GREAT WOLF LODGE
ECONOMIC DEVELOPMENT SUBSIDY REPORT
(PURSUANT TO GOVERNMENT CODE SECTION 53083)

The City of Manteca is considering approving an economic development subsidy. In particular, the City is considering conveying approximately 29 acres (the "Land") located in the Manteca Family Entertainment Zone to Great Wolf Resorts, Inc. ("Great Wolf") for development of a destination resort that includes a hotel with up to 500 rooms, an indoor water park, restaurants, meeting facilities, and a family entertainment center (the "Lodge Project") in accordance with specified development milestones. To assist with the significant investment associated with development of the Lodge Project, the City would share with Great Wolf a portion of the transient occupancy tax revenues that are generated by the Lodge Project. To effectuate the proposed transaction, the City and Great Wolf would execute a Disposition and Development Agreement and a statutory Development Agreement.

The purpose of this report is to provide information regarding the economic development subsidy, as required by Government Code section 53083. The information in this report is based primarily on a fiscal and economic impact analysis prepared by Economic & Planning Systems, Inc., a copy of which is included in this report as Appendix 1.

1. The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy.

The economic development subsidy would benefit Great Wolf Resorts, Inc., whose address is:
350 North Orleans Street
Suite 10000B
Chicago, IL 60654

2. The start and end dates and schedule, if applicable, for the economic development subsidy.

Beginning on the effective date of the Disposition and Development Agreement, the City would be required to fund any additional off-site infrastructure and utilities necessary for construction and operation of the Lodge Project, any remediation required by law, consultants' fees, certain off-site mitigation measures required by law, and the construction of Daniels Street. These obligations would be completed before the Lodge Project is open for business, which is projected to be between 2020 and 2022.

The City would convey the Land to Great Wolf between July 2018 and January 2020. The purchase price for the Land would be paid solely using transient occupancy tax revenues generated by the Lodge Project over a period of 10 years after the Lodge Project is open for business (which is projected to be between 2020 and 2022).

Sharing of transient occupancy tax revenue generated by the Lodge Project would begin in the first calendar quarter in which the Lodge Project is open for business, which is projected to be between 2020 and 2022. The City would pay Great Wolf a portion of the transient occupancy tax revenue generated by the Lodge Project each calendar quarter for 25 years thereafter.

3. A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.

Pursuant to the Disposition and Development Agreement, the City would be required to fund any additional off-site infrastructure and utilities necessary for construction and operation of the Lodge Project, any remediation required by law, consultants' fees, and certain off-site mitigation measures required by law. These costs cannot be estimated at this time, but are not expected to exceed $2,500,000. The Disposition and Development Agreement would also require the City to complete construction of Daniels Street between Airport Way and McKinley Avenue, which is estimated to cost $5,000,000.

Pursuant to the Development Agreement, transient occupancy taxes actually received by the City from the operation of the Lodge Project up to a rate of 9% will be allocated as follows:

(1) First, pay $2,000,000 each year to Great Wolf, without interest.

(2) Next, pay Great Wolf and the City pro rata for (i) development fees that the City or Great Wolf has actually paid, either in cash or by in-lieu fee credit, to any non-City government agency in connection with development of the Lodge Project, and (ii) up to $500,000 in development fees that Great Wolf has paid to planning/inspection consultants hired by the City in connection with development of the Lodge Project, amortized over 2 years, without interest, including any shortfalls from prior years.

(3) Next, pay the City for $675,000 (representing the purchase price of the Land), amortized over 10 years, without interest, including any shortfalls from prior years.

(4) Next, pay the City for (i) development fees owed by Great Wolf to the City in connection with development of the Lodge Project, and (ii) fees paid by the City to planning/inspection consultants hired by the City in connection with development of the Lodge Project in excess of the first $500,000, amortized over 20 years, without interest, including any shortfalls from prior years.

(5) Next, pay remaining transient occupancy tax revenue 25% to the City and 75% to Great Wolf in the first 10 years, and 50% to the City and 50% to Great Wolf in the following 15 years.

Great Wolf would receive an estimated $100 million ($43.2 million present value discounted at 6%) in transient occupancy tax revenue generated by the Lodge Project in its first 25 years.

The fair market value of the Land is $6,750,000. Pursuant to the Disposition and Development Agreement, the City would convey the Land to Great Wolf at a purchase price of $675,000 (to be paid over time solely using transient occupancy tax revenues generated by the Lodge Project, as described above).

4. A statement of the public purposes for the economic development subsidy.

The purpose of the economic development subsidy is to facilitate development of the Lodge Project by assisting with the significant investment associated with development of the Lodge Project. The economic development subsidy is appropriate because of the substantial projected costs of the Lodge Project and the substantial economic and fiscal benefits for the City that the Lodge Project will generate, including revenue from transient occupancy taxes, sales taxes, and increased property taxes, and will provide jobs, for much longer than the period of the economic development subsidy. The economic development subsidy is consistent with other hotel development incentive programs in California. Moreover, the form of the economic development subsidy is appropriate because there is no risk to the City's general fund, except for the City's obligations to fund any additional off-site infrastructure and utilities necessary for construction and operation of the Lodge Project, any remediation required by law, consultants' fees, certain off-site mitigation measures required by law, and the construction of Daniels Street.

5. The projected tax revenue to the local agency as a result of the economic development subsidy.

The Lodge Project is estimated to generate $99.1 million ($32.3 million present value discounted at 6%) net revenue to the City (including property tax, property tax in-lieu of vehicle license fees, sales and use taxes, public safety sales and use taxes, business licenses, franchise fees, Measure M sales and use tax revenue, and net transient occupancy tax after sharing, less estimated public service costs) during the next 30 years (assuming the Lodge Project opens for business in 2020).

6. The estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

The Lodge Project is estimated to create 250 full-time jobs and 250 part-time jobs (375 full-time equivalent permanent jobs) directly on site and 1,400 temporary construction jobs.

Appendix 1

Fiscal and Economic Impact Analysis

MEMORANDUM

To: Tim Ogden, City Manager, City of Manteca

From: David Zehnder, Jamie Gomes, and Tom Martens

Subject: Great Wolf Resorts—Manteca Lodge: Summary of Development Agreement Assessment, Fiscal Impact Analysis, and Economic Impact Analysis; EPS #172139

Date: March 9, 2018

The Economics of Land Use

Introduction

Great Wolf Resorts (GWR) and the City of Manteca (City) have been discussing a development concept involving a major waterpark resort to be located between an extended Daniels Street and State Route 120 (Highway 120), West of Costco, in the City's Family Entertainment Zone (FEZ). GWR also has evaluated other locations in Northern California, for a similar concept but has indicated their belief that the Manteca location brings significant advantages, allowing improved time to market over the alternative sites.

Economic & Planning Systems, Inc. (EPS) has been retained by the City to provide an economic analysis of the project's fiscal impact on the City, to evaluate overall economic multiplier effects of the project in San Joaquin County and locally, and to provide advisory services regarding the structure of the incentive package sought by GWR. This report describes the findings of EPS's research in these regards.

Proposed Project

The applicant is proposing a 500-room hotel with an indoor water park, open only to hotel guests, and restaurants, meeting space, and a family activity center to be open to both hotel guests and other visitors. Hotel/waterpark guests likely would come from the Bay Area, Central Valley, and beyond. Non-hotel visitors likely would include local residents, as well as visitors to the adjacent Big League Dreams baseball facility.

Economic & Planning Systems, Inc.
400 Capitol Mall, 28th Floor
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

Summary of Findings

The analysis of the proposed development project and the proposed project incentives is summarized below:

- The proposed deal structure is relatively simple and presents low risk to the City. The future stream of Transient Occupancy Tax (TOT) that will be generated by the Project is the source of nearly all of the incentives that will be provided to the Developer, with the exception of some infrastructure[1] provision, development fee deferrals, and discounted land price.
- All of the subsidy is drawn from Project-created sources. The taxes on hotel guests' nightly room charges from the Project's proposed hotel rooms will be the source for any subsidies paid to the Developer.
- The deal structure creates low inherent risk to the City. The City is not being asked to issue any bonds, tap into existing sources of revenue, or guarantee the financial performance of the proposed Project. The land sale carries some minimal risk, since the discounted sales price is collected from TOT over 10 years.
- The total incentive amount is a fairly high percentage of the Project development cost when looking at the total dollar amount of TOT to be shared with the Developer; however, on a Net Present Value (NPV) basis, the percentage is relatively in-line with the up-front values of comparable packages that involved issuing bonds.
- The City has sought to encourage development of a tourism-related project at this site before. The current development proposal provides a relatively risk-free way to encourage a major long-term revenue generator, which could also catalyze additional tourism-related development.

Project Incentive Discussion

Overview

Development agreements between project developers and municipalities, or their affiliated agencies, have become relatively common as a means of reducing required up-front capital and risk for the developer, while also facilitating the addition of a new tax generation source for the municipality. Agreements between municipalities and developers can vary widely in their complexity; however, certain financing elements are often included in some form or another. Typical financing mechanisms may include:

- Low Interest Financing (often through issuance of bonds or access to redevelopment funds).
- Tax Incentives (often through tax rebates or sharing of new taxes generated by the development for a certain timeframe).

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[1] City to provide all infrastructure to site, including water, sewer, stormwater, roadways, communications, gas, electricity, and recycled water.

- Discounted Land Pricing (if municipal-owned land is involved).
- Infrastructure (provided by the municipality).

Incentive Packages for Comparable Projects

Hotel projects are often encouraged by municipalities for a variety of reasons. The incentive packages provided to potential hotel developments can include a variety of funding mechanisms, such as municipal-backed bonds or revenue bonds, supported by incremental tax revenues within a special taxing district. Bonding may require a municipality to pledge city funds to guarantee the financial performance of the proposed project.

Some examples of recent development agreements in other cities are provided below.

Great Wolf Resorts Water Park Hotel in Garden Grove, California, 2014

The Garden Grove Great Wolf Resort is a $285 million project with approximately 600 rooms and a 3-acre water park, along with about 40,000 square feet of restaurant and retail space, in Orange County, California. The development entity is known as Garden Grove MXD, Inc. (GG MXD).

The City of Garden Grove agreed to use bond funding to provide GG MXD a one-time sum of $42 million, 30 days after opening. In addition, the City will share up to 80 percent of the TOT revenues generated by the hotel and collected by the City. Other incentives include land purchased by the City and transferred to GG MXD at no cost, street and sidewalk improvements, and relocation of existing residents.

A potential 200-room expansion will receive a 10-year, 50 percent rebate on TOT and a 12-year 50-percent rebate on sales and property taxes.

Kalahari Resorts Hotel and Convention Center in Round Rock, Texas, 2016

The proposed $350 million hotel and convention center, about 20 miles north of Austin, will contain at least 975 rooms, a minimum 150,000 square foot convention center, and a minimum 200,000 square foot water park.

The City of Round Rock and its transportation and economic development corporation (TED) agreed to issue bonds to provide $30 million in infrastructure improvements (half on-site and half off-site). The City and TED also agreed to issue $40 million in bonds to finance construction of the convention center, which will be owned by the City and operated by a Kalahari entity. In addition, the City purchased the 352-acre site to lease to the tenant/operator for 99 years. The lease payments are intended to cover the purchase price plus interest within the first 8 years. The tenant/operator may purchase the land for $1.00 per acre once all debt has been paid.

The project incentives also included TOT sharing after debt service has been paid, and waiver of development fees.

Stand Rock Hospitality Water Park Hotel in Grapevine, Texas, 2016

This is a $330 million water park resort, by Wisconsin Dells-based Stand Rock Hospitality in Grapevine, Texas, midway between downtown Dallas and Fort Worth, proximate to Dallas/Fort Worth International Airport. The project includes 1,020 guest rooms and 190,000 square feet of entertainment space, including waterparks, golf, spa, dining, and other activities.

The City of Grapevine has agreed to an incentive package that provides for TOT-sharing estimated at about $9 million to the project. Other incentives the City of Grapevine has provided to water park resorts in the city include a 20-year $27.5 million TIF District to finance infrastructure improvements for Gaylord Texan Resort and Convention Center; and, a 10-year 1-percent TOT rebate, waiver of permit fees, impact fee reduction, 0.5-percent sales tax reduction, and roadway improvements for a 400-room Great Wolf Lodge plus a 200-room expansion.

Additional incentive packages for other hotel developments are included in **Appendix D**.

TOT-Rebate Programs

While incentive packages for comparable resorts in other cities, such as those noted above, have included tax increment financing or other bond issuance, the proposed development incentive package relies primarily on sharing, or rebating, the anticipated future stream of TOT revenue. TOT rebate incentive programs have become an increasingly common hotel development incentive tool in California.

Several jurisdictions in California, mostly in the southern portion of the State, have established TOT rebate programs to encourage development of new hotel projects. The jurisdictions include such tourism destinations as Palm Springs, Anaheim, and Santa Barbara County, among others. These jurisdictions have passed ordinances to allow pre-determined percentages of future TOT revenue to be shared with hotel developers/operators that meet certain criteria as a means of encouraging development of new hotel projects.

The maximum percentage of TOT revenue shared with hotel developers/operators by these jurisdictions is generally in the range of 50 percent to 70 percent, and the maximum period that the TOT revenues can be shared is mostly in the 15- to 20-year range. Some jurisdictions have caps on the total dollar amount of TOT that can be shared. **Table 1**, below, highlights the key aspects of TOT rebate programs in several California jurisdictions, including TOT sharing percentages, incentive duration, and maximum caps on the amount shared, if any.

Table 1
Proposed Manteca Lodge - Great Wolf Resorts
Sample of TOT Rebate Incentive Programs in California

Jurisdiction	Share of TOT	Period	Incentive Cap
City of Palm Springs [1]	50% - 75%	10 - 20 years	$25 - $50 million
City of Anaheim	70%	20 years	N/A
City of Los Angeles [2]	50% maximum	Usually 20 years	As Needed
City of Dublin, CA [3]	50% - 70%	15 - 20 years	As Needed
Santa Barbara County	70%	15 years	N/A
Proposed Manteca Lodge [4]	**75% then 50%**	**25 years**	**N/A**

tot rebate

Source: Report prepared by PKF Consulting USA addressed to Mr. Gerry Miller May 30, 2014; City of Anaheim website, City of Dublin, CA website, Los Angeles Times, EPS.

[1] The TOT rebate percentages, periods, and caps for Palm Springs depend upon hotel class. Specific hotel incentive packages may differ.
[2] Los Angeles TOT incentives have been site specifc and based on demonstrated financial need.
[3] Dublin percentage and duration dependent upon hotel class. Dollar cap dependent upon demonstrated need.
[4] Proposed TOT sharing percentage is 75 percent for 10 years, followed by 50 percent for 15 years.

