AGENDA

Fort Smith Board of Directors
STUDY SESSION
May 9, 2023 ~ 6:00 p.m.
Blue Lion
101 North 2nd Street
Fort Smith, Arkansas

THIS MEETING IS BEING TELECAST LIVE AT THE FOLLOWING LINK:
https://video.ibm.com/channel/XqbsvFPFApS

CALL TO ORDER

ITEMS OF BUSINESS

1. Discussion regarding next steps toward a potential indoor multi-purpose sports facility project *(Convention & Visitors Bureau)* ♦

2. Report of Convention Center 2022 accomplishments *(Convention Center)*

3. Discuss moving customer service from the Water Utilities Department to the Finance Department *~ G.Catsavis/Martin placed on a future study session agenda at the January 17, 2023 regular meeting ~ (Water Utilities)*

4. Presentation of water meter reading process *~ G.Catsavis/Martin placed on a future study session at the January 17, 2023 regular meeting ~ (Water Utilities)*

5. Review Sustainability/Green Energy efforts and an Energy Master Plan *~ Requested at the December 1, 2022 Town Hall Meeting ~ (City Administrator)*

6. Review parking issues on Fairway Hamlet Court *~ Rego/G.Catsavis placed on future study session agenda at the November 1, 2022 regular meeting / Deferred from January 24, 2023 study session, canceled due to inclement weather ~ (City Administrator)*

7. Review preliminary agenda for the May 16, 2023 regular meeting *(City Clerk)*

CITIZENS FORUM

ADJOURN

MEMORANDUM

TO: Carl E. Geffken, City Administrator

FROM: Jeff Dingman, Deputy City Administrator

DATE: May 4, 2023

SUBJECT: Discussion related to a potential indoor multi-use sports facility project.

SUMMARY

In 2021, the City of Fort Smith and the Fort Smith A&P Commission, using a grant from the Division of Arkansas Tourism, commissioned a Feasibility Study regarding an indoor mult-purpose sports facility. The study began in late 2021 and was completed in March, 2022, determining that such a project could work as an economic engine to attract visitors to Fort Smith and the River Valley.. Mr. Bill Kruger, Principle of Convention, Sports & Leisure International, LLC (CSL) delivered his presentation of the feasibility study at the June 14, 2022 study session..

Subsequently, Mr. Kruger delivered a letter in late 2022 summarizing the proposed next steps regarding this project for the City and its partners to consider.

Mr. Kruger will attend the May 9, 2023 study session to address the Board and discuss the Board's interest in continuing to pursue such a project, as well as the next steps in the process if our community wants to pursue it.

The final CSL report from March 31, 2022, the slides presented to the Board in June, 2022 and the November 9, 2022 letter from CSL are attached for your information.

ATTACHMENTS

1. Report FINAL - Fort Smith AR Indoor Sports Facility Study - 2022_03_31.pdf
2. Fort Smith AR Advisory Assistance Scope & Fee Letter 11-09-22.pdf
3. Presentation - Fort Smith AR Indoor Sports Facility Study 2022_06_14.pdf

FEASIBILITY STUDY OF A POTENTIAL NEW INDOOR SPORTS FACILITY

in Fort Smith, Arkansas

March 31, 2022

CSL

March 31, 2022

Mr. Carl Geffken
City Administrator
City of Fort Smith
623 Garrison Avenue, Room 315
Fort Smith, Arkansas 72901

Dear Mr. Geffken:

Conventions, Sports & Leisure International (CSL) has completed a report summarizing the results of a feasibility study of a potential new Indoor Sports Facility in Fort Smith, Arkansas. The purpose of the analysis is to assist the City of Fort Smith, the Fort Smith Convention & Visitors Bureau, and other stakeholders in evaluating key market, program, financial, economic and ownership/management aspects of a potential new Indoor Sports Facility in Fort Smith.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data and certain assumptions provided by stakeholders, discussions with industry participants, and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, industry trends and comparable project benchmarking, interviews with stakeholders and other local individuals, including information and assumptions provided by the aforementioned stakeholders. The analysis and findings considered the initial years of facility operation, including an anticipated COVID-19 post-pandemic recovery period. All information provided to us by the stakeholders was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material.

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

CSL International

CSL International

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EXECUTIVE SUMMARY

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Background & Methods

Conventions, Sports & Leisure International (CSL) was retained by the City of Fort Smith to conduct a feasibility study of a potential new Indoor Sports Facility in Fort Smith, Arkansas. The purpose of the analysis is to assist the City of Fort Smith, the Fort Smith Convention & Visitors Bureau, and other stakeholders in evaluating key market, program, financial, economic and ownership/management aspects of a potential new Indoor Sports Facility in Fort Smith.

The attached report outlines the findings associated with the analysis. The full report should be reviewed in its entirety to gain an understanding of analysis methods, limitations and implications.

The envisioned Indoor Sports Facility would address opportunities and needs related to sports tourism (i.e., tournaments) in Fort Smith, while also enhancing opportunities for local amateur sports and recreation users. The Facility could also serve as a key anchor for a larger sports complex/destination. The information developed as part of the study outlined herein is intended to assist City of Fort Smith, the Fort Smith Convention & Visitors Bureau, and other stakeholders with the information necessary to make informed decisions regarding the development and operation of a potential new Indoor Sports Facility in Fort Smith.

The study process consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- PROJECT EXPERIENCE: Experience garnered through more than 1,000 planning and benchmarking projects involving sports, recreation and event facilities throughout the country.
- LOCAL VISIT: Local market visit at the outset of the project, including community and facility tours, and discussions with study stakeholders and community leaders
- BENCHMARKING: Research and analysis of facility data and interviews conducted with more than 30 competitive/regional and/or comparable indoor amateur sports facilities.
- INTERVIEWS & OUTREACH: Telephone interviews and virtual meetings with stakeholders and representatives of potential user groups, including key local, state, regional and national athletic associations, organizations, clubs and leagues that run sports programs, leagues, tournaments, competitions and meets that could have an interest in a potential new Indoor Sports Facility in Fort Smith.

An outline of the study's contracted scope of work is provided below:

1. Kickoff, Project Orientation, and Interviews
2. Local Market Conditions Analysis
3. Industry Trends Review
4. Competitive/Comparable Facility Analysis
5. Market Outreach, Interviews and Surveys
6. Program, Site and Capital Cost Analysis
7. Financial Operations Analysis
8. Economic Impact Analysis
9. Ownership, Management and Partnership Options
10. Preparation and Presentation of Final Report

Market Demand

The potential development of a new Indoor Sports Facility in Fort Smith has the opportunity to better accommodate demand among Fort Smith area residents and provide a venue capable of attracting sports tourism activity to the destination. Currently, Fort Smith offers a variety of indoor amateur sports and recreation facilities; however, there are very few existing facilities that can offer a critical mass of indoor court or activity space capable of hosting tournaments, meets or other large competitions.

ES EXECUTIVE SUMMARY

In order to provide guidance to the City, CVB and other community stakeholders, CSL's project leader initially participated in a kick-off visit to Fort Smith, which included tours and meetings with key client representatives, stakeholders and business leaders. Subsequently, CSL conducted direct outreach to local area user group candidates and national/regional sports team, club, association and tournament organizers that could represent candidates for use of a new Indoor Sports Facility in Fort Smith. Overall, more than 130 organizations were targeted and nearly 50 telephone interviews were completed with organizations representing in excess of 200 activities. These groups were contacted in order to determine their interest in a new facility and the amenities and elements that would be necessary to host a variety of programming essential to the successful operations of the facility, including practices, camps, clinics, training, recreational programs, and other such uses.

Based on the results of the research and analyses conducted under this feasibility study, overall findings suggest that a distinct market opportunity exists for a new Indoor Sports Facility in Fort Smith. Key findings and conclusions related to market demand include the following:

1. OVERALL DEMAND & FACILITY FOCUS: In general, interest in a potential new Indoor Sports Facility in Fort Smith, measured through interviews with stakeholders and potential user groups, is considered moderately-strong to strong. Market research and analysis suggest that a state-of-the-industry Indoor Sports Facility, suitable to accommodate basketball, volleyball, wrestling, pickleball, dance/cheer, martial arts, indoor soccer, and off-season/supplemental training for various field sports and their related tournaments, games, practices and training activities, could address certain local and non-local market demand that is not currently being met by existing facilities in the local and regional marketplace. In particular, volleyball, basketball, wrestling and soccer appear to be some of the most prominent sports that would represent core uses of a new Indoor Sports Facility in Fort Smith.

2. DEMOGRAPHICS: The goal of any new investment in a new Indoor Sports Facility in Fort Smith would be envisioned to not only meet the needs of Fort Smith residents, but also the needs of tournaments, meets and competitions that draw out-of-town visitors to the area and generate economic and fiscal impacts to Fort Smith. As a result, the viability of any potential investment in a new Indoor Sports Facility is dependent, in large part, on local market demographic and socioeconomic characteristics of both the local and regional area, and the marketability of the community to potential visiting participants and spectators. A substantial population base exists within both the primary and secondary markets serving Fort Smith (over 225,000 within 30 minutes' drive and 5.9 million within a three-hour drive).

3. VISITOR INDUSTRY INFRASTRUCTURE: The breadth, quality, mix and location of key visitor industry amenities (such as hotels) in a local area significantly contributes to the appeal of a destination and its competitiveness in attracting tournament and other non-local activity. It is particularly important that an appropriate and appealing hotel supply exists within a 20-minute drive of the sports facility. There are in excess of 2,000 hotel guest rooms in Fort Smith, including a diversity of brands and price points across all major categories of product (i.e., limited service, extended stay, select/focused service, full service).

4. LACK OF TOURNAMENT-QUALITY FACILITIES: Research suggests that unmet demand exists in Fort Smith for a quality Indoor Sports Facility that is optimized for sports tourism attraction. Outreach and interviews have indicated the lack of facilities in Fort Smith and the surrounding region offering a critical mass of indoor courts in one location. Additionally, a number of groups and individuals indicated unmet demand for quality and sizeable indoor turf to accommodate games, training and activities—particularly for traditional outdoor field sports during the off-season and inclement weather periods.

5. IMPROVED PRODUCT TO BETTER SERVE LOCAL USERS: While optimized to attract sports tourism (i.e., tournaments, meets, and competitions), state-of-the-industry amateur sports facilities, such as the proposed subject Indoor Sports Facility, often deliver substantial benefits to local community members through enhancing the rental, practice, programming, and alternatives available for sports, recreation, leisure and wellness activities. Local usage and attendance (as opposed to non-local usage and attendance) normally contribute the majority of utilization at comparable indoor sports facilities—positively contributing to the quality of life for local citizens.

6. HIGH-IMPACT, YEAR-ROUND PRODUCT: Unlike outdoor sports facilities (such as baseball, softball or soccer complexes), hardcourt and turf-based indoor sports facilities typically have broad-based usage and tend to be highly-utilized year-round, delivering some of the highest returns-on-investment in terms of utilization, revenue and economic impact per square foot. Typical use types for indoor sports facilities offering hardcourt, sportcourt and/or turf include, but are not limited to:

- Basketball
- Volleyball
- Wrestling
- Cheerleading
- Dance
- Gymnastics
- Futsal
- Pickleball
- Table Tennis
- Badminton
- Running / Walking
- Fitness / Aerobics
- Martial Arts
- Public / Consumer Shows
- Tradeshows
- Special Events
- Soccer
- Lacrosse
- Rugby
- Field Hockey
- Football (American)
- Football (Flag)
- Football (Australian Rules)
- Baseball
- Softball
- Weightlifting / Strength Training
- Open Leisure / Recreation
- Graduations
- Civic events / festivals

ES EXECUTIVE SUMMARY

Facility Concept & Program

The purpose of this section is to build off the market demand research, analysis and conclusions related to a potential new Indoor Sports Facility in Fort Smith to evaluate market-indicated facility development options. Recommendations regarding potential facility components and other aspects evaluated in this section are based on the results of the market analysis, including the historical, current and projected demographic and socioeconomic characteristics of the market area, an assessment of existing sports and recreation facilities in the marketplace, characteristics of comparable sports facility developments throughout the country, and discussions with potential users of a new Indoor Sports Facility in Fort Smith.

Specifically, the following elements represent a target market supportable program and key attributes for a potential new Indoor Sports Facility in Fort Smith (with an example of a hypothetical program layout shown below):

- CONCEPT: Flexible, tournament-quality indoor amateur sports and recreation facility consisting of permanent hardwood courts, indoor turf, and various associated amenities.
- FACILITY SIZE: Approximately 120,000 gross square feet.
- PARKING: Approximately 900 spaces.
- SITE SIZE: Minimum of 10 acres.
- PRIMARY INDOOR ATHLETIC SURFACES:
    - Hardwood courts: 8 full-sized basketball courts (95' x 50' alleys) or 16 full-sized volleyball courts (60' x 30' alleys).
    - Synthetic turf: 1 regulation-size indoor field (200' x 85').
- CHARACTERISTICS / AMENITIES:
    - Minimum 35-foot ceiling height.
    - Dropdown nets to separate court and turf spaces (including ability to net individual batting/training cages/spaces).
    - Bleachers, athletic equipment, scoreboard, and other such equipment.
    - Locker/team rooms and party rooms consistent with industry standards.
    - Fitness/wellness spaces and equipment.
    - Walking track.
    - Play areas.
    - Food court / café.
    - Performance and esports spaces (optional).

Hypothetical Layout of a Potential New Fort Smith Indoor Sports Facility

Construction Costs (order-of-magnitude)

An analysis was conducted associated with order-of-magnitude hard construction costs pursuant to the supportable building program elements presented on the previous page. Site costs (acquisition and preparation) have not been included. Construction costs tend to vary widely among comparable sports facility projects. Many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, and other such aspects. Importantly, a detailed architectural concept, design and costing study would be required to specifically estimate construction costs for a potential new Indoor Sports Facility in Fort Smith. Based on an assumed hard construction cost of $200 per gross square foot, order-of-magnitude hard construction costs for a new Indoor Sports Facility in Fort Smith could approximate $24.0 million. Assuming soft costs (not including site acquisition) of approximately $7.2 million, total order-of-magnitude hard and soft construction costs associated with a new Fort Smith Indoor Sports Facility could approximate $31.2 million.

Governance, Site & Phasing Opportunities

Given the mission and goals stated by the City with respect to the Sports Facility, along with the project's expected physical and operational characteristics, it is believed that the appropriate governance and oversight model for a new Indoor Sports Facility in Fort Smith would be a hybrid public/private model. This would involve public ownership via the City of Fort Smith, contracted private management, and an Oversight Board. Through coordination and collaboration with the City, management team, tenant groups, and other local area facilities, the Oversight Board would be responsible for the Indoor Sports Facility's schedule and use calendar, as well as its rates and discounting policies. This type of structure could work to ensure equitable scheduling and rates, as well as mitigating cannibalization of local user group activity at existing local sports facilities. This would allow for appropriate scaling should the Indoor Sports Facility represent one of several phases of development of a sports complex destination.

As important as size and configuration, the location and site of an amateur sports facility can have a significant impact on the facility's ability to generate attendance (local and nonlocal), as well as its financial and economic success. Modern indoor amateur sports facilities are often co-located with high-quality outdoor fields (rectangle and/or diamond fields) that are positioned for establishing a "sports destination" through a campus of facilities, fields and amenities, while leveraging operating, marketing, and branding synergy for the purpose of attracting sports tourism, as well as accommodating local demand. As such, many sports complexes tend to involve relatively large sites. A large number of characteristics and factors are typically important when evaluating the attractiveness of a site location. These include, but are not limited to:

- Size, cost, and ownership complexity of site.
- Nearby accessibility to major interstates/roadways.
- Driving proximity to primary population concentrations.
- Ability to leverage existing infrastructure/prior investment.
- Requirements/preferences of a private partner.
- Proximity to quality hotel inventory.
- Proximity to restaurants, retail, nightlife, and entertainment.
- Parking availability.
- Ingress/egress.
- Site visibility.
- Synergy with public sector initiatives/master plans.
- Compatibility with surroundings.

Based on community tours and interviews with stakeholders and user groups, it is believed that three particular site areas in Fort Smith successfully address many of the factors above and also leverage existing infrastructure (including existing athletic fields, while also allowing for room for potential future expansion):

- Site A (Northwest Ft. Smith)
- Site B (Ben Geren Regional Park)
- Site C (Chaffee Crossing)

In terms of project phasing, some communities elect to first build, or improve, fields at the target master plan site, followed by a second or third phase that may include an indoor sports facility. Relative to Fort Smith, there would be the option to improve existing fields (i.e., install synthetic turf and other amenities) at any of the three sites. Under competitive bid situations, an industry rule-of-thumb is approximately $800,000 to $1.0 million per field to install synthetic turf. Assuming a useful life of between 12 to 15 years, costs to replace the turf is typically 20 to 30 percent lower than the initial purchase and install cost.

Cost / Benefit Analysis

An analysis was completed to produce key cost/benefit estimates associated with a potential new Indoor Sports Facility in Fort Smith, Arkansas. Performance estimates for the Indoor Sports Facility have been presented over a 20-year projection period. For purposes of this analysis, construction is assumed to commence during 2023 and be completed in 2024, while the first full year of operations is assumed to be 2025. A stabilized year of operation is assumed to occur by the fourth full year of operation (assumed 2028). The assumptions used in this analysis are based on the market research and analysis, past experience with hundreds of similar sports facility projects, local market visits and City, CVB and stakeholder-provided data, industry trends, knowledge of the marketplace, and use/financial results from comparable facilities. These estimates are designed to assist project representatives in assessing the financial and economic effects of a new Indoor Sports Facility and cannot be considered a presentation of expected future results. Accordingly, the analysis of potential financial operating results and economic impacts may not be useful for other purposes. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.

A detailed utilization model was developed to consider a large number of variables and inputs to analyze each sport/use for a potential new Indoor Sports Facility in Fort Smith. For instance, when considering different types of usage (i.e., use from local leagues/clubs versus non-local tournaments/meets versus clinics/camps/lessons versus open recreation, etc.), separate assumptions were used to generate usage and attendance (participants and spectators) estimates. The exhibit below presents a summary of key utilization levels associated with a new Indoor Sports Facility in Fort Smith.

UTILIZATION	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
LEAGUE TEAMS					
Basketball	45	50	55	60	1,170
Volleyball	33	38	43	48	930
Other Court Users	24	28	32	36	696
Indoor Soccer	24	28	32	36	696
Other Turf Users	30	33	36	39	762
Total	156	177	198	219	4,254
LEAGUE GAMES					
Basketball	720	800	880	960	18,720
Volleyball	528	608	688	768	14,880
Other Court Users	336	392	448	504	9,744
Indoor Soccer	336	392	448	504	9,744
Other Turf Users	420	462	504	546	10,668
Total	2,340	2,654	2,968	3,282	63,756
TOURNAMENTS					
Basketball	9	10	15	17	323
Volleyball	12	15	19	22	420
Other Court Users	4	6	8	10	188
Indoor Soccer	6	8	11	13	246
Other Turf Users	7	9	12	14	266
Total	38	48	65	76	1,443
TOURNAMENT GAMES					
Basketball	1,176	1,248	2,064	2,280	43,248
Volleyball	1,320	1,728	2,352	2,760	52,320
Other Court Users	180	288	396	504	9,432
Indoor Soccer	192	264	432	504	9,456
Other Turf Users	192	264	432	504	9,456
Total	3,060	3,792	5,676	6,552	123,912
CAMPS & OTHER RENTALS					
Basketball	42	48	54	60	1,164
Volleyball	60	60	60	60	1,200
Other Court Users	12	12	18	18	348
Indoor Soccer	48	60	72	72	1,404
Other Turf Users	24	30	36	36	702
Private Rentals/Practices/Drop-in	2,900	2,900	2,900	2,900	58,000
Total	3,086	3,110	3,140	3,146	62,818

ES EXECUTIVE SUMMARY

Based on the preliminary analysis, upon stabilization (assumed fourth full year of operation), a new Indoor Sports Facility in Fort Smith is estimated to generate a net operating profit of approximately $319,000, before debt service and capital repair/replacement funding. This projected level of operating profit is consistent with other comparable indoor sports facilities throughout the country.

An investment in a new Indoor Sports Facility project will be expected to provide substantial quantifiable benefits. These quantifiable benefits often serve as the "return-on-investment" of public dollars that are contributed to develop the facility project and site. Quantifiable measurements of the effects that facility project could have on the local economy are characterized in terms of economic impacts and fiscal impacts. Direct spending represents the primary spending that would occur as a result of the construction and operations of the Indoor Sports Facility.

Based on analysis results, a summary of key cost/benefit projections for a new Indoor Sports Facility in Fort Smith associated with its construction and annual operations is presented below (upon stabilization of operations, assumed to occur by the fourth full year of operations).

SUMMARY OF ESTIMATED KEY PROJECTIONS ASSOCIATED WITH A NEW INDOOR SPORTS FACILITY IN FORT SMITH, ARKANSAS
(Operating Impacts Reflect Annual Impacts Upon Stabilization, Assumed Fourth Full Year of Operations)

ANNUAL ATTENDEE DAYS 554,300	ANNUAL NON-LOCAL ATTENDEE DAYS 206,300	ANNUAL HOTEL RM NIGHTS 39,800
ANNUAL FINANCIAL OPERATING RESULTS $0.32M	CONSTRUCTION COSTS $31.2M	CONSTRUCTION ECONOMIC IMPACT $26.3M
ANNUAL DIRECT SPENDING $25.2M	+ ANNUAL INDIRECT/INDUCED SPENDING $17.2M	= ANNUAL ECONOMIC OUTPUT $42.4M
ANNUAL PERSONAL INCOME $17.4M	ANNUAL EMPLOYMENT (FULL & PART-TIME JOBS) 542	ANNUAL CITY TAX REVENUE $0.76M

In addition to the quantifiable projections of utilization, financial operations and economic impacts shown above, there are a number of potential benefits associated with a new Indoor Sports Facility in Fort Smith that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These qualitative impacts/benefits may include:

- Potential transformative and iconic effects.
- Enhanced quality of life for community residents.
- Inducement of follow-up visitation.
- Spin-off development.
- Anchor for revitalization of targeted areas within a community.
- Various other benefits.

1

INTRODUCTION

1 INTRODUCTION

Introduction & Background

Conventions, Sports & Leisure International (CSL) was retained by the City of Fort Smith to conduct a feasibility study of a potential new Indoor Sports Facility in Fort Smith, Arkansas. The purpose of the analysis is to assist the City of Fort Smith, the Fort Smith Convention & Visitors Bureau, and other stakeholders in evaluating key market, program, financial, economic and ownership/management aspects of a potential new Indoor Sports Facility in Fort Smith.

The envisioned Indoor Sports Facility would address opportunities and needs related to sports tourism (i.e., tournaments) in Fort Smith, while also enhancing opportunities for local amateur sports and recreation users. The Facility may also serve as a key anchor for a larger sports complex/destination. The information developed as part of the study outlined herein is intended to assist City of Fort Smith, the Fort Smith Convention & Visitors Bureau, and other stakeholders with the information necessary to make informed decisions regarding the potential development and operation of a potential new Sports Facility in Fort Smith.

The study process consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- PROJECT EXPERIENCE: Experience garnered through more than 1,000 planning and benchmarking projects involving sports, recreation and event facilities throughout the country.
- LOCAL VISIT: Local market visit at the outset of the project, including community and facility tours, and discussions with study stakeholders and community leaders
- BENCHMARKING: Research and analysis of facility data and interviews conducted with more than 30 competitive/regional and/or comparable indoor amateur sports facilities.
- INTERVIEWS & OUTREACH: Telephone interviews and virtual meetings with stakeholders and representatives of potential user groups, including key local, state, regional and national athletic associations, organizations, clubs and leagues that run sports programs, leagues, tournaments, competitions and meets that could have an interest in a potential new Indoor Sports Facility in Fort Smith.

An outline of the study's contracted scope of work is provided below:

1. Kickoff, Project Orientation, and Interviews
2. Local Market Conditions Analysis
3. Industry Trends Review
4. Competitive/Comparable Facility Analysis
5. Market Outreach, Interviews and Surveys
6. Program, Site and Capital Cost Analysis
7. Financial Operations Analysis
8. Economic Impact Analysis
9. Ownership, Management and Partnership Options
10. Preparation and Presentation of Final Report

2

LOCAL & REGIONAL CONDITIONS

2 LOCAL & REGIONAL CONDITIONS

Introduction

An important component in assessing the potential success of a new Indoor Sports Facility in Fort Smith is the demographic and socioeconomic profile of the local and regional market. The strength of a market in terms of its ability to support and utilize sports and recreation facilities is measured, to some extent, by the size of the regional market area population, its age, income, and other characteristics. In addition to the demographic profile of the local and regional market area, other local market characteristics have relevance when considering the attractiveness of a particular community as a host for high-quality sports and recreation facilities. These include items such as transportation accessibility, existing inventory of athletic facilities, and visitor amenities (such as hotels, attractions and other such items).

Market & Destination Attributes

Located in northwestern Arkansas in Sebastian County, Fort Smith is the third-largest city in the state. Fort Smith lies on the Arkansas/Oklahoma state border, situated at the junction of the Arkansas and Poteau rivers. With a total area of 64.6 square miles, the current estimated population of the city of Fort Smith is 86,109, while the population of Sebastian County is estimated at 131,609. City government is comprised of a Mayor and a Board of Directors composed of three members elected at-large and four members elected by ward. Fort Smith sits just southwest of the intersection of Interstate 40 and Interstate 49, with US 71 and US 64 also running through the community. The Fort Smith Regional Airport (FSM) serves the area and includes service by two commercial airlines with flights to Dallas/Fort Worth and Atlanta.

Fort Smith has historical roots as a manufacturing hub, with major manufacturing plants located in the city, including Rheem, Trane, Georgia-Pacific, Gerber, Kraft Heinz Company-Planters Peanuts, Mars Petcare, Umarex USA, Graphic Packaging, International Paper, Pernod Ricard-USA, and others.

With an enrollment of approximately 6,500, the University of Arkansas at Fort Smith is the area's primary institution of higher learning and is part of the the University of Arkansas System. It is the sixth-largest university in Arkansas. The university campus is centrally-located in the community, occupying 168 acres. High schools in Fort Smith include the public Northside High School and Southside High School, along with the private Union Christian Academy and Northside Christian Academy.

Chaffee Crossing, located in southeast Fort Smith represents a significant growth area in the Fort Smith area. In 1995, the U.S. Department of Defense Base Realignment and Closure (BRAC) Commission recommended the permanent closure of Fort Chaffee. The federal government opted to lease 65,000 acres to the Arkansas Army National Guard to be used for training. The remaining 7,000 acres were turned over to local communities for redevelopment. The Fort Chaffee Redevelopment oversees the development of the land, creating residential developments with quality of life and recreational attractions.

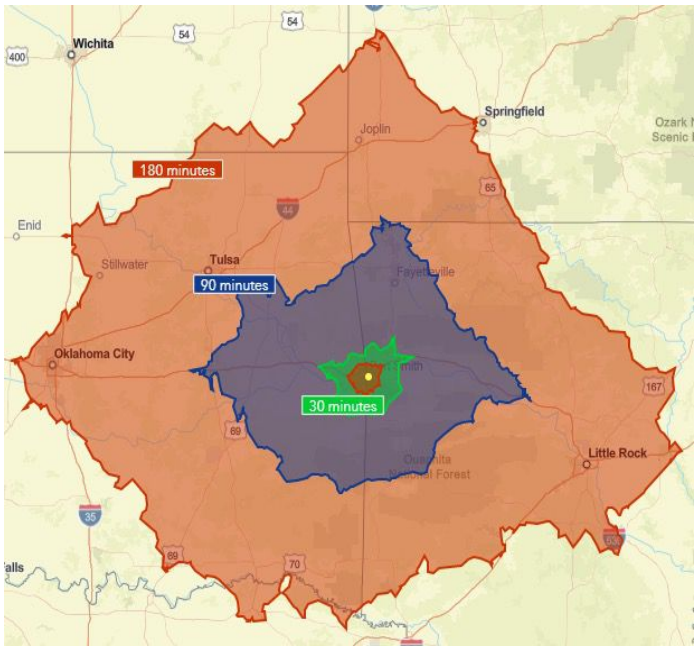
Key attractions in Fort Smith include the Fort Smith National Historic Site, the Clayton House Museum, the Belle Grove Historic District, Miss Laura's Social Club (also the current location of the Fort Smith Convention & Visitors Bureau), Fort Chaffee, and the soon-to-be-completed National U.S. Marshals Museum located on the banks of the Arkansas River.

2 LOCAL & REGIONAL CONDITIONS

Location & Accessibility

Transportation access is vital to the success of any sports or event facility. Ease of access is not only important from the perspective of attracting participants and spectators, but also factors into the site selection process of tournament producers and other sponsoring organizations. The exhibit and map below illustrates the proximity of Fort Smith with other nearby markets and the markets/land area captured within 15, 30, 90, and 180 minutes of drive-time of the downtown Fort Smith. These distances will be utilized on the subsequent page and later in the report for purposes of comparing demographic and socioeconomic variables.

Proximity and Drive Times of Key Regional Markets to Fort Smith



City, State	Distance to Fort Smith (miles)	Distance to Fort Smith (hrs:min)	Market Population
Fayetteville, AR	58	1:18	85,200
Tulsa, OK	118	2:24	413,100
Little Rock. AR	160	2:40	202,600
Hot Springs, AR	128	2:55	37,900
Oklahoma City, OK	183	3:19	68,100
Springfield, MO	205	3:29	169,200
Memphis, TN	286	4:30	633,100
Kansas City, MO	293	4:49	508,100
Dallas, TX	266	4:50	1,304,000
Shreveport, LA	257	4:56	187,600
Wichita, KS	294	4:57	397,500
St. Louis, MO	418	6:36	300,600

Demographic & Socioeconomic Characteristics

The exhibit on the following page presents a summary of key demographic metrics associated within the aforementioned driving distances surrounding downtown Fort Smith, along with city of Fort Smith, Sebastian County, state of Arkansas and United States benchmarking data.

As shown in the exhibit, the estimated population within a 30-minute drive of downtown Fort Smith is approximately 225,900 and is expected to grow slightly over the next five years. The population within 90 minutes of the Fort Smith increases significantly to more than 1.2 million, while an estimated 6.1 million people reside within a three-hour's drive of Fort Smith.

Additionally, household income is another important socioeconomic characteristic of host markets that typically impacts facility performance. Median household income within 30 minutes of downtown Fort Smith is lower than that of the Arkansas and US benchmarks.

2 LOCAL MARKET CONDITIONS

Summary of Key Demographics Associated with Fort Smith, Arkansas

DEMOGRAPHIC VARIABLE	15-Minutes	30-Minutes	90-Minutes	180-Minutes	City of Fort Smith	Sebastian County	State of Arkansas	United States
POPULATION:								
2010 Total Population	119,861	214,722	1,054,270	5,434,777	80,641	125,744	2,915,918	308,745,538
2021 Total Population	124,990	225,874	1,186,266	5,891,965	86,109	131,609	3,116,869	333,934,112
2026 Total Population	127,016	230,413	1,245,800	6,100,559	90,872	134,286	3,200,145	345,887,495
Historical Annual Growth (2010-2020)	4.28%	5.19%	12.52%	8.41%	6.78%	4.66%	2.62%	8.16%
Projected Annual Growth (2021-2026)	1.62%	2.01%	5.02%	3.54%	5.53%	2.03%	2.67%	3.58%
AGE:								
Median Age	37.3	38.9	37.1	38.3	37.0	38.4	39.2	38.5
Population age 25 to 44	26.49%	26.04%	26.84%	26.50%	28.10%	26.17%	26.06%	26.60%
AGE DISTRIBUTION:								
Under 15	20.00%	19.32%	19.66%	18.89%	19.55%	19.50%	18.50%	18.40%
15 to 24	12.83%	12.03%	13.40%	12.88%	13.28%	12.29%	12.54%	13.00%
25 to 34	14.14%	13.67%	14.07%	13.81%	14.74%	13.74%	13.54%	14.00%
35 to 44	12.35%	12.37%	12.77%	12.69%	13.36%	12.43%	12.52%	12.60%
45 to 54	11.48%	12.02%	11.55%	11.55%	11.82%	11.80%	11.67%	12.50%
55 and over	29.21%	30.60%	28.54%	30.20%	27.23%	30.23%	31.25%	29.50%
HOUSEHOLD INCOME:								
Median Household Income	$42,563	$46,593	$50,857	$52,893	$43,512	$49,227	$49,048	$62,203
Per Capita Income	$23,703	$24,559	$27,089	$28,650	$25,036	$26,320	$26,797	$34,136
INCOME DISTRIBUTION:								
$0 to $24,999	27.10%	25.17%	23.44%	22.43%	31.63%	23.84%	25.10%	19.10%
$25,000 to $49,999	28.92%	27.42%	25.62%	24.43%	28.42%	26.67%	25.57%	20.90%
$50,000 to $74,999	18.43%	18.70%	18.30%	18.89%	20.46%	19.27%	18.31%	17.30%
$75,000 to $99,999	10.56%	11.79%	11.60%	12.05%	8.50%	11.89%	11.52%	12.60%
$100,000 to $149,999	9.71%	11.39%	12.24%	12.95%	6.53%	11.77%	11.68%	15.30%
$150,000 or more	5.27%	5.53%	8.80%	9.26%	4.46%	6.55%	7.82%	14.80%
POPULATION BY RACE/ETHNICITY:								
White/Caucasian	67.35%	74.36%	73.86%	72.17%	65.80%	72.32%	74.53%	72.40%
Black/African American	7.64%	4.92%	3.41%	9.21%	9.56%	6.71`%	15.49%	12.60%
American Indian	3.37%	4.87%	7.05%	5.56%	2.51%	2.04%	0.87%	0.90%
Asian	4.94%	3.38%	2.60%	2.41%	3.23%	4.88%	1.68%	4.80%
Pacific Islander	0.14%	0.10%	0.85%	0.29%	0.15%	0.14%	0.36%	0.20%
Other Race	10.99%	6.96%	7.18%	5.13%	13.23%	9.27%	4.39%	6.20%
Two or More Races	5.58%	5.41%	5.06%	5.25%	5.53%	4.65%	2.67%	2.90%
Hispanic Origin	18.06%	12.22%	13.07%	10.35%	21.18%	15.45%	8.24%	16.30%
Diversity Index	67.4	56.1	57.3	56.6	70.4	60.8	50.8	60.6
BUSINESS:								
Total Business 2021	5,407	7,665	37,062	212,488	1,608	4,962	103,073	11,994,763
Total Employees 2021	82,208	105,282	493,641	2,639,009	20,903	75,881	1,306,462	146,120,824
Employee/Residential Population Ratio	0.66:1	0.47:1	0.42:1	.045:1	0.98:1	0.58:1	0.42:1	0.44:1

Source: Esri, 2022.

The level of population from which sports and recreation facilities will draw participants, both short-term and long-term, impacts the utilization of the facilities. Additionally, household income is another important socioeconomic characteristic of host markets that typically impacts facility performance. Income levels can serve as an indication of area households' ability to support sports and recreation in the region by paying league and registration fees and other costs associated with participation. The affluence of area households can also impact the types of programming that will be most successful at a sports and recreation facility.

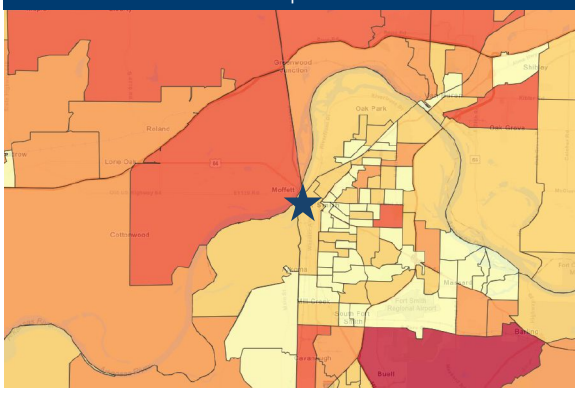
As is typical in most communities housing a sports and recreation facility of the nature being considered, the marketplace will likely be sensitive to material increases in sports registration fees that may become necessary to support the operations of a potential new Indoor Sports Facility. In developing fee structures for a potential new Indoor Sports Facility in Fort Smith, it will be important to identify price points that allow local swim/sports/recreational organizations to afford to use the facility without pricing-out the participant base through increased participation/registration fees. To potentially mitigate the impact of lower household incomes, it may become important to emphasize the opportunities provided by a sports facility to youths from underprivileged families. Further, it may be beneficial to consider scholarship and other financial assistance programs to maximize utilization of the facility.

2 LOCAL MARKET CONDITIONS

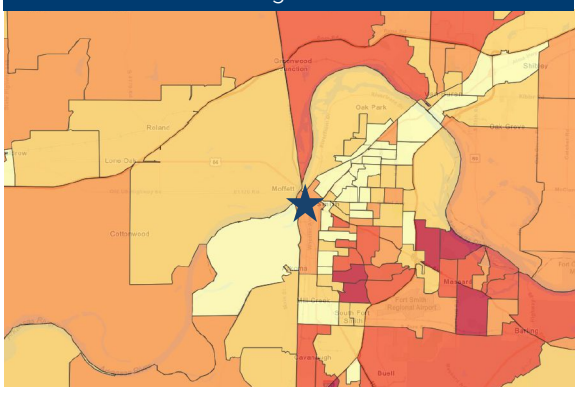
The regional corporate base (number of companies) also can play an important role in the success of sports facilities. Corporate sponsorships and donations are potential sources of capital funding and operating income for amateur sports and recreation facilities. The majority of corporate sponsorship opportunities in comparable sports facilities are often in the form of sponsorships, banners, scoreboard advertising and other such opportunities; many of which would be relatively inexpensive. As a result, a significant portion of companies within a host market have the opportunity to participate in advertising and sponsorship opportunities at local sports and recreation facilities.

The maps below detail heat maps by census tract that show the Fort Smith area, with the stars indicating the center of downtown Fort Smith. The heat maps display the relative density of demographic data points as smoothly varying sets of colors ranging from cool (lighter color, indicating a low density of points) to hot (darker color, indicating a high relative density of points).

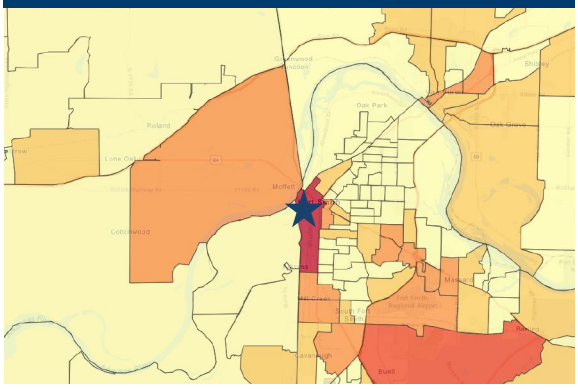
2022 Population



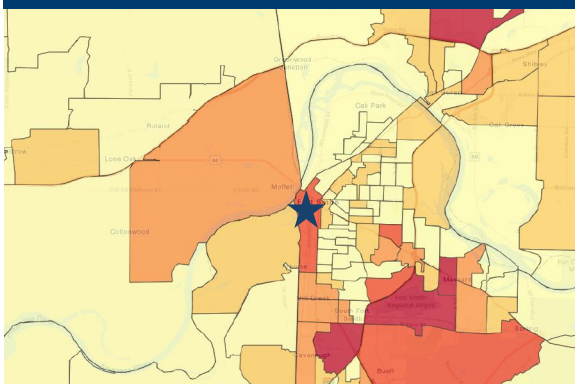
2022 Average HH Income



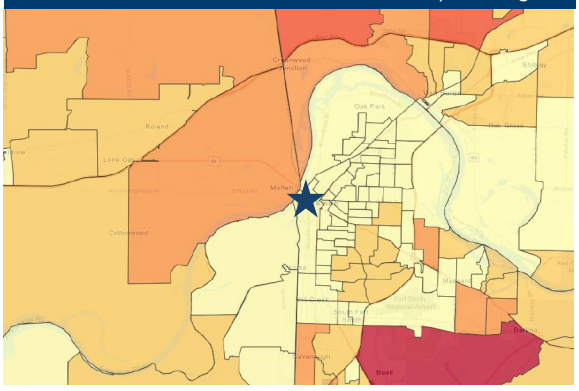
2022 Number of Businesses



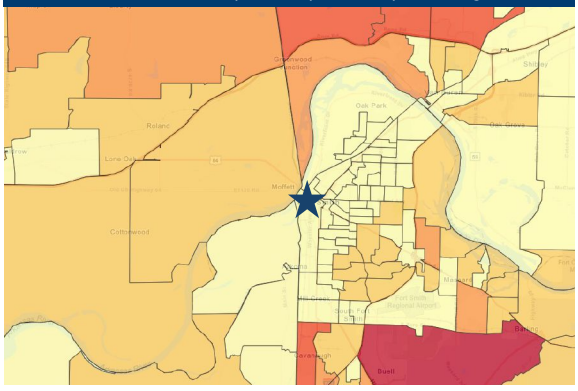
2022 Retail Sales



2022 Entertainment/Recreation Spending



2022 Participant Sports Spending



2 LOCAL & REGIONAL CONDITIONS

Corporate Base

The breadth and characteristics of the inventory of companies within a particular market can provide an indication of the general potential for propensity to purchase sponsorship/advertising in major sports facilities. Indirectly, the size of a local corporate base tends to be correlated with the level and breadth of supporting community amenities (i.e., hotels, restaurants, transportation infrastructure, etc.), which are relevant when considering non-local events, such as tournaments, meets, and competitions.

The largest 20 employers in Fort Smith are listed in the exhibit below. The major employers in Fort Smith fall under a variety of industries such as manufacturing, healthcare, technology, education and government. OK Foods, Inc. and Mercy-Fort Smith are presently the largest two employers with approximately 3,150 and 3,050 employees, respectively.

Summary of Largest Employers in Fort Smith

	Facility Name	Industry	Estimated Number of Employees
1	OK Foods, Inc.	Manufacturing	3,150
2	Mercy-Fort Smith	Healthcare	3,050
3	Fort Smith Public Schools	Education	2,150
4	Baptist Health-Fort Smith	Healthcare	1,750
5	ArcBest	Logistics	1,650
6	ABB	Technology	1,600
7	Simmons Foods	Manufacturing	1,600
8	University of Arkansas - Fort Smith	Education	1,150
9	City of Fort Smith	Government	1,100
10	Bost, INC	Non-profit	1,000
11	Rheem Manufacturing Co.	Manufacturing	850
12	188th Wing	Military	850
13	Choctaw Casino & Resort Pocola	Hospitality	750
14	Sykes Enterprises	Technology	650
15	Shared Services Center	Business Services	650
16	Mars Petcare	Manufacturing	600
17	Gerdau	Manufacturing	550
18	Gerber Products Company	Manufacturing	500
19	Greenwood School District	Education	500
20	Arvest Bank	Financials	450
	TOTAL (Top 20)		24,550

Source: Fort Smith Regional Chamber of Commerce, 2022.

2 LOCAL & REGIONAL CONDITIONS

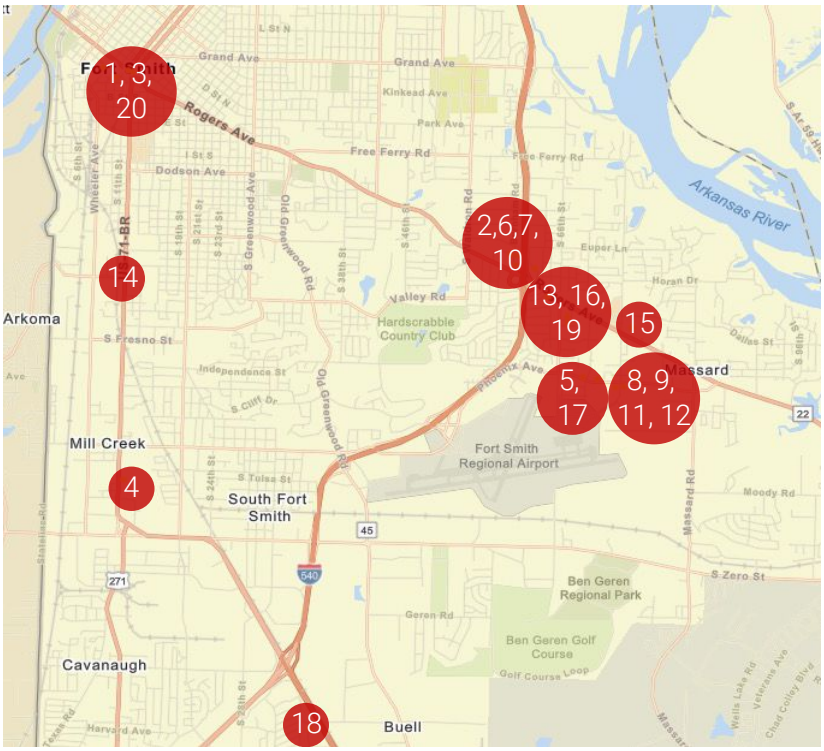
Hotel Inventory

As previously mentioned, a community's hospitality infrastructure, in terms of hotels, restaurants, entertainment and other such factors, normally contributes heavily to the potential success of a sports tourism facility, such as the potential new Indoor Sports Facility in Fort Smith. The marketability of sports tourism facilities typically increase when supporting amenities infrastructure exist within close driving proximity.

The chart and map below summarize the key lodging facilities located in Fort Smith. Of lodging properties offering at least 50 sleeping rooms in Fort Smith, there is a total of just over 2,000 hotel room provided through 20 hotels. Fort Smith's hotel inventory is fairly distributed throughout the community, with three properties located in downtown Fort Smith's central business district, including the 255-room full-service Wyndham that is attached to the Fort Smith Convention Center. This distribution and mix of hotel products and associated price points is considered favorable for supporting a potential new Indoor Sports Facility in Fort Smith.

Summary of Primary Lodging Facilities in Fort Smith

	Facility Name	Hotel Guest Rooms (number)
1	Wyndham	255
2	Hampton Inn	178
3	Courtyard by Marriott	138
4	River Valley Inn & Suites	123
5	Holiday Inn Express & Suites	110
6	Rodeway Inn	108
7	Baymont by Wyndham	96
8	Fairfield Inn & Suites	94
9	Home2 Suites by Hilton	90
10	Quality Inn	89
11	Homewood Suites by Hilton	88
12	Candlewood Suites	87
13	Comfort Inn & Suites	83
14	Super 8 by Wyndham	80
15	Residence Inn	78
16	La Quinta Inn & Suites	71
17	Remy Inn & Suites	63
18	Rest Inn	61
19	Best Western Aspen	57
20	Red Roof Inn	54
		2,003 TOTAL



Source: Fort Smith Convention & Visitors Bureau, Google maps, 2022.

