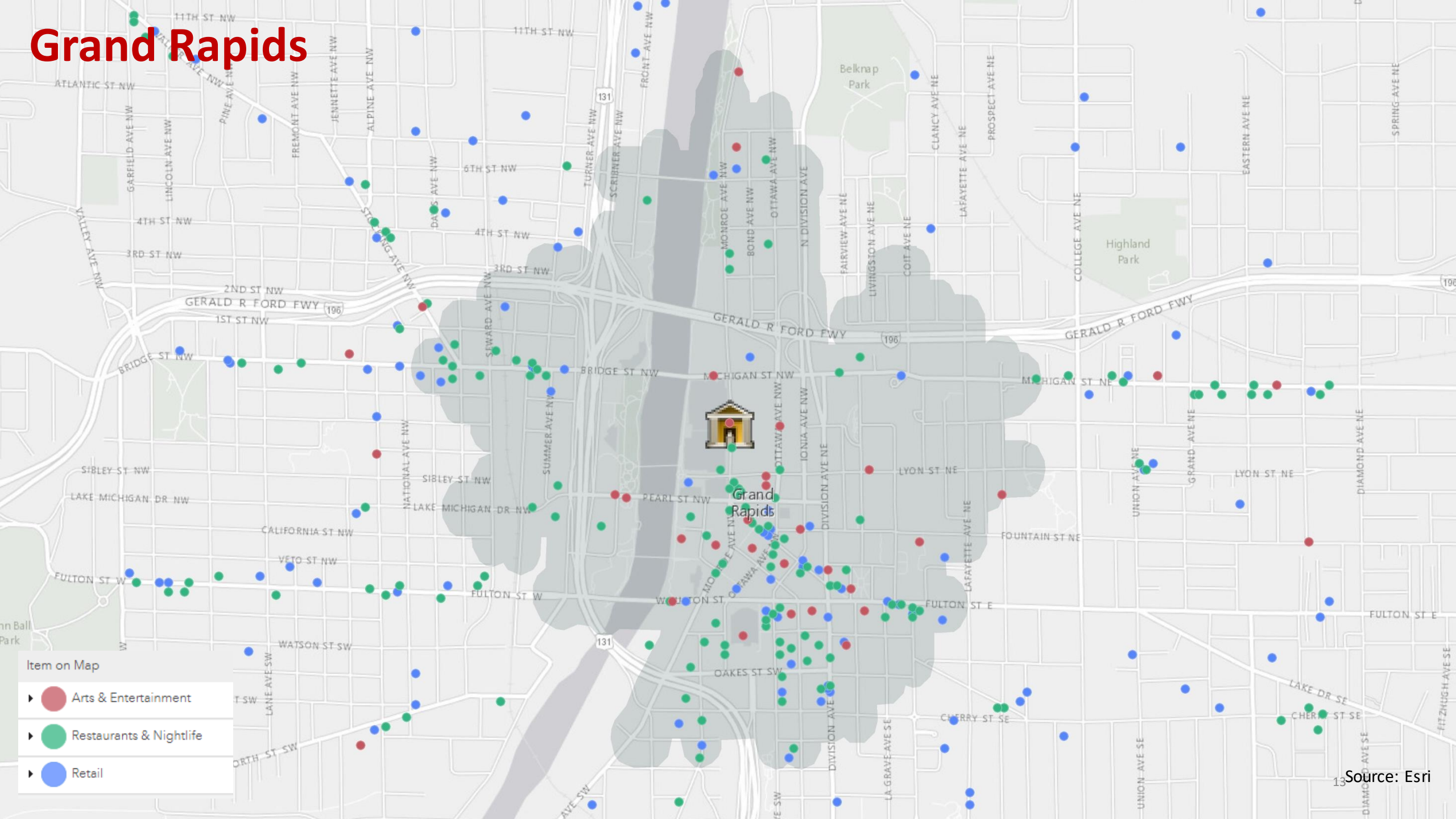
Pittsburgh



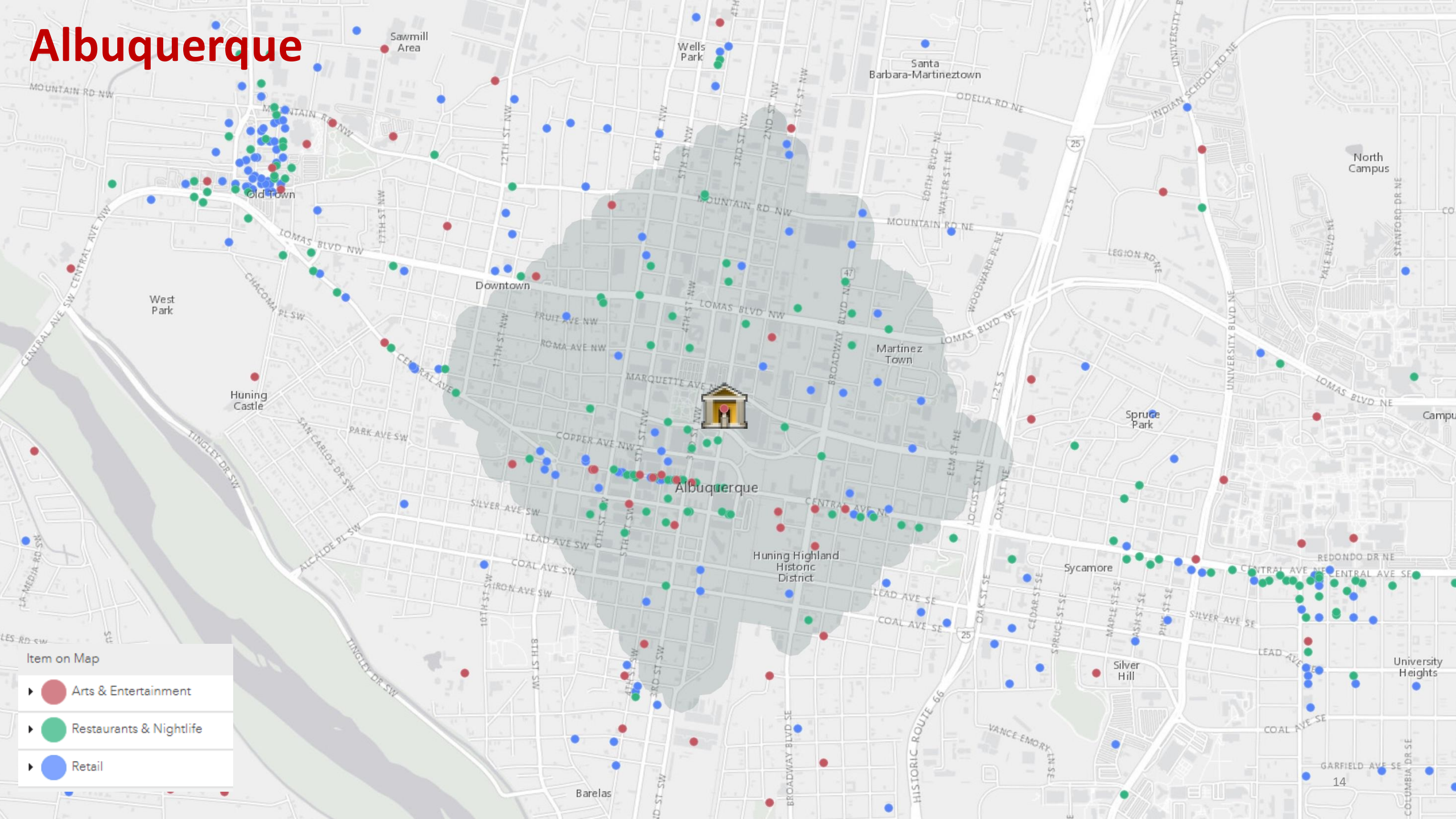
Columbus



Grand Rapids

