

APPENDIX O

Economic Impact and Growth Inducing Study

LOS COYOTES BAND OF CAHUILLA AND CUPEÑO INDIANS FEE-TO-TRUST AND CASINO-HOTEL PROJECT

ECONOMIC IMPACT AND GROWTH INDUCING STUDY

1.0 INTRODUCTION

This study quantifies potential economic impacts of the Los Coyotes Band of Cahuilla and Cupeño Indians' Fee-to-Trust and Casino-Hotel Project (Proposed Project) associated with output, employment, wages, and tax revenues. For each alternative, economic effects in this analysis are quantified for San Bernardino County and San Diego County using the Impact Analysis for Planning (IMPLAN) model. The IMPLAN analysis was first developed by the U.S. Department of Agriculture Forest Service in the mid-1970s. The current IMPLAN input-output database and model is maintained and sold by the Minnesota IMPLAN Group. The IMPLAN model is commonly used by universities, government agencies, corporations, and private consultants to estimate economic impacts to communities and regions. Because the model is so widely used, the results are considered acceptable in inter-agency analysis. Results of this study are analyzed and discussed in **Sections 4.6, 4.13, and 4.14** of the Environmental Impact Statement / Tribal Environmental Impact Report (EIS/TEIR).

Each alternative examined would have a different economic impact on the region respective to the alternative. Alternatives A and B would be located in San Bernardino County, while Alternatives C and D would be located in San Diego County. There are two phases of impact: the construction phase and operation phase. The construction phase is a one-time stimulus to the economy. The operation phase is a reoccurring stimulus to the economy. Each alternative is assumed to be constructed from January 1, 2012 through March 31, 2013. As such, the first full year of operation for each alternative is assumed to be 2014.

1.1 COMPETITIVE GAMING MARKET

1.1.1 SAN BERNARDINO COUNTY

The market for a casino at the Barstow site is unique because of the regional population distribution. The potential market for the Barstow site can be divided into two major sources: close-radius residents and long-distance travelers. The close-radius market consists of individuals who reside in areas where Barstow will either be the closest casino or one of the closer casinos. The long-distance market consists of vehicles on Interstate 15 traveling to Las Vegas, as well as travelers that fork onto Interstate 40 east of Barstow going towards Arizona. The primary market opportunity for the Barstow site is the large number of travelers that currently pass through Barstow on I-15 each year.

Regional competition for the Barstow site includes Primm on the Nevada/California border, California Native American casinos in vicinity of the Barstow site, and casinos on the Arizona/Nevada border near Needles. Specifically, existing regional gaming facilities include: San Manuel Indian Bingo and Casino, Morongo Casino Resort and Spa, Primm casinos (including Whiskey Pete's, Primm Valley Casino Hotel, and Buffalo Bill's Resort & Casino), and Havasu Landing Casino (Michigan Consultants, 2006). The Havasu Landing Resort and Casino and the San Manuel Indian Casino are located within San Bernardino County. Due to the proposed location adjacent to Interstate 15 (I-15), Alternatives A and B would have potential to capture numerous visitors en route either to or from Las Vegas, Nevada. According to the Michigan Consultants, given the location of the project, as well as the potential for growth within the San Bernardino County regional gaming market, the Proposed Project is considered likely to be an economically viable venture (2010).

1.1.2 SAN DIEGO COUNTY

San Diego County consists of approximately 26 existing casinos and two proposed casinos. The nearest gaming facilities to the Los Coyotes site are the Santa Ysabel Casino located approximately 11 miles southeast, the Cahuilla Creek Casino located approximately 25 miles to the north and Harrah's Rincon Casino and Resort and Valley View Casino, which are both located 25 miles to the west. The next closest gaming facilities are the Barona Casino, Viejas Casino & Turf Club, and Sycuan Casino located approximately 30 miles, 30 miles, and 35 miles southwest, respectively. The Pala Casino and Pechanga Entertainment Center are located 32 miles and 35 miles to the northwest, respectively. Finally, the Golden Acorn facility is located 40 miles to the south. As indicated by information provided by Michigan Consultants, due to the limited scope of the Los Coyotes Casino project (Alternative C) combined with the substantially increased gaming competition in San Diego County over recent years, the Los Coyotes Casino project is viewed as not financially advisable and unable to produce the certainty in profits or employment needed for the economic security of present and future tribal members. Similarly, the Non-Gaming Campground (Alternative D) is not likely to produce a certainty in profits or employment sufficient to ensure economic security of present and future tribal members.

2.0 SOCIOECONOMIC IMPACTS

2.1 ALTERNATIVE A – BARSTOW CASINO-HOTEL COMPLEX

Alternative A consists of the following development components: (1) placement of three assessor's parcels in the City of Barstow (City) totaling approximately 23.1 acres into federal trust status on behalf of the Tribe; (2) issuance of a Two-Part Determination relevant to the fee-to-trust application; (3) approval of management contract and related collateral agreements; and (4) development of a casino and hotel with related amenities on the project site. Construction of Alternative A is anticipated to begin in 2012, and the first full year of operation of Class III gaming is anticipated to occur in 2014.

Due to the unique characteristics of San Bernardino County, including substantial areas of undeveloped desert land outside of Barstow city limits, economic impacts are anticipated to be most pronounced immediately surrounding the site. As such, this analysis will focus on the impacts of the project to the zip code containing the project site (92311) as well as eight zip codes surrounding the project site, including: 92312, 92347, 92342, 92368, 92307, 92356, 92327, and 92365. This focused method of analysis is highly specific to the project site and ensures a conservative analysis of potential economic impacts. For a description of the demographics of the zip codes immediately surrounding the Barstow site, please refer to **Table 50** within the Growth-Inducing Study below.

2.1.1 CONSTRUCTION IMPACT

Based on the estimates of construction costs for the proposed development at the project site, the estimated impacts from construction activities, which include the costs for general construction, investment in Furniture, Fixtures and Equipment (FF&E), various business and consulting fees and pre-opening expenses were calculated and are presented in **Table 1**.

Table 1: Development Cost Breakdown for Alternative A

Project Element	Total Cost
Land Acquisition and Real Estate	\$1,300,000
Construction Element	\$149,400,000
Furniture, Fixtures, and Equipment	\$58,100,000
Soft Costs	\$42,600,000
Barstow Casino Total Development Budget	\$251,400,000

Source: Michigan Consultants, 2010

In the following sections, the direct impacts to the zip codes most proximate to the project site from Alternative A’s construction phase are captured through Sector 23 (Construction); Sector 42 (Wholesale Trade); and Sector 53 (Real Estate and Rental). Results are presented in Aggregated Industrial Sectors (NAICS 2-digit). Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Though the impacts from construction activities are one-time, non-recurring, they are expected to generate considerable positive effects to the zip codes most proximate to the project site beyond the construction sector. In order to ensure a conservative analysis, investments in construction activities are anticipated to remain within the County at the same proportion as similar investments have historically remained within the County as calculated by IMPLAN.

Total Output

Total output generated during the construction phase is detailed in **Table 2**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes

paid. Direct impact from investment in construction and related activities, as well as FF&E is estimated at \$161.4 million. This would generate indirect outputs from other regional sectors estimated at \$22.0 million. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$36.9 million. Overall, approximately \$220.5 million of economic output would be generated within the zip codes most proximate to the project site during the construction phase of Alternative A.

Table 2: Alternative A – Construction Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 289,393	\$ 207,146	\$ 496,540
21 Mining (AGG)	\$ -	\$ 295,883	\$ 89,967	\$ 385,850
22 Utilities (AGG)	\$ -	\$ 247,497	\$ 370,691	\$ 618,187
23 Construction (AGG)	\$ 157,952,464	\$ 188,955	\$ 408,542	\$ 158,549,961
31-33 Manufacturing (AGG)	\$ -	\$ 740,321	\$ 324,512	\$ 1,064,832
42 Wholesale Trade	\$ 2,342,575	\$ 765,681	\$ 551,518	\$ 3,659,774
44-45 Retail Trade (AGG)	\$ -	\$ 2,173,121	\$ 5,903,074	\$ 8,076,195
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 1,826,158	\$ 975,051	\$ 2,801,210
51 Information (AGG)	\$ -	\$ 490,521	\$ 437,434	\$ 927,955
52 Finance and Insurance (AGG)	\$ -	\$ 988,525	\$ 1,354,627	\$ 2,343,153
53 Real Estate and Rental (AGG)	\$ 1,167,044	\$ 3,415,878	\$10,345,496	\$ 14,928,417
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 6,610,639	\$ 492,905	\$ 7,103,543
55 Management of Companies (AGG)	\$ -	\$ 79,229	\$ 33,740	\$ 112,970
56 Administrative and Waste Services (AGG)	\$ -	\$ 1,148,219	\$ 579,984	\$ 1,728,203
61 Educational Services (AGG)	\$ -	\$ 1,385	\$ 302,795	\$ 304,181
62 Health and Social Services (AGG)	\$ -	\$ 56	\$ 8,228,076	\$ 8,228,133
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 19,361	\$ 154,247	\$ 173,608
72 Accommodation & Food Services (AGG)	\$ -	\$ 576,678	\$ 3,258,370	\$ 3,835,048
81 Other Services (AGG)	\$ -	\$ 1,725,067	\$ 1,736,154	\$ 3,461,220
92 Government and non NAICS	\$ -	\$ 464,468	\$ 1,191,275	\$ 1,655,743
Total	\$ 161,462,083	\$22,047,036	\$36,945,603	\$ 220,454,721

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the construction phase is detailed in **Table 3**. Direct impact in the zip codes most proximate to the project site from investment in construction and related activities, as well as FF&E, is estimated at 990 positions. This alternative would generate 165 indirect employment positions and 311 induced employment positions from other regional sectors.

Table 3: Alternative A – Construction Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	1	1	2
21 Mining (AGG)	-	1	0	1
22 Utilities (AGG)	-	0	1	1
23 Construction (AGG)	968	2	3	973
31-33 Manufacturing (AGG)	-	4	1	5
42 Wholesale Trade	15	5	3	23
44-45 Retail Trade (AGG)	-	28	76	105
48-49 Transportation and Warehousing (AGG)	-	12	7	19
51 Information (AGG)	-	1	1	3
52 Finance and Insurance (AGG)	-	5	7	12
53 Real Estate and Rental (AGG)	7	14	20	42
54 Professional – Scientific & Tech Services (AGG)	-	49	4	53
55 Management of Companies (AGG)	-	0	0	1
56 Administrative and Waste Services (AGG)	-	16	8	24
61 Educational Services (AGG)	-	0	6	6
62 Health and Social Services (AGG)	-	0	78	78
71 Arts – Entertainment & Recreation (AGG)	-	0	2	3
72 Accommodation & Food Services (AGG)	-	9	53	62
81 Other Services (AGG)	-	15	33	49
92 Government and non NAICS	-	2	5	7
Total	990	165	311	1,467

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the construction phase is detailed in **Table 4**. As a result of the jobs generated by Alternative A, direct wages generated to be captured by the zip codes most proximate to the project site are estimated at \$44.5 million. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$7 million. The generation of direct and indirect wages would an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$10.5 million. Overall, approximately \$62.1 million in wages would be generated within the zip codes most proximate to the project site during the construction phase of Alternative A.

Table 4: Alternative A – Construction Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 21,731	\$ 23,725	\$ 45,456
21 Mining (AGG)	\$ -	\$ 81,243	\$ 15,530	\$ 96,773
22 Utilities (AGG)	\$ -	\$ 48,096	\$ 77,151	\$ 125,247

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
23 Construction (AGG)	\$43,685,544	\$ 88,185	\$ 113,618	\$43,887,348
31-33 Manufacturing (AGG)	\$ -	\$ 181,700	\$ 48,249	\$ 229,949
42 Wholesale Trade	\$ 847,711	\$ 277,078	\$ 199,579	\$ 1,324,368
44-45 Retail Trade (AGG)	\$ -	\$ 824,729	\$ 2,206,160	\$ 3,030,889
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 597,042	\$ 313,347	\$ 910,389
51 Information (AGG)	\$ -	\$ 101,834	\$ 94,470	\$ 196,304
52 Finance and Insurance (AGG)	\$ -	\$ 234,476	\$ 322,490	\$ 556,966
53 Real Estate and Rental (AGG)	\$ 59,459	\$ 520,430	\$ 227,153	\$ 807,042
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$2,648,970	\$ 172,595	\$ 2,821,565
55 Management of Companies (AGG)	\$ -	\$ 31,150	\$ 13,266	\$ 44,416
56 Administrative and Waste Services (AGG)	\$ -	\$ 497,896	\$ 237,934	\$ 735,830
61 Educational Services (AGG)	\$ -	\$ 556	\$ 177,730	\$ 178,287
62 Health and Social Services (AGG)	\$ -	\$ 19	\$ 4,048,520	\$ 4,048,539
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 4,866	\$ 39,862	\$ 44,728
72 Accommodation & Food Services (AGG)	\$ -	\$ 180,389	\$ 1,039,682	\$ 1,220,072
81 Other Services (AGG)	\$ -	\$ 511,833	\$ 648,885	\$ 1,160,718
92 Government and non NAICS	\$ -	\$ 186,839	\$ 434,705	\$ 621,544
Total	\$44,592,715	\$7,039,064	\$10,454,651	\$62,086,430

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

The construction of Alternative A would generate substantial tax revenues to federal, state, and local governments (**Table 5**). Total tax revenue during the construction phase is estimated at \$20.8 million. Local government is estimated to receive total tax revenue of \$7.5 million. The majority of local government taxes is derived from indirect business taxes, which includes increased sales tax revenue.

