

Cleveland County Multi-Purpose Event Venue

Market Demand, Financial
Feasibility & Impact Study





Table of Contents

▪ Introduction.....	3
▪ Executive Summary.....	4
▪ Economic, Demographic & Tourism Analysis.....	14
▪ Performance Venue, Entertainment & Events Market Analysis.....	22
▪ Mixed-Use Market Analysis	
▪ <i>Hotel Market Analysis.....</i>	<i>25</i>
▪ <i>Residential Market Analysis.....</i>	<i>32</i>
▪ <i>Office Market Analysis.....</i>	<i>36</i>
▪ <i>Retail/Restaurant Market Analysis.....</i>	<i>40</i>
▪ <i>Entertainment & Special Event Market Analysis.....</i>	<i>46</i>
▪ Case Studies.....	51
▪ Demand & Financial Projections.....	76
▪ Economic, Fiscal & Employment Impact.....	83

Introduction

The Cleveland County Industrial Development Authority engaged Hunden Partners to provide a financial feasibility and economic and fiscal impact study related to a proposed event venue and mixed-use entertainment district (Project) in Cleveland County, Oklahoma. This report includes a cost-benefit analysis of the Project, followed by recommendations for the mixed-use entertainment district immediately adjacent to the performance venue based on market conditions and best practices. The following highlights the key goals of the study:

- **Analyze** the destination and real estate metrics, including marketing and visitor metrics, current market performance statistics, and product offerings.
- **Review** existing research, development plans and other planning documents.
- **Identify** relevant local and national trends and comparable developments focusing on the best practices for arena anchored mixed-use districts.
- **Prepare Projections** for the economic, fiscal and employment impacts of the Project.



Executive Summary

Key Questions

- Will the Project generate a net increase in out-of-town visitors to Cleveland County?
- Will net new, or recaptured, spending be generated in Cleveland County from the Project?
- What impact, if any, will financing the event venue have on the local taxpayer?
- Will there be cannibalization of spending in the surrounding retail stores, restaurants, hotels and entertainment venues?
- Are there concerts, family shows, and other events that could be held at the event venue that are currently not being accommodated in the market and if so, how many?
- Are there other comparable projects across the country that are successful and if so, what makes them successful?



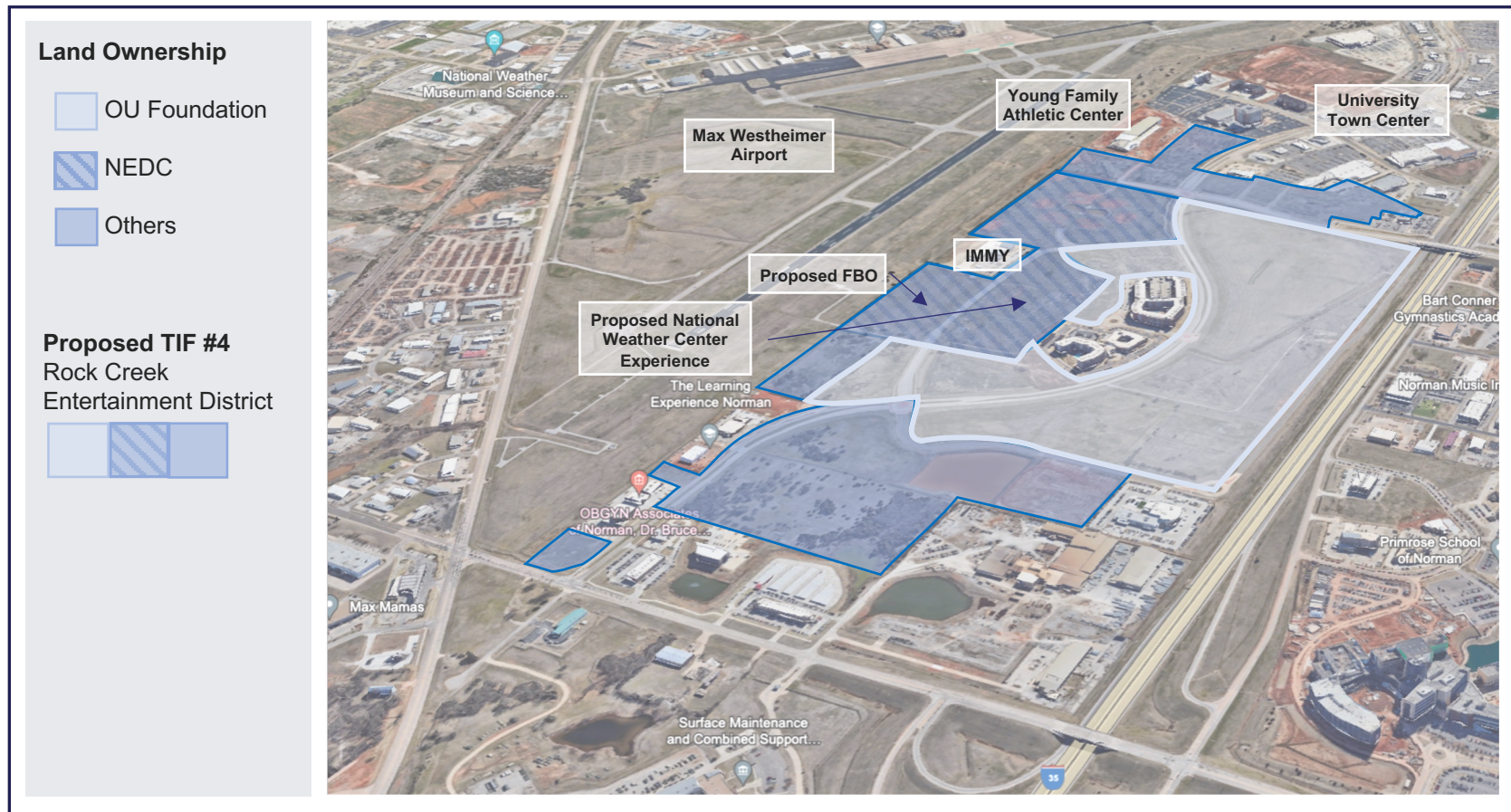
Project Overview

Executive Summary



The Project is located adjacent to I-35 and it includes the entirety of the approximately 269-acre proposed Rock Creek Entertainment District TIF #4, which includes about 121 acres of OU Foundation land, approximately 60 acres of land controlled by NEDC, and about 88 acres owned by others.

Hunden's analysis assesses the OU Foundation Development Program provided by Team Norman and the potential development that would likely occur on the additional land within the Rock Creek Entertainment District TIF #4.



Executive Summary

Project Assumptions

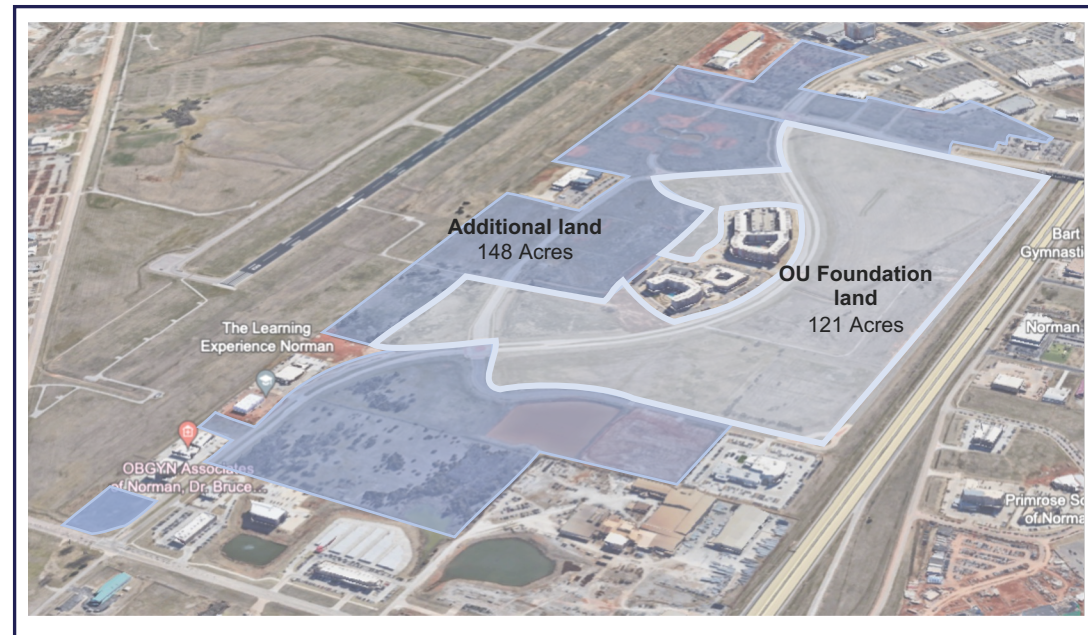
This report assesses the financial feasibility and economic impact of a performance arena and event venue anchoring a compelling mixed-use entertainment district. Hunden was provided the OU Foundation Development Program from Team Norman, which is designated as the “Original Development.”

In addition, Hunden made market-based projections of development that would occur on the additional land surrounding the development program proposed for the OU Foundation land. This additional development would increase the property and sales tax revenue for the Rock Creek Entertainment District TIF #4.

The table to the top right shows the OU Foundation Development Program and the program recommended by Hunden for the additional land, together forming Rock Creek Entertainment District TIF #4.

Use	Original Development* 121 Acres	Additional Development within TIF #4 148 Acres	Rock Creek TIF #4 District Full Buildout 269 Acres	Unit
Performance Arena	10,500	-	10,500	Capacity
Retail & Restaurant	275,500	55,000	330,500	Square Feet
Hotel	150	120	270	Rooms
Multifamily	1,424	220	1,644	Units
Single Family For Rent	177	-	177	Units
Office	564,322	-	564,322	Square Feet
FBO	48,000	-	-	-
Hangar Space	60,000	-	60,000	Square Feet
National Weather Experience	-	100,000	100,000	Square Feet
Central Community Plaza	38,000	-	38,000	Square Feet
Parking (Structured & Surface)	4,665	Parking Analysis Req.	-	Spaces

*Development program provided by OU Foundation & Team Norman
Source: Hunden Partners, OU Foundation, Team Norman



Executive Summary

Economic Impact Summary



Hunden's analysis assessed economic impact in two ways. First, Hunden assessed the conceptual net new economic impact the Project would generate for Cleveland County. Second, Hunden assessed the on-site fiscal impact which would contribute directly to the revenue streams of the Rock Creek Entertainment District TIF #4.

Conceptual Net New Impact to Cleveland County

- The conceptual net new impact from the Project shows the net new direct, indirect and induced spending, earnings and FTE jobs generated by the Project over a 25-year timeframe.
- The conceptual net new impact projections take into account cannibalized and recaptured spending that would likely occur.
- Hunden utilized the IMPLAN input-output multiplier model, which determines the level of additional activity in the Cleveland County economy due to the Project.

On-Site Fiscal Impact

- The on-site fiscal impact includes the tax generation that would occur from the development within the Rock Creek Entertainment District TIF#4. Hunden assumed that these include the ad valorem generated from commercial development within the district as well as the sales tax generated from on-site spending.



Conceptual Net New Impact to Cleveland County

25-Year Impact Summary

Over a 25-year period, the mixed-use entertainment district is expected to generate the impacts summarized in the table to the right for Cleveland County. These impacts are net new to the County and account for cannibalization and recaptured spending.

Hunden estimates that the OU Foundation Development Program will generate \$3.7 billion in net new spending, \$1.6 million in net new earnings, 1,513 FTE jobs and \$553 million in local taxes in the economy over a 25-year timespan.

Based on Hunden's market assessment for the additional development for the Project located in the Rock Creek Entertainment District TIF #4, the Project has the potential to generate an estimated \$4.5 billion in net new spending, \$1.8 billion in new earnings, 1,804 FTE jobs and \$617 million in local taxes.

Construction impacts of the original development program would be robust. The Project is estimated to support 1,988 construction jobs within the county.



Construction Impacts - Original Development	
Development Cost - Estimated	(millions)
Labor (60%)	\$723
Materials (40%)	\$482
Total	\$1,205
% Labor in Cleveland County	22%
% Materials In Cleveland County	11%
Construction Jobs in Years In-County	1,988
Taxes Generated	(millions)
State Sales Tax (4.5%)	\$19.5
State Income Tax (wtd. 4.7%)	\$33.3
Local Sales Tax (4.25%)	\$2.3
Total	\$55.1
*Total development cost was provided by OU Foundation and is based on Fair Market Value upon full-build out of the development	
Source: Hunden Partners	

25-Year Impact Summary Cleveland County			
	Original (millions)	Additional Development (millions)	Full Buildout TIF#4 (millions)
Net New Spending			
Direct	\$2,328	\$516	\$2,844
Indirect	\$835	\$164	\$998
Induced	\$534	\$142	\$677
Total	\$3,697	\$822	\$4,520
Net New Earnings	(millions)	(millions)	(millions)
From Direct	\$996	\$136	\$1,133
From Indirect	\$328	\$60	\$389
From Induced	\$253	\$55	\$307
Total	\$1,577	\$252	\$1,829
Net New FTE Jobs	Average	Average	Average
From Direct	922	166	1,088
From Indirect	363	68	431
From Induced	227	58	285
Total	1,513	291	1,804
Net New Local Taxes	(millions)	(millions)	(millions)
Local Sales Tax (4.25%)	\$99	\$22	\$121
Local Hotel Tax (8%)	\$8	\$6	\$14
Property Tax	\$446	\$36	\$482
Total	\$553	\$64	\$617
Source: Hunden Partners			



On-Site Tax Impacts

25-Year On-Site Tax Impacts

The Rock Creek Entertainment District TIF #4 would utilize the on-site incremental property tax and sales tax impact generated by the uses within the district.

The OU Foundation Development Program is estimated to generate \$446 million in on-site property taxes and \$116 million in sales tax revenue over a 25-year timeframe.

Additional development within the TIF is expected to occur on non-OU Foundation land. When accounting for this, the total on-site property taxes generated increase to an estimated \$482 million and sales tax revenues increase to and estimated \$138 million.

Hunden also showed the estimated on-site hotel occupancy tax revenue for the entire Project over a 25-year timeframe which totals \$31 million for the City of Norman.

Hunden acknowledges that there would be a loss to the City of Norman general fund from the sales tax that will no longer be generated at Lloyd Noble. The sales tax generated at the new performance venue/arena will contribute to the Rock Creek TIF #4. However, Hunden expects this will be negated by positive benefits shown in the 25-Year Conceptual Impacts, which shows the estimated level of net new spending within the greater Cleveland County economy.

The Rock Creek Entertainment District TIF #4

25-Year On-Site Tax Impacts			
	Original Development	Additional Development	Full Buildout TIF#4
TIF Capturable Taxes	(millions)	(millions)	(millions)
Property Tax	\$446	\$37	\$482
Sales Tax	\$116	\$22	\$138
Total Onsite Tax Impact	\$561	\$58	\$620
	(millions)	(millions)	(millions)
City On-Site HOT Tax	\$20	\$11	\$31

Source: Hunden Partners

The 25-year on-site tax impacts have not discounted back to present value and therefore do not represent the actual value of capital available for the construction of components of the Project. The local sales tax rate capturable within the TIF is 3% (Norman General Fund & City Capital Projects)

Headlines

- 1 Market supported residential and commercial uses.** Market demand supports residential and commercial development within the Project.
- 2 Market Need for a mid-sized event venue in the OKC metropolitan area.** Nationally, medium-sized venues with a capacity of between 2,500 to 10,000 seats are in demand. Promoters said that acts that want to play the OKC market but can't sell out the Paycom Center are forced to either perform in a venue that is too small to profitably meet demand for the entertainment act or alternatively avoid the market completely. Further, modern event venues which feature the closure of upper concourse levels to create a more intimate concert atmosphere have found success in routing many more shows through their doors.
- 3 Impact of Concerts.** Privately managed collegiate venues that fill the calendar with entertainment acts have been shown to induce substantially more visitors to each market assessed, generating spending that 'but for' these performances, would not have occurred.
- 4 Destination Hub.** Norman is lacking a central 'hub' of activity, or a destination for visitors and residents. There is a genuine opportunity for this Project to be that central hub.
- 5 Catalyst for additional development.** The Project has the potential to be a catalyst for additional development within Norman and Cleveland County.



