

# PROPOSED NEW CULTURAL AND CONFERENCE CENTER IN ANNAPOLIS, MARYLAND

## MARKET AND ECONOMIC IMPACT ANALYSIS

AUGUST 2024 – FINAL REPORT



# Report Letter

August 2024

Mr. Al Tyler, Vice President  
Maryland Stadium Authority  
Capital Projects Development Group  
The Warehouse at Camden Yards  
351 West Camden Street - Suite 300  
Baltimore, MD 21201

Dear Mr. Tyler:

Crossroads Consulting Services, LLC has completed its market and economic impact analysis for the proposed Cultural & Conference Center in Annapolis. This report summarizes our findings and principal conclusions from the research and analysis.

The findings contained in the report reflect analysis of information provided by secondary sources including, but not limited to, data obtained from the Maryland Stadium Authority, Arts Council of Anne Arundel County and Visit Annapolis Anne Arundel County. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. Estimates and analysis used regarding this project are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no obligation, unless subsequently engaged, to update this report or revise the information contained therein to reflect events and transactions occurring after the date of this report.

In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by the Maryland Stadium Authority and may not be relied upon by any other party for any purpose, including financing.

We have enjoyed serving you on this engagement and look forward to the opportunity to provide you with continued services.

Sincerely,

**Crossroads Consulting Services, LLC**

# Table of Contents

1.	Introduction and Executive Summary	4
2.	Local Market Conditions	20
3.	Key Industry Trends	45
4.	Market Outreach	68
5.	Peer Facilities Analysis	81
6.	Market Assessment	94
7.	Economic Impact Analysis	102
8.	Limiting Conditions and Assumptions	111



# 1. Introduction and Executive Summary



# Introduction

## Project Background

Potential development of a facility in Annapolis/Anne Arundel County that could host convention and meeting activity and/or performing arts events has been under consideration for about 30 years. Annapolis, which is the state capital of Maryland and home to the U.S. Naval Academy (“USNA”), is situated approximately 45 minutes south of Baltimore and 45 minutes east of Washington, D.C.

The lifecycle of this project began in the 1990s during which time several independent studies were conducted for a new convention/conference/meeting facility. These studies, while performed by separate entities, resulted in recommendations for the development of a new venue with varying building program recommendations.

In 2003, the Maryland Theatre for the Performing Arts (“MTPA”) was formed as a 501(c)(3) with the mission of creating a “sustainable world-class conference and cultural center with state-of-the-art meeting spaces”. This entity commissioned a feasibility study for a multi-use entertainment and conference facility which was completed in 2016 by Webb Management Services, Inc. and concluded there was demand for the proposed facility. The study noted that the multi-use facility should have a concept that differentiates itself from Maryland Hall for the Creative Arts (“Maryland Hall”) and other regional facilities.

In 2021, MTPA changed its name to Maryland Cultural & Conference Center, Inc. (“MC3”) and continued to focus on building and operating a facility in Annapolis that could host conferences, performing arts and cultural events as well as community activities.

That same year, MC3 engaged AMS Planning & Research (“AMS”) and JLL to study the feasibility of a new venue adjacent to Park Place in Annapolis. The study that was issued in August 2022 concluded there was “ample demand and opportunity for a hybrid venue which could accommodate conference and banquet activity, in addition to live arts and entertainment events.” The study noted that while there was sufficient demand, accommodating both uses on the Park Place site would require an innovative building design. After evaluating various design options, MC3’s Board strategic planning committee recommended a single structure that could support both performing arts and conference activities; essentially a multi-use venue with a flexible main floor and surrounding convertible breakout spaces to support both activities. AMS and JLL provided an estimate of usage, financial operations and economic impacts associated with construction and annual operations for that scenario. A community survey was also conducted as part of that study effort.

While evaluating the merits of the multi-use cultural and conference center, MC3 was presenting arts programming at its outdoor venue, StageOne.

In 2022, MC3 transferred leadership of the project to the Arts Council of Anne Arundel County and Visit Annapolis & Anne Arundel County (“VAAAC”) who agreed to take over the project and further study the potential merits of a combined cultural and conference center. It is our understanding that the identified Park Place site is still owned by MC3 which has a Memorandum of Understanding with VAAAC to transfer the site to their ownership at a future date. Based on the deed, the land may only be used as a non-profit performing arts center and conferencing facility and related studios, and/or as a public park or green space for a 30-year period commencing on January 23, 2015.

# Introduction (cont'd)

## Purpose of the Study

Given this backdrop, Crossroads Consulting Services, LLC (“Crossroads”) was engaged to conduct an independent assessment of the proposed cultural & conference center (“Center”) from a market and economic impact perspective. The focus of this study effort is to provide the MSA, Arts Council of Anne Arundel County and VAAAC (which are collectively referred to as the “Client”) with research-based information to assist them in making informed decisions regarding potential development of the proposed Center. Crossroads was provided with previous studies related to this project; however, as stated in the letter sent by the Office of the Mayor, a primary objective of this study effort is to assess the proposed Center’s ability to accommodate conferencing from a market and economic perspective.

It is our understanding that the Arts Council of Anne Arundel County and VAAAC are jointly contemplating development of the proposed Center in Annapolis. The potential site location for the project is on the lawn at Park Place across from the National Cemetery. Current plans call for a 1,200-seat main stage that is multipurpose and can be converted to flat floor space that can accommodate conferences, trade shows, banquets and other events. Other building program elements under consideration include a 350-seat flexible theater and patron amenities such as a lounge, concession areas, a green room and several multi-use spaces.



Note: Red outline denotes general site area for the project.  
Source: Google Earth.

# Introduction (cont'd)

Research tasks completed as part of this study effort included, but were not limited to, the following:

- Conducted a project kickoff meeting with representatives from MSA, Arts Council of Anne Arundel County, VAAAC, City of Annapolis and Anne Arundel County.
- Toured the proposed Park Place site location.
- Reviewed prior studies relevant to the project including results from a recent community survey.
- Analyzed local market conditions and supporting hospitality infrastructure including demographic and socioeconomic data and trends.
- Reviewed the inventory of existing and planned performing arts and conference/meeting facilities in the area.
- Obtained input from key stakeholders and potential user groups representing diverse performing arts events/organizations and conventions, conferences, meetings, consumer shows, etc.
- Summarized industry trends in the performing arts and conference/ meeting industries.
- Analyzed data from comparable facilities which provided a benchmark for potential programming opportunities.
- Outlined potential market demand opportunities and building program recommendations.
- Estimated potential usage/event activity, economic impacts and tax revenues associated with operations of the proposed facility.
- Summarized key findings.

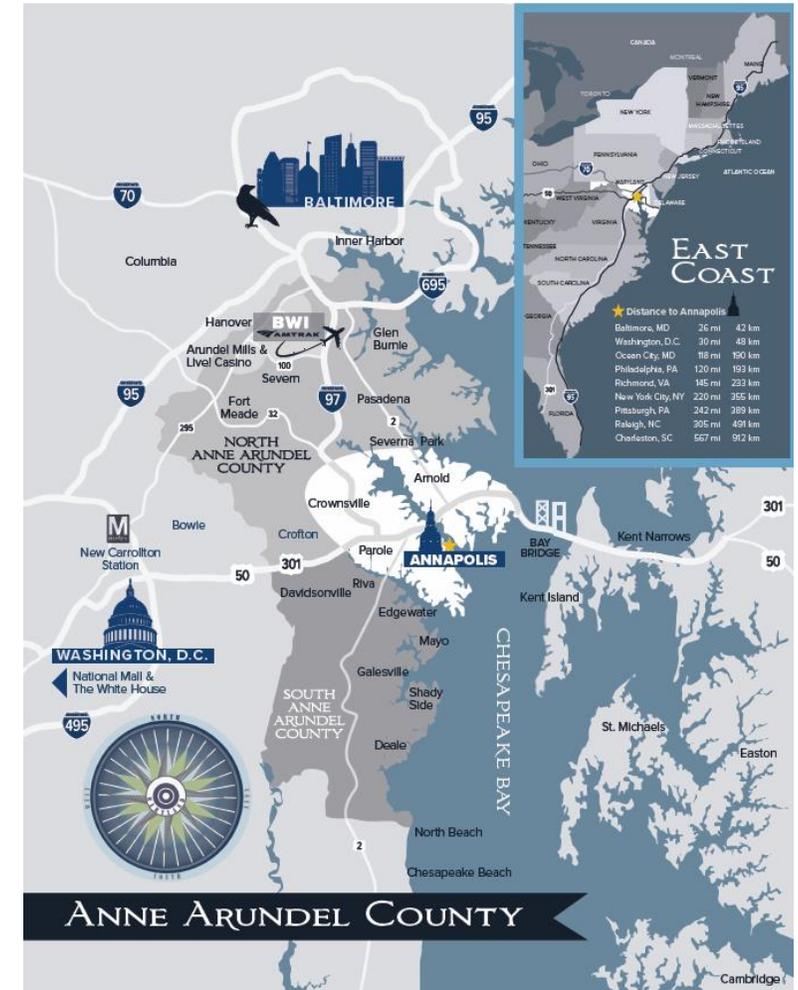


Image credit: VAAAC 2024 Visitor Guide.

# Executive Summary

This section summarizes key findings based on the research and analysis conducted as part of this study effort. The information presented in this executive summary is extracted from the more detailed report. As such, it is important for the reader to review the report in its entirety to gain a better understanding of the research, methodology and assumptions used.

## Local Market Conditions

The proposed Center would operate in a market with a relatively strong, diverse, and highly educated population base that is forecasted to grow moderately in the coming years with median household income levels that are significantly higher than State and National averages.

Key Demographic & Socioeconomic Statistics						
Category	Geographic Area					
	City of Annapolis	Anne Arundel County	30 - Minute Drive Time	60-Minute Drive Time	State of Maryland	U.S.
<b>Population Summary</b>						
2023 Total Population	41,104	601,895	746,939	5,607,056	6,259,408	337,470,185
2023-2028 Annual Growth Rate (Projected)	0.25%	0.37%	0.31%	0.30%	0.23%	0.30%
2023 Median Age	39.3	40.3	39.9	38.6	39.8	39.1
<b>Median Income Summary</b>						
2023 Median Household Income	\$96,297	\$111,279	\$111,130	\$96,720	\$93,432	\$72,603
2023-2028 Annual Growth Rate (Projected)	2.0%	2.0%	1.9%	2.1%	2.2%	2.7%
Diversity Index (Out of 100)	77.8	64.4	72.6	77.1	74.3	72.1
<b>2023 Population 25+ with Bachelor's/Graduate Degree</b>						
Bachelor's Degree	26.9%	25.8%	25.3%	25.2%	23.3%	22.3%
Graduate/Professional Degree	23.3%	18.9%	19.5%	25.5%	20.2%	13.9%
2023 Unemployment Rate (Population 16+)	3.9%	3.5%	3.7%	4.0%	3.8%	4.3%

Note: The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: Esri.



# Executive Summary (cont'd)

## Local Market Conditions (cont'd)

The site of the proposed Center is proximate to both the Baltimore Washington International Thurgood Marshall Airport ("BWI") and Ronald Reagan Washington National Airport ("DCA") and is accessible via major automobile routes. Additionally, there are multiple amenities including eating and drinking establishments, retail options, and hotels within walking distance of the site of the proposed Center. Annapolis is also home to many attractions and has strong overall destination appeal. These factors, along with the demographic and socioeconomic characteristics are important considerations for both event planners/promoters and attendees, which can impact a facility's overall competitiveness within the broader marketplace. While such factors and characteristics are generally positive as it relates to the market area for the proposed Center, the availability of hotel rooms, specifically during peak occupancy periods associated with major events at the USNA, could potentially pose challenges for the hosting of events during certain times of the year.



Meeting facilities in Annapolis consist primarily of conference center hotels with 20,000 square feet ("SF") or less of meeting space. Within Annapolis the conference/meetings market is predominately served by hotels; there is no dedicated conference center. A greater concentration of meeting facilities, including some larger facilities, are in the BWI-Arundel Mills area of the County. In total, there are 14 facilities in the County that offer more than 10,000 SF of meeting space, the largest of which is the Maritime Conference Center which offers 100,000 SF of meeting space. Several convention/conference centers and hotels are located within the broader regional market including Baltimore, National Harbor, Rockville, Ocean City, Virginia and Washington, D.C.

While the performing arts are important to the area, as evidenced by a large number of local performing arts organizations in the County, the supply of entertainment/performing arts facilities in the local market area is relatively limited. Maryland Hall is the local area's foremost performing arts venue whose facilities include the 725-seat Main Theatre, the Bowen Theatre which is a multi-use space that can seat up to 180, an outdoor campus, a community room, dance studios, and multiple galleries. There are four resident companies that currently make Maryland Hall their home: The Annapolis Symphony Orchestra, the Annapolis Opera, the Ballet Theatre of Maryland and Live Arts Maryland. In 2023, Maryland Hall hosted 225 shows/performances. The competition to attract shows and performances is highly competitive within the regional market as there are numerous well-established and successful venues located in the major metropolitan markets of Baltimore and Washington, D.C.

# Executive Summary (cont'd)

## Key Industry Trends

Potential demand associated with any new public assembly facility is somewhat dependent on the specific target market segments it is anticipated to host as well as on the attributes of each respective industry. Given that the proposed Center is envisioned to host diverse event activity, key trends in the entertainment/performing arts and conference/meeting industries are both relevant.

Pollstar, a leading trade publication, supplies data and information for facility managers, promoters, booking agents and other entities involved in the live entertainment business. Based on their reporting, gross ticket sales for the top 200 North American tours has grown at a compound annual rate of 9.6% over the past 10 years to over \$7.6 billion in 2023. While significantly impacted during the COVID-19 pandemic, ticket sales for these tours in 2023 far surpassed pre-pandemic levels. Similarly, and based on data from Pollstar reporting, gross ticket sales for the top 200 theaters worldwide has grown at a compound annual rate of 6.6% over the past 10 years to over \$2.1 billion in 2023. While the performing arts industry has recovered significantly since the pandemic, there are still many venues throughout the country that have yet to reach pre-pandemic performance levels.

The performing arts industry's impact on local and regional economies and communities is far reaching and the growth in economic activity of the industry has exceeded that of GDP in recent years. Based on participation and demographics trends, the market in which the proposed Center would operate compare favorably to those that align with higher participation rates in attending performing arts events nationally.

The conference/meeting industry drives significant economic impact. A recent study released by Professional Convention Management Association ("PCMA") states six billion people participated in business events across 180 counties. These events supported a total economic impact of \$2.8 trillion in business sales, 27.5 million jobs, and \$1.6 trillion of GDP. The industry was negatively impacted by COVID-19 but has nearly recovered to 2019 performance levels; the industry outlook is good, and a full recovery is expected in 2026.

The importance of networking and educating has driven higher value for face-to-face meetings. High costs of goods and services remain the biggest concern for future in-person meetings followed by budget constraints, hotel/venue service levels, and hotel/venue availability.

Venue flexibility, technology, location/access, food & beverage offerings, costs, hotel supply and the overall attendee experience are critical factors for event planners when deciding where to host their events.

According to the CEIR Exhibition Industry Census 2023, the medical and health care; education; government and financial, legal and real estate industry sectors have accounted for the highest percentage of industry events in Maryland. Approximately 42% of the events held in Maryland utilized between 10,000 and 49,999 NSF.

# Executive Summary (cont'd)

## Market Outreach

Multiple public and private sector entities have an active interest in the future development of the proposed new Center in Annapolis. As part of this study effort, Crossroads conducted direct interviews with community stakeholders, potential users, booking agents, promoters, and venue managers. Several key themes emerged from these discussions which include:

- There is currently a gap in the local market for conference/meeting space and a modern entertainment/performing arts venue.
- There is significant competition from regional existing conference/meeting and arts/entertainment venues, including those in Baltimore and Washington D.C.
- Strong interest for a new facility (both on the performing arts and the meeting/event side) exists if it had the appropriate building program and amenities.
- As it relates to performing arts, some booking agents do not see a benefit in routing commercial tours through Annapolis given its proximity to other larger markets.
- There is concern related to having enough demand to support a new 1,200-seat arts facility. Some stakeholders suggested a new facility could negatively impact other arts venues in the market.
- A new conference/meeting facility would create the opportunity to bring in events that currently can not be accommodated.
- Attempting to utilize a single space for two diverse audiences will be costly, difficult to balance in terms of space programming and amenities and may result in a venue that is not suited to either use. The facility should be designed for the needs of a specific segment.
- The proposed facility will face challenges if the event types are not well-defined. Stage and theater requirements and associated amenities vary significantly for a concert hall versus a theatre.
- Rather than attempting to program both arts and conferences into a single space, reinvest and retrofit Maryland Hall as the County's arts venue and develop the proposed site as conference center.

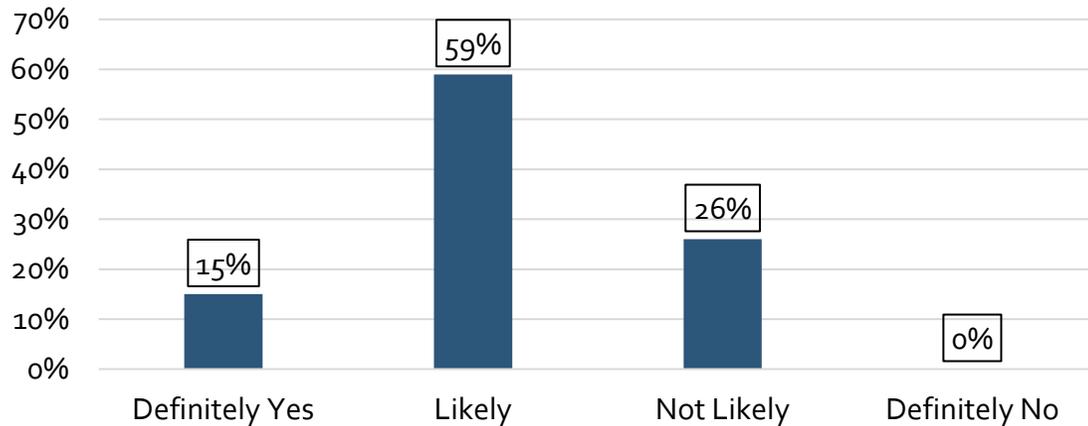
# Executive Summary (cont'd)

## Market Outreach (cont'd)

Crossroads retained Access Intelligence Research & Consulting to conduct a survey of meeting planners and event organizers to obtain feedback related to their perspectives of the proposed new Center and Annapolis as a destination. Key highlights of this survey are provided below.

When asked how likely survey respondents would be to host their event(s) at the proposed facility in Annapolis if it met their group's ideal needs, 74% responded "Definitely Yes" or "Likely".

**How Likely Would You Be to Host Your Event at the Proposed Facility in Annapolis If It Met Your Group's Needs**



The following table summarizes the minimum venue specifications required to host survey respondents' typical events at the proposed new Center in Annapolis.

Venue Size Specifications	Average
Minimum exhibit space	24,300
Minimum contiguous exhibit space	13,900
Minimum meeting space	4,300
Minimum ballroom space	4,000
Maximum general assembly seating	270

On average, survey respondents indicated that they would host an average of two events per year at the proposed new Center. When asked how long their typical convention, event, or meeting lasts, the average was 2.3 event days and 3.6 total use days (including move-in/move-out). Survey respondents estimated that approximately 50% of attendees would stay overnight in a hotel/motel if their event was held at the proposed facility in Annapolis. The average number of hotel rooms required on peak nights was 310.

# Executive Summary (cont'd)

## Peer Facility Analysis

As part of the market assessment, data from select peer facilities was analyzed to provide a frame of reference to assist MSA, Arts Council of Anne Arundel County and VAAAC in drawing conclusions regarding the proposed Center in Annapolis. The table below summarizes the facility offerings of the peers profiled, ownership/operating structure, and attendance data.

Peer Summary - Owner, Operator, Program and Attendance							
Metric	California Centre for the Arts	Capital One Hall	LMC Mendel Center	Pittsburg Memorial Auditorium/ Conv. Center	Stafford Centre	Tobin Center	Woodruff Arts Center
<b>Owner</b>	City of Escondido	Capital One Hall	Lake Michigan College	City of Pittsburg	City of Stafford	501 (c)(3) Non-Profit	501 (c)(3) Non-Profit
<b>Operator</b>	Private Non-Profit	ASM Global	Lake Michigan College	City of Pittsburg	City of Stafford	501 (c)(3) Non-Profit	501 (c)(3) Non-Profit
<b>Program</b>							
Main Theatre (seats)	1,523	1,600	1,517	1,500	1,105	1,738	2 (1,800 and 650)
Black Box (seats)	406	225	247	None	None	259	3 (200 to 300)
Meeting/Event Space (SF)	13,000	70,000	20,000	10,207	24,800	25,000	34,000
	+ Outdoor				+ Outdoor		
<b>Annual Attendance/Visitors</b>	285,000	N/A	100,000	50,000	300,000	150,000	400,000

Notes: Attendance for the Woodruff Arts center excludes museum operations.

N/A denotes Not Available.

Sources: Venue websites, interviews, and other secondary sources.

It is important to note that few venues throughout the country have combined a performing arts theater along with a meaningful amount of meeting and event space at the same site. While several profiled peer facilities are co-located, they offer separate program elements for the theater with a stage and meeting/event space with lower ceiling heights. The Tobin Center is similar in concept to the proposed Center in terms of utilizing the same space for multiple functions, but it primarily hosts social events, receptions and food functions on the flat floor rather than conferences/meetings.

# Executive Summary (cont'd)

## Market Assessment – Relative Strengths/Opportunities by Market Segment

Entertainment/Performing Arts	Conferencing/Meetings	Either
<ul style="list-style-type: none"> <li>Active local arts community</li> <li>Strong interest from local organizations in programming the proposed facility, including the Annapolis Symphony Orchestra and independently owned music and comedy entities</li> <li>Demographics of the market in which the proposed Center would operate compare favorably to those that align with higher participation rates in attending performing arts events nationally</li> <li>Create date availability at Maryland Hall, which is currently heavily utilized making it difficult to accommodate additional programming</li> <li>Partner with and better support local arts organizations to grow and provide arts for all</li> <li>Tax credit offered by Maryland for eligible production entities</li> <li>Offer unique product in the market for live entertainment that can appeal to all genres and age groups</li> </ul>	<ul style="list-style-type: none"> <li>Strong interest in using the conference center component from meeting/event planners indicating unmet demand exists in the Annapolis market</li> <li>Gap in the market for dedicated conference/meeting space in Annapolis that can accommodate larger groups of more than 500 people</li> <li>Opportunity to drive larger conference/meeting activity and hotel room nights during the weekdays</li> <li>Site is adjacent to the Westin Annapolis and within easy walking distance of several other hotels</li> <li>Would drive tourism and related economic impacts by attracting new visitors and related spending</li> <li>Opportunity to offer a different building program and destination package that is complementary to other conference/meeting facilities in the State</li> </ul>	<ul style="list-style-type: none"> <li>Annapolis is the State capital of Maryland and has strong destination appeal</li> <li>Identified site location for the project is within walking distance of hotels, restaurants, entertainment, attractions, etc.</li> <li>Site location is readily developable</li> <li>Population base of approximately 750,000 within a 30-minute drive of the potential site that has strong income characteristics and is well-educated</li> <li>Both the performing arts and conference/ meetings industries have and are continuing to rebound from the Covid-19 pandemic</li> <li>Creates a critical mass of patrons that support area businesses and is consistent with future planning efforts in downtown Annapolis</li> </ul>

# Executive Summary (cont'd)

## Market Assessment – Relative Challenges/Threats by Market Segment

Entertainment/Performing Arts	Conferencing/Meetings	Either
<ul style="list-style-type: none"> <li>• Significant competition from facilities in larger area markets, many of which have exclusivity agreements that could prohibit artists from performing in Annapolis</li> <li>• Potential unmet demand for performing arts may be tenuous – while certain events could be better served at a new, modern facility, a large portion of that would likely represent a transfer of event activity from local venues</li> <li>• Potential negative impact to existing arts venues such as Maryland Hall, if partnerships are not established</li> <li>• Mixed interest from commercial entertainment promoters based on the existing supply of competition in the broader market area</li> <li>• Price sensitivity of local performing arts groups</li> <li>• Park Place Site is outside the current boundaries of the Arts &amp; Entertainment District, which provides tax credits for venues within the boundaries</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from facilities in larger markets that have appealing destination attributes such as hotel supply, airports, etc.</li> <li>• Hotel supply and availability for large conference/meeting events</li> <li>• Ensure differentiation of the new space such that it complements existing hotels and venues in Annapolis rather than competes with them</li> </ul>	<ul style="list-style-type: none"> <li>• Concept of combining a performing arts center and a conference center is unique within the public assembly industry – they are not overly synergistic; each market segment has unique programmatic requirements to accommodate their user groups</li> <li>• Different operating objectives/priorities</li> <li>• Balancing the mix of business between conferences/meetings and entertainment/performing arts from a scheduling perspective given the booking windows for different event types</li> <li>• Affordability will be important factor in driving business</li> <li>• Ability of the proposed Park Place site to accommodate required building program and supporting infrastructure such as parking, load-in/load-out, etc. given its size</li> <li>• Potential traffic congestion especially during times when other events are occurring in Annapolis</li> <li>• Public fatigue for the project due to multiple studies without forward progress</li> <li>• Potential pushback from Park Place residents on this use</li> <li>• Available funding sources for construction and operations</li> <li>• Many similar facilities operate at a deficit and require operating subsidies</li> <li>• Future changes in the competitive landscape</li> <li>• Potential changes in general macro-economic conditions</li> </ul>

# Executive Summary (cont'd)

## Market Assessment - Market Supportable Building Program

The objective of this study effort is not to design any type of facility but rather to identify market opportunities, provide general market supportable building program elements and estimate economic and fiscal benefits associated with the concept under consideration.

While the planned co-location of entertainment/performing arts and conference/meeting spaces may seem complementary, it does not guarantee that these functions can effectively cater to both market segments within a single space. This point is illustrated by the limited number of similar facilities around the country. While there can potentially be some sharing of space, each facility type has differing programmatic needs (i.e., amount, type and configuration of space) required to effectively meet the needs of event producers/meeting planners. For instance, the ceiling height required for a proscenium stage is much higher than the ceiling height at most conference/meeting facilities which could significantly decrease marketability for the latter. Further, the competitive market to attract these events is extremely fierce as there are numerous choices for event producers/meeting planners.

Based on the market research the adjacent bullet list outlines the recommended building program for each component; whether one or both these spaces can be adequately accommodated on the proposed site location is a critical question that will need to be answered related to this project.

### Arts/Entertainment Component

- 1,200 seats
- Black box with 250-300 seats
- Proscenium stage with wing space that can meet the needs of local organizations and industry standards for commercial and touring acts
- Fly system
- Infrastructure that can accommodate both amplified and non-amplified acts
- Orchestra pit that can be raised to extend the size of the stage and lowered to increase seating capacity
- Food & beverage options consistent with industry trends
- Green room and dressing rooms for performers
- Sufficient lobby and prefunction space that is aesthetically pleasing and functional
- Adequate support space including administration space, restrooms, storage, circulation, service corridors and loading docks
- Functional and flexible space that can optimize uses and bookings and easily accommodate simultaneous events
- Robust technology
- State-of-the-art lighting and sound technology
- Sufficient parking nearby

### Conference Center Component

- 25,000 to 30,000 SF of contiguous, divisible and column-free exhibit/flex space
- 10,000 SF of ballroom space that is divisible
- 5,000 SF of space that can be subdivided into multiple meeting rooms
- Food & beverage options consistent with industry trends
- Sufficient lobby and prefunction space can accommodate simultaneous events, pre- and post-event functions, registrations, pop-up meetings, etc.
- Functional and flexible design that can optimize uses and bookings and easily accommodate simultaneous events
- Adequate support space including administration space, restrooms, storage, circulation, service corridors and loading docks
- Robust technology
- Sufficient parking nearby
- Full-service kitchen

# Executive Summary (cont'd)

## Market Assessment - Usage Estimates

The table below provides an order-of-magnitude estimate of usage for the proposed new Center in Annapolis in a stabilized year of operations.

Order-of-Magnitude Estimate of Usage at the Proposed New Center in Annapolis (Stabilized Year)						
Event Type	Events/ Performances	Event Days	Total Use Days	Average Attendance	Total Attendance	Total Attendees
Conventions/Conferences/Tradeshows	20	45	65	600	12,000	27,000
Meetings	60	60	75	100	6,000	6,000
Consumer Shows/Expos	4	6	9	2,500	10,000	10,000
Banquets/Receptions	36	36	45	500	18,000	18,000
Other	12	18	24	900	10,800	16,200
Commercial Entertainment	22	22	33	1,025	22,550	22,550
Performing Arts	50	50	75	674	33,720	33,700
<b>Total</b>	<b>204</b>	<b>237</b>	<b>326</b>		<b>113,070</b>	<b>133,450</b>

Notes: Performing Arts events does not include rehearsals.

Other events include private rentals and community events.

As shown, the proposed new Center is estimated to host 204 total events/performances annually that generate approximately 113,100 in total attendance and 133,450 in total attendee days (defined as total attendance multiplied by event length for events such as conventions, conferences and tradeshows). The estimate of economic and fiscal impacts associated with the ongoing operations of the proposed Center is based on the estimated new activity. Not all the activity shown above will be net new to the County and the State as some events are currently being hosted at existing facilities in these economies. As such, adjustments were made to the activity shown above in the economic analysis to estimate net new visitors and their associated spending. More detailed information related to these adjustments can be found in the Economic Impact Analysis section of this report.



