

41B New London Tpk.
Glastonbury, CT 06033
Phone: 860.657.0630
Fax: 860.657.0761
Frusso@global-spectrum.com
www.global-spectrum.com

January 8, 2010

Mr. Gregory Bradley
Finance Manager
Gainesville Community Redevelopment Agency
300 East University Ave., Suite 240
Gainesville, FL 32601

Dear Mr. Bradley:

In accordance to your request, we have completed our Analysis as to the feasibility for a proposed Civic/Conference Center to be located in Gainesville, Florida.

As the managers of 26 conference and convention centers, the recommendations contained within this Analysis are based upon the experience and knowledge we have gained from the pre-opening and management of similar facilities throughout the world. This Report will reflect our expertise, experience, and interest.

Global Spectrum appreciates the opportunity to provide this Feasibility Analysis. We are very pleased that we were able to complete this project and fulfill the City's research needs in light of the tight deadline the City required in order to issue the RFI on time. We look forward to discussing our findings and recommendations with you or your staff if you wish to follow up.

We are very encouraged that our interviews with potential users of the proposed facility clearly document a very strong market demand that would provide a stable event base to support the ongoing operation and a significant economic benefit to the community. We look forward to continuing to work with you as this project progresses toward reality.

Sincerely,



Frank E. Russo, Jr.
Senior Vice President

Executive Summary

Global Spectrum was engaged by the Gainesville Community Redevelopment Agency (“GCRA”) to conduct a feasibility analysis as to the viability of a civic/conference center (“Facility”) with a proposed site location of SW 2nd Ave. in Gainesville, Florida.

Global Spectrum’s Vice President of Special Projects, Barry Strafacci, and Director of Convention Center Finance, Sue Jordan, visited Gainesville on December 21 and 22, 2009. As described further in this Report, this Team met with the GCRA and the key stakeholders in the community, including Visit Gainesville, the University of Florida, and a private meeting planner in order to obtain feedback on the potential need and viability of a Facility.

The results of these visits, subsequent research, and comparison of similar Global Spectrum conference center venues from a financial and event perspective, are provided in this Report.

Based upon the information collected during our Analysis, we offer the following summary of our research and recommendations relating to the Proposed Facility:

- The physical site location at SW 2nd Ave. in the center of the city is an ideal location. It provides close proximity to entertainment, dining, and hotel rooms. The lot size of the site allows for the construction of a 40,000 to 50,000 gross sq. ft. conference center as a component of a larger mixed-use development with street level retail and a full service high-rise hotel.
- Currently, the largest venue in the Gainesville area (Hilton University of Florida) can accommodate less than 350 people for conferences. This lack of meeting space has created a tremendous demand for a facility that can accommodate more than 450 people with hotel rooms. Based upon our research, it is estimated that over 65,000 room nights and 130 meetings are lost to Tallahassee, Tampa, Jacksonville, and Orlando due to the of lack of available space in Gainesville.
- Meetings, conference, conventions, and special events that can be accommodated by a new facility in Gainesville, we estimate will increase direct spending in Gainesville by \$22.5 million annually.
- Based upon our interviews that indicated very high market demand, and on our comparison of similar venues, the size of the facility must be at least 42,000 gross sq. ft. with 22,000 sq. ft. of flexible meeting space to accommodate an overwhelming market demand.
- GCRA may want to explore the possibility of a Master Development Plan to include a 250-room hotel, retail, and restaurant space above the center, and, therefore, reduce construction costs, as discussed further in this Report.

Table of Contents

Introduction, Report Layout, and Findings3

Scope-of-Study4

A. Technical Analysis.....5

B. Economic/Comparable Market Analysis16

C. Financial Analysis19

Pro forma25

Conclusion26

Appendices

- Appendix I. Company Description
- Appendix II. Global Spectrum’s Project Team
- Appendix III. Meetings & Conventions Report Summary

Introduction, Report Layout, and Findings

Subject of the Study

In 2009, the Alachua County Commission issued an RFI for potential projects that could be funded by a two percent increase in the bed tax, estimated at \$7 million.

Global Spectrum has been engaged to provide the GCRA with a Feasibility Analysis of the viability of a civic/conference center in Gainesville, Florida, as one of the projects to be presented in the RFI.

As part of this Analysis, Global Spectrum conducted a site visit to Gainesville, Florida to interview stakeholders, review the proposed site, hotels in the market, and the University of Florida campus. Additional elements of our research included:

- Interviewing meeting planners to assess demand and usage for this type of facility.
- Reviewing the site for size and location relative to ancillary services and activities needed for a successful conference center meeting the market demand.
- Conducting site visits to the largest of the market's hotels to assess current meeting space.
- Researching construction costs of similar facilities, financial performance of similar facilities, and potential financial performance of the proposed project.

Scope-of-Study

A. Technical Analysis

The GCRA engaged Global Spectrum to conduct a review and comment in a Report on the site analysis provided by GCRA of the site location intended use. The Report was to address facility or design related factors (i.e., size, space recommendation, etc.) that will impact the Facility. Additionally, we were to recommend a facility size and configuration suitable for the market and provide a construction estimate based upon comparable Global Spectrum projects currently in progress.

B. Economic/Comparable Market Analysis

Additional elements of the Report were to include a review of specific economic and demographic trends that reflect the overall condition of the local economy, including interviews with local stakeholders (i.e. CVB, hotel(s), etc). We recognize that the economic viability of the Gainesville area is an important consideration in forecasting conference center demand.

In this Section, we were to present an analysis of comparable and competitive civic/conference facilities, along with providing financial performance data from comparable Global Spectrum facilities.

C. Financial Analysis

Based on our general understanding of comparable facilities, Global Spectrum was to analyze and provide an opinion on the financial feasibility of the Facility. This Analysis was to include a sample pro forma for the first two years of operation and include a schedule/forecast of event demand.

However, this Analysis was to be at a level that would not be suitable for seeking funding through bonding or other means. A more in-depth analysis would be required.

Our findings are included in the following sections of this Report.

A. Technical Analysis

Preliminary conclusions provided by an external consultant to the GCRA determined that Lot 10 (SW 2nd Ave) located in downtown Gainesville would be the optimum site for the Facility. This review assumed a hotel and conference center on this proposed site would be a multi-story complex. The site was reviewed by the Global Spectrum team during its visit to Gainesville December 21 and 22, 2009.

Site Review Findings

- The site is centrally located in the downtown area of Gainesville, Florida. The block has accessibility from all four sides. It is adjacent to the entertainment district, which has a variety of restaurants and nightspots. It is two blocks from the new 124-room Hampton Inn and a short shuttle bus ride from the 132-guest room Gainesville-University Center Holiday Inn. There is a municipal parking structure across the street from the site with over 400 parking spaces.
- The site size, within the boundaries of the sidewalks, is approximately 39,000 sq. ft. Consideration may be given to having the upper floors extend over the sidewalk on at least two sides resulting in additional square footage to these levels. Implementing this design could add approximately 4,000 sq. ft. to each level.
- Extension of the upper floors would allow for a 40,000-50,000 gross sq. ft. conference center configured on two floors with adjacent spaces to rest within the footprint for a 250-room hotel lobby and high-rise block of rooms. This footprint would accommodate retail space on the ground floor with a shared loading dock for the conference center and the hotel.
- Additional consideration should be given for the hotel's full service restaurant to be on the ground floor with street access.
- Any additional rental space will provide incentive income for the master developer.

Industry Trends

In support of the recommendations Global Spectrum has put forth in this Report, we have enclosed text from an article published in Meetings & Conventions magazine. This article contained information from their most recent (2008) biannual survey. A key finding from this study that is relevant to Gainesville is that in choosing meeting locations, meeting planners favor downtown facilities with meeting space close to the hotel rooms.

The report generated from the survey further found that when selecting a destination, the following was the order of priority:

- Availability/Suitability of Hotels/Facilities
- Affordability of Destination

Additionally, when selecting the facility, planners chose the following factors in order of priority:

- Number, size, quality of meeting rooms
- Negotiable food, beverage and room rates
- Cost of meeting space
- Number, size and quality of sleeping rooms
- Quality of the food service

Highlights from this article are contained in Appendix III of this Report.

This project would provide a high tech, state-of-the-art, multi-level meeting/conference space of 40,000-50,000 square feet with a 250-room full service hotel located one block from the new 124-room Hampton Inn and centrally located adjacent to the entertainment district containing fine dining and shopping. Adding in the great affordability of Gainesville, it is clear the destination and proposed facility meet the priorities of the surveyed meeting planners.

University of Florida Meeting Planners

During our interviews with the meeting planners at the Department of Conferences, Division of Continuing Education at the University of Florida, it was repeatedly pointed out this group firmly believes that Gainesville has limited space for meetings, special or social events, and that no local venue can host more than 350 attendees. The campus meeting planners currently produce between 125-150 meetings a year, 50 of which average over 500 attendees, and which are currently referred to Tallahassee, Orlando, and Tampa venues. The planners would strongly prefer to host their event in Gainesville rather than other regional destinations and would welcome the opportunity to host their events at the new Facility.

The planners also emphasized that the Hilton University of Florida property with its largest ballroom at 6,860 sq. ft., was too small for their needs and had too few breakout rooms (meeting rooms). Additionally, the planners stated that any new space must have adequate meeting rooms (at least 10) and be a multi-functional facility able to serve over 400 guests.

Facility Recommendations

- Based on an average attendance of 500, most meetings will require a general session space for the entire group, a banquet space for the entire group, and breakout rooms.
- Support space will be required, such as service corridors, storage, kitchen facilities, administrative/sales offices, and pre-function space. The pre-function space should be large enough to accommodate pre-event receptions and tabletop exhibits. A guideline of Global Spectrum’s suggested proportions of the conference center is as follows:

Component	Recommended Size (sq. ft.)
Ballroom/Multi-Purpose Space	12,000 – 14,000
Meeting Rooms 10-12 breakout rooms	10,000 – 12,000
Total Function Space	22,000 – 26,000
Estimated Support Space	20,000 – 24,000
Estimated Gross Build	42,000 – 50,000

- 22,000 sq. ft. of function space will accommodate a meeting with attendance up to 500. The ballroom/multi-purpose space would include movable walls allowing dividing the space in half, which would allow for the General Session in one section and meals to be served in the other.
- 10 meeting rooms (totaling 10,000 sq. ft.) will easily accommodate the 500 people for concurrent breakout sessions.
- The configuration of space will require the meeting rooms, priority storage, and kitchen facilities to be located on one floor and the ballroom/multi-purpose space with large pre-function area on another floor. This would also require adequate vertical circulation such as elevators, escalators, and stairs.

The following space descriptions represent “Best Practices” in programming for conference centers and do not take into account back-of-the-house areas, bathroom facilities, food and beverage areas, such as full service kitchen, dry storage, refrigeration areas, offices, dishwashing area, or chair storage.

Ballroom/Multi-Purpose Space

The ballroom/multi-purpose space will accommodate formal dining and assembly events. This space should provide flexibility, allowing simultaneous activities. This space should be in a prominent location with significant accessibility for arrival and entry procession. The room and its pre-function area will have a higher level of finishes than other meeting rooms.

The highest demand for the ballroom/multi-purpose space is for banquet functions in support of building events, typically breakfast and lunch. This room should serve 800-950 persons comfortably at a single banquet event, using six-foot round tables, each seating 10 persons. Additional uses for the ballroom/multi-purpose space will include lectures or similar presentations using theater-style seating for over 1,200 persons. Classroom seating with linear tables is also used for meeting or assembly purposes. Evening functions will include cocktail receptions with dancing or other entertainment.

This is a large, column free space that is divisible into at least two roughly equal spaces by using operable walls.

Ballroom/multi-purpose space features will include a finished ceiling with a minimum clear height of 24 feet. A variety of lighting types will be used including dimmable incandescent, fluorescent and specialty lighting such as neon for architectural features. There will be built-in power and controls for using portable theatrical lighting to be installed for special events.

Wall finishes will include durable hard surfaces where subject to frequent abuse. Feature areas may include wood, marble or fabric-wrapped acoustical panels. Floor areas will be a high quality carpet.

There shall be three-planned stage locations, one per division and one for the full-open space. Each location will have permanent rigging points, along with stage lighting and audio connection points. All stages will be portable.

The amount of pre-function square footage in the area contiguous to the ballroom/multi-purpose space is very important to the attendee experience and for revenue generation. This area provides a space for pre-event receptions and allows for higher per capita spending of events.

The minimum pre-function space for up to 12,000-14,000 sq. ft. ballroom/multi-purpose space is about 5,600-6,500 sq. ft. This pre-function space should accommodate about 820-950 persons for pre-function events.

The following are space descriptions adopted as Best Practices from various convention/conference center programs.

Divisibility

- Divisible in half using operable walls.
- Lighting, sound and temperature controls to relate to each division.

