



Preponderance Study and Related Analyses for Arts District TID



Submitted To:
City of Las Vegas



Submitted By:
Johnson Consulting



Submission Date:
September 9, 2024



September 9, 2024

Mr. Eric Bordenave
Sr. Economic Development Specialist
City of Las Vegas
Economic & Urban Development
495 S. Main Street, 6th Floor
Las Vegas, Nevada 89101
ebordenave@lasvegasnevada.gov

Re: Preponderance Study and Related Analyses for Arts District TID

Dear Eric:

C.H. Johnson Consulting, Inc. (**Johnson Consulting**) is pleased to submit this proposal to the City of Las Vegas (“City” or “Client”) for a preponderance study and related analyses for the proposed Arts District TID (“Project”). Having performed this specific type of analysis for both the New Vegas Immersive District and the AREA15 TIDs, and similar analyses for other mixed-use developments, we have the precise mix of expertise and experience to work on this assignment.

Johnson Consulting, founded in 1996, is a real estate consulting firm headquartered in Chicago, Illinois. Our staff has worked in the tourism, economic impact and real estate consulting fields for over 35 years and has conducted over 1,000 engagements in both the U.S. and abroad. These engagements include economic development strategy, planning, market entry and feasibility studies, tax projections, operational reviews, financial plans, and economic and fiscal impact studies of retail, residential, entertainment, hospitality, sports venues, and various other land uses. Our experience in Las Vegas and Nevada is extensive.

Through our many years of practice, Johnson Consulting has developed tested and proven methodologies for preparing accurate economic and fiscal impact analyses, and our reports regularly guide decision making for proposed projects. The balance of this letter outlines our understanding of the assignment, scope of work, schedule, and proposed fees to perform the analysis.

UNDERSTANDING OF THE ASSIGNMENT

The Project relates to the northern portion of The Arts District which spans 18-blocks of downtown Las Vegas and is a hub of breweries, restaurants, art galleries, murals and other arts and cultural amenities. The TID will be anchored by the redevelopment of the former Mission Linen Building, which is proposed to include the Evel Knievel Museum (which will relocate from Topeka, KS), Heavy Metal Pizza Party and Mothership Coffee Roasters. Ancillary development is proposed to include 32,000 SF of retail space, 20,000 SF of office space, an 887-space parking garage, and the Neon Museum. At this preliminary stage, the proposed TID will be bounded by Bonneville Ave, Main St, Gass Ave, 3rd St, Charleston Blvd, and the Union Pacific Railroad.

The City is seeking professional services from an independent consultant to review the developer's application for a newly created TID, anchored by the redevelopment of the Mission Linen Building, which is owned by Dapper Companies. Our work will address the following key framework questions:

1. Will the Project and the financing thereof have a positive fiscal effect on the provision of local government services? (addressing requirements outlined in NRS 271A.080.3(a) – (d))
2. As a result of the Project, will retailers locate their businesses within the District and will there be a substantial increase in the proceeds from the sales and use taxes remitted by retailers within the District? (addressing requirements outlined in NRS 271A.080.5(a))
3. As a result of the Project, will the preponderance of the increase in proceeds from sales and use taxes be attributable to transactions with tourists who are not residents of the state of Nevada? (addressing requirements outlined in NRS 271A.080.5(b))

We will provide demand and retail sales, forecasts and economic and fiscal impact estimates to fulfill the TID process, as well provide in-depth information to ensure political, and as appropriate, financial support for the project.

SCOPE OF WORK

Based upon our discussions, it is our understanding that the preliminary TID area, as described above, incorporates a number of vacant parcels, some of which are significant in size and are slated for development, in various stages of the planning process. It may be necessary to consider the impact of future development on these sites, specifically as it relates to the potential generation of additional sales tax within the TID. As such, our proposed scope of work to complete the preponderance study and related analysis is presented in 2 distinct but interrelated phases – Phase I: focusing on the Mission Linen Building specifically; and Phase II: Supplemental analysis to contemplate any additional impact derived from the development of currently vacant parcels

PHASE I:

Our proposed scope of work to complete the preponderance study and related analyses for the redevelopment of the Mission Linen Building and establishment of the proposed TID includes the following:

- Review of TIF/TID legislation.
- Due Diligence and abstract of work pertaining to the project to date, as provided by the Developer and including data relating to current operations at the existing Evil Knievel Museum in Topeka, KS.
- Test the market and analyze market potential for the proposed arts/ cultural and retail uses. This will involve a traditional retail analysis for the site, plus an assessment of visitation to the arts/ cultural uses. Because of the unique nature of the project, case studies of will be provided to help justify attendance, shopper origin and retail sales per visitor.
- Prepare retail relocation projections and estimates of the impact of sales and use tax collections.
- Undertake an economic and fiscal impact analysis of the planned development estimating the potential amount of spending, tax revenues and jobs that will be created.
- Estimate the fiscal impact of the project and financing on the provision of local government services. This analysis will be conducted in association with Hobbs Ong & Associates, Inc.
- Analyze how much of the estimated impact can be considered “net new”.

