



HIGHEST & BEST USE ANALYSIS AND ECONOMIC IMPACT STUDY

December, 2023



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| 1. Introduction



Transmittal Letter

Re: Riverline District Highest & Best Use Analysis and Economic Impact Study

Dear Mr. Gray,

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this report to you regarding the Riverline District Highest & Best Use Analysis and Economic Impact Study. Pursuant to our engagement, this report fulfills the scope of work outlined in the project proposal submitted by Johnson Consulting to the Sioux Falls Development Foundation (the Client) on March 24th, 2023.

Johnson Consulting has no responsibility to update this report for events, plan modifications, and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

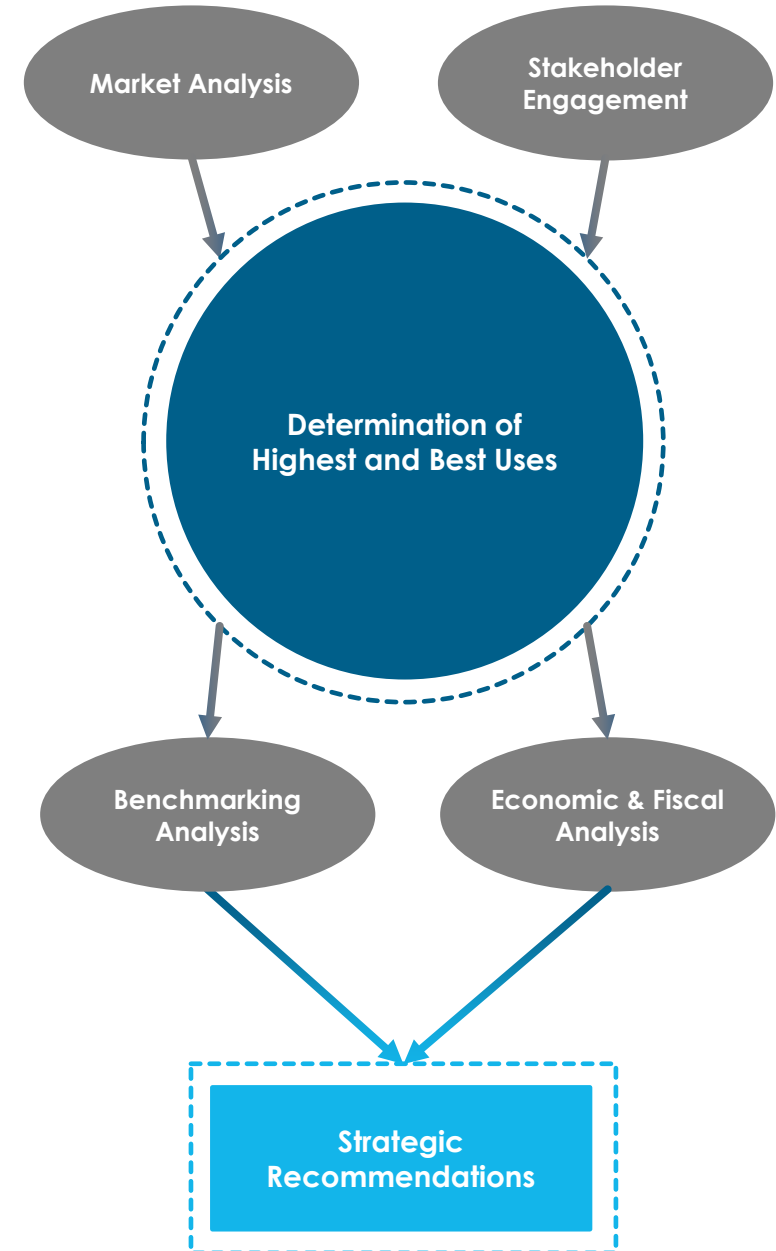
C.H. Johnson Consulting, Inc.

Study Introduction & Methodology

The Consulting Team was retained by the Sioux Falls Development Foundation to perform a Highest & Best Use Analysis and Economic Impact Study for the Riverline District adjacent to Downtown Sioux Falls. The report aims to inform the Development Foundation as it works to guide the redevelopment of the Riverline District, with the goal being to turn it into an anchor and economic engine for the east side of Sioux Falls' downtown. The proposal document submitted to the Sioux Falls Development Foundation by Johnson Consulting outlines a detailed list of services for the study. Broadly, the objective of this study is to answer the following questions:

- What are Sioux Falls' strengths and weaknesses today?
- What are the highest and best uses of the Riverline District in the context of Sioux Falls' current conditions?
- What is the economic impact potential of the Riverline District?

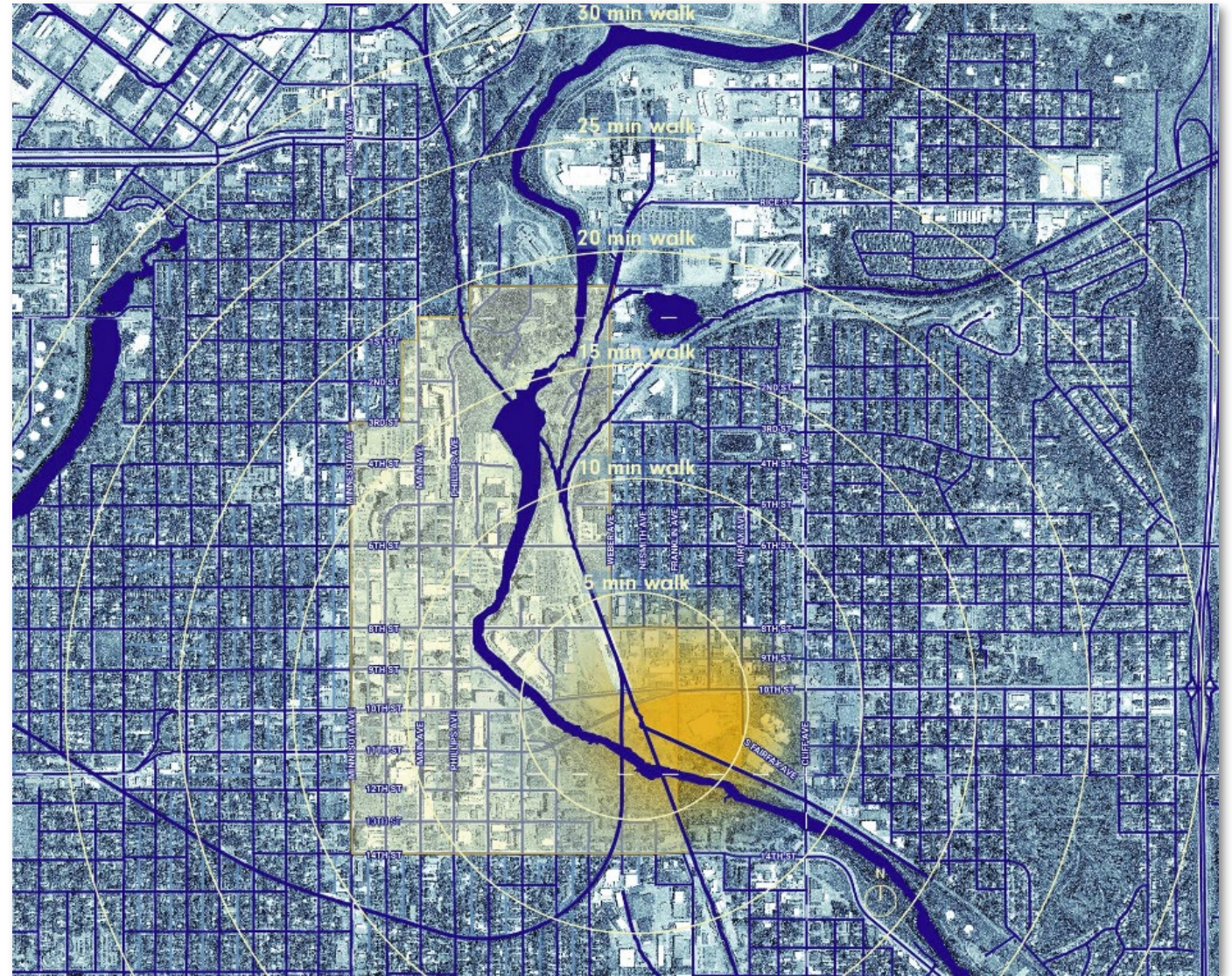
In order to answer the questions above, the Consulting Team developed and executed a comprehensive methodology for the study, which is illustrated by the figure on the right. The observations, analysis, and conclusions of the study will be presented throughout the remaining sections of this report.



Project Overview

Sioux Falls is located in southeast South Dakota, near the Minnesota and Iowa borders. Originally chartered in 1856, the City has grown to a population of over 200,000 residents and is the largest city in South Dakota. Among other things, Sioux Falls is known for Falls Park, its dynamic financial services industry, and its vibrant downtown. The City serves as a regional hub of economic and cultural activity.

As Sioux Falls' downtown has developed, it has expanded to the east, crossing the Big Sioux River. However, development activity has essentially paused at the railroad tracks on the east side of downtown. The Riverline District sits at the southeast edge of downtown, and is currently occupied by several structures, including a McDonald's, a South Dakota Department of Social Services Facility, and a vacant building. The ambition of the Sioux Falls Development Foundation is for the district to drive more development activity to the Riverline District and surrounding area, thus expanding Sioux Falls' downtown as a whole.



Rendering of the Riverline District relative to downtown developed by the Friends of the Riverline

Executive Summary

- Sioux Falls is in a very strong position from an economic and demographic perspective. Though its current population is fairly small, it is young, growing quickly, and has a diversified and dynamic economy. The City is poised to advance into a higher tier of midwestern markets, such as Des Moines and Oklahoma City. However, this reputation enhancement is currently somewhat hindered by the City's hospitality market, which has some weaknesses. In particular, the lack of full-service hotel inventory and the Sioux Falls Convention Center's distance from the City's vibrant downtown are holding it back from a destination development perspective.
- The Riverline District, just adjacent to Sioux Falls' Downtown, presents a significant opportunity to make a public investment which ameliorates some of these challenges. In collaboration with the Friends of the Riverline – this project's "Steering Committee" – Johnson Consulting performed a highest and best use analysis to identify what sort of investment in the Riverline District would have the greatest positive impact. Ultimately two projects were selected for further consideration: A downtown convention center and a baseball stadium surrounded by an ancillary entertainment district.
- In order to understand the potential impact of these assets, Johnson Consulting analyzed the existing comparable assets within the market, namely Sioux Falls Stadium and the Sioux Falls Convention Center. Though the 50+ annual Sioux Falls Canaries games keep the Stadium busy, demand is highly seasonal due to the facility's outdoor nature and attendance has dropped significantly since the COVID-19 pandemic. The new ownership group has made a sincere effort to boost the team's popularity within the community, but the facility's age, lack of supporting amenities, and sub-optimal location relative to downtown hold it back. The Sioux Falls Convention Center is likewise fairly busy, with strong annual event demand, and performs well financially, essentially breaking even in 2022 before considering its fiscal and economic impacts. However, many of the events hosted there are smaller, hindering that economic impact – this is due in part to the facility's size, which constrains its ability to host larger, higher-impact events, and its location, which is sub-optimal in the perception of many event planners. These findings were substantiated by a benchmarking analysis comparing Sioux Falls Stadium and the Sioux Falls Convention Center to comparable facilities regionally and nationally.
- Projecting the economic and fiscal impacts of these two development scenarios reveals that a downtown convention center, though associated with a higher capital investment, presents a much greater opportunity for economic and fiscal impact than the baseball stadium and entertainment district. Additionally, a downtown convention center would have a greater probability of attracting a full-service hotel, which would have a positive impact on the City's hospitality industry as a whole. Once the Friends of the Riverline and City of Sioux Falls selects the preferred option, Johnson Consulting recommends that they conduct a detailed study of costs, explore partnership opportunities, undergo a detailed community consultation process, and devise an initial funding plan for the optimal orientation of the project.



2. Market Analysis

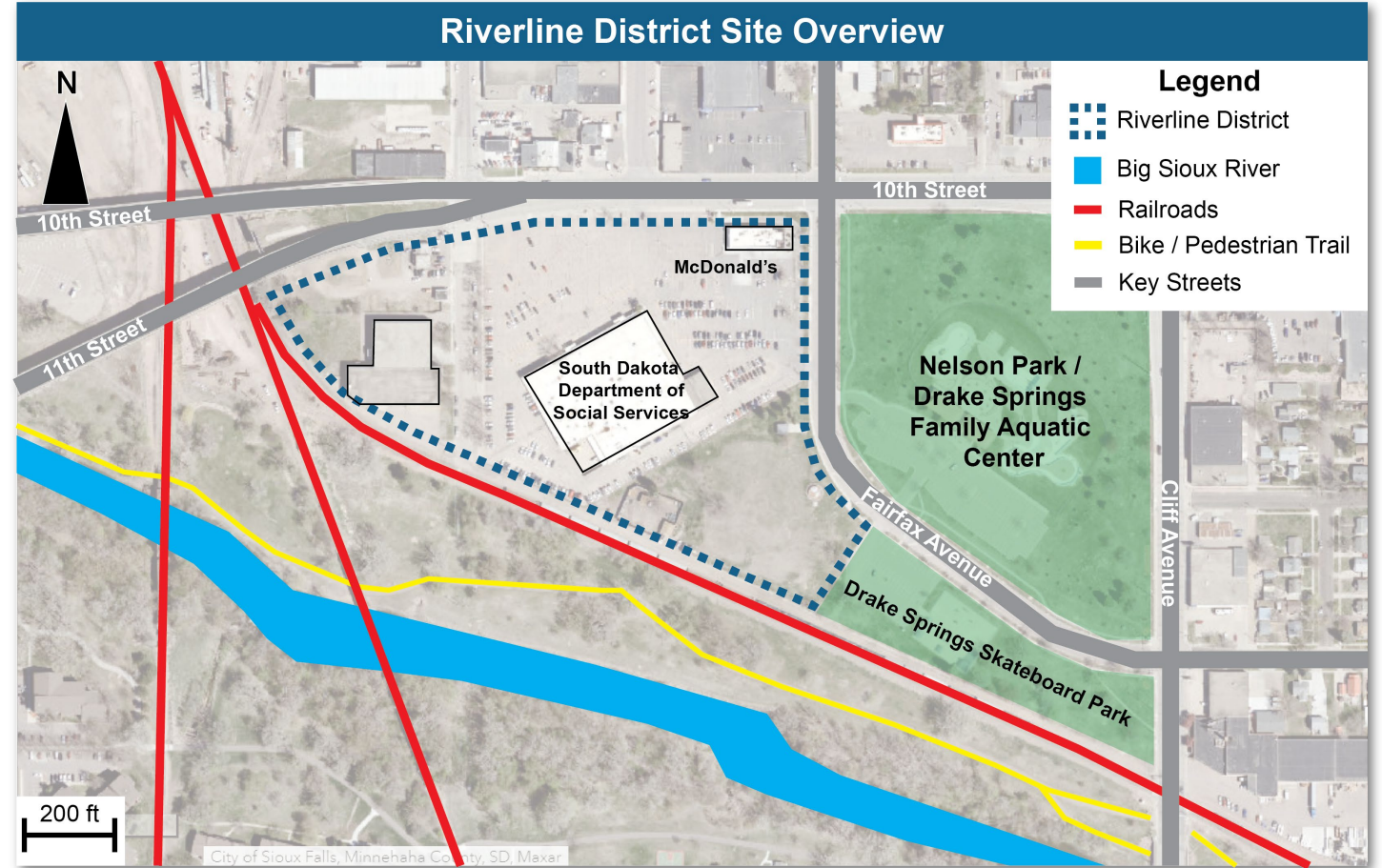
Overview

- Sioux Falls is located in southeastern South Dakota. The Sioux Falls metro area accounts for over 30% of the state's population.
- Sioux Falls is easily accessible by car, public transit, (Sioux Area Metro (SAM), and Greyhound) and the nearby Sioux Falls Regional Airport. While these options are present, Sioux Falls is primarily a driving city.
- To analyze market opportunities in Sioux Falls, an analysis of a 60-minute, 120-minute, and 180-minute drive time, which is the likely distance for travel to events in Sioux Falls, and will be compared to the demographics of the City, County, State, and Nation.
- The full market analysis can be found in Appendix A.



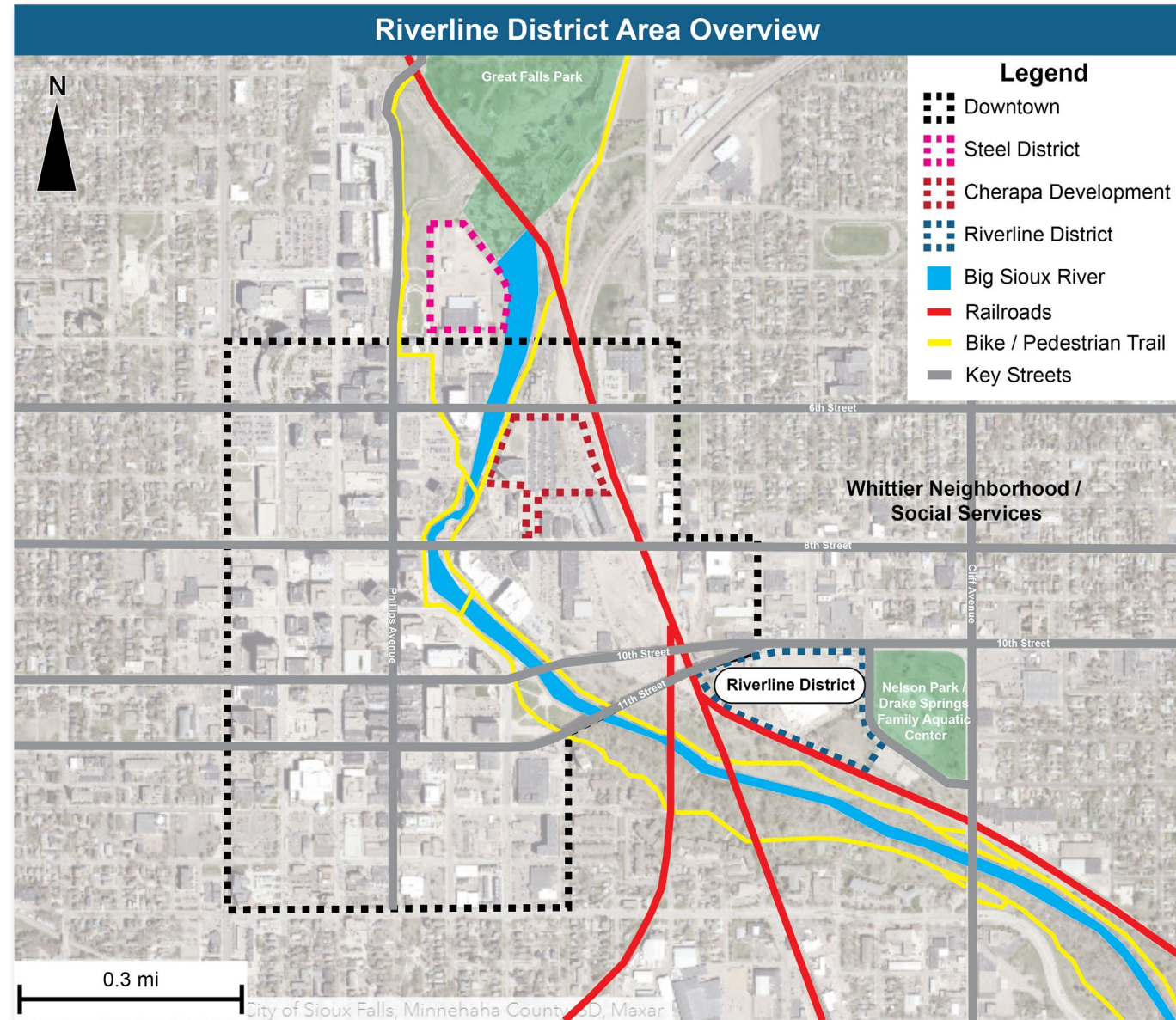
Riverline District Site Overview

- The Riverline Site is bound by 10th / 11th Street to the north, the Railroad to the south and west, Fairfax Avenue to the east, and the Drake Springs Skateboard Park, which is currently under development, to the southeast.
- Adjacent to the Site is Nelson Park and the Drake Springs Family Aquatic Center.
- There are currently several structures on the site, including a building on the west side, a South Dakota Department of Social Services building in the center of the site, and a McDonald's on the Northeast corner of the site.



Riverline District Area Overview

- The Riverline District is located on the east side of the Big Sioux River, at the edge of Sioux Falls' downtown.
- Bicycle and pedestrian trails along the river help connect central downtown with the Cherapa Development, Steel District, and Falls Park. However, due to the railroad running along the south side of the Riverline Site, it is not currently accessible via the trails, though it could be if some sort of pedestrian bridge or underpass were to be built.
- Phillips Avenue represents the heart of Sioux Falls' downtown, offering shops, restaurants, and bars. Though it is only a 14-minute walk from the Riverline Site, accessibility is limited by the fact that 10th Street and 11th Street become elevated bridges with narrow sidewalks as they cross the river. Though the sidewalks are protected from car traffic, the pedestrian experience is unpleasant and could limit pedestrian traffic between Phillips Avenue and the Riverline Site if unaddressed.
- Currently, the majority of development and economic activity is occurring north and west of the Riverline Site. A new asset on the site has the potential to add a new center of gravity to Sioux Falls' downtown, acting as a balance to the Steel District and Cherapa Development.
- Just to the north and east of the Site is the Whittier Neighborhood and several social services providers.



2023 Sioux Falls Economic & Demographic Snapshot



Population	2023	2028	CAGR*
Sioux Falls MSA	294,592	312,586	1.2%
3-Hour Drive	2,706,573	2,745,242	0.3%
United States	337,470,185	342,640,129	0.3%



Educational Attainment	Bachelor's Degree or Higher
Sioux Falls MSA	37.9%
3-Hour Drive	32.0%
United States	36.1%



Median Age	2023	2028	CAGR*
Sioux Falls MSA	36.9	37.4	0.3%
3-Hour Drive	38.8	39.5	0.4%
United States	39.1	39.8	0.4%



Median HH Income	2023	2028	CAGR*
Sioux Falls MSA	\$78,317	\$87,394	2.2%
3-Hour Drive	\$70,056	\$78,773	2.4%
United States	\$72,603	\$82,410	2.6%

Age Distribution

22%

of the population of Sioux Falls MSA is between 30 and 44 years old



Rate
1.9%
Unemployment



Index
Entertainment Spend Per Person
101



Finance & Insurance
Mgmt of Companies/Enterprises
Information
Top Industries

*Compound Annual Growth Rate, 2023-2028

Source: ESRI BAO, U.S. Bureau of Labor Statistics, Johnson Consulting

2023 Sioux Falls Hotel Market



Inventory

65 Hotels

5,573 Rooms

129,670 SF Meeting Space



Largest Hotel

Holiday Inn Sioux Falls City Centre

290 Rooms



Hotel Pipeline

933 Rooms

Planned to enter the market
by 2026



Occupancy Rate

65%



Average Daily Rate (ADR)

\$117



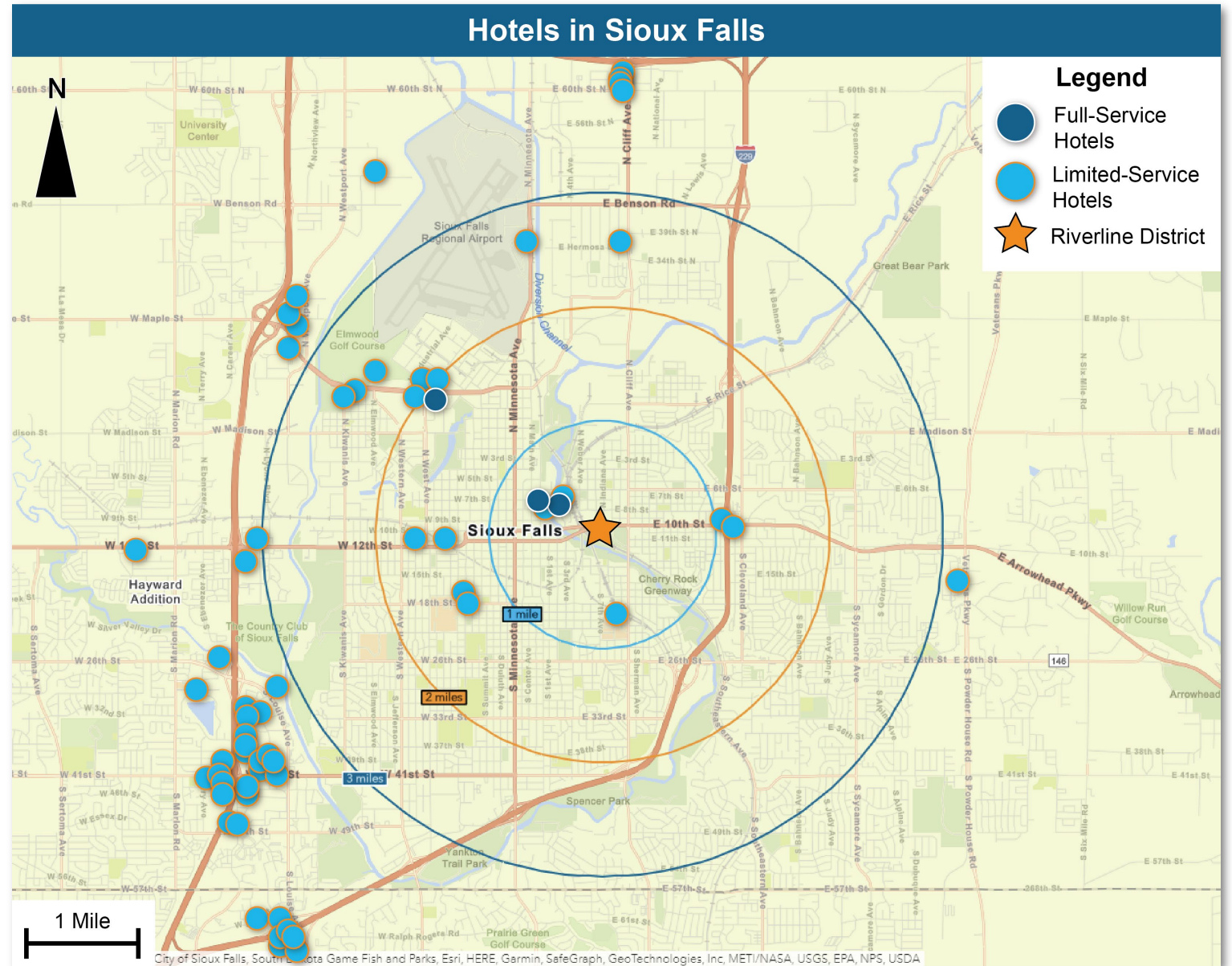
Revenue Per Available Room (RevPAR)

\$76

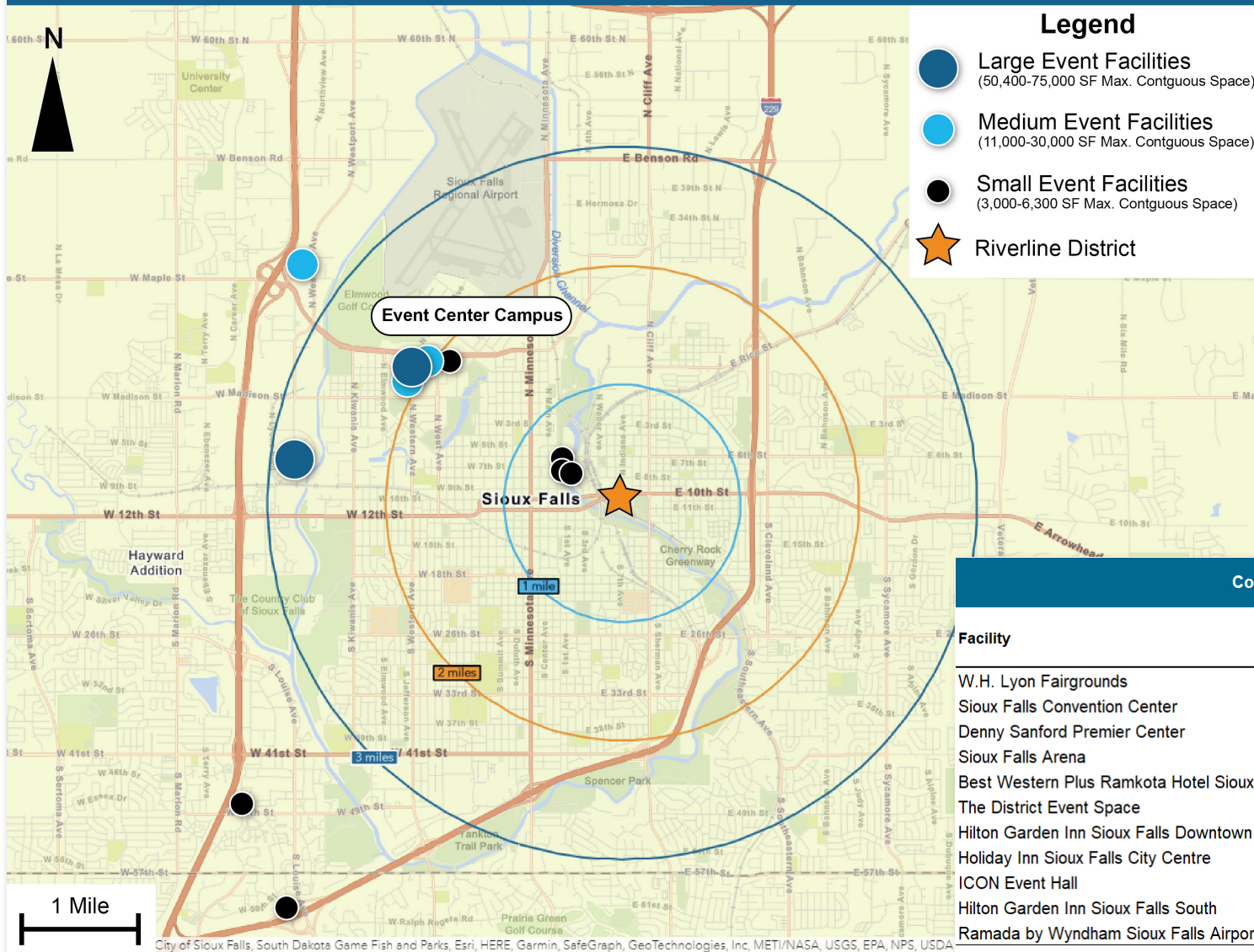
Source: CoStar, Johnson Consulting

Hotel Inventory

- Sioux Falls has a robust inventory of hotels, with 65 properties totaling 5,573 rooms.
- However, despite an abundance of rooms, Sioux Falls has only three full-service hotels (defined in this case as hotels offering a restaurant, room service, and workout facilities).
- Currently, there are no hotels in immediate proximity to the Riverline District, though there are four in nearby Downtown Sioux Falls, with another under construction.



