

An aerial photograph of a city grid, likely Las Vegas, showing streets, buildings, and some green spaces. The image is darkened to serve as a background for the text.

New Vegas Immersive District

Las Vegas, NV

Preponderance Study & Related Analysis



April 2024

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Transmittal Letter

April 30, 2024

Las Vegas City Council
495 S. Main Street
Las Vegas, NV 89101

Board of County Commissioners of Clark County
500 Grand Central Parkway
Las Vegas, NV 89106

Re: Preponderance Study and Related Analysis for New Vegas Immersive District (NVID) Tourism Improvement District (TID)

Dear Members of City Council and Board of County Commissioners:

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this preponderance study to the City of Las Vegas regarding the proposed New Vegas Immersive District (NVID) project in Las Vegas, NV. Pursuant to our engagement, this report provides visitation and spending projections for the proposed program elements that will generate sales and use tax revenues (Immersive, Retail and Hotel) and estimates the economic and fiscal impacts associated with the ongoing operation of the proposed development.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Client's internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

C.H. Johnson Consulting, Inc.



Section 1

Executive Summary



Executive Summary

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, which will include a 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. Pursuant to Nevada Revised Statutes 271A, before a new TID can be created, an independent consultant from outside of Nevada must submit a report considering the impact of the project. Johnson Consulting, a corporation founded in Chicago in 1996, with specialized expertise in economic and fiscal impact analyses, will serve as that consultant.

The proposed NVID project will comprise Immersive, Retail, Office, Hotel and Multi-Family Housing. Pursuant to our contract with the City of Las Vegas, this study and analysis focuses on addressing 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) as follows (a) the amount of proceeds of all taxes and other governmental revenue projected to be received as a result of the properties and businesses expected to be located in the District; (b) the use of any money proposed to be pledged pursuant to the Tourism Act; (c) any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the Project and the development of land within the District; and (d) estimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the District and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the District).
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))

In order to address these key questions, we developed estimates of visitation and the associated sales volumes and sales tax revenues generated within the NVID. In addition, we have prepared estimates of the share of sales that will be attributed to local and non-local residents, and specifically non-Nevada residents.

Executive Summary

Based upon our analysis, the impact of the NVID will be immense:

- AREA15, anchored by Meow Wolf, has been very successful and has exceeded Johnson Consulting's projections for Phase 1 of AREA15.
- By a stabilized year of operation (2037), more than 6.9M visitors will be attracted to the NVID, the preponderance of whom are anticipated to be out-of-state and non-local visitors.
- Visitors to the NVID will spend \$796.0M within the TID ("on-site"), in a stabilized year (assumed to be 2037), and a total of \$860.5M when spending outside of the TID ("off-site") is also accounted for (after allowing for possible overlap of spending at various project components). When indirect and induced spending are added, total spending is projected to be \$1.4B within the TID, and \$1.6B when off-site spending is also accounted for.
- The economic impact is further estimated to include close to \$384.0M in increased earnings and create approximately 4,086 ongoing jobs annually in a stabilized year, based upon on-site spending. When off-site spending is also accounted for, these figures increase to \$415.1M in increased earnings and approximately 4,417 ongoing jobs, annually.
- TID eligible sales tax revenues will total \$15.8M in a stabilized year, reflecting on-site spending only, and over the 10-year projection period (from 2033 thru 2042) will total close to \$161.0M in sales tax revenues derived from the NVID.
- The preponderance of sales tax revenues from on-site spending is expected to be generated by non-Nevada residents visiting Las Vegas, accounting for 56.0 percent (or \$8.9M in a stabilized year) within the NVID. Over a 10-year period, cumulative "net new" tax revenues from non-Nevada residents derived from the NVID will be approximately \$90.2M. The Immersive and many of the Retail and Food & Beverage tenants will be new to Las Vegas and Nevada, thereby drawing new spending to the market.
- As it relates to the potential displacement of the proceeds from sales and use taxes collected by retailers outside of the NVID, as a result of the properties and businesses expected to be located in the NVID, it is anticipated that there will be no measurable displacement. Projected growth in retail sales in the Las Vegas market will allow new supply to be absorbed without displacement.

Executive Summary

- As it relates to local government services, the fiscal impact of the NVID on the Southern Nevada education system may be positive, due to the estimated increase in funding from the Local School Support Tax (coupled with the allocation of property tax revenues to operating and capital needs for education). As it relates to the impact of the potential for an increased number of students within the Clark County School District, the impact to the School District is anticipated to be immaterial.
- No specific concerns were raised by authorized representatives of the Las Vegas Metropolitan Police Department or the City of Las Vegas Fire and Rescue Department. Both of these agencies indicated that special events to be held at the LVID would be required to comply with the City's special event permitting process and would be responsible for specific additional police and/or fire services resulting from that special event (this is a normal process for special events held in the City and the County). As the LVID will enhance visitation and create retail sales opportunities that would not otherwise occur, the NVID will have a positive impact on funding sources for public safety.

Section 2

Introduction



Introduction

Proposed Development

The proposed NVID (shown as "TID II Area" in Figure 1) project is an extraordinary expansion of the existing AREA15 campus (shown as "TID I Area" in Figure 1). New retailers and tenants who choose to make the NVID their home "will be part of a dynamic and constantly evolving community of innovators and visionaries that transform visitors from spectator to participant through entrancing entertainment programs, living art experiences, and culinary adventures."

The NVID will be located on the Las Vegas Freeway (Interstate Highway 15), approximately 7 minutes (drive time) to west of The Strip and 20 minutes (drive time) to the northwest of Harry Reid International Airport and more specifically is identified as an approximately 35-acre parcel in the City of Las Vegas, bordered by the Teddy Drive/ Wyandotte Street to the north, Rancho Drive to the east and Sirius Avenue to the south. Figure 1 identifies the boundaries of the NVID.

For the purpose of our analysis, the key program elements of the 838,000 SF NVID project are summarized as follows:

- Immersive: 100,000 SF assumed to be occupied by an experiential, amusement/ funhouse-style tenant.
- Retail: 418,000 SF incorporating themed retail (295,000 SF) and new dining and bar concepts (123,000 SF), along with entertainment and competitive leisure uses.
- Hotel: A 200-key hotel.
- Office: 320,000 SF of office space.
- Multi-Family Housing: 585 rental units.



Figure 1

Introduction

Objectives

Pursuant to NRS 271A, and as stated in the executive summary to this report, the following questions must be addressed in an application for the creation of a TID:

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) as follows (a) the amount of proceeds of all taxes and other governmental revenue projected to be received as a result of the properties and businesses expected to be located in the District; (b) the use of any money proposed to be pledged pursuant to the Tourism Act; (c) any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the Project and the development of land within the District; and (d) estimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the District and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the District).
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))

Methodology

In order to prepare estimates of the economic and fiscal impacts of the proposed NVID project, Johnson Consulting performed the following tasks:

1. Reviewed NRS 271A and materials prepared by New Vegas Commercial Acquisition LLC (Developer) and other consultants and advisors to the Developer.
2. Analyzed key market trends, visitor and spending statistics relevant to Clark County, NV and the Las Vegas area, and identified published and secondary data sources to guide and substantiate various assumptions for each of the proposed uses.

Introduction

3. Projected visitation and spending estimates for proposed program elements based upon preliminary revenue estimates for the Immersive, Retail, and Hotel components of the project, prepared by the Developer (note: the analysis excludes Office and Multi-Family Housing, in the interest of being conservative, since these components are not significant drivers of visitation, nor significant generators of sales and use tax revenues). For the Immersive uses, Developer estimates were verified based on actual reported revenues at AREA15, as well as data from Placer.ai, which is a location analytics platform that provides aggregated location data based upon visit trends, trade areas, and demographics. For the Retail space, Developer estimates were verified based upon retail sales per SF in the Las Vegas market, calculated based upon spending data sourced from the Las Vegas Convention and Visitors Association (LVCVA) and square footage data from CoStar, which maintains a database of commercial real estate information. For Hotel space, Developer estimates were verified using CoStar.
4. Identified case study projects to test, substantiate and/or refine our visitation and spending estimates.
5. Performed an economic and fiscal impact analysis of the proposed project by its project components, using an IMPLAN input-output model specifically purchased from IMPLAN Group, LLC. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through the various sectors of the economy.
6. Calculated the amount of “net new” incremental tax revenues that would be generated in the NVID by the part of the project financed by tax increment to support the NVID TID incentive, as a means of testing and proving that the preponderance of revenues will come from out-of-state visitors. “Net new” tax revenues are defined as revenues that would not be generated “but for” the project and are generated from spending by non-Nevada residents.
7. Determined whether the project and the financing thereof (271A.080(3)) will have a positive fiscal impact on the provision of local government services.
8. Evaluated specific components of project in accordance to the requirements per NRS 271A.080.

Figure 2 (on the following page) provides a graphic representation of our methodology.

Introduction

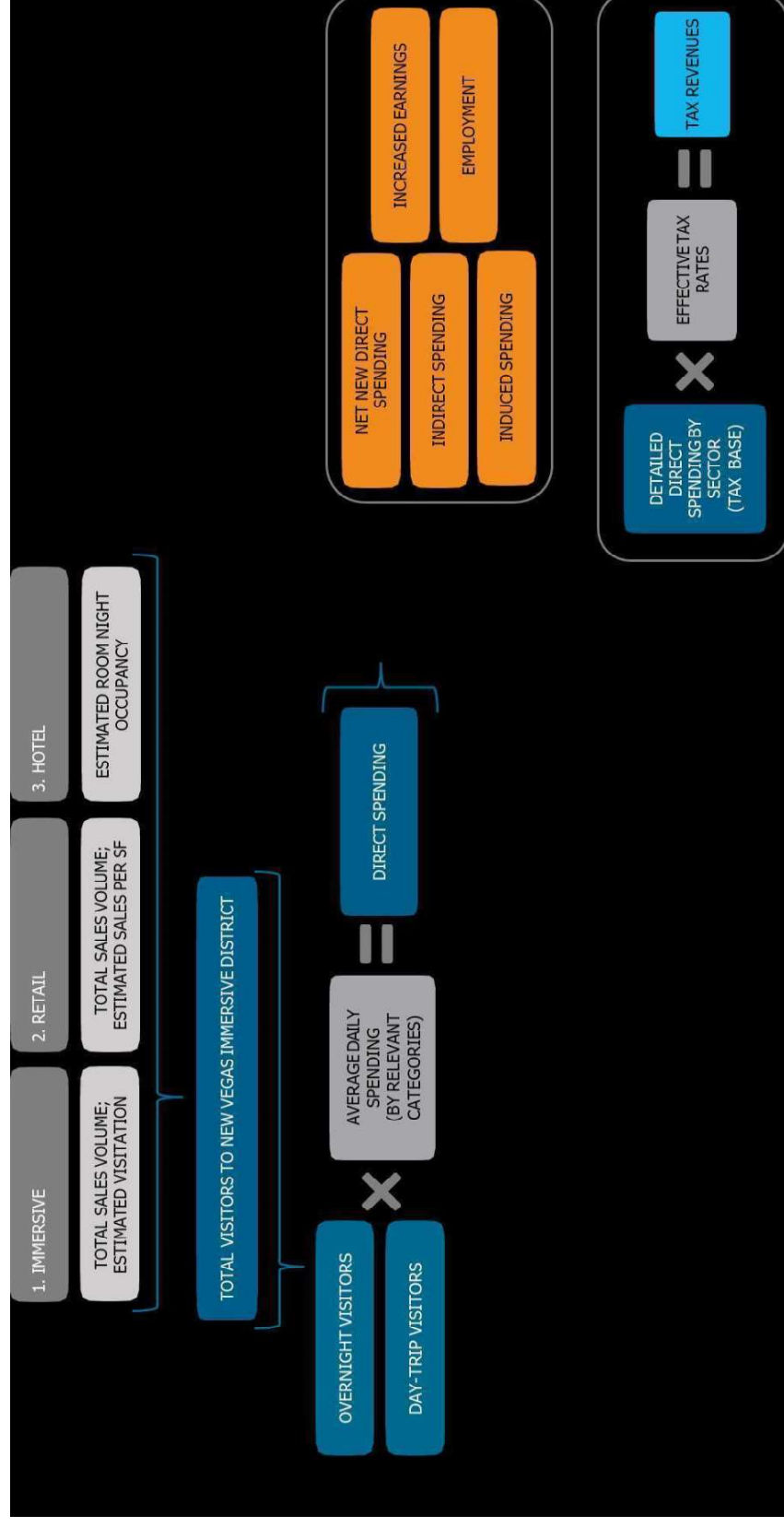


Figure 2

Section 3

Market Indicators



Market Indicators

Visitors Statistics

Data from the LVCVA's 2022 Visitor Profile report indicates that the Las Vegas destination attracted 38.8M visitors in 2022, excluding residents of Clark County. Of these, 91.0 percent originated from within the U.S., including 31.0 percent from California, and the remaining 16.0 percent from international destinations. The average length of stay of visitors to the Las Vegas destination was 3.4 nights. While this data relates to Clark County as a whole, it is considered generally indicative of visitor activity within the Study Area (as defined in Figure 5 on the page 16 of this report), where the LVID and many of the destination's existing hotels and major attractions are located.

Retail Spending

Taxable sales, including all categories of tangible personal property that is transferred and subject to sales/ use taxes, in Clark County totaled \$62.6B in 2022, representing an average annual rate of growth of 7.0 percent between 2012 and 2022. Figure 3 shows historic taxable sales in the County, estimated sales for 2023 (based on actual data for January thru September), and projected sales over the next 3 years, applying an annual rate of increase of 7.0 percent.

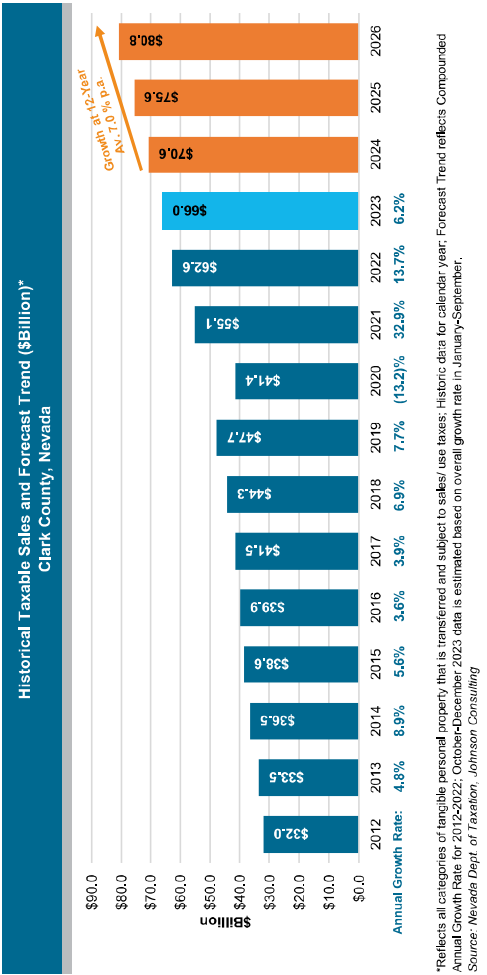


Figure 3

Market Indicators

Retail Spending

Utilizing September 2023 as a baseline, it is estimated that retail and food and beverage sales account for 46.2 percent and 19.9 percent of total taxable sales, respectively (totaling 66.1 percent). Applying this proportion to historic taxable sales, it is estimated that in 2022 total retail sales amounted to \$28.9B and food and beverage sales amounted to \$12.5B (totaling \$41.4B), as shown in Figure 4.