Setting incentive policy for development projects is very important to the host community from a political, economic and public policy standpoint. Johnson Consulting measures the impact of the development and projects the impacts in the following ways:

- A. Measure the contribution of the new development to the City and the broader market area, as well as the provision of local government services.
- B. Prepare a direct tax yield analysis, based on the project envelope itself, directly- Property Tax, Sales Tax, Food and Beverage Tax, Hotel Tax, Income Taxes, and Payroll Taxes are the main categories of spending, jobs and taxes calculated directly.
- C. Calculate the effects of the proposed development in the jurisdictions as follows:
 - Summarize the demand and operating projection information in a format suitable for use in Johnson Consulting’s economic and fiscal impact model. This will also summarize what percent of shopper/patron spend originates from visitors outside the state.
 - Use the IMPLAN model, to estimate indirect and induced spending, taxes and employment impacts by jurisdiction.
 - Summarize local and state tax structure including all relevant State, County, City and other municipal taxes that may be appropriate.

- Conduct tests to ensure that outputs make common sense, in terms of total taxes collected by jurisdiction, correlation with prior information, and in general, to other economic impact studies prepared for other projects.
- D. Net New Analysis- Assesses what net new incremental impacts occur because of the project, are induced by the market, or are a result of cannibalization of the market and could occur anyway.

Upon completion of the tasks, we will produce a report and PowerPoint presentation of findings.

PHASE II:

Johnson Consulting will examine various vacant parcels, as identified by the City, to assess the contribution to sales tax generation based upon proposed future development programs. Specifically, we will:

- Review information provided by the City as it relates to entitlements on each site, and the status of current plans or proposals for those properties.
- Conduct interviews with the owners/ developers or other parties, as appropriate, for each site to further understand proposed plans and timelines for each property.
- Utilize the same methodology as described above, test the market and analyze market potential for the proposed or identified potential uses on each property.
- Undertake an economic and fiscal impact analysis of the planned development estimating the potential amount of spending, tax revenues and jobs that will be created.
- Estimate the fiscal impact of the project and financing on the provision of local government services. This analysis will be conducted in association with Hobbs Ong & Associates, Inc.
- Analyze how much of the estimated impact can be considered “net new”.

The findings of Phase II will be incorporated into a comprehensive assessment of net new sales tax revenues to be derived from the TID based upon both the proposed redevelopment of the Mission Linen Building (Phase I) and potential future development on identified vacant parcels within the TID (Phase II).

REPORTS, MEETINGS AND DELIVERABLES

Johnson Consulting will complete the Phase I within 10-12 weeks of commencement of the assignment. If Phase II is desired, the timeframe will depend upon the number of sites identified by the City, the breadth of information that is made available by the City, and the availability of information from the site owners/ developers. At this preliminary stage, we estimated that Phase II would take an additional 5-6 weeks to complete.

Deliverables will include a report and PowerPoint presentation of findings from the preponderance study and related analyses. We will include up to two (2) revised drafts of any studies or analyses and up to one (1) amendment to any final studies or analyses. We will be available to present our findings to City representatives and other stakeholders, as needed.

FEES

We propose to complete the preceding Phase I scope of work for a fee of \$44,375 excluding any reimbursable and travel expenses. Expenses will only be billed if incurred, with travel to be discussed prior to commencement of the study (we anticipated 1 in-person visit), but will include \$3,500 for the purchase of IMPLAN data and an allowance of \$2,000 for 1 in-person visit. An additional expense allowance is recommended for testimony support and other meetings as required. If services outside of this scope of services are requested, we will negotiate a modification to this contract.

For Phase II, the fee will be dependent on the number of sites that are selected by the City. We would anticipate a supplemental budget, over and above Phase I, in the range of \$30,000-\$40,000. No additional expenses are anticipated for Phase II.

We are available to begin work immediately and commit to delivering the highest quality product within a time frame that meets your needs. If you have any questions or would like any additional information, please do not hesitate to contact me at 312.447.2001 or at cjohnson@chjc.com.

Thank you for your interest in our firm. We truly look forward to the opportunity to serve you.

Sincerely,



C.H. Johnson Consulting, Inc.
Charles H. Johnson, IV
President

CONTRACTUAL CONDITIONS

Subject to the actual terms and conditions of any subsequent agreement with you, the following conditions are standard policy for Johnson Consulting and are customary for engagements of this type. Should you have any questions concerning any of these conditions, please feel free to contact us.

The findings and recommendations of our research will reflect analyses of primary and secondary sources of information. Estimates and analyses presented in our report will be based on economic trends, market assumptions, and financial data that are subject to variation. Johnson Consulting will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by management.

It is understood in accepting this proposal that neither fees nor payment thereof is contingent upon the findings of the study. Upon receipt of invoices, payment is to be made within 30 days of receipt unless prior arrangements have been made with management. Additionally, all outstanding invoices must be current prior to the release of any draft and final reports.

Johnson Consulting will have no responsibility to update its report for events and circumstances occurring after the date of its report. If you decide not to proceed with the project, or if it appears that the study will result in a finding that the project cannot achieve its required results, Johnson Consulting would, at your request, terminate its work and would only bill you for fees and expenses incurred to that point in time.

If you require us to attend meetings and make presentations beyond the scope of services, Johnson Consulting will charge separately for its actual hours of professional time incurred in preparing for and attending the meetings. Professional time will be billed at Johnson Consulting's standard hourly rates plus travel and incidental expenses. Billing rates are subject to a minimum five percent increase as of January 1, 2025.

Invoices outstanding after thirty days of receipt shall accrue at the interest rate of one percent per month until paid. If we need to bring action to enforce the terms contained in this letter, you will be responsible to pay our reasonable attorney's fees, costs and expenses.

