



Memorandum

MPC Agenda Item #34

To: Metropolitan Planning Commission
From: Michael A. Brusseau, Senior Planner
Date: November 3, 2010
File #: 11-B-10-OB
Subject: Use Determination – Recreational use in SC-3 (Regional Shopping Center) zone

Staff Recommendation:

APPROVE indoor recreational uses as a use permitted in the SC-1 (Neighborhood Shopping Center), SC-2 (Community Shopping Center) and SC-3 (Regional Shopping Center) zones, subject to the review of a development plan by MPC (if applicable).

Authority:

The uses permitted list in the SC-1 (Neighborhood Shopping Center) zone, (Article 4, Section 3.2, B, 7) of the Knoxville Zoning Ordinance) includes a statement that reads, “Any other store or shop for retail trade or for rendering personal, or professional service which in the opinion of the planning commission will not be injurious to the district.” Uses permitted in SC-2 and SC-3 are the same as those in SC-1. The use determination application is the most appropriate process for MPC to make this determination. The SC-1, SC-2 and SC-3 zones require use on review approval for all uses.

Comments:

This application was submitted by Fairway Market Place, LLC, so that MPC could consider the appropriateness of recreational uses within a shopping center at 9341 Kingston Pike (CLT# 132-02618). It should be noted, however, that approval of this use determination does not apply only to this particular property. If approved, this use determination would establish this use as an acceptable use on any SC-1 (Neighborhood Shopping Center), SC-2 (Community Shopping Center) or SC-3 (Regional Shopping Center) zoned property within the City of Knoxville, subject development plan approval by MPC.

It is the opinion of staff that indoor recreational uses are appropriate, similar to other personal and professional services that are permitted to be considered in the SC-1, SC-2 and SC-3 zoning districts.

11-B-10-OB_cor_Seymour

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October 5, 2010

Mike Brousseau
Knoxville/Knox County Metropolitan Planning Commission
Suite 403, City/County Building
400 Main Street
Knoxville, TN 37902

Re: Applicant: Fairway Market Place, LLC
File No.: 11-B-10-OB

Dear Mr. Brousseau:

Fairway Market Place, LLC has filed with the MPC a Similar Use Determination for a recreational use at its Marketplace Shopping Center on Kingston Pike in West Knoxville. The property is zoned SC-3 under the Knoxville Zoning Ordinance. The request is for approval of a recreational use in a SC zone.

I have submitted with the application a business plan of Battlefield Knoxville showing a description of the project. It seeks to locate in a vacant CompUSA building at the shopping center.

The SC-3 zone allows uses permitted in the SC-1 and SC-2 zones and in addition to that theaters and department stores.

The proposed use will sell snack foods, soft drinks and clothing, including tee shirts and caps, in addition to having video games and the gaming experience described in the prospectus for the building.

It would appear that, although not expressly permitted in the SC zone, this use is similar to many other recreational uses that have been approved by the City and are located in SC zones.

We have examined other properties in Knoxville and find the following recreational uses are permitted:

1. Exclusive Fitness is located in the Rocky Hill Shopping Center which is zoned SC-1;
2. Studio Arts for Dancers is located in the Rocky Hill Shopping Center which is zoned SC-1;

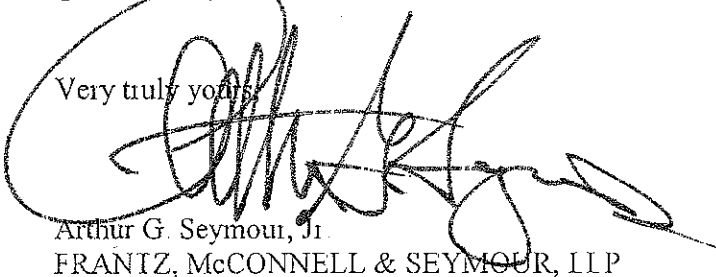
3. Taekwondo Karate Studio is located in the Clinton Plaza Shopping Center which is zoned SC-2;
4. Rush Fitness Center is located in East Town Mall which is zoned SC-3;
5. In the Regal complex at West Town Mall which is zoned SC-3 there is a gaming arcade with 55 video machines and a party room;
6. In the Regal complex at East Town Mall which is zoned SC-3 there is an arcade with numerous video machines;
7. There is a play area with rides at West Town Mall which is zone SC-3;
8. Build-A-Bear Workshop sells parties which take place at West Town Mall which is zoned SC-3;
9. There is a Curves fitness center located at Knox Plaza Shopping Center which is zoned SC-1;
10. There is already in the Marketplace Shopping Center which is zoned SC-3 a Crossfit Knoxville fitness center; and
11. There is a Snap Fitness Center located in Chapman Plaza which is zoned SC-2.