Proposed Great Wolf Resorts—Manteca Lodge Incentives

The incentives as part of the proposed public/private partnership between the City of Manteca and Great Wolf Resorts for the proposed Manteca Lodge include similar elements to the incentives packages granted to proposed developments by other cities, as noted above and in **Appendix D**. However, the incentives proposed for this project are relatively straight-forward in terms of calculation and application as the project proceeds, relative to those found in other development agreements. More importantly, however, the proposed deal terms rely largely on project-generated TOT and do not commit the City of Manteca to issuing bonds or incurring debt, except as may be needed for provision of infrastructure to the site. While several items are drawn from TOT revenue, they are drawn in a cascading order, as outlined below.

Summaries of each of the provisions included in the Outline of Incentives are provided below. The current proposed language from the Outline of Incentives is presented in **Appendix E**:

- **Development Fees:** The City has estimated development fees to be approximately $12 million for the proposed project, including about $2 million in fees to other agencies. Approximately $7.7 million of the fees to the City will be deferred, as noted in the Deferred Fees section, below.
- **Reimbursable Fees:** The reimbursable fees are repaid from TOT revenue in as little as 2 years. They include development fees paid by either the developer or the City to another government agency or planning consultant, including fees collected by the City and remitted to another agency. The fees can be those paid directly in cash or by in-lieu fee credit, such as previously paid fees from the City to another agency that benefit the developer's proposed project. The reimbursable fees are repaid to the City and Developer from TOT revenues, pro rata based on the actual fees paid. However, payment of planning consultant fees by the developer to the City are capped at $500,000, therefore limiting reimbursement to the developer of these fees with this tranche to the same $500,000 cap. Any amount the City has paid to planning consultants in excess of $500,000 will be added to the Deferred Fees tranche for reimbursement. Currently it is estimated that there are just under $1 million in City-paid planning consultant fees; the $450,000 in excess of the $500,000 cap will be reimbursed over 20 years, along with Deferred Fees, below. The reimbursable fees currently include an approximate $600,000 in-lieu credit to the City for habitat conservation and agricultural mitigation fees.
- **Deferred City Fees:** Approximately $7.7 million in development fees that would normally be payable to the City during the planning and development phases of the project will be collected by the City from TOT revenue over a 20-year period. In addition, the City will also be reimbursed for any project-related planning consultant fees in excess of the $500,000 cap noted in the Reimbursable Fees section above in this tranche of TOT reimbursements over a 20-year timeframe.
- **Infrastructure and Utilities:** The City will provide utilities to the Site.
- **Offsite Mitigation:** The City understands it has obtained the necessary permits from other agencies; however, in the event additional permits are required, the City will obtain them.
- **Tourism/Marketing:** The City and Developer will work together to promote the FEZ.
- **Wayfinding Signage:** The City will provide signage to the proposed Project.
- **Site:** The City will convey to the Developer the proposed site at 10 percent of assessed value, to be paid out of the TOT revenue over a 10-year period.
- **Use of Transient Occupancy Taxes (TOT) up to the current 9-percent rate:** Several items will be reimbursed from the TOT revenue generated by the Project. The first priority payments will be annual development assistance payments to the Developer of $2 million for 25 years. There are no rollover provisions should annual TOT revenues be less than the amount needed to cover these payments. However, this amount is paid prior to the subsequent TOT-based payments noted below, in the order of payment priority. The details of the next 3 reimbursement tranches have been described above. After each of the above reimbursements have been paid, any remaining annual TOT revenues are split between the Developer and the City for a period of 25 years. The City will receive 25 percent of the TOT

revenue for the first 10 years, then 50 percent of the TOT revenue for the next 15 years, and all TOT revenue after 25 years.

- **Other Taxes:** The proposed deal terms do not affect any of the potential non-TOT tax revenues generated by the operations of the facility, including sales & use tax. (The site is currently city-owned land and is therefore not generating property tax.)

Revenue Analysis

The revenue analysis estimates the TOT revenues that will be generated by the proposed project, and then applies the proposed development agreement terms to determine net remaining TOT revenue to be dispersed between the City and the Developer.

The analysis utilizes informed estimates of room rate and occupancy assumptions, based on discussions between the City, Great Wolf, and EPS. Accordingly, it has been assumed that when the project reaches stabilization in the third year of operations, the Average Daily Rate (ADR) will be $356, with an occupancy rate of 74 percent.[2] As discussed later in this Memorandum, EPS also tested a scenario with a lower room rate assumption to understand implications for revenue sharing.

After each of the line-item deductions noted above have been set aside from gross TOT revenues from the project, the resulting estimated amount of TOT to the City ranges from approximately $300,000 during the third year of operation (fifth year of Project; first stabilized year) to about $700,000 during the 10th year of operation (twelfth year of Project; the final year of the 75-percent/25-percent split). By the following year, the first year of the 50-percent/50-percent TOT split, the estimated TOT revenues to the City from the project are $1.5 million. These preliminary figures will be refined as further analysis and testing of options goes forward.

Appendix Table A-1 provides a summary of baseline assumptions related to the financial analysis, with **Appendix Table A-2** providing detailed results. **Figures 1** through **3**, later in this Memorandum, show net revenue to the City and the developer from relevant municipal revenues over appropriate timeframes.

Fiscal Impact Discussion

Fiscal impact analysis compares the projected city tax revenues to be generated by a project to the costs of providing municipal services to the future users of that project.

The fiscal analysis results are presented (1) exclusive of the TOT revenue (simply for illustrative purposes), (2) including the City share of TOT revenue during the first stabilized year of operations, and (3) after impact fee reimbursements have ended:

- **Scenario 1: Excluding TOT Revenue:** As an indicator of additional revenues, excluding all TOT revenue but including all service costs, the project is anticipated to result in a net annual fiscal surplus to the City's General Fund of approximately $423,000. Including Measure M

[2] The room rate includes a water park pass and other amenities. As a result it is not directly comparable with other regional accommodations.

supplemental sales tax revenue, the surplus increases to $546,000. Public safety costs represent a key issue requiring further study and have potential to be reduced in refined analysis.[3]

- **Scenario 2: Initial Stabilization:** At initial stabilization, the project is anticipated to result in a net fiscal surplus of $884,000 to the City's General Fund. Including Measure M supplemental sales tax revenue, the surplus increases to $1,007,000. The net fiscal surplus includes the City's 25-percent share of remaining TOT revenue after reimbursement obligations and development assistance. In addition to the General Fund revenue noted above, the City's TOT-funded reimbursements at initial stabilization are approximately $482,500.

- **Scenario 3: Second Phase TOT Sharing:** After the reimbursements to the City have ended, but development assistance payments are still being deducted from TOT, the project is anticipated to result in an annual net fiscal surplus of approximately $1,587,000 to the City's General Fund. Including Measure M supplemental sales tax revenue, the annual surplus increases to $1,710,000. The net fiscal impact includes the City's 50-percent share of remaining TOT revenues after the developer assistance deduction.

Revenue Calculations

A marginal case-study approach was used to calculate property tax, property tax in lieu of vehicle license fees, sales and use taxes, public safety sales tax, and TOT revenues:

Property tax and property tax-related revenues are calculated based on an assumed assessed value for the project of $186,750,000 based on estimated construction costs and existing land value. Because of the unique nature of the project, it is assumed the project will generate no annual property transfer taxes as there is no anticipated on-going ownership turnover of the project, nor periodic resale to be annualized.

Sales and use taxes are calculated using a hybrid method, including both the estimated taxable sales generated by Project employees and taxable sales generated by new land uses. Taxable sales from new development are based on an estimated taxable sales-per-room assumption of $180 applied to the total annual occupied hotel rooms. This analysis is based on the assumption that all food and retail sales made by hotel guests are taxable.

TOT revenues are calculated assuming stabilized occupancy and Average Daily room Rates (ADRs) of 74 percent and $356, respectively. The occupancy and ADR assumptions are estimates informed estimates based on discussions between the City, Great Wolf, and EPS.

EPS calculated the annual business license and franchise fee revenues based on a per-person-served methodology. This analysis is based on the assumption revenues pertaining to licenses and permits, excise taxes, intergovernmental, charges for services, fines and forfeitures, use of

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[3] This scenario assumes a "middle of the road" approach to public safety costs reflecting an average cost analysis based on the project's daytime population. This represents a level of departmental activity related to the project that may be slightly higher than that suggested by confidential applicant-provided data. See **Appendix A** for more information regarding this forecasting technique.

money and property, and all other revenues are not expected to be impacted by this project and are not evaluated in the analysis.

Expenditure Calculations

Police and fire protection costs are estimated using an average cost expenditure methodology. Police and fire protection costs are based on the budgeted Fiscal Year 2017–18 General Fund police and fire expenditures with an adjustment made for estimated fixed costs, which are not anticipated to increase with development of the project. These adjusted expenditures are used to arrive at an average cost multiplier applied to the total daytime population resulting from the project. The daytime population includes the employees, hotel guests, and other visitors to the Project.[4]

General government and public utilities expenditures are calculated using a per-persons-served multiplier methodology.

Parks, recreation, and community services expenditures are calculated on a per capita basis. As the project generates no new residents, this expenditure category is not anticipated to be affected by the project.

Economic Impact Discussion

Economic impacts measure the employment and earnings (wages and salaries) generated by a project, as well as the overall economic impact in the surrounding area though business-to-business spending and employee spending. These impacts occur first from the construction of the Project and then from the operation of the Project. The impacts are calculated using standard economic impact modeling, discussed below.

Additional impacts can include increased visitor spending that helps support other establishments in the area, as well as qualitative impacts such as increasing visitation in targeted locations, which can serve to catalyze additional development. The Project and its visitors have the potential to provide a catalytic effect on the Family Entertainment Zone (FEZ).

Economic impacts using an Input/Output model (I/O model) are based on an initial change in output or employment in some sector. The model then translates that initial change into changes in demand for output from other interdependent sectors, corresponding changes in demand for inputs to those sectors, and so on. These effects are commonly described as direct, indirect, or induced effects and are generally defined as follows:

- The ***direct effect*** represents the change in output or employment attributable to a change in demand or increased supply. For example, the total sales generated by a new business or

[4] Since the daytime population is within the jurisdiction for fewer hours than the resident (or overnight) population, the daytime population is discounted by a factor of 0.50 when assigning an average cost multiplier. Note that some persons may be included in both the daytime and resident populations, but their municipal services costs are estimated separately for their time as a resident versus their time working or doing other activities related to the Project.

the total employees hired by that business would represent the direct impact on the County economy.

- The ***indirect effect*** results from industry-to-industry transactions required to satisfy the direct effect. This effect is a measure of the change in the output of suppliers linked to the industry that is directly affected. For example, the resort purchases numerous goods from County suppliers, including food, laundry services, equipment, and other services.

- The ***induced effect*** consists of impacts from employee spending in the local economy. Specifically, the employees of directly and indirectly affected businesses generate this effect by purchasing goods and services in the local economy.

The total impact is the sum of the direct, indirect, and induced effects. The total effect measures the impact of an activity as it "ripples" throughout the regional economy. The regional economic effects described above are reported in three categories:

- **Annual Output:** Annual output measures the value of goods and services produced in the County as a result of business operations.

- **Employment:** Employment estimates the total number of jobs, both full-time and part-time, created as a result of resort operation. Employment is reported in job years. Construction employment represents total job years over the life of the project (1 job lasting 2 years would be reported as an employment impact of "2").

- **Income:** Income reflects the total payroll cost of each employee of the subject business (wages, salary, benefits, and employer-paid payroll taxes), proprietor's income, and other income. Income in reported as a portion of the annual output described above.

One-Time Construction

Impacts that are associated with construction of the Project through buildout are measured on a one-time basis. Construction activity generates a short term burst of economic activity that dissipates once construction is complete. One-time impacts include the value of new construction, employment created, and income earned during Project development. It is estimated that construction of the Project will incur approximately $180 million in hard construction costs. The resulting impacts are described below:

- **Annual Output:** Construction operations are estimated to generate approximately $180 million in direct one-time industry output. Local spending will result $20.8 million in indirect one-time impacts, for a total one-time industry output impact of $200.8 million.

- **Income:** Of the $180 million in direct industry output reported above, approximately $76.3 million will be received by construction employees in the form of salary, wages, and benefits and other income categories. Indirect income impacts total approximately $7.1 million, for a total annual employee compensation impact of approximately $83.4 million.

- **Annual Employment:** Construction operations result in 1,397 direct job years and generate approximately 123 indirect jobs for a total employment impact of approximately 1,520 jobs.

Ongoing Operations

The economic impact analysis includes an estimate of impacts occurring annually as a result of Project operations and visitor spending. Impacts associated with these discrete economic activities are estimated based on estimated employment data provided by the applicant and visitor spending assumptions.

Project Operations

The resulting impacts of Project operations are described below:

- **Annual Output:** Project operations are estimated to generate approximately $29.6 million in direct industry output annually. Local spending will result in approximately $6.9 million in indirect industry output impacts and $6.1 million in induced impacts annually, for a total industry output impact of $42.5 million on an annual basis.
- **Income:** Of the $29.6 million in direct industry output reported above, approximately $8.9 million will be received by employees in the form of salary, wages, and benefits. Indirect and induced impacts total approximately $4.5 million, for a total annual income impact of approximately $13.3 million.
- **Annual Employment:** The 375 direct resort employees will generate approximately 59 indirect and 47 induced jobs annually, for a total employment impact of approximately 481 jobs on an annual basis.

Visitor Spending

The resulting impacts of visitor spending in the County are described below:

- **Annual Output:** Visitor spending will generate an estimated $14.5 million annually in direct industry output impacts. Through indirect and induced impacts, an additional $7.4 million would be generated annually, for total local output impact of approximately $21.8 million.
- **Income:** Of the $21.8 million in direct industry output, approximately $6.4 million will be in the form of income. Indirect and induced income impacts will total approximately $1.4 million, for a total labor income impact of approximately $8.8 million.
- **Employment:** Visitor spending results in 215 direct employees, 25 indirect employees, and 30 induced employees, for a total annual employment impact of approximately 270 jobs.

Conclusions

The Project is estimated to produce a net fiscal surplus to the City of more than $1.0 million annually at project stabilization, after TOT-sharing with the Developer and provision of municipal services to the site. In addition, the operation of the resort is estimated to result in 375 full time equivalent (FTE) jobs directly on-site, plus more than 100 additional indirect and induced jobs within the City and County. For calculation of economic impacts, part-time job hours have been converted the into the equivalent full-time employment (e.g.: two half-time jobs equal one full-time job), as shown in **Appendix C**.

Overall, the deal structure effectively works to minimize major risk to the City of Manteca. The incentives package is solely funded by the projected TOT revenue that will be generated by the development, and does not require the City to provide any guarantee of financial performance.