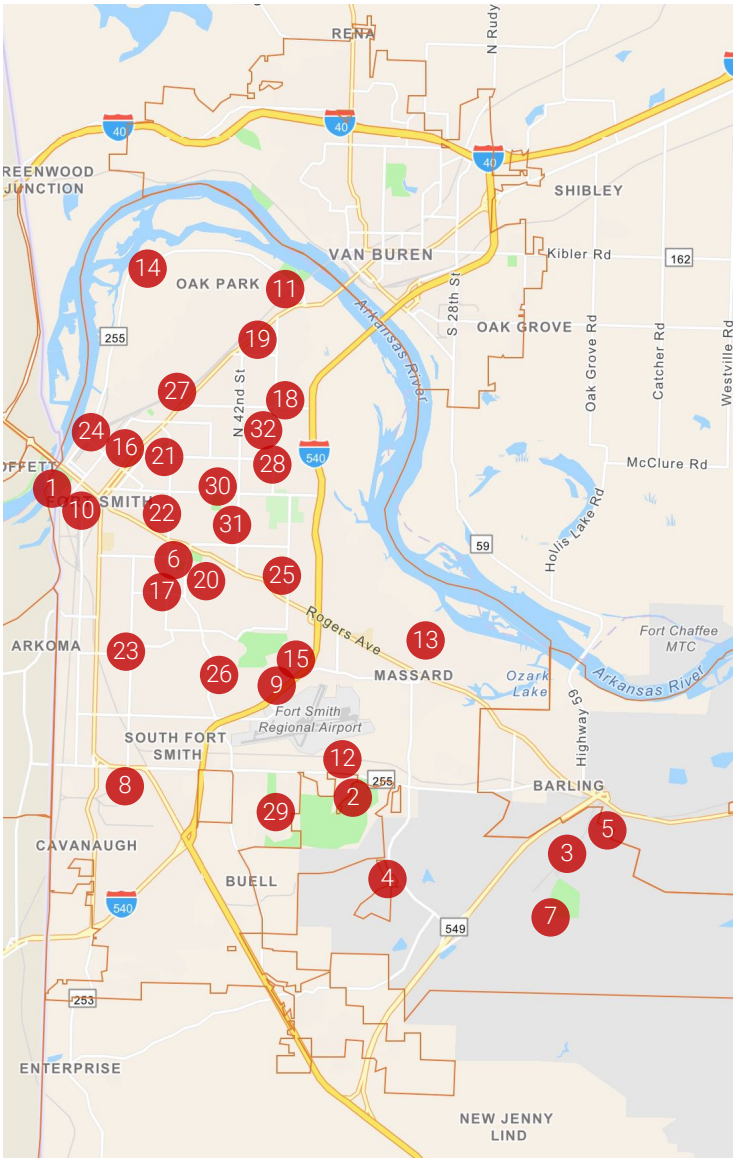
2 LOCAL & REGIONAL CONDITIONS

Local Amateur Sports & Recreation Facilities

The number of potentially competitive sports and recreation facilities in the local market is also an important consideration with respect to the overall viability of any new sports facility project. There are presently a limited number of facilities within Fort Smith that offering high quality facilities and multiple sports surfaces in a single facility that could potentially compete for the types of sports tourism business (i.e., tournaments, meets and competitions) that a new Indoor Sports Facility could. Most of the facilities listed below would not represent significant competitors for a new Indoor Sports Facility in Fort Smith. Ben Geren Regional Park and Kelley Park Ballfields currently represent the two largest and most prominent outdoor field complexes in Fort Smith. Since its opening, the Fort Smith Convention Center has represented the largest flat floor space for certain indoor tournaments, such as volleyball tournaments; however, as it is not a dedicated sports facility, the cost to convert an exhibit hall for tournament and sports use is significant.

Summary of Local Amateur Sports & Recreation Facilities in Fort Smith

	Facility Name	Basketball Courts	Volleyball Courts	Rectangle Fields	Diamond Fields	Indoor Other	Outdoor Other
1	ArcBest Performing Arts Center					x	
2	Ben Geren Regional Park		3	12	10		
3	Chaffee Crossing Soccer			2			
4	Chaffee Crossing Trails						x
5	Chaffee Pickleball Complex						x
6	Creekmore Park						x
7	Deer Trails Country Club						x
8	Evans Boys & Girls Club	4		1			
9	Fort Smith Athletic Club					x	x
10	Fort Smith Convention Center	4	8				
11	Fort Smith Park	1		1			
12	FS Juniors Volleyball Complex		4				
13	Goldtrap Boys & Girls Club	1		1			
14	Greg Smith River Trail						x
15	Hardscrabble Country Club					x	x
16	Harley Wilson Park	2					
17	Hunt's Park			1	1		
18	Jeffrey Boys & Girls Club			3			
19	Kay Rodgers Park					x	x
20	Kelley Park Ballfields				8		
21	Martin Luther King Park	2		3	1		
22	Northside High School	1	2	1			
23	Ramsey Junior High						x
24	Riverfront Skate & Bike Park						x
25	River Valley Fitness					x	
26	Southside High School	1	2	1			
27	Stephens Boys & Girls Club	2		3			
28	Stubblefield Center	1	2				
29	The Links						x
30	Tilles Park	1					
31	Trinity Junior High						x
32	U of A Fort Smith		2		1		
	TOTALS	20	23	29	28		



2 LOCAL & REGIONAL CONDITIONS

Of the facilities listed on the previous page, the five presented below represent key indoor facilities that accommodate a significant share of local and non-local indoor sports activity.

Ben Geren Regional Park
Ben Geren Regional Park contains some of the finest bike trails in Arkansas, disc golf, a fitness course, 27-hole mini golf course, pavilions, a playground, community building, soccer fields, softball fields, tennis courts, sand volleyball courts. Additionally, it includes the Torraine Lake which includes canoes and kayaks and is stocked twice annually with channel catfish and rainbow trout. Ben Geren Park presently offers Fort Smith's largest concentration of grass soccer fields (12) and grass/dirt diamond fields (10).

Fort Smith Convention Center
Located in the heart of downtown is the Fort Smith Convention Center, including 116.800 square feet of event space. This includes a 1,331-seat performing arts center, 40,000-square foot exhibit hall, eight standard meeting rooms, two rotundas and outdoor space. In addition to several large volleyball tournaments annually hosted, the convention center is also used by several youth sports organizations, primarily local volleyball clubs such as the Fort Smith Juniors. As is the case with most convention centers, significant set-up and tear-down activities are required to host high-profile sports tournaments.

Stubblefield Center (University of Arkansas-Fort Smith)
The 80,800-square foot Joel R. and Barbara Stubblefield Convocation Center opened in January of 2002 at a cost of $9.4 million. The facility offers a high-tech sound system and two large video screens on the overhead scoreboard. The Gayle Kaundart Arena at the Stubblefield Center is known among the best arenas in NCAA Division II Athletics. The facility also hosts a variety of high school basketball and volleyball games, high school tournaments and camps/clinics, science fairs, academics competitions and concerts.

Northside and Southside High School Athletic Facilities
The North and Southside High Schools both include two courts with additional space suitable for a third. The two High Schools accommodate their own indoor sports programs, which include boys and girls' basketball, volleyball, cheerleading, dance, gymnastics and boys and girls' wrestling. As with most high schools, availability of the two schools' athletic facilities for external, non-school programs and private rentals is typically limited and not actively marketed.

River Valley Fitness & Training Center
River Valley Fitness is privately-owned and operated gym, fitness and athletic training facility in Fort Smith. The facility is membership-based and includes a variety of training spaces and equipment. The facility offers gym space, pickleball courts, a small turf training areas, and wrestling, MMA and boxing training space. The facility is currently being used by various local wrestling clubs for training and practices. River Valley Fitness & Training Center has a full-time staff of five, who instruct and coach a variety of fitness and athletic classes.

3

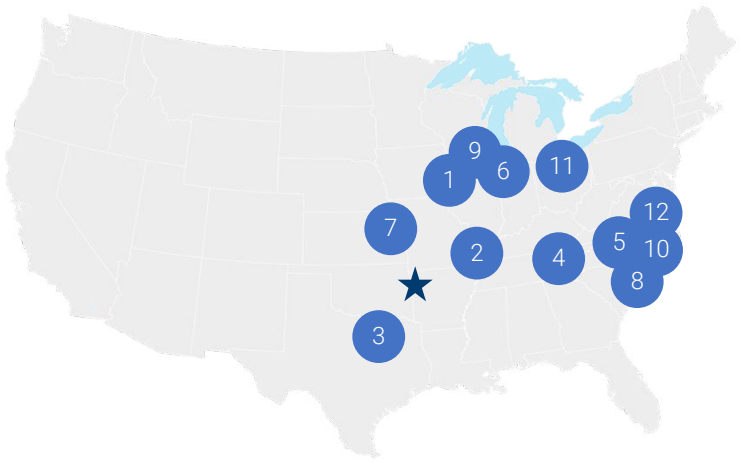
COMPARABLE FACILITIES

3 COMPARABLE FACILITIES

Overview

A benchmarking analysis of selected comparable indoor amateur sports facilities located throughout the country was conducted. This section provides information on the various physical and operational characteristics of comparable facilities. The data helps place a potential new Indoor Sports Facility in Fort Smith within a comparable context with respect to facility offerings, demographics and other related host market features.

The comparable facilities reviewed were selected based on their characteristics, space offerings and the size and location of the markets in which they are located. The exhibit below presents a summary of the 12 selected comparable indoor sports facilities and markets analyzed.



Summary of Characteristics of Selected Comparable Facilities

	Facility Name	City, State	Year Opened	Owner	Operator	Basketball Courts (number)	Volleyball Courts (number)	Indoor Turf (SF)
1	TBK Bank Sportsplex	Bettendorf, IA	2018	The BettPlex, LLC	The BettPlex, LLC	8	8	78,000
2	Cape Girardeau Sportsplex	Cape Girardeau, MO	2017	City of Cape Girardeau	City of Cape Girardeau	6	12	34,000
3	Fieldhouse USA	Frisco, TX	2009	City of Frisco	Fieldhouse USA	12	12	20,000
4	Rocky Top Sports World	Gatlinburg, TN	2014	City of Gatlinburg	Sports Facilities Companies	6	12	-
5	Greensboro Sportsplex	Greensboro, NC	2002	City of Greensboro	City of Greensboro	8	8	24,000
6	Hammond Sportsplex	Hammond, IN	2018	City of Hammond	City of Hammond	6	10	34,000
7	Sports Pavilion Lawrence	Lawrence, KS	2014	City of Lawrence	City of Lawrence	8	16	17,000
8	Myrtle Beach Sports Center	Myrtle Beach, SC	2015	City of Myrtle Beach	Sports Facilities Companies	8	16	-
9	UW Sports Factory	Rockford, IL	2016	City of Rockford	Rockford Park District	8	16	-
10	Rocky Mount Event Center	Rocky Mount, NC	2018	City of Rocky Mount	Sports Facilities Companies	8	16	-
11	Cedar Point Sports Center	Sandusky, OH	2020	Cedar Point Fair	Sports Facilities Companies	10	18	-
12	Virginia Beach Sports Center	Virginia Beach, VA	2020	City of Virginia Beach	Eastern Sports Management	12	24	-
	AVERAGE		2015			8	14	34,500
	MEDIAN		2017			8	14	29,000

Source: CSL research, interviews with facility management, facility websites, Esri, 2022.

Demographic Comparison

The level of population from which sports facilities will draw participants, both short-term and long-term, impacts the utilization of the facilities. As shown in the exhibits on the following page, Fort Smith's population ranks just below the midpoint of comparable facility markets for most demographic measurements.

As previously mentioned, household income is another important socioeconomic characteristic of host markets that typically impacts amateur sports facility performance. Income levels can serve as an indication of area households' ability to support sports and recreation participation by paying league and registration fees and other costs associated with participation. The affluence of area households can also impact the types of programming that will be most successful at a new sports facility.

3 COMPARABLE FACILITIES

The regional corporate base (number of companies) also can play an important role in the success of sports facilities. The majority of corporate sponsorship opportunities in comparable sports facilities are often in the form of sponsorships, banners, scoreboard advertising and other such opportunities; many of which would be relatively inexpensive. As a result, a significant portion of companies within a host market have the opportunity to participate in advertising and sponsorship opportunities at local sports and recreation facilities.

Population

	Market	15-min	30-min	60-min	180-min
3	Frisco, TX	426,626	2,128,342	8,230,472	11,803,315
6	Hammond, IN	344,452	1,619,249	9,689,814	21,491,159
12	Virginia Beach, VA	182,857	808,197	1,853,837	4,830,476
5	Greensboro, NC	232,227	697,409	4,971,747	12,797,481
9	Rockford, IL	206,510	370,047	6,284,351	16,524,826
1	Bettendorf, IA	94,328	344,815	1,541,310	15,291,515
8	Myrtle Beach, SC	85,991	273,723	870,416	5,001,280
7	Lawrence, KS	86,687	272,373	2,862,591	5,498,463
	Fort Smith, AR	124,990	225,874	1,186,266	5,891,965
10	Rocky Mount, NC	72,069	197,643	3,139,371	11,078,110
11	Sandusky, OH	48,333	158,401	3,939,479	17,526,379
2	Cape Girardeau, MO	68,519	101,997	929,664	6,744,201
4	Gatlinburg, TN	5,855	34,755	1,044,099	5,579,519
	AVERAGE	152,265	556,371	3,580,263	10,773,745
	Rank (out of 13)	6	9	10	9

Average Household Income

	Market	15-min	30-min	60-min	180-min
3	Frisco, TX	$145,291	$123,070	$99,313	$90,602
12	Virginia Beach, VA	$97,608	$87,690	$87,928	$86,421
1	Bettendorf, IA	$103,833	$80,851	$78,373	$95,371
7	Lawrence, KS	$84,868	$77,696	$88,057	$80,850
9	Rockford, IL	$65,658	$76,149	$105,887	$94,642
8	Myrtle Beach, SC	$73,130	$74,583	$69,122	$72,780
11	Sandusky, OH	$67,944	$74,537	$76,973	$81,503
5	Greensboro, NC	$70,688	$74,494	$84,474	$79,359
6	Hammond, IN	$66,995	$72,834	$102,276	$90,736
2	Cape Girardeau, MO	$72,466	$70,856	$70,145	$76,910
4	Gatlinburg, TN	$65,183	$67,080	$73,336	$70,651
	Fort Smith, AR	$58,401	$62,365	$71,401	$73,233
10	Rocky Mount, NC	$57,761	$59,790	$86,997	$81,557
	AVERAGE	$79,217	$77,077	$84,176	$82,663
	Rank (out of 13)	12	12	11	11

Number of Businesses

	Market	15-min	30-min	60-min	180-min
3	Frisco, TX	14,440	90,378	282,054	399,262
6	Hammond, IN	10,092	43,010	320,176	705,172
12	Virginia Beach, VA	10,201	29,598	57,713	159,248
5	Greensboro, NC	10,332	28,261	175,232	431,906
8	Myrtle Beach, SC	5,291	12,482	32,286	161,851
1	Bettendorf, IA	4,243	12,300	56,861	518,205
7	Lawrence, KS	3,415	11,242	98,724	196,935
9	Rockford, IL	6,481	10,529	218,363	553,354
	Fort Smith, AR	5,211	7,516	36,971	212,486
10	Rocky Mount, NC	2,918	6,736	109,401	366,216
11	Sandusky, OH	2,118	5,978	131,121	572,792
2	Cape Girardeau, MO	3,219	3,906	29,853	221,572
4	Gatlinburg, TN	629	2,555	35,540	182,839
	AVERAGE	6,045	20,345	121,869	360,141
	Rank (out of 13)	7	9	10	9

Retail Sales

	Market	15-min	30-min	60-min	180-min
3	Frisco, TX	$10,432,685	$43,371,427	$132,856,618	$181,803,977
6	Hammond, IN	$5,401,573	$19,809,673	$143,566,841	$313,357,090
5	Greensboro, NC	$3,656,498	$11,542,528	$70,997,328	$171,860,818
12	Virginia Beach, VA	$3,687,698	$11,279,932	$22,768,708	$62,976,464
1	Bettendorf, IA	$2,415,128	$6,138,503	$26,267,402	$227,745,165
8	Myrtle Beach, SC	$2,662,191	$5,834,440	$12,196,612	$64,063,176
9	Rockford, IL	$3,155,338	$5,491,604	$102,060,311	$246,078,388
7	Lawrence, KS	$1,372,165	$3,673,879	$41,162,561	$81,108,133
	Fort Smith, AR	$2,087,355	$3,096,044	$15,126,967	$92,920,987
11	Sandusky, OH	$1,124,165	$2,788,539	$54,427,332	$240,845,288
10	Rocky Mount, NC	$1,362,629	$2,606,751	$42,141,319	$143,377,462
2	Cape Girardeau, MO	$1,617,512	$1,792,931	$12,423,899	$94,125,431
4	Gatlinburg, TN	$119,700	$948,579	$17,752,887	$81,524,322
	AVERAGE	$3,007,280	$9,105,756	$53,365,291	$153,983,592
	Rank (out of 13)	8	9	11	9

Entertainment/Recreation Spending

	Market	15-min	30-min	60-min	180-min
3	Frisco, TX	$734,839,282	$3,352,916,982	$10,122,096,099	$13,728,873,823
6	Hammond, IN	$311,678,812	$1,562,459,944	$12,703,522,521	$26,329,580,881
12	Virginia Beach, VA	$243,865,245	$914,425,039	$2,135,956,092	$5,675,131,057
5	Greensboro, NC	$228,865,754	$739,119,880	$5,875,058,135	$14,343,806,032
1	Bettendorf, IA	$142,553,862	$415,605,867	$1,808,331,906	$19,718,725,874
9	Rockford, IL	$196,184,186	$391,831,252	$8,682,570,466	$21,088,607,678
8	Myrtle Beach, SC	$93,617,207	$310,817,643	$907,030,045	$5,117,307,535
7	Lawrence, KS	$104,686,824	$304,937,354	$3,524,780,962	$6,376,202,462
	Fort Smith, AR	$95,316,296	$190,101,139	$1,180,892,743	$6,147,495,625
11	Sandusky, OH	$50,773,455	$180,579,731	$4,484,887,220	$20,680,242,512
10	Rocky Mount, NC	$61,379,442	$171,616,545	$3,760,457,661	$12,505,370,997
2	Cape Girardeau, MO	$71,008,239	$105,142,247	$970,081,314	$7,490,158,583
4	Gatlinburg, TN	$5,968,391	$34,327,003	$1,145,274,241	$5,934,903,068
	AVERAGE	$180,056,692	$667,221,587	$4,407,764,570	$12,702,800,471
	Rank (out of 13)	8	9	10	10

Participant Sports Spending

	Market	15-min	30-min	60-min	180-min
3	Frisco, TX	$30,437,854	$130,509,099	$372,403,535	$475,210,115
6	Hammond, IN	$10,674,089	$54,722,214	$462,290,632	$926,218,897
12	Virginia Beach, VA	$9,051,328	$33,833,578	$78,393,216	$197,710,323
5	Greensboro, NC	$8,038,513	$25,833,195	$202,015,667	$471,690,070
1	Bettendorf, IA	$5,271,712	$14,270,575	$58,827,500	$694,848,370
9	Rockford, IL	$6,501,616	$13,361,326	$322,472,725	$748,018,370
8	Myrtle Beach, SC	$3,384,968	$11,099,022	$29,015,522	$168,704,559
7	Lawrence, KS	$3,552,227	$10,501,045	$124,457,000	$210,314,931
	Fort Smith, AR	$3,078,841	$5,923,509	$36,273,140	$196,420,456
11	Sandusky, OH	$1,627,979	$5,697,649	$153,858,954	$700,931,885
10	Rocky Mount, NC	$1,934,908	$5,260,136	$128,614,106	$427,019,350
2	Cape Girardeau, MO	$2,446,233	$3,365,763	$29,461,612	$242,025,921
4	Gatlinburg, TN	$176,959	$1,100,496	$35,703,692	$176,333,785
	AVERAGE	$6,629,017	$24,267,508	$156,445,177	$433,495,926
	Rank (out of 13)	9	9	10	11

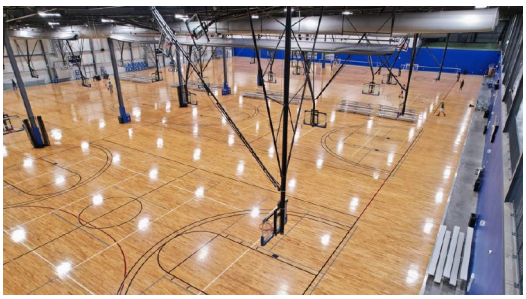
3 COMPARABLE FACILITIES

Case Studies

Case studies for the selected comparable indoor amateur sports facilities are provided below and on the pages that follow. Utilization figures represent the most recent full year not impacted by the COVID-19 pandemic (in most cases, 2019).

1 TBK Bank Sportsplex

CITY, STATE:	Bettendorf, IA
OWNER:	The BettPlex, LLC
OPERATOR:	The BettPlex, LLC
YEAR OPENED:	2018
FACILITY SIZE (SF):	273,000
COST (original, in millions):	$50.0
COST (current, in millions):	$58.5
COURTS (basketball):	8
COURTS (volleyball):	8
TURF (indoor SF):	78,000



The TBK Bank Sportsplex, located just off of Interstate 80 in Bettendorf, Iowa, is a privately-owned and operated multisport indoor and outdoor amateur sports complex.

Comprising nearly 80 acres, the Sportsplex offers facilities and space to accommodate a wide variety of sports and recreation uses, including volleyball, basketball, soccer, baseball, softball, football, and other activities.

Indoors there is an 11v11 turf field, eight basketball courts, four sand volleyball courts, and additional entertainment and support facilities. Outdoors there are two lighted turf soccer fields, ten lighted convertible diamond fields, and five sand volleyball courts. The facility also includes a high-end fitness center and a full-service 2-story family entertainment center.

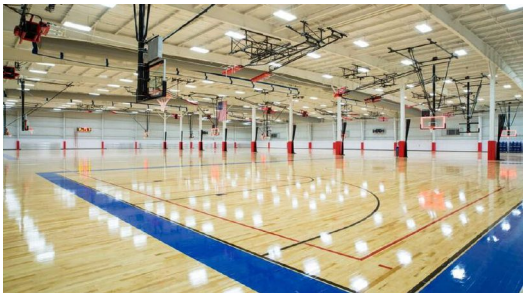
The facility includes 1,571 parking spots with both indoor and outdoor concessions. Located at the beach is the Digs Bar & Grill.

The family entertainment center includes 32 bowling lanes, 65 arcade games, 2-story laser tag, two escape rooms, multi-sport simulator, a full-service sports bar and restaurant and banquet/meeting space.

TBK Bank Sports Complex offers internal and partnered club sports teams that include Barnstormers Baseball Club, Legends Baseball and Softball Academy, QC Sticks, Texas Glory Fastpitch Softball, Platform Elite Volleyball Club, Sporting Iowa East Soccer Club, TBK Bank Basketball Academy and Iowa Storm Basketball.

In February 2022, Bettendorf approved an expansion of the complex. Expansion plans include adding two large synthetic turf fields for football, baseball and soccer, a three-story golf facility with 60 driving stations, a restaurant and a bar. Another project would include a commercial strip, convenience story and a hotel, with the goal to make the area a destination for the Quad Cities' tourism industry.

3 COMPARABLE FACILITIES



2

Cape Girardeau Sportsplex

CITY, STATE:	Cape Girardeau, MO
OWNER:	City of Cape Girardeau
OPERATOR:	City of Cape Girardeau
YEAR OPENED:	2017
FACILITY SIZE (SF):	121,000
COST (original, in millions):	$12.5
COST (current, in millions):	$15.2
COURTS (basketball):	6
COURTS (volleyball):	12
TURF (indoor SF):	34,000

The Cape Girardeau Sportsplex is a 121,000 square-foot, multi-sport facility located on Interstate 55 in Cape Girardeau, Missouri. The Sportsplex opened in May of 2017 at a cost of $12 million. It is owned and operated by the City of Cape Girardeau, with construction debt service and operations supported by a 1.0 percent restaurant tax, which generates an estimated $160,000 annually.

The Sportsplex includes two fully-enclosed regulation indoor turf fields with netting and drop-down batting cages; six high school regulation basketball courts convertible to twelve hardwood volleyball courts; multi-use space for meetings; and full-service concessions. The 10+ acres for the building and surrounding parking was donated by Midamerica Hotels Corporation.

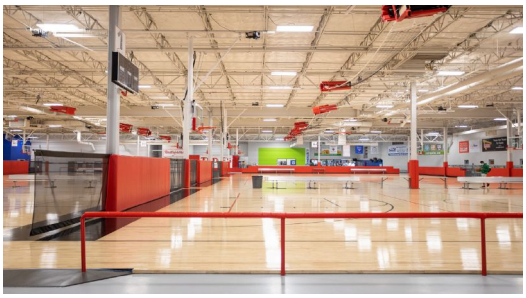
Court and turf rentals for tournaments are available with both a commercial and non-profit rate that vary based on number of usage days and number of courts. The average court rate per day is $425 for commercial and $305 for non-profit. The average turf rate per day is $615 for commercial and $410 for non-profit.

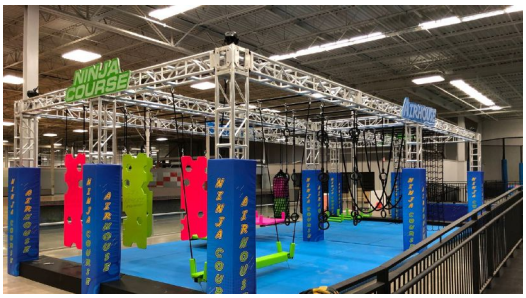
The City of Cape Girardeau Parks & Recreation Department has developed programming for various indoor sports including basketball, volleyball and sports training. The Sportsplex hosts over 40 annual tournaments, most of which are two-day events. Nearly every weekend is occupied from early December through July (with the exception of the two weeks spanning Christmas and New Year's).

The facility also has full-service concessions and a multi-use space for team meetings, coaches' clinics, team parties and more. The facility is open to the public for court, turf and batting cage use or can be rented for tournaments. According to facility management, the facility draws tournament business from a five-state region including Missouri, Arkansas, Illinois, Kentucky and Tennessee.

The facility generated revenues of $595,000 and expenses of $701,000 excluding approximately $325,000 in depreciation. Revenues include concessions, usage fees and other miscellaneous sources. Expenses include those related to contractual services, general operating expenses, materials and supplies, personnel services and other expenses. Approximately 13 full-time equivalents are dedicated to facility operations.

3 COMPARABLE FACILITIES





3

Fieldhouse USA Frisco

CITY, STATE:	Frisco, TX
OWNER:	City of Frisco
OPERATOR:	Fieldhouse USA
YEAR OPENED:	2009
FACILITY SIZE (SF):	144,600
COST (original, in millions):	$17.5
COST (current, in millions):	$29.1
COURTS (basketball):	12
COURTS (volleyball):	12
TURF (indoor SF):	20,000

Fieldhouse USA is an indoor amateur sports complex located in Frisco, Texas. The facility is owned by the City of Frisco and is operating under lease by Fieldhouse USA, a private operator of similar facilities throughout Texas and the region. Fieldhouse USA is operating under an initial lease term of 22 years plus two 10-year extensions.

Fieldhouse USA is comprised of 12 full-sized basketball courts that can be reconfigured for 12 or more volleyball courts. It also offers approximately 20,000 square feet of turf space for field sports games, training, camps and clinics. The facility includes three-tiered bleachers on each court that can hold 300 people but can also be adjusted to have larger capacities on select courts if desired.

Also included in the facility are a 5,000 square-foot food court, retail space, large screen LCD televisions on each court, a 10,000 square-foot athletic training facility, and a sporting goods store. The Fieldhouse also house an EXOS (formerly Athletes' Performance) training facility. EXOS is an industry leader in integrated performance training, nutrition and physical therapy for elite and professional athletes. EXOS offers programs and services for professional, amateur, tactical, collegiate, high school and youth athletes, business executives and industry professionals.

Sports Village USA, LLC (SVUSA), the developer of the project, donated the acreage for Fieldhouse USA, valued at $5 million. The City of Frisco issued $12.5 million in municipal bonds for development of the facility. SVUSA leases the facility from the city for an annual fee that will pay the debt service on the bonds. SVUSA operates the facility as a for-profit enterprise and receives all revenue for rentals and concessions.

A new agreement was negotiated in 2011 providing that Sports Village Holdings, LLC will pay the city $110,000 quarterly. The quarterly payments increased to $260,150 beginning in 2016. By 2033, the lease payments to the city are anticipated to total $25.8 million. By the fourth year of operation, Fieldhouse USA began to generate an operating profit, meeting the terms of the renegotiated lease agreement.

In a typical pre-pandemic year, Fieldhouse USA Frisco generates approximately 15,000 in annual hotel bookings through more than 30 tournaments and 25,000 tournament participants hosted annually. In terms of volleyball tournaments, the facility typically hosts five annual tournaments with an average of 100 teams and 1,200 spectators. In terms of basketball tournaments, the facility typically hosts 25 tournaments annually with an average of 80 teams and 1,000 spectators. Overall, the facility is estimated to have generated more than 150,000 hotel rooms in Frisco since its opening.

3 COMPARABLE FACILITIES

4 Rocky Top Sports World

CITY, STATE:	Gatlinburg, TN
OWNER:	City of Gatlinburg
OPERATOR:	Sports Facilities Companies
YEAR OPENED:	2014
FACILITY SIZE (SF):	86,000
COST (original, in millions):	$20.0
COST (current, in millions):	$27.4
COURTS (basketball):	6
COURTS (volleyball):	12
TURF (indoor SF):	-

The 80-acre Rocky Top Sports World (Complex) opened in 2014 and is a joint development of the City of Gatlinburg and Sevier County. The City of Gatlinburg serves as the owner and Sports Facilities Companies (SFC) operates the complex under contract.

The Complex includes six turf outdoor fields and a natural grass championship stadium with seating for 1,500 people. The outdoor fields are configurable for 14 youth soccer fields. Six of the fields feature lights.

The signature facility of the Complex is an indoor court complex referred to as "The Rock". The Rock has 53,000 SF of hardwood court space in an 86,000-square foot facility. The configuration allows for six basketball courts or 12 volleyball courts in addition to team rooms, referee locker rooms, a full-service indoor/outdoor café, office space for coaches and a balcony viewing area. There is a separate facility in an adjacent location that can accommodate four additional basketball courts and five volleyball courts.

The City contributed approximately 70% of the development cost by issuing bonds and the County contributed the balance utilizing bonds and grants.

The Complex was created to encourage sports tourism in the City and County. Any teams that are based in Sevier County or affiliated with a Sevier County School qualify for the opportunity to use the Rocky Top facilities for free. Specific times are allocated during the week for this free use. Local officials indicate that having a booking policy clearly outlining the objectives of the complex is important for long-term success. Marketing of the Complex is part of the private management team's annual budget but is significantly augmented by the City's overall tourism marketing budget. The Complex management team works closely with the City, State, Gatlinburg Convention and Visitors Bureau, school officials and hoteliers to maximize bookings, particularly during the slower winter months when tourism surrounding the Smoky Mountains is not as robust.

In 2018, the complex hosted 190 events, including 61 multi-day events in both traditional and non-traditional sports, and drew over 120,000 athletes and spectators to the complex, according to facility management. This activity was estimated to generate nearly $50 million in economic impact to Sevier County.

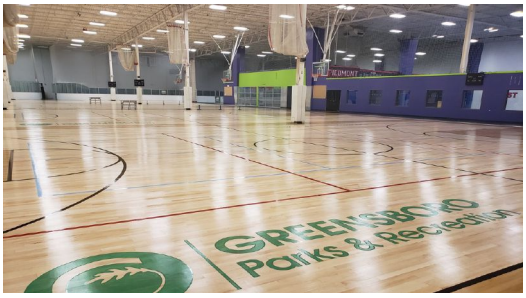
In 2019, Rocky Top Sports World (both indoor and outdoor facilities) generated operating revenues of $1.2 million and operating expenses of $1.7 million in 2019, which excludes depreciation of $1.2 million. Operating revenues primarily consisted of food services, events, sponsorships and rentals. Operating expenses included personnel costs, occupancy and contractual services.

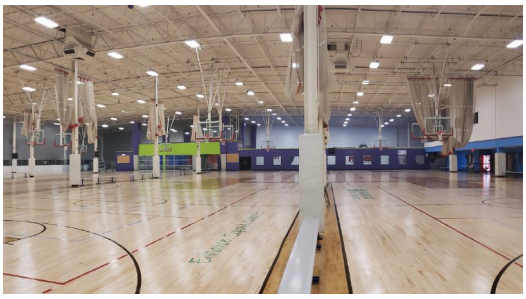
3 COMPARABLE FACILITIES

5

Greensboro Sportsplex

CITY, STATE:	Greensboro, NC
OWNER:	City of Greensboro
OPERATOR:	City of Greensboro
YEAR OPENED:	2002
FACILITY SIZE (SF):	106,000
COST (original, in millions):	n/a
COST (current, in millions):	n/a
COURTS (basketball):	8
COURTS (volleyball):	8
TURF (indoor SF):	24,000





The Greensboro Sportsplex is a multi-purpose sports facility located in Greensboro, North Carolina. The facility was owned and operated by a private organization prior to the City of Greensboro purchasing the complex for $6 million in 2002. The City of Greensboro originally allocated $8.8 million out of a $34.0 million voter approved general obligation bond package to fund the construction of a new facility. The general obligation bonds are supported by property taxes. The Greensboro Aquatic Center is a 78,300-square-foot aquatic facility built in 2011 as part of an expansion.

The complex is owned and operated by the City of Greensboro Parks and Recreation Department. The 106,000-square foot Sportsplex contains eight basketball and volleyball courts on suspended hard wood floors, four state-of-the-art indoor soccer fields and an inline hockey rink. Additionally, the Sportsplex contains a weight room and fitness center. Four classrooms and a fitness room are also available. Permanent spectator seating at the facility can accommodate 1,848 guests, while removable bleacher seating offers an additional 652 seats.

The facility offers year-round leagues for adults and kids and is the host for Delaney Rudd's North Carolina Basketball Academy. The Sportsplex has hosted several tournaments including the AAU Girls Tournaments and Achievements Unlimited Basketball School. The basketball facilities are also available for open play for members of the complex. Other tenants include Piedmont Volleyball Club, Star Aquatics, Greensboro Swim Association and Greensboro YMCA Swim Club. Additionally, the Aquatic Center at the complex hosts between 45 to 50 swimming and/or diving events per year. The Aquatic Center is home to three year-round swimming clubs (Star Aquatics, Greensboro Swim Association, and the Greensboro YMCA swim club); four area high schools, which practice from October through mid-February; and one year-round diving club. Star Aquatics and Greensboro Swim Association, both of which utilize the pool between 35 and 40 hours per week (seven to eight lanes, on average, per hour). In addition to facility-tenant use, there are a number of public programs offered, including learn to swim classes (both children and adult), beginning synchronized swimming, beginning diving, beginning swim team, beginning splash ball, and water aerobics.

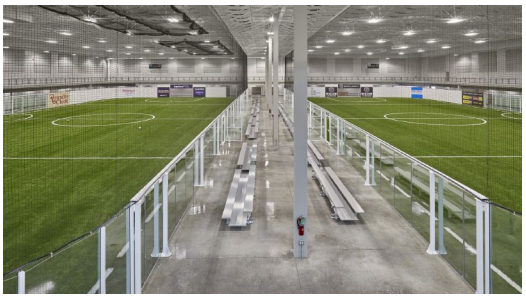
In a recent year of operations, the SportsPlex attracted approximately 107,000 attendees and achieved a cost recovery of approximately 69 percent. The facility hosts approximately 45 basketball tournaments annually in addition to 12 to 15 volleyball tournaments per year. The facility generated $591,000 in operating revenue compared to nearly $1 million in operating costs, 40 percent of which are related to personnel costs. For court rentals, residents typically pay approximately $60 per hour, while non-residents (such as tournament organizers) pay approximately $90 per hour.

3 COMPARABLE FACILITIES

6

Hammond Sportsplex

CITY, STATE:	Hammond, IN
OWNER:	City of Hammond
OPERATOR:	City of Hammond
YEAR OPENED:	2018
FACILITY SIZE (SF):	135,000
COST (original, in millions):	$17.0
COST (current, in millions):	$19.9
COURTS (basketball):	6
COURTS (volleyball):	10
TURF (indoor SF):	34,000



The Hammond Sportsplex officially opened in September 2018. The 135,000-square foot facility includes two regulation-size indoor turf soccer fields that can be utilized as a baseball/softball field, six basketball courts that can be converted into ten volleyball courts, six batting cages, an upper level, quarter-mile track offering free use to local citizens, a community room, concessions, and restrooms and changing rooms.

The $17 million facility was constructed by Madison Construction in partnership with the City of Hammond. The Sportsplex sits on the old site of the Woodmar Mall on Indianapolis Boulevard; centrally located in Hammond, yet easily accessible for traveling teams and non-local guests.

The facility was funded by a $9 million loan from the U.S. Department of Housing and Urban Development in conjunction with a tax-increment financing district (TIF) that covered the additional $8 million of project costs.

Major tenants include Kennedy Avenue Chiropractic, Velocity 219 Volleyball Club and various youth volleyball and basketball leagues/camps.

Full-day facility rental (eight hours) for the six basketball and volleyball courts is $3,000 per day and $1,600 for two turf soccer fields. Courts and fields rent individually for $50 per hour during peak for basketball and $65 per hour for volleyball. Non-peak rentals are $25 per hour for basketball and $35 for volleyball. Soccer is $100 per hour for a full-field and $60 per hour for a half-field.

3 COMPARABLE FACILITIES

7

Sports Pavilion Lawrence

CITY, STATE:	Lawrence, KS
OWNER:	City of Lawrence
OPERATOR:	City of Lawrence
YEAR OPENED:	2014
FACILITY SIZE (SF):	181,000
COST (original, in millions):	$24.5
COST (current, in millions):	$33.5
COURTS (basketball):	8
COURTS (volleyball):	16
TURF (indoor SF):	17,000

The City of Lawrence and the University of Kansas have partnered on the $63.5 million Sports Pavilion Lawrence at Rock Chalk Park, which is located in Lawrence, Kansas, approximately 40 miles southwest of Parkville. The facility includes a $24.5 million, 181,000 square foot indoor recreation center that features eight full-size basketball courts, 16 full-size volleyball courts, and indoor soccer/sports area, a 1/8-mile track, a fitness center, meeting rooms and other ancillary spaces. The City of Lawrence funded 22.5 million of the total costs for the overall project, with the remaining $2 million donated by Bill and Cindy Self's Assist Foundation.

The facility also includes a $39 million development for the University of Kansas, consisting of a 1,500-seat softball stadium, a 2,500-seat soccer stadium, a 10,000-seat track and field complex, and a 28,000 square foot indoor training building. Given the facility's association with the University of Kansas, it was expected that the facility would generate a steady level of programming. Notably, when facilities are not rented out to organizations, the gyms are open to the public. Access to the facility's gyms is free for local residents, but non-residents are required to pay a $5 fee for a daily pass, $20 for a monthly pass, $45 for a 90-day pass and $150 for an annual pass.

Since its opening in September 2014, Sports Pavilion Lawrence primarily hosts its tournament activity during the period beginning in January and running through July. There is reportedly little tournament utilization in August and September.

In a recent pre-pandemic year, the facility held a total of 37 major events, including 16 basketball tournaments, six basketball camps, 13 volleyball tournaments, one futsal tournament and one private event. The Sunflower Showcase was the complex's most notable event, featuring 150 boys' basketball teams from around the country.

In 2019, operating revenues totaled $585,000 and expenses totaled $968,000. In 2018, approximately 600,000 people visited the facility. Admission to the facility is free for Douglas County residents. The daily fee for a non-resident is $5.00. The facility has eight full-time positions and 30 part-time positions.

3 COMPARABLE FACILITIES

8

John T. Rhodes Myrtle Beach Sports Center

CITY, STATE:	Myrtle Beach, SC
OWNER:	City of Myrtle Beach
OPERATOR:	Sports Facilities Companies
YEAR OPENED:	2015
FACILITY SIZE (SF):	100,000
COST (original, in millions):	$15.0
COST (current, in millions):	$19.7
COURTS (basketball):	8
COURTS (volleyball):	16
TURF (indoor SF):	-

The John T. Rhodes Myrtle Beach Sports Center opened in 2015 and is located adjacent to the Myrtle Beach Convention Center in Myrtle Beach, South Carolina. The Sports Center is just two blocks from the ocean and steps away from the shopping, dining, and entertainment options that have made Myrtle Beach a popular family vacation destination. Myrtle Beach has over 15 million visitors annually and has become nationally known for its youth and amateur sports activities.

The Sports Center is owned by the City of Myrtle Beach and is operated under contract by the Sports Facilities Companies (SFC). The name of facility was changed in 2021 to honor the late Myrtle Beach Mayor, John T. Rhodes.

The 100,000-square foot indoor sports facility includes eight basketball courts and 16 volleyball courts spread over 72,000 square feet of column-free hardwood space. The venue was designed to host court sports, wrestling, gymnastics, table tennis, pickleball and other sporting events as well as trade shows.

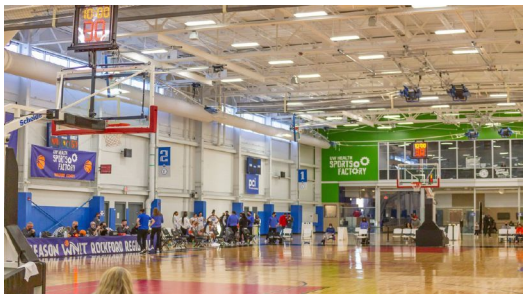
The facility offers multiple team rooms, telescopic bleachers, a private mezzanine for elevated viewing and a café with indoor/outdoor seating.

The development of the $15 million Sports Center was funded by the City of Myrtle of Beach.

The Sports Center was designed to attract sports competitions that draw out-of-town visitors and therefore does not regularly host local league play. The venue is operated as part of the City's broader sports tourism division. In FY 2018, expenses related to the marketing, management and operations of the Sports Center totaled $567,000. Community organizations market the many tourist amenities Myrtle Beach has to offer for sporting event participants and their friends/family including its beaches, golf and other family-friendly attractions.

In a typical pre-pandemic year, the Sports Center has hosted approximately 35 events annually. In 2019, the City estimated that the Sports Center generated nearly $24 million in economic impact in the Myrtle Beach area.

3 COMPARABLE FACILITIES



9

UW Sports Factory

CITY, STATE:	Rockford, IL
OWNER:	City of Rockford
OPERATOR:	Rockford Park District
YEAR OPENED:	2016
FACILITY SIZE (SF):	108,000
COST (original, in millions):	$24.4
COST (current, in millions):	$30.9
COURTS (basketball):	8
COURTS (volleyball):	16
TURF (indoor SF):	-

UW Health Sports Factory is an indoor amateur sports and recreation facility located in Rockford, Illinois. The Facility is owned by the City of Rockford and operated via the City's Park District.

The 108,000-square foot facility includes eight regulation size basketball courts or 16 volleyball courts, provided through 96,000 square feet of Maplewood hardcourt. The facility includes a championship court with spectator capacity of 450. There are approximately 430 parking spaces immediately adjacent to the facility.

Construction on the facility began in February of 2015 and the facility officially opened in May of 2016 at a cost of $24.4 million. It is estimated that approximately 125 jobs were created during the construction phase.

UW Health secured the naming rights for the facility for $1.9 million over ten years. The City receives $175,000 annually with payments inflated annually to arrive at a ten-year private investment of $1.9 million.

The facility's utilization consists of a diverse mix of uses, including tournaments, games and practices from basketball, volleyball, wrestling, gymnastics, dance and cheer organizations/leagues, plus a wide variety of recreational and private uses and activities. In pre-pandemic years, total attendance was estimated at overall 500,000 annually.

In recent pre-pandemic years, the facility typically generated a small operating profit (less than $50,000 per year). In 2017, the complex generated approximately $627,000 in annual revenue and $831,000 in annual expenses.

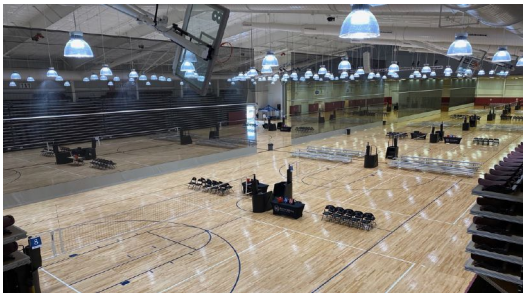
The facility hosts around 30 tournaments per year including basketball, volleyball, gymnastics, wrestling, table tennis and wheelchair rugby.

3 COMPARABLE FACILITIES

10

Rocky Mount Event Center

CITY, STATE:	Rocky Mount, NC
OWNER:	City of Rocky Mount
OPERATOR:	Sports Facilities Companies
YEAR OPENED:	2018
FACILITY SIZE (SF):	165,000
COST (original, in millions):	$37.0
COST (current, in millions):	$43.3
COURTS (basketball):	8
COURTS (volleyball):	16
TURF (indoor SF):	-



The Rocky Mount Event Center in Rocky Mount, North Carolina opened in 2018. The facility is owned by the City of Rocky Mount and is operated by Sports Facilities Companies (SFC). The Center is near the Tar River and is located two miles from the Rocky Mount Sports Complex. The facility is surrounded by hiking trails, a water park, public golf courses and numerous restaurants and attractions.

The 165,000 square foot facility features eight basketball courts, which can convert into 16 basketball courts. It also has a 75,000-square foot event floor, meeting spaces and conference space. Additional facility features include concession areas, seating for over 4,000 and four separate locker rooms. The facility also offers a Family Entertainment Center, in which families can utilize a ropes course, climbing walls, a soft play area and a video arcade.

The construction of this development began in 2016 and was funded entirely through the City. Construction costs totaled to $36.5 million and provided 1,100 jobs throughout its construction period. The facility completed its construction in the spring of 2018 and opened in December 2020, approximately nine months into the height of the COVID-19 pandemic.

In its first 12 months, the facility attracted 70,000 new visitors to Rocky Mount. The facility hosted 23 sports tourism events, up from 11, which it was originally projected to host. The Center also hosted 102 banquet events. The Family Entertainment Center hosted 273 group, social, non-profit and corporate events in its first year of operations. The flexibility of this facility allows it to offer a wide range of events which boost its potential to reach max utilization. Annual attendance for the facility is currently approximately 80,100, resulting in approximately 121,400 non-local attendee days.

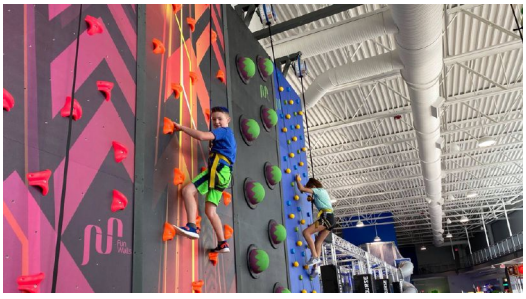
The facility brought 185 jobs to the community in its first year of operations. The Center was projected to create new spending of $4.2 million in its first year yet created new spending of $7.1 million. It is projected to bring an economic impact of $264 million over its first 10 years of operations. Operations for the facility totaled to $2.2 million in expenses in its first year. The average annual economic impact projected for the facility is $21.0 million over a 10-year period.

3 COMPARABLE FACILITIES

11

Cedar Point Sports Center

CITY, STATE:	Sandusky, OH
OWNER:	Cedar Point Fair
OPERATOR:	Sports Facilities Companies
YEAR OPENED:	2020
FACILITY SIZE (SF):	155,000
COST (original, in millions):	$30.0
COST (current, in millions):	$32.4
COURTS (basketball):	10
COURTS (volleyball):	18
TURF (indoor SF):	-



The Cedar Point Sports Center in Sandusky, Ohio opened in January of 2020. The facility is owned by Cedar Point Fair, an amusement park operator, and is operated by Sports Facilities Companies (SFC). The Center is located adjacent to its outdoor counterpart, Sports Force Parks, which is oriented around soccer, baseball and softball. The facility is built on the land which hosted the former Griffing-Sandusky Airport. Additionally, the facility is three miles east of the Cedar Point Amusement Park, which shares the same owner.

The 145,000-square foot facility offers 10 basketball courts, which can be converted in 20 volleyball courts. One of these courts acts as a Championship Court with higher seating levels. The campus offers a sports medicine center, which is funded and run by Firelands Regional Medical Center. Additionally, the facility has a Family Entertainment Center with climbing walls, an arcade and a Ninja Warrior Course.

The project began construction in summer 2018 and wrapped up construction in January 2020. The majority of the funding for the project was public, with $23 million coming from Erie County and $2.25 million from the City of Sandusky. Cedar Fair made a significant capital contribution (including 25 acres of land), which totaled to $6.75 million.

The facility was designed to host up to 150 volleyball teams at a single tournament and 100 basketball teams at a single tournament. The facility targets basketball and volleyball, but has capabilities to host wrestling, futsal and more.

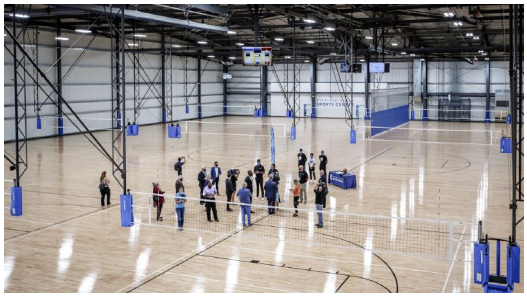
Sports Force Parks is estimated to generate an economic impact of $40 million annually. With the addition of the Cedar Point Sports Center, economic impact between the two is expected to reach $60 million annually. Additionally, the Center is expected to attract 70,000 new visitors to Sandusky annually. All athletes competing at the facility will receive a free pass to the Cedar Point Amusement Park, with hopes of generating additional revenue to the surrounding economy.

