

# News Release



## **PGA of America relocating headquarters to Frisco as part of innovative public-private partnership; *Deal also links Omni Hotels & Resorts, Stillwater Capital, City of Frisco, FISD and Hunt Realty***

(December 4, 2018) The **PGA of America** is moving its headquarters from Palm Beach County, Florida to Frisco, Texas, the *'2018 Best Place to Live in America,'*\*\* where it will anchor a 600-acre, mixed-use development with an initial investment worth more than half a billion dollars.

Today's announcement follows votes by the **Frisco City Council**, its **Economic and Community Development Corporations** and the **Frisco Independent School District (FISD)** board of trustees. The PGA of America will initially employ at least 100 people at the Frisco-based headquarters. Under this agreement, two PGA Championships, two KPMG Women's PGA Championships and potentially a Ryder Cup will be held in Frisco.

This groundbreaking agreement is estimated to have an economic impact of more than \$2.5 billion over the next 20 years based on a city commissioned tourism feasibility study.\*\* The study considered the economics of golf course activities, including tournaments, plus the additional impact from the new conference center.

The PGA of America is teaming with **Omni Stillwater Woods (OSW)**, a joint venture led by Omni Hotels & Resorts with Stillwater Capital

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and Woods Capital; the **City of Frisco**, as well as its **Economic and Community Development Corporations**; and the **Frisco Independent School District**.

“Our move to Frisco will be transcendent for the PGA of America,” said **Seth Waugh, CEO, PGA of America**. “Everything great starts with a dream. This is the beginning of a bold, new journey as we bring together world-class partners in a world-class location – to deliver innovative and differentiated experiences for our nearly 29,000 PGA Golf Professionals, golfers of all abilities and our staff.”

Two championship golf courses, a short course, and practice areas totaling 45 holes; a clubhouse; Class AA office space; a 500-room Omni resort and 127,000-square-foot conference center; a technologically advanced retail village; parks and open space plus several miles of trails, will complement this unique, signature development.

The PGA’s Northern Texas Section will also move to PGA Frisco, where state of the art connectivity will provide opportunities to pilot promising new growth-of-the-game programming for all 41 Sections of the PGA of America.

A welcoming gateway at Frisco’s northern border, the upscale development will be located at Rockhill Parkway and Legacy Drive, approximately one-third of a mile south of U.S. 380. The 600 acres are primarily situated within 2,500 acres being master planned by Hunt Realty Investments. The development will be open to the public, as well as golfers.

The entire project will have an initial, estimated public-private investment totaling more than \$520 million. The PGA of America will invest \$30 million to build its 100,000-square-foot global headquarters and education facility. OSW will invest \$455 million to purchase the land, construct the hotel, conference center, retail space, parking facilities, and golf courses. The golf course, club house, practice areas and associated public facilities will be owned by the city. More than 300 FISD high school golfers will practice at the facility on a weekly basis.

The agreement calls for the City of Frisco and its development corporations (each funded by a half-cent of Frisco’s sales tax) and FISD to contribute no more than \$35 million toward development of the public facilities (*City of Frisco, \$13.3 million; Frisco Economic Development Corp. (FEDC), \$2.5 million; Frisco Community Development Corp. (FCDC), \$13.3 million; and FISD, \$5.8 million*).

The City of Frisco will also provide performance incentives, which include a portion of hotel occupancy, mixed beverage, sales and property taxes generated by the hotel and associated retail on the site for a 20-year-period. These performance incentives are estimated to total between \$52 million and \$74 million. Additionally, the State of Texas will contribute all the hotel and sales tax, along with a portion

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of mixed beverage tax collected on the project for 10 years. The state grant total, provided through Chapter 351 incentives, is valued at more than \$62.5 million over 10 years.

FEDC is also investing \$14.3 million over a 15-year period for the PGA of America's headquarters relocation, job creation and PGA tournament incentives.

The initial 25-year agreement calls for the land and conference center to be publicly owned by the City of Frisco and operated by OSW, which will pay \$100,000 a year in rent to the city. That lease will increase two percent after the fifth year of the development agreement. OSW is responsible for all maintenance and capital expenses while retaining revenues. Omni Hotels & Resorts will own and operate the resort.

"For years, the PGA of America has served its membership all across the nation where they engage their local communities, and help to raise over \$4 billion annually," said **Governor Greg Abbott**. "The decision to relocate their headquarters to Texas because of our business-friendly climate is a welcome one. I thank the PGA of America for the new jobs and investment that they will bring to the City of Frisco, wish them continued success, and welcome them to the Lone Star State, the home of champions."

"Today is both historic and transformational for the City of Frisco," said **Mayor Jeff Cheney**. "Not only will this signature development change the future of Frisco's northern landscape, it will transform the sport, growing a new generation of pros, fans and golf enthusiasts. As Sports City, USA, we're thrilled to partner with another world-class brand like the PGA of America. We're also honored Omni is, once again, committing such a huge investment in our community, recognizing the potential to grow entertainment, tourism and economic development in one of the fastest-growing cities in America."

