Public Purpose/Impact Analysis

Title of Project: Third Amendment to Project Management Disposition and Development Agreement by and between City Parkway V, Inc., City Parkway IV A, Inc., and Office District Parking I, Inc. and Newland Real Estate Group, LLC ("Newland")

Project Description: On November 7, 2007, the city of Las Vegas through its affiliate companies contracted with Newland Communities, LLC to develop approximately 16 acres of land in Symphony Park for new residential development comprising 2,621 residential units and 130,585 square feet of retail development at an estimated project valuation of $1.4 Billion. Since the original contract, the parties have amended the development agreement twice, reducing the number of acres to approximately 11.5 acres (parcels C, N, D, F, and O-1), and reducing the anticipated project scope to 2,090 residential units and reduced retail development. This Third Amendment reduces the project scope further, from the current five parcels to a development option on two parcels (parcels C and N, or approximately 5.5 acres) and a conditional development option on three parcels (parcels D, F, and O-1, or approximately 6 acres). Because of the reduced project site, the residential development potential is approximately 1/3 of the original scope, equating to approximately 875 residential units and 43,500 square feet of retail development.

To support the original 2007 contract, Newland submitted a fiscal and economic impact analysis conducted by Economics Research Associates (ERA). The ERA report concluded that, upon full build-out, the project would yield 8,187 construction jobs across all years of construction, contributing $352,678,221 in earnings to the local economy. For permanent employment, ERA concluded that 545 jobs would contribute $17,282,391 in earnings to the local economy. ERA concluded that the fiscal impact to the City's General Fund would be negligible, and that the project's impact to the Redevelopment Agency in recurring tax increment revenue would be substantial. Based on the reduced scope, staff believes the fiscal & economic impact for the reduced scope would be approximately 1/3 of the original findings of ERA.

Sponsor/Developer: Newland Real Estate Group, LLC (formerly Newland Communities, LLC)

Assistance Provided by: Discount below Fair Market Value on land in Symphony Park; no cash or direct financial assistance

Number of Direct Jobs Created: 2,729 construction jobs (peak, one-time employment over multiple phases); 182 permanent jobs

Number of Indirect Jobs Created: Undetermined

Number of Direct Jobs Retained: Not applicable (new project)

Pertinent Statutes Used for Public Purpose:

NRS 268.

How Does the Project Benefit the Public:

The development of Symphony Park, a former Union Pacific Railroad site requiring environmental remediation and additional infrastructure, to a higher and better use (new residential condominiums or an alternate commercial use) will result in additional private investment, jobs, and tax revenues, including new tax increment revenue for the Redevelopment Agency. Without intervention from the city, this property would remain vacant and would generate no fiscal or economic benefit to the city.

Quantitative Economic Benefits:

New Land Sale Revenue Schedule per the Third Amendment ($12.6M to $17.8M in land sale revenue if all five parcels are purchase by Newland, depending on the date of purchase).

Private Investment:

Will vary with final development plan for each development parcel.

Public Investment:

City contribution of Parcel C (estimated value of $6,072,540) in consideration of reduced project management consulting expenses (per the Seventh Amendment to the Project Management and Consulting Agreement) and reduced development rights

Total direct Economic Impact:

$117.6M in construction earnings; $5.8M in recurring annual earnings from permanent employment

Total Indirect Economic Impact:

Undetermined.

Economic Impact Study Performed:* Yes **X** No ☐

Return on Investment Analysis Performed:** Yes☐ No **X**

* Attached to this Public Purpose Analysis is the original Fiscal and Economic Impact Analysis completed by Economics Research Associates in 2007. Staff's estimates of the fiscal and economic impact analysis of the revised scope are based on this report.

** A return on investment analysis for this project cannot be performed, as the timing of construction commencement for the project is subject to a broad range (between 2010 and 2019). The City's investment, in the acquisition of the land, is a sunk cost, and no new costs would be borne by the city until the project commences construction. (The City would contribute some funding towards the installation of utilities and private infrastructure to support the project.)

ERA

Economics Research Associates

Memorandum

Date: June 14, 2007

To: Newland Communities

From: Amitabh Barthakur, Principal
Judith Taylor, Associate
Lance Harris, Associate

RE: Union Park Fiscal and Economic Analysis

ERA No.: 17060

Introduction

Newland Communities has an option to develop approximately 18 acres within Union Park, a high density development near downtown Las Vegas on approximately 60+ acres of land. Newland Communities retained Economics Research Associates (ERA) to conduct a fiscal and economic impact analysis of the potential 18 acre development relative to the City of Las Vegas.

In this analysis, fiscal impact is defined as the net annual fiscal revenue or cost to the City of Las Vegas General Fund, including transfers from the Fire Safety Initiative Fund, due to the proposed Newland Community development. In other words, the analysis quantifies the anticipated fiscal status of the City at build out, taking into account the fiscal revenues less fiscal expenditures due to the new development. Economic impacts are defined as the direct[1] one-time full-time equivalent jobs and wages as a result of the project's construction period and the annual on-going direct and induced full-time equivalent jobs and wages resulting from the retail center and new residents.

