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## TECHNICAL MEMORANDUM

To: Carol Chaplin and Lewis Feldman  
From: David Zehnder, Tom Martens, and Sean Fisher  
Subject: Event Center Fiscal and Economic Analysis; EPS #182014  
Date: July 18, 2018

### Introduction and Overview

Economic & Planning Systems, Inc. (EPS) was retained by the Tahoe Douglas Visitors Authority (TDVA) to conduct a fiscal and economic impact analysis of the proposed South Tahoe Event Center (Project or Event Center).

As part of this analysis, EPS conducted in-person and telephone discussions with several Douglas County (County) officials, including the County Manager, Clerk-Treasurer, Assessor, Fire Marshal, and Undersheriff, as well as a sample of Stateline casino and hotel representatives.

This Technical Memorandum describes the proposed Event Center; the net fiscal impacts to the County's General Fund, Room Tax Fund, and Tahoe-Douglas Transportation District (TDTD) Fund; and the economic impacts of Event Center operations and construction. In addition, this Technical Memorandum concisely describes the assumptions and methodology used to estimate the net fiscal and economic impacts of the Project.

The data, assumptions, and detailed calculations used in this analysis are shown in **Appendices A** through **F (Tables A-1 through F-19)** of this memorandum:

- **Appendix A** indicates the proposed land uses and general assumptions used in this analysis.
- **Appendix B** identifies the projected revenues that will be generated by the Event Center for the County's General Fund, Room Tax Fund, and TDTD Fund.
- **Appendix C** details the estimated expenditures for the County to provide General Fund, Room Tax Fund, and TDTD Fund services to the Event Center.

*The Economics of Land Use*



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- **Appendix D** provides supporting revenue and expenditure calculations. Specifically, this appendix provides detailed visitor spending estimates and assumptions.
- **Appendix E** details the estimated allocation of existing County General Fund, Room Tax Fund, and TDTD Fund revenues and expenditures to the Lake Area.
- **Appendix F** details the estimated annual economic impacts resulting from Event Center construction and ongoing visitor spending by spending category for each scenario.

## Project Description

The South Shore's tourist economy has been a strong contributor to the County's tax base for decades. However, the area has been negatively impacted by a decline in gaming activity, unpredictability in snow sports volumes, and a built environment that does not meet current consumer expectations. Occupancy rates have improved significantly since the depths of the Great Recession, but visitation remains highly concentrated during the summer months and the variable ski season, with many of the visitors staying for no more than a few days at a time. These factors contribute to lower average occupancy levels and room rates, which directly result in lower Transit Occupancy and License Taxes. A lack of "shoulder season" activity also indirectly results in lower assessed values, a function of operating income, which produce lower amounts of Property Tax receipts.<sup>1</sup>

In addition to reliance on gaming and snow sports, the South Shore traditionally has relied on short-term visitors from markets within a few hours' drive, who spend less per visit than those who travel longer distances and stay longer. Tourists that travel further tend to have longer stays and spend more; they are generally looking for locations with myriad retail-dining-entertainment amenities and tend to prefer attractive walkable environments.<sup>2</sup>

The proposed Event Center, located adjacent to the Montbleu Casino, at the corner of Lake Parkway and US Highway 50, would not only add a strong attraction to bring visitor dollars to the market, it would provide an anchor on the Nevada side of the South Shore tourist area to capitalize on redesign of Lake Tahoe Boulevard in South Lake Tahoe as part of the US Highway 50 Realignment Project and potentially extend an integrated tourist village environment. **Map 1** illustrates the Event Center location relative to the South Shore tourist core area.

The positive economic impact of performance venues has been documented around the country. Locally, the impact on room rates and occupancy levels has been demonstrated by the Harvey's Summer Concert Series, with rates and occupancy levels higher throughout the casino core on event nights. The Event Center would provide a permanent venue that could host a wide range

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<sup>1</sup> Sales tax receipts are also negatively affected, but the impact is spread statewide under the current allocation system.

<sup>2</sup> These visitor preferences have been documented in the 2013 Economic Analysis and the 2018 Economic Analysis Update of the US Highway 50 South Shore Community Revitalization Project, both completed by EPS for the Tahoe Transportation District.

**Map 1**  
**Proposed Event Center Location**



of events throughout the year and contribute to creation of a South Shore visitor destination that draws visitors from greater distances who will stay longer and spend more, resulting in greater economic activity and tax generation.

The Event Center will accommodate events hosting up to 6,000 persons and will be publicly constructed, owned, and operated for the benefit of all citizens of the County. At approximately 139,000 square feet, the proposed Event Center will serve multiple uses ranging from traditional flat floor conference and convention center events to tiered seating music, sporting, and entertainment events. The Event Center is anticipated to have several high-quality amenities, including retractable tiered seating, 15,000 square feet of divisible space for large or small meetings and banquets, and architectural design taking advantage of the natural surroundings.

The Project alone is expected to generate a strong economic impact; however, the Event Center combined with the planned US Highway 50 Realignment could generate significantly greater impact. The extent of the combined impact of this Project and US Highway 50 will depend on the synergies between the two projects. In particular, coordination of the response to the projects by stakeholders on both sides of the state line will impact the area's ability to transition into a successful walkable retail-dining-entertainment destination. The fiscal and economic impact analysis for this Project includes a "baseline" scenario and an "induced" scenario. The baseline scenario is based on an assumed minimal amount of cross-impact of the two projects. The induced scenario is based on assumed coordination between the County and the City of South Lake Tahoe and an aggressive response by the casino properties to extend the pedestrian-friendly zone from the state line to the Event Center, so it is tied into the larger visitor village.

The baseline scenario is estimated using a conservative nightly room rate assumption for the new overnight visitors of the Project of \$95, similar to average South Shore shoulder season rates for mid-range properties that are included in data from Smith Travel Research, a globally recognized hospitality data firm. The induced scenario incorporates a somewhat more aggressive assumed nightly rate of \$140, which corresponds to the annual average rate for reporting mid-range properties in South Shore. The conservative room rate assumption reflects the generally lower rates available in the casino hotels than those in South Lake Tahoe.

The market analysis included in the feasibility study for the Project, completed by Convention, Sports & Leisure International (CSL),<sup>3</sup> projects a mix of music concerts, trade shows, corporate meetings, and other events as summarized in the table below.

**Summary of Potential Multi-Use Venue Event Activity**

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Concerts & Entertainment	25	28	28	30	30
Conventions & Conferences	3	4	4	5	5
Public/Consumer Shows	2	3	4	5	5
Corporate & Association Meetings	30	35	40	45	45
Sporting Events	1	2	3	4	5
Banquets/Receptions/Other Events	30	30	35	40	40
<b>Total</b>	<b>91</b>	<b>102</b>	<b>114</b>	<b>129</b>	<b>130</b>

Source: Convention, Sports & Leisure International.

Based on the CSL market analysis, summarized above, the Event Center is projected to host on average about two larger concert-type events per month. The other types of events that are projected to occur with the greatest frequency are corporate events and a variety of smaller receptions. Other large events, such as conventions, consumer shows, and sporting events are expected to occur only a few times per year each. The local casino operators and TDVA have been in discussions on future coordination on the timing of major events to ensure they do not create situations that could overwhelm local capacity and therefore negatively impact each other's events and operations.

Construction of the Project is anticipated to cost approximately \$80 million, generating significant economic activity in the County.

The Project will be funded largely through the issuance of tax allocation bonds secured by the incremental property tax generated by the growth in assessed value in the casino area redevelopment zone during the repayment period.

<sup>3</sup> Convention, Sports & Leisure International; "Feasibility Study for a New Multi-Purpose Entertainment & Conference Center Development on the South Shore;" January 20, 2015.

## Summary of Findings

Overall, the Project is expected to augment visitation by providing a venue that, unlike existing outdoor venues in the immediate area, can accommodate additional visitors during the winter, as well as the fall and spring shoulder seasons, addressing a common economic weakness that is endemic in most resort economies. It is also anticipated that the Project has great synergy with the planned realignment of US Highway 50, which will provide the Project with frontage on a new, highly activated community street that will be accommodating of walking, bicycling, and transit uses. These improvements, in synergy with the Project, are expected to improve overall visitor spending, facilitating industry trends toward more multiple-day visits among a consumer base that is increasingly national and international in nature.

These are specific findings of the Event Center economic impact analysis:

**1. The Event Center is estimated to result in a net fiscal surplus from \$700,000 to \$1.2 million annually, including the County General Fund, Room Tax Fund, and the TDTD Fund.**

Combining the County General Fund, Room Tax Fund, and the TDTD Fund, the Project is estimated to generate revenues ranging from \$900,000 to \$1.4 million annually. These revenues will cover the estimated annual expenditures required by the Event Center of \$200,000 to result in a net fiscal surplus ranging from \$700,000 to \$1.2 million annually. Results of the Fiscal Impact Analysis are presented on **Table 1**.

**2. Through coordination with TDVA or the eventual operator of the Event Center, public safety costs related to the Event Center will be more than offset by Project revenues or be managed through agreements on a per-event basis.**

This expenditure estimate includes consideration of the need for additional sheriff department personnel triggered by construction of the Event Center. While additional staffing will focus on the Tahoe Basin during events, the increased residential and commercial development in the remainder of the County will also benefit from the additional patrol staffing. The share of the increased staffing costs attributable to the Event Center is estimated based on the existing call-for-service dynamics in the County and the anticipated growth in visitation resulting from the Event Center.

The Tahoe Douglas Fire Protection District has indicated that coordination with TDVA or the eventual operator of the Event Center could enable adoption of per diem charges to offset additional fire services costs associated with individual planned events during the initial years of Event Center operation. Eventually, the Event Center is projected to host 25 to 30 annual music concerts, ramping up over a period of several years. These are anticipated to generate similar fire service demands as the Harvey's Summer Concerts. Most of the other events anticipated at the Event Center, particularly corporate-focused events, are projected to generate significantly less fire service demand.

While the Fire Protection District's traditional property tax-funded revenue stream will not directly increase due to the Event Center, some of the additional projected revenue to the County resulting from the Event Center could potentially be allocated to fund future additional services.

**Table 1**  
**Tahoe Event Center**  
**Summary of Estimated Project Fiscal Impact**

Item	Estimated Annual Fiscal Impact	
	Baseline Estimate	Induced Estimate
<b>County Funds</b>		
<b>County General Fund</b>		
Annual Revenues	\$4,900	\$4,900
Annual Expenditures	\$217,300	\$217,300
<b>Annual Surplus/(Deficit)</b>	<b>(\$212,400)</b>	<b>(\$212,400)</b>
<b>Room Tax Fund</b>		
Annual Revenues	\$810,600	\$1,200,500
Annual Expenditures	\$4,300	\$4,300
<b>Annual Surplus/(Deficit)</b>	<b>\$806,300</b>	<b>\$1,196,200</b>
<b>Tahoe-Douglas Transportation District Fund</b>		
Annual Revenues	\$116,600	\$171,800
Annual Expenditures	\$500	\$500
<b>Annual Surplus/(Deficit)</b>	<b>\$116,100</b>	<b>\$171,300</b>
<b>Total All County Funds</b>		
Annual Revenues	\$932,100	\$1,377,200
Annual Expenditures	\$222,100	\$222,100
<b>Annual Surplus/(Deficit)</b>	<b>\$710,000</b>	<b>\$1,155,100</b>
<b>Cumulative Surplus/(Deficit) over 30 years at 2.5% growth</b>	<b>\$31,171,000</b>	<b>\$50,712,000</b>

sum

Source: EPS.

Note: All Values Rounded to the nearest \$100.

**3. The Event Center is projected to generate fiscal revenues for the County ranging from \$900,000 to \$1.4 million annually under the current sales tax distribution method.**

Most of this revenue is from hotel room and licensing taxes. The baseline scenario is based on a variety of sources, primarily consisting of data from the Lake Tahoe Visitors Authority (LTVA) and Smith Travel Research (STR). The average daily rate (ADR) for the baseline scenario is conservatively assumed at \$95. This figure is in-line with the year-round ADRs for midrange-to-upscale hotel properties in South Shore. The induced scenario is based on an assumed combined effect of the Event Center and planned US Highway 50 realignment project along with a positive response from jurisdictions and property owners on both sides of the state line.<sup>4</sup> The ADR assumed in this scenario is \$140, with a proportional increase in other spending on food and beverages and retail goods, relative to the baseline scenario.

<sup>4</sup> Details pertaining to the unique circumstances resulting in the induced scenario are described in the Project description section above.

The induced scenario room rate assumption is in-line with year-round ADRs for luxury hotel properties in South Shore. Actual room rates could be significantly higher during high profile concerts.

The revenues for both scenarios noted above include only minor impacts from increased sales taxes generated in the County because of the County's current status as a rural "Guaranteed County." The estimated increase in sales tax revenue from Event Center attendees that could be realized if the County transitioned from being a Guaranteed County to a "Point-of-Origin County" are roughly in the \$200,000 to \$300,000 range for these two scenarios.<sup>5</sup> This additional potential sales tax revenue is presented as a below-the-line additional revenue source in **Table 2**.

