

THE RANCH MASTER PLAN



WORK SESSION – STATUS UPDATE



AUGUST 01, 2022



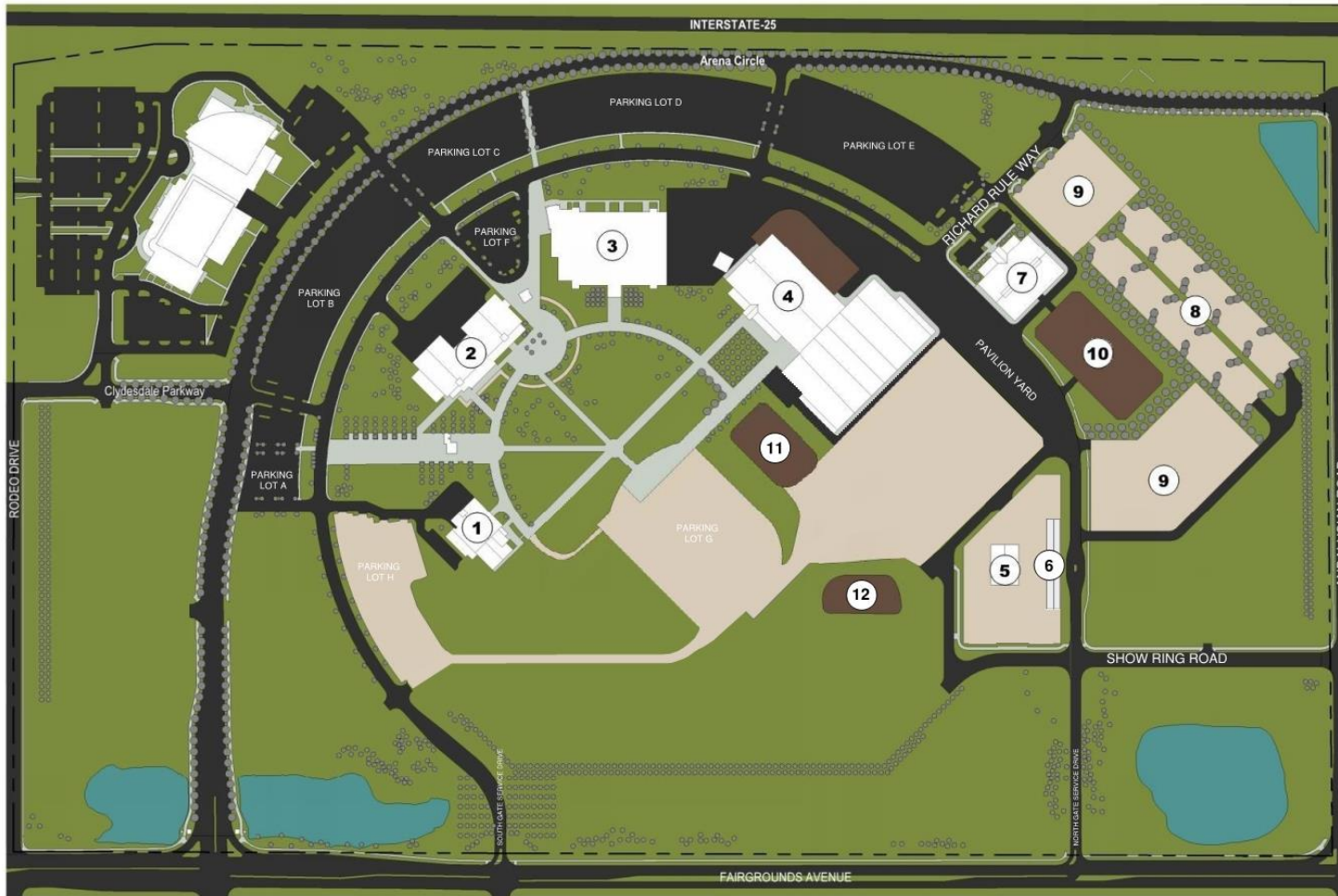
The Ranch
Larimer County's Event Complex

WORK SESSION – STATUS UPDATE

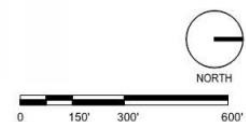
Phase 1 of Five-Year Plan (\$44M construction underway)

- Site Infrastructure; Fairgrounds Avenue, re-locate Arena Circle, construct Andalusian Road, and extend Clydesdale Parkway (\$13M)
- 4-H, Youth, and Community Indoor Arena (\$10.5M)
- Recreational Vehicle hook-up (83 spaces) (\$2M)
- 100' X 200' Outdoor Arenas (\$1.5M)
- Outdoor Surfaces for Stock/Trailer parking (\$1M)
- MAC Indoor Arena & Pavilions (\$4M)
- Maintenance Building (\$3M)
- Department of Natural Resources – Land Stewardship offices (\$2M)
- Richard Rule Road, Show Ring Road, and Pavilion Yard (\$7M)

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1. McKee 4-H Building
2. First National Bank Exhibition Building
3. BEC Arena
4. Livestock Arena & Stall Pavilions
5. Maintenance
6. Dirt Storage
7. 4-H Youth & Community Livestock Arena
8. RV Lot
9. Trailer Parking
10. Outdoor Arenas (100' x 200')
11. Long Horn Outdoor Arena
12. Round-Up Outdoor Arena