We commit to delivering the highest quality product within the timeframe we have proposed. If you have any questions, please feel free to call me at 312-447-2001.

Thank you for your interest in our firm. We look forward to the opportunity to serve you.



C.H. JOHNSON CONSULTING, LLC

AUTHORIZATION TO PROCEED

Signature: _____
Name: Tonya Kemble
Title: Purchasing and Contracts Manager
Date: _____

DocuSigned by:
Charles Johnson
Signature: _____
Name: Charles H. Johnson
Title: President
Date: 9/30/2024 | 3:23 PM PDT

ATTEST:

DR. LUANN D. HOLMES, MMC DATE

APPROVED AS TO FORM:

John S. Ridilla 9/25/24

DATE

TITLE: **John S. Ridilla**
Chief Deputy City Attorney

QUALIFICATIONS



QUALIFICATIONS



JOHNSON CONSULTING

6 East Monroe Street, 5F, Chicago, Illinois 60603
312.447.2010 | www.chjc.com

Experts In Convention, Hospitality, Sports and Real Estate Consulting



+25 YEARS

Conducting economic, market and financial analysis for public assembly facilities



20,000

Built hotel rooms



30M SQ.FT

of exhibition space



\$100B

in projects built



+2,000

Projects/assignments

COMPANY OVERVIEW

Johnson Consulting, a corporation founded in 1996 in Chicago, Illinois, has conducted hundreds of engagements in the U.S., Canada, Central and South America, Asia, Africa, and Europe with a focus on strategic planning for urban renewal districts, public assembly facilities, hotels and surrounding districts, and the broader real estate markets.

Our staff has worked in the real estate planning, hospitality, and sports consulting fields for over 35 years. The majority of this work is focused on strategic planning, market and feasibility studies, economic and fiscal impact assessments, economic development, strategy development, tax analysis and projections, site selection, development consulting, developer and investor recruitment and downtown and suburban development and redevelopment planning. These engagements involve a variety of land uses, including mixed-use development districts, retail, office, industrial, housing, and special uses such as hotels, conference centers, arenas, sports facilities, entertainment and tourism, and university based projects.

The majority of our clients are cities and counties, and we also perform studies for private developers and quasi-governmental organizations, such as universities, convention and visitors bureaus and authorities. With both our public and private sector clients, we deliver high- quality work in a timely manner. Numerous repeat engagements with several clients are evidence of our reputation for quality and client satisfaction.

We have provided analysis, insight and recommendations for various development and real estate projects, providing both comprehensive evaluation of an entire area and specific evaluation of individual facility concepts and economic development potential. Our expertise allows us to counsel communities on whether development is appropriate, and if so, what should be built, where it should be built, and how to finance and develop the project. Johnson Consulting is noted for providing straightforward opinions and creating meaningful solutions to complex challenges.

QUALIFICATIONS

SERVICES



CONSULTING SERVICES



- Market & Demand Analysis
- Proforma/Financial Analysis
- Economic & Fiscal Impacts
- Strategic Master Planning
- Expansion/Renovation Analysis
- Funding Strategies



- Project Financing Analysis
- Tax Analysis & Projections
- Asset Valuation
- Sensitivity/Gap Analysis
- Owner's Representation
- Site Analysis



- Manage RFP/RFQ Solicitations
- Operational Audits
- Naming Rights Valuation
- Negotiation Assistance
- Public-Private Partnerships (P3)
- Public Engagement

QUALIFICATIONS



PROJECT EXECUTIVE

CHARLES H. JOHNSON IV
 PRESIDENT & CEO, JOHNSON CONSULTING

Charles is the founder of Johnson Consulting and a nationally recognized real estate consultant with over 30 years of experience focused on mixed-use, conference centers and hotels, and sports consulting fields. He has led the work on over 1,000 real estate consulting assignments in the U.S. and abroad, including work for several university clients and government clients. His participation in various aspects of real estate development has enabled him to develop an extensive knowledge of the market and demand requirements for appropriate substantiation for funding and operations of a wide array of projects.

Prior to forming Johnson Consulting, Charles was Director of KPMG Peat Marwick’s Convention, Sports and Hospitality Consulting practice. He worked with Laventhol and Horwath’s real estate consulting division and also worked as an employee at two other real estate development firms. He has served on numerous Urban Land Institute advisory panels related to strategic planning and redevelopment analysis. He also regularly participates in the national P3 conference as a panel for higher education-focused discussions.

AREAS OF EXPERTISE

Real Estate Market and Finance
 Tourism Strategic Planning
 Hotel/ Mixed Use Development
 Developer Solicitation and Negotiation
 Economic and Fiscal Impact Analysis
 Tax Revenue Projections
 Convention Center Feasibility Analysis

YEARS OF EXPERIENCE

With CHJC: 28 Years
 With Other Firms: 13 Years

EDUCATION

MBA Finance-Florida State University

BA- Real Estate & Hospitality- Florida State University

PROFESSIONAL CONFERENCES & AFFILIATIONS

International Association of Venue Managers (IAVM)
 Destination Management Association International (DMAI)
 International City/County Management Association (ICMA)
 International Economic Development Council (IEDC)
 Managers World Trade Centers Association (MWTCA)
 Urban Land Institute (ULI)