Table 5: Alternative A – Construction Phase Impact on Overall Tax Revenues

	Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax			644,821		644,821
	Indirect Bus Tax: Custom Duty				129,172	129,172
	Indirect Bus Tax: Excise Tax				277,365	277,365
	Indirect Bus Tax: Fed NonTaxes				213,222	213,222
	Personal Tax: Income Tax			3,943,153		3,943,153
	Social Ins Tax - Employee Contribution	3,407,585	1,254,316			4,661,901
	Social Ins Tax - Employer Contribution	3,446,101				3,446,101
Subtotal	\$6,853,686	\$1,254,316	\$3,943,153	\$644,821	\$619,759	\$13,315,735
State/Local Government NonEducation	Corporate Profits Tax			231,420		231,420
	Dividends			463,239		463,239
	Indirect Bus Tax: Motor Vehicle Lic				41,077	41,077
	Indirect Bus Tax: Other Taxes				414,854	414,854
	Indirect Bus Tax: Property Tax				1,656,178	1,656,178
	Indirect Bus Tax: S/L NonTaxes				191,652	191,652
	Indirect Bus Tax: Sales Tax				2,078,867	2,078,867
	Indirect Bus Tax: Severance Tax				1,292	1,292
	Personal Tax: Income Tax			1,591,980		1,591,980
	Personal Tax: Motor Vehicle License			53,390		53,390
	Personal Tax: NonTaxes (Fines-Fees)			342,947		342,947
	Personal Tax: Other Taxes (Fish/Hunt)			10,185		10,185
	Personal Tax: Property Taxes			21,923		21,923
	Social Ins Tax - Employee Contribution	73,076				73,076
	Social Ins Tax - Employer Contribution	314,398				314,398
Subtotal	\$387,475	\$0	\$2,020,425	\$694,659	\$4,383,920	\$7,486,479
Grand Total	\$7,241,161	\$1,254,316	\$5,963,578	\$1,339,480	\$5,003,679	\$20,802,214

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

2.1.2 OPERATION IMPACT

The estimated economic impact from operation of Alternative A was calculated based on revenue projections supplied by Michigan Consultants (2010).

Projected Casino Revenue

Under Alternative A, the Tribe would sign a compact with the state allowing the Tribe to construct a gaming facility and operate up to 2,000 Class III machines and 75 table games (including 10 poker tables). Revenue projections under Alternative A are provided in **Table 6**.

Table 6: Annual Net Revenue Breakdown for Alternative A

Project Element	Revenue
Casino Gaming Revenue	
Electronic Games of Chance	\$121,937,688
Poker	\$2,400,000
Table Games (excluding poker)	\$11,148,632
Non-Gaming Operations Revenue	
Food & Beverage; Entertainment	\$19,425,592
Lodging	\$3,270,400
Total Revenue	\$158,182,312

Source: Michigan Consultants, 2010

The projected revenue for the Barstow Casino is \$158.2 million in the first year of operation. In the following sections, the direct impact from the project is captured in NAICS Sector 71 (Arts – Entertainment and Recreation), and Sector 72 (Accommodation and Food Services). Operation impacts are anticipated to recur annually beginning with the first full year of operation, which is anticipated to be 2014 under Alternative A.

Substitution Effects

The market for the Barstow site includes Primm on the Nevada/California border, California Native American casinos in vicinity of the Barstow site, and casinos on the Arizona/Nevada border near Needles. Casinos within San Bernardino County casinos include the San Manuel Indian Casino, approximately 50 miles southwest, and the Havasu Landing Resort and Casino, over 180 miles east. Whenever a new casino opens in a market area, a certain amount of market cannibalization is to be expected. The anticipated gaming revenue substitution effect under Alternative A would be approximately 15.4 percent of total projected gaming revenue for the project (\$20,864,893) (Michigan Consultants, 2010). Anticipated substitution effects are likely to diminish after the first year of the project’s operation once local residents experience the casino and return to more typical spending patterns. It is likely that all competing casinos would continue to generate significantly positive cash flows. It is important to note that the addition of a casino in San Bernardino County would be likely to significantly expand the gaming market for the region as a whole.

According to a 2000 Harvard University study, worst-case non-gaming substitution effects occurring in rural environments as a result of Native American casinos have shown on average a nine percent decrease in earnings at local restaurants and bars and an increase in earnings in other commercial sectors.¹ According to official U.S. Census Bureau definitions, rural areas comprise open country and settlements with fewer than 2,500 residents.² In January 2010, the City of Barstow had a population of 24,281

¹ Taylor, Jonathan B., Matthew B. Krepps, and Patrick Wang, 2000. *The National Evidence on the Socioeconomic Impacts of American Indian Gaming on Non-Indian Communities*. April 2000. Available online at: <http://www.hks.harvard.edu/hpaied/docs/PRS00-1.pdf>

² Measuring Rurality: What is Rural? United States Department of Agriculture. Economic Research Service. Available online at: <http://www.ers.usda.gov/Briefing/Rurality/WhatIsRural/>. March 22, 2007.

people,³ which is significantly higher than the U.S. Census Bureau’s definition of a rural community. Thus, worst case effects as described in the Harvard study would not apply to the Barstow site. Therefore, it may be inferred that if substitution occurs it would be at some percentage lower than nine percent. Additionally, potential non-gaming substitution effects would be counteracted by the local economic activity generated by casino patrons other than local residents. Specifically, as the casino would draw non-residents to the area, the associated increase in new visitor demand for off-site entertainment venues, restaurants, and bars would make up for some area residents choosing to visit Alternative A rather than other local establishments. Thus, it is not anticipated that significant quantifiable non-gaming substitution effects would occur.

Total Output

Total annual output generated during the operation phase is detailed in **Table 7**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. New direct investment in the gaming industry, casino hotels, and food and beverage consumption at the site as a result of Alternative A are estimated at \$141.6 million. This would generate indirect outputs from other regional sectors in the zip codes most proximate to the project site estimated at \$23.2 million. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$18.6 million. Overall, approximately \$183.5 million of economic output would be generated within the zip codes most proximate to the project site annually during the operation phase of Alternative A.

Table 7: Alternative A – Operation Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 117,740	\$ 105,485	\$ 223,225
21 Mining (AGG)	\$ -	\$ 216,152	\$ 46,011	\$ 262,163
22 Utilities (AGG)	\$ -	\$ 1,152,262	\$ 190,597	\$ 1,342,860
23 Construction (AGG)	\$ -	\$ 617,748	\$ 204,309	\$ 822,056
31-33 Manufacturing (AGG)	\$ -	\$ 298,105	\$ 164,577	\$ 462,682
42 Wholesale Trade	\$ -	\$ 328,564	\$ 282,406	\$ 610,970
44-45 Retail Trade (AGG)	\$ -	\$ 220,700	\$ 2,940,584	\$ 3,161,284
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 1,576,911	\$ 487,938	\$ 2,064,849
51 Information (AGG)	\$ -	\$ 2,333,257	\$ 222,841	\$ 2,556,098
52 Finance and Insurance (AGG)	\$ -	\$ 1,358,765	\$ 689,591	\$ 2,048,357
53 Real Estate and Rental (AGG)	\$ -	\$ 2,782,874	\$ 5,199,374	\$ 7,982,248
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 2,989,904	\$ 249,228	\$ 3,239,131
55 Management of Companies (AGG)	\$ -	\$ 556,040	\$ 17,086	\$ 573,126
56 Administrative and Waste Services (AGG)	\$ -	\$ 2,714,614	\$ 293,028	\$ 3,007,642

³ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2009 and 2010. Sacramento, California, May 2010. Available online at: <http://www.dof.ca.gov/research/demographic/reports/>

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
61 Educational Services (AGG)	\$ -	\$ 2,117	\$ 146,002	\$ 148,119
62 Health and Social Services (AGG)	\$ -	\$ 4,730	\$ 4,193,143	\$ 4,197,874
71 Arts – Entertainment & Recreation (AGG)	\$119,947,592	\$ 267,856	\$ 77,363	\$ 120,292,804
72 Accommodation & Food Services (AGG)	\$ 21,738,260	\$ 2,009,059	\$ 1,641,556	\$ 25,388,874
81 Other Services (AGG)	\$ -	\$ 1,212,886	\$ 871,148	\$ 2,084,035
92 Government and non NAICS	\$ -	\$ 2,466,003	\$ 606,524	\$ 3,072,527
Total	\$141,685,852	\$23,226,289	\$18,628,790	\$ 183,540,925

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the operation phase are detailed in **Table 8**. The potential for Alternative A to result in growth-inducing impacts, including the potential for out-of-area employees to relocate to the Barstow area of San Bernardino County, is analyzed in **Section 6.0** of the EIS/TEIR.

Alternative A would generate indirect employment positions from other regional sectors within the zip codes most proximate to the project site estimated at 198 positions. The generation of direct and indirect output would result in the creation of wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption would result in an additional increase in employment opportunities, induced impact, estimated at 157 positions. Overall, approximately 1,562 new job opportunities would be captured within the zip codes most proximate to the project site during the operation phase of Alternative A.

Table 8: Alternative A – Operation Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	1	0	1
21 Mining (AGG)	-	0	0	0
22 Utilities (AGG)	-	2	0	2
23 Construction (AGG)	-	5	2	6
31-33 Manufacturing (AGG)	-	1	1	2
42 Wholesale Trade	-	2	2	4
44-45 Retail Trade (AGG)	-	3	38	41
48-49 Transportation and Warehousing (AGG)	-	14	3	18
51 Information (AGG)	-	11	1	12
52 Finance and Insurance (AGG)	-	7	4	10
53 Real Estate and Rental (AGG)	-	17	11	27
54 Professional – Scientific & Tech Services (AGG)	-	26	2	28
55 Management of Companies (AGG)	-	3	0	3
56 Administrative and Waste Services (AGG)	-	38	4	42
61 Educational Services (AGG)	-	0	3	3

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
62 Health and Social Services (AGG)	-	0	40	40
71 Arts – Entertainment & Recreation (AGG)	870	2	1	873
72 Accommodation & Food Services (AGG)	337	32	27	396
81 Other Services (AGG)	-	16	16	33
92 Government and non NAICS	-	18	3	20
Total	1,207	198	157	1,562

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the operation phase are detailed in **Table 9**. As a result of the jobs generated by Alternative A, direct wages generated are estimated at \$26.7 million. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$7.7 million. The generation of direct and indirect wages would result in an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$5.2 million. Overall, approximately \$39.7 million in wages would be generated annually within the zip codes most proximate to the project site during the operation phase of Alternative A.

Table 9: Alternative A – Operation Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 14,131	\$ 12,030	\$ 26,161
21 Mining (AGG)	\$ -	\$ 36,917	\$ 7,939	\$ 44,856
22 Utilities (AGG)	\$ -	\$ 220,825	\$ 39,662	\$ 260,487
23 Construction (AGG)	\$ -	\$ 294,175	\$ 57,098	\$ 351,273
31-33 Manufacturing (AGG)	\$ -	\$ 60,737	\$ 24,501	\$ 85,238
42 Wholesale Trade	\$ -	\$ 118,898	\$ 102,195	\$ 221,093
44-45 Retail Trade (AGG)	\$ -	\$ 83,759	\$1,098,988	\$ 1,182,747
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 553,057	\$ 156,957	\$ 710,014
51 Information (AGG)	\$ -	\$ 800,063	\$ 47,940	\$ 848,003
52 Finance and Insurance (AGG)	\$ -	\$ 339,839	\$ 163,960	\$ 503,799
53 Real Estate and Rental (AGG)	\$ -	\$ 200,575	\$ 116,685	\$ 317,260
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$1,044,379	\$ 87,301	\$ 1,131,680
55 Management of Companies (AGG)	\$ -	\$ 218,617	\$ 6,718	\$ 225,334
56 Administrative and Waste Services (AGG)	\$ -	\$1,128,527	\$ 120,130	\$ 1,248,658
61 Educational Services (AGG)	\$ -	\$ 845	\$ 85,085	\$ 85,929
62 Health and Social Services (AGG)	\$ -	\$ 1,583	\$2,064,070	\$ 2,065,652
71 Arts – Entertainment & Recreation (AGG)	\$ 19,887,960	\$ 38,488	\$ 20,010	\$19,946,458
72 Accommodation & Food Services (AGG)	\$ 6,818,685	\$ 638,806	\$ 523,913	\$ 7,981,405
81 Other Services (AGG)	\$ -	\$ 516,382	\$ 324,727	\$ 841,109
92 Government and non NAICS	\$ -	\$1,403,436	\$ 220,859	\$ 1,624,295
Total	\$ 26,706,645	\$7,714,038	\$5,280,768	\$39,701,452

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

There is a common misconception that Native American gaming facilities do not generate fiscal benefits beyond tribal governments. Tribes, as sovereign governments, do not pay corporate income taxes on revenue or property taxes on tribal land; tribal members that both live and work on a Reservation do not pay state income taxes; and state and/or local sales/excise taxes are levied on purchases by tribal members on reservations. However, taxes are paid in all other circumstances, including: purchases made by non-tribal members, income taxes paid by non-tribal members or members that live off of the Reservation, and all indirect and induced activity generated during operation. As such, federal, state, and local governments typically experience substantial fiscal benefits from tribal business operations, including casinos.

The operation of Alternative A would generate substantial tax revenues to federal, state, and local governments (**Table 10**). Total annual tax revenue during the operation phase is estimated at \$6.2 million. Local government is estimated to receive total tax revenue of \$2.7 million. The majority of local

government taxes is derived from indirect business taxes, including increased sales tax revenue. The Barstow site is located on the three San Bernardino County tax parcels 0428-171-66, 0428-171-67, and 0428-171-68. The San Bernardino County Assessor's office has records of the value of each parcel in 2010. From these records, the total value for all three parcels is \$550,731, and the total property tax value for all three parcels in 2010 was approximately \$6,634.⁴ Alternative A would result in the entire area of each of the parcels at the Barstow site to be transferred into trust status for the Tribe. Therefore, approximately \$6,634 in property taxes would be lost by local governments including San Bernardino County and the City of Barstow.⁵ The Municipal Services Agreement (MSA) provides for compensation by the Tribe to the City of Barstow. Effects due to the loss of state and federal tax revenues as a result of transferring the land into trust would be offset by increased local, state and federal tax revenues resulting from construction and operation of Alternative A, and from revenue sharing programs per tribal compacts and the MSA.

⁴ San Bernardino County, 2011. *Property Information Management System Internet Site*. Available online at: <http://nppublic.co.san-bernardino.ca.us/newpims/PimsInterface.aspx>. Accessed on March 28, 2011.

