

MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
& LANCASTER COUNTY AGRICULTURAL SOCIETY
LANCASTER EVENT CENTER, LANCASTER ROOM, 4100 N. 84TH STREET
WEDNESDAY, NOVEMBER 15, 2017
7:00 P.M.

Advance public notice of the Board of Commissioners meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and emailed to the media on November 9, 2017.

Commissioners present: Todd Wiltgen, Chair; Bill Avery, Vice Chair; Roma Amundson, Jennifer Brinkman and Deb Schorr

Agricultural Society Board Members present: Ron Dowding, President; Kendra Ronnau, Vice-President; Jamie Bauman, Secretary; Karen Rutt, Treasurer; John Cooper, Jim Swanson, Ron Suing, Tom Messick and Jay Wilkinson

Others present: Dan Nolte, County Clerk; Hoyt Kraeger, Lancaster Event Center Business Development; and Amy Dickerson, Lancaster Event Center Managing Director

1) Call the meeting to order

Commissioner Wiltgen called the meeting to order at 7:00 p.m.

2) Proof of due notice of public meeting and location of Nebraska Open Meetings Act

3) Roll call for Ag Society Board and County Board

Roll was called for both Boards.

4) Approval of Minutes from last year's meeting

MOTION: Ronnau moved and Cooper seconded approval of the minutes. Swanson, Messick, Bauman, Rutt, Suing, Cooper, Ronnau and Dowding voted yes. Wilkinson was absent. Motion carried 8-0.

NOTE: The Lancaster County Board of Commissioners approved the minutes from last year on November 29, 2016.

5) Lancaster County Super Fair Report – Jamie Bauman, Ag Society Secretary

Wilkinson entered the meeting at 7:09 p.m.

Bauman provided a presentation on the Lancaster County Super Fair (Exhibit A). She said the public attendance was up over 17% from 2016 with a total attendance of 130,000 over the ten days. Bauman discussed the continued challenges of attendance and revenue once the 4-H exhibits are completed. The fair currently runs ten days which is demanding on the staff and volunteers.

Bauman noted some of the changes for 2018:

- 4 days of 4-H and Future Farmers of America (FFA)
- Focus more on 4-H
- Carnival will extend 6 days after 4-H is completed

6) Lancaster Event Center Report – Amy Dickerson, Managing Director

Amy Dickerson, Managing Director, provided an overview of the Lancaster Event Center (LEC) and National High School Finals Rodeo (NHSFR) (Exhibit B). She said the LEC not only host events but host and run their own event which is one of the largest, most respected 4-H county fairs in Nebraska.

Dickerson commended the LEC staff for their dedication and openness to change. She said the employees all work hard to take care of the customers and provide them with the best experience at LEC.

Dickerson said the goal is to keep the LEC space affordable for youth, other non-profits, government and small business groups. She stated it is important to attract regional and national events which are more profitable to the LEC. Dickerson said this helps not only support the smaller community events but also is a boost to the City of Lincoln economy. She said the LEC continues to climb in the national rankings for regional and national events. Dickerson noted an economic study showed \$40,000,000 spent annually from outside of Lancaster County.

7) NHSFR Preparations Update – Amy Dickerson, Managing Director

Wiltgen noted that the Lancaster County Board utilizing the Visitors Improvement Fund Grant awarded the LEC \$3,000,000 for the purpose of hosting the NHSFR. He said a significant effort was made to attract the event by Governor Ricketts, Lincoln Chamber of Commerce, Convention and Visitors Bureau and LEC staff.

Dickerson said the rodeo will take place in July 2020 and 2021 with approximately 1700 high school age contestants participating in thirteen performances over ten days. She said past impact studies show a minimum of \$16,000,000 economic impact with approximately 50,000 visitors. Dickerson stated the event rotates every two years to other sites. She added if the NHSFR governing board feels LEC hosted a successful event it would return in 2026 and 2027.

Dickerson discussed improvements and additions to the facility:

- Camp grounds expanded
- 3500 capacity covered grandstand
- 1900 horse stalls
- Additional parking

Wiltgen inquired if the Lancaster County Board would need to approve construction contracts. Dickerson said she has not had to do so in the past.

8) LEC Market Study Report – Susan Sieger – Crossroads Consulting

Susan Sieger, Crossroads Consulting, provided a presentation that includes the LEC Market Study Report (Exhibit C). She said it is important to continue to grow and meet the needs of the user groups for long term success. Sieger stated the LEC is currently at capacity for key seasons. She said the master plan process began before acquiring the NHSFR and feels it is important that long term needs are integrated around that event.

Sieger noted the success of the LEC comes from accessibility with interstate access, service by two airports and available hotels. She added that several events have outgrown the space and upgrades can result in more events. Sieger said securing multiday national events are important in maintaining success.

Sieger discussed how to prioritize improvements:

- Strong recognizable brand identity
- Short and long term objectives
- Management
- Demographics and accessibility
- Proactive and strategic marketing

9) LEC Master Plan Update – JoAnne Kissel, Clark Enersen Partners & Master Planning Committee

JoAnne Kissel, Clark Enersen Partners, presented an overview of the LEC Master Plan Update (Exhibit D). She explained when the facility was built a three phase expansion was planned. Kissel said Phase 3 addresses the issue of access to LEC along with increased parking. The expanded campground, when not being used for campers, will be utilized for overflow parking. Kissel stated the main part of the third phase is an outdoor arena, coliseum and additional pavilion which will allow for more regional events.

Avery inquired how much of the new area will be in the flood plain. Kissel stated all the new construction will be out of the flood plains.

Kissel said if the decision is made to go ahead with the public bond election there will be materials that are needed such as graphics and designs for public education.

Brinkman asked if the size of the coliseum is the same size as was proposed ten years ago. Kissel said over the last ten years it most likely has changed. She noted there has been a great deal of collaboration to ensure the size is appropriate.

In response to Avery's inquiry regarding the size of bond that will be needed, Kissel said it is too early to tell as planning is still ongoing. Dickerson said while final numbers are not available the placeholder cost that was used for the public survey was \$60 million to \$70 million.

10) LEC Phase 3 Financing Options – Tom Huston, Cline Williams

Tom Huston, Cline Williams, said an amendment to an agreement with the City of Lincoln will be required to address some of the questions through the master planning process. He noted one

concern of the City is that the LEC does not compete with Pinnacle Bank Arena. Huston said the financing plan for the NHSFR is in place but not the Phase 3 Master Plan. He stated they are looking at a variety of funding sources including grants and state legislature financing acts to minimize the amount of public debt. Huston noted the Sports Arena Facility Financing Act as well as the Community Development Law to permit enhance employment area (EEA) could be viable sources of funding.

Brinkman questioned if the EEA requires City Council approval. Huston said yes it would have to be put into effect by ordinance and approved by the City Council.

11) LEC Phase 3 Expansion Public Survey Results – Chris Peterson, CP Strategies

Chris Peterson, CP Strategies, presented an overview of the public survey results (Exhibit E). He stated a brief high level survey was performed to gauge public opinion of the LEC, support of the facility expansion and test support of potential financing options for expansion. Peterson said 400 voters from Lancaster County were randomly selected. He stated there was definitely an aversion to property tax solution for financing of the proposed expansion. Peterson said the favorability of a bond increased after providing those surveyed with the economic benefits of expansion.

12) Comments from the public

Tom Kirshenbaum, Nebraska Quarter Horse Association, said they have approximately 25 shows per year. He stated previously those shows were scattered throughout the state and now all shows are held at LEC. Kirshenbaum said the proposed updates are needed.

Debbie Brehm stated she and her daughter were recently at a horse show in Ohio that had a \$285,000,000 economic impact. She said while that is a very large show, it is an example of what expanded facilities can mean to a community.

Dale Nelson appeared in support of the expansion. He is affiliated with the Cornhusker Tractor and Truck Pulls. Nelson said the event is growing and could be potential of a televised event that would bring in a large number of spectators.

Mark Othmer stated he is involved with the Nebraska Power Farming Show which continues to grow and has twenty vendors on a waiting list. He said more space is needed to accommodate the vendors and exhibits. Othmer said 3000 exhibitor badges are issued with 55% of those exhibitors visiting from out of state. He noted even though the show is free there is still an economic impact on the community.

Keri Price said she is a member of the Star City Llama and Alpaca 4-H Group. She expressed concern that the open shows the second week of the fair would be cancelled. Price said those shows are necessary to qualify for a national event.

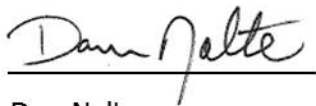
Ronnau said the Ag Society made the decision to discontinue the open classes for financial and staffing issues. She stated restructure of the open classes is an option but those groups would need to find their own sponsorship.

Joel Armstrong said that attracting national shows will be difficult because of the state required brucellosis testing for livestock. He stated several other states repealed the requirement. Armstrong said this could be deterring national shows from coming to LEC.

Karen Kerbig appeared and expressed concern with the elimination of the open class shows for llamas. She said there have been offers to host events in out state Nebraska. Kerbig she would like to see events remain in Lancaster County.

