

EVENTS CENTER COMPLEX FEASIBILITY STUDY

CAL POLY, SAN LUIS OBISPO

AUGUST 2014

FINAL REPORT



B&D VENUES

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SECTION 1

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1.0 - PREFACE

In December of 2013, California Polytechnic State University (“Cal Poly”) and Communitas LLC engaged Brailsford & Dunlavy (“B&D”) to analyze the market potential for an events center complex consisting of two primary projects: an events center arena and an integrated hotel, conference center, and museum. To complete this assignment, B&D conducted a market study for each project type that culminates in financial analyses with an outline program, project budget, and ten-year pro forma for each project type.

QUALIFICATIONS

The findings of this study constitute the professional opinions of B&D personnel based on the assumptions and conditions detailed throughout. B&D analysts have conducted research using both primary and secondary sources which are deemed reliable, but whose accuracy B&D cannot guarantee. Due to variations in the national and global economic conditions, actual expenses and revenues may vary from projections, and these variances may be material.

THE PROJECT TEAM WAS COMPRISED OF THE FOLLOWING INDIVIDUALS:

- ◆ William Mykins, RA, LEED AP, Vice President
- ◆ Matt Bohannon, Senior Project Manager
- ◆ Bryan Slater, Project Manager
- ◆ Monty Jarecke, Project Analyst

Throughout this process, B&D coordinated efforts with both the Cal Poly and Communitas LLC. B&D would like to give special thanks to the members and officials of each organization that helped coordinate the study. A list of these individuals is provided below:

- ◆ Jeffrey D. Armstrong, President, Cal Poly
- ◆ Betsy Kinsley, Chief of Staff, Cal Poly
- ◆ Stan Nosek, Interim Vice President, Administration & Finance, Cal Poly
- ◆ Deborah Read, Vice President, University Advancement, Cal Poly
- ◆ Joel Neel, Director, Facilities Planning & Capital Projects, Cal Poly
- ◆ Roberta Jorgensen, President, Communitas LLC

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SECTION 2

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2.0 - EXECUTIVE SUMMARY

BACKGROUND

The objective of this planning study is to analyze market potential for an events center and hotel/conference center on the campus of Cal Poly. B&D developed a detailed market analysis by first completing a local market conditions analysis which serves as the basis for separate demand analyses for both projects. Based on anticipated demand levels, B&D developed financial analyses for each project type. A summary of key findings is outlined below.

MARKET ANALYSIS

LOCAL MARKET CONDITIONS

San Luis Obispo is located in San Luis Obispo County within California's "Central Coast" region. Collectively, the county, city, and nearby communities make up the San Luis Obispo-Paso Robles Metropolitan Statistical Area (MSA). The MSA is located roughly three hours between both the L.A. and San Francisco MSAs, effectively creating a modest niche market. To evaluate local market strength, B&D completed a demographic drive time analysis of the local market.

Category	30 Minutes	45 Minutes	60 Minutes	California	United States
Population	304,917	407,739	454,048	-	-
Annual Growth (Next Five Years)	0.53%	0.54%	0.50%	0.67%	0.68%
Households	108,392	141,444	158,076	-	-
Average Household Size	2.65	2.75	2.75	2.89	2.58
Median Household Income	\$53,732	\$53,477	\$53,134	\$57,385	\$50,157
Median Age	36.5	36.1	36.0	35.8	37.3

Source: ESRI

Figures in 2012 unless otherwise noted

EXHIBIT 2.1: 30-, 45-, AND 60-MINUTE DRIVE TIME DEMOGRAPHICS

There are over 300,000 people within a 30-minute drive time of SLO, expanding to over 450,000 in a 60-minute drive time area. The vast majority of the population is concentrated to the south of the city. However, many of the regional sub-markets to the south have poor demographic characteristics for events center patronage. B&D believes the market catchment area for an events center, or area from which the project can expect to attract potential patrons, is similar to the 30-minute drive time population of 300,000 to 325,000.

In support of the drive-time demographic analyses, additional market characteristics such as employment mix, unemployment, and transportation statistics were analyzed to complete the

hotel/conference center demand analysis and to a lesser extent, demand for the events center. Key findings are summarized below:

- ◆ The university is the region's second largest employer and, based on interviewee input, drives a significant portion of business- and group-related room night demand.
- ◆ San Luis Obispo County's unemployment rate in 2013 of 6.6% is low in comparison to both state (8.5%) and national levels (7.0%). The county also weathered recessionary conditions from 2007 to 2009 comparatively well. The stability is partially attributable to the mix of large employers heavily concentrated in education, healthcare, and municipal government.
- ◆ San Luis Obispo County Regional Airport has adequate mountain-region air accessibility with flights to Los Angeles, San Francisco, and Phoenix. Air service is supplemented by rail service that provides access along the California coast.
- ◆ San Luis Obispo's mix of tourist attractions provides appeal to the region. However, the lack of suitable business and group-oriented hotel properties, discussed in full detail below, limits the size and scope of potential conferences and events.

EVENTS CENTER MARKET ANALYSIS

The events center market analysis measures and evaluates the local market's ability to support an events center project on the campus of Cal Poly. The facility would be home to the men's and women's basketball programs in addition to several outside events.

Conference & Attendance Analysis

To inform an appropriate capacity for the events center, B&D examined Big West Conference arenas in addition to attendance trends for the two programs expected to serve as tenants in the building. Average capacity for Big West arenas is just under 5,300. In the five most recent years, applicable Big West member schools averaged roughly 1,700 spectators per men's basketball competition while Cal Poly averaged nearly 2,000. B&D also analyzed the effect that new arena projects had on men's basketball attendance levels at select institutions around the nation and found that, on average, projects created a 32% increase in per game attendance.

Case Study Facilities

B&D identified five (5) case study facilities for analysis, though SECU Arena at Towson University represents the strongest comparable to the proposed event center project. SECU Arena was completed in 2013 at project cost of \$56 million and contains 5,600 seats. Towson anticipates operating expenditures of \$1.3 million for 2014. Naming rights to the venue were secured for 10

years at an aggregate value of \$4.75 million. The five case study facilities average project cost was just over \$51 million in 2013 costs, while operating budgets for the most recent year available range from a low of \$900,000 to a high of \$2.3 million.

Competitive Context

B&D identified eight (8) assembly venues within a three hour drive time from SLO that will compete for events or patrons. Competition for concerts, in particular, is significant due to the presence of venues in Santa Barbara, Fresno, and Bakersfield. Based on B&D's understanding of the competition and interviewee input, the market niche is student-focused music concerts, a modest number of family shows, and six to ten annual rodeo and agrarian events.

Premium Seating

B&D reviewed premium seating offerings for eight (8) recently completed/renovated arenas with similarly positioned basketball programs. On average, facilities offer 67 courtside seats at a price point of \$1,300, 450 club seats at \$700, and 11 suites at \$22,000. All prices are inclusive of ticket cost, required donations, and annual lease rate, but do not include tickets to outside events.

HOTEL/CONFERENCE CENTER MARKET ANALYSIS

SLO Hotel Market Conditions

The City of San Luis Obispo market ("SLO market") contains 29 hotel properties and nearly 2,100 rooms. The market is composed of niche, tourist-oriented boutique offerings in addition to an assortment of older economy (Super 8) and upper mid-scale (Courtyard by Marriott) properties. Throughout the interview process, the market was characterized by tourism officials and hoteliers as lacking sufficient options for business and group-oriented market segments.

The city-wide market outperformed the national market in terms of occupancy percentage in every year from 2007 to 2013, while also outpacing the national average in average daily rate (ADR) by at least seven percent (7%) in each year. The SLO marketplace is strongly seasonal due to its high composition of tourist-oriented leisure properties; accordingly, summer month occupancy peaks at 80% while winter month occupancy ranges as low as 50%. The SLO market ADR and occupancy in comparison to national measurements is shown in Exhibit 2.2.

	2007	2008	2009	2010	2011	2012	2013
National Occupancy	63%	59%	55%	58%	60%	61%	62%
SLO Occupancy	66%	63%	60%	62%	66%	67%	68%
National ADR	\$104.35	\$107.42	\$98.18	\$98.23	\$101.96	\$106.26	\$110.59
SLO ADR	\$116.99	\$114.98	\$107.46	\$107.79	\$109.59	\$114.81	\$118.58

Source: STR

EXHIBIT 2.2: NATIONAL AND LOCAL PERFORMANCE COMPARISON

Hotel Competitive Set & Subject Property Performance

The competitive set consists of properties that are expected to compete with the proposed project for both business and conference/group room night demand. Properties in the set include the Holiday Inn Express, Quality Inn & Suites, Embassy Suites, Hampton Inn & Suites, and Courtyard by Marriott. In each year examined, the set outperformed the SLO market in both occupancy and ADR. B&D estimates the competitive set market segmentation in 2013 is 33% conference/group, 27% leisure, and 40% business. From 2011 to 2013, the set had an average weekday occupancy level of 80% in comparison to the SLO market at 67%, reflecting the set’s comparative focus on the business and group market segments.

Year	Market Supply	Percent Change	Demand	Percent Change	Set Occupancy	ADR	Percent Change	RevPAR	Percent Change
2008	208,780	0%	152,963	2%	73%	\$133.11	-1%	\$97.52	0%
2009	208,780	0%	148,064	-3%	71%	\$128.24	-4%	\$90.95	-7%
2010	208,780	0%	160,254	8%	77%	\$128.50	0%	\$98.63	8%
2011	208,780	0%	166,316	4%	80%	\$131.94	3%	\$105.10	7%
2012	229,360	10%	177,218	7%	77%	\$134.89	2%	\$104.22	-1%
2013	239,440	4%	190,247	7%	79%	\$136.67	1%	\$108.59	4%

Source: STR

EXHIBIT 2.3: COMPETITIVE SET PERFORMANCE

The performance of the competitive set confirms hotelier and tourism official opinions that the market is underserved by the existing business- and group-oriented properties. To that end, B&D assumes that the property will be developed as an upper midscale property along the lines of a Hilton Garden Inn, Courtyard by Marriott, or Hampton Inn & Suites. Further assuming 145 keys, B&D projects an occupancy level of 68% in the first year of operation, 2020. The property occupancy level builds to 81% in 2022, the stabilized year, and increases to 85% in 2022 assuming a 2.0% consistent growth rate in demand. A snapshot of key performance metrics for the subject property is provided in Exhibit 2.4.

Year	Property Supply	Demand	Percent Change	Property Occupancy	ADR	Percent Change	RevPAR	Percent Change
2020	52,925	35,833	-	68%	\$174.34	-	\$118.04	-
2021	52,925	39,409	10%	74%	\$186.83	7.16%	\$139.11	18%
2022	52,925	43,114	9%	81%	\$199.82	6.96%	\$162.78	17%
2023	52,925	43,976	2%	83%	\$204.82	2.50%	\$170.19	5%
2024	52,925	44,856	2%	85%	\$209.94	2.50%	\$177.93	5%

Note: property Supply represents property room count multiplied by 365 days each year

EXHIBIT 2.4: SUBJECT PROPERTY PERFORMANCE

Conference Center Analysis

The Cal Poly campus has a limited amount of dedicated conference space. Harman Hall is the largest space, but is often reserved for ticketed events. The most significant dedicated space is found at the University Union, which contains Chumash Auditorium, along with several small meeting spaces. In consideration of university personnel input, demand patterns from 2012 and 2013, and the existing inventory of spaces, B&D believes a conference center program of slightly over 22,000 sq. ft., including a ballroom of 12,000 sq. ft., is appropriate for university use.

University conference demand will be supplemented by commercial demand. The largest off-campus space is at the Madonna Inn Expo Center (20,000 sq. ft.) and the Embassy Suites 5,100 sq. ft. junior ballroom. B&D does not recommend inclusion of dedicated exhibit space, but instead suggests the university utilize the arena floor for consumer shows that contain a significant trade or consumer show component. Further, a 12,000 sq. ft. ballroom will allow the facility to satisfy both the vast majority of university demand, but also unaccommodated commercial demand.

FINANCIAL ANALYSIS

EVENTS CENTER PROJECT ECONOMICS

The events center's seating program provides a capacity of 5,500 seats in a basketball configuration. This recommended capacity will comfortably accommodate both tenant and outside event demand for the foreseeable future. The program includes six (6) luxury suites, 300 club seats, 60 courtside seats, and a 300-person hospitality lounge. The facility measures 166,000 square feet, assuming athletic administration offices are also included in the facility program. The detailed program is attached to this document as Exhibit C. B&D utilized the CSU Capital Outlay Form 2-7 to generate the budget based on a design-build schedule with completion in July 2020 and projected a project cost of approximately \$107.4 million.

B&D developed three (3) financial scenarios for event center operations. The conservative scenario in the first year of operation, 2020, relies on 56 events (including 28 Cal Poly athletic

events) while the moderate and aggressive scenarios rely on 68 and 76 events, respectively. The conservative scenario generates an operating loss of \$303,000 in 2020, while the moderate (loss of \$136,000) and aggressive scenarios (profit of \$29,000) exhibit improved performance. In the moderate scenario, considered the most likely, the average operating loss over the first five years is \$114,000, annually. In these scenarios, naming rights is included as an annual revenue stream while net premium seating revenue, less ticket value to athletic events, also flows to the building.

	Conservative	Moderate	Aggressive
Events	56	68	76
Turnstile Attendance	132,510	163,510	184,510
Revenue	2020	2020	2020
Facility Rental	\$304,000	\$368,000	\$423,000
Gate Receipts, Net	\$0	\$0	\$0
Concessions, Net	\$294,000	\$353,000	\$405,000
Catering, Net	\$32,000	\$32,000	\$32,000
Merchandise, Net	\$4,000	\$5,000	\$6,000
Parking, Net	\$0	\$0	\$0
Advertising, Net	\$214,000	\$214,000	\$214,000
Naming Rights, Net	\$230,000	\$230,000	\$230,000
Premium Seating, Net	\$325,000	\$325,000	\$327,000
Ticketing	\$56,000	\$71,000	\$98,000
Facility Fees	\$150,000	\$192,000	\$230,000
Revenue Sub-Total	\$1,609,000	\$1,790,000	\$1,965,000
Expenses	2020	2020	2020
Personnel	\$799,000	\$799,000	\$799,000
Non-Personnel	\$1,113,000	\$1,127,000	\$1,137,000
Expense Sub-Total	\$1,912,000	\$1,926,000	\$1,936,000
NOI (EBITDA)	-\$303,000	-\$136,000	\$29,000
Less: Capital Improvements	-\$200,000	-\$200,000	-\$200,000
NOI After Expenditures	-\$503,000	-\$336,000	-\$171,000

EXHIBIT 2.5: CONSERVATIVE, MODERATE, AGGRESSIVE SCENARIOS (2020)

HOTEL/CONFERENCE CENTER PROJECT ECONOMICS

B&D recommends a 145-key hotel property with offerings similar to a Hilton Garden Inn or Hampton Inn & Suites. Affiliation with a “flag” is key to maintain appeal to the key business market segment, which places an emphasis on brand loyalty. The integrated hotel/conference center program measures 143,000 sq. ft. in total, including over 22,000 sq. ft. for the conference

center. Within the conference center, B&D recommends inclusion of a divisible, 12,000 sq. ft. ballroom to accommodate both university and commercial demand along with several additional spaces. B&D utilized the CSU Capital Outlay Form 2-7 to generate the budget based on a design-build schedule with completion in July 2020 and projected a cost of approximately \$48 million.

The first three years of operation are shown below, with an operational profit of \$2 million in year one, increasing to slightly over \$4.3 million in year three of operation. Assumptions are developed on the basis of occupancy levels, 68% in year one and escalating to 81% in year three, yield penetration assumptions, and property alignment. The vast majority of overall revenue in year three is from rooms (58%) and food & beverage (28%), making up nearly 90% of total revenue. All financial projections contained herein assume development of an integrated hotel/ conference center and that the property will be operated in a business-oriented manner.

	Occupancy: 68%		Occupancy: 74%		Occupancy: 81%	
	Yield: 110%		Yield: 115%		Yield: 120%	
	Revenue	%	Revenue	%	Revenue	%
	2020		2021		2022	
Revenues						
Rooms	\$ 6,250,000	56%	\$ 7,360,000	57%	\$ 8,620,000	58%
Food & Beverage	\$ 3,324,000	30%	\$ 3,748,000	29%	\$ 4,202,000	28%
Conference Services	\$ 1,247,000	11%	\$ 1,405,000	11%	\$ 1,576,000	11%
Other Departments	\$ 291,000	3%	\$ 328,000	3%	\$ 368,000	2%
Sub-Total	\$ 11,112,000	100%	\$ 12,841,000	100%	\$ 14,766,000	100%
[1] Expenses	\$ 9,069,360	82%	\$ 9,741,075	76%	\$ 10,436,450	71%
NOI (EBITDA)	\$ 2,042,640	18%	\$ 3,099,925	24%	\$ 4,329,550	29%

[1] Expense detail is provided in the pro forma

EXHIBIT 2.6: HOTEL PRO FORMA (2020 TO 2022)

ECONOMIC IMPACT ANALYSIS

Construction and operations of each project will generate significant economic benefits. Benefits are measured in terms of employment, earnings, and output (economic activity). Though the construction benefits generate a significant one-time economic impact, recurring benefits over the project economic benefits will be more significant when measured by net present value (NPV). Exhibit 2.7 below summarizes one-time and recurring economic benefits from the project. The project will create a one-time impact that supports nearly 600 jobs, \$31 million in earnings, and \$132 million in economic activity. Further, recurring operations supports 133 jobs, \$4.9 million in earnings, and \$24.4 million in economic activity. Quantified over a 20-year span, the NPV of earnings is measured at an estimated \$85 million, along with \$420 million in economic activity.

	Employment	Earnings	Output	Income Tax
Construction	573	\$31,431,000	\$131,339,000	\$727,000
Recurring	133	\$4,933,000	\$24,369,000	\$113,000
20-Year NPV	-	\$84,780,000	\$418,790,000	\$1,940,000

Note: 2.75% growth rate is assumed along with 4% discount rate

EXHIBIT 2.7: BENEFIT SUMMARY

NEXT STEPS

This section addresses potential next steps for the University as it considers the events center complex development. If implemented, these steps should ensure that work completed to date is maximized. The following suggestions are based upon B&D’s experience with similar projects and reflect typical predevelopment activities that should be completed. The project team presents these ideas as suggestions, which will need refinement moving ahead:

- ◆ Hold a strategic meeting at the conclusion of this study to identify a core working group that will lead the events center complex development process. The goal of the meeting should be to establish a project schedule, identify the appropriate party who serves as project director, and discuss potential outreach methods to public partners.
- ◆ Conduct a detailed site analysis for the project to identify the best location on campus. B&D’s events center calendar assumes five annual trade shows that would utilize the arena floor on an annual basis, assuming the facility is located proximate to the hotel/conference center that would provide the necessary meeting space.
- ◆ With an understanding of the economic benefits stemming from construction and operation of each project, Cal Poly should schedule a meeting with appropriate public parties to discuss the potential for public involvement.
- ◆ Develop an anticipated sources and uses document for both projects. This document should be flexible so it can be adjusted quickly to changes in donor funding, operator-contributed capital funding, public funding, and capital campaign contributions.
- ◆ Engage the athletic department in a detailed discussion with regard to event rents, ancillary revenue sharing formulas, premium seating fulfillment and revenue sharing, and potential assets for operation of the events center. B&D has made several material, “fair market” assumptions in this document with regard to tenant economics for the purpose of modeling likely profit and loss scenarios. Once terms are agreed upon, update the economics model accordingly.

SECTION 3

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3.0 – MARKET CONDITIONS

INTRODUCTION

The market conditions analysis provides an overview of demographic and socioeconomic conditions that influence demand for an event center project. This section reviews characteristics that influence demand for both of the project's primary components, the events center and hotel/conference center. In forthcoming sections, analyses specific to the two project types are conducted to develop detailed demand projections for the events center and hotel/conference center components. The market conditions review contains several components, including:

- ◆ An evaluation of market demographics through drive time analyses and analysis of regional population distribution;
- ◆ A review of socioeconomic conditions in the market including unemployment trends, workforce composition; and
- ◆ Analysis of transportation infrastructure, major attractions, and employers in the market.

B&D offers that no site evaluations have been made as part of this analysis. B&D assumes that, as part of the campus' master-planning process, a suitable site will be identified for development of the project.

DEMOGRAPHIC ANALYSIS

METHODOLOGY

B&D utilized data provided by Environmental Systems Research Institute (ESRI) to complete a demographic drive time analysis of the San Luis Obispo market. ESRI combines geographic information systems (GIS) technology with extensive demographic, consumer, and business information to generate a detailed statistical profile of specific areas. Standard drive time radii defined the drive time area distances. Data was collected for the 30-minute, 45-minute, and 60-minute drive time areas from the Cal Poly, based on input from content providers that defined the local market as extending no further than one hour from the campus.

Definition of the Market

San Luis Obispo is located in San Luis Obispo County in the State of California. The County, City, and adjacent communities compromise the San Luis Obispo-Paso Robles Metropolitan Statistical Area (MSA). Defined by the federal government’s Office of Management and Budget, an MSA is a region with a densely populated core surrounded by less populated communities that possess a high degree of economic and social integration. The MSA is located roughly equidistant by drive time between the Los Angeles and San Francisco MSAs, two of the nation’s largest MSAs. Exhibit 3.1 shows the San Luis Obispo MSA, outlined in gold, in relation to both Los Angeles and San Francisco.



EXHIBIT 3.1: REGIONAL MAP

San Luis Obispo is located on a secluded portion of the U.S. Route 101/California State Route 1 in California’s “central coast” region. The region’s mountainous topography means that, although some villages or towns may be more geographically proximate to San Luis Obispo, the drive time required to arrive in San Luis Obispo is totally dependent on the presence of a transportation artery. The map on the following page demonstrates the extent to which drive time areas are connected with major transportation arteries.



EXHIBIT 3.2: 30-, 45-, AND 60-MINUTE DRIVE TIMES

Exhibit 3.2 above shows 30-, 45-, and 60-minute drive time areas from San Luis Obispo. The 30-minute drive time is represented by the green shading, 45-minute by blue shading, and 60-minutes by the gold shading. As discussed above, drive times to San Luis Obispo are heavily dependent on the presence of a transportation artery – likely California State Route 1, 5, 227, or 58. The standard market for many sporting events, family shows, and concerts is generally considered to be 30-minutes, but may extend further into the 45- and 60-minute drive time areas depending on act type, frequency of the show, and advertising strategy.

Demographic Characteristics

There are over 300,000 people within a 30-minute drive time of San Luis Obispo, expanding to over 450,000 in a 60-minute drive time area. Annual growth rates for each drive time area examined are projected to be limited in comparison to California and national levels through 2017. Average household size ranges from 2.65 to 2.75, which is comparatively smaller than the California average of 2.89 but greater than the national average of 2.58. Median household income for San Luis Obispo is nearly 10% less than the state average at roughly \$53,000, but greater than the national average of just over \$50,000.

Category	30 Minutes	45 Minutes	60 Minutes	California	United States
Population	304,917	407,739	454,048	-	-
Annual Growth (Next Five Years)	0.53%	0.54%	0.50%	0.67%	0.68%
Households	108,392	141,444	158,076	-	-
Average Household Size	2.65	2.75	2.75	2.89	2.58
Median Household Income	\$53,732	\$53,477	\$53,134	\$57,385	\$50,157
Median Age	36.5	36.1	36.0	35.8	37.3

Source: ESRI

Figures in 2012 unless otherwise noted

EXHIBIT 3.3: 30-, 45-, AND 60-MINUTE DRIVE TIME DEMOGRAPHICS

Household income is a critical indicator of attendance. Higher income households, in theory, have elevated levels of discretionary income available for entertainment expenditures. In contrast, income levels are of minimal importance to potential conference attendance or hotel room night stays. Each of the three local drive time areas exhibit elevated household income levels in comparison to the national average, but is lower than the state-wide average.

Income Bracket	30 Minutes	45 Minutes	60 Minutes	California	United States
\$24,999 and Below	21.5%	21.4%	21.6%	20.6%	24.7%
\$25,000 to \$49,999	24.3%	24.5%	24.6%	22.7%	25.2%
\$50,000 to \$74,999	20.1%	20.3%	20.3%	17.7%	18.6%
\$75,000 to \$99,999	11.9%	11.7%	11.7%	11.9%	11.3%
\$100,000 to \$149,999	13.3%	13.1%	12.9%	14.9%	12.0%
\$150,000 and Above	9.0%	8.9%	8.8%	12.3%	8.2%
\$75,000 and Above	34.2%	33.7%	33.4%	39.1%	31.5%

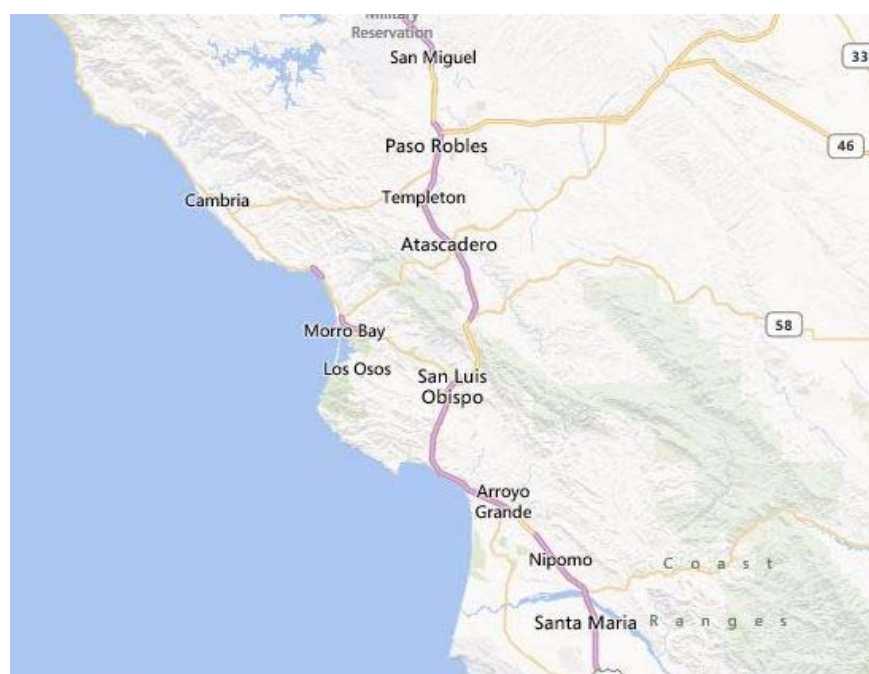
Source: ESRI

Figures in 2012 unless otherwise noted

EXHIBIT 3.4: HOUSEHOLD INCOME DISTRIBUTION

Regional Population Distribution

The region’s major population centers are Santa Maria, San Luis Obispo, Paso Robles, and Lompoc; collectively, the four cities represent 50% of the 60-minute drive time population. The remainder of the region’s population is distributed among several smaller communities. The region’s largest population center is Santa Maria, approximately 30 miles south of San Luis Obispo. The vast majority of the market population is to the south of San Luis Obispo, suggesting an event center would more closely compete with assembly venues to the south.



City	Distance to SLO	Population	Median HH Income	Average HH Size	Median Age
Santa Maria	33	99,553	\$44,392	3.65	28.6
San Luis Obispo		45,119	\$43,325	2.29	29.8
Paso Robles	29	43,563	\$55,911	2.69	38.7
Lompoc	59	42,434	\$44,100	2.90	34.0
Orcutt	39	28,905	\$63,823	2.73	42.3
Atascadero	19	28,310	\$59,998	2.52	41.0
Arroyo Grande	17	17,252	\$59,690	2.40	30.9
Nipomo	25	16,714	\$64,241	3.05	36.9
Los Osos	10	14,276	\$68,303	2.37	46.9
Morro Bay	13	10,234	\$57,775	2.08	48.9

Source: US Census 2010

EXHIBIT 3.5: REGIONAL POPULATION CENTER ANALYSIS

Although Santa Maria is the largest city in the 60-minute area, the city’s distance from SLO (33 miles), exceptionally high average household size (3.65), and mediocre median income levels suggest Santa Maria will offer a limited number of events center patrons. Lompoc, the fourth largest city in the market, also exhibits a similar demographic profile but is an even greater distance to San Luis Obispo (59 miles). Together, both Lompoc and Santa Maria comprise roughly one-third of the 60-minute population, but the demographics of each city suggest that only a small portion of each city contains target market patrons.

Unemployment Trends

San Luis Obispo County had an unemployment rate of 6.6% as of November 2013 according to the U.S. Bureau of Labor Statistics. The county rate is lower than that of California (8.5%) and the United States (7.0%). The current unemployment rate for San Luis Obispo has improved at a greater pace than California since both peaked in July of 2010. Overall, unemployment rates in San Luis Obispo from 2006 to 2013 have consistently been below the state average.

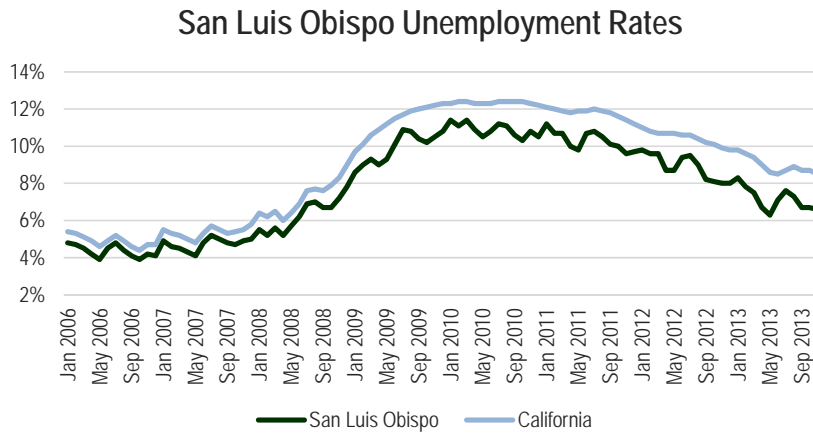


EXHIBIT 3.6: HOUSEHOLD INCOME DISTRIBUTION

Largest Employers

B&D reviewed data published by the San Luis Obispo Chamber of Commerce to gain a greater understanding of the workforce composition in San Luis Obispo County. Six of the 15 largest employers in the region are educational organizations, while the remaining largest regional employers are a mix of healthcare or governmental entities. The mix of largest employers in the region suggests advertising and sponsorship revenues will be limited in comparison to peer event center projects around the nation.

Company/Organization	Location	Industry	Number of Employees
County of San Luis Obispo	San Luis Obispo	Government	2,601
Cal Poly State Univ., San Luis Obispo	San Luis Obispo	Education	2,426
Atascadero State Hospital	Atascadero	Healthcare	2,200
California Men's Colony	San Luis Obispo	Correctional Facility	1,768
Pacific Gas & Electric	County wide	Public Utility	1,719
Tenet Healthcare	County wide	Healthcare	1,409
Lucia Mar Unified School District	San Luis Obispo	Education	1,100
King Ventures	San Luis Obispo	Commercial	850
Paso Robles Public Schools	Paso Robles	Education	831
San Luis Coastal Unified School District	San Luis Obispo	Education	828
Cuesta College	County wide	Education	826
Albertsons Stores	County wide	Grocery Store	750
Atascadero Unified School District	Atascadero	Education	655
Wal-Mart	Arroyo Grande	Retail	620
Vons	Countywide	Grocery Store	528

Source: San Luis Obispo Chamber of Commerce

EXHIBIT 3.7: MAJOR EMPLOYERS

Commercial Real Estate Market

The strength of the San Luis Obispo commercial real estate market is an important element in understanding the strength of the business sector and its corresponding need for conference space. In 2013, the average asking lease rate in San Luis Obispo was \$2.75 per square foot for non-retrofitted buildings, a 57% increase from the previous year. Retrofitted buildings and shopping centers showed similar trends in asking lease rates, increasing by 46% and 37% from the prior year, respectively. Demand for office space grew in San Luis Obispo as vacancy rates dropped to 8.6% in 2013, strengthening from a rate of 13.6% during the previous year.

	2011	2012	2013
<u>Commercial Real Estate</u>			
Non-retrofitted Retail Buildings	\$1.50/SF	\$1.75/ SF	\$2-\$3.50/SF
Retrofitted Retail Buildings	\$2-\$3/SF	\$2-\$3.50/SF	\$4/SF
Office Vacancy Rate	12.60%	13.60%	8.60%
<u>Shopping Centers</u>			
Average Lease Rates	\$1.05/SF	\$1.25/SF	\$1.71/SF
Prime Downtown Sites	\$4/SF	\$4/SF	\$4/SF

Source: San Luis Obispo Chamber of Commerce

EXHIBIT 3.8: REAL ESTATE AND OFFICE VACANCY

Airport Enplanement Statistics

Air connectivity is a key determinant of demand for conference centers. The region’s primary airport is San Luis Obispo County Regional Airport (SBP), which handled 127,336 enplanements in 2012. Enplanement at SBP dropped off sharply in 2008 and 2009, in part due to an overall decline in air travel and subsequent loss of air service to Salt Lake City on Delta Connection. Presently SBP has service to three major hub gateways (Los Angeles, San Francisco, and Phoenix) on two carriers, US Airways Express and United Express, though officials are actively soliciting United Express service to Denver and a re-launch of Salt Lake City.