Competitive Event Facilities in Sioux Falls



Competitive Event Space Inventory

- Sioux Falls has 11 event facilities which would be competitive with a new downtown convention center – that is, facilities with at least 3,000 square feet of maximum contiguous space.
- The largest event facilities in the market – the Sioux Falls Convention Center and W.H. Lyons Fairgrounds – are located on the Northwest and West sides of the city, respectively, relatively far from downtown.
- Sioux Falls does have a cluster of smaller event spaces in its downtown, but nothing with more than 5,800 square feet of maximum contiguous space.

Competitive Event Facilities (Minimum 3,000 SF Largest Space)

Facility	Distance from Riverline Site (mi)	# of Guest Rooms	# of Meeting Rooms	Largest Space	Total Space
W.H. Lyon Fairgrounds	3.6	-	5	75,000	164,656
Sioux Falls Convention Center	3.1	243	13	50,400	100,000
Denny Sanford Premier Center	3.1	243	1	30,000	30,000
Sioux Falls Arena	3.1	243	2	20,000	30,000
Best Western Plus Ramkota Hotel Sioux Falls	4.7	225	16	11,000	60,000
The District Event Space	6.2	-	-	6,300	37,000
Hilton Garden Inn Sioux Falls Downtown	0.6	136	6	5,800	6,300
Holiday Inn Sioux Falls City Centre	0.8	290	9	5,760	13,972
ICON Event Hall	1.1	-	2	4,200	5,600
Hilton Garden Inn Sioux Falls South	7.2	103	6	3,672	3,980
Ramada by Wyndham Sioux Falls Airport-Waterpark & Event Ctr	2.8	150	6	3,366	5,000

Sources: CoStar, Relevant Facilities, Johnson Consulting



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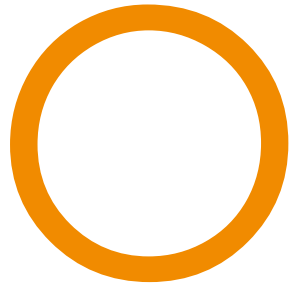
Strengths

- Well educated population
- High and growing hotel inventory
- Young base
- Very low unemployment rates
- Regional hub of economic and cultural activity
- Diversified economy (strong in both ag and financial)
- High amenitized community
- Average propensity to spend on recreation & entertainment

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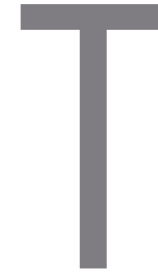
Weaknesses

- Low (but growing) household incomes
- Undersupply of full-service hotel inventory
- The city's convention center is far from downtown, hindering its interaction with downtown assets
- Pedestrian access to the Riverline Site is limited from Phillips Avenue



Opportunities

- Grow capacity of stadium/arena supply
- Hotel occupancy reaching back to normal rates
- Only 1 outdoor arena in the area
- Take advantage of trend of people moving to smaller cities
- Higher percentage of participants in soccer, baseball, basketball, football and swimming in Sioux Falls compared to both South Dakota and the U.S.



Threats

- Existing arena, stadium and sports center complex
- Existing convention center supply
- Large square footage of existing convention center supply
- Competition with other regional attractions



3. Highest and Best Use Assessment

Overview

In order to determine which product types were worth performing a deeper analysis for at the Riverline Site, Johnson Consulting conducted a high-level highest and best use assessment in collaboration with the Friends of the Riverline (the “Steering Committee”). “Highest and Best Use” can mean different things to different people in different contexts. In this case, the criteria which the Steering Committee chose to evaluate the various product opportunities were as follows:

Usage

Would the product be usable year-round?

Would the product be accessible to all?

Would the product be an efficient use of downtown land

Impact

What would be the product’s potential for catalyzing economic development surrounding the Riverline Site?

What would be the product’s potential for attracting more tourists to Sioux Falls and catalyzing the development of another full-service hotel?

Risk

How much risk would be associated with the product’s requisite capital investment?

How much potential would there be for a Public-Private Partnership to mitigate risk?

How much operating risk would be assumed by the City of Sioux Falls?

Based on Johnson Consulting’s analysis and workshops with the Steering Committee, the following product opportunities were selected for further study:

- A baseball stadium, likely for a minor league or independent team, with a surrounding retail and entertainment district
- A new convention center with a maximum contiguous space of at least 100,000 square feet, with a masterplan for future expansion.

This section provides a discussion of the product opportunities evaluated by Johnson Consulting and the Steering Committee and explains the thought process that led to the two products listed above ultimately being advanced in the process. The matrix on the following page summarizes these opportunities and the analysis of whether or not each of them constitutes a “highest and best use” for the Riverline Site.

Sioux Falls Riverline District Product Opportunities



Program Element	Description	Capital Cost Order of Magnitude	Usage			Impact		Project Risk		
			Year-Round?	Accessible to All?	Efficient Use for Downtown Land?	Economic Development	Tourism / Visitation	Capital Investment	P3 Potential	Operating Risk
			1 - Highly Seasonal 5 - Year-Round	1 - Low Accessibility 5 - High Accessibility	1 - Inefficient Use 5 - Efficient Use	1 - Low Potential 5 - High Potential	1 - Low Potential 5 - High Potential	1 - High Cost 5 - Low Cost	1 - Low Potential 5 - High Potential	1 - High Risk 5 - Low Risk
Baseball Stadium	Open-air stadium with 3,500-5,000 fixed seats + 1,000 standing for baseball events, 6,000-7,000 capacity for concerts. Goal would be to accommodate minor league / independent team (e.g., Sioux Falls Canaries).	\$30-60M	1	4	4	4	2	3	5	2
Soccer Stadium	Open-air stadium with 5,000-10,000 fixed seats for soccer events, plus more for concerts depending on layout. Goal would be to accommodate USL or MLS Next Pro team.	\$40-75M	1	3	3	3	1	1	4	1
Multipurpose Indoor Recreation Center	Indoor venue with aquatics, basketball courts, pickleball / tennis, e-sports, batting cages, e-sports, multipurpose space, etc.	\$25-40M	5	5	2	2	1	4	2	4
Convention Center	150,000+ SF of total event space, with a largest space of 100,000 SF. Targeted towards large conventions, expos, tournaments, etc.	\$250-290M	5	1	5	4	5	1	4	3

Source: Johnson Consulting

Baseball Stadium

This would be an open-air stadium with 3,500-5,000 fixed seats, an additional standing capacity of 1,000 for baseball events, and 6,000-7,000 capacity for concerts. The goal would be to accommodate a minor league or independent team.

Given its open-air setting, the seasonal nature of baseball, and Sioux Falls' cold winters, this product would not achieve year-round utilization. However, it would be fairly accessible as minor league and independent baseball tends to be fairly inexpensive to attend. Furthermore, it would be the type of institution and entertainment product which can enhance the overall offerings of Sioux Falls' downtown.

The baseball stadium would have a fairly strong potential for economic development, as it would create foot traffic on the Riverline Site that would incentivize retail, restaurant, and bar options to open. However, it would likely not lead to much tourism and visitation as minor league sports games tend not to be destination events.

Capital investment risk would be moderate relative to the other contemplated products, and risk could be mitigated by a potential partnership with the eventual tenant team. Operating risk however would be fairly high as maintenance costs can become significant over time. Note that all of these risks are heavily dependent on the ultimate structure of the deal with the tenant team(s).

Product Opportunity Summary Baseball Stadium		
Capital Cost Order of Magnitude		\$30-60M
Usage	Year-Round? 1 - Highly Seasonal 5 - Year-Round	1
	Accessible to All? 1 - Low Accessibility 5 - High Accessibility	4
	Efficient Use for Downtown Land? 1 - Inefficient Use 5 - Efficient Use	4
Impact	Economic Development 1 - Low Potential 5 - High Potential	4
	Tourism / Visitation 1 - Low Potential 5 - High Potential	2
Project Risk	Capital Investment 1 - High Cost 5 - Low Cost	3
	P3 Potential 1 - Low Potential 5 - High Potential	5
	Operating Risk 1 - High Risk 5 - Low Risk	2

Source: Johnson Consulting

Soccer Stadium

This would be an open-air stadium with 5,000-10,000 fixed seats plus additional capacity for concerts depending on the ultimate layout. The goal would be to accommodate a minor league soccer team from either MLS Next Pro or USL.

For the same reasons as the baseball stadium, this would not achieve year-round utilization. The Steering Committee however also indicated that the stadium would have lower levels of accessibility and would be a less efficient use of downtown land due primarily to the lower number of games and lesser popularity of soccer relative to baseball in the United States.

As a knock-on effect of the lower demand for soccer, the economic development and tourism generation potential of the stadium as well as the P3 potential also rate lower than those of the baseball stadium. Simultaneously, capital risk would be higher due to the higher cost range and larger size of the facility, and operating risk would likewise be higher given the higher maintenance burdens of a larger facility. Like the baseball stadium, though, note that these risk factors would be heavily dependent on the structure of the deal with the stadium's primary tenant(s).

Product Opportunity Summary Soccer Stadium		
Capital Cost Order of Magnitude		\$40-75M
Usage	Year-Round? 1 - Highly Seasonal 5 - Year-Round	1
	Accessible to All? 1 - Low Accessibility 5 - High Accessibility	3
	Efficient Use for Downtown Land? 1 - Inefficient Use 5 - Efficient Use	3
Impact	Economic Development 1 - Low Potential 5 - High Potential	3
	Tourism / Visitation 1 - Low Potential 5 - High Potential	1
Project Risk	Capital Investment 1 - High Cost 5 - Low Cost	1
	P3 Potential 1 - Low Potential 5 - High Potential	4
	Operating Risk 1 - High Risk 5 - Low Risk	1

Source: Johnson Consulting

Multipurpose Indoor Recreation Center

This product would be an indoor venue oriented towards community recreation. It would potentially include aquatics, basketball courts, pickleball / tennis courts, e-sports, batting cages, multipurpose space, and other uses.

Like the tournament-oriented sports center, this venue would be indoor and thus achieve year-round utilization. Unlike the tournament sports facility however, this one would be highly accessible to all as it would essentially a public park.

With that said, a community recreation center would not be a very efficient use for downtown land in terms of integrating with other downtown assets (such as bars, restaurants, and entertainment). Similarly, it would have little potential to catalyze economic development around the Riverline Site and essentially no potential to attract additional tourism.

The capital risk would be relatively low compared to the other products considered, as would the operating risk given that the facility wouldn't be expected to profit and would be considered a public service. There would, however, be little potential for a public-private partnership, outside of naming rights or other sponsorship opportunities – the City would likely be the sole funder and operator of the facility.

Product Opportunity Summary Multipurpose Indoor Recreation Center		
Capital Cost Order of Magnitude		\$25-40M
Usage	Year-Round? 1 - Highly Seasonal 5 - Year-Round	5
	Accessible to All? 1 - Low Accessibility 5 - High Accessibility	5
	Efficient Use for Downtown Land? 1 - Inefficient Use 5 - Efficient Use	2
Impact	Economic Development 1 - Low Potential 5 - High Potential	2
	Tourism / Visitation 1 - Low Potential 5 - High Potential	1
Project Risk	Capital Investment 1 - High Cost 5 - Low Cost	4
	P3 Potential 1 - Low Potential 5 - High Potential	2
	Operating Risk 1 - High Risk 5 - Low Risk	4

Source: Johnson Consulting

Convention Center

This would be a convention center with 150,000 or more square feet of total function space and a largest contiguous space of at least 100,000 square feet. It would be targeted towards large conventions and expos as well as potentially some sports tournaments.

Given that it would be entirely indoor, this venue would be accessible and utilized year-round. It would also be an efficient use for downtown land, given the foot traffic generated by convention-goers who would take advantage of the area's various bars, restaurants, and entertainment options. This foot traffic – and particularly out-of-town foot traffic – would lead to economic development surrounding the Riverline Site. A downtown convention center would also essentially require an adjacent full-service hotel, and the tourism attraction potential would be significant. However, given that the goal of this convention center would be to drive increased tourism, local accessibility would be fairly low, though the facility would still serve some local and regional users for trade shows, meetings, and banquets.

This facility would carry the highest capital investment risk of any of the products examined given its significant projected cost. However, P3 potential would be strong, which could help mitigate risk through securing sponsorships and working with a private operator. Operating risk would be moderate; though maintenance for such a large facility would be significant, it could approach breaking even as is evidenced by the relative financial success of the existing Sioux Falls Convention Center.

Product Opportunity Summary Convention Center		
Capital Cost Order of Magnitude		\$250-290M
Usage	Year-Round? 1 - Highly Seasonal 5 - Year-Round	5
	Accessible to All? 1 - Low Accessibility 5 - High Accessibility	1
	Efficient Use for Downtown Land? 1 - Inefficient Use 5 - Efficient Use	5
Impact	Economic Development 1 - Low Potential 5 - High Potential	4
	Tourism / Visitation 1 - Low Potential 5 - High Potential	5
Project Risk	Capital Investment 1 - High Cost 5 - Low Cost	1
	P3 Potential 1 - Low Potential 5 - High Potential	4
	Operating Risk 1 - High Risk 5 - Low Risk	3

Source: Johnson Consulting

Implications

Ultimately, Johnson Consulting and the Steering Committee came to the conclusion to further analyze a downtown convention center and a ballpark surrounded by a retail and entertainment district. Though the downtown convention center opportunity would likely require the highest capital investment, it also would have high potential for both economic development and tourism development and would add a key anchor asset to Sioux Falls' downtown.

The biggest challenge would obviously be the presence of the existing Sioux Falls Convention Center, which is poorly located, but operates well from a financial and demand perspective; if a downtown convention center were to be built, the City would need to repurpose the existing convention center and ensure that it wouldn't compete with the new facility as competition might hamper the success of each facility. Additionally, the constraints of the site's size need to be taken into consideration; a convention center with 180,000 square feet of net usable space would be roughly 450,000 gross square feet overall, before considering parking and circulation. This means that the building would likely need to include multiple stories of construction, adding considerable cost. However, the opportunity to build a convention center downtown is seen as too promising not to explore in greater detail.



The Spokane Convention Center is located in the heart of Spokane's Downtown

Implications

The decision to study a baseball stadium rather than a soccer stadium came down to several factors, the most prominent of which being event density – a minor league or independent baseball team would have 50 or more home games each regular season, while a USL or MLS Next Pro soccer team typically has 14 to 16. This would make a major difference in terms of the foot traffic generated by the stadium and as such its economic development potential. Other important factors included the greater popularity of baseball relative than to soccer in the United States and baseball's established presence within the Sioux Falls market.

Supporting a stadium with surrounding entertainment and recreation uses is an increasingly common and successful trend in the professional sports world, as it helps capitalize on the foot traffic generated by the games while simultaneously turning the sporting events into more holistic entertainment outings. This attracts visitors who are not as interested in the game itself while also helping mitigate the challenges of lower interest when a team is not performing well. The overall study product of a baseball stadium supported by an entertainment district combines two of the product opportunities explored (baseball stadium and recreation and entertainment facility) into one synergistic use.

The multipurpose community recreation facility was ultimately discarded due to concerns that it wouldn't represent the most efficient and synergistic use of downtown land. Furthermore, the facility would potentially be redundant with other offerings in the market, such as the new indoor recreation centers being contemplated on the East and West sides of Sioux Falls.

On the whole, the most important criterium for selecting opportunities to further analyze was whether the product would be a synergistic anchor facility for the city's vibrant downtown and integrate well with existing uses, and it is the opinion of Johnson Consulting and the Steering Committee that these two products have the highest potential to achieve that goal.



Gallagher Way outside of Wrigley Field in Chicago



4. Existing Conditions Summaries

Sioux Falls Stadium

Overview

Sioux Falls Stadium, also known as The Birdcage, is a 4,462-seat baseball stadium located at the Events Center Campus on the city's northwest side. The stadium was built in 1964 and renovated in the late 1990s. More recent upgrades have converted the field to turf and added a new scoreboard in the outfield. In addition to the fixed seats, the stadium features a grass berm along the third base line where fans can sit and watch games. The stadium is owned by the City of Sioux Falls and operated partially by the Canaries and partly by ASM Global. ASM Global manages the Events Center Campus which also includes the Denny Sanford PREMIER Center, Sioux Falls Convention Center, and Sioux Falls Arena.

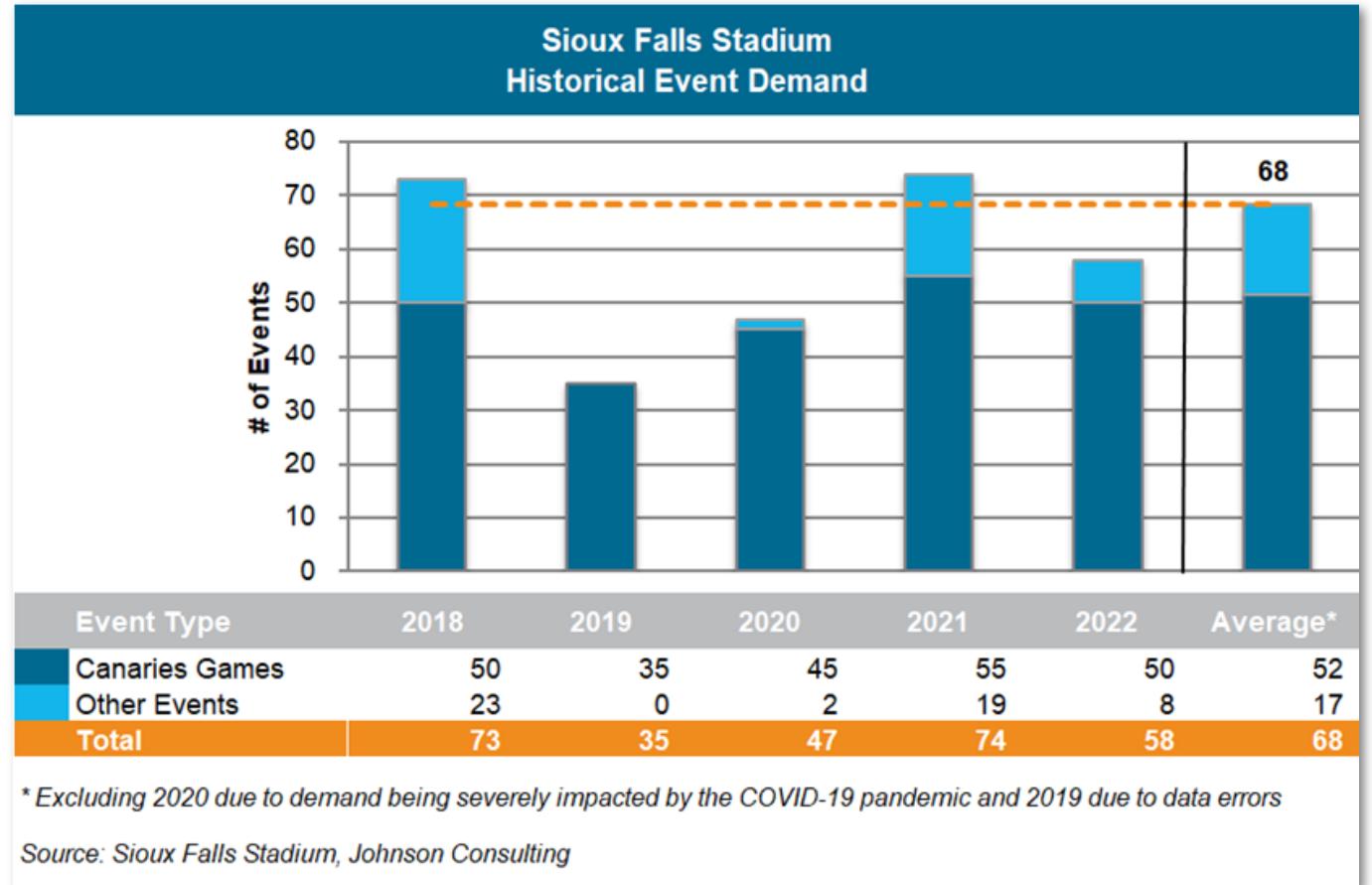
The stadium is the home of the Sioux Falls Canaries of the American Association, which is an independent partner league of Major League Baseball (MLB). As such, the Canaries are not affiliated with an MLB club. The Canaries have been the primary tenant of the stadium since the team's founding in 1993.



Sioux Falls Stadium

Event Demand

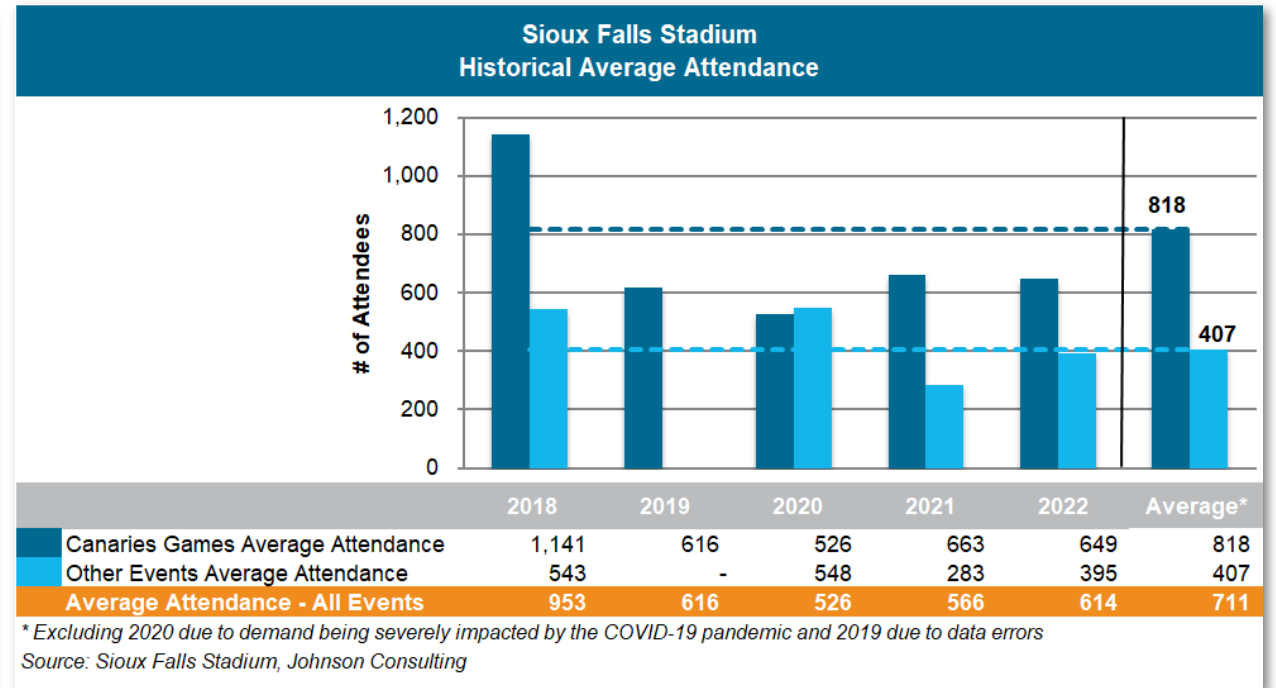
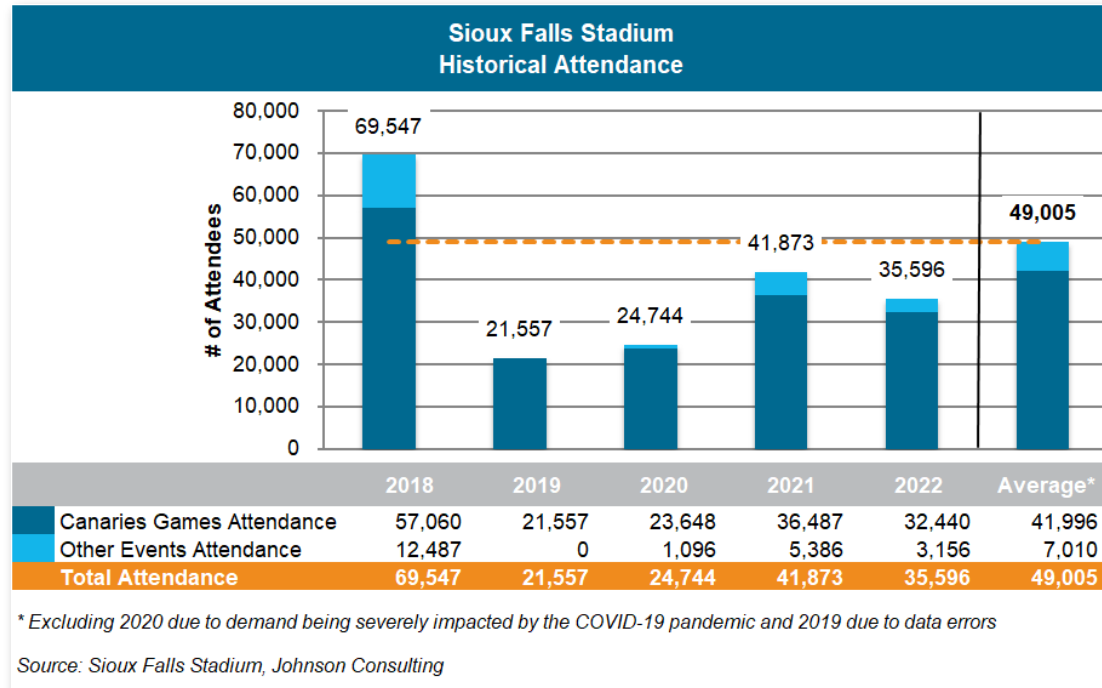
In 2022, Sioux Falls Stadium hosted 58 total events, including Sioux Falls Canaries games and eight other events. This was somewhat below the 2018-2022 average of 68 events, particularly due to a lack of events that were not canaries games – in 2018 and 2021, University of Sioux Falls’ baseball team leased the stadium from the Sioux Falls Canaries, which accounted for the majority of the “other” events in those years, but USF is no longer a tenant. Note that this events average excludes 2019 and 2020. In 2020, the number of events was significantly impacted by the COVID-19 pandemic while in 2019, there appears to have been a data entry error resulting in no events being recorded in May and June (despite that being during the Canaries’ regular season).



