

# EXHIBIT B

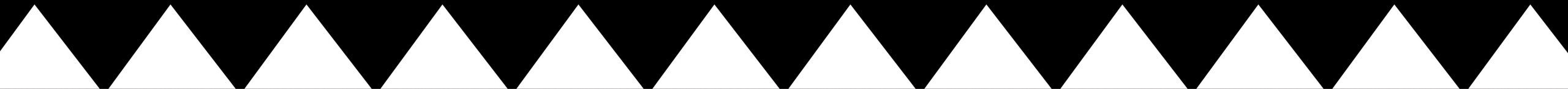
## Economic Impact Report





TEMPE ENTERTAINMENT DISTRICT

# ECONOMIC & FISCAL IMPACTS





Conventions, Sports & Leisure International (“CSL”) is pleased to present this economic and fiscal impact analysis related to the development of a new Coyotes arena in Tempe and surrounding Entertainment District. The attached report summarizes our research and analyses and is intended to assist project stakeholders in making informed decisions regarding the development of the sportsbooks.

The information contained in this report is based on estimates, assumptions, and other information developed from research of the market, knowledge of the sports and entertainment industries and other factors, including certain information provided by the Coyotes and others. All information provided to us was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein, and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



**ECONOMIC & FISCAL IMPACTS:**  
*Study Methodology*



# STUDY METHODOLOGY

## MEASURES OF ECONOMIC IMPACT

While many of the perceived benefits of the proposed Arena and ancillary Entertainment District are considered intangible, including providing additional entertainment opportunities for local residents, a more diversified visitor infrastructure, more City exposure, and enhanced community pride, the construction and operation of the Arena and Entertainment District could provide significant quantifiable benefits to the City of Tempe as well. To provide a detailed analysis of the estimated benefits associated with the new Arena and Entertainment District, CSL applied relevant assumptions to the study methodology. Typically, and for purposes of this analysis, quantifiable effects are characterized in terms of economic impacts and fiscal impacts. Economic impacts are conveyed through measures of direct spending, total output, personal earnings and employment, while fiscal impacts denote changes in tax revenues as outlined over the following pages.



**DIRECT SPENDING** represents the initial primary spending that would occur as a result of the construction and operations of the proposed Arena and Entertainment District as outlined in the graphic to the right, including:

- Construction-related spending on materials, supplies, labor, professional fees and other soft costs for the development of the Arena and Entertainment District;
- In-Arena spending during annual Team and Arena operations consisting of expenditures on tickets, premium seating, concessions, sponsorships, etc.;
- Out-of-Arena spending both at the Entertainment District and at independent area businesses on hotel rooms, food and beverage, retail, transportation, entertainment, and other such expenditures by event patrons and visiting team and event personnel;
- Entertainment District spending by residents, office workers, retail/restaurant and food hall patrons, hotel guests, music theater attendees, and District event patrons not already captured.

## DIRECT SPENDING SOURCES



### CONSTRUCTION SPENDING

#### Construction Spending:

- Materials
- Supplies
- Labor
- Professional Fees



#### In-Arena Spending:

- Ticket Sales
- Premium Seats
- Concessions
- Merchandise
- Sponsorship
- Parking
- Fees
- Other



