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# Springdale, Arkansas: A Second Look

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## Springdale, Arkansas: A Second Look

### COMPARING SPRINGDALE & ROGERS

#### SPRINGDALE and ROGERS SIDE-BY-SIDE

	SPRINGDALE	ROGERS
More High Income Households & More Residents	✓	
Local Incentives	✓	
More Orientation Options	✓	
More Corporate Inventory	✓	
More Entertainment Spending	✓	
More Restaurant Spending	✓	
More Alcohol Consumption	✓	
Better University Student Access	✓	

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## Springdale, Arkansas: A Second Look

### EXECUTIVE SUMMARY

A larger, more affluent market, preferred facility orientation, and a more profitable business model for Topgolf can be found in Springdale, Arkansas. That's the key takeaway from 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 provides greater opportunities for Topgolf to profit than at a proposed location in Rogers, Arkansas.

Three key factors support this contention:

- **Market Analysis:** Springdale's central location gives it an overwhelming advantage in proximity to more high-income homes, more consumer spending comparable to the Topgolf experience and easier access to the University of Arkansas campus.
- **Facility Direction:** Only in Springdale can Topgolf position its facility in any compass direction it chooses. With more potential development sites encompassing more acreage, Springdale offers Topgolf its first choice of facility orientation and the ability to mitigate lost winter sales due to a north orientation.
- **Local Incentives:** Springdale has both the ability and willingness to use local incentives that will benefit Topgolf in millions of dollars. This is above and beyond the Arkansas Tourism Development Act incentives that Springdale can offer.

### MARKET ANALYSIS

Using a 30 and 60-minute drive time radii, AECOM compared Springdale's sites with the proposed Rogers site. The results speak for themselves.

There is a higher inventory of high income households within Springdale's two drive radii — an indication of an increased potential target market. Springdale has 800 more high income families than Rogers at the 30-minute range and 2,400 more high income homes at an hour's range. This meshes with the fact that more people live closer to the Springdale sites — as many as 34,000 within an hour's drive — than to the proposed Rogers site.

With the same marketing and penetration levels, a Springdale location will 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.

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## **Springdale, Arkansas: A Second Look**

### **EXECUTIVE SUMMARY**

In spending and consumption habits, those living within 30 and 60-minutes of Springdale spend millions of dollars more on recreation, entertainment and full-service restaurants.

Springdale's advantage extends to alcohol consumption — where thousands more adults closer to Springdale exhibit a higher propensity to patronize bars and restaurants similar to those offered at golf and entertainment venues.

Springdale's drive radii also encompasses both Walmart vendors and the thousands of other firms who service major employers located in Washington County like Tyson Foods and the University of Arkansas. Springdale's Northwest Arkansas Naturals minor league baseball team provides further anecdotal evidence of the region's corporate vendors' decade-long willingness to support a sports entertainment venue so centrally located.

And, Springdale's closer proximity to the 27,500 students of the University of Arkansas projects as much as a \$310,000 annual revenue advantage for Topgolf and its attraction to the 18-25 age group.

### **FACILITY DIRECTION**

Pick a direction on the compass. Whatever facility orientation Topgolf chooses, Springdale's sites can accommodate it. Unlike the north-facing proposed Rogers site, Springdale offers a multitude of highly visible and accessible sites that give Topgolf the facility orientation options it prefers.

From November 2017 through February 2018, Northwest Arkansas experienced a month of daytime temperatures in the 40's or below with north wind. Eliminating a month of less-than-desirable wind chill in patrons' faces is another Springdale benefit that addresses Topgolf's bottom line.

