



June 27, 2022

Duncan Olsen
General Manager
Golden Spike Event Center
1000 N 1200 W, Ogden, UT 84404

Mr. Olsen:

This Letter Agreement (or "Agreement") confirms the terms and conditions for Victus Advisors LLC ("Victus Advisors" or "Victus") to provide Weber County (the "County" or the "Client") with a comprehensive study of the future feasibility and relevance of the Weber County Fairgrounds/ Golden Spike Event Center ("GSEC").

The remainder of this Letter Agreement contains the following key sections:

- Scope of Work
- Project Timeline
- Project Cost & Billing Schedule
- Terms & Conditions
- Signature Page

If you have any questions about this Letter Agreement, please contact Brian Connolly, Managing Principal of Victus Advisors, at (435) 776-5728 or bconnolly@victusadvisors.com.

We look forward to working with you on this exciting project in Weber County!

Sincerely,



Brian Connolly
Founder & Managing Principal
Victus Advisors LLC
2720 Homestead Road, Suite 130
Park City, Utah 84098

Our project team will be led by Victus Advisors (prime contractor), Think Architecture (subcontractor), and Construction Control Corporation (subcontractor). We will provide Weber County with a comprehensive study of the market demand, financial feasibility, site opportunities, and concept plans for the future of the GSEC. Our scope of work is detailed below:

PHASE 1 - MARKET DEMAND & PROJECT FEASIBILITY

I. KICKOFF MEETING, SITE TOUR & PUBLIC INFO SESSION:

- Meet with County representatives for a project kickoff and planning meeting to gather information regarding background, key drivers, potential constraints, and work plan.
- Tour the GSEC and review the existing operations, events, etc.
- Following the kickoff meeting, host an initial Public Information Session to present the project team, goals, methodology, and input opportunities to the public.

II. STAKEHOLDER INTERVIEWS & EVENT ORGANIZER INTERVIEWS:

- Work with the County to identify one-on-one interview opportunities for: a) approximately ten (10) key stakeholders, and b) at least ten (10) event organizers that currently utilize the GSEC.
- Complete interviews with approximately ten (10) potential new user groups or event types (as identified by Victus Advisors through our market research process) that could be prospective users of a renovated or expanded GSEC.

III. ONLINE SURVEY

- Draft, develop, program, and implement a statistically-valid online survey through the County's existing databases of citizens, GSEC users, recreation and parks users, sports program users, social media channels, etc. The goals of this survey will be to gather feedback regarding existing facilities/programs at the GSEC and identify opportunities to increase community usage in a renovated GSEC. With a County population of more than 267,000 people, we would require at least 385 survey responses in order to achieve a margin of error of +/- 5.0% with a 95% confidence interval.

IV. DEMOGRAPHIC/SOCIOECONOMIC ANALYSIS & RECREATION/EVENT TRENDS

- Analyze demographic trends and characteristics of the County to understand both current demographics as well as future growth.
- Analyze regional and national participation trends in indoor and outdoor recreation, sports, concerts, festivals, events, meetings, etc., and identify potential opportunities

V. ANALYSIS OF HISTORICAL FACILITY OPERATIONS:

- Analyze historical operating data including the number of historical annual events held at each facility, historical and projected operating revenues and expenses of the GSEC, event-specific financial performance (event performance/profitability reports), any existing leases or tenant agreements, organizational structure and staffing levels (including any management contracts/terms), ticketing agreements or concessionaire agreements, venue/promoter guides or marketing/promotional materials, user fees, rental rates, etc.
- Develop lists of strengths and weaknesses of the existing operations of the GSEC, and then identify specific opportunities for improvement via operational improvement, strategic plan changes, programming opportunities, or marketing opportunities.

VI. COMPARABLE RECREATION & EVENT CENTER ANALYSIS:

- Victus will conduct a detailed review of at least five (5) to seven (7) comparable regional recreation and event centers in Utah or the Mountain West, including interviewing key staff regarding best practices for facility development and operations.
- We will gather information regarding location, ownership, operations, amenities/features, user fees, rental rates, unique/special events, other innovative uses, etc.