There are undoubtedly numerous other recreational uses that have been approved in various shopping centers which are zoned SC.

We submit that the proposed use for the Marketplace Shopping Center is similar to uses that have already been approved and that it is compliant with the shopping center designation.

As more information is developed we will present it to you prior to the November MPC meeting

Very truly yours,



Arthur G. Seymour, Jr.
FRANTZ, McCONNELL & SEYMOUR, LLP

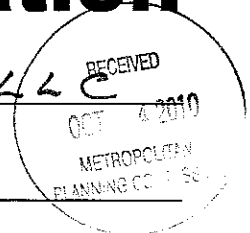
AGSJ:bhr

cc: Mr. Ben Kenney

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FAX • 215 • 2068
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Similar Use Determination

Name of Applicant: Fairway Market Place, LLC
Date Filed: 10/4/10 Application Accepted by: Bussean
Fee Amount: \$400 Meeting Date: 11/10/10 File Number: 11-B10-0B



PROPERTY INFORMATION

Address: 9341 Kingston Pike
General Location: N side Kingston Pike
W side Marketplace Blvd
Tract Size: 47.86ac No. of Units: _____
Zoning District: SC-3
Existing Land Use: Vacant Retail Box

Planning Sector: Southwest County
Sector Plan Proposed Land Use Classification: Commercial
Growth Policy Plan Designation: Inside City
Census Tract: 57.03
Traffic Zone: 170
Parcel ID Number(s): _____
Jurisdiction: City Council 2nd District
 County Commission _____ District

USE REQUESTED

PROPOSED USE IN
SC-3 ZONE

ATTACH AS A SEPARATE DOCUMENT:

- A detailed description of the proposed specific use. Including: number of employees, hours of operation, products made or sold, services performed, special equipment used.
- A statement indicating how the various permitted uses listed in the zoning regulations are similar in nature, operations, and character to the proposed use in this application and how they would be compatible.
- Floor/site plan factors. Details regarding limitations (such as maximum floor area or site area) on building and site development for the following: office areas, warehousing areas, manufacturing areas, showroom/retail areas.

PROPERTY OWNER/OPTION HOLDER

PLEASE PRINT
Name: FRANK C. SKYRUD
Company: FRANK C. SKYRUD - COMMERCIAL
Address: P.O. Box 39
City: KNOXVILLE State: TN Zip: 37909
Telephone: 865-546-9321
Fax: 865-637-5249
E-mail: FRANK@FRANKC.COM

APPLICATION CORRESPONDENCE

All correspondence relating to this application should be sent to:

PLEASE PRINT
Name: SAVR AS ABOVE
Company: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____
Fax: _____
E-mail: _____

