

**The Average Life of an
NBA Arena is 22 Years.**

**The Q Today is Nearly
23 Years Old.**

(The Richfield Coliseum operated for 20 years)

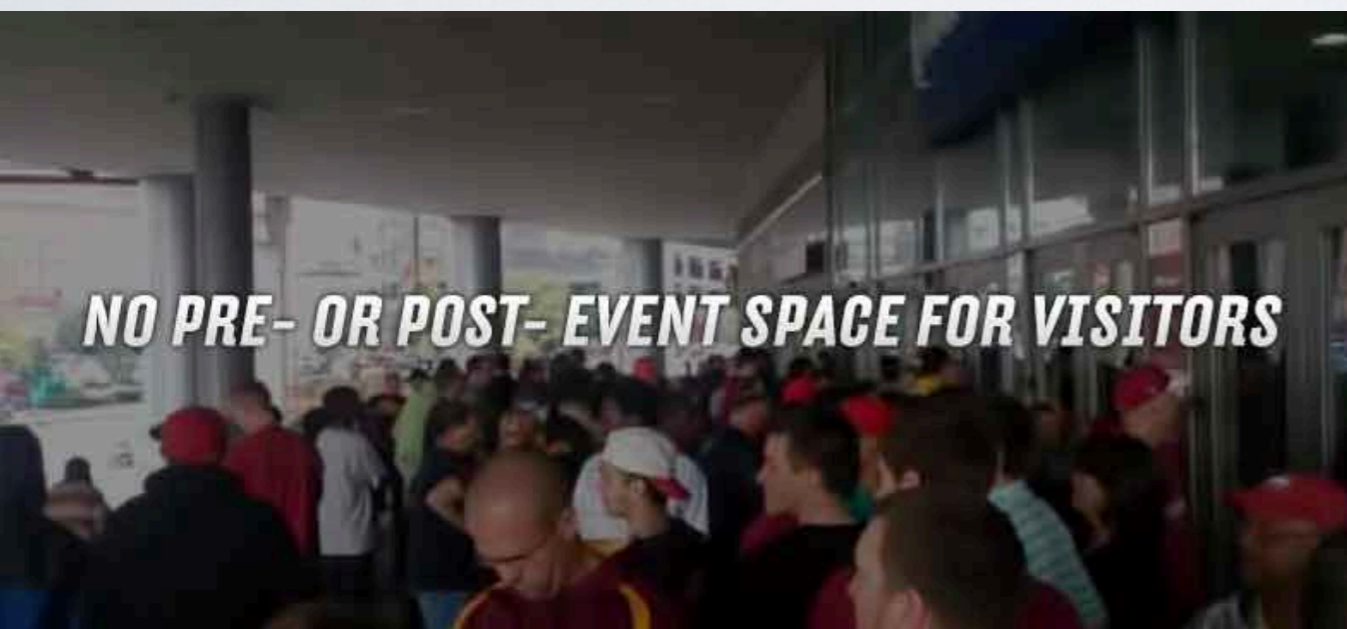
What Are The Challenges The Q Arena is Facing?