Executive Summary

Answers to the Key Questions

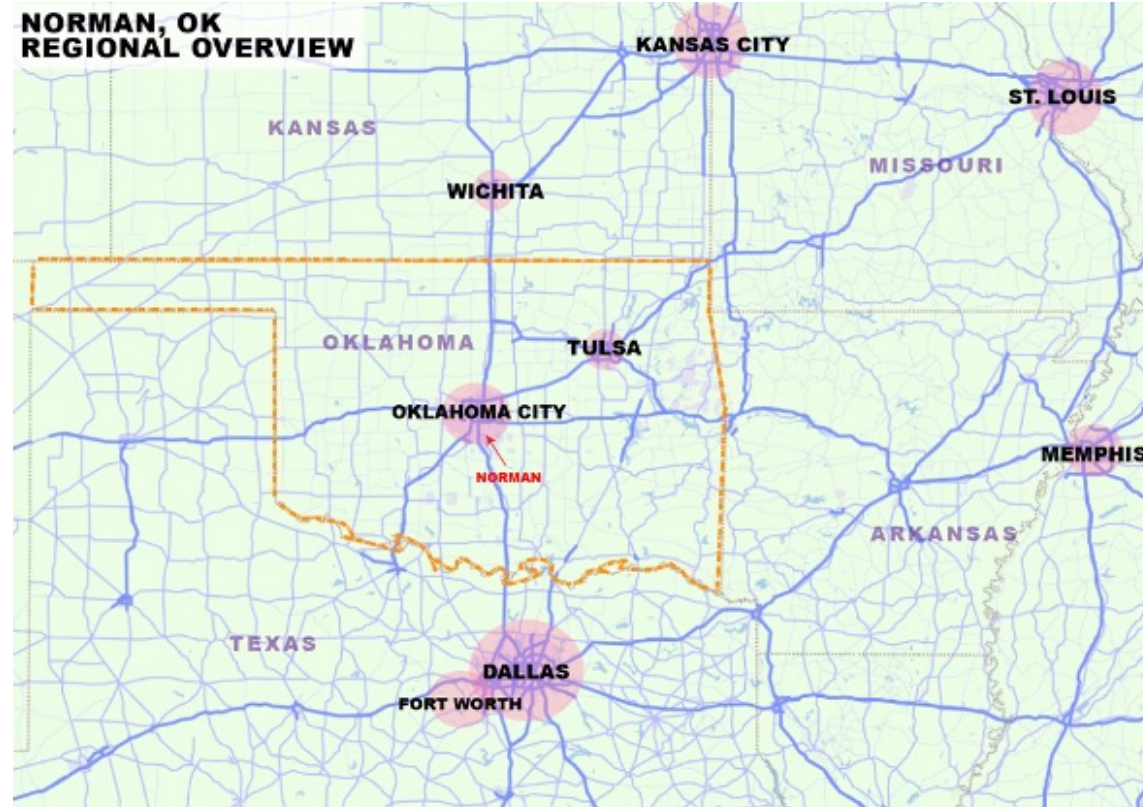
- Will the Project generate a net increase in out-of-town visitors to Cleveland County? **Yes, largely driven by the increase in promoted concerts, family shows, and other events and overall destination draw.**
- Will net new, or recaptured, spending be generated in Cleveland County from the Project? **Yes.**
- What impact, if any, will financing the Event Venue have on the local taxpayer? **Based on the development program provided by the OU Foundation, Hunden expects that there is a strong opportunity for the Project to have no impact to the local taxpayer.**
- Will there be cannibalization of spending in the surrounding retail stores, restaurants, hotels and entertainment venues? **Yes, Hunden accounted for the cannibalization of spending but believes the Project will recapture a comparable amount of spending that currently leaves Norman and goes to OKC.**
- Are there concerts, family shows, and other events that could be held at the Event Venue that are currently not being accommodated in the market and if so, how many? **Based on Hunden's market assessment the venue is projected to host 25 concerts, family shows and comedy acts upon stabilization.**
- Are there other comparable projects across the country that are successful and if so, what makes them successful? **Yes, typically the success is driven by strong management and a flexible design that accommodates a variety of event types.**

Economic, Demographic & Tourism

FOCUS

Evaluate the Project site area and Norman's position as a center of economic activity, related to resident population and business location growth, accessibility, and as a destination for visitors.

- Located in central Oklahoma, approximately 20 miles south of Oklahoma City, Norman has emerged as Oklahoma's third largest city.
- The project site is located in a prime location, offering easy access to major transportation routes such as Interstate 35, U.S. Highway 77 and State Highway 9.
- The population reaches nearly 1.5 million within a one-hour drive time of Norman and nearly 11 million with a three-hour drive time. The three-hour drive time captures markets such as Tulsa, Dallas, Texas, and Wichita, Kansas.
- Traffic counts are robust along the I-35 corridor with an average of 69,000 cars per day traveling both north and southbound.



Population & Growth

Population growth across the Oklahoma City MSA significantly outperformed the US and state of Oklahoma average from 2010 to 2023.

University of Oklahoma

The University of Oklahoma brings in significant activity to Cleveland County and the city of Norman, offering the area the potential to grow its tourism assets. The area has a variety of offerings that cater to a variety of markets, including young families and adults.

Leakage

Norman residents and visitors will travel to Oklahoma City for additional entertainment and dining options due to the lack of supply within the City of Norman.

The average distance of an entertainment venue from the project site is approximately 18 miles away.

Education & Skills

The educational attainment level for bachelor's and master's degrees in Norman are higher than the US, state and county averages. Areas with higher educational attainment levels often comprise of higher-paying careers and stronger public schools, which help to attract more affluent families and individuals.

© 2010 Blackwell Publishing Ltd *Journal of Internal Medicine* 267: 105–114

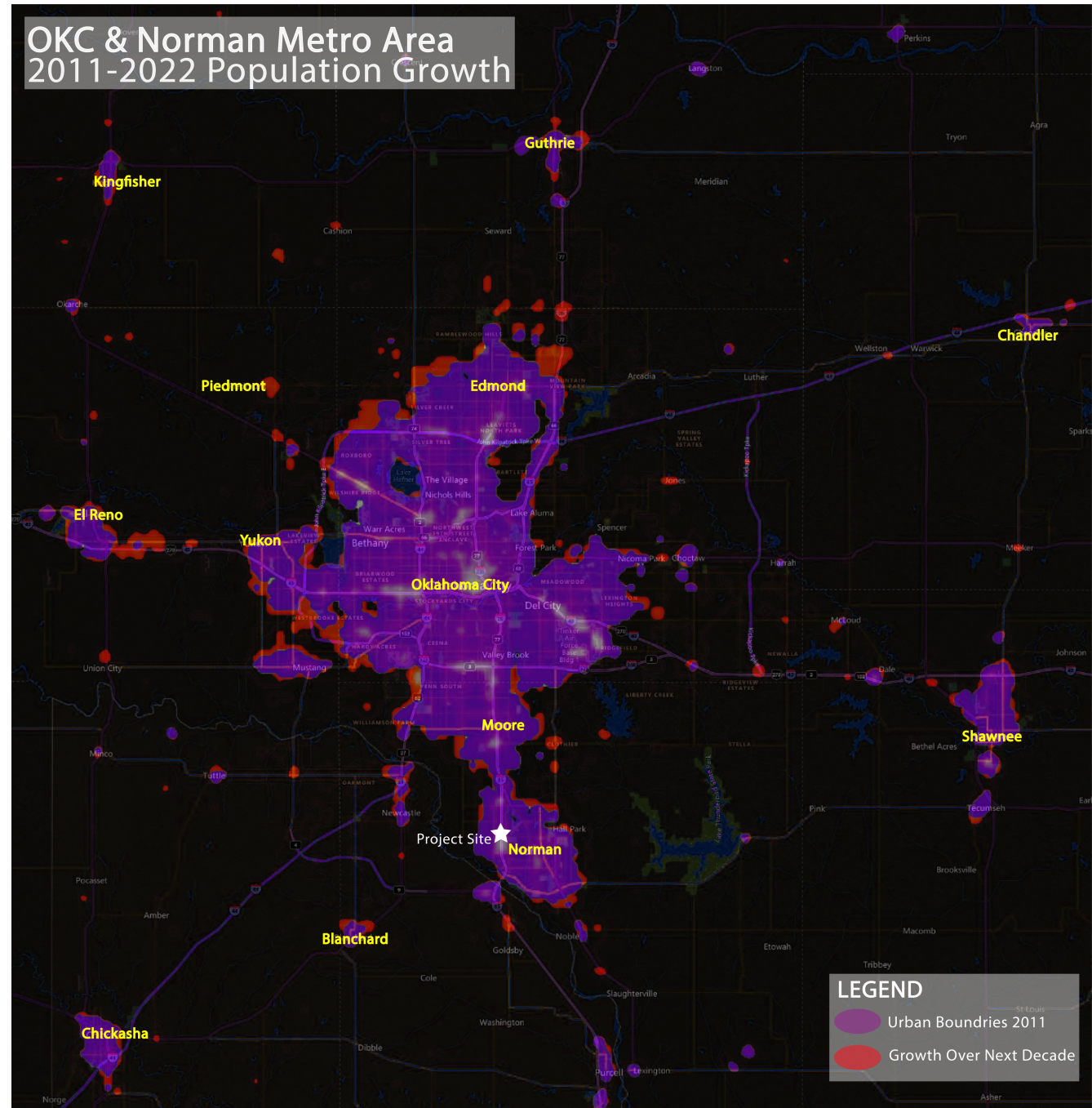
- Traffic counts bolster the strength of the site as a location for a large event venue.
- Even with the new toll turnpikes being built near and around Norman's east side, those new highways will never have nearly the traffic volumes and visibility that I-35 has currently. The south end of the metro-area highway loop should help traffic from the west and east sides get to an event venue in Norman, once built.
- The site is better than the current Lloyd Noble Center for travelers going to games, although college kids will no longer have an on-campus event venue to go to, and it may lack some of the college campus vibe.
- Norman's event venue will be able to get mid-sized shows that the entire central Oklahoma market can easily get to.



Regional Area Growth

Over the past 11 years the OKC & Norman metro area has grown significantly, which is a good sign for an arena development's future stability.

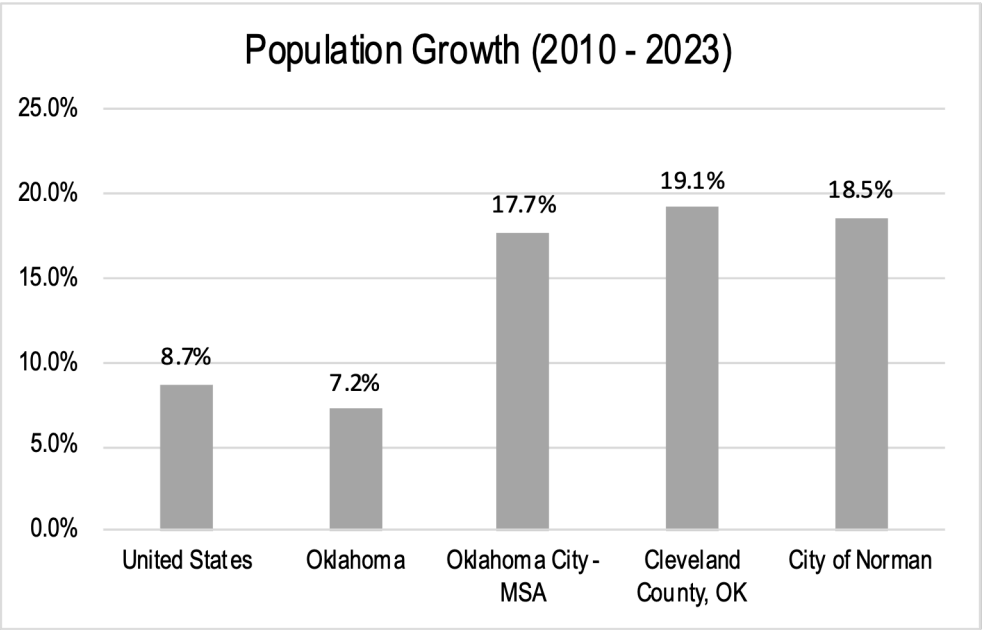
- Residential growth is occurring at the greatest rate on the north and west sides of Oklahoma City (in and around Edmond).
- The south side is also experiencing expansion, notably in the spaces between Norman and Moore, and on Norman's east periphery.
- Overall, an event venue's marketplace is the entire media broadcast marketplace, not a specific submarket or side of town, and the events will attract its audience from anyplace within that market, as long as it is familiar and easily accessible from a major highway.
- This location's high visibility potential enhances the venue's prospects of attracting touring shows because of the logistical needs of funneling a large number of vehicles to and from the Site, as well as for loading trucks required to transport touring acts.



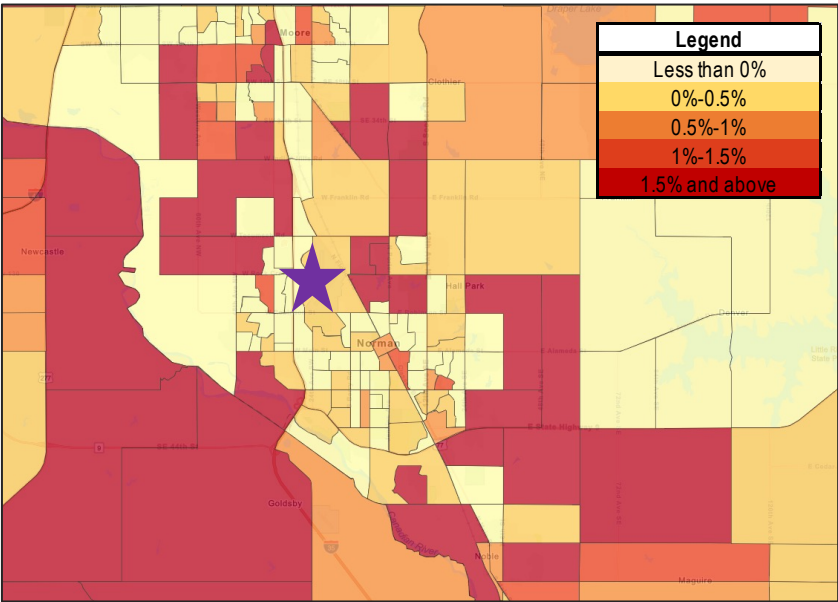
Economic, Demographic & Tourism

Population & Growth

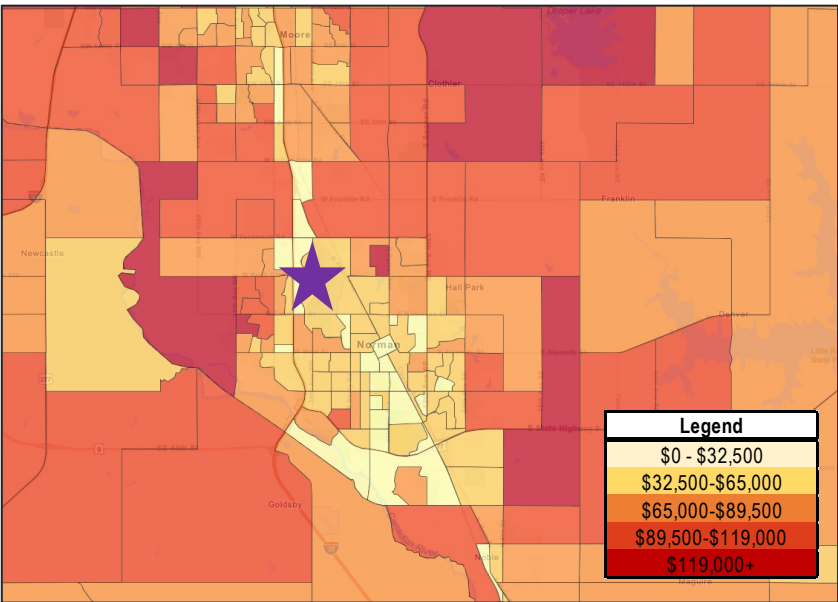
- Although downtown Norman sees minimal population growth and a lower median household income than surrounding areas, cities such as Goldsby, Hall Park and Newcastle are seeing significant population growth and median household incomes above \$89,000. Several of these areas can help generate consistent activity for the project.
- In comparison to the state of Oklahoma, Norman has higher median household incomes. Paired with its educational attainment levels, this data indicates that Norman and Cleveland County are home to several affluent neighborhoods. With higher levels of disposable income, households are more likely to spend money on entertainment and events related to the Project.



Population Growth Projection 2023 - 2028



Median Household Income 2023



University of Oklahoma

Year Founded:	1890
Current Enrollment:	32,676
Highest Degree:	Doctorate
Core Campus Acreage:	3,326 acres

University of Oklahoma (OU) is a public research university, located on three campuses in Norman, Oklahoma. It has the largest enrollment within the state of Oklahoma.

- **In State Tuition:** \$36,412
- **Out of State Tuition:** \$53,482
- **Athletic Conference:** Big 12 Conference, SEC (2024)

OU has seen an increase in total enrollment since 2020, with more than a three percent increase from 2022 to 2023 in the fall semester. Total enrollment for fall 2023 was approximately 32,676 students and approximately 29,920 students in the spring. The City of Norman, like many college towns, face challenges with seasonality of student populations.

As of 2024, OU has joined the Southeastern Conference (SEC) which is expected to significantly impact the athletics environment.