APPLICATION AUTHORIZATION

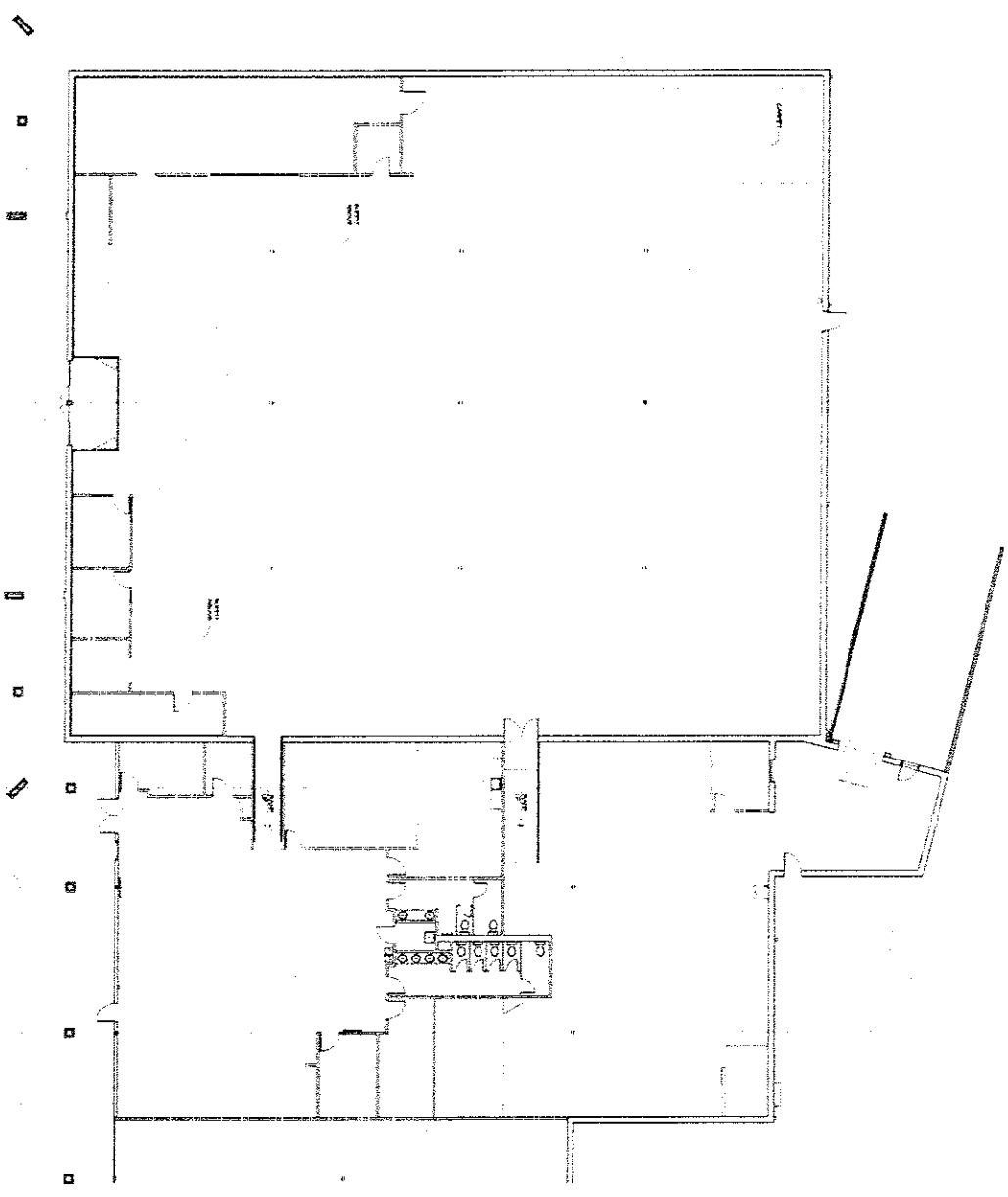
I hereby certify that I am the authorized applicant, representing ALL property owners involved in this request or holders of option on same, whose signatures are included on the back of this form.

Signature: Ben Krenn
PLEASE PRINT
Name: BEN KRENN
Company: WOODS PROPERTIES
Address: 900 S. GAY ST, SUITE 1600
City: KNOXVILLE State: TN Zip: 37902
Telephone: 549-7468
E-mail: BKRENN@WOODSPROPERTIES.COM

