



Assessment of El Paso Sports and Entertainment Venues

May 22, 2024

The information in this presentation is proprietary and confidential.

CAAICON

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Although the findings included herein appear reasonable based on the current and anticipated market conditions, actual results depend on the actions of management and other factors both internal and external to the Client.

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This report is valid only when presented in its entirety and only for the purpose stated therein.

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I. **Executive Summary**

I. Executive Summary

Project Overview

- CAA ICON Strategic Advisory (CAA ICON) is pleased to present our findings to the El Paso Chamber
- CAA ICON was retained to conduct an assessment of the sports facility inventory available in El Paso, along with a comparison to similarly sized markets and the facility investment in those markets
- The analysis has been prepared for internal decision-making purposes of the Chamber only and shall not be used for any other purposes without the prior written permission of CAA ICON, or as agreed to in the contractual terms and conditions
- This report is subject to the attached Limiting Conditions and Assumptions

I. Executive Summary

Key Findings – Existing Conditions

- El Paso is currently home to two minor professional sports teams and one mid-major collegiate athletics program
 - It is important to also acknowledge that Juárez is home to a major professional soccer club, FC Juárez (Liga MX), as well as a professional women's soccer club, FC Juárez Femenil (Liga MX Femenil)
- Excluding Southwest University Park, El Paso's current sports venues are aging and lagging sports venues in similarly-sized markets in terms of the overall facility investment and experience/amenities provided
- El Paso has two arenas, Don Haskins Center and El Paso County Coliseum, that were built in 1977 and 1942, respectively
- University of Texas at El Paso (UTEP), in general, has made limited investments in sports facilities when compared to comparable programs (see Appendix E)
- El Paso notably lacks a modern arena and a soccer-specific stadium

I. Executive Summary

Key Findings – Comparable Market Sports Team Inventory

- El Paso's current sports offerings of minor league baseball and soccer are similar to other markets that are comparable in population size
 - 30 of 40 comparable markets have a minor league baseball team and 17 markets have a minor league soccer team – minor league soccer teams are more common in markets slightly larger than El Paso in population size (12 of 20)
- Where El Paso falls short in relation to comparable markets in terms of its sports offerings is the lack of an arena sport/tenant
 - 16 of 20 markets above El Paso in terms of CBSA population have at least one minor league arena tenant within the market and eight markets have more than one arena tenant – 11 of those 16 markets have minor league hockey
 - The four markets that do not have a minor league arena tenant include Louisville (major NCAA basketball program), New Orleans (NBA in market), Fresno (aging arena), and Honolulu (isolated market)
 - 8 of 20 markets below El Paso in terms of CBSA population have at least one minor league arena tenant – six of those eight markets have minor league hockey
- A limited number of markets (five of 40) have or will have a women's professional sports team – women's professional leagues such as the NWSL, WNBA, and NWHL have generally prioritized large media markets for expansion
- 35 of 40 comparable markets have at least one Division 1 collegiate program

I. Executive Summary

Key Findings – Comparable Market Sports Venue Inventory

- CAA ICON inventoried sports venues in comparable markets to understand any gaps and/or shortfalls in El Paso's venue offerings in relation to similarly-sized markets
- Most similarly-sized markets have a major arena (capacity > 10,000) and at least one minor arena (capacity < 10,000) built or renovated since 1990
 - 17 of 20 comparable markets larger than El Paso have a major arena and eight of 20 comparable markets smaller than El Paso have a major arena
 - 15 of 40 comparable markets have two or more modern minor arenas, driven in part by presence of NCAA programs
- El Paso profiles as a larger market due to its inclusion in the El Paso-Juarez Borderplex and adjacency to Las Cruces, yet it does not have a modern major arena – although Don Haskins Center has undergone routine maintenance and capital repairs, it has not received a major renovation
- Development of modern soccer-specific stadiums is becoming more prevalent with notable new stadiums in Louisville (Lynn Family Stadium), Colorado Springs (Weidner Field), Albuquerque (planned \$30+ million stadium – to be confirmed), and Omaha (planned \$60 million stadium) – a \$95 million stadium is reportedly planned for a USL expansion club in Des Moines although the project has been delayed due to funding challenges
- Similar to comparable markets, El Paso has a modern minor league ballpark – ballpark construction activity has been more prevalent in recent years due in part to MiLB's new facility standards