Given the unique nature of the proposed retail offerings at NVID, coupled with historically strong growth in the Las Vegas retail market, it is anticipated that the project will contribute to growth in spending, with no measurable displacement of the proceeds from sales and use taxes collected by retailers,, including retail in the existing AREA15 TID, addressing 271A.080.3(d)

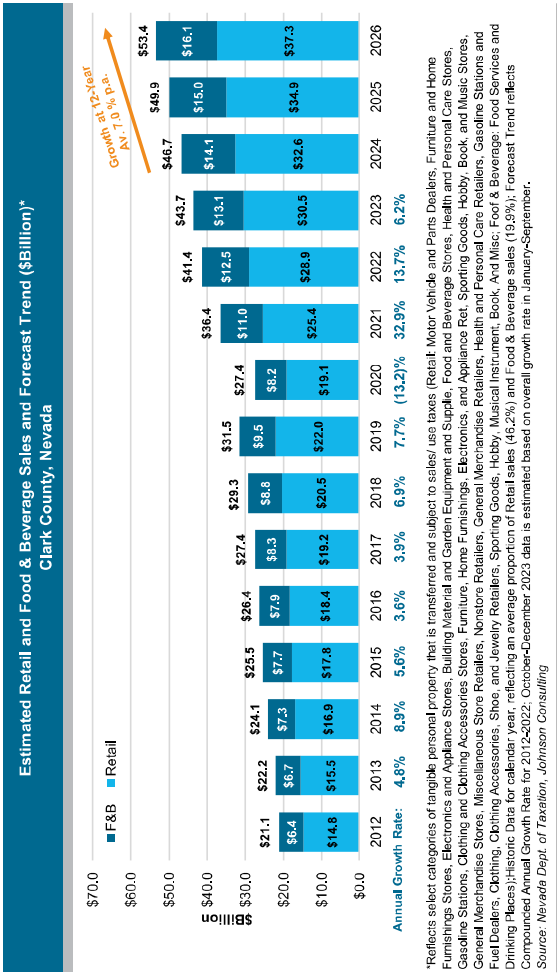


Figure 4

Market Indicators

The following analysis considers market fundamentals related to various proposed land uses in the NVID, as a basis for developing assumptions to inform spending estimates. The analysis is based upon the most current sources of published data available, primarily CoStar, which maintains a database of commercial real estate information, LoopNet, which is a sales and leasing database also maintained by CoStar, and STR, which is an independent hotel research firm whose statistics are widely used within the hotel industry.

The defined study area ("Las Vegas Submarket") reflects the Las Vegas resort corridor, which includes the Vegas Strip and Downtown Fremont Street, the boundaries of which are highlighted in Figure 5.

The following analysis considers market indicators within the defined Las Vegas Submarket for **A). Retail/Restaurant** and **B). Hotel** uses, which will be the primary sources of sales and use taxes generated by the NVID.

Although the proposed NVID also includes Office and Multi-Family Housing, these land uses are excluded from this analysis for the following reasons:

- While there are examples of specific types of Office tenants that provide goods subject to sales and use taxes, in the interest of being conservative, it is assumed that Office tenants within the NVID will not generate any significant sales and uses taxes.
- Rental revenues generated from Multi-Family Housing units will occur within the NVID but will not be subject to sales tax.

- Although workers at, and visitors to, the Office uses at the NVID, and residents of the Multi-Family Housing units, and visitors to those units, will likely generate spending within and outside of the NVID TID, it is assumed that spending by these workers, residents and visitors is already accounted for in other spending categories included in this analysis specially Retail/ Restaurant and Hotel uses. As such, no specific spending estimates are calculated for the Office and Multi-Family Housing at the NVID.

Figure 5

Market Indicators

A. Retail/ Restaurant Market Analysis

Inventory: The existing retail and restaurant inventory in the Las Vegas Submarket comprises 757 buildings, totaling 17.1M SF, based on year-end data for 2023. Figure 6 shows the total retail and restaurant space inventory in the Las Vegas Submarket, indicating that inventory has grown at a fairly steady pace over recent years. Between 2018 and 2023 the total number of buildings increased at a rate of 0.6 percent per annum and the total SF increased by 0.8 percent per annum.

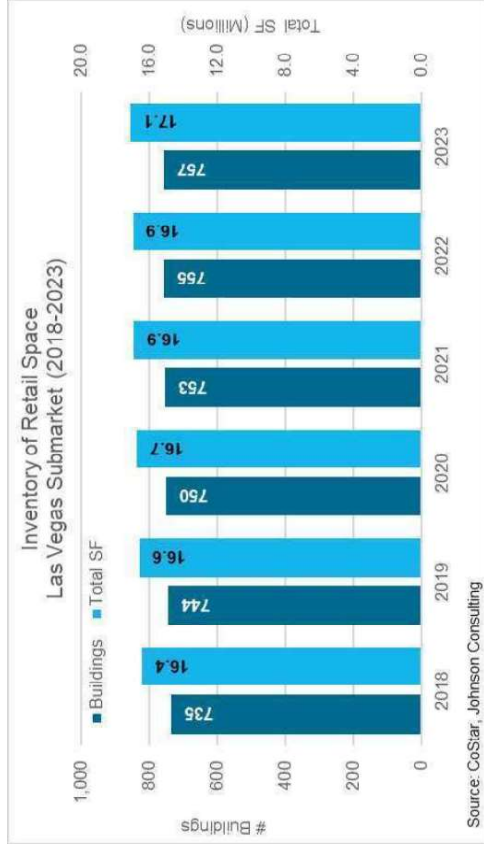


Figure 6

Absorption: In 2023, the Las Vegas Submarket reported a positive net absorption of retail and restaurant space of 206,582 SF, attributed largely to the delivery of 63 Las Vegas and representing a considerable improvement over 2022 when a negative net absorption of (153,704) SF was reported. This significant negative net absorption occurred despite limited new supply delivered to the Las Vegas Submarket, instead being attributed to a spike in move-outs, including for example, significant vacancies at The Shops at Crystals and Meadows Mall. It is noted that the positive net absorption in 2021 was largely attributed to AREA15. Overall, as highlighted in Figure 7, the Las Vegas Submarket has reported positive net absorption of retail space since 2018, averaging 79,456 SF per annum.

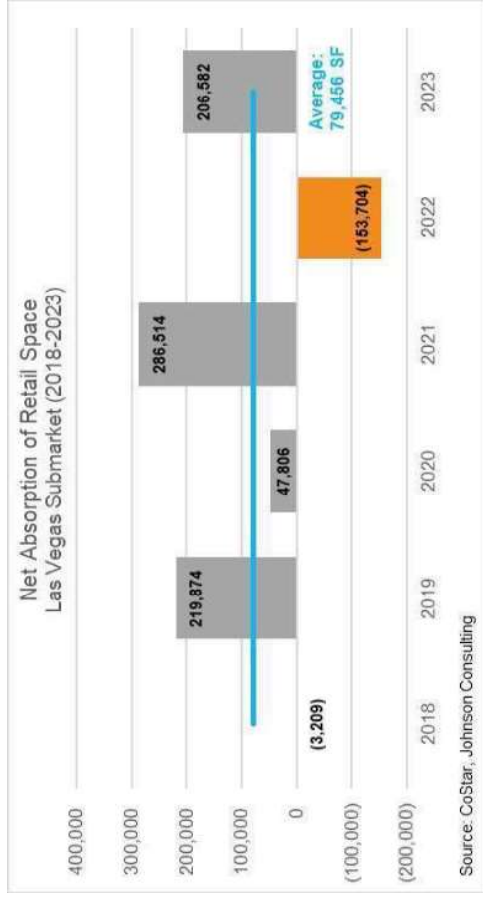


Figure 7

Market Indicators

Vacancy: In 2023 the retail and restaurant vacancy rate in the Las Vegas Submarket was 3.6 percent, across all retail property types. This represented an improvement over 2022, when the Submarket reported a vacancy of 4.0 percent, but was higher than the vacancy rate reported in 2021 (3.1 percent), as well as pre-pandemic rates (3.0 percent in 2019 and 3.3 percent in 2018). Notwithstanding this, as shown in Figure 8, vacancy rates in the Las Vegas Submarket have remained fairly stable since 2018, ranging from a low of 3.0 percent in 2019 to the most recent peak of 4.0 percent in 2022.

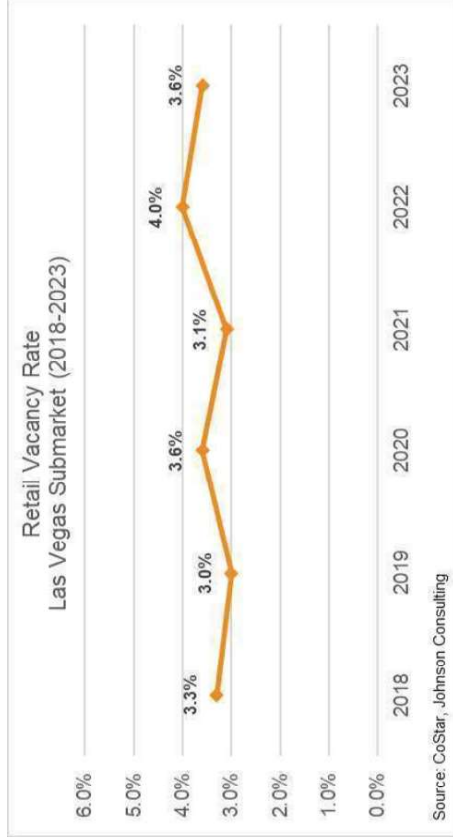


Figure 8

Rental Rates: Since 2018, retail rents in the Las Vegas Submarket have steadily increased, at an average annual rate of 5.3 percent, reaching \$32.28 per SF per annum in 2023 (Triple Net). This represents an increase of 7.1 percent over 2022. Figure 9 shows average rents in the Las Vegas Submarket since 2018, across all retail classifications.

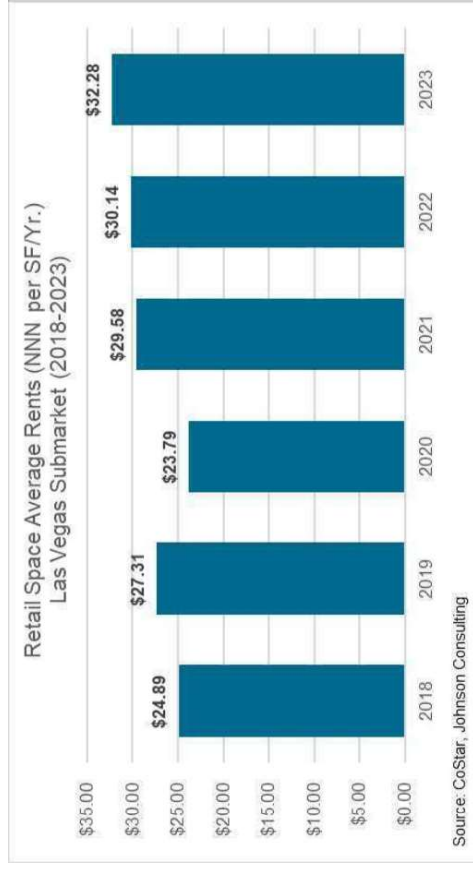


Figure 9

Market Indicators

New Inventory & Pipeline Development: Based upon data from LoopNet and Costar, there are currently 2 retail projects under construction in the Las Vegas Submarket, totaling 219,688 SF. Of these, there is only 1 retail property with at least 25,000 SF, as shown in Figure 10.

There is an additional 111,209 SF of retail space in 11 projects that are currently in final planning or proposed in the Las Vegas Submarket. None of these projects comprise 25,000 SF or more of retail space and although CoStar publishes estimates of the timing of delivery of these projects, no additional information is available regarding the actual status of these projects, nor the likelihood that they will proceed.

Inventory of Under Construction & Proposed Retail Projects (25,000+ SF) Las Vegas Submarket (March 2024)		
Property Address	Total Retail Space (SF)	Projected Delivery
UNDER CONSTRUCTION		
3743-3755 S Las Vegas Blvd	217,058	2024
Total - Under Construction	217,058	
PROPOSED		
Total - Proposed	0	

Source: CoStar, LoopNet, Johnson Consulting

Figure 10

Market Indicators

B. Hotel Market Analysis

Inventory: The existing hotel inventory within the Las Vegas Submarket includes 128 properties totaling 127,021 guest rooms, along with 8.3M SF of meeting space. The largest property in the Market is the 4,994-room MGM Grand Hotel, which includes 201,987 SF of meeting space.

Figure 11 shows the inventory of existing hotels in the Las Vegas Submarket with between 150 and 250 rooms, reflecting the size of the hotel property proposed at the NVID. As shown, there are 15 properties of this size totaling 2,783 guest rooms and 21,181 SF of meeting space.

Hotel Inventory (Selected Properties with 150-250 Rooms) Las Vegas Market (2024)						
Hotel	Chain Scale*	Year Opened (Renovated)	Guest Rooms	Largest Meeting Space (SF)	Total Meeting Space (SF)	
Best Western Plus Casino Royale Hotel	Upper Midscale	1962	152	0	0	
Homewood Suites by Hilton Las Vegas City Center	Upscale	2017	158	660	660	
Residence Inn By Marriott Las Vegas Stadium Area	Upscale	2004	160	0	0	
Nevada Hotel & Casino	Economy	1974	160	0	0	
Hilton Garden Inn Las Vegas City Center	Upscale	2017	172	1,156	1,156	
Extended Stay America Las Vegas Valley View	Midscale	-	176	0	0	
Nobu Hotels At Caesars Palace	Luxury	2013	182	0	0	
The Cromwell Hotel Las Vegas	Midscale	1979 (2020)	188	0	0	
Desert Rose Resort	Upper Midscale	1989	189	1,500	2,000	
Royal Resort	Economy	1970	191	253	585	
Residence Inn Las Vegas Convention Center	Upscale	1989	192	580	580	
Atrium Suites	Upscale	1989	201	2,156	8,000	
Athem	Upper Midscale	2016	203	1,200	1,200	
Club Wyndham Desert Blue	Upscale	2014	210	0	0	
The Platinum Hotel & Spa	Upscale	2006	249	2,006	7,000	
Total (Selected Properties)			2,783		21,181	
Total (All Properties)			127,021		8,260,678	

* Chain scale defined by Smith Travel Research (STR) whereby 1) Upscale are typically full-service hotel properties with a variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas; 2) Upper Midscale, Midscale and Economy are typically limited-service properties that offer limited facilities and amenities, typically without a full-service restaurant; 3) Independent are properties that are not affiliated with a chain and are independently operated.

Source: CoStar, STR, Johnson Consulting

Figure 11

Market Indicators

Supply & Demand: The COVID-19 pandemic had a profound negative effect on the hotel industry, nationally and internationally. This is reflected in hotel room night supply and demand in the Las Vegas Submarket, particularly in 2020 and 2021, as shown in Figure 12. In 2023, demand totaled 32.1M room nights, surpassing 2022 (30.0M room nights) and approaching the pre-pandemic peak of 31.5M room nights in 2019. Supply totaled 38.7M in room nights in 2023, surpassing 2022 (38.6M) and representing the highest room night supply reported since 2017.

Overall, between 2017 and 2023, the Las Vegas Submarket reported growth in hotel room night supply at an average rate of 0.9 percent per annum and growth in room night demand at an average rate 0.6 percent per annum.

Average Daily Rate (ADR) and Revenue per Available Room (RevPAR): In 2023, hotels in the Las Vegas Submarket reported an ADR of \$212.63 per room and a RevPAR of \$176.41, as shown in Figure 13. This represents a 10.0 percent increase in ADR and a 17.2 percent increase in RevPAR over 2022 levels. Overall, between 2017 and 2023, ADR increased at a rate of 6.6 percent per annum and RevPAR increased at a rate of 6.3 percent per annum. These metrics speak to the overall health of the hotel market in Las Vegas and the strength and speed of the post-pandemic recovery.