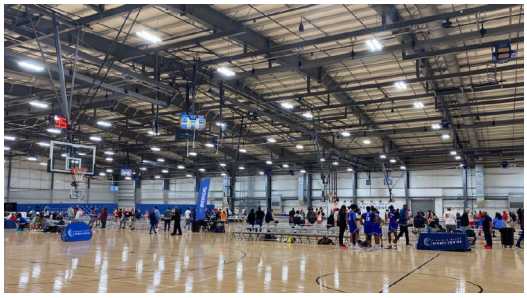
3 COMPARABLE FACILITIES

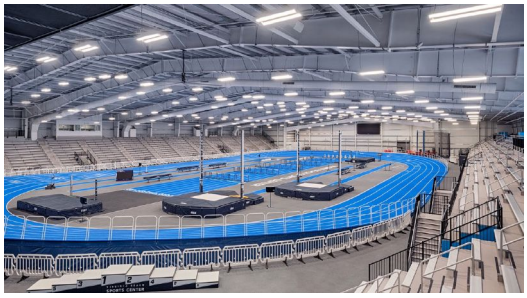
12

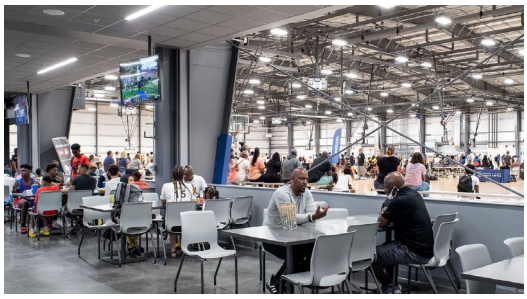
Virginia Beach Sports Center

CITY, STATE:	Virginia Beach, VA
OWNER:	City of Virginia Beach
OPERATOR:	Eastern Sports Management
YEAR OPENED:	2020
FACILITY SIZE (SF):	285,000
COST (original, in millions):	$68.0
COST (current, in millions):	$73.5
COURTS (basketball):	12
COURTS (volleyball):	24
TURF (indoor SF):	-









The Virginia Beach Sports Center, located in Virginia Beach, Virginia, opened in October 2020. The facility is owned by the City of Virginia Beach and operated by Eastern Sports Management. The Center is directly across the street from the Virginia Beach Convention Center and is located just a few blocks from the Atlantic Ocean. The facility is situated near multiple hotels, restaurants and attractions, which improve the facility's marketability.

The 285,000-square foot facility offers 12 basketball courts, which can convert into 24 volleyball courts. Additionally, the facility has a 200-meter indoor track capable of seating up to 5,000 spectators. In total, the facility offers 195,000 square feet of sellable/programmable space. Other facility amenities include locker rooms for both athletes and officials, warm-up track lanes, concessions, meeting rooms, outdoor gathering space and an elevated mezzanine to spectate events from above.

Funding of the facility was approved by the City in 2018 and development began almost immediately following its approval. Construction of the facility was finished in under two years, one month before expected in September 2020. The facility was officially opened in October 2020 and its first event was hosted in November of 2020. The facility had a total construction cost of approximately $68 million.

The facility opened in the midst of the COVID-19 pandemic and its current utilization is believed to be somewhat depressed relative to projected baselines. However, the facility is already being regarded a success, as it booked 54 events in its first year—39 of which would be new to Virginia Beach. The facility's focus surrounds basketball, volleyball and track and field; however, it is also capable and hosting wrestling, gymnastics, field hockey and more.

The Sports Center is projected to create a $4 million annual impact on the city's lodging and accommodation industry. It is also expected to generate more than $600,000 annually in City tax revenue. The facility employs more than 100 full-time, part-time, and seasonal employees, with hourly wages starting at $10 per hour.

4

INDUSTRY TRENDS

4 INDUSTRY TRENDS

Overview

The economy of any destination can be influenced by many factors outside the control of community leaders. Economic conditions, corporate relocations, changes in governmental or institutional presence and other factors will influence employment, income, tax revenues and other critical aspects of an economy.

In Fort Smith, as with many communities, the visitor industry also plays an important role in local and regional economic health. Visitors to a market offer an opportunity to inject new dollars into the economy, with relatively limited use of public infrastructure. Visitor spending then generates net new tax revenue, reducing the tax burden on residents.

At the same time, the competition for visitor industry market share is fierce. Communities throughout the country, many competing with Fort Smith continue to invest in assets and amenities that are designed in part to attract visitors. Much of this investment involves sports tourism facilities.

The market success of sports tourism facility products can be partially attributed to broader industry characteristics and trends. In order to assess the current and future strength of the market with regard to sports tourism activity that could utilize a potential new sports facility product in Fort Smith, it is important to evaluate prominent and emerging trends from a national perspective.

Sports tourism is one of the fastest growing sectors of tourism. An increasing number of communities throughout the country are investing in the development and operation of large, multi-sport amateur sports complexes for the purpose of driving new sports tourism, as well as better accommodating local sports and recreation demand. An increase in the number of travel sports programs and participation has been matched by the recognition by many communities of the oftentimes high return-on-investment modern sports complexes can have in host destinations in terms of driving visitation, hotel room nights, and economic impact.

In 2020, Tourism Economics prepared a study of the economic benefits generated by sports tourism throughout the country. The study estimated that the number of travelers attending sports events in the US increased by more than 10 million since 2015, an increase of 5.9 percent cumulative growth. Additionally, the study projected total direct spending by sports travelers, event organizers and venues at $45.1 billion, an increase of 16.7 percent since 2015.

Significant investment in sports facilities and multi-component sports complexes has occurred throughout the country. Modern sports and event facilities have significantly evolved in terms of capabilities, flexibility, amenities, operating efficiencies, and revenue generation opportunities.

4 INDUSTRY TRENDS

Participation Levels

A summary overview of sports participation trends in the United States and the West South-Central region has been assembled. An understanding of these trends at a national, regional and local level provides a framework from which to begin to assess potential demand for a new Indoor Sports Facility in Fort Smith.

The statistical data presented in this section was derived from the National Sporting Goods Association's Sports Participation study, which was most recently conducted in 2018. The study measures the annual number of participants in a variety of sports and recreational activities, and the frequency of participation during the previous calendar year. Research is derived from a study based on approximately 40,000 interviews encompassing youth and adult sports participation.

Additionally, we have analyzed data from the National Recreation and Park Association 2019 Agency Performance Review (representing the latest relevant pre-pandemic data), which presents data and insights from over 1,000 park and recreation agencies, including metrics on facilities per resident, budgets, staffing and more.

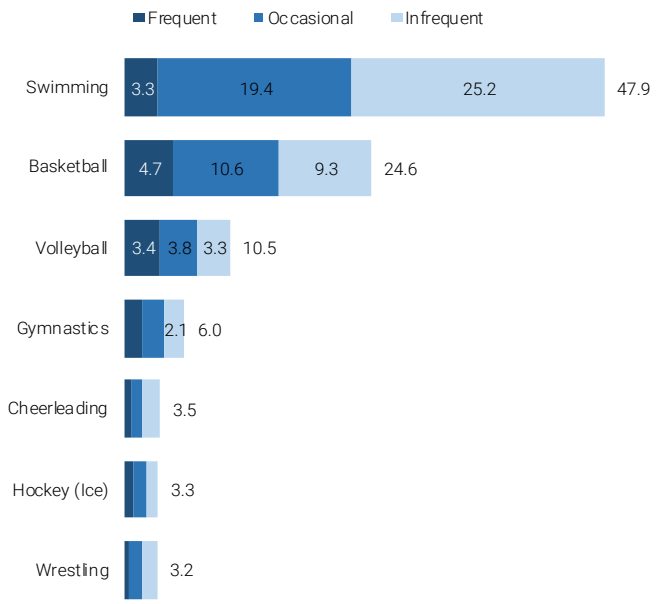
Although it is anticipated that a large portion of programming at a new Indoor Sports Facility in Fort Smith would be dedicated to local sports and recreation, it is important to understand the overall rates on a national level. National participation levels can provide insights into the overall popularity of a sport or athletic activity, as well as the size of the base from which to attract new frequent participants. The exhibit to the top right presents a summary of the national participation rates of indoor sports, broken out by participation level (i.e., frequent, infrequent and occasional).

Swimming, basketball and volleyball have the highest participation levels for indoor sports with a high amount of infrequent and occasional participants, and a relatively normal number of frequent participants. Investing in more of these facilities benefits many communities across the nation.

The exhibit to the bottom right summarizes sports participation levels by age group for indoor sports. A new Indoor Sports Facility in Fort Smith would be anticipated to be utilized by a variety of age groups, and it is important to understand which sports and athletic activities appeal to each age group in order to consider appropriate programming.

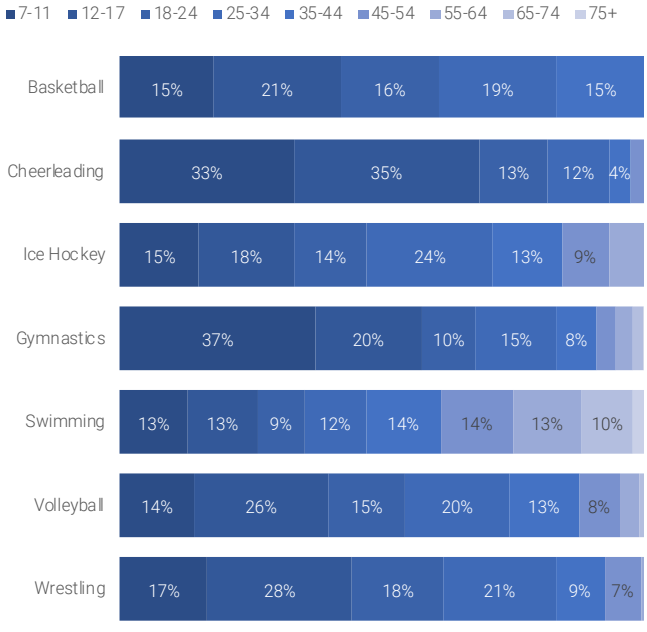
The largest user groups in almost every sport are ages 7 to 11 and ages 12 to 17. Youth sports dominate the national participation levels; therefore, facility management can plan on having most of its programming originating from youth sports and athletics.

National Participation Levels - Indoor Sports (in millions)



Source: National Sporting Goods Association's Sports Participation Study .

National Participation Levels by Age – Indoor Sports



Source: National Sporting Goods Association's Sports Participation Study .

4 INDUSTRY TRENDS

This exhibit to the right summarizes the frequent participation rates nationally and regionally for each sport indicated. The rate of participation includes only frequent users and does not account for occasional and infrequent users.

The exhibit below summarizes the estimated population base participating in each identified sport based on participation rates applied to the overall market population. As previously mentioned, the rate of participation includes only frequent users and does not account for occasional and infrequent users. Using this type of extrapolation, the hypothetical number of frequent basketball and volleyball participants within a 30-minute drive of Fort Smith calculates to 3,116 and 2,135 persons, respectively. Importantly, this type of evaluation metric is only one of a number of tools that are helpful in assessing demand associated with various sports and activities. Further research, including interviews with potential user groups, will be presented and discussed in subsequent sections of this report.

	Frequent Participation (times annually)	National Frequent Participation Rate	West South Central Index	Adjusted West South Central Participation Rate
Indoor Sports:				
Basketball	50+	1.57%	88	1.38%
Cheerleading	70+	0.28%	142	0.39%
Gymnastics	40+	0.54%	128	0.69%
Martial Arts	80+	0.46%	111	0.51%
Pickleball	30+	0.05%	28	0.01%
Volleyball	20+	1.17%	81	0.95%
Wrestling	50+	0.16%	71	0.11%
Outdoor Sports:				
Baseball	50+	0.70%	62	0.43%
Flag Football	50+	0.14%	77	0.11%
Lacrosse	60+	0.11%	35	0.04%
Soccer	40+	1.31%	91	1.19%
Softball	40+	0.59%	66	0.39%
Tackle Football	50+	0.71%	139	0.98%

Hypothetical Population-Based Extrapolation of Estimated Frequent Participation by Sport

	15-Minute Drive Time of Fort Smith		30-Minute Drive Time of Fort Smith		90-Minute Drive Time of Fort Smith		180-Minute Drive Time of Fort Smith	
Market Population	124,990		225,874		1,186,266		5,891,965	
	National Rate	Regional Rate	National Rate	Regional Rate	National Rate	Regional Rate	National Rate	Regional Rate
Basketball	1,959	1,724	3,541	3,116	18,596	16,365	92,364	81,280
Volleyball	1,459	1,182	2,636	2,135	13,845	11,215	68,768	55,702
Gymnastics	675	864	1,220	1,561	6,405	8,199	31,813	40,721
Cheerleading	347	492	627	890	3,292	4,674	16,349	23,216
Wrestling	196	139	355	252	1,864	1,324	9,259	6,574
Soccer	1,637	1,489	2,957	2,691	15,532	14,134	77,144	70,201
Tackle Football	884	1,228	1,597	2,220	8,386	11,657	41,652	57,896
Flag Football	174	134	314	242	1,651	1,271	8,199	6,313
Lacrosse	141	49	255	89	1,340	469	6,657	2,330
Baseball	875	542	1,581	980	8,301	5,147	41,229	25,562
Softball	732	483	1,322	872	6,943	4,582	34,483	22,758
Martial Arts	576	640	1,042	1,156	5,471	6,072	27,172	30,161
Pickleball	58	16	104	29	548	153	2,721	762
Total	5,075	4,582	9,172	8,280	48,171	43,485	239,256	215,983

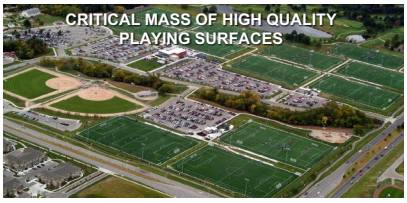
4 INDUSTRY TRENDS

The "state-of-the-industry" in terms of the physical product aesthetics and functionality of youth and amateur sports facilities has continued to advance year-over-year in communities throughout the country. Organizers for youth and amateur sports activities increasingly prefer, and oftentimes demand, modern facility complexes with state-of-the-industry playing surfaces, equipment, and amenities. Beyond attracting higher numbers of teams, athletes, tournaments, visitors and economic impact, modern youth and amateur sports facilities often offer significant advancements in operating efficiencies and enhanced revenue generation opportunities, as compared to previous generations of facilities. Synthetic turf is increasingly utilized for both outdoor and indoor sports facility projects, delivering significant advantages over other surfaces, particularly for sports tourism activity. The following present some noteworthy trends relative to design and capabilities of indoor turf sports facilities:

1. FACILITY DESIGN ELEMENTS: A typical indoor turf facility has a space of at least 75'x185', with the ability to increase the size of the playing surface to accommodate a variety of user groups, with a minimum ceiling height of thirty feet. The minimum space allotted to turf in a given facility should be no less than 15x60 feet or 900 square feet of turf space. However, those spaces can only support training and clinics, and no competitions or leagues because of size limitations, and, in fact, are typically located inside of fitness centers as an alternative place to host focused training.
2. UPKEEP: Turf, like any other athletic surface or amenity, requires regular cleaning and maintenance should occur to keep the facility attractive and inviting. In addition, the use of cleats on turf, regardless of type, reduces its lifespan by 50 percent so it is generally recommended to require use of turf shoes to not need to consistently replace turf padding.
3. COST: There are two primary upfront costs regarding installation of turf, the drainage base, and the turf itself. The drainage base lies below the turf and allows any liquids to seep through and reach the drainage system without getting trapped. These systems can last 20-30 years, and cost approximately $4 per square foot. The turf panels themselves are laid atop the drainage base, a conservative price estimate for cost is $5 per square foot of turf space. All in all, for a typically 75'x185' turf field, installation costs can range from $120,000 to $180,000.
4. DURABILITY: The industry standard for a given turf field's life span is between eight and twelve years, though with proper maintenance and cleaning fields have been shown to last longer.
5. ANCILLARY REVENUES: To generate additional revenues for turf facilities, a variety of programs should be considered such as membership fees, admissions fees, seniors' programs, in-house tournaments, and mother's programs. Additionally, more traditional revenue sources such as corporate partnerships (sponsorship and advertising), food service (concessions and hospitality) and event space rental for non-sports activities (e.g., consignment sales, meetings, team building events, etc.) can provide important support to year-round operations.

The following present some noteworthy trends relative to design and capabilities of indoor sports tourism-focused facilities:

- Critical mass of high-quality courts, fields and playing surfaces in one location.
- Maximization of local uses and sports tourism.
- Flexibility to accommodate the widest variety of uses.
- Synthetic turf (indoor & outdoor) is increasing accepted and expected by most tournament and local sports/rec activity.
- Growing emphasis on partnerships (equity, sponsorship and ancillary development).
- Focus on creating/enhancing the quality of sub-destinations surrounding facility complexes.
- Incorporation of quality amenities & specialty components:
    - Performance centers
    - eSports capabilities/technology
    - Restaurants/cafes/food courts
    - Fitness & wellness
    - Leisure amenities (child play areas, mini-golf, AR tech)
    - Ancillary development (hotels, retail, attractions)



4 INDUSTRY TRENDS

COVID-19 Pandemic Effects & Recovery

Since early 2020, the negative impact of the COVID-19 pandemic on the sports/recreation, event, entertainment, retail, hospitality and tourism industries cannot be understated. Cancellations and postponements of nearly all events and gatherings through the end of 2020 and early 2021 occurred. Most live event and sports tourism activity throughout the country was cancelled, postponed or shifted to a virtual format through mid-2021. Late 2021 and early 2022 saw a widespread loosening of public assembly restrictions and began to manifest a general return of consumer confidence, travel and participation in all types of event and sports activities.

From the perspective of a potential new Indoor Sports Facility in Fort Smith, it is important to consider how the planned product will be positioned following this highly-unusual period. Careful planning during this period could lead to significant and cost-effective product development over the next economic recovery and growth cycle and beyond. Near-term planning, marketing and sales efforts associated with the proposed sports facility project should be able to capitalize on this unique timing. Subsequent operational planning will certainly take into account the evolving needs and best practices facing such facilities in a post-COVID environment (including emphasis on flex spaces, attendee/participant social distancing, PPE and other health/safety policies, amenities and operating practices). A best practices approach developed by Legends, CSL's parent company, is summarized below.

As a long-term planning document, the findings and conclusions presented herein are believed to be relevant with respect to a post-pandemic recovery within the context of the likely timeframe of facility development and operation of a potential new Indoor Sports Facility in Fort Smith. For example, the timeline of facility development would most likely represent construction completion and commencement of operations in 2024 or later. Indications suggest that the industry will most likely be in a post-COVID environment by that time, with a significant portion of event activity nationwide functioning consistent with the pre-COVID environment and a portion of activity continuing to grow or evolve.

5

MARKET DEMAND & OPPORTUNITIES

5 MARKET DEMAND & OPPORTUNITIES

Overview

The potential development of a new Indoor Sports Facility in Fort Smith has the opportunity to better accommodate demand among Fort Smith area residents and provide a venue capable of attracting sports tourism activity to the destination. Currently, Fort Smith offers a variety of indoor amateur sports and recreation facilities; however, there are very few existing facilities that can offer a critical mass of indoor court or activity space capable of hosting tournaments, meets or other large competitions.

In order to provide guidance to the City, CVB and other community stakeholders, CSL's project leader initially participated in a kick-off visit to Fort Smith, which included tours and meetings with key client representatives, stakeholders and business leaders.

Subsequently, CSL conducted direct outreach to local area user group candidates and national/regional sports team, club, association and tournament organizers that could represent candidates for use of a new Indoor Sports Facility in Fort Smith. Overall, more than 130 organizations were targeted and nearly 50 telephone interviews were completed with organizations representing in excess of 200 activities. These groups were contacted in order to determine their interest in a new facility and the amenities and elements that would be necessary to host a variety of programming essential to the successful operations of the facility, including practices, camps, clinics, training, recreational programs, and other such uses. Specific groups contacted as part of this process and stakeholder meetings include the following:

- 64.6 Downtown
- Arkansas AAU
- Arkansas River Valley Basketball League
- Arkansas Wrestling
- Arkoma Softball
- Battle in the Midwest
- Big Time Hoops
- Cabot Juniors Volleyball
- Chaffee Crossing
- Chaos Volleyball
- City of Fort Smith Administration
- City of Fort Smith Board of Directors
- Club Net Volleyball
- Club Velocity
- Conway Juniors Power League
- Dallas Youth Sports
- Delta Region Volleyball
- First National Bank – Fort Smith
- Fort Chaffee
- Fort Smith Boys & Girls Club
- Fort Smith Convention Center
- Fort Smith Convention & Visitors Bureau
- Fort Smith Hampton Inn (CSK Properties)
- Fort Smith Juniors
- Fort Smith School District
- Fort Smith Youth Baseball
- GymTek Girls Invitational
- Houston Aces Grand Prix
- Inferno Martial Arts
- Mansfield Volleyball Club
- National Judges Cup
- NW Arkansas Juniors Storm
- Ozark Junior Volleyball Club
- Prep Hoops Live
- Red River Classic
- River Valley Fitness & Training Center
- Show Me State Games
- Southside High School Wrestling
- Spartan Wrestling Academy
- Suns Club Volleyball
- Threat Hoops
- Tribe Athletics Sports
- University of Arkansas Fort Smith
- Volley in the Rock

The purpose of the remainder of this section is to provide a summary of the research and analysis of market demand and opportunities to guide the evaluation and planning for a new Indoor Sports Facility project Fort Smith, as summarized on the following pages.

5 MARKET DEMAND & OPPORTUNITIES

Basketball Demand

Basketball is the leading participatory team sport in the U.S. Based on national statistics, there are more than 25.2 million individuals that participated at least once in basketball last year. Of these participants, nearly 4.7 million people (19 percent) participated in basketball activities at least 50 times, with another 10.6 million people (42 percent) playing basketball at least ten times. Among team sports, basketball is the activity with the most nationwide participants and has maintained this level of participation for over ten years.

Boys and girls can start out at an early age with adjustable hoops with in-house teams or camps/clinics, working their way up to full-court games and traveling teams for players 7 and older. League and tournament games typically feature 8 to 10 athletes and 2 to 3 coaches per team and an average of 1.5 spectators per athlete. Younger teams tend to attract more spectators, as do girls games.

Historically, games and practices have been held in gymnasium space found in local high schools, middle schools and elementary schools, as well as in other community facilities such as churches and health and fitness clubs (e.g., YMCAs, etc.). However, increasing utilization of school gymnasium space, coupled with rising costs of labor, security, utilities, insurance and other costs to operate school gymnasiums and growing demand among sports organizations for practice and game spaces have put pressure on communities to develop purpose-built court spaces to accommodate this demand.

Most basketball leagues and tournaments require access to a minimum of 4 to 6 courts to accommodate both boys and girls programs for a variety of age groups. Historically, these courts have been amassed among a variety of locations throughout a community; however, league and tournament organizers increasingly note the ease and importance of maintaining activity at a single location. As such, most modern indoor court complexes offer between 6 and 12 full-size basketball courts. Court sizes can range from approximately 5,000 square feet per court to up to nearly 10,000 square feet for championship court requirements (which incorporates additional surrounding space for seating, scorer's tables, benches, etc.). Additional requirements include temporary/bleacher seating for 20 to 40 people per court, bathroom facilities, concessions, lobby/registration space, small meeting facilities, dividing walls/curtains for courts, and at least five feet of distance around each court (ten feet total between courts).

Conversations with basketball tournament organizers indicated a moderate to strong level of demand for a multi-court sports facility capable of hosting weekend tournaments in Fort Smith. Respondents largely indicated that an 8- to 10-court facility could host more than 100 teams per tournament weekend, with combined attendance among participants and spectators exceeding 2,000 people. Organizers indicated that multiple tournaments would be possible each month and could run year-round, with the majority of activity occurring between late fall through early spring.

Respondents noted the geographic location of Fort Smith, bordering Oklahoma and with good access to a variety of regional markets as a potential draw to over-night tournament teams and participants. Additionally, respondents noted the strength of the market's hotel, restaurant and entertainment inventory as aspects of a destination capable of attracting and hosting state and regional participants.

5 MARKET DEMAND & OPPORTUNITIES

Volleyball Demand

There are over 10.6 million people participating in volleyball in the United States at least once over the past year, of which nearly 33 percent (3.5 million) were considered frequent participants, having participated 20 or more days in the last year. Another 3.7 million (35 percent) participated in at least 5 volleyball activities last year. Volleyball participation rates continue to grow among young girls and many communities have introduced youth and high school boys' volleyball teams and leagues as well.

Most girls start playing volleyball at a slightly older age than basketball, with many not starting out until their pre-teen or early teen years; however, there are some volleyball programs offered for girls as young as 4/5 years old. Teams consist of six players on the court. Younger teams typically have fewer substitutes to maximize playing time, with older and more competitive teams typically rostering 12 players with 2 to 3 coaches per team.

Based on court construction and configuration, it is typical to be able to fit two youth/tournament volleyball courts within one full-sized basketball court. Tournaments can attract 60 to 70 teams within a 6 to 8 court facility and an average of 1.8 spectators per athlete.

Similar to basketball, tournament organizers have historically been forced to utilize multiple venues across a community. However, with the growing interest in the sport, more tournaments are being held in venues that are able to accommodate a greater mass of courts to accommodate multiple age groups and competition levels simultaneously.

Based on conversations with tournaments organizers, there was a moderate to strong demand for an indoor court complex in Fort Smith with 12 to 16 volleyball courts. The potential opportunity exists to host multiple annual tournaments attracting 80 to 100 teams, with a greater opportunity to host even more in the 40 to 60 team range. Survey respondents noted the accessibility of the destination, sense of safety within the Fort Smith community and destination amenities such as access to hotels, restaurants and entertainment options as the basis for their interest.

Importantly, the Fort Smith destination is well positioned within the Delta and Oklahoma volleyball regions, which consists of approximately 1,000 teams. This provides a significant base of teams from which to draw for tournaments year-round. Fort Smith could also potentially draw from other USA-volleyball regions such as the Heart of America, North Texas, Bayou and Gateway Regions, which consists of an additional 3,800 teams.

5 MARKET DEMAND & OPPORTUNITIES

Wrestling Demand

According to the most recent NSGA Participation Survey, it is estimated that there are approximately 3.2 million participants in amateur wrestling in the United States, with the large majority representing boys. Of those wrestling participants, 13.9 percent represent "frequent" participants (engaging in wrestling activities more than 50 times per year), while 37.5 percent are considered "occasional" participants (engaging in between 10 and 49 activities per year).

Currently, the Fort Smith Convention Center hosts a number of successful annual amateur wrestling meets and competitions; however, conversations with Convention Center management suggest that this market segment could be shifted to a purpose-built sports tourism venue such as a new Indoor Sports Facility to provide additional date availability for other market segments at the Fort Smith Convention Center.

Conversations with potential wrestling meet organizers indicated that the potential exists to attract additional wrestling meets and tournaments to a new Indoor Sports Facility in Fort Smith, assuming good date availability and reasonable rental rates. The local wrestling clubs do not currently hold tournaments at their own training facilities due to a lack of adequate space. Should sufficient space be made available, there is an opportunity to host at least 11 additional meets, with eight drawing approximately 200 participants and three meets drawing in excess of 800 participants per meet. Invitational wrestling meets tend to last two to three days and typically run Friday night through Sunday.

Fort Smith was noted as a strong central location that can draw from all of Northwest Arkansas and Oklahoma, especially the Tulsa area, which, according to survey respondents, tend to be strong amateur wrestling communities. Area organizers indicated that 10,000 square feet of space for wrestling mats, walkways and tables would be sufficient.

Other Indoor Sports Demand

There are a variety of other indoor sports that typically require a critical mass of flat floor space and accompanying seating in which to host large tournaments, meets, competitions, exhibitions and other such events.

Gymnastics presents a potential opportunity for hosting meets/competitions in an Indoor Sports Facility in Fort Smith. The gymnastics season typically runs from October to May with meets typically requiring at least 20,000 square feet of contiguous flat floor space to host tournaments, but prefer closer to 40,000 square feet for larger meets and competitions (e.g., four teams or more, hosting both boys and girls gymnastics programs, etc.). In speaking with organizers of one regional gymnastics competition promoter, the space available at the Fort Smith Convention Center is adequate for hosting their smallest event, but has limited their ability to grow the meet. If the Fort Smith Convention Center were to be expanded, opportunity exists to nearly double their participation from 400 to 700 competitors, as well as presenting an opportunity to extend the competition with one or more additional day.

Conversations with dance tournament organizers noted that there is a potential to attract one or two annual dance competitions that could draw between 300 to 1,000 participants. The minimum amount of space needed in order to accommodate their event is approximately 20,000 square feet of space, with preference for two separate spaces offering between 12,000 to 20,000 square feet of space each.

Another opportunity is presented with martial arts organizations, which run year-round programs, typically with a greater emphasis during the summer months. However, organizers of martial arts tournaments noted the availability of a number of regional convention centers and arenas that exist that are often used to host regional or national events.

5 MARKET DEMAND & OPPORTUNITIES

Market Demand Conclusions

Based on the results of the research and analyses conducted under this feasibility study, overall findings suggest that a distinct market opportunity exists for a new Indoor Sports Facility in Fort Smith. Key findings and conclusions related to market demand include the following:

1. OVERALL DEMAND & FACILITY FOCUS: In general, interest in a potential new Indoor Sports Facility in Fort Smith, measured through interviews with stakeholders and potential user groups, is considered moderately-strong to strong. Market research and analysis suggest that a state-of-the-industry Indoor Sports Facility, suitable to accommodate basketball, volleyball, wrestling, pickleball, dance/cheer, martial arts, indoor soccer, and off-season/supplemental training for various field sports and their related tournaments, games, practices and training activities, could address certain local and non-local market demand that is not currently being met by existing facilities in the local and regional marketplace. In particular, volleyball, basketball, wrestling and soccer appear to be some of the most prominent sports that would represent core uses of a new Indoor Sports Facility in Fort Smith.

2. DEMOGRAPHICS: The goal of any new investment in a new Indoor Sports Facility in Fort Smith would be envisioned to not only meet the needs of Fort Smith residents, but also the needs of tournaments, meets and competitions that draw out-of-town visitors to the area and generate economic and fiscal impacts to Fort Smith. As a result, the viability of any potential investment in a new Indoor Sports Facility is dependent, in large part, on local market demographic and socioeconomic characteristics of both the local and regional area, and the marketability of the community to potential visiting participants and spectators. A substantial population base exists within both the primary and secondary markets serving Fort Smith (over 225,000 within 30 minutes' drive and 5.9 million within a three-hour drive).

3. VISITOR INDUSTRY INFRASTRUCTURE: The breadth, quality, mix and location of key visitor industry amenities (such as hotels) in a local area significantly contributes to the appeal of a destination and its competitiveness in attracting tournament and other non-local activity. It is particularly important that an appropriate and appealing hotel supply exists within a 20-minute drive of the sports facility. There are in excess of 2,000 hotel guest rooms in Fort Smith, including a diversity of brands and price points across all major categories of product (i.e., limited service, extended stay, select/focused service, full service).

4. LACK OF TOURNAMENT-QUALITY FACILITIES: Research suggests that unmet demand exists in Fort Smith for a quality Indoor Sports Facility that is optimized for sports tourism attraction. Outreach and interviews have indicated the lack of facilities in Fort Smith and the surrounding region offering a critical mass of indoor courts in one location. Additionally, a number of groups and individuals indicated unmet demand for quality and sizeable indoor turf to accommodate games, training and activities—particularly for traditional outdoor field sports during the off-season and inclement weather periods.

5. IMPROVED PRODUCT TO BETTER SERVE LOCAL USERS: While optimized to attract sports tourism (i.e., tournaments, meets, and competitions), state-of-the-industry amateur sports facilities, such as the proposed subject Indoor Sports Facility, often deliver substantial benefits to local community members through enhancing the rental, practice, programming, and alternatives available for sports, recreation, leisure and wellness activities. Local usage and attendance (as opposed to non-local usage and attendance) normally contribute the majority of utilization at comparable indoor sports facilities—positively contributing to the quality of life for local citizens.

6. HIGH-IMPACT, YEAR-ROUND PRODUCT: Unlike outdoor sports facilities (such as baseball, softball or soccer complexes), hardcourt and turf-based indoor sports facilities typically have broad-based usage and tend to be highly-utilized year-round, delivering some of the highest returns-on-investment in terms of utilization, revenue and economic impact per square foot. Typical use types for indoor sports facilities offering hardcourt, sportcourt and/or turf include, but are not limited to:

- Basketball
- Volleyball
- Wrestling
- Cheerleading
- Dance
- Gymnastics
- Futsal
- Pickleball
- Table Tennis
- Badminton
- Running / Walking
- Fitness / Aerobics
- Martial Arts
- Public / Consumer Shows
- Tradeshows
- Special Events
- Soccer
- Lacrosse
- Rugby
- Field Hockey
- Football (American)
- Football (Flag)
- Football (Australian Rules)
- Baseball
- Softball
- Weightlifting / Strength Training
- Open Leisure / Recreation
- Graduations
- Civic events / festivals

6

PROGRAM, SITE & BUSINESS MODEL

6 PROGRAM, SITE & BUSINESS MODEL

Facility Concept & Program

The purpose of this section is to build off the market demand research, analysis and conclusions related to a potential new Indoor Sports Facility in Fort Smith to evaluate market-indicated facility development options. Recommendations regarding potential facility components and other aspects evaluated in this section are based on the results of the market analysis, including the historical, current and projected demographic and socioeconomic characteristics of the market area, an assessment of existing sports and recreation facilities in the marketplace, characteristics of comparable sports facility developments throughout the country, and discussions with potential users of a new Indoor Sports Facility in Fort Smith.

Specifically, the following elements represent a target market supportable program and key attributes for a potential new Indoor Sports Facility in Fort Smith (with an example of a hypothetical program layout shown below):

- CONCEPT: Flexible, tournament-quality indoor amateur sports and recreation facility consisting of permanent hardwood courts, indoor turf, and various associated amenities.
- FACILITY SIZE: Approximately 120,000 gross square feet.
- PARKING: Approximately 900 spaces.
- SITE SIZE: Minimum of 10 acres.
- PRIMARY INDOOR ATHLETIC SURFACES:
    - Hardwood courts: 8 full-sized basketball courts (95' x 50' alleys) or 16 full-sized volleyball courts (60' x 30' alleys).
    - Synthetic turf: 1 regulation-size indoor field (200' x 85').
- CHARACTERISTICS / AMENITIES:
    - Minimum 35-foot ceiling height.
    - Dropdown nets to separate court and turf spaces (including ability to net individual batting/training cages/spaces).
    - Bleachers, athletic equipment, scoreboard, and other such equipment.
    - Locker/team rooms and party rooms consistent with industry standards.
    - Fitness/wellness spaces and equipment.
    - Walking track.
    - Play areas.
    - Food court / café.
    - Performance and esports spaces (optional).

Hypothetical Layout of a Potential New Fort Smith Indoor Sports Facility

Construction Costs (order-of-magnitude)

An analysis was conducted associated with order-of-magnitude hard construction costs pursuant to the supportable building program elements presented on the previous page. Site costs (acquisition and preparation) have not been included. Construction costs tend to vary widely among comparable sports facility projects. Many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, and other such aspects. Importantly, a detailed architectural concept, design and costing study would be required to specifically estimate construction costs for a potential new Indoor Sports Facility in Fort Smith.

Based on an assumed hard construction cost of $200 per gross square foot, order-of-magnitude hard construction costs for a new Indoor Sports Facility in Fort Smith could approximate $24.0 million. Assuming soft costs (not including site acquisition) of approximately $7.2 million, total order-of-magnitude hard and soft construction costs associated with a new Fort Smith Indoor Sports Facility could approximate $31.2 million.

Site & Phasing Opportunities

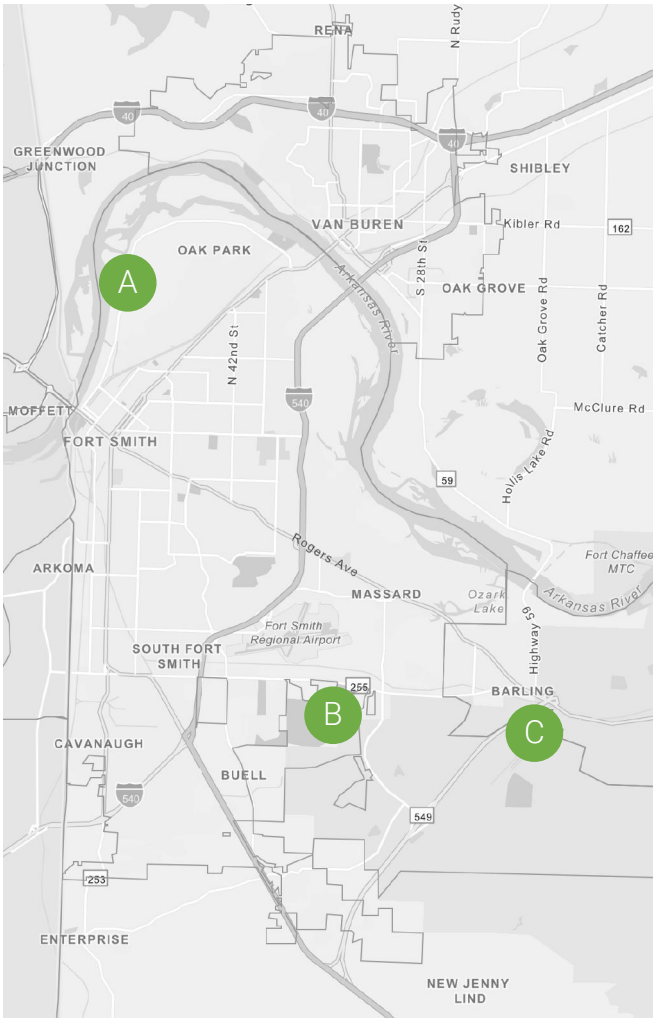
As important as size and configuration, the location and site of an amateur sports facility can have a significant impact on the facility's ability to generate attendance (local and nonlocal), as well as its financial and economic success. Modern indoor amateur sports facilities are often co-located with high-quality outdoor fields (rectangle and/or diamond fields) that are positioned for establishing a "sports destination" through a campus of facilities, fields and amenities, while leveraging operating, marketing, and branding synergy for the purpose of attracting sports tourism, as well as accommodating local demand. As such, many sports complexes tend to involve relatively large sites. A large number of characteristics and factors are typically important when evaluating the attractiveness of a site location. These include, but are not limited to:

- Size, cost, and ownership complexity of site.
- Nearby accessibility to major interstates/roadways.
- Driving proximity to primary population concentrations.
- Ability to leverage existing infrastructure/prior investment.
- Requirements/preferences of a private partner.
- Proximity to quality hotel inventory.
- Proximity to restaurants, retail, nightlife, and entertainment.
- Parking availability.
- Ingress/egress.
- Site visibility.
- Synergy with public sector initiatives/master plans.
- Compatibility with surroundings.

Based on community tours and interviews with stakeholders and user groups, it is believed that three particular site areas in Fort Smith successfully address many of the factors above and also leverage existing infrastructure (including existing athletic fields, while also allowing for room for potential future expansion):

- Site A (Northwest Ft. Smith)
- Site B (Ben Geren Regional Park)
- Site C (Chaffee Crossing)

In terms of project phasing, some communities elect to first build, or improve, fields at the target master plan site, followed by a second or third phase that may include an indoor sports facility. Relative to Fort Smith, there would be the option to improve existing fields (i.e., install synthetic turf and other amenities) at any of the three sites. Under competitive bid situations, an industry rule-of-thumb is approximately $800,000 to $1.0 million per field to install synthetic turf. Assuming a useful life of between 12 to 15 years, costs to replace the turf is typically 20 to 30 percent lower than the initial purchase and install cost.



6 PROGRAM, SITE & BUSINESS MODEL

Governance & Oversight Model

The purpose of this section is to evaluate and provide a recommendation concerning governance for the potential new Indoor Sports Facility in Fort Smith. Governance includes both facility/complex ownership, as well as management/operating structure and approach with regard to booking/scheduling/discounting policies and rates.

The following presents a summary of typical industry model groupings relating to owner/operator models utilized in the amateur sports facility industry:

PUBLIC MODEL:
Under the public model, the land and facility are owned and operated by a public entity, such as municipal government's parks and recreation department (i.e., City). Typically, the primary goal is to first and foremost provide access to residents of the municipality. Facilities that operate under this model generally attract the greatest percentage of local participation and attendance. Publicly-operated facilities are typically funded through the municipal government owner's general fund and/or other dedicated public sector monies. Additionally, these facilities typically rely on an annual financial operating subsidy provided by the public sector owner.

PRIVATE MODEL:
Under the private model, both the land and the complex are privately-owned, developed, maintained and operated. Facilities under this model tend to be more specialized and cater to a narrower segment of the marketplace. This operational model is designed for profit, with pricing and booking strategies that often limit interest and use by most local community and neighborhood leagues and tournaments. The funding for such facilities usually comes from private equity and revenue generated through programmed tournaments, training, camps and league play.

PUBLIC/PRIVATE MODEL:
Under the public/private model, the land, and often the facility as well, are typically owned by a public entity and leased or contracted to a third-party private entity responsible for operating and maintaining the complex. The goals and objectives of this model can vary widely in examples throughout the country; however, many attempt to balance objectives of (1) economic impact generation, (2) local community use opportunities, and (3) operational self-sufficiency. Under an industry best practices approach, these issues are negotiated and agreed upon by the parties in advance and appropriate booking, pricing, and operational guidance is memorialized within the ultimate lease/management agreement. Similar to the private model, many facilities under this model tend to be more specialized and cater to a narrower segment of the marketplace than the public model or the public/non-profit model. Some facilities under this model are operationally self-sufficient and do not require annual subsidy or external funding support, while some still require annual financial operating support by the public sector facility owner.

PUBLIC/NON-PROFIT MODEL:
Under the public/non-profit model, the land and facility are generally owned by a public entity and the complex is leased and operated by a 501(c)3 non-profit. The non-profit operator often utilizes relationships with local sports organizations to generate strategic partnerships, serving to share operating/maintenance responsibilities and expand revenue-generating and use opportunities. The non-profit entity typically gives first priority to its partnerships, with public use given a secondary priority. This model generally serves more of a public utility than that of a Public/Private model and relies on public funding, as well as the access that non-profit organizations have to a number of applicable grant programs that can either contribute to the construction of the complex or offset operating expenses.

Given the mission and goals stated by the City with respect to the Indoor Sports Facility, along with the project's expected physical and operational characteristics, it is believed that the appropriate governance and oversight model for a new Indoor Sports Facility in Fort Smith would be a hybrid public/private model. This would involve public ownership via the City of Fort Smith, contracted private management, and an Oversight Board. Through coordination and collaboration with the City, management team, tenant groups, and other local area facilities, the Oversight Board would be responsible for the Indoor Sports Facility's schedule and use calendar, as well as its rates and discounting policies. This type of structure could work to ensure equitable scheduling and rates, as well as mitigating cannibalization of local user group activity at existing local sports facilities. This would allow for appropriate scaling should the Indoor Sports Facility represent one of several phases of development of a sports complex destination. An overview detail relative to this model is detailed on the following page.

6 PROGRAM, SITE & BUSINESS MODEL

FACILITY OWNER

The facility owner (assumed to be the City of Fort Smith) outlines facility policies informed by aims and goals for the facility. To refine these policies and ensure that they are being implemented by the private management firm, the City would establish an Oversight Board populated by appointed facility and community stakeholders.

OVERSIGHT BOARD

The Oversight Board, a handful of appointed individuals with facility and community ties, has de facto control of the schedule and use calendar for the Sports Facility (or greater campus), as well as rates and discounting. The Oversight Board would initially work the City and the selected Private Management Firm to establish a formal booking and scheduling policies, as well as policies related to rates and discounting. The Oversight Board would be best served if it included a mix of public sector and private sector members, including representatives of the City, the contracted private management firm, key tenants/user groups, other existing local area athletic facilities, schools, tourism organizations, and/or other local business leaders. The Board would have an established set of bylaws and would meet monthly.

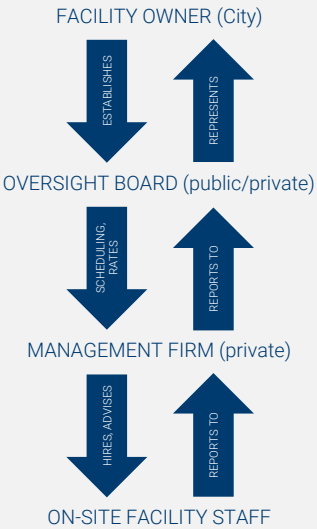
PRIVATE MANAGEMENT FIRM

The private management firm hired by the City would be responsible for operating the Sports Facility as guided by defined City policies. A firm account executive on the national corporate level would directly report to the City's designee (or the Oversight Board, if it is organized with expanded responsibilities), and is responsible for hiring and overseeing the on-site complex staff. The account executive would also act as an intermediary for support functions provided by the firm's national corporate office, including human resources, brand and marketing strategy, financial reporting and legal/risk assistance. The firm is typically compensated with a flat annual management fee, plus incentive payments for producing desired results. Incentives could be based on achieving specific revenue goals, attendance, events, room night generation or other targets.

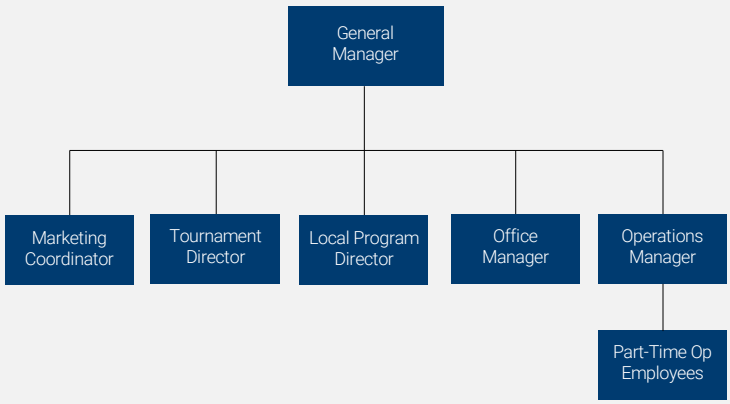
ON-SITE FACILITY STAFF

The facility-specific full-time staff is commonly structured as per the diagram on the right. The facility general manager serves as the on-site lead and directly reports to the private management firm's property-specific account executive. The marketing coordinator oversees all facility marketing and sponsorship efforts, the tournament director works with third-party organizations to schedule tournaments, the local program director works with local organizations to schedule practices, league play and camps, the office manager oversees facility bookkeeping and the operations manager runs facility maintenance and food and beverage operations as well as oversees most of the part-time employees that are hired for event-specific operations. This on-site staff is responsible for operating the facility within the budget submitted by the private management firm and in coordination with Oversight Board.

RECOMMENDED GOVERNANCE STRUCTURE



COMMON ON-SITE FACILITY STAFFING STRUCTURE



7

COST / BENEFIT ANALYSIS

7 COST / BENEFIT ANALYSIS

Overview & Key Assumptions

An analysis was completed to produce key cost/benefit estimates associated with a potential new Indoor Sports Facility in Fort Smith, Arkansas. Performance estimates for the Indoor Sports Facility have been presented over a 20-year projection period. For purposes of this analysis, construction is assumed to commence during 2023 and be completed in 2024, while the first full year of operations is assumed to be 2025. A stabilized year of operation is assumed to occur by the fourth full year of operation (assumed 2028). The assumptions used in this analysis are based on the market research and analysis, past experience with hundreds of similar sports facility projects, local market visits and City, CVB and stakeholder-provided data, industry trends, knowledge of the marketplace, and use/financial results from comparable facilities. Additional planning (i.e., site selection, soil and environmental testing, architectural design, etc.) must be completed before more precise estimations of the Indoor Sports Facility's ultimate construction and operating costs can be made. Also, upon completion of further planning, revenue and expense assumptions should be updated to reflect changes to the assumptions made herein.

These estimates are designed to assist project representatives in assessing the financial and economic effects of a new Indoor Sports Facility and cannot be considered a presentation of expected future results. Accordingly, the analysis of potential financial operating results and economic impacts may not be useful for other purposes. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.

COSTS (Construction & Operations)

Preliminary analyses were completed to estimate order-of-magnitude construction costs and the annual financial operating performance associated with a new Indoor Sports Facility in Fort Smith. Construction cost estimates were generated using industry per-unit data adjusted for conditions in Fort Smith and cost data of comparable amateur sports facility projects, modified for time and locations.

