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Topgolf —Port of San Diego Economic Impact Analysis

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Topgolf San Diego – Economic Impact Analysis

The purpose of this report is to provide a forecast of the prospective economic impact of a proposed Topgolf facility which will be located on East Harbor Island on property leased from the Port of San Diego.

In this report, we have conducted a comprehensive economic impact analysis by utilizing the IMPLAN model, which is the accepted model generally employed to conduct economic forecasts. We have also summarized the experiences of other Topgolf facilities now operating throughout the nation. While the economic model is theoretical, because it is a projection, the on-the-ground experiences of TopGolf throughout the nation edify its probable economic contribution to the San Diego community, its positive fiscal impact to the Port of San Diego and its effect on surrounding properties and businesses.

Executive Summary

The following bullet points summarizes the measurable economic impact of the proposed Topgolf facility.

Economic Impact

The economic impact analysis conducted measures three levels of output. The sum of the three categories measures the total economic impact. The three levels of output are:

- Direct Effect – Measures the sales, income and job creation relating directly to the project development and operations.
- Indirect Effect – represents the changes in sales, income, and jobs in the sectors within the region that supply goods and services to the project.
- Induced Effect – represents the changes in sales, income and jobs from household spending of the income earned in the supporting sectors.

Construction Impact

- Direct Effect
  - 292 to 334 jobs during construction that generate $15.3 million to $17.5 million in labor income
  - Total direct output ranging from $35 million to $40 million
- Indirect Effect
  - 32 to 36 jobs during construction that generate $2.1 million to $2.4 million in labor income
  - Total indirect output ranging from $6.0 million to $6.9 million
- Induced Effect
  - 90 to 103 jobs during construction that generate $4.3 million to $4.9 million in labor income
  - Total induced output ranging from $12.8 million to $14.6 million

Permanent Impact

- Direct Effect
  - 431 to 595 jobs during operations that generate $17.6 million to $26.8 million in labor income
  - Total direct output ranging from $25.6 million to $43.4 million
- Indirect Effect
  - 50 to 86 jobs during operations that generate $2.9 million to $5.0 million in labor income
  - Total indirect output ranging from $8.5 million to $14.3 million
- Induced Effect
  - 106 to 164 jobs during operations that generate $5.1 million to $7.9 million in labor income
  - Total induced output ranging from $15.1 million to $23.4 million

In addition, there are significant advantages to Topgolf as a Port tenant. These include:

- The property which is being leased totals approximately 7 acres with a potential of shared parking. As a small part of the larger (40 acre) North Harbor site, the Port will now be in a position to seek additional development, which might include a hotel and related commercial elements.

- The existence of the Topgolf facility will serve as an amenity to additional Port development of the contiguous site. In real estate parlance, Topgolf transforms an ordinary hotel site into a premium hotel, which may now attract destination travelers who may be expected to pay top-of-the-market hotel rates as well as increasing the occupancy of the hotel, as well as revenues to the Port.

- The Topgolf venue in the Harbor Island location lends itself well to serve the public interest along the bay to capitalize on its beauty and benefits. The venue will have 3 floors and multiple open and patio spaces, which would allow for a portion of the venue to provide a designated rooftop or top floor patio to take in numerous dynamic views of San Diego Bay. Topgolf would work with the Port on adequate way finding to the public viewing area and promoting it as a free amenity towards satisfying the desires of the Port of San Diego Master Plan and its vision for public access along the waterfront.

- All other businesses adjacent and near Topgolf are expected to benefit, based on the experiences of other Topgolf facilities now operating throughout the nation. As an attractor, Topgolf is in that special category of destination activities which are likely to draw patrons to the Port, and who will utilize hotel rooms, restaurants and bars, visitor attractions and recreational boating throughout the Port lands.

- The existence of Topgolf is likely to be particularly impactful throughout Harbor Island. Currently a repository of airport related, and mostly second tier hotels, this project can be part of the blueprint of transformational development that the Port envisions.

In addition to these benefits, the Port will also receive a share of the revenues earned by Topgolf in the form of a percentage rent lease structure. While this report details the economic impact of

Topgolf, it likely does not do justice to its overall impact as an enhancement to San Diego's front door.

Impact of Current Topgolf Locations

TopGolf started in the UK in 2000 and has been operating in the U.S. for 14 years. It employs approximately 20,000 associates at 52 US locations and serves over 17 million guests. We have briefly highlighted three locations which are likely to be operationally similar to San Diego.

Huntsville, Alabama

Immediately upon entering the Huntsville market as a key part of their MidCity Mixed Use project, Topgolf engaged with the city's constituents. They have embraced the role of a community partner and played a key role in the revitalization of one of the city's premier economic corridors. Topgolf is seen as a strong asset for this community and their presence is highly valued.

The MidCity Mixed-Use project is a redevelopment of the former 100-acre Madison Square Mall property. Prior to the MidCity Mixed-Use project, the Madison Square Mall property had declined such that City revenues were down 80% from historic revenues. Demolition of the mall began in 2016, with construction of new public infrastructure and the first MidCity tenant (Topgolf) in 2017. Topgolf and MidCity Camp opened in December 2017. Since the initial opening of Topgolf and MidCity Camp, several new tenants have chosen MidCity as a new location in the Huntsville market, with many opening in 2019 –Highpoint Climbing and Fitness, Dave and Buster's, and REI.