PLOT SCALE: AS SHOWN

Former Camp USA
22,663 s.f

FLOOR PLAN



2.0

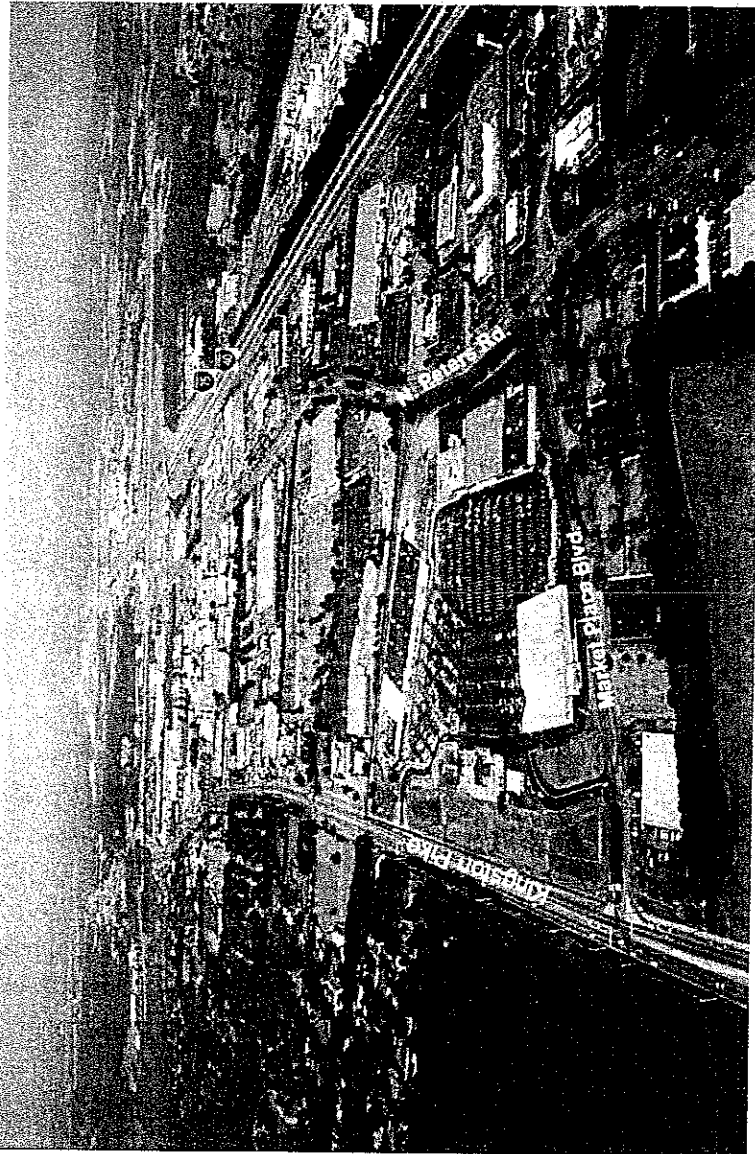
DATE: January 3, 2008
PROJECT: Former Camp USA
PROJECT NO.: 27858

INTRODUCE

As-built drawings for:
Market Place Shopping Center Suite B-5
9341 Kingston Pike
Knoxville Tennessee



SUBJECT PHOTOGRAPHS



AERIAL VIEW

BATTLEFIELD KNOXVILLE

Business Plan / Venture Summary

BATTLEFIELD KNOXVILLE INDOOR COMBAT AND GAMING CENTER

865-583-9889

info@battlefieldknoxville.com

<http://www.BattlefieldKnoxville.com>

1.0 Executive Summary

The \$20.1 billion video game industry is now the second-largest segment of the entertainment industry in the United States, outstripping film, music, and television. With the rising popularity of the Nintendo Wii, and the explosion of live gaming venues across the globe, interactive gaming is the next generation in gaming. Battlefield Knoxville LLC is a live gaming experience. It is an authentic combat entertainment experience using sophisticated gaming guns. Battlefield Knoxville is like stepping into a live version of your favorite action movie or video game, facing off against friends or strangers. Battlefield Knoxville will be Tennessee's first indoor combat simulation arena open for entertainment, law enforcement training, private events, and corporate team building. Battlefield Knoxville will feature over 22,000 square feet of indoor urban-themed combat area and Tennessee's largest and most advanced Gaming Lounge. Battlefield Knoxville uses technology adapted from military combat simulation training. Our weapons "shoot" with infrared light, which is completely eye-safe and is adapted from military-grade training equipment used by the United States Army MILES system. The weapons are modeled after real weapon models, as well as popular video game weaponry. Our weapons have no projectiles, meaning the experience is pain-free and requires no safety gear. The following pages will demonstrate how we are able to execute the most sophisticated indoor combat engagements in a realistic, fun, and pain-free environment. Having put this plan together, the principals have every reason to believe the business will be successful. Battlefield Knoxville will be a locally owned and operated location using the same business model as other indoor combat / gaming arenas

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where it has been established and has proven to be a major player in the entertainment industry. The distance to the nearest similarly equipped venue is over 600 miles.

