

**City of San Luis, Arizona  
Economic Impact Analysis**

**Proposed Retail Tax Incentive Agreement with  
San Luis Commercial Holdings, L.L.C. for  
Multi-Use Site**

**Prepared by:**



5500 Democracy Drive, Suite 130 | Plano, Texas 75024  
Tel: (972) 378-6588 | Cell: (972) 998-0417 | Fax: (972) 378-6988

**Contact Person:**  
Dan V. Jackson, Vice President | Email: [djackson@willdan.com](mailto:djackson@willdan.com)

February 19, 2020



February 19, 2020

Ms. Jenny Torres  
Economic Development Manager  
City of San Luis  
1090 East Union St.  
San Luis, AZ 85349

**Re: Economic Impact Analysis – San Luis Commercial Holdings, L.L.C. Multi-Use Project Site**

Dear Ms. Torres:

Pursuant to our agreement with the City of San Luis (the City), **Willdan Financial Services** is pleased to present herein the results of the Economic Impact Analysis of the San Luis Commercial Holdings, L.L.C. Multi-Use Site. This Letter Report summarizes our findings. It represents an update of an economic impact analysis originally prepared in 2017.

The Report is based on estimates, assumptions and other information related to the above. Such estimates, assumptions or other information were developed from prior research, knowledge of the industry and discussions with you and other involved parties, during which we were provided certain information. The sources of information and bases of estimates and assumptions are stated in the Report. Our documentation is based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events.

Any conclusions and/or any prospective financial information that is included in our documentation were based on estimates and assumptions from previous studies, information developed from supplemental research, knowledge of the industry and other sources, including certain information that the City and/or developer provided. These sources of information and bases of significant estimates and assumptions are stated in our documentation. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from any estimates, and the variations may be material.

We extend our thanks and appreciation for the opportunity to be of service in this matter, and for the City's and its staff's valuable cooperation and assistance. If you have any questions, please do not hesitate to contact me at 972.378.6588 or [djackson@willdan.com](mailto:djackson@willdan.com).

Respectfully submitted,

**WILLDAN FINANCIAL SERVICES**

A handwritten signature in black ink, appearing to read 'Dan V. Jackson', with a long horizontal flourish extending to the right.

**Dan V. Jackson**  
**Vice President**

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## Introduction

**Willdan Financial Services** was retained by the City of San Luis, Arizona (the “City”) to evaluate the fiscal and economic benefits associated with the development of a multi-use site by San Luis Commercial Holdings, L.L.C. (the “Developer”). The Developer is proposing to develop and maintain a multi-use hotel, restaurant, and convenience store/gas station on the site.

The proposed Project location will be a 5 to 8-acre site at the northwest corner of the intersection of Highway 95 and 22<sup>nd</sup> Street within the City’s limits (the “Project Site”). As identified in the Development Agreement (the “Agreement”) between the City and the Developer, the Project Site is owned by MJS Properties, L.P. an Arizona limited partnership, and the acquisition of the Project Site by the Developer has yet to occur as of the date of this Report.

This Report identifies the estimated economic and fiscal impacts of the multi-use project at the Project Site. An Economic Impact Analysis examines the effect of a particular project on the economy in a specified area, ranging from a single neighborhood to the entire globe. It usually measures changes in business revenue, business profits, personal wages, and/or jobs.

A Fiscal Impact Analysis addresses the net impact on government of a particular project. This is done by estimating the increase in revenues to a municipality. For this Project, the estimated revenues that will be increased include a variety of taxes including, but not limited to, state income taxes, sales tax/transaction privilege tax, and utility fee revenues. **Schedules 4 and 5** of this Report present the different categories and estimated annual revenues for each.

## Background

As described in the Agreement, the Developer intends to develop a “brand” hotel, a “brand” restaurant, a franchise convenience store and gas station, and other transaction privilege tax generating businesses on the Project Site. In addition to generating transaction privilege taxes directly to the City, these businesses will indirectly benefit the City by providing employment in a City with a historically high unemployment rate, enhance property values of nearby properties, and generate other economic development in the City limits. The Developer, to maximize its leverage and maximize use of its development funding for actual development of the site, as opposed to using those resources for land acquisition, desires to receive credit for the transaction privilege tax revenue being generated to the City from the developed Project Site for the cost to acquire the Project Site. Having an effective tax credit where excise privilege taxes being generated are used, in part, to acquire and develop the Project Site is a material part of the transaction to the Developer.

## Regulatory Requirements

Arizona Revised Statutes (A.R.S.) §9-500.11 allows a municipality to enter into a “retail tax incentive agreement” as that term is defined in that statute. By having an agreement or set of agreements which comply with the provisions of this statute, the Developer may get credit for a portion of the sales, use, or transaction privilege taxes payable to the City in connection with the construction, development, or operation of retail development activities on the Project Site by Developer or its nominee(s). According to A.R.S. §9-500.11 (D1): “... the proposed tax incentive is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement.” The statute also states that “A city or town shall not enter into a retail tax incentive agreement if the proposed tax incentive raises less revenue than the amount of the incentive...The finding made pursuant to subsection D, paragraph 1 of this section shall be verified by an independent third party before the city or town enters into the retail development

*incentive agreement.*" (A.R.S. §9-500.11 (F, H)). A copy of A.R.S. §9-500.11 is included as **Attachment A** to this Letter Report.

Article 9 §7 of the Arizona Constitution prohibits any subdivision of the State giving or lending its credit or making any donation, grant, or subsidy to any person, association, or corporation. Arizona has recognized that if (i) the public treasury receives benefits that meet or exceed the cost to the public treasury and (ii) if the expenditure of public funds is for a public purpose, then there is consideration for the transaction and the matter is not in violation of this provision of law.

## **Retail Tax Incentive Agreement**

So that the City will, at all times, raise more revenue than the amount of the credit provided by the Retail Tax Incentive Agreement, based on discussions with City Staff and the City's Legal Counsel it has been proposed that the updated Agreement will be structured as follows:

- A. Fifty percent (50%) of all transaction privilege taxes of the City as generated from businesses established on the Project Site will be rebated to Developer or its nominee or assignee until the sum of one million five hundred thousand dollars (\$1,822,680.00) is paid.
- B. The Retail Tax Incentive Agreement will be conditioned upon the development of and the opening of the afore described "brand" hotel and "brand" restaurant on or before December 31, 2021.

## **Economic Impact Analysis**

### **Methodology**

To prepare the economic impact analysis, the project team developed an impact model based upon certain inputs and assumptions, and utilizing appropriate local data sets. Based on our experience and knowledge of the industry, this model was developed to measure the impacts of development and many other activities that affect employment or expenditures in the economy.

