



MARKET STUDY

Entertainment and Cultural Event Facilities

MAMMOTH LAKES, CALIFORNIA



SUBMITTED TO:

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Re: Entertainment and Cultural Event Facilities
Mammoth Lakes, California

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Dear Mr. Brown:

Pursuant to your request, we herewith submit our Market Study of Entertainment and Cultural Event Facilities in Mammoth Lakes, California.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

It has been a pleasure working with you. Please let us know if we can provide any additional services.

Sincerely,
HVS Convention, Sports & Entertainment
Facilities Consulting

Thomas Hazinski
Managing Director

Catherine Sarrett
Project Manager



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1. Introduction and Executive Summary

Nature of the Assignment

The Town of Mammoth Lakes, California (“Mammoth Lakes”) engaged HVS Convention, Sports & Entertainment Facilities Consulting (“HVS”) to conduct a Market Study for the development of Entertainment and Cultural Event Facilities in Mammoth Lakes. The purpose of this study is to assess the events market, analyze potential sites for the proposed facilities, and project future demand. Mammoth Lakes seeks to foster economic development through the expansion of the events industry in Mammoth Lakes.

Methodology

In accordance with the Scope of Services, HVS performed the following tasks:

1. Conducted a site visit and client meeting with Thomas Hazinski and Catherine Sarrett in Mammoth Lakes, California on June 3rd and 4th, 2013. During this visit, they toured the potential sites in Mammoth Lakes, met with the recreation commission, various event coordinators, government officials, and other key stakeholders and gathered relevant data;
2. Analyzed the economic and demographic data that indicate whether and the extent to which the local market area is supportive of the proposed entertainment and cultural facilities;
3. Reviewed and analyzed sales, marketing, and tourism data provided by the Town of Mammoth Lakes, Mammoth Lakes Tourism, and event coordinators;
4. Prepared case studies on six comparable resorts with entertainment and cultural venues similar to those envisioned for Mammoth Lakes;
5. Prepared and in-depth site analysis, evaluating 13 potential sites using 25 selection criteria to narrow list to three sites best suited for the proposed facilities;
6. Recommended a conceptual facility program based on the above steps and made a final site recommendation based on conceptual program;
7. Recommended two potential sites for further evaluation;
8. Prepared an event demand and attendance forecast based on the implementation of the recommended program;
9. Forecasted the financial operations of the proposed entertainment and cultural facilities; and

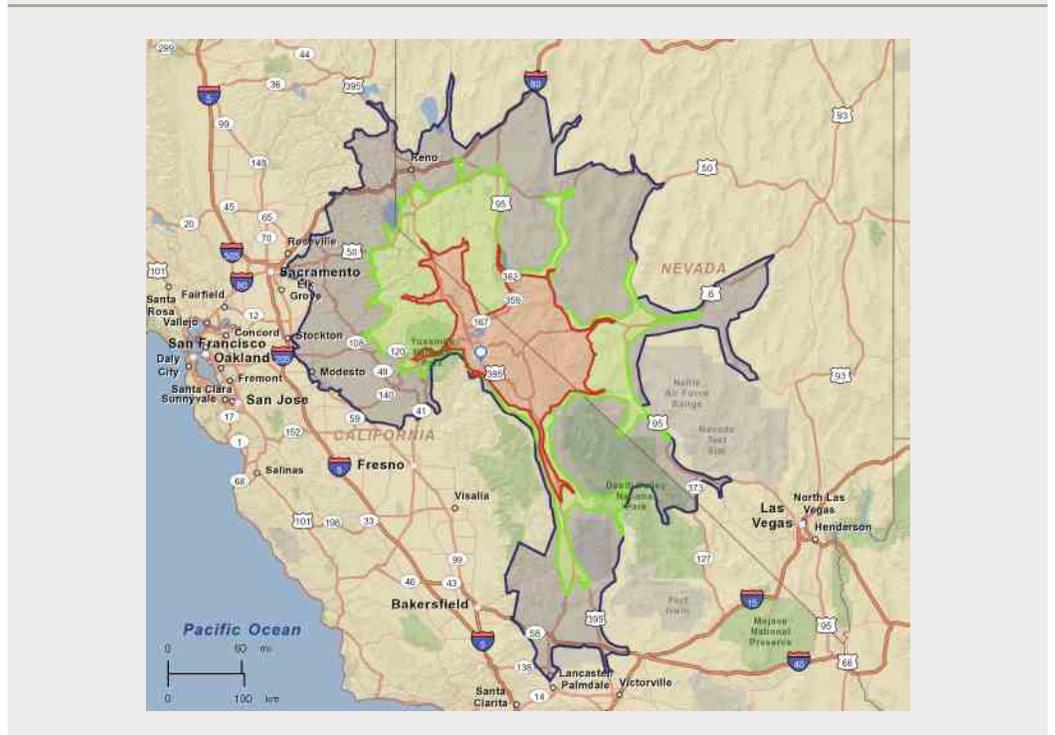
10. Developed costs estimates for the recommended facilities based on comparable development and local market conditions.

HVS collected and analyzed all information contained in this report. HVS sought out reliable sources and deemed information obtained from third parties to be accurate.

Market Area Analysis

The Mammoth Lakes economy relies heavily on outside visitation. Primarily a winter and summer destination, the market benefits greatly from the natural beauty of the area and the many outdoor recreation activities available year round. The relatively small permanent population is augmented by the seasonal residence of second home-owners. Over 1.5 million people visit Mammoth Lakes each year, the majority of which are from the State of California. Air service to Mammoth Lakes has improved dramatically in recent years; however, most visitors arrive by car. The drive-in market for Mammoth Lakes is large, with over 22 million people living within a five-hour drive of the town.

FIGURE 1-1 MAMMOTH LAKES DRIVE TIME MAP



- Mammoth Lakes' current visitor infrastructure, including transportation access, lodging, and tourist amenities would be able to accommodate additional visitation induced by new events and festivals in the market.

- The Mammoth Lakes community lacks suitable venues to accommodate larger events. Temporary, seasonal facilities have provided some capacity to host events at various sites throughout the town; however, many of these locations are not appropriate as a more permanent event site for a variety of reasons, including weather, land acquisition, and access.
- As in most resort communities, the Mammoth Lakes service-based economy does not have the corporate base necessary to create internal demand for conferences, meetings, and other group events which could bring out-of-town event attendees to the area.
- The market must generate group event demand based on its appeal as a resort destination with transportation access, lodging options, event space, and tourist amenities.
- Limited air service and longer drive times make Mammoth Lakes less attractive for meeting planners and attendees. However, established leisure visitation from California's major metropolitan areas and historical group business suggest some potential Mammoth Lakes as a group meeting event destination.
- As with events, group meeting demand is currently limited by a lack of appropriate function space. The Mammoth Mountain Ski Area has the largest function spaces; however, many of these have limited use as meeting facilities due to their primary use as ski lodges and their inaccessibility.

Comparable Resort Assessment

While no resort market is identical to Mammoth Lakes, HVS selected five comparable resorts which share certain market characteristics. First, comparable resorts all have small permanent populations, with local economies relying mainly on tourism. Second, all comparable resorts are in relatively remote locations, at least two hours from a major population center and with limited nearby air service. Several factors determine a market's overall strength and potential for events. These factors include the attributes of the event facilities, lodging supply, the economic and demographic profile of the community, transportation access, tourism amenities, and overall destination appeal. This analysis will help in understanding the relative event potential of Mammoth Lakes and the proposed entertainment and cultural event facilities. HVS analyzed the following comparable resort markets. A figure highlighting event facilities in each resort follows.

- Aspen, Colorado
- Jackson, Wyoming
- North Lake Tahoe
- Sun Valley, Idaho
- Telluride, Colorado
- Whistler, British Columbia

FIGURE 1-2 EVENT VENUES IN COMPARABLE RESORTS

	Aspen, CO	Jackson, WY	North Lake Tahoe, CA and NV	Sun Valley, Ketchum & Hailey, ID	Telluride & Mountain Village, CO	Whistler, BC
Festival & Concert Venues	Benedict Music Tent	Walk Music Festival Hall	Warren Edward Trepp Stage	Sun Valley Pavilion	Town Park	Whistler Olympic Plaza
Ownership	Nonprofit	Nonprofit	Nonprofit	Private/Nonprofit	Public	Public
Year Built/Renovated	2000	1974/2007	2000	2008	1991	2010
Seating Capacity	2,050	685	1,200	1,500	0	0
Total Capacity	4,050	685	1,200	5,000	13,000	8,000
Typical Event	Aspen Music Festival	Grand Teton Music Festival	Shakespeare Festival	Sun Valley Summer Symphony	Telluride Blues & Brews Festival	Summer Concert Series
Theaters & Auditoriums	Harris Concert Hall	Jackson Center for the Arts	Sierra Nevada College (tent)	Liberty Theater	Palm Theater	Millennium Place
Ownership	Nonprofit	Nonprofit	Nonprofit	Nonprofit	School District /Nonprofit	Nonprofit
Year Built/Renovated	1993	2004	2011	1930/1996	2004	2010
Seating Capacity	500	500	500	240	587	200
Typical Event	Aspen Music Festival	Theater and Music	Summerfest	Theater	Theater, Music, Dance & Film	Performing and Literary Arts
Convention & Conference Centers	Aspen Meadows Conference Center	Snow King Resort & Conference Center	Resort at Squaw Creek	Sun Valley Convention Center	Telluride Conference Center	Whistler Conference Center
Ownership	Nonprofit	Private	Private	Private	Public	Public
Year Built/Renovated	1949/2010	1976/2013	1990/2005	1936/2004	1999	1982/2008
Total Function Space	22,600	31,800	28,450	16,500	7,800	26,500
Typical Event	Aspen Ideas Festival	Conferences, Weddings	Conferences, Weddings	Media Moguls Conference	Concerts, meetings	Conferences, Festivals

The analysis comparable resort markets demonstrate that Mammoth Lakes lacks several venue types which are found in similar sized resorts.

Key findings include the following.

- All of the markets studied have permanent event venues which are suitable for large concerts and festivals. With the exception of Walk Festival Hall in Jackson, Wyoming, each of the comparable venues is a permanent outdoor stage with a mixture of fixed and lawn seating.
- All comparable markets feature indoor theaters and auditoriums which are capable of hosting a variety of theatrical and musical events, as well as lectures and large meetings. Seating capacity in these venues ranges from 200 to 500 seats.
- All comparable markets have group meeting space which features a mix of ballroom and meeting space suitable for small conventions, conferences, and other group events. Total meeting space ranges from 7,800 to 31,800 square feet.
- In terms of lodging and population, Mammoth Lakes compares favorably to the comparable markets, suggesting that the local economy and tourism infrastructure could support the additional event venues.
- Mammoth Lake's primary weakness as a group event destination may be its accessibility. Mammoth Lakes Airport has a considerably lower level of passenger activity, than the other regional airports presented in this section. However, Mammoth Lakes has an established drive-in visitation level from southern California which could translate into both event attendance and group business if the appropriate facilities were developed.

Building Program Recommendations

HVS relied on an analysis of the market economics and demographics, site inspections, a review of comparable venues and markets, and knowledge of industry practices to recommend a conceptual facility program a proposed Mammoth Lakes Event and Cultural Center ("MLECC"). These facility program scenarios serve as guides for subsequent physical planning aimed at providing the desired program elements.

HVS program recommendations are aimed at providing Mammoth Lakes with permanent entertainment and cultural venues that satisfy the following utilization goals.

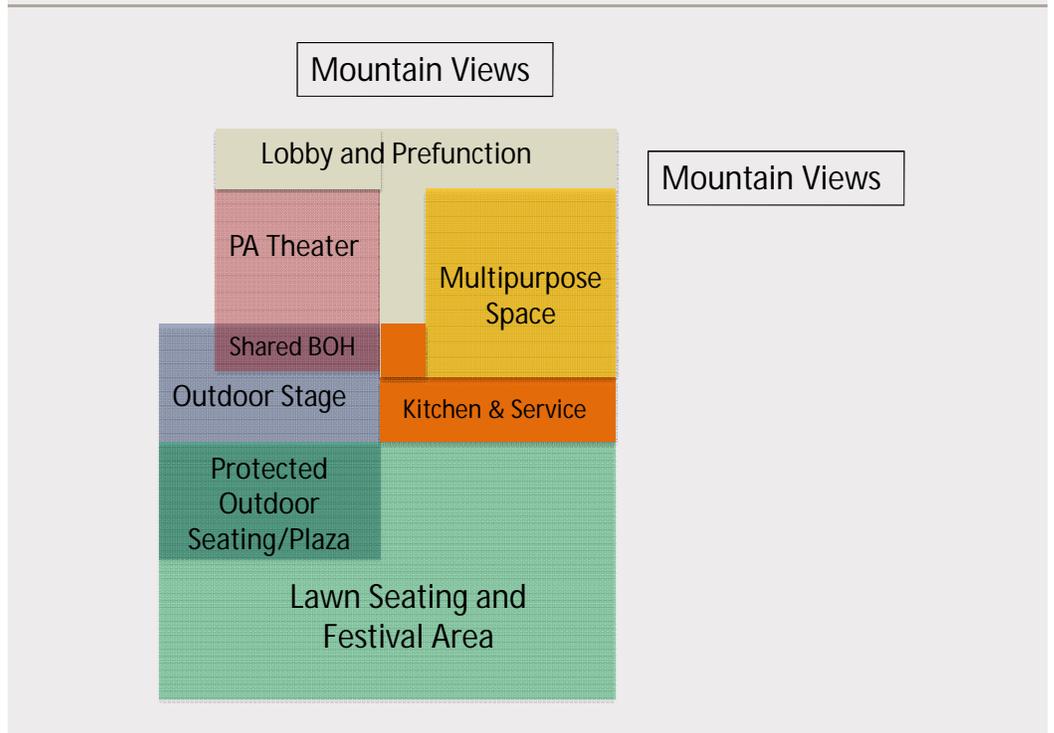
- Establish permanent event venue(s) that can be used regularly by existing festivals and shows,
- Allow existing events to expand overall size and attendance if currently constrained by site issues,
- Develop shared, multipurpose spaces that can be used by various organizations and events,
- Encourage event promoters and organizers to establish new events in Mammoth Lakes,
- Expand event programming to spring and fall shoulder seasons and weekday use, and
- Encourage use by local residents for various programs and civic events.

HVS recommends combined and integrated indoor and outdoor event spaces, which would create the MLECC. Building program recommendations include the following elements.

- An outdoor stage with a 1,500-person capacity with semi-permanent seating on a wind protected plaza.
- Additional lawn seating for 6,000 people for a total capacity of 7,500.
- Indoor performing arts stage adjacent to rear of outdoor stage so that stages can share back of house spaces.
- 200 to 250 fixed seats in a performing arts theater.
- Attached 10,000 square foot multipurpose space with divisibility into 4 sections.
- Shared entrance lobby for theater and multipurpose space.
- Multipurpose space's kitchen and service areas adjacent to theater and back of house areas.
- Weather protected outdoor festival space between stage and multipurpose space structures.

The following figure shows a conceptual layout of the recommended spaces. Functions spaces are not to scale and are intended to show relative locations and shared areas.

FIGURE 1-3 BUILDING PROGRAM CONCEPTUAL LAYOUT



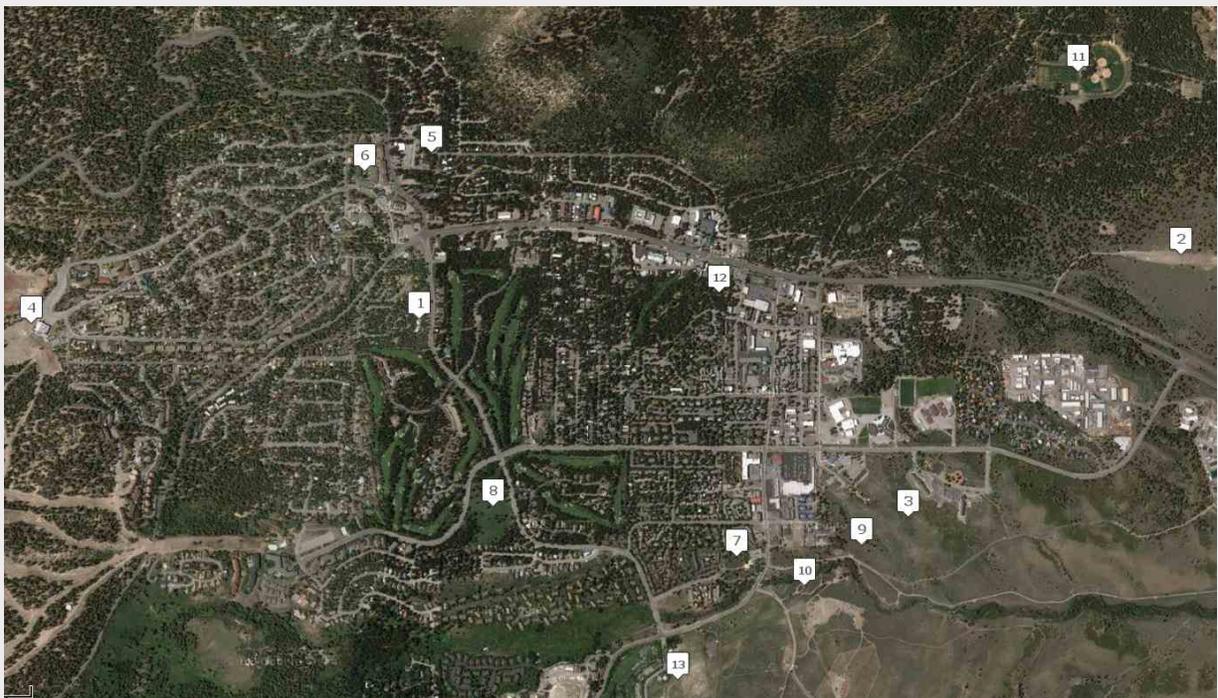
Site Analysis

Considering the above building program recommendation and other factors, HVS evaluated the suitability of the following 13 potential sites. An aerial view of Mammoth Lakes which identifies the potential sites follows.

- Site 1 – Sam’s Woods
- Site 2 – Snow Pit
- Site 3 – Mammoth Lakes Foundation
- Site 4 – Canyon Lodge
- Site 5 – Community Center
- Site 6 – Village at Mammoth
- Site 7 – Mammoth Creek Park
- Site 8 – Bell-Shaped Parcel
- Site 9 – Mammoth Creek Park East
- Site 10 – Sierra Meadows

- Site 11 – Shady Rest Park
- Site 12 – Shady Rest Parcel
- Site 13 – Snowcreek

FIGURE 1-4 POTENTIAL DEVELOPMENT SITES



HVS developed a list of evaluation criteria to use in assessing the relative strengths and weaknesses of the various potential sites. The evaluation criteria include primary evaluation categories concerned with site considerations, transportation and parking, urban impact, and financial considerations. HVS assigned each potential site a rank of one through three for each specific evaluation criterion. A score of one indicates that a site ranks poorly on the criterion and a score of three indicates that a site ranks favorably on the criterion. In order to assess the relative importance of the ratings, HVS assigned each site evaluation criterion an importance level of high, medium, or low. Combining the rating and the importance level for each criterion yields a weighted score for each site. The sum of these weighted scores represents the overall suitability for each site.

As shown below, the three sites with the highest overall scores are the Foundation Site, Canyon Lodge, and the Sam's Woods site. These three sites are best suited for

the development of entertainment and cultural event facilities. Each of these sites is evaluated further based on its ability to accommodate the proposed building program described below.

FIGURE 1-5 OVERALL SCORE SUMMARY

Overall Score		
1	Foundation Site	225
2	Canyon Lodge	212
3	Sam's Woods	210

Site Recommendations

Based on the above program recommendations, in conjunction with the site analysis, HVS finds that the Foundation site is the most appropriate site for the proposed MLECC while Sam's Woods works for an alternate seasonal outdoor venue. The Foundation site could accommodate all program elements on single site, allowing event organizers and other groups to effectively share resources. The types of entertainment and cultural events which could use the MLECC would positively affect neighboring development and would not interfere with events hosted by the Mammoth Mountain Ski Area ("MMSA") and the Village at Mammoth.

Recognizing that the planning and funding of the MLECC may have a lengthy timeline, HVS recommends consideration of temporary short-term, lower cost alternative improvements on the Sam's Woods site. While not all proposed elements of the MLECC can be accommodated at Sam's Woods, the site has successfully hosted a variety of outdoor festivals and other events. Site permitting, under this alternate scenario, HVS recommends the construction of a permanent 60-foot by 40-foot outdoor stage as well as concessions and restroom facilities capable of accommodating up to 6,000 event attendees. The site could continue to be a valuable community asset by providing event coordinators with event infrastructure they would otherwise have to create at greater expense than site rental costs.