Features

- Built-in support for portable simultaneous translation equipment.
- Food service through back-of-the-house service corridors from kitchen. 12-15 ft. wide (gross dimension) service corridors to wrap at rear of ballroom/multi-purpose space.
- Service corridors configured with offset/light trap.

- Rigging capability for hanging banners, track lights, etc.
- Permanent accommodations for portable stage and dais set-up, i.e., microphones, projector and lighting controls, power, phone and data outlets.

Finishes

- Ceiling Height: 24 ft. clear. Low-hanging obstructions shall not impact audiovisual capabilities in room.
- Decorative, multi-level ceiling designed to relate to the scale of the space, and to the divisions anticipated. Secondary grid system to house strategic lighting and mechanical components; also, accommodate operable wall tracks and acoustical separation.
- Walls: Durable, low maintenance finish with an emphasis on a high quality appearance.
- Floor cover: Axminster-type carpet, wool/nylon blend preferred, but 100% synthetic would be acceptable.

Structure

- Design floor live loading of 150 lbs. per sq. ft. to accommodate light exhibits.
- Elevated structure shall accommodate the dynamic loading from aerobics, dancing or similar events.
- Overhead structure requires rigging support for banners, projection screens, speakers, light trusses, etc.

Acoustics

- Background noise level should meet NC 35.
- Acoustic performance criteria for operable walls, minimum STC of 52.
- Acoustical performance criteria for permanent walls, minimum STC of 58.

Audiovisual

- Room sound system with overhead speakers capable of medium quality voice reinforcement. Provide kill switches to mute speakers at head table locations.
- Paging system zoned to divisible sections with override capability for emergency.
- Microphone jacks: Minimum of four per head table location, as well as center and back of the room.
- Projector sound input jacks connected to room sound system.
- Projector control jacks at head table and opposite head table location(s) for each division and combination.
- Capability for remote central audio recording of programs.
- Background and music assignment and volume controls.

Electrical

- Quadruplex convenience outlets at 30 ft. centers on perimeter walls, (2) each 120-volt, 30-amp circuits.
- Two 208-volt, 100-amp, 3-phase connections located in the service corridors with covered "mouse hole" to ballroom/multi-purpose space.
- Two 208-volt, 400-amp disconnect for stage use at service location to be determined.
- Three 110-volt, 20 amp circuits for convenience outlets at 30 ft. centers each way, recessed in floor.
- One 208-volt, 30-amp, 3-phase outlet in floor on 30' x 60' grid, staggered.

Lighting

- Type: Dimmable incandescent for general illumination. Decorative where appropriate. Sconces not recommended. If selected, use low-profile chandeliers.
- Level: 40-50 foot-candles, general illumination.
- Programmable controls activated based on room divisions.
- Custom panels for light and temperature controls.

Telecom

- Provide four each voice and data outlets at 30 ft. centers at perimeter walls and in floor on 30' x 30' grid.
- Provide a minimum of four (4) multi-mode fiber-optic connections on each wall of the three major room divisions. Extend fibers to the nearest telephone closet with patch panel for accessing fiber optic backbone system.
- Provide a minimum of four (4) single-mode fiber optic connections to each room division. Extend fibers to the nearest telephone closet with patch panel for accessing fiber optic backbone system.
- House phone in flush mount enclosure at both public and service entrances.

Graphics

- Identify ballroom/multi-purpose space divisions (front and back-of-house).
- Scale to relate to size of pre-function space and viewing distance.
- Colors compatible with overall Center color scheme.

Support Spaces Required

- Restrooms.
- Storage for tables, chairs and other furniture.
- Pre-function space.
- Back-of-house corridors.
- Food service/hot box cart staging areas.
- Main food/kitchen storage area.

Furniture, Fixtures & Equipment

- Tables.
- Table trucks.
- Stack chairs.
- Chair trucks.
- Portable dance floor.
- Lecterns.
- Portable stage and accessories.
- Performance lighting equipment.
- Audio equipment.
- Lavalier and table top microphones.
- Rigging equipment.

Meeting Rooms – 10,000 to 12,000 sq. ft.

Meeting room spaces must accommodate a wide spectrum of event types and group sizes. These spaces are generally associated with each exhibit hall's division and are arranged to accommodate simultaneous multiple events. Meeting rooms can be on separate levels, but should be closely related to Ballroom/Multi-Purpose space.

- The smallest room division will be approximately 1,000 net sq. ft.
- The grouping of meeting rooms should be designed in clusters divided by movable partitions. These clusters should group as many meeting rooms as possible with operable/movable walls rather than permanent walls, allowing flexible size of rooms.
- Flexibility in sizing of permanent meeting rooms is required so that a variety is available to users. Minimum ceiling heights vary with the overall room size to accommodate multimedia presentations.
- Approximately 10-12 break-out rooms are desired for this phase of the conference center.
- Plan for head table locations along at least two walls of each meeting room break, providing flexibility of room configuration. Provide microphone, audio and lighting controls for each room with the ability to combine electronically for single point controls when operable walls are removed. A permanent retractable projector screen should be centrally located in each meeting room.

Divisibility

- Divisions achieved using operable walls to divide permanent rooms (lockable).
- Lighting, sound, and temperature controls to relate to each division.
- Operable wall storage enclosures on back-of-house service corridor side.

Features

- Door hardware should utilize concealed rods and closers with levers of a type allowing smooth, quiet operation. Stops built-in or on walls (not on floor).
- Food service through back-of-house service corridors.

Finishes

- Ceiling Height: 14-16 foot minimum.
- Ceiling: 2x2 acoustical lay-in with coffers and drop soffits at perimeter and at operable wall tracks.
- Walls: Durable, low maintenance finish up to 9 ft above floor. At least one wall should have a tackable surface. Painted gypsum board not acceptable.
- Floors: Carpet 80 percent wool/20 percent nylon blend. Provide contrasting borders and pattern to facilitate placement of rows of chairs.

Acoustics

- Permanent walls constructed to meet STC 50-55.
- Acoustic performance criteria for operable walls, minimum STC 52.

Audiovisual

- Room sound system with overhead speakers capable of medium quality voice reinforcement.
- Paging system zoned to meeting rooms with override capability for emergency.
- Microphone jacks: At head table location(s) when operable walls are in place and at rear wall near public entry doors.
- Projector sound input jacks connected to room sound system.
- Projector controls jacks at head table and lectern location(s).
- Capability for remote audio recording of programs.

Electrical

- Provide 120-volt, 20-amp convenience outlets along perimeter walls and in floor boxes at operable wall locations, minimum four (4) circuits per division or one (1) circuit per 900 sq. ft., whichever is greater
- Provide floor outlets at head table locations.
- In the service corridor, provide minimum of one 208-volt, 100-amp 3-phase circuit for each undivided meeting room.

Lighting

- Type: Incandescent and fluorescent dual system.
- Level: Incandescent, 20 footcandles; Fluorescent, three or four tube fixtures, dual circuit for 30/40 and 60 footcandles.
- Dimming capabilities on incandescent only.
- Provide programmable lighting system with 8 button preset control system at public side, 2 button on/off at service side of each room division.

Telecom

- Telephone: Provide for each voice and data outlets at 30 ft. centers along perimeter and at mid-point of operable walls. Minimum four locations per room division.
- House phone in flush mount enclosure in convenient location.

Graphics

- Establish meeting room number designations related to divisibility (back and front-of-the-house).
- Size to relate to scale of concourse space and viewing distance/angle.
- Colors compatible with overall Center color scheme.

Furniture, Fixtures & Equipment

- Tables with carts.
- Stack chairs with carts.
- Lecterns.
- Loose staging/accessories.
- Portable projection equipment.
- Lavalier and table top microphones.

The size and configuration recommended for the Gainesville Facility reflected in this Report are based on the current demand. It is prudent to develop plans for the potential of the market that may grow in the future. Any increase in the average group size of any meeting/conference will require additional function space and hotel rooms. Across the street from the site there is currently a parking lot that may be an ideal expansion site in the future.

The recommended size and configuration will accommodate groups needing multiple hotels. The majority of groups will utilize the new Hampton Inn, Holiday Inn, and the new conference center hotel. It should be kept in mind that projects similar to the Gainesville Facility tend to spur future hotel development in the same proximity of the Facility. Specific examples where this has occurred include:

- Tampa, FL
- San Diego, CA
- Overland Park, KS
- Niagara Falls, NY
- St. Charles, MO
- Pueblo, CO

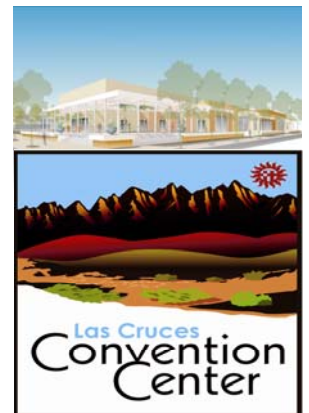
Comparable Conference Center Construction Costs

Global Spectrum is responsible for the management of 26 conference/convention centers, over 15 of which we supervised the pre-opening, including Furniture, Fixtures & Equipment (“FF&E”). The following comparable venues are examples of venues similar to the proposed Gainesville Facility where we provided pre-opening and management services.

Las Cruces, New Mexico

The City of Las Cruces, in collaboration with New Mexico State University, is currently constructing a stand alone convention/conference center with a 200-room full service hotel on adjacent property. The cost estimates and planning for the project was conducted in late 2002.

- Over 30,000 sq. ft. of function space within a 55,000 gross sq. ft. building. In addition, there is a 5,000 sq. ft. patio for outdoor events.
- The estimated cost for this project, excluding land, is \$380 per sq. ft.
- The Center’s current budget includes some site improvement costs that were unexpected, a 350-car parking lot, street improvements, landscape, and streetscape improvements.
- \$1 million contingency allowance that if not used, will lower this per sq. ft. cost.



Clovis, New Mexico

- The City of Clovis completed a freestanding convention/conference in 2006, the Clovis Civic Center. This facility has 15,000 sq. ft. of function space with pre-function areas and a 6,650 sq. ft. enclosed outdoor plaza designed specifically for outdoor events. The gross size of the build-out is 35,600 sq. ft. including the plaza.
- The construction costs without land were \$7.0 million. Included in this amount is a parking lot, landscaping, and site development.
- Project cost approximately \$200 per sq. ft.
- In addition FF&E expenditures were \$750,000.



CLOVIS
CIVIC CENTER

St. Charles, Missouri

- The St. Charles Convention Center, St Charles Missouri opened April 2005 and is located in suburban St. Louis. This project was a joint venture between the City and the County with John Q. Hammonds as the hotel developer. The Convention Center was built with an attached 296-room Embassy Suites hotel and 1,200 paved parking spaces.
- The construction cost for the Center was \$208 per sq. ft. for 154,000 sq. ft. building, totaling \$32 million.
- FF&E expenses were \$2.5 million. This two-story project has very high end interior finishes and furnishings.



SAINT CHARLES
CONVENTION CENTER

Gainesville Conference Center

Given the proposed Facility site, and the planned minimum meeting capacity of 500 people, along with our review of similar venues, Global Spectrum has concluded that there are opportunities for cost savings by implementing a mixed-use development concept for this project.

As an example of cost savings, the Facility parking needs could be met by the adjacent 855-space parking structure, resulting in the need for minimal landscape and streetscape improvements.

Most importantly, the Facility would be attached to, and sit above, a mixed-use retail and hotel complex. The “deal structure” with a master development (as described below) can transfer a portion of the foundation and site costs to the private side of this development deal. These costs would in effect be the “cost of land” to the master development, thus lowering net construction costs to the conference center project. The foundation and site developments will reflect the increased cost of a high-rise hotel.

The square foot costs of a facility of the size being proposed for Gainesville vary greatly by the costs based on a range of factors, including site work, landscape and streetscape, parking lots, street improvements, event space, and finishes of the function space.

The estimated range of construction costs based on Global Spectrum properties and discussions with industry architects currently runs \$200-\$275 per sq. ft. excluding parking structures, land costs architects and engineering fees, which run about 7-8% of the project cost. Industry architects indicated stand alone centers are currently running closer to the top of this range.

This project conceivably will be on the low end of this range, and as stated previously, may be reduced through the structure of the master developer deal.

Potential Project Costs

The following illustrate potential project costs based on the range of actual costs . excluding parking structures, land costs, architects and engineering fees, which typically run up to 8% of the project cost.

42,000 sq. ft. @ \$200 =	\$8,400,000
FF&E	<u>800,000</u>
	\$9,200,000

By example, should the price per sq. ft. be higher:

42,000 sq. ft. @ \$275 =	\$11,550,000
FF&E	<u>800,000</u>
	\$12,350,000

Master Developer Approach

As described previously, a creative approach to this project may be to issue an RFP for a “master developer” to build a 250-room full service hotel, retail space, and a 42,000 sq. ft. conference center. The conference center “space program” would be specified by professional consultants and built to these specifications.

A mixed use project can share costs between retail, hotel and conference center for public space, HVAC, and loading docks. The owner would provide the selected developer \$7 million and the use of the land. The conference center could be publicly held while the remainder of the development would be privately held on a long-term land lease.

