

South Tahoe Event Center

Fiscal and Economic Impacts

The Economics of Land Use



Oakland
Sacramento
Denver
Los Angeles

presented to

Douglas Board of County Commissioners

presented by

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Introduction

EPS is a nationally-recognized land use economics consulting firm with significant experience in the Tahoe area

- Founded in 1987
- Approximately 50 employees in Sacramento, Oakland, Los Angeles, and Denver
- Clients split between public and private sector and across wide spectrum
- Tahoe area clients have included:
 - Placer County
 - Tahoe Transportation District
 - California Tahoe Conservancy
- Tahoe area projects have included:
 - Economic and Redevelopment Strategy for Tahoe City and Kings Beach
 - South Lake Tahoe Community Development Strategy (Highway 50 realignment)
 - Tahoe Basin Town Center Development Incentives



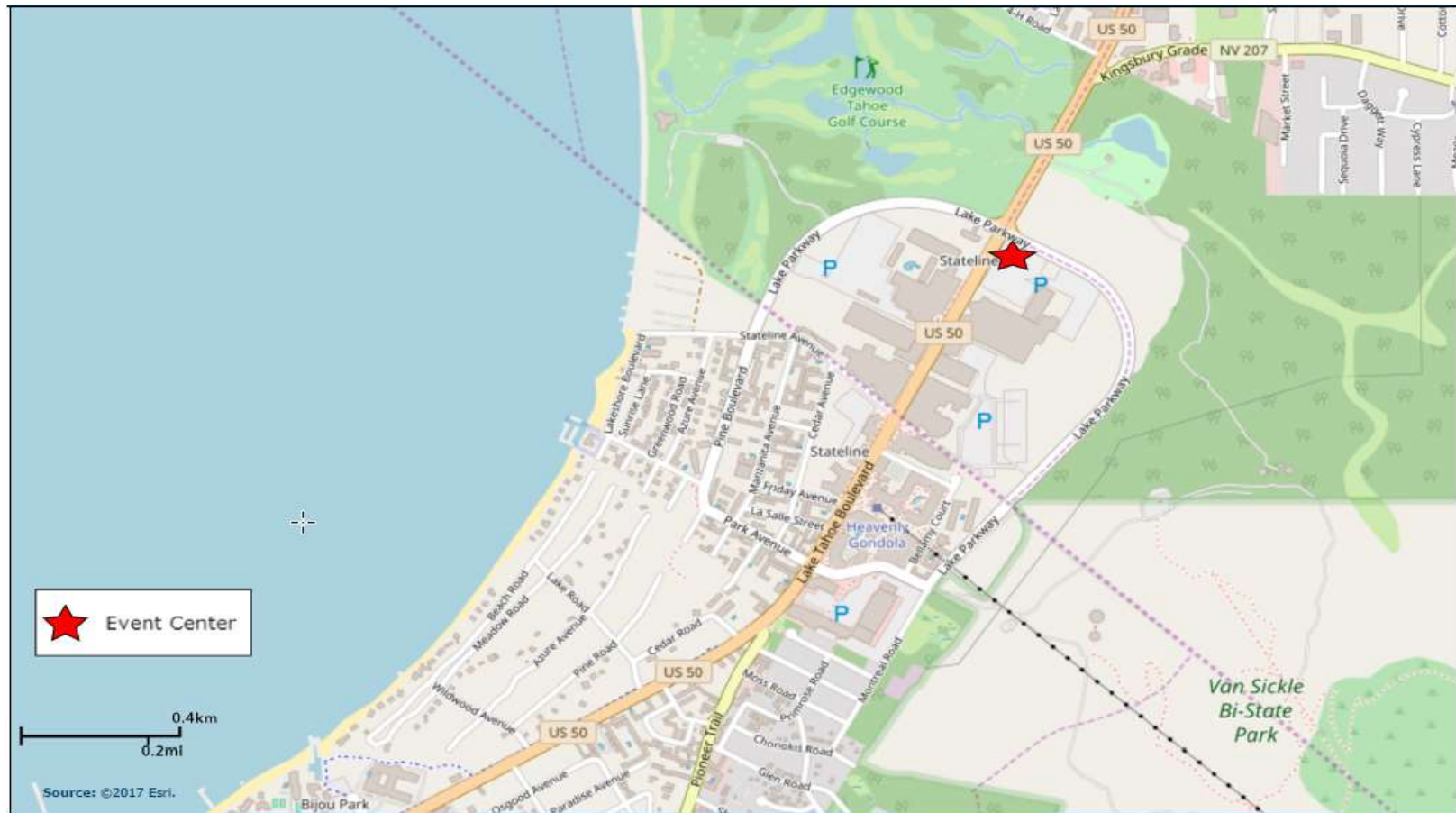
Overview

Fiscal & Economic Impact Analysis

- Review of project background and relevant previous studies
- Interviews with key local officials and others with visitor market knowledge
- Using CS&L Event Center market analysis attendee estimates and several other data sources, projected new visitors and their spending
- Estimated Douglas County tax revenues due to new visitor spending
- Estimated public service costs due to operations and visitors
- Conducted economic multiplier analysis for both construction and operations of the Event Center