#### Out-of-Facility Spending:

- Lodging
- Bars
- Service
- Retail
- Entertainment
- Transit
- Other



#### Entertainment District Spending:

- Restaurants
- Bars
- Lodging
- Retail
- Residential
- Office
- Parking
- Other



# STUDY METHODOLOGY

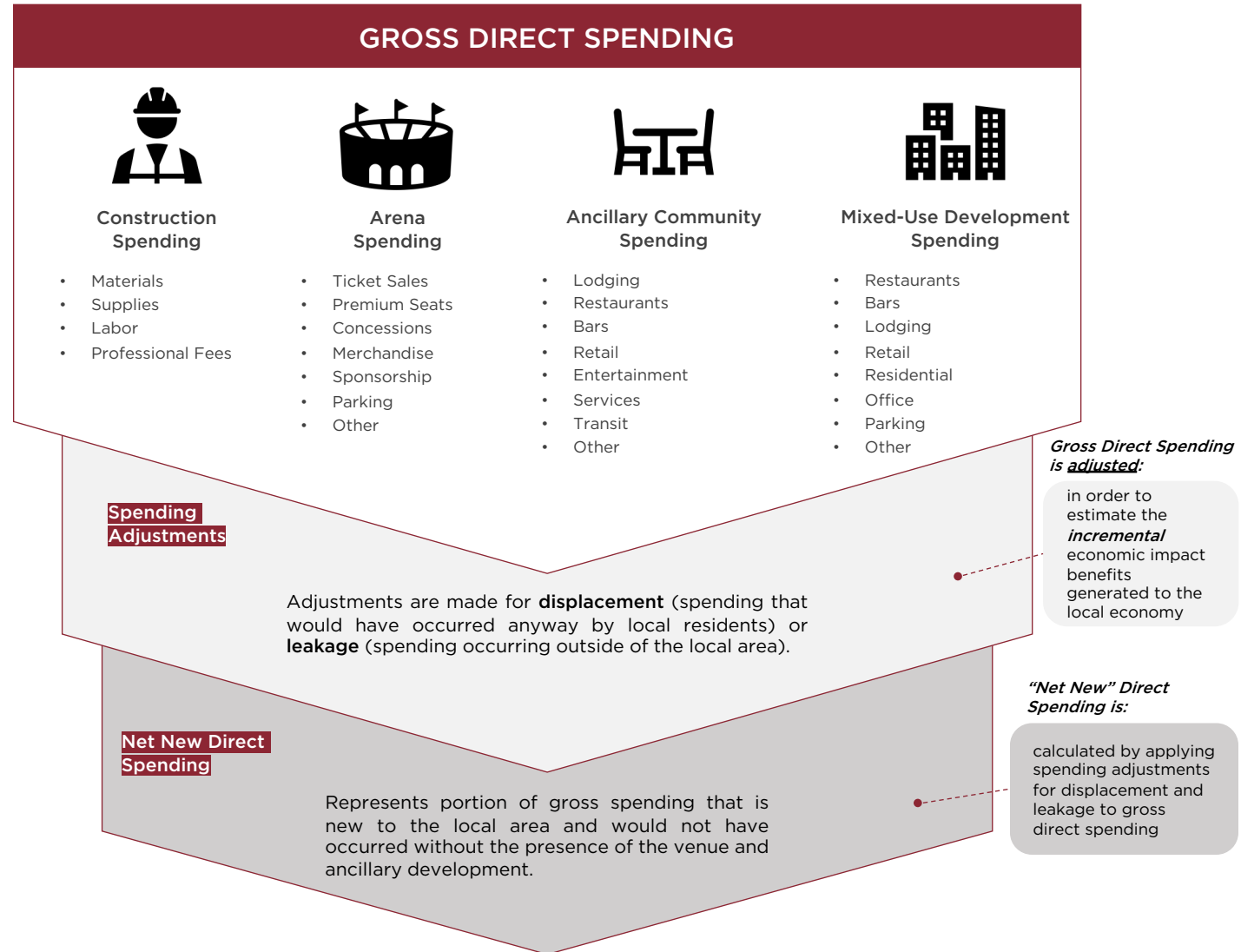
## DIRECT SPENDING ADJUSTMENTS

The combined operations of the Team, Arena, and Entertainment District can impact the local economy in a variety of ways. As outlined in the figure to the right, initial direct spending is generated during construction and annual operations at events on tickets, premium seating, concessions, sponsorships, etc. as well as before and after events at local hotels, restaurants, retail, and other such establishments, and throughout the Entertainment District’s restaurants, bars, hotels, retail spaces, residences, office buildings, etc.

To estimate the incremental economic impact benefits generated to the local economy from these spending sources, certain adjustments must be made to initial direct spending to reflect the fact that all spending is not likely to impact the local economy. The figure on the right summarizes the adjustments made to initial direct spending in order to determine net new direct spending impacting the local economy.

Adjustments must be made to account for the fact that a certain amount of spending associated with the Team, Arena, and Entertainment District will be made by local residents and, therefore, likely represents money already spent in the economy in another form. This is called displacement and reduces the overall net new impacts. This type of spending is not considered net new to the local economy.

