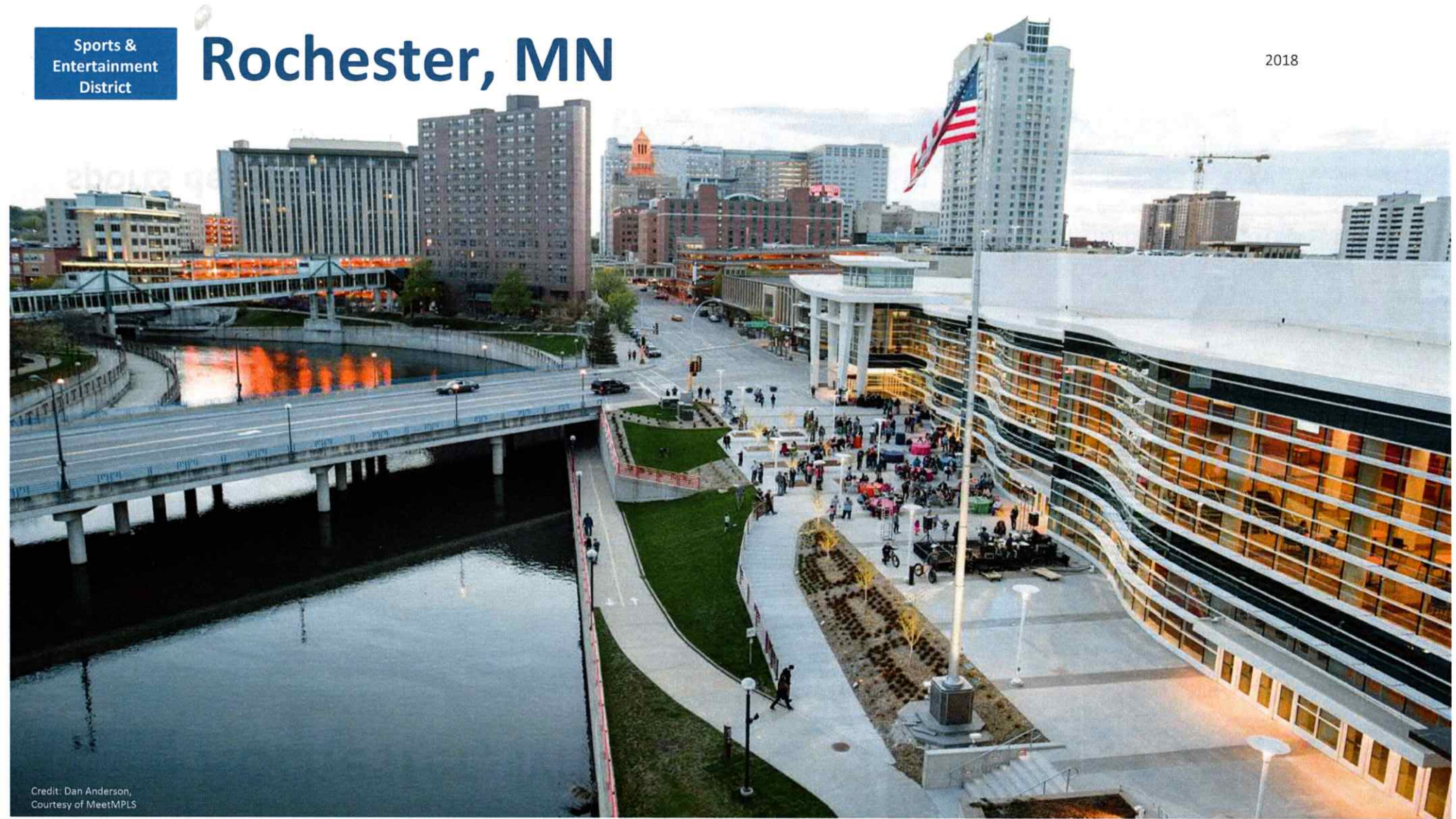


Sports &
Entertainment
District

Rochester, MN

2018



Credit: Dan Anderson,
Courtesy of MeetMPLS

Sports &
Entertainment
District

Rochester, MN



**Energizing the downtown
landscape with a world class
cultural, entertainment and
sports development district**





B

Sports – Entertainment – Culture

in the middle of INNOVATION, GROWTH, INVESTMENT and so much MORE.

Rochester, Minnesota – Its own special place.