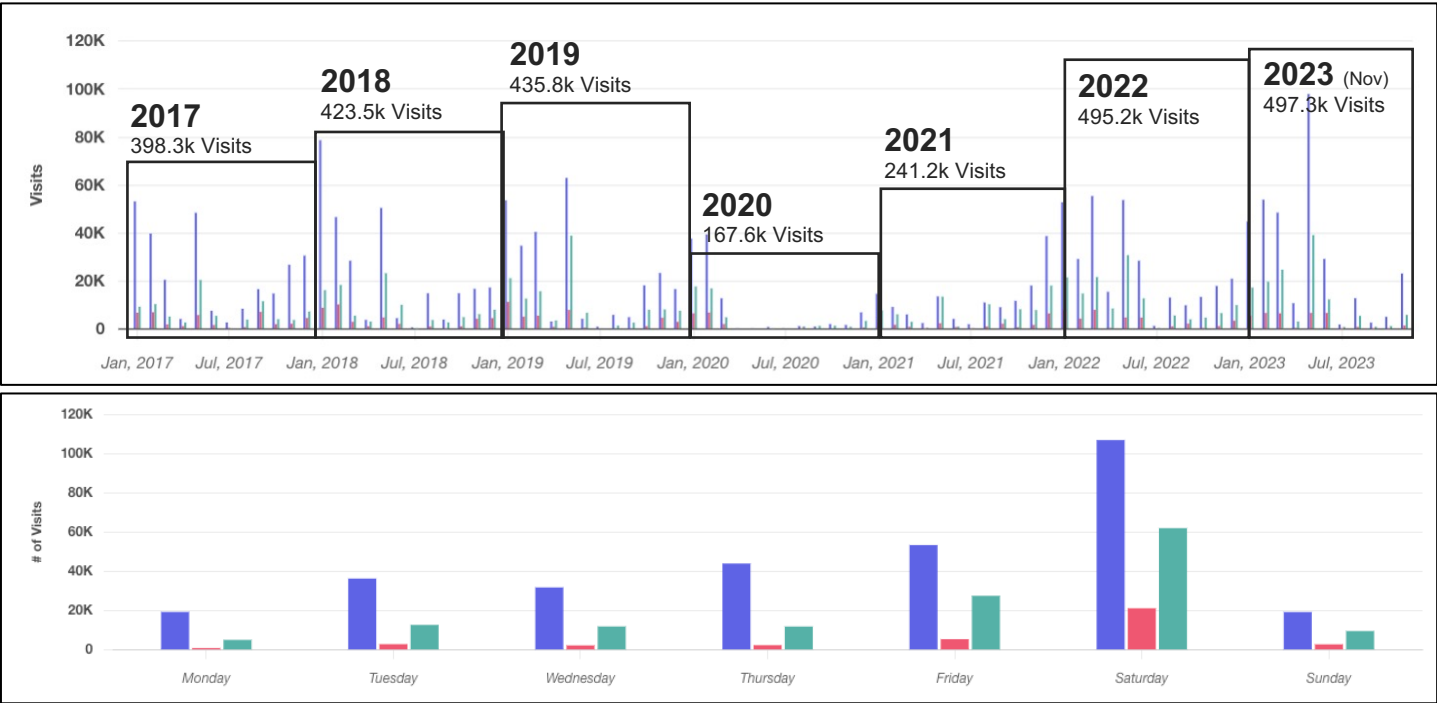
Lloyd Noble Center Visitation Analysis

Hunden utilizes Placer.ai which is a geofencing platform that monitors selected points of interest (POIs). The following points highlight key headlines from the geofencing analysis of the Lloyd Noble Center in 2022:

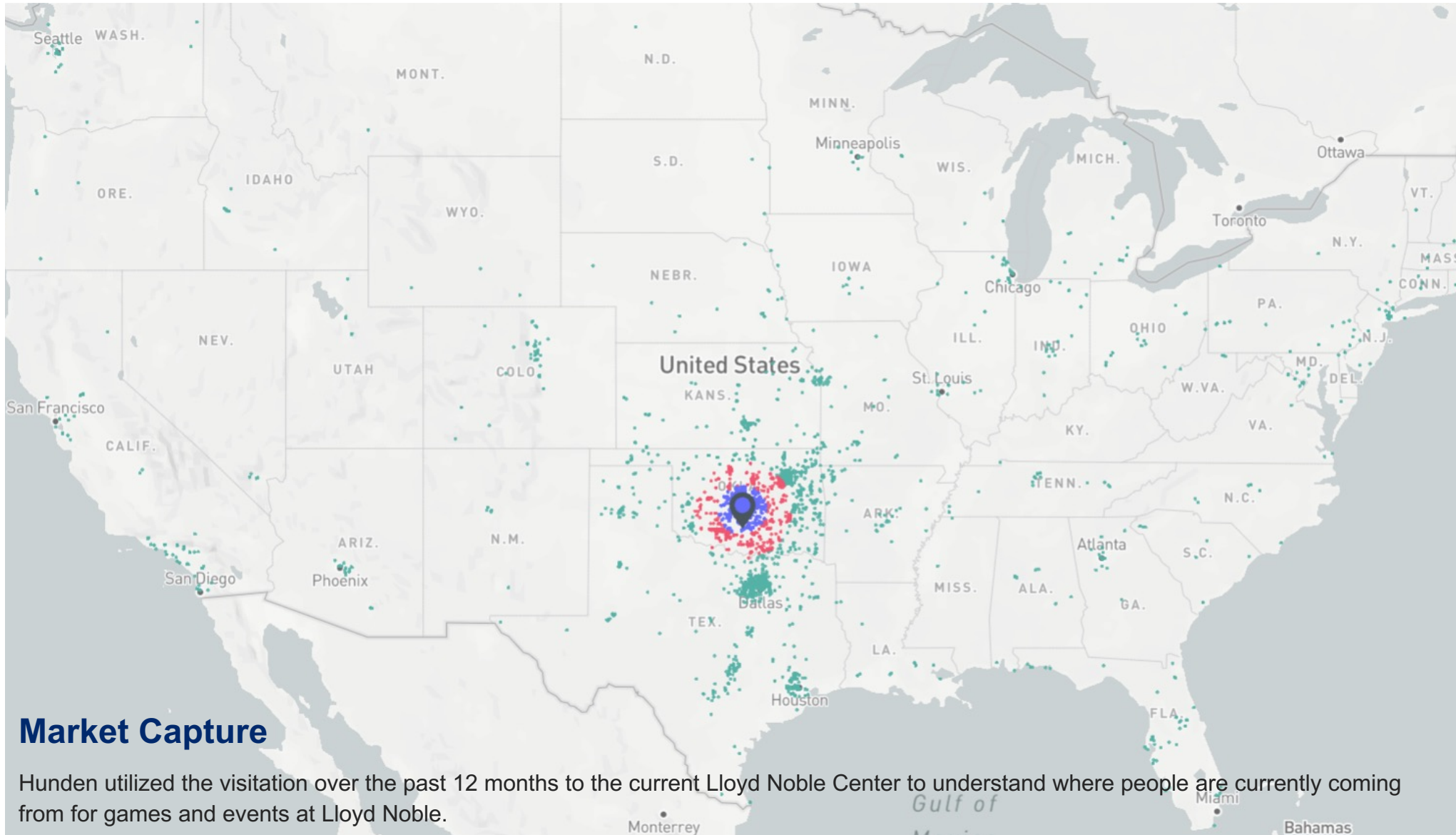
Nearly 64 percent, or 311,258, of total visits to the Lloyd Noble Center came from within 50 miles. Long distance visitation from over 100 miles encompassed nearly 29 percent of total visits, with 141,047 total visits.

Lloyd Noble Center - Total Visitation January 1st, 2022- December 31st, 2022					
Visitor Origins by Distance from Site (Colors correspond to charts & maps)	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 50 miles	311,258	63.5%	162,061	57.8%	1.92
Regional Distance - Over 50 miles & Less Than 100 miles	38,241	7.8%	26,995	9.6%	1.42
Long Distance only - Over 100+ miles	141,047	28.8%	91,529	32.6%	1.54
Total Visits	490,546	100.0%	280,585	100.0%	1.75

Source: Placer.ai



Performance Venue, Entertainment & Events Market



Market Capture

Hunden utilized the visitation over the past 12 months to the current Lloyd Noble Center to understand where people are currently coming from for games and events at Lloyd Noble.

Placer registers a new “home” for a cell phone owner after 30 days of being at a new city every night. Thus, for each arena there is a slight overestimation of out-of-county and out-of-state visits during the initial events of the school year.

Key Highlights

Economic, Demographic & Tourism

Local market area characteristics such as population, demographics, a diversified economy, access and attractions influence the potential demand for tourism developments as well as the overall attractiveness of an area to any potential visitor or group.

The project site is located in a prime location, with easy access through major interstates. The three-hour drive time captures markets such as Tulsa, Dallas, Texas, and Wichita, Kansas, which indicates the Project can drive tourism from major markets both in and out of state.

The University of Oklahoma brings in significant activity to Cleveland County and the city of Norman, offering the area the potential to grow its tourism assets. The student population is continuously growing, with a current enrollment of over 32,000 students.

Norman and Cleveland County are home to several affluent neighborhoods. With higher levels of disposable income, households are more likely to spend money on entertainment and events related to the Project.

Currently, there is significant leakage of spending from Norman and the surrounding area to OKC for entertainment and dining.

Norman Snapshot



Easy Access



Population Growth



High Educational
Attainment



High Median
Household
Income

Performance Venue, Entertainment & Events Market

Key Market Indicators

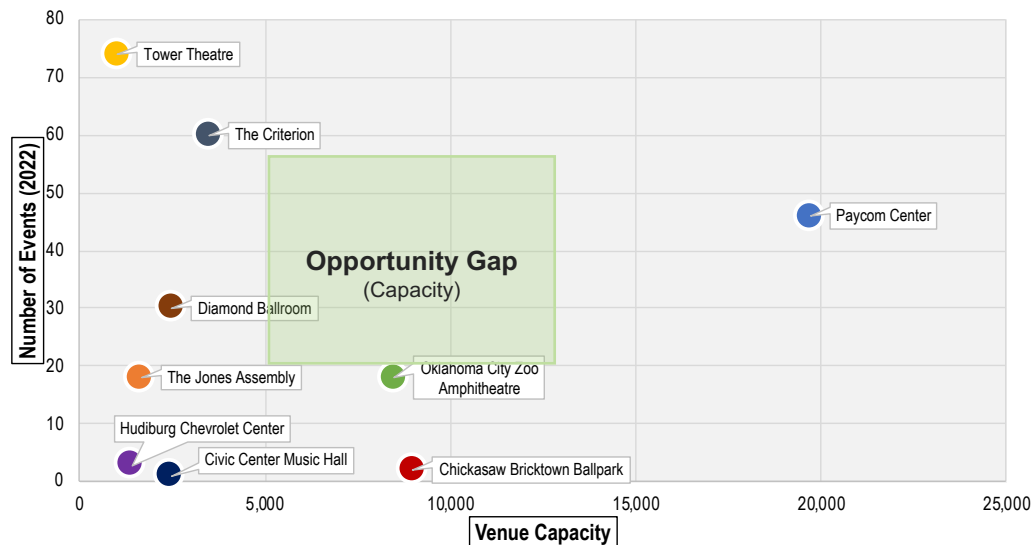
Pollstar compiled data between November 2021 and November 2022 to publish their Concert Market Rankings report. The following bullets summarize Oklahoma City's performance throughout the period.

- OKC ranked 42nd overall in reported gross dollars of ticket sales. Over the period, there was a reported \$28.26 million in ticket sales (383,781 reported tickets sold).
- Across 85 shows reported, the average ticket price was \$73.63.

2023 CONCERT MARKET RANKINGS

RANK	RANK CHANGE	MARKET	2022 REPORTED GROSS	2022 REPORTED TICKETS SOLD	2022 AVG. TICKET PRICE	2022 AVG. TICKET PRICE CHANGE	2022 REPORTED SHOWS	2023 DMA RANK	DMA CHANGE
37	-11	Jacksonville	\$ 42,568,649	634,134	\$ 67.13	6%	302	47	-4
38	3	Salt Lake City	\$ 38,454,385	619,892	\$ 62.03	19%	283	34	-4
39	3	Greenville-Spartanburg	\$ 36,390,876	509,173	\$ 71.47	37%	312	37	-2
40	49	Greensboro-Winston Salem	\$ 32,015,006	378,757	\$ 84.53	76%	190	46	1
41	56	Knoxville	\$ 29,518,974	389,997	\$ 75.69	46%	149	62	-
42	17	Oklahoma City	\$ 28,256,082	383,781	\$ 73.63	53%	85	41	3
43	38	Little Rock	\$ 27,748,330	330,390	\$ 83.99	81%	67	57	2
44	-4	Columbus	\$ 27,644,508	371,655	\$ 74.38	6%	252	32	1
45	35	Boise	\$ 26,877,242	409,406	\$ 65.65	26%	287	106	-5
46	-3	Louisville	\$ 26,113,121	361,788	\$ 72.18	22%	81	49	-
47	-9	Cincinnati	\$ 24,865,505	410,073	\$ 60.64	9%	183	36	-

Top Entertainment Venues in OKC Market
Reported Ticketed Touring Entertainment Acts



Oklahoma City Arena, Amphitheatre & Entertainment Venue Supply
500+ Capacity

Venue	Location	Venue Type	Capacity	Miles from Project Site	2022 Shows (Played and Scheduled)
Paycom Center	Oklahoma City, OK	Arena	19,711	16.6	46
Bennett Event Center	Oklahoma City, OK	Auditorium/Theatre	18,600	20.7	-
Remington Park	Oklahoma City, OK	Outdoor Venues	15,000	21.8	-
Jim Norick Arena	Oklahoma City, OK	Arena	12,500	20.4	-
Lloyd Noble Center	Norman, OK	University Arena	12,000	7.0	-
Chickasaw Bricktown Ballpark	Oklahoma City, OK	Stadium	9,000	16.9	2
Oklahoma City Zoo Amphitheatre	Oklahoma City, OK	Amphitheatre	8,500	20.9	18
Oklahoma Expo Hall	Oklahoma City, OK	Auditorium/Theatre	4,000	21.5	-
The Criterion	Oklahoma City, OK	Auditorium/Theatre	3,500	17.0	60
Diamond Ballroom	Oklahoma City, OK	Club	2,500	11.9	30
Civic Center Music Hall	Oklahoma City, OK	Auditorium/Theatre	2,477	17.5	1
The Jones Assembly	Oklahoma City, OK	Club	1,672	18	18
Hudiburg Chevrolet Center	Midwest City, OK	Auditorium/Theatre	1,401	20	3
Cowboys OKC	Oklahoma City, OK	Club	1,400	19	-
OSCC Visual and Performing Arts Center	Oklahoma City, OK	Auditorium/Theatre	1,067	15	-
Tower Theatre	Oklahoma City, OK	Auditorium/Theatre	1,042	18	74
Beer City Music Hall	Oklahoma City, OK	Club	500	18	-
Average			500	18	-

Source: Pollstar

Performance Venue, Entertainment & Events Market

Venue Supply

One large prominent indoor venue, Paycom Center Arena, which attracts top national arena touring acts. For a market the size of Oklahoma City, the supply of large venues is adequate; however, in the medium-size capacity range there is not much. There are many strong performers and acts that cannot necessarily sell out Paycom Center and seek spaces within the 2,500 – 10,000 capacity range. This is especially evident in secondary cities and markets.

There is a gap in the market for a medium-sized indoor entertainment venue. Neither of the proposed Projects will truly be directly competitive to the Project.

New Developments



The 7,000-seat arena is currently under construction with plans for completion by 2025. The new facility will replace the aging Jim Norick Arena and be focused on accommodating large ag and equine shows. On average, the Fairgrounds host more than 2.5 million people every year with nearly 200 events which generates robust economic impact for the city. The project is paid for through MAPS 3 and 4 funds and hotel tax revenues.



City leadership announced in July 2022 preliminary plans for the development of a new arena for the OKC Thunder. Paycom Center is approaching 22 years old, with its only major renovating occurring in 2008. Plans for financing have not been determined but preliminary costs of \$900 million have been floated, with a contribution of an estimated \$50 million from Thunder ownership. A proposed opening of 2029-30 season has been targeted.

Key Highlights

Entertainment Market

The proposed entertainment venue and surrounding mixed-use district would generate many new events to the Norman market that are currently not being accommodated in Lloyd Noble Center. In conversations with promoters that cover the Oklahoma City market it was indicated that there is no strong indoor venue that is scalable within the medium size range.

OKC is in a strong position geographically for the routing of acts. Performers playing markets in Texas that are moving to the north or vice versa can add a stopover in OKC for a show. Tulsa is a competitive market given that the BOK Center does not have an NBA/NHA anchor tenant.