### **LOCAL INCENTIVES**

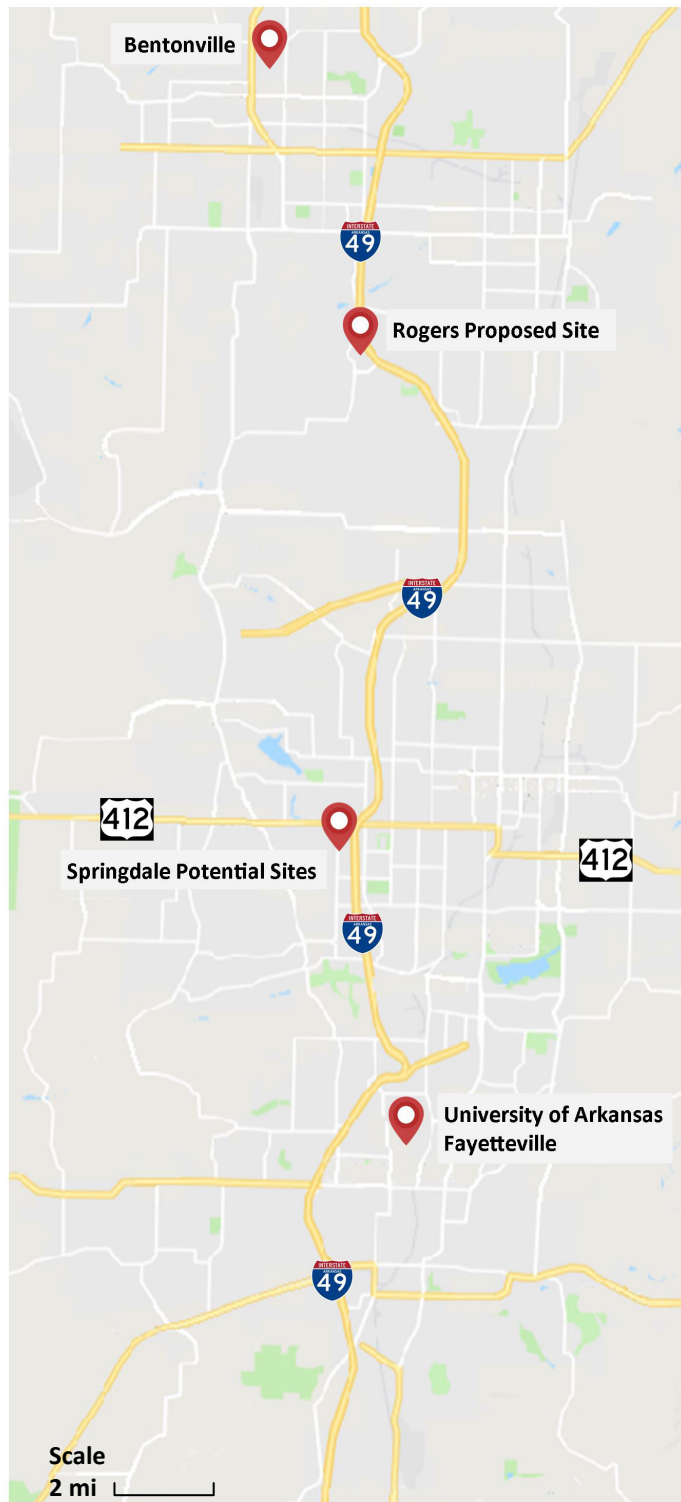
Springdale stands ready to explore how we can help get your business. As addressed in the cover letter by Mayor Doug Sprouse, the City of Springdale has the wherewithal to provide local incentives worth millions to Topgolf's bottom line.

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 is more centrally located within Northwest Arkansas and its sites are closer to:

- More High Income Homes & Population
- More Entertainment & Recreation Spending
- More Full-Service Restaurant Spending
- More Alcohol Consumption
- More Corporate vendors
- More University students

## Springdale, Arkansas: A Second Look

# SITE OVERVIEW — SPRINGDALE PRIME SITES & OVERLAY DISTRICT

**Prime Potential Sites (red dotted outline):** We have designated properties with Interstate 49 visibility as [Prime Potential Sites](#). Although no formal conversation has been held with these landowners about potential development, Springdale is ready to engage with them, knowing these owners have an interest in Topgolf development discussions.





## Springdale, Arkansas: A Second Look

### SITE OVERVIEW — SPRINGDALE PRIME SITES (North)



Springdale's northern [Prime Potential Sites](#) are located immediately south of U.S. 412 and north of Arkansas Children's Northwest — all comparable to the proposed Rogers site from an I-49 visibility and accessibility perspective.

[Multiple Topgolf directional orientations are available on multiple sites.](#)

Although no formal conversation has been held with these landowners about potential development, Springdale is ready to engage with them, knowing these owners have an interest in Topgolf development discussions.

## Springdale, Arkansas: A Second Look

### SITE OVERVIEW — SPRINGDALE PRIME SITES (South)



Springdale's southern [Prime Potential Sites](#), also with comparable Interstate 49 visibility and accessibility to the proposed Rogers site, are located north of Exit 70, south of Arkansas Children's Northwest and east of Arvest Ballpark.

[Multiple Topgolf directional orientations are available on multiple sites.](#)

Although no formal conversation has been held with these landowners about potential development, Springdale is ready to engage with them, knowing these owners have an interest in Topgolf development discussions.



## Springdale, Arkansas: A Second Look

### SITE OVERVIEW — ROGERS SITE AERIAL MAP



The proposed Rogers site has comparable Interstate 49 visibility and accessibility to Springdale's Prime Potential Sites.

