
Springdale, Arkansas: A Second Look

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Springdale, Arkansas: A Second Look

EXECUTIVE SUMMARY

A larger, more affluent market and less risk for Topgolf can be found in Springdale, Arkansas. That's the key takeaway from market research conducted by the multinational consulting firm AECOM as it relates to Topgolf's ongoing plans to build its first facility in Arkansas.

As this Project Book will detail, Springdale and the consumer market that lies within its 30 and 60-minute radii provide greater opportunities for profit for Topgolf than a proposed location in Rogers, Arkansas.

Three key factors support this contention:

- **Mass:** Because it is more centrally located in the metropolitan area, Springdale is closer to more people. It is closer to more high-income households, more spending on entertainment and full-service restaurants, more alcohol consumption and more corporate inventory. It is more conveniently located to the 27,500 University of Arkansas students who align in Topgolf's key demographic.
- **Orientation:** Because Springdale can offer multiple development sites over a vastly larger area — something the proposed Rogers site cannot offer — a Topgolf facility here can be oriented in any direction the company chooses. Beyond preference, this benefit directly impacts Topgolf's winter-time profitability as patrons at a Springdale venue would never have to hit into a cold North wind.
- **Incentives:** In addition to the Arkansas Tourism Development Act — which despite its limitations, any qualifying Arkansas city can help you obtain — Springdale has both the ability and the willingness to offer an attractive local incentive package that will reduce operations costs for a decade.

DEMOGRAPHICS

Using a 30 and 60-minute drive time radii, AECOM compared Springdale's sites with the proposed Rogers sites. The results speak for themselves. There are 17,400 more residents living within a 30-minute drive of Springdale than live that close to the Rogers site. Expanding to an hour's drive, Springdale's advantage climbs to 34,700 more people.

With the same marketing and penetration levels, a Springdale location would draw 10,000-15,000 more patrons per year than Rogers. At \$45 per person, that equates to between \$488,700 and \$640,125 more incremental revenue annually.

There is a higher inventory of high income households within Springdale's two drive radii — an indication of an increased potential target market. At 30 minute's drive, Springdale has 800 more high income homes than Rogers.

Springdale, Arkansas: A Second Look

EXECUTIVE SUMMARY

In spending and consumption habits, those living within 30 and 60-minutes of Springdale spend between 2%-4% more on recreation, entertainment and full-service restaurants. Springdale's advantage extends to alcohol consumption — an indicator of those with a high propensity to patronize bars and restaurants similar to those offered at golf and entertainment venues.

Springdale's drive radii encompasses thousands of corporate vendors who service Tyson Foods, the University of Arkansas, Cargill and George's, Inc. as well as Walmart vendors in Benton County.

And, Springdale is more convenient to the 27,500 students of the University of Arkansas who, as a 2015 study showed, spent a combined \$46.9 million on restaurants, bars, entertainment, recreation and sports.

ORIENTATION

Pick a direction on the compass. Whatever orientation you choose, Springdale's sites can accommodate it. Unlike the North-facing proposed Rogers site, we offer an abundant of highly visible and accessible acreage that gives you options.

From November 2017 through February 2018, Northwest Arkansas experience 27 days with a North wind and temperatures below 40 degrees. This is yet another Springdale benefit that addresses your bottom line.

INCENTIVES

Springdale stands ready to explore how we can help get your business. From creative land or lease arrangements to an ability to underwrite the cost of facility operations up to a period of 10 years, we have the wherewithal to go far beyond what has been made available to you at your proposed Rogers site.

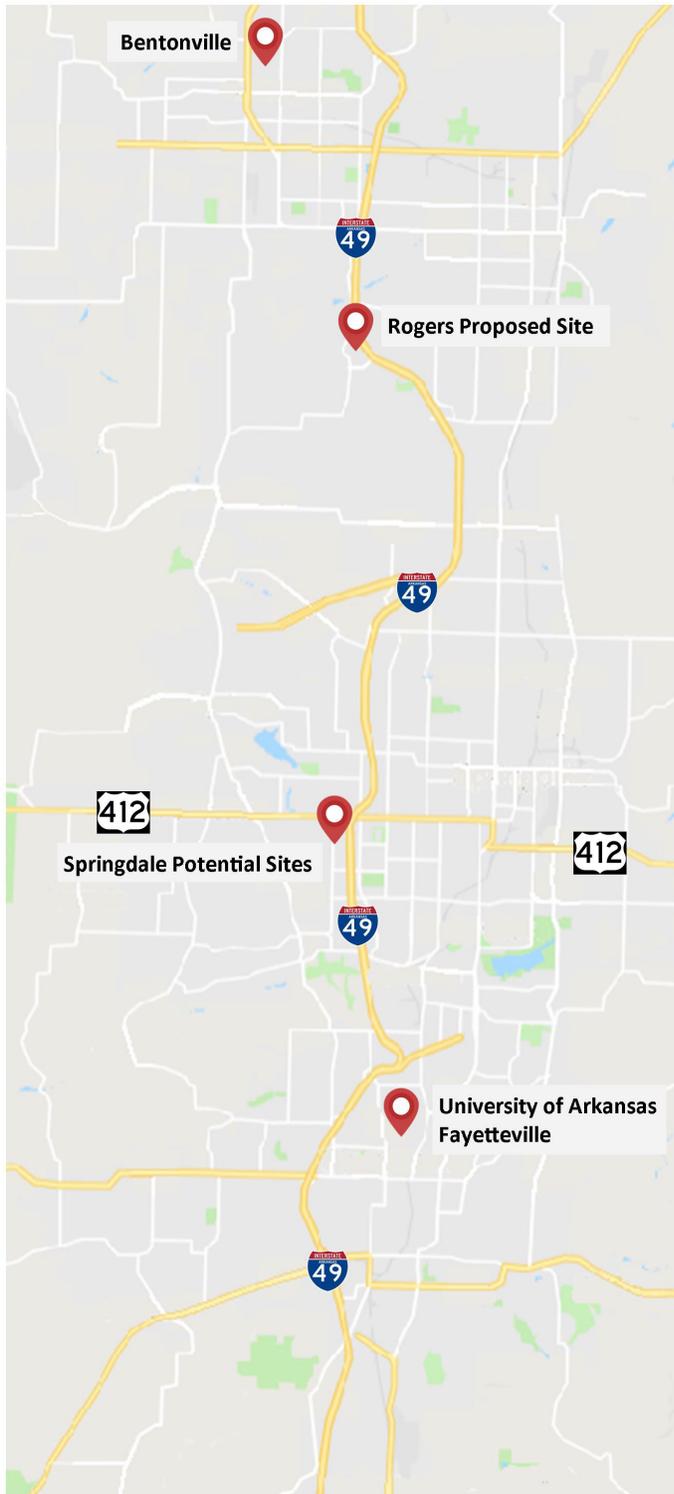
The formula used by the State of Arkansas and its annual tax credit repayment cap mean Topgolf will likely not receive the full \$3 million in sales tax credits you qualify for. It will actually be less than \$1.5 million. Springdale can help you recoup dollars you were expecting.

