

## Request for Proposals

### Tahoe South Events Center Management, Operation, Maintenance, Marketing and Food and Beverage Services

#### Addendum 2

1) Upon review of the Summary of Financial Operating Estimates that was provided via a link in the RFP, can you share any more detail behind the revenue assumptions that contributed to the Total Revenue estimate?

	1	2	3	4	5
	2023	2024	2025	2026	2027
<b>KEY FACILITY CHARACTERISTICS</b>					
<b>Seating</b>					
General fixed seats	4,000	4,000	4,000	4,000	4,000
Private suite seats	156	156	156	156	156
Other premium seats	25	25	25	25	25
Retractable/bleacher seats	1,819	1,819	1,819	1,819	1,819
Total seats	6,000	6,000	6,000	6,000	6,000
Max seating capacity	6,000	6,000	6,000	6,000	6,000
<b>Premium Areas:</b>					
Private suites	13	13	13	13	13
Party suites	0	0	0	0	0
Club seats	0	0	0	0	0
Loge/VIP seats	25	25	25	25	25
Clubs/Lounges	2	2	2	2	2
<b>Facility Square Footage</b>					
Exhibit/multipurpose space SF	arena floor	29,000	29,000	29,000	29,000
Meeting/banquet space SF	clubs/lounges	7,900	7,900	7,900	7,900
Total rentable flat floor space SF		36,900	36,900	36,900	36,900
Remaining Building SF		103,100	103,100	103,100	103,100
Total Building GSF		140,000	140,000	140,000	140,000

UTILIZATION AND ATTENDANCE					
Number of Events					
Concerts	18	20	21	21	21
Family/Ice Shows/Sports	8	10	12	13	14
Consumer Shows	2	2	3	3	4
Convention & Trade	2	3	4	6	8
Corporate & Association Meetings	15	15	22	25	30
Community Events	40	45	50	55	55
Banquets/Receptions	10	12	13	15	20
Event Days Per Event					
Concerts	1.0	1.0	1.0	1.0	1.0
Family/Ice Shows/Sports	1.5	1.5	1.5	1.5	1.5
Consumer Shows	2.0	2.0	2.0	2.0	2.0
Convention & Trade	2.0	2.0	2.0	2.0	2.0
Corporate & Association Meetings	1.5	1.5	1.5	1.5	1.5
Community Events	1.0	1.0	1.0	1.0	1.0
Banquets/Receptions	1.0	1.0	1.0	1.0	1.0
Average Turnstile Attendance per Event Day					
Concerts	2,500	2,500	2,500	2,500	2,500
Family/Ice Shows/Sports	1,000	1,000	1,000	1,000	1,000
Consumer Shows	1,800	1,800	1,800	1,800	1,800
Convention & Trade	700	700	700	700	700
Corporate & Association Meetings	300	300	300	300	300
Community Events	100	100	100	100	100
Banquets/Receptions	250	250	250	250	250

Exhibit/Multipurpose Space - Avg SF Per Day						
Consumer Shows		20,000	20,000	20,000	20,000	20,000
Convention & Trade		15,000	15,000	15,000	15,000	15,000
Corporate & Association Meetings		5,000	2,500	2,500	2,500	2,500
Community Events		5,000	2,500	2,500	2,500	2,500
Meeting/Banquet Space - Avg SF Per Day						
Consumer Shows		2,500	2,500	2,500	2,500	2,500
Convention & Trade		7,000	7,000	7,000	7,000	7,000
Corporate & Association Meetings		3,000	3,000	3,000	3,000	3,000
Community Events		1,500	1,500	1,500	1,500	1,500
Banquets/Receptions		2,500	2,500	2,500	2,500	2,500
OPERATING REVENUE						
Average Ticket Price	Growth					
Concerts	3.0%	\$60	\$62	\$64	\$66	\$68
Family/Ice Shows/Sports	3.0%	\$30	\$31	\$32	\$33	\$34
Consumer Shows	3.0%	\$10	\$10	\$11	\$11	\$11
Flat Rental Fee per Event	Growth					
Concerts	3.0%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Family/Ice Shows/Sports	3.0%	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Consumer Shows	3.0%	\$17,500	\$18,025	\$18,566	\$19,123	\$19,696
Convention & Trade	3.0%	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Corporate & Association Meetings	3.0%	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939
Community Events	3.0%	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Banquets/Receptions	3.0%	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251