Models such as this are particularly useful for measuring the total economic effects of a particular project or program, and yield estimates of the number and types of jobs created, the amount of wages associated with those jobs, and the total economic output or "final sales" generated within particular industries. This model relies upon economic "multipliers" that mathematically represent the relationship between the initial change in one sector of the economy and the corresponding effect of that change on other interdependent industry sectors, as well as the effect of that subsequent change on further sectors. These effects are commonly described as "direct," "indirect," and "induced" and are generally defined as follows:

- The "direct" effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. For this Project, the direct effects to San Luis's zip code are the wages and other expenditures at the site (and with City businesses), during both construction and operation of the proposed facility.
- The "indirect" effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. For example, construction will result in an increase in purchases of building materials, engineering and consulting services, and other goods from "business to business" suppliers within the City.
- The "induced" effect consists of employee spending in the City by employees, created by direct

and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc.

The total economic impact of the project is typically the sum of the direct, indirect, and induced impacts, offset by any economic loss related to the change in the use of the land. For purposes of this analysis, the project team has only included the direct labor effects in the overall return to the City.

It should be noted that this modeling generally assumes that demand for goods and services by industries or households increases in relation to an increase in income, and that an increase in demand results in a proportional increase in local supply and employment. This implies that local suppliers satisfy this initial demand by increasing their output and hiring additional workers rather than shifting their goods or services from one set of consumers to another. This assumption may not hold in areas with tight labor or capital markets since suppliers may find it difficult to obtain these labor or material inputs or other resources necessary to expand production. Considering the scale of the proposed project and the size of the economic study area, this is not likely to be a factor for this analysis.

### Assumptions and Inputs

- **Direct Labor.** The Project will create both construction-related jobs and ongoing jobs once construction is complete. The anticipated construction related and ongoing jobs by facility were provided by the City and the Developer. The project team allocated these anticipated jobs as director/supervisor positions (25%) and staff positions (75%) as detailed on **Schedule 1**.
- **Direct Payroll.** Using the labor categories identified by both the Developer and the allocation between director/supervisor and staff positions, the project team assigned an hourly labor cost to each anticipated labor category associated with the businesses on the Project Site. The hourly wage estimates were obtained from the Yuma MSA-2018 Occupational Employment & Hourly Wage Estimates, prepared by the Arizona Office of Employment and Population Statistics in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, May 2019. The hourly wage rates were adjusted for inflation to the start of the projection period. The anticipated monthly payroll was then calculated based on the total staffing levels and anticipated hourly wages. This analysis is detailed on **Schedule 1**.
- The project team forecast that 70% of the jobs associated with the development of the Project Site and 80% of the jobs associated with the ongoing operations of the businesses at the Project Site would be local residents who currently reside within the San Luis City limits or would relocate within the City Limits. The resulting local direct labor and local direct payroll are identified on **Schedule 2**.
- Payroll costs are assumed to increase at 2.5 percent (2.5%) annually due to inflation and merit adjustments.
- Construction is estimated to take approximately 21 months.

### Summary of Economic Impacts

The anticipated Project is forecast to be the source of substantial economic benefits over the 15-year projection period. The total anticipated labor and associated payroll is shown below on **Table 1** as summarized **Schedule 2**.

**Table 1**  
**Summary of Economic Benefits**

Description	Labor Impacts	Annual Payroll Impacts (Rounded)
<b>Construction Related Jobs</b>		
Hotel	54.60	\$ 2,630,400
Restaurant	13.30	638,600
Convenience Store / Gas Station	12.60	638,600
<b>Total Construction Related Jobs</b>	<b>80.50</b>	<b>\$ 3,907,600</b>
<b>Ongoing Jobs</b>		
Hotel	13.60	\$ 470,300
Restaurant	11.20	439,600
Convenience Store / Gas Station	12.00	408,900
<b>Total Ongoing Jobs</b>	<b>36.80</b>	<b>\$ 1,318,800</b>

Notes: (1) Does not include inflationary impacts on wages.

## Fiscal Impact Analysis

### Methodology

The analysis of fiscal impacts focuses on the potential public revenues generated from utility services, transaction privilege taxes and the City's share of taxes including state income taxes. For purposes of this analysis, only those revenues to the City are included.

This analysis concentrates on direct and indirect impacts. While there are several levels of indirect impacts from projects such as this, the analysis focuses on the indirect impacts including, but not limited to the City's share of the state income tax and transaction privilege tax revenue.

The direct fiscal benefits consist of utility fees and tax revenues generated by the construction and operation of the proposed businesses on the Project Site. Indirect fiscal benefits include public revenues generated by direct payroll such as state income and transaction privilege tax revenues.

### Assumptions and Inputs

- **Projected Revenues Subject to Transaction Privilege Tax.** Revenue projections for the hotel, restaurant, and convenience store/gas station have been estimated by the Developer based on industry averages. The revenues are phased in over the first part of the projection period and include an annual inflationary adjustment of 2.0 percent (2.0%). The projected revenues are detailed on **Schedule 3**.
- As discussed previously, the agreement is expected to provide a credit of transaction privilege taxes

of 50 percent (50%) of the annual liability of the businesses located on the Project Site until a total of \$1,822,680 credit has been received. **Schedule 3** presents the anticipated annual transaction privilege tax credit.

- Construction is expected to take approximately 21 months.
- Estimated construction costs have been provided by the City and the developer. Anticipated Transaction Privilege Taxes on the Construction portion of the project are estimated as follows:

Description	Amount
<b>Construction Costs</b>	
Hotel	\$ 8,171,964.00
Restaurant	1,955,000.00
Convenience Store / Gas Station	1,840,000.00
<b>Total Construction Costs</b>	<b>\$ 11,966,964.00</b>
<b>Amount Allocated to Purchases within the City</b>	<b>\$ 4,188,437.40</b>
<b>Total Projected Transaction Privilege Tax (Rounded)</b>	<b>\$ 167,500.00</b>
Allocated to Year 1	125,700.00
Allocated to Year 2	41,900.00

Notes: (1) Does not include inflationary impacts on wages.

- **Utility System Revenues.** The City will receive water and wastewater revenue from the businesses on the project site. Based on our experience with the water and wastewater industry, we have developed flow projections based on the business type and size. Additionally, the project team has used the City's current utility system rates to project monthly and annual water and wastewater revenue from the project site. The water and wastewater rates are expected to be increased annually at 2.0 percent (2.0%). Detailed Utility System revenue projections are shown on **Schedule 4**.
- **City Share of State Income Taxes.** The project team has assumed approximately 1.775 percent (1.775%) of every direct payroll dollar will be credited to the City by the State for State Income Tax.
- **In-City Spending.** Willdan has projected that approximately 25% of payroll will be spent on goods and services within the City that are subject to the transaction privilege tax. It is assumed these expenditures will be at businesses other than those on the proposed project site.
- **Transaction Privilege Tax Rate.** The transaction privilege tax rate included in the projections is 4.0 percent (4.0%). This rate assumed throughout the projection period.