In contrast to many public-private partnerships, the simple revenue sharing provisions based on existing TOT rates applied to the projected performance of the Great Wolf Lodge entails a deal structure where the City is only being asked to share TOT from the project.

As illustrated by **Appendix D**, the overall subsidy is a relatively high percentage of the development cost when TOT sharing above the development assistance and reimbursements is included, at 55 percent. The development assistance and reimbursements specified in the Outline of Incentives are an estimated 29 percent of the development budget, which is more in line with some of the higher subsidy percentages for comparable projects.

However, it should be noted that the TOT sharing percentages included in the proposed deal are not out of line with hotel development incentive programs found in California. The County of Santa Barbara allows new hotel developments to receive up to 70 percent of the TOT they generate for 15 years. The City of Palm Springs allows for tax sharing equal to 50 percent of the TOT generated by new hotels for 10 to 25 years, with caps of $25 million to $50 million depending on the class of hotel.

Overall results indicate that in effect, over the 30-year period shown, municipal revenues are being relatively evenly split between the City and the Developer, based on comparison of nominal (inflated) and discounted municipal cash flows.[5] The discounted revenues are somewhat lower as a share for the City, however, since the Developer receives a higher share of the revenues in the earlier years, while the City's share increases in later years.

EPS analyzed the sensitivity of the potential revenue to the City and Developer under a reduced hotel revenue scenario. Assuming an average room rate 10 percent lower than the informed estimate average daily rate used elsewhere in the analysis results in the revenues shown in **Table 2** below. The sensitivity analysis is discussed in more detail below.

After the sharing provision expires after year 25, the City would keep all municipal revenue from the project, hence the importance of taking steps to ensure the property is well-maintained and updated in the interim such that it continues to generate substantial TOT and other municipal revenues.

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[5] Note that the applied discount rate used for this comparison is 6.0 percent, intended to reflect an approximate cost of funds to participating entities.

Table 2
GWR - Manteca Lodge
Negotiation Technical Support
Summary of TOT Revenue Potential

	Baseline		Sensitivity		Sensitivity Percent of Baseline	
Item	**City Total Revenues [1]**	**Developer TOT [2]**	**City Total Revenues**	**Developer TOT**	**City Total Revenues**	**Developer TOT**
Nominal Revenue	$ 99.1 M	$ 100.0 M	$ 79.7 M	$ 87.7 M	80%	88%
Discounted Revenue at 6.0%	$ 32.3 M	$ 43.2 M	$ 27.5 M	$ 39.8 M	85%	92%

sens pct

Source: EPS.

[1] City revenue includes all TOT-derived revenue and non-TOT revenue less estimated public service costs from the fiscal impact analysis.
[2] Developer TOT revenue includes TOT sharing plus development assistance and reimbursements from TOT.

Figure 1 illustrates the benefit of the project from a full range of City revenues, predominantly TOT but also including revenue from land sale, property tax, sales and use tax, and other municipal revenue sources generated by the project. As shown there are a number of key junctures related to the terms of the MOU cited above. While the cash flow analysis is limited to 30 years, it should be noted that these fiscal benefits would continue indefinitely as long as the resort and the hotel continue to be operable. Clearly, ongoing investment and upkeep would be critical to sustaining this level of TOT and other revenue receipts.

Figure 2 reflects TOT income flowing to the Developer. All income shown is derived from the hotel developed within the resort. This income would not be available to either the City or the developer "but for" the development of the project. The developer has stated that these revenues are necessary to achieve minimally acceptable returns from the project.

Figure 3 illustrates the overall share of TOT revenue through year 30 that will flow to the City and to the Developer. Note that beginning in year 28, all TOT revenue is retained by the City.

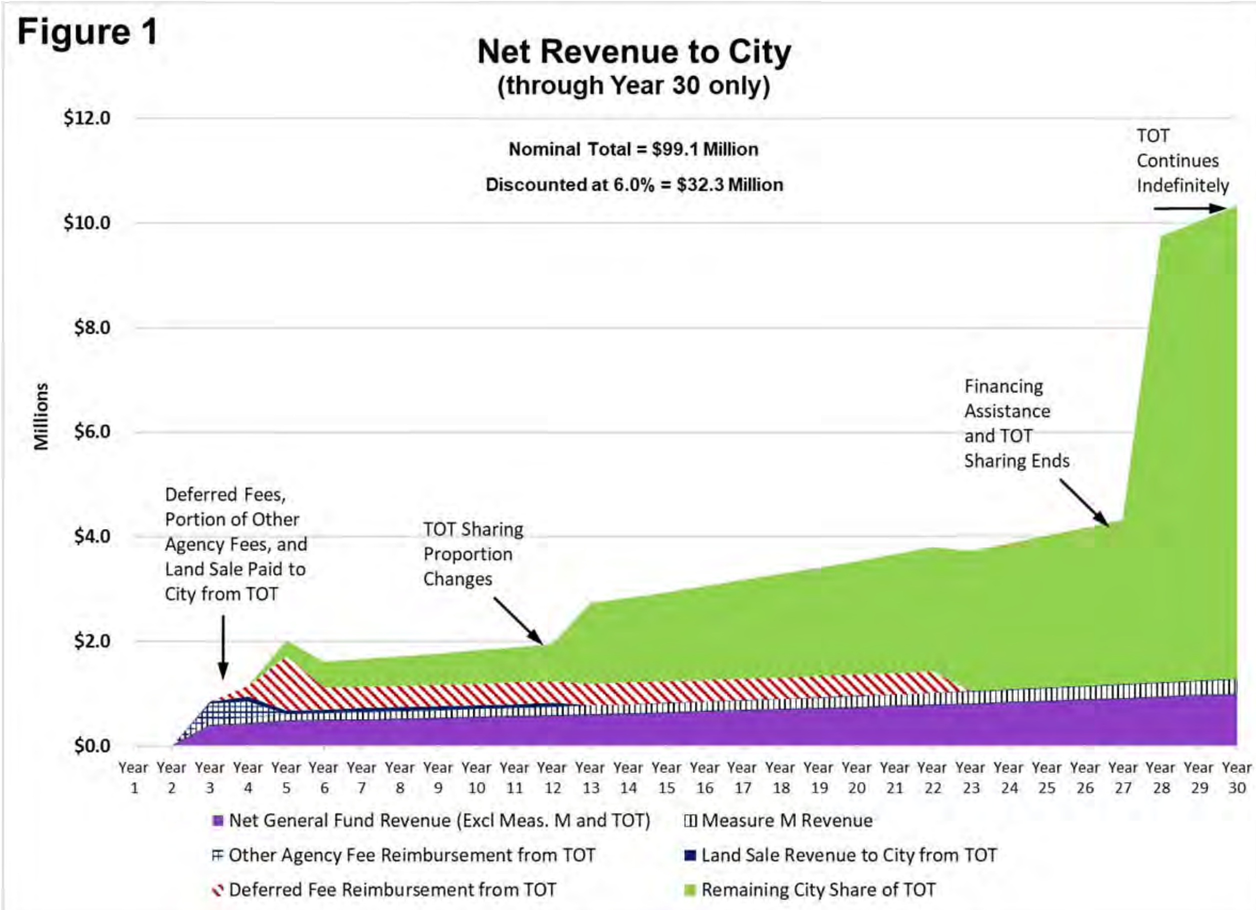
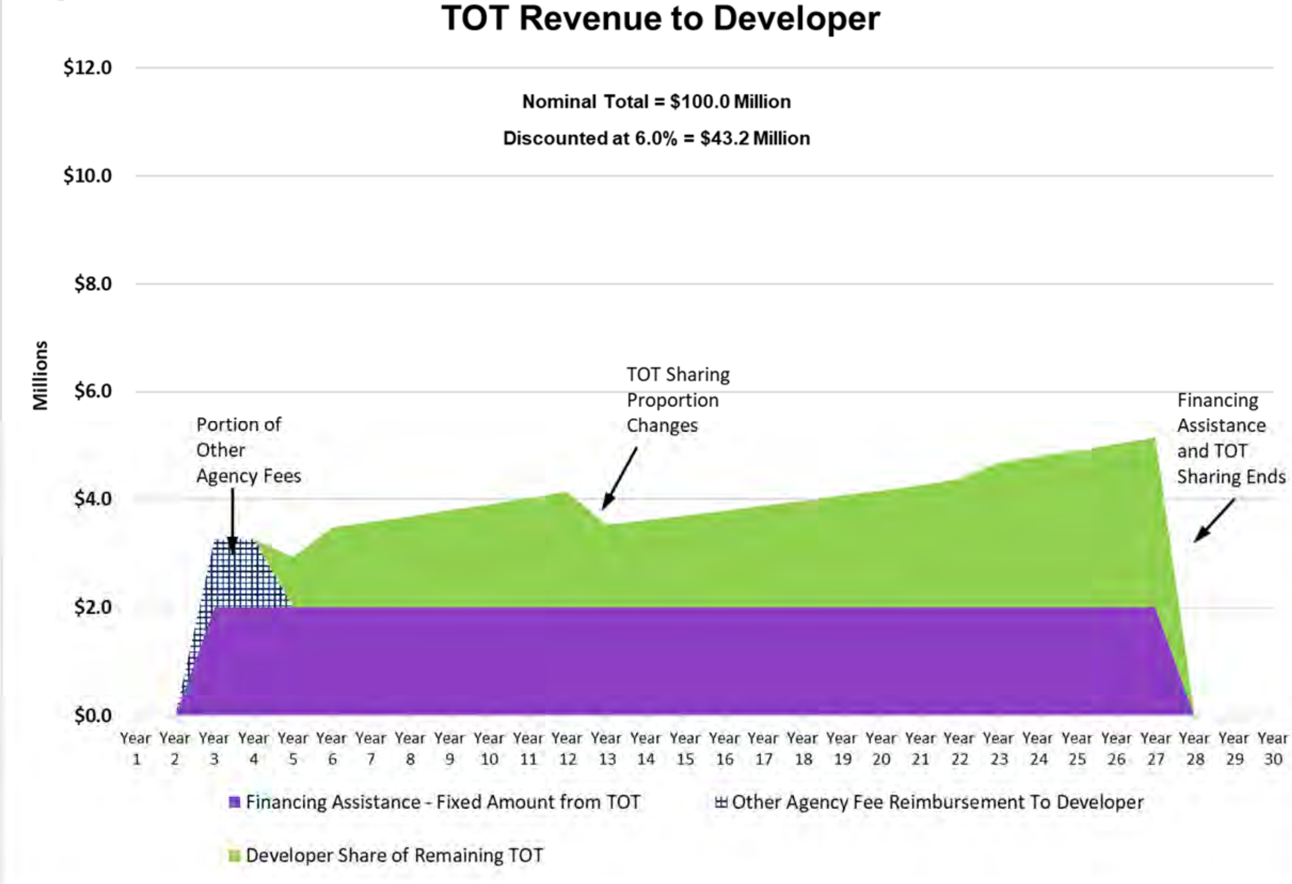
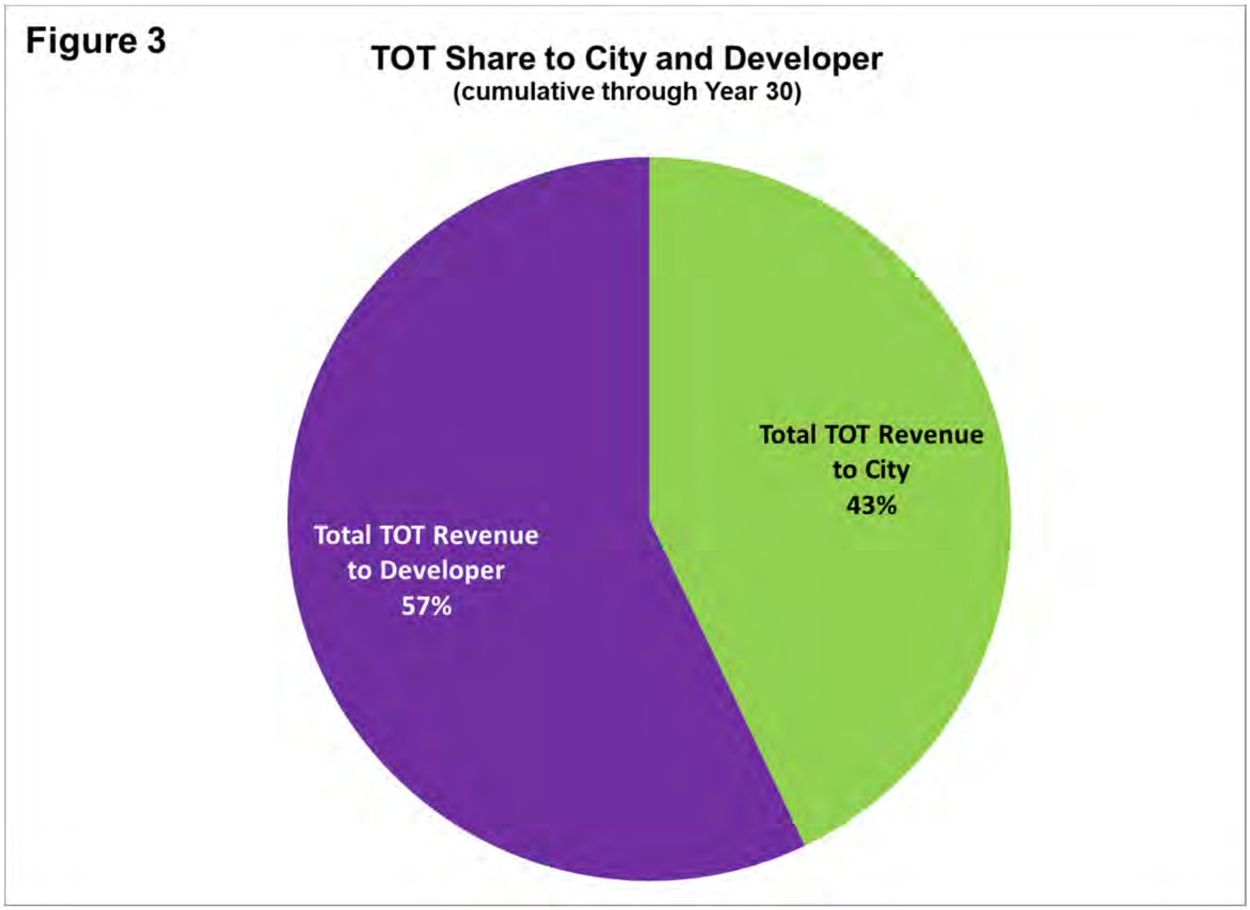


Figure 1
Net Revenue to City
(through Year 30 only)
Nominal Total = $99.1 Million
Discounted at 6.0% = $32.3 Million
TOT Continues Indefinitely
Financing Assistance and TOT Sharing Ends
TOT Sharing Proportion Changes
Deferred Fees, Portion of Other Agency Fees, and Land Sale Paid to City from TOT
Millions
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11 Year 12 Year 13 Year 14 Year 15 Year 16 Year 17 Year 18 Year 19 Year 20 Year 21 Year 22 Year 23 Year 24 Year 25 Year 26 Year 27 Year 28 Year 29 Year 30
Net General Fund Revenue (Excl Meas. M and TOT)
Measure M Revenue
Other Agency Fee Reimbursement from TOT
Land Sale Revenue to City from TOT
Deferred Fee Reimbursement from TOT
Remaining City Share of TOT

Figure 2


TOT Revenue to Developer
Nominal Total = $100.0 Million
Discounted at 6.0% = $43.2 Million
Millions
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
Portion of Other Agency Fees
TOT Sharing Proportion Changes
Financing Assistance and TOT Sharing Ends
Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11 Year 12 Year 13 Year 14 Year 15 Year 16 Year 17 Year 18 Year 19 Year 20 Year 21 Year 22 Year 23 Year 24 Year 25 Year 26 Year 27 Year 28 Year 29 Year 30
Financing Assistance - Fixed Amount from TOT
Other Agency Fee Reimbursement To Developer
Developer Share of Remaining TOT



Appendix A provides a sensitivity analysis of a slightly reduced revenue outlook. The assumed project ADRs and occupancy rates were informed estimates based on discussions between the City, Great Wolf, and EPS. However, given that the market will ultimately dictate the level of project performance, reduced assumptions pertaining to starting room rate and growth of room rates are examined, whereby the project would still produce a similar overall revenue sharing result over the period analyzed. Average nightly room rates and occupancy rates are the two key drivers for hotel revenue, and directly impact the potential TOT revenue that underpins this development deal. While the informed estimates for room rate and occupancy seem reasonable, EPS tested a scenario where room revenue was reduced by 10 percent. It is not known whether the project could be financially successful under the downside scenario; hence the potential importance of exploring this issue as provisions are negotiated between the City and Great Wolf.