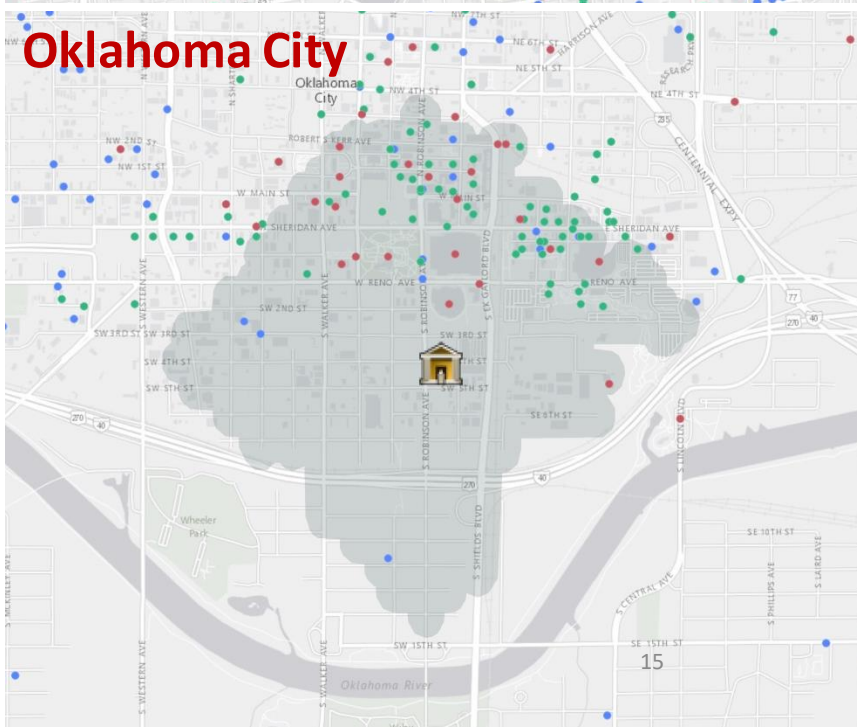
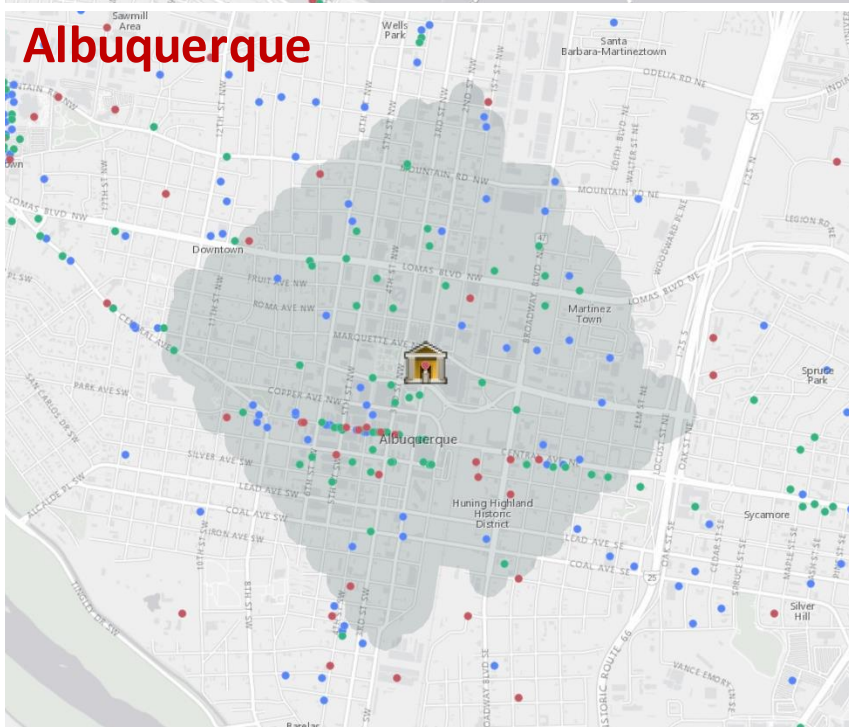
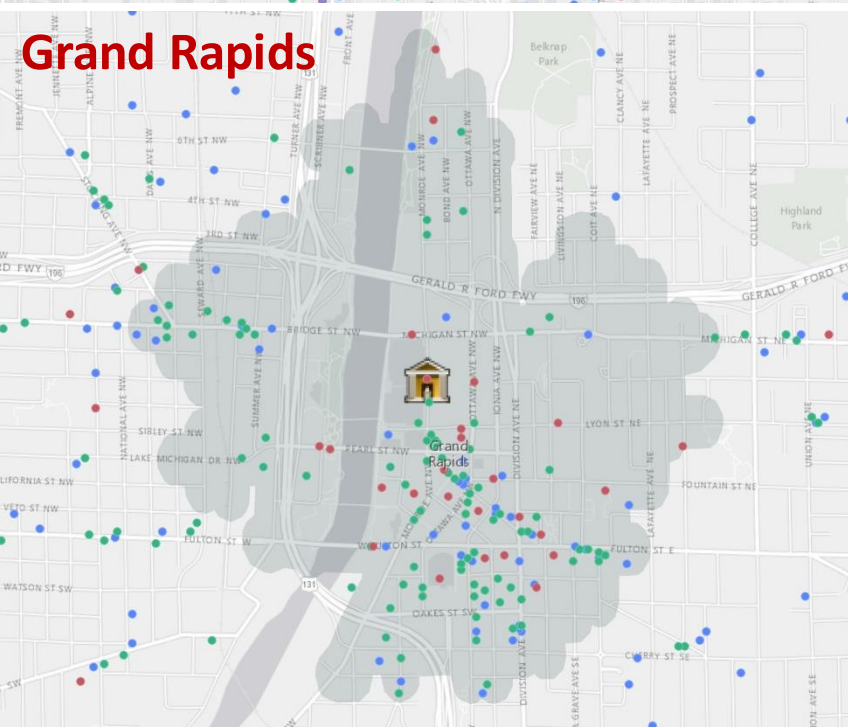
