

APPENDIX I

Socioeconomic Report



1801 7th Street, Suite 100
Sacramento, CA 95811
<http://www.analyticalcorp.com>
(916) 447-3479 • Fax (916) 447-1665

MEMORANDUM

Date: July 2012

Re: Update of Fiscal and Economic Analysis Report

INTRODUCTION

Analytical Environmental Services (AES) prepared this technical memorandum (memo) to document the potential fiscal and economic impacts to Broward County through the fee-to-trust transfer of Seminole Tribe of Florida (STOF) owned parcels located in the City of Coconut Creek, Florida.

FISCAL AND ECONOMIC ANALYSIS REPORT 2012 UPDATE

The fiscal and economic analyses of potential impacts from the Proposed Action and subsequent development have been updated to better reflect current conditions on the project site. The taxable value of the subject parcels for 2011 and 2011 tax rates have been incorporated into the analysis included within the Fiscal and Economic Analysis Report produced by Munitytics in 2007. This update is necessary to better reflect current conditions on the project site, as conditions have changed since 2007.

An updated analysis of potential project effects to tax revenues for each alternative (Alternative A, Sub-Alternative A-1, Alternative B, and Alternative C) is provided in Section 4.7 of the environmental impact statement (EIS).

STUDY CONCLUSIONS

Political institutions currently receiving property tax revenue from STOF fee simple parcels included in the EIS are included in Table A along with 2011 tax rates.

TABLE A
ADOPTED TAX RATES
FOR THE FISCAL YEAR ENDING 2011

Political Subdivision/Taxing Authority	Tax Rate Per \$1,000 of Taxable Value
Broward County	5.553
School Board of Broward County	7.418
South Florida Water Management District	0.4363
Florida Inland Navigation District	0.0345
Children's Services Council	0.4789
North Broward Hospital District	1.875
City of Coconut Creek	6.3857
Cocomar	0.1446
TOTAL	22.326
SOURCE: Broward County Assessor's Office, 2012.	
NOTE: Based off Table B in the 2007 Mnilytics Report	

Using updated 2011 fiscal year information provided to AES by Broward County in February 2012, the current taxable value of STOF EIS fee-to-trust parcels is estimated at \$ 30.36 million (Table B).

TABLE B
2011 TAXABLE VALUES AND TAXES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011

Tract	PIN#	Assessed Value	Tax
G & H	4842 18 03 0080	\$ 8,599,570	\$ 191,993
C	4842 18 03 0030	\$ 5,785,750	\$ 133,215
B	4842 18 03 0021	\$ 5,951,440	\$ 136,341
D	4842 18 30 0040	\$ 7,316,030	\$ 189,689
I*	4842 18 23 0010	\$ 1,384,220	\$ 30,904
I*	4842 18 23 0011	\$ 710,860	\$ 19,639
I*	4842 18 23 0012	\$ 614,240	\$ 13,713
TOTAL		\$ 30,362,110**	\$ 715,494
SOURCE: Broward County Assessor's Office, 2012.			
NOTE: Based off Table A in the 2007 Mnilytics Report.			
* Tract I does not appear in the 2007 Mnilytics Report because it was public right-of-way (NW 40 th Street) at that time. The property was vacated and placed on the tax rolls in 2011.			
*** The assessed value of the fee-to-trust properties was updated on June 1, 2012 and increased to \$45,847,160, in part to reflect the value of the newly completed parking garage. Property taxes had not been published at the time of this writing (July 16, 2012) and the table was, therefore, not updated.			

When incorporating 2011 tax rates in Table A, removing STOF EIS fee-to-trust parcels from fee simple status would result in the loss of a total of \$715,494 (2011 taxes) from the existing Broward County tax base (Table B).

After removing the tax revenue which is provided to the City of Coconut Creek (6.3857 per \$1,000 of taxable value (Table A)), political jurisdictions within Broward County would lose approximately \$510,848 under 2011 tax rates from the fee-to-trust transfer (Table C).

TABLE C
BROWARD COUNTY POLITICAL JURISDICTIONS PROPERTY TAX
REVENUES LOST BY PLACING LANDS IN TRUST

Political Subdivision/Taxing Authority	Lost Property Tax Revenue
Broward County	\$ 177,960
School Board of Broward County	\$ 237,729
South Florida Water Management District	\$ 13,982
Florida Inland Navigation District	\$ 1,106
Children's Services Council	\$ 15,348
North Broward Hospital District	\$ 60,089
Cocomar Water Control District	\$ 4,634
TOTAL, EXCEPTING COCONUT CREEK	\$ 510,848
SOURCE: Broward County Assessors Office, 2012.	
NOTE: Based off Table C in the 2007 Munitytics Report.	