A venue similar to Moody Center or Dickies Arena in terms of scalability and size would perform well in the OKC market. **A venue of this size would not be directly competitive with a potential new arena for the Thunder** that would replace Paycom Center.

The proposed venue would be able to conservatively host approximately 25 – 30 ticketed non-university events. Many of these would not be at the full capacity of the venue, half house or closed upper bowl would be an attractive configuration for touring acts.

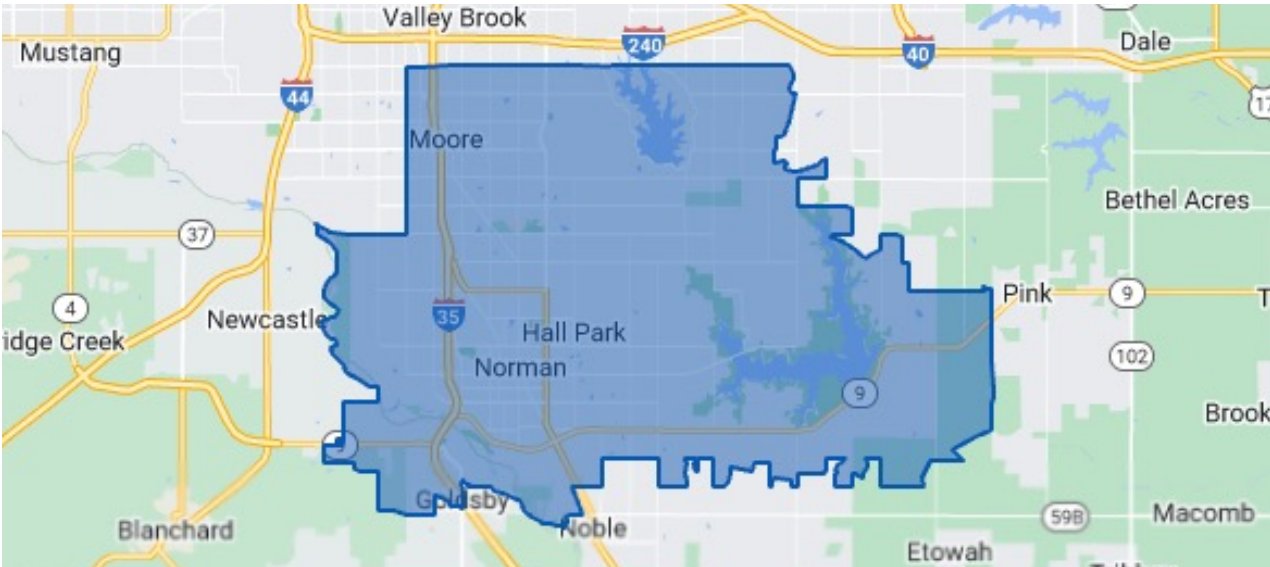


Hotel Submarket

Hunden utilizes CoStar, which owns Smith Travel Research (STR) to assess the hotel performance in the market. The Norman/Moore submarket consists of close to 4,000 rooms spread across 37 properties. Just south of the project site, is a 124-room Residence Inn that is under construction, and a 102-room Home2Suites is proposed.

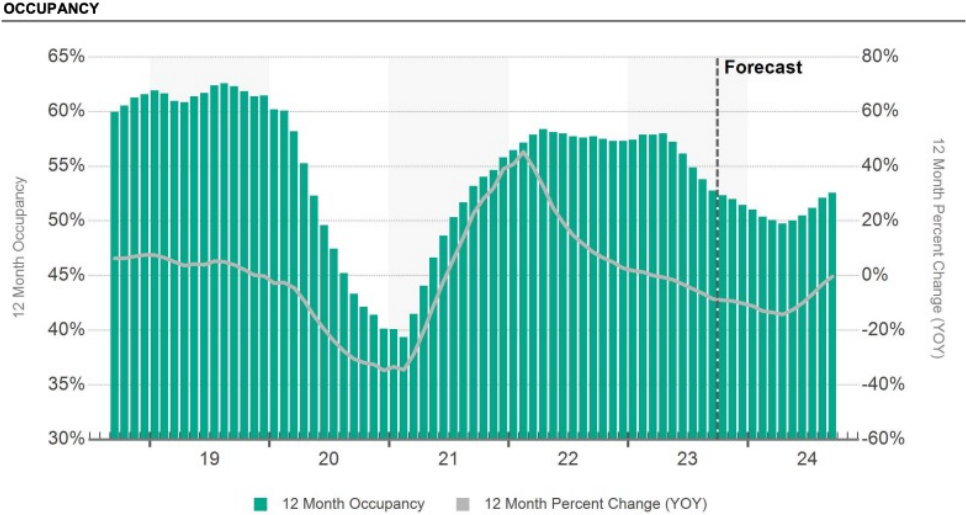
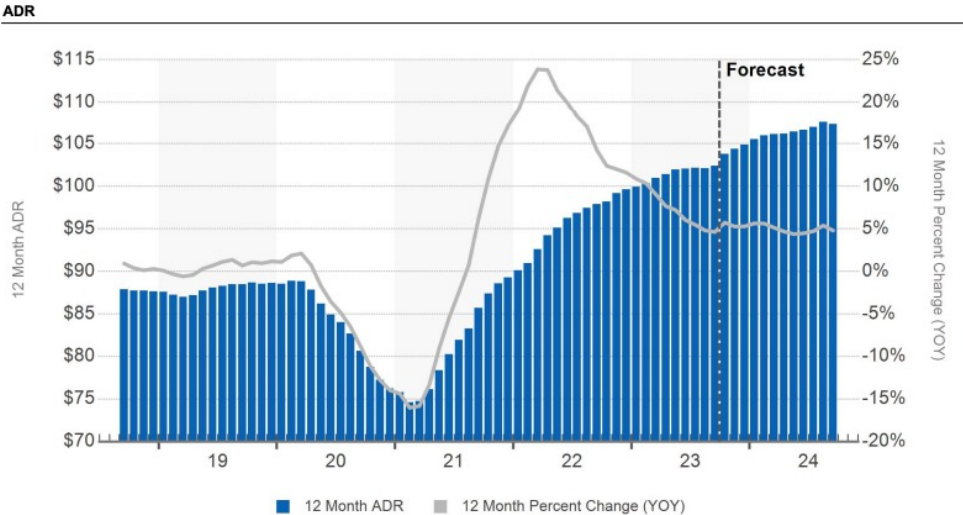
62 percent of the supply are Upscale and Upper Midscale properties, with limited Luxury and Upper Upscale supply. Twelve-month occupancy within the submarket is approximately 3.3 percent lower than the broader market, and twelve-month RevPAR (a product of occupancy and rate) has decreased, while the broader market’s RevPAR continues to increase.

While ADR within the submarket is projected to continue to increase, occupancies are projected to decrease further in 2024.



12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
52.7%	\$102.38	\$53.99	1.4M	733.2K

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	390				0	0
Upscale & Upper Midscale	2,470	50.9%	\$108.10	\$54.98	0	124
Midscale & Economy	1,098	50.2%	\$66.97	\$33.64	0	0
Total	3,958	52.7%	\$102.38	\$53.99	0	124



Hotel Market Analysis

- Hunden identified a hotel competitive set within Norman, selected based on quality and vicinity to the Project site.
- Hotel occupancy within the competitive set has yet to recover to pre-pandemic levels; however, average daily rate (ADR) has hit new peaks, leading to an overall increase of RevPAR compared to pre-pandemic levels.
- Stabilization of recent growth in ADR is expected and is exhibited in year-to-date ADR growth of 3.3 percent.

Norman, OK Competitive Hotel Supply

Property Name	Miles from		Year Opened	Chain Scale
	Site	Rooms		
Embassy Suites by Hilton Norman Hotel & Conference Center	0.1	283	2008	Upper Upscale
Holiday Inn Express & Suites Norman	0.1	116	2015	Upper Midscale
Hampton by Hilton Inn & Suites Norman Conference Center Area	0.1	104	2020	Upper Midscale
StoneHill Norman, Trademark Collection by Wyndham	1.0	116	2016	Upper Midscale
Comfort Inn & Suites Norman Near University	1.1	73	2008	Upper Midscale
Courtyard Norman	1.2	113	2009	Upscale
Hilton Garden Inn Norman	1.3	121	2008	Upscale
Fairfield Inn & Suites Norman	2.0	74	1995	Upper Midscale
La Quinta Inns & Suites Oklahoma City Norman	2.5	117	1997	Upper Midscale
Country Inn & Suites by Radisson, Norman, OK	2.6	77	2007	Upper Midscale
Total / Average		1,194	2008	

Source: CoStar, Smith Travel Research

Historical Supply, Demand, Occupancy, ADR, and RevPar for Competitive Hotels | Norman, OK

Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occupancy	% Change	ADR	% Change	RevPar	% Change
2015	955	348,666	—	236,301	—	67.8	—	\$103.96	—	\$70.46	—
2016	1,023	373,258	7.1%	231,384	-2.1%	62.0	-8.5%	\$104.68	0.7%	\$64.89	-7.9%
2017	1,090	397,850	6.6%	252,027	8.9%	63.3	2.2%	\$102.28	-2.3%	\$64.79	-0.1%
2018	1,090	397,850	0.0%	279,784	11.0%	70.3	11.0%	\$99.20	-3.0%	\$69.76	7.7%
2019	1,090	397,850	0.0%	274,806	-1.8%	69.1	-1.8%	\$101.75	2.6%	\$70.28	0.8%
2020	1,133	413,506	3.9%	164,670	-40.1%	39.8	-42.3%	\$91.35	-10.2%	\$36.38	-48.2%
2021	1,194	435,810	5.4%	234,976	42.7%	53.9	35.4%	\$106.65	16.7%	\$57.50	58.1%
2022	1,194	435,810	0.0%	253,562	7.9%	58.2	7.9%	\$118.33	11.0%	\$68.84	19.7%
2023 YTD (Sept.)	1,194	325,962	0.0%	202,247	4.5%	62.0	4.5%	\$121.87	3.3%	\$75.62	8.0%
CAGR (2015-22)	3.57%	3.57%		1.04%		-2.02%		1.97%		-0.33%	

Source: Smith Travel Research, Hunden Partners

Occupancy

62%
YOY
▲ 4.5%

ADR

\$121.87
YOY
▲ 3.3%

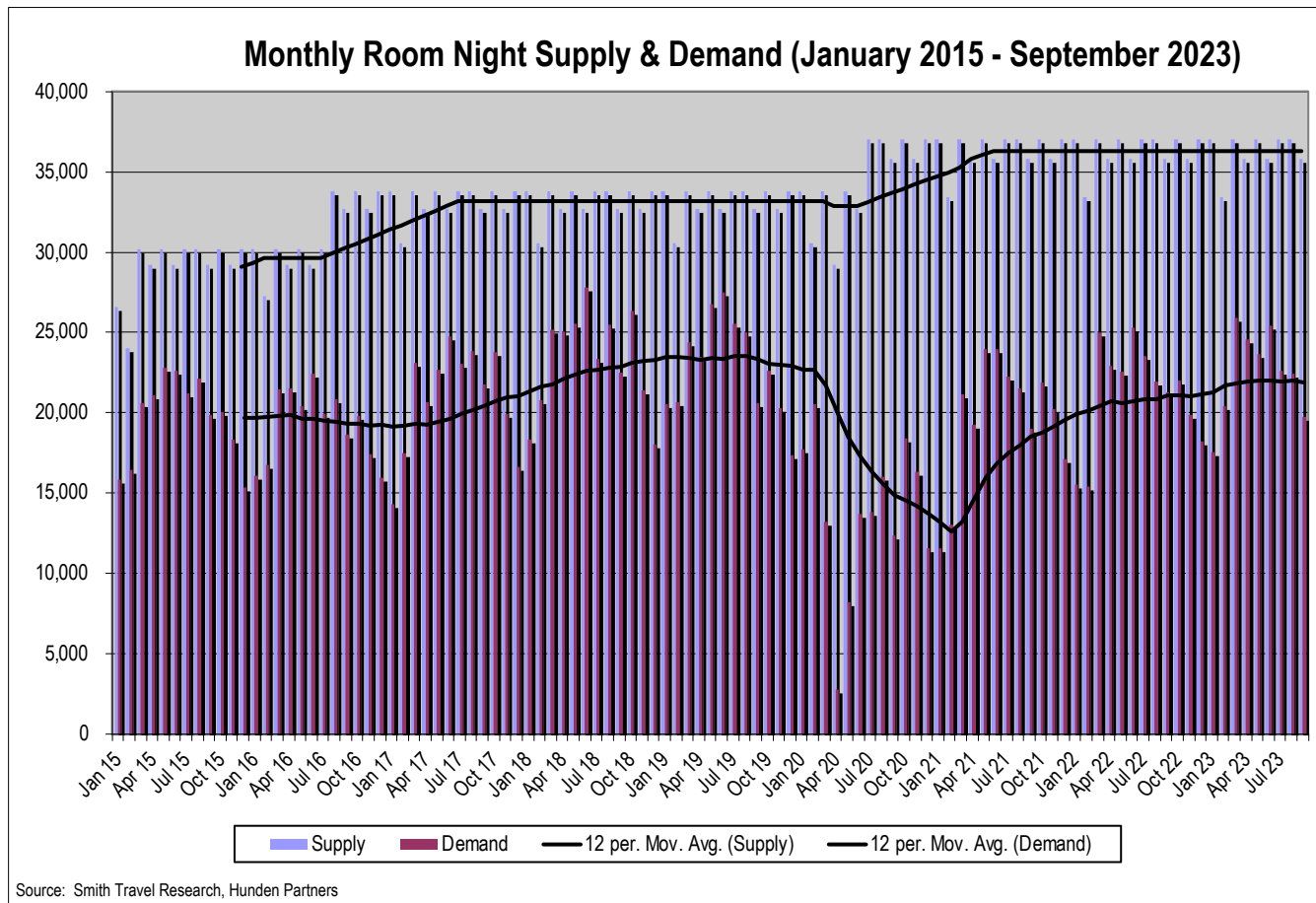
RevPAR

\$75.62
YOY
▲ 8.0%

Supply & Demand

The supply of room nights in the local competitive set was relatively constant leading up to the COVID-19 pandemic. Once the pandemic occurred in 2020, there was significant depleted demand. Since the pandemic, additional supply was introduced to the market, though absorption has been slow, with demand yet to recover to pre-pandemic levels.

Hotel room demand shows consistent seasonal trends with winter months seeing significantly lower demand.