Rent as % of Ticket Sales - Ticketed event revenue based on flat fee VS % of revenue.						
Concerts		8%	8%	8%	8%	8%
Family/Ice Shows/Sports		10%	10%	10%	10%	10%
Consumer Shows		10%	10%	10%	10%	10%
Exhibit/Multipurpose Space - Rental Rate/GSF/D€						
	Growth					
Consumer Shows	3.0%	\$0.25	\$0.26	\$0.27	\$0.27	\$0.28
Convention & Trade	3.0%	\$0.25	\$0.26	\$0.27	\$0.27	\$0.28
Corporate & Association Meetings	3.0%	\$0.25	\$0.26	\$0.27	\$0.27	\$0.28
Meeting/Banquet Space - Rental Rate/GSF/Day						
	Growth					
Consumer Shows	3.0%	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34
Convention & Trade	3.0%	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34
Corporate & Association Meetings	3.0%	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34
Community Events	3.0%	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34
Banquets/Receptions	3.0%	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34
General Concessions Per Caps						
	Growth	30% of gross to venue				
Family/Ice Shows/Sports	3.0%	\$3.50	\$3.61	\$3.71	\$3.82	\$3.94
Consumer Shows	3.0%	\$2.00	\$2.06	\$2.12	\$2.19	\$2.25
Community Events	3.0%	\$2.00	\$2.06	\$2.12	\$2.19	\$2.25
Event Catering Per Caps						
	Growth	30% to venue				
Convention & Trade	3.0%	\$30.00	\$30.90	\$31.83	\$32.78	\$33.77
Corporate & Association Meetings	3.0%	\$30.00	\$30.90	\$31.83	\$32.78	\$33.77
Community Events	3.0%	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Banquets/Receptions	3.0%	\$30.00	\$30.90	\$31.83	\$32.78	\$33.77
Merchandise Per Caps						
	Growth	15% to venue				

Concerts	3.0%	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Family/Ice Shows/Sports	3.0%	\$2.50	\$2.58	\$2.65	\$2.73	\$2.81
Consumer Shows	3.0%	\$0.50	\$0.52	\$0.53	\$0.55	\$0.56
Facility Fee per Ticket	Growth effective net					
Concerts	3.0%	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Family/Ice Shows/Sports	3.0%	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Consumer Shows	3.0%	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Convenience Charge per Ticket	Growth 33% rebated to venue					
Concerts	3.0%	\$6.00	\$6.18	\$6.37	\$6.56	\$6.75
Family/Ice Shows/Sports	3.0%	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Consumer Shows	3.0%	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Open	3.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Box Office Fee per Ticket	Growth					
Concerts	3.0%	\$1.50	\$1.55	\$1.59	\$1.64	\$1.69
Family/Ice Shows/Sports	3.0%	\$1.50	\$1.55	\$1.59	\$1.64	\$1.69
Consumer Shows	3.0%	\$1.50	\$1.55	\$1.59	\$1.64	\$1.69
Service Expenses Per Event	Growth					
Concerts	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Family/Ice Shows/Sports	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Consumer Shows	3.0%	\$7,000	\$7,210	\$7,426	\$7,649	\$7,879
Convention & Trade	3.0%	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Corporate & Association Meetings	3.0%	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Community Events	3.0%	\$500	\$515	\$530	\$546	\$563
Banquets/Receptions	3.0%	\$500	\$515	\$530	\$546	\$563

Service Expense Recovery						
Concerts		0.4	0.4	0.4	0.4	0.4
Family/Ice Shows/Sports		0.4	0.4	0.4	0.4	0.4
Consumer Shows		0.4	0.4	0.4	0.4	0.4
Convention & Trade		0.4	0.4	0.4	0.4	0.4
Corporate & Association Meetings		0.4	0.4	0.4	0.4	0.4
Community Events		0.2	0.2	0.2	0.2	0.2
Banquets/Receptions		0.3	0.3	0.3	0.3	0.3
Advertising/Sponsorships						
	Growth					
Gross Revenue	3.0%	\$400,000	\$412,000	\$424,360	\$437,091	\$450,204
Less: Sales Commission & Fulfillment		20%	20%	20%	20%	20%
Net Revenue		\$320,000	\$329,600	\$339,488	\$349,673	\$360,163
OPERATING EXPENSES						
Staffing						
Executive:						
General Manager		1	1	1	1	1
Administrative Assistant		1	1	1	1	1
Receptionist		1	1	1	1	1
Finance:						
Director of Finance		1	1	1	1	1
Accounting Manager		1	1	1	1	1
Accounting Clerk		1	1	1	1	1
Marketing:						
Director of Sales & Marketing		1	1	1	1	1
Sales/Marketing Manager		1	1	1	1	1
Marketing Assistant		1	1	1	1	1
Box Office:						

