

Project Grant Application

Name J.W. Roth

Federal Tax I.D. 99-1755043

Incorporation Date 03-13-2017

Mailing Address 1755 Telstar Drive, Suite 501, Colorado Springs , CO, 80920

Phone Number (719) 895-5483

Email jwroth@noteslive.vip

Website <https://noteslive.vip/>

Facebook <https://www.facebook.com/p/Notes-Live-Inc-100087791322255/>

Instagram [https://urldefense.com/v3/_https://www.instagram.com/noteslive_?igsh=OHlINm93bTBnMmJ3_!!OozeWUIO!ji0EPbEWfnaEkp8d3xJpNLg6PXpcpu5P8_W0uhD7iRiz5gMEG5uKER8AiASyLCnRyg4RZBiaKLOF_-RZz0cmZtU\\$](https://urldefense.com/v3/_https://www.instagram.com/noteslive_?igsh=OHlINm93bTBnMmJ3_!!OozeWUIO!ji0EPbEWfnaEkp8d3xJpNLg6PXpcpu5P8_W0uhD7iRiz5gMEG5uKER8AiASyLCnRyg4RZBiaKLOF_-RZz0cmZtU$)

LinkedIn <https://www.linkedin.com/company/noteslive/>

Please provide a detailed narrative about your organization including years established, mission

Notes Live, established in 2017, is a rapidly growing hospitality and entertainment company comprised of pre-eminent team of professionals. The company owns and operates the Award Winning, 5 Star Bourbon Brothers Smokehouse and Tavern as well as Boot Barn Hall – the State-of-the-Art music and event center located in Colorado Springs, Colorado. The company is currently expanding its multi-million-dollar Colorado campus into the northern Atlanta market as well as laying the groundwork to expand into 10 additional markets over the next 60 months.

The Notes Live expansion, thus far, has included announcements in the following communities:
Colorado Springs, CO- 8,000 seats, \$90 million Capital Investment, opening in 2024.
Broken Arrow, OK- 12,500 seats, \$93 million Capital Investment, opening in 2025.
McKinney, TX- 20,000 seats, \$220 million Capital Investment, opening in 2026.

The mission of Notes Live is to revolutionize entertainment and hospitality, offering dynamic campuses where music, dining and luxury converge.

Notes Live, in addition to providing world class entertainment venues, is intent on creating assets for the communities in which they land. Shared parking facilities, access to the venue for community events, and

, goals, scope of service s, succes ses, contrib ution to commu nity, etc. top tier community exposure are only a few of the ways that Notes Live contributes to the community they are in. Since announcing on March 12, 2024, the Notes Live team has seen a high amount of traffic surrounding the McKinney, Texas announcement and the positive feedback that has followed.

Organi zation Type For profit corporation

Name Reece Macdonald

Title Director- Credits and Incentives

Mailing Address Three Galleria Tower, 13155 Noel Road Suite 100, Dallas, TX, 75240

Phone Number (817) 602-4422

Email Address reece.macdonald@ryan.com

Name Reece Macdonald

Title Director

Mailing Address Three Galleria Tower , 13155 Noel Road Suite 100, Dallas , Texas, 75240

Phone Number (817) 602-4422

Email Address reece.macdonald@ryan.com

Are you the propert No

y
owner?

Name Michael Kowski

Company McKinney Economic Development Corporation

Mailing Address 7300 State Highway 121 , Ste 200, McKinney, Texas , 75070

Phone Number (972) 547-7687

Email Address mkowski@mckinneyedc.com

Letter of Support for Project from Property Owner [MEDC Letter of Support 041524.pdf](#)

Funding - Total Amount Requested \$3,000,000

Are matching funds available? No

Will funding be requested from any other City of McKinn Yes

entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Provide name of City of McKinney entity funding source and amount

City of McKinney- approximately \$36 Million
McKinney Economic Development Corporation- approximately \$39 Million
TIRZ- approximately \$18 Million

Have you received or will funding be requested from other organizations / foundations for this project?

No

Has a request for grant funding been submitted to MCDC in the past five years?

No

Board
of
Directo
rs

NA

Leader
ship
Staff

J.W. Roth- Founder and CEO
Robert Mudd- President and Chief Operating Officer
Heather Atkinson- Chief Financial Officer
Wade Beavers- President of Notes Live Development

Bios in attached document.

Leader
ship
Staff
Attach
ment

[Project Vibes Leadership Bios MCDC 2024-04-15.pdf](#)

Project
/
Busine
ss
Name

Project Vibes- Notes Live

Locatio
n of
Project

Southgate

Physic
al
Address
s

Southgate , McKinney, Texas , 75069

Propert
y Size
(in
acres)

45.72

Collin
CAD
Project
y ID

1836561, 2638580, 2589909, 2683393, 2683397

What
kind of
project
is
propos
ed?
(Check
all that
apply.)

New project

Estimated
Date of
Project
Start
Date 10/01/2024

Estimated
Date of
Project
Completion
Date 02/28/2026

Project
Details
and
Proposed
Use Notes Live is one of the fastest growing amphitheater developers in the United States. They have identified the McKinney market as a target for their flagship concept: a 20,000 seat world class, outdoor entertainment venue with luxury VIP experiences, and ample parking for ease of access.

Days /
Hours
of
Business
Operation Determinate upon tour schedule. Will likely be evening concerts and events with an ending time of 11:15PM for compliance with noise ordinances.

What is
the
total
cost for
this
Project
? \$277,000,000

What
percent
age of
Project
funding
will be
provided
by
the
applicant? 65

Are
matching
funds
available? No

Other
Fundin
g
Source
s

-City of McKinney- solicited September, 2023; award anticipated April 16, 2024
-McKinney EDC- solicited September 2023; award anticipated April 16, 2024
-RTC- solicitation in progress

Estimat
ed
Annual
Taxabl
e Sales

\$115,000,000

Current
Apprais
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Value
of
Propert
y

\$35,506,627

Estimat
ed
Apprais
ed
Value
(post-
improv
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\$0

Estimat
ed
Constr
uction
Cost
for
Total
Project

\$277,000,000

Total
Estimat
ed Cost
for
Project
Improv
ements
include
d in
grant
request

\$220,000,000

Total
Grant
Amount
Reques
ted

\$3,000,000

Attach
Competitive
Bids for
the
Project [Project Vibes Competitive Bids MCDC 2024-04-15.pdf](#)

Has a
feasibility
study
or
market
analysis
been
completed
for
this
proposed
project
? **Yes**

Attach
Executive
Summary [2024-04-10 L01 Sunset McKinney Enviro Noise Assessment.pdf](#)
[Project Vibes Executive Summary of Feasibility Study MCDC 2024-04-15.pdf](#)
[Vibes Prelim Draft TMP Sheets 20231218.pdf](#)

Current
financial
report
including
current
and
previous
year's
profit &
loss
statement
and
balance
sheet. [Notes Live Updated Pro Forma 2023-12-29.pdf](#)

Reason
for
Unavailable
Audited
Financials **Forthcoming pending public Initial Public Offering**

Budget [Notes Live Cost Estimate - McKinney - 20k.pdf](#)

Financial
Statements

[Project Vibes Financial Statements MCDC 2024-04-15.pdf](#)

W9

[Sunset at McKinney W9.pdf](#)

Business plan including mission and goals of company / organization, target customers, staff, growth goals, products / services, location (s), etc.

[City Council 4-16.pdf](#)

[NotesLive McKinney Ampitheater 20-Year EIA 1-03-2024.pdf](#)

Plat / map of property extending 200 feet beyond property in all directions (if applicable).

[CAD Map Proposed McKinney Site 10140415.pdf](#)

[Site Plan.PNG](#)

Describe planned support activities, their use, and

The City of McKinney, school districts, and other community organizations are welcome to utilize the amphitheater for their various events. There is opportunity to create unique events to be held at the site and highlight the value that this venue will bring to the community. Admission fees will vary depending on the amount of the facility in use.

admission fees (if applicable).

Timeline and schedule from design to completion.

[Mckinney entitlement and development timeline UPDATED 2024-04-15.pdf](#)

Plans for future expansion / growth.

Notes Live, Inc. is strategically and aggressively working to expand the combined footprint of our music venues and Bourbon Brothers Smokehouse and Tavern across the United States. The business models are highly complimentary in terms of revenue and capital expenditure required to build. Notes Live is laying the groundwork to expand into 10 additional markets over the next 60 months.

Notes Live, Inc. is focusing on markets with the following core elements:

Growing local population

High visibility locations within revitalization zones with tax incentive

No boutique venue or outdoor venue in the market

Proximity to major transportation routes in between 100 major market cities in the U.S.

A local partner that loves real estate, hospitality, and great music

We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.

Selecting this option indicates your agreement with the above statement.

Representative

Comple
ting
Applica
tion

Date 04-16-2024

Job No.: 24250
Date: 2024-04-10



Robert B. Mudd
Notes Live
1830 Jet Stream Dr
Colorado Springs, CO 80921
678-617-4726
bmudd@noteslive.vip

LSTN Consultants LLC
76 Beaver St Fl 2
New York NY 10005
347-788-0810

Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

Dear Bob,

In this document we summarize our current environmental noise assessment for the development of the Sunset Amphitheater in McKinney, TX.

Please let us know if you or the municipality have any questions.

Yours Sincerely,

A handwritten signature in black ink that reads "MATT MAHON".

Matt Mahon
Partner, LSTN Consultants

CC: Ken Andria, LSTN

1 BACKGROUND

- Notes Live (Notes) is developing the Sunset Amphitheater in the southwest corner of Marketplace Dr and Medical Center Dr in McKinney, TX.
- Notes is engaging with the community and seeking relevant planning approvals. As part of that effort, Notes has requested that LSTN provide an environmental noise assessment.
- This document summarizes our current environmental noise assessment.

2 ZONING AND PLANNING

We understand that the project site is subject to the following zoning and planning characteristics:

Zoning	PD (Ordinance No. 2014-02-009)
Overlay	Highway Commercial Overlay District

Exhibit A of Ordinance No. 2014-02-009 specifically anticipates in Section 2.f. that “nightclubs, theatres (indoor or outdoor), and other similar entertainment uses” be allowed.

3 NOISE CODE

We understand that the relevant noise code is captured in the *McKinney, Texas, Code of Ordinances, Subpart A – General Ordinances, Chapter 70 – Offenses and Miscellaneous Provisions, Article V. Noise*.

Excerpts of the relevant clauses from that section are reproduced below for convenience, though refer to the Code of Ordinances and the authorities having jurisdiction directly for any official reading. All formatting is by LSTN for emphasis and clarity. Footnotes and cross-reference have been removed.

Noise Code Text Excerpts

Article V. Noise

Sec. 70-118. Purpose.