Demand Projections

Based on the building program recommendations presented above, the market and comparable facility analyses, and other industry data, HVS projected demand for proposed MLECC and the alternate venue scenario. MLECC projections assume that while large festival and concerts would preclude other events, many events could occur simultaneously. For example, a small festival or conference could occupy the multipurpose hall concurrent with a theatrical production in the theater. These projections assume that the proposed MLECC could be completed by January of 2018 and the alternate outdoor venue by January of 2016. HVS estimates that event demand would stabilize during the fourth year of operation following the opening of either facility, 2021 for the MLECC and 2019 for the

alternate venue. Demand projections also assume the presence of highly qualified, professional sales and management teams. The following figures present the projected demand for a stabilized year of operation for each scenario.

FIGURE 1-6 EVENT DEMAND PROJECTIONS

	Stablized Year	
	MLECC	Alternate Venue
Events		
Large Festivals	8	7
Small Festivals	8	6
Outdoor Concerts	4	2
Local Performing Arts	75	12
Touring Acts & Films	10	0
Meetings & Conferences	24	0
Tradeshows	4	0
Banquets	20	0
Assemblies	5	0
Other	15	8
Total	173	35
Average Attendance		
Large Festivals	8,000	6,200
Small Festivals	2,000	1,600
Outdoor Concerts	3,500	3,000
Local Performing Arts	150	150
Touring Acts & Films	200	na
Meetings & Conferences	100	na
Tradeshows	300	na
Banquets	200	na
Assemblies	120	na
Other	2,500	na
Total Attendance		
Large Festivals	64,000	43,400
Small Festivals	16,000	9,600
Outdoor Concerts	14,000	6,000
Local Performing Arts	11,250	1,800
Touring Acts & Films	2,000	0
Meetings & Conferences	2,400	0
Tradeshows	1,200	0
Banquets	4,000	0
Assemblies	600	0
Other	37,500	16,000
Total	150,000	80,000

Based on the above demand projections, HVS concludes that that the type and quantity of events that could be accommodated by the MLECC building program would foster stronger economic development than those possible under the alternate scenario. While a detailed economic impact projection is outside of the scope of this study, the nature of events at the MLECC would create greater overnight visitation, including shoulder season and week night stays throughout the year. While the MLECC would successfully accommodate existing events I Mammoth Lakes, a significant portion of the projected events would be new to the market. Events hosted at the alternate Sam's Woods site would primarily take place during summer season weekends. Seasonal restrictions would also limit the ability of event promoters to develop new events in Mammoth Lakes.

Financial Operations

HVS applied a series of revenue and expense assumptions based on projected attendance and facility utilization to develop a forecast of operations for the proposed MLECC and the alternate venue scenario. The following figure presents the projected financial operations for the MLECC at the Foundation site and the alternate venue at the Sam's Woods site. The forecasts are for the operations of the proposed venues and do not include capital costs or the costs associated with financing the projects. HVS further assumes that the MLECC would operate as a department of the Town of Mammoth Lakes, either by an in-house staff or by a private management company. Certain non-event related expenses, such as legal fees, accounting fees, insurance premiums, and some administration expense would be covered in the Town's general budget. The revenues and expenses presented below are for a stabilized year of demand in 2013 dollars.

FIGURE 1-7 FORECAST OF FINANCIAL OPERATIONS (2013 DOLLARS)

	Stabilized Year	
	MLECC	Alternate Venue
OPERATING REVENUE		
Facility Rental	\$283,700	\$130,000
Food & Beverage (Gross)	516,800	211,600
Event Services (Gross)	40,000	0
Facility Surcharge	123,300	0
Advertising & Sponsorships	25,000	10,000
Other Revenue	5,000	2,500
Total	\$993,800	\$354,100
OPERATING EXPENSES		
Salaries & Benefits	\$429,000	\$91,000
Food & Beverage Costs	361,800	148,100
Contractual Services	19,900	8,500
Administrative & General	15,000	6,800
Repair & Maintenance	39,900	13,500
Supplies & Equipment	19,900	6,800
Utilities	104,800	32,100
Other Expense	9,900	3,500
Total	\$1,032,200	\$310,300
OPERATING INCOME (LOSS)	(\$38,400)	\$43,800
NON-OPERATING EXPENSES		
Capital Maintenance	\$29,800	\$10,600
Total	\$29,800	\$10,600
TOTAL NET INCOME (LOSS)	(\$68,300)	\$33,100

Development Cost Estimates

Based on the recommended program of functional elements, HVS developed rough estimates of gross square footage and the range of cost per square foot by functional area. The following figure presents the estimated range of costs for the full MLECC at the Foundation site and the alternate outdoor stage venue at the Sam's Woods site.

FIGURE 1-8 DEVELOPMENT COST ESTIMATES

	Cost Estimate Range	
	Low	High
MLECC at Foundation Site	\$ 22,458,138	to \$ 32,569,175
Alternate Venue at Sam's Woods Site	\$ 2,223,250	to \$ 3,819,500

The above construction costs estimates do not include land acquisition costs or the costs for long-term maintenance of the sites. Infrastructure requirements, wind testing, and other site-specific issues can significantly influence development costs.

Next Steps

This market study has provided The Town of Mammoth Lakes with building recommendations and operating projections which consider market factors and the overall demand potential for events in Mammoth Lakes. Moving forward, the following analyses would be of benefit to the Town in order to make an informed decision on a final course of action.

- Conceptual planning of proposed building programs
- Wind testing of sites
- Construction cost estimating
- Economic and fiscal impact analysis
- Strategic operating and organizational recommendations
- Funding planning

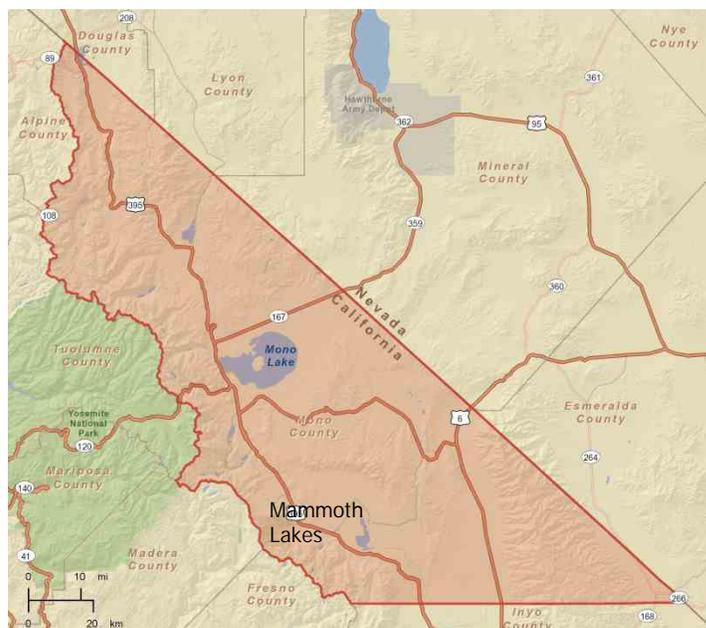
2. Market Area Overview

This market area analysis reviews economic and demographic data that describe the overall condition of the local economy in Mammoth Lakes, California. HVS used characteristics of the area’s economy and trends that indicate growth or decline to forecast the performance of proposed entertainment and cultural event facilities. HVS analyzed the following indicators: population, income, sales, work force characteristics, employment levels, major businesses, airport access, transportation, hotel supply, and tourism attractions.

Market Area Definition

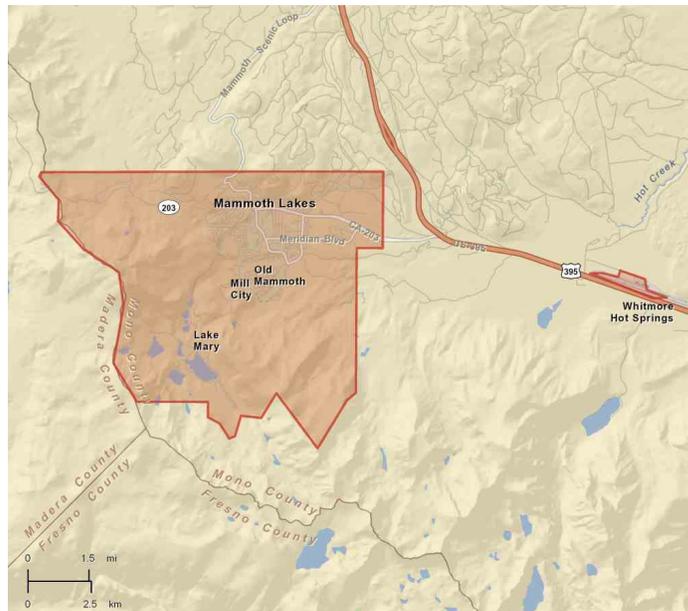
The market area for event facilities consists of the geographical region that offers transportation access, lodging, and other amenities to users of the venues. For the purposes of this study, HVS defined the market area as the western side of Mono County which contains the Town of Mammoth Lakes. The following map shows the location of Mammoth Lakes in the context of Mono County, Yosemite National Park, and other surrounding counties.

MAP OF MONO COUNTY



The following figure shows a more detailed site map of Mammoth Lakes.

MAP OF MAMMOTH LAKES



Mammoth Lakes occupies approximately 2,400 acres of private property located along the western edge Mono County near the junction of Madera and Fresno Counties with Mono County. It is the County's only incorporated community and is surrounded by National Forest lands. Prospectors first settled the Mammoth Mountain area in 1878 as a mining camp called Mammoth City. After just two years, the Mammoth Mining Company shut down and the population dropped from over 1,500 to under 10. In the early 1900s, a town began to grow around Mammoth Creek with logging and tourism as the main industries.

In 1942, a former California ski champion, Dave McCoy set up a towrope on Mammoth Mountain. In 1953, the U.S. Forest Service gave McCoy a permit for the right to develop a ski resort on the mountain. Mammoth Mountain Ski Area ("MMSA") has grown to over 3,500 acres of skiable terrain serviced by 28 chair lifts and 3 gondolas. MMSA has capacity for 24,000 skiers at one time. In addition to skiing, Mammoth Lakes is well known for its natural beauty and other outdoor activities offered by the vast acreage of the Inyo National Forest surrounding the town. Visitors enjoy hiking, camping, fishing, and boating opportunities in the area. Its high altitude has made it a popular training location for elite athletes.

AERIAL VIEW MAMMOTH LAKES, CALIFORNIA



Economic and Demographic Review

A primary source of the economic and demographic statistics used in this analysis is the Complete Economic and Demographic Data Source published by Woods and Poole Economics, a well-regarded forecasting service based in Washington, D.C. Using a database containing more than 900 variables for each county in the nation, Woods & Poole employs a sophisticated regional model to forecast economic and demographic trends. Historical statistics are based on census data and information published by the Bureau of Economic Analysis. Woods & Poole uses these data to formulate projections, and all dollar amounts have been adjusted for inflation, thus reflecting real change.

The following figure summarizes these statistics for Mono County, the state of California and the entire U.S.

FIGURE 2-1 ECONOMIC AND DEMOGRAPHIC DATA SUMMARY

	2003	2013	2018	Average Annual Compounded Change	
				2003-13	2013-18
Resident Population (Thousands)					
Mono County	13.0	13.8	15.0	0.6 %	1.6 %
State of California	35,251.1	38,495.9	40,484.4	0.9	1.0
United States	290,326.4	319,116.2	334,840.8	0.9	1.0
Per-Capita Personal Income*					
Mono County	\$37,011	\$43,591	\$45,635	1.6	0.9
State of California	36,965	39,187	41,507	0.6	1.2
United States	34,105	36,677	38,951	0.7	1.2
W&P Wealth Index					
Mono County	119.6	130.0	128.6	0.8	(0.2)
State of California	108.7	108.0	107.7	(0.1)	(0.0)
United States	100.0	100.0	100.0	0.0	0.0
Food and Beverage Sales (Millions)*					
Mono County	\$47	\$52	\$58	1.0	2.2
State of California	46,406	54,993	58,304	1.7	1.2
United States	359,336	424,500	449,120	1.7	1.1
Total Retail Sales (Millions)*					
Mono County	\$202	\$220	\$245	0.8	2.3
State of California	442,761	494,062	536,106	1.1	1.6
United States	3,727,549	4,189,260	4,537,002	1.2	1.6

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

Over the past decade, Mono County has experienced moderate population growth as compared to the State of California and the U.S. as a whole. The county's population growth rate is expected to increase in coming years, surpassing state and national averages. Personal income and wealth parameters show above average growth in the past decade with slower growth expected in the coming years. Spending patterns roughly follow population trends.

To augment the County-level demographic data presented above, HVS used ESRI data to analyze demographic trends for the Town of Mammoth Lakes. Growth rates for the State of California and the entire U.S. are also provided for reference.

FIGURE 2-2 LOCAL MARKET DEMOGRAPHICS

Market	Population			Households			Median Household Income (\$)		
	2012	2017	Annual Growth Rate	2012	2017	Annual Growth Rate	2012	2017	Annual Growth Rate
Mammoth Lakes	8,360	8,620	0.61%	3,272	3,383	0.67%	54,618	59,987	1.89%
California			0.67%			0.66%			3.35%
United States			0.68%			0.74%			2.55%

Source: ESRI

The above projections are based on the most recently available 2010 U.S. Census data. Mammoth Lakes has a relatively small permanent population; however, weekend populations can reach 30,000. Modest projected population growth rates suggest that vacation and tourism will continue to be the primary driver of the local economy. The following analysis of local workforce and corporate profile provides further evidence.

**Workforce
Characteristics**

The characteristics of an area's workforce provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Sectors such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. The following table shows Mono County's workforce distribution by business sector.

FIGURE 2-3 HISTORICAL AND PROJECTED EMPLOYMENT (000S)

Industry	2003	Percent of Total	2013	Percent of Total	2018	Percent of Total	Average Annual Compounded Change	
							2003-2013	2013-2018
Farm	0.1	0.9 %	0.1	0.9 %	0.1	0.8 %	0.8 %	0.2 %
Forestry, Fishing, Related Activities And Other	0.1	0.6	0.0	0.3	0.0	0.3	(5.6)	0.6
Mining	0.0	0.2	0.0	0.2	0.0	0.2	1.3	0.8
Utilities	0.1	0.6	0.0	0.3	0.0	0.3	(5.0)	1.7
Construction	0.9	9.5	0.8	6.6	0.9	6.9	(2.0)	2.3
Manufacturing	0.1	1.0	0.1	0.8	0.1	0.8	(0.8)	0.0
Total Trade	1.0	10.5	1.0	8.6	1.1	8.6	(0.4)	1.5
Wholesale Trade	0.0	0.4	0.0	0.3	0.0	0.3	(2.1)	0.0
Retail Trade	1.0	10.0	1.0	8.3	1.0	8.3	(0.3)	1.6
Transportation And Warehousing	0.1	1.1	0.1	1.3	0.2	1.2	2.7	0.5
Information	0.1	0.8	0.1	0.6	0.1	0.6	(1.3)	2.3
Finance And Insurance	0.1	1.1	0.1	0.7	0.1	0.7	(3.6)	2.3
Real Estate And Rental And Lease	0.9	9.4	1.0	8.4	1.1	8.8	0.5	2.3
Total Services	4.7	47.9	6.3	54.1	6.8	54.6	2.9	1.7
Professional And Technical Services	0.5	4.8	0.4	3.2	0.4	3.2	(2.3)	1.6
Management Of Companies And Enterprises	0.0	0.1	0.0	0.2	0.0	0.2	5.1	0.9
Administrative And Waste Services	0.2	1.7	0.3	2.2	0.3	2.2	4.2	2.1
Educational Services	0.0	0.4	0.1	0.4	0.1	0.4	2.7	1.1
Health Care And Social Assistance	0.2	2.2	0.2	2.0	0.2	2.0	0.4	1.5
Arts, Entertainment, And Recreation	0.2	2.4	0.3	2.4	0.3	2.4	1.6	1.5
Accommodation And Food Services	3.1	31.5	4.5	38.7	4.8	38.9	3.7	1.6
Other Services, Except Public Administration	0.5	4.7	0.6	5.0	0.6	5.2	2.2	2.3
Total Government	1.6	16.3	2.0	17.4	2.0	16.3	2.3	0.1
Federal Civilian Government	0.2	2.0	0.2	1.6	0.2	1.5	(0.5)	(0.2)
Federal Military	0.3	2.7	0.2	2.1	0.2	1.9	(0.8)	(0.2)
State And Local Government	1.1	11.7	1.6	13.7	1.6	12.9	3.3	0.2
TOTAL	9.9	100.0 %	11.6	100.0 %	12.5	100.0 %	1.6 %	1.5 %

The services sector represents the largest percentage of employment in Mono County with the strongest employment in the hospitality and food service sector. State and local government jobs rank second followed by retail trade. Most employment sectors declined during the past decade while the leading sector grew. Modest growth is expected in most sectors in the coming years. The following figure presents the employment by sector for the Town of Mammoth Lakes and Mono County.

FIGURE 2-4 LOCAL MARKET EMPLOYMENT

Sector	Mammoth Lakes 2010	Mono County 2010
Agriculture/Mining	5.2%	4.9%
Construction	8.6%	9.6%
Manufacturing	2.6%	2.5%
Wholesale Trade	0.0%	0.1%
Retail Trade	8.7%	12.2%
Transportation/Utilities	1.7%	2.5%
Information	1.2%	1.6%
Finance/Insurance/Real Estate	9.6%	7.0%
Services	58.6%	53.2%
Public Administration	3.8%	6.6%
Total Employed Population 16+	4,665	7,720

Source: ESRI

Over 60 percent of Mammoth Lake’s residents are employed in the services or retail trade sector. The employment profile and small size of the employed population suggest that businesses within the local economy would generate minimal visitation to the area in the form of business meeting and conference demand. Mono County’s employment profile follows a similar pattern, with a similar reliance on the service and retail sectors.

Providing additional context for understanding the nature of the regional economy, all major employers in Mono County, those with at least 100 employees, are hospitality and tourism related or provide government, education, healthcare, and other necessary services to the county’s residents.

Unemployment statistics provide a measure of the health of the local economy and comparisons to state and national trends. The following table presents historical unemployment rates for the market area.

Unemployment
Statistics

FIGURE 2-5 UNEMPLOYMENT STATISTICS

Year	County	State	Country
2003	5.1 %	6.8 %	6.0 %
2004	5.1	6.2	5.5
2005	4.9	5.4	5.1
2006	4.4	4.9	4.6
2007	4.8	5.4	4.6
2008	5.9	7.2	5.8
2009	9.0	11.3	9.3
2010	10.3	12.4	9.6
2011	10.1	11.8	8.9
2012	10.5	10.5	8.1
<i>Recent Month - Mar</i>			
2012	10.3 %	11.1 %	8.2 %
2013	8.0	9.4	7.6

Historically, the Mono County unemployment rate tracked lower than that of the entire State of California and the U.S. Like the rest of the country, the population in Mono County experienced a spike in unemployment in 2009. In 2012, the local unemployment rate peaked at 10.5 percent, equal to the state unemployment level, but higher than that of the entire U.S. As economic conditions rebound, local unemployment is expected to gradually return to its pre-recession level.

Airport Traffic

Since airport access can an important consideration for event attendees, airport passenger counts provide an indication of the ability of a market to support both business related and cultural events. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area.

Mammoth Yosemite Airport (“MMH”) is approximately 6 miles from the central business district of Mammoth Lakes. The airport was purchased by Mammoth Lakes from Mono County in 1992. Primarily used for general aviation, two airlines provide daily scheduled passenger service. Alaska Airline offers year-round daily flights to and from Los Angeles with additional flights during the winter/spring to Los Angeles and San Diego. United Airlines offers flights during the winter/spring season to and from San Francisco, San Diego, and Orange County. In 2007, Mammoth Mountain Ski Area began negotiating contracts with airlines to provide more air service to the area. As a result, annual passenger counts at MMH have increased dramatically over the past few years According to Federal Aviation Administration statistics, 665 passenger enplanements in 2008 grew to over 26,000 in 2011, with continued increases expected in the future.

Despite these improvements to air service, approximately 90 percent of visitors travelling to Mammoth Lakes drive, while only 3 percent of visitors fly into MMH.

Drive Time Analysis

HVS prepared the following geographic radius analysis to assess the broader regional population base and potential drive-in markets. To augment the local market demographics, HVS used ESRI to analyze demographics of populations within drive times of one, three, and five hours of Mammoth Lakes. An analysis of demographics within these drive times provides insight into the persons residing in areas that would be potential drive in markets for entertainment and cultural events as well as business related meetings and conferences. The following figures present the drive time map used in this analysis and the demographics for each drive time market.