Table 10: Alternative A – Operation Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				325,975		325,975
	Indirect Bus Tax: Custom Duty					57,301	57,301
	Indirect Bus Tax: Excise Tax					123,042	123,042
	Indirect Bus Tax: Fed NonTaxes					94,587	94,587
	Personal Tax: Income Tax			686,021			686,021
	Social Ins Tax - Employee Contribution	713,214	114,769				827,983
	Social Ins Tax - Employer Contribution	721,276					721,276
	Subtotal	\$1,434,490	\$114,769	\$686,021	\$925,975	\$274,930	\$3,436,185
State/Local Government NonEducation	Corporate Profits Tax				116,990		116,990
	Dividends				234,179		234,179
	Indirect Bus Tax: Motor Vehicle Lic					18,222	18,222
	Indirect Bus Tax: Other Taxes					184,033	184,033
	Indirect Bus Tax: Property Tax					734,694	734,694
	Indirect Bus Tax: S/L NonTaxes					85,018	85,018
	Indirect Bus Tax: Sales Tax					922,202	922,202
	Indirect Bus Tax: Severance Tax					573	573
	Personal Tax: Income Tax			276,969			276,969
	Personal Tax: Motor Vehicle License			9,288			9,288
	Personal Tax: NonTaxes (Fines-Fees)			59,665			59,665
	Personal Tax: Other Taxes (Fish/Hunt)			1,772			1,772
	Personal Tax: Property Taxes			3,814			3,814
	Social Ins Tax - Employee Contribution	15,295					15,295
	Social Ins Tax - Employer Contribution	65,805					65,805
Subtotal	\$81,100	\$0	\$351,508	\$351,169	\$1,944,746	\$2,728,523	
Grand Total	\$1,442,590	\$114,769	\$1,037,529	\$1,277,144	\$2,219,676	\$6,164,708	

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown may not add up to equal the number given in the Total. The tax revenues indicated in the table include indirect and induced taxes only. Due to the project's unique circumstances, including the proposed location on trust land, direct tax revenues generated during the project's operation phase were not quantifiable. As such, actual tax revenues generated by the project may be greater than those indicated above as direct personal income tax has not been included in the totals.

2.2 ALTERNATIVE B – BARSTOW REDUCED CASINO-HOTEL COMPLEX (PROPOSED PROJECT)

The development components of Alternative B would be similar to those of Alternative A including: (1) placement of three parcels totaling approximately 23.1 acres into federal trust status on behalf of the

Tribe; (2) issuance of a Two-Part Determination relevant to the fee-to-trust application; (3) approval of management contract and related collateral agreements; and (4) development of a casino, hotel, and associated amenities. Under Alternative B, the casino, hotel, and associated amenities would be reduced in size. Construction of Alternative B is anticipated to begin in 2012, and operation of Class III gaming is anticipated to occur in 2014.

Similar to Alternative A, due to the unique characteristics of San Bernardino County, including substantial areas of undeveloped desert land outside of Barstow city limits, economic impacts are anticipated to be most pronounced immediately surrounding the site. As such, analysis of Alternative B focuses on the impacts of the project to the zip code containing the project site (92311) as well as eight zip codes surrounding the project site, including: 92312, 92347, 92342, 92368, 92307, 92356, 92327, and 92365. This focused method of analysis is highly specific to the project site and ensures a conservative analysis of potential economic impacts.

2.2.1 CONSTRUCTION IMPACT

Based on the estimates of construction costs for the proposed development at the Barstow Project site, the estimated impacts from construction activities, which include the costs for general construction, investment in Furniture, Fixtures and Equipment (FF&E), various business and consulting fees and pre-opening expenses were calculated and are presented in **Table 11**.

Table 11: Development Cost Breakdown for Alternative B

Project Element	Total Cost
Land Acquisition and Real Estate	\$1,300,000
Construction Element	\$100,098,000
Furniture, Fixtures, and Equipment	\$38,927,000
Soft Costs	\$42,600,000
Barstow Casino Total Development Budget	\$182,925,000

Source: Michigan Consultants, 2010

In the following sections, the direct impacts from Alternative B's construction phase are captured through Sector 23 (Construction); Sector 42 (Wholesale Trade); and Sector 53 (Real Estate and Rental). Results are presented in Aggregated Industrial Sectors (NAICS 2-digit). Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Though the impacts from construction activities are one-time, non-recurring, they are expected to generate considerable positive effects to the community beyond the construction sector. In order to ensure a conservative analysis, investments in construction activities are anticipated to remain within the zip codes most proximate to the project site at the same proportion as similar investments have historically remained within the zip codes most proximate to the project site as calculated by IMPLAN.

Total Output

Total output generated during the construction phase is detailed in **Table 12**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. Direct impact from investment in construction and related activities, as well as FF&E, is estimated at \$117.6 million. This would generate indirect outputs from other regional sectors estimated at \$16.0 million. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$26.9 million. Overall, approximately \$160.5 million of economic output would be generated within the zip codes most proximate to the project site during the construction phase of Alternative B.

Table 12: Alternative B – Construction Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 210,644	\$ 150,612	\$ 361,256
21 Mining (AGG)	\$ -	\$ 215,091	\$ 65,413	\$ 280,504
22 Utilities (AGG)	\$ -	\$ 181,157	\$ 269,517	\$ 450,673
23 Construction (AGG)	\$ 114,706,568	\$ 140,183	\$ 297,052	\$ 115,143,803
31-33 Manufacturing (AGG)	\$ -	\$ 537,804	\$ 235,947	\$ 773,752
42 Wholesale Trade	\$ 1,701,200	\$ 556,124	\$ 400,993	\$ 2,658,318
44-45 Retail Trade (AGG)	\$ -	\$ 1,578,327	\$ 4,292,164	\$ 5,870,491
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 1,326,710	\$ 708,961	\$ 2,035,671
51 Information (AGG)	\$ -	\$ 356,794	\$ 318,049	\$ 674,843
52 Finance and Insurance (AGG)	\$ -	\$ 720,605	\$ 984,921	\$ 1,705,526
53 Real Estate and Rental (AGG)	\$ 1,167,044	\$ 2,493,895	\$ 7,522,165	\$ 11,183,104
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 4,802,753	\$ 358,385	\$ 5,161,138
55 Management of Companies (AGG)	\$ -	\$ 57,643	\$ 24,532	\$ 82,175
56 Administrative and Waste Services (AGG)	\$ -	\$ 841,210	\$ 421,700	\$ 1,262,909
61 Educational Services (AGG)	\$ -	\$ 1,007	\$ 220,177	\$ 221,184
62 Health and Social Services (AGG)	\$ -	\$ 41	\$ 5,982,453	\$ 5,982,494
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 14,112	\$ 112,153	\$ 126,265
72 Accommodation & Food Services (AGG)	\$ -	\$ 420,393	\$ 2,369,136	\$ 2,789,529
81 Other Services (AGG)	\$ -	\$ 1,253,133	\$ 1,262,353	\$ 2,515,486
92 Government and non NAICS	\$ -	\$ 339,361	\$ 866,151	\$ 1,205,512
Total	\$ 117,574,812	\$16,046,987	\$26,862,832	\$ 160,484,632

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the construction phase is detailed in **Table 13**. Direct impact from Alternative B is estimated at 721 positions. This alternative would generate 120 indirect employment positions and 226 induced employment positions from other regional sectors. The generation of direct and indirect output would result in the creation of wages. Overall, approximately 1,068 job opportunities would be generated within the zip codes most proximate to the project site during the construction phase of Alternative B.

Table 13: Alternative B – Construction Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	1	1	1
21 Mining (AGG)	-	1	0	1
22 Utilities (AGG)	-	0	1	1
23 Construction (AGG)	703	1	2	707
31-33 Manufacturing (AGG)	-	3	1	3
42 Wholesale Trade	11	4	3	17
44-45 Retail Trade (AGG)	-	21	55	76
48-49 Transportation and Warehousing (AGG)	-	9	5	14
51 Information (AGG)	-	1	1	2
52 Finance and Insurance (AGG)	-	3	5	9
53 Real Estate and Rental (AGG)	7	10	15	32
54 Professional – Scientific & Tech Services (AGG)	-	35	3	39
55 Management of Companies (AGG)	-	0	0	0
56 Administrative and Waste Services (AGG)	-	12	6	17
61 Educational Services (AGG)	-	0	5	5
62 Health and Social Services (AGG)	-	0	57	57
71 Arts – Entertainment & Recreation (AGG)	-	0	2	2
72 Accommodation & Food Services (AGG)	-	6	38	45
81 Other Services (AGG)	-	11	24	35
92 Government and non NAICS	-	2	4	5
Total	721	120	226	1,068

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the construction phase is detailed in **Table 14**. As a result of the jobs generated by Alternative B, direct wages generated are estimated at \$32.4 million. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$5.1 million. The generation of direct

and indirect wages would an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$7.6 million. Overall, approximately \$45.1 million in wages would be generated within the zip codes most proximate to the project site during the construction phase of Alternative B.

Table 14: Alternative B – Construction Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 15,818	\$ 17,250	\$ 33,068
21 Mining (AGG)	\$ -	\$ 59,038	\$ 11,291	\$ 70,329
22 Utilities (AGG)	\$ -	\$ 35,228	\$ 56,094	\$ 91,322
23 Construction (AGG)	\$31,724,862	\$ 65,129	\$ 82,611	\$31,872,602
31-33 Manufacturing (AGG)	\$ -	\$ 131,999	\$ 35,081	\$ 167,080
42 Wholesale Trade	\$ 615,616	\$ 201,246	\$ 145,108	\$ 961,970
44-45 Retail Trade (AGG)	\$ -	\$ 598,997	\$1,604,114	\$ 2,203,110
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 433,759	\$ 227,834	\$ 661,593
51 Information (AGG)	\$ -	\$ 74,081	\$ 68,687	\$ 142,768
52 Finance and Insurance (AGG)	\$ -	\$ 170,972	\$ 234,477	\$ 405,449
53 Real Estate and Rental (AGG)	\$ 59,459	\$ 378,651	\$ 165,155	\$ 603,266
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$1,924,481	\$ 125,492	\$ 2,049,972
55 Management of Companies (AGG)	\$ -	\$ 22,663	\$ 9,645	\$ 32,309
56 Administrative and Waste Services (AGG)	\$ -	\$ 364,359	\$ 172,999	\$ 537,358
61 Educational Services (AGG)	\$ -	\$ 405	\$ 129,238	\$ 129,642
62 Health and Social Services (AGG)	\$ -	\$ 14	\$2,943,588	\$ 2,943,601
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 3,545	\$ 28,984	\$ 32,529
72 Accommodation & Food Services (AGG)	\$ -	\$ 131,504	\$ 755,945	\$ 887,449
81 Other Services (AGG)	\$ -	\$ 371,841	\$ 471,805	\$ 843,646
92 Government and non NAICS	\$ -	\$ 136,325	\$ 316,066	\$ 452,390
Total	\$32,399,937	\$5,120,051	\$7,601,464	\$45,121,453

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

The construction of Alternative B would generate substantial tax revenues to federal, state, and local governments (**Table 15**). Total tax revenue during the construction phase is estimated at \$15.1 million. Local government is estimated to receive total tax revenue of \$5.5 million. The majority of local government taxes is derived from indirect business taxes, including increased sales tax.

Table 15: Alternative B – Construction Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				475,676		475,676
	Indirect Bus Tax: Custom Duty					94,840	94,840
	Indirect Bus Tax: Excise Tax					203,646	203,646
	Indirect Bus Tax: Fed NonTaxes					156,550	156,550
	Personal Tax: Income Tax			2,867,046			2,867,046
	Social Ins Tax - Employee Contribution	2,476,470	913,009				3,389,479
	Social Ins Tax - Employer Contribution	2,504,461					2,504,461
Subtotal	\$4,980,931	\$913,009	\$2,867,046	\$475,676	\$445,036	\$9,681,698	
State/Local Government NonEducation	Corporate Profits Tax				170,716		170,716
	Dividends				341,725		341,725
	Indirect Bus Tax: Motor Vehicle Lic					30,159	30,159
	Indirect Bus Tax: Other Taxes					304,592	304,592
	Indirect Bus Tax: Property Tax					1,215,989	1,215,989
	Indirect Bus Tax: S/L NonTaxes					140,713	140,713
	Indirect Bus Tax: Sales Tax					1,526,333	1,526,333
	Indirect Bus Tax: Severance Tax					949	949
	Personal Tax: Income Tax			1,157,520			1,157,520
	Personal Tax: Motor Vehicle License			38,820			38,820
	Personal Tax: NonTaxes (Fines-Fees)			249,355			249,355
	Personal Tax: Other Taxes (Fish/Hunt)			7,406			7,406
	Personal Tax: Property Taxes			15,940			15,940
	Social Ins Tax - Employee Contribution	53,108					53,108
	Social Ins Tax - Employer Contribution	228,490					228,490
Subtotal	\$281,598	\$0	\$1,469,040	\$512,441	\$3,218,735	\$5,481,814	
Grand Total	\$5,262,529	\$913,009	\$4,336,086	\$988,117	\$3,663,771	\$15,163,512	

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

2.2.2 OPERATION IMPACT

The estimated economic impact from operation of Alternative B was calculated based on revenue projections supplied by Michigan Consultants (2010),

Projected Casino Revenue

Under Alternative B, the Tribe would sign a compact with the state allowing the facility to operate up to 1,325 Class III machines and 57 table games (including seven poker tables) through the construction of a reduced intensity casino project. Revenue projections under Alternative B are provided in **Table 16**.

Table 16: Annual Net Revenue Breakdown for Alternative B

Project Element	Revenue
Casino Gaming Revenue	
Electronic Games of Chance	\$100,193,568
Poker	\$1,600,000
Table Games (excluding poker)	\$8,309,254
Non-Gaming Operations Revenue	
Food & Beverage; Entertainment	\$13,974,999
Lodging	\$2,289,280
Total Revenue	\$126,367,101

Source: Michigan Consultants, 2010

The projected revenue for the Barstow Casino is \$126.4 million in the first full year of operation. In the following sections, the direct impact from the project is captured in NAICS Sector 71 (Arts – Entertainment and Recreation), and Sector 72 (Accommodation and Food Services). Operation impacts are anticipated to recur annually beginning with the first full year of operation, which is anticipated to be 2014 under Alternative B.

