

RCG Economics LLC ("RCG") was retained by McDonald Carano Wilson LLP ("MCW") to prepare demographic, economic benefits and fiscal benefits studies for the proposed development of the Las Vegas Athletic Complex ("the Complex") on behalf of MCW's client, IDM LLC. The following summarizes RCG's findings regarding the Complex's potential economic and fiscal benefits to the local economy.

Construction Phase (One-Time Benefits)

Economic Benefits Summary

RCG estimates that during the two-year construction period, the Complex's construction could potentially result in **\$1,009.5 million** ("MM") of direct output (construction spending) activity on the Clark County economy; **\$174.5MM** in indirect output; and **\$307.6MM** in induced output benefit to Clark County.

During that period, the Complex's construction would potentially support about **10,540** total full- and part-time construction jobs in Clark County resulting in **\$661.2MM** in labor income (same as "labor compensation"); of which:

- **6,870** direct construction jobs with **\$483.4MM** in labor compensation;
- **1,200** indirect construction jobs with **\$65.3MM** in labor income; and
- **2,470** induced construction jobs with a labor income of **\$112.5MM**.

Fiscal Benefits Summary

RCG estimates that the Complex could potentially generate approximately **\$15.0MM** in one-time/non-recurring tax revenue from sales and use tax from construction employee's personal spending and modified business tax on construction jobs, in addition to the tax revenues that could be generated by the dedicated taxes (e.g., property tax, sales and use tax, modified business tax, pay-per-view, and live entertainment tax directly generated by the Complex).

Operations Phase (Annual Benefits)

Economic Benefits Summary

RCG estimates that, when it is *100% operational*, the Complex could produce the following benefits to the Clark County economy:

- **Direct Benefits:** **\$374.7MM** per year in direct output; **2,710** annual full- and part-time jobs; and **\$82.6MM** per year in labor compensation.
- **Indirect Benefits:** **\$74.1MM** per year in indirect output; **680** annual full- and part-time jobs; and **\$30.4MM** per year in labor compensation.
- **Induced Benefits:** **\$65.9MM** per year in induced output; **540** annual full- and part-time jobs; and **\$24.1MM** per year in labor compensation.

Fiscal Benefits Summary

On an ongoing annual (recurring) basis, RCG estimates that the Complex potentially generates approximately **\$5.0MM** in annual tax revenue from the following three non-dedicated tax categories:

- Annual transient lodging tax: **\$2.7MM**;
- Annual sales and use tax from employees' personal spending: **\$1.8MM**;
- Annual modified business tax from operation jobs: **\$540,000**. The following table summarizes RCG's findings regarding the Complex's potential economic and fiscal benefits from construction activity and annual operations on Clark County.

LAS VEGAS NATIONAL SPORTS CENTER ECONOMIC & FISCAL BENEFITS CLARK COUNTY NEVADA		
	CONSTRUCTION	ANNUAL OPERATIONS
EMPLOYMENT		
Direct Benefit	6,870	2,710
Indirect Benefit	1,200	680
Induced Benefit	<u>2,470</u>	<u>540</u>
	10,540	3,930
LABOR COMPENSATION		
Direct Benefit	\$483,400,000	\$82,600,000
Indirect Benefit	\$65,300,000	\$30,400,000
Induced Benefit	<u>\$112,500,000</u>	<u>\$24,100,000</u>
	\$661,200,000	\$137,100,000
ECONOMIC OUTPUT		
Direct Benefit	\$1,009,500,000	\$374,700,000
Indirect Benefit	\$174,500,000	\$74,100,000
Induced Benefit	<u>\$307,600,000</u>	<u>\$65,900,000</u>
	\$1,491,600,000	\$514,700,000
POTENTIAL TAX RECEIPTS COLLECTED BY GOVERNMENT		
Sales and use Tax	\$8,440,000	\$1,750,000
Modified Business Tax	\$6,580,000	\$540,000
Transient Lodging Tax	N/A	\$2,748,000
Property Tax	<u>Not Estimated</u>	<u>Not Estimated</u>
	\$15,020,000	\$5,038,000

Notes to the table:

1. Tax revenues indicated above do not include any increment generated within and captured by the Athletic Improvement District. All tax receipts indicated above are received by the applicable taxing agency.
2. Increased ad valorem taxes may be generated by the increased value of properties surrounding the Complex. The potential increase in property tax receipts has not been estimated as part of RCG's analyses. However, new spending generated by the Complex is likely to increase property values in Clark County as existing businesses expand and new businesses are created.