## Summary of Fiscal Impacts

The results of the Fiscal Impacts Analysis are shown on **Schedules 5 and 6**. These projections are based on the assumptions discussed in the previous sections. In order for the City to move forward with the Project, the proposed tax incentive must provide more revenue to the City than the tax incentive. As can be seen on **Schedule 6**, the total projected revenues exceed the anticipated tax credit by over 214%.

It is anticipated that it will take approximately 15 years from the beginning of construction to reach the \$1,822,680 tax credit cap. Over that period, the cumulative projected direct payroll anticipated is \$29,714,200.

**Schedule 6** presents the anticipated Tax Credit as well as the projected sources of income to the City provided by this project over the projection period. As summarized from **Schedule 6** and shown on **Table 2** below, the net benefit to the City over the projection period is anticipated to be \$2,080,100.

**Table 2**  
**Summary Projected Fiscal Benefits**

Description	Amount
<b>TRANSACTION PRIVILEGE TAX CREDIT</b>	<b>\$ (1,822,700)</b>
<b>PROJECTED SOURCES OF REVENUE</b>	
Transaction Privilege Taxes Paid	\$ 2,328,200
Utility System Revenue	750,000
Payroll Revenue Impacts	824,600
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>	<b>\$ 3,902,800</b>
<b>NET BENEFIT TO CITY OVER PROJECTION PERIOD</b>	<b>\$ 2,080,100</b>

# Schedules

**Schedule 1**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Direct Labor and Payroll Assumptions**

Labor Classification	Total (1)	Director/ Supervisor	Staff
		FTEs	FTEs
<b>JOBS</b>			
<b>Construction Related Jobs</b>			
Hotel	78.00	20.00	59.00
Restaurant	19.00	5.00	14.00
Convenience Store / Gas Station	<u>18.00</u>	<u>5.00</u>	<u>14.00</u>
<b>Total Construction Related Jobs</b>	<b>115.00</b>	<b>30.00</b>	<b>87.00</b>
<b>Ongoing Jobs</b>			
Hotel	17.00	4.00	13.00
Restaurant	14.00	4.00	11.00
Convenience Store / Gas Station	<u>15.00</u>	<u>4.00</u>	<u>11.00</u>
<b>Total Ongoing Jobs</b>	<b>46.00</b>	<b>12.00</b>	<b>35.00</b>
<b>HOURS PER MONTH</b>			
<b>Construction Related Jobs</b>			
Hotel	12,640.00	3,200.00	9,440.00
Restaurant	3,040.00	800.00	2,240.00
Convenience Store / Gas Station	<u>3,040.00</u>	<u>800.00</u>	<u>2,240.00</u>
<b>Total Construction Related Jobs - Hours Per Month</b>	<b>18,720.00</b>	<b>4,800.00</b>	<b>13,920.00</b>
<b>Ongoing Jobs</b>			
Hotel	2,720.00	640.00	2,080.00
Restaurant	2,400.00	640.00	1,760.00
Convenience Store / Gas Station	<u>2,400.00</u>	<u>640.00</u>	<u>1,760.00</u>
<b>Total Ongoing Jobs - Hours Per Month</b>	<b>7,520.00</b>	<b>1,920.00</b>	<b>5,600.00</b>

**Schedule 1**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Direct Labor and Payroll Assumptions**

Labor Classification	Total (1)	Director/ Supervisor	Staff
		FTEs	FTEs
<b>EFFECTIVE HOURLY RATE (2)</b>			
<b>Construction Related Jobs</b>			
Hotel		\$ 42.31	\$ 18.83
Restaurant		\$ 42.31	\$ 18.83
Convenience Store / Gas Station		\$ 42.31	\$ 18.83
<b>Ongoing Jobs</b>			
Hotel		\$ 34.12	\$ 13.05
Restaurant		\$ 35.71	\$ 13.03
Convenience Store / Gas Station		\$ 30.25	\$ 13.20
<b>MONTHLY PAYROLL</b>			
<b>Construction Related Jobs</b>			
Hotel	\$ 313,147.20	\$ 135,392.00	\$ 177,755.20
Restaurant	76,027.20	33,848.00	42,179.20
Convenience Store / Gas Station	76,027.20	33,848.00	42,179.20
<b>Total Construction Related Jobs - Monthly Payroll</b>	<b>\$ 465,201.60</b>	<b>\$ 203,088.00</b>	<b>\$ 262,113.60</b>
<b>Ongoing Jobs</b>			
Hotel	\$ 48,980.80	\$ 21,836.80	\$ 27,144.00
Restaurant	45,787.20	22,854.40	22,932.80
Convenience Store / Gas Station	42,592.00	19,360.00	23,232.00
<b>Total Ongoing Jobs - Monthly Payroll</b>	<b>\$ 137,360.00</b>	<b>\$ 64,051.20</b>	<b>\$ 73,308.80</b>

Notes:

- (1) Total Direct Jobs As provided by the Developer and City of San Luis.
- (2) Yuma MSA-2018 Occupational Employment & Hourly Wage Estimates. Prepared by the Arizona Office of Economic Opportunity in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, May 2019. Adjusted for Inflation.

**Schedule 2**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Direct Labor and Payroll Summary**

Labor Classification	Total	% Local	Amount Local
<b>JOBS</b>			
<b>Construction Related Jobs</b>			
Hotel	78.00	70%	54.60
Restaurant	19.00	70%	13.30
Convenience Store / Gas Station	18.00	70%	12.60
<b>Total Construction Related Jobs</b>	<b>115.00</b>		<b>80.50</b>
<b>Ongoing Jobs</b>			
Hotel	17.00	80%	13.60
Restaurant	14.00	80%	11.20
Convenience Store / Gas Station	15.00	80%	12.00
<b>Total Ongoing Jobs</b>	<b>46.00</b>		<b>36.80</b>
<b>MONTHLY PAYROLL</b>			
<b>Construction Related Jobs</b>			
Hotel	\$ 313,147.20	70%	\$ 219,203.04
Restaurant	76,027.20	70%	53,219.04
Convenience Store / Gas Station	76,027.20	70%	53,219.04
<b>Total Construction Related Jobs - Monthly Payroll</b>	<b>\$ 465,201.60</b>		<b>\$ 325,641.12</b>
<b>Ongoing Jobs</b>			
Hotel	\$ 48,980.80	80%	\$ 39,184.64
Restaurant	45,787.20	80%	36,629.76
Convenience Store / Gas Station	42,592.00	80%	34,073.60
<b>Total Ongoing Jobs - Monthly Payroll</b>	<b>\$ 137,360.00</b>		<b>\$ 109,888.00</b>

