

INTRUST Bank Arena

Mission: *The INTRUST Bank Arena is a modern, first-class sports and entertainment venue owned by Sedgwick County and operated by SMG, providing 15,000 seats for basketball games. The INTRUST Bank Arena is home to indoor sporting events, concerts, family shows, and other entertainment.*

Lindsay Poe Rousseau
Chief Financial Officer

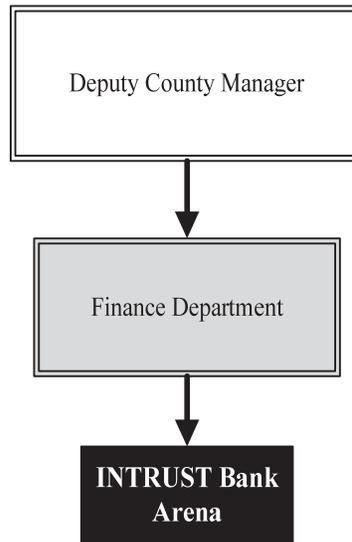
525 N. Main, Suite 823
Wichita, KS 67203
316.660.7141

lindsay.poerousseau@sedgwick.gov

Overview

The INTRUST Bank Arena is a modern, state-of-the-art sports and entertainment venue, perfect for concerts and conventions alike. Located in the heart of downtown Wichita with restaurants, shops, and eclectic entertainment options nearby, the INTRUST Bank Arena is the premier arena in the Midwest.

Construction costs were funded without debt from the proceeds of a special one-percent County sales tax, which was approved by voters in November 2004. This method allowed for the Arena to be constructed while the revenue was collected, eliminating the need for securing bonds to finance the project, saving approximately \$112 million in interest. The arena sales tax revenues exceeded projections and totaled \$206.5 million, resulting in \$15.9 million for an operations and maintenance reserve fund to be used for major repairs and capital equipment purchases.



Strategic Goals:

- *Continue to provide quality entertainment for the citizens of Sedgwick County*

Highlights

- INTRUST Bank Arena held 102 ticketed events and 100 performances in 2016 with 371,280 in attendance
- 319,498 tickets were sold in 2016, with an average attendance per performance of 3,713
- Net income in 2016 was \$680,268



Accomplishments and Priorities

Accomplishments

SMG pursues every act that is planning to tour arenas and continues work to secure a diverse group of acts at INTRUST Bank Arena. Events for 2017 include:

- Eric Church
- Dierks Bentley
- Neil Diamond
- Tim McGraw & Faith Hill
- Paul McCartney
- Winter Jam
- Miranda Lambert
- U.S. Figure Skating Championships
- NCAA Men’s Basketball Championship
- Wichita Thunder regular season games
- Wichita Force Indoor Football
- Wichita Wildcat Classic: Kansas State v. Tulsa
- Midian Shrine Circus
- Professional Bull Riders
- Wingapalooza
- DodgeBrawl 2017
- George Lopez & D.L. Hughley Live
- Disney on Ice “Dream Big”

Priorities

The INTRUST Bank Arena contributes toward promoting, supporting, and facilitating the creation of wealth and employment opportunities in downtown Wichita. The Metropolitan Area Planning Division (MAPD), which is jointly funded by Sedgwick County and the City of Wichita, is tasked with producing the neighborhood redevelopment plan for the area surrounding the INTRUST Bank Arena.

One of the unique aspects of the Arena project was continuous involvement by citizens. Commissioners encouraged citizen engagement as a means of soliciting ideas, concerns and views throughout the planning, design, and construction processes. Two citizen-based committees, the Citizen Arena Sales Tax Oversight Committee and the Citizen Design Review Committee, were created to ensure public participation, as well as facilitating numerous public meetings. In addition, the Sedgwick County website is utilized in an effort to continue to keep the operation of the Arena transparent.

While Sedgwick County owns the building, SMG was hired in 2007 as the building operator to oversee the business, management, and contract administration aspects of the Arena. SMG is responsible for ensuring high-quality services and will incur any operating losses during any fiscal year of the contract period.