**Table 2**  
**Tahoe Event Center**  
**Summary of Estimated Project Revenues by Source**

Item	Estimated Annual Fiscal Impact (2017\$)	
	Baseline Estimate	Induced Estimate
<b>Revenue Source</b>		
Sales Taxes	\$110,200	\$168,800
Hotel Room and Licensing Taxes	\$816,000	\$1,202,500
All Other Taxes and Fees	\$5,900	\$5,900
<b>Total All County Revenues</b>	<b>\$932,100</b>	<b>\$1,377,200</b>
Increase in Sales Tax Under Point of Origin Tax Scenario	\$208,937	\$320,136
<b>Total All Revenues Under Point of Origin Tax Scenario</b>	<b>\$1,141,037</b>	<b>\$1,697,336</b>

rev source

Source: EPS.

Note: All Values Rounded to the nearest \$100. This summary includes revenues only.

Note that the discussion above includes revenue estimates only. **Table 3** displays a detailed listing of revenues by fund, including the estimated public service costs required by the Project.

<sup>5</sup> Based on discussions with County staff, sales tax generation in the County has been increasing steadily and, if this trend increases, the County would be eligible to become a Point-of-Origin County within the next 5 to 10 years.

**Table 3  
Tahoe Event Center  
Detailed Summary of Estimated Project Annual Revenues and Expenditures**

Item	Estimated Annual Fiscal Impact (2017\$)	
	Baseline Estimate	Induced Estimate
<b>County General Fund</b>		
<b>Revenues</b>		
Property Taxes and Penalties	-	-
State Consolidated Tax	-	-
Sales Tax	-	-
Licenses and Permits	\$1,700	\$1,700
Gaming	\$500	\$500
Charges for Services	\$2,100	\$2,100
Fines and Forfeitures	\$600	\$600
<b>Total Revenues</b>	<b>\$4,900</b>	<b>\$4,900</b>
<b>Expenditures</b>		
General Government	\$11,800	\$11,800
<b>Judicial and Public Safety</b>		
Sheriff Department	\$199,900	\$199,900
Other Judicial and Public Services	\$4,400	\$4,400
<b>Total Judicial and Public Services</b>	<b>\$204,300</b>	<b>\$204,300</b>
Public Works	\$800	\$800
Health and Sanitation	\$400	\$400
<b>Total Expenditures</b>	<b>\$217,300</b>	<b>\$217,300</b>
<b>County General Fund Annual Surplus/(Deficit)</b>	<b>(\$212,400)</b>	<b>(\$212,400)</b>
<b>Room Tax Fund</b>		
<b>Revenues</b>		
Room Tax / TOT	\$466,300	\$687,100
Transient Lodging License Tax	\$233,100	\$343,600
Sales Tax (P.A.L.S.)	\$110,200	\$168,800
Licenses and Permits	\$200	\$200
Charges for Services	\$800	\$800
<b>Total Revenues</b>	<b>\$810,600</b>	<b>\$1,200,500</b>
<b>Expenditures</b>		
<b>Community Services</b>		
Recreation	\$1,400	\$1,400
<b>Total Community Services</b>	<b>\$1,400</b>	<b>\$1,400</b>
County Manager (Finance)	\$2,900	\$2,900
<b>Total Expenditures</b>	<b>\$4,300</b>	<b>\$4,300</b>
<b>Room Tax Fund Annual Surplus/(Deficit)</b>	<b>\$806,300</b>	<b>\$1,196,200</b>
<b>Tahoe-Douglas Transportation District Fund</b>		
<b>Revenues</b>		
Room Tax / TOT	\$116,600	\$171,800
<b>Total Revenues</b>	<b>\$116,600</b>	<b>\$171,800</b>
<b>Expenditures</b>		
Public Works (Transportation)	\$500	\$500
<b>Total Expenditures</b>	<b>\$500</b>	<b>\$500</b>
<b>Tahoe-Douglas Transportation District Fund Annual Surplus/(Deficit)</b>	<b>\$116,100</b>	<b>\$171,300</b>
<b>Total All County Funds</b>		
Annual Revenues	\$932,100	\$1,377,200
Annual Expenditures	\$222,100	\$222,100
<b>Annual Surplus/(Deficit)</b>	<b>\$710,000</b>	<b>\$1,155,100</b>

*det sum*

Source: EPS.

Note: All Values Rounded to the nearest \$100.

**4. The Event Center will support between 350 and 550 ongoing jobs in the County during operations.**

The ongoing direct employment will be supported largely through spending in the local economy by events attendees. This spending includes overnight hotel stays, meals in restaurants, retail spending, gaming and other entertainment and recreation expenditures, and transportation spending. The spending by attendees in these local businesses generates indirect impacts as these businesses make purchases of goods and services from other local businesses. In addition, the employees in these businesses generate additional impacts as they then spend their wages in local businesses.

**5. The Event Center will support more than 800 construction-related jobs in the County.**

The 815 construction phase jobs include 581 direct construction-related jobs, as well as an additional 234 jobs supported by business-to-business spending and the direct employees' spending. Construction phase employment is stated in person-year jobs: 800 construction-year jobs could be 800 jobs over a 1-year period, or 400 jobs over a 2-year period, depending on the length of the construction period. The economic impacts are summarized in **Table 4**.

**6. As context for this analysis, EPS finds the Lake Area generates a positive fiscal impact on the County, even without the Event Center.**

Of the 4 largest revenue sources to the County (Property Tax, Consolidated Tax, Room Tax, and Gaming Revenues), the Lake Area directly generates 40 percent of the County's revenue from those sources. The Lake Area's contribution is displayed on **Table 5**. Further analysis indicates that each year the Lake Area contributes \$7 million more in revenues to key operating funds beyond the cost of providing services.<sup>6</sup>

**7. Effective management and operational strategies potentially will result in fiscal balances exceeding those estimated in this analysis.**

While tax increment will be dedicated to the Project for the period of debt repayment, the benefits of the Project will be realized in perpetuity as long as the Event Center is maintained as a state-of-the-art facility with proper capital reserves for replacement.

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<sup>6</sup> Estimated annual surplus to the County is estimated based on a high-level analysis of the three County Funds most impacted by Project development, the County General Fund, Room Tax Fund, and the TDTD Fund. This analysis establishes baseline conditions within the County prior to any Project development. Where other more specific factors are not available, this analysis is based on per persons served multipliers. For details pertaining to this analysis and the assumptions therein, refer to **Tables E-1 through E-4 in Appendix E**.

**Table 4  
Tahoe Event Center  
Summary of Economic Impacts (2017\$)**

Impact Category	One-time Economic Impacts [1]	Estimated Ongoing Economic Impacts [1]	
		Baseline Estimate	Induced Estimate
<b>Ongoing Annual Impacts [2]</b>			
Industry Output		\$43,761,645	\$65,828,860
Employee Compensation		\$12,043,478	\$18,128,679
Employees [3]		357	537
<b>One-Time Construction Impacts [4]</b>			
Industry Output	\$110,513,612		
Employee Compensation	\$43,379,030		
Employees [5]	815		

*eia*

Source: Minnesota Implan Group, Inc.; EPS.

[1] Includes direct, indirect, and induced economic impacts.

[2] Reflects the ongoing economic impacts of all estimated visitor spending expenditures occurring in Douglas County.

[3] Includes all full and part time jobs.

[4] Reflects the one-time economic impacts generated during the construction of the Project.

[5] Represent total job years lasting over the duration of the project. For instance, a laborer employed for 2 years during construction activity would represent 2 job years.

**Table 5**  
**Tahoe Event Center**  
**Budgeted County Revenues Generated by the Lake**

Item	Revenue Attributed to the Lake Area	Total Countywide	Percentage of County Revenues Generated in the Lake Area
<b>Direct Revenue Generation Categories</b>			
<b>Property Tax Revenue [1]</b>	<b>\$12,051,615</b>	<b>\$30,808,152</b>	<b>39.12%</b>
<i>Area Assessed Value</i>	<i>\$1,156,603,660</i>	<i>\$2,956,684,232</i>	
<b>Consolidated Tax Revenue</b>			
SCCRT Tax Revenue Allocation [2]	\$2,612,169	\$14,591,045	17.90%
<i>SCCRT Tax Revenue Generation</i>	<i>\$1,956,791.35</i>	<i>\$10,930,240</i>	17.90%
BCCRT Tax Revenue [2]	\$628,432	\$3,510,296	17.90%
<i>Persons Served (Incl. Visitors)</i>	<i>11,052</i>	<i>61,735</i>	
Cigarette Tax	\$14,973	\$154,446	9.69%
Liquor Tax [3]	\$6,153.77	\$63,476	9.69%
<i>Population</i>	<i>4,683</i>	<i>48,309</i>	
Real Property Transfer Tax [1]	\$307,268	\$785,485	39.12%
<i>Area Assessed Value</i>	<i>1,156,603,660</i>	<i>2,956,684,232</i>	
<b>Total Direct Consolidated Tax Revenues</b>	<b>\$3,568,996</b>	<b>\$19,104,748</b>	<b>18.68%</b>
<b>Room Tax Revenues (TOT and TLLT)</b>	<b>\$7,034,633</b>	<b>\$8,060,577</b>	<b>87.27%</b>
<b>Gaming License Fee Revenues [4]</b>	<b>\$1,286,854</b>	<b>\$1,361,600</b>	<b>94.51%</b>
<b>Total Direct Revenue Generation Categories</b>	<b>\$23,942,099</b>	<b>\$59,335,077</b>	<b>40.35%</b>
<b>Total County Budget for All Funds</b>		<b>\$122,077,738</b>	
<i>Directly Generated Revenues as Percent of Total</i>		<i>48.60%</i>	
<i>Lake Area Directly Generated Revenues as Percent of Total</i>		<i>19.61%</i>	

*lake share*

Source: Douglas County, Nevada Gaming Commission, Tahoe Douglas Fire Protection District; EPS.

- [1] Assessed Value for the Lake Area is based on the assessed value for the Tahoe Douglas Fire Protection District.
- [2] SCCRT and BCCRT revenue allocations are distributed to the Lake Area based on the total persons served for the area including visitors.
- [3] Following the statewide method for distribution, Cigarette and Liquor Tax is distributed to the lake area based on residential populations.
- [4] Gaming tax distribution is based on the allocation of gaming revenues provided by the Nevada Gaming Commission for FY 2016-17 applied to the FY 2017-18 Gaming Revenue reported in the Douglas County Budget.

## **Fiscal Impact Analysis Methodology and Results**

This section details the underlying methodology and assumptions used to estimate the fiscal impacts of the proposed Project on the County under two scenarios: a baseline scenario and an induced scenario. It describes assumptions concerning municipal service delivery, visitor spending estimates, and General Fund budgeting. In addition, this section details the methodology used to forecast revenues and expenditures annually resulting from the Project.

This analysis examines the Project's ability to generate adequate revenues to cover the County's cost of providing public services to the proposed Project. The services analyzed in this study comprise County General Fund services (e.g., police, judicial services, general government), Room Tax Fund services, and TDTD Fund services.

### **General Assumptions**

The analysis is based on the County's Fiscal Year (FY) 2017–18 Adopted Budgets, tax regulations and statutes current as of June 2018, and other general assumptions discussed herein. Each revenue item is estimated based on current State of Nevada (State) legislation and current County practices. Future changes by either State legislation or County practices can affect the revenues and expenditures estimated in this analysis. All costs and revenues are shown in constant 2017 dollars. General fiscal and demographic assumptions are detailed in **Table A-1** in **Appendix A**.

EPS consulted the County's budget documents to develop forecasting methodologies for specific revenues and expenditures affected by new development in the proposed Project and the associated increase in tourism. In addition, EPS consulted with the County's Finance Department and Sheriff to clarify budget data and refine assumptions related to revenue and expenditure estimates.

The actual fiscal impacts of the Project will vary from those presented in this analysis if development plans or other assumptions (e.g., visitor spending, sales tax revenue assumptions) change from those on which this analysis is based.

### **Development Assumptions**

Employee estimates for Event Center land uses are based on assumptions regarding average building square feet per employee, based on EPS research of employment dynamics of similar event center facilities, as shown in **Table A-2** in **Appendix A**.

### **Revenue-Estimating Methodology**

Depending on the revenue item, EPS used either a marginal-revenue case-study approach or an average-revenue approach to estimate Project-related General Fund, Room Tax Fund, and TDTD Fund revenues.

The marginal-revenue case-study approach simulates actual revenue generation resulting from new development and associated growth in tourism. The case-study approach for estimating sales and use tax revenues, for instance, forecasts taxable spending from increased tourism resulting from Project development. Case studies used in this analysis are discussed in greater detail in the following sections.

The average-revenue approach uses the County's FY 2017-18 budgeted revenue amounts on a countywide per capita or per-persons-served basis to forecast General Fund revenues derived from estimated employees of the Project.<sup>7</sup> Because of the unique nature of the Project and the importance of tourism in the County, this analysis uses a per capita-with-visitors basis for several revenue and expenditure categories. It is assumed that a daily visitor would have an impact less than a resident and similar to that of an employee for certain revenue and expenditure categories. Total Persons Served with visitors includes all County residents and one-half of County employees and daily visitors.

Revenue sources that are *not* expected to increase as a result of development are excluded from this analysis. These sources of revenue are not affected by development because either they are one-time revenue sources not guaranteed to be available in the future or there is no direct relation between increased employment growth and increased revenue. In addition, property taxes are excluded from this analysis because the Project is located in a recently created Redevelopment Area. It is assumed that any growth in property tax revenues would be captured by the Redevelopment Area and not be retained by the County General Fund.

A listing of all fund revenue sources and the corresponding estimating procedure used to forecast future Project revenues is shown in **Table B-1** in **Appendix B**.