Location

SE corner Lake Parkway & Lincoln Highway / Montbleu Parking Lot



US 50 Realignment

Event Center ties-in with US 50 Realignment and Revitalization Project



Facility

Intended to Enhance the Mountain Resort Character of South Shore



Capacity

6,000-person maximum capacity, sub-dividable space

Summary of Potential Multi-Use Venue Event Activity

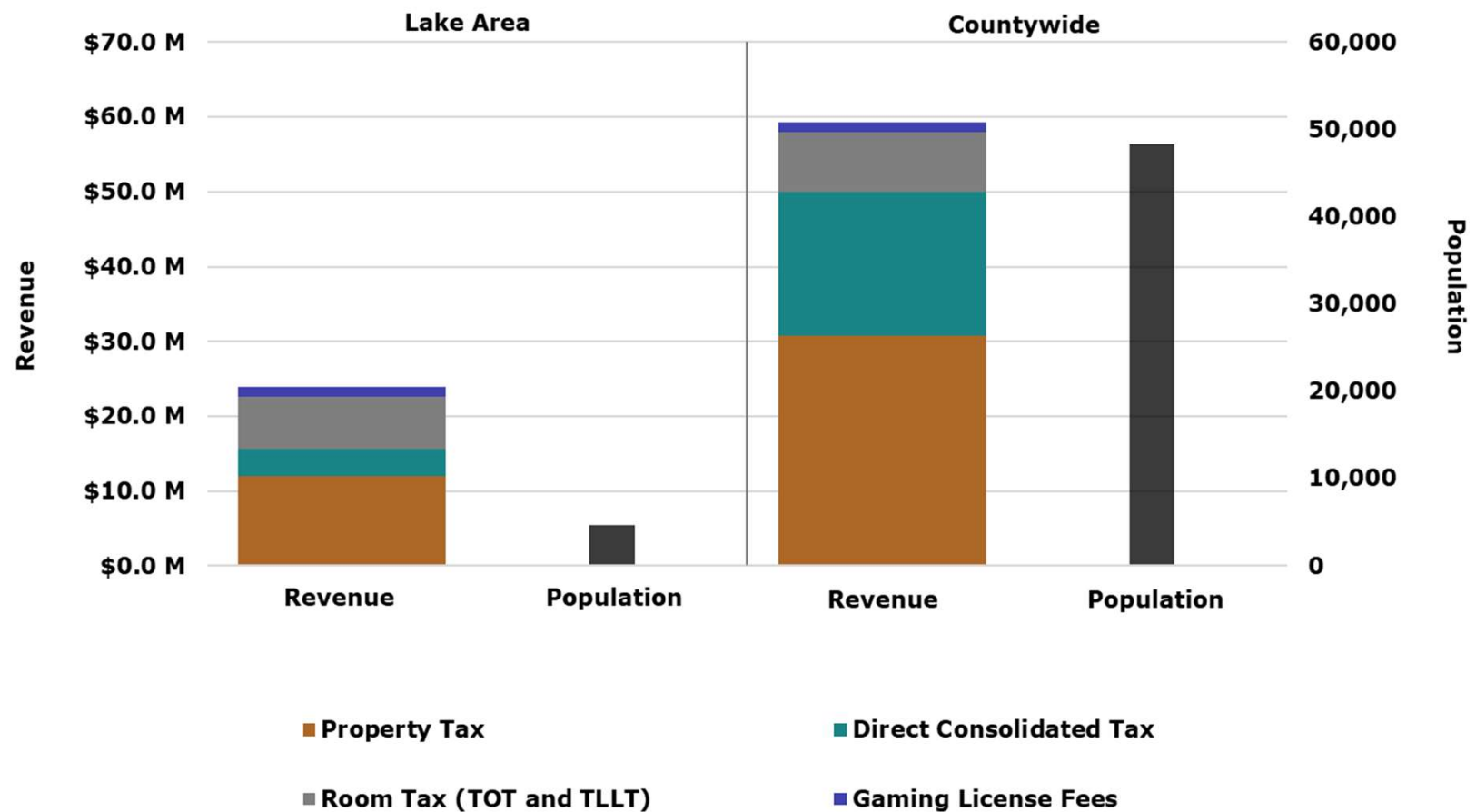
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Concerts & Entertainment	25	28	28	30	30
Conventions & Conferences	3	4	4	5	5
Public/Consumer Shows	2	3	4	5	5
Corporate & Association Meetings	30	35	40	45	45
Sporting Events	1	2	3	4	5
Banquets/Receptions/Other Events	30	30	35	40	40
Total	91	102	114	129	130

Source: Convention, Sports & Leisure International.