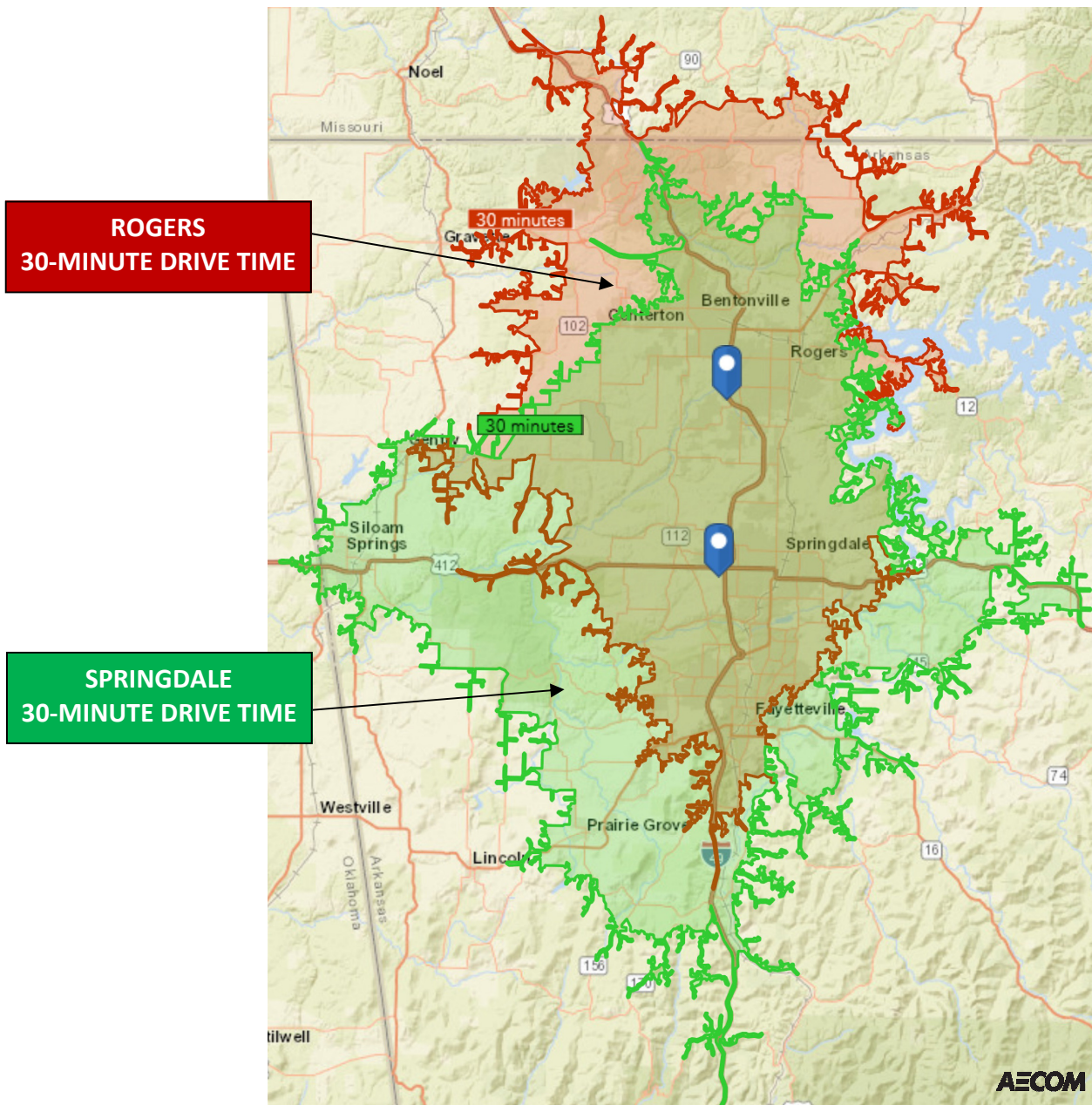
When compared to Springdale's sites, the Rogers site is limited in several ways:

- Small, 11-acre site
- Single north-facing layout
- Reduced winter play due to historical north wind chill
- 31,000 fewer vehicle traffic count

## Springdale, Arkansas: A Second Look

### RADI MAP — 30-MINUTE DRIVE

With 800 more High Income Households within a 30-minute drive of Springdale's sites than within a half-hour of the proposed Rogers site, there is a greater potential target market in Springdale. Note that Springdale's 30-minute radius includes all major Benton County cities.