The University Drive corridor has historically accounted for 23% of the City of Huntsville's sales tax revenues. The redevelopment of the Madison Square Mall property was critical for the City to stabilize and strengthen this corridor. Since the announcement of the MidCity project and the opening of a new regional entertainment venue (Topgolf) –this corridor has experienced additional new construction retail offerings, renewed long-term leases with existing retailers, and gains in sales tax revenues. The current forecast is to experience continued strong tax revenue gains from this corridor as a result of the public-private partnership project between the City and MidCity development.

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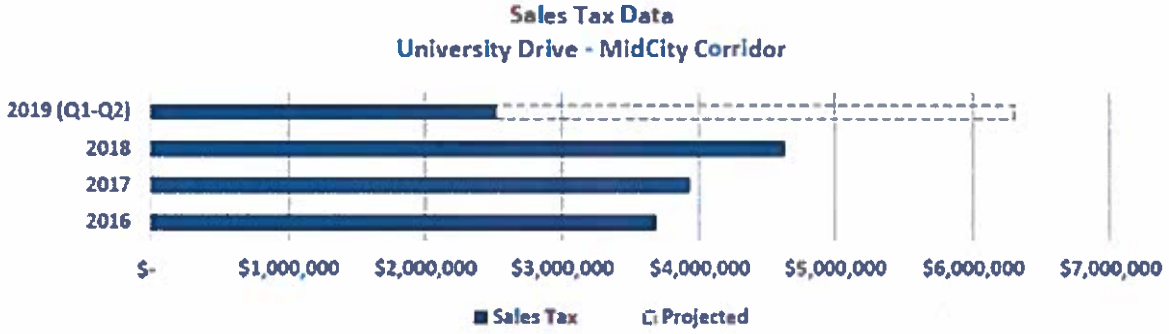
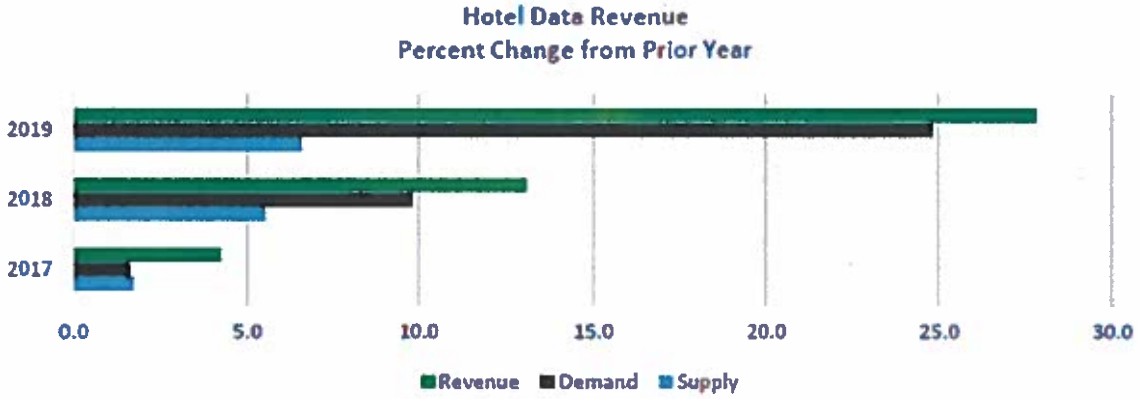
University Drive Corridor Data:

MidCity Retailers:	3	University Drive Investments (non-MidCity):	18
Active Retail Construction:	6	Proposed MidCity Additions (within 12 mos.):	12
Current City Investment:	$18 million	MidCity Investments:	$82 million
University Dr. Corridor Investments:	$68 million		





Midvale City, Utah

Upon opening its first Utah location in Midvale City, Topgolf quickly established itself as one of the top recreational activities in the Salt Lake region. In addition to creating 450 full- and part-time jobs, Topgolf has significantly contributed to the city's nearby redevelopment and strengthened the neighborhood's position as a top destination.

There are several international corporations that are headquartered adjacent to Topgolf. These corporations regularly utilize the facility for business meetings, conferences, fine-dining experiences and team building activities.

Colony, Texas

Topgolf partnered closely with the City to open its Topgolf Colony venue in late 2013. According to the City of Colony, Topgolf immediately solidified itself as one of the city's primary entertainment attractions. Topgolf's presence in the city has contributed to its growing reputation as a "destination city." While it has been a great amenity for visitors, city residents have greatly benefited as well. It has been a huge draw for the residents, who love having a top-class facility so close to their residents.

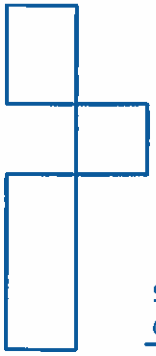
Economic Impact Analysis

The purpose of this section is to analyze the economic impacts stemming from the development and operations of the project.

Construction Sales Tax

The estimated development cost for the San Diego Topgolf facility ranges from $35 million to $40 million. Based on industry averages, the total costs of materials for commercial development is estimated to be approximately 50% of the development costs. This provides an estimated materials cost ranging from $17.5 million to $20 million. The remaining 50% is attributed to labor which is not taxable.