HIGHLIGHTED PROJECT EXPERIENCE

- **Las Vegas, NV** – New Vegas Immersive District Preponderance Study & Related Analysis
- **Las Vegas, NV** – AREA 15 Preponderance Study & Related Analysis
- **Las Vegas, NV** – Market demand and feasibility peer review and update of a prior study done for a proposed arena
- **Redlands, CA** – Mall Redevelopment Economic and Fiscal Impact Analysis
- **Kansas City, MO** – Economic, Fiscal, and Employment Impact Analysis for KC Power & Light District Development
- **Marion, IL** – Proposed development of Project Area 1 within the Marion STAR Bond District.
- **Bellwood, IL** – Feasibility Study for Tax Increment Revenue Bonds
- **Jacksonville, FL** – Economic and Fiscal Impact Analysis for Jacksonville Live!
- **Lexington, KY** – Centrepointe Mixed-Use Development Market, Feasibility, and Economic Impact Analysis; Midland Avenue TIF Projections; and The Summit Retail Project TIF Projections on behalf of the Commonwealth



QUALIFICATIONS



PROJECT MANAGER

AREAS OF EXPERTISE

Tourism Strategic Planning
 Hotel/ Mixed Use Development
 Analyst in the Real Estate Industry
 Urban planning
 Research
 Survey Analysis
 Organizational Reviews
 GIS
 Business Management & Client
 Relations

YEARS OF EXPERIENCE

With CHJC: 15 Years
 With Other Firms: 5 Years

EDUCATION

Bachelor Urban Planning &
 Development (Honors) – The
 University of Melbourne, Australia

**PROFESSIONAL
 CONFERENCES &
 AFFILIATIONS**

Urban Land Institute (ULI)
 Destination Marketing Association
 International (DMAI)



SARAH EMMERTON
 JOHNSON CONSULTING

Sarah has over 15 years of experience as a real estate analyst and financial consultant. She joined Johnson Consulting after having worked in London for a redevelopment agency. Prior to that, Sarah worked as a real estate analyst and consultant with a strategic real estate consulting firm in Melbourne, Australia. She has experience working across a range of different real estate markets, on a variety of projects completed on behalf of both public and private sector clients.

At Johnson Consulting, Sarah specializes in market and financial analysis and organizational strategies for real estate projects, with a particular focus on mixed-use development and redevelopment districts, hotels, event centers, multi-purpose entertainment venues, and convention and conference centers. Her background in urban planning equips her with a sound understanding of how to apply the principles and practices of strategic planning to undertake projects that best respond to a community’s needs and maximize the benefits for the local, regional and national economies. Sarah also has extensive experience in the use of GIS as an analytical tool.

HIGHLIGHTED PROJECT EXPERIENCE

- **Las Vegas, NV** – New Vegas Immersive District Preponderance Study & Related Analysis
- **Las Vegas, NV** – AREA 15 Preponderance Study & Related Analysis
- **Redlands, CA** – Mall Redevelopment Economic and Fiscal Impact Analysis
- **Marion, IL** – Proposed development of Project Area 1 within the Marion STAR Bond District
- **Fort Dodge, IA** - Mall Redevelopment District Feasibility Study, Economic and Fiscal Impact Analysis, and Grant Application to the Iowa Reinvestment Act Districts Program
- **Des Moines, IA** - Pro Iowa Stadium and Mixed-Use District Feasibility and Economic Impact Study, District Feasibility and Economic and Fiscal Impact Study, and Grant Application to the Iowa Reinvestment Act Districts Program
- **Cedar Rapids, IA** – Cedar Rapids Central District Reinvestment Study and Grant Application to the Iowa Reinvestment Act Districts Program
- **Des Moines, IA** - Pro Iowa Stadium and Mixed-Use District Feasibility and Economic Impact Study, District Feasibility and Economic and Fiscal Impact Study, and Grant Application to the Iowa Reinvestment Act Districts Program.

QUALIFICATIONS



PROJECT MANAGER

AREAS OF EXPERTISE

Real Estate Market and Finance
 Economic and Fiscal Impact
 Analysis
 Developer Solicitation and
 Negotiation
 Tax Revenue Projections
 Business Management & Client
 Relations
 Strategic Planning

YEARS OF EXPERIENCE

With CHJC: 18 Years
 With Other Firms: 4 Years

EDUCATION

International Studies & Finance
 -University of Denver, Denver, CO

PROFESSIONAL AFFILIATIONS

Destination Management
 Association International (DMAI)
 International Association of Venue
 Managers (IAVM)
 International Economic
 Development Council (IEDC)
 Urban Land Institute (ULI)



RYAN JOHNSON
 JOHNSON CONSULTING

Ryan has over 18 years of experience at Johnson Consulting with a primary focus on market and demand feasibility, financial analysis, operational analysis and business planning for cultural, real estate, and hospitality consulting, including an extensive amount of work for hotels, conference, performing arts and entertainment facilities.

Prior to working at Johnson Consulting, Ryan was a line-producer for a leading commercial production company in Los Angeles and New York, where he worked with major advertising companies on campaigns for international brands, such as YUM! Brands, Proctor & Gamble, Hyundai, and others.