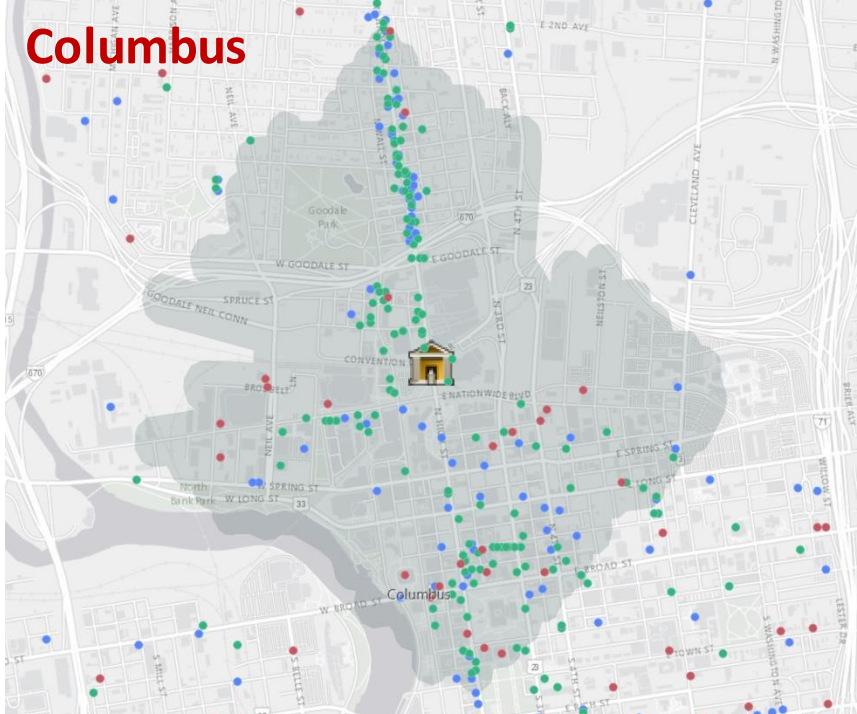
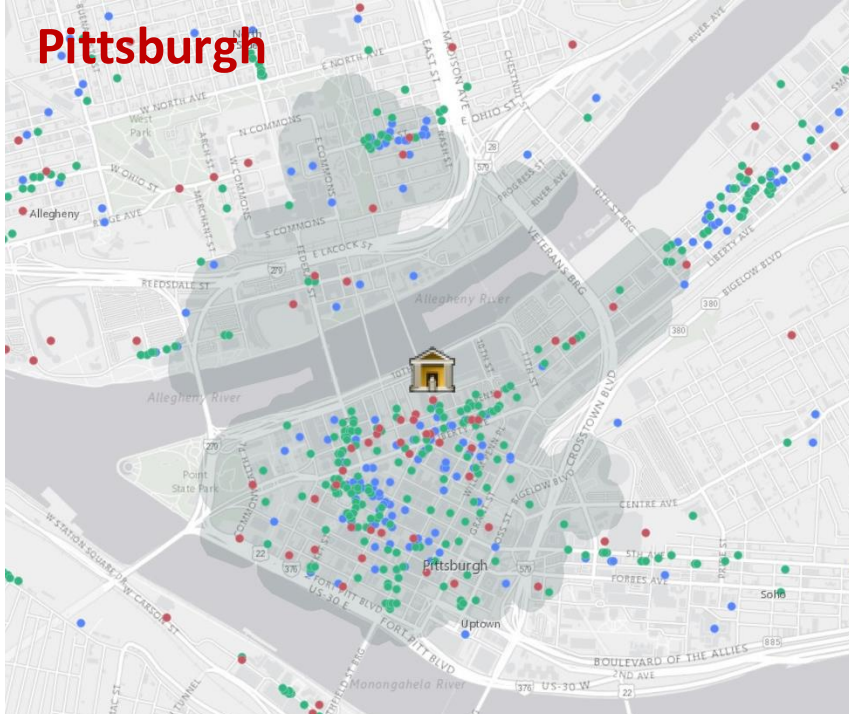
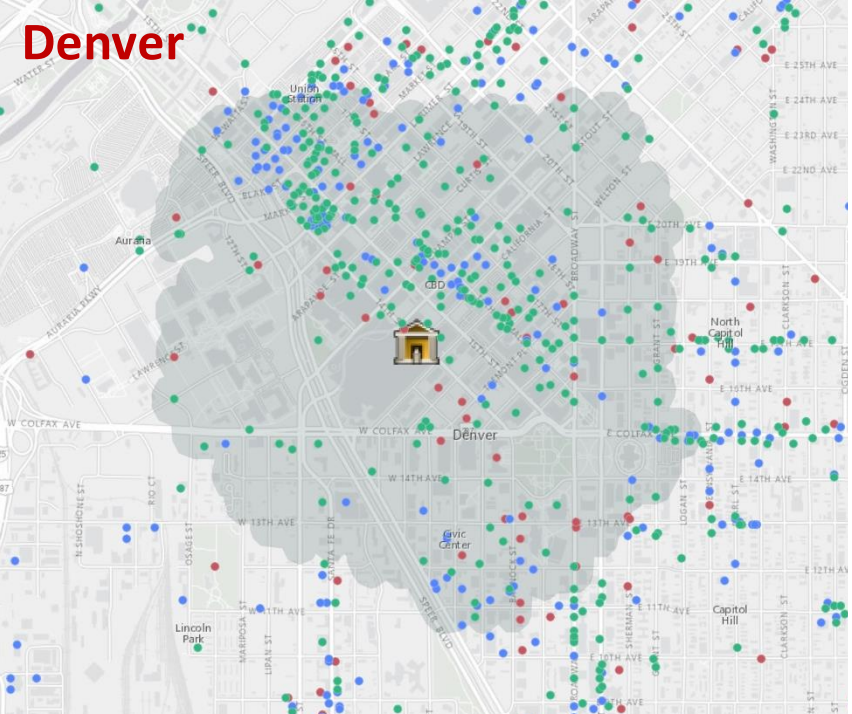