We have assumed that 35% of all construction materials used in this project will be purchased in the City of San Diego. This is based on the cost and availability of materials in San Diego relative to the surrounding area. This is a conservative estimate, as the actual percentage may be higher due to builder preferences and materials availability. Multiplying the total materials cost of $17.5 million to $20 million by 35% produces the estimated dollar amount of materials purchased in the City of San Diego, which is estimated to range from $6.1 million to $7.0 million. This amount is assessed at the sales tax rate of 8.0% and is detailed utilizing the same approach as in the previous section. The purchase of construction materials for the development of the project is estimated to generate $490,000 to $560,000 in total sales tax revenue and $61,250 to $70,000 in sales tax revenue for the City of San Diego, as detailed in the following table:



Sales Tax Revenue Generated by Construction

Construction Materials

Topgolf - San Diego Development		
	Low	High
Total Costs	$35,000,000	$40,000,000
Labor	$17,500,000	$20,000,000
% of Total	50%	50%
Materials	$17,500,000	$20,000,000
% of Total	50%	50%
% of Materials Purchased in San Diego	35%	35%
Materials Purchased in San Diego	$6,125,000	$7,000,000
Tax Rate	8.00%	8.00%
Total Sales Tax On Materials	$490,000	$560,000
San Diego Tax Rate Component	1.00%	1.00%
Sales Tax Revenue to San Diego	$61,250	$70,000

Source: London Moeder Advisors, Topgolf

Job Creation

Local jobs will also be created from the development of the project. Job creation will come from construction as well as ongoing operations. Jobs are quoted on the basis of full-time annual equivalency, which represents the employment of one worker for one full year.

Construction job generation is estimated using a ratio of jobs per every $1 million of construction costs. The ratio for the project is estimated to be 8.34.[1] The range of $35 million to $40 million of development costs is projected to provide 292 to 334 full time equivalent jobs during the construction period, as highlighted by the following table:

[1] Multiplier used by IMPLAN for direct job creation

Direct Construction Job Generation
Topgolf - San Diego Development

	Low	High
Construction Costs	$35,000,000	$40,000,000
Per Million Dollars	$35.00	$40.00
Jobs Generated Per Million Dollars[1]	8.34	
Total Jobs Generated (Full Time Equivalency)	**292**	**334**

Source: London Moeder Advisors

[1]Multiplier used by IMPLAN for direct job creation

The second component of job generation will come from ongoing operations. According to Topgolf, it expects the operations of this facility to employ between 400 and 500 persons. In addition, jobs will be created through contract services, including such services as maintenance and trash collection.

IMPLAN Economic Output Model Analysis

This section analyzes the indirect and induced economic impacts stemming from the development and operation of the project. The indirect and induced spending are calculated by utilizing multipliers to translate direct expenditures into total economic activity. The value of these multipliers is estimated using information about the City of San Diego and San Diego County. The multipliers utilized in this analysis are based on the Regional Input-Output Multipliers RIMS II – Regional Accounts data from the U.S. Department of Commerce's Bureau of Economic Analysis. The resulting input-output model provides a detailed accounting of overall levels of employment and spending on locally produced goods and services supported by the companies within the Topgolf project and its employees. The model estimates three levels of output:

- Direct Effect – Measures the sales, income and job creation relating directly to the project development and operations.
- Indirect Effect – represents the changes in sales, income, and jobs in the sectors within the region that supply goods and services to the project.
- Induced Effect – represents the changes in sales, income and jobs from household spending of the income earned in the supporting sectors.

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Model Inputs

This section summarizes the various inputs utilized in this input-output model to estimate economic impacts.

Project Development

The estimated development costs are assumed to range from $35 million to $40 million and the development of the project will create between 292 and 334 jobs.

Economic Impact Analysis Model Inputs
Topgolf - San Diego Development

Project Development	Low	High
Total Construction Costs	$35,000,000	$40,000,000
Estimated # of Jobs	292	334

Project Operations

We analyzed the stabilized performance of the other Topgolf locations across the United States and have estimated annual visitation and expenditures.

Based on the data we analyzed, we estimate 429,000 to 485,000 walk-in visitors annually. These visitors will spend an average of $18.20 to $20.25 on gameplay and an additional $18.74 to $21.45 on food and beverage. This generates total gameplay expenditures of $7.8 million to $9.8 million and food and beverage expenditures of $8.0 million to $10.4 million from walk-in visitors annually.

For event and group customers, we estimate an annual visitation ranging from 89,000 to 115,000 customers annually. Revenue from group and event visitors is estimated to range from $77.68 to $105.43 per visitor (50% on gameplay and 50% on food and beverage). This generates total gameplay expenditures of $3.5 million to $6.1 million and food and beverage expenditures of $3.5 million to $6.1 million from group and event visitors annually.

Topgolf is an extremely popular and sought-after attraction. For this reason, we anticipate that some customers will come from out of town to visit the facility and require a hotel room. An estimated 2% to 4% of visitors will require a hotel room with an average stay ranging from 1 to 1.5 nights. Estimated hotel demand ranges from 10,360 to 36,000 nights. The average daily rate for hotels is assumed to be $250 to $300 which is consistent with the properties around the proposed site. In total, we estimate annual hotel expenditures to range from $2.6 million to $10.8 million. Based on the Port of San Diego's rent structure of 7.5% of room revenue, this generates between $181,000 and $756,000 of annual revenue for the port.