13) Adjournment

MOTION: Brinkman moved and Avery seconded to adjourn the meeting at 9:43 p.m. Schorr, Brinkman, Avery, Amundson and Wiltgen voted yes. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk





EXHIBIT
tabbies
A

LANCASTER COUNTY
Super Fair



2017 Highlights:

4-H: 5261 entries, 701 exhibitors

Open Class: 4751 entries, 595 exhibitors

Public: +17%

Total Attendance: 130K over 10 days

Great weather, LPD partnership





LANCASTER COUNTY
Super Fair



Challenges:

- Public not happy with fair experience after 4-H leaves
- Vendors say too long
- 10 days + setup/teardown taxing staff, volunteers
- Adding days to 4-H costly while hard to grow fair revenues
- Turning away events that want to use LEC before/after fair

2018 Plan



Thu Aug 2- Sun Aug 5, 2018

- 4 big public days—full county fair experience anytime come out
- Back to beloved county fair format focused on 4-H
 - plus Open Class Static + free/low cost entertainment
- Carnival will stay for six more days after 4-H leaves (10 days total):
 - only time of year locals can enjoy rides & key fair fundraiser
- LEC now open weekends before/after fair for rental
 - already have inquiries
- Open Livestock:
 - many were adults from other counties & not part of most county fairs in NE
 - restructuring where we support livestock associations to take the lead
 - Supporting re-launch of these shows individually or even as “Lancaster Livestock Show”



EXHIBIT
B

Annual Joint Meeting
Ag Society Board + County Board

November 15, 2017
Amy Dickerson, Managing Director
Cell: 402.429.1950
Email: adickerson@LancasterEventCenter.org



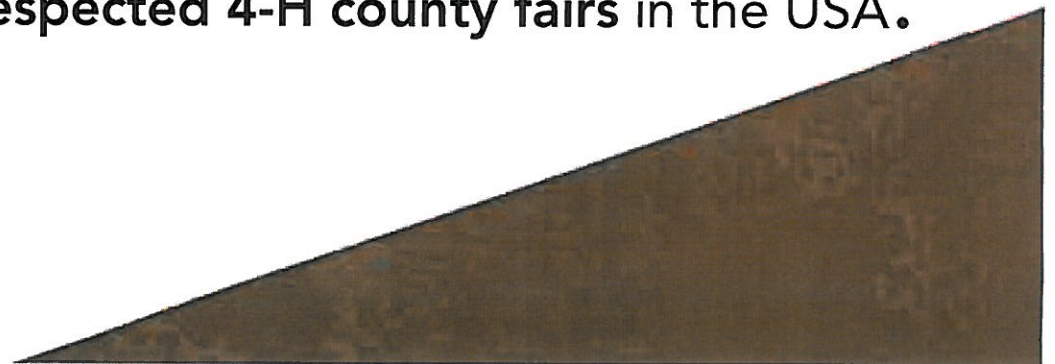
LEC Update

Our vision

A **public, non-profit** event center seen as **leading venue** for variety of events not just in Nebraska, but regionally and nationally...

- Professional
- “Profitable”
- Friendly
- Fun

...all while celebrating the **unique agricultural & natural nature of Lancaster County** and being a key contributor to the county’s youth, culture and economy headlined by being the home of **one of the largest, most well-respected 4-H county fairs in the USA.**



Our focuses

TEAM

1. Attract, develop & take care of talented team members in challenging event center work environment & tight labor market
2. Continue to strengthen our operational processes

FINANCIAL

1. Enhance financial tools to better guide decision-making
2. Attract new regional/national events to add county economic impact & help maintain LEC for generations

CUSTOMER

1. Provide better experience to our existing shows every time they visit—led by the Super Fair
2. Provide affordable space for local youth, non-profits, government, small business groups

COMMUNITY

1. Engage the community in supporting the Super Fair and LEC
2. Offer a plan for making Phase 3 a reality that our public feels good supporting

We'll know we're successful when...

Measures we look at...

<p>TEAM</p> <ol style="list-style-type: none">1. Low turnover2. Develop & attract needed talent	<p>FINANCIAL</p> <ol style="list-style-type: none">1. Know profitability by event, dept.2. New events adding to profit so can keep up with facility maintenance
<p>CUSTOMER</p> <ol style="list-style-type: none">1. High customer satisfaction2. Customer referrals3. Retaining existing events4. Attracting new events	<p>COMMUNITY</p> <ol style="list-style-type: none">1. Strong level of volunteers, donors, sponsors2. Attracting more visitors to Lancaster County, increase economic impact

Over 300 shows per year

LEC Show Attendance

	Event Days	Total Attendance	Estimated % attendees outside Lincoln	# visitors bring to Lincoln
Trade Shows				
Nebraska Power Farming (3 days)	3	18,000	80%	14,400
Nebraska Home Builders' Show (3 days)	3	17,000	25%	4,250
Lawn and Leisure Show (3 days)	3	12,000	10%	1,200
Boat, Sport & Travel Show (3 days)	3	12,000	20%	2,400
Other Trade Shows	63	99,000	15%	14,850
Mother of All Garage Sales	1	4,000	5%	200
Spectator Events				
Sesostris Shrine Circus (5 days, 10 shows)	10	22,000	5%	1,100
Extreme Bull Ride (2 days)	2	5,000	20%	1,000
UNL Rodeo (2 days)	2	5,000	20%	1,000
Tractor Pull (3 days)	3	7,500	20%	1,500
Motorsports Events				
ABATE Motorcycle Show (3 days)	3	6,000	20%	1,200
Car Swap Meet (1 day)	1	18,000	50%	9,000
Animal Events				
Bonus Race Finals	4	2,500	98%	2,450
All Other Horse Shows	129	58,000	90%	52,200
County Fair	10	140,000	15%	21,000
Misc. Other Shows (youth, community, sporting, receptions)	279	74,000	10%	7,400
TOTAL	519	500,000	27%	135,150
Estimate based on event surveys as of 2015				

- After re-launch, some shows growing 25-50%
- Booked most of year, waiting list for space

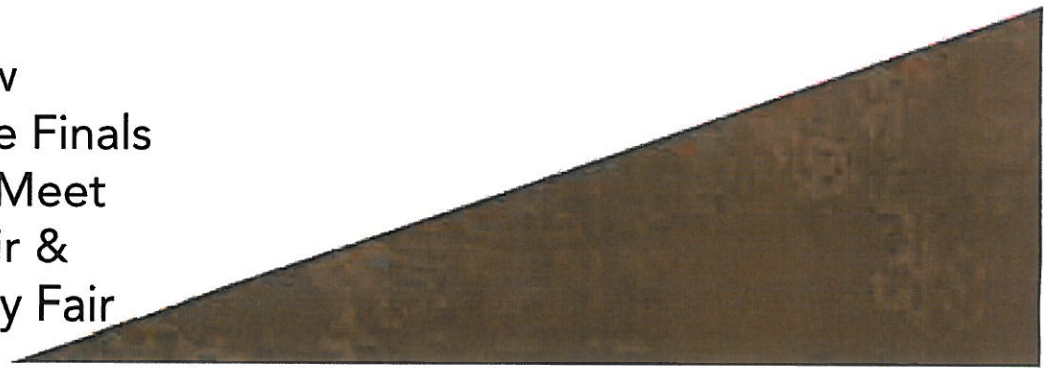
Nice balance of local community event support while attracting visitors to county

~200 of 300 events are for local Lancaster County community at discount

Event Type	Number of events	
Lanc. Co. 4-H meetings/competitions	65	33%
Lancaster County Government	18	9%
Lanc. Co. Non-Profit Charity	57	29%
Lanc. Co. Non-profit Youth	60	30%
Total Events	200	100%

While ~100 of 300 events are regional/national events:

- #2 Farm Show in USA
- #2 Tractor Pull in USA
- # 3 & #8 Quarter Horse Show
- 15-state National Bonus Race Finals
- 10-state Regional Car Swap Meet
- Largest Nebraska County Fair & Leading in USA 4-H County Fair



Economic impact

TODAY

500K visitors/year

400K local

Est. \$50/person
= \$20M impact

100K out of town

Est. \$125/person
= \$12.5M impact

27K hotel nights

Est. \$245/person
= \$6.6M impact

Bring
\$40M+
spend
annually
from outside
Lancaster
County

*Conservative estimate
by LEC based on past
event surveys, economic
impact study, market
study, VPC formula.*

*New economic impact
study to be done by
early 2018*

NEW

Inviting new Regional/National shows
with attendees from outside NE such as:

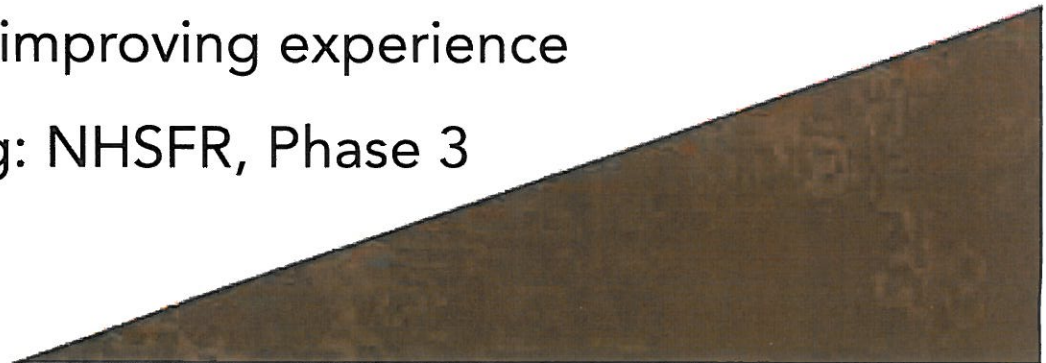
Won NHSFR bid for 2020/2021 & every 2 of 6 years