### **Sales Tax**

Estimated sales tax revenues are calculated based on the estimated taxable sales resulting from increased visitor spending, countywide sales tax rates, and the State Consolidated Sales Tax allocation to the County.

### Taxable Visitor Spending Estimation

Based on information provided by CSL, this analysis is based on the assumption that the Event Center will draw in approximately 157,000 attendees. Of these 157,000 attendees, it is assumed that 57 percent of visitors will be overnight visitors.<sup>8</sup> Local visitors are likely to spend money in the County with or without the Project and do not represent new spending in the County. EPS excludes local visitor spending from this analysis, estimating that 90 percent of day visitors and 100 percent of overnight visitors will be non-local visitors. **Table D-1** in **Appendix D** details the calculation of estimated out-of-town visitors. **Table D-2** estimates the total travel spending of visitors based on visitor type under existing conditions.

Once the total visitor spending resulting from the Project is established, EPS further allocated visitor spending across several spending categories, based on information provided by SMG Consulting and the LTVA 2016 spending percentages, adjusted to account for differences

<sup>7</sup> A *per capita* basis of estimating revenues is based on the assumption only residents have a fiscal impact on County revenues. A *per-persons-served* basis of estimating revenues is used to take into account that businesses (and their employees) have a fiscal impact on many County revenues but at a lower level than residential development's impact. Because this Project does not contain any new residents, revenue categories with a per capita multiplier method do not result in new revenue generated by the Project and has been excluded from the analysis.

<sup>8</sup> Based on the LTVA Summer 2017 Concert Survey, prepared by SMG Consulting. While the number of attendees is based on the CSL study, it is assumed that the visitor dynamics of attendees for Event Center events will be similar to visitor dynamics for the 2017 summer concert series.

between overnight and day visitors. The estimated capture of total visitor spending in each spending category by the County is estimated to exclude visitor spending that would occur in California. Total spending in the County is further adjusted to account for the percentage of spending in each category that is considered taxable. **Table D-3A** shows the estimated taxable sales in the County from visitor spending under existing conditions.

The visitor spending assumptions used in the existing SMG study included consideration of several alternative lodging options resulting in low average daily spending for lodging, not representative of anticipated Event Center visitors. The baseline scenario adjusts the existing spending levels based on an average daily room rate of \$95, representative of conservative estimates of average room rates for the local hotel market. As described in previous sections, induced scenario spending is based on an average daily room rate of \$140. **Table D-4** estimates the lodging spending by scenario. **Tables D-3B** and **D-3C** use the increased lodging expenditure to calculate the total taxable sales for the County under each scenario.

#### Sales Tax Estimation

The visitor retail spending estimates are used to calculate two key sales tax revenues: Basic City County Relief Tax (BCCRT), known as the P.A.L.S. sales tax, and Supplemental City County Relief Tax (SCCRT). These revenues are calculated based on the sales tax rates of 0.5 percent and 1.75 percent for BCCRT and SCCRT, respectively. Although both BCCRT and SCCRT are components of the State Consolidated Tax revenue submitted to the State before being redistributed to the various counties across the State, the 2 taxes are handled very differently by the State. BCCRT revenues are fully retained by the county in which the revenue is generated. In the case of SCCRT, the amount retained by the County will differ based on the County's status as a Point-of-Origin or Guarantee County. A Guarantee County does not retain the SCCRT revenues generated in the county but instead receives a set rural guarantee amount of SCCRT revenues, which typically is higher than the revenues generated by the County. A Point-of-Origin County is one in which revenue generation is greater than that guaranteed to rural counties by at least 10 percent. Point-of-Origin Counties contribute approximately 2 percent of SCCRT revenues generated to supplement Guarantee Counties but retain the remainder of SCCRT revenues generated in the County.

The County is a Guarantee County. As such, this analysis estimates tax revenues retained by the County as a Guarantee County. The estimated P.A.L.S. sales tax revenue (BCCRT), as estimated by applying the BCCRT tax rate to taxable visitor spending under each scenario, is retained by the County and applied to the Room Tax Fund. **Table B-3** shows the estimation of P.A.L.S. sales tax revenue generated by the Project. In addition, **Table B-3** calculates the potential SCCRT revenues that could be retained should the County become a Point-of-Origin County and allocates the revenues to the various County funds based on the allocated consolidated tax for the County in 2017, as provided by the Nevada Department of Taxation.

#### **Hotel Tax Revenues**

EPS calculated the amount of transient occupancy tax, transient lodging license tax, and transient lodging rental tax, based on current tax rates and the estimated portion of visitor spending spent on lodging in the County for each scenario. Hotel tax revenue estimation is calculated on **Table B-4**.

## Expenditure-Estimating Methodology

Expenditure estimates are based on the County's FY 2017-18 Adopted Budgets and supplemental information from County staff. All County General Fund, Room Tax Fund, and TDTD Fund expenditure items are listed on **Table C-1** in **Appendix C**.

County department expenditures that are expected to be affected by the proposed Project and existing zoning are forecasted using an average-cost or case-study approach.

Expenditures affected by residents and employees are projected using a *per-person-served* average expenditure multiplier and include the department functions listed below:

- General Government
- Judicial and Public Services
- Public Works
- Health and Sanitation
- Community Services
- County Manager
- Library

### ***Sheriff Department Expenditures***

Sheriff department expenditures are calculated using a case-study methodology based on the FY 2017-18 budgeted expenditures and the average share of sheriff calls generated by Stateline Casino Area. Based on conversations with the County Undersheriff, completion of the Project would trigger the need for 6 additional deputies to serve both the Project area and existing household growth in the County. To account for this need, EPS increased the FY 2017-18 budgeted sheriff expenditures by the annual cost of these additional deputies to arrive at an adjusted annual sheriff budget required for the County as a whole. The Stateline Casino Area generated 18.3 percent of all sheriff calls in the County. The share of sheriff calls generated by the Stateline Casino Area is applied to the adjusted sheriff budget calculated above to arrive at the total FY 2017-18 expenditures allocated to the Stateline Casino Area. Because of the unique nature of the Project, it is assumed that increases to sheriff expenditures would correlate with a growth in visitation. As such, EPS calculated a per-visitor estimate of sheriff expenditures and applied this estimate to the anticipate growth in daily visitors to arrive at the estimated sheriff department expenditures required by the Project. Sheriff department expenditures are calculated on **Table C-3**.

### **Fiscal Impact Results**

For each scenario, **Table 1** presents a summary of the estimated net fiscal surplus or deficit for each County fund, both independently and as a total impact on the County. **Table 3** identifies General Fund, Room Tax Fund, and TDTD Fund net fiscal impact results for all revenue and expenditure categories resulting from development of the Event Center.

### ***Combined Fiscal Impact***

Combining the County General Fund, Room Tax Fund, and TDTD Fund, the Project is estimated to generate revenues ranging from \$930,000 to \$1,380,000 annually. These revenues will cover the estimated annual expenditures required by the Event Center of \$220,000 to result in a net fiscal surplus ranging from \$710,000 to \$1,160,000 annually. The largest sources of revenues driving this surplus are hotel tax revenue categories. Transient occupancy tax, transient lodging license tax, and transient lodging rental tax generate approximately \$816,000 in annual revenues under the baseline scenario and \$1.20 million in the induced scenario, accounting for

87 percent of all estimated revenues. As described previously, sheriff expenditures account for approximately 90 percent of all County expenditures estimated in this analysis.

### **County General Fund**

As key revenues flowing from the Project are captured in other County funds, development of the Event Center is anticipated to result in an annual net fiscal deficit to the County General Fund of approximately \$212,000 under both scenarios. The estimated deficit is a result of the unique nature of the Project combined with current General Fund revenue dynamics. Based on the FY 2017-18 Adopted Budget, the County General Fund is funded largely by property tax and State consolidated tax revenues, accounting for nearly 75 percent of all General Fund revenues. Because of the publicly owned nature of the Event Center and the County's status as a Guarantee County, these two major revenue sources are not anticipated to be impacted by development of the Event Center.

In addition, the largest expenditure category generated by the Event Center, sheriff department expenditures, are funded primarily through the General Fund. General Fund expenditures account for 98 percent of all County expenditures required to provide County services to the Event Center. Should the County become a Point-of-Origin County in the future, the additional sales tax revenue generated could bring this deficit to a breakeven level under the baseline scenario and a surplus under the induced scenario.

### **Room Tax Fund**

The Room Tax Fund is anticipated to realize an annual surplus ranging from approximately \$810,000 under the baseline scenario to \$1.20 million under the induced scenario. The Room Tax Fund receives the majority of revenues generated by the Event Center, ranging from \$810,000 to \$1.2 million, accounting for 87 percent of all analyzed revenues. These significant revenues largely are due to transient occupancy taxes and transient lodging license taxes, ranging from \$699,000 to \$1.03 million, combined.

### **Tahoe-Douglas Transportation District Fund**

Largely because of transient lodging rental tax revenues ranging from \$117,000 to \$172,000, the TDTD Fund is anticipated to realize a net fiscal surplus ranging from \$116,000 to \$171,000, under the baseline and induced scenarios, respectively.

## **Lake Area Contribution to the County**

In addition to calculating the net fiscal impact development of the Event Center will have on the County, EPS analyzed the importance of the Lake Area to overall County revenues. The County receives significant revenues that can be directly allocated to activities occurring in the Lake Area, including Property Tax, Consolidated Tax, Room Tax, and Gaming Revenues. Based on the County budget for FY 2017-18, EPS estimates that of the \$59.3 million in revenue generated by these categories, \$23.9 million can be directly allocated the Lake Area, 40.4 percent of all revenues in these categories. Directly generated revenue categories account for 48.6 percent of all County revenues for all funds, and the directly generated revenues in the Lake Area account for 19.6 percent. These percentages do not include any revenues for the Lake Area beyond the 4 categories noted above, while the overall County revenues include several other categories that can in part be allocated to the Lake Area. **Table 5** shows the estimated directly generated revenues attributed to the Lake Area.

Using a high-level analysis of the County General Fund, Room Tax Fund, and TDTD Fund budgets, EPS estimates that the Lake Area generates a surplus of approximately \$7 million to these funds annually. Based on the methods described below for the listed revenues and a persons-served allocation for all other revenue categories, the \$20 million in revenue to these funds can be allocated to the Lake Area, which is 35 percent of all fund revenues. The Lake Area is estimated to be responsible for 20 percent of fund expenditures or approximately \$13 million annually. This expenditure estimation is based on a per-persons-served allocation for all expenditure categories, except sheriff expenditures, which are allocated based on the percentage of sheriff calls for service generated in the Stateline Casino Area. **Table E-1 in Appendix E** shows the estimated allocation of County General Fund, Room Tax Fund, and TDTD Fund revenues and expenditures.

### **Property Tax Revenue**

Of the \$30.8 million in property tax revenues generated in the County, approximately \$12.1 million is estimated to be generated by the Lake Area. This allocation is based on the percentage of countywide property assessed value contained in the Lake Area, defined by the total assessed value for the Tahoe-Douglas Fire Protection District.

### **Consolidated Tax Revenue**

Of the \$19.0 million in consolidated tax revenues received by the County, 18.71 percent or \$3.6 million is estimated to be allocable to the Lake Area. Consolidated tax revenue distribution to the County includes funds from several sources, including BCCRT, SCCRT, cigarette tax, liquor tax, and real property transfer tax. Sales tax revenue categories, SCCRT, and BCCRT, have been allocated based on the share of 17.9 percent of total persons served, including visitors, in the Lake Area and countywide. Following the statewide method for distribution, cigarette and liquor taxes are distributed to the Lake Area based on residential populations, allocating 9.7 percent of these revenues to the Lake Area. Similar to property tax revenue described above, real property transfer tax has been allocated based on the percentage of countywide assessed value contained in the Lake Area.

### **Room Tax Revenues**

The amount of transient occupancy tax revenues generated by the Lake Area and the County in 2017 as provided by the County was used to establish the share of room tax revenues generated by the Lake Area. This analysis estimates that 87.3 percent of the \$8.1 million in countywide room tax revenues, or \$7.0 million, are generated in the Lake Area.

### **Gaming Revenues**

EPS distributed gaming tax revenues based on the allocation of gaming revenues provided by the Nevada Gaming Commission for FY 2016-17 applied to the FY 2017-18 Gaming Revenue reported in the County Budget, resulting in 94.5 percent of countywide gaming revenues, or \$1.3 million, allocated to the Lake Area.

## **Economic Impact Analysis Methodology and Results**

The following section quantifies the ongoing economic impacts resulting from activities in this region of the County. Specifically, the Economic Impact Analysis quantifies the level of output (i.e., value of goods and services), employment, and employee compensation in the local

economy that are directly attributable to the growth in visitor spending resulting from the Project. This analysis also evaluates the one-time economic impacts generated by Project construction.

### **One-Time Economic Impacts**

One-time construction impacts are estimated based on the estimated construction costs for the Project of \$80,000,000 as provided by the Project Applicant. Total one-time economic impacts of construction are show on **Table F-1**.

### **Ongoing Economic Impacts**

Ongoing economic impacts are quantified based on increased visitor expenditures in the County resulting from the Project under two scenarios: the baseline scenario and the induced scenario. Estimated visitor spending is calculated based on the estimated number and type of visitors attending events at the Event Center. Applying visitor spending assumptions provided by SMG Consulting, LTVA, and CSL, EPS arrived at the total spending in the County as described in the previous section. Total visitor spending in the County is shown in **Table D-3B** for the baseline scenario and **Table D-3C** for the induced scenario. Visitor spending is shown in 8 major spending categories:

- Lodging
- Food and Beverage
- Entertainment
- Retail Sales
- Transportation
- Gaming
- Recreation
- Other

The ongoing economic impacts for each spending category under each scenario is calculated independently and combined to estimate the total ongoing economic impacts of visitor spending for each scenario. Total ongoing economic impacts are shown on **Table F-2** and **Table F-3** for the baseline and induced estimates, respectively.