FEATURED PROJECT EXPERIENCE

- **Reno, NV** – Reno facility strategy development
- **Tucson, AZ** – Update of overall Rio Nuevo TIF District development projections
- **Atlanta, GA** - Atlantic Civic Center Market Feasibility and Economic Impact Study
- **Aurora, CO** - Feasibility Study for a Multi-Purpose Entertainment & Event Facility
- **US Virgin Islands** – Strategic TIF analysis for the Charlotte Amalie & Waterfront Area District
- **Lexington, KY** – CentrepoinTE Mixed-Use Development Market, Feasibility, and Economic Impact Analysis; Midland Avenue TIF Projections; and The Summit Retail Project TIF Projections on behalf of the Commonwealth
- **Louisville, KY** – Under the same contract as in Lexington-Economic and Fiscal Impact Analysis for 4th Street Live!Entertainment and Retail Space Redevelopment; Analysis of Hilton Garden Inn and Conference Center; 10 other assignments.
- **Erie, PA** – Four Distinct Projects to Extend the Appeal and Character of Erie as a Convention, Event, and Tourism Destination

QUALIFICATIONS



DIRECTOR OF FINANCIAL PROJECTIONS

AREAS OF EXPERTISE

Real Estate Market and Finance
 Economic and Fiscal Impact Analysis
 Tax Revenue Projections
 Tourism Strategic Planning
 Hotel/ Mixed Use Development
 Hotel Feasibility Analysis
 Convention and Conference Center Feasibility Study
 Convention Center Financial Analysis
 Operations Analysis

YEARS OF EXPERIENCE

With CHJC: 23 Years
 With Other Firms: 2 Years

EDUCATION

Master for Professional Study in Real Estate, 1998
 Cornell University
 Ithaca, New York

Professional Degree in Architecture
 University of Indonesia
 Jakarta, Indonesia

PROFESSIONAL AFFILIATIONS

Destination Management Association International (DMAI)
 International Association of Venue Managers (IAVM)
 International Economic Development Council (IEDC)
 Urban Land Institute (ULI)



AYU LISTIOWATI
 JOHNSON CONSULTING

Ayu has over 23 years of experience working for Johnson Consulting where she specializes in market and financial analysis for real estate projects, hospitality, conference, and TIF Districts. Her background in architecture and real estate finance uniquely equips her with a balanced understanding of what makes successful projects – both functionally and financially. She is highly experienced in economic and fiscal impact analysis and has assisted both public and private organizations in revenue projections as part of Tax Increment Financing (TIF) and/or other public funding projects. She leads the firm’s effort in research and analytics to provide accurate market and demand projections, as well as the financial analysis and economic impact projections.

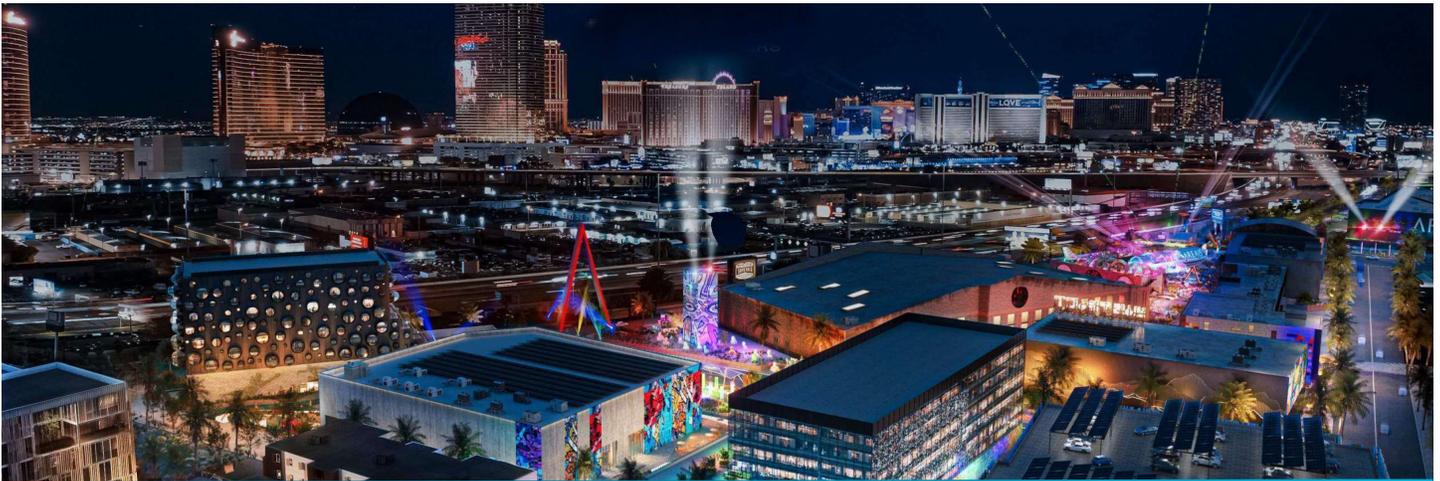
FEATURED PROJECT EXPERIENCE

- **Las Vegas, NV** – AREA 15 Preponderance Study & Related Analysis
- **Marion, IL** – Proposed development of Project Area 1 within the Marion STAR Bond District.
- **Tucson, AZ** – Update of overall Rio Nuevo TIF District development projections
- **Starkville, MS** – Feasibility Analysis, TIF analysis and grant applications for a 35-Acre Mixed-Use Development, Cotton Mill Marketplace
- **Kansas City, MO** – Economic, Fiscal, and Employment Impact Analysis for KC Power & Light District Development
- **Lexington, KY** – CentrepoinTE Mixed-Use Development Market, Feasibility, and Economic Impact Analysis; Midland Avenue TIF Projections; and The Summit Retail Project TIF Projections on behalf of the Commonwealth
- **Minneapolis, MN** – Business Plan for a Proposed Mixed-Use Urban Village and Park in Downtown Minneapolis