Higher traffic counts, geographically centered development sites and an aggressive municipal attitude toward economic development are additional strengths of Springdale.

As this Project Book will clearly show, it is in the best interests of Topgolf to reconsider its Northwest Arkansas plans and take advantage of all Springdale has to offer.

Springdale, Arkansas: A Second Look

SITE OVERVIEW — REGIONAL MAP



Springdale Sites are Closer to:

- More People
- More High Income Homes
- More Entertainment Spending
- More Restaurant Spending
- More Alcohol Consumption
- More University students
- More Washington County corporate vendors

Springdale, Arkansas: A Second Look

TRAFFIC COUNT COMPARISON

Springdale's potential sites are adjacent to the region's two major highways — Interstate 49 and U.S. Highway 412. Approximately 108,000 cars travel through this crossroads on a daily basis — more than 14,000 more cars than the Rogers site.

- Excellent I-49 visibility
- XX+ available acres
- Multiple orientations
- Immediate I-49 frontage
- Adjacent to:
 - New Sam's Club
 - Arkansas Children's Hospital
 - Arvest Ballpark
 - New Community College campus
 - New high-end 436-unit multi-family development



Source: Arkansas Department of Transportation

Approximately 94,000 cars per day pass the 11-acre proposed Rogers site that is located at the intersection of a city street and I-49.

Other limitations include:

- Property size
- Facility orientation
- No room for additional development



Source: Arkansas Department of Transportation

Springdale, Arkansas: A Second Look

SITE OVERVIEW — SPRINGDALE MAP

- Springdale Benefits:
- Topgolf facility can be oriented in any direction
 - More convenient to corporate vendors in Washington County
(Univ. of Arkansas, Tyson Foods, Cargill, George's)



Springdale, Arkansas: A Second Look

SITE OVERVIEW — ROGERS MAP

- Rogers Limitations:
- 11-acre site limited by a single North-facing layout
 - Winter wind chill (using North-facing orientation could impact 30 days of sales from November through February*)



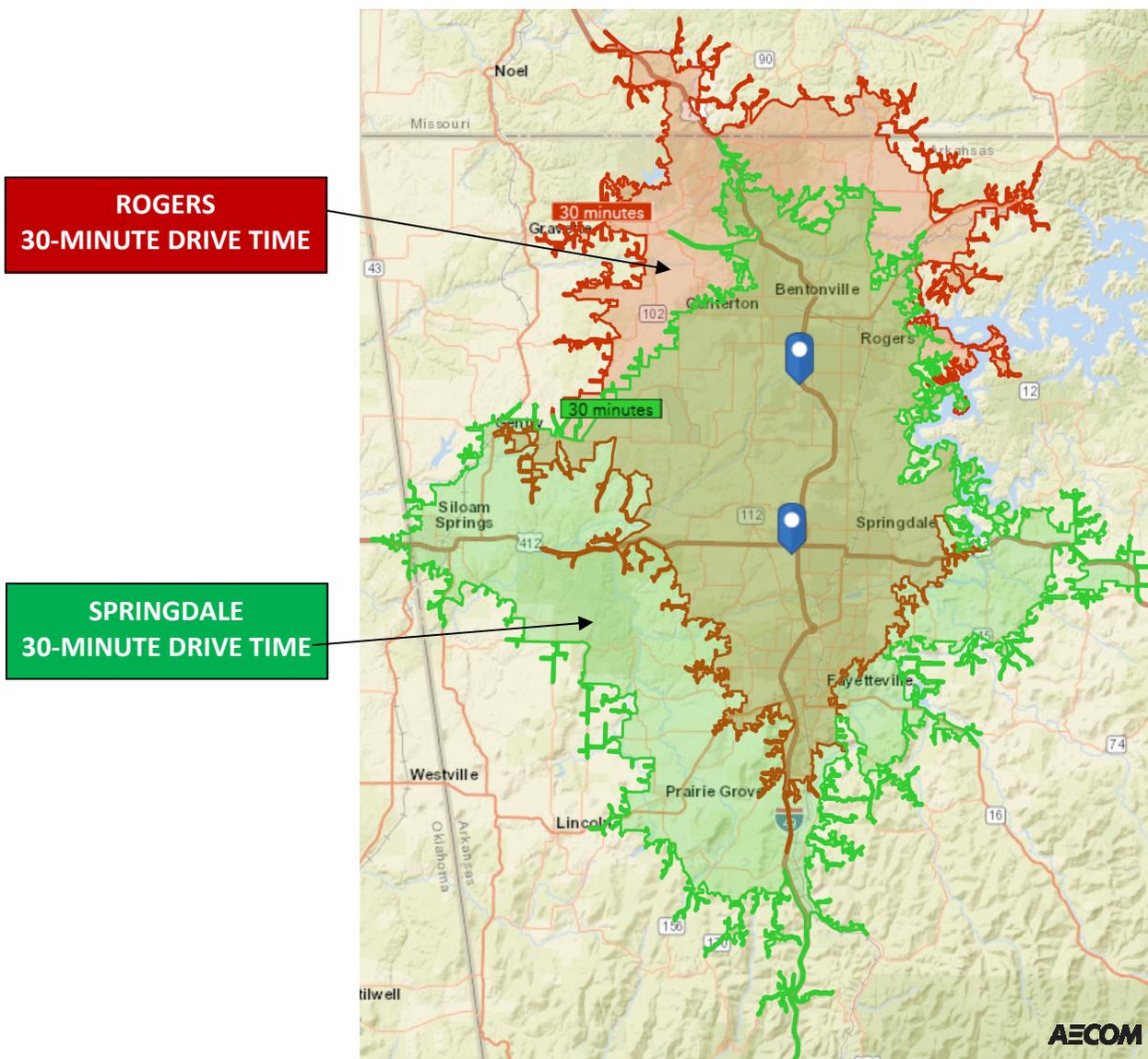
*Based on historic weather data obtained from www.timeanddate.com