The future value of the STOF property is expected to increase substantially after the hotel/spa development is complete and operational. In June 2012, the Broward County Office of Management and Budget estimated that the revenue to the County would exceed \$2 million per year if the property is developed and remains on the tax rolls (Table D). If the property is developed and transferred to trust status, the County and the other agencies listed below would not receive these estimated tax revenues.

TABLE D
ESTIMATED FUTURE PROPERTY TAX REVENUES LOST BY PLACING
DEVELOPED PROPERTY IN TRUST

Political Subdivision/Taxing Authority	Lost Property Tax Revenue
Broward County	\$ 2,055,444
School Board of Broward County	\$ 2,830,382
Children's Services Council	\$ 181,871
North Broward Hospital District	\$ 712,065
Cocomar Water Control District	\$ 54,914
TOTAL, EXCEPTING COCONUT CREEK	\$ 5,834,676
SOURCE: Broward County Office of Management and Budget, 2012.	
NOTE: Based off Table C in the 2007 Munitytics Report.	

In 2011, Broward County collected \$2.992 billion dollars worth of real estate taxes (Broward County Assessors Office, 2012). While not inconsequential in dollar terms, removing the project parcels, as

currently developed, from the tax rolls would reduce tax revenues for Broward County by 0.0002 percent (two ten-thousandths of one percent). If taxes on the future full build out (\$5.834 million) were removed from the current tax base (\$2.992 billion), it would be a 0.2 percent (two tenths of one percent) reduction in tax revenues. Because these Broward County political subdivisions (listed in Table A) have an enormous tax base spread over a wide geographic area, the tax revenue loss of seven fee-to-trust parcels represents an almost unperceivable reduction in existing property tax revenues. As noted below under *Economic Impact*, the economic benefit that will occur within the region as a result of the development of the Proposed Project would almost certainly off-set the loss of Broward County property tax revenue.

ECONOMIC IMPACTS RESULTING FROM THE PROPOSED EXPANSION

The development of the Proposed Project is expected to provide approximately \$375 million in new construction dollars to the region and when fully operational, the hotel/spa would directly provide an estimated 1,090 new jobs¹ (Table E) and have an annual payroll of nearly \$45 million. As noted in Table E the average salary of employees at the Proposed Project would be \$41,192 annually.

TABLE E
PROJECTED PROJECT EMPLOYMENT AND PAYROLL

Sector	FTEs	Average Hourly Wage	Annual Salary	Total Payroll
Food & Beverage	331	\$13.82	\$28,747.37	\$9,515,379
Casino Operations	512	\$24.65	\$51,281.69	\$26,256,225
Hotel	185	\$11.94	\$24,841.81	\$4,595,735
Hotel Sales	29	\$27.54	\$57,281.50	\$1,661,164
Casino Marketing	9	\$39.67	\$82,515.93	\$742,643
Casino VIP Marketing	42	\$19.21	\$39,951.23	\$1,677,952
Facilities	80	\$12.26	\$25,497.48	\$2,039,798
Security	67	\$11.24	\$23,370.75	\$1,565,840
Accounting	18	\$24.02	\$49,963.99	\$899,352
Other Overheads	31	\$34.15	\$71,030.75	\$2,201,953
TOTAL	1,090	\$22.38	\$41,191.88	\$44,899,149

SOURCE: STOF, 2012; AES, 2012.

Employee payroll at full buildout of the Proposed Project is estimated at \$44.89 million annually. Using

¹ The 2007 Munitytics Economic Report estimated that the project would generate 2,223 jobs. The difference between these figures is due to the fact that Munitytics estimated employment based on economic models while the STOF number is based on staffing at other Tribal establishments. The estimates were also made by different people and done seven years apart. In order to provide a more conservative estimate of project effects, the EIS document uses the lower employment figure.

the multiplier effect the Proposed Project has the potential to create approximately 793 new employment positions through indirect and induced economic impact. As noted in Table F, the total direct, indirect, and induced labor earning from the Proposed Project would total approximately \$76.81 million annually.

TABLE E
TOTAL ECONOMIC BENEFIT RESULTING FROM THE MULTIPLIER EFFECT

	Employment	Earnings
Initial Impact (demand)	1,090	\$44,899,149
Indirect and Induced Impact	796	\$31,911,211
Final Impact (demand)	1,886	\$76,810,360

SOURCE: Broward County Assessors Office, 2012; STOF, 2012, AES, 2012.

Although the stated indirect and induced effects would be less than presented in the Munitytics report, the conclusion that the proposed development would “likely have a large positive economic impact to the area” is unchanged.