B. Economic/Comparable Market Analysis

- Gainesville, Florida is located in north central Florida with a population of about 120,000 in Gainesville and about 250,000 in Alachua County. The City population has grown approximately 20 percent over the last decade.
- The University of Florida is located in Gainesville and has over 50,000 students. Additionally, Santa Fe College has over 16,000 students.
- The largest employers are the University of Florida and Shands HealthCare Complex, which includes over 1,000 physicians from the University of Florida.
- Several new projects are under way, such as a new Veteran's Administration Hospital, Bio Tech Research Center, and major park development with a new "museum". The latter is in close proximity to the entertainment district and the proposed conference center site.
- Located on Interstate 75, Gainesville is centrally located to the Interstate system and is within a 2 ½ hour drive of Tampa, Orlando, Daytona, and Jacksonville.



- Gainesville has limited air service but has connection service to Atlanta (ASA) and Charlotte (US Air).
- The community has strong visitation for University sponsored events such as athletics or academic.
- The economy appears strong due to steady employment with the largest employer not as adversely affected by the recent economic downturn as compared to the rest of the national economy. As of November 2009, the unemployment rate is 8 percent compared to the 10 percent national rate. Economic indicators for the market area project a positive outlook for economic growth in the region.

Available Meeting Space in Gainesville

Hotel	Largest Function Space	Meeting Room Space
Best Western Gateway	3,930 sq. ft.	1,655 sq. ft.
Clarion	3,816 sq. ft.	3,523 sq. ft.
Hilton University of Florida	6,860 sq. ft.	7,080 sq. ft.
Holiday Inn Univ.	-	600 sq. ft.
Paramount	6,696 sq. ft.	9,928 sq. ft.
Hampton Inn & Suites	-	4,805 sq. ft. *

* Source: Hampton Inn & Suites Website (12/31/09)

The lack of function space for civic and social events is evident with the maximum available ballroom/multi-purpose space seating about 450 people with limited meeting breakout space. This lack, coupled with the conference/meeting space demand, is a clear indicator of a compelling need for this market.

Interviews with Local Stakeholders

During Global Spectrum's site visit, we interviewed several stakeholders from the market. The purpose of these interviews was to evaluate demand for conference/meeting space. Individuals interviewed include:

Nancy Fischer, CMP
Director of Sales
Visit Gainesville

Rebecca C. Johnson, CMP
Director
Division of Continuing Education
Department of Conferences

Ann Koralewski, CMP
Meeting Planner
Division of Continuing Education
Department of Conferences

Jackie Cassaly, CMP
Meeting Planner
Planning Connection

Andrew Campbell, CMP
Assistant Director
Division of Continuing Education
Department of Conferences

Summary of Interviews

- The meeting planners we met with estimated that University of Florida had about 70 meeting planners. Departments serviced by these meeting planners include Health Center, Engineering, Bio Tech, Institute of Food and Agricultural Science, the Athletic Association and the Main Campus. Most of the University meetings are funded by grants. The planners were consistent in saying that they would prefer to keep their meetings in Gainesville (rather than at other regional venues) in order to increase attendance and save costs.
- These meeting professionals stressed the need for a multi-purpose space with the ability to host a general session, banquet space, and a minimum of 10-12 meeting rooms of 1,000 sq. ft. each for breakouts.
- Comments from the Director of Sales at Visit Gainesville were similar to the planners' comments; emphasize on the lack of adequate space and that the many inquiries she receives regarding meeting space in Gainesville are currently lost to other cities throughout the state.
- The private planner stressed the need for more space than the academic planners. She has strong concerns over under-sizing any new facility.
- All planners stressed flexibility and functionality of such a conference facility.

Opportunities: Event Types that Could be Hosted at the Facility

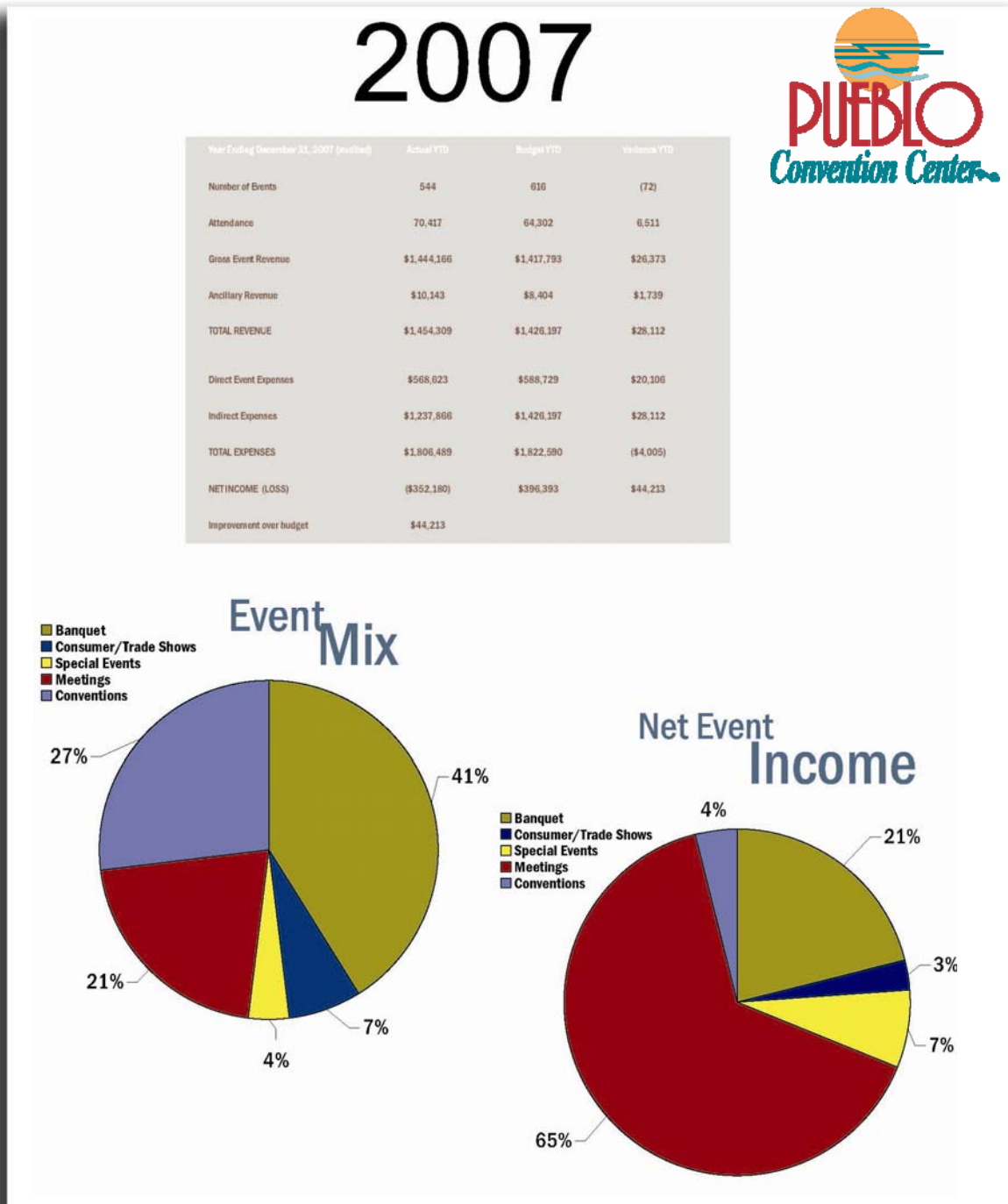
- Special Events
 - Seminars
 - Religious Conventions
 - State Organizations
 - University of Florida Event and Conferences
 - Medical Conferences
 - Engineering Conference
 - Social/ Weddings
 - Consumer Shows/Trade Shows
 - Community Festivals
-
- A conservative estimate of 50 conferences/meetings suggested by the University of Florida planners with an average of 450 attendees for three nights and four days would result in 67,500 room nights.
 - According to the Meetings & Conventions 2008 Meetings Report, attendees spent an average of \$1,590 per meeting. This amount would certainly be lower for conferences/meetings in Gainesville. For discussion purpose, let's assume \$1,000 per attendee for each conference. With 50 conferences/meetings at 450 attendees, the direct spending would be \$22.5 million in Gainesville.
 - It is important to note there is much disagreement in the industry on the amount spent by attendees at conferences/meetings and sporting events. We used a conservative direct spending amount and the attendance estimates provided by the University of Florida planners illustrate the value of a new conference facility in our pro forma.
 - The addition of a new conference facility and a 250-room hotel would increase room nights and subsequently increase the annual amount of room tax collected. Sales tax collection would also be positively affected.

While these are estimates based on preliminary discussions, Global Spectrum recommends a thorough economic impact review by conducted to ascertain accurate values from this potential project.

C. Financial Analysis

Provided below are Financial Results from three Global Spectrum managed-venues that are similar in scope and size to the proposed Facility in Gainesville, FL.

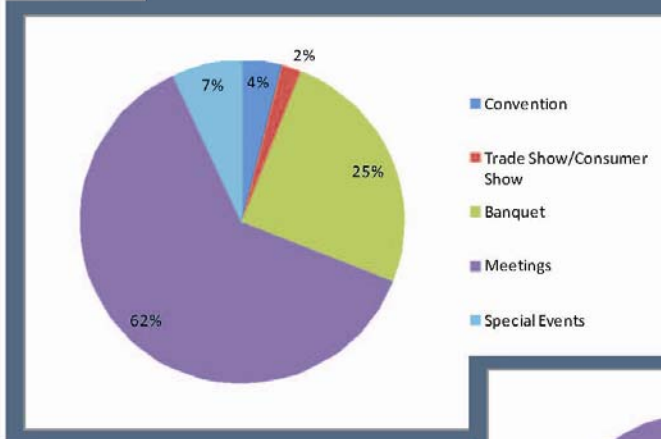
Pueblo Convention Center



2008

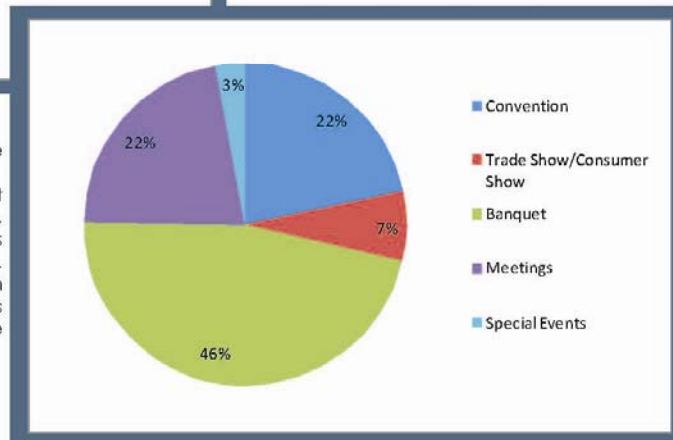


Year Ending December 31, 2008	Actual YTD	Budget	Variance YTD
Number of Events	481	562	(81)
Attendance	68,355	70,228	(1,873)
Gross Revenue	1,480,218	1,534,817	(54,599)
Other Income	10,725	8,400	2,325
TOTAL REVENUE	1,490,943	1,543,217	(52,274)
Direct Event Expenses	553,075	574,095	21,020
Indirect Expenses	1,473,166	1,477,749	4,583
Capital Expenditures	261,210	291,331	30,121
TOTAL EXPENSES	2,287,451	2,343,175	55,724
NET INCOME (LOSS)	(796,508)	(799,958)	3,450



*M*arket segments

Conventions represent 4% of events, but generate 22% of net income. Banquets increased from 21 percent to 25 percent of our event mix from last year and generate our largest revenue at 46%. Meetings represent the largest portion of our events at 62% and generate 22% of our net income. Because of our lack of square feet and room availability, trade shows and consumer shows represent only 2% of our event mix and generate 7% of business.