- Home of the world-renowned Mayo Clinic
- Leading the way in life science discoveries and health care innovations
- It's the place people go to get better
- Where developers are building an epicenter fueled by economic boom and dramatic growth
- Where entrepreneurs come to find their place and discover the next big thing.

The Destination Medical Center (DMC) initiative puts you in the middle of it all.

- Innovation
- Growth
- Investment
- Health & Wellness
- Education
- Medicine
- Sports/Recreation
- Entertainment
- Culture



Major Investments to Fuel the Growth

DMC IS THE LARGEST ECONOMIC DEVELOPMENT INITIATIVE IN THE STATE OF MN.

\$3.5 BILLION
MAYO CLINIC OVER THE NEXT 20 YEARS

\$2.1 BILLION
ADDITIONAL PRIVATE INVESTMENTS

\$585 MILLION
PUBLIC INVESTMENTS

MAYO CLINIC IMPACT

1.5 MILLION PATIENTS EACH YEAR FROM MORE THAN 140 COUNTRIES



- 67% MAYO CLINIC
- 16% CONVENTION/SPORTS
- 9% BUSINESS & CORPORATE
- 5% LEISURE
- 3% OTHER

The Right Project – The Right Time – The Right Team

Heritage House

Arena Site

Mayo Civic Center

Rochester Public Library



Approx. 4,600 seats Hockey
Approx. 6,200 seats 270 endstage
(4,400 Fixed + 1,800 Floor)