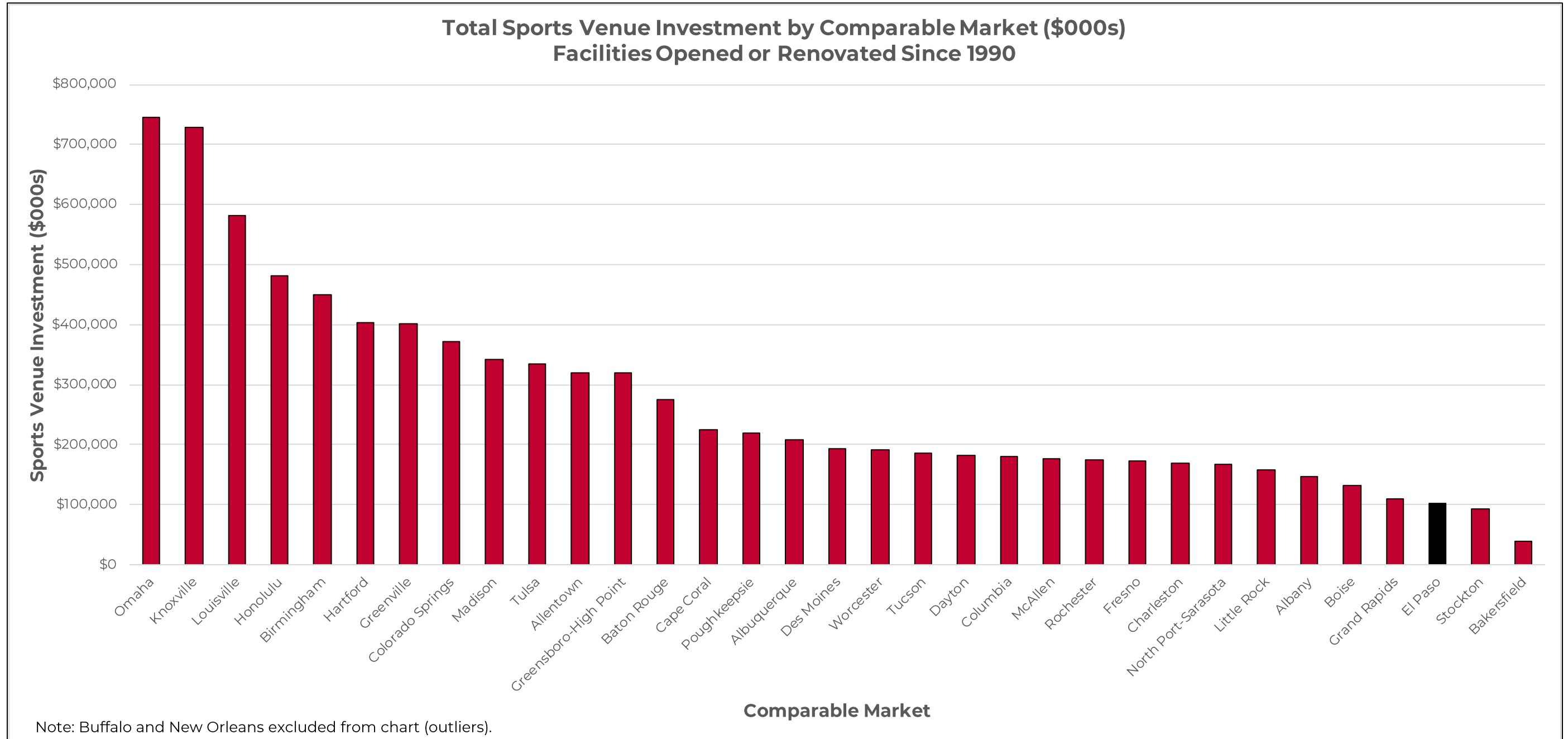
I. Executive Summary

Key Findings – Comparable Market Sports Venue Investment

- Publicly reported facility investments in El Paso since 1990 have totaled \$102.5 million, which includes \$78.0 million for Southwest University Park (original construction), \$15 million for the Sun Bowl (2021 renovation), and \$9.5 million for El Paso County Coliseum (2004 renovation)
- Several comparable markets are geographically positioned adjacent to major markets with established sports and entertainment venues, and these markets typically have little to no history of investing in sports venue infrastructure due to the competitive landscape and market overlap – these markets are excluded from the following analysis (six markets excluded – see Appendix D for further detail)
- In relation to the comparable markets, El Paso ranks 33rd of 35 markets in terms of total investment in spectator sports facility construction, including collegiate venues – only two comparable markets have had less investment in sports venues since 1990 (see chart on next slide)
 - Total publicly reported facility costs in comparable markets averaged \$351.1 million although that average is skewed high by the two professional sports markets (Buffalo and New Orleans) – with Buffalo and New Orleans excluded, the average decreases to \$277.3 million
- El Paso trails comparable markets in terms of its facility investment in arenas (both major and minor) as well as its investment in minor league stadiums, though investment in minor league stadiums in comparable markets has been somewhat limited