Additionally, not all spending associated with the Team and Arena takes place in the local economy. A portion of this spending is likely to occur outside the immediate area. This is called leakage and similarly reduces the overall impact. The economic impacts presented herein are derived from the net new direct spending associated with the Coyotes, Arena, and Entertainment District.





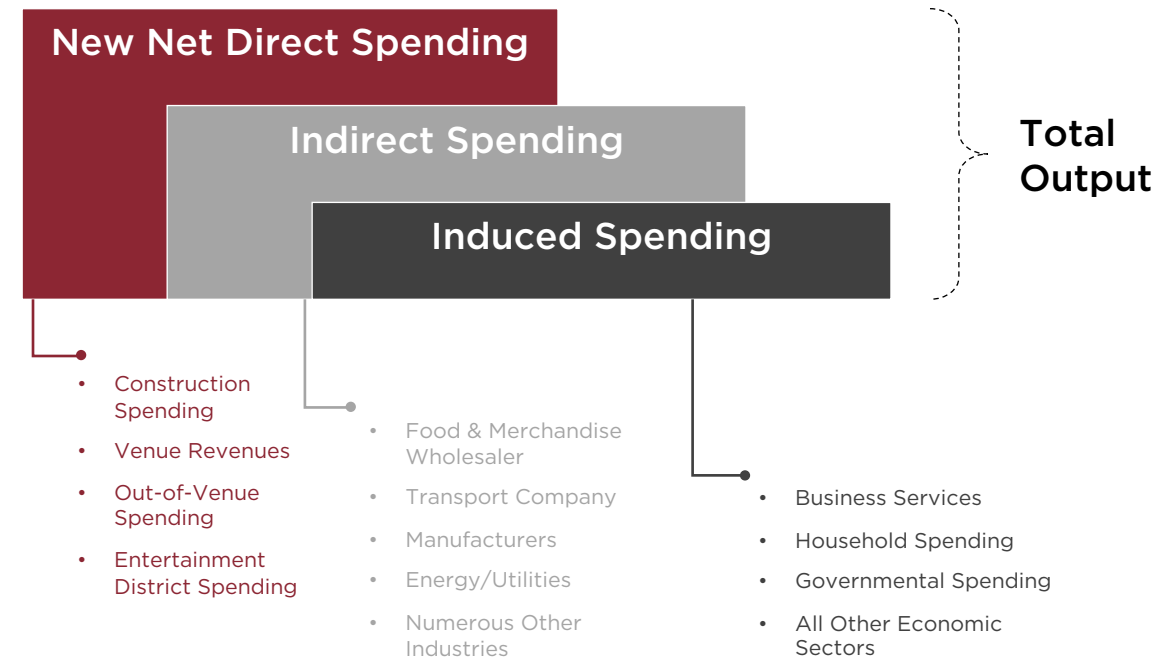
# STUDY METHODOLOGY

## MULTIPLIER EFFECTS

Economic impacts are further increased through re-spending of direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy, as follows:

- **Indirect effects** consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact. Indirect impacts occur in a number of industries, including the following:
  - the wholesale industry, as purchases of food and merchandise products are made;
  - the transportation industry, as products are shipped from purchaser to buyer;
  - the manufacturing industry, as products used to service the venue, vendors and others are produced;
  - the utility industry, as the power to produce goods and services is consumed; and,
  - other such industries.
- **Induced effects** consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the proposed Arena. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment is generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

The graphic to the right illustrates the flow of direct spending through the successive rounds of re-spending, including the indirect and induced effects.






# STUDY METHODOLOGY


## MULTIPLIER EFFECTS (CONT'D)


Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the RIMS II system and are specific to the greater Tempe metropolitan area. The specific multipliers used in this analysis are show in the chart to the right.

Multipliers are applied to direct spending to calculate the following measures of economic impact:

 **Total Output** represents the total direct, indirect and induced spending effects generated by the proposed Arena and Entertainment District. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.

 **Employment** is expressed in terms of total full-time equivalent (FTE) jobs and includes both full- and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

 **Personal Earnings** represent the wages and salaries earned by employees of businesses impacted by the proposed Arena and Entertainment District. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.