In order to conduct this analysis, ERA collected information from Newland Communities regarding the potential development program and construction values. ERA collected relevant budget information from the City of Las Vegas, including information from the Fiscal Year 2007 Final Budget and Redevelopment Agency property tax rates from the Redevelopment Agency Budget Fiscal Year 2008. Secondary sources of information such as the Bureau of Labor Statistic's (BLS) Consumer Expenditure Survey and BLS

[1] This economic analysis considers direct impacts as a result of the project. It does not consider the "multiplier effect" from construction or household expenditures.

Occupational Employment Statistics, and the US Census were also utilized to in this analysis.

The following sections present the methodology and outcomes of the fiscal and economic impact analysis developed by ERA, with respect to the proposed development program.

Summary of Findings

The following table presents a summary of fiscal costs and revenues to the City of Las Vegas resulting from the Newland Communities development at Union Park.

Table 1 – Net Fiscal Impact

				Build Out
Project Equivalent Dwelling Unit				*2,663*
GENERAL FUND REVENUES				
Property Tax Revenues				-
Transfer from Fire and Life Safety SRF				376
Consolidated Tax Revenues				509
Pro-Rated Revenues @	$	624	per EDU	1,661
Total Annual General Fund Revenues				2,546
GENERAL FUND EXPENDITURES				
Pro-rated Expenditures @	$	855	per EDU	2,277
Total Annual General Fund Expenditures				2,277
Net Annual Impact to the General Fund				**269**

Source: Economics Research Associates

Newland Communities' development at Union Park is expected to produce net annual revenues of $270,000 to the City of Las Vegas' General Fund. In addition to these revenues, the development will produce an additional $12.7 million of property taxes to the City of Las Vegas Redevelopment Agency and an additional $3.5 million of property taxes to other agencies and funds (not including the transfer from the Fire and Life Safety SRF to the General Fund).

Table 2 displays the direct economic impacts as a result of the new development.

The development will produce one-time construction impacts and on-going annual impacts. Across the construction period, the development is expected to produce approximately 8,200 full-time equivalent (FTE) jobs and $352.6 million in wage earnings. Ongoing impacts are estimated at approximately 550 FTE jobs and $17.3 million in earnings annually.

Additionally, ERA estimates that the project will generate $78 million in annual taxable sales in the City of Las Vegas.

ERA

Table 2 – Direct Economic Impacts

Direct Economic Impacts
One-time & Ongoing Employment and Wage Earnings

	One-time Construction Impacts[1]	Annual Ongoing Impacts
FTE Jobs[2]	8,187	545
Earnings	$ 352,678,221	$ 17,282,391

[1]Construction earnings and job impacts are the total impact across all years of construction
[2]Full-time equivalent jobs

Source: Economics Research Associates

Development Program

Residential Products

The development program includes 4 basic single-family residential product types. The average unit size is approximately 1,200 s.f. with a price range of $300,000± to $642,000±. In total, the current development program calls for 2,621 for-sale units.

Along with the proposed residential development, Newland Communities plans to construct 3,932 structured parking spaces (approximately 1.5 spaces per unit). All of the home values are expressed in 2007 dollars.

Household Income and Population

ERA derived the household incomes of new households using an income to housing cost ratio. Based on prevailing industry standards, ERA assumed average housing cost (mortgage payment or rent) to be 30 percent of the household income. In order to determine annual housing cost, we assumed an annual interest rate of 6.5 percent, a 30-year mortgage term, and a 10 percent down payment.

ERA assumes household size will be 2.5 based on an adjusted current City of Las Vegas persons per household estimate.

Table 3 presents the residential development program unit mix, assumed household income needed to afford the proposed residential product, and incremental population.

Table 3

Residential	Units		Unit Price		Annual Household Income	Incremental Population
Lowrise	77	$	300,000	$	55,261	193
Midrise	769	$	523,200	$	96,375	1,923
Highrise	1732	$	642,000	$	118,258	4,330
Brownstone	43	$	600,000	$	117,023	108
Total For Sale Units /Weighted Avgs.	2,621	$	596,408	$	109,967	6,553

Source: Newland Communities, Economics Research Associates

Non-Residential Development

As per information provided by the developer, the program includes 125,400 s.f. of retail and restaurant space. 378 structured parking spots are proposed to accompany the retail and restaurant space.

Development Costs and Land Value Estimate

ERA assumes the improvement value to be $1.41 billion for assessed valuation purposes, using various improvement cost factors detailed in Table 4. Note that the assessed valuation includes the hard costs of the improvements plus the land acquisition costs. In order to estimate the value of the land, ERA utilized a previous report provided by the City of Las Vegas by Strategy 5 that was completed in 2006. In this report, Strategy 5 presented an estimated value of $78.12 per s.f. The was derived using the lower of two separate appraisals conducted for the entire 60+ acre site by Lubawy & Associates, Inc. and Baseline Consulting Services. Based on the above assumptions the total cost of land acquisition is estimated at $61.2 million.

Table 4

	Development Program	Development Assumptions	Total Cost at Buildout
Land	18 acres	$78.12/s.f.	$61,218,301
Retail	125,400 s.f.	$38.25 - $50.67/s.f.	$4,945,550
Residential			
Lowrise	77	$200/s.f.	$18,480,000
Midrise	769	$340/s.f.	$313,752,000
HighRise	1,732	$400/s.f.	$831,360,000
Brownstone	43	$200/s.f.	$10,320,000
Parking	4,310	$40,000/space	$172,400,000
Total			$1,412,475,851

Source: Newland Communitites

ERA

Fiscal Implications to the City of Las Vegas

This analysis quantifies the anticipated fiscal impact to the City of Las Vegas at build out of the project, taking into account the impacts from the new development.