For those impacts quantified, the analysis uses an input/output (I/O) modeling framework to calculate the Project's contribution to countywide output, jobs, and employee compensation. As further described below, the I/O modeling framework is premised on the concept that industries in a particular geographic area are interdependent, and thus, the total contribution of any one establishment's activity is larger than its individual (direct) output or employment. Consequently, an establishment's economic activity has a "multiplier" effect that generates successive rounds of spending and output in other economic sectors in a particular region.

## **Overview of I/O Modeling**

Industries in a geographic region are interdependent in the sense that they purchase outputs from and supply inputs to other industries. For example, consider the implications of restaurant expenditures. Restaurants purchase goods from producers, which in turn purchase raw materials from suppliers. Thus, an increase/decrease in restaurant activity will stimulate an increase/decrease in output and employment in the interdependent secondary industries.

This regional economic impact analysis relies on IMPLAN (Impact Analysis for Planning) software, an I/O model that draws on data collected by the Minnesota IMPLAN Group (MIG) from several state and federal sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics (BLS), and the Census Bureau. The model is widely used for estimating economic impacts across a wide array of industries and economic settings.

Regional economic impact analysis and I/O models in particular provide a means to estimate total regional effects stemming from a particular industry. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from some initial activity (e.g., hotel or restaurant expenditures). I/O models rely on economic multipliers that mathematically represent the relation between the initial change in one sector of the economy and the effect of that change on economic output, income, or employment in other local industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues in the regional economy.

### **Interpretation of Model Results**

Economic impacts using an I/O model are based on an initial change in output or employment in some sector. The model then translates that initial change into changes in demand for output from other interdependent sectors, corresponding changes in demand for inputs to those sectors, and so on. These effects are commonly described as direct, indirect, or induced effects and are generally defined as follows:

- The **direct effect** represents the change in output or employment attributable to a change in demand or increased supply. For example, the total sales generated by a new business or the total employees hired by that business would represent the direct impact on the regional economy.
- The **indirect effect** results from industry-to-industry transactions required to satisfy the direct effect. This effect is a measure of the change in the output of suppliers linked to the industry that is directly affected. For example, the casino resorts frequented by Project visitors purchase numerous goods from local suppliers, including food, laundry services, and equipment.
- The **induced effect** consists of impacts from employee spending in the local economy. Specifically, the employees of directly and indirectly affected businesses generate this effect by purchasing goods and services in the local economy.

The total impact is the sum of the direct, indirect, and induced effects. The total effect measures the impact of an activity as it “ripples” throughout the regional economy. The regional economic effects described above are reported in 3 categories:

- **Annual Output:** Annual output measures the value of goods and services produced in the County as a result of business operations. The estimated growth in visitor spending on lodging and retail is used to estimate the annual output resulting from Project activities. Estimated construction costs were used for one-time construction impacts.
- **Employment:** Employment estimates the total number of jobs, both full-time and part-time, created as a result of the Project. Employment is reported in job years. Construction

employment represents total job years over the life of the Project (1 job lasting 2 years would be reported as an employment impact of "2").

- **Employee Compensation:** Employee compensation reflects the total payroll costs of each employee of the subject business (wages, salary, benefits, and employer-paid payroll taxes). Employee compensation represents a portion of the value generated by visitor spending activities and is one component of the total output described above.

### **Caveats to I/O Modeling**

Several important caveats are relevant to interpreting IMPLAN model estimates. First, IMPLAN relies on I/O relations derived from 2016 data (latest available from IMPLAN). Thus, EPS's analysis is based on the assumption that this characterization of the economy is a reasonable approximation of current conditions. To the extent that significant structural changes have occurred in the regional economy since 2016, EPS's results may not account for such changes. However, the magnitude and direction of any such change is unknown.

Second, the I/O methodology is based on the assumption that an industry's demand for goods and services results in a corresponding increase in supply and therefore employment. This implies that key industry suppliers can increase output rather than shift output from one set of consumers or products to another. This assumption may not hold in areas with tight labor or capital markets because companies may find it difficult to obtain these inputs or other resources necessary to expand production. In these cases, accommodating an establishment's demand for labor and other inputs may come at the expense of other establishments in the same or related sectors or may need to be satisfied by increased imports from outside the study area. This phenomenon is often referred to as "crowding out" because the sector being stimulated tends to crowd out other sectors, which can reduce the net economic gain.

### **One-Time Economic Impact Results**

One-time economic impacts are generated by construction and as such are limited to the development period of the construction. To the extent that construction activity is short term and construction labor markets are tight, construction impacts may represent a shift of resources from other projects in the County. This Technical Memorandum therefore reports gross economic impacts, not accounting for potential shifts in resources. In addition, induced economic impacts are also included. To the extent that construction labor is used temporarily and laborers may live outside the County, these impacts may be overstated. Construction impacts are based on the estimated hard construction costs for the Project of \$80 million. Note that the employment figures reported for construction impacts represent total job years lasting over the duration of the Project and could reflect the same job that extends over multiple years. For instance, a general laborer employed for 2 years during construction activity would represent 2 job years.

One-time economic impacts will be generated by construction of the Project, with a total output of \$110.5 million. It is anticipated that 581 job years will be directly generated by construction, with an additional 86 indirect and 148 induced job years.

## One-Time Construction Impacts

Table F-1 details the estimated one-time economic impacts associated with construction of the Project as described below:

- **Annual Output:** Construction operations are estimated to generate approximately \$80.0 million in direct one-time industry output. Local spending will result \$30.5 million in indirect and induced one-time impacts, for a total one-time industry output impact of \$110.5 million.
- **Employee Compensation:** Of the \$80.0 million in direct industry output reported above, approximately \$34.1 million will be received by construction employees in the form of salary, wages, and benefits. Indirect employee compensation impacts total approximately \$4.1 million, and induced employee compensation totals approximately \$5.1 million, for a total annual employee compensation impact of approximately \$43.4 million.
- **Annual Employment:** The 581 direct job years generate approximately 86 indirect jobs and 148 induced jobs, for a total employment impact of approximately 815 jobs.

## Ongoing Economic Impact Results

Ongoing economic impacts are also measured on a gross annual impact basis, not accounting for shifts in consumer expenditures from other local alternatives. Based on a baseline level of growth of economic activity associated with the Project and the subsequent growth in visitor spending, approximately \$44.1 million (measured in 2017 dollars) in total output (or economic activity) is generated in the County annually as a result of the Project.

This baseline output estimates 242 projected jobs directly associated with visitor spending, with an additional 73 indirect and 42 induced jobs, for a total of nearly 357 jobs in the County resulting from the Project, with a total of approximately \$12.0 million earned in employee compensation (wages and benefits).

Under an induced spending scenario, the Project is anticipated to generate approximately \$66.8 million in total output annually. This output is based on 364 new direct jobs, with an additional 110 indirect and 63 induced jobs, for a total of 537 jobs.

It should be noted that the additional employment will likely include some combination of full-time and part-time positions, including extended hours for a significant share of existing part-time jobs.

### Baseline Estimate

Table F-2 details the estimated annual ongoing impacts associated with Project operation, with baseline visitor spending growth estimates as described below:

- **Annual Output:** Baseline visitor spending growth estimates are estimated to generate approximately \$29.2 million in direct industry output annually. Local spending will result in approximately \$9.2 million in indirect industry output impacts, and \$5.3 million in induced impacts annually, for a total industry output impact of \$43.8 million on an annual basis.

- **Employee Compensation:** Of the \$29.2 million in direct industry output reported above, approximately \$8.0 million will be received by employees in the form of salary, wages, and benefits. Indirect and induced employee compensation impacts total approximately \$4.0 million for a total annual employee compensation impact of approximately \$12.0 million.
- **Annual Employment:** The 242 direct employees will generate approximately 73 indirect and 42 induced jobs annually for a total employment impact of approximately 357 jobs on an annual basis.

### Induced Estimate

**Table F-3** details the estimated annual ongoing impacts associated with Project operation, with higher induced visitor spending growth estimates as described below:

- **Annual Output:** Induced visitor spending growth estimates are estimated to generate approximately \$44.0 million in direct industry output annually. Local spending will result in approximately \$13.8 million in indirect industry output impacts and \$8.0 million in induced impacts annually for a total industry output impact of \$65.8 million on an annual basis.
- **Employee Compensation:** Of the \$44.0 million in direct industry output reported above approximately \$12.1 million will be received by employees in the form of salary, wages, and benefits. Indirect and induced employee compensation impacts total approximately \$6.0 million for a total annual employee compensation impact of approximately \$18.1 million.
- **Annual Employment:** The 364 direct employees will generate approximately 110 indirect and 63 induced jobs annually for a total employment impact of approximately 537 jobs on an annual basis.

APPENDICES:

Appendix A: General Assumptions

Appendix B: County Funds Revenue Analysis

Appendix C: County Funds Expenditure Analysis

Appendix D: Visitor Spending Estimation Tables

Appendix E: Lake Area Allocation Estimation  
Tables

Appendix F: Economic Impact Analysis



**APPENDIX A:**  
**General Assumptions**

Table A-1	General Assumptions .....	A-1
Table A-2	Land Use Assumptions .....	A-2
Table A-3	Persons Served Calculation .....	A-3



**Table A-1  
Tahoe Event Center  
General Assumptions**

Item	Assumption
General Assumptions	FY 2017-18
Base Fiscal Year [1]	
<b>General Demographic Characteristics</b>	
<b>Douglas County</b>	
Population [2]	48,309
Employees [3]	19,600
Douglas County Persons Served [4]	58,109
Existing Douglas County Daily Visitor Count [5]	7,252
Douglas County Persons Served (with Visitors) [6]	61,735

*gen assumps*

Source: US Census; Douglas County; EPS.

- [1] Reflects the Douglas County Fiscal Year 2017-18 adopted budget. Revenues and expenditures are in 2017 dollars. This analysis does not reflect changes in values resulting from inflation or appreciation.
- [2] Based on population estimates provided by the United States Census, dated January 1, 2017.
- [3] Total countywide employment calculated as 2015 employment count provided by the US Census of 16,756 jobs in Douglas County. This number is escalated to 2017 numbers using the average annual job growth for the State of Nevada from 2015 to 2017 of 3.21% annually. An additional 10% adjustment has been made to account for self-employed workers, and rounded to the nearest hundred employees.
- [4] Defined as total County population plus half of total employees in the City.
- [5] Refer to Table D-5 for details.
- [6] It is assumed that a daily visitor would have an impact less than a resident and similar to that of an employee for certain expenditure categories, specifically sheriff and fire expenditures. Total Persons Served with visitors includes all County residents and one-half of County employees and daily visitors.

Table A-2  
Tahoe Event Center  
Land Use Assumptions

Item	Building Square Feet	Square Feet per Employee [1]	Employees [2]
Event Center	138,550	2,500	55

Source: Douglas County; EPS.

[1] Square feet per employee assumption is based on EPS research into the employment dynamics of similar event center facilities.

[2] Employees represent full-time employment for the operation of the Event Center. Employee counts will be significantly higher with short-term part-time employees on event days.

**Table A-3**  
**Tahoe Event Center**  
**Persons Served Calculation**

Item	Count
Total Project Employment [1]	55
<b>Total Project Persons Served [2]</b>	<b>28</b>
Total Annual Project Out-of-Town Visitors	150,153
Estimated Daily Project Visitors	411
<b>Total Project Persons Served (With Visitors) [3]</b>	<b>233</b>

*served*

Source: EPS.

- [1] Employees represent full-time employment for the operation of the Event Center. Employee counts will be significantly higher with short-term part-time employees on event days.
- [2] A persons-served adjustment is made to account for the difference in revenues generated and services required for employees as opposed to residents. As the Project does not generate new residential land uses, persons served is calculated as one-half of employees.
- [3] It is assumed that a daily visitor would have an impact less than a resident and similar to that of an employee for certain expenditure categories, specifically sheriff and fire expenditures. Total Persons Served with visitors includes all County residents and one-half of County employees and daily visitors.

