

Scope of Work

Hunden's work process is proposed as follows:

- Task 1 – Kickoff and Project Orientation
- Task 2 – Economic, Demographic and Tourism Analysis
- Task 3 – Local and Regional Indoor and Outdoor Sports Market Analysis
- Task 4 – Tournament Opportunity Analysis
- Task 5 – Support Amenities Analysis
- Task 6 – Case Studies and Best Practices
- Task 7 – Recommendations
- Task 8 – Demand and Financial Projections
- Task 9 – Economic, Fiscal and Employment Impact Analysis

Task 1: Kickoff and Project Orientation

The kickoff will be attended by members of the Hunden team, City officials, and the Client to confirm the goals of the study and other contextual issues related to the Project. Hunden will:

- Obtain information and data from NAVIS Consulting, the Bastrop Economic Development Corporation, relevant county and city departments and their respective support staffs, and any other organizations that the Client deems appropriate.
- Tour Bastrop, along with the proposed Project site, local sports facilities and their surrounding demand generators, interview stakeholders from a variety of local private and public organizations and perform fieldwork as appropriate.
- Gather and analyze background data related to the Project and any previously completed studies, as available and appropriate.
- Gather and review available economic, demographic and financial data.

Hunden will collaborate with the Client to plan the kickoff trip and orientation efforts to ensure proper stakeholder engagement and outreach efforts.

Task 2: Economic, Demographic and Tourism Analysis

Hunden will evaluate the Bastrop market as an economic center of activity as well as a destination for visitors, especially as it relates to sports facilities, tournaments and events. This analysis will provide a realistic assessment of the area's strengths, weaknesses, opportunities and threats (SWOT). Among the data gathered and analyzed will be:

- Geographic attributes, accessibility, and transportation links,
- Trends in population growth and income,

- Corporate presence, major employers and any significant recent or likely future changes,
- Education levels, and
- Tourism attractions, especially those popular with families.

Hunden utilizes the latest market data, visitor origin data, demographic data, psychographic data and other resources to determine a comprehensive view of your marketplace.

Task 3: Local and Regional Indoor and Outdoor Sports Market Analysis

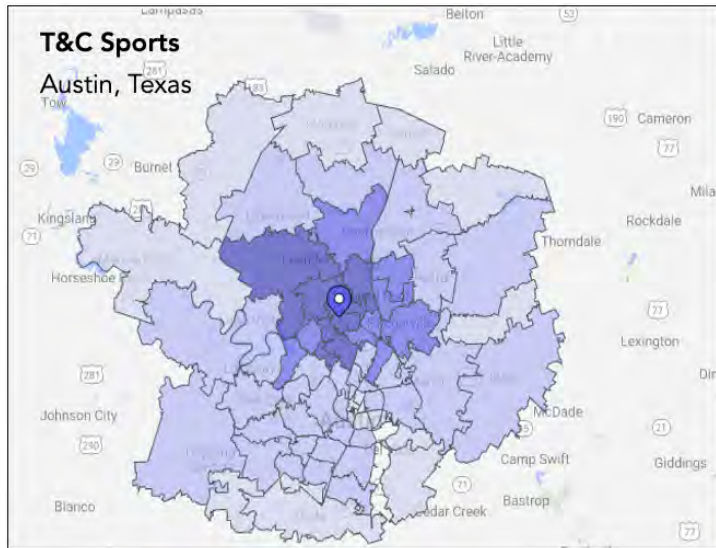
Local Competitive Market. Hunden will detail the existing offerings for sports facilities in the competitive local markets and their suitability for tournament and league play. Hunden's output will show how many visitors frequent the relevant local and regional facilities and where the facilities draw attendees from in order to assess utilization and gaps in the market.

Hunden will compile a supply and demand matrix that will identify whether the current inventory of facilities in the local Bastrop market and/or greater region is adequate for each sport/facility type studied.