Minor financial risk is associated with provisions that would provide a substantial (90 percent) discount on the cost of the 30-acre parcel used for the Project, as well as instances where the City would "carry" impact fees and other obligations, either related to projects within the City or to obligations to other entities, such as the County. However, these risks are relatively easily contained, with additional protective clauses expected to be negotiated as a next step.

In addition, the length of the development assistance payments or the TOT sharing percentages and timeframe could be examined in relation to other TOT rebate programs in the State.

Unlike many P3 projects, the City is not being asked to issue or to backstop debt of any kind. As a result of the simple revenue-sharing approach, there is very little downside risk to the City, and in particular, little to no significant General Fund risk. If the project is well maintained and kept current over the next 30 years, the City will have a long-term revenue-generating asset that should benefit the City's long-term fiscal position.

As noted in the Project Incentive Discussion section, the proposed deal is relatively simple, with future TOT revenue the source of all developer incentives, other than provision of infrastructure to the site.

APPENDICES:

Appendix A: Incentives Analysis Tables

Appendix B: Fiscal Impact Analysis Tables

Appendix C: Economic Impact Analysis Tables

Appendix D: Comparable Hotel Incentives Tables

APPENDIX A:

Incentives Analysis Tables

Table A-1
GWR - Manteca Lodge
Negotiation Technical Support
Participation TOT Revenue Assumptions

Item	Base Scenario Assumptions
General Assumptions	
Initial Construction Start Year	Year 1
Initial Construction Duration	2 Years
Phase One Operational Year	Year 3
Phase Two Operational Year	Year 0
Phase One Number of Rooms	500
Phase Two Number of Rooms	0
Phase One Years to Stabilization	3 Years
Phase Two Years to Stabilization	0 Years
First Full Year Occupancy	65.0%
Average Stabilized Occupancy [2]	74.0%
Estimated Average Daily Rate [2]	$356
ADR Year	Year 5
ADR Growth Rate	3.0%
TOT-Participation Assumptions	
Transient Occupancy Tax Rate	9.0%
Financing Assistance	
Annual Financing Assistance	$2,000,000
Financing Assistance Timeline	25 Years
Financing Assistance Escalation/De-escalation	0.0%
Other Agency Fees and City-Paid Planning Fees [1]	
Other Agency Fees - To Developer	$2,000,000
SJCOG MSF In-Lieu Credits - To City	$600,000
Reimbursable City-Paid Planning Fees - Unallocated	$1,000,000
Reimbursable City-Paid Planning Fees Cap on 2-year Reimbursement - To Developer [3]	$500,000
Remaining City-Paid Planning Fees in Excess of 2-year Cap - To City	$500,000
Total Reimbursable Other Agency Fees (including City Paid Planning Fees to Cap)	$3,100,000
City Pro Rata Share Reimbursable Fees	19.4%
Reimbursement Timeline	2 Years
Reimbursement Interest	0.0%
Deferred City Fees [1]	
Deferred City Development Fees	$7,700,000
Deferred City Fees + City-Paid Planning Fees in Excess of Cap (from above)	$8,200,000
Deferment Timeline	20 Years
Deferment Interest	0.0%
TOT Sharing	
TOT Sharing Phase 1 Timeline	10 Years
TOT Sharing Phase 1 Developer Share	75.0%
TOT Sharing Phase 2 Timeline	15 Years
TOT Sharing Phase 2 Developer Share	50.0%
Land Sale	
Land Market Value	$6,750,000
Land Sale Price as Pct Market Value	10.0%
Land Sale Price	$675,000
Land Sale Paid from TOT (Y/N)	Yes
Land Purchase Start Year	Year 3
Land Purchase Timeline	10 Years
Land Purchase Interest	0.0%

assump

Source: Great Wolf Resorts, City of Manteca, EPS.

[1] All fees are estimates and will be calculated at the time of permitting.
[2] ADR and occupancy are informed estimates based on discussions between the City, Great Wolf, and EPS.
[3] Planning consultant fees up to the cap of $500,000 are reimbursed to Developer from TOT over 2 years, following an initial reimbursement to the City of this amount for these fees by the Developer.

Table A-2
GWR - Manteca Lodge
Negotiation Technical Support
TOT Cash Flow Summary [1]

Note: Key projected roll-off years identified with shading; interim years have been collapsed (double vertical lines) for printing purposes.

Item	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 12	Year 13	Year 22	Year 23	Year 27	Year 28	Year 30
TOT Revenue													
Transit Occupancy Tax	$ 174,262,011	$ -	$ -	$ 3,582,567	$ 3,860,353	$ 4,327,002	$ 5,321,667	$ 5,481,317	$ 7,151,875	$ 7,366,431	$ 8,290,983	$ 8,539,713	$ 9,059,781
First Payment Priority													
Developer Financing Assistance from TOT													
Financing Assistance **to Developer**	$ 50,000,000	$ -	$ -	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ -	$ -
Remaining TOT After Financing Assistance	$ 124,262,011	$ -	$ -	$ 1,582,567	$ 1,860,353	$ 2,327,002	$ 3,321,667	$ 3,481,317	$ 5,151,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 9,059,781
Second Payment Priority													
Reimbursable Fees from TOT													
Reimbursable Fees **to Developer**	$ 2,500,000	$ -	$ -	$ 1,250,000	$ 1,250,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reimbursable Fees **to City (capped)**	$ 600,000	$ -	$ -	$ 300,000	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remaining TOT After Reimbursable Fees	$ 121,162,011	$ -	$ -	$ 32,567	$ 310,353	$ 2,327,002	$ 3,321,667	$ 3,481,317	$ 5,151,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 9,059,781
Third Payment Priority													
Land Sale from TOT													
Total Land Sale Revenue **to City**	$ 675,000	$ -	$ -	$ 32,567	$ 102,433	$ 67,500	$ 67,500	$ -	$ -	$ -	$ -	$ -	$ -
Remaining TOT After Land Sale Reimb.	$ 120,487,011	$ -	$ -	$ -	$ 207,920	$ 2,259,502	$ 3,254,167	$ 3,481,317	$ 5,151,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 9,059,781
Fourth Payment Priority													
Deferred City Fees (plus Planning Fees above Cap) from TOT													
Total Annual Deferred Fee Reimbursement **to City**	$ 8,200,000	$ -	$ -	$ -	$ 207,920	$ 1,022,080	$ 410,000	$ 410,000	$ 410,000	$ -	$ -	$ -	$ -
Remaining TOT After Deferred Fee Reimb.	$ 112,287,011	$ -	$ -	$ -	$ -	$ 1,237,422	$ 2,844,167	$ 3,071,317	$ 4,741,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 9,059,781
Final Payment Priority													
Net TOT Disbursement													
Remaining Share of TOT **to Developer**	$ 47,457,075	$ -	$ -	$ -	$ -	$ 928,067	$ 2,133,125	$ 1,535,658	$ 2,370,938	$ 2,683,216	$ 3,145,492	$ -	$ -
Remaining Share of TOT **to City**	$ 64,829,936	$ -	$ -	$ -	$ -	$ 309,356	$ 711,042	$ 1,535,658	$ 2,370,938	$ 2,683,216	$ 3,145,492	$ 8,539,713	**$ 9,059,781** *Continues->*
Remaining TOT After Disbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total TOT Revenue to Developer	**$ 99,957,075**	**$ -**	**$ -**	**$ 3,250,000**	**$ 3,250,000**	**$ 2,928,067**	**$ 4,133,125**	**$ 3,535,658**	**$ 4,370,938**	**$ 4,683,216**	**$ 5,145,492**	**$ -**	**$ -**
Total TOT Revenue to City	**$ 74,304,936**	**$ -**	**$ -**	**$ 332,567**	**$ 610,353**	**$ 1,398,935**	**$ 1,188,542**	**$ 1,945,658**	**$ 2,780,938**	**$ 2,683,216**	**$ 3,145,492**	**$ 8,539,713**	**$ 9,059,781** *Continues->*

tot summ

Source: Great Wolf Resorts, City of Manteca, EPS.

[1] Estimates shown assume sufficeint TOT revenues to cover annual reimbursements. The TOT Cash Flow Detail table includes reimbursement backlog calculations, if needed.

Table A-3
GWR - Manteca Lodge
Negotiation Technical Support
City Participation TOT Cash Flow Detail

TOT Revenue	**Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Year 12**
TOT Generation													
Phase One Rooms		-	-	500	500	500	500	500	500	500	500	500	500
Phase One Room Occupancy		0%	0%	65%	68%	74%	74%	74%	74%	74%	74%	74%	74%
Phase Two Rooms		-	-	-	-	-	-	-	-	-	-	-	-
Phase Two Room Occupancy		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Average Daily Rate		$ -	$ -	$ 336	$ 346	$ 356	$ 367	$ 378	$ 389	$ 401	$ 413	$ 425	$ 438
Room Revenue		$ -	$ -	$ 39,806,297	$ 42,892,816	$ 48,077,800	$ 49,520,134	$ 51,005,738	$ 52,535,910	$ 54,111,987	$ 55,735,347	$ 57,407,408	$ 59,129,630
Transit Occupancy Tax	$ 174,262,011	$ -	$ -	$ 3,582,567	$ 3,860,353	$ 4,327,002	$ 4,456,812	$ 4,590,516	$ 4,728,232	$ 4,870,079	$ 5,016,181	$ 5,166,667	$ 5,321,667
Financing Assistance													
Financing Assistance to Developer	$ (50,000,000)	$ -	$ -	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)
Remaining TOT After Financing Assistance	$ 124,262,011	$ -	$ -	$ 1,582,567	$ 1,860,353	$ 2,327,002	$ 2,456,812	$ 2,590,516	$ 2,728,232	$ 2,870,079	$ 3,016,181	$ 3,166,667	$ 3,321,667
Other Agency Fee Reimbursement - 2-year													
Other Agency Fee Target Reimbursement	$ 3,100,000	$ -	$ -	$ 1,550,000	$ 1,550,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual TOT-covered Amortized Other Agency Fee Reimb.		$ -	$ -	$ (1,550,000)	$ (1,550,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Backlog Amortized Other Agency Fees			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Backlog Other Agency Fee Reimb.		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Agency Fee Reimbursement To Developer	$ (2,500,000)	$ -	$ -	$ (1,250,000)	$ (1,250,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Agency Fee Reimbursement to City - 2-Year (capped)	$ (600,000)	$ -	$ -	$ (300,000)	$ (300,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remaining TOT After Other Agency Fee Reimb.	$ 121,162,011	$ -	$ -	$ 32,567	$ 310,353	$ 2,327,002	$ 2,456,812	$ 2,590,516	$ 2,728,232	$ 2,870,079	$ 3,016,181	$ 3,166,667	$ 3,321,667
Land Sale from TOT													
Land Sale Target Revenue to City from TOT	$ 675,000	$ -	$ -	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500	$ 67,500
Annual TOT-covered Amortized Land Sale		$ -	$ -	$ (32,567)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)
Cumulative Backlog Amortized Land Sale			$ -	$ 34,933	$ 34,933	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Backlog Land Sale Revenue		$ -	$ -	$ -	$ (34,933)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Land Sale Revenue to City	$ (675,000)	$ -	$ -	$ (32,567)	$ (102,433)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)	$ (67,500)
Remaining TOT After Land Sale Reimb.	$ 120,487,011	$ -	$ -	$ -	$ 207,920	$ 2,259,502	$ 2,389,312	$ 2,523,016	$ 2,660,732	$ 2,802,579	$ 2,948,681	$ 3,099,167	$ 3,254,167
Deferred City Fees and Other Agency Fees above Cap													
Deferred City Fees Target Amortized Payment	$ 7,700,000	$ -	$ -	$ 385,000	$ 385,000	$ 385,000	$ 385,000	$ 385,000	$ 385,000	$ 385,000	$ 385,000	$ 385,000	$ 385,000
Other Agency Fees in Excess of Cap Target Amortized Payment	$ 500,000	$ -	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Combined Target Amortized Payment	$ 8,200,000	$ -	$ -	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000
Annual TOT-covered Amortized Deferred Fee Reimb.		$ -	$ -	$ -	$ (207,920)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)
Cumulative Backlog Amortized Deferred Fees			$ -	$ 410,000	$ 612,080	$ 612,080	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Backlog Deferred Fee Reimb.		$ -	$ -	$ -	$ -	$ (612,080)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Annual Deferred Fee Reimbursement to City	$ (8,200,000)	$ -	$ -	$ -	$ (207,920)	$ (1,022,080)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)	$ (410,000)
Net TOT for Disbursement	$ 112,287,011	$ -	$ -	$ -	$ -	$ 1,237,422	$ 1,979,312	$ 2,113,016	$ 2,250,732	$ 2,392,579	$ 2,538,681	$ 2,689,167	$ 2,844,167
Developer Share of TOT	$ 47,457,075	$ -	$ -	$ -	$ -	$ 928,067	$ 1,484,484	$ 1,584,762	$ 1,688,049	$ 1,794,434	$ 1,904,011	$ 2,016,875	$ 2,133,125
Remaining City Share of TOT	$ 64,829,936	$ -	$ -	$ -	$ -	$ 309,356	$ 494,828	$ 528,254	$ 562,683	$ 598,145	$ 634,670	$ 672,292	$ 711,042
Land Sale Revenue to City Independent of TOT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue to Developer	$ 99,957,075	$ -	$ -	$ 3,250,000	$ 3,250,000	$ 2,928,067	$ 3,484,484	$ 3,584,762	$ 3,688,049	$ 3,794,434	$ 3,904,011	$ 4,016,875	$ 4,133,125
Total Revenue to City	**$ 74,304,936**	**$ -**	**$ -**	**$ 332,567**	**$ 610,353**	**$ 1,398,935**	**$ 972,328**	**$ 1,005,754**	**$ 1,040,183**	**$ 1,075,645**	**$ 1,112,170**	**$ 1,149,792**	**$ 1,188,542**

Source: Great Wolf Resorts, City of Manteca, EPS.