Sioux Falls Stadium

Attendance

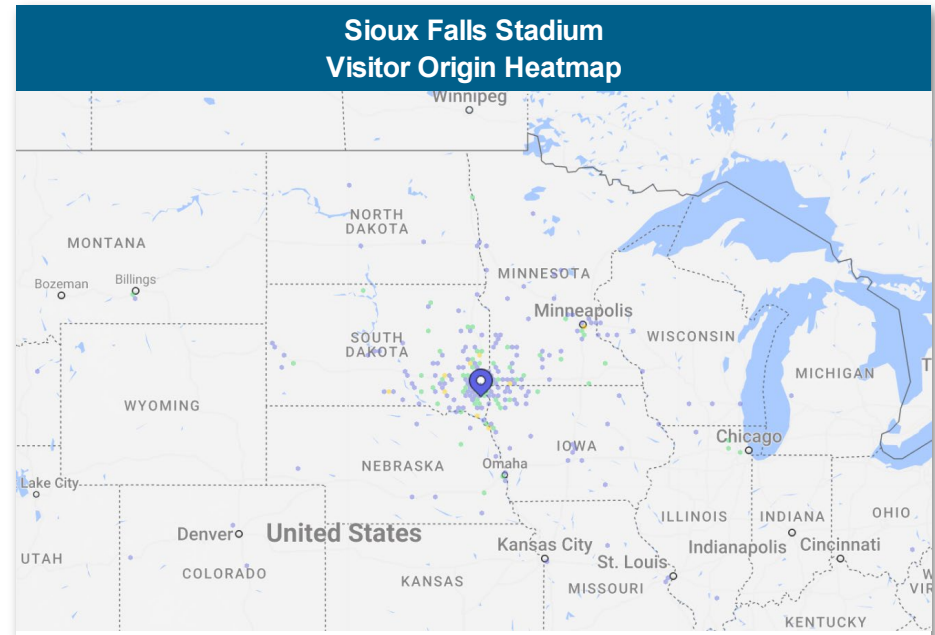
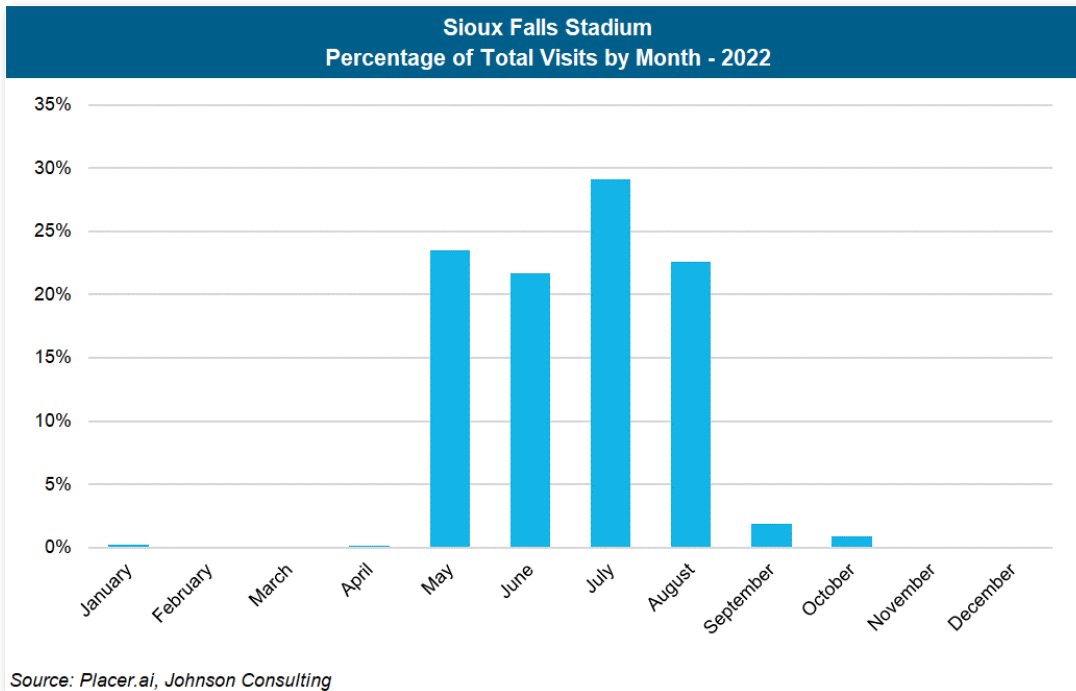
From 2018 through 2022 (excluding 2019 and 2020), Sioux Falls Stadium averaged 49,005 total attendees per year, including 41,996 for Canaries games and 7,010 for other events. The highest attendance in that period was observed in 2018, when the stadium attracted 69,547 attendees. Attendance was severely impacted by the COVID-19 pandemic, and though it recovered somewhat in 2021, declined again in 2022. The recovery in 2021, however, can be primarily attributed to the five extra canaries games that occurred that year, as the average attendance per game was relatively similar in 2021 and 2022. Overall, the facility has struggled to recover from the attendance decline observed during 2020 due to the COVID-19 pandemic.



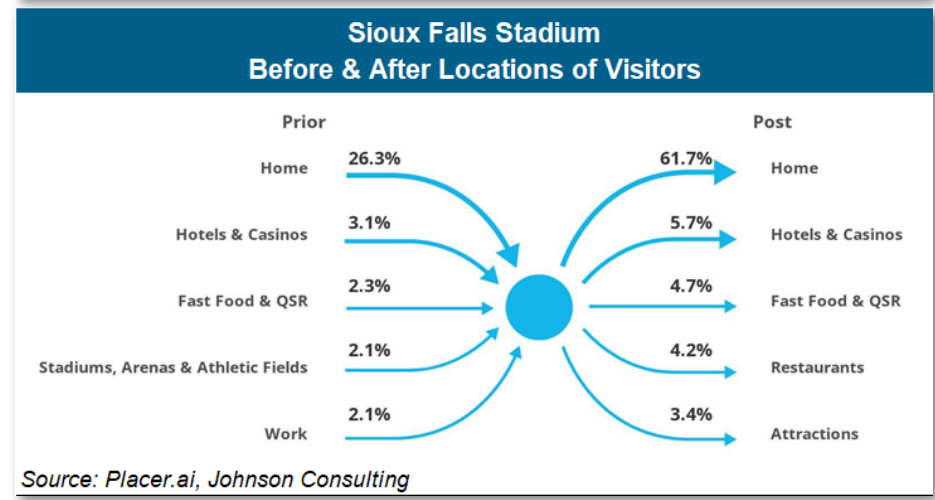
Sioux Falls Stadium

Visitation Profile

As might be expected for an outdoor facility in a climate with fairly cold winters, visitation to Sioux Falls Stadium is highly seasonal. This also owes to the fact that the vast majority of events at the facility are Sioux Falls Canaries games, which occur during the summer. In addition to being fairly seasonal, the stadium's draw is predominantly regional, as demonstrated by the visitor origin heatmap on the top right. As a result of this, few visitors stay at hotels after attending games, with the vast majority (61.7 percent) going directly home.



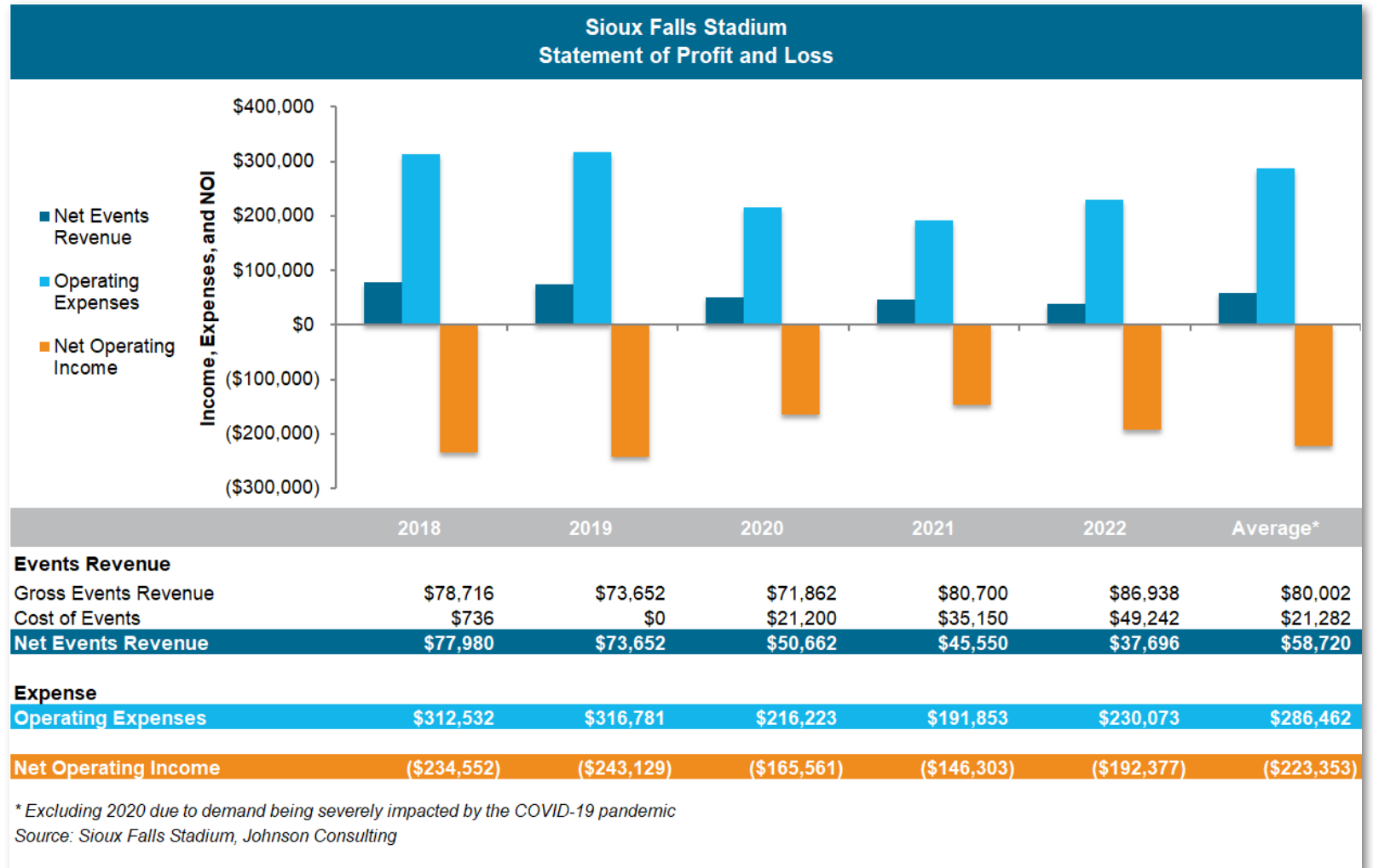
Source: Placer.ai, Johnson Consulting



Sioux Falls Stadium

Financial Performance

In 2022, Sioux Falls Stadium reported net revenues of \$37,696 and operating expenses of \$230,073, leading to a net operating loss of (\$192,377). This loss was less than the average of (\$223,353) from 2018 through 2022 (excluding 2020). Though the stadium generated less net revenue in 2022 than average, its operating expenses were also lower, leading to a lower loss overall. Overall however, the stadium is a significant burden on the City from a financial perspective.



Sioux Falls Stadium

Observations

With the Sioux Falls Canaries and their roughly 50 annual home games as a primary tenant, Sioux Falls Stadium stays fairly busy from an events perspective, though event demand is highly seasonal given the facility's outdoor nature. However, attendance at the stadium, which was not particularly robust before the COVID-19 pandemic (even the busiest year examined – 2018 – saw only about 25 percent of the stadium full on an average night), has fallen significantly since the pandemic.

Part of the challenge in this regard has to do with the team's history. According to discussions with various stakeholders, the previous ownership group invested little in the team or the stadium, leading to a slow decline in local interest in the team. Though the new ownership group, True North Sports, LLC (which bought the team in 2021), has invested significantly in upgrades to the field and rejuvenated marketing initiatives, these efforts have yet to bear fruit in terms of increased attendance. The Canaries remain near the bottom of the American Association of Professional Baseball's attendance rankings in 2023.

Part of the challenge also has to do with the stadium itself. The facility is nearly 60 years old and is wearing down, even with the recent upgrades and the renovation undertaken in the 1990s. Additionally, given its location at the Events Center Campus, it lacks supporting amenities such as bars and restaurants that can easily be walked to (though it is also important to note that the stadium's presence, even in tandem with the rest of the Events Center Campus, hasn't been sufficient to spur significant economic development in the area). Its distance from downtown also takes it off of the radar of many tourists who prefer to stick to the more walkable, vibrant areas of the city. A new downtown stadium would have an opportunity to reinvigorate interest in the facility, increasing utilization and attendance.



Sioux Falls Convention Center

Overview

Opened in 1996, the Sioux Falls Convention Center is a 125,000 square foot facility located on the Events Center Campus and connected to the Sanford PREMIER Center and Sioux Falls Arena. The SFCC features 60,510 square feet of total function space, in addition to pre-function and circulation space, a catering kitchen, four loading docks, and 3,400 available parking spaces (shared between the facilities at the Events Center). The facility is also connected to a 243-room Sheraton hotel.

The largest space within the SFCC is the combined exhibit halls & grand ballroom, offering 50,400 square feet of flat-floor contiguous space. This space can be subdivided into up to four smaller spaces: Two exhibit halls, each of which is 16,800 square feet, and a 16,800 square foot grand ballroom which can itself be subdivided into two smaller ballrooms. Additionally, the SFCC has 13 meeting rooms totaling 10,110 square feet of meeting space. Note that events at the SFCC sometimes use the arena floors in the Sioux Falls Arena and Denny Sanford PREMIER Center as additional exhibit space, adding roughly 60,000 square feet of usable space.

Sioux Falls Convention Center Summary of Function Space Size and Capacities							
	Size (SF)		Capacity (# of persons)				
	Smallest (Individual)	Largest (Combined)	Theater	Classroom	Reception	Banquet	Booths (10 x 10)
Event Spaces							
Exhibit Hall 1	16,800	-	1,200	840	1,500	990	94
Exhibit Hall 2	16,800	-	1,200	840	1,500	990	94
Grand Ballroom	16,800	-	1,200	840	1,500	990	94
Ballroom A	9,600	-	704	456	800	450	-
Ballroom B	7,200	-	618	380	700	360	-
Exhibit Halls & Grand Ballroom (Combined)	-	50,400	3,600	2,520	4,500	3,190	283
Total Exhibit Hall SF		50,400					
Meeting Rooms							
# of Rooms	13	-	-	-	-	-	-
Range of SF	434	3,640	60 - 125	45 - 100		40 - 100	-
Total Meeting Room SF		10,110					
Total Function Space SF		60,510					

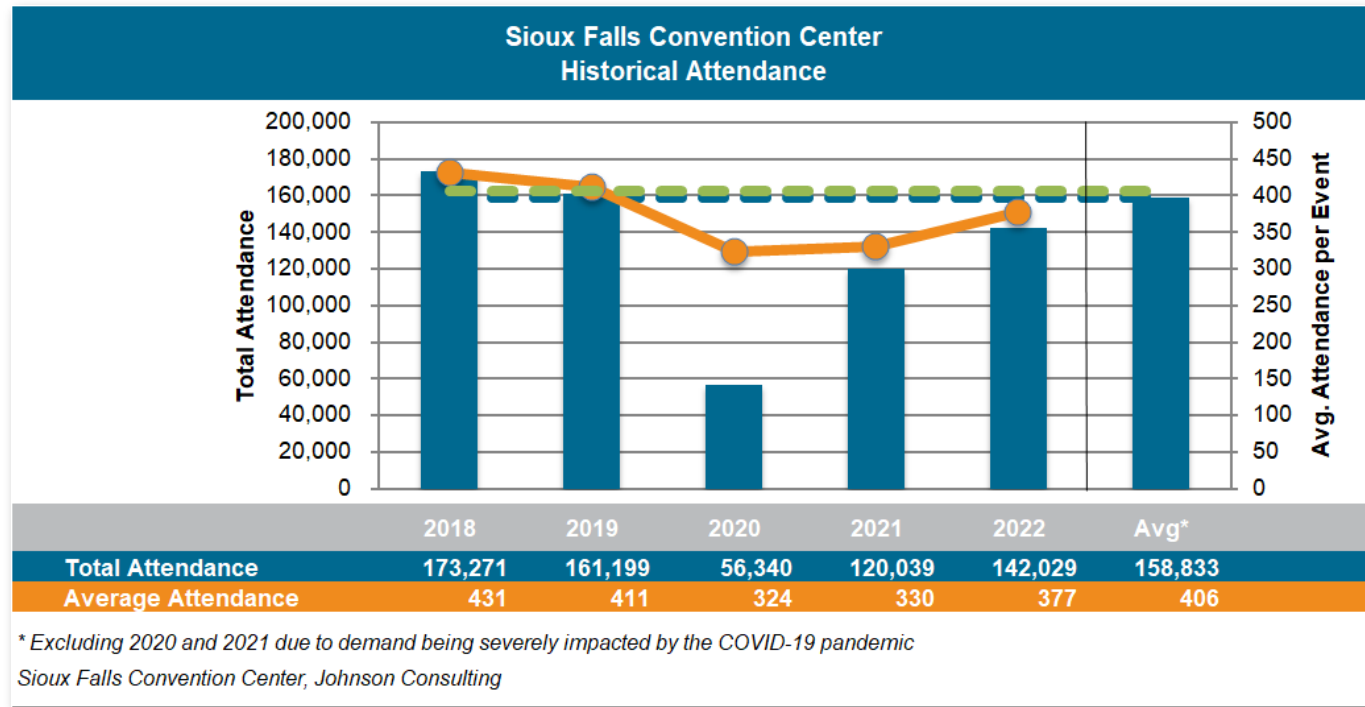
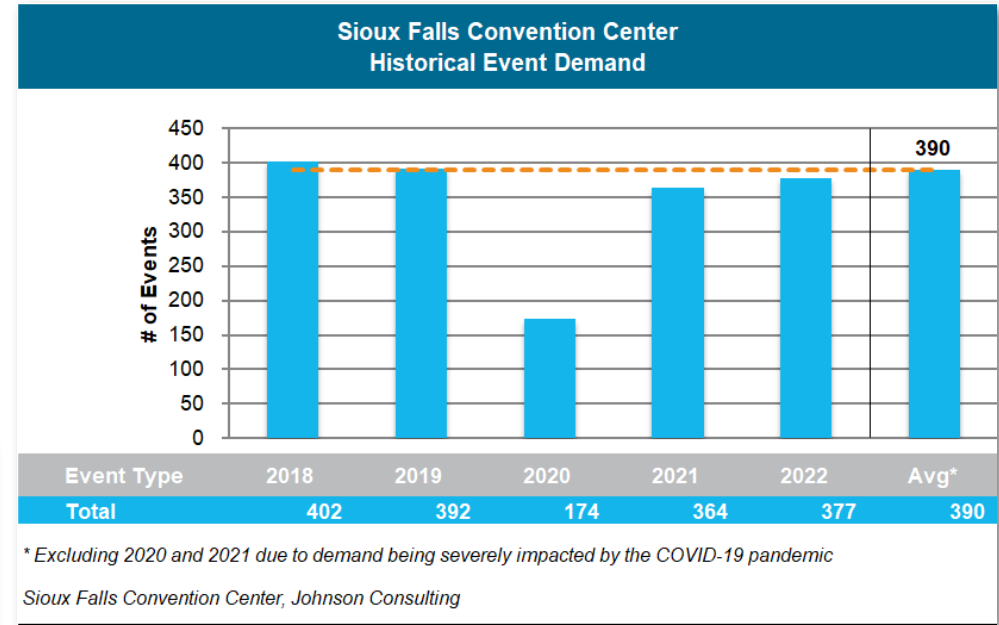
Note that events at the SFCC sometimes use the arena floors in the Sioux Falls Arena and Denny Sanford Premier Center as additional exhibit space, adding roughly 60,000 square feet of usable space.

Sioux Falls Convention Center, Johnson Consulting, Johnson Consulting

Sioux Falls Convention Center

Event Demand

The SFCC attracted 377 events in 2022, its highest total since 2019. Event demand plunged in 2020 due to the COVID-19 pandemic, with the facility hosting only 174 events, but recovered significantly in 2021 and appears to be back on track. Overall, excluding 2020 and 2021, the SFCC averaged 390 events per year over the past five years. Note that the SFCC lost an estimated 101 pieces of business in 2022 due to space and schedule availability.



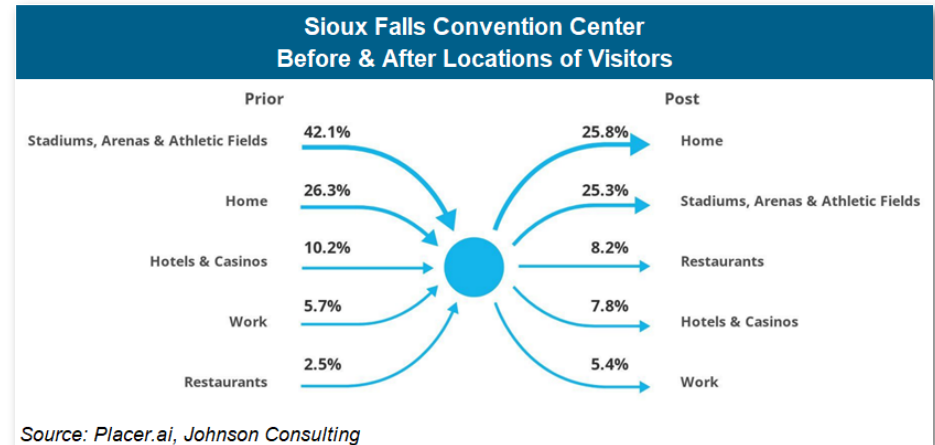
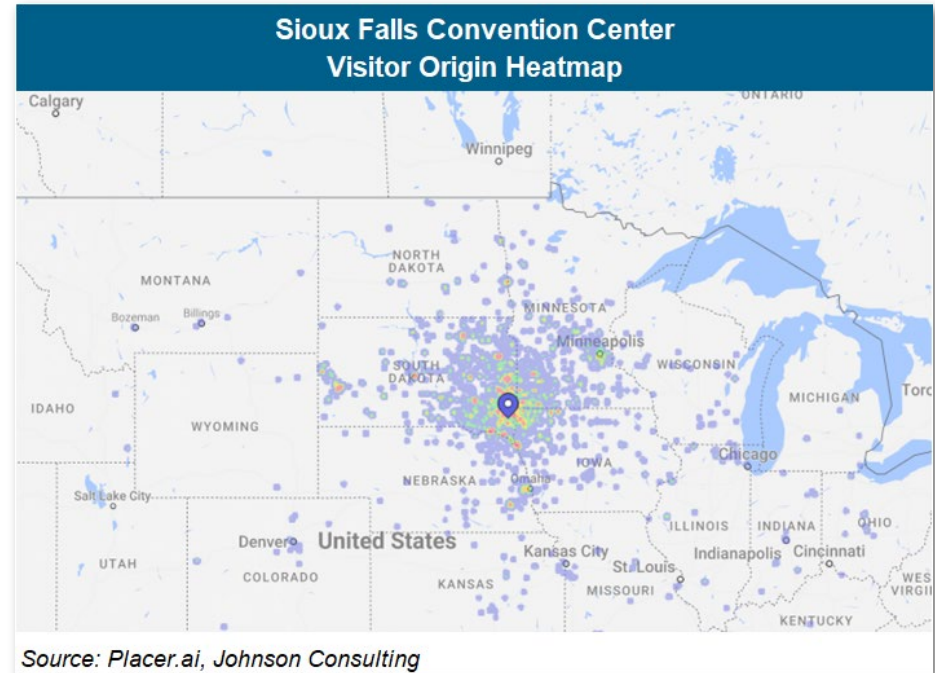
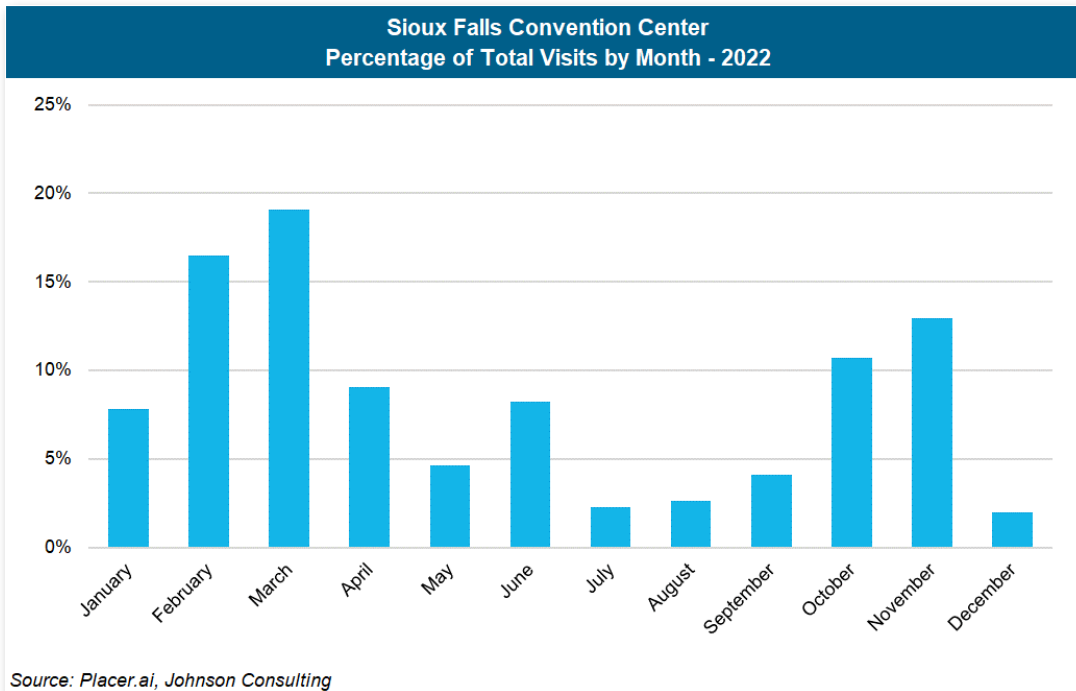
Attendance

From 2018-2022, excluding 2020 and 2021, the SFCC averaged 158,833 attendees per year and 406 attendees per event. As with events, attendance took a significant hit due to the pandemic but appears to be well on its way to recovery. Notably, average attendance per event declined less than total attendance during the pandemic, and has been somewhat sifter to recover – as of 2022, it had returned to 92.7 percent of the three-year average, while total attendance had only returned to 89.4 percent.

Sioux Falls Convention Center

Visitation Profile

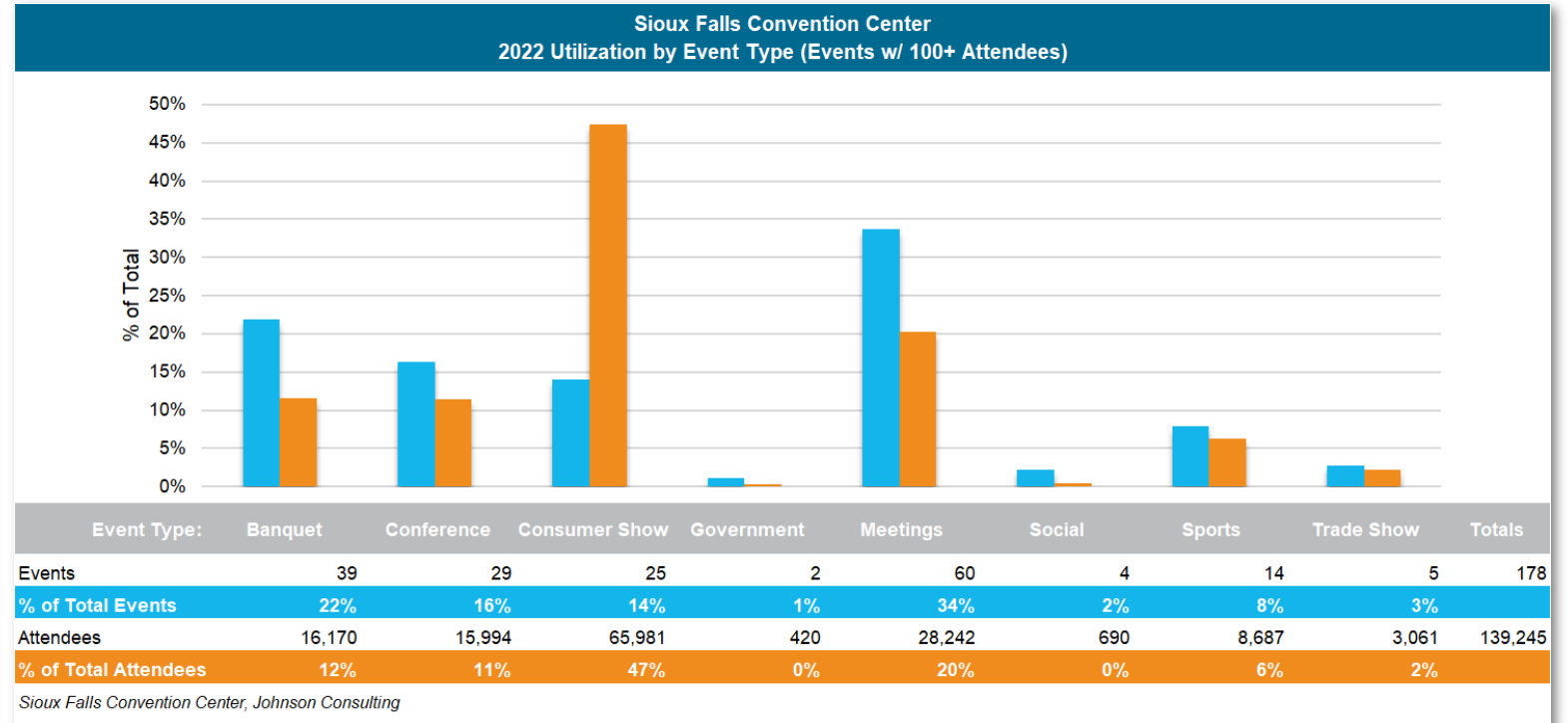
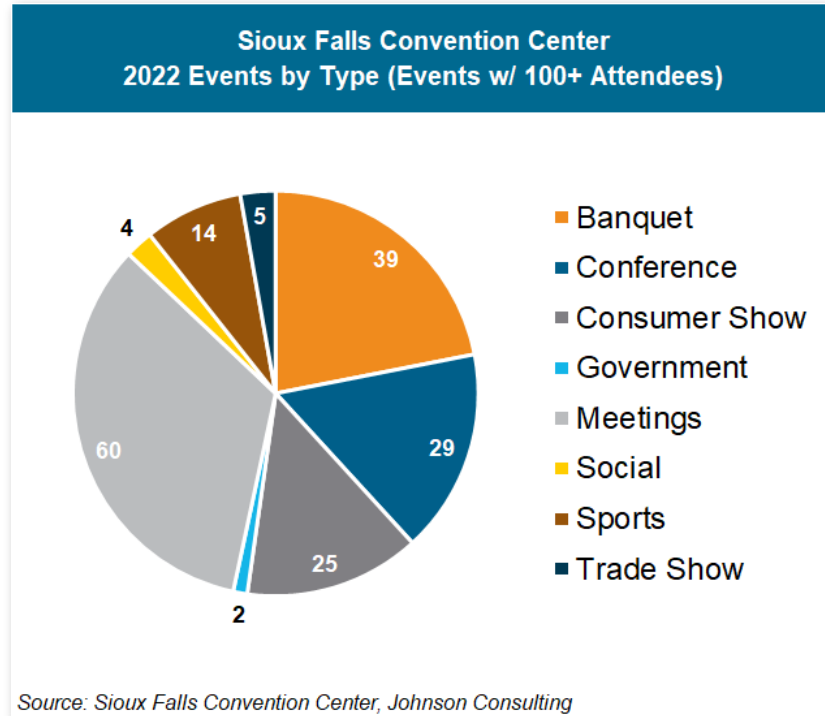
The SFCC has a fairly regional draw, albeit with the highest numbers of visitors coming from the city itself. This is reflected by the high proportion of visitors coming directly from or going directly to their homes before or after visiting the facility. Visitation in 2022 was distributed throughout the year similar to most convention centers, with peaks in spring and fall and a lull in mid-summer and winter.



