

The Potential Economic and Fiscal Impacts of the Proposed West Valley Resort at Northern Avenue

The Tohono O'odham Nation, in preparation to construct and operate a first-class resort and casino near Glendale, Arizona, commissioned Analysis Group, Inc., a leading economic consulting firm, and Spectrum Gaming Group, LLC, a leading gaming research and professional services firm, to determine the feasibility of this resort and casino and to measure its potential economic and fiscal impacts on the City of Glendale, Western Maricopa County, Maricopa County, and the State of Arizona.

Analysis Group and Spectrum Gaming developed their findings based on a 1.2 million square-foot facility that is to include:

- Approximately 150,000 square feet of gaming space with 1,089 gaming machines, 50 table games, 25 poker tables, and a 1,000 seat bingo hall;
- A spa hotel with 480 rooms and 120 suites;
- Eight food and beverage options within the casino and hotel combined, including five restaurants, a food court, a buffet, and a coffee shop;
- Two bars and a nightclub;
- 180,000 square feet of convention and meeting space;
- A 40,000 square-foot event center that doubles as convention/meeting space;
- 30,000 square feet of retail space; and
- Structured and surface parking for over 4,000 vehicles.

Among other things, the feasibility analysis conducted by Spectrum Gaming yielded the following key findings:

- The West Valley Resort is projected to generate an estimated 1.2 million visits per year.
- In its first stabilized year of operations (i.e., third year of operations), the West Valley Resort would generate nearly \$300 million in total revenue.
- The projected construction cost for the proposed resort and casino is \$607 million, and the estimated construction timeline is between 32 and 44 months.
- The entry of the West Valley Resort into the Phoenix area gaming market will have a small impact on existing casinos in the market:

- The aggregate annual gaming revenue loss to the seven existing casinos in the market is projected to be less than 2.5 percent of actual aggregate gaming revenue.
- The entry of the West Valley Resort into the Phoenix area gaming market will have an overall net positive impact on gaming and non-gaming revenue in the market.

Based upon the feasibility analysis performed by Spectrum Gaming, Analysis Group estimated the potential economic and fiscal impacts of the proposed West Valley Resort on the surrounding community. Overall, Analysis Group found that the introduction of the West Valley Resort would have significant positive economic and fiscal impacts for Glendale, Western Maricopa County, Maricopa County, and the State of Arizona. These positive impacts would result from both the construction and operation of the West Valley Resort.

CONSTRUCTION IMPACTS

As shown in Table A, the construction of the West Valley Resort would have significant economic and fiscal impacts on Glendale, Western Maricopa County, Maricopa County, and the State of Arizona over the three to four year construction period. Generally speaking, it would generate: construction expenditures; construction jobs, wages, and employee spending; the iteration of businesses purchasing from other businesses as a result of construction expenditures and construction employee spending; jobs at indirectly impacted businesses; wages and spending by employees at indirectly impacted businesses; and tax revenue on all taxable economic activity.

Table A			
One-Time Economic Impact (2009-2012)			
Construction of the Proposed West Valley Resort			
Geographic Area	Output	Jobs	Wages
Glendale	\$85	654	\$25
Western Maricopa County	\$172	1,304	\$53
Maricopa County	\$637	4,752	\$200
State of Arizona	\$814	6,236	\$252
Output and Wages in millions of current dollars. Jobs measured in person-years of employment.			

In total, the construction of the West Valley Resort would generate millions of dollars in economic output and wages, as well as thousands of jobs.

As shown in Table B, the construction of the West Valley Resort would also yield millions of dollars in new tax revenue to local, state, and federal governments.

Table B				
One-Time Tax Impact (2009-2012)				
Construction of the Proposed West Valley Resort				
Geographic Area	Federal	State	Local*	Total
Glendale	\$7	\$2	\$2	\$10
Western Maricopa County	\$15	\$4	\$3	\$22
Maricopa County	\$56	\$14	\$11	\$81
State of Arizona	\$70	\$18	\$14	\$102
Detail may not equate to total due to rounding.				
Taxes are in millions of current dollars.				
*Local taxes received by the county and cities within the county.				

OPERATION IMPACTS

As shown in Table C, the operation of the West Valley Resort would have significant positive annual economic and fiscal impacts on Glendale, Western Maricopa County, Maricopa County, and the State of Arizona. Generally speaking, it would generate: resort casino expenditures; resort casino jobs, wages, and employee spending; the iteration of businesses purchasing from other businesses as a result of resort casino expenditures and resort casino employee spending; jobs at indirectly impacted businesses; wages and spending by employees at indirectly impacted businesses; and tax revenue on all taxable economic activity.

Table C			
Annual Economic Impact			
Operation of the Proposed West Valley Resort			
Geographic Area	Output	Jobs	Wages
Glendale	\$176	1,290	\$50
Western Maricopa County	\$197	1,422	\$56
Maricopa County	\$191	1,376	\$55
State of Arizona	\$320	3,166	\$136
Output and Wages in millions of current dollars.			
Jobs measured in person-years of employment.			

Annually, the operation of the West Valley Resort would be a catalyst for the generation of hundreds of millions of dollars in economic output, tens of millions of dollars in wages, and thousands of jobs.

As shown in Table D, the operation of the West Valley Resort would also yield millions of dollars in new tax revenue to local, state, and federal governments.

Table D				
Annual Tax Impact				
Operation of the Proposed West Valley Resort				
Geographic Area	Federal	State	Local*	Total
Glendale	\$12	\$3	\$3	\$18
Western Maricopa County	\$14	\$4	\$4	\$21
Maricopa County	\$14	\$4	\$4	\$22
State of Arizona	\$32	\$7	\$6	\$45
Detail may not equate to total due to rounding.				
Taxes are in millions of current dollars.				
*Local taxes received by the county and cities within the county.				

In addition to new tax revenue, the Nation will make millions of dollars in annual State and local revenue sharing payments per its gaming compact with the State.