VII. MARKET FEASIBILITY RESULTS & RECOMMENDATIONS / INTERIM REPORT

- After completing our market research phases, Victus will identify opportunities for increased utilization of the GSEC via: a) increased utilization of existing venues/amenities, b) physical upgrades or expansion to the venue mix, and/or c) relocation of some or all aspects of the GSEC. Victus will provide specific research-based rationale behind each recommendation. In addition, Victus will identify any other potential complimentary or ancillary uses that could be compatible with the goals of the GSEC, whether focused on community use or economic development.
- At this point, we will present an Interim Report of market feasibility findings to the County. We will review our Phase 1 findings and recommendations with the County, and ensure we are on the same page prior to proceeding with our Phase 2 tasks.

PHASE 2 - BUSINESS PLANNING & CONCEPT DESIGNS

VIII. USAGE PROJECTIONS, OPERATING & FINANCIAL ANALYSIS

- Victus will project the sustainable daily and seasonal usage (and the number of special or recurring events) for at least the next ten (10) years of operations.
- Victus will develop a custom long-term (25-year) financial model to project the financial operations of the GSEC, including detailed revenues/expenses by category. This pro forma will not only assess cost recovery from annual operations, but also will estimate potential long-term capital needs.
- We will provide detailed descriptions of our assumptions and estimates underlying each revenue and expense line item, including any necessary changes to staffing, operating model, marketing approach, long-term capital funding, etc.

IX. SITE PLAN, CONCEPTUAL DESIGNS & COST ESTIMATES

- Think Architecture (or “Think”) will first generate a narrative for the conceptual designs based on the research collected and program recommended by Victus, and then Think will begin to determine features and area quantity information as well as an outline for the GSEC’s level of performance. Think will also ensure that Accessibility, Safety/Security, and Sustainability are carried through their design process.
- Think will generate multiple site plan and facility concepts for a renovated, expanded or relocated GSEC. These concepts will be reviewed with both Victus and County staff to ensure that the resulting information is in-line with the understanding and expectations of the steering committee. As necessary, master plan recommendations may be phased based on available funds and/or prioritization of opportunities and needs.
- Construction Control Corporation (or “CCC”) will develop a preliminary opinion of probable construction costs for various GSEC development and site plan options. This cost analysis will include hard and soft costs, such as site preparation and infrastructure costs, building construction costs, equipment and major systems costs, soft cost estimates (design, land-use fees, building permit fees, etc.), as well as a total capital project cost estimate.

X. FUNDING OPTIONS ANALYSIS & PHASING PRIORITIZATION

- It is important that the new master plan is financially feasible and can be practically implemented. Victus will analyze the public debt service and financing alternatives used to develop or redevelop comparable venues in similar markets, and to the extent possible we will then quantify these potential funding sources according to the unique characteristics of Weber County. Based upon the estimated costs associated with various elements of the new master plan, Victus/Think will also consider any phasing opportunities that may be necessary to begin implementing the master plan. This phasing analysis will also prioritize opportunities based upon their ability to offset costs by either driving operational improvement or increasing fiscal revenue impacts via economic development.

XI. DELIVERABLES

- Initially, our team will present our completed feasibility study and site/facility plan concepts to the steering committee in draft format for review, edits, and updates.
- Next, we will create a final report document that will be intended for public release. If requested, we would be happy to present a summary of this document in a public setting. The full report document will include but may not be limited to:
 - Executive summary
 - Overview of market feasibility, market research and community engagement results
 - Summaries of stakeholder interviews, user/event interviews, and online survey results
 - Overview of demographic/socioeconomic analysis and recreation/event trends analysis
 - Analysis of current facility operations, strengths/weakness and opportunities/threats
 - Analysis of comparable recreation and event complexes
 - Summary of market feasibility results and recommendations, including identification of new usage opportunities and quantification of new event markets
 - Usage projections and financial operating projections
 - Concept designs / site master plan, with construction cost estimates
 - Analysis of funding options and phasing priorities

PROJECT TIMELINE



WORK SCHEDULE

Victus Advisors proposes an approximately 16-week work schedule, which includes ten (10) weeks for Phase 1 and six (6) weeks for Phase 2, as shown below.

Project Tasks	Week:	Phase 1 - Market Feasibility									Phase 2 - Business Planning & Concept Development					
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Kickoff Meeting, Site Tour & Public Information Session		GREEN														
Interviews - Stakeholders & Event Organizers																
Online Survey																
Demographics & Trends Analysis																
Analysis of Historical Facility Operations																
Comparable Recreation & Event Center Analysis																
Development of Market Feasibility Results/Recommendations																
Present Interim Report - Summary of Phase 1 Findings																
Initial Development of Conceptual Designs & Site Plans																
Usage Projections, Operating & Financial Analysis																
Review Initial Facility/Site Plans with Steering Committee																
Finalize Conceptual Designs & Site Plans																
Construction Cost Estimates																
Funding Options Analysis & Phasing Priorities																
Submittal/Review of Full Draft Report																
Final Public Presentation (TBD)																TBD

Note: GREEN boxes identify minimum plan for on-site meetings. However, since our project team is Utah-based we can meet additionally on-site as needed.