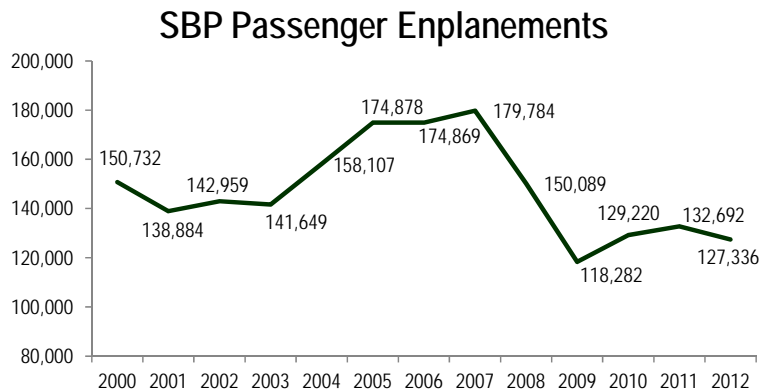


EXHIBIT 3.9: SBP ENPLANEMENTS

Rail Ridership

The San Luis Obispo Amtrak Station provides an additional key transportation link to the San Luis Obispo region. The station serves as the northern point for Amtrak’s Pacific “Surfliner” which originates in San Diego, as well as a stop on Amtrak’s Coast Starlight train which travels from Seattle to Los Angeles. During 2013, the San Luis Obispo station had 115,028 boardings, making it the 28th busiest station in California. This ridership reflects a 6% increase from 2012.

Major Attractions

Attractions within San Luis Obispo County are instrumental in driving demand to the proposed facilities, particularly the hotel and conference center. Known for its leisure activities, the county attracts visitors looking to relax and enjoy the natural beauty of its undeveloped landscape. In addition to the university itself, a short sampling of the attractions that bring visitors to the area include:

- ◆ **Hearst Castle** – Located in the northern portion of the county, Hearst Castle attracts around one million visitors a year despite being located far from the urban center.

Designated as a National and California Historical Landmark, visitors come to the mansion to see the site where celebrities of the 1920s and 1930s congregated.

- ◆ ***Wine Country Vacations:*** As the third largest producer of wine in California, wine connoisseurs are attracted to the area year-round to visit the county's wineries. In particular, visitors are drawn to the wineries within the Edna Valley and Arroyo Grande Valley. Given its proximity to the ocean, the growing conditions of the area produce a wine quality that is unique to San Luis Obispo.

- ◆ ***Mission San Luis Obispo de Tolosa:*** Designated as a California Historical Landmark, the fifth oldest Spanish mission in the state is located within the urban center of San Luis Obispo. The unique design of the mission utilizes the elements of belfry and vestibule which are found in none of the other 20 California missions.

3.1 - EVENTS CENTER MARKET ANALYSIS

INTRODUCTION

The events center market analysis measures and evaluates the San Luis Obispo market's ability to support an events center project on the campus of Cal Poly. This section builds upon the demographic and socioeconomic analyses completed in the market conditions review. The facility would serve as home to the men's and women's basketball programs and also host a number of outside events including concerts, family shows, and sports exhibitions. The findings of this section establish an outline for projecting an annual event calendar and the financial performance of an events center. Important to note is that the term "events center" and "arena" refer to the same building type. The primary difference between the classifications is typically based upon whether or not the facility actively pursues outside events.

METHODOLOGY

Utilizing primary and secondary sources, B&D completed a series of independent analyses to gain an understanding of San Luis Obispo's economic, demographic, and entertainment marketplace conditions. Due to the uniqueness of the market and the multi-purpose nature of the project, B&D focused more on primary research and less on an analysis based on a comparable facility framework. Through the market analysis process, over 35 interviews were conducted with approximately 50 stakeholders. The following component exercises were completed to support the events center market analysis and the primary research processes(s):

- ◆ A review of Big West arena characteristics and tenant attendance trends to inform the appropriate building capacity
- ◆ Case studies on recently completed, representative scale arenas with NCAA Division-I tenants;
- ◆ A review of existing regional arenas and other entertainment venues;
- ◆ A review of premium seating offerings for recently completed arenas and/or similarly positioned NCAA Division-I programs; and
- ◆ A series of interviews with content providers, including both regional and national producers and promoters.

CONFERENCE FACILITY AND ATTENDANCE ANALYSIS

The conference facility and attendance analysis is conducted to understand attendance trend's for men's and women's basketball and inform capacity needs. Along with market niche, tenant capacity requirements are the most common determinant for arena seating capacities.

Big West Conference Arena Characteristics

The average arena capacity for Big West Conference arenas is just under 5,300. The smallest arena is at Cal State University, Northridge, whose "Matadome" has a capacity of 1,600, while the University of Hawaii possesses the largest venue at a capacity of 10,300. No venue has been completed since 1994 and all facilities are located on the campus of their respective university. In B&D's experience, arenas constructed prior to 2000 were seldom rigorously planned or programmed. Accordingly, Big West arenas offer very little information that can be utilized to program a new Cal Poly event center project.

Institution	Arena	Capacity	Per Game Attendance ₁	Year Opened	Most Recent Renovation
California State University, Fullerton	Titan Gym	4,000	1,185	1964	Planned
California State University, Long Beach	Walter Pyramid	5,000	2,821	1994	2012
California State University, Northridge	Matadome	1,600	1,119	1962	2012
University of California, Davis	The Pavillion	8,000	1,718	1977	2009
University of California, Irvine	Donald Bren Events Center	5,000	1,710	1987	-
University of California, Riverside	SRC Arena	2,750	772	1994	-
University of California, Santa Barbara	The Thunderdome	5,600	2,585	1979	-
University of Hawaii	Stan Sheriff Center	10,300	6,053	1994	1998
Cal Polytechnic State University	Mott Gymnasium	3,032	2,017	1960	2012
Big West Average	-	5,281	2,245	1981	

Source: NCAA; averages are over five year period from 2008 to 2012

EXHIBIT 3.1.1: BIG WEST ARENAS

Tenant Attendance Review

B&D analyzed attendance figures from the Cal Poly Men’s and Women’s Basketball during the two most recent seasons to inform tenant capacity needs. The average attendance of the men’s basketball attendance was 2,075, while the women’s basketball team averaged 630 a game. Contests against rival UC-Santa Barbara drove attendance to the Mott Gym capacity of 3,032, slightly artificially deflating overall attendance levels.

Per Game Attendance	Men	Women
2012-2013 Season	2,000	464
2013-2014 Season	2,150	797
AVERAGE	2,075	630

EXHIBIT 3.1.2: CAL POLY MEN’S AND WOMEN’S ATTENDANCE

Given the comparatively greater per game attendance levels for men’s basketball, B&D utilized its attendance figures as the basis for determining the appropriate capacity for the purpose of tenant needs. Analysis of the competitive marketplace, which follows, further defines the appropriate capacity for an events center project.

From 2008 to 2012, Hawaii averaged nearly 6,000 spectators per men’s basketball game while the remaining BWC men’s basketball programs drew an average of roughly 1,700 spectators per game. Attendance at men’s basketball games peaked in 2004, at an average of nearly 2,800 patrons per game, and reached a minimum of 1,500 per game in 2009. In comparison to Big West attendance levels, Cal Poly attendance has been comparatively stable.

Big West and Cal Poly Men's Basketball Attendance (2003 to 2012)

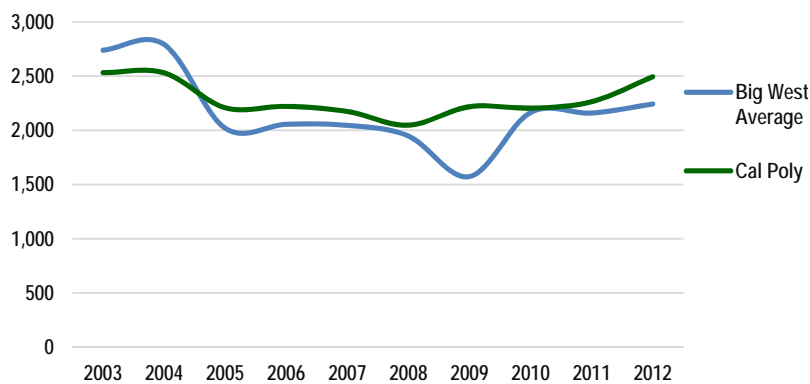


EXHIBIT 3.1.3: BIG WEST AND CAL POLY MEN’S BASKETBALL ATTENDANCE

New collegiate arena projects often have an effect on per game attendance levels because of an improved fan experience, increased visibility associated with a program, and/or improved appeal

to the student body. B&D collected a representative sample of recent arena projects to understand the effect a new arena had on per game men’s basketball attendance. For the three years prior to their respective arena’s opening, attendance levels for the set averaged 2,614 in comparison to per game attendance levels of 3,468 in the three years after opening, a net increase of 853 fans (32% increase). Such an increase would bring Cal Poly attendance levels to nearly 3,000 spectators per game for men’s basketball.

	Year Opened	Before Average	After Average	Net Increase/ Decrease
[1]Troy University	2012	1,874	1,858	-16
Bowling Green State	2011	1,597	1,713	117
College of Charleston	2008	3,154	3,608	454
Central Florida	2007	1,569	3,996	2,426
Northern Iowa	2006	3,961	6,097	2,136
Arkansas Little Rock	2005	4,114	3,599	-515
SUNY Binghamton	2004	2,032	3,402	1,370
	AVERAGE	2,614	3,468	853

Source: NCAA

[1] Troy only has two years of attendance data available

EXHIBIT 3.1.4: EFFECT OF ARENA PROJECT ON ATTENDANCE

CASE STUDY FACILITIES

The case studies are compiled to highlight current trends with arena construction and understand operational characteristics for arenas and events centers with intercollegiate athletic tenants. B&D identified five (5) recently completed facilities that best represent the desired size and scope of an arena project at Cal Poly. The findings contained in this section are utilized to project both capital and operating cost in the Financial Analysis.

College Park Center (Arlington, TX)

Opened in 2012, the College Park Center serves the University of Texas at Arlington's (UTA) men's and women's basketball and volleyball programs. The arena cost \$78 million and was supported by a private contribution of \$10 million. The remaining funding for the project was raised as part of the College Park District, a 20-acre \$160 million mixed-use development. The arena includes two practice courts, a sports medicine center, and strength and conditioning space. In FY 2012-2013, the university-operated facility had income of just over \$1 million in comparison to approximately \$2.3 million in operational expenses.

Trojan Arena (Troy, AL)

Trojan Arena is located on the campus of Troy University and was opened in 2012. Trojan Arena is home to the university's men's and women's basketball and volleyball teams and also accommodates commencement ceremonies, meetings, concerts, and special events. The \$40 million, 149,000 SF arena has a seating capacity of 6,000 and was funded through a bond issuance designated for campus-wide capital improvements. The premium seating program at Trojan Arena includes 32 floor seats, 400 club seats, and seven luxury suites.

Jack Stephens Center (Little Rock, AR)

Opened in 2005, the Jack Stephens Center serves the men's and women's basketball and volleyball teams of the University of Arkansas-Little Rock. The arena cost \$25 million to construct, made possible largely by a \$20.4 million donation from billionaire philanthropist Jack Stephens. Attached to the arena is a practice gym, an academic support center, strength and conditioning space, and a Nike team store. Consistent with most recently constructed arenas, the Jack Stephens Center contains a variety of premium seating options, including 80 floor seats, 300 club seats, and 12 luxury suites.

SECU Arena (Towson, MD)

SECU Arena opened in 2013 on the campus of Towson University. The facility cost \$56 million and has a capacity of 5,200 seats; hospitality spaces include five luxury suites, 340 club seats, 120 courtside seats, and 3,000 SF of flexible lounge space. Naming rights to the venue were secured for ten years at a value of \$4.75 million; the agreement allows SECU to use one suite and the three hospitality spaces free of charge. According to university representatives, operating expenses for FY 2013-2014 are expected to total just over \$1.3 million.

Stroh Center (Bowling Green, OH)

The Stroh Center was completed in 2011 and is home to Bowling Green State University men’s and women’s basketball and women’s volleyball teams. Funding for the \$36 million Stroh Center was financed by a student government resolution that provided \$22 million in funding via the application of a \$60 per semester fee to each BGSU student. The remaining \$14 million will be paid for with private donations, including a gift of over \$8 million from former trustee Kermit Stroh. The facility’s operating budget for FY 2014 is just over \$920,000.

Case Study Summary

The case study facilities have 2013 construction costs ranging from \$39.1 million to \$80.6 million while the three most recently completed facilities cost an average of \$340 per sq. ft. Arenas examined exhibit a narrow range of square feet per seat, between 31 and 27 sq. ft. The College Park Center, which cost \$80.6 million, is significantly larger than the other facilities by square footage due to the presence of a second fan concourse, something only SECU arena possesses. Operating budgets for the three facilities with data available range from \$900,000 to \$2.3 million and are in direct relation to square footage and seating capacity.

	College Park Center	Jack Stephens Center	Trojan Arena	SECU Arena	Stroh Center
Opened:	2012	2005	2012	2013	2011
Operator:	UTA	UALR	Troy University	Towson University	Global Spectrum
Seating Capacity:	7,000	5,600	5,200	5,200	5,000
Square Footage:	218,000	149,000	141,000	165,000	133,000
Operating Cost	\$2,300,000	-	-	\$1,300,000	\$900,000
Project Cost (2013):	\$80,570,000	\$37,680,000	\$43,710,000	\$56,000,000	\$39,130,000
Sq. Ft. per Seat	31	27	27	32	27
Project Cost per Sq. Ft.	\$370	\$253	\$310	\$339	\$294

EXHIBIT 3.1.5: CASE STUDY SUMMARY TABLE

EVENTS CENTER COMPETITIVE CONTEXT

The competitive context analysis evaluates the San Luis Obispo market and its ability to support a new events center within the context of the existing regional competitive environment. B&D developed an inventory of facilities to analyze venues that would compete with a new event center for either events, such as concerts or family shows, or potential patrons. Information was collected on each event facilities’ schedules, program data, financial performance, and seating inventories to identify niches not being accommodated by the current supply of facilities.

#	Facility	Capacity	Opened or Renovated	Location	Miles to SLO (est.)	Estimated Drive Time
1	Avila Beach Golf Course	4,000	-	Avila Beach	10	15 Min
2	Paso Robles Event Center	7,582	1946	Paso Robles	30	30 Min
3	Chumash Casino	1,430	1994	Santa Ynez	65	1 Hr
4	Santa Barbara Bowl	4,652	1936/(2012)	Santa Barbara	100	1 Hr 45 Min.
5	Save Mart Center	16,182	2003	Fresno	140	2 Hr 30 Min.
6	[1] Fresno Convention & Ent. Copmlex	9,123	1966	Fresno	140	2 Hr 30 Min.
7	Rabobank Arena	10,000	2002	Bakersfield	140	2 Hr 30 Min.
8	Event Center Arena	5,000	1989	San Jose	180	3 Hr
9	UCSB Event Center	5,814	1979	Santa Barbara	100	
10	Kaiser Permanente Arena	2,505	2012	Santa Cruz	160	
11	Firestone Fieldhouse	5,000	1973/(2013)	Malibu	160	
12	Leavey Center	4,500	1975/(2000)	Santa Clara	190	

Source: Mapquest, facility websites
 [1] Seland Arena Capacity
 Note: Renovation years are in parentheses

EXHIBIT 3.1.6: COMPETITIVE CONTEXT TABLE

Primary Competitors

B&D reviewed public and private assembly venues in a three hour drive time area from San Luis Obispo. B&D identified 12 venues that could theoretically compete with a new event center for events or patrons at Cal Poly. However, four of the facilities, numbered 9 through 12 in the table below, cater almost solely to collegiate athletic programs and do not aggressively pursue revenue-generating events. The remaining eight (8) venues, deemed “primary competitors,” actively compete for revenue-generating events and are a mix of convention complexes, amphitheaters, and arenas. A depiction of the geographic relationship of each facility follows.



EXHIBIT 3.1.7: COMPETITIVE CONTEXT MAP

The Paso Robles Event Center is the most proximate to San Luis Obispo of the five primary competitors at 30 minutes to the northeast. The Santa Barbara Bowl, represented by the number four on the map, is an amphitheater venue nearly two hours to the south of San Luis Obispo. Fresno and Bakersfield each have arenas with capacities of 10,000 seats or greater, but due to the mountainous nature of the region, are each roughly two hours and thirty minutes from San Luis Obispo, depending on traffic. Detailed reviews of each of the venues follow.

Avila Beach Golf Resort

The Avila Beach Golf Resort is located just over 10 miles from campus in the city of Avila, CA. The golf resort holds outdoor events at its “Cove” venue overlooking Avila Beach. The Cove has a capacity for up to 4,000 patrons and operates seasonally from May through early November. While the resort has been open since 1969, it has provided mainstream performers for over 20 years. Since 2011, the Cove has held an average of 12-13 events a year through a mixture of themed

festivals and concerts. Notable performances during that time included Sheryl Crow, Incubus, and LMAFO. While smaller than the other event centers, the golf resort uses its large open space to accommodate bigger acts.

Paso Robles Event Center

The Paso Robles Event Center is a 40-acre convention center complex that includes a 7,587 seat equestrian arena. The event center hosts equestrian events, concerts, weddings, trade shows, and special events. The facility’s largest event is the 12-day Mid-State Fair that takes place at the end of July every year. The event attracts an annual crowd of over 400,000 attendees by featuring equestrian shows, livestock acts, carnivals, performances, display booths, and concerts.

Chumash Indian Casino

The Chumash Indian Casino is a Native American owned casino and hotel located in Santa Ynez. The Casino’s entertainment venue features a 1,400-seat facility that is exclusively promoted by Signature Entertainment and Promotions. In 2013, the venue hosted 31 events featuring performances by the Beach Boys, M.C. Hammer, LL Cool J, Styx, and a variety of stand-up comedians. The 30-minute drive time population surrounding the casino is much smaller at 84,000 people, less than a third of the San Luis Obispo market. Despite its smaller population base, the facility possesses a unique catchment area due to the adjacent casino property.

Santa Barbara Bowl

The Santa Barbara Bowl is a seasonal amphitheater located in Santa Barbara, CA that is operated by the Santa Barbara Bowl Foundation, a 501(c) (3) non-profit foundation. Opened in 1936, the amphitheater has a capacity of 4,562 and operates between the months of April and November. In 2013 the facility hosted 29 concerts including acts such as Jason Mraz, Sting, and the Lumineers. In comparison to San Luis Obispo, which has a 30-minute drive time population estimated at over 300,000, Santa Barbara is a smaller market with just over 200,000 people. Though the market is smaller on the basis of drive time population, the Santa Barbara Bowl likely accesses the northernmost portions of the Los Angeles MSA market for desirable acts.

Santa Barbara Bowl	
Location:	Santa Barbara, CA
Owner:	Santa Barbara County
Operator:	S.B. Bowl Foundation
Opened:	1936
Concert Capacity:	4562
30-Min Population:	200,922
45-Min Population:	338,654
Concerts (2013):	29
Months of Operation:	April to November

Source: Internet Research, SitesUSA 2013

EXHIBIT 3.1.8: SANTA BARBARA BOWL OVERVIEW

Save Mart Center

The Save Mart Center is a 16,182-seat arena located in Fresno, CA. The facility opened in 2003 at a construction cost of \$103 million. The funding package included a 20-year, \$42 million naming rights agreement with Save Mart and an exclusive, campus-wide pouring rights agreement with Pepsi Group in perpetuity. At the time, the \$42 million naming rights contract was the largest aggregate naming rights value of any collegiate arena on record. The Save Mart Center also includes 40 luxury suites and 1,186 club seats and assesses a \$20,000 flat rental fee vs. 20% of the gross receipts as a rental rate for outside events.

The Fresno State's Men's and Women's Basketball teams are the building's primary tenants. In 2013, the facility hosted an estimated total of 78 ticketed events, including 17 concerts, 12 family shows, and four floor shows. Notable events included Jay-Z, the Zac Brown Band, and Carrie Underwood. In comparison to SLO, Fresno offers a comparatively larger 30-minute population at over 840,000 people but competes with the Fresno Convention & Entertainment Center, discussed below.

Rabobank Arena

Rabobank Arena, Convention Center and Theater, is an event center complex that opened in 1998 in downtown Bakersfield, CA. Operated by AEG and owned by the city of Bakersfield, the facility was completed at a cost of \$38 million. The arena has a capacity of 10,225 for concerts while the adjacent theater and convention center contains 17,740 sq. ft. of sellable floor space that can be re-configured to a 3,000-seat theater. In 2013, AEG took over management of the complex and the contract stipulates that the city will never lose in excess of \$415,000 on an annual basis. Losses from 2009 to 2013 for the entire complex averaged \$567,000, annually.

Save Mart Center	
Location:	Fresno, CA
Owner:	CSU, Fresno Association, Inc.
Operator:	SMG
Opened:	2003
Basketball Capacity:	15,544
Concert Capacity:	16,182
30-Min Population	842,981
45-Min Population	1,130,508
Ticketed Events (2013):	78
Non-Tenant Events (2013):	48
Tenants:	Fresno State Bulldogs (M&W Basketball)

Source: Internet Research, SitesUSA 2013

EXHIBIT 3.1.9: SAVE MART CENTER OVERVIEW

Rabobank Arena	
Location:	Bakersfield, CA
Owner:	City of Bakersfield
Operator:	AEG
Opened:	2002
Basketball Capacity:	10,000
Concert Capacity:	10,225
30-Min Population	595,301
45-Min Population	736,292
Ticketed Events (2013):	100
Non-Tenant Events (2013):	62
Tenants:	Bakersfield Condors (ECHL) CSUB Roadrunners (NCAA)

Source: Internet Research, SitesUSA 2013

EXHIBIT 3.1.10: RABOBANK ARENA OVERVIEW

In 2013 the facility hosted an estimated 100 ticketed events, 38 of which were tenant events. The complex’s two tenants are the Bakersfield Condors of the ECHL and the CSUB Condors Men’s Basketball team, which play half of their home games at Rabobank Arena. Other events included 21 concerts/theatrical events, 15 family shows, and four comedic acts, including Jerry Seinfeld.

San Jose State Event Center Arena

The Event Center Arena is located on the campus of San Jose State University (SJSU). The 5,000-seat facility was completed in 1989 and financed through student fees and facility revenues. Owned by San Jose State University and operated by the SJSU Student Union, Inc., the arena is home to the SJSU’s men’s and women’s basketball teams and women’s volleyball team. For outside events, the facility assesses an 11% share of gross receipts for facility rentals. In the 2012 to 2013 fiscal year, the facility generated \$1.03 million in revenues while incurring nearly \$2 million in expenses.

Event Center Arena	
Location:	San Jose, CA
Owner:	SJSU
Operator:	SJSU
Opened:	1989
Basketball Capacity:	5,000
Concert Capacity:	5,000
30-Min Population	2,297,902
45-Min Population	3,686,728
Ticketed Events (2013):	64
Non-Tenant Events (2013):	19
Tenants:	SJSU Spartans (M&W Basketball, W Volleyball)

Source: Internet Research, SitesUSA 2013

EXHIBIT 3.1.11: EVENT CENTER ARENA OVERVIEW

Outside events at the Event Center Arena primarily consist of alternative or electronic dance music (EDM) concerts such as DJ Tiesto and Steve Aoki. In 2013, the arena hosted an estimated 19 revenue-generating events, including 12 concerts. The arena is benefactor of a large market population, with over 2 million people in a 30-minute drive time.

Fresno Convention & Entertainment Center

The Fresno Convention & Entertainment Center opened in 1968 and has four different venues: the Fresno Convention Center, the Saroyan Theatre, Selland Arena, and the Valdez Exhibition Hall. The complex is managed by SMG and hosted 230 events and 500,000 spectators in 2012. Despite the considerable level of event activity, the complex has faced chronic operating deficits and lost an average of approximately \$1.1 million from 2010 to 2012. As of January 2014, facility management and the City of Fresno is evaluating all options to curtail losses.

	Convention Center	Saroyan Theatre	Selland Arena	Valdez Exhibition Hall
Capacity (Seats):	5,000	2,340	9,123	3,000
Floor Sq. Ft.:	83,000	N/A	24,200	32,000
Utilization (230 Events):	30%	30%	20%	20%
Rental Rate:	\$11,700	\$3,300	\$12,300	\$2,250
2012 NOI EBITDA	-	(\$340,000)	(\$680,000)	(\$260,000)

Source: Internet research

EXHIBIT 3.1.12: FRESNO CONVENTION & ENTERTAINMENT COMPLEX

The Fresno Convention Center is the only venue of the four that did not lose money on operations in 2012. Valdez Hall receives the least amount of utilization of the four venues, with an estimated 50 events annually, Selland Arena posted the most significant operating loss at \$680,000; the arena hosted only 62 ticketed events in 2013, largely consisting of 17 family shows, 12 Fresno Monster junior hockey competitions, and 10 amateur sports competitions. According to event promoters, Selland Arena is offering generous deals in an effort to entice event promoters to utilize the building in place of the Save Mart center or Rabobank Arena.

Arena Event Totals

Event totals for indoor venues in 2013 are provided in Exhibit 3.1.13. The average arena facility had 76 ticketed events with an average of 31 tenant events and 45 non-tenant events. Arena facilities averaged 14 concerts, 13 family shows, and three wrestling/boxing/MMA events. In addition to the presence of Chumash Casino and the Santa Barbara Bowl, the marketplace for touring concerts appears saturated. Accordingly, most concert acts would likely be best suited marketed to the student audience.

Facility	Ticketed Events	Tenant Events	Non-Tenant	Concerts	Family Shows	Wrestling/MMA/Boxing
Chumash Casino	31	-	31	27	-	-
Santa Barbara Bowl	29	-	29	29	-	-
Save Mart Center	78	30	48	17	12	3
Selland Arena	62	12	50	6	23	2
[1] Rabobank Arena	100	38	62	21	15	4
Event Center Arena	64	45	19	12	3	1
Arena Average	76	31	45	14	13	3

Source: Internet research, Pollstar Pro, facility websites

[1] Rabobank Arena event totals include concerts in smaller theater setup

EXHIBIT 3.1.13: COMPETITIVE CONTEXT EVENT SUMMARY

PREMIUM SEATING REVIEW

B&D reviewed premium seating offerings for recently completed/renovated arenas with similarly positioned basketball programs. The purpose of the review is to understand pricing relationships, inform appropriate price points, and gauge revenue potential. Prices shown in the table below include applicable donations, ticket prices, and leases. Figures do not include tickets to outside events, though leaseholders are normally given first right of refusal to purchase tickets to outside events prior to being placed on sale to the public.

Institution	Market	Courtside		Club Seats		Loge Box Seats		Suites	
		Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price
Arkansas Little Rock	Little Rock	80	\$2,462	300	\$1,718			16	Varies
Bowling Green St.	Bowling Green (OH)	88	\$773	400	\$773			-	-
Old Dominion	Norfolk	52	\$6,250	836	\$875			18	\$24,500
[1] Texas at Arlington	Dalls/Ft.Worth	51	\$500	600	\$300			3	\$36,000
Toledo	Toledo (OH)	84	\$1,100	194	\$682	85	\$1,400	12	\$15,000
Towson	Baltimore	120	\$1,180	340	\$375			5	\$10,000
Troy	Montgomery (AL)	26	\$750	500	\$400			7	\$18,000
Western Kentucky	Bowling Green (KY)	32	\$2,500	-	-			16	\$29,500
Average		67	\$1,300	453	\$700	85	\$1,400	11	\$22,200

Note: Includes required donation, ticket price, and lease if applicable; prices are mid-points

[1] Suites contain 24 seats per suite; sold on individual basis, but to groups larger than 20

EXHIBIT 3.1.14: PREMIUM SEATING REVIEW

Courtside seats, club seats, and luxury suites are offered in seven of the eight arenas. Courtside seats, which are located along the baseline and sidelines of the floor, have an average quantity of 72 seats at an average price point of \$1,300. Club seats, which are similar to general admission seats but have access to a hospitality lounge, command a comparatively lower price point at \$700. Loge boxes, which were first introduced in the early 2000’s, are only offered at Toledo for a price of \$1,400 per seat. The average suite quantity is 11 with an average price point of nearly \$22,000, annually. A donor survey could be conducted to add a level of refinement to the premium seating program, which is outlined in the financial analysis.

3.2 - HOTEL/CONFERENCE CENTER MARKET ANALYSIS

INTRODUCTION

The hotel/conference center market analysis builds upon the market conditions review. This analysis measures and evaluates the San Luis Obispo market's ability to support the hotel and conference center component of the project. The resultant outcome for this section is two-fold: quantify demand and average daily rate for room night stays and identify the appropriate program of spaces for a conference center. All projections are developed under the assumption that the hotel/conference center and events center will be introduced in tandem in 2020.

METHODOLOGY

The hotel demand analysis relies upon data provided by Smith Travel Research (STR), which provides detailed statistical information for a specified hotel market. B&D utilized this data as a framework to conduct further analyses, including:

- ◆ A review of hotel inventory, quality, and location in relation to the University to understand the supply and caliber of properties available to those conducting business at the university;
- ◆ A review of San Luis Obispo and national key performance metrics
- ◆ The selection of five competitive properties to develop a "fair share" of demand analysis, including: average daily rates (ADR), and associated Revenue per Available Room and Revenue per Occupied Room projections (RevPAR and RevPOR).

Similar to the hotel analysis, the conference center demand analysis relies upon a hospitality industry publication, *Trends in the Conference Center Industry 2013*, to understand parameters associated with university conference center development. This publication is utilized, along with CVB and hotelier input and an analysis of competitive market supply, including university spaces, to develop a conference center program within the context of the recommended scale and size of the hotel.

HOTEL MARKET ANALYSIS

INVENTORY

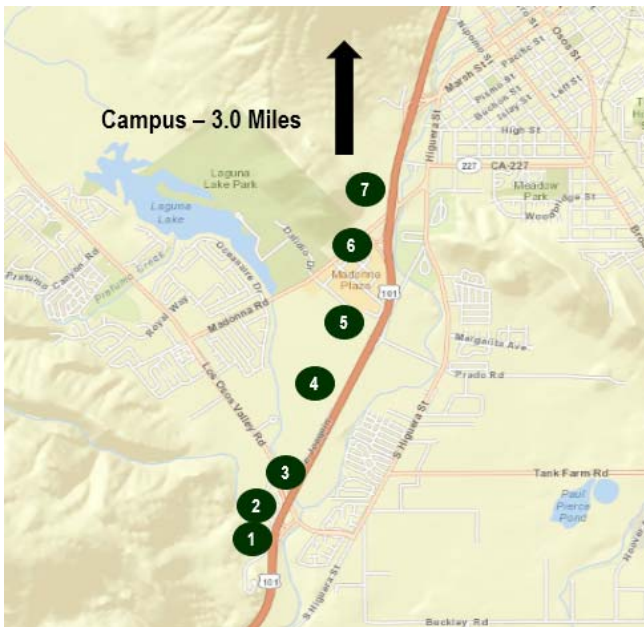
There are 29 hotel properties in the City of San Luis Obispo and nearly 2,100 hotel rooms. The bulk of the inventory is concentrated economy and mid-scale properties in addition to niche, boutique style properties that primarily cater to a leisure target market. The largest property in the market is the Embassy Suites Hotel, which contains 195 rooms, followed by the Courtyard San Luis Obispo (139) and Quality Inn Central Coast (138). Hotels listed in the set below account for a significant percentage of conference space in the market, discussed in the next section.

Property	Opened	Rooms	Property	Opened	Rooms
Embassy Suites San Luis Obispo	Dec 1986	195	Rose Garden Inn	Jun 1971	64
Courtyard San Luis Obispo	Jul 2007	139	Ramada San Luis Obispo	Jun 1964	61
Quality Inn Central Coast San Luis Obispo	Nov 1986	138	Vagabond Inn San Luis Obispo	Nov 1968	60
Motel 6 San Luis Obispo South	Mar 1988	117	Avenue Inn Downtown San Luis Obispo	-	51
Madonna Inn	Jun 1958	109	Super 8 San Luis Obispo	Feb 1989	49
Apple Farm Inn & Trellis Court	Aug 1988	104	Best Western Somerset Inn	Jun 1962	39
Holiday Inn Express San Luis Obispo	Jun 1978	100	Travelodge San Luis Obispo	Jun 1960	39
Best Western Plus Royal Oak Hotel	Jun 1971	99	Peach Tree Inn	Jun 1957	37
Motel 6 San Luis Obispo North	Mar 1973	86	San Luis Inn	Jun 1964	35
Hampton Inn Suites San Luis Obispo	May 2012	84	Americas Best Value Inn San Luis Obispo	Apr 1986	32
Comfort Inn & Suites Lamplighter	-	77	Budget Inn	-	27
Lexington Inn San Luis Obispo	Aug 1997	75	San Luis Creek Lodge	Aug 2002	25
La Cuesta Inn	Jun 1985	72	Homestead Motel	Jun 1971	18
Sycamore Mineral Springs Resort	Jun 1935	72	Petit Soleil	-	15
Sands Suites & Motel	Jun 1985	70			

Source: STR

EXHIBIT 3.2.1: HOTEL INVENTORY

B&D mapped each property with over 75 keys to understand where each competitor was located in relation to the Cal Poly campus. The 13 properties are clustered in two distinct areas; along California Highway 101, roughly three to four miles from campus, and just south of the University. The market's two largest properties, the Embassy Suites and Courtyard, are located in the collection of hotels three to four miles away, just south of the iconic Madonna Inn.



Number	Property
1	Courtyard SLO
2	Motel 6 South
3	Hampton Inn Suites
4	Motel 6 North
5	Embassy Suites SLO
6	Best Western Plus Royal Oak
7	Madonna Inn

EXHIBIT 3.2.2: HOTEL INVENTORY (~ 3.0+ MILES FROM CAMPUS)

The remaining properties with over 75 keys are located between one and two miles from campus and include the Holiday Inn Express-San Luis Obispo, Quality Inn Central Coast, and Comfort Inn & Suites Lamplighter. According to hoteliers and CVB officials, these three properties will closely compete for overnight stays for group and business market segments with a hotel property on the campus of Cal Poly.