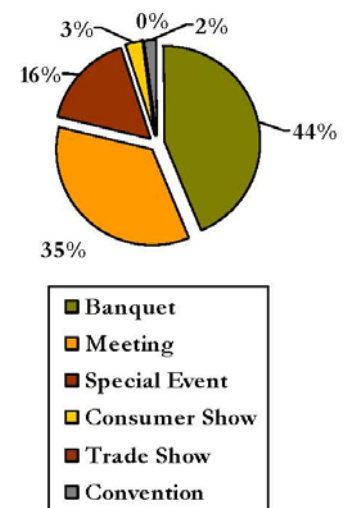


CLOVIS CIVIC CENTER 2007

FINANCIAL PERFORMANCE

	ACTUAL FY 07	BUDGET FY 07	VARIANCE FY 07	% DIFFERENCE
NO. OF EVENTS	220	151	69	46%
ATTENDANCE	42,900	38,940	3,960	10%
DIRECT EVENT REVENUE	\$74,213	\$71,408	2,805	4%
ANCILLARY REVENUE	\$491,691	\$268,284	223,407	83%
DIRECT EVENT EXPENSE	\$38,840	\$29,185	9,655	33%
ANCILLARY EXPENSE	\$224,816	\$121,130	103,686	86%
TOTAL EVENT INCOME	\$302,248	\$189,377	112,871	60%
INDIRECT EXPENSES	\$582,078	\$605,918	(23,840)	-4%
OPERATING NET INCOME	(\$279,830)	(\$416,541)	136,711	49%
OTHER INCOME	\$7,435	\$11,700	(4,265)	-36%
OTHER EXPENSE	\$0	\$0	0	
NET INCOME(LOSS)	(\$272,395)	(\$404,841)	132,446	49%

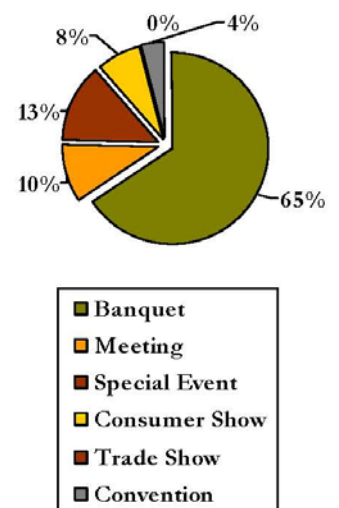
EVENT MIX



In FY 2007, banquets were literally our bread and butter by leading in 3 of 4 market segment results. Banquets represented the majority of events, majority of net event income, and majority of attendance. Although conventions represent only a small portion of events, income, and attendance, conventions did produce the most room nights out of all event types. Banquets constituted 44% of all events and 65% of all net event income. This was achieved by successfully operating all our Catering Services in-house. Even though meetings came in second overall in number of events, meeting only represent 10% of income. This is due to the fact that meetings tended to be smaller events. However, meetings are very important to the overall operation of the Civic Center as they tend to fill up low demand days such as daytime hours during the week.

Of particular interest is the number of special events booked. Special events made up only 16% of total events, but contributed 29% of total attendance and 31% of total room nights.

NET EVENT INCOME



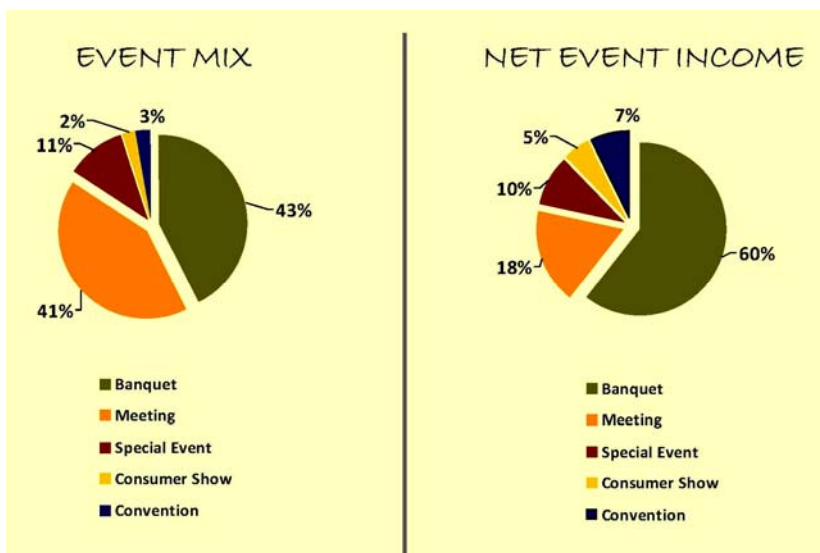
FINANCIAL PERFORMANCE

	ACTUAL FY 07/08	BUDGET FY 07/08	VARIANCE FY 07/08
NO. OF EVENTS	263	347	(84)
ATTENDANCE	44,501	62,605	(18,104)
DIRECT EVENT REVENUE	\$103,833	\$125,490	(21,657)
ANCILLARY REVENUE	\$633,371	\$647,410	(14,039)
DIRECT EVENT EXPENSE	\$36,699	\$49,010	(12,311)
ANCILLARY EXPENSE	\$273,852	\$335,133	(61,281)
TOTAL EVENT INCOME	\$426,653	\$388,757	37,896
INDIRECT EXPENSES	\$641,952	\$654,177	(12,225)
OPERATING NET INCOME	(\$215,299)	(\$265,420)	50,121
OTHER INCOME	\$13,479	\$14,350	(871)
NET INCOME(LOSS)	(\$201,820)	(\$251,070)	49,250

Although conventions represent only a small portion of events, income, and attendance, conventions did produce a larger portion of the room nights and represents the highest average net income per event of all event types. In FY 2007/2008, banquets continue to lead in 3 of 4 market segment results as was the case last year. Banquets represented the majority of events, majority of net event income, and majority of attendance.

Banquets constituted 41% of all events and 60% of all net event income. This was achieved by successfully operating all our Catering Services in-house. Even though meetings came in second overall in number of events, meeting only represent 18% of income. This is 2007/2008 FY meetings grew nearly every market segment including number of events, net event income, and attendance. This is a result of sales and marketing efforts designed to increase demand during traditionally slower times of the week like Monday through Thursday.

Of particular interest is the number of special events booked. Special events made up only 11% of total events, but contributed 23% of total attendance and 54% of total room nights. The Civic Center will continue to see banquets lead most market segments, but an increase in meetings and conventions will close the gap even more over the next fiscal year.

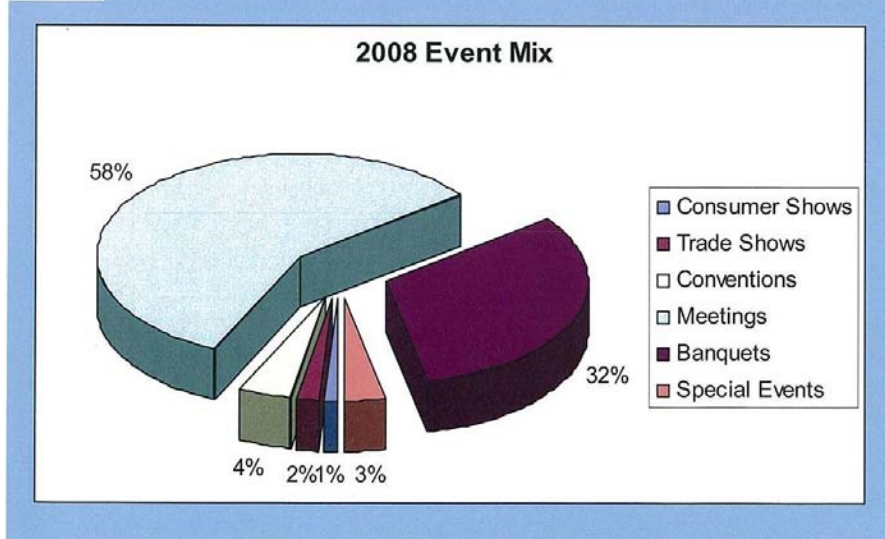


Conference Center Niagara Falls



2008

Year Ending December 31, 2008	Actual YTD	BUDGET	Variance YTD
Number of Events	242	-	-
Attendance	65,677	-	-
Gross Revenue	2,283,458	1,920,800	362,658
Other Income	2,642	1,200	1,442
TOTAL REVENUE	2,286,100	1,922,000	364,100
Direct Event Expenses	994,413	777,176	(217,237)
Indirect Expenses	2,019,381	1,919,976	(99,405)
TOTAL EXPENSES	3,013,794	2,697,152	(316,642)
NET INCOME (LOSS)	(727,694)	(775,152)	47,458

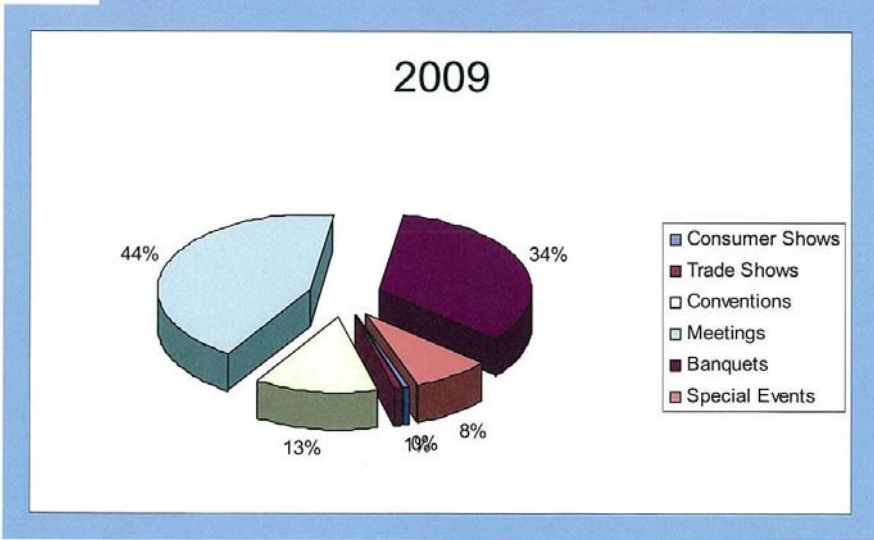




THE CONFERENCE CENTER
NIAGARA FALLS

2009

Year Ending December 31, 2009	Actual YTD	BUDGET	Variance YTD
Number of Events	219	257	(38)
Attendance	71,197	51,739	19,458
Gross Revenue	2,328,178	2,606,900	(278,131)
Other Income	43,696	50,000	(6,304)
TOTAL REVENUE	2,371,874	2,656,900	(285,026)
Direct Event Expenses	706,072	756,418	50,346
Indirect Expenses	1,819,317	2,227,900	408,583
TOTAL EXPENSES	2,525,389	2,984,318	455,929
NET INCOME (LOSS)	(153,515)	(327,418)	173,903



Gainesville Pro Forma

Based upon our preliminary conversations with stakeholders, we intuitively feel there is a greater demand for services, and if built, will likely show increased results. We present a conservative approach to project financial results showing minimal demand.

**GAINESVILLE MULTI PURPOSE CONFERENCE CENTER
GLOBAL SPECTRUM**

**GROSS INCOME STATEMENT
PRO FORMA**

based on gross sq ft. 45,000 sq ft.

	FIRST YEAR	SECOND YEAR	THIRD YEAR	FOURTH YEAR	FIFTH YEAR
# OF EVENTS	200	230	244	257	263
ATTENDANCE	62,000	72,475	78,050	82,475	84,850
DIRECT EVENT REVENUE					
RENTAL REVENUE	\$194,500	\$220,500	\$237,000	\$247,500	\$252,000
SERVICE REVENUE	\$73,750	\$84,250	\$90,300	\$93,950	\$96,400
TOTAL DIRECT EVENT REVENUE	\$268,250	\$304,750	\$327,300	\$341,450	\$348,400
ANCILLARY REVENUE					
FOOD & BEVERAGE REVENUE	\$1,540,000	\$1,824,400	\$1,986,500	\$2,250,500	\$2,307,200
AUDIO-VISUAL REVENUE	\$100,000	\$115,000	\$122,000	\$128,500	\$131,500
PARKING REVENUE	\$0	\$0	\$0	\$0	\$0
DECORATOR SERVICES REVENUE	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
BUSINESS CENTER REVENUE	\$600	\$600	\$600	\$600	\$600
TOTAL ANCILLARY REVENUE	\$1,646,600	\$1,946,000	\$2,115,100	\$2,385,600	\$2,445,300
TOTAL EVENT REVENUE	\$1,914,850	\$2,250,750	\$2,442,400	\$2,727,050	\$2,793,700
OTHER REVENUE	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465
TOTAL GROSS REVENUE	\$1,944,850	\$2,282,250	\$2,475,475	\$2,761,779	\$2,830,165
% Increase		17%	8%	12%	2%
EVENT EXPENSE					
SERVICE EXPENSE	\$22,810	\$25,705	\$28,080	\$28,445	\$29,290
FOOD & BEVERAGE EXPENSE	\$1,170,400	\$1,386,544	\$1,509,740	\$1,710,380	\$1,753,472
AUDIO-VISUAL EXPENSE	\$48,000	\$55,200	\$58,560	\$61,680	\$63,120
PARKING EXPENSE	\$0	\$0	\$0	\$0	\$0
DECORATOR SERVICES EXPENSE	\$3,000	\$3,000	\$3,000	\$0	\$3,000
BUSINESS CENTER EXPENSE	\$300	\$300	\$300	\$300	\$300
TOTAL EVENT EXPENSE	\$1,244,510	\$1,470,749	\$1,599,680	\$1,800,805	\$1,849,182
TOTAL EVENT INCOME	\$670,340	\$780,001	\$842,720	\$926,245	\$944,518
TOTAL INCOME WITH OTHER REVENUE	\$700,340	\$811,501	\$875,795	\$960,974	\$980,983
INDIRECT EXPENSES					
PERSONNEL EXPENSE	\$610,938	\$635,375	\$660,790	\$687,222	\$714,710
INDIRECT EXPENSES	\$352,800	\$364,068	\$375,708	\$387,734	\$400,157
TOTAL INDIRECT EXPENSES	\$963,738	\$999,443	\$1,036,498	\$1,074,955	\$1,114,868
NET INCOME/(LOSS)	(\$263,398)	(\$187,942)	(\$160,703)	(\$113,981)	(\$133,885)