During operations, the Topgolf facility is expected to employ between 400 and 500 persons. The total wages and salaries paid to these employees is estimated to range from $10.5 million to $14.3 million. Lastly, annual purchases to cover supplies, repairs and maintenance is estimated to be between $270,000 and $300,000. The following table highlights the assumptions for the IMPLAN model.

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Economic Impact Analysis Model Inputs
Topgolf - San Diego Development

Project Development	Low	High
Total Construction Costs	$35,000,000	$40,000,000
Estimated # of Jobs	292	334

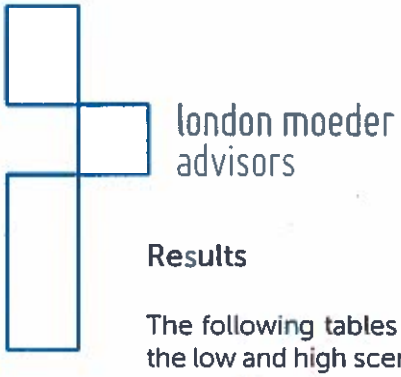
Customers	Low	High
Walk-in		
Number of Customers Annually	429,000	485,000
Average Expenditures per Customer @ Facility:		
Experience	$18.20	$20.25
Food & Beverage	$18.74	$21.45
Total Experience	$7,808,000	$9,821,000
Total F&B	$8,039,000	$10,403,000
Events/Group		
Number of Customers Annually	89,000	115,000
Average Expenditures per Customer @ Facility:		
Experience	$38.84	$52.72
Food & Beverage	$38.84	$52.72
Total Experience	$3,457,000	$6,062,000
Total F&B	$3,457,000	$6,062,000
Total Customers	518,000	600,000
Total Experience	$11,265,000	$15,883,000
Total F&B	$11,496,000	$16,465,000
Total Revenues	$22,761,000	$32,348,000

Hotel Expenditures	Low	High
% of Customers staying in hotel	2%	4%
Customers Staying in Hotel	10,360	24,000
Length of Stay (nights)	1	1.5
Total Hotel Nights	10,360	36,000
Hotel ADR	$250	$300
Total Hotel Expenditures	$2,590,000	$10,800,000

Operations	Low	High
Total Number of Employees	400	500
Percentage of Salary Employees	10%	10%
Total Salary Employees	40	50
Annual Average Salary of Employees	$60,000	$70,000
Total Annual Wages Paid to Salary Employees	$2,400,000	$3,500,000
Percentage of Hourly Wage Employees	90%	90%
Total Hourly Employees	360	450
Hourly Wage	$15	$16
Total Annual Wages Paid to Hourly Employees[1]	$8,100,000	$10,800,000
Total Wages Paid to Employees	$10,500,000	$14,300,000
Annual purchases for supplies/repairs/maintenance	$270,000	$300,000

Source: London Moeder Advisors, Topgolf

[1]Assumes hourly employees work 30 hours per week for 50 weeks per year



Results

The following tables highlight the economic impacts of the development of the project for both the low and high scenarios. These are "one time" impacts that occur during the development phase of the project:

Total Impact Summary
Topgolf - Project Development (Low)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	292	$15,280,726	$20,612,605	$34,999,998
Indirect Effect	32	$2,128,044	$3,548,210	$6,021,889
Induced Effect	90	$4,317,138	$7,922,025	$12,815,739
Total Effect	**413**	**$21,725,908**	**$32,082,840**	**$53,837,626**

Source: London Moeder Advisors, MIG IMPLAN

Total Impact Summary
Topgolf - Project Development (High)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	334	$17,463,687	$23,557,263	$39,999,998
Indirect Effect	36	$2,432,050	$4,055,097	$6,882,159
Induced Effect	103	$4,933,872	$9,053,743	$14,646,559
Total Effect	**473**	**$24,829,609**	**$36,666,103**	**$61,528,716**

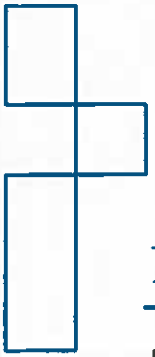
Source: London Moeder Advisors, MIG IMPLAN

The following tables highlight the recurring annual economic impacts based on the stabilized operations of the project for both the low and high scenarios:

Total Impact Summary
Topgolf - Project Operations (Low)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	431	$17,551,467	$18,910,836	$25,621,000
Indirect Effect	50	$2,917,424	$5,345,639	$8,519,433
Induced Effect	106	$5,079,013	$9,319,879	$15,077,414
Total Effect	**586**	**$25,547,904**	**$33,576,354**	**$49,217,847**

Source: London Moeder Advisors, MIG IMPLAN



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Total Impact Summary

Topgolf - Project Operations (High)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	595	$26,806,197	$33,074,427	$43,448,000
Indirect Effect	86	$5,025,558	$8,936,494	$14,343,726
Induced Effect	164	$7,897,441	$14,491,705	$23,444,122
Total Effect	**845**	**$39,729,196**	**$56,502,626**	**$81,235,848**

Source: London Moeder Advisors, MIG IMPLAN

We have included tables in the **Appendix** (IMPLAN Economic Impact Tables) that demonstrate the additional results of the IMPLAN model.