Albuquerque

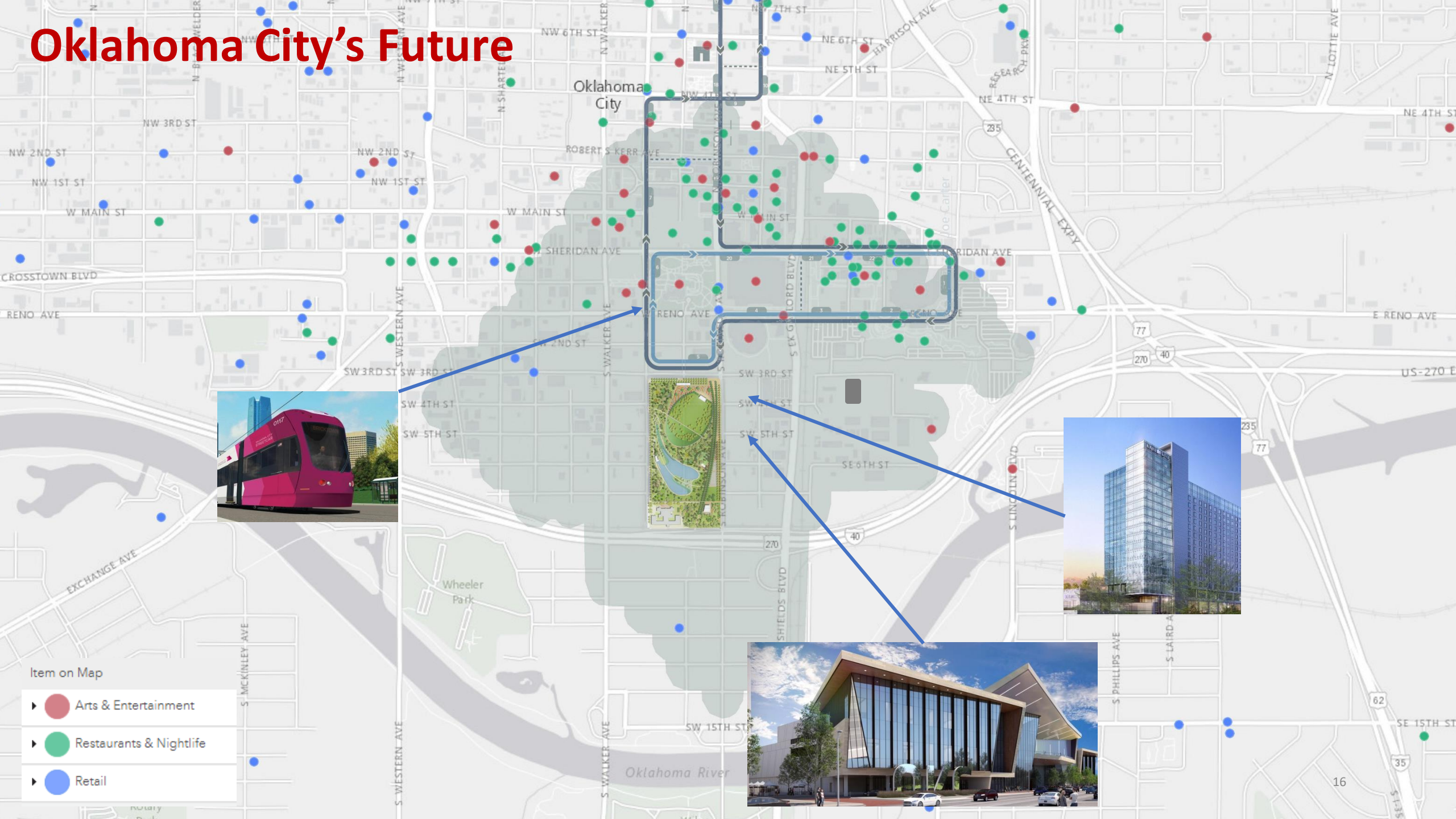


Item on Map

- ▶ Arts & Entertainment
- ▶ Restaurants & Nightlife
- ▶ Retail



Oklahoma City's Future



- Item on Map
- ▶ Arts & Entertainment
 - ▶ Restaurants & Nightlife
 - ▶ Retail

Number of Events in Comparable and Competitive Venues

Event Type	Albuquerque Convention Center	Columbus Convention Center	Grand Rapids DeVos Place	Denver Convention Center	Pittsburgh David Lawrence Convention Ctr	New OKC Convention Center
Conventions & Tradeshow	10	65	39	59	47	40
Consumer Shows	39	23	27	36	29	27
Banquets	47	32	29	14	24	26
Meetings	86	123	46	48	36	35
Assemblies	35	0	0	16	0	22
Sports & Entertainment	59	39	79	23	19	20
Other	66	7	12	11	20	1
Total Events	342	289	232	207	175	171
Rank	1	2	3	4	5	6

Sources: SMG and HVS

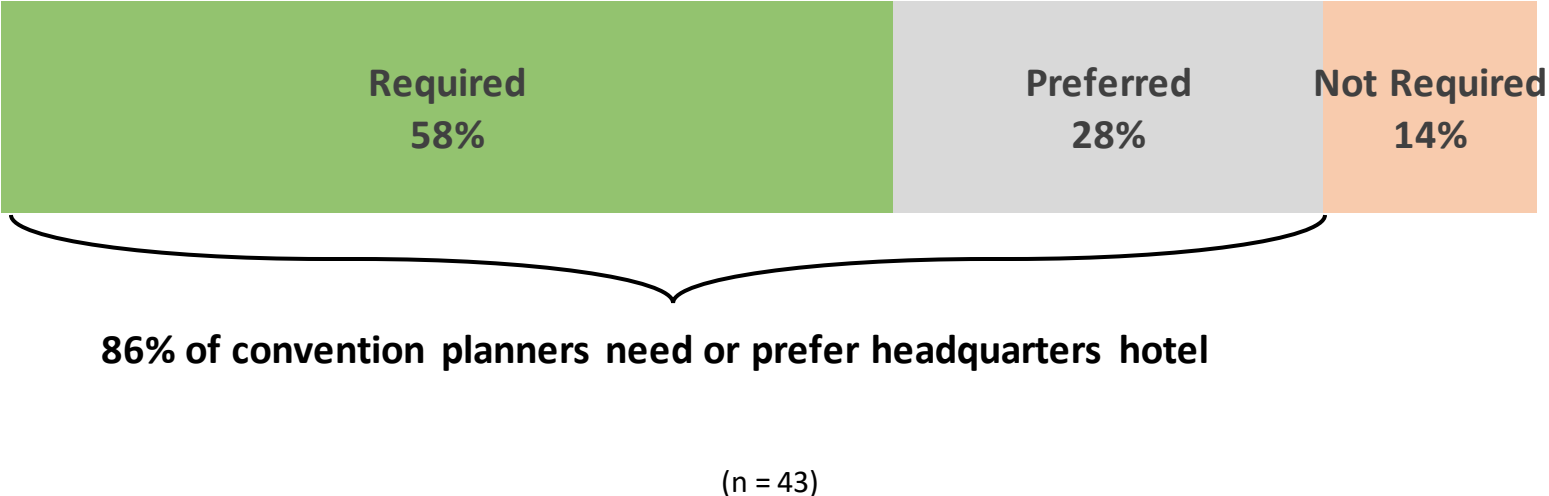
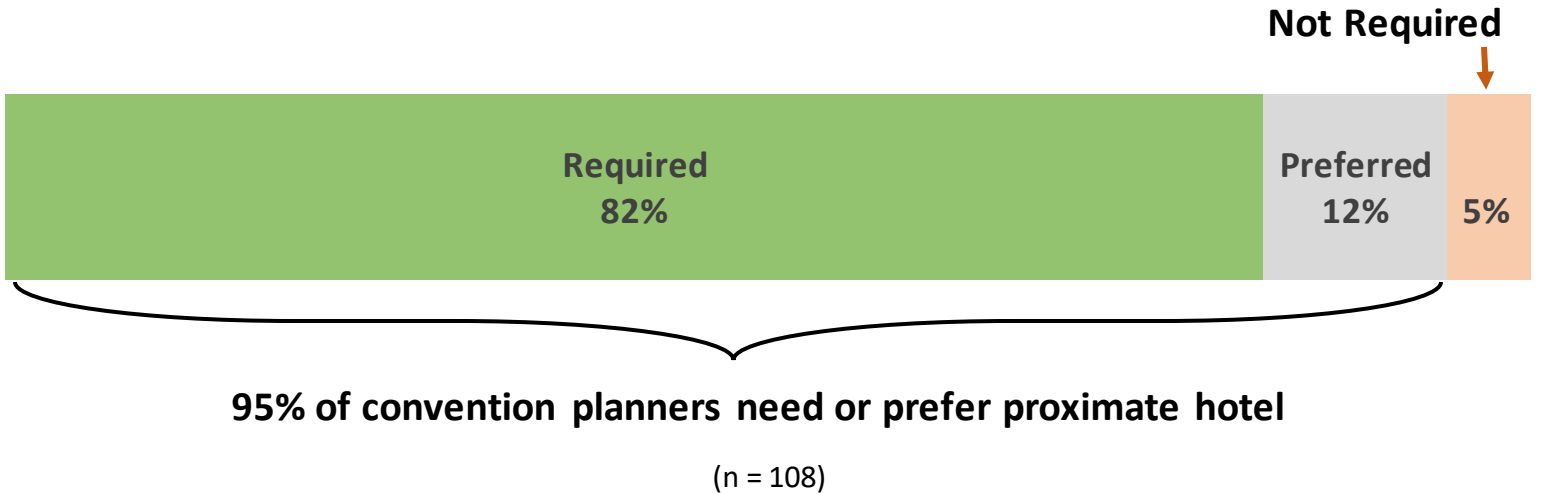
SMG provided data on the number of event days, HVS estimated number of events based on estimated event length