ECONOMIC MULTIPLIERS (TEMPE METRO AREA)			
	Total Output	Employment (FTE)	Personal Earnings
Construction	2.17	17.36	0.84
Commercial Sports	2.25	18.32	0.94
Lodging	1.94	15.38	0.56
Food and Beverage	2.11	27.66	0.79
Retail	2.13	21.30	0.73
Entertainment	2.12	22.18	0.65
Transportation	2.01	39.53	0.64
Other	2.12	25.45	0.85
Residential	1.26	9.83	0.38
Office	2.24	23.51	0.85
Music	1.97	43.02	0.68
Recreation Sports	2.12	22.18	0.65
Parking	2.01	39.53	0.64

*Note: Total output and Personal Earnings multipliers are applied one-to-one to dollars whereas Employment multipliers are applied one-to-one to millions of dollars.*

*Source: RIMS II.*





# STUDY METHODOLOGY

## FISCAL IMPACTS

In addition to the economic impacts expected to be generated by the construction and operations of the proposed Arena and Entertainment District, the public sector will also benefit from increased tax revenues. In preparing estimates of fiscal impacts, tax revenues attributable to the net new direct, indirect and induced spending generated by the proposed Arena and Entertainment District were estimated. Tax revenues are based on the current applicable tax rates, so future changes in these rates would have an impact on the resulting tax collections. Taxes specific to the City of Tempe are considered in this analysis and are shown in the chart below.

APPLICABLE TAX RATES	
	City of Tempe
Property Tax	2.4%
Transaction Privilege Tax (TPT)	1.8%
Sales Tax	1.8%
Hotel Tax	5.0%
Commercial Lease Tax	1.8%

*Note: Sales tax is inclusive of general, parking, and utilities sales taxes.*

It should be noted that, based on the proposed ground lease structure within the potential agreement between the Arizona Coyotes and the City of Tempe, it is anticipated that the proposed Arena, as well as the Team headquarters and practice facility and the music venue, would be exempt from all property taxes and the Entertainment District would be exempt from all property taxes for the first eight years of operation for each phase.



**ECONOMIC & FISCAL IMPACTS:**  
*Key Assumptions*



# KEY ASSUMPTIONS

## OVERVIEW

The findings and analysis in this study are derived from a review of the Tempe marketplace and economic drivers in the region, historical and projected operating data provided by the Coyotes, information obtained from other similar NHL studies completed by CSL, the use of RIMS II multipliers, and CSL's experience in quantifying the economic and fiscal impacts of similar projects. The results presented are for the construction period and cumulative 30-year operations.

The following is a list of key assumptions used in order to estimate the economic and fiscal impacts associate with the construction and on-going operations of the Arena and Entertainment District:



Total project costs are estimated to be approximately \$1.7 billion, including a \$578 million Arena and \$1.1 billion Entertainment District



The Arena construction period will be from 2023 to 2024



The Entertainment District, at full build-out, will contain 2.7 million square feet of development and will be constructed over two phases in 2025 and 2027



The Arena will host a total of 105 events, including 43 Coyotes games and 62 other third-party events, on an annual basis



Event attendance at the Arena is estimated to total approximately 1.1 million annually. In addition, visiting team members and traveling event personnel were also factored into the total number of annual attendees



Approximately 59 percent of Arena attendees will be Maricopa County residents, while 35 percent will be non-County day trippers and five percent will be overnighters