2.2 Competition

The closest similar competitor would be the traditional laser tag experience found at LaserQuest in Knoxville. LaserQuest uses marketing and promotional tactics geared towards children rather than teenagers and young adults. The interior is often designed to appeal to small children who feel as if they are in a space ship when entering the arena. Traditional Laser tag must also be played in the dark for the equipment to be effective. Battlefield Knoxville will be designed using realistic props that engage the user in a realistic environment. Traditional laser tag guns shoot in a wide cone that often means you do not need to aim directly at your target to hit them. Not only that, but you are limited to one single weapon choice. No matter what team you are on, everyone has the same exact equipment. With Battlefield Knoxville, you get to choose the weapon that appeals most to you; it doesn't matter if you want a big assault rifle, or a submachine gun. With 10 different weapon options, the possibilities are endless. Your gun is accurate, and shoots straight. Like in real life, smaller guns have a shorter range and larger guns have a longer range. The all-metal guns are full-size, full-weight, and give you the option to choose between full-auto and semi-auto on the fly (rapid fire/single shot). Battlefield Knoxville equipment takes traditional laser tag to the next level in realism and fun. Their extreme range (150'-400') and pinpoint accuracy far outstrips what a paintball or airsoft gun can do.

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3.0 Venture Description

3.1 Description

Battlefield Knoxville presents a way to fill the void of an alternative choice of entertainment for Knoxville and the surrounding areas that is safe, healthy, and fun. We present a cure that has been tried and tested, and is features action from start to finish. Battlefield Knoxville presents a marriage of both physical exercise and video gaming. The best part of what Battlefield Knoxville will offer, is that it gives us all the opportunity to step inside our favorite action movie or video game and stay in shape in the process. Battlefield Knoxville is not paintball, or laser tag. We are using state of the S.A.T.R. (Small Arms Transmitter Receiver) gaming guns to simulate a live video game combat experience. Currently, there are only 16 indoor facilities in the United States using similar equipment. One of the first indoor facilities on the East Coast, and our closest competitor, is Hard Knocks in Winter Park, FL who have been in business for three years as of 5/17/2010. Other locations include Albany, N.Y., Ann Arbor, Michigan and most recently in Missouri.

Our guns have authentic look, weight, and size with no projectiles. Our customers will execute missions that challenge them to defuse bombs, rescue hostages, protect VIP's, capture flags, and various other scenarios. We offer our customers the ability to use realistic -like weapons in environments where strategy and teamwork are keys to victory, all without the need to purchase expensive equipment, wear face masks, or worry about going home with anything bruised other than your ego.

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sports options, we don't think a combatant that only survives 5 minutes should be charged the same rate as someone who survives the full 12-minute scenario. A day at Battlefield Knoxville is less expensive, and more enjoyable, than a day of paintball, airsoft, or laser tag.

In the same way our combat time is sold, Gaming Lounge time is also sold in hour increments and erodes only as you use it. Gaming stations, no matter the platform, are all priced at the same rate.

The rates for our Combat Time will be approx .60 cents per minute (\$35.00 per hour or \$22.00 per half hour), and with the average mission length 10-12 minutes, the cost can be anywhere from \$3.00 - \$8.00 per mission depending on the players survival. Our rates for Gaming Lounge time are sold in hour increments at \$4.00 per hour.

We will also offer exclusive membership cards that will give the holder access to 15% percent off Combat Time, 10% off Gaming Time, and 10% percent off at our Cyber Café.

Our Cyber Café will give our customers a chance to refresh between missions by purchasing bottled beverages such as water (\$2), coca cola products (\$2), or energy drinks (\$3). We will also have assorted candy bars for purchase at \$1.50. All food and drinks sold are pre-packaged only.

Group packages and extended business hours are available for parties, team building, law enforcement training, and other corporate functions. These packages will be at a discount rate.

3.3 Competitive Advantage

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Dustin Wyrick acts as President and Co-Owner of Battlefield Knoxville LLC.