Table A-3
GWR - Manteca Lodge
Negotiation Technical Support
City Participation TOT Cash Flow Detail

Note: Some outer years with no reimbursement roll-offs have been collapsed for printing purposes.

TOT Revenue	Year 13	Year 22	Year 23	Year 27	Year 28	Year 29	Year 30
TOT Generation							
Phase One Rooms	500	500	500	500	500	500	500
Phase One Room Occupancy	74%	74%	74%	74%	74%	74%	74%
Phase Two Rooms	-	-	-	-	-	-	-
Phase Two Room Occupancy	0%	0%	0%	0%	0%	0%	0%
Average Daily Rate	$ 451	$ 588	$ 606	$ 682	$ 703	$ 724	$ 745
Room Revenue	$ 60,903,519	$ 79,465,278	$ 81,849,236	$ 92,122,036	$ 94,885,698	$ 97,732,268	$ 100,664,237
Transit Occupancy Tax	$ 5,481,317	$ 7,151,875	$ 7,366,431	$ 8,290,983	$ 8,539,713	$ 8,795,904	$ 9,059,781
Financing Assistance							
Financing Assistance to Developer	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ (2,000,000)	$ -	$ -	$ -
Remaining TOT After Financing Assistance	$ 3,481,317	$ 5,151,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 8,795,904	$ 9,059,781
Other Agency Fee Reimbursement - 2-year							
Other Agency Fee Target Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual TOT-covered Amortized Other Agency Fee Reimb.	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Backlog Amortized Other Agency Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Backlog Other Agency Fee Reimb.	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Agency Fee Reimbursement To Developer	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Agency Fee Reimbursement to City - 2-Year (capped)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remaining TOT After Other Agency Fee Reimb.	$ 3,481,317	$ 5,151,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 8,795,904	$ 9,059,781
Land Sale from TOT							
Land Sale Target Revenue to City from TOT	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual TOT-covered Amortized Land Sale	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Backlog Amortized Land Sale	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Backlog Land Sale Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Land Sale Revenue to City	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remaining TOT After Land Sale Reimb.	$ 3,481,317	$ 5,151,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 8,795,904	$ 9,059,781
Deferred City Fees and Other Agency Fees above Cap							
Deferred City Fees Target Amortized Payment	$ 385,000	$ 385,000	$ -	$ -	$ -	$ -	$ -
Other Agency Fees in Excess of Cap Target Amortized Payment	$ 25,000	$ 25,000	$ -	$ -	$ -	$ -	$ -
Combined Target Amortized Payment	$ 410,000	$ 410,000	$ -	$ -	$ -	$ -	$ -
Annual TOT-covered Amortized Deferred Fee Reimb.	$ (410,000)	$ (410,000)	$ -	$ -	$ -	$ -	$ -
Cumulative Backlog Amortized Deferred Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Backlog Deferred Fee Reimb.	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Annual Deferred Fee Reimbursement to City	$ (410,000)	$ (410,000)	$ -	$ -	$ -	$ -	$ -
Net TOT for Disbursement	$ 3,071,317	$ 4,741,875	$ 5,366,431	$ 6,290,983	$ 8,539,713	$ 8,795,904	$ 9,059,781
Developer Share of TOT	$ 1,535,658	$ 2,370,938	$ 2,683,216	$ 3,145,492	$ -	$ -	$ -
Remaining City Share of TOT	$ 1,535,658	$ 2,370,938	$ 2,683,216	$ 3,145,492	$ 8,539,713	$ 8,795,904	$ 9,059,781
Land Sale Revenue to City Independent of TOT	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue to Developer	$ 3,535,658	$ 4,370,938	$ 4,683,216	$ 5,145,492	$ -	$ -	$ -
Total Revenue to City	**$ 1,945,658**	**$ 2,780,938**	**$ 2,683,216**	**$ 3,145,492**	**$ 8,539,713**	**$ 8,795,904**	**$ 9,059,781**

base rev

Source: Great Wolf Resorts, City of Manteca, EPS.

Table A-4
GWR - Manteca Lodge
Negotiation Technical Support
Baseline Scenario Revenue Summary

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Net Revenue to City																
Net General Fund Revenue (Excl Meas. M and TOT) [1]	$0	$0	$394,182	$424,746	$476,090	$490,373	$505,084	$520,237	$535,844	$551,919	$859,872	$885,668	$912,238	$939,605	$967,793	$996,827
Measure M Revenue	$0	$0	$114,620	$123,508	$138,438	$142,591	$146,868	$151,274	$155,813	$160,487	$250,034	$257,535	$265,261	$273,219	$281,415	$289,858
Other Agency Fee Reimbursement from TOT	$0	$0	$300,000	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Land Sale Revenue to City from TOT	$0	$0	$32,567	$102,433	$67,500	$67,500	$67,500	$67,500	$67,500	$67,500	$0	$0	$0	$0	$0	$0
Deferred Fee Reimbursement from TOT	$0	$0	$0	$207,920	$1,022,080	$410,000	$410,000	$410,000	$410,000	$410,000	$0	$0	$0	$0	$0	$0
Remaining City Share of TOT	$0	$0	$0	$0	$309,356	$494,828	$528,254	$562,683	$598,145	$634,670	$2,907,523	$3,024,749	$3,145,492	$8,539,713	$8,795,904	$9,059,781
Total Net Revenue to City	**$0**	**$0**	**$841,369**	**$1,158,607**	**$2,013,463**	**$1,605,292**	**$1,657,707**	**$1,711,694**	**$1,767,301**	**$1,824,576**	**$4,017,429**	**$4,167,952**	**$4,322,990**	**$9,752,537**	**$10,045,113**	**$10,346,466**
Nominal Total = $99.1 Million																
Discounted at 6.0% = $32.3 Million																
TOT Revenue to Developer																
Financing Assistance - Fixed Amount from TOT	$0	$0	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$0	$0	$0
Other Agency Fee Reimbursement from TOT	$0	$0	$1,250,000	$1,250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Developer Share of TOT	$0	$0	$0	$0	$928,067	$1,484,484	$1,584,762	$1,688,049	$1,794,434	$1,904,011	$2,907,523	$3,024,749	$3,145,492	$0	$0	$0
Total TOT Revenue to Developer	**$0**	**$0**	**$3,250,000**	**$3,250,000**	**$2,928,067**	**$3,484,484**	**$3,584,762**	**$3,688,049**	**$3,794,434**	**$3,904,011**	**$4,907,523**	**$5,024,749**	**$5,145,492**	**$0**	**$0**	**$0**
Nominal Total = $100.0 Million																
Discounted at 6.0% = $43.2 Million																

base summ

Source: EPS.

[1] City Net General Fund Revenue (exclusive of TOT and Measure M) is less the estimated public service costs for the Project, as estimated in the fiscal impact analysis. The figures presented in the fiscal impact analysis are based on stabilized room rate and occupancy assumptions in 2017 dollars, while the estimates included in this table incorporate project ramp-up and inflation.

APPENDIX B:

Fiscal Impact Analysis Tables

Table B-1
Manteca Lodge
Fiscal Impact Summary at Buildout by Scenario (2017$)

Item	Scenario 1: Excluding TOT Revenue	Scenario 2: Initial Stabilization	Scenario 3: Second Phase TOT Sharing
Annual Fiscal Impact			
General Fund			
Annual Revenues	$661,000	$1,122,000	$1,825,000
Annual Expenditures	$238,000	$238,000	$238,000
General Fund Annual Surplus/(Deficit)	**$423,000**	**$884,000**	**$1,587,000**
Measure M			
Measure M Revenues	$123,000	$123,000	$123,000
General Fund Annual Surplus/(Deficit) (Incl. Measure M)	**$546,000**	**$1,007,000**	**$1,710,000**

scen sum

Source: EPS.

Table B-2A
Manteca Lodge
Fiscal Impact Analysis
Fiscal Impact Analysis Results (2017$)

Scenario 1: Excluding TOT Revenue

Item	Total Annual Impact Prior to Revenue Sharing	Proposed Revenue Sharing: City Revenue	Proposed Revenue Sharing: Project Revenue [1]	City Revenue After Sharing
	Annual Fiscal Impacts (2017$)			
General Fund				
Annual Revenues [2]				
Property Taxes	$239,000	$0	$0	$239,000
Property Tax In-Lieu of Vehicle License Fees	$163,000	$0	$0	$163,000
Real Property Transfer Tax	$0	$0	$0	$0
Sales and Use Taxes	$246,000	$0	$0	$246,000
Public Safety Sales and Use Tax	$6,000	$0	$0	$6,000
Transient Occupancy Tax	$4,327,000	$0	$4,327,000	$0
Licenses and Permits	$0	$0	$0	$0
Business Licenses	$2,000	$0	$0	$2,000
Franchise Fees	$5,000	$0	$0	$5,000
Excise Tax	$0	$0	$0	$0
Intergovernmental	$0	$0	$0	$0
Charges for Services	$0	$0	$0	$0
Fines and Forfeitures	$0	$0	$0	$0
Use of Money & Property	$0	$0	$0	$0
All Other Revenue	$0	$0	$0	$0
Total Annual General Fund Revenues	**$4,988,000**	**$0**	**$4,327,000**	**$661,000**
Annual Expenditures [3]				
General Government	$20,000	$0	$0	$20,000
Police	$109,000	$0	$0	$109,000
Animal Control	$0	$0	$0	$0
Fire	$79,000	$0	$0	$79,000
Parks, Recreation, and Community Services	$0	$0	$0	$0
Public Utilities	$1,000	$0	$0	$1,000
Transportation	$29,000	$0	$0	$29,000
Total Annual General Fund Expenditures	**$238,000**	**$0**	**$0**	**$238,000**
Annual General Fund Surplus/(Deficit)	**$4,750,000**	**$0**	**$4,327,000**	**$423,000**
Measure M Sales and Use Tax Revenue				
Measure M Revenue	$123,000	$0	$0	$123,000
Annual General Fund Surplus/(Deficit) Incl. Measure M	**$4,873,000**	**$0**	**$4,327,000**	**$546,000**

summary2

Source: City of Manteca FY 2017-18 Adopted Budget; EPS.

Note: Values are rounded to the nearest $1,000.

[1] Assumes all TOT revenues are retained by the Project.
[2] See Table B-7 for details on revenue estimating procedures.
[3] See Table B-13 for details on expenditure estimating procedures.

Table B-2B
Manteca Lodge
Fiscal Impact Analysis
Fiscal Impact Analysis Results (2017$)

Scenario 2:
Initial Stabilization

	Annual Fiscal Impacts (2017$)			
	Total Annual Impact Prior to	Proposed Revenue Sharing		City Revenue After
Item	Revenue Sharing	City Revenue	Project Revenue [1]	Sharing
General Fund				
Annual Revenues [2]				
Property Taxes	$239,000	$0	$0	$239,000
Property Tax In-Lieu of Vehicle License Fees	$163,000	$0	$0	$163,000
Real Property Transfer Tax	$0	$0	$0	$0
Sales and Use Taxes	$246,000	$0	$0	$246,000
Public Safety Sales and Use Tax	$6,000	$0	$0	$6,000
Transient Occupancy Tax	$4,327,000	$482,500	$3,383,375	$461,000
Licenses and Permits	$0	$0	$0	$0
Business Licenses	$2,000	$0	$0	$2,000
Franchise Fees	$5,000	$0	$0	$5,000
Excise Tax	$0	$0	$0	$0
Intergovernmental	$0	$0	$0	$0
Charges for Services	$0	$0	$0	$0
Fines and Forfeitures	$0	$0	$0	$0
Use of Money & Property	$0	$0	$0	$0
All Other Revenue	$0	$0	$0	$0
Total Annual General Fund Revenues	**$4,988,000**	**$482,500**	**$3,383,375**	**$1,122,000**
Annual Expenditures [3]				
General Government	$20,000	$0	$0	$20,000
Police	$109,000	$0	$0	$109,000
Animal Control	$0	$0	$0	$0
Fire	$79,000	$0	$0	$79,000
Parks, Recreation, and Community Services	$0	$0	$0	$0
Public Utilities	$1,000	$0	$0	$1,000
Transportation	$29,000	$0	$0	$29,000
Total Annual General Fund Expenditures	**$238,000**	**$0**	**$0**	**$238,000**
Annual General Fund Surplus/(Deficit)	**$4,750,000**	**$482,500**	**$3,383,375**	**$884,000**
Measure M Sales and Use Tax Revenue				
Measure M Revenue	$123,000	$0	$0	$123,000
Annual General Fund Surplus/(Deficit) Incl. Measure M	**$4,873,000**	**$482,500**	**$3,383,375**	**$1,007,000**

summary2

Source: City of Manteca FY 2017-18 Adopted Budget; EPS.

Note: Values are rounded to the nearest $1,000.

[1] Assumes Project retains $2,000,000 plus 75% of transient occupancy tax remaining after City debt service requirement payments are made.
[2] See Table B-7 for details on revenue estimating procedures.
[3] See Table B-13 for details on expenditure estimating procedures.