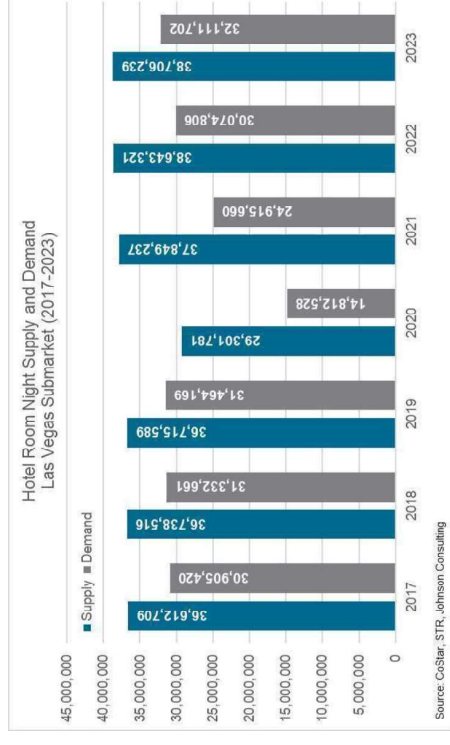


Figure 12

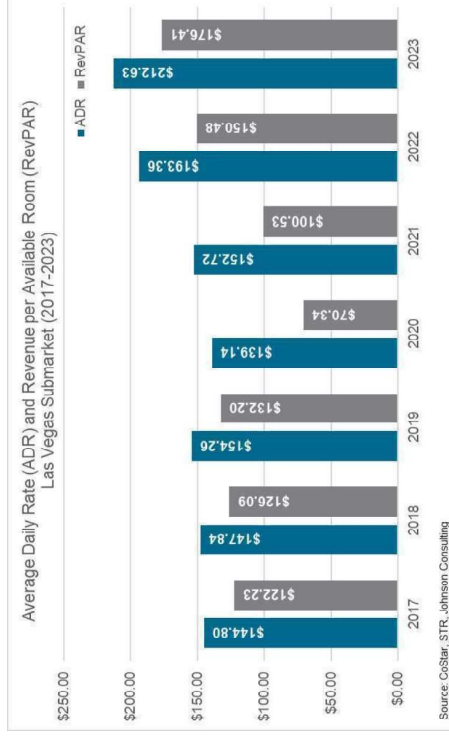


Figure 13

Market Indicators

Occupancy: The 2023 12-month occupancy rate for hotels in the Las Vegas Submarket was 83.0 percent. This represents an improvement over 2022, when the Submarket reported an occupancy of 77.8 percent and continues the upward trend observed since 2020. Having said that, occupancies remain below the pre-pandemic peak of 85.7 percent observed in 2019. Figure 14 shows the hotel occupancy rate in the Las Vegas Submarket since 2017.

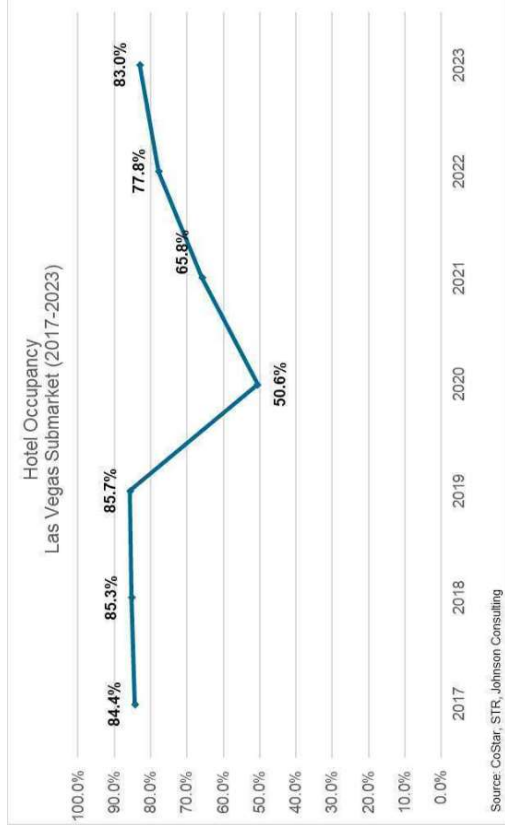


Figure 14

New Inventory & Pipeline Development: Based upon data from STR, LoopNet and Costar, there are 3 hotel properties currently under construction in the Las Vegas Submarket. As shown in Figure 15, these properties total totaling 284 guest rooms and are all Upscale.

There is an additional 3 hotel properties, totaling 3,237 guest rooms, in final planning or proposed in the Las Vegas Submarket. Although CoStar publishes estimates of the timing of delivery of these projects, no additional information is available regarding the actual status of these projects, nor the likelihood that they will proceed.

Inventory of Under Construction & Proposed Hotel Projects Las Vegas Market (March 2024)			
Property Name	Chain Scale*	Rooms	Projected Delivery
UNDER CONSTRUCTION			
Delta Hotels by Marriott Las Vegas Southwest	Upscale	284	2026
Element Las Vegas Symphony Park	Upscale	119	2025
AC Hotel Las Vegas Symphony Park	Upscale	322	2025
Total - Under Construction		284	
PROPOSED			
Fertitta Casino Hotel	Upscale	2,420	2026
Majestic Las Vegas	Luxury	720	2026
Proposed Arts District Hotel	Midscale	97	2027
Total - Proposed		3,237	

* Chain scale defined by Smith Travel Research (STR) whereby: 1) Upscale are typically full-service hotel properties with a variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas; 2) Upper Midscale, Midscale and Economy are typically limited-service properties that offer limited facilities and amenities, typically without a full-service restaurant; 3) Independent are properties that are not affiliated with a chain and are independently operated.

Source: CoStar, LoopNet, Johnson Consulting

Figure 15

Section 4

Visitation & Sales Estimates



Visitation & Sales Estimates

Immersive

The Developer has prepared revenue projections for the Immersive uses at the NVID, inclusive of sales at food and beverage premises. At full build out, these revenues are projected to amount to \$287.6M. Utilizing detailed 2022 revenues, by use type, for the existing AREA15 project, as provided by the Developer, total revenues at AREA15's Immersive tenants accounted for 69.2 percent of total AREA15 revenues, as shown in Figure 16. It is expected that the Immersive uses at the NVID will attract additional visitors with similar demographic characteristics and spending habits as visitors to the Immersive tenants at the existing AREA15.

Total visitation to the existing AREA15 averaged 3.1M between 2021 and 2023. Since 69.2 percent of revenues were generated by the Immersive tenants, and in the absence of actual attendance estimates, it is assumed that 69.2 percent of visitors to AREA15 visited the Immersive tenants. This equates to 2.2M visitors to the Immersive tenants and an estimated spending of \$32.61 per visitor. This is considered to be conservative, particularly given that general admission tickets to the Immersive tenants at AREA15 start at \$49 per person. Applying these same calculations and spending metrics to the Immersive uses at the NVID, equates to an estimated total of close to 3.1M visitors at full build out.

The proof of concept for Immersive uses at the NVID has been established by AREA15's Immersive tenants. The scale of the proposed Immersive uses at the NVID is more than twice the size, in terms of square footage, as the existing Immersive tenants at AREA15. As such, these visitor estimates are considered to be reasonable.

Visitation & Spending Assumptions - Immersive (Full Build Out) New Vegas Immersive District - Las Vegas, NV			
	AREA15 Actuals	New Vegas Immersive District Assumptions	Notes/ Independent Assessment of Baseline Assumptions
SIZE (SF)			
Immersive Tenant(s)	48,504	100,000	Size (SF) of Immersive tenants at New Vegas Immersive District is considerably larger than Immersive tenants at AREA15.
REVENUES			
Total Revenues ¹	\$102,129,492	-	
Immersive Tenant(s) Revenues ¹	\$70,675,073	\$100,000,000	
Ratio of Adjusted Immersive Revenues to Total Revenues	69.2%	-	69.2% of revenues at AREA15 are generated by Immersive tenants.
Revenue per SF (Immersive Tenant)	\$1,457	\$1,000	New Vegas Immersive District Developer-estimated sales per SF are significantly lower than at AREA15 Immersive uses.
VISITATION			
Total Visitation ³	3,131,832	-	AREA15 has surpassed visitation expectations ⁴ . Specific Immersive tenant data is not available from Placer.ai
Estimated Visitation to Immersive Tenant(s) ONLY ⁴	2,167,273	3,086,531	Since 69.2 percent of revenues are generated by Immersive tenants at AREA15, it is assumed that 69.2 percent of visitors visit the Immersive tenant. However, it is likely that the majority of visitors to AREA15 are visiting Immersive tenants; AREA15's largest Immersive tenant reported 1.0M visitors in its opening year.
Estimated Spending per Visitor to Immersive Tenant(s)	\$32.61	\$32.61	Assumes spending habits by visitors to New Vegas Immersive District will be consistent with those of visitors to AREA15.

1. Reflects data provided by Developer for AREA15 for 2022 (actuals), inclusive of F&B sales for Immersive tenants.
2. Reflects data provided by Developer for AREA15 for 2022 (actuals) and estimates for New Vegas Immersive District based on revenue per SF assumptions provided by Developer.
3. Total AREA15 (Average 2021-2023), sourced from Placer.ai (2024); Not estimated for New Vegas Immersive District
4. Reflects ratio of Immersive Tenant(s) Revenues to Total Revenues at AREA15. Same ratio is applied to New Vegas Immersive District estimates.
Source: Developer, Placer.ai, Johnson Consulting

Figure 16

Visitation & Sales Estimates

Immersive

Utilizing the estimates shown in Figure 16, Figure 17 shows total projected visitation to the Immersive uses and associated projected sales volumes. It is noted that the preliminary schedule prepared by the Developer indicates a scheduled project opening in July 2025. Accordingly, for the purposes of these projections, it is assumed that 2026 will be the first full year of operation of the Immersive uses at the NVID, and 2025 visitation and sales volumes are apportioned to reflect 6 months of operation. As shown, in the interest of being conservative, attendance at the Immersive uses is projected to be close to 3.1M persons in each full year throughout the projection period. Sales are projected to total \$278.2M in the first full year post-opening (2027), increasing to \$373.9M in a stabilized year (assumed to be 2037, which represents Year 5 following the full build out of all components of the NVID). Sales are projected to total \$3.8B in the 10-year period from 2023 through 2042 (reflecting 10 full years of operation following the full build out of all components of the NVID). All of these sales are expected to occur within the NVID TID, although only a portion will be subject to sales tax, specifically all Gift Shop and Food and Beverage sales.

Immersive - New Vegas Immersive District: Las Vegas, Nevada												
Projected Sales within TID (\$000)												
Attendance		2025	2026*	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total**
1	Total Attendance	0	1,279,167	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	30,700,000
2	Total	0	1,279,167	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	30,700,000
Projected Sales (\$000)**												
3	Ticket Sales	\$0	\$87,227	\$215,625	\$222,094	\$228,757	\$235,619	\$242,688	\$249,968	\$289,782	\$335,937	\$2,951,576
4	Gift Shop****	0	9,004	22,258	22,926	23,614	24,322	25,052	25,803	29,913	34,677	304,679
5	Food & Beverage****	0	5,065	12,520	12,896	13,283	13,681	14,092	14,514	16,826	19,506	171,382
6	Other Non-Event Sales	0	11,255	27,823	28,657	29,517	30,402	31,315	32,254	37,391	43,347	380,849
7	Total	\$0	\$112,551	\$278,226	\$286,573	\$295,170	\$304,025	\$313,146	\$322,540	\$373,912	\$433,467	\$3,808,486

*Reflecting partial year operation. Immersive opens in August 2026.

**Estimated based on the expected sales distribution of other types of sales, per AREA15, and sales estimates prepared by Developer for New Vegas Immersive District.

***Reflecting the sum in ten full years from 2033 thru 2042, following full build out of New Vegas Immersive District.

****Subject to sales tax.

Source: New Vegas Commercial Acquisition LLC, Johnson Consulting

Figure 17

Visitation & Sales Estimates

Retail

The proposed NVID project includes 2 distinct categories of retail – Retail and Food & Beverage that are contemplated for the purposes of this study. The Developer has prepared estimates of sales per SF for at the NVID, ranging from \$250 to \$600 for various Retail and Food & Beverage spaces, although no delineation is made between Retail and Food & Beverage. At full build out, revenues are projected to amount to a total of \$215.8M. As shown in Figure 18, this equates to an average sales per SF of \$516.27 across both categories. This represents a premium over the sales per SF throughout the Las Vegas Submarket (\$414.52) and Clark County (\$356.96) which is consistent with the unique retail offerings that are proposed at the NVID but is considerably lower than the average sales per SF reported at AREA15 in 2022 (\$1,021.49).

The estimates shown in Figure 18 use the same methodology as that used to calculate the sales per SF throughout the Las Vegas Submarket, Clark County and specifically at AREA15. Of note, the Food & Beverage estimated sales of \$500.41 per SF are considerably lower than the Las Vegas Submarket (\$2,016.68 per SF), Clark County (\$2,851.46 per SF) and AREA15 (\$1,312.39 per SF) and it is anticipated that a much higher sales per SF could be achieved at the Food & Beverage premises at the NVID (conservatively assumed to be \$1,000 per SF).

Sales Assumptions - Retail and Food & Beverage (Full Build Out) New Vegas Immersive District - Las Vegas, NV				
SALES	Las Vegas Submarket ¹	Clark County ²	AREA15 Actuals ³	New Vegas Immersive District Assumptions ⁴
Retail ⁴	\$4,602,324,441	\$28,939,534,951	\$8,492,042	\$154,250,000
Food & Beverage	\$1,818,697,031	\$12,462,073,592	\$13,766,615	\$61,550,000
TOTAL	\$6,421,021,472	\$41,401,608,543	\$22,278,657	\$215,800,000
OCCUPIED SF				
Retail ⁴	14,586,485	111,614,392	11,305	295,000
Food & Beverage	901,827	4,370,425	10,505	123,000
TOTAL	15,490,313	115,984,817	21,810	418,000
SALES PER SF				
Retail ⁴	\$315.48	\$259.28	\$751.18	\$522.88
Food & Beverage	\$2,016.68	\$2,851.46	\$1,312.39	\$500.41
TOTAL	\$414.52	\$356.96	\$1,021.49	\$516.27

Figure 18

Projected revenues at New Vegas Immersive District are reasonable relative to scale (SF) of retail and food & beverage space at AREA15, excluding Immersive tenant(s) at both AREA15 and New Vegas Immersive District (projections indicate sales at a level almost 10 times greater at New Vegas Immersive District, although the available SF will be almost 20 times greater).

Developer assumptions reflect \$250-\$600 per SF for various retail and food & beverage tenants. The analysis shows a combined average of \$522.16 per SF, which is significantly higher than the \$500.41 per SF projected for the Las Vegas Submarket and Clark County. Projections for Food & Beverage sales per SF at New Vegas Immersive District are considerably lower than at AREA15 - Food & Beverage in particular would be anticipated to achieve a higher sales per SF, more in line with both the AREA15, the Las Vegas Submarket and Clark County (average \$2,060.17 per SF). For the purposes of this analysis, a conservative estimate of \$1,000 per SF will be utilized for Food & Beverage at the New Vegas Immersive District.

Reflects breakdown of Retail and Food & Beverage space provided by Developer (excluding competitive leisure and entertainment); As noted above, the relative size of this space at New Vegas Immersive District is almost 20 times the size (in terms of SF) as AREA15.

1. Reflects boundaries shown in Figure 5; Estimated based on 2017 actuals (most recent published data from Esri), increased by CPI to 2023

2. Estimated based on Nevada Dept. of Taxation Taxable Sales (2022)

3. Reflects data provided by AREA15 for 2022 (actuals)

4. Reflects projections prepared by Developer; Sales per SF reflect same calculations as shown for Las Vegas Submarket, Clark County and AREA15; Excludes Immersive tenants, entertainment and competitive leisure.

Source: ESRI, CoStar, Developer, Johnson Consulting

Visitation & Sales Estimates

Retail

Utilizing the estimates shown in Figure 18, Figure 19 shows total projected sales volume at the Retail spaces at the NVID. It is noted that the preliminary schedule prepared by the Developer indicates phased opening of Retail space, commencing in July 2025, with subsequent phases opening in August 2026 and October 2028. Accordingly, for the purposes of these projections, it is assumed that 2026 will be the first full year of operation of any Retail space at the NVID, and 2025 sales volumes are apportioned to reflect 6 months of operation. Sales are projected to total \$191.0M in the first full year post-opening (2026), increasing to \$397.5M in a stabilized year (assumed to be 2037, which represents Year 5 following the full build out of all components of the NVID). Sales are projected to total \$4.0B in the 10-year period from 2023 through 2042 (reflecting 10 full years of operation following the full build out of all components of the NVID). All of these sales are expected to occur within the NVID TID, although only a portion will be subject to sales tax. The projections assume that 90.6 percent of Retail space will be occupied by uses subject to sales tax, thereby excluding Competitive Leisure uses, and that 100.0 percent of sales at Food & Beverage premises and at the Gift Shop will be subject to sales tax.