Sioux Falls Convention Center

Large Events by Type

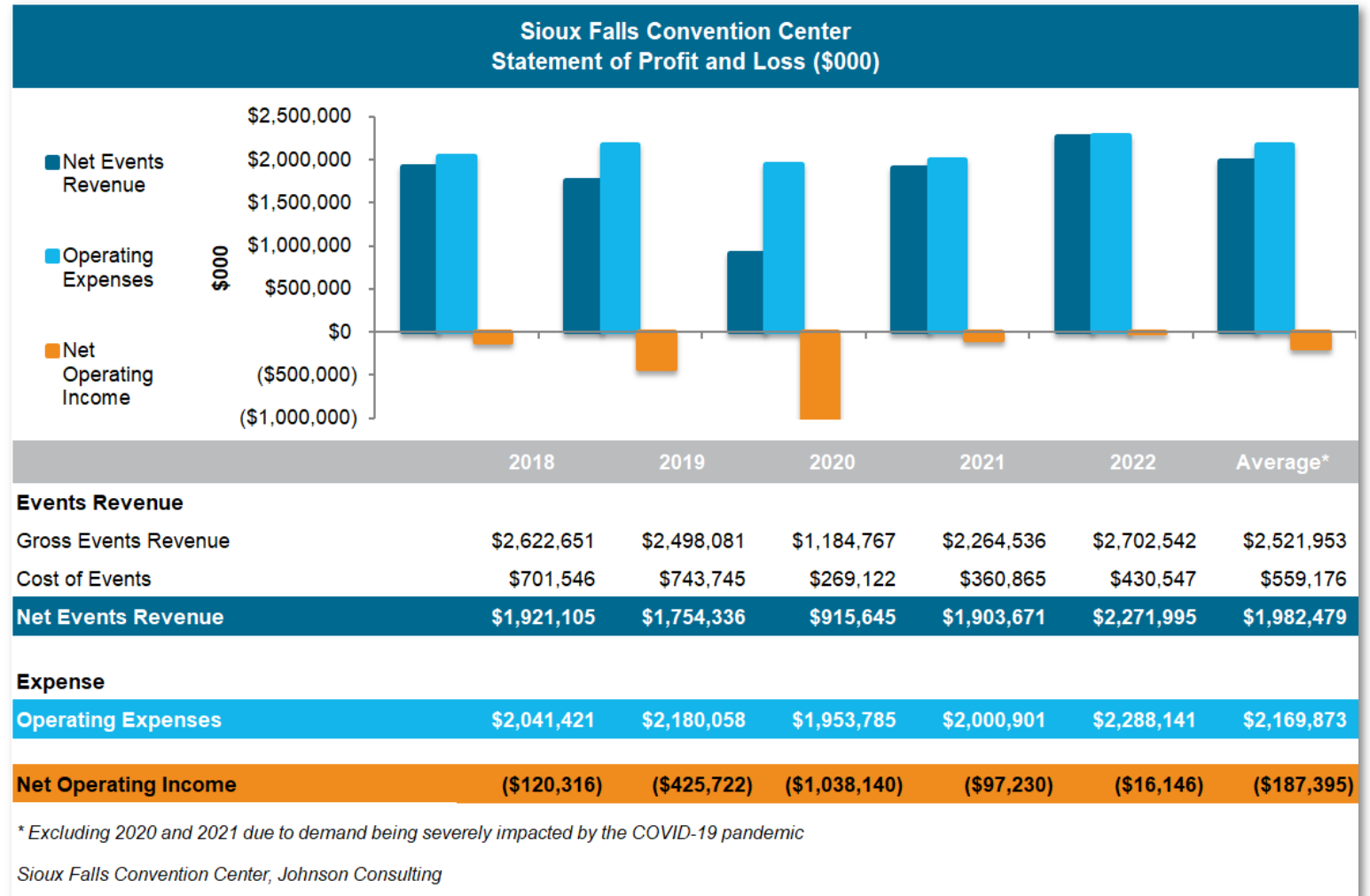
As the chart on the bottom left shows, meetings represented the plurality of large events at the SFCC in 2022, totaling 60 of the 178 events with at least 100 attendees. They were followed by banquets (39 events), conferences (29 events), and consumer shows (25 events). However, as the chart on the bottom right shows, despite meetings comprising 34 percent of large events at the SFCC in 2022, they only represented 20 percent of attendees. In contrast, consumer shows made up 47 percent of large-event attendance despite accounting for only 14 percent of large events, an indicator of their outsize impact.



Sioux Falls Convention Center

Financial Performance

The chart on the right presents the revenue, expenses, and net operating income (NOI) of the SFCC from 2018 through 2022. In 2022, the facility reported its highest revenues of that period resulting in an operating loss of (\$16,146) – essentially, it broke even. Excluding 2020 and 2021, the SFCC averaged an NOI of (\$187,395), which suggests that, despite losing money overall, 2022 was actually a fairly successful year from a financial perspective. Indeed, it is not uncommon for publicly-owned convention centers to operate at a loss; losses are typically mitigated by the economic and fiscal impact generated by the events hosted at the facility. With this in mind, the SFCC’s financial performance is reasonably healthy and appears to be trending in a positive direction coming out of the COVID-19 pandemic. Note that lost business at the SFCC in 2022 prevented it from earning an estimated additional \$794,510 in room rental revenue that year.



Sioux Falls Convention Center

Rental Rates

The table on the right summarizes rental rates at the SFCC. As can be seen, the facility has a fairly simple rental rate structure. For its large event spaces, it charges a “Peak” rate and a “Non-Peak” rate, and offers a discount for booking combined spaces. “Non-Peak” rates are charged during July, August, November, and December. For its smaller meeting rooms, it offers a flat rate that scales fairly linearly by the number of rooms booked, offering a small discount for booking a combined space. This structure is advantageous because it is easy to understand for customers and thus easily communicated by the facility’s sales team.

Observations

Though the COVID-19 pandemic has had a major impact on the events industry worldwide, the Sioux Falls Convention Center has recovered fairly well. In 2022, events hosted and total attendance recovered to 90 percent or more of their pre-pandemic levels while the facility generated its most revenue of the last five years. Furthermore, the SFCC essentially broke even in 2022 prior to accounting for the economic and fiscal impact of its events, which is unusual for publicly owned convention centers. Overall, the facility is in a healthy place.

However, there could be some value in optimizing the SFCC’s demand schedule. Consumer shows recorded by far the most attendees per event of any type hosted at the facility in 2022. Putting a greater emphasis on those higher-impact events would help the SFCC from both a financial standpoint and an economic impact standpoint. However, more contiguous space would likely be needed to capture a higher proportion of that market, as the current offering of 50,400 square feet is fairly small relative to competitive facilities.

Sioux Falls Convention Center Summary of Rental Rates and Fees		
Space	Daily Rate	
	Peak	Non-Peak
Exhibit Halls & Grand Ballroom (Combined)	\$5,780	\$4,850
Exhibit Hall 1	\$1,730	\$1,390
Exhibit Hall 2	\$1,730	\$1,390
Grand Ballroom	\$2,310	\$2,080
Ballroom A	\$1,730	\$1,390
Ballroom B	\$1,730	\$1,390
1 Meeting Room	\$350	\$350
2 Meeting Rooms (Combined)	\$690	\$690
3 Meeting Rooms (Combined)	\$1,040	\$1,040
4 Meeting Rooms (Combined)	\$1,390	\$1,390

Source: Sioux Falls Convention Center, Johnson Consulting

An aerial photograph of a city at dusk, with a blue color overlay. The text "5. Baseball Stadium Benchmarking Analysis" is overlaid in white. The city features a mix of modern and older buildings, parking lots, and a large body of water in the distance.

5. Baseball Stadium Benchmarking Analysis

Overview

In order to better understand how Sioux Falls Stadium compares to similar facilities and markets, Johnson Consulting selected several comparable baseball stadiums and performed a benchmarking analysis. The facilities selected are listed below, and summarized on the next page:



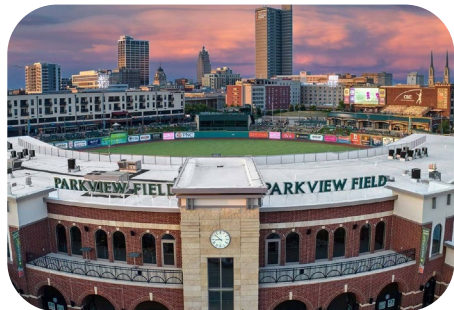
Franklin Field
Franklin, WI



Impact Field
Rosemont, IL



Dozer Field
Peoria, IL



Parkview Field
Fort Wayne, IN



Toyota Field
Madison, AL



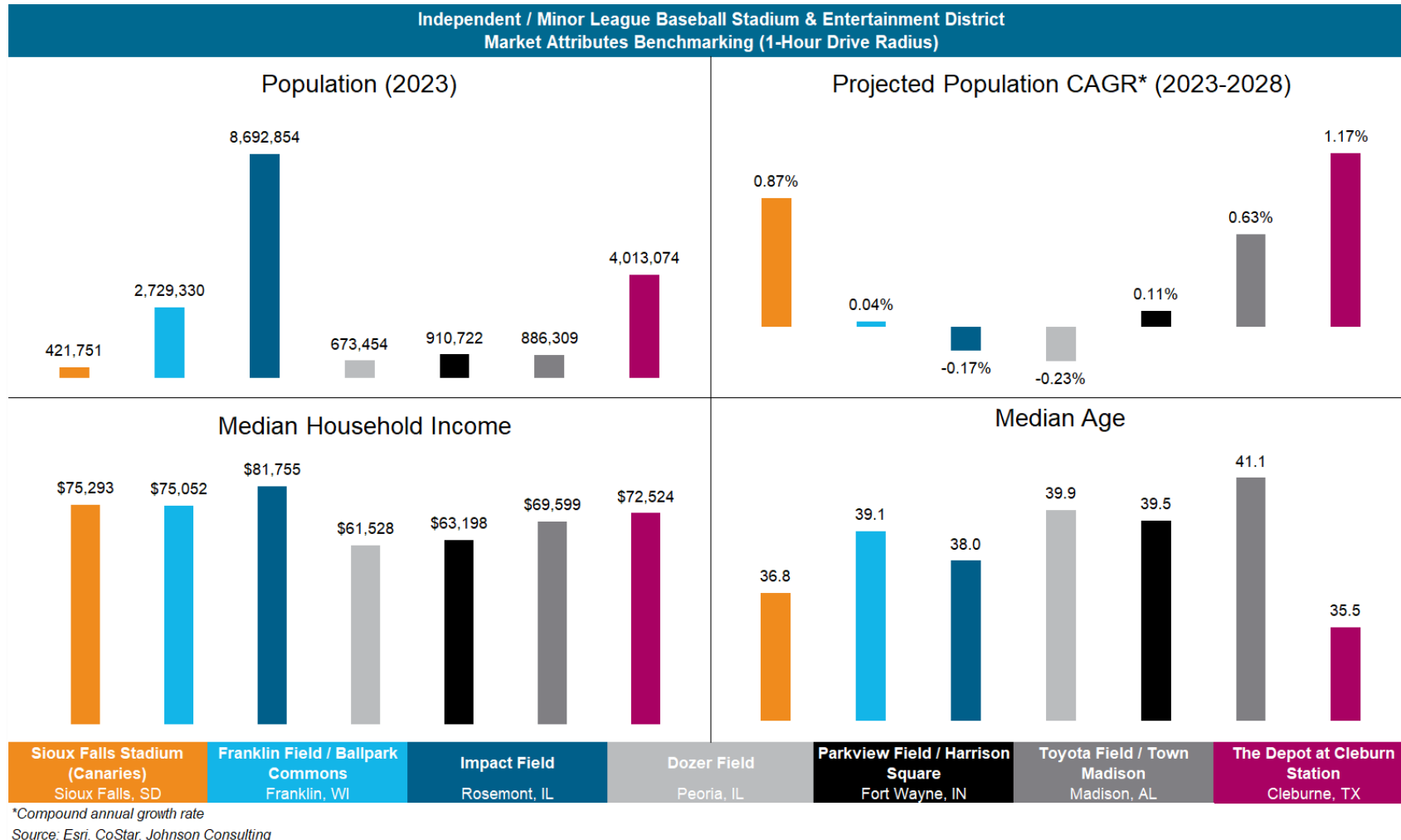
**The Depot at
Cleburne Station**
Cleburne, TX

Comparable Facilities Summary

Independent / Minor League Baseball Stadium & Entertainment District Case Studies							
	Sioux Falls Stadium (Canaries)	Franklin Field / Ballpark Commons	Impact Field	Dozer Field	Parkview Field / Harrison Square	Toyota Field / Town Madison	The Depot at Cleburn Station
Location	Sioux Falls, SD	Franklin, WI	Rosemont, IL	Peoria, IL	Fort Wayne, IN	Madison, AL	Cleburne, TX
Primary Tenant	Sioux Falls Canaries	Milwaukee Milkmen	Chicago Dogs	Peoria Chiefs	Fort Wayne Tin Caps	Rocket City Trash Pandas	Cleburne Railroaders
Primary Tenant League	American Association (Independent)	American Association (Independent)	American Association (Independent)	Midwest League (A+)	Midwest League (A+)	Southern League (AA)	American Association (Independent)
Market Overview (1-Hour Drive Time)							
Population (2023)	421,751	2,729,330	8,692,854	673,454	910,722	886,309	4,013,074
Population (2028)	440,453	2,734,335	8,621,205	665,595	915,563	914,360	4,254,359
Projected Population CAGR* (2023-2028)	0.87%	0.04%	-0.17%	-0.23%	0.11%	0.63%	1.17%
Median Household Income	\$75,293	\$75,052	\$81,755	\$61,528	\$63,198	\$69,599	\$72,524
Median Age	36.8	39.1	38.0	39.9	39.5	41.1	35.5
Ancillary Real Estate (10-Minute Walk)							
Hotel Rooms	393	-	914	-	632	-	-
Multifamily Units	159	404	-	311	187	560	-
Retail / Restaurant SF	26,619	27,030	775,071	532,311	576,907	6,100	4,090
Office SF	137,644	178,467	484,258	1,252,025	1,061,142	2,300	-
Stadium Attributes							
Baseball Game Capacity	4,462	4,000	6,300	8,500	6,516	7,000	1,750
Ownership & Management							
Owner	City of Sioux Falls	ROC Ventures	Village of Rosemont	Peoria Chiefs Baseball LLC	Fort Wayne Redevelopment Authority	Madison, AL	Cleburne, TX
Operator	Sioux Falls Canaries	Milwaukee Milkmen	Shawn Hunter/The Chicago Dogs	Peoria Chiefs Baseball LLC	Hardball Capital	BallCorps LLC (Rocket City Trash Pandas)	Cleburne Railroaders
Demand (Most Recent Year Available)							
Baseball Games (Primary Tenant)	49	50	50	65	60	65	49
Attendance (Primary Tenant)	35,598	86,028	191,984	135,784	303,680	327,007	65,062
Average Attendance per Game	726	1721	3840	2089	5061	5031	1328
Non-Local** Visitors (%)	18.7%	9.4%	10.0%	14.8%	10.3%	12.0%	14.4%
<i>*Compound annual growth rate</i>							
<i>**Defined as visitors who live 100+ miles from the facility</i>							
<i>Source: Relevant Facilities, Placer.ai, Federal Aviation Administration, CoStar, Esri, Johnson Consulting</i>							

Market Attributes

In terms of economic and demographic indicators, Sioux Falls compares favorably to the other markets examined. Despite having the smallest population within a 1-hour drive time radius, it has the second-youngest median age, the second-highest median household income and the second highest projected population growth rate over the next five years.



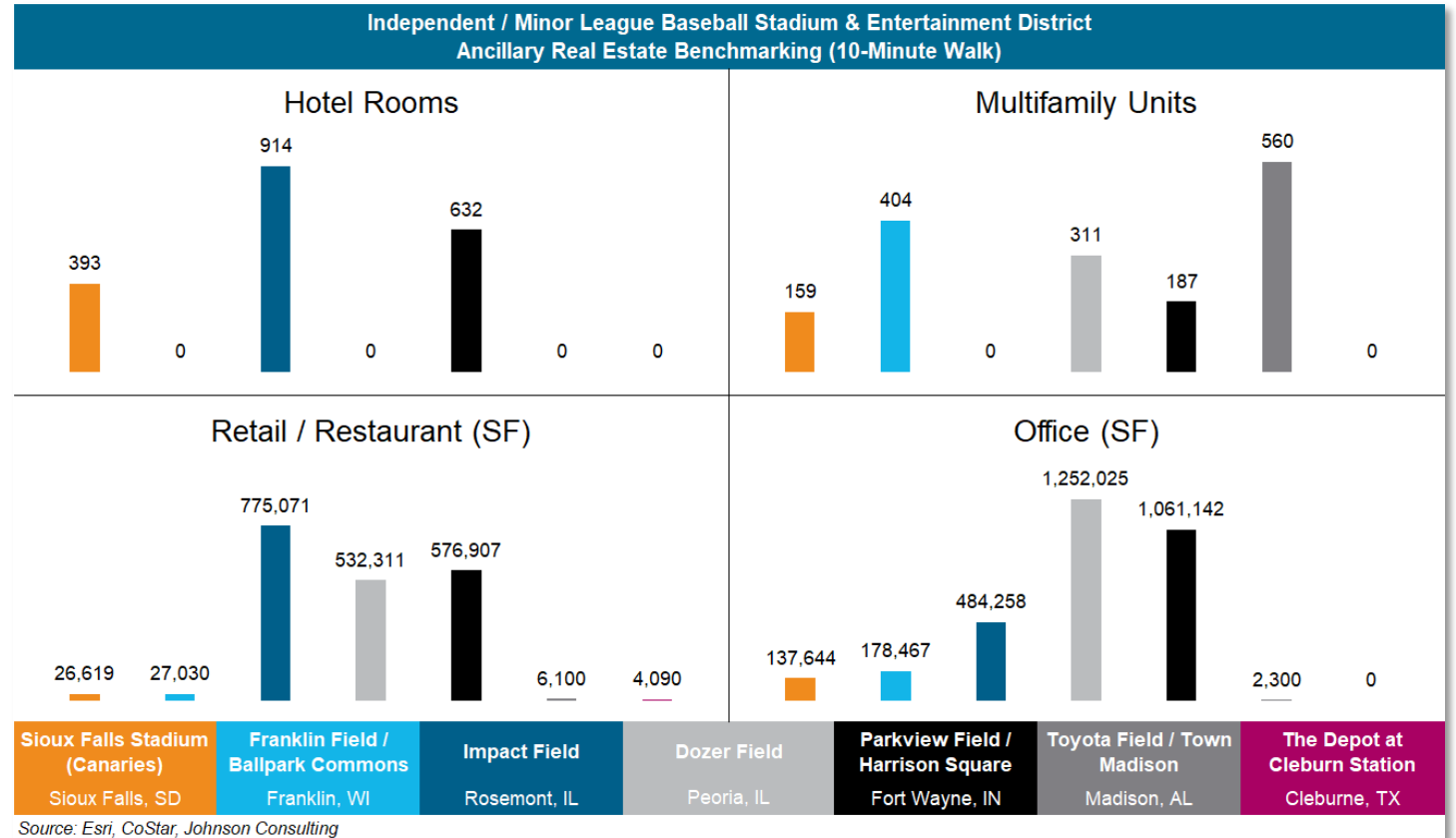
Real Estate Market

Sioux Falls Stadium, however, comes up somewhat short in terms of the quantity of ancillary real estate development. There are only 393 hotel rooms, 159 multifamily units, 27,000 square feet of retail space, and 138,000 square feet of office space within a 10-minute walk.

Impact Field in Rosemont, IL leads the benchmark facilities in both hotel rooms and retail space largely due to its proximity to O'Hare airport. Because of its location in downtown Fort Wayne, Parkview Field ranks second highest in hotel rooms, retail space and office space. Dozer field is located in Downtown Peoria and ranks first in office space and third in both retail and multifamily units.

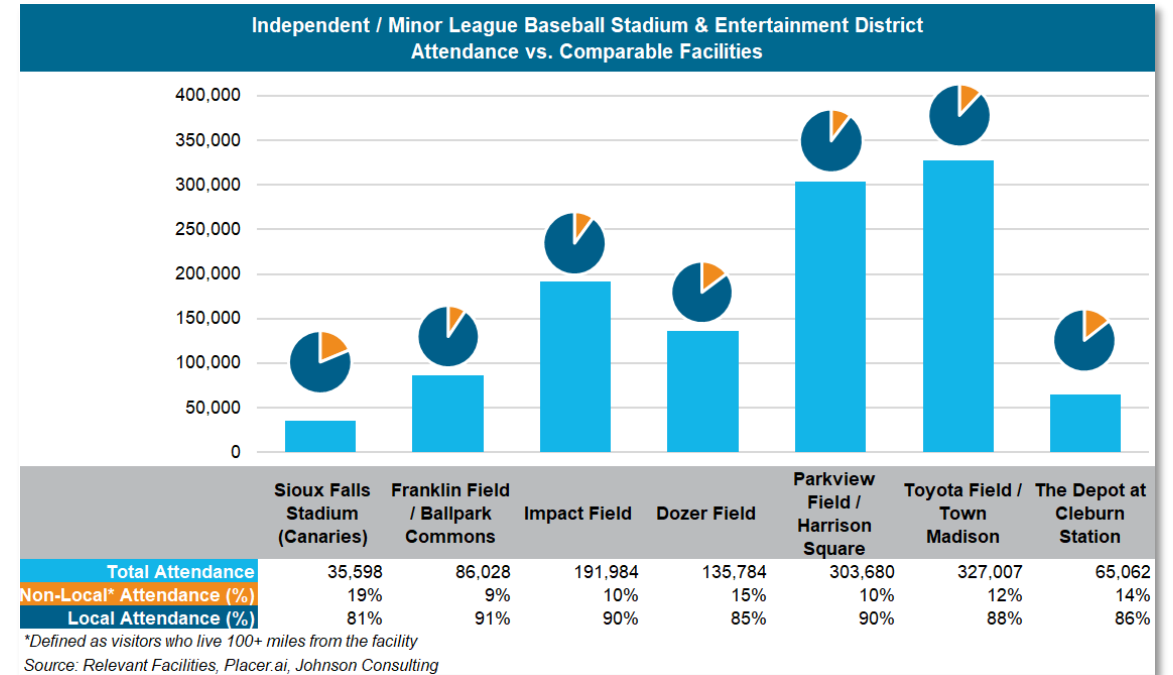
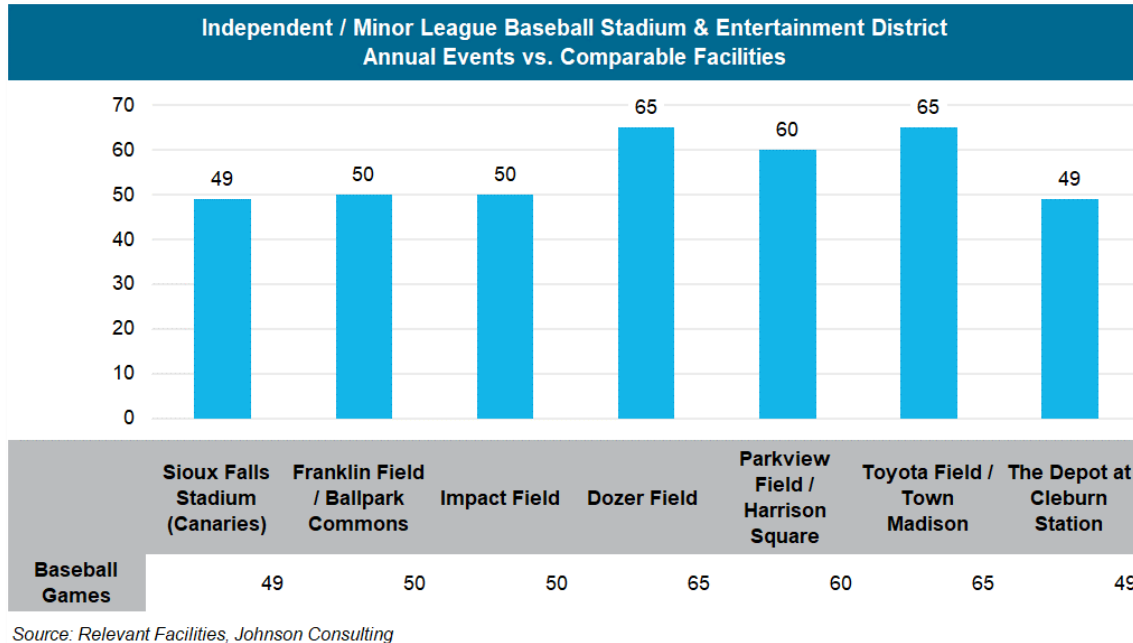
Toyota Field in Madison, AL and Franklin Field in Franklin, WI have little ancillary real estate development besides a sizeable inventory of multifamily units. Franklin Field anchors the Ballpark Commons retail development but only the Luxe Golf Bays are within the 10-minute walking radius.

The Depot at Cleburne Station ranks last in every category and has no nearby real estate besides 4,090 SF of retail space. Currently, Sioux Falls Stadium ranks closer to these markets than Rosemont, Fort Wayne and Peoria. Sioux Falls Stadium would benefit from a change in location. If the ballpark was in the proposed site in the Riverline District, the amount of surrounding retail space would be 124,000 square feet greater than that of its current location.



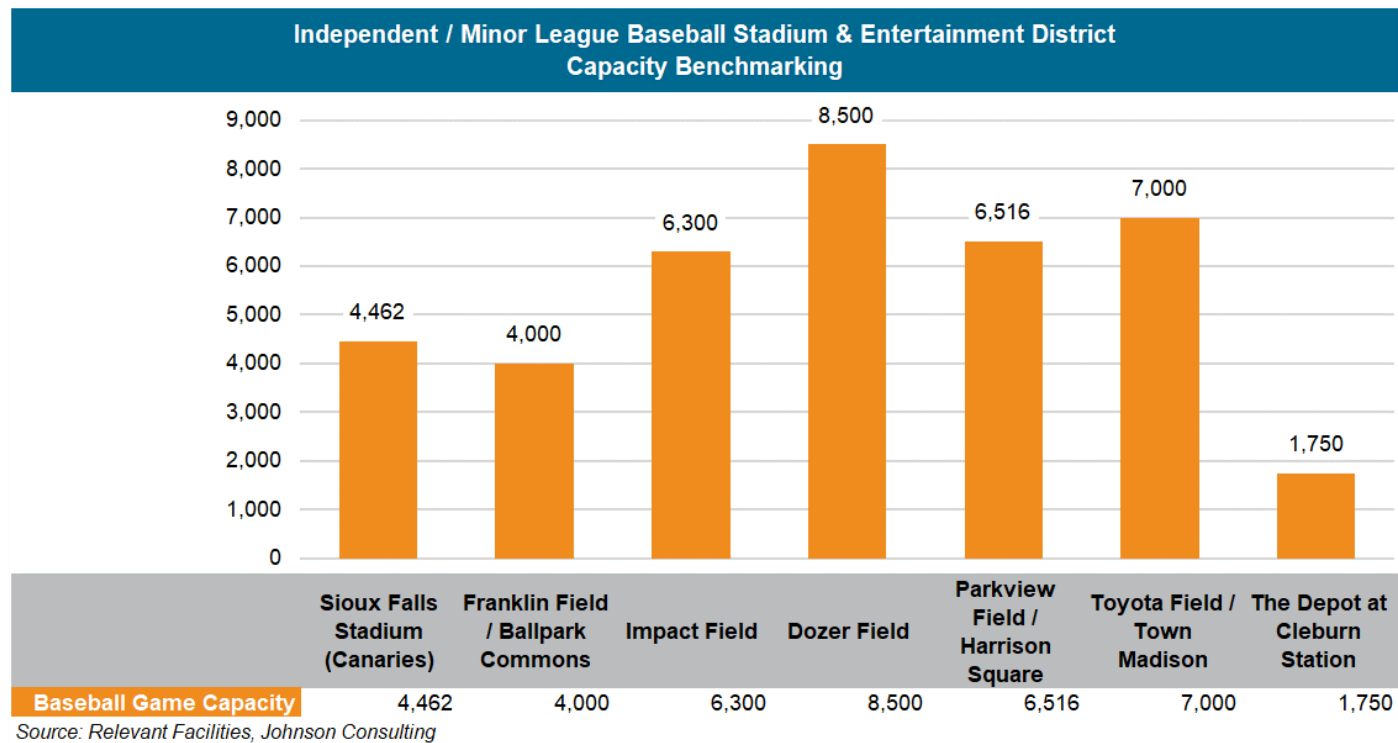
Demand Profile

Among the examined facilities, Sioux Falls Stadium hosted the fewest annual events and had the lowest annual attendance in 2022. However, events at Sioux Falls Stadium attracted the highest proportion of non-local attendees, defined as visitors who live more than 100 miles from the facility, reflecting the market's regional draw. Non-local attendees are particularly important from a tourism perspective, as they are most likely to stay overnight either before or following their event rather than driving home, and thus represent a greater economic impact than local attendees.