# Executive Summary (cont'd)

## Economic Impact Analysis

Annual net new direct spending associated with ongoing operations of the proposed Center is estimated to be approximately \$13.0 million and total output is estimated to be \$19.2 million in the County. This spending is estimated to support 139 jobs and \$5.9 million in labor income.

Annual net new direct spending associated with ongoing operations of the proposed Center is estimated to be \$9.2 million and total output is estimated to be \$16.2 million in the State. This spending is estimated to support 101 jobs and \$5.1 million in labor income.

Spending by local attendees within each economy under consideration was excluded to estimate net new economic impacts. Further, a significantly lower amount of event activity is estimated to be new to the State since a portion of these events are currently taking place in other facilities in Maryland. As such, the proposed Center is estimated to produce greater net new direct spending to the County than the State.

Annual tax revenues generated by operations of the proposed Center are estimated to be \$1.2 million: \$591,000 at the County level and \$604,000 at the State level.

Although not quantified in this analysis, construction costs associated with development of the proposed new Center would provide additional economic and fiscal impacts to the County and State during the construction period. These benefits would include the creation of jobs which produce earnings for area residents as well as increased tax revenues from the purchase of materials and supplies.

Proposed New Center in Annapolis					
Estimate of Annual Net New Economic Impacts at the County Level from Ongoing Operations (Stabilized Year)					
Impact	Employment (Jobs)	Labor Income	Value Added	Output	Tax Revenues
Direct	108	\$3,995,000	\$7,138,000	\$12,960,000	\$420,000
Indirect & Induced	31	\$1,893,000	\$3,502,000	\$6,252,000	\$171,000
<b>Total</b>	<b>139</b>	<b>\$5,888,000</b>	<b>\$10,640,000</b>	<b>\$19,212,000</b>	<b>\$591,000</b>

Note: Employment, labor income, value added and output are interrelated and are not additive.

Sources: IMPLAN; Crossroads Consulting.

Proposed New Center in Annapolis					
Estimate of Annual Net New Economic Impacts at the State Level from Ongoing Operations (Stabilized Year)					
Impact	Employment (Jobs)	Labor Income	Value Added	Output	Tax Revenues
Direct	67	\$2,895,000	\$5,103,000	\$9,207,000	\$342,000
Indirect & Induced	34	\$2,192,000	\$4,032,000	\$7,018,000	\$262,000
<b>Total</b>	<b>101</b>	<b>\$5,087,000</b>	<b>\$9,135,000</b>	<b>\$16,225,000</b>	<b>\$604,000</b>

Note: Employment, labor income, value added and output are interrelated and are not additive.

Sources: IMPLAN; Crossroads Consulting.



# Executive Summary (cont'd)

## Potential Next Steps

Potential next steps in the planning process include the following, the first of which is the most critical.

- Conduct a site fit analysis to determine if the Park Place site currently under consideration can accommodate the recommended programmatic elements and supporting infrastructure into a single facility in a way that optimizes marketability for both market segments. This will provide guidance as to whether the proposed site is the best location to move the project forward and achieve the desired operating objectives and outcomes.
- If the proposed site is determined to be the best location, other next steps include the following:
  - Develop stakeholder consensus on the project's scope, identify a project champion and define the criteria for a successful project outcome.
  - Prepare a detailed building program which should incorporate direct feedback from focus groups with key stakeholders and potential user groups.
  - Develop a capital construction cost estimate.
  - Explore potential funding options including strategic partnerships with both public and private sector partners.
  - Develop a business model for the facility which will be a key element to the project's success.
  - Develop a sustainable financial plan that includes a financial pro forma outlining ongoing operational needs and long-term capital needs.
  - Update the estimated economic and fiscal impacts once the program, site, operating strategy and financial operations are developed.
- If the proposed site is not determined to be the best location, then consider other potential development options including, but not limited to:
  - Developing and co-locating new, stand-alone entertainment/performing arts and conference/meeting venues on another site in Annapolis.
  - Developing new, stand-alone entertainment/performing arts and conference/meeting venues at separate locations in Annapolis.
  - Renovating/expanding existing venues to better accommodate the long-term needs of the entertainment/performing arts and/or conferencing industries.
  - Not moving forward with the project.

# 2. Local Market Conditions



# Local Market Conditions - Overview

It is important to understand the general market conditions in which the proposed new Center would operate. This section of the report profiles local market characteristics including demographic and socioeconomic statistics, tapestry segmentation, area employment, transportation access, hotel, area amenities and the supply of area facilities. Factors such as demographic and socioeconomic conditions, the vibrancy of the area immediately surrounding a facility and overall destination appeal to both event planners/promoters and attendees can all impact a facility's overall competitiveness within the broader marketplace.

As previously mentioned, activity at the proposed Center is anticipated to be diverse and include performing arts performances, conferences, trade shows, banquets and other events. Depending on the scope and nature of the event, these types of facilities can draw both area residents and out-of-town attendees. Local events such as civic/community activities tend to draw from a relatively close geographic area (e.g., City, County, 30-minute drive) while larger events with broader appeal such as Broadway performances, conferences, meetings, and special events can attract patrons from a broader market area (e.g., 60-minute drive time, State, etc.).

When deciding where to host their events, event promoters/producers typically consider factors such as population, age distribution and income characteristics; accessibility to the population base; as well as facility building program and supporting infrastructure. The importance that event promoters/producers place on each of these factors differs depending on the type of event.

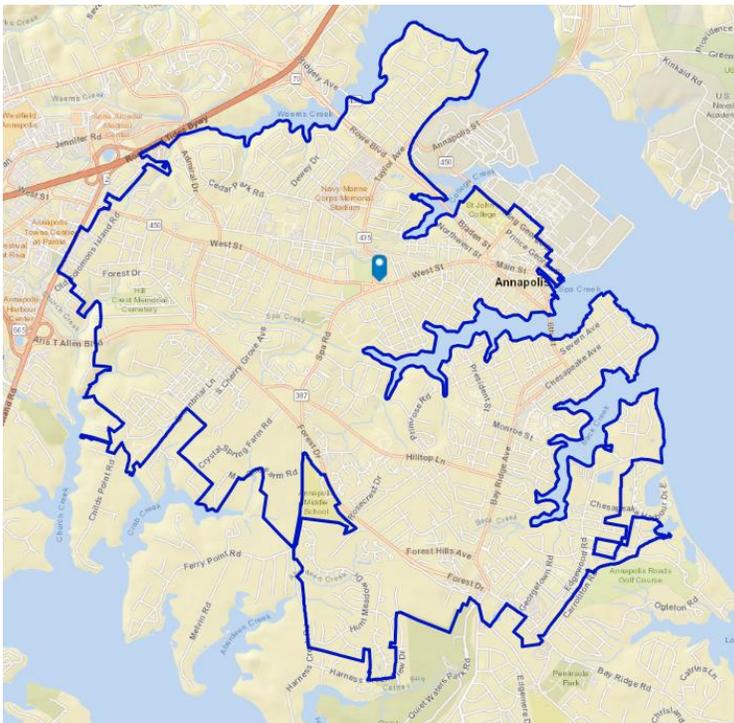
This analysis profiles the City of Annapolis, Anne Arundel County, and 30- and 60-minute drive times from the site location which are illustrated on the following maps. These profiled geographic areas are not intended to directly correlate to potential market demand but rather to illustrate the characteristics of the market within which the proposed new Center would operate. Statistics for the State and the U.S. are also provided as a point of reference.

Key demographic statistics shown in this report are based on data supplied by Esri, which is a global market leader in geographic information system (GIS) software, location intelligence and mapping.

# Market Area Geographic Footprints

The site location for the proposed new Center is centrally located within the City of Annapolis.

### City of Annapolis



Source: Esri.

A large portion of event attendance and participants is likely to come from within the County.

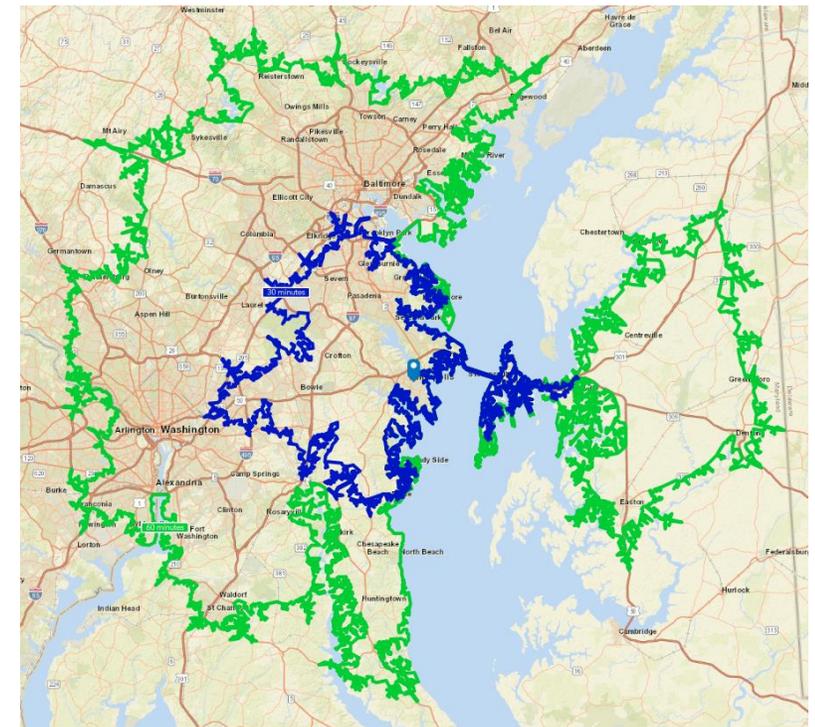
### Anne Arundel County



Source: Esri.

The 30-minute drive time encompasses the County and extends west toward Washington, D.C. and east just beyond Kent Island. The 60-minute drive time captures a much broader area that includes multiple entertainment, performing arts and meeting facilities.

### 30- and 60-Minute Drive Time



Source: Esri.

# Key Demographic and Socioeconomic Data

This section summarizes key findings from the analysis of demographic and socioeconomic data.

## Population

Population serves as a base from which events at the proposed new Center can draw attendance or rentals. As previously mentioned, depending on the scope and nature of the event, these types of facilities can attract both area residents and regional attendees.

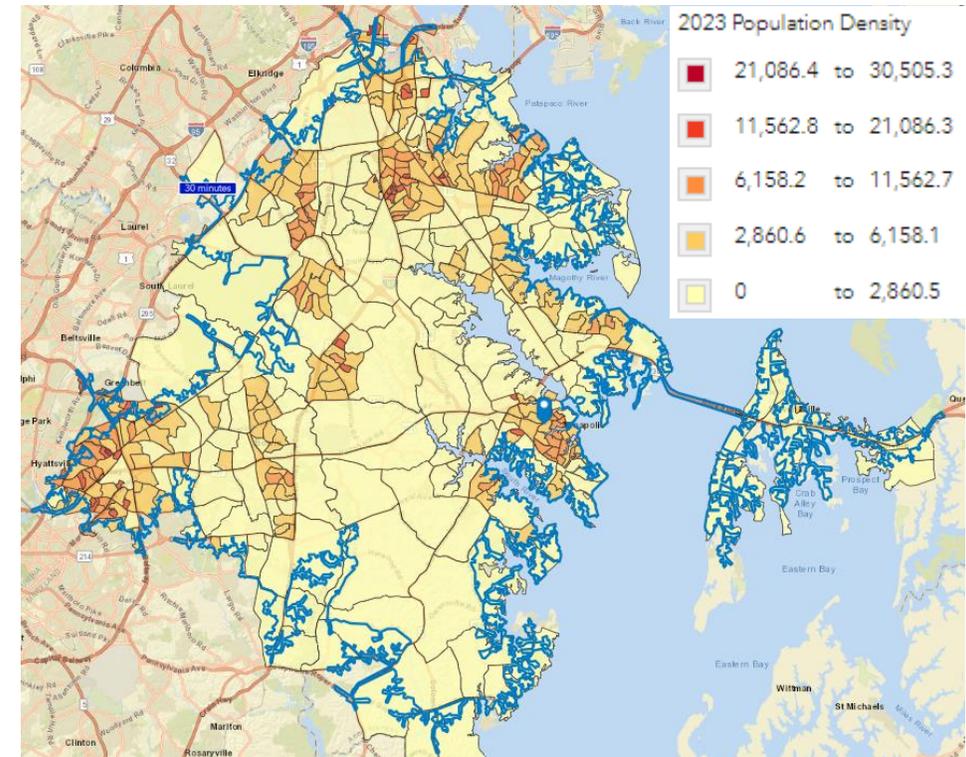
As shown in the following table, Esri estimates that the 2023 population was 601,895 in the County and 746,939 in the 30-minute drive time. The 2023 population in the 60-minute drive time was significantly larger at 5.6 million which encompasses Baltimore and Washington, D.C. This area includes several existing facilities that would present substantial competition for events and attendance.

Over the next five years, the County and 30-minute drive time populations are expected to realize an increase at an annual rate of 0.37% and 0.31%, respectively. The other profiled geographic areas are projected to increase in population at a similar rate during this same period.

Population Summary	Total Population					
	City of Annapolis	Anne Arundel County	30 - Minute Drive Time	60-Minute Drive Time	State of Maryland	U.S.
2010 Total Population	39,188	537,656	663,665	5,101,235	5,773,552	308,745,538
2020 Total Population	40,812	588,261	731,705	5,538,935	6,177,224	331,449,281
2023 Total Population	41,104	601,895	746,939	5,607,056	6,259,408	337,470,185
2028 Total Population	41,616	613,154	758,716	5,692,548	6,330,833	342,640,129
2010-2020 Annual Rate	0.41%	0.94%	1.03%	0.86%	0.70%	0.74%
2020-2023 Annual Rate	0.24%	0.77%	0.69%	0.41%	0.44%	0.61%
2023-2028 Annual Growth Rate (Projected)	0.25%	0.37%	0.31%	0.30%	0.23%	0.30%

Source: Esri.

Population Density Map  
30-Minute Drive Time



# Key Demographic and Socioeconomic Data (cont'd)

## Income Distribution

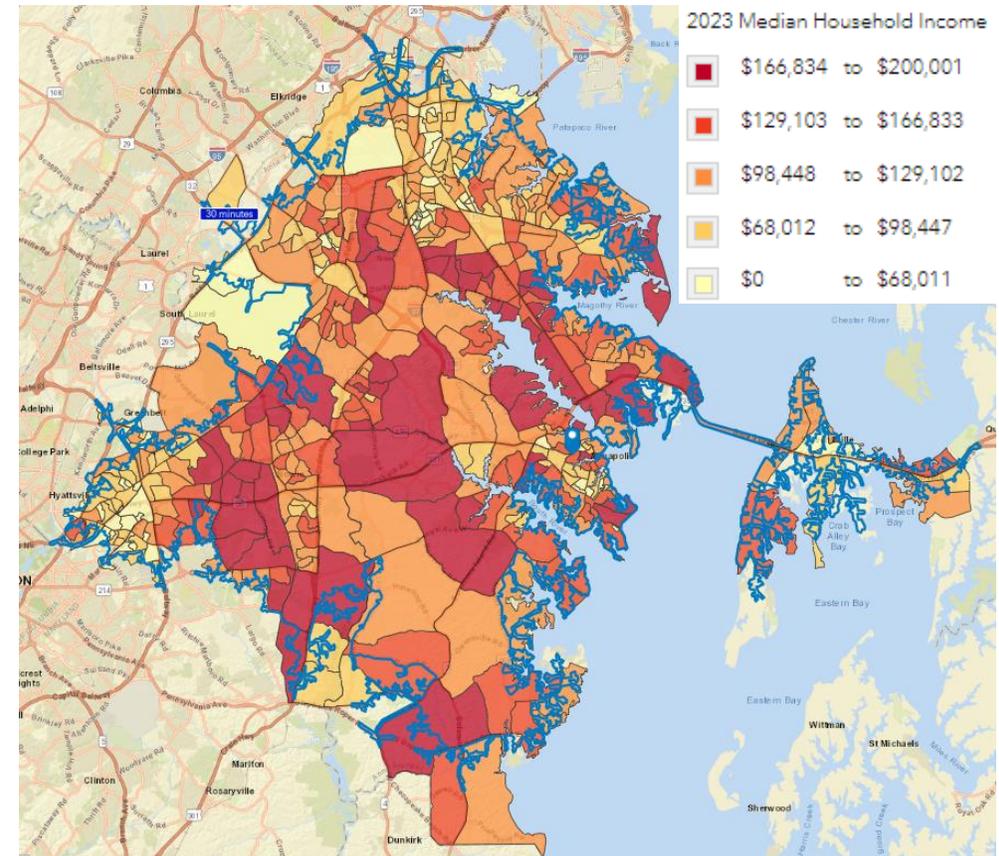
Income offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase a variety of goods and services including admission to events and hosting gatherings such as conferences and banquets.

In 2023, the median household income in the County and 30-minute drive time was higher than each of the other profiled areas.

Household Income Distribution						
	City of Annapolis	Anne Arundel County	30 - Minute Drive Time	60-Minute Drive Time	State of Maryland	U.S.
<b>2023 Household Income Distribution</b>						
Less than \$15,000	7.8%	4.7%	5.2%	8.3%	7.8%	9.5%
\$15,000 to \$24,999	4.3%	2.6%	2.9%	4.8%	5.0%	7.1%
\$25,000 to \$34,999	4.9%	3.7%	3.6%	5.0%	5.3%	7.4%
\$35,000 to \$49,999	9.6%	7.6%	7.4%	7.7%	8.2%	10.8%
\$50,000 to \$74,999	12.7%	12.4%	12.2%	13.6%	14.1%	16.5%
\$75,000 to \$99,999	12.1%	12.5%	12.2%	11.9%	12.2%	12.8%
\$100,000 to \$149,999	17.6%	20.8%	21.0%	18.1%	18.8%	16.9%
\$150,000 to \$199,999	12.3%	15.1%	14.8%	11.8%	11.9%	8.6%
\$200,000+	18.7%	20.5%	20.7%	18.9%	16.7%	10.6%
<b>2023 Median Household Income</b>	\$96,297	\$111,279	\$111,130	\$96,720	\$93,432	\$72,603
<b>2028 Median Household Income (Projected)</b>	\$105,958	\$122,226	\$121,847	\$106,903	\$103,781	\$82,410
<b>2023-2028 Annual Growth Rate (Projected)</b>	2.0%	2.0%	1.9%	2.1%	2.2%	2.7%
<b>2023 Average Household Income</b>	\$144,493	\$154,122	\$152,773	\$143,176	\$134,130	\$107,008
<b>2028 Average Household Income (Projected)</b>	\$161,645	\$172,016	\$170,717	\$161,305	\$150,727	\$122,048
<b>2023-2028 Annual Growth Rate (Projected)</b>	2.4%	2.3%	2.3%	2.5%	2.5%	2.8%

Source: Esri

**Median Household Income Density Map  
30-Minute Drive Time**



# Key Demographic and Socioeconomic Data (cont'd)

## Age

Analysis by age group is helpful since certain events are targeted toward consumers who fall within specific age categories. In 2023, the median age for all the profiled geographic areas was generally between 39 and 40 years old.

Age Distribution						
2023 Population by Age	City of Annapolis	Anne Arundel County	30 - Minute Drive Time	60-Minute Drive Time	State of Maryland	U.S.
Under 14	18.2%	18.2%	18.6%	16.9%	17.7%	18.1%
Age 15 - 24	10.9%	11.0%	11.4%	12.4%	12.2%	12.8%
Age 25 - 34	13.7%	13.1%	13.0%	15.3%	13.6%	13.7%
Age 35 - 44	15.3%	14.2%	13.9%	14.2%	13.4%	13.1%
Age 45 - 54	11.1%	12.5%	12.6%	12.0%	12.5%	11.9%
Age 55 - 64	11.6%	13.5%	13.4%	12.4%	13.2%	12.7%
Age 65 - 74	11.0%	10.5%	10.2%	9.9%	10.4%	10.6%
Age 75 - 84	5.9%	5.3%	5.1%	4.9%	5.2%	5.3%
Age 85+	2.4%	1.8%	1.7%	1.9%	1.9%	1.9%
2023 Median Age	39.3	40.3	39.9	38.6	39.8	39.1

Source: Esri

## Race/Ethnic Diversity

In 2023, 52% of the population in Annapolis was classified as White followed by 21% which was classified as Black/African American. Nearly 63% of the population in the County was classified as White and 18.3% was classified as Black/African American. Nearly one-third (30%) of the population in the County was of Hispanic origin which is highest among the profiled geographic areas.

The higher the diversity index score, the more diverse the population. In 2023, the City of Annapolis had a diversity index score of 77.8 which was 5.7 points higher than that for the U.S.

Race/Ethnicity						
2023 Population by Race/Ethnicity	City of Annapolis	Anne Arundel County	30 - Minute Drive Time	60-Minute Drive Time	State of Maryland	U.S.
White Alone	52.3%	62.6%	50.4%	40.2%	47.4%	60.6%
Black/African American Alone	21.0%	18.3%	29.1%	34.8%	29.7%	12.5%
Single Other Race	15.1%	5.2%	7.3%	8.1%	7.0%	8.7%
Two or More Races	8.3%	8.8%	8.4%	8.5%	8.1%	10.6%
Asian Alone	2.5%	4.6%	4.2%	7.7%	7.1%	6.2%
American Indian Alone	0.8%	0.4%	0.5%	0.6%	0.5%	1.1%
Pacific Islander Alone	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%
Hispanic Origin	23.7%	30.0%	12.7%	14.3%	12.6%	19.4%
Non-Hispanic Origin	76.3%	70.0%	87.3%	85.7%	87.4%	80.6%
Diversity Index (Out of 100)	77.8	64.4	72.6	77.1	74.3	72.1

Notes: Persons of Hispanic Origin maybe of any race.

The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: Esri.

# Key Demographic and Socioeconomic Data (cont'd)

## Educational Attainment

The level of education of a specific population is a factor to consider, particularly as it relates to potential demand for and visitation to a performing arts center venue. Many studies have shown a strong correlation between a higher level of education and participation and attendance at such events. In 2023, among those aged 25 and older, a greater percentage of residents in Annapolis and Anne Arundel County had obtained a bachelor's degree or graduate/professional degree compared to both the State and the U.S. These metrics are shown in the following table.

Educational Attainment						
2023 Population 25+ by Educational Attainment	City of Annapolis	Anne Arundel County	30 - Minute Drive Time	60-Minute Drive Time	State of Maryland	U.S.
Less than 9th Grade	5.0%	1.8%	2.4%	3.5%	3.2%	4.1%
9th - 12th Grade, No Diploma	5.4%	4.0%	4.1%	4.4%	4.9%	5.5%
High School Graduate	14.0%	19.9%	20.2%	17.9%	21.4%	22.9%
GED/Alternative Credential	2.4%	3.2%	2.8%	2.7%	3.1%	4.1%
Some College, No Degree	16.9%	18.1%	17.7%	14.6%	16.4%	17.7%
Associate Degree	6.2%	8.3%	8.1%	6.2%	7.5%	9.5%
Bachelor's Degree	26.9%	25.8%	25.3%	25.2%	23.3%	22.3%
Graduate/Professional Degree	23.3%	18.9%	19.5%	25.5%	20.2%	13.9%

Source: Esri.



# Tapestry Segmentation – County and 30-Minute Drive Time

According to Esri, tapestry segmentation classifies neighborhoods into 67 segments on both demographics and socioeconomic attributes. They summarize lifestyle choices as well as what people buy and how people spend free time. The top tapestry segments for the County include Enterprising Professionals, Savvy Suburbanites, and Pleasantville. The following provides a brief description of each of these three tapestry segments as defined by Esri.

- **Enterprising Professionals (17.2% of 2023 Households):** Residents are well educated and climbing the ladder in STEM (i.e., science, technology, engineering, and mathematics) occupations. They change jobs often and therefore choose to live in condos, townhomes, or apartments; many still rent their homes. The market is fast-growing, located in lower-density diverse neighborhoods of large metro areas. This young market makes over one and a half times more income than the U.S. median, supplementing their income with investments. At home, they enjoy the internet and TV on high-speed connections with premier channels and services.
- **Savvy Suburbanites (13.0 % of 2023 Households):** Residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of sports and exercise. They enjoy good food and wine, plus the amenities of the city's cultural events.
- **Pleasantville (11.9% of 2023 Households):** Prosperous domesticity best describes the settled denizens of Pleasantville. Situated principally in older housing in suburban areas in the Northeast (especially in New York and New Jersey) and secondarily in the West (especially in California), these slightly older couples move less than any other market. Many couples have already transitioned to empty nesters; many are still home to adult children. Families own older, single-family homes and maintain their standard of living with dual incomes. These consumers have higher incomes and home values and much higher net worth (Index 364). Older homes require upkeep; home improvement and remodeling projects are a priority—preferably done by contractors. Residents spend their spare time participating in a variety of sports or watching movies. They shop online and in a variety of stores, from upscale to discount, and use the internet largely for financial purposes.

The top three tapestry segments within a 30-minute drive time are the same categories but have a slightly different distribution: Pleasantville (14.9%), Enterprising Professionals (14.2%), and Savvy Suburbanites (13.2%), respectively.



# Employment Base

The composition of an area's employment by industry is a consideration when targeting certain events at similar venues. As shown in the table that follows, services was by far the leading industry in the County in 2023.

Based on data from Esri, the 2023 unemployment rate in the City (3.9%) and the County (3.5%) was lower than that for the U.S. (4.3%).

With 62,680 employees, Ft. George G. Meade is the largest employer in the County making up 48% of the top 10 employers, followed by Anne Arundel County Public Schools (11%) and the State of Maryland (9%). As a point of reference, the largest employers in Annapolis are the State of Maryland, Anne Arundel County Government and the U.S. Naval Academy.

Anne Arundel County 2023 Employed Population 16+ by Industry		
Industry	Total Jobs	% of Total
Services	154,279	48.9%
Public Administration	40,699	12.9%
Retail Trade	29,657	9.4%
Construction	23,978	7.6%
Transportation/Utilities	18,299	5.8%
Finance/Insurance/Real Estate	17,668	5.6%
Manufacturing	17,352	5.5%
Wholesale Trade	6,941	2.2%
Information	5,363	1.7%
Agriculture/Mining	946	0.3%
<b>Total</b>	<b>315,498</b>	<b>100%</b>

Note: Sorted in descending order by total jobs in Anne Arundel County.

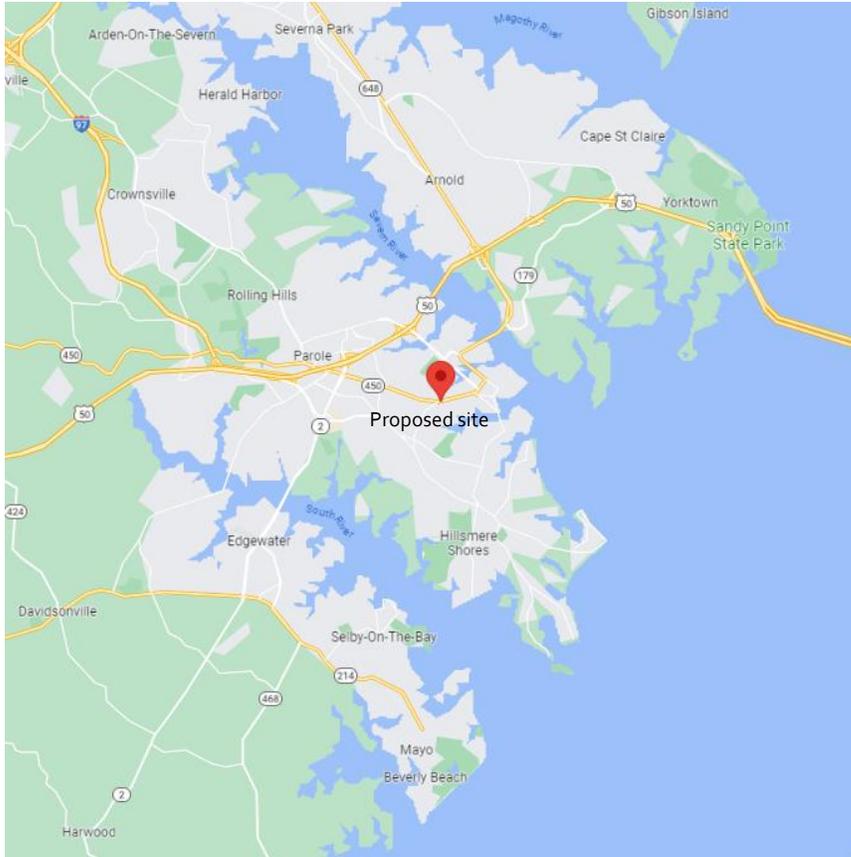
Source: Esri.