Retail - New Vegas Immersive District, Las Vegas, Nevada											
Estimated Sales Volume (\$000)											
		2025*	2026	2027	2028	2029	2030	2031	2032	2037	10-Year Total****
RETAIL											
1 SF*		230,000	230,000	230,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
2 SF of Actual Sales**	90.6%	208,449	208,449	208,449	267,358	267,358	267,358	267,358	267,358	267,358	267,358
3 Sales/ SF	\$523	\$555	\$571	\$589	\$606	\$624	\$643	\$662	\$682	\$791	\$917
4 Total Sales (\$000)		\$57,816	\$119,101	\$122,674	\$132,305	\$166,924	\$171,932	\$177,090	\$182,403	\$211,455	\$2,153,774
FOOD & BEVERAGE											
5 SF*		50,000	88,000	88,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000
6 SF of Actual Sales**	100%	50,000	88,000	88,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000
7 Sales/ SF	\$1,000	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,513	\$1,754
8 Total Sales (\$000)		\$26,523	\$71,938	\$99,045	\$108,779	\$146,868	\$151,274	\$155,813	\$160,487	\$186,049	\$1,894,999
9 Total Sales (\$000)		\$84,338	\$191,038	\$221,718	\$241,084	\$313,793	\$323,207	\$332,903	\$342,890	\$397,503	\$4,048,773

*Retail and F&B operating only partially in opening year of phases.

**Excludes Competitive Leisure, whereby Retail uses account for 90.6% of total Retail SF. Assumed that 100.0% of the food and beverage sales are subject to sales tax.

***Reflecting the sum in ten full years from 2033 thru 2042, following full build out of New Vegas Immersive District.

Source: New Vegas Commercial Acquisition LLC, Johnson Consulting

Figure 19



Visitation & Sales Estimates

Hotel

The preliminary schedule prepared by the Developer indicates a scheduled opening of the Hotel at the NVID in May 2025. Accordingly, for the purposes of these projections, it is assumed that 2026 will be the first full year of operation of the Hotel at the NVID, and 2025 visitation and sales volumes are apportioned to reflect 6 months of operation. As shown in Figure 20, it is assumed that the Hotel will achieve a stabilized occupancy of 72.5 percent and an ADR of \$200 per room night, reflecting a slight premium over the average occupancy and ADR throughout the Las Vegas Market in 2023 YTD. Total revenues at the Hotel are projected to total \$16.6M in the first full year post-opening (2026), increasing to \$24.6M in a stabilized year (assumed to be 2037, which represents Year 5 following the full build out of all components of the NVID). Sales are projected to total to \$251.0M in the 10-year period from 2023 through 2042 (reflecting 10 full years of operation following the full build out of all components of the NVID). All of these sales are expected to occur within the NVID TID, and a portion will be subject to sales tax and to hotel/ motel tax.

Hotel - New Vegas Immersive District: Las Vegas, Nevada												
Estimated Sales Volume (\$000)												
	2025*	2026	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total****	
1 # of Rooms	200	200	200	200	200	200	200	200	200	200	200	
2 # of Available Room Nights	42,583	73,000	73,000	73,200	73,000	73,000	73,000	73,200	73,000	73,000	73,000	
3 Occupancy Rate**	65.0%	67.5%	70.0%	72.5%	72.5%	72.5%	72.5%	72.5%	72.5%	72.5%	72.5%	
4 # of Occupied Room Nights	27,679	49,275	51,100	53,070	52,925	52,925	52,925	53,070	52,925	52,925	52,925	
5 Average Daily Rate (ADR)	\$200	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$303	\$351	\$351	
6 Room Revenues (\$000)	\$5,873	\$10,769	\$11,503	\$12,305	\$12,639	\$13,018	\$13,409	\$13,849	\$16,011	\$18,561	\$18,561	
7 Other Revenues	35.0%	\$3,162	\$5,799	\$6,194	\$6,626	\$7,010	\$7,220	\$7,457	\$8,621	\$9,994	\$9,994	
8 Total Revenues (\$000)	100.0%	\$9,035	\$16,567	\$17,696	\$18,930	\$19,445	\$20,028	\$21,306	\$24,632	\$28,555	\$251,028	

*Operating only partially in opening year.

**Assuming a stabilized occupancy rate of 72.5%.

***Reflecting the sum in ten full years from 2033 thru 2042, following full build out of New Vegas Immersive District.

Source: New Vegas Commercial Acquisition LLC, Johnson Consulting

Figure 20

Visitation & Sales Estimates

Visitor Origin

The LVCVA's 2022 Las Vegas Visitor Profile Study provides a breakdown of visitor origin, whereby a visitor is defined as a resident of outside of Clark County. It is estimated, based upon the relative populations of the West States, that 1.4 percent of visitors to Las Vegas originated from within the State of Nevada. As such, 98.6 percent of visitors are categorized as out-of-state, as shown in Figure 21.

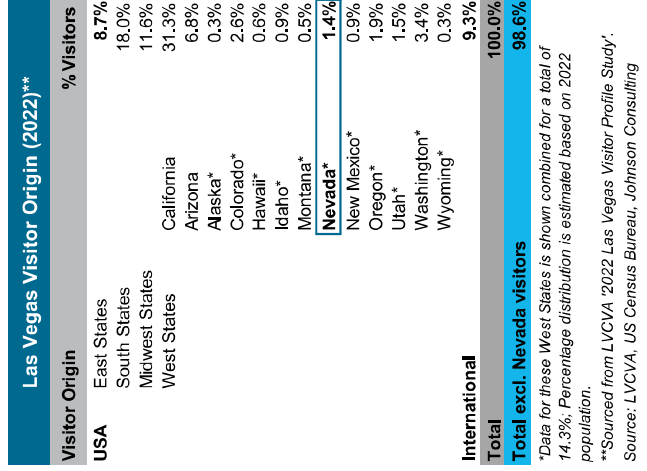


Figure 21



In 2023, AREA15 attracted close to 3.1M visitors, of which 2.5M or 83.0 percent originated from outside of the State of Nevada, as shown in Figure 22. Overall, between 2021 and 2023, AREA15 reported an average annual attendance of 3.1M, of which an average of 82.4 percent originated from out-of-state. This proportion is lower than the overall estimated proportion of out-of-state visitors to the Las Vegas destination (98.6 percent), but still indicates a preponderance of out-of-state visitors to a similar (and adjacent) project as the proposed NVID, particularly as it relates to the Immersive, Retail and Food & Beverage components.

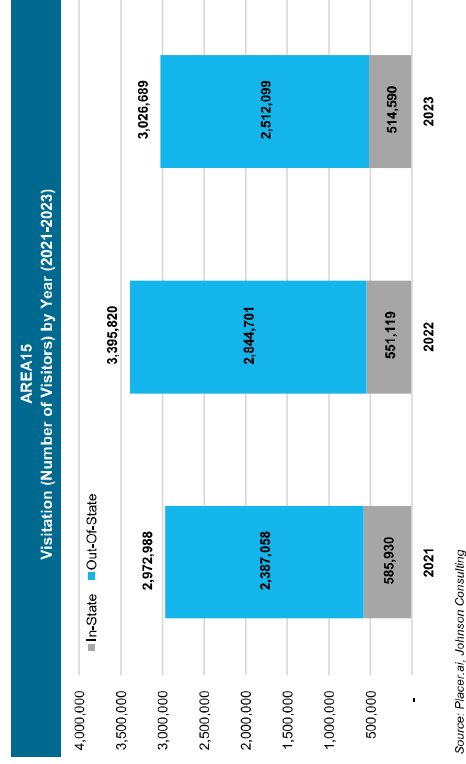


Figure 22

Visitation & Sales Estimates

Room Night Estimates

A portion of visitors to the NVID will be overnight visitors who come from outside the Las Vegas and Nevada areas. Estimated room nights generated by activities at the NVID are summarized in Figure 23. In the interest of being conservative, we have excluded the Retail and Food & Beverage space our overnight visitor estimates.

As shown, room night demand is projected to total 139,180 room nights in a stabilized year (2037). It is anticipated that a portion of room night demand generated from the Immersive space will be accommodated at the Hotel in the NVID. An allowance of 50.0 percent is made to account for any duplicate estimates of room night demand, resulting in a net total of 96,052 room nights in 2037.

New Vegas Immersive District: Las Vegas, Nevada											
Estimated Room Nights											
	Proportion of Overnight Visitors**	2025	2026	2027	2028	2029	2030	2031	2032	2037	10-Year Total*
1 Immersive	5%	0	35,939	86,255	86,255	86,255	86,255	86,255	86,255	86,255	862,547
2 Retail	0%	0	0	0	0	0	0	0	0	0	0
3 Food and Beverage	0%	0	0	0	0	0	0	0	0	0	0
4 Hotel	100%	27,679	49,275	51,100	53,070	52,925	52,925	52,925	53,070	52,925	529,540
5 Total		27,679	85,214	137,355	139,325	139,180	139,180	139,180	139,325	139,180	1,392,087
6 Possible Overlap	50%	0	(17,970)	(43,127)	(43,127)	(43,127)	(43,127)	(43,127)	(43,127)	(43,127)	(431,273)
7 Net Total		27,679	67,245	94,227	96,197	96,052	96,052	96,052	96,197	96,052	960,813

*Reflecting the sum in ten full years from 2033 thru 2042.

**Indicating the proportion of out-of-town visitors who stay overnight at hotels

1. Data from LVCVA 'Las Vegas 2022 Visitor Profile' indicates that 37.2% of visitors to Las Vegas visited an attraction (paid admission), however the data does not specify whether the attraction was the primary purpose of the visitors' trip. In the interest of being conservative, it is assumed that 5% of visitors to the Immersive uses at New Vegas Immersive District will stay overnight (because of the Immersive uses), consistent with prior estimates for AREA15.

2-3: Retail and F&B are excluded from room night calculations in the interest of being conservative

4. Assumed that 100% of Hotel visitors will stay overnight; While there may be amenities at the Hotel that attract day visitors, these amenities are not yet defined at the time of this study.

6. Assuming that 50% of room nights generated by the other land uses are accommodated in the New Vegas Immersive District Hotel.

Source: New Vegas Commercial Acquisition LLC, LVCVA, Johnson Consulting

Figure 23



Section 5

Economic & Fiscal Impact Analysis



Economic & Fiscal Impact Analysis

Definitions

When construction of the proposed NVID project is complete, the Immersive uses are operational, Retail space is leased, and Hotel guest rooms are occupied, various transactions occurring on the improved site will generate ongoing, annual economic and fiscal impacts to the local economy. Initial transactions occurring within each project element will 'ripple out' and generate indirect spending, induced spending, increased earnings, and employment, as well as various tax revenues for the local economy.

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events, as follows:

- **Direct Spending:** An expression of spending that occurs as a direct result of development within the study area. For example, expenditures by shoppers, diners, and other business patrons at the various retail premises on the subject site are direct spending.
- **Indirect Spending:** Consists of re-spending of initial or direct expenditures, or the supply of goods and services resulting from initial spending within the study area. For example, a shopper's direct expenditure on a retail purchase causes the store to purchase goods and other items from suppliers. The portion of these store purchases that come from within the local, regional, or state economies is counted as indirect spending.
- **Induced Spending:** Represents changes in local consumption due to personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at a restaurant may spend more because they earn more. The amount of the increased income the waiter spends in the local economy is induced spending.
- **Increased Earnings:** Measures increased employee and worker compensation related to development within the study area. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- **Employment:** Measures the number of ongoing jobs supported in the study area related to spending at the development.

Economic & Fiscal Impact Analysis

Definitions

Indirect and induced spending, increased earnings, and employment are estimated using a set of multiplier rates shown in the following table. These figures are derived from an IMPLAN input-output model specifically purchased from IMPLAN Group, LLC. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through various sectors of the economy. The applicable multipliers are shown in Figure 24.

Our projections consider the economic impact of activities that occur within the NVID TID (“on-site”), as well as those that are estimated to occur outside of the NVID TID (“off-site”). On-site impacts account for only those categories of spending that would be captured at the proposed land uses at the NVID, while off-site impacts also include spending on lodging and car rental. This is intended to demonstrate the breadth of the impact that the NVID will have on the market.

Fiscal impact analysis measures the estimated tax revenues resulting from direct spending on certain activities, facilities, or events. For this analysis, fiscal impact estimates focus on major categories of tax revenues that are directly affected by a visitor’s activity. Pursuant to the requirements set forth in NRS 271A and the requirements of this preponderance study, the impacts only reflect those program elements that are subject to general sales tax. It is noted that the types of revenues generated by the Immersive uses, and a portion of the Retail Space and any entertainment space, will be predominantly subject to the State’s 9.00 percent Live Entertainment Tax. These tax revenues are not included in our projections. The current applicable sales tax rates are summarized in Figure 25, indicating a maximum eligible amount of 3.22 percent for NVID, pursuant to NRS 271A (refer to note in Figure 25).

New Vegas Immersive District: Las Vegas, Nevada Economic Impact Multipliers			
Impact	Multiplier	Base	
Indirect Spending	0.361	of direct spending	
Induced Spending	0.457	of direct spending	
Increased Earnings	0.482	of direct spending	
Employment (FTE Jobs)	7.764	per \$1M of direct spending	

Source: IMPLAN, Johnson Consulting

Figure 24

New Vegas Immersive District: Las Vegas, Nevada Clark County Sales Tax Components		Rate
Total Clark County sales tax rate		8.375%
Less: Option Tax		1.40%
Less: Local School Support Tax		2.60%
Gross Sales Tax Rate		4.38%
Max. Eligible for TID		3.22%

Note: Section 6. For the purposes of carrying out the acquisition, improvement, equipment, operation and maintenance of the Project within the District as more specifically described herein and the financing of the Project, the City hereby determines to pledge and hereby pledges 75% of:

- (1) An amount equal to the proceeds of the taxes imposed pursuant to NRS 372.105 and 372.185 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the district during a fiscal year, after the deduction of a sum equal to 1.75 percent of the amount of those proceeds;
- (2) The amount of the proceeds of the tax imposed pursuant to NRS 377.030 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the improvement district during a fiscal year, after the deduction of 1.75 percent of the amount of those proceeds.

Thereby 4.38 (Gross Sales Tax Rate) x 75% x (1-1.75%) = 3.22%

Source: Clark County Nevada, Johnson Consulting

Figure 25

Economic & Fiscal Impact Analysis

Out-of-State Visitors & Net New Impacts

According to NRS 271A, a preponderance of the increase in proceeds from sales and use taxes in the TID must be attributed to transactions with tourists who are not residents of Nevada. This is referred to as “net new” spending and measures spending that would otherwise not occur in Nevada. It includes any spending by Nevada residents that was otherwise occurring outside of the State, as well as increased household spending resulting from the new retail and entertainment offerings, and spending associated with visitors staying longer and/or spending more. In order to calculate the proportion of spending and tax revenues associated with out-of-state visitors, we made a number of assumptions about visitor spending. These are presented in the Figure 26.

As shown, based upon current visitor spending data as published by the LVCVA (shown as Alternative 1), which indicates that 98.6 of visitors to Las Vegas originated from out-of-state in 2022, it is estimated that retail spending by out-of-state visitors (those residing outside of Nevada) accounts for 66.1 percent of total retail spending. When entertainment spend is also included, the proportion of spending by out-of-state visitors increases to 70.2 percent. An alternative, more conservative calculation (Alternative 2), reflecting data for AREA15, shows that a smaller proportion (82.4 percent) of visitors originated from out-of-state on average between 2021 and 2023, and indicates that estimated retail spending by out-of-state visitors (those residing outside of Nevada) accounted for 55.3 percent of total retail spending. When entertainment spend is also included, the proportion of spending by out-of-state visitors increases to 58.6 percent.

Both scenarios indicate that a preponderance of spending at the NVID will be by out-of-state visitors. In the interest of being conservative, our projections use the lowest percentage of 55.3 percent (assuming 82.4 percent of visitors are from out-of-state, and only accounting for retail and food & beverage spending), as the proportion of visitor spending at the NVID that will originate from out-of-State.

New Vegas Immersive District: Las Vegas, Nevada			
Out-of-State Spending Assumptions			
	Alternative 1	Alternative 2	
Total Visitors**	38,829,300	38,829,300	
% Out-of-State Visitors**	98.6%	82.4%	
Total Out-of-State Visitors	38,283,945	31,995,343	
Average Retail and F&B Spend per Visitor***	\$714.97	\$714.97	
Total Retail Spend by Out-of-State Visitors	\$27,371,872,176	\$22,875,710,528	
Total Retail Spend (Visitors and Residents)****	\$41,401,608,543	\$41,401,608,543	
Proportion of Retail Spend by Out-of-State Visitors	66.1%	55.3%	
Average Entertainment Spend per Visitor***	\$147.08	\$147.08	
Total Entertainment Spend by Out-of-State Visitors	\$5,630,802,635	\$4,705,875,078	
Total Retail and Entertainment Spend by Out-of-State Visitors	\$33,002,674,811	\$27,581,585,606	
Proportion of Retail and Entertainment Spend by out-of-State Visitors	70.2%	58.6%	

*Per LVCVA 'Las Vegas Historic Tourism Statistics (1970-2022)' whereby LVCVA considers a visitor as a person traveling to the City of Las Vegas from outside of Clark County; Assumes that visitation to the City of Las Vegas is equal to visitation to Clark County, in the interest of being conservative; Data for 2022.