Mayo Civic Center

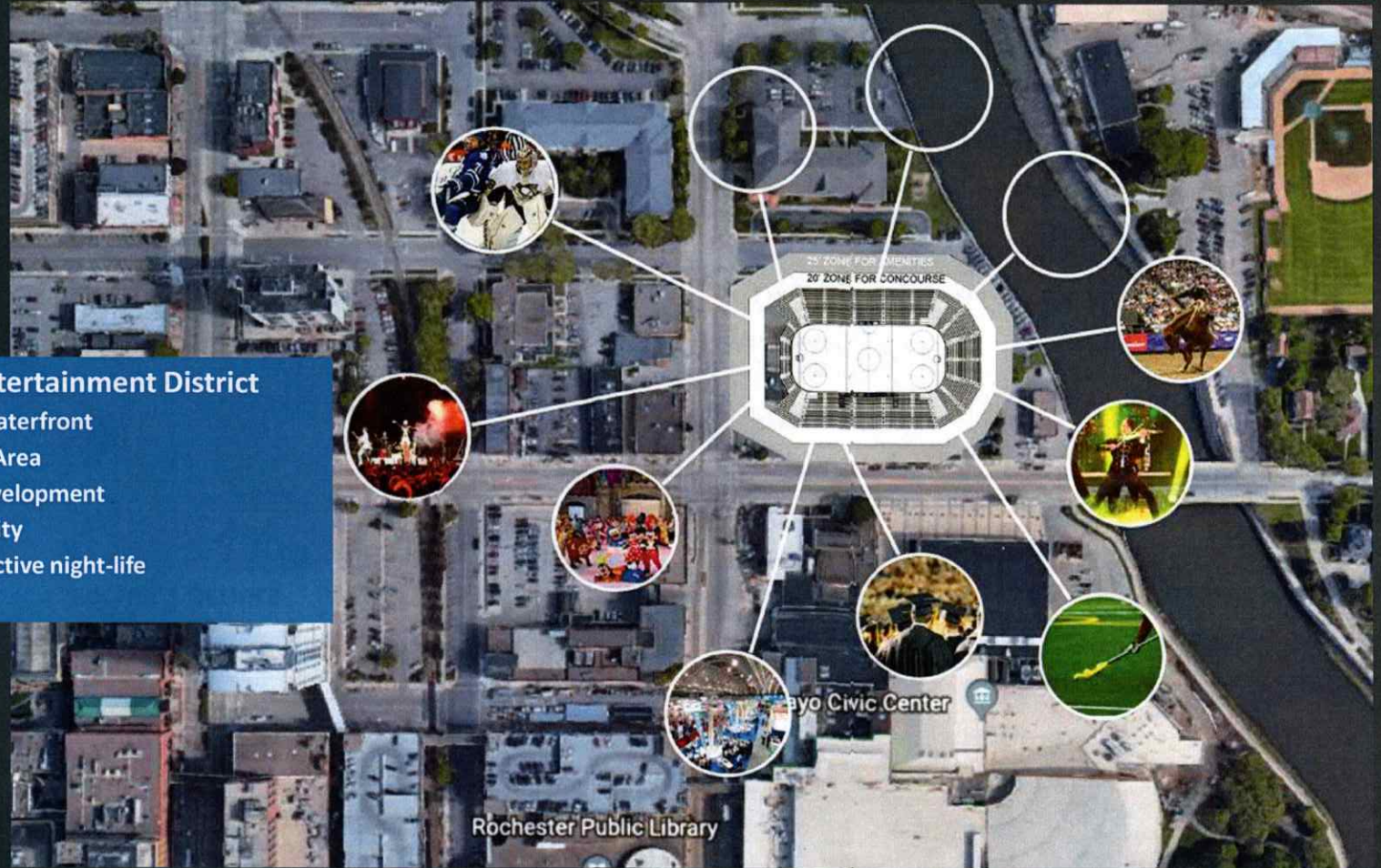
Rochester Public Library

D

The Entertainment District

Downtown Waterfront & Entertainment District

- Transformation of downtown waterfront
- Activation of the Zumbro River Area
- District enhances mixed-use development
- Vibrant destination within the city
- Community involvement with active night-life