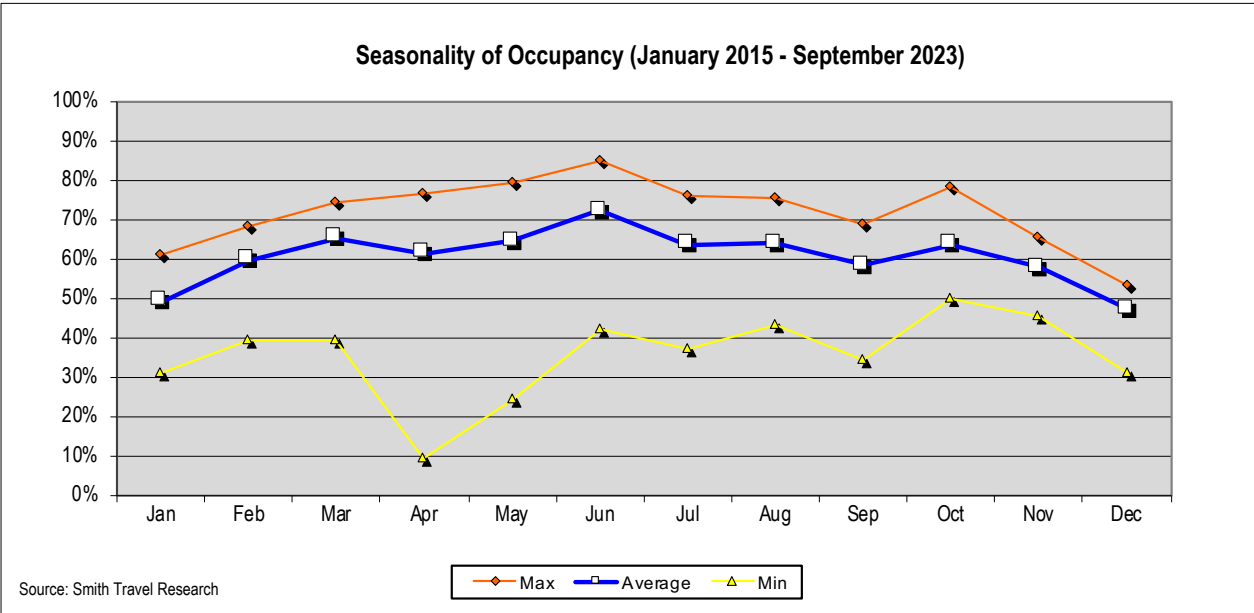
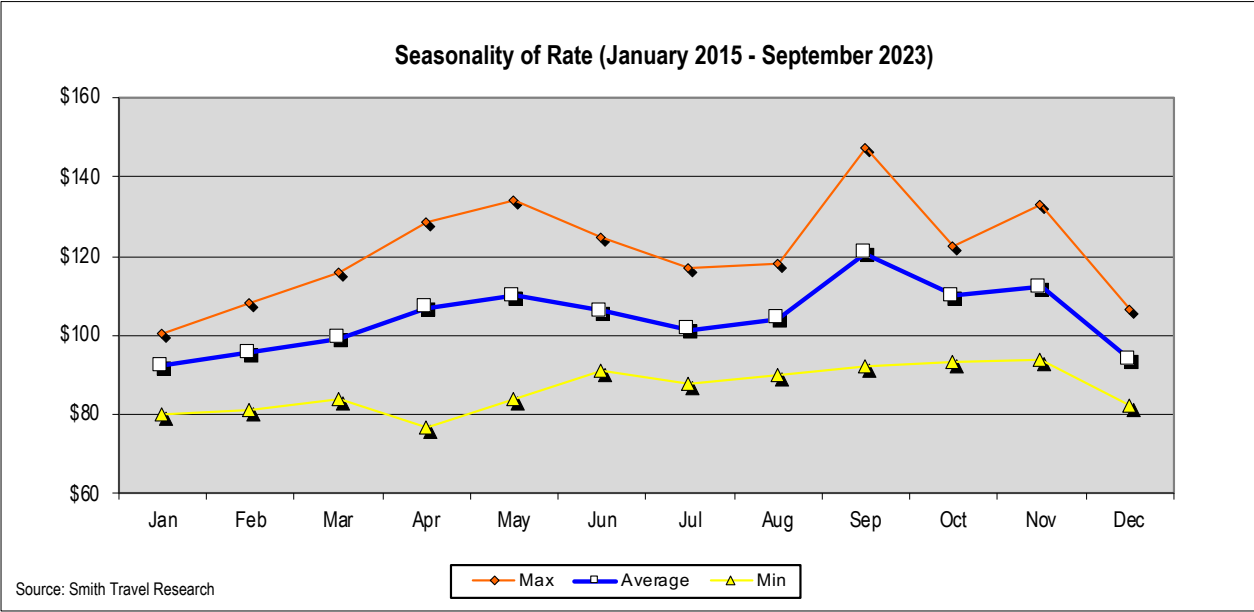
Seasonality

ADR & Occupancy

The adjacent tables detail the seasonal performance of the competitive set since January 2015.

As shown, the competitive set experiences its highest rates during the the months of May, September and November. This is likely due to travel induced from OU sporting and academic events such as home football games and graduation. The winter months are historically more affordable.

Though rates peaked in May, September and November, occupancy did not, showing high rates may be associated with major events rather than extended periods of increased demand. Highest occupancies occurred in June and were lowest in the winter months.



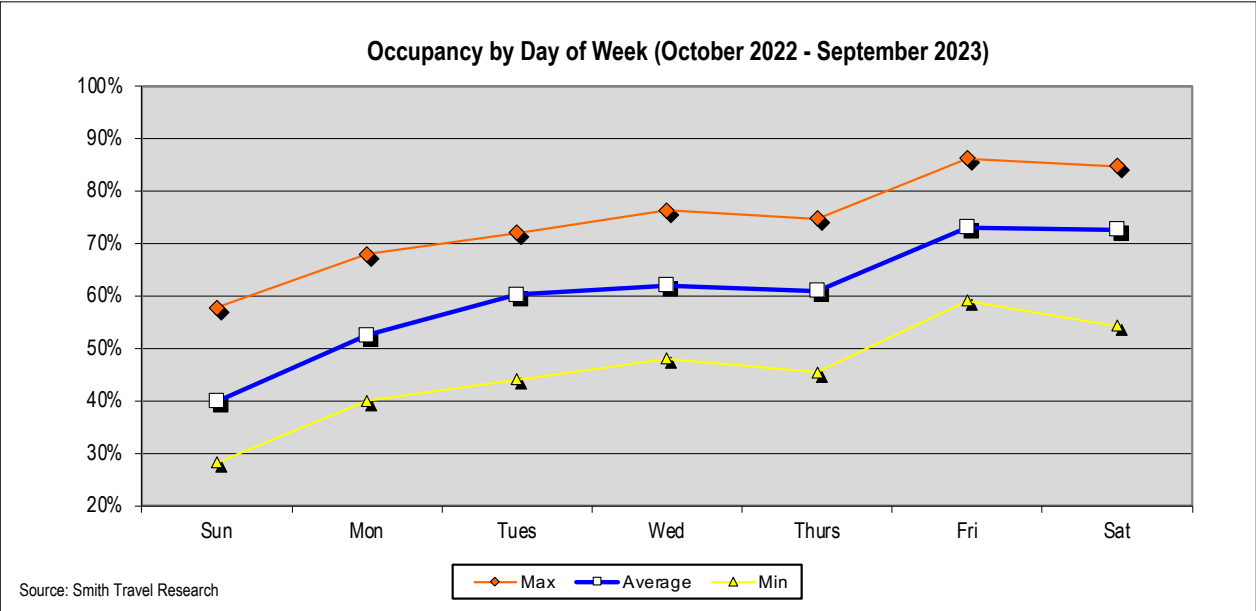
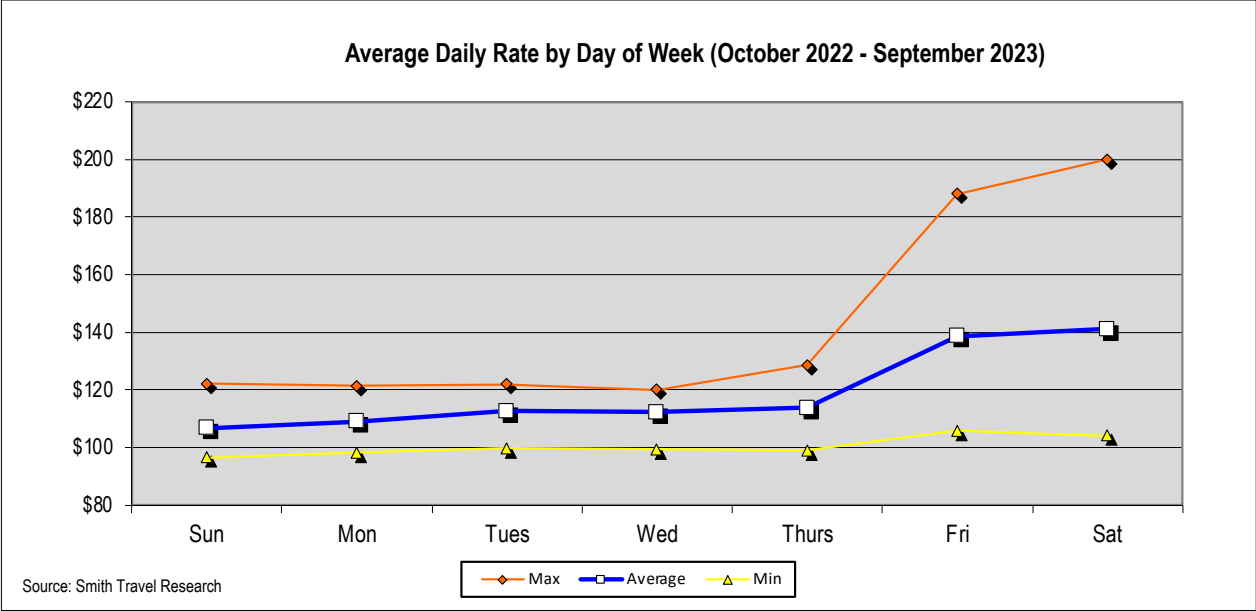
Day of Week

ADR & Occupancy

The adjacent tables detail the weekly performance of the local competitive set from October 2022 through September 2023.

Typically, group and corporate travel occurs from Sunday through Thursday, while leisure travel occurs on Fridays and Saturdays. The highest rates in the competitive set are on the weekends, which suggests strong leisure demand.

In addition, occupancy is highest on weekends, suggesting the need for more weekday demand generators to diversify the mix of hotel business.



Heat Chart

ADR & Occupancy

The adjacent tables detail the weekly performance of the local competitive set by month from October 2022 through September 2023.

As shown, both rate and occupancy were highest on weekends, which suggest strong leisure demand. Highest rates occurred in May, September, and November, while highest occupancies occurred from March through June.

Low weekday occupancy and rate suggest lower corporate and group demand. Throughout the year, Sundays and Mondays recorded the weakest occupancies and rates.

ADR by Day of Week by Month - October 2022 - September 2023								
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Oct - 22	\$105	\$105	\$108	\$110	\$110	\$141	\$134	\$117
Nov - 22	\$101	\$107	\$111	\$105	\$113	\$165	\$189	\$133
Dec - 22	\$98	\$98	\$102	\$103	\$100	\$113	\$119	\$107
Jan - 23	\$97	\$98	\$100	\$99	\$99	\$106	\$104	\$101
Feb - 23	\$100	\$101	\$109	\$104	\$102	\$118	\$115	\$108
Mar - 23	\$106	\$109	\$111	\$113	\$115	\$125	\$124	\$116
Apr - 23	\$109	\$111	\$118	\$117	\$119	\$157	\$149	\$129
May - 23	\$122	\$121	\$122	\$120	\$129	\$156	\$158	\$134
Jun - 23	\$122	\$118	\$119	\$120	\$119	\$136	\$136	\$125
Jul - 23	\$104	\$108	\$113	\$115	\$118	\$129	\$124	\$117
Aug - 23	\$101	\$111	\$121	\$118	\$116	\$117	\$117	\$116
Sep - 23	\$105	\$113	\$110	\$114	\$116	\$188	\$200	\$147
Average	\$107	\$109	\$113	\$112	\$114	\$139	\$141	

Sources: Smith Travel Research

Occupancy Percent by Day of Week by Month - October 2022 - September 2023								
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Oct - 22	41.8%	53.7%	63.4%	63.4%	61.3%	68.6%	67.3%	59.4%
Nov - 22	28.2%	46.1%	54.4%	55.9%	52.3%	74.0%	77.9%	55.5%
Dec - 22	35.1%	41.3%	46.4%	48.8%	45.4%	59.1%	63.0%	49.2%
Jan - 23	34.9%	41.7%	44.1%	48.1%	49.6%	64.5%	54.3%	47.4%
Feb - 23	37.4%	60.1%	72.0%	61.2%	54.8%	74.3%	67.6%	61.1%
Mar - 23	47.5%	62.5%	69.1%	66.9%	74.3%	86.3%	79.6%	70.1%
Apr - 23	41.1%	56.2%	70.5%	76.4%	72.7%	84.0%	82.6%	68.6%
May - 23	45.5%	55.2%	59.3%	60.0%	65.6%	81.0%	84.8%	63.9%
Jun - 23	57.8%	67.9%	69.8%	72.5%	71.3%	78.5%	76.4%	70.9%
Jul - 23	40.9%	47.4%	58.8%	64.3%	74.8%	71.9%	74.7%	61.1%
Aug - 23	37.7%	58.8%	62.1%	65.0%	60.8%	64.3%	73.5%	60.5%
Sep - 23	30.9%	40.0%	53.4%	62.6%	48.7%	70.6%	71.3%	55.1%
Average	39.9%	52.4%	59.9%	62.1%	61.1%	73.1%	72.7%	

Sources: Smith Travel Research

Key Highlights

Hotel Market

The proposed entertainment venue and surrounding mixed-use district would generate new hotel demand to Norman. With mostly limited-service properties near the Project site, there is an opportunity to develop additional boutique or full-service hotels as part of the overall development plan. As Norman hotels exhibit weak weekday demand, proposed office development at the Project site, if successful, could aid in increasing weekday corporate hotel demand. Year-round programming of the entertainment venue and the district itself can also help generate incremental weekday overnight stays. Below highlights Hunden's additional findings on the local hotel market.

There are only 374 upper upscale rooms in the broader Norman / Moore submarket, and no luxury products. Overall, the submarket's 12-month RevPAR has decreased by approximately four percent, though the competitive set has a 2023 YTD RevPAR that increased eight percent, which is higher when compared to the broader OKC market.

There have been minimal new hotel deliveries in Norman over the last few years with the exception of the 91-room NOUN Hotel and 104-room Hampton Inn. A 124-room Residence Inn is nearing completion in Norman directly south of the Project site.

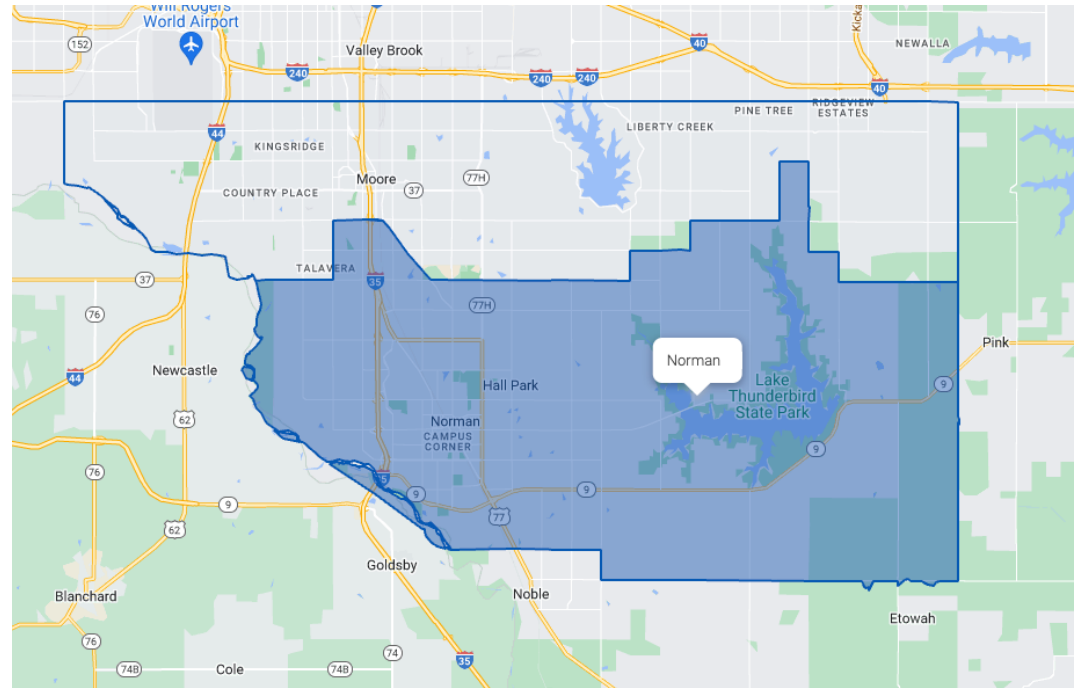
While the 283-room Embassy Suites has a significant amount of meeting spaces, including a 28,800 SF ballroom, 7,200 SF junior ballroom, and over 6,000 SF of meeting rooms, it is in need of major improvements. A new high-quality hotel that offers additional on-site amenities would complement the proposed entertainment venue. Management has indicated that the property is scheduled for renovation in 2025.



Multifamily Submarket

Submarket Analysis

- Norman is seeing high population growth in the past decade, with the submarket's vacancy being at 7.1 percent, which is below the market average of 10.4 percent.
- University of Oklahoma (OU) heavily influences the Norman multifamily submarket. Norman overall offers great retail offerings, easy access and convenient commutes along I-35, and established neighborhoods.
- Student housing is a competitor to market-rate communities. Most market-rate developments have been focused along the interstate, which has direct access to downtown Oklahoma City.
- 4 & 5-Star properties possess the highest share in the submarket, with over 5,000 units currently available. 1 & 2-Star rated properties have the highest vacancy rate, which suggests that the submarket consists of a more affluent population that places an emphasis on quality.
- The selected multifamily competitive set was decided based on their location, quality, and year built. This may help to offer an idea of how a new multifamily project would perform in Norman, OK. The newest property has noticeably higher vacancy rates, suggesting a long lease-up period before stabilization.