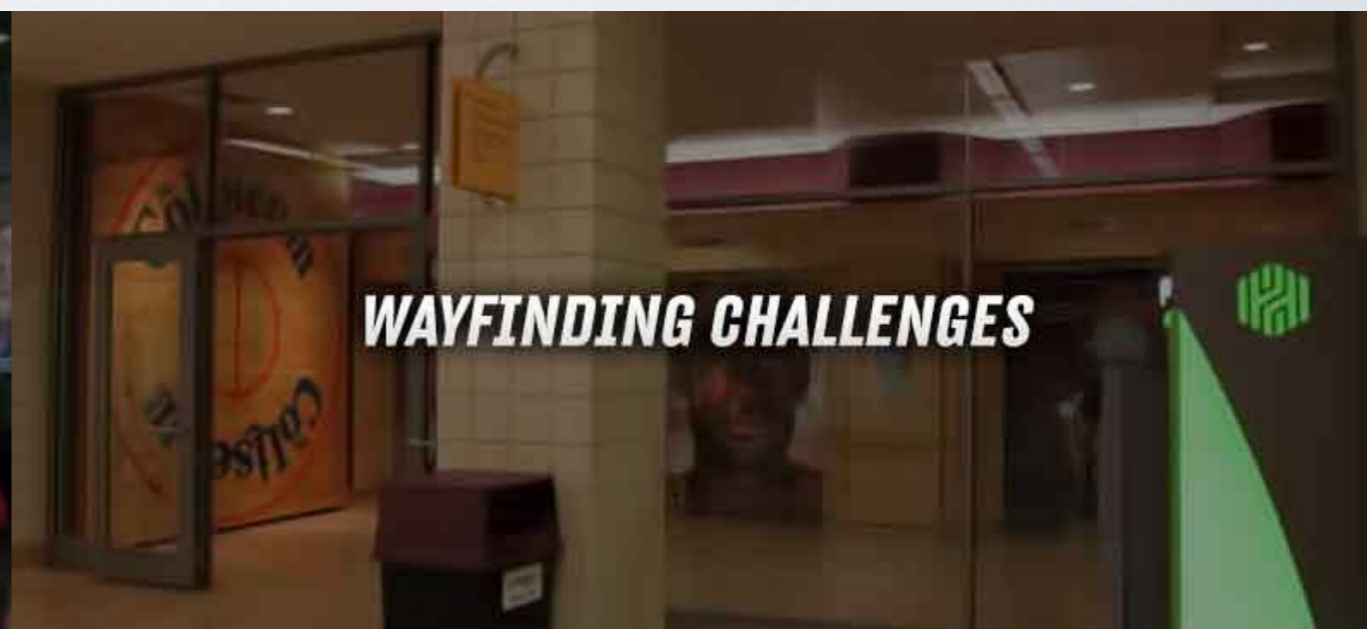
CROWDED CONCOURSES



OUTDOOR LINES



NO PRE- OR POST- EVENT SPACE FOR VISITORS



WAYFINDING CHALLENGES

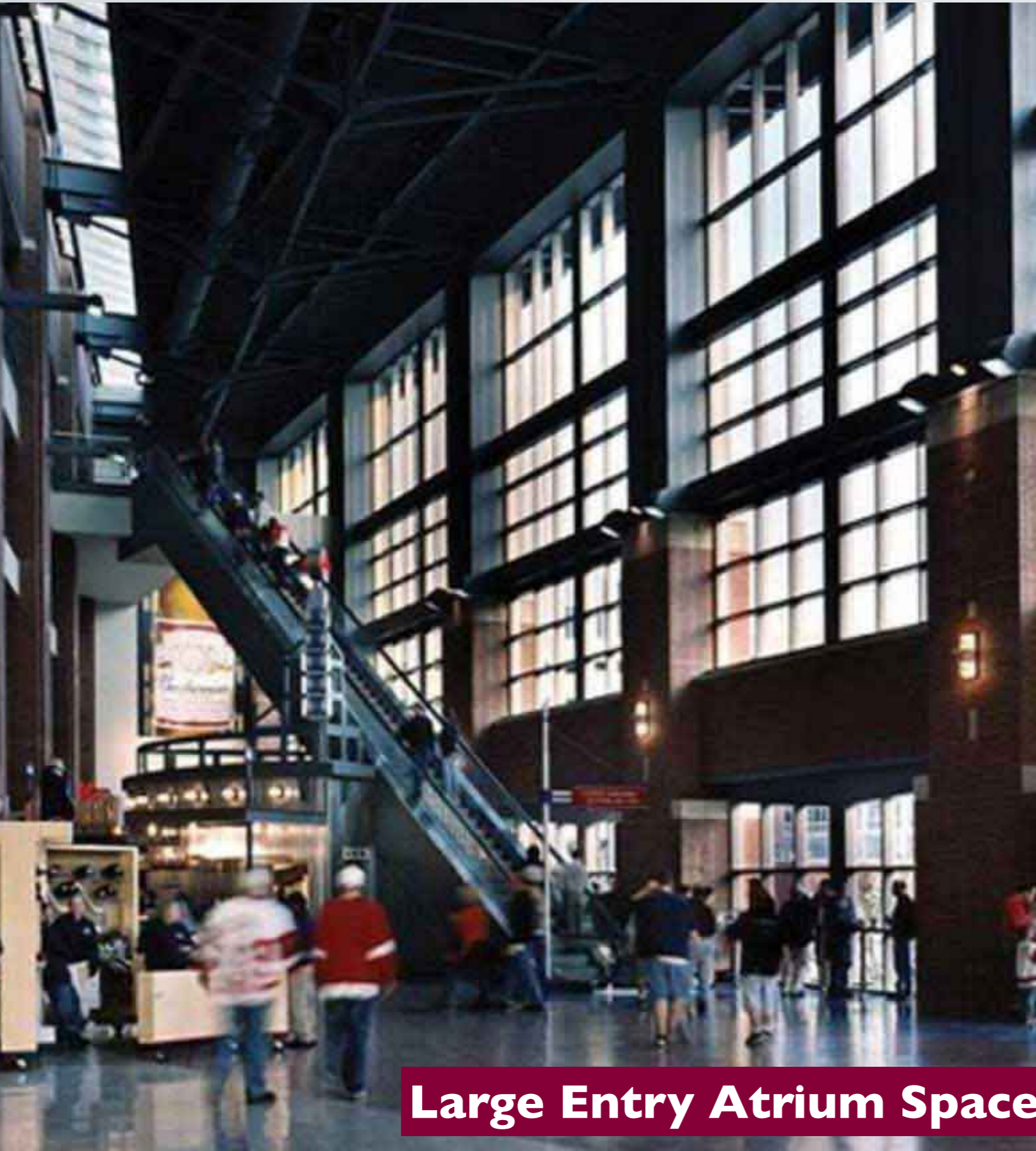


SMALL ENTRY AREAS



DISCONNECTED TO THE CITY

Nationwide Arena - Columbus, OH



Large Entry Atrium Space



Arena Entry



Outdoor Seating

Golden 1 Center - Sacramento, CA



Main Entrance With Transparent Facade