**Schedule 3**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Revenues and Transaction Privilege Tax Credit**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>Projected Revenues Subject to Transaction Privilege Tax (1)</b>								
Hotel	(2)	\$ 462,500	\$ 924,900	\$ 1,415,200	\$ 1,849,900	\$ 1,886,900	\$ 1,924,600	\$ 1,963,100
Restaurant	(2)	538,300	1,076,600	1,647,200	2,153,200	2,196,300	2,240,200	2,285,000
Convenience Store / Gas Station	(2)	667,100	1,334,100	2,041,200	2,668,200	2,721,600	2,776,000	2,831,600
<b>Total Projected Revenues</b>		<b>\$ 1,667,900</b>	<b>\$ 3,335,600</b>	<b>\$ 5,103,600</b>	<b>\$ 6,671,300</b>	<b>\$ 6,804,800</b>	<b>\$ 6,940,800</b>	<b>\$ 7,079,700</b>
<b>Transaction Privilege Tax Revenue @ 4%</b>								
Hotel	(2)	\$ 18,500	\$ 37,000	\$ 56,600	\$ 74,000	\$ 75,500	\$ 77,000	\$ 78,500
Restaurant	(2)	21,500	43,100	65,900	86,100	87,900	89,600	91,400
Convenience Store / Gas Station	(2)	26,700	53,400	81,600	106,700	108,900	111,000	113,300
<b>Total Transaction Privilege Tax Revenue @ 4%</b>		<b>\$ 66,700</b>	<b>\$ 133,500</b>	<b>\$ 204,100</b>	<b>\$ 266,800</b>	<b>\$ 272,300</b>	<b>\$ 277,600</b>	<b>\$ 283,200</b>
<b>Proposed Tax Credit</b>								
Annual Percent		<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
Dollar Amount		\$ 33,400	\$ 66,800	\$ 102,100	\$ 133,400	\$ 136,200	\$ 138,800	\$ 141,600
<b>Cumulative Tax Credit</b>		<b>\$ 33,400</b>	<b>\$ 100,200</b>	<b>\$ 202,300</b>	<b>\$ 335,700</b>	<b>\$ 471,900</b>	<b>\$ 610,700</b>	<b>\$ 752,300</b>

**Notes:**

- (1) Based on Information Provided by the Developer and City of San Luis.
- (2) Construction Projected to last approximately 21 months.

**Schedule 3**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Revenues and Transaction Privilege Tax Credit**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>Projected Revenues Subject to Transacti</b>								
Hotel	\$ 2,002,400	\$ 2,042,400	\$ 2,083,300	\$ 2,125,000	\$ 2,167,500	\$ 2,210,800	\$ 2,255,000	\$ 2,300,100
Restaurant	2,330,700	2,377,300	2,424,900	2,473,400	2,522,800	2,573,300	2,624,800	2,677,200
Convenience Store / Gas Station	2,888,200	2,945,900	3,004,900	3,065,000	3,126,300	3,188,800	3,252,600	3,317,600
<b>Total Projected Revenues</b>	<b>\$ 7,221,300</b>	<b>\$ 7,365,600</b>	<b>\$ 7,513,100</b>	<b>\$ 7,663,400</b>	<b>\$ 7,816,600</b>	<b>\$ 7,972,900</b>	<b>\$ 8,132,400</b>	<b>\$ 8,294,900</b>
<b>Transaction Privilege Tax Revenue @ 4%</b>								
Hotel	\$ 80,100	\$ 81,700	\$ 83,300	\$ 85,000	\$ 86,700	\$ 88,400	\$ 90,200	\$ 92,000
Restaurant	\$ 93,200	\$ 95,100	\$ 97,000	\$ 98,900	\$ 100,900	\$ 102,900	\$ 105,000	\$ 107,100
Convenience Store / Gas Station	115,500	117,800	120,200	122,600	125,100	127,600	130,100	132,700
<b>Total Transaction Privilege Tax Revenue</b>	<b>\$ 288,800</b>	<b>\$ 294,600</b>	<b>\$ 300,500</b>	<b>\$ 306,500</b>	<b>\$ 312,700</b>	<b>\$ 318,900</b>	<b>\$ 325,300</b>	<b>\$ 331,800</b>
<b>Proposed Tax Credit</b>								
Annual Percent	50%	50%	50%	50%	50%	50%	50%	50%
Dollar Amount	\$ 144,400	\$ 147,300	\$ 150,300	\$ 153,300	\$ 156,400	\$ 159,500	\$ 159,200	\$ -
<b>Cumulative Tax Credit</b>	<b>\$ 896,700</b>	<b>\$ 1,044,000</b>	<b>\$ 1,194,300</b>	<b>\$ 1,347,600</b>	<b>\$ 1,504,000</b>	<b>\$ 1,663,500</b>	<b>\$ 1,822,700</b>	<b>\$ 1,822,700</b>