EVENT	CONVENTIONS	TRADE SHOWS	CONSUMER SHOWS	SPECIAL EVENTS	MEETINGS/CONF	BANQUETS	TOTALS
NUMBER OF EVENT DAYS	50	5	5	20	100	20	200
ATTENDEE PER EVENT	400	100	500	500	200	450	
GENERAL ATTENDANCE	20,000	500	2,500	10,000	20,000	9,000	62,000
DIRECT EVENT REVENUE							
<i>Assumptions Rent per Event</i>	1,500	1,500	2,000	2,000	500	600	
RENTAL REVENUE	75,000	7,500	10,000	40,000	50,000	12,000	194,500
SERVICE REVENUE	22,500	2,250	6,000	12,000	25,000	6,000	73,750
TOTAL DIRECT EVENT REVENUE	97,500	9,750	16,000	52,000	75,000	18,000	268,250
SERVICE REVENUE							
MARKETING SERVICES							
GUEST SERVICES							
TICKET OFFICE							
OPERATIONS LABOR							
EQUIPMENT RENTAL							
CLEANING BILLED							
ELECTRICAL BILLED							
TELECOMMUNICATIONS BILLED							
UTILITIES BILLED							
CREDIT CARD BILLED							
INSURANCE BILLED							
DAMAGES BILLED							
OTHER SERVICE BILLED							
TOTAL SERVICE REVENUE	22,500	2,250	6,000	12,000	25,000	6,000	73,750
SERVICE REVENUE TO RENTAL REVENUE RATIO	30.0%	30.0%	60.0%	30.0%	50.0%	50.0%	37.9%
LESS SERVICE EXPENSE:							
MARKETING SERVICES EXPENSE							
GUEST SERVICES EXPENSE							
TICKET OFFICE EXPENSE							
OPERATIONS LABOR EXPENSE							
EQUIPMENT RENTAL EXPENSE							
CLEANING EXPENSE							
ELECTRICAL EXPENSE							
TELECOMMUNICATIONS EXPENSE							
UTILITIES EXPENSE							
CREDIT CARD EXPENSE							
INSURANCE EXPENSE							
DAMAGES EXPENSE							
OTHER SERVICE EXPENSE							
TOTAL SERVICE EXPENSE	9,000	1,350	3,600	6,000	2,500	360	22,810
NET SERVICE INCOME/(LOSS)	13,500	900	2,400	6,000	22,500	5,640	50,940
SERVICE REVENUE PROFIT MARGIN	40.0%	60.0%	60.0%	50.0%	10.0%	6.0%	69.1%
DIRECT EVENT INCOME/(LOSS)	\$88,500	\$8,400	\$12,400	\$46,000	\$72,500	\$17,640	\$245,440
ANCILLARY INCOME:							
FOOD & BEVERAGE COMMISSIONS							
PER CAPITA	\$50.00	\$5.00	\$5.00	\$10.00	\$10.00	\$25.00	
GROSS F&B SALES	1,000,000	2,500	12,500	100,000	200,000	225,000	1,540,000
GROSS F&B EXPENSES	0.76 760,000	1,900	9,500	76,000	152,000	171,000	1,170,400
NET MARGIN	240,000	600	3,000	24,000	48,000	54,000	369,600
FOOD & BEVERAGE EVENT PROFIT MARGIN	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
AUDIO-VISUAL							
AV SERVICES REVENUE	100 25,000	2,500	2,500	10,000	50,000	10,000	100,000
AV SERVICE EXPENSE - Equipment & Labor	12,000	1,200	1,200	4,800	24,000	4,800	48,000
NET AUDIO-VISUAL INCOME	13,000	1,300	1,300	5,200	26,000	5,200	52,000
AUDIO-VISUAL PROFIT MARGIN	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
PARKING							
PARKING REVENUE	0						0
PARKING EXPENSE	0	0	0	0	0	0	0
NET PARKING INCOME	0	0	0	0	0	0	0
PARKING PROFIT MARGIN	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DECORATOR SERVICES							
DECORATOR SERVICES REVENUE	1,000	1,000	1,000	1,000	1,000	1,000	6,000
DECORATOR SERVICES EXPENSE	500	500	500	500	500	500	3,000
NET DECORATOR SERVICES INCOME	500	500	500	500	500	500	3,000
DECORATOR SERVICES PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
BUSINESS CENTER							
BUSINESS CENTER REVENUE	100	100	100	100	100	100	600
BUSINESS CENTER EXPENSE	50	50	50	50	50	50	300
NET BUSINESS CENTER INCOME	50	50	50	50	50	50	300
BUSINESS CENTER PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
TOTAL ANCILLARY INCOME	253,550	2,450	4,850	29,750	74,550	59,750	424,900
EVENT OPERATING INCOME	\$342,050	\$10,850	\$17,250	\$75,750	\$147,050	\$77,390	\$670,341
TOTAL GROSS REVENUE	\$1,123,600	\$15,850	\$32,100	\$163,100	\$326,100	\$254,100	\$1,914,850

EVENT	CONVENTIONS	TRADE SHOWS	CONSUMER SHOWS	SPECIAL EVENTS	MEETINGS/CONF	BANQUETS	TOTALS
NUMBER OF EVENTS	58	6	6	20	115	25	230
ATTENDEE PER EVENT	400	400	2,000	750	75	450	
GENERAL ATTENDANCE	23,200	2,400	12,000	15,000	8,625	11,250	72,475
DIRECT EVENT REVENUE							
<i>Assumptions Rent per Event</i>	1,500	1,500	2,000	2,000	500	600	
RENTAL REVENUE	87,000	9,000	12,000	40,000	57,500	15,000	220,500
SERVICE REVENUE	26,100	2,700	7,200	12,000	28,750	7,500	84,250
TOTAL DIRECT EVENT REVENUE	113,100	11,700	19,200	52,000	86,250	22,500	304,750
SERVICE REVENUE							
MARKETING SERVICES							
GUEST SERVICES							
TICKET OFFICE							
OPERATIONS LABOR							
EQUIPMENT RENTAL							
CLEANING BILLED							
ELECTRICAL BILLED							
TELECOMMUNICATIONS BILLED							
UTILITIES BILLED							
CREDIT CARD BILLED							
INSURANCE BILLED							
DAMAGES BILLED							
OTHER SERVICE BILLED							
TOTAL SERVICE REVENUE	26,100	2,700	7,200	12,000	28,750	7,500	84,250
SERVICE REVENUE TO RENTAL REVENUE RATIO	30.0%	30.0%	60.0%	30.0%	50.0%	50.0%	38.2%
LESS SERVICE EXPENSE:							
MARKETING SERVICES EXPENSE							
GUEST SERVICES EXPENSE							
TICKET OFFICE EXPENSE							
OPERATIONS LABOR EXPENSE							
EQUIPMENT RENTAL EXPENSE							
CLEANING EXPENSE							
ELECTRICAL EXPENSE							
TELECOMMUNICATIONS EXPENSE							
UTILITIES EXPENSE							
CREDIT CARD EXPENSE							
INSURANCE EXPENSE							
DAMAGES EXPENSE							
OTHER SERVICE EXPENSE							
TOTAL SERVICE EXPENSE	10,440	1,620	4,320	6,000	2,875	450	25,705
NET SERVICE INCOME/(LOSS)	15,660	1,080	2,880	6,000	25,875	7,050	58,545
SERVICE REVENUE PROFIT MARGIN	40.0%	60.0%	60.0%	50.0%	10.0%	6.0%	69.5%
DIRECT EVENT INCOME/(LOSS)	\$102,660	\$10,080	\$14,880	\$46,000	\$83,375	\$22,050	\$279,045
ANCILLARY INCOME:							
FOOD & BEVERAGE COMMISSIONS							
PER CAPITA	\$52.00	\$5.00	\$5.00	\$10.00	\$12.00	\$26.00	
GROSS F&B SALES	1,206,400	12,000	60,000	150,000	103,500	292,500	1,824,400
GROSS F&B EXPENSES	916,864	9,120	45,600	114,000	78,660	222,300	1,386,544
NET MARGIN	289,536	2,880	14,400	36,000	24,840	70,200	437,856
FOOD & BEVERAGE EVENT PROFIT MARGIN	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
AUDIO-VISUAL							
AV SERVICES REVENUE	29,000	3,000	3,000	10,000	57,500	12,500	115,000
AV SERVICE EXPENSE - Equipment & Labor	13,920	1,440	1,440	4,800	27,600	6,000	55,200
NET AUDIO-VISUAL INCOME	15,080	1,560	1,560	5,200	29,900	6,500	59,800
AUDIO-VISUAL PROFIT MARGIN	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
PARKING							
PARKING REVENUE	0	0	0	0	0	0	0
PARKING EXPENSE	0	0	0	0	0	0	0
NET PARKING INCOME	0	0	0	0	0	0	0
PARKING PROFIT MARGIN	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DECORATOR SERVICES							
DECORATOR SERVICES REVENUE	1,000	1,000	1,000	1,000	1,000	1,000	6,000
DECORATOR SERVICES EXPENSE	500	500	500	500	500	500	3,000
NET DECORATOR SERVICES INCOME	500	500	500	500	500	500	3,000
DECORATOR SERVICES PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
BUSINESS CENTER							
BUSINESS CENTER REVENUE	100	100	100	100	100	100	600
BUSINESS CENTER EXPENSE	50	50	50	50	50	50	300
NET BUSINESS CENTER INCOME	50	50	50	50	50	50	300
BUSINESS CENTER PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
TOTAL ANCILLARY INCOME	305,166	4,990	16,510	41,750	55,290	77,250	500,956
EVENT OPERATING INCOME	\$407,826	\$15,070	\$31,390	\$87,750	\$138,665	\$99,300	\$780,002

EVENT	CONVENTIONS	TRADE SHOWS	CONSUMER SHOWS	SPECIAL EVENTS	MEETINGS/CONF	BANQUETS	TOTALS
NUMBER OF EVENTS	65	7	7	20	120	25	244
ATTENDEE PER EVENT	400	400	2,000	750	75	450	
GENERAL ATTENDANCE	26,000	2,800	14,000	15,000	9,000	11,250	78,050
DIRECT EVENT REVENUE							
<i>Assumptions Rent per Event</i>	1,500	1,500	2,000	2,000	500	600	
RENTAL REVENUE	97,500	10,500	14,000	40,000	60,000	15,000	237,000
SERVICE REVENUE	29,250	3,150	8,400	12,000	30,000	7,500	90,300
TOTAL DIRECT EVENT REVENUE	126,750	13,650	22,400	52,000	90,000	22,500	327,300
SERVICE REVENUE							
MARKETING SERVICES							
GUEST SERVICES							
TICKET OFFICE							
OPERATIONS LABOR							
EQUIPMENT RENTAL							
CLEANING BILLED							
ELECTRICAL BILLED							
TELECOMMUNICATIONS BILLED							
UTILITIES BILLED							
CREDIT CARD BILLED							
INSURANCE BILLED							
DAMAGES BILLED							
OTHER SERVICE BILLED							
TOTAL SERVICE REVENUE	29,250	3,150	8,400	12,000	30,000	7,500	90,300
<i>SERVICE REVENUE TO RENTAL REVENUE RATIO</i>	30.0%	30.0%	60.0%	30.0%	50.0%	50.0%	38.1%
LESS SERVICE EXPENSE:							
MARKETING SERVICES EXPENSE							
GUEST SERVICES EXPENSE							
TICKET OFFICE EXPENSE							
OPERATIONS LABOR EXPENSE							
EQUIPMENT RENTAL EXPENSE							
CLEANING EXPENSE							
ELECTRICAL EXPENSE							
TELECOMMUNICATIONS EXPENSE							
UTILITIES EXPENSE							
CREDIT CARD EXPENSE							
INSURANCE EXPENSE							
DAMAGES EXPENSE							
OTHER SERVICE EXPENSE							
TOTAL SERVICE EXPENSE	11,700	1,890	5,040	6,000	3,000	450	28,080
NET SERVICE INCOME/(LOSS)	17,550	1,260	3,360	6,000	27,000	7,050	62,220
<i>SERVICE REVENUE PROFIT MARGIN</i>	40.0%	60.0%	60.0%	50.0%	10.0%	6.0%	68.9%
DIRECT EVENT INCOME/(LOSS)	\$115,050	\$11,760	\$17,360	\$46,000	\$87,000	\$22,050	\$299,220
ANCILLARY INCOME:							
FOOD & BEVERAGE COMMISSIONS							
<i>PER CAPITA</i>	\$52.00	\$5.00	\$5.00	\$10.00	\$12.00	\$26.00	
GROSS F&B SALES	1,352,000	14,000	70,000	150,000	108,000	292,500	1,986,500
GROSS F&B EXPENSES	0.76 1,027,520	10,640	53,200	114,000	82,080	222,300	1,509,740
NET MARGIN	324,480	3,360	16,800	36,000	25,920	70,200	476,760
FOOD & BEVERAGE EVENT PROFIT MARGIN	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
AUDIO-VISUAL							
AV SERVICES REVENUE	100 32,500	3,500	3,500	10,000	60,000	12,500	122,000
AV SERVICE EXPENSE - Equipment & Labor	15,600	1,680	1,680	4,800	28,800	6,000	58,560
NET AUDIO-VISUAL INCOME	16,900	1,820	1,820	5,200	31,200	6,500	63,440
AUDIO-VISUAL PROFIT MARGIN	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
PARKING							
PARKING REVENUE	0						0
PARKING EXPENSE	0	0	0	0	0	0	0
NET PARKING INCOME	0	0	0	0	0	0	0
PARKING PROFIT MARGIN	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DECORATOR SERVICES							
DECORATOR SERVICES REVENUE	1,000	1,000	1,000	1,000	1,000	1,000	6,000
DECORATOR SERVICES EXPENSE	500	500	500	500	500	500	3,000
NET DECORATOR SERVICES INCOME	500	500	500	500	500	500	3,000
DECORATOR SERVICES PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
BUSINESS CENTER							
BUSINESS CENTER REVENUE	100	100	100	100	100	100	600
BUSINESS CENTER EXPENSE	50	50	50	50	50	50	300
NET BUSINESS CENTER INCOME	50	50	50	50	50	50	300
BUSINESS CENTER PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
TOTAL ANCILLARY INCOME	341,930	5,730	19,170	41,750	57,670	77,250	543,500
EVENT OPERATING INCOME	\$456,980	\$17,490	\$36,530	\$87,750	\$144,670	\$99,300	\$842,721