Large Atrium Space



View From Suites

Amway Center - Orlando, FL



Large Entry Atrium Space

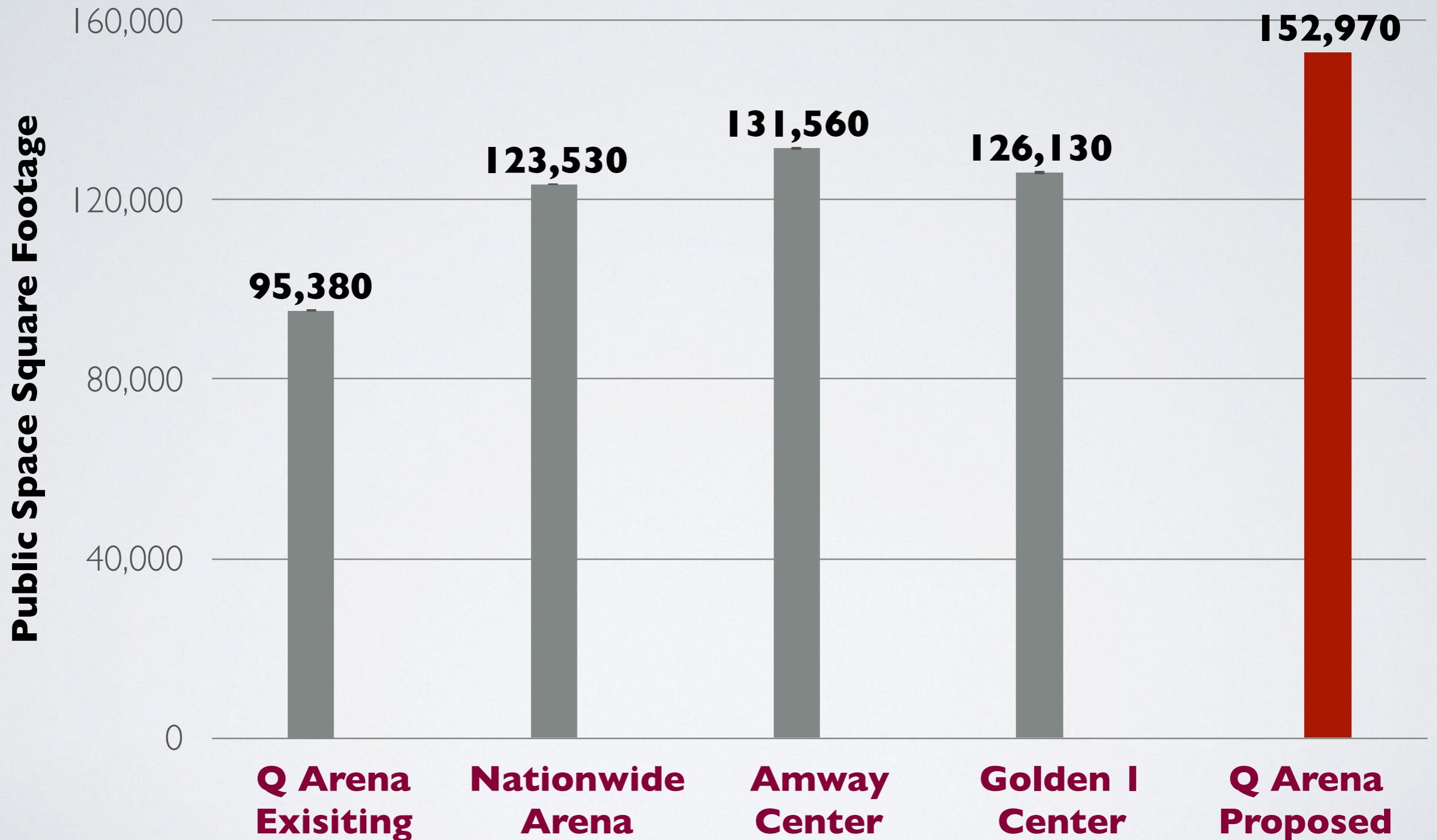


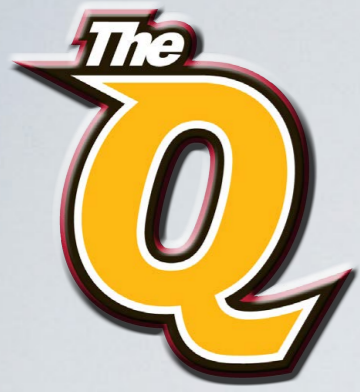
Welcoming Neighborhood Area



Transparent Open Facade

Arena Public Space Square Footage Comparison





**This Isn't About This Year
or Next Year.**

This Is About The Future.





100%

OF ALL OPERATING, MAINTENANCE, REPAIR, AND CAPITAL EXPENSES HAVE BEEN PAID BY THE CAVALIERS FOR THE FIRST 22 YEARS OF THE ARENA'S OPERATING LIFE.



100%

OF GATEWAY ECONOMIC DEVELOPMENT CORP'S OPERATING EXPENSES, INCLUDING PROPERTY TAXES, HAVE BEEN PAID BY THE CAVALIERS AND INDIANS SINCE 2004.



\$400

Million

HAS BEEN PRIVATELY INVESTED IN QUICKEN LOANS ARENA BY THE CAVALIERS AND DAN GILBERT.