*Per past economic impact studies with
update from UNL Dr. Eric Thompson*

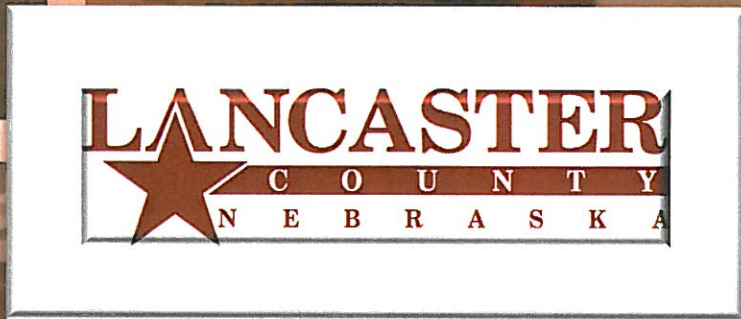
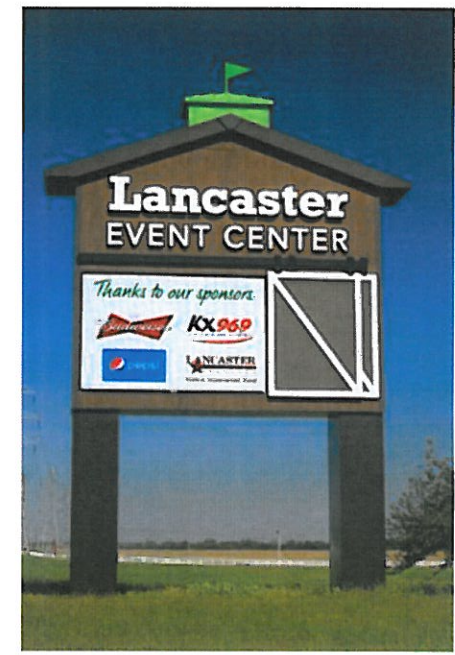
**+\$16M
Impact/year**

2017 highlights— keeping up with growth of Lincoln!

- \$5M Phase 2.5 remodeling, operational re-launch completed
- Existing customer satisfaction up
- Current shows growing (25-50% growth on some of largest shows)
- NHSFR bid win after year work
 - contract signed 6 months ago
 - community-wide excitement & national exposure (65K Facebook reach)
- Cut fair expenses while improving experience
- Detailed future planning: NHSFR, Phase 3



*Thanks for your support of
Phase 2.5 relaunch & remodeling!*



Existing customer feedback

Diane Olson

Horse Show Management, Lincoln NE
Blue Valley, Spring Fling and NE Roping

"I hold 60+ events a year across 6 states. Many of my events are at the Lancaster Event Center and the facilities are top notch. The crew and office are wonderful and take the time to make sure my events are successful and run smoothly. I love working with the Lancaster Event Center. I'm sure any event would be happy to be at the event center."

Shelley Schaefer

Maverick Rodeo, Beatrice NE

"I run several events year-round at the LEC and what I really like is the LEC staff...they are easy to work with and make my life easier as a barrel and roping show promoter."

Will Rogers

Nebraska Power Farming Show
Iowa Nebraska Equipment Dealers Association
Des Moines, IA

"This will be our 10th year with largest indoor farm show west of the Mississippi and we love how they handle our show. Why? #1 Space is most flexible and easiest to get in & out and park that we've dealt with nationwide, #2 People that LEC has are great to work with, make our life easier as promoter and better experience for our guests and #3 Location is central in USA, easy off Interstate and not right in a metro area but minutes away from restaurants, hotels, things to do in Lincoln. Overall, we feel we have a partnership with LEC to make our show a success."

Tom Kirshenbaum

Owner, Wolf Bros. Western Store, Omaha NE &
Promoter for two largest QH shows at LEC
(Cornhusker Classic & Silver Classic)

No facility has a better location in the country—square in the middle! This facility is poised to grow its current shows and add new larger shows with new management last couple years—everything has improved: footing, stalling, shavings delivery, remodeling cafes. The entire LEC staff really gets what livestock shows need & really take care of us.

New customer feedback: 2017 NE State Mounted Shooting Championship



Lancaster EVENT CENTER
 4100 North 84th Street Lincoln, Nebraska 68507
 402.441.6545 www.lancastereventcenter.org

Event Evaluation

Name of Show Promoter: Kris Schultz Name of Event: No State Ch
 Building(s) Rented: Facility 4 Date of Event: July 28-29, 2017

1. How satisfied were you with your overall experience for your most recent show as a Show Promoter at the Lancaster Event Center?
 Very Satisfied Somewhat Satisfied Neutral Somewhat Dissatisfied Dissatisfied

Comments: See Back Side

2. How would you say our exhibitors/vendors and/or attendees would rate their show experience?
 Very Satisfied Somewhat Satisfied Neutral Somewhat Dissatisfied Dissatisfied

Comments:

3. What was the total attendance at your event across all days (exhibitors, vendors, & visitors). Please estimate if no information is helpful for Lancaster Event Center to continue to get financial support so we can continue to maintain our facility.
250 Please est. # of hotel nights for all attendees of your show:

4. How was the service provided by Lancaster Event Center staff?
 Management Office: XXXXXX Superior Good Average Fair Poor
 Operations: XXXXXX Superior Good Average Fair Poor
 Food & Beverage: XXXXXX Superior Good Average Fair Poor
 Other (specify): Crowd Control Superior Good Average Fair Poor

5. Please share feedback on our Food & Beverage services:
 Taste of Food: XXXXXX Superior Good Average Fair Poor
 Freshness of Food: XXXXXX Superior Good Average Fair Poor
 Portion Size: XXXXXX Superior Good Average Fair Poor
 Variety of Food & Beverage: XXXXXX Superior Good Average Fair Poor
 Healthiness of Food & Beverage: XXXXXX Superior Good Average Fair Poor
 Speed of service (wait or buffet lines): XXXXXX Superior Good Average Fair Poor
 Catering Order: XXXXXX Superior Good Average Fair Poor
 Accuracy of Order: XXXXXX Superior Good Average Fair Poor
 Value of Food vs Price Paid: XXXXXX Superior Good Average Fair Poor

Comments:

6. Did you experience any issues with your show? Yes No
 If yes, please provide feedback on how Lancaster Event Center could have made the show run more smoothly for you.

7. Please provide comments on how Lancaster Event Center could improve your experience for future events.

8. How likely are you to hold your event at Lancaster Event Center next year?
 Very Likely Probably Not Sure Not Likely No

9. How strongly would you recommend the Lancaster Event Center to other show promoters if asked?
 Highly Somewhat Neutral Not Really Not at All

10. Please share other comments/feedback on anything very positive & any other improvements you'd like to see at the Lancaster Event Center.

Please return this evaluation to Lancaster Event Center Office by:
 Email: info@lancastereventcenter.org
 Mail: 4100 N. 84th Street, Lincoln, NE 68507
 Fax: 402.441.4064

Thank you very much for taking the time to give us feedback to improve the Lancaster Event Center! If you have other comments or concerns, contact the Director, Amy Dickerson at adickerson@lancastereventcenter.org

General Manager Lancaster Event Center,

This is the second time we have used your facility, once again the entire staff exceeded our expectations! We put on the largest mounted shooting competition this state has ever seen. We were able to pull it off with only eight people from our club. The rest of it was with the help of your staff.

We had shooters from 13 different states and also Canada. Most of our shooters have been to many large shoots including the Worlds Championships held in Amarillo TX. I was told that your complex and staff were far better than anything they've ever attended.

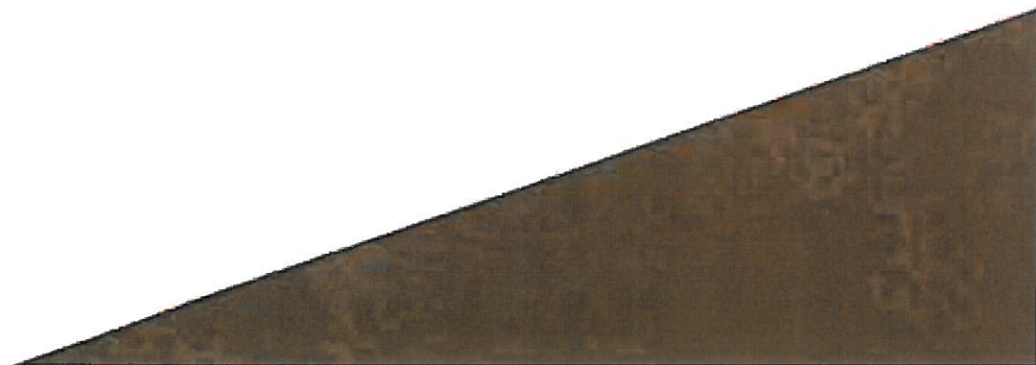
Your staff made our job easy. We were able to focus on the competition and not have to worry about anything else. It started with Susan and the entire office staff. Neal and I believe his name was Will had the arena perfect! They were standing by to work the arena whenever we needed them.

I want to personally thank y'all.

Kris Schultz
 President
 Turkey Creek Regulators

P.S. - I will let Susan know asap when our next shoot will be at your arena!