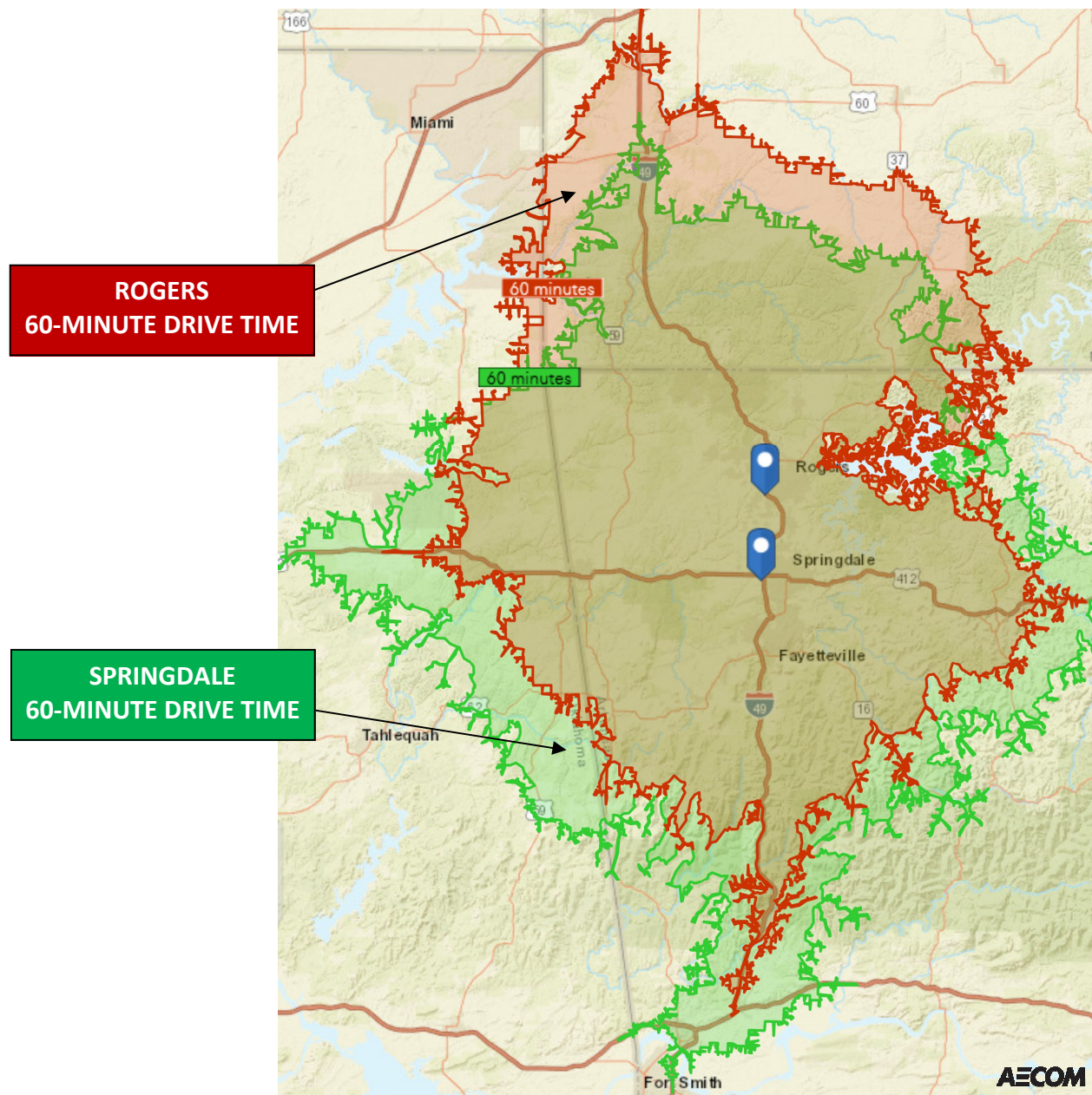




## Springdale, Arkansas: A Second Look

### RADI MAP — 60-MINUTE DRIVE

Springdale holds a significant demographic advantage, including having 2,400 more High Income Households, within a 60-minute drive of Springdale's sites than the hour drive radius of the proposed Rogers site. Note that Springdale's 60-minute radius includes part of the Fort Smith MSA.