Springdale, Arkansas: A Second Look

RADI MAP — 30-MINUTE DRIVE

17,000 more residents, including three cities in southwest Washington County, live within a 30-minute drive of the potential Springdale sites but are not within the Rogers 30-minute drive radii. Springdale's 30-minute radii includes all major Benton County cities.

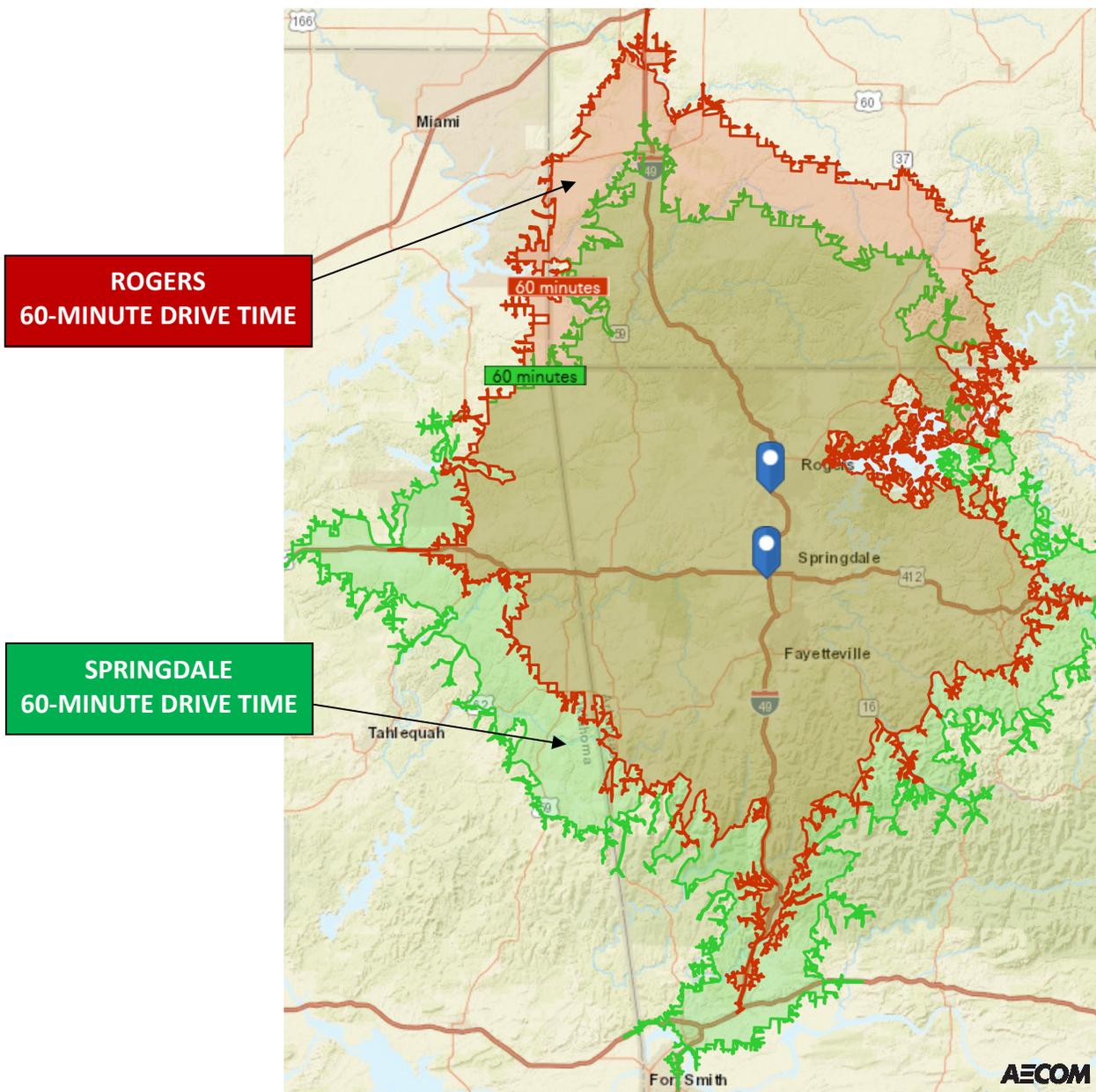
The northern portion of the Rogers' 30-minute drive radii includes largely unpopulated areas of Benton County, AR and McDonald County, MO.



Springdale, Arkansas: A Second Look

RADI MAP — 60-MINUTE DRIVE

Almost 35,000 more residents — including part of the city of Fort Smith — live within a 60-minute drive of the potential Springdale sites but are not within an hour's drive of Rogers.