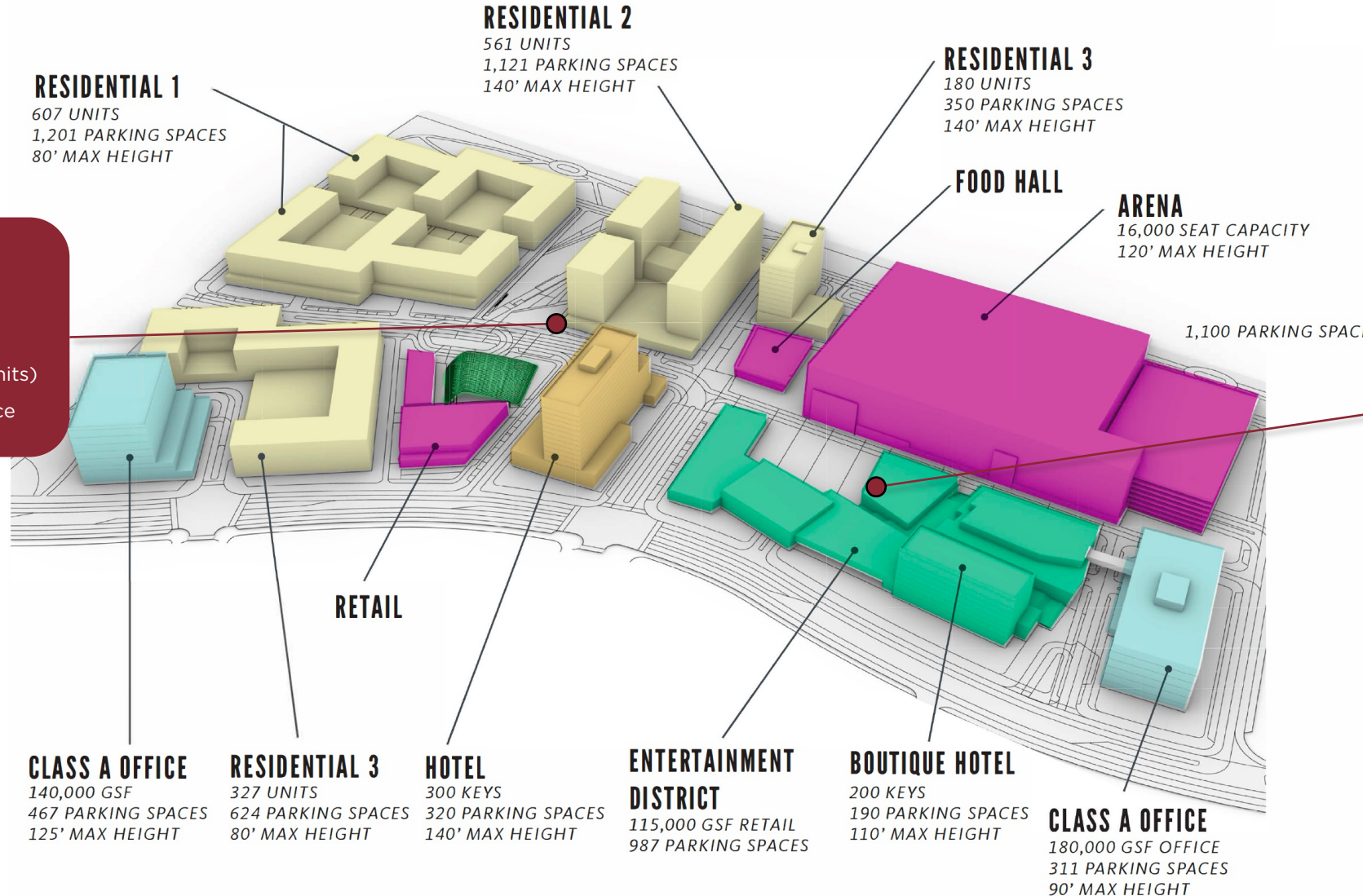
Spending by Arena visitors consists of in-facility spending on tickets, concessions, merchandise, and parking, as well as out-of-facility spending on hotels, restaurants, shopping, gas, transit, entertainment, services and other expenditures. Out-of-facility spending by visitors ranges from \$5.00 for County resident to \$160.00 for overnighters



# KEY ASSUMPTIONS

## ENTERTAINMENT DISTRICT MASTERPLAN

The graphic below depicts the proposed masterplan for the Entertainment District as provided to CSL by the Coyotes.



- Phase II (2027)**
- 148,000 sq.ft. of Retail
  - 300-Room Hotel
  - Two Residences (1,695 Units)
  - 140,000 sq.ft. Office Space

- Phase I (2025)**
- 16,000-Seat Arena
  - Coyotes HQ & Practice Facility
  - 25,000 sq.ft. Music Venue
  - 165,000 sq.ft. of Retail/Restaurant
  - 200-Room Hotel
  - One Residence (180 Units)
  - 180,000 sq.ft. Office Space



# KEY ASSUMPTIONS

## ENTERTAINMENT DISTRICT SPENDING

In addition to the direct spending from Arena operations and ancillary community spending, direct spending will be generating by the operations of the Entertainment District. The chart below shows the key assumptions for each component of the Entertainment District.