ERA uses a proportional revenue/cost approach to calculate revenues and expenditures that are expected to increase on a consistent basis with new development. The City of Las Vegas Final Budget for Fiscal Year 2007 revenues and expenditures are pro rated based on a total citywide equivalent dwelling unit (EDU) factor.

As shown in the table below, the total equivalent dwelling unit takes into account the share of services used by both employees and residents.

Table 5

City of Las Vegas - Total Equivalent Dwelling Unit Calculation	
Employment[1]	282,363
Employment Resident Equivalent - 1 employee = 0.35 residents	0.35
Employment Resident Equivalents	98,827
Employment Resident Equivalent / Persons per Dwelling Unit	36,359
Employment Resident Equivalent Dwelling Unit	36,359
City of LV Residential Dwelling Units	217,630
Total Equivalent Dwelling Units (EDU)	253,989

[1]Projected employment, calculated from 200-2005 Census data.
Source: City of Las Vegas, US Census, and Economics Research Associates

ERA calculates pro rata revenue/cost to the City under existing circumstances and applies these factors to incremental development during the absorption period. Specifically, the pro rated city budget factors are applied to the project's calculated equivalent dwelling units (See Appendix) to determine revenues and expenditures as a result of the development.

For major revenues that may not change proportionately to new development ERA calculated values separately. Property taxes and consolidated tax distributions to the City are calculated separately to quantify realistic impacts.

Fiscal Revenues

Anticipated property tax and consolidated taxes to the City of Las Vegas, as well as special fund Fire Safety Initiative revenues are derived separately based on the expected absorption, price, and household income level for the development (See Appendix). Other General Fund revenues are based on an equivalent dwelling units

Property Tax

The proposed development is located within the Las Vegas Redevelopment Agency's (RDA) boundaries. As a result, the vast majority of the property taxes generated by the proposed development will benefit the RDA rather than the City of Las Vegas. Utilizing the tentative RDA budget for fiscal year 2008, the appropriate tax rates were determined, Table 6.

The property tax was calculated by taking the assumed assessed value of the project (which is defined to include the land value and the construction costs of the residential and commercial development along with the costs of structured parking) as presented in Table 4. Next, the assessed value was reduced by the assessment ratio which is 35 percent of the assessed value. Using the tentative RDA, ERA estimates that the tax rate for the RDA is $2.5744 per hundred dollars of assessed value, while the non RDA's portion of the taxes is $0.7002 per hundred dollars of assessed value.

Based on these assumptions, the project would yield approximately $3.5 million to other non RDA agencies and just over $12.7 million to the RDA. This report does not take into account the value of personal property that would be considered by the assessor and would likely increase the overall assessed value of the development.

Fire Safety Initiative Special Revenue Fund (SRF)

The City of Las Vegas General Fund will not receive any of the property taxes generated by the new development. However, According to the City of Las Vegas finance department, approximately 80 percent of revenues to the Fire Safety Initiative SRF can be transferred to the general fund to cover fire service expenditures.

As shown in Table 7, the Fire and Safety Initiative SRF will receive $470,000 annually as a result of the new development. Approximately $376,000 may be transferred to the General Fund.

Table 6

Overlapping Entity	Operating Rate	Debt Rate	Total Rate	Apportionment to RDA	Apportionment to Other Agencies
City of Las Vegas	$0.6765	$0.0000	$0.6765	$0.6765	$0.0000
Clark County	0.6312	0.0254	0.6566	0.6566	0.0000
Las Vegas/Clark County Library District	0.0750	0.0123	0.0873	0.0873	0.0000
Clark County School District	0.7500	0.5534	1.3034	0.8982	0.4052
City of Las Vegas Fire and Safety Initiative	0.0950	0.0000	0.0950	0.0000	0.0950
State of Nevada	0.1700	0.0000	0.1700	0.1700	0.0000
Las Vegas Metro Police Manpower	0.2800	0.0000	0.2800	0.0800	0.2000
Las Vegas Metro Police 911 System	0.0050	0.0000	0.0050	0.0050	0.0000
Las Vegas Artesian Basin	0.0008	0.0000	0.0008	0.0008	0.0000
Combined Tax Rate	$2.6835	$0.5911	$3.2746	$2.5744	$0.7002

Source: City of Las Vegas Redevelopment Agency (RDA)

Table 7

PROPERTY TAX [1]	TOTAL
Land Taxable Value	61,218,301
Improvement Value	1,351,257,550
Total Taxable Value (AV)	1,412,475,851
Assessed Value (35%)	494,366,548

Overlapping Entity	Apportionment to Other Agencies	Apportionment to RDA
City of Las Vegas	$0	$3,344,390
Clark County	0	$3,246,011
Las Vegas/Clark County Library District	0	$431,582
Clark County School District	2,003,173	$4,440,400
City of Las Vegas Fire and Safety Initiative	469,648	$0
State of Nevada	0	$840,423
Las Vegas Metro Police Manpower	988,733	$395,493
Las Vegas Metro Police 911 System	0	$24,718
Las Vegas Artesian Basin	0	$3,955
Taxes / $100 AV	$3,461,555	$12,726,972

[1] Analyzed at build out. Does not include year over year increases in assessed value or abatement.