FIGURE 2-6 DRIVE TIME MAP

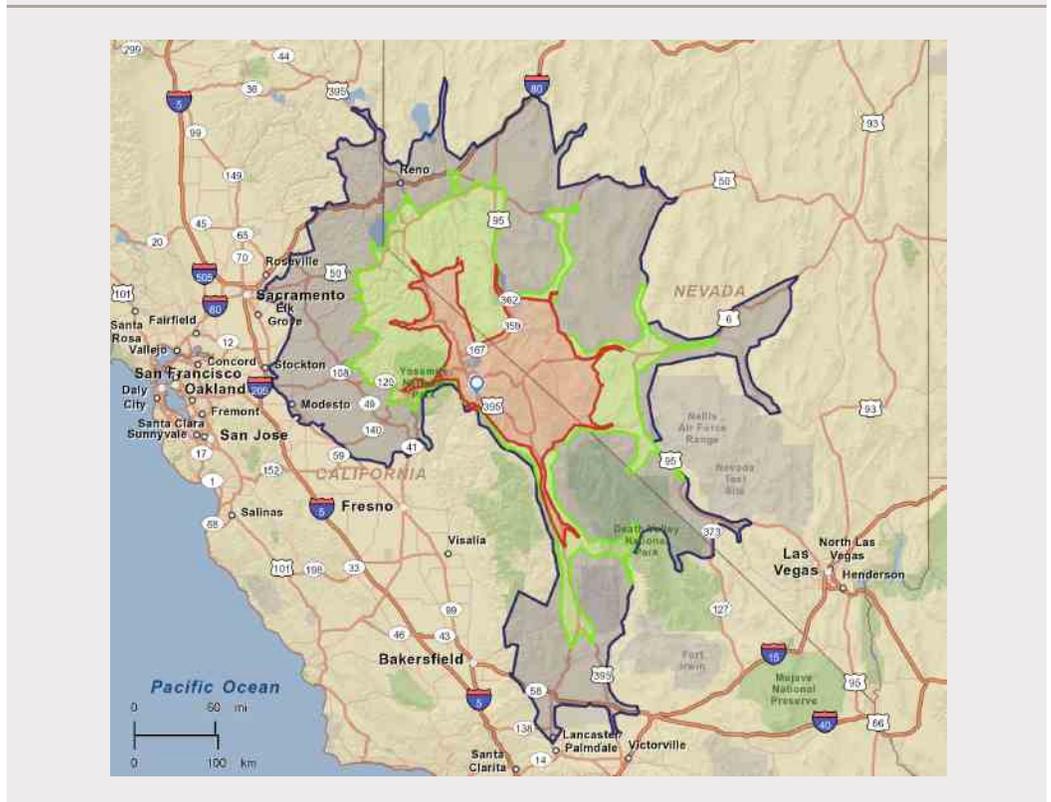


FIGURE 2-7 DRIVE TIME DEMOGRAPHICS

Drive Time	Population			Median Household Income (\$)			Median Age	
	2012	2017	Annual Growth Rate	2012	2017	Annual Growth Rate	2012	2017
One Hour	25,129	25,454	0.26%	47,616	52,642	2.03%	40.7	41.1
Three Hour	287,884	287,994	0.01%	49,115	55,705	2.53%	43.6	44.7
Five Hour	22,243,271	22,871,693	0.56%	53,543	62,026	2.99%	34.7	35.2

Source: ESRI

The above analysis shows dramatic changes in the potential markets as the drive time increases. The populations within the one and three hour drive times are relatively small. The population jumps to over 22 million for a five-hour drive which includes portions of the Los Angeles, San Francisco, and Las Vegas metropolitan areas. The five hour drive time population is also more affluent and younger than the other drive time markets, suggesting an increased interest in and ability to attend events in Mammoth Lakes. The above analysis is consistent with historical visitation data presented in the figure below, in which the greatest percentage of visitors arrive from Southern California.

FIGURE 2-8 MAMMOTH LAKES VISITOR ORIGIN

State/Province	California County	
California	65%	* Los Angeles 14%
Nevada	5%	* Orange 7%
Texas	3%	* San Diego 6%
Florida	3%	Clark 3%
Illinois	2%	Santa Clara 3%
Arizona	2%	San Francisco 3%
Washington	2%	* Riverside 2%
New York	2%	* Ventura 2%
Pennsylvania	1%	* San Bernardino 2%
Virginia	1%	Contra Costa 2%
Michigan	1%	Alameda 2%
Ohio	1%	San Mateo 1%
Oregon	1%	Cook 1%
		Sacramento 1%
Other	10%	Other 22%

* Southern California Counties

Source: MammothLakes Tourism Topline Report, 2012

Lodging Supply

A market’s ability to attract out-of-town visitors to entertainment, cultural, and other group events depends on the availability of nearby hotel rooms. Moreover, different events have different preferences with respect to the types of lodging that best meet the needs of attendees. Some visitors prefer less expensive, limited-service hotel options that offer guest amenities such as complimentary breakfast and free internet connections. Families traveling together may prefer hotel properties with suites or condominiums with kitchens and other amenities. Most planners of professional meetings and conferences prefer blocks of full-service hotel rooms in nationally branded upper-upscale hotels. Smith Travel Research (“STR”) maintains a database of approximately 140,000 hotel properties and 13 million hotel rooms around the world. HVS compiled lodging information from the STR database and supplemented with lodging information in the 2013 Mammoth Lakes Visitors Guide to develop the following inventory of lodging available in Mammoth Lakes.

FIGURE 2-9 MAMMOTH LAKES LODGING SUPPLY

Type of Property	Number of Properties	Number of Guest Units
Hotel/Motel/Inn	19	1,682
Cabins/Chalets	13	254
Condos	23	1,308
Total	55	3,244

Source: STR, Mammoth Lakes Visitors Guide, 2013

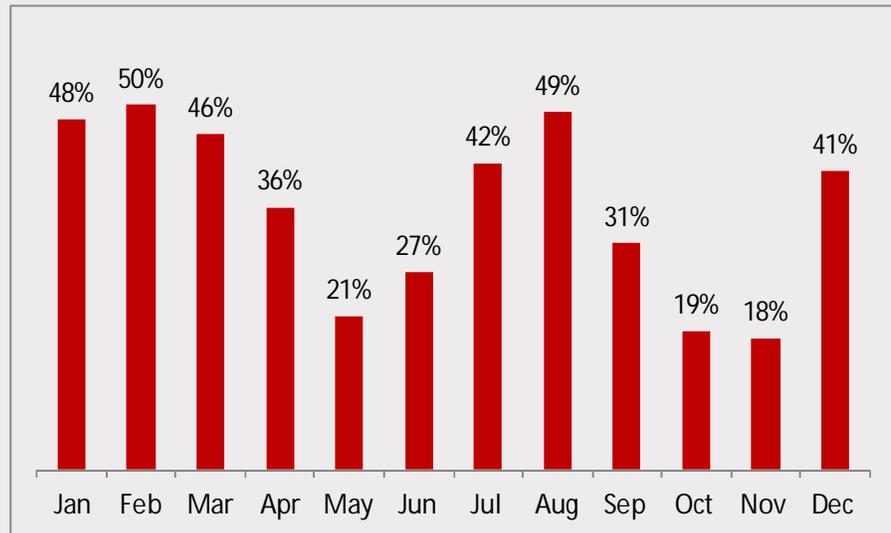
A 2009 audit of lodging properties prepared by the Town of Mammoth Lakes indicates that there were approximately 4,000 total guest units in the market, suggesting that many smaller non-hotel properties are not captured in the STR database or listed in the Visitor’s Guide.

The largest property is the 230-room, upper upscale, Westin Monache Resort. Other branded hotel properties include the upper midscale, 71-room, Best Western Plus High Sierra, the Midscale, 60-room Quality Inn Mammoth, and economy properties, such as the 151-room Motel 6 and the 40-room Travelodge Mammoth Lakes. Mammoth Lakes also has several independent properties such as 190-room Village Lodge. Other lodging options include hostels, campsites, and RV parks located throughout the area.

Mammoth Lakes has a variety of lodging options which should be able to accommodate visitors arriving for events and other activities at the proposed entertainment and cultural facilities. Historical occupancy rates provide an indication of whether the existing lodging supply can adequately support future

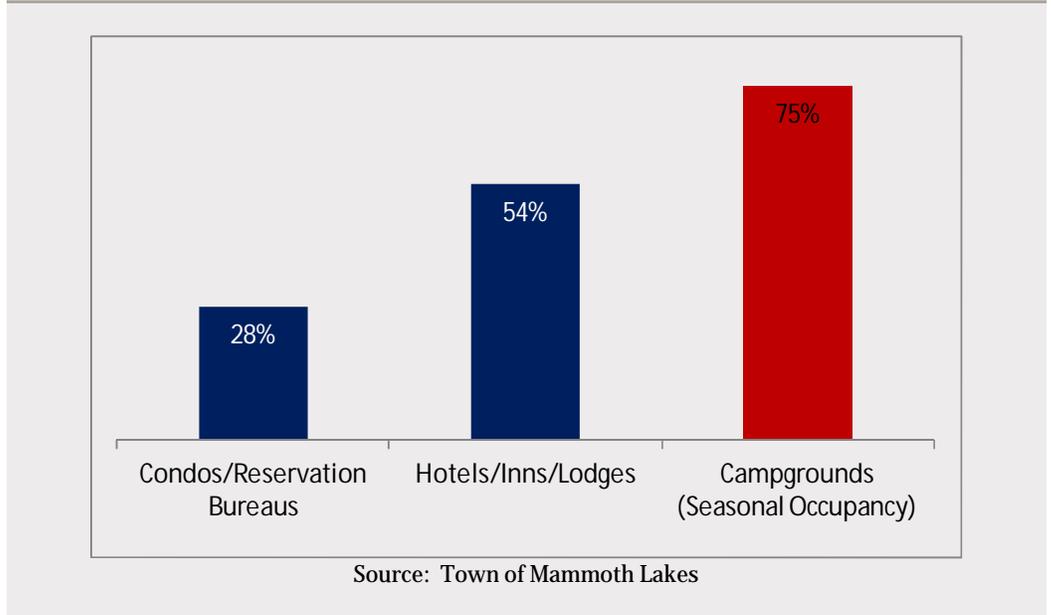
induced demand. The Town of Mammoth Lakes currently charges a 13 percent Transient Occupancy Tax (“TOT”) on all room rental and other fees associated with occupying a transient occupancy facility in the town. Historically, TOT collections are highest in the winter months of December through March and lowest during the spring and fall shoulder season months of May, June, October, and November. In addition to TOT collections, the town also tracks lodging occupancy rates. The following figures present historical occupancy rates by month and by lodging type for the town’s transient occupancy facilities.

FIGURE 2-10 AVERAGE OCCUPANCY RATES BY MONTH (2006–2012)



Source: Town of Mammoth Lakes

FIGURE 2-11 AVERAGE OCCUPANCY RATES BY LODGING TYPE (2001-2011)



Occupancy rates roughly follow TOT collections, with the highest occupancy in the summer and winter months. Strong summer occupancy in July and August is offset by lower room rates resulting in lower TOT collections for those months. Overall, hotels, inns, and lodges have the highest occupancy rates at approximately 54 percent for the year. A 2009 study prepared by Mono County reveals that, throughout the county, hotel occupancy is highest in the summer, above 60 percent.

The analysis of occupancy rates reveals enough capacity in the lodging inventory to accommodate induced demand created by the proposed event facilities.

Event Infrastructure

Mammoth Lakes’ current inventory of event venues includes small theaters, auditoriums, and multi-purpose spaces. Many of these venues are owned and primarily used by other organizations such as schools, churches, and the Forest Service. The following figure presents the current indoor and outdoor event spaces that are suitable for concerts and other performances.

FIGURE 2-12 CURRENT SUPPLY OF EVENT FACILITIES

Venue	Type of Venue	Seating Capacity
Indoor		
Canyon Lodge	Ski Lodge	1,500
Cerro Coso Community College Lobby	Lobby	220
Mammoth Lakes Arts Center	Theater	170
St. Joseph's Catholic Church	Church	300
Multipurpose Rooms	Schools	300
Edison Theater	Theater	100
Mammoth Ranger District Auditorium	Theater	99
Outdoor		
The Village at Mammoth	Plaza/Stage	na
Gault McClure Stadium	Football Stadium	na

Source: Mammoth Lakes Foundation

In addition to the venues listed above, festivals and other performances and events are often held at temporary outdoor locations. Sam's Woods is a 4-acre parcel on Minaret Road just south of the Village at Mammoth. For the past several years, the Mammoth Festival of Beers and Bluesapalooza, the Labor Day Festival of the Arts and Music, along with several smaller events, have been held at the Sam's Woods site. The current capacity of the site is 6,500 ticketed attendees. The base of Mammoth Mountain at Canyon Lodge is the site of several outdoor events each year, including the Night of Lights event as well as summer concerts. For the first time, during the summer of 2013, the Mammoth Lakes Foundation will be erecting a tent in the parking lot of their building. The tent will be used by four separate events in July and August: the Mammoth Food and Wine Experience, Mammoth Jazz, the Mammoth Lakes Music Festival, and the Sierra Summer Festival.

Local hotels, resorts, and the Mammoth Mountain Ski Area ("MMSA") also operate various venues suitable for meetings and social functions. The following figure presents these indoor spaces. While not included below, meeting space in Mammoth Lakes is augmented by several outdoor plazas and decks which are available for rental during the warmer months.

FIGURE 2-13 CURRENT SUPPLY OF MEETING FACILITIES

Venue	Type of Venue	Function Space (square feet)
Indoor		
Canyon Lodge	Ski Lodge	7,600
* McCoy Station	Ski Lodge	7,300
Mountainside Conference Center	Ski Lodge	6,600
Mountain Center	Village	4,600
Little Eagle Lodge	Ski Lodge	4,500
Village Lodge Conference Center	Village	3,340
Edison Hall	Theater/Foundation	2,200
Mammoth Mountain Inn	Hotel/Resort	2,140
Westin Monache Resort	Hotel/Resort	1,525
Sierra Nevada Lodge	Hotel/Resort	1,200
Mill Café	Ski Lodge	1,180
Juniper Springs Resort	Hotel/Resort	1,050
Shilo Inn Suites	Hotel/Resort	1,000
Best Western Plus High Sierra	Hotel/Resort	650
Sierra Lodge	Hotel/Resort	300

Source: MMSA, Mammoth Lakes Visitors Guide

Recreation and Tourist Attractions

The market benefits from a variety of tourist and leisure attractions. A part of the Sierra Nevada mountain range, Mammoth Mountain, which is just west of Mammoth Lakes is an ideal spot for skiing and snowboarding. Due to its location, Mammoth Mountain receives a large amount of snowfall compared to other eastern Sierra peaks. The Sherwin Range lies to the south of Mammoth Lakes. While not a ski resort, the range is a popular back country skiing destination. Summer activities on the mountains include hiking, mountain biking, camping, fishing, and mountain climbing. The Town of Mammoth lakes also offers a variety of retail and dining options, golf, and other activities.

A number of natural attractions attract tourist to the area. Mammoth Lakes is surrounded by the Inyo National Forest, and the east entrance to Yosemite National Park lies 45 minutes north of Mammoth Lakes. Over 3.7 million people visit Yosemite each year. Yosemite is a popular destination for sightseeing, hiking, fishing, mountain biking, rock climbing, cross country skiing, and numerous other outdoor activities. Other natural attractions near Mammoth Lakes include Reds Meadow, Devils Postpile, and Rainbow Falls.

DEVILS POSTPILE



Mammoth Lakes has a long-running tradition of festivals and events which are attended by locals and out-of-town visitors. Throughout the year, the Mammoth Lakes community hosts dozens of multi-day festivals and events, with a variety of themes, including cultural, musical, culinary, and athletic. While hiking, sightseeing, and skiing are the main drivers of visitation to the area, in a recent Mammoth Lakes visitor survey conducted by Mammoth Lakes Tourism, 22 percent of visitors report that the town's festivals, music and arts opportunities were the primary reason for selecting Mammoth Lakes as a vacation destination. Festivals and events in Mammoth Lakes run year round, but most occur in the summer and early fall seasons. The following figure presents a list of current festivals and events, the month they occur, and the venue. Many events, such as the Mammoth Motocross, the Labor Day Festival of the Arts, and the Firefighter's Canoe Races, have been held in Mammoth Lakes for over 40 years.

FIGURE 2-14 ANNUAL FESTIVALS AND EVENTS

Name of Event	Annual Schedule	2013 Venue
Mammoth Motocross	June	Mammoth Mountain Ski Area
Mammoth Half Marathon	June	Sierra Nevada Resort
Mammoth Food & Wine Experience	July	Mammoth Foundation Tent
Villagefest	July	Village at Mammoth
Mammoth Celebrates the Arts	July	Footloose Sports Lot
Mammoth Lakes Music Festival	July	Cerro Coso Community College
Reggae Music Weekend	July	Village at Mammoth
Sierra Cycle Challenge	July	Disabled Sports Eastern Sierra
Independence Parade & Fireworks	July	Town & Crowley Lake
Fiesta Caliente	July	Sam's Woods
Firefighter's Canoe Races, BBQ & Picnic	July	Shady Rest Park
Mammoth Lakes Jazz Jubilee	July	Various
June Lakes Triathlon & Festival	July	June Lake
Mammoth 24 Hour Endurance Race	July	Mammoth Mountain Ski Area
Intense-A-Palooza	July	Mammoth Mountain Ski Area
Mammoth Festival of Beers & Bluesapalooza	August	Sam's Woods
Mammoth Lakes Fine Arts & Crafts Festival	August	Kittredge Sports
Mammoth Margarita Festival	August	Village at Mammoth
Mammoth Festival - Wine, Music & Food	August	Various
Sierra Summer Festival	August	St. Joseph's Catholic Church
Mammoth Rocks - Taste of the Sierra	August	Village at Mammoth
Mammoth Mud Run	August	Canyon Lodge
Labor Day Festival of the Arts	September	Sam's Woods
Mammoth Bluegrass Festival	September	Canyon Lodge
Labor Day Tennis Tournament	September	Snowcreek Athletic Club
Hop 'n Sage Harvest Festival	September	Sam's Woods
Mammoth High Sierra Fall Century & Gran Fondo	September	Various
Mammoth Kamikaze Bike Games	September	Mammoth Mountain Ski Area
Mammoth Lakes Foundation Golf Classic	September	Sierra Star Golf Course
Fly Fishing Faire	September	Cerro Coso Community College
Octoberfest at the Village at Mammoth	October	Village at Mammoth

In addition to the above events, the town also hosts a number of other single day sporting events, including 10k runs, triathlons, fishing derbies, and bike races. Other community events include a chamber music concert series, theatrical productions, and dinner concerts.

Mammoth Lakes has a well-established tourism identity with a number of attractions, events, and activities that appeal to a wide range of visitors. The town

successfully promotes and hosts a number of large-scale events attracting tens of thousands of visitors to the community each year. Many of these events, such as the Festival of Beers and Bluesapalooza have to limit attendance do to restrictions at their current Sam's Woods site and would be able to expand their attendance if a new venue allows. The established success in generating year-round visitation to Mammoth Lakes is a positive indicator for the potential of expanding existing events and creating new ones at the proposed entertainment and cultural event facilities.

Conclusion

The Mammoth Lakes economy relies heavily on outside visitation. Primarily a winter and summer destination, the market benefits greatly from the natural beauty of the area and the many outdoor recreation activities available year round. The relatively small permanent population is augmented by the seasonal residence of second home owners. Over 1.5 million people visit Mammoth Lakes each year, the majority of which are from the State of California. Air service to Mammoth Lakes has improved dramatically in recent years; however, most visitors arrive by car. The drive-in market for Mammoth Lakes is large, with over 22 million people living within a five-hour drive of the town.

Mammoth Lakes' current visitor infrastructure, including transportation access, lodging, and tourist amenities would be able to accommodate additional visitation induced by new events and festivals in the market and the growth of existing events. However, the Mammoth Lakes community lacks suitable venues to accommodate larger events. Temporary, seasonal facilities have provided some capacity to host events at various sites throughout the town; however, many of these locations are not appropriate as a more permanent event site for a variety of reasons, including weather, land acquisition, and access. Section 3 of this reports provides an in-depth investigation of these and other potential venue sites.

Mammoth Lakes' service-based economy does not have the corporate base necessary to create internal demand for conferences, meetings, and other group events which could bring out-of-town event attendees to the area. The market must, therefore, generate group event demand based on its appeal as a resort destination with transportation access, lodging options, event space, and tourist amenities. Limited air service and longer drive times make Mammoth Lakes less attractive for meeting planners and attendees. However, established leisure visitation from California's major metropolitan areas, and historical group business suggest some potential Mammoth Lakes as a group event destination. Similar to event demand, group meeting demand is currently limited by a lack of appropriate function space. The Mammoth Mountain Ski Area has the largest function spaces; however, many of these have limited use as meeting facilities due to their primary use as ski lodges and their inaccessibility.