**Delivering a Powerful Return on Investment
for Our Community**

**As a Venue, The Q is the Largest Driver of
Economic Activity in Cuyahoga County**

The Q Hosts More Than

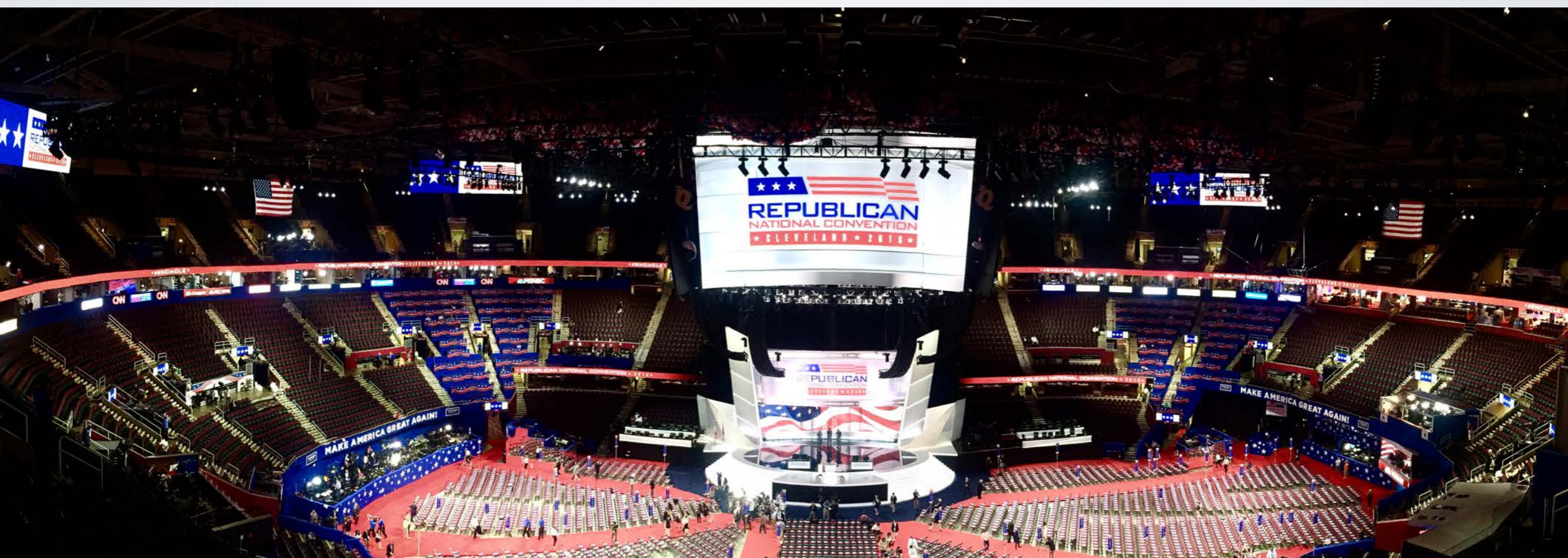
200 Ticketed Events and

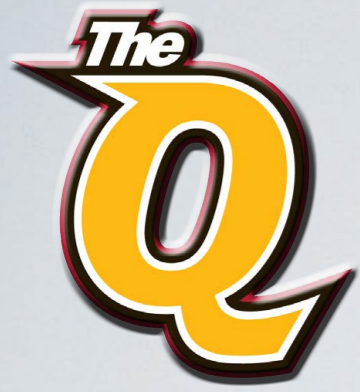
1,400 Private Events

That Attract More Than

2 Million Patrons

To Downtown Cleveland Each Year





The Q's Economic Impact

The Q Has Been Great For the Local Economy in 2016:

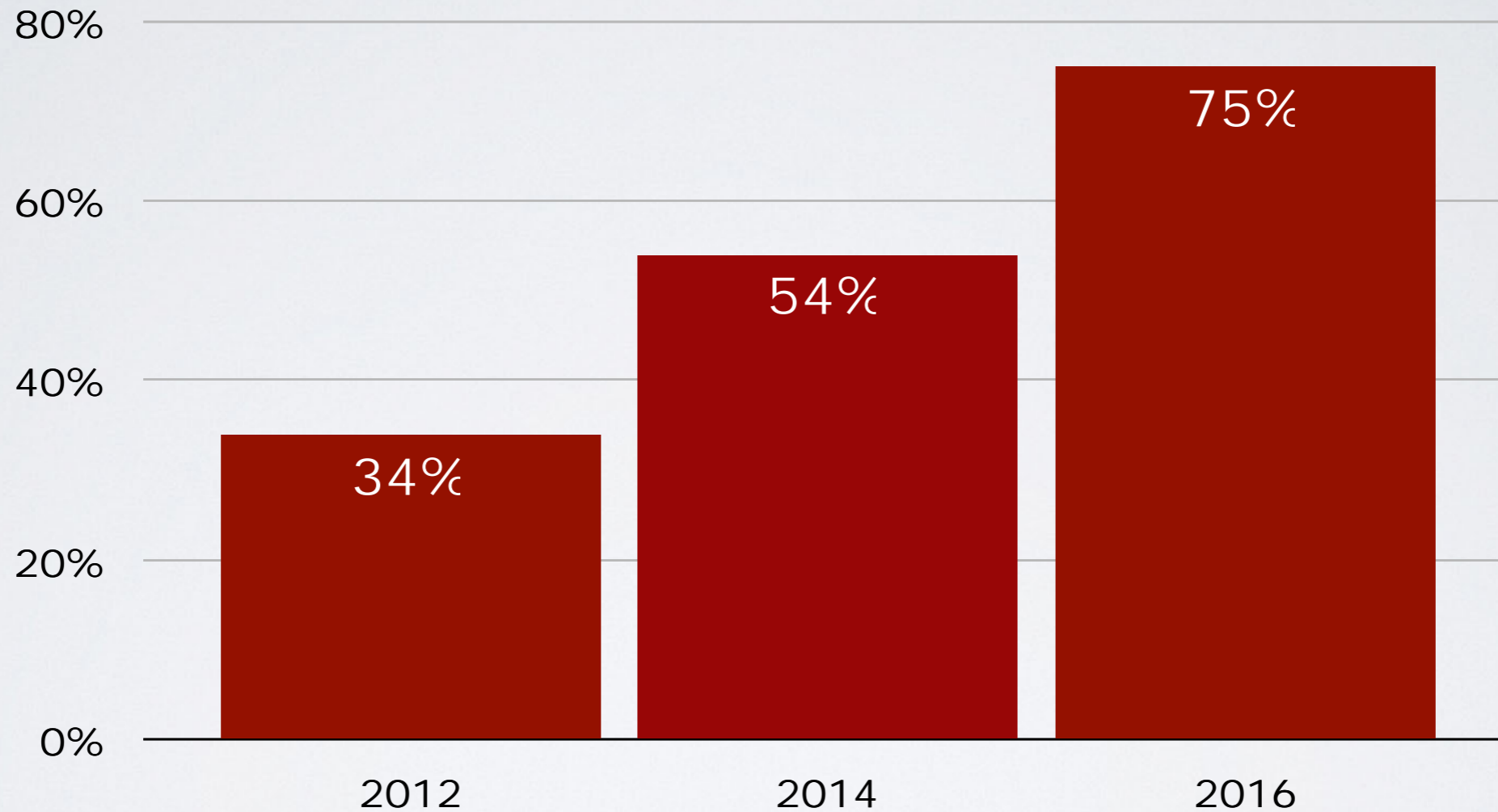
- Generated **\$245 million in direct spending**, which creates and retains jobs
- Generated a total of **\$44 million in tax revenue**
 - Generated **\$15 million in tax revenue for the City of Cleveland**
 - Generated **\$5 million in tax revenue for Cuyahoga County**