Anne Arundel County - Principal Employers		
Employer	Employees	% of Total
Ft. George G. Meade	62,680	48%
Anne Arundel County Public Schools	14,852	11%
State of Maryland	12,256	9%
BWI Thurgood Marshall Airport	9,717	7%
Northrop Grumman Corp.	9,500	7%
Anne Arundel County Government	6,348	5%
Anne Arundel Health System	5,100	4%
Southwest Airlines	4,857	4%
Univ. of MD Washington Medical Center	3,328	3%
Live! Casino and Hotel	3,000	2%
<b>Total</b>	<b>131,638</b>	<b>100%</b>

Note: Sorted in descending order by number of employees.

Source: Anne Arundel County Annual Comprehensive Financial Report 2023.

# Transportation Access



Source: Google Maps.

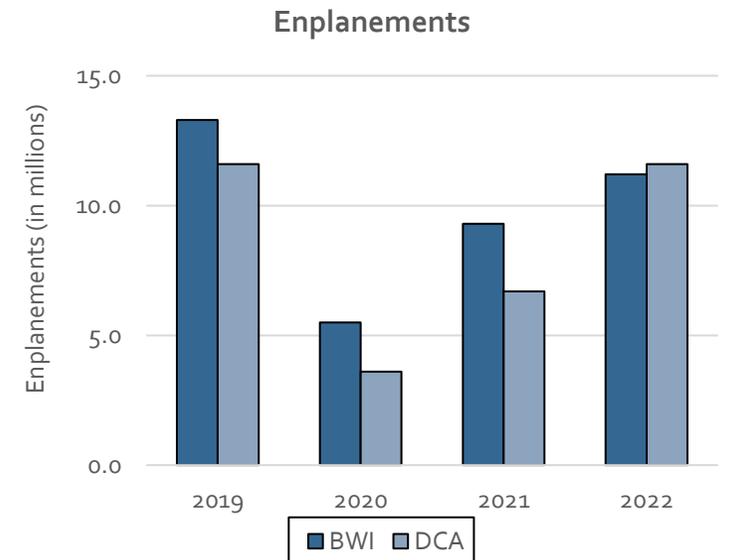
The ease of access to a venue for attendees is a consideration as well as a factor that meeting planners and other event organizers consider when selecting a destination to host their event.

Located in the eastern/central portion of the County, the site is accessible via US 50 west to Washington, D.C. and east over Chesapeake Bay. Interstate 97 and 301 provide north/south access. State routes MD 2 and MD 450 also provide access to the site area.

Annapolis is serviced by both BWI and DCA. In 2022, BWI which is about 25 miles from the proposed site, had approximately 11.2 million enplanements which the Federal Aviation Administration (FAA) defines as domestic, territorial, and international passengers who board an aircraft in scheduled and non-scheduled service of aircraft. DCA is 35 miles away and had approximately 11.6 million enplanements. In 2022, DCA and BWI ranked 23<sup>rd</sup> and 25<sup>th</sup>, respectively, of all commercial US airports by volume. The steep decline in 2020 was a direct result of the COVID-19 pandemic.



Source: BWI website.



Source: FAA.

# Area Attractions & Points of Interest in the County

Annapolis, which was once known as the “Athens of America” and is commonly referred to as the “Sailing Capital of the World”, attracts approximately four million visitors annually. As with hotels, the availability of cultural, recreational, entertainment and dining options are also important factors that event planners/producers consider when deciding where to host an event. Many attendees seek proximate attractions during breaks from event-related functions and the variety of attractions can be a consideration for attendees when deciding whether to bring additional family/friends and how long to stay. The area offers a wide array of dining options, coffee/wine/cocktail bars, taverns & breweries and live entertainment. Water activities are plentiful with options such as sailing, kayaking, parasailing and cruises & charters. There are several golf courses, parks, and trails in the area as well. The adjacent list summarizes select area attractions; however, this is not meant to be all-inclusive.

Maryland State House  
Annapolis Maritime Museum  
Banneker-Douglass Museum  
Museum of Historic Annapolis  
Asbury United Methodist Church  
Saint Mary’s Church  
Reynolds Tavern  
Hammond-Harwood House  
James Brice House  
Market House  
William Paca House and Garden  
Zimmerman-Wilson House  
Kunta Kinte-Alex Haley Memorial

Live! Casino & Hotel Maryland  
Rams Head on Stage  
Sandy Point State Park  
Old Treasury  
City Dock and Alex Haley Memorial  
Waterfront Warehouse  
Maryland Inn  
Middleton Tavern  
Dahlgren Hall, U.S. Naval Academy  
U.S. Naval Academy Museum  
U.S. Naval Academy Main Chapel  
U.S. Naval Academy Visitor Center





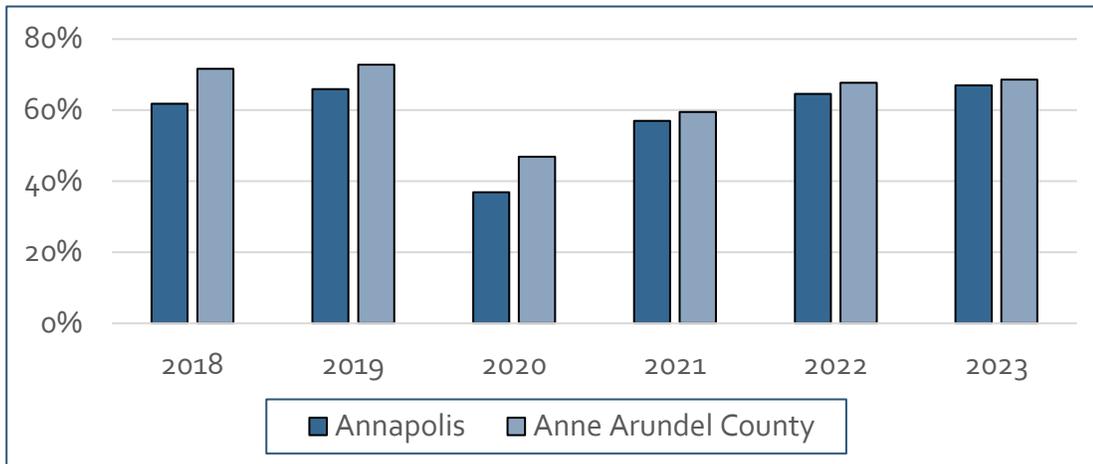
# Hotel Supply and Statistics (cont'd)

As with many sectors, the hospitality industry was adversely impacted from the COVID-19 pandemic. While both average daily rate (ADR) and occupancy decreased significantly in 2020, these metrics have rebounded in subsequent years and have continued an upward trend.

ADR surpassed pre-pandemic levels at Annapolis hotels in 2021, 2022 and 2023 and in 2022 and 2023 at County hotels. During the profiled period, occupancy was highest in 2023 at Annapolis hotels. Occupancy at the County level has not reached pre-pandemic levels.

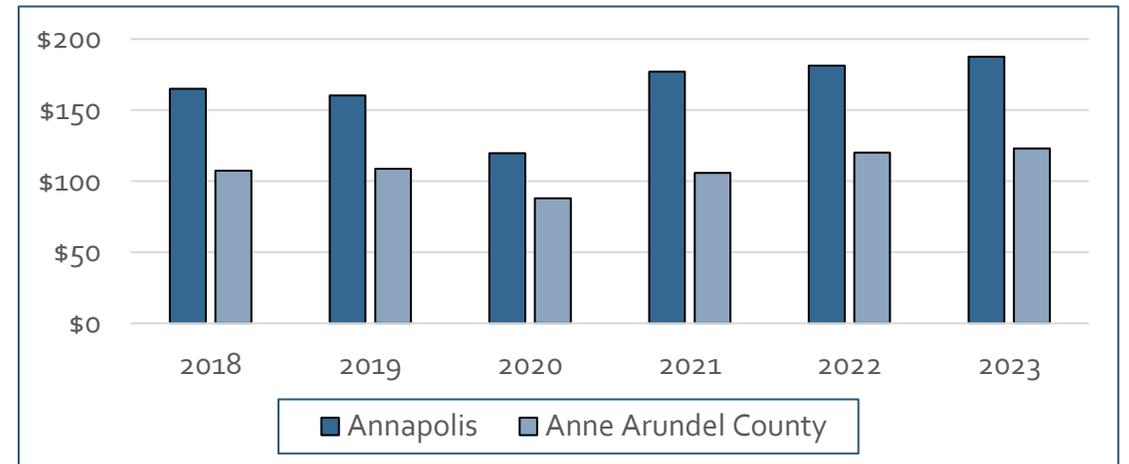
From 2018 through 2023, occupancy was higher in the County than in Annapolis while ADR at Annapolis hotels was significantly higher than that at County hotels.

Trends in Occupancy



Sources: STR; Visit Annapolis & Anne Arundel County.

Trends in Average Daily Rate (ADR)



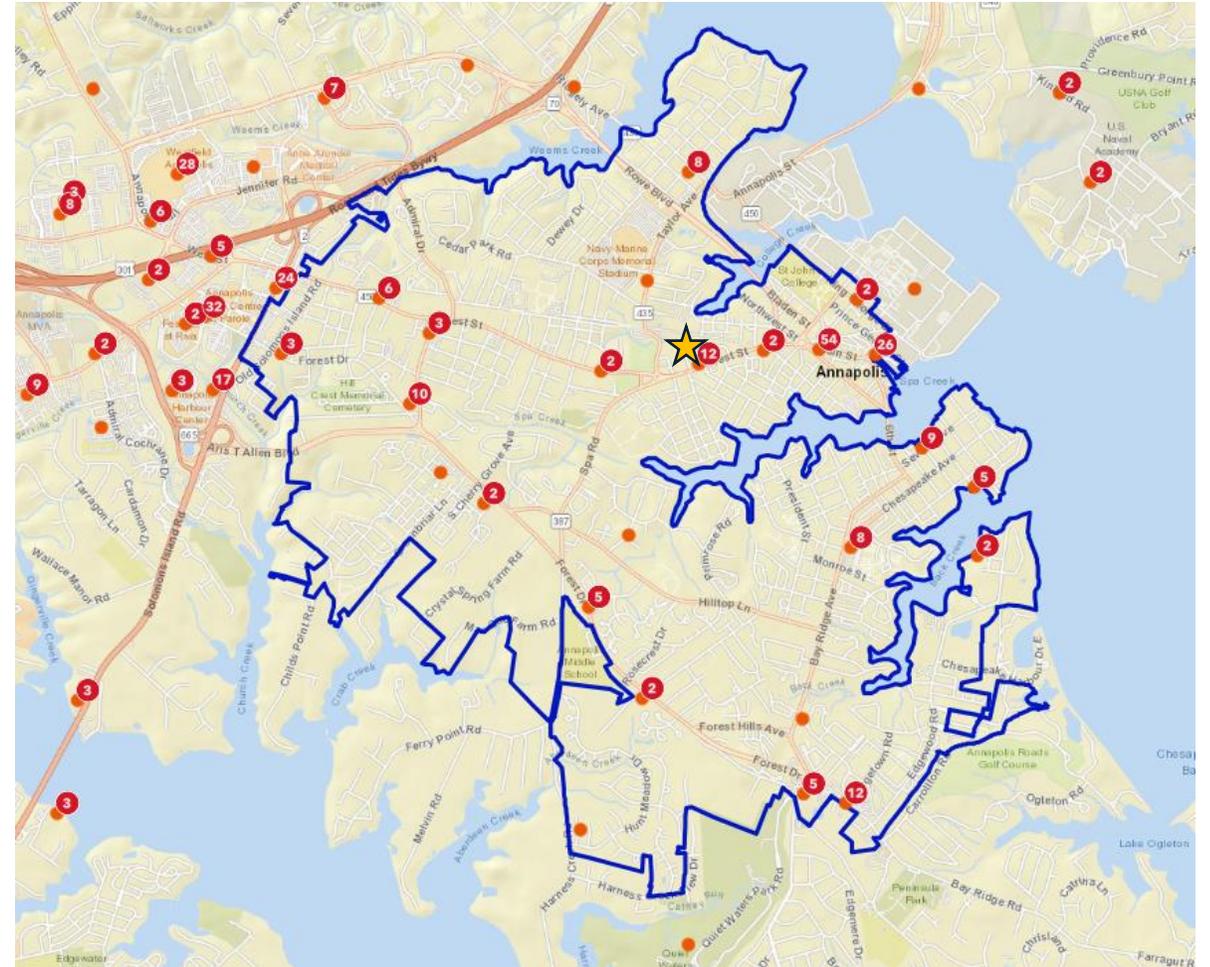
Sources: STR; Visit Annapolis & Anne Arundel County.

# Eating & Drinking Establishments

For patrons arriving for a performance, conference or other type of function, the volume and variety of eating and drinking establishments coupled with the ease of access is a strength.



Photo credits: Visit Annapolis & Anne Arundel County.



Note: The number in the circles reflects the number of eating and drinking establishments in that area.

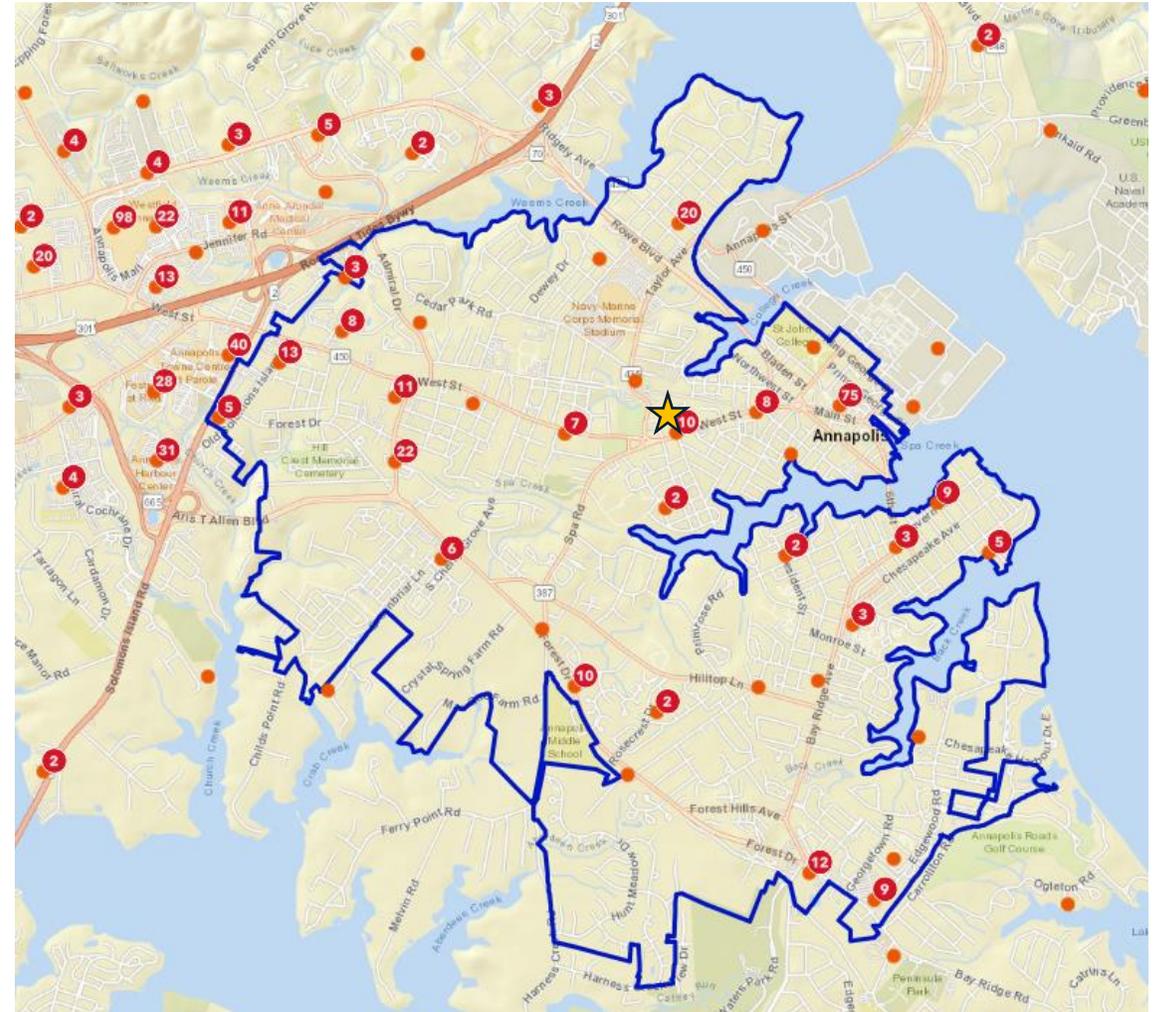
Source: Esri.

# Retail Establishments

Like dining options, there are many retail shopping opportunities in the area for patrons.



Photo credits: Visit Annapolis & Anne Arundel County and Madison Boutique websites.



Note: The number in the circles reflects the number of retail establishments in the area.  
Source: Esri.

# Local Conference/Meeting Facilities – Anne Arundel County

The adjacent table shows venues in the County that offer a minimum of 10,000 SF of meeting space. As shown, the Maritime Conference Center offers the largest amount of meeting space in the County and includes 55 meeting rooms, a 350-seat auditorium and the Chesapeake Dining Room which can accommodate 500 people for meal functions. The Live! Casino and Hotel offers a total of 50,000 SF of meeting space (including about 35,000 SF of meeting space when combining the hall and event center spaces) and is highly booked with in-house generated business. These two properties are located approximately 25+ miles from Historic Annapolis and provide a different patron experience.

Within Annapolis the conference/meetings market is predominately served by hotels; there is no dedicated conference center. The Graduate Annapolis and the Westin Annapolis both offer approximately 20,000 SF of meeting space.

The list of meeting space does not include smaller facilities such as the Jack C. Taylor Conference Center at the U.S. Naval Academy which offers five meeting rooms ranging in size from about 300 SF to 800 SF each, the Lockheed Martin Auditorium, HII Grand Foyer & Atrium, the Topside Terrace and the Severn Terrace.

This list also excludes certain specialty event facilities on or near the U.S. Naval Academy campus such as the Naval Academy Club and banquet/meeting facilities at Navy-Marine Corps Stadium or Alumni Hall.

Supply of Meeting Space in Anne Arundel County					
Facility	Location	Hotel Rooms	Miles From		Meeting Space (SF)
			Historic Annapolis		
Maritime Conference Center	BWI-Arundel Mills	232	27		100,000
Live! Casino & Hotel Maryland	BWI-Arundel Mills	310	25		50,000
Graduate Annapolis	Historic District	216	0		20,000
Westin Annapolis	Historic District	225	1		20,000
BWI Airport Marriott	BWI-Arundel Mills	315	25		18,000
Westin Baltimore Washington Airport	BWI-Arundel Mills	260	27		17,300
Autograph Collection Annapolis Waterfront	Historic District	150	0		17,000
Fluegel Alumni Center	Annapolis	-	0		16,400
Hilton Baltimore BWI Airport	BWI-Arundel Mills	280	25		16,000
DoubleTree by Hilton Hotel Annapolis	Greater Annapolis	219	3		12,000
Historic Inns Of Annapolis	Historic District	124	0		11,600
The Hotel at Arundel Preserve	BWI-Arundel Mills	150	23		10,500
DoubleTree by Hilton Hotel Baltimore - BWI Airport	BWI-Arundel Mills	260	4		10,200
Crowne Plaza Annapolis	Greater Annapolis	196	3		10,000

Notes: Only includes venues with a minimum of 10,000 SF of meeting space and SF amounts are rounded.

Sorted in descending order by meeting space SF.

Sources: VAAAC; facility management.



Maritime Conference Center



Graduate Annapolis



Westin Annapolis

Photo credits: Individual facility websites.

# State Convention/Conference/Hotel/Meeting Facilities

The adjacent table illustrates select hotel/meeting facilities in Maryland with a minimum of 20,000 SF of total event space including those in the County. Live! Casino & Hotel, MGM National Harbor, Hilton Baltimore Inner Harbor and Bethesda North Marriott Hotel & Conference Center each offer more than 20,000 SF of space in their largest room.

There are also several larger convention centers in the State which focus on hosting conventions, tradeshow, consumer/public shows, meetings, and special events including the following.

The Baltimore Convention Center offers 300,000 SF of exhibit space, 70,500 SF of meeting space and a 36,700 SF ballroom.

The Gaylord National Resort & Conference Center at National Harbor offers 1,996 hotel rooms in addition to 178,800 SF of exhibit space, 83,400 SF of meeting space and 120,400 SF of ballroom space.

The Ocean City Convention Center offers 75,800 SF of exhibit space, a 19,000 SF ballroom and 22,400 SF of meeting space in addition to the 14,000 SF Dock Hall.

As with the local supply, this list excludes certain specialty event facilities throughout the State that are not specifically geared towards convention/conference/meeting business. One example is the newly renovated M&T Bank Exchange (formerly known as the M&T Bank Pavilion) in Baltimore, which recently opened as part of the France-Merrick Performing Arts Center and offers flexible space that can host live entertainment, social functions, community activities and special events.

Hotel/Meeting Facilities in Maryland - Minimum of 20,000 SF of Total Event Space				
Property	Location	Guest Rooms	Largest Room Space (SF)	Total Event Space (SF)
Hilton Baltimore Inner Harbor	Baltimore	757	26,712	100,000
<b>Maritime Conference Center</b>	<b>Linthicum Heights</b>	<b>232</b>	<b>5,100</b>	<b>100,000</b>
William F. Bolger Center	Potomac	431	7,154	70,000
Baltimore Marriott Waterfront	Baltimore	754	19,140	50,527
<b>Live! Casino &amp; Hotel</b>	<b>Hanover</b>	<b>310</b>	<b>34,054</b>	<b>52,369</b>
MGM National Harbor	National Harbor	308	27,000	50,000
Hotel at the University of Maryland	College Park	297	10,000	43,000
College Park Marriott Hotel & Conference Center	Hyattsville	237	8,122	40,854
Turf Valley Resort & Conference Center	Ellicott City	172	9,472	40,000
Ashore Resort & Beach Club	Ocean City	250	7,500	40,000
Bethesda North Marriott Hotel & Conference Center	Rockville	455	23,400	39,400
Hyatt Regency Baltimore Inner Harbor	Baltimore	488	14,161	35,000
Hilton Washington DC/Rockville Hotel and Executive Meeting Center	Rockville	315	10,000	35,000
Princess Royale Oceanfront Resort	Ocean City	340	6,180	30,000
Inn at the Chesapeake Bay Beach Club	Stevensville	77	1,200	30,000
Best Western Plus Hotel & Conference Center	Baltimore	175	7,605	29,446
Renaissance Baltimore Harborplace	Baltimore	622	14,241	27,548
Hyatt Regency Chesapeake Bay Golf Resort	Cambridge	400	13,300	24,033
Hyatt Regency Bethesda	Bethesda	390	7,200	24,000
Sheraton Inner Harbor	Baltimore	338	13,728	22,854
Lord Baltimore Hotel	Baltimore	440	8,910	20,000
Sheraton Baltimore North Hotel	Towson, MD	283	6,840	20,000
Four Seasons Hotel Baltimore	Baltimore	256	5,300	20,000
Hotel Silver Spring	Silver Spring	248	5,100	20,000
<b>Graduate Annapolis</b>	<b>Annapolis</b>	<b>215</b>	<b>4,368</b>	<b>20,000</b>
<b>Westin Annapolis</b>	<b>Annapolis</b>	<b>225</b>	<b>6,320</b>	<b>20,000</b>
<b>Average</b>		<b>347</b>	<b>11,620</b>	<b>38,617</b>
<b>Median</b>		<b>309</b>	<b>8,516</b>	<b>32,500</b>

Notes: Sorted in descending order by total event space (SF).

Shaded facilities are in Anne Arundel County.

This list is meant to be illustrative of the supply of hotel/meeting facilities; not all-inclusive.

Sources: Cvent; VAAAC; individual facility websites

# Area Convention/Conference/Hotel/Meeting Facilities

As shown in the adjacent table, there are multiple hotels in the Washington, D.C. Metro Area that offer a minimum of 20,000 SF of total event space. Total event space at these profiled facilities averages 45,652 SF and the median is 36,500 SF. The size of the largest meeting space averages 13,141 SF.

In addition to the profiled hotels, major convention/meeting facilities include the Walter E. Washington Convention Center and the Ronald Reagan Building and International Trade Center.

The Walter E. Washington Convention Center offers 703,000 SF of exhibit space, 198,000 SF of flexible meeting space with 77 breakout rooms and a 52,000 SF ballroom. This facility, which is owned, operated and managed by Events DC, hosts major conventions, tradeshow, consumer/public shows, meetings, and special events, among others.

The Ronald Reagan Building and International Trade Center in Washington, D.C. offers 65,000 SF of flexible meeting and special event space including indoor and outdoor spaces that can accommodate between 15 and 5,000 people. Event spaces include an atrium, two ballrooms, several suites, and a 595-seat auditorium. This facility, which is Washington, D.C.'s World Trade Center, hosts a variety of events including meetings, conferences, tradeshow, galas, receptions, weddings, etc.

These larger convention and hotel properties in a major metropolitan market offer a different experience that the proposed conference center concept in Annapolis.

Area Hotel/Meeting Facilities - Minimum of 20,000 SF of Total Event Space					
Property	Location	Rooms	Suites	Largest Meeting Space (SF)	Total Event Space (SF)
Washington Hilton	Washington, D.C.	1,107	20	29,900	115,937
Marriott Marquis Washington, DC	Washington, D.C.	1,175	49	30,600	104,928
Omni Shoreham Hotel	Washington, D.C.	834	52	40,887	100,782
Westin Washington, D.C. Downtown	Washington, D.C.	807	13	19,032	65,973
Lansdowne Resort	Leesburg, VA	296	28	9,525	55,597
Hyatt Regency Crystal City at Reagan National Airport	Arlington, VA	686	29	23,000	53,435
The Mayflower Hotel, Autograph Collection	Washington, D.C.	581	69	10,359	42,582
Grand Hyatt Washington	Washington, D.C.	897	26	17,172	41,737
Hyatt Regency Washington on Capitol Hill	Washington, D.C.	838	31	11,388	38,164
Waldorf Astoria Washington, D.C.	Washington, D.C.	263	35	13,140	37,545
JW Marriott Washington, D.C.	Washington, D.C.	777	18	13,680	37,000
Salamander D.C.	Washington, D.C.	373	47	8,298	36,000
Doubletree by Hilton Washington, D.C. - Crystal City	Arlington, VA	631	156	8,778	33,932
Conrad Washington, D.C.	Washington, D.C.	360	32	7,626	32,119
Salamander Resort & Spa	Middleburg, VA	168	17	4,500	30,010
Capital Hilton	Washington, D.C.	547	32	7,776	29,973
Fairmont Washington, D.C. , Georgetown	Washington, D.C.	413	30	5,360	29,025
The Watergate Hotel	Washington, D.C.	336	23	7,000	27,043
Hilton Arlington National Landing	Arlington, VA	393	17	6,340	24,578
Hilton Washington DC National Mall The Wharf	Washington, D.C.	367	20	5,406	23,151
Four Seasons Hotel, Washington D.C.	Washington, D.C.	222	56	4,602	22,727
Willard InterContinental Washington	Washington, D.C.	335	69	4,736	22,102
<b>Average</b>		<b>564</b>	<b>40</b>	<b>13,141</b>	<b>45,652</b>
<b>Median</b>		<b>480</b>	<b>31</b>	<b>9,152</b>	<b>36,500</b>

Notes: Sorted in descending order by total event space (SF).

This list is meant to be reflective of the supply of hotel/meeting facilities; not all-inclusive.

Source: The Capital of Events Event Planning Guide.

# Local Entertainment/Performing Arts Facilities – Anne Arundel County

Performing arts facilities are typically multipurpose venues capable of hosting dance, music, and theatre performances along with other entertainment events such as comedy acts. As a point of reference, the following illustrates various local performing arts organizations in the County.

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"><li>– All Children’s Chorus of Annapolis</li><li>– Annapolis Chamber Music Festival</li><li>– Annapolis Chamber Players</li><li>– Annapolis Opera</li><li>– Annapolis Summer Garden Theater</li><li>– Annapolis Symphony Orchestra</li><li>– Anne Arundel Community Concert Association</li><li>– Arundel Vocal Arts Society</li><li>– Ballet Theater of Maryland</li><li>– Chesapeake Arts Center</li></ul> | <ul style="list-style-type: none"><li>– Chesapeake Youth Symphony Orchestra</li><li>– Children’s Theater of Annapolis</li><li>– Classic Theatre of Maryland</li><li>– Compass Rose Theater</li><li>– Encore Creativity for Older Adults</li><li>– Footworks Percussive Dance Ensemble</li><li>– Harbor City Music Company Show Chorus</li><li>– Live Arts Maryland</li><li>– Londontowne Symphony Orchestra</li><li>– Maryland Concert Series</li></ul> | <ul style="list-style-type: none"><li>– Maryland Hall</li><li>– National Baller Institute for the Arts</li><li>– Pasadena Theatre Company</li><li>– Performing Arts Center of African Culture</li><li>– South County Concert Association</li><li>– The Angelwing Project</li><li>– The Colonial Players of Annapolis</li><li>– The Creative and Performing Arts of South County</li><li>– World Artists Experiences</li></ul> |
|--|---|---|

Source: Arts Council of Anne Arundel County.

There are multiple facilities throughout the County that accommodate entertainment/performing arts events of different types and sizes including area colleges/universities (e.g., St. John’s College, Anne Arundel Community College), high school auditoriums (e.g., Annapolis Area Christian School, Annapolis High School, Severna Park High School, Southern High School), churches, and special event facilities.