3. Comparable Resort Case Studies

This analysis of comparable resort communities provides a basis for building program recommendations and subsequent demand and financial projections. The analysis provides detailed information on the event infrastructure in each of the markets as well as event demand and financial operations where available. The analysis concludes with a comparison of market characteristics which are relevant to the success of the venues, including market size, lodging, air service, and visitation.

While no resort market is identical to Mammoth Lakes, HVS selected six comparable resorts which share certain market characteristics. First, comparable resorts all have small permanent populations, with local economies relying mainly on tourism. Second, all comparable resorts, except Lake Tahoe, are in relatively remote locations, at least two hours from a major population center and with limited nearby air service. Several factors determine a market's overall strength and potential for events. These factors include the attributes of the event facilities, lodging supply, the economic and demographic profile of the community, transportation access, tourism amenities, and overall destination appeal. This analysis will help in understanding the relative event potential of Mammoth Lakes and the proposed entertainment and cultural event facilities.

HVS analyzed the following comparable resort markets.

- Aspen, Colorado
- Jackson, Wyoming
- Lake Tahoe
- Sun Valley, Idaho
- Telluride, Colorado
- Whistler, British Columbia

Aspen, Colorado

The City of Aspen sits at an elevation of 7,900 feet in the Roaring Fork Valley. Aspen encompasses 3.66 square miles and is surrounded by the White River National Forest and by the Aspen, Smuggler, and Red Mountains. Aspen, the county seat of Pitkin County is approximately 200 miles southwest of Denver.

The smaller resort town of Snowmass Village is approximately eight miles west of Aspen.

Aspen's relatively small permanent population is supported mainly through year round tourism. In addition to mountain and nature-related activities, Aspen is a well known destination for arts and culture. Major music festivals include the Aspen Music Festival and the Jazz Aspen Snowmass which attracts some of the biggest acts in the industry. Other cultural events include the Food and Wine Classic as well as a number of theatrical performances, the Aspen Ballet, and visual arts exhibitions at the Aspen Art Museum. Aspen's events take place throughout the downtown area, at Aspen Mountain, and in a variety of indoor venues. Aspen High School and Elementary School house the Aspen Blackbox Theater and the Aspen District Theater, respectively, which host theatrical performances and the Aspen Ballet. Theater Aspen hosts its summer theater schedule at Hurst Theater, a tented stage located in Rio Grande Park. In addition to these smaller venues, Aspen has the large outdoor Benedict Music Tent, the adjacent Harris Concert Theatre, the Wheeler Opera House, and several event facilities at the Aspen Institute.

Benedict Music Tent – The Aspen Music Festival and School, founded in 1949, hosts over 300 events during its 8-week summer series running from late June through mid-August. Events include orchestral events, chamber music society performances, children's programs, master classes, opera, and contemporary music performances. The Aspen Music Festival's larger events were previously held in temporary tents in a residential neighborhood about 10 minutes from downtown Aspen. They found a new home in 2000 in the Benedict Music Tent. The \$10 million project created a 37,500 square foot venue with permanent tents, structural steel framing, and seating for 2,050 people. The venue features a main tent canopy, a stage canopy, back of house space, and an underground link to the Harris Concert Hall, described below.



Harris Concert Hall – Opened in 1993, Harris Concert Hall is an internationally known and recognized classical music hall and premier training center for pre-professional students and musicians. During the 8-week Aspen Music Festival, the 500-seat Harris Concert Hall hosts a variety of performances, lectures, and classes.



During the winter, the venue hosts artist recitals with star musicians and three to five free family concerts.

Wheeler Opera House – The Wheeler Opera House, originally opened in 1889, was fully restored by 1984, and continues to undergo renovations to its basement and balcony areas. The 450-seat theater is owned by the City of Aspen and hosts several opera events during the Aspen Music Festival, a variety of film screening throughout the year, live performances, and school theater productions. Wheeler is available for private rental from mid-September through early June. In addition to its performance space, Wheeler Opera House also houses retail and restaurant spaces. The venue is funded through real estate transfer taxes collected by the City of Aspen.



Wheeler is available for private rental from mid-September through early June. In addition to its performance space, Wheeler Opera House also houses retail and restaurant spaces. The venue is funded through real estate transfer taxes collected by the City of Aspen.

Aspen Institute – The Aspen Institute is an educational and policy studies organization based in Washington DC. To service its mission, the Aspen Institute hosts seminars, fellowships, policy forums, and public conferences and events. Its Aspen campus features the 22,600 square foot Aspen Meadows Conference Center which has 14 meeting rooms as well as the 410-seat Paepcke Auditorium. Since 2005, the Aspen Institute has hosted the Aspen Ideas Festival, a weeklong event which is open to the public. Attendees can attend a variety of lectures, presentations, debates, and panel discussions that span a vast range of topics such as



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economics, policy, environment, science, education, arts, global affairs, and philosophy.

Jackson, Wyoming

The town of Jackson, Wyoming, located in the Jackson Hole Valley, is a major gateway for the millions of visitors of nearby Grand Teton National Park and Yellowstone National Park. Jackson is close to several ski resorts, including, Snow King, an in-town ski area. The larger and better known, Jackson Hole Mountain Ski Resort is 12 miles northwest of town.

Jackson's economy relies primarily on tourism and related services. In addition to skiing, hiking, camping, and other mountain related activities, Jackson is also known for its western heritage. The Jackson rodeo takes place each week throughout the summer at the Teton County Fairgrounds. The annual county fair takes place in July each summer and features rodeo events, concerts, a demolition derby, and carnival. Jackson is also home to a number of world-class art organizations, including the congressionally designated National Museum of Wildlife Art, which opened in 1994. Jackson hosts several festivals and other events in the town square, local parks, and nearby resorts. The town has two permanent event venues as well as a conference center at the Snow King Resort.

Walk Festival Hall – The Grand Teton Music Festival began over 50 years ago with the goal of creating a summer retreat and bringing together elite professional musicians. Early concerts were performed on a gym floor or in a tent until the Walk Festival Hall was completed in 1974. The



venue is located at the base of the ski slopes on land donated by the Jackson Hole Ski Corporation. The 685-seat venue underwent a 10-month, \$4.85 million renovation in 2007. The summer Music Festival features 33 orchestral and chamber music concerts, open rehearsals, and a special July 4th concert. During the winter, the festival hall is used for music instruction programs and live symphony broadcasts

Jackson Center for the Arts – The nonprofit Center for the Arts is located in downtown Jackson. Built in 2004, the 41,000 square foot Arts and Education Pavilion contains 6 visual arts studios, 4 dance studios, 5 classrooms, 2 conference rooms, and 22 offices serving as home to 17 local nonprofit art and education organizations. Galleries,



classrooms, and conference rooms are available for rental for receptions, meetings, classes, and workshops. Completed in 2007 for \$21 million, the Performing Arts Pavilion contains a 500-seat theater and rehearsal space. A 2,500 square foot lobby features view of Snow King Mountain and is available for rental for receptions, meetings, and other group events. Throughout the year, the Center for the Arts hosts over 50 theatrical and musical performances, film screenings and lectures. Other events include the annual Jackson Writers' Conference, charity galas, and dozens of adult education classes on a variety of topics.

Snow King Resort and Conference Center – The Snow King Resort sits just six blocks from Jackson's Town Square. Because of its location in the heart of town, Snow King Mountain is known as the "town hill". In addition to 204 guest rooms, Snow King Resort features group meeting space with a 25,500 square foot ballroom and eight meeting



rooms with approximately 6,300 square feet of meeting space. Snow King Conference Center hosts corporate meetings, seminars, lectures, lunch meetings, weddings, and other social events. A recently completed a \$16 million renovation included updates and improvements to its meeting function spaces.

Lake Tahoe

Lake Tahoe is a vacation destination which surrounds Lake Tahoe and encompasses several communities across two states, California and Nevada. Lake Tahoe itself divides the area in to two uniquely different destinations, North Lake Tahoe and South Lake Tahoe.

North Lake Tahoe is known as a serene escape destination featuring skiing, hiking, and other outdoor activities at multiple, world-class ski resorts, including Squaw Valley, Alpine Meadows, and Northstar. North Lake Tahoe is comprised of approximately 30,000 permanent residents in three towns in California, Truckee, Kings Beach, and Tahoe City, as well as Incline Village in Nevada. North Lake Tahoe also benefits from being within a 40-minute drive to the larger population centers of Reno and Carson City, Nevada. North Lake Tahoe has a variety of cultural events, including its Shakespeare Festival and Summerfest which are held in venues which take full advantage of the beauty of the lake and surrounding mountain ranges. North Lake Tahoe has several resort properties, including the Resort at Squaw Creek, which has the largest amount of meeting and function space.

Warren Edward Trepp Stage – Since 2000, the Warren Edward Trepp Stage in Sand Harbor State Park near Incline Village, Nevada, has been home to the Lake Tahoe Shakespeare Festival. Completed at a cost of around \$2 million, the Trepp stage accommodates approximately 1,200 attendees per performance for a total of 22,000 attendees over the festival's season which runs from July through August. The stage also hosts a Monday Night Showcase for other art and cultural organizations as well as educational outreach programs for students.



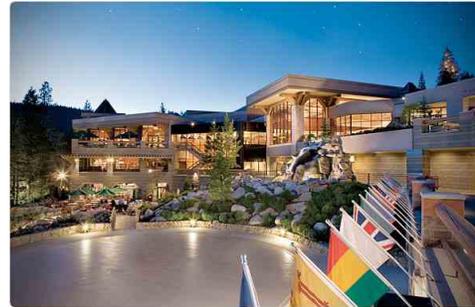
Sierra Nevada College – Sierra Nevada College provides the venues for the Lake Tahoe Summerfest. The festival was founded in 2011 to promote the beauty of Lake Tahoe with classical music, visual and performing arts, and educational seminars. Summerfest runs during the months of July and August and features artists from around the world. Several independently



operated arts organizations present arts and cultural programs during the event. Summerfest's performance venue is a 500-seat acoustical tent on the campus of Sierra Nevada College. Soloists and musicians which make up the Lake Tahoe Summerfest Orchestra include those from New York Metropolitan

Opera Orchestra, the San Francisco Symphony, the Los Angeles Philharmonic, and the Seattle Symphony.

Resort at Squaw Creek –The Resort at Squaw Creek is located in Olympic Valley, California at the base of the Squaw Valley ski resort. Squaw Creek is a full service resort with 405 guest rooms. Built in 1990, Squaw Creek completed its most recent renovation in 2005. Meeting space includes a 14,945 square foot ballroom and 13,505 square feet of meeting space. Squaw Creek hosts corporate meeting and conferences, weddings, and other social events.



The North Lake Tahoe Resort Association recently engaged Webb Management to develop a “Feasibility Study and Business Planning for New Cultural Facilities” in the North Lake Tahoe area. HVS reviewed this 2009 report which recommends the development of several facilities in the region.

- A regional performing arts center with a 500-seat performance space with fly tower and a 100-seat black box theater
- An 800-seat ‘jewel box’ performance space
- A flexible outdoor plaza for local festivals, arts fairs, and informal music
- A mid-sized outdoor amphitheater
- A larger capacity outdoor amphitheater which could accommodate touring acts
- A visual arts center which includes space for local artists to create, display, and sell their work

South Lake Tahoe is known as the “wild side” of Lake Tahoe. In addition to skiing, mountain biking, and boating, South Lake Tahoe also has an active entertainment scene featuring casinos, nightclubs, retail shops, and spas. South Lake Tahoe has a thriving arts scene with galleries, working studios, and festivals. For over 30 years, the Valhalla Arts, Music, and Theater Festival has taken place at the Valhalla Grand Hall and Ballroom. The 165-seat Valhalla

Boathouse Theater hosts theatrical productions, music performances, and special productions. The Lake Tahoe Community College also features a 210-seat black box theater in its performing arts center to support productions by its theater education programs. South Lake Tahoe's casinos also play an important role in entertainment with large concert venues, including the 7,000-seat Harvey's Outdoor Amphitheater, which hosts several national touring concerts during its summer concert series.

Several factors indicate that Lake Tahoe is not a comparable destination for Mammoth Lakes. Its comparatively large permanent population is comprised on several individual communities. The proximity of Reno and Carson City also creates a much larger 'local' population base from which to draw attendance. The proximity of Reno International Airport also makes Lake Tahoe considerably more accessible for air travelers. While North Lake Tahoe is comparable to Mammoth Lakes as a destination, the presence of the casinos and other nightlife in South Lake Tahoe creates a vastly different entertainment scene which includes larger venues that attract nationally touring acts.

Sun Valley, Idaho

Sun Valley is a resort city located in the Northern Rockies region of south central Idaho, approximately 150 miles from Boise. The Sun Valley region includes neighboring towns on Ketchum and Hailey. Sun Valley has two main ski areas, Dollar Mountain and Bald Mountain. The first ski area opened in 1936.

Sun Valley has a small permanent population with most seasonal residents arriving from Seattle, Portland, San Francisco, and Los Angeles. Since 1983, Sun Valley has been host to a high-level conference sponsored by media investment banking boutique, Allen & Co. Each summer, around 300 media moguls meet in Sun Valley for a week to discuss the state of the media industry and plan for the future. Since 1995, Sun Valley has hosted the Sun Valley Writer's Conference. This conference has grown from just 100 attendees to over 1,000 attending the four-day event. Throughout the summer, Sun Valley also hosts several music, art, and culinary festivals at various sites throughout the town and mountains. The town of Ketchum hosts two main events, the four-day Arts and Crafts Festival held at Atkinson Park and the MASSV Music and Arts Showcase held at the future site of the Sun Valley Center for the Arts. Sun Valley has two main permanent event venues along with the Sun Valley Convention Center which is integrated with the Sun Valley Inn.

Sun Valley Pavilion – Completed in 2008, the Sun Valley Pavilion was built by Sun Valley Resort in partnership with the Sun Valley Summer Symphony. The pavilion consists of a permanent stage and seating area along with a seasonal tensile fabric canopy. The \$30 million, privately-funded pavilion has 1,561 fixed seats and lawn seating for a total capacity of 5,061 attendees. The three-story pavilion also features a 3,000 square foot stage, a state-of-the-art sound system, dressing rooms, and a 4,000 square foot back terrace for receptions and other gatherings. The Sun Valley Pavilion is home to the Sun Valley Summer Symphony which hosts an annual free orchestral festival consisting of 11 performances in August. A free, four show chamber music series precedes the festival in late July. Other events at the Sun Valley Pavilion include popular music concerts as well as benefits which support the Sun Valley Summer Symphony.



Liberty Theater – The Liberty Theater is owned and operated by the Sun Valley Center for the Arts, a nonprofit organization dedicated to the arts and education. The 240-seat theater is in Hailey, approximately 12 miles from the town of Sun Valley. Originally built as a 1930s movie house, Liberty Theater was remodeled in 1996 and now serves as home for the Company of Fools theater company. Company of Fools performs year-round with four-week runs of five plays. Liberty Theater is available for private rental and hosts traveling shows, such as the Second City Laugh Out Loud Tour in 2013.



Sun Valley Convention Center – the Sun Valley Convention Center, which is attached to the 109-room Sun Valley Inn, houses the majority of Sun Valley's meeting and convention space. The 148-room Sun Valley Lodge and the Village also offer small amounts of function



space. Sun Valley offers an 8,500 square foot ballroom and nine meeting rooms with a total of 8,000 square feet of meeting space. Events include conferences, corporate and state association meetings, ski group events, weddings, and other social functions.

Telluride, Colorado

Telluride, Colorado began in the late 1800s as a booming mining town. By the 1960s, the population had dwindled to less than 600 residents. In the early 1970s, ski runs were cut into both side of Telluride Mountain and the transformation from mining town to resort destination was complete. While the Town of Telluride is located in the Valley, the owners of the Telluride Ski Resort wanted to create a pedestrian-friendly resort village at the base of the ski area. The County approved a planned unit development in 1983, and the Town of Mountain Village incorporated in 1995. Mountain Village and Telluride are connected via a free gondola service.

Throughout the year, the Mountain Village and Telluride community hosts over twenty multi-day festivals and events, with a variety of themes including cultural, musical, culinary, scientific, and athletic. The Telluride Film Festival is one of the longest running film festivals in the country. Other festivals include Telluride Bluegrass, Festival of the Arts, and the Wild West Festival. Most festivals are held throughout the towns of Telluride and Mountain Village and three permanent venues in Telluride. A conference center in Mountain Village also hosts a number of entertainment events each year.

Telluride Town Park – Telluride Town Park is the center of many activities throughout the year. In the summer, its Fred Shellman Memorial Stage is the venue for the town’s many music festivals. Other park amenities include campgrounds, a swimming pool, ball fields, Frisbee golf course, and playgrounds. In the winter, the park has two ice rinks and a groomed trail for Nordic skiing. The park is owned and managed by the Town of Telluride Parks and Recreation Department.



Michael D. Palm Theater – The Palm Theater opened in 2004 as an enhancement to the Telluride Middle School/High School expansion through a public-private partnership between the Telluride School District and the Telluride community. Located on school district land, adjacent to



the middle school/high school, the Palm Theater is operated as a nonprofit supported through membership and corporate sponsors. The venue serves as the school's auditorium as well as music education and performance space. As the Telluride community's premiere performing arts venue, the 30,000 square foot venue houses 587 seats, a 3,000 square foot stage, and state-of-the-art acoustics and sound system. The venue hosts numerous performances throughout the year, including opera, theater, and dance. It is also used for the Telluride Film Festival, Mountain Film, Telluride Jazz Celebration, Telluride Chamber Music Festival and many other community events and performances.

Sheridan Opera House – The Sheridan Opera House is owned and operated by the Sheridan Arts Foundation. The 238-seat theater is in downtown Telluride. Originally opened in 1913, the Sheridan Opera House celebrates its 100th anniversary in 2013. The Sheridan Opera House hosts events for several of the town's festivals, including the film festival and a chamber music festival. The venue also hosts a variety of music, theater, and comedy performances and is used for community events such as lectures and fundraisers.



Telluride Conference Center – The Telluride Conference Center (“TCC”), located in the center of Mountain Village, has the largest ballroom and is the primary conference venue for the Telluride and Mountain Village area. It is a stand-alone venue with a 6,000 square foot ballroom and four meeting rooms with 1,700 square feet of meeting space. The TCC hosts approximately 40 events each year, including over a dozen concerts and entertainment events. Other events include banquets, local meetings, and a small number of corporate conferences. The town-owned venue has undergone changes in management over the past few years in attempts to make the venue more active with bookings from out-of-town groups. Telluride Ski and Golf, which owns and operates the ski resort, recently took over operations from a third party management groups which had managed the facility since 2009.



Whistler, British Columbia

Whistler, British Columbia is a resort municipality about 80 miles north of Vancouver. Whistler Village, located at the base of Whistler and Blackcomb Mountains, is a pedestrian village which has won several urban design awards.

Over two million people visit Whistler each year. Most arrive for alpine skiing and snowboarding in the winter or for mountain biking in the summer. Tourism Whistler represents over 7,000 members who own, manage, and conduct business on resort land. A newly formed Partnerships and Events department at Tourism Whistler is responsible for marketing the community, its activities, and the more than 80 events held in the village each year. The group recently successfully bid to host the Ironman Canada event, an event which is expected to generate 57,000 room nights in the community over five years. Whistler's events include a variety of athletic, musical, cultural, and educational themes. While events and activities take place throughout the Village, Whistler has three main permanent event venues.

Whistler Olympic Plaza – Built for the 2010 Olympic Winter Games, Whistler Olympic Plaza is now a permanent outdoor venue for recreation, entertainment, arts, and culture. The venue features a permanent outdoor stage with a 33,000 square foot lawn accommodating seating for up to 8,000 people. A second festival stage can be added for larger events. Other amenities include a playground and public art displays. Each summer, from July through August, Olympic Plaza hosts a free outdoor concert series consisting of 12 shows by a variety of musical acts. Other events include performances by the Vancouver Symphony Orchestra and arts and cultural festivals. Olympic Plaza is also used to support community wide events such as the Ironman competition, the BC Bike Race, and BC Day activities. Olympic Plaza is also the site of several visual and performing arts classes hosted by the Whistler Arts Council (“WAC”).



Millennium Place – The WAC, established in 1982, is dedicated to integrating the arts into the resort community of Whistler. Since 2010, the WAC has operated Millennium Place, which is adjacent to Whistler Olympic Plaza in Whistler Village.