Capacity Profile

Among the examined facilities, Sioux Falls Stadium has the third lowest capacity of the seven examined stadiums. The only stadiums with a smaller capacity are the Depot at Cleburne Station and Franklin Field, both of which are homes to American Association of Baseball teams. Every MLB-affiliated minor league stadium had a higher capacity than the American Association of Baseball stadiums, although the Chicago Dogs' home, Impact Field, is closer in capacity to its minor league comparisons. Dozer Field in Peoria, IL leads the seven stadiums in capacity with the ability to host 8,500 attendees on game days.



Facility Highlight

Parkview Field / Harrison Square

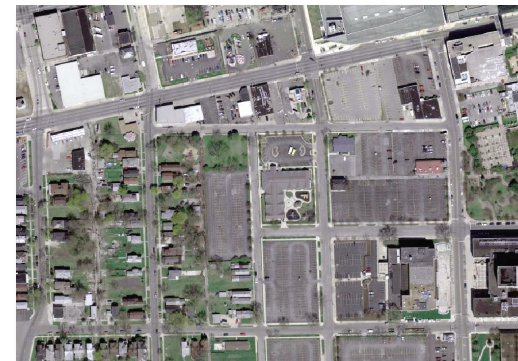
Location: Parkview Field is located in Downtown Fort Wayne, Indiana, and is the keystone of the Harrison Square Development which includes retail, offices apartments, a hotel, a parking garage, and a park with an amphitheater and fountain.

Ownership/Management: Parkview field is owned by the City of Fort Wayne and operated by Hardball Capital, a sports management company that specializes in owning and operating minor league baseball teams and stadiums. Its primary tenant is the Fort Wayne Tin Caps, a high Single A minor league team for the San Diego Padres.

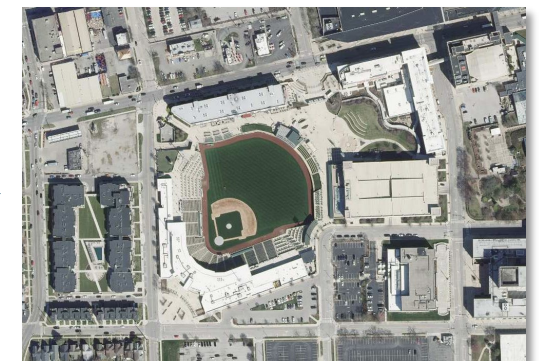
Facilities: Parkview Field is considered one of the highest quality stadiums in single A baseball. The stadium has gameday capacity of 6,516 attendees and 16 luxury suites but can increase capacity up to 8,100 for concerts. In addition to baseball games and concerts, Parkview field has 11,000 square feet of indoor meeting space and batting cages available for rent by the public.



BEFORE (2006)



AFTER (2021)



Facility Highlight

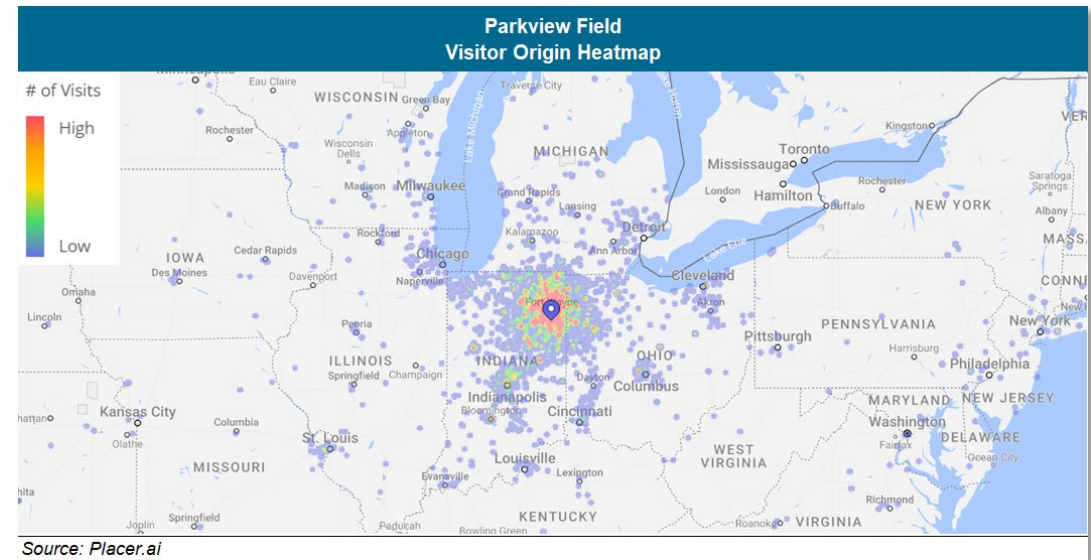
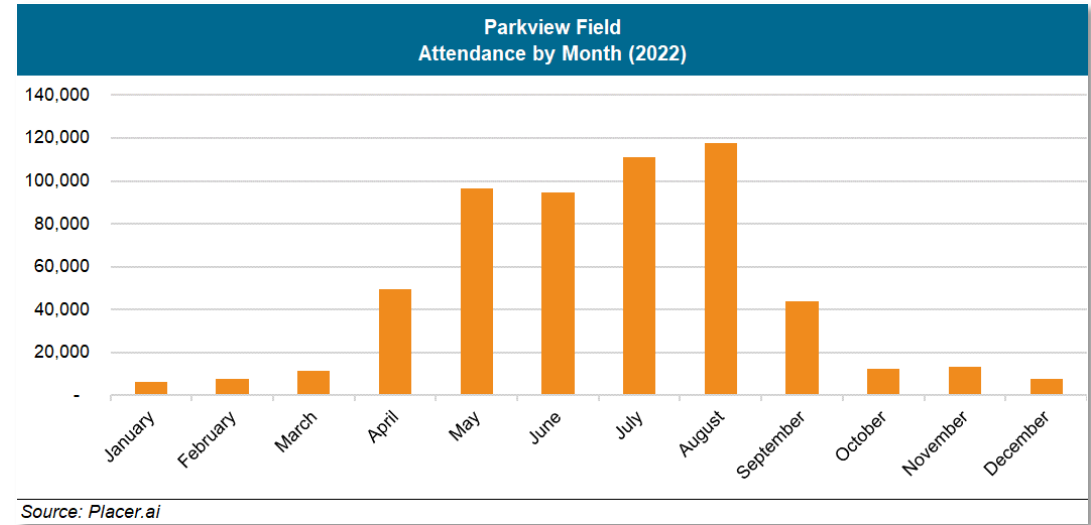
Parkview Field / Harrison Square

Demand: The demand for Tin Caps baseball is high. In 2022 the team had a total attendance of 303,680, an average of 5,061 per game. Parkview Field drew in roughly 259,120 people for non-game events such as farmer's markets, community fitness events and batting cage rentals. However, demand was extremely seasonal and concentrated within the summer months, as is shown by the chart on the top right. It was also fairly regional, with most visitors coming from Northeast Indiana as the visitor origin heatmap on the bottom right shows.

Revenue & Expenses: Though revenue data for the ballpark is unavailable, the City of Fort Wayne annually allocates roughly \$1,500,000 in maintenance funding for the stadium.

Funding: The project was originally funded in 2014 by an issuance of \$24,970,000 in bonds to pay for Parkview Field that are due back in installments of \$370,000 to \$1,380,000 plus interest (ranging at a rate of 3-5 percent) through 2034. In 2022 the City of Fort Wayne made bond payments of \$3,400,000. Parkview Health pays \$300,000/year for the naming rights. The 5-year extension of the original 10 year deal is set to expire after the 2023 season.

Observations: Parkview Field is one of the foremost examples of how minor-league baseball can reinvigorate a downtown. Parkview Field and the Harrison Square development project sparked other revitalization efforts in Fort Wayne's urban core. Since 2018 downtown Fort Wayne has seen nine additional large-scale developments.



Facility Highlight

Franklin Field / Ballpark Commons

Location: Franklin Field is located in Franklin, WI off of Highway 36 and is a 20-minute drive from Milwaukee. The stadium was opened to the public in 2019.

Ownership/Management: Franklin Field is owned and operated by ROC Ventures and its primary tenant is the Milwaukee Milkmen who, like the Sioux Falls Canaries, play in the American Association of Baseball. University of Wisconsin Milwaukee's baseball team also plays its home games in Franklin Field.

Facilities: Franklin Field has a capacity of 4,000 which includes luxury suites, outfield bleachers, and a grassy hill on which fans can sit. Franklin Field is the keystone development of the Ballpark Commons which includes the Velo Village apartments, Luxe Golf Bays, office space, retail space, a drive-in movie theater, a neighboring sports complex, and a ski hill. There are currently 404 units of multi-family housing within the Ballpark Commons and 158 additional units being planned.



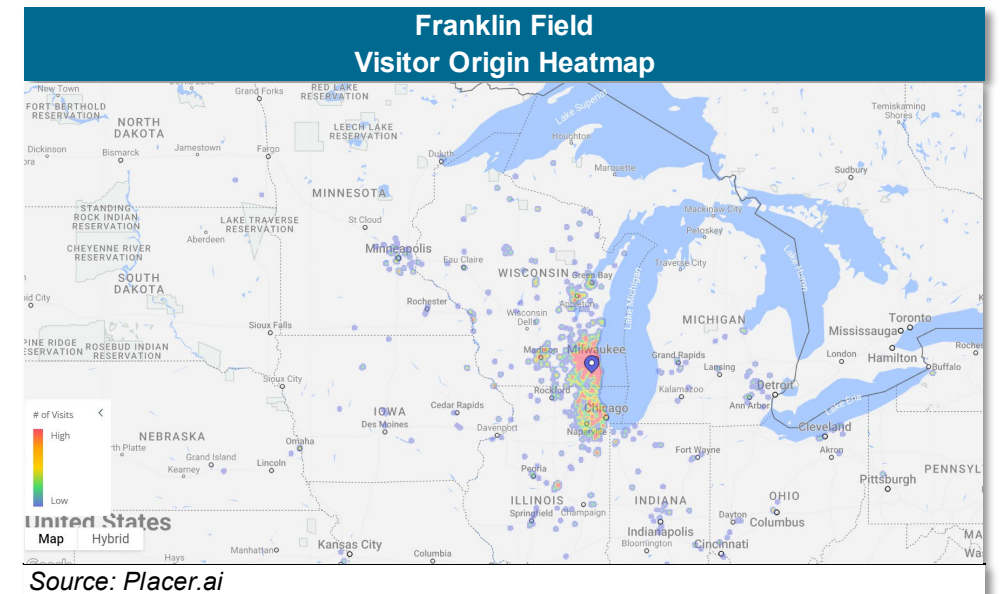
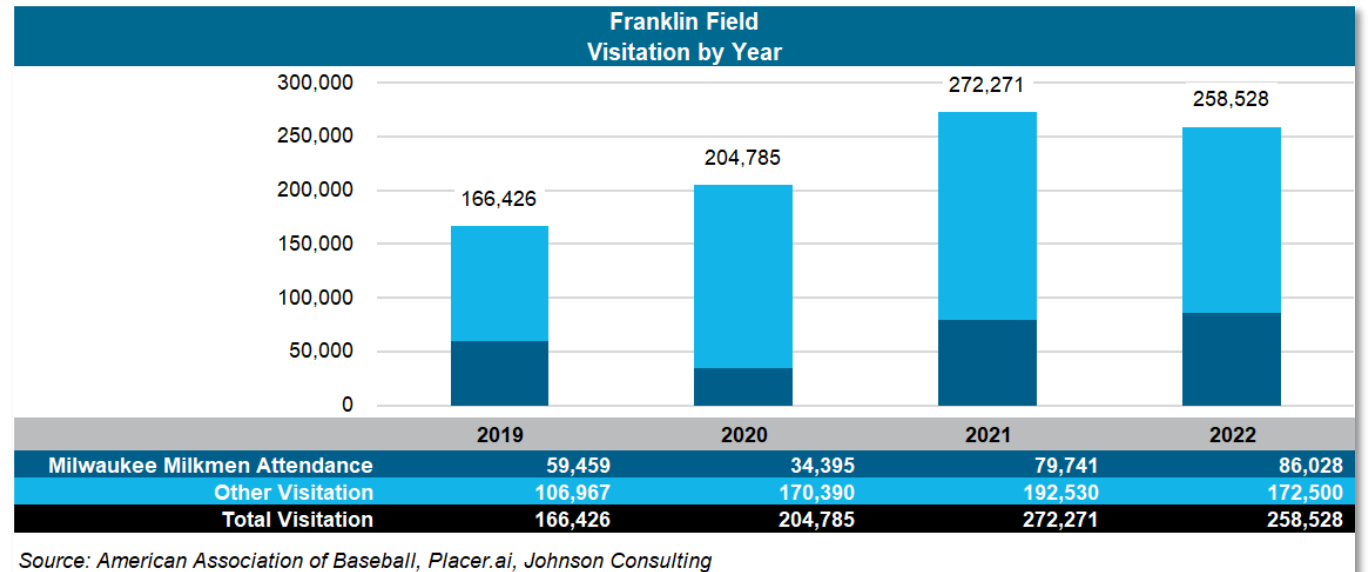
Facility Highlight

Franklin Field / Ballpark Commons

Demand: Franklin Field attracted over 86,000 people in 2022 for Milkmen games. While average game attendance was less than 2,000, that average has been increasing every year since 2019. However, attendance of Milkmen games makes up only 1/3 of total visitation to Franklin Field. The stadium is also home to the UW-Milwaukee baseball team which draws crowds of roughly 400-600 fans every home game. The stadium also holds concerts, festivals, and small college convocations. As shown by the heat map, attendance was predominately regional with most fans coming from southeastern Wisconsin or the Chicagoland area.

Revenue & Expenses: Franklin Field is privately owned and thus financials are not available.

Funding: Franklin Field is privately owned and funded by ROC Ventures, its parent company. The City of Franklin committed \$22.5 million in site preparation and infrastructure costs to the Ballpark Commons Project.



Facility Highlight

Franklin Field / Ballpark Commons

Observations: The Milwaukee Milkmen’s principal owners, ROC Ventures, view their development of the Ballpark Commons as less of a financial investment and more of an investment in the community. This allows the scope of the development to focus on long-term outcome and not just short-term profit. Franklin Field and the ballpark commons are a work in progress; the stadium is new and so are its supporting developments. However, as more multi-family and retail venues are added to the area, Franklin Field will become even more of a destination. This “destination” mentality also helps the facility attract the non-baseball events which make of the majority of its overall visitation. Franklin Field demonstrates the potential for a minor or independent league ballpark to catalyze real estate development, which would be one of the primary goals of building a ballpark in the Riverline District.



Facility Highlight

Impact Field

Location: Impact Field is located in Rosemont, Illinois and is a roughly a 20-mile drive from downtown Chicago. The field is a mere 6-minute drive from O'Hare airport. Rosemont is also connected to downtown Chicago via the CTA's Blue Line.

Ownership/Management: The stadium is owned by the Village of Rosemont and is operated by the Chicago Dogs, a team in the independent American Association of Baseball.

Facilities: Impact Field has a capacity of 6,300 attendees which includes 7 luxury suites and outfield bleachers. Due to its proximity to O'Hare, Impact Field has a large inventory of ancillary development. There are 914 hotel rooms, 775,071 square feet of real estate and 484,285 square feet of office space within a 10-minute walk of Impact Field. Much of that retail space is a part of the Village of Rosemont's downtown entertainment district which includes live-show venues, a wide selection of restaurants and retail stores, an ice rink and many other entertainment options.



Facility Highlight

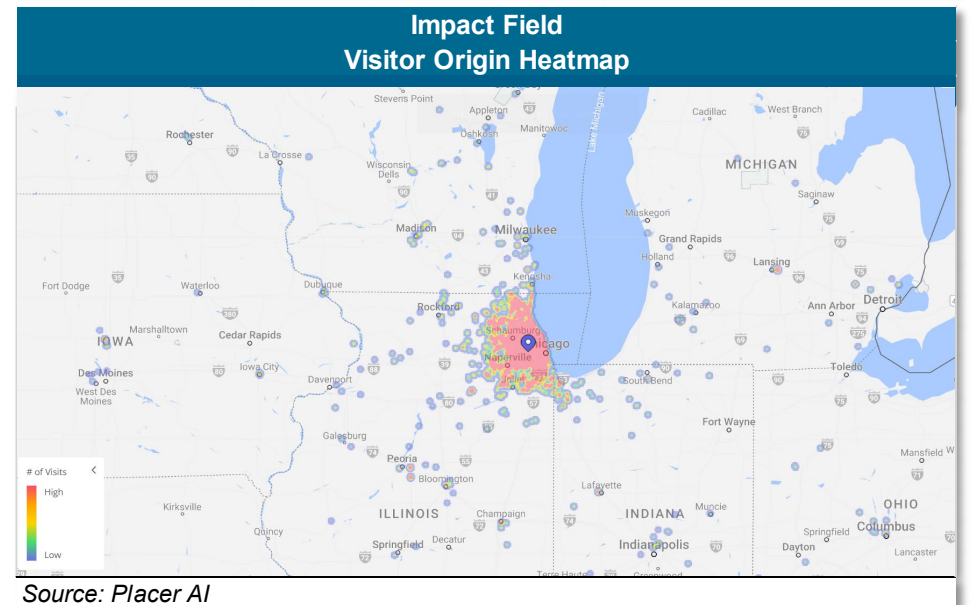
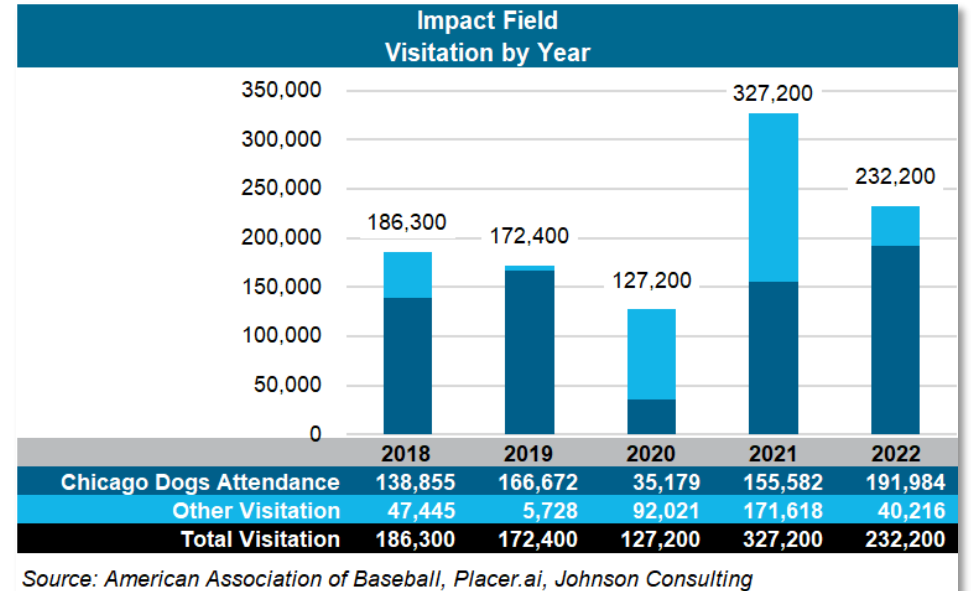
Impact Field

Demand: The Chicago Dogs brought in 191,984 fans in 2022, which made up the majority of Impact Fields 232,200 total visitors. With an average of 4,000 fans per game, the Chicago Dogs were the second highest attended team in the American Association of baseball. The average number of fans has increased every year since the Chicago Dogs started playing at Impact Field in 2018 when average attendance was less than 3000 fans per game. As shown by the heat map, attendance was predominately regional with 90% of fans coming from within 100 miles of the stadium.

Revenue & Expenses: In 2022, the Village of Rosemont reported operating revenues of close to \$2.1M and operating expenses of close to \$3.2M, resulting in a net operating deficit of (\$1,068,723).

Funding: Any deficit incurred by the Village of Rosemont is subsidized by the City's Impact Field Fund.

Observations: Its location in the large Chicago market and proximity to both O'Hare Airport and the Rosemont's entertainment district make Impact Field one of the most attended fields in the American Association of Baseball. The facilities and supporting amenities at Impact Field are optimal for hosting not just baseball games, but corporate events, concerts, and festivals, which brought in 40,216 attendees to non-baseball events in 2022. Impact field should be looked at as a model of success for the City of Sioux Falls as it contemplates a new stadium at the Riverline District.



Facility Highlight

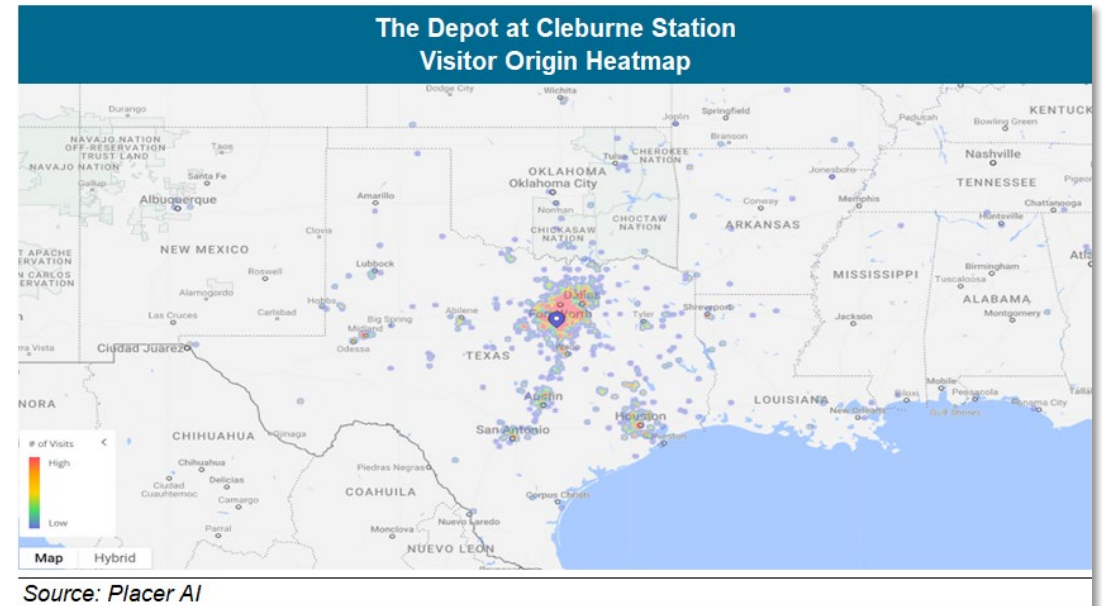
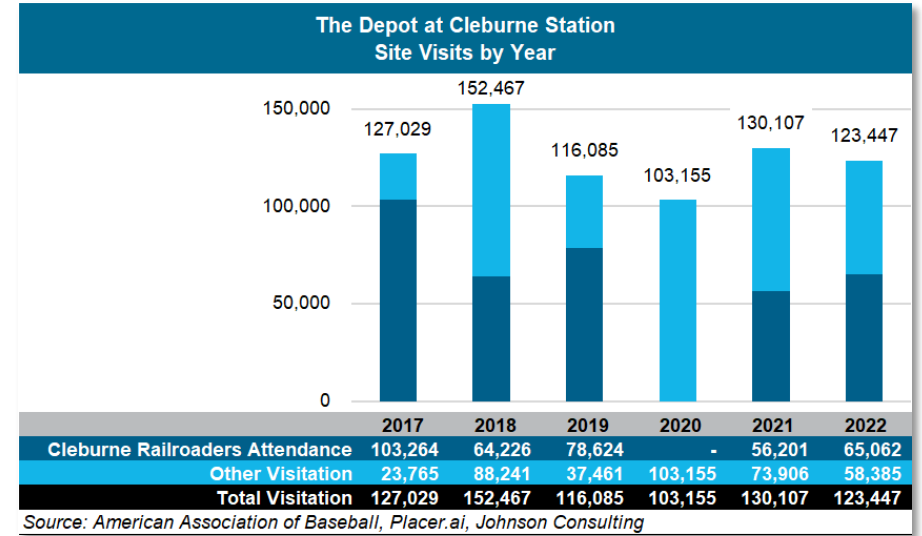
The Depot at Cleburne Station

Location: The Depot at Cleburne Station is located on the outskirts of Cleburne, Texas which is a city of 32,000 on the edges of the Dallas-Fort Worth metroplex. It's a 31-minute drive from the stadium to Fort Worth and an hour drive from the stadium to Dallas.

Ownership/Management: The stadium is owned by city of Cleburne and is operated by the Cleburne Railroaders, a team in the independent baseball league American Association of Baseball.

Facilities: The stadium only seats 1,750 fans, which is nearly half as small as Franklin Field's capacity. In addition to fixed stadium seating, The Depot also has a luxury suite, a club section, a party deck, a kid's play zone, grass berm seating, free parking and a museum displaying the history of baseball in Cleburne, Texas.

Demand: Despite being located in a highly populated area, the stadium has failed to draw many fans. In 2022, the Cleburne Railroaders drew on average 1,328 fans to its home games which ranked 3rd to last in the American Association of Baseball and 2nd to last in the comparable stadiums beating out only the Sioux Falls Canaries. As shown in the heatmap on the bottom right, attendance is regional and pulls largely from the Dallas-Fort Worth metroplex.



Facility Highlight

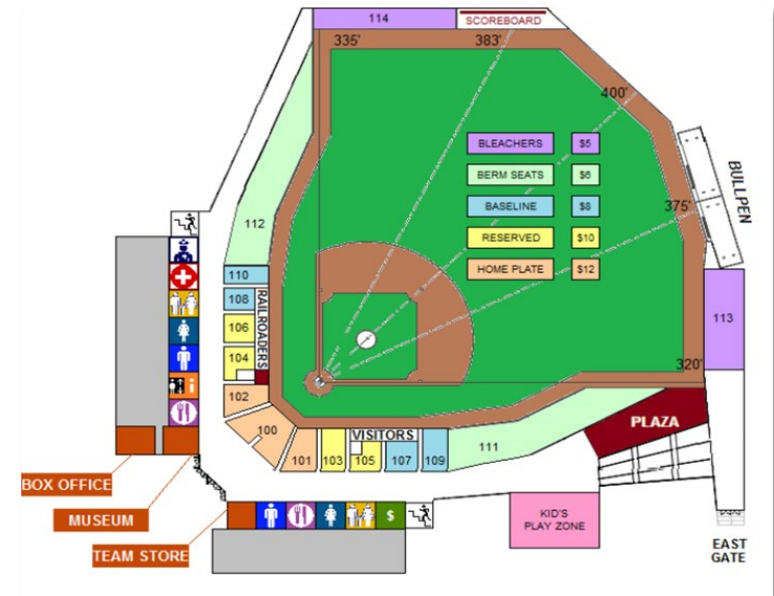
The Depot at Cleburne Station

Revenue & Expenses: In 2022, the ballpark required \$50,000 in facilities upgrades.

Funding: The project was originally funded in 2016 by an issuance of \$24,875,000 in bonds to pay for stadium and \$6,450,000 in bonds for the surrounding infrastructure which will be due in August of 2036.

As of 2022, the city of Cleburne had \$21,785,000 and \$5,355,000 in outstanding principal on the stadium and the surrounding infrastructure. In 2022 the City of Cleburne made bond payments of \$2.4M (\$1.98 of which was stadium payments). These debt obligations are funded by the 4A Corporation Sales Tax Fund which takes revenue from a 0.5¢ sales tax. For 2022, sales tax revenues were budgeted at \$3,300,000.

Observations: The Depot at Cleburne station is an adequate ballpark with the facilities to make it a focal point of the Cleburne community. However, original plans for mixed-use development around the ballpark have been abandoned, leaving the Depot at Cleburne Station in a desolate area of town with little foot traffic and supporting amenities, a situation not unlike that of Sioux Falls Stadium. There is a proposed 58 acre mixed use-development slated for retail, restaurant, office and entertainment, but so far nothing has been built and Cleburne Station remains underutilized.



Implications

The color-coded ranking matrix on this page illustrates the dissonance between Sioux Falls' very favorable market attributes and its less strong facility, demand, and locational attributes. For example, despite the Sioux Falls area ranking second in both median household income and median age, Sioux Falls stadium ranks last in attendance.