KEY ENTERTAINMENT DISTRICT COMPONENT ASSUMPTIONS																		
Operating Year	Residential				Office			Retail / Restaurant				Hotel				Parking		
	Total Square Footage	Total Units	Occupancy	Average Rent / Sq.Ft.	Total Square Footage	Occupancy	Average Rent / Sq.Ft.	Total Square Footage	Occupancy	Average Rent / Sq.Ft.	Average Sales / Sq.Ft.	Total Rooms	Occupancy	ADR	RevPAR	Total Spaces	Daily Occupancy	Daily Rate
Year 1	192,600	180	50%	\$30.00	243,000	50%	\$45.00	165,000	50%	\$44.00	\$500.00	200	65%	\$275.00	\$178.75	1,338	33%	\$10.00
Year 2	192,600	180	85%	\$30.90	243,000	75%	\$46.35	165,000	75%	\$45.32	\$515.00	200	70%	\$283.25	\$198.28	1,338	50%	\$10.30
Year 3	1,792,250	1,675	65%	\$31.83	383,000	75%	\$47.74	313,000	75%	\$46.68	\$530.45	500	65%	\$291.75	\$189.64	5,071	40%	\$10.61
Year 4	1,792,250	1,675	80%	\$32.78	383,000	80%	\$49.17	313,000	90%	\$48.08	\$546.36	500	70%	\$300.50	\$210.35	5,071	50%	\$10.93
Year 5	1,792,250	1,675	95%	\$33.77	383,000	90%	\$50.65	313,000	90%	\$49.52	\$562.75	500	75%	\$309.51	\$232.14	5,071	50%	\$11.26
Year 6	1,792,250	1,675	95%	\$34.78	383,000	90%	\$52.17	313,000	90%	\$51.01	\$579.64	500	75%	\$318.80	\$239.10	5,071	50%	\$11.59
Year 7	1,792,250	1,675	95%	\$35.82	383,000	90%	\$53.73	313,000	90%	\$52.54	\$597.03	500	75%	\$328.36	\$246.27	5,071	50%	\$11.94

As shown, at full build-out, the Entertainment District is estimated to comprise approximately 1,700 residences, 383,000 square feet of office space, 313,000 square feet of retail/restaurant, 500 hotel rooms across two properties, and 5,100 parking spaces. In addition to these key components, the development is also assumed to include a 1,500-seat music theater (that hosts 75 concerts annually) and the Coyotes headquarters and practice facility.



**ECONOMIC & FISCAL IMPACTS:**  
*Summary of Estimated Impacts*



# SUMMARY OF ESTIMATED IMPACTS

## ECONOMIC IMPACT SUMMARY

The tables below summarize the cumulative and net present value (NPV), respectively, net new economic impacts of the proposed Arena and Entertainment District to the City of Tempe.

<b>ECONOMIC IMPACT SUMMARY</b> <i>Construction + 30-Year Operations (Cumulative)</i>			
	Arena Impacts	Entertainment District Impacts	Total Impact
Direct Spending	\$7.0B	\$6.1B	\$13.1B
Total Output	\$15.5B	\$12.1B	\$27.6B
Jobs (FTEs)	3,100	3,800	6,900
Earnings	\$6.4B	\$4.2B	\$10.5B

<b>ECONOMIC IMPACT SUMMARY</b> <i>Construction + 30-Year Operations (Net Present Value)</i>			
	Arena Impacts	Entertainment District Impacts	Total Impact
Direct Spending	\$3.2B	\$2.8B	\$5.9B
Total Output	\$7.0B	\$5.5B	\$12.5B
Jobs (FTEs)	3,100	3,800	6,900
Earnings	\$2.9B	\$1.9B	\$4.8B

*Note: Net present value assumes a discount rate of 4.5 percent.*

In terms of cumulative impacts, over a period of construction and 30 years of operations, it is estimated that the City of Tempe will generate approximately \$13.1 billion in net new direct spending that will generate \$27.6 billion in total output, 6,900 total jobs, and \$10.5 billion in personal earnings. Approximately 56 percent of the estimated economic impacts are attributable to the proposed Arena.