The purpose of this article is to establish specific performance standards for the emittance of noise and to make it unlawful for any person or entity to make, cause to be made or allow any loud or unreasonably loud and disturbing noise of such character, intensity and duration as to be detrimental or offensive to the ordinary sensibilities of the inhabitants of the city, and/or which renders the enjoyment of life, health or property uncomfortable or interferes with public peace and comfort.

Sec. 70-119. Definitions.

(a) *The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:*

[...]

Daytime hours refers to the hours between 6:00 a.m. and 9:00 p.m. on any given day.

[...]

Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

Device means any mechanism which is intended to produce, or which actually produces, noise when operated or handled.

[...]

Noise disturbance means any sound which annoys or disturbs, or which causes or tends to cause an adverse psychological or physiological effect upon, the sensibilities of a reasonable, prudent, adult person; and unreasonably loud or disturbing noise which renders the enjoyment of life or property uncomfortable or interferes with public peace and comfort.

Noise disturbance per se means not requiring extraneous evidence or support to establish the existence of a noise disturbance.

Noise measurement means the measurement of noise using a sound level meter meeting the standards prescribed by the American National Standards Institute.

Nonresidential district means any district not classified by the zoning ordinance as containing residential homes, apartments or condominiums.

[...]

Property means any lot, tract, parcel of land or a portion thereof, occupied or unoccupied, improved or unimproved, public or private within the corporate limits of the city.

Property boundary means an imaginary line exterior to any enclosed structure, at the ground surface and its vertical extension, which separates the real property owned by one person from that owned by another person.

[...]

Residential district means any district classified by the zoning ordinance as containing residential homes, apartments or condominiums.

[...]

(b) All terminology used in this article and not specifically defined above shall retain its meaning in conformance with applicable publications of the American National Standards Institute (ANSI) or its successor body and/or the latest volume of Webster's Collegiate Dictionary.

[...]

Sec. 70-120. Specific performance standards for noise.

All uses in all districts shall conform in operation, location, and construction to the specific noise performance standards listed below. For the purpose of noise measurement, the "bounding property line" shall be the nearest property line of the property on which the noise is being generated.

- (a) At no point at the bounding property line of a residential use shall the sound pressure level of any operation or activity exceed 65 dB(A) for daytime hours and 58 dB(A) at nighttime.
- (b) At no point at the bounding property line of a nonresidential use shall the sound pressure level of any operation or activity exceed 70 dB(A) for daytime hours and 60 dB(A) at nighttime.
- (c) Exemptions. The following uses and activities shall be exempt from the specific performance standards for noise:
 - (1) Noises not directly under control of the property user;
 - (2) Noises emanating from construction and maintenance activities during daytime hours;

Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

- (3) *Noises of safety signals, warning devices, and emergency pressure relief valves;*
- (4) *Transient noise of moving sources such as automobiles, trucks, airplanes, and railroads;*
- (5) *Noises necessary to immediately and reasonably prevent the threat of bodily injury, death, or loss of property;*
- (6) *Noises produced by lawfully scheduled events in full compliance with all issued permits including, but not limited to:*
 - a. *A stadium or sporting event;*
 - b. *A school-sponsored event;*
 - c. *An amphitheater event;*
 - d. *A musical performance;*
 - e. *An event, fun run, race, festival, fiesta, or concert that was sponsored or co-sponsored by the city; and*
 - f. *A special event as defined by the Code of Ordinances.*
- (7) *Reasonable activities conducted in public parks, public playgrounds, or public or private school functions; and*
- (8) *Noises produced as part of the provision of municipal services.*

Sec. 70-121. Noise disturbances.

I. Specific noise disturbances prohibited.

- (a) *No person shall allow, make or cause to be made any unreasonably loud or disturbing noise that is offensive to the sensibilities of a reasonable, prudent adult person, renders the enjoyment of life or property uncomfortable, interferes with public peace and comfort, or causes a noise disturbance as defined in this article.*
- (b) *The following includes, but is not limited to, activities which can create unreasonably loud or disturbing noises in violation of this article, including activities which are noise disturbances per se, unless an exemption exists or a permit of variance was first obtained as provided herein, or the noise emitted is consistent with or within the parameters of section 70-120.*

[...]

- (2) *Radios, television sets, musical instruments, loudspeaking amplifiers and similar devices.*

[...]

- b. *The using, operating or permitting to be played, used or operated any sound production or reproduction device, radio, receiving set, musical instrument, drums, phonograph, television set, loudspeaker and sound amplifiers or other machine or device for the producing or reproducing of sound within a nonresidential area in such a manner as to cause a noise disturbance.*

[...]

- (c) *In the event a conflict exists between the specific performance standards for noises set forth in section 70-120 and the specific noise disturbance prohibited set forth in section 70-121, the performance standards contained in section 70-120 shall control.*

II. Exemptions.

Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

- (a) *The following sources of potential noise disturbance shall be exempt from the regulations of this section:*
- (1) *Safety signals, storm warning sirens or horns and the testing of such equipment, emergency vehicle sirens or horns used when responding to an emergency, and emergency pressure relief valves;*
 - (2) *Sound caused in the performance of emergency or public service work, including police, fire and public utility operations, acting in the performance of lawful duties to protect the health, safety or welfare of the community;*
 - (3) *Sounds caused by natural phenomena;*
 - (4) *Activities conducted on public parks and playgrounds which are approved, sponsored or sanctioned by the city. Activities conducted on public or private school grounds including, but not limited to, school athletic and school entertainment events which are approved, sponsored or sanctioned by the school; and*
 - (5) *Any activity, noise or sound exempted under section 70-120(c).*

III. Permits of variance.

- (a) *The director of public safety, or their designated representative, is authorized to grant permits for relief of any provision in this section on the basis of undue hardship in cases where:*
- (1) *The sound source will be of short duration and the activity cannot be conducted in a manner as to comply with this article;*
 - (2) *Additional time is necessary for the applicant to alter or modify their activity or operation to comply with this article; or*
 - (3) *No reasonable alternative is available to the applicant.*
- (b) *A special events noise variance permit allowing specific deviations from this section may be issued by the director of public safety, or his designated representative, without a demonstration of undue hardship, for events of limited duration (not to exceed seven days) which, in the opinion of the director, promote identifiable historical, cultural, artistic, economic development, or community goals (including, but not limited to, the promotion of community activity in the commercial historic district), including conditions for the variance specific to the use; provided that any noise disturbance created by such activity will be abated when such request is made by the director, or his designated representative. The fee in subsection (e) of this section shall apply to any permit issued.*
- (c) *An automatic variance will be granted without the payment of permit fees for the purpose of conducting parades or other public events; provided that any noise disturbance created by such activity will be abated when such request is made by the director of public safety, or his designated representative.*
- (d) *The director of public safety, or his designated representative, may prescribe any reasonable conditions or requirements deemed necessary to minimize adverse effects and may suspend any permit issued for violating any provisions prescribed in the permit of variance.*
- (e) *A fee as determined from time to time by city council shall be charged to each applicant for processing permit applications.*

IV. Appeals.

Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

- (a) *Any applicant who has been denied a permit of variance or any permittee whose permit has been suspended, shall have the right to a hearing before the city manager.*
- (b) *Request for a hearing shall be made in writing and received by the director of public safety, or his designated representative, within ten days of the date of the denial or the date of the notice of the suspension. The city manager may review the appeal at a staff level and has the authority to reject the action of his designated representative and order that a permit be granted or to reinstate a suspended permit. However, should the city manager uphold the denial or suspension of a permit, he shall, or his designated representative shall, schedule a hearing within 30 days of receipt of the request.*
- (c) *The city manager shall have the authority to review all pertinent files and information regarding the applicant/permittee which are in the custody of the director of public safety, or his designated representative. Additionally, the city manager shall have the authority to accept written and verbal testimony from the director of public safety, his designated representative, any appropriate city staff member, applicant/permittee and interested citizens. The city manager shall also have the authority to place time restrictions on the testimony to be given at the hearing.*
- (d) *The city manager shall have the authority to assess whether the director of public safety, or his designated representative, acted properly within the powers granted under this article in the denial or suspension of a permit. Upholding the action of the director of public safety, or his designated representative, shall affirm the denial or suspension. Rejection of the action of the director of public safety, or his designated representative, shall automatically grant a permit or reinstate a suspended permit.*
- (e) *No person whose permit has been denied or suspended, shall create or allow the creation of the noise disturbance in dispute prior to a determination by the city manager.*

Sec. 70-122. Penalty.

Any person violating any of the provisions of this article shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed \$500.00. A separate offense shall be deemed committed upon each day during or on which a violation or failure to comply occurs or continues to occur. Allegation and evidence of a culpable mental state is not required for the proof of an offense defined by this article.

Sec. 70-123. Injunctive relief.

In addition to and accumulative of all other penalties, the city shall have the right to seek injunctive relief for any and all violations of this article.

[...]

Noise Code Interpretation

The following is our synthesized interpretation of the noise code, which should be confirmed with the relevant authority having jurisdiction:

- If events at the amphitheater are lawfully scheduled in compliance with all issued permits, there are no applicable specific performance standards, and the event shall not be expressly prohibited.
- If permits are not secured, events are not prohibited provided the following specific performance standards are adhered to:

Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

	Sound Pressure Level	
	At Residential Receiver Property Line	At Nonresidential Receiver Property Line
Daytime 6:00am – 9:00pm	65dB(A)	70dB(A)
Nighttime 9:00pm – 6:00am	58dB(A)	60dB(A)

- If Notes can demonstrate to the Director of Public Safety or their designee that the events promote cultural and economic goals, permits may be issued (without demonstrating hardship, and provided events do not exceed seven days).
 - It should be confirmed that the operator’s anticipated schedule meets the definition and spirit of “limited duration.”
 - It should be confirmed either that multiple permits may be issued to Notes over the course of a season or that because individual events do not exceed seven *sequential* days that one permit may cover a season.

4 VENUE PROGRAMMING AND SOUND SYSTEM CHARACTERIZATION

To clarify the expected environmental impact of the venue, we here characterize the expected use of the venue and its proposed sound system.

The noise levels expected to be generated at the amphitheater during events will relate to two primary factors:

- The types of events produced
- The types of sound systems used

Notes propose to operate an amphitheater that will host live musical performances. The venue may host stand-alone productions and events but will primarily host tours that travel between similar venues to different regions.

For an idea of the programming for such a venue, consider the recent performers at the popular Red Rocks Amphitheatre outside of Denver, CO, reproduced here. The performances include a mix of Rock, Pop, Hip Hop, Electronic, and Folk genres.