As the benchmarking analysis presented in this section indicate, Sioux Falls Stadium is not positioned well. The ancillary real estate in and around Sioux Falls Stadium doesn't compare favorably to comparable markets. If the stadium was in the downtown Riverline District, similar to how Parkview Field is in downtown Fort Wayne, there would be 151,000 square feet of retail compared to the 27,000 square feet in its current location. A downtown location would be a better venue for hosting large events which bring significant numbers of non-local visitors and create room nights and retail spending.

Sioux Falls Stadium's weaknesses currently outweigh its strengths. Despite the surrounding young and high-income population, Sioux Falls Stadium's distant location from downtown prevents it from being a more visited attraction. The surrounding real estate provides minimal retail space and thus few reasons to visit the area outside of games. Bringing baseball to a stadium in the Riverline District could create a focal point for city and provide an area for concerts and other outdoor events. The facility highlights underscore this relationship between ancillary real estate and ballpark attendance. Parkview Field and Impact Field both have highly developed surrounding areas and some of the highest attendance in minor league and independent baseball respectively. Compare these two facilities with the Depot at Cleburne Station which has poor attendance partially due to its adjoining real estate.

Independent / Minor League Baseball Stadium & Entertainment District Case Studies Rankings							
	Sioux Falls Stadium (Canaries)	Franklin Field / Ballpark Commons	Impact Field	Dozer Field	Parkview Field / Harrison Square	Toyota Field / Town Madison	The Depot at Cleburn Station
Market Overview (1-Hour Drive Time)							
Population (2023)	7	3	1	6	4	5	2
Projected Population CAGR* (2023-2028)	2	5	6	7	4	3	1
Median Household Income	2	3	1	7	6	5	4
Median Age	2	4	3	6	5	7	1
Hotel Market With 1 Mile							
Hotel Inventory (Rooms)	3	4	1	4	2	4	4
12-Month Occupancy	2	4	3	6	1	5	7
12-Month Average Daily Rate	4	5	1	3	2	6	7
12-Month Revenue per Available Room	3	5	2	4	1	6	7
Location Attributes							
Retail Businesses (10-Minute Walk)	5	4	3	2	1	5	7
Daytime Population (10-Minute Walk)	4	6	2	3	1	5	7
Distance From Nearest Major Airport (Miles)	2	5	1	4	6	3	7
Enplanements Nearest Major Airport (2022)	4	3	2	7	6	5	1
Facility Attributes							
Baseball Capacity	5	6	4	1	3	2	7
Demand (Most Recent Year Available)							
Average Attendance per Game	7	5	3	4	1	2	6
Non-Local** Visitors (%)	1	7	6	2	5	4	3

*Compound annual growth rate

**Defined as visitors who live 100+ miles from the facility

Source: Relevant Facilities, Placer.ai, Federal Aviation Administration, CoStar, Esri, Johnson Consulting



6. Convention Center Benchmarking Analysis

Overview

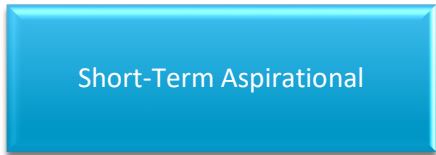
In order to better understand how Sioux Falls and the current Sioux Falls Convention Center compare to similar and/or competitive markets and facilities, Johnson Consulting selected several case study convention centers and performed a benchmarking analysis. We looked at three tiers of case studies: comparable facilities / markets, short-term aspirational facilities / markets, and long-term aspirational facilities / markets. The facilities selected are listed below, and summarized on the next page:



**Three Rivers
Convention Center**
Kennewick, WA



**Sioux City
Convention Center**
Sioux City, IA



**DeVos Place
Convention Center**
Grand Rapids, MI



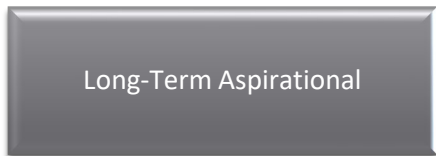
Alliant Energy Center
Madison, WI



**Overland Park
Convention Center**
Overland Park, KS



**St. Charles
Convention Center**
St. Charles, MO



CHI Health Center
Omaha, NE



Iowa Events Center
Des Moines, IA



**Oklahoma City
Convention Center**
Oklahoma City, OK



**Spokane Convention
Center**
Spokane, WA



**Kansas City
Convention Center**
Kansas City, MO

Comparable Facilities Summary

Sioux Falls Convention Center Case Studies												
	Comparable Markets			Short-Term Aspirational				Long-Term Aspirational				
	Sioux Falls Convention Center	Three Rivers Convention Center	Sioux City Convention Center	DeVos Place Convention Center	Alliant Energy Center	Overland Park Convention Center	St. Charles Convention Center	CHI Health Center	Iowa Events Center	Oklahoma City Convention Center	Spokane Convention Center	Kansas City Convention Center
Location	Sioux Falls, SD	Kennewick, WA	Sioux City, IA	Grand Rapids, MI	Madison, WI	Overland Park, KS	St. Charles, MO	Omaha, NE	Des Moines, IA	Oklahoma City, OK	Spokane, WA	Kansas City, MO
Market Overview (1-Hour Drive Time)												
Population (2023)	423,568	448,929	267,135	1,888,569	1,208,910	2,408,558	2,696,202	1,295,286	974,039	1,611,615	777,322	2,619,852
Population (2028)	442,279	465,665	267,395	1,905,046	1,230,457	2,445,673	2,695,560	1,324,880	1,007,984	1,659,810	810,362	2,654,088
Projected Population CAGR* (2023-2028)	0.87%	0.73%	0.02%	0.17%	0.35%	0.31%	(0.00%)	0.45%	0.69%	0.59%	0.84%	0.26%
Median Household Income	\$75,276	\$75,981	\$67,714	\$70,204	\$77,428	\$75,741	\$73,527	\$72,221	\$74,794	\$62,143	\$68,101	\$73,552
Median Age	36.8	34.4	38.1	38.3	39.1	38.2	40.1	36.6	37.2	37.2	39.8	38.4
Hotel Market Within 1 Mile (as of August 2023)												
Hotel Inventory (Rooms)	697	730	845	2,532	749	2,923	1,642	3,464	2,843	3,868	3,655	5,422
12-Month Occupancy	62.8%	60.9%	52.5%	57.2%	61.8%	63.2%	61.9%	61.2%	56.3%	64.0%	62.6%	58.8%
12-Month Average Daily Rate	\$115.71	\$120.71	\$126.24	\$168.18	\$165.45	\$124.05	\$108.80	\$149.77	\$140.89	\$145.50	\$160.07	\$177.27
12-Month Revenue per Available Room	\$72.63	\$73.51	\$66.33	\$96.28	\$102.28	\$78.41	\$67.33	\$91.71	\$79.26	\$93.05	\$100.25	\$104.18
Location Attributes												
Retail Businesses (10-Minute Walk)	1	2	21	22	0	11	6	3	9	5	51	25
Daytime Population (10-Minute Walk)	3,063	1,379	8,713	18,622	2,311	9,351	1,504	3,152	27,076	4,708	21,091	25,647
Distance From Nearest Major Airport (Miles)	2.2	8.7	7.6	12.7	7.2	35.4	8.2	3.0	5.3	9.6	6.8	19.0
Enplanements Nearest Major Airport (2022)	606,055	390,762	25,874	1,716,904	916,230	4,796,476	6,709,080	2,204,395	1,368,130	1,928,418	1,905,541	4,796,476
Facility Attributes												
Exhibit Space (SF)	33,600	21,600	-	162,000	100,000	60,000	83,000	194,000	150,000	200,730	122,749	434,800
Ballroom Space (SF)	16,800	-	28,634	40,000	-	25,000	26,395	110,396	28,800	39,600	50,750	195,203
Meeting Space (SF)	10,110	11,532	9,489	32,000	155,000	98,500	154,000	63,000	64,400	45,000	27,300	185,180
Total Function Space (SF)	60,510	33,132	38,123	234,000	255,000	183,500	263,395	367,396	243,200	285,330	200,799	815,183
Largest Space (SF)	50,400	21,600	28,634	40,000	100,000	60,000	35,700	194,300	150,000	200,730	122,749	388,000
Ownership & Management												
Owner	City of Sioux Falls	Kennewick Public Facilities District	City of Sioux City	Grand Rapids-Kent County Convention/Arena Authority	Dane County	-	City of St. Charles	City of Omaha	Polk County	City of Oklahoma City	Spokane Public Facilities District	City of Kansas City, Missouri
Operator	ASM Global	Kennewick Public Facilities District	Kinseth Hospitality Inc	ASM Global	Dane County	OVG360	OVG360	The Metropolitan Entertainment & Convention Authority (MECA)	OVG360	ASM Global	Spokane Public Facilities District	City of Kansas City, Missouri
Number of Employees	51	9	-	27	-	25	26	-	-	36	26	-
Demand (Most Recent Year Available)												
Number of Events	377	249	200	-	-	178	181	-	242	149	-	250
Event-Days	-	385	-	-	-	-	-	-	-	317	653	-
Total Attendance	100,000	83,900	110,100	1,500,000	386,300	253,239	269,583	1,600,000	279,013	789,000	382,114	1,600,000
Average Attendance per Event	265	337	551	-	-	1,423	1,489	-	1,153	5,295	-	6,400
Non-Local** Visitors (%) (<100 miles)	21.76%	31.70%	13.59%	24.79%	29.96%	78.27%	73.72%	30.33%	44.98%	43.22%	63.95%	66.40%
Revenue & Expenses (Most Recent Year Available)												
Total Operating Revenue	\$2,271,995	\$2,658,550	-	\$10,190,422	-	\$10,841,057	\$7,854,149	-	\$8,524,306	-	\$3,646,511	-
Total Operating Expenses	\$2,288,141	\$3,403,187	-	\$9,137,438	-	\$10,219,866	\$7,359,913	-	\$7,144,676	-	\$6,397,146	-
Net Operating Income	(\$16,146)	(\$744,637)	-	\$1,052,984	-	\$621,191	\$494,236	-	\$1,379,630	-	(\$2,750,635)	-
Revenue per Total Function Space SF	-	-	-	-	-	-	-	-	-	-	-	-

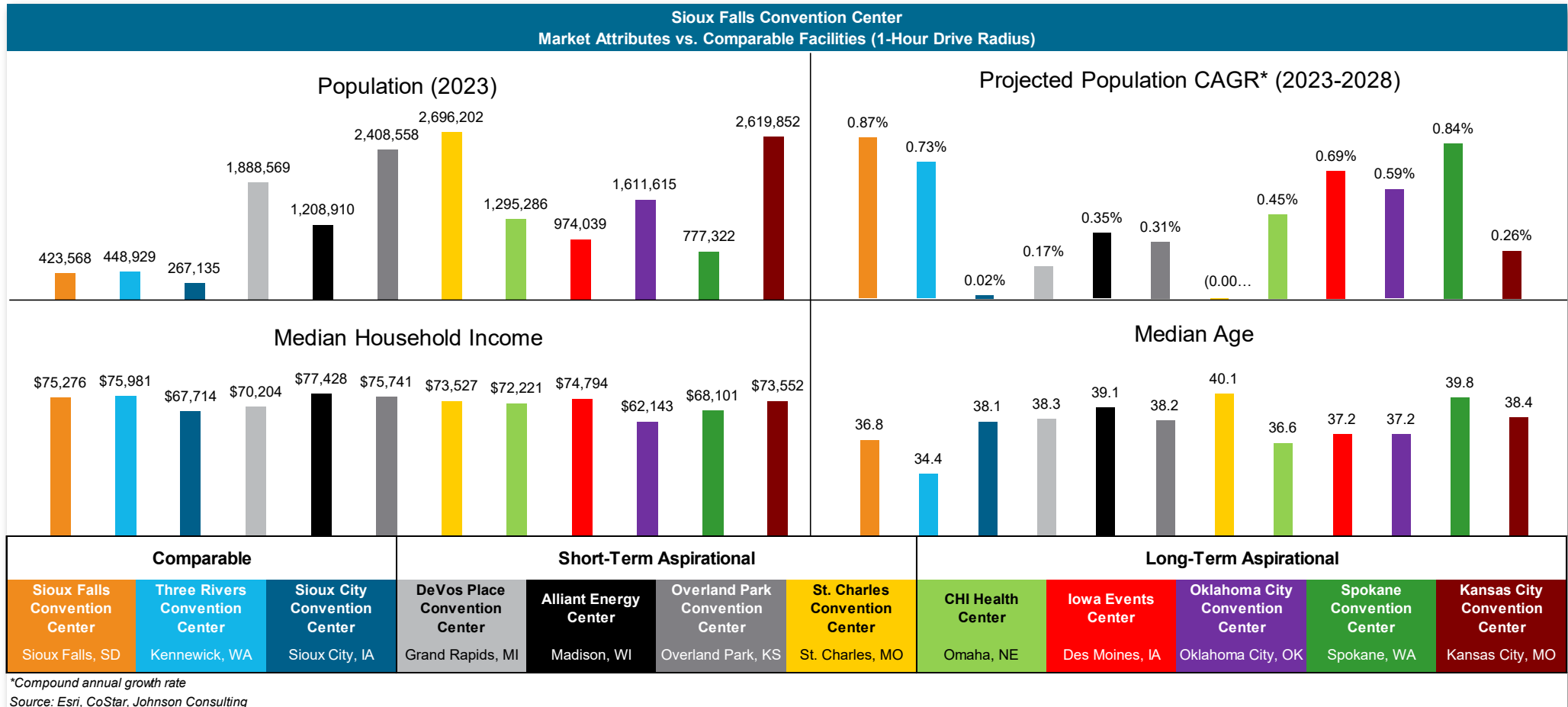
*Compound annual growth rate

**Defined as visitors who live 100+ miles from the facility

Source: Relevant Facilities, Placer.ai, Federal Aviation Administration, CoStar, Esri, Johnson Consulting

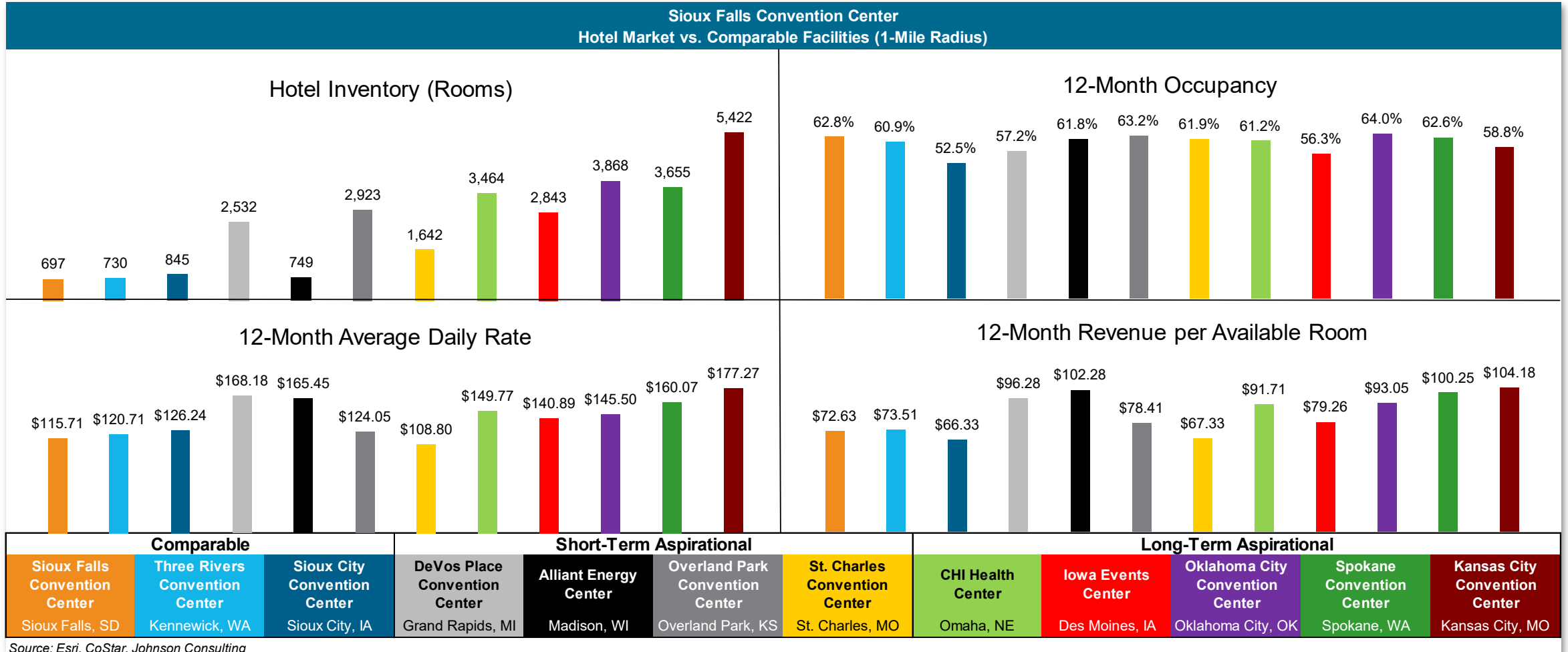
Market Attributes

In terms of economic and demographic indicators, the Sioux Falls Convention Center has some relative strengths and weaknesses. It has an average population among the comparable set of markets, and the third-youngest median age and fourth-highest median household income among all markets examined. Though Sioux Falls is far short of the aspirational markets in terms of population today, it is projected to grow significantly over the next five years. This, in tandem with its strong incomes and median age, suggests that the market is in a fairly strong position today.



Hotel Market

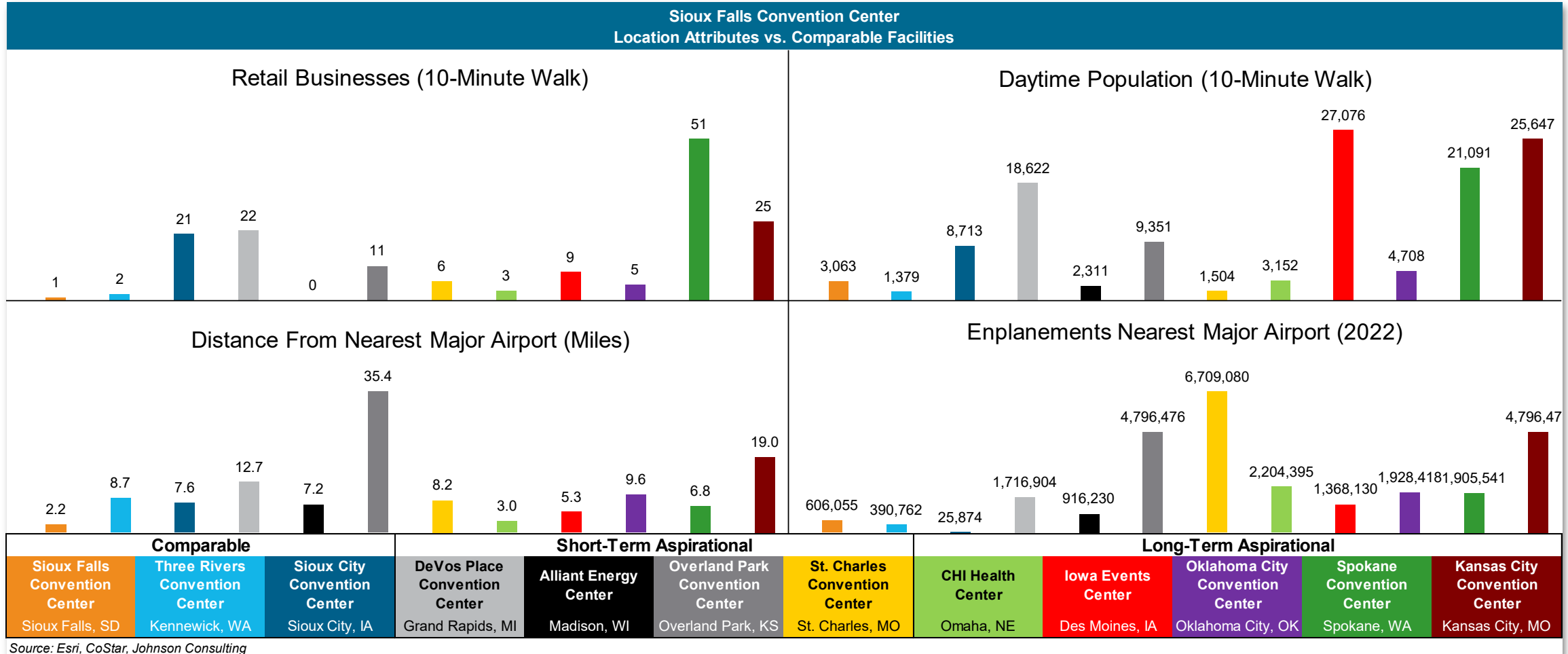
The Sioux Falls market, however, comes up short in terms of the quantity of hotel inventory serving its convention center. There are only 697 hotel rooms within a one-mile radius of the facility, which ranks the lowest out of the twelve examined markets. It also ranks second lowest in average daily rate (ADR) and third-lowest in revenue per available room (RevPAR). However, the market ranks second in occupancy, indicating a fair amount of utilization.



Source: Esri, CoStar, Johnson Consulting

Location Attributes

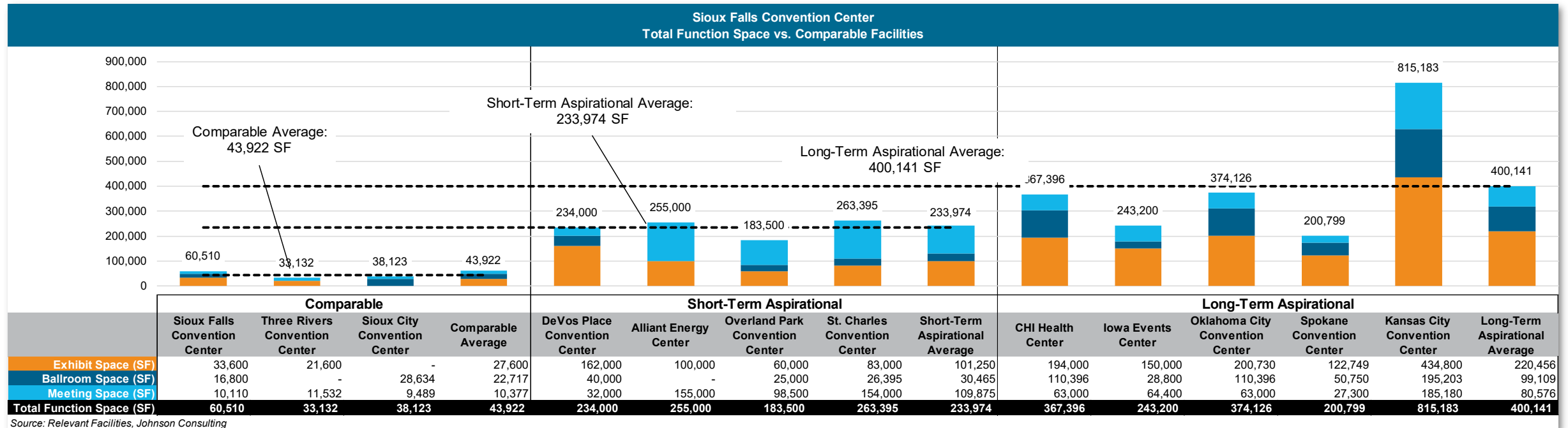
The Sioux Falls Convention Center underperforms relative to comparable facilities by several location metrics. It has the second fewest retail businesses within a 10-minute walk and has the fourth lowest daytime population. Though Sioux Falls is the convention center that is closest to a major airport out of all the comparable markets, its airport is small relative to the others serving the short and long-term aspirational markets, mitigating this advantage.



Source: Esri, CoStar, Johnson Consulting

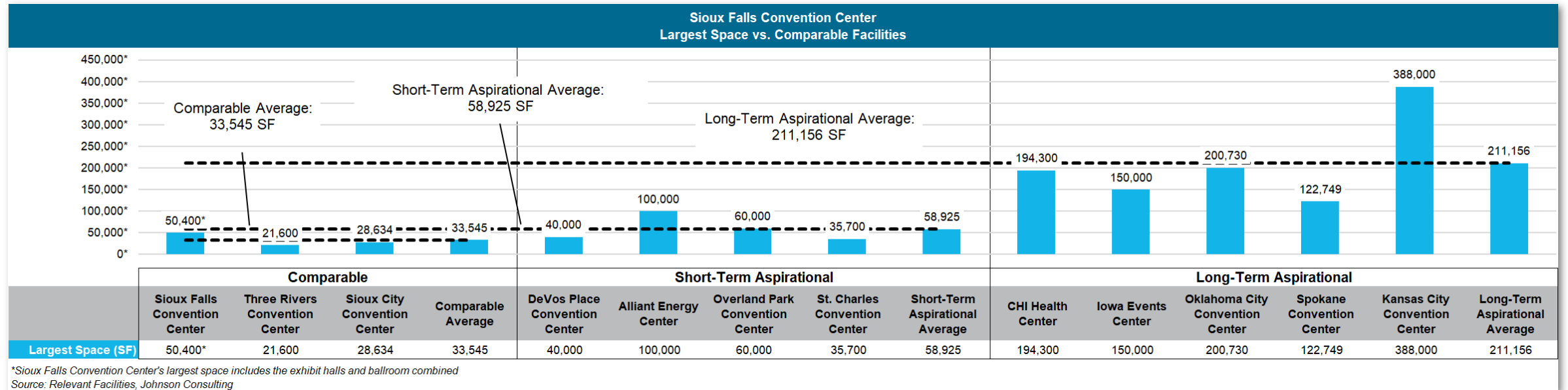
Function Space

Sioux Falls is one of the smallest of the facilities examined, ranking eleventh out of the twelve facilities in terms of total function space. Though it is slightly over the average amount of exhibit, ballroom, and meeting space in relation to the comparable facilities, to meet the long-term aspirational average for total function space, the SFCC would have to have nearly 7 times its current space.



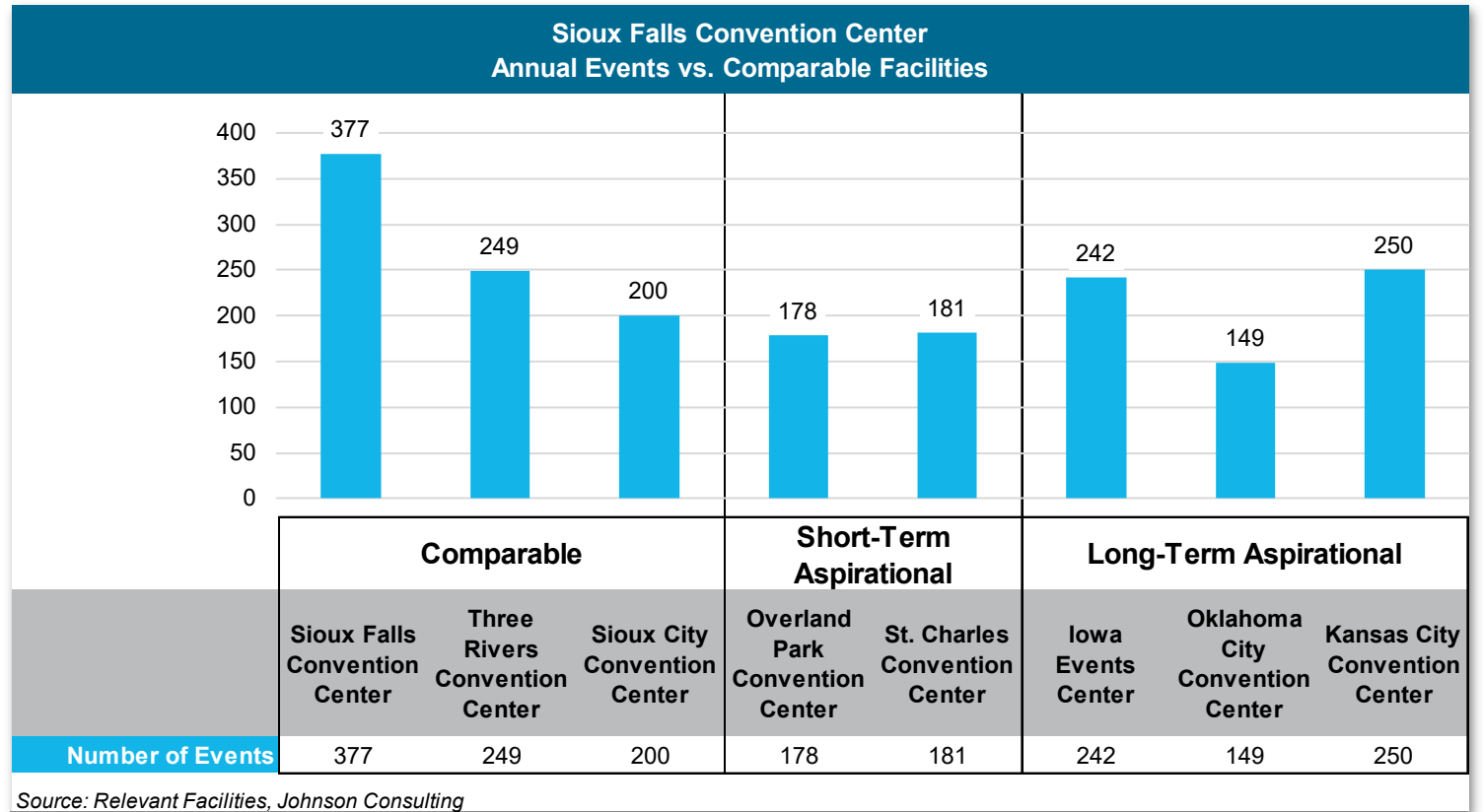
Function Space

Relative to comparable facilities, the SFCC's maximum contiguous space of 50,400 square feet is above average. However, it is considerably lower than the long-term aspirational average of 211,156 square feet. This indicates that the SFCC will need to offer significantly more contiguous space in order to move up into the next market tier.