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Phase 2 of Five-Year Plan as of 11/15/2021

- Hotel – P3
 - 250+ key room hotel with room block agreement
 - P3 with anticipated eight-month selection and negotiation period
- Exhibition Center – County Sponsored
 - 60,000 SF + show hall, 35' ceilings, multipurpose flat floor space
 - Connect to new hotel with design beginning after hotel negotiation
- FNBO Exhibition Building renovation – County Sponsored
 - Begin design 2023
- BEC renovation - County Sponsored
 - 23,500 SF of new additions
 - Expanded concourses, lobby, locker rooms, and club space areas
 - Begin design 2024
- McKee renovation – County Sponsored
 - Begin design 2024
- COP option
 - This five-year plan allows for a forecasted 2025 COP issuance of \$25M

WORK SESSION – STATUS UPDATE

Commissioner Work Sessions

- **Work Session 03/30/2022**
 - Information Provided
 - Re-engage Convention, Sports, & Leisure (CSL) to re-investigate market studies, cost-benefit analysis, and feasibility on exhibition space and hotel partnerships
 - Enables The Ranch to continue to explore and update the core business functions (keeping The Ranch market competitive while phasing construction)
- **Work Session 04/11/2022**
 - Information Provided
 - Hotel P3 RFP
 - The project team is investigating into the reasoning behind lack of RFP responses, what has changed, and the next steps

RANCH IMPROVEMENT PLAN

CSL Findings

- Removal of need for FNBO Building to be dedicated for 4H, Extension, youth and community uses/activities.
- Opportunities to renovate/expand FNBO Building to meet exhibition space needs at The Ranch—the result of which could free-up additional funding for other Ranch Master Plan items (i.e., New Event Arena + secondary ice sheets and/or P3 incentives).
- Removal of natatorium associated with the Recreational Sports Facility; thereby, also creating a new opportunity to co-develop one or more ancillary ice sheets as part of a New Event Arena project.
- Increased construction costs, including a significant increase in construction costs for a new full-service Hotel project—enlarging the feasibility gap of such a project (i.e., the amount of incentive required by the public sector to make a project attractive to private hotel developers/investors) and, therefore, likelihood of attracting a suitable private sector-led project.
- Potential development of a significant new lodging and event space competitor via The Water Valley Company's' proposed hotel & waterpark resort project in Loveland.
- Large supply of existing and planned exhibition facility products in and around the greater Denver metropolitan area and throughout the regional area.

RANCH IMPROVEMENT PLAN

CSL Recommendations

- Target 70,000 SF of total exhibition space in renovated/expanded FNBO Building.
- Renovate center area in FNBO to increase rentable exhibition SF from 36,000 to 48,000.
- Expand one or both ends of FNBO Building to add additional 22,000 SF of exhibit space (bringing total to 70,000 contiguous SF).
- Expansion of FNBO Building breakout meeting space by an additional 5,000 SF.
- Freed-up capital funding could be shifted to other Ranch projects (i.e., New Event Arena + secondary ice sheets and/or P3 Hotel).

WORK SESSION – STATUS UPDATE

Key Changes at The Ranch since 2018

- COVID-19 Pandemic
- Additional stakeholder Input
 - Re-evaluate the scope of BEC and FNBO renovations
- CSU Extension Offices not moving to The Ranch
- Proposed Rocky Mountain Grand Resort and Conference Center project
- Increases to hotel, exhibition and event supply in region
- 4-H, youth, and community programs will take place in McKee and new 4-H, Youth, & Community Arena
- Shifting of natatorium associated with Recreational Sports Facility to Fort Collins Recreation
- Market Changes (hotel industry, construction costs, new and planned exhibition facilities in region)
- Lack of responses for Hotel P3 in April 2022

Direction Requested

- Further explore New Event Arena with an attached Recreational Sports Facility
- Further explore development & expansion of FNBO Exhibition Building to 70,000 SF (currently 36,000 SF)
- Eliminate new 60,000 SF Exhibition Center

Expanded FNBO Exhibition Building

- Expanded FNBO Exhibition Building (\$29M)
 - 70,000 SF contiguous flat floor exhibition space
 - Pros:
 - Can be constructed within five-year plan
 - Expand on industry trends (outdoor space)
 - \$22M in net savings (estimated)
 - Freed-up capital can be shifted to other projects with higher profitability for The Ranch and economic output for the surrounding area
 - New Event Arena and Recreational Sports Facility
 - Greater aggregate economic impact across The Ranch Master Plan
 - Cons:
 - Clear height and structural conflicts within existing facility

Project Team Recommendations

- Continue with Phase 1 construction (\$44M)
- Program 4-H and community activities in McKee and 4-H, Youth, & Community Arena
- Reduce scope of BEC renovations
- Eliminate new Exhibition Center and expand existing FNBO Building
- Re-evaluate New Event Arena with attached Recreational Sports Facility
- Re-evaluate hospitality partners at future date
- Continue with stakeholder outreach on the teaching kitchen in McKee to bring recommendations back to the board