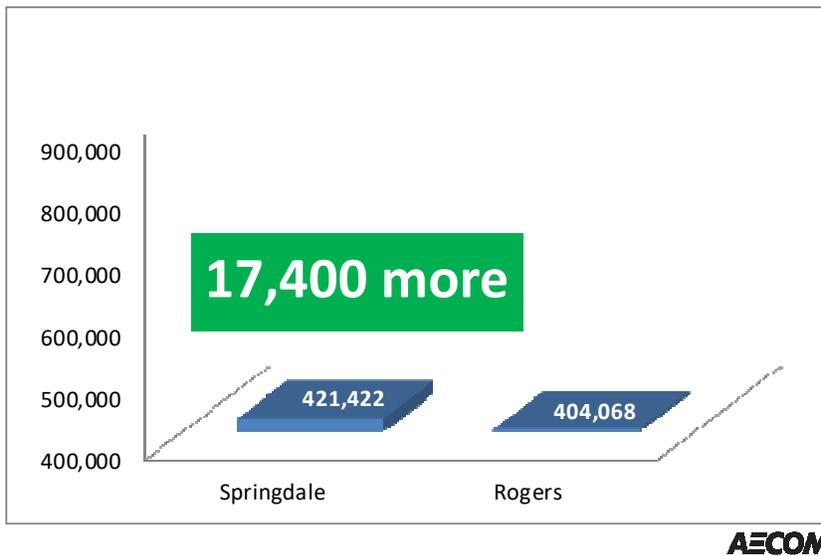


Springdale, Arkansas: A Second Look

COMPARING POPULATIONS

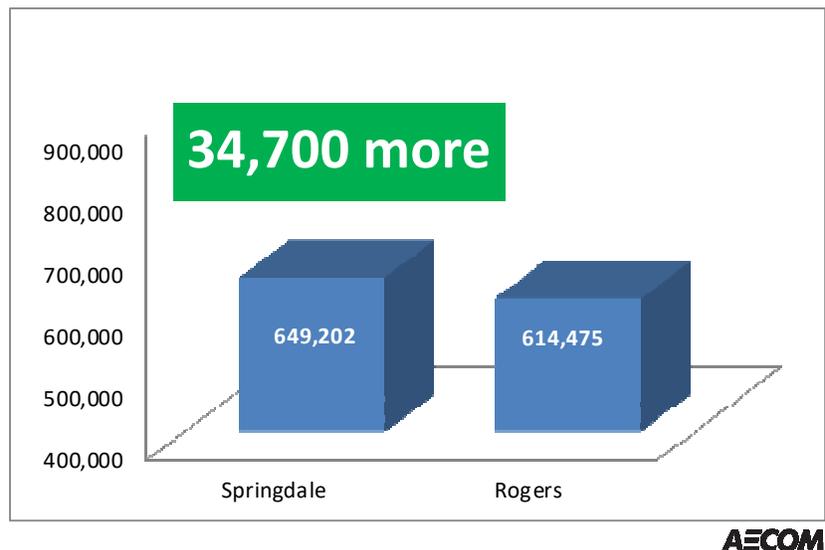
The Springdale Market has a higher population at both key drive time radii:

30-MINUTE DRIVE



POPULATION PENETRATION
With the same marketing and penetration levels, a **Springdale location would draw 10,000-15,000 more patrons per year than Rogers.** Assuming \$45 per capita spending, that results in \$488,700 to \$640,125 more incremental revenue annually.

60-MINUTE DRIVE

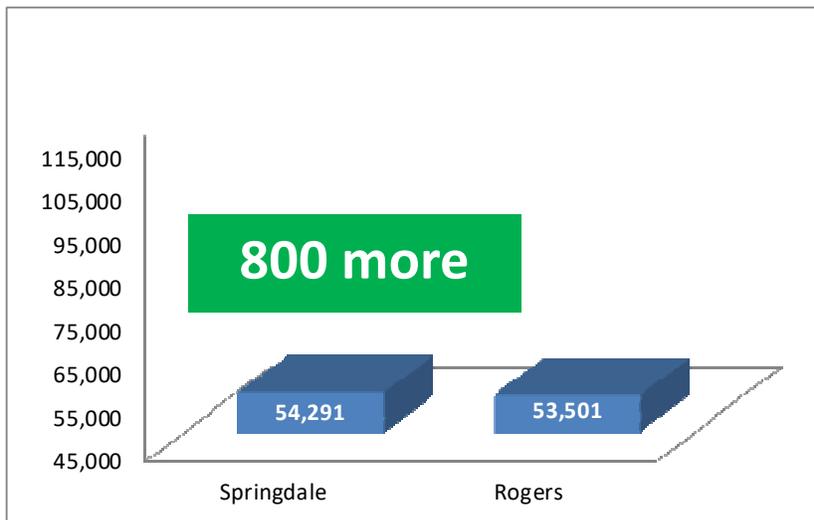


Springdale, Arkansas: A Second Look

COMPARING HIGH INCOME HOUSEHOLDS

More high income households (>\$75,000) are within a
30 and 60-minute drive to Springdale:

30-MINUTE DRIVE

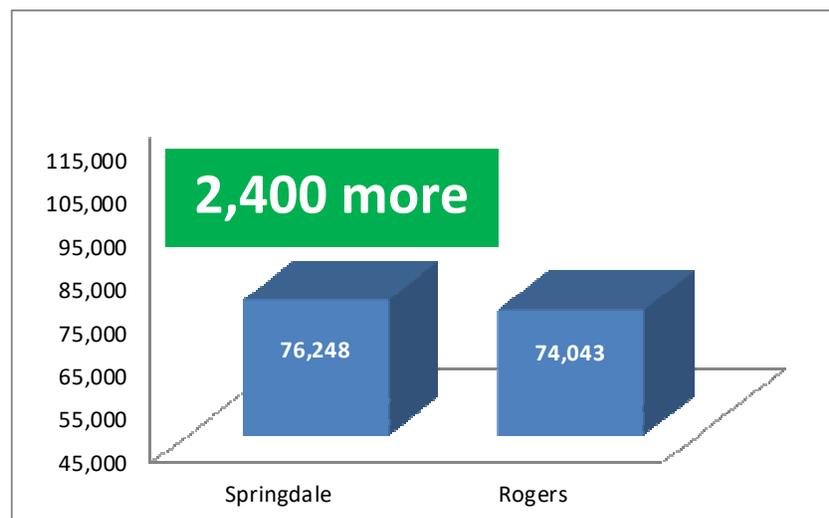


WHAT IT MEANS

A higher inventory of high income households — representing a primary target market for golf & entertainment venues — is an indication of an increased potential target market in Springdale.