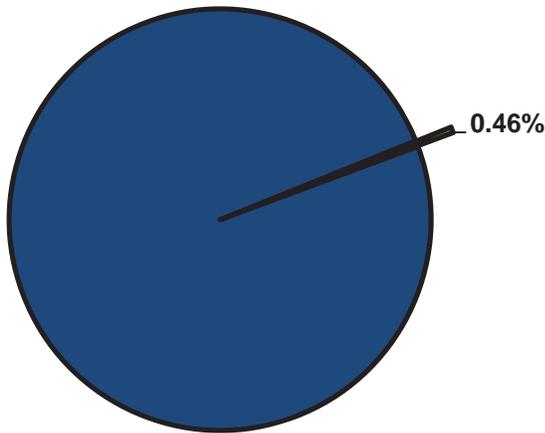


Significant Budget Adjustments

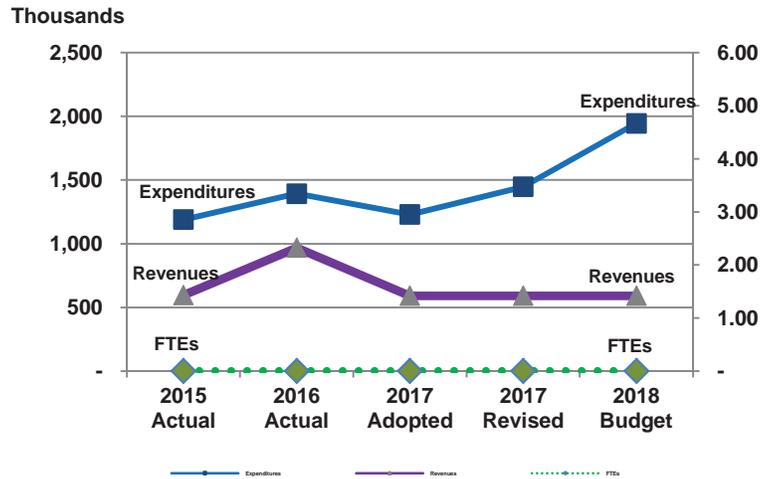
Significant adjustments to the INTRUST Bank Arena 2018 budget include an increase to capital improvement expenditures per the approved asset replacement program (\$607,750).

Divisional Graphical Summary

INTRUST Bank Arena
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

| | 2015 Actual | 2016 Actual | 2017 Adopted | 2017 Revised | 2018 Budget | Amount Chg '17 Rev.-'18 | % Chg '17 Rev.-'18 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|--------------------|
| Expenditures | | | | | | | |
| Personnel | - | - | - | - | - | - | - |
| Contractual Services | 478,800 | 497,832 | 350,000 | 450,171 | 350,000 | (100,171) | -22.25% |
| Debt Service | - | - | - | - | - | - | - |
| Commodities | - | - | - | - | - | - | - |
| Capital Improvements | 710,000 | 895,000 | 880,000 | 996,590 | 1,595,375 | 598,785 | 60.08% |
| Capital Equipment | - | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | - | - | - | - |
| Total Expenditures | 1,188,800 | 1,392,832 | 1,230,000 | 1,446,761 | 1,945,375 | 498,614 | 34.46% |
| Revenues | | | | | | | |
| Tax Revenues | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for Services | 590,000 | 965,103 | 590,000 | 590,000 | 590,000 | - | 0.00% |
| All Other Revenue | 6,299 | 2,959 | - | - | - | - | - |
| Total Revenues | 596,299 | 968,062 | 590,000 | 590,000 | 590,000 | - | 0.00% |
| Full-Time Equivalents (FTEs) | | | | | | | |
| Property Tax Funded | - | - | - | - | - | - | - |
| Non-Property Tax Funded | - | - | - | - | - | - | - |
| Total FTEs | - | - | - | - | - | - | - |

Budget Summary by Fund

| Fund | 2015 Actual | 2016 Actual | 2017 Adopted | 2017 Revised | 2018 Budget | Amount Chg '17 Rev.-'18 | % Chg '17 Rev.-'18 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|--------------------|
| INTRUST Bank Arena | 1,188,800 | 1,392,832 | 1,230,000 | 1,446,761 | 1,945,375 | 498,614 | 34.46% |
| Total Expenditures | 1,188,800 | 1,392,832 | 1,230,000 | 1,446,761 | 1,945,375 | 498,614 | 34.46% |

Significant Budget Adjustments from Prior Year Revised Budget

| | Expenditures | Revenues | FTEs |
|--|--------------|----------|------|
| Increase capital improvement expenditures per the approved asset replacement program | 607,750 | | |
| Total | 607,750 | - | - |

Budget Summary by Program

| Program | Fund | 2015 Actual | 2016 Actual | 2017 Adopted | 2017 Revised | 2018 Budget | % Chg '17 Rev.-'18 | 2018 FTEs |
|-------------------------|------|------------------|------------------|------------------|------------------|------------------|--------------------|-----------|
| Arena Operations | 550 | 437,360 | 497,832 | 350,000 | 450,171 | 350,000 | -22.25% | - |
| Arena Capital Improvem. | 550 | 751,440 | 895,000 | 880,000 | 996,590 | 1,595,375 | 60.08% | - |
| Total | | 1,188,800 | 1,392,832 | 1,230,000 | 1,446,761 | 1,945,375 | 34.46% | - |