Millennium Place was built for \$6.9 million and contains the 200-fixed seat Franz Wilhelmsen Hall, a 1,075 square foot gallery, an 885 square foot multipurpose room, and a 500 square foot boardroom. Millennium Place hosts a variety of visual, performing, and literary arts events.

Whistler Conference Center – The Whistler Conference Center (“WCC”) sits in the heart of Whistler Village. Originally opened in 1982 and renovated in 2003 and 2008, the WCC features a 16,500 square foot ballroom and 13 meeting rooms with approximately 10,000 square feet of meeting space. It also houses a 300-seat theater. The Resort Municipality of Whistler owns the WCC and leases the



venue to Tourism Whistler which operates it on behalf of the resort. In a typical year, the WCC hosts 40 to 50 groups and 3 to 5 festivals. Festivals in 2013 include the Bizarre Bazaar, the Whistler Film Festival, the Reader and Writer Festival, and a Photography Summit.

The above case studies of comparable resort markets indicate a variety of entertainment and cultural event venues. Although festivals and other events may not be primary drivers of visitation, many resort communities have invested significant resources into their event venues to increase and prolong visitation during the summer and shoulder seasons. The following figure provides a summary of event venues for the comparable resort markets which have invested in permanent venues.

FIGURE 3-1 EVENT VENUES IN COMPARABLE RESORTS

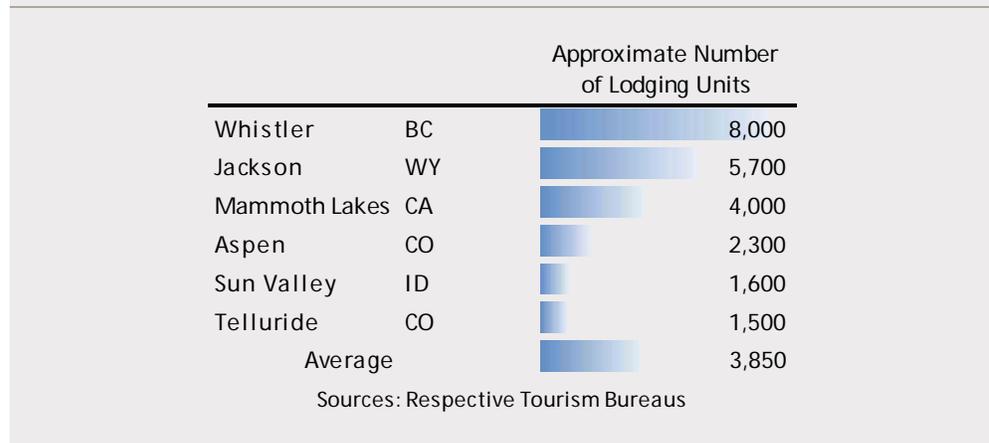
	Aspen, CO	Jackson, WY	North Lake Tahoe, CA and NV	Sun Valley, Ketchum & Hailey, ID	Telluride & Mountain Village, CO	Whistler, BC
Festival & Concert Venues	Benedict Music Tent	Walk Music Festival Hall	Warren Edward Trepp Stage	Sun Valley Pavilion	Town Park	Whistler Olympic Plaza
Ownership	Nonprofit	Nonprofit	Nonprofit	Private/Nonprofit	Public	Public
Year Built/Renovated	2000	1974/2007	2000	2008	1991	2010
Seating Capacity	2,050	685	1,200	1,500	0	0
Total Capacity	4,050	685	1,200	5,000	13,000	8,000
Typical Event	Aspen Music Festival	Grand Teton Music Festival	Shakespeare Festival	Sun Valley Summer Symphony	Telluride Blues & Brews Festival	Summer Concert Series
Theaters & Auditoriums	Harris Concert Hall	Jackson Center for the Arts	Sierra Nevada College (tent)	Liberty Theater	Palm Theater	Millennium Place
Ownership	Nonprofit	Nonprofit	Nonprofit	Nonprofit	School District /Nonprofit	Nonprofit
Year Built/Renovated	1993	2004	2011	1930/1996	2004	2010
Seating Capacity	500	500	500	240	587	200
Typical Event	Aspen Music Festival	Theater and Music	Summerfest	Theater	Theater, Music, Dance & Film	Performing and Literary Arts
Convention & Conference Centers	Aspen Meadows Conference Center	Snow King Resort & Conference Center	Resort at Squaw Creek	Sun Valley Convention Center	Telluride Conference Center	Whistler Conference Center
Ownership	Nonprofit	Private	Private	Private	Public	Public
Year Built/Renovated	1949/2010	1976/2013	1990/2005	1936/2004	1999	1982/2008
Total Function Space	22,600	31,800	28,450	16,500	7,800	26,500
Typical Event	Aspen Ideas Festival	Conferences, Weddings	Conferences, Weddings	Media Moguls Conference	Concerts, meetings	Conferences, Festivals

The capacity and size of event venues should complement visitor infrastructure including lodging, recreation, and entertainment amenities. Other market characteristics such as population, air service, and marketing resources determine demand potential and influence the number and size of events. The remainder of this section evaluates several market characteristics with comparable resort markets and compares them to Mammoth Lakes. In order to avoid skewing of results, the following analyses do not include Lake Tahoe.

Lodging Inventory

Market wide lodging counts provide an indication of the visitation capacity of a market. The following figure presents the number market-wide hotel rooms which are listed with the STR database. Not all properties report to STR, therefore, the actual number of total guest rooms in each market is higher. HVS assumes that a similar proportion of lodging properties report to STR, and that the following analysis provides a relative comparison of lodging inventory.

FIGURE 3-2 MARKET WIDE LODGING INVENTORY



Mammoth Lakes' lodging inventory compares favorably to that in the comparable markets, with an above average number of lodging units that should easily support new entertainment and cultural venues.

Population Comparison

Local area population data provides evidence of a community's ability to support public services and visitor amenities that are important for events, conferences, and other groups. Because many events primarily target out-of-town users, local area population figures rarely have a direct correlation with overall demand potential. However, population data provides a basis for understanding demand for local productions, charity events, and other shows.

The following figure presents the permanent population for each comparable market.

FIGURE 3-3 PERMANENT LOCAL POPULATION



Population varies seasonally in many resort communities, including Mammoth Lakes, with the influx of winter and summer visitors and second home residents. The size of Mammoth Lakes’ permanent population is about average for the comparable set. Mammoth Lakes’ permanent population base is large enough to create local demand for events and affect attendance counts for events which primarily attract out-of-town attendees.

Air Service Capacity

Transportation linkages, including airports, can play a critical role in the success of events that target regional and national attendees. One of the best indicators of an airport’s ability to enhance an event’s draw is its service capacity or traffic, generally measured as total annual passenger volume. An airport with relatively high annual passenger volume generally is more convenient and has a wider draw than an airport with low annual passenger volume. The following figure presents the passenger statistics for the primary airports that serve each of the comparable venues as well as the distance to this primary airport and the nearest international airport.

FIGURE 3-4 PROXIMITY AND AIR SERVICE AT PRIMARY AIRPORTS

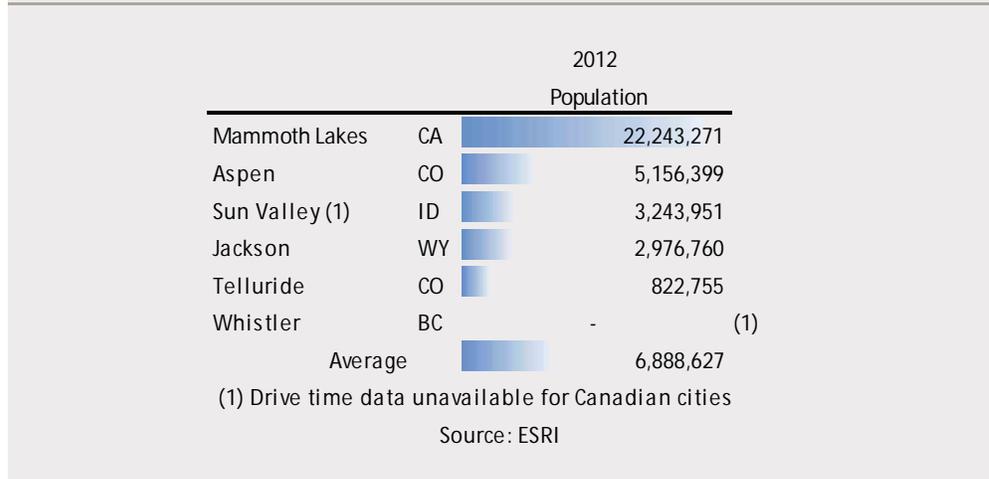
		Nearest Primary Airport	Distance (Miles)	Primary Airport 2012 Passengers	Nearest International Airport	Distance (Miles)
Whistler	BC	Vancouver International	136	17,596,901	Vancouver International	136
Jackson	WY	Jackson Hole	10	556,312	Salt Lake City International	196
Aspen	CO	Aspen/Pitkin County	4	436,210	Denver International	220
Telluride	CO	Montrose Regional	68	145,330	Denver International	352
Sun Valley	ID	Twin Falls	82	75,048	Boise International	150
Mammoth Lakes	CA	Mammoth Lakes	10	*30,000	Reno-Tahoe International	167
		Average	52	3,761,960		204

* Estimated volume for 2012. 26,201 passengers in 2011

Mammoth Lakes’ distance to Mammoth Lakes Airport (“MMH”) is the closest primary airport among the comparable markets; however, the passenger counts at MMH indicate a below average level of capacity for air travel. Direct flights to MMH are seasonal and limited to a few major California cities, including Los Angeles, San Francisco, and San Diego. Mammoth Lakes’ distance to the nearest major international airport makes it an impractical option for meeting and conference planners with a broad geographic scope of attendees. The majority of the competitive facilities have better access to national destinations through busier regional airports; however, Reno International Airport offers access similar to the other comparable destinations.

Recent tourism reports indicate that approximately 90 percent of visitor to Mammoth Lakes arrive by car. The following figure assesses the drive-in potential for each of the comparable markets and Mammoth Lakes by comparing the populations within a five-hour drive of each destination.

FIGURE 3-5 POPULATION WITHIN FIVE-HOUR DRIVE TIME



With over 22 million people living within a five-hour drive of Mammoth Lakes, the above figure indicates Mammoth Lakes’ drive-in market is vastly larger than that for the comparable markets.

Marketing Resources

Destination and tourism marketing for the comparable markets takes a variety of forms and tourism bureaus have varied responsibilities. The following figure provides an overview of each comparable marketing organization’s funding and function as compared to that in Mammoth Lakes.

FIGURE 3-6 SUMMARY OF TOURISM MARKETING BUREAUS

Market	Tourism Bureau	Funding Source(s)	Annual Budget	Central Reservations	Event Planning
Aspen, CO	Aspen Chamber Resort Association	Member dues, event fees, ads	\$1.2 mil	no	yes
Jackson Hole, WY	Jackson Hole Chamber of Commerce	2% lodging tax, member dues, ads	na	yes	yes
Sun Valley, ID	Visit Sun Valley	Member dues	na	yes	no
Telluride, CO	Telluride Tourism Board	2% lodging tax	\$1 mil	yes	no
Whistler, BC	Tourism Whistler	Member dues, ads, venue operations*	\$8.2 mil	yes	no
Mammoth Lakes, CA	Mammoth Lakes Tourism / Chamber of Commerce	2.5% TOT, Business License Tax, Advertising	\$2.5 mil	no	no

* Tourism Whistler also operates Conference Center and Golf Course. Only sales & marketing expenditures shown.

Conclusions and Implications for Mammoth Lakes

Unlike Mammoth Lakes most of the bureaus responsible for tourism marketing are membership organizations, collecting member dues as a primary source of operating revenue. As in Mammoth Lakes, a lodging tax is a primary source of revenue in Jackson Hole and Telluride. In addition to tourism marketing, the Aspen and Jackson Hole Chambers host and promote their own events, which can be secondary source of revenue through advertising sales and event fees. Aspen and Mammoth Lakes are the only tourism bureaus which do not offer a central reservation service for lodging.

The analysis of comparable markets presented in this section demonstrates that Mammoth Lakes lacks several types of event venues which are found in similar sized resort markets. All of the markets studied have permanent event venues which are suitable for large concerts and festivals. With the exception of Walk Festival Hall in Jackson, Wyoming, each of the comparable venues is a permanent outdoor stage with fixed and lawn seating. In comparison, Mammoth Lakes relies on seasonal outdoor stages and other temporary sites for its cultural and entertainment events. Use of these temporary venues has limited attendance at certain events and limited the number or size of multiple event series, such as the summer festival series found in most comparable markets.

All of the comparable markets support indoor theaters and auditoriums which are capable of hosting a variety of theatrical and musical events, as well as lectures and large meetings. Seating capacities range from 200 to 500 seats. In comparison, Mammoth Lakes currently has the 100-seat Edison Theater, the 170-seat Mammoth Lakes Arts Center, and temporary use of the Cerro Coso College lobby.

All comparable markets also have group meeting space with a mix of ballroom and meeting space suitable for small conventions, conferences, and other group events. Total meeting space ranges from 7,800 to 31,800 square feet. Currently, Mammoth Lakes' group meeting space is limited to seasonal mountain venues, ski lodges, and small amounts of meeting space in local hotels.

Similar to the comparable resort markets, Mammoth Lakes supports thousands of skiers and snowboarders and enjoys strong summer tourism demand. In terms of lodging and population, Mammoth Lakes compares favorably to the comparable markets, suggesting that the local economy and tourism infrastructure could support the additional event venues. Mammoth Lakes' primary weakness as a group event destination may be its accessibility. MMH has a considerably lower level of passenger activity than the other regional airports presented in this section. However, Mammoth Lakes has an

established drive-in visitation level from southern California which could translate into both event attendance and group business given the appropriate facilities.

Based on the comparable resort analyses presented in this section, HVS concludes that the Mammoth Lakes market could support additional entertainment and cultural venues in the following size ranges.

- An outdoor amphitheater with a total capacity of 4,000 to 13,000 attendees
- An indoor theater with a capacity of 200 to 500 seats
- Multipurpose conference and meeting space with 8,000 to 25,000 square feet of function space.

The following section of this report identifies specific facility program recommendations to best serve the market. These recommendations also address certain market improvements and strategic incentives that would support Mammoth Lakes and enhance its potential to attract events to the market.

4. Building Program Recommendations

The building program recommendations presented in this section describe the seating capacities, floor areas, and other important amenities of various types of entertainment and cultural facilities. To formulate these recommendations for the proposed venues, HVS relied on the following analyses.

- Site inspections of existing venues in Mammoth Lakes,
- Existing entertainment and cultural events,
- Interviews with local event promoters and coordinators,
- An analysis of venues in comparable resort markets,
- An analysis of the quantity and type of events in the comparable resort markets, and
- Other market research and knowledge of standard industry practices.

The recommended building program should serve as a guide for subsequent physical planning and concept development.

As detailed in Section 2 of this report, the inventory of permanent event facilities in Mammoth Lakes consists of several venues primarily dedicated to uses other than concerts, festivals, and group meeting events. Outdoor concerts and festivals have been held on rented land parcels and parking lots using temporary stages and tents. The largest indoor spaces suitable for indoor concerts and group events are in ski and mountain lodges owned by Mammoth Mountain Ski Area (“MMSA”). The largest indoor fine arts performance space is the Cerro Coso Community College lobby. Without permanent dedicated event venues, event coordinators have had to rely on the availability of temporary venues and the availability of venues that are not built for event use. Consequently, events often rotate sites from year to year.

Program Recommendation Goals

HVS program recommendations are aimed at providing Mammoth Lakes with permanent entertainment and cultural venues that satisfy the following utilization goals.

- Establish permanent event venue(s) that can be used regularly by existing festivals and shows,

- Allow existing events to expand overall size and attendance if currently constrained by site issues,
- Develop shared, multipurpose spaces that can be used by various organizations and events,
- Encourage event promoters and organizers to establish new events in Mammoth Lakes,
- Expand event programming to spring and fall shoulder seasons and weekday use, and
- Encourage use by local residents for various programs and civic events.

Building Program Recommendations

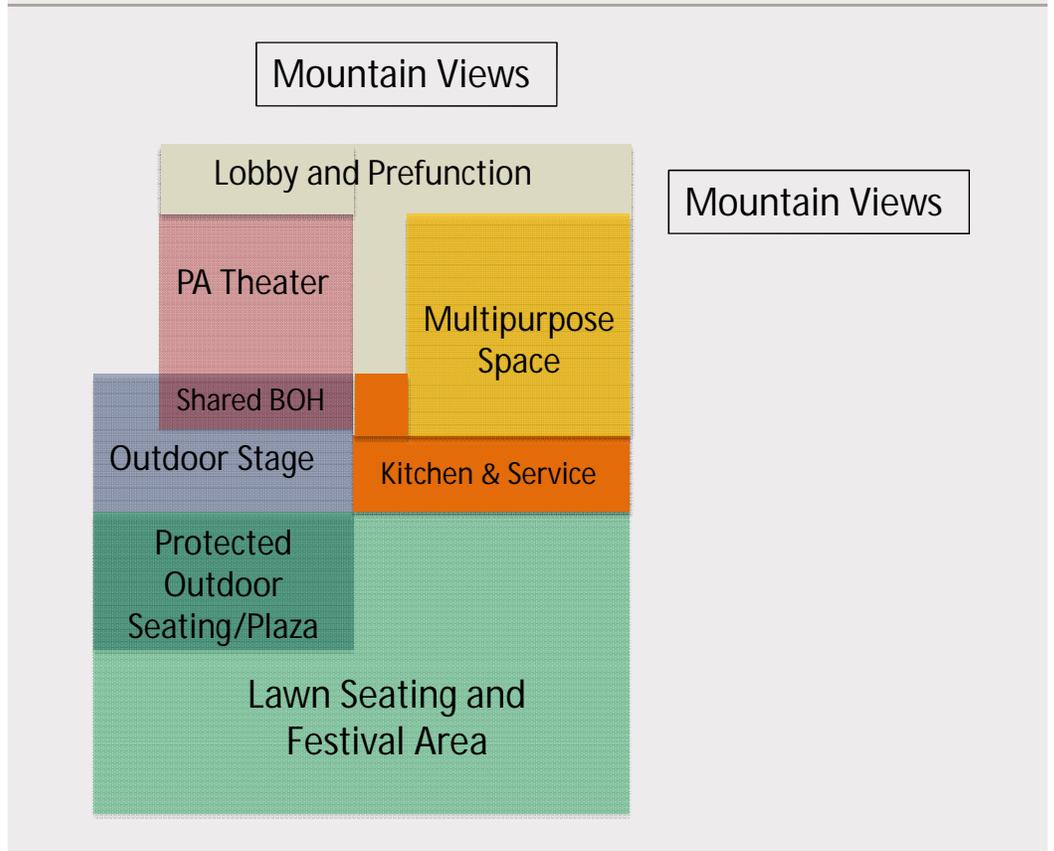
HVS recommends a combination of multifunctional indoor and outdoor event spaces, which would create a Mammoth Lakes Event and Cultural Center (“MLECC”). Building program recommendations include the following elements.

- An outdoor stage with a 1,500-person capacity with semi-permanent seating.
- Additional lawn seating for 6,000 people for a total capacity of 7,500.
- On certain potential sites, wind protection would be necessary for all outdoor areas.
- Indoor performing arts stage adjacent to rear of outdoor stage so that stages can share back of house spaces.
- 200 to 500 fixed seats in performing arts theater.
- Attached 10,000 square foot multipurpose space with divisibility into 4 sections.
- Shared entrance lobby for theater and multipurpose space.
- Multipurpose space’s kitchen and service areas adjacent to theater and back of house areas.
- Protected outdoor festival space between stage and multipurpose space structures.

The following figure shows a conceptual layout of the recommended spaces. Functions spaces are not to scale and are intended to show relative locations and shared areas. More detailed descriptions of function and support spaces follow.

While the conceptual layout portrays all recommended spaces on a single site, not all sites would be able to accommodate the complete program. The final site selection process may require the location of program spaces on different sites.

FIGURE 4-1 BUILDING PROGRAM CONCEPTUAL LAYOUT



Outdoor Stage and Seating Plaza

While site topography, wind studies, and other site constraints will affect the final layout, the proposed outdoor stage and seating plaza should have the following elements.

- Covered outdoor stage roughly 60 feet in width by 40 feet in depth.
- Stage roof structure with rigging points capable of accommodating approximately 50,000 total pounds.
- Light and sound systems.
- Show power.

- 1,500 person capacity seating plaza with temporary or permanent cover, and wind protection. To maximize flexibility, seating plaza should be on a hard surface capable of accommodating performances which have ticketed seating or general admission as well as fairs and festivals with booths and casual dining areas.
- Additional lawn seating and festival area which has the capacity for approximately 6,000 people as well as festival booths and additional stages as required.
- Concessions and rest room facilities with access from lawn seating area.