Box Office Manager		1	1	1	1	1
Assistant Box Office Manager		0	0	0	0	0
Event Services:						
Event Services Manager		1	1	1	1	1
Event Coordinator		2	2	2	2	2
Changeover Crew		2	2.5	3	3	3
Premium Seating Coordinator		0	0	0	0	0
Building Operations:						
Director of Operations		1	1	1	1	1
Engineer		1	1	1	1	1
Maintenance		2	2	2	2	2
Ice Technician		1	1	1	1	1
Custodian		2	2	2	2	2
Security		1	1	1	1	1
Labor Costs:						
Executive:	Growth					
General Manager	3.0%	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551
Administrative Assistant	3.0%	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393
Receptionist	3.0%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Finance:						
Director of Finance	3.0%	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786
Accounting Manager	3.0%	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Accounting Clerk	3.0%	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Marketing:						
Director of Sales & Marketing	3.0%	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Sales/Marketing Manager	3.0%	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Marketing Assistant	3.0%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Box Office:						
Box Office Manager	3.0%	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Assistant Box Office Manager	3.0%	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Event Services:						

Event Services Manager	3.0%	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Event Coordinator	3.0%	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Changeover Crew	3.0%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Premium Seating Coordinator	3.0%	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393
<b>Building Operations:</b>						
Director of Operations	3.0%	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Engineer	3.0%	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Maintenance	3.0%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Ice Technician	3.0%	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Custodian	3.0%	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Security	3.0%	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393
Benefits Rate		30%	30%	30%	30%	30%
Part-Time Wages	3.0%	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Utilities	<b>Growth</b>					
Facility Square Footage		140,000	140,000	140,000	140,000	140,000
Cost per Square Foot	3.0%	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5
Total Utilities Expense		\$308,000	\$317,240	\$326,757	\$336,560	\$346,657
General and Administrative	<b>Growth</b>					
Advertising	3.0%	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Audit Fees	3.0%	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Armored Car Service	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Bank Fees	3.0%	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441
Cable/Internet	3.0%	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Computer - Port/Storage/Software	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Computer/Ticketing Supplies	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Dues & Subscriptions	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Licenses & Permits	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Meetings & Conferences	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883



Office Equipment Rental	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Office Supplies	3.0%	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Other	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Postage & Freight	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Printing & Stationary	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Professional Fees	3.0%	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Telecommunications	3.0%	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Training	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Travel & Entertainment	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Vehicles	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628

Operations	Growth					
Contracted Services	3.0%	\$130,000	\$150,000	\$154,500	\$159,135	\$163,909
Equipment Rental	3.0%	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Materials & Supplies	3.0%	\$100,000	\$140,000	\$150,000	\$154,500	\$159,135
Repairs & Maintenance	3.0%	\$50,000	\$60,000	\$100,000	\$103,000	\$106,090
Trash Removal/Pest Control	3.0%	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Uniforms	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Other	3.0%	\$50,000	\$60,000	\$100,000	\$103,000	\$106,090

Insurance	Growth					
Facility Square Footage		140,000	140,000	140,000	140,000	140,000
Cost per Square Foot	3.0%	\$0.75	\$0.77	\$0.80	\$0.82	\$0.84
Total Insurance Expense		\$105,000	\$108,150	\$111,395	\$114,736	\$118,178

Sensitivity Analysis: Modeling assuming lower suite revenue, slightly lower rental rates and slightly lower operating expense.

Summary of Financial Operating Estimates					
	Year 1	Year 2	Year 3	Year 4	Year 5
Event Revenue	\$1,379,231	\$1,531,508	\$1,807,125	\$1,972,885	\$2,211,626
Advertising & Sponsorships	400,000	412,000	424,360	437,091	450,204
Premium Seating Revenue	<u>269,500</u>	<u>317,240</u>	<u>326,757</u>	<u>336,560</u>	<u>346,657</u>
Total Revenue	2,048,731	2,260,748	2,558,242	2,746,536	3,008,486
Operating Expenses	<u>2,495,500</u>	<u>2,656,750</u>	<u>2,806,340</u>	<u>2,890,830</u>	<u>2,977,405</u>
<b>Net Operating Revenue</b>	<b>(\$446,769)</b>	<b>(\$396,002)</b>	<b>(\$248,098)</b>	<b>(\$144,294)</b>	<b>\$31,081</b>





