Lake Contribution

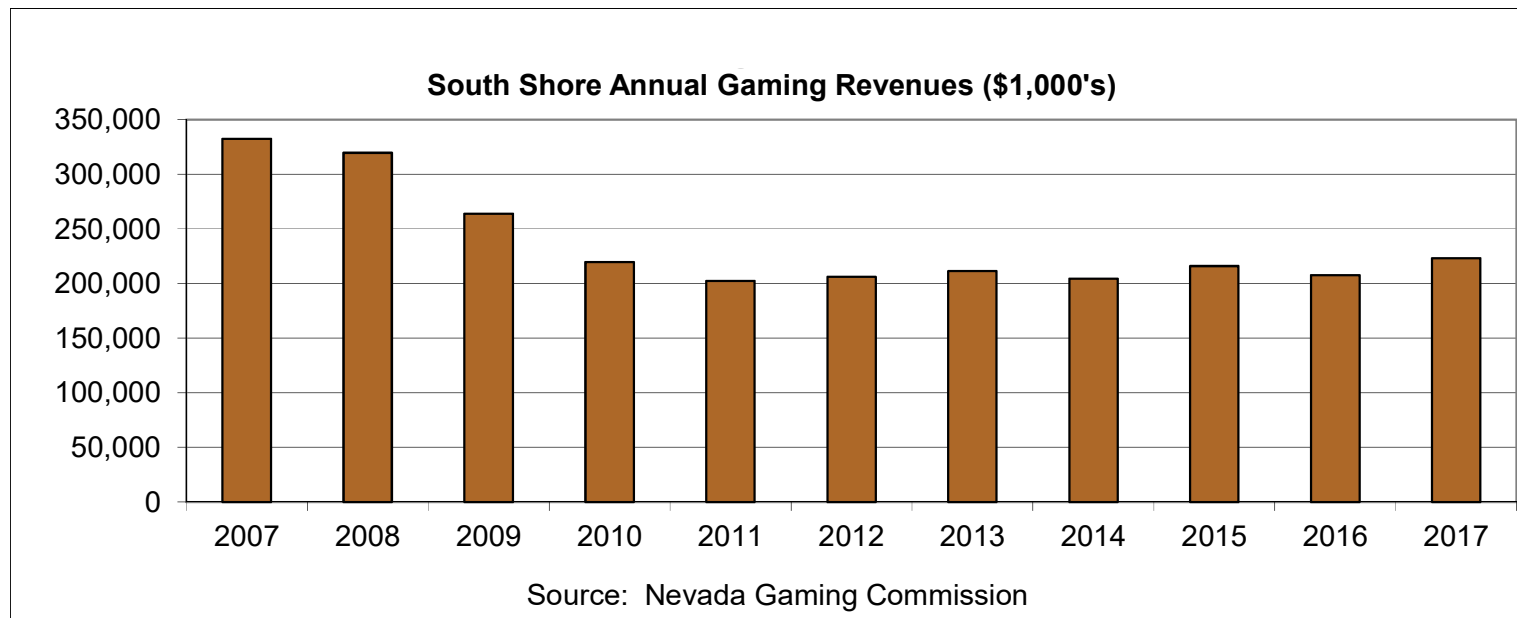
Direct Revenue Generation FY 2017-18 and Population: Lake and Countywide



