

Proposed Symphony Park TID

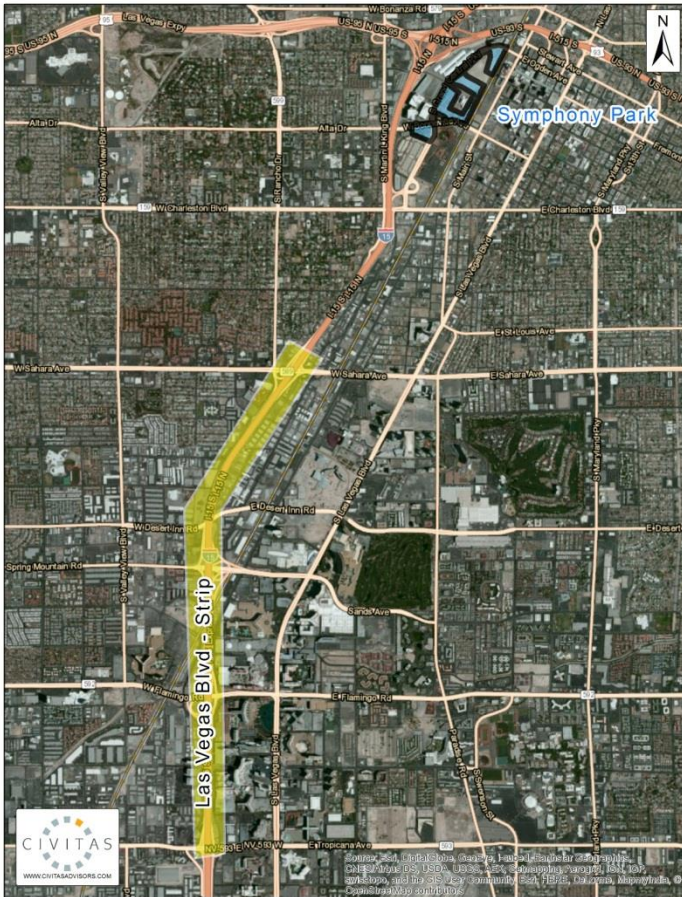
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Summary

- This report analyzes the proposed Symphony Park Tourism Improvement District in Las Vegas.
- Sources of spending include:
 - The expansion of Premium Outlets North Mall
 - The hotels and retail businesses expected in the mixed-use portion of the development.
- Over a five-year period, a total of \$1.1 billion in spending is expected to occur within the TID, including \$870 million in retail spending.
- A total of \$37 million in sales tax revenues will be generated, of which \$20.4 million (55.2%) will be generated by out-of-state visitors to Las Vegas.
- There is little risk of displacement of existing business sales outside of the proposed TID due to the scale of the project and expectations for growth.

Boundaries



Plans for District

- 1,092,000 square feet of office space
- 16,541 parking spaces
- 1,878 residential units
- 257,000 square feet of retail space
- Three hotels with a total of 1,650 hotel rooms
- 150,000 square feet of expanded retail space in Outlet Mall

Development component: mall expansion

- Expansion of 150,000 sq ft, on top of existing 435,000 sq ft
 - Approach: estimate total sales, and local, non-local, and non-NV shares of sales at the existing mall.
 - Demand density concept is used for local and non-local share estimates.
 - Use sales per sq ft, and shares of sales (local, non-local, non-NV) applied to the mall expansion.
 - Sales tax revenues are a function of total sales.

Components: mixed-use development

- The mixed-use portion of the Symphony Park projects includes hotels, retail, and residential space.
 - Approach: estimate hotel revenues based on assumed occupancy and room rates.
 - Estimate retail sales based on expected sq ft, and estimate local, nonlocal, and non-NV share of sales.
 - Share estimates based on demand density concept.
 - Hotel tax revenues are a function of room revenues and sales tax revenues are a function of total retail sales.

Statutory Questions

- What is the amount of taxes and other government revenue that will be received as a result of the project?
- How will any money pledged be used?
- Will the project have a positive fiscal effect on the provision of local government services?
- How much money – in sales and use taxes – will the project generate from businesses located outside the District and any displacement of the proceeds from sales and use taxes collected by retailers outside the District?
- How much money – in sales and use taxes – will the project generate from businesses located within the District?
- Will a preponderance of the increase in sales and use taxes within the District be from non-Nevada residents?

All components: total spending

Estimates of Spending in Proposed TID						
	2016	2017	2018	2019	2020	5-yr total/avg
1. Mall expansion						
Additional retail sq ft, ths	150	150	150	150	150	150.0
Estimated sales/sq ft	772.81	788.27	804.04	820.12	836.52	804.4
Total sales, \$mils	115.9	118.2	120.6	123.0	125.5	603.3
2. Mixed-use parcels						
Additional retail sq ft, ths	257	257	257	257	257	257
Estimated sales/sq ft	200.00	204.00	208.08	212.24	216.49	208.16
Total sales, \$mils	51.3	52.4	53.4	54.5	55.6	267.2
Additional hotel rooms	1,650	1,650	1,650	1,650	1,650	1,650
Supply, room-nights, ths	602.3	602.3	602.3	602.3	602.3	602.3
Occupancy, %	85.1	85.3	85.6	85.8	86.1	85.6
Demand, room-nights, ths	512.2	513.7	515.2	516.7	518.2	515.2
Average daily room rate, \$/room	90.05	92.30	94.61	96.97	99.40	94.68
Total room revenues, \$mils	46.1	47.4	48.7	50.1	51.5	243.9
3. Total spending in proposed TID						
Retail sales, \$mils	167.3	170.6	174.0	177.5	181.0	870.4
Hotel room revenues, \$mils	46.1	47.4	48.7	50.1	51.5	243.9
Total spending, \$mils	213.4	218.0	222.8	227.6	232.6	1,114.3