In terms of net present value impacts, as shown, over a period of construction and 30 years of operations, it is estimated that the City of Tempe will generate approximately \$5.9 billion in net new direct spending that will generate \$12.5 billion in total output, 6,900 total jobs, and \$4.8 billion in personal earnings. Approximately 56 percent of the estimated economic impacts are attributable to the proposed Arena.

In terms of jobs, approximately 16 percent of the 6,900 jobs created are attributable to the spending associated with the construction of the proposed Arena and Entertainment District. The remainder of the jobs created are a result of the spending and subsequent re-spending of monies generated in the Arena and Entertainment District, affecting all businesses in the local area. The average job created has an annual salary of approximately \$54,000.



# SUMMARY OF ESTIMATED IMPACTS

## FISCAL IMPACT SUMMARY

The charts below depict the estimated cumulative net new fiscal impacts of the proposed Arena and Entertainment District to the City of Tempe.

<b>FISCAL IMPACT SUMMARY</b>			
<i>Construction + 30-Year Operations (Cumulative)</i>			
	Arena Impacts	Entertainment District Impacts	Total Impact
Property Tax	--	\$70.5M	\$70.5M
Transaction Privilege Tax (TPT)	\$6.1M	\$12.7M	\$18.8M
Sales Tax	\$105.3M	\$120.1M	\$225.4M
Hotel Tax	\$11.3M	\$90.7M	\$101.9M
Commercial Lease Tax	--	\$14.9M	\$14.9M
<b>Total</b>	<b>\$122.7M</b>	<b>\$308.9M</b>	<b>\$431.6M</b>
Less: CFD Taxes			(\$277.3M)
<b>Total Less CFD Taxes Utilized</b>			<b>\$154.3M</b>

*Note: It is assumed that the arena is not subject to property tax due to public arena ownership. It is also assumed that the Entertainment District will not be subject to property tax for the first eight years of operations, per the proposed agreement with the City of Tempe.*

*Note: Sales tax is inclusive of general, parking, and utilities sales taxes.*

In terms of cumulative impacts, it is estimated that the Arena and Entertainment District, over a period of construction and 30 years of operations, could generate \$431.6 million in fiscal impacts to the City of Tempe, including \$225.4 million in sales taxes, \$101.9 million in hotel taxes, and \$70.5 million in property taxes. After tax collections designated to the Community Facilities District ("CFD"), it is estimated that the City would generate total cumulative fiscal impacts of \$154.3 million.





# SUMMARY OF ESTIMATED IMPACTS

## FISCAL IMPACT SUMMARY

In addition to the City of Tempe, fiscal impacts are estimated to be generated to both the County and State. The charts below depict the estimated cumulative net new fiscal impacts of the proposed Arena and Entertainment District to the City of Tempe, Maricopa County, and State of Arizona.

<b>FISCAL IMPACT SUMMARY</b>			
<i>Construction + 30-Year Operations (Cumulative)</i>			
	City	County	State
Property Tax	\$70.5M	\$101.2M	\$13.4M
Property Tax (School District)	--	--	\$213.5M
Transaction Privilege Tax (TPT)	\$18.8M	\$7.3M	\$35.6M
Sales Tax	\$225.4M	\$84.8M	\$460.3M
Income Tax	--	--	\$243.8M
Hotel Tax	\$101.9M	\$27.1M	\$70.4M
Commercial Lease Tax	\$14.9M	\$3.1M	--
HURF Tax	--	--	\$1.0M
<b>Total</b>	<b>\$431.6M</b>	<b>\$223.5M</b>	<b>\$1,038.0M</b>
Less: CFD Taxes	(\$277.3M)	--	--
<b>Total Less CFD Taxes Utilized</b>	<b>\$154.3M</b>	<b>\$223.5M</b>	<b>\$1,038.0M</b>

*Note: It is assumed that the arena is not subject to property tax due to public arena ownership. It is also assumed that the Entertainment District will not be subject to property tax for the first eight years of operations, per the proposed agreement with the City of Tempe.*

*Note: Sales tax is inclusive of general, parking, and utilities sales taxes.*

In terms of cumulative impacts, it is estimated that the Arena and Entertainment District, over a period of construction and 30 years of operations, could generate \$431.6 million in fiscal impacts to the City (\$154.3 million after CFD obligations), \$223.5 million to the County, and \$1.0 billion to the State.