Number	Property
1	Apple Farm Inn & Trellis
2	Peach Tree Inn
3	Sands Suites & Motel
4	Holiday Inn Express SLO
5	Quality Inn Central Coast SLO
6	Comfort Inn & Suites Lamplighter

EXHIBIT 3.2.3: HOTEL INVENTORY (~ 1.0 - 2.0 MILES FROM CAMPUS)

SAN LUIS OBISPO HOTEL MARKET PERFORMANCE

From 2007 to 2013, San Luis Obispo has consistently posted higher occupancy percentages than the national market. The local market occupancy percentage bottomed out in 2009 at 60%, but has increased each year thereafter to a high of 69% in 2013. Further speaking to the local market’s high level of stability, the local market has rebounded and exceeded its 2007 occupancy percentage (66%) while the 2013 nationwide occupancy percentage (62%), is still below the 2007 level of 63%.

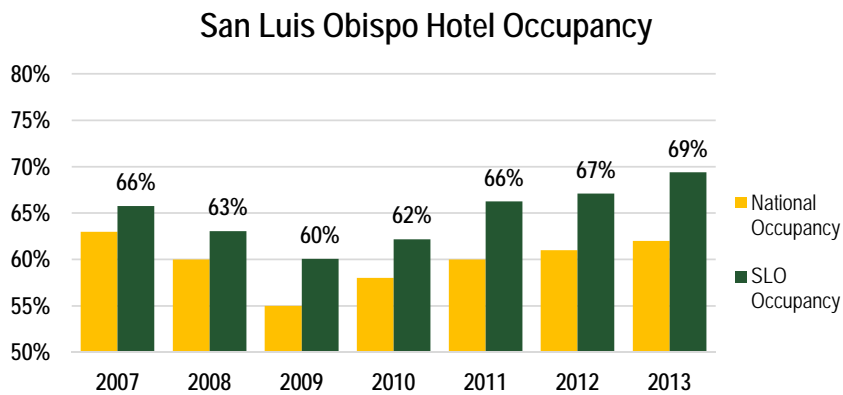


EXHIBIT 3.2.4: SLO HOTEL OCCUPANCY FROM 2007 TO 2013

The average daily rate (ADR) for San Luis Obispo hotel properties in 2013 was \$118.58, which represents a seven percent (7%) premium over the 2013 national ADR of \$110.59. Average daily rate growth in the national market has outpaced San Luis Obispo ADR growth from 2007 to 2013. According to local hoteliers, the aging collection of hotel properties and associated levels of service and amenities have strongly contributed to the comparative lack of ADR growth.

	2007	2008	2009	2010	2011	2012	2013
National ADR	\$104.35	\$107.42	\$98.18	\$98.23	\$101.96	\$106.26	\$110.59
San Luis Obispo ADR	\$116.99	\$114.98	\$107.46	\$107.79	\$109.59	\$114.81	\$118.58
Growth		-1.7%	-6.5%	0.3%	1.7%	4.8%	3.3%
Variance	12.1%	7.0%	9.4%	9.7%	7.5%	8.1%	7.2%

Source: STR

EXHIBIT 3.2.5: SLO HOTEL ADR FROM 2007 TO 2013

Revenue per available room night (RevPAR) is a commonly utilized metric that measures the extent to which hotels are maximizing financial performance. The measurement is calculated by multiplying the ADR by the occupancy percentage; accordingly, San Luis Obispo has an \$82.28 RevPAR on the basis of a \$118.58 ADR and 69% occupancy percentage. The table below depicts the growth of the San Luis Obispo hotel market RevPAR from 2007 to 2013.

Year	San Luis Obispo RevPAR	Growth	National RevPAR	Growth
2007	\$76.94	-	\$65.57	-
2008	\$72.50	-6%	\$64.26	-2%
2009	\$64.55	-11%	\$53.57	-17%
2010	\$67.02	4%	\$56.48	5%
2011	\$72.59	8%	\$61.07	8%
2012	\$77.03	6%	\$65.16	7%
2013	\$82.28	7%	\$68.74	5%

Source: STR

EXHIBIT 3.2.6: SLO HOTEL REVPAR FROM 2007 TO 2013

The local hotel market is strongly seasonal; occupancy peaks in July and August at roughly 80%, while levels bottom out at under 50% in January and December. San Luis Obispo’s seasonal occupancy trends mirror conditions found in many hotel markets around the country that place a significant amount of reliance on the leisure market segment.

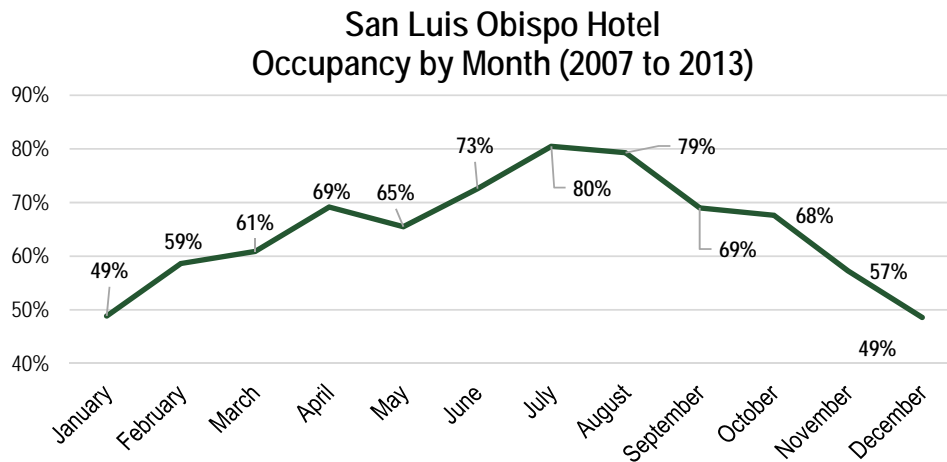
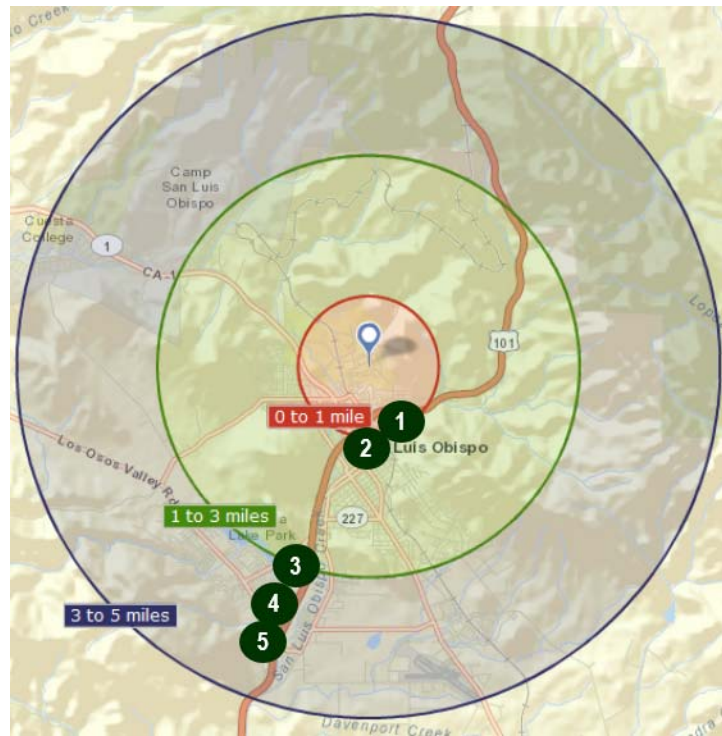


EXHIBIT 3.2.7: SLO HOTEL MARKET SEASONALITY

COMPETITIVE MARKET SET

The competitive market set reviews hotel properties that are expected to compete with an on-campus property. Properties were selected which best represent the desired scope, scale, positioning, quality, and business model of an on-campus hotel property. B&D selected five properties that are shown below, summarized in the table, and discussed in the following text.



	Holiday Inn Express (1)	Quality Inn & Suites (2)	Embassy Suites (3)	Hampton Inn & Suites (4)	Courtyard San Luis Obispo (5)
Classification:	Upper Midscale	Midclass	Upper Upscale	Upper Midscale	Upscale
[1] Miles to Campus:	1.48	1.58	3.74	4.73	4.78
Keys:	100	138	195	84	132
Meeting spaces:	2	1	12	2	7
Square feet of meeting space:	1,000 SF	480 SF	15,000 SF	990 SF	5,000 SF
Largest contiguous space:	450 SF	480 SF	5,100 SF	990 SF	2,840 SF
Max capacity of largest space:	65	30	600	90	400
Ballroom:	No	No	Yes	No	Yes
Catering:	No	No	Yes	No	Only lunch
Fitness Center:	Yes	Yes	Yes	Yes	Yes

Source: Internet research, facility websites

[1] Distance measured to campus center

EXHIBIT 3.2.8: COMPETITIVE SET MAP AND OVERVIEW

Holiday Inn Express

Built in 1978, the Holiday Inn Express features 100 rooms located one mile from campus. The property features two meeting spaces at 450 square feet each, which can be combined into one room and accommodate a maximum of 65 people. The hotel does not provide on-site catering and relies on an outside company to cater meetings and events. Other than a complimentary breakfast bar, the hotel does not provide foodservice. Amenities include an unstaffed business center, a health and fitness center, complimentary Internet service, an outdoor pool, and same day dry cleaning. The property is designated by STR as an upper midscale class hotel.

Quality Inn and Suites

The Quality Suites Central Coast features 138 rooms, all of which are in suite configurations. Built in 1986, the property is located just over one mile from campus and is designated by STR as a midscale class hotel. The hotel contains only one meeting space at just under 500 square feet with the ability to accommodate 30 people in a classroom setting. While there isn't a restaurant on-site, a free Breakfast café is provided, as well as a barbecue outside each night except Sunday. Other amenities include complimentary Wi-Fi, free airport transportation, a business center, fitness room, and outdoor whirlpool.

Embassy Suites San Luis Obispo

The Embassy Suites hotel is located four miles from Cal Poly's campus. Built in 1986, the 195-room hotel is the largest in the city and is designated by STR as an upper upscale class property. The hotel features 15,000 square feet of meeting space spread out across 12 rooms. The 5,100 square foot Grand Ballroom is the largest of its kind in San Luis Obispo and has the capability to host an event for 600 people. Foodservice includes a free cooked-to-order breakfast, the Greenhouse Grill & Café for lunch and dinner, and a complimentary evening reception. The hotel also features a business center, an ATM machine, and baggage storage.

Hampton Inn & Suites

Built in 2012, the Hampton Inn & Suites is the newest of the 30 hotels surveyed by STR. It has 84 standard rooms and 21 suites and is designated by STR as an upper midscale class hotel. The property features two meeting spaces with 484 square feet per room, which can be combined into one room to accommodate groups as large as 90 people. The hotel does not have an extensive food and beverage operation and as a result is unable to provide catering services, instead relying on an outside catering company. Guest amenities include complimentary Wi-Fi, laundry services, a business center, fitness room, and indoor swimming pool.

Courtyard San Luis Obispo

Built in 2007, the Courtyard San Luis Obispo is one of the newest of the 30 hotels surveyed by STR. With seven meeting spaces spread out over 5,000 square feet, the Courtyard can accommodate groups as large as 400 in its 2,840 square foot ballroom. In addition, the hotel can cater lunches on-site for events, but must outsource catering for dinner functions. The property maintains a Courtyard Cafe within the hotel where breakfast and lunch are served. Also offered is complimentary Wi-Fi, a lounge area, a fitness center, and an outdoor heated pool and spa.

SUPPLY AND DEMAND ANALYSIS

The hotel demand analysis is developed based on a “fair share” of demand analysis. This implies that, for every 100-key property in a 1,000-key marketplace, fair market share is 10% of corresponding market demand. Separate STR data was purchased to: inform estimated market segmentation among the competitive set, triangulate future ADR upon hotel opening, develop room night demand projections, inform a market-responsive room key figure, and ultimately determine financial viability based on per occupied room night spending assumptions.

Competitive Set Supply (2008 to 2013)

From 2008 to 2013, the competitive set outperformed the aggregate market in both occupancy and ADR. In each year, the competitive set had at least a five percent (5%) edge in occupancy over all properties. Further, the annual ADR is no less than \$15 greater than the San Luis Obispo market hotels in each year. The competitive set also weathered recessionary conditions comparatively better, with only a seven percent (7%) RevPAR dip from 2008 to 2009 in contrast to 11% decrease for the entire SLO market. While the aggregate SLO market weathered recessionary conditions better than the national market, the competitive set is further insulated due to the lack of business and conference/group options in the City of San Luis Obispo.

Year	Market Supply	Percent Change	Demand	Percent Change	Set Occupancy	ADR	Percent Change	RevPAR	Percent Change
2008	208,780	0%	152,963	2%	73%	\$133.11	-1%	\$97.52	0%
2009	208,780	0%	148,064	-3%	71%	\$128.24	-4%	\$90.95	-7%
2010	208,780	0%	160,254	8%	77%	\$128.50	0%	\$98.63	8%
2011	208,780	0%	166,316	4%	80%	\$131.94	3%	\$105.10	7%
2012	229,360	10%	177,218	7%	77%	\$134.89	2%	\$104.22	-1%
2013	239,440	4%	190,247	7%	79%	\$136.67	1%	\$108.59	4%

Source: STR

EXHIBIT 3.2.9: COMPETITIVE SET PERFORMANCE

Estimated Segmentation

B&D has estimated the likely market segmentation of the competitive market set among three groups: conference/group, leisure, and business. Each market segment has unique tendencies with regard to price sensitivity, preferred days of the week for travel, typical length of stay, and purpose for the visit. An explanation of each segment is provided below:

- ◆ **Conference/Group:** The group and conference market segment include those attending conferences, meetings, and SMERFE (social, military, educational, religious, fraternal, ethnic) events. Properties with significant on-site conferencing and meeting space are likely to attract SMERFE groups. Guests typically stay during weekdays and between two and three days in duration. This segment often patronizes a property under a complete meeting package arrangement (“CMP”), which guarantees ancillary revenues to a property through a pre-determined contract arrangement between the organizers and property.
- ◆ **Leisure:** The leisure market segment largely consists of families or couples visiting a region for the purpose of visiting friends or relatives, passing through the region to another destination, or for sightseeing. The peak travel season is typically during summer months for this segment and, in contrast to the group/conference segment, most often patronizes hotel properties on weekends as opposed to weekdays.
- ◆ **Business:** The business segment generates room night stays primarily from Monday to Thursday. The typical duration of stay is between one to three days. Business travelers are less rate sensitive and hotel property choices are often influenced by brand loyalty. Travelers place a high emphasis on amenities such as complimentary Wi-Fi, access to business centers, and on-site food and beverage.

Year	Market Supply	Demand	Set Occupancy	Conference	Share	Leisure	Share	Business	Share
2008	208,780	152,963	73%	33%	50,478	27%	41,300	40%	61,185
2009	208,780	148,064	71%	33%	48,861	27%	39,977	40%	59,226
2010	208,780	160,254	77%	33%	52,884	27%	43,269	40%	64,102
2011	208,780	166,316	80%	33%	54,884	27%	44,905	40%	66,526
2012	229,360	177,218	77%	33%	58,482	27%	47,849	40%	70,887
2013	239,440	190,247	79%	33%	62,782	27%	51,367	40%	76,099

Source: STR

EXHIBIT 3.2.10: COMPETITIVE SET SEGMENTATION

B&D estimates the market segmentation for the competitive set is 33% conference/group, 27% leisure, and 40% business. Exhibit 3.2.11 below demonstrates that, while the competitive set benefits from weekend leisure travel (7% and 5% weekend variance), the greatest variance from the aggregate market is during weekdays – when conference/group market segments do the vast majority of their traveling. A comparison of seasonality also reveals that the competitive set is less seasonal, with occupancy dipping as low as only 60% in January from 2011 to 2013 for the set in comparison to 49% for the entire marketplace.

		Su	M	T	W	R	F	Sa
City of San Luis Obispo	2011	53%	58%	64%	67%	72%	73%	78%
	2012	53%	58%	64%	66%	70%	77%	83%
	2013	55%	61%	66%	67%	71%	79%	87%
	Average	53%	59%	64%	67%	71%	76%	83%
Competitive Set	2011	61%	72%	82%	85%	85%	83%	87%
	2012	60%	70%	79%	82%	83%	82%	87%
	2013	62%	73%	82%	82%	84%	83%	89%
	Average	61%	71%	81%	83%	84%	83%	88%
	Variance	7%	12%	17%	16%	13%	7%	5%

Source: STR

EXHIBIT 3.2.11: DAY OF WEEK VARIANCE

A significant amount of new supply is expected to enter the regional market in the next three years, including two entitled niche properties for San Luis Obispo. According to discussions with city officials, a 100-key, flagged property is also expected to enter the market in 2017 in addition to the two entitled properties. Accordingly, B&D makes the assumption this property will be part of competitive set supply, reflecting a 15% supply increase, as shown in Exhibit 3.2.12. Further, assuming introduction of the events center and hotel/conference center in tandem in 2020, each project will introduce an estimated 6,000 and 13,000 annual room nights of net new demand through new ticketed event and conference activity. The future estimated performance of the competitive set is provided below.

Year	Market Supply	Percent Change	Projected Demand	Set Occupancy	Conference	Share	Leisure	Share	Business	Share
2014	239,440	-	194,052	81%	64,037	33%	53,442	28%	79,173	41%
2015	239,440	0%	197,933	83%	65,318	33%	53,442	27%	79,173	40%
2016	239,440	0%	201,892	84%	66,624	33%	54,511	27%	80,757	40%
2017	275,940	15%	214,929	78%	70,957	33%	57,601	27%	86,372	40%
2018	275,940	0%	219,228	79%	72,376	33%	58,753	27%	88,099	40%
2019	275,940	0%	223,613	81%	73,823	33%	59,928	27%	89,861	40%
2020	328,865	19%	257,085	78%	91,300	36%	69,127	27%	96,658	38%
2021	328,865	0%	262,227	80%	93,126	36%	70,509	27%	98,592	38%

Source: STR, B&D

EXHIBIT 3.2.12: ESTIMATED COMPETITIVE SET SEGMENTATION

The introduction of the conference and events center space will shift three percent (3%) of market segmentation from business to the conference and leisure market segments. Anticipated occupancy levels for the set will dip with introduction of a new property in 2017, but continue to grow thereafter with introduction of the new events center complex in 2020.

Subject Property Performance

In accordance with market niche, B&D assumes that a hotel project will be positioned similar to a Hilton Garden Inn and will be marketed to conference/group and business segments. B&D assumes the property will penetrate fair share of demand at 130% for conference/group, 40% for leisure, and 115% for business in the stabilized year of operation. The resultant room night demand based on anticipated demand trends is 36,000 in year one, escalating to 45,000 in year five, assuming no further supply increase. Average daily rate, assuming a 20% ADR/yield premium consistent with desired segmentation, ranges from \$174 to \$210. Property occupancy moves from 68% in year one to 85% in year five.

Year	Property Supply	Demand	Percent Change	Property Occupancy	ADR	Percent Change	RevPAR	Percent Change
2020	52,925	35,833	-	68%	\$174.34	-	\$118.04	-
2021	52,925	39,409	10%	74%	\$186.83	7.16%	\$139.11	18%
2022	52,925	43,114	9%	81%	\$199.82	6.96%	\$162.78	17%
2023	52,925	43,976	2%	83%	\$204.82	2.50%	\$170.19	5%
2024	52,925	44,856	2%	85%	\$209.94	2.50%	\$177.93	5%

EXHIBIT 3.2.13: SUBJECT PROPERTY PERFORMANCE

CONFERENCE CENTER ANALYSIS

The conference center analysis examines conference center characteristics and program of spaces, university meeting space offerings, and demand patterns, and analyzes the off-campus conference space market. For the purpose of this analysis, B&D has conducted all research under the premise that this would be a college/university conference center. As defined by *the International Association of Conference Centers*, a university conference center is most often owned by the institution and caters extensively to college or university guests, executive MBA programs, and, to a lesser extent, the commercial market.

UNIVERSITY CONFERENCE CENTER CHARACTERISTICS

Traditional conference centers contain at least one ballroom, several meeting spaces, and occasionally include dedicated exhibition space. The lack of exhibition space restricts the conference center event mix to meetings, banquets, conferences, and events with small trade shows. Since the event mix attracts both local and non-local patrons, support facilities such as an adjoining hotel and air service are important, but not essential to operation. Furthermore, conference centers can be located in many locales, while convention centers are restricted to larger markets with ample air connectivity and hotel inventory. A chart highlighting the differences between conference centers, convention centers, and arenas is provided below.

	Conference Centers	Convention Centers	Arena
Typical Event Activity	Banquets/Luncheons Meetings Conferences	Meetings Conferences Trade & Consumer Shows Other	Sporting Events Concerts Family Shows Graduations
Patron Type	Local and Regional	Primarily Non-Local	Primarily Local
Facility Spaces	Ballroom Meeting Rooms Boardroom	Exhibit Hall Ballroom Meeting Rooms	Seating Bowl and Floor Hospitality Lounge Premium Seating
Support Facilities/ Infrastructure Needs	Accessibility Adjoining Hotel (optional) Limited Air Service	Accessibility Adjoining Hotel Significant Air Service	Parking Facilities Accessibility
Typical Locations	Universities Corporate Headquarters Remote Locations	Urban Locations in Metro Areas with Population over 500,000	Universities Downtown or Periphery Suburbs

EXHIBIT 3.2.14: FACILITY CHARACTERISTICS

Conference centers feature an array of different spaces to appeal to a wide range of audiences. A brief description of spaces considered as part of this analysis is provided below:

- ◆ **Ballroom:** The ballroom is often the most utilized space in a conference center due to its inherent flexibility. Full-size ballrooms generally range from 10,000 to 20,000 sq. ft. in size and can be divided into several smaller partitions by utilizing movable walls. Ballrooms feature higher-quality finishes, are absent of columns or pillars, and contain carpeted floors and higher quality finishes. Ballrooms can also be adapted to serve as exhibition space utilized for small trade shows.
- ◆ **Meeting Rooms:** Meeting rooms appeal to smaller meetings, conferences, and educational sessions. In comparison to a ballroom, meeting spaces are smaller (800 sq. ft. to 2,000 sq. ft.) and are more intimate. Meeting rooms are often utilized to supplement a boardroom by providing break-out space.
- ◆ **Boardrooms:** Boardrooms are conducive to strategy and brainstorming sessions, presentations, and smaller, focused meetings. Boardrooms generally offer no more than a 25 sq. ft. per person capacity and typically measure under 1,000 sq. ft.
- ◆ **Pre-Function:** Pre-function space is typically configured as open space contiguous to a ballroom. The space can be utilized for a number of functions including networking events and gathering space for patrons entering the ballroom.

The number of hotel keys and associated conference space is directly linked, because as the hotel can accommodate more guests, it can host larger events. The average number of keys at university conference centers is 175 while the vast majority of rooms are in a traditional single or double configuration. According to *Trends in the Conference Center Industry*, the average university conference center has 23 meeting rooms at an average square footage of slightly over 1,300 per space, equating to 30,200 of saleable meeting space. The vast majority of these properties also include fitness clubs and swimming pool areas, among other amenities.

University Conference Center Physical Characteristics	
Average Number of Hotel Keys	175
Percent Single Rooms	34%
Percent Double Rooms	56%
Percent Suites	10%
Number of Dining Room/Lounge Seats	287/59
Average Number of Meeting Rooms	23
Average Meeting Room Sq. Ft.	1,313
Total Meeting Space	30,200

Source: *Trends in the conference Center Industry 2013*

EXHIBIT 3.2.15: UNIVERSITY C.C. CHARACTERISTICS

CAL POLY CONFERENCE SPACE INVENTORY & DEMAND PATTERNS

Inventory

The Cal Poly campus has a very limited amount of dedicated conference space. Harman Hall in the Performing Arts Center is the largest available space on campus, but is most often reserved for ticketed events and is not considered “dedicated” conference space. Furthermore, there is no traditional ballroom on campus, which is typically the crux of any conference center facility. The University does have several rooms in the University Union that are suitable for small meetings with less than 40 occupants.

The lack of dedicated conference space puts Cal Poly meeting planners at a major disadvantage for pursuing both internal and external events. Meeting planners are often required to utilize several different locations on campus, book spaces several months ahead of time when the full extent of the event is not yet known, or turn away internal and external events to the off-campus market. The off-campus market analysis is provided in the following section.

Location	Space	Capacity
PAC	Harman Hall	1,281
Union	Chumash Auditorium (all 3 sections)	996
Union	Chumash - Center	648
Spanos	Spanos Theatre Plaza	500
Spanos	Spanos Theatre (Lobby & Outdoor Seating)	497
PAC	Outdoor Plaza	450
PAC	Pavilion	220
PAC	Phillips Hall	180
Union	Chumash - Left	174
Union	Chumash - Right	174
PAC	Main Lobby, Rossi Grand Lobby	144
PAC	Balcony Lobby	120
Union	Conference Room	90
Alumni	Alumni House - Patio	75
Alumni	Alumni House - Conference Room	48
Union	San Luis Study Lounge	45
Union	Chandler Quiet Study Lounge	45
PAC	Gallery Lobby	40
Union	Conference Room	35
PAC	Founders Room	32
Union	Conference Room	21
Union	Conference Room	18

Source: Cal Poly

**EXHIBIT 3.2.16: UNIVERSITY
CONFERENCE CENTER SPACES**

University Demand Distribution

B&D obtained the Cal Poly Conference and Event Services (“CES”) event list from 2012 and 2013 to understand previous levels of event activity, seasonal demand trends, and to identify room night implications for a hotel property. In 2012, 76 events were coordinated by CES that garnered a total of 8,000 attendees. The most common event type was Cal Poly athletic camps, followed by special events and workshops. Special events include informational sessions, banquets, commencement, and meetings.

2012 Event Type	Frequency	Attendees	Average Attendance per Event	Housed On-Campus	Commuting
Conference	7	929	133	185	744
CP Athletic Camp	35	2,204	63	239	1,965
Special Event	12	2,904	242	2,577	327
Sports Camp	10	1,433	143	443	990
Workshop	9	307	34	162	145
Youth Camp	3	280	93	70	210
Total	76	8,057		3,676	4,381

EXHIBIT 3.2.17: CAL POLY 2012 CES EVENTS

In 2013, CES coordinated an estimated 120 events, attributable to a considerable increase in the number of special events. In contrast to 2012 events, in which 48 of the 77 events were held between June and August, only 50% of 2013 events were held in summer months. This shift in seasonality is consistent with the increase in the number of special events and trade/consumer shows, which are typically staged during non-summer months.

2013 Event Type	Frequency	Attendees	Average Attendance per Event	Housed On-Campus	Commuting
Booth	5	450	90	0	450
Conference	6	1,204	201	0	1,204
CP Athletic Camp	40	2,615	65	245	2,376
Special Event	33	8,173	248	2,316	5,857
Sports Camp	12	1,190	99	299	891
Workshop	19	1,113	59	406	688
Youth Camp	5	462	92	334	128
Average	120	15,207		3,600	11,594

EXHIBIT 3.2.18: CAL POLY 2013 CES EVENTS

B&D also obtained the 2013 catered events list from the Cal Poly Corporation (CPC) to understand university demand patterns and assist with informing an appropriate program of spaces. Analysis of the CPC data revealed the following:

- ◆ In total, the CPC catered over 2,000 events, 90% of which had less than 200 attendees. For groups of less than 20 attendees, boardrooms are often the most appropriate and desired meeting space configuration.
- ◆ Approximately 23% of all events with less than 200 attendees had between 10 and 20 attendees, while nearly over 70% of all catered events had 80 attendees or less. For groups larger than 20 attendees, flexible meeting space is often desired.
- ◆ The Corporation catered 106 events larger than 200 attendees. Forty of the 106 events larger than 200 attendees were for between 300 and 400 attendees, while 16 were for groups larger than 1,000.

The table on the following page, shows that, for different event configurations, there is a unique amount of sq. ft. per person ratio that is required. B&D assigns 42 sq. ft. per person for a boardroom configuration, 25 for a classroom, 18 for crescent rounds, and 15 for a theater configuration. For instance, if the university wishes to host a 120 person educational session, it would require 3,000 sq. ft. under a classroom configuration, while a crescent rounds configuration for the same number of people would require 2,160 sq. ft.

According to the catered events list, 88% of event demand, even in a classroom configuration, would be accommodated by a 3,000 sq. ft. space. Similarly, if events were in a theater configuration, a 1,800 sq. ft. space would accommodate 88% of demand. Working within a conference center envelope of roughly 22,000 sq. ft. of assignable space, the analysis suggests a divisible ballroom of 12,000 sq. ft. (3,500/3,500/2,500/2,500) would be appropriate for the vast majority of Cal Poly uses.

Max Attendees	Percent	Additive	Sq. Ft./Person	Boardroom	Classroom	Crescent Rounds	Theater
			42	25	18	15	
			Sq. Ft. required by Attendees				
20	23.2%	23.2%	840	500	360	300	
30	12.6%	35.8%	1,260	750	540	450	
40	9.1%	44.9%	-	1,000	720	600	
50	7.5%	52.3%	-	1,250	900	750	
60	5.8%	58.2%	-	1,500	1,080	900	
70	4.6%	62.8%	-	1,750	1,260	1,050	
80	6.6%	69.4%	-	2,000	1,440	1,200	
90	3.0%	72.4%	-	2,250	1,620	1,350	
100	7.8%	80.2%	-	2,500	1,800	1,500	
110	1.1%	81.3%	-	2,750	1,980	1,650	
120	6.8%	88.1%	-	3,000	2,160	1,800	
130	1.7%	89.7%	-	3,250	2,340	1,950	
140	1.4%	91.1%	-	3,500	2,520	2,100	
150	2.4%	93.5%	-	3,750	2,700	2,250	
160	2.0%	95.5%	-	4,000	2,880	2,400	
170	0.6%	96.1%	-	4,250	3,060	2,550	
180	0.8%	96.9%	-	4,500	3,240	2,700	
190	0.2%	97.1%	-	4,750	3,420	2,850	
200	2.9%	100.0%	-	5,000	3,600	3,000	

Source: Cal Poly Corporation

EXHIBIT 3.2.19: DEMAND DISTRIBUTION FOR EVENTS WITH LESS THAN 200 ATTENDEES

OFF-CAMPUS MARKET

Market Characteristics

B&D reviewed nine conference facilities in the San Luis Obispo market to understand the mix of spaces that would compete with the potential hotel and conference center component. Characteristics related to available space, capacities, rental rates, proximity, and community sentiment were considered to form a holistic view of the conference market surrounding the University.

Based on interviews with local stakeholders, the Madonna Inn and Embassy Suites were identified as the most robust conference facilities in the market. While the Madonna Inn was preferred by many of those interviewed, it was described as expensive and selective in the type of events it will host. Additionally, the Embassy Suites and other local conference spaces were described as tired and lacking modern aesthetics. A common sentiment among those interviews was that the market lacked a true conference center with modern amenities and aesthetics to serve not only the University but community groups.

Market Inventory

The nine conference facilities surveyed were within a four-mile radius of the University and, on average, just over two miles from campus. The average total space offered among conference spaces in the surrounding market was 5,725 square feet¹. In addition, the off-campus market had an average of four meeting spaces per facility and just over 1,200 square feet² per meeting room.

The largest off-campus conference properties are the Madonna Inn, the Embassy Suites, Veterans Hall, and the Courtyard by Marriot. The Madonna Inn offers the only true exposition center in the market, as well as the largest space on the Central Coast with a 20,000 square foot exhibition hall. The Embassy Suites offers 13 meeting spaces and can support a large number of breakout sessions. The largest flexible spaces available in the off-campus market are considered junior ballrooms (4,000 to 7,000 square feet) and are at the Embassy Suites (5,100 SF), the Madonna Inn (3,800 SF), the San Luis Obispo Veterans Hall (3,650 SF), and the Courtyard by Marriot (2,840 SF). The marketplace has no full-size ballroom, either on-campus or off-campus.

¹ Does not include the 20,000 square foot exhibition center at the Madonna Inn.

² Does not include the 20,000 square foot exhibition center at the Madonna Inn.

Conference Center	Total Space (SF)	Meeting Spaces	SF/Meeting Room	Largest Space	Max Capacity
Madonna Inn	10,100	7	1,443	20,000	2,600
Embassy Suites Hotel	15,708	13	1,208	5,100	600
Courtyard by Marriott San Luis Obispo	9,105	7	1,301	2,820	400
Veterans Hall	6,803	3	2,268	3,650	225
Apple Farm Inn	5,193	5	1,039	2,028	72
BW Plus Royal Oak Hotel	1,750	1	1,750	1,750	120
The Monday Club	1,376	1	1,376	1,376	175
Hampton Inn & Suites	968	2	484	484	50
Café Roma	525	1	525	525	100

Source: Facility websites

EXHIBIT 3.2.20: LARGEST OFF-CAMPUS SPACES

Capacity was seen as the primary factor among conference facility operators when identifying reasons why they were unable to accommodate certain groups. In the market surrounding the University, four conference centers could accommodate groups of over 200 people, while five of the facilities were only able to host groups of 175 or fewer. The average capacity at surrounding properties was 221 people³. However, these capacities begin to decrease when they are rearranged for particular settings (classroom, crescent rounds, and theatre).