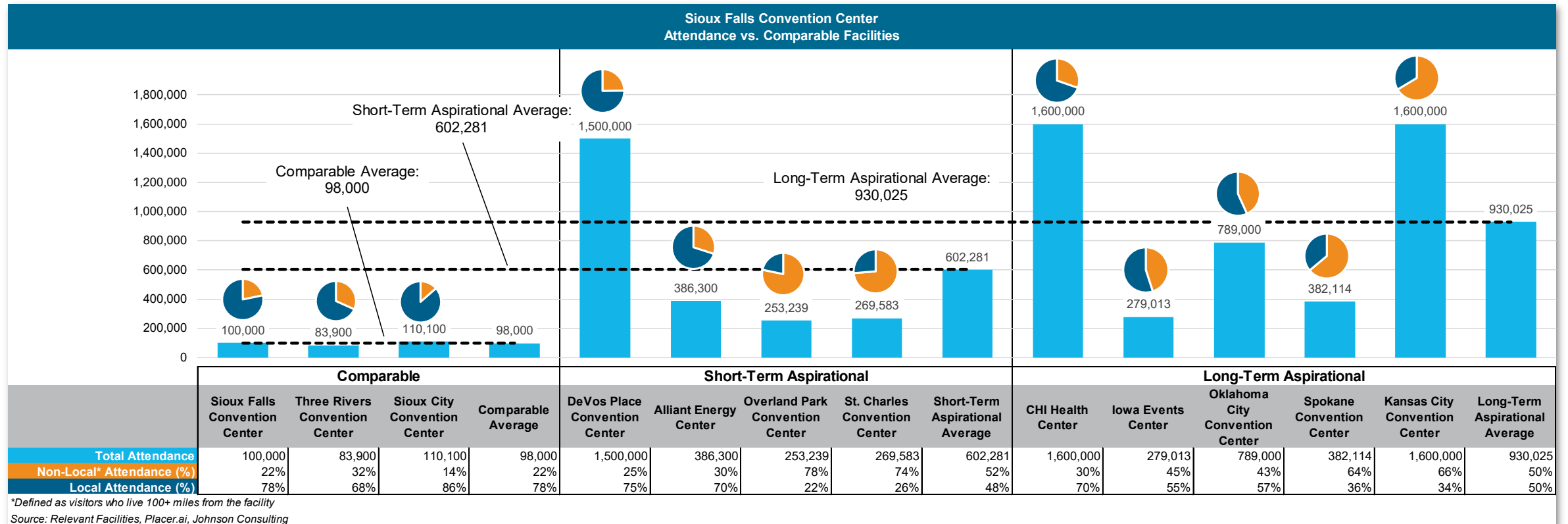
Demand Profile

Among all examined facilities, the SFCC hosts the highest number of annual events, at 377. This indicates that the facility is fairly busy and well-utilized, which is a testament to an active sales team and strong staff.



Demand Profile

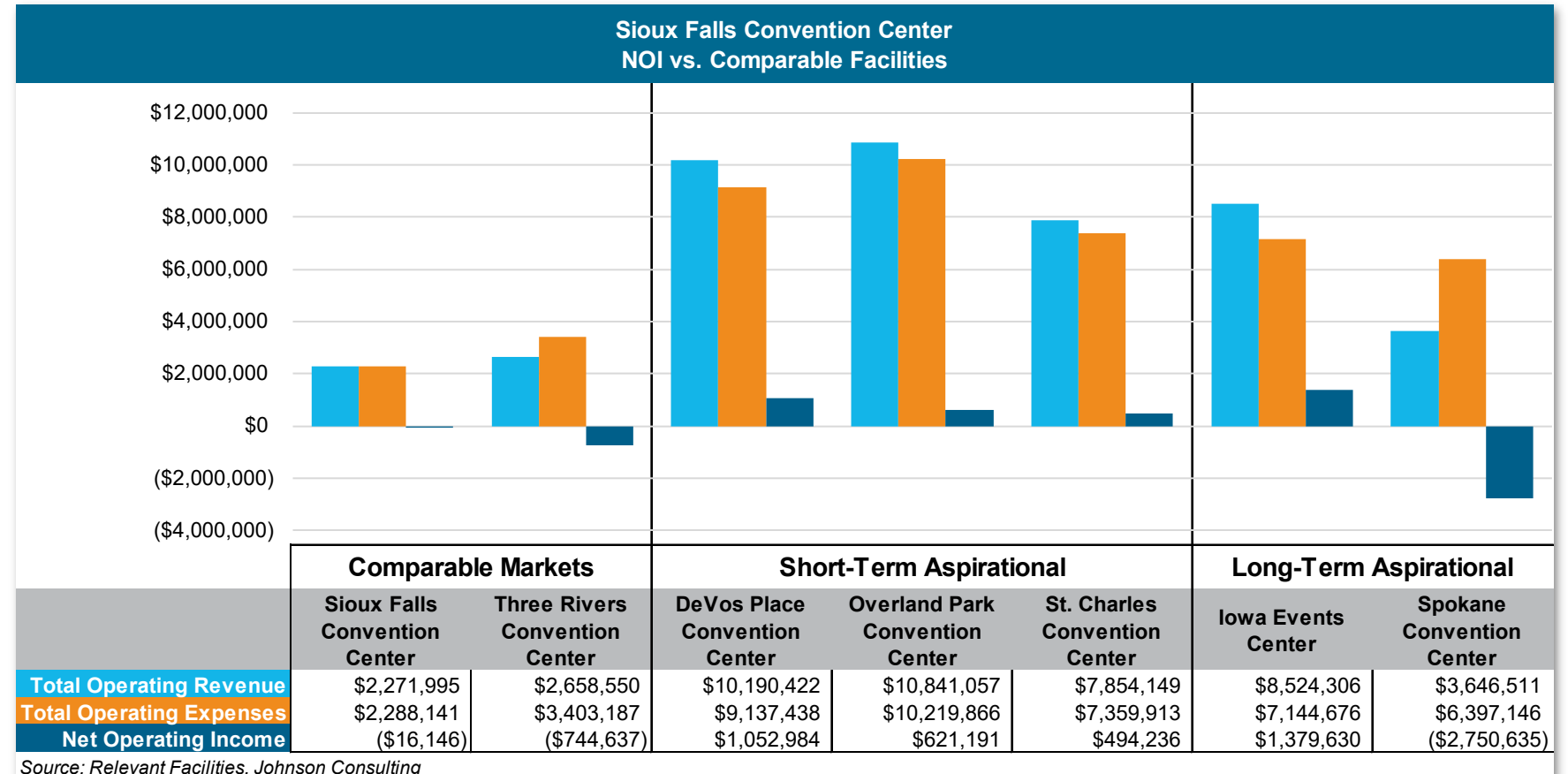
However, The SFCC has the second-lowest annual attendance of the examined facilities, indicating a preponderance of smaller events. While Sioux Falls is slightly higher than the comparable average, in order to meet the short-term aspirational average, SFCC would need to reach 6 times their current attendance. Perhaps even more notably, events at the Sioux Falls Convention Center attracted the second lowest percentage of non-local attendees, defined as visitors who live more than 100 miles from the facility. Non-local attendees are particularly important from a tourism perspective, as they are most likely to stay overnight either before or following their event rather than driving home, and thus represent a greater economic impact than local attendees.



Financial Performance

Of the facilities examined, the Sioux Falls Convention Center reports the least annual operating revenue and generated a negative net operating income. By contrast, DeVos Place Convention Center, which has 3x the total function space, albeit a lower maximum contiguous space, generates more than four times as much annual revenue. This may be partially attributed to DeVos Place Convention Center's location. Because it is located the heart of Grand Rapids, it has the advantages of being in proximity to an airport, retail businesses, and other amenities.

Revenue is not tied directly to square footage; it is also influenced by quality, location, space, amenities, and numerous other factors. Given that the amenities, square footage, and location of the SFCC are all average or below average, it can be reasonably inferred that these are the primary factors hindering its revenue-generation capacity. It should be noted that despite relatively low revenue, the SFCC essentially breaks even, which is a testament to its efficient staff and management.



Facility Highlight

Sioux City Convention Center

Location: The Sioux City Convention Center is in Sioux City, IA. It is in the heart of Downtown Sioux City and is within walking distance of over 600 hotel rooms. Located minutes from I-29, the facility is just seven miles from the Sioux Gateway Airport. Nearby attractions and things to do include the Sioux City Orpheum, the Sioux City Art Center, LaunchPAD Children’s Museum, the Sioux City Public Museum, and the Hard Rock Hotel & Casino Sioux City, along with many food and drink attractions.

Sioux City Convention Center Summary of Function Space Size and Capacities						
	Size (SF)		Capacity (# of persons)			
	Smallest (Individual)	Largest (Combined)	Theater	Classroom	Banquet	Booths (10 x 10)
Event Spaces						
Gallery A	9,452	-	1,024	460	600	41
Gallery B	9,452	-	1,024	460	600	41
Gallery C	5,508	-	450	216	320	41
Gallery A+B+C	-	28,634	3,072	1,380	1,800	123
Total Exhibit Hall / Ballroom SF	28,634					
Meeting Rooms						
# of Rooms		11	64-168	24-78	32-100	Between 2-8
Range of SF	561	5,000				
Total Meeting Room SF	9,489					
Total Function Space SF	38,123					

Source: Sioux Falls Convention Center, Johnson Consulting



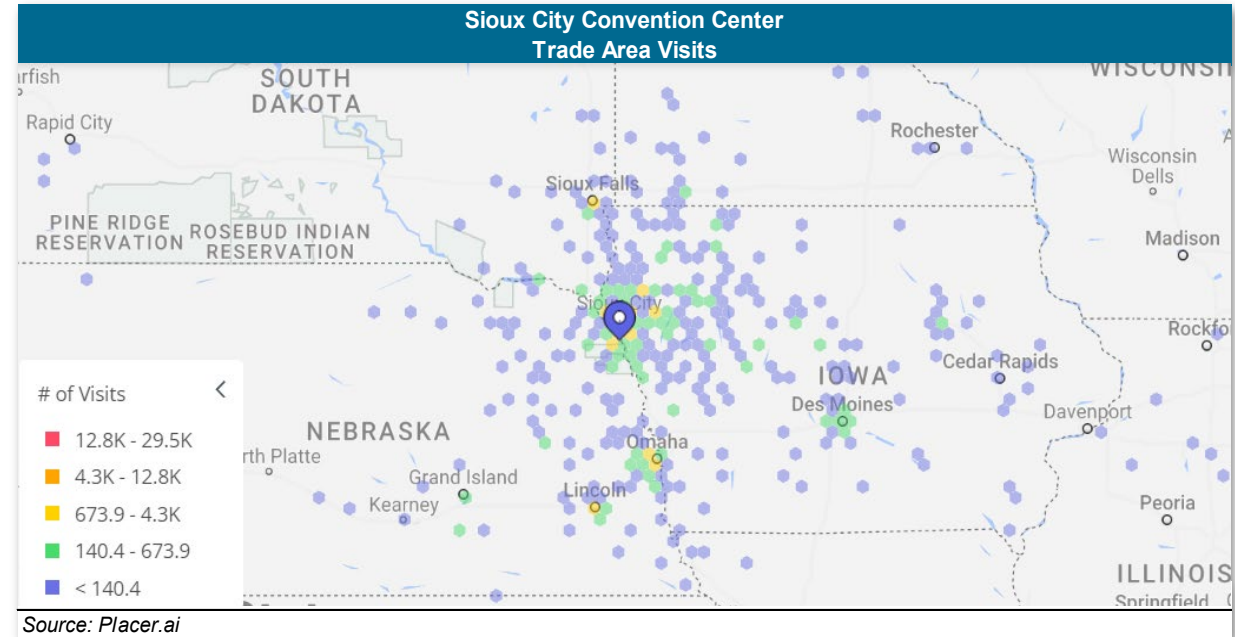
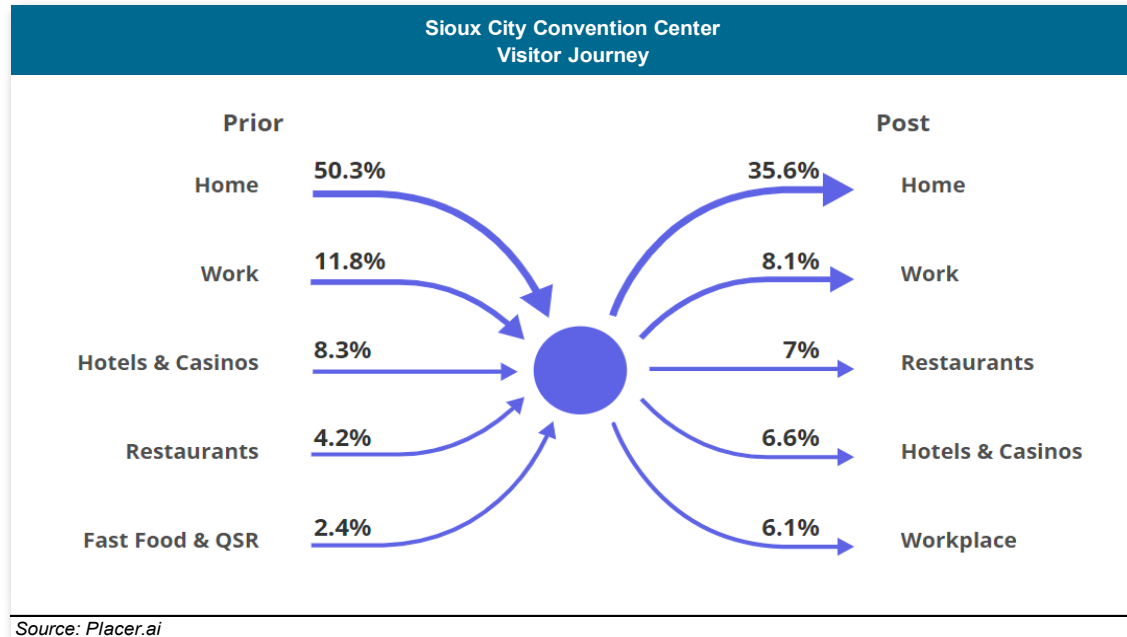
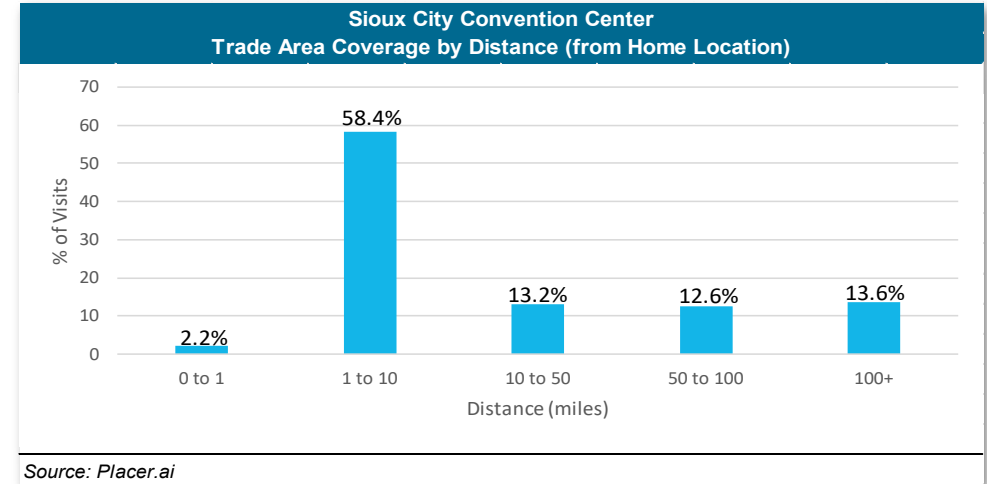
Ownership/Management: The Sioux City Convention Center is owned by the City of Sioux City. It is operated by Kinseth Hospitality Inc.

Facilities: The convention center encompasses roughly 40,000 square feet of convention and meeting space. With renovated galleries in 2015, the convention center hosts over 200 events each year.

Facility Highlight

Sioux City Convention Center

Demand & Attendance: The Sioux City Convention Center holds about 200 events per year, with a 2022 attendance of 110,100 people. The average attendance per event is 551 people, with a non-local visitor percentage of 13.59%. This is only slightly over half of that of the Sioux Falls Convention Center’s non-local visitor percentage of 21.76%. As the chart on the bottom left shows, the majority of visitors came directly from home, indicating a preponderance of local use. This is backed up by the map of the facility’s trade area on the bottom right, which indicates that the SCCC primarily serves local and regional “drive-to” customers.



Facility Highlight

Sioux City Convention Center

Revenue & Expenses: Johnson Consulting was unable to obtain this information for this facility.

Funding: The Sioux City Convention Center is subsidized by the City of Sioux City.

Observations: In many respects, Sioux City compares unfavorably to Sioux Falls. It has a smaller and slower-growing population, slightly lower median household income, and older median age. Its convention center is also significantly smaller. However, despite this, it achieves higher levels of total visitation due in large part to its downtown location, which enables it to attract larger events. Sioux City's success is illustrative of the importance of location to event planners.



The Sioux City Convention Center Gallery Space

Facility Highlight

Iowa Events Center

Location: The Iowa Events Center is located in the state capital, Des Moines, IA. It is just five miles away from the Des Moines International Airport, and adjacent to the Des Moines River. It is also 10 miles south of Ankeny, IA, one of the fastest growing suburbs in the nation. There are 2,843 hotel rooms within one mile from the center. Nearby attractions and things to do include the Science Center of Iowa, the Outlets of Des Moines, Jester Park, the Tournament Club of Iowa, Adventureland Resort, along with an abundance of restaurants and breweries.



Iowa Events Center
Summary of Function Space Size and Capacities

	Size (SF)		Capacity (# of persons)			
	Smallest (Individual)	Largest (Combined)	Theater	Classroom	Banquet	Booths (10 x 10)
Event Spaces						
Exhibit Hall A	50,806	-	-	-	-	-
Exhibit Hall B	46,725	-	4,247	2,270	3,050	260
Exhibit Hall C	49,395	-	4,490	2,318	3,200	281
Exhibit Hall A+B+C	-	150,000	8,737	4,588	6,250	541
Grand Ballroom A	14,400	-	1,550	964	1,165	54
Grand Ballroom B	14,400	-	1,550	964	1,165	54
Grand Ballroom (A+B)	-	28,800	3,100	1,928	2,330	108
Pre-Function		60,300				
Total Exhibit Hall / Ballroom SF		178,800				
Meeting Rooms						
# of Rooms		37	111-540	69-360	80-340	92-200
Range of SF		950-5400				
Total Meeting Room SF		64,400				
Total Function Space SF		243,200				

Source: Sioux Falls Convention Center, Johnson Consulting

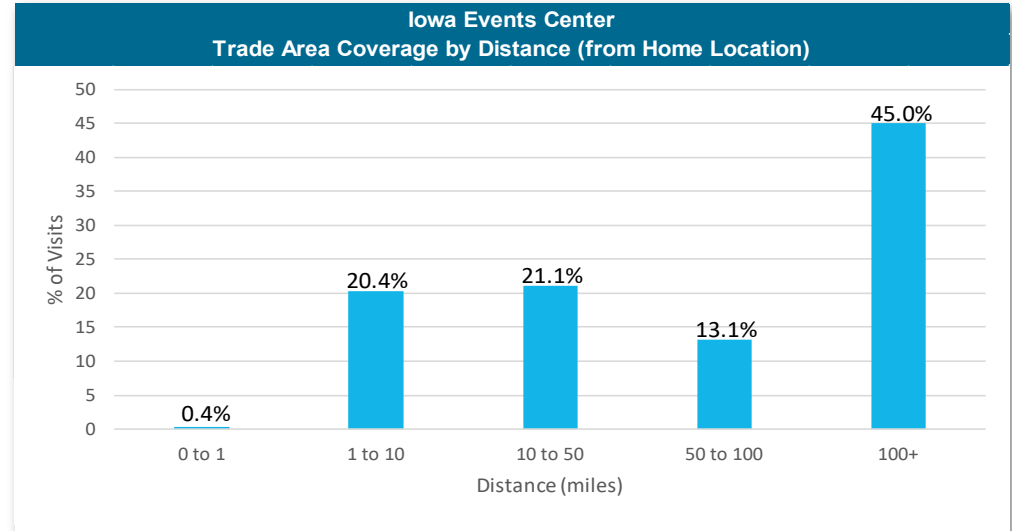
Ownership/Management: The Iowa Events center is owned by Polk County and managed by OVG360, a full-service venue management and hospitality company.

Facilities: The center has three different venues: the Wells Fargo Arena, a 17,000-seat arena, Hy-Vee Hall, Iowa's largest exhibit hall with 100,000 square feet of exhibit space, which is connected to an additional 50,000 square feet at the Community Choice Convention Center. Note that, in this analysis, visitation to the Wells Fargo Arena was excluded in order to more accurately compare the IEC to the SFCC.

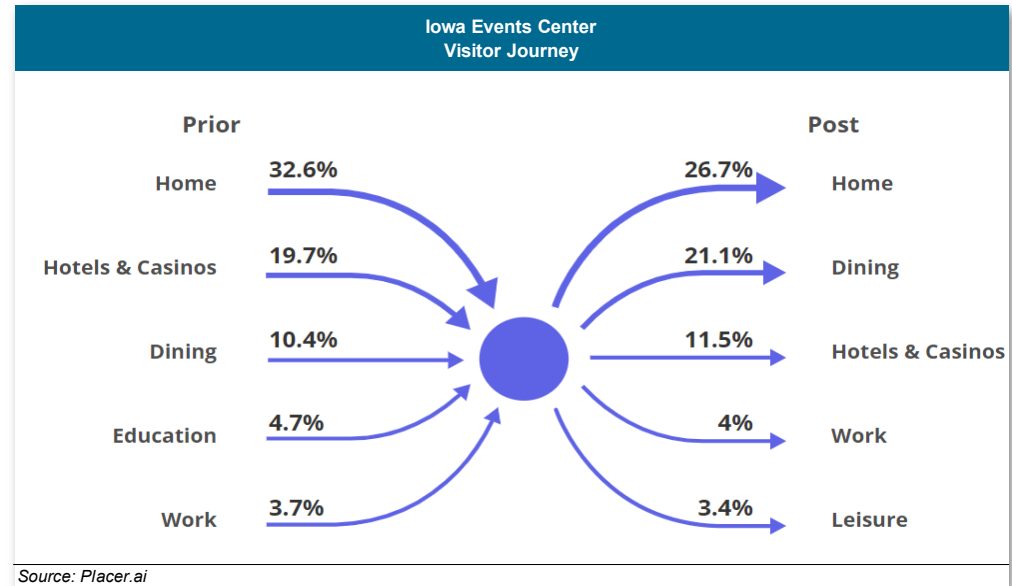
Facility Highlight

Iowa Events Center

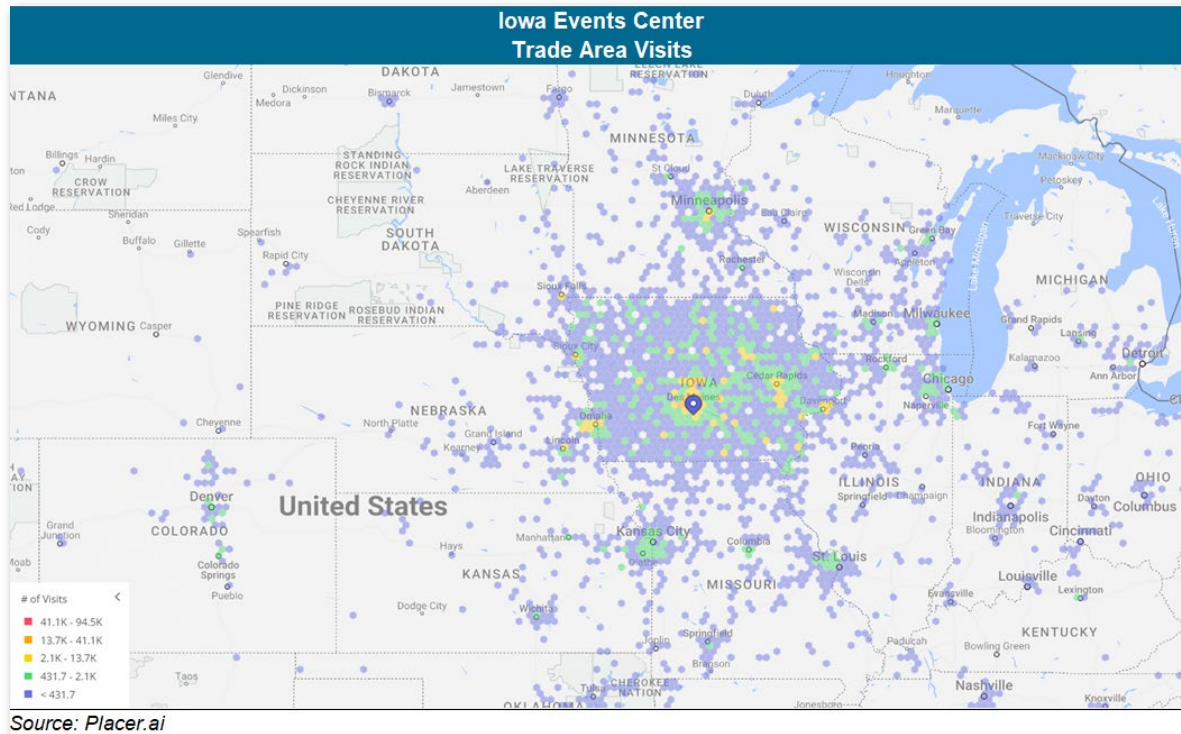
Demand & Attendance: The Iowa Events Center holds about 240 events per year, with an attendance of 279,000 people. The average attendance per event is 1,153 people, with a non-local visitor percentage of 44.98%. This is more than double that of the Sioux Falls Convention Center's non-local visitor percentage of 21.76%. As the trade area map on the bottom left shows, the IEC attracts visitors from across Iowa as well as from major Midwest markets such as Minneapolis, Milwaukee, Chicago, St. Louis, and Kansas City.



Source: Placer.ai



Source: Placer.ai



Source: Placer.ai

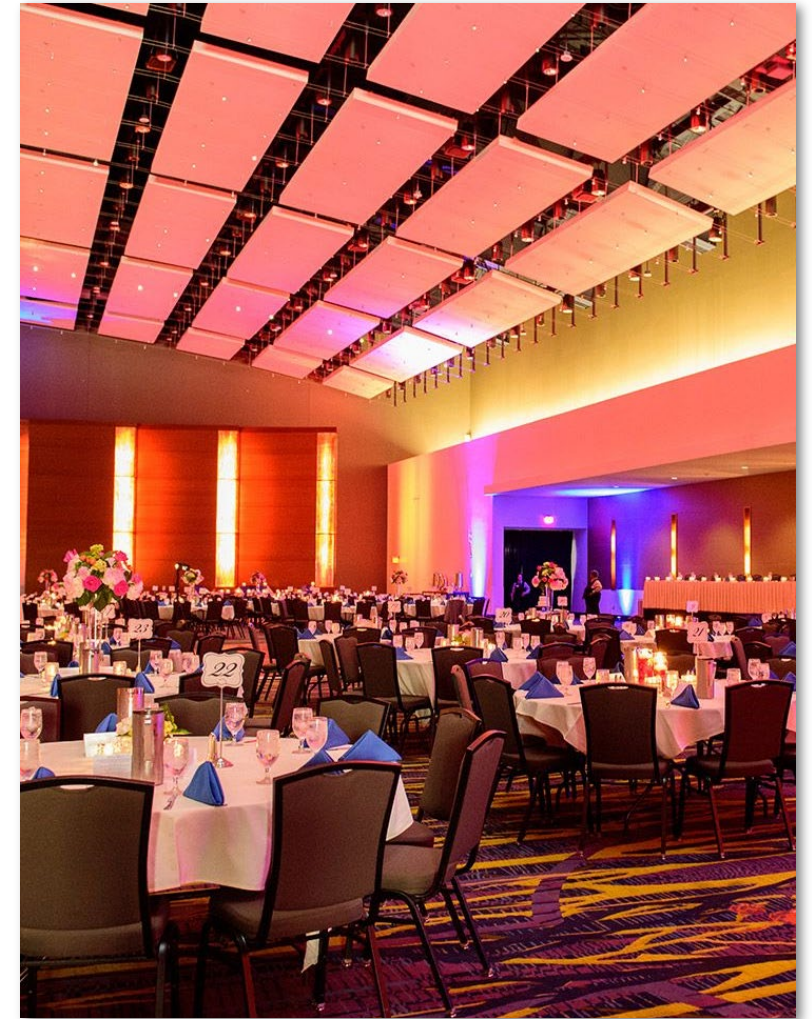
Facility Highlight

Iowa Events Center

Revenue & Expenses: In FYE 2022, the Iowa Event Center generated \$8,524,306 of revenue and \$7,144,676 of expenses for a total NOI of \$1,379,630.