12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
0	(14)	7.1%	4.3%

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,451	4.9%	\$1,234	\$1,228	0	0	0
3 Star	5,504	7.1%	\$923	\$917	0	0	0
1 & 2 Star	3,870	9.0%	\$816	\$811	4	0	0
Submarket	12,825	7.1%	\$983	\$978	4	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	7.3%	6.9%	12.7%	2015 Q2	4.2%	2021 Q3
Absorption Units	(14)	130	27	614	2010 Q4	(449)	2022 Q4
Delivered Units	0	160	0	654	2016 Q1	0	2023 Q3
Demolished Units	0	13	10	260	2016 Q2	0	2023 Q3
Asking Rent Growth (YOY)	4.3%	2.7%	4.1%	9.7%	2021 Q4	-6.5%	2010 Q1
Effective Rent Growth (YOY)	4.5%	2.7%	4.1%	10.6%	2021 Q4	-6.4%	2010 Q1
Sales Volume	\$47M	\$29.3M	N/A	\$146.1M	2023 Q1	\$0	2007 Q4

Multifamily Submarket

Comparable Market Developments



Sooner Station and University North Park

Built: 2021

Vacancy: 18.7%

Unit Mix: 88 Studio, 71 1-Bed, 30 2-Bed

Avg Asking Rent: \$3,556, \$4.16 PSF



Artisan Crossing

Built: 2021

Vacancy: 3.8%

Unit Mix: 129 1-Bed, 117 2-Bed

Avg Asking Rent: \$1,354, \$1.38 PSF



Carlstone

Built: 2020

Vacancy: 2.3%

Unit Mix: 74 1-Bed, 14 2-Bed

Avg Asking Rent: \$2,503, \$3.26 PSF



TERRA at University North Park

Built: 2018

Vacancy: 5.8%

Unit Mix: 40 Studio, 105 1-Bed, 138 2-Bed, 20 3-Bed

Avg Asking Rent: \$1,404, \$1.64 PSF



Legacy Trail Apartments

Built: 2017

Vacancy: 4.5%

Unit Mix: 29 1-Bed, 59 2-Bed, 120 3-Bed

Avg Asking Rent: \$1,288, \$1.12 PSF



Anatole at Norman

Built: 2016

Vacancy: 7.2%

Unit Mix: 157 1-Bed, 73 2-Bed

Avg Asking Rent: \$1,252, \$1.45 PSF

Multifamily Submarket

Supply, Demand & Development Pipeline

- The Norman submarket has on average 156 units delivered to the market on an annual basis. There have been zero units delivered to the submarket since 2021. This alludes to a slow multifamily delivery to the market based on historic averages.
- One of the properties delivered to the market within the past two years is a 189-unit complex located in University North Park. Currently there is an 18.7 percent vacancy rate, so properties in the submarket have a prolonged lease-up period.
- The other property recently delivered to the market is a 246-unit facility that has a 3.8 percent vacancy rate.
- According to the Overall Supply & Demand table to the right, with the delivery of zero units in 2023, there will be no increase in the submarket inventory.
- In the future, it is projected that there will be mostly positive absorption with future deliveries until 2027.

All-Time Annual Avg. Units

156

Delivered Units Past 8 Qtrs

0

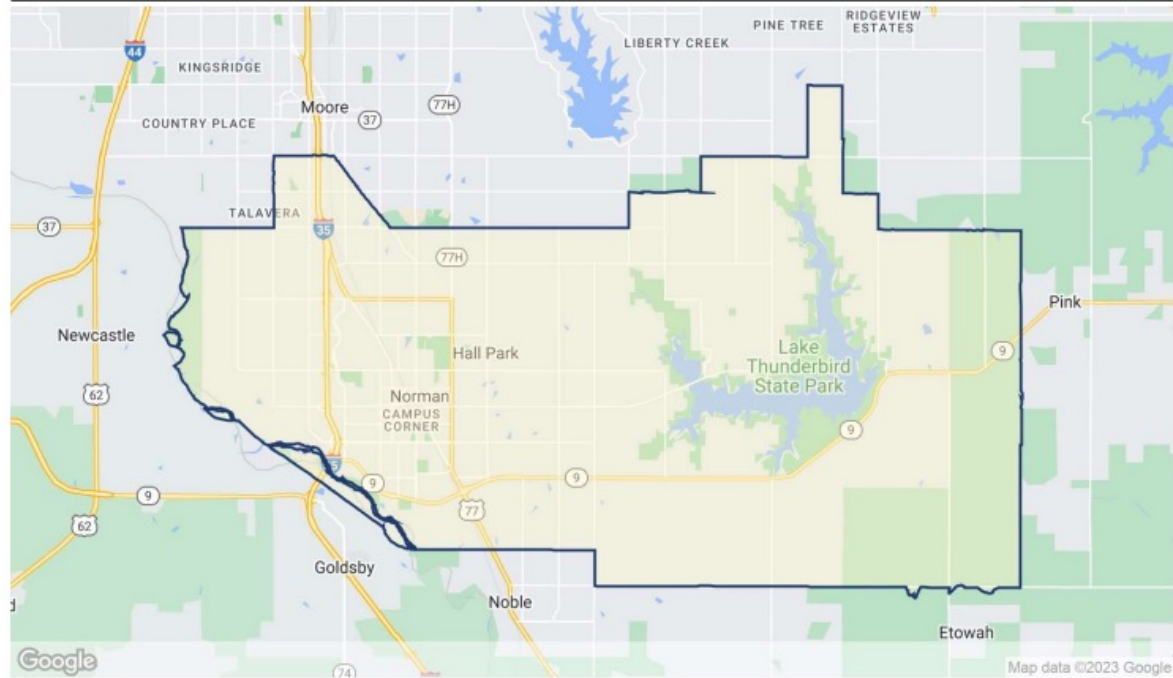
Delivered Units Next 8 Qtrs

0

Proposed Units Next 8 Qtrs

0

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	12,779	(12)	-0.1%	8	0.1%	-
2026	12,791	(12)	-0.1%	41	0.3%	-
2025	12,803	(11)	-0.1%	(7)	-0.1%	1.6
2024	12,814	(11)	-0.1%	21	0.2%	-
2023	12,825	0	0%	131	1.0%	0
YTD	12,825	0	0%	139	1.1%	0
2022	12,825	0	0%	(476)	-3.7%	0
2021	12,825	246	2.0%	376	2.9%	0.7
2020	12,579	0	0%	201	1.6%	0
2019	12,579	(45)	-0.4%	127	1.0%	-
2018	12,624	347	2.8%	537	4.3%	0.6
2017	12,277	208	1.7%	74	0.6%	2.8
2016	12,069	256	2.2%	(2)	0%	-
2015	11,813	368	3.2%	257	2.2%	1.4
2014	11,445	256	2.3%	143	1.2%	1.8
2013	11,189	170	1.5%	141	1.3%	1.2
2012	11,019	396	3.7%	390	3.5%	1.0
2011	10,623	0	0%	1	0%	0

Key Highlights

Multifamily Submarket

The proposed entertainment venue and surrounding mixed-use district would generate a higher quality of life for the citizens of Norman, especially for prospective students at the university. With a limited number of multifamily properties near to the Project site, there is an opportunity to develop additional Class A and B housing units as part of the overall development plan. As the Norman submarket has low vacancies and stable rent growth, there is potential to accompany a growing community and student population in newer multifamily facilities.

4 & 5-Star properties possess the highest share in the submarket, with over 5,000 units currently available. 1 & 2-Star rated properties have the highest vacancy rate, which suggests that the submarket consists of a more affluent population that places an emphasis on quality.

OU heavily influences the Norman multifamily submarket. Overall, Norman offers great retail offerings, easy access to and a convenient commute along I-35, and established neighborhoods.

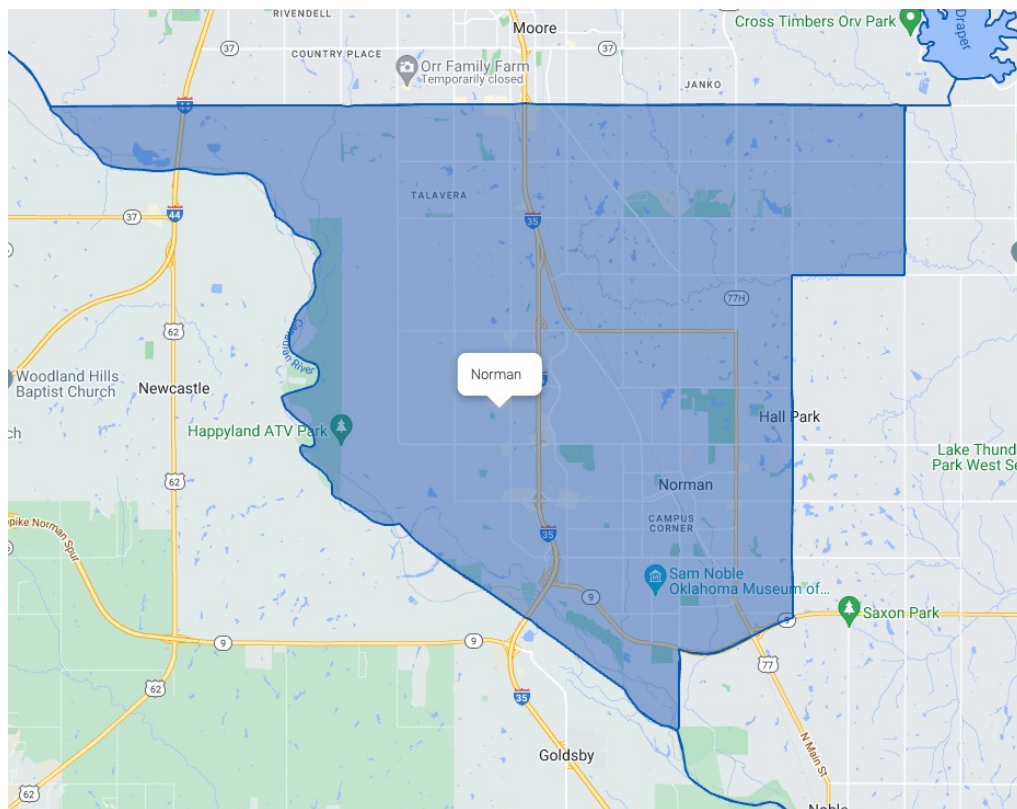
Student housing is a competitor to market-rate communities. Most market-rate developments have been focused along the interstate, which has direct access to downtown Oklahoma City.



Office Submarket

Submarket Analysis

- The Norman office submarket has a vacancy rate of 6.9 percent and has increased 1.4 percent in the past year, which is higher than that of the Oklahoma City market of 0.6 percent.
- 1 and 2-star spaces are the most abundant subtype with nearly 2.1 million SF in the category. The submarket is in line with Oklahoma City when it comes to rents, with the average being \$19.50/SF.
- Within the past 3 years 84 sales have taken place, with 19 of those being within this past year. Sales have averaged approximately \$147/SF.
- The majority of construction completed within the past 8 quarters are along I-35 near the Project site, as well as construction that is currently underway and proposed.
- Franklin Business Park has seen the most recent deliveries along Adams Road, with the most recent being October 2023.
- Annual sales volume is at an average of \$30 million within the past five years, with the highest deal reaching nearly \$50.8 million within a 12-month period.



Norman Office			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
69.1K	(18.1K)	7.6%	2.5%

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	271,656	7.9%	\$25.75	4.2%	(4,651)	0	0
3 Star	1,836,077	8.8%	\$20.76	11.9%	(22)	11,002	8,900
1 & 2 Star	2,174,230	6.6%	\$17.59	7.1%	(12,896)	0	0
Submarket	4,281,963	7.6%	\$19.47	9.0%	(17,569)	11,002	8,900
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.9%	6.0%	7.8%	8.8%	2019 Q1	3.2%	2015 Q1
Net Absorption SF	(18.1K)	77,730	12,859	211,744	2015 Q3	(59,023)	2017 Q4
Deliveries SF	69.1K	83,090	36,691	247,587	2019 Q1	4,358	2013 Q4
Rent Growth	2.5%	2.0%	0.9%	9.2%	2008 Q1	-7.3%	2017 Q3
Sales Volume	\$9.7M	\$14.2M	N/A	\$50.8M	2019 Q3	\$669.5K	2008 Q2

Office Submarket

Comparable Market Developments



Cornerstone Home Lending, Inc
Built: 2020
Vacancy: 0.0%
RBA: 6,653 SF
CoStar Est. Rent: \$21.17-25.88 PSF



Mustang Extreme Environmental Services
Built: 2018
Vacancy: 0.0%
RBA: 5,422 SF
Est. Rent: \$17.16-20.97 PSF



Landmark Fine Home
Built: 2018
Vacancy: 0.0%
RBA: 7,009 SF
Asking Office Rent: \$18.55-22.68 PSF



Walker H D & J K Trust
Built: 2018
Vacancy: 0.0%
Size: 111,693 SF
Asking Rent: \$18.46-22.56 PSF



GulfTex Energy IV, LP
Built: 2017
Vacancy: 50.0%
Size: 3,450 SF
Asking Rent: \$20.00 PSF



Valliance Bank
Built: 2012
Vacancy: 0.0%
Size: 15,279 SF
Asking Rent: \$17.32-21.17 PSF

Office Submarket

Supply, Demand & Development Pipeline

- The Norman submarket has on average 82,148 square feet delivered to the market on an annual basis. There have been a total of 110,187 square feet delivered to the submarket over the past two years. This is a bit slower in office delivery to the market based on historic averages.
- According to the Overall Supply & Demand table to the right, there is an expected delivery of 5,000 square feet to the submarket over the next two years.
- The supply projection for the next year is negative as it is predicted that there will be no deliveries when in fact there will be a decrease in the supply of office in the submarket. After 2024, the following three years are positive, indicating an increase of deliveries and supply in the market.
- Alongside the decrease in supply, it is projected that there will be negative absorption for the next coming year, then numbers should rise and see a positive absorption in the three years to follow.

All-Time Annual Avg. Square Feet

82,148

Delivered Square Feet Past 8 Qtrs

110,187

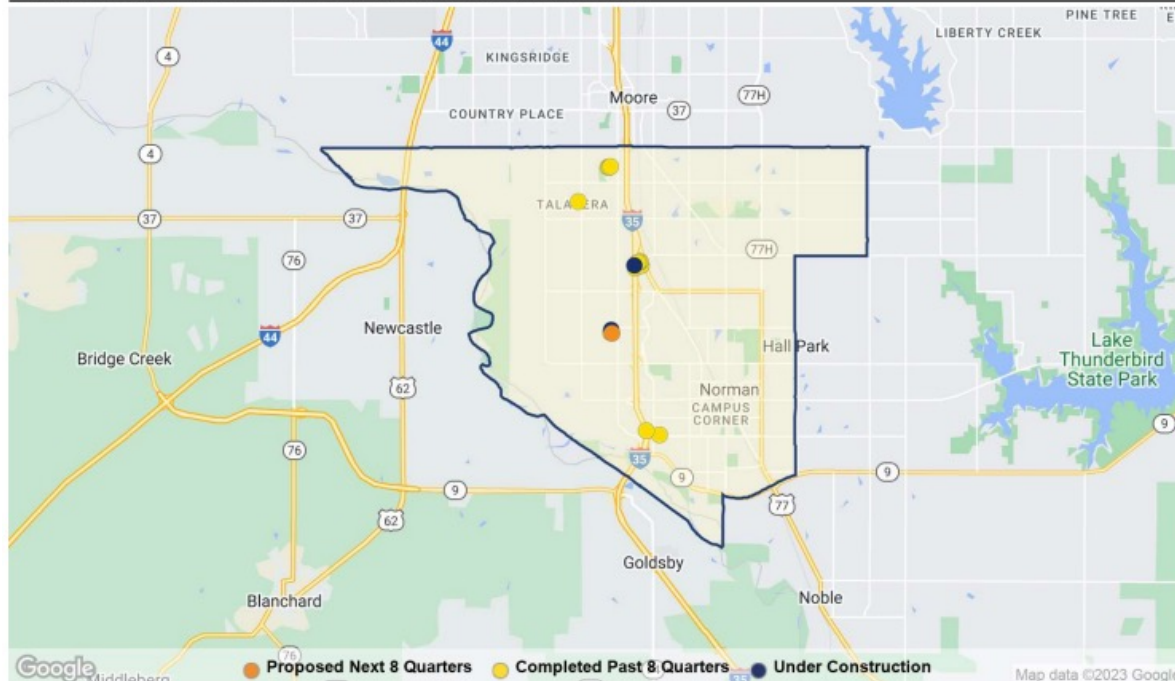
Delivered Square Feet Next 8 Qtrs

8,900

Proposed Square Feet Next 8 Qtrs

5,000

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	4,375,625	45,437	1.0%	39,493	0.9%	1.2
2026	4,330,188	34,777	0.8%	34,604	0.8%	1.0
2025	4,295,411	10,973	0.3%	12,151	0.3%	0.9
2024	4,284,438	2,475	0.1%	(35,704)	-0.8%	-
2023	4,281,963	57,576	1.4%	(17,520)	-0.4%	-
YTD	4,281,963	57,576	1.4%	(42,573)	-1.0%	-
2022	4,224,387	45,611	1.1%	90,905	2.2%	0.5
2021	4,178,776	74,277	1.8%	67,988	1.6%	1.1
2020	4,104,499	144,416	3.6%	188,362	4.6%	0.8
2019	3,960,083	144,322	3.8%	146,613	3.7%	1.0
2018	3,815,761	151,548	4.1%	82,477	2.2%	1.8
2017	3,664,213	74,903	2.1%	(59,023)	-1.6%	-
2016	3,589,310	66,910	1.9%	111,125	3.1%	0.6
2015	3,522,400	129,068	3.8%	89,081	2.5%	1.4
2014	3,393,332	128,804	3.9%	158,925	4.7%	0.8
2013	3,264,528	4,358	0.1%	63,427	1.9%	0.1
2012	3,260,170	88,456	2.8%	60,776	1.9%	1.5
2011	3,171,714	20,289	0.6%	30,031	0.9%	0.7

Key Highlights

Office Market

The Norman office submarket has been stable in terms of growth and development of the total square footage offered in the submarket. The current vacancy rate is at 6.9 percent and has increased 1.4 percent in the past year. The average office property size in the submarket is 6,700 SF where the median office property size is around 5,000 SF. Norman is plentiful in terms of smaller office buildings with fewer larger office complexes.