To confirm the reasonableness of the above outdoor amphitheater recommendations, HVS researched other similarly sized venues throughout the U.S. The following figure provides a summary of key program elements.

FIGURE 4-2 SUMMARY OUTDOOR AMPHITHEATER BUILDING PROGRAMS

Location	Venue	Viewing Capacity *	Stage Dimensions
Sun Valley, ID	Sun Valley Pavilion	5,000	62' wide by 51' deep
Aspen, CO	Benedict Music Tent	2,050	50'wide by 30' deep
Whistler, BC	Whistler Olympic Plaza	8,000	60' wide by 40' deep
Boca Raton, FL	Hoernle Amphitheater	3,520	60'wide by 40' deep
Forney, TX	Spellman Amphitheater	5,000	69'8" wide by 40' deep
Oshkosh, WI	Leach Amphitheater	7,500	64'wide by 48' deep
St. Augustine, FL	St. Augustine Amphitheater	4,046	60' wide by 38' deep

* Viewing capacity includes fixed seating, standing room, and lawn seats.

The proposed 60-foot wide by 40-foot deep amphitheater stage is consistent with other amphitheatres with similar viewing capacities.

Performing Arts Theater

The proposed performing arts theater would be connected to the rear of the outdoor stage such that the two venues share back of house spaces.

- A total of 250 seats comprised of both fixed and moveable seating.

- Ability to reduce seating capacity for smaller events through lighting or curtain system.
- Performing arts stage approximately 40 feet in width by 25 feet in depth.
- Drop down screen for films and satellite viewing of performances, lectures, and other events.
- Control booth with state-of-the-art lighting and sound.
- Thrust stage area which can accommodate an orchestra or movable seating as needed.

To confirm the reasonableness of the above performing arts recommendations, HVS researched other similarly sized venues throughout the U.S. The following figure provides a summary of key program elements.

FIGURE 4-3 SUMMARY PERFORMING ARTS THEATER BUILDING PROGRAMS

Location	Venue	Seating Capacity	Stage Dimensions	Proscenium	Orchestra Pit
Aspen, CO	Wheeler Opera House	450	26'-3" deep	27'-11" wide by 17'-3" tall	Open, 23'-3" by 30'
Telluride, CO	Sheridan Opera House	238	20' wide by 20' deep with thrust	None	None
Telluride, CO	PalM Theater	587	76'-4" wide by 35'-7" deep	45' wide by 24' high	Can be covered, 410 sq. feet
Whistler, BC	Millenium Place	200	38' wide by 17' deep	None	None
Columbus, OH	Roy Bowen Theater	250	20' wide by 32' deep including thrust	None	None
Grayslake, IL	James Lumber PA Center	250	50' wide by 23' deep with 33' by 22' feet thrust area	None	None
McKees Rocks, PA	Father Ryan Arts Center	125	25' wide by 20' deep	None	None
New York, NY	The Diamond Signature Theater	294	59' wide by 35.5' deep	45' wide by 20' high	None
Salt Lake City, UT	Rose Wagner PA Center	200	40' wide by 34' deep Black Box	None	None
San Francisco, CA	Brava Theater Center	360	30' wide by 28' deep	30' wide by 22' high	None

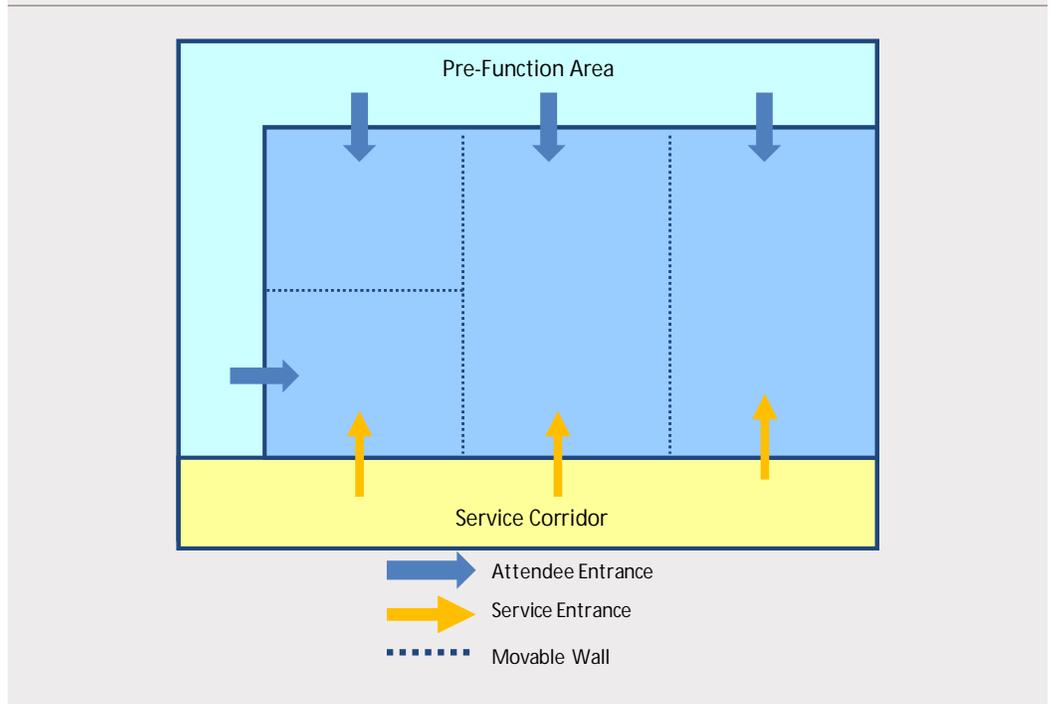
Stage dimension vary by the type of stage, and the final stage size would be dependent upon the final selection of a theater style. The proposed 40-foot wide by 25-foot deep stage is consistent with other performing arts stages with similar seating capacities.

Multipurpose Hall

While site constraints and other design considerations will affect the final layout of the multi-purpose hall, HVS recommends that the entire 10,000 square foot space could be used for a single event. To allow for maximum flexibility as banquet, performance, meeting, and light exhibition space, the multi-purpose hall should be carpeted with finished walls and ceilings with a minimum height of 16 feet. The multi-purpose hall should have convenient access to a main lobby and other pre-function spaces on two sides of the hall, allowing separate access into sub-divided spaces. Service access should be such that each division of the multi-purpose hall has independent rear access allowing an event to take place in one division while another is being serviced for a separate event.

The following figure presents a schematic layout of the proposed multipurpose hall.

FIGURE 4-4 RECOMMENDED MULTI-PURPOSE HALL CONFIGURATION



Event Support and Service Spaces

In addition to the public function spaces provided above, the gross floor area of the facility would include the following elements. In total the event support and service spaces would add approximately 15,000 square feet to the gross area of the proposed venue.

- **Lobby and Pre-function Areas** – Well-appointed lobby and pre-function areas should provide event planners with areas for greeting, ticket-taking, event registration, food and beverage sales, and social gatherings. This area should have clearly marked public access to the multipurpose hall and performing arts theater. This space is also appropriate for stand-alone receptions, meals, and other community events. To the extent possible, layout of Pre-function space should maximize mountain views. The shared pre-function area should be around 4,000 square feet.
- **Back of House Areas** – As noted above, the outdoor stage and performing arts theater would share back of house space. Back of house area should include four dressing rooms with restrooms and showers, catering area/green room, scene shop, and storage rooms. When scheduling allows, multipurpose hall could be used as additional dressing and rehearsal rooms.
- **Box Office** – A small box office with exterior window access should be incorporated into performing arts theater side of the lobby area.
- **Circulation** – Circulation space should provide for the movement of attendees into and through the event spaces. Depending on the concept plan, these areas could also include vertical circulation (stairwells, elevators, and escalators), however; and at-grade facility is recommended to control capital costs.
- **Kitchen** – A production kitchen capable of preparing meals for up to 600 guests should be incorporated into the shared service space at the rear of the multipurpose hall.
- **Service access** – Service corridors should provide non-public access to the multipurpose hall and stage back of house as well as connection to mechanical rooms and storage.
- **Loading areas** – Service access, adjacent to the stage back of house area, that is separate from the public entrance, as well as truck docks and waste disposal areas necessary to support the facility.
- **Storage** – Adequate and convenient equipment storage is important to the efficient operation of the facility.
- **Facility Operations** – Spaces needed to support the facility's physical plant, including HVAC, plumbing, electrical and fire protection systems.
- **Administration** – Offices for management, building operations, and sales staff.

The venues in Chicago's Millennium Park provide the best example of two independent performing arts facilities which share back of house space. The Pritzker Music Pavilion is an outdoor music venue with 4,000 fixed seats and lawn seating for 7,000. The Pavilion is the home of the Grant Park Symphony and the Grant Park Music Festival. It also hosts a number of music series, performing arts events, and festivals. Constructed immediately north of the Pritzker Music Pavilion is the 1,525-seat Harris Theater. The Harris Theater regularly features performances by the Joffrey Ballet, Hubbard Street Dance Chicago, and the Chicago Opera Theater. Both facilities are owned and operated by the City of Chicago. Designed concurrently, the Pritzker Pavilion and the Harris Theater share a loading dock, dressing rooms, rehearsal rooms, and other back of house spaces, resulting in significant savings in development costs for the City.

5. Site Evaluation

The suitability of the land for the development of entertainment and cultural event facilities is an important consideration affecting the economic viability of a property and its ultimate marketability. Factors such as size, topography, accessibility, visibility, and the proximity to other amenities have a direct impact on the suitability of a particular site.

With the assistance of various stakeholders in the Mammoth Lakes community, HVS identified 13 potential sites for permanent entertainment and cultural venues in Mammoth Lakes. These potential sites represent a range of existing land uses and ownership. Some sites are vacant parcels on either town-owned properties, privately-owned properties, or National Forest lands. Some sites are currently developed, and could be repurposed to accommodate the proposed event venues. Other sites, which already host some events, could be expanded and improved to better serve additional events.

HVS then rated each potential site on 27 evaluation criteria. The rating of each site, combined with the relative importance of each criteria results in a weighted score for each potential site. This process identified the two highest scoring sites which are the most suitable sites for the proposed event venues. The conclusion of this section evaluates the overall suitability of these two sites in the context of the building program recommendations presented Section 4 of this report.

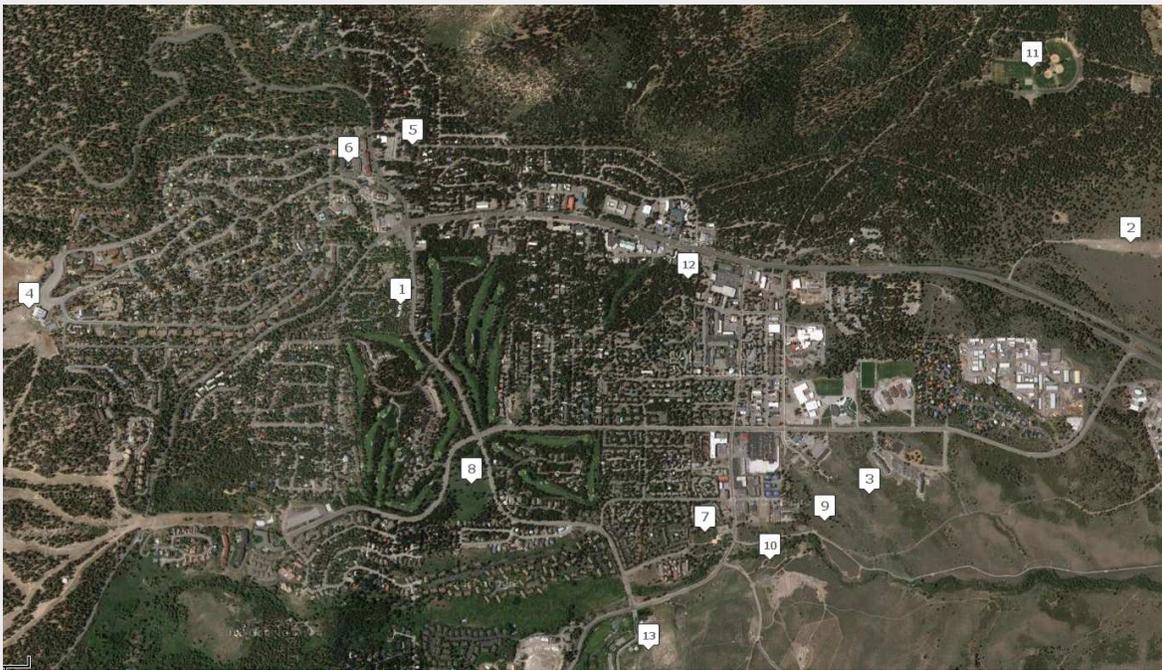
Potential Sites

HVS evaluated the suitability of the following 13 potential sites. The following figure provides an aerial view of Mammoth Lakes which identifies the potential sites. Photos of potential sites follow.

- Site 1 – Sam’s Woods
- Site 2 – Snow Pit
- Site 3 – Mammoth Lakes Foundation Site
- Site 4 – Canyon Lodge
- Site 5 – Community Center
- Site 6 – Village at Mammoth
- Site 7 – Mammoth Creek Park
- Site 8 – Bell-Shaped Parcel

- Site 9 – Mammoth Creek Park East
- Site 10 – Sierra Meadows
- Site 11 – Shady Rest Park
- Site 12 – Shady Rest Parcel
- Site 13 – Snowcreek

FIGURE 5-1 POTENTIAL DEVELOPMENT SITES



SAM'S WOODS (LEFT) AND THE SNOW PIT (RIGHT)



FOUNDATION SITE (LEFT) AND CANYON LODGE (RIGHT)



COMMUNITY CENTER (LEFT) AND VILLAGE AT MAMMOTH (RIGHT)



MAMMOTH CREEK PARK (LEFT) AND SIERRA MEADOWS (RIGHT)



MAMMOTH CREEK PARK EAST (LEFT) AND SHADY REST PARK (RIGHT)



Site Evaluation Criteria

HVS developed evaluation criteria to assess the relative strengths and weaknesses of the various potential sites. The evaluation criteria include primary evaluation categories concerned with site considerations, transportation and parking, urban impact, and financial considerations. Each of these categories includes several specific evaluation criteria. The following figure lists the 27 evaluation criteria. The figure also indicates the importance of each evaluation criterion with a rank from one to five, with a rank of one indicating the least amount of importance and a rank of five indicating the greatest importance.

FIGURE 5-2 SITE EVALUATION CRITERIA

Evaluation Criteria	Importance Rank
Site Considerations	
Capacity for Recommended Building Program	5
Appropriate for Smaller Events	3
Wind Protection	5
Environmental Concerns	3
Leverages Natural Beauty of Area	4
Ability to acquire site	5
Relative Ease of Construction	2
Proximate to Lodging	3
Proximate to Retail and Dining Amenities	3
Urban Impact	
Compatibility with Neighboring Land Uses	4
Impact on Neighborhood Relationships	5
Compliance with Existing Zoning	1
Potential for Related Development	2
Displacement of Existing Uses	3
Access	
Accessible to Autos	3
Accessible to Trucks	3
Accessible to Pedestrians and Bicycles	4
Availability of Existing Parking	2
Capacity for Additional Parking	2
Traffic Congestion	2
Accessibility to Public Transportation	1
Ability to Restrict Access	5
Financial Considerations	
Cost of Construction	4
Land Acquisition Costs	5
Opportunity Costs - Alternative Land Uses	3
Potential for Private Investment	4
Availability of Town Funding	5

In order to assess the relative importance of the ratings, HVS assigned each site evaluation criterion an importance level of high, medium, or low. Combining the rating and the importance level for each criterion yields a weighted score for each site. The sum of these weighted scores represents the overall suitability for each site. HVS assigned each potential site a rank of one through three for each specific evaluation criterion. A score of one indicates that a site ranks poorly on the criterion and a score of three indicates that a site ranks favorably on the criterion.

The following series of figures present the evaluation criteria and the meaning of each individual score. The site matrix with final scores follows.

FIGURE 5-3 SITE EVALUATION CRITERIA

	③	②	①
Site Considerations			
Capacity for Recommended Building Program	Capacity of over 6,000 attendees and can accommodate multiple recommended land uses	Capacity of up to 6,000 attendees and can accommodate some of recommended land uses	Can only accommodate one of the recommended land uses
Appropriate for Smaller Events	Can be scaled to accommodate smaller performance of 200 or fewer attendees	Can be scaled to accommodate smaller performance of 1,000 or fewer attendees	Not appropriate for events with less than 1,000 attendees
Wind Protection	Site is well-protected, wind is not an issue	Site has moderate wind protection, may be an issue at certain times	Site is directly exposed to winds and would need wind protection measures
Environmental Concerns	Site development has minimal negative impact on the environment	Site development may have negative impacts on the environment	Site development has major negative impacts on the environment
Leverages Natural Beauty of Area	Site has excellent views of ranges and other vistas	Portions but not all locations on site have views of ranges and other vistas	Site has minimal views of ranges and other vistas
Ability to acquire site	Site is owned or easily acquired and is properly zoned for use	Site would require purchase and may need to be rezoned	Site acquisition and zoning outside of town control, may not be allowed
Relative Ease of Construction	Site is easily accessed for construction	Site has some construction access issues	Site is difficult to access for construction
Proximate to Lodging	Site is within walking distance to multiple lodging properties	Site is within walking distance to some lodging properties	Site is not within walking distance to any lodging properties
Proximate to Retail and Dining Amenities	Site is within walking distance to town and Village at Mammoth	Site is within walking distance to either town or Village at Mammoth	Site is not within walking distance to any town amenities
Urban Impact			
Compatibility with Surrounding Land Uses	Intended use of site is compatible with surrounding land uses	Intended use of site may occasionally conflict with surrounding land uses	Intended use of site would likely conflict with surrounding land uses
Impact on Neighborhood Relationships	Intended use of site would not cause conflict with owners of surrounding land	Intended use of site would occasionally cause conflict with owners of surrounding land	Intended use of site would regularly cause conflict with owners of surrounding land
Compliance with Existing Zoning	Site is zoned for intended use	Site would need to be rezoned, would not be difficult	Site would need to be rezoned, would likely be a difficult process
Potential for Related Development	Several surrounding sites could be developed for compatible uses	Some surrounding sites could be developed for compatible uses	No surrounding sites could be developed for compatible uses
Displace existing uses	Site is currently vacant and has no planned development	Site is currently vacant but has planned development	Site is currently used for other purpose

FIGURE 5-4 SITE EVALUATION CRITERIA (CONT.)