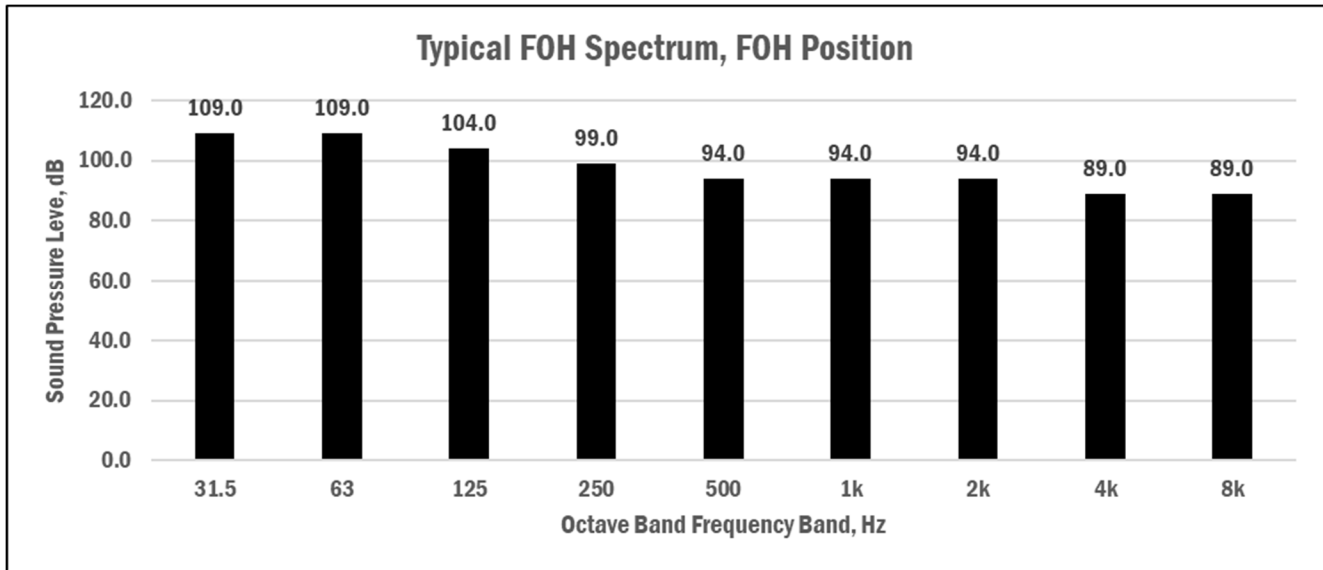
Such performances rely on sound systems to amplify/reinforce sound produced on stage for the audience. The music performed is typically broad spectrum, i.e. it includes sounds across the audible frequency spectrum.

APR 27	Ludacris / Nelly at Red Rocks Amphitheatre Ludacris Nelly Fat Joe
APR 28	Trevor Hall / Citizen Cope at Red Rocks Amphitheatre Trevor Hall Citizen Cope Rising Appalachia Gone Gone Beyond
APR 30	Sublime With Rome at Red Rocks Amphitheatre Sublime With Rome GZA Katastro
MAY 1	Tech N9ne at Red Rocks Amphitheatre Tech N9ne Joey Cool X-Raided ¡Mayday!
MAY 2	"A Prairie Home Companion Revival" at Red Rocks Amphitheatre "A Prairie Home Companion Revival" Garrison Keillor Brad Paisley Elvin Bishop
MAY 3	Jason Isbell & The 400 Unit at Red Rocks Amphitheatre Jason Isbell & The 400 Unit Waxahatchee
MAY 4	Jason Isbell & The 400 Unit at Red Rocks Amphitheatre Jason Isbell & The 400 Unit Waxahatchee
MAY 5	Hippie Sabotage at Red Rocks Amphitheatre Hippie Sabotage Two Feet Sebastian Paul
MAY 6	Brantley Gilbert at Red Rocks Amphitheatre Brantley Gilbert
MAY 7	Brantley Gilbert at Red Rocks Amphitheatre Brantley Gilbert

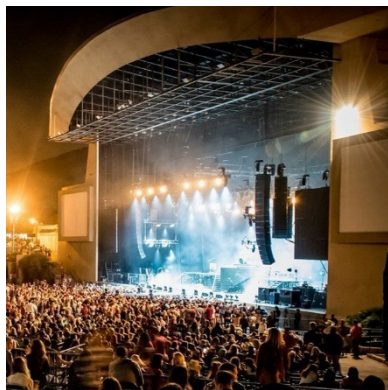
Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

The level and spectrum of sound varies temporally throughout a performance and will differ broadly between different performance types (e.g. Electronic and Hip Hop performances typically have higher levels of low frequency sound than folk music).

Despite significant variation, we can make reasonable assumptions about the typical frequency spectrum and sound level produced for typical events to facilitate estimating environmental noise. The spectrum below corresponds to 100dB(A) of broadband sound, which would be a reasonable level for a performance to reinforce at the front of house (FOH) mix position, ~100ft from the stage. Note, these would be common levels to reach and briefly exceed periodically during a single song (not average levels).



It is typical for acts touring venues of this type to travel with a main sound system which would be deployed to each side of the stage.



Tours typically deploy line array-type main loudspeakers. Line arrays consist of individual loudspeaker cabinets that are arrayed vertically together, as shown above.

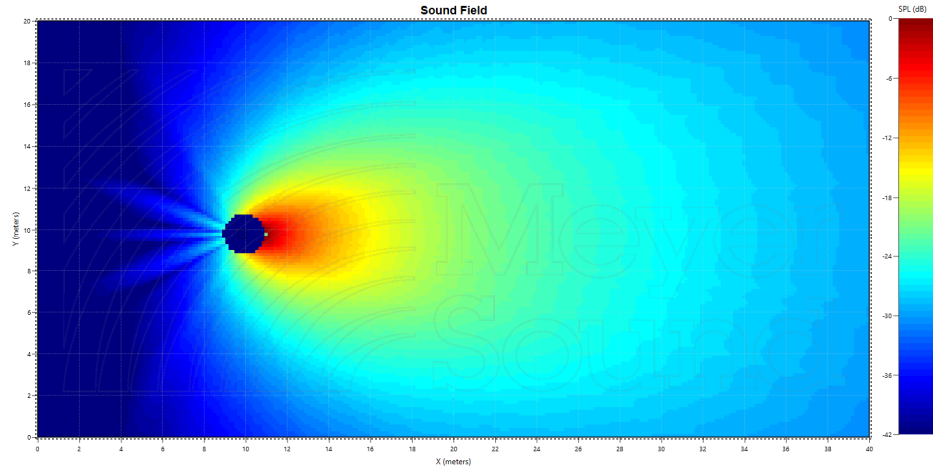
Subwoofers are often hung in vertical arrays as shown in the left two images above. But sometimes they are stage-stacked as shown on the right.

The primary function of a sound system is to provide adequate sound level to the audience. Sound should also be consistent across the audience, i.e. not too loud at the front and too quiet at the back.

In addition to sound power output, a core characteristic of loudspeakers is directivity—How much sound energy the loudspeaker emits in different directions.

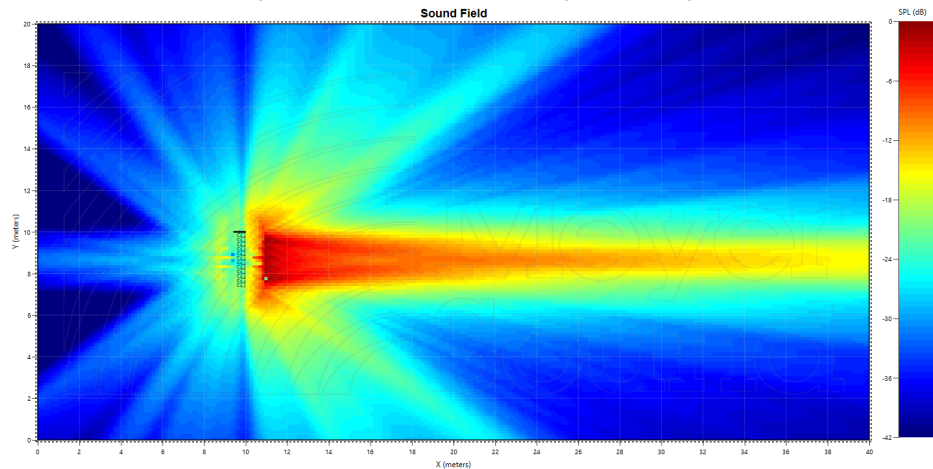
Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

The physical design of line array loudspeakers inherently provides wide, even coverage over typical festival and amphitheater audience areas and limits noise spill in other directions.



Typical Horizontal Line Array Directivity

Note the line array's ability to limit sound emissions in the vertical plane to the axis of the loudspeaker—Little sound is "wasted" off axis. Though tours carry line array loudspeakers with different manufacturers, detailed specifications, and quantities, in practice the variation between typical line arrays is not significant.



Typical Vertical Line Array Directivity

The analysis presented here was based on a Meyer LEO-M loudspeakers and is representative of all common touring line arrays (D&B, L'Acoustics, JBL, EAW, Nexo, Clair, etc)

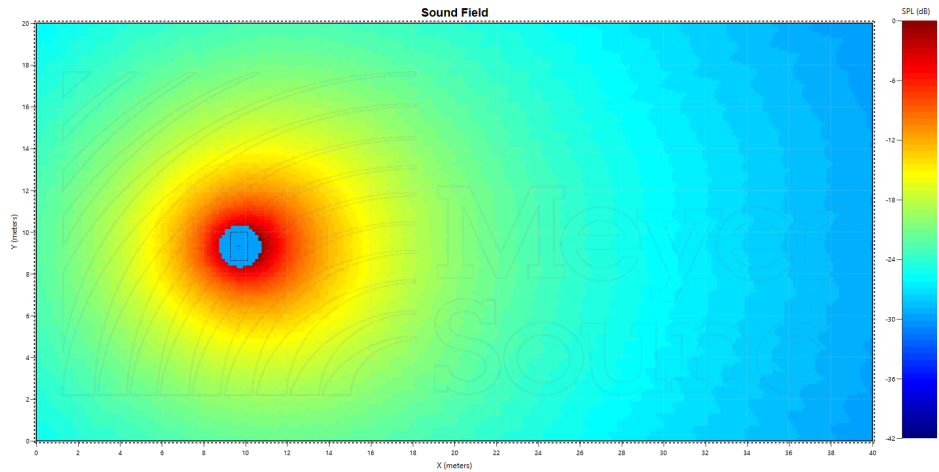
Subject: Sunset Amphitheater in McKinney
Environmental Noise Assessment

Subwoofer systems have greater variation in their physical deployment (as shown in the photos above) and in their interior construction that can impact their directivity.