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>UTILITY SYSTEM REVENUE ASSUMPTIONS</b>								
<b>Hotel</b>								
Water								
Monthly Usage (Gallons)		200,000	280,000	370,000	400,000	400,000	400,000	400,000
Base Charge - 4" Meter (Includes 2,000 gallons usage)	\$	1,404.07	\$ 1,432.15	\$ 1,460.79	\$ 1,490.01	\$ 1,519.81	\$ 1,550.21	\$ 1,581.21
Volume Charge Per Thousand Gallons	\$	2.66	\$ 2.71	\$ 2.77	\$ 2.82	\$ 2.88	\$ 2.94	\$ 3.00
Total Volume Charge	\$	526.68	\$ 754.27	\$ 1,018.43	\$ 1,123.48	\$ 1,145.95	\$ 1,168.87	\$ 1,192.25
<b>Total Monthly Bill - Water</b>	<b>\$</b>	<b>1,930.75</b>	<b>\$ 2,186.42</b>	<b>\$ 2,479.22</b>	<b>\$ 2,613.49</b>	<b>\$ 2,665.76</b>	<b>\$ 2,719.07</b>	<b>\$ 2,773.46</b>
Wastewater								
Base Charge	\$	24.50	\$ 24.99	\$ 25.49	\$ 26.00	\$ 26.52	\$ 27.05	\$ 27.59
Volume Charge Per Thousand Gallons	\$	2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.73	\$ 2.78
Total Volume Charge	\$	494.00	\$ 705.43	\$ 950.82	\$ 1,048.47	\$ 1,069.44	\$ 1,090.83	\$ 1,112.65
<b>Total Monthly Bill - Wastewater</b>	<b>\$</b>	<b>518.50</b>	<b>\$ 730.42</b>	<b>\$ 976.31</b>	<b>\$ 1,074.47</b>	<b>\$ 1,095.96</b>	<b>\$ 1,117.88</b>	<b>\$ 1,140.24</b>
<b>Restaurant</b>								
Water								
Monthly Usage (Gallons)		18,000	22,000	28,000	30,000	30,000	30,000	30,000
Base Charge - 1" Meter (Includes 2,000 gallons usage)	\$	58.62	\$ 59.79	\$ 60.99	\$ 62.21	\$ 63.45	\$ 64.72	\$ 66.02
Volume Charge Per Thousand Gallons	\$	2.66	\$ 2.71	\$ 2.77	\$ 2.82	\$ 2.88	\$ 2.94	\$ 3.00
Total Volume Charge	\$	42.56	\$ 54.26	\$ 71.95	\$ 79.04	\$ 80.62	\$ 82.23	\$ 83.88
<b>Total Monthly Bill - Water</b>	<b>\$</b>	<b>101.18</b>	<b>\$ 114.06</b>	<b>\$ 132.94</b>	<b>\$ 141.25</b>	<b>\$ 144.07</b>	<b>\$ 146.95</b>	<b>\$ 149.89</b>
Wastewater								
Base Charge	\$	24.50	\$ 24.99	\$ 25.49	\$ 26.00	\$ 26.52	\$ 27.05	\$ 27.59
Volume Charge Per Thousand Gallons	\$	2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.73	\$ 2.78
Total Volume Charge	\$	44.46	\$ 55.43	\$ 71.95	\$ 78.64	\$ 80.21	\$ 81.81	\$ 83.45
<b>Total Monthly Bill - Wastewater</b>	<b>\$</b>	<b>68.96</b>	<b>\$ 80.42</b>	<b>\$ 97.44</b>	<b>\$ 104.64</b>	<b>\$ 106.73</b>	<b>\$ 108.86</b>	<b>\$ 111.04</b>
<b>Convenience Store / Gas Station</b>								
Water								
Monthly Usage (Gallons)		5,000	7,000	10,000	12,500	12,500	12,500	12,500
Base Charge - 1" Meter (Includes 2,000 gallons usage)	\$	58.62	\$ 59.79	\$ 60.99	\$ 62.21	\$ 63.45	\$ 64.72	\$ 66.02
Volume Charge Per Thousand Gallons	\$	2.66	\$ 2.71	\$ 2.77	\$ 2.82	\$ 2.88	\$ 2.94	\$ 3.00
Total Volume Charge	\$	7.98	\$ 13.57	\$ 22.14	\$ 29.64	\$ 30.23	\$ 30.84	\$ 31.45
<b>Total Monthly Bill - Water</b>	<b>\$</b>	<b>66.60</b>	<b>\$ 73.36</b>	<b>\$ 83.13</b>	<b>\$ 91.85</b>	<b>\$ 93.68</b>	<b>\$ 95.56</b>	<b>\$ 97.47</b>

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>Wastewater</b>								
Base Charge	\$	24.50	\$ 24.99	\$ 25.49	\$ 26.00	\$ 26.52	\$ 27.05	\$ 27.59
Volume Charge Per Thousand Gallons	\$	2.47	\$ 2.52	\$ 2.57	\$ 2.62	\$ 2.67	\$ 2.73	\$ 2.78
Total Volume Charge	\$	12.35	\$ 17.64	\$ 25.70	\$ 32.76	\$ 33.42	\$ 34.09	\$ 34.77
<b>Total Monthly Bill - Wastewater</b>	<b>\$</b>	<b>36.85</b>	<b>\$ 42.63</b>	<b>\$ 51.19</b>	<b>\$ 58.76</b>	<b>\$ 59.94</b>	<b>\$ 61.14</b>	<b>\$ 62.36</b>
<b>PAYROLL CONVERSION FACTOR</b>								
City Share of State Shared Revenue			<b>0.01775</b>					
Percent of Payroll Dollar Used for In City Purchases		<b>0.25000</b>						
Transaction Privilege Tax Rate		<b>0.04000</b>						
Additional Transaction Privilege Tax Revenue			0.01000					
<b>Total Payroll Conversion Factor</b>			0.02775					

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>UTILITY SYSTEM REVENUE ASSUMPTIONS</b>								
<b>Hotel</b>								
Water								
Monthly Usage (Gallons)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Base Charge - 4" Meter (Includes 2,000 gallons usage)	\$ 1,612.84	\$ 1,645.09	\$ 1,677.99	\$ 1,711.55	\$ 1,745.78	\$ 1,780.70	\$ 1,816.31	\$ 1,852.64
Volume Charge Per Thousand Gallons	\$ 3.06	\$ 3.12	\$ 3.18	\$ 3.24	\$ 3.31	\$ 3.37	\$ 3.44	\$ 3.51
Total Volume Charge	\$ 1,216.09	\$ 1,240.41	\$ 1,265.22	\$ 1,290.53	\$ 1,316.34	\$ 1,342.66	\$ 1,369.52	\$ 1,396.91
<b>Total Monthly Bill - Water</b>	<b>\$ 2,828.93</b>	<b>\$ 2,885.50</b>	<b>\$ 2,943.21</b>	<b>\$ 3,002.08</b>	<b>\$ 3,062.12</b>	<b>\$ 3,123.36</b>	<b>\$ 3,185.83</b>	<b>\$ 3,249.55</b>
Wastewater								
Base Charge	\$ 28.14	\$ 28.71	\$ 29.28	\$ 29.87	\$ 30.46	\$ 31.07	\$ 31.69	\$ 32.33
Volume Charge Per Thousand Gallons	\$ 2.84	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	\$ 3.20	\$ 3.26
Total Volume Charge	\$ 1,134.90	\$ 1,157.60	\$ 1,180.75	\$ 1,204.37	\$ 1,228.45	\$ 1,253.02	\$ 1,278.08	\$ 1,303.65
<b>Total Monthly Bill - Wastewater</b>	<b>\$ 1,163.04</b>	<b>\$ 1,186.31</b>	<b>\$ 1,210.03</b>	<b>\$ 1,234.23</b>	<b>\$ 1,258.92</b>	<b>\$ 1,284.09</b>	<b>\$ 1,309.78</b>	<b>\$ 1,335.97</b>
<b>Restaurant</b>								
Water								
Monthly Usage (Gallons)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Base Charge -1" Meter (Includes 2,000 gallons usage)	\$ 67.34	\$ 68.68	\$ 70.06	\$ 71.46	\$ 72.89	\$ 74.34	\$ 75.83	\$ 77.35
Volume Charge Per Thousand Gallons	\$ 3.06	\$ 3.12	\$ 3.18	\$ 3.24	\$ 3.31	\$ 3.37	\$ 3.44	\$ 3.51
Total Volume Charge	\$ 85.55	\$ 87.27	\$ 89.01	\$ 90.79	\$ 92.61	\$ 94.46	\$ 96.35	\$ 98.27
<b>Total Monthly Bill - Water</b>	<b>\$ 152.89</b>	<b>\$ 155.95</b>	<b>\$ 159.07</b>	<b>\$ 162.25</b>	<b>\$ 165.49</b>	<b>\$ 168.80</b>	<b>\$ 172.18</b>	<b>\$ 175.62</b>
Wastewater								
Base Charge	\$ 28.14	\$ 28.71	\$ 29.28	\$ 29.87	\$ 30.46	\$ 31.07	\$ 31.69	\$ 32.33
Volume Charge Per Thousand Gallons	\$ 2.84	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	\$ 3.20	\$ 3.26
Total Volume Charge	\$ 85.12	\$ 86.82	\$ 88.56	\$ 90.33	\$ 92.13	\$ 93.98	\$ 95.86	\$ 97.77
<b>Total Monthly Bill - Wastewater</b>	<b>\$ 113.26</b>	<b>\$ 115.53</b>	<b>\$ 117.84</b>	<b>\$ 120.19</b>	<b>\$ 122.60</b>	<b>\$ 125.05</b>	<b>\$ 127.55</b>	<b>\$ 130.10</b>
<b>Convenience Store / Gas Station</b>								
Water								
Monthly Usage (Gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Base Charge - 1" Meter (Includes 2,000 gallons usage)	\$ 67.34	\$ 68.68	\$ 70.06	\$ 71.46	\$ 72.89	\$ 74.34	\$ 75.83	\$ 77.35
Volume Charge Per Thousand Gallons	\$ 3.06	\$ 3.12	\$ 3.18	\$ 3.24	\$ 3.31	\$ 3.37	\$ 3.44	\$ 3.51
Total Volume Charge	\$ 32.08	\$ 32.72	\$ 33.38	\$ 34.05	\$ 34.73	\$ 35.42	\$ 36.13	\$ 36.85
<b>Total Monthly Bill - Water</b>	<b>\$ 99.42</b>	<b>\$ 101.41</b>	<b>\$ 103.44</b>	<b>\$ 105.50</b>	<b>\$ 107.61</b>	<b>\$ 109.77</b>	<b>\$ 111.96</b>	<b>\$ 114.20</b>