Conference Center	Largest Space (SF)	Classroom (Capacity)	Crescent Rounds (Capacity)	Theater (Capacity)	Max Capacity
Embassy Suites Hotel	5,100	204	283	340	600
Madonna Inn	3,800	152	211	253	250
Veterans Hall	3,650	146	203	243	225
Courtyard by Marriott San Luis Obispo	2,840	114	158	189	400

Source: Facility websites

EXHIBIT 3.2.21: MAXIMUM CAPACITY OF OFF-CAMPUS SPACES

Rental Rates

Rental rates for off-campus facilities varied based on the amount of space rented, rental duration, the day of the week, and services included in the package. Assuming eight hours as a daily rental, daily rates ranged from as low as \$250 to \$1,500. The average rate to rent a conference space for a day was just under \$850⁴. The facility rental packages included audio/visual equipment, furniture, kitchen access, catering and beverage services, and parking. While some rates included these services in the price of the package, some facilities attached individual prices for the use of these services and equipment.

³ Does not include the 2,600 person capacity of the exposition center at the Madonna Inn.

⁴ Does not include the rental rate for the exposition center at the Madonna Inn.

INTERVIEWS

To supplement the market analysis, B&D conducted an estimated 35 interviews with over 50 individuals. Interviews were conducted with university personnel, tourism officials, hoteliers, building managers, event promoters, and content providers in 15 to 20 minute increments. Content provider interviews specifically for the event center included representatives from VEE Corp., Feld Entertainment, Cirque Du Soleil, World Wrestling Entertainment, Otter Productions, Flying U Rodeo, and the Professional Bull Riders, among others. Interviews were transcribed to the highest degree of accuracy and are aggregated into general themes.

Event Center

- ◆ One family show producer expressed interest in producing four annual shows, while an additional company indicated interest in staging a series of four showings every “two to three” years. Providers indicated that, while the market is small, its isolation which works to its advantage. The minimum sellable capacity for family shows was set at 3,000 to 3,200.
- ◆ Family show producers commented that they expect to receive half of applicable facility fees and surcharges, while also retaining all of merchandise revenue. Sharing of merchandise revenue with the facility is a “deal breaker”.
- ◆ The popular concert acts for the student population is alternative, electronic dance music and country concerts. However, additional security and life safety precautions must be undertaken to stage the alternative music concerts due to the patron type attracted.
- ◆ A building manager expressed concern about the size of the market, stating that there simply is not sufficient support for a “significant” number of family shows and market-oriented concerts. Concerts should be marketed to and rely on the student population.
- ◆ Those associated with producing rodeos, dirt shows, and agrarian events expressed concern with the load-in, load-out process for an indoor equestrian arena. It was suggested that loading dock access be provided on each end of the arena to efficiently move cattle and livestock in and out of the facility. A staging area for cattle and livestock is also an “absolute necessity”.

- ◆ Producers of rodeos, dirt shows, and agrarian events discussed how dirt shows were not very profitable due to the overhead associated with staging events, particularly with moving the dirt in and out of a facility.
- ◆ A “horseshoe” configuration is desired by event promoters because an end stage configuration maximizes the number of sellable seats and, depending on orientation, suites in a facility.

Hotel/Conference Center

- ◆ There is a major dearth of properties suitable for business and group travel in the City of San Luis Obispo. A potential niche is a four star property along the lines of a Sheraton, or alternatively, an upscale three star property.
- ◆ Hoteliers indicated that, if the university chose to pursue an unaffiliated hotel development, it would hurt room night demand from business travelers who are loyal to a certain brand. One hotelier did express optimism for integrating a hospitality management program within a hotel development.
- ◆ The City of San Luis Obispo has considered development of a non-residential conference center but finding an appropriate site has been a challenge. As a result, there are no near-term plans for a stand-alone venue.
- ◆ Tourism officials and hoteliers opined that the market lacked conference space with modern amenities. The Embassy Suites is the largest space in the market but, at 5,100 sq. ft., it limits what types of events tourism officials can reasonably pursue. The facility is also showing signs of age and does not offer amenities and finishes consistent with what meeting planners and conference organizers expect, according to several interviewees.
- ◆ Two niche properties will enter the City of San Luis Obispo market in the next two years and there are also discussions of an additional 100-key property entering the market in 2017. The property is expected to be affiliated with a Marriott brand.
- ◆ According to interviewees, the hotel market in the city is very strong; development of a 120 room property wouldn’t “kill” the off-campus market though hoteliers would likely be significantly opposed to the idea.

SECTION 4

4.0 – FINANCIAL ANALYSIS

INTRODUCTION

The financial analysis quantifies the revenue streams generated by events center and hotel/conference center projects under a series of assumptions and measures the capacity of revenue streams to meet operating requirements. The intention of this section is to portray likely profit and loss scenarios resulting from operations for both development options. The analysis applies the findings and resultant projections of the previously completed market analysis to estimate annual financial performance of each project.

METHODOLOGY

B&D developed a comprehensive financial model for the events center and hotel/conference center projects that allows for the thorough understanding of all financial implications associated with the facility, including the proposed facility programs, investments, budgets, event schedules, operating income, and debt service calculations. The models enable any and all changes to the project to be quickly analyzed on a specific and project-wide basis while maintaining internal balance of the model.

QUALIFICATIONS

Due to volatility in the industry and circumstances outside B&D's control, projected results may vary significantly from the project's actual performance. Therefore, B&D cannot ensure that the results highlighted in this document will portray the actual performance of either development option. However, to identify the range of risks inherent in the proposed project, the model includes multiple performance scenarios.

ASSUMPTIONS

The building programs and operating assumptions utilized in the models are based, where appropriate, on the market analysis portion of this study, comparisons to similar projects, the use of industry standards, and B&D's industry expertise. For both projects in this analysis, B&D assumes credible, professional management and that each facility will actively and aggressively business in a manner consistent with peer facilities in the marketplace. Furthermore, B&D has developed all hotel/conference center projections under the assumption that the facility will assess fees to both internal and external users. A more detailed description of the specific assumptions is included in the following text for each project.

EVENTS CENTER PROJECT ECONOMICS

EVENTS CENTER PROGRAM

Based upon input from the Client, B&D developed an outline facility program that generally defines the events center project concept. While this is not an architectural exercise, it is useful in defining the general parameters for the building and providing a basis for estimating the preliminary project budget and projecting operating costs. The outline facility program will be refined and adjusted as the project progresses into the design and engineering phases.

The events center's seating program provides for a capacity of approximately 5,500 seats in a basketball configuration. This capacity figure assumes a "bowl" configuration with seats surrounding the floor at all angles. While an ice sheet is not included, the seats include a combination of fixed and retractable seats that will allow for maximum flexibility in the use of the flat floor area – particularly for trade shows if the conference center is proximate to the events center. The premium seating program includes six (6) luxury suites, 300 club seats, 60 courtside seats, and a 300-person hospitality lounge. The program measures 166,000 square feet assuming athletics offices will also be moved into the facility. The full program is attached as Exhibit C.

REVENUE ASSUMPTIONS

Revenues generated by event centers include rental fees collected by the owner of the facility from tenants, event promoters, and other building users. Additional revenue streams include premium seating leases, concessions sales, gate receipts, and advertising. All revenues are subsequently split between the building user or promoter and the owner according to a revenue sharing formula. Beyond direct operating revenues, the building should be able to generate supplementary revenue through the sale of naming rights which is included as an annual revenue stream in this analysis.

The majority of these revenue streams correlate directly with the number of events and the total spectators / users that enter the facility. Although these numbers can fluctuate heavily based on entertainment, sports, and conference market conditions; management of the facility; outsourcing vs. in-house operations, etc., the model remains conservative in estimating the total revenues that the building will achieve. In the end, the building management team will be the greatest determinant of the level of revenues achieved by the facility, based on its success in attracting events and maximizing the number of patrons.

Event Calendar

The event calendar is the basis for which event revenue and associated ancillary revenues are calculated. The event calendar was developed in consideration of previously completed market analyses, interviews, and B&D professional expertise. Exhibit 4.1 below summarizes event totals and associated annual attendance levels for each type of event in the first three years of operation. B&D assumes that 2022, the third year of operation, represents the stabilized year.

Event Calendar	2020	Attendance	2021	Attendance	2022	Attendance
Cal Poly Men's Basketball	14	42,840	14	42,840	14	42,840
Cal Poly Women's Basketball	14	15,120	14	15,120	14	15,120
Comedy	1	2,850	1	2,850	1	2,850
Concerts (small)	5	15,750	5	15,750	6	18,900
Concerts (mid)	1	4,750	1	4,750	2	9,500
Dirt Show	3	5,400	3	5,400	3	5,400
Family Shows	6	8,100	6	8,100	8	10,800
Floor/Trade/Consumer Show	5	12,500	5	12,500	5	12,500
Graduations	2	8,000	2	8,000	2	8,000
Miscellaneous	5	9,500	5	9,500	5	9,500
Rodeo	4	17,100	4	17,100	4	17,100
Sports Exhibitions/Tournament Sessions	6	13,500	6	13,500	6	13,500
Wrestling/MMA/Boxing	2	8,100	2	8,100	2	8,100
Total	68	163,510	68	163,510	72	174,110

EXHIBIT 4.1: EVENT AND ATTENDANCE ASSUMPTIONS

Rental Income

Rental income is collected from events center event promoters or producers on a per event basis. For the purposes of this analysis, specific rental rates were applied to each event type, including Cal Poly athletic events. Event rents range from a high of \$10,000 for a mid-size concert to \$2,500 for Cal Poly Women's Basketball competitions. The rental rate structure was developed in consideration of market analysis findings and interviews with promoters, producers, and Cal Poly athletic administrators. B&D projects facility rental revenue of \$368,000 in year one of operation.

Gate Receipts

Gate receipts are also collected by buildings should a contract arrangement stipulate that a promoter pay the building either a flat rental rate or a percentage of ticket sales (capped at an amount specified in the contract), whichever is greater. For instance, should a building assess a

\$5,000 flat rental rate payment vs. 8% of gross ticket sales and gross receipts were \$40,000, the building would receive a \$5,000 rent payment. Conversely, if the gross receipts were \$100,000 the building would receive eight percent of that amount, or \$8,000. For the purpose of this analysis, B&D assumes Cal Poly will assume no active interest in promotion of events and, consequently, the building receives no share of ticket sales.

Concessions Income

Concessions income continues to increase for events centers around the nation, partially due to larger concourses, more points of sale, and more elaborate offerings. B&D assumes that the operation of food and beverage concessions will be handled internally by the Cal Poly Corporation, the exclusive on-campus food and beverage provider. Though internal operation of concessions generates lower per capita spending ratios than a third party operator, higher profit margins on a per dollar basis can be realized if purchasing is managed appropriately.

Concession sales are calculated for each event type with a unique per capita spending assumption. Per capita spending assumptions range from \$2.00 to \$10.00. Mid-size concerts and performances have the highest per capita price points, while high school and collegiate tournaments rank among the lowest. Of gross concession sales, 65% is assumed to be dedicated labor, product cost, overhead, and profit margin for the Corporation.

The financial model assumes that 100% of net concession revenue generated by ticketed and non-ticketed events will flow to the events center's bottom line. The only exception is small- and mid-size concerts, of which 80% of net concession revenue will flow to the building. B&D projects \$353,000 in net concession revenue in 2020.

Catering Income

Catering income is realized from purchases of food and beverage in premium seating areas. Offerings may include appetizers, a carving board station, and/or other specialty items. Due to the specialized nature of the product, per capita spending ratios are significantly higher for catering and normally range from \$10.00 to \$25.00 for collegiate athletic events. Though per capita spending ratios are significantly higher, the margin on items sold is comparatively lower due to the extra preparation and increased costs of goods associated with more elaborate offerings. B&D projects \$32,000 in catering revenue in 2020, the first year of operation.

Merchandise Income

Merchandise sales typically provide only a modest portion of a facility's overall revenue. Many building operators relegate responsibility of novelty sales to the event as an opportunity to sell their own licensed merchandise. B&D assumes that Cal Poly athletics will sell their own licensed merchandise during athletics events and will collect 100% of net revenue.

Similar to concession sales, merchandise sales are calculated for each event type with a unique per capita spending assumption. Per capita spending assumptions range from \$1.00 to \$8.00. Mid-size concerts and performances have the highest per capita price points, while family shows are second at \$5.00. However, a typical family show provides its own merchandise and does not share any proceeds. Based on these assumptions, B&D projects a mere \$5,000 in net merchandise revenue in year one.

Parking Income

Parking income is dependent on the number of spaces provided, controlled, and, for collegiate facilities specifically, the location of the facility in relation to the student body. As presently envisioned and per client input, the events center will not collect any share of parking revenue.

Advertising Income

The development of a new events center presents new and expanded opportunities for advertising. Three factors will play key roles in the ability of the events center to be marketed for new advertising partners: the quality of entertainment content, the strength of the San Luis Obispo business community, and the capabilities of marketing personnel. Based on the market analysis and B&D's review of previously prepared documents provided by Cal Poly, the events center is projected to generate \$300,000 in advertising revenue with 30% retained by the athletic department. Accordingly, net revenue in year 2020 totals \$214,000.

Naming Rights

Naming rights are relied upon to provide either capital for construction or serve as an annual revenue source for collegiate areas. Naming rights are either secured as a one-time lead gift, usually from an individual donor, or as an annual payment from a corporate partner. B&D completed a benchmarking exercise of recent naming rights agreements for collegiate events centers. For term naming rights agreements, aggregate value ranged from \$4.75 million to \$3.3 million, with a term between seven (7) and twenty (20) years. Based on these benchmark, B&D assumes naming rights annual value will total \$230,000, net of eight percent (8%) fulfillment cost.

Arena	Institutions	Naming Partner	Value	Term	[1] Annualized Proceeds	Year
Stroh Center	Bowling Green St.	Kermit Stroh	\$8,700,000	Gift	-	2008
SECU Arena	Towson	SECU	\$4,750,000	10	\$475,000	2013
Ford Center	Evansville	Tri-state Ford dealers	\$4,200,000	10	\$420,000	2011
TD Arena	College of Charleston	TD Bank	\$4,200,000	7	\$600,000	2011
CFE Arena	Central Florida	CFE Federal Credit Union	\$3,950,000	7	\$564,286	2013
HTC Center	Coastal Carolina	Horry Telephone	\$3,610,000	20	\$180,500	2012
CFSB Center	Murray St.	Comm. Fin.Services Bank	\$3,300,000	10	\$330,000	2010
		Min	\$3,300,000	7	\$180,500	
		Average	\$4,001,667	11	\$428,298	
		Max	\$4,750,000	20	\$600,000	

EXHIBIT 4.2: COMPARABLE NAMING RIGHTS AGREEMENTS

Premium Seating

Based on the findings of the market analysis, B&D developed a premium seating program that includes six luxury suites (four revenue generating suites), 300 club seats, 60 courtside seats, and a hospitality lounge that measures 3,000 sq. ft. Assuming 16 seats per suite, 414 premium seats represents 7.5% of the recommended building capacity of 5,500. In B&D’s experience, premium seating for smaller events centers represents to 10 to 12 percent of capacity; the smaller percentage assigned is reflective of B&D’s understanding of corporate market strength and the presence of eight (8) suites at Spanos Stadium.

Revenue projections from premium seating is derived from the quantity and lease rate for the offerings, minus the value of tickets for university competitions, which is returned to the athletic department. Any revenue greater than the value of tickets is assumed to be retained by the building. Assumptions for the premium seating program is provided below, which depicts annual lease rates (inclusive of ticket costs), spending assumptions, and occupancy percentages. Net revenue for 2020 based on these assumptions totals \$325,000.

Luxury Suites		Club Seats		Courtside	
Revenue Generating	4	Revenue Generating	300	Revenue Generating	60
Seat Inventory	64	Annual Rate (Yrs.)	\$1,300	Annual Rate (Yrs.)	\$2,500
Annual Rate (Yrs.)	\$17,500	Fulfillment Costs / Expenses	20%	Fulfillment Costs / Expenses	20%
Fulfillment Costs / Expenses	15%	Per Cap	\$12.00	Per Cap	\$15.00
Luxury Suite Per Cap	\$20.00				

EXHIBIT 4.3: PREMIUM SEATING ASSUMPTIONS

Ticketing

A ticketing agency is likely to sell most of the tickets to non-athletic events. For every ticket purchased, a convenience charge between \$3.00 and \$10.00 is charged to the purchaser. In most cases a portion of the convenience charge is returned as a rebate to the building. For the purposes of this study, assumptions were made regarding the percent of tickets purchased through the agency and the convenience charge by event type. Of the total convenience charge collection, 30% is assumed to be returned to the facility. Ticketing revenue attributable to convenience charges totals \$71,000 in the first year of operations.

Facility Fee

Facility fees are often times collected to provide funding for a capital reserve account. For the purpose of this analysis, B&D assumes there will be a \$2.00 facility fee on all tickets except for Cal Poly athletic events and family shows, which command 50% of all applicable facility fee and/or ticket surcharge revenue in a standard agreement. Based on these assumptions, revenue is \$192,000 for the first year of operation.

EXPENSE ASSUMPTIONS

Personnel Costs

Personnel costs include the salaries and benefits for permanent facility staff. B&D assumes nine full-time equivalent positions will be devoted to operation of the event center, creating a salaries and benefits obligation of nearly \$800,000 in the first year of operation. All part-time labor is assumed to be “passed back” to the promoter, who bears the cost of staffing for all stagehands, riggers, security, and additional “back of house” staff for events at the facility. As a result, there is no impact on the facility’s bottom line for part-time labor. Salaries and benefits represent 45% of all costs attributable to operation of the facility.

Non-Personnel Costs

Approximately 55% of the operating costs are non-personnel related expenses including utilities, general and admin, insurance, repairs and maintenance. Collectively, non-personnel costs account for over \$1 million in the first year of operation. The largest expense category is general and administrative, generating an anticipated \$400,000 in additional costs for facility advertising, contracted services, and supplies for the facility. A detailed break-out of all non-personnel costs attributable to operation are provided in the pro forma below.

Management Fee

Professional management contracts take on several forms and scope of services. Some contracts are fixed-fees, while other agreements incentivize the operator on the basis of financial performance, total attendance, act mix, or some other performance criterion. The advantage of contracting with management firms is economies of scale with regard to purchasing, operational expertise, and “booking power” assimilated through operation of facilities nationwide. Conversely, some of the negatives associated with professional management include less control over the event calendar for university programs and, depending on agreement, expensive management fees.

For the purpose of this analysis, B&D assumes the facility would be privately managed for a fee of \$186,000 in year one, adjusted each year thereafter for inflation. While the university could conceivably self-operate the events center, B&D recommends retaining a professional operator to maximize return from a modestly-sized market and leverage any existing relationships with regional promoters and content providers.

Capital Improvement Fund

While the events center pro forma does not include interest, taxes, and depreciation in the net operating income, it does include an annual capital improvement fund as a “below the line” expense. The annual capital improvement requirement is estimated by B&D at \$200,000, annually. This figure is subject to further refinement based on the physical assets included in the event center, including items such as an overhead scoreboard, portable floor, and the type and quality of concession equipment.

EVENTS CENTER PRO FORMA

The pro forma shown below is for the first five years of operation of the moderate scenario. The calculations rely upon 68 events in the first year of operation and 72 events in the third year. Attendance levels for each year measure 164,000 and 174,000, respectively. Net operating income before interest, taxes, depreciation, and amortization averages a loss of \$114,000 annually in the moderate scenario. This figure is before capital improvement expenditures, assumed herein at \$200,000 annually. The pro forma for the conservative and aggressive scenarios are attached to this document as Exhibit C.

Revenues	2020	2021	2022	2023	2024
Facility Rental	\$368,000	\$377,000	\$420,000	\$431,000	\$442,000
Gate Receipts, Net	\$0	\$0	\$0	\$0	\$0
Concessions, Net	\$353,000	\$362,000	\$401,000	\$411,000	\$421,000
Catering, Net	\$32,000	\$32,000	\$33,000	\$34,000	\$35,000
Merchandise, Net	\$5,000	\$5,000	\$7,000	\$8,000	\$8,000
Parking, Net	\$0	\$0	\$0	\$0	\$0
Advertising, Net	\$214,000	\$220,000	\$225,000	\$231,000	\$237,000
Naming Rights, Net	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000
Premium Seating, Net	\$325,000	\$325,000	\$329,000	\$329,000	\$329,000
Ticketing	\$71,000	\$73,000	\$99,000	\$101,000	\$104,000
Facility Fees	\$192,000	\$192,000	\$212,000	\$212,000	\$212,000
Revenue Sub-Total	\$1,790,000	\$1,816,000	\$1,956,000	\$1,987,000	\$2,018,000
Expenses	2020	2021	2022	2023	2024
Salaries & Benefits	\$799,000	\$819,000	\$839,000	\$860,000	\$882,000
Utilities	\$348,000	\$357,000	\$366,000	\$375,000	\$384,000
General & Admin	\$406,000	\$416,000	\$426,000	\$437,000	\$448,000
Insurance	\$71,000	\$73,000	\$80,000	\$82,000	\$84,000
Repairs & Maintenance	\$116,000	\$119,000	\$122,000	\$125,000	\$128,000
Management Fee	\$186,000	\$190,000	\$195,000	\$200,000	\$205,000
Expense Sub-Total	\$1,926,000	\$1,974,000	\$2,028,000	\$2,079,000	\$2,131,000
NOI (EBITDA)	-\$136,000	-\$158,000	-\$72,000	-\$92,000	-\$113,000
Less: Capital Improvements	-\$200,000	-\$200,000	-\$200,000	-\$200,000	-\$200,000
NOI After Expenditures	-\$336,000	-\$358,000	-\$272,000	-\$292,000	-\$313,000

All revenue streams are subject to negotiation with the appropriate parties. B&D has made "fair market" assumptions with regard to revenue sharing, but offers that, depending on the ultimate agreement, revenue categories may differ substantially based on the agreed upon terms.

EXHIBIT 4.4: EVENT CENTER PRO FORMA (2020 TO 2024)

Sensitivity Analysis

B&D conducted a sensitivity analysis to project a range of possible financial outcomes. The conservative model assumes 56 ticketed events, the moderate level 68 ticketed events, and the aggressive model 76 ticketed events. The aggressive scenario generates a modest operational profit in year one prior to capital improvement expenditures. The variations to the event totals generate significant variances in concessions, ticketing, and facility fees. Note no variations have been made to fixed revenue categories such as naming rights, premium seating, and advertising.

	Conservative	Moderate	Aggressive
Events	56	68	76
Turnstile Attendance	132,510	163,510	184,510
Revenue	2020	2020	2020
Facility Rental	\$304,000	\$368,000	\$423,000
Gate Receipts, Net	\$0	\$0	\$0
Concessions, Net	\$294,000	\$353,000	\$405,000
Catering, Net	\$32,000	\$32,000	\$32,000
Merchandise, Net	\$4,000	\$5,000	\$6,000
Parking, Net	\$0	\$0	\$0
Advertising, Net	\$214,000	\$214,000	\$214,000
Naming Rights, Net	\$230,000	\$230,000	\$230,000
Premium Seating, Net	\$325,000	\$325,000	\$327,000
Ticketing	\$56,000	\$71,000	\$98,000
Facility Fees	\$150,000	\$192,000	\$230,000
Revenue Sub-Total	\$1,609,000	\$1,790,000	\$1,965,000
Expenses	2020	2020	2020
Personnel	\$799,000	\$799,000	\$799,000
Non-Personnel	\$1,113,000	\$1,127,000	\$1,137,000
Expense Sub-Total	\$1,912,000	\$1,926,000	\$1,936,000
NOI (EBITDA)	-\$303,000	-\$136,000	\$29,000
Less: Capital Improvements	-\$200,000	-\$200,000	-\$200,000
NOI After Expenditures	-\$503,000	-\$336,000	-\$171,000

EXHIBIT 4.5: SENSITIVITY TABLE (2020)

EVENTS CENTER CAPITAL BUDGET

A capital budget was developed for the events center arena assuming the 166,000 gross square feet program outlined above. B&D utilized the CSU Capital Outlay Form 2-7 to generate the budget based on a design-build schedule with completion in July 2020. B&D assumed a construction cost of \$360 per square foot in 2014 dollars resulting in a hard cost of \$60 million. Significant site improvements, infrastructure development, and other civil improvements are excluded and may increase costs. Including inflation, contingencies, FF&E, and other soft costs identified within the Form 2-7, the projected budget is approximately \$107.4 million in 2020.

HOTEL/CONFERENCE CENTER PROJECT ECONOMICS

HOTEL/CONFERENCE CENTER PROGRAM

The integrated hotel/conference center program measures 143,000 sq. ft. in total. The program includes 145 keys measuring an average of 340 sq. ft. per hotel room key. The conference center includes 13 spaces along with a servery/warming kitchen and pre-function space. Conference spaces average 1,500 sq. ft. per room and measure over 22,000 sq. ft. in total. An additional 27,000 sq. ft. will be dedicated to an alumni center, museum, food service, and back-of-the-house operations. Assuming a 65% efficiency factor, the remaining 44,000 sq. ft. in the hotel/conference center is non-assignable. The full program is attached as Exhibit D.

B&D recommends the hotel property be positioned similar to a Hampton Inn & Suites, Courtyard by Marriott, Hilton Garden Inn, or Wyndham. Affiliation is, in this instance, important due to the potential focus on the business market segment. Travelers in this market segment are heavily influenced by brand loyalty, whereas the leisure market segment places an emphasis on perceived value. The adjoining programs are detailed below based on a typical full-service national flag hotel and B&D's understanding of the University's specific needs:

- ◆ **Food and Service Facilities:** The hotel component should offer a full-service restaurant to complement its residential facilities and should reflect the upscale nature of the hotel. The restaurant space will feature an 800 sq. ft. dining area and a 1,200 sq. ft. kitchen and serving area to support the restaurants' functions.
- ◆ **Meeting and Banquet Space:** The conference space will include a ballroom (1), large meeting rooms (2), medium meeting rooms (2), small meeting rooms (8), a servery (1), and pre-function area (1). To accommodate functions with over 600 people in a theatre configuration, the ballroom should measure no less than 12,000 sq. ft. and have the ability to be broken up into smaller rooms.

- ◆ **Back-of-the-House:** The hotel/conference center will have back-of-the-house space that includes administrative offices, storage, reception areas, and small conference spaces to serve the needs of the residential and non-residential components.
- ◆ **Alumni Center and Museum:** B&D assumes that an alumni center and museum will be included as part of this facility. To accommodate for these areas, 1,700 sq. ft. will be allotted to a “Hall of Fame” lobby and alumni office suite. As well, a 12,000 sq. ft. gallery will accommodate the museum with an additional 6,400 sq. ft. worth of space to support the museum’s needs.

HOTEL/CONFERENCE CENTER FINANCIAL ANALYSIS

The financial performance of an integrated hotel/conference center relies upon the supply and demand analyses completed in the market analysis. While a demand analysis was completed to estimate ADR and occupancy, B&D relies heavily on the use of industry standards, hotelier input, and the hospitality industry publication, *Trends in the Conference Center Industry 2013*, to project ancillary revenues such as food and beverage.

All capital cost and financial projections contained herein assumes an integrated hotel/conference center; this is a critical distinction as an integrated facility offers economies of scale with capital cost, staffing, purchasing, and operational expenditures. Should Cal Poly elect to pursue a stand-alone conference center, financial performance for both facilities will differ significantly. Furthermore, B&D assumes the event center will be developed in tandem with the hotel/conference center to drive leisure segment room nights and utilize the competition floor for conferences with trade shows.

REVENUE & EXPENSE ASSUMPTIONS

The development of room night demand projections provides the basis to calculate ancillary revenues such as food & beverage, conference services, and other revenue on the basis of occupied rooms. In contrast to arenas, which experience a comparatively modest stabilization process, hotels require at least three years of operation to build repeat business, appropriately focus marketing efforts, and maximize efficiencies. A brief description of categories follows:

- ◆ **Rooms:** The room revenue is developed on the basis of the ADR and occupancy percentages calculated in the market analysis.
- ◆ **Food & Beverage:** Food and beverage stems from on-site purchases of food & beverage, including operation of the restaurant, room service, and conference

catering. All food and beverage revenue calculations are on the basis of anticipated room nights occupied.

- ◆ **Conference Services:** Conference service revenue is attributable to operation of the integrated conference center and includes rental of space, audio/visual equipment, and charges for event coordination by facility staff.
- ◆ **Other Department Income:** Other operating income includes items such as in-room movie rentals, purchases in the gift shop, dry cleaning services, and other income such as cancelled room night charges that are not specifically attributable to one of the three categories discussed above.

EXPENSE ASSUMPTIONS

Operating expenses are directly correlated to aggregate revenues. For each departmental category, which includes rooms, food & beverage, conference services, and other departments, expenses are calculated as a function of the corresponding individual revenue stream. There are also undistributed operating expenses, such as general and administrative and utilities, that are measured as a function of aggregate facility revenues. For expense assumptions, B&D relies upon the IACC document discussed earlier in the text. Brief descriptions of each expense category are provided below.

- ◆ **Rooms Expense:** Room expenses are primarily attributable to the labor and materials required to service hotel rooms.
- ◆ **Food & Beverage Expense:** Food and beverage expenses are required for the labor, purchase of materials, and operation of the on-site restaurant. B&D makes no assumption with regard to potential revenue sharing with the Corporation and assumes a stand-alone food and beverage operation.
- ◆ **Conference Service Expense:** Conference service expenses are required to operate and maintain the on-site conferencing space.
- ◆ **Other Department Expenses:** Other department expenses are attributable to maintenance and operation of the other department revenue drivers. Expenses as a function of revenue devoted to this category average between 40 and 60% of revenue generated and are dependent on the ultimate composition of the hotel and its final program of space and amenities offered.

While each expense category above is correlated to a specific department, the expenses below are considered “undistributed operating expenses” and are a corollary of aggregate facility revenues.

- ◆ **General and Administrative:** General and administrative expenses include administrative staff salaries and benefits, office supplies, and contracted services, among others. B&D assumes the facility will be staffed and operated in a manner consistent with other similarly positioned hotels around the country.
- ◆ **Marketing:** Marketing expenses are devoted to promoting and advertising the property in the regional marketplace. B&D assumes all promoting will be handled internally, without assistance from the university.
- ◆ **Property Operations & Maintenance:** Property operations and maintenance are costs devoted to day-to-day upkeep of the facility and maintenance of its mechanical, electrical, and plumbing systems. Salaries and benefits for employees devoted to operations and maintenance are also included.
- ◆ **Utilities:** Utilities are devoted to water, sewer, gas, and electric payments, all of which are required to heat and cool the conditioned space.
- ◆ **Management Fee:** Management fees are payments to a management group which oversees operation of the property. Contracts often include a base management fee in addition to built-in incentives. Similar to the other undistributed expenses, management fee calculations are developed as a function of gross revenues.
- ◆ **Insurance:** Insurance premiums are calculated on the basis of total property revenues. Insurance is required to protect the property from damage by fire, wind, and earthquakes.
- ◆ **Replacement Reserve:** Replacement reserve is set aside for major replacement of facility furniture, fixtures, and equipment. Though replacement reserves can be structured as flat annual payments or a percent of net operating income, B&D assumes replacement reserves contributions as a function of total revenue.

HOTEL/CONFERENCE CENTER PRO FORMA

The hotel conference/center pro forma relies upon market penetration assumptions set forth in the market analysis, estimates with regard to potential yield penetration in relation to the competitive set, and occupancy levels. B&D assumes the property will penetrate the fair share

of market demand at 110% in the first year of operation, escalating to 130% in the third year for the conference/group segment. Assumptions for the leisure and business categories are provided below as well.

Further, due to the desired market segment, B&D assumes a 10% yield/ADR premium over the comparable market set in year one, escalating to 20% in year three. B&D believes these ADRs are realistic in relation to the quality of offerings seen in the competitive set, expected quality of the property, and the “value” associated with being proximate to campus for events or on-site for the purpose of events in conferencing space.

The hotel/conference center pro forma for the first three years of operation, 2020 to 2022, is shown below. The first column in each year shows gross revenue and expenses for each category. The second column, denoted by the percentage symbol heading, shows the extent to which that category makes up or, in the case of expenses, correlates to total revenue. The third and final column for each year is Revenue per Occupied Room, upon which ancillary revenues are based.

The net operating income in the pro forma is derived by deducting expenses from total facility revenues. Departmental profit is calculated as total revenues minus departmental expenses. Departmental profit is further reduced by undistributed operating expenses, management fees, and fixed expenses. The resulting amount is, in theory, available for debt service assuming the facility is exempt from property taxes.