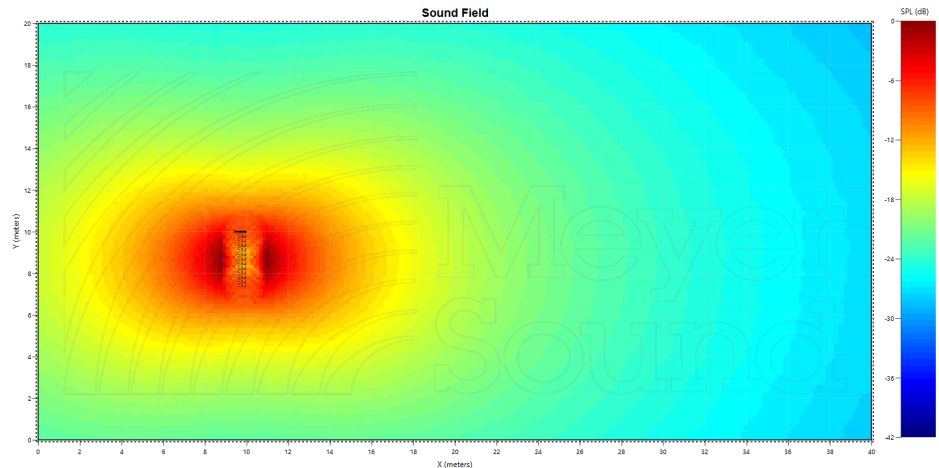
A basic individual subwoofer is effectively omnidirectional (in the vertical and horizontal planes).

When you array basic subwoofers vertically (like the line array loudspeakers), the subwoofer array exhibits pattern control in the vertical direction. In plan, the directivity is effectively unchanged.

Cardioid directivity for subwoofers can be accomplished with either inherently cardioid subwoofer cabinets or by reorienting subwoofer cabinets in array. There is significant variation on the methods to achieve cardioid subwoofer directivity.



Typical Omnidirectional Subwoofer Directivity



Vertical Array Subwoofer Directivity

5 ENVIRONMENTAL NOISE MITIGATION

Incorporating mitigation measures can help reduce environmental noise. Noise emissions to the surrounding environment can be mitigated the following factors:

- Physical Mitigation
- Electroacoustic Mitigation
- Operational Mitigation

Physical Mitigation

The proposed amphitheater is located in the southwest corner of Marketplace Dr and Medical Center Dr in McKinney, TX, The site is in the northeast corner of McKinney's intersection of US75 and TX121.

The site's location adjacent to the major roadways employs good planning practice—The site and nearby environs are already impacted by noise from the roadways. The natural terrain is generally flat, but the raised rake of the seating bowl will reduce noise emissions north-east.

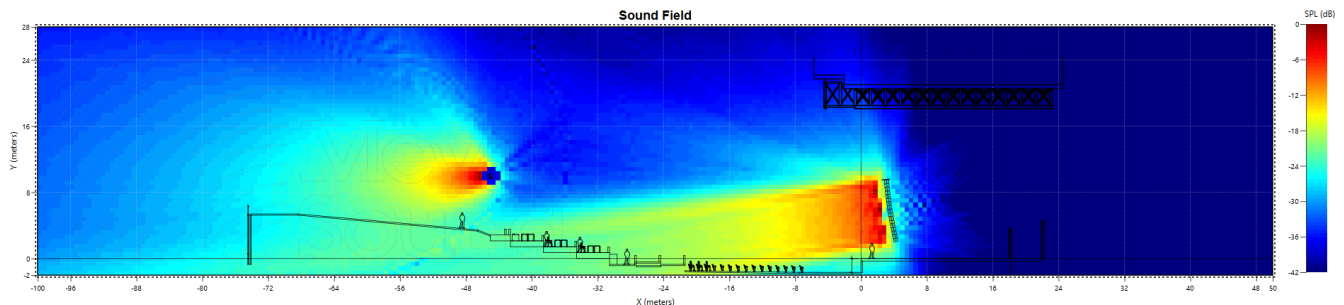
Most surrounding properties are zoned PD (planned development district). The nearest property zoned expressly residential is a multifamily development approx. 2,500ft to the east/south-east. However, there is multifamily and single family housing, hotels, and other commercial uses nearer, approx. 1,400ft.

Electroacoustic Mitigation

The types of loudspeakers typically used for performances demonstrate inherent benefits for the control of environmental noise:

- Sound from line arrays is vertically controlled to allow directing sound to the audience, without sending sound higher vertically or beyond the venue footprint horizontally. This will reduce noise emissions from the amphitheater.
- Some subwoofer systems may be deployed in configurations to affect a cardioid directivity. This will reduce low frequency noise spill to the rear of the stage.

To further reduce sound system noise spill, the design proposes to incorporate house delay loudspeaker clusters that would be located at the front of the lawn seating (as illustrated in the conceptual mapping below). By using delay clusters, all loudspeakers (main loudspeakers at stage and delay clusters) may be operated at a lower overall sound power thus reducing overall noise emissions.



Aggregate Effect

The Physical and Electroacoustic mitigation measures described above are expected to reduce environmental noise emissions from the amphitheater. In the table below, we summarize initial analysis of the benefits of the physical and electroacoustic mitigation measures.

Magnolia Branch development ~1,400ft E-NE	Noise Levels in Decibels (dB) at Octave Band Center Frequency (Hz)									Overall
	32	63	125	250	500	1k	2k	4k	8k	
FOH Mix Position	109	109	104	99	94	94	94	89	89	100dB(A)
Without Mitigation	86	86	81	76	70	69	68	57	36	75dB(A)
With Physical and Electroacoustic Mitigation	86	85	79	70	61	64	61	49	26	70dB(A)

El Lago development ~1,400ft W-NW	Noise Levels in Decibels (dB) at Octave Band Center Frequency (Hz)									Overall
	32	63	125	250	500	1k	2k	4k	8k	
FOH Mix Position	109	109	104	99	94	94	94	89	89	100dB(A)
Without Mitigation	86	86	81	76	70	69	68	57	36	75dB(A)
With Physical and Electroacoustic Mitigation	86	84	76	66	56	52	46	31	5	64dB(A)

These results are typical for outdoor amphitheaters—High frequency sounds are well attenuated by loudspeaker orientation and directivity, barriers, and air absorption at reasonable distances from the amphitheater. Low frequency sounds are the hardest to reduce at distance.

Operational Mitigation

In addition to the physical and electroacoustic mitigation described in the preceding sections, we propose that the amphitheater should adopt additional operational mitigations strategies. These are appropriate both as a good faith effort as a member of the community and to address the limitations of the physical and electroacoustic mitigation strategies:

- Some productions may be inclined to operate sound systems at noise levels in excess of our assumed spectrum.
- Weather events (wind, temperature inversions) may cause noise emissions in excess of those estimated here.

As such, the following specific operational mitigation strategies have been developed with Notes:

Operating Hours	<ul style="list-style-type: none"> • Sunday through Thursday <ul style="list-style-type: none"> • Events would typically occur during the evening. • Performances would typically begin between 7-8pm. • Sound check would begin after 3pm. • Performances would end not later than 11:00pm. • Friday and Saturday <ul style="list-style-type: none"> • Events would typically occur during the afternoon and evening. • Performances would typically begin between 3-8pm. • Sound check would begin after 12pm. • Performances would end not later than 11:00pm.
------------------------	---

<p>Controls on Touring Sound Systems</p>	<ul style="list-style-type: none"> • The main loudspeakers of touring sound systems are expected to be line-array type. • The main loudspeakers and subwoofers would be rigged no higher than 40ft above stage. • Where practical, subwoofers can be arrayed to provide low frequency directivity. • Performances are expected to make use of permanently installed delay cluster loudspeakers. Main loudspeakers would be rigged and aimed only to serve the lower, seated sections.
<p>Noise Monitoring and Performance Controls</p>	<p>The amphitheater is expected to establish operational maximum sound levels for performances and if performances exceed these levels, active steps would be taken to reduce noise levels.</p> <ul style="list-style-type: none"> • Noise monitoring would be conducted during performances at the FOH Mix position. The limits at FOH are expected as follows: <ul style="list-style-type: none"> • The broadband noise levels measured at the FOH mix position: • The broadband noise levels measured at the FOH mix position: <ul style="list-style-type: none"> • An L10 exceeding 105dB(A) in any 30 minute period. • An L90 exceeding 98dB(A) in any 30 minute period. • Should noise levels exceed those documented above, the venue operator would promptly inform the event production team and instruct the event production team to reduce noise levels to a level appropriate to maintain the requirements. • Event production teams are expected be obligated by their contracts to comply with the venue operator’s directions and may be subject to prematurely terminating events if the performance remains out of compliance.

6 NEXT STEPS

We propose the assessment here be reviewed with the city. Following relevant approvals, we expect to further develop the details of these mitigation strategies into the architectural design for the project.



- ▭ School District
- ▭ Subdivision
- Tract
- Abstract
- Road
- ┌ Abstract Sheet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

