

# Celebrity Sports Center Investment Prospectus

Prepared for Matt Stone and Trey Parker  
by  
Celebrity Sports Center Business Development Equity Partners

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## Executive Summary

Celebrity Sports Center Business Development Equity Partners ("CSC Partners") invites private equity investors to participate in revitalizing a storied Denver legacy: a state-of-the-art family entertainment complex at The Streets at SouthGlenn in Centennial, Colorado. This redevelopment project offers:

- Projected annual NOI: \$4.5 million.
- Calculated ROI: 18%.
- A blend of nostalgia and cutting-edge entertainment.

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### Why You Should Join This Project:

- **Rooted in Colorado Nostalgia:** Much like Casa Bonita, Celebrity Sports Center holds a cherished place in Denver's history.
- **Built for the Future:** Ground-up development ensures modern accessibility and sustainability.
- **Creative Freedom:** Opportunities for themed attractions, such as South Park-inspired experiences.
- **Perfect Location:** Prime demographics at The Streets at SouthGlenn.

## Project Highlights

### Reviving a Denver Legacy

Opened in 1960 with backing from Walt Disney and other celebrities, the original Celebrity Sports Center featured bowling lanes, an Olympic-sized pool, and arcades. This project reimagines that magic for a new generation, combining:

- Timeless attractions like bowling and pools.
- Cutting-edge features, such as virtual reality gaming.
- A nostalgic yet modern aesthetic.

## **Celebrating Denver’s Entertainment Legacy**

### **A Storied Beginning**

The Celebrity Sports Center was a landmark in Denver’s entertainment history. Opened in 1960 with backing from Walt Disney and other Hollywood celebrities, the original center featured 68 bowling lanes, an Olympic-sized pool, an arcade, and dining facilities. It became a beloved gathering place for generations of Denver families, creating memories and fostering community connections.

### **A Unique Aesthetic**

Celebrity Sports Center also embodied the mid-century modern aesthetic that defined Denver’s style for decades. From its clean lines and bold colors to the open, inviting design, the center was a hallmark of the optimism and innovation of the era. This aesthetic, which once permeated Denver’s culture, has been gradually disappearing—accelerated by the closure of iconic spaces like Tom’s Diner on Colfax and other classic mid-century establishments. Revitalizing Celebrity Sports Center provides an opportunity to preserve and celebrate this distinctive style while integrating it into a modern context.

### **The Challenges of the 1990s**

By the 1990s, Celebrity Sports Center faced mounting challenges. Changes in ownership led to a loss of vision and investment. The facility’s aging infrastructure required costly maintenance, and competition from newer venues like Main Event in Westminster, Brunswick Zone in Lakewood, and arcades such as Nickel-A-Play in Aurora attracted customers with modernized amenities. Ultimately, economic pressures and shifting consumer preferences led to its closure in 1994. Today, a Home Depot stands on the original site.

### **Reviving the Magic**

This project aims to bring back that same magic in a fresh, modern way. Unlike other entertainment revitalizations, this is not about restoring an old relic but building a completely new experience from the ground up—a true reimagining. By starting fresh, we’re able to focus on accessibility, efficiency, and sustainability without the constraints of aging infrastructure, while still capturing the nostalgia and heart of the original Celebrity Sports Center.

### **Why Centennial and The Streets at SouthGlenn?**

#### **Prime Location**

Centennial’s Streets at SouthGlenn offers unparalleled access and visibility. Located at the intersection of South University Boulevard and East Arapahoe Road, this site is easily

accessible from major highways, positioning it as a regional destination for both urban and suburban visitors. The area's demographics include families with disposable income and a strong appetite for local, community-driven entertainment options.

### **Opportunity for Revitalization**

The Streets at SouthGlenn is a mixed-use development with existing retail, dining, and residential offerings. However, the closure of key anchor tenants, including the Sears store, has left portions of the property underutilized. Redeveloping the Sears parcel into a modern entertainment center will:

- **Increase Foot Traffic:** Attracting families, corporate groups, and tourists to support surrounding businesses.
- **Strengthen Community Appeal:** Offering a space for recreation, celebrations, and connection.
- **Enhance Property Value:** Restoring vitality to a cornerstone of the Centennial community.

### **Competitive Analysis**

#### **Bowlero Corp.**

Bowlero has become a dominant force in the bowling and family entertainment sector, reporting significant revenue growth of 14.4% in the first quarter of fiscal year 2025, reaching \$260.2 million. This demonstrates strong market demand but also highlights their high-glitzy, premium-priced model, which leaves room for a value-oriented alternative. Bowlero's aggressive acquisition strategy and rebranding to Lucky Strike Entertainment signal a broader focus on entertainment diversification, underscoring the importance of offering a differentiated product.