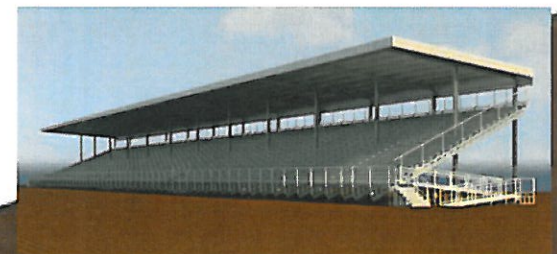
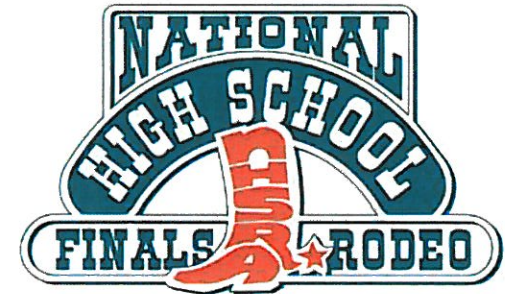
NHSTR Update



Lincoln new rotating home for NHSTR starting 2020/2021


Lancaster
EVENT CENTER

- Year-long bid process vs. 3 proposals from IL, WY
- 1650 HS contestants (world's largest rodeo)
- 10-day event, 13 performances
- \$16M economic impact each year with 50K visitors
- Partnerships key to winning bid:
 - Governor
 - County Commissioners
 - Mayor
 - Lincoln CVB & Visitors Promotion Committee
 - UNL
- \$3M in grounds improvements funded by lodging tax VPC grant:
 - Outdoor covered grandstand
 - Loop road
 - Camping upgrades



Rodeo Layout

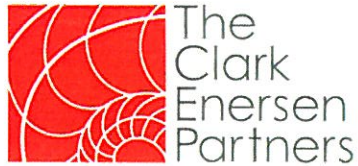


NHSTR update—on track for July 2020



Master Planning Team

Core Team



Consulting



Local Approvals



Local community input to date

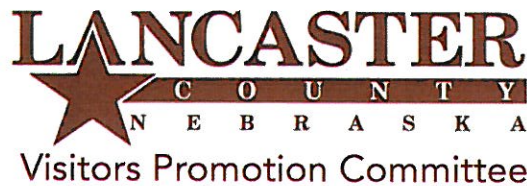


Serve Lincoln. Impact the World.

Downtown, East, South



NEBRASKA EXTENSION IN LANCASTER COUNTY



Why Phase 3 soon

- **Successful LEC re-launch** with constant improvement mentality—proven ability to support & run large events safely, smoothly
- LEC has been **at capacity for several years** —turning away new events, holding back current event growth & local economic impact
- **Success of Lincoln**--success of west side development causing demand on east side
- **NHSFR win gained national event awareness**, instant credibility for LEC, Lincoln
- **Interest rates won't stay at historic lows** forever
- **We can win national events: Nebraska great value prop** with central, low cost, friendly, good transport, neutral for national events/often less travel
- Lincoln, Lancaster County, Nebraska **all looking for ways to drive economic growth, jobs & tax revenue while holding taxes down for local residents**

Now let's hear from the Master Planning team

—want your input!



Master Plan - Market Analysis Update



November 15, 2017

Driving Forces of the Master Plan

Driving Forces

- Continuing to operate as a self-sustaining, not-for-profit organization that provides economic development and improved quality of life
- Positioning for long-term success given constantly changing competitive environment and economic conditions at a macro level
- Retain and grow existing events and position the LEC to attract new events that have a regional and national appeal
- Prioritizing capital projects, facility upgrades, and adaptive reuse of existing buildings that provide:
 - Operational flexibility and adaptability
 - Financial and environmental sustainability
 - Return on investment
- The LEC was recently awarded the National High School Finals Rodeo (NHSFR) for 2020 and 2021
 - Several renovation/enhancement projects must be completed prior to this event include the construction of the new Grandstand and upgrading and expanding the campgrounds
 - LEC is in the rotation and could potentially host the NHSFR again in 2026 and 2027
 - The event is anticipated to bring approximately 50,000 people to Lincoln

Work Plan

- Interviewed key stakeholders including LEC management and staff
- Attended Lancaster County Super Fair and toured existing facilities
- Profiled market attributes including the competitive environment
- Analyzed existing operational data
- Assessed industry trends
- Obtained feedback from existing and potential users
- Analyzed data on competitive/comparable facilities
- Developed a competitive market assessment

Multiple Factors Impact Potential Market Demand Opportunities



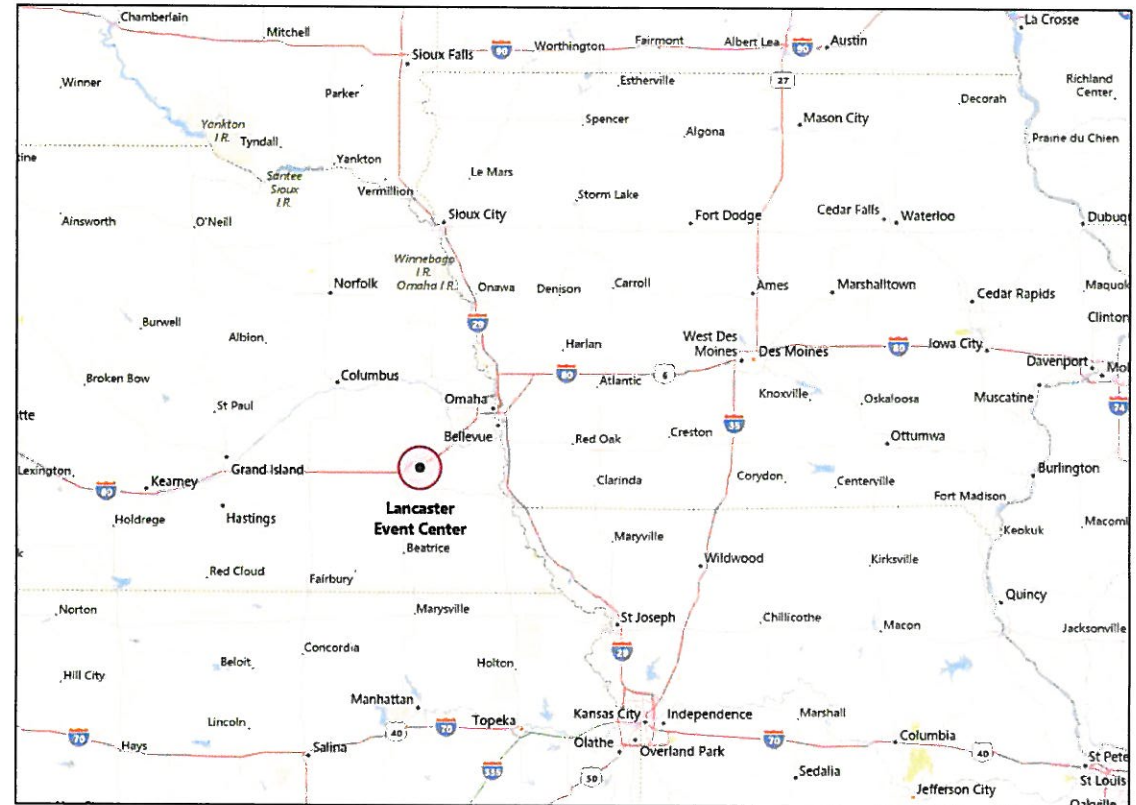
Demographic & Economic Attributes Impact Programming Opportunities

Category	Primary Market 30-Mile Radius	Secondary Market 60-Mile Radius
2000 Population	313,400	1,190,500
2010 Population	357,500	1,323,800
2017 Population	392,300	1,429,500
2022 Projection	416,300	1,503,500
Median Age	35.0 years old	35.9 years old
Median Household Income	\$57,800	\$58,300
Average Household Income	\$76,500	\$78,000

- The primary and secondary markets are projected to experience annual growth rates of 1.2% and 1.0% from 2017 to 2022, respectively, which are higher than for the State (0.78%) and the U.S. (0.84%)
- Median age and income statistics are relatively similar in both the primary and secondary markets
- The Metro Area's employment is primarily made up of government; trade, transportation and utilities; education and health services; and professional and business services

Accessibility and Geographic Location as well as Hotel Supply Impact the LEC's Marketability

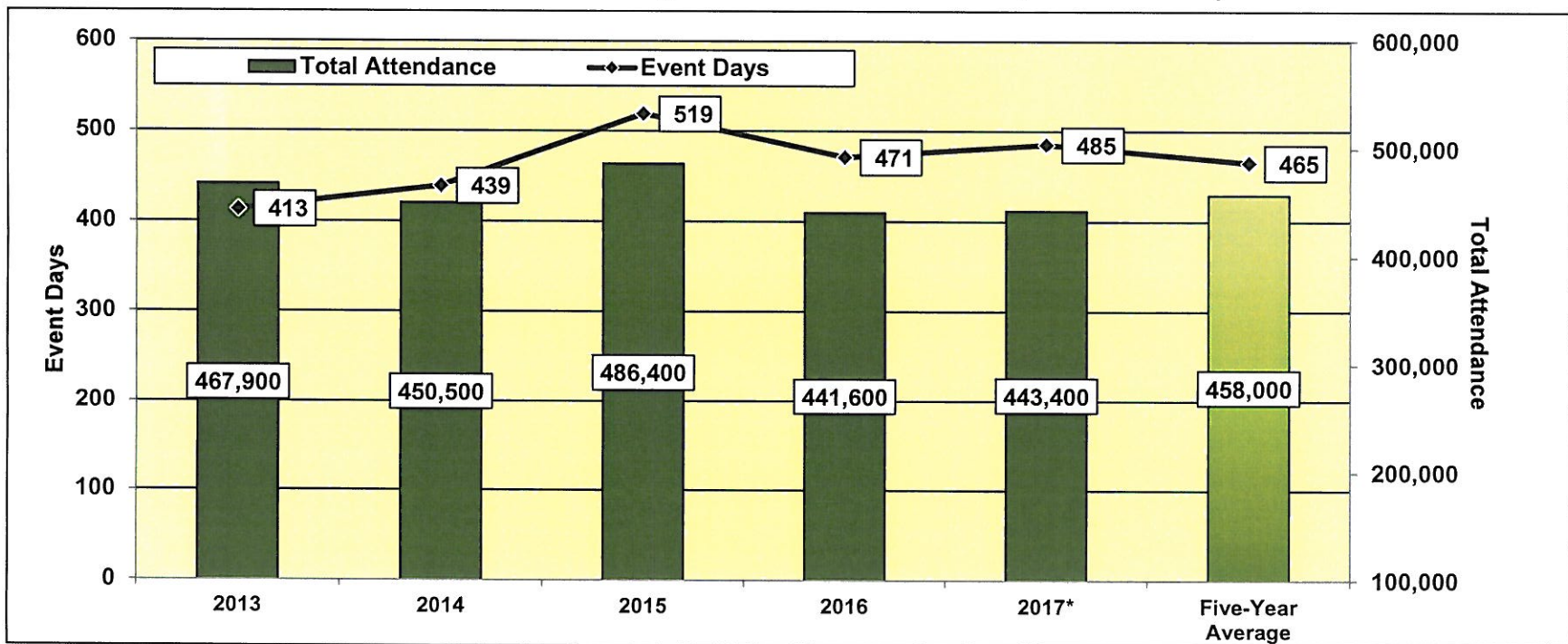
- North/South highway access is provided by Interstate 29
- Interstate 80 provides the primary East/West access
- Proximity to the Lincoln Airport and Eppley Airfield in Omaha can be advantageous
- There are approximately 5,300 hotel rooms in Lincoln, most of which are located within 10 miles of the LEC