## APPENDIX B:

### County Funds Revenue Analysis

Table B-1	Revenue-Estimating Procedures Based on Douglas County FY 2017-18 Budget.....	B-1
Table B-2	Estimated Project Revenues.....	B-2
Table B-3	Estimated Sales Tax Revenue .....	B-3
Table B-4	Estimated Hotel Tax Revenues .....	B-4



Table B-1  
 Tahoe Event Center  
 Revenue-Estimating Procedures Based on Douglas County FY 2017-18 Budget (2017\$)

Item	Estimating Procedure	Case Study Reference	FY 2016-17 Budgeted Revenues	Service Population [1]	Revenue Multiplier
<b>General Fund Revenues</b>					
Property Taxes and Penalties	[1]	N/A	\$20,395,155	N/A	-
State Consolidated Tax	[2]	Table B-3	\$11,650,581	N/A	-
Sales Tax	[2]	Table B-3	-	N/A	-
Licenses and Permits	Persons Served	N/A	\$3,618,600	58,109	\$62.27
Gaming	Persons Served	N/A	\$965,000	58,109	\$16.61
Intergovernmental	[3]	N/A	\$1,025,820	N/A	-
Charges for Services	Persons Served	N/A	\$4,487,202	58,109	\$77.22
Fines and Forfeitures	Persons Served	N/A	\$1,168,700	58,109	\$20.11
Miscellaneous	[3]	N/A	\$223,000	N/A	-
Transfers In	[3]	N/A	\$988,424	N/A	-
<b>Total General Fund Revenues</b>			<b>\$44,522,482</b>		
<b>Room Tax Fund</b>					
Room Tax/TOT	Case Study	Table B-4	\$5,506,732	N/A	-
Transient Lodging License Tax	Case Study	Table B-4	\$1,915,384	N/A	-
Sales Tax (P.A.L.S.)	Case Study	Table B-3	\$1,739,389	N/A	-
Licenses and Permits	Persons Served	N/A	\$400,000	58,109	\$6.88
Intergovernmental	[3]	N/A	-	N/A	-
Charges for Services	Persons Served	N/A	\$1,600,500	58,109	\$27.54
Miscellaneous	[3]	N/A	\$56,000	N/A	-
Transfers In	[3]	N/A	\$1,631,155	N/A	-
<b>Total Room Tax Fund</b>			<b>\$12,849,160</b>		
<b>Tahoe-Douglas Transportation District Fund</b>					
Room Tax/TOT	Case Study	Table B-4	\$553,846	N/A	-
Miscellaneous	[3]	N/A	\$1,000	N/A	-
<b>Total Tahoe-Douglas Transportation District Fund</b>			<b>\$554,846</b>		
<b>Total All County Funds</b>			<b>\$57,926,488</b>		

rev calc

Source: Douglas County Fiscal Year 2017-18 Annual Adopted Budget; EPS.

- [1] The Project is located in a recently created Redevelopment Area. It is assumed that any growth in property tax revenues would be captured by the Redevelopment Area and not be retained by the County General Fund.
- [2] Douglas County is a rural guarantee county, meaning that the County receives the guaranteed amount of Supplemental City County Relief Tax (SCCRT) assigned to rural counties. Based on this arrangement, it is assumed that additional SCCRT generated by the Project will not impact the amount of this revenue received by the County in the base scenario. Should the County elect to become an exporter County in the future, the County would receive the bulk of the SCCRT revenues calculated on this table. Refer to Table B-3 for details.
- [3] This revenue source is not anticipated to be impacted by Project development.

Table B-2  
Tahoe Event Center  
Estimated Project Revenues (2017\$)

Item	Source/Estimating Method	Estimated Annual Net Revenues	
		Baseline Estimate	Induced Estimate
<b>County Fund Revenues</b>			
<b>General Fund Revenues</b>			
Property Taxes and Penalties	[1]	-	-
State Consolidated Tax	[2]	-	-
Sales Tax	[2]	-	-
Licenses and Permits	Persons Served	\$1,726	\$1,726
Gaming	Persons Served	\$460	\$460
Charges for Services	Persons Served	\$2,140	\$2,140
Fines and Forfeitures	Persons Served	\$557	\$557
<b>Total General Fund Revenues</b>		<b>\$4,883</b>	<b>\$4,883</b>
<b>Room Tax Fund</b>			
Room Tax/TOT	Table B-4	\$466,268	\$687,132
Transient Lodging License Tax	Table B-4	\$233,134	\$343,566
Sales Tax (P.A.L.S.)	Table B-3	\$110,173	\$168,809
Licenses and Permits	Persons Served	\$191	\$191
Charges for Services	Persons Served	\$763	\$763
<b>Total Room Tax Fund</b>		<b>\$810,529</b>	<b>\$1,200,460</b>
<b>Tahoe-Douglas Transportation District Fund</b>			
Room Tax/TOT	Table B-4	\$116,567	\$171,783
<b>Total Tahoe-Douglas Transportation District Fund</b>		<b>\$116,567</b>	<b>\$171,783</b>
<b>Total All County Funds</b>		<b>\$931,978</b>	<b>\$1,377,126</b>

revs

Source: Douglas County; EPS.

[1] The Project is located in a recently created Redevelopment Area. It is assumed that any growth in property tax revenues would be captured by the Redevelopment Area and not be retained by the County General Fund.

[2] Douglas County is a rural guarantee county meaning that the County receives the guaranteed amount of Supplemental City County Relief Tax (SCCRT) assigned to rural counties. Based on this arrangement, it is assumed that additional SCCRT generated by the Project will not impact the amount of this revenue received by the County in the low scenario. Should the County elect to become an exporter county in the future, assumed in the high scenario, the County would receive the bulk of the SCCRT revenues calculated in Table B-3 for details.

Table B-3  
Tahoe Event Center  
Estimated Sales Tax Revenue

Item	Assumption/ Source	Formula	Estimated Sales Tax	
			Baseline Estimate	Included Estimate
Estimated Taxable Sales [1]	Table D-3	a	\$22,034,564	\$33,761,713
P.A.L.S. Sales Tax Revenue [2]	0.50%	$b = a * 0.50\%$	\$110,173	\$168,809
<b>Supplemental City County Relief Tax (SCCRT) [3]</b>				
SCCRT	1.75%	$c = a * 1.75\%$	\$385,605	\$590,830
Contribution to Rural Counties [4]	2.00%	$d = c * 2.00\%$	(\$7,712)	(\$11,817)
<b>Total Consolidated Tax Revenues</b>		$e = c + d$	<b>\$377,893</b>	<b>\$579,013</b>
Douglas County Share [5]	55.29%	$f = e * 55.29\%$	\$208,937	\$320,136
Tahoe-Douglas Fire Protection District [5]	20.61%	$g = e * 20.61\%$	\$77,884	\$119,335
Other Towns and Special Districts [5]	24.10%	$h = e * 24.10\%$	\$91,072	\$139,542

sales tax

Source: Douglas County; State of Nevada Department of Taxation; EPS.

- [1] Refer to Table D-3A, Table D-3B, and Table D-3C for details.
- [2] The County retains the full 1/2 percent Basic City County Relief Tax generated in the County.
- [3] Douglas County is a rural guarantee county meaning that the County receives the guaranteed amount of Supplemental City County Relief Tax (SCCRT) assigned to rural counties. Based on this arrangement, it is assumed that additional SCCRT generated by the Project will not impact the amount of this revenue received by the County in the base scenario. Should the County elect to become an exporter county in the future, the County would receive the bulk of the SCCRT revenues calculated on this table.
- [4] Based on conversations with County staff, exporter counties have historically contributed approximately 2 percent of collections to assist in subsidizing rural counties.
- [5] The share of the consolidated tax revenues allocated to the County, towns, and special districts is based on the allocation of the base allocated consolidated tax amount for Douglas County in 2017. It is assumed that additional revenues would be distributed proportionally.

# DRAFT

Table B-4  
Tahoe Event Center  
Estimated Hotel Tax Revenues

Item	Assumption/ Source	Baseline Estimate	Induced Estimate
Estimated Lodging Expenditure [1]		\$5,828,349	8,589,145
<b>Room Tax Fund</b>			
Transient Occupancy Tax	8%	\$466,268	\$687,132
Transient Lodging License Tax	4%	\$233,134	\$343,566
<b>Total Room Tax Fund Revenues</b>		<b>\$699,402</b>	<b>\$1,030,697</b>
<b>Tahoe-Douglas Transportation District Fund</b>			
Transient Lodging Rental Tax	2%	\$116,567	\$171,783
<b>Total Tahoe-Douglas Transportation District Fund Revenues</b>		<b>\$116,567</b>	<b>\$171,783</b>
			TOT

Source: Douglas County; EPS.

[1] Represents the portion of Event Center visitor spending spent on lodging in Douglas County.  
Refer to Table D-3B and Table D-3C for details.

APPENDIX C:  
County Funds Expenditure Analysis

Table C-1	Expenditure-Estimating Procedures Based on Douglas County FY 2017-18 Budget.....	C-1
Table C-2	Estimated Project Expenditures .....	C-2
Table C-3	Sheriff Services Case Study—Allocated Calls Method: Increased Base Expenditures .....	C-3



Table C-1  
Tahoe Event Center  
Expenditure-Estimating Procedures Based on Douglas County FY 2017-18 Budget (2017\$)

Item	Estimating Procedure	Case Study Reference	FY 2016-17 Budgeted Expenditures	Service Population [1]	Revenue Multiplier
<b>County Funds</b>					
<b>County General Fund</b>					
General Government	Persons Served	N/A	\$24,784,669	58,109	\$426.52
<b>Judicial and Public Safety</b>					
Sheriff Department	Case Study	Table C-3	\$16,497,461	N/A	N/A
Other Judicial and Public Services [1]	Persons Served	N/A	\$9,305,990	58,109	\$160.15
<b>Total Judicial and Public Services</b>			<b>\$25,803,451</b>		
Public Works	Persons Served	N/A	\$1,597,696	58,109	\$27.49
Health and Sanitation	Persons Served	N/A	\$847,823	58,109	\$14.59
<b>Total County General Fund</b>			<b>\$53,033,639</b>		
<b>Room Tax Fund</b>					
<b>Community Services</b>					
Recreation	Persons Served	N/A	\$2,956,883	58,109	\$50.89
Parks	[2]	N/A	\$1,779,441	N/A	\$0.00
<b>Total Community Services</b>			<b>\$4,736,324</b>		
County Manager (Finance)	Persons Served	N/A	\$5,993,003	58,109	\$103.13
Library	[2]	N/A	\$2,246,344	N/A	\$0.00
<b>Total Room Tax Fund</b>			<b>\$12,975,671</b>		
<b>Tahoe-Douglas Transportation District</b>					
Public Works (Transportation)	Persons Served	N/A	\$959,025	58,109	\$16.50
<b>Total Tahoe-Douglas Transportation District</b>			<b>\$959,025</b>		
<b>Total County Funds</b>			<b>\$66,968,335</b>		

exp pro

Source: Douglas County Fiscal Year 2017-18 Annual Adopted Budget; EPS.

[1] Includes all judicial and public safety expenditures funded through the County General Fund, excluding sheriff department expenditures, including district court, justice court, district attorney, and portions of technology-related expenditures.

[2] This expenditure category is not anticipated to be impacted by the proposed Project and has been excluded from this analysis.

# DRAFT

Table C-2  
Tahoe Event Center  
Estimated Project Expenditures (2017\$)

Item	Source/ Estimating Method	Estimated Annual Net Expenditures
<b>County Fund Expenditures</b>		
<b>County General Fund</b>		
General Government	Persons Served	\$11,819
<b>Judicial and Public Safety</b>		
Sheriff Department	Case Study	\$199,942
Other Judicial and Public Services	Persons Served	\$4,436
<b>Total Judicial and Public Services</b>		<b>\$204,380</b>
Public Works	Persons Served	\$762
Health and Sanitation	Persons Served	\$404
<b>Total County General Fund</b>		<b>\$217,365</b>
<b>Room Tax Fund</b>		
<b>Community Services</b>		
Recreation	Persons Served	\$1,410
<b>Total Community Services</b>		<b>\$1,410</b>
County Manager (Finance)	Persons Served	\$2,858
<b>Total Room Tax Fund</b>		<b>\$4,268</b>
<b>Tahoe-Douglas Transportation District</b>		
Public Works (Transportation)	Persons Served	\$457
<b>Total Tahoe-Douglas Transportation District</b>		<b>\$457</b>
<b>Total County Funds</b>		<b>\$222,090</b>

Source: Douglas County Fiscal Year 2017-18 Annual Adopted Budget; Tahoe Douglas Fire Protection District; EPS, <sup>exp</sup>

**Table C-3  
Tahoe Event Center  
Sheriff Services Case Study - Allocated Calls Method: Increased Base Expenditures**

Item	Assumption	Sheriff Department Expenditures
<b>Budgeted FY 2017-18 Sheriff Department Expenditures</b>		<b>\$16,497,461</b>
Additional Deputy Positions Required [1]	6	
Cost per Additional Deputy	\$100,000	\$600,000
Estimated Annual Costs of Additional Deputies Required		\$17,097,461
<b>Estimated Sheriff Department Expenditures (Including Additional Deputies)</b>		
Percentage of Sheriff Department Calls Allocated to the Stateline/Casino Area [2]	18.3%	
<b>FY 2017-18 Stateline/Casino Area Sheriff Department Expenditures</b>		<b>\$3,128,835</b>
Existing Stateline/Casino Area Daily Visitor Count	6,438	
Stateline/Casino Area Sheriff Department Expenditures per Visitor		\$486
Estimated Project Daily Visitor Count	411	
<b>Estimated Project Sheriff Department Expenditures</b>		<b>\$199,942</b>

Source: Douglas County Fiscal Year 2017-18 Annual Adopted Budget; EPS.

[1] Based on conversations with the Douglas County Undersheriff, completion of the Project would trigger the need for an additional 6 deputies at a cost of \$100,000 annually. These deputies will serve existing households and residential growth in addition to the Project. As such, this analysis increases the baseline sheriff department expenditures by the additional budget needed to achieve the additional staffing levels.

[2] Based on conversations with Douglas County Sheriff Staff, the Stateline/Casino area generated 18.3% of the total calls for service for 2017.