Substitution Effects

As noted under Alternative A, whenever a new casino opens in a market area, a certain amount of market cannibalization is to be expected. The anticipated gaming revenue substitution effect under Alternative B would be approximately 17.0 percent of total projected gaming revenue for the project (\$18,717,480) (Michigan Consultants, 2010). Anticipated substitution effects are likely to diminish after the first year of the project’s operation once local residence return to more typical spending patterns. As is the case with Alternative A, It is likely that all competing casinos would continue to generate significantly positive cash flows. It is important to note that the addition of a casino in San Bernardino County would be likely to expand the gaming market for the region as a whole.

For reasons as described under Alternative A, the Proposed Project would have limited potential for non-gaming substitution effects to occur. Additionally, if non-gaming substitution were to occur, some of the effects would be counteracted by the local economic activity generated by casino patrons within the local environment. Specifically, as the casino would draw non-residents to the area, the associated increase in new visitor demand for off-site entertainment venues, restaurants, and bars would make up for some area residents choosing to visit Alternative B rather than other local establishments. Given the current population of the City of Barstow as well as the reduced size and scope compared with Alternative A, it is not anticipated that significant quantifiable non-gaming substitution effects would occur under the Proposed Project.

Total Output

Total annual output generated during the operation phase is detailed in **Table 17**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. New direct investment in the gaming industry and food and beverage consumption at the site as a result of Alternative B is estimated at \$105.0 million. This would generate indirect outputs from other regional sectors estimated at \$17.5 million. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$13.3 million. Overall, approximately \$135.8 million of new economic output would be generated within the zip codes most proximate to the project site annually during the operation phase of Alternative B.

Table 17: Alternative B – Operation Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 84,654	\$ 75,146	\$ 159,800
21 Mining (AGG)	\$ -	\$ 159,130	\$ 32,774	\$ 191,904
22 Utilities (AGG)	\$ -	\$ 871,269	\$ 135,753	\$ 1,007,021
23 Construction (AGG)	\$ -	\$ 458,499	\$ 145,597	\$ 604,096
31-33 Manufacturing (AGG)	\$ -	\$ 196,528	\$ 117,251	\$ 313,778
42 Wholesale Trade	\$ -	\$ 219,652	\$ 201,159	\$ 420,811
44-45 Retail Trade (AGG)	\$ -	\$ 147,037	\$ 2,095,722	\$ 2,242,759
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 1,206,921	\$ 347,717	\$ 1,554,638
51 Information (AGG)	\$ -	\$ 1,804,982	\$ 158,747	\$ 1,963,728
52 Finance and Insurance (AGG)	\$ -	\$ 1,066,517	\$ 491,255	\$ 1,557,772
53 Real Estate and Rental (AGG)	\$ -	\$ 1,928,261	\$ 3,704,891	\$ 5,633,152
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 2,353,662	\$ 177,570	\$ 2,531,232
55 Management of Companies (AGG)	\$ -	\$ 425,905	\$ 12,173	\$ 438,078
56 Administrative and Waste Services (AGG)	\$ -	\$ 2,077,438	\$ 208,780	\$ 2,286,217
61 Educational Services (AGG)	\$ -	\$ 1,670	\$ 104,122	\$ 105,792
62 Health and Social Services (AGG)	\$ -	\$ 3,839	\$ 2,987,075	\$ 2,990,915
71 Arts – Entertainment & Recreation (AGG)	\$ 97,475,288	\$ 212,762	\$ 55,128	\$ 97,743,185
72 Accommodation & Food Services (AGG)	\$ 7,553,226	\$ 1,508,965	\$ 1,169,659	\$ 10,231,850
81 Other Services (AGG)	\$ -	\$ 931,288	\$ 620,769	\$ 1,552,057
92 Government and non NAICS	\$ -	\$ 1,850,625	\$ 432,078	\$ 2,282,703
Total	\$105,028,514	\$17,509,603	\$13,273,366	\$ 135,811,489

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the operation phase are detailed in **Table 18**. The potential for Alternative B to result in growth-inducing impacts, including the potential for out-of-area employees to relocate to the Barstow area of San Bernardino County, is analyzed in **Section 6.0** of the EIS/TEIR.

Alternative B would generate indirect employment positions from other regional sectors within the zip codes most proximate to the project site estimated at 150 positions. The generation of direct and indirect output would result in the creation of wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption would result in an additional increase in employment opportunities, induced impact, estimated at 112 positions. Overall, approximately 1,085 new job opportunities would be captured within the zip codes most proximate to the project site during the operation phase of Alternative B.

Table 18: Alternative B – Operation Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	1	0	1
21 Mining (AGG)	-	0	0	0
22 Utilities (AGG)	-	1	0	2
23 Construction (AGG)	-	4	1	5
31-33 Manufacturing (AGG)	-	1	0	1
42 Wholesale Trade	-	1	1	3
44-45 Retail Trade (AGG)	-	2	27	29
48-49 Transportation and Warehousing (AGG)	-	11	2	14
51 Information (AGG)	-	9	1	9
52 Finance and Insurance (AGG)	-	5	3	8
53 Real Estate and Rental (AGG)	-	11	8	19
54 Professional – Scientific & Tech Services (AGG)	-	20	2	22
55 Management of Companies (AGG)	-	2	0	2
56 Administrative and Waste Services (AGG)	-	29	3	32
61 Educational Services (AGG)	-	0	2	2
62 Health and Social Services (AGG)	-	0	28	28
71 Arts – Entertainment & Recreation (AGG)	707	2	1	709
72 Accommodation & Food Services (AGG)	116	24	19	159
81 Other Services (AGG)	-	13	12	24
92 Government and non NAICS	-	13	2	15
Total	823	150	112	1,085

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the operation phase are detailed in **Table 19**. As a result of the jobs generated by Alternative B, direct wages generated are estimated at \$18.5 million. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$5.9 million. The generation of direct and indirect wages would an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$3.8 million. Overall, approximately \$28.2 million in new wages would be generated annually within the zip codes most proximate to the project site during the operation phase of Alternative B.

Table 19: Alternative B – Operation Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 10,560	\$ 8,571	\$ 19,131
21 Mining (AGG)	\$ -	\$ 27,088	\$ 5,655	\$ 32,743
22 Utilities (AGG)	\$ -	\$ 166,515	\$ 28,249	\$ 194,764
23 Construction (AGG)	\$ -	\$ 218,520	\$ 40,686	\$ 259,206
31-33 Manufacturing (AGG)	\$ -	\$ 40,263	\$ 17,455	\$ 57,718
42 Wholesale Trade	\$ -	\$ 79,486	\$ 72,794	\$ 152,280
44-45 Retail Trade (AGG)	\$ -	\$ 55,802	\$ 783,237	\$ 839,039
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 425,054	\$ 111,850	\$ 536,903
51 Information (AGG)	\$ -	\$ 621,290	\$ 34,154	\$ 655,444
52 Finance and Insurance (AGG)	\$ -	\$ 266,951	\$ 116,806	\$ 383,757
53 Real Estate and Rental (AGG)	\$ -	\$ 142,188	\$ 83,110	\$ 225,298
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 822,002	\$ 62,200	\$ 884,201
55 Management of Companies (AGG)	\$ -	\$ 167,452	\$ 4,786	\$ 172,238
56 Administrative and Waste Services (AGG)	\$ -	\$ 865,602	\$ 85,593	\$ 951,195
61 Educational Services (AGG)	\$ -	\$ 666	\$ 60,688	\$ 61,353
62 Health and Social Services (AGG)	\$ -	\$ 1,285	\$1,470,372	\$ 1,471,657
71 Arts – Entertainment & Recreation (AGG)	\$16,161,931	\$ 30,139	\$ 14,259	\$16,206,329
72 Accommodation & Food Services (AGG)	\$ 2,361,911	\$ 479,904	\$ 373,302	\$ 3,215,117
81 Other Services (AGG)	\$ -	\$ 401,860	\$ 231,408	\$ 633,268
92 Government and non NAICS	\$ -	\$1,062,000	\$ 157,343	\$ 1,219,343
Total	\$18,523,842	\$5,884,624	\$3,762,518	\$28,170,983

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

For reasons described under Alternative A, the operation of Alternative B would generate substantial tax revenues to federal, state, and local governments (**Table 20**). Total annual tax revenue during the operation phase is estimated at \$4.1 million. Local government is estimated to receive total tax revenue of \$2.0 million. The majority of local government taxes is derived from indirect business taxes, including

increased sales tax revenue. As described under Alternative A, the Barstow site is located on the three San Bernardino County tax parcels 0428-171-66, 0428-171-67, and 0428-171-68 . The San Bernardino County Assessor’s office has records of the value of each parcel in 2010. From these records, the total value for all three parcels is \$550,731, and the total property tax value for all three parcels in 2010 was approximately \$6,634.⁶ Alternative B would result in the entire area of each of the parcels at the Barstow site to be transferred into trust status for the Tribe. Therefore, approximately \$6,634 in property taxes would be lost by local governments including San Bernardino County and the City of Barstow. The MSA provides for compensation by the Tribe to the City of Barstow. Effects due to the loss of state and federal tax revenues as a result of transferring the land into trust would be offset by increased local, state and federal tax revenues resulting from construction and operation of Alternative B, and from revenue sharing programs per tribal compacts and the MSA.

⁶ San Bernardino County, 2011. *Property Information Management System Internet Site*. Available online at: <http://nppublic.co.san-bernardino.ca.us/newpims/PimsInterface.aspx>. Accessed on March 28, 2011.

Table 20: Alternative B – Operation Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				234,622		234,622
	Indirect Bus Tax: Custom Duty					41,225	41,225
	Indirect Bus Tax: Excise Tax					88,519	88,519
	Indirect Bus Tax: Fed NonTaxes					68,048	68,048
	Personal Tax: Income Tax			509,289			509,289
	Social Ins Tax - Employee Contribution	529,479	85,201				614,680
	Social Ins Tax - Employer Contribution	535,463					535,463
	Subtotal	\$1,064,943	\$85,201	\$509,289	\$234,622	\$197,792	\$2,091,847
State/Local Government NonEducation	Corporate Profits Tax				84,203		84,203
	Dividends				168,552		168,552
	Indirect Bus Tax: Motor Vehicle Lic					13,109	13,109
	Indirect Bus Tax: Other Taxes					132,398	132,398
	Indirect Bus Tax: Property Tax					528,559	528,559
	Indirect Bus Tax: S/L NonTaxes					61,164	61,164
	Indirect Bus Tax: Sales Tax					663,457	663,457
	Indirect Bus Tax: Severance Tax					413	413
	Personal Tax: Income Tax			205,617			205,617
	Personal Tax: Motor Vehicle License			6,895			6,895
	Personal Tax: NonTaxes (Fines-Fees)			44,294			44,294
	Personal Tax: Other Taxes (Fish/Hunt)			1,315			1,315
	Personal Tax: Property Taxes			2,832			2,832
	Social Ins Tax - Employee Contribution	11,355					11,355
	Social Ins Tax - Employer Contribution	48,852					48,852
	Subtotal	\$60,207	\$0	\$260,953	\$252,755	\$1,399,101	\$1,973,017
Grand Total	\$1,125,150	\$85,201	\$770,242	\$487,377	\$1,596,893	\$4,064,864	

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown may not add up to equal the number given in the Total. The tax revenues indicated in the table include indirect and induced taxes only. Due to the project's unique circumstances, including the proposed location on trust land, direct tax revenues generated during the project's operation phase were not quantifiable. As such, actual tax revenues generated by the project may be greater than those indicated above as direct personal income tax has not been included in the totals.

2.3 ALTERNATIVE C – LOS COYOTES RESERVATION CASINO

Alternative C consists of: (1) approval of a management contract and (2) development of a Class III casino on land held in trust for the Los Coyotes Band of Cahuilla and Cupeño Indians (Tribe). The Tribe would need to negotiate a compact with the State to allow Class III gaming on the Reservation.

Construction of Alternative C would be anticipated to begin in 2012, and the first full year of operation of the project would be anticipated to occur in 2014.

2.3.1 CONSTRUCTION IMPACT

Based on the estimates of construction costs for the proposed development at the Los Coyotes site, the estimated impacts from construction activities, which include the costs for general construction, and investment in equipment were calculated and are presented in **Table 21**.

Table 21: Development Cost Breakdown for Alternative C

Project Element	Total Cost
Construction Element	\$3,615,654
Infrastructure	\$1,500,000
Furniture, Fixtures, and Equipment	\$3,188,915
Design	\$216,939
Soft Costs	\$500,000
Los Coyotes Casino Total Development Budget	\$9,021,508

Note: Development cost estimates do not include non-construction contingency, full infrastructure costs, or the cost to extend utilities at the site.

Source: Michigan Consultants, 2010

In the following sections, the direct impacts from Alternative C’s construction phase are captured through Sector 21 (Mining); Sector 23 (Construction); Sectors 31-33 (Manufacturing); and Sector 54 (Professional Scientific and Technical Services). Results are presented in Aggregated Industrial Sectors (NAICS 2-digit). Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Impacts from construction activities are one-time, non-recurring.

Total Output

Total output generated during the construction phase is detailed in **Table 22**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. Direct impact from investment in construction and related activities is estimated at \$4.3 million. This would generate indirect outputs from other regional sectors estimated at \$1.5 million. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$1.7 million. Overall, approximately \$7.6 million of economic output would be generated within San Diego County during the construction phase of Alternative C.