Table B-2C
Manteca Lodge
Fiscal Impact Analysis
Fiscal Impact Analysis Results (2017$)

Scenario 3:
Second Phase TOT Sharing

Item	Annual Fiscal Impacts (2017$)			
	Total Annual Impact Prior to Revenue Sharing	Proposed Revenue Sharing		City Revenue After Sharing
		City Revenue	Project Revenue [1]	
General Fund				
Annual Revenues [2]				
Property Taxes	$239,000	$0	$0	$239,000
Property Tax In-Lieu of Vehicle License Fees	$163,000	$0	$0	$163,000
Real Property Transfer Tax	$0	$0	$0	$0
Sales and Use Taxes	$246,000	$0	$0	$246,000
Public Safety Sales and Use Tax	$6,000	$0	$0	$6,000
Transient Occupancy Tax	$4,327,000	$0	$3,163,500	$1,164,000
Licenses and Permits	$0	$0	$0	$0
Business Licenses	$2,000	$0	$0	$2,000
Franchise Fees	$5,000	$0	$0	$5,000
Excise Tax	$0	$0	$0	$0
Intergovernmental	$0	$0	$0	$0
Charges for Services	$0	$0	$0	$0
Fines and Forfeitures	$0	$0	$0	$0
Use of Money & Property	$0	$0	$0	$0
All Other Revenue	$0	$0	$0	$0
Total Annual General Fund Revenues	**$4,988,000**	**$0**	**$3,163,500**	**$1,825,000**
Annual Expenditures [3]				
General Government	$20,000	$0	$0	$20,000
Police	$109,000	$0	$0	$109,000
Animal Control	$0	$0	$0	$0
Fire	$79,000	$0	$0	$79,000
Parks, Recreation, and Community Services	$0	$0	$0	$0
Public Utilities	$1,000	$0	$0	$1,000
Transportation	$29,000	$0	$0	$29,000
Total Annual General Fund Expenditures	**$238,000**	**$0**	**$0**	**$238,000**
Annual General Fund Surplus/(Deficit)	**$4,750,000**	**$0**	**$3,163,500**	**$1,587,000**
Measure M Sales and Use Tax Revenue				
Measure M Revenue	$123,000	$0	$0	$123,000
Annual General Fund Surplus/(Deficit) Incl. Measure M	**$4,873,000**	**$0**	**$3,163,500**	**$1,710,000**

summary2

Source: City of Manteca FY 2017-18 Adopted Budget; EPS.

Note: Values are rounded to the nearest $1,000.

[1] Assumes Project retains $2,000,000 plus 50% of transient occupancy tax remaining after City debt service requirement payments are made.
[2] See Table B-7 for details on revenue estimating procedures.
[3] See Table B-13 for details on expenditure estimating procedures.

Table B-3
Manteca Lodge
Fiscal Impact Analysis
General Assumptions

Item	Assumption
General Assumptions	
Base Fiscal Year [1]	FY 2017-18
General Demographic Characteristics	
City of Manteca	
Population [2]	76,247
Employees [3]	18,600
City of Manteca Persons Served [4]	**85,547**

gen_assumps

Source: California Department of Finance; EDD; U.S. Census LED; EPS.

[1] Reflects the City of Manteca Fiscal Year 2017-18 adopted budget. Revenues and expenditures are in 2017 dollars. This analysis does not reflect changes in values resulting from inflation or appreciation.
[2] Based on population estimates from the California Department of Finance (DOF) data for January 1, 2017.
[3] US Census Onthemap.ces.census.gov estimated a total of 15,574 jobs in Manteca, CA in 2014. California EDD reports an annual average growth rate of 2.74% since 2014 for the Stockton-Lodi MSA. EPS escalated 2014 employment figure to arrive at 2017 employment estimate, adjusted by an additional 10% to account for self-employed workers, and rounded to the nearest hundred employees.
[4] Persons served is defined as total population plus half of total employees. Used to estimate specific revenues and expenditures that are assumed to be impacted by growth in resident and employment populations and to avoid double counting of employees who reside in the City.

Table B-4
Manteca Lodge
Fiscal Impact Analysis
Land Use Summary by Phase

Land Use	Buildout Hotel Rooms
Nonresidential	
Hotel	500
Indoor Waterpark	-
Restaurants	-
Retail	-
Adventure Zone	-
Subtotal Nonresidential	**500**
Total Project	**500**

landuse

Source: Great Wolf Resorts; EPS.

Table B-5
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Attendance by Phase

Item	Formula	Source/ Assumption	Annual Attendance
Hotel Visitors			
Hotel Rooms			
Available Rooms/Day	*a*		500
Available Rooms per Year	*b = a * 365*		182,500
Occupancy Rate	*c*	*[1]*	74.0%
Occupied Rooms per Year	*d = b * c*		135,050
Estimated Annual Hotel Visitors	*e = d * 4.5*	*4.50 person/occ. room [2]*	**607,725**
Estimated Local Visitors			
Estimated Local Visitors [4]	*p*	*[3]*	100,000
Total Annual Visitors	*q = o + p*		**707,725**

attendance

Source: Great Wolf Resorts; EPS.

[1] Occupancy rate is an informed estimate based on discussions between the City, Great Wolf, and EPS. Occupancy rate includes consideration for periods when the lodge is closed for maintenance.
[2] Assumptions derived from estimated visitor counts provided by the Project Developer.
[3] Represents estimated annual day-use visitors to the retail and adventure zone portions of the project only.

Table B-6
Manteca Lodge
Fiscal Impact Analysis
Estimated Adjusted Daytime Population by Phase

Item	Source	Adjustment Factor for Persons Served [1]	Annual Total	Annual Persons Served	Estimated Average Adj. Daytime Population [2]
Employees	[3]	0.5	500	250	250
Visitors	Table B-5				
Hotel Visitors		0.5	607,725	303,863	833
Local Visitors		0.5	100,000	50,000	137
Total Visitors			**707,725**	**353,863**	**969**
Total Employees and Visitors			**708,225**	**354,113**	**1,219**

adj_ev

Source: Great Wolf Resorts; EPS.

[1] Adjustment factor accounts for the proportional impact of the employee or visitor relative to a full-time resident.
[2] Average adjusted daytime population used to estimate police and fire impacts. See Appendix C.
[3] Employee estimates provided by Great Wolf Resorts. This employee count includes both full and part time employees.

Table B-7
Manteca Lodge
Fiscal Impact Analysis
Revenue-Estimating Procedures Based on City of Manteca FY 2017-18 Budget (2017$)

Item	Estimating Procedure	Case Study Reference	FY 2017-18 Budgeted General Fund Revenues	Less Offsetting Revenues	FY 2017-18 Budgeted Net General Fund Revenues	Service Population [1]	Revenue Multiplier
General Fund Revenues							
Property Taxes	Case Study	Table B-9	$9,020,835	-	$9,020,835	NA	-
Property Tax In-Lieu of Vehicle License Fees	Case Study	Table B-9	$6,240,935	-	$6,240,935	NA	-
Real Property Transfer Tax	Case Study	Table B-10	$365,650	-	$365,650	NA	-
Sales and Use Taxes	Case Study	Table B-11	$11,850,175	-	$11,850,175	NA	-
Public Safety Sales and Use Tax	Case Study	Table B-11	$303,500	-	$303,500	NA	-
Transient Occupancy Tax	Case Study	Table B-12	$1,100,000	-	$1,100,000	NA	-
Licenses and Permits	[2]	-	$274,900	($272,900)	$2,000	NA	-
Business Licenses	Persons Served	-	$705,000	-	$705,000	85,547	$8.24
Franchise Fees	Persons Served	-	$1,680,325	-	$1,680,325	85,547	$19.64
Excise Tax	[2]	-	$540,000	-	$540,000	NA	-
Intergovernmental	[2]	-	$590,300	($557,300)	$33,000	NA	-
Charges for Services	[2]	-	$5,606,205	($3,126,327)	$2,479,878	NA	-
Fines and Forfeitures	[2]	-	$244,000	($244,000)	-	NA	-
Use of Money & Property	[2]	-	$825,000	-	$825,000	NA	-
All Other Revenue	[2]		$40,800	-	$40,800	NA	-
Total General Fund Revenues			**$39,387,625**	**($4,200,527)**	**$35,187,098**		
Fund Reserves			($487,217)				
Total General Fund Revenues (Incl. Reserves)			**$38,900,408**				

rev_pro

Source: City of Manteca FY 2017-18 Budget; EPS.

[1] Refer to Table B-3 for details.
[2] This revenue source is not expected to be affected by the Project and therefore is not evaluated in this analysis.

Table B-8
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Project Revenues at Buildout (2017$)

Revenues	Source	Annual Net Revenue Total	Percentage of Total
General Fund Revenues			
Property Taxes	Table B-9	$239,000	4.79%
Property Tax In-Lieu of Vehicle License Fees	Table B-9	$163,000	3.27%
Real Property Transfer Tax	Table B-10	$0	0.00%
Sales and Use Taxes	Table B-11	$246,000	4.93%
Public Safety Sales and Use Tax	Table B-11	$6,000	0.12%
Transient Occupancy Tax	Table B-12	$4,327,000	86.75%
Licenses and Permits	[1]	$0	0.00%
Business Licenses	Persons Served	$2,000	0.04%
Franchise Fees	Persons Served	$5,000	0.10%
Excise Tax	[1]	$0	0.00%
Intergovernmental	[1]	$0	0.00%
Charges for Services	[1]	$0	0.00%
Fines and Forfeitures	[1]	$0	0.00%
Use of Money & Property	[1]	$0	0.00%
All Other Revenue	[1]	$0	0.00%
Total General Fund Revenues		**$4,988,009**	**100.00%**
Measure M Sales Tax Revenue [2]	Table B-11	**$123,000**	

revenues

Source: City of Manteca FY 2017-18 Adopted Budget; EPS.

Note: Values are rounded to the nearest $1,000.

[1] This revenue source is not expected to be affected by the Project and therefore is not evaluated in this analysis.
[2] Measure M sales tax revenue is a special tax (non-General Fund) revenue to hire/train additional firefighters and police officers to reduce gang and drug crimes, expand gang and drug prevention programs, expand neighborhood patrols of schools and parks, and improve emergency response times. This special tax was effective April 1, 2007 and does not have a sunset provision.

Table B-9
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Property Tax Revenues (2017$)

Item	Assumptions/ Source	Formula	Annual Fiscal Impact (2017$)
1-Percent Property Tax			
Total Assessed Value of Project [1]		*a*	$186,750,000
Property Tax Revenue (1% of Assessed Value)	1.00%	*b = a * 1.00%*	$1,867,500
Estimated Average Property Tax Allocation [2]			
City of Manteca	12.79%	*c = b * 12.79%*	$238,836
San Joaquin County General Fund	21.57%	*d = b * 21.57%*	$402,795
Other Agencies/ERAF	65.64%	*e = b * 65.64%*	$1,225,868
Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)			
Total Citywide Assessed Value [3]		*h*	$7,161,748,519
Total Assessed Value of Project		*i*	$186,750,000
Total Assessed Value		*j = h + i*	**$7,348,498,519**
Percent Change in AV		*k = I / h*	2.61%
Property Tax In-Lieu of VLF [4]	**$6,240,935**	*l = k * $6,240,935*	**$162,739**

prop_tax

Source: San Joaquin County Auditor-Controller; City of Manteca; Great Wolf Resorts; EPS.

[1] For calculation of the Project's assessed value at buildout, refer to Table D-2.
[2] For assumptions and calculation of the estimated property tax allocation, refer to Table D-1. The project is in the former redevelopment area and this analysis assumes the City share of RPTTF would equate to the City's typical share of the 1 percent ad valorem property tax.
[3] Reflects Assessed Valuation for FY 2017-18. Includes Citywide secured, unsecured, homeowner exemption, and public utility roll.
[4] Property tax in-lieu of VLF amount derived from the City of Manteca FY 2017-18 Adopted Budget. See Table B-1.

Table B-10
Manteca Lodge
Fiscal Impact Analysis
Real Property Transfer Tax (2017$)

Description	Source/ Assumption	Assessed Value [1]	Annual Transfer Tax Revenue [2]
Rate per $1,000 of AV	$0.55		
Turnover Rate			
Nonresidential	5%		
Annual Transfer Tax Revenue			
Nonresidential		$186,750,000	$0
Total Annual Transfer Tax Revenue		**$186,750,000**	**$0**

transfer_tax

Source: City of Manteca; EPS.

[1] Assessed Values (AV) shown in Table B-19 based on information provided by the project applicant. Note that assessed values are expressed in 2017$ and include no real AV growth.

[2] Formula for Transfer Tax = Assessed Value/1000 * Rate per $1,000 of Assessed Value * Turnover rate. Because it is uncertain if or when the Project may change ownership, a real property transfer tax revenue has not been included in this analysis.

Table B-11
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Taxable Sales and Use Tax Revenue (2017$)

Item	Formula	Source/ Assumptions	Annual Sales Tax Revenue (2017$)
Estimated Annual Taxable Sales			
Annual Taxable Sales from Market Support (New Employee Expenditures)	*a*	**Table B-11A**	$324,000
Annual City Taxable Sales from Onsite Commercial Uses	*b*	**Table B-11B**	$24,228,000
Annual Taxable Sales from Total City Net New Development	*c = a + b*		**$24,552,000**
Annual Sales Tax Revenue			
Bradley Burns Local Sales Tax Rate	*d*	1.0000%	
Total Bradley Burns Sales Tax Revenue		**1.0000%**	
Total Annual Sales Tax Revenue	*e = c * d*		**$245,520**
Measure M Supplemental Sales Tax [1]	*h = c * 0.5000%*	**0.5000%**	**$122,760**
City of Manteca Prop 172 Public Safety Sales Tax Revenue [2]	*i = e * 2.5611%*	**2.5611%**	**$6,288**

sales_tax

Source: City of Manteca; California State Board of Equalization; EPS.

[1] Measure M sales tax revenue is a special tax (non-General Fund) revenue to hire/train additional firefighters and police officers to reduce gang and drug crimes, expand gang and drug prevention programs, expand neighborhood patrols of schools and parks, and improve emergency response times. This special tax was effective April 1, 2007 and does not have a sunset provision.

[2] Calculated as the ratio of Proposition 172 Public Safety Tax revenue to total sales tax revenue based on the FY 2016-17 Budget. Any variation in the relationship between Proposition 172 Public Safety Tax revenue and total sales tax revenue affecting the estimate of this revenue source is estimated to be nominal.

Table B-11A
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Taxable Sales from Proposed Development, Market Support Method (2017$)

Annual Taxable Sales from Market Support	Assumption	Annual Taxable Sales (2017$)
Annual Taxable Sales from New Employees		
Taxable Sales from New Employment		
Employees [1]		500
Full Time Employees [2]	45%	
Average Daily Taxable Sales per New Employee	$10.00	
Work Days per Year [3]	240	
Est. Retail Capture Rate within City of Manteca [4]	60%	
Total Taxable Sales from New Employees		**$324,000**
Total Annual Taxable Sales from Market Support		**$324,000**
Taxable City Sales inside Project Area [5]	25%	$81,000
Taxable City Sales outside Project Area	75%	$243,000

sales_a

Source: EPS.