To produce the financial operating estimates, a computer-based model was developed incorporating comparable facility data and the estimated levels of utilization and attendance derived from the market analysis to generate estimates with regard to potential annual facility operations. Revenues including registrations, rentals, concessions, advertising and sponsorship revenues, and other such sources were estimated. Expenses including salaries/wages/benefits (including contracted services costs), utilities, maintenance & repair, materials & supplies, insurance, general & administrative, programming, and others were estimated. The comparison of revenues and expenses enables stakeholders to evaluate the level of facility-supportable revenues or public subsidies that may be required for annual Indoor Sports Facility operations.

It has been assumed that the new Indoor Sports Facility in Fort Smith would be publicly-owned and privately-operated. Figures only represent the annual operations of the Indoor Sports Facility and do not include construction debt service payments, capital repair/replacement reserve funding, or other non-operating income and expenses.

BENEFITS (Economic Impacts & Other)

The ability of an amateur sports facility to generate new spending and associated economic impact in a community is often one of the primary determinants regarding a decision by a public sector entity to participate in investing in the development and/or operation of such facilities. Beyond generating new visitation and associated spending in local communities, amateur sports complexes also benefit a community in other important ways, such as providing venues for athletic and recreation activities attended and participated in by local community members and drawing new visitation/traffic into target areas.

The impact of an amateur sports facility project is maximized when out-of-town athletes/participants and family members or guests spend money in a community while visiting. This spending by visitors represents new money to the community hosting the event. This new money then creates multiplier effects as the initial spending is circulated throughout the local economy.

It is important to note that spending estimates associated with the potential new sports complex only represent spending that is estimated to be new to the Fort Smith area (net new spending), directly attributable to the operation (and existence) of the potential new Indoor Sports Facility.

7 COST / BENEFIT ANALYSIS

Economic Impact Concepts & Methods

The investment in a new Indoor Sports Facility project will be expected to provide substantial quantifiable benefits. These quantifiable benefits often serve as the "return on investment" of public dollars that are contributed to develop the facility project and site. Quantifiable measurements of the effects that facility project could have on the local economy are characterized in terms of economic impacts and fiscal impacts. Direct spending represents the primary spending that would occur as a result of the construction and operations of the Indoor Sports Facility. Direct spending occurs in three ways:

A primary intent of this analysis is to estimate the direct spending that could occur directly at the Indoor Sports Facility itself, in order to approximate the potential associated tax revenues generated from such spending. The vast majority of Construction and In-Facility Spending will be estimated to occur within the Fort Smith area. Additionally, net new impacts will be generated throughout the Fort Smith area, primarily relating to Out-of-Facility Spending (i.e., spending occurring off the Indoor Sports Facility site by visitors to the Fort Smith area on items such as hotels, restaurants, retail, transportation, etc.).

From a broad perspective, gross direct spending would flow to various economic entities, including the City of Fort Smith, Sebastian County and other applicable municipal government(s), restaurants, hotel operators, retail businesses and other such entities. However, some of the spending that occurs in connection with the ongoing operations of the Indoor Sports Facility project would not fully impact the local area. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the Indoor Sports Facility project and site improvements that are considered net new to Fort Smith. These adjustments include:

LEAKAGE represents the portion of gross spending estimated to occur outside the larger geographic area considered for this analysis (Fort Smith). Immediate leakage occurs when initial direct expenditures occur outside the area, such as an out-of-town Indoor Sports Facility visitor that patronizes a hotel or restaurant located outside of Fort Smith. Leakage also occurs when initial local spending is used immediately to pay for goods, services, etc. outside of Fort Smith. Examples of this type of secondary leakage include food and beverage profits retained by companies based outside of Fort Smith.

DISPLACEMENT refers to spending that would have likely occurred anyway in Fort Smith without the presence of the Indoor Sports Facility. Examples of displaced spending would include spending by Fort Smith residents in connection with their visit to the new Indoor Sports Facility site (registrations, food and beverage, retail items, etc.) that would have been spent Fort Smith anyway on other items (e.g., movies, restaurants, shopping, etc.) if they did not visit the Indoor Sports Facility site. Another example of displaced spending would include out-of-facility spending by non-local individuals visiting from outside of Fort Smith whose primary purpose for visiting Fort Smith was something other than visiting or participating in activities at the Indoor Sports Facility itself, and who would have spent their money in some other form in Fort Smith. The concept of displacement is oftentimes referred to as the substitution effect.

The flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy (i.e., Fort Smith). The resulting spending after all adjustments is referred to throughout the remainder of this analysis as net new direct spending.

7 COST / BENEFIT ANALYSIS

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail below.

INDIRECT EFFECTS consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact.

Indirect impacts occur in a number of areas including the following:

- Wholesale industry as purchases of food and merchandise products are made.
- Transportation industry as the products are shipped from purchaser to buyer.
- Manufacturing industry as products used to service the Indoor Sports Facility and site, vendors and others are produced.
- Utility industry as the power to produce goods and services is consumed.
- Other such industries.

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the Indoor Sports Facility and other related facilities. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the IMPLAN system. IMPLAN, which stands for Impact Analyses and Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. Input-output models are a technique for quantifying interactions between firms, industries and social institutions within a local economy. IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc., which licenses and distributes the software to users. Currently, there are thousands of licensed users in the United States including universities, government agencies, and private companies.

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 440 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs). Industry sectors are classified on the basis of the primary commodity or service produced. Corresponding data sets are also produced for each county and zip code in the United States, allowing analyses at both the city and county level and for geographic aggregations such as clusters of contiguous cities, counties, individual states, or groups of states.

Data provided for each industry sector include outputs and inputs from other sectors; value added, employment, wages and business taxes paid; imports and exports; final demand by households and government; capital investment; business inventories; marketing margins and inflation factors (deflators). These data are provided both for the 440 producing sectors at the national level and for the corresponding sectors at the local level. Data on the technological mix of inputs and levels of transactions between producing sectors are taken from detailed input-output tables of the national economy. National and local level data are the basis for IMPLAN calculations of input-output tables and multipliers for geographic areas. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a local economic area.

7 COST / BENEFIT ANALYSIS

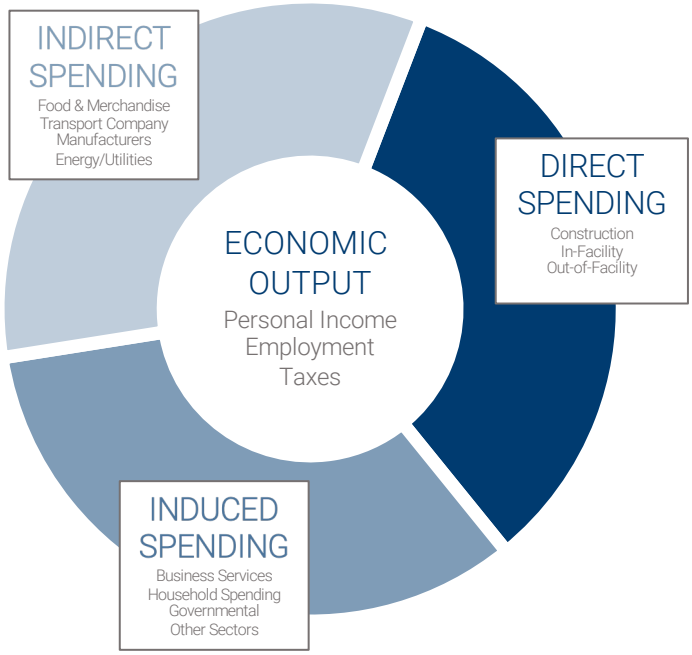
The multiplier effects estimated in this analysis include:

- **TOTAL OUTPUT** represents the total direct, indirect, and induced spending effects generated by the new Indoor Sports Facility. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **PERSONAL INCOME (EARNINGS)** represent the wages and salaries earned by employees of businesses impacted by the new Indoor Sports Facility. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.
- **EMPLOYMENT** is expressed in terms of total jobs and includes both full and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

In addition to the economic impacts that could be generated by the new Indoor Sports Facility, fiscal revenues could be generated to Fort Smith and various other municipal/governmental entities from a variety of sources. In preparing estimates of fiscal impacts, revenues generated to Fort Smith from direct, indirect and induced spending were examined. As a focus of this analysis relates to the economic and tax impact within the Fort Smith area, the primary fiscal revenues estimated herein are sales and lodging taxes that are estimated to be generated within Fort Smith. The net new tax impacts consider reductions for assumed displaced spending within Fort Smith, as well as spending that is assumed to occur outside of Fort Smith.

Although there may be other tax revenues and public sector fees/charges generated as a result of the construction and operations of the new Indoor Sports Facility, net new sales and lodging taxes represent the most directly-attributable and relevant sources relating to this analysis.

The graphic to the right illustrates key measurements of economic and tax impacts utilized in this analysis. Commencing with the estimation of net new direct spending associated with the Indoor Sports Facility project, successive rounds of re-spending generate indirect and induced effects. The sum of all this net new spending in Fort Smith's economy represents total Economic Output. This new economic output, in turn, likewise generates added earnings (personal income), jobs (employment), and tax revenues.



In addition to the quantifiable benefits associated with a new Indoor Sports Facility, there are a number of existing and potential benefits that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These include issues pertaining to quality of life, ancillary economic development facilitation, employment opportunities, community pride, complementing the greater project site, and other such items.

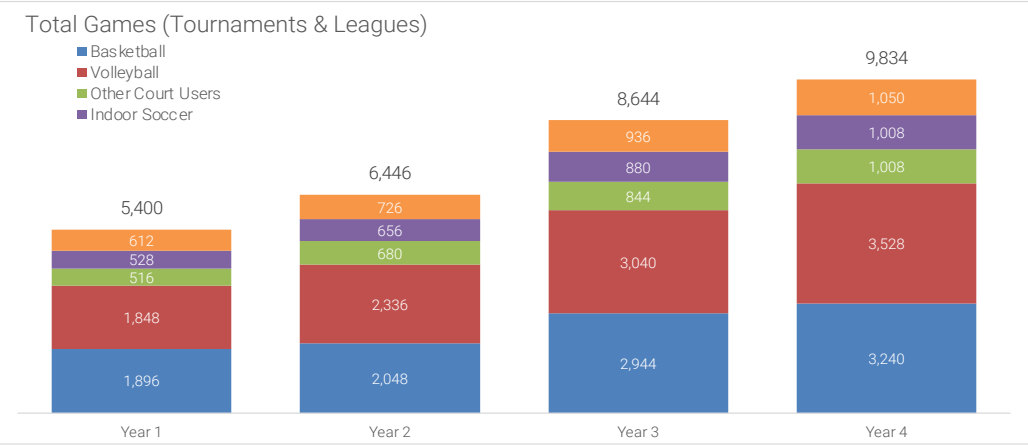
The quantitative impact figures do not include economic impact that could be generated by other greater project elements associated with any master plan for a larger sports complex/campus or mixed-use project and other ancillary private sector development/investment that may occur as result of the Indoor Sports Facility development (i.e., hotels, restaurants, etc.). Some of the impacts associated with the new Indoor Sports Facility would be quantitatively captured by these other developments and improvements, but substantial additional economic impact could be generated by any new public or private investment that occurs at, or near, the site. The net effect of a calculation of quantified economic impact could hypothetically be several times greater in magnitude (depending on the level of investment and development outcomes that are ultimately realized at, or near, the site).

7 COST / BENEFIT ANALYSIS

Estimated Utilization

A detailed utilization model was developed to consider a large number of variables and inputs to analyze each sport/use for a potential new Indoor Sports Facility in Fort Smith. For instance, when considering different types of usage (i.e., use from local leagues/clubs versus non-local tournaments/meets versus clinics/camps/lessons versus open recreation, etc.), separate assumptions were used to generate usage and attendance (participants and spectators) estimates. The exhibit below presents a summary of key utilization levels associated with a new Indoor Sports Facility in Fort Smith, pursuant to the previously outlined facility program and assumptions.

UTILIZATION	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
LEAGUE TEAMS					
Basketball	45	50	55	60	1,170
Volleyball	33	38	43	48	930
Other Court Users	24	28	32	36	696
Indoor Soccer	24	28	32	36	696
Other Turf Users	30	33	36	39	762
Total	156	177	198	219	4,254
LEAGUE GAMES					
Basketball	720	800	880	960	18,720
Volleyball	528	608	688	768	14,880
Other Court Users	336	392	448	504	9,744
Indoor Soccer	336	392	448	504	9,744
Other Turf Users	420	462	504	546	10,668
Total	2,340	2,654	2,968	3,282	63,756
TOURNAMENTS					
Basketball	9	10	15	17	323
Volleyball	12	15	19	22	420
Other Court Users	4	6	8	10	188
Indoor Soccer	6	8	11	13	246
Other Turf Users	7	9	12	14	266
Total	38	48	65	76	1,443
TOURNAMENT GAMES					
Basketball	1,176	1,248	2,064	2,280	43,248
Volleyball	1,320	1,728	2,352	2,760	52,320
Other Court Users	180	288	396	504	9,432
Indoor Soccer	192	264	432	504	9,456
Other Turf Users	192	264	432	504	9,456
Total	3,060	3,792	5,676	6,552	123,912
CAMPS & OTHER RENTALS					
Basketball	42	48	54	60	1,164
Volleyball	60	60	60	60	1,200
Other Court Users	12	12	18	18	348
Indoor Soccer	48	60	72	72	1,404
Other Turf Users	24	30	36	36	702
Private Rentals/Practices/Drop-in	2,900	2,900	2,900	2,900	58,000
Total	3,086	3,110	3,140	3,146	62,818

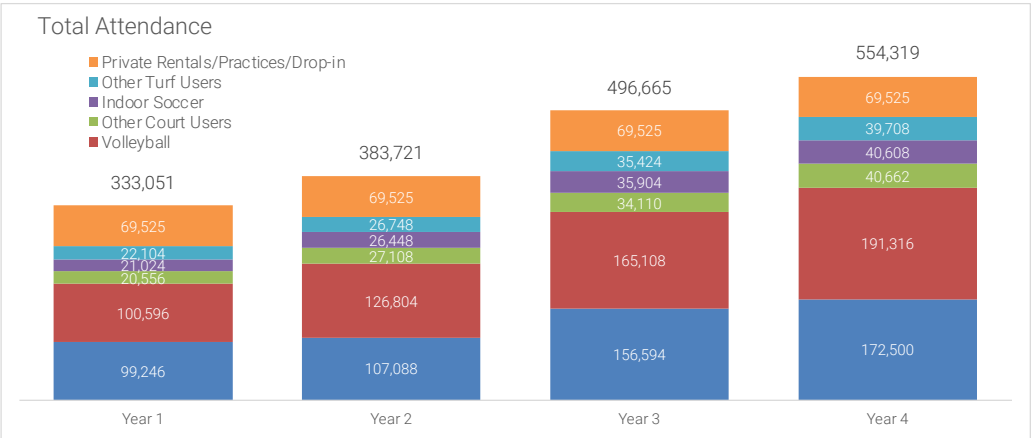


7 COST / BENEFIT ANALYSIS

Estimated Attendance

The exhibit below presents a summary of estimated attendance levels associated with a potential new Indoor Sports Facility in Fort Smith.

ATTENDANCE	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
LEAGUES					
Basketball	10,080	11,200	12,320	13,440	262,080
Volleyball	7,392	8,512	9,632	10,752	208,320
Other Court Users	4,032	4,704	5,376	6,048	116,928
Indoor Soccer	4,032	4,704	5,376	6,048	116,928
Other Turf Users	5,040	5,544	6,048	6,552	128,016
Total	30,576	34,664	38,752	42,840	832,272
TOURNAMENTS					
Basketball	18,816	19,968	33,024	36,480	691,968
Volleyball	21,120	27,648	37,632	44,160	837,120
Other Court Users	2,160	3,456	4,752	6,048	113,184
Indoor Soccer	2,688	3,696	6,048	7,056	132,384
Other Turf Users	2,688	3,696	6,048	7,056	132,384
Total	47,472	58,464	87,504	100,800	1,907,040
CAMPS & OTHER RENTALS					
Basketball	2,100	2,400	2,700	3,000	58,200
Volleyball	3,000	3,000	3,000	3,000	60,000
Other Court Users	600	600	900	900	17,400
Indoor Soccer	1,920	2,400	2,880	2,880	56,160
Other Turf Users	960	1,200	1,440	1,440	28,080
Private Rentals/Practices/Drop-in	69,525	69,525	69,525	69,525	1,390,500
Total	78,105	79,125	80,445	80,745	1,610,340
SPECTATORS					
Basketball	68,250	73,520	108,550	119,580	2,283,180
Volleyball	69,084	87,644	114,844	133,404	2,539,440
Other Court Users	13,764	18,348	23,082	27,666	525,516
Indoor Soccer	12,384	15,648	21,600	24,624	468,240
Other Turf Users	13,416	16,308	21,888	24,660	470,832
Total	176,898	211,468	289,964	329,934	6,287,208
TOTAL ATTENDANCE					
Basketball	99,246	107,088	156,594	172,500	3,295,428
Volleyball	100,596	126,804	165,108	191,316	3,644,880
Other Court Users	20,556	27,108	34,110	40,662	773,028
Indoor Soccer	21,024	26,448	35,904	40,608	773,712
Other Turf Users	22,104	26,748	35,424	39,708	759,312
Private Rentals/Practices/Drop-in	69,525	69,525	69,525	69,525	1,390,500
Total	333,051	383,721	496,665	554,319	10,636,860



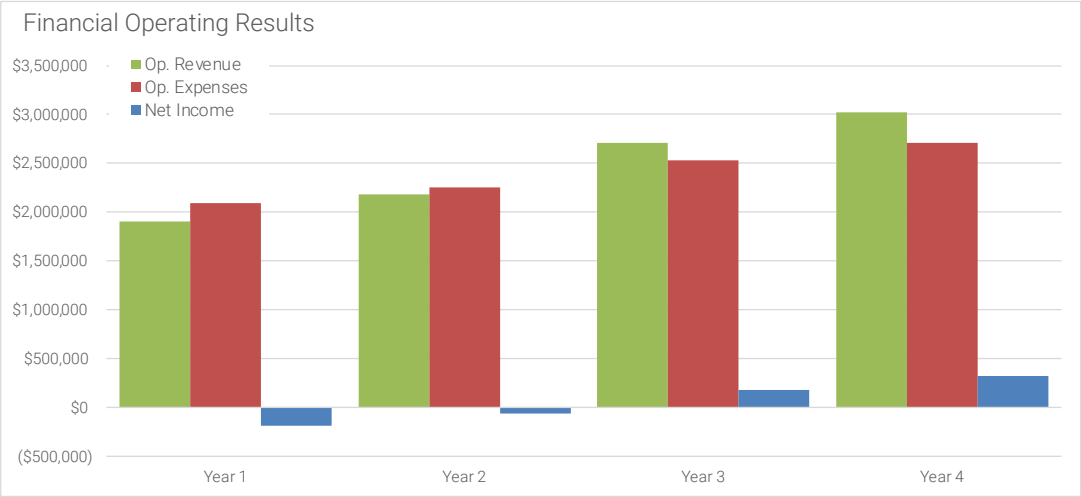
7 COST / BENEFIT ANALYSIS

Financial Operating Projections

Many indoor amateur sports facilities of this nature involve public sector funding participation (both in terms of construction and operations). Many similar hardcourt/turf sports facilities throughout the country operate at an annual financial deficit. Non-operating direct support could come from a variety of sources including public sector support (i.e., general funds, dedicated tax proceeds, etc.), grants, philanthropy and other such sources.

The exhibit below presents a summary of projected annual financial operating results associated with a potential new Indoor Sports Facility in Fort Smith, as previously outlined herein. Based on the preliminary analysis, upon stabilization (assumed fourth full year of operation), a new Indoor Sports Facility in Fort Smith is estimated to generate a net operating profit of approximately $319,000, before debt service and capital repair/replacement funding. This projected level of operating profit is consistent with other comparable indoor sports facilities throughout the country.

FINANCIAL OPERATIONS	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
OPERATING REVENUES					
In-House League Registration	$50,300	$58,600	$67,300	$76,400	$1,833,800
In-House Tournament Registration	$101,760	$104,832	$188,832	$194,544	$4,627,344
Rental Income	$712,800	$813,700	$936,400	$1,051,100	$25,425,700
Camps/Clinics	$183,000	$211,200	$247,500	$261,800	$6,320,900
Concessions	$554,100	$673,100	$928,500	$1,080,000	$25,658,500
Advertising/Sponsorship	$181,700	$195,000	$208,500	$222,000	$5,416,500
Other	$122,815	$128,249	$133,772	$139,385	$3,418,077
Subtotal	$1,906,475	$2,184,681	$2,710,804	$3,025,229	$72,700,821
OPERATING EXPENSES					
Salaries, Wages and Benefits	$764,500	$796,500	$829,200	$862,600	$21,162,000
Utilities	$306,400	$315,600	$325,100	$334,800	$8,233,800
Maintenance and Repair	$127,700	$131,500	$135,500	$139,500	$3,430,700
Materials and Supplies	$76,600	$78,900	$81,300	$83,700	$2,058,400
Insurance	$140,400	$144,700	$149,000	$153,500	$3,773,800
Concessions	$360,200	$437,500	$603,500	$702,000	$16,678,000
General and Administrative	$125,000	$127,500	$130,000	$132,500	$3,265,900
Tournament Expenses	$40,704	$41,933	$75,533	$77,818	$1,850,938
League Operations/Programming	$151,600	$175,400	$204,600	$219,800	$5,300,400
Subtotal	$2,093,104	$2,249,533	$2,533,733	$2,706,218	$65,753,938
NET OPERATING INCOME	**($186,629)**	**($64,851)**	**$177,071**	**$319,011**	**$6,946,883**



7 COST / BENEFIT ANALYSIS

Economic Impacts

The exhibit below presents a summary of the annual, and 20-year cumulative total of projected economic impacts generated in Fort Smith by the potential new Indoor Sports Facility. The economic impact estimates additionally assume the following:

- Construction impacts occur during the construction period, prior to the first year of operation—these impacts are shown under the 20-year cumulative estimates.
- In-facility impacts are driven by the gross spending occurring at the sports facility itself and represent a percentage of gross operating revenues that are estimated to be net new to Fort Smith.
- Out-of-facility impacts are generated across a variety of industries within Fort Smith by athletes, families and sponsoring organizations that do not reside in Fort Smith. Out-of-facility spending by residents who reside in Fort Smith is not counted for this analysis, as such spending is assumed to represent displaced spending that would have otherwise occurred locally. Reductions have been made to account for certain spending (i.e., hotel) that is assumed to leak to areas outside Fort Smith.

ECONOMIC IMPACT	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
A) Construction Impacts					
Net New Hotel Room Nights	0	0	0	0	0
Total Attendee Days	0	0	0	0	0
Net New Non Local Visitor Days	0	0	0	0	0
Direct Spending	$0	$0	$0	$0	$15,600,000
Indirect/Induced Spending	$0	$0	$0	$0	$10,711,243
Economic Output	**$0**	**$0**	**$0**	**$0**	**$26,311,243**
Personal Income	$0	$0	$0	$0	$8,860,371
Employment (full & part-time jobs)	0	0	0	0	187
City Sales Tax (2.0%)	$0	$0	$0	$0	$376,267
City Lodging Tax (3.0%)	$0	$0	$0	$0	$0
Total City Taxes	**$0**	**$0**	**$0**	**$0**	**$376,267**
B) In-Facility Impacts					
Net New Hotel Room Nights	0	0	0	0	0
Total Attendee Days	0	0	0	0	0
Net New Non Local Visitor Days	0	0	0	0	0
Direct Spending	$1,143,885	$1,310,809	$1,626,482	$1,815,137	$43,620,492
Indirect/Induced Spending	$786,006	$900,951	$1,118,523	$1,248,543	$30,002,458
Economic Output	**$1,929,890**	**$2,211,760**	**$2,745,005**	**$3,063,680**	**$73,622,951**
Personal Income	$817,421	$935,177	$1,156,651	$1,289,056	$30,989,793
Employment (full & part-time jobs)	27	31	38	42	1,015
City Sales Tax (2.0%)	$27,594	$31,622	$39,241	$43,794	$1,052,425
City Lodging Tax (3.0%)	$0	$0	$0	$0	$0
Total City Taxes	**$27,594**	**$31,622**	**$39,241**	**$43,794**	**$1,052,425**
C) Out-of-Facility Impacts					
Net New Hotel Room Nights	20,459	24,550	34,913	39,789	756,339
Total Attendee Days	333,051	383,721	496,665	554,319	10,636,860
Net New Non Local Visitor Days	106,083	127,295	181,031	206,315	3,921,756
Direct Spending	$10,984,230	$13,575,982	$19,886,225	$23,343,489	$552,437,826
Indirect/Induced Spending	$7,511,256	$9,283,553	$13,598,636	$15,962,788	$377,769,061
Economic Output	**$18,495,486**	**$22,859,536**	**$33,484,861**	**$39,306,277**	**$930,206,887**
Personal Income	$7,585,940	$9,375,859	$13,733,846	$16,121,505	$381,525,190
Employment (full & part-time jobs)	235	291	426	500	11,831
City Sales Tax (2.0%)	$264,752	$327,221	$479,316	$562,647	$13,315,371
City Lodging Tax (3.0%)	$71,470	$88,333	$129,391	$151,886	$3,594,468
Total City Taxes	**$336,222**	**$415,554**	**$608,707**	**$714,532**	**$16,909,839**
TOTAL NET NEW IMPACTS					
Net New Hotel Room Nights	20,459	24,550	34,913	39,789	756,339
Total Attendee Days	333,051	383,721	496,665	554,319	10,636,860
Net New Non Local Visitor Days	106,083	127,295	181,031	206,315	3,921,756
Direct Spending	$12,128,115	$14,886,791	$21,512,708	$25,158,627	$611,658,318
Indirect/Induced Spending	$8,297,262	$10,184,504	$14,717,159	$17,211,331	$418,482,762
Economic Output	**$20,425,376**	**$25,071,295**	**$36,229,866**	**$42,369,958**	**$1,030,141,081**
Personal Income	$8,403,361	$10,311,036	$14,890,497	$17,410,561	$421,375,354
Employment (full & part-time jobs)	262	322	464	542	13,033
City Sales Tax (2.0%)	$292,346	$358,843	$518,557	$606,441	$14,744,063
City Lodging Tax (3.0%)	$71,470	$88,333	$129,391	$151,886	$3,594,468
Total City Taxes	**$363,815**	**$447,176**	**$647,948**	**$758,326**	**$18,338,531**

7 COST / BENEFIT ANALYSIS

Qualitative Impacts / Other Benefits

In addition to the more quantifiable benefits, some benefits related to the construction and operation of a new Indoor Sports Facility in Fort Smith cannot be quantitatively measured. Beyond the economic activity and jobs indirectly provided, these types of non-quantifiable impacts of a project of this nature and scope can serve to elevate Fort Smith and Sebastian County's profile and brand as a sports tourism destination and as a quality place to live, work, learn and play.

In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature, particularly those involving a major investment in community assets and infrastructure. These include issues pertaining to quality of life (through accommodating local events that would otherwise not be able to visit Fort Smith itself), ancillary economic development facilitation, employment opportunities, community pride and other such issues.

Potential non-quantifiable benefits could include:

- Potential Transformative and Iconic Effects – High profile, sports facility projects, like the proposed Indoor Sports Facility, can have extensive, long-lasting transformative impacts on the Fort Smith community and destination, in terms of quality of life, community prestige, perception by visitors and non-locals, and other such effects.
- Quality of Life for Residents – New/enhanced sports, recreation and special event facilities provide diversified activities for local residents and families, which can make Fort Smith a more attractive and enjoyable place to reside. Quality public assembly facilities can contribute to enhancing community pride, self-image, exposure and reputation. All these items can assist in retaining and attracting an educated workforce, particularly younger adults who often desire quality sports, recreational, meeting, entertainment, cultural, and leisure amenities.
- New Visitation – New visitors will be attracted to the area because of an athletic tournament, meet, competition, clinic or camp. These attendees, in turn, may elect to return to the area later with their families, etc. for a leisure visit after visiting the area for the first time.
- Spin-Off Development – New retail/business tend to invariably sprout up near major new sports and event facility developments, spurred by the operations and activities associated with the facilities, representing additions to the local tax base. Enhanced economic growth and ancillary private sector development (or improvement) surrounding the ultimate site for a new Indoor Sports Facility in Fort Smith may be spurred by the investment in the project
- Anchor for Revitalization – Major sports facility and other tourism facility developments can oftentimes serve as an anchor for larger master plans and revitalization efforts. Indoor sports facilities, like the proposed project, can attract hundreds of thousands of attendees annually. This added visitation to an area or district can be critical to the health and vitality of existing nearby businesses, as well as providing the incentive for future investment by the private sector in business improvements and expansions.
- Other Benefits – Increased synergy with the other athletic, event, hospitality and entertainment facilities can lead to increased tourism activity to Fort Smith.

7 COST / BENEFIT ANALYSIS

Summary & Key Projections

Based on analysis results, a summary of key cost/benefit projections for a new Indoor Sports Facility in Fort Smith associated with its construction and annual operations is presented below (upon stabilization of operations, assumed to occur by the fourth full year of operations).

SUMMARY OF ESTIMATED KEY PROJECTIONS ASSOCIATED WITH A NEW INDOOR SPORTS FACILITY IN FORT SMITH, ARKANSAS
(Operating Impacts Reflect Annual Impacts Upon Stabilization, Assumed Fourth Full Year of Operations)

ANNUAL ATTENDEE DAYS 554,300	ANNUAL NON-LOCAL ATTENDEE DAYS 206,300	ANNUAL HOTEL RM NIGHTS 39,800
ANNUAL FINANCIAL OPERATING RESULTS $0.32M	CONSTRUCTION COSTS $31.2M	CONSTRUCTION ECONOMIC IMPACT $26.3M

ANNUAL DIRECT SPENDING $25.2M	+	ANNUAL INDIRECT/INDUCED SPENDING $17.2M	=	ANNUAL ECONOMIC OUTPUT $42.4M

ANNUAL PERSONAL INCOME $17.4M	ANNUAL EMPLOYMENT (FULL & PART-TIME JOBS) 542	ANNUAL CITY TAX REVENUE $0.76M

In addition to the quantifiable projections of utilization, financial operations and economic impacts shown above, there are a number of potential benefits associated with a new Indoor Sports Facility in Fort Smith that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These qualitative impacts/benefits may include:

- Potential transformative and iconic effects.
- Enhanced quality of life for community residents.
- Inducement of follow-up visitation.
- Spin-off development.
- Anchor for revitalization of targeted areas within a community.
- Various other benefits.

November 9, 2022

Mr. Tim Jacobsen
Executive Director
Fort Smith Convention & Visitors Bureau
2 North B Street
Fort Smith, Arkansas 72901

Dear Mr. Jacobsen:

It was good to speak to you recently regarding the proposed Indoor Amateur Sports Facility (Facility). The purpose of this letter is to outline services and fees for consultation and other advisory services related to additional planning and implementation steps associated with the proposed Facility project that we could provide you and the City (Client) at your request. We would greatly look forward to the opportunity to continue to assist you and other stakeholders with additional planning steps.

PROPOSED SCOPE OF SERVICES

CSL could provide various planning and advisory services with respect to the evaluation, solicitation, and negotiation of a potential public/private partnership (P3) and management/operator opportunities associated with proposed Facility. While all P3 transactions and management/operator planning assistance vary in terms of the assistance requirements, this letter outlines the scope of the anticipated services that could be provided and associated fee structure. The specific tasks we propose to be conducted as part of services are summarized below and on the following pages.

Task 1. Kickoff, Review & Planning
Task 2. P3 Requests for Expression of Interest (RFEI)
Task 3. P3 Planning and Evaluation
Task 4. Development and Distribution of Request for Proposals (RFP)
Task 5. Evaluation of RFP Responses
Task 6. Selection and Negotiations
Task 7. Development & Business Planning Assistance

Task 1. Kickoff, Review & Planning

As an initial task in the engagement, CSL will work with Client officials to establish the specific assistance goals and timeframe. An initial planning meeting will take place to collect pertinent project data. CSL will meet with key Client and project stakeholders to discuss the project and expected outcomes. Comparable projects and implementation processes will be discussed, as well as discussion of industry best practices, comparable project benchmarking data, financial and economic impact expectations, and return-on-investment (ROI) issues. This process will benefit from CSL's extensive industry experience with comparable amateur sports facility projects throughout the country, as well as its recent feasibility study concerning the Facility.

Task 2. P3 Requests for Expression of Interest (RFEI)

CSL will work with the Client to develop a Request for Expressions of Interest (RFEI) that will be designed to preliminarily gauge developer/operator interest in the Facility project. The RFEI will provide a concise summary of the project and opportunity, and will request brief letters of interest from prospective candidates. CSL will identify a targeted list of developer/operator candidates from our database, representing the most

likely potential partners for the project. CSL will provide the list and RFEI document to the Client and will coordinate a mailing of the RFEI. The level of response (or lack thereof) will be telling in terms of market timing and the perceived attractiveness of the potential opportunity by the private sector.

Working with the Client, CSL will conduct preliminary telephone discussions with interested partner candidates (as indicated through responses to the RFEI) to obtain information concerning envisioned development and operating models, branded prototypes, initial thoughts concerning capital contributions, site/location issues, deal structuring, key agreement terms and other such items. These initial conversations will be instrumental in providing base information to assist in the development of a formal Request for Proposals (RFP). At a minimum, this feedback will provide critical information to the Client concerning the viability of a potential P3 partnership scenario.

Task 3. P3 Planning and Evaluation

Building on the previous tasks, the purpose of this task is to further plan and assess P3 funding issues associated with the Facility, as well as solicit, evaluate, select and negotiate with preferred private partners for the purposes of ultimately securing development and/or partners in the Facility project.

The services comprising this task will focus in greater detail on the potential parameters regarding private funding opportunities, as they relate to the Facility project. The type of assistance that we will provide under this task includes, but is not necessarily limited to:

- Assistance in identifying potential private partners, including employment of a proprietary database of hundreds of national and regional developers and operators, including those that have entered into comparable P3 transactions/agreements concerning similar facility projects.
- Provision of information regarding the structure of P3 facility transactions in other comparable communities, including discussion of the strengths and weaknesses of various models.
- We will update assumptions related to the Facility project as project discussions and planning become more refined and the ultimate model becomes crystallized. This could include market penetration, utilization, attendance, rates and revenue opportunities, cash flows, cost-to-build and partner ROI considerations. These ongoing market/financial analyses will be critical in continuing to assess where the public sector stands in terms of the calculated “feasibility gaps” with regard to a potential P3 transaction.
- Provision and assessment of actual developer and operator agreements associated with comparable projects throughout the country, including analysis and summary of key terms and revenue/expense and cost sharing provisions.
- Advisory assistance as to advantageous structure alternatives for the transaction, incorporating participation from the public sector, equity participants, operators and other involved parties.
- Assistance in identifying potential financial advisors/underwriters and that might be required for the transaction.
- Assistance in the development of a prioritized list of key terms that development and operator agreements should contain to best protect the Client’s interest, financially and economically.

Task 4. Development and Distribution of Request for Proposals (RFP)

CSL will work with Client to develop a formal Request for Proposals (RFP) seeking proposal submittals from qualified private partners for the Facility project. The RFP will request all information that should be used in the evaluation of responses. The specific components of the RFP will be based on input from the Client, previously issued RFPs for comparable projects throughout the country, as well as our experience

in other markets, and will place importance on the criteria for evaluation that are particularly unique or important in Fort Smith. Elements of the RFP will include, but will not be limited to, the following:

- Description of the envisioned Facility, its mission and guiding principles, physical and operational characteristics, and marketing niches.
- Summary of estimated operating characteristics of the Facility, including all relevant planning, budgeting, architectural and consulting documents.
- Long-term objectives and expected standards of the Client and other key project stakeholders with respect to the Facility.
- Description of services and investment to be provided.
- Requirements of proposers (could include, but are not limited to):
  - background information regarding firm and demonstration of financial solvency
  - statements of relevant qualifications and experience
  - case studies demonstrating successful engagements
  - letters of reference
  - proposed compensation terms and conditions
  - proposed facility staffing structure (if applicable)
  - profiles of proposed high-level administrative personnel, at a minimum, resumes of proposed General Manager and Assistant General Manager (if applicable)
  - proposer expectations of the Client and other key stakeholders
  - event marketing niches and specialties
  - strategic marketing ideas
  - preliminary facility financial pro formas (if applicable)
  - opportunities to restrain costs and enhance revenues
  - other such items
- Evaluation of criteria
- Proposed timeline
- Terms and conditions

The ultimate content of the RFP will be based upon discussions with the Client, other identified project stakeholders, as well as our previous experience with similar engagements.

After the preparation of the final RFP, we will develop and provide to the Client a master list of potential bidders for final RFP distribution associated with the proposed Facility. We will work with the Client to include those entities from which the Client would specifically like responses. As appropriate, we will assist in the planning for a pre-bidders conference with potential contractors. We will provide the Client with a list of specific questions and topic areas of discussion. The pre-bidders conference would further educate each of the potential bidders with regard to the Client's expectations for the Facility and will assist the Client in evaluating each of the bidders.

Task 5. Evaluation of RFP Responses

Upon receipt of the responses to the RFP, in coordination with the Client and other project stakeholders, CSL will review each submittal to determine if all required information has been provided. We will then compile a list of questions and/or clarifications that will be submitted to the proposers for further clarification.

We will then work with you to develop a matrix that allows for easy comparison of individual responses. The matrix will be used to identify key areas that differentiate each proposal and will provide an evaluation of the submissions, so that the Client can best understand each response on a comparable basis.

Specific components to be evaluated in the matrices could include, but will not be limited to, the following:

- Respondent's experience, with specific emphasis on the management of comparable facilities (i.e., venues located in markets of similar size to Fort Smith, specific facility types/market focus, and other such venues).
- Respondent's understanding of the estimated future operations of the Facility and the characteristics of the Fort Smith community.
- Respondent's ability to provide the desired quality and level of services at the Facility.
- Respondent's marketing approach.
- Respondent's management plan.
- Estimated financial results and the impact on the Facility and the Client.
- Respondent's financial and operational qualifications and capacity, including similar projects undertaken by the respondent.
- Contract terms and conditions.
- Overall feasibility of the respondent's proposal.

In addition, an interview process that will include representatives from the Client, other identified project stakeholders, CSL, and selected respondents may also be conducted, if so desired by the Client. This process would further the Client's knowledge and understanding of each of the respondents' bids. The interviews could also enable the evaluation team to ask questions of the bidders and to obtain information in order to develop a comparable process from which to rank the respondents.

It is important to note that although CSL would provide industry experience and assistance to the Client and other identified stakeholders in evaluating and understanding the proposals, we would not be a voting committee member.

Task 6. Selection and Negotiations

Following the evaluation of the responses to the issued RFP, CSL will assist the Client in identifying the most desirable response(s) to be considered for further negotiation. As part of this process, we will obtain copies of and summarize similar development, management, and/or equity partner agreements with comparable facilities throughout the country to provide an initial framework for the proposed negotiations. Copies of these comparable facility agreements will be provided to the Client and its legal counsel.

As needed, we will conduct additional analysis and modeling of estimated market and financial performance characteristics of the proposed Facility, given more clarity of the ultimate facility development and operating models considered most likely for the project.

We will work with the legal representative(s) and other officials of the Client and other project stakeholders as appropriate in identifying the key structure and terms of a memorandum of understanding (MOU) with a designated partner, including providing feedback on document drafts.

We will then assist the Client throughout the negotiation and agreement drafting/revising processes to arrive at an agreement that is fair and equitable to all parties for each of the projects, with specific attention paid

to the Client's operating goals. Throughout these negotiations, we will be prepared to provide additional information, as requested by the Client.

Task 7. Development & Business Planning Assistance

In order to plan and implement a successful P3 development, ownership, management and operational framework for the Facility project, based on industry best practices and to best protect the interests of the Client and stakeholders, at your request, we could provide targeted advisory assistance. The services, as requested by you, could include, but will not necessarily be limited to:

1. On-Call Availability
   Availability for telephone conference calls and virtual meetings for discussions, strategic planning and negotiations.

2. Refine Concept
   Utilizing the results of the feasibility study and our past experience and knowledge of industry best practices, we will work collaboratively with Client and project team members to further refine pertinent detail, assumptions, and business planning issues as they relate to reaction to the Facility project, including, but not limited to, physical characteristics and amenities, market positioning, location with the targeted site(s), marketing opportunities and challenges, fit within the greater destination/marketplace, ownership/management scenarios, operational issues, marketing and operational synergy among other site/property elements, and other such items.

3. Refine Market/Financial/Economic/Funding Modeling
   Building on the Implementation Plan work and modeling, we will work with you to refine a core set of market assumptions (e.g., utilization, occupancy, and attendance and financial assumptions, including rates, F&B and merchandise per capitas, and other such operating revenue and expense assumptions) for the Facility project. These will form the basis for analysis of the final utilization, revenues, expenses, economic impacts, and return-on-investment calculations. Working with the Client and project team, we will identify, assess and integrate various funding assumptions and sources within our overall financial model. The model will continue to be a useful tool for ongoing evaluation of the project under various scenarios as elements evolve through finalization.

4. Refine Management/Operating Model Detail
   Based on the outcome of the previous tasks/steps, we work with the Client and project team to outline and further refine the core parameters and characteristics of ownership, management and operating assumptions for the subject Facility, based on industry best practices and our assessment of the unique attributes of the subject. If applicable, we will recommend the most appropriate model associated governance/oversight, day-to-day operations, staffing, strategic marketing/promotion partnerships, method of provision of services (in-house, exclusive vendor, preferred vendors, open vendor policy, etc.), hypothetical general FF&E needs, booking and discounting policies, and other such business planning items.

5. Agreements and Best Practices Consulting

   a. Access to a large proprietary database of industry research, agreement documents from comparable facility projects (i.e., Development Agreements, Hotel Room Block Agreements, Management Agreements, Marketing Agreements, Food Service, Naming Rights/Sponsorship Agreements, and other service provider agreements, etc.).

   b. Assistance in identifying, evaluating and negotiating funding options for the projects, with a focus on both industry best practices as well as specific opportunities present in Fort Smith and Arkansas.

c. Negotiation assistance with key terms associated with a variety of agreements involving the public sector and private parties.

d. Assistance, in collaboration with Client counsel and other Client assignees, in developing, reviewing and revising draft and final agreement documents associated with the Facility, Client, and other relevant participants.

e. Assistance in planning (including RFP development, distribution and proposal scoring, if necessary), developing, negotiating and finalizing other agreements related to management, hotel room block, booking/discounting, naming/sponsorship rights, and/or service provision elements of the Facility project.

f. Assistance in reviewing programmatic and design documents related to the Facility upon their development and refinement.

g. Development of additional research and analysis, as needed throughout the planning process, including those related to updated financial operating analysis, funding/financing issues, market capture, attendance, utilization, occupancy, economic/tax impacts, etc.

h. As needed, research and discussion of best practices and industry benchmarking relative to "business planning" aspects for the Facility, and in terms of best positioning coordination and collaboration among parties. This could include staffing levels/roles/responsibilities, operating policies/procedures, mission statements, sales/marketing plan, provision of services by functional area/department (i.e., in-house vs. exclusive contract vs. preferred vs. open-vendor, etc.), reporting format and procedures, and other such items.

i. Based on our experience and industry best practices, assistance in developing and/or refining key policies and produces to be employed at the Facility (i.e., space/equipment/service rental rates, booking policies, mission statement, discounting policies, sustainability issues, etc.).

j. Other industry-related and project-specific areas, as requested by the Client, as reasonable with consideration of total available engagement budget capacity.

PROPOSED TIMING AND FEES

We are prepared to commence this engagement upon receipt of notice to proceed. We would look forward to further discussing the specific study preferences or alternatives you may have for the advisory assistance.

Total professional fees for any engagement will depend on the number of hours required to complete the project and skill levels of the assigned personnel.

The number of hours that would be required to complete most of the work outlined herein is not fully defined (due to the uniqueness of assistance and transactions of this nature). Therefore, professional fees associated with the work will be billed on an hourly basis against a minimum fixed Base Fee of $40,000.

Out-of-pocket expenses (primarily those associated with requested travel) would be billed separately at cost. Billable hours by staff member will be tracked and itemized monthly for the Client. If the aggregate total of hourly billings and out-of-pocket expenses exceed the Base Fee amount, we will immediately inform the Client and, upon the Client's express written consent, will bill additional fees on an hourly rate basis.

Professional fees and out-of-pocket expenses will be billed and are payable on a monthly basis. Should additional work be required beyond the scope of services detailed herein, professional fees will be billed on an hourly rate basis. Total professional fees for additional services will depend on the number of hours required to complete the services and skill levels of the assigned personnel.

Hourly rates by CSL staff position are as follows. These hourly rates have been developed in consideration of a premium associated with the provision of proprietary in-house industry data and the variable, on-call preferential nature that will be afforded to the Client for requested services.

CSL Principal	$345
Analysts & Support Staff	$195

The fees and rates quoted herein are firm for a period of one (1) year from the date of this engagement letter. Fees and expenses will be billed and are payable on a monthly basis. In the event that a decision not to proceed occurs at any point following the initiation of the engagement, we will cease our work immediately and bill you for time incurred on the engagement at that point in time.

* * * * * *

Upon your review of this information, please do not hesitate to contact me at (612) 294-2003 or bkrueger@cslintl.com. We would be happy to discuss any specific preferences or alternatives you might have for further consultation and advisory assistance related to the proposed Facility project. We would look forward to the opportunity to again assist you and other stakeholders with planning concerning this project and could prepare an engagement letter (contract) at your request.

Sincerely,

Bill Krueger
Senior Vice President
CSL International

FEASIBILITY STUDY OF A POTENTIAL NEW INDOOR SPORTS FACILITY

IN FORT SMITH, ARKANSAS

JUNE 14, 2022

CSL

INTRODUCTION & BACKGROUND

- **STUDY PURPOSE:**
  Feasibility study of a potential new Indoor Amateur Sports Facility to drive new sports tourism & provide expanded sports/rec opportunities for local residents.
- **PROJECT EXPERIENCE:**
  1,000+ sports/rec & event facility planning projects.
- **BENCHMARKING:**
  Interviews with 30+ comparable facilities.
- **SITE VISIT & INTERVIEWS:**
  Community/facility tours. Meetings with community leaders, stakeholders & user groups. Telephone interviews with tournament producers & user groups.