1 and 2 Star are the most abundant subtype with nearly 2.1 million SF in the category. The submarket is in line with Oklahoma City when it comes to rents, with the average being \$19.50/SF.

The Norman office submarket has a vacancy rate of 6.9 percent and has increased 1.4 percent in the past year, which is higher than that of the Oklahoma City market of 0.6 percent.

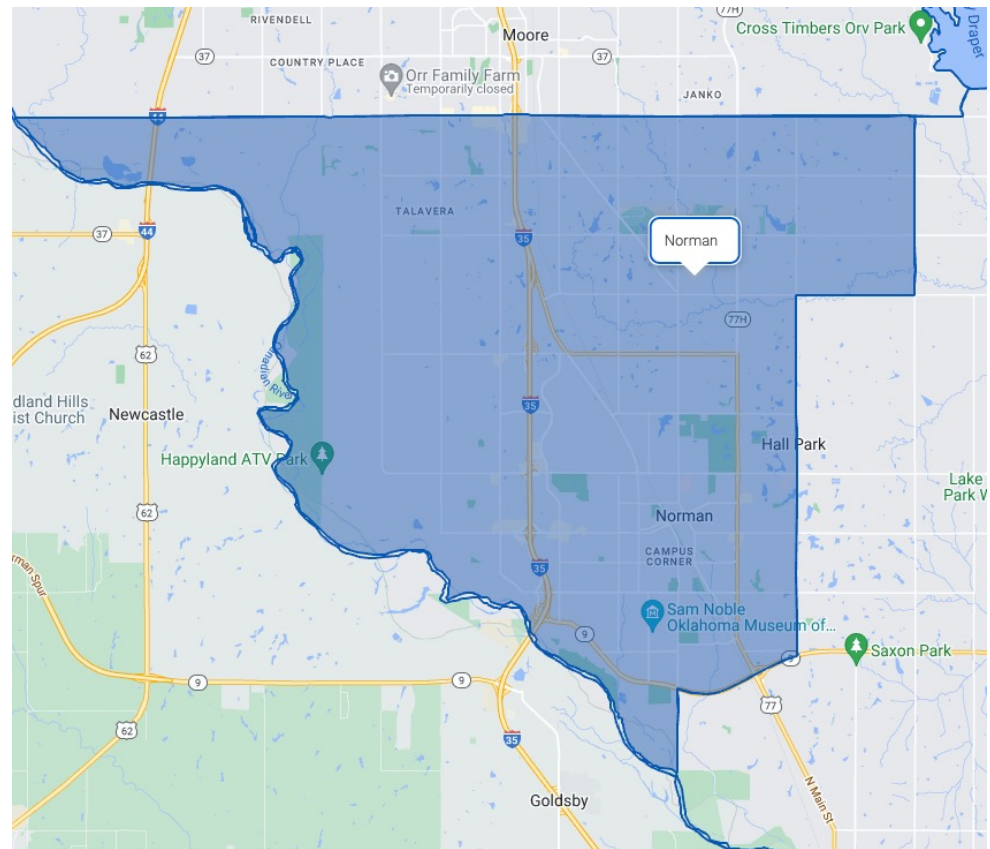
The Comparable Market Developments Set shows properties that display opportunity with a large Master Plan like the recommendations. Franklin Business Park has seen the most recent deliveries along Adams Road.



Retail Submarket

Submarket Analysis

- The Norman retail submarket has seen negative net absorption over the past 12 months of nearly 68,000 SF. Vacancy rates are also at a rise of 0.9 percent over the same period and are currently at 6.6 percent.
- Within the submarket, general retail is the largest subtype with approximately 6.2 million SF under construction.
- There have been 83 sales within the past 3 years, and 17 of those sales have taken place within the past year and averaged about \$260/SF.
- Rents are at approximately \$18.80/SF and continue to increase.
- The market price is up since the fourth quarter of last year and the level average is above that of the Oklahoma City metro.



12 Mo Deliveries in SF

52.1K

12 Mo Net Absorption in SF

(46.6K)

Vacancy Rate

6.5%

12 Mo Rent Growth

1.9%

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	693,640	15.0%	\$21.43	6.1%	0	0	0
Power Center	1,283,409	6.7%	\$21.61	9.1%	0	0	0
Neighborhood Center	1,876,531	7.7%	\$16.38	8.3%	(27)	0	0
Strip Center	367,695	11.0%	\$19.32	11.3%	8,476	0	0
General Retail	6,119,611	5.0%	\$18.47	6.1%	4,160	0	6,180
Other	159,943	0%	\$23.18	0%	0	0	0
Submarket	10,500,829	6.5%	\$18.77	7.0%	12,609	0	6,180
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.9%	3.9%	6.9%	6.6%	2023 Q3	2.1%	2015 Q4
Net Absorption SF	(46.6K)	147,878	17,408	665,781	2007 Q1	(194,780)	2020 Q2
Deliveries SF	52.1K	182,162	55,751	678,007	2007 Q1	23,722	2021 Q2
Rent Growth	1.9%	2.3%	1.0%	4.6%	2022 Q3	-0.5%	2009 Q2
Sales Volume	\$12.9M	\$51.5M	N/A	\$231.2M	2015 Q2	\$4.8M	2009 Q3

Retail Submarket

Comparable Market Developments



Brookhaven Village Building E

Built: 1985

Vacancy: 27.5%

Size: 63,341 SF

CoStar Est. Rent: \$22.00 PSF



Parkway Plaza

Built: 1996

Vacancy: 44.8%

Size: 112,917 SF

Est. Rent: \$24.00 PSF



University Town Center

Built: 2013

Vacancy: 0.0%

Size: 64,360 SF

Asking Office Rent: \$22.43 PSF



Madison Square

Built: 2008

Vacancy: 0.0%

Size: 88,000 SF

Asking Rent: \$18.00 PSF



Shops at Tecumseh

Built: 2018

Vacancy: 0.0%

Size: 18,379 SF

Asking Rent: \$25.00 PSF



Alameda Square Shopping Center

Built: 1984

Vacancy: 27.5%

Size: 93,858 SF

Asking Rent: \$12.98 PSF

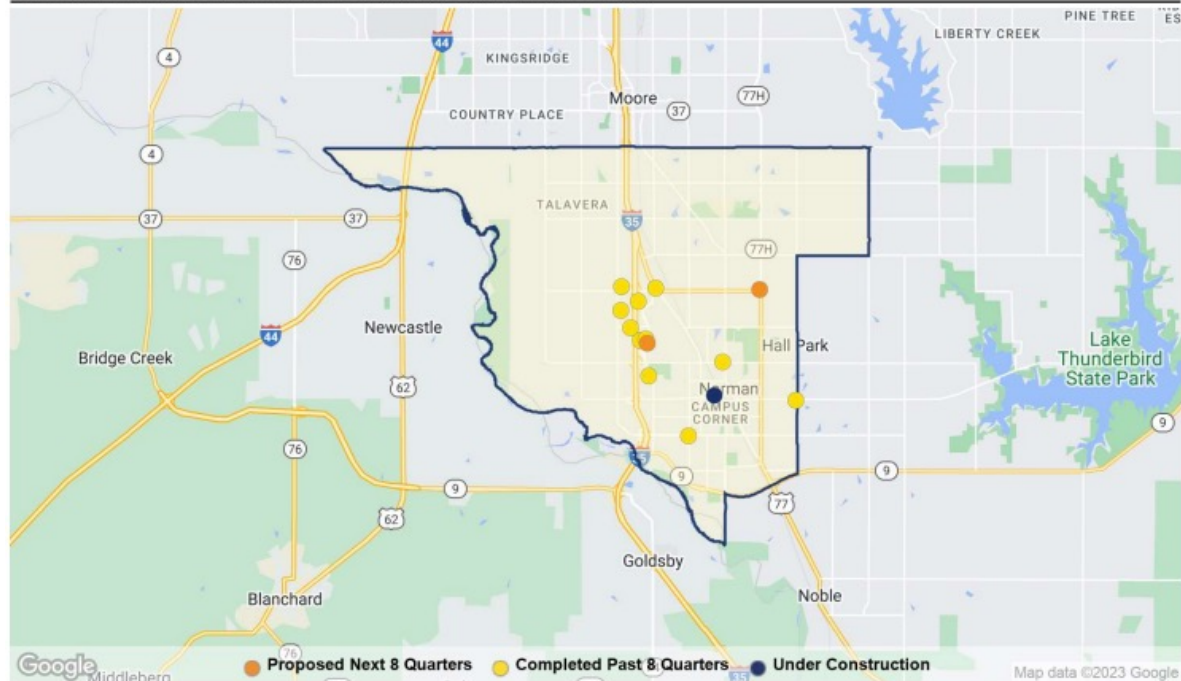
Retail Submarket

Supply, Demand & Development Pipeline

- The Greater Norman submarket has on average 176,540 square feet delivered to the market on an annual basis. There has been 194,998 square feet delivered to the submarket over the past two years. This is above the retail delivery average in the market based on historic averages.
- When analyzing the next two years, there is 6,180 square feet that will be delivered to the market and 116,400 square feet that is proposed to be delivered in the next two years.
- The proposed 116,400 square feet is divided between two properties. The 66,400 square foot property will be an addition to University Town Center. The 50,000 square foot property will be located on East Tecumseh Road.
- According to the Overall Supply & Demand table shown to the right, there is negative absorption levels projected for the next year in the submarket, until numbers stabilize and become positive in the three years to follow. Based on positive absorption of new supply in the coming years, there is opportunity for additional retail development.

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
176,540	194,998	6,180	116,400

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

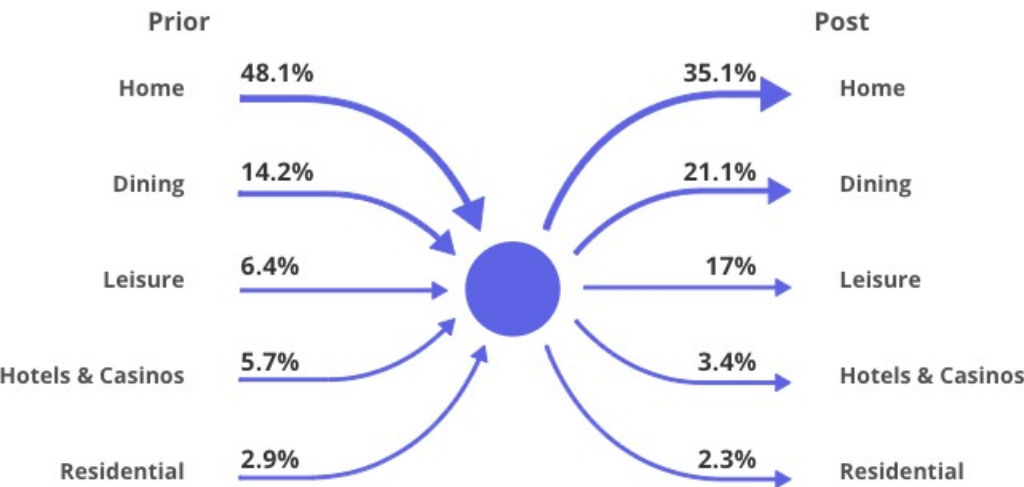
Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	10,665,412	71,807	0.7%	52,831	0.5%	1.4
2026	10,593,605	60,312	0.6%	46,746	0.4%	1.3
2025	10,533,293	35,527	0.3%	26,833	0.3%	1.3
2024	10,497,766	(3,063)	0%	(32,237)	-0.3%	-
2023	10,500,829	50,500	0.5%	(62,933)	-0.6%	-
YTD	10,500,829	50,500	0.5%	(61,884)	-0.6%	-
2022	10,450,329	101,780	1.0%	115,034	1.1%	0.9
2021	10,348,549	204,902	2.0%	76,174	0.7%	2.7
2020	10,143,647	42,115	0.4%	102,405	1.0%	0.4
2019	10,101,532	29,241	0.3%	(124,157)	-1.2%	-
2018	10,072,291	183,026	1.9%	57,201	0.6%	3.2
2017	9,889,265	28,656	0.3%	31,345	0.3%	0.9
2016	9,860,609	137,688	1.4%	99,047	1.0%	1.4
2015	9,722,921	77,085	0.8%	194,162	2.0%	0.4
2014	9,645,836	110,670	1.2%	95,498	1.0%	1.2
2013	9,535,166	341,445	3.7%	416,836	4.4%	0.8
2012	9,193,721	120,920	1.3%	93,224	1.0%	1.3
2011	9,072,801	218,913	2.5%	169,871	1.9%	1.3

Retail Visitation

Retail Visitation Analysis

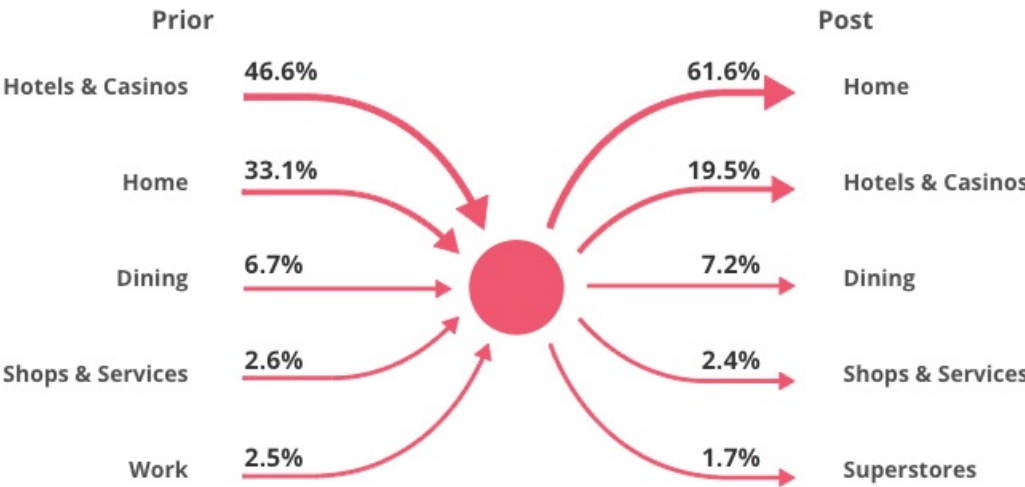
With the incorporation of Placer.ai as a visitation tracking tool, Hunden has analyzed prior and post points of interests and the “Favorite Places” of the Lloyd Noble Center and Riverwind Casino. Favorite Places is defined as a list of other local places that visitors to a certain property have also visited during the selected time frame. The Top Five most popular points of interest for both subject properties are all in the retail industry, classified as malls or shopping centers. Additionally, Leisure and Dining are seen as most popular for visitors to frequent before and after visiting the Lloyd Noble Center and Riverwind Casino.