Based on the size and scope of the project under consideration, the pages that follow provide a more detailed description of Maryland Hall, Chesapeake Arts Center, USNA venues, and Rams Head on Stage.

# Local Performing Arts Facilities – Anne Arundel County (cont'd)

## Maryland Hall

Maryland Hall opened in 1979 in what was previously the Annapolis High School and underwent an \$18 million project to modernize and improve the facilities in 2014. Maryland Hall is the area's foremost performing arts venue, serving and engaging the community and broader regional area through an array of arts activities.

The venue's facilities include the 725-seat Main Theatre, the Bowen Theatre which is a multi-use space that can seat up to 180, an outdoor campus, a community room, dance studios, and multiple galleries. There are four resident companies that currently make Maryland Hall their home: The Annapolis Symphony Orchestra, the Annapolis Opera, the Ballet Theatre of Maryland and Live Arts Maryland. In addition to these companies, they also play host to several other events such as the Annapolis Film Festival, awards events, graduations, live concerts booked by independent local promoters, and other art and educational programming, as well as a series of self-produced "Maryland Hall Presents" shows designed for the local community.

Maryland Hall is owned by the Annapolis Public School District and operated by Maryland Hall for the Creative Arts, Inc., a 501(c)(3) non-profit, who are responsible for the governance of the venue with leadership roles in planning, fundraising and finances along with a full staff that manages the venue on a day-to-day basis.

Maryland Hall is engaged in a capital campaign, and while it is considered a local gem and asset for a market of its size, it lacks many modern amenities sought after by its resident companies and other users. Additionally, it is often times difficult for groups to find available dates.



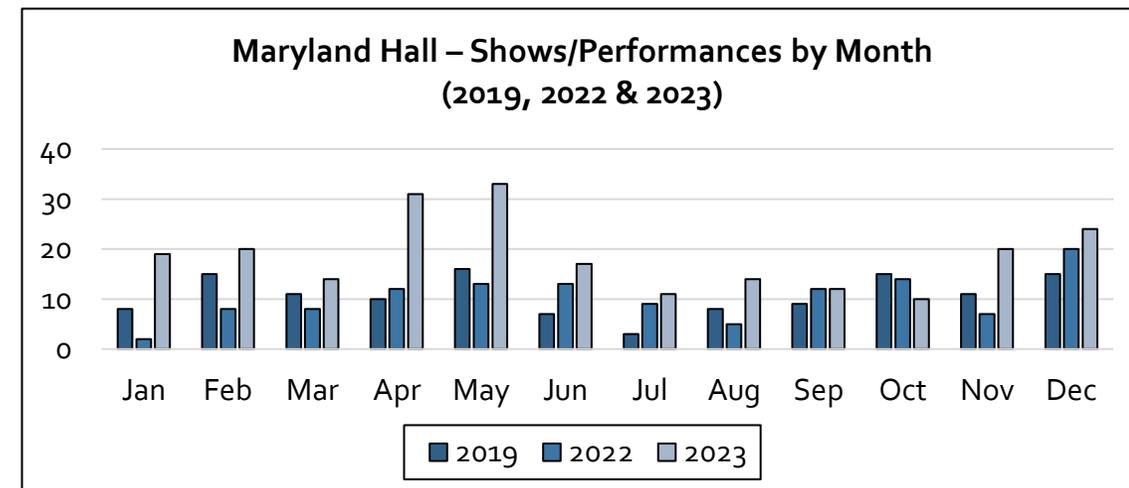
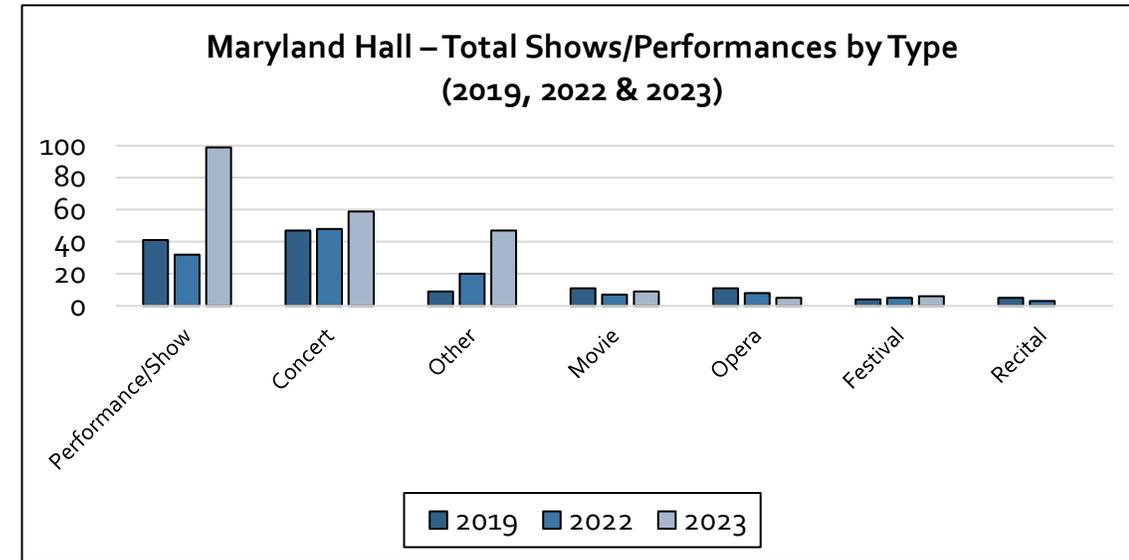
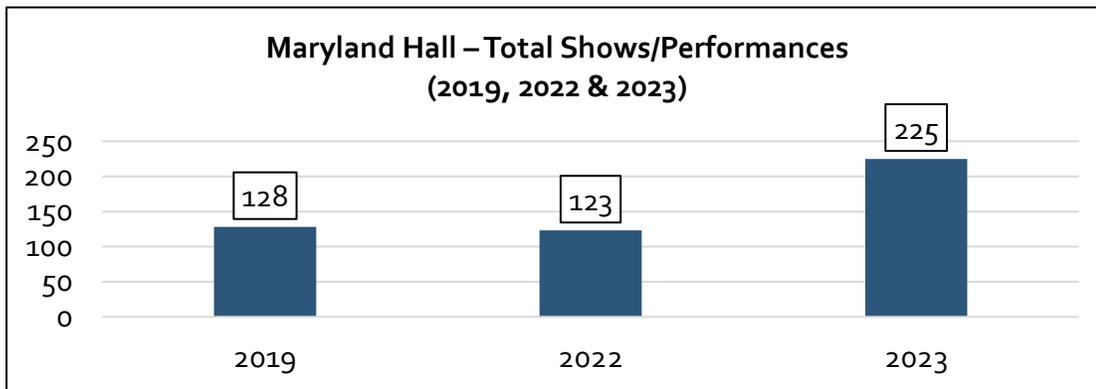
Photos Credit: Maryland Hall for the Creative Arts.

# Local Performing Arts Facilities – Anne Arundel County (cont'd)

## Maryland Hall (cont'd)

The following graphs summarize the number of shows/performances at Maryland Hall in 2019, 2022 and 2023 based on data provided by facility management. Data was not provided for 2020 or 2021 as operations were significantly impacted in these years resulting from a 14-month COVID-19 induced shutdown. Attendance data was not provided by facility management; however, a secondary source indicates Maryland Hall hosts over 100,000 visitors annually. In addition to Maryland Hall Presents, notable users of Maryland Hall include, but are not limited to, Annapolis Symphony Orchestra, Ballet Theatre Maryland, Compass Rose Theater, USNA Band, Rams Head Presents, Live Arts Maryland, Londontowne Symphony Orchestra and Annapolis Film Festival.

As shown, total shows/performances in 2023 exceeded pre-pandemic totals by 76%, which was largely due to an increase in Maryland Hall's primary event business including shows, concerts and other events such as graduations, receptions, etc. Based on the data provided by facility management, the number of shows/performances held at Maryland Hall was highest in April, May and December during the profiled period.



Source: Facility management.

# Local Performing Arts Facilities – Anne Arundel County (cont'd)

## Maryland Hall (cont'd)

The adjacent table illustrates high-level financial operating data for Maryland Hall for FY 2022 and FY 2023 based on its 990 filings. Maryland Hall generated nearly \$300,000 in total revenue over total expenses in FY 2023 after realizing a loss of nearly \$63,000 in FY 2022.

From FY 2022 to FY 2023, total revenue increased by 79% which was primarily driven by an increase of \$1.3 million (or 106%) in contributions and grants. This line item comprised 57% of total revenue in FY 2022 and 65% in FY 2023. Program service revenue increased by more than \$400,000 (or 43%) in FY 2023.

Overall, total expenses increased by 62% from FY 2022 to FY 2023. The salaries, other compensation, and employee benefits line item increased by more than \$600,000 (or 73%) in FY 2023. Other expenses, which includes contracted services, program service costs, accounting services, advertising and promotion, office expenses, depreciation and amortization, insurance, etc. increased by nearly \$800,000 in FY 2023.

Maryland Hall - Summary of Financial Operations		
	FY 2022	FY 2023
<b>Revenue</b>		
Contributions and grants	\$1,255,242	\$2,590,030
Program service revenue	\$940,543	\$1,342,904
Investment income	\$6,822	\$53,850
Other revenue	\$10,212	(\$19,952)
<b>Total Revenue</b>	<b>\$2,212,819</b>	<b>\$3,966,832</b>
<b>Expenses</b>		
Grants and similar amounts paid	\$0	\$0
Benefits paid to or for members	\$0	\$0
Salaries, other compensation, employee benefits	\$835,149	\$1,448,361
Professional fundraising fees	\$0	\$0
Other expenses	\$1,440,563	\$2,234,044
<b>Total Expenses</b>	<b>\$2,275,712</b>	<b>\$3,682,405</b>
<b>Total Revenue Less Total Expenses</b>	<b>(\$62,893)</b>	<b>\$284,427</b>

Source : 990 tax filings.

# Local Performing Arts Facilities – Anne Arundel County (cont'd)

## Chesapeake Arts Center

This 58,000 SF multi-disciplinary arts center is in Brooklyn Park and opened in 2001 to primarily serve the North Arundel County and South Baltimore communities. The center is operated by Chesapeake Arts Center Inc., a 501(c)(3) non-profit, which leases the property from Anne Arundel County and the Anne Arundel County Board of Education. It features a 752-seat main stage theater, a 120-seat black box, as well as exhibit galleries and ceramics/dance studios, and other multi-purpose arts classrooms and spaces. It partners with arts organizations throughout the region to put on dance, drama, and music performances and with other community groups and schools as a venue for their offerings. The center also offers a variety of other arts experiences including classes and workshops for both children and adults. Based on data provided by the center, it hosts approximately 50,000 visitors annually.



Photo Credit: Chesapeake Arts Center.

## U.S. Naval Academy Venues

The USNA owns and operates two venues in Annapolis that are utilized for performing arts events, though almost exclusively for in-house produced performances by USNA's musical and performing arts departments and other USNA functions including graduations and ceremonies. These venues include the 1,000-seat Mahan Hall and the 1,500-seat Bob Hope Performing Arts Center, which is effectively a reconfiguration of Alumni Hall, USNA's indoor sports arena. A limited number of outside performances are held annually as part of the USNA Distinguished Artist Series, featuring opera, ballet and orchestra performances.



Photo Credit: U.S. Naval Academy.

## Rams Head On Stage

This privately owned and operated club in Annapolis offers reserved seating for up to 300 guests and additional standing-room only capacity dependent upon the event. This venue, which opened in 1997, is the preeminent live music venue in the Annapolis area featuring top regional and national concert acts. Hosting more than 400 shows per year, Rams Head On Stage is the top club under 500 seats in the world, according to Pollstar Magazine rankings.



Photo Credit: Rams Head On Stage.

# Supply of Area Performing Arts Facilities

As shown in the adjacent table, there is a large supply of facilities in Maryland and Washington, D.C. which offer a capacity between 600 and 2,600 that can accommodate live music, theatre, dance and other performance activities. These venues present significant competition for the proposed new Center in Annapolis.

**The Eisenhower Theater at the Kennedy Center**



Photo credit: Kennedy Center website.

**Dekelboum Concert Hall**



Photo credit: University of Maryland website.

**The Music Center at Strathmore**



Photo credit: Strathmore website.

**Hippodrome Theatre**



Photo credit: Hippodrome Foundation website.

Supply of Theatres & Auditoriums in Maryland & Washington, D.C. with Capacity Between 600 & 2,600		
Venue Name	Location	Capacity
	City	
Lyric Baltimore	Baltimore, MD	2,564
Concert Hall at John F. Kennedy Center for the Performing Arts	Washington, D.C.	2,465
Joseph Meyerhoff Symphony Hall	Baltimore, MD	2,443
Opera House at John F. Kennedy Center for the Performing Arts	Washington, D.C.	2,347
Hippodrome Theatre at the France-Merrick Performing Arts Center	Baltimore, MD	2,250
The Fillmore Silver Spring	Silver Spring, MD	2,000
Morgan State University - Gilliam Concert Hall	Baltimore, MD	2,000
Music Center at the Strathmore	North Bethesda, MD	1,976
Warner Theatre	Washington, D.C.	1,847
Ritchie Coliseum	College Park, MD	1,800
National Theatre	Washington, D.C.	1,672
U.S. Naval Academy - Bob Hope Performing Arts Center	Annapolis, MD	1,500
George Washington University - Lisner Auditorium	Washington, D.C.	1,500
Cramton Auditorium	Washington, D.C.	1,491
Maryland Theatre	Hagerstown, MD	1,281
Ocean City Performing Arts Center	Ocean City, MD	1,250
Lincoln Theatre	Washington, D.C.	1,225
Howard Theatre	Washington, D.C.	1,200
Weinberg Center For The Arts	Frederick, MD	1,183
Eisenhower Theater at John F. Kennedy Center for the Performing Arts	Washington, D.C.	1,161
U.S. Naval Academy - Mahan Hall	Annapolis, MD	1,000
Goucher College - Kraushaar Auditorium	Towson, MD	995
Capital Turnaround	Washington, D.C.	982
University of Maryland - Dekelboum Concert Hall	College Park, MD	962
Johns Hopkins University - Shriver Hall	Baltimore, MD	900
Bowie Center for the Performing Arts	Bowie, MD	800
1440 @ Horseshoe Casino Baltimore	Baltimore, MD	800
Center for Performance Arts at Prince George's Community College - Grand Theater	Largo, MD	765
Chesapeake Arts Center - Hammonds Lane Theatre	Brooklyn Park, MD	752
Georgetown University - Gaston Hall	Washington, D.C.	740
Maryland Hall For The Creative Arts	Annapolis, MD	725
Towson University - Stephens Hall Theatre	Towson, MD	680
Shakespeare Theatre Company - Harman Hall	Washington, D.C.	678
University of Maryland - Kay Theatre	College Park, MD	626

Notes: Excludes high school performing arts centers/auditoriums.

The Bob Hope Performing Arts Center is part of Alumni Hall.

Shading denotes facilities in Anne Arundel County.

This list is meant to be reflective of the supply of theatres and auditoriums in the area, not all inclusive.

Sources: Facility websites; Facility management; Pollstar; other secondary research.

# Local Market Conditions – Key Takeaways

- The proposed Center would operate in a market with a relatively strong, diverse, and highly educated population base that is forecasted to grow moderately in the coming years with median household income levels that are significantly higher than State and National averages.
- The site of the proposed Center is proximate to both the BWI and DCA airports and is accessible via major automobile routes.
- There are multiple amenities including eating and drinking establishments, retail options, and hotels within walking distance of the site of the proposed Center. Annapolis is also home to many attractions and has strong overall destination appeal.
- The above factors are important considerations for both event planners/promoters and attendees, which can impact a facility's overall competitiveness within the broader marketplace. The availability of hotel rooms, specifically during peak occupancy periods associated with major events at the USNA, could potentially pose challenges for the hosting of events at the proposed Center during certain times of the year.
- The supply of entertainment/performing arts facilities in the local market area is relatively limited, but it is a highly competitive regional market with numerous well-established and successful venues located in the major metropolitan markets of Baltimore and Washington, D.C.
- Meeting facilities in Annapolis consist primarily of conference center hotels with 20,000 SF or less of meeting space. A greater concentration of meeting facilities, including some larger facilities, are in the BWI-Arundel Mills area of the County.
- Several convention/conference centers and hotels are located within the broader regional market including Baltimore, National Harbor, Rockville, Ocean City, Virginia and Washington, D.C.



# 3. Industry Trends



# Industry Trends - Overview

Potential demand associated with any new public assembly facility is somewhat dependent on the specific target market segments it is anticipated to host as well as on the attributes of each respective industry. Given that the proposed Center is envisioned to host diverse event activity, this section outlines key trends in the entertainment/performing arts and conference/meeting industries.

It should be noted that there is not a single source that captures all trends but rather multiple sources that report on various industry aspects. This section provides an overview of industry trends based on information provided by secondary sources including, but not limited to, Americans for the Arts, Pollstar, JCA Arts Marketing, National Endowment for the Arts, PCMA, Center for Exhibition Industry Research (CEIR), Meeting Professionals International (MPI), Northstar Meetings Group, International Association of Conference Centers (IACC) and Successful Meetings.



# Trends – Live Entertainment/Concert Industry

It is helpful to understand the key players and general compensation structure of booking live artists/entertainment acts. Typically, to initiate a live entertainment event such as touring theater shows, concerts, comedy acts, etc., the progression is as follows:



Booking agents contract with artists and receive a fixed guarantee or a percentage fee from performers for their services. Promoters earn revenue primarily from the sale of tickets as well as percentages of revenue from concessions and ancillary services. Promoters pay the performers under one of several different formulas, which may include fixed guarantees, percentages of ticket sales or the greater of guaranteed amounts or profit-sharing payments based on total ticket revenue. In some instances, promoters may reimburse performers for certain production costs. If a fixed guarantee is negotiated, the promoter assumes the risk of unprofitable events. Promoters can reduce their risk by negotiating global or national touring agreements with artists that allow them to offset shows with lower ticket revenues with higher performing shows.

Promoters, in conjunction with performers, managers, and agents, set ticket prices. Factors affecting ticket prices include, but are not limited to, the artist's contract fee, the price of staging the event, the popularity of the headline attraction and the uniqueness of the event.

Venue operators typically derive their income from a fixed fee rental amount or percentage of ticket sales, a percentage of concession and merchandise sales, ticket selling fees from third party ticketing agencies, facility fees, premium seating revenue, sponsorship, as well as parking revenues.

# Industry Trends – Live Entertainment/Concert Industry

Pollstar, a leading trade publication, supplies data and information for facility managers, promoters, booking agents and other entities involved in the live entertainment business. They track and report data on a variety of different types of venues and tours worldwide. Based on their reporting, gross ticket sales for the top 200 North American tours has grown at a compound annual rate of 9.6% over the past 10 years to over \$7.6 billion in 2023. This growth has been fueled by rises in average ticket prices at a compound annual rate of 7.1% during that same timeframe, which was more than triple the growth rate in the number of tickets sold. These trends are illustrated in the adjacent chart.

As a point of reference, the growth in ticket prices has significantly outpaced the annual growth rate of the Consumer Price Index (“CPI”) over the same period, which based on data from the U.S. Bureau of Labor Statistics was approximately 2.8% from 2014 to 2023. This has been due to a variety of factors, including:

- Consolidation of the concert promotion business with larger promoters paying higher guarantees to attract acts and many artists demanding higher guarantees to replace lost income with decreasing album sales, which in turn drives ticket prices up.
- Pent up demand coming out of the pandemic.
- Rising disposable income levels for many segments of concert goers.
- More premium-tier ticket offerings as well as VIP packages/experiences.
- Increased use of dynamic pricing strategies.

It should be noted that the data for the top 200 North American Tours as reported by Pollstar represent performances from various types of venues, including amphitheaters, arenas, clubs, stadiums, and theaters.

Ticketing Trends Top 200 North American Tours			
Year	Gross Ticket Sales	Number of Tickets Sold	Average Price per Ticket
2014	\$3,353,600,000	50,420,000	\$66.51
2015	\$3,586,300,000	52,826,000	\$67.89
2016	\$4,122,500,000	59,051,000	\$69.81
2017	\$4,512,200,000	61,527,000	\$73.34
2018	\$4,440,100,000	54,401,000	\$81.62
2019	\$4,404,100,000	50,511,000	\$87.19
2020	\$926,900,000	11,015,000	\$84.15
2021	\$1,807,300,000	21,983,000	\$82.21
2022	\$5,652,300,000	54,501,000	\$103.71
2023	\$7,630,600,000	62,131,000	\$122.81
<b>10-Year Change</b>	<b>127.5%</b>	<b>23.2%</b>	<b>84.6%</b>
<b>CAGR 2014-2023</b>	<b>9.6%</b>	<b>2.3%</b>	<b>7.1%</b>
<b>CAGR 2019-2023</b>	<b>14.7%</b>	<b>5.3%</b>	<b>8.9%</b>

Source: Pollstar.



# Industry Trends – Live Entertainment/Concert Industry (cont'd)

The landscape of the industry is evolving rapidly and being influenced by technology and consumer demands. These shifts provide stakeholders many challenges but also opportunities on which to capitalize. Key trends identified by industry analysts and stakeholders include:

- Hybrid events (i.e., in-person and at-home) are increasing in popularity, making concerts more inclusive and interactive, while also providing organizers with new revenue streams through expanded distribution, advertisements, and sponsorships.
- Combining physical presence and digital interaction allows live music enthusiasts new choices in how they choose to be involved with virtual reality delivery methods pushing the boundaries of events.
- Live streaming of many concerts has become a given, allowing events to reach large audiences through a variety of different web-based platforms, while social media integration is playing an ever-increasing role in amplifying events and allowing followers to share experiences.
- Direct-to-Consumer (D2C) models are emerging based on consumer preferences and trends, resulting in content personalization and enhanced engagement.
- The live entertainment industry, like many others, are looking to make performances more sustainable and socially responsible through a variety of green initiatives, community engagement, and enhanced efforts to drive inclusivity and accessibility.
- Venue operators are focused on delivering exclusive and unique experiences as more concert goers are willing to pay a premium for VIP packages and experiences that include artist interactions, premium seating and all-inclusive packages/amenities, and exclusive merchandise.

# Trends – Performing Arts Industry

The impact of the arts and culture industry is far reaching as evidenced in the recently released Arts & Economic Prosperity 6 (AEP6) study. The AEP6 is an economic and social impact study of the nation’s nonprofits arts and culture industry, representing findings on 373 regions throughout the U.S., including rural, suburban, and large urban communities. In 2022, nonprofit arts and culture organizations and their audiences generated \$151.7 billion in economic activity, comprised of \$73.3 billion in spending by arts and culture organizations and \$78.4 billion in event-related spending by their audiences, in turn supporting jobs and community well-being. These and other highlights of the study are depicted in the graphic below.

## Arts & Economic Prosperity 6 – Study Highlights

### ARTS & CULTURE BY THE NUMBERS

**\$151.7 BILLION**  
generated economic activity in 2022

**\$73.3 BILLION**  
in spending by arts and culture organizations

**\$78.4 BILLION**  
in event-related expenditures by arts and culture audiences

**2.6 MILLION JOBS**  
supported by arts and culture

**\$101 BILLION**  
in personal income to residents

**\$29.1 BILLION**  
in tax revenue to local, state, and federal governments

**Arts and culture strengthens the visitor economy.**  
One-third (30.1%) of attendees travel from outside the county in which the activity takes place; they spend an average of \$60.57, twice that of their local counterparts (\$29.77). Three-quarters (77%) of nonlocal attendees reported that the primary purpose of their visit was to attend that cultural event.

**A vibrant arts and culture community keeps residents spending locally.**  
When local attendees to nonprofit arts and culture events were asked what they would have done if the event where they were surveyed had not been available, 51% said they would have “traveled to a different community to attend a similar arts or cultural activity.”

**Arts and culture builds more livable communities.**  
86% of Americans say, “arts and culture are important to their community’s quality of life and livability,” and 79% of the American public believe that the arts are “important to their community’s businesses, economy, and local jobs.”

Source: Arts & Economic Prosperity 6 (AEP6).

# Trends – Performing Arts Industry (cont'd)

Demand for the proposed facility will be impacted by trends and characteristics of the performing arts industry. To provide perspective, this section of the report highlights ticketing, participation, economic activity, operational, performance, design, and other current trends for the performing arts industry. Performing arts venues vary significantly in size and host a wide range of events including Broadway shows and musicals, concerts, dance productions, comedy and family shows, and other theatrical productions. There are many different types of performing arts venues, but they typically fall into one of the categories summarized below.

**Traditional** – These venues are typically owned and operated by a municipal entity and/or a non-profit arts organization or foundation. As such, they usually rely heavily on grants and donations and are often subsidized through other public funds. Often, these facilities have a specific tenant such as a symphony orchestra or community theater organization that utilizes the facility for a significant number of dates.

**Commercial** – These venues are typically operated by a private management company and can be either privately or publicly owned. While some maintain a focus on supporting the local arts community, their programming tends to rely more heavily on larger national acts and tours that are higher revenue-generating.

**Casino** – These venues are usually owned and operated by the casino itself, sometimes enlisting a third-party operator or promoter. As an ancillary component to casino operations, the primary objective of these venues is to increase casino visitation and drive gaming revenues. They feature different types of performances with a heavy focus on concerts and comedy shows, and in larger markets may feature resident performers.

**University/College** – These venues are almost always owned and operated by a university or college. Their primary use is for students, including its performing arts programs and other school-related events, but may still host outside performances.

## Representative Regional Examples



Photo Credit: Joseph Meyerhoff Symphony Hall.

**Joseph Meyerhoff Symphony Hall**  
*Baltimore, MD*  
2,433 seats



Photo Credit: Warner Theatre.

**Warner Theatre**  
*Washington, D.C.*  
1,847 seats



Photo Credit: MGM National Harbor.

**Theater at MGM National Harbor**  
*Oxon Hill, MD*  
3,000 seats



Photo Credit: George Washington University.

**Lisner Auditorium at George Washington University**  
*Washington, D.C.*  
1,482 seats

# Trends – Performing Arts Industry (cont'd)

Based on data from Pollstar reporting, gross ticket sales for the top 200 theaters worldwide has grown at a compound annual rate of 6.6% over the past 10 years to over \$2.1 billion in 2023. This growth has been fueled by rises in average ticket prices at a compound annual rate of 4.3% during that same timeframe, which was more than double the growth rate in the number of tickets sold. These trends are shown in the adjacent chart.

As with the data for the top 200 North American tours shown earlier, the growth in ticket prices for the top 200 theaters worldwide has outpaced the annual growth rate of the CPI over the same period, which based on data from the U.S. Bureau of Labor Statistics was approximately 2.8% from 2014 to 2023.

It should be noted that the top 200 theaters worldwide as reported by Pollstar are largely comprised of venues located in the U.S., representing roughly 80% of the reporting venues. These include the likes of several theaters throughout the Mid-Atlantic region, including the Theater at MGM National Harbor, the Altria Theater, Chrysler Hall, and The Anthem.

Ticketing Trends Top 200 Theaters Worldwide			
Year	Gross Ticket Sales	Number of Tickets Sold	Average Price per Ticket
2014	\$1,189,511,744	22,994,621	\$51.73
2015	\$1,251,214,073	23,413,437	\$53.44
2016	\$1,104,718,453	19,737,689	\$55.97
2017	\$1,443,612,899	25,198,340	\$57.29
2018	\$1,415,660,741	24,166,281	\$58.58
2019	\$1,841,438,743	27,582,965	\$66.76
2020	\$625,244,694	9,124,568	\$68.52
2021	\$381,384,673	4,993,385	\$76.38
2022	\$1,637,305,291	22,908,668	\$71.47
2023	\$2,108,395,232	27,828,826	\$75.76
<b>10-Year Change</b>	<b>77.2%</b>	<b>21.0%</b>	<b>46.5%</b>
<b>CAGR 2014-2023</b>	<b>6.6%</b>	<b>2.1%</b>	<b>4.3%</b>
<b>CAGR 2019-2023</b>	<b>3.4%</b>	<b>0.2%</b>	<b>3.2%</b>

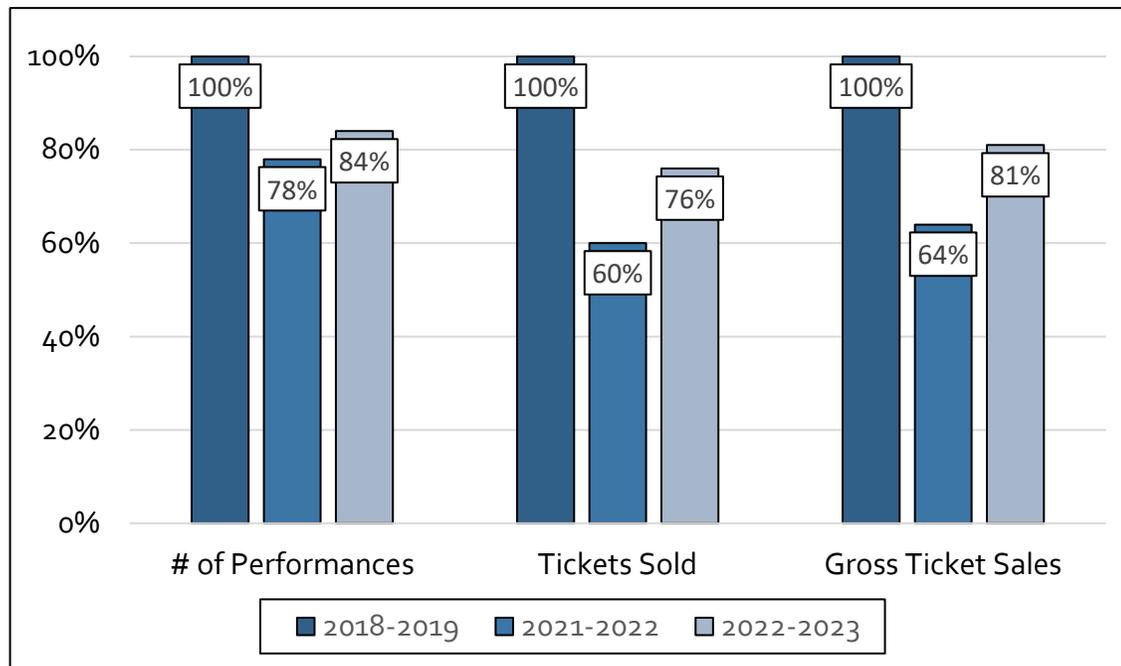
Source: Pollstar.