**GAINESVILLE MULTI PURPOSE CONFERENCE CENTER
EVENTS BUDGET
YEAR FOUR**

30-Dec-09
3:12 PM

EVENT	CONVENTIONS	TRADE SHOWS	CONSUMER SHOWS	SPECIAL EVENTS	MEETINGS/CONF	BANQUETS	TOTALS
NUMBER OF EVENTS	68	6	6	22	125	30	257
ATTENDEE PER EVENT	400	400	2,000	750	75	500	
GENERAL ATTENDANCE	27,200	2,400	12,000	16,500	9,375	15,000	82,475
DIRECT EVENT REVENUE							
<i>Assumptions Rent per Event</i>	1,500	1,500	2,000	2,000	500	600	
RENTAL REVENUE	102,000	9,000	12,000	44,000	62,500	18,000	247,500
SERVICE REVENUE	30,600	2,700	7,200	13,200	31,250	9,000	93,950
TOTAL DIRECT EVENT REVENUE	132,600	11,700	19,200	57,200	93,750	27,000	341,450
SERVICE REVENUE							
MARKETING SERVICES							
GUEST SERVICES							
TICKET OFFICE							
OPERATIONS LABOR							
EQUIPMENT RENTAL							
CLEANING BILLED							
ELECTRICAL BILLED							
TELECOMMUNICATIONS BILLED							
UTILITIES BILLED							
CREDIT CARD BILLED							
INSURANCE BILLED							
DAMAGES BILLED							
OTHER SERVICE BILLED							
TOTAL SERVICE REVENUE	30,600	2,700	7,200	13,200	31,250	9,000	93,950
<i>SERVICE REVENUE TO RENTAL REVENUE RATIO</i>	30.0%	30.0%	60.0%	30.0%	50.0%	50.0%	38.0%
LESS SERVICE EXPENSE:							
MARKETING SERVICES EXPENSE							
GUEST SERVICES EXPENSE							
TICKET OFFICE EXPENSE							
OPERATIONS LABOR EXPENSE							
EQUIPMENT RENTAL EXPENSE							
CLEANING EXPENSE							
ELECTRICAL EXPENSE							
TELECOMMUNICATIONS EXPENSE							
UTILITIES EXPENSE							
CREDIT CARD EXPENSE							
INSURANCE EXPENSE							
DAMAGES EXPENSE							
OTHER SERVICE EXPENSE							
TOTAL SERVICE EXPENSE	12,240	1,620	4,320	6,600	3,125	540	28,445
NET SERVICE INCOME/(LOSS)	18,360	1,080	2,880	6,600	28,125	8,460	65,505
<i>SERVICE REVENUE PROFIT MARGIN</i>	40.0%	60.0%	60.0%	50.0%	10.0%	6.0%	69.7%
DIRECT EVENT INCOME/(LOSS)	\$120,360	\$10,080	\$14,880	\$50,600	\$90,625	\$26,460	\$313,005
ANCILLARY INCOME:							
FOOD & BEVERAGE COMMISSIONS							
<i>PER CAPITA</i>	\$55.00	\$5.00	\$5.00	\$10.00	\$12.00	\$27.00	
GROSS F&B SALES	1,496,000	12,000	60,000	165,000	112,500	405,000	2,250,500
GROSS F&B EXPENSES	0.76 1,136,960	9,120	45,600	125,400	85,500	307,800	1,710,380
NET MARGIN	359,040	2,880	14,400	39,600	27,000	97,200	540,120
FOOD & BEVERAGE EVENT PROFIT MARGIN	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
AUDIO-VISUAL							
AV SERVICES REVENUE	100 34,000	3,000	3,000	11,000	62,500	15,000	128,500
AV SERVICE EXPENSE - Equipment & Labor	16,320	1,440	1,440	5,280	30,000	7,200	61,680
NET AUDIO-VISUAL INCOME	17,680	1,560	1,560	5,720	32,500	7,800	66,820
AUDIO-VISUAL PROFIT MARGIN	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
PARKING							
PARKING REVENUE	0						0
PARKING EXPENSE	0	0	0	0	0	0	0
NET PARKING INCOME	0	0	0	0	0	0	0
PARKING PROFIT MARGIN	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DECORATOR SERVICES							
DECORATOR SERVICES REVENUE	1,000	1,000	1,000	1,000	1,000	1,000	6,000
DECORATOR SERVICES EXPENSE	500	500	500	500	500	500	3,000
NET DECORATOR SERVICES INCOME	500	500	500	500	500	500	3,000
DECORATOR SERVICES PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
BUSINESS CENTER							
BUSINESS CENTER REVENUE	100	100	100	100	100	100	600
BUSINESS CENTER EXPENSE	50	50	50	50	50	50	300
NET BUSINESS CENTER INCOME	50	50	50	50	50	50	300
BUSINESS CENTER PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
TOTAL ANCILLARY INCOME	377,270	4,990	16,510	45,870	60,050	105,550	610,240
EVENT OPERATING INCOME	\$497,630	\$15,070	\$31,390	\$96,470	\$150,675	\$132,010	\$923,246

**GAINESVILLE MUTIL PURPOSE CONFERENCE CENTER
EVENTS BUDGET
YEAR FIVE**

30-Dec-09
3:12 PM

EVENT	CONVENTIONS	TRADE SHOWS	CONSUMER SHOWS	SPECIAL EVENTS	MEETINGS/CONF	BANQUETS	TOTALS
NUMBER OF EVENTS	68	6	7	22	130	30	263
ATTENDEE PER EVENT	400	400	2,000	750	75	500	
GENERAL ATTENDANCE	27,200	2,400	14,000	16,500	9,750	15,000	84,850
DIRECT EVENT REVENUE							
<i>Assumptions Rent per Event</i>	1,500	1,500	2,000	2,000	500	600	
RENTAL REVENUE	102,000	9,000	14,000	44,000	65,000	18,000	252,000
SERVICE REVENUE	30,600	2,700	8,400	13,200	32,500	9,000	96,400
TOTAL DIRECT EVENT REVENUE	132,600	11,700	22,400	57,200	97,500	27,000	348,400
SERVICE REVENUE							
MARKETING SERVICES							
GUEST SERVICES							
TICKET OFFICE							
OPERATIONS LABOR							
EQUIPMENT RENTAL							
CLEANING BILLED							
ELECTRICAL BILLED							
TELECOMMUNICATIONS BILLED							
UTILITIES BILLED							
CREDIT CARD BILLED							
INSURANCE BILLED							
DAMAGES BILLED							
OTHER SERVICE BILLED							
TOTAL SERVICE REVENUE	30,600	2,700	8,400	13,200	32,500	9,000	96,400
<i>SERVICE REVENUE TO RENTAL REVENUE RATIO</i>	30.0%	30.0%	60.0%	30.0%	50.0%	50.0%	38.3%
LESS SERVICE EXPENSE:							
MARKETING SERVICES EXPENSE							
GUEST SERVICES EXPENSE							
TICKET OFFICE EXPENSE							
OPERATIONS LABOR EXPENSE							
EQUIPMENT RENTAL EXPENSE							
CLEANING EXPENSE							
ELECTRICAL EXPENSE							
TELECOMMUNICATIONS EXPENSE							
UTILITIES EXPENSE							
CREDIT CARD EXPENSE							
INSURANCE EXPENSE							
DAMAGES EXPENSE							
OTHER SERVICE EXPENSE							
TOTAL SERVICE EXPENSE	12,240	1,620	5,040	6,600	3,250	540	29,290
NET SERVICE INCOME/(LOSS)	18,360	1,080	3,360	6,600	29,250	8,460	67,110
<i>SERVICE REVENUE PROFIT MARGIN</i>	40.0%	60.0%	60.0%	50.0%	10.0%	6.0%	69.6%
DIRECT EVENT INCOME/(LOSS)	\$120,360	\$10,080	\$17,360	\$50,600	\$94,250	\$26,460	\$319,110
ANCILLARY INCOME:							
FOOD & BEVERAGE COMMISSIONS							
<i>PER CAPITA</i>	\$56.00	\$5.00	\$5.00	\$10.00	\$12.00	\$28.00	
GROSS F&B SALES	1,523,200	12,000	70,000	165,000	117,000	420,000	2,307,200
GROSS F&B EXPENSES	0.76 1,157,632	9,120	53,200	125,400	88,920	319,200	1,753,472
NET MARGIN	365,568	2,880	16,800	39,600	28,080	100,800	553,728
FOOD & BEVERAGE EVENT PROFIT MARGIN	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
AUDIO-VISUAL							
AV SERVICES REVENUE	100 34,000	3,000	3,500	11,000	65,000	15,000	131,500
AV SERVICE EXPENSE - Equipment & Labor	16,320	1,440	1,680	5,280	31,200	7,200	63,120
NET AUDIO-VISUAL INCOME	17,680	1,560	1,820	5,720	33,800	7,800	68,380
AUDIO-VISUAL PROFIT MARGIN	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
PARKING							
PARKING REVENUE	0						0
PARKING EXPENSE	0	0	0	0	0	0	0
NET PARKING INCOME	0	0	0	0	0	0	0
PARKING PROFIT MARGIN	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DECORATOR SERVICES							
DECORATOR SERVICES REVENUE	1,000	1,000	1,000	1,000	1,000	1,000	6,000
DECORATOR SERVICES EXPENSE	500	500	500	500	500	500	3,000
NET DECORATOR SERVICES INCOME	500	500	500	500	500	500	3,000
DECORATOR SERVICES PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
BUSINESS CENTER							
BUSINESS CENTER REVENUE	100	100	100	100	100	100	600
BUSINESS CENTER EXPENSE	50	50	50	50	50	50	300
NET BUSINESS CENTER INCOME	50	50	50	50	50	50	300
BUSINESS CENTER PROFIT MARGIN	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
TOTAL ANCILLARY INCOME	383,798	4,990	19,170	45,870	62,430	109,150	625,408
EVENT OPERATING INCOME	\$504,158	\$15,070	\$36,530	\$96,470	\$156,680	\$135,610	\$944,519