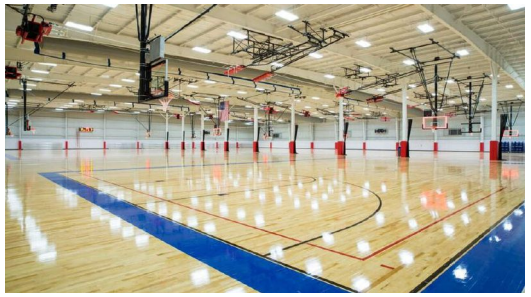
STUDY COMPONENTS

1. Introduction & Background
2. Local & Regional Conditions
3. Comparable Facilities
4. Industry Trends
5. Market Demand & Opportunities
6. Program, Site & Business Model
7. Cost/Benefit Analysis

COMPARABLE FACILITIES

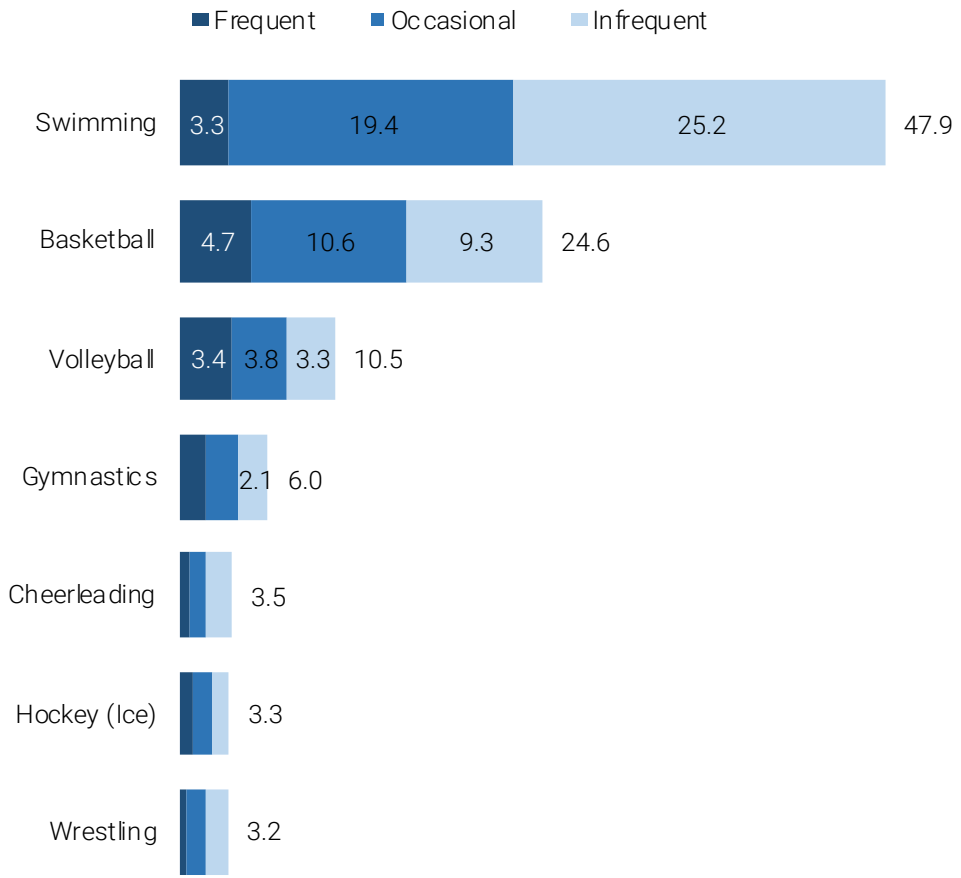
	Facility Name	City, State	Year Opened	Owner	Operator	Basketball Courts (number)	Volleyball Courts (number)	Indoor Turf (SF)
1	TBK Bank Sportsplex	Bettendorf, IA	2018	The BettPlex, LLC	The BettPlex, LLC	8	8	78,000
2	Cape Girardeau Sportsplex	Cape Girardeau, MO	2017	City of Cape Girardeau	City of Cape Girardeau	6	12	34,000
3	Fieldhouse USA	Frisco, TX	2009	City of Frisco	Fieldhouse USA	12	12	20,000
4	Rocky Top Sports World	Gatlinburg, TN	2014	City of Gatlinburg	Sports Facilities Companies	6	12	-
5	Greensboro Sportsplex	Greensboro, NC	2002	City of Greensboro	City of Greensboro	8	8	24,000
6	Hammond Sportsplex	Hammond, IN	2018	City of Hammond	City of Hammond	6	10	34,000
7	Sports Pavilion Lawrence	Lawrence, KS	2014	City of Lawrence	City of Lawrence	8	16	17,000
8	Myrtle Beach Sports Center	Myrtle Beach, SC	2015	City of Myrtle Beach	Sports Facilities Companies	8	16	-
9	UW Sports Factory	Rockford, IL	2016	City of Rockford	Rockford Park District	8	16	-
10	Rocky Mount Event Center	Rocky Mount, NC	2018	City of Rocky Mount	Sports Facilities Companies	8	16	-
11	Cedar Point Sports Center	Sandusky, OH	2020	Cedar Point Fair	Sports Facilities Companies	10	18	-
12	Virginia Beach Sports Center	Virginia Beach, VA	2020	City of Virginia Beach	Eastern Sports Management	12	24	-
	AVERAGE		2015			8	14	34,500
	MEDIAN		2017			8	14	29,000

COMPARABLE FACILITIES (continued)

CAPE GIRARDEAU SPORTSPLEX Cape Girardeau, MO	HAMMOND SPORTSPLEX Hammond, IN	RHODES SPORTS CENTER Myrtle Beach, SC	CEDAR POINT SPORTS CENTER Sandusky, OH
			
			
			

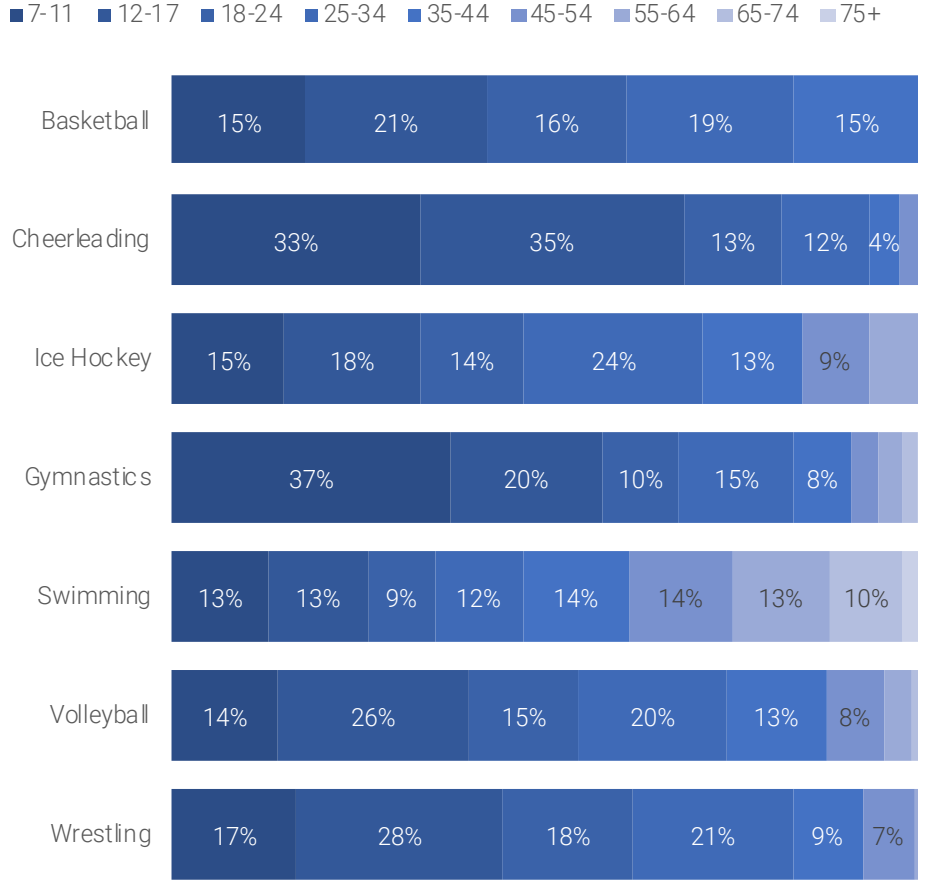
INDUSTRY TRENDS

National Participation Levels - Indoor Sports (in millions)



Source: National Sporting Goods Association's Sports Participation Study .

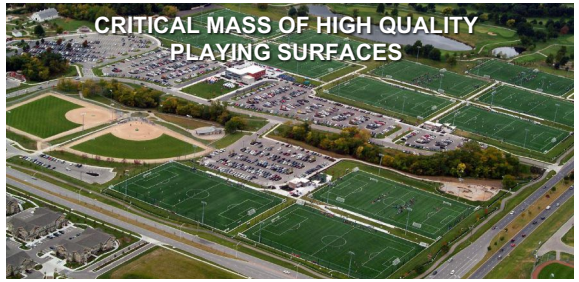
National Participation Levels by Age – Indoor Sports



Source: National Sporting Goods Association's Sports Participation Study .

INDUSTRY TRENDS (continued)

- Critical mass of high-quality courts, fields and playing surfaces in one location.
- Maximization of local uses and sports tourism.
- Flexibility to accommodate the widest variety of uses.
- Synthetic turf (indoor & outdoor) is increasing accepted & expected by most tournament & local sports/rec activity.
- Growing emphasis on partnerships (equity, sponsorship and ancillary development).
- Focus on creating/enhancing the quality of sub-destinations surrounding facility complexes.
- Incorporation of quality amenities & specialty components:
    - Performance centers
    - eSports capabilities/technology
    - Restaurants/cafes/food courts
    - Fitness & wellness
    - Leisure amenities (child play areas, mini-golf, AR tech)
    - Ancillary development (hotels, retail, attractions)



MARKET DEMAND & OPPORTUNITIES

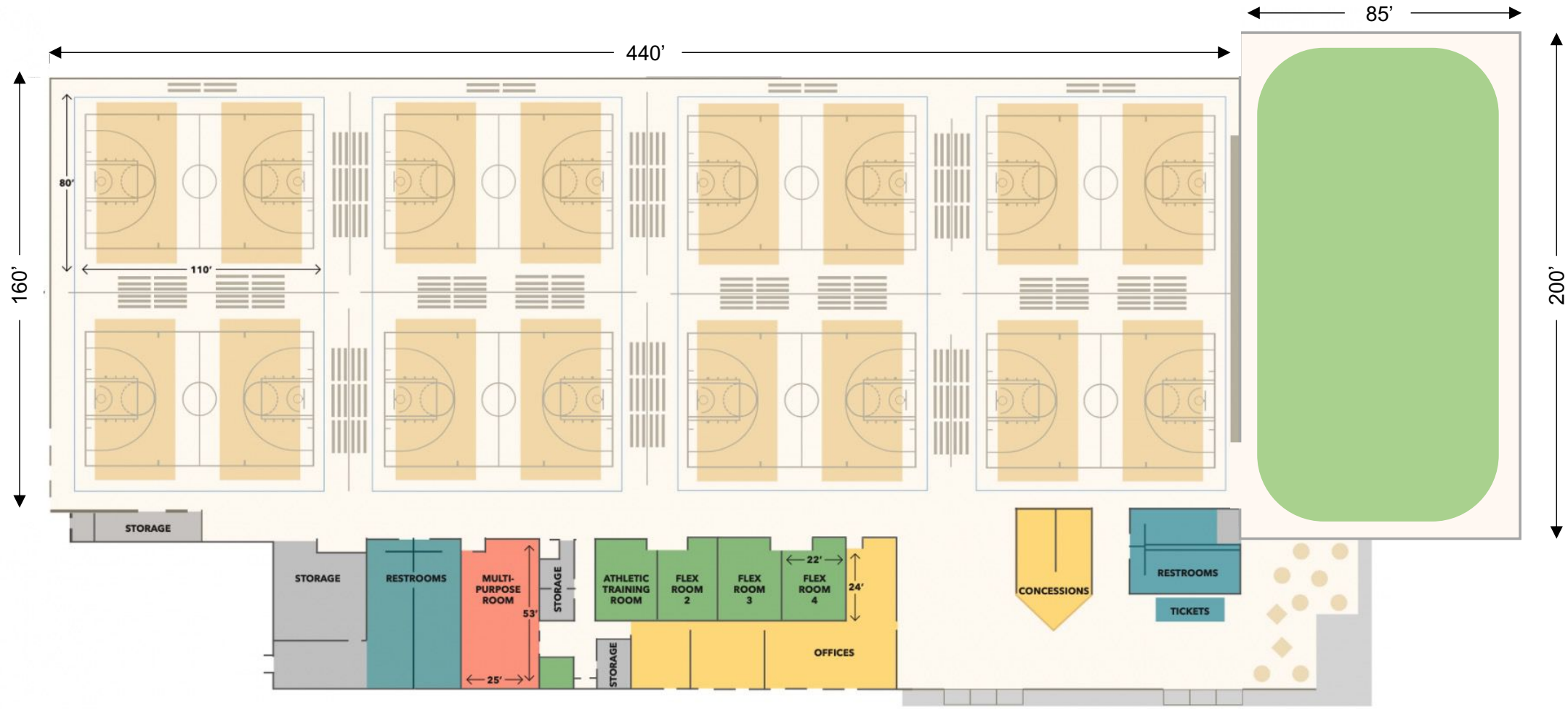
- **OVERALL DEMAND & FACILITY FOCUS:**
  Surveys indicate demand is moderately-strong to strong. Volleyball, basketball, wrestling & field sports training are expected to be strong generators of usage.
- **DEMOGRAPHICS:**
  A substantial population base exists within both the primary and secondary markets serving Fort Smith (over 225,000 within 30 minutes' drive and 5.9 million within a three-hour drive).
- **VISITOR INDUSTRY INFRASTRUCTURE:**
  2,000 hotel guest rooms in Fort Smith, including a diversity of brands and price points across all major categories of product. Important that an appropriate & appealing hotel supply exists within a 20-minute drive of facility.
- **LACK OF TOURNAMENT-QUALITY FACILITIES:**
  Lack of facilities in Ft. Smith area offering a critical mass of courts in single facility. Also, unmet demand for indoor turf.
- **IMPROVED PRODUCT TO BETTER SERVE LOCAL USERS:**
  In addition to tournaments, new facility would serve local residents through providing quality/accessible sports/rec facility and programming.
- **HIGH-IMPACT, YEAR-ROUND PRODUCT:**
  Unlike outdoor field complexes, indoor hardcourt/turf facilities offer year-round usage/programming. Often, annually financially profitable.

- Badminton
- Baseball
- Basketball
- Cheerleading
- Civic events / festivals
- Dance
- Field Hockey
- Fitness / Aerobics
- Football (American)
- Football (Australian Rules)
- Football (Flag)
- Futsal
- Graduations
- Gymnastics
- Lacrosse
- Martial Arts
- Open Leisure / Recreation
- Pickleball
- Public / Consumer Shows
- Rugby
- Running / Walking
- Soccer
- Softball
- Special Events
- Table Tennis
- Tradeshows
- Volleyball
- Weightlifting / Strength Training
- Wrestling

FACILITY CONCEPT & PROGRAM

- CONCEPT: Flexible, tournament-quality indoor amateur sports and recreation facility consisting of permanent hardwood courts, indoor turf, and various associated amenities.
- FACILITY SIZE: Approximately 120,000 gross square feet.
- PARKING: Approximately 900 spaces.
- SITE SIZE: Minimum of 10 acres.
- PRIMARY INDOOR ATHLETIC SURFACES:
  - Hardwood courts: 8 full-sized basketball courts (95' x 50' alleys) or 16 full-sized volleyball courts (60' x 30' alleys).
  - Synthetic turf: 1 regulation-size indoor field (200' x 85').
- CHARACTERISTICS / AMENITIES:
  - Minimum 35-foot ceiling height.
  - Dropdown nets to separate court and turf spaces (including ability to net individual batting/training cages/spaces).
  - Bleachers, athletic equipment, scoreboard, and other such equipment.
  - Locker/team rooms and party rooms consistent with industry standards.
  - Fitness/wellness spaces and equipment.
  - Walking track.
  - Play areas.
  - Food court / café.
  - Performance and esports spaces (optional).

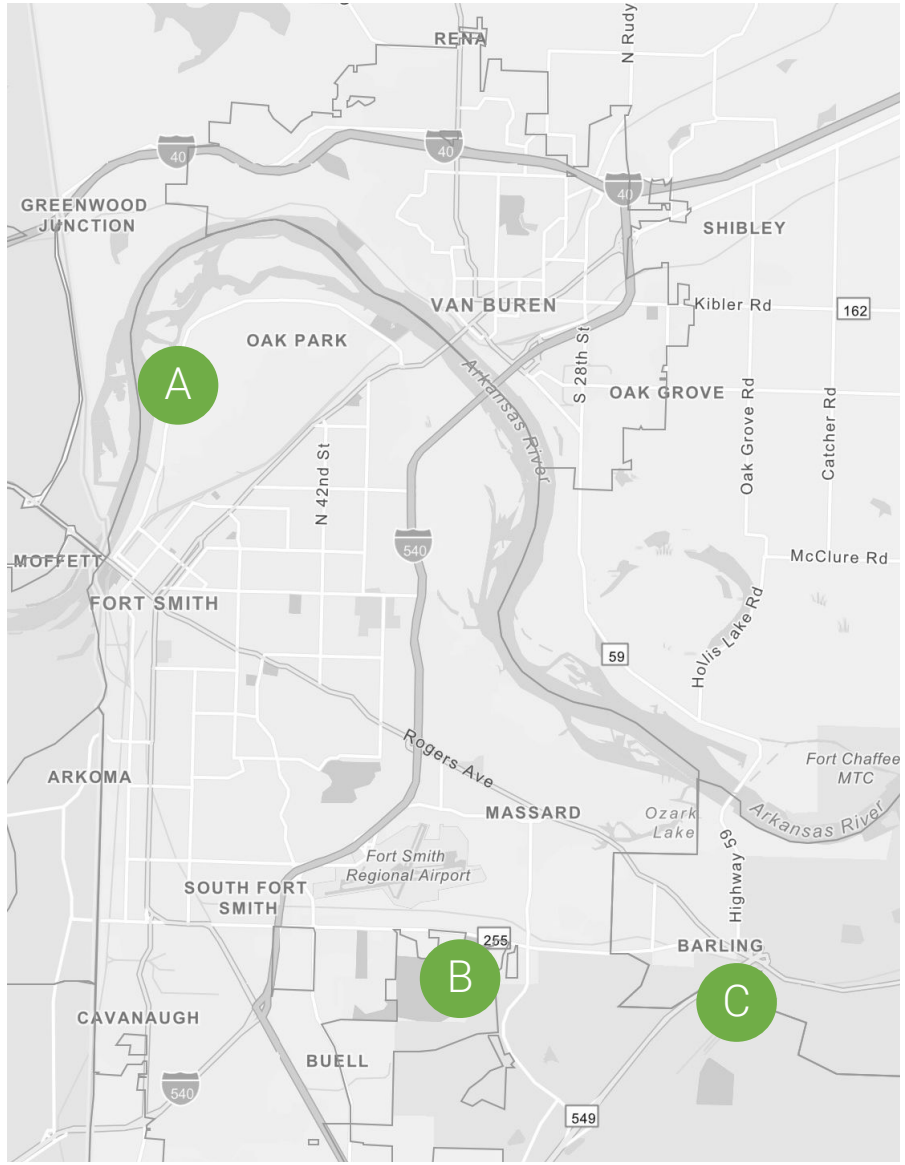
HYPOTHETICAL LAYOUT & PRELIMINARY CAPITAL COST



Order-of-Magnitude Construction Costs (hard + soft costs excluding land) = **$31.2 million**

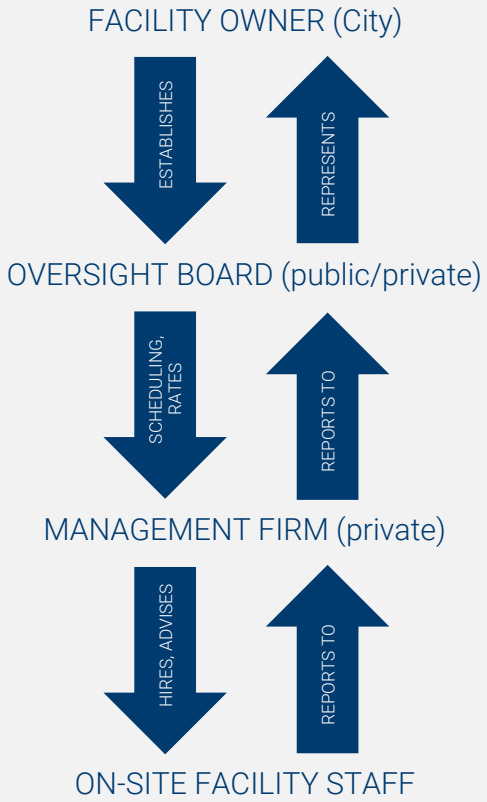
SITE OPPORTUNITIES

- Typical Important Site Characteristics:
  - Size, cost, and ownership complexity of site.
  - Nearby accessibility to major interstates/roadways.
  - Driving proximity to primary population concentrations.
  - Ability to leverage existing infrastructure/prior investment.
  - Requirements/preferences of a private partner.
  - Proximity to quality hotel inventory.
  - Proximity to restaurants, retail, nightlife, and entertainment.
  - Parking availability.
  - Ingress/egress.
  - Site visibility.
  - Synergy with public sector initiatives/master plans.
  - Compatibility with surroundings.
- Identified Favorable Site Locations:
  - Site A (Northwest Ft. Smith)
  - Site B (Ben Geren Regional Park)
  - Site C (Chaffee Crossing)

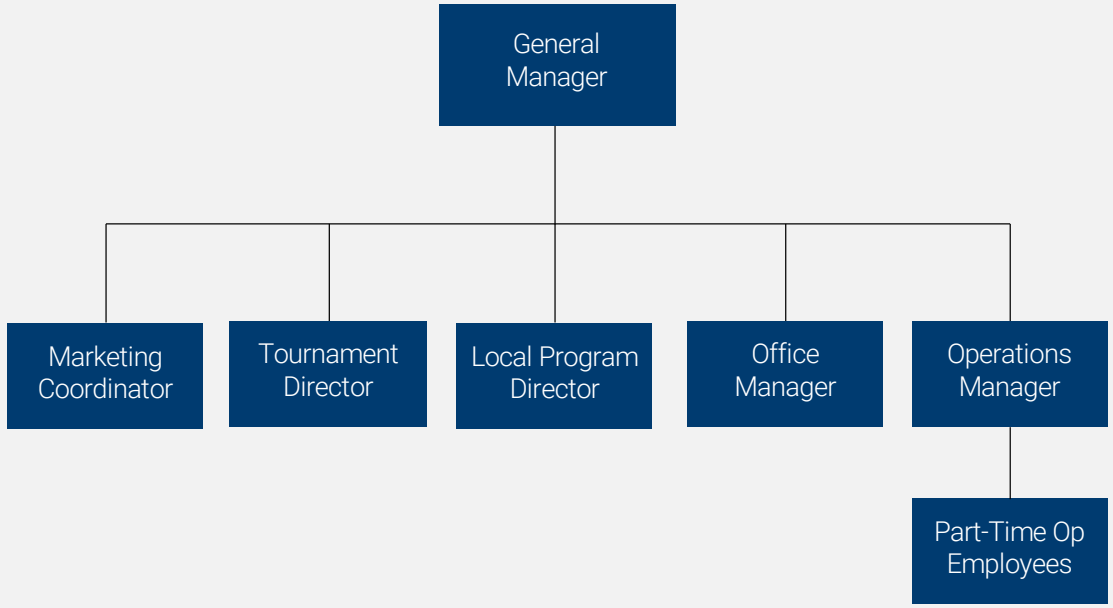


GOVERNANCE & OVERSIGHT MODEL

RECOMMENDED GOVERNANCE STRUCTURE

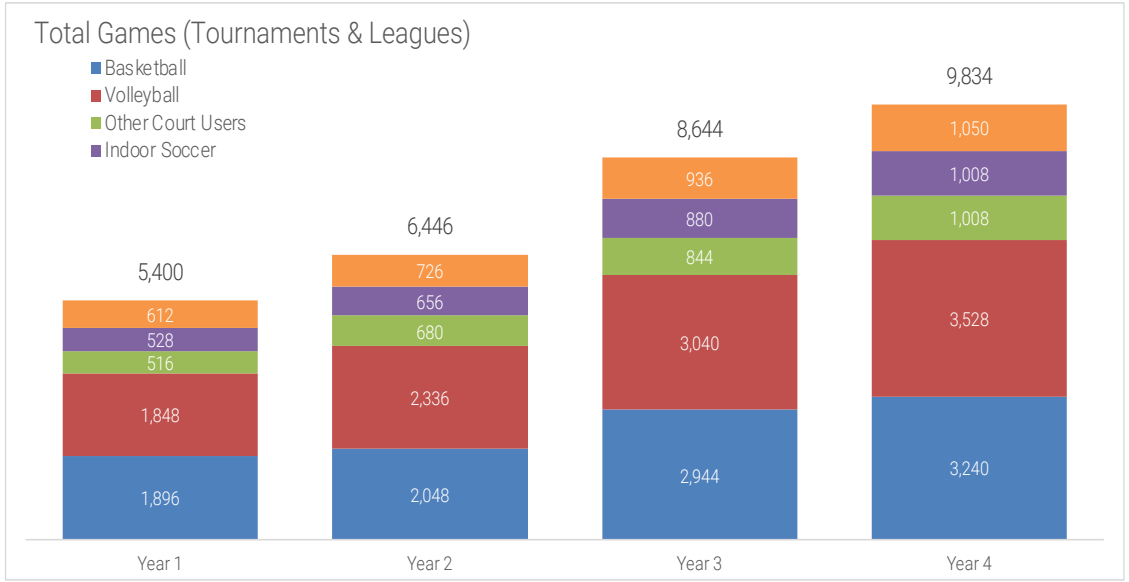


COMMON ON-SITE FACILITY STAFFING STRUCTURE



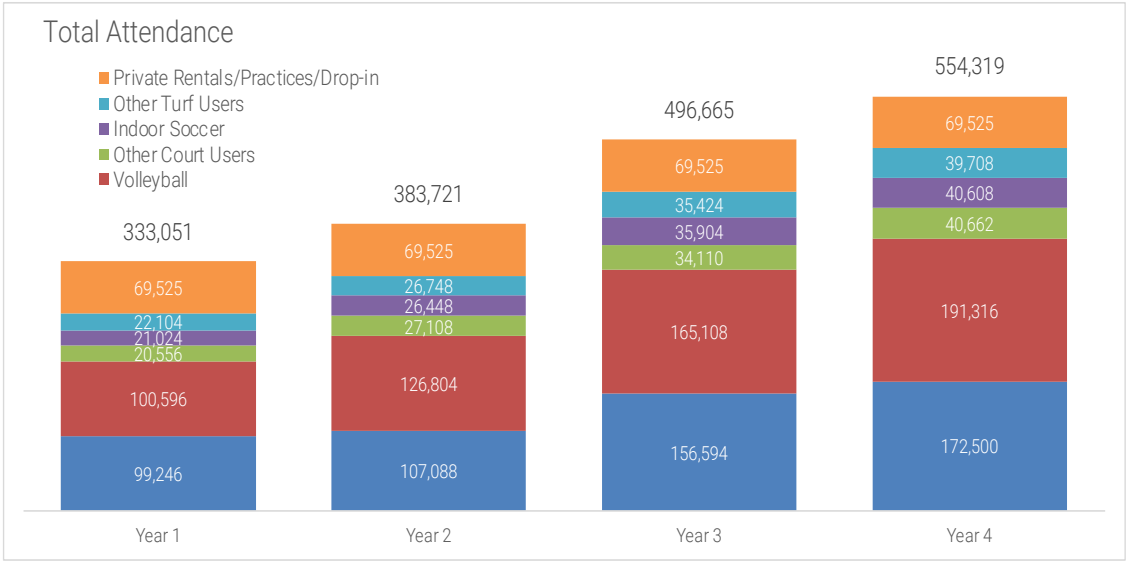
UTILIZATION PROJECTIONS

UTILIZATION	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
LEAGUE TEAMS					
Basketball	45	50	55	60	1,170
Volleyball	33	38	43	48	930
Other Court Users	24	28	32	36	696
Indoor Soccer	24	28	32	36	696
Other Turf Users	30	33	36	39	762
Total	156	177	198	219	4,254
LEAGUE GAMES					
Basketball	720	800	880	960	18,720
Volleyball	528	608	688	768	14,880
Other Court Users	336	392	448	504	9,744
Indoor Soccer	336	392	448	504	9,744
Other Turf Users	420	462	504	546	10,668
Total	2,340	2,654	2,968	3,282	63,756
TOURNAMENTS					
Basketball	9	10	15	17	323
Volleyball	12	15	19	22	420
Other Court Users	4	6	8	10	188
Indoor Soccer	6	8	11	13	246
Other Turf Users	7	9	12	14	266
Total	38	48	65	76	1,443
TOURNAMENT GAMES					
Basketball	1,176	1,248	2,064	2,280	43,248
Volleyball	1,320	1,728	2,352	2,760	52,320
Other Court Users	180	288	396	504	9,432
Indoor Soccer	192	264	432	504	9,456
Other Turf Users	192	264	432	504	9,456
Total	3,060	3,792	5,676	6,552	123,912
CAMPS & OTHER RENTALS					
Basketball	42	48	54	60	1,164
Volleyball	60	60	60	60	1,200
Other Court Users	12	12	18	18	348
Indoor Soccer	48	60	72	72	1,404
Other Turf Users	24	30	36	36	702
Private Rentals/Practices/Drop-in	2,900	2,900	2,900	2,900	58,000
Total	3,086	3,110	3,140	3,146	62,818



ATTENDANCE PROJECTIONS

ATTENDANCE	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
LEAGUES					
Basketball	10,080	11,200	12,320	13,440	262,080
Volleyball	7,392	8,512	9,632	10,752	208,320
Other Court Users	4,032	4,704	5,376	6,048	116,928
Indoor Soccer	4,032	4,704	5,376	6,048	116,928
Other Turf Users	5,040	5,544	6,048	6,552	128,016
Total	30,576	34,664	38,752	42,840	832,272
TOURNAMENTS					
Basketball	18,816	19,968	33,024	36,480	691,968
Volleyball	21,120	27,648	37,632	44,160	837,120
Other Court Users	2,160	3,456	4,752	6,048	113,184
Indoor Soccer	2,688	3,696	6,048	7,056	132,384
Other Turf Users	2,688	3,696	6,048	7,056	132,384
Total	47,472	58,464	87,504	100,800	1,907,040
CAMPS & OTHER RENTALS					
Basketball	2,100	2,400	2,700	3,000	58,200
Volleyball	3,000	3,000	3,000	3,000	60,000
Other Court Users	600	600	900	900	17,400
Indoor Soccer	1,920	2,400	2,880	2,880	56,160
Other Turf Users	960	1,200	1,440	1,440	28,080
Private Rentals/Practices/Drop-in	69,525	69,525	69,525	69,525	1,390,500
Total	78,105	79,125	80,445	80,745	1,610,340
SPECTATORS					
Basketball	68,250	73,520	108,550	119,580	2,283,180
Volleyball	69,084	87,644	114,844	133,404	2,539,440
Other Court Users	13,764	18,348	23,082	27,666	525,516
Indoor Soccer	12,384	15,648	21,600	24,624	468,240
Other Turf Users	13,416	16,308	21,888	24,660	470,832
Total	176,898	211,468	289,964	329,934	6,287,208
TOTAL ATTENDANCE					
Basketball	99,246	107,088	156,594	172,500	3,295,428
Volleyball	100,596	126,804	165,108	191,316	3,644,880
Other Court Users	20,556	27,108	34,110	40,662	773,028
Indoor Soccer	21,024	26,448	35,904	40,608	773,712
Other Turf Users	22,104	26,748	35,424	39,708	759,312
Private Rentals/Practices/Drop-in	69,525	69,525	69,525	69,525	1,390,500
Total	333,051	383,721	496,665	554,319	10,636,860



FINANCIAL OPERATING PROJECTIONS

FINANCIAL OPERATIONS	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
OPERATING REVENUES					
In-House League Registration	$50,300	$58,600	$67,300	$76,400	$1,833,800
In-House Tournament Registration	$101,760	$104,832	$188,832	$194,544	$4,627,344
Rental Income	$712,800	$813,700	$936,400	$1,051,100	$25,425,700
Camps/Clinics	$183,000	$211,200	$247,500	$261,800	$6,320,900
Concessions	$554,100	$673,100	$928,500	$1,080,000	$25,658,500
Advertising/Sponsorship	$181,700	$195,000	$208,500	$222,000	$5,416,500
Other	$122,815	$128,249	$133,772	$139,385	$3,418,077
Subtotal	$1,906,475	$2,184,681	$2,710,804	$3,025,229	$72,700,821
OPERATING EXPENSES					
Salaries, Wages and Benefits	$764,500	$796,500	$829,200	$862,600	$21,162,000
Utilities	$306,400	$315,600	$325,100	$334,800	$8,233,800
Maintenance and Repair	$127,700	$131,500	$135,500	$139,500	$3,430,700
Materials and Supplies	$76,600	$78,900	$81,300	$83,700	$2,058,400
Insurance	$140,400	$144,700	$149,000	$153,500	$3,773,800
Concessions	$360,200	$437,500	$603,500	$702,000	$16,678,000
General and Administrative	$125,000	$127,500	$130,000	$132,500	$3,265,900
Tournament Expenses	$40,704	$41,933	$75,533	$77,818	$1,850,938
League Operations/Programming	$151,600	$175,400	$204,600	$219,800	$5,300,400
Subtotal	$2,093,104	$2,249,533	$2,533,733	$2,706,218	$65,753,938
NET OPERATING INCOME	**($186,629)**	**($64,851)**	**$177,071**	**$319,011**	**$6,946,883**

ECONOMIC IMPACT PROJECTIONS

	Opening Year 1	Year 2	Year 3	Stabilized Year 4	20-Year Cumulative
ECONOMIC IMPACTS					
Net New Hotel Room Nights	20,459	24,550	34,913	39,789	756,339
Net New Non Local Visitor Days	106,083	127,295	181,031	206,315	3,921,756
Direct Spending	$12,128,115	$14,886,791	$21,512,708	$25,158,627	$596,058,318
Indirect/Induced Spending	$8,297,262	$10,184,504	$14,717,159	$17,211,331	$407,771,519
Economic Output	**$20,425,376**	**$25,071,295**	**$36,229,866**	**$42,369,958**	**$1,003,829,838**
Personal Income	$8,403,361	$10,311,036	$14,890,497	$17,410,561	$412,514,983
Employment (full & part-time jobs)	262	322	464	542	12,846
City Sales Tax (2.0%)	$292,346	$358,843	$518,557	$606,441	$14,367,795
City Lodging Tax (3.0%)	$71,470	$88,333	$129,391	$151,886	$3,594,468
Total City Taxes	**$363,815**	**$447,176**	**$647,948**	**$758,326**	**$17,962,264**

KEY COST/BENEFIT PROJECTIONS

SUMMARY OF ESTIMATED KEY PROJECTIONS ASSOCIATED WITH A NEW INDOOR SPORTS FACILITY IN FORT SMITH, ARKANSAS

(Operating Impacts Reflect Annual Impacts Upon Stabilization, Assumed Fourth Full Year of Operations)

ANNUAL ATTENDEE DAYS
554,300

ANNUAL NON-LOCAL ATTENDEE DAYS
206,300

ANNUAL HOTEL RM NIGHTS
39,800

ANNUAL FINANCIAL OPERATING RESULTS
$0.32M

CONSTRUCTION COSTS
$31.2M

CONSTRUCTION ECONOMIC IMPACT
$26.3M

ANNUAL DIRECT SPENDING
$25.2M

+

ANNUAL INDIRECT/INDUCED SPENDING
$17.2M

=

ANNUAL ECONOMIC OUTPUT
$42.4M

ANNUAL PERSONAL INCOME
$17.4M

ANNUAL EMPLOYMENT
(FULL & PART-TIME JOBS)
542

ANNUAL CITY TAX REVENUE
$0.76M

City of Fort Smith Convention Center

MEMORANDUM

TO: Carl E. Geffken, City Administrator

CC: Randy Johnson, General Manager

FROM: Jeff Dingman, Deputy City Administrator

DATE: May 4, 2023

SUBJECT: Fort Smith Convention Center, report on 2022 accomplishments & operations

SUMMARY

The Fort Smith Convention Center is operated by agreement with OVG360. Mr. Randy Johnson, the facility's General Manager, will be in attendance at the May 9, 2023 Board Study Session to review the Convention Center's accomplishments and operations for the year 2022.

City of Fort Smith Water Utilities

MEMORANDUM

TO: Carl E. Geffken, City Administrator

CC: Jeff Dingman, Deputy City Administrator

FROM: Lance A. McAvoy, Director of Water Utilities

DATE: March 23, 2023

SUBJECT: Discussion of Moving Customer Service/Collections and Billing from Water Utilities to the Finance Department

SUMMARY

At the January 17, 2023, Board of Directors' Meeting, a request was made to hold a study session and look at moving Customer Service/Collections & Billing from Water Utilities to the Finance Department.

On March 16, 2023, a meeting was held with Administration, Finance, Human Resources, and Water Utilities to look at the challenges and timeline to move the Customer Services/Collections and Billing from under Water Utilities. There were several challenges identified, but the main challenge is the integration of the call center, collections and customer service.

Staff are cross trained to provide the coverage needed for the drive-thru, Garrison, and call center. Any of the Customer Service Representatives can work a collection window or the call center. This was also done to reduce burnout in each position and in the event of an illness or staffing shortage, management can reassign staff to address the needs of the customers. The challenge identified by Administration, Finance, Human Resources, and Water Utilities was the lack of experience and knowledge by Finance to operate a call center and customer service department.

Additionally, the Water Utilities department has integrated the meter reading, meter rereads, billing, and billing adjustment processes. To separate the system would require all new processes which may not be as effective and efficient as the current processes.

Another challenge identified was the lack of back-up for running the billing process. Currently there is one (1) position, a billing analyst, who is responsible for running the billing process. To provide the proper coverage, a second billing analyst is needed. Water Utilities downgraded the position from Billing Manager to Billing Analyst when the previous Billing Manager left the position for another opportunity. The justification was to hire a Billing Analyst, train the new staff person, and then request a second Billing Analyst. By down grading the position, the savings in pay would offset the second position.

During the discussion, the transfer of staff from Water Utilities to Finance was discussed. We decided the recommendation of Administration, Finance, Human Resources, and Water Utilities is to utilize the current Water Utilities Deputy-Director of Business Operations to continue overseeing the call center, collections, and customer service operations as a separate department. This provides continuity of operations but requires the Water Utilities department to hire a new Deputy-Director of Business Operations for a smaller operation.

The discussion then focused on the new department's structure. The new Customer Service Department will work closely with both Finance and Water Utilities but report directly to the City Administrator with dotted line reporting to the Finance and Water Utilities Directors. This increases the focus on collections, customer service, and the call center by the City Administrator, Deputy City Administrator, and both department heads while allowing current procedures and protocols to be modified only slightly thereby maintaining safeguards already in place.

We also discussed additional and future city and customer needs. Some of the current work includes the parking garage, parking meters, and energy audit projects. Future work could include centralized vehicle maintenance and administrative functions that should not be handled by the administrative or direct service departments.

Should the Board of Directors agree to this plan, the addition of one (1) billing analyst and one (1) department head is needed.

Both Finance and Water Utilities support this progressive, forward thinking plan. As Fort Smith grows with the foreign military sales, the College of Health, and as more industry comes to Fort Smith, the City looks to new and innovative ways to provide world class service to customers both current and future.

It is the recommendation of Administration, Finance, Human Resources, and Water Utilities to move forward with the proposed plan.

If you or members of the Board have any questions or desire additional information, please let me know.

ATTACHMENTS

1. Memo letter -Transfer of Billing and Collections.pdf

MEMO

Utility Billings, Collections and Citizen Services

City of Fort Smith Finance

TO: Carl Geffken, City Administrator
FROM: Andrew Richards, Director of Finance
DATE: May 4, 2023
SUBJECT: Board Study Session: Discuss Moving Customer Service From the Water Utilities Department To the Finance Department
CC: Jeff Dingman, Deputy City Administrator

At the January 17, 2023, Board of Directors' Meeting, a request was made to hold a study session and to discuss transferring Collections and Billing operations from Utilities to the Finance Department. On March 16, 2023, a meeting was held with Administration, Finance, Human Resources, and Utilities to address the challenges and timeline to transfer Collections and Billing operations.

My current understanding is that the Board desires to consider a transfer of utility billing and collection operations to the Department of Finance where it can be managed by finance professionals. In turn, Utility management can be alleviated of those responsibilities and allow that focus to be further concentrated on water and sewer operations. During the meeting, staff discussed the current situation and noted that currently the cashiers in collections who take collections for a variety of city services are also supplementing the workforce in the City's call center and that the culmination of all those operations are managed by the Utility's Deputy Director over Business Administration. This deputy has a background and experience in customer service and call centers. It was determined that the transfer of billing and collection operations to Finance would also entail the transfer of the call center to Finance as well; moving the management of those operations from a deputy with that particular skillset to finance management who do not currently possess that specialized background and experience.

While the Board desires to advance further the efficiency and effectiveness of the utility billing and collection processes, the Board may also desire to enhace the citizens' customer service and engagement experience with city government. Staff discussed another solution that could take advantage of each department's strengths and achieve both. This solution involves establishing an additional city department, under the directorship of the city's current utility deputy director who specializes in customer service, whose mission is citizen-centric and focused on the citizens' customer experience. The department would consist of the call center, billings and collections. Collections would continue to be integrated with call center operations.

I believe this solution addresses these matters with an "outside-in" approach versus one that is "inside-out" (focused more on the needs/experience of citizens versus government's internal processes). To better serve citizens, better collaboration is needed across an entire municipal organization. This department will be tasked with facilitating that collaboration. A citizen-focused support team would know exactly what services citizens need, eliminating friction points an individual must endure to contact the appropriate department to report an. Anyone who has worked in municipal government has likely heard from citizens about their problems getting answers. This department would not only process billings and collections, but also facilitate the routing of customer service requests through multiple channels, promoting service optimization, responsive delivery and end-to-end citizen-customer journeys.

The Department of Finance would still play a role, working closely with Citizen Services in overseeing the billing and collections process. Finance currently has two unfilled positions. One position will be transformed and dedicated to monitoring utility billings and collections; working closely with both directors of Finance and Citizens Services, when action is necessary.

It is my recommendation that the Board consider this viable solution as I believe it plays to the City's current strengths and puts the citizen experience as the first priority. If you or members of the Board have any questions or desire additional information, please let me know.

MEMORANDUM

TO: Carl E. Geffken, City Administrator

CC: Jeff Dingman, Deputy City Administrator

FROM: Lance A. McAvoy, Director of Water Utilities

DATE: April 6, 2023

SUBJECT: Presentation of Water Meter Reading Process

SUMMARY

At the January 17, 2023, Board of Directors' Meeting, a request was made to hold a study session and look at the water meter reading process.

At the May 9, 2023 Study Session, Water Utilities will provide a presentation on meter reading. This will include a small demonstration of meter reading, videos, and a brief PowerPoint presentation.

If you or members of the Board have any questions or desire additional information, please let me know.

City of Fort Smith
City Administrator

MEMORANDUM

TO: Carl E. Geffken, City Administrator

FROM: Jeff Dingman, Deputy City Administrator

DATE: May 4, 2023

SUBJECT: Sustainability/Green Energy efforts and an Energy Master Plan

SUMMARY

The City Administrator is working with local interest groups and OG&E to improve the city's position in the sustainable use of green energy, specifically solar energy. This has resulted in a "Utility Solar Farm Naming Rights and Solar Power Purchasing Agreement" between the City & OG&E regarding the Utility Solar Farm located in Branch, Arkansas. This agreement should provide greater savings for the CIty, and the facility will be named the Fort Smith facility. The sign at the facility will feature the City of Fort Smith's logo and reference "Energizing the Arkansas River Valley". A copy of the Agreement is attached.

In addition, at Administration's request Joshua Robertson, Deputy Director of Business Administration/Utilities, has been developing an Energy Master Plan for the City of Fort Smith. A memo explaining this project and an Energy Benchmark Study of the CIty's facilities are attached, as well as a draft of the Energy Master Plan developed by Mr. Robertson with the support of CLEAResult, an energy consultant sponsored by OG&E.

This information is provided for a discussion related to the City's sustainable energy efforts scheduled for the May 9, 2023 Board of Directors study session.

ATTACHMENTS

1. 20230314 Agreement - OG&E Utility Solar Farm.pdf
2. Energy Master Plan Memo.pdf
3. City of Fort Smith Energy benchmarking report_BOD.pdf
4. City of Fort Smith_Energy Master Plan_FINAL.pdf

UTILITY SOLAR FARM NAMING RIGHTS AND SOLAR POWER PURCHASING AGREEMENT

THIS AGREEMENT, entered into this 14th day of March 2023, (the "Effective Date") by and between Oklahoma Gas and Electric Company (hereinafter "OG&E") and The City of Fort Smith, Arkansas (hereinafter the "City"), whose premises to be served under this Agreement and are located across the state of Arkansas

WHEREAS, The City desires to participate in the Universal Solar Program (USP) in accordance with Rate Schedule: Universal Solar Program ("Rate Schedule") and the terms of this Agreement;

WHEREAS, OG&E owns, and operates a Utility Solar Farm located at 2388 E Hwy 22, Branch, AR ("Utility Solar Farm"); and

WHEREAS, OG&E is giving the City naming rights to the Utility Solar Farm in return for participation in the Utility Solar Program offered by OG&E pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the above premises, mutual covenants and agreement herein contained, it is agreed by and between the parties as follows:

1. SUBSRIPTION LEVEL

For the Service Term (defined below), the City is electing to participate in the USP and is electing to subscribe 50 % of its average annual energy use in kilowatt hours(kWh) for the General Service rate category accounts and Power and Light rate category accounts shown in Exhibit 1

2. PRICING

The City agrees to purchase the kWh sold through the Rate Schedule at the prevailing pricing. All non-solar kWh will be billed at the corresponding Time of Use rate tariff.

3. SERVICE TERM

As consideration for the naming rights of the Utility Solar Farm, the term of this Agreement shall be five (5) years from and after the effective date ("Service Term"). Following the expiration of the initial Service Term, this Agreement will automatically renew for one (1) year successive periods unless terminated pursuant to this Agreement.

4. MEDIA AND SIGNAGE

During the term of this Agreement, the City and OG&E will work collaboratively on media content and delivery of media content related to the Utility Solar Farm including, but not limited to the signage to be used at the Utility Solar Farm. During the Term of this Agreement, the City is granting OG&E a non-exclusive, non-transferable, non-sublicense license to use the City's trademarks, logos, or other intellectual property as necessary to create media content, including signage to be used at the Utility Solar Farm, that both parties have agreed upon.

5. TERMINATION

a. Following the expiration of the Service Term, the City may cancel participation in the USP, pursuant to the procedures and requirements outlined in the Rate Schedule. Cancelation of participation in the USP will serve to terminate this Agreement including City's naming rights for the Utility Solar Farm.

b. In the event that a Force Majeure occurs that prevents OG&E from providing retail service from the solar facilities specific to the Rate Schedule, the City may return to another filed and approved tariff schedule regardless of the Service Term of this Agreement or requirements of the Rate Schedule. A return to another tariff schedule will include the same billing determinants (including elapsed time on the billing demand ratchet) which existed prior to taking service under this tariff. Consumption under this tariff will not affect the City billing determinants for other filed and approved tariff schedules. Events of Force Majeure include, without limitations, wrongful or negligent acts of a person or persons other than OG&E, acts of God, fire, adverse weather conditions, such as ice tornados, wind or other conditions that damage or destroy the OG&E's facilities which damage renders the provisions of service under the USP impossible. Should the City elect to return to another filed and approved tariff schedule because of a Force Majeure, this Agreement shall be treated as cancelled.

6. SELF GENERATION

The City's onsite and/or self-generation(generation not provided by OG&E),will be limited to 20% for accounts enrolled in USP and /or 100% for purposes of resiliency during OG&E power outages and/or load reduction events.