	③	②	①
Transportation and Parking			
Accessible to Autos	Site is in locations which is directly accessed by private cars, shuttle buses and other vehicles	Site does not have capacity for direct access. Most attendees would park and walk or shuttle to site	Site is in locations which is difficult to access by vehicle
Accessible to Trucks	Site is easily accessed by trucks and other vehicles necessary for event production	Site has moderately easily access for trucks and other vehicles necessary for event production	Site is difficult to access by trucks and other vehicles necessary for event production
Accessible to Pedestrians and Bicycles	Site is in locations near bike paths and is easily accessed by pedestrians and bicycles	Site has sidewalk access for pedestrians and bicycles	Site is in locations which is difficult to access by pedestrians and bicycles
Availability of Existing Parking	Existing proximate parking is adequate to handle all event parking needs	Existing proximate parking is adequate to handle smaller events. Additional parking required for larger events	Existing proximate parking is minimal. Significant additional parking would be needed for all events
Capacity for Additional Parking	Locations on or near the site can developed into surface parking or parking deck	Locations on or near the site can developed into a small amount of surface parking or parking deck	No locations on or near site can be developed into parking
Traffic Congestion	Roads to site have no current traffic congestion issues	Roads to site have occasional traffic congestion issues	Roads to site have daily traffic congestion issues
Accessibility to Public Transportation	Site has direct access to current public transportation routes	Potential to expand public transportation routes to site	No potential for regular public transportation to site
Ability to Restrict Access	Access to site it easlyly restricted for private and ticketed events	Access to site can be restricted through additional barriers and security	Access to site cannot be restricted without street closures
Financial Considerations			
Cost of Construction	Site has minimal elements that would increase costs of construction	Site has some elements that would increase costs of construction	Site has several elements that would increase costs of construction
Land Acquisition Costs	Site is owned or otherwise available without purchase	Site can be purchased for a reasonable price	Site can be purchased for a higher price
Opportunity Costs - Alternative Land Uses	Intended use of site is the highest and best use of the land	Site has other potential uses which have similar returns as intended use	Site has other potential uses which have a higher return than intended use
Potential for Private Investment	Use of site has high potential for private investment	Use of site has moderate potential for private investment	Use of site has no potential for private investment
Availability of Town Fundings	Both Measure R and Measure U would be avialable without restriction	Measure R and/or Measure U would be available withl operating provisions	It is likely that neither Measure R nor Measure U would be avialable

FIGURE 5-5 SITE EVALUATION MATRIX

EVALUATION OF FOUR SITES BASED ON 27 SELECTION CRITERIA ¹

Criteria	Weight ²	EVALUATION OF FOUR SITES BASED ON 27 SELECTION CRITERIA ¹													
		Foundation Site	Canyon Lodge	Sain's Woods	Bell-Shaped Parcel	Mammoth Creek Park	Shady Rest Parcel	Mammoth Creek Park East	Sierra Meadows	Shady Rest Park	Showcreek	Village at Mammoth	Community Center	Snow Pit	
Site Considerations	Capacity for Recommended Building Program	5	3	3	1	2	1	2	3	2	2	2	1	1	3
	Wind Protection	5	1	1	3	2	2	3	1	2	3	2	3	3	1
	Ability to acquire site	5	3	3	3	3	3	2	1	1	1	1	1	2	1
	Leverages Natural Beauty of Area	4	3	3	2	2	1	2	3	3	2	3	1	1	3
	Appropriate for Smaller Events	3	3	3	3	2	3	2	1	2	3	2	3	3	1
	Proximate to Lodging	3	1	1	3	3	2	2	1	2	1	2	3	3	1
	Proximate to Retail and Dining Amenities	3	2	1	3	2	2	3	1	2	1	2	3	3	1
	Environmental Concerns	3	2	3	3	1	3	3	2	2	3	2	3	3	2
	Relative Ease of Construction	2	2	2	2	3	2	2	3	3	2	3	2	2	3
	Sub-Total Site Considerations		20	20	23	20	19	21	16	19	18	19	20	21	16
Urban	Impact on Neighborhood Relationships	5	3	3	2	2	2	1	3	2	3	2	2	1	3
	Compatibility with Neighboring Land Uses	4	3	3	2	2	2	2	3	2	3	2	2	1	3
	Displacement of Existing Uses	3	3	1	3	3	3	3	3	3	2	3	1	1	2
	Potential for Related Development	2	3	1	1	2	2	1	2	2	1	2	2	1	1
	Compliance with Existing Zoning	1	2	3	3	2	2	1	2	1	2	1	3	1	1
Sub-Total Urban Impact		14	11	11	11	11	8	13	10	11	10	10	5	10	
Access	Ability to Restrict Access	5	3	3	3	3	3	3	3	3	3	3	1	3	3
	Accessible to Pedestrians and Bicycles	4	3	2	3	2	3	2	3	3	1	3	3	2	1
	Accessible to Autos	3	2	2	3	3	3	3	2	3	3	3	3	3	2
	Accessible to Trucks	3	2	3	2	3	2	3	2	2	3	2	3	2	2
	Availability of Existing Parking	2	1	3	1	1	2	2	1	1	2	2	2	2	1
	Capacity for Additional Parking	2	3	1	1	2	2	2	3	3	1	2	1	1	3
	Traffic Congestion	2	3	2	2	2	2	2	2	2	2	3	1	2	3
	Accessibility to Public Transportation	1	2	3	2	2	3	3	2	2	1	2	3	3	1
Sub-Total Access		19	19	17	18	20	20	18	19	16	20	17	18	16	
Finance	Land Acquisition Costs	5	3	3	1	3	3	2	2	2	3	1	3	3	1
	Availability of Town Funding	5	2	1	3	3	3	3	2	3	2	2	1	3	3
	Cost of Construction	4	2	2	2	2	2	2	2	2	2	2	2	2	2
	Potential for Private Investment	4	3	3	3	1	1	2	3	2	1	2	3	1	1
	Opportunity Costs - Alternative Land Uses	3	2	3	1	2	1	1	2	1	1	1	2	1	3
Sub-Total Financial Considerations		12	12	10	11	10	10	11	10	9	8	11	10	10	
Total All Criteria		65	62	61	60	60	59	58	58	54	57	58	54	52	

FIGURE 5-6 SUMMARY OF SITE EVALUATION

Weighted Scores ³	MAX	Foundation Site	Canyon Lodge	Sam's Woods	Bell-Shaped Parcel	Mammoth Creek Park	Shady Rest Parcel	Mammoth Creek Park East	Sierra Meadows	Shady Rest Park	Snowcreek	Village at Mammoth	Community Center	Snow Pit
Site Considerations	99	75	75	83	73	68	77	58	67	66	67	69	74	58
Urban	45	44	35	32	33	33	25	42	32	37	32	28	15	36
Access	66	55	53	52	53	57	56	53	56	48	58	46	51	46
Finance	63	51	49	43	48	45	44	46	44	40	34	46	45	41
Total	273	225	212	210	207	203	202	199	199	191	191	189	185	181
<i>Percent of Maximum</i>		82%	78%	77%	76%	74%	74%	73%	73%	70%	70%	69%	68%	66%

- 1) Each criteria scored on a 1 to 3 scale based on site evaluation criteria described in Figures 5-3 and 5-4.
- 2) Rank of the importance of the criteria on a scale of 1 to 5 with five being most important and 1 being least important.
- 3) The importance of the criteria (weight) X the conformance score = the weighted score.

Based on the above analysis, the following figure summarizes the sites with the top three scores in each criteria category as well as the three sites with the highest overall scores.

FIGURE 5-7 TOP SCORE SUMMARY

Top 3 Sites		Score
Site Considerations		
1	Sam's Woods	83
2	Shady Rest Parcel	77
3	Foundation Site	75
3	Canyon Lodge	75
Urban Impact		
1	Foundation Site	44
2	Mammoth Creek Park East	42
3	Canyon Lodge	37
Transportation and Parking		
1	Snowcreek	58
2	Mammoth Creek Park	57
3	Sierra Meadows	56
3	Shady Rest Parcel	56
Financial Considerations		
1	Foundation Site	51
2	Canyon Lodge	49
3	Bell-Shaped Parcel	48
Overall Score		
1	Foundation Site	225
2	Canyon Lodge	212
3	Sam's Woods	210

Site Recommendation

The above site analysis used 27 site evaluation criteria to narrow a list of 13 potential sites to three final sites with the highest overall scores: the Foundation Site, Canyon Lodge, and Sam’s Woods. Based on the program recommendations presented in Section 4 of this report, HVS considered the suitability of these three sites for the recommended program.

Foundation Site

- The Foundation site could accommodate any or all of the recommended program elements, thus maximizing the ability of various organizations to share spaces.

- The proximity of the Foundation site to Cerro Cosa Community College's classrooms and dormitories as well as the Mammoth Lakes Foundation provides a source of additional meeting and event space and lodging for event attendees and organizers.
- The Foundation site's proximity to the town's paved pedestrian/bike paths provides excellent pedestrian access to events, as well as an opportunity to create an outdoor public space that can be enjoyed by residents and visitors on non-event days.
- Devising a suitable wind protection system for the outdoor stage and primary seating area of the proposed amphitheater is essential to the success of the Foundation site.

Canyon Lodge

- Canyon Lodge could accommodate an outdoor stage and viewing area; however, the indoor elements of the recommended program would require a separate location.
- Existing indoor function areas at Canyon Lodge do not meet the needs of potential users of the performing arts and multipurpose spaces.
- Canyon Lodges' primary function as an MMSA ski lodge precludes the construction of a permanent venue and limits the ability to create a suitable wind protection system.
- MMSA currently hosts several events throughout the year at Canyon Lodge. Adding additional event programming to the Canyon Lodge calendar may cause schedule conflicts which could result in the need to relocate or cancel certain events.

Sam's Woods

- Sam's Woods could accommodate an outdoor stage and viewing area; however, the indoor elements of the recommended program would require a separate location.
- Through the use of temporary staging and other event infrastructure, Sam's Woods currently operates as the site for multiple festivals, including Bluesapalooza and the Jazz Jubilee.
- The installation of a permanent stage and other site preparations could reduce event costs and make a site an attractive location for multiple events during the summer season.
- Seasonal tents could also create an attractive venue for classical music and theatrical performances.

- Any investment into the Sam's Woods site should be preceded by the purchase of the site by the Town of Mammoth Lakes or a use agreement that would assure access to the site for the useful life of the venue.

Sites which failed to score in the top three are not necessarily removed from consideration. However, HVS's found that some sites have fatal flaws which would disqualify their suitability for the proposed event and entertainment venue.

The U.S. Forest Service has expressed that they would not be interested in issuing a permit for lands to be used for the proposed venues. For these sites, a land exchange would be required. Of the 13 sites evaluated in this study, four are on land owned by the U.S. Forest Service: Canyon Lodge, Shady Rest Park, Snow Pit, and Mammoth Creek Park East. The Forest Service already permits MMSA to own and operate Canyon Lodge as a ski resort. Of the remaining sites, the Forest Service has expressed that they would be willing to consider a land exchange for the Snow Pit and Mammoth Creek Park East, but that such as option for Shady Rest Park would be highly unlikely.

As noted above MMSA owns and operates Canyon Lodge. MMSA's ski operations and off-season events at the site would severely limit its use by other groups for the intended purposes.

Based on the above analysis, HVS recommends the Foundation site as the site for the proposed MLECC. This site could accommodate all program elements on single site, allowing event organizers and other groups to effectively share resources. The types of entertainment and cultural events which could use the MLECC would positively affect neighboring development and would not interfere with events hosted by Mammoth Mountain Ski Area and the Village at Mammoth. The development of the MLECC could also bring conferences and other meeting demand that Mammoth Lakes is currently unable to accommodate. This group business would be a new demand segment that can help lodging properties fill shoulder season and weeknight vacancies.

Alternate Scenario

Recognizing that the planning and funding of the MLECC may have a lengthy timeline, HVS recommends a short-term, lower cost alternative consideration of temporary improvements on the Sam's Woods site. While not all proposed elements of the MLECC can be accommodated at Sam's Woods, the site could continue to be a valuable community asset by providing event coordinators event infrastructure they would otherwise have to create at a greater expense than site rental costs.



Site permitting, under this alternate scenario, HVS recommends the construction of a permanent 60-foot by 40-foot outdoor stage as well as concessions and restroom facilities capable of accommodating up to 6,000 event attendees. The covered stage should have access to show power and total rigging capacity of approximately 20,000 pounds.

6. Demand Analysis

HVS based event demand projections for the proposed Mammoth Lakes Event and Cultural Center (“MLECC”) on the following research and analysis:

- The general program recommendations presented in Section 4 of this report,
- Interviews with current event coordinators,
- Historical event data,
- Key market and economic indicators outlined in Section 2,
- An analysis of comparable resort venues and demand data, and
- Discussions with representatives from the Town of Mammoth Lakes, Mammoth Lakes Tourism, and other interested stakeholders.

In developing the demand projections, HVS assumes that all recommendations throughout this report are completed by June 1, 2016. HVS estimates that event demand would stabilize in the fourth year of operation—2019. Demand projections also assume the presence of a highly qualified, professional sales and management team for the MLECC.

Historical Event Demand

As detailed in Section 2, the Town of Mammoth Lakes currently hosts dozens of festivals and events at various locations throughout the community. HVS reviewed available historic attendance data provided by event organizers and the Town of Mammoth Lakes, as shown in the following figure.

FIGURE 6-1 HISTORICAL FESTIVALS

Name of Event	Attendance	Duration (days)
Mammoth Festival of Beers & Bluesapalooza	12,800	4
Mammoth Lakes Jazz Jubilee	12,000	5
Mammoth Kamikaze Bike Games	9,600	5
Villagefest	7,000	3
Mammoth Festival - Wine, Music & Food	5,000	4
Mammoth Rocks - Taste of the Sierra	5,000	2
Labor Day Festival of the Arts	5,000	3
Mammoth Celebrates the Arts	3,500	4
Mammoth Margarita Festival	2,400	2
Sierra Summer Festival	2,000	3
Octoberfest at the Village at Mammoth	1,900	2
Reggae Music Weekend	1,600	1
Mammoth Bluegrass Festival	1,500	3
Fiesta Caliente	1,000	2
Mammoth Food & Wine Experience	700	3

MLECC Demand Projections

HVS’s analysis of comparable and competitive venues, interviews with event coordinators and other potential users, suggest that the proposed MLECC should allow Mammoth Lakes to reach the programming goals set out in Section 4. The proposed MLECC would be able to accommodate existing festivals and cultural events at a single, shared location while expanding demand potential to attract new events and uses. Indoor, multipurpose spaces would allow Mammoth Lakes to significantly expand its share of group meetings, conferences, and other events hosted by regional corporations and associations, state associations, local businesses, and other groups. The indoor and outdoor spaces at the MLECC would also be a valuable local amenity offering permanent and seasonal residents a place to gather for a variety of civic, social, and leisure activities.

In developing demand projections, HVS assumes that the goal of MLECC ownership would be to create an independent entity that could ensure fair access to the community amenity.

- The MLECC would be owned by a community entity which is independent of the event sponsors and nonprofit groups which would use the facilities.
- Potential ownership entities include the Town of Mammoth Lakes, a public authority, and an independent nonprofit controlled by the Town or the Mammoth Lakes Foundation.

- The MLECC could be self-managed or managed by a private management company that would be responsible for renting facilities to event organizers and promoters.
- MLECC management may enter long-term tenant agreements with local, nonprofit music and theater organizations for their use of the MLECC for performances, instructional classes, fundraisers, and other events.

HVS projects the following demand for the proposed MLECC. HVS based demand projections on the completion of the venue in January of 2018. HVS estimates that event demand would ramp up following the venue opening stabilize in the fourth year of operation – 2021. The figure below breaks out event projections through stabilization by the type of event.

For performances and festivals, total and average attendance figures represent daily event attendees. For meetings, conferences, banquets, and trade shows, total and average attendance figures represent individual attendees who may participate in a single event over multiple days. A brief description of the event types and explanation of demand projections follows the projections.

FIGURE 6-2 MLECC DEMAND PROJECTIONS

	2018	2019	2020	2021
Events				
Large Festivals	6	7	7	8
Small Festivals	5	7	8	8
Outdoor Concerts	2	3	3	4
Local Performing Arts	60	68	71	75
Touring Acts & Films	6	8	9	10
Meetings & Conferences	12	18	18	24
Tradeshows	2	3	3	4
Banquets	10	15	17	20
Assemblies	2	3	4	5
Other	6	9	12	15
Total	111	140	152	173
Average Attendance				
Large Festivals	8,000	8,000	8,000	8,000
Small Festivals	2,000	2,000	2,000	2,000
Outdoor Concerts	3,500	3,500	3,500	3,500
Local Performing Arts	150	150	150	150
Touring Acts & Films	200	200	200	200
Meetings & Conferences	100	100	100	100
Tradeshows	300	300	300	300
Banquets	200	200	200	200
Assemblies	120	120	120	120
Other	2,500	2,500	2,500	2,500
Total Attendance				
Large Festivals	48,000	56,000	56,000	64,000
Small Festivals	10,667	13,333	16,000	16,000
Outdoor Concerts	7,000	10,500	10,500	14,000
Local Performing Arts	9,000	10,125	10,688	11,250
Touring Acts & Films	1,200	1,600	1,800	2,000
Meetings & Conferences	1,200	1,800	1,800	2,400
Tradeshows	600	900	900	1,200
Banquets	2,000	3,000	3,333	4,000
Assemblies	240	360	480	600
Other	15,000	22,500	30,000	37,500
Total	90,000	120,000	130,000	150,000

Large Festivals— Large festivals are events that attract at least 3,000 total attendees. Most large festivals are multiple day events which require a variety of components, including outdoor performance stages, food and beverage stands, retail sales booths, and seating areas. Large festivals are mainly outdoor events; however, these events may use the MLECC’s indoor performance and

multipurpose spaces for additional stage and festival booths or as an alternate site in the case of inclement weather. Large festivals would include existing festivals, such as the Festival of Beers and Bluesapalooza. The source of large festivals would primarily be local event organizers; however, the presence of the MLECC would also attract event promoters from outside the local area. HVS projects that in a stabilized year, the MLECC would host eight large festivals during the summer season which runs from late June through early September. HVS further projects that, due to the new MLECC facilities, these large festivals would have an average attendance approximately 25% higher than that of similar events currently taking place in Mammoth Lakes.

Small Festivals—Small festivals are events that attract fewer than 3,000 total attendees. Small festivals can be single day or multiple day events which require a variety of components, including outdoor performance stages, food and beverage stands, retail sales booths, and seating areas. Small festivals could use indoor or outdoor space and many would occur during holidays in cold weather months. Indoor space also provides an alternative location in the event of inclement weather. Small festivals would include existing festivals, such as the Mammoth Food and Wine Experience. The source of small festivals would primarily be local event organizers; however, the presence of the MLECC would also attract event promoters from outside the local area. HVS projects that in a stabilized year, the MLECC would host eight small festivals, most of which would run during the summer season which runs from late June through early September. The indoor multipurpose space could also be used to host indoor festivals during the holidays and throughout the winter months. HVS further projects that, due to the new MLECC facilities, these small festivals would have an average attendance approximately 25% higher than that of similar events currently taking place in Mammoth Lakes.

Outdoor Concerts—Outdoor concerts include music shows and other entertainment that would use the MLECC's outdoor stage and festival seating area. In a stabilized year of demand, HVS projects a total of ten outdoor concerts at the MLECC. Based on demand at comparable venues, HVS projects that the venue would be able to attract four independently promoted ticketed concerts each year. The remainder of the outdoor concerts would be part of a free summer concert series hosted during weekdays by the Town. These free concerts are included in Other event category.

Local Performing Arts—HVS assumes that the MLECC would contract with local nonprofit performing arts organizations for use of the MLECC at prearranged facility use fees. As tenants of the MLECC, these nonprofit organizations would host a variety of events, including musical performances, theatrical productions, fundraisers, and instructional programs. These performances would mainly use

the performing art theater, but may also use the multipurpose hall and outdoor stage for larger events. Based on current programming by existing performing arts groups in Mammoth Lakes, HVS projects that the MLECC would host 75 performances in a stabilized year of demand.

Touring Acts & Films—In addition to locally produced performances, HVS assumes that the MLECC would also host several touring shows and film screenings. These events may include theatrical performances, musical performances, lectures, comedy shows, and films. In a stabilized year of demand, HVS projects 10 touring act performances which would primarily take place in the performing arts theater.

Meetings & Conferences—Meetings and conferences are events that require meeting and banquet space as well as occasional assembly space. They typically do not require any exhibit set-up. Civic organizations, corporations, state associations, religious groups, schools, and government agencies all host meetings and conferences. Although the size of the meetings and conferences can range from 10 to over 1,000 persons, most meetings and conferences are small events that have fewer than 100 attendees. The multipurpose hall can be set up in a variety of configurations to handle the meeting and banquet needs of meetings and conferences. Lobby areas and the performing arts theater could also be used to accommodate larger groups or several smaller simultaneous meetings as needed. In addition, because of the MLECC's proximity, classrooms at Cerro Coso Community College could be used as additional breakout meeting space. In a stabilized year of demand, HVS projects 24 meetings and conferences.

Tradeshows—Tradeshows provide a means for wholesalers and retailers to transact business with buyers. As such, tradeshows are typically exhibit-oriented events in which products are displayed and demonstrated. Tradeshows may require some meeting and meal space; however, these space requirements are typically small. Because of the MLECC's proximity, classrooms at Cerro Coso Community College could be used as additional breakout meeting space. The source of tradeshow demand would primarily be shows produced by regional corporations, associations, and enterprises. In a stabilized year of demand, HVS projects four tradeshows.

Banquets—Banquets are stand-alone social events, weddings, luncheons, and other meals typically booked by local corporations, social and civic organizations, and private clients. The flexibility of the multipurpose and pre-function spaces would allow for a variety of banquet sizes and multiple simultaneous events. Since the ballrooms must also accommodate the needs of the venues convention clients, this flexibility is crucial to operate the facility with minimal scheduling conflicts. In a stabilized year of demand, HVS projects 20 banquet events.

Demand Projections Alternate Scenario

Assemblies—Assembly events include religious events, lectures, large meetings, graduations, and other civic ceremonies which require a large seating capacity. The source of assembly demand would primarily be from local organizations that would use the multipurpose hall in a theater set up. In a stabilized year of demand, HVS projects five assembly events.

Other—Other events include a variety of local-oriented facility rentals which include such events as exams, charity events, press conferences, radio/television satellite broadcasts, blood drives, and other civic uses. Other events may also include free concerts as a part of a summer concert series as well as support for other local events held at other locations. In a stabilized year of demand, HVS projects 15 other events.

HVS also projected demand for the alternate scenario of developing the Sam's Woods site with an outdoor stage along with concessions, restrooms, and other event infrastructure. This site would be suitable for festivals, concerts and some stage performances. In developing these demand projections, HVS considered the following.