## APPENDIX D:

### Visitor Spending Estimation Tables

Table D-1	Visitor Estimate Assumptions .....	D-1
Table D-2	Total Visitor Spending Estimates .....	D-2
Table D-3A	Visitor Spending Estimates by Category— Existing Conditions .....	D-3
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Table D-1  
Tahoe Event Center  
Visitor Estimate Assumptions

Item	Assumption	Estimate
<b>Number of Events Annually [1]</b>		
Concerts and Entertainment		30
Conventions and Conferences		5
Public/Consumer Shows		5
Corporate & Association Meetings		45
Sporting Events		5
Banquet/Reception/Other Events		40
<b>Total Events Annually</b>		<b>130</b>
<b>Total Event Attendance</b>		<b>156,900</b>
<b>Estimated Visitor Type [2]</b>		
Day Visitor	43%	67,467
Overnight Visitor	57%	89,433
<b>Total Annual Visitors</b>		<b>156,900</b>
<b>Estimated Out of Town Visitors</b>	<i>Percentage Non-Local</i>	
Day Visitor	90%	60,720
Overnight Visitor	100%	89,433
<b>Total Annual Out of Town Visitors</b>		<b>150,153</b>

Source: SMG Consulting; Tahoe Douglas Visitors Authority; Conventions, Sports & Leisure; EPS.

[1] Based on study titled Feasibility Study for a New Multi-Purpose Entertainment & Conference Center Development on the South Shore, prepared by Conventions, Sports & Leisure, dated January 2015.

[2] Based on the Lake Tahoe Visitors Authority Summer 2017 Concert Survey, prepared by SMG Consulting. It is assumed that visitor dynamics for Event Center events will be similar to visitor dynamics for the 2017 summer concert series.

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Table D-2  
Tahoe Event Center  
Total Visitor Spending Estimates

Existing Conditions

Item	Day Visitors	Overnight Visitors	Total All Visitors
Annual Visitor Count	60,720	89,433	150,153
Average per Person per Trip Expenditure [1]	\$156	\$353	N/A
<b>Total Travel Spending Impact</b>	<b>\$9,472,367</b>	<b>\$31,569,849</b>	<b>\$41,042,216</b>

all spend

Source: SMG Consulting; Tahoe Douglas Visitors Authority; EPS.

[1] Based on the Lake Tahoe Visitors Authority Summer 2017 Concert Survey, prepared by SMG Consulting. It is assumed that visitor dynamics for Event Center events will be similar to visitor dynamics for the 2017 summer concert series. Overnight visitor spending assumption is based on an average daily spending assumption of \$126 per day and an average stay of 2.8 days.

Existing Conditions

Table D-3A  
Tahoe Event Center  
Visitor Spending Estimates by Category - Existing Conditions [1]

Spending Category	Percentage of Total Spending	Total Annual Spending	Douglas County Capture [2]	Total Spending in Douglas County	Percentage Taxable [3]	Total Taxable Spending in Douglas County
<b>Day Visitor Spending</b>						
Lodging	0%	-	70%	-	0%	-
Food and Beverage	23%	\$2,197,063	70%	\$1,537,944	100%	\$1,537,944
Entertainment	14%	\$1,318,238	50%	\$659,119	90%	\$593,207
Retail Sales	28%	\$2,636,475	50%	\$1,318,238	95%	\$1,252,326
Transportation	3%	\$292,942	70%	\$205,059	100%	\$205,059
Gaming	8%	\$710,428	100%	\$710,428	0%	-
Recreation	9%	\$852,513	20%	\$170,503	0%	-
Other	15%	\$1,464,709	70%	\$1,025,296	50%	\$512,648
<b>Total</b>	<b>100%</b>	<b>\$9,472,367</b>		<b>\$5,626,586</b>		<b>\$4,101,184</b>
<b>Overnight Visitor Spending</b>						
Lodging	13%	\$4,104,080	70%	\$2,872,856	0%	-
Food and Beverage	15%	\$4,735,477	70%	\$3,314,834	100%	\$3,314,834
Entertainment	9%	\$2,841,286	50%	\$1,420,643	90%	\$1,278,579
Retail Sales	18%	\$5,682,573	50%	\$2,841,286	95%	\$2,699,222
Transportation	2%	\$631,397	70%	\$441,978	100%	\$441,978
Gaming	15%	\$4,735,477	100%	\$4,735,477	0%	-
Recreation	18%	\$5,682,573	20%	\$1,136,515	0%	-
Other	10%	\$3,156,985	70%	\$2,209,889	50%	\$1,104,945
<b>Total</b>	<b>100%</b>	<b>\$31,569,849</b>		<b>\$18,973,479</b>		<b>\$8,839,558</b>
<b>Total Visitor Spending</b>						
Lodging	10%	\$4,104,080	70%	\$2,872,856	0%	-
Food and Beverage	17%	\$6,932,540	70%	\$4,852,778	100%	\$4,852,778
Entertainment	10%	\$4,159,524	50%	\$2,079,762	90%	\$1,871,786
Retail Sales	20%	\$8,319,048	50%	\$4,159,524	95%	\$3,951,548
Transportation	2%	\$924,339	70%	\$647,037	100%	\$647,037
Gaming	13%	\$5,445,905	100%	\$5,445,905	0%	-
Recreation	16%	\$6,535,086	20%	\$1,307,017	0%	-
Other	11%	\$4,621,693	70%	\$3,235,185	50%	\$1,617,593
<b>Total</b>	<b>100%</b>	<b>\$41,042,216</b>		<b>\$24,600,065</b>		<b>\$12,940,742</b>

Source: SMG Consulting; Tahoe Douglas Visitors Authority; "Dollars & Cents of Shopping Centers: 2008," Urban Land Institute; EPS.

[1] This table presents the estimated visitor spending by cost category under existing conditions, including visitors who stay in alternative lodging scenarios, such as camping or with family or friends. To more accurately reflect the visitor profile of anticipated guests of the Event Center, the lodging expenditures shown here are escalated on Table D-4. The other spending categories were increased proportionally on Table D-3B for baseline estimates and Table D-3C for induced estimates.  
 [2] Represents the portion of spending for each cost category captured by Douglas County.  
 [3] Represents the portion of spending for each cost category to generate sales tax revenue for Douglas County.

Baseline Spending Estimate

Table D-3B  
Tahoe Event Center  
Visitor Spending Estimates by Category - Baseline Estimate

Spending Category	Percentage of Total Spending	Total Annual Spending	Douglas County Capture [1]	Total Spending in Douglas County	Percentage Taxable [2]	Total Taxable Spending in Douglas County
<b>Day Visitor Spending</b>						
Lodging	0%	-	70%	-	0%	-
Food and Beverage	23%	\$2,197,063	70%	\$1,537,944	100%	\$1,537,944
Entertainment	14%	\$1,318,238	50%	\$659,119	90%	\$593,207
Retail Sales	28%	\$2,636,475	50%	\$1,318,238	95%	\$1,252,326
Transportation	3%	\$292,942	70%	\$205,059	100%	\$205,059
Gaming	8%	\$710,428	100%	\$710,428	0%	-
Recreation	9%	\$852,513	20%	\$170,503	0%	-
Other	15%	\$1,464,709	70%	\$1,025,296	50%	\$512,648
<b>Total</b>	<b>100%</b>	<b>\$9,472,367</b>		<b>\$5,626,586</b>		<b>\$4,101,184</b>
<b>Overnight Visitor Spending</b>						
Lodging	13%	\$8,326,212	70%	\$5,828,349	0%	-
Food and Beverage	15%	\$9,607,168	70%	\$6,725,017.63	100%	\$6,725,017.63
Entertainment	9%	\$5,764,301	50%	\$2,882,150	90%	\$2,593,935
Retail Sales	18%	\$11,528,602	50%	\$5,764,301	95%	\$5,476,086
Transportation	2%	\$1,280,956	70%	\$896,669	100%	\$896,669
Gaming	15%	\$9,607,168	100%	\$9,607,168	0%	-
Recreation	18%	\$11,528,602	20%	\$2,305,720	0%	-
Other	10%	\$6,404,779	70%	\$4,483,345	50%	\$2,241,673
<b>Total</b>	<b>100%</b>	<b>\$64,047,787</b>		<b>\$38,492,720</b>		<b>\$17,933,380</b>
<b>Total Visitor Spending</b>						
Lodging	11%	\$8,326,212	70%	\$5,828,349	0%	-
Food and Beverage	16%	\$11,804,231	70%	\$8,262,962	100%	\$8,262,962
Entertainment	10%	\$7,082,539	50%	\$3,541,269	90%	\$3,187,142
Retail Sales	19%	\$14,165,077	50%	\$7,082,539	95%	\$6,728,412
Transportation	2%	\$1,573,897	70%	\$1,101,728	100%	\$1,101,728
Gaming	14%	\$10,317,596	100%	\$10,317,596	0%	-
Recreation	17%	\$12,381,115	20%	\$2,476,223	0%	-
Other	11%	\$7,869,487	70%	\$5,508,641	50%	\$2,754,321
<b>Total</b>	<b>100%</b>	<b>\$73,520,154</b>		<b>\$44,119,306</b>		<b>\$22,034,564</b>

tax spend high

Source: SMG Consulting; Tahoe Douglas Visitors Authority; "Dollars & Cents of Shopping Centers: 2008," Urban Land Institute; EPS.

[1] Represents the portion of spending for each cost category captured by Douglas County.  
 [2] Represents the portion of spending for each cost category to generate sales tax revenue for Douglas County.

Table D-3C  
Tahoe Event Center  
Visitor Spending Estimates by Category - Induced Estimate

Induced Spending Estimate

Spending Category	Percentage of Total Spending	Total Annual Spending	Douglas County Capture [1]	Total Spending in Douglas County	Percentage Taxable [2]	Total Taxable Spending in Douglas County
<b>Day Visitor Spending</b>						
Lodging	0%	-	70%	-	0%	-
Food and Beverage	23%	\$3,928,700	70%	\$2,750,090	100%	\$2,750,090
Entertainment	14%	\$2,357,220	50%	\$1,178,610	90%	\$1,060,749
Retail Sales	28%	\$4,714,440	50%	\$2,357,220	95%	\$2,239,359
Transportation	3%	\$523,827	70%	\$366,679	100%	\$366,679
Gaming	8%	\$1,270,358	100%	\$1,270,358	0%	\$0
Recreation	9%	\$1,524,430	20%	\$304,886	0%	-
Other	15%	\$2,619,133	70%	\$1,833,393	50%	\$916,697
<b>Total</b>	<b>100%</b>	<b>\$16,938,108</b>		<b>\$10,061,236</b>		<b>\$7,333,574</b>
<b>Overnight Visitor Spending</b>						
Lodging	13%	\$12,270,208	70%	\$8,589,145	0%	-
Food and Beverage	15%	\$14,157,932	70%	\$9,910,552	100%	\$9,910,552
Entertainment	9%	\$8,494,759	50%	\$4,247,380	90%	\$3,822,642
Retail Sales	18%	\$16,989,518	50%	\$8,494,759	95%	\$8,070,021
Transportation	2%	\$1,887,724	70%	\$1,321,407	100%	\$1,321,407
Gaming	15%	\$14,157,932	100%	\$14,157,932	0%	-
Recreation	18%	\$16,989,518	20%	\$3,397,904	0%	-
Other	10%	\$9,438,621	70%	\$6,607,035	50%	\$3,303,517
<b>Total</b>	<b>100%</b>	<b>\$94,386,212</b>		<b>\$56,726,114</b>		<b>\$26,428,139</b>
<b>Total Visitor Spending</b>						
Lodging	11%	\$12,270,208	70%	\$8,589,145	0%	-
Food and Beverage	16%	\$18,086,632	70%	\$12,660,642	100%	\$12,660,642
Entertainment	10%	\$10,851,979	50%	\$5,425,990	90%	\$4,883,391
Retail Sales	19%	\$21,703,958	50%	\$10,851,979	95%	\$10,309,380
Transportation	2%	\$2,411,551	70%	\$1,688,086	100%	\$1,688,086
Gaming	14%	\$15,428,290	100%	\$15,428,290	0%	-
Recreation	17%	\$18,513,948	20%	\$3,702,790	0%	-
Other	11%	\$12,057,755	70%	\$8,440,428	50%	\$4,220,214
<b>Total</b>	<b>100%</b>	<b>\$111,324,321</b>		<b>\$66,787,350</b>		<b>\$33,761,713</b>

tax spend ind

Source: SMG Consulting; Tahoe Douglas Visitors Authority; "Dollars & Cents of Shopping Centers: 2008," Urban Land Institute; EPS.

[1] Represents the portion of spending for each cost category captured by Douglas County.

[2] Represents the portion of spending for each cost category to generate sales tax revenue for Douglas County.