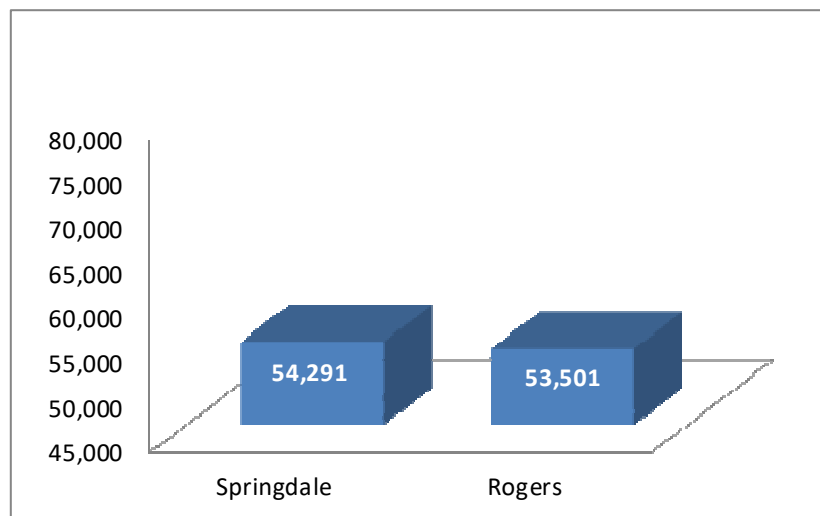
## Springdale, Arkansas: A Second Look

### COMPARING HIGH INCOME HOUSEHOLDS

**2,400 More High Income Homes Closer to Springdale**

**800 More  
High Income  
Households**

#### 30-MINUTE DRIVE

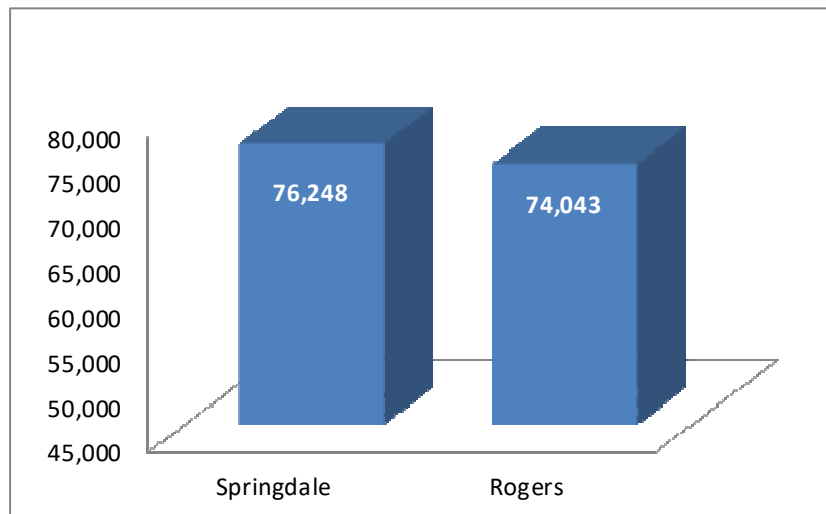


Households greater than \$75,000

**AECOM**

**2,400 More  
High Income  
Households**

#### 60-MINUTE DRIVE



Households greater than \$75,000

**AECOM**



## Springdale, Arkansas: A Second Look

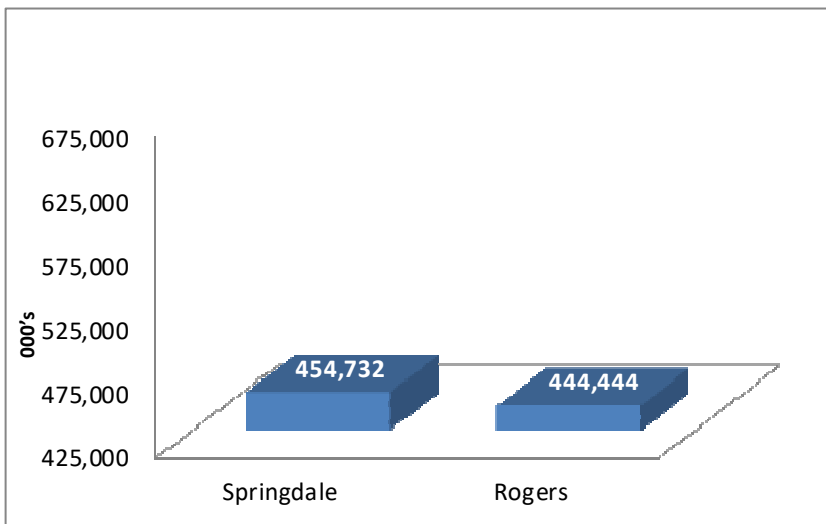
### COMPARING TOTAL SPENDING:

### ENTERTAINMENT/RECREATION

***\$25.1 Million More Spent on Entertainment***

**\$10.3M More  
Entertainment &  
Recreation Spending**

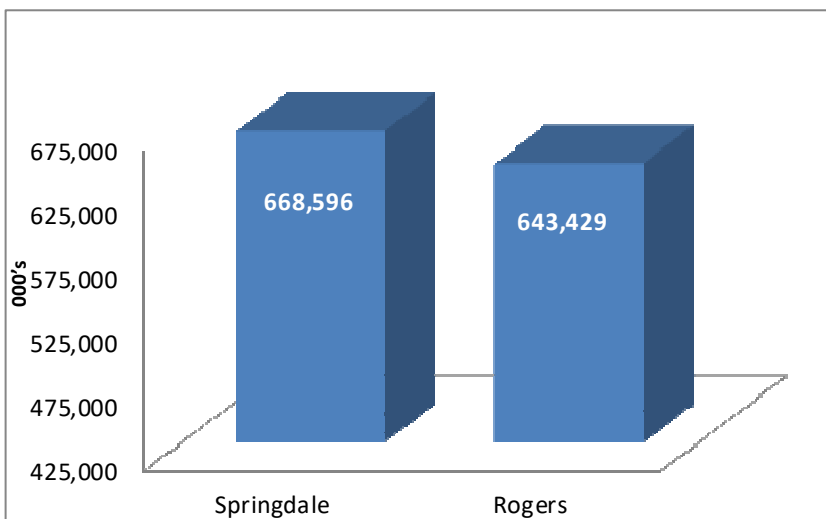
#### 30-MINUTE DRIVE



**AECOM**

**\$25.1M More  
Entertainment &  
Recreation Spending**

#### 60-MINUTE DRIVE



**AECOM**

## Springdale, Arkansas: A Second Look

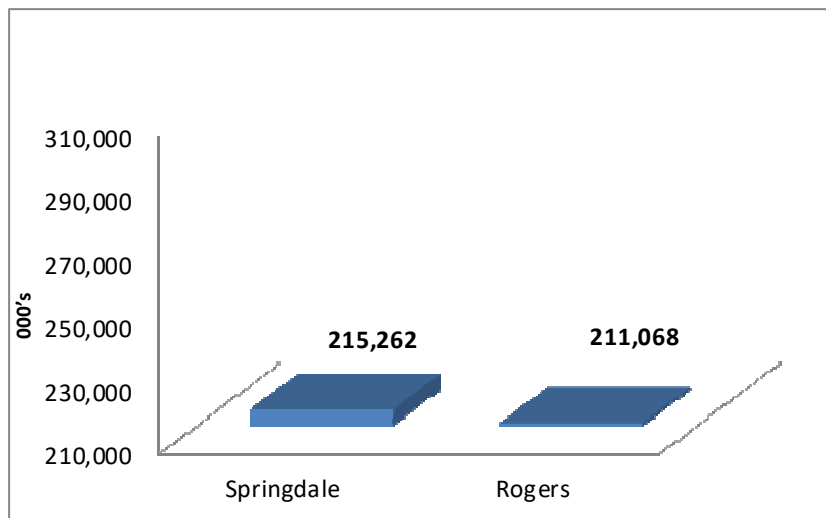
### COMPARING TOTAL SPENDING:

#### FULL SERVICE RESTAURANTS

***\$10.8 Million More Spent on Full-Service Dining***

**\$4.2M More Full  
Service Restaurant  
Spending**

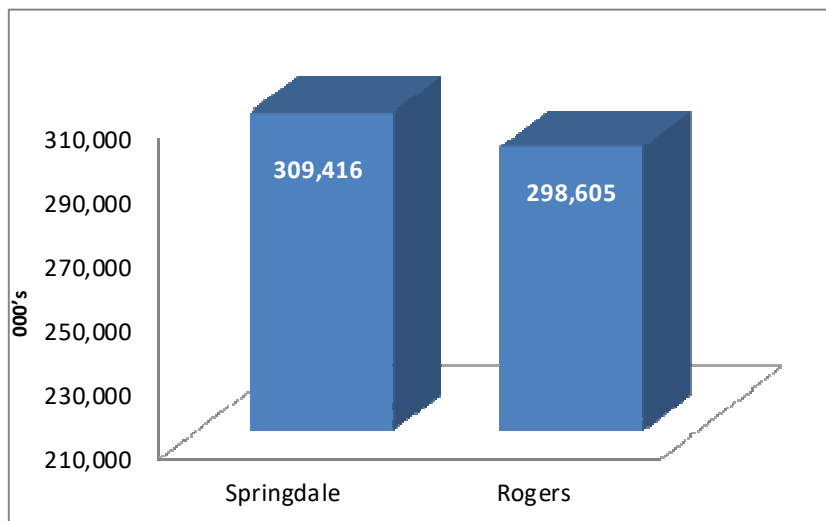
#### 30-MINUTE DRIVE



**AECOM**

**\$10.8M More Full  
Service Restaurant  
Spending**

#### 60-MINUTE DRIVE



**AECOM**

Source: Page 34 AECOM Research Appendix

## Springdale, Arkansas: A Second Look

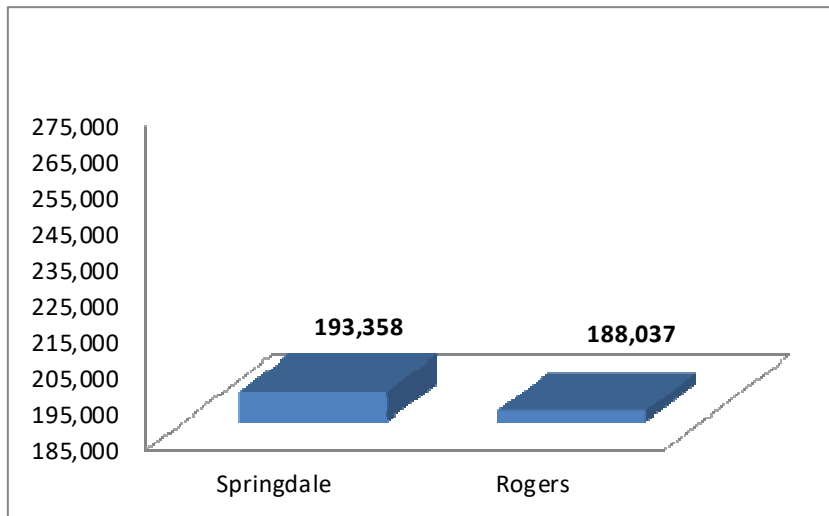
### COMPARING ADULTS CONSUMING ALCOHOL

#### BARS & RESTAURANTS (last 30 days)

**10,000 More Consume Alcohol at Bars & Restaurants**

**5,300 More Adults  
Consuming Alcohol**

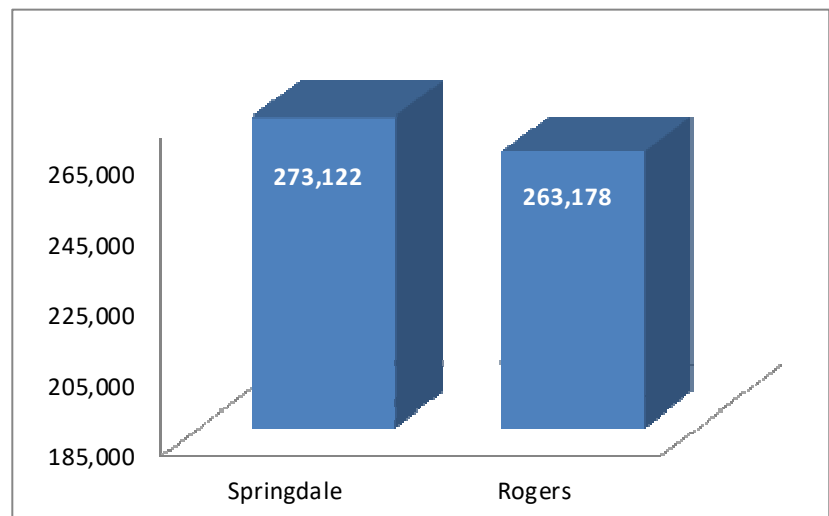
#### 30-MINUTE DRIVE



**AECOM**

**10,000 More Adults  
Consuming Alcohol**

#### 60-MINUTE DRIVE



**AECOM**

## Springdale, Arkansas: A Second Look

### COMPARING CORPORATE INVENTORY

(\$2.4M Revenues & >10 employees)

#### *More Corporate Vendors Near Springdale Site*

Springdale's sites hold an advantage in the number of corporate offices with at least \$2.4 million in revenues and more than 10 employees.

The thousands of vendor firms that service the largest Washington County corporations — Tyson Foods, University of Arkansas, Cargill, George's, Washington Regional Medical Center, Superior Industries — more than offset the number of Walmart vendors in Benton County.

The support of the region's "vendor community" can be seen in the success of the Northwest Arkansas Naturals at Springdale's Arvest Ballpark. In 10 seasons, the Double-A minor league baseball affiliate of the Kansas City Royals has attracted the interest of both Benton and Washington County corporate vendors for both sponsorship and promotions.

***The driving distance of the ballpark from a particular vendor's location has never come up as an objection to completing a deal."***

***- NWA Naturals***

Justin Cole, general manager of the Naturals, explains his business's experience with corporate vendors has been extremely profitable and that the team doesn't distinguish between Benton and Washington County corporate vendors.

"In a decade of sports and family programming, the Naturals have consistently received tremendous participation and support with regard to the Northwest Arkansas vendor community.

"Decisions to participate with us have always focused on strong community ties, as well as the value a company sees in a particular sponsorship. The driving distance of the ballpark from a particular vendor's location has never come up as an objection to completing a deal."