**Schedule 4**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Assumptions**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>Wastewater</b>								
Base Charge	\$ 28.14	\$ 28.71	\$ 29.28	\$ 29.87	\$ 30.46	\$ 31.07	\$ 31.69	\$ 32.33
Volume Charge Per Thousand Gallons	\$ 2.84	\$ 2.89	\$ 2.95	\$ 3.01	\$ 3.07	\$ 3.13	\$ 3.20	\$ 3.26
Total Volume Charge	\$ 35.47	\$ 36.17	\$ 36.90	\$ 37.64	\$ 38.39	\$ 39.16	\$ 39.94	\$ 40.74
<b>Total Monthly Bill - Wastewater</b>	<b>\$ 63.61</b>	<b>\$ 64.88</b>	<b>\$ 66.18</b>	<b>\$ 67.50</b>	<b>\$ 68.85</b>	<b>\$ 70.23</b>	<b>\$ 71.63</b>	<b>\$ 73.07</b>

**Schedule 5**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Details**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>TRANSACTION PRIVILEGE TAXES</b>								
Transaction Privilege Taxes on Construction Materials	\$ 125,700	\$ 41,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transaction Privilege Taxes	(1)	\$ 66,700	\$ 133,500	\$ 204,100	\$ 266,800	\$ 272,300	\$ 277,600	\$ 283,200
Less: Proposed Tax Credit	(1)	33,400	66,800	102,100	133,400	136,200	138,800	141,600
Transaction Privilege Tax Revenues Paid		\$ 33,300	\$ 66,700	\$ 102,000	\$ 133,400	\$ 136,100	\$ 138,800	\$ 141,600
<b>Total Transaction Privilege Taxed Paid</b>	<b>\$ 125,700</b>	<b>\$ 75,200</b>	<b>\$ 66,700</b>	<b>\$ 102,000</b>	<b>\$ 133,400</b>	<b>\$ 136,100</b>	<b>\$ 138,800</b>	<b>\$ 141,600</b>
<b>UTILITY SYSTEM REVENUES</b>								
<b>Water</b>								
Hotel	(1)	\$ 5,800	\$ 26,200	\$ 29,800	\$ 31,400	\$ 32,000	\$ 32,600	\$ 33,300
Restaurant	(1)	300	1,400	1,600	1,700	1,700	1,800	1,800
Convenience Store / Gas Station	(1)	200	900	1,000	1,100	1,100	1,100	1,200
<b>Total Water</b>		<b>\$ 6,300</b>	<b>\$ 28,500</b>	<b>\$ 32,400</b>	<b>\$ 34,200</b>	<b>\$ 34,800</b>	<b>\$ 35,500</b>	<b>\$ 36,300</b>
<b>Wastewater</b>								
Hotel	(1)	\$ 1,600	\$ 8,800	\$ 11,700	\$ 12,900	\$ 13,200	\$ 13,400	\$ 13,700
Restaurant	(1)	200	1,000	1,200	1,300	1,300	1,300	1,300
Convenience Store / Gas Station	(1)	100	500	600	700	700	700	700
<b>Total Wastewater</b>		<b>\$ 1,900</b>	<b>\$ 10,300</b>	<b>\$ 13,500</b>	<b>\$ 14,900</b>	<b>\$ 15,200</b>	<b>\$ 15,400</b>	<b>\$ 15,700</b>
<b>Total Utility System Revenues</b>	<b>(1)</b>	<b>\$ 8,200</b>	<b>\$ 38,800</b>	<b>\$ 45,900</b>	<b>\$ 49,100</b>	<b>\$ 50,000</b>	<b>\$ 50,900</b>	<b>\$ 52,000</b>
<b>TAX CREDIT ANALYSIS</b>								
Proposed Tax Credit	(1)	\$ 33,400	\$ 66,800	\$ 102,100	\$ 133,400	\$ 136,200	\$ 138,800	\$ 141,600
Less:								
Transaction Privilege Taxes Paid	(1)	33,300	66,700	102,000	133,400	136,100	138,800	141,600
Utility System Revenues	(1)	8,200	38,800	45,900	49,100	50,000	50,900	52,000
<b>Remaining Revenue to be Recovered</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Payroll Conversion Factor	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Minimum Additional Payroll Needed (in City)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Additional Direct Payroll Needed</b>								
Annual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Direct Payroll Anticipated</b>								
Annual	\$ 3,907,200	\$ 3,206,000	\$ 1,107,800	\$ 1,419,600	\$ 1,455,600	\$ 1,491,600	\$ 1,528,800	\$ 1,567,200
Cumulative	\$ 3,907,200	\$ 7,113,200	\$ 8,221,000	\$ 9,640,600	\$ 11,096,200	\$ 12,587,800	\$ 14,116,600	\$ 15,683,800

**Notes:**

(1) Construction Projected to last approximately 21 months.