• Arena Operations

Senate Bill 58, signed on April 4, 2005 by Governor Kathleen Sebelius, authorized Sedgwick County to collect a one percent sales tax for a period of 30 months beginning July 1, 2005. The proceeds for this tax were specifically designated for the construction of an Arena in the downtown area of Wichita, renovations to the Kansas Pavilions, and an operating/maintenance reserve for the INTRUST Bank Arena and the Kansas Pavilions. The Arena Operations fund center is budgeted for operation and maintenance expenditures for the INTRUST Bank Arena.

Fund(s): Arena Tax Fund 550

| Expenditures | 2015 Actual | 2016 Actual | 2017 Adopted | 2017 Revised | 2018 Budget | Amnt. Chg. '17 - '18 | % Chg. '17 - '18 |
|-------------------------------------|----------------|----------------|-----------------|-----------------|----------------|-------------------------|---------------------|
| Personnel | - | - | - | - | - | - | 0.0% |
| Contractual Services | 437,360 | 497,832 | 350,000 | 450,171 | 350,000 | (100,171) | -22.3% |
| Debt Service | - | - | - | - | - | - | 0.0% |
| Commodities | - | - | - | - | - | - | 0.0% |
| Capital Improvements | - | - | - | - | - | - | 0.0% |
| Capital Equipment | - | - | - | - | - | - | 0.0% |
| Interfund Transfers | - | - | - | - | - | - | 0.0% |
| Total Expenditures | 437,360 | 497,832 | 350,000 | 450,171 | 350,000 | (100,171) | -22.3% |
| Revenues | | | | | | | |
| Taxes | - | - | - | - | - | - | 0.0% |
| Intergovernmental | - | - | - | - | - | - | 0.0% |
| Charges For Service | 590,000 | 590,000 | 590,000 | 590,000 | 590,000 | - | 0.0% |
| All Other Revenue | - | - | - | - | - | - | 0.0% |
| Total Revenues | 590,000 | 590,000 | 590,000 | 590,000 | 590,000 | - | 0.0% |
| Full-Time Equivalents (FTEs) | - | - | - | - | - | - | 0.0% |

• Arena Capital Improvements

Senate Bill 58, signed on April 4, 2005 by Governor Kathleen Sebelius, authorized Sedgwick County to collect a one-percent sales tax for a period of 30 months beginning July 1, 2005. The proceeds for this tax were specifically designated for the construction of an Arena in the downtown area of Wichita, renovations to the Coliseum Pavilions, and an operating/maintenance reserve for the INTRUST Bank Arena and the Kansas Pavilions. The Arena Capital Improvement fund center is budgeted for INTRUST Bank Arena capital projects.

Fund(s): Arena Tax Fund 550

| Expenditures | 2015 Actual | 2016 Actual | 2017 Adopted | 2017 Revised | 2018 Budget | Amnt. Chg. '17 - '18 | % Chg. '17 - '18 |
|-------------------------------------|----------------|----------------|-----------------|------------------|------------------|-------------------------|---------------------|
| Personnel | - | - | - | - | - | - | 0.0% |
| Contractual Services | 41,440 | - | - | - | - | - | 0.0% |
| Debt Service | - | - | - | - | - | - | 0.0% |
| Commodities | - | - | - | - | - | - | 0.0% |
| Capital Improvements | 710,000 | 895,000 | 880,000 | 1,031,010 | 1,595,375 | 564,365 | 54.7% |
| Capital Equipment | - | - | - | - | - | - | 0.0% |
| Interfund Transfers | - | - | - | - | - | - | 0.0% |
| Total Expenditures | 751,440 | 895,000 | 880,000 | 1,031,010 | 1,595,375 | 564,365 | 54.7% |
| Revenues | | | | | | | |
| Taxes | - | - | - | - | - | - | 0.0% |
| Intergovernmental | - | - | - | - | - | - | 0.0% |
| Charges For Service | - | - | - | - | - | - | 0.0% |
| All Other Revenue | 6,299 | 2,959 | - | - | - | - | 0.0% |
| Total Revenues | 6,299 | 2,959 | - | - | - | - | 0.0% |
| Full-Time Equivalents (FTEs) | - | - | - | - | - | - | 0.0% |