APPENDIX I

SOCIOECONOMIC REPORT

Fiscal and Economic Impact
Seminole Tribe of Florida
Seminole Casino Coconut Creek Expansion

Fiscal and Economic Impact Analysis Seminole Tribe of Florida Seminole Casino Coconut Creek Expansion

June 18, 2007



Report Commission

This report was commissioned by the Seminole Tribe of Florida in support of the Tribe's Trust Application For Land Located in the City of Coconut Creek, Broward County, Florida, to the Bureau of Indian Affairs. The Trust Application contemplates the transfer of the requested lands so that the Tribe can expand its Seminole Casino Coconut Creek operation by providing a supporting 1,500-room hotel with a complement of related activities, including a convention/business center, spa, entertainment venues, retail establishments, and food and beverage operations. A concurrent expansion of the casino operations is also contemplated on existing Trust land. The total development is expected to exceed 2.5 million square feet under air. As part of the Trust Application, the Tribe wishes to consider the fiscal and economic impact to the State of Florida and its political subdivisions resulting from the removal of land from the tax roll and the operation of the expanded casino operations just described. This report describes the fiscal impact to Broward County, the School Board of Broward County, the South Florida Water Management District, the Florida Inland Navigation District, the Children's Services Council of Broward County, the North Broward Hospital District, and the City of Coconut Creek. Additionally, information the economic impact to the Miami-Fort Lauderdale-Palm Beach Metropolitan Statistical Area is provided to illustrate the economic benefits of the expanded Casino, once fully developed and operational.

Study Conclusions

The proposed project will provide a total economic impact of approximately \$124 million annually. It will provide 2,223 direct jobs and an additional 1,624 indirect and induced jobs, for a total of 3,847 total jobs, that will be added as a result of the expansion.

The City of Coconut Creek can expect to receive approximately \$2.5 million annually in addition to the amounts currently received by the City as a result of an existing Municipal Services Provider Agreement that originally contemplated this expansion.

Other political subdivisions will lose a total of \$238,413 from the loss of the current \$14.7 million of taxable value from their tax rolls. Because these other political subdivisions have such an enormous tax base spread over a wide geographic area, the loss represents an almost unperceivable reduction in revenues to them that will almost certainly be offset by the economic benefit that will inure to the region.

Fiscal Impact To Political Subdivisions

The Tribe is seeking Trust Status for several parcels that are currently taxable. Putting them into Trust Status with the Department of the Interior will exempt them from local taxation. With the exception of the City of Coconut, the remaining political subdivisions (Broward County, the School Board of Broward County, the South Florida Water Management District, the Florida Inland Navigation District, the Children’s Services Council of Broward County, and the North Broward Hospital District) will all lose the existing property taxes that are paid on the subject parcels. The City of Coconut Creek has an existing Municipal Service Provider Agreement with the Tribe that provides for payments in lieu of taxes in exchange for the City of Coconut Creek’s pledge to provide various services to the Tribe. The agreement current provides for the payment to the City of Coconut Creek an annual amount of \$1,500,000, adjusted annually for increases in a specified Consumer Price Index. Further, the agreement between the Tribe and the City contemplated a future expansion of the Tribe’s operations and the placing in Trust of additional lands. The Tribe is obligated at that point to make additional annual contributions to the City of amounts equal to the sum of utility fees, franchise fees, and property taxes which would have been assessed on the property were the lands not placed in Trust. The latest available tax roll information, including final adopted tax rates, is for the fiscal year that ends September 30, 2007. For that period, the subject lands had the following taxable values:

Table A
2006 Taxable Values
For The Fiscal Year Ending September 30, 2006

Parcel	Acreage	Folio	Taxable Value
Tract B	7.422	484218030021	\$ 6,143,180
Tract C	7.309	484218030030	\$ 6,048,750
Tract 66	0.51	484218010440	\$ 116,280
Tract 66	0.19	484218010451	\$ 43,320
Tract 66	0.19	484218010452	\$ 33,250
Tract D	7.55	484218030040	\$ 2,302,230
Totals	23.171		\$ 14,687,010

For the same period, the affected political subdivisions¹ adopted the following tax rates:

Table B
Adopted Tax Rates
For The Fiscal Year Ending September 30, 2006

Political Subdivision/Taxing Authority	Tax Rate Per \$1,000 of Taxable Value
Broward County	6.0661
School Board of Broward County	7.8687
South Florida Water Management District	0.6970
Florida Inland Navigation District	0.0385
Children's Services Council	0.4073
North Broward Hospital District	1.8317
City of Coconut Creek	5.3408

With the exception of the City of Coconut Creek, the remaining taxing authorities will lose the property taxes they each levy against the taxable values of the subject parcels. The following table details the revenue that would have been lost had the parcels been placed into Trust during the current year:

¹ Here we note that in the State of Florida, municipalities are municipal corporations and not political subdivisions, but for the purposes of this study, we will use the term "political subdivision" to include the City of Coconut Creek.