#### **Dave & Buster's**

Dave & Buster's, a key competitor in the family entertainment space, generated \$453.0 million in revenue during the third quarter of 2024, although it experienced a 3.0% decline compared to the previous year. Challenges such as weather disruptions and remodeling impacts underscore the volatility in this market. Despite this, Dave & Buster's remains a household name with a strong following, focusing on adult-oriented entertainment alongside family offerings. This creates an opportunity to target a more family-focused demographic with unique attractions.

#### **Key Differentiators for Celebrity Sports Center**

- **Value-Oriented Pricing:** Where Bowlero emphasizes luxury, Celebrity Sports Center aims to provide an affordable yet high-quality entertainment experience, bridging a gap in the market.
- **Holistic Offerings:** By integrating arcade gaming, bowling, swimming, and event hosting under one roof, this project diversifies revenue streams and appeals to a broader demographic.

- **Community Nostalgia:** Leveraging the Celebrity Sports Center name taps into Denver’s rich cultural memory, providing instant recognition and emotional appeal.

## Pro Forma Financial Statements

### Key Financial Projections

Year	Revenue (USD)	Operating Income (USD)	Taxes (USD)	Net Income (USD)	Net Cash Flow (USD)
1	8,000,000	1,500,000	315,000	1,185,000	285,000
2	8,400,000	3,150,000	330,750	1,244,250	344,250
3	8,820,000	3,307,500	347,288	1,306,462	406,462
4	9,261,000	3,472,875	364,651	1,371,787	471,787
5	9,724,050	3,646,519	382,884	1,440,375	540,375

### Revenue Projection Details

- **Arcade Revenue:** Expected to account for 25% of total revenue annually, driven by a mix of modern and nostalgic games appealing to a broad demographic. Estimated per-player spend is \$15 per visit.
- **Bowling Revenue:** Projected to contribute 35% of total revenue, based on comparable lane utilization rates at similar facilities. With an estimated average spend of \$25 per bowler, including shoe rentals and refreshments, the bowling alley is positioned as a key anchor attraction.
- **Swimming Revenue:** Anticipated to generate 15% of total revenue through public swim sessions, lessons, and event rentals. Pricing models include day passes at \$10 and monthly memberships at \$40.
- **Event Hosting Revenue:** Revenue streams from birthday parties, corporate events, and private bookings are expected to contribute 15% of total revenue. Packages will range from \$200 for small groups to \$2,500 for large-scale events.
- **Food and Beverage Sales:** Concessions and dining are expected to generate 10% of total revenue, with offerings tailored to complement the entertainment experience. Average per-visit food spend is estimated at \$12.

### Risks

- **Economic Downturns:** An economic recession could reduce discretionary spending, impacting customer visits and overall revenue.
- **Competition from Established Brands:** Well-funded competitors like Bowlero, Main Event, and Dave & Buster’s may continue to dominate market share through aggressive marketing and expansion, limiting our ability to attract a loyal customer base.
- **Rising Development Costs:** Unforeseen increases in construction costs, materials, or labor could inflate the initial budget, delaying the project timeline and reducing profit margins.

- **Changing Consumer Preferences:** Trends in entertainment are constantly evolving. A failure to adapt to new technologies or shifts in consumer interests could render certain attractions obsolete.
- **Operational Challenges:** As a large-scale entertainment center, operational inefficiencies, such as high staff turnover or maintenance issues, could lead to increased costs and reduced customer satisfaction.
- **Regulatory and Zoning Risks:** Obtaining necessary permits and adhering to local regulations could pose challenges, potentially delaying development or increasing costs.
- **Brand Perception Risks:** While nostalgia is a key driver, there is a risk that the modern iteration of Celebrity Sports Center may not align with the expectations of those who remember the original, potentially impacting initial reception.
- **Seasonal Variability:** The entertainment industry often experiences fluctuations in revenue based on seasons, with peak times in summer and winter holidays. Reliance on these periods could create cash flow challenges during off-peak months.
- **Dependence on Local Demographics:** The success of the center depends heavily on the surrounding community's ability to support it. Changes in local population, demographics, or disposable income levels could impact the revenue model.
- **Debt Financing Risks:** With 60% of the project financed through debt, rising interest rates or tighter lending conditions could impact profitability or project viability.

## Conclusion

We see this as a twice-in-a-generation opportunity to revive a beloved Colorado institution and make it a cultural centerpiece for the future. Your involvement could elevate this project into something truly extraordinary—a place where generations of families can gather, create memories, and celebrate the legacy of Denver entertainment. Let's bring this vision to life—and maybe make it just irreverent enough to make people laugh while they bowl.