Regional Competitive Market. Many of the likely events that could occur at a new sports complex will be from around the region. In order to understand the competitive situation in which the community finds themselves, the regional competitive sports facilities will be profiled and analyzed. Hunden will analyze and document the following conditions, as available and appropriate:

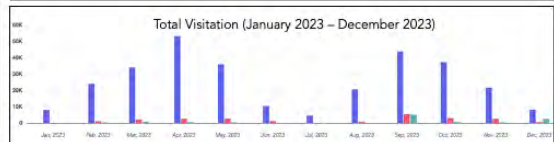
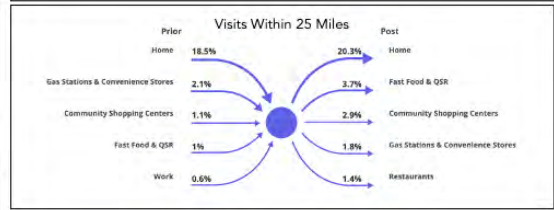
- Site and facility layout.
- Capacity,
- User and attendee counts, including local vs. out-of-town,
- Event types,
- Type of sports usage,
- Utilization times,
- Rental rates,
- Growth characteristics,
- Amenities, and
- Unique characteristics.

Hunden will utilize **geofencing research technology** to gather visitation and performance data for the relevant competitive sports complexes. This research output can show how many visitors frequent the facilities (and on dates when there is a large tournament) and where the facilities draw attendees from. Hunden can also use this tool to gather demographic and socio-economic data to understand the current market reality in the area and the surrounding region. The following figures provide a high-level illustration of just some of the type of visitation data we can gather with this tool.



Visitor Origins by Distance from Site	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 25 miles	303,300	89%	52,800	74%	5.74
Regional Distance - Between 25 and 100 miles	23,800	7%	11,600	16%	2.85
Long Distance only - Over 100 miles	12,000	4%	5,700	9%	1.79
Total Visits	339,100	100%	71,100	100%	4.77

Source: Floor.ai



The regional competitive sports facilities analysis will provide a sense of strengths and weaknesses, as well as opportunities and threats. With so many communities embarking on youth and amateur sports facilities, it is important to understand how the elite teams and leagues operate, how they determine where to host events, and where they choose to play. This analysis will answer both the competitive supply question and the regional demand question.

Demand Interviews. Conducting demand interviews is one of the methods that Hunden uses to determine existing participation data, rental rates and costs for facilities in the city and the competitive regional marketplace, and other key datapoints to identify gaps and determine recommendations. These interviews will help determine what teams, leagues, and tournaments are likely to come to Bastrop and under what conditions.

Task 4: Tournament Opportunity Analysis

Of critical importance to this Project is the potential for economic and fiscal impact from the inducement of events from national and regional tournaments. Just like local and small regional tournaments, super-regional and national tournaments can generate significant visitation, spending, room nights and other positive impacts to a community and can even support the development of other real estate uses if enough consistent local and non-local demand occurs onsite. Participants and their families come from farther distances and therefore must spend the night, unlike those from the region that may be “daytrippers.”

Tournament Demand Interviews. Hunden will conduct interviews with tournament directors, leagues, school district representatives, management at competitive facilities and others who are likely to use the facilities. These interviews will help determine what teams, leagues, and tournaments are likely to come to the facility and under what conditions. Demand interviews will lead to implications of the facility program.

Task 5: Support Amenities Analysis

Hunden understands that attracting more tournaments through new sports facilities should include capturing more hotel room nights and spending from the visiting teams and families. As such, the market needs to have enough quality hotels to capture the demand. To the extent that some hotels are located outside of the city limits, the return on the investment for the Project will not be limited to the city. As such, Hunden will analyze the existing local hotel, retail, and restaurant supply at a high level.

Hotel. The analysis will determine proximate quality room count, as well as the community-wide room count, for hotels in the nearby area, to understand what impact from a new sports facility and programming can be captured in the city limits – and the implications for more hotels to be developed in the community.