AECOM

60-MINUTE DRIVE



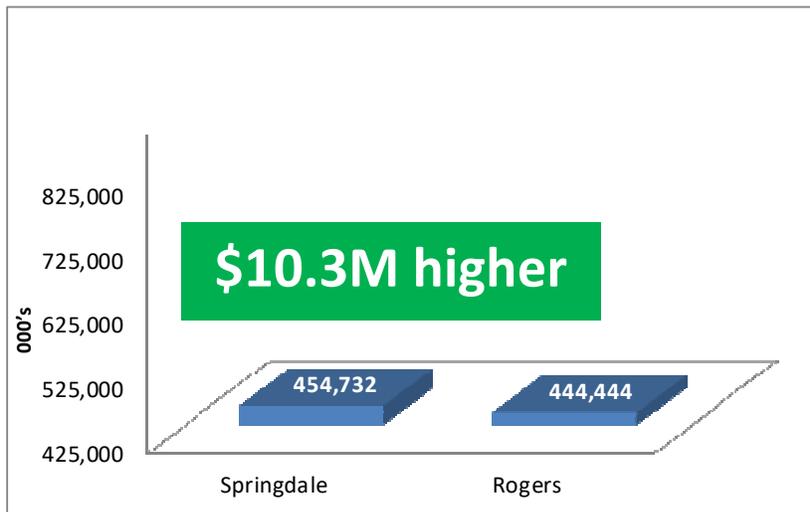
AECOM

Springdale, Arkansas: A Second Look

COMPARING TOTAL SPENDING: ENTERTAINMENT/RECREATION

Total spending on entertainment and recreation is higher in Springdale's 30 and 60-minute drive radii:

30-MINUTE DRIVE

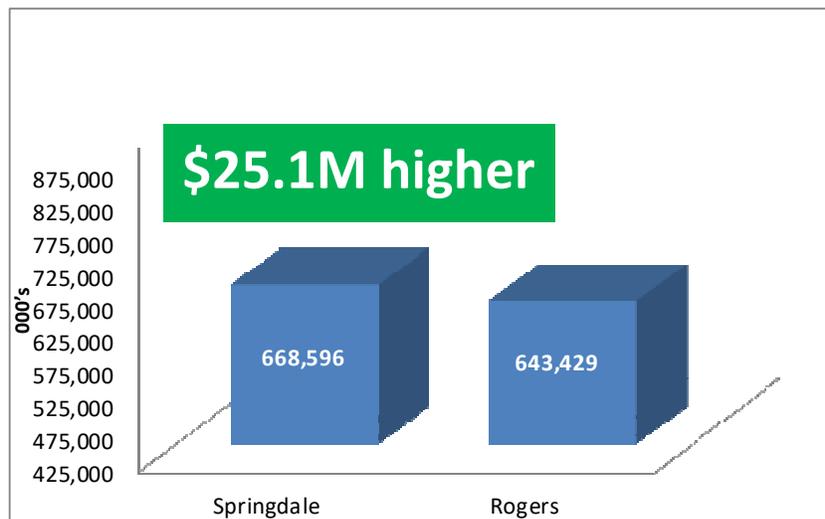


WHAT IT MEANS

Residents within a 30 and 60-minute drive of Springdale spend between 2% and 4% more in recreation and entertainment than those living that close to Rogers.

AECOM

60-MINUTE DRIVE



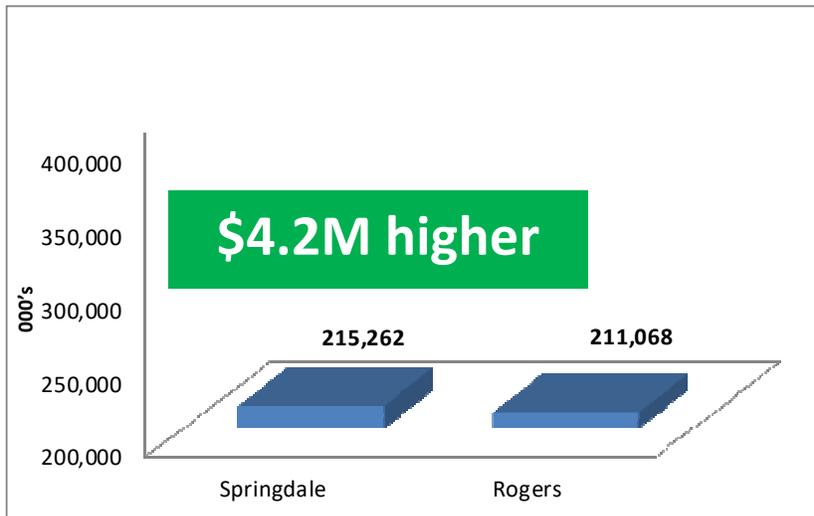
AECOM

Springdale, Arkansas: A Second Look

**COMPARING TOTAL SPENDING:
FULL SERVICE RESTAURANTS**

**Total spending at full-service restaurants is higher in
Springdale's 30 and 60-minute drive radii:**

30-MINUTE DRIVE

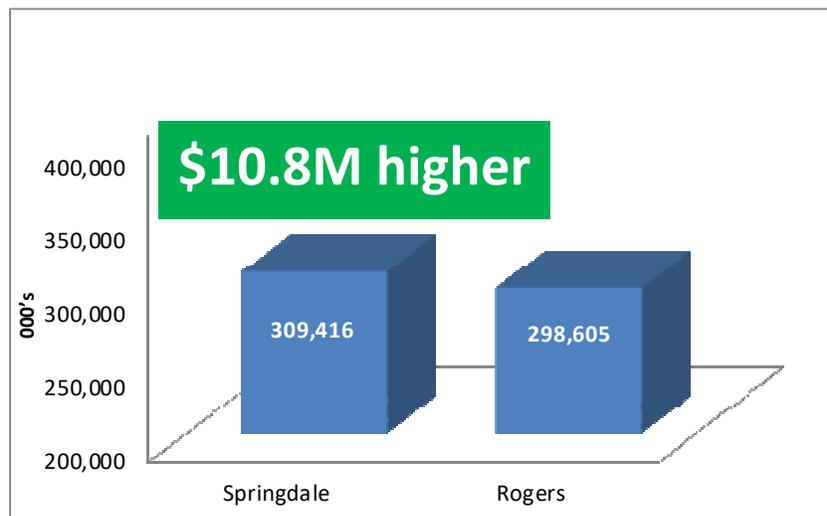


WHAT IT MEANS

Residents within a 30 and 60-minute drive of Springdale spend between 2% and 4% more on full service restaurants than those living that close to Rogers.