Historical LEC Operations Provide a Solid Base for Future Business

- Over the last five years, LEC has averaged 465 Event Days and 458,000 in Total Attendance
- Event activity peaked in 2015 due to an increase in sporting events, practices and community/civic events
- Attendance in 2015 was positively impacted by increases at the Fair and family shows
- After peaking in 2015, event days and attendance remained relatively consistent in 2017 to date

Historical Event Days & Total Attendance (2013 – 2017)



Note: * Event activity shown for 2017 includes management's projections for November and December.

Historical LEC Operations Provide a Solid Base for Future Business (cont'd)

- Consumer/trade shows accounted for approximately 12% of total events and 15% of total event days as well as 37% of total attendance
- On average, equine/rodeo-related activity combined represented approximately 26% of total events, 30% of event days and 15% of total attendance at the LEC
- The facility began hosting UNL Rodeo practices and CCHPC Barrel Practices in 2014 and has also hosted private driving practices and Magellan soccer practices
- Banquets, including receptions, Quinceaneras and other food functions, averaged 8% of total events during the profiled period but only 3% of total attendance; however, these events can be profitable for the complex due to facility rental charges and food and beverage revenue
- In general, the LEC's event activity appears consistent with its mission to offer diverse, affordable programming
- Beginning in 2018, the Fair will be reduced to four days which will highlight the 4-H-focused days of the Fair and increase the number of days that the LEC is available for outside rentals

Several Existing Events Are Limited in Their Ability to Grow and Others Interested in LEC Cannot Be Accommodated

- Several existing events are outgrowing the existing space or are unable to get their desired date
 - Farm Show, Cornhusker Classic Quarter Horse Show, Lawn & Leisure Show, UNL Rodeo, Antique Show
- Several existing events require more spectator seating (3,000 to 4000)
 - Cornhusker Classic Tractor Pull, Professional Bull Riders, Shrine Circus
- Other events that have been turned away because of date/space availability or existing building program elements include:
 - American Shetland Pony Club Nationals
 - American Shetland Sheep Dog
 - American Simmental Association
 - Derby Girls Roller Derby practices/competitions
 - Dare to Share Youth Seminar
 - National Simmental Show
 - National Versatility Ranch Horse & Mounted Shooting Finals
 - Nitro Arena Cross Tour
 - Palomino Nationals
 - Select World Show
 - Sporting events such as Youth Archery Competition and Wrestling
 - Local events such as weddings/Quinceaneras, 5K runs

The Planned Upgrades at LEC Create Potential New Business Opportunities to Meet Unmet Demand

- Potential upgrades include: seating, additional square footage, breakout rooms as well as amenities such as A/C, lighting, stalling, camping
- Flexibility and affordability of space are key
- These upgrades would place the LEC in a better competitive position to attract the following types of events
 - Regional and national agricultural/livestock shows – National Dairy Goat Show
 - Regional and national equine/rodeo events – National Pony of the Americas Show
 - Consumer shows/expos – RV shows
 - Meetings/social functions – banquets, lectures, training events, weddings
 - Civic/community events – charity events, rallies, churches, schools, non-profits
 - Fraternal organizations – VFW, American Legion
 - Sporting events – Reebok Cross Fit Championships
 - Special Olympics
 - Cheer/dance/juggling/baton twirling events

The LEC is Complementary to Other Local Facilities in Terms of Program and Market Niche

- Facility size, program elements, configuration, age, market focus, and date availability are factors that impact how competitive or complementary facilities are to LEC
- While some of these facilities do not directly compete with the LEC on a regular basis, they do serve as alternative locations for certain events

Sports/Entertainment Facilities

- Bob Devaney Sports Center
- Ethel S. Abbott Sports Complex
- Ice Box
- John Breslow Ice Hockey Center
- Lied Center for Performing Arts
- Pinewood Bowl Theater
- Pinnacle Bank Arena
- R.B. Warren Arena
- Snyder Arena
- Speedway Sporting Village

Meeting/Banquet Facilities

- Embassy Suites Lincoln
- Holiday Inn Downtown
- The Cornhusker

Educational/Learning Facilities

- Nebraska Innovation Campus

Based on the LEC's Program and Market Niche, it Competes with Multiple Regional Facilities

Regional Fairgrounds/Complexes

- Buffalo County Fairgrounds – Kearney, NE
 - Christensen Field Complex – Fremont, NE
 - Clay County Fairgrounds – Spencer, IA
 - Heartland Events Center – Grand Island, NE
 - Iowa State Fairgrounds – Des Moines, IA
 - Kansas State Fair – Hutchinson, KS
 - Madison County Fairgrounds – Winterset, IA
 - North Iowa Events Center – Mason City, IA
- On average, these facilities offer a fixed seating capacity of 2,300 in their primary arena
 - Most of these facilities have:
 - Concrete floors in their primary arena
 - Additional indoor arenas to support the primary arena
 - Permanent stalls – range of 100 to 600 for an average of 180
 - A comparable number of RV hook-ups
 - Additional campsites
 - Offering a climate-controlled arena with at least 2,500 fixed seats and an adjacent covered warm-up arena along with supporting exhibit space would increase the LEC's marketability and competitiveness multiple event types

Summary of Market Potential by Major Event Type

- Based on market research, including feedback from current and potential users, new facilities will enhance demand potential – Coliseum, Pavilion 5, Grandstand, campgrounds and other site/facility upgrades

Event Type	Relative Demand Potential
State/Regional/National Multi-Day Equine Events	High
Rodeos	High
Motorsports	High
Local Community Events	High
Agricultural Events	Moderate
Consumer/Trade/Expo Shows	Moderate
Entertainment	Low
Family Shows	Low

Several Common Factors Impact the Success of Similar Projects

- Strong recognizable brand identity
- Focused short and long-term operating objectives of the facility
- Management team with experience and relationships with event planners/producers in various target market segments
- Demographic/economic attributes
- Highway accessibility to/from the facility
- Providing a well-designed, safe and flexible facility
- Building program elements, patron amenities and supporting infrastructure that appropriately accommodates the desired target market(s)
- Inventory of, and proximity to, supporting amenities such as hotels and attractions
- Affordability of asset and destination
- Type and amount of activity and related revenue streams
- Positive industry trends
- Proactive and strategic marketing efforts from multiple partners
- Ability to attract capital investment and ongoing operational financial support

Summary of Competitive Assessment

Strengths

- Flexibility and overall functionality of LEC event space
- Existing supply of agricultural/equine space on-site
- Solid base of existing business with significant repeat business
- Grant funding for capital projects
- Highway and airport accessibility
- Geographic location in Nebraska and United States
- Growing population base with discretionary income
- Established partnerships with the CVB, City and County
- Established equine and agricultural industries in State/Region
- Proximity and relationship with UNL
- Political support of local governmental agencies
- Recent re-launch has resulted in increased visitor satisfaction

Weaknesses

- Quality/general aesthetics of facilities
- Lack of facility with sufficient fixed seating to host expanded, new events
- Lack of permanent stalls
- Connectivity/flow among existing facilities
- RV/Campgrounds are not full-service
- Traffic flow in/ out of the LEC
- Date availability
- Quality/profitability of food/beverage service
- Limited hotel supply in close proximity to LEC

SWOT Analysis

Opportunities

- National profile raised by award of the NHSFR
- Ability to accommodate broader demand segments
- Ability to retain existing business and grow market share
- Additional asset to Lancaster County Super Fair
- Enhance spectator experience
- Increased revenue generating potential
- Attract smaller regional concerts and family show events
- Potential to draw out-of-town visitors that positively impact the area economy

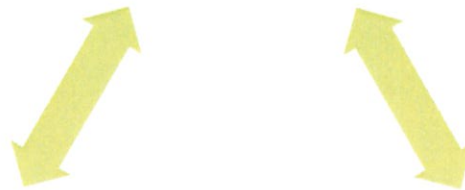
Threats

- Supply of facilities in region including Lincoln and Omaha
- Newer, more modern facilities in region
- Supply of local facilities offering convention/meeting and sports/entertainment in closer proximity to downtown Lincoln
- A portion of activity will represent a transfer and/or growth of existing LEC events
- Cost-conscious client base
- Potential changes in general economic conditions