Dustin Wyrick will also manage the company's daily operations. He has a BS Degree from Full Sail University in Orlando, Florida in Entertainment Business. He owned and operated a local paintball store in Wartburg, TN from 2000 until 2002 when he left to pursue a career in the Entertainment Industry. He has held a number of marketing and promotions jobs, most recently with Nashville recording artist Martina McBride, being responsible for various viral marketing to promote her latest album *Shine*. Dustin also worked with a collaboration of local artists in Nashville known as Ten out of Tenn.

Dustin assisted promoting the artists and assisting the artists for their Fall 2009 Tour.

Duane Wyrick will be hired on as the Operations Manager. He has served the State of Tennessee in Managerial positions for over 20 years. Mr. Wyrick was over all operations and management at Frozen Head State Park for 21 years where he marketed and promoted festivals, designed structures, kept strict budgets, and oversaw all hiring. At the time of Duane being hired as the Manager and overseer of Frozen Head State Park, the annual visitation average was 25,000. Upon leaving in 2002, the average visitation annually had grown to over 300,000.

Fred Hess of GrassRoots Marketing LLC will oversee the implementation of all marketing and promotions. Fred has over 25 years of experience in marketing, and runs one of the most successful local marketing companies in the Knoxville area.

Battlefield Knoxville will also hire 7 additional part-time employees as well as 1 full-time Assistant Manager/Keyholder. We are convinced that our management team with ample experience in the Entertainment Industry will be the perfect fit for this venture.

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4.0 Marketing Plan

4.1 Target Market/Market Segmentation

While this plan identifies the Battlefield Knoxville customer as a typical high school or college student, we know that persons in this demographic are the primary consumers of sports activities, including video games. There will be aggressive marketing plans to target not only the male 15-34 range, but also the high school thru college age female as well. Targeting the male demographic will be relatively easy for this kind of venue. Female gamers are the key to making Battlefield Knoxville popular with the gaming community in Knoxville and the surrounding areas. Females will be able to use the Gaming Lounge at half price Monday through Thursday. Females represent a large segment of the video gaming market, and we have seen that translate proportionately to the combat sports market. Having gender balance is key to the gaming business. Sixty percent of all Americans play video games with the average age of gamers being 28 and 43% of all gamers being female. We feel that targeting the female demographic will both increase business and create gender balance leading to a better social atmosphere for youthful customers.

Our flexible business model will also allow us to deliver promotions to three distinctly different market segments:

Entertainment – Recreational combat leagues, walk-in customers, birthday parties, social events, bachelor parties, and tournaments.

Professional – Law enforcement and military training for groups such as SWAT, police departments, first responders, private security, ROTC and others.

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market with much success. Battlefield Knoxville will take advantage of these inexpensive ways to get its name out in the community.

Starting in our Pre-Launch phase (2 months previous to Grand Opening) we also plan to take advantage of several marketing tools to build hype about Battlefield Knoxville. We will use marketing vehicles that will concentrate specifically on creating a buzz within our target demographic.

Using vehicles such as Media Advertising through short teaser trailers as well as teaser posters at local Regal and AMC Theatres will play a large role in our pre-launch buzz. The Teasers will also be viewable 1 month Pre-Launch on two strategically placed Billboards in the West Knoxville area. The goal of these teasers will be to gain pre-launch momentum by creating a curiosity as to who and what we are. Each teaser will point the viewer towards our website, as well as a short code for the viewer to text. (example: "Text 12345 To Join The Battle!") Both, our website as well as our short-code advertising will give information as to our Grand Opening Event, as well as be a way of gathering interest for our "Invitation Only" soft opening.

Social Media Networks will also play an important role beginning in the Pre-Launch phase. These networks are free, but are vital to the success in reaching the tech-savvy demographic that we are targeting. Using these mediums, we will also be able to not only reach out to our target demographic, but also reward those of our "followers/friends" who follow our updates. Examples of this would be to give out a free All-Day Pass to our 1,000th fan on Facebook, or to draw for prizes for those followers who "Retweet" about us on Twitter. Rewarding people for sharing their interest about us is a very easy and fast way to ensure loyalty and spread the Battlefield Knoxville brand

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Maintaining a constant presence in the local community is another way to establish customer loyalty. For less than the cost of a ¼ page ad in the paper, we will be able to buy team uniforms for a local basketball, soccer, or football team. This is a sure fire way to get the team, their friends, and their family to become fans of our business as well as show that our business is a genuine part of the local community.