I. Executive Summary

Total Venue Investment by Market (All Comparable Markets)



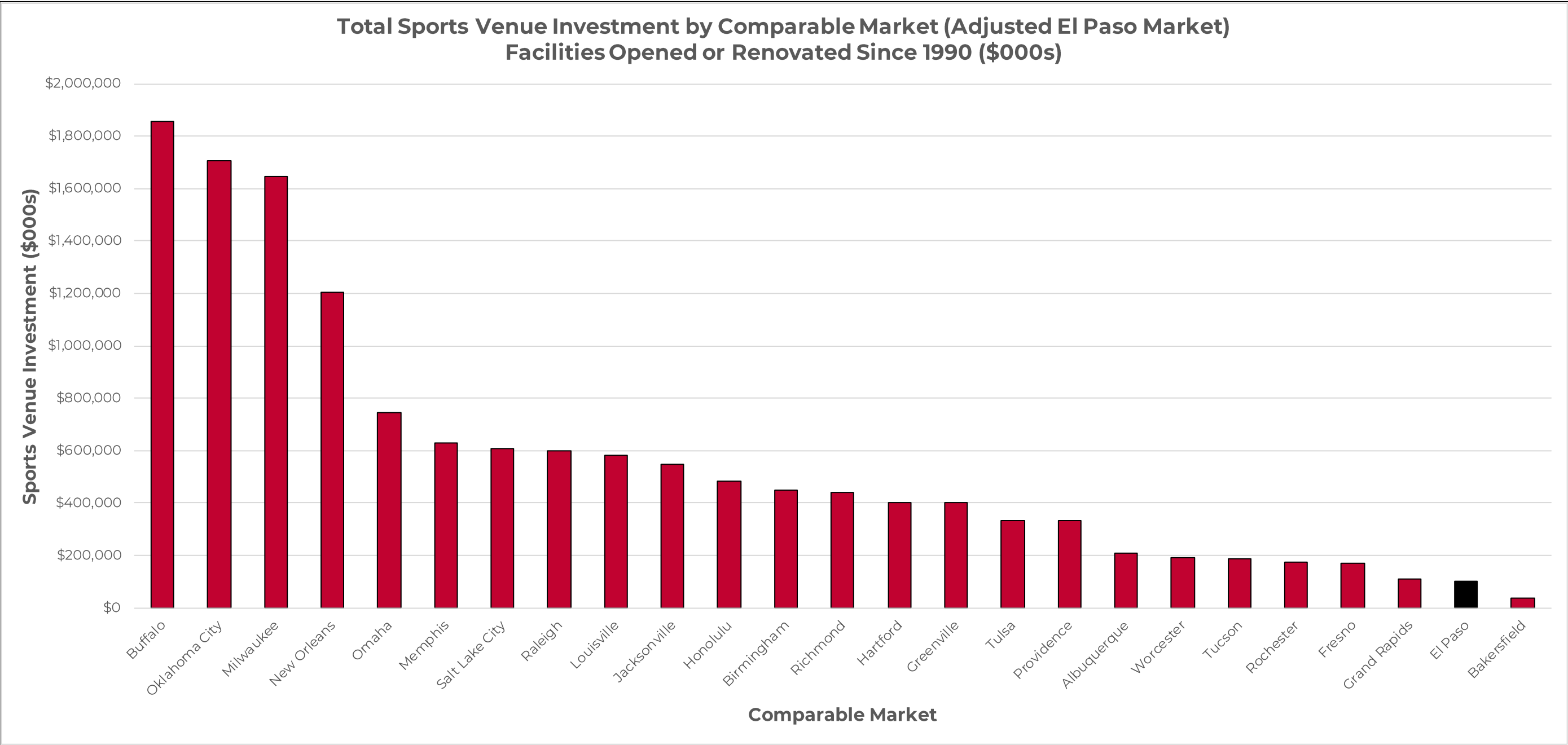
I. Executive Summary

Key Findings – Adjusted El Paso Market Inventory Analysis

- CAA ICON also evaluated a separate comparable market set in relation to the **adjusted El Paso market** which includes Doña Ana County, NM residents and U.S. citizens living in Ciudad Juárez – see Appendix E for further detail on adjustment methodology
 - Eight additional comparable markets identified as part of the adjusted analysis include Salt Lake City (1.31 million), Memphis (1.34 million), Richmond (1.35 million), Oklahoma City (1.47 million), Raleigh (1.52 million), Milwaukee (1.58 million), Providence (1.69 million), and Jacksonville (1.70 million)
 - All markets have at least one major professional sports team, with the exception of Providence and Richmond
- Total publicly reported facility costs in comparable markets averaged \$585.5 million – the eight additional comparable markets identified averaged \$814.1 million in total publicly reported facility costs since 1990
 - El Paso ranked 24th of 25 markets with total publicly reported facility costs totaling \$102.5 million

I. Executive Summary

Total Venue Investment by Comparable Market (Adjusted El Paso Market)



I. Executive Summary

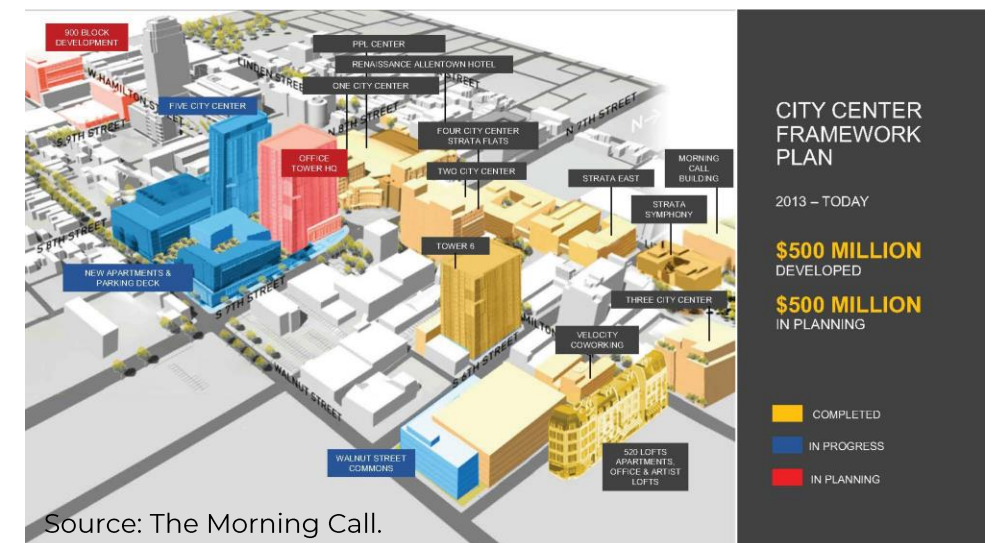
Sports Venue Development – Overview of Benefits

- There are numerous benefits to a community that accompany the development of a new sports and entertainment venue or a renovation of an existing venue
- New and renovated venues typically generate increased events and spending in markets
 - Activity and spending in the market
 - Full-time sports team in the market
 - Out-of-town visitors to attend events
 - Visiting teams/acts/artists spending before and after events
 - Spending as a result of operations at the venue
 - Limit loss of spending resulting from El Paso residents travelling to other markets for events (e.g., Dallas, Houston, etc.)
 - Ancillary development opportunities/plans
- Additionally, sports stadiums/arenas are increasingly being utilized to revitalize neighborhoods and create vibrant destinations for residents and visitors – comparable case studies on sports-anchored ancillary developments are provided herein (Appendix F – Sports Anchored Ancillary Developments)
 - USL Championship stadiums that were recently completed (Weidner Field and Lynn Family Stadium) or are currently under construction (Eleven Park and Stadium at Tidewater Landing) are or will be part of larger mixed-use development – case studies provided in Appendix F

I. Executive Summary

City Center Allentown (Allentown, PA)

