

# ARKANSAS BUSINESS

## Bass pro's gone fishing for public cash

Eric Olson, *Arkansas Business*, Aug 2, 2004

Council Bluffs, Iowa, and Independence, Mo., are the latest communities to bite on the Bass Pro promise.

[For the city of Broken Arrow, Oklahoma, that meant] financing construction of a \$20 million Bass Pro Outdoor World and an additional \$4 million in site improvements.

Such is the Bass Pro business model these days. "Build it and Bass Pro will come" is the message sent to municipalities and developers around the country.

Of the nine new store announcements this year, six deals include public monies, most for financing new store construction and infrastructure improvements totaling \$20 million or more [see list below].

In order to get the self-proclaimed destination retailer, Broken Arrow is borrowing approximately \$24 million from Bank of America for store construction and site improvements at Stone Wood Hills, a 65-acre commercial development planned in Tulsa's largest suburb. Broken Arrow will lease the store to Bass Pro.

These "no risk" deals are happening around the country. Cities typically are shelling out about \$20 million for a Bass Pro store between 120,000 and 160,000 SF and banking on sales and rent to repay the debt.

But do Bass Pro's promises materialize?

City officials in Grapevine, Texas, say results have been mixed. Expectations in the Dallas/Ft. Worth suburb have fallen short after Bass Pro opened there in 1999, said Grapevine City Manager Roger Nelson.

"There wasn't the development we expected," Nelson said. "There's been a heck of a lot of tires kicked, but no deals."

Attendance forecasts also have fallen short of Bass Pro expectations.

The Springfield retailer has certainly created a national buzz. But some cities are buzzing with criticism. Opponents say Tax Increment Financing districts used by developers to woo Bass Pro and other companies take money away from schools and other tax-funded entities.

Bass Pro's financing strategy was attacked in Baton Rouge, La., where a newspaper's opinion editorial, titled "Building retail waste of taxes," criticizes Bass Pro's move in suburban Denham Springs. While construction is under way for a Bass Pro store there, four area taxing bodies that agreed to front \$50 million for the development--\$26 million for Bass Pro's store--are still wrestling over the sales tax percentages each would sacrifice.

The editorial, which ran in the June 8 edition of The Advocate, said, "Bass Pro has convinced cities all over America to pay for their giant retail outlets.... It's hard to imagine, however, the company sustaining that drawing power as the novelty of the giant retailer wears off and as the increasing number of outlets puts the stores closer to the average sportsman. The shine is sure to eventually wear off the Bass Pro silver. When it does, taxpayers might wonder whether it was worth the price of being one of the first kids on the block to own the latest thing."

And in North Little Rock, Ark., where a Bass Pro has been proposed, a billboard reads: "We will welcome Bass Pro if they agree to pay."

With cities such as Buffalo, N.Y., offering an \$80 million incentive package and Bass Pro scouting financial aid from cities in Arizona, more announcements are expected soon. "You can almost bet the farm on it," Whiteley said.

*Statistics from the Springfield (Mo.) Business Journal (2004)*

In eight months, Bass Pro Shops has announced 10 new store sites, most involving public financing mechanism. Public incentives for Bass Pro and the development it anchors are outlined in the timeline as follows:

Date of Announcement	City	Amount of Public Incentives
Nov. 10	Denham, Springs, La.	\$26 million
Nov. 18	Ft. Myers, Fla	unavailable
Feb. 23	Clarksville, Ind.	undecided
March 4	Spanish Fort, Ala.	undecided
March 11	Branson	none
March 17	Broken Arrow, Okla.	\$24 million
April 22	Leeds, Ala.	\$4.5 million
May 21	Sevierville, Tenn.	none
June 4	Garland, Texas	\$24 million
June 16	Independence, Mo.	\$25 million
June 22	Council Bluffs, Iowa	\$20 million