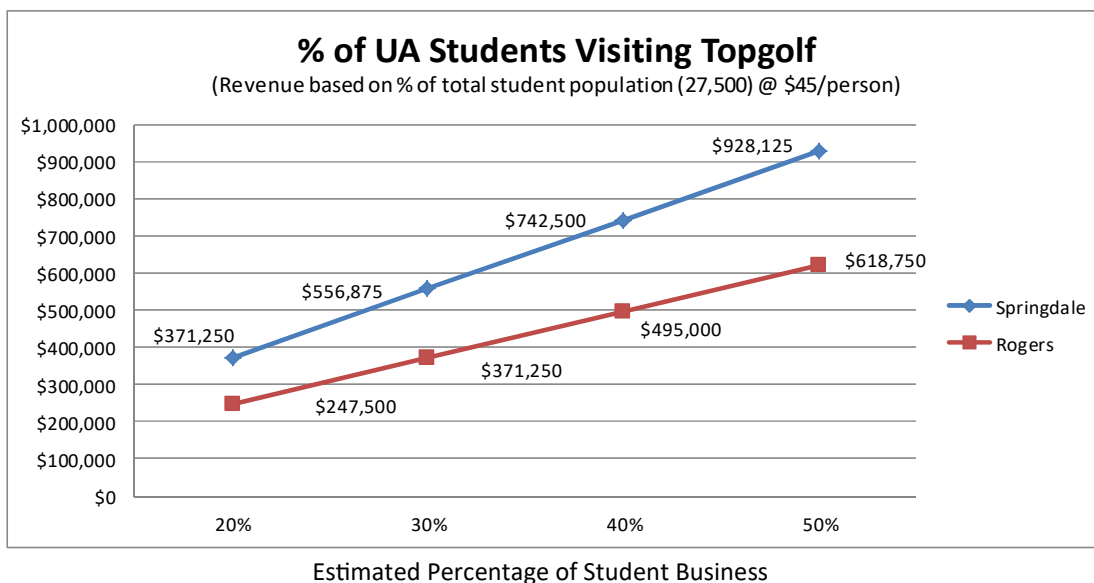
## Springdale, Arkansas: A Second Look

### THE UNIVERSITY REVENUE IMPACT

#### *More Profit from More College Students*

It is reasonable to predict that Topgolf sales to the 27,500 students at the University of Arkansas — the majority of which fall within Topgolf's key 18-25 age demographic — will be greater in Springdale than the proposed Rogers site due to Springdale's site being more than half as close to the University than the proposed Rogers site.

If we assume that a Rogers Topgolf site can draw 50% of the University of Arkansas student business, it's reasonable to assume Springdale can draw 1 1/2 times that amount due to it being half as close to campus than Rogers. In this chart, that advantage is as great as \$309,375.



*Revenue = one annual visit per person*

## Springdale, Arkansas: A Second Look

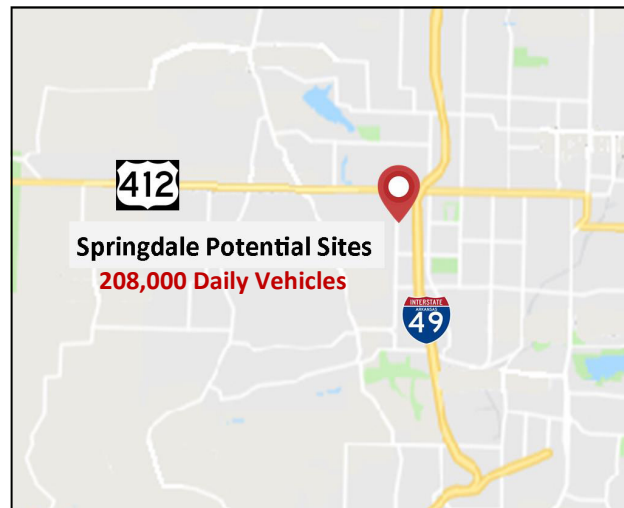
### TRAFFIC COUNT COMPARISON

## *32,300 More Vehicles Pass Springdale's Site*

Springdale's potential sites are adjacent to the region's two major highways — Interstate 49 and U.S. Highway 412.

208,000 vehicles travel through this major intersection on a daily basis — more than 32,300 more vehicles than the Rogers site, which sees 176,700 vehicles each day.

- Excellent I-49 visibility
- Multiple facility orientations
- Multiple sites
- Immediate I-49 frontage
- Adjacent to:
  - 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

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## Springdale, Arkansas: A Second Look

### LOCAL INCENTIVES

### *A Commitment of Local Incentives*

Springdale uniquely is prepared and willing to deliver a substantial local incentive package that will mean millions of dollars to Topgolf's bottom line.

In a commitment from Springdale Mayor Doug Sprouse, processes have already been put in place to engage the Springdale City Council for the investment of public dollars to incentivize a decision by Topgolf to place its first Arkansas location in Springdale

#### STATE TOURISM INCENTIVE

The same Arkansas Tourism Development Act incentive offered to Topgolf for the proposed Rogers site can be accessed for all Springdale sites. 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.

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## **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. There are more high-income households, more residents, more entertainment spending, more full-service restaurant spending, more alcohol consumption and more college-aged students living closer to Springdale than to Topgolf's proposed Rogers site.

As the Northwest Arkansas Naturals have exhibited for a decade, the entire region's vendor community will strongly support a Springdale sports entertainment venue with participation and sponsorship.

Springdale's high-quality sites also give your company options you don't have at the proposed Rogers site. With a multitude of available sites, there's room to orient a Topgolf facility in the most optimum 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 from Mother Nature.

Most importantly, the substantial 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 that what is good for Topgolf is good for Springdale.

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

#### **Doug Sprouse**

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