Should you have any questions regarding this analysis, please feel free to contact our firm.

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Appendix

Economic Impact Tables

Sales Tax Revenue Generated by Construction
Construction Materials

Topgolf - San Diego Development		
	Low	High
Total Costs	$35,000,000	$40,000,000
Labor	$17,500,000	$20,000,000
% of Total	50%	50%
Materials	$17,500,000	$20,000,000
% of Total	50%	50%
% of Materials Purchased in San Diego	35%	35%
Materials Purchased in San Diego	$6,125,000	$7,000,000
Tax Rate	8.00%	8.00%
Total Sales Tax On Materials	$490,000	$560,000
San Diego Tax Rate Component	1.00%	1.00%
Sales Tax Revenue to San Diego	$61,250	$70,000

Source: London Moeder Advisors, Topgolf

Direct Construction Job Generation
Topgolf - San Diego Development

	Low	High
Construction Costs	$35,000,000	$40,000,000
Per Million Dollars	$35.00	$40.00
Jobs Generated Per Million Dollars[1]	8.34	
Total Jobs Generated (Full Time Equivalency)	292	334

Source: London Moeder Advisors

[1]Multiplier used by IMPLAN for direct job creation

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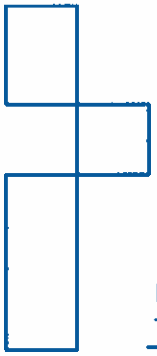
IMPLAN Economic Impact Tables

Economic Impact Analysis Model Inputs
Topgolf - San Diego Development

Project Development	Low	High
Total Construction Costs	$35,000,000	$40,000,000
Estimated # of Jobs	292	334

Customers	Low	High
Walk-in		
Number of Customers Annually	429,000	485,000
Average Expenditures per Customer @ Facility:		
Experience	$18.20	$20.25
Food & Beverage	$18.74	$21.45
Total Experience	$7,808,000	$9,821,000
Total F&B	$8,039,000	$10,403,000
Events/Group		
Number of Customers Annually	89,000	115,000
Average Expenditures per Customer @ Facility:		
Experience	$38.84	$52.72
Food & Beverage	$38.84	$52.72
Total Experience	$3,457,000	$6,062,000
Total F&B	$3,457,000	$6,062,000
Total Customers	518,000	600,000
Total Experience	$11,265,000	$15,883,000
Total F&B	$11,496,000	$16,465,000



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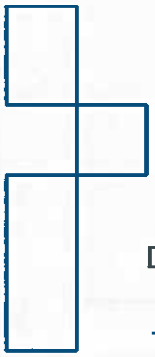
Economic Impact Analysis Model Inputs
Topgolf - San Diego Development

Hotel Expenditures	Low	High
% of Customers staying in hotel	2%	4%
Customers Staying in Hotel	10,360	24,000
Length of Stay (nights)	1	1.5
Total Hotel Nights	10,360	36,000
Hotel ADR	$250	$300
Total Hotel Expenditures	**$2,590,000**	**$10,800,000**

Operations	Low	High
Total Number of Employees	400	500
Percentage of Salary Employees	10%	10%
Total Salary Employees	40	50
Annual Average Salary of Employees	$60,000	$70,000
Total Annual Wages Paid to Salary Employees	**$2,400,000**	**$3,500,000**
Percentage of Hourly Wage Employees	90%	90%
Total Hourly Employees	360	450
Hourly Wage	$15	$16
Total Annual Wages Paid to Hourly Employees[1]	**$8,100,000**	**$10,800,000**
Total Wages Paid to Employees	**$10,500,000**	**$14,300,000**
Annual purchases for supplies/repairs/maintenance	**$270,000**	**$300,000**

Source: London Moeder Advisors, Topgolf

[1]Assumes hourly employees work 30 hours per week for 50 weeks per year



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Development – Low

Total Impact Summary

Top Golf - Project Development (Low)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	292	$15,280,726	$20,612,605	$34,999,998
Indirect Effect	32	$2,128,044	$3,548,210	$6,021,889
Induced Effect	90	$4,317,138	$7,922,025	$12,815,739
Total Effect	**413**	**$21,725,908**	**$32,082,840**	**$53,837,626**

Source: London Moeder Advisors, MIG IMPLAN

Top 10 Industries Impacted

Top Golf - Project Development (Low)

Sector	Description	Employment	Labor Income	Value Added	Output
57	Construction of new commercial structures, including farm structures	292	$15,280,726	$20,612,605	$34,999,998
395	Wholesale trade	9	$733,069	$1,513,565	$2,240,569
501	Full-service restaurants	6	$159,585	$175,448	$309,628
440	Real estate	5	$187,267	$1,097,456	$1,403,647
502	Limited-service restaurants	5	$116,656	$285,856	$463,406
449	Architectural, engineering, and related services	4	$373,124	$368,616	$674,679
485	Individual and family services	3	$65,589	$64,442	$96,591
475	Offices of physicians	3	$309,566	$303,643	$446,591
405	Retail - General merchandise stores	3	$90,093	$156,809	$223,323
503	All other food and drinking places	3	$85,054	$70,113	$117,962