AECOM

60-MINUTE DRIVE



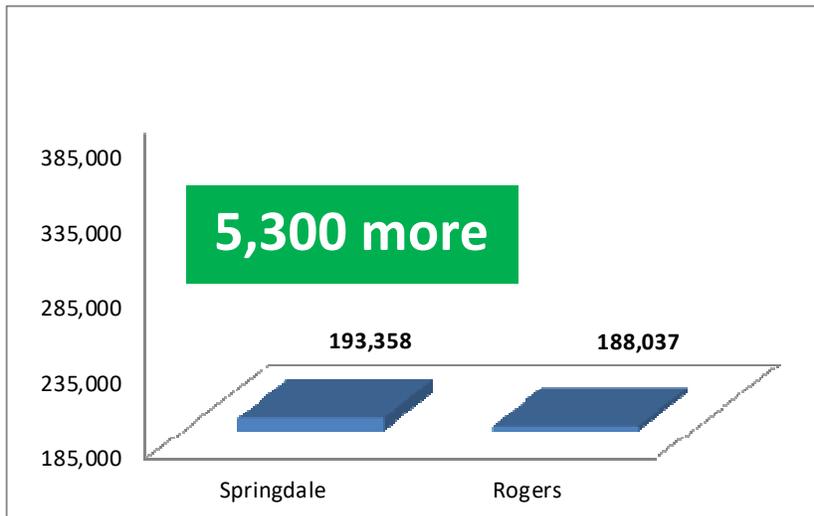
AECOM

Springdale, Arkansas: A Second Look

COMPARING ADULTS CONSUMING ALCOHOL BARS & RESTAURANTS (last 30 days)

In the last 30 days, more adults consumed alcohol within a
30 and 60-mile drive of Springdale than Rogers:

30-MINUTE DRIVE

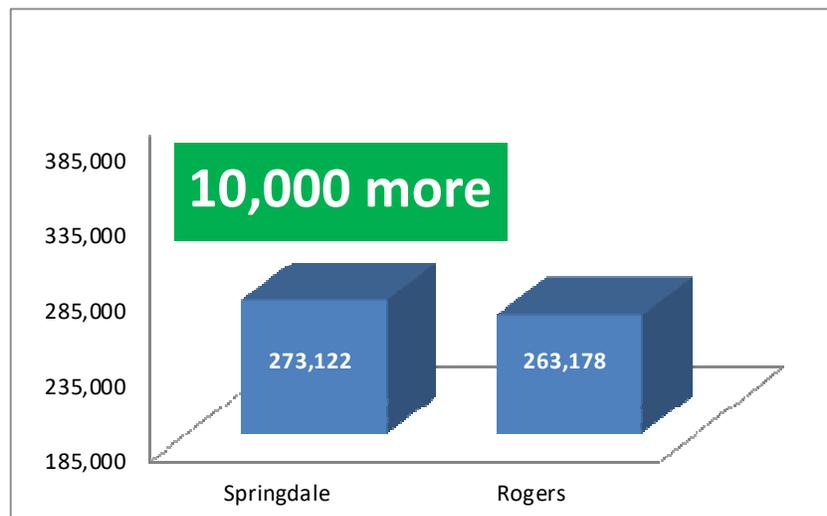


WHAT IT MEANS

This metric is an indication of **more residents living near Springdale with a higher propensity to patronize bars and restaurants**, similar to those offered at golf and entertainment facilities

AECOM

60-MINUTE DRIVE



AECOM

Springdale, Arkansas: A Second Look

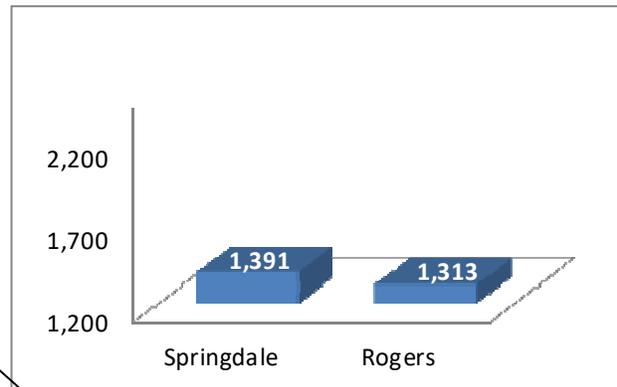
COMPARING CORPORATE & VENDOR INVENTORY

Although relatively similar to Rogers, Springdale has a slightly larger corporate inventory within the 30 and 60-minute drive:

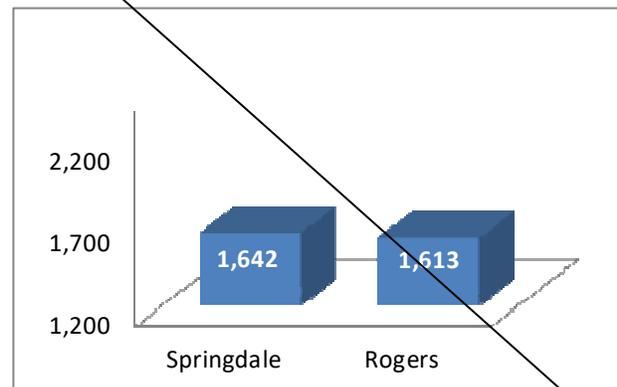
- 30 Minutes: **78 more businesses** in Springdale
- 60 Minutes: **31 more businesses** in Springdale
- 75 Minutes: **14 fewer businesses** in Springdale

Corporate business comprises a significant portion of weekly utilization for golf and entertainment venues.