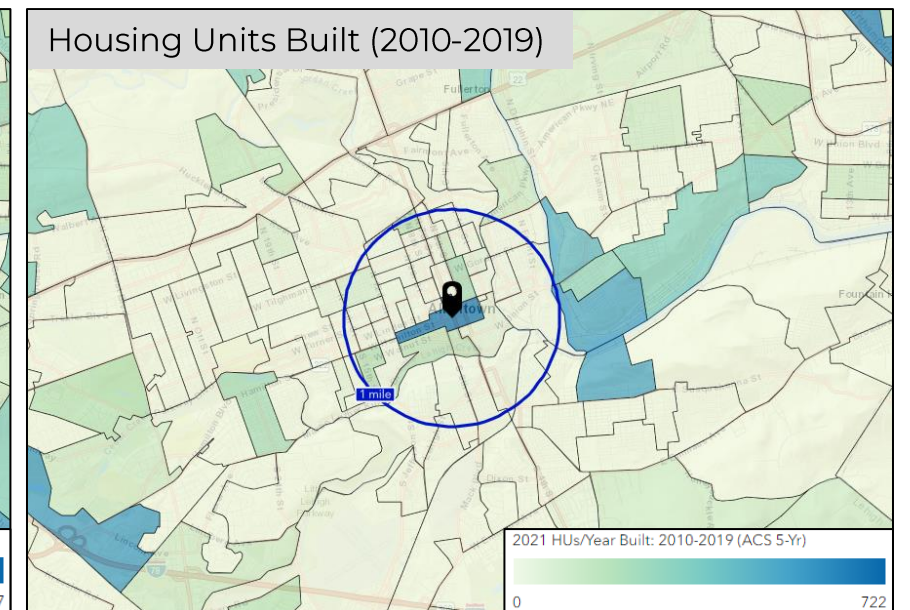
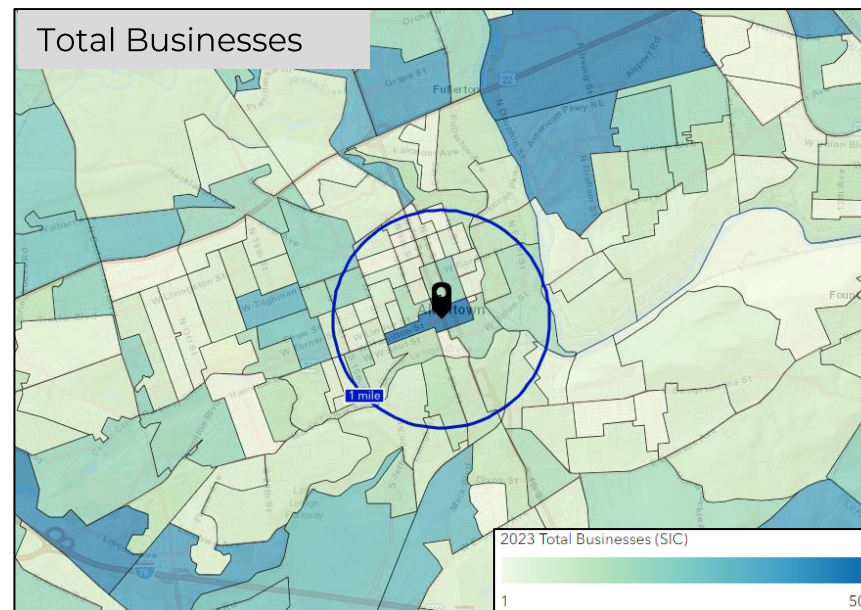
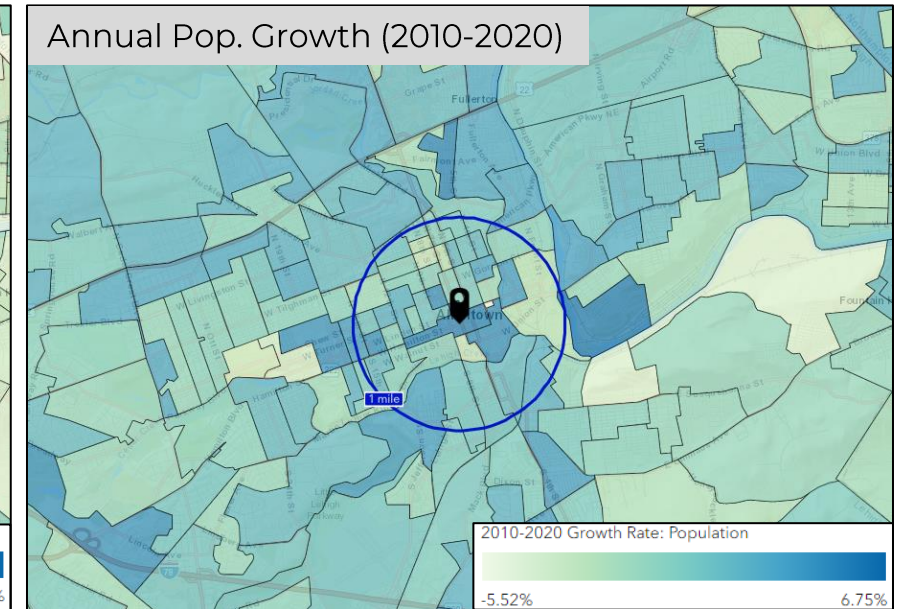
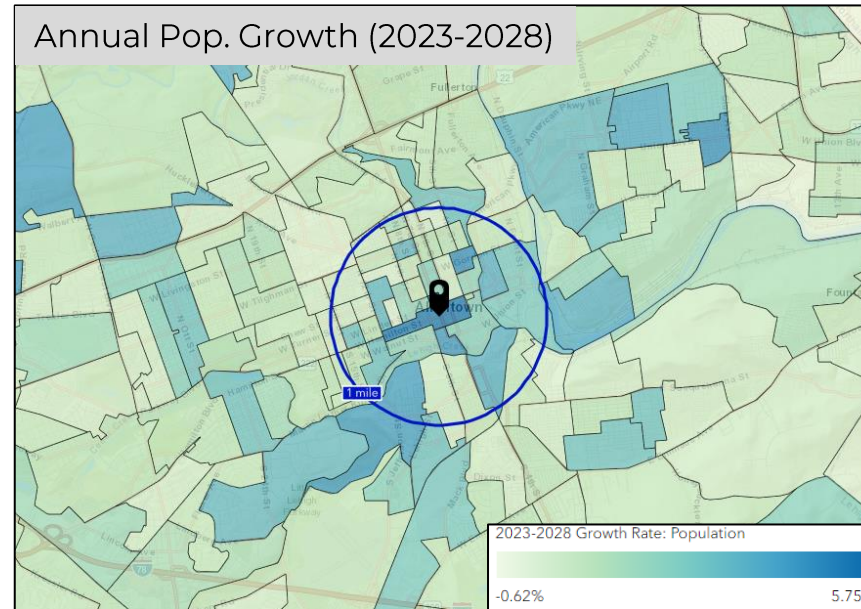
Opened in 2014, the PPL Center is a 10,000-seat multi-purpose arena built for a reported cost of \$191.4 million that is home to the Lehigh Valley Phantoms hockey team (AHL). Additionally, the arena hosts a significant number of concerts, family shows, community events, and NCAA sporting events. The arena is part of the “Downtown Revitalization District”, which was established by the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) and includes the PPL Center Arena Block and City Center Allentown. Development in the downtown core was incentivized by the Pennsylvania state law that created the Neighborhood Improvement Zone (NIZ). The District is anchored by the publicly-financed PPL Center Arena Block, which stimulated private development of the fully integrated City Center mixed-use development. Private development is being led by the City Center Investment Corporation. Currently, City Center includes 1.4 million square feet of Class A office space, the Renaissance Allentown Hotel, STRATA West and East apartment towers, The Shops at City Center, restaurant space, and additional coworking spaces. Revitalization components of the development include the expansion of the Butz Corporate Center as well as the conversion of the early 20th Century, 40,000 square foot Trifecta building into a creative loft-style Class A office and retail building. Total investment in Allentown’s City Center has surpassed a reported \$500 million, and development of additional commercial, residential, and retail space is currently ongoing. In fall of 2023, developers proposed a 21-story officer tower called Ideal Tower that will reportedly include 330,000 square feet of Class-A office space.



I. Executive Summary

City Center Allentown – Growth Heat Maps by Block Group

- Heat maps to the right (sourced from Esri) highlight the growth surrounding PPL Center (within one mile ring) as part of the City Center master-planned development
- Annual population growth is projected to be highest in proximity to PPL Center
 - Historical population growth has generally been equally dispersed
- The largest number of new housing units from 2010 to 2019 were built around PPL Center (opened in 2014)
- High concentration of businesses in proximity to PPL Center as City Center has attracted corporate businesses to new commercial space



I. Executive Summary

Intangible Benefits

- A new sports and entertainment venue may generate other significant impacts that are less explicit and more difficult to quantify
 - Regional, national, and international exposure due to a possible new expansion team and projected event mix
 - Prestige associate with a state-of-the-art, premier sporting and entertainment venue
 - Catalyst for economic development (attract/retain business) and area revitalization
 - Ancillary development opportunities proximate to the venue (please refer to Appendix F for additional detail)
 - Civic/community pride and identity
 - Improve quality of life for residents by retaining existing events and adding new entertainment alternatives
 - Provides community gathering space
 - Team/player contributions and donations to local charities/causes
 - New marketing/advertising opportunities for local, regional, national, and international businesses
 - Other