5.0 Financial Plan

5.1 Sales Projections

Battlefield Knoxville will provide a venue in which the entire family can enjoy their leisure time, participating in a competitive team sport. This light exercise will help improve their health, and they will experience a clean and state of the art facility where the service is the best in the industry, at a fair price. Assuming the following things, our company will make a profit early on.

The management team has determined that the average price being charged for a game at a competing laser tag location is \$8.00 per game without the option of any all-day pass. The existing paintball facility in Knoxville currently charges \$38.00 for an all-day pass for field use and equipment. Additional costs for paint are \$42.00 per case, which equal a total cost of \$80.00 per day. We will initially set our prices at approx .60 cents per minute (\$35.00 per hour or \$22.00 per half hour)); the average price will be \$5.50 per game depending on the combatant's survival length. Players will be able to reload their GamerCard balance at our CyberCafe'. Players will not be permitted to enter the arena with less than \$5.00 remaining on their card. This will be a competitive price

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aggressive marketing campaign, with most other locations simply relying on Word of Mouth.

The numbers in this plan are derived from the *average* numbers of these new Battlefield LIVE equipped indoor locations in the United States during the first year of operation (excluding Hard Knocks Orlando). Since the range of how much a customer pays per game will range typically from \$3.00 to \$10.00, we are using \$5.50 as the average used in our sales forecast and revenue. Up to 50 players can play in the arena at a time (based on the amount of equipment ordered on start-up). The game, called a mission, lasts for a maximum of 12 minutes. Allowing time for surviving players to exit the arena, a new mission is possible every 15 minutes. This means that, ideally, maximum revenue per hour could reach \$1,100.

The business plan projections are conservative. As with any new entertainment venue, our Pre-Launch marketing plan will create hype surrounding our Grand Opening event. The first two months, we project to run at 30 percent operational capacity, assuming that we will run only 2 ten-minute missions per hour at 15 players per game for the first two months; the next three months starting during the holiday season during peak are also projecting 2 ten-minute missions per hour but with 20 players per game, running at 40 percent operational capacity. In fact, the weekends will produce the greatest activity and the number of games and players should consistently exceed all averages.

Gaming Lounge projections are assumed that 16.6 hours per day will be purchased. This conservatively assumes that on an average business day 2 customers per hour will be using our Gaming Stations. As with Combat Time, on weekends this should exceed all averages. Hosting gaming tournaments sponsored by local businesses such as

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making the environment seem as if they are walking into the middle of a scene from a video game or action/adventure movie. From the hallways, all the way to “The Armory” we want the experience to feel realistic, and fun. We are budgeting \$40,000 towards remodeling the facility, building interior walls, etc, and making sure that our customers leave Battlefield Knoxville talking about the experience to all of their friends.

The FF&E costs will take up the remaining bulk of the start-up costs. The electronics equipment such as the Gaming Systems, 8 40” LCD’s, as well as all furniture will be purchased locally. The package of 40 weapons, weapons charging stations, sensors, computer systems, will be purchased from Battlefield LIVE in Brisbane, Australia for \$50,000. This price also includes a representative on-site for one week for staff training for use on using and maintaining the electronic equipment prior to our opening.

Miscellaneous items such as furniture, office supplies, appliances, and desks for the lounge areas are also included in the Capital Expenses report.

The Income Statement reflects our monthly expenses. This assumes at 1 month prior to launch we have all 7 part-time employees paid their normal monthly wages for assisting in miscellaneous jobs while construction is being completed. This can range from appearances at local events to showcase our product, to assistance in setting up props and computer equipment, to training and regulating the soft-opening events. The employees thereafter will assume their normal hours at 30 hours weekly, \$9.00 per hour.

Our monthly terms at our location at 737 Lovell Rd require \$14,325 per month at a 5-year lease with options, including the option to buy. Utilities for that location have been estimated at \$2 per sq ft (\$3,000 per month).

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