**Alternative 1: Estimated based on LVCVA '2022 Las Vegas Visitor Profile Study' whereby visitors from outside of Clark County but still within the State of Nevada are estimated to account for 1.4% of visitors; Alternative 2: Reflects data sourced from Placer.ai for AREA15 (average out-of-state visitors between 2021 and 2023).

***Per LVCVA '2022 Las Vegas Visitor Profile Study'; Entertainment Spend includes Show/Entertainment, Sightseeing, and Sporting Events.

****Estimated Retail and Food & Beverage spending in Clark County based on total taxable sales (2022) per Nevada Dept. of Taxation.

Source: LVCVA, Placer.ai, Johnson Consulting

Figure 26

Impact Estimates

As noted above, the following projections only consider the category of tax revenues that the proposed NVID TID may be eligible for – sales tax. For each relevant project element – Immersive, Retail/ Restaurant, and Hotel – our projections show the estimated economic and fiscal impact that will occur on-site at NVID, as well as the combined on-site and off-site impacts, unless otherwise stated. Also identified is the proportion of economic and fiscal impacts that are considered to be “net new” to the State of Nevada, meaning revenues that would not be generated “but for” the project and are generated from spending by non-Nevada residents.

Impact Estimates

Immersive

Figure 27 shows projections of the spending volume at, and impact of, the Immersive uses, based upon on-site spending over a 10-year period (2033-2042). As shown, in a stabilized year of operation (assumed to be 2037), the Immersive uses are estimated to generate \$373.9M in direct on-site spending, of which \$289.8M is estimated to be from ticket sales, which are not subject to sales tax, and \$84.1M is estimated to be from food & beverage and other sales.

The overall on-site economic impact of the Immersive uses at NVID, in a stabilized year, is estimated to include \$679.4M of total spending, of which \$375.4M (or 55.3 percent, pursuant to the visitor assumptions described above) is estimated to be spending by out-of-State visitors, thus considered “net new,” along with \$180.4M in increased earnings and 1,919 ongoing jobs.

During the same year, the on-site fiscal impact is estimated to be \$2.7M and totaling \$27.6M over the 10-year projection period. Of this, \$15.3M (or 55.3 percent) is estimated to be “net new” to the State of Nevada.



Figure 27

Immersive - New Vegas Immersive District: Las Vegas, Nevada Estimated Spending and Impact (Inflated \$000) - ON SITE ONLY													
Activity Volume	Rates/ Assumptions	2025	2026*	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total**	
1 Attendance		0	1,279,167	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	30,700,000	
2 Spending Volume (\$000)													
3 On Ticket Sales		\$0	\$87,227	\$215,625	\$222,094	\$228,757	\$235,619	\$242,888	\$249,988	\$289,782	\$335,937	\$2,951,578	
4 On F&B and Others		0	25,324	62,801	64,479	66,413	68,406	70,458	72,571	84,130	97,530	866,909	
4 Total Spending On-Site**		\$0	\$112,551	\$278,226	\$286,573	\$295,170	\$304,025	\$313,146	\$322,540	\$373,912	\$433,467	\$2,938,076	
Economic Impact (\$000)		2025	2026*	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total**	
5 Direct Spending	Multiplicators	\$0	\$112,551	\$278,226	\$286,573	\$295,170	\$304,025	\$313,146	\$322,540	\$373,912	\$433,467	\$3,808,486	
6 Indirect Spending	0.361	0	40,585	100,325	103,335	106,435	109,628	112,917	116,304	134,828	156,303	1,373,295	
7 Induced Spending	0.457	0	51,384	127,021	130,832	134,757	138,800	142,864	147,252	170,706	197,895	1,738,727	
8 Total Spending		\$0	\$204,519	\$505,572	\$520,739	\$536,361	\$552,452	\$569,026	\$586,096	\$679,446	\$787,665	\$6,920,508	
9 Increased Earnings	0.462	\$0	\$54,289	\$134,203	\$138,229	\$142,376	\$146,647	\$151,046	\$155,578	\$180,357	\$209,083	\$1,837,030	
10 Employment (Ongoing Jobs)	7.76	0	800	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	19,190***	
11 NET NEW Economic Impact (Total Spending)		\$0	\$113,003	\$279,345	\$287,725	\$296,357	\$305,247	\$314,405	\$323,837	\$375,416	\$435,210	\$3,823,801	
12 Net New as % of Total		0.0%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	
Fiscal Impact (\$000)		2025	2026*	2027	2028	2029	2030	2031	2032	2037	2042	2036	
13 Taxable Base		\$0	\$25,324	\$62,801	\$64,479	\$66,413	\$68,406	\$70,458	\$72,571	\$84,130	\$97,530	\$856,909	
14 Sales Tax	Tax Rate												
15 Total Tax Revenues	3.22%	\$0	\$816	\$2,018	\$2,079	\$2,141	\$2,205	\$2,271	\$2,340	\$2,712	\$3,144	\$27,625	
16 NET NEW Fiscal Impact		\$0	\$451	\$1,115	\$1,149	\$1,183	\$1,218	\$1,255	\$1,283	\$1,499	\$1,737	\$15,264	
17 Net New as % of Total		0.0%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	

Notes:

*Reflecting partial year operation.

**Corresponding to the projected sales at the Immersive uses as shown in previous tables

***Reflecting the sum in ten full years from 2033 thru 2042, following full build out of New Vegas Immersive District.

****Employment figures are not additive and should not be summed. The jobs that are created and/or supported simply carry on to the next year.

Source: New Vegas Commercial Acquisition LLC, IMPLAN, Johnson Consulting

Impact Estimates

Immersive

Figure 28 shows spending volume at, and impact of, the Immersive uses, based upon both on-site and off-site spending over a 10-year period (2033–2024). As shown, in a stabilized year of operation (2037), the Immersive uses are estimated to generate \$497.2M in direct spending, of which \$373.9M is estimated to occur on-site and \$123.3M is estimated to occur off-site. The overall economic impact of the Immersive uses at the NVID, in a stabilized year, is estimated to include \$903.4M of total spending, of which \$522.5M (or 57.8 percent, which is higher than the 55.3 percent assumed for on-site spending since it also accounts for off-site spending, specifically on room nights, which as described below assumes a higher proportion of spending by out-of-town visitors) is estimated to be spending by out-of-State visitors, thus considered “net new,” along with \$239.8M in increased earnings and 2,552 ongoing jobs, in Clark County, annually.

During the same year, the fiscal impact is estimated to be \$5.8M and totaling \$58.7M over the 10-year projection period. Of this, \$32.4M (or 55.3 percent) is estimated to be “net new” to the State of Nevada. It is noted that ticket sales, lodging, and car rental are not subject to sales tax.

Immersive - New Vegas Immersive District: Las Vegas, Nevada Estimated Spending and Impact (Inflated \$000)												
	Rates/ Assumptions	2025	2026*	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total***
Activity Volume												
1 Attendance		0	1,279,167	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000	30,700,000
2 Room Nights		0	35,339	84,814	84,814	84,814	84,814	84,814	84,814	84,814	84,814	848,137
Spending Volume (\$000)												
3 On Ticket Sales		\$0	\$87,227	\$215,625	\$222,094	\$228,757	\$235,619	\$242,688	\$249,968	\$269,762	\$335,937	\$2,951,576
4 On F&B and Others		0	25,324	62,601	64,479	66,413	68,406	70,458	72,571	84,130	97,530	856,909
5 Subtotal Spending On Site**		\$0	\$112,551	\$278,226	\$286,573	\$295,170	\$304,025	\$313,146	\$322,540	\$373,912	\$433,467	\$3,808,486
Spending Off Site												
6 On Lodging	Average Spending \$178.57 (a)	\$0	\$5,896	\$17,046	\$17,557	\$18,084	\$18,626	\$19,185	\$19,761	\$22,908	\$26,557	\$233,332
7 On Food and Incidentals	\$24.00 (b)	0	28,482	70,407	72,520	74,595	76,636	78,644	81,621	94,622	109,692	963,769
8 On Car Rental	\$44.65 (c)	0	1,724	4,262	4,390	4,522	4,657	4,797	4,941	5,728	6,640	66,343
9 Subtotal Spending Off Site		\$0	\$37,102	\$91,715	\$94,467	\$97,301	\$100,220	\$103,226	\$106,323	\$123,258	\$142,890	\$1,265,444
10 Total		\$0	\$149,653	\$369,941	\$381,039	\$392,471	\$404,245	\$416,372	\$428,863	\$497,170	\$576,356	\$5,063,929
11 NET NEW Total		\$0	\$96,545	\$213,939	\$220,357	\$226,968	\$233,777	\$240,790	\$248,014	\$267,516	\$333,310	\$2,926,498
12 Net New as % of Total		0.0%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%
Economic Impact (\$000)												
13 Direct Spending	Multipliers	\$0	\$149,653	\$369,941	\$381,039	\$392,471	\$404,245	\$416,372	\$428,863	\$497,170	\$576,356	\$5,063,929
14 Indirect Spending	0.301	0	53,963	133,396	137,398	141,520	145,766	150,139	154,643	179,274	207,827	1,825,993
15 Induced Spending	0.457	0	68,322	168,883	173,960	179,179	184,554	190,091	195,793	226,978	263,130	2,311,888
16 Total Spending		\$0	\$271,938	\$672,231	\$692,398	\$713,170	\$734,565	\$756,602	\$779,300	\$903,422	\$1,047,313	\$9,201,810
17 Increased Earnings	0.482	\$0	\$72,185	\$178,442	\$183,795	\$188,309	\$194,986	\$200,838	\$206,963	\$239,811	\$278,008	\$2,442,995
18 Employment (Ongoing Jobs)	7.76	0	1,063	2,562	2,552	2,552	2,552	2,552	2,552	2,552	2,552	2,552***
19 NET NEW Economic Impact (Total Spending)		\$0	\$157,263	\$388,755	\$400,417	\$412,430	\$424,803	\$437,547	\$450,673	\$522,454	\$605,667	\$5,321,457
20 Net New as % of Total		0.0%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%
Fiscal Impact (\$000)												
21 Taxable Base		\$0	\$53,806	\$133,008	\$136,998	\$141,108	\$145,342	\$149,702	\$154,193	\$178,752	\$207,222	\$1,820,678
22 Sales Tax	Tax Rate 3.22%	\$0	\$1,735	\$4,288	\$4,417	\$4,549	\$4,686	\$4,826	\$4,971	\$5,763	\$6,680	\$58,696
23 Total Tax Revenues		\$0	\$1,735	\$4,288	\$4,417	\$4,549	\$4,686	\$4,826	\$4,971	\$5,763	\$6,680	\$58,696
24 NET NEW Fiscal Impact		\$0	\$958	\$2,369	\$2,440	\$2,514	\$2,589	\$2,667	\$2,747	\$3,184	\$3,691	\$32,431
25 Net New as % of Total		0.0%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%
Notes:												
**Reflecting partial year operation												
***Corresponding to the projected sales of the Immersive uses as shown in previous tables.												
****Reflecting the sum in full years from 2033 thru 2042. Following full build out of New Vegas Immersive District												
*****Employment figures are not additive and should not be summed. The jobs that are created and/or supported simply carry on to the next year.												
a) Las Vegas per Diem on lodging is \$138.60 per U.S. General Services Administration and \$218.60 per Business Travel News. \$178.57 is the midpoint.												
b) From Las Vegas per Diem on Meals and Incidentals of \$69 per U.S. General Services Administration, minus approx. \$49 per person already spent on site on Total.												
c) Based on Corporate Travel Index for Las Vegas, per Business Travel News												
Source: New Vegas Commercial Acquisition LLC, JPLAN, Johnson Consulting												

Figure 28

Impact Estimates

Retail

Figure 29 shows projections of the spending volume at, and impact of, the Retail space (including Retail and Food & Beverage space) at NVID. In the interest of being conservative, we have assumed that the Retail will not generate any off-site spending. As shown, in a stabilized year of operation (2037), the Retail is estimated to generate \$397.5M in direct spending, of which \$219.6M (or 55.3 percent) is estimated to be “net new.” The overall economic impact of the Retail space at the NVID, in a stabilized year, is estimated to include \$722.3M of total spending, of which \$399.1M (or 55.3 percent) is estimated to be “net new,” along with \$191.7M in increased earnings and 2,040 ongoing jobs.

During the same year, the fiscal impact is estimated to be \$12.8M and totaling \$130.5M over the 10-year projection period (2033-2042). Of this, \$72.1M (or 55.3 percent) is estimated to be “net new” to the State of Nevada.

Retail - New Vegas Immersive District: Las Vegas, Nevada												
Estimated Spending and Impact (Inflated \$000)												
		2025	2026	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total*
1	Spending On Site - Retail/ Immersive	\$57,816	\$119,101	\$122,674	\$132,305	\$166,924	\$171,932	\$177,090	\$182,403	\$211,455	\$245,134	\$2,153,774
2	Spending On Site - F&B	\$26,523	\$71,938	\$99,045	\$108,779	\$146,868	\$151,274	\$155,813	\$160,487	\$186,049	\$215,681	\$1,894,999
3	Total	\$84,338	\$191,038	\$221,718	\$241,084	\$313,793	\$323,207	\$332,903	\$342,890	\$397,503	\$460,815	\$4,048,773
4	NET NEW Total	\$46,600	\$105,555	\$122,506	\$133,206	\$173,380	\$178,582	\$183,939	\$189,458	\$219,633	\$254,815	\$2,237,076
5	Net New as % of Total	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%
Economic Impact (\$000)												
6	Direct Spending	\$84,338	\$191,038	\$221,718	\$241,084	\$313,793	\$323,207	\$332,903	\$342,890	\$397,503	\$460,815	\$4,048,773
7	Indirect Spending	30,411	68,886	79,949	86,932	113,150	116,544	120,041	123,642	143,335	166,165	1,459,940
8	Induced Spending	38,504	87,217	101,223	110,064	143,259	147,557	151,983	156,543	181,476	210,381	1,848,428
9	Total Spending	\$153,254	\$347,141	\$402,891	\$438,080	\$570,202	\$587,308	\$604,927	\$623,075	\$722,314	\$837,360	\$7,357,140
10	Increased Earnings	\$40,881	\$92,148	\$106,946	\$116,287	\$151,358	\$155,899	\$160,376	\$165,393	\$191,736	\$222,275	\$1,952,932
11	Employment (Ongoing Jobs)	617	1,357	1,530	1,615	2,040	2,040	2,040	2,040	2,040	2,040	2,040**
12	NET NEW Economic Impact (Total Spending)	\$84,677	\$191,807	\$222,610	\$242,053	\$315,055	\$324,506	\$334,241	\$344,269	\$399,102	\$462,868	\$4,065,055
13	Net New as % of Total	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%
Fiscal Impact (\$000)												
Tax Revenues												
14	Sales Tax	\$2,719	\$6,159	\$7,148	\$7,772	\$10,116	\$10,420	\$10,732	\$11,054	\$12,815	\$14,856	\$130,525
15	Total Tax Revenues	\$2,719	\$6,159	\$7,148	\$7,772	\$10,116	\$10,420	\$10,732	\$11,054	\$12,815	\$14,856	\$130,525
16	NET NEW Fiscal Impact	\$1,502	\$3,403	\$3,949	\$4,294	\$5,569	\$5,757	\$5,930	\$6,108	\$7,081	\$8,208	\$72,119
17	Net New as % of Total	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%	55.3%

*Reflecting the sum in ten full years from 2033 thru 2042.

**Employment figures are not additive and should not be summed. The jobs that are created and/or supported simply carry on to the next year.