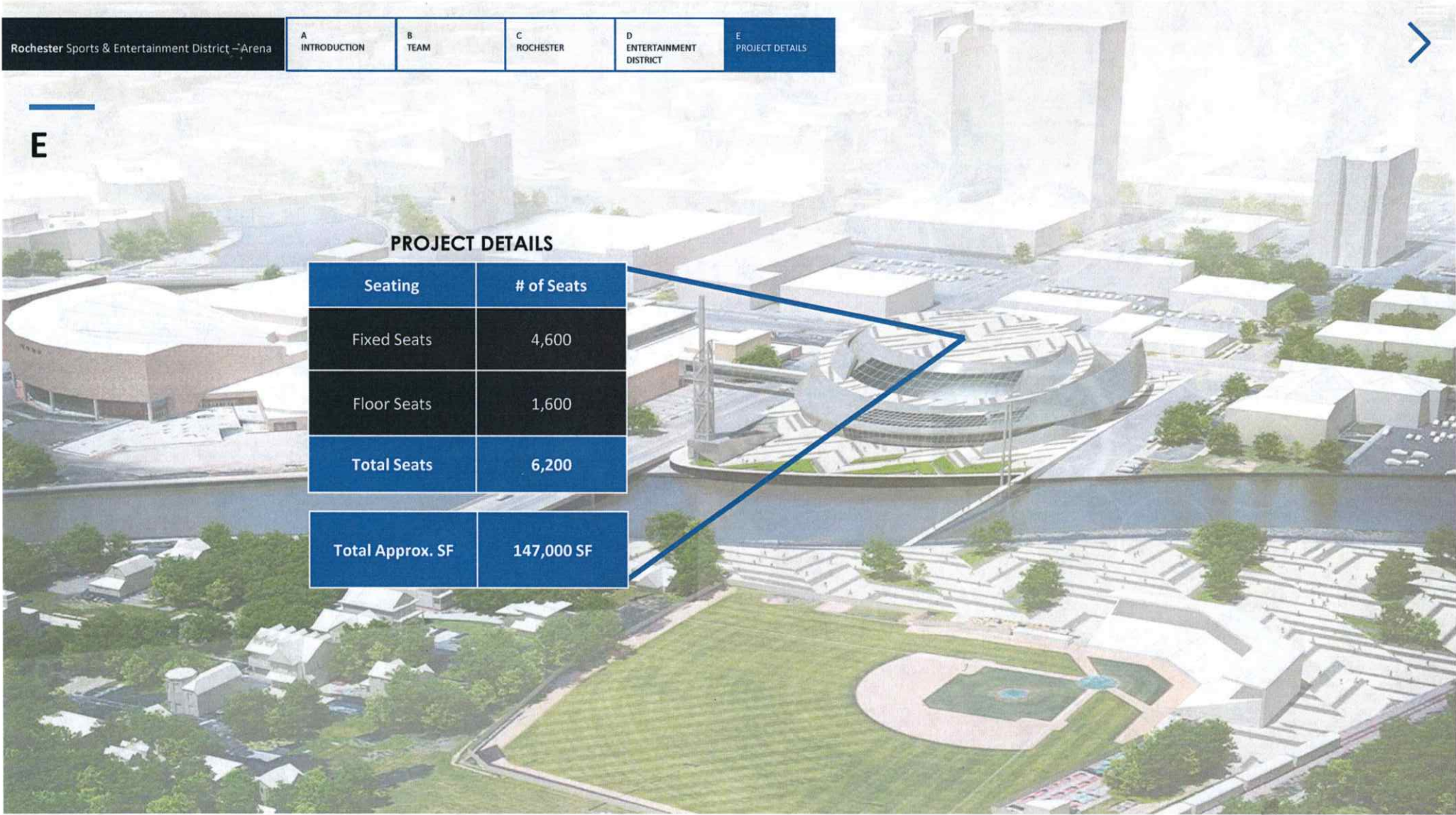




E

PROJECT DETAILS

Seating	# of Seats
Fixed Seats	4,600
Floor Seats	1,600
Total Seats	6,200
Total Approx. SF	147,000 SF