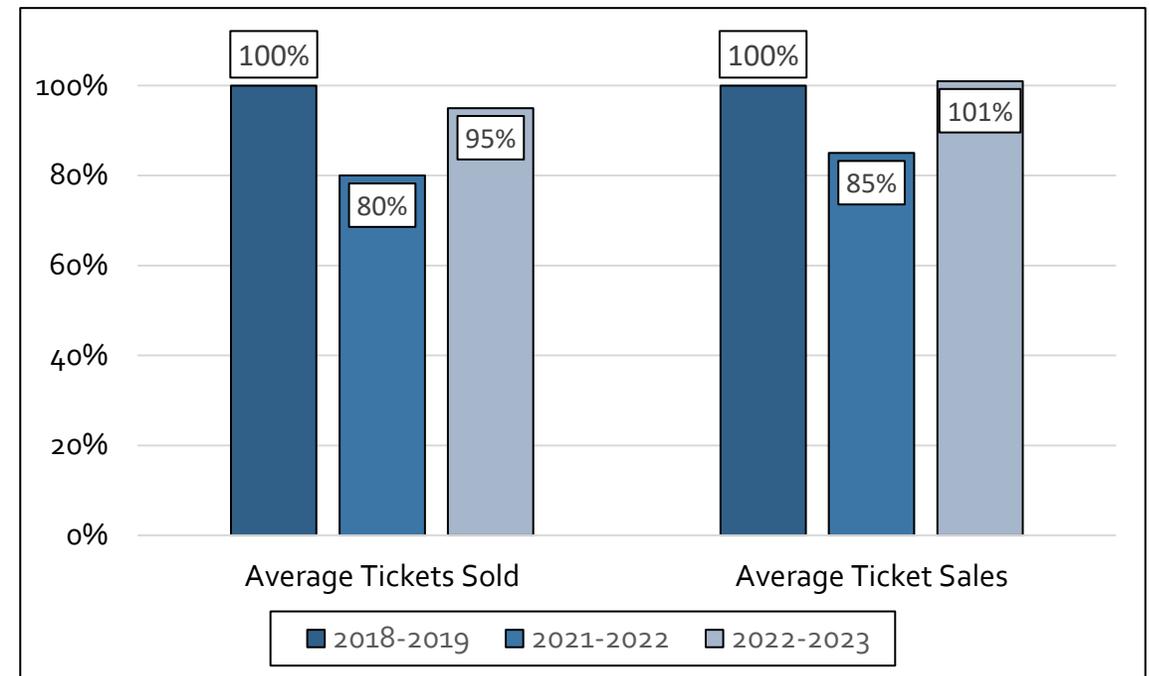
# Trends – Performing Arts Industry (cont'd)

JCA Arts Marketing, a non-profit research and consulting firm, released a 2023 study that provides insights into the post-pandemic performance and recovery of performing arts venues across the country. The scope of the study included data from 21 performing arts venues throughout the country over the period of 2018 through 2023, representing over 11,000 performances and nearly 8 million tickets sold. Venue names were not provided in the study to maintain anonymity. The overall number of performances, tickets sold and gross ticket sales for the venues analyzed as percentage of pre-pandemic levels (i.e., 2018-2019) have yet to fully recover but do show a clear upward trend. On a per performance basis however, the average tickets sold has begun to approach pre-pandemic levels while average ticket sales are slightly higher. These trends are illustrated in the charts below.

**Overall Ticketing Trends**  
Select U.S. Performing Arts Venues



**Ticketing Trends on a Per Performance Basis**  
Select U.S. Performing Arts Venues



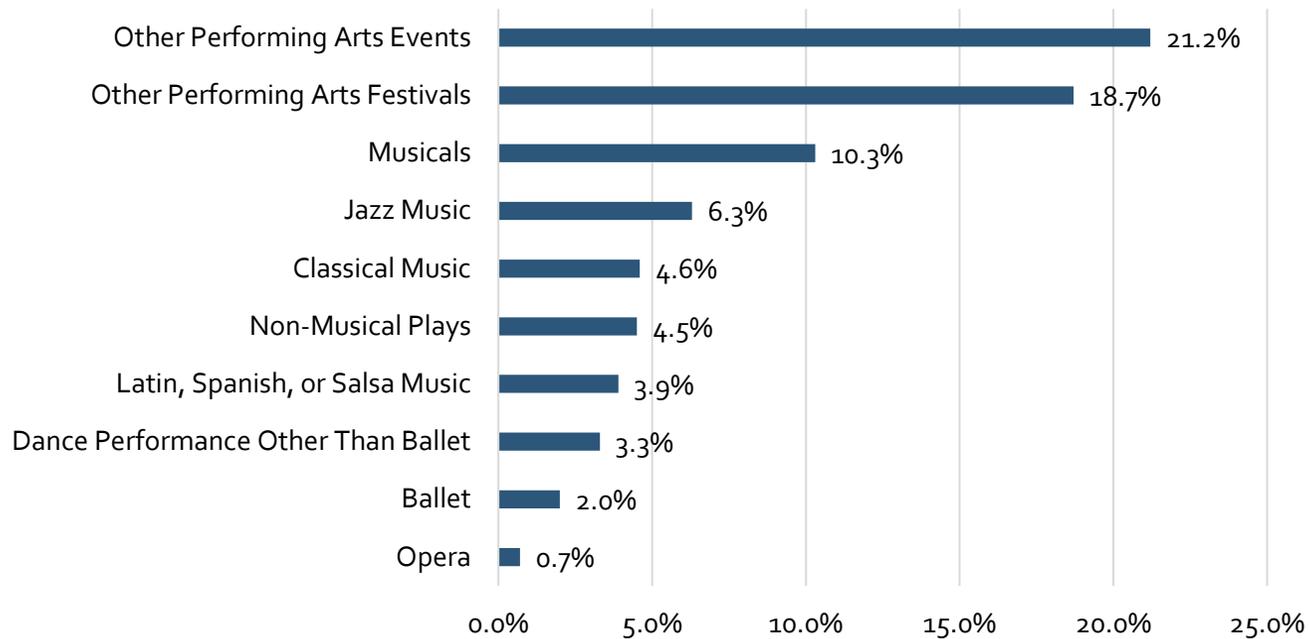
Note: The charts above reflect 2021-22 and 2022-23 performances as a percentage of 2018-19.

Source: JCA Arts Marketing.

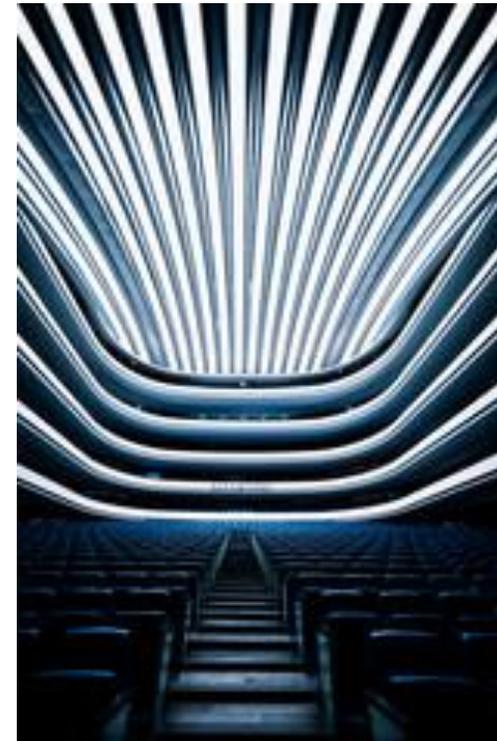
# Trends – Performing Arts Industry (cont'd)

Participation rates in performing arts events drive demand for performing arts venues and can also help facilities with programming considerations to maximize attendance and support financial sustainability, while at the same time balancing community needs. The National Endowment for the Arts (“NEA”), an independent federal agency that is the largest funder of the arts and arts education in communities nationwide and a catalyst of public and private support for the arts, researches and reports on participation rates and the demographics of those attending performing arts events. Based on NEA research, just under half (48%) of U.S. adults attended some type of performing arts event in person during 2022. The highest level of participation in 2022 was for Other Performing Arts Events (21.2%) and Other Performing Arts Festivals (18.7%), both of which consist largely of concerts and musical performances not covered in the other categories of their survey. These were followed by Musicals (10.3%) and Jazz Music (6.3%), while Ballet and Opera performances had the lowest participation rates.

**Percentage of Adults in U.S. That Attended Performing Arts Events (by Type) - 2022**



Source: Office of Research & Analysis and National Endowment for the Arts.



# Trends – Performing Arts Industry (cont'd)

The adjacent table depicts a demographic profile for participation in different performing arts events, based on research conducted by the NEA.

As previously presented, the Annapolis/Anne Arundel County market has a more diverse population than the U.S., which could lead to certain types of events having greater appeal within the market. Additionally, higher levels of educational attainment for those comprising the local and regional market compared to national averages bodes well in generating appeal across virtually all performing arts event types. Similarly, and while not included in the NEA research, there is a strong correlation between participation rates for performing arts events and income levels. As previously presented, median household income levels in the Annapolis/Anne Arundel County market are measurably higher than State and National Averages.

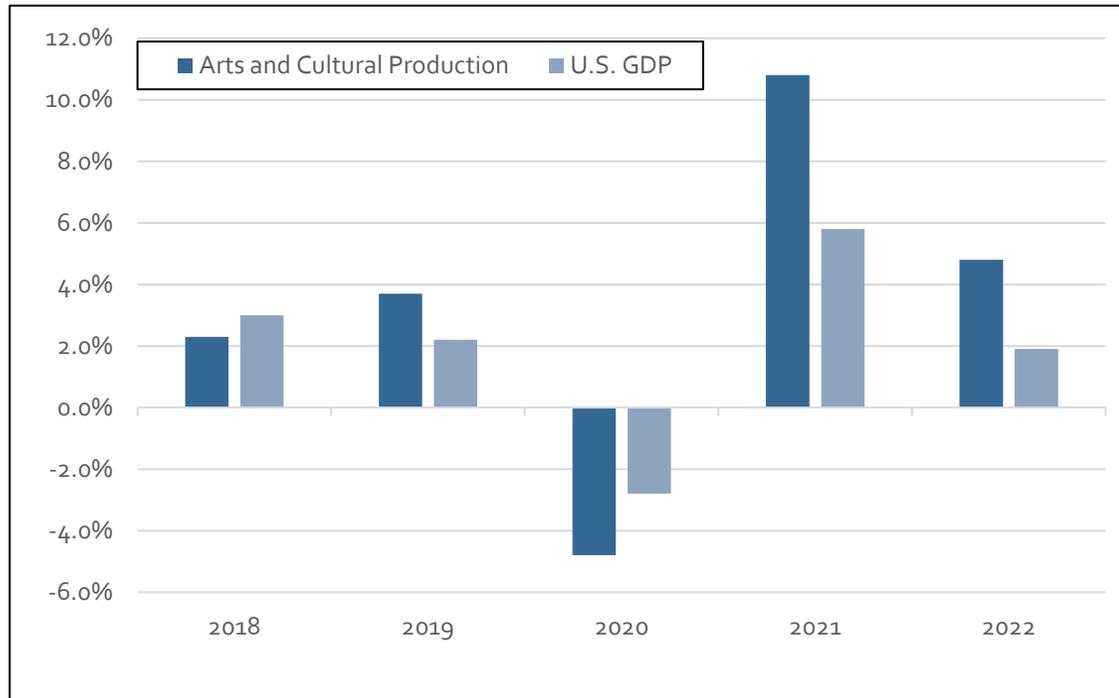
Demographic Profile of Performing Arts Events Attendance by U.S. Adults - 2022										
Metric	Jazz Music	Latin, Spanish, or Salsa Music	Classical Music	Opera	Musicals	Non-Musical Plays	Ballet	Dance Performance Other Than Ballet	Other Performing Arts Events	Other Performing Arts Festivals
<b>Gender</b>										
Male	47.4%	46.1%	42.1%	48.6%	42.6%	42.0%	29.6%	41.7%	47.1%	45.7%
Female	52.6%	53.9%	57.9%	51.4%	57.4%	58.0%	70.4%	58.3%	52.9%	54.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Race/ethnicity</b>										
Hispanic	11.5%	55.6%	8.3%	24.5%	8.5%	10.8%	10.5%	15.0%	11.5%	12.1%
White	66.6%	33.8%	74.2%	48.0%	77.4%	71.2%	65.9%	70.5%	73.4%	69.4%
African American	16.8%	7.8%	9.1%	15.4%	7.6%	13.5%	11.5%	9.0%	8.8%	10.0%
Asian	1.7%	2.8%	6.7%	12.1%	5.1%	2.4%	8.5%	4.1%	3.0%	3.9%
Other	3.4%	0.1%	1.7%	0.0%	1.3%	2.1%	3.6%	1.4%	3.4%	4.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Age</b>										
18-24	10.6%	11.9%	11.2%	3.3%	11.7%	6.8%	8.8%	5.2%	12.8%	13.4%
25-34	22.9%	25.0%	18.3%	20.0%	20.9%	19.8%	27.3%	19.5%	22.5%	25.3%
35-44	18.8%	19.1%	20.7%	14.6%	16.6%	22.6%	23.1%	30.2%	20.5%	20.8%
45-54	14.2%	19.8%	16.2%	9.0%	17.7%	15.1%	14.3%	12.9%	18.0%	17.7%
55-64	15.0%	15.3%	11.8%	19.1%	14.3%	13.8%	15.1%	16.6%	13.9%	9.6%
65-74	14.4%	6.9%	14.7%	21.1%	12.4%	15.2%	9.5%	9.7%	9.0%	9.2%
75+	4.0%	2.1%	7.1%	12.8%	6.4%	6.6%	1.8%	5.9%	3.4%	4.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Highest level of education</b>										
Grade school	0.6%	3.5%	0.0%	3.1%	0.0%	1.2%	0.7%	3.7%	0.6%	1.1%
Some high school	0.5%	1.8%	0.4%	0.0%	1.1%	0.8%	0.0%	1.1%	1.0%	2.4%
High school diploma	13.9%	26.9%	11.3%	8.3%	12.9%	10.2%	17.9%	15.2%	21.1%	17.0%
Some college	27.5%	29.9%	18.1%	11.6%	24.1%	23.7%	13.9%	22.4%	32.3%	27.0%
Bachelor's degree	33.5%	21.1%	37.7%	28.6%	36.7%	36.5%	41.1%	33.4%	25.2%	32.2%
Graduate or professional degree	24.1%	16.7%	32.6%	48.4%	25.3%	27.7%	26.4%	24.2%	19.8%	20.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Office of Research & Analysis and National Endowment for the Arts.

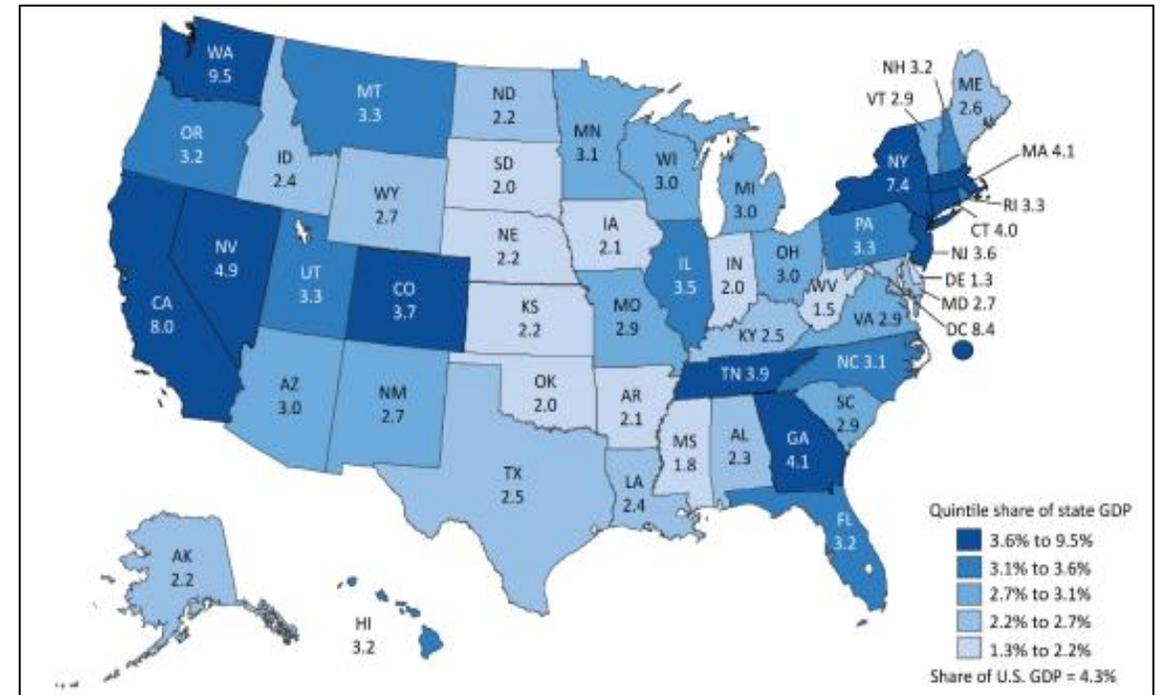
# Trends – Performing Arts Industry (cont'd)

The economic activity of an industry can serve as an indicator of its relative health and size. Real (inflation-adjusted) value added economic activity for arts and cultural production industries in the U.S., which include performing arts, museums, design services, fine arts education, and education services, as reported by the U.S. Bureau of Economic Analysis increased by nearly 5% in 2022 after increasing nearly 11% in 2021. By comparison, the broader economy as measured by real gross domestic product (GDP), increased at a much lower rate in those years. In the years prior, the economic activity for arts and cultural production industries in the U.S. displayed a growth rate that closely aligned with that of GDP. Nationally, valued added economic activity for arts and cultural production industries represented 4.3% of GDP in 2022. The share for individual states ranged from a low of 1.3% in Delaware to a high of 9.5% in Washington, with most states ranging from approximately 2% to 5% and Maryland falling within that range at 2.7%. These trends are illustrated in the chart and map below.

**Real Value Added for Arts and Cultural Production Compared with U.S. GDP**



**Arts and Cultural Value Added: Share of State GDP, 2022**



# Trends – Performing Arts Industry (cont'd)

A variety of other industry publications and research organizations regularly report on key trends and the outlook of the performing arts industry. These include IBISWorld, The RAND Corporation, VenuesNow, the Advisory Board for the Arts, Arts Link, American Association of Community Theatre, and various university-affiliated publications, among others. Several common themes have emerged from these sources and our own industry experience, which are highlighted below.

- A focus on diversity, equity, inclusion and access initiatives, particularly as it relates to organizations' internal board and staff structures and practices.
- Prioritizing talent management in the face of workforce challenges to manage staff retention, work/life balance and recruitment initiatives.
- With declining subscription/membership sales for events coming out of the pandemic, organizations are exploring other loyalty programs to promote sales.
- Developing new approaches and a greater emphasis on fundraising in the face of rising costs and reductions in donor bases.
- Digital is here to stay. While a necessity during the pandemic, live streaming and other digital content remain popular and provide the industry a means to reach larger audiences and expand presence.
- Many arts leaders are investing in efficiency through technology.
- Technology is also having far-reaching impacts on venue design. Examples include the ability to enhance sound and visual systems through wireless and other digital capabilities and the growth and affordability of virtual/augmented reality experiences.
- Arts organizations are seeking new ways to be relevant to their local communities, which is also reflective in design trends with modern facilities offering more diverse/multi-use spaces.
- Increasingly, venues are looking to offer more flexible seating and staging as well as more premium seating and other upscale amenities and experiences for its patrons to help drive revenues.
- Many small and mid-scale theaters have emerged in recent years to satisfy market niches and appeal to local consumers.
- While the COVID-19 pandemic significantly disrupted live performances when theaters nationwide were forced to close and/or significantly reduce capacity for extended periods of time, the industry has significantly rebounded and is expected to continue an upward trend.
- Industry revenues for live performance theaters in the U.S. is expected to grow moderately at an annual growth rate of approximately 1.5% through 2028, according to IBISWorld, a leading provider of research on industries worldwide.

# Trends – Performing Arts Industry: Key Takeaways

- The industry has experienced significant growth in ticket sales over the past decade, fueled by growth in ticket prices which have outpaced the Consumer Price Index.
- Despite significant impacts from the Covid-19 pandemic, the industry has rebounded with performance approaching pre-pandemic levels and the outlook is positive.
- The industry's impact on local and regional economies and communities is far reaching and the growth in economic activity of the industry has exceeded that of GDP in recent years.
- Demographics of the market in which the proposed Center would operate compare favorably to those that align with higher participation rates in attending performing arts events nationally.
- Venue operators have increasingly sought to generate revenues through expanded offerings and are currently faced with an array of challenges and opportunities spanning human capital, technology, emerging design trends and consumer preferences.



# Trends – Conference/Meeting Industry

The PCMA recently released the 2023 Global Economic Significance of Business Events Study, which analyzes the economic importance of the business events industry in 2019. The study defines business events as conventions, conferences, tradeshows, business meetings, and other similar events. According to the study, six billion people participated in business events across 180 countries. These events supported a total economic impact of \$2.8 trillion in business sales, 27.5 million jobs, and \$1.6 trillion of GDP.



Source: Events Industry Council & Oxford Economics.

As a result of COVID-19, the study estimates that from 2020 through 2022 a total of \$1.9 trillion was lost in business sales which resulted in the loss of 5.8 million jobs annually during the three-year period. In 2022, global business events activity recovered, but remained 20% below 2019 levels in terms of spending.

The study also analyzed the role business events serve in the sharing of knowledge, innovation and engagement via a survey of 1,648 event organizers. Findings included:

- 41% agreed that events will become increasingly important in building culture and engagement
- 36% stated events will be used more to advance growth of employees
- 40% stated events will be using more hybrid formats in the future
- Nearly 70% view building relationships through in-person interaction as the most difficult aspect of events to replace online

# Trends – Conference/Meeting Industry (cont'd)

The conference/meetings industry is generally comprised of several types of events with varying space requirements. The following table provides a definition of each event type, typical space requirements and typical attendee origin.

Key Event Type Attributes			
Event Type	General Event Definition	Space Requirements	Attendee Origin
Conventions	Associations, professional groups and membership organizations meeting to exchange information and, in some instances, sell products	Exhibit space, meeting rooms and ballroom	Primarily non-local
Conferences	Associations, professional groups, membership organizations, educational institutions and private companies meeting to exchange information or to conduct training sessions	Meeting rooms and ballroom	Can be non-local or local
Tradeshows	Associations, professional groups, membership organizations and private groups meeting for business-to-business sales	Exhibit space, meeting rooms	Can be non-local or local
Consumer/Public Shows	Public, ticketed events to market and sell goods and services to consumers	Exhibit space	Primarily local
Assemblies	Large groups that tend to be social, military, educational, religious, fraternal or ethnic in nature to exchange information	Exhibit space or areas with fixed seating	Can be non-local or local
Meetings	Corporate meetings, training seminars, etc. to exchange information, obtain training and other similar functions	Meeting rooms and ballroom	Primarily local
Banquets/Receptions	Banquets, receptions, birthday parties, weddings, corporate awards ceremonies, social functions, etc.	Ballroom	Primarily local

# Trends – Conference/Meeting Industry (cont'd)

The 2024 CEIR Index Report was developed to provide an objective measure of the annual performance of the business-to-business exhibitions industry in the U.S. as well as an outlook of the industry as a whole. The report measures year-over-year changes in four metrics including: net square feet (NSF) of exhibit space sold, professional attendance, number of exhibiting companies, and total event gross revenue. The metrics were calculated from a sample of exhibitions in the U.S., which were divided into 14 industry sectors. The year-over-year changes were then translated into actual market size estimates as well as an “index value”. The base year for the CEIR index is 2019, which represents pre-COVID-19 performance. Therefore, the index value for each metric in 2019 equals 100.

The adjacent tables summarize the CEIR Index for each metric as well as the year-over-year percent change from 2019 through forecasted 2026. As shown, the index for each metric significantly declined in 2020 due to COVID-19. Despite slight growth, COVID-19 continued to impact performance in 2021. In 2022, the index for each metric experienced a significant rebound, and recovery continued throughout 2023. The total index in 2024 is forecasted to increase by 8.5% year-over-year but remain 3.5% below 2019. Full recovery is expected to occur in 2026, when the total index is forecasted to exceed 2019 by 2.7%.

Macroeconomic conditions are expected to be generally favorable to the exhibition industry during the forecasted period, albeit with softer growth. The outlook for the economy is positive, influenced by a strong labor market, a deceleration in inflation and looser financial conditions. The exhibition industry is expected to gain from the momentum of increased face-to-face participation, and decreased cancellation rates.

CEIR Index (2019 = 100)								
Metric	2019	2020	2021	2022	2023	2024 <sup>(f)</sup>	2025 <sup>(f)</sup>	2026 <sup>(f)</sup>
Net SF	100.0	22.0	33.8	77.1	93.0	98.4	102.3	105.5
Exhibitors	100.0	21.7	35.3	74.0	89.3	98.1	99.7	102.9
Attendees	100.0	20.8	33.8	71.6	85.8	94.6	96.0	99.8
Real Revenues	100.0	21.5	35.1	75.0	88.0	95.0	99.1	102.6
Total	100.0	21.5	35.0	74.4	89.0	96.5	99.2	102.7

Note: (f) = Forecast.

Source: CEIR 2024 Index Report.

Year-On-Year Percent Change of the Metrics and CEIR Index								
Metric	2019	2020	2021	2022	2023	2024 <sup>(f)</sup>	2025 <sup>(f)</sup>	2026 <sup>(f)</sup>
Net SF	-0.2%	-78.0%	53.6%	127.9%	20.6%	5.8%	4.0%	3.1%
Exhibitors	-0.7%	-78.3%	62.5%	109.8%	20.7%	9.8%	1.7%	3.2%
Attendees	1.5%	-79.2%	62.5%	112.0%	19.8%	10.3%	1.4%	3.9%
Real Revenues	1.8%	-78.5%	63.1%	113.7%	17.3%	8.0%	4.3%	3.6%
Total	0.6%	-78.5%	62.9%	112.4%	19.6%	8.5%	2.8%	3.5%

Notes: (f) = Forecast.

Source: CEIR 2024 Index Report.

# Trends – Conference/Meeting Industry (cont'd)

CEIR also tracks the exhibition industry by sector. The adjacent tables summarize the overall CEIR index by sector as well as the year-over-year change. As expected, every sector had a significant decline in 2020. In 2023, the index for the transportation and financial, legal and real estate sectors exceeded the 2019 index, while the consumer goods and retail trade sector was the slowest to recover. In general, all of the sectors performed better in 2023 than in 2022, with exception of the discretionary consumer goods and services sector, which experienced a slight decline.

Based on CEIR's forecast, the transportation; education; and financial, legal and real estate sectors are anticipated to surpass the 2019 index in 2024, while multiple other sectors are expected to be only slightly lower. Slightly over half of the sectors are forecasted to exceed 2019 performance in 2025. In 2026, nearly 80% of the sectors are forecasted to exceed 2019 performance.

The top five strongest sectors in the future are expected to be transportation; education; financial, legal and real estate; and building, construction home and repair; and communications and information technology. The slowest sectors to recover include consumer good and retail trade; sports goods, travel and amusement; and raw materials and science.