Table 22: Alternative C – Construction Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 7,481	\$ 6,068	\$ 13,548
21 Mining (AGG)	\$ 456,406	\$ 10,495	\$ 836	\$ 467,738
22 Utilities (AGG)	\$ -	\$ 28,734	\$ 27,658	\$ 56,392
23 Construction (AGG)	\$3,037,955	\$ 8,377	\$ 14,709	\$3,061,041
31-33 Manufacturing (AGG)	\$ 129,822	\$ 175,008	\$ 51,591	\$ 356,421
42 Wholesale Trade	\$ 592,813	\$ 115,449	\$ 84,368	\$ 792,630
44-45 Retail Trade (AGG)	\$ -	\$ 53,981	\$ 218,655	\$ 272,637
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 34,632	\$ 17,546	\$ 52,178
51 Information (AGG)	\$ -	\$ 109,902	\$ 95,663	\$ 205,565
52 Finance and Insurance (AGG)	\$ -	\$ 102,448	\$ 213,084	\$ 315,533
53 Real Estate and Rental (AGG)	\$ -	\$ 156,241	\$ 388,813	\$ 545,054
54 Professional – Scientific & Tech Services (AGG)	\$ 165,035	\$ 434,006	\$ 79,996	\$ 679,036
55 Management of Companies (AGG)	\$ -	\$ 45,587	\$ 11,770	\$ 57,357
56 Administrative and Waste Services (AGG)	\$ -	\$ 90,363	\$ 41,956	\$ 132,319
61 Educational Services (AGG)	\$ -	\$ 577	\$ 31,640	\$ 32,217
62 Health and Social Services (AGG)	\$ -	\$ 12	\$ 224,950	\$ 224,963
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 5,067	\$ 49,117	\$ 54,184
72 Accommodation & Food Services (AGG)	\$ -	\$ 25,206	\$ 95,984	\$ 121,190
81 Other Services (AGG)	\$ -	\$ 58,753	\$ 90,831	\$ 149,584
92 Government and non NAICS	\$ -	\$ 19,066	\$ 34,535	\$ 53,601
Total	\$4,382,032	\$1,481,384	\$1,779,770	\$7,643,186

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the construction phase is detailed in **Table 23**. Direct impact from Alternative C is estimated at 26 positions. This alternative would generate indirect employment positions from other regional sectors estimated at 9 positions. The generation of direct and indirect output would result in the creation of wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption would result in an additional increase in employment opportunities, induced impact, estimated at 13 positions. Overall, approximately 47 job opportunities would be generated within San Diego County during the construction phase of Alternative C.

Table 23: Alternative C – Construction Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	0	0	0
21 Mining (AGG)	1	0	0	1
22 Utilities (AGG)	-	0	0	0
23 Construction (AGG)	20	0	0	20

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
31-33 Manufacturing (AGG)	0	1	0	1
42 Wholesale Trade	3	1	0	4
44-45 Retail Trade (AGG)	-	1	3	3
48-49 Transportation and Warehousing (AGG)	-	0	0	0
51 Information (AGG)	-	0	0	0
52 Finance and Insurance (AGG)	-	0	1	1
53 Real Estate and Rental (AGG)	-	1	1	2
54 Professional – Scientific & Tech Services (AGG)	1	3	0	4
55 Management of Companies (AGG)	-	0	0	0
56 Administrative and Waste Services (AGG)	-	1	1	2
61 Educational Services (AGG)	-	0	1	1
62 Health and Social Services (AGG)	-	0	2	2
71 Arts – Entertainment & Recreation (AGG)	-	0	0	1
72 Accommodation & Food Services (AGG)	-	0	1	2
81 Other Services (AGG)	-	0	1	2
92 Government and non NAICS	-	0	0	0
Total	26	9	13	47

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the construction phase is detailed in **Table 24**. As a result of the jobs generated by Alternative C, direct wages generated are estimated at \$1.3 million. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$0.4 million. The generation of direct and indirect wages would an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$0.5 million. Overall, approximately \$2.2 million in wages would be generated within San Diego County during the construction phase of Alternative C.

Table 24: Alternative C – Construction Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 941	\$ 1,256	\$ 2,197
21 Mining (AGG)	\$ 35,676	\$ 2,144	\$ 50	\$ 37,871
22 Utilities (AGG)	\$ -	\$ 4,297	\$ 4,493	\$ 8,790
23 Construction (AGG)	\$ 937,797	\$ 4,077	\$ 4,628	\$ 946,501
31-33 Manufacturing (AGG)	\$ 14,539	\$ 30,245	\$ 6,569	\$ 51,353
42 Wholesale Trade	\$ 208,645	\$ 40,633	\$ 29,694	\$ 278,972
44-45 Retail Trade (AGG)	\$ -	\$ 20,216	\$ 80,231	\$ 100,446
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 13,344	\$ 6,484	\$ 19,828
51 Information (AGG)	\$ -	\$ 23,297	\$ 19,724	\$ 43,022
52 Finance and Insurance (AGG)	\$ -	\$ 28,740	\$ 56,943	\$ 85,683
53 Real Estate and Rental (AGG)	\$ -	\$ 13,806	\$ 10,684	\$ 24,489
54 Professional – Scientific & Tech Services (AGG)	\$ 78,019	\$177,063	\$ 29,443	\$ 284,525
55 Management of Companies (AGG)	\$ -	\$ 18,370	\$ 4,743	\$ 23,113
56 Administrative and Waste Services (AGG)	\$ -	\$ 43,714	\$ 19,288	\$ 63,002
61 Educational Services (AGG)	\$ -	\$ 251	\$ 16,051	\$ 16,302
62 Health and Social Services (AGG)	\$ -	\$ 4	\$106,473	\$ 106,477
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 1,975	\$ 12,728	\$ 14,703
72 Accommodation & Food Services (AGG)	\$ -	\$ 8,297	\$ 31,628	\$ 39,924
81 Other Services (AGG)	\$ -	\$ 16,759	\$ 29,335	\$ 46,095
92 Government and non NAICS	\$ -	\$ 10,479	\$ 14,897	\$ 25,376
Total	\$1,274,676	\$458,652	\$485,340	\$2,218,668

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

The construction of Alternative C would generate substantial tax revenues to federal, state, and local governments (**Table 25**). Total tax revenue during the construction phase is estimated at \$1.0 million. Local government is estimated to receive total tax revenue of \$420,425. The majority of local government taxes is derived from indirect business taxes, including increased sales tax revenue.

Table 25: Alternative C – Construction Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				40,860		40,860
	Indirect Bus Tax: Custom Duty					8,359	8,359
	Indirect Bus Tax: Excise Tax					17,950	17,950
	Indirect Bus Tax: Fed NonTaxes					13,799	13,799
	Personal Tax: Income Tax			248,045			248,045
	Social Ins Tax - Employee Contribution	122,433	35,739				158,172
	Social Ins Tax - Employer Contribution	123,816					123,816
Subtotal		\$246,249	\$35,739	\$248,045	\$40,860	\$40,108	\$611,001
State/Local Government NonEducation	Corporate Profits Tax				14,664		14,664
	Dividends				29,354		29,354
	Indirect Bus Tax: Motor Vehicle Lic					2,329	2,329
	Indirect Bus Tax: Other Taxes					23,522	23,522
	Indirect Bus Tax: Property Tax					93,905	93,905
	Indirect Bus Tax: S/L NonTaxes					10,867	10,867
	Indirect Bus Tax: Sales Tax					117,872	117,872
	Indirect Bus Tax: Severance Tax					73	73
	Personal Tax: Income Tax			93,402			93,402
	Personal Tax: Motor Vehicle License			3,174			3,174
	Personal Tax: NonTaxes (Fines- Fees)			20,092			20,092
	Personal Tax: Other Taxes (Fish/Hunt)			633			633
	Personal Tax: Property Taxes			1,171			1,171
	Social Ins Tax - Employee Contribution	1,766					1,507
	Social Ins Tax - Employer Contribution	7,600					6,484
Subtotal		\$9,366	\$0	\$118,473	\$44,018	\$248,568	\$420,425
Grand Total		\$255,615	\$35,739	\$366,518	\$84,878	\$288,678	\$1,031,426

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

2.3.2 OPERATION IMPACT

The estimated economic impact from ongoing operations of Alternative C was calculated based on revenue projections supplied by Michigan Consultants (2010).

Projected Casino Revenue

Under Alternative C, the Tribe would sign a compact with the state allowing the facility to operate 217 Class III machines and five tables through the construction of a casino project on the Los Coyotes Reservation. Revenue projections under Alternative C are provided in **Table 26**.

Table 26: Annual Net Revenue Breakdown for Alternative C

Project Element	Revenue
Casino Gaming Revenue	
Electronic Games of Chance	\$7,292,707
Table Games (including poker)	\$634,148
Non-Gaming Operations Revenue	
Food & Beverage; Retail	\$1,311,265
Total Revenue	\$9,328,121

Source: Michigan Consultants, 2010

The projected gaming revenue for the Los Coyotes Casino is \$9.3 million in the first year of operation. In the following sections, the direct impact from the project is captured in NAICS Sector 71 (Arts – Entertainment and Recreation), and Sector 72 (Accommodation and Food Services). Operation impacts are anticipated to recur annually beginning with the first full year of operation, which is anticipated to be 2014 under Alternative C.

Substitution Effects

The Los Coyotes Reservation is located in a region characterized by a large number of existing casino operations. Whenever a new casino opens in a market area, a certain amount of market cannibalization is to be expected. The anticipated gaming revenue substitution effect under Alternative C would be approximately 22 percent of total projected gaming revenue for the project (\$1,743,908) (Michigan Consultants, 2010). It is likely that each of the existing San Diego County casinos would continue to generate significantly positive cash flows. Substitution impacts would be diffused because there are a large number of existing casinos that already operate in a competitive environment. Anticipated substitution effects are likely to diminish after the first year of the project’s operation and once local residents experience the casino and return to more typical spending patterns.

According to the 2000 Harvard University study described under Alternative A, worst-case non-gaming substitution effects occurring in rural environments as a result of Native American casinos have shown on average a nine percent decrease in earnings at local restaurants and bars and an increase in earnings in other commercial sectors.⁷ Although the Los Coyotes Reservation is described as located within a rural area, it is also located within a region characterized by an abundance of existing tribal casino resorts, thus worst case effects as described in the Harvard study would not apply to the Los Coyotes Project Site. Alternative C would provide a gaming facility alternative for gamers to choose from, rather than providing the first casino to the area. As such, Alternative C would have less than significant potential to disrupt the current competitive environment of the region. Thus, the potential for substitution is limited. Nonetheless, it may be inferred that if substitution occurs it would be at some percentage lower than nine

⁷ Taylor, Jonathan B., Matthew B. Krepps, and Patrick Wang, 2000. *The National Evidence on the Socioeconomic Impacts of American Indian Gaming on Non-Indian Communities*. April 2000. Available online at: <http://www.hks.harvard.edu/hpaied/docs/PRS00-1.pdf>

percent. Additionally, potential non-gaming substitution effects would be counteracted by the local economic activity generated by casino patrons other than local residents. Specifically, as the casino would draw non-residents to the area, the associated increase in new visitor demand for off-site entertainment venues, restaurants, and bars would make up for some area residents choosing to visit Alternative C rather than other local establishments. Thus, less than significant substitution effects would occur.

Total Output

Total annual output generated during the operation phase is detailed in **Table 27**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project.

Table 27: Alternative C – Operation Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 6,420	\$ 8,292	\$ 14,712
21 Mining (AGG)	\$ -	\$ 3,128	\$ 1,142	\$ 4,269
22 Utilities (AGG)	\$ -	\$ 154,216	\$ 37,921	\$ 192,137
23 Construction (AGG)	\$ -	\$ 40,488	\$ 19,790	\$ 60,279
31-33 Manufacturing (AGG)	\$ -	\$ 162,254	\$ 70,572	\$ 232,826
42 Wholesale Trade	\$ -	\$ 108,768	\$ 116,032	\$ 224,800
44-45 Retail Trade (AGG)	\$ -	\$ 17,270	\$ 293,674	\$ 310,944
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 58,153	\$ 23,622	\$ 81,776
51 Information (AGG)	\$ -	\$ 610,069	\$ 130,180	\$ 740,249
52 Finance and Insurance (AGG)	\$ -	\$ 311,333	\$ 286,867	\$ 598,200
53 Real Estate and Rental (AGG)	\$ -	\$ 328,799	\$ 525,588	\$ 854,387
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 808,636	\$ 108,440	\$ 917,076
55 Management of Companies (AGG)	\$ -	\$ 216,120	\$ 15,979	\$ 232,099
56 Administrative and Waste Services (AGG)	\$ -	\$ 289,117	\$ 56,771	\$ 345,888
61 Educational Services (AGG)	\$ -	\$ 798	\$ 41,947	\$ 42,745
62 Health and Social Services (AGG)	\$ -	\$ 505	\$ 305,737	\$ 306,242
71 Arts – Entertainment & Recreation (AGG)	\$ 7,017,737	\$ 81,297	\$ 65,879	\$ 7,164,912
72 Accommodation & Food Services (AGG)	\$ 1,155,225	\$ 110,416	\$ 130,096	\$ 1,395,737
81 Other Services (AGG)	\$ -	\$ 152,056	\$ 121,989	\$ 274,045
92 Government and non NAICS	\$ -	\$ 142,664	\$ 46,933	\$ 189,597
Total	\$ 8,172,962	\$3,602,508	\$2,407,450	\$14,182,920

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. New direct investment in the recreation industry at the site as a result of Alternative C is estimated at \$8.1 million. This would generate indirect outputs from other regional sectors estimated at \$3.6 million. The generation of direct and indirect output would result in the creation of jobs and wages.

The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$2.4 million. Overall, approximately \$14.2 million of economic output would be generated within San Diego County annually during the operation phase of Alternative C.

Employment

Employment opportunities generated during the operation phase are detailed in **Table 28**. Direct impact is estimated at 68 new positions. This alternative would generate indirect employment positions from other regional sectors estimated at 23 new positions. The generation of direct and indirect output would result in the creation of wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption would result in an induced impact of 17 positions. Overall, approximately 108 new job opportunities would be generated within San Diego County during the operation phase of Alternative C. The potential for Alternative C to result in growth-inducing impacts, including the potential for out-of-area employees to relocate to San Diego County, is analyzed in **Section 6.0** of the EIS/TEIR.