EXPERIENCE



EXPERIENCE



NEW VEGAS IMMERSIVE DISTRICT PREPONDERANCE STUDY & RELATED ANALYSIS
LAS VEGAS, NEVADA

New Vegas Commercial Acquisition LLC is preparing an application to the City of Las Vegas to create a Tourism Improvement District (TID) for their proposed New Vegas Immersive District (NVID) project. NVID, which will be an expansion of the established AREA15 TID, is proposed to include 100,000 SF of Immersive uses, 418,000 SF of Retail space, 320,000 SF of Office space, a 200-key Hotel and 585 Multi-Family Housing units.

The City of Las Vegas engaged Johnson Consulting as an independent consultant to examine the economic and fiscal impacts of the proposed NVID project, specifically to assess whether the project is consistent with the requirements of Nevada Revised Statutes 271A. Johnson Consulting provided estimates of visitation and the associated sales tax volumes generated by activities occurring on-site (within the TID) and off-site. We also estimated the economic and fiscal impact of the TID, including spending, job creation, increased earnings and tax revenues; examined the impact to local government services; and identified the proportion of tax revenues that would be generated by non-residents of Nevada.

PROJECT HIGHLIGHTS

- ▶ Visitation and sales projections
- ▶ Economic and fiscal impact analysis
- ▶ “Net new” tax revenue estimates
- ▶ Impact to local government services

EXPERIENCE



AREA 15 PREPONDERANCE STUDY & RELATED ANALYSIS

LAS VEGAS, NEVADA

Johnson Consulting performed two distinct assignments for this endeavor. The first was for the developer to test the concept, and initial demand, financial, and fiscal impacts. Once the data set was developed, our work transitioned to the City to conduct a Preponderance Study and Related Analysis pursuant to Nevada Revised Statutes 271A.

Area 15 Las Vegas, LLC was preparing an application to the City of Las Vegas to create a Tourism Improvement District (TID) for their proposed AREA 15 project, including a 40,000 SF Anchor Attraction (Meow Wolf), 75,000 SF of Retail space, and 42,000 SF of indoor and outdoor Event and Entertainment Space. The City of Las Vegas engaged Johnson Consulting as an independent consultant to examine the economic and fiscal impacts of the proposed AREA 15 project. Johnson Consulting provided a peer review of projected retail sales at the proposed retail spaces, and prepared visitation projections for the anchor attraction and demand projections for the event and entertainment space. We also estimated the economic and fiscal impact of the TID, including spending, job creation, increased earnings and tax revenues; examined the impact to local government services; and identified the proportion of tax revenues that would be generated by non-residents of Nevada. The initial phases of AREA 15 opened in 2020.

PROJECT HIGHLIGHTS

- ▶ Peer review of developer's retail sales projections
- ▶ Analyses of visitation projections for the anchor attraction
- ▶ Demand projections for the event and entertainment space
- ▶ Economic and fiscal impact analysis
- ▶ Impact to local government services

EXPERIENCE



LAS VEGAS ARENA
 LAS VEGAS, NEVADA

Johnson Consulting was retained by The Cordish Company to conduct a market demand and feasibility peer review and update of a prior study done for a proposed Arena in Las Vegas, NV. There had been significant debate about the need and role of an arena in the Las Vegas market. The facility will serve as a professional sporting venue, with flexible space designed to also host trade shows, expositions, seminars, and conferences, and will become a destination in itself, contributing to the growth of Las Vegas.

In this engagement Johnson Consulting performed a peer review of the prior feasibility study for the proposed venue which included an assessment of potential operating performance with respect to event demand, attendance, and financial performance projections. We also reviewed the relative marketability of proposed facility components and prepared recommendations regarding the number of seats, required amenities, such as luxury suites, loge boxes and club seats, as well as projecting naming rights and other specialty revenue categories. Additionally, we investigated the reasonableness of the arena to exist without a professional sports tenant.

PROJECT HIGHLIGHTS

- ▶ Peer review of prior report
- ▶ Market analysis
- ▶ Industry trend analysis
- ▶ Comparable development analysis
- ▶ Facility program recommendations
- ▶ Demand & financial projections
- ▶ Economic & fiscal impact analysis
- ▶ Funding options analysis

EXPERIENCE



MARION STAR BOND DISTRICT
MARION, ILLINOIS

Johnson Consulting recently worked with the State of Illinois on the proposed development of Project Area 1 within the Marion STAR Bond District. The Consulting Team provided an analysis of the economic and demographic characteristics of the local and regional markets; reviewed key market trends in the destination, retail, office, hotel and event/ entertainment sectors; provided an assessment of the feasibility of various proposed land uses within Project Area 1; presented financial projections for the proposed development program; provided an economic and fiscal impact analysis; and presented specific calculations of pledge amounts and principle and interest payments to support the City’s application to the Illinois Department of Revenue in relation to Section 20 of the Innovation Development and Economy Act. outputs. Ultimately, the goal of this engagement is to ensure the private investment leveraged by the project produces the greatest benefit for the City of Richmond as well as the community it represents.