[1] Refer to Table B-6 for employee estimates.
[2] Additional employee taxable sales are estimated only for full time employees.
[3] Although the project is anticipated to be open 365 days per year, each employee is anticipated to work a typical 5-days per week schedule.
[4] Assumes 60 percent of taxable retail spending by employees is captured by retailers within the City. This assumption is a conservative estimate based on an examination of existing retail in the City.
[5] Amount deducted from taxable sales generated on-site (as calculated in Table B-5B) to avoid double-counting of employee-generated taxable sales within the Project.

Table B-11B
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Taxable Sales, Adjusted Retail Space Method (2017$)

Item	Source/ Assumption	Sales per Sq. Ft. [1]	Total Annual Taxable Sales
Annual Taxable Sales from Onsite Commercial Development			
Annual Taxable Sales of Hotel Guests [1]			
Annual Occupied Hotel Rooms	Table B-5		135,050
Annual Taxable Sales	*Per Room*		
Food and Beverage Sales	$124		$16,746,200
Retail Sales	$56		$7,562,800
Total Annual Taxable Sales	**$180**		**$24,309,000**
Total Annual Taxable Sales from Onsite Commercial Development			**$24,309,000**
Less Total Annual Taxable Sales from Market Support (within the Project) [2]	Table B-11A		$81,000
Annual Taxable Sales less Market Support			**$24,228,000**

sales_b

Source: Great Wolf Resorts; EPS.

[1] Nonresidential Taxable Sales based on information provided by Great Wolf Resorts. Represents the total amount of estimated, annual taxable sales generated by the project on a per occupied room basis. Includes Food and Beverage sales and Retail Sales.
[2] Derived in Table B-5A. Deducted to avoid double-counting of employee generated taxable sales within the Project.

Table B-12
Manteca Lodge
Fiscal Impact Analysis
Annual TOT Revenue at Buildout (2017$)

Item	Formula	Assumption	Annual TOT Revenue (2017$)
Hotel Rooms [1]	*a*		500
Annual Rooms Available	*b = a * 365*	365	182,500
Occupancy Rate [2]	*c*	74%	135,050
Average Daily Room Rate [2]	*d*	$356	
City of Manteca TOT Rate [3]	*e*	9%	
Annual Transient Occupancy Tax (Rounded)	*f = b * c * d * e*		**$4,327,000**

TOT

Source: Great Wolf Resorts; City of Manteca; EPS.

[1] For details, refer to Table B-4.
[1] ADR and Occupancy rate is an informed estimate based on discussions between the City, Great Wolf, and EPS. Occupancy rate includes consideration for periods when the lodge is closed for maintenance.
[3] The City of Manteca has a base TOT rate of 5% plus an additional 4% supplemental TOT tax.

Table B-13
Manteca Lodge
Fiscal Impact Analysis
Expenditure Estimation Calculation

Expenditure Category	Estimating Procedure	Case Study Reference	FY 2017-18 City Budgeted Expenditures	Offsetting Revenues	Net FY 2017-18 Expenditures	Service Population [1]	Adjustment Factor [2]	Expenditure Multiplier
General Fund Expenditures								
General Government								
Legislation and Policy	Persons Served	-	$853,080	-	$853,080	85,547	100%	$9.97
Legal Services	Persons Served	-	$254,500	-	$254,500	85,547	100%	$2.97
City Administration	Persons Served	-	$850,324	($371,212)	$479,112	85,547	100%	$5.60
Public Works Administration	Persons Served	-	$1,253,023	($941,103)	$311,920	85,547	100%	$3.65
Non Departmental	Persons Served	-	$3,070,925	-	$3,070,925	85,547	100%	$35.90
Human Resources	Persons Served	-	$568,788	-	$568,788	85,547	100%	$6.65
Fiscal and Revenue Management	Persons Served	-	$1,227,439	($511,312)	$716,127	85,547	100%	$8.37
Fleet Maintenance	Persons Served	-	$720,326	-	$720,326	85,547	100%	$8.42
Subtotal General Government			**$8,798,405**	**($1,823,627)**	**$6,974,778**			
Public Safety								
Police Protection	Case Study	Table B-15	$16,524,185	($1,046,500)	$15,477,685	-	100%	-
Animal Services	N/A	-	$414,446	($272,900)	$141,546	-	100%	-
Fire Protection	Case Study	Table B-16	$7,713,065	($241,000)	$7,472,065	-	100%	-
Subtotal Public Safety			**$24,651,696**	**($1,560,400)**	**$23,091,296**			
Parks, Recreation, and Community Services								
Parks Maintenance	Per Capita	-	$4,259,277	($816,500)	$3,442,777	76,247	100%	$45.15
Library	Per Capita	-	$122,725	-	$122,725	76,247	100%	$1.61
Recreational and Senior Services	Per Capita	-	$741,458	-	$741,458	76,247	100%	$9.72
Subtotal Parks, Recreation, and Community Svcs			**$5,123,460**	**($816,500)**	**$4,306,960**			
Public Utilities								
Storm Drainage	Persons Served	-	$426,601	-	$426,601	85,547	100%	$4.99
Subtotal Public Utilities			**$426,601**	**-**	**$426,601**			
Transportation								
Streets	Case Study	Table B-17	$22,730	-	$22,730	-	100%	-
Subtotal Transportation			**$22,730**	**-**	**$22,730**			
Total General Fund Expenditures			**$39,022,892**	**($4,200,527)**	**$34,822,365**			

exp

Source: City of Manteca FY 2017-18 Budget; EPS.

[1] Refer to Table B-3 for details.
[2] An adjustment factor may be used to reflect the fact that new employees may not increase certain General Fund department expenditures at a 1:1 ratio. This analysis does not assume an adjustment factor.

Table B-14
Manteca Lodge
Fiscal Impact Analysis
Estimated Annual Project Expenditures (2017$)

Expenditures	Source	Annual Net Expenditures Total	Percent of Total
General Fund Expenditures			
General Government			
Legislation and Policy	Persons Served	$2,000	1%
Legal Services	Persons Served	$1,000	0%
City Administration	Persons Served	$1,000	0%
Public Works Administration	Persons Served	$1,000	0%
Non Departmental	Persons Served	$9,000	4%
Human Resources	Persons Served	$2,000	1%
Fiscal and Revenue Management	Persons Served	$2,000	1%
Fleet Maintenance	Persons Served	$2,000	1%
Subtotal General Government		**$20,000**	**8%**
Public Safety			
Police Protection	Case Study	$109,000	46%
Animal Services [1]	N/A	$0	0%
Fire Protection	Case Study	$79,000	33%
Subtotal Public Safety		**$188,000**	**79%**
Parks, Recreation, and Community Services [1]			
Parks Maintenance	Per Capita	$0	0%
Library	Per Capita	$0	0%
Recreational and Senior Services	Per Capita	$0	0%
Subtotal Parks, Recreation, and Community Services		**$0**	**0%**
Public Utilities			
Storm Drainage	Persons Served	$1,000	0%
Subtotal Public Utilities		**$1,000**	**0%**
Transportation			
Streets	Case Study	$29,000	12%
Subtotal Transportation		**$29,000**	**12%**
Total General Fund Expenditures		**$238,000**	**100%**

expenditures

Source: City of Manteca FY 2017-18 Budget; EPS.

Note: Values are rounded to the nearest $1,000.

[1] Animal Services, and Parks, Recreation, and Community Services not estimated to be impacted by the Project given the nature and location of the proposed use.

Table B-15
Manteca Lodge
Fiscal Impact Analysis
Police Protection Average Cost Case Study (2017$)

Item	FY 2017-18 City Budgeted Expenditures	Offsetting Revenues	Net FY 2017-18 Expenditures	Average Cost Multiplier	Adjustment Factor [1]	Adjusted Average Cost Multiplier	Total Annual Cost Attributable to Project
				Citywide Persons Served			*Est. Daytime Population [2]*
Average Per Person Served Cost Multiplier Method				85,547			1,219
General Fund							
Police Protection Budget [3]							
Administration	$2,269,933	$0	$2,269,933	$26.53	50%	$13.27	$16,179
Asset Seizure	$16,500	$0	$16,500	$0.19	50%	$0.10	$118
Code Enforcement	$256,640	$150,000	$106,640	$1.25	25%	$0.31	$380
Dispatch	$2,026,243	$0	$2,026,243	$23.69	50%	$11.84	$14,442
Investigation	$1,950,827	$0	$1,950,827	$22.80	50%	$11.40	$13,905
Jail Services	$261,609	$0	$261,609	$3.06	25%	$0.76	$932
Patrol	$9,123,117	$686,300	$8,436,817	$98.62	50%	$49.31	$60,134
Support Services	$619,316	$210,200	$409,116	$4.78	50%	$2.39	$2,916
Total Annual Police Protection Budget	**$16,524,185**	**$1,046,500**	**$15,477,685**	**$180.93**		**$89.39**	**$109,006**

police_c1

Source: City of Manteca; EPS.

[1] Accounts for a portion of fixed police costs, which are not anticipated to increase as a result of the additional employees and visitors associated with the project.
[2] Refer to Table A-5 for the calculation of average daily visitors (including employees).
[3] Excludes Animal Control expenditures, which are estimated separately on an average cost basis. See Table C-1.

Table B-16
Manteca Lodge
Fiscal Impact Analysis
Fire Protection Average Cost Case Study (2017$)

Item	FY 2017-18 City Budgeted Expenditures	Offsetting Revenues	Net FY 2017-18 Expenditures	Average Cost Multiplier	Adjustment Factor [1]	Adjusted Average Cost Multiplier	Total Annual Cost Attributable to Project
				Citywide Persons Served			*Est. Daytime Population [2]*
Average Per Person Served Cost Multiplier Method				85,547			1,219
General Fund							
Fire Protection Budget							
Capital Improvement	$23,000	$0	$23,000	$0.27	50%	$0.13	$164
Capital Outlay	$43,700	$0	$43,700	$0.51	25%	$0.13	$156
Personnel Services	$6,688,965	$241,000	$6,447,965	$75.37	75%	$56.53	$68,938
Professional Services	$356,400	$0	$356,400	$4.17	100%	$4.17	$5,081
Supplies	$601,000	$0	$601,000	$7.03	50%	$3.51	$4,284
Total Annual Fire Protection Budget	**$7,713,065**	**$241,000**	**$7,472,065**	**$87.34**		**$64.47**	**$78,621**

fire_pop

Source: City of Manteca; EPS.

[1] Accounts for a portion of fixed fire costs, which are not anticipated to increase as a result of the additional employees and visitors associated with the project.
[2] Refer to Table A-5 for the calculation of average daily visitors (including employees).

Table B-17
Manteca Lodge
Fiscal Impact Analysis
Road Maintenance Case Study (2017$)

Item	Annual Maintenance Cost
Estimated Annual Road Maintenance Costs Attributable to Project	
Annual Cost per Arterial/Collector Road Mile [1]	$38,000
Arterial Road Miles in Project	0.75
Total Annual Road Maintenance Cost	**$28,500**

roads

Source: City of Manteca; EPS.

[1] Cost per Arterial/Collector Road Mile provided by City of Manteca, as of October 2016.

Table B-18
Manteca Lodge
Fiscal Impact Analysis
Preliminary Property Tax Allocations

Tax Code	Entity	Base Tax Rate Area (TRA) Post-ERAF Distribution [1] 002-006	002-076	Average Base Tax Rate Area Distribution
Funds Relevant to Analysis				
40200	City of Manteca	13.50560%	12.07260%	12.78910%
Other Funds				
10001	County General Fund	22.22650%	20.91090%	21.56870%
10618	County Library	1.41970%	1.63890%	1.52930%
12601	Manteca Unified Schools	23.36060%	26.93710%	25.14885%
13001	San Joaquin Delta Community College	3.14730%	3.64690%	3.39710%
13201	County School Service	0.67600%	1.45240%	1.06420%
16001	San Joaquin County Flood Control	0.12770%	0.15970%	0.14370%
21901	SJ County Mosquito Abatement	0.61590%	0.71830%	0.66710%
24601	South San Joaquin Irrigation	4.68710%	5.41660%	5.05185%
41100	Educational Revenue Augmentation Fund (ERAF)	30.23360%	27.04660%	28.64010%
	Subtotal	**86.49440%**	**87.92740%**	**87.21090%**
	Total	**100.00000%**	**100.00000%**	**100.00000%**

alloc

Source: San Joaquin County Auditor-Controller; EPS.

[1] It is assumed that all required obligations to bond debts related to redevelopment agencies will be met by existing development and all incremental property tax revenue generated by the Project will be reallocated following the base Tax Rate Area Distributions as provided by the County Auditor-Controllers office.

Table B-19
Manteca Lodge
Fiscal Impact Analysis
Estimated Assessed Valuation (2017$)

Item	Total Assessed Value [1]
Assessed Value of Project	
Land	$6,750,000
Improvement Costs	$180,000,000
Total Assessed Value	**$186,750,000**

av_base

Source: San Joaquin County Assessor; Great Wolf Resorts; EPS.

[1] Estimated assessed values (AVs) are placeholder estimates

APPENDIX C:

Economic Impact Analysis Tables

Table C-1
Manteca Lodge
Economic Impact Analysis
Summary of One-Time and Annual Ongoing Economic Impacts (Rounded 2017$)

Activity/Impact Categories	Source	Buildout
One-Time Economic Impacts of Project	**Table C-2**	
One-Time Construction Impacts [1]		$200.8 M
One-Time Construction Jobs (Job Years) [2]		1,520
Annual Ongoing Project Impacts		
Project Operations	**Table C-3**	
Annual Ongoing Operational Impacts [3]		$42.5 M
Annual Ongoing Operational Jobs (Annual Average) [4]		481
Offsite Visitor Expenditures	**Table C-4**	
Annual Ongoing Offsite Visitor Spending [5]		$21.8 M
Annual Ongoing Jobs [4]		270

all

Source: IMPLAN; Great Wolf Resorts; EPS.

[1] Includes direct and indirect impacts.
[2] Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire period of construction.
[3] Includes direct, indirect, and induced impacts.
[4] Includes both full-time and part-time workers.
[5] Annual spending by Project visitors outside of the Project and within San Joaquin County.

Table C-2
Manteca Lodge
Economic Impact Analysis
Detailed One-Time Economic Impacts of Project Construction by Phase (Rounded 2017$)

Activity/Impact Categories	**Source**	**Impact Type** Direct	Indirect	Induced [1]	**Total One-Time Impact**
Estimated Construction Costs					
Buildout	[2]	**$180,000,000**			
Buildout					
San Joaquin County Output					
Industry Output (excl. Income)		$103,690,000	$13,750,000	-	**$117,440,000**
Income [3]		$76,310,000	$7,080,000	-	**$83,390,000**
Total Output		**$180,000,000**	**$20,830,000**	-	**$200,830,000**
San Joaquin County Employment (Job years) [4]		1,397	123	-	**1,520**

con

Source: IMPLAN; Great Wolf Resorts; EPS.