Source: New Vegas Commercial Acquisition LLC, IMPLAN, Johnson Consulting

Impact Estimates

Hotel

Figure 30 shows projections of the spending volume at, and impact of, the Hotel at NVID. In the interest of being conservative, we have assumed that the Hotel will not generate any off-site spending. As shown, in a stabilized year of operation (2037), the Hotel is estimated to generate \$24.6M in direct spending, of which \$24.3M (or 98.6 percent) is estimated to be “net new” consistent with the proportion of out-of-state visitors to Las Vegas as reported by the LVCVA. While it is noted that this proportion of out-of-state visitors is higher than the 55.3 percent assumed for the Immersive and Retail space at NVID, out-of-state visitation trends for Las Vegas correlate directly to room night demand. The overall economic impact of the Hotel at NVID, in a stabilized year, is estimated to include \$44.8M of total spending, of which \$44.1M (or 98.6 percent) is estimated to be “net new,” along with \$11.9M in increased earnings and 126 ongoing jobs (in addition to on-site jobs at the Hotel).

During the same year, the fiscal impact is estimated to be \$278,000 in sales tax revenues only (excluding spending on room nights which is not subject to sales tax) and totaling \$2.8M over the 10-year projection period. Of this, \$2.79M (or 98.6 percent) is estimated to be “net new” to the State of Nevada.

While it is possible that some visitors would come to the market regardless of the new Hotel at NVID, it is also reasonable to assume that the hotel will attract the same portion of out-of-state visitors, and associated spending, as other hotels currently operating in the market.

Hotel - New Vegas Immersive District: Las Vegas, Nevada												
Estimated Spending and Impact (Inflated \$000)												
	Rates/ Assumptions		2025	2026	2027	2028	2029	2030	2031	2032	2037	2042
1 Spending On Site			\$9,035	\$16,567	\$17,596	\$18,930	\$19,445	\$20,028	\$20,629	\$21,306	\$24,632	\$28,555
2 Total			\$9,035	\$16,567	\$17,596	\$18,930	\$19,445	\$20,028	\$20,629	\$21,306	\$24,632	\$28,555
3 NET NEW Total			\$8,908	\$16,335	\$17,448	\$18,664	\$19,172	\$19,747	\$20,339	\$21,007	\$24,286	\$28,154
4 Net New as % of Total			98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Economic Impact (\$000)												
5 Direct Spending			\$9,035	\$16,567	\$17,596	\$18,930	\$19,445	\$20,028	\$20,629	\$21,306	\$24,632	\$28,555
6 Indirect Spending			3,258	5,974	6,381	6,825	7,012	7,222	7,438	7,663	8,882	10,537
7 Induced Spending			4,123	7,564	8,079	8,642	8,877	9,144	9,418	9,727	11,245	13,037
8 Total Spending			\$16,418	\$30,105	\$32,057	\$34,396	\$35,333	\$36,393	\$37,465	\$38,716	\$44,759	\$51,688
9 Increased Earnings			\$4,358	\$7,991	\$8,336	\$8,931	\$9,379	\$9,661	\$9,950	\$10,277	\$11,861	\$13,774
10 Employment (Ongoing Jobs)			66	116	122	126	126	126	126	127	126	126
11 NET NEW Economic Impact (Total Spending)			\$16,188	\$29,602	\$31,705	\$33,915	\$34,637	\$35,862	\$36,959	\$38,172	\$44,131	\$51,160
12 Net New as % of Total			98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%
Fiscal Impact (\$000)												
Tax Revenues			2025*	2026	2027	2028	2029	2030	2031	2032	2037	2042
13 Sales Tax			\$102	\$187	\$200	\$214	\$219	\$226	\$233	\$240	\$278	\$322
14 Total Tax Revenues			\$102	\$187	\$200	\$214	\$219	\$226	\$233	\$240	\$278	\$322
15 NET NEW Fiscal Impact			\$101	\$184	\$197	\$211	\$216	\$223	\$229	\$237	\$274	\$318
16 Net New as % of Total			98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%	98.6%

*Reflecting the sum in ten full years from 2033 thru 2042.
**Employment figures are not additive and should not be summed. The jobs that are created and/or supported simply carry on to the next year.
Source: New Vegas Commercial Acquisition LLC, MFLAN, Johnson Consulting

Figure 30

Impact Estimates

Combined NVID

Figure 31 shows projections of the spending volume at, and impact of, the NVID, based upon on-site spending over a 10-year period (2033-2042). As shown, in a stabilized year of operation (2037), the NVID is estimated to generate \$796.0M in direct spending, \$1.4B in total on-site spending, close to \$384.0M in increased earnings and support approximately 4,086 ongoing jobs. Over the 10-year period from 2033 to 2042, total spending associated with the NVID is estimated to amount to \$14.7BB, of which \$8.3B (or 56.6 percent) is estimated to be “net new”. As previously noted, this is higher than the 55.3 percent spending by out-of-town residents assumed for the Immersive and Retail at the NVID, reflecting a higher proportion of spending by non-Nevada residents at the proposed Hotel.

The fiscal impact of the NVID is estimated to be \$15.8M in a stabilized year, and close to \$161.0M over the 10-year projection period. Of this, \$90.2M (or 56.0 percent) is estimated to be “net new” to the State of Nevada.

New Vegas Immersive District: Las Vegas, Nevada All Land Uses Combined Estimated Spending and Tax Benefit - ON SITE ONLY												
Economic Impact (\$000)	2025	2026	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total*	
1 Direct Spending	\$93,374	\$320,157	\$517,641	\$546,586	\$628,407	\$647,259	\$666,677	\$686,736	\$796,047	\$922,837	\$8,108,286	
2 Indirect Spending	33,669	115,445	186,655	197,093	226,596	233,394	240,396	247,629	287,045	332,764	2,923,752	
3 Induced Spending	42,629	146,164	236,324	249,539	286,893	295,500	304,365	313,522	363,428	421,312	3,701,759	
4 Total Spending	\$169,672	\$581,766	\$940,619	\$993,218	\$1,141,897	\$1,176,153	\$1,211,438	\$1,247,887	\$1,446,520	\$1,676,914	\$14,733,798	
5 Increased Earnings	\$45,039	\$154,428	\$249,685	\$263,647	\$303,113	\$312,207	\$321,573	\$331,248	\$383,975	\$445,132	\$3,911,046	
6 Employment (FTE Jobs)	683	2,275	3,571	3,661	4,086	4,086	4,086	4,087	4,086	4,086	4,086**	
7 NET NEW Economic Impact (Total Spending)	\$100,865	\$334,492	\$533,660	\$563,693	\$646,249	\$665,636	\$685,605	\$706,278	\$818,648	\$949,038	\$8,338,600	
8 Net New as % of Total	59.4%	57.5%	56.7%	56.8%	56.6%	56.6%	56.6%	56.6%	56.6%	56.6%	56.6%	
Tax Benefit (\$000)	2025	2026	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total***	
9 Immersive	\$0	\$816	\$2,018	\$2,079	\$2,141	\$2,205	\$2,271	\$2,340	\$2,712	\$3,144	\$27,625	
10 Retail	2,719	6,159	7,148	7,772	10,116	10,420	10,732	11,054	12,815	14,856	130,525	
11 Hotel	102	187	200	214	219	226	233	240	278	322	2,832	
12 Total Tax Benefit	\$2,821	\$7,162	\$9,366	\$10,064	\$12,477	\$12,851	\$13,236	\$13,634	\$15,805	\$18,322	\$160,983	
13 NET NEW Fiscal Impact	\$1,803	\$4,038	\$5,261	\$5,653	\$6,989	\$7,198	\$7,414	\$7,638	\$8,853	\$10,263	\$90,176	
14 Net New as % of Total	56.8%	56.4%	56.2%	56.2%	56.0%	56.0%	56.0%	56.0%	56.0%	56.0%	56.0%	

*Reflecting the sum in ten full years from 2033 thru 2042.

**Employment figures are not additive and should not be summed up. The jobs that are created and/or supported simply carry on to the next year.

Source: New Vegas Commercial Acquisition LLC, IMPLAN, Johnson Consulting

Figure 31

Impact Estimates

Combined NVID

Figure 32 shows projections of the spending volume at, and impact of, the NVID, based upon on-site and off-site spending over a 10-year period (2033-2042). As shown, in a stabilized year of operation (2037), the NVID is estimated to generate \$860.5M in direct spending, after allowing for potential overlap in spending across the various components of the project, \$1.6B in total on-site spending, \$415.1M in increased earnings and support approximately 4,417 ongoing jobs.

Over the 10-year period from 2033 to 2042, total spending associated with the NVID is estimated to amount to \$15.9B, of which \$9.1B (or 57.4 percent) is estimated to be "net new". The fiscal impact of the NVID is estimated to be \$17.3M in a stabilized year, after accounting for potential overlap in spending, and \$176.5M over the 10-year projection period. Of this, \$98.8M (or 55.9 percent) is estimated to be "net new" to the State of Nevada.

It is noted that the total projected sales volume at the NVID represents a very small portion of market-wide retail sales, which are currently growing at a rate in excess of 5.0 percent annually (and historically at a rate of 7.0 percent per annum). As such, any displacement of the current base of spending will be negligible.

New Vegas Immersive District: Las Vegas, Nevada All Land Uses Combined Estimated Spending and Tax Benefit											
Economic Activities	2025	2026	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total*
1 # of Visitors	503,390	1,026,254	2,503,213	2,570,926	2,900,120	2,900,120	2,900,120	2,900,256	2,900,120	2,900,120	29,001,474
2 # of Room Nights	27,679	66,945	93,507	95,477	95,332	95,332	95,332	95,477	95,332	95,332	953,608
Direct Sales											
3 Immersive	\$0	\$149,653	\$369,941	\$381,039	\$392,471	\$404,245	\$416,372	\$428,863	\$497,170	\$576,356	\$5,063,929
4 Retail	84,338	191,038	221,718	241,084	313,793	323,207	332,903	342,890	397,503	460,815	4,046,773
5 Hotel	9,035	16,567	17,696	18,930	19,445	20,028	20,629	21,306	24,632	28,555	251,028
6 Total	\$93,374	\$357,258	\$609,356	\$641,053	\$725,708	\$747,479	\$769,904	\$793,059	\$919,305	\$1,065,727	\$9,363,730
7 Possible Overlap	\$0	(\$17,689)	(\$43,727)	(\$45,038)	(\$46,390)	(\$47,781)	(\$49,215)	(\$50,691)	(\$58,765)	(\$68,125)	(\$568,550)
8 Net Total	\$93,374	\$339,570	\$565,629	\$596,015	\$679,318	\$699,698	\$720,689	\$742,368	\$860,540	\$997,602	\$8,765,180
Economic Impact (\$000)											
9 Direct Spending	\$93,374	\$339,570	\$565,629	\$596,015	\$679,318	\$699,698	\$720,689	\$742,368	\$860,540	\$997,602	\$8,765,180
10 Indirect Spending	33,669	122,445	203,959	214,916	244,954	252,303	259,872	267,689	310,301	359,724	3,160,620
11 Induced Spending	42,629	155,027	250,233	272,105	310,136	319,440	329,024	338,921	392,871	455,446	4,001,658
12 Total Spending	\$169,672	\$617,042	\$1,027,821	\$1,083,036	\$1,234,409	\$1,271,441	\$1,309,584	\$1,348,978	\$1,563,712	\$1,812,771	\$15,927,458
13 Increased Earnings	\$45,039	\$163,792	\$272,832	\$287,489	\$327,670	\$337,501	\$347,626	\$358,092	\$415,083	\$481,195	\$3,639,724
14 Employment (Ongoing Jobs)	683	2,413	3,902	3,992	4,417	4,417	4,417	4,417	4,417	4,417	44,170**
15 NET NEW Economic Impact (Total Spending)	\$100,865	\$358,189	\$592,237	\$624,028	\$708,393	\$729,645	\$751,535	\$774,185	\$897,372	\$1,040,300	\$9,140,436
16 Net New as % of Total	59.4%	58.0%	57.6%	57.6%	57.4%	57.4%	57.4%	57.4%	57.4%	57.4%	57.4%
Tax Benefit (\$000)											
17 Immersive	\$0	\$1,735	\$4,288	\$4,417	\$4,549	\$4,686	\$4,826	\$4,971	\$5,763	\$6,680	\$58,696
18 Retail	2,719	6,159	7,148	7,772	10,116	10,420	10,732	11,054	12,815	14,856	130,525
19 Office	0	0	0	0	0	0	0	0	0	0	0
20 Hotel	102	187	200	214	219	226	233	240	278	322	2,832
21 Multi-Family Housing***	0	0	0	0	0	0	0	0	0	0	0
22 Total Tax Benefit	\$2,821	\$8,080	\$11,635	\$12,402	\$14,885	\$15,331	\$15,791	\$16,265	\$18,855	\$21,859	\$192,063
23 Possible Overlap	\$0	(\$459)	(\$1,135)	(\$1,169)	(\$1,204)	(\$1,240)	(\$1,277)	(\$1,316)	(\$1,525)	(\$1,768)	(\$15,535)
24 Net Total Tax Benefit	\$2,821	\$7,621	\$10,501	\$11,233	\$13,681	\$14,091	\$14,514	\$14,950	\$17,330	\$20,090	\$176,518
25 NET NEW Fiscal Impact	\$1,603	\$4,292	\$5,888	\$6,299	\$7,654	\$7,884	\$8,120	\$8,364	\$9,696	\$11,240	\$98,760
26 Net New as % of Total	56.8%	56.3%	56.1%	56.1%	55.9%	55.9%	55.9%	56.0%	55.9%	55.9%	55.9%

*Reflecting the sum in ten full years from 2033 thru 2042.

**Employment figures are not additive and should not be summed up. The jobs that are created and/or supported simply carry on to the next year.

Source: New Vegas Commercial Acquisition LLC, IMPLAN, Johnson Consulting

Figure 32

Impact on Local Government Services

Johnson Consulting engaged Hobbs, Ong & Associates, Inc. to assist in obtaining additional financial information related to the impact of the proposed NVID project. NRS 271A.080 specifically requires the identification of “any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the project and the development of land within the district.” Hobbs, Ong & Associates conducted interviews with the Clark County School District (Jason Goudie, CFO), the Las Vegas Metropolitan Police Department (Rich Hoggan, CFO), and the City of Las Vegas Fire and Rescue Department (Deputy Chief Robert Nolan). The findings of these interviews and review of the specific NRS 271A.080 requirements are included below and the full report prepared by Hobbs, Ong & Associates is included as an Appendix to this study.

Impact on Education Services

In measuring the impact of the NVID upon the southern Nevada education system, the impact was determined using the Clark County School District (the “School District”) as a representative measure for this particular analysis. The NVID and broader Las Vegas Submarket (as shown in Figure 5) are served by this School District. The Clark County School District is the 5th largest district in the country and reported Fiscal Year 2023 enrollment of approximately 315,787 students in kindergarten through 12th grade. The School District has 378 schools and a service area of approximately 8,000 square miles in southern Nevada.

The relationship of student enrollment to total population in the Las Vegas Metropolitan Statistical Area (MSA) is 315,787 students to 2.3M in population. This translates into one out of every 7.3 persons living in the Las Vegas MSA being a kindergarten to 12th grade student (or a ratio of 0.14 students per total population).

Figure 33 shows on-site project employment estimates, as prepared by Johnson Consulting. It is noted that Office and Multi-Family Housing are included in Figure 33 so as to account for the employment impact of the full proposed development program for the NVID.

New Vegas Immersive District: Las Vegas, Nevada Projected Employment at Project*													
	Basis	2025	2026	2027	2028	2029	2030	2031	2032	2037	2042		
1 Immersive	200 SF/ employee	0	208	500	500	500	500	500	500	500	500		
2 Retail	383 SF/ employee	300	600	600	629	770	770	770	770	770	770		
3 Food and Beverage	383 SF/ employee	65	171	229	244	320	320	320	320	320	320		
4 Office	250 SF/ employee	233	400	400	480	720	720	860	1,280	1,280	1,280		
5 Hotel	1 room/ employee	117	200	200	200	200	200	200	200	200	200		
6 Multi-Family Housing	50 units/ employee	0	0	0	0	1	6	6	6	7	12		
7 Total		715	1,580	1,929	2,053	2,511	2,516	2,656	3,077	3,082	3,082		

*In job-years, reflecting partial jobs during opening year of phases.

