

#### Construction Cost - Impact of Inflation

Source: Turner Construction Cost Index (3rd qtr 2021 to April 2022)  
Index: 6.36% over 10 months

Project Cost June 2021: \$120,347,231

Annual Increase: \$7,654,084

Monthly Increase: \$637,840

Daily Increase: \$1,748

Project Cost April 2022: \$128,001,315 (as escalated)

#### Turner's Third Quarter Building Cost Index: Wages are Increasing for Skilled Labor in the Construction Industry

Third Quarter 2022 Turner Building Cost Index-which measures costs in the non-residential building construction market in the United States- had increased to the value of 1311. This represents a 2.18% quarterly increase from the Second Quarter 2022 and an 8.62% yearly increase from the Third Quarter 2021.

Quarter	Index	% Change
Month end April 2022	427	0.74
1st Quarter 2022	255	2.03
4th Quarter 2021	230	1.91
3rd Quarter 2021	207	68

MUNICIPAL MARKET UPDATE 10/2/2023

"AAA" Municipal Market Data Index (MMD), 1-Year, 10-Year & 20-Year Maturities: 10/02/2013-10/02/2023



We priced FBC  
Epicenter on June  
9, 2021 when all  
three maturity  
indexes at  
historical lows.

A delay of 10 months  
would have resulted  
in an approximately  
145 basis point  
increase.

Interest Rates - Impact of Increasing Interest Rates

Actual Debt Service and Expenses - P3 Delivery Option June 2021

Total P&I	178,421,607
Owner Fees	1,971,000
Trustee Fees	121,500
Total Debt Service and Expenses - P3	180,514,107

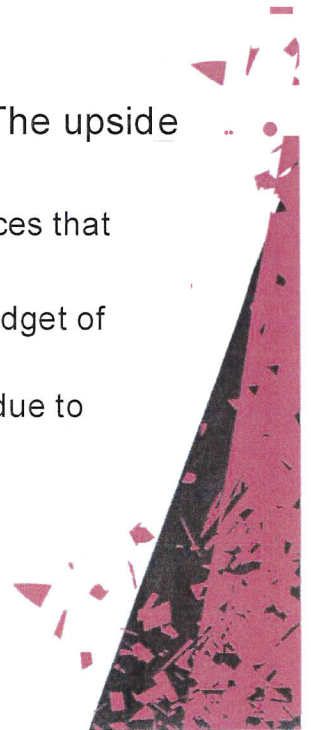
Estimated Debt Service and Expenses - FBC Delivery Option April 2022

Total P&I	201,114,674
Owner Fees	0
Paying Agent Fees	15,000
Total Debt Service and Expenses - P3	201,129,674



## 2023 Stub Budget: August-September

- We experienced a net increase vs budget by \$101,163.69. The upside was due to:
  - Increased revenue generated from volleyball and basketball practices that were not in the Stub Budget in the amount of \$10,375.08
  - Lower COGS which created a larger GP of \$178,327.79 over the budget of \$135,740.00
  - Management of the expenses resulted in a savings of \$58,579.92 due to decrease in utilities and other expenses.





## 2024 Operational Budget: October-December

- The design and versatility of the arena has enabled us to book a variety of events such as:
  - Top Rank ESPN Championship Boxing, All Elite Wrestling Dynamite/Rampage, Texas Gun Show, International Diwali Dusshera Festival, Carden International Circus, Hot Wheels Live Monster Truck Show and Varsity Spirit Cheer competitions
  - Two national broadcasts in October showcasing the Fort Bend County Epicenter on ESPN (Top Rank) and TBS (AEW)
  - Houston Volleyball Academy and Fort Bend Christian Homeschool Athletics train at the arena 5 days a week in the multipurpose area
  - We are trending at about 60% of budget in bookings and continue to book events.
- Sponsorship demand is strong with major sponsorship signings across various categories:
  - Energy Texas, Southwest Mitsubishi, Bud Light, Pepsi, GFL Environmental, Chick Fil A, and Williams Smokehouse
  - Ongoing discussions with sponsors across grocery, healthcare/hospital, banking categories
  - Sponsorships are budgeted at \$550K and we have already secured \$428K for 2024. This revenue will be amortized over a 12-month period.
- Looking ahead at the first quarter, we will begin to get a better feel for the profitability of each event and Food and Beverage.
- We will continue to monitor costs and implement cost saving measures. We will have a better understanding of the utilities required to maintain and operate the building.