Table C
Property Tax Revenues Lost By Placing Lands In Trust

Political Subdivision/Taxing Authority	Lost Property Tax Revenue
Broward County	\$ 85,529
School Board of Broward County	110,945
South Florida Water Management District	9,827
Florida Inland Navigation District	543
Children's Services Council	5,743
North Broward Hospital District	25,826
Total, excepting Coconut Creek	\$ 238,413

Under the Municipal Service Provider Agreement described earlier, the City of Coconut Creek can expect to receive the revenues detailed in Table D. The data used to calculate the projected payments by the Tribe to the City of Coconut Creek are detailed in the report appendix. Property taxes are accurately determined using tax rates and taxable values. Franchise and Utility Taxes are a function of structure size and use. Since the original agreement, the State of Florida has changed how local governments tax telecommunications services (e.g., telephone, cable, mobile phones, satellite services, etc.). Previously, local governments could tax these services directly. Currently, under the changed laws, the State of Florida collects the taxes on these services, which, to some degree, are controlled locally. For the purposes of this report, we have assumed that these "Communications Services Taxes" are considered "utility taxes".

Table D
Estimate Of Payments Due Under The Municipal Service Provider Agreement
For The Subject Lands To Be Placed In Trust
At Full Operation

Revenue	Amount
Property Taxes	\$ 1,921,799
Utility and Franchise Taxes	572,615
Total Estimated Initial Annual Payment	\$ 2,494,414

Clearly, while the other political subdivisions will lose some relatively minor amounts of property taxes, the City of Coconut Creek can expect to receive a substantial increase over the current property taxes it receives, which for FY2007 was \$78,440. This is \$2,415,974 more than it currently receives.

The remaining taxing authorities levy taxes over an extraordinarily large tax base and it is important to keep in mind the relative impact to them from this proposed expansion. Table E illustrates the percentage of the taxable value of the subject lands to their total tax base:

Table E
Percentage of Tax Base of Existing Parcels
Relative To the Total Tax Base For Each Taxing Authority²

Political Subdivision/Taxing Authority	Lands Percent of Tax Base
Broward County	0.013%
School Board of Broward County	0.013%
South Florida Water Management District	<i>see note 2</i>
Florida Inland Navigation District	<i>see note 2</i>
Children's Services Council	0.013%
North Broward Hospital District	0.018%
City of Coconut Creek	0.601%

As can be seen from a study of Table E, the subject lands being considered for Trust represent a tiny fraction of the political subdivisions total taxable base. Excepting the City of Coconut Creek, the lands are slightly more than one-tenth of one percent. For the City of Coconut Creek, the lands represent about six-tenths of one percent. Clearly, again excepting for the moment the City of Coconut Creek, were the subject lands to be placed into Trust, they would not have any appreciable affect on the tax base of the political subdivisions. As demonstrated earlier, the impact to the City of Coconut Creek is very favorable compared to the tax base that they will lose.

² Both the South Florida Water Management District and the Florida Inland Navigation District levy taxes across multiple counties. The percent of their tax base represented by the subject lands is considered extremely insignificant.



Economic Impacts Resulting From The Proposed Expansion

The previous section of the report focused on the fiscal impact to the affected political subdivisions. However, the proposed development the expanded Seminole Casino Coconut Creek operation by providing a supporting 1,500-room hotel with a complement of related activities, including a convention/business center, spa, entertainment venues, retail establishments, and food and beverage operations, together with a concurrent expansion of the casino operations, will have a noticeable and positive impact on the South Florida market. The development is expected to provide approximately \$375 million in new construction and when fully operational, the project will directly provide an estimated 2,223 new jobs with an average annual salary of \$32,482 and a total annual payroll of approximately \$72.2 million. Additionally, operating expenditures initially totaling approximately \$25 million are anticipated, most of which will come from local markets. Table F details the expected employment activity resulting from the project, while Table G summarizes the expected operating outlays for goods and services:

**Table F
 Project Employment**

SECTOR	FTE's	Total Payroll	\$ Per FTE
Food & Beverage	515	14,770,526	\$28,689
Casino Operations	675	20,407,375	\$30,235
Hotel	550	15,698,233	\$28,542
Hotel Sales	35	2,216,753	\$64,031
Casino Marketing	9	618,293	\$71,364
Casino VIP Marketing	42	1,432,608	\$33,724
Facilities	80	3,211,568	\$40,289
Security	196	5,865,122	\$29,936
Accounting	36	1,897,983	\$52,845
Other Overheads	86	6,092,555	\$70,844
TOTAL	2,223	72,211,016	\$32,482

Table G
Expected Annual Operating Outlays
For Goods and Services

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Hotel	\$ 5,254,800	\$ 5,724,339	\$ 6,208,437	\$ 6,297,399	\$ 6,390,808
Food & Beverage	16,990,779	18,515,013	20,157,899	21,549,965	23,040,929
Retail	2,721,732	3,072,155	3,450,816	3,623,357	3,804,524
Totals	\$ 24,967,311	\$ 27,311,507	\$ 29,817,152	\$ 31,470,721	\$ 33,236,261

The data above describes the direct impact the project will have in the community. However, it is expected that the multiplier effect resulting from the new employment and annual operating outlays will positively affect the studied Metropolitan Statistical Area. Economic impacts measure the importance of an economic activity primarily in terms of the output, employment, and personal (labor) income generated by that activity:

Output is the value of goods and services produced at the identified business establishment or construction project.

Employment is the number of people employed at the identified business establishment or construction project, including wage and salary employees and self-employed persons.

Personal income is the wages, benefits, and other income derived from employment that is linked geographically to the identified workplace site. Economic impacts consist of direct impacts, indirect impacts, induced impacts, and total impacts.

Direct impacts are the economic activities carried out at a business establishment and are therefore an immediate consequence of the economic activity that would not have occurred in the absence of the business establishment

Indirect impacts derive primarily from off-site economic activities that are attributable to the identified business establishment. These economic activities occur mainly as a result of *non-*



payroll expenditures by the business within the metropolitan statistical area. Local expenditures include a range of operating expenses such as office supplies, motor transport, horticultural services, furniture, utilities, maintenance and repairs, business machines, business services, management consulting, and so forth. Indirect impacts differ from direct impacts insofar as they originate entirely off-site, although the indirect impacts would not have occurred in the absence of the identified business establishment. *Induced impacts* are the multiplier effects of the direct and indirect impacts created by successive rounds of spending by employees and proprietors. *Total impacts* are the sum of the direct, indirect, and induced impacts. For the purposes of clarity in this report, we will refer to the *Total Impacts* as the *economic benefit* derived from the project. Using data published by the U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, we can calculate the economic benefit from the project using the detail of the data summarized in the above tables. This data collectively is generally referred to as RIMS II data, or the Regional Input-Output Modeling System II. For the purposes of this report, we have used the Total Multipliers for Output, Earnings, and Employment By Detailed Industry for the Miami-Fort Lauderdale-Miami Beach Metropolitan Statistical Area. Using data supplied by the Tribe, we discerned that the following RIMS II Codes would be used in calculating the final economic impact (final demand) for the project:

Table H
RIMS II Industries and Codes Used

RIMS II Code	RIMS II Description
722000	Food Services and Drinking Places
7211A0	Hotels, Motels, Including Casino Hotels
713A00	Other Amusement, Gambling..
561200	Facilities Support Services
561600	Investigation and Security Services
541200	Accounting and Bookkeeping Services
550000	Management of Companies and Enterprises
4A0000	Retail Trade



Again, using the detail of the data provided in earlier tables, we have calculated the total economic benefit to the MSA as detailed in Table I:

Table I
Total Economic Benefit Resulting From
The Multiplier Effect

	Employment	Earnings
Initial Impact (demand)	2,223	\$ 72,211,016
Indirect and Induced Impact	1,624	51,362,323
Final Impact (demand)	3,847	123,573,339

As one might expect from such a project, the derivative benefit to the metropolitan area is an additional initial \$51 million. The project will likely have a large positive economic impact to the area.

Conclusions

The proposed project will provide a total economic impact of approximately \$124 million annually. It will provide 2,223 direct jobs and an additional 1,624 indirect and induced jobs, for a total of 3,847 total jobs, that will be added as a result of the expansion.

The City of Coconut Creek can expect to receive approximately \$2.5 million annually in addition to the amounts currently received by the City as a result of an existing Municipal Services Provider Agreement that originally contemplated this expansion.

Other political subdivisions will lose a total of \$238,413 from the loss of the current \$14.7 million of taxable value from their tax rolls. Because these other political subdivisions have such an enormous tax base spread over a wide geographic area, the loss represents an almost unperceivable reduction in revenues to them that will almost certainly be offset by the economic benefit that will inure to the region.