Table 28: Alternative C – Operation Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	0	0	0
21 Mining (AGG)	-	0	0	0
22 Utilities (AGG)	-	0	0	0
23 Construction (AGG)	-	0	0	0
31-33 Manufacturing (AGG)	-	0	0	1
42 Wholesale Trade	-	1	1	1
44-45 Retail Trade (AGG)	-	0	4	4
48-49 Transportation and Warehousing (AGG)	-	1	0	1
51 Information (AGG)	-	2	0	2
52 Finance and Insurance (AGG)	-	1	1	3
53 Real Estate and Rental (AGG)	-	2	1	3
54 Professional – Scientific & Tech Services (AGG)	-	5	1	5
55 Management of Companies (AGG)	-	1	0	1
56 Administrative and Waste Services (AGG)	-	4	1	5
61 Educational Services (AGG)	-	0	1	1
62 Health and Social Services (AGG)	-	0	3	3
71 Arts – Entertainment & Recreation (AGG)	48	2	1	51
72 Accommodation & Food Services (AGG)	20	2	2	24
81 Other Services (AGG)	-	1	2	3
92 Government and non NAICS	-	1	0	1
Total	68	23	17	108

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the operation phase are detailed in **Table 29**. As a result of the jobs generated by Alternative C, direct wages generated are estimated at \$1.7 million. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$1.1 million. The generation of direct and indirect wages would an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$0.7 million. Overall, approximately \$3.5 million in wages would be generated annually within San Diego County during the operation phase of Alternative C.

Table 29: Alternative C – Operation Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 1,424	\$ 1,712	\$ 3,135
21 Mining (AGG)	\$ -	\$ 87	\$ 68	\$ 155
22 Utilities (AGG)	\$ -	\$ 24,862	\$ 6,162	\$ 31,024
23 Construction (AGG)	\$ -	\$ 19,822	\$ 6,247	\$ 26,070
31-33 Manufacturing (AGG)	\$ -	\$ 23,345	\$ 8,951	\$ 32,295
42 Wholesale Trade	\$ -	\$ 38,282	\$ 40,838	\$ 79,120
44-45 Retail Trade (AGG)	\$ -	\$ 6,468	\$107,757	\$ 114,225
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 23,284	\$ 8,740	\$ 32,024
51 Information (AGG)	\$ -	\$ 132,880	\$ 26,841	\$ 159,720
52 Finance and Insurance (AGG)	\$ -	\$ 89,557	\$ 76,770	\$ 166,327
53 Real Estate and Rental (AGG)	\$ -	\$ 21,528	\$ 14,677	\$ 36,206
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 283,122	\$ 39,921	\$ 323,044
55 Management of Companies (AGG)	\$ -	\$ 87,088	\$ 6,439	\$ 93,527
56 Administrative and Waste Services (AGG)	\$ -	\$ 131,195	\$ 26,101	\$ 157,296
61 Educational Services (AGG)	\$ -	\$ 346	\$ 21,196	\$ 21,541
62 Health and Social Services (AGG)	\$ -	\$ 147	\$144,719	\$ 144,867
71 Arts – Entertainment & Recreation (AGG)	\$ 1,340,400	\$ 28,438	\$ 17,106	\$1,385,944
72 Accommodation & Food Services (AGG)	\$ 395,650	\$ 36,365	\$ 42,868	\$ 474,882
81 Other Services (AGG)	\$ -	\$ 48,606	\$ 39,369	\$ 87,975
92 Government and non NAICS	\$ -	\$ 89,885	\$ 20,210	\$ 110,094
Total	\$ 1,736,050	\$1,086,730	\$656,692	\$3,479,471

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

For reasons described under Alternative A, the operation of Alternative C would generate substantial tax revenues to federal, state, and local governments (**Table 30**). Total annual tax revenue during the operation phase is estimated at \$876,377. Local government is estimated to receive total tax revenue of

\$396,899. The majority of local government taxes is derived from indirect business taxes, including increased sales tax revenue. Since the Los Coyotes Reservation is currently held in trust for the Tribe by the federal government, no property tax loss would occur as a result of Alternative C.

Table 30: Alternative C – Operation Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				54,657		54,657
	Indirect Bus Tax: Custom Duty					8,316	8,316
	Indirect Bus Tax: Excise Tax					17,855	17,855
	Indirect Bus Tax: Fed NonTaxes					13,726	13,726
	Personal Tax: Income Tax			174,605			174,605
	Social Ins Tax - Employee Contribution	96,207	16,318				112,525
	Social Ins Tax - Employer Contribution	97,295					97,295
Subtotal		\$193,502	\$16,318	\$174,605	\$54,657	\$39,897	\$478,979
State/Local Government NonEducation	Corporate Profits Tax				19,616		19,616
	Dividends				39,265		39,265
	Indirect Bus Tax: Motor Vehicle Lic					2,317	2,317
	Indirect Bus Tax: Other Taxes					23,398	23,398
	Indirect Bus Tax: Property Tax					93,412	93,412
	Indirect Bus Tax: S/L NonTaxes					10,810	10,810
	Indirect Bus Tax: Sales Tax					117,252	117,252
	Indirect Bus Tax: Severance Tax					73	73
	Personal Tax: Income Tax			65,748			65,748
	Personal Tax: Motor Vehicle License			2,235			2,235
	Personal Tax: NonTaxes (Fines-Fees)			14,143			14,143
	Personal Tax: Other Taxes (Fish/Hunt)			446			446
	Personal Tax: Property Taxes			825			825
	Social Ins Tax - Employee Contribution	1,388					1,388
	Social Ins Tax - Employer Contribution	5,971					5,971
Subtotal		\$7,359	\$0	\$83,397	\$58,881	\$247,262	\$396,899
Grand Total		\$200,861	\$16,318	\$258,001	\$113,538	\$287,159	\$876,377

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown may not add up to equal the number given in the Total. The tax revenues indicated in the table include indirect and induced taxes only. Due to the project's unique circumstances, including the proposed location on trust land, direct tax revenues generated during the project's operation phase were not quantifiable. As such, actual tax revenues generated by the project may be greater than those indicated above as direct personal income tax has not been included in the totals.

2.4 ALTERNATIVE D – LOS COYOTES RESERVATION CAMPGROUND

Alternative D consists of the development of a campground with 213 campsites and supporting facilities, located on approximately 19 acres within the boundaries of the Los Coyotes Reservation.

2.4.1 CONSTRUCTION IMPACT

Based on the estimates of construction costs for the proposed development at the Los Coyotes site, the estimated impacts from construction activities, which include the costs for general construction, and investment in equipment were calculated and are presented in **Table 31**.

Table 31: Development Cost Breakdown for Alternative D

Project Element	Total Cost
Construction Element (including hard and soft costs)	\$900,000
Infrastructure	\$1,500,000
Los Coyotes Campground Total Development Budget	\$2,400,000

Note: Development cost estimates do not include full infrastructure costs, or the cost to install utilities at the site.

Source: Michigan Consultants, 2010

In the following sections, the direct impacts from Alternative D’s construction phase are captured through Sector 23 (Construction); and Sectors 31-33 (Manufacturing). Results are presented in Aggregated Industrial Sectors (NAICS 2-digit). Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Impacts from construction activities are one-time, non-recurring.

Total Output

Total output generated during the construction phase is detailed in **Table 32**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. Direct impact from investment in construction and related activities is estimated at \$1.6 million. This would generate indirect outputs from other regional sectors estimated at \$0.5 million. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$0.7 million. Overall, approximately \$2.8 million of economic output would be generated within San Diego County during the construction phase of Alternative D.

Table 32: Alternative D – Construction Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 2,843	\$ 2,296	\$ 5,140
21 Mining (AGG)	\$ -	\$ 3,712	\$ 317	\$ 4,028
22 Utilities (AGG)	\$ -	\$ 8,352	\$ 10,465	\$ 18,817
23 Construction (AGG)	\$ 1,596,424	\$ 2,926	\$ 5,573	\$1,604,923
31-33 Manufacturing (AGG)	\$ 43,274	\$ 80,422	\$ 19,524	\$ 143,220

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
42 Wholesale Trade	\$ -	\$ 41,908	\$ 31,915	\$ 73,823
44-45 Retail Trade (AGG)	\$ -	\$ 26,892	\$ 82,853	\$ 109,745
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 10,229	\$ 6,647	\$ 16,876
51 Information (AGG)	\$ -	\$ 34,056	\$ 36,215	\$ 70,271
52 Finance and Insurance (AGG)	\$ -	\$ 26,975	\$ 80,728	\$ 107,704
53 Real Estate and Rental (AGG)	\$ -	\$ 53,264	\$147,262	\$ 200,526
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$174,986	\$ 30,292	\$ 205,278
55 Management of Companies (AGG)	\$ -	\$ 8,725	\$ 4,456	\$ 13,182
56 Administrative and Waste Services (AGG)	\$ -	\$ 27,647	\$ 15,890	\$ 43,536
61 Educational Services (AGG)	\$ -	\$ 141	\$ 12,000	\$ 12,141
62 Health and Social Services (AGG)	\$ -	\$ 3	\$ 85,167	\$ 85,170
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 1,385	\$ 18,613	\$ 19,998
72 Accommodation & Food Services (AGG)	\$ -	\$ 7,265	\$ 36,347	\$ 43,612
81 Other Services (AGG)	\$ -	\$ 25,675	\$ 34,418	\$ 60,093
92 Government and non NAICS	\$ -	\$ 5,287	\$ 13,075	\$ 18,362
Total	\$ 1,639,698	\$542,696	\$674,052	\$2,856,446

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the construction phase is detailed in **Table 33**. Direct impact from Alternative D is estimated at 10 positions. This alternative would generate indirect employment positions from other regional sectors estimated at 3 positions. The generation of direct and indirect output would result in the creation of wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption would result in an additional increase in employment opportunities, induced impact, estimated at 5 positions. Overall, approximately 18 job opportunities would be generated within San Diego County during the construction phase of Alternative D.

Table 33: Alternative D – Construction Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	0	0	0
21 Mining (AGG)	-	0	0	0
22 Utilities (AGG)	-	0	0	0
23 Construction (AGG)	10	0	0	10
31-33 Manufacturing (AGG)	0	0	0	0
42 Wholesale Trade	-	0	0	0
44-45 Retail Trade (AGG)	-	0	1	1
48-49 Transportation and Warehousing (AGG)	-	0	0	0
51 Information (AGG)	-	0	0	0

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
52 Finance and Insurance (AGG)	-	0	0	0
53 Real Estate and Rental (AGG)	-	0	0	1
54 Professional – Scientific & Tech Services (AGG)	-	1	0	1
55 Management of Companies (AGG)	-	0	0	0
56 Administrative and Waste Services (AGG)	-	0	0	1
61 Educational Services (AGG)	-	0	0	0
62 Health and Social Services (AGG)	-	0	1	1
71 Arts – Entertainment & Recreation (AGG)	-	0	0	0
72 Accommodation & Food Services (AGG)	-	0	1	1
81 Other Services (AGG)	-	0	1	1
92 Government and non NAICS	-	0	0	0
Total	10	3	5	18

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the construction phase is detailed in **Table 34**. As a result of the jobs generated by Alternative D, direct wages generated are estimated at \$477,955. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$169,033. The generation of direct and indirect wages would result in an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages (induced impact) estimated at \$183,809. Overall, approximately \$830,797 in wages would be generated within San Diego County during the construction phase of Alternative D.

Table 34: Alternative D – Construction Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 357	\$ 475	\$ 832
21 Mining (AGG)	\$ -	\$ 961	\$ 19	\$ 979
22 Utilities (AGG)	\$ -	\$ 1,287	\$ 1,700	\$ 2,987
23 Construction (AGG)	\$472,882	\$ 1,429	\$ 1,753	\$476,063
31-33 Manufacturing (AGG)	\$ 5,073	\$ 14,145	\$ 2,487	\$ 21,705
42 Wholesale Trade	\$ -	\$ 14,750	\$ 11,233	\$ 25,983
44-45 Retail Trade (AGG)	\$ -	\$ 10,071	\$ 30,401	\$ 40,472
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 3,608	\$ 2,456	\$ 6,064
51 Information (AGG)	\$ -	\$ 7,037	\$ 7,467	\$ 14,504
52 Finance and Insurance (AGG)	\$ -	\$ 7,410	\$ 21,571	\$ 28,981
53 Real Estate and Rental (AGG)	\$ -	\$ 5,093	\$ 4,042	\$ 9,135
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 73,010	\$ 11,149	\$ 84,159
55 Management of Companies (AGG)	\$ -	\$ 3,516	\$ 1,796	\$ 5,312
56 Administrative and Waste Services (AGG)	\$ -	\$ 13,588	\$ 7,305	\$ 20,892

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
61 Educational Services (AGG)	\$ -	\$ 62	\$ 6,089	\$ 6,151
62 Health and Social Services (AGG)	\$ -	\$ 1	\$ 40,311	\$ 40,312
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 530	\$ 4,822	\$ 5,353
72 Accommodation & Food Services (AGG)	\$ -	\$ 2,391	\$ 11,977	\$ 14,368
81 Other Services (AGG)	\$ -	\$ 7,234	\$ 11,116	\$ 18,350
92 Government and non NAICS	\$ -	\$ 2,554	\$ 5,641	\$ 8,195
Total	\$477,955	\$169,033	\$183,809	\$830,797

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

The construction of Alternative D would generate substantial tax revenues to federal, state, and local governments (**Table 35**). Total tax revenue during the construction phase is estimated at \$350,094. Local government is estimated to receive total tax revenue of \$127,222 million. The majority of local government taxes is derived from indirect business taxes, including increased sales tax revenue.

Table 35: Alternative D – Construction Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				12,029		12,029
	Indirect Bus Tax: Custom Duty					2,215	2,215
	Indirect Bus Tax: Excise Tax					4,756	4,756
	Indirect Bus Tax: Fed NonTaxes					3,656	3,656
	Personal Tax: Income Tax			93,984			93,984
	Social Ins Tax - Employee Contribution	45,846	14,021				59,867
	Social Ins Tax - Employer Contribution	46,364					46,364
	Subtotal	\$92,210	\$14,021	\$93,984	\$12,029	\$10,628	\$222,872
State/Local Government NonEducation	Corporate Profits Tax				4,317		4,317
	Dividends				8,641		8,641
	Indirect Bus Tax: Motor Vehicle Lic					617	617
	Indirect Bus Tax: Other Taxes					6,233	6,233
	Indirect Bus Tax: Property Tax					24,884	24,884
	Indirect Bus Tax: S/L NonTaxes					2,880	2,880
	Indirect Bus Tax: Sales Tax					31,235	31,235
	Indirect Bus Tax: Severance Tax					19	19
	Personal Tax: Income Tax			35,390			35,390
	Personal Tax: Motor Vehicle License			1,203			1,203
	Personal Tax: NonTaxes (Fines- Fees)			7,613			7,613
	Personal Tax: Other Taxes (Fish/Hunt)			240			240
	Personal Tax: Property Taxes			444			444
	Social Ins Tax - Employee Contribution	661					661
	Social Ins Tax - Employer Contribution	2,846					2,846
	Subtotal	\$3,507	\$0	\$44,889	\$12,958	\$65,868	\$127,222
Grand Total	\$95,717	\$14,021	\$138,873	\$24,987	\$76,496	\$350,094	

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

2.4.2 OPERATION IMPACT

Based on revenue projections, the estimated economic impact from ongoing operations of Alternative D was calculated. It is assumed that regional spending patterns would likely coincide with those experienced at other regional campgrounds.