Source: City of Las Vegas Redevelopment Agency (RDA) and Economics Research Associates

Consolidated Tax Revenues

The Consolidated Tax Program was created by the State of Nevada legislature in 1997. Beginning in Fiscal Year 1998-1999 six taxes—the Basic City-County Relief Tax, the Supplemental City-County Relief Tax, Real Property Transfer Tax, Cigarette taxes, liquor taxes, and the Motor Vehicle Privilege Tax—were combined into the program. Total county receipts from each of these taxes is transferred to the Consolidated Tax Account and then is distributed to individual local governments based on an inflated base amount and on a formula that includes population and assessed value growth.

In Clark County, the Basic City-County Relief Tax, Supplemental City-County Relief Tax, and Real Property Transfer Tax make up 88 percent of consolidated revenues. For purposes of this study, ERA has reviewed the impacts of only these three consolidated taxes on the City of Las Vegas. Cigarette taxes, liquor taxes, and motor vehicle privilege taxes may produce additional revenues for the City of Las Vegas.

ERA first calculates the tax revenues produced by the project. Then estimates their combined distribution to the City of Las Vegas based on the historical average receipt of 27 percent of County Consolidated taxes.

Basic and Supplemental City-County Tax Impacts

Basic and Supplemental City-County Taxes are both sales taxes. To estimate the sales taxes generated by the project ERA estimates taxable sales generated by retail on-site and the project's new residents' off-site expenditure.

On-site sales are estimated by sales per square foot. Sales per square foot are estimated using the Urban Land Institute's Dollars and Cent's publication.

Residential off-site expenditures are based on an estimate of resident's offsite spending. Using the market values for single-family and multifamily units, ERA estimates average household incomes for each scenario. The Department of Commerce, Bureau of Economic Analysis Consumer Expenditure Survey is then used to determine estimated consumer spending for new residents.

Projected resident spending is adjusted for taxable spending as well as the capture percentage that is expected to remain in the City of Las Vegas. ERA estimates that the project will generate $78 million in annual taxable sales in the City of Las Vegas.

Basic City-County Tax revenues are taken at half of 1 percent. Supplemental City-County Tax revenues are estimated at 1.75 percent of taxable sales. The project is expected to generate $390,000 in annual Basic City-County Tax revenues and $1.4 million in Supplemental City-County Tax at build out.

Real Property Transfer Tax

The portion of real property transfer tax to the Consolidated Tax Program is calculated at $.55 of every $500 of transfer of real property.

Assuming a 10 percent turnover rate for residential properties (properties turnover once every 10 years and a 5 percent turnover rate for commercial (properties turnover once very 20 years), the new development is estimated to produce $142,000 annually.

Consolidated Tax Distribution

As mentioned previously the Basic City-County Tax revenues, the Supplemental City-County Tax, and the Real Property Transfer Tax are aggregated and distributed to the City of Las Vegas at 27 percent of total revenues.

The new development is expected to result in an estimated $510,000 in annual Consolidated Tax receipts to the City of Las Vegas.

Table 8

		Build Out
Major Consolidated Tax Revenues		
Basic City/County Relief Tax Revenue		390
Supplemental City/County Relief Tax Revenue		1,366
Real Property Transfer Tax		142
Total of Major Consoldiated Tax Revenues ($000)		1,899
State Distribution		
To State General Fund (Sales Tax)	0.8%	13
Major Consolidated Tax Revenues Distributed to County ($000)		**1,886**
City Distribution		
Las Vegas Historical % of Consolidated Tax		27%
City of Las Vegas Consolidated Tax Receipts		**509**

Source: Economics Research Associates

Proportional Revenues

As described above, Property Taxes, transfers from the Fire Safety Initiative SRF, and Consolidated Taxes are calculated separately. Revenues that are expected to grow proportionally with development are included in the pro-rata revenue figure. Franchise fees, such as gas, electricity, and cable utility fees, and other licenses and permits are included in the pro-rata figures. Other revenues, such as transfers from other funds (not including the Fire Safety Initiative SRF) and intergovernmental fees such as County gaming licenses taxes, are not included because these revenues may not grow with new development.

Charges for Current Services revenues are not included in pro rata revenues or costs.

Proportional revenues are estimated at $624.00 per new equivalent dwelling unit.

Total Revenues

The table below displays total annual on-going revenues as a result of the development.

Table 9

		Build Out
Project Equivalent Dwelling Unit		2,663
GENERAL FUND		
Property Tax Revenues		$0
Transfer from Fire and Life Safety SRF		$376
Consolidated Tax Revenues		$509
Pro-Rated Revenues		
Pro-Rated Revenues@	$ 624.00	$1,661
Total Annual General Fund Revenues		**$2,546**

Source: Economics Research Associates

Fiscal Expenditures

Fiscal expenditures are calculated on a proportional basis. First, ERA reviews the City of Las Vegas 2007 Final Budget, reducing expenditures by fees for service, and looks at the variable share of expenditures on an EDU basis.