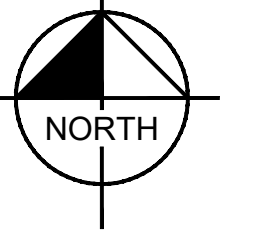
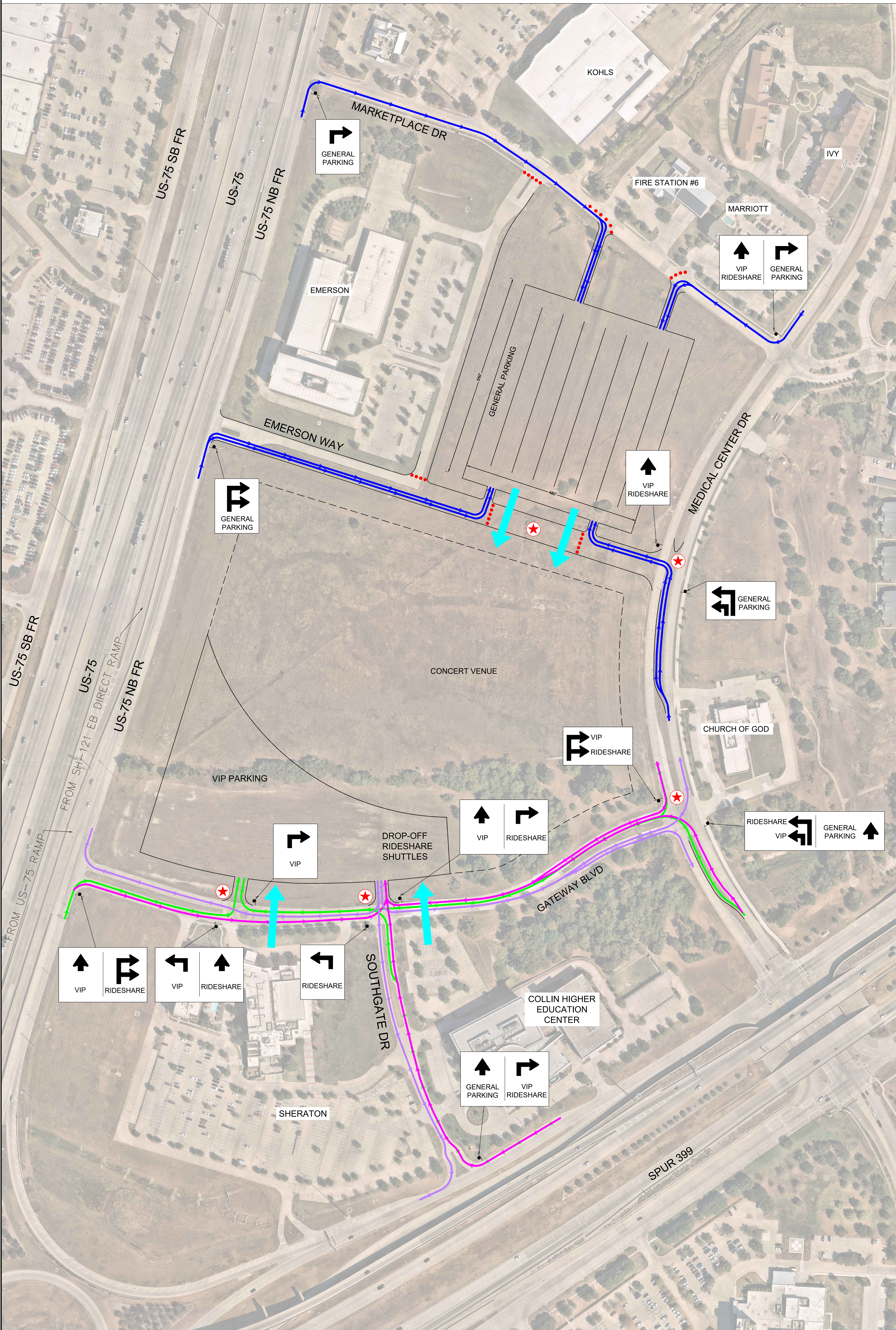
1 inch equals 750 feet
Map Date: 10/20/2023

SitePlan



PRELIMINARY DRAFT

This document, together with the concepts and designs presented herein, as an instrument of service, is intended only for the specific purpose and client for which it was prepared. Reuse of and improper reliance on this document without written authorization and adaptation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.



GRAPHIC SCALE IN FEET
0 40 80 160

LEGEND

- SIGN
- TRAFFIC CONTROL OFFICER
- MAJOR PEDESTRIAN MOVEMENT
- CONE
- INBOUND TO GENERAL PARKING
- INBOUND TO VIP PARKING
- INBOUND TO DROP-OFF RIDESHARE SHUTTLE
- OUTBOUND FROM DROP-OFF RIDESHARE SHUTTLE

PRELIMINARY

No.	REVISIONS	DATE	BY

Kimley-Horn

© 2023 KIMLEY-HORN AND ASSOCIATES, INC.
2800 N. CENTRAL EXPRESSWAY, SUITE 400
RICHARDSON, TEXAS 75080
PHONE: 214.817.0535
WWW.KIMLEY-HORN.COM TX F-628

DATE	DESCRIPTION
12/18/2023	DESIGNED BY SAJ
	DRAWN BY SAJ
	CHECKED BY SAJ

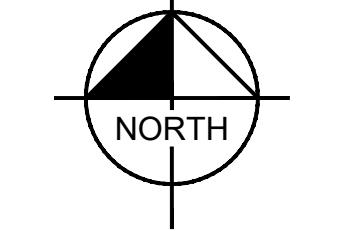
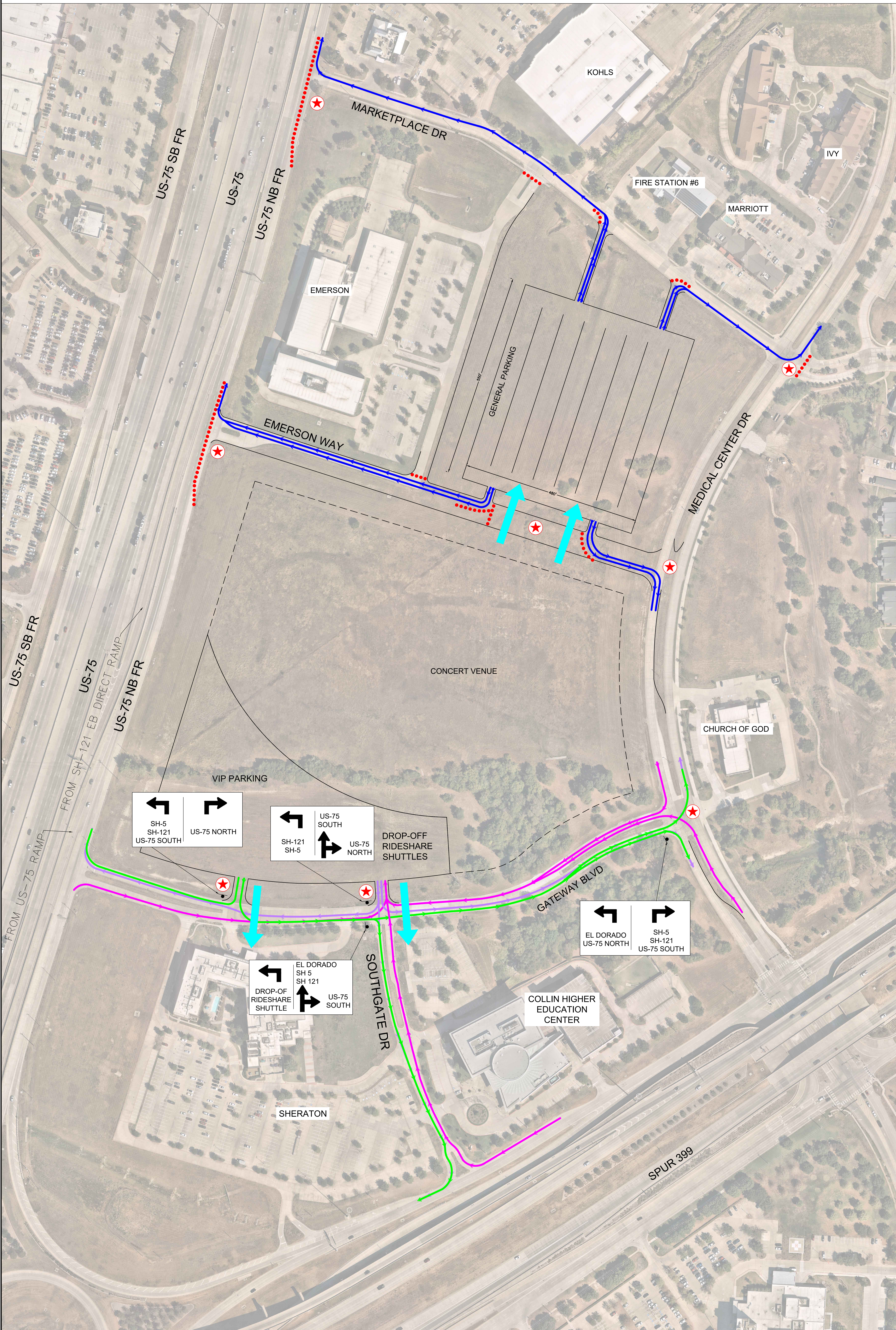
SUNSET AMPHITHEATER
PROJECT VIBES
McKINNEY, TX

INBOUND
TRAFFIC
MANAGEMENT
PLAN

SHEET NUMBER
TMP-1

PRELIMINARY DRAFT

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GRAPHIC SCALE IN FEET
0 40 80 160

LEGEND

- SIGN
- TRAFFIC CONTROL OFFICER
- MAJOR PEDESTRIAN MOVEMENT
- CONE
- OUTBOUND FROM GENERAL PARKING
- OUTBOUND FROM VIP PARKING
- INBOUND TO DROP-OFF RIDESHARE SHUTTLE
- OUTBOUND FROM DROP-OFF RIDESHARE SHUTTLE

PRELIMINARY

No.	REVISIONS	DATE	BY

Kimley-Horn

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PRELIMINARY FOR REVIEW ONLY NOT FOR CONSTRUCTION OR PERMIT PURPOSES Engineer: SCOTT A. JOHNSON P.E. No.: 92815 Date: 12/18/2023	KHA PROJECT 061338405 DATE DECEMBER 2023 SCALE AS SHOWN DESIGNED BY SAJ DRAWN BY SAJ CHECKED BY SAJ
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SUNSET AMPHITHEATER
PROJECT VIBES
McKINNEY, TX

OUTBOUND
TRAFFIC
MANAGEMENT
PLAN

SHEET NUMBER
TMP-2

City of McKinney, Collin County, Texas
Notes Live Sunset Amphitheater
Economic Impact Analysis - Summary

Metric	One-Time Impact	Annual Impact at Full Operation			20-Year Impact from Operations, Plus One-Time Impact		
		Amphitheater Operations	Visitor Spending	Total	Amphitheater Operations	Visitor Spending	Total
Economic Impact	\$ 356,056,200	\$ 171,708,012	\$ 109,395,968	\$ 281,103,980	\$ 3,434,160,247	\$ 2,187,919,350	\$ 5,978,135,797
Direct/ Indirect Jobs Supported	579 (Transient)	677	786	1,463	677	786	1,463
Wages (Direct & Indirect)	\$ 113,483,427	\$ 20,686,956	\$ 20,250,075	\$ 40,937,031	\$ 413,739,121	\$ 405,001,496	\$ 932,224,044
Local Sales Tax - Direct	\$ 1,752,000	\$ 1,694,639	\$ 1,282,500	\$ 2,977,139	\$ 33,892,778	\$ 25,650,000	\$ 61,294,778
Local Sales Tax - Indirect	\$ 1,332,295	\$ 242,865	\$ 237,736	\$ 480,601	\$ 4,857,297	\$ 4,754,718	\$ 10,944,310
City of McKinney Hotel Tax	N/A	N/A	\$ 448,875	\$ 448,875	N/A	\$ 8,977,500	\$ 8,977,500
City of McKinney Property Tax	N/A	\$ 3,365,741	N/A	\$ 3,365,741	\$ 67,314,828	N/A	\$ 67,314,828
Collin County Property Tax	N/A	\$ 499,041	N/A	\$ 499,041	\$ 9,980,823	N/A	\$ 9,980,823
Total Local Taxes (Direct & Indirect)	\$ 3,084,295	\$ 5,802,286	\$ 1,969,111	\$ 7,771,397	\$ 116,045,727	\$ 39,382,218	\$ 158,512,240