**Schedule 5**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Fiscal Impact Details**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>TRANSACTION PRIVILEGE TAXES</b>								
Transaction Privilege Taxes on Construction Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transaction Privilege Taxes	\$ 288,800	\$ 294,600	\$ 300,500	\$ 306,500	\$ 312,700	\$ 318,900	\$ 325,300	\$ 331,800
Less: Proposed Tax Credit	144,400	147,300	150,300	153,300	156,400	159,500	159,200	-
Transaction Privilege Tax Revenues Paid	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
Total Transaction Privilege Taxed Paid	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
<b>UTILITY SYSTEM REVENUES</b>								
<b>Water</b>								
Hotel	\$ 33,900	\$ 34,600	\$ 35,300	\$ 36,000	\$ 36,700	\$ 37,500	\$ 38,200	\$ 39,000
Restaurant	1,800	1,900	1,900	1,900	2,000	2,000	2,100	2,100
Convenience Store / Gas Station	1,200	1,200	1,200	1,300	1,300	1,300	1,300	1,400
Total Water	\$ 36,900	\$ 37,700	\$ 38,400	\$ 39,200	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,500
<b>Wastewater</b>								
Hotel	\$ 14,000	\$ 14,200	\$ 14,500	\$ 14,800	\$ 15,100	\$ 15,400	\$ 15,700	\$ 16,000
Restaurant	1,400	1,400	1,400	1,400	1,500	1,500	1,500	1,600
Convenience Store / Gas Station	800	800	800	800	800	800	900	900
Total Wastewater	\$ 16,200	\$ 16,400	\$ 16,700	\$ 17,000	\$ 17,400	\$ 17,700	\$ 18,100	\$ 18,500
<b>Total Utility System Revenues</b>	<b>\$ 53,100</b>	<b>\$ 54,100</b>	<b>\$ 55,100</b>	<b>\$ 56,200</b>	<b>\$ 57,400</b>	<b>\$ 58,500</b>	<b>\$ 59,700</b>	<b>\$ 61,000</b>
<b>TAX CREDIT ANALYSIS</b>								
Proposed Tax Credit	\$ 144,400	\$ 147,300	\$ 150,300	\$ 153,300	\$ 156,400	\$ 159,500	\$ 159,200	\$ -
Less:								
Transaction Privilege Taxes Paid	144,400	147,300	150,200	153,200	156,300	159,400	166,100	331,800
Utility System Revenues	53,100	54,100	55,100	56,200	57,400	58,500	59,700	61,000
Remaining Revenue to be Recovered	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payroll Conversion Factor	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Minimum Additional Payroll Needed (in City)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Additional Direct Payroll Needed</b>								
Annual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Direct Payroll Anticipated</b>								
Annual	\$ 1,606,800	\$ 1,646,400	\$ 1,687,200	\$ 1,729,200	\$ 1,772,400	\$ 1,816,800	\$ 1,862,400	\$ 1,909,200
Cumulative	\$ 17,290,600	\$ 18,937,000	\$ 20,624,200	\$ 22,353,400	\$ 24,125,800	\$ 25,942,600	\$ 27,805,000	\$ 29,714,200

**Schedule 6**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Fiscal Impacts**

Description	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2020	2021	2022	2023	2024	2025	2026	2027
<b>PROJECTED TRANSACTION PRIVILEGE TAXES CREDIT (1)</b>								
Annual	\$ -	\$ 33,400	\$ 66,800	\$ 102,100	\$ 133,400	\$ 136,200	\$ 138,800	\$ 141,600
<b>Cumulative</b>	<b>\$ -</b>	<b>\$ 33,400</b>	<b>\$ 100,200</b>	<b>\$ 202,300</b>	<b>\$ 335,700</b>	<b>\$ 471,900</b>	<b>\$ 610,700</b>	<b>\$ 752,300</b>
<b>PROJECTED SOURCES OF REVENUE</b>								
Transaction Privilege Taxes Paid								
From Construction Purchases	\$ 125,700	\$ 41,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From Businesses On Site (1)	\$ -	\$ 33,300	\$ 66,700	\$ 102,000	\$ 133,400	\$ 136,100	\$ 138,800	\$ 141,600
Total Annual	\$ 125,700	\$ 75,200	\$ 66,700	\$ 102,000	\$ 133,400	\$ 136,100	\$ 138,800	\$ 141,600
<b>Cumulative</b>	<b>\$ 125,700</b>	<b>\$ 200,900</b>	<b>\$ 267,600</b>	<b>\$ 369,600</b>	<b>\$ 503,000</b>	<b>\$ 639,100</b>	<b>\$ 777,900</b>	<b>\$ 919,500</b>
Utility System Revenue								
Annual	\$ -	\$ 8,200	\$ 38,800	\$ 45,900	\$ 49,100	\$ 50,000	\$ 50,900	\$ 52,000
<b>Cumulative</b>	<b>\$ -</b>	<b>\$ 8,200</b>	<b>\$ 47,000</b>	<b>\$ 92,900</b>	<b>\$ 142,000</b>	<b>\$ 192,000</b>	<b>\$ 242,900</b>	<b>\$ 294,900</b>
Payroll Revenue Impacts								
Annual Direct Payroll	\$ 3,907,200	\$ 3,206,000	\$ 1,107,800	\$ 1,419,600	\$ 1,455,600	\$ 1,491,600	\$ 1,528,800	\$ 1,567,200
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Payroll Conversion Factor (2)	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Total Revenue Payroll Impacts								
Annual	\$ 108,400	\$ 89,000	\$ 30,700	\$ 39,400	\$ 40,400	\$ 41,400	\$ 42,400	\$ 43,500
<b>Cumulative</b>	<b>\$ 108,400</b>	<b>\$ 197,400</b>	<b>\$ 228,100</b>	<b>\$ 267,500</b>	<b>\$ 307,900</b>	<b>\$ 349,300</b>	<b>\$ 391,700</b>	<b>\$ 435,200</b>
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>								
Annual	\$ 234,100	\$ 172,400	\$ 136,200	\$ 187,300	\$ 222,900	\$ 227,500	\$ 232,100	\$ 237,100
<b>Cumulative</b>	<b>\$ 234,100</b>	<b>\$ 406,500</b>	<b>\$ 542,700</b>	<b>\$ 730,000</b>	<b>\$ 952,900</b>	<b>\$ 1,180,400</b>	<b>\$ 1,412,500</b>	<b>\$ 1,649,600</b>

Notes:

(1) Assumes 50% credit of annual transaction privilege taxes due.

(2) Includes City's share of additional State Tax as well as Transaction Privilege Taxes from additional consumer spending.