PROJECT HIGHLIGHTS

- ▶ Contract for the State of Illinois (2022)
- ▶ Market Analysis
- ▶ Feasibility Study
- ▶ STAR Bond Study
- ▶ Economic and Fiscal Impacts

EXPERIENCE



CEDAR RAPIDS CENTRAL DISTRICT REINVESTMENT STUDY

CEDAR RAPIDS, IOWA

Johnson Consulting was retained by the City of Cedar Rapids to provide a feasibility study and economic and fiscal impact assessment to support City’s application under the State of Iowa’s Reinvestment Act (IRA) Iowa Reinvestment District Program. Specifically, our engagement was comprised of 2 phases of work:

- Phase 1: Feasibility Study focusing on proposed projects on identified priority development sites and supplemental development within the Cedar Rapids Central Reinvestment District, as defined by the City.
- Phase 2: Economic and Fiscal Impact Analysis of all development within the proposed District, focusing on relevant metrics as required by the Reinvestment District Program.

The 4 priority development sites included:

- First & First West Entertainment Development: Major mixed-use development project comprising entertainment, retail, residential and hotel uses.
- 101 3rd Avenue SE (Aspect): Mixed-use development project anchored by a grocery store and restaurant, along with medical office, commercial office space and residential units.
- Heart of America Hotel Development: Redevelopment of the former Guaranty Bank building into a hotel with full-service restaurant, development of adjoining site into a hotel with lounge and event space, and renovation of the former World Theater.
- 8th Avenue Pump Station Mixed Use Development: Proposed event-oriented facility with restaurant/ retail space.

PROJECT HIGHLIGHTS

- ▶ Market Analysis
- ▶ Feasibility Study
- ▶ Economic and Fiscal Impact Analysis

EXPERIENCE



4TH STREET LIVE!
 LOUISVILLE, KENTUCKY

Johnson Consulting has worked on 15 projects in downtown Louisville, all of which have transformed the City. We were retained by The Cordish Companies to assist in their proposed redevelopment of the 266,000 gross square foot Galleria Mall into an entertainment and retail attraction. The developer applied for a Kentucky Tourism Development Act (KTDA) tax refund, thereby requiring that an independent consultant evaluate the project's eligibility under the program. Our report was commissioned to determine whether the development met the requirements of the program by generating net fiscal impact, net economic impact, and net employment impact. Specifically, we developed projections of future performance under two scenarios: the existing Galleria Mall's performance if not renovated, and the performance of 4th Street Live!. The team also analyzed the retail market, estimated the direct spending impacts of the project, including spending on the redevelopment. Furthermore, we estimated the indirect and induced economic and employment impacts of the project as well as the fiscal impacts of the project, including sales, income, and property taxes.

Following the successful opening of 4th Street Live!, we were retained again to prepare an impartial, third party study analyzing its possible expansion. The specific expansion proposal presented by The Cordish Companies related to the conversion and upgrade of a 5,000 to 7,000-seat entertainment venue to link its activities to the overall offerings of 4th Street Live! Johnson Consulting analyzed the developer's initial demand and financial projections and overall redevelopment plan and determined whether the projections would be attainable given the state of the market. We found that the development of the arena was a key ingredient in the expansion of the entertainment district.

PROJECT HIGHLIGHTS

- ▶ Retail space analysis
- ▶ Economic, fiscal, and employment impact analysis
- ▶ Tax increment finance projections
- ▶ Subsequent expansion analysis
- ▶ Jobs analysis using IMPLAN and RIMS II
- ▶ Approval of new Omni Hotel in 2014

EXPERIENCE



MIDLAND AVENUE TIF ANALYSIS

LEXINGTON, KENTUCKY

Johnson Consulting was retained by the Kentucky Cabinet for Economic Development (KCED) to perform an economic and fiscal impact analysis of a proposed mixed-use development project in Lexington, Kentucky. The Kentucky Economic Development Finance Authority (KEDFA) board has granted preliminary approval for the Midland Avenue Redevelopment Project, located at the eastern gateway to downtown Lexington. The proposed 31.7-acre project consists of four phases along the Midland Avenue corridor, comprising 40,000 square feet of leasable retail space, 27,000 square feet of restaurant space, 70,000 square feet of office space, 190,000 square feet of multi-family housing; and a bike trail. The total project cost is estimated at \$72 million.

The Department of Administration and Finance of the Lexington-Fayette Urban County Government (LFUCG) subsequently submitted a Tax Increment Financing (TIF) application to the KCED for the Redevelopment Project. Johnson Consulting was retained to examine and measure the potential net new fiscal impact of the various components of the project, including an independent assessment of the feasibility of the proposed development, and its consistency with the Commonwealth of Kentucky’s TIF Act.

PROJECT HIGHLIGHTS

- ▶ Demographic & socio-economic analysis
- ▶ Supply & demand analysis (retail, office, and housing sectors)
- ▶ Independent review of cost and demand assumptions
- ▶ Economic & fiscal impact model & analysis
- ▶ Funding strategies

EXPERIENCE



RÍO NUEVO TIF DISTRICT
 TUCSON, ARIZONA

Johnson Consulting was recently retained by the State of Arizona for its third engagement to provide market analysis, financial consulting and a comprehensive operations review of the Tucson Convention Center and to develop projections of Tax Increment Financing (TIF) and other project operating revenues to be generated by various planned developments within the Río Nuevo TIF District in Tucson, Arizona.