Public safety makes up a significant portion of city and new project expenditure. Public safety—police, fire, etc.—make up 56 percent of this fiscal year's budget spending and also makes up the same percentage of the pro-rata expenditure figure.

ERA has estimated a pro-rata expenditure figure of $855 per EDU.

ERA estimates that the new development will result in an annual cost of $2.3 million at build out. These results are displayed in the table below.

Table 10

		Build Out
Project Equivalent Dwelling Unit		*2,663*
GENERAL FUND		
Pro-Rated Expenditures@ $ 855.29 per EDU	$	2,277
Total Annual General Fund Expenditures	**$**	**2,277**

Source: Economics Research Associates

ERA

Economic Impacts to the City of Las Vegas

As part of this study, ERA calculated the one-time and annual ongoing direct (on-site) and induced (off-site) full time equivalent (FTE) jobs and wages attributed to the project.

Construction of the project will result in a number of direct one-time jobs and wages. Calculating construction earnings as 30 percent of total construction costs, ERA estimates that a total of $353 million will be spent towards construction wages. Based on a Las Vegas average construction wage of $43,000, this equates to approximately 8,200 FTE jobs over the course of construction.

The new development's retail center will produce direct permanent jobs and the development's new residents will induced additional services and permanent employees. These jobs and wages are expected to be permanent, on-going impacts.

ERA applies prevailing employment density factors, in terms of square feet per employee, to the potential new development to determine net new employment generation at build out.

Induced impacts are estimated based on the average potential square footage of retail, office, and other services demanded per capita. ERA has developed a set of factors that provide the potential net 'in-community' demand for real estate by various uses as a result of incremental population. These factors are based on ERA's in-house research of incremental space demand across a number of communities utilizing a number of primary and secondary data sources. After calculating the 'in-community' space demanded per capita, induced employment is estimated based on employment density factors. The calculation of induced impacts can be seen in the Appendix.

The Nevada Department of Training and Rehabilitation and the Bureau of Labor Statistics' Occupational Employment Statistics were used to estimate average annual wages for each industry category.

In addition to one-time construction impacts, the new development is projected to produce approximately 550 FTE jobs and $17.3 million wages, annually.

Table 11

Direct Economic Impacts
One-time & Ongoing Employment and Wage Earnings

	One-time Construction Impacts[1]	Annual Ongoing Impacts
FTE Jobs[2]	8,187	545
Earnings	$ 352,678,221	$ 17,282,391

[1]Construction earnings and job impacts are the total impact across all years of construction
[2]Full-time equivalent jobs

Source: Economics Research Associates

ERA

Appendix

Appendix Table 1
DEVELOPMENT PROGRAM AND CHARACTERISTICS

Residential	Units	Unit Price	Mo. Mortgage Payments	Annual Household Income[1]	Household Occupancy Rate	Incremental Population
Lowrise	77	$ 300,000	$ 1,612	$ 55,261	2.50	193
Midrise	769	$ 523,200	$ 2,811	$ 96,375	2.50	1,923
Highrise	1732	$ 642,000	$ 3,449	$ 118,258	2.50	4,330
Brownstone	43	$ 600,000	$ 3,224	$ 117,023	2.50	108
Total For Sale Units /Weighted Avgs.	2,621	$ 596,408		$ 109,967	2.50	6,553

Commercial Development	GLA	S.F. per employee	Employees
Retail			
Restaurants	32,350	500	64.7
Shops	93,050	400	232.6
Total	125,400	422	297.3

[1]Average HH Income for rental and for sale units is based on an affordability approach. For rental units, 30% of gross income towards housing costs is assumed. For for-sale units, ERA has assumed a mortgage payment based on a 30-year term, 6.5% annual interest and a 10% down payment for condos and a 15% down payment for single family homes with a 35% housing cost to gross income ratio.

Source: Newland Communities, Economics Research Associates

Appendix Table 2
City of Las Vegas - Existing Characteristics

Demographic and Housing Data[1]		
Population (2006)		591,536
Occupied Dwelling Units (2006)		217,630
Persons per Dwelling Unit		2.72
Employment Data		
Total Employment (2005)[2]		273,147
Annual growth factor @[3]	3.37%	
Projected Civilian Employment (2006)[3]		282,363

City of Las Vegas - Total Equivalent Dwelling Unit Calculation	
Employment	282,363
Employment Resident Equivalent - 1 employee = 0.35 residents	0.35
Employment Resident Equivalents	98,827
Employment Resident Equivalent / Persons per Dwelling Unit	36,359
Employment Resident Equivalent Dwelling Unit	36,359
City of LV Residential Dwelling Units	217,630
Total Equivalent Dwelling Units (EDU)	253,989

[1]As per the City of Las Vegas, Demographics

[2] As per US Census

[3]Employment annual growth factor calculated from 2000-2005 Census data

Appendix Table 3
Project Equivalent Dwelling Units

Project Characteristics

Weighted Avg. Persons per Household[1]	2.50

Project Equivalent Dwelling Unit Calculations	Build Out
Employment[1]	297
Employment Resident Equivalent - 1 employee= 0.35 resident	104
Employment Resident Equivalent / Persons per Dwelling Unit	42
Employment Resident Equivalent Dwelling Unit	42
+ Residential Dwelling Units[2]	2,621
Total Annual Project Equivalent Dwelling Units (EDU)	2,663