Successful Expansion/Renovation Requires a Multi-Faceted Approach

Building Program
and Supporting
Infrastructure

- Coliseum
- Pavilion 5
- Campground
- Grandstands
- Facility Upgrades



Operations and
Financial
Sustainability

- Expand experienced staffing levels
- Increase revenues
- Increase/diversify funding sources
- Establish an on-going capital improvement plan

Usage/Event
Activity

- Retain current events
- Attract new, larger events

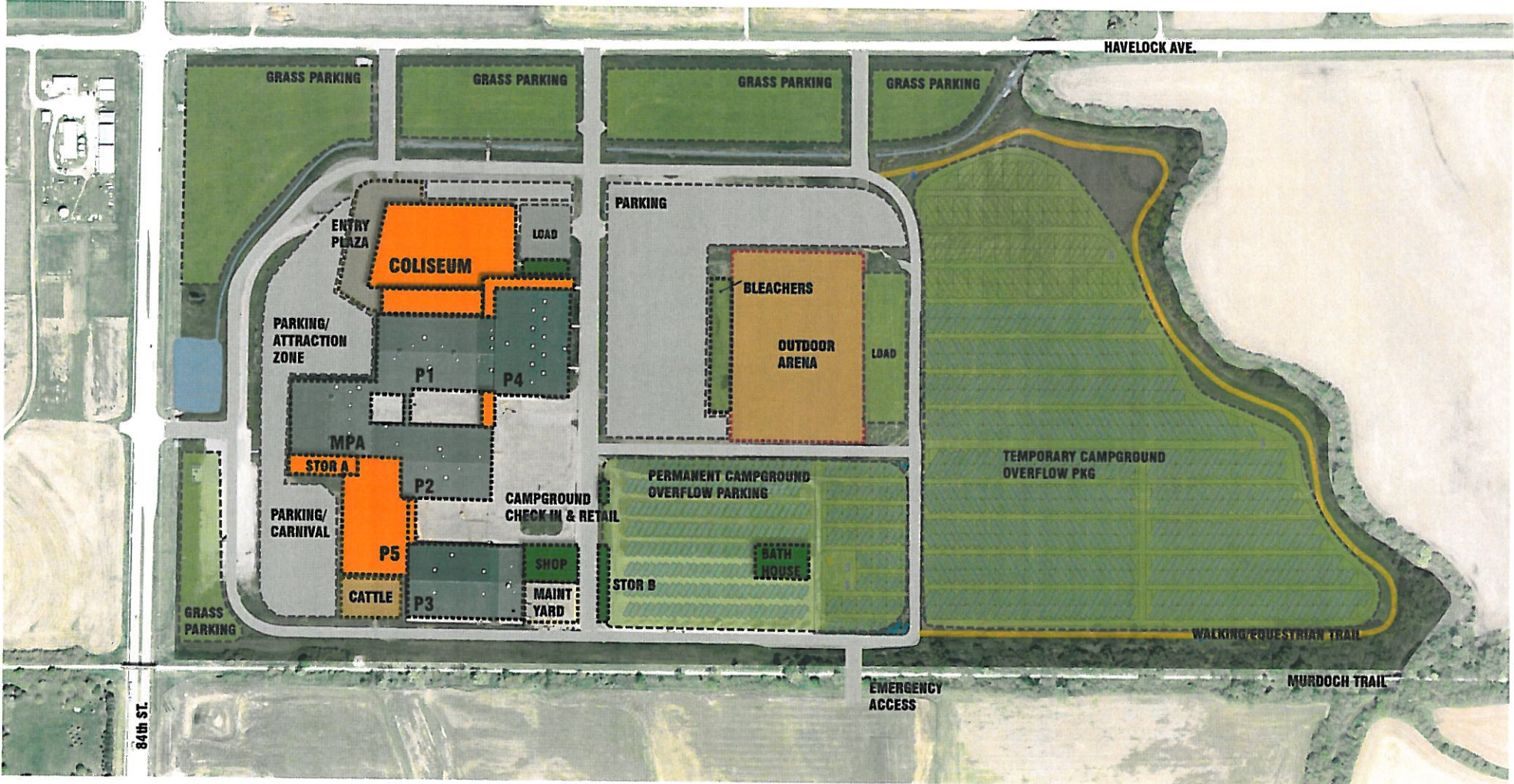


Next Steps

- Develop an estimate of potential usage/event activity associated with an expanded/renovated LEC
- Develop a financial pro forma that estimates incremental new operating revenues and operating expenses
- Comment on prioritization of phasing related to the Ag Coliseum and Pavilion 5

Questions/Discussion





LANCASTER EVENTS CENTER: MASTER PLAN UPDATE:
 PHASE III CONCEPT PLAN
 November 15, 2017

Master Planning Team Progress Update:

TASKS COMPLETED

- **Monthly Input Sessions & Community Conversations** (*LEC, Ag Society Board*)
- **Market Study** - confirm demand (*Susan Sieger, Crossroads Consulting*)
- **Programming Documents** – space needs & site requirements (*MP Team*)
- **Specialized Expertise** – input regarding ag/equine/fairgrounds (*Populous*)
- **National HS Rodeo Finals** – integrate new requirements into the plan (*MP Team*)
- **City Review & Input** – preliminary review with City Staff (*MP Team*)
- **Opinion Survey** – test awareness & support for LEC (*LEC*)

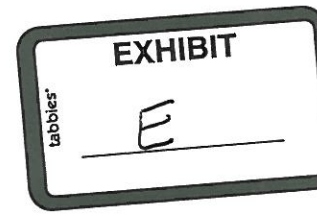
TASKS IN-PROCESS

- **National HS Rodeo Finals Improvements** - in design & approvals; estimated completion, July 2020 (*MP Team*)
- **Economic Impact Study** - underway; estimated completion, March 2018 (*Dr. Eric Thomson, UNL*)
- **Phase III Cost Estimates** – underway (*MP Team*)
- **Funding Options** - underway (*Tom Huston, Cline Williams*)

NEXT STEPS

- **Additional Public / Stakeholder Input Sessions** – (*LEC, Ag Society Board with Master Planning Committee*)
- **Financial Modeling** – (*Don Herz, Susan Sieger*)
- **Public Bond Election Decisions** – timing coordination with other efforts (*Tom Huston, LEC*)
- **Public Education / Election Campaign** (*LEC/Ag Society, Campaign Committee*)





Lancaster

EVENT CENTER

let the good times grow

Telephone Survey
November 7-9, 2017

ABOUT THE SURVEY

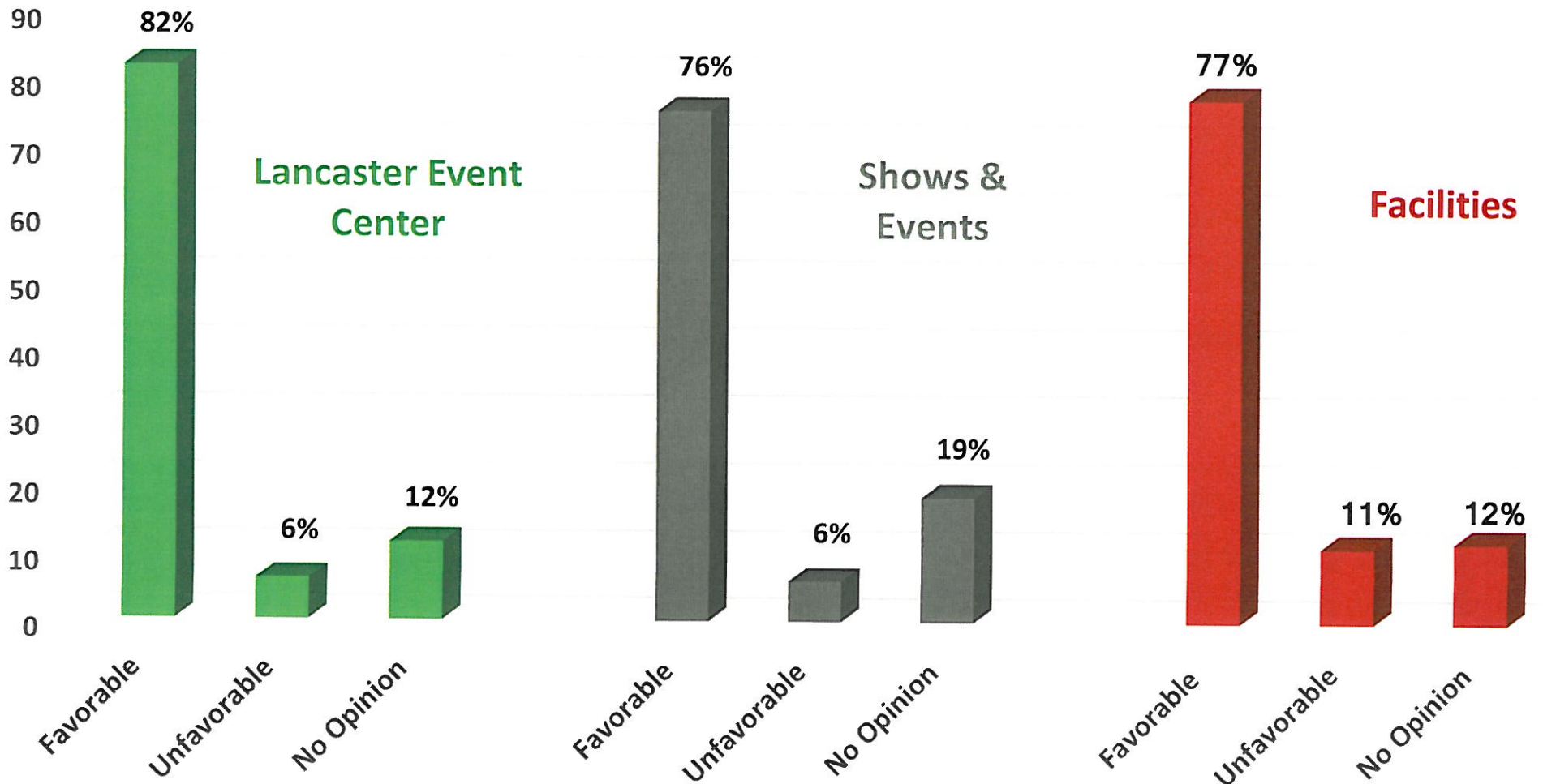
- **A survey of 400 likely voters from Lancaster County, Nebraska for the May 2018 Primary Election was conducted from November 7-9, 2017.**
- **Interviewees were randomly selected from the likely voter universe and stratified according to Age, Party, Gender and landline / cell phone usage.**
- **Survey results have a Margin of Error (MoE) of +/- 4.9% at the 95% Confidence Level.**
- **Research design and methodology was conducted by Rushmore Company, LLC.**