Johnson Consulting will perform the following analyses for the project:

- Review and/ or update projections of development impacts and fiscal benefits of Río Nuevo Master Planned developments.
- Develop and/ or update operating projections of key projects within the District, which include the expansion of the Tucson Convention Center and development of a new Multi-Purpose Arena, four Museum attractions, and new Convention Center Hotel.
- Project economic and fiscal benefits of these key projects.
- Identify the amount of incremental spending to be generated within the District boundaries.
- Project the amount of TIF revenues to be refunded to the City, the amount of operating revenues (or loss) of the key projects within the District, which affects the amount of funds available to help pay for the District revitalization as well as the fiscal benefits from the construction of various projects within the District.

Johnson Consulting previously performed this exact same performance audit in 2012 and 2016 for the State Auditor General. We analyzed compliance with state statutes, reporting procedures, tax collection procedures and recommendations for improvement.

PROJECT HIGHLIGHTS

- ▶ Update of overall District development projections
- ▶ Operating projections of key projects including Convention Center, Arena, Museums, and Convention Center Hotel
- ▶ Economic and fiscal impact analysis of key projects
- ▶ Projections of incremental spending within District
- ▶ Projections of TIF revenues and operating revenues (or loss) of key projects

EXPERIENCE



THE SUMMIT RETAIL PROJECT TIF ANALYSIS

LEXINGTON, KENTUCKY

Johnson Consulting analyzed the merit of a TIF application to the State of Kentucky. The state is very thorough in its investigation of granting TIF districts. Retail is a hard category of real estate to qualify for TIF funding because there is great fear that the new retail will just substitute existing retail and not be incremented to the state. Hence the scrutiny paid to our analysis is very intense.

For this project, Bayer Properties, an Alabama based company, was proposing a regional mall in a lifestyle format, with a preponderance of upscale tenants. Our analysis illustrates that Lexington has a deficiency region-wide in most retail categories. Hence, segments of the population were driving to Cincinnati, buying online, or going without things they wanted. In the analysis, we quantified these three costs to arrive at the worth of TIF for the mall, concluding it would be under 50 percent new spending, but will have enough new spending for the state to warrant the TIF. The project will shift the balance of whether people choose Cincinnati over Lexington to the South, and the Summit will make Lexington a much stronger retail hub.

PROJECT HIGHLIGHTS

- ▶ Assignment is part of an ongoing contract with the State of Kentucky
- ▶ The project analyzes the merits of a TIF application
- ▶ Our role is to provide an independent third party analysis of the TIF amount to be granted

EXPERIENCE



ATLANTA CIVIC CENTER

ATLANTA, GEORGIA

Johnson Consulting has been engaged to analyze a potential performing arts venue to be located within the Atlanta Civic Center Mixed-Use Development. The objective for the first phase of this study was to provide a high-level market and feasibility analysis of the Performing Arts Center component of the Atlanta Civic Center mixed-use development district. Elements of our Phase 1 Analysis included:

1. Structure & Governance Model
2. Tenants & Partners
3. Concept Plan
4. Cost Estimate & Development Budget
5. Financial Projections & Funding Plan

Recently, Johnson Consulting was retained to continue to Phase 2 of our analysis which will take a deeper dive into the feasibility of the performing arts center.

PROJECT HIGHLIGHTS

- ▶ Project Highlights:
- ▶ Market Analysis
- ▶ Regional Facility Audit
- ▶ Program Recommendations
- ▶ Demand Projections
- ▶ Financial Projections
- ▶ Funding Strategies
- ▶ Industry Trends
- ▶ Economic and Fiscal Impact Analysis

EXPERIENCE



FEASIBILITY STUDY FOR A MULTI-PURPOSE ENTERTAINMENT & EVENT FACILITY
 AURORA, COLORADO

The City of Aurora, CO retained Johnson Consulting and MIG to assist the City Council with a study that will determine the feasibility of a new, mid-sized (2,000 - 3,000 seat) multi-purpose entertainment and event facility within the City of Aurora, Colorado. Components of the study include evaluating the demand for a facility of that size range, within a regional context, examining its economic viability, providing additional entertainment and sports programming strategies, and how it will work within the context of existing facilities and efforts to create greater destination appeal in Aurora, Colorado. The study also will determine the appropriate size, location, cost and economic impact of the proposed Event Center.

PROJECT HIGHLIGHTS

- ▶ Economic, Demographic, and Destination Market Analysis
- ▶ Review of Existing Event Venues and Area of Opportunity
- ▶ Stakeholder Engagement
- ▶ Performing Arts and Event Center Trends
- ▶ Analysis of Comparable and Competitive Facilities
- ▶ Recommendations/Business Plan
- ▶ Site Analysis
- ▶ Development Cost Estimates
- ▶ Project Concept and Renderings
- ▶ Demand Projections
- ▶ Financial Projections
- ▶ Economic Impact
- ▶ Funding Strategies

JOHNSON CONSULTING MISSION STATEMENT

Johnson Consulting is committed to providing governments, developers, and not-for-profits with real estate market and financial analysis and project implementation support for urban and destination-oriented projects.

We guide our clients through organizational advancement by way of best-practice advisory services.

We promote the following values through our work: objectivity, independence, economic pragmatism, and social responsibility.



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