Event Attendance in Comparable and Competitive Venues

Event Type	Denver Convention Center	Columbus Convention Center	Grand Rapids DeVos Place	New OKC Convention Center	Pittsburgh David Lawrence Convention Ctr	Albuquerque Convention Center
Conventions & Tradeshow	255,343	203,586	133,336	155,100	86,456	9,300
Consumer Shows	454,265	333,737	190,015	132,300	224,333	34,167
Banquets	8,911	26,038	24,555	32,200	6,910	22,078
Meetings	15,144	99,556	36,700	41,800	9,272	31,372
Assemblies	57,749	0	0	80,900	0	45,925
Sports & Entertainment	121,204	146,800	232,162	74,100	115,680	121,084
Other	54,927	55,280	40,213	53,000	56,234	37,374
Total Attendance	967,543	864,997	656,981	569,400	498,885	301,300
Rank	1	2	3	4	5	6

Sources: SMG and HVS

Need for Adjacent Hotel Rooms (convention event planners)




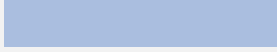
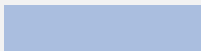
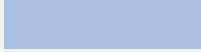


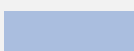





Number of Projected Events by Type

Event Type	New CC w/out Hotel	New CC with Hotel
Conventions	18	28
Meetings & Conferences	25	35
Memorial Marathon	1	1
Sports & Entertainment	20	20
Large Banquets	6	6
Tradeshows	10	12
Consumer Shows	12	12
Fairs	12	15
Assemblies	22	22
Ballroom Events	20	20
	<hr/> 146	<hr/> 171

Projected Room Nights and Attendance

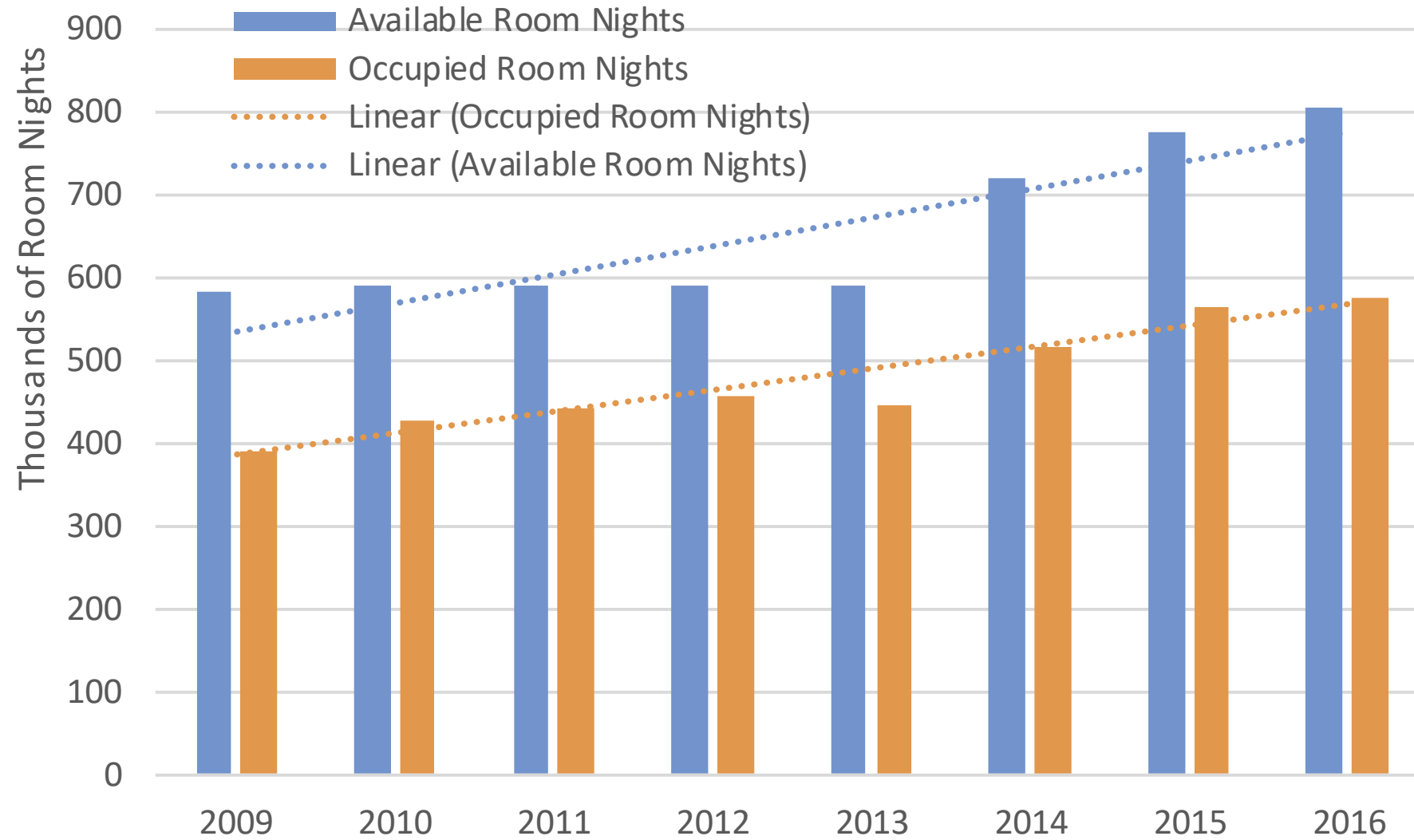
	New CC w/out Hotel	New CC with Hotel	Difference
# of Events	146	171	25
Attendance	484,800	569,400	84,600
Room Nights	134,700	244,400	109,700

Downtown Hotel Market Analysis – The Competitive Set

Hotel Name	Rooms
Sheraton Oklahoma City Downtown Hotel	396 
Renaissance Oklahoma City Convention Center	311 
Hilton Oklahoma City Skirvin	225 
Courtyard Oklahoma City Downtown	225 
Hampton Inn Suites Oklahoma City Bricktown	200 
Hilton Garden Inn Oklahoma City Bricktown	155 
Residence Inn Oklahoma City Downtown Bricktown	151 
21c Museum Hotel Oklahoma City	135 
aloft Hotel Oklahoma City Downtown Bricktown	134 
Holiday Inn Express & Suites Oklahoma City Downtown Bricktown	124 
Colcord Hotel	108 
Homewood Suites Oklahoma City Bricktown	100 
Total Rooms	2,264