KEY FINDINGS

- **Lancaster Event Center (LEC) has a Strong Brand/Image Within the Community**
- **Two-thirds of Respondents have Visited LEC at Least Once in the Last Year.**
- **Aversion to Property Tax Solution: Specifically as the Sole or Primary Funding Source**
- **Funding Solutions Other Than Property Tax More Widely Accepted**
- **Existing and Projected Economic Benefits, Additional and Expanded Shows and Events, Pride of Hosting National High School Rodeo, and Growing Lancaster County Super Fair Spur a Majority of Likely Voters**
- **Likely Voters Support Trended Favorably as More Information About Benefits and Potential Additional Financing Solutions were Shared**

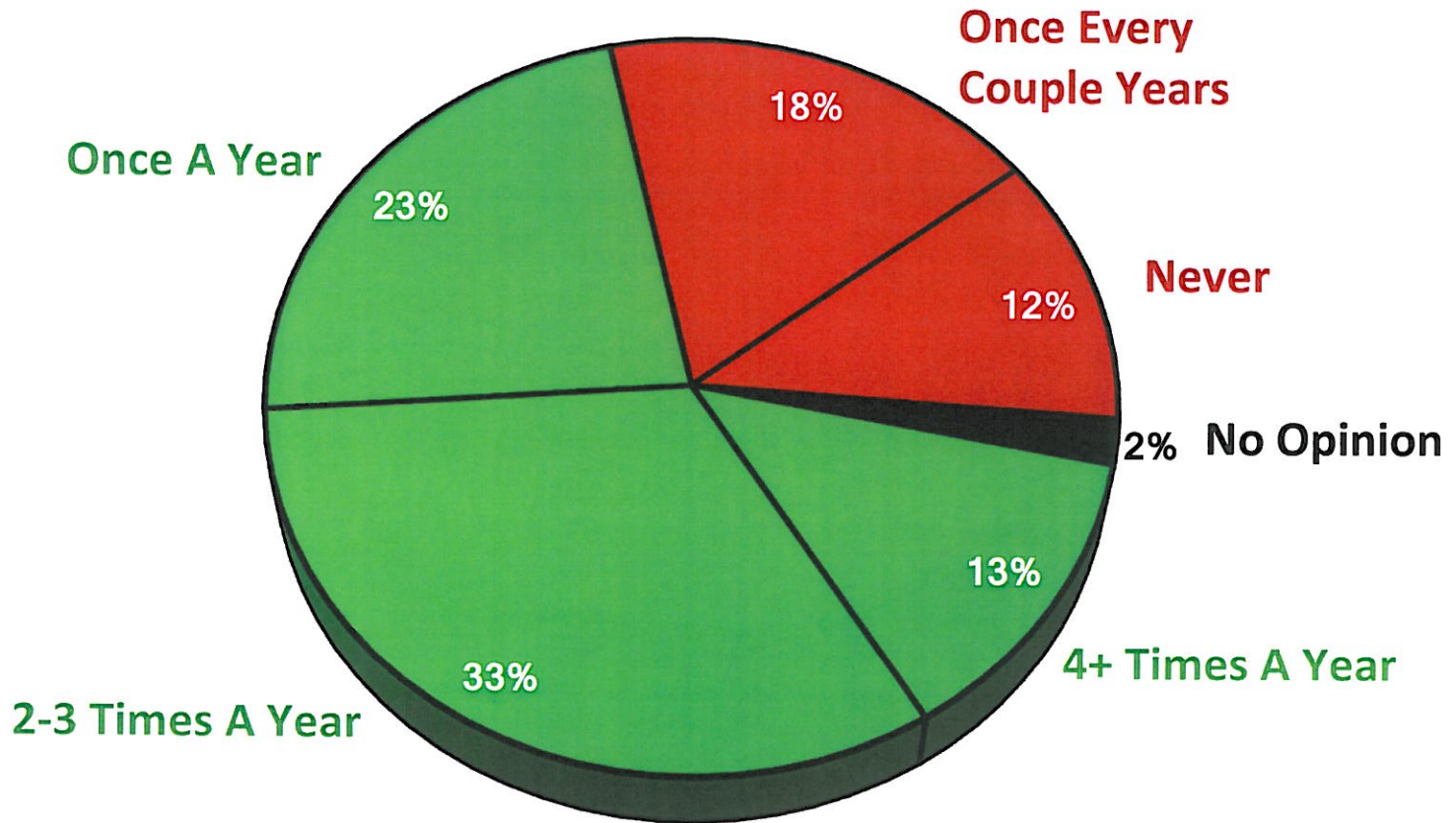
BRAND/IMAGE STRENGTH

Do you have a favorable or unfavorable view of.....



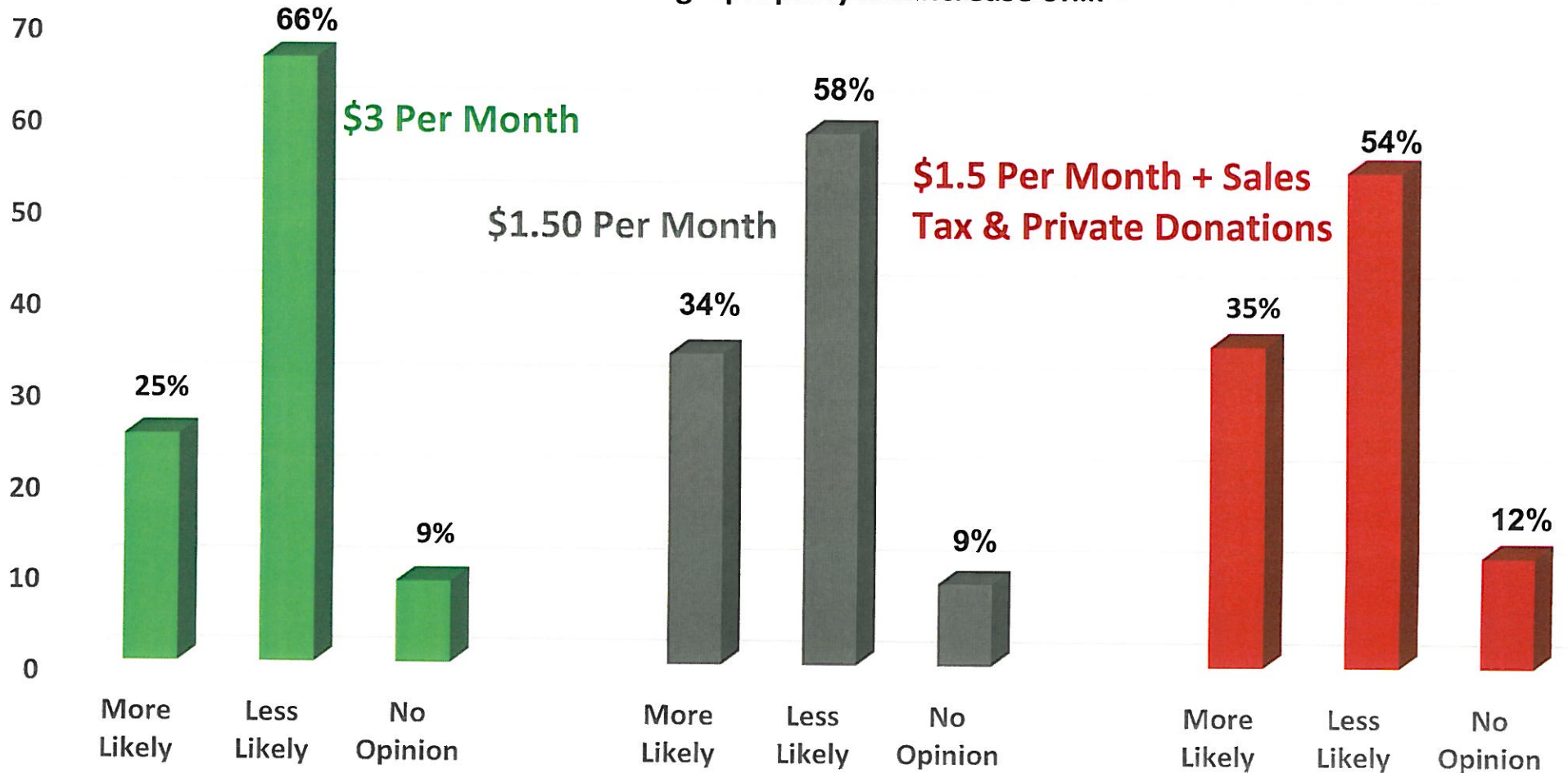
VISIT FREQUENCY

How often do you visit the Lancaster Event Center?