[1] Total construction impacts include direct and indirect impacts only; induced impacts were not estimated because construction activities are temporary and thus are not anticipated to generate net new household expenditures in the local economy.
[2] Construction cost estimate provided by project applicant
[3] Includes employee compensation, proprietors income, and other income (industry profits, rents, and royalties).
[4] Employment includes both full-time and part-time workers. Job years refer to the number of jobs in each year summed over the entire period of construction.

Table C-3
Manteca Lodge
Economic Impact Analysis
Detailed Annual Ongoing Economic Impacts (Rounded 2017$)

Activity/Impact Categories	Source	Impact Type: Direct	Impact Type: Indirect	Impact Type: Induced	Total Annual Ongoing Impacts
Estimated Annual Ongoing Employment [1]					
Buildout	Table C-5	**375**			
Buildout					
San Joaquin County Output					
Industry Output (excl. Income)		$20,690,000	$4,470,000	$4,040,000	**$29,200,000**
Income [2]		$8,860,000	$2,470,000	$2,010,000	**$13,340,000**
Total San Joaquin County Output		**$29,550,000**	**$6,940,000**	**$6,050,000**	**$42,540,000**
San Joaquin County Employment (Annual Average) [3]		375	59	47	**481**

emp imp

Source: IMPLAN; Great Wolf Resorts; EPS.

[1] Reflects estimated full-time equivalents (FTEs).
[2] Includes employee compensation, proprietors income, and other income (profits, rents, and royalties).
[3] Employment includes both full-time and part-time workers.

Table C-4
Manteca Lodge
Economic Impact Analysis
Economic Impacts Generated by Ongoing Offsite Visitor Expenditures (Rounded 2017$)

Activity/Impact Categories	Source	Impact Type			Total Annual Ongoing Impacts
		Direct [1]	Indirect	Induced	
Estimated Offsite Visitor Expenditures					
Buildout	Table C-7	**$40,238,447**			
Buildout					
San Joaquin County Output [1]					
Industry Output (excl. Income)		$8,080,000	$2,330,000	$2,650,000	**$13,060,000**
Income [2]		$6,380,000	$1,070,000	$1,320,000	**$8,770,000**
Total San Joaquin County Output		**$14,460,000**	**$3,400,000**	**$3,970,000**	**$21,830,000**
San Joaquin County Employment (Annual Average) [3]		215	25	30	**270**

vis

Source: IMPLAN; Great Wolf Resorts; EPS.

[1] Reflects business expenditures on goods and services retained in the local economy. Direct output is lower than total new expenditures (retail sales) because of the application of retail margins in the IMPLAN model. Retail margins reflect the difference between the costs retailers pay and the price retailers charge to customers.
[2] Includes employee compensation, proprietors income, and other income (profits, rents, and royalties).
[3] Employment includes both full-time and part-time workers.

Table C-5
Manteca Lodge
Economic Impact Analysis
Estimated Project Employment by Phase (Cumulative)

Item	Buildout Employment			
	Full-Time	Part-Time	Total	FTEs [1]
Employment by Function				
Hotel	175	175	350	263
Waterparks	75	75	150	113
Total Employment	**250**	**250**	**500**	**375**

emp

Source: Great Wolf Resorts; EPS.

[1] Full-time equivalent (FTE) employees equal the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. Assumes full-time employees work 40 hours per week (1 FTE) and part-time employees work 20 hours per week (0.5 FTE).

Table C-6
Manteca Lodge
Economic Impact Analysis
Local Visitor and Tourist Spending Patterns by Category (2017$)

Expenditure Categories by Type of Visitor [1]	Percentage of Expenditures	Spending per Visitor			
		2004$	2017$ [2]	Adj. Factor [3]	2017$ Adj.
Offsite Spending per Local Visitor [3]					
Food and Drink	49.4%	$8.16	$10.64	50.0%	$5.32
Souvenirs, Books, or Art Objects	12.6%	$2.08	$2.71	0.0%	$0.00
Transportation	15.1%	$2.49	$3.25	100.0%	$3.25
Childcare	2.5%	$0.41	$0.54	0.0%	$0.00
Clothing, Accessories & Other Retail	20.4%	$3.37	$4.39	50.0%	$2.20
Subtotal	**100.0%**	**$16.51**	**$21.54**		**$10.77**
Additional Offsite Spending per Non-Local Visitor (Tourist) [4]					
Travel & Lodging	51.1%	$97.45	$127.15	0.0%	$0.00
Food and Drink	24.1%	$46.00	$60.01	50.0%	$30.01
Clothing, Accessories & Other Retail	24.8%	$47.43	$61.88	50.0%	$30.94
Subtotal	**100.0%**	**$190.87**	**$249.04**		**$60.95**
Total Offsite Spending per Non-Local Visitor (Tourist) [5]					
Food and Drink	26.1%	$54.15	$70.65	-	$35.33
Souvenirs, Books, or Art Objects	1.0%	$2.08	$2.71	-	$0.00
Transportation	1.2%	$2.49	$3.25	-	$3.25
Childcare	0.2%	$0.41	$0.54	-	$0.00
Clothing, Accessories & Other Retail	24.5%	$50.79	$66.27	-	$33.14
Travel & Lodging	47.0%	$97.45	$127.15	-	$0.00
Total Offsite Spending per Tourist	**100.0%**	**$207.38**	**$270.58**		**$71.72**

spend

Source: California Arts Council (2004) The Arts: A Competitive Advantage for California II; BLS.

[1] Reflects offsite (non-project) spending for local and non-local visitors to arts facilities in California. This data was used as an approximation of how much local and non-local visitors may spend outside of the Project and within San Joaquin County. Assumptions derived from The Arts: A Competitive Advantage for California, prepared by the California Arts Council in 2004.
[2] Escalated using the West Region annual CPI between 2004 and the first half of 2017 (January through June 2017 average), the most recent, aggregated (non-monthly) data available.
[3] Adjustment factor reflects the fact that the proposed Project contains more opportunities for visitor spending in the project than the arts facilities surveyed. Consequently this analysis assumes that visitors may spend less money outside of the Project, within the County.
[4] Additional spending by tourists (non-local visitors) staying for one or more nights per visit.
[5] Sum of average spending per visitor plus additional spending for tourists.

Table C-7
Manteca Lodge
Economic Impact Analysis
Estimated Local and Tourist Visitor Offsite Expenditures (2017$)

Spending Category	Local/Group Visitors [1] Daily Amount Spent per Visitor [2]	Local/Group Visitors [1] Subtotal Offsite Spending	Tourists (Out-of-Area Visitors) Daily Amount Spent per Visitor [2]	Tourists (Out-of-Area Visitors) Subtotal Offsite Spending	**Total Visitor Offsite Spending**
Buildout					
Estimated Annual Visitors [3]		**60,773**		**551,953**	**607,725**
Percentage of Total (Rounded)		*10%*		*90%*	*100%*
Offsite Spending Per Visitor					
Food and Drink	$5.32	$323,352	$35.33	$19,498,619	$19,821,972
Souvenirs, Books, or Art Objects	$0.00	$0	$0.00	$0	$0
Transportation	$3.25	$197,677	$3.25	$1,795,356	$1,993,032
Childcare	$0.00	$0	$0.00	$0	$0
Clothing, Accessories & Other Retail	$2.20	$133,530	$33.14	$18,289,913	$18,423,443
Travel & Lodging	$0.00	$0	$0.00	$0	$0
Total Offsite Spending	**$10.77**	**$654,559**	**$71.72**	**$39,583,888**	**$40,238,447**

offsite

Source: California Arts Council, 2004; BLS; EPS.

[1] Assumes local visitors will have offsite spending patterns distinct from non-local visitors.
[2] Refer to Table C-6 for additional details.
[3] Offsite Visitor estimates include 80 percent of overnight visitors plus an additional 5% of day use visitors.

APPENDIX D:

Comparable Hotel Incentives Tables

Table D-1
Proposed Manteca Lodge - Great Wolf Resorts
Summary of Comparable Hotel Incentives

Project Name	Jurisdiction Providing Incentives	Project Description	Incentive Program: Program Type	Incentive Program: Program Terms
Lake Project	City of Anaheim	252-room mixed-use hotel across the street from Anaheim Convention Center	TOT rebate for taxes created above City-established market RevPAR	TOT subsidy for 15 years and up to a maximum of $44 million in future TOT reimbursements
JW Marriott Expansion	City of Palm Desert	Expansion of existing hotel in form of new water park	TOT rebate for taxes generated above what the hotel is expected to have created had the waterpark not been built	TOT rebate is collected until this figure reaches $1 million
Great Wolf Water Park Hotel	City of Garden Grove	600-room Great Wolf water park resort hotel estimated to cost $300 million	Bond program to help fund construction and close feasibility gap	Includes a $22 million parcel, $5 million at the start of construction and $42 million upon completion. The city issued $51 million in bonds to subsidize construction. [2]
Proposed Hyatt Place Hyde Park	City of Chicago	131-room hotel	City-approved subsidy to be financed by tax increment financing (TIF)	$5.2 million in incentives requiring the project adhere to providing various community benefits such as utilizing union workers, a 28% minority and women-owned business procurement obligation, and a workforce training program.
Proposed Miramar Hotel in Montecito	Santa Barbara County	186-room hotel	County ordinance allowing new hotel developments to receive share of project-generated bed tax	Hotels can receive up to 70% of their bed tax for a period of 15 years after completion; exact application of the ordinance and specific incentives for each project have yet to be determined
Proposed Springhill Suites	City of Escondido	105-room hotel	Share of project-generated TOT	City requested a 3-year extension to an original incentive agreement that called for 55 percent share of TOT over a period of 10 years with an incentive ceiling of $1.45 million
Hyatt Regency Cincinnati Renovation	City of Cincinnati	$17 million renovation of an existing 485-room hotel property	Reduced price sale of City-owned land underneath the hotel for ownership	In exchange for completing the renovation, the City agreed to sell the land to hotel ownership for $2.1 million, a $1.55 million discount from its value of $3.65 million
Gaylord Aurora Project	State of Colorado	Proposed $800 million 1,500 room hotel	Annual sales tax rebate pursuant to Colorado's Regional Tourism Act of 2009; Tax-sharing agreement with City Aurora including Sales, Property, and Lodgers' Tax.	Annual sales tax rebate of 65.8% of project-generated sales tax for first 30 years of operation from State of Colorado, valued at $70 million. City of Aurora subsidy contributions have a net present value of 225 million.

Table D-1
Proposed Manteca Lodge - Great Wolf Resorts
Summary of Comparable Hotel Incentives

Project Name	Jurisdiction Providing Incentives	Project Description	Incentive Program: Program Type	Incentive Program: Program Terms
Proposed Hyatt Hotel	Kansas City	Proposed 225-room hotel	Incentives through tax increment financing (TIF)	Approximately $11-$13 million in incentives
Proposed 21c Museum Hotel	City of Durham	Conversion of a 17-story building to a 120-room hotel, budgeted at $48 million	Incentive package	Conditions of the $5.7 million incentive package include deadlines for start and completion of project construction
Hyatt Andaz Hotel	City of Palm Springs	150-room upscale hotel near Downtown Palm Springs and Palm Springs Convention Center	Share of project-generated TOT	Developer to receive 75% of the total TOT generated on an annual basis for a period of 20 years, not to exceed $50 million
Proposed Hilton Convention Center Hotel	Palm Beach County	$107 million 400-room hotel adjacent to convention center	Land lease agreement and additional subsidies	Project land (valued at $10 million) will be leased at a maximum of $1 million a year; $27 million in additional subsidies; funding sources for incentives are yet to be determined
Proposed Westin Riverfront	City of Wilmington	Proposed 180-room hotel with a total project cost of $37 million	Financing guarantees and land concessions	$9 million in incentives equating to 24.3% of total project costs
LA Live	City of Los Angeles	Entertainment complex which included 1,001 hotel rooms in the new JW Marriott and Ritz-Carlton hotels	Portion of future bed tax collected by development of new lodging rooms; financing assistance through incentives and loans	Financing assistance of $80 million in incentives and loans; TOT rebate of at least $246 million during the first 25 years of operation
Grand Avenue	City of Los Angeles	275-room Mandarin Oriental Hotel	Portion of future bed tax collected by development of new lodging rooms	$54 million subsidy
Courtyard and Residence Inn near LA Live	City of Los Angeles	174-room Courtyard and 218-room Residence Inn hotels adjacent to LA Live	Portion of future bed tax collected by development of new lodging rooms	TOT rebate equal to 50% of the revenue collected from projected-generated sales tax, property tax, parking tax, business tax, and TOT over the first 25 years; incentives estimated at value of $67.3 million

comps

Source: Report prepared by PKF Consulting USA addressed to Mr. Gerry Miller May 30, 2014.

[1] Actual incentive and subsidy packages and programs received by projects may have changed since the 2014 date of the PKF report.
[2] Updated by EPS.

Table D-2
Proposed Manteca Lodge - Great Wolf Resorts
Subsidy as Percentage of Total Budget for Select Projects

Case Study Project Name [1]	Total Project Budget	Subsidy Amount	Subsidy as % of Budget
Hyatt Place Hyde Park - Chicago, IL	$33,800,000	$5,200,000	**15.38%**
21c Museum Hotel - Durham, NC	$48,000,000	$5,700,000	**11.88%**
Hilton Convention Center Hotel - Palm Beach County, FL	$107,000,000	$27,000,000	**25.23%**
Westin Riverfront - Wilmington, DE	$37,000,000	$9,000,000	**24.32%**
Gaylord - Aurora, CO [2]	$800,000,000	$295,000,000	**36.88%**
Great Wolf - Garden Grove, CA [3]	$300,000,000	$69,000,000	**23.00%**
Proposed Great Wolf Resort - Manteca, CA [4]	**$180,000,000**	**$40,000,000**	**22.22%**

percent

Source: Report prepared by PKF Consulting USA addressed to Mr. Gerry Miller May 30, 2014; City of Aurora; Orange County Register, EPS.

[1] Case study information as appears in PKF Report. Actual budget and subsidy amounts may have changed since the report's publication.
[2] Reflects the net present value of incentives contributed to the Gaylord project from both the City of Aurora and the State of Colorado.
[3] Includes a $22 million parcel, $5 million at the start of construction and $42 million upon completion. The city issued $51 million in bonds to subsidize construction.
[4] The estimated Net Present Value (NPV) of future TOT-derived payments to the Developer have been presented in the incentive award column to correspond with bond offerings, which are typically stated without their resulting interest costs.