- The development of the alternate venue at Sam's Woods could be completed by January 1, 2015.
- While more festivals in Mammoth Lakes would use the alternate venue in Sam's Woods, the overall number of large and small festivals would remain consistent with historical levels.
- Average attendance at festivals would also remain consistent with historical levels.
- The smaller capacity of the alternate venue would result in a lower number of ticketed touring shows and a lower average event attendance.
- Local performing arts groups would use the alternate venue for summer theatrical and musical productions. The outdoor only stage would limit these performances to the summer season, allowing far fewer performances.
- The alternate stage could host a free summer concert series, but could not be used for other civic uses which would require indoor space.
- The alternate venue could not accommodate touring performing arts productions, meetings, tradeshow, banquets, or assembly events.

The following figure presents the demand projections for the alternate outdoor venue at Sam's Woods. Projections begin in 2015 and stabilize in 2018, the fourth year of operation.

FIGURE 6-3 ALTERNATE SCENARIO DEMAND PROJECTIONS

	2015	2016	2017	2018
Events				
Large Festivals	5	6	7	7
Small Festivals	4	5	6	6
Outdoor Concerts	1	2	2	2
Local Performing Arts	10	11	11	12
Other	3	5	6	8
Total	23	28	32	35
Average Attendance				
Large Festivals	6,200	6,200	6,200	6,200
Small Festivals	1,600	1,600	1,600	1,600
Outdoor Concerts	3,000	3,000	3,000	3,000
Local Performing Arts	150	150	150	150
Other	2,000	2,000	2,000	2,000
Total Attendance				
Large Festivals	32,550	37,975	43,400	43,400
Small Festivals	6,400	8,000	9,600	9,600
Outdoor Concerts	3,000	4,500	4,500	6,000
Local Performing Arts	1,440	1,620	1,710	1,800
Total	50,000	60,000	70,000	80,000

HVS demand projections are intended to show the expected levels of event numbers and attendance. Projections show smooth growth over time. However, event demand and booking cycles are not always smooth. Business can be affected by unpredictable local and national economic factors. Event demand is often cyclical, based on rotation patterns and market conditions. Therefore, HVS recommends interpreting the demand projections as a mid-point of a range of possible outcomes and over a multi-year period rather than relying on projections for any one specific year.

7. Financial Analysis

HVS uses a proprietary financial operating model to estimate revenues and expenses at public assembly venues. This model quantifies the key variables and operating ratios that determine revenue potential and expenses levels. The model assumes the MLECC would be completed and open by January 1, 2018. Unless otherwise indicated, the model assumes an annual inflation rate of 2.5 percent applied to both revenues and expenses.

Events Revenues

MLECC event revenue line items include facility rental, food and beverage sales, and event services. The model uses a series of revenue assumptions based on the occupied days, attendance, or floor area utilization that reflect the projected utilization levels of function space. Floor area utilization is measured in Gross Square Foot Days (“GSFD”)—the amount of floor area rented multiplied by the number of days it is rented, including move-in and move-out days.

To formulate the revenue assumptions, HVS relied on industry information, knowledge of the performance of comparable venues, and information on price levels from local area sources. We adjusted the assumptions for inflation and other anticipated trends in price levels. The figure below summarizes the departmental income assumptions for the proposed MLECC by type of event. A brief description of the each revenue item follows. All figures are in 2013 dollars.

FIGURE 7-1 MLECC EVENT REVENUE ASSUMPTIONS (IN 2013 DOLLARS)

Type	Facility Rental per Occupied Day	Food & Beverage (Gross) per Attendee	Event Services (Gross) per GSFD	Facility Surcharge per Attendee
Large Festivals	\$ 3,000	\$ 2.50	\$ -	\$ 1.00
Small Festivals	2,000	2.50	-	1.00
Outdoor Concerts	4,000	7.50	-	2.00
Local Performing Arts	400	1.15	-	1.00
Touring Acts & Films	800	1.75	-	2.00
Meetings & Conferences	300	7.50	0.10	-
Tradeshows	1,000	2.00	0.10	-
Banquets	500	25.00	0.05	-
Assemblies	250	-	0.05	-
Other	-	2.00	-	-

Facility Rental—Facility rental revenue includes the revenue the MLECC would receive from event organizers and promoters that reserve the one or more function areas in the facility as event, meeting, and banquet space. Despite having published rates, events centers typically charge rental fees based on negotiated daily rental fees. Not all events are charged the same facility rental fee. A facility may reduce or waive the meeting rental charges in order to book an event that has a strong economic impact on the local economy or when the event organizer is a nonprofit organization. HVS determined the function areas that would typically be rented for each type of event. Based on this use, HVS projected a rental rate per occupied day for each event type. Rates are based on current industry averages and historical fees charged in Mammoth Lakes. The model assumes that any event subsidies would be supplied by the Town of Mammoth Lakes from a separate funding source.

Food and Beverage—Many events that use the MLECC's function space would also arrange for food service for their attendees during their events. This food service includes catering which can range from coffee breaks associated with a meeting to a full dinner associated with a conference or banquet. Festivals, concerts, and other performance events may generate concession revenue. Festivals have limited concession sales due to the food and beverage sales from booths that are associated with the event. HVS projects estimated gross food and beverage revenues on a per capita basis depending on the type of event. Projections assume that alcohol sales are permitted.

Event Services—Event Services include the fees charged to tenants for services that could include set-up and take down of function spaces, event staff services, cleaning services, security services, audio and video technical assistance, and other services provided by third-party contractors at events. Service charges vary by type of event. HVS assumes that for performances and festival events, event services are included in rental fee or contracted directly by the event organizer. For those events which do have additional event service charges, the HVS model estimates event services revenue based on the amount of space rented by event type.

Facility Surcharge—Publicly owned cultural and performing arts venues often charge a nominal per ticket fee to help cover the cost the venue's operation. HVS assumes that a ticket fee of \$1 or \$2 would be assessed on all ticketed festivals and performances depending on the type of event.

Non-Event Revenues

In addition to event revenues described above, the proposed MLECC would also earn the following non-event revenues.

Operating Expenses

Advertising—Advertising includes a modest amount of revenue from the sale of fixed advertising signage on walls and outdoor marquee displays. Revenue estimates should be reassessed as design of advertising elements progresses.

Miscellaneous—Miscellaneous revenues can include damages billed to tenants, special fees or dues, interest income, and other non-recurring income.

HVS estimated operating expenses as a blend of fixed costs and variable percentage of operating revenues as summarized in the figure below. HVS assumes that the MLECC would operate as a department of the Town of Mammoth Lakes, either by an in-house staff or by a private management company. Certain non-event related expenses, such as legal fees, accounting fees, insurance premiums, and some administration expense would be covered in the Town’s general budget. The following figures present these fixed and variable expense assumptions for the recommended program scenario. A brief description of each expense line item follows.

FIGURE 7-2 MLECC EXPENSE ASSUMPTIONS (IN 2013 DOLLARS)

Expenditure	Percentage Revenue	Fixed Expense for Base Year
Operating Expense		
Salaries & Benefits	0.0% ### \$0	\$429,000
Food & Beverage Costs	70.0% of Food & Beverage (Gross)	\$0
Event Services Costs	80.0% of Event Services (Gross)	\$0
Contractual Services	1.5% of Total Operating Rev	\$5,000
Administrative & General	0.5% of Total Operating Rev	\$10,000
Repair & Maintenance	2.0% of Total Operating Rev	\$20,000
Supplies & Equipment	1.0% of Total Operating Rev	\$10,000
Utilities	2.5% of Total Operating Rev	\$80,000
Other Expense	1.0% of Total Operating Rev	\$0

Salaries & Benefits—This line item includes salaries for ten permanent full and part-time employees dedicated to administration, event services, building operations, and other functions. The following figure presents a proposed staffing schedule for the MLECC. HVS calculates benefits at 30 percent of base salaries.

FIGURE 7-3 MLECC PROPOSED STAFFING SCHEDULE AND SALARIES

Position	Number	Salary	Total Salary
PRODUCTION			
General Manager	1	60,000	60,000
Event Coordinators	2	25,000	50,000
FOOD & BEVERAGE HOSPITALITY			
Food & Beverage Manager	1	50,000	50,000
BUILDING OPERATIONS			
Operations Manager	1	50,000	50,000
Maintenance Technician	1	40,000	40,000
Manager of Housekeeping	1	35,000	35,000
Custodians	3	15,000	45,000
TOTALS	10		330,000
		Benefits	30%
		Salary & Benefits	429,000

Food & Beverage Costs—While a food service model has not been determined, for the purpose of this analysis, HVS assumes that event catering would be contracted to a third party catering company and that the MLECC would receive a 30 percent commission on these catering sales. For concession sales at other events, HVS estimates that the raw costs of food and beverages sold as well as the labor associated these sales at 70 percent of gross sales revenue.

Event Services Costs—Event services costs are the costs incurred by the facility for client reimbursed expenses such as event set-up, security, cleaning, and audio-visual services. HVS estimated event services costs as a percentage of gross event services based on comparable venues and industry standards.

Contractual Services—Contractual services include any outsourced operations and maintenance services, including snow removal, landscaping, and equipment maintenance and repairs.

Administrative & General—Office and administrative operations incur day-to-day facility expenses. Such expenses typically include travel, telephone, printing, postage, permits, and other miscellaneous services.

Repair & Maintenance—Repair and Maintenance includes both routine and one-time facility maintenance expenses that are primarily the responsibility of in-house facility operations personnel.

Supplies & Equipment—Supplies and equipment includes items such as computers, office machines, furniture, consumables, and chemicals are required to support and maintain the operations of the facility.

Utilities—Utilities, including electricity, gas, water, and other charges often represent one of the largest expenses incurred by facility operators.

In addition to the above operating expenses, HVS assumes the establishment of the capital maintenance reserve fund with annual contributions of 3 percent of total operating revenues.

Operating Pro Forma

The figure below presents the ten-year financial projections for the proposed MLECC. The projections are in inflated dollars beginning January 1, 2018, the assumed opening date for the MLECC.

FIGURE 7-4 MLECC PROJECTED TEN YEAR FINANCIAL OPERATIONS

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
OPERATING REVENUE										
Facility Rental	\$215,000	\$274,000	\$297,000	\$346,000	\$354,000	\$363,000	\$372,000	\$381,000	\$391,000	\$401,000
Food & Beverage (Gross)	341,000	466,000	514,000	630,000	645,000	662,000	678,000	695,000	712,000	730,000
Event Services (Gross)	23,000	35,000	37,000	49,000	50,000	51,000	52,000	54,000	55,000	57,000
Facility Surcharge	95,000	120,000	128,000	150,000	154,000	158,000	162,000	166,000	170,000	174,000
Advertising & Sponsorships	28,000	29,000	30,000	30,000	31,000	32,000	33,000	34,000	34,000	35,000
Other Revenue	6,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000
Total	\$708,000	\$930,000	\$1,012,000	\$1,211,000	\$1,240,000	\$1,272,000	\$1,304,000	\$1,337,000	\$1,369,000	\$1,404,000
OPERATING EXPENSES										
Salaries & Benefits	\$485,000	\$498,000	\$510,000	\$523,000	\$536,000	\$549,000	\$563,000	\$577,000	\$591,000	\$606,000
Food & Beverage Costs	239,000	326,000	360,000	441,000	452,000	463,000	475,000	487,000	499,000	511,000
Event Services Costs	18,000	28,000	29,000	39,000	40,000	41,000	42,000	43,000	44,000	45,000
Contractual Services	16,000	20,000	21,000	24,000	25,000	25,000	26,000	27,000	27,000	28,000
Administrative & General	15,000	16,000	17,000	18,000	19,000	19,000	20,000	20,000	21,000	21,000
Repair & Maintenance	37,000	42,000	44,000	49,000	50,000	51,000	52,000	54,000	55,000	56,000
Supplies & Equipment	18,000	21,000	22,000	24,000	25,000	26,000	26,000	27,000	27,000	28,000
Utilities	108,000	116,000	120,000	128,000	131,000	134,000	138,000	141,000	145,000	148,000
Other Expense	7,000	9,000	10,000	12,000	12,000	13,000	13,000	13,000	14,000	14,000
Total	\$943,000	\$1,076,000	\$1,133,000	\$1,258,000	\$1,290,000	\$1,321,000	\$1,355,000	\$1,389,000	\$1,423,000	\$1,457,000
OPERATING INCOME (LOSS)	(\$235,000)	(\$146,000)	(\$121,000)	(\$47,000)	(\$50,000)	(\$49,000)	(\$51,000)	(\$52,000)	(\$54,000)	(\$53,000)
NON-OPERATING EXPENSES										
Capital Maintenance	\$21,000	\$28,000	\$30,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000
Total	\$21,000	\$28,000	\$30,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000
TOTAL NET INCOME (LOSS)	(\$258,000)	(\$173,000)	(\$153,000)	(\$83,000)	(\$85,000)	(\$87,000)	(\$90,000)	(\$92,000)	(\$94,000)	(\$97,000)

Financial Projections Alternate Scenario

HVS also projected the financial operations for the alternate scenario of developing the Sam's Woods site with an outdoor stage along with concessions, restrooms, and other event infrastructure. In developing operating revenues and expenses, HVS considered the demand projections detailed in Section 6 and the following.

- The alternate venue would be operated as a department of the Town of Mammoth Lakes either by an in-house staff or a private management company.
- The daily fees charged for facility rental of the alternate venue would be approximately 30 percent less than that charged for the use of the full MLECC facility.
- Without the cultural benefit provided by the MLECC's performing arts theater, the alternate venue would not collect a ticket fee.
- Advertising opportunities at the alternate venue would be significantly reduced.
- Significantly fewer staff positions would be required to manage the alternate venue. Additionally all staff positions would be seasonal. The net result is staffing costs which are approximately 80 percent lower than for the MLECC.
- Other operating expenses would also be significantly reduced due to reduced facilities and seasonal use.
- Similar to the MLECC, HVS assumes that certain non-departmental expenses, including legal and accounting fees, insurance premiums, and other overhead items would be covered in other budgets.

The figure below presents the ten-year financial projections for the alternate outdoor stage venue. The projections are in inflated dollars beginning January 1, 2016, the assumed opening date for the alternate venue.

FIGURE 7-5 ALTERNATE VENUE PROJECTED TEN YEAR FINANCIAL OPERATIONS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUE										
Facility Rental	\$99,000	\$123,000	\$143,000	\$151,000	\$155,000	\$158,000	\$162,000	\$166,000	\$171,000	\$175,000
Food & Beverage (Gross)	145,000	187,000	219,000	245,000	251,000	258,000	264,000	271,000	278,000	285,000
Advertising & Sponsorships	11,000	11,000	11,000	12,000	12,000	12,000	12,000	13,000	13,000	13,000
Other Revenue	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total	\$258,000	\$324,000	\$376,000	\$411,000	\$421,000	\$431,000	\$441,000	\$453,000	\$465,000	\$476,000
OPERATING EXPENSES										
Salaries & Benefits	\$98,000	\$100,000	\$103,000	\$106,000	\$108,000	\$111,000	\$114,000	\$116,000	\$119,000	\$122,000
Food & Beverage Costs	101,000	131,000	153,000	172,000	176,000	180,000	185,000	190,000	194,000	199,000
Contractual Services	8,000	9,000	9,000	10,000	10,000	10,000	11,000	11,000	11,000	11,000
Administrative & General	7,000	7,000	8,000	8,000	8,000	8,000	8,000	9,000	9,000	9,000
Repair & Maintenance	13,000	14,000	15,000	16,000	16,000	16,000	17,000	17,000	18,000	18,000
Supplies & Equipment	7,000	7,000	8,000	8,000	8,000	8,000	8,000	9,000	9,000	9,000
Utilities	32,000	34,000	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000
Other Expense	3,000	3,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000
Total	\$269,000	\$305,000	\$336,000	\$361,000	\$368,000	\$376,000	\$387,000	\$398,000	\$407,000	\$416,000
OPERATING INCOME (LOSS)	(\$11,000)	\$19,000	\$40,000	\$50,000	\$53,000	\$55,000	\$54,000	\$55,000	\$58,000	\$60,000
NON-OPERATING EXPENSES										
Capital Maintenance	\$8,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000
Total	\$8,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000
TOTAL NET INCOME (LOSS)	(\$19,000)	\$8,000	\$30,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000	\$45,000

HVS financial projections are intended to show the expected levels of revenues and expenses over a ten-year period. Projections show smooth growth over time. However, event demand and booking cycles are not always smooth. Business can be affected by unpredictable local and national economic factors. Event demand is often cyclical, based on rotation patterns and market conditions. Therefore, HVS recommends interpreting the financial projections as a mid-point of a range of possible outcomes and over a multi-year period rather than relying on projections for any one specific year.

**Development Costs
Estimates**

Based on the recommended program of functional elements presented in Section 4, HVS developed rough estimates of gross square footage and estimated the range of cost per square foot by functional area. The following figures present the estimated range of costs for the full MLECC at the Foundation site and the alternate outdoor stage venue at the Sam's Woods site. The estimates do not include costs for land acquisition or long-term site maintenance.

FIGURE 7-6 MLECC DEVELOPMENT COST ESTIMATE

Functional Area	Estimated Program Area (SF)	Cost per SF Range		Total Cost Range	
Outdoor Stage/Seating	27,000	120	to 260	\$ 3,240,000	to \$7,020,000
Multipurpose Hall	10,000	250	to 350	2,500,000	to 3,500,000
Performing Arts Theater	12,500	500	to 600	6,250,000	to 7,500,000
Lobby and Prefunction	5,000	250	to 350	1,250,000	to 1,750,000
Shared Back of House	15,750	170	to 220	2,677,500	to 3,465,000
General Circulation	4,000	195	to 245	780,000	to 980,000
				<u>\$ 16,697,500</u>	<u>\$ 24,215,000</u>
Site Work	8.0%			1,335,800	to 1,937,200
General Conditions	10.0%			1,669,750	to 2,421,500
Phasing and Temporary Work	2.0%			333,950	to 484,300
Insurance and Bonds	1.5%			250,463	to 363,225
Fees	3.0%			500,925	to 726,450
Estimating Contingency	10.0%			<u>1,669,750</u>	<u>to 2,421,500</u>
				<u>\$22,458,138</u>	<u>to \$32,569,175</u>
			Grand Total		

FIGURE 7-7 ALTERNATE VENUE DEVELOPMENT COST ESTIMATE

Functional Area	Estimated Program Area (SF)	Cost per SF Range		Total Cost Range	
Outdoor Stage/Seating	9,000	120	to 260	\$ 1,080,000	to \$2,340,000
Back of House	5,000	170	to 220	850,000	to 1,100,000
				\$ 1,930,000	\$ 3,440,000
Site Work	8.0%			68,000	to 88,000
General Conditions	10.0%			85,000	to 110,000
Phasing and Temporary Work	2.0%			17,000	to 22,000
Insurance and Bonds	1.5%			12,750	to 16,500
Fees	3.0%			25,500	to 33,000
Estimating Contingency	10.0%			85,000	to 110,000
		Grand Total		\$2,223,250	to \$3,819,500

Based on the building program presented in Section 4, HVS estimates that development cost of the proposed MLECC at the Foundation site would range from approximately \$22.5 to \$32.5 million. The alternate outdoor stage venue at Sam’s Woods would range from approximately \$2.2 million to \$3.8 million. Infrastructure requirements, wind testing, and other site-specific issues can significantly influence development costs.

8. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints.
4. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place subsequent to the date of our report.
9. The quality of an event center and lodging facility's on-site management has a direct effect on a facility's economic performance. The demand and financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
10. We do not warrant that our estimates will be attained, but they have been developed on the basis of information obtained during the course of our market research and are intended to reflect reasonable expectations.
11. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.

12. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
13. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
14. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of this organization, as employees, rather than as individuals.
15. This report is set forth as a market study of the subject facility; this is not an appraisal report.

9. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. that the statements of fact presented in this report are true and correct to the best of our knowledge and belief;
2. that the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. that we have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved;
4. that we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. that our engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. that this report sets forth all of the limiting conditions (imposed by the terms of this assignment) affecting the analyses, opinions, and conclusions presented herein;
7. that the fee paid for the preparation of this report is not contingent upon our conclusions, or the occurrence of a subsequent event directly related to the intended use of this report;
8. that Thomas Hazinksi and Catherine Sarrett personally inspected the properties described in this report;
9. that no one other than those listed above and the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this market study; and
10. that our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.



A handwritten signature in black ink that reads "Thomas Hazinski".

Thomas Hazinski
Managing Director

A handwritten signature in black ink that reads "Catherine Sarrett".

Catherine Sarrett
Project Manager