City of McKinney, Collin County, Texas
Notes Live Sunset Amphitheater
Economic Impact and Benefit/Cost Analysis

One-Time Expansion Impact	
Total Capital Investment*	\$ 219,000,000
Real Property: Site Development/Construction*	\$ 209,000,000
Final Demand Output Multiplier ¹	1.6258
Economic Impact	\$ 339,792,200
Personal Property: Equipment Purchase/Set-up*	\$ 10,000,000
Final Demand Output Multiplier ²	1.6264
Economic Impact	\$ 16,264,000
Total Economic Impact	\$ 356,056,200
Direct City of McKinney Sales Tax** (2%)	\$ 1,752,000
Direct State Sales Tax** (6.25%)	\$ 5,475,000
Total Direct Sales Tax from Operations	\$ 7,227,000
Final Demand Employment Multiplier ³	6.2960
Jobs Supported During the Construction/Set-Up Period***	1,316
Collin County Annual Average Wage ⁴	\$ 86,243
Wages Paid to Jobs Supported During Construction/Set-Up	\$ 113,483,427
Indirect City of McKinney Sales Tax ⁵ (2%)	\$ 1,332,295
Indirect State Sales Tax ⁵ (6.25%)	\$ 4,163,423
Total Indirect Sales Tax from Wages	\$ 5,495,719
Total City Sales Tax Revenue (Direct & Indirect)	\$ 3,084,295
Total State Sales Tax Revenue (Direct & Indirect)	\$ 9,638,423
Total Tax Revenue from One-Time Impact (Direct & Indirect)	\$ 3,084,295

*Projected construction estimates provided by developer.

** Assumes 40% of construction purchases will be subject to sales tax.

***Represents the total number of jobs supported during the construction period. If the construction period is 2 years the annual average employment would be 290 per year. These jobs are considered transient and, in theory, would disappear after the construction and set-up period is complete.

City of McKinney, Collin County, Texas
Notes Live Sunset Amphitheater
Economic Impact Analysis

Annual Impact of Operations - Ticketed Events	Fee Income (Parking, Facility Fee, F&B, Ticketing Rebate)	Ticket Sales	Sponsorships & Naming Rights	Total
Projected Revenue from Ticketed Events*	\$ 34,647,915	\$ 58,943,136	\$ 5,000,000	\$ 98,591,051
Final Demand Output Multiplier ⁶	1.6653	1.7913	1.6848	
Total Economic Impact	\$ 57,699,173	\$ 105,584,840	\$ 8,424,000	\$ 171,708,012
Direct City of McKinney Sales Tax** (2%)	\$ 623,662	\$ 1,060,976	\$ 10,000	\$ 1,694,639
Direct State Sales Tax** (6.25%)	\$ 1,948,945	\$ 3,315,551	\$ 31,250	\$ 5,295,747
Total Direct Sales Tax from Operations	\$ 2,572,608	\$ 4,376,528	\$ 41,250	\$ 6,990,386
Direct Jobs* (Estimated FTE)				260
Direct Effect Employment Multiplier ⁷	1.3671	1.3304	2.1142	1.6039
Indirect Jobs Supported		-	-	417
Total Employment - Direct & Indirect	-	-	-	677
Wages and Benefits, Direct				\$ 8,310,000
Wagner County Annual Average wage - Specified Industry ⁸	\$ 26,021	\$ 20,479	\$ 42,541	\$ 29,680
Wages, Indirect	\$ -	\$ -	\$ -	\$ 12,376,956
Total Wages	\$ -	\$ -	\$ -	\$ 20,686,956
Indirect City of McKinney Sales Tax ⁵ (2%)				\$ 242,865
Indirect State Sales Tax ⁵ (6.25%)				\$ 758,953
Total Indirect Sales Tax				\$ 1,001,818
Total City Sales Tax Revenue				\$ 1,937,504
Total State Sales Tax Revenue (Direct & Indirect)				\$ 6,054,699
Total Tax Revenue from Operations (Direct & Indirect)				\$ 7,992,203

*Provided by the developer.

**Assumes that 90% of annual revenue from food/beverage and ticket sales will be subject to local sales tax. Only 10% of fees are assumed to be subject to sales tax.

City of McKinney, Collin County, Texas
Notes Live Sunset Amphitheater
Impact from Visitor Spending

Total Ticketed Visitors*	855,000
Projected % of Attendees from Collin County	25.0%
Number of Attendees from Collin County	213,750
Number of Attendees from Outside Collin County	641,250

LODGING

Estimated Percentage of Attendees Staying Overnight for Event	20%
Number of Overnight Attendees Lodging in Collin County	128,250
Assumed Guests Per Room	2
Number of Room Rentals from Attendees from Outside of Collin County	64,125
Average Hotel Rate ⁹	\$ 100.00
Annual Spending for Lodging	\$ 6,412,500
Final Demand Output Multiplier ¹⁰	1.5870
Impact from Lodging	\$ 10,176,638
Final Demand Employment Multiplier ¹¹	7.3903
Total Jobs Supported from Overnight Guests	75

Local Hotel/Motel Lodging Tax (7% - McKinney)	\$ 448,875
Direct Local Sales Tax (2%)	\$ 128,250

State Hotel/Motel Lodging Tax (6% - Texas)	\$ 384,750
Direct State Sales Tax** (6.25%)	\$ 400,781

Local Tax Generated from Hotel Room Rental	\$ 577,125
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RETAIL SPENDING

Total Visitor Days From Guests**	769,500
Estimated Spending per Visitor per Day ¹²	\$ 75.00
Total Guest Spending	\$ 57,712,500
Final Demand Output Multiplier ¹³	1.7192
Impact from Visitor Spending	\$ 99,219,330

Direct City of McKinney Sales Tax (2%)	\$ 1,154,250
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Direct State Sales Tax (6.25%)	\$ 6,201,208
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Local Tax Generated from Visitor Spending	\$ 1,154,250
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Final Demand Employment Multiplier ¹⁴	12.3197
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Jobs Supported by Visitor Spending	711
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City of McKinney, Collin County, Texas
Notes Live Sunset Amphitheater
Impact from Visitor Spending

JOBS & WAGES - Supported by Visitor Spending		
Total Jobs Supported		786
Jobs Supported in Collin County/McKinney		786
Annual Average Wage for Collin County ¹⁵	\$	25,757
Total Wages from Jobs Supported	\$	20,250,075
Indirect City of McKinney Sales Tax (2%)	\$	237,736
Indirect State Sales Tax ⁵ (6.25%)	\$	742,925
TOTALS		
Total Impact From Visitor Spending	\$	109,395,968
Total Jobs Supported from Visitor Spending		786
Total Wages Paid to Jobs Supported from Visitor Spending	\$	20,250,075
Local Hotel/Motel Lodging Tax (McKinney)	\$	448,875
State Hotel/Motel Lodging Tax (Texas)	\$	384,750
Total City Sales Tax Revenue (Direct & Indirect)	\$	1,391,986
Total State Sales Tax Revenue (Direct & Indirect)	\$	7,344,914
Total Tax Revenue from Operations (Direct & Indirect)	\$	9,570,525

**Estimates Provided by NotesLive*

Notes Live Sunset Amphitheater Real Property Tax Projections City of McKinney and Collin County, Texas

Project: Commercial		<u>Total Development</u>
Projected Appraised Value After Completion:	\$	209,000,000
Current Appraised Value of Land:	\$	7,444,584
Total Estimated Appraised Value after Completion	\$	216,444,584
Estimated Assessed Value of Development:	\$	216,444,584
Estimated Current Assessed Value of Property: (exempt)	\$	-
Real Property Incremental Assessed:	\$	216,444,584

Collin County Real Property Tax Schedule

McKinney, Collin County Tax Rate: 1.785576	Real Property				
	Collin County (0.149343)	Collin College (0.08122)	City of McKinney (0.427513)	McKinney ISD (1.1275)	Total Net New Tax on Incremental Assessed Value
	0.149343%	0.08122%	0.427513%	1.1275%	\$ 216,444,584
Year 1	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 2	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 3	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 4	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 5	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 6	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 7	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 8	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 9	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 10	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 11	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 12	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 13	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 14	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 15	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 16	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 17	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 18	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 19	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Year 20	\$ 323,245	\$ 175,796	\$ 925,329	\$ 2,440,413	\$ 3,864,783
Total	\$ 6,464,897	\$ 3,515,926	\$ 18,506,575	\$ 48,808,254	\$ 77,295,651

Notes for McKinney TX Amphitheater Economic Impact Analysis

1. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand output multiplier for construction for Collin County, Texas. This multiplier represents the total change in output that occurs in all industries from each dollar of output delivered by the specified industry.
2. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand multiplier for wholesale trade for Collin County, Texas.
3. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand employment multiplier for construction for Collin County, Texas. This multiplier represents the total change in the number of jobs that occurs in all industries for each \$1 million of output delivered by the specified industry.
4. Projection based upon data from the Bureau of Labor Statistics; Annual Average Wage for all industry sectors in Collin County, 2022. Assumes an average wage increase of 1.5% for 2023.
5. U.S. Department of Labor, *Consumer Expenditure Survey*, Western U.S. 2022 factor applied to determine the rate of indirect or downstream expenditures on sales taxable goods and services in the specific localities – City of McKinney 2% and State of Texas 6.25%.
6. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand output multiplier for food service and drinking places; performing arts, spectator sports, museums and related activities; and facilities support services for Collin County, Texas.
7. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate direct effect employment multiplier for the average of food service and drinking places, performing arts, spectator sports, museums, and related activities, and facilities support services for Collin County, Texas. This multiplier represents the total change in the number of jobs that occurs in all industries from each direct job created by the specified industry.
8. Projection based upon data from the Bureau of Labor Statistics; Annual Average Wage for food service and drinking places; performing arts, spectator sports, museums and related activities; and facilities support services industry sectors in Collin County, 2022. Assumes an average wage increase of 1.5% for 2023.
9. Based on the average daily rental rates published online for national branded hotels in the McKinney area.
10. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand output multiplier for accommodations for Collin County, Texas.
11. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand employment multiplier for accommodations for Collin County, Texas.
12. Estimated visitor spending per day based on data from BudgetYourTrip.com for the state of Texas.
13. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand output multiplier for the average of general merchandise stores, other retail, food service and drinking places, performing arts, spectator sports, museums and related activities, and amusement activities for Collin County, Texas.

14. U.S. Bureau of Economic Analysis 2012/2021 RIMS II aggregate final demand employment multiplier for the average of general merchandise stores, other retail, food service and drinking places, performing arts, spectator sports, museums and related activities, and amusement activities for Collin County, Texas.
15. Projection based upon data from the Bureau of Labor Statistics; Annual Average Wage for the average of general merchandise stores, other retail, food service and drinking places, performing arts, spectator sports, museums and related activities, and amusement industry sectors in Collin County, 2022. Assumes an average wage increase of 1.5% for 2023.