The analysis will include tracking of occupancy, monthly room night demand, average daily rate (ADR), and Revenue per Available Room (RevPAR), and performance by year, month, day of week, unaccommodated demand and demand type/market mix. Hunden will include data showing local room occupancy, average daily rate, and Rev/Par for the last six years.

Restaurant/Retail. Hunden will also profile, map, and discuss the pros and cons of retail and restaurant nodes and how their proximity to the proposed site enhance or detract from the Project's success.

Task 6: Case Studies and Best Practices

Hunden will provide case study profiles of comparable indoor and outdoor sports complexes and discuss implications and lessons learned. Hunden will gather details on what these projects offer and profile them accordingly. Profiles will include interviews with management and data collection via Placer.ai. These facilities will be profiled, and implications discussed. Insight and best practices from these facilities will assist in identifying critical components of these types of complexes that can then be implemented into the recommendations, as appropriate.

Best Practices. Hunden believes that a career's worth of experience should result in wisdom and best practices for our clients. We gather these and share them with our clients.

Task 7: Recommendations

Hunden will provide recommendations for a new sports facility in Bastrop, including size, program, amenities, quality, and other key elements. The recommendations will consider the results of all the prior tasks, which will point toward logical conclusions regarding every aspect of the Project.

The recommendations may support or modify the size, scope and use of the facilities depending upon many factors, including input from the Client. The recommendations for the sports complex may include:

- All physical programmed areas by use and size – indoor and/or outdoor facilities, courts, fields, etc.,
- Optimal sports uses, programming and events,
- Parking needs,
- Amenities,
- Optimal site parameters, and
- Others, as appropriate.

Task 8: Demand and Financial Projections

Event/Demand Projections. Hunden will make projections for demand for events and uses at the proposed Project. These will be projected for a period of ten years. Projections will include demand by type of event/tournament, average attendance for each type and total attendance by type.

Estimated Operating Financials. Based on the projection of demand and a number of assumptions regarding rental rates, fees, concession per-capita revenues and others, Hunden will prepare a financial projection for the recommended Project. This will include operation and maintenance costs which will influence the anticipated return on investment projections.

This financial analysis will include the following:

- **Estimated line-item revenues for ten years of operations.** Expenses directly related to the development will also be projected for the period. The demand profile, experience with similar developments and data from existing courses will be used to model the operating revenues and costs of the new developments and will be incorporated into the business plan. The model will generate a pro forma operating statement that will include revenue and expense items, including the following:
 - Revenues: rental rates, ticket sales, fees, food and beverage, parking and other income as relevant,
 - Direct operating expenses: wages and salaries, contract services, utilities, maintenance and repair, supplies and other expenses, and
 - Unallocated expenses: employee benefits, advertising and promotion, general and administrative, professional services, insurance and other expenses.

As stated above, the financials will be presented in a line-item by line-item basis, which will lead to estimates of net operating income or loss. Based on the operating loss or profit, there will be either funds remaining for debt service or there will be a requirement for ongoing operating support by the public.

Task 9: Economic, Fiscal and Employment Impact Analysis

Hunden will conduct an economic, fiscal and employment impact analysis and prepare an impact model to determine the direct, indirect, and induced impacts, including the tax revenues that are generated by the Project.

Based on the above analysis, a projection of net new direct spending will be tabulated. New spending is that spending that is new to the community as visitors come to Bastrop and the surrounding area due to an event, spend the night or otherwise spend time or money in the area. Hunden will analyze the spending by residents (transfer spending) and discuss the amount that is recaptured. For example, due to the existence of activity generated by events, economic activity occurs as residents pass up opportunities to leave the area to spend money. Instead of going to an event in another area, the event keeps their spending within the area. This is considered recaptured demand. The net new and recaptured direct spending is considered to be the **Direct Impacts**.