INDIRECT EXPENSES	Per Sq Ft	FIRST	SECOND	THIRD	FOURTH	FIFTH
Advertising	0.50	\$22,500	\$23,175	\$23,870	\$24,586	\$25,324
Automobile Expense		\$0	\$0	\$0	\$0	\$0
Bad Debt Expense	0.01	\$450	\$464	\$477	\$492	\$506
Building Supplies	0.20	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130
Computer Services	0.07	\$3,150	\$3,245	\$3,342	\$3,442	\$3,545
Consulting & Professional Fees	0.18	\$8,100	\$8,343	\$8,593	\$8,851	\$9,117
Contracted Services	0.75	\$33,750	\$34,763	\$35,805	\$36,880	\$37,986
Data Processing Fees	0.03	\$1,350	\$1,391	\$1,432	\$1,475	\$1,519
Dues & Subscriptions	0.05	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532
Equipment & Supply Rental	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Equipment Maintenance Agreements	0.15	\$6,750	\$6,953	\$7,161	\$7,376	\$7,597
F&B Overhead*		\$0	\$0	\$0	\$0	\$0
Good & Welfare	0.01	\$450	\$464	\$477	\$492	\$506
Insurance	0.76	\$34,200	\$35,910	\$37,706	\$39,591	\$41,570
Internet	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Licenses & Permits		\$0	\$0	\$0	\$0	\$0
Management Fees		\$0	\$0	\$0	\$0	\$0
Meetings & Conferences	0.20	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130
Office Supplies	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Other	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Postage	0.08	\$3,600	\$3,708	\$3,819	\$3,934	\$4,052
Printing	0.13	\$5,850	\$6,026	\$6,206	\$6,392	\$6,584
Promotions	0.04	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026
Recruitment/ Relocation	0.05	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532
Repairs/Maintenance	0.50	\$22,500	\$23,175	\$23,870	\$24,586	\$25,324
Telephone	0.30	\$13,500	\$13,905	\$14,322	\$14,752	\$15,194
Tools & Equipment	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Training	0.05	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532
Trash Hauling	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Travel and Entertainment	0.10	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Uniforms	0.08	\$3,600	\$3,708	\$3,819	\$3,934	\$4,052
Utilities	3.00	\$135,000	\$139,050	\$143,222	\$147,518	\$151,944
TOTAL FACILITY EXPENSES		\$352,800	\$364,068	\$375,708	\$387,734	\$400,157

EMPLOYEES	FIRST YEAR		SECOND YEAR		THIRD YEAR		FOURTH YEAR		FIFTH YEAR						
General & Administration															
GM	1	85,000 \$	85,000	1	88,400 \$	88,400	1	91,936 \$	91,936	1	95,613 \$	95,613	1	99,438 \$	99,438
Admin Assistant	1	35,000 \$	35,000	1	36,400 \$	36,400	1	37,856 \$	37,856	1	39,370 \$	39,370	1	40,945 \$	40,945
Business Mgr	1	65,000 \$	65,000	1	67,600 \$	67,600	1	70,304 \$	70,304	1	73,116 \$	73,116	1	76,041 \$	76,041
					\$	-		\$	-		\$	-		\$	-
					\$	-		\$	-		\$	-		\$	-
Marketing & Sales															
Director of Sales	1	60,000 \$	60,000	1	62,400 \$	62,400	1	64,896 \$	64,896	1	67,492 \$	67,492	1	70,192 \$	70,192
Conference Services Manager	1	45,000 \$	45,000	1	46,800 \$	46,800	1	48,672 \$	48,672	1	50,619 \$	50,619	1	52,644 \$	52,644
Event Manager	1	45,000 \$	45,000	1	46,800 \$	46,800	1	48,672 \$	48,672	1	50,619 \$	50,619	1	52,644 \$	52,644
Marketing Manager	0	50,000 \$	-	0	52,000 \$	-		54,080 \$	-	0	56,243 \$	-	0	58,493 \$	-
					\$	-		\$	-		\$	-		\$	-
Operations															
Operations Manager	1	55,000 \$	55,000	1	57,200 \$	57,200	1	59,488 \$	59,488	1	61,868 \$	61,868	1	64,342 \$	64,342
Facility Worker	1	35,000 \$	35,000	1	36,400 \$	36,400	1	37,856 \$	37,856	1	39,370 \$	39,370	1	40,945 \$	40,945
PT/ Temporary Staffing		\$	63,750		\$	66,300		\$	68,952		\$	71,710		\$	74,578
<i>15% of FT Not allocated to Events</i>															
Food & Beverage *															
Director of F&B	0	\$	-	0	\$	-	0	\$	-	0	\$	-	0	\$	-
Executive Chef	0	\$	-	0	\$	-	0	\$	-	0	\$	-	0	\$	-
<i>Salaries included in the F&B COS</i>															
Sub Totals	8	\$	488,750	8	\$	508,300	8	\$	528,632	8	\$	549,777	8	\$	571,768
Benefits & Taxes	0.25	\$	122,188	0.25	\$	127,075	0.25	\$	132,158	0.25	\$	137,444	0.25	\$	142,942
Conference Center Total		\$	610,938		\$	635,375		\$	660,790		\$	687,222		\$	714,710

Analysis Conclusion

Site Review

- Previously, GCRA commissioned a site review process that concluded the downtown site was viable for a high rise, mixed use development. After our review of the actual site, Global Spectrum believes the best and highest use of this site would be a high rise mixed use development containing street level retail, a 40,000-50,000 sq. ft. conference center with highly flexible space and a 250-room full service hotel. This recommendation is discussed further in our report.
- The Site is centrally located with two existing hotel properties to support the proposed project and within short walking distance to shops and restaurants.
- Gainesville is easily accessible by car to several large population centers.
- These advantages are exactly what meeting planners favor when selecting a venue (see Industry Trends).

Project Cost(s)

- Convention and conference space construction costs vary greatly. Items to consider include:
 - Stand alone vs. component of larger mixed use development
 - High end finishes
 - Parking facility costs
 - Regional location
- Based on current conditions, we project construction costs to be in the range of \$200-300 per square foot.
- Conversations with industry architects indicate the current costs for a stand alone center is at the higher end of this range.
- Factors that may contribute to lower costs for this proposed project include:
 - Existing Adjacent car parking structure
 - Mixed use development may be designed to share foundation costs, loading dock costs, and HVAC costs (see Section B. of this Report)

Facility Demand

- Currently, Gainesville sorely lacks function space for all range of events typically found in a market of this size.
- The presence of the large education and medical institutions adds to the market strength.
- Given the presence of 70 University of Florida meeting planners, who produce around 170 annual conferences and are unable to keep up with the demand, this provides the Facility with the possibility of approximately 50 events being held annually in Gainesville. This is a unique scenario and would warrant verification through more extensive interviews with representatives of each department as just 50 meetings alone booked into the facility could provide about 65,000 room nights and direct spending of about \$22.5 million in Gainesville.

In conclusion, Gainesville is in an enviable position to develop an exciting project with substantial advantages compared to many projects in which we have been involved.

Appendix I.

Company Description

Global Spectrum provides innovative management, marketing, operations, and event booking services for public assembly facilities, including arenas, civic and convention centers, stadiums, ice facilities, equestrian centers, and theatres. The most professional and experienced senior management staff in the industry leads Global Spectrum. In addition to providing full scope-of-service for existing facilities that decide to “privatize,” Global Spectrum also provides pre-opening design and construction consulting services for the development phase of facilities under construction.

History

Global Spectrum began operations in 1994 as Globe Facility Services, of Tampa, FL. In January 2000, a majority interest in Globe Facility Services was acquired by Comcast-Spectacor under the leadership of former Global Spectrum President and CEO, Mich Sauers, creating one of the leading and best financially resourced private management companies in the industry. Presently, Global Spectrum is led by Peter Luukko, Chairman (and President and COO of Global Spectrum’s parent company, Comcast-Spectacor), John Page, Chief Operating Officer and Frank E. Russo, Jr., Senior Vice President of Business Development.

Clients

With venues in the United States, Europe, Canada, and an ever-increasing international presence, we have an unprecedented rate of growth in the industry. This is due, in part, to our unique business model. Global Spectrum is a worldwide leader in venue management with eighty-eight (88) client facilities that include:

- Twenty-six (26) Conference/Convention Centers
- Thirty-four (34) Arenas
- Eleven (11) Stadiums
- Seven (7) Performing Arts Centers/Theaters
- Five (5) Ice Facilities
- Five (5) Specialized Venues (Equestrian Centers, Amphitheatre, Retail and Entertainment Districts)

For our last completed fiscal year, Global Spectrum-managed facilities collectively achieved the following results:

- Presented 10,061 events
- Achieved event attendance over 15.9 million
- Generated over \$310 million in gross ticket sales
- Generated over \$542 million in gross revenue

Comcast-Spectacor: Global Spectrum's Parent Company

Global Spectrum's parent company, Comcast-Spectacor, is the Philadelphia-based sports and entertainment firm that owns the Philadelphia Flyers of the National Hockey League, the Philadelphia 76ers of the National Basketball Association, the Wachovia Center, the Wachovia Spectrum, and Comcast SportsNet, the 24-hour regional sports programming TV network.

Comcast-Spectacor Includes:

- Wachovia Complex
- Philadelphia Flyers (NHL)
- Philadelphia 76ers (NBA)
- Flyers Skate Zone
- 3601 Creative Group
- Comcast SportsNet
- **Global Spectrum**
- Ovations Food Services
- Front Row Marketing Services
- New Era Tickets
- Comcast-Spectacor, in partnership with Disson Skating, annually produces ten (10) nationally televised figure skating spectaculars on NBC



Comcast Cable: Global Spectrum's Ultimate Parent Company

Our parent company, Comcast-Spectacor, is owned by the Comcast Corporation (Nasdaq: CMCSA, CMCSK)(www.comcast.com), the nation's leading provider of cable, entertainment, and communications products and services. As a result, we are the most well capitalized firm in the business. Comcast is principally involved in the development, management, and operation of broadband cable networks and in the delivery of programming content and as of March 2009, has 24.1 million video (cable) customers, 15 million high-speed Internet customers and 6.4 million voice customers. Comcast's content networks and investments include the following:

- E! Entertainment Television
- Four regional Comcast SportsNets
- Style Network
- VERSUS
- AZN Television
- G4
- TV One
- PBS KIDS Sprout
- The Golf Channel
- Comcast Interactive Media
- Fandango



Pre-Opening Services Overview

Many clients hire Global Spectrum during the pre-opening phase of the design, development, and construction of their venue to ensure that what is being built is operationally sound in terms of programming and event usage requirements, operational cost effectiveness, and revenue generation.

Our pre-opening services typically begin two years prior to grand opening and include the design review and analysis, from an operational perspective, of the following:

- HVAC/ mechanical/ electrical
- Space allocation (benchmark standards)
- Event requirements
- ADA compliance
- LEED/ energy conservation
- Security and life safety
- Media/ broadcast facilities
- Information technology/ communications
- Patron services
- Revenue generation
 - Concessions and catering
 - Merchandising
 - Parking
 - Premium seating
 - House services
 - Commercial rights sales

When Global Spectrum is hired for pre-opening, the following services are typically provided:

Operational Design & Construction Consulting

- “Think Tank” session(s) to review all aspects and details of the project
- Operational analysis of the conceptual drawings to expedite final design and the bid specification process
- Review of design assumptions and performance parameters
- Compare design to similar and competing venues to help meet or surpass the advantages of the prime competition
- Analysis of the operational impact of the design on items such as, but not limited to:
 - Show promoter requirements
 - Patron services and amenities
 - Food, beverage, and catering services
 - Parking and bus pick-up and drop-off
 - Traffic management, including examining traffic flow to ensure easy entrance and egress for patrons
 - Security services and public safety
 - Information technology requirements
 - Event staging/set-up requirements
 - Requirements of potential prime tenants
 - Storage - basic requirements and ability to meet the challenges of rapid changeover
 - Utility consumption and control
 - Revenue opportunities, including signage, food and beverage, merchandising, parking
 - Community usage expectations
 - Operational efficiencies with regard to housekeeping and maintenance
 - Code Compliance (ADA, OSHA) - accessibility, safety and capacity related to aisles, routes of passages, and proper maintenance of these areas
 - Communications systems, including alarm systems
 - Medical/first aid services
 - Staffing levels and how they are impacted by design elements
 - TV/media broadcasting and facility hook-ups services

Project Coordination

- Attend regular progress meetings with design/construction and management team
- Visit construction site frequently to monitor progress
- Monitor change order requests and advise our client of those that concern operational

impact

- Receive and inventory Furniture, Fixtures and Equipment (FF&E)
- Monitor correspondence between architects and contractors
- Advise client when key points of construction are completed, including acceptance of structure and substantial completion
- Contribute to and monitor contractor's completion of punch list
- Review completion report and full set of as-built drawings with client
- Coordinate transition of facility from construction project to an operational venue
- Develop operational pro formas that project:
 - Number of events and performances
 - Average attendance and other relevant event-related information
 - Initial operating year revenue and expenses
- Create staffing plan, including organizational chart, job descriptions, salary and benefit packages, and a staffing phase-in plan

Furniture, Fixtures, and Equipment (FF&E)

Global Spectrum also develops for its clients a comprehensive FF&E list with recommended specifications for the FF&E bid process. Upon request, Global Spectrum will also provide complete FF&E Procurement Services, including the preparation of specifications and bid documents, ensuring delivery, compliance and warranty enforcement for a negotiated industry standard percentage of the total FF&E budget.