Source: London Moeder Advisors, MIG IMPLAN

State and Local Tax Impact

Top Golf - Project Development (Low)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					$6,332
Social Ins Tax- Employee Contribution	$37,750	$0			
Social Ins Tax- Employer Contribution	$79,074				
TOPI: Sales Tax			$697,550		
TOPI: Property Tax			$664,403		
TOPI: Motor Vehicle Lic			$16,241		
TOPI: Severance Tax			$782		
TOPI: Other Taxes			$78,527		
TOPI: S/L NonTaxes			$12,098		
Corporate Profits Tax					$105,967
Personal Tax: Income Tax				$683,922	
Personal Tax: NonTaxes (Fines- Fees				$101,296	
Personal Tax: Motor Vehicle License				$23,195	
Personal Tax: Property Taxes				$9,193	
Personal Tax: Other Tax (Fish/Hunt)				$4,641	
Total State and Local Tax	**$116,824**	**$0**	**$1,469,601**	**$822,247**	**$112,299**
Total State and Local Tax	**$2,520,971**				

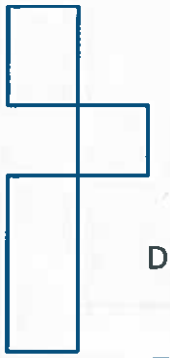
Source: London Moeder Advisors, MIG IMPLAN

Federal Tax Impact

Top Golf - Project Development (Low)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Social Ins Tax- Employee Contribution	$1,128,497	$72,999			
Social Ins Tax- Employer Contribution	$1,085,054				
TOPI: Excise Taxes			$127,050		
TOPI: Custom Duty			$47,935		
TOPI: Fed NonTaxes			$6,045		
Corporate Profits Tax					$574,750
Personal Tax: Income Tax				$1,910,619	
Total Federal Tax	**$2,213,551**	**$72,999**	**$181,030**	**$1,910,619**	**$574,750**
Total Federal Tax	**$4,952,949**				

Source: London Moeder Advisors, MIG IMPLAN



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Development – High

Total Impact Summary
Topgolf - Project Development (High)

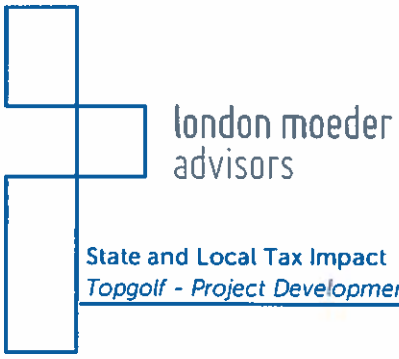
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	334	$17,463,687	$23,557,263	$39,999,998
Indirect Effect	36	$2,432,050	$4,055,097	$6,882,159
Induced Effect	103	$4,933,872	$9,053,743	$14,646,559
Total Effect	**473**	**$24,829,609**	**$36,666,103**	**$61,528,716**

Source: London Moeder Advisors, MIG IMPLAN

Top 10 Industries Impacted
Topgolf - Project Development (High)

Sector	Description	Employment	Labor Income	Value Added	Output
57	Construction of new commercial structures, including farm structures	334	$17,463,687	$23,557,263	$39,999,998
395	Wholesale trade	10	$837,794	$1,729,789	$2,560,651
501	Full-service restaurants	6	$182,383	$200,512	$353,860
440	Real estate	6	$214,020	$1,254,235	$1,604,168
502	Limited-service restaurants	6	$133,321	$326,692	$529,607
449	Architectural, engineering, and related services	4	$426,427	$421,275	$771,061
485	Individual and family services	4	$74,958	$73,648	$110,390
475	Offices of physicians	4	$353,789	$347,021	$510,390
405	Retail - General merchandise stores	3	$102,963	$179,210	$255,226
503	All other food and drinking places	3	$97,205	$80,129	$134,814

Source: London Moeder Advisors, MIG IMPLAN



State and Local Tax Impact

Topgolf - Project Development (High)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					$7,237
Social Ins Tax- Employee Contribution	$43,142	$0			
Social Ins Tax- Employer Contribution	$90,371				
TOPI: Sales Tax			$797,199		
TOPI: Property Tax			$759,318		
TOPI: Motor Vehicle Lic			$18,561		
TOPI: Severance Tax			$893		
TOPI: Other Taxes			$89,745		
TOPI: S/L NonTaxes			$13,826		
Corporate Profits Tax					$121,105
Personal Tax: Income Tax				$781,626	
Personal Tax: NonTaxes (Fines- Fees				$115,767	
Personal Tax: Motor Vehicle License				$26,509	
Personal Tax: Property Taxes				$10,506	
Personal Tax: Other Tax (Fish/Hunt)				$5,304	
Total State and Local Tax	**$133,513**	**$0**	**$1,679,542**	**$939,712**	**$128,342**
Total State and Local Tax	**$2,881,109**				

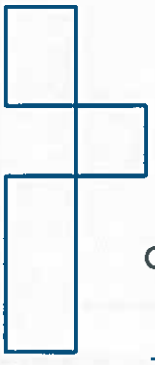
Source: London Moeder Advisors, MIG IMPLAN