Since The Q's Inception in 1994:

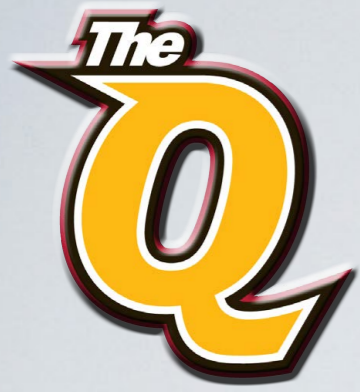
- Generated **\$2.7 billion in direct spending**, which creates and retains jobs
- Generated a total of **nearly \$500 million in tax revenue**
 - Has generated **\$176 million in tax revenue for the City of Cleveland**
 - Has generated **\$47 million in tax revenue for Cuyahoga County**



Percentage of Clevelanders Who Would Recommend Cleveland to a Friend



The Cavs Championship Win Was Cited As The #1 Reason for the Shift in Dialogue Surrounding Cleveland.



The Q and FOC in Cleveland is Home to Thousands of Jobs

2,500+

Jobs Provided by Quicken Loans Arena.



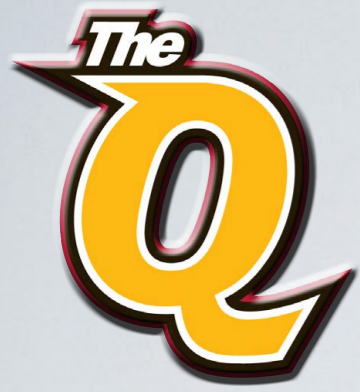
2,000+

Additional Jobs Provided by Our Family of Companies in Cleveland.



2,500+

More Jobs for The Q Transformation Project.



The Q Provides Jobs for Our Community

In Fact, Nearly 75% of The Q's Workforce Resides in Cuyahoga County.

The Arena Has Also Been a Catalyst for the Creation of Tens of Thousands of Jobs Throughout the Gateway District, Downtown Cleveland and Cuyahoga County.



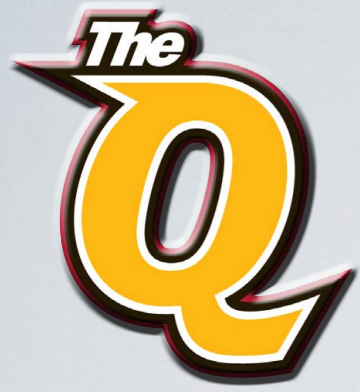


Diversity and Inclusion

The Cavaliers rank in the top 5 of the entire NBA for the percentage of minority full-time staff members and women full-time staff members.

The organization's combined full and part-time minority staff percentage is over 44%. This number grows to 54% with respect to Cuyahoga County exclusively.





Downtown's Impact on the Neighborhoods

**The Majority Of Cleveland's Revenue
is Generated Downtown**

**The Vast Majority Of That Revenue is
Invested Back into the Neighborhoods**

**As a Venue, The Q is the Largest Driver of
Economic Activity in Cuyahoga County.**

\$42 Million

The Cavaliers have invested over \$42 million the last 20+ years in community programs and for causes that address important education, health and social issues.

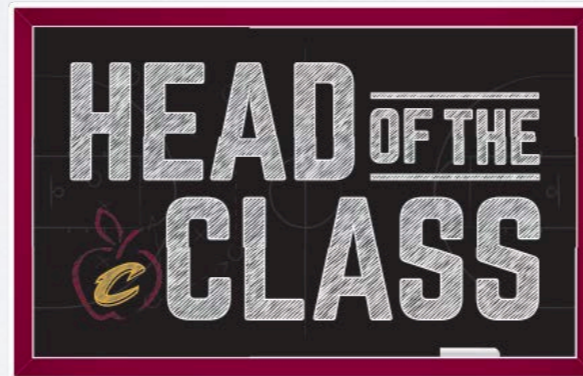




130,000+

Children Reached Annually

Each year, the Cavaliers are able to positively impact more than 100,000 children in Cleveland and across several counties in Northeast Ohio through multiple team programs.