[1]Adjusted City of Las Vegas persons per household figure

Source: Economics Research Associates

Appendix Table 4
City of Las Vegas - Final Budget for Fiscal Year 2007
PRO-RATED REVENUE DISTRIBUTION

City of Las Vegas Total Equivalent Dwelling Unit (EDU)[1]	253,989

Summary of Adopted Revenues

CITY RESOURCES/REVENUES	GENERAL PURPOSE FUNDS	Share	Per New EDU
Ad Valorem Property Tax Revenue	$104,133,800	19.3%	See Note
Room Tax[2]	2,576,000	0.5%	-
Total Taxes	**$106,709,800**	**19.7%**	**$0.00**
Business Licenses	13,408,900	2.5%	52.79
Liquor Licenses	2,214,200	0.4%	8.72
City Gaming Licenses	3,952,500	0.7%	15.56
Franchise Fees	56,198,600	10.4%	221.26
Animal Permits	8,000	0.0%	0.03
Building Permits	3,570,000	0.7%	14.06
Offsite Permits	2,500,000	0.5%	9.84
Miscellaneous Permits	0	0.0%	-
Total Licenses & Permits	**$81,852,200**	**15.1%**	**$543.53**
State Shared Revenue:			
Consolidated Tax	287,280,000	53.2%	See Note
Local Government Revenues:			
County Gaming Licenses (City Share)	3,907,000	0.7%	15.38
Other Local Government Revenues	873,300	0.2%	3.44
Other Local Units Payments in Lieu of Taxes	101,500	0.0%	0.40
Total Intergovernmental Revenues	**$292,161,800**	**54.1%**	**$19.22**
Total Charges for Current Services[3]	**$28,134,796**	**5.2%**	**$0.00**
Court Fines	15,105,457	2.8%	59.47
Forfeited Bail	450,793	0.1%	1.77
Total Fines, Forfeitures & Penalties	**$15,556,250**	**2.9%**	**$61.25**
Interest Earnings	1,365,000	0.3%	
Rentals	1,204,000	0.2%	
Contributions & Donations	76,250	0.0%	
Other Fees, Charges & Reimbursements	485,750	0.1%	
Total Miscellaneous[4]	**$3,131,000**	**0.6%**	**$0.00**
Total Estimated Resources (Less Transfers)	**$527,545,846**	**97.6%**	**$624.00**
Multipurpose SRF	0	0.0%	
HUD SRF	77,666	0.0%	
Fire Safety Initiative SRF	11,800,000	2.2%	See Note
Parks & Leisure Activities CPF	0	0.0%	
Sanitation EF	1,000,000	0.2%	
Total Transfers from Other Funds[4]	**$12,877,666**	**2.4%**	**$0.00**
Total General Fund Revenue/ Pro-rated Revenue	**$540,423,512**	**100.0%**	**$624.00**

[1]Appendix Table 2
[2]Room Tax - ERA has not included any increases in Room Tax because the project does not include a hotel. It should be noted that the project may create indirect increases in Room Tax from new resident hotel demand.
[3]ERA has excluded Charges for Services for all applicable departments. Costs supported by these revenues are also exluded from expenditures in Table V -10.
[4]Revenues not directly affected by new development, such as Transfers from Other Funds, Interest Earnings, and Rentals have been excluded from total pro-rated revenue.

Note:

Property Taxes and Consolidated Taxes are calculated separately.
Transfers into the General Fund from the Fire and Safety Initiative SRF have been calculated separately.

Source: City of Las Vegas Final Budget for Fiscal Year 2007, Economics Research Associates

Appendix Table 5
Property Taxes

PROPERTY TAX [1]	TOTAL
Land Taxable Value	61,218,301
Improvement Value	1,351,257,550
Total Taxable Value (AV)	1,412,475,851
Assessed Value (35%)	494,366,548

Overlapping Entity	Apportionment to Other Agencies	Apportionment to RDA
City of Las Vegas	$0	$3,344,390
Clark County	0	$3,246,011
Las Vegas/Clark County Library District	0	$431,582
Clark County School District	2,003,173	$4,440,400
City of Las Vegas Fire and Safety Initiative	469,648	$0
State of Nevada	0	$840,423
Las Vegas Metro Police Manpower	988,733	$395,493
Las Vegas Metro Police 911 System	0	$24,718
Las Vegas Artesian Basin	0	$3,955
Taxes / $100 AV	$3,461,555	$12,726,972

[1] Analyzed at build out. Does not include year over year increases in assessed value or abatement.