Federal Tax Impact

Topgolf - Project Development (High)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Social Ins Tax- Employee Contribution	$1,289,710	$83,428			
Social Ins Tax- Employer Contribution	$1,240,062				
TOPI: Excise Taxes			$145,200		
TOPI: Custom Duty			$54,783		
TOPI: Fed NonTaxes			$6,909		
Corporate Profits Tax					$656,857
Personal Tax: Income Tax				$2,183,565	
Total Federal Tax	**$2,529,772**	**$83,428**	**$206,892**	**$2,183,565**	**$656,857**
Total Federal Tax	**$5,660,514**				

Source: London Moeder Advisors, MIG IMPLAN



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Operations – Low

Total Impact Summary
Topgolf - Project Operations (Low)

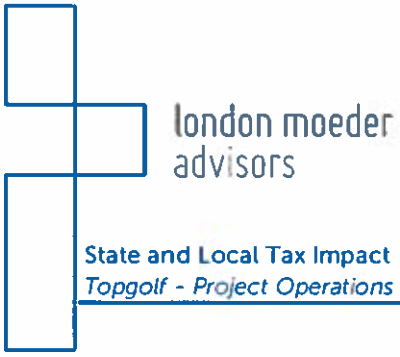
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	431	$17,551,467	$18,910,836	$25,621,000
Indirect Effect	50	$2,917,424	$5,345,639	$8,519,433
Induced Effect	106	$5,079,013	$9,319,879	$15,077,414
Total Effect	**586**	**$25,547,904**	**$33,576,354**	**$49,217,847**

Source: London Moeder Advisors, MIG IMPLAN

Top 10 Industries Impacted
Topgolf - Project Operations (Low)

Sector	Description	Employment	Labor Income	Value Added	Output
501	Full-service restaurants	214	$6,119,690	$6,727,988	$11,873,423
496	Other amusement and recreation industries	201	$10,686,228	$10,693,013	$11,310,852
499	Hotels and motels, including casino hotels	23	$898,401	$1,631,355	$2,617,782
440	Real estate	12	$428,100	$2,508,825	$3,208,789
502	Limited-service restaurants	6	$143,243	$351,005	$569,020
395	Wholesale trade	5	$391,908	$809,171	$1,197,836
468	Services to buildings	5	$89,914	$100,994	$176,433
461	Management of companies and enterprises	4	$495,429	$610,593	$1,010,651
464	Employment services	4	$214,396	$302,540	$382,593
503	All other food and drinking places	4	$125,692	$103,611	$174,323

Source: London Moeder Advisors, MIG IMPLAN



State and Local Tax Impact

Topgolf - Project Operations (Low)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					$4,336
Social Ins Tax- Employee Contribution	$44,789	$0			
Social Ins Tax- Employer Contribution	$93,820				
TOPI: Sales Tax			$873,423		
TOPI: Property Tax			$831,919		
TOPI: Motor Vehicle Lic			$20,336		
TOPI: Severance Tax			$979		
TOPI: Other Taxes			$98,326		
TOPI: S/L NonTaxes			$15,148		
Corporate Profits Tax					$72,561
Personal Tax: Income Tax				$803,620	
Personal Tax: NonTaxes (Fines- Fees				$119,025	
Personal Tax: Motor Vehicle License				$27,255	
Personal Tax: Property Taxes				$10,802	
Personal Tax: Other Tax (Fish/Hunt)				$5,454	
Total State and Local Tax	**$138,609**	**$0**	**$1,840,131**	**$966,156**	**$76,897**
Total State and Local Tax	**$3,021,793**				

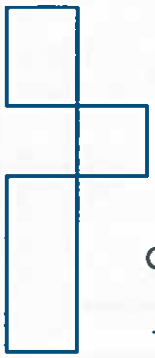
Source: London Moeder Advisors, MIG IMPLAN

Federal Tax Impact

Topgolf - Project Operations (Low)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Social Ins Tax- Employee Contribution	$1,338,941	$76,419			
Social Ins Tax- Employer Contribution	$1,287,397				
TOPI: Excise Taxes			$159,083		
TOPI: Custom Duty			$60,021		
TOPI: Fed NonTaxes			$7,570		
Corporate Profits Tax				$2,245,010	
Personal Tax: Income Tax					$393,560
Total Federal Tax	**$2,626,338**	**$76,419**	**$226,674**	**$2,245,010**	**$393,560**
Total Federal Tax	**$5,568,001**				

Source: London Moeder Advisors, MIG IMPLAN



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Operations – High

Total Impact Summary

Topgolf - Project Operations (High)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	595	$26,806,197	$33,074,427	$43,448,000
Indirect Effect	86	$5,025,558	$8,936,494	$14,343,726
Induced Effect	164	$7,897,441	$14,491,705	$23,444,122
Total Effect	**845**	**$39,729,196**	**$56,502,626**	**$81,235,848**

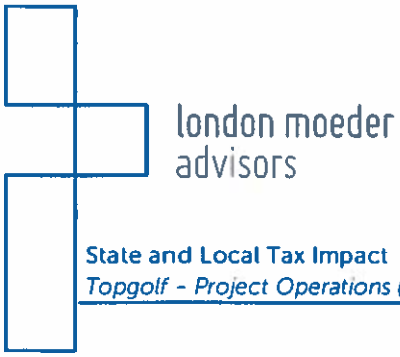
Source: London Moeder Advisors, MIG IMPLAN