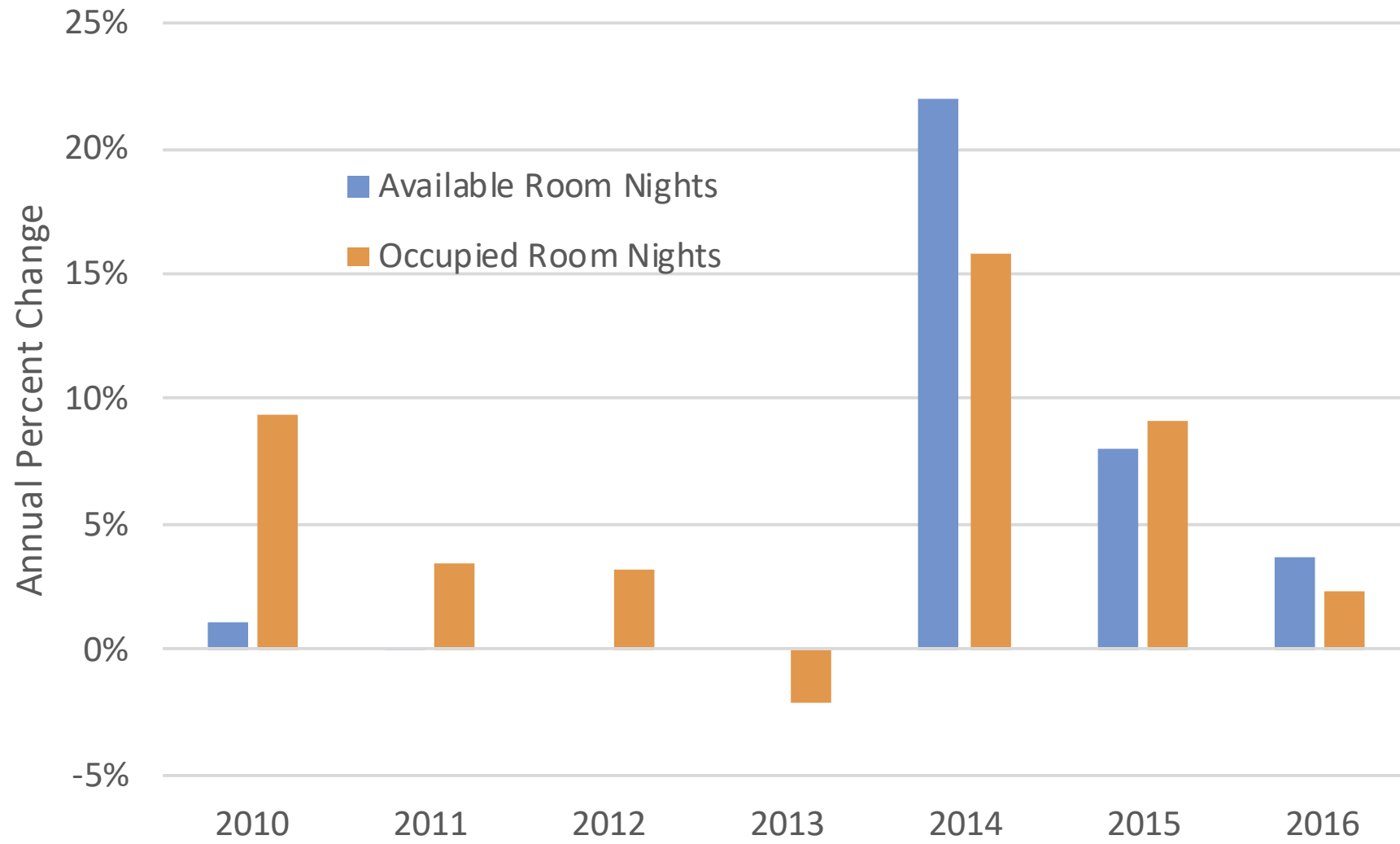
Source: STR

Supply and Demand Growth



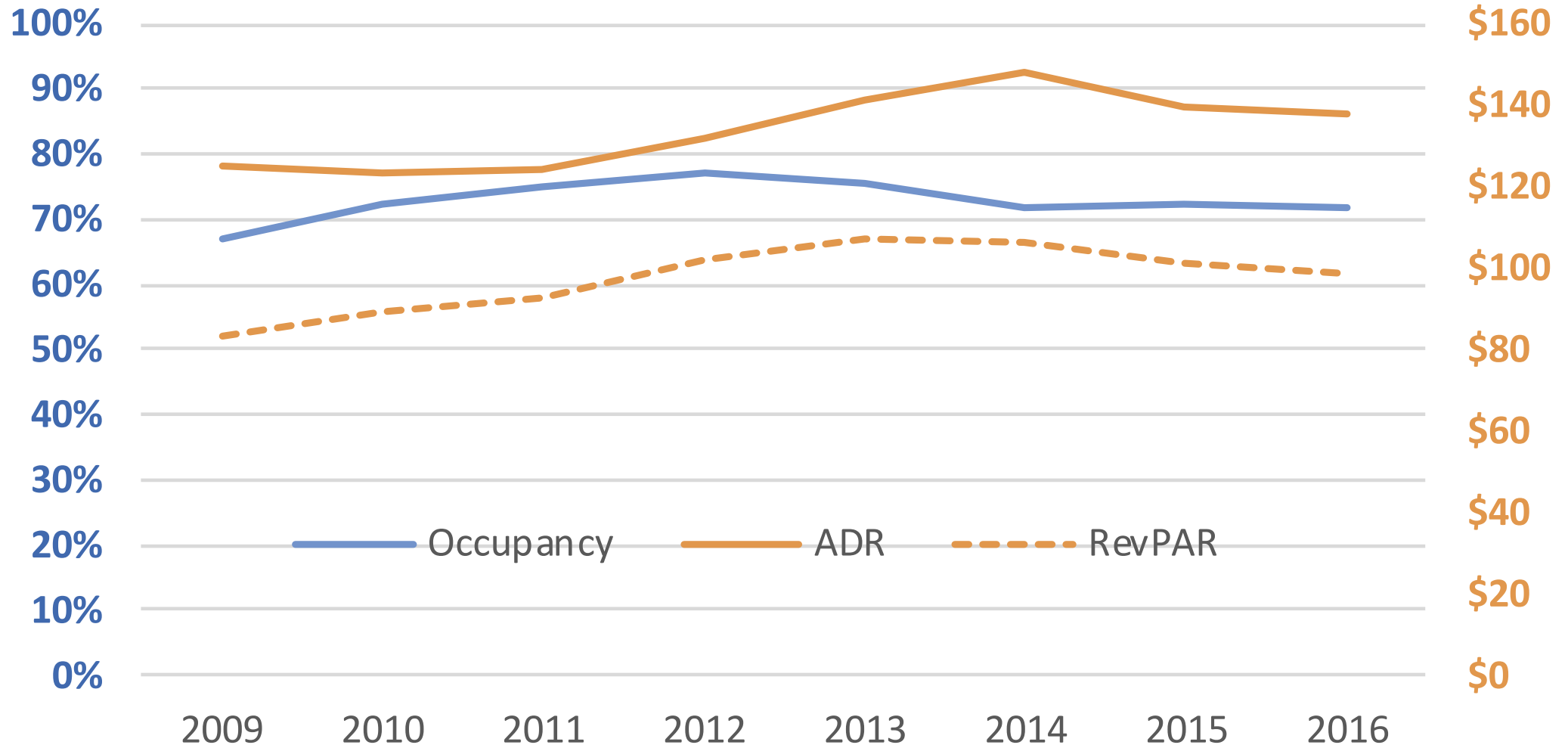
Source: STR

New Supply Induces New Demand



Source: STR

Occupancy, ADR, and Revenue per Available Room



Source: STR

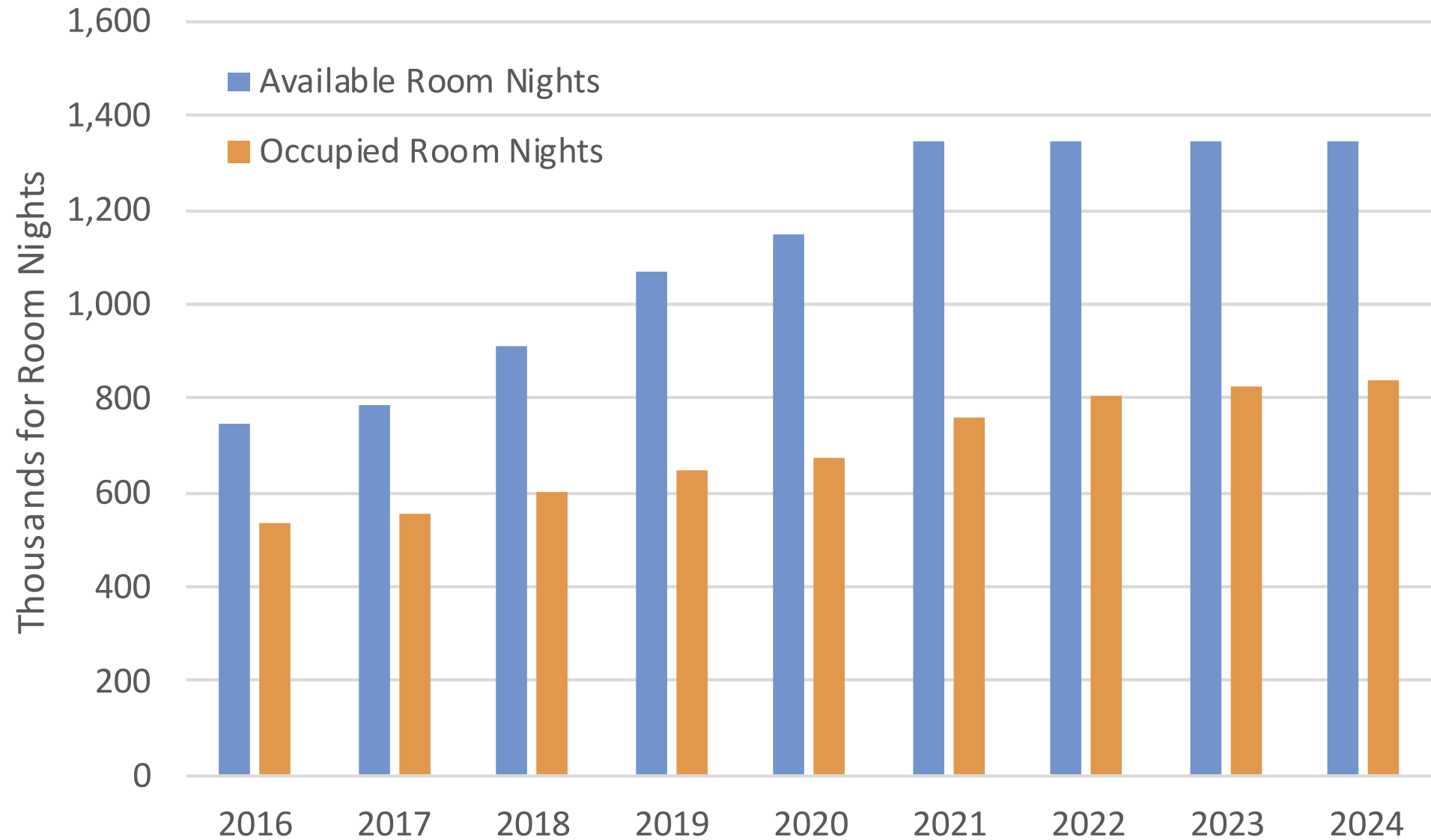
New Room Supply

Year	Hotel Name	Proposed Rooms	Cumulative Room Count
	Existing Room Supply		2,264
2017	Springhill Suites	124	2,388
2017	AC Hotel by Marriott	138	2,526
2017	Hyatt Place	135	2,661
2018	Staybridge Suites Bricktown	144	2,805
2018	Fairfield Inn & Suites	110	2,915
2018	Hotel Indigo	110	3,025
2019	Renaissance Hotel	182	3,207
2019	Canopy by Hilton	143	3,350
2019	Home2 Suites	125	3,475
2019	Tru by Hilton	117	3,592
2020	Headquarters Hotel	600	4,192
2020	First National	150	4,342