Source: New Vegas Commercial Acquisition LLC, Johnson Consulting

Figure 33

Impact on Local Government Services

As shown, it is estimated that on-site employment will total 1,580 employees in 2026, the first full year of operation post-opening. Thereafter, employment will increase incrementally each year reflecting additional development and increased retail sales, as described above, over the projection period. The full operating complement of employees in 2037 (stabilized year following full build-out) is estimated to be 3,082 employees.

If each employee noted above (1,580 in 2026) were to maintain the same ratio of students per employee as students per total population (0.14 students per employee), there could be an increase of approximately 217 students, spread over a variety of schools within the School District. This would represent an increase of only .07 percent – less than 1/10th of one percent - in total student enrollment. In 2037, when the NVID reaches operating stabilization, it can be expected that the ratio of total population and enrollment would change slightly due to growth in both values. These numbers essentially represent the “worst case” scenario, meaning that for these numbers to materialize, all of the children of the NVID’s employees would be entering the Clark County School District system, for the first time, upon employment of their respective parents. It is confidently assumed that this will not be the case. While there may be certain special skill employees who will bring children new to the Las Vegas area, the majority of employees will be hired locally.

It is anticipated that the job opportunities will primarily appeal to existing Las Vegas residents, as the jobs being created will primarily be service-related jobs that do not typically attract new residents. The Southern Nevada area currently has an ample labor pool to fill these positions. The jobs are expected to be filled mainly by residents seeking employment or by those currently employed but seeking a better opportunity as offered by the NVID. These individuals with children who already utilize existing education services will not create a further demand. As mentioned earlier, this analysis focused on the impact to the Clark County School District as a representative measure of the impacts to the educational infrastructure. It is accepted that there may also be impacts upon private and charter schools within the community, as both existing residents and persons relocating to Southern Nevada may prefer a non-public school option for their children. To the degree that children of employees of the NVID are enrolled in private or charter schools, the impact upon the School District, if any, may be lessened.

Impact on Local Government Services

For those students that may be added to the education system in Southern Nevada (assumed to be far less than the 217 students identified above), it is important to note that with the advent of the Nevada Pupil-Centered Funding Plan, funding is allocated by the State of Nevada to each school district (and then to each school, including charter schools) on a per student basis. Thus, if enrollment were to increase from year-to-year, the School District (and any impacted charter schools) would be allocated funding for the variance caused by the addition of new students. This is in contrast to the former Nevada Plan, which did not allocate funding in a way that followed the students in this manner. While adding more students to the apportionments under the Pupil-Centered Funding Plan would appear to dilute the total available funding on a per student basis, it is important to recognize that the NVID will add to the property and retail sales and use tax base, both of which are primary revenue sources for the funding of education in Nevada.

It is worth stressing that the increase in retail sales tax generated due to the NVID TID will directly benefit the State Education Fund. Of the combined 8.375 percent sales tax rate, the largest component part of this combined rate (2.6 percent) is the Local School Support Tax. Proceeds of this levy are deposited to the State Education Fund for the benefit of education funding. Of the gross sales tax eligible for TID (4.25 percent, of which the maximum capture rate is 3.22 percent), Figure 34 shows the amount and distribution of the Clark County sales tax components. The potential revenues to the School District, based solely on on-site sales tax revenues from the NVID TID, are estimated to amount to \$129.8M or 31.0 percent of County sales tax revenues (accounting for the 1.4 percent Local Option tax), cumulatively over the 10- year projection period.

When off-site sales tax revenues from the NVID TID are accounted for, the potential revenues to the School District increase to \$142.4M, cumulatively over the 10- year projection period.

New Vegas Immersive District: Las Vegas, Nevada Clark County Sales Tax Components (\$000)												
	Rate	2025	2026	2027	2028	2029	2030	2031	2032	2037	2042	10-Year Total
Total Clark County Sales Tax Rate	8.375%	\$7,328	\$16,606	\$24,330	\$26,146	\$32,412	\$33,385	\$34,386	\$35,419	\$41,059	\$47,598	\$418,209
Less: Option Tax	1.40%	1,225	3,110	4,067	4,371	5,418	5,581	5,748	5,921	6,864	7,957	69,910
Less: Local School Support Tax	2.60%	2,275	5,776	7,553	8,117	10,062	10,364	10,675	10,996	12,747	14,777	129,832
Gross Sales Tax Rate	4.38%	\$3,828	\$9,720	\$12,710	\$13,658	\$16,932	\$17,440	\$17,963	\$18,503	\$21,449	\$24,865	\$218,467
Max. Eligible for TID	3.22%	\$2,821	\$7,162	\$9,366	\$10,064	\$12,477	\$12,851	\$13,236	\$13,634	\$15,805	\$18,322	\$160,983
Total Sales Tax Revenues (incl. from off-site spending)												
Total Clark County sales tax rate	8.375%	\$7,328	\$19,799	\$27,279	\$29,183	\$35,540	\$36,606	\$37,704	\$38,837	\$45,021	\$52,192	\$458,567
Less: Option Tax	1.40%	1,225	3,310	4,560	4,878	5,941	6,119	6,303	6,492	7,526	8,725	76,656
Less: Local School Support Tax	2.60%	2,275	6,146	8,469	9,060	11,033	11,364	11,705	12,057	13,977	16,203	142,361
Gross Sales Tax Rate	4.38%	\$3,828	\$10,343	\$14,250	\$15,245	\$18,566	\$19,123	\$19,696	\$20,288	\$23,518	\$27,264	\$239,550
Max. Eligible for TID	3.22%	\$2,821	\$7,621	\$10,501	\$11,233	\$13,681	\$14,091	\$14,514	\$14,950	\$17,330	\$20,099	\$176,516

*Reflecting 6 months of operation in 2025.

**Reflecting the sum in ten full years from 2033 thru 2042.

Source: Clark County Nevada, Johnson Consulting

Impact on Local Government Services

As the NVID will enhance visitation and create retail sales opportunities that would not otherwise occur, the NVID will have a positive impact upon this important source of funding for education. Coupling this impact with the increase in assessed valuation that the NVID will bring to the area and considering that the largest component part of the combined property tax rate (\$1.3034 of a combined \$3.2782 per \$100 of assessed valuation) is dedicated to operating and capital needs for education, the impact upon education funding may be net positive.

Impact on Police & Fire Services

The NVID, as a new development, will generate visitation from locals, tourists, shoppers, and those seeking to experience new dining options. This new influx of traffic will result in an increased need for police and fire protection. The analysis prepared by Johnson Consulting was reviewed with the Las Vegas Metropolitan Police Department ("METRO") and the City of Las Vegas Fire and Rescue Department to gauge any anticipated impacts resulting from the development of the NVID.

The response from each expressed similar observations. Key among the points made are that both Departments have sufficient emergency vehicle access to the NVID to be able to respond to any need that might arise within the NVID and to ensure the responders are able to maintain radio contact with their personnel while on site. Given the relative scale of the NVID and its variety of offerings, no specific concerns were raised. Neither indicated that the NVID would impact the daily operations in a manner that needed to be addressed beyond those matters already addressed in the NVID development agreement. Both agencies indicated that special events to be held at the NVID would be required to comply with the City's special event permitting process and the venue would be responsible for any specific additional police and/or fire services resulting from the special event. This is the normal process for special events held in the City of Las Vegas.

It is worth noting that in addition to the benefit of the sales tax to education discussed above, is that the increase in retail sales tax generated due to the NVID will also directly benefit police services and police staffing. A unit of \$0.4 percent of the combined 8.375 percent sales tax rate is collected for the benefit of police support and police officers. Based upon the taxable retail sales projected on-site, in excess of \$898,000 is projected to be generated for police manpower funding in 2026, growing to \$2.0M by 2037. As the NVID will enhance visitation and create retail sales opportunities that would not otherwise occur, the NVID will have a positive impact upon this important source of funding for public safety.

Summary of Impacts

The estimated impacts of the proposed NVID project are summarized as follows in accordance with the requirements of NRS 271A.080 (3):

(a) The amount of the proceeds of all taxes and other governmental revenue projected to be received as a result of the properties and businesses expected to be located in the district;

Visitors to the NVID will spend \$796.0M within the TID (“on-site”), in a stabilized year (assumed to be 2037), and a total of \$860.5M when spending outside of the TID (“off-site”) is also accounted for (after allowing for possible overlap of spending at various project components). When indirect and induced spending are added, total spending is projected to be \$1.4B within the TID, and \$1.6B when off-site spending is also accounted for.

The economic impact is further estimated to include close to \$384.0M in increased earnings and create approximately 4,086 ongoing jobs annually in a stabilized year, based upon on-site spending. When off-site spending is also accounted for, these figures increase to \$415.1M in increased earnings and approximately 4,417 ongoing jobs, annually.

TID eligible sales tax revenues will total \$15.8M in a stabilized year, reflecting on-site spending only, and over the 10-year projection period (from 2033 thru 2042) will total close to \$161.0M in sales tax revenues derived from the NVID.

(b) The use of any money proposed to be pledged pursuant to NRS 271A.070;

The preponderance of sales tax revenues from on-site spending is expected to be generated by non-Nevada residents visiting Las Vegas, accounting for 56.0 percent (or \$8.9M in a stabilized year) within the NVID. Over a 10-year period, cumulative “net new” tax revenues from non-Nevada residents derived from the NVID will be approximately \$90.2M.

Summary of Impacts

(c) Any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the project and the development of land within the district;

The fiscal impact of the NVID on the Southern Nevada education system may be positive, due the estimated increase in funding from the Local School Support Tax (coupled with the allocation of property tax revenues to operating and capital needs for education). No specific concerns were raised by authorized representatives of the Las Vegas Metropolitan Police Department or the City of Las Vegas Fire and Rescue Department. Both of these agencies indicated that special events to be held at the LVID would be required to comply with the City's special event permitting process and would be responsible for specific additional police and/or fire services resulting from that special event (this is a normal process for special events held in the City and the County). As the LVID will enhance visitation and create retail sales opportunities that would not otherwise occur, the NVID will have a positive impact on funding sources for public safety.

(d) **Estimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the district and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the district.**

As it relates to the potential displacement of the proceeds from sales and use taxes collected by retailers outside of the NVID, as a result of the properties and businesses expected to be located in the NVID, the impact is anticipated to be minimal. Restated, the scale of projected retail sales at the NVID is not sufficient to raise concerns of displacement. Projected growth in retail sales in the Las Vegas market will allow new supply to be absorbed without the displacement.

Summary of Impacts

Additional Impacts & Sources of Public Revenue

Where increases in revenue inure to the State's General Fund, it may be assumed that there are benefits to State programs, including education. In cases where the revenue increases inure to the benefit of local governments (including the City of Las Vegas), additional funding for services including police and fire protection may materialize. In addition to those mentioned above, other potential sources of revenue will be generated by the creation of the NVID TID. These are not considered incremental sources of revenue that would directly inure to the NVID TID. Rather, they exist irrespective of the creation of the TID but will experience growth because of the construction and operation of the NVID. These revenue sources are discussed in greater detail in the Appendix to this report and summarized as follows:

- **Sales & Use Tax:** As shown in Figure 34 (on page 44 of this report), the total sales tax rate in Clark County is 8.375 percent, including 1.4 percent Local Option tax. Of the gross sales tax eligible for TID (4.25 percent, of which the maximum capture rate is 3.22 percent), the total potential revenues for the Local Option Tax, based solely on on-site sales tax revenues from the NVID TID, are estimated to amount to \$69.9M or 16.7 percent of County sales tax revenues (accounting for the 2.6 percent Local School Support Tax) over the 10-year projection period. When off-site sales tax revenues from the NVID TID are accounted for, the potential revenues to the Local Option Tax increases to \$76.7M. These local option increments of sales tax benefit flood control, water and wastewater, regional transportation, public transit, air quality, police support and public education. Each of these public services - including education and police services - are expected to experience a positive impact, in terms of revenue, because of the NVID.
- **Ad Valorem (Property) Tax:** For the NVID, the improvements made to the land to accommodate the NVID will result in an increased assessed value for the affected parcels. These improvements will result in additional property tax revenues paid to units of government included in the property tax levy rate for Tax District 212, where the NVID is located. In addition, any additional furniture, fixtures and equipment will also be taxed as personal property at the same tax rate as the real property.
- **Live Entertainment Tax (LET):** Any revenues generated from the 9.0 percent LET as a result of the NVID will be an incremental revenue attributable to the NVID. The proceeds are distributed in the amount of \$150,000 credited annually to the Nevada Arts Council, with the remainder paid to the State General Fund.
- **Other Potential Revenue Sources:** Other taxes that may see increased revenues as a result of the NVID include the Modified Business Tax (MBT), Commerce Tax, Cigarette & Other Tobacco Products Excise Tax, and Intoxicating Liquor Licenses and Excise Taxes.

Section 6

Conclusion



Conclusion

The proposed NVID project is an extraordinary expansion of the existing AREA15 campus. New retailers and tenants who choose to make the NVID their home “will be part of a dynamic and constantly evolving community of innovators and visionaries that transform visitors from spectator to participant through entrancing entertainment programs, living art experiences, and culinary adventures.” The goal of this analysis was to develop credible and defensible estimates of tax revenues that will occur within the NVID TID and identify the share of those revenues that will be attributable to local residents and visitors, including visitors from outside of Nevada.

Based upon the preceding analysis, the impact of the NVID will be immense:

- Visitors to the NVID will spend \$796.0M within the TID (“on-site”), in a stabilized year (assumed to be 2037), and a total of \$860.5M when spending outside of the TID (“off-site”) is also accounted for (after allowing for possible overlap of spending at various project components). When indirect and induced spending are added, total spending is projected to be \$1.4B within the TID, and \$1.6B when off-site spending is also accounted for.
- The economic impact is further estimated to include close to \$384.0M in increased earnings and create approximately 4,086 ongoing jobs annually in a stabilized year, based upon on-site spending. When off-site spending is also accounted for, these figures increase to \$415.1M in increased earnings and approximately 4,417 ongoing jobs, annually.
- TID eligible sales tax revenues will total \$15.8M in a stabilized year, reflecting on-site spending only, and over the 10-year projection period (from 2033 thru 2042) will total close to \$161.0M in sales tax revenues derived from the NVID.
- The preponderance of sales tax revenues from on-site spending is expected to be generated by non-Nevada residents visiting Las Vegas, accounting for 56.0 percent (or \$8.9M in a stabilized year) within the NVID. Over a 10-year period, cumulative “net new” tax revenues from non-Nevada residents derived from the NVID will be approximately \$90.2M.
- As it relates to the potential displacement of the proceeds from sales and use taxes collected by retailers outside of the NVID, as a result of the properties and businesses expected to be located in the NVID, it is anticipated that there will be no measurable displacement. Projected growth in retail sales in the Las Vegas market will allow new supply to be absorbed without displacement.

Conclusion

- As it relates to local government services, the fiscal impact of the NVID on the Southern Nevada education system may be positive, due to the estimated increase in funding from the Local School Support Tax (coupled with the allocation of property tax revenues to operating and capital needs for education). As it relates to the impact of the potential for an increased number of students within the Clark County School District, the impact to the School District is anticipated to be immaterial.
- No specific concerns were raised by authorized representatives of the Las Vegas Metropolitan Police Department or the City of Las Vegas Fire and Rescue Department. Both of these agencies indicated that special events to be held at the LVID would be required to comply with the City's special event permitting process and would be responsible for specific additional police and/or fire services resulting from that special event (this is a normal process for special events held in the City and the County). As the LVID will enhance visitation and create retail sales opportunities that would not otherwise occur, the NVID will have a positive impact on funding sources for public safety.

In response to the key framework questions presented in the introduction to this report, Johnson Consulting's independent assessment of the proposed NVID project is as follows:

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) as follows (a) the amount of proceeds of all taxes and other governmental revenue projected to be received as a result of the properties and businesses expected to be located in the District; (b) the use of any money proposed to be pledged pursuant to the Tourism Act; (c) any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the Project and the development of land within the District; and (d) estimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the District and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the District).**

The fiscal impact of the NVID on the Southern Nevada education system may be positive, due to the estimated increase in funding from the Local School Support Tax (coupled with the allocation of property tax revenues to operating and capital needs for education). As it relates to the impact of the potential for an increased number of students within the Clark County School District, the impact to the School District is anticipated to be immaterial.