Market Penetration	2020	2021	2022
Conference	110%	120%	130%
Leisure	30%	35%	40%
Business	105%	110%	115%
ADR/Yield	2020	2021	2022
	\$158.50	\$162.46	\$166.52
Growth		2.50%	2.50%
Yield Penetration	110%	115%	120%
ADR	\$174.34	\$186.83	\$199.82
Occupancy	2020	2021	2022
Percentage	68%	74%	81%

EXHIBIT 4.6: HOTEL MARKET PENETRATION, YIELD, AND OCCUPANCY ASSUMPTIONS

	Occupancy: 68%			Occupancy: 74%			Occupancy: 81%		
	Revenue	%	RevPOR	Revenue	%	RevPOR	Revenue	%	RevPOR
	2020			2021			2022		
Revenues									
Rooms	\$ 6,250,000	56%	\$ 174	\$ 7,360,000	57%	\$ 187	\$ 8,620,000	58%	\$ 200
Food & Beverage	\$ 3,324,000	30%	\$ 93	\$ 3,748,000	29%	\$ 95	\$ 4,202,000	28%	\$ 97
Conference Services	\$ 1,247,000	11%	\$ 35	\$ 1,405,000	11%	\$ 36	\$ 1,576,000	11%	\$ 37
Other Departments	\$ 291,000	3%	\$ 8	\$ 328,000	3%	\$ 8	\$ 368,000	2%	\$ 9
Sub-Total	\$ 11,112,000	100%	\$ 310	\$ 12,841,000	100%	\$ 326	\$ 14,766,000	100%	\$ 342
Departmental Expenses									
Rooms	\$ 1,562,500	14%	\$ 44	\$ 1,766,400	14%	\$ 45	\$ 1,982,600	13%	\$ 46
Food & Beverage	\$ 2,160,600	19%	\$ 60	\$ 2,342,500	18%	\$ 59	\$ 2,521,200	17%	\$ 58
Conference Services	\$ 685,850	6%	\$ 19	\$ 737,625	6%	\$ 19	\$ 788,000	5%	\$ 18
Other Departments	\$ 160,050	1%	\$ 4	\$ 172,200	1%	\$ 4	\$ 184,000	1%	\$ 4
Sub-Total	\$ 4,569,000	41%	\$ 128	\$ 5,019,000	39%	\$ 127	\$ 5,476,000	37%	\$ 127
Department Profit	\$ 6,543,000	59%	\$ 183	\$ 7,822,000	61%	\$ 198	\$ 9,290,000	63%	\$ 215
Undistributed Expenses									
G&A	\$ 1,333,440	12%	\$ 37	\$ 1,366,776	11%	\$ 35	\$ 1,400,945	9%	\$ 32
Marketing	\$ 944,520	9%	\$ 26	\$ 968,133	8%	\$ 25	\$ 992,336	7%	\$ 23
Operations & Maintenance	\$ 722,280	7%	\$ 20	\$ 740,337	6%	\$ 19	\$ 758,845	5%	\$ 18
Utilities	\$ 666,720	6%	\$ 19	\$ 683,388	5%	\$ 17	\$ 700,473	5%	\$ 16
Sub-Total	\$ 3,667,000	33%	\$ 102	\$ 3,759,000	29%	\$ 95	\$ 3,853,000	26%	\$ 89
NOI Before Expenditures	\$ 2,876,000	26%	\$ 80	\$ 4,063,000	32%	\$ 103	\$ 5,437,000	37%	\$ 126
Management Fee	\$ 333,360	3%	\$ 9	\$ 385,230	3%	\$ 10	\$ 442,980	3%	\$ 10
Fixed Expenses									
Insurance	\$ 222,240	2%	\$ 5	\$ 256,820	2%	\$ 7	\$ 295,320	2%	\$ 7
Replacement Reserve	\$ 277,800	3%	\$ 6	\$ 321,025	3%	\$ 8	\$ 369,150	3%	\$ 9
Sub-Total	\$ 500,000	5%	\$ 12	\$ 577,845	5%	\$ 15	\$ 664,470	5%	\$ 15
NOI After Expenditures	\$ 2,042,640	18%	\$ 299	\$ 3,099,925	24%	\$ 311	\$ 4,329,550	29%	\$ 327

EXHIBIT 4.7: HOTEL PRO FORMA - REVENUE AND REVPOR (2020 TO 2022)

Net operating income in year one totals \$2 million, escalating to slightly over \$4.3 million in 2022, the third and stabilized year of operation. The improvement in financial performance is attributable to an increase in the property's occupancy percentage from 68% in year one to 81% in year three. Operating margin, which provides a broad measurement of overall profitability for a facility, improves from 18% to 29% over the same time frame.

HOTEL/CONFERENCE CENTER CAPITAL BUDGET

A capital budget was developed for the hotel/conference center assuming the 143,000 gross square feet program outlined above. B&D utilized the CSU Capital Outlay Form 2-7 to generate the budget based on a design build schedule with completion in July 2020. B&D assumed a construction cost of \$185 per square foot in 2014 dollars resulting in a hard cost of \$26.5 million. Significant site improvements, infrastructure development, and other civil improvements are excluded and may increase costs. Including inflation, contingencies, FF&E, and other soft costs identified within the Form 2-7, the projected budget is approximately \$48 million in 2020.

SECTION 5

5.0 – ECONOMIC IMPACT ANALYSIS

INTRODUCTION

This impact analysis is designed to evaluate and quantify the economic benefits generated by the construction and operation of the proposed event center and hotel/conference center on the campus of Cal Poly. The economic impact projections contained herein were developed on the basis of detailed financial analyses and budget estimates described in Section 4 of this report.

OBJECTIVES

The objective of the economic impact analysis is to quantify the total effect the new spending generated through the construction and annual operations of the event center and hotel/conference center projects will have on the County of San Luis Obispo (“County”) economy. Effects are generally measured in terms of economic activity (or “output”), employment (or “jobs”), and earnings (or “wages”), which are further divided into direct, indirect, and induced impacts.

Direct impacts represent the economic activity created by the expenditure of dollars on construction and operations. The indirect impacts represent the value of additional economic demands that the project places on supplying industries in the region for goods and services. Induced impacts result from local spending of wages and salaries for both the directly affected industry and employees of indirect industries. The sum of the direct, indirect, and induced impacts includes all transactions attributable to each project and, as such, represents the total economic impact of the projects on the County.

Using the impact categories described above, the study will quantify the potential impacts of the construction and operation of the event center and hotel/conference center projects as follows:

- ◆ **One-Time Economic Impacts:** Projections of construction spending on employment, earnings and industrial output, including the spin-off economic activity created by the new construction expenditures.
- ◆ **Recurring Economic Impacts:** Projections of recurring impacts during operation of the project, including visitor and local spending, job creation, and earnings.

METHODOLOGY

This analysis relies on the IMPLAN (Impact Analysis for Planning) input-output economic software model. The software, which utilizes input-output multipliers, allows users to econometrically model the direct, indirect, and induced quantitative impacts of capital projects. This approach allows for the analysis of the relationships between industries and households within San Luis Obispo County. All spending associated with the projects will create a demand for goods and services in the market and multipliers provide the basis for estimating what portion of the demand is satisfied locally.

All money spent to construct and operate the facilities and money spent by building patrons is a direct impact. Direct impacts are discounted to account for leakage to jurisdictions outside of the County. For example, a concert at the event center may be catered by a local catering company. The fee paid to the catering service is a direct impact, as are any catering jobs and earnings generated by the new demand for catering services. Some catering may be provided by out-of-market companies and some supported jobs may be filled by out-of-market residents. Consequently, the direct impacts are discounted to account for the leakage.

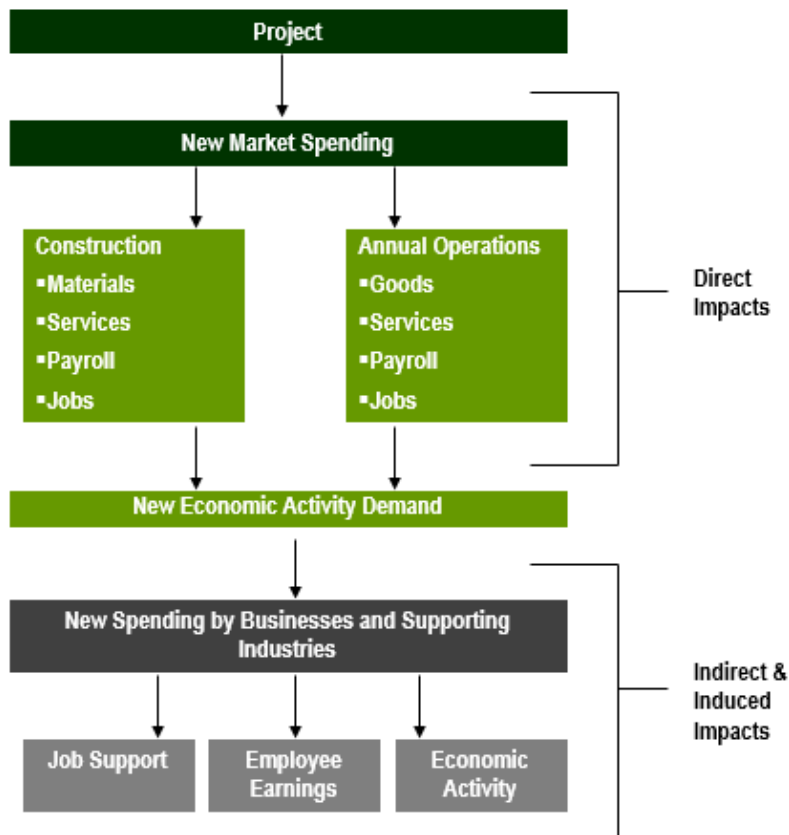


EXHIBIT 5.1: ECONOMIC IMPACT FLOW CHART

Benefits extend beyond the direct impacts and include both the indirect and induced economic impact. For example, the food distributor may need beef from farmers to produce and package the food. This spending creates business for farmers, which, in turn, creates new employment opportunities and additional earnings for the farmers. Further, as results of new earnings, induced economic impacts, which measure new spending patterns generated as a result of new economic activity in a market, are also quantified.

As previously mentioned, San Luis Obispo County is the geographic region and economy analyzed in this report. As the region and economy under analysis expands, the ability of the region to accommodate additional demands for goods and services becomes greater. As a result, multipliers utilized to calculate indirect impacts become larger as the economy becomes more capable of providing goods and services to support the initial change in the economy. This distinction also influences assumptions in relation to percent of earnings and employment retained by the County.

ONE-TIME ECONOMIC IMPACTS

Event Center

During the construction period, the event center will have an immediate, one-time impact on the County. The direct and indirect benefits were calculated based on a construction budget of \$107,400,000, inclusive of hard cost, soft cost, and construction payroll. B&D assumes that, of the \$107,400,000 development budget, roughly \$64.4 million (60%) will be spent on materials and nearly \$43 million (40%) will be spent on labor. Based on the County’s economic profile and client input, B&D assumes that 25% of materials and 50% of labor will be procured in the County.

Event Center Budget		\$107,400,000
Materials	60%	\$64,440,000
Labor	40%	\$42,960,000
Spending Retained		
Materials	25%	\$16,110,000
Labor	50%	\$21,480,000
New Spending		\$37,590,000

EXHIBIT 5.2: EVENT CENTER DIRECT SPENDING

Based on assumptions detailed above, the construction period for the event center will support 396 full-time equivalent jobs, over \$21.7 million in associated earnings, and over \$90 million in economic activity in the County. Exhibit 5.3 summarizes the one-time economic impact of the construction of event center.

Impact	Employment	Earnings	Output
Direct Impact	227	\$14,437,000	\$53,451,000
Indirect Impact	90	\$4,118,000	\$20,408,000
Induced Impact	79	\$3,168,000	\$16,925,227
Total Impacts	396	\$21,723,000	\$90,784,000

EXHIBIT 5.3: ONE-TIME ECONOMIC IMPACT

Hotel/Conference Center

Like the event center, the hotel/conference center will have an immediate, one-time impact on the County during construction. The direct and indirect benefits were calculated based on a total budget of \$48 million, inclusive of hard cost, soft cost, and construction payroll. B&D assumes that, of the \$48 million development budget, \$28.8 million (60%) will be spent on materials and \$19.2 million (40%) will be spent on labor. Consistent with the event center, B&D assumes that 25% of materials and 50% of labor will be procured in the County.

Hotel/Conference Center Budget		\$48,000,000
Materials	60%	\$28,800,000
Labor	40%	\$19,200,000
Spending Retained		
Materials	25%	\$7,200,000
Labor	50%	\$9,600,000
New Spending		\$16,800,000

EXHIBIT 5.4: HOTEL/CONFERENCE CENTER DIRECT SPENDING

Based on assumptions detailed above, the construction period for the project will support 177 FTE jobs, over \$9.7 million in associated earnings, and approximately \$40.6 million economic output in the County. The following chart summarizes the one-time economic impact of the construction of the hotel/conference center.

Impact	Employment	Earnings	Output
Direct Impact	102	\$6,452,000	\$23,889,000
Indirect Impact	40	\$1,840,000	\$9,102,000
Induced Impact	35	\$1,416,000	\$7,564,000
Total Impacts	177	\$9,708,000	\$40,555,000

EXHIBIT 5.5: ONE-TIME ECONOMIC IMPACT

RECURRING ECONOMIC IMPACT

While construction of the event center and hotel/conference center will generate significant benefits for the County, they are limited to duration of the construction period. Upon opening the event center and hotel/conference center, operational and visitor spending will create impacts that, although less than the construction impacts, are more significant when considered over the life of the projects. Recurring economic impacts generate from facility operations are calculated separately for each project. Visitor spending was calculated for both projects combined.

Events Center

The event center will generate economic impacts from operational expenditures, stimulated spending, and patron spending outside the venue. B&D modeled only the project’s estimated operating expenses which include salaries and benefits; utilities; repairs and maintenance; general and administrative; insurance; and concession, merchandise, and catering cost-of-goods sold labor and materials. Accordingly, operation of the event center will introduce over \$4.5 million in annual economic activity, support 24 FTE jobs, and support \$950,000 in associated wages in the County. The following chart summarizes the annual economic impacts generated by operational expenditures attributed to the event center.

Impact	Employment	Earnings	Output
Direct Impact	17	\$683,000	\$3,070,000
Indirect Impact	3	\$127,000	\$700,000
Induced Impact	4	\$139,000	\$743,000
Total Impacts	24	\$949,000	\$4,513,000

EXHIBIT 5.6: E.C. RECURRING IMPACTS - OPERATIONS

Hotel/Conference Center

The hotel/conference center will generate economic impacts primarily stemming from operation of the facility. The operation of the hotel/conference center will introduce over \$14 million in annual economic activity, support 64 FTE jobs, and support approximately \$2.8 million in associated wages in the County. The hotel requires significantly greater operating expenses in comparison to the hotel, hence the increase in economic activity. Exhibit 5.7 summarizes the annual economic impacts generated by the hotel/conference center.

Impact	Employment	Earnings	Output
Direct Impact	40	\$1,812,000	\$9,035,000
Indirect Impact	14	\$575,000	\$2,930,000
Induced Impact	10	\$409,000	\$2,187,000
Total Impacts	64	\$2,796,000	\$14,152,000

EXHIBIT 5.7: RECURRING IMPACTS - HOTEL/ C.C. OPERATIONS

Visitor/Stimulated Spending

The event center and hotel/conference center projects will also generate economic impact from visitor spending outside of the facilities. Additional economic impacts will be realized through patron spending on lodging, retail, and food and beverage. Low-impact, or local, patrons are those individuals that do not require an over-night stay to attend an event. High-impact patrons come from greater distances and require hotel night stays. Both low- and high-impact patrons will spend varying amounts on retail, food and beverage, and transportation within the County.

The event center is projected to host over 70 events and 170,000 patrons on annual basis. A majority of the events will require some amount of overnight stays for visiting teams and families, touring acts and personnel, and overnight patrons. B&D estimates spending of \$120 per capita on hotel, retail, food and beverage, transportation, and convenience.

B&D projects that the event center and hotel/conference center will generate over \$1.1 million in retail expenditures and nearly \$1.3 million on food and beverage in the County. The combined visitor spending on hotel night stays, retail, and food and beverage will introduce over \$5.7 million in annual economic activity, support 45 FTE jobs, and support nearly \$1.2 million in associated wages in the County. The following chart summarizes the recurring economic impacts generated by visitor spending.

Impact	Employment	Earnings	Output
Direct Impact	36	\$853,000	\$3,878,000
Indirect Impact	4	\$161,000	\$898,000
Induced Impact	4	\$174,000	\$928,000
Total Impacts	45	\$1,188,000	\$5,704,000

EXHIBIT 5.8: RECURRING IMPACTS - VISITOR/STIMULATED SPENDING

Over the life of the event center and hotel/conference center, assumed at 20-years, the venues will support approximately \$84.8 million in wages and introduce approximately \$419 million in economic activity to San Luis Obispo County.

Personal Income Tax Benefits

The jobs and earnings supported by the construction and on-going operation of the event center and hotel/conference center will create additional benefits, including personal income tax revenues. During the construction period, the projects will generate over \$727,000 in personal income taxes to the County. The estimated 133 total FTE jobs and nearly \$5 million in associated wages will generate approximately \$113,000 in local personal income taxes each year.

EXHIBIT **A**

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Market Profile

San Luis Obispo, CA
Drive Time: 30 minutes

Latitude: 35.28552
Longitude: -120.66252

	0 - 30 minutes	0 - 45 minutes	0 - 60 minutes
Population Summary			
2000 Total Population	272,029	359,425	405,003
2010 Total Population	303,400	405,596	452,361
2012 Total Population	304,917	407,739	454,048
2012 Group Quarters	17,551	18,149	18,665
2017 Total Population	313,057	418,969	465,583
2012-2017 Annual Rate	0.53%	0.54%	0.50%
Household Summary			
2000 Households	97,790	126,290	142,494
2000 Average Household Size	2.61	2.70	2.71
2010 Households	107,958	140,754	157,466
2010 Average Household Size	2.65	2.75	2.75
2012 Households	108,392	141,444	158,076
2012 Average Household Size	2.65	2.75	2.75
2017 Households	111,621	145,502	162,152
2017 Average Household Size	2.65	2.75	2.76
2012-2017 Annual Rate	0.59%	0.57%	0.51%
2010 Families	68,793	93,419	105,039
2010 Average Family Size	3.17	3.26	3.26
2012 Families	68,461	93,124	104,608
2012 Average Family Size	3.17	3.26	3.26
2017 Families	71,052	96,502	108,102
2017 Average Family Size	3.16	3.26	3.26
2012-2017 Annual Rate	0.75%	0.72%	0.66%
Housing Unit Summary			
2000 Housing Units	105,022	135,465	152,556
Owner Occupied Housing Units	56.2%	57.9%	57.5%
Renter Occupied Housing Units	36.9%	35.3%	35.9%
Vacant Housing Units	6.9%	6.8%	6.6%
2010 Housing Units	120,019	156,180	174,673
Owner Occupied Housing Units	52.1%	53.5%	53.0%
Renter Occupied Housing Units	37.9%	36.6%	37.2%
Vacant Housing Units	10.0%	9.9%	9.9%
2012 Housing Units	121,453	158,090	176,617
Owner Occupied Housing Units	50.4%	51.9%	51.4%
Renter Occupied Housing Units	38.8%	37.6%	38.1%
Vacant Housing Units	10.8%	10.5%	10.5%
2017 Housing Units	125,327	162,965	181,642
Owner Occupied Housing Units	51.3%	52.8%	52.4%
Renter Occupied Housing Units	37.8%	36.5%	36.9%
Vacant Housing Units	10.9%	10.7%	10.7%
Median Household Income			
2012	\$53,732	\$53,477	\$53,134
2017	\$62,363	\$61,837	\$61,252
Median Home Value			
2012	\$313,064	\$302,970	\$298,326
2017	\$363,078	\$348,520	\$341,858
Per Capita Income			
2012	\$27,528	\$26,406	\$26,153
2017	\$31,627	\$30,306	\$29,962
Median Age			
2010	36.2	35.8	35.7
2012	36.5	36.1	36.0
2017	37.4	36.9	36.9

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017. Esri converted Census 2000 data into 2010 geography.



Market Profile

San Luis Obispo, CA
Drive Time: 60 minutes

Latitude: 35.28552
Longitude: -120.66252

	0 - 30 minutes	0 - 45 minutes	0 - 60 minutes
2012 Households by Income			
Household Income Base	108,386	141,438	158,070
<\$15,000	11.0%	11.0%	11.1%
\$15,000 - \$24,999	10.5%	10.4%	10.5%
\$25,000 - \$34,999	10.2%	10.3%	10.2%
\$35,000 - \$49,999	14.1%	14.2%	14.4%
\$50,000 - \$74,999	20.1%	20.3%	20.3%
\$75,000 - \$99,999	11.9%	11.7%	11.7%
\$100,000 - \$149,999	13.3%	13.1%	12.9%
\$150,000 - \$199,999	5.0%	4.9%	4.9%
\$200,000+	4.0%	4.0%	3.9%
Average Household Income	\$72,129	\$71,779	\$71,169
2017 Households by Income			
Household Income Base	111,615	145,496	162,146
<\$15,000	10.3%	10.4%	10.5%
\$15,000 - \$24,999	8.3%	8.2%	8.3%
\$25,000 - \$34,999	7.7%	7.8%	7.8%
\$35,000 - \$49,999	12.3%	12.4%	12.6%
\$50,000 - \$74,999	19.3%	19.5%	19.6%
\$75,000 - \$99,999	15.6%	15.5%	15.5%
\$100,000 - \$149,999	15.5%	15.3%	15.1%
\$150,000 - \$199,999	6.3%	6.1%	6.0%
\$200,000+	4.8%	4.7%	4.6%
Average Household Income	\$83,391	\$82,893	\$82,046
2012 Owner Occupied Housing Units by Value			
Total	61,222	82,010	90,823
<\$50,000	1.9%	2.0%	1.9%
\$50,000 - \$99,999	7.7%	7.9%	8.2%
\$100,000 - \$149,999	6.7%	6.8%	6.8%
\$150,000 - \$199,999	8.4%	8.5%	8.8%
\$200,000 - \$249,999	10.5%	11.2%	11.7%
\$250,000 - \$299,999	12.0%	13.0%	13.1%
\$300,000 - \$399,999	20.9%	21.2%	20.9%
\$400,000 - \$499,999	12.3%	11.6%	11.5%
\$500,000 - \$749,999	14.5%	12.9%	12.3%
\$750,000 - \$999,999	3.3%	3.1%	3.0%
\$1,000,000 +	1.8%	1.8%	1.9%
Average Home Value	\$356,242	\$347,465	\$344,127
2017 Owner Occupied Housing Units by Value			
Total	64,226	85,975	95,092
<\$50,000	1.2%	1.3%	1.2%
\$50,000 - \$99,999	4.6%	4.8%	5.0%
\$100,000 - \$149,999	4.1%	4.2%	4.2%
\$150,000 - \$199,999	8.7%	8.8%	9.2%
\$200,000 - \$249,999	10.5%	11.3%	12.0%
\$250,000 - \$299,999	9.4%	10.3%	10.5%
\$300,000 - \$399,999	18.2%	18.9%	18.6%
\$400,000 - \$499,999	17.4%	16.7%	16.4%
\$500,000 - \$749,999	18.7%	16.7%	16.0%
\$750,000 - \$999,999	4.7%	4.4%	4.2%
\$1,000,000 +	2.5%	2.5%	2.6%
Average Home Value	\$404,386	\$393,654	\$388,889

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017. Esri converted Census 2000 data into 2010 geography.



Market Profile

San Luis Obispo, CA
Drive Time: 60 minutes

Latitude: 35.28552
Longitude: -120.66252

	0 - 30 minutes	0 - 45 minutes	0 - 60 minutes
2010 Population by Age			
Total	303,397	405,595	452,361
0 - 4	5.8%	6.3%	6.4%
5 - 9	5.7%	6.1%	6.2%
10 - 14	5.7%	6.2%	6.3%
15 - 24	18.6%	17.7%	17.4%
25 - 34	12.9%	12.9%	12.8%
35 - 44	11.3%	11.5%	11.6%
45 - 54	13.7%	13.6%	13.8%
55 - 64	12.3%	12.0%	11.8%
65 - 74	7.0%	7.0%	6.9%
75 - 84	4.7%	4.6%	4.6%
85 +	2.3%	2.2%	2.1%
18 +	78.9%	77.3%	76.8%
2012 Population by Age			
Total	304,919	407,742	454,048
0 - 4	5.8%	6.3%	6.4%
5 - 9	5.6%	6.1%	6.2%
10 - 14	5.6%	6.1%	6.2%
15 - 24	18.4%	17.4%	17.2%
25 - 34	13.0%	13.0%	13.0%
35 - 44	11.0%	11.1%	11.2%
45 - 54	13.3%	13.2%	13.4%
55 - 64	12.8%	12.5%	12.4%
65 - 74	7.5%	7.4%	7.3%
75 - 84	4.6%	4.6%	4.6%
85 +	2.4%	2.3%	2.2%
18 +	79.3%	77.7%	77.2%
2017 Population by Age			
Total	313,058	418,970	465,583
0 - 4	5.8%	6.2%	6.4%
5 - 9	5.6%	6.1%	6.1%
10 - 14	5.7%	6.1%	6.2%
15 - 24	17.2%	16.3%	16.0%
25 - 34	13.1%	13.1%	13.0%
35 - 44	10.7%	10.9%	11.0%
45 - 54	12.4%	12.3%	12.4%
55 - 64	13.3%	13.0%	12.9%
65 - 74	8.9%	8.9%	8.8%
75 - 84	4.8%	4.8%	4.8%
85 +	2.5%	2.4%	2.3%
18 +	79.5%	77.9%	77.4%
2010 Population by Sex			
Males	155,114	206,208	229,287
Females	148,286	199,388	223,074
2012 Population by Sex			
Males	156,165	207,666	230,560
Females	148,752	200,073	223,488
2017 Population by Sex			
Males	160,202	213,247	236,298
Females	152,855	205,722	229,285

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017. Esri converted Census 2000 data into 2010 geography.

January 13, 2014

Made with Esri Business Analyst



Market Profile

San Luis Obispo, CA
Drive Time: 60 minutes

Latitude: 35.28552
Longitude: -120.66252

	0 - 30 minutes	0 - 45 minutes	0 - 60 minutes
2010 Population by Race/Ethnicity			
Total	303,400	405,596	452,361
White Alone	77.1%	75.3%	74.6%
Black Alone	2.1%	1.9%	2.1%
American Indian Alone	1.1%	1.2%	1.2%
Asian Alone	3.7%	3.7%	3.7%
Pacific Islander Alone	0.2%	0.2%	0.2%
Some Other Race Alone	11.8%	13.6%	13.9%
Two or More Races	4.1%	4.2%	4.3%
Hispanic Origin	30.7%	34.9%	35.4%
Diversity Index	65.7	69.0	69.7
2012 Population by Race/Ethnicity			
Total	304,918	407,738	454,048
White Alone	76.5%	74.7%	74.1%
Black Alone	2.2%	2.0%	2.2%
American Indian Alone	1.1%	1.2%	1.2%
Asian Alone	3.8%	3.7%	3.7%
Pacific Islander Alone	0.2%	0.1%	0.2%
Some Other Race Alone	12.1%	13.9%	14.2%
Two or More Races	4.2%	4.3%	4.4%
Hispanic Origin	31.5%	35.7%	36.3%
Diversity Index	66.6	69.7	70.4
2017 Population by Race/Ethnicity			
Total	313,058	418,970	465,583
White Alone	75.1%	73.4%	72.9%
Black Alone	2.5%	2.2%	2.4%
American Indian Alone	1.1%	1.2%	1.3%
Asian Alone	4.0%	3.9%	3.8%
Pacific Islander Alone	0.2%	0.1%	0.2%
Some Other Race Alone	12.7%	14.7%	14.9%
Two or More Races	4.5%	4.5%	4.6%
Hispanic Origin	33.7%	38.0%	38.6%
Diversity Index	68.7	71.4	72.0
2010 Population by Relationship and Household Type			
Total	303,400	405,596	452,361
In Households	94.2%	95.5%	95.9%
In Family Households	75.2%	78.7%	79.3%
Householder	22.6%	23.0%	23.2%
Spouse	17.3%	17.6%	17.6%
Child	26.9%	28.7%	29.3%
Other relative	5.0%	5.6%	5.6%
Nonrelative	3.4%	3.7%	3.6%
In Nonfamily Households	19.0%	16.9%	16.5%
In Group Quarters	5.8%	4.5%	4.1%
Institutionalized Population	3.0%	2.3%	2.1%
Noninstitutionalized Population	2.8%	2.2%	2.0%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017. Esri converted Census 2000 data into 2010 geography.



Market Profile

San Luis Obispo, CA
Drive Time: 60 minutes

Latitude: 35.28552
Longitude: -120.66252

	0 - 30 minutes	0 - 45 minutes	0 - 60 minutes
2010 Households by Type			
Total	107,958	140,754	157,466
Households with 1 Person	25.6%	24.2%	24.2%
Households with 2+ People	74.4%	75.8%	75.8%
Family Households	63.7%	66.4%	66.7%
Husband-wife Families	48.6%	50.7%	50.7%
With Related Children	20.7%	22.4%	22.7%
Other Family (No Spouse Present)	15.1%	15.6%	16.0%
Other Family with Male Householder	4.8%	5.0%	5.1%
With Related Children	2.8%	3.0%	3.1%
Other Family with Female Householder	10.3%	10.6%	10.9%
With Related Children	6.4%	6.7%	6.9%
Nonfamily Households	10.7%	9.4%	9.1%
All Households with Children	30.4%	32.6%	33.2%
Multigenerational Households	4.2%	4.7%	4.8%
Unmarried Partner Households	6.9%	6.8%	6.8%
Male-female	6.0%	6.0%	6.0%
Same-sex	0.8%	0.8%	0.8%
2010 Households by Size			
Total	107,958	140,755	157,466
1 Person Household	25.6%	24.2%	24.2%
2 Person Household	34.6%	33.9%	33.5%
3 Person Household	14.9%	14.9%	15.0%
4 Person Household	12.7%	13.1%	13.3%
5 Person Household	6.4%	7.0%	7.2%
6 Person Household	2.7%	3.2%	3.2%
7 + Person Household	3.1%	3.7%	3.6%
2010 Households by Tenure and Mortgage Status			
Total	107,958	140,754	157,466
Owner Occupied	57.9%	59.3%	58.8%
Owned with a Mortgage/Loan	41.5%	42.7%	42.4%
Owned Free and Clear	16.4%	16.6%	16.4%
Renter Occupied	42.1%	40.7%	41.2%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017. Esri converted Census 2000 data into 2010 geography.