*All calculations are in constant 2023 dollars. No changes in tax rates are assumed.



COMPETITIVE BIDS

To: Cindy Schneible, President, McKinney Community Development Corporation
From: Maher Maso, Principal, Ryan, LLC
Subject: McKinney Community Development Corporation and Notes Live, Inc. Partnership
Date: April 16, 2024

Competitive Bids for the project will be available upon the commencement of the project following Council approval.

Company Representatives

Information and communications regarding this Project should be directed via phone or e-mail to the following contacts at Ryan, LLC. Thank you in advance for your time, and we greatly appreciate your and the City's consideration, and please let us know if we can provide any additional information.

Company Representative Contacts:

Maher Maso
Principal
Ryan, LLC
13155 Noel Rd., Suite 100
Dallas, TX 75240

Phone: 469.399.4540 Office / 469.556.2631 Mobile
Email: maher.maso@ryan.com

Reece Macdonald
Director
Ryan, LLC
13155 Noel Rd., Suite 100
Dallas, TX 75240

Phone: 469.399.4540 Office / 817.602.4422 Mobile
Email: reece.macdonald@ryan.com



EXECUTIVE SUMMARY OF FEASIBILITY STUDY

To: Cindy Schneibel, President, McKinney Community Development Corporation
From: Maher Maso, Principal, Ryan, LLC
Subject: McKinney Economic Development Corporation and Notes Live, Inc. Partnership
Date: April 15, 2024

Significant research has been undertaken with more than 1 of the 3 largest tour promoters in the world to justify the location and capacity of this venue. The assessment included a review of:

- Site and demographic analytics to support regional and national draw.
- Density of population.
- Household income.
- Existing use of income for entertainment.
- Travel tolerance of population related to location.
- Current ticket sales data.
- Supply of touring acts and inventory of suitable venues.

Company Representatives

Information and communications regarding this Project should be directed via phone or e-mail to the following contacts at Ryan, LLC. Thank you in advance for your time, and we greatly appreciate your and the City's consideration, and please let us know if we can provide any additional information.

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Dallas, TX 75240

Phone: 469.399.4540 Office / 817.602.4422 Mobile

Email: reece.macdonald@ryan.com



LEADERSHIP BIOGRAPHIES

To: Cindy Schneibel, President, McKinney Community Development Corporation
From: Maher Maso, Principal, Ryan, LLC
Subject: McKinney Economic Development Corporation and Notes Live, Inc. Partnership
Date: April 15, 2024

J.W. Roth- Founder and CEO

JW Roth, a fifth-generation Colorado native, is the Founder, Chairman and CEO of Notes Live. Mr. Roth has been with the Company since its inception in March 2017 in his current role of Founder and CEO. Mr. Roth became Chairman of the Board upon the Board's inception on April 5, 2021. Mr. Roth is also the Founder and Chairman of Roth Industries, LLC, an 85-ton per week prepared foods plant located in Colorado Springs, Colorado. Additionally, Mr. Roth is the sole manager and 50 percent shareholder of Centennial Standard Real Estate Company and co-manager of Touch 4 Partners, LLC, a venture capital investment fund. With more than 30 years of private and public company experience, Mr. Roth has been actively involved in helping take several companies public, including Aspen Bio, Inc. And Where Food Comes From, Inc. Mr. Roth has been featured in such publications as the Wall Street Journal, Fortune Magazine, and more than 50 business journals throughout the United States. He's made multiple appearances on CNBC and Bloomberg Television and was named to the Venues Now 2022 All-Stars List.

Robert Mudd- President and Chief Operating Officer

Robert Mudd is the President & Chief Operating Officer and a Member of the Advisory Board of Notes Live. Mr. Mudd was a Director of the Company from April 5, 2021, until March 13, 2023, and formerly served as the COO and President from June 1, 2021 until January 3, 2023. Mr. Mudd has over 30 years of business and management experience and has served in a number of executive roles, ranging from COO, CFO to CEO. His first 15 years were spent in the technology and telecommunications industry where he was President of Correctional Billing Services, Executive Vice President of Operations at Securus Technologies, COO of Evercom Systems and COO of TDM, Inc. He has served most recently as President of Adventures in Missions. He holds six patents in the technology and telecommunications industry and led business with over \$300 million in full P&L responsibility. He has a bachelor's degree in Education from the University of Louisville.

Heather Atkinson- Chief Financial Officer

Heather Atkinson is the CFO and Secretary and Treasurer of Notes Live since its inception in March 2017. She began serving as a Director of the Company on April 5, 2021. She also serves as Director and Treasurer of Roth Industries, LLC. In addition to Mrs. Atkinson's role with Notes Live and Roth Industries, she serves as the treasurer to Hospitality Income and Asset, LLC and 13141 BP, LLC, the entities which are



the landlords to BBST, BBP, and Notes. Prior to joining Notes Live and Roth Industries, LLC, Ms. Atkinson was the Controller, Secretary and Treasurer of Accredited Members Acquisition Corporation and subsidiaries and its predecessor, Accredited Members Holding Corporation. Ms. Atkinson has over 20 years of accounting, finance, and financial reporting experience in both public and private companies including consolidations, shareholder relations, SEC reporting, internal and external financial statement reporting, budgeting, cash forecasting, mergers and acquisitions, and restructuring and international accounting while working closely with the outside audit and legal firms. She is a licensed CPA and holds a Bachelor of Science degree in Accounting from Evangel University.

Wade Beavers- President of Notes Live Development

Wade Beavers, the President of Notes Live Development, has over 30 years' experience in real estate law, development and finance, including roles as CEO, General Counsel and COO. Wade joined Notes Live in 2024 following 15 years as the founding partner of Capital Law & Advisory Partners, a national real estate consultancy, where he represented multiple NYSE companies and served as Special Counsel to a regional real estate bank. He holds a bachelor of science in Management from the Georgia Institute of Technology and

Company Representatives

Information and communications regarding this Project should be directed via phone or e-mail to the following contacts at Ryan, LLC. Thank you in advance for your time, and we greatly appreciate your and the City's consideration, and please let us know if we can provide any additional information.

Company Representative Contacts:

Maher Maso
Principal
Ryan, LLC
13155 Noel Rd., Suite 100
Dallas, TX 75240

Phone: 469.399.4540 Office / 469.556.2631 Mobile
Email: maher.maso@ryan.com

Reece Macdonald
Director
Ryan, LLC
13155 Noel Rd., Suite 100
Dallas, TX 75240

Phone: 469.399.4540 Office / 817.602.4422 Mobile
Email: reece.macdonald@ryan.com

McKinney Texas

Location	Acreage	Architecture			Construction			Entitlement			
		SD Drawings	DD Drawings	CD Drawings	GMP Established	LDP	Building Permit	Cert of Occupancy	Filed Planning Commission	Planning Commission	City Council
McKinney Texas	45.72	3/31/2024	11/18/2024	11/15/2024	8/15/2024	10/1/2024	10/15/2024	2/28/2026	6/19/2024	7/9/2024	12/17/2024



McKinney Economic Development Corporation

April 15, 2024

President Cindy Schneible
McKinney Community Development Corporation
7300 State Hwy 121, Suite 200
McKinney, TX 75070

RE: Notes Live – MCDC Grant Application

Dear President Schneible:

Notes Live, a Colorado-based business, is proposing to develop a 20,000-seat open-air amphitheater in McKinney located on 46 acres at the northeast corner of U.S. 75 and State Hwy 121. The McKinney Economic Development Corporation (MEDC) is the owner of the development parcel and hereby acknowledges and supports Notes Live's grant application to the McKinney Community Development Corporation (MCDC) for funding to assist in delivering this project. Their request is part of a comprehensive partnership package involving the City, MEDC, and MCDC.

Please do not hesitate to call upon me should you have any questions or need more information.

Sincerely,

A handwritten signature in black ink that reads "Michael Kowski". The signature is written in a cursive style with a stylized 'M' and 'K'.

Michael Kowski
MEDC President & CEO

Ampitheatre Buildings

McKinney, TX

COST COMPARISON

December 26, 2023

Total Building SF **67,727**
 Cost Per SF **\$611.37**

COW	Lvl / Area	Description	Basis	Measure	Reduced Size	Structural SF	Heated SF	Structure	Envelope	Interior	Mechanical	EPS	Interior Finishes	20,000 Cap	\$/SF	Notes	
		Stage		13660	13660			\$15	\$110				\$70	\$100	\$4,027,675.98	\$294.85	
		Artist		10293	10293			\$15	\$108	\$52	\$45	\$70	\$100	\$100	\$4,015,741.38	\$390.14	
		Concessions & RR		12681	10144.8			\$15	\$100	\$60	\$45	\$70	\$100	\$100	\$3,958,546.70	\$390.20	
		Covered Loading Dock		4092	3273.6			\$15	\$110	\$50	\$0	\$70	\$0	\$0	\$802,032.00	\$245.00	
		Concessions & RR		13810	11048			\$15	\$88	\$60	\$45	\$70	\$100	\$100	\$4,179,246.56	\$378.28	
		Concessions & RR		6108	4886.4			\$15	\$107	\$60	\$45	\$70	\$100	\$100	\$1,941,031.98	\$397.23	
		Concessions & RR		6108	4886.4			\$15	\$99	\$60	\$45	\$70	\$100	\$100	\$1,900,341.64	\$388.90	
		RR, Concessions, Services, Support		6109	4887.2			\$15	\$135	\$60	\$45	\$70	\$100	\$100	\$2,075,562.03	\$424.69	
		RR, Concessions, Services, Support		6109	4887.2			\$15	\$129	\$60	\$45	\$70	\$100	\$100	\$2,048,368.45	\$419.13	
		Owners Club Hospitality Area		11100	8880			\$15	\$129	\$60	\$45	\$70	\$300	\$300	\$6,496,720.00	\$619.00	
		Owners Club Rooftop Ultra Suites		14880	11904			\$15	\$50	\$60	\$0	\$70	\$100	\$100	\$3,511,680.00	\$295.00	
		Box Office		2417	1933.6			\$15	\$112	\$60	\$45	\$70	\$100	\$100	\$776,573.46	\$401.62	

81,387 69,900 67,727 63,635

\$/SF Notes

\$34,733,490 \$496.90 \$6,672,526

		ROOF OVER STADIUM		200171	160136.8			\$15	\$165					\$28,824,624.00	\$180.00	\$7,206,156
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Ampitheatre Buildings