Top 10 Industries Impacted

Topgolf - Project Operations (High)

Sector	Description	Employment	Labor Income	Value Added	Output
501	Full-service restaurants	307	$8,791,338	$9,665,198	$17,056,953
496	Other amusement and recreation industries	204	$14,567,434	$16,929,190	$15,958,793
499	Hotels and motels, including casino hotels	93	$3,721,238	$6,757,188	$10,843,038
440	Real estate	18	$657,786	$3,854,870	$4,930,382
502	Limited-service restaurants	9	$225,841	$553,402	$897,131
468	Services to buildings	8	$155,954	$175,172	$306,020
503	All other food and drinking places	8	$252,471	$208,119	$350,154
395	Wholesale trade	8	$614,898	$1,269,578	$1,879,389
461	Management of companies and enterprises	7	$804,593	$991,623	$1,641,330
464	Employment services	7	$345,462	$487,490	$616,483

Source: London Moeder Advisors, MIG IMPLAN



State and Local Tax Impact

Topgolf - Project Operations (High)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					$9,402
Social Ins Tax- Employee Contribution	$69,508	$0			
Social Ins Tax- Employer Contribution	$145,599				
TOPI: Sales Tax			$1,625,209		
TOPI: Property Tax			$1,547,981		
TOPI: Motor Vehicle Lic			$37,840		
TOPI: Severance Tax			$1,821		
TOPI: Other Taxes			$182,959		
TOPI: S/L NonTaxes			$28,186		
Corporate Profits Tax					$157,346
Personal Tax: Income Tax				$1,249,920	
Personal Tax: NonTaxes (Fines- Fees				$185,126	
Personal Tax: Motor Vehicle License				$42,391	
Personal Tax: Property Taxes				$16,801	
Personal Tax: Other Tax (Fish/Hunt)				$8,482	
Total State and Local Tax	**$215,107**	**$0**	**$3,423,996**	**$1,502,720**	**$166,748**
Total State and Local Tax	**$5,308,571**				

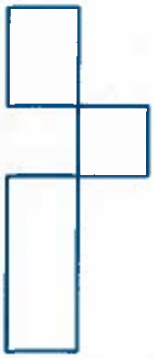
Source: London Moeder Advisors, MIG IMPLAN

Federal Tax Impact

Topgolf - Project Operations (High)

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Social Ins Tax- Employee Contribution	$2,077,895	$122,216			
Social Ins Tax- Employer Contribution	$1,997,904				
TOPI: Excise Taxes			$296,011		
TOPI: Custom Duty			$111,683		
TOPI: Fed NonTaxes			$14,085		
Corporate Profits Tax					$853,424
Personal Tax: Income Tax				$3,491,802	
Total Federal Tax	**$4,075,799**	**$122,216**	**$421,779**	**$3,491,802**	**$853,424**
Total Federal Tax	**$8,965,020**				

Source: London Moeder Advisors, MIG IMPLAN



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Corporate Profile
London Moeder Advisors

REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

London Moeder Advisors (formerly The London Group) was formed in 1991 to provide real estate advisory services to a broad range of clientele. The firm principals, Gary London and Nathan Moeder, combine for over 60 years of experience. We have analyzed, packaged and achieved capital for a wide variety of real estate projects. Clients who are actively pursuing, developing and investing in projects have regularly sought our advice and financial analysis capabilities. Our experience ranges from large scale, master planned communities to urban redevelopment projects, spanning all land uses and development issues of all sizes and types. These engagements have been undertaken principally throughout North America and Mexico.

A snapshot of a few of the services we render for both the residential and commercial sectors:

- **Market Analysis** for mixed use, urban and suburban properties. Studies concentrate on market depth for specific products, detailed recommendations for product type, absorption and future competition. It also includes economic overviews and forecasts of the relevant communities.

- **Financial Feasibility Studies** for new projects of multiple types, including condominium, apartment, office, and master-planned communities. Studies incorporate debt and equity needs, sensitivity analyses, rates of return and land valuations.

- **Litigation support/expert witness services** for real estate and financial related issues, including economic damages/losses, valuations, historic market conditions and due diligence. We have extensive deposition, trial, mediation and arbitration experience.

- **Investment studies for firms acquiring or disposing of real estate.** Studies include valuation, repositioning projects and portfolios, economic/real estate forecasts and valuation of partnerships. Often, the commercial studies include the valuation of businesses.

- **Estate Planning services** including valuation of portfolios, development of strategies for disposition or repositioning portfolios, succession planning and advisory services for high net worth individuals. We have also been involved in numerous marriage dissolution assignments where real estate is involved.

- **Fiscal Impact, Job Generation and Economic Multiplier Effect Reports**, traditionally prepared for larger commercial projects and in support of Environmental Impact Reports. We have been retained by both developers and municipalities for these reports. The studies typically relate to the tax revenues and employment impacts of new projects.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff. Clients who are actively investigating and investing in apartment projects, retail centers, commercial projects, mixed use developments and large master plans have regularly sought our advice and financial analysis capabilities.

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