**Schedule 6**  
**City of San Luis Economic Impact Analysis**  
**San Luis Commercial Holdings, LLC Multi-Use Project**  
**Projected Fiscal Impacts**

Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	2028	2029	2030	2031	2032	2033	2034	2035
<b>PROJECTED TRANSACTION PRIVILEGE TAXES CREDIT</b>								
Annual	\$ 144,400	\$ 147,300	\$ 150,300	\$ 153,300	\$ 156,400	\$ 159,500	\$ 159,200	\$ -
<b>Cumulative</b>	<b>\$ 896,700</b>	<b>\$ 1,044,000</b>	<b>\$ 1,194,300</b>	<b>\$ 1,347,600</b>	<b>\$ 1,504,000</b>	<b>\$ 1,663,500</b>	<b>\$ 1,822,700</b>	<b>\$ 1,822,700</b>
<b>PROJECTED SOURCES OF REVENUE</b>								
Transaction Privilege Taxes Paid								
From Construction Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From Businesses On Site (1)	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
Total Annual	\$ 144,400	\$ 147,300	\$ 150,200	\$ 153,200	\$ 156,300	\$ 159,400	\$ 166,100	\$ 331,800
<b>Cumulative</b>	<b>\$ 1,063,900</b>	<b>\$ 1,211,200</b>	<b>\$ 1,361,400</b>	<b>\$ 1,514,600</b>	<b>\$ 1,670,900</b>	<b>\$ 1,830,300</b>	<b>\$ 1,996,400</b>	<b>\$ 2,328,200</b>
Utility System Revenue								
Annual	\$ 53,100	\$ 54,100	\$ 55,100	\$ 56,200	\$ 57,400	\$ 58,500	\$ 59,700	\$ 61,000
<b>Cumulative</b>	<b>\$ 348,000</b>	<b>\$ 402,100</b>	<b>\$ 457,200</b>	<b>\$ 513,400</b>	<b>\$ 570,800</b>	<b>\$ 629,300</b>	<b>\$ 689,000</b>	<b>\$ 750,000</b>
Payroll Revenue Impacts								
Annual Direct Payroll	\$ 1,606,800	\$ 1,646,400	\$ 1,687,200	\$ 1,729,200	\$ 1,772,400	\$ 1,816,800	\$ 1,862,400	\$ 1,909,200
Direct Demand Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Payroll Conversion Factor (2)	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775	0.02775
Total Revenue Payroll Impacts								
Annual	\$ 44,600	\$ 45,700	\$ 46,800	\$ 48,000	\$ 49,200	\$ 50,400	\$ 51,700	\$ 53,000
<b>Cumulative</b>	<b>\$ 479,800</b>	<b>\$ 525,500</b>	<b>\$ 572,300</b>	<b>\$ 620,300</b>	<b>\$ 669,500</b>	<b>\$ 719,900</b>	<b>\$ 771,600</b>	<b>\$ 824,600</b>
<b>TOTAL PROJECTED SOURCES OF REVENUE</b>								
Annual	\$ 242,100	\$ 247,100	\$ 252,100	\$ 257,400	\$ 262,900	\$ 268,300	\$ 277,500	\$ 445,800
<b>Cumulative</b>	<b>\$ 1,891,700</b>	<b>\$ 2,138,800</b>	<b>\$ 2,390,900</b>	<b>\$ 2,648,300</b>	<b>\$ 2,911,200</b>	<b>\$ 3,179,500</b>	<b>\$ 3,457,000</b>	<b>\$ 3,902,800</b>

# Attachment A

9-500.11. Expenditures for economic development; requirements; definitions

(L05, Ch. 200, sec. 1)

A. In addition to any other powers granted to a city or town, the governing body of a city or town may appropriate and spend public monies for and in connection with economic development activities.

B. To fund economic development activities under this section, a city or town subject to the requirements of section 9-500.06 shall not impose a new fee or tax on a single specific industry or type of business.

C. Notwithstanding section 19-142, subsection B, a decision by the governing body involving an expenditure pursuant to this section shall not be enacted as an emergency measure and that decision is not effective for at least thirty days after final approval of the expenditure.

D. Before entering into a retail development tax incentive agreement, a city or town shall make a finding by a simple majority vote of the governing body without the use of consent calendar that includes both of the following:

1. That the proposed tax incentive is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement.

2. That in the absence of a tax incentive, the retail business facility or similar retail business facility would not locate in the city or town in the same time, place or manner.

E. A city or town located in or within twenty-five miles of the exterior boundary of a metropolitan statistical area having a population of more than two million persons shall make a finding pursuant to subsection D of this section, by a two-thirds vote of the governing body.

F. A city or town shall not enter into a retail tax incentive agreement if the proposed tax incentive raises less revenue than the amount of the incentive.

G. A city or town shall present a status report of the revenues and expenses associated with the tax incentive every two years for the duration of the agreement in a public meeting.

H. The finding made pursuant to subsection D, paragraph 1 of this section shall be verified by an independent third party before the city or town enters into the retail development incentive agreement.

I. The adoption of the retail development tax incentive agreement shall be approved by a simple majority vote of the governing body without the use of consent calendar. For a city or town located in or within twenty-five miles of the exterior boundary of a metropolitan statistical area having a population of more than two million persons, the adoption of a retail development tax incentive agreement shall be approved by an affirmative vote of at least two-thirds of the governing body without the use of consent calendar.

J. A person or business entity receiving the retail development tax incentive agreement shall not finance the independent third party verification of the findings or have input into the selection of the independent third party verifying the findings.

K. A city or town shall adopt a notice of intent to enter into a retail development tax incentive agreement at least fourteen days before approving a retail development tax incentive agreement.

L. Subsection D of this section does not apply to tax incentives given to a business entity in an area that is designated by a city or town as a redevelopment project as defined in section 36-1471.

M. For the purposes of this section:

1. "Economic development activities" means any project, assistance, undertaking, program or study, whether within or outside the boundaries of the city or town, including acquisition, improvement, redevelopment, leasing or conveyance of improved or unimproved real or personal property or other activity, that the governing body of the city or town has found and determined will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of the city or town.

2. "Expenditure" includes any waiver, exemption, deduction, credit, rebate, discount, deferral or other abatement or reduction of the normal municipal tax liability that otherwise applies to similar existing business entities and properties in that city or town, however denominated, computed or applied, and that is generally understood as an inducement to locate a business facility or other operation in the city or town.

3. "Metropolitan statistical area" means a geographical area consisting of cities, towns and other populated areas defined for federal statistical and census purposes by the United States office of management and budget with technical assistance from the United States bureau of the census.

4. "Retail" means the sale of tangible personal property, except the sale of tangible personal property to a person who is engaged in the business of selling such property.

5. "Retail development activities" means those economic development activities that involve the acquisition, improvement, leasing or conveyance of improved or unimproved real or personal property or other activity to facilitate the sale of goods at retail, including the sale of automobiles, or to facilitate other activities, including theater and restaurant development, that generate revenues that are subject to municipal transaction privilege taxation.

6. "Retail development tax incentive agreement" means an agreement between a city or town and a person engaged in or planning to engage in retail development activities within that city or town in which the city or town agrees to pay, refund, credit, rebate or otherwise provide to that person all or a portion of the sales, use or transaction privilege taxes payable to that city or town in connection with the construction, development or operation of the retail development activities.