Projected Casino Revenue

Under Alternative D, 213 campsites would be constructed on the Los Coyotes reservation. Based on the conditions and amenities of other regional campgrounds, it is assumed that Alternative D would maintain

approximately 50 percent occupancy year-round and would charge approximately \$17.50 per campsite. Revenue projections under Alternative D are provided in **Table 36**.

Table 36: Annual Net Revenue Breakdown for Alternative D

Project Element	Revenue
Campground Fees	\$680,268
Total Revenue	\$680,268

Source: AES, 2010

The projected revenue for the Los Coyotes Campground site under Alternative D is \$680,268. In the following sections, the direct impact from the project is captured in NAICS Sector 72 (Accommodation and Food Services). Operation impacts are anticipated to recur annually beginning with the first year of operation, which is anticipated to be 2014 under Alternative D.

Substitution Effects

Data related to the projected substitution effect of Alternative D was not available at the time of this analysis. The projected substitution effect depends on how many and what type of other establishments are within the same market area as the campground, disposable income levels of local residents and their spending habits, as well as other economic and psychological factors affecting the consumption decisions of local residents. To the extent that the campground acts as a destination location, substitution effects are diffused, as the campground would draw patrons from a widespread area. Quantifying the substitution effects of the campground would require knowledge of how residents spend their recreation speculate the potential substitution effects of Alternative D. However, it should be noted that, due to the expansive availability of campgrounds in the region, Alternative D would provide an additional campground alternative for visitors to choose from, rather than providing the first campground to the area. As such, Alternative D would have less than significant potential to disrupt the current competitive environment of the region and the potential for substitution is limited.

Total Output

Total annual output generated during the operation phase is detailed in **Table 37**, and is presented in 2010 dollars. The output impact represents the entire value of production/sales generated by the project. The output impact value includes the costs of the goods and services that go into production, wages, and taxes paid. New direct investment in the recreation industry at the site as a result of Alternative D is estimated at \$603,606. This would generate indirect outputs from other regional sectors estimated at \$237,209. The generation of direct and indirect output would result in the creation of jobs and wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$212,184. Overall, approximately \$1.0 million of economic output would be generated within San Diego County annually during the operation phase of Alternative D.

Table 37: Alternative D – Operation Phase Impact on Total Output

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 213	\$ 732	\$ 945
21 Mining (AGG)	\$ -	\$ 388	\$ 101	\$ 489
22 Utilities (AGG)	\$ -	\$ 16,629	\$ 3,350	\$ 19,980
23 Construction (AGG)	\$ -	\$ 7,555	\$ 1,743	\$ 9,298
31-33 Manufacturing (AGG)	\$ -	\$ 4,945	\$ 6,233	\$ 11,178
42 Wholesale Trade	\$ -	\$ 5,590	\$ 10,258	\$ 15,848
44-45 Retail Trade (AGG)	\$ -	\$ 635	\$ 25,849	\$ 26,485
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 3,344	\$ 2,080	\$ 5,424
51 Information (AGG)	\$ -	\$ 27,793	\$ 11,486	\$ 39,279
52 Finance and Insurance (AGG)	\$ -	\$ 13,372	\$ 25,261	\$ 38,634
53 Real Estate and Rental (AGG)	\$ -	\$ 32,929	\$ 46,318	\$ 79,247
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 46,518	\$ 9,561	\$ 56,079
55 Management of Companies (AGG)	\$ -	\$ 4,878	\$ 1,409	\$ 6,287
56 Administrative and Waste Services (AGG)	\$ -	\$ 29,762	\$ 5,004	\$ 34,765
61 Educational Services (AGG)	\$ -	\$ 37	\$ 3,683	\$ 3,720
62 Health and Social Services (AGG)	\$ -	\$ 1	\$ 26,970	\$ 26,971
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 1,129	\$ 5,797	\$ 6,926
72 Accommodation & Food Services (AGG)	\$603,606	\$ 14,388	\$ 11,470	\$ 629,464
81 Other Services (AGG)	\$ -	\$ 13,194	\$ 10,737	\$ 23,931
92 Government and non NAICS	\$ -	\$ 13,908	\$ 4,140	\$ 18,048
Total	\$603,606	\$237,209	\$212,184	\$1,052,999

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Employment

Employment opportunities generated during the operation phase are detailed in **Table 38**. Direct impact is estimated at six new positions. This alternative would generate indirect employment positions from other regional sectors estimated at two new positions. The generation of direct and indirect output would result in the creation of wages. The generation of employment wages would result in an increase in consumption for the region. The increase in consumption would result in an induced impact of two new positions. Overall, approximately nine new job opportunities would be generated within San Diego County during the operation phase of Alternative D.

Table 38: Alternative D – Operation Phase Impact on Employment

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	-	0	0	0
21 Mining (AGG)	-	0	0	0
22 Utilities (AGG)	-	0	0	0

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
23 Construction (AGG)	-	0	0	0
31-33 Manufacturing (AGG)	-	0	0	0
42 Wholesale Trade	-	0	0	0
44-45 Retail Trade (AGG)	-	0	0	0
48-49 Transportation and Warehousing (AGG)	-	0	0	0
51 Information (AGG)	-	0	0	0
52 Finance and Insurance (AGG)	-	0	0	0
53 Real Estate and Rental (AGG)	-	0	0	0
54 Professional – Scientific & Tech Services (AGG)	-	0	0	0
55 Management of Companies (AGG)	-	0	0	0
56 Administrative and Waste Services (AGG)	-	0	0	0
61 Educational Services (AGG)	-	0	0	0
62 Health and Social Services (AGG)	-	0	0	0
71 Arts – Entertainment & Recreation (AGG)	-	0	0	0
72 Accommodation & Food Services (AGG)	6	0	0	6
81 Other Services (AGG)	-	0	0	0
92 Government and non NAICS	-	0	0	0
Total	6	2	2	9

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest whole number, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Wages

Wages generated during the operation phase are detailed in **Table 39**. As a result of the jobs generated by Alternative D, direct wages generated are estimated at \$185,002. Indirect employment wages from other regional sectors would also be generated, and are estimated at \$71,560. The generation of direct and indirect wages would an increase in consumption for the region. The increase in consumption would result in an additional increase in jobs and therefore an increase in wages, induced impact, estimated at \$57,882. Overall, approximately \$314,442 in wages would be generated annually within San Diego County during the operation phase of Alternative D.

Table 39: Alternative D – Operation Phase Impact on Wages

Aggregated Industrial Sectors (NAICS 2-digit)	Direct	Indirect	Induced	Total
11 Ag. Forestry, Fish & Hunting (AGG)	\$ -	\$ 45	\$ 151	\$ 196
21 Mining (AGG)	\$ -	\$ 12	\$ 6	\$ 18
22 Utilities (AGG)	\$ -	\$ 2,676	\$ 544	\$ 3,221
23 Construction (AGG)	\$ -	\$ 3,726	\$ 550	\$ 4,276
31-33 Manufacturing (AGG)	\$ -	\$ 780	\$ 790	\$ 1,570
42 Wholesale Trade	\$ -	\$ 1,968	\$ 3,610	\$ 5,578
44-45 Retail Trade (AGG)	\$ -	\$ 238	\$ 9,485	\$ 9,723
48-49 Transportation and Warehousing (AGG)	\$ -	\$ 1,404	\$ 770	\$ 2,174
51 Information (AGG)	\$ -	\$ 5,760	\$ 2,368	\$ 8,129
52 Finance and Insurance (AGG)	\$ -	\$ 3,699	\$ 6,762	\$ 10,461
53 Real Estate and Rental (AGG)	\$ -	\$ 1,980	\$ 1,297	\$ 3,277
54 Professional – Scientific & Tech Services (AGG)	\$ -	\$ 17,040	\$ 3,520	\$ 20,560
55 Management of Companies (AGG)	\$ -	\$ 1,966	\$ 568	\$ 2,533
56 Administrative and Waste Services (AGG)	\$ -	\$ 13,480	\$ 2,301	\$ 15,781
61 Educational Services (AGG)	\$ -	\$ 16	\$ 1,860	\$ 1,876
62 Health and Social Services (AGG)	\$ -	\$ 0	\$ 12,766	\$ 12,767
71 Arts – Entertainment & Recreation (AGG)	\$ -	\$ 421	\$ 1,506	\$ 1,927
72 Accommodation & Food Services (AGG)	\$185,002	\$ 4,741	\$ 3,780	\$193,522
81 Other Services (AGG)	\$ -	\$ 4,638	\$ 3,465	\$ 8,103
92 Government and non NAICS	\$ -	\$ 6,970	\$ 1,782	\$ 8,752
Total	\$185,002	\$ 71,560	\$ 57,882	\$314,444

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding.

Due to rounding, numbers shown in the Direct, Indirect, and Induced columns may not add up to equal the number given in the Total.

Tax Revenue Impact

The operation of Alternative D would generate substantial tax revenues to federal, state, and local governments (**Table 40**). Total annual tax revenue during the operation phase is estimated at \$68,198. Local government is estimated to receive total tax revenue of \$31,977. The majority of local government taxes is derived from indirect business taxes, including increased sales tax revenue. Since the Los Coyotes Reservation is currently held in trust for the Tribe by the federal government, no property tax loss would occur under Alternative D.

Table 40: Alternative D – Operation Phase Impact on Overall Tax Revenues

		Employee Compensation	Proprietary Income	Household Expenditures	Corporations	Indirect Business Taxes	Total
Federal Government NonDefense	Corporate Profits Tax				4,409		4,409
	Indirect Bus Tax: Custom Duty					689	689
	Indirect Bus Tax: Excise Tax					1,480	1,480
	Indirect Bus Tax: Fed NonTaxes					1,138	1,138
	Personal Tax: Income Tax			12,939			12,939
	Social Ins Tax - Employee Contribution	7,143	1,198				8,341
	Social Ins Tax - Employer Contribution	7,224					7,224
Subtotal		\$14,367	\$1,198	\$12,939	\$4,409	\$3,308	\$36,221
State/Local Government NonEducation	Corporate Profits Tax				1,582		1,582
	Dividends				3,168		3,168
	Indirect Bus Tax: Motor Vehicle Lic					192	192
	Indirect Bus Tax: Other Taxes					1,940	1,940
	Indirect Bus Tax: Property Tax					7,745	7,745
	Indirect Bus Tax: S/L NonTaxes					896	896
	Indirect Bus Tax: Sales Tax					9,721	9,721
	Indirect Bus Tax: Severance Tax					6	6
	Personal Tax: Income Tax			4,872			4,872
	Personal Tax: Motor Vehicle License			166			166
	Personal Tax: NonTaxes (Fines-Fees)			1,049			1,049
	Personal Tax: Other Taxes (Fish/Hunt)			33			33
	Personal Tax: Property Taxes			61			61
	Social Ins Tax - Employee Contribution	103					103
	Social Ins Tax - Employer Contribution	443					443
Subtotal		\$546	\$0	\$6,181	\$4,750	\$20,500	\$31,977
Grand Total		\$14,913	\$1,198	\$19,120	\$9,159	\$23,808	\$68,198

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

Note: Though numbers appear to be estimated to the nearest dollar, accuracy is not indicated to that level due to rounding. Due to rounding, numbers shown may not add up to equal the number given in the Total. The tax revenues indicated in the table include indirect and induced taxes only. Due to the project’s unique circumstances, including the proposed location on trust land, direct tax revenues generated during the project’s operation phase were not quantifiable. As such, actual tax revenues generated by the project may be greater than those indicated above as direct personal income tax has not been included in the totals.

2.5 ALTERNATIVE E – NO-ACTION ALTERNATIVE

Under the No-Action Alternative, NIGC would not approve a management contract and thus no gaming-related development would occur with the benefit of a management contract. Thus, for the purpose of this analysis, it is assumed that no changes to existing land uses would occur.

2.5.1 CONSTRUCTION & OPERATION IMPACT

Since no development occurs under Alternative E, there are no economic impacts from either the construction or operation phases.

3.0 SUMMARY OF ECONOMIC IMPACTS BY ALTERNATIVE

Table 41: Economic Impact Summary by Alternative

	Direct Impact	Total Impact
Alternative A		
Construction Phase		
Total Output	\$ 161,462,083	\$ 220,454,721
Employment	990	1,467
Wages	\$ 44,592,715	\$ 62,086,430
Operational Phase		
Total Output	\$ 141,685,852	\$ 183,540,925
Employment	1,207	1,562
Wages	\$ 26,706,645	\$ 39,701,452

	Direct Impact	Total Impact
Alternative B		
Construction Phase		
Total Output	\$ 117,224,699	\$ 160,059,132
Employment	719	1,065
Wages	\$ 32,382,100	\$ 45,084,536
Operational Phase		
Total Output	\$ 105,028,514	\$ 135,811,489
Employment	823	1,085
Wages	\$ 18,523,842	\$ 28,170,983

	Direct Impact	Total Impact
Alternative C		
Construction Phase		
Total Output	\$ 4,382,032	\$ 7,643,186
Employment	26	47
Wages	\$ 1,274,676	\$ 2,218,668

	Direct Impact	Total Impact
Alternative C (continued)		
Operational Phase		
Total Output	\$ 8,172,962	\$ 14,182,920
Employment	68	108
Wages	\$ 1,736,050	\$ 3,479,471

	Direct Impact	Total Impact
Alternative D		
Construction Phase		
Total Output	\$ 1,639,698	\$ 2,856,446
Employment	10	18
Wages	\$ 477,955	\$ 830,797
Operational Phase		
Total Output	\$ 603,606	\$ 1,052,999
Employment	6	9
Wages	\$ 185,002	\$ 314,444

	Direct Impact	Total Impact
Alternative E		
Construction Phase		
Total Output	\$ 0	\$ 0
Employment	0	0
Wages	\$ 0	\$ 0
Operational Phase		
Total Output	\$ 0	\$ 0
Employment	0	0
Wages	\$ 0	\$ 0

Source: AES. Assumptions made by the authors based on I-O/SAM Analysis using IMPLAN data.