Source: City of Las Vegas Redevelopment Agency (RDA) and Economics Research Associates

Appendix Table 6
On-site Retail Center Sales ($ 000's)

Retail Sales ($ 000s)

Retail		GLA	Sales per SF	Vacancy	Taxable Sales	Build Out
	Restaurants	32,350	$ 325	5%	95%	9,489
	Shops	93,050	$ 250	5%	80%	17,680
Total Retail Sales		125,400				27,168

Source: 2004 Dollars & Cents of Shopping Centers, Economics Research Associates

Appendix Table 7
Household Income Absorption

			Build Out
For Sale Residential			Annual Household Income ($000)
Market Rate	Units	Est. HH Income[1]	
Lowrise	77	$ 55,261	4,255
Midrise	769	$ 96,375	74,112
Highrise	1732	$ 118,258	204,823
Brownstone	43	$ 117,023	5,032
Annual Household Income Increment			288,222

[1]Report Table 3

Source: Economics Research Associates

Appendix Table 8
New Resident Expenditures (000's)

Cumulative Household Income (000's)				$ 288,222
OFFSITE				
Household Expenditure	**% HH BLS Expenditure**	**% of expenditure capture in Las Vegas**	**% Offsite expenditure**	**Build Out**
Food at home	4.5%	95%	60%	7,398
Food away from home	4.0%	75%	60%	5,240
Alcoholic beverages	0.6%	90%	75%	1,182
Household operations	1.3%	80%	70%	2,118
Housekeeping supplies	1.0%	80%	65%	1,509
Household furnishings and equipment	3.0%	50%	75%	3,216
Apparel and services	2.8%	80%	75%	4,765
Transportation				
Other vehicle expenses[1]	0.9%	80%	100%	1,989
Healthcare[2]	0.9%	95%	95%	2,241
Entertainment[3]	1.4%	85%	70%	2,464
Personal care products and services	0.8%	95%	75%	1,642
Reading	0.2%	80%	75%	353
Tobacco products and smoking supplies	0.3%	85%	75%	533
Miscellaneous	0.6%	85%	55%	819
Total New Offsite Resident Expenditures ($000's)				50,907

[1]25% of BLS expenditure.
[2]25% of BLS expenditure.
[3]30% of BLS expenditure

Source: Bureau of Labor Statistics Consumer Expenditure Survey 2005, Economics Research Associates

Appendix Table 9
Sales Tax Receipts to Consoldiated Taxes(000's)

Taxable Sales		**Build Out**
Retail Center Sales		27,168
Resident Offsite Expenditure		50,907
Taxable Sales ($000)		78,075
	Rate	
Basic City/County Relief Tax Revenue	*0.50%*	*390*
Supplemental City/County Relief Tax Revenue	*1.75%*	1,366
Total Sales Tax Revenues to Local Governments ($000)		1,757

Source: Economics Research Associates

Appendix Table 10
Real Property Transfer Taxes

			Build Out
Residential Assessed Value		$	1,173,912,000
Non-Residential Assessed Value		$	238,563,851
Annual Turnover			
Residential Turnover	10%	$	117,391,200
Non Residential turnover	5%		$11,928,193
Transfer Tax Rate to Consolidated Tax for every $500 of value of real property			$0.55
Annual Real Property Transfer Tax at Build Out			**$142,251**

Source: State of Nevada, Department of Taxation Annual Report, Economics Research Associates

Appendix Table 11
Consoldiated Taxes (000's)

		Build Out
Major Consolidated Tax Revenues		
Basic City/County Relief Tax Revenue		390
Supplemental City/County Relief Tax Revenue		1,366
Real Property Transfer Tax		142
Total of Major Consoldiated Tax Revenues ($000)		1,899
State Distribution		
To State General Fund (Sales Tax)	0.8%	13
Major Consolidated Tax Revenues Distributed to County ($000)		**1,886**
City Distribution		
Las Vegas Historical % of Consolidated Tax		27%
City of Las Vegas Consolidated Tax Receipts		**509**

Source: Economics Research Associates

Appendix Table 12
City of Las Vegas - Final Budget Expenditures for Fiscal Year 2007