McKinney, TX

COST COMPARISON
December 26, 2023

BUILDINGS		Level 1	Level 2	Level 3	Total	Cost Per SF	20,000 Capacity
1A	Stage				13,660	\$295	\$4,027,676
1B	Artist	10,293			10,293	\$390	\$4,015,711
1C	Concessions &RR	12,861			12,861	\$385	\$3,959,547
1D	Covered Loading Dock	4,092			4,092	\$245	\$802,032
1E	Concessions & RR	13,810			13,810	\$378	\$4,179,247
2	Concessions & RR		6,109		6,109	\$397	\$1,941,032
2	Concessions & RR		6,109		6,109	\$389	\$1,900,342
3	Concessions & RR			6,108	6,108	\$425	\$2,075,562
3	Concessions & RR			6,108	6,108	\$419	\$2,048,368
3	Owners Club Hospitality Area			11,100	11,100	\$619	\$5,496,720
3	Owners Club Rooftop Ultra Suites			14,880	14,880	\$295	\$3,511,680
3	Box Office			2,417	2,417	\$402	\$776,573
					107,547	\$385.00	\$34,733,490

SEATING		Level 1	Level 2	Level 3	Total	Cost Per SF	20,000 Capacity
Lower Bowl Fixed Seats		37,538			37,538	\$72	\$2,162,212
Mid Terraces Fire Pits			41,730		41,730	\$102	\$3,405,144
Upper Bowl Fixed Seats				66,255	66,255	\$72	\$3,816,262
Fixed Seating		3,800	4,251	6,570	14,621	\$190	\$2,217,713
Lawn Seating				49,175	49,175	\$57	\$2,242,391
Seating in front of fire pits				12,627	12,627	\$52	\$530,191
Concourse C1		106,093			106,093	\$52	\$4,413,469
Concourse C2		106,217			106,217	\$52	\$4,418,627
					434,256	\$66.80	\$23,206,010

CIVIL & EXTERNAL WORKS					Total	Cost Per SF	
Site Utilities					\$41,803	\$7	\$4,000,000
Cut & Fill					407,008	\$22	\$10,250,050
Retaining Walls					30,000	\$350	\$10,500,000
Parking Lot					841,844	\$20	\$16,836,880
					407,008	\$102.18	\$41,586,930

Total excluding Roof **\$99,526,430**

ROOF		Level 1	Level 2	Level 3	Total	Cost Per SF	Roofing
Roof Over Amphitheatre				200,171	200,171	\$180	\$28,824,624
Big Ass Fans & Structure Contingency				200,171	200,171	\$25	\$5,004,275

\$33,828,899

\$133,355,329

Multi Level Parking Lot		Level 1	Level 2	Level 3	Total	Cost Per SF	
Multi Level Parking Lot					718,156	\$80	\$57,452,480

Total including parking lots	\$190,807,809
Contingency @ 10%	\$19,080,781
Total including Contingency	\$209,888,590

Total Building SF
Total Seating
Cost Split
1. Parking
2. Seats (Lower Bowl)
2. Seats -Mid Terrace Fire Pits
2. Seats Upper Bowl
3. Covered Roof area
3. Cost per Seat Incl Roof
3. Cost per Seat Excl Roof

Seating

McKinney, TX

COST COMPARISON

December 26, 2023

Total Building SF 325,606
Cost Per SF \$98.00

COW	Lvl / Area	Description	Basis	Measure	20,000 Cap	Structural SF	Serviced SF	Structure	Rails & Treads Etc	Mechanical	EPS	Interior Finishes	Cost Per SF	Cost	Totals	20,000 Cap	Saving	\$/SF
Interior							325,606								\$29,007,512			\$89.09
		Lower Bowl Fixed Seats	SF	37,538	30,031		30,031	\$20	\$25	\$0	\$27	\$0	\$72	\$2,702,765		\$2,162,211.84	\$540,552.96	
		Mid Terraces Fire Pits	SF	41,730	33,384		33,384	\$20	\$25	\$30	\$27	\$0	\$102	\$4,256,430		\$3,405,144.34	\$851,286.08	
		Upper Bowl Fixed Seats	SF	66,255	53,004		53,004	\$20	\$25	\$0	\$27	\$0	\$72	\$4,770,328		\$3,816,262.08	\$954,065.52	
		Lawn Seating	SF	49,175	39,340		39,340	\$15	\$15	\$0	\$27	\$0	\$57	\$2,802,989		\$2,242,390.94	\$560,597.74	
		Concourse1	SF	106,093	84,874		84,874	\$15	\$10	\$0	\$27	\$0	\$52	\$5,516,836		\$4,413,468.80	\$1,103,367.20	
		Concourse 2	SF	106,217	84,974		84,974	\$15	\$10	\$0	\$27	\$0	\$52	\$5,523,284		\$4,418,627.20	\$1,104,656.80	
		Seating area in front of Owners Club	SF	11,627	9,302		9,302	\$15	\$15	\$0	\$27	\$0	\$57	\$662,739		\$530,191.20	\$132,547.80	
		Fixed Seats	SF	14,621	11,697								\$190	\$2,772,142		\$2,217,713.28	\$554,428.32	

\$29,007,512 \$23,206,010 \$5,801,502 \$89

General Conditions	incl above			
Insurance & Fee	incl above			
Contingency	\$ 2,900,751	\$ 2,320,601	\$ 580,150	10%
	\$ 31,908,263	\$ 25,526,611	\$ 6,381,653	

Site Works

McKinney, TX

COST COMPARISON

December 26, 2023

Total Building SF 437,008
Cost Per SF \$88.61

COW	Lvl / Area	Description	Basis	Measure	Structural SF	Heated SF	Interior	Mechanical	EPS	Interior Finishes	Cost Per SF	Cost	Totals	\$/SF	Notes
Structure					437,008								\$24,780,050	\$56.64	
		Site Utilities		511,150							\$8	\$4,000,000			
		Cut & Fill	SF	407,008							\$25	\$10,250,050			
		Retaining Walls	SF	30,000							\$350	\$10,500,000			

COW	Lvl / Area	Description	Basis	Measure	Structural SF	Serviced SF	Interior	Mechanical	EPS	Interior Finishes	Cost Per SF	Cost	Totals	\$/SF	Notes
						0							\$10,454,400	\$16.00	
		Parking Lot on grade	SF	653,400			\$0	\$0	\$15	\$0	\$16	\$10,454,400			15 Acres On Grade Parking by notes Live (1500 Lots)

\$35,204,450 \$81

General Conditions	incl above	
Insurance & Fee	incl above	
Contingency	\$ 3,520,445	10%

\$ 3,520,445 \$8.06

\$ 38,724,895 \$88.61

Cost Exercise on Parking Split

Sunset Operations McKinney Amphitheater Proforma

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Sales		<i>Sept & Oct</i>	<i>Full Year</i>	<i>Full Year</i>	<i>Full Year</i>	<i>Full Year</i>
Ticketed Events on Routed Shows	-	17,980,440	53,941,319	55,559,558	57,226,345	58,943,136
Fee Income (Net parking, facility fee, f&b, ticketing rebate)	-	10,569,250	31,707,750	32,658,983	33,638,752	34,647,915
Sponsorships	-	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Naming Rights*	-	666,667	2,000,000	2,000,000	2,000,000	2,000,000
Total Sales	-	30,216,356	90,649,069	93,218,541	95,865,097	98,591,050
Cost of Goods Sold						
Show COGS	-	16,002,591	48,007,774	49,448,007	50,931,447	52,459,391
Total Cost of Goods Sold	-	16,002,591	48,007,774	49,448,007	50,931,447	52,459,391
Expenses						
Labor, Taxes & Benefits	-	2,502,500	7,507,500	7,732,725	7,964,707	8,203,648
Total Payroll	-	2,502,500	7,507,500	7,732,725	7,964,707	8,203,648
Gross Profit	-	11,711,265	35,133,795	36,037,809	36,968,943	37,928,011
Operating Expenses	-	1,274,611	3,823,834	3,938,549	4,056,705	4,178,407
Occupancy Expenses	-	3,603,000	10,809,000	10,809,000	10,809,000	10,809,000
Total Operating Expenses	-	4,877,611	14,632,834	14,747,549	14,865,705	14,987,407
Total Sunset EBITDA	-	6,833,654	20,500,961	21,290,260	22,103,238	22,940,605
Total EBITDA	-	6,833,654	20,500,961	21,290,260	22,103,238	22,940,605
Less Operating Partner's EBITDA	-	(3,075,144)	(9,225,432)	(9,502,195)	(9,787,261)	(10,080,879)
Sunset Operations operating fees, net	-	1,193,362	3,580,087	3,687,490	3,798,114	3,912,058
Total Sunset Operations EBITDA	-	4,951,872	14,855,616	15,475,554	16,114,091	16,771,783
<i>Naming rights and 20% of Sponsorships not subject to Owner/Operator Partnership</i>						



FINANCIAL STATEMENTS

To: Cindy Schneible, President, McKinney Community Development Corporation
From: Maher Maso, Principal, Ryan, LLC
Subject: McKinney Community Development Corporation and Notes Live, Inc. Partnership
Date: April 16, 2024

Financial Statements for Notes Live, Inc. are forthcoming as their Initial Public Offering is being determined.

Company Representatives

Information and communications regarding this Project should be directed via phone or e-mail to the following contacts at Ryan, LLC. Thank you in advance for your time, and we greatly appreciate your and the City's consideration, and please let us know if we can provide any additional information.

Company Representative Contacts:

Maher Maso
Principal
Ryan, LLC
13155 Noel Rd., Suite 100
Dallas, TX 75240

Phone: 469.399.4540 Office / 469.556.2631 Mobile
Email: maher.maso@ryan.com

Reece Macdonald
Director
Ryan, LLC
13155 Noel Rd., Suite 100
Dallas, TX 75240

Phone: 469.399.4540 Office / 817.602.4422 Mobile
Email: reece.macdonald@ryan.com

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441–1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;
2. You do not certify your TIN when required (see the instructions for Part II for details);
3. The IRS tells the requester that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

- **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

- **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

- **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

- **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

- **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For

example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

- 2—The United States or any of its agencies or instrumentalities.
- 3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.
- 5—A corporation.
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission.
- 8—A real estate investment trust.
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940.
- 10—A common trust fund operated by a bank under section 584(a).
- 11—A financial institution as defined under section 581.
- 12—A middleman known in the investment community as a nominee or custodian.
- 13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5. ²
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

¹ See Form 1099-MISC, Miscellaneous Information, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B—The United States or any of its agencies or instrumentalities.

C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G—A real estate investment trust.

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a).

J—A bank as defined in section 581.

K—A broker.

L—A trust exempt from tax under section 664 or described in section 4947(a)(1).

M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/EIN. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

¹List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

²Circle the minor's name and furnish the minor's SSN.

³You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

* **Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

** For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Go to www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.