CEIR Index by Sector - CEIR Index								
Sector	2019	2020	2021	2022	2023	2024 (f)	2025 (f)	2026 (f)
Transportation	100.0	19.0	41.2	87.3	112.2	109.6	113.2	117.6
Education	100.0	18.1	24.6	83.1	91.7	100.4	103.6	107.7
Financial, Legal and Real Estate	100.0	15.9	46.3	86.0	100.6	100.3	102.8	106.4
Building, Construction, Home and Repair	100.0	29.4	44.3	75.6	91.8	99.7	102.7	106.5
Communications and Information Technology	100.0	15.8	24.7	58.4	76.7	99.3	101.9	105.9
Food	100.0	20.6	26.2	80.6	81.5	97.8	101.2	105.0
Machinery and Finished Business Inputs	100.0	23.8	43.9	76.4	98.1	97.5	100.2	103.9
Business Services	100.0	16.4	39.5	70.2	87.7	97.5	100.2	103.6
Medical and Health Care	100.0	16.2	23.6	75.3	87.2	97.4	99.9	103.3
Government	100.0	14.3	38.8	81.4	88.6	96.3	98.8	102.3
Discretionary Consumer Goods and Services	100.0	22.4	52.3	85.7	81.9	93.7	96.6	100.2
Raw Materials and Science	100.0	23.9	41.2	80.7	95.0	92.4	94.4	97.1
Sports Goods, Travel and Amusement	100.0	28.0	34.4	65.2	90.1	91.6	95.1	98.9
Consumer Goods and Retail Trade	100.0	34.4	36.7	59.1	73.4	80.6	81.9	83.9
<b>Overall Exhibition Industry</b>	<b>100.0</b>	<b>21.5</b>	<b>35.0</b>	<b>74.4</b>	<b>89.0</b>	<b>96.5</b>	<b>99.2</b>	<b>102.7</b>

CEIR Index by Sector - Year-Over-Year Percent Change								
Sector	2019	2020	2021	2022	2023	2024 (f)	2025 (f)	2026 (f)
Transportation	0.0%	-81.0%	116.9%	111.9%	28.4%	-2.2%	3.2%	3.9%
Education	-1.1%	-81.9%	36.1%	237.1%	10.3%	9.5%	3.2%	3.9%
Financial, Legal and Real Estate	-3.7%	-84.1%	192.1%	85.5%	17.0%	-0.3%	2.5%	3.5%
Building, Construction, Home and Repair	1.4%	-70.6%	50.7%	70.5%	21.4%	8.7%	3.0%	3.7%
Communications and Information Technology	0.8%	-84.2%	55.9%	136.6%	31.3%	29.4%	2.6%	3.5%
Food	3.3%	-79.4%	26.9%	208.0%	1.1%	20.0%	3.5%	3.7%
Machinery and Finished Business Inputs	6.2%	-76.2%	84.8%	73.9%	28.4%	-0.6%	2.8%	3.7%
Business Services	1.6%	-83.6%	140.6%	77.7%	24.9%	11.1%	2.8%	3.4%
Medical and Health Care	1.3%	-83.8%	45.6%	218.5%	15.9%	11.6%	2.6%	3.4%
Government	1.8%	-85.7%	171.1%	109.7%	8.7%	8.7%	2.7%	3.5%
Discretionary Consumer Goods and Services	2.1%	-77.6%	132.9%	64.0%	-4.4%	14.4%	3.1%	3.7%
Raw Materials and Science	-1.5%	-76.1%	72.8%	95.6%	17.7%	-2.7%	2.1%	2.9%
Sports Goods, Travel and Amusement	0.6%	-72.0%	22.8%	89.7%	38.2%	1.7%	3.8%	4%
Consumer Goods and Retail Trade	0.0%	-65.6%	6.6%	61.0%	24.2%	9.8%	1.7%	2.4%
<b>Overall Exhibition Industry</b>	<b>0.6%</b>	<b>-78.5%</b>	<b>62.9%</b>	<b>112.4%</b>	<b>19.6%</b>	<b>8.5%</b>	<b>2.8%</b>	<b>3.5%</b>

Notes: CEIR Index is sorted in descending order by 2024.

f denotes forecasted.

Source: CEIR 2024 Index Report.

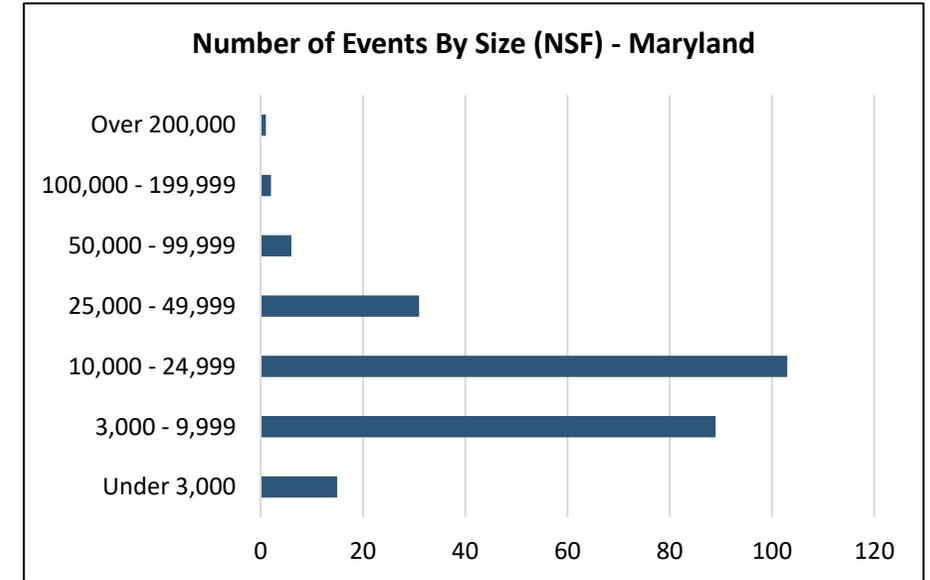
# Trends – Conference/Meeting Industry (cont'd)

CEIR's latest census report catalogued approximately 9,570 business-to-business and business-to-consumer exhibitions in the U.S. in 14 industry sectors. These events comprised 248.3 million net SF and attracted 32.5 million attendees. These broader metrics illustrate the breadth of the industry including the universe of events that represent a target market for the proposed new Center.

According to the CEIR Exhibition Industry Census 2023, a total of 247 events were held in Maryland, which ranked 14th in the U.S. The medical and health care; education; government and financial, legal and real estate sectors accounted for the highest percentage of industry events in Maryland. Approximately 42% of the events held in Maryland utilized between 10,000 and 49,999 NSF.

Number of Events by Sector				
Sector	Maryland		U.S.	
	# of Events	% of Total	# of Events	% of Total
Medical and Health Care	97	39%	2,035	21%
Education	24	10%	1,063	11%
Government	24	10%	472	5%
Financial, Legal and Real Estate	22	9%	723	8%
Communications and Information Technology	17	7%	919	10%
Business Services	13	5%	872	9%
Building, Construction, Home & Repair	10	4%	403	4%
Food	9	4%	377	4%
Raw Materials and Science	9	4%	786	8%
Discretionary Consumer Goods and Services	8	3%	416	4%
Transportation	5	2%	390	4%
Sporting Goods, Travel and Amusement	4	2%	432	5%
Industrial/Heavy Machinery and Finished Business Inputs	3	1%	221	2%
Consumer Goods and Retail Trade	2	1%	457	5%
<b>Total</b>	<b>247</b>	<b>100%</b>	<b>9,566</b>	<b>100%</b>

Source: CEIR.



# Trends – Conference/Meeting Industry (cont'd)

By many industry measures, the meetings industry is on course to continue its path towards full recovery. The International Association of Conference Centers (IACC) is an industry leader committed to driving innovative and exceptional meeting experiences to all organizations. Since 2016, IACC has published a “Meeting Room of the Future” report that aggregates input from its members, meeting planners, and industry experts. Its most recent iteration published in June of 2023 provides insights, new topics, and priorities relevant in venue and destination selection that have emerged since 2019 and the advent of the COVID-19 pandemic in 2020 and represents insights from over 250 meeting planners and leading hotel and conference venue operators.

Key insights from ICC's 2023 report include:

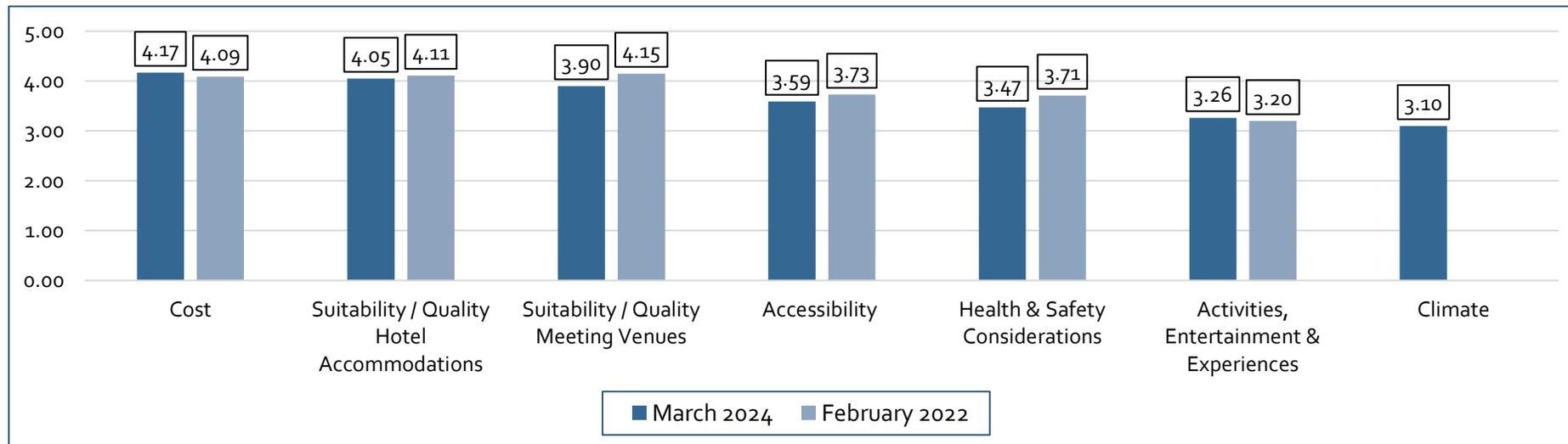
- The ongoing importance of “experience” creation in meetings and events. Attendees seek connection, meaningful travel and local and authentic experiences given the increase in remote work.
- Creative spaces continue to be sought after as they emphasize the importance of “experience” and memorable alternatives to traditional venues and theaters.
- Generally, there is more importance on the notion that events must be worth attending and making the trip in-person.
- Venue flexibility is a major factor in site selection and the adaptability of spaces to meeting planners’ needs is a top priority.
- Technology is projected to rapidly evolve to adapt to changing demands including meeting hybrid capabilities, live interaction between audiences and speakers, and upgraded AV offerings.
- The survey reported that the most important venue elements were location and access, flexibility of meeting space and the food and beverage offering, respectively.
- Relative to design of physical spaces, planners are seeking larger spaces and access to outdoor spaces, to spread out and creatively utilize venues.
- Food & beverage is a key part of the meeting design and experience.
- Availability of high-quality internet ranked as the most important service.
- Major branded venues are generally viewed as providing better technology options while smaller and independent venues are associated with greater flexibility and creativity.
- Educational content of a meeting and the opportunity to connect and network with peers continue to track as the two greatest priorities for meeting attendees followed by venue physical characteristics.

# Trends – Conference/Meeting Industry (cont'd)

The Northstar/Cvent Meeting Industry PULSE Survey completed in March 2024 reports that approximately 65% of North American meeting planners responded that face-to-face meetings have become more valuable to their stakeholders compared to prior to the pandemic. Most planners consider networking and education the two most important factors driving demand for face-to-face meetings. The higher costs of goods and services remain the biggest concern for future in-person meetings followed by budget constraints, hotel/venue service levels, and hotel/venue availability.

A recent report produced by Northstar Meetings Group focused on understanding planners' top considerations when choosing the ideal destinations for their meetings and events. Survey respondents represented a mix of meeting and event planner types representing independent-third parties (40%), in-house corporate direct (32%), associations (22%), and incentive (2%) among others. As shown in the chart below, cost is the most important factor in planners' destination selection process followed by the suitable/quality hotels and meeting venues. As a point of reference, cost was the only factor that increased significantly compared to two years ago followed by a slight increase in the importance of attendee experiences.

**Important of Destination Characteristics in Site Selection Process**  
Rank (1 = least important, 5 = most important)



Note: There were 408 planner responses in March 2024 and 472 in February 2022.

Source: First Look Research Report entitled "Site-Selection Priorities: 2024 and Beyond".

# Trends – Conference/Meeting Industry (cont'd)

Access Intelligence completed an Event Industry Outlook report for the 4<sup>th</sup> quarter of 2023 that provided insights from surveys with feedback and data that are relevant to this study effort. The survey polled event producers and meeting planners to obtain their perspective on an industry rebound and outlook and received 180 responses. Most of the respondents' organizations were associations with conventions, conferences, meetings (24%), for-profit exhibition/conference organizers (21%), corporate meeting planners and event marketing agencies each represented 17% of event producer survey respondents. Approximately 34% of event producer respondents managed 1 to 5 events in 2023; 30% hosted 6 to 10 events; 11% hosted 11 to 25 and 25% plan to host 26+ events. Just over one-quarter of event producer respondents (27%) have under 1,000 attendees at their key events.

The following are key insights from this survey:

- Attendance recovery industry-wide continues but has still not reached 100% compared to 2019.
- The industry growth outlook is good to very good. A total of 73% of event producers and meeting planners say they are “very confident” or “confident” that the industry will experience moderate to strong growth over the next few years.
- The top three growth strategies are to continue to grow organically, pursue partnerships, and launch new events with exhibits in currently served markets.
- Inflation remains the top risk to growth for most event producers and meeting planners followed by overall economic strength. In addition, nearly half of event management professionals cited exhibitors/sponsors questioning ROI and hotel availability/pricing as key risks to growth.
- In terms of event technology investments, half or more event groups are prioritizing digital media and marketing, attendee data collection and analysis, and upgrading/enhancing websites.
- When asked how attendees are changing, more than three-quarters (75%) responded that attendees continue to register later and more than one-half noted that it is harder to reach and communicate with attendees with marketing messaging.
- Event management professionals' top hotel issues are high room rates, hotel staffing issues, and higher F&B requirements to secure room blocks.
- Hotel room night rebates are more important than incentives/reductions in convention center space fees.

# Trends – Conference/Meeting Industry: Key Takeaways

- The conference/meeting industry drives significant economic impact. A recent study released by PCMA states six billion people participated in business events across 180 counties. These events supported a total economic impact of \$2.8 trillion in business sales, 27.5 million jobs, and \$1.6 trillion of GDP.
- The industry was negatively impacted by COVID-19 but has nearly recovered to 2019 performance levels; the industry outlook is good, and a full recovery is expected in 2026.
- The importance of networking and educating has driven higher value for face-to-face meetings.
- High costs of goods and services remain the biggest concern for future in-person meetings followed by budget constraints, hotel/venue service levels, and hotel/venue availability.
- Venue flexibility, technology, location/access, food & beverage offerings, costs, hotel supply and the overall attendee experience are critical factors for event planners when deciding where to host their events.
- The medical and health care; education; government and financial, legal and real estate industry sectors have accounted for the highest percentage of industry events in Maryland.



# 4. Market Outreach



# Market Outreach

As previously mentioned, multiple studies have been conducted for this project which have included extensive conversations with stakeholders as well as surveys of the community and users. As part of this study effort, we reviewed and summarized recent market outreach findings prepared by AMS as part of a recent previous study effort completed in August 2022; obtained direct feedback from interviews of community stakeholders, potential users, booking agents, promoters, and venue managers; and retained Access Intelligence to conduct a survey of meeting/event planners.

The focus of the feedback obtained as part of this study depended on the specific event/organization represented by the stakeholder. Topics included their perspective on the strengths, challenges, and opportunities associated with development and ongoing operations of the proposed Center; adequacy of existing facilities in Annapolis/Anne Arundel County; supply/demand factors; potential unmet market demand; building program and destination attribute requirements impacting their decision where to host their event(s); and the likelihood of them hosting their event(s) at the proposed Center. The feedback obtained as part of the market research is intended to augment prior outreach as well as provide more insights into the conference/meetings market.



# Market Outreach - Previous Study Effort

As part of a previous study effort completed in August 2022 for the proposed new Center, AMS conducted a user needs survey and a community survey. The following provides high-level findings from the survey of potential users.

## Summary of Potential Users Survey (42 respondents)

- Most respondents were performing arts producers and presenters.
- 45% of respondents use other venues in the County; most frequently used venues include Maryland Hall, Rams Head Tavern, Anne Arundel Community College, Cape S. Clair Community Clubhouse and St. John's College.
- Most respondents either use venues infrequently (2 days or less per year) or frequently (10+ days per year).
- Rams Head and the Annapolis Symphony Orchestra represent significant potential users.
- Many respondents were dissatisfied with stage capabilities and venue amenities in the region.
- Respondents expressed the needs for an appropriate, affordable venue to host their rehearsals and performances.
- 48% of respondents indicated an interest in using the proposed new Center if it met their needs; of these:
  - 45% indicated they would expand their existing programming
  - 30% indicated they would relocate existing program to the new venue
  - 25% indicated they would develop new programming
  - Most users would use a fixed proscenium and rehearsal spaces
  - In general, respondents expressed limited demand for a black box
- Respondents ranked affordability of space rental; date availability; digital, Wi-Fi and IT capabilities; space for performers, artists or participants; and access to sound system, respectively, as critical factors in their organization's decision whether to rent the proposed new Center.
- Among all respondents, there was a strong need for rehearsal space and a low threshold for rental rates while frequent users that accounted for the bulk of activity were willing to pay higher rental rates (inclusive of fees, labor, and equipment) for performances/event days.
- Those who indicated that they would not use the proposed new Center cited the following reasons:
  - They already have available and accessible space
  - Scale of their events does not match the planned venues
  - No interest in programming in the region
  - Planned venue is too far away
  - Park Place is not the appropriate location
  - Plans cannot support professional theatrical production

# Market Outreach - Previous Study Effort (cont'd)

The following provides high-level findings from the community survey conducted by AMS in 2022. The survey indicated that 89% of respondents support the idea of a new venue with both performing arts and conferencing capabilities in Annapolis and that it should provide access to local artists and be financially independent. Respondents also indicated that this type of facility would increase tourism and elevate Annapolis' reputation in the region.

## Summary of Community Survey

### Arts & Entertainment Demand

- 70% of respondents said they were "interested" or "extremely interested" in performances and entertainment events.
- 47% of those familiar with arts and culture perceive that the region is well-supplied with arts content.
- The genre of greatest interest included comedy, movie/film, musical theatre, and visual arts galleries/museums, respectively. As one would expect, musical theatre and mainstream concerts have the highest expected price points.
- As it relates to attendance at live events, convenience, price and content are the most dominant factors, even more so than the price of tickets.
- Respondents expressed strong desire for a flexible theater along with other amenities such as a rooftop restaurant, visual arts gallery space, etc.
- 24% indicated that the Park Place site was the best site for the facility; 32% responded "Maybe" and 40% did not know.
- 80% feel that the Center should serve as a resource for local artists.

### Conferencing and Events Demand

- 75% of respondents believe that a conference facility will have a positive economic impact on Annapolis.
- 60% believe that increased space for conferencing and events is needed.
- More than 70% of respondents believe that the venue would benefit from tourism and the region's reputation.
- Overall, 89% of respondents supported the idea of a new venue with both performing arts and conferencing capabilities in Annapolis if it supported local artists and had a positive economic impact on Annapolis.
- Flexibility, character, technology, usable space are considered important factors as well as hotels within walking distance and overall destination appeal.

# Market Outreach - Interviews

Multiple public and private sector entities have an active interest in the future development of the proposed new Center in Annapolis. As part of this study effort, Crossroads conducted direct interviews with community stakeholders, potential users, booking agents, promoters, and venue managers representing various organizations including, but not limited to, the following.

- Visit Annapolis Anne Arundel County
- Anne Arundel Arts Council
- City of Annapolis
- Anne Arundel County
- Anne Arundel County Economic Development Office
- Maryland Sports Commission
- Maryland Tourism Coalition
- MC3
- OTJ Architects
- Maryland Hall
- Live! Casino Hotel Maryland
- Chesapeake Arts Center
- Annapolis Symphony Orchestra
- Ballet Theater of Maryland
- Annapolis Opera
- Annapolis Film Fest
- Live Arts Maryland
- Rams Head Group
- Live Nation
- AEG Presents
- Broadway Across America
- Westin Annapolis
- Graduate Annapolis
- U.S. Naval Academy Business Services Division
- U.S. Naval Academy Alumni Association
- The Booking Group
- Alliance Artist Management
- Broadway & Beyond Theatricals
- Broadway Booking Office
- Brad Simon Organization
- The Bowery Presents

The following pages summarize the feedback received from these interviews. Comments were categorized into the following categories: Supply, Demand, Programming, Supporting Infrastructure, Operations, and Other.

# Market Outreach – Summary of Feedback from Interviews

## Supply

- There is currently a gap in the local market for conference/meeting space and a modern entertainment/performing arts venue.
- Maryland Hall is Annapolis' primary performing arts venue, but there are challenges associated with its current building program and amenities. Despite this, the venue has limited date availability.
- Meetings, conferences and other business events are primarily served by existing hotels, which can generally accommodate up to 500 attendees. Larger events cannot currently be hosted in Annapolis.
- There is significant competition from regional existing conference/meeting and arts/entertainment venues, including those in Baltimore and Washington D.C. As it relates to performing arts, some booking agents do not see a benefit in routing commercial tours through Annapolis given its proximity to these larger markets. Further, exclusivity/rights of first refusal agreements that are in place with existing venues would prohibit their artists from performing in Annapolis.

## Demand

- Multiple entertainment/performing arts organizations expressed strong interest in booking a new facility if it had the appropriate building program and amenities.
- Annapolis is an attractive market for arts given its affluent population as well as Maryland's Theatrical Production Tax Credit which provides a refundable credit of 25% against Maryland State income tax for production costs such as set design and operation, special and visual effects, wardrobe, etc.
- There is concern related to having enough demand to support a new 1,200-seat arts facility. Some stakeholders suggested a new facility could negatively impact other arts venues in the market. Several organizations stated they would still utilize Maryland Hall if a new facility was developed but would reduce the number of shows. Other stakeholders indicate there is a need for both Maryland Hall and a new facility to accommodate arts for all.
- Resident companies will be key to the proposed facility's success relative to booking performing arts events.
- There is demand for a live entertainment venue with a capacity of between 1,200 and 1,500 that could book multiple genres of music and be attractive to multiple age groups.
- There is strong interest in a new conference/meeting facility in Annapolis. A facility of this type would create the opportunity to bring in events that currently can not be accommodated.
- A multi-use venue of this nature can drive new activities to the market such as dance and cheer events, other sports activities, and music and comedy shows that can assist in the financial viability of the project.
- It is likely that some arts organizations will utilize conference space for ongoing educational series, speaker events, and other miscellaneous activities in addition to performance / theater-based activities.

# Market Outreach – Summary of Feedback from Interviews (cont'd)

## Programming

- Consideration should be given to facility sizing such that it will be complementary and not competitive with existing conference/meeting and arts/entertainment venues in the market.
- Sound barrier issues and separating arts from conference audiences will be an important consideration in planning and design.
- As it relates to the arts, there is a need for:
  - A production kitchen
  - Accessibility for load in and load out
  - Green rooms and dressing rooms
  - Good lighting
  - Large proscenium stage / wings
  - Spring floor
  - Fly systems
  - Staging and storage
  - Administration space
  - Orchestra pit
  - State of the art technical capabilities
  - Pre-function spaces
  - Consistent finishes for seats, curtains, flooring, etc.
  - Ability to host amplified and unamplified music
  - Good acoustics
- Attempting to be everything for everyone may be the reason the project has languished for so long and there may be unrealistic expectations that the two proposed utilizations can co-exist, particularly on the currently designated site. Attempting to utilize a single space for two diverse audiences will be costly, difficult to balance in terms of space programming and amenities and may result in a venue that is not suited to either use. The facility should be designed for the needs of a specific segment.
- The proposed facility will face challenges if the event types are not well-defined. Stage and theater requirements and associated amenities vary significantly for a concert hall versus a theatre.
- Rather than attempting to program both arts and conferences into a single space, reinvest and retrofit Maryland Hall as the County's arts venue and develop the proposed site as conference center.
- Attendees for current cultural performances come as far as 30 to 40 minutes away. A 1,200 to 1,500 seat venue may require a draw from a larger area which may be difficult given the many competitive venues in Baltimore and Washington, D.C.
- Theatres with less than 2,000 seats won't be considered by some popular Broadway/musical tours because shows in venues with lower capacities are not profitable.
- Many people expressed concern related to what would happen to Maryland Hall if a new facility is built, particularly for use by local arts organizations.

# Market Outreach – Summary of Feedback from Interviews (cont'd)

## Supporting Infrastructure

- The proposed site is somewhat constrained relative to footprint/size, traffic and parking. General vehicular circulation and accessibility is also limited.
- There are activities that currently create challenges related to the movement of people such as Navy Football games and other large events. Bringing in additional visitors, especially during these events, would be difficult.
- There is concern related to the supply of committable hotel rooms being able to support a new conference center.
- The development of the proposed facility would spur growth in the Arts & Entertainment District.

## Operations

- A primary goal of a new conference facility should be to accommodate events with 1,000+ attendees that drive additional room nights to hotels and result in incremental new business for the city.
- A primary goal of a new arts venue is to retain local events as well as attract new events that currently cannot be hosted in the market.
- Establishing a professional management team for the proposed facility will be critical to its success.
- If the operator of the proposed facility was to be a non-profit, it may reduce the money that other existing venues and organizations are able to receive through philanthropic giving.
- There could be challenges related to operating a combined arts and conference/meeting facility as these users do not share common needs/requirements.
- Consideration should be given to the rate structure as resident companies and other cultural and arts-based organizations are price sensitive.
- The facility will need to be functional (e.g., easy load-in/load-out), flexible and cost effective to increase and optimize booking of live entertainment acts. The facility also needs to be user-friendly to the artists and crew as that can make the difference relative to booking the facility or not.
- Staffing is an ongoing challenge. Utilizing Union labor could negatively impact profitability.
- The facility needs to be financially sustainable; in general, these facilities are very expensive to operate.

## Other

- Annapolis has a strong reputation for hospitality and tourism and is a desirable destination.
- There is public fatigue associated with this project as there have been multiple studies that have not resulted in forward progress.
- Funding of construction costs and ongoing operations was mentioned as a challenge.

# Market Outreach - Conference/Meeting/Event Planner Survey

Crossroads retained Access Intelligence Research & Consulting to conduct a survey of meeting planners and event organizers to obtain feedback related to their perspectives of the proposed new Center and Annapolis as a destination. Access Intelligence is a leading B2B media and events organization that provides business intelligence and integrated marketing solutions to many key global market sectors. Their product portfolio includes live events, podcasts, video, webinars, e-letters, data and digital products, social media, magazines and e-media solutions amongst others. The Access Intelligence Research & Consulting division provides information, insights and recommendations to the event, venue and marketing industries to help improve business performance. Access Intelligence Research & Consulting has expertise in the following industry sectors: event marketing and corporate events; conventions, exhibitions and conferences; convention centers, venues and hotels; and digital media and marketing.

The survey was conducted in October and November of 2023 and received 38 responses. Survey respondents provided their perspective on building program elements that would be important to include in the proposed new Center; the type, size and frequency of events they would anticipate hosting events at the proposed facility; and Annapolis as an event host destination.

The pages that follow summarize the survey results; some of the statistics may not add to 100% due to multiple choice options or rounding.

Respondents represented a diverse set of event types. Most respondents represented association conventions, conferences, and/or meetings, followed by banquets/fundraisers/receptions/social events, corporate meetings and seminar and training events.

Type of Event Hosted by Survey Respondent	%
Association Conventions, Conferences and/or Meetings	66%
Banquets/Fundraisers/Receptions/Social Events	39%
Corporate Meetings	32%
Seminars and Training Events	32%
Entertainment Events	26%
For-Profit Exhibitions, Trade Shows, Conferences or Independent Shows	21%
Public/Consumer Shows	18%
Corporate Brand Marketing Events	16%
Sports Events	13%
Government	8%
Incentives	8%
SMERF (Social, Military, Education, Religious, Fraternal)	5%
Other	3%

Note: Some survey respondents represent multiple events so percentages will not equal 100%.

# Market Outreach - Conference/Meeting/Event Planner Survey (cont'd)

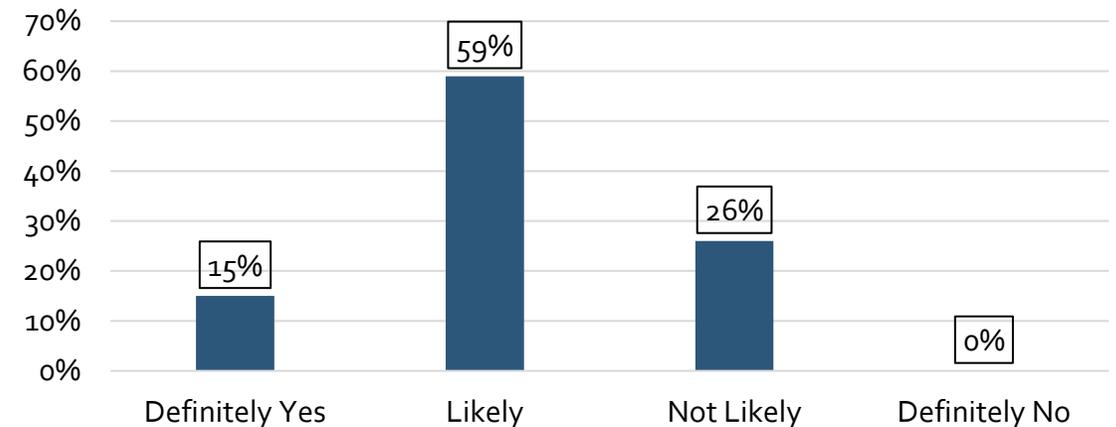
The following table illustrates the respondents' experience either hosting events in Annapolis/Anne Arundel County and Maryland in the past five years or planning to hold an event in the next three to five years.