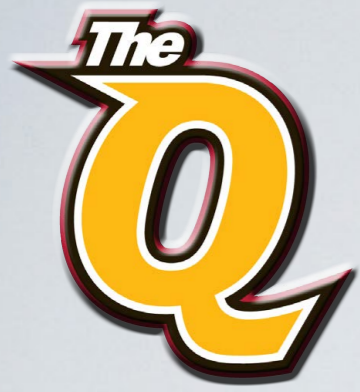


200

Community Appearances Annually

Cavaliers players and coaches make an average of 200 community appearances each year, including hospital visits, serving meals to the less fortunate, distributing toys during the holidays and much more. Monsters and Gladiators players and entertainment team community appearances average approximately 200 per year.





Champions In The Community...

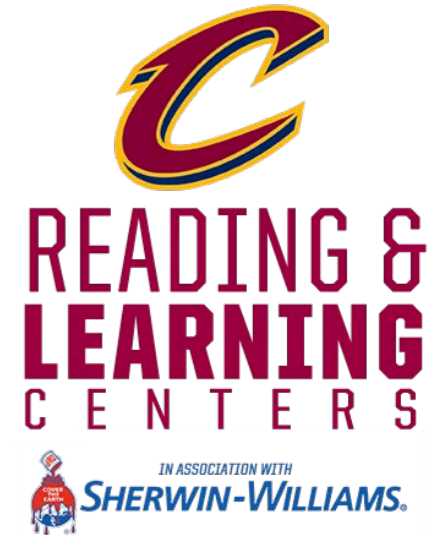


17

Reading & Learning and Learn & Play Centers

For Example...

- (5) Boys & Girls Club of Cleveland locations
- Douglas McArthur and Kenneth Clement Leadership Academies
- John Marshall High School



6

Community Legacy Projects

For Example...

- Funded and constructed a home for Habitat for Humanity
- Provided an outdoor basketball court at East End Neighborhood House
- Built an outdoor sports court at Cleveland Clinic Children's Hospital for Rehabilitation





\$1 Million+ Given in 2016

This past year, the Cavaliers have provided more than **\$1 MILLION to deserving non-profits and charitable groups, including:**