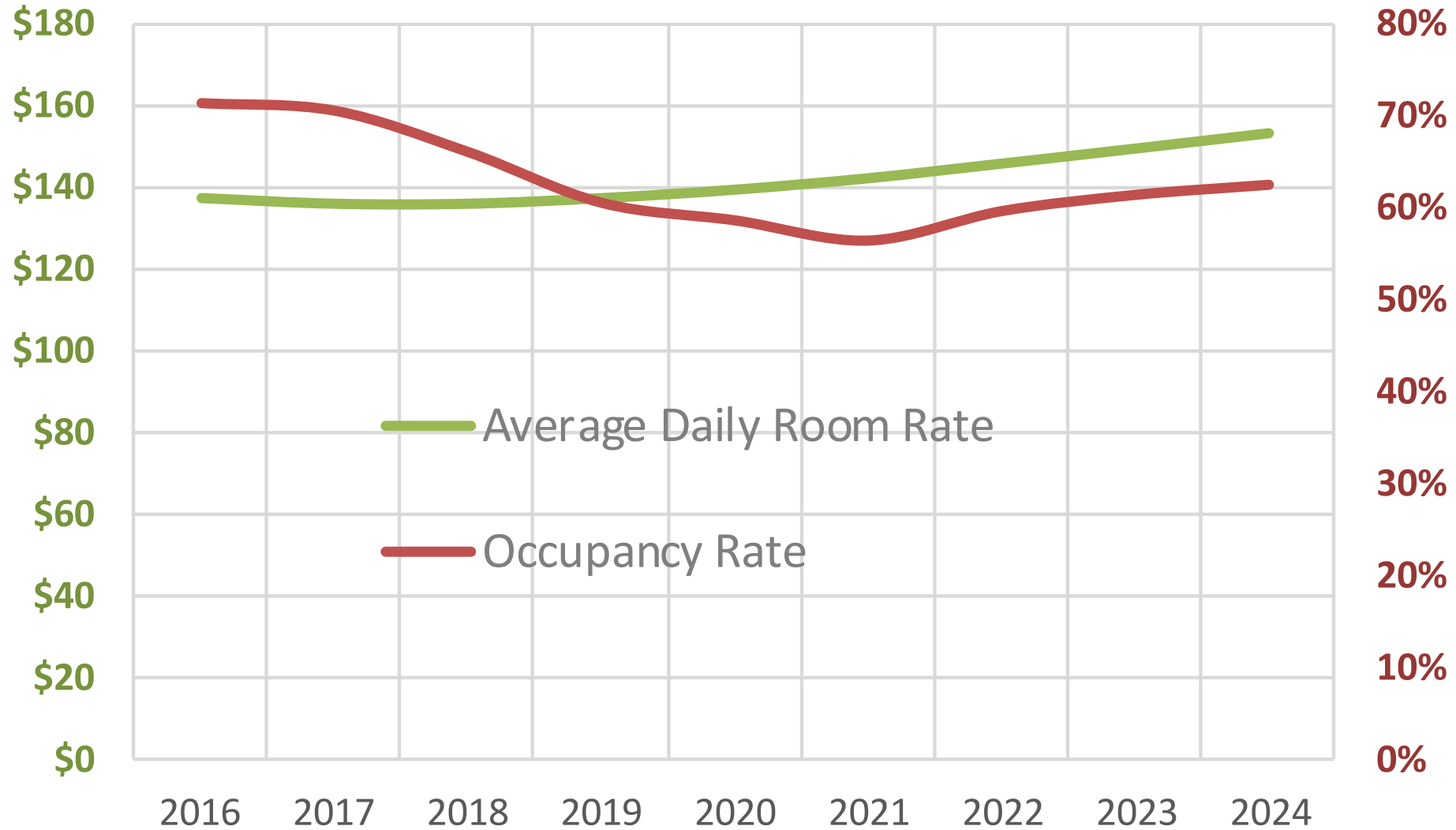
Sources: STR and HVS

The HVS analysis weights these room counts based on the estimated competitiveness of hotels with the proposed headquarters hotel. The weighted competitive set includes 2069 existing rooms plus 1621 new rooms for a total of 3690 rooms in 2020—a 78% increase in room supply.

Projected Supply and Demand Growth



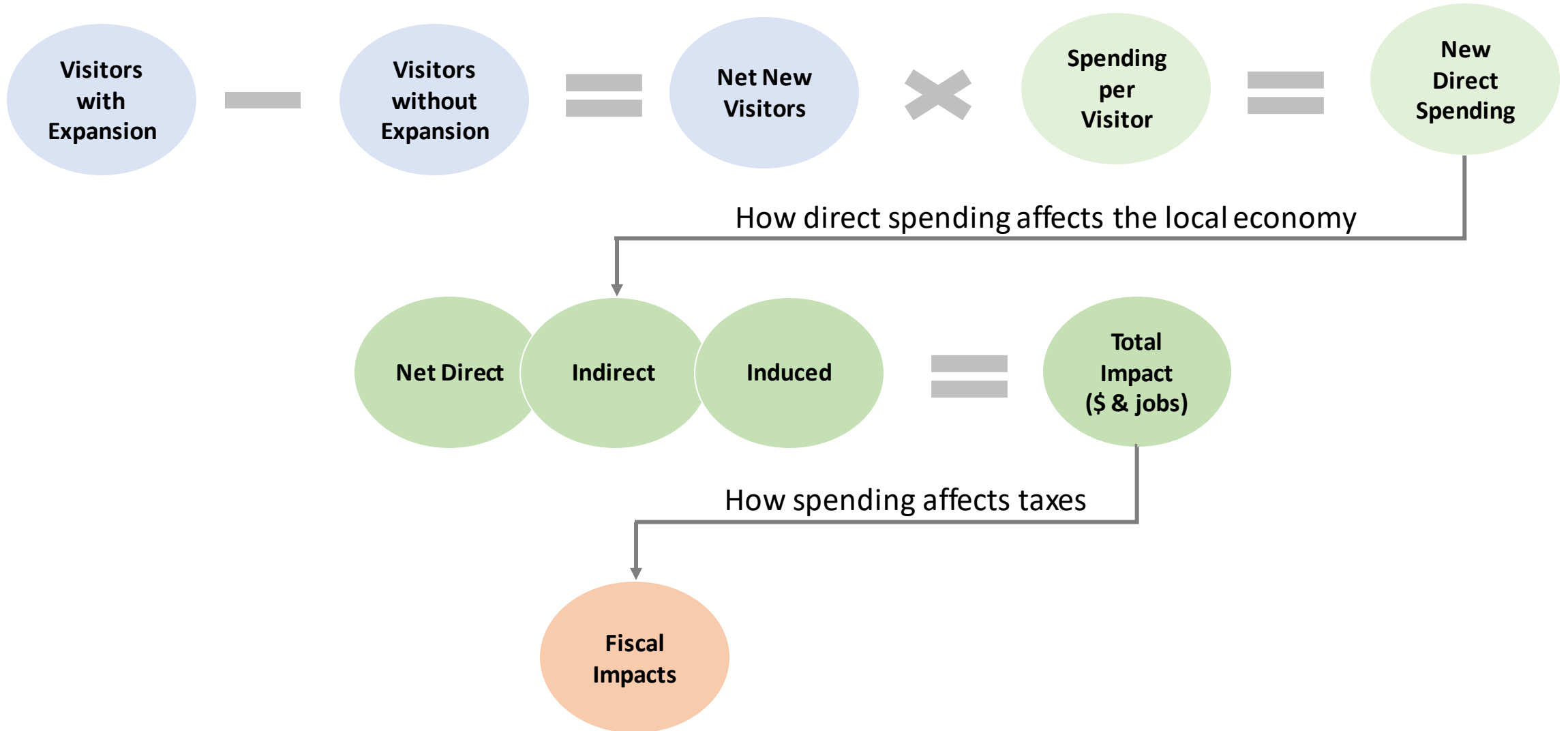
Projected Market-wide Average Daily Room Rates and Occupancy Rates



Projected Performance of Proposed Headquarters Hotel

Year	Occupancy Rate	Average Daily Room Rate
FY 2021	57.0%	\$167
FY 2022	64.0%	\$173
FY 2023	67.0%	\$181
FY 2024	69.0%	\$187

Economic Impact Methodology



Estimated Annual Economic Impact (two scenarios)

Net New Spending* (\$ millions in 2017 dollars)

	New CC w/out Hotel	New CC with Hotel	Difference
Net Direct	\$35.9	\$80.4	\$44.5
Indirect	11.0	24.9	\$13.9
Induced	15.5	32.4	\$16.9
Total	\$62.4	\$137.6	\$75.2

*Represents the new spending in addition to the current level of spending for events in Oklahoma City.

Estimated Annual Employment Impact (two scenarios)

New Job Impacts (Full-time Equivalent)

	New CC w/out Hotel	New CC with Hotel	Difference
Net Direct	260	620	360
Indirect	50	120	70
Induced	80	170	90
Total	390	910	520

Estimated Annual Fiscal Impact (two scenarios)

New Fiscal Impacts (\$ millions in 2017 dollars)

	New CC w/out Hotel	New CC with Hotel	Difference
Sales Tax	\$0.88	\$1.77	\$0.89
Lodging Tax	0.42	1.38	0.96
Total	\$1.30	\$3.15	\$1.85



Contact Information:

Thomas Hazinski

Managing Director

HVS Convention, Sports & Entertainment

312-587-9900 Ext. 11

thazinski@hvs.com

Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints.
4. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place subsequent to the date of our report.
9. We do not warrant that our estimates will be attained, but they have been developed on the basis of information obtained during the course of our market research and are intended to reflect reasonable expectations.
10. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.
11. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
12. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
13. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of this organization, as employees, rather than as individuals.
14. This report is set forth as an impact study of the subject facility; this is not an appraisal report.

Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved;
4. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
7. our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice; and
8. Thomas Hazinski, Brian Harris, and Alex Moon personally inspected the site described in this report.

Thomas A. Hazinski, MPP
Managing Director

Brian Harris
Director

Alex Moon
Associate