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EXHIBIT **B**

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Hendersonville
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www.str.com

San Luis Obispo, CA Selected Properties

January 2007 to December 2013

Currency: USD - US Dollar

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

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Tab 2 - Data by Measure

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Occupancy (%)														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	49.5	62.9	64.9	74.1	69.6	73.4	80.8	76.5	67.1	64.7	58.5	47.2	65.8	65.8	
2008	50.6	62.1	66.7	60.6	62.8	69.1	78.3	80.2	62.1	63.4	56.1	44.3	63.1	63.1	
2009	48.2	57.8	50.8	65.8	60.8	65.6	74.2	75.4	63.1	66.2	50.5	42.5	60.1	60.1	
2010	42.2	51.2	55.3	66.9	59.5	71.2	77.8	78.1	69.1	70.7	56.9	46.6	62.2	62.2	
2011	48.1	57.7	57.9	71.8	67.8	72.5	81.8	80.0	74.9	68.8	59.3	54.1	66.2	66.2	
2012	50.9	58.2	62.9	73.7	68.5	76.4	83.3	81.3	72.9	68.8	56.6	50.3	67.1	67.1	
2013	52.2	60.6	67.7	71.7	69.4	79.2	86.8	83.0	73.2	70.6	62.9	54.9	69.4	69.4	
Avg	48.8	58.6	60.9	69.2	65.5	72.6	80.5	79.2	69.0	67.6	57.3	48.6	64.9	64.9	

ADR (\$)														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	98.23	102.85	105.33	116.26	114.99	127.82	133.02	130.98	122.95	112.77	113.60	106.18	116.99	116.99	
2008	98.95	103.92	104.04	114.53	118.07	127.41	114.53	129.80	115.00	113.11	110.64	102.44	114.98	114.98	
2009	96.34	101.83	97.69	106.21	109.08	117.91	117.80	116.75	108.33	106.23	100.92	96.21	107.46	107.46	
2010	93.17	98.64	98.52	108.19	107.79	118.06	118.62	116.95	108.41	107.68	102.91	96.91	107.79	107.79	
2011	93.35	98.73	98.18	108.80	109.96	121.12	123.70	120.33	113.01	109.38	102.88	97.85	109.59	109.59	
2012	95.27	101.92	104.40	114.01	114.82	128.66	127.25	127.40	119.34	114.95	107.59	100.34	114.81	114.81	
2013	97.99	105.29	106.78	117.74	118.15	130.44	132.62	133.33	121.23	119.51	113.78	107.23	118.58	118.58	
Avg	96.27	102.00	102.45	112.33	113.43	124.72	125.87	125.25	115.64	112.03	107.70	101.19	113.05	113.05	

RevPAR (\$)														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	48.65	64.73	68.31	86.13	80.04	93.88	107.45	100.24	82.47	72.97	66.45	50.13	76.94	76.94	
2008	50.08	64.52	69.43	69.45	74.18	88.10	98.81	104.15	71.41	71.75	62.05	45.35	72.50	72.50	
2009	46.48	58.82	49.67	69.84	66.33	77.31	87.37	88.00	68.38	70.31	50.94	40.87	64.55	64.55	
2010	39.35	50.51	54.50	72.40	64.10	84.12	92.23	91.39	74.92	76.10	58.54	45.17	67.02	67.02	
2011	44.89	56.95	56.86	78.08	74.52	87.78	101.12	96.20	84.70	75.26	60.99	52.93	72.59	72.59	
2012	48.46	59.33	65.68	83.97	78.60	98.33	106.05	103.55	87.01	79.06	60.93	50.48	77.03	77.03	
2013	51.15	63.76	72.28	84.45	82.03	103.27	115.11	110.60	88.78	84.33	71.51	58.89	82.28	82.28	
Avg	47.02	59.78	62.39	77.72	74.27	90.49	101.27	99.25	79.76	75.75	61.68	49.18	73.32	73.32	

Supply														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	57,846	52,248	57,846	55,980	57,846	55,980	62,155	62,155	60,150	62,155	60,150	62,155	706,666	706,666	
2008	62,155	56,140	62,155	60,150	62,155	60,150	62,155	62,155	60,150	62,155	60,150	62,155	731,825	731,825	
2009	62,155	56,140	62,155	60,150	62,155	60,150	62,155	62,155	60,150	62,155	60,150	62,155	731,825	731,825	
2010	62,155	56,140	62,155	60,150	62,155	60,150	62,155	62,155	60,150	62,155	60,150	62,155	731,825	731,825	
2011	62,155	56,140	62,155	60,150	62,155	60,150	62,155	62,155	60,150	62,155	60,150	62,155	731,825	731,825	
2012	62,155	56,140	62,155	60,150	64,759	62,670	64,759	64,759	62,670	64,759	62,670	64,759	752,405	752,405	
2013	64,759	58,492	64,759	62,670	64,759	62,670	64,759	64,759	62,670	64,759	62,670	64,759	762,485	762,485	
Avg	61,911	55,920	61,911	59,914	62,283	60,274	62,899	62,899	60,870	62,899	60,870	62,899	735,551	735,551	

Demand														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	28,649	32,884	37,515	41,470	40,264	41,114	50,204	47,565	40,347	40,218	35,187	29,346	464,763	464,763	
2008	31,460	34,854	41,476	36,476	39,049	41,591	48,647	49,875	37,351	39,427	33,733	27,514	461,453	461,453	
2009	29,986	32,427	31,598	39,553	37,798	39,438	46,101	46,850	37,965	41,136	30,361	26,405	439,618	439,618	
2010	26,251	28,751	34,379	40,253	36,960	42,856	48,326	48,568	41,571	43,926	34,217	28,969	455,027	455,027	
2011	29,889	32,379	35,996	43,167	42,122	43,592	50,812	49,693	45,081	42,765	35,657	33,623	484,776	484,776	
2012	31,615	32,681	39,101	44,301	44,331	47,895	53,966	52,637	45,691	44,541	35,489	32,577	504,825	504,825	
2013	33,801	35,419	43,840	44,951	44,961	49,617	56,209	53,720	45,897	45,695	39,389	35,566	529,065	529,065	
Avg	30,236	32,771	37,701	41,453	40,784	43,729	50,609	49,844	41,986	42,530	34,862	30,571	477,075	477,075	

Revenue (\$)														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	2,814,252	3,382,217	3,951,595	4,821,319	4,629,945	5,255,218	6,678,294	6,230,117	4,960,799	4,535,194	3,997,118	3,115,824	54,371,892	54,371,892	
2008	3,112,990	3,621,927	4,315,267	4,177,599	4,610,634	5,299,308	6,141,534	6,473,555	4,295,243	4,459,613	3,732,111	2,818,540	53,058,321	53,058,321	
2009	2,888,840	3,302,189	3,086,946	4,200,853	4,122,881	4,650,200	5,430,575	5,469,745	4,112,819	4,369,984	3,064,060	2,540,400	47,239,492	47,239,492	
2010	2,445,761	2,835,885	3,387,159	4,354,996	3,984,018	5,059,638	5,732,412	5,680,196	4,506,525	4,730,039	3,521,292	2,807,374	49,045,295	49,045,295	
2011	2,789,993	3,196,903	3,534,069	4,696,525	4,631,839	5,279,720	6,285,318	5,979,391	5,094,578	4,677,573	3,668,562	3,289,912	53,124,383	53,124,383	
2012	3,011,820	3,330,889	4,082,278	5,050,743	5,090,215	6,162,080	6,867,406	6,705,893	5,452,901	5,120,101	3,818,382	3,268,757	57,961,465	57,961,465	
2013	3,312,154	3,729,245	4,681,056	5,292,382	5,312,315	6,471,969	7,454,408	7,162,365	5,564,112	5,461,014	4,481,744	3,813,723	62,736,487	62,736,487	
Avg	2,910,830	3,342,751	3,862,624	4,656,345	4,625,978	5,454,019	6,369,992	6,243,037	4,855,282	4,764,788	3,754,753	3,093,504	53,933,905	53,933,905	

Tab 3 - Percent Change from Previous Year - Detail by Measure

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Occupancy														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	2.2	-1.4	2.9	-18.1	-9.7	-5.9	-3.1	4.9	-7.4	-2.0	-4.1	-6.2	-4.1	-4.1	
2009	-4.7	-7.0	-23.8	8.4	-3.2	-5.2	-5.2	-6.1	1.6	4.3	-10.0	-4.0	-4.7	-4.7	
2010	-12.5	-11.3	8.8	1.8	-2.2	8.7	4.8	3.7	9.5	6.8	12.7	9.7	3.5	3.5	
2011	13.9	12.6	4.7	7.2	14.0	1.7	5.1	2.3	8.4	-2.6	4.2	16.1	6.5	6.5	
2012	5.8	0.9	8.6	2.6	1.0	5.5	1.9	1.7	-2.7	-0.0	-4.5	-7.0	1.3	1.3	
2013	2.6	4.0	7.6	-2.6	1.4	3.6	4.2	2.1	0.5	2.6	11.0	9.2	3.4	3.4	
Avg	1.2	-0.3	1.5	-0.1	0.2	1.4	1.3	1.4	1.6	1.5	1.5	2.9	1.0	1.0	

ADR														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	0.7	1.0	-1.2	-1.5	2.7	-0.3	-5.1	-0.9	-6.5	0.3	-2.6	-3.5	-1.7	-1.7	
2009	-2.6	-2.0	-6.1	-7.3	-7.6	-7.5	-6.7	-10.1	-5.8	-6.1	-8.8	-6.1	-6.5	-6.5	
2010	-3.3	-3.1	0.8	1.9	-1.2	0.1	0.7	0.2	0.1	1.4	2.0	0.7	0.3	0.3	
2011	0.2	0.1	-0.3	0.6	2.0	2.6	4.3	2.9	4.2	1.6	-0.0	1.0	1.7	1.7	
2012	2.1	3.2	6.3	4.8	4.4	6.2	2.9	5.9	5.6	5.1	4.6	2.5	4.8	4.8	
2013	2.9	3.3	2.3	3.3	2.9	1.4	4.2	4.7	1.6	4.0	5.8	6.9	3.3	3.3	
Avg	-0.0	0.4	0.3	0.3	0.5	0.4	0.0	0.4	-0.1	1.0	0.1	0.3	0.3	0.3	

RevPAR														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	2.9	-0.3	1.6	-19.4	-7.3	-6.2	-8.0	3.9	-13.4	-1.7	-6.6	-9.5	-5.8	-5.8	
2009	-7.2	-8.8	-28.5	0.6	-10.6	-12.2	-11.6	-15.5	-4.2	-2.0	-17.9	-9.9	-11.0	-11.0	
2010	-15.3	-14.1	9.7	3.7	-3.4	8.8	5.6	3.8	9.6	8.2	14.9	10.5	3.8	3.8	
2011	14.1	12.7	4.3	7.8	16.3	4.3	9.6	5.3	13.0	-1.1	4.2	17.2	8.3	8.3	
2012	8.0	4.2	15.5	7.5	5.5	12.0	4.9	7.6	2.7	5.1	-0.1	-4.6	6.1	6.1	
2013	5.5	7.5	10.1	0.6	4.4	5.0	8.5	6.8	2.0	6.7	17.4	16.7	6.8	6.8	
Avg	1.3	0.2	2.1	0.1	0.8	2.0	1.5	2.0	1.6	2.5	2.0	3.4	1.4	1.4	

Supply														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	7.4	7.4	7.4	7.4	7.4	7.4	0.0	0.0	0.0	0.0	0.0	0.0	3.6	3.6	
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2012	0.0	0.0	0.0	0.0	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	2.8	2.8	
2013	4.2	4.2	4.2	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.3	
Avg	1.9	1.9	1.9	1.9	1.9	1.9	0.7	0.7	0.7	0.7	0.7	0.7	1.3	1.3	

Demand														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	9.8	6.0	10.6	-12.0	-3.0	1.2	-3.1	4.9	-7.4	-2.0	-4.1	-6.2	-0.7	-0.7	
2009	-4.7	-7.0	-23.8	8.4	-3.2	-5.2	-5.2	-6.1	1.6	4.3	-10.0	-4.0	-4.7	-4.7	
2010	-12.5	-11.3	8.8	1.8	-2.2	8.7	4.8	3.7	9.5	6.8	12.7	9.7	3.5	3.5	
2011	13.9	12.6	4.7	7.2	14.0	1.7	5.1	2.3	8.4	-2.6	4.2	16.1	6.5	6.5	
2012	5.8	0.9	8.6	2.6	5.2	9.9	6.2	5.9	1.4	4.2	-0.5	-3.1	4.1	4.1	
2013	6.9	8.4	12.1	1.5	1.4	3.6	4.2	2.1	0.5	2.6	11.0	9.2	4.8	4.8	
Avg	3.2	1.6	3.5	1.6	2.0	3.3	2.0	2.1	2.3	2.2	2.2	3.6	2.3	2.3	

Revenue														Total Year	Dec YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2008	10.6	7.1	9.2	-13.4	-0.4	0.8	-8.0	3.9	-13.4	-1.7	-6.6	-9.5	-2.4	-2.4	
2009	-7.2	-8.8	-28.5	0.6	-10.6	-12.2	-11.6	-15.5	-4.2	-2.0	-17.9	-9.9	-11.0	-11.0	
2010	-15.3	-14.1	9.7	3.7	-3.4	8.8	5.6	3.8	9.6	8.2	14.9	10.5	3.8	3.8	
2011	14.1	12.7	4.3	7.8	16.3	4.3	9.6	5.3	13.0	-1.1	4.2	17.2	8.3	8.3	
2012	8.0	4.2	15.5	7.5	9.9	16.7	9.3	12.2	7.0	9.5	4.1	-0.6	9.1	9.1	
2013	10.0	12.0	14.7	4.8	4.4	5.0	8.5	6.8	2.0	6.7	17.4	16.7	8.2	8.2	
Avg	3.3	2.2	4.2	1.8	2.7	3.9	2.2	2.7	2.3	3.3	2.7	4.1	2.7	2.7	

Tab 4 - Percent Change from Previous Year - Detail by Year

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Total Year	Dec YTD
Occ	2.2	-1.4	2.9	-18.1	-9.7	-5.9	-3.1	4.9	-7.4	-2.0	-4.1	-6.2	-4.1	-4.1
ADR	0.7	1.0	-1.2	-1.5	2.7	-0.3	-5.1	-0.9	-6.5	0.3	-2.6	-3.5	-1.7	-1.7
RevPAR	2.9	-0.3	1.6	-19.4	-7.3	-6.2	-8.0	3.9	-13.4	-1.7	-6.6	-9.5	-5.8	-5.8
Supply	7.4	7.4	7.4	7.4	7.4	7.4	0.0	0.0	0.0	0.0	0.0	0.0	3.6	3.6
Demand	9.8	6.0	10.6	-12.0	-3.0	1.2	-3.1	4.9	-7.4	-2.0	-4.1	-6.2	-0.7	-0.7
Revenue	10.6	7.1	9.2	-13.4	-0.4	0.8	-8.0	3.9	-13.4	-1.7	-6.6	-9.5	-2.4	-2.4

	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Total Year	Dec YTD
Occ	-4.7	-7.0	-23.8	8.4	-3.2	-5.2	-5.2	-6.1	1.6	4.3	-10.0	-4.0	-4.7	-4.7
ADR	-2.6	-2.0	-6.1	-7.3	-7.6	-7.5	-6.7	-10.1	-5.8	-6.1	-8.8	-6.1	-6.5	-6.5
RevPAR	-7.2	-8.8	-28.5	0.6	-10.6	-12.2	-11.6	-15.5	-4.2	-2.0	-17.9	-9.9	-11.0	-11.0
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-4.7	-7.0	-23.8	8.4	-3.2	-5.2	-5.2	-6.1	1.6	4.3	-10.0	-4.0	-4.7	-4.7
Revenue	-7.2	-8.8	-28.5	0.6	-10.6	-12.2	-11.6	-15.5	-4.2	-2.0	-17.9	-9.9	-11.0	-11.0

	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Total Year	Dec YTD
Occ	-12.5	-11.3	8.8	1.8	-2.2	8.7	4.8	3.7	9.5	6.8	12.7	9.7	3.5	3.5
ADR	-3.3	-3.1	0.8	1.9	-1.2	0.1	0.7	0.2	0.1	1.4	2.0	0.7	0.3	0.3
RevPAR	-15.3	-14.1	9.7	3.7	-3.4	8.8	5.6	3.8	9.6	8.2	14.9	10.5	3.8	3.8
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-12.5	-11.3	8.8	1.8	-2.2	8.7	4.8	3.7	9.5	6.8	12.7	9.7	3.5	3.5
Revenue	-15.3	-14.1	9.7	3.7	-3.4	8.8	5.6	3.8	9.6	8.2	14.9	10.5	3.8	3.8

	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Total Year	Dec YTD
Occ	13.9	12.6	4.7	7.2	14.0	1.7	5.1	2.3	8.4	-2.6	4.2	16.1	6.5	6.5
ADR	0.2	0.1	-0.3	0.6	2.0	2.6	4.3	2.9	4.2	1.6	-0.0	1.0	1.7	1.7
RevPAR	14.1	12.7	4.3	7.8	16.3	4.3	9.6	5.3	13.0	-1.1	4.2	17.2	8.3	8.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	13.9	12.6	4.7	7.2	14.0	1.7	5.1	2.3	8.4	-2.6	4.2	16.1	6.5	6.5
Revenue	14.1	12.7	4.3	7.8	16.3	4.3	9.6	5.3	13.0	-1.1	4.2	17.2	8.3	8.3

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total Year	Dec YTD
Occ	5.8	0.9	8.6	2.6	1.0	5.5	1.9	1.7	-2.7	-0.0	-4.5	-7.0	1.3	1.3
ADR	2.1	3.2	6.3	4.8	4.4	6.2	2.9	5.9	5.6	5.1	4.6	2.5	4.8	4.8
RevPAR	8.0	4.2	15.5	7.5	5.5	12.0	4.9	7.6	2.7	5.1	-0.1	-4.6	6.1	6.1
Supply	0.0	0.0	0.0	0.0	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	2.8	2.8
Demand	5.8	0.9	8.6	2.6	5.2	9.9	6.2	5.9	1.4	4.2	-0.5	-3.1	4.1	4.1
Revenue	8.0	4.2	15.5	7.5	9.9	16.7	9.3	12.2	7.0	9.5	4.1	-0.6	9.1	9.1

	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Total Year	Dec YTD
Occ	2.6	4.0	7.6	-2.6	1.4	3.6	4.2	2.1	0.5	2.6	11.0	9.2	3.4	3.4
ADR	2.9	3.3	2.3	3.3	2.9	1.4	4.2	4.7	1.6	4.0	5.8	6.9	3.3	3.3
RevPAR	5.5	7.5	10.1	0.6	4.4	5.0	8.5	6.8	2.0	6.7	17.4	16.7	6.8	6.8
Supply	4.2	4.2	4.2	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.3
Demand	6.9	8.4	12.1	1.5	1.4	3.6	4.2	2.1	0.5	2.6	11.0	9.2	4.8	4.8
Revenue	10.0	12.0	14.7	4.8	4.4	5.0	8.5	6.8	2.0	6.7	17.4	16.7	8.2	8.2

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Tab 5 - Twelve Month Moving Average

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	65.8	65.7	65.8	64.8	64.2	63.9	63.7	64.0	63.6	63.5	63.3	63.1
2009	62.9	62.5	61.2	61.6	61.4	61.1	60.8	60.4	60.5	60.7	60.2	60.1
2010	59.6	59.7	59.4	59.5	59.4	59.9	60.2	60.4	60.9	61.3	61.8	62.2
2011	62.7	63.2	63.4	63.8	64.5	64.6	64.9	65.1	65.6	65.4	65.6	66.2
2012	66.5	66.5	66.9	67.1	67.2	67.5	67.7	67.9	67.7	67.7	67.5	67.1
2013	67.2	67.3	67.7	67.6	67.6	67.9	68.2	68.3	68.3	68.5	69.0	69.4

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	116.92	116.94	116.73	116.60	116.87	116.84	116.08	116.03	115.34	115.38	115.17	114.98
2009	114.86	114.77	114.56	113.83	113.06	112.16	111.20	109.69	109.12	108.50	107.82	107.46
2010	107.36	107.19	107.20	107.38	107.27	107.37	107.51	107.57	107.58	107.71	107.81	107.79
2011	107.68	107.62	107.56	107.62	107.81	108.11	108.71	109.08	109.51	109.66	109.64	109.59
2012	109.65	109.86	110.28	110.75	111.18	111.99	112.45	113.24	113.81	114.29	114.62	114.81
2013	114.91	115.08	115.18	115.50	115.79	116.01	116.64	117.27	117.44	117.83	118.22	118.58

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	76.90	76.81	76.86	75.52	75.05	74.68	73.95	74.28	73.37	73.27	72.91	72.50
2009	72.20	71.76	70.08	70.11	69.45	68.56	67.59	66.21	65.97	65.84	64.93	64.55
2010	63.94	63.31	63.72	63.93	63.74	64.30	64.71	65.00	65.54	66.03	66.65	67.02
2011	67.49	67.98	68.18	68.65	69.53	69.83	70.59	71.00	71.80	71.73	71.93	72.59
2012	72.89	73.08	73.83	74.31	74.67	75.61	76.13	76.85	77.07	77.39	77.33	77.03
2013	77.17	77.45	77.98	78.04	78.33	78.73	79.50	80.10	80.25	80.69	81.56	82.28

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	710,975	714,867	719,176	723,346	727,655	731,825	731,825	731,825	731,825	731,825	731,825	731,825
2009	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825
2010	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825
2011	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825	731,825
2012	731,825	731,825	731,825	731,825	734,429	736,949	739,553	742,157	744,677	747,281	749,801	752,405
2013	755,009	757,361	759,965	762,485	762,485	762,485	762,485	762,485	762,485	762,485	762,485	762,485

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	467,574	469,544	473,505	468,511	467,296	467,773	466,216	468,526	465,530	464,739	463,285	461,453
2009	459,979	457,552	447,674	450,751	449,500	447,347	444,801	441,776	442,390	444,099	440,727	439,618
2010	435,883	432,207	434,988	435,688	434,850	438,268	440,493	442,211	445,817	448,607	452,463	455,027
2011	458,665	462,293	463,910	466,824	471,986	472,722	475,208	476,333	479,843	478,682	480,122	484,776
2012	486,502	486,804	489,909	491,043	493,252	497,555	500,709	503,653	504,263	506,039	505,871	504,825
2013	507,011	509,749	514,488	515,138	515,768	517,490	519,733	520,816	521,022	522,176	526,076	529,065

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2008	54,670,630	54,910,340	55,274,012	54,630,292	54,610,981	54,655,071	54,118,311	54,361,749	53,696,193	53,620,612	53,355,605	53,058,321
2009	52,834,171	52,514,433	51,286,112	51,309,366	50,821,613	50,172,505	49,461,546	48,457,736	48,275,312	48,185,683	47,517,632	47,239,492
2010	46,796,413	46,330,109	46,630,322	46,784,465	46,645,602	47,055,040	47,356,877	47,567,328	47,961,034	48,321,089	48,778,321	49,045,295
2011	49,389,527	49,750,545	49,897,455	50,238,984	50,886,805	51,106,887	51,659,793	51,958,988	52,547,041	52,494,575	52,641,845	53,124,383
2012	53,346,210	53,480,196	54,028,405	54,382,623	54,840,196	55,723,359	56,305,447	57,031,949	57,390,272	57,832,800	57,982,620	57,961,465
2013	58,261,799	58,660,155	59,258,933	59,500,572	59,722,672	60,032,561	60,619,563	61,076,035	61,187,246	61,528,159	62,191,521	62,736,487

High value is boxed.

Low value is boxed and italicized.

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Tab 6 - Twelve Month Moving Average with Percent Change

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 08	65.8		116.92		76.90		710,975		467,574		54,670,630	
Feb 08	65.7		116.94		76.81		714,867		469,544		54,910,340	
Mar 08	65.8		116.73		76.86		719,176		473,505		55,274,012	
Apr 08	64.8		116.60		75.52		723,346		468,511		54,630,292	
May 08	64.2		116.87		75.05		727,655		467,296		54,610,981	
Jun 08	63.9		116.84		74.68		731,825		467,773		54,655,071	
Jul 08	63.7		116.08		73.95		731,825		466,216		54,118,311	
Aug 08	64.0		116.03		74.28		731,825		468,526		54,361,749	
Sep 08	63.6		115.34		73.37		731,825		465,530		53,696,193	
Oct 08	63.5		115.38		73.27		731,825		464,739		53,620,612	
Nov 08	63.3		115.17		72.91		731,825		463,285		53,355,605	
Dec 08	63.1	-4.1	114.98	-1.7	72.50	-5.8	731,825	3.6	461,453	-0.7	53,058,321	-2.4
Jan 09	62.9	-4.4	114.86	-1.8	72.20	-6.1	731,825	2.9	459,979	-1.6	52,834,171	-3.4
Feb 09	62.5	-4.8	114.77	-1.9	71.76	-6.6	731,825	2.4	457,552	-2.6	52,514,433	-4.4
Mar 09	61.2	-7.1	114.56	-1.9	70.08	-8.8	731,825	1.8	447,674	-5.5	51,286,112	-7.2
Apr 09	61.6	-4.9	113.83	-2.4	70.11	-7.2	731,825	1.2	450,751	-3.8	51,309,366	-6.1
May 09	61.4	-4.4	113.06	-3.3	69.45	-7.5	731,825	0.6	449,500	-3.8	50,821,613	-6.9
Jun 09	61.1	-4.4	112.16	-4.0	68.56	-8.2	731,825	0.0	447,347	-4.4	50,172,505	-8.2
Jul 09	60.8	-4.6	111.20	-4.2	67.59	-8.6	731,825	0.0	444,801	-4.6	49,461,546	-8.6
Aug 09	60.4	-5.7	109.69	-5.5	66.21	-10.9	731,825	0.0	441,776	-5.7	48,457,736	-10.9
Sep 09	60.5	-5.0	109.12	-5.4	65.97	-10.1	731,825	0.0	442,390	-5.0	48,275,312	-10.1
Oct 09	60.7	-4.4	108.50	-6.0	65.84	-10.1	731,825	0.0	444,099	-4.4	48,185,683	-10.1
Nov 09	60.2	-4.9	107.82	-6.4	64.93	-10.9	731,825	0.0	440,727	-4.9	47,517,632	-10.9
Dec 09	60.1	-4.7	107.46	-6.5	64.55	-11.0	731,825	0.0	439,618	-4.7	47,239,492	-11.0
Jan 10	59.6	-5.2	107.36	-6.5	63.94	-11.4	731,825	0.0	435,883	-5.2	46,796,413	-11.4
Feb 10	59.1	-5.5	107.19	-6.6	63.31	-11.8	731,825	0.0	432,207	-5.5	46,330,109	-11.8
Mar 10	59.4	-2.8	107.20	-6.4	63.72	-9.1	731,825	0.0	434,988	-2.8	46,630,322	-9.1
Apr 10	59.5	-3.3	107.38	-5.7	63.93	-8.8	731,825	0.0	435,688	-3.3	46,784,465	-8.8
May 10	59.4	-3.3	107.27	-5.1	63.74	-8.2	731,825	0.0	434,850	-3.3	46,645,602	-8.2
Jun 10	59.9	-2.0	107.37	-4.3	64.30	-6.2	731,825	0.0	438,268	-2.0	47,055,040	-6.2
Jul 10	60.2	-1.0	107.51	-3.3	64.71	-4.3	731,825	0.0	440,493	-1.0	47,356,877	-4.3
Aug 10	60.4	0.1	107.57	-1.9	65.00	-1.8	731,825	0.0	442,211	0.1	47,567,328	-1.8
Sep 10	60.9	0.8	107.58	-1.4	65.54	-0.7	731,825	0.0	445,817	0.8	47,961,034	-0.7
Oct 10	61.3	1.0	107.71	-0.7	66.03	0.3	731,825	0.0	448,607	1.0	48,321,089	0.3
Nov 10	61.8	2.7	107.81	-0.0	66.65	2.7	731,825	0.0	452,463	2.7	48,778,321	2.7
Dec 10	62.2	3.5	107.79	0.3	67.02	3.8	731,825	0.0	455,027	3.5	49,045,295	3.8
Jan 11	62.7	5.2	107.68	0.3	67.49	5.5	731,825	0.0	458,665	5.2	49,389,527	5.5
Feb 11	63.2	7.0	107.62	0.4	67.98	7.4	731,825	0.0	462,293	7.0	49,750,545	7.4
Mar 11	63.4	6.6	107.56	0.3	68.18	7.0	731,825	0.0	463,910	6.6	49,897,455	7.0
Apr 11	63.8	7.1	107.62	0.2	68.65	7.4	731,825	0.0	466,824	7.1	50,238,984	7.4
May 11	64.5	8.5	107.81	0.5	69.53	9.1	731,825	0.0	471,986	8.5	50,886,805	9.1
Jun 11	64.6	7.9	108.11	0.7	69.83	8.6	731,825	0.0	472,722	7.9	51,106,887	8.6
Jul 11	64.9	7.9	108.71	1.1	70.59	9.1	731,825	0.0	475,208	7.9	51,659,793	9.1
Aug 11	65.1	7.7	109.08	1.4	71.00	9.2	731,825	0.0	476,333	7.7	51,958,988	9.2
Sep 11	65.6	7.6	109.51	1.8	71.80	9.6	731,825	0.0	479,843	7.6	52,547,041	9.6

Tab 6 - Twelve Month Moving Average with Percent Change

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Oct 11	65.4	6.7	109.66	1.8	71.73	8.6	731,825	0.0	478,682	6.7	52,494,575	8.6
Nov 11	65.6	6.1	109.64	1.7	71.93	7.9	731,825	0.0	480,122	6.1	52,641,845	7.9
Dec 11	66.2	6.5	109.59	1.7	72.59	8.3	731,825	0.0	484,776	6.5	53,124,383	8.3
Jan 12	66.5	6.1	109.65	1.8	72.89	8.0	731,825	0.0	486,502	6.1	53,346,210	8.0
Feb 12	66.5	5.3	109.86	2.1	73.08	7.5	731,825	0.0	486,804	5.3	53,480,196	7.5
Mar 12	66.9	5.6	110.28	2.5	73.83	8.3	731,825	0.0	489,909	5.6	54,028,405	8.3
Apr 12	67.1	5.2	110.75	2.9	74.31	8.2	731,825	0.0	491,043	5.2	54,382,623	8.2
May 12	67.2	4.1	111.18	3.1	74.67	7.4	734,429	0.4	493,252	4.5	54,840,999	7.8
Jun 12	67.5	4.5	111.99	3.6	75.61	8.3	736,949	0.7	497,555	5.3	55,723,359	9.0
Jul 12	67.7	4.3	112.45	3.4	76.13	7.9	739,553	1.1	500,709	5.4	56,305,447	9.0
Aug 12	67.9	4.3	113.24	3.8	76.85	8.2	742,157	1.4	503,653	5.7	57,031,949	9.8
Sep 12	67.7	3.3	113.81	3.9	77.07	7.3	744,677	1.8	504,263	5.1	57,390,272	9.2
Oct 12	67.7	3.5	114.29	4.2	77.39	7.9	747,281	2.1	506,039	5.7	57,832,800	10.2
Nov 12	67.5	2.8	114.62	4.5	77.33	7.5	749,801	2.5	505,871	5.4	57,982,620	10.1
Dec 12	67.1	1.3	114.81	4.8	77.03	6.1	752,405	2.8	504,825	4.1	57,961,465	9.1
Jan 13	67.2	1.0	114.91	4.8	77.17	5.9	755,009	3.2	507,011	4.2	58,261,799	9.2
Feb 13	67.3	1.2	115.08	4.7	77.45	6.0	757,361	3.5	509,749	4.7	58,660,155	9.7
Mar 13	67.7	1.1	115.18	4.4	77.98	5.6	759,965	3.8	514,488	5.0	59,258,933	9.7
Apr 13	67.6	0.7	115.50	4.3	78.04	5.0	762,485	4.2	515,138	4.9	59,500,572	9.4
May 13	67.6	0.7	115.79	4.1	78.33	4.9	762,485	3.8	515,768	4.6	59,722,672	8.9
Jun 13	67.9	0.5	116.01	3.6	78.73	4.1	762,485	3.5	517,490	4.0	60,032,561	7.7
Jul 13	68.2	0.7	116.64	3.7	79.50	4.4	762,485	3.1	519,733	3.8	60,619,563	7.7
Aug 13	68.3	0.7	117.27	3.6	80.10	4.2	762,485	2.7	520,816	3.4	61,076,035	7.1
Sep 13	68.3	0.9	117.44	3.2	80.25	4.1	762,485	2.4	521,022	3.3	61,187,246	6.6
Oct 13	68.5	1.1	117.83	3.1	80.69	4.3	762,485	2.0	522,176	3.2	61,528,159	6.4
Nov 13	69.0	2.3	118.22	3.1	81.56	5.5	762,485	1.7	526,076	4.0	62,191,521	7.3
Dec 13	69.4	3.4	118.58	3.3	82.28	6.8	762,485	1.3	529,065	4.8	62,736,487	8.2

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Tab 7 - Day of Week Analysis

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 13	39.4	45.7	49.7	56.5	55.6	54.3	62.9	52.2
Feb - 13	52.2	51.5	57.3	59.5	60.6	67.8	75.0	60.6
Mar - 13	48.0	61.3	66.9	68.3	71.4	73.6	83.7	67.7
Apr - 13	46.7	61.8	66.9	70.5	79.6	87.3	93.1	71.7
May - 13	57.6	54.7	63.7	63.1	68.1	81.9	95.6	69.4
Jun - 13	63.5	72.1	77.1	77.6	82.1	87.2	94.7	79.2
Jul - 13	72.7	81.1	82.5	87.6	93.5	94.9	97.7	86.8
Aug - 13	66.5	77.3	79.8	80.1	83.0	90.0	98.3	83.0
Sep - 13	64.4	63.7	71.6	66.8	72.4	82.1	96.2	73.2
Oct - 13	53.4	59.0	65.5	63.0	70.0	89.4	97.0	70.6
Nov - 13	48.9	54.6	57.3	57.5	62.4	73.9	78.7	62.9
Dec - 13	43.5	49.3	52.1	52.4	58.1	65.6	68.4	54.9
Total Year	54.7	61.2	65.6	67.0	71.2	79.0	86.9	69.4

Three Year Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jan 11 - Dec 11	52.6	58.2	63.7	66.9	71.9	72.5	77.6	66.2
Jan 12 - Dec 12	52.8	57.7	63.6	65.9	70.0	76.6	83.4	67.1
Jan 13 - Dec 13	54.7	61.2	65.6	67.0	71.2	79.0	86.9	69.4
Total 3 Yr	53.4	59.1	64.4	66.6	71.0	76.1	82.7	67.6

ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 13	94.44	94.10	95.96	96.77	95.53	101.52	106.08	97.99
Feb - 13	103.97	97.41	98.10	99.75	101.54	113.37	117.23	105.29
Mar - 13	100.39	99.01	99.66	100.42	100.96	115.58	119.93	106.78
Apr - 13	108.08	106.16	105.31	107.35	111.05	136.86	138.99	117.74
May - 13	117.24	99.90	100.85	102.07	103.98	136.58	146.83	118.15
Jun - 13	116.06	108.63	107.38	109.50	112.10	167.47	167.55	130.44
Jul - 13	116.28	116.40	115.67	119.14	130.04	162.54	168.04	132.62
Aug - 13	116.26	115.65	115.20	115.91	118.79	156.37	168.01	133.33
Sep - 13	118.08	110.24	108.36	106.35	107.27	140.09	147.30	121.23
Oct - 13	105.46	104.19	105.06	105.52	107.11	142.54	150.10	119.51
Nov - 13	103.29	100.82	101.63	103.53	110.55	126.44	129.42	113.78
Dec - 13	100.35	99.82	101.21	100.90	102.44	120.99	120.84	107.23
Total Year	109.62	105.77	105.40	106.53	109.47	137.42	143.00	118.58

Three Year ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jan 11 - Dec 11	101.33	98.12	98.66	101.29	103.05	126.09	130.14	109.59
Jan 12 - Dec 12	106.20	102.13	103.30	104.41	106.80	131.61	137.60	114.81
Jan 13 - Dec 13	109.62	105.77	105.40	106.53	109.47	137.42	143.00	118.58
Total 3 Yr	105.83	102.12	102.55	104.11	106.47	131.94	137.20	114.46

RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 13	37.24	42.96	47.66	54.69	53.15	55.10	66.71	51.15
Feb - 13	54.27	50.13	56.24	59.38	61.48	76.82	87.97	63.76
Mar - 13	48.21	60.74	66.67	68.60	72.12	85.06	100.39	72.28
Apr - 13	50.44	65.58	70.43	75.70	88.38	119.42	129.41	84.45
May - 13	67.54	54.64	64.24	64.45	70.80	111.89	140.40	82.03
Jun - 13	73.64	78.32	82.82	84.95	92.02	145.99	158.70	103.27
Jul - 13	84.51	94.35	95.46	104.33	121.65	154.17	164.10	115.11
Aug - 13	77.33	89.42	91.91	92.90	98.62	140.76	165.09	110.60
Sep - 13	76.05	70.22	77.58	71.08	77.71	114.97	141.71	88.78
Oct - 13	56.26	61.47	68.82	66.51	74.97	127.38	145.55	84.33
Nov - 13	50.47	55.01	58.26	59.50	69.00	93.43	101.85	71.51
Dec - 13	43.70	49.23	52.76	52.84	59.49	79.35	82.61	58.89
Total Year	60.00	64.76	69.18	71.34	77.98	108.63	124.31	82.28