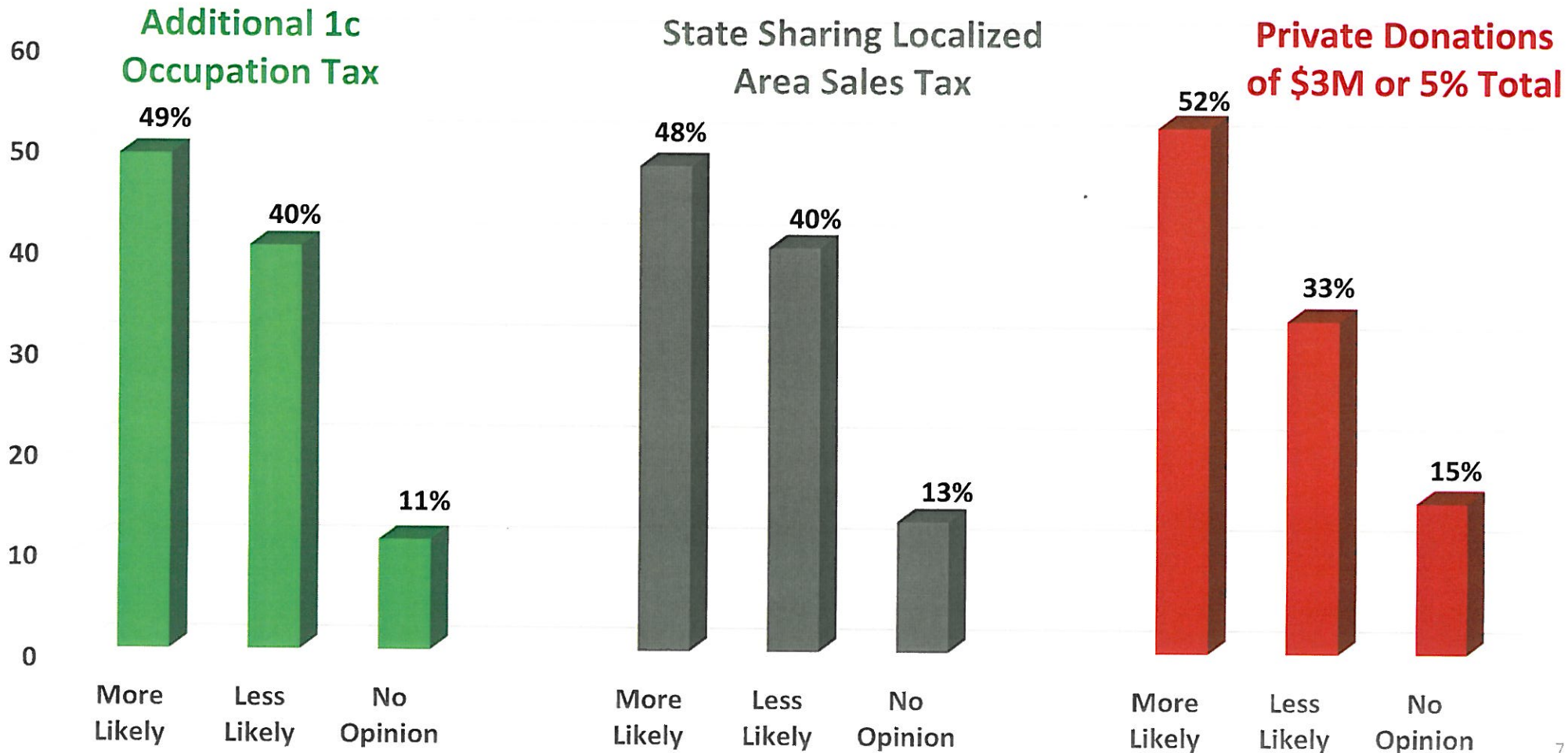
PROPERTY TAX AVERSION

After hearing this background information are you more or less likely to vote for a funding plan including a property tax increase of....



SALES TAX/PRIVATE DONATIONS

Approximately half of the expansion cost could be paid for with....



POSITIVE RESPONSE TO ECONOMIC BENEFITS, MORE SHOWS & EXPANDED FAIR

More Likely

Less Likely

No Opinion

More Shows, Events
& Expanded Fair

53%

33%

14%

National High
School Rodeo

53%

32%

14%

\$32 Million Increased
Annual Impact

55%

33%

13%

Events Contribute
\$40 Million Annually

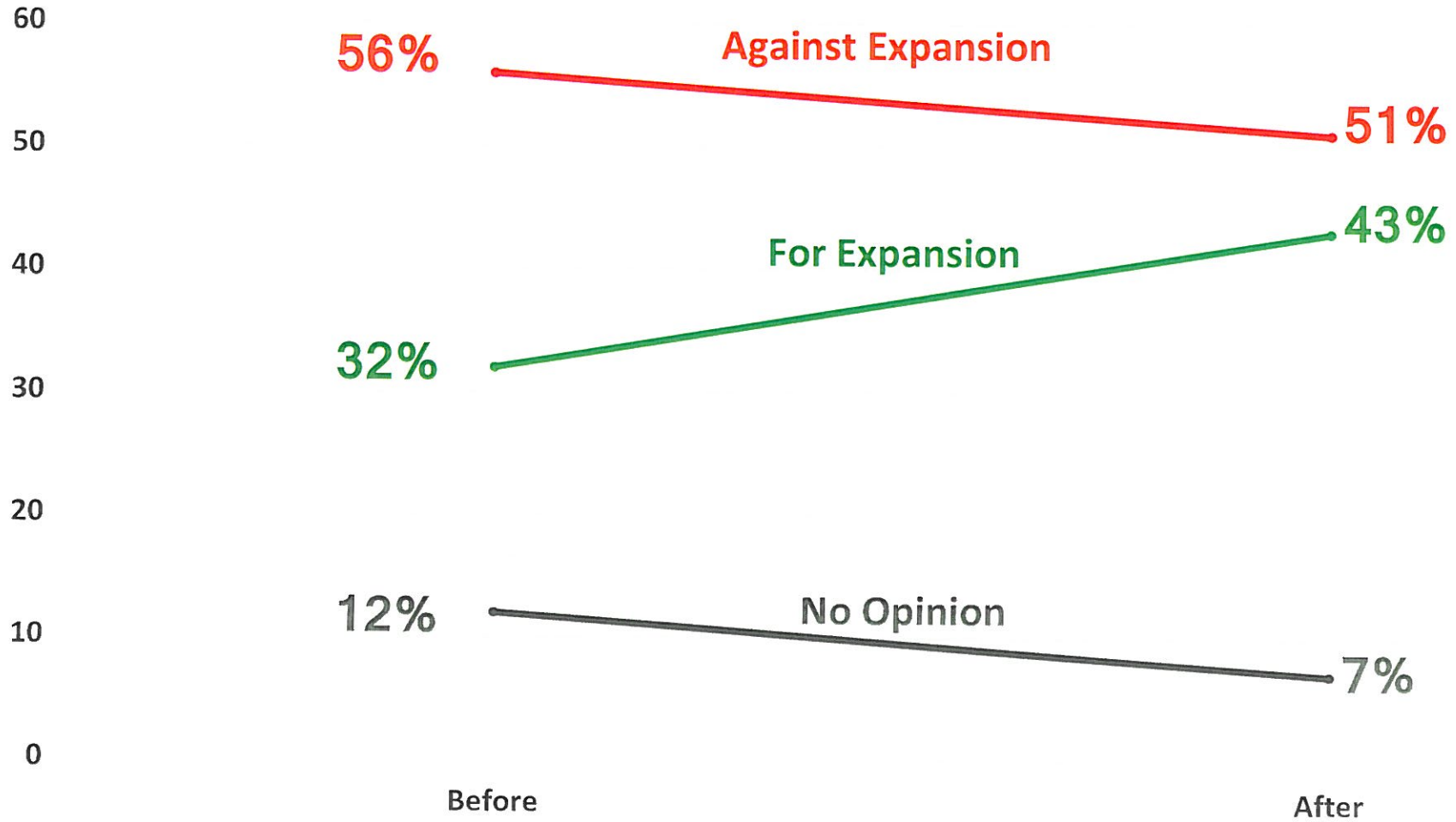
55%

30%

16%

0 10 20 30 40 50 60 70 80 90 100

IF AN ELECTION WERE HELD TODAY



CONCLUSIONS

- **Public Perception of LEC, its' Shows and Facilities is Strong.**
- **Property Tax as the Sole or Dominant Funding Source is a Losing Proposition.**
- **A Plurality of Voters Favor the Alternative Funding Sources of an Occupation Tax and Sales Tax Sharing with the State while a Majority Support the use of Private Donations.**
- **A Majority of Voters are Positively Disposed Towards Funding the LEC Expansion After Learning the Benefits to the Local Community and Economy.**
- **Net Support among Likely Voters for the LEC Expansion Improved from -24% to -8% after Learning of the Benefits and Additional Financing Sources.**



Lancaster
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Questions?