Funding: The Iowa Events Center is subsidized by Polk County and has Hy-Vee and Community Choice as naming rights sponsors.

Observations: The Iowa Events Center's large expo hall and downtown location help it attract large events. These large events have led to significant profit margins as well as a high ratio of non-local visitors. Des Moines' trajectory as a market is one which Sioux Falls should aspire towards, and emulating the characteristics which have made the Iowa Event Center so successful – namely contiguous space and location – would help move the City and its tourism industry closer to that goal.



The Iowa Events Center Grand Ballroom

Implications

As the matrix to the right shows, the economic and demographic indicators in and around Sioux Falls compare favorably to markets the other markets examined. However, the facility’s supporting hotel infrastructure, location attributes, and facility attributes lag behind.

As it is, the SFCC is hindered by its relative lack of function space and its location. The former limits the size of events that it can host while the latter limits the types of events it can attract, leading to less attendance and revenue than comparable facilities. This deficiency also prevents the SFCC from bringing significant numbers of non-local visitors in, which would help increase room nights and retail spending.

Notwithstanding this, the SFCC’s strengths currently outweigh its weaknesses. Thanks to its staff, and the strength of the Sioux Falls market, the facility is healthy and operating well. However, there is clearly untapped potential within the market which the SFCC could exploit with a more advantageous location and larger space.

Sioux Falls Convention Center Case Studies Rankings												
	Sioux Falls Convention Center	Three Rivers Convention Center	Sioux City Convention Center	DeVos Place Convention Center	Alliant Energy Center	Overland Park Convention Center	St. Charles Convention Center	CHI Health Center	Iowa Events Center	Oklahoma City Convention Center	Spokane Convention Center	Kansas City Convention Center
Market Overview (1-Hour Drive Time)												
Population (2022)	11	10	12	4	7	3	1	6	8	5	9	2
Projected Population CAGR* (2022-2027)	1	3	11	10	7	8	12	6	4	5	2	9
Median Household Income	4	2	11	9	1	3	7	8	5	12	10	6
Median Age	3	1	6	8	10	7	12	2	5	5	11	9
Hotel Market With 1 Mile												
Hotel Inventory (Rooms)	12	11	9	7	10	5	8	4	6	2	3	1
12-Month Occupancy	3	8	12	10	6	2	5	7	11	1	4	9
12-Month Average Daily Rate	11	10	8	2	3	9	12	5	7	6	4	1
12-Month Revenue per Available Room	10	9	12	4	2	8	11	6	7	5	3	1
Location Attributes												
Retail Businesses (10-Minute Walk)	11	10	4	3	12	5	7	9	6	8	1	2
Daytime Population (10-Minute Walk)	9	12	6	4	10	5	11	8	1	7	3	2
Distance From Nearest Major Airport (Miles)	1	8	6	10	5	12	7	2	3	9	4	11
Enplanements Nearest Major Airport (2022)	10	11	12	7	9	2	1	4	8	5	6	2
Facility Attributes												
Exhibit Space (SF)	10	11	-	4	7	9	8	3	5	2	6	1
Ballroom Space (SF)	10	-	7	4	-	9	8	2	6	5	3	1
Meeting Space (SF)	11	10	12	8	2	4	3	6	5	7	9	1
Total Function Space (SF)	10	12	11	7	5	9	4	2	6	3	8	1
Largest Space (SF)	9	12	11	4	7	8	10	3	5	2	6	1
Ownership & Management												
Number of Employees	1	7	-	3	-	6	4	-	-	2	4	-
Demand (Most Recent Year Available)												
Number of Events	1	3	5	-	-	7	6	-	4	8	-	2
Event-Days	-	-	-	-	-	-	-	-	-	-	-	-
Total Attendance	11	12	10	3	5	9	8	1	7	4	6	1
Average Attendance per Event	8	7	6	-	-	4	3	-	5	2	-	1
Non-Local** Visitors (%)	11	7	12	10	9	1	2	8	5	6	4	3
Revenue & Expenses (Most Recent Year Available)												
Total Operating Revenue	7	6	-	2	-	1	4	-	3	-	5	-
Total Operating Expenses	7	6	-	2	-	1	3	-	4	-	5	-
Net Operating Income	5	6	-	2	-	3	4	-	1	-	7	-
Revenue per Total Function Space SF	-	-	-	-	-	-	-	-	-	-	-	-

*Compound annual growth rate
 **Defined as visitors who live 100+ miles from the facility
 Source: Relevant Facilities, Placer.ai, Federal Aviation Administration, CoStar, Esri, Johnson Consulting

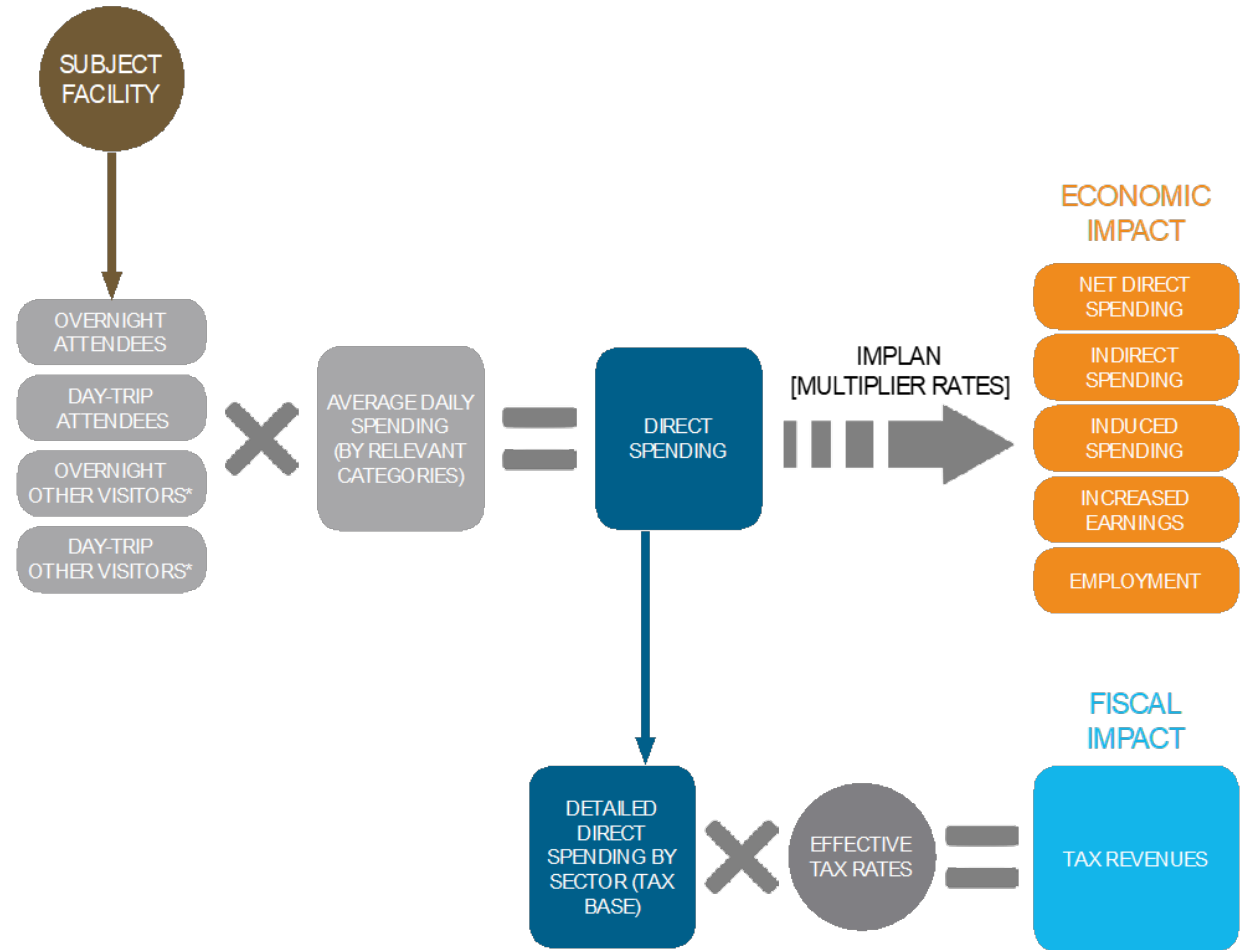


| 7. Impact Analysis

Introduction to Economic and Fiscal Impact Analysis

Economic Impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the Sioux Falls economy. The levels of impacts are described as follows:

- **Direct Spending** – spending that occurs as a direct result of the facility’s operation (example: attendee purchases meal at restaurant nearby).
- **Indirect Spending** – re-spending of the initial direct expenditures on goods and services (example: restaurant purchases more food from supplier)
- **Induced Spending** – changes in local consumption due to the personal spending by employees whose incomes are supported by direct and indirect spending (example: waiter at the restaurant has more personal income to spend)
- **Increased Earnings** – increased employee and worker compensation related to the facility’s operation
- **Employment** – the number of full-time equivalent (FTE) jobs supported in the local economy as a result of the facility’s operation
- **Fiscal Impact** – tax revenues to local and state governments that result from the facility’s operation



Multiplier Rates for Economic Impact Analysis

The table on the right summarizes the multiplier rates utilized in the economic impact estimates to calculate indirect spending, induced spending, increased earnings, and employment. These multiplier rates are derived from an IMPLAN input-output model, which is a nationally recognized analytical tool commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through various sectors of the economy.

Applicable Tax Rates for Fiscal Impact Analysis

Shown on the lower right table and listed below are the applicable tax rates utilized in the fiscal impact estimates, focused on major categories of tax revenues that are directly affected by a visitor's activity: (i) sales tax, (ii) tax on admissions tickets, and (iii) taxes on lodging.

Riverline District, Sioux Falls, South Dakota Economic Impact Multiplier		
	Rate	
Indirect Spending	0.212	for every \$1 of direct spending
Induced Spending	0.453	for every \$1 of direct spending
Increased Earnings	0.498	for every \$1 of direct spending
Employment (in FTE jobs)	8.975	for every \$1 million of direct spending

Source: Relevant studies, Johnson Consulting

Riverline District, Sioux Falls, South Dakota Applicable Tax Rates	
	Rate
Sales Tax	
State Sales Tax	4.20%
City Sales Tax	2.00%
City Gross Receipts Tax	1.00%
Total	7.20%
Tax on Admission Tickets	
State Tourism Tax	1.50%
Tax on Lodging	
State Tourism Tax	1.50%
City Room Tax	1.00%
City Business Improvement District (BID) Tax*	\$2.00

**Per Room Night*
Source: City of Sioux Falls, South Dakota Dept. of Revenue

Option 1 – Convention Center

The table on the right summarizes the projected event demand, visitation, and room nights generated by a new Convention Center in Riverline District. Historical demand of the existing Convention Center is also presented as a comparison.

The new Convention Center is envisioned to have 100,000 square feet of exhibit hall, a 40,000 square foot Ballroom, and 40,000 square feet of meeting rooms. As shown, in a stabilized year of operations, the new Convention Center is projected to accommodate close to 340 events, generating approximately 245,800 visitors and over 37,000 room nights.

Sioux Falls Convention Center Historical and Projected Event Demand, Visitation, and Room Nights							
	EXISTING CC Historical Annual Average*		NEW Convention Center Annually at Stabilized Operation				
# of Events							
Conventions and Trade Shows		5					15
Consumer Shows		25					20
Conferences and Meetings		89					100
Banquets		39					45
Sports Events		14					3
Government and Social Events		4					6
Other Events		201					150
Total		377					339
Attendance							
	Attendees		Event Attendees		Other Visitors**		Total Visitors
	<i>Average</i>	<i>Total</i>	<i>Average</i>	<i>Total</i>	<i>Average</i>	<i>Total</i>	<i>Total</i>
Conventions and Trade Shows	612	3,061	1,071	16,070	300	4,500	20,570
Consumer Shows	2,639	65,981	4,619	92,373	400	8,000	100,373
Conferences and Meetings	497	44,236	870	86,981	0	0	86,981
Banquets	415	16,170	726	32,651	0	0	32,651
Sports Events	621	8,687	1,086	3,258	50	150	3,408
Government and Social Events	173	690	302	1,811	0	0	1,811
Other Events	16	3,204	28	4,184	0	0	4,184
Total		142,029		233,144		12,650	245,794
Room Nights							
			Event Attendees		Other Visitors**		Total Visitors
			<i>Ratio</i>	<i>Total</i>	<i>Ratio</i>	<i>Total</i>	<i>Total</i>
Conventions and Trade Shows			35%	5,625	90%	4,050	9,675
Consumer Shows			10%	9,237	90%	7,200	16,437
Conferences and Meetings			10%	8,698	0%	0	8,698
Banquets			5%	1,633	0%	0	1,633
Sports Events			5%	163	90%	135	298
Government and Social Events			5%	91	0%	0	91
Other Events			5%	209	0%	0	209
Total				25,655		11,385	37,040

*Historical data on other visitors at the existing Convention Center is not available.

**Other visitors include show exhibitors at conventions, trade shows, and consumer shows; and participants at sports events.

Sioux Falls Convention Center, Johnson Consulting

Option 1 – Convention Center

The table on the right summarizes the estimated spending and impact generated by a new Convention Center in Riverline District.

As shown, in a stabilized year of operations, the new Convention Center is projected to generate approximately \$50 million of total spending, approximately \$15 million of increased earnings, 270 FTE jobs, and approximately \$1.9 million of tax revenues from sales tax, tax on admission tickets, and taxes on lodging. Note that this is looking strictly at the impact of the hypothetical convention center, and not at spending associated specifically with ancillary development that might happen around it, which would increase the scale of impacts.

Sioux Falls Convention Center Estimated Direct Spending and Impact			
Calculations			\$000
Spending Activities			
Visitors Spending			
On Lodging	\$117 x	37,040 room nights	\$4,334
On Food and Beverage	\$54 x	245,794 total visitors	13,273
On Tickets	\$10 x	111,701 ticketed attendees	1,117
On General Retail	\$15 x	245,794 total visitors	3,687
On Booth and Exhibit Materials	\$50 x	12,650 exhibitors and other visitors	633
Total Visitors Spending			\$23,043
Convention Center Operations			\$7,000
Grand Total			\$30,043
Economic Impact			
Direct Spending		<i>Multiplier</i>	\$30,043
Indirect Spending		0.212	6,363
Induced Spending		0.453	13,623
Total Spending			\$50,029
Increased Earnings		0.498	\$14,954
Employment (in FTE jobs)		8.975	270
Fiscal Impact			
Sales Tax			<i>Rate</i>
State Sales Tax		4.2%	\$968
City Sales Tax		2.0%	461
City Gross Receipts Tax		1.0%	230
Subtotal			\$1,659
Tax on Admission Tickets			
State Tourism Tax		1.5%	\$17
Subtotal			\$17
Tax on Lodging			
State Tourism Tax		1.5%	\$65
City Room Tax		1.0%	133
City BID Tax		\$2.00	74
Subtotal			\$272
Grand Total			\$1,948
*Per Room Night			
Source: Johnson Consulting			

Option 1 – Convention Center

The table on the right summarizes the estimated spending and impact generated by the new Convention Center in Riverline District.

As shown, in a stabilized year of operations, the new Convention Center and Hotel is projected to accommodate 340 events, attracting approximately 245,800 visitors and generating over 37,000 room nights, approximately \$50 million of total spending, approximately \$15 million of increased earnings, 270 FTE jobs, and approximately \$1.9 million of tax revenues from sales tax, tax on admission tickets, and taxes on lodging.

Sioux Falls Convention Center Projected Impact	
	Convention Center
Activities	
# of Events	339
# of Visitors	245,794
# of Room Nights	37,040
Economic Impact	
Direct Spending	\$30,043
Indirect Spending	6,363
Induced Spending	13,623
Total Spending	\$50,029
Increased Earnings	\$14,954
Employment (in FTE jobs)	270
Fiscal Impact	
Sales Tax	
State Sales Tax	\$968
City Sales Tax	461
City Gross Receipts Tax	230
Subtotal	\$1,659
Tax on Admission Tickets	
State Tourism Tax	\$17
Subtotal	\$17
Tax on Lodging	
State Tourism Tax	\$65
City Room Tax	133
City BID Tax	74
Subtotal	\$272
Grand Total	\$1,948

Source: Johnson Consulting

Option 2 – Baseball Stadium and Ancillary Development

The table on the right summarizes the projected event demand, visitation, and room nights generated by a new Baseball Stadium in Riverline District. Historical demand of the existing Stadium is also presented as a comparison.

As shown, in a stabilized year of operations, the new Stadium is projected to accommodate 70 events, generating approximately 104,500 visitors and approximately 7,000 room nights.

Sioux Falls Stadium Historical and Projected Event Demand, Visitation, and Room Nights							
	EXISTING Stadium Historical Annual Average*		NEW Stadium Annually at Stabilized Operation				
# of Events							
Primary Tenant Games		52			52		
Exhibition Baseball		-			3		
High School Baseball		-			5		
Concerts		-			2		
Other Events		17			8		
Total		68			70		
Attendance							
	Spectators		Spectators		Players and Participants		Total Visitors
	<i>Average</i>	<i>Total</i>	<i>Average</i>	<i>Total</i>	<i>Average</i>	<i>Total</i>	<i>Total</i>
Primary Tenant Games	813	41,996	1,650	85,800	40	2,080	87,880
Exhibition Baseball	-	-	500	1,500	30	90	1,590
High School Baseball	-	-	500	2,500	20	100	2,600
Concerts	-	-	3,800	7,600	10	20	7,620
Other Events	421	7,010	600	4,800	0	0	4,800
Total		49,005		102,200		2,290	104,490
Room Nights							
			Spectators		Players and Participants		Total Visitors
			<i>Ratio</i>	<i>Total</i>	<i>Ratio</i>	<i>Total</i>	<i>Total</i>
Primary Tenant Games			5%	4,290	90%	1,872	6,162
Exhibition Baseball			3%	45	2%	2	47
High School Baseball			3%	75	1%	1	76
Concerts			8%	608	100%	20	628
Other Events			1%	48	1%	0	48
Total				5,066		1,895	6,961

*Historical data on players and participants at the existing Stadium is not available.
Source: Sioux Falls Stadium, Johnson Consulting

Option 2 – Baseball Stadium and Ancillary Development

The table on the right summarizes the estimated spending and impact generated by a new Baseball Stadium in the Riverline District.

As shown, in a stabilized year of operations, the new Stadium is projected to generate approximately \$11.6 million of total spending, approximately \$3.5 million of increased earnings, 63 FTE jobs, and approximately \$408,000 of tax revenues from sales tax, tax on admission tickets, and taxes on lodging.

Sioux Falls Stadium Estimated Direct Spending and Impact			
Calculations			\$000
Spending Activities			
Visitors Spending			
On Lodging	\$117 x	6,961 room nights	\$814
On Food and Beverage	\$25 x	104,490 total visitors	2,612
On Tickets	\$10 x	102,200 spectators	1,022
On General Retail	\$5 x	104,490 total visitors	522
Total Visitors Spending			\$4,971
Stadium Operations			\$2,000
Grand Total			\$6,971
Economic Impact			
Direct Spending		<i>Multiplier</i>	\$6,971
Indirect Spending		0.212	1,477
Induced Spending		0.453	3,161
Total Spending			\$11,609
Increased Earnings		0.498	\$3,470
Employment (in FTE jobs)		8.975	63
Fiscal Impact			
Sales Tax			<i>Rate</i>
State Sales Tax		4.2%	\$209
City Sales Tax		2.0%	99
City Gross Receipts Tax		1.0%	50
Subtotal			\$358
Tax on Admission Tickets			
State Tourism Tax		1.5%	\$15
Subtotal			\$15
Tax on Lodging			
State Tourism Tax		1.5%	\$12
City Room Tax		1.0%	8
City BID Tax		\$2.00	14
Subtotal			\$34
Grand Total			\$408
<i>*Per Room Night</i>			
<i>Source: Johnson Consulting</i>			

Option 2 – Baseball Stadium and Ancillary Development

The table on the right summarizes the estimated spending and impact generated by a new ancillary development surrounding the Stadium in Riverline District. The development is envisioned to have approximately 50,000 square feet of retail, restaurants, and entertainment space.

As shown, in a stabilized year of operations, the new development is projected to generate approximately \$11.3 million in annual sales (excluding sales associated with the stadium to avoid double counting), resulting in approximately \$18.8 million of total spending, approximately \$5.6 million of increased earnings, 101 FTE jobs, and approximately \$772,000 of tax revenues from sales and gross receipts tax.

Sioux Falls Stadium Ancillary Development Estimated Sales and Impact		
		Retail, Restaurants, and Entertainment
Key Statistics		
Size (SF)		50,000
Vacancy Rate		5.0%
Occupied Space (SF)		47,500
Sales per SF		\$325
Estimated Sales (\$000)**		\$11,281
Economic Impact (\$000)**		
Direct Spending	<i>Multiplier</i>	\$11,281
Indirect Spending	0.212	2,389
Induced Spending	0.453	5,115
Total Spending		\$18,785
Increased Earnings	0.498	\$5,615
Employment (FTE Jobs)	8.975	101
Fiscal Impact (\$000)**		
Sales Tax		
	<i>Rate</i>	
State Sales Tax	4.2%	\$450
City Sales Tax	2.0%	214
City Gross Receipts Tax	1.0%	107
Subtotal		\$772
Tax on Admission Tickets		
State Tourism Tax	1.5%	na
Subtotal		na
Tax on Lodging		
State Tourism Tax	1.5%	na
City Room Tax	1.0%	na
City BID Tax*	\$2.00	na
Subtotal		na
Total		\$772
<i>*Per Room Night</i>		
<i>**Netting out impacts from stadium-generated spending</i>		
<i>Source: Johnson Consulting</i>		

Option 2 – Baseball Stadium and Ancillary Development

The table on the right summarizes the estimated spending and impact generated by the new Baseball Stadium and surrounding ancillary development in Riverline District.

As shown, in a stabilized year of operations, the new Baseball Stadium and ancillary development is projected to generate approximately \$30.4 million of total spending, approximately \$9.1 million of increased earnings, 164 FTE jobs, and approximately \$1.2 million of tax revenues from sales tax, tax on admission tickets, and taxes on lodging.

Sioux Falls Stadium and Ancillary Development Projected Combined Impact			
	Stadium	Ancillary Development	Stadium and Ancillary Devlpmt
Activities			
# of Events	70	na*	70
# of Visitors	104,490	na	104,490
# of Room Nights	6,961	na	6,961
Economic Impact			
Direct Spending	\$6,971	\$11,281	\$18,252
Indirect Spending	1,477	\$2,389	3,866
Induced Spending	3,161	\$5,115	8,276
Total Spending	\$11,609	\$18,785	\$30,394
Increased Earnings	\$3,470	\$5,615	\$9,085
Employment (in FTE jobs)	63	101	164
Fiscal Impact			
Sales Tax			
State Sales Tax	\$209	\$450	\$659
City Sales Tax	99	214	314
City Gross Receipts Tax	50	107	157
Subtotal	\$358	\$772	\$1,130
Tax on Admission Tickets			
State Tourism Tax	\$15	\$0	\$15
Subtotal	\$15	\$0	\$15
Tax on Lodging			
State Tourism Tax	\$12	\$0	\$12
City Room Tax	8	0	8
City BID Tax	14	0	14
Subtotal	\$34	\$0	\$34
Grand Total	\$408	\$772	\$1,180

**Not quantified.*
Source: Johnson Consulting

Comparison

The table on the right compares the estimated impact of Option 1 and Option 2 for the Riverline District.

As shown, Option 1 is projected to generate greater impact than Option 2. Option 1's impact is projected to include \$50 million of total spending, approximately \$15 million of increased earnings, 270 FTE jobs, and approximately \$1.9 million of tax revenues from sales tax, tax on admission tickets, and taxes on lodging. By comparison, Option 2's impact is projected to include \$30.4 million of total spending, approximately \$9.1 million of increased earnings, 164 FTE jobs, and approximately \$1.2 million of tax revenues from sales tax, tax on admission tickets, and taxes on lodging.

Riverline District, Sioux Falls, South Dakota Comparison of Projected Impact				
	Option 1		Option 2	
	Convention Center	Stadium	Ancillary Development	Stadium and Ancillary Devlpmt
Activities				
# of Events	339	70	na*	70
# of Visitors	245,794	104,490	na	104,490
# of Room Nights	37,040	6,961	na	6,961
Economic Impact				
Direct Spending	\$30,043	\$6,971	\$11,281	\$18,252
Indirect Spending	6,363	1,477	2,389	3,866
Induced Spending	13,623	3,161	5,115	8,276
Total Spending	\$50,029	\$11,609	\$18,785	\$30,394
Increased Earnings	\$14,954	\$3,470	\$5,615	\$9,085
Employment (in FTE jobs)	270	63	101	164
Fiscal Impact				
Sales Tax				
State Sales Tax	\$968	\$209	\$450	\$659
City Sales Tax	461	99	214	314
City Gross Receipts Tax	230	50	107	157
Subtotal	\$1,659	\$358	\$772	\$1,130
Tax on Admission Tickets				
State Tourism Tax	\$17	\$15	\$0	\$15
Subtotal	\$17	\$15	\$0	\$15
Tax on Lodging				
State Tourism Tax	\$65	\$12	\$0	\$12
City Room Tax	133	8	0	8
City BID Tax	74	14	0	14
Subtotal	\$272	\$34	\$0	\$34
Grand Total	\$1,948	\$408	\$772	\$1,180

*Not quantified.

Source: Johnson Consulting



| 8. Recommendations

Based on the findings presented in the previous sections of this report, Johnson Consulting recommends the following next steps for the Friends of the Riverline and City of Sioux Falls:



These recommended steps are detailed throughout this section.

1. Conduct Detailed Study of Costs for the Preferred Option

The cost estimates presented in this report are based on experience and similar projects but, while they provide order-of-magnitude numbers, they do not account for the specifics of the site and market and thus are not adequate for accurately evaluating the viability of the examined product opportunities. As such, the first step for the Friends of the Riverline and City of Sioux Falls should be to prepare a detailed cost estimates for product which is determined to be the highest and best use of the Riverline Site by the Friends of the Riverline. This cost estimate, in tandem with the information presented in this report, will set the stage for discussions around bringing one of these opportunities to fruition.

2. Explore Partnership Opportunities

Once the realities of cost have been determined, the Friends of the Riverline and City of Sioux Falls should begin exploring partnership opportunities around the product in order to assess the possibility of defraying capital and / or operating costs. Some possible partners for the project could include, among others, corporate partners (for naming rights sponsorship), Minnehaha County, the State of South Dakota, a primary tenant or league (for the baseball stadium), and private developers (for the ancillary real estate supporting the baseball stadium). The availability and particulars of partnership opportunities will be important factors in determining the feasibility of financing and operating the selected facility.

3. Consult Community on its Needs and Desires

As with any project of this magnitude, it will be crucial for the Friends of the Riverline and City of Sioux Falls to undertake a rigorous community consultation and engagement process in order to determine the community's needs and desires with regard to the Riverline District and the contemplated product opportunities. Surveys, charrettes, community meetings, and other forms of outreach will be needed in order to ensure that residents, both of adjacent neighborhoods and of the city as a whole, are stakeholders in the project and are provided an opportunity to have their voices heard.

4. Pursue the Orientation of the Project with the Highest Return on Investment and Vision

Once the costs, partnership opportunities, and community needs have been determined, the Friends of the Riverline and City of Sioux Falls should evaluate all of the costs and benefits of the contemplated product opportunities and pursue the version of the project which presents the highest return on investment and best fulfills the vision of the Riverline District. This is a complex determination to make, and involves weighing numerous hard and soft factors. One crucial metric will be the City's capital investment and ongoing expenses relative to the return in terms of economic, fiscal, and revenue impact. Incorporating this into the decision-making process will ensure that the ultimate decision accounts for the financial realities associated with what would be a significant, generational investment.

However, it would be a mistake to reduce the decision to a pure financial calculation. Rather, it will also be critical to include in this analysis the community impacts of the contemplated product opportunities. These impacts – such as the potential of one of these products or project orientations to affect traffic patterns, change a neighborhood's landscape, spur local development, increase local foot traffic, or attract a full-service hotel near the site which would open up Sioux Falls to new event opportunities – are not included in the financial analysis presented in this report, but are undoubtedly key pieces of the puzzle and merit careful consideration.

Sioux Falls is at a critical juncture in its development. Its strong economy, plethora of cultural institutions and amenities, and high degree of livability have put it in an advantageous position, with significant growth projected in the coming years. The Riverline District represents an opportunity to capitalize on that growth by adding a new public facility to anchor the east side of the city's booming downtown and help elevate Sioux Falls into a new tier of markets within the United States. As such, it is imperative that the Friends of the Riverline and City of Sioux Falls carefully consider every angle of these opportunities in order to come to the conclusion which has the greatest positive impact in the long term.

5. Devise an Initial Funding Plan

Both of these projects would require substantial financial contributions from public sources. It would be prudent to work with the city financial advisors to begin to understand what capacities exist from current resources, and what future resources, including grants, and gifts, could be considered for these projects. There could also be real estate related income to the project, depending on the level of land available and the priorities of the community.