7. MISCELLANEOUS

a. Governing Law

i. The approved Rate Schedule is incorporated in and a part of this Agreement and the current Rate Schedule is attached hereto as Exhibit 2. The City shall comply with all OG&E policies and procedures as adopted from time to time in connection with the Rate Schedule and all modifications made to the Rate Schedule and approved by the Arkansas Public Service Commission.

ii. OG&E's Rules, Regulations, and Terms and Conditions of Service and the Arkansas Public Service Commission's Rules and Regulations apply to service provided under this tariff. Nothing contained herein shall be construed as affecting in any way the right of OG&E to unilaterally make application to the Arkansas Public Service Commission or to any other regulatory agency having jurisdiction, as applicable, for a change in rates, charges, classification, service, Term and Conditions of Service or any rule, regulation or contact relating thereto. This Agreement shall be governed and construed in accordance with the laws of the State of Arkansas excepting its laws regarding conflicts of law.

b. This Agreement shall be binding when executed by both parties hereto and shall not be modified by any promise, agreement or representation by any agent or employee of either party unless incorporated in writing.

c. This Agreement is made in addition to and does not supersede any other agreements currently in effect between OG&E and the City.

d. Intellectual Property.

   i. Ownership and Use of Data. All data acquired by OG&E from the USP, including without limitation, all such metered data concerning The City's use of electricity under such program, and all studies, reports, results and conclusions of OG&E or it agents or contractors based on such metered data shall be proprietary to OG&E and may be used, published or otherwise disposed of by OG&E in any manner OG&E deems appropriate. OG&E shall not identify the City's name in conjunction with The City's particular billing data other than by request of the Commission.

   ii. Protection of Intellectual Property. For the purpose of this Agreement, an Affiliate of OG&E shall mean (i) all of OG&E's subsidiaries; (ii) any subsidiary of OG&E's subsidiaries; (iii) any parent company of OG&E; and (iv) contractors or subcontractors retained by (i), (ii), or (iii) above. The City recognizes and agrees that in order for OG&E and The City to communicate with each other concerning pricing, metering, and other issues, OG&E and its Affiliates have developed and will develop computer programs and other intellectual property (collectively the "Programs") which are and must remain proprietary to OG&E and its Affiliates. The City recognizes and agrees that the Programs consist of proprietary, confidential and trade secret information of OG&E or one or more of its Affiliates, protected under federal and state copyright law and confidentiality and trade secret laws. The City recognizes and agrees that all right, title and interest in and to the Programs, and all intellectual property rights therein, are and shall remain with OG&E (or one or more of its Affiliates, as the case may be), and The City covenants that it shall not take any action nor make any statement to the contrary. The City is granted a temporary, revocable license to use those portions of the Programs furnished to the City by OG&E for the purpose of receiving price notifications and load information during the terms of this Agreement, but no license to the City to use any other portion of the Programs is intended or should be inferred as a result of this Agreement.
   The City agrees that, during the term of this Agreement and for all time thereafter, neither it nor its employees, agents, or independent contractors shall: (i) access or use the Programs other than in accordance with the license described in the preceding sentence; (ii) copy, decompile, reverse engineer, circumvent security or encryption devices, translate, disassemble, or create derivative works from, all or any portion of the Programs; or (iii) copy, transfer in any way, communicate, disclose or disseminate the Programs or any confidential information or trade secrets embodied in the Programs to any third party unless required by the Arkansas Freedom of Information Act. The City shall use its best efforts to protect the Programs and all confidential information or trade secrets embodied therein against any and all use, dissemination or disclosure by anyone other than OG&E or any Affiliate of OG&E.

e. This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other party.

f. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and all prior agreements and other communications concerning such subject matter are hereby merged into and superseded by this Agreement. No waiver or amendment of any of the terms of this Agreement shall be effective unless set forth in writing and signed by the authorized representatives of each party.

g. Any suit, claim or legal proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in Sebastian County, Arkansas. The Parties hereby agree to the exclusive jurisdiction of and venue in such courts and the Parties expressly and irrevocably waive any objections to such exclusive jurisdiction and venue. In the event of any dispute relating to this Agreement, the Parties agree that they shall first attempt to resolve the dispute via informal negotiations before initiating any legal proceeding. In the event of litigation relating to this Agreement, each party shall be responsible for its own costs, and fees, including attorney fees.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the day and year above set forth above.

THE CITYOF FORT SMITH ARKANSAS

By: Carl E. Geffken

Signature (Authorized Representative)

Print Name: CARL E. GEFFKEN

Title: CITY ADMINISTRATOR

Date: 3/13/2023

OKLAHOMA GAS & ELECTRIC COMPANY

By: [signature]

Signature (Authorized Representative)

Print Name: Keith Erickson

Title: Vice President

Date: 3/14/23

Exhibit 1

Name:	Address	Rate Category	Contract Acc. #
CITY OF FORT SMITH	82 RIVERCREST DR	GS	131100961
CITY OF FORT SMITH 560	14 HAVEN DR	GS	85843
CITY OF FORT SMITH	13 N P #D BLOWER	GS	2773547
CITY OF FORT SMITH	3540 OLD GREENWOOD RD	GS	2286287
CITY OF FORT SMITH	15458 SHEPHERD SPRINGS RD POOL	GS	127932350
CITY OF FORT SMITH	3800 OLD GREENWOOD RD	GS	128052643
CITY OF FORT SMITH 482	5411 EUPER LN	GS	83083
CITY OF FORT SMITH 621	CREEKMORE PARK	GS	5242
CITY OF FORT SMITH	5900 COMMERCE RD	GS	13169
CITY OF FORT SMITH	302 CHATEAU LN # 26	GS	3175853
CITY OF FORT SMITH	3300 S M	GS	5203
CITY OF FORT SMITH	8350 MASSARD RD TWR	GS	128000231
CITY OF FORT SMITH 482	4111 SPRADLING AV	GS	47749
CITY OF FORT SMITH DEPT 5606	10 CANDLESTICK LN	GS	2107782
CITY OF FORT SMITH	1901 N GREENWOOD	GS	127996464
CITY OF FORT SMITH 4802	2020 N 6	GS	19561
CITY OF FORT SMITH 482	3222 MASSARD RD	GS	31420
CITY OF FORT SMITH 482	2318 PHOENIX AVE	GS	80642
CITY OF FORT SMITH 482	2128 TOWSON AVE	GS	131540
CITY OF FORT SMITH 482	1127 N GREENWOOD AV	GS	112506
CITY OF FORT SMITH 5603	6619 SOFTBALL LN	GS	129870532
CITY OF FORT SMITH	13 N P #E PUMP	GS	2852076
CITY OF FORT SMITH	131 RIVERFRONT DR	GS	130373653
CITY OF FORT SMITH 5606	5757 PLUM #10	GS	129352691
CITY OF FORT SMITH	200 WHEELER	GS	128696767
CITY OF FORT SMITH 621	3303 S M	GS	2709788
CITY OF FORT SMITH 621	TILLES TENNIS CTS	GS	119601
CITY OF FORT SMITH	3700 GRAND AVE BATH	GS	127702720
CITY OF FORT SMITH	2006 N 6	GS	19503
CITY OF FORT SMITH 621	1001 GARRISON	GS	3107
CITY OF FORT SMITH 560	4544 N 50 ST	GS	2920667
CITY OF FORT SMITH	6999 MASSARD RD	GS	127945527
CITY OF FORT SMITH	1401 S GREENWOOD AVE	GS	111180
CITY OF FORT SMITH	2134 N R	GS	115469
CITY OF FORT SMITH 542	499 GARRISON AVE	GS	127763240
CITY OF FORT SMITH 542	798 GARRISON AV	GS	2277017

CITY OF FORT SMITH	3300 S M WDNG POOL	GS	1946630
CITY OF FORT SMITH 5603	11014 HUNTERS POINT	GS	130667577
CITY OF FORT SMITH	220 N 7	GS	2693616
CITY OF FORT SMITH / SLDG	1815 N O	GS	130564276
CITY OF FORT SMITH 560	2850 LAKEVIEW POINT #25	GS	143781
CITY OF FORT SMITH 621	801 N 8	GS	128513094
CITY OF FORT SMITH 542	1709 S GREENWOOD AVE	GS	131657739
CITY OF FORT SMITH 621	1601 S 74	GS	136841
CITY OF FORT SMITH 560	WALDRON & EUPER	GS	83050
CITY OF FORT SMITH 621	1098 GARRISON AVE 1	GS	129381270
CITY OF FORT SMITH	NEW LANDFILL-CHEM	GS	13160
CITY OF FORT SMITH 621	13 S 9	GS	128442978
CITY OF FORT SMITH	89 TOWSON AVE STSCAPEPRK	GS	130396271
CITY OF FORT SMITH 5606	3032 NORTHPOINTE PL # 27	GS	127953072
CITY OF FORT SMITH 500	1609 N 9 TER A2	GS	130958970
CITY OF FORT SMITH 482	5901 COMMERCE RD	GS	130124941
CITY OF FORT SMITH 621	1113 GARRISON AVE	GS	129502944
CITY OF FORT SMITH	2700 DODSON AV	GS	2218894
CITY OF FORT SMITH	1300 GARRISON AVE	GS	131569746
CITY OF FORT SMITH 542	2831 MIDLAND BL	GS	37469
CITY OF FORT SMITH	11 N 2	GS	3059099
CITY OF FORT SMITH	10900 OLD HARBOR RD	GS	130633411
CITY OF FORT SMITH 542	5998 GRAND AVE	GS	127333172
CITY OF FORT SMITH 542	199 S 14 SIGNL	GS	127897249
CITY OF FORT SMITH	8399 MCCLURE DR	GS	127945524
CITY OF FORT SMITH 542	4698 OLD GREENWOOD RD SIGNL	GS	129233511
CITY OF FORT SMITH 542	4921 MIDLAND BLVD	GS	130592343
CITY OF FORT SMITH	1198 S 34	GS	65315
CITY OF FORT SMITH 542	5799 KELLEY HIGHWAY SIGNL	GS	128369490
CITY OF FORT SMITH	3098 S ZERO	GS	49718
CITY OF FORT SMITH	598 GARLAND AV TRFSG	GS	127256247
CITY OF FORT SMITH	1599 DODSON	GS	122804
CITY OF FORT SMITH 542	5224 JENNY LIND RD	GS	127344
CITY OF FORT SMITH 542	5325 ROGERS AVE LITE	GS	127474434
CITY OF FORT SMITH 542	ROGRS AV&WILDCAT RD	GS	143249
CITY OF FORT SMITH 542	6498 S HIGHWAY 71	GS	130992208
CITY OF FORT SMITH	3698 S ZERO	GS	52026
CITY OF FORT SMITH 542	2702 ROGERS AVE	GS	127939961
CITY OF FORT SMITH 542	5401 GRAND AV	GS	52461

CITY OF FORT SMITH 542	6099 JENNY LIND RD	GS	131001834
CITY OF FORT SMITH 542	1899 ROGERS SIGNL	GS	127895770
CITY OF FORT SMITH 5606	1023 S 54	GS	88318
CITY OF FORT SMITH 542	8694 JENNYLIND	GS	2805520
CITY OF FORT SMITH 311	1000 N GREENWOOD AV 948	GS	120676
CITY OF FORT SMITH	8599 ROGERS AV	GS	143340
CITY OF FORT SMITH 542	7702 JENNY LIND RD	GS	106214
CITY OF FORT SMITH	1815 N GREENWOOD AVE APT BSKT	GS	98260
CITY OF FORT SMITH 542	5001 N O	GS	14001
CITY OF FORT SMITH-PARKS DEPT	188 TOWSON AVE	GS	129916429
CITY OF FORT SMITH 542	5725 ROGERS AVE SIGNL	GS	127993671
CITY OF FORT SMITH	798 PHOENIX	GS	2761094
CITY OF FORT SMITH	598 ROGERS AVE SIGNL	GS	128241722
CITY OF FORT SMITH 542	3599 S 66	GS	2805504
CITY OF FORT SMITH 542	8299 ROGERS AVE	GS	128030382
CITY OF FORT SMITH 542	8499 S HIGHWAY 271	GS	128857693
CITY OF FORT SMITH 542	2501 MIDLAND BL	GS	85754
CITY OF FORT SMITH 542	4201 S ZERO SIGNL	GS	129285855
CITY OF FORT SMITH 542	5400 KINKEAD AVE APT POLE	GS	140504
CITY OF FORT SMITH 542	502 S 21	GS	67553
CITY OF FORT SMITH 542	3098 PHOENIX AVE TRAFF	GS	2824545
CITY OF FORT SMITH 542	1700 S WALDRON RD	GS	80010
CITY OF FORT SMITH 542	1022 S D	GS	129075485
CITY OF FORT SMITH 542	1299 S WALDRON RD	GS	80716
CITY OF FORT SMITH	4798 TOWSON AVE	GS	2754810
CITY OF FORT SMITH	2498 PHOENIX	GS	3095567
CITY OF FORT SMITH 542	1200 S GREENWOOD AVE	GS	111077
CITY OF FORT SMITH 542	498 N GREENWOOD AVE SIGNL	GS	128598656
CITY OF FORT SMITH 542	4198 KELLEY HWY TRAFF	GS	2824552
CITY OF FORT SMITH 542	3399 PHOENIX TRAFF	GS	2864619
CITY OF FORT SMITH 542	1998 MIDLAND BLVD	GS	16917
CITY OF FORT SMITH	1598 GRAND AVE	GS	2300499
CITY OF FORT SMITH 542	4198 ROGERS AVE SIGNL	GS	127964343
CITY OF FORT SMITH 542	6205 ROGERS AVE	GS	128011739
CITY OF FORT SMITH 542	1599 TOWSON SIGNL	GS	127929377
CITY OF FORT SMITH 542	4134 GRAND AVE	GS	2708992
CITY OF FORT SMITH	6898 PHOENIX APT SGNL	GS	132720
CITY OF FORT SMITH 542	2101 MIDLAND BL	GS	23608

CITY OF FORT SMITH	297 GARRISON AV	GS	2155367
CITY OF FORT SMITH 542	4996 ROGERS AVE SIGNL	GS	127965164
CITY OF FORT SMITH	2999 S 74	GS	145366
CITY OF FORT SMITH 542	4602 ROGERS AVE	GS	127964478
CITY OF FORT SMITH 542	2198 TOWSON SIGNL	GS	127929995
CITY OF FORT SMITH 621	1098 GARRISON AVE 2	GS	129381271
CITY OF FORT SMITH 542	599 N GREENWOOD AVE SIGNL	GS	128575264
CITY OF FORT SMITH	1399 GRAND AV	GS	122517
CITY OF FORT SMITH 542	3200 KELLEY HWY SIGNL	GS	130709967
CITY OF FORT SMITH	5298 PHOENIX APT SGNL	GS	141638
CITY OF FORT SMITH 542	2999 MASSARD RD	GS	143378
CITY OF FORT SMITH	2098 S 74	GS	20928
CITY OF FORT SMITH 542	1001 N B SIGNL	GS	129828273
CITY OF FORT SMITH 542	OLD-GWD & GARY	GS	92185
CITY OF FORT SMITH 542	5799 WHEELER AV	GS	83691
CITY OF FORT SMITH 542	301 TOWSON AVE signal	GS	127654
CITY OF FORT SMITH	3899 GRAND AV	GS	52190
CITY OF FORT SMITH 542	699 N GREENWOOD AVE SIGNL	GS	128573923
CITY OF FORT SMITH 542	2800 OLD GREENWOOD RD	GS	98541
CITY OF FORT SMITH 542	1199 S TOWSON AVE SIGNL	GS	128110740
CITY OF FORT SMITH 542	2099 S INDEPENDENCE	GS	1676070
CITY OF FORT SMITH 542	CR JENNYLND &FRESNO	GS	103403
CITY OF FORT SMITH 542	N.6 & MUSSETT	GS	13070
CITY OF FORT SMITH 542	5798 HWY 271 S	GS	116895
CITY OF FORT SMITH 542	3322 TOWSON AVE LITE	GS	130375506
CITY OF FORT SMITH	9199 JENNY LIND RD	GS	136535
CITY OF FORT SMITH 542	1999 OLD GREENWOOD RD	GS	2371543
CITY OF FORT SMITH 542	1604 MIDLAND BLVD SIGNL	GS	128265957
CITY OF FORT SMITH 542	3124 JENNY LIND RD #A	GS	103575
CITY OF FORT SMITH	5900 COMMERCE RD PUMP	GS	127449634
CITY OF FORT SMITH 542	7099 S ZERO SIGNL	GS	130435342
CITY OF FORT SMITH	800 N WALDRON RD	GS	3005430
CITY OF FORT SMITH	4098 OLD GREENWOOD RD	GS	26737
CITY OF FORT SMITH 542	3701 MIDLAND BL	GS	47968
CITY OF FORT SMITH 542	3997 PHOENIX DR SIGL	GS	128301552
CITY OF FORT SMITH 542	9099 ROGERS AVE SIGNL	GS	128040545
CITY OF FORT SMITH 542	899 GARRISON AVE	GS	127765068
CITY OF FORT SMITH	3301 S M LTS1	GS	2310292
CITY OF FORT SMITH	7899 PHOENIX AV	GS	2261442
CITY OF FORT SMITH 542	222 WHEELER AVE	GS	3921

CITY OF FORT SMITH 621	903 GARRISON AVE	GS	128479660
CITY OF FORT SMITH 542	999 GARRISON AVE	GS	127455219
CITY OF FORT SMITH 542	4998 OLD GREENWOOD RD	GS	129375055
CITY OF FORT SMITH 542	6299 HIGHWAY 271 S SIGNL	GS	130660509
CITY OF FORT SMITH 542	1297 HIGHWAY 71 S	GS	129377263
CITY OF FORT SMITH 542	102 N 10 SIGNL	GS	129835383
CITY OF FORT SMITH 542	300 N 11	GS	126327
CITY OF FORT SMITH	299 GARRISON AV	GS	131474
CITY OF FORT SMITH 621	898 N A ST	GS	129501691
CITY OF FORT SMITH 542	1099 N A	GS	129379536
CITY OF FORT SMITH 542	3299 MASSARD RD SIGNL	GS	128629745
CITY OF FORT SMITH 5603	8301 MCCLURE DR AMPH	GS	129156621
CITY OF FORT SMITH 542	1099 N B	GS	129379535
CITY OF FORT SMITH DEPT 5606	8499 S HIGHWAY 71	GS	11605
CITY OF FORT SMITH	1801 OLD GREENWOOD RD	GS	147237
CITY OF FORT SMITH	8390 MASSARD RD SIREN	GS	130537863
CITY OF FORT SMITH	7201 HIGHWAY 45 B	GS	131338318
CITY OF FORT SMITH 542	9499 ROGERS AVE SIGNL	GS	128356250
CITY OF FORT SMITH	6298 S 66	GS	142128
CITY OF FORT SMITH 542	5699 MIDLAND BL	GS	95565
CITY OF FORT SMITH 542	499 ROGERS AVE	GS	127763242
CITY OF FORT SMITH	8999 ROSEWOOD DR	GS	122799
CITY OF FORT SMITH 542	998 ROGERS AV	GS	3582
CITY OF FORT SMITH	3301 S M LTS2	GS	2310306
CITY OF FORT SMITH 542	1911 DODSON AV	GS	72466
CITY OF FORT SMITH 542	902 ROGERS AVE	GS	3537
CITY OF FORT SMITH 542	7399 S HIGHWAY 71	GS	11497
CITY OF FORT SMITH 311	122 N 6	GS	127249
CITY OF FORT SMITH	1299 S 74	GS	138090
CITY OF FORT SMITH 542	8099 S HIGHWAY 71	GS	11476
CITY OF FORT SMITH 542	200 N 9	GS	71
CITY OF FORT SMITH	798 S I	GS	146569
CITY OF FORT SMITH	196 LECTA AV SIREN	GS	2447706
CITY OF FORT SMITH	4797 S ZERO	GS	1790660
CITY OF FORT SMITH	6207 CLIFF DR	GS	142371
CITY OF FORT SMITH 540	9855 S DALLAS APT SIRN	GS	74881
CITY OF FORT SMITH 540	7398 WELLS LAKE RD	GS	2579038
CITY OF FORT SMITH 542	5311 GRAND AV SIRE	GS	2290591
CITY OF FORT SMITH 540	1499 XAVIER CI SIRN	GS	2264601
CITY OF FORT SMITH	3997 S 66 SIREN	GS	3048250
CITY OF FORT SMITH	8396 DALLAS ST SIREN	GS	2447690

CITY OF FORT SMITH 540	7822 S HIGHWAY 71 SIRN	GS	2263869
CITY OF FORT SMITH	1599 S 44 SIREN	GS	2447738
CITY OF FORT SMITH	1901 N GREENWOOD AV SIREN	GS	127792954
CITY OF FORT SMITH 542	98 N 4	GS	128031840
CITY OF FORT SMITH	1599 SCHOOL ST SIREN	GS	2494409
CITY OF FORT SMITH	1298 S S ST SIREN	GS	2433079
CITY OF FORT SMITH 542	98 N 6	GS	132220
CITY OF FORT SMITH	2698 N 50	GS	29849
CITY OF FORT SMITH	5409 EUPER LN	GS	83072
CITY OF FORT SMITH	4799 N 6	GS	145915
CITY OF FORT SMITH 540	11599 ROBERTS BLVD	GS	2579088
CITY OF FORT SMITH	1609 N 9 TER C	GS	130879491
CITY OF FORT SMITH 542	3402 WHEELER AVE	GS	16516
CITY OF FORT SMITH	3298 HIGH ST	GS	92765
CITY OF FORT SMITH 621	123 RIVERFRONT DRIVE	GS	127943205
CITY OF CENTRAL CITY WATER	13698 TUSCANY AVE	GS	131249624
CITY OF FORT SMITH 542	4315 TOWSON AVE	GS	124861
CITY OF FORT SMITH 542	102 N 9	GS	63
CITY OF FORT SMITH	1198 S 34 B	GS	129221730
CITY OF FORT SMITH 542	4200 N O	GS	11545
CITY OF FORT SMITH 542	2431 N 50	GS	29892
CITY OF FORT SMITH 542	1599 N GREENWOOD AV	GS	128496208
CITY OF FORT SMITH	7499 PHOENIX APT SGNL	GS	44859
CITY OF FORT SMITH 542	1198 S I ST #TRFF LITE	GS	128110742
CITY OF FORT SMITH 542	4199 KINKEAD AVE	GS	127940322
CITY OF FORT SMITH 542	99 TOWSON AVE	GS	127739
CITY OF FORT SMITH 542	6799 ROGERS AV	GS	143507
CITY OF FORT SMITH 542	2400 ROGERS AVE	GS	119213
CITY OF FORT SMITH	1298 OLD GREENWOOD RD SNGLT	GS	3159374
CITY OF FORT SMITH	3799 MASSARD RD	GS	141468
CITY OF FORT SMITH 542	8398 S ZERO SIGNL	GS	2749799
CITY OF FORT SMITH 542	2423 WHEELER AVE	GS	16054
CITY OF FORT SMITH 542	9698 HIGHWAY 253 TRAF	GS	128505381
CITY OF FORT SMITH	4701 JENNY LIND	GS	2761104
CITY OF FORT SMITH	7899 ROGERS AV	GS	2254919
CITY OF FORT SMITH 542	4199 PARK AVE TRAFF	GS	127871203
CITY OF FORT SMITH 542	50 & GRAND	GS	129920
CITY OF FORT SMITH	1609 N 9 TER I1	PL	2537431
CITY OF FORT SMITH	13 N P BLDGJ	PL	128764613

CITY OF FORT SMITH	1901 WALNUT #5	PL	92453
CITY OF FORT SMITH	5601 JENNY LIND #13	PL	130095032
CITY OF FORT SMITH	1600 PUMP ST	PL	23632
CITY OF FORT SMITH	6898 MASSARD RD	PL	130018872
CITY OF FORT SMITH	1930 MASSARD RD	PL	145042
CITY OF FORT SMITH	6400 HIGHWAY 45 S	PL	13333
CITY OF FORT SMITH	9201 JENNY LIND RD	PL	136585
CITY OF FORT SMITH	6821 JENNY LIND RD	PL	2616873
CITY OF FORT SMITH	501 NAVY RD	PL	130411128
CITY OF FORT SMITH	501 NAVY RD	PL	130411128
CITY OF FORT SMITH	1609 N 9 TER 11	PL	2537431
CITY OF FORT SMITH	1901 WALNUT #5	PL	92453
CITY OF FORT SMITH	6898 MASSARD RD	PL	130018872

MEMORANDUM

TO: Carl E. Geffken, City Administrator

FROM: Joshua Robertson, Deputy Director of Business Administration

DATE: May, 5 2023

SUBJECT: Energy Master Plan

CC: Jeff Dingman, Deputy City Administrator
Lance McAvoy, Director of Water Utilities

SUMMARY

In 2021, the City collaborated with CLEAResult, sponsored by OG&E, to conduct a City energy benchmark study on our main facilities. City energy usage from March 2019-February 2020 was used for the study and compared to other regional municipalities.

The Energy Benchmark Study provided an in-depth facility-by-facility view of energy use, highlighted our best-performing and worst-performing buildings based on energy use per square foot, and compared how your buildings are performing versus similar-sized municipalities in similar climate zones. In addition, it helped to identify and target lower-performing facilities for further investigation.

Further investigation (Energy Scans) of low-performing and large facilities occurred in 2021-2022. This enabled us to begin putting together ideas and focus areas on City projects and improvements Since then, the City and CLEAResult have begun drafting opportunity registers for all City facilities.

Now that we have the benchmark with areas identified for improvement and registers focusing on energy efficiency projects and operations & management improvements, the City has developed, with support from CLEAResult, an Energy Master Plan. The Energy Master Plan will mobilize City Departments and coordinate efforts toward reducing energy costs. All City projects that involve our facilities will be run through an energy efficiency opportunity register to seek incentives for upgrades planned and completed. It will also lay the foundation of commitment to gain energy efficiency and decrease carbon footprint.

Once the plan has been adopted through a City Resolution, we can begin centralizing our energy usage tracking and begin projects for efficiency and further sustainability. A new benchmark study will be performed in 2026 to show improvements and promote new energy efficiency opportunities.

Attachments: [1] City of Fort Smith Energy benchmarking report
[2] City of Fort Smith Energy Master Plan

City of Fort Smith
Energy benchmarking report

August 11, 2021

PREPARED FOR

City of Fort Smith
623 Garrison Ave
Fort Smith, AR 72901
479.784.2208

PROVIDED BY

SAGE® Program

PREPARED BY

CLEAResult

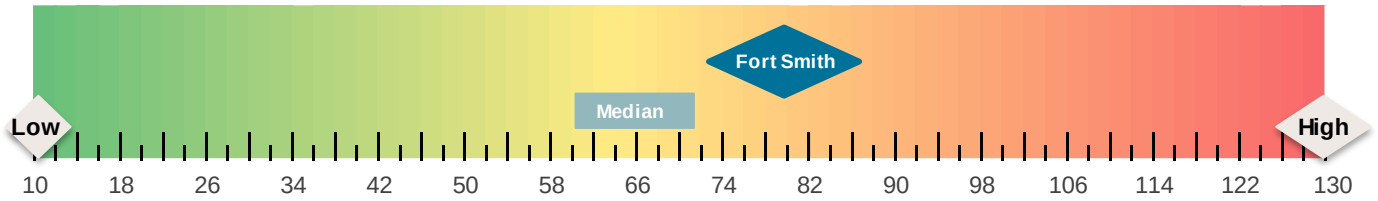
We change the way people use energy™

Executive summary

The executive summary provides an overview of your facilities' performance in this energy benchmarking analysis compared to other similar building types in your climate zone:

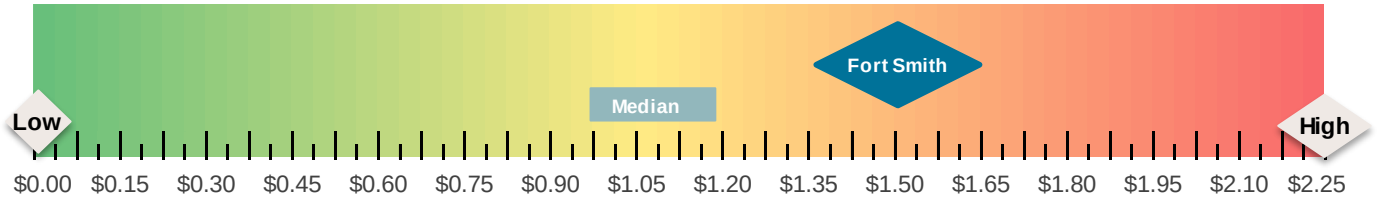
From March 2019-February 2020, City of Fort Smith consumed **77.6** kBtu per square foot, which exceeds the local median for similar building types in your climate zone (i.e., **64.7** kBtu per square foot). Most municipal facilities are performing slightly below average compared to their peers from an energy usage standpoint.

Energy use index



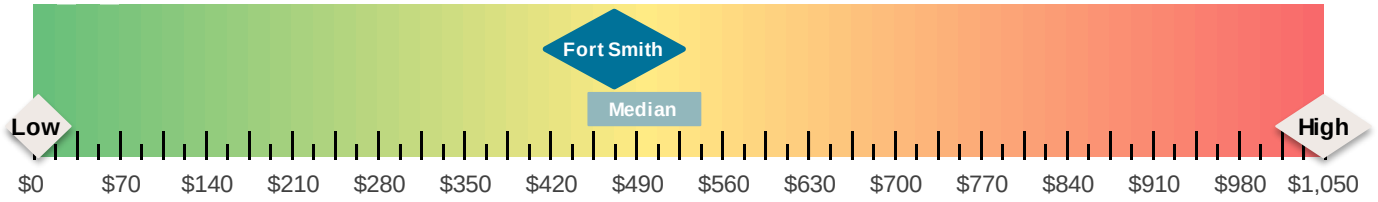
From March 2019-February 2020, City of Fort Smith spent **$1.50** on energy costs per square foot, which exceeds the local median for similar building types in your climate zone (i.e., **$1.07** per square foot).

Energy cost index



From March 2019-February 2020, City of Fort Smith spent **$485** on energy costs per occupant, which is similar to the local median for similar building types in your climate zone (i.e., **$506** per occupant).

Energy cost per occupant

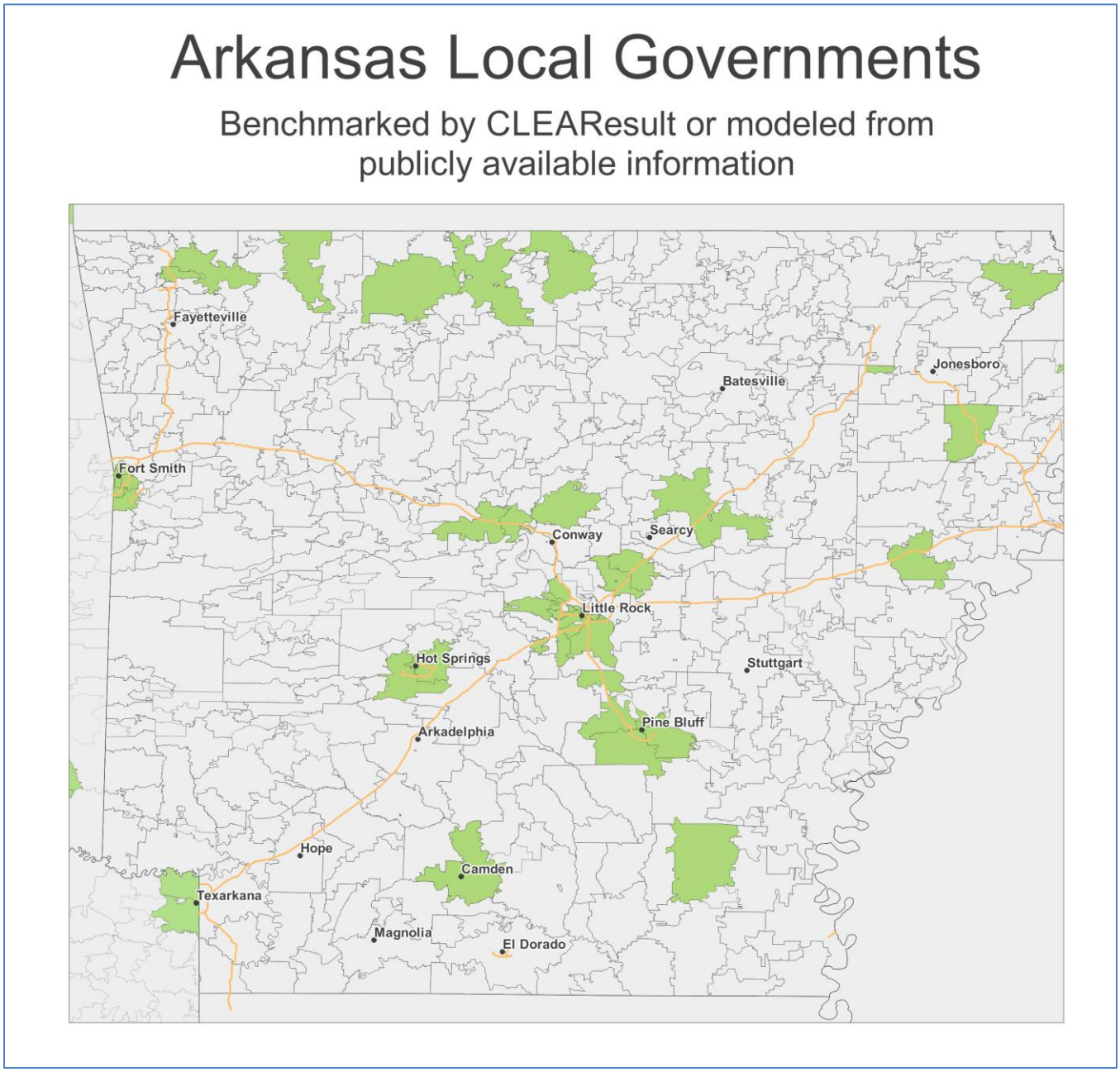


Overall, City of Fort Smith consumes more energy per square foot and spends similar budget dollars on energy than other local municipalities in your climate zone. Given the mixed overall energy performance, there are likely many opportunities for energy-improvements at individual facilities across the municipality.

Table of Contents

DATABASE OF COMPARISON BUILDINGS

This benchmarking study compares your municipal buildings to peer facilities in its local climate region. The following map illustrates the zip code areas with municipal buildings previously benchmarked in your local climate region. For each building in the comparison database, CLEAResult has developed a regression that describes the statistical relationship between energy usage and weather wherever possible. Even if there are not any other buildings benchmarked in your immediate area, your annual weather conditions are applied across all peer regressions to normalize the database for comparison. Facilities experiencing similar weather conditions in the Commercial Building Energy Consumption Survey (CBECS) and/or local benchmarking ordinances may be used to supplement the comparison database.



Introduction

Benchmarking the energy performance of your buildings is the first step in determining where and how to implement energy improvements within your municipality. This energy benchmarking report compares your buildings' energy performance against each other and against regional and national databases. This comparison will help you identify which of your buildings have the greatest opportunities for energy and cost savings.

THE BENCHMARKING PROCESS

CLEARESULT'S REGIONAL ENERGY PERFORMANCE DATABASES AND DATA MODELING PROCESS

The energy and building data you provided – e.g., twelve months of utility bills, facility square footages, and number of occupants– is entered into CLEAResult's energy performance database. This database contains building characteristics and energy usage information from hundreds of buildings that CLEAResult has benchmarked in your climate region. Filters are placed on database records in your climate zone to provide a basis for comparison of energy performance.

After uploading your information into the database for your region, a software model calculates the following energy benchmarks for each of your buildings: annual energy use per square foot (energy use index), annual energy cost per square foot (energy cost index), and annual energy cost per occupant. The model then compares your calculated energy benchmarks to other buildings in your climate region. The model only compares those buildings of a similar type (e.g., offices are only compared to other offices, etc.).

ENERGY PERFORMANCE BENCHMARKS USED IN THE STUDY

- **Energy use index (kBtu/sq.ft)**: Also known as site energy or EUI, energy use index is one of the most common ways to compare energy consumption between buildings. This metric includes twelve months of energy consumption data as reported on your monthly utility bills converted to units of kBtu, divided by the total square footage of the building.

- **Energy cost index ($/sq.ft):** Potential to reduce energy costs is a prime motivator for investment in energy efficiency upgrades. This metric includes twelve months of energy costs as reported on your monthly utility bills, divided by the total square footage of the building. Energy cost index is a simple way to compare how much it costs to operate each of your buildings.

- **Energy cost per occupant:** Another excellent way to compare the cost of operations and maintenance at your buildings is by occupant. This metric includes twelve months of energy costs as reported on your monthly utility bills, divided by the average number of occupants in the building. Energy cost per occupant can help identify buildings that are overcrowded or have excess capacity.

- **Portfolio manager rating (1-100):** An online benchmarking tool that uses a mathematical algorithm to rank energy performance on a scale of 1 to 100, EPA portfolio manager incorporates both energy consumption data and building characteristics – such as number of computers, square footage, and location (for weather adjustments) – into its calculations. A score of 50 indicates that the building is performing better than half of buildings nationwide. Buildings scoring 75 or better may be eligible to apply for the ENERGY STAR® Label.

Your facilities' building characteristics, utility data, and calculated energy performance metrics are presented in several ways throughout the following benchmarking report.

City of Fort Smith

623 Garrison Ave, Fort Smith, AR 72901

- Landfill- Service Shop & Break room
- Landfill- Supervisor's Annex
- Landfill- Tire & Paint shop
- Parks Creekmore Community Center/Admin
- Parks Creekmore Maintenance Office Building
- Parks Creekmore Pool Office Building
- Parrot Island Pool house/Entrance building
- Police Headquarters
- Senior Activity Center Fort Smith
- Senior Activity Community Baker

BACKGROUND INFORMATION

City of Fort Smith elected to take advantage of the building energy performance benchmarking support provided on behalf of SAGE® sponsored by OGE. This benchmarking study includes the following 40 municipal buildings:

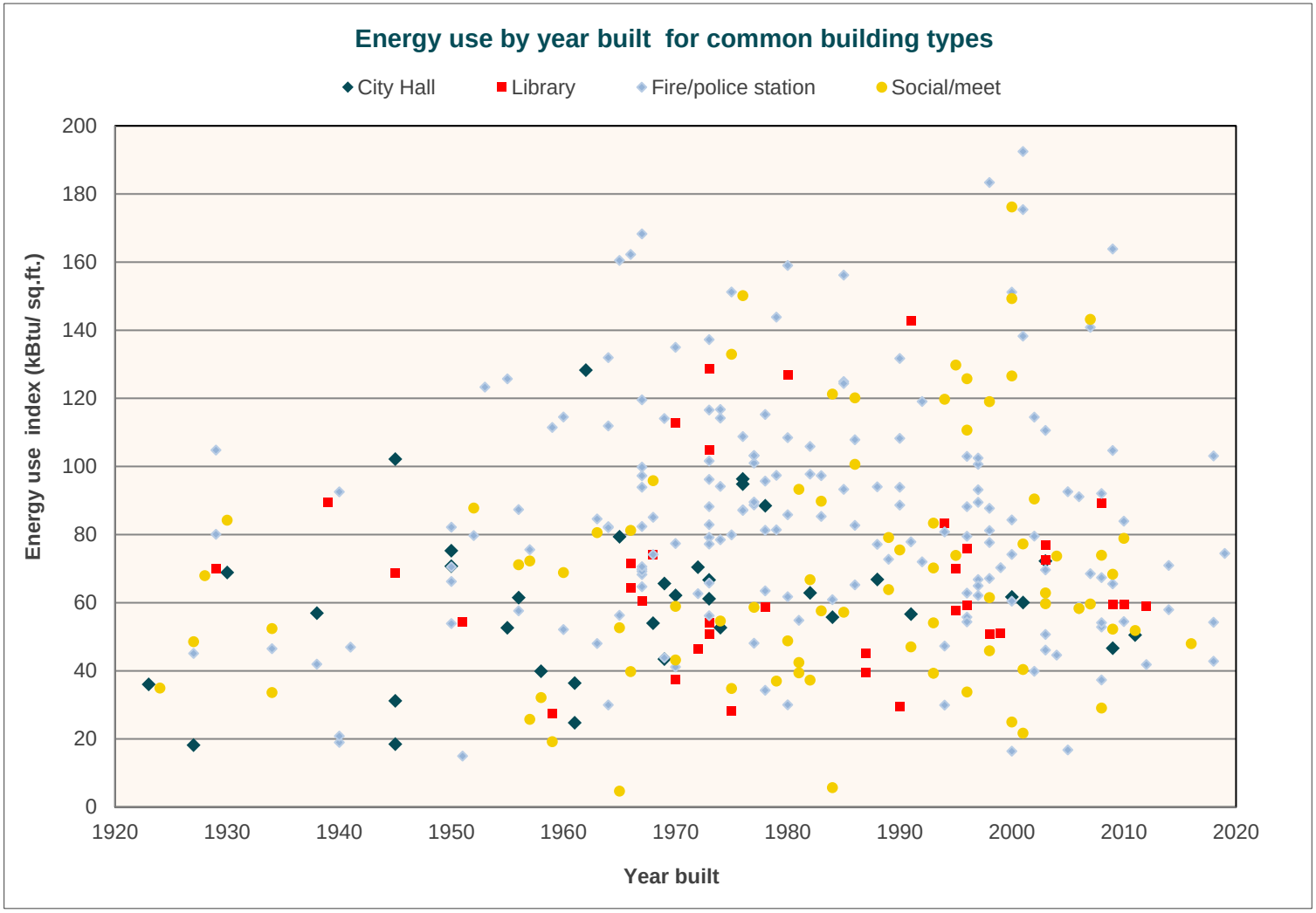
- City A&P Visitor Center
- City Annex Building
- City Carnall Offices
- City Convention Center
- City Hall (Leased)
- City Parking Garage
- Fire Station #1
- Fire Station #10
- Fire Station #11
- Fire Station #2
- Fire Station #3
- Fire Station #4
- Fire Station #5
- Fire Station #6
- Fire Station #7
- Fire Station #8
- Fire Station #9
- Landfill- Office-Administration
- Landfill- Scale House w/scales
- Landfill- Service Shop
- Parks Creekmore Tennis Center
- Parks Darby Community Center
- Parks Elm Grove Community Center
- Parks Oak Cemetery Office Building
- Parks River Front Events Building
- Parks River Front Pavilion
- Transit Administrative Offices & Maintenance
- Transit Transfer Station
- Utility Drive-Thru
- Utility Kelley Hwy Maintenance Facility

Site energy data includes electricity and natural gas. The energy consumption data used in this benchmarking study covers March 2019-February 2020. All utility billing data has been prorated to calendar month, so reported totals will not exactly match figures on utility bills. Data was reviewed for quality and accuracy.

Current energy use charts

CORRELATION WITH BUILDING CHARACTERISTICS

A common misconception about energy performance is that newer buildings—built under newer codes—are relatively less energy intensive. The graph below illustrates, however, that newer buildings do not generally consume any less energy per square foot than older buildings. The wide range of energy intensities indicates the magnitude of the effect that good energy managers and operating procedures can have on building energy consumption and costs.



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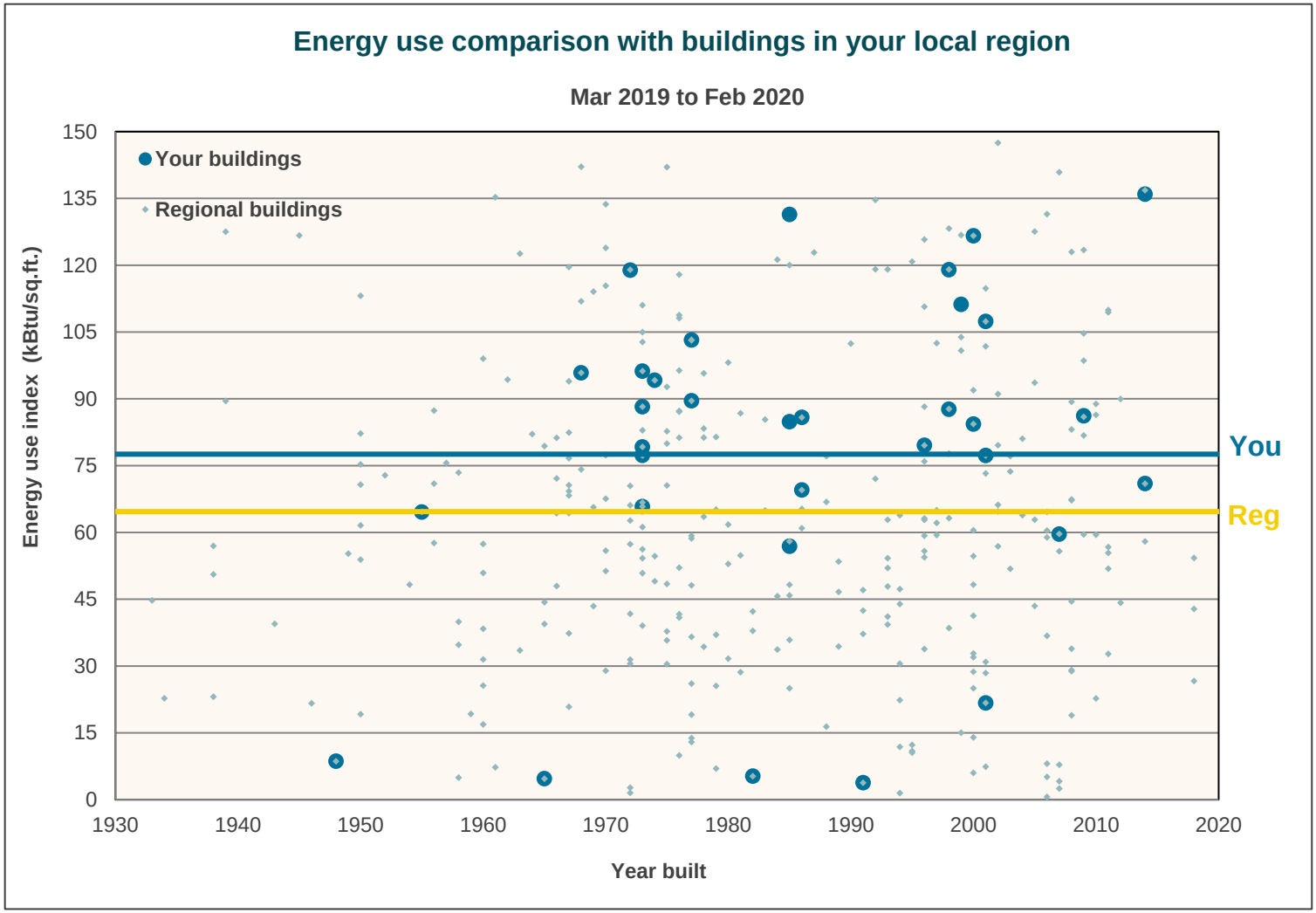
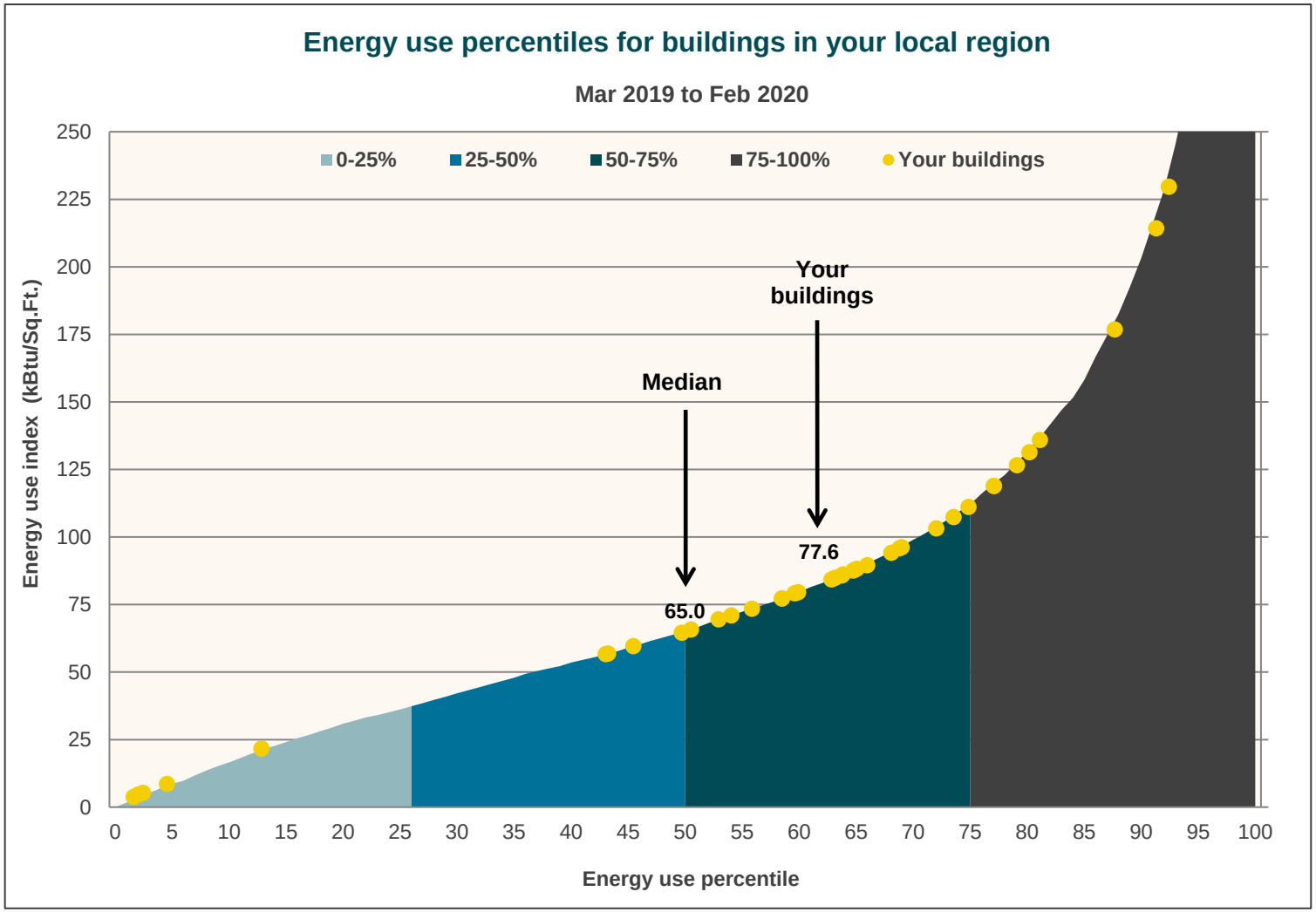
COMPARISON WITH BUILDINGS IN LOCAL REGION

Annual energy use per square foot, also known as energy use index (EUI), is one of the most common ways to compare energy consumption between buildings. This parameter is all inclusive – it incorporates the energy used for heating, cooling, dehumidifying, lights, cooking, computers, etc. – and it also normalizes based on building size. The scatter plot below illustrates how your buildings compare to the rest of the buildings in our database in climate regions like yours. While your buildings' EUIs fall in the range of the local climate zone, your municipality's overall average (i.e., blue trendline) exceeds the local climate average (i.e., orange trendline).