**Table D-4**  
**Tahoe Event Center**  
**Lodging Expenditure Scenarios**

Item	Formula	Total Lodging Spending by Scenario	
		Baseline Estimate	Induced Estimate
<b>Estimated Douglas County Room Nights</b>			
Overnight Visitors	a	89,433	89,433
Percentage in Lodging	b	70%	70%
Douglas County Share	c	70%	70%
Number of Nights per Stay	d	2.8	2.8
Est. Party Size	e	2.0	2.0
<b>Total Room Nights</b>	<b>f = a * b * c * d / e</b>	<b>61,351</b>	<b>61,351</b>
Average Room Rate	g	\$ 95	\$ 140
<b>Total Lodging Expenditure</b>	<b>h = f * g</b>	<b>\$5,828,349</b>	<b>\$8,589,145</b>

Source: SMG Consulting; Tahoe Douglas Visitors Authority; Douglas County; EPS.  
*lodging*

Table D-6  
Tahoe Event Center  
Existing Visitor Estimation

Item	Assumptions	Count
<b>Douglas County (as a Whole)</b>		
Total Rooms Sold (Fiscal Year 2016/17)		754,406
Average Party Size	2	
Total Annual Overnight Visitors		1,508,812
Overnight Visitor Percentage of Total Visitation	57%	
Total Annual Day Visitors	43%	1,138,227
<b>Total Annual Existing Visitors</b>		<b>2,647,039</b>
<b>Estimated Average Daily Visitor Count</b>		<b>7,252</b>
<b>Douglas County (Lake Area)</b>		
Total Rooms Sold (Fiscal Year 2016/17)		669,665
Average Party Size	2	
Total Annual Overnight Visitors		1,339,330
Overnight Visitor Percentage of Total Visitation	57%	
Total Annual Day Visitors	43%	1,010,372
<b>Total Annual Existing Visitors</b>		<b>2,349,702</b>
<b>Estimated Average Daily Visitor Count</b>		<b>6,438</b>

*vis exist*

Source: SMG Consulting; Tahoe Douglas Visitors Authority; Douglas County; EPS.

APPENDIX E:

Lake Area Allocation Estimation Tables

Table E-1	Budgeted County Revenue and Expenditure Allocation Summary .....	E-1
Table E-2	Budgeted County General Fund Revenue and Expenditure Allocation.....	E-2
Table E-3	Budgeted County Room Tax Fund Revenue and Expenditure Allocation.....	E-3
Table E-4	Budgeted County Tahoe-Douglas Transportation District Fund Revenue and Expenditure Allocation.....	E-4



Table E-1  
Tahoe Event Center  
Budgeted County Revenue and Expenditure Allocation Summary

Item	Revenue Attributed to the Lake Area	Total Countywide	Percentage of County Revenues Generated in the Lake Area
<b>Budgeted County Revenues</b>			
<b>Allocable County Funds [1]</b>			
County General Fund	\$12,485,321	\$44,522,482	28%
Room Tax Fund	\$7,066,057	\$12,849,160	55%
Tahoe-Douglas Transportation District (TDTD) Fund	\$483,488	\$554,846	87%
<b>Total Allocable Funds</b>	<b>\$20,034,866</b>	<b>\$57,926,488</b>	<b>35%</b>
<b>Budgeted County Expenditures [2]</b>			
<b>Allocable County Funds [1]</b>			
County General Fund	\$11,266,067	\$53,033,639	21%
Room Tax Fund	\$1,749,185	\$12,975,671	13%
Tahoe-Douglas Transportation District (TDTD) Fund	\$129,281	\$959,025	13%
<b>Total Allocable Funds</b>	<b>\$13,144,533</b>	<b>\$66,968,335</b>	<b>20%</b>
<b>Allocable Funds Annual Surplus/(Deficit)</b>	<b>\$6,890,332</b>	<b>(\$9,041,847)</b>	

*lake share sum*

Source: Douglas County; Nevada Gaming Commission; Tahoe Douglas Fire Protection District; EPS.

[1] Allocable County Funds represent the portion of the Countywide budget dedicated to funds with revenues and expenditures that can be allocated to the lake area. These funds represent major county fund categories used to fund services in the Lake Area.

[2] Expenditures include total requirements and ending fund reserves.

Table E-2  
Tahoe Event Center  
Budgeted County General Fund Revenue and Expenditure Allocation

General Fund
--------------

Item	Allocation Factor	Revenue Attributed to the Lake Area	Total Countywide	Percentage of County Revenues Generated in the Lake Area
<b>General Fund Revenues</b>				
<b>Direct Revenue Generation Categories</b>				
Property Tax Revenue	Assessed Value [1]	\$7,978,231	\$20,395,155	39.12%
Consolidated Tax Revenue	[2]	\$2,176,468	\$11,650,581	18.68%
Room Tax Revenues (TOT and TLLT)		\$0	\$0	87.27%
Gaming Revenues	[3]	\$912,026	\$965,000	94.51%
<b>Total Direct Revenue Generation Revenue Categories</b>		<b>\$11,066,725</b>	<b>\$33,010,736</b>	<b>33.52%</b>
<b>Other General Fund Revenue Categories</b>				
Licenses and Permits	Persons Served	\$487,805	\$3,618,600	13.48%
Intergovernmental	Persons Served	\$138,286	\$1,025,820	13.48%
Charges for Services	Persons Served	\$604,897	\$4,487,202	13.48%
Fines and Forfeitures	Persons Served	\$157,547	\$1,168,700	13.48%
Miscellaneous	Persons Served	\$30,062	\$223,000	13.48%
Transfers In	N/A	\$0	\$988,424	0.00%
<b>Total Other General Fund Revenue Categories</b>		<b>\$1,418,596</b>	<b>\$11,511,746</b>	<b>12.32%</b>
<b>Total General Fund Revenues</b>		<b>\$12,485,321</b>	<b>\$44,522,482</b>	<b>28.04%</b>
<b>General Fund Expenditures</b>				
General Government	Persons Served	\$3,341,097	\$24,784,669	13.48%
Judicial	Persons Served	\$1,253,248	\$9,296,748	13.48%
<b>Public Safety</b>				
Sheriff Administration	[4]	\$208,800	\$1,140,981	18.30%
Sheriff Administration Services	[4]	\$212,513	\$1,161,275	18.30%
Sheriff-Records	[4]	\$92,482	\$505,368	18.30%
Jail	Persons Served	\$494,221	\$3,666,190	13.48%
Cops Grant	Persons Served	\$32,332	\$239,842	13.48%
Sheriff - General Investigation	[4]	\$346,209	\$1,891,854	18.30%
Sheriff - Patrol/Traffic	[4]	\$538,003	\$717,337	18.30%
Sheriff - Vehicles	[4]	\$170,288	\$930,538	18.30%
Grants	Persons Served	\$24,893	\$184,663	13.48%
Sheriff - Coroner	[4]	\$18,300	\$100,000	18.30%
Sheriff - Operations/Patrol	[4]	\$4,144,306	\$5,525,741	18.30%
Tri-Net	Persons Served	\$16,867	\$125,125	13.48%
Animal Care and Services	Persons Served	\$42,840	\$317,789	13.48%
<b>Total Public Safety</b>		<b>\$6,342,054</b>	<b>\$16,506,703</b>	<b>38.42%</b>
Public Works	Persons Served	\$215,377	\$1,597,696	13.48%
Health and Sanitation	Persons Served	\$114,291	\$847,823	13.48%
<b>Total General Fund Expenditures</b>		<b>\$11,266,067</b>	<b>\$53,033,639</b>	<b>21.24%</b>
<b>Total General Fund Revenues Attributed to the Lake Area</b>		<b>\$12,485,321</b>		
<b>Total General Fund Expenditure Attributed to the Lake Area</b>		<b>(\$11,266,067)</b>		
<b>Total General Fund Revenue Attributed to Lake Area less Expenditures</b>		<b>\$1,219,254</b>		

gen lake share

Source: Douglas County; Nevada Gaming Commission; Tahoe Douglas Fire Protection District; EPS.

- [1] Assessed Value for the Lake Area is based on the assessed value for the Tahoe Douglas Fire Protection District.
- [2] Consolidated tax revenue distribution is based on the weighted average distribution of all consolidated tax revenues attributable to the Lake Area. SCCRT and BCCRT revenues are allocated based on Persons Served (including Visitors) in the County and Lake Area, Cigarette and Liquor taxes are distributed based on the population in the County and Lake Area, and the Property Transfer Tax Revenues are distributed based on the share of countywide assessed value in the Lake Area.
- [3] Gaming tax distribution is based on the allocation of gaming revenues provided by the Nevada Gaming Commission for FY 2016-17 applied to the FY 2017-18 Gaming Revenue reported in the Douglas County Budget.
- [4] Sheriff expenditures have been allocated based on the total percentage of sheriff calls received in 2017 allocated to the Stateline/Casino Area.

Table E-3  
Tahoe Event Center  
Budgeted County Room Tax Fund Revenue and Expenditure Allocation

Room Tax Fund

Item	Allocation Factor	Revenue Attributed to the Lake Area	Total Countywide	Percentage of County Revenues Generated in the Lake Area
<b>Room Tax Fund Revenues</b>				
<b>Direct Revenue Generation Categories</b>				
Sales Tax (P.A.L.S.)	[2]	\$311,395	\$1,739,389	17.90%
Room Tax Revenues (TOT and TLLT)	[3]	\$6,477,435	\$7,422,116	87.27%
<b>Total Direct Revenue Generation Revenue Categories</b>		<b>\$6,788,830</b>	<b>\$9,161,505</b>	<b>74.10%</b>
<b>Other Room Tax Fund Revenue Categories</b>				
Licenses and Permits	Persons Served	\$53,922	\$400,000	13.48%
Charges for Services	Persons Served	\$215,755	\$1,600,500	13.48%
Miscellaneous	Persons Served	\$7,549	\$56,000	13.48%
Transfers In	N/A	\$0	\$1,631,155	0.00%
<b>Total Other Room Tax Fund Revenue Categories</b>		<b>\$277,226</b>	<b>\$3,687,655</b>	<b>7.52%</b>
<b>Total Room Tax Fund Revenues</b>		<b>\$7,066,057</b>	<b>\$12,849,160</b>	<b>54.99%</b>
<b>Room Tax Fund Expenditures</b>				
Culture and Recreation - Community Services	Persons Served	398,603	\$2,956,883	13.48%
Community Services - Parks	Persons Served	239,877	\$1,779,441	13.48%
County Manager - Finance	Persons Served	807,887	\$5,993,003	13.48%
Library	Persons Served	302,818	\$2,246,344	13.48%
<b>Total Room Tax Fund Expenditures</b>		<b>\$1,749,185</b>	<b>\$12,975,671</b>	<b>13.48%</b>
<b>Total Room Tax Fund Revenues Attributed to the Lake Area</b>				
<b>Total Room Tax Fund Expenditure Attributed to the Lake Area</b>				
<b>Total Room Tax Fund Revenue Attributed to Lake Area less Expenditures</b>		<b>\$5,316,872</b>		

RT lake share

Source: Douglas County; Nevada Gaming Commission; Tahoe Douglas Fire Protection District; EPS.

- [1] Assessed Value for the Lake Area is based on the assessed value for the Tahoe Douglas Fire Protection District.
- [2] The P.A.L.S. tax is a portion of the BCCRT revenues are allocated as a portion of the consolidated tax distributed based on Persons Served (Including Visitors) in the County and Lake Area.
- [3] Room Tax Revenues are distributed based on the allocation of TOT generated within the lake area and a percentage of countywide TOT generation.

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Table E-4  
Tahoe Event Center  
Budgeted County Tahoe-Douglas Transportation District Fund Revenue and Expenditure Allocation

Tahoe-Douglas  
Transportation District

Item	Allocation Factor	Revenue Attributed to the Lake Area	Total Countywide	Percentage of County Revenues Generated in the Lake Area
<b>Tahoe-Douglas Transportation District (TDTD) Fund Revenues</b>				
<b>Direct Revenue Generation Categories</b>				
Room Tax Revenues (TOT and TLLT)	[1]	\$483,353	\$553,846	87.27%
<b>Total Direct Revenue Generation Revenue Categories</b>		<b>\$483,353</b>	<b>\$553,846</b>	<b>87.27%</b>
<b>Other TDTD Fund Revenue Categories</b>				
Miscellaneous	Persons Served	\$135	\$1,000	13.48%
<b>Total Other Room Tax Fund Revenue Categories</b>		<b>\$135</b>	<b>\$1,000</b>	<b>13.48%</b>
<b>Total TDTD Fund Revenues</b>		<b>\$483,488</b>	<b>\$554,846</b>	<b>87.14%</b>
<b>TDTD Fund Expenditures</b>				
Public Works - Transportation	Persons Served	129,281	\$959,025	13.48%
<b>Total Room Tax Fund Expenditures</b>		<b>\$129,281</b>	<b>\$959,025</b>	<b>13.48%</b>
<b>Total TDTD Fund Revenues Attributed to the Lake Area</b>				
Total TDTD Fund Expenditure Attributed to the Lake Area		(\$129,281)		
<b>Total TDTD Fund Revenue Attributed to Lake Area less Expenditures</b>		<b>\$354,206</b>		

Source: Douglas County; Nevada Gaming Commission; Tahoe Douglas Fire Protection District; EPS. *trans lake share*

[1] Room Tax Revenues are distributed based on the allocation of TOT generated within the lake area and a percentage of countywide TOT generation.

## APPENDIX F:

### Economic Impact Analysis

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Table F-1  
Tahoe Event Center  
One-Time Economic Impacts Generated by Construction (2017\$)

Construction

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
Activity/Input [1]	\$80,000,000			
<b>Douglas County Impacts</b>				
Industry Output [2] Multiplier (Rounded)	\$80,000,000 1.00	\$11,494,083 0.14	\$19,019,529 0.24	\$110,513,612 1.38
Employee Compensation [3] Employee Compensation per Employee	\$34,139,939 \$58,757	\$4,148,427 \$48,235	\$5,090,664 \$34,322	\$43,379,030 \$53,202
Employment [4] Multiplier (Rounded)	581 1.00	86 0.15	148 0.26	815 1.40

construction

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated construction costs.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Represent total job years lasting over the duration of the Project. For instance, a laborer employed for 2 years during construction activity would represent 2 job years.