Leadership in Energy & Environmental Design

Through the efforts of Dan Rubino, Global Spectrum's Director of Projects, Global Spectrum has joined the U.S. Green Building Council ("USGBC"), a national non-profit organization dedicated to sustainable building design and construction. The USGBC oversees Leadership in Energy and Environmental Design ("LEED"), which helps building owners and operators measure operations, improvements and maintenance on a consistent scale, with the goal of maximizing operational efficiency while minimizing environmental impacts. LEED is becoming an industry standard in building and managing venues. Global Spectrum is committed to operate our buildings in an environmentally responsible manner. Global Spectrum sends personnel to LEED EB (Existing Building) workshops and Green Advantage workshops. Our goal is for at least one person at each Global Spectrum venues to be LEED AP (Accredited Professional).

The key to LEED is understanding the Building Systems and to measure the use of electricity, gas, and water (enhanced metering, for example) and put procedures in place for programs such as recycling, and purchasing of Green Seal cleaning products.

Efficient Building Systems needs to be designed and installed for new buildings. The cost to modify everything from enhanced metering, proper HVAC controls, and system commissioning after construction often proves to be prohibitively costly. Building Operating Procedures will be developed while the building is under construction. A well-defined system of recycling, cleaning, purchasing, and system monitoring, will not only maintain LEED certification, but will increase the certification to high levels.

Operational Start-Up

When hired for on-going full management in addition to pre-opening, Global Spectrum provides the following operational start-up services simultaneously with the pre-opening services outlined above:

- Acquire necessary permits
- Develop user policies, including:
 - Booking and scheduling
 - License Agreement (rental contract)
 - Rental rates and service fees
 - Show producer's guide
 - Service contracts (electrical, phones, catering, security, decorating, etc.)
 - House policies (rules and regulations of usage)
- Develop personnel policies
- Establish a total financial accounting system that incorporates:
 - Charts of accounts
 - Accounts receivable and payable
 - Bank accounts
 - Financial reports
 - Box Office controls
 - Payroll processing
- Determine necessary computer hardware/software
- Create a customized Operations Manual
- Develop emergency plans for situations, including fire, bomb threat, hazardous materials, flood, terrorism, and other critical situations
- Establish preventative maintenance systems for mechanical and electrical equipment
- Review food and beverage service plan, including:
 - Layout, location, design, and appearance of concession stands
 - Catering facilities
 - Portable sales outlets
 - Preparation and support areas
 - Smallwares
 - Furniture, Fixtures, and Equipment (FF&E)

Appendix II.

Global Spectrum's Project Team

Our Project Team consists of the most experienced staff in the industry. Collectively, our Project Team possesses the relevant experience in all facets of Facility Management. The team was led by Barry Strafacci who was assisted by Dave Anderson, Tom Mobley, Dan Rubino, and Sue Jordan.

Barry Strafacci

**VICE PRESIDENT OF SPECIAL PROJECTS, CONVENTION & EXHIBITION CENTERS
GENERAL MANAGER, HARBORVIEW CONVENTION CENTER**

Responsible for providing pre-opening assistance including design review, staffing, purchasing of FF&E, labor relations, and day-to-day operations to all Global Spectrum clients.

Career History:

- Provided pre-opening services for the following venues: Tampa Convention Center; Harborview Center; Overland Park Convention Center; Pueblo Convention Center; Pinellas Expo Center; Greater Richmond Convention Center; Palm Beach County Convention Center; St. Charles Convention Center; Richard M. Borchard Regional Fairgrounds, Chongqing International Convention & Exhibition Center
- Former General Manager, Tampa Convention Center (FL), Harborview Center, Clearwater, FL and Cashman Center, Las Vegas, NV
- Management Consultant, Putra World Trade Center, Kuala Lumpur, Malaysia, including managing day-to-day operations
- Former Vice President, Kentucky State Fair Board, COO Kentucky Fair and Expo Center and Commonwealth Convention Center
- Former Senior Policy & Budget Advisor for the Kentucky Governor's Office of Policy & Management
- Master's Degree, Public Service, Western Kentucky University
- Active Member of International Association of Assembly Managers (IAAM), International Association of Exposition Managers (IAEM), Meeting Planners International (MPI), American Society Association Executives (ASAE), National Association Consumer Shows (NACS)
- International Convention Center Conference Program Chair 2004, 2005
- Chairman IAAM Convention Centers/Exhibition Halls Committee 2005-2007
- Director at Large, Convention Centers/Exhibit Halls IAAM Board of Directors 2007-2009
- Director Florida Facility Managers Association (FFMA) 2008-2010
- Council Member Center for Exhibition Industry Research's Industry Council 2007-2009
- *Over 24 Years of Industry Experience*



Dave Anderson

REGIONAL VICE PRESIDENT AND GENERAL MANAGER, PALM BEACH COUNTY CONVENTION CENTER, WEST PALM BEACH, FL

Responsible for all operational matters at the Palm Beach County Convention Center. Also responsible for regional account supervision for other Global Spectrum accounts.

Career History:

- Former Director of Event Services, Wisconsin Center District, Milwaukee, WI
- Former Sales Manager, Wisconsin Center District: Midwest Airlines
- Former Sales Manager, West Coast Productions, Portland, OR
- B.A. Degree, University of Wisconsin, Whitewater, WI
- Member-FFMA (Florida Facilities Managers Association)-Board of Directors
- Member-Convention Center Committee for IAAM
- Over 13 years industry experience



Thomas M. Mobley, Jr.

SENIOR VICE PRESIDENT OF CONVENTION CENTERS

Responsible for leveraging convention and exposition industry relationships to the maximum advantage of Global Spectrum managed facilities. Is also responsible for operational oversight, staff training, CVB relations, and coordinate event bookings consistent with the goals and objectives of each client.

Career History:

- Former General Manager and CEO, Washington D.C. Convention Center - 700,000 sq. ft. of exhibit space, 170,000 sq. ft. of meeting and ballroom space
- Former General Manager, McCormick Place Convention Complex- 2 million sq. ft. of exhibition space, 350,000 sq. ft. of meeting and ballroom space, and a 4000-seat theater, Chicago, IL
- Former Director, The Division of Theaters and Arenas, City and County of Denver, CO. Facilities managed: Colorado Convention Center; Currihan Exhibition Hall; McNichols Sports Arena; The Denver Coliseum; The Denver Performing Arts Complex (Boettcher Concert Hall, Auditorium Theater, Temple Hoyne Buell Theater, Red Rocks Amphitheater)
- Former Executive Director, Jacksonville Convention Complex, Jacksonville, FL
- Former Executive Director, The Baltimore Convention Center, Baltimore, MD
- Former Assistant Labor Commissioner, Office of the Labor Commissioner, City of Baltimore, MD
- Former Director of Classification Division, Civil Service Commission, City of Baltimore
- Immediate Past Chairman of the Board, Convention Industry Council
- Member of Board of Trustees, Professional Convention Management Association Education Foundation
- Member Board of Trustees, Exhibition Industry Foundation
- Former Chairman of the Board and Treasurer, Center for Exhibition Industry Research
- CIC Representative, International Association of Assembly Managers
- American Society Of Association Executives
- Exhibition Services Contractors Association
- Exhibitor Appointed Contractors Association
- International Association of Exposition Managers
- Professional Convention Management Association
- Tradeshow Exhibitors Association
- B.A. Degree, Johns Hopkins University, Baltimore, MD
- *Over 25 Years Industry Experience*



Dan Rubino

DIRECTOR OF PROJECTS

Responsible for facility support including FF&E purchasing, operation standardization, and new construction consulting for Global Spectrum.

Career History:

- Former Director of Operations, BI-LO Center, Greenville, SC
- Former Director of Operations, Arena at Harbor Yard, Bridgeport, CT
- Former Director of Facility Development, Centerplate
- Member IAAM
- Author - "Handbook of Alternative Materials in Residential Construction"
- Former member of CSI (Construction Specification Institute)
- Chairman of the Technical Committee of the local (CSI)
- Associates Degree, Hartford State Technical College
- Certificate, Porter and Chester Institute, Stratford, CT
- *Over 20 Years of Industry Experience*



Susan Page Jordan, CHAE

DIRECTOR OF CONVENTION CENTER FINANCE

Responsible for overseeing and training finance personnel, implementing Global-Spectrum financial policies and procedures in Convention Centers and other venues.

Career History:

- Former Controller promoted to General Manager – Inn at Chester Springs Hotel and Conference Center, Exton, PA
- Former Controller – Valley Forge Convention Center Complex, Valley Forge, PA
- Former VP Finance and Administration – Clubsystems Group
- Former Controller – Desmond Hotel and Conference Center, Malvern, PA
- Former Controller – Philadelphia Country Club
- Past President – Greater Philadelphia Chapter, Hospitality Finance and Technical Professionals
- Past National Board Member –Hospitality Finance and Technical Professionals
- Certified Hospitality Accountant Executive
- M.B.A. Degree, Penn State University
- *Over 20 years of Industry Experience*



Appendix III.

Meetings & Conventions Report Summary

Meetings and Conventions magazine conducts a biannual survey of the meeting industry. As a result of their most recent survey, on August 1, 2008, Meetings and Conventions reported the following:

MEETINGSANDCONVENTIONS



Every two years, the call goes out to planners around the United States to tell Meetings & Conventions everything they know about the events they arrange: how many meetings they plan, how much money they spend, who attends, where they go and more. Our readers have been answering that call since 1974, helping M&C compile the Meetings Market Report, the pre-eminent statistical view of events held by U.S.-based organizations.

Methodology

M&C's Meetings Market Report has been conducted every two years since 1974. The online survey went live in March, and the results were analyzed by CIC Research Inc. in San Diego.

Completing the survey were 684 subscribers (447 corporate and 237 association planners). The total number of meetings planned, total number of attendees and the total expenditures were calculated to represent 55,452 corporate and 14,643 association readers that make up M&C's subscriber base. (In 2006, the calculations were based on 57,066 corporate and 13,017 association subscribers).

This year's report, which analyzes figures for meetings held in 2007, shows that both the number of meetings and number of attendees were up compared with two years ago, while the total expenditures on events declined slightly. Nearly \$103 billion was spent last year, down about 4 percent from 2005. Corporate meetings accounted for \$30.2 billion, down 5 percent from two years ago. Quite a bit less was spent on association meetings other than conventions, which fell 9 percent to \$38.1 billion in 2007. Convention spending was the bright spot, rising 3 percent to \$34.6 billion in 2007.

The total number of meetings held was up across the board. Corporate events rose 6 percent to almost 1.1 million events; association meetings increased by 8 percent to 227,000 events; and 13,700 conventions were held in 2007, 1,000 more than in 2005 – a rise of 8 percent.

The number of attendees grew for both corporate meetings (up 5 percent to 84 million people) and conventions (up 4 percent to almost 20 million), while attendance at other association meetings declined slightly, by 1 percent, to about 37.5 million.

Additionally, Meetings & Conventions reported...

- The average annual expenditure for corporate meetings rose about 1.5 percent, from \$536,000 in 2005 to \$543,900 in 2007. The average annual expenditure by associations on conventions fell from \$465,000 in 2005 to \$306,200 in 2007. Associations spent a little more on their other meetings, rising from an annual average of \$137,000 in 2005 to \$166,100 in 2007.
- In the corporate world, 18 percent of respondents' meetings included the guests of attendees. Similarly, on the association side, planners reported that 18 percent of their delegates were accompanied by guests for both conventions and other association meetings.
- More planners were using video and web conferencing, but those events do not necessarily replace face-to-face meetings. On the corporate side, 40 percent of the respondents conducted these events, up from 32 percent in 2005; 22 percent of the association planners surveyed used video and web conferencing, up from 20 percent two years earlier. Just 24 percent of corporate planners and 9 percent of association planners said video and web events replaced face-to-face meetings.
- This year, to reflect how the "green" wave has taken over the meetings industry, we asked planners about their recycling and other conservation tactics. About a third of both groups make sure all their conference materials are printed on recycled paper. Surprisingly, in this climate, 33 percent of the corporate respondents and 21 percent of their association colleagues don't know if recycle paper is being used.
- Supporting the growth in conventions, associations spent \$30.4 billion on their major gatherings, while their attendees contributed more than \$4 billion. Those delegates spent an average of \$1,590 per convention, up 9 percent from the \$1,460 they laid out in 2005. The associations themselves spent an average of \$306,200 in 2007 on conventions.
- As with 2003 and 2005, about a quarter (24 percent) of respondents said their most recent conventions were held in the South Atlantic region of the United States (Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and Washing D.C.).
- Convention attendees most often slept at downtown hotels, as reported by 62 percent of association planners, followed by non-golf resorts (24 percent), suburban hotels (15 percent), suite hotels (12 percent), airport hotels (8 percent), golf resorts (7percent), gaming facilities (5 percent), residential conference centers (3 percent), other facilities (2 percent) and cruise ships (1 percent). Two percent of the sample said some of their events did not use overnight accommodations. Not surprisingly, convention attendees paid more for their rooms in 2007, their bills averaging \$172 per night, an increase of 19 percent over the \$145 delegates were paying two years earlier.