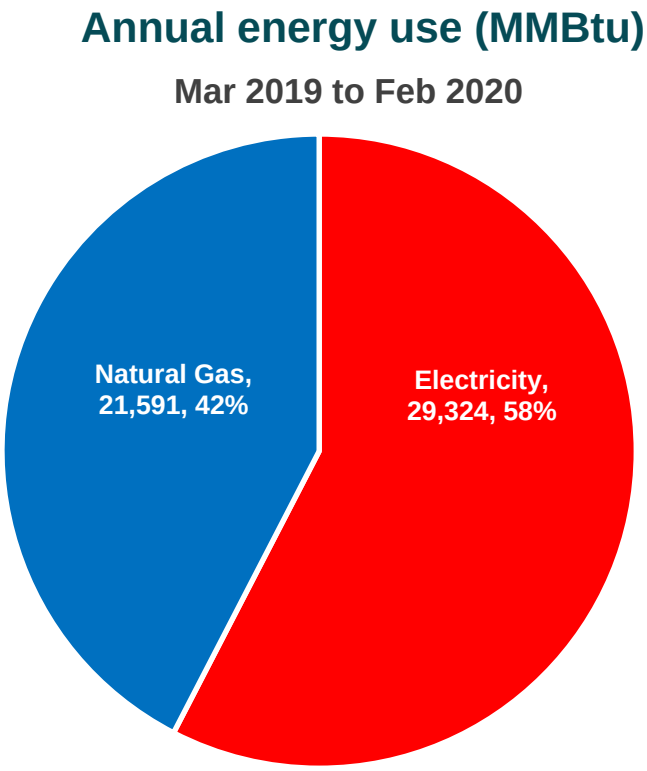
PERCENTILES OF BUILDINGS IN LOCAL REGION

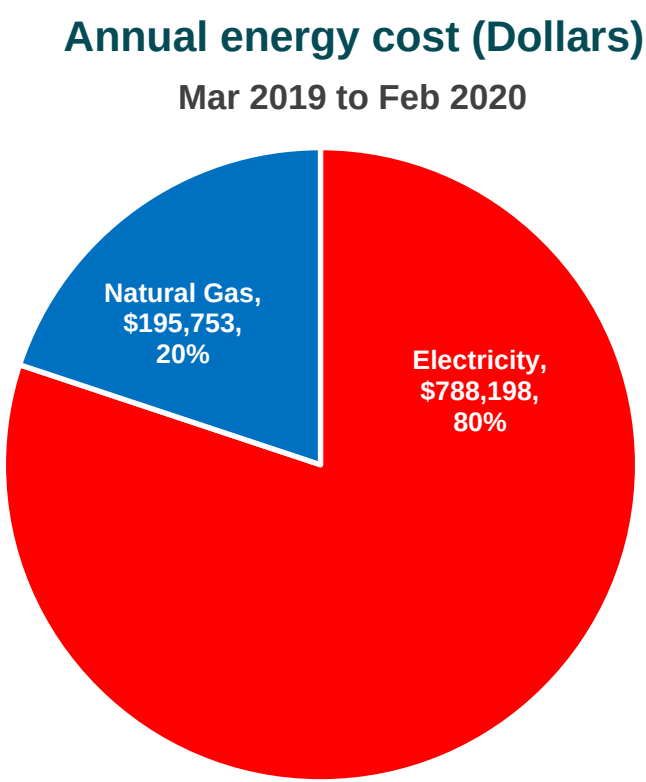
A percentile indicates where a point falls among an entire distribution. The chart below illustrates your buildings' percentiles with respect to energy use (kBtu/sq.ft) compared to all other buildings in climate regions like yours. Unlike subsequent charts, this chart shows all buildings, and does not differentiate between building type (e.g., office, fire/police station, etc.) and heat source (e.g., gas, electric). Higher percentiles reflect buildings with greater energy use (i.e., darker portion of chart on right). The yellow dots show where your buildings fall on the continuum.



BREAKDOWN OF ELECTRICITY VERSUS NATURAL GAS

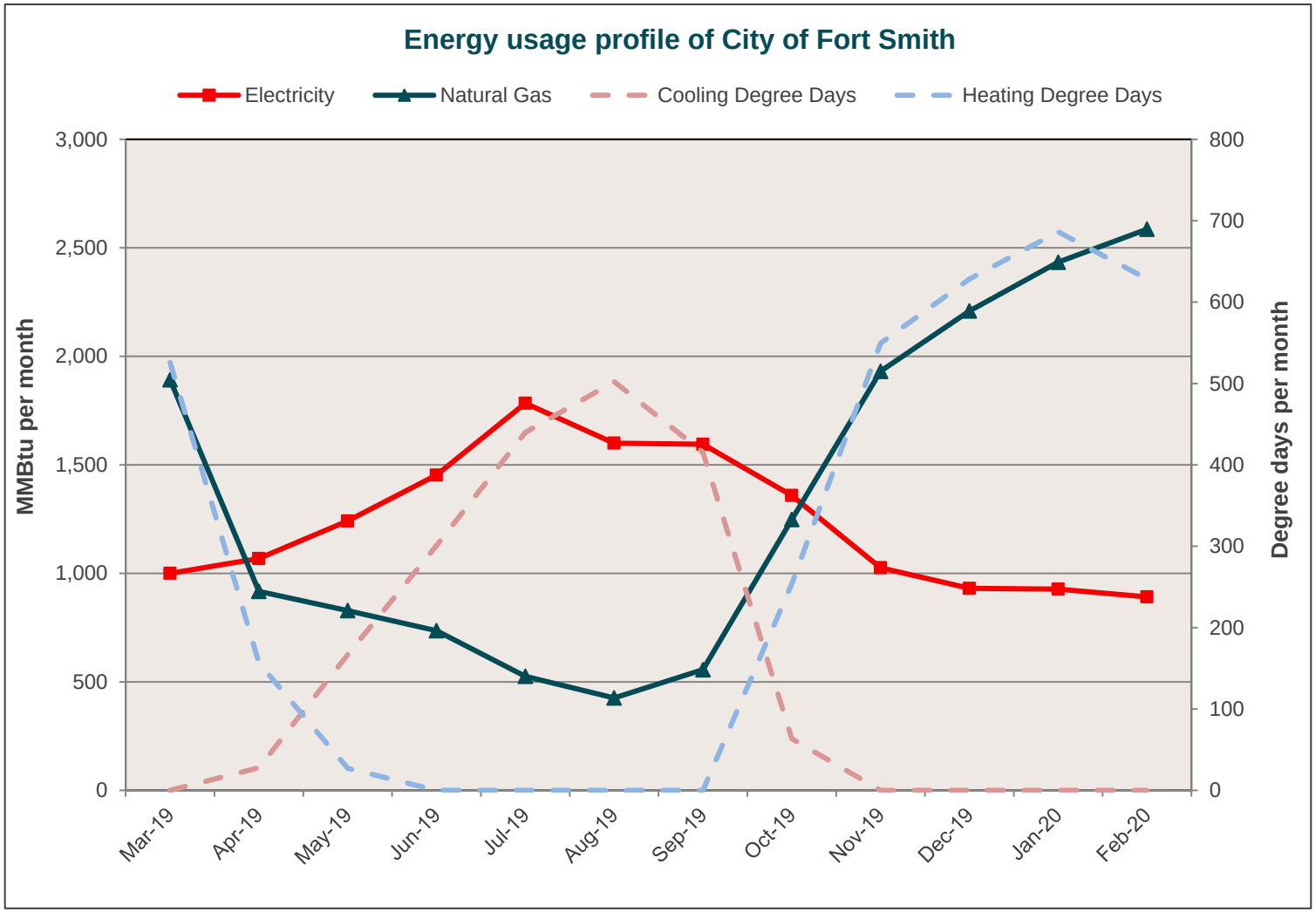
The following pie charts show the respective contribution of electricity and natural gas to overall site energy consumption and cost at your buildings. Because electricity (red) is currently more expensive than natural gas (blue), it accounts for a greater portion of cost than usage. Energy-improvements that lower electricity will do more to reduce your energy cost than comparable reductions in natural gas.





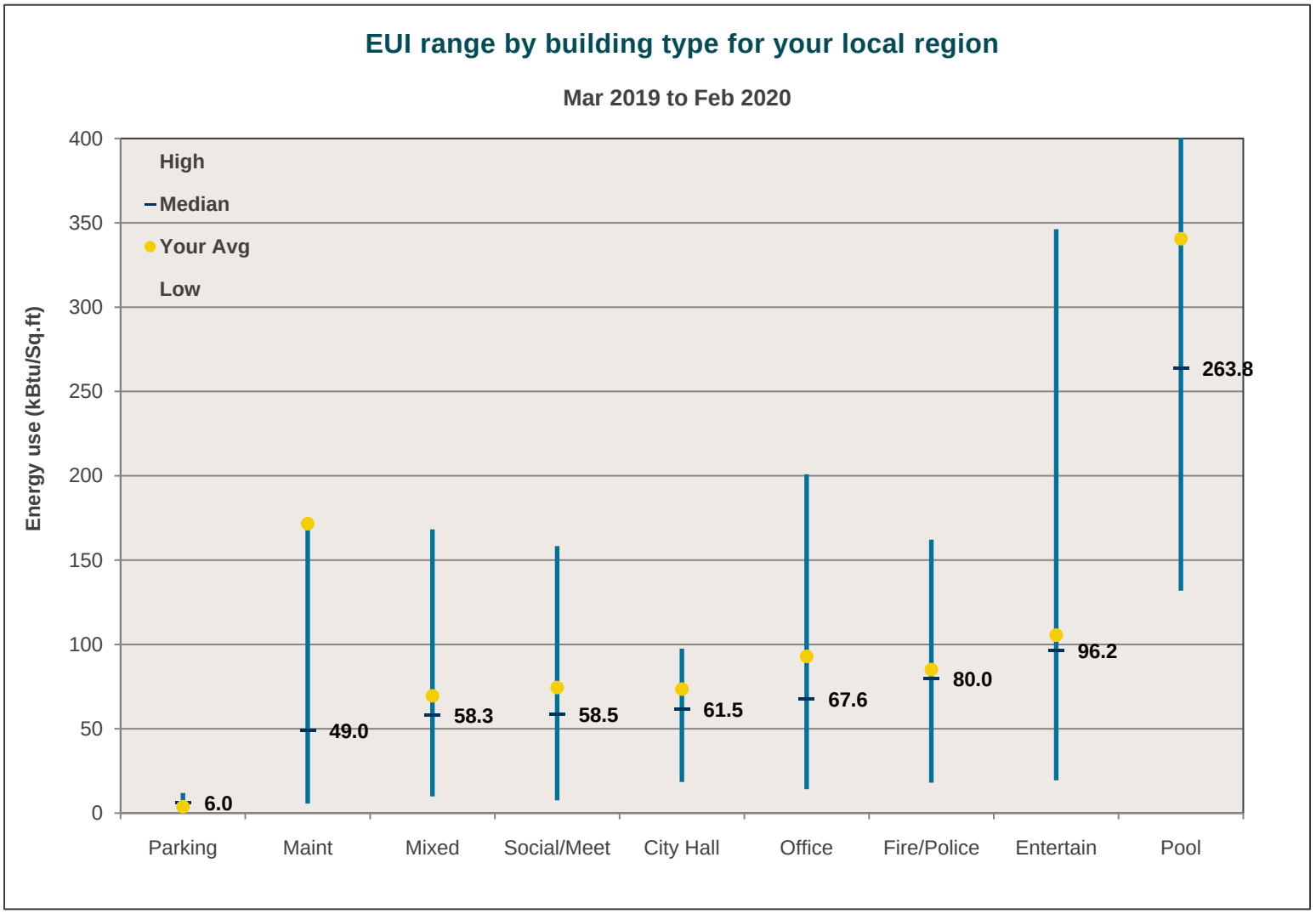
ENERGY USAGE PROFILE FOR YOUR MUNICIPALITY

The following graph shows the monthly energy usage (left vertical axis) and degree days (right vertical axis) for your municipality. Natural gas and heating degree days (i.e., blue dotted line) peak during the winter months when it is necessary to heat your building. Similarly, electricity and cooling degree days (i.e., red dotted line) peak in the summer when cooling is provided to your facilities. The natural gas and electric base loads (i.e., non-weather-related energy use) are reflected in the months where there are zero heating (i.e., June-Sept) & cooling degree days (i.e., Nov-Mar), respectively.



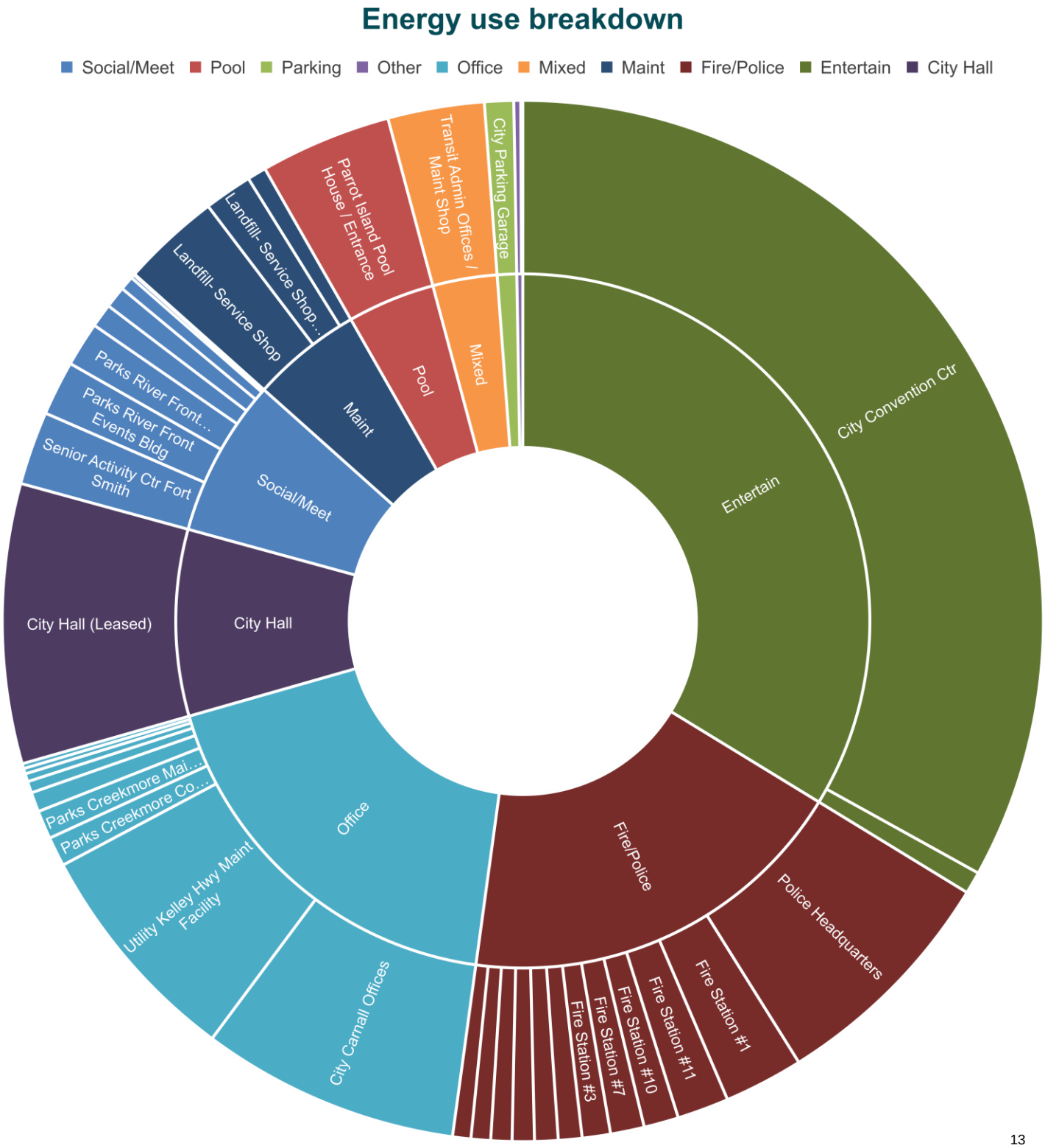
MEDIANS FOR LOCAL REGION

The following chart shows the range of energy use (kBtu/Sq.ft) for municipal building types in your local area. The blue dash (which is labeled) represents the median for each building type. The orange dot illustrates where your buildings within each category fall on the range. Notice that some building types tend to consume more energy per square foot than others. For example, the median fire/police station consumes more energy per square foot than the median office.



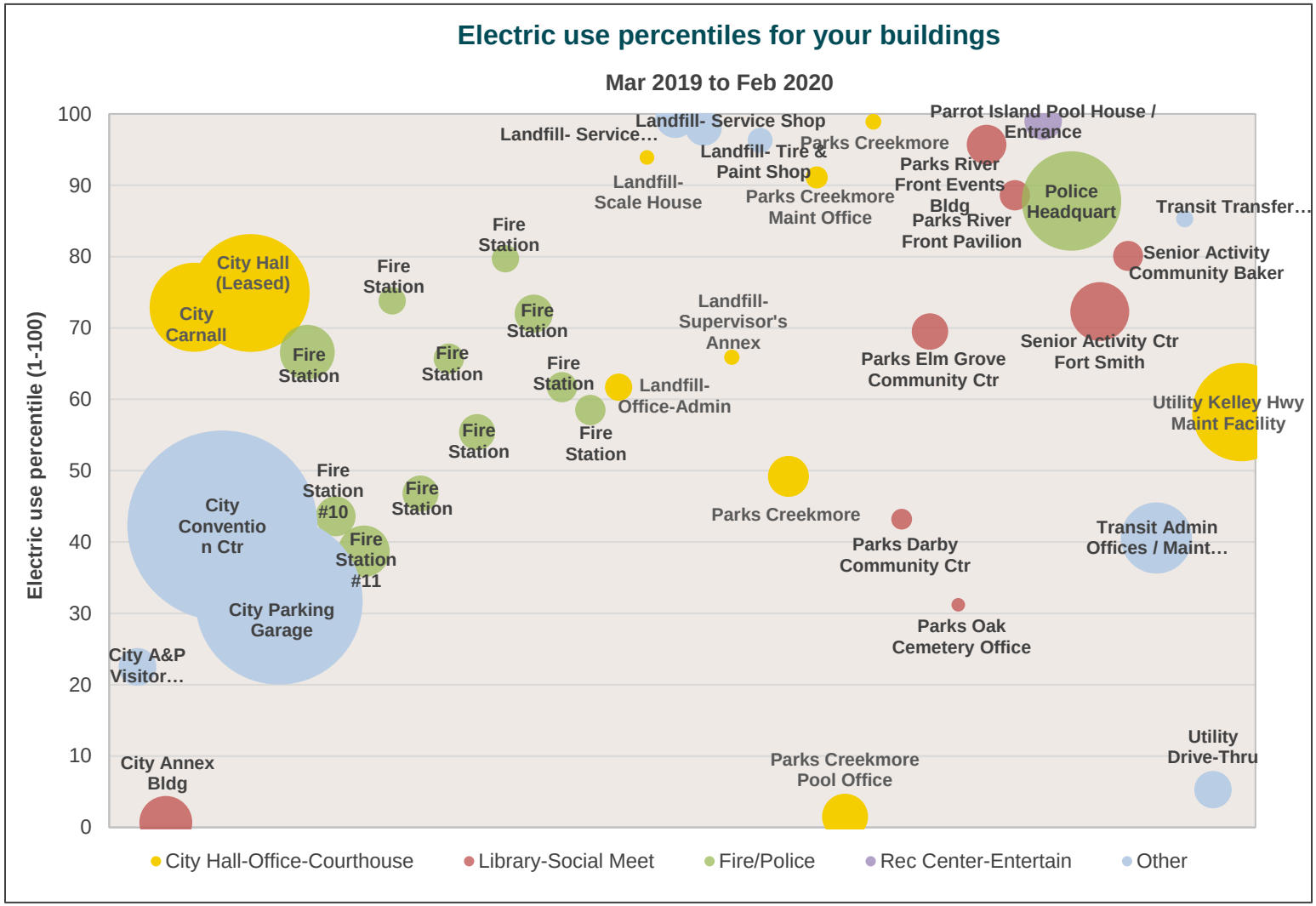
BREAKDOWN OF ENERGY USAGE

The following pie chart illustrates the relative contribution of each site to your overall energy consumption. Notice how the pie is divided between both individual sites and building types, as larger slices are more likely to present opportunities for energy-improvement and cost reduction.



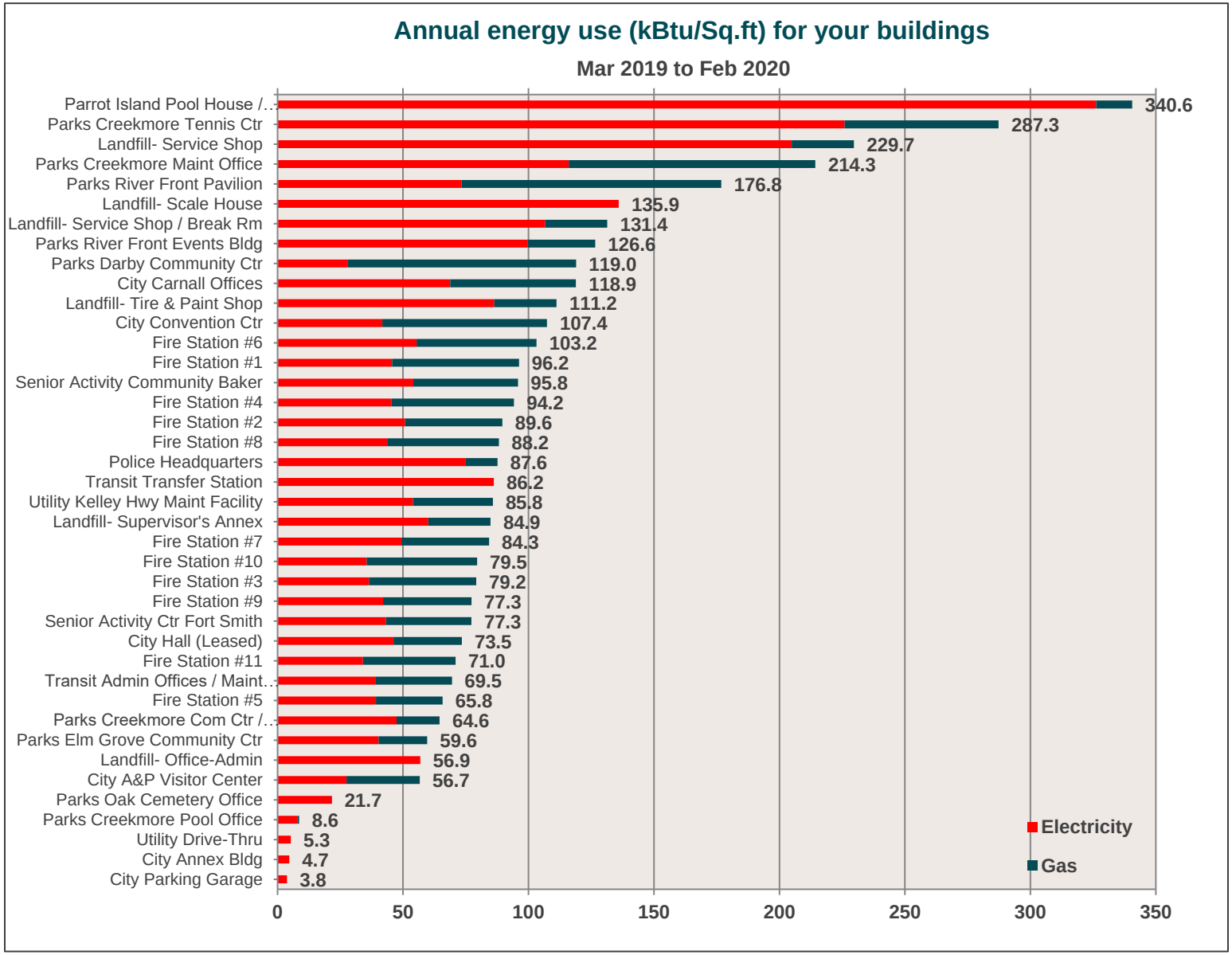
ELECTRIC USE PERCENTILES FOR YOUR BUILDINGS

A percentile indicates where a point falls among an entire distribution. The chart below illustrates your building's percentiles with respect to electricity use only (kBtu/sq.ft) compared to all other buildings in climate regions like yours. Higher percentiles reflect buildings with greater electric use (i.e. toward top of the chart). Circle size reflects building square footage and circle color indicates building type. A large circle located toward the top of the chart points to a larger facility that consumes significantly more electricity per square foot than its peers. Buildings are sorted alphabetically on the horizontal axis.



COMPARISON BETWEEN YOUR BUILDINGS

The following chart shows the energy use (kBtu/Sq.ft) for each of your buildings. The red and blue bars signify the portions of overall energy use attributable to electricity & natural gas, respectively.



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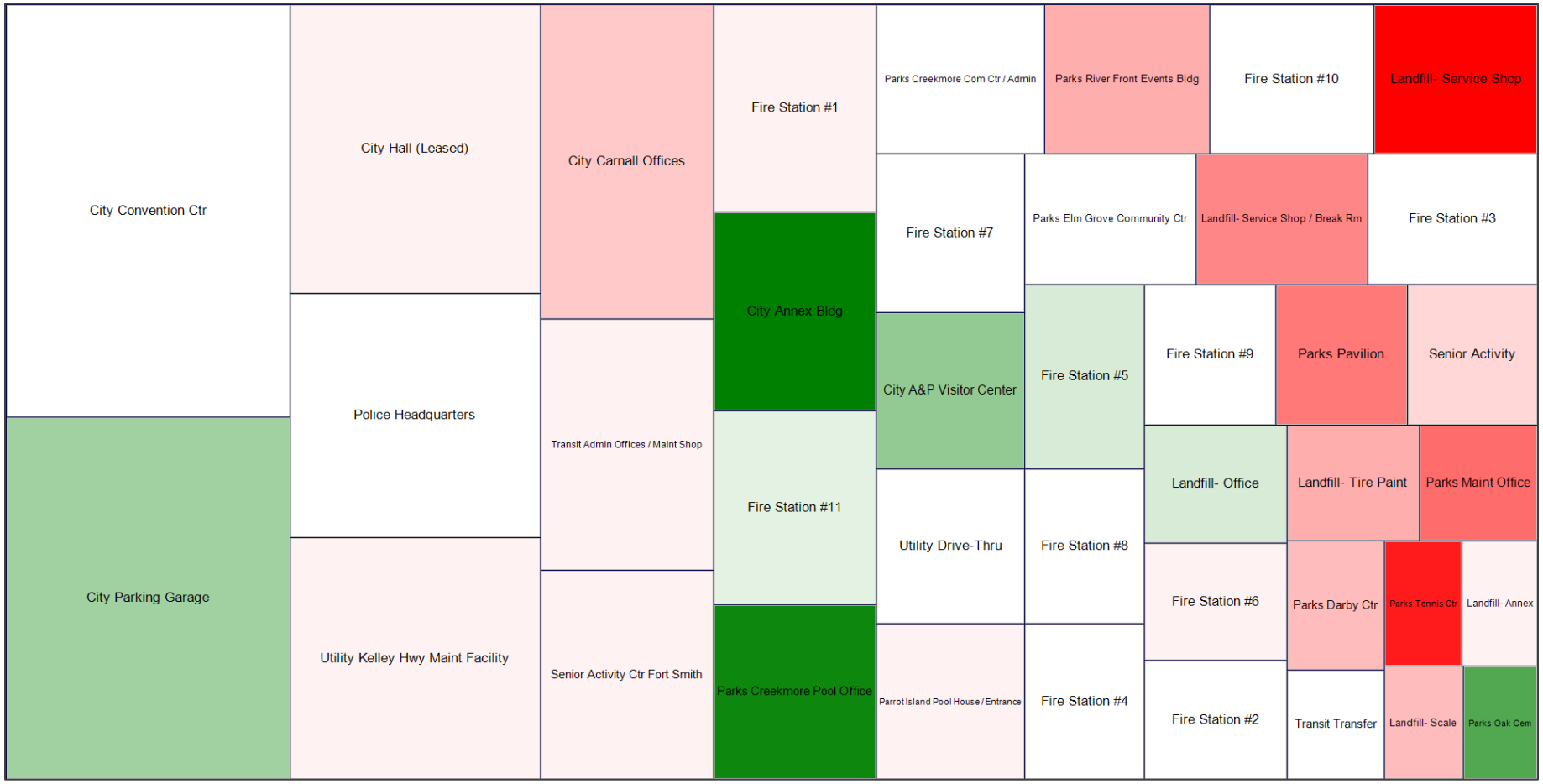
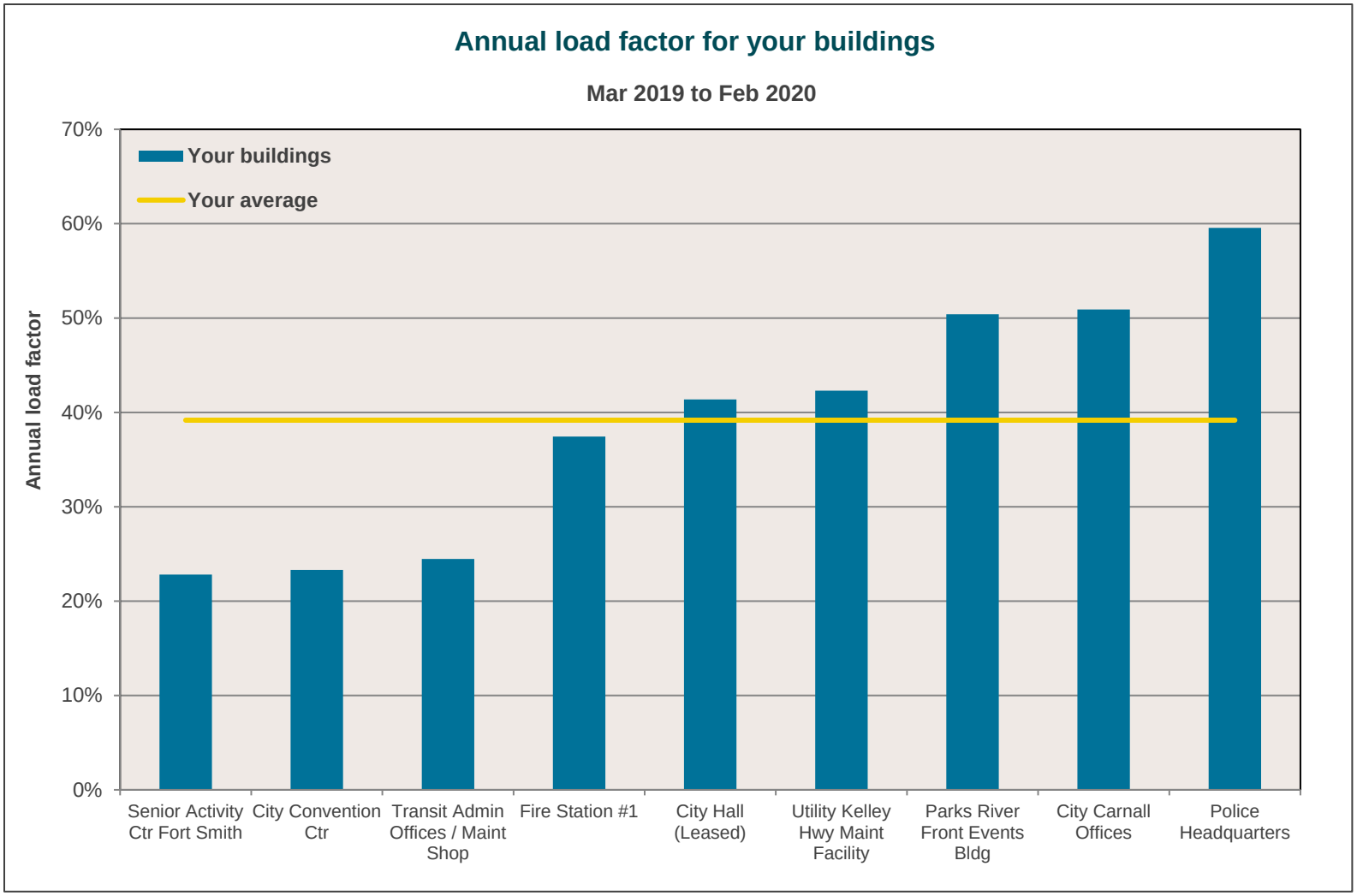
TARGETING BUILDINGS FOR FURTHER ASSESSMENT

The following conceptual chart shows the energy savings opportunity for each of your municipal buildings. The size of each box indicates the respective square footage of each building, and the color represents its energy performance compared to the median. For example, a large dark red box points to a large building that is consuming significantly more energy per square foot than the median, which would make it an ideal building to target for further assessment.



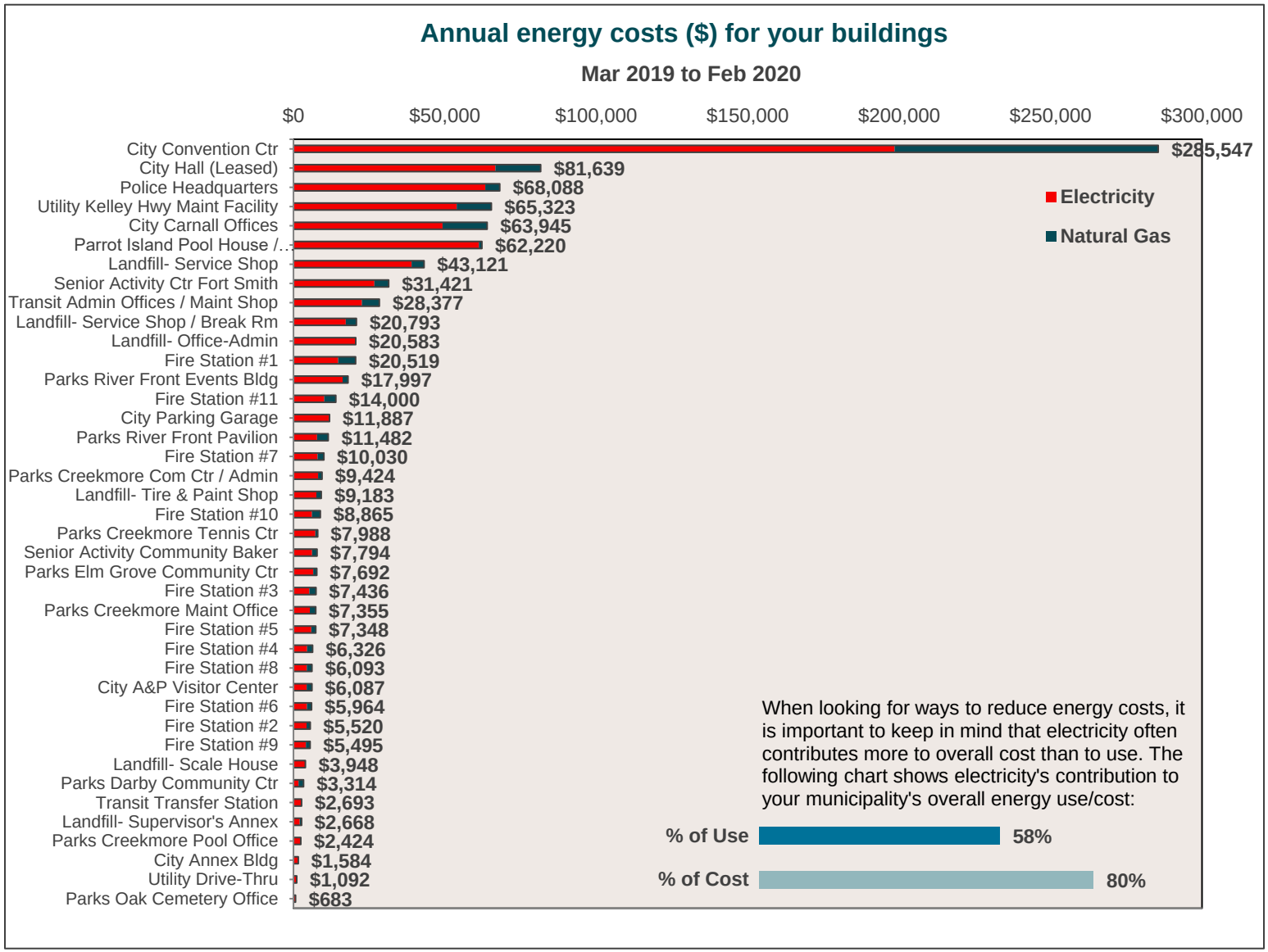
Electrical load factor

By running electrical equipment (lighting, HVAC, cooking, etc.) at your buildings, your municipality is drawing power from the electrical grid – this is your demand (kW). The amount of power required by your equipment multiplied by the length of time that it is running equals consumption (kWh). Electrical load factor is an indicator of how steady your demand is over time. Load factor is the ratio of average demand divided by peak demand. A high load factor points to steady demand; a low load factor indicates that demand is significantly higher during some periods ('peak') than it is during others. Since your electricity bills contain separate charges for energy consumption (kWh) and peak demand (kW), there may be opportunities to cut costs at buildings with low load factors by shifting this 'peak demand' to periods of otherwise low usage.



Energy costs

Because the cost of energy fluctuates regularly, it is best to think in terms of energy use (normalized consumption per square foot). However, annual energy cost is another valuable way to decide where to focus your energy efficiency efforts. The chart below displays your municipality's annual energy cost by building. The red and blue bars signify the portions of overall energy use attributable to electricity & natural gas, respectively.



Detailed energy performance analysis of buildings[1]

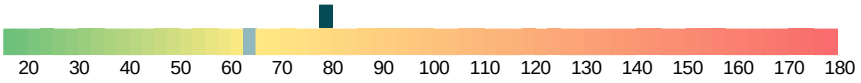
The energy performance benchmarking analysis charts on the following pages summarize the utility data, operating characteristics, and energy performance of your municipal buildings. Below are descriptions and sample parts that illustrate how to interpret the charts.

CLEARESULT BENCHMARKS

The first column is the median for each energy performance metric (for your climate region and building type), followed by your building's calculated benchmarks.

CLEAResult benchmarks	Median*	Your city
Energy use index (kBtu/sq.ft)	64.7	**77.6**

ENERGY PERFORMANCE COLOR SCALE



The scales illustrate where your building ranks compared to the median with respect to each energy benchmark. The median for each performance metric is colored light blue and your building's energy benchmarks are colored dark blue. The color-coded scale shows the range of values in our database for each energy performance metric. The scale moves from those buildings performing well (green) to average (yellow) to poorly (red). Please notice where your building(s) falls on this continuum.

BUILDING CHARACTERISTICS

Building characteristics typically includes the type of building, year built, gross floor area, and any operating characteristics solicited by EPA portfolio manager to produce an energy performance rating.

Municipality characteristics	
Type of building	All Bldgs
Year built	N/A
Floor area (sq. ft.)	656,327
Number of workers	724

MONTHLY UTILITY DATA

For each billing period, this includes electric usage (kWh), electric demand (kW), total current electric charges ($), natural gas consumption (therms), and total current natural gas charges ($).

Monthly utility data					
Month	kWh	kW	Cost	Therms	Cost
Mar-19	598,828	2,118	$51,287	26,493	$23,843
Apr-19	615,272	1,922	$51,590	11,698	$11,181

ENERGY USE / COST SUMMARY

Annual electric and natural gas totals are reported for the current year. Electricity's respective contributions to overall energy usage/ cost as well as the respective annual unit costs of electricity and natural gas are also reported in these columns.

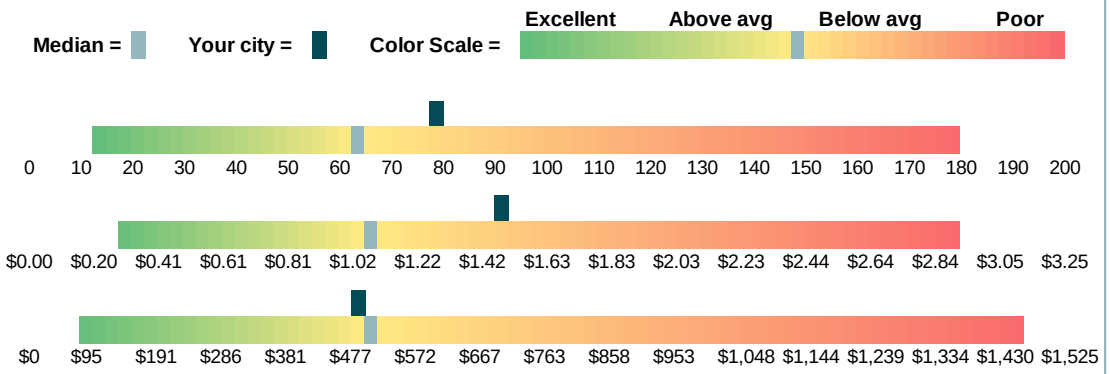
Annual energy use/cost summary	
Usage- Electricity (kWh)	8,594,339
Usage- Gas (therms)	215,913
Usage- Electricity (MMBtu)	29,324
Usage- Gas (MMBtu)	21,591

[1] This report compares energy use based on utility bills and is not the result of an engineering assessment. The analysis is purely mathematical and is not meant to provide a subjective assessment of how buildings are managed or operated. Most of the indicators do not adjust for individual building conditions, and therefore should be used only as a tool in combination with knowledge of facility operations.

Energy performance benchmarking analysis

Municipal-wide summary / City of Fort Smith

CLEAResult benchmarks	Median*	Your city
Energy use index (kBtu/sq.ft)	64.7	**77.6**
Energy cost index ($/sq.ft)	$1.07	**$1.50**
Energy cost per occupant	$506	**$485**
EPA portfolio manager	N/A	**N/A**



** Median for a similar profile of municipal buildings in your climate region. Water and wastewater treatment plants are excluded from chart.*

Municipality characteristics		Monthly utility data						Annual energy use/cost summary	
		Month	kWh	kW	Cost	Therms	Cost		
Type of building	All Bldgs	Mar-19	598,828	2,118	$51,287	26,493	$23,843	Usage- Electricity (kWh)	8,594,339
Year built	N/A	Apr-19	615,272	1,922	$51,590	11,698	$11,181	Usage- Gas (therms)	215,913
Floor area (sq. ft.)	656,327	May-19	741,944	1,987	$63,059	9,325	$8,875	Usage- Electricity (MMBtu)	29,324
Number of workers	724	Jun-19	844,821	2,013	$83,522	8,145	$7,606	Usage- Gas (MMBtu)	21,591
Number of visitors	9,239	Jul-19	1,021,800	1,944	$91,771	5,817	$5,535	Usage- Total energy (MMBtu)	50,915
Number of PCs	945	Aug-19	937,085	2,023	$88,351	4,706	$4,636	Usage- Electricity % of total	58%
Type of heating system	N/A	Sep-19	839,354	1,907	$80,066	6,124	$5,966	Cost- Electricity ($)	$788,198
Gnhse gases (tons CO2)	5,718	Oct-19	699,527	2,089	$69,659	15,517	$12,914	Cost- Gas ($)	$195,753
Monthly energy use (MMBtu) profile		Nov-19	585,395	2,017	$53,370	26,322	$21,784	Cost- Total energy ($)	$983,951
M A M J J A S O N D J F		Dec-19	573,218	1,840	$50,876	31,247	$29,020	Cost- Electricity % of total	80%
		Jan-20	582,381	2,030	$53,215	34,355	$32,339	Electricity cost per kWh	$0.09
		Feb-20	554,714	1,988	$51,432	36,165	$32,055	Gas cost per therm	$0.91

Current energy use tables

ENERGY PERFORMANCE BY BUILDING TYPE

The table below shows the year built, square footage, energy use index (kBtu/Sq.ft), energy cost index ($/Sq.ft), and EPA portfolio manager rating (if applicable) of each facility. These energy performance indicators are *grouped by building type*, and then sorted from lowest to highest energy use index. The red and blue bars signify the portions of overall energy use attributable to electricity & natural gas, respectively.

Energy performance indicators grouped by building type

Buildings are ranked by energy use index within each building type.

Facility name	Year built	Square feet	Annual EUI (kBtu/Sq.ft.) or site energy	ECI ($/Sq.ft.)	ENERGY STAR® score
City Hall - climate average			*61.5*	*$1.09*	*38*
City Hall (Leased)	1893	60,146	**73.5**	$1.36	55
Entertain - climate average			*96.2*	*$1.50*	*N/A*
City A&P Visitor Center	1896	6,164	**56.7**	$0.99	N/A
City Convention Center	2001	156,704	**107.4**	$1.82	N/A
Fire/Police - climate average			*80.0*	*$1.21*	*N/A*
Fire Station #5	1973	5,644	**65.8**	$1.30	N/A
Fire Station #11	2014	11,522	**71.0**	$1.22	N/A
Fire Station #9	1973	4,000	**77.3**	$1.37	N/A
Fire Station #3	1973	5,644	**79.2**	$1.32	N/A
Fire Station #10	1996	6,906	**79.5**	$1.28	N/A
Fire Station #7	2000	6,338	**84.3**	$1.58	N/A
Police Headquarters	1998	42,835	**87.6**	$1.59	N/A
Fire Station #8	1973	3,969	**88.2**	$1.54	N/A
Fire Station #2	1977	3,228	**89.6**	$1.71	N/A

Energy performance indicators by building type (Cont'd)

Buildings are ranked by energy use index within each building type.

Facility name	Year built	Square feet	Annual EUI (kBtu/Sq.ft.) or site energy	ECI ($/Sq.ft.)	ENERGY STAR® score
Fire/Police - climate average			*80.0*	*$1.21*	*N/A*
Fire Station #4	1974	3,969	**94.2**	$1.59	N/A
Fire Station #1	1973	13,024	**96.2**	$1.58	N/A
Fire Station #6	1977	3,228	**103.2**	$1.85	N/A
Maint - climate average			*49.0*	*$0.75*	*48*
Landfill- Tire & Paint shop	1999	2,695	**111.2**	$3.41	N/A
Landfill- Service Shop & Break room	1985	5,788	**131.4**	$3.59	N/A
Landfill- Service Shop	1985	6,793	**229.7**	$6.35	N/A
Mixed - climate average			*69.5*	*$1.13*	*N/A*
Transit Administrative Offices & Maintenance Shop	1986	21,926	**69.5**	$1.29	N/A
Office - climate average			*67.6*	*$1.25*	*46*
Parks Creekmore Pool Office Building	1948	9,143	**8.6**	$0.27	N/A
Landfill- Office-Administration	1985	3,224	**56.9**	$6.38	N/A
Parks Creekmore Community Center/Admin Offices	1955	7,260	**64.6**	$1.30	15
Landfill- Supervisor's Annex	1985	1,012	**84.9**	$2.64	N/A
Utility Kelley Hwy Maintenance Facility	1986	41,825	**85.8**	$1.56	72
City Carnall Offices	1972	34,362	**118.9**	$1.86	33
Landfill- Scale House w/scales	2014	927	**135.9**	$4.26	N/A

Energy performance indicators by building type (Cont'd)

Buildings are ranked by energy use index within each building type.