Table F-2  
Tahoe Event Center  
Annual Economic Impacts of Visitor Spending (2017\$) - Baseline Estimate

Visitor Spending:  
Baseline Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$44,119,306			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$29,235,508 1.00	\$9,194,239 0.31	\$5,331,897 0.18	\$43,761,645 1.50
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$8,025,317 \$33,165	\$2,590,295 \$35,403	\$1,427,866 \$34,332	\$12,043,478 \$33,760
Employment [4] <i>Multiplier (Rounded)</i>	242 1.00	73 0.30	42 0.17	357 1.47

spend base

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for all visitor spending categories shown on Table D-3B.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

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Table F-3  
Tahoe Event Center  
Annual Economic Impacts of Visitor Spending (2017\$) - Induced Estimate

Visitor Spending:  
Induced Estimate

Impact Category	Multiplier Impacts			
	Direct	Indirect	Induced	Annual Total
<i>Activity/Input [1]</i>	\$66,787,350			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$43,982,157 1.00	\$13,821,695 0.31	\$8,025,007 0.18	\$65,828,860 1.50
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$12,081,484 \$33,181	\$3,898,136 \$35,455	\$2,149,060 \$34,332	\$18,128,679 \$33,781
Employment [4] <i>Multiplier (Rounded)</i>	364 1.00	110 0.30	63 0.17	537 1.47

spend Ind

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for all visitor spending categories shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

Table F-4  
Tahoe Event Center  
Annual Economic Impacts of Lodging Expenditure (2017\$) - Baseline Estimate

Lodging Expenditures:  
Baseline Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$5,828,349			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$5,828,349 1.00	\$1,289,457 0.22	\$1,276,369 0.22	\$8,394,175 1.44
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$2,103,307 \$40,303	\$418,240 \$38,633	\$341,924 \$34,339	\$2,863,471 \$39,242
Employment [4] <i>Multiplier (Rounded)</i>	52 1.00	11 0.21	10 0.19	73 1.40

lodging base

Source: Minnesota Implan Group, Inc.; EPS.

[1] Represents estimated visitor spending for lodging shown on Table D-3B.

[2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.

[3] Includes worker wages, benefits, and proprietor's income.

[4] Reflects full-time and part-time workers.

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**Table F-5  
Tahoe Event Center  
Annual Economic Impacts of Lodging Expenditure (2017\$) - Induced Estimate**

Impact Category	Multiplier Impacts		
	Direct	Indirect	Induced
<b>Lodging Expenditures: Induced Estimate</b>			
<i>Activity/Input [1]</i>	\$8,589,145		
<hr/>			
<b>Douglas County Impacts</b>			
Industry Output [2]	\$8,589,145	\$1,900,253	\$1,880,965
<i>Multiplier (Rounded)</i>	1.00	0.22	0.22
<hr/>			
Employee Compensation [3]	\$3,099,610	\$616,354	\$503,889
<i>Employee Compensation per Employee</i>	\$40,303	\$38,633	\$34,339
<hr/>			
Employment [4]	77	16	15
<i>Multiplier (Rounded)</i>	1.00	0.21	0.19

*lodge ind*

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for lodging shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

Table F-6  
Tahoe Event Center  
Annual Economic Impacts of Food and Beverage Expenditure (2017\$) - Baseline Estimate

Food and Beverage:  
Baseline Estimate

Impact Category	Multiplier Impacts		
	Direct	Indirect	Induced
Activity/Input [1]	\$8,262,962		
<b>Douglas County Impacts</b>			
Industry Output [2] <i>Multiplier (Rounded)</i>	\$2,305,366 1.00	\$538,110 0.23	\$599,186 0.26
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$1,034,634 \$35,721	\$152,692 \$34,633	\$160,504 \$34,338
Employment [4] <i>Multiplier (Rounded)</i>	29 1.00	4 0.15	5 0.16
			\$3,442,662 1.49
			\$1,347,830 \$35,425

FB base

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Food and Beverage shown on Table D-3B.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

Table F-7  
 Tahoe Event Center  
 Annual Economic Impacts of Food and Beverage Expenditure (2017\$) - Induced Estimate

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
<i>Activity/Input [1]</i>	\$12,660,642			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$3,532,319 1.00	\$824,500 0.23	\$918,082 0.26	\$5,274,902 1.49
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$1,585,283 \$35,721	\$233,957 \$34,633	\$245,926 \$34,338	\$2,065,166 \$35,425
Employment [4] <i>Multiplier (Rounded)</i>	44 1.00	7 0.15	7 0.16	58 1.31

FB ind

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Food and Beverage shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

Table F-8  
Tahoe Event Center  
Annual Economic Impacts of Entertainment Expenditures (2017\$) - Baseline Estimate

Entertainment:  
Baseline Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
Activity/Input [1]	\$3,541,269			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$3,541,269 1.00	\$610,516 0.17	\$773,982 0.22	\$4,925,767 1.39
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$1,277,876 \$119,499	\$319,599 \$77,965	\$206,915 \$34,298	\$1,804,390 \$86,647
Employment [4] <i>Multiplier (Rounded)</i>	11 1.00	4 0.38	6 0.56	21 1.95

entertain base

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Entertainment shown on Table D-3B.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

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Table F-9  
 Tahoe Event Center  
 Annual Economic Impacts of Entertainment Expenditures (2017\$) - Induced Estimate

Entertainment:  
 Induced Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$5,425,990			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$5,425,990 1.00	\$935,442 0.17	\$1,185,908 0.22	\$7,547,339 1.39
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$1,957,983 \$119,499	\$489,695 \$77,985	\$317,038 \$34,298	\$2,764,715 \$86,647
Employment [4] <i>Multiplier (Rounded)</i>	16 1.00	6 0.38	9 0.56	32 1.95

entertain ind

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Entertainment shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

**Table F-10  
Tahoe Event Center  
Annual Economic Impacts of Retail Sales Expenditures (2017\$) - Baseline Estimate**

Retail Sales:  
Baseline Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$7,082,539			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$1,926,450 1.00	\$498,078 0.26	\$433,355 0.22	\$2,857,883 1.48
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$704,118 \$30,314	\$152,290 \$39,805	\$116,097 \$34,340	\$972,505 \$31,955
Employment [4] <i>Multiplier (Rounded)</i>	23 1.00	4 0.16	3 0.15	30 1.31

*retail base*

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Retail Sales shown on Table D-3B.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

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Table F-11  
Tahoe Event Center  
Annual Economic Impacts of Retail Sales Expenditures (2017\$) - Induced Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$10,851,979			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$2,951,738 1.00	\$763,163 0.26	\$663,993 0.22	\$4,378,894 1.48
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$1,078,860 \$30,314	\$233,342 \$39,805	\$177,885 \$34,340	\$1,490,087 \$31,955
Employment [4] <i>Multiplier (Rounded)</i>	36 1.00	6 0.16	5 0.15	47 1.31

retail ind

Source: Minnesota Implan Group, Inc.; EPS.

[1] Represents estimated visitor spending for Retail Sales shown on Table D-3C.

[2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.

[3] Includes worker wages, benefits, and proprietor's income.

[4] Reflects full-time and part-time workers.

Table F-12  
 Tahoe Event Center  
 Annual Economic Impacts of Transportation Expenditures (2017\$) - Baseline Estimate

Transportation:  
 Baseline Estimate

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
<i>Activity/Input [1]</i>	\$1,101,728			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$631,290 1.00	\$180,581 0.29	\$117,198 0.19	\$929,069 1.47
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$173,451 \$19,629	\$58,723 \$42,078	\$31,392 \$34,337	\$263,566 \$23,646
Employment [4] <i>Multiplier (Rounded)</i>	9 1.00	1 0.16	1 0.10	11 1.26

*transpo base*

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Transportation shown on Table D-3B.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

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Table F-13  
 Tahoe Event Center  
 Annual Economic Impacts of Transportation Expenditures (2017\$) - Induced Estimate

Transportation:  
Induced Estimate

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
<i>Activity/Input [1]</i>	\$1,688,086			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$967,273 1.00	\$276,688 0.29	\$179,572 0.19	\$1,423,534 1.47
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$265,764 \$19,629	\$89,976 \$42,078	\$48,099 \$34,337	\$403,840 \$23,646
Employment [4] <i>Multiplier (Rounded)</i>	14 1.00	2 0.16	1 0.10	17 1.26

*transpo ind*

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Transportation shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

Table F-14  
Tahoe Event Center  
Annual Economic Impacts of Gaming Expenditures (2017\$) - Baseline Estimate

Gaming:  
Baseline Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$10,317,596			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$10,317,596 1.00	\$3,989,146 0.39	\$1,629,202 0.16	\$15,935,944 1.54
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$2,211,686 \$33,656	\$1,004,194 \$31,558	\$436,461 \$34,340	\$3,652,342 \$33,129
Employment [4] <i>Multiplier (Rounded)</i>	66 1.00	32 0.48	13 0.19	110 1.68

*gaming base*

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Gaming shown on Table D-3B.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

# DRAFT

Table F-15  
Tahoe Event Center  
Annual Economic Impacts of Gaming Expenditures (2017\$) - Induced Estimate

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
<i>Activity/Input [1]</i>	\$15,428,290			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$15,428,290 1.00	\$5,965,121 0.39	\$2,436,208 0.16	\$23,829,618 1.54
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$3,307,218 \$33,656	\$1,501,610 \$31,558	\$652,657 \$34,340	\$5,461,485 \$33,129
Employment [4] <i>Multiplier (Rounded)</i>	98 1.00	48 0.48	19 0.19	165 1.68

Source: Minnesota Implan Group, Inc.; EPS.

[1] Represents estimated visitor spending for Gaming shown on Table D-3C.

[2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.

[3] Includes worker wages, benefits, and proprietor's income.

[4] Reflects full-time and part-time workers.

Recreation:  
Baseline Estimate

**Table F-16  
Tahoe Event Center  
Annual Economic Impacts of Recreation Expenditures (2017\$) - Baseline Estimate**

Impact Category	Multiplier Impacts			
	Direct	Indirect	Induced	Annual Total
<i>Activity/Input [1]</i>	\$2,476,223			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$2,476,223 1.00	\$1,173,525 0.47	\$266,296 0.11	\$3,916,044 1.58
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$280,993 \$8,710	\$250,617 \$25,999	\$71,303 \$34,329	\$602,914 \$13,709
Employment [4] <i>Multiplier (Rounded)</i>	32 1.00	10 0.30	2 0.06	44 1.36

rec base

Source: Minnesota Implan Group, Inc.; EPS.

[1] Represents estimated visitor spending for Recreation shown on Table D-3B.  
 [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.  
 [3] Includes worker wages, benefits, and proprietor's income.  
 [4] Reflects full-time and part-time workers.

# DRAFT

Table F-17  
Tahoe Event Center  
Annual Economic Impacts of Recreation Expenditures (2017\$) - Induced Estimate

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
<i>Activity/Input [1]</i>	\$3,702,790			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$3,702,790 1.00	\$1,754,816 0.47	\$398,203 0.11	\$5,855,808 1.58
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$420,180 \$8,710	\$374,758 \$25,999	\$106,623 \$34,329	\$901,560 \$13,709
Employment [4] <i>Multiplier (Rounded)</i>	48 1.00	14 0.30	3 0.06	66 1.36

rec ind

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Recreation shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.

Table F-18  
Tahoe Event Center  
Annual Economic Impacts of Other Expenditures (2017\$) - Baseline Estimate

Other:  
Baseline Estimate

Impact Category	Multiplier Impacts			Annual Total
	Direct	Indirect	Induced	
<i>Activity/Input [1]</i>	\$5,508,641			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$2,208,965 1.00	\$914,827 0.41	\$236,310 0.11	\$3,360,102 1.52
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$239,252 \$11,903	\$233,939 \$32,707	\$63,269 \$34,328	\$536,460 \$18,438
Employment [4] <i>Multiplier (Rounded)</i>	20 1.00	7 0.36	2 0.09	29 1.45
				<i>other base</i>

Source: Minnesota Implan Group, Inc.; EPS.

[1] Represents estimated visitor spending for Other shown on Table D-3B.

[2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.

[3] Includes worker wages, benefits, and proprietor's income.

[4] Reflects full-time and part-time workers.

# DRAFT

Table F-19  
 Tahoe Event Center  
 Annual Economic Impacts of Other Expenditures (2017\$) - Induced Estimate

Other:  
Induced Estimate

Impact Category	Direct	Multiplier Impacts		Annual Total
		Indirect	Induced	
<i>Activity/Input [1]</i>	\$8,440,428			
<b>Douglas County Impacts</b>				
Industry Output [2] <i>Multiplier (Rounded)</i>	\$3,384,612 1.00	\$1,401,712 0.41	\$362,077 0.11	\$5,148,401 1.52
Employee Compensation [3] <i>Employee Compensation per Employee</i>	\$366,586 \$11,903	\$358,445 \$32,707	\$96,942 \$34,328	\$821,973 \$18,438
Employment [4] <i>Multiplier (Rounded)</i>	31 1.00	11 0.36	3 0.09	45 1.45
				<i>other ind</i>

Source: Minnesota Implan Group, Inc.; EPS.

- [1] Represents estimated visitor spending for Other shown on Table D-3C.
- [2] Reflects business expenditures on goods and services retained in the local economy. Inclusive of employee compensation reported below.
- [3] Includes worker wages, benefits, and proprietor's income.
- [4] Reflects full-time and part-time workers.