30-MINUTE DRIVE



60-MINUTE DRIVE



COMPARING SPRINGDALE & ROGERS: SIDE-BY-SIDE

After evaluating key demographic metrics, Springdale owns an overwhelming advantage over Rogers in the 30 and 60-minute drive radii used in this study.

SPRINGDALE and ROGERS SIDE-BY-SIDE		
	SPRINGDALE	ROGERS
Greater Population	✓	
More High Income Households	✓	
More Entertainment Spending	✓	
More Restaurant Spending	✓	
More Alcohol Consumption	✓	
More Corporate Inventory	✓	
Better University Student Access	✓	
More Orientation Options	✓	
More Local Incentives	✓	

Springdale, Arkansas: A Second Look

THE UNIVERSITY IMPACT



The 18-25 age group is a key target market for Topgolf.

Springdale's proximity to the more than 27,500 students at the University of Arkansas, Fayetteville is a clear advantage.

In a 2015 report by the UA Center for Business and Economic Research, [UofA students spent a combined \\$46.9 million on restaurants, bars, entertainment, recreation and sports. By capturing just 20% of that consumer spending, Topgolf would realize \\$9.4 million.](#)

Springdale's advantage extends to time and transportation:

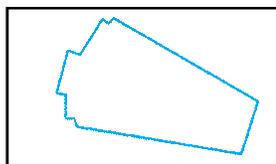
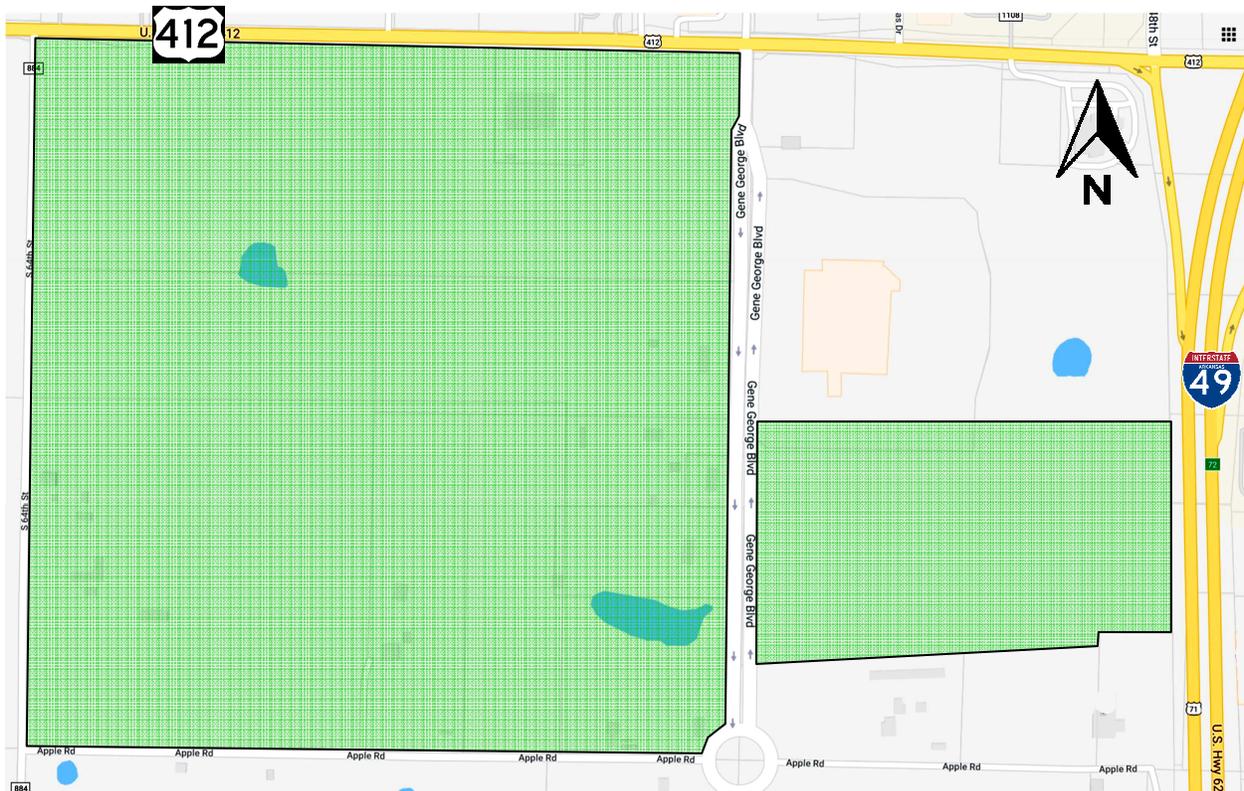
- The Springdale sites are a minimum of 15 minutes closer to the University campus.
- A typical rideshare from campus to Springdale is half that of one to Rogers — important in attracting this historically price sensitive market.

Springdale, Arkansas: A Second Look

SPRINGDALE SITES ORIENTATION OPTIONS MAP

Multiple potential Springdale sites exist (in green below) within the XX acres southwest of Interstate 49 and U.S. 412.

This provides for any directional orientation Topgolf may desire, including designing the facility to take advantage of preferred prevailing wind direction.



The Topgolf facility silhouette at left has been sized to scale for the accompanying map.