	Has Held or Plan to Hold Events in Annapolis or Anne Arundel County	Has Held or Plan to Hold Events in Maryland (Besides Annapolis or Anne Arundel County)
Yes, in the last five years	46%	54%
Yes, plan to in the next three to five years	34%	29%
No	40%	40%

Approximately 46% of respondents have hosted events in Annapolis/Anne Arundel County and 54% have hosted events in Maryland (other than Annapolis or Anne Arundel County). More than one-third (34%) of survey respondents indicated that they plan to host an event in Annapolis/Anne Arundel County in the next three to five years while only 29% plan to hold an event in Maryland (other than Annapolis or Anne Arundel County).

When asked how likely survey respondents would be to host their event(s) at the proposed facility in Annapolis if it met their group's ideal needs, 74% responded "Definitely Yes" or "Likely".

**How Likely Would You Be to Host Your Event at the Proposed Facility in Annapolis If It Met Your Group's Needs**

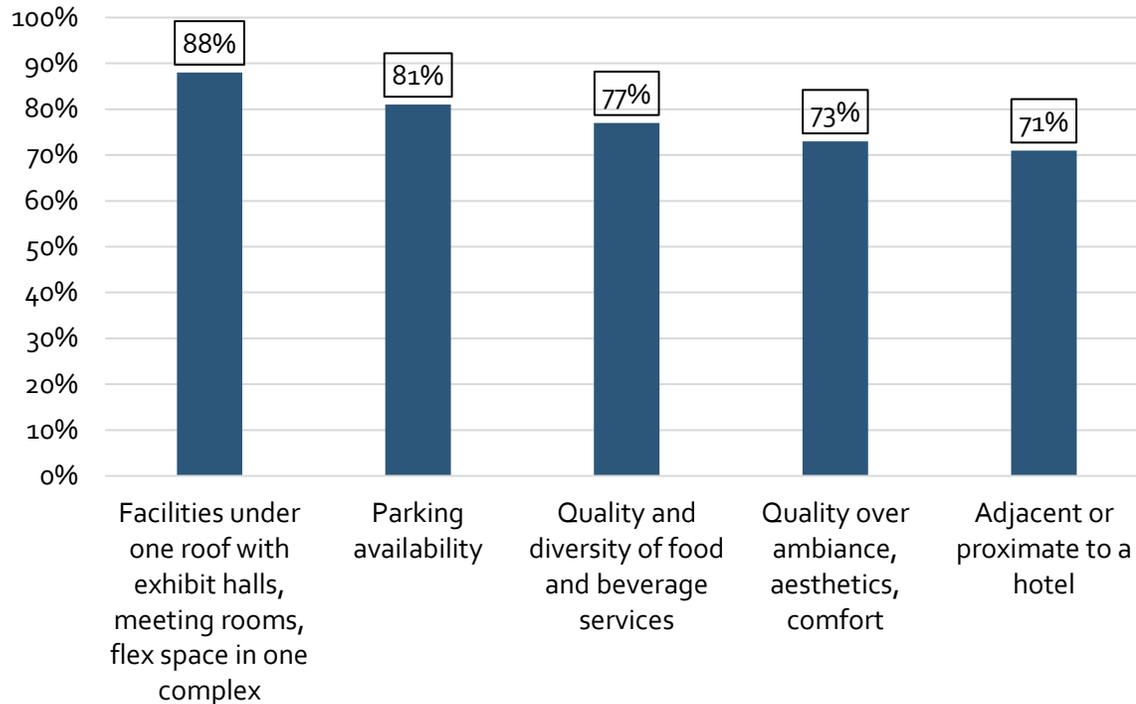


When respondents who answered "Not Likely" or "Definitely No" were asked why the proposed new conference facility in Annapolis is not a viable option for their event(s), the top three reasons cited were lack of membership base in the area (44%), geographic location (33%) and cost/value (22%).

# Market Outreach - Conference/Meeting/Event Planner Survey (cont'd)

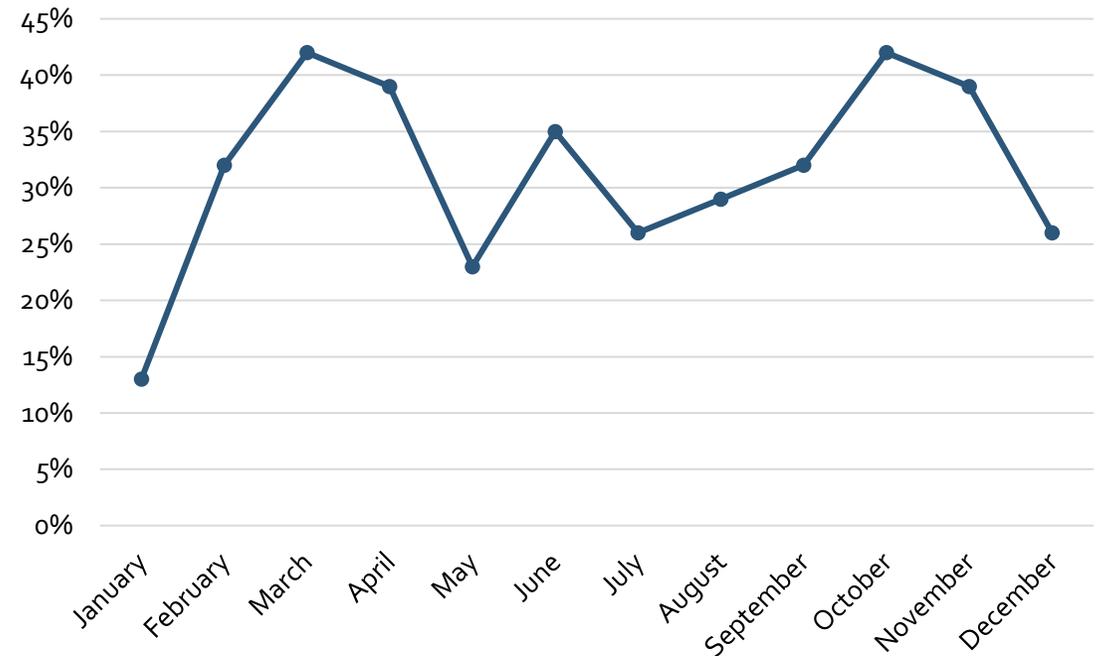
As shown in the following chart, survey respondents ranked facilities 'under one roof' and parking availability as the most important convention/conference facility/building features and amenities they consider when evaluating venues.

**Most Important Convention/Conference Facility/Building Features and Amenities When Evaluating Venues**



When asked the months that survey respondents host their small and medium-sized events, March (42%), October (42%), April (39%), and November (39%) were the most common months, respectively.

**Seasonality of Events**



# Market Outreach - Conference/Meeting/Event Planner Survey (cont'd)

The following table summarizes the minimum venue specifications required to host survey respondents' typical events at the proposed new Center.

Venue and Event Size Specifications	Average
Minimum exhibit space	24,300
Minimum contiguous exhibit space	13,900
Minimum meeting space	4,300
Minimum ballroom space	4,000
Maximum general assembly seating	270

On average, survey respondents indicated that they would host an average of two events per year at the proposed new Center. When asked how long their typical convention, event, or meeting lasts, the average was 2.3 event days and 3.6 total use days (including move-in/move-out). Survey respondents estimated that approximately 50% of attendees would stay overnight in a hotel/motel if their event was held at the proposed facility in Annapolis. The average number of hotel rooms required on peak nights was 310.

When asked Annapolis' strengths in terms of accommodating events, top responses were:

Annapolis' Strengths in Accommodating Events	%
Political, Social, and Cultural Alignment with Attendees	87%
Quality of Hotel/Lodging Accommodations	87%
Range of Restaurants, Entertainment & Shopping Options Close By Or Walkable	87%
Proximity of HQ Hotel	86%
Geographic Location	83%
Access to Membership/Delegate Base	83%
Accessibility Via Air	83%
Accessibility Via Ground Transportation	83%

# Market Outreach - Conference/Meeting/Event Planner Survey (cont'd)

The following summarizes other thoughts that event producers/meeting planners shared regarding the proposed new Center in Annapolis.

- "Annapolis is at a critical need for an additional facility... not enough meeting space for a while."
- "For my existing client, cost would be the biggest concern; hotel room rates and cost of meeting room rental."
- "It is important to have the Hotel connected to the Conference Center due to the weather."
- "It would be great. Once St. Johns closed its auditorium for rentals we had to switch to a virtual event. All other spaces were not affordable for our Legislative Day meeting needs."
- "Key to our looking favorably to a venue is contiguous convention space and hotel proximity. With these assets we'd look very carefully at an Annapolis convention."
- "Ours is a unique international motorcycle club. Large events draw 4,500 to 10,000 people; and half of them tent camp. The smaller regional meetings draw 60-75 people. Some camp. Others don't. Weather dependent."
- "Sounds great, would love to hear more when it's ready to go! Also, as an event industry veteran, would be very interested in working on the planning/operations for Annapolis or other Maryland area event venues on behalf of the State of Maryland."
- "This is a great idea. There is a lack of quality facilities that can accommodate an event. Parking access, however, is crucial."
- "When considering the interior design of a meeting space, please take into consideration the photography being done in the space. Often the paint/wallpaper/wall color is warm toned and creates a terrible venue for taking photos which can make the venue appear to be out of date. Also, the F&B options must be current. There are numerous dietary restrictions that we need to be able to accommodate. Many places claim a meal is 'vegan' and then point to a plain salad. We need the variety available."

# 5. Peer Facility Analysis



# Peer Facility Analysis - Overview

As part of the market assessment, data from select peer facilities was analyzed to provide a frame of reference to assist MSA, Arts Council of Anne Arundel County and VAAAC in drawing conclusions regarding the proposed Center in Annapolis. The following facilities were selected to profile based on similarities to the proposed Center in terms of proposed building program elements, size and market focus.

- California Center for the Arts - Escondido, California
- Capital One Hall - Tysons, Virginia
- Lake Michigan College ("LMC") Mendel Center - Benton Harbor, Michigan
- Pittsburg Memorial Auditorium and Convention Center - Pittsburg, Kansas
- Stafford Centre - Stafford, Texas
- Tobin Center for the Performing Arts ("Tobin Center") – San Antonio, Texas
- Woodruff Arts Center – Atlanta, Georgia

Not all these facilities may be directly comparable to the Center in Annapolis due to a variety of factors such as location and ownership/management structure. Further, the concept for the proposed Center in Annapolis is relatively unique that differs from a traditional, stand-alone performing arts center or convention/conference center. While there is no perfect comparable facility, useful information can be gleaned from these facilities related to the potential use and operating characteristics of the proposed Center.

The pages that follow provide an illustration of where each profiled facility is located as well as a brief description of each facility, its building program elements, its programming/usage and its operations including owner, operator and funding. Information for the profiled peer facilities was obtained from facility management, industry resources, published reports and our internal database.

# Peer Facility Analysis – Map



# Peer Facility Profile – Market Attributes

The market, as defined by a 30-minute drive time, for the proposed Center in Annapolis was benchmarked against those for the peers profiled. Key observations are as follows:

- The population base for the proposed Center is higher than two of the facilities, but well below that of others and the overall average.
- The median age of the population base for the proposed Center is moderately higher than that for most of its peers.
- Median income, which often correlate to performing arts event participation, is significantly higher in the market for the proposed Center compared to all but one of its peers. However, the forecasted income growth is lower than the markets for all of the peers.
- The Diversity Index for the proposed Center’s market is comparable to the overall average.
- The Spending Potential Index, a broad indicator for the industry’s potential, is measurably higher for the market of the proposed Center compared to most of the others.

These and other market attributes are detailed in the adjacent table.

Key Demographic & Socioeconomic Statistics - 30-Minute Drive of Profiled Peer Facilities										
Category	Proposed Cultural/Conference Center in Annapolis	LMC Mendel Center	Pittsburg Memorial Auditorium & Conv Ctr	Capital One Hall	Stafford Centre	California Center for the Arts	Tobin Center	Woodruff Arts Center	Average of Peer Markets	Median of Peer Markets
<b>Population Summary</b>										
2020 Total Population	731,705	180,570	50,475	2,537,998	2,727,148	1,283,464	1,982,417	2,104,229	1,552,329	1,982,417
2023 Total Population	746,939	179,455	50,294	2,587,423	2,847,961	1,301,076	2,041,574	2,150,895	1,594,097	2,041,574
2028 Total Population	758,716	177,311	50,098	2,667,245	2,955,560	1,309,670	2,107,976	2,193,725	1,637,369	2,107,976
2020-2023 Annual Rate	0.69%	-0.21%	-0.12%	0.65%	1.48%	0.46%	0.99%	0.74%	0.57%	0.65%
2023-2028 Annual Growth Rate (Projected)	0.31%	-0.24%	-0.08%	0.61%	0.74%	0.13%	0.64%	0.40%	0.31%	0.40%
<b>2023 Median Age</b>	<b>39.9</b>	<b>42.7</b>	<b>37.1</b>	<b>38.4</b>	<b>35.1</b>	<b>38.4</b>	<b>35.0</b>	<b>35.6</b>	<b>37.5</b>	<b>37.1</b>
<b>2023 Population by Age</b>										
Under 14	18.6%	18.0%	19.1%	16.8%	20.1%	19.0%	20.6%	18.6%	18.9%	19.0%
Age 15 - 24	11.4%	11.8%	18.1%	11.7%	13.7%	12.3%	14.1%	13.8%	13.6%	13.7%
Age 25-34	13.0%	11.3%	11.5%	15.9%	15.9%	14.0%	15.3%	16.8%	14.4%	15.3%
Age 35-44	13.9%	11.3%	11.6%	15.7%	14.5%	13.7%	13.9%	15.0%	13.7%	13.9%
Age 45-54	12.6%	12.1%	10.8%	12.6%	12.6%	12.1%	11.3%	11.9%	11.9%	12.1%
Age 55 - 64	13.4%	14.8%	12.1%	12.1%	11.2%	12.4%	10.8%	10.6%	12.0%	12.1%
Age 65-74	10.2%	12.1%	9.8%	9.3%	7.6%	8.4%	8.4%	9.3%	9.3%	9.3%
Age 75+	6.8%	8.6%	7.2%	6.0%	4.4%	6.9%	5.5%	5.1%	6.2%	6.0%
<b>2023 Household Income Distribution</b>										
Less than \$15,000	5.2%	10.0%	15.5%	5.4%	9.1%	5.9%	9.3%	9.0%	9.2%	9.1%
\$15,000 to \$24,999	2.9%	11.2%	12.1%	3.0%	6.7%	4.1%	8.0%	6.2%	7.3%	6.7%
\$25,000 to \$34,999	3.6%	9.9%	10.2%	3.0%	8.0%	4.0%	8.6%	7.6%	7.3%	8.0%
\$35,000 to \$49,999	7.4%	11.8%	14.1%	5.0%	11.1%	6.8%	12.5%	10.5%	10.3%	11.1%
\$50,000 to \$74,999	12.2%	16.5%	17.1%	10.0%	16.2%	13.0%	18.5%	15.9%	15.3%	16.2%
\$75,000 to \$99,999	12.2%	12.3%	11.5%	10.4%	11.7%	11.0%	12.5%	12.4%	11.7%	11.7%
\$100,000 to \$149,999	21.0%	13.6%	12.6%	18.7%	15.5%	19.8%	16.6%	16.1%	16.1%	16.1%
\$150,000 to \$199,999	14.8%	7.4%	3.7%	14.3%	8.5%	13.5%	7.2%	8.7%	9.0%	8.5%
\$200,000+	20.7%	7.3%	3.3%	30.3%	13.2%	22.0%	6.8%	13.7%	13.8%	13.2%
2023 Median Household Income	\$111,130	\$58,709	\$47,453	\$131,471	\$72,542	\$109,561	\$63,333	\$76,374	\$79,920	\$72,542
2028 Median Household Income (Projected)	\$121,847	\$69,183	\$53,772	\$148,905	\$81,683	\$123,654	\$71,613	\$89,108	\$91,131	\$81,683
2023-2028 Annual Growth Rate (Projected)	1.9%	3.6%	2.7%	2.7%	2.5%	2.6%	2.6%	3.3%	2.8%	2.7%
2023 Average Household Income	\$152,773	\$90,251	\$68,895	\$192,146	\$115,174	\$153,638	\$91,947	\$118,676	\$118,675	\$115,174
2028 Average Household Income (Projected)	\$170,717	\$104,808	\$79,761	\$213,245	\$128,312	\$174,880	\$103,250	\$136,692	\$134,421	\$128,312
2023-2028 Annual Growth Rate (Projected)	2.3%	3.2%	3.2%	2.2%	2.3%	2.8%	2.5%	3.0%	2.7%	2.8%
<b>2023 Population by Race/Ethnicity</b>										
White Alone	50.4%	77.7%	84.6%	52.7%	51.6%	51.4%	44.5%	35.4%	56.8%	51.6%
Black/African American Alone	29.1%	14.6%	1.9%	11.5%	21.3%	2.6%	8.5%	39.4%	14.3%	11.5%
American Indian Alone	0.5%	0.7%	1.2%	0.5%	0.6%	1.2%	1.2%	0.7%	0.9%	0.7%
Asian Alone	4.2%	1.4%	1.0%	16.7%	11.2%	16.3%	3.7%	7.5%	8.3%	7.5%
Pacific Islander Alone	0.1%	0.1%	0.4%	0.1%	0.0%	0.4%	0.2%	0.1%	0.2%	0.1%
Single Other Race	7.3%	2.9%	2.7%	7.6%	12.0%	13.3%	15.7%	8.5%	9.0%	8.5%
Two or More Races	8.4%	2.6%	8.2%	10.8%	3.2%	14.7%	26.3%	8.4%	10.6%	8.4%
Hispanic Origin	12.7%	8.3%	6.4%	16.7%	34.7%	28.4%	59.9%	15.8%	24.3%	16.7%
Non-Hispanic Origin	87.3%	91.7%	93.6%	83.3%	65.3%	71.6%	40.1%	84.2%	75.7%	83.3%
Diversity Index (Out of 100)	72.6	53.8	37.2	76.5	88.0	80.3	84.4	77.9	71.2	77.9
<b>2023 Spending Potential Index</b>										
Tickets to Theatre/Operas/Concerts	151.0	82.0	59.0	186.0	104.0	147.0	81.0	108.0	109.6	104.0
Average Amount Spent	\$ 82.45	\$ 44.76	\$ 32.38	\$ 101.31	\$ 56.61	\$ 80.21	\$ 44.36	\$ 58.75	\$ 59.77	\$ 56.61

Notes: Persons of Hispanic Origin maybe of any race  
The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100.  
Source: Estn.

# Peer Profile: California Center for the Arts

The California Center for the Arts is in Escondido, California, approximately 30 miles north of San Diego. The \$75 million+ facility opened in 1994. Since that time, it has undergone various renovations.

## Venues

- 1,523-seat Concert Hall
- 406-seat Center Theater
- 9,000 SF ballroom (divisible into smaller rooms) and 4,000 SF of pre-function space
- Museum onsite, which includes 5,000 SF of outdoor event space

## Programming and Usage

- Concerts, dance, comedy acts, community productions, and various other shows
- Meetings, banquets, weddings, receptions, and other events
- Attracts over 85,000 visitors annually to the Concert Hall and Center Theatre with an additional 200,000+ meeting/event/museum attendees

## Operations

- Owner: City of Escondido
- Operator: California Center for the Arts, Escondido Foundation (a private non-profit)
- In-house catering/F&B operations
- Funding: Program revenue/rentals, concessions, grants, and City's General Fund (contributes approximately 8% of operating budget)
- Produces over 50 free community events annually



Photos Credit: California Center for the Arts.

# Peer Profile: Capital One Hall

Capital One Hall is located on the Capital One Campus in Tysons, Virginia, just west of Washington, D.C. The 139,000 SF facility, developed as a public-private partnership between Capital One Bank and Fairfax County, opened in 2021. The \$120+ million project was primarily constructed as a meeting facility for Capital One's 11,000+ employees in the northern Virginia area, but is also available for community programming, national touring performances, and other private meetings and events.

## Venues

- 1,600-seat Main Theater
- 225-seat Vault Theatre
- 70,000+ SF of meeting and event space

## Programming and Usage

- Fairfax community arts organizations, Broadway, ballet, comedy, concerts, and other performances
- Corporate meetings/conferences, trade shows, weddings, and other receptions
- Hosted over 50 events during the first three months of operation

## Operations

- Owner: Capital One
- Operator: ASM Global (support from ArtsFairfax, a local non-profit, for community booking)
- Funding: Program revenue/facility rentals and Capital One



Photos Credit: HGA.

# Peer Profile: Lake Michigan College (LMC) Mendel Center

The Lake Michigan College (LMC) Mendel Center is in Benton Harbor, Michigan, approximately 100 miles east of Chicago. The 139,000 SF facility was originally constructed in 1978 and has undergone many renovation and improvement projects in recent years. Details of the original construction cost are unavailable, but according to the College's capital planning documents, the facility has a replacement value of approximately \$53.1 million.

## Venues

- 1,517-seat Jenkins Theatre
- 247-seat Hanson Theatre
- 20,000 SF of meeting and event space, including the Grand Upton Hall which seats up to 1,200

## Programming and Usage

- Concerts, Broadway and family shows, notable speakers, student performances, graduation ceremonies, and other special events
- Trade shows, conferences, meetings, training sessions, and receptions
- Over 200 events annually that attract more than 100,000 guests, approximately 20% of which are from outside the region

## Operations

- Owner/Operator: Lake Michigan College
- In-house catering/F&B operations
- Funding: Property taxes, College budget, facility rentals, grants
- Significant number of community volunteers that help to put on events



Photos Credit: Lake Michigan College.

# Peer Profile: Pittsburg Memorial Auditorium and Convention Center

The Pittsburg Memorial Auditorium and Convention Center is in Pittsburg, Kansas, approximately 125 miles south of Kansas City. The 30,000 SF facility was originally constructed in 1925 and underwent major renovations in 1984. The facility houses two distinct spaces, the convention center on the lower level and the auditorium on the upper level, which features one of the largest stages throughout the region.

## Venues

- 1,500-seat Auditorium
- 10,207 SF convention/event center

## Programming and Usage

- Concerts, national touring shows, community arts and theater
- Trade and consumer shows, private parties, wedding receptions, and other community events
- Approximately 100 events annually that attract roughly 50,000 guests

## Operations

- Owner/Operator: City of Pittsburg
- In-house catering/F&B operations
- Funding: Sales tax, program revenue/facility rentals, concessions



Photos Credit: City of Pittsburg.

# Peer Profile: Stafford Centre

The Stafford Centre is in Stafford, Texas, approximately 20 miles southwest of Houston. The 90,000 SF facility opened in 2004. The \$28 million venue was built through a partnership between the City and the Stafford Economic Development Corporation, a component unit of the City and nonprofit entity organized under Section 4B of the State's Development Corporation Act.

## Venues

- 1,105-seat performing arts theatre
- 20,000 SF ballroom (divisible into smaller rooms) plus an additional 4,800 SF of meeting and pre-function space
- 28 acres of outdoor festival green space

## Programming and Usage

- Concerts, dance performances, theatrical productions, and outdoor festivals/events
- Consumer/trade shows, conferences, meetings, weddings, and various other events
- Attracts approximately 300,000 visitors annually

## Operations

- Owner/Operator: City of Stafford
- Open catering policy
- Funding: Program revenue/rentals, City's General Fund, sales tax



Photos Credit: Stafford Centre.

# Peer Profile: Tobin Center for the Performing Arts

The Tobin Center is in San Antonio, Texas, along the famed San Antonio Riverwalk. The 183,000 SF facility opened in 2014. The \$205 million venue debuted one of the first theater floors that was convertible to a flat floor and able to accommodate banquets, meetings or other events.

## Venues

- 1,738-seat H-E-B Performance Hall (can accommodate 2,100 general admission capacity performance space)
- 259-seat Carlos Alvarez Studio Theater
- 25,000+ SF of meeting and event space, including the performance hall, the outdoor River Walk event plaza, and other smaller meeting rooms

## Programming and Usage

- Resident companies include Ballet San Antonio, Children's Chorus of San Antonio, Classical Music Institute, Opera San Antonio and Youth Orchestra of San Antonio
- Concerts, musicals, dance, comedians, speakers, community productions, and various theatrical shows
- Galas, banquets, food functions, weddings, receptions, and community events
- Over 300 events annually that attract more than 150,000 guests

## Operations

- Owner/Operator: Bexar County Performing Arts Center Foundation (501 (c)(3) non-profit)
- In-house catering/F&B operations
- Funding: Grants, donations, sponsorships, program revenues, rentals (construction was supported through a public-private partnership, including \$100 million in municipal bonds)
- Significant number of free community outreach events annually (50+)



Photos Credit: Tobin Center and LMN Architects.

# Peer Profile: Woodruff Arts Center

The Woodruff Arts Center is in Atlanta, Georgia, in the Midtown area between downtown and Buckhead. The 906,000 square-foot facility, which is inclusive of a large museum, first opened in 1968 as the Memorial Arts Center. The venue has undergone many renovation and expansion projects over the years.

## Venues

- 1,800-seat Symphony Hall
- 650-seat Alliance Theatre
- 3 other black box/studio theatres/stages with each having seating for approximately 200-300
- 34,000 SF of meeting and event space

## Programming and Usage

- Plays, musicals, orchestra, family shows, community productions, and various theatrical productions
- Educational, lectures, meetings, banquets, weddings, receptions, and other events
- Events attract approximately 400,000 visitors annually (excludes museum attendance)

## Operations

- Owner/Operator: Robert W Woodruff Arts Center Inc (501 (c)(3) non-profit)
- Third-party catering/F&B operations
- Funding: Grants, donations, sponsorships, program revenues, rentals
- Significant use of volunteer staff to help put on events



Photos Credit: Woodruff Arts Center.

# Peer Profile: Summary of Offerings and Attendance

The table below summarizes the facility offerings of the peers profiled along with annual attendance, where available. The seating capacity of the main theaters for the peers profiled range from approximately 1,000 to just over 1,700, and the majority also offer a small black box theater with seating capacities ranging from approximately 200 to 400. Annual attendance varies significantly, from approximately 50,000 to 400,000.

Peer Summary - Owner, Operator, Program and Attendance							
Metric	California Centre for the Arts	Capital One Hall	LMC Mendel Center	Pittsburg Memorial Auditorium/ Conv. Center	Stafford Centre	Tobin Center	Woodruff Arts Center
<b>Owner</b>	City of Escondido	Capital One Hall	Lake Michigan College	City of Pittsburg	City of Stafford	501 (c)(3) Non-Profit	501 (c)(3) Non-Profit
<b>Operator</b>	Private Non-Profit	ASM Global	Lake Michigan College	City of Pittsburg	City of Stafford	501 (c)(3) Non-Profit	501 (c)(3) Non-Profit
<b>Program</b>							
Main Theatre (seats)	1,523	1,600	1,517	1,500	1,105	1,738	2 (1,800 and 650)
Black Box (seats)	406	225	247	None	None	259	3 (200 to 300)
Meeting/Event Space (SF)	13,000	70,000	20,000	10,207	24,800	25,000	34,000
	+ Outdoor				+ Outdoor		
<b>Annual Attendance/Visitors</b>	285,000	N/A	100,000	50,000	300,000	150,000	400,000

Notes: Attendance for the Woodruff Arts center excludes museum operations.

N/A denotes Not Available.

Sources : Venue websites, interviews, and other secondary sources.

# Peer Profile: Key Takeaways

- There are few venues throughout the country that have combined a performing arts theater along with a meaningful amount of meeting and event space at the same site.
- While several profiled peer facilities are co-located, they offer separate program elements for the theater with a stage and meeting/event space with lower ceiling heights.
- While the Tobin Center is similar in concept to the proposed Center in terms of utilizing the same space for multiple functions and state-of-the-art acoustics, it primarily hosts social events, receptions and food functions on the flat floor rather than conferences/meetings.
- Dependent upon objectives and the markets in which they operate, some tend to be more focused on smaller community-based programming and local events and gatherings, while others focus more on regional and national tours along with larger events and meetings. As such, utilization at these types of venues can vary significantly.
- The majority of peer venues profiled are owned and operated by a non-profit and/or municipal entity versus private ownership/operation.
- Many rely heavily on grants, donations, sponsorship revenue and other government subsidies for funding as well as volunteer staff to support event production and operations.
- Often times these types of venues, like other public assembly facilities nationwide, operate at a loss or with relatively small profit margins.



# 6. Market Assessment



# Market Assessment

Previous sections of this report discussed various supply and demand factors that may influence the type and amount of event activity at the proposed new Center including select demographic and socioeconomic statistics, area employment, transportation access, hotel statistics, area attractions, supply of area facilities, industry trends, market outreach with potential demand generators and data from peer facilities.

Several common factors typically enhance the success of entertainment/performing arts and conference/meeting facilities including, but not limited to, the following.