Three Year RevPAR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jan 11 - Dec 11	53.33	57.11	62.89	67.76	74.04	91.43	101.05	72.59
Jan 12 - Dec 12	56.08	58.94	65.74	68.84	74.72	100.86	114.79	77.03
Jan 13 - Dec 13	60.00	64.76	69.18	71.34	77.98	108.63	124.31	82.28
Total 3 Yr	56.51	60.31	66.00	69.34	75.61	100.42	113.46	77.37

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Tab 8 - Raw Data

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW

Created: February 14, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 07	49.5		98.23		48.65		57,846		28,649		2,814,252		27	1,866	79.1
Feb 07	62.9		102.85		64.73		52,248		32,884		3,382,217		27	1,866	79.1
Mar 07	64.9		105.33		68.31		57,846		37,515		3,951,595		27	1,866	79.1
Apr 07	74.1		116.26		86.13		55,980		41,470		4,821,319		27	1,866	79.1
May 07	69.6		114.99		80.04		57,846		40,264		4,629,945		27	1,866	79.1
Jun 07	73.4		127.82		93.88		55,980		41,114		5,255,218		27	1,866	79.1
Jul 07	80.8		133.02		107.45		62,155		50,204		6,678,294		28	2,005	70.6
Aug 07	76.5		130.98		100.24		62,155		47,565		6,230,117		28	2,005	80.5
Sep 07	67.1		122.95		82.47		60,150		40,347		4,960,799		28	2,005	80.5
Oct 07	64.7		112.77		72.97		62,155		40,218		4,535,194		28	2,005	78.0
Nov 07	58.5		113.60		66.45		60,150		35,187		3,997,118		28	2,005	80.5
Dec 07	47.2		106.18		50.13		62,155		29,346		3,115,824		28	2,005	80.5
Jan 08	50.6	2.2	98.95	0.7	50.08	2.9	62,155	7.4	31,460	9.8	3,112,990	10.6	28	2,005	80.5
Feb 08	62.1	-1.4	103.92	1.0	64.52	-0.3	56,140	7.4	34,854	6.0	3,621,927	7.1	28	2,005	80.5
Mar 08	66.7	2.9	104.04	-1.2	69.43	1.6	62,155	7.4	41,476	10.6	4,315,267	9.2	28	2,005	80.5
Apr 08	60.6	-18.1	114.53	-1.5	69.45	-19.4	60,150	7.4	36,476	-12.0	4,177,599	-13.4	28	2,005	81.9
May 08	62.8	-9.7	118.07	2.7	74.18	-7.3	62,155	7.4	39,049	-3.0	4,610,634	-0.4	28	2,005	81.9
Jun 08	69.1	-5.9	127.41	-0.3	88.10	-6.2	60,150	7.4	41,591	1.2	5,299,308	0.8	28	2,005	80.0
Jul 08	78.3	-3.1	126.25	-5.1	98.81	-8.0	62,155	0.0	48,647	-3.1	6,141,534	-8.0	28	2,005	78.4
Aug 08	80.2	4.9	129.80	-0.9	104.15	3.9	62,155	0.0	49,875	4.9	6,473,555	3.9	28	2,005	80.3
Sep 08	62.1	-7.4	115.00	-6.5	71.41	-13.4	60,150	0.0	37,351	-7.4	4,295,243	-13.4	28	2,005	80.3
Oct 08	63.4	-2.0	113.11	0.3	71.75	-1.7	62,155	0.0	39,427	-2.0	4,459,613	-1.7	28	2,005	80.3
Nov 08	56.1	-4.1	110.64	-2.6	62.05	-6.6	60,150	0.0	33,733	-4.1	3,732,111	-6.6	28	2,005	78.4
Dec 08	44.3	-6.2	102.44	-3.5	45.35	-9.5	62,155	0.0	27,514	-6.2	2,818,540	-9.5	28	2,005	78.4
Jan 09	48.2	-4.7	96.34	-2.6	46.48	-7.2	62,155	0.0	29,986	-4.7	2,888,840	-7.2	28	2,005	80.3
Feb 09	57.8	-7.0	101.83	-2.0	58.82	-8.8	56,140	0.0	32,427	-7.0	3,302,189	-8.8	28	2,005	80.3
Mar 09	50.8	-23.8	97.69	-6.1	49.67	-28.5	62,155	0.0	31,598	-23.8	3,086,946	-28.5	28	2,005	80.3
Apr 09	65.8	8.4	106.21	-7.3	69.84	0.6	60,150	0.0	39,553	8.4	4,200,853	0.6	28	2,005	83.3
May 09	60.8	-3.2	109.08	-7.6	66.33	-10.6	62,155	0.0	37,798	-3.2	4,122,881	-10.6	28	2,005	83.3
Jun 09	65.6	-5.2	117.91	-7.5	77.31	-12.2	60,150	0.0	39,438	-5.2	4,650,200	-12.2	28	2,005	83.3
Jul 09	74.2	-5.2	117.80	-6.7	87.37	-11.6	62,155	0.0	46,101	-5.2	5,430,575	-11.6	28	2,005	83.3
Aug 09	75.4	-6.1	116.75	-10.1	88.00	-15.5	62,155	0.0	46,850	-6.1	5,469,745	-15.5	28	2,005	83.3
Sep 09	63.1	1.6	108.33	-5.8	68.38	-4.2	60,150	0.0	37,965	1.6	4,112,819	-4.2	28	2,005	83.3
Oct 09	66.2	4.3	106.23	-6.1	70.31	-2.0	62,155	0.0	41,136	4.3	4,369,984	-2.0	28	2,005	83.3
Nov 09	50.5	-10.0	100.92	-8.8	50.94	-17.9	60,150	0.0	30,361	-10.0	3,064,060	-17.9	28	2,005	83.3
Dec 09	42.5	-4.0	96.21	-6.1	40.87	-9.9	62,155	0.0	26,405	-4.0	2,540,400	-9.9	28	2,005	83.3
Jan 10	42.2	-12.5	93.17	-3.3	39.35	-15.3	62,155	0.0	26,251	-12.5	2,445,761	-15.3	28	2,005	83.3
Feb 10	51.2	-11.3	98.64	-3.1	50.51	-14.1	56,140	0.0	28,751	-11.3	2,835,885	-14.1	28	2,005	83.3
Mar 10	55.3	8.8	98.52	0.8	54.50	9.7	62,155	0.0	34,379	8.8	3,387,159	9.7	28	2,005	83.3
Apr 10	66.9	1.8	108.19	1.9	72.40	3.7	60,150	0.0	40,253	1.8	4,354,996	3.7	28	2,005	83.3
May 10	59.5	-2.2	107.79	-1.2	64.10	-3.4	62,155	0.0	36,960	-2.2	3,984,018	-3.4	28	2,005	83.3
Jun 10	71.2	8.7	118.06	0.1	84.12	8.8	60,150	0.0	42,856	8.7	5,059,638	8.8	28	2,005	83.3
Jul 10	77.8	4.8	118.62	0.7	92.23	5.6	62,155	0.0	48,326	4.8	5,732,412	5.6	28	2,005	83.3
Aug 10	78.1	3.7	116.95	0.2	91.39	3.8	62,155	0.0	48,568	3.7	5,680,196	3.8	28	2,005	83.3
Sep 10	69.1	9.5	108.41	0.1	74.92	9.6	60,150	0.0	41,571	9.5	4,506,525	9.6	28	2,005	83.3
Oct 10	70.7	6.8	107.68	1.4	76.10	8.2	62,155	0.0	43,926	6.8	4,730,039	8.2	28	2,005	83.3
Nov 10	56.9	12.7	102.91	2.0	58.54	14.9	60,150	0.0	34,217	12.7	3,521,292	14.9	28	2,005	83.3
Dec 10	46.6	9.7	96.91	0.7	45.17	10.5	62,155	0.0	28,969	9.7	2,807,374	10.5	28	2,005	83.3
Jan 11	48.1	13.9	93.35	0.2	44.89	14.1	62,155	0.0	29,889	13.9	2,789,993	14.1	28	2,005	83.3

Tab 8 - Raw Data

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW

Created: February 14, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Feb 11	57.7	12.6	98.73	0.1	56.95	12.7	56,140	0.0	32,379	12.6	3,196,903	12.7	28	2,005	83.3
Mar 11	57.9	4.7	98.18	-0.3	56.86	4.3	62,155	0.0	35,996	4.7	3,534,069	4.3	28	2,005	83.3
Apr 11	71.8	7.2	108.80	0.6	78.08	7.8	60,150	0.0	43,167	7.2	4,696,525	7.8	28	2,005	83.3
May 11	67.8	14.0	109.96	2.0	74.52	16.3	62,155	0.0	42,122	14.0	4,631,839	16.3	28	2,005	83.3
Jun 11	72.5	1.7	121.12	2.6	87.78	4.3	60,150	0.0	43,592	1.7	5,279,720	4.3	28	2,005	83.3
Jul 11	81.8	5.1	123.70	4.3	101.12	9.6	62,155	0.0	50,812	5.1	6,285,318	9.6	28	2,005	83.3
Aug 11	80.0	2.3	120.33	2.9	96.20	5.3	62,155	0.0	49,693	2.3	5,979,391	5.3	28	2,005	83.3
Sep 11	74.9	8.4	113.01	4.2	84.70	13.0	60,150	0.0	45,081	8.4	5,094,578	13.0	28	2,005	83.3
Oct 11	68.8	-2.6	109.38	1.6	75.26	-1.1	62,155	0.0	42,765	-2.6	4,677,573	-1.1	28	2,005	83.3
Nov 11	59.3	4.2	102.88	-0.0	60.99	4.2	60,150	0.0	35,657	4.2	3,668,562	4.2	28	2,005	83.3
Dec 11	54.1	16.1	97.85	1.0	52.93	17.2	62,155	0.0	33,623	16.1	3,289,912	17.2	28	2,005	83.3
Jan 12	50.9	5.8	95.27	2.1	48.46	8.0	62,155	0.0	31,615	5.8	3,011,820	8.0	28	2,005	83.3
Feb 12	58.2	0.9	101.92	3.2	59.33	4.2	56,140	0.0	32,681	0.9	3,330,889	4.2	28	2,005	83.3
Mar 12	62.9	8.6	104.40	6.3	65.68	15.5	62,155	0.0	39,101	8.6	4,082,278	15.5	28	2,005	83.3
Apr 12	73.7	2.6	114.01	4.8	83.97	7.5	60,150	0.0	44,301	2.6	5,050,743	7.5	28	2,005	79.6
May 12	68.5	1.0	114.82	4.4	78.60	5.5	64,759	4.2	44,331	5.2	5,090,215	9.9	29	2,089	75.1
Jun 12	76.4	5.5	128.66	6.2	98.33	12.0	62,670	4.2	47,895	9.9	6,162,080	16.7	29	2,089	79.1
Jul 12	83.3	1.9	127.25	2.9	106.05	4.9	64,759	4.2	53,966	6.2	6,867,406	9.3	29	2,089	79.1
Aug 12	81.3	1.7	127.40	5.9	103.55	7.6	64,759	4.2	52,637	5.9	6,705,893	12.2	29	2,089	79.1
Sep 12	72.9	-2.7	119.34	5.6	87.01	2.7	62,670	4.2	45,691	1.4	5,452,901	7.0	29	2,089	79.1
Oct 12	68.8	-0.0	114.95	5.1	79.06	5.1	64,759	4.2	44,541	4.2	5,120,101	9.5	29	2,089	79.1
Nov 12	56.6	-4.5	107.59	4.6	60.93	-0.1	62,670	4.2	35,489	-0.5	3,818,382	4.1	29	2,089	79.1
Dec 12	50.3	-7.0	100.34	2.5	50.48	-4.6	64,759	4.2	32,577	-3.1	3,268,757	-0.6	29	2,089	79.1
Jan 13	52.2	2.6	97.99	2.9	51.15	5.5	64,759	4.2	33,801	6.9	3,312,154	10.0	29	2,089	76.6
Feb 13	60.6	4.0	105.29	3.3	63.76	7.5	58,492	4.2	35,419	8.4	3,729,245	12.0	29	2,089	76.6
Mar 13	67.7	7.6	106.78	2.3	72.28	10.1	64,759	4.2	43,840	12.1	4,681,056	14.7	29	2,089	76.6
Apr 13	71.7	-2.6	117.74	3.3	84.45	0.6	62,670	4.2	44,951	1.5	5,292,382	4.8	29	2,089	76.6
May 13	69.4	1.4	118.15	2.9	82.03	4.4	64,759	0.0	44,961	1.4	5,312,315	4.4	29	2,089	76.6
Jun 13	79.2	3.6	130.44	1.4	103.27	5.0	62,670	0.0	49,617	3.6	6,471,969	5.0	29	2,089	76.6
Jul 13	86.8	4.2	132.62	4.2	115.11	8.5	64,759	0.0	56,209	4.2	7,454,408	8.5	29	2,089	76.6
Aug 13	83.0	2.1	133.33	4.7	110.60	6.8	64,759	0.0	53,720	2.1	7,162,365	6.8	29	2,089	76.6
Sep 13	73.2	0.5	121.23	1.6	88.78	2.0	62,670	0.0	45,897	0.5	5,564,112	2.0	29	2,089	76.6
Oct 13	70.6	2.6	119.51	4.0	84.33	6.7	64,759	0.0	45,695	2.6	5,461,014	6.7	29	2,089	76.6
Nov 13	62.9	11.0	113.78	5.8	71.51	17.4	62,670	0.0	39,389	11.0	4,481,744	17.4	29	2,089	76.6
Dec 13	54.9	9.2	107.23	6.9	58.89	16.7	64,759	0.0	35,566	9.2	3,813,723	16.7	29	2,089	76.6

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Tab 9 - Classic

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 07	49.5		98.23		48.65		57,846		28,649		2,814,252		27	1,866	79.1
Feb 07	62.9		102.85		64.73		52,248		32,884		3,382,217		27	1,866	79.1
Mar 07	64.9		105.33		68.31		57,846		37,515		3,951,595		27	1,866	79.1
Apr 07	74.1		116.26		86.13		55,980		41,470		4,821,319		27	1,866	79.1
May 07	69.6		114.99		80.04		57,846		40,264		4,629,945		27	1,866	79.1
Jun 07	73.4		127.82		93.88		55,980		41,114		5,255,218		27	1,866	79.1
Jul 07	80.8		133.02		107.45		62,155		50,204		6,678,294		28	2,005	70.6
Aug 07	76.5		130.98		100.24		62,155		47,565		6,230,117		28	2,005	80.5
Sep 07	67.1		122.95		82.47		60,150		40,347		4,960,799		28	2,005	80.5
Oct 07	64.7		112.77		72.97		62,155		40,218		4,535,194		28	2,005	78.0
Nov 07	58.5		113.60		66.45		60,150		35,187		3,997,118		28	2,005	80.5
Dec 07	47.2		106.18		50.13		62,155		29,346		3,115,824		28	2,005	80.5
Dec YTD 2007	65.8		116.99		76.94		706,666		464,763		54,371,892				
Total 2007	65.8		116.99		76.94		706,666		464,763		54,371,892				
Jan 08	50.6	2.2	98.95	0.7	50.08	2.9	62,155	7.4	31,460	9.8	3,112,990	10.6	28	2,005	80.5
Feb 08	62.1	-1.4	103.92	1.0	64.52	-0.3	56,140	7.4	34,854	6.0	3,621,927	7.1	28	2,005	80.5
Mar 08	66.7	2.9	104.04	-1.2	69.43	1.6	62,155	7.4	41,476	10.6	4,315,267	9.2	28	2,005	80.5
Apr 08	60.6	-18.1	114.53	-1.5	69.45	-19.4	60,150	7.4	36,476	-12.0	4,177,599	-13.4	28	2,005	81.9
May 08	62.8	-9.7	118.07	2.7	74.18	-7.3	62,155	7.4	39,049	-3.0	4,610,634	-0.4	28	2,005	81.9
Jun 08	69.1	-5.9	127.41	-0.3	88.10	-6.2	60,150	7.4	41,591	1.2	5,299,308	0.8	28	2,005	80.0
Jul 08	78.3	-3.1	126.25	-5.1	98.81	-8.0	62,155	0.0	48,647	-3.1	6,141,534	-8.0	28	2,005	78.4
Aug 08	80.2	4.9	129.80	-0.9	104.15	3.9	62,155	0.0	49,875	4.9	6,473,555	3.9	28	2,005	80.3
Sep 08	62.1	-7.4	115.00	-6.5	71.41	-13.4	60,150	0.0	37,351	-7.4	4,295,243	-13.4	28	2,005	80.3
Oct 08	63.4	-2.0	113.11	0.3	71.75	-1.7	62,155	0.0	39,427	-2.0	4,459,613	-1.7	28	2,005	80.3
Nov 08	56.1	-4.1	110.64	-2.6	62.05	-6.6	60,150	0.0	33,733	-4.1	3,732,111	-6.6	28	2,005	78.4
Dec 08	44.3	-6.2	102.44	-3.5	45.35	-9.5	62,155	0.0	27,514	-6.2	2,818,540	-9.5	28	2,005	78.4
Dec YTD 2008	63.1	-4.1	114.98	-1.7	72.50	-5.8	731,825	3.6	461,453	-0.7	53,058,321	-2.4			
Total 2008	63.1	-4.1	114.98	-1.7	72.50	-5.8	731,825	3.6	461,453	-0.7	53,058,321	-2.4			
Jan 09	48.2	-4.7	96.34	-2.6	46.48	-7.2	62,155	0.0	29,986	-4.7	2,888,840	-7.2	28	2,005	80.3
Feb 09	57.8	-7.0	101.83	-2.0	58.82	-8.8	56,140	0.0	32,427	-7.0	3,302,189	-8.8	28	2,005	80.3
Mar 09	50.8	-23.8	97.69	-6.1	49.67	-28.5	62,155	0.0	31,598	-23.8	3,086,946	-28.5	28	2,005	80.3
Apr 09	65.8	8.4	106.21	-7.3	69.84	0.6	60,150	0.0	39,553	8.4	4,200,853	0.6	28	2,005	83.3
May 09	60.8	-3.2	109.08	-7.6	66.33	-10.6	62,155	0.0	37,798	-3.2	4,122,881	-10.6	28	2,005	83.3
Jun 09	65.6	-5.2	117.91	-7.5	77.31	-12.2	60,150	0.0	39,438	-5.2	4,650,200	-12.2	28	2,005	83.3
Jul 09	74.2	-5.2	117.80	-6.7	87.37	-11.6	62,155	0.0	46,101	-5.2	5,430,575	-11.6	28	2,005	83.3
Aug 09	75.4	-6.1	116.75	-10.1	88.00	-15.5	62,155	0.0	46,850	-6.1	5,469,745	-15.5	28	2,005	83.3
Sep 09	63.1	1.6	108.33	-5.8	68.38	-4.2	60,150	0.0	37,965	1.6	4,112,819	-4.2	28	2,005	83.3
Oct 09	66.2	4.3	106.23	-6.1	70.31	-2.0	62,155	0.0	41,136	4.3	4,369,984	-2.0	28	2,005	83.3
Nov 09	50.5	-10.0	100.92	-8.8	50.94	-17.9	60,150	0.0	30,361	-10.0	3,064,060	-17.9	28	2,005	83.3
Dec 09	42.5	-4.0	96.21	-6.1	40.87	-9.9	62,155	0.0	26,405	-4.0	2,540,400	-9.9	28	2,005	83.3
Dec YTD 2009	60.1	-4.7	107.46	-6.5	64.55	-11.0	731,825	0.0	439,618	-4.7	47,239,492	-11.0			
Total 2009	60.1	-4.7	107.46	-6.5	64.55	-11.0	731,825	0.0	439,618	-4.7	47,239,492	-11.0			
Jan 10	42.2	-12.5	93.17	-3.3	39.35	-15.3	62,155	0.0	26,251	-12.5	2,445,761	-15.3	28	2,005	83.3
Feb 10	51.2	-11.3	98.64	-3.1	50.51	-14.1	56,140	0.0	28,751	-11.3	2,835,885	-14.1	28	2,005	83.3
Mar 10	55.3	8.8	98.52	0.8	54.50	9.7	62,155	0.0	34,379	8.8	3,387,159	9.7	28	2,005	83.3
Apr 10	66.9	1.8	108.19	1.9	72.40	3.7	60,150	0.0	40,253	1.8	4,354,996	3.7	28	2,005	83.3
May 10	59.5	-2.2	107.79	-1.2	64.10	-3.4	62,155	0.0	36,960	-2.2	3,984,018	-3.4	28	2,005	83.3
Jun 10	71.2	8.7	118.06	0.1	84.12	8.8	60,150	0.0	42,856	8.7	5,059,638	8.8	28	2,005	83.3
Jul 10	77.8	4.8	118.62	0.7	92.23	5.6	62,155	0.0	48,326	4.8	5,732,412	5.6	28	2,005	83.3
Aug 10	78.1	3.7	116.95	0.2	91.39	3.8	62,155	0.0	48,568	3.7	5,680,196	3.8	28	2,005	83.3
Sep 10	69.1	9.5	108.41	0.1	74.92	9.6	60,150	0.0	41,571	9.5	4,506,525	9.6	28	2,005	83.3
Oct 10	70.7	6.8	107.68	1.4	76.10	8.2	62,155	0.0	43,926	6.8	4,730,039	8.2	28	2,005	83.3
Nov 10	56.9	12.7	102.91	2.0	58.54	14.9	60,150	0.0	34,217	12.7	3,521,292	14.9	28	2,005	83.3

Tab 9 - Classic

San Luis Obispo, CA Selected Properties

Job Number: 561792_SADIM Staff: CW Created: February 14, 2014

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Dec 10	46.6	9.7	96.91	0.7	45.17	10.5	62,155	0.0	28,969	9.7	2,807,374	10.5	28	2,005	83.3
Dec YTD 2010	62.2	3.5	107.79	0.3	67.02	3.8	731,825	0.0	455,027	3.5	49,045,295	3.8			
Total 2010	62.2	3.5	107.79	0.3	67.02	3.8	731,825	0.0	455,027	3.5	49,045,295	3.8			
Jan 11	48.1	13.9	93.35	0.2	44.89	14.1	62,155	0.0	29,889	13.9	2,789,993	14.1	28	2,005	83.3
Feb 11	57.7	12.6	98.73	0.1	56.95	12.7	56,140	0.0	32,379	12.6	3,196,903	12.7	28	2,005	83.3
Mar 11	57.9	4.7	98.18	-0.3	56.86	4.3	62,155	0.0	35,996	4.7	3,534,069	4.3	28	2,005	83.3
Apr 11	71.8	7.2	108.80	0.6	78.08	7.8	60,150	0.0	43,167	7.2	4,696,525	7.8	28	2,005	83.3
May 11	67.8	14.0	109.96	2.0	74.52	16.3	62,155	0.0	42,122	14.0	4,631,839	16.3	28	2,005	83.3
Jun 11	72.5	1.7	121.12	2.6	87.78	4.3	60,150	0.0	43,592	1.7	5,279,720	4.3	28	2,005	83.3
Jul 11	81.8	5.1	123.70	4.3	101.12	9.6	62,155	0.0	50,812	5.1	6,285,318	9.6	28	2,005	83.3
Aug 11	80.0	2.3	120.33	2.9	96.20	5.3	62,155	0.0	49,693	2.3	5,979,391	5.3	28	2,005	83.3
Sep 11	74.9	8.4	113.01	4.2	84.70	13.0	60,150	0.0	45,081	8.4	5,094,578	13.0	28	2,005	83.3
Oct 11	68.8	-2.6	109.38	1.6	75.26	-1.1	62,155	0.0	42,765	-2.6	4,677,573	-1.1	28	2,005	83.3
Nov 11	59.3	4.2	102.88	-0.0	60.99	4.2	60,150	0.0	35,657	4.2	3,668,562	4.2	28	2,005	83.3
Dec 11	54.1	16.1	97.85	1.0	52.93	17.2	62,155	0.0	33,623	16.1	3,289,912	17.2	28	2,005	83.3
Dec YTD 2011	66.2	6.5	109.59	1.7	72.59	8.3	731,825	0.0	484,776	6.5	53,124,383	8.3			
Total 2011	66.2	6.5	109.59	1.7	72.59	8.3	731,825	0.0	484,776	6.5	53,124,383	8.3			
Jan 12	50.9	5.8	95.27	2.1	48.46	8.0	62,155	0.0	31,615	5.8	3,011,820	8.0	28	2,005	83.3
Feb 12	58.2	0.9	101.92	3.2	59.33	4.2	56,140	0.0	32,681	0.9	3,330,889	4.2	28	2,005	83.3
Mar 12	62.9	8.6	104.40	6.3	65.68	15.5	62,155	0.0	39,101	8.6	4,082,278	15.5	28	2,005	83.3
Apr 12	73.7	2.6	114.01	4.8	83.97	7.5	60,150	0.0	44,301	2.6	5,050,743	7.5	28	2,005	79.6
May 12	68.5	1.0	114.82	4.4	78.60	5.5	64,759	4.2	44,331	5.2	5,090,215	9.9	29	2,089	75.1
Jun 12	76.4	5.5	128.66	6.2	98.33	12.0	62,670	4.2	47,895	9.9	6,162,080	16.7	29	2,089	79.1
Jul 12	83.3	1.9	127.25	2.9	106.05	4.9	64,759	4.2	53,966	6.2	6,867,406	9.3	29	2,089	79.1
Aug 12	81.3	1.7	127.40	5.9	103.55	7.6	64,759	4.2	52,637	5.9	6,705,893	12.2	29	2,089	79.1
Sep 12	72.9	-2.7	119.34	5.6	87.01	2.7	62,670	4.2	45,691	1.4	5,452,901	7.0	29	2,089	79.1
Oct 12	68.8	-0.0	114.95	5.1	79.06	5.1	64,759	4.2	44,541	4.2	5,120,101	9.5	29	2,089	79.1
Nov 12	56.6	-4.5	107.59	4.6	60.93	-0.1	62,670	4.2	35,489	-0.5	3,818,382	4.1	29	2,089	79.1
Dec 12	50.3	-7.0	100.34	2.5	50.48	-4.6	64,759	4.2	32,577	-3.1	3,268,757	-0.6	29	2,089	79.1
Dec YTD 2012	67.1	1.3	114.81	4.8	77.03	6.1	752,405	2.8	504,825	4.1	57,961,465	9.1			
Total 2012	67.1	1.3	114.81	4.8	77.03	6.1	752,405	2.8	504,825	4.1	57,961,465	9.1			
Jan 13	52.2	2.6	97.99	2.9	51.15	5.5	64,759	4.2	33,801	6.9	3,312,154	10.0	29	2,089	76.6
Feb 13	60.6	4.0	105.29	3.3	63.76	7.5	58,492	4.2	35,419	8.4	3,729,245	12.0	29	2,089	76.6
Mar 13	67.7	7.6	106.78	2.3	72.28	10.1	64,759	4.2	43,840	12.1	4,681,056	14.7	29	2,089	76.6
Apr 13	71.7	-2.6	117.74	3.3	84.45	0.6	62,670	4.2	44,951	1.5	5,292,382	4.8	29	2,089	76.6
May 13	69.4	1.4	118.15	2.9	82.03	4.4	64,759	0.0	44,961	1.4	5,312,315	4.4	29	2,089	76.6
Jun 13	79.2	3.6	130.44	1.4	103.27	5.0	62,670	0.0	49,617	3.6	6,471,969	5.0	29	2,089	76.6
Jul 13	86.8	4.2	132.62	4.2	115.11	8.5	64,759	0.0	56,209	4.2	7,454,408	8.5	29	2,089	76.6
Aug 13	83.0	2.1	133.33	4.7	110.60	6.8	64,759	0.0	53,720	2.1	7,162,365	6.8	29	2,089	76.6
Sep 13	73.2	0.5	121.23	1.6	88.78	2.0	62,670	0.0	45,897	0.5	5,564,112	2.0	29	2,089	76.6
Oct 13	70.6	2.6	119.51	4.0	84.33	6.7	64,759	0.0	45,695	2.6	5,461,014	6.7	29	2,089	76.6
Nov 13	62.9	11.0	113.78	5.8	71.51	17.4	62,670	0.0	39,389	11.0	4,481,744	17.4	29	2,089	76.6
Dec 13	54.9	9.2	107.23	6.9	58.89	16.7	64,759	0.0	35,566	9.2	3,813,723	16.7	29	2,089	76.6
Dec YTD 2013	69.4	3.4	118.58	3.3	82.28	6.8	762,485	1.3	529,065	4.8	62,736,487	8.2			
Total 2013	69.4	3.4	118.58	3.3	82.28	6.8	762,485	1.3	529,065	4.8	62,736,487	8.2			

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Methodology

While virtually every chain in the United States provides STR with data on almost all of their properties, there are still some hotels that don't submit data. But we've got you covered.

Every year we examine guidebook listings and hotel directories for information on hotels that don't provide us with data. We don't stop there. We call each hotel in our database every year to obtain "published" rates for multiple categories. Based on this information we group all hotels - those that report data and those that don't - into groupings based off of price level and geographic proximity. We then estimate the non-respondents based off of nearby hotels with similar price levels.

Similarly, we sometimes obtain monthly data from a property, but not daily data. We use a similar process. We take the monthly data that the property has provided, and distribute it to the individual days based on the revenue and demand distribution patterns of similar hotels in the same location.

We believe it imperative to perform this analysis in order to provide interested parties with our best estimate of total lodging demand and room revenue on their areas of interest. Armed with this information a more informed decision can be made.

Glossary

ADR (Average Daily Rate)

Room revenue divided by rooms sold, displayed as the average rental rate for a single room.

Affiliation Date

Date the property affiliated with current chain/flag

Census (Properties and Rooms)

The number of properties and rooms that exist within the selected property set or segment.

Change in Rooms

Indicator of whether or not an individual hotel has added or removed rooms from their inventory.

Exchange Rate

The factor used to convert revenue from U.S. Dollars to the local currency.

The exchange rate data is obtained from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Extended Historical Trend

Data on selected properties or segments starting in 2000.

Demand (Rooms Sold)

The number of rooms sold (excludes complimentary rooms).

Full Historical Trend

Data on selected properties or segments starting in 1987.

Occupancy

Rooms sold divided by rooms available. Occupancy is always displayed as a percentage of rooms occupied.

Open Date

Date the property opened as a lodging establishment.

Percent Change

Amount of growth, up, flat, or down from the same period last year (month, ytd, three months, twelve months). Calculated as $((TY-LY)/LY) * "100"$.

Revenue (Room Revenue)

Total room revenue generated from the sale or rental of rooms.

RevPAR (Revenue Per Available Room)

Room revenue divided by rooms available

Sample % (Rooms)

The % of rooms from which STR receives data. Calculated as $(\text{Sample Rooms}/\text{Census Rooms}) * "100"$.

Standard Historical Trend

Data on selected properties or segments starting in 2005.

STR Code

Smith Travel Research's proprietary numbering system. Each hotel in the lodging census has a unique STR code.

Supply (Rooms Available)

The number of rooms times the number of days in the period.

Twelve Month Moving Average

The value of any given month is computed by taking the value of that month and the values of the eleven preceding months, adding them together and dividing by twelve.