Facility name	Year built	Square feet	Annual EUI (kBtu/Sq.ft.) or site energy	ECI ($/Sq.ft.)	ENERGY STAR® score
Office - climate average			*67.6*	*$1.25*	*46*
Parks Creekmore Maintenance Office Building	1995	2,100	**214.3**	$3.50	N/A
Parks Creekmore Tennis Center	2002	1,080	**287.3**	$7.40	N/A
Other - climate average					
Utility Drive-Thru	1982	6,056	**5.3**	$0.18	N/A
Transit Transfer Station	2009	1,272	**86.2**	$2.12	N/A
Parking - climate average			*6.0*	*$0.15*	*N/A*
City Parking Garage	1991	121,161	**3.8**	$0.10	N/A
Pool - climate average			*263.8*	*$5.20*	*N/A*
Parrot Island Pool house/Entrance building	2015	6,092	**340.6**	$10.21	N/A
Social/Meet - climate average			*58.5*	*$0.94*	*N/A*
City Annex Building	1965	12,137	**4.7**	$0.13	N/A
Parks Oak Cemetery Office Building	2001	800	**21.7**	$0.85	N/A
Parks Elm Grove Community Center	2007	5,757	**59.6**	$1.34	N/A
Senior Activity Center Fort Smith	2001	15,025	**77.3**	$2.09	N/A
Senior Activity Community Baker	1968	3,904	**95.8**	$2.00	N/A
Parks Darby Community Center	1998	1,871	**119.0**	$1.77	N/A
Parks River Front Events Building	2000	6,818	**126.6**	$2.64	N/A
Parks River Front Pavilion	2000	3,978	**176.8**	$2.89	N/A

ENERGY USE ATTRIBUTED TO BASELOAD, COOLING, AND HEATING OPERATIONS

The following table breaks down energy use (kBtu/Sq.ft) into baseload, cooling, and heating operations. Regression analysis is used to determine how each building's monthly energy use profile responds to weather data, which gives us an idea how much energy is used in baseload operations (e.g. lighting, computer use, cooking) versus heating/cooling of your facilities. This information can be used to begin to think about energy-improvement measures at a high level. Of course, building walk-throughs and equipment audits should be conducted to identify specific opportunities. Buildings are sorted in alphabetical order with district averages provided for internal comparison.

Energy use profile breakdown (Cont'd)

Buildings are sorted in alphabetical order.

Facility name	Annual EUI (kBtu/Sq.ft.)	Annual baseload use (kBtu/Sq.ft)	Annual cooling use (kBtu/Sq.ft.)	Annual heating use (kBtu/Sq.ft.)
Your Municipality Average	**77.6**	**44.4**	**10.2**	**23.4**
City A&P Visitor Center	56.7	23.2	6.0	27.5
City Annex Building	4.7	2.5	1.1	1.1
City Carnall Offices	118.9	88.6	10.2	20.1
City Convention Center	107.4	61.4	12.8	33.2
City Hall (Leased)	73.5	41.1	7.1	25.2
City Parking Garage	3.8	3.5	0.1	0.2
Fire Station #1	96.2	27.4	21.9	47.0
Fire Station #10	79.5	35.7	7.1	36.7
Fire Station #11	71.0	32.7	6.9	31.4
Fire Station #2	89.6	55.8	7.3	26.5
Fire Station #3	79.2	26.3	11.7	41.2
Fire Station #4	94.2	38.1	14.2	41.9
Fire Station #5	65.8	33.9	9.0	23.0

Energy use profile breakdown (Cont'd)

Buildings are sorted in alphabetical order.

Facility name	Annual EUI (kBtu/Sq.ft.)	Annual baseload use (kBtu/Sq.ft)	Annual cooling use (kBtu/Sq.ft.)	Annual heating use (kBtu/Sq.ft.)
Your Municipality Average	**77.6**	**44.4**	**10.2**	**23.4**
Fire Station #6	103.2	54.2	8.5	40.4
Fire Station #7	84.3	52.5	10.4	21.5
Fire Station #8	88.2	35.7	11.5	41.0
Fire Station #9	77.3	30.5	11.2	35.6
Landfill- Office-Administration	56.9	47.7	5.4	3.8
Landfill- Scale House w/scales	135.9	40.9	7.1	88.0
Landfill- Service Shop	229.7	215.5	15.6	32.6
Landfill- Service Shop & Break room	131.4	88.6	17.0	25.8
Landfill- Supervisor's Annex	84.9	40.0	19.3	25.5
Landfill- Tire & Paint shop	111.2	70.0	2.5	38.7
Parks Creekmore Community Center/Admin Offices	64.6	28.4	9.7	26.5
Parks Creekmore Maintenance Office Building	214.3	84.6	7.2	122.5
Parks Creekmore Pool Office Building	8.6	2.5	5.1	1.1
Parks Creekmore Tennis Center	287.3	174.0	10.9	102.3
Parks Darby Community Center	119.0	8.6	18.8	92.3
Parks Elm Grove Community Center	59.6	22.8	13.5	23.3
Parks Oak Cemetery Office Building	21.7	6.1	1.1	14.6

Energy use profile breakdown (Cont'd)

Buildings are sorted in alphabetical order.

Facility name	Annual EUI (kBtu/Sq.ft.)	Annual baseload use (kBtu/Sq.ft)	Annual cooling use (kBtu/Sq.ft.)	Annual heating use (kBtu/Sq.ft.)
Your Municipality Average	**77.6**	**44.4**	**10.2**	**23.4**
Parks River Front Events Building	126.6	66.0	3.0	57.8
Parks River Front Pavilion	176.8	26.9	36.8	113.1
Parrot Island Pool house/Entrance building	340.6	120.3	193.1	27.2
Police Headquarters	87.6	65.8	10.6	11.3
Senior Activity Center Fort Smith	77.3	40.5	13.1	23.8
Senior Activity Community Baker	95.8	57.2	18.7	20.0
Transit Administrative Offices & Maintenance Shop	69.5	32.5	4.6	32.4
Transit Transfer Station	86.2	70.6	4.4	11.1
Utility Drive-Thru	5.3	4.7	0.2	0.5
Utility Kelley Hwy Maintenance Facility	85.8	49.1	8.8	28.0

ENERGY IMPROVEMENT OPPORTUNITY BY QUARTILES

Energy benchmarks can help prioritize sites for further assessment. We have looked across gross floor area (Sq.ft), site energy use (kBtu/Sq.ft), site energy cost ($/Sq.ft), and ENERGY STAR® score (if applicable) to take a holistic view of opportunity. The following table sorts your buildings into quartiles by estimated opportunity for energy-improvements. Buildings in the last quartile (red dots) display opportunity across multiple indicators and may be worth targeting for further assessment.

Energy improvement opportunity by building

Buildings are sorted by estimated opportunity into quartiles.

● 1st Quartile ● 2nd Quartile ● 3rd Quartile ● 4th Quartile

	Facility name	Square feet	Energy use (kBtu / Sq.ft)	Energy cost ($/Sq.ft)	Energy cost per occupant	ENERGY STAR® score	Overall Quartile
1st quartile	Utility Drive-Thru	6,056	5.3	$0.18	$546	N/A	●
	City Annex Building	12,137	4.7	$0.13	$16	N/A	●
	Parks Creekmore Pool Office Building	9,143	8.6	$0.27	$242	N/A	●
	Parks Oak Cemetery Office Building	800	21.7	$0.85	$342	N/A	●
	City Parking Garage	121,161	3.8	$0.10	N/A	N/A	●
	City A&P Visitor Center	6,164	56.7	$0.99	$122	N/A	●
	Parks Darby Community Center	1,871	119.0	$1.77	$33	N/A	●
	Parks Elm Grove Community Center	5,757	59.6	$1.34	$47	N/A	●
	Landfill- Office-Administration	3,224	56.9	$6.38	$2,940	N/A	●
	Fire Station #5	5,644	65.8	$1.30	$1,470	N/A	●
2nd quartile	Fire Station #9	4,000	77.3	$1.37	$1,832	N/A	●
	Fire Station #3	5,644	79.2	$1.32	$2,479	N/A	●
	Fire Station #10	6,906	79.5	$1.28	$2,216	N/A	●
	Landfill- Supervisor's Annex	1,012	84.9	$2.64	$381	N/A	●
	Fire Station #11	11,522	71.0	$1.22	$2,333	N/A	●
	Fire Station #8	3,969	88.2	$1.54	$2,031	N/A	●
	Fire Station #2	3,228	89.6	$1.71	$1,840	N/A	●
	Transit Transfer Station	1,272	86.2	$2.12	N/A	N/A	●
	Fire Station #7	6,338	84.3	$1.58	$1,672	N/A	●

Energy improvement opportunity by building (Cont'd)

Buildings are sorted by estimated opportunity into quartiles.

● 1st Quartile ● 2nd Quartile ● 3rd Quartile ● 4th Quartile

	Facility name	Square feet	Energy use (kBtu / Sq.ft)	Energy cost ($/Sq.ft)	Energy cost per occupant	ENERGY STAR® score	Overall Quartile
3rd quartile	Senior Activity Community Baker	3,904	95.8	$2.00	$600	N/A	●
	Fire Station #6	3,228	103.2	$1.85	$1,988	N/A	●
	Transit Administrative Offices & Maintenance Shop	21,926	69.5	$1.29	$1,892	N/A	●
	Senior Activity Center Fort Smith	15,025	77.3	$2.09	$683	N/A	●
	Landfill- Tire & Paint shop	2,695	111.2	$3.41	$9,183	N/A	●
	Fire Station #1	13,024	96.2	$1.58	$1,207	N/A	●
	Landfill- Scale House w/scales	927	135.9	$4.26	$1,974	N/A	●
	Utility Kelley Hwy Maintenance Facility	41,825	85.8	$1.56	$310	72	●
	Parks River Front Pavilion	3,978	176.8	$2.89	$57	N/A	●
	Parks Creekmore Maintenance Office Building	2,100	214.3	$3.50	$3,678	N/A	●
4th quartile	Parks Creekmore Tennis Center	1,080	287.3	$7.40	$107	N/A	●
	Parks Creekmore Community Center/Admin Offices	7,260	64.6	$1.30	$38	15	●
	Landfill- Service Shop & Break room	5,788	131.4	$3.59	$3,466	N/A	●
	Parks River Front Events Building	6,818	126.6	$2.64	$100	N/A	●
	City Hall (Leased)	60,146	73.5	$1.36	$510	55	●
	Police Headquarters	42,835	87.6	$1.59	$681	N/A	●
	Landfill- Service Shop	6,793	229.7	$6.35	$21,561	N/A	●
	Parrot Island Pool house/Entrance building	6,092	340.6	$10.21	$346	N/A	●
	City Convention Center	156,704	107.4	$1.82	N/A	N/A	●
	City Carnall Offices	34,362	118.9	$1.86	$727	33	●

Translating the numbers into savings

Although benchmarking does not tell you what specific equipment or building features need to be improved, or how much it will cost to make the improvements, it can help you determine the general magnitude of the opportunities available and on which buildings to focus. Comparing the energy performance of your buildings is the first step toward improving performance and saving money.

Energy efficiency equipment upgrades and operations improvements can have a dramatic financial impact on a municipality. The table below illustrates how many budget dollars your municipality would save under various savings target scenarios.

Potential energy cost savings by energy use quartile
Quartiles are represented by green, yellow, orange, and red.

	Square footage	EUI (kBtu/Sq.ft.)	Annual energy costs	Savings target	Annual dollars saved
1st Quartile	172,000	12.3	$63,000	2.5%	$1,600
2nd Quartile	48,000	80.8	$69,000	5.0%	$3,500
3rd Quartile	108,000	90.3	$191,000	7.5%	$14,300
4th Quartile	328,000	107.1	$661,000	10.0%	$66,100
Total	**656,000**	**77.6**	**$984,000**	**8.7%**	**$85,500**

More detailed information about the buildings(s) should be gathered and analyzed to verify the magnitude of the opportunities and then move forward with improvement projects. Please refer to the previous page to see which buildings belong to each energy use group.

The table below presents your savings opportunity in a different way, showing how many budget dollars your municipality would save by reducing energy costs at your buildings by 5, 10, or 15 percent.

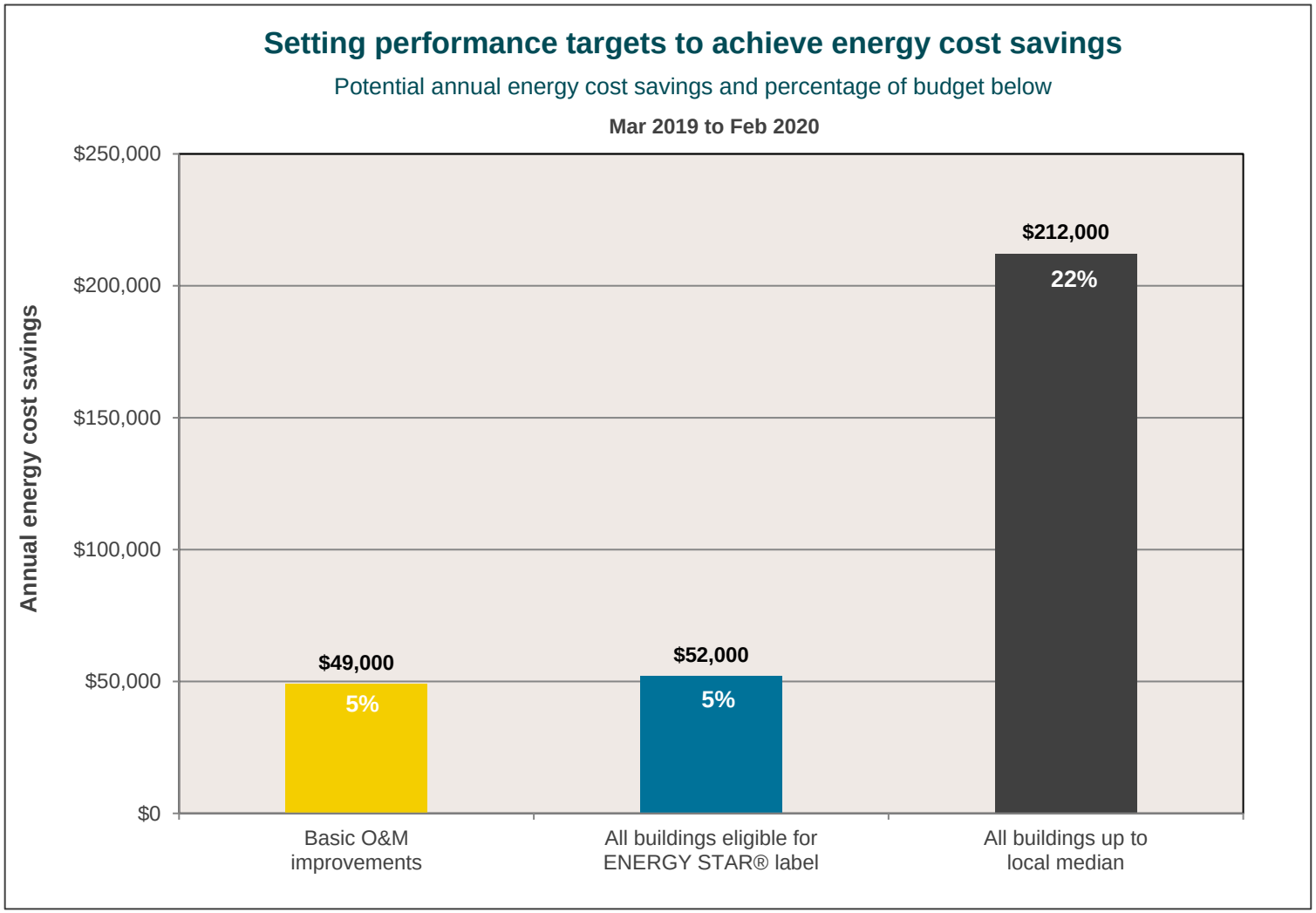
Potential energy cost savings by percentage reduction

City of Fort Smith annual energy cost	X	Savings target	=	Annual dollars saved
$984,000		5%		**$49,000**
		10%		**$98,000**
		15%		**$148,000**

The next step towards realizing these savings is to identify specific energy efficiency opportunities within your municipality. Your Program Consultant can help you identify and evaluate energy efficiency opportunities and help you calculate the anticipated cost savings and cash incentives for each energy efficiency measure.

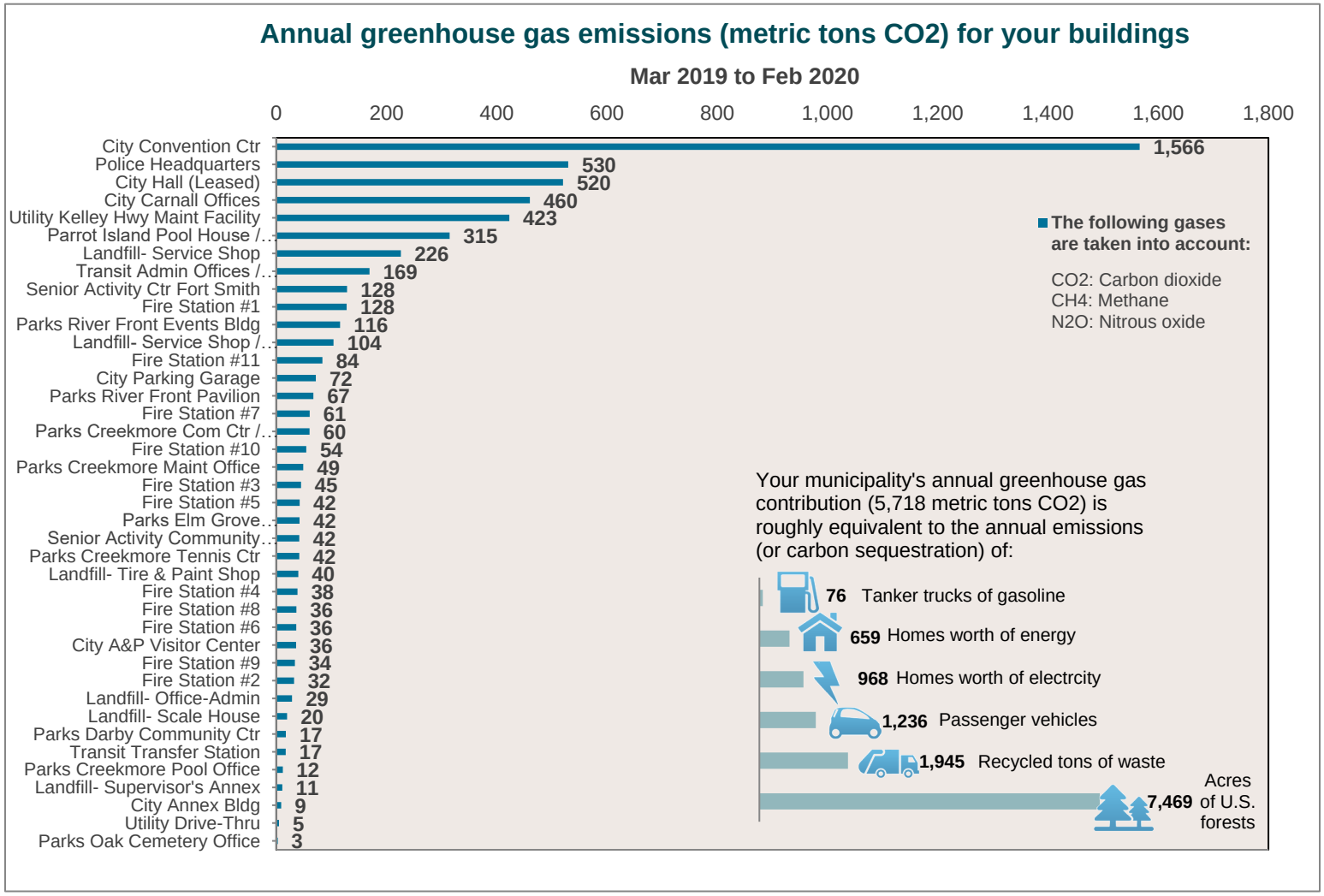
TARGETING ENERGY COST SAVINGS

The following chart shows how many annual budget dollars your municipality could save (at current utility rates) by achieving various energy performance targets. Five percent annual energy cost savings can typically be achieved solely by improving operations and maintenance procedures within your organization. Reducing energy consumption to such a level where all facilities are eligible to apply for ENERGY STAR® certification or are performing on par with peers in their climate region will provide even greater opportunities for cost savings.



Greenhouse gas emissions[2]

With scientific evidence connecting greenhouse gas (GHG) emissions from human activities to global climate change, many municipalities are looking to find ways to reduce their 'carbon footprint'. This benchmarking analysis accounts for GHG emissions produced by 12 months of electricity and heating fuel (natural gas) consumption. The following table illustrates what consumption levels are roughly equivalent emissions to your municipality's annual greenhouse gas contribution.



[2] The information in this section on greenhouses gases was derived in large part from *Local Government Operations Protocol for the quantification and reporting of greenhouse gas emissions inventories. http://www.theclimateregistry.org/downloads/2009/05/LGO_Protocol.pdf*

City of Fort Smith Energy Master Plan

Sponsored by OGE • Provided by CLEAResult • 2023-2026

CITY OF FORT SMITH EFFICIENCY OPPORTUNITY:

10%

Energy reduction for facilities benchmarked through the SAGE® Program

$78,820

In annual combined energy cost savings

90%

Project Funding opportunities through the SAGE® Program

Additional opportunities include:

- Utility-paid cash incentives for implementing energy efficiency projects
- Improved usability and comfort in offices, fire and police stations, and other city buildings
- Modernized energy platform to reduce carbon footprint
- Positive public relations in the community, including press releases and incentive check presentations for any projects completed in the SAGE® program

Our mission

Energy costs are an enormous expense for our nation's cities; energy is often one of the largest line items in a city's budget. To help significantly reduce these costs and improve energy efficiency, the **City of Fort Smith** is participating in the **OGE SAGE®** Program. The no-cost program will assist in identifying energy efficiency opportunities in our portfolio of buildings, and help us to:

- Improve city focus
- Reduce energy expenditures
- Boost the local economy (through upgrade projects)
- Enhance community relations

The program provides technical and financial assistance for efficiency upgrades. Whether we retrofit an existing building or incorporate energy efficiency technologies into new construction, we will identify and implement cost-effective projects that will allow us to use energy more efficiently. In addition, the **SAGE®** Program will help us form a long-term strategy to address rising energy costs. As part of our participation and with assistance from the program, we have prepared this *Energy Master Plan* to outline where we are today and what steps we will undertake to improve the efficiency of our buildings by **10%** by 2025.

Strategies for improvement

- By adopting the energy management best practices outlined in the plan, we can mobilize and coordinate our efforts toward reducing energy costs
- Improved human behavior to overcome barriers to unlock your energy savings potential with an innovative approach
- By adhering to the listed efficiency strategies, we can minimize the lifecycle cost associated with our energy-consuming equipment

Commitment

The Energy Master Plan is an adaptable, evolving document. It is a starting point for consensus and uniform action, which will ensure that all appropriate departments and parties are informed of and involved in our plans. Because it will adapt to changing needs and new information, it will never be "final" or concrete; however, approval of this strategy will allow us to plan effectively and efficiently in terms of funding, personnel availability, and other constraints.

Project implementation

- **SAGE®** will pay us cash incentives for incorporating energy efficiency into equipment replacement/installation (e.g., lighting, HVAC) at our facilities through the end of the program year (also the date by which all projects must be post inspected).
- Outlined below is a list of measures and incentive levels that are supported by the **SAGE®** Program.

Deemed Savings Measures	Performance Based ($/kWh)	Total Project Cost Cap*
PC Power Management	$0.10	Up to 90%
**Direct Install Measures	Full costs are covered by Program	Up to 100%
All other measures	$0.13	Up to 90%

*Incentives are subject to program year subscription levels, and percentage of total cost limitations. The City will contact OGE, or our CLEAResult local consultant, during each project planning process to verify current availability.

Current building benchmark assessment

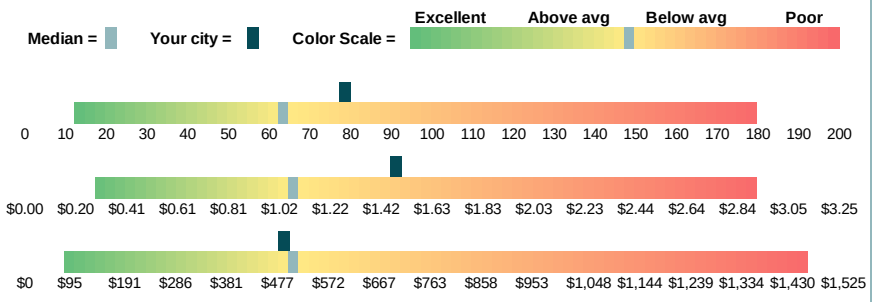
Based on the utility bills and building information we provided, the **SAGE®** Program compared our energy use to other city facilities in Arkansas and the U.S. The benchmarking process revealed that our buildings are performing **below average overall**, meaning we are using more energy per square foot than other cities in our same climate region. More detailed assessments of each individual building can be found in the *Benchmarking Report Appendix*.

- Compared to the median, *our city* is using nearly **20%** *more energy per square foot* than other cities in our same climate region, which costs us approximately **$196,245** *in additional annual energy costs*
- By reducing our current electricity consumption alone by **8%**, we *could save another estimated **$59,115** in annual utility bills* at the buildings included in the benchmarking analysis

Energy performance benchmarking analysis

Municipal-wide summary / City of Fort Smith

CLEAResult benchmarks	Median*	Your city
Energy use index (kBtu/sq.ft)	64.7	**77.6**
Energy cost index ($/sq.ft)	$1.07	**$1.50**
Energy cost per occupant	$506	**$485**
EPA portfolio manager	N/A	**N/A**

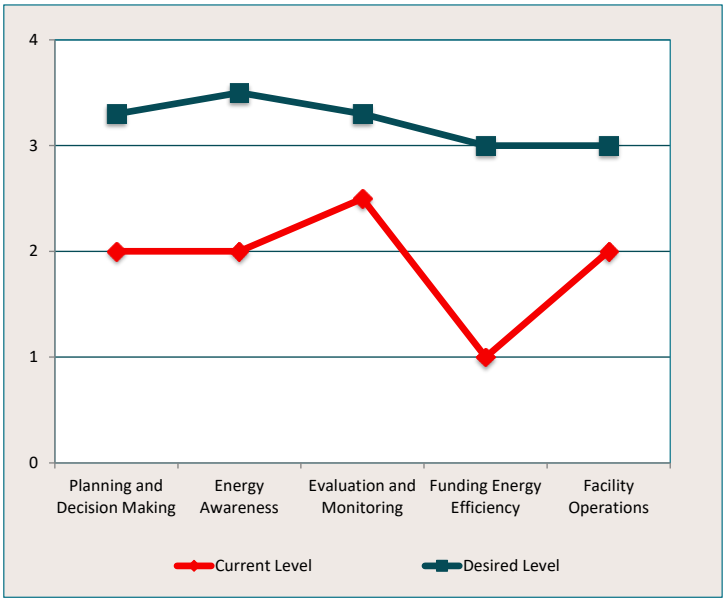


** Median for a similar profile of municipal buildings in your climate region. Water and wastewater treatment plants are excluded from chart.*

Energy management scorecard assessment

In addition to facility performance benchmarking, our energy management methods were also benchmarked against recognized best practices in the following *key focus areas*: **planning and decision making, evaluation and monitoring, funding energy efficiency, facility operations, and energy awareness.**

The chart to the right summarizes the outcome of the workshop's **energy performance best practices scorecards**. The **red line** represents our *current level* of achievement, and the **blue line** represents our *desired level*. Strengths in each category, along with specific short and long term strategies to help us achieve our desired levels in each category, are identified in the appendix.



Set goals

The goal of implementing the *Energy Master Plan* is to avoid spending more money on energy than necessary. We attempted to quantify the bottom-line effect of improving the energy performance of our buildings. For the ***40 buildings*** *that we included in the benchmarking analysis*, the chart below estimates how much reducing our electricity consumption alone would save us in annual utility bills:

Annual electricity costs	Percent reduction	Annual electricity cost savings
$788,198	10%	$78,820
	20%	$157,640
	30%	$236,459

Create an action plan

In benchmarking our procedures against recognized "best practices," we confirmed several areas in which we want to improve our energy management methods. The appendix provides a complete breakdown of short- and long-term steps toward improving energy management in each focus area. *The table below identifies the highest priority "next steps" for the* ***City of Fort Smith****:*

Focus area	Target audience	Priority action item
Facilities Operations	All staff, building occupants & operators	1) Develop and enforce written guidelines that outline operating rules (such as building usage, operating hours, personal refrigerators/heaters, and temperature set points). 2) Continue to monitor and adjust building systems operations when occupancy, demands, or loads are reduced. Conduct night walk-throughs to enforce shut down procedures. Leave reminders and recognize success when correct shut down procedures have been followed.
Planning & Decision Making	Administration, Facilities & Maintenance Personnel	1) Create a prioritized list of specific energy efficiency projects based on benchmark report, other data, and walkthroughs. 2) Develop an Internal Energy Committee that meets quarterly to discuss progress, brainstorm ideas, help support the Energy Awareness Program and prepare reports for Senior Management review.

Energy efficiency design specifications

By continuing to refine our energy management practices at all organizational levels, we will ensure that we are getting the most out of our existing equipment and facilities. We will also position ourselves to identify, evaluate, and move forward with new energy efficiency investments on shorter timelines.

New construction, renovations, outdated or failing equipment, and routine change-outs all present opportunities for increasing energy efficiency in our buildings. Unfortunately, many potential efficiency opportunities are left unrealized or delayed considerably. When less efficient equipment is installed or left in place, we incur higher utility costs over the life of the equipment. By taking the lifecycle cost and cost of delaying efficiency into consideration during our project evaluations, we will equip ourselves to make sound financial decisions.

Working with the **SAGE®** Program, we have identified the strategies listed below for achieving energy efficiency. We will evaluate the feasibility of each strategy separately and consider incorporating them into written guidelines

or minimum specifications for energy-consuming equipment. By having our own target design specifications, we will ensure that energy efficiency is always a consideration in our buildings.

Measure	Energy efficiency strategy
Lighting	10 - 15% improvement over the lighting power density (LPD) guidelines put forth by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1- 2013
	High-performance LED and T8 lamps with premium efficiency ballasts in hallways, offices
	LEDs and high-bay fluorescents (T5, T8) in bay areas, multi-purpose rooms, and other applicable areas
	Automatic lighting controls (occupancy sensors, automatic daylight controls, time clock controls) and adjustable lighting level strategies (bi-level switching)
HVAC	System size closely matches the actual building loads, thus increasing operating efficiency, reducing operating costs, and extending equipment service life
	Improvement over minimum equipment efficiencies specified in ASHRAE 90.1- 2013 or International Energy Conservation Code (IECC) 2009
	Usage of demand control ventilation
Roofing	ENERGY STAR-labeled Cool Roof materials
	Increased insulation value for roofing systems
Window	Thermopane, low-emissivity glass, thermal break frames

Operations and Maintenance

Attention to operation and maintenance provides the most rapid means of reducing consumption and costs in most buildings. Proper operations and maintenance (O&M) of facility systems (heating, cooling, ventilation, etc.) not only reduces energy consumption, but also increases the longevity and functionality of these systems. This helps to maintain the comfort and attractiveness of the building itself. We have identified the O&M strategies listed to the right to help us achieve our energy efficiency goals.

O&M opportunities	
Off-hour	• First round savings when building is unoccupied • After-hours, weekends, holidays
Computers & office equipment	• Computers, Monitors • Printers, Scanners
Unnecessary lighting	• Offices • Common areas • Exterior
HVAC systems	• Temperature settings and sensor locations • System scheduling • Ventilation • System maintenance
Exhaust fans	• Meeting rooms, bathrooms, maintenance closets • Off at night
Door & window operation	• Blinds closed at night • Close doors and windows • Weather-stripping
Water usage	• Drips and leaks • Temperatures • Aerators

Recognizing achievements

In addition to joining the **SAGE®** Program sponsored by **OGE**, we have already taken steps to reduce our energy use:

- Our municipal leadership is planning energy efficient lighting and HVAC projects over the next three years that will reduce our energy usage and cost.

We anticipate that by continuing to implement projects identified through this *Energy Master Planning* process and adopting energy management best practices, we will continue to improve our energy performance and reduce expenditures. This will ensure our limited funding is used effectively.

Endorsement

Although we will seek approval of individual projects and expenditures separately, we request a review and endorsement of this plan. This will ensure that our facilities personnel have a clear understanding of the input, concerns, and support of the ***City Administrator***, ***Board of Directors***, *and* ***our management staff***.

The following people contributed to this plan:

- Carl Geffken, City Administrator
- Joshua Robertson, Deputy Director of Business Administration
- Shelly Freeman, Administrative Coordinator
- Jeff Dingman, Deputy City Administrator
- Lance McAvoy, Utility Director
- Thomas Milam, Police Captain
- Waymon Parker II, Deputy Police Chief
- Andrew Richards, Finance Director
- Doug Reinert, Parks & Recreation Director
- Ken Savage, Transit Director
- Phil Christensen, Fire Chief

Prepared and submitted by:

_____ Date: _____
Joshua Robertson, Deputy Director of Business Administration

Endorsed by:

_____ Date: _____
Carl Geffken, City Administrator

_____ Date: _____
Jeff Dingman, Deputy City Administrator

_____ Date: _____
George B. McGill, Mayor

_____ Date: _____
Jarred Rego, Director Ward 1

_____ Date: _____
Andre Good, Director Ward 2

_____ Date: _____
Lavon Morton, Director Ward 3

_____ Date: _____
George Catsavis, Director Ward 4

_____ Date: _____
Christina Catsavis, Director Position 5 At-Large

_____ Date: _____
Kevin Settle, Director Position 6 At-Large

_____ Date: _____
Neal Martin, Director Position 7 At-Large

Appendix

PLANNING & DECISION MAKING

We understand that inefficiency often results from a failure to prioritize efficiency when building and operating high-performance buildings. We strive to place more importance on our planning regarding new building design, energy reduction projects in existing buildings, and our daily operational activities that impact energy performance.

Existing strengths

- Our organization has prioritized the need to improve energy efficiency and reduce costs
- We have management support to identify and install energy efficiency improvements quickly (if justified)
- We have an individual whose primary responsibility is managing energy

Short-term action items

- Develop an Internal Energy Committee that meets quarterly to discuss progress, brainstorm ideas, help support the Energy Awareness Program and prepare reports for Senior Management review.
- Have a regular review of goals, plans, and successes to date compared to the plan
- Establish a written energy policy or mission statement that will help remind staff, building occupants and community members that energy management is a priority for our organization
- Develop a list of energy efficiency improvement projects for prioritization

Long-term action items

- Develop a written energy action plan for the next 1-5 years that includes performance goals, benchmarks, and other metrics regarding energy use and costs

EVALUATION, ASSESSMENT & MONITORING

We need to establish a baseline and maintain ongoing benchmarks on how our buildings perform so we can determine the value of making improvements. This will allow us to recommend priorities for building improvements in an environment of limited resources (funding & staff).

Existing strengths

- We have conducted building “walk-through” opportunity-assessment surveys to identity energy saving opportunities in our facilities

Short-term action items

- Evaluate the building performance benchmarking reports from the SAGE® program that compare our buildings to others in Arkansas and across the U.S.
- Prioritize facilities with the highest energy use for assessment and improvement
- Conduct inventory surveys to list all energy-using equipment in our facilities
- Revisit the Energy Performance Best Practices Scorecards annually to evaluate and identify additional actions the organization can take to improve our energy performance

Long-term action items

- Track and report energy usage (kWh), demand (kW), and therms along with energy costs. Compare energy usage to prior month along with same month year to year comparison. (Example January 2012 to January 2011).
- Monitor daily or weekly energy use to identify and resolve anomalies. Utilize the utility’s interval data that is offered online.
- Conduct an investment-grade audit in a facility when necessary

FUNDING ENERGY EFFICIENCY

Finding funds to improve existing buildings is challenging; however, energy reduction projects are cost-effective and are often self-funding. While many funding or financing options for energy projects may have a level of complexity or risk not ideally suited for our city, we will investigate and consider all viable options.

Existing strengths

- We have funding available for energy efficiency improvement projects in this year's budget

Short-term action items

- Explore setting up an internal revolving fund to invest a portion of energy cost savings and any rebates or incentives into additional energy efficiency measures. Consider seeding the fund with the utility incentives received for increasing the efficiency of energy using equipment.
- Develop a 2-5 year budget strategy for implementing identified energy efficiency projects.
- Take full advantage of the available incentive dollars through the SAGE® Program to make our energy improvement projects even more cost effective.
- Calculate and compare the cost of not doing the project (e.g. maintaining the status quo) when evaluating the value of energy efficiency projects.

Long-term action items

- Establish criteria and authority for approving improvement projects such as three to five-year payback, or up to a specified dollar limit.

FACILITY OPERATIONS

Given the importance, complexity, and cost of energy utilization for our organization we strive to have management policies and procedures that promote effective energy management. These practices not only improve our energy performance they also improve the comfort, usability, and longevity of our facilities.

Existing strengths

- We commission new equipment and facilities with testing and verification of performance at startup
- We monitor and adjust system operations when occupancy, demands, or loads are reduced (examples: temperature setbacks, lighting controls)

Short-term action items

- Develop and enforce written guidelines that outline operating rules (such as building usage, operating hours, personal refrigerators/heaters, and temperature set points).
- Continue to monitor and adjust building systems operations when occupancy, demands, or loads are reduced. Conduct night walk-throughs to enforce shut down procedures. Leave reminders and recognize success when correct shut down procedures have been followed.
- Re-commission existing energy-using equipment to verify that it is operating at peak performance every 5-7 years.
- Strive to purchase higher efficiency (15 or 16+ SEER) A/C equipment when replacing existing units
- Require contractors to provide written performance specifications as well as operating and maintenance procedures and manuals for all major energy-using systems (example: boilers, chillers)

Long-term action items

- Research additional opportunities for improving energy performance, such as installing LED signs, ENERGY STAR roofs, increased levels of insulation, occupancy sensors, more effective control systems, solar film for windows, solar water heating systems for large domestic hot water loads, and solar panels for electricity
- Develop written design guidelines and minimum efficiency specifications for energy-consuming equipment for new construction, renovations, and improvement projects

ENERGY AWARENESS

Energy costs are a significant expenditure and a sizable portion of that is a controllable cost. To successfully manage energy costs all members of our institution need to be aware of how their behavior affects energy cost and usage. The facilities department or energy manager needs to communicate, train, and recognize success regularly and effectively with all staff members and building occupants.

Existing strengths

- All staff members have access to energy reports at least quarterly

Short-term action items

- Establish an Energy Awareness Program that includes participation from principals, teachers, students, and custodial staff. Award performance and create accountability among peers.
- Develop an energy management recognition program that rewards and promotes exemplary accomplishments by energy management/facility personnel.

Long-term action items

- Provide training and conference opportunities related to energy management for our key energy management personnel.
- Post energy reports by facility in a common place where staff can view monthly/quarterly results. This will help foster healthy competition and engage staff to participate in the Energy Awareness Program.

City of Fort Smith
City Administrator

MEMORANDUM

TO: Carl Geffken, City Administrator

FROM: Jeff Dingman, Deputy City Administrator

DATE: January 19, 2023

SUBJECT: Parking issues on Fairway Hamlet Court

SUMMARY

A resident on Fairway Hamlet Ct. has been advocating for parking restrictions on this street for well over a year. Staff has reviewed the complaint and determined that no action is necessary. The resident contacted Board members, and the Board has asked that staff revisit the reported parking issues on 2800/2900 blocks of Fairway Hamlet Court and then review such findings with the Board at a study session.

The Planning, Engineering, Streets & Traffic Control, Fire and Police Departments have all reviewed the complaint regarding Fairway Hamlet Court, and the findings are summarized as follows:

1. Planning Department: The development along the street is residential, with duplexes along both sides of the streets. The duplexes on the south side of the street are built with garage/vehicle access in the rear, no driveways in front. The duplexes on the north have garages & driveways in the front. An image of the area is attached.

2. Engineering Department. The street is a typical curb & gutter lined street 27' from back of curb to back of curb in a 50' right of way and ends in a cul-de-sac. A second cul-de-sac extends off of Fairway Hamlet Court to the north for three houses also addressed to Fairway Hamlet Ct. It conforms to regular modern residential street development standards. The street is relatively straight.

3. Streets & Traffic Control: The street is unmarked and unsigned except for at its intersection with S 28th Street, very much like most residential streets in the city.

4. Fire Department. The Fire Department has never had any issues with accessing any property on Fairway Hamlet Court. The street is wide enough to provide sufficient access.

5. Police Department. The Police Department sent representatives door-to-door to canvas each property along Fairway Hamlet Court and ask about any issues related to parking or vehicle access. A memorandum summarizing this effort is attached.

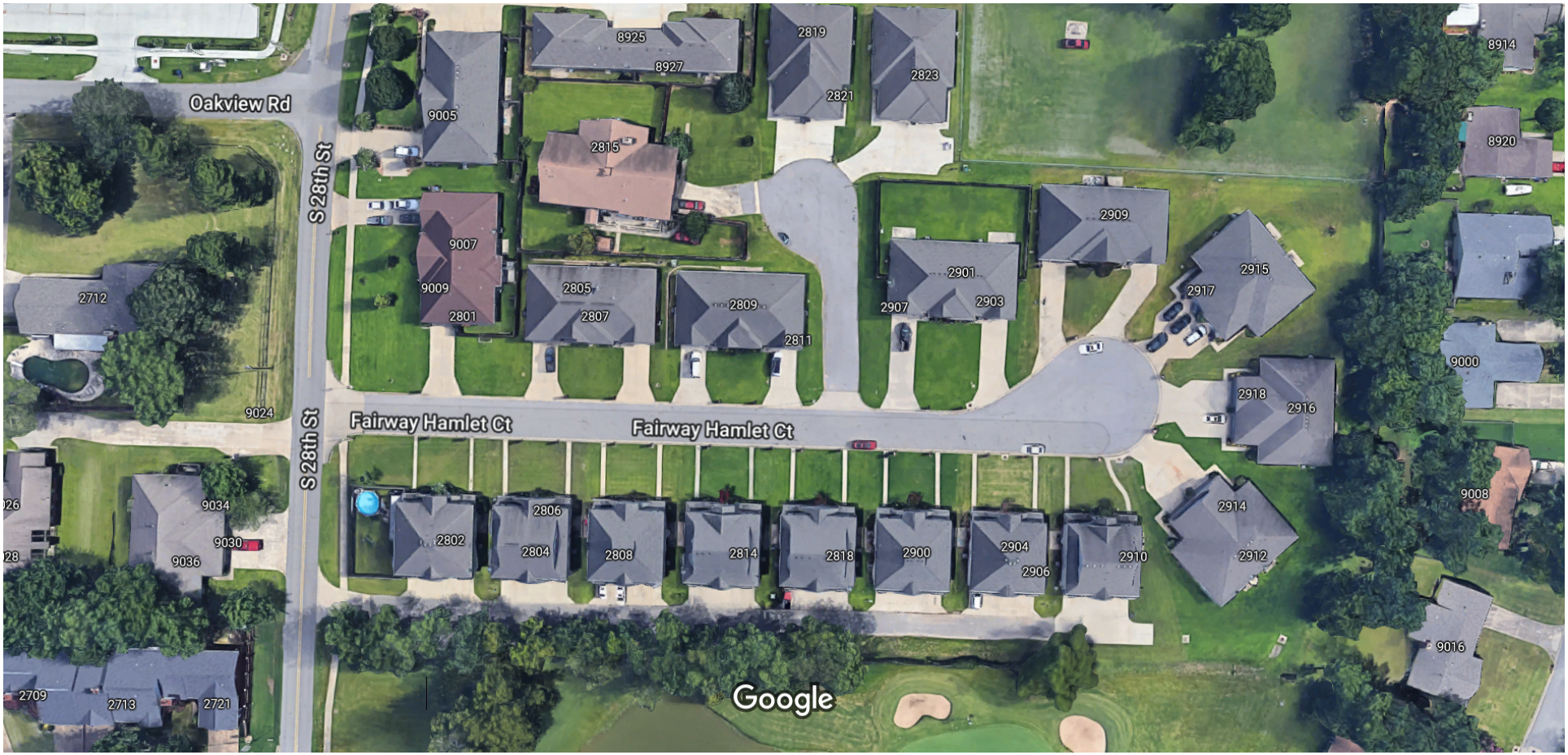
Based on the totality of information related to complaints about parking and access along Fairway HamletCourt, staff recommends that no changes be made to the configuration or traffic control measures on this particular street.

Please contact me if there are questions related to this agenda item.

ATTACHMENTS

1. 1-24-23 Item SS1 granicus.pdf

Google Maps



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FORT SMITH POLICE DEPARTMENT

INTERDEPARTMENTAL MEMORANDUM

To: **Deputy Chief Jason Thompson**

From: **Captain Daniel Grubbs**

Subject: **Fairway Hamlet Court**

Date: **January 12, 2023**

On January 5, 2023, Sergeant Kyle Story and Motor Officer Casey Cagle were tasked with speaking with the residents who live on Fairway Hamlet Court with regards to parking / traffic complaints. Officer Casey Cagle drove from the entrance of Fairway Hamlet Court to the cul-de-sac with a body worn camera activated to record parking and spacing on the street. While driving the area, no illegal parking or traffic issues were noted. Their next task was to interview the owner / renter of each address on Fairway Hamlet Court and ascertain if there were any issues with traffic or parking. Below is a summary of their interactions:

2802 Fairway Hamlet Court - Ms. Kinley stated she has had no issues.

2804 Fairway Hamlet Court - Tia Wigton stated she was the owner of the building she was residing in. Ms. Wigton reported she was attempting to gather the neighbors of this area to file reports against a female on the block that was continuing to knock on doors to complain about the parking. While speaking to Ms. Wigton, she stated that if we needed any further information on this issue we were welcome to contact her again.

2806 Fairway Hamlet Court - Mr. Kameron Heath stated he felt as though there were no real issues except a yellow truck that occasionally would park in front of his home.

2807 Fairway Hamlet Court - Showed to be up for lease.

2809 Fairway Hamlet Court - Dalai Wilson - Ms. Wilson advised she has lived here 10 years and has had no problems with traffic or parking on her street.

2810 Fairway Hamlet Court – No one answered at the time of this report.

2814 Fairway Hamlet Court - Wes Martin - Mr. Martin has lived here 3.5 years and the only problem he has had is with a lady that lives in the neighborhood that calls the police every time someone parks incorrectly.

2816 Fairway Hamlet Court - Aeric Brandli - Mr. Brandli has lived here for 1 year and the only problem he has had, is with a lady that lives in the area telling everyone where and how they should park. He personally has had no issues.

2900 Fairway Hamlet Court appeared to be vacant.

2901 Fairway Hamlet Court - Robert Rowlett - Mr. Rowlett reported he and his mother have been living there for 17 years. They have had no issues with traffic, but they have had some parking issues. Mr. Rowlett said he lives next to the entrance to some duplexes in the back and a lady that lives back there has called her landlord and the police about parking issues. He said she complains about people that park in the entrance to her duplex. He said her landlord was going to put up "No Parking" signs and asked if he could put them on the side of his house. He said he and his mother didn't want to give the appearance they were the ones complaining about the parking, so they told him no and they didn't want to get involved.

2902 Fairway Hamlet Court – No one answered at the time of report.

2903 Fairway Hamlet Court - Ms. Sherrall stated the only issue she was aware of involved a breaking and entering to her vehicle.

2904 Fairway Hamlet Court - No one answered at the time of this report.

2906 Fairway Hamlet Court - Ms. Kara had observed no issues related to traffic or parking.

2912 Fairway Hamlet Court - Sally Sisco stated she was unaware of any issues.

2914 Fairway Hamlet Court - Mr. Phetoudone stated he has lived in this area for 20 years with no real issues to speak of.

2915 Fairway Hamlet Court - Stanley Webb - Mr. Webb advised he has resided here for 20 years and has very little traffic issues. As he was leaving his house one day about 6 months ago, another vehicle backed out of a driveway and struck the side of his truck. This was an isolated event and he has had no issues with parking.

2917 Fairway Hamlet Court - It was noted the only issue he was aware of or disagreed with was the large black truck at the end of the roadway making it hard to get in and out. This truck was noted upon officers' arrival, but was legally parked within the roadway.

2918 Fairway Hamlet Court - Ed Heyer - Mr. Heyer stated he has lived at this address for three years and has had no issues with traffic or parking.

The homes were contacted individually and asked if there were any issues they were aware of regarding traffic flow or parking issues. The residents' of the area ranged in time in the residence from 20 years to 6 months. The overall general observation at this time from most of the residents interviewed claimed to have little to no concerns.