- Short and long-term operating objectives of the facility that are articulated to stakeholders
- Demographic socioeconomic attributes
- Strong recognizable identity and marketing efforts to key target market segments
- Importance of providing a well-designed, flexible facility that can accommodate diverse event types and simultaneous events
- Building program elements, patron amenities and supporting infrastructure consistent with users' requirements
- Accessibility to/from the facility
- Ability to maximize revenue streams including the sale of food & beverage, technology and audio/visual services
- Proximity to supporting amenities such as hotels, restaurants, retail and entertainment establishments
- Ability to develop key strategic partnerships with local organizations and private sector entities for programming and funding purposes

Based on the research conducted as part of this study effort, this section outlines 1) relative market strengths/opportunities and challenges/threats segregated by entertainment/performing arts and conference/meetings market segments as well as those that are applicable to either market segment; 2) market supportable building program recommendations; and 3) usage estimates for the proposed Center.

# Market Assessment – Strengths/Opportunities

Entertainment/Performing Arts	Conferencing/Meetings	Either
<ul style="list-style-type: none"> <li>• Active local arts community</li> <li>• Strong interest from local organizations in programming the proposed facility, including the Annapolis Symphony Orchestra and independently owned music and comedy entities</li> <li>• Demographics of the market in which the proposed Center would operate compare favorably to those that align with higher participation rates in attending performing arts events nationally</li> <li>• Create date availability at Maryland Hall, which is currently heavily utilized making it difficult to accommodate additional programming</li> <li>• Partner with and better support local arts organizations to grow and provide arts for all</li> <li>• Tax credit offered by Maryland for eligible production entities</li> <li>• Offer unique product in the market for live entertainment that can appeal to all genres and age groups</li> </ul>	<ul style="list-style-type: none"> <li>• Strong interest in using the conference center component from meeting/event planners indicating unmet demand exists in the Annapolis market</li> <li>• Gap in the market for dedicated conference/meeting space in Annapolis that can accommodate larger groups of more than 500 people</li> <li>• Opportunity to drive larger conference/meeting activity and hotel room nights during the weekdays</li> <li>• Site is adjacent to the Westin Annapolis and within easy walking distance of several other hotels</li> <li>• Would drive tourism and related economic impacts by attracting new visitors and related spending</li> <li>• Opportunity to offer a different building program and destination package that is complementary to other conference/meeting facilities in the State</li> </ul>	<ul style="list-style-type: none"> <li>• Annapolis is the State capital of Maryland and has strong destination appeal</li> <li>• Identified site location for the project is within walking distance of hotels, restaurants, entertainment, attractions, etc.</li> <li>• Site location is readily developable</li> <li>• Population base of approximately 750,000 within a 30-minute drive of the potential site that has strong income characteristics and is well-educated.</li> <li>• Both the performing arts and conference/ meetings industries have and are continuing to rebound from the Covid-19 pandemic</li> <li>• Creates a critical mass of patrons that support area businesses and is consistent with future planning efforts in downtown Annapolis</li> </ul>

# Market Assessment – Challenges/Threats

Entertainment/Performing Arts	Conferencing/Meetings	Either
<ul style="list-style-type: none"> <li>• Significant competition from facilities in larger area markets, many of which have exclusivity agreements that could prohibit artists from performing in Annapolis</li> <li>• Potential unmet demand for performing arts may be tenuous – while certain events could be better served at a new, modern facility, a large portion of that would likely represent a transfer of event activity from local venues</li> <li>• Potential negative impact to existing arts venues such as Maryland Hall, if partnerships are not established</li> <li>• Mixed interest from commercial entertainment promoters based on the existing supply of competition in the broader market area</li> <li>• Price sensitivity of local performing arts groups</li> <li>• Park Place Site is outside the current boundaries of the Arts &amp; Entertainment District, which provides tax credits for venues within the boundaries</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from facilities in larger markets that have appealing destination attributes such as hotel supply, airports, etc.</li> <li>• Hotel supply and availability for large conference/meeting events</li> <li>• Ensure differentiation of the new space such that it complements existing hotels and venues in Annapolis rather than competes with them.</li> </ul>	<ul style="list-style-type: none"> <li>• Concept of combining a performing arts center and a conference center is unique within the public assembly industry – they are not overly synergistic; each market segment has unique programmatic requirements to accommodate their user groups</li> <li>• Different operating objectives/priorities</li> <li>• Balancing the mix of business between conferences/meetings and entertainment/performing arts from a scheduling perspective given the booking windows for different event types</li> <li>• Affordability will be important factor in driving business</li> <li>• Ability of the proposed Park Place site to accommodate required building program and supporting infrastructure such as parking, load-in/load-out, etc. given its size</li> <li>• Potential traffic congestion especially during times when other events are occurring in Annapolis</li> <li>• Public fatigue for the project due to multiple studies without forward progress</li> <li>• Potential pushback from Park Place residents on this use</li> <li>• Available funding sources for construction and operations</li> <li>• Many similar facilities operate at a deficit and require operating subsidies</li> <li>• Future changes in the competitive landscape</li> <li>• Potential changes in general macro-economic conditions</li> </ul>

# Market Supportable Building Program Recommendations

Based on the market research conducted for this study, the pages that follow outline the recommended market supportable building program for both the major market segments under consideration.

It is important to recognize that the objective of this study effort is not to design any type of facility but rather to identify market opportunities, provide general market supportable building program elements and estimate economic and fiscal benefits associated with the concept under consideration. Detailed programming and design considerations/solutions would need to be addressed in a potential next step in the overall development planning process.

While the planned co-location of entertainment/performing arts and conference/meeting spaces may seem complementary, it does not guarantee that these functions can effectively cater to both market segments within a single space. This point is illustrated by the limited number of similar facilities around the country. While there can potentially be some sharing of space, each facility type has differing programmatic needs (i.e., amount, type and configuration of space) required to effectively meet the needs of event producers/meeting planners. For instance, the ceiling height required for a proscenium stage is much higher than the ceiling height at most conference/meeting facilities which could significantly decrease marketability for the latter. Further, the competitive market to attract these events is extremely fierce as there are numerous choices for event producers/meeting planners.

The next page outlines the recommended building program for each component; whether one or both these spaces can be adequately accommodated on the proposed site location is a critical question that will need to be answered related to this project.



# Market Supportable Building Program Recommendations (cont'd)

## Arts/Entertainment Component

- 1,200 seats
- Black box with 250-300 seats
- Proscenium stage with wing space that can meet the needs of local organizations and industry standards for commercial and touring acts
- Fly system
- Infrastructure that can accommodate both amplified and non-amplified acts
- Orchestra pit that can be raised to extend the size of the stage and lowered to increase seating capacity
- Food & beverage options consistent with industry trends
- Green room and dressing rooms for performers
- Sufficient lobby and prefunction space that is aesthetically pleasing and functional
- Adequate support space including administration space, restrooms, storage, circulation, service corridors and loading docks
- Functional and flexible space that can optimize uses and bookings and easily accommodate simultaneous events
- Robust technology
- State-of-the-art lighting and sound technology
- Sufficient parking nearby

## Conference Center Component

- 25,000 to 30,000 SF of contiguous, divisible and column-free exhibit/flex space
- 10,000 SF of ballroom space that is divisible
- 5,000 SF of space that can be subdivided into multiple meeting rooms
- Food & beverage options consistent with industry trends
- Sufficient lobby and prefunction space can accommodate simultaneous events, pre- and post-event functions, registrations, pop-up meetings, etc.
- Functional and flexible design that can optimize uses and bookings and easily accommodate simultaneous events
- Adequate support space including administration space, restrooms, storage, circulation, service corridors and loading docks
- Robust technology
- Sufficient parking nearby
- Full-service kitchen

# Usage Estimates

Event activity at similar facilities typically experiences a “ramp up” period to a stabilized level of activity which occurs for several reasons. For instance, some groups that book their event years in advance may not want to risk that a facility’s construction is delayed and not completed in time for their event. In addition, some groups may choose to let management “fine tune” its operations before hosting an event at the proposed new Center. The length of time for new venues to reach stabilized operations varies but typically occurs in or around year three.

Overall utilization at any facility is typically dependent on several factors (e.g., market size; transportation access; nearby amenities such as hotels, restaurants, retail and attractions; size, configuration and quality of the facilities offered; effectiveness of the management team; date availability; cost; etc.) and is rarely consistent.

The table below provides an order-of-magnitude estimate of usage for the proposed new Center in Annapolis in a stabilized year of operations.

Order-of-Magnitude Estimate of Usage at the Proposed New Center in Annapolis (Stabilized Year)										
Event Type	Events/ Performances	Move-in/Move-out Length	Move-in/Move-out Days	Event Length	Event Days	Total Use Days	Average Attendance	Total Attendance	Total Attendees	
Conventions/Conferences/Tradeshows	20	1.00	20	2.3	45	65	600	12,000	27,000	
Meetings	60	0.25	15	1.0	60	75	100	6,000	6,000	
Consumer Shows/Expos	4	0.75	3	1.5	6	9	2,500	10,000	10,000	
Banquets/Receptions	36	0.25	9	1.0	36	45	500	18,000	18,000	
Other	12	0.50	6	1.5	18	24	900	10,800	16,200	
Commercial Entertainment	22	0.50	11	1.0	22	33	1,025	22,550	22,550	
Performing Arts	50	0.50	25	1.0	50	75	674	33,720	33,700	
<b>Total</b>	<b>204</b>		<b>89</b>		<b>237</b>	<b>326</b>		<b>113,070</b>	<b>133,450</b>	

Notes: Performing Arts events does not include rehearsals.

Other events include private rentals and community events.

As shown, the proposed new Center is estimated to host 204 total events/performances annually that generate approximately 113,100 in total attendance and 133,450 in total attendee days (defined as total attendance multiplied by event length for events such as conventions, conferences and tradeshows). The estimate of economic and fiscal impacts associated with the ongoing operations of the proposed Center is based on the estimated new activity. Not all the activity shown above will be net new to the County and the State as some events are currently being hosted at existing facilities in these economies. As such, adjustments were made to the activity shown above in the economic analysis to estimate net new visitors and their associated spending. More detailed information related to these adjustments can be found in the Economic Impact Analysis section of this report.

# Usage Estimates – Summary of Key Assumptions

The following general assumptions were used to develop the estimate of usage at the proposed new Center.

- The market supportable building program for the proposed new Center outlined earlier in this report is developed at the Park Place site.
- The proposed new Center will be state-of-the-art and offer modern design and patron amenities consistent with emerging industry trends.
- The proposed new Center will be designed and constructed to host multiple event types including conferences, meetings, banquets, orchestra, symphonies, ballet, and other performing arts.
- At this juncture, the ownership and operating structure is unknown. Irrespective of the ownership and operating structure, the facility will be managed by professional, experienced staff with strong industry experience and relationships in both the entertainment/performing arts and conference/meetings industries.
- Venue management will actively partner with tourism agencies and local promoters/organizations at the local and State levels to optimize programming.
- A consistent, high level of customer service will be provided.
- The proposed Center will be complementary to other assets in the community including Maryland Hall, Rams Head Live and area hotel properties that offer meeting space.
- No other similar competitive or comparable facilities are built in the immediate area.
- The proposed location at Park Place provides sufficient visibility, ingress/egress, parking, safety, etc.
- No major economic fluctuations, acts of nature, or cataclysmic events such as an epidemic occur that could adversely impact the dynamics of the project.

It should be noted that these assumptions are preliminary and should continue to be refined as decisions related to the building program and other operating characteristics evolve.

# 7. Economic Impact Analysis



# Economic Impact Analysis

If built, the local and State economies could benefit from ongoing operations of the proposed new Center in several ways, including the following tangible and intangible benefits.

- Supporting the local arts community and giving local artists a place to showcase their talent
- Enhancing the City and County's position as a conference, meetings and tourism destination
- Enhancing the overall quality of life and livability of the area
- Drawing visitors to help support area businesses
- Providing a first-class event venue to residents and visitors that complements other existing facilities
- Offering valuable learning experiences, fostering creativity and enhancing cultural literacy
- Offering family-friendly entertainment
- Serving as a catalyst for economic development in the area
- Increasing economic activity in terms of spending in the local and State economies as well as associated jobs and labor income

Each of these benefits is important in assessing the overall benefit that the proposed new Center may have on the County and the State. While the value of many of these benefits is difficult to measure, the economic activity generated can be quantified. This analysis estimates the net new economic and fiscal impacts that could potentially be generated from ongoing operations of the proposed Center at the County and State levels.

# General Methodology

Estimating the economic impact generated by a project can be approached in several ways. If the analysis were to include total facility expenses as well as spending by all visitors, even residents, it would estimate the total economic contribution of a project. Economic contribution provides an overview of the total economic activity associated with a project.

The purpose of this analysis is to estimate the net new economic and fiscal impacts generated from operations of the proposed new Center at the County and State levels. To estimate net new economic impacts generated from a project, only net new spending from facility operations and attendees is included.

The amount and type of activity, origin of attendees, estimated Center expenses, per capita spending estimates, distribution of spending, specific economy under consideration, multipliers and specific taxes quantified are variables that influence the economic and fiscal impact estimates.

## **Methodology – Economic Impact Analysis**

Regional input-output models are typically used by economists as a tool to understand the flow of goods and services among regions and measure the complex interactions among them given an initial spending estimate.

### Direct Spending

Estimating direct spending is the first step in calculating economic impact. Direct spending represents the initial change in spending that occurs as a direct result of operations of the proposed Center. A non-local attendee eating at a local restaurant before an event is an example of direct spending.

Sources of direct spending used in this analysis include order-of-magnitude estimated expenditures related to facility operations as well as net new attendee spending outside of the proposed Center before and after events at hotels, restaurants, bars, gas stations, retail stores, etc. as an initial measure of economic activity in the County and State.

Attendee spending outside the proposed Center is generated from 1) local attendees who reside in the County and Maryland 2) day trippers who likely originated from outside the area who travel to and from the proposed new Center for events and 3) attendees who originated outside the area and stayed overnight. Each group was assigned different per capita spending amounts based on data provided by the client and industry research from sources such as the Maryland Office of Tourism, Tourism Economics, Americans for the Arts, and other secondary research. Spending by local attendees as well as visitors that are already attending events at existing venues each economy was excluded to calculate net new spending.

Not all direct spending directly impacts the County and State economies. To estimate the net new economic impact to the County and State, adjustments were made to gross direct spending to account for displacement (i.e., spending that would have occurred elsewhere in the County and State without the presence of the Center or its activities) and leakage (i.e., spending that occurs outside the economies under consideration). Further, this analysis accounts for retail margins (i.e., the difference between retail purchaser price and the producer price) and the percentage of goods purchased within each economy.

# General Methodology (cont'd)

In reality, while it is likely that a portion of attendee spending would be displaced or would have occurred somewhere in the County and State economies if the event had not been held, it is also reasonable to assume that attendees may not make the same level of purchases in the economies if the event had not occurred and may even spend money attending events outside the County and State. As such, the estimate associated with attendee spending outside the Center reflects a conservative approach.

## Multiplier Effect

Additional economic impacts are produced through the re-spending of net new direct spending. To quantify the inputs needed to produce the total output, economists have developed multiplier models. The estimation of multipliers relies on input-output models, a technique for quantifying interactions between firms, industries, and social institutions within a local economy. This analysis uses IMPLAN software and databases which are developed under exclusive rights by the IMPLAN Group, LLC.

IMPLAN, which stands for Impact Analysis for Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a defined economic area. Currently, there are hundreds of licensed users in the U.S. including universities, government entities and private companies.

The economic data for IMPLAN comes from the system of national accounts for the U.S. based on data collected by the U.S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data is collected for over 500 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Classifications (SICs).

As such, the advantages of this model are that it is sensitive to both location and type of spending and can provide indirect and induced effects, employment and earnings information by specific industry category while considering the leakages associated with the purchase of certain goods and services outside the economy under consideration.

Once the direct spending amounts are assigned to an appropriate industry category, the IMPLAN model estimates the economic multiplier effects for each type of direct spending attracted to or retained in the economies under consideration resulting from Center-related operations.



# General Methodology (cont'd)

## Indirect and Induced Effects

Indirect impacts reflect the re-spending of the initial or direct expenditures, or the business-to-business transactions required to satisfy the direct effect (e.g., impacts from non-wage expenditures). For example, an attendee's direct expenditure at a restaurant requires the restaurant owner to purchase food and items from suppliers. The portion of these restaurant purchases that are spent within the area economy are indirect impacts.

Induced impacts reflect changes in local spending by households on goods and services that result from income changes in the directly and indirectly affected industry sectors (e.g., impacts from wage expenditures). For instance, a server at a restaurant could have more personal income due to an attendee's visit to the restaurant. The amount of increased income that the employee spends in the area economy is an induced impact.

The model generates estimates of these impacts through a series of relationships using average wages, prices and transportation data, considering commute patterns and the relative interdependence of the economy on outside regions for goods and services.

Indirect and induced impacts are commonly referred to as multiplier effects.

## Total Economic Impact

The calculated multiplier effect is then added to the direct impact to quantify the total net economic impact in terms of output, value added, employment and labor income which are defined below:

*Total Output* is a measure of the total estimated value of the production of goods and services supported by ongoing operations of the proposed new Center. Total output is the sum of all intermediate sales (business to business) and final demand (sales to consumers and exports). For example, ingredients purchased by a restaurant from a local supplier would be counted as a "sale". Once the restaurant sells a meal consisting of these ingredients, the sales value also includes the value of the ingredients used to make it. Therefore, the ingredient's sales value is counted twice. This calculation measures the total dollar change in spending (output) that occurs in the economy for each dollar of output delivered to final demand.

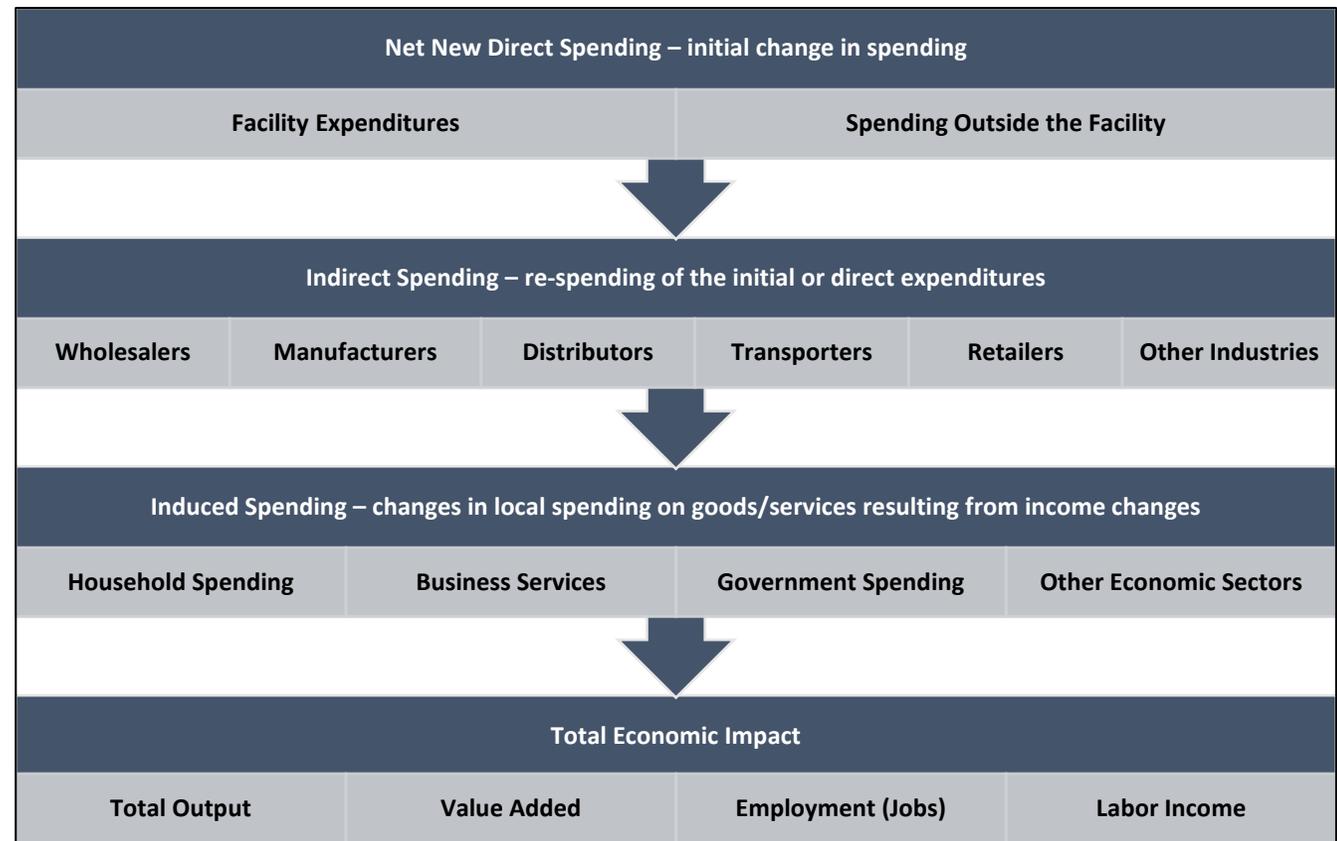
*Value Added* is a subset of output and only includes the value of a product or service over the cost of inputs used to create it. In other words, value added represents the difference between output and the cost of all intermediate inputs within a defined economy. At the national level, value added is comparable to Gross Domestic Product (GDP) and is a measure of a region's economic production. Using the example above, value added would represent the total sale of the meal, minus the cost of ingredients.

# General Methodology (cont'd)

*Employment (Jobs)* represents the number of full-time and part-time jobs that are supported by operations of the proposed new Center. The employment multiplier measures the total change in the number of jobs supported in the local economy for each additional \$1.0 million of output delivered to final demand. It should be noted that a person can hold more than one job, so the total number of jobs is not necessarily the same as the number of employed people. Further, the total number of jobs does not only reflect employees working at the proposed new facility but rather the total number of jobs that are directly and indirectly supported in multiple sectors of the economy from ongoing operations of the proposed new Center.

*Labor Income* represents the wages and salaries earned by employees of businesses associated with or impacted by operations of the proposed new Center. In other words, the multiplier measures the total dollar change in earning of households employed by the affected industries for each additional dollar of output delivered to final demand.

The adjacent graphic illustrates the multiplier effects for calculating total economic impact.



# General Methodology (cont'd)

## Methodology – Fiscal Impact Analysis

The estimated spending generated from Center operations also produces tax revenues for the local and State economies. Experience in other markets suggests that while a significant portion of the direct spending will likely occur near the Center, additional spending occurs in other surrounding economies.

IMPLAN was used to estimate the annual taxes generated from ongoing operations of the proposed Center. While not all inclusive, the list below summarizes the various taxes included in the IMPLAN model.

- Local Use or Occupancy Tax (Hotel Tax): 8%
- Local Admissions and Amusement Tax: 7.5% - 10% (depending on the activity)
- Local Personal Income Tax: 2.7% - 3.2%
- State Corporate Income Tax: 8.25%
- State Personal Income Tax: 2.0% - 5.75% (nonresidents are subject to additional 2.5%)
- State Sales and Use Tax: 6% (9% tax on alcoholic beverages) .
- Other taxes and fees including property tax, motor vehicle license, social insurance tax, severance tax, special assessments, etc.



# Estimate of Annual Net New Economic Impacts

The tables below summarize the estimated annual net new economic impacts and tax revenues that could potentially be generated from ongoing Center operations in a stabilized year.

Annual net new direct spending associated with ongoing operations of the proposed Center is estimated to be approximately \$13.0 million and total output is estimated to be \$19.2 million in the County. This spending is estimated to support 139 jobs and \$5.9 million in labor income.

Annual net new direct spending associated with ongoing operations of the proposed Center is estimated to be \$9.2 million and total output is estimated to be \$16.2 million in the State. This spending is estimated to support 101 jobs and \$5.1 million in labor income.

As previously mentioned, spending by local attendees within each economy under consideration was excluded to estimate net new economic impacts. Further, a significantly lower amount of event activity is estimated to be new to the State since a portion of these events are currently taking place in other facilities in Maryland. As such, the proposed Center is estimated to produce greater net new direct spending to the County than the State.

Annual tax revenues generated by operations of the proposed Center are estimated to be \$1.2 million: \$591,000 at the County level and \$604,000 at the State level.

Although not quantified in this analysis, construction costs associated with development of the proposed new Center would provide additional economic and fiscal impacts to the County and State during the construction period. These benefits would include the creation of jobs which produce earnings for area residents as well as increased tax revenues from the purchase of materials and supplies.

Proposed New Center in Annapolis					
Estimate of Annual Net New Economic Impacts at the County Level from Ongoing Operations (Stabilized Year)					
Impact	Employment (Jobs)	Labor Income	Value Added	Output	Tax Revenues
Direct	108	\$3,995,000	\$7,138,000	\$12,960,000	\$420,000
Indirect & Induced	31	\$1,893,000	\$3,502,000	\$6,252,000	\$171,000
<b>Total</b>	<b>139</b>	<b>\$5,888,000</b>	<b>\$10,640,000</b>	<b>\$19,212,000</b>	<b>\$591,000</b>

Note: Employment, labor income, value added and output are interrelated and are not additive.

Sources: IMPLAN; Crossroads Consulting.

Proposed New Center in Annapolis					
Estimate of Annual Net New Economic Impacts at the State Level from Ongoing Operations (Stabilized Year)					
Impact	Employment (Jobs)	Labor Income	Value Added	Output	Tax Revenues
Direct	67	\$2,895,000	\$5,103,000	\$9,207,000	\$342,000
Indirect & Induced	34	\$2,192,000	\$4,032,000	\$7,018,000	\$262,000
<b>Total</b>	<b>101</b>	<b>\$5,087,000</b>	<b>\$9,135,000</b>	<b>\$16,225,000</b>	<b>\$604,000</b>

Note: Employment, labor income, value added and output are interrelated and are not additive.

Sources: IMPLAN; Crossroads Consulting.

# Potential Next Steps

As previously mentioned, development of an entertainment/performing arts facility and a conference/meeting facility has been studied for years. Potential next steps in the planning process include the following, the first of which is the most critical.

- Conduct a site fit analysis to determine if the Park Place site currently under consideration can accommodate the recommended programmatic elements and supporting infrastructure into a single facility in a way that optimizes marketability for both market segments. This will provide guidance as to whether the proposed site is the best location to move the project forward and achieve the desired operating objectives and outcomes.
- If the proposed site is determined to be the best location, other next steps include the following:
  - Develop stakeholder consensus on the project's scope, identify a project champion and define the criteria for a successful project outcome.
  - Prepare a detailed building program which should incorporate direct feedback from focus groups with key stakeholders and potential user groups.
  - Develop a capital construction cost estimate.
  - Explore potential funding options including strategic partnerships with both public and private sector partners.
  - Develop a business model for the facility which will be a key element to the project's success.
  - Develop a sustainable financial plan that includes a financial pro forma outlining ongoing operational needs and long-term capital needs.
  - Update the estimated economic and fiscal impacts once the program, site, operating strategy and financial operations are developed.
- If the proposed site is not determined to be the best location, then consider other potential development options including, but not limited to:
  - Developing and co-locating new, stand-alone entertainment/performing arts and conference/meeting venues on another site in Annapolis.
  - Developing new, stand-alone entertainment/performing arts and conference/meeting venues at separate locations in Annapolis.
  - Renovating/expanding existing venues to better accommodate the long-term needs of the entertainment/performing arts and/or conferencing industries.
  - Not moving forward with the project.

# 8. Limiting Conditions and Assumptions



# Limiting Conditions and Assumptions

This analysis is subject to our contractual terms as well as the following limiting conditions and assumptions:

- This analysis has been prepared for the Maryland Stadium Authority, the Arts Council of Anne Arundel County and Visit Annapolis Anne Arundel County (Client) and for their internal decision-making purposes associated with the proposed new Center in Annapolis and should not be used for any other purposes without the prior written consent of Crossroads Consulting Services, LLC.
- This report should only be used for its intended purpose by the entities to whom it is addressed. Reproduction or publication by other parties is strictly prohibited.
- The findings and assumptions contained in the report reflect analysis of primary and secondary sources. We have utilized sources that are deemed to be accurate but cannot guarantee their accuracy. No information provided to us by others was audited or verified and was assumed to be correct.
- Although the analysis includes findings and recommendations, all decisions relating to the implementation of such findings and recommendations shall be the Client's responsibility.
- Estimates and analysis regarding the proposed new Center are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.
- Although this analysis utilizes various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not explicitly stated.
- We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or circumstances occurring after the date of this report.
- The quality of ownership and management of the proposed new Center can have a direct impact on economic performance. This analysis assumes responsible and competent ownership and management. Any departure from this assumption may have a significant impact on the findings outlined in this report.
- Multiple external factors influence current and anticipated market conditions. Although we have not knowingly withheld any pertinent facts, we do not guarantee that we have knowledge of all factors which might influence the operating potential of the proposed new facility. Due to quick changes in the external factors, actual results may vary significantly from estimates presented in this report.
- The analysis performed was limited in nature and, as such, Crossroads Consulting Services, LLC does not express an opinion or any other form of assurance on the information presented in this report.
- The analysis is intended to be read and used in its entirety. Separation of any portion from the main body of the report is prohibited and negates the analysis.
- In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by the Client and may not be relied upon by any party for any purpose including any matter pertaining to financing.