4.0 BRIEF EXPLANATION OF THE INPUT-OUTPUT / SOCIAL ACCOUNTING MATRIX MODEL

AES employed the Input-Output/Social Accounting Matrix Model to determine the economic impact of the Barstow and Los Coyotes project alternatives. This model was first developed in the 1930s by W. Leontief, and was later applied by W. Isard in the regional science field.

The model makes use of a complex Input-Output matrix framework. The matrix demonstrates the proportion of inputs that must be purchased in each sector in order to produce one unit of output in another sector. By simulating an increase in demand for one sector, a corresponding increase in demand is triggered from the demand for intermediate goods and services required to produce final goods and services. The increase in final demand is referred to as the “direct effect.” The increase in output in response to the initial impact is called the “indirect effect.” These two effects are collectively referred to as the “Type 1 multiplier.”

Increases to the Type 1 multiplier will trigger a corresponding increase in income for households in the region. This increase in income will result in an increase in household consumption. Increased household consumption is called the “induced effect.” Collectively, the direct, indirect, and induced effects are called the “Type 2 multiplier.” The Social Accounting Matrix (SAM) is an extension of the Input-Output framework. The SAM includes non-industrial financial flows with the Input-Output framework.

The Input-Output Model is based on several assumptions, including:

- Constant Returns to Scale
- No Supply Constraints
- Fixed Commodity Input Structure
- Homogenous Sector Output
- Industry Technology Assumption

Due to the Input-Output Model’s assumption of no supply constraints, the IMPLAN model does not account for potential substitution effects within the market.

Input-Output/SAM Models are often used by governments and economic researchers to estimate the impacts of certain actions and policy choices. They are also used to estimate the impact of large development projects on a given region. The impacts of large-scale development projects occur due to two mechanisms. First, there is a one-time, non-recurring, construction impact to the regional economy. During the construction impact, goods and services are procured by a general contractor, and the business of subcontractors and suppliers for the construction is stimulated. In addition, employment opportunities are generated by the construction of the project, which stimulates local households. Second, there is a recurring operation impact to the regional economy. Once construction has completed, the employer will

begin to hire and train employees. The impact can be seen through increased wages paid, and also through substantial inflow of revenue to the project and to the local economy.

5.0 LIMITATIONS OF THE INPUT-OUTPUT / SOCIAL ACCOUNTING MATRIX MODEL

AES has made its best effort to secure accurate information, however, much of the information contained in this report was received from third parties, which AES did not validate or verify. Accordingly, AES makes no warranty, real or implied, regarding the data contained in this report. This report also contains projections of future events based upon certain assumptions. As it is not possible to predict future outcomes with absolute accuracy, these projections should be treated only as estimates of potential future results. Actual results may differ due to unforeseen events. Consequently, AES assumes no liability for the accuracy of these projections.

6.0 GROWTH INDUCING IMPACTS BY ALTERNATIVE

The local region may be impacted by growth in other areas due to a development within either San Bernardino County or San Diego County. Impacts may stimulate an increase in housing costs, additional housing construction, the labor pool, and/or a reduction in the size of unemployment in the region.

6.1 SAN BERNARDINO COUNTY

6.1.1 EMPLOYMENT

As discussed above, due to the unique characteristics of San Bernardino County, including substantial areas of undeveloped desert land outside of Barstow city limits, economic impacts are anticipated to be most pronounced in the zip codes immediately surrounding the site. Demographic information for zip codes in the vicinity of the Barstow site that have the potential to be affected by Alternatives A and B, including population and household size, is provided in **Table 42** below.

Table 42: Barstow Area Zip Codes - Population and Households

2009	Total
Population	88,098
Households	29,837
Average Household Size	2.8

Note: Includes zip codes 92311, 92312, 92347, 92342, 92368, 92307, 92356, 92327, and 92365.

Source: Michigan Consultants, 2009

Alternatives A and B are anticipated to draw employees predominantly from across San Bernardino County. Historical labor data for San Bernardino County obtained from the U.S. Bureau of Labor Statistics was analyzed. In 2009, San Bernardino County had a labor force of 864,290 people, of which

13.0 percent (112,660 people) of the labor force was unemployed.⁸ Unemployment has spiked in recent years following the burst of the housing bubble. According to 34 economic forecasters surveyed from around the country by the Federal Reserve Bank of Philadelphia, U.S. unemployment is expected to decrease at a rate slower than it will take for the rest of the economy to recover. In 2009, the U.S. unemployment rate averaged 9.3 percent; lower than the unemployment rate in San Bernardino County. According to the Council of Economic Advisers, it is projected that the U.S. will observe an approximate 6.5 percent unemployment rate in 2014.⁹ For the purposes of this analysis, it is assumed that the unemployment rate for San Bernardino County will follow a similar trend to what has been projected for the U.S., and that the County will experience an unemployment rate of 10.2 percent in 2014. The compounded annual growth rate (CAGR) was calculated for employment statistics and is presented in **Table 43** below.

Table 43: San Bernardino County Employment

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2009	864,290	751,630	112,660	13.0%
2008	867,101	798,102	68,999	8.0%
2007	867,357	818,961	48,396	5.6%
2006	864,962	823,354	41,608	4.8%
2005	853,130	808,423	44,707	5.2%
2004	832,439	784,354	48,085	5.8%
2003	808,175	757,492	50,683	6.3%
2002	791,014	743,165	47,849	6.0%
2001	763,221	724,533	38,688	5.1%
2001-2009 CAGR	1.5%	0.4%	21.2%	

Source: US Bureau of Labor Statistics, 2001-2009

Based on the CAGR calculated in **Table 43** above, the San Bernardino County labor force is expected to grow at a rate of 1.5 percent annually. Using the projected 2014 unemployment rate of 10.2 percent for San Bernardino County, the number of unemployed workers in the labor force has been forecasted. Unemployment is estimated at 94,971 for San Bernardino County in 2014 (**Table 44**).

Table 44: San Bernardino County Projected Labor Data

Year	Labor Force	Unemployed	Unemployment Rate
2009	864,290	112,660	13.0%
2014	931,086	94,971	10.2%

Source: US Bureau of Labor Statistics; CBO, 2010; AES, 2010.

⁸ United States Bureau of Labor Statistics, 2009. Labor Force Data by County, 2009 Annual Averages. Local Area Unemployment Statistics (LAUS). Available online at: <ftp://ftp.bls.gov/pub/special.requests/la/laucnty09.txt>

⁹ Council of Economic Advisers, 2010. Economic Report of the President: Transmitted to Congress February 2010 together with the Annual Report of the Council of Economic Advisers. United States Government Printing Office. Washington: 2010. Page 75. Available online at: <http://www.whitehouse.gov/sites/default/files/microsites/economic-report-president.pdf>

The natural unemployment rate of five percent was then subtracted from the projected unemployment levels to calculate the total amount of labor available in San Bernardino County at 48,417 people (94,971 - 46,554 = 48,417) as described in **Table 45**. A rate of five percent was then applied to the amount of labor available to account for members of the labor force who are unqualified for employment, which considers local retirees who may be included in the labor force but are not willing to work and members of the labor force who are incapable of performing the tasks associated with employment (48,417 × 5% = 2,421). These assumptions are based on typical rates in labor markets across the nation.

Table 45: San Bernardino County Projected Available Labor Force 2014

Unemployed	94,971
Less Natural Unemployment (5% of Total Labor Force)	46,554
Less Unqualified (5% of Unemployed less Natural Unemployment)	2,421
Available Labor Force	45,996

Source: AES, 2010.

6.1.2 HOUSING MARKET

San Bernardino County housing market data was obtained through California Department of Finance information for 2001 through 2010. Based on this information, it was determined that the total number of housing units increases annually by approximately 1.45 percent, while the percentage of vacant units tends to decrease annually by approximately 0.2 percent. The current regional housing stock information is discussed in **Section 3.6** of the EIS/TEIR. The projected regional housing stock for 2014 was calculated and is presented in **Table 46**.

Table 46: San Bernardino County Regional Housing Stock Projection¹⁰

	2014
Units	734,831
Occupied Units	650,619
Vacant Units	84,212
% Vacant	11.46%

Source: California Department of Finance, 2010; AES, 2010.

Through a comparison of the 2010 San Bernardino County labor force (870, 800 people) and the occupied housing units throughout the County in 2010 (613,380 units), it was determined that, on average, there are approximately 1.42 members of the labor force per household throughout San Bernardino County.

Housing market data was also obtained for the city of Barstow through the California Department of Finance information for 2001 through 2010. Based on this information, it was determined that the total number of housing units increases annually by approximately 1.2 percent, while the percentage of vacant units tends to increase annually by approximately 0.07 percent. The current regional housing stock

¹⁰ State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

information is discussed in **Section 3.6** of the EIS/TEIR. The projected regional housing stock in Barstow for 2014 was calculated and is presented in **Table 47**.

Table 47: Barstow Regional Housing Stock Projection¹¹

	2014
Units	10,656
Occupied Units	8,804
Vacant Units	1,852
% Vacant	17.38%

Source: California Department of Finance, 2010; AES, 2010.

Through a comparison of the 2010 Barstow labor force (10,800 people) and the occupied housing units throughout the city in 2010 (8,423 units), it was determined that, on average, there are approximately 1.28 members of the labor force per household throughout Barstow.

Based on regional housing stock projections, and current trends in Barstow housing market data and San Bernardino County housing market data, there are anticipated to be more than enough vacant homes to support potential impacts to the regional labor market under Alternatives A and B. Neither Alternatives A nor B are expected to stimulate regional housing development.

6.2 SAN DIEGO COUNTY

6.2.1 EMPLOYMENT

Historical labor data for San Diego County obtained from the U.S. Bureau of Labor Statistics was analyzed. In 2009, San Diego County had a labor force of 1,557,369 people, of which 9.7 percent (157,229 people) of the labor force was unemployed. Similar to San Bernardino County, for the purposes of this analysis, it is assumed that the unemployment rate for San Diego County will follow a similar trend to what has been projected for the U.S., and that the County will experience an unemployment rate of 6.9 percent in 2014. The compounded annual growth rate (CAGR) was calculated for employment statistics and is presented in **Table 48** below.

¹¹ State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

Table 48: San Diego County Employment

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2009	1,557,369	1,406,070	151,229	9.7%
2008	1,555,126	1,462,252	92,874	6.0%
2007	1,524,502	1,455,396	69,106	4.5%
2006	1,504,756	1,445,130	59,626	4.0%
2005	1,492,594	1,427,925	64,669	4.3%
2004	1,484,244	1,413,918	70,326	4.7%
2003	1,468,198	1,391,739	76,459	5.2%
2002	1,450,497	1,375,787	74,710	5.2%
2001	1,409,726	1,350,738	58,988	4.2%
2001-2009 CAGR	1.1%	0.5%	17.3%	

Source: US Bureau of Labor Statistics, 2001-2009

Based on the CAGR calculated in **Table 48** above, the San Diego County labor force is expected to grow at a rate of 1.1 percent annually. Using the projected 2014 unemployment rate of 6.9 percent for San Diego County, the number of unemployed workers in the labor force has been forecasted. Unemployment is estimated at 113,500 for San Diego County in 2014 (**Table 49**).

Table 49: San Diego County Projected Labor Data

Year	Labor Force	Unemployed	Unemployment Rate
2009	1,557,369	151,229	9.7%
2014	1,644,929	113,500	6.9%

Source: US Bureau of Labor Statistics; CBO, 2010; AES, 2010.

Similar to what was described for San Bernardino County above, the natural unemployment rate of five percent was then subtracted from the projected unemployment levels to calculate the total amount of labor available in San Diego County at 31,254 people ($113,500 - 82,246 = 31,254$) (**Table 50**). A rate of five percent was then applied to the amount of labor available to account for members of the labor force who are unqualified for employment, which considers local retirees who may be included in the labor force but are not willing to work and members of the labor force who are incapable of performing the tasks associated with employment ($31,254 \times 5\% = 1,563$). These assumptions are based on typical rates in labor markets across the nation.

Table 50: San Diego County Projected Available Labor Force 2014

Unemployed	113,500
Less Natural Unemployment (5% of the Total Labor Force)	82,246
Less Unqualified (5% of Unemployed less Natural Unemployment)	1,563
Available Labor Force	29,691

Source: AES, 2010.

6.2.2 HOUSING MARKET

San Diego County housing market data was obtained through California Department of Finance information for 2001 through 2010. Based on this information, it was determined that the total number of housing units increases annually by approximately 1.1 percent, while the percentage of vacant units has remained, on average, relatively stable and tends to increase annually by approximately 0.004 percent. The current regional housing stock information is discussed in **Section 3.6** of the EIS/TEIR. The projected regional housing stock for 2014 was calculated and is presented in **Table 51**.

Table 51: San Diego County Regional Housing Stock Projection¹²

	2014
Units	1,205,858
Occupied Units	1,152,438
Vacant Units	53,420
% Vacant	4.43%

Source: California Department of Finance, 2010; AES, 2010.

Through a comparison of the 2009 San Diego County labor force (1,557,369 people) and the occupied housing units throughout the County in 2009 (1,099,156 units), it was determined that, on average, there are approximately 1.42 members of the labor force per household throughout San Diego County. Based on regional housing stock projections, and current trends in San Diego County housing market data, there are anticipated to be more than enough vacant homes to support potential impacts to the regional labor market under Alternatives C and D. Neither Alternatives C nor D are expected to stimulate regional housing development.

¹² State of California, Department of Finance. E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California. May 2010.