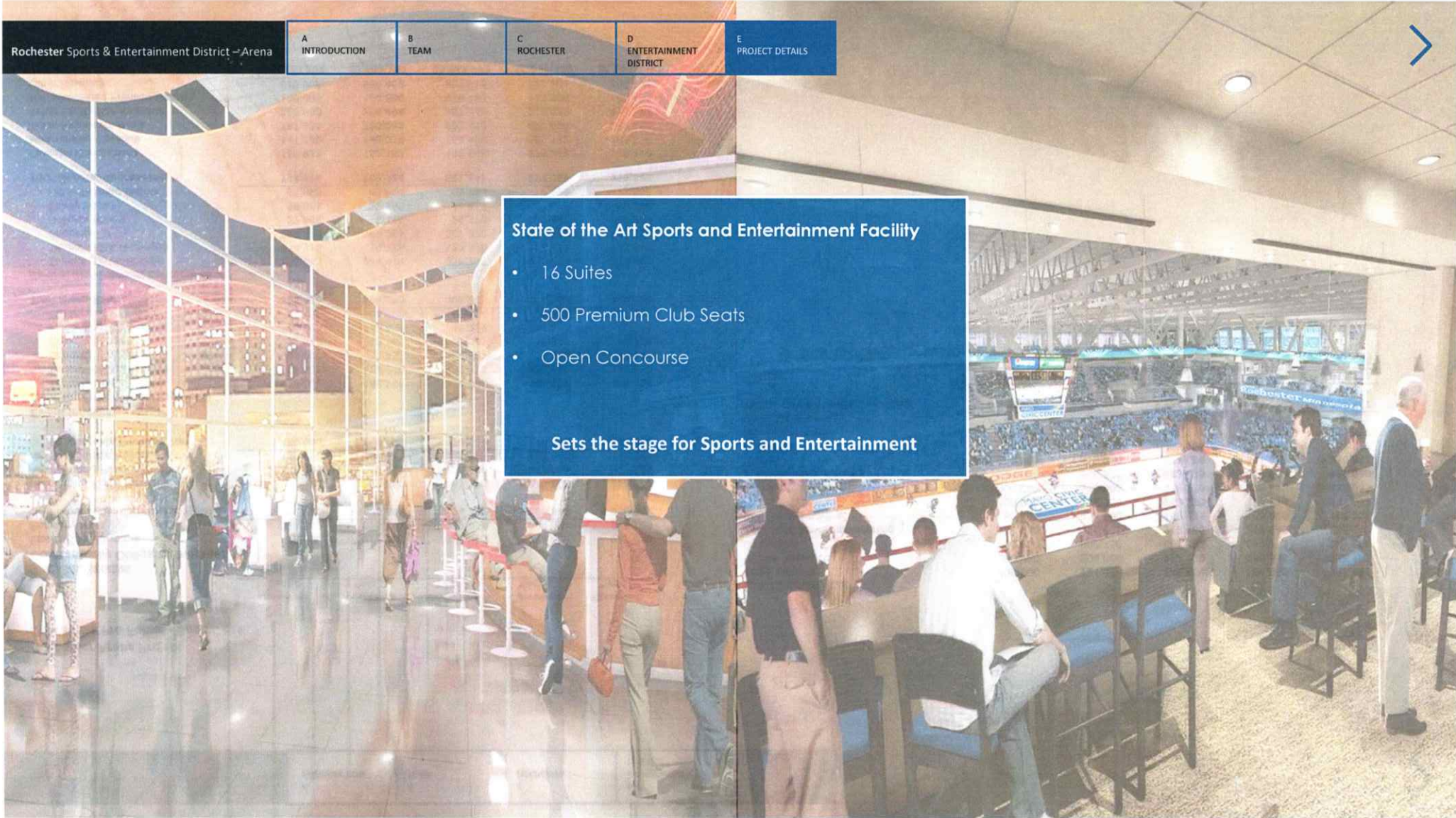




State of the Art Sports and Entertainment Facility

- 16 Suites
- 500 Premium Club Seats
- Open Concourse

Sets the stage for Sports and Entertainment



**Rochester Arena Project
Operations Pro-Forma - Base Case**

	Operations Year 1	Operations Year 2	Operations Year 3	Operations Year 4	Operations Year 5
Operating Revenue					
Contractually Obligated Income:					
Luxury Suite Revenue	700,000	721,000	742,630	764,909	787,856
Premium Seats	218,750	225,313	232,072	239,034	246,205
Premium Seating Revenue, Net	918,750	946,313	974,702	1,003,943	1,034,061
Net Naming Rights Revenue	346,000	353,900	361,968	370,205	378,617
Net Founding Partner Revenue	880,000	902,000	924,550	947,664	971,355
Net Sponsorship Revenue, Other	180,000	184,500	189,113	193,840	198,686
Sponsorship Revenue, Net	1,406,000	1,440,400	1,475,630	1,511,710	1,548,659
Event Income:					
Arena Rent (Net of Event Expenses)					
Tenant - USHL Hockey	175,000	180,250	185,658	191,227	196,964
Tenant - NBA G-League	125,000	128,750	132,613	136,591	140,689
Concerts	(30,000)	(30,450)	(30,907)	(31,370)	(31,841)
Comedy Shows	12,000	12,180	12,363	12,548	12,736
Family Shows	40,000	40,600	41,209	41,827	42,455
Other Ticketed Events	64,000	64,960	65,934	66,923	67,927
Total Arena Rent	386,000	396,290	406,869	417,746	428,930
General (Non-Premium) Concessions					
Tenant - USHL Hockey	239,243	248,812	258,765	269,115	279,880
Tenant - NBA G-League	114,210	118,778	123,530	128,471	133,610
Concerts	283,905	295,261	307,072	319,355	332,129
Comedy Shows	27,068	28,150	29,276	30,447	31,665
Family Shows	50,681	52,709	54,817	57,010	59,290
Other Ticketed Events	63,090	65,614	68,238	70,968	73,806
Total General Concessions	778,196	809,324	841,697	875,365	910,380
Premium Concessions					
Merchandise Revenue	155,925	162,162	168,648	175,394	182,410
Ticket Rebate Revenue	141,550	149,014	154,974	161,173	167,620
Ticket Facility Fee Revenue	757,331	780,051	803,452	827,556	852,383
Non-Manifested Premium Seating	289,800	298,494	307,449	316,672	326,172
Other Revenue	150,000	154,500	159,135	163,909	168,826
TOTAL REVENUE	\$5,493,552	\$5,666,947	\$5,844,173	\$6,027,149	\$6,216,069

Operating Expenses

Administration	700,000	721,000	742,630	764,909	787,856
Human Resources	200,000	206,000	212,180	218,545	225,102
Operations	925,000	952,750	981,333	1,010,772	1,041,096
Sales and Servicing/Marketing	200,000	206,000	212,180	218,545	225,102
Box Office/Ticketing	150,000	154,500	159,135	163,909	168,826
IT and Telecomm	300,000	309,000	318,270	327,818	337,653
Finance	300,000	309,000	318,270	327,818	337,653
Event Services, Security	550,000	566,500	583,495	601,000	619,030
Utilities	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
Insurance	250,000	257,500	265,225	273,182	281,377
Management Fee	250,000	257,500	265,225	273,182	281,377
Other Miscellaneous	50,000	51,500	53,045	54,636	56,275
TOTAL OPERATING EXPENSES	5,075,000	5,227,250	5,384,068	5,545,590	5,711,957
EBITDA	\$ 418,552	\$ 439,697	\$ 460,106	\$ 481,560	\$ 504,112