Lloyd Noble Center



Lloyd Noble Center "Favorite Places"			
Rank	Point of Interest	Miles Away	# of Visitors
#1	University Town Center	4.2	154,000
#2	Penn Square Mall	24.1	118,500
#3	Will Rogers World Airport	16.7	93,400
#4	Gaylord Family Oklahoma Memorial Stadium	1.3	91,400
#5	Target	4.0	89,100
Source: Placer.ai			

Riverwind Casino



Riverwind Casino "Favorite Places"			
Rank	Point of Interest	Miles Away	# of Visitors
#1	University Town Center	4.2	114,700
#2	Penn Square Mall	24.0	104,00
#3	Westgate Marketplace	20.7	99,700
#4	Newcastle Casino	8.6	82,300
#5	Will Rogers World Airport	15.8	73,700
Source: Placer.ai			

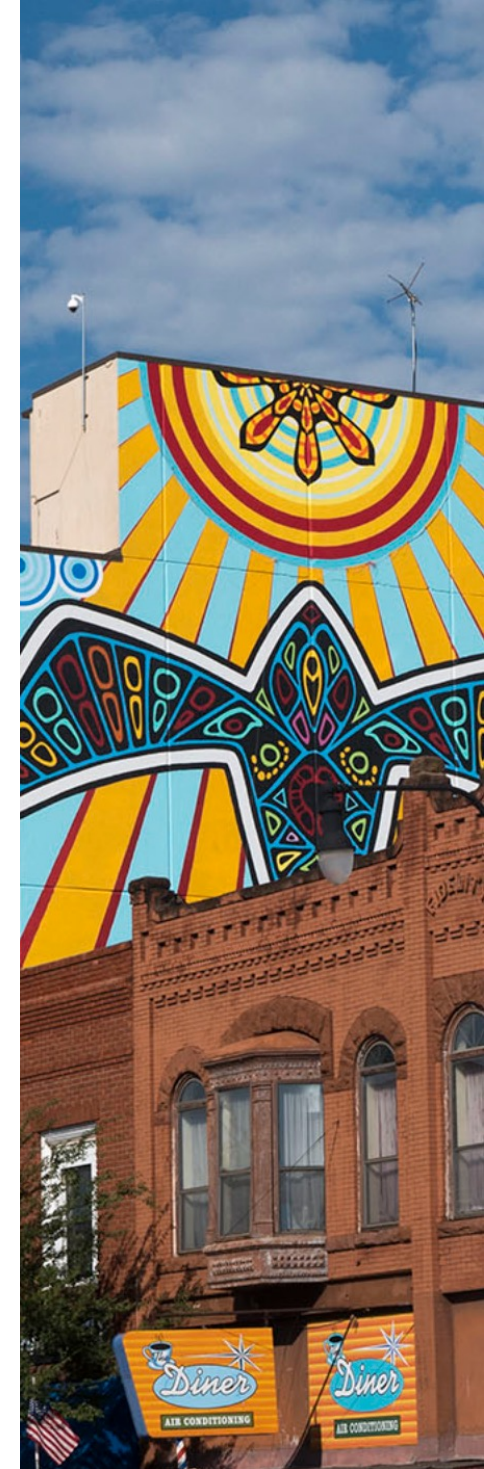
Retail / Dining Nodes

Norman, OK Major Retail & Dining Nodes - Ranked by Total 2022 Visits

Area	2022 Visits	2022 Visitors	Visits Per Customer	Visits Over 100 Miles	% Visits over 100 Miles	Restaurants	Retailers	Adjacent Hotel Rooms
University Town Center	4,900,000	944,800	5.19	703,800	14.4%	22	41	503
Campus Corner	3,300,000	545,100	6.05	1,100,000	33.3%	23	22	91
Parkway Plaza	2,300,000	595,800	3.86	277,600	12.1%	2	13	194
Historic Downtown	1,900,000	504,100	3.77	483,300	25.4%	42	50	16
Redbud Plaza	1,800,000	427,800	4.21	148,400	8.2%	4	17	135
Sooner Mall	1,500,000	562,400	2.67	142,300	9.5%	7	52	283
Brookhaven Village	935,500	231,300	4.04	146,500	15.7%	6	22	0
Robinson Crossing	821,600	310,900	2.64	152,000	18.5%	4	28	0
Total	17,457,100	4,122,200	4.23	3,153,900	18.1%	110	245	1,222

Source: Placer.ai

- Norman has a number of major retail and dining nodes, with multiple nodes located adjacent to or near the Project site.
- University Town Center (UTC), located directly south of the Project site, generated an estimated 4.9 million visits in 2022 with 503 walkable hotel rooms over three properties. The UTC POI that resulted in these visitation statistics does not include roads or large surface parking areas.
- Campus Corner, located on OU's campus, generated the highest number of estimated long-distance visits.
- Commercial tenants at these major nodes include mostly big box, chain, or fast casual concepts that do not drive long-distance visitation.
- Downtown Norman has the highest density of unique and locally driven restaurants and retailers, often sought after by visitors looking for a unique, historic or walkable setting.
- Downtown OKC offers additional high-end retail in its traditional mall settings, along with additional retail centers located outside the downtown core.
- The Project presents the opportunity to attract unique and experiential restaurant and retail concepts that drive long-distance visitor spending and impacts. "Eatertainment" concepts are attractive to both residents and families and those visiting Norman or the district for major events.
- Though most of these nodes have walkable hotels, these are mostly limited-service properties, and offerings within these nodes themselves are not cause enough to generate new overnight demand.



Key Highlights

Retail Market

The proposed entertainment venue and surrounding mixed-use district will generate a much larger customer segment to the area that in turn will further support retail centers and mall developments. As Norman expands on the multi purpose event center, there will be large demand for the visitors to this facilities to dine and shop locally after attending a show, conference or sporting event.

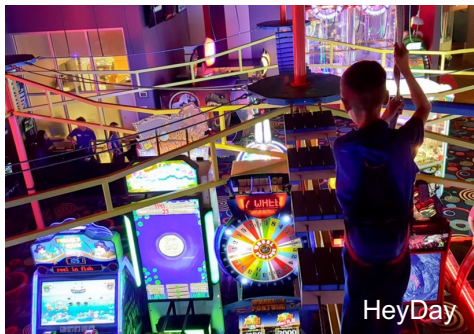
The Norman retail submarket has seen negative net absorption over the past 12 months of nearly 68,000 SF. Vacancy rates have also risen 0.9 percent over the same period and are currently at 6.6 percent.

Within the submarket, general retail is the largest subtype with approximately 6.2 million SF under construction.

The Comparable Market Developments Set displays properties that are extensive in size, have large visitation, and have low vacancies. One of the latest major deliveries to the market was the Shops at Tecumseh and has performed strongly with full-occupancy.



Entertainment



The table to the right details popular arts, amateur sports, and entertainment assets with associated estimated 2022 visitation.

- There are a wide variety of entertainment driven assets in Norman, including casinos, family-entertainment retail, outdoor sports and recreation, and arts facilities.
- These types of assets not only service the local community, but aid in generating long-distance visitation and spending.
- The future planned National Weather Center Museum would also drive tourism and spending to the district.
- Though OKC has additional arts and entertainment offerings, the Project can infuse additional entertainment assets to help activate the district on a year-round basis and generate additional economic impacts and taxes.

Norman, OK Arts & Entertainment Assets - Ranked by Total 2022 Visits					
Facility	2022 Visits	2022 Visitors	Visits Per Customer	Visits Over 100 Miles	% Visits over 100 Miles
Riverwind Casino	1,600,000	328,400	4.87	286,900	17.9%
OU Arts District	585,600	82,400	7.11	222,900	38.1%
Reaves Sports Complex	481,100	198,300	2.43	86,400	18.0%
HeyDay Norman	406,000	235,800	1.72	52,900	13.0%
Griffin Sports Complex	316,200	65,200	4.85	37,400	11.8%
Sooner Bowling Center	195,000	95,000	2.05	24,000	12.3%
Robinson Crossing AMC Theatre	192,000	92,600	2.07	22,100	11.5%
Thunderbird Casino	154,300	30,800	5.01	14,400	9.3%
National Weather Center	86,500	10,100	8.56	36,700	42.4%
Westwood Family Aquatic Center	76,100	29,500	2.58	6,000	7.9%
Stratus Climbing, Yoga & Fitness	62,200	11,300	5.50	11,200	18.0%
Goldby Gaming Center	54,500	13,600	4.01	2,400	4.4%
Oklahoma Motor Sports Complex	47,800	23,700	2.02	12,300	25.7%
Calypso Cove Marina	23,400	11,100	2.11	2,500	10.7%
The Depot	18,200	15,900	1.14	5,300	29.1%
Sooner Theatre	18,100	9,800	1.85	2,500	13.8%
Total	4,317,000	1,253,500	3.44	825,900	19.1%

Source: Placer.ai

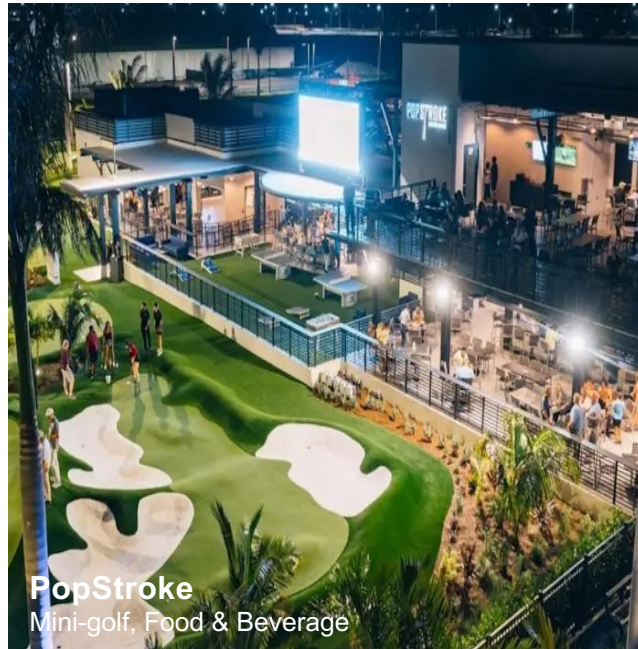
Family Entertainment / “Eatertainment”

Even with the planned entertainment venue for the Project, there are other sources of entertainment that are widely popular around the country that wouldn't require as significant public investment or incentives as the proposed venue. These facilities are often developed as part of a broader mixed-use district to provide additional activities for visiting families and guests that can aid in extending stays and spending.

Eatertainment venues combine dining with entertainment options but are higher end experiences than traditional arcades or bowling alleys. Eatertainment venues are a one-stop experience for premium meals, fun activities and a destination for consumers to meet up with friends and family in a more active and engaging fashion than a standard restaurant. OKC offers such popular concepts as Topgolf and Chicken N Pickle.

These venues are often very successful in sports and entertainment districts because of their ability to accommodate large groups. Eatertainment venues are typically large in size, which is beneficial for meetings and events as they can host groups looking for entertainment and restaurant options. They can serve as an anchor for a sports or entertainment district.

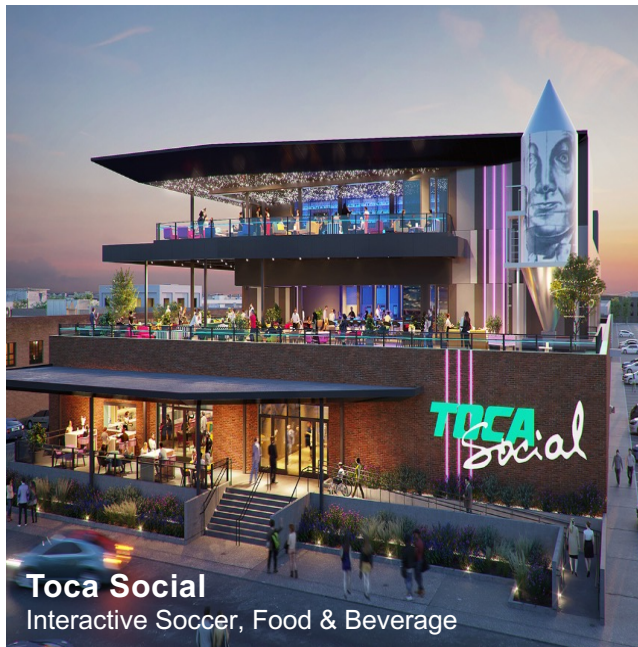
The images to the right show examples of these innovative concepts to show potential development opportunities in the area of experiential dining, sports, and family entertainment.



PopStroke
Mini-golf, Food & Beverage



Punch Bowl Social
Bowling, Gaming, Karaoke



Toca Social
Interactive Soccer, Food & Beverage



Grandscape
Group gaming @ Electric Gamebox

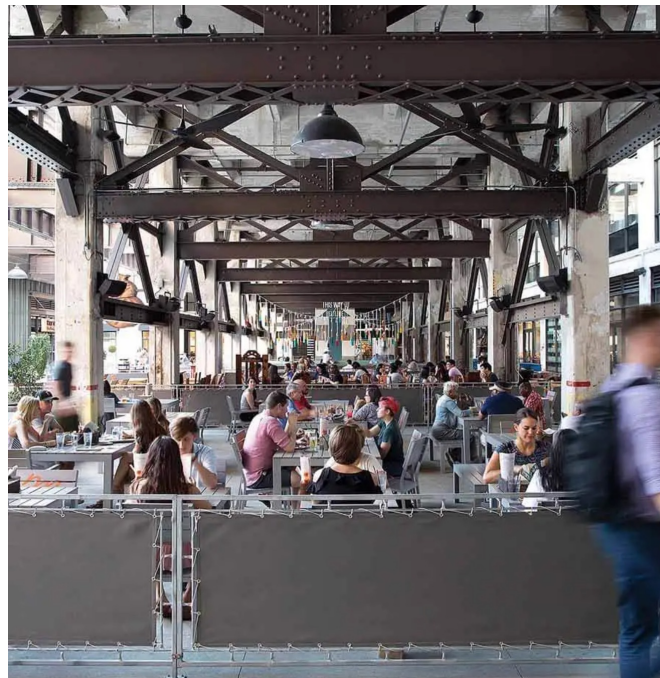
Food Halls

Food halls are an increasingly popular dining option that offer consumers a high-end, unique experience. Food halls consist of an assortment of food and beverage options and often are combined with retail shops and entertainment nodes to make the space a destination.

Restaurants in food halls focus on locally-developed start-ups as opposed to food courts that offer large national chains. The assortment of options that are offered attract large groups of people, fulfilling the desires of all consumers in the group and allowing them to enjoy a meal together. Food halls also often incorporate outdoor dining and event space often activated with live entertainment and events.

- Norman has number of breweries located mostly downtown. Additions to these can be infused into food halls as well as part of a district's overall food and beverage plan.
- The Collective, OKC's first food hall, features 11 kitchens, a 32-tap bar, and rooftop patio.

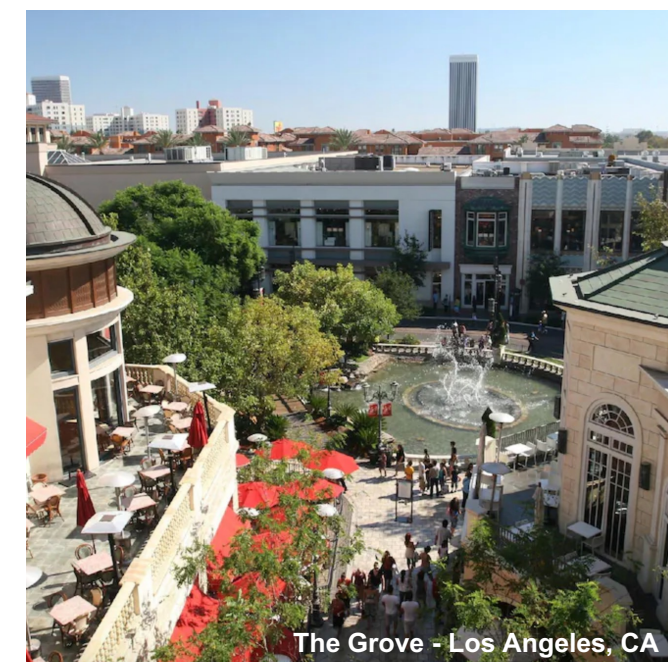
The pictures on the right show the Ponce City Market food halls in Atlanta, GA.



Campus-Style Clustering

There are two main types of district design: linear street layout and campus-style clustering. The Project is best suited for campus-style clustering, features of which include:

- Large indoor spaces and rooftops create opportunities for scenic views and stand-out entertainment concepts
- Combine well with recreational trails and outdoor / activated plaza spaces
- Large building sizes offer multiple uses on different level, such as co-working offices, hotels, loft-style residences, meeting and event space, and small-shop marketplaces
- Often house city-markets with locally-made goods and fresh foods
- Are distinctly attractive for arts-based events, art installations, and become stops for tourists looking for something to augment their driving tours
- Groupings of buildings allows for clusters of theme-based retailers and uses, lifestyle retail, and hospitality/nightlife
- Creative lighting at night highlights the 18-hour day variety of uses and activities, looking vastly different than typical retail centers



Key Highlights

Retail, Dining, and Entertainment

Based on Hunden's analysis of retail and dining nodes and existing entertainment assets, there are additional opportunities to enhance Norman's overall appeal to increase incremental revenues at the Project site. A dense and vibrant mixed-use district surrounding the proposed entertainment venue would aid in providing a sense of place, providing unique offerings beyond the mostly traditional retail and restaurant development currently in Norman. Below outlines key elements to successful districts that can be applied to the Project.

Create a **density of retail, restaurant, entertainment, multifamily, office, and hotel offerings** adjacent to major demand inducing assets such as arenas, stadiums or convention centers in order to create a critical mass of people 24/7.

Feature vehicular through-streets that allow cars to drive through the development for better visibility and access, just as a village "main street."

All-year programmed events that cater to all age groups will create a true community civic space, often in central park greens and inside food hall buildings during colder seasons.