City Year Cleveland



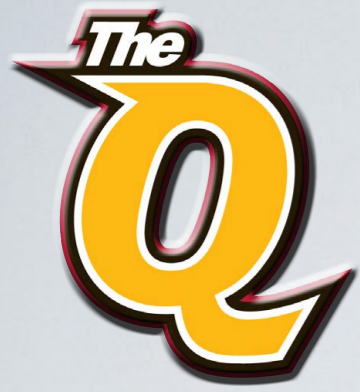
**Cuyahoga County
Invest in Children**



**Greater Cleveland
Food Bank**



**Shoes and Clothes
For Kids**



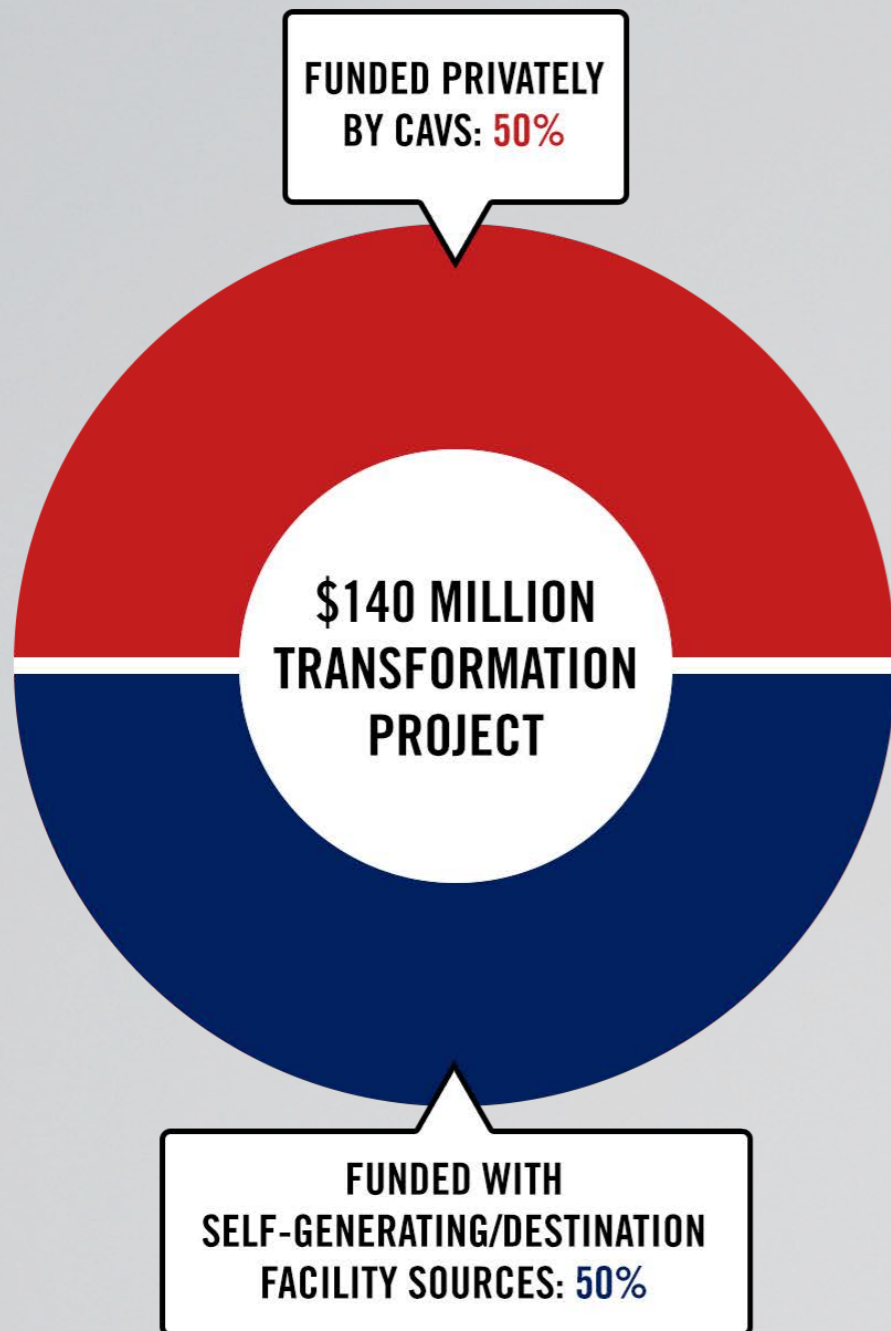
Blight Elimination in Cleveland

Dan Gilbert and Our Family of Companies Has Worked Very Hard to Help Stimulate Federal Blight-Relief Funding For Our Community.

This includes direct funding from our organization and lobbying that has resulted in over \$60 million dollars of federal Hardest Hit Funds for the demolition of 5,000 blighted homes in Cuyahoga County.



Who's Paying?



*ANY POTENTIAL PROJECT CONSTRUCTION COST INCREASES WOULD BE COVERED PRIVATELY BY THE CAVS/QUICKEN LOANS ARENA ORGANIZATION.

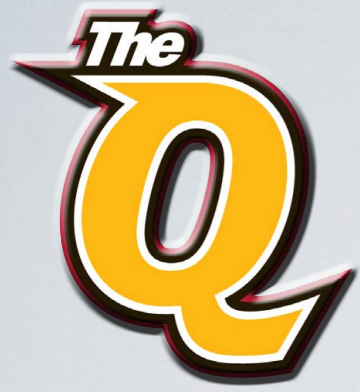
- The proposal involves **no new taxes and no tax increases.**
- The majority of the public's portion of funding will come entirely from existing revenue streams that The Q directly generates. The balance of funding is significantly impacted by The Q.

Admissions Tax: Continuation of the existing portion of 8% of every ticket sold to every event at The Q to the City of Cleveland, which in turn shares that with Cuyahoga County.

Sales Tax: The amount generated above the existing level of the 1.25% County sales tax proceeds on all taxable purchases at The Q.

County Bed Tax: A portion of the County Bed Tax, which is paid for primarily by visitors from outside Cuyahoga County.

Hilton Project Reserve: Resources dedicated for the Hilton Hotel project that were unused are being re-allocated to The Q, another destination asset.



The vast majority of the public source revenue streams used for the Transformation are paid by people living outside Cuyahoga County.

- **For Cavalier games, it is estimated that over 70 percent of attendees do not reside in Cuyahoga County and over 90 percent of attendees do not reside in Cleveland.**
- **For major concerts like Katy Perry, Bruno Mars & Billy Joel, the percentage of attendees that do not reside in Cuyahoga County grows to 74 percent and nearly 95 percent of attendees come from outside Cleveland.**
- **The percentage coming from outside Cuyahoga County grows to over 90 percent and nearly 100 percent from outside Cleveland for signature sporting events like the NCAA Tournament and major conventions like the RNC.**

Richfield Coliseum





TheQTransformation.com