Year to Date

EXHIBIT C

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Cal Poly

Events Center Complex Feasibility Study Financial Model

Moderate

Pro Forma

Revenues	2020	2021	2022	2023	2024	2025	2026	2027	2029
Facility Rental	\$368,000	\$377,000	\$420,000	\$431,000	\$442,000	\$453,000	\$464,000	\$476,000	\$500,000
Gate Receipts, Net	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessions, Net	\$353,000	\$362,000	\$401,000	\$411,000	\$421,000	\$432,000	\$442,000	\$453,000	\$476,000
Catering, Net	\$32,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$40,000
Merchandise, Net	\$5,000	\$5,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000
Parking, Net	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising, Net	\$214,000	\$220,000	\$225,000	\$231,000	\$237,000	\$243,000	\$249,000	\$255,000	\$268,000
Naming Rights, Net	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000
Premium Seating, Net	\$325,000	\$325,000	\$329,000	\$329,000	\$329,000	\$368,000	\$368,000	\$368,000	\$368,000
Ticketing	\$71,000	\$73,000	\$99,000	\$101,000	\$104,000	\$106,000	\$109,000	\$112,000	\$117,000
Facility Fees	\$192,000	\$192,000	\$212,000	\$212,000	\$212,000	\$212,000	\$212,000	\$212,000	\$212,000
Revenue Sub-Total	\$1,790,000	\$1,816,000	\$1,956,000	\$1,987,000	\$2,018,000	\$2,088,000	\$2,119,000	\$2,152,000	\$2,220,000
Expenses	2020	2021	2022	2023	2024	2025	2026	2027	2029
Salaries & Benefits	\$799,000	\$819,000	\$839,000	\$860,000	\$882,000	\$904,000	\$927,000	\$950,000	\$998,000
Utilities	\$348,000	\$357,000	\$366,000	\$375,000	\$384,000	\$394,000	\$403,000	\$414,000	\$434,000
General & Admin	\$406,000	\$416,000	\$426,000	\$437,000	\$448,000	\$459,000	\$471,000	\$482,000	\$507,000
Insurance	\$71,000	\$73,000	\$80,000	\$82,000	\$84,000	\$86,000	\$89,000	\$91,000	\$95,000
Repairs & Maintenance	\$116,000	\$119,000	\$122,000	\$125,000	\$128,000	\$131,000	\$134,000	\$138,000	\$145,000
Management Fee	\$186,000	\$190,000	\$195,000	\$200,000	\$205,000	\$210,000	\$215,000	\$221,000	\$232,000
Expense Sub-Total	\$1,926,000	\$1,974,000	\$2,028,000	\$2,079,000	\$2,131,000	\$2,184,000	\$2,239,000	\$2,296,000	\$2,411,000
NOI (EBITDA)	-\$136,000	-\$158,000	-\$72,000	-\$92,000	-\$113,000	-\$96,000	-\$120,000	-\$144,000	-\$191,000
Less: Capital Improvements	-\$200,000	-\$200,000	-\$200,000	-\$200,000	-\$200,000	-\$200,000	-\$200,000	-\$200,000	-\$200,000
NOI After Expenditures	-\$336,000	-\$358,000	-\$272,000	-\$292,000	-\$313,000	-\$296,000	-\$320,000	-\$344,000	-\$391,000

Cal Poly

Events Center Complex Feasibility Study Financial Model

Outline Building Program

		Building Efficiency @ 75.0%					
Program Elements	Unit / Quantity	Unit NASF	Total NASF	Total GASF	Total NASF	Total GASF	
1	Spectator Facilities				39,772	53,029	
2	Fixed Chairback Seats	5,044	5.0	25,220	33,627		
3	Telescopic Bleachers	0	6.5	0	0		
4	Floor Seats	60	0.0	0	0		
5	Club Seats	300	7.0	2,100	2,800		
6	Club Lounge	0	20	0	0		
7	Loge Seats	0	15	0	0		
8	Suite Seating	6	8.0	48	64		
9	Luxury Suites	6	350	2,100	2,800		
10	Hospitality Suite	300	10	3,000	4,000		
11	Wheelchair & Companion Seating	101	10	1,009	1,345		
12	Public Restrooms	5,505	1.0	5,505	7,340		
13	Spectator Support	1	400	400	533		
14	Guest Services	1	150	150	200		
15	First Aid	1	120	120	160		
16	Security Office	1	120	120	160		
17	Food & Retail				7,421	9,895	
18	Concession Stands	20	120	2,421	3,228		
19	Portable Concession Stands			0	0		
20	Vending Area			0	0		
21	Concession Storage	1	1,000	1,000	1,333		
22	Catering / Warming Kitchen / Commissary	1	2,000	2,000	2,667		
23	Team Store	1	1,000	1,000	1,333		
24	Portable Novelty Sales Stands			0	0		
25	Hall of Fame	1	1,000	1,000	1,333		
26							
27	Event Center Administration & Ticketing				1,070	1,427	
28	Events Center Administrative Suite	4	120	480	640		

Cal Poly

Events Center Complex Feasibility Study Financial Model

Outline Building Program

		Building Efficiency @ 75.0%					
Program Elements		Unit / Quantity	Unit NASF	Total NASF	Total GASF	Total NASF	Total GASF
29	Box Office / Ticket Windows	4	60	240	320		
30	Ticket Manager Office	2	100	200	267		
31	Counting Room	1	100	100	133		
32	Storage	1	50	50	67		
33							
34	Event / Competition & Practice Facilities					23,975	31,967
35	Event Floor	1	14,375	14,375	19,167		
36	Event Floor Public Restrooms	1,000	1	1,000	1,333		
37	Auxiliary Gym	1	8,050	8,050	10,733		
38	Auxiliary Gym seating	100	5.5	550	733		
39							
40	Press					1,150	1,533
41	Writing Press Area			0	0		
42	TV Broadcast Booths			0	0		
43	Radio Broadcast Booths			0	0		
44	Sound / Light / PA / Scoreboard Control	1	200	200	267		
45	Control Room	1	150	150	200		
46	Patch Panels / Broadcast Connections	1	100	100	133		
47	Press Interview Room	1	500	500	667		
48	Press Lounge			0	0		
49	Storage	1	200	200	267		
50	Toilets			0	0		
51							
52	Circulation					11,000	14,667
53	Concourse	4,000	2.5	10,000	13,333		
54	Main Lobby	1	1,000	1,000	1,333		
55	Secondary Lobby			0	0		
56	Media / Talent Entrance			0	0		

Cal Poly

Events Center Complex Feasibility Study Financial Model

Outline Building Program

		Building Efficiency @ 75.0%					
Program Elements	Unit / Quantity	Unit NASF	Total NASF	Total GASF	Total NASF	Total GASF	
57	Service Corridors		0	0			
58	Stairwell		0	0			
59	Passenger Elevator		0	0			
60	Elevator Lobby		0	0			
61	Freight Elevator		0	0			
62							
63	Building Service & Operations				10,340	13,787	
64	Building Personnel	8	130	1,040			
65	Storage						
66	Attic Stock		0	0			
67	Bulk Storage		0	0			
68	General Building Storage	1	2,500	2,500			
69	Marketing Promotional Storage		0	0			
70	Portable Floor / Basketball Hoop Storage	1	2,700	2,700			
71	Maintenance Shop	1	500	500			
72	Loading Dock / Staging Area	1	2,400	2,400			
73	Janitor Closets	1	400	400			
74	Custodial Room	1	600	600			
75	Trash Collection / Recycling Room	1	200	200			
76	M/E/P	0	0	0			
77			0	0			
78	Athletics Administration				6,480	8,640	
79	Athletics Department Administrative Suite	22	130	2,860			
80	Coaches offices, except MBB,WBB,VB	26	130	3,380			
81	Compliance	2	120	240			
82	Sports Information	0	120	0			
83	Marketing, Sales, & Development	0	120	0			
84							

Cal Poly

Events Center Complex Feasibility Study Financial Model

Outline Building Program

		Building Efficiency @ 75.0%					
Program Elements	Unit / Quantity	Unit NASF	Total NASF	Total GASF	Total NASF	Total GASF	
85	Academic Support Center				0	0	
86	Study Area	0	30	0	0		
87	Administration	0	150	0	0		
88	Offices	0	120	0	0		
89	Storage	0	100	0	0		
90	Conference	0	250	0	0		
91							
92	Men's Basketball				2,850	3,800	
93	Men's Basketball Locker Rooms	20	80	1,600	2,133		
94	Men's Basketball Office Suite	5	170	850	1,133		
95	Men's Basketball Coaches' Locker Room	1	400	400	533		
96							
97	Women's Basketball				2,850	3,800	
98	Women's Basketball Locker Rooms	20	80	1,600	2,133		
99	Women's Basketball Office Suite	5	170	850	1,133		
100	Women's Basketball Coaches Locker Room	1	400	400	533		
101							
102	Visitor / Auxiliary				3,300	4,400	
103	Visitor / Auxiliary Locker Rooms	2	500	1,000	1,333		
104	Coaches' & Staff Locker Rooms	2	500	1,000	1,333		
105	Star / Officials' Locker Rooms	2	300	600	800		
106	Media Room / Green Room	1	500	500	667		
107	Show and Production Office	1	200	200	267		
108							
109	Sports Medicine				2,650	3,533	
110	Offices (5 @ 110)	5	110	550	733		
111	Treatment area	1	1,500	1,500	2,000		
112	Rehab	1	100	100	133		

Cal Poly

Events Center Complex Feasibility Study Financial Model

Outline Building Program

		Building Efficiency @ 75.0%					
Program Elements		Unit / Quantity	Unit NASF	Total NASF	Total GASF	Total NASF	Total GASF
113	Support	1	500	500	667		
114							
115	Strength & Conditioning					10,000	13,333
116	Training area	1	10,000	10,000	13,333		
117							
118	Equipment					1,800	2,400
119	Equipment Issue	1	400	400	533		
120	Equipment Manager's Office	1	300	300	400		
121	Equipment Storage	1	600	600	800		
122	Laundry	1	500	500	667		
123							
124	Conference Meeting					0	0
125	Ball Room	0	20	0	0		
126	Meeting Rooms	0	20	0	0		
127	Conference Rooms	0	20	0	0		
128	Breakout Rooms	0	20	0	0		
129							
130	Conference Support					0	0
131	Welcome Reception	0	250	0	0		
132	Prefunction Space	0	2,000	0	0		
133	Storage, Tables and chairs	0	750	0	0		
134	Storage AV	0	500	0	0		
135	Kitchen/ Commissary	0	7	0	0		
136	Pantries	0	250	0	0		
137							
138							
139	Arena Facilities					84,388	112,517
140	Spectator Facilities			39,772	53,029		

Cal Poly

Events Center Complex Feasibility Study Financial Model

Outline Building Program

Building Efficiency @ 75.0%						
Program Elements	Unit / Quantity	Unit NASF	Total NASF	Total GASF	Total NASF	Total GASF
141	Food & Retail		7,421	9,895		
142	Event Center Administration & Ticketing		1,070	1,427		
143	Event / Competition & Practice Facilities		23,975	31,967		
144	Press		1,150	1,533		
145	Circulation		11,000	14,667		
146						
147	Building Services				10,340	13,787
148	Building Service & Operations		10,340	13,787		
149						
150	Athletic Support				29,930	39,907
151	Athletics Administration		6,480	8,640		
152	Academic Support Center		0	0		
153	Men's Basketball		2,850	3,800		
154	Women's Basketball		2,850	3,800		
155	Visitor / Auxiliary		3,300	4,400		
156	Sports Medicine		2,650	3,533		
157	Strength & Conditioning		10,000	13,333		
158	Equipment		1,800	2,400		
159						
160	Conference Facility				0	0
161	Conference Meeting		0	0		
162	Conference Support		0	0		
163						
164						
165	Total NASF - Event Center		124,658		124,658	
166	Total GASF - Event Center			166,210		166,210
167						
168						

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EXHIBIT **D**

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Cal Poly, San Luis Obispo
Events Center Complex Feasibility Study
Hotel / Conference Center Outline Program

HOTEL AND CONFERENCE CENTER PROGRAM						
	Occupancy	No. Units	Sq. Ft. Unit	No. Beds	Sq. Ft. Unit	Total Sq. Ft.
Lodging Mix						
Room A: 2-Queen Beds	Std Queen	60	300	60	300	18,000
Room B: King Bed	Std King	60	300	60	300	18,000
Room C: Junior Suite	Junior Suite	20	400	20	400	8,000
Room D: Suite	Suite	5	600	5	600	3,000
Total Residential Square Footage		145	324	145	324	47,000

	No. Units	Sq. Ft. Unit	Total Sq. Ft.
Conference and Support Spaces			
Guest Services			
Entry Lobby / Lounge	1	800	800
Ice / Vending Area	4	60	240
Business Center	1	200	200
Fitness Center	1	800	800
Community Restrooms	2	70	140

Meeting Spaces			
Ballroom	1	10,000	10,000
Large Meeting Room	2	1,500	3,000
Medium Meeting Room	2	1,000	2,000
Small Meeting Room	8	600	4,800
Servery / Warming Kitchen	1	800	800
Prefunction Area	1	2,000	2,000

Conference Administrative Spaces			
Administrative Staff Office	4	120	480
Reception Desk	1	250	250
Small Conference Room	1	300	300
Staff Toilets	1	70	70
Storage	1	100	100

Hotel Administrative Spaces			
Administrative Staff Office	3	120	360
Reception Desk	1	250	250
Staff Toilets	1	70	70
Storage	1	100	100

Food Service			
Food Service (kitchen and serving area)	1	1,200	1,200
Food Service (dining area)	1	800	800

Custodial and Maintenance			
Custodial Closet and Trash Room	4	50	200
Custodial Supply Closet	1	250	250
Maintenance Area	1	350	350
Maintenance Storage	1	250	250
Maintenance and Custodial Desk/Break Area	0	400	0

Alumni Center			
Dedicated Alumni Office Suite	1	1,200	1,200
Alumni "Hall of Fame" / Entry Lobby	1	500	500

Museum			
Gallery	2	6,000	12,000
Gallery Storage	2	2,000	4,000
Lobby / Function Space	1	800	800
Office Suite	1	1,200	1,200
Restrooms	2	200	400

Total Non-residential Square Footage			49,910
---	--	--	---------------

PROGRAM SUMMARY AND RATIOS	
Complete Building Summary	
Lodging Square Feet	47,000
Non-Lodging Square Feet	49,910
Non-assignable Square Feet (efficiency factor 65%)	43,610
Total Gross Square Feet	140,520

Lodging Square Feet / Key	324
Total Gross Square Feet / Key	969

EXHIBIT **E**

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CPD Proj No: _____
 Project Type: MAJOR

THE CALIFORNIA STATE UNIVERSITY
 CAPITAL OUTLAY ESTIMATE (Form CPDC 2-7)

Date: 03/31/14
 Budget Year: 2014/15
 CCCI: 6151
 EPI: 3202
 Fund: 301

Campus: CAL POLY STATE UNIV, SAN LUIS OBISPO
 Project: Events Center Arena
 Arch/Engr: [AE Firm Name]
 Contractor: [Contractor Company Name]
 Delivery Type: DESIGN-BUILD

Project Schedule	Duration	
Project Started	@ Jun-17	
Schematics Approval (BOT)	@ Oct-17	150
Preliminary Plans Completed.....	@ Dec-17	60
Working Drawings Completed.....	@ Jul-18	210
Construction Started (NTP).....	@ Jan-19	180
Construction Completed (NOC).....	@ Jul-20	540
Total Project Duration (Calendar Days)		1140

Net Area	New Const	Reno
	124,658	
Gross Area	166,210	
Efficiency:	75.00%	#DIV/0!

Phase:	BUDGET @ OUTYEAR	NEW CONSTRUCTION		RENOVATION		TOTAL	\$/sq.ft.
		STATE	NON-STATE	STATE	NON-STATE		
BUILDING							
A10	Foundations.....	\$					
A20	Basement Construction.....	\$					
A	SUBSTRUCTURE.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
B10	Superstructure(Vertical, Floor, & Roof).....	\$					
B20	Exterior Enclosure.....	\$					
B30	Roofing.....	\$					
B	SHELL.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
C10	Interior Construction.....	\$					
C20	Stairways.....	\$					
C30	Interior Finishes.....	\$					
C	INTERIORS.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
D10	Conveying Systems.....	\$					
D20	Plumbing Systems.....	\$					
D30	HVAC Systems.....	\$					
D40	Fire Protection Systems.....	\$					
D50	Electrical Systems.....	\$					
D5050	Telecom.....	\$					
D	BUILDING SERVICES.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
E10	Group I Equipment.....	\$					
E20	Furnishings (i.e.Group I casework).....	\$					Costguide: \$0.00
E	EQUIPMENT AND FURNISHINGS.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
F10	Special Construction.....	\$					
F20	Selective Demolition (Excluding hazmat removal).....	\$					
F2020	Hazardous Material Removal.....	\$					
F50	Sustainable Building Measures.....	\$					
F	SPECIAL CONSTRUCTION & DEMOLITION.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
F60	GENERAL REQUIREMENTS - Building.....	\$					\$0.00
1. TOTAL BUILDING.....		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
G1020	Site Prep & Site Improvements.....	\$ 0	0	0	0		Bldg+GC+Ins #DIV/0!
G3040	Site Utilities (Civil, Mechanical, Electrical & Telecom).....	\$					Bldg+GC+Esc #DIV/0!
G2050	Landscape Budget.....	\$					
G50	Sustainable Site Measures.....	\$					
G90	Other Site Construction.....	\$					
G100	General Requirements - Sitework.....	\$					
2. TOTAL SITEWORK.....		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
3. TOTAL BUILDING AND SITEWORK.....		\$ 0	\$ 59,835,744	\$ 0	\$ 0	\$ 0	Site+GC+Ins
4. Escalation to midpoint of Construction.....		\$ 0	\$ 16,004,000	\$ 0	\$ 0	\$ 0	
5. SUBTOTAL: BUILDING, SITEWORK AND ESCALATION.....		\$ 0	\$ 75,839,744	\$ 0	\$ 0	\$ 75,839,744	\$456.29
6. Z10 GENERAL CONDITIONS / OH & P..... 16.5%		\$ 0	\$ 12,514,000	\$ 0	\$ 0	\$ 12,514,000	\$75.29
a.Not Applicable 0.0%		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
b.Not Applicable 0.0%		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
c.Not Applicable 0.0%		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
7. TOTAL GMP..... 16.5%		\$ 0	\$ 88,353,744	\$ 0	\$ 0	\$ 88,353,744	\$531.58
8. FEES & CONTINGENCY (Basic Services).....				STATE	NON-STATE		
a. DB (AE) Services During PW..... 2.77%		\$		\$ 0	\$ 2,451,000		
b. DB (AE) Services During Construction..... 0.83%		\$		\$ 0	\$ 732,000		
c. Campus Contract Management Services..... 7.00%		\$		\$ 0	\$ 6,185,000		
d. Campus Project Contingency..... 2.00%		\$		\$ 0	\$ 1,767,000		
e. Total Fees & Contingency..... 12.60%		\$		\$ 0	\$ 11,135,000	\$ 11,135,000	
9. SUBTOTAL: CONSTRUCTION COST, FEES & CONTINGENCY (Items 7 & 8e).....		\$ 0	\$ 0	\$ 99,488,744	\$ 99,488,744	\$ 99,488,744	
10. CEQA On-Site/Off-Site Mitigation.....		\$		\$ 0	\$ 0	\$ 0	
11. Required Additional Services During PW Phase.....		\$		\$ 0	\$ 3,956,000		
12. Required Additional Services During Construction.....		\$		\$ 0	\$ 861,000		
a. Builders Risk Insurance Premium/ Seismic Fund.....		\$		\$ 0	\$ 146,000		
b. Owner Controlled Insurance Premium.....		\$		\$ 0	\$ 1,393,000		
13. SUBTOTAL: PROJECT COST excl. Group II Equipment.....		\$ 0	\$ 0	\$ 105,844,744	\$ 105,844,744	\$ 105,844,744	\$636.81
14. Group II Equipment.....		\$		\$ 0	\$ 1,516,795		
15. TOTAL: PROJECT COST incl. Group II Equipment.....		\$ 0	\$ 0	\$ 107,361,539	\$ 107,361,539	\$ 107,361,539	\$645.94
16. Project Funds							
a. Chapter..... Item.....		\$		\$			
b. Chapter..... Item.....		\$		\$			
c. Chapter..... Item.....		\$		\$			
d. Other..... Donor / Reserve /Auxiliary Funds.....		\$		\$			
17. Additional Funds Required (Item 15 minus Items 16a thru 16e).....		\$		\$		\$ 107,361,539	
18. Project Fund Schedule							
Received prior to 2014/15.....	State	\$		\$		State	Nonstate
Requested for 2014/15.....		\$		\$		0 P	4,207,000 P
Requested after 2014/15.....		\$		\$		0 W	2,200,000 W
						0 C	99,437,744 C
						0	105,844,744
						0 E	1,516,795 E

Total Building with Insurance: \$9

**Nonstate Funded
THE CALIFORNIA STATE UNIVERSITY
CAPITAL OUTLAY ESTIMATE (Form CPDC 2-7)**

Campus CAL POLY STATE UNIV, SAN LUIS OBISPO Date 03/31/14
 Project Events Center Arena CCI 6151

REQUIRED BASIC SERVICES	(input proj type on FEE tab)	PWC	P	W	C
AE FEES		0	0	0	0
CM SERVICE FEE		3,183,000	1,273,000	1,178,000	732,000
TOTAL AE / CM SERVICES		3,183,000	1,273,000	1,178,000	732,000

REQUIRED ADDITIONAL SERVICES	PWC	P	W	C
SPECIALTY CONSULTANTS				
A/V Consultant	75,000	30,000	28,000	17,000
Acoustical	75,000	30,000	28,000	17,000
Lighting Consultant	75,000	30,000	28,000	17,000
Interior Design	379,000	152,000	140,000	87,000
SELECT CONSULTANT	0	0	0	0
CEQA/EIR Consultant	500,000	500,000	0	0
APPROVALS + CODE COMPLIANCE + CSU/STATE MANDATES				
Mechanical Review Board (MRB)	15,000	2,000	4,000	9,000
Plan Check	110,000	0	110,000	0
DSA Review	80,000	0	80,000	0
CASp Inspections	441,769	0	44,177	397,592
State Fire Marshall	455,000	0	455,000	0
Seismic Peer Review Board (SRB)	46,000	23,000	23,000	0
TYPICAL PROJECT ADDITIONAL SERVICES				
Sustainable Registration/Certification Fees	22,000	1,000	4,000	17,000
Sustainable Documentation/Verification	50,000	0	0	50,000
Design Honorarium (Design-Build)	300,000	300,000	0	0
Survey	25,000	25,000	0	0
Soils	30,000	30,000	0	0
Field Investigation	15,000	15,000	0	0
Destructive Testing	15,000	0	0	15,000
Hazardous Material Survey/Bid docs	0	0	0	0
Hazardous Material Monitoring	0	0	0	0
Commissioning	291,000	29,000	73,000	189,000
Design Assist Addition to Preliminary Phase	1,767,075	1,767,075	0	0
Sea-Level Rise (Flood Control)	0	0	0	0
SWPPP QSD/QSP Services	40,000	0	5,000	35,000
BIM Model Conformed to CAFM	10,000	0	0	10,000
Design Assist Reduction to Construction Phase	0	0	0	0
CAMPUS SPECIFIC ADDITIONAL FEES				
[Insert additional project specific costs]	0	0	0	0
[Insert additional project specific costs]	0	0	0	0
[Insert additional project specific costs]	0	0	0	0
[Insert additional project specific costs]	0	0	0	0
TOTAL ADDITIONAL SERVICES	4,817,000	2,934,000	1,022,000	861,000
TOTAL BASIC + ADDITIONAL SERVICES	8,000,000	4,207,000	2,200,000	1,593,000

ENERGY INFORMATION (input data on ENERGY-FORM B tab)									
UTILITY INFO	CURRENT COST/UNIT	CURRENT USAGE	USAGE AFTER PROJ	PERCENT AVOIDED	AVOIDED USAGE	AVOIDED COSTS	INCENTIVE RATE	INCENTIVE AMOUNT (\$)	
Electric (kWh)	\$0.10	0	0	-	0	\$0.00	0.24	\$0.00	
Electric (kW)	\$0.00	0	0	-	0	\$0.00	0.12	\$0.00	
Gas (Therms)	\$0.64	0	0	-	0	\$0.00	1.00	\$0.00	
Water (CCF)	\$0.00	0	0	-	0	\$0.00	0.00	\$0.00	
Sewer (CCF)	\$0.00	0	0	-	0	\$0.00	0.00	\$0.00	
TOTAL						\$0.00		\$0.00	

MANDATED COLLECTED FEES	
CPDC Fee	\$442,000
State Fire Marshal	\$455,000
TOTAL:	\$897,000

CSU INSURANCE COVERAGES* (input rate info on INSURANCE tab)	
Builders Risk Premium	75,000
Owner Controlled Insurance Program Premium	1,393,000
Construction Project Seismic Fund	71,000
Note: Delay in Construction Coverage is Optional - Add to TOTAL	
BRIP + Seismic TOTAL:	\$146,000

*The Builders Risk Insurance premium, Delayed Construction Coverage and the Construction Project Seismic Fund are reflected in the LINE 5, total construction, and should be deducted from construction estimate when advertising for bids. CPDC will invoice after NTP is issued.

EXHIBIT **F**

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CPD Proj No: _____
 Project Type: **MAJOR**

**THE CALIFORNIA STATE UNIVERSITY
 CAPITAL OUTLAY ESTIMATE (Form CPDC 2-7)**

Date: 03/31/14
 Budget Year: 2014/15
 CCCI: 6151
 EPI: 3202
 Fund: 301

Campus: **CAL POLY STATE UNIV, SAN LUIS OBISPO**
 Project: **Hotel/Conference Center Complex**

Project Schedule	Duration	
Project Started	@ Jun-17	
Schematics Approval (BOT)	@ Oct-17	150
Preliminary Plans Completed.....	@ Dec-17	60
Working Drawings Completed.....	@ Jul-18	210
Construction Started (NTP).....	@ Jan-19	180
Construction Completed (NOC).....	@ Jul-20	540
Total Project Duration (Calendar Days)		1140

	New Const	Reno
Net Area	98,910	
Gross Area	143,420	
Efficiency:	68.97%	#DIV/0!

Arch/Engr: [AE Firm Name]
 Contractor: [Contractor Company Name]

Delivery Type: **DESIGN-BUILD**
 Phase: **BUDGET @ OUTYEAR**

	NEW CONSTRUCTION		RENOVATION		TOTAL	\$/sq.ft.
	STATE	NON-STATE	STATE	NON-STATE		
BUILDING						
A10 Foundations.....	\$					
A20 Basement Construction.....	\$					
A SUBSTRUCTURE.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
B10 Superstructure(Vertical, Floor, & Roof).....	\$					
B20 Exterior Enclosure.....	\$					
B30 Roofing.....	\$					
B SHELL.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
C10 Interior Construction.....	\$					
C20 Stairways.....	\$					
C30 Interior Finishes.....	\$					
C INTERIORS.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
D10 Conveying Systems.....	\$					
D20 Plumbing Systems.....	\$					
D30 HVAC Systems.....	\$					
D40 Fire Protection Systems.....	\$					
D50 Electrical Systems.....	\$					
D5050 Telecom.....	\$					
D BUILDING SERVICES.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
E10 Group I Equipment.....	\$					Costguide: \$0.00
E20 Furnishings (i.e.Group I casework).....	\$					
E EQUIPMENT AND FURNISHINGS.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
F10 Special Construction.....	\$					
F20 Selective Demolition (Excluding hazmat removal).....	\$					
F2020 Hazardous Material Removal.....	\$					
F50 Sustainable Building Measures.....	\$					
F SPECIAL CONSTRUCTION & DEMOLITION.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
F60 GENERAL REQUIREMENTS - Building.....	\$				\$	\$0.00
1. TOTAL BUILDING.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
G1020 Site Prep & Site Improvements.....	\$ 0	0	0	0		Bldg+GC+Ins #DIV/0!
G3040 Site Utilities (Civil, Mechanical, Electrical & Telecom).....	\$					Bldg+GC+Esc #DIV/0!
G2050 Landscape Budget.....	\$					
G50 Sustainable Site Measures.....	\$					
G90 Other Site Construction.....	\$					
G100 General Requirements - Sitework.....	\$					
2. TOTAL SITEWORK.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0.00
3. TOTAL BUILDING AND SITEWORK.....	\$ 0	\$ 26,532,608	\$ 0	\$ 0	\$ 0	Site+GC+Ins
4. Escalation to midpoint of Construction.....	\$ 0	\$ 7,097,000	\$ 0	\$ 0	\$ 0	
5. SUBTOTAL: BUILDING, SITEWORK AND ESCALATION.....	\$ 0	\$ 33,629,608	\$ 0	\$ 0	\$ 33,629,608	\$234.48
6. Z10 GENERAL CONDITIONS / OH & P..... 16.5%	\$ 0	\$ 5,549,000	\$ 0	\$ 0	\$ 5,549,000	\$38.69
a.Not Applicable 0.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
b.Not Applicable 0.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
c.Not Applicable 0.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
7. TOTAL GMP..... 16.5%	\$ 0	\$ 39,178,608	\$ 0	\$ 0	\$ 39,178,608	\$273.17
8. FEES & CONTINGENCY (Basic Services).....			STATE	NON-STATE		
a. DB (AE) Services During PW..... 3.04%			\$ 0	\$ 1,190,000		
b. DB (AE) Services During Construction..... 0.91%			\$ 0	\$ 355,000		
c. Campus Contract Management Services..... 7.00%			\$ 0	\$ 2,743,000		
d. Campus Project Contingency..... 2.00%			\$ 0	\$ 784,000		
e. Total Fees & Contingency..... 12.95%			\$ 0	\$ 5,072,000	\$ 5,072,000	
9. SUBTOTAL: CONSTRUCTION COST, FEES & CONTINGENCY (Items 7 & 8e).....	\$ 0	\$ 0	\$ 44,250,608	\$ 44,250,608	\$ 44,250,608	
10. CEQA On-Site/Off-Site Mitigation.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
11. Required Additional Services During PW Phase.....	\$ 0	\$ 0	\$ 0	\$ 2,162,000	\$ 2,162,000	
12. Required Additional Services During Construction.....	\$ 0	\$ 0	\$ 0	\$ 478,000	\$ 478,000	
a. Builders Risk Insurance Premium/ Seismic Fund.....	\$ 0	\$ 0	\$ 0	\$ 64,000	\$ 64,000	
b. Owner Controlled Insurance Premium.....	\$ 0	\$ 0	\$ 0	\$ 609,000	\$ 609,000	
13. SUBTOTAL: PROJECT COST excl. Group II Equipment.....	\$ 0	\$ 0	\$ 47,563,608	\$ 47,563,608	\$ 47,563,608	\$331.64
14. Group II Equipment.....	\$ 0	\$ 0	\$ 0	\$ 672,592	\$ 672,592	
15. TOTAL: PROJECT COST incl. Group II Equipment.....	\$ 0	\$ 0	\$ 48,236,200	\$ 48,236,200	\$ 48,236,200	\$336.33
16. Project Funds						
a. Chapter..... Item.....						
b. Chapter..... Item.....						
c. Chapter..... Item.....						
d. Other..... Donor / Reserve /Auxiliary Funds.....						
17. Additional Funds Required (Item 15 minus Items 16a thru 16e).....				\$ 48,236,200	\$ 48,236,200	
18. Project Fund Schedule			State	Nonstate		
Received prior to 2014/15.....	\$	\$	\$	\$		
Requested for 2014/15.....	\$	\$	\$	\$		
Requested after 2014/15.....	\$	\$	\$	\$		
			State	Nonstate		
			0 P	2,308,000 P		
			0 W	1,044,000 W		
			0 C	44,211,608 C		
			0	47,563,608		
			0 E	672,592 E		

Total Building with Insurance: \$5

**Nonstate Funded
THE CALIFORNIA STATE UNIVERSITY
CAPITAL OUTLAY ESTIMATE (Form CPDC 2-7)**

Campus CAL POLY STATE UNIV, SAN LUIS OBISPO Date 03/31/14
 Project Hotel/Conference Center Complex CCI 6151

REQUIRED BASIC SERVICES	(input proj type on FEE tab)	PWC	P	W	C
AE FEES		0	0	0	0
CM SERVICE FEE		1,545,000	618,000	572,000	355,000
TOTAL AE / CM SERVICES		1,545,000	618,000	572,000	355,000
REQUIRED ADDITIONAL SERVICES		PWC	P	W	C
SPECIALTY CONSULTANTS					
A/V Consultant		33,000	13,000	12,000	8,000
Acoustical		33,000	13,000	12,000	8,000
Lighting Consultant		33,000	13,000	12,000	8,000
Interior Design		168,000	67,000	62,000	39,000
SELECT CONSULTANT		0	0	0	0
CEQA/EIR Consultant		500,000	500,000	0	0
APPROVALS + CODE COMPLIANCE + CSU/STATE MANDATES					
Mechanical Review Board (MRB)		13,000	1,000	3,000	9,000
Plan Check		49,000	0	49,000	0
DSA Review		38,000	0	38,000	0
CASp Inspections		195,893	0	19,589	176,304
State Fire Marshall		202,000	0	202,000	0
Seismic Peer Review Board (SRB)		25,000	12,500	12,500	0
TYPICAL PROJECT ADDITIONAL SERVICES					
Sustainable Registration/Certification Fees		19,000	1,000	4,000	14,000
Sustainable Documentation/Verification		50,000	0	0	50,000
Design Honorarium (Design-Build)		200,000	200,000	0	0
Survey		25,000	25,000	0	0
Soils		30,000	30,000	0	0
Field Investigation		15,000	15,000	0	0
Destructive Testing		15,000	0	0	15,000
Hazardous Material Survey/Bid docs		0	0	0	0
Hazardous Material Monitoring		0	0	0	0
Commissioning		163,000	16,000	41,000	106,000
Design Assist Addition to Preliminary Phase		783,572	783,572	0	0
Sea-Level Rise (Flood Control)		0	0	0	0
SWPPP QSD/QSP Services		40,000	0	5,000	35,000
BIM Model Conformed to CAFM		10,000	0	0	10,000
Design Assist Reduction to Construction Phase		0	0	0	0
CAMPUS SPECIFIC ADDITIONAL FEES					
[Insert additional project specific costs]		0	0	0	0
[Insert additional project specific costs]		0	0	0	0
[Insert additional project specific costs]		0	0	0	0
[Insert additional project specific costs]		0	0	0	0
TOTAL ADDITIONAL SERVICES		2,640,000	1,690,000	472,000	478,000
TOTAL BASIC + ADDITIONAL SERVICES		4,185,000	2,308,000	1,044,000	833,000

ENERGY INFORMATION (input data on ENERGY-FORM B tab)								
UTILITY INFO	CURRENT COST/UNIT	CURRENT USAGE	USAGE AFTER PROJ	PERCENT AVOIDED	AVOIDED USAGE	AVOIDED COSTS	INCENTIVE RATE	INCENTIVE AMOUNT (\$)
Electric (kWh)	\$0.10	0	0	-	0	\$0.00	0.24	\$0.00
Electric (kW)	\$0.00			-	0	\$0.00	0.12	\$0.00
Gas (Therms)	\$0.64	0	0	-	0	\$0.00	1.00	\$0.00
Water (CCF)	\$0.00	0	0	-	0	\$0.00	0.00	\$0.00
Sewer (CCF)	\$0.00	0	0	-	0	\$0.00	0.00	\$0.00
TOTAL						\$0.00		\$0.00

MANDATED COLLECTED FEES		
CPDC Fee		\$196,000
State Fire Marshal		\$202,000
TOTAL:		\$398,000

CSU INSURANCE COVERAGES*		(input rate info on INSURANCE tab)
Builders Risk Premium		33,000
Owner Controlled Insurance Program Premium		609,000
Construction Project Seismic Fund		31,000
Note: Delay in Construction Coverage is Optional - Add to TOTAL		
BRIP + Seismic TOTAL:		\$64,000

*The Builders Risk Insurance premium, Delayed Construction Coverage and the Construction Project Seismic Fund are reflected in the LINE 5, total construction, and should be deducted from construction estimate when advertising for bids. CPDC will invoice after NTP is issued.