Conclusion

No specific concerns were raised by authorized representatives of the Las Vegas Metropolitan Police Department or the City of Las Vegas Fire and Rescue Department. Both of these agencies indicated that special events to be held at the LVID would be required to comply with the City's special event permitting process and would be responsible for specific additional police and/or fire services resulting from that special event (this is a normal process for special events held in the City and the County). As the LVID will enhance visitation and create retail sales opportunities that would not otherwise occur, the NVID will have a positive impact on funding sources for public safety.

As it relates to the potential displacement of the proceeds from sales and use taxes collected by retailers outside of the NVID, as a result of the properties and businesses expected to be located in the NVID, it is anticipated that there will be no measurable displacement. Projected growth in retail sales in the Las Vegas market will allow new supply to be absorbed without displacement.

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))

Visitors to the NVID will spend \$796.0M within the TID ("on-site"), in a stabilized year (assumed to be 2037), and a total of \$860.5M when spending outside of the TID ("off-site") is also accounted for (after allowing for possible overlap of spending at various project components). When indirect and induced spending are added, total spending is projected to be \$1.4B within the TID, and \$1.6B when off-site spending is also accounted for.

The economic impact is further estimated to include close to \$384.0M in increased earnings and create approximately 4,086 ongoing jobs annually in a stabilized year, based upon on-site spending. When off-site spending is also accounted for, these figures increase to \$415.1M in increased earnings and approximately 4,417 ongoing jobs, annually.

TID eligible sales tax revenues will total \$15.8M in a stabilized year, reflecting on-site spending only, and over the 10-year projection period (from 2033 thru 2042) will total close to \$161.0M in sales tax revenues derived from the NVID.

Conclusion

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))

The preponderance of sales tax revenues from on-site spending is expected to be generated by non-Nevada residents visiting Las Vegas, accounting for 56.0 percent (or \$8.9M in a stabilized year) within the NVID. Over a 10-year period, cumulative "net new" tax revenues from non-Nevada residents derived from the NVID will be approximately \$90.2M.

Appendix





February 21, 2024

Mr. Charles Johnson, President
Johnson Consulting
6 East Monroe Street, 5th Floor
Chicago, IL 60603
Sent via email: (semmerton@chjc.com)

Mr. Johnson:

Johnson Consulting (“Johnson” or “Company”) has engaged Hobbs Ong & Associates, Inc. (“Hobbs Ong” or “Consultant”) to assist the Company in obtaining certain financial information related to the application for the creation of a Tax Increment District (“TID-2”) pursuant to NRS 271A for the AREA 15 District 2 Tourism Improvement District (the “Project” or “New Vegas Immersive District”). This report is written to provide additional information related to the *New Vegas Immersive District Preponderance Study and Related Analysis* (“*Preponderance Study and Related Analysis*”) prepared by Johnson Consulting.

The Project site currently includes a variety of mixed-use occupants including small commercial, residential, lodging, and office space. The Project will significantly revitalize the subject property site. The proposed New Vegas Immersive District project will comprise an anchor attraction, retail, office, hotel and multi-family housing.

NRS 271A.080 specifically requires the identification of “any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the project and the development of land within the district.” The findings of the review of these specific requirements are included below. The language describing the impacts has been shared with each agency or department for their review, and there were no cases of any disagreement with our findings.

Education

In measuring the impact of the Project upon the southern Nevada education system, the impact was determined using the Clark County School District (the “District”) as a representative measure for this particular analysis. The subject area is served by the District.

The Clark County School District is the 5th largest district in the country and reported Fiscal Year 2023 enrollment of approximately 315,787 students in kindergarten through 12th grade. The District has 378 schools and a service area of approximately 8,000 square miles in southern Nevada.

The relationship of student enrollment to total population in the Las Vegas MSA is 315,787 students to 2.3 million in population. This translates into one out of every 7.3 persons living in the Las Vegas MSA being a kindergarten to 12th grade student. The *Preponderance Study and Study and Related Analysis*, which identifies the anticipated impacts of the Project estimates that

on-site employment will include 1,580 employees in 2026-the first full year of operation post-opening. Thereafter, employment will increase incrementally each year reflecting additional development and increased retail sales, as described in the report, over the projection period. Its full operating complement of employees in 2037 (stabilized year following full build-out) is estimated to be 3,082 employees.

If each employee noted above (1,580 in 2026, the first year of operations) were to maintain the same ratio of students per employee (0.14 students per employee), there could be an increase of approximately 221 students, spread over a variety of schools within the District. This would represent an increase of only .07 percent – less than 1/10th of one percent - in total student enrollment. In 2037, when the Project reaches operating stabilization, it can be expected that the ratio of total population and enrollment would change slightly due to growth in both values. These numbers essentially represent the “worst case” scenario, meaning that for these numbers to materialize, all of the children of the Project’s employees would be entering the Clark County School District system, for the first time, upon employment of their respective parents. It is confidently assumed that this will not be the case. While there may be certain special skill employees who will bring children new to the Las Vegas area, the majority of employees will be hired locally.

It is anticipated that the job opportunities will primarily appeal to existing Las Vegas residents, as the jobs being created will primarily be service-related jobs that do not typically attract new residents. The Southern Nevada area currently has an ample labor pool to fill these positions. The jobs are expected to be filled mainly by residents seeking employment or by those currently employed but seeking a better opportunity as offered by the Project. These individuals with children who already utilize existing education services will not create a further demand. As mentioned earlier, this analysis focused on the impact to the Clark County School District as a representative measure of the impacts to the educational infrastructure. It is accepted that there may also be impacts upon private and charter schools within the community, as both existing residents and persons relocating to Southern Nevada may prefer a non-public school option for their children. To the degree that children of employees of the Project are enrolled in private or charter schools, the impact upon the District, if any, may be lessened.

For those students that may be added to the education system in Southern Nevada (assumed to be far less than the 221 students identified above), it is important to note that with the advent of the Nevada Pupil-Centered Funding Plan, funding is allocated by the State of Nevada to each school district (and then to each school, including charter schools) on a per student basis. Thus, if enrollment were to increase from year to year, the District (and any impacted charter schools) would be allocated funding for the variance caused by the addition of new students. This is in contrast to the former Nevada Plan which did not allocate funding in a way that followed the students in this manner. While adding more students to the apportionments under the Pupil-Centered Funding Plan would appear to dilute the total available funding on a per student basis, it is important to recognize that the Project will add to the property and retail sales and use tax base, both of which are primary revenue sources for the funding of education in Nevada.

It is worth stressing that the increase in retail sales tax generated due to the Project will directly benefit the State Education Fund. Of the combined 8.375 percent combined sales tax rate that is expected to be in effect in the Project area, the largest component part of this combined rate (2.60 percent) is the Local School Support Tax. Proceeds of this levy are deposited to the State Education Fund for the benefit of education funding. Based upon the projections included for on-site taxable retail sales, the Project's retail activity is projected to generate in excess of \$5.8 million in Local School Support Tax revenue in 2026, rising to \$13.0 million in 2037. As the Project will enhance visitation and create retail sales opportunities that would not otherwise occur, the Project will have a positive impact upon this important source of funding for education. Coupling this impact with the increase in assessed valuation that the Project will bring to the area and considering that the largest component part of the combined property tax rate (\$1.3034 of a combined \$3.2782 per \$100 of assessed valuation) is dedicated to operating and capital needs for education, the impact upon education funding may be net positive.

Police and Fire Services

The New Vegas Immersive District Project, as a new development, will generate visitation from locals, tourists, shoppers, and those seeking to experience new dining options. This new influx of traffic will result in an increased need for police and fire protection. The *Preponderance Study and Related Analysis* was reviewed with the Metropolitan Police Department ("METRO") and the City of Las Vegas Fire and Rescue Department to gauge any anticipated impacts resulting from the development of the Project.

The response from each expressed similar observations. Key among the points made are that both departments have sufficient emergency vehicle access to the Project to be able to respond to any need that might arise within the Project area and to ensure the responders are able to maintain radio contact with their personnel while on site. Given the relative scale of the Project and its variety of offerings, no specific concerns were raised. Neither indicated that the Project would impact the daily operations in a manner that needed to be addressed beyond those matters already addressed in the Project development agreement. Both agencies indicated that special events to be held at the Project would be required to comply with the City's special event permitting process and the venue would be responsible for any specific additional police and/or fire services resulting from the special event. This is the normal process for special events held in the City of Las Vegas.

It is worth noting that in addition to the benefit of the sales tax to education discussed previously, is that the increase in retail sales tax generated due to the Project will also directly benefit police services and police staffing. A unit of \$0.4 percent of the combined 8.375 percent sales tax rate is collected for the benefit of police support and police officers. Based upon the taxable retail sales projected on-site in the *Preponderance Study and Related Analysis*, in excess of \$898,000 is projected to be generated for police manpower funding in 2026, growing to \$2.0 million by 2037. As the Project will enhance visitation and create retail sales opportunities that would not

otherwise occur, the Project will have a positive impact upon this important source of funding for public safety.

Other Sources of Public Revenue

It is important to add that, if not for the Project, the increases in revenue activity cited below would not occur. Where increases in revenue inure to the State's general fund, it may be assumed that there are benefits to State programs, including education. In cases where the revenue increases inure to the benefit of local governments (including the City of Las Vegas), additional funding for services including police and fire protection may materialize.

In addition to those mentioned above, other potential sources of revenue will be generated by the creation of the New Vegas Immersive District Project. These are not considered incremental sources of revenue that would directly inure to the TID. These revenue sources discussed in greater detail below, exist irrespective of the creation of the TID and will experience growth because of the construction and operation of the Project. These additional increments are discussed in greater detail below.

- Sales and Use Tax: Chief among these other sources of revenue are the local option increments of sales tax authorized by specific legislative action or voter approval that are distributed to designated receiving agencies. These increments are distributed to designated receiving agencies. These increments benefit flood control, water and wastewater, regional transportation, public transit, air quality, police support and public education. Each of these public services – including education and police services, which are subjects that are required to be addressed in this report - are expected to experience a positive impact, in terms of revenue, because of the Project.

The overall combined sales tax levy on retail sales that will occur in the Project area is 8.375 percent. Of this amount, 4.25 percent represents statewide levies of 2.0 percent (state general fund), 2.60 percent (Local School Support Tax/State Education Fund), and 2.25 percent (Basic and Supplemental City/County Relief Tax). These are levied uniformly throughout the State of Nevada. Note that the Local School Support Tax inures to the benefit of the State Education Fund (as cited in the Education section of this memorandum). To the extent that the Project generates retail sales that would not occur if not for the Project, the State Education Fund is a direct beneficiary. Also benefitting are local governments responsible for funding police and fire services, including the City of Las Vegas.

The remaining 1.525 percent of sales tax levies, as noted, benefit flood control (0.25 percent), regional transportation (0.25percent for public transit plus 0.25 percent for roads and transit), water and wastewater projects (0.25 percent), Las Vegas Metropolitan Police Department (a combined 0.40 percent for police manpower), and education (0.125 percent). These "option tax levies, among other

public services, directly benefit education and police services and serve as an offset to any impacts the Project may otherwise present.

The impacts of the application of the sales tax levy within the Project area have been covered elsewhere in the *Preponderance Study and Related Analysis* yet is further emphasized here due to the impacts that will occur beyond the TID itself.

- Ad Valorem (Property) Tax: Owners of real property pay Property Tax based on the assessed value of the land and structures on improved land. For the Project the improvements made to the land to accommodate the Project will result in an increased assessed value for the affected parcels. These improvements will result in additional property tax revenues paid to units of government included in the property tax levy rate for Tax District 212, the district in which the Project is located. In addition, any additional furniture, fixtures and equipment will also be taxed as personal property at the same tax rate as the real property. The following table illustrates the tax rate components for District 212.

Clark County Nevada Property Tax Rates
Fiscal Year 2023-2024
District 212 - Las Vegas City Redevelopment LVMPD
Tax Rate Per \$100 of Assessed Value

<u>Jurisdiction</u>	<u>Final Rate</u>	<u>Redevelopment Adjusted Rate</u>
State, County and School	\$2.1275	\$1.5809
Las Vegas City	0.6765	0.4404
Las Vegas City Fire Safety	0.0950	0.0950
Las Vegas-Clark County Library District-Operations	0.0942	0.0613
LVMPD Emergency 9-1-1	0.0050	0.0033
Las Vegas Redevelopment Area	0.0000	0.8452
LVMPD Manpower Supplement	<u>0.2800</u>	<u>0.2521</u>
Total	<u>\$3.2782</u>	<u>\$3.2782</u>

- Modified Business Tax (“MBT”): The MBT, authorized pursuant to NRS 363A and NRS 363B, is imposed on general businesses, financial institutions, and any entity subject to Net Proceeds of Minerals tax. For general businesses the tax rate is 1.378 percent of the amount by which the sum of all wages exceeds \$50,000 for the calendar quarter. The tax rate for financial institutions and entities subject to Net Proceeds of Minerals is 1.853 percent of gross wages paid by the employer during a calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

Tax collected is distributed to the State General Fund. Fifty percent of the tax paid by an entity which was directly recruited/assisted in locating to Nevada by a qualifying economic development agency is distributed back to that agency for a period of ten years.

- Commerce Tax: The Commerce Tax, authorized pursuant to NRS 363C, is imposed on each business entity doing business in Nevada whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a rate that is based on the industry in which the business entity is primarily engaged. The tax collected is distributed to the State General Fund.

Pursuant to NRS 363B. and 363A.130, employers who pay Commerce Tax in a fiscal year are entitled to take a credit against their Modified Business Tax in the following fiscal year of 50 percent of the Commerce Tax paid. The credit may only be used during the four calendar quarters immediately following the end of the taxable year for which the Commerce Tax was paid. Unused credits may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the Commerce Tax was paid, and employers are not entitled to a refund of any unused credit.

- Live Entertainment Tax (“LET”): The LET, authorized pursuant to NRS 368A is imposed for consideration charged to access areas or premises where live entertainment is provided.

The Live Entertainment Tax is administered by two State agencies, the Gaming Control Board for live entertainment events held within licensed gaming establishments; and the Department of Taxation for live entertainment events held in other venues.

A 9 percent tax rate is imposed on the admission charge to a facility with a minimum occupancy of 200. The tax is applied to the price that is required to be charged including but not limited to an entertainment fee, a cover charge, a required minimum purchase of food, beverages or merchandise, a membership fee, a service charge or any other fee or charge. All non-restricted gaming facilities remit the tax to the Gaming Control board; all non-gaming facilities remit the tax to the Department of Taxation.

The LET generated on site, is an incremental revenue attributable to the Project. The proceeds are distributed in the following manner: Annually, \$150,000 is credited to the Nevada Arts Council with the remainder paid to the State General Fund.

- Cigarette & Other Tobacco Products Excise Tax (“Tobacco”): The Tobacco taxes authorized pursuant to NRS 370 are imposed on the sale and distribution of cigarettes and other tobacco products. The tax is paid by the wholesaler after sale to the retailer. The tax is recovered from the consumer by adding the tax to the selling price. In addition, sales tax is collected on the total selling price of cigarettes and other tobacco products.

The tax is \$0.09 per cigarette, which equals \$1.80 per package of 20. Other tobacco products are 30 percent of wholesaler’s cost.

The taxes collected, (less administrative fee) is deposited in the “local government tax distribution fund.” Redistribution within each county is by statutory formula. Local government agencies including the City of Las Vegas, share in the revenue that is distributed from the above cited fund.

- Intoxicating Liquor Licenses and Excise Taxes (“Liquor”): The Liquor taxes authorized pursuant to NRS 369 are imposed on the importation, processing, storing or selling of all liquor including beer containing ½ percent or more of alcohol by volume and used for beverage purposes. Sales tax is collected on the total price. These taxes would likely be paid irrespective of the creation of the TID and are therefore not considered incremental and attributable to the TID.

The tax is levied on a per wine gallon basis. The rate varies from \$0.16 per gallon for Malt beverage liquor (beer) up to \$3.60 per wine gallon depending upon percent of alcohol content. In addition to the per gallon taxes, there are also annual license fees. These fees can range from \$75 to \$500 depending upon the type of license.

The proceeds are distributed to the State General Fund, with certain earmarks for alcohol programs from a portion of the revenue received from alcohol over 22 percent by volume. \$0.50 per gallon is deposited in the “local government tax distribution fund.” Redistribution within each county is by statutory formula.

We would be pleased to answer any questions regarding this report.

Sincerely,

Guy S. Hobbs
Managing Director
Hobbs Ong & Associates, Inc.