Spending sources by project component

Out-of-State Visitor Spending: Mall Expansion						
	2016	2017	2018	2019	2020	5-yr total/avg
Mall expansion						
Total retail sales, \$mils	115.9	118.2	120.6	123.0	125.5	603.3
Local sales, \$mils	36.3	37.0	37.7	38.5	39.2	188.7
Local share, %	31.3	31.3	31.3	31.3	31.3	31.3
Non-local sales, \$mils	79.7	81.3	82.9	84.5	86.2	414.6
Non-local share, %	68.7	68.7	68.7	68.7	68.7	68.7
Non-NV visitor sales, \$mils	77.3	78.8	80.4	82.0	83.6	402.1
Non-NV visitor share, %	66.7	66.7	66.7	66.7	66.7	66.7

Out-of-State Visitor Spending: Mixed-use Development						
	2016	2017	2018	2019	2020	5-yr total/avg
Mixed-use development						
Total retail sales, \$mils	51.3	52.4	53.4	54.5	55.6	267.2
Local sales, \$mils	35.9	36.6	37.3	38.1	38.8	186.6
Local share, %	69.9	69.9	69.9	69.9	69.9	69.9
Non-local sales, \$mils	15.5	15.8	16.1	16.4	16.8	80.5
Non-local share, %	30.1	30.1	30.1	30.1	30.1	30.1
Non-NV visitor sales, \$mils	15.0	15.3	15.6	15.9	16.3	78.1
Non-NV visitor share, %	29.2	29.2	29.2	29.2	29.2	29.2

Out of state spending and tax revenues

Out-of-State Visitor Spending: Total Project						
	2016	2017	2018	2019	2020	5-yr total/avg
Retail sales, \$mils						
Mall expansion	115.9	118.2	120.6	123.0	125.5	603.3
Mixed-use development	51.3	52.4	53.4	54.5	55.6	267.2
Total retail sales	167.3	170.6	174.0	177.5	181.0	870.4
Non-NV visitor spending	92.3	94.1	96.0	97.9	99.9	480.3
<i>Non-NV visitor share</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>

Non-Nevada Visitors Share of Tax Revenues						
	2016	2017	2018	2019	2020	5-yr totals
Total retail sales, \$mils	167.3	170.6	174.0	177.5	181.0	870.4
Non-NV retail sales, \$mils	92.3	94.1	96.0	97.9	99.9	480.3
<i>Non-NV share of retail sales</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>
Calculated at 4.25%						
Total Sales and Use tax revenues	7.1	7.3	7.4	7.5	7.7	37.0
Net to TID, 75% of gross, less fees	5.2	5.3	5.4	5.6	5.7	27.3
Non-NV Sales and Use tax revenues	3.9	4.0	4.1	4.2	4.2	20.4
Net to TID, 75% of gross, less fees	2.9	2.9	3.0	3.1	3.1	15.0
<i>Non-NV share of gross and net revenues</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>	<i>55.2</i>

Cost Implications

GOVERNMENT SERVICES

Housing & Population

- 1,878 housing units = 5,183 residents
 - Average 2.4 persons per unit
 - +15% modifier for expected higher density
- Expected to attract young professionals
- Expected to displace residents from other parts of Las Vegas
- Current unemployment = 7.1%
 - Most jobs expected to be filled by existing Las Vegas residents

Education

- Of the total Las Vegas city population, 15.5% are students
- $15.5\% * 5,183 = 803$ students
- Because most population will be displaced or non-parents, reduction factor of 90% applied
- $803 * .1 = 80$ students
- Average cost per student is \$8,018
- $80 * \$8,018 = \$644,138$

Police Costs

■ City of Las Vegas

Measurement	Service Cost		City Total		Cost Per Unit
Acreage	\$119,800,568	÷	86,924.80	=	\$1,378.21
Population	\$119,800,568	÷	603,488	=	\$199

■ Symphony Park

Measurement	Cost Per Unit		Units		Total Cost
Acreage	\$1,378.21	x	61	=	\$84,070.77
Population	\$199	x	5,183	=	\$1,028,951.51

Fire Costs

■ City of Las Vegas

Measurement	Service Cost		City Total		Cost Per Unit
Acreage	\$113,117,750	÷	86,924.8	=	\$1,301.33
Population	\$113,117,750	÷	603,488	=	\$187

■ Symphony Park

Measurement	Cost Per Unit		Units		Total Cost
Acreage	\$1,301.33	x	61	=	\$79,381.06
Population	\$187	x	5,183	=	\$971,553.65



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