South Shore Gaming Revenues

Gaming Revenue Decline

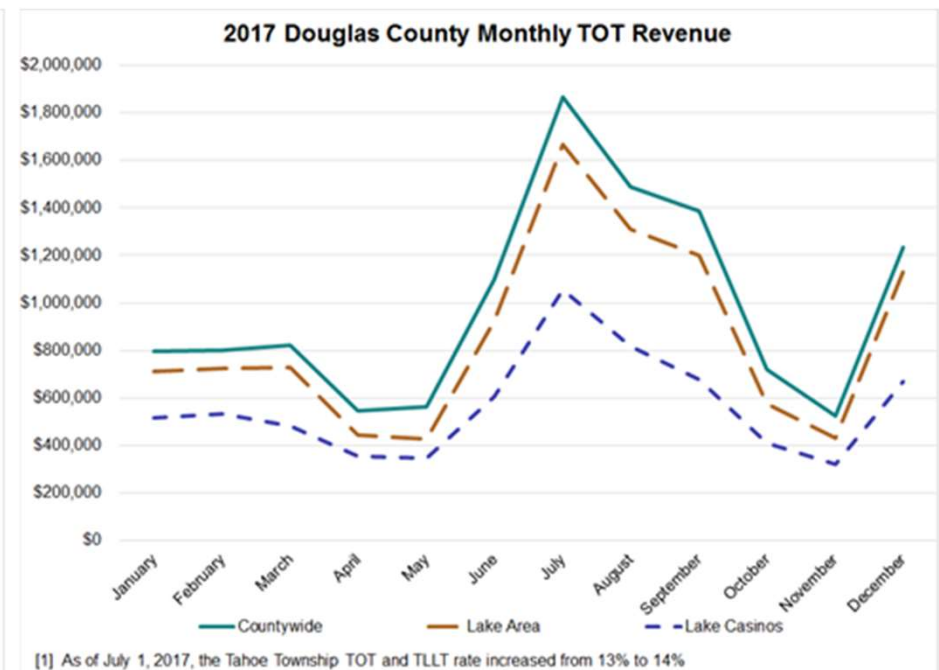
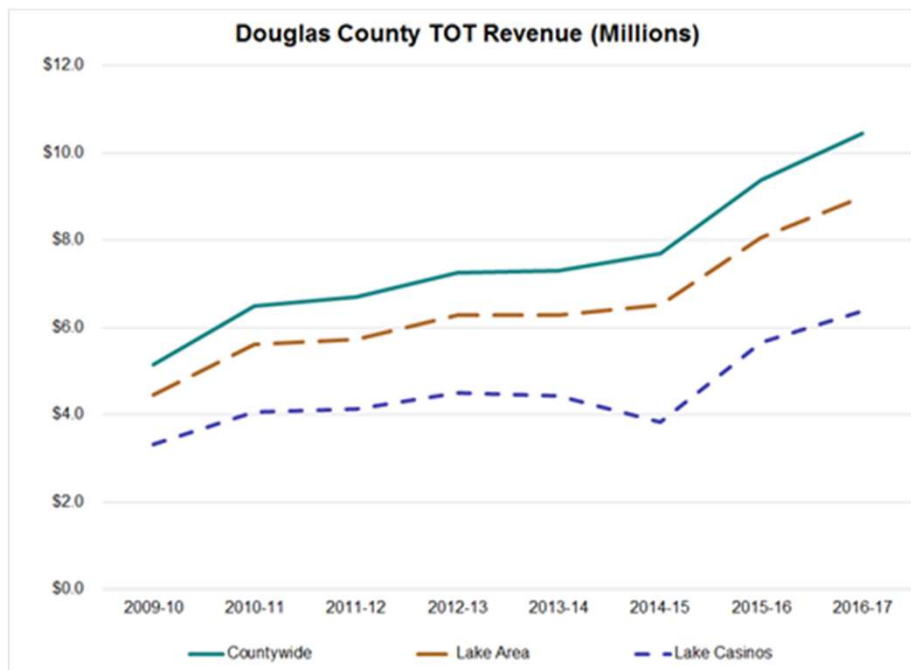
- Gaming revenues have declined in recent years for a variety of factors and are not anticipated to increase significantly



County Room Taxes

Annual Growth and Seasonal Swings

- Economic recovery, plus new rooms, summer concerts, SLT improvements have increased TOT revenue, but seasonality remains an issue.



New Visitor Spending

The Event Center would bring new visitor spending from attendees throughout the year.

Visitor Spending	New Visitor Spending in Douglas County	
	Baseline Estimate	Induced Estimate
<hr/>		
Spending Category		
Lodging	\$5,828,000	\$8,589,000
Food and Beverage	\$8,263,000	\$12,661,000
Entertainment	\$3,541,000	\$5,426,000
Retail Sales	\$7,083,000	\$10,852,000
Gaming	\$10,318,000	\$15,428,000
Recreation	\$2,476,000	\$3,703,000
Other	\$6,610,000	\$10,129,000
Total	\$44,119,000	\$66,787,000

Source: SMG Consulting; Tahoe Douglas Visitors Authority; Urban Land Institute; EPS.



Public Safety Costs

Public safety costs would be the primary fiscal burden

- Additional Sheriff Department staffing will also serve growth occurring in the rest of the County
- The share of the cost for additional Deputies allocated to the Event Center was based on the casino area's share of calls for service and the projected increase visitation due to the Event Center
- Tahoe Douglas Fire Protection District, not funded by General Fund, has agreed to coordinate with TDVA (or other operator) for per diem charges to offset costs

Summary of Fiscal Impact

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

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Source: EPS.



Summary of Economic Impact

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

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Source: Minnesota Implan Group, Inc.; EPS.

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

[2] Reflects the ongoing impacts of all estimated visitor spending 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 over the project. For instance, 1 employee for 2 years during construction represents 2 job years.



Conclusion

Summary of potential impacts:

- Anchors the Stateline end of the revitalizing corridor
- Broadens the seasonal base
- Includes a diverse spectrum of programming (targeting a variety of visitors)
- Funds essential public safety
- Generates a major fiscal surplus for the County, supporting countywide programs and services