Equivalent Dwelling Units (EDU)	253,989

Summary of Adopted Expenditures CITY EXPENDITURES	GEN. PURPOSE FUNDS	Share	Less Charges for Current Services	Expenditure per Unit Per EDU	Share of Variable Costs	Pro Rata Expenditure Per New EDU
General Government	$99,616,560	18.0%	$ 94,273,630	$371.17	35%	$129.91
Municipal Courts	19,051,372	3.4%	19,051,372	75.01	35%	26.25
City Attorney-Criminal Division	4,756,901	0.9%	4,756,901	18.73	35%	6.56
Public Defender	485,296	0.1%	485,296	1.91	35%	0.67
Alternative Sentencing & Education	4,217,287	0.8%	187,287	0.74	35%	0.26
Judicial	$28,510,856	5.2%	$24,480,856	$96.39	35%	$33.73
Metro Police Department	129,960,148	23.5%	129,960,148	511.68	80%	409.34
City Marshals	10,239,520	1.9%	10,239,520	40.31	35%	14.11
Fire & Rescue	102,858,610	18.6%	102,858,610	404.97	100%	404.97
Detention & Correction Services	49,348,084	8.9%	49,348,084	194.29	35%	68.00
Neighborhood Response	3,205,579	0.6%	3,205,579	12.62	100%	12.62
Traffic Engineering	15,247,129	2.8%	2,854,229	11.24	65%	7.30
Public Safety	$310,859,070	56.2%	$158,266,502	$623.12	79%	$492.90
Public Works Administration	1,150,759	0.2%	986,327	3.88	65%	2.52
Engineering & Planning	18,724,938	3.4%	16,049,326	63.19	65%	41.07
Street Maintenance	2,176,183	0.4%	1,865,228	7.34	100%	7.34
Public Works	$22,051,880	4.0%	$18,900,880	$74.42	68%	$50.94
Animal Care & Control	2,756,952	0.5%	2,756,952	10.85	40%	4.34
Cemetery	70,000	0.0%	70,000	0.28	40%	0.11
Communicable Disease Control	50,000	0.0%	41,500	0.16	40%	0.07
Health	$2,876,952	0.5%	$2,868,452	$11.29	40%	$4.52
Administration	2,802,095	0.5%	2,802,095	11.03	35%	$3.86
Participant Recreation	16,898,569	3.1%	16,898,569	66.53	65%	$43.25
Spectator Recreation	6,588,862	1.2%	6,588,862	25.94	65%	$16.86
Parks	18,156,781	3.3%	18,156,781	71.49	65%	$46.47
Senior Citizens	3,178,352	0.6%	476,586	1.88	65%	$1.22
Culture and Recreation	$47,624,659	8.6%	$476,586	$1.88		$111.66
Economic Development	717,779	0.1%	717,779	2.83	100%	2.83
Neighborhood Services	7,788,270	1.4%	7,633,270	30.05	100%	30.05
Economic Development	$8,506,049	1.5%	$7,633,270	$30.05		$30.05
Transportation Services	1,495,630	0.3%	1,142,930	4.50	35%	1.57
Transportation	$1,495,630	0.3%	1,142,930.00	4.50	35%	$1.57
Transfers Out	$31,868,048	5.8%	$31,868,048	125.47	0%	0
Total Operating Expenditures	$553,409,704	100.0%		$1,338.29		$855.29

Note: Variable costs are based on ERA estimates.
ERA has excluded Charges for Services for all applicable departments for both Revenues and Expenditures.
Transfers Out are excluded from costs as they are noe expected to increase with development.
Source: City of Las Vegas Final Budget for Fiscal Year 2007, Economics Research Associates

Appendix - Table 13
Union Park - Net Fiscal Impacts ($ 000's)

				Build Out
Project Equivalent Dwelling Unit				*2,663*
GENERAL FUND REVENUES				
Property Tax Revenues				-
Transfer from Fire and Life Safety SRF				376
Consolidated Tax Revenues				509
Pro-Rated Revenues @	$	624	per EDU	1,661
Total Annual General Fund Revenues				2,546
GENERAL FUND EXPENDITURES				
Pro-rated Expenditures @	$	855	per EDU	2,277
Total Annual General Fund Expenditures				2,277
Net Annual Impact to the General Fund				**269**

Source: Economics Research Associates

Appendix Table 14
One-Time Construction Impacts

	Build Out
Improvement Costs (Hard + Soft Costs)	$ 1,351,257,550
x Estimated % Hard Costs	87%
Hard Construction Costs	1,175,594,069
x Estimated % Construction Earnings	30%
Construction Earnings	352,678,221
Average Construction Wage	43,077
Estimated Full-Time Equivalent Jobs	8,187

Source: Economics Research Associates, Nevada Department of Training and Rehabilitiation & Bureau of Labor Statistics 2006 Occupational Employment Statistics

Appendix Table 15
Potential 'In-Community Employment' Generation from New Residents

Dwelling Units at Build Out	2,621
Population at Build Out	6,556

	Potential Per Capita s.f. demanded	Build Out Demand (s.f.)	s.f. per employee	Potential net employment generation
Retail				
Restaurants and Take-Out Food	1.30	8,523	500	17
Supermarket/ Food Stores	4.00	26,224	600	44
Shops (Convenience, Discount, Community and Regional)	2.30	15,079	400	38
Strip Retail and Miscellaneous	0.80	5,245	400	13
Furniture, Building materials, decorator	0.50	3,278	650	5
Automotive, Boats, Vehicular Sales and Parts	0.40	2,622	650	4
Gas Stations	0.80	5,245	450	12
Tourist/Specialty centers	0.10	656	400	2
Total Retail	**10.20**	**66,871**		**134**
Office				
Financial Institutional Branches	1.30	8,523	350	24
Other Local Serving Office	3.80	24,913	300	83
Regional Serving Office		-	-	-
National Office		-	-	-
Total Office	**5.10**	**33,436**		**107**
Other				
Hotel/Motel	-	-	-	-
Cinema	0.80	5,245	800	7
Commercial Recreation	-	-	-	-
Total Other	**0.80**	**5,245**	**5,500**	**7**
TOTAL	**16.10**	**105,552**		**248**

Source: Economics Research Associates

Appendix Table 16
Estimated On-going Employment and Wage Earnings

Employees	Employees at Build Out	Average Las Vegas MSA Annual Wages	Total Wages
Union Park Employees			
Retail Employees	297	$ 28,205	$ 8,385,992
Induced Employees			
Retail Employees	134	$ 28,205	$ 3,777,551
Office Employees	107	$ 45,847	$ 4,923,710
Other Employees	7	$ 29,765	$ 195,138
Total	545		$ 17,282,391

Source: Economics Research Associates, Nevada Department of Training and Rehabilitation & Bureau of Labor Statistics 2006 Occupational Employment Statistics