"Partnering with the PGA of America and City of Frisco to build a brand new, luxurious golf resort in north Texas is an unprecedented move in the strategic growth of our company," said **Blake Rowling, president of TRT Holdings, Inc., parent company of Omni Hotels & Resorts**. "Omni is known for its elevated service and amenities, including golf, and this resort, alongside the headquarters of the PGA of America, promises to be a first-class development that will attract thousands of people per year."

"This is a tremendous opportunity for all of North Texas," said **Robert Elliott, co-founder, Stillwater Capital**. "Stillwater Capital is proud to play a part in conceiving and delivering a grand vision for this unique development."

"This is yet another example of the public entities in Frisco coming together with private partners to provide unprecedented experiences for young people," said **John Classe, Frisco ISD School Board President**. "The opportunities available to students in Frisco ISD are simply unmatched in Texas and across

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the nation. We're excited about what this partnership means, not just for our students, but the community."

"As co-developers of Fields, Hunt Realty and Karahan Companies, along with our investors, are committed to creating a world-class, mixed-use planned community with the 2,500-acre Fields development, and we are proud to have facilitated the land sale for the new premier Omni Hotel, PGA of America headquarters and championship golf," said **Chris Kleinert, President of Hunt Realty Investments**. "We are thrilled to play a part in this transformational project in Frisco, and we welcome the PGA and its employees to Fields."

The golf courses are expected to open in summer 2022. The hotel, convention center, and other facilities are expected to open within six months of that date. The development will host the KitchenAid Senior PGA Championship in 2023.

*\*Money Magazine* named the City of Frisco the ["2018 Best Place to Live in America"](#).

*\*\*Economic impact study for the proposed hotel and convention center. **Hotel & Leisure Advisors**, October 2017 study.*

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## SUPPLEMENTAL QUOTES

### SETH WAUGH, CEO – PGA of America

"We welcome the opportunity to develop friendships and partnerships with the community and its residents, as well as across North Texas and throughout the state. We are grateful to the City of Frisco, the State of Texas and Omni Stillwater Woods for embracing our vision of creating a transformational headquarters that, together with our world-class partners, helps us advance our mission of serving our Members and growing the game," said **Seth Waugh, CEO, PGA of America**.

### RON PATTERSON, president, Frisco Economic Development Corporation

"Having another corporate presence, especially one with such a nationally and internationally recognized brand like the PGA of America, continues to enhance Frisco's reputation as one of the most sought-after sports and business environments in the United States," said **Ron Patterson, president, Frisco Economic Development Corporation**. "The PGA will bring more jobs, as well as numerous PGA tournaments, to Frisco. Additionally, the PGA becomes the eighth professional sports organization to be headquartered in the city."

-more supplemental quotes-

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**MORE SUPPLEMENTAL QUOTES**

**MIKE BARBER, vice chairman, Frisco Community Development Corporation**

“We’re investing in this project because we recognize the value of bringing championship tournaments to Frisco, as well as providing our own residents the opportunity to play at a prestigious venue,” said **Mike Barber, vice chairman, Frisco Community Development Corporation.**

**CRAIG MOEN, chairman, Frisco Economic Development Corporation**

“This new partnership between Frisco and the PGA of America will bring new national and international sports and business focus to the city,” said **Craig Moen, chairman, Frisco Economic Development Corporation.**

“As a result, we expect to see additional corporations looking to relocate their national and regional headquarters to consider Frisco. This is an exciting opportunity as we continue to position Frisco as one of the most dynamic cities for corporate relocation in the nation.”

**PETER STREBEL, president of Omni Hotels & Resorts**

“We have been committed to investing in leading business and leisure destinations for a long time, but more specifically over the course of the last five years since acquiring six powerhouse resorts,” said **Peter Strelbel, president of Omni Hotels & Resorts.** “This new, luxury destination, in partnership with the PGA of America, will complement our already impressive portfolio of resorts and feature world-class golf, spa, retail and food and beverage amenities.”

**ROBERT ELLIOTT, co-founder, Stillwater Capital**

“Texans are known for thinking big, and we understood early the potential for a mixed-use project anchored by the relocation of the PGA of America, and their commitment to bring major championships to this world-class golf destination,” said **Robert Elliott, co-founder, Stillwater Capital.**

**DR. MIKE WALDRIP, superintendent of schools, FISD**

“This partnership adds another level of exciting opportunities and experiences for our students,” said **Dr. Mike Waldrip, superintendent of schools, FISD.** “The facility will be home to Frisco ISD golf and provide a number of unique learning opportunities for students in fields such as landscape architecture, hotel and restaurant management, and sports broadcasting. The development around the golf courses will also add millions of dollars to our tax base, helping to keep the tax rate low.”

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