This timeline shown above begins with kickoff meetings and a public information session, proceeds through an interim presentation of Phase 1 market feasibility results, continues with Phase 2 usage/operating projections and meetings to review initial concept plans/site layouts, and concludes with submittal/review of our complete draft report followed by a final public presentation of our study and plans. Please note, there could potentially be two gaps in our work schedule that aren't shown above: a) between Phase I and Phase II, pending notice to proceed from the County after reviewing our Phase I results; and b) between submittal of our full draft report and our final public presentation(s).



PROJECT COST & BILLING SCHEDULE



COST - The fixed professional fee for our consulting team to complete the scope of services detailed herein will be \$60,000. Our fixed fee is based upon the estimated hours for the assigned staff from each firm to complete the proposed scope of work in each phase, as detailed below:

Phase One cost:	\$ <u>34,400</u>
Phase Two cost:	\$ <u>24,600</u>
Future Phases cost (If any)	\$ <u>n/a</u>
Additional costs if any:	
Hourly Rate:*	\$ <u>182</u> per/hr.
Number of Hours	<u>330</u>
Travel:	\$ <u>0</u>
Other :	\$ <u>n/a</u>
Total Project cost:	\$ <u>60,000</u>

**Note: This is a blended rate. Assigned consultants from each firm have various hourly rates ranging from \$125 to \$250 per hour.*

BILLING SCHEDULE - Victus will bill in five (5) equal monthly invoices submitted on a progress basis throughout the project, with each invoice payable Net 30. Please note, Victus reserves the right to withhold services or deliverables if payment of any invoice is overdue:

- Invoice 1 - At Kickoff Meeting - \$12,000
- Invoice 2 - 30 Days Later - \$12,000
- Invoice 3 - 30 Days Later - \$12,000
- Invoice 4 - 30 Days Later - \$12,000
- Invoice 5 - At Submittal of Draft Final Report - \$12,000



TERMS & CONDITIONS



Any research, analysis, estimates, projections, findings, and recommendations presented as part of this engagement will reflect analysis of primary and secondary research available to Victus Advisors at the time that our study is conducted, including information provided by the Client, their various partners and stakeholders, and other relevant third-parties. Information provided by third-parties will not be audited or verified by Victus Advisors, unless otherwise noted, and we will assume it to be correct. Victus Advisors will extend its best efforts to assure accurate information, however we make no representation or warranty as to the completeness of any information or estimates contained within any reports that we deliver (written or oral), and we express no assurances of any kind on any projected information.

There will be differences between actual events and any projections or estimates made by Victus Advisors. These differences may be material, as future events and circumstances often do not occur as anticipated. Any findings or recommendations made by Victus Advisors will be based solely on the scope of services as defined herein. Victus Advisors cannot be held responsible for any future management actions taken by the Client (or their related partners, investors, stakeholders, clients, contractors, or subcontractors) on which the future performance of their business or projects will depend.

In performance of the services defined in this Agreement, Victus Advisors shall be acting at all times as an independent contractor, and nothing contained herein shall be deemed or construed to create any partnership, joint venture, or employment relationship between Victus Advisors and the Client or its officers, partners, or employees. Victus Advisors shall be solely responsible for payment of all taxes due on payments made by the Client to Victus Advisors.

The Client may terminate this Agreement at any time by providing 30 days' notice in writing from the Client to Victus Advisors. If this Agreement is terminated by the Client as provided in this paragraph, the Client shall pay for services satisfactorily completed by Victus Advisors, less any payment or compensation previously made.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. Any counterpart may be delivered digitally by transmission of signatures to the other parties via email.

This Agreement will be governed by the laws of the State of Utah.



SIGNATURE PAGE



The terms and conditions of this Letter Agreement are accepted by mutual agreement of the authorized representatives signing below:

Weber County

Victus Advisors LLC

Signature:

Brian Connolly

Name:

Brian Connolly

Title:

Managing Principal

Date:

June 27, 2022