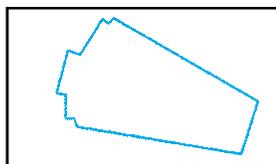
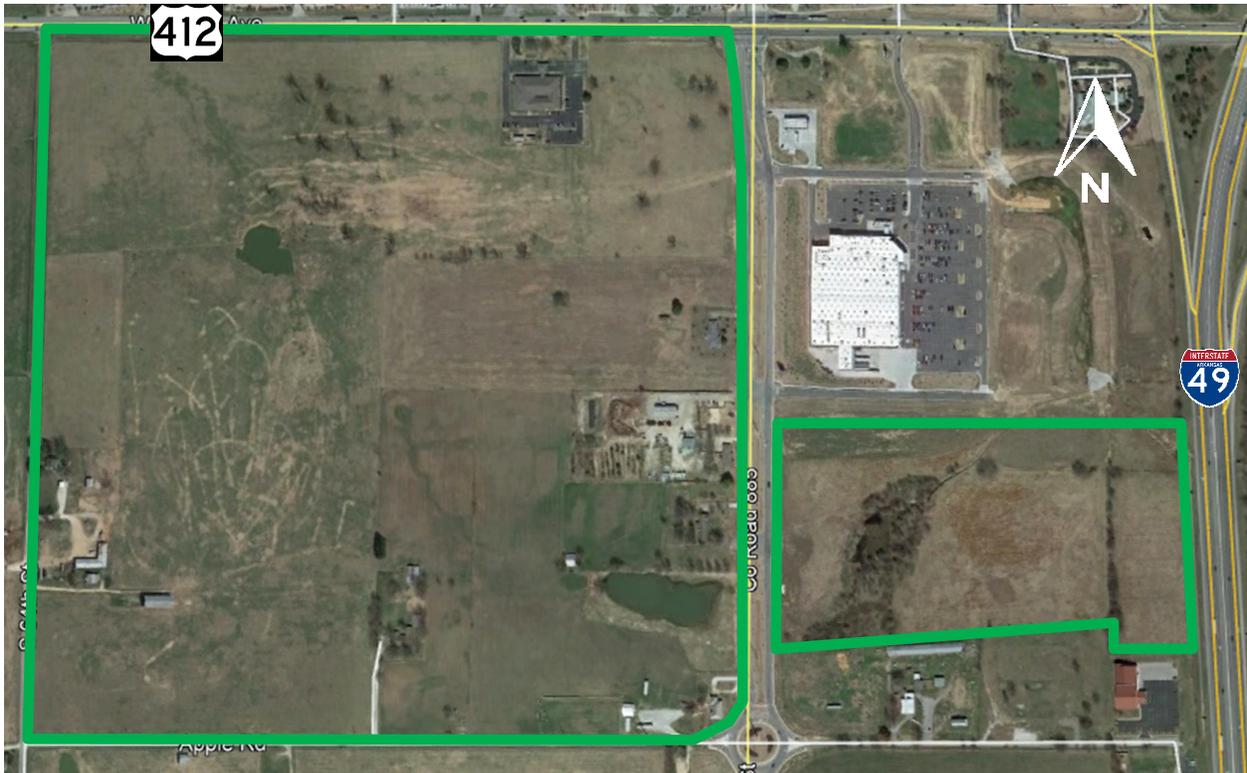
Any drawings and depictions are conceptual only and are for the convenience of reference and should not be relied upon as representations, express or implied, of the property owners or developers.

Springdale, Arkansas: A Second Look

SPRINGDALE SITES ORIENTATION OPTIONS AERIAL

Multiple potential Springdale sites exist (in green below) within the XX acres southwest of Interstate 49 and U.S. 412.

This provides for any directional orientation Topgolf may desire, including designing the facility to take advantage of preferred prevailing wind direction.



The Topgolf facility silhouette at left has been sized to scale for the accompanying map.

Any drawings and depictions are conceptual only and are for the convenience of reference and should not be relied upon as representations, express or implied, of the property owners or developers.

Springdale, Arkansas: A Second Look

ROGERS SITE SINGLE OPTION AERIAL

Small 11-acre site limited by a single North-facing layout.
Winter wind chill (from North layout) could impact 30 days of sales
from November through February.



Springdale, Arkansas: A Second Look

LOCAL INCENTIVES

Springdale uniquely is able to deliver a variety of local incentives that significantly extend the Arkansas Tourism Development Act incentives offered in Rogers, that are available to any qualifying municipality in our state.

Specifically, competitive land price and lease arrangements as well as the willingness to underwrite the cost of facility operations up to a period of 10 years position a Springdale facility well ahead of Rogers.

STATE TOURISM INCENTIVE

Assuming a total project cost of approximately \$20 million, this state tourism incentive can provide a qualifying project up to \$3 million in sales tax credits against future sales tax liabilities. This incentive, being provided for your proposed Rogers location, can be matched in Springdale.

What is typically overlooked with this particular incentive is that, due to the formula used by the Arkansas Department of Finance and Administration that only rebates annual sales tax increase instead of total sales tax collected, Topgolf will likely not receive the full \$3 million sales tax credits over the term of the incentive. In fact, because there is a 15% cap on annual tax credit repayment, the incentive over the nine years of the program will actually be between \$1.2 and \$1.4 million dollars.

LOCAL SUPPORT

Springdale stands ready to discuss more fully the range of incentive options available to Topgolf. Understanding the misconceptions of the state's tourism incentive, we are prepared to offer an attractive package for your consideration that allows Topgolf to potentially go well beyond the \$3 million tax credit incentive you might be expecting with your current project plans.

We believe our strength lies in a small group of motivated land owners, combined with a history of strong municipal involvement in economic development, and a passionate desire to ensure Topgolf's first Arkansas location is in Springdale.

Springdale, Arkansas: A Second Look

A FINAL WORD...

Profitability.

The inescapable conclusion of the professionally conducted AECOM research contained in this Project Book is that Springdale, rather than Rogers, is a more profitable expansion location for Topgolf in Northwest Arkansas.

The numbers don't lie. More people live closer to Springdale. There are more high-income households, more entertainment spending, more full-service restaurant spending, more alcohol consumption and more college-aged students live closer to Springdale than to Topgolf's proposed Rogers site.

When the vendor community that supplies the University of Arkansas, Tyson Foods, Cargill and George's, Inc., is factored in, Springdale is on equal footing with the corporate community supplying Walmart.

Springdale's high-quality sites also give your company options you don't have at the proposed Rogers site. With XX acres available, there's room to orient a Topgolf facility in the most optimum compass direction possible. Only in Springdale can you minimize the effects of winter wind chill on golfers hitting into a bitter North wind. Orientation options allow you to recapture almost a month of play.

Finally, the financial commitment Springdale is willing and able to make with local incentives not being offered to you by Rogers should send the message that we understand what is good for Topgolf is good for Springdale.

Thanks in advance for letting us ask for your business. We stand ready to visit further.

Doug Sprouse
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City of Springdale
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Perry Webb
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Springdale Chamber of Commerce
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