From the direct spending figures, further impact analyses will be completed, including:

- **Indirect Impacts** are the supply of goods and services resulting from the initial direct spending. For example, a new resident's direct expenditure on retail causes the store to purchase goods and other items from suppliers. The portion of these purchases that are within the local economy is considered an indirect economic impact.
- **Induced Impacts** embody the change in local spending due to the personal expenditures by employees whose incomes are affected by direct and indirect spending. For example, a waitress at a restaurant may have more personal income because of the new spending. The amount of the increased income that the employee spends in the area is considered induced impact.
- **Fiscal Impacts** represent the incremental tax revenue collected by the City due to the net new economic activity related to a development. The fiscal impact represents the government's share of total economic benefit. There will be distinct tax impacts for each governmental entity. Fiscal impacts provide an offset to the potential public expenditures required to induce the development of the Project. Hunden will identify the taxes affected and conduct an analysis of the impact on these accounts and governmental units.
- **Employment Impacts** include the incremental employment provided not only onsite, but due to the spending associated with the Project. For example, the direct, indirect, and induced impacts generate spending, support new and ongoing businesses, and ultimately result in ongoing employment for citizens. Hunden will show the number of ongoing jobs supported by the project and provide the resulting income and income taxes generated.

Hunden uses one of the industry's most relied upon multiplier models, IMPLAN. This input-output model estimates the indirect and induced impacts, as well as employment impacts, based on the local economy. An input-output model generally describes the commodities and income that normally flow through the various sectors of the economy. The indirect and induced expenditure, payroll and employment result from the estimated changes in the flow of income and goods caused

by the projected direct impacts. The model data are available by various jurisdictional levels, including counties.

Touchpoints and Deliverables

- **Kickoff Organizing Call** – Once the administrative engagement paperwork process is complete, Hunden will schedule an initial kickoff organizing call/Zoom with the Client team for introductions and to schedule the in-person site visit, tours, and meetings. Hunden will send a kickoff memo outlining requests for data, scheduling arrangements, and key contact information.
- **Site Visit/Local Discovery** – Members of the Hunden key personnel team will travel to Bastrop to conduct an in-person kickoff trip with the Client, including stakeholder meetings and interviews, a site tour, and tours of surrounding demand generators.
- **Circle Back Call** – After the kickoff trip, Hunden will schedule a ‘circle-back call’ with the Client to wrap up data requests and any outstanding discovery phase items.
- **Check-In Calls** – Throughout the market research tasks, Hunden can schedule check-in calls with the Client to ensure timely forward direction through the study process.
- **Market Findings Presentation (Deliverable)** – At the conclusion of Task 7, Hunden will present a PowerPoint-style deliverable of market findings electronically to the Client. This will include our recommendations and scenarios as appropriate.
- **Draft Analysis (Deliverable)** – Hunden will complete all financial and impact modeling elements of the scope of work and compile the results into a PowerPoint-style draft analysis, which will be presented to the Client electronically for review and comment.
- **Final Analysis (Deliverable)** – After receiving comments from the Client on the draft analysis, Hunden will issue its final PowerPoint-style analysis.

Timing

Hunden proposes the following timing estimates for each distinct deliverable:

- Market Findings – approximately eight weeks after the following has occurred: contract authorization, receipt of initial kickoff payment, completion of in-person site visit, and receipt of all requested data
- Draft Analysis – approximately three to four weeks after delivery of Market Findings
- Final Analysis – approximately two to three weeks after receiving Client comments on the draft

Hunden Partners expects the overall timeline to be approximately 12-14 weeks, assuming prompt Client responses, reviews and availability.

Fees

Hunden Partners proposes to complete the outlined scope of work for a lump-sum fee of **\$60,000**, inclusive of research and travel expenses for one (1) trip to Bastrop for the kickoff site visit/stakeholder engagement session. Any additional travel will be billed at cost.

Hunden proposes to bill the Client according to the following payment schedule, broken out by deliverable milestones:

- | | |
|---------------------------------|----------|
| ▪ Kickoff, to initiate work: | \$15,000 |
| ▪ Market Findings Presentation: | \$15,000 |
| ▪ Delivery of Draft Analysis: | \$15,000 |
| ▪ Delivery of Final Analysis: | \$15,000 |

We remain flexible in our approach and open to adjustments in order to best meet the Client's needs.