# SUMMARY OF ESTIMATED IMPACTS

## NON-QUANTIFIABLE BENEFITS

In addition to the quantifiable benefits generated from the construction and operations of the proposed Arena and Entertainment District, some benefits cannot be quantitatively measured. Potential qualitative benefits, among others, for the local area could include:



Expanding Tempe's ability to accommodate and attract various, sports, entertainment, and other events



Additional entertainment options for local and regional residents



Ability to market the Tempe area as a more global region



Enhancing community pride, self-image, exposure and reputation



Ability to participate in community-wide events and festivals



New premium seat offerings for area corporations to entertain clients and reward employees



Opportunities for private commercial and real estate development



Additional opportunities for charitable endeavors by local businesses



New advertising opportunities for local businesses



# SUMMARY OF ESTIMATED IMPACTS

## MARKET CANNIBALIZATION

The quantifiable benefits identified within this report are “net new” economic and fiscal impacts, which means they are presented after displacement (adjustment for money that already would have been spent in the market) and leakage (adjustment for money that leaves the measured economy). This means that the impacts already take into consideration the potential cannibalization to other businesses and developments in the Tempe area, including the Mill Avenue area.

Moreover, the proposed Entertainment District would present upscale residential, retail, entertainment, and office components that are envisioned to be complementary to existing properties in downtown Tempe. Additionally, the development is estimated to attract a significant portion of out-of-County and out-of-State visitors, bringing new money into the downtown Tempe economy.

Overall, the impacts contained herein already consider and adjust for cannibalization effects.





**APPENDIX:**

***Key Assumptions for Individual  
Tax Categories***



# APPENDIX

## TRANSACTION PRIVILEGE TAX

ARENA TPT REVENUE			
	2023	2024	Total
Total Hard Costs	\$227,299,750	\$227,299,750	\$454,599,500
% Materials	65%	65%	--
Tax Rate	1.80%	1.80%	--
<b>Total TPT Revenue</b>	<b>\$2,659,000</b>	<b>\$2,659,000</b>	<b>\$5,318,000</b>

ENTERTAINMENT DISTRICT TPT REVENUE					
	2023	2024	2025	2026	Total
Total Hard Costs	\$177,749,420	\$177,749,420	\$363,560,832	\$363,560,832	\$1,082,620,503
% Materials	65%	65%	65%	65%	--
Tax Rate	1.80%	1.80%	1.80%	1.80%	--
<b>Total TPT Revenue</b>	<b>\$2,080,000</b>	<b>\$2,080,000</b>	<b>\$4,254,000</b>	<b>\$4,254,000</b>	<b>\$12,668,000</b>

<b>Phase I Revenues</b>	<b>\$9,478,000</b>
<b>Phase II Revenues</b>	<b>\$8,508,000</b>
<b>Total Revenues</b>	<b>\$17,986,000</b>



# APPENDIX

## SALES TAX (ARENA)

In-Arena Taxable Revenues (2025)			
	Gross Revenues	Net New Adjustment	Net New Revenues
Ticket Sales	\$93,904,000	46%	\$43,650,000
Concessions	\$20,692,000	46%	\$9,618,000
Merchandise	\$4,862,000	46%	\$2,260,000
<b>Total Taxable Revenue</b>	<b>\$119,458,000</b>	<b>46%</b>	<b>\$55,528,000</b>

Out-of-Arena Fan Spending (2025)			
	County Residents (44%)	Non-Local Day Trippers (51%)	Overnighter Visitors (5%)
Lodging	--	--	\$75.00
Food & Beverage	\$2.50	\$10.00	\$50.00
Retail	--	\$2.50	\$10.00
Entertainment	--	\$2.50	\$10.00
Transportation	\$2.50	\$5.00	\$10.00
Other	--	\$1.00	\$5.00
<b>TOTAL</b>	<b>\$5.00</b>	<b>\$21.00</b>	<b>\$160.00</b>

Out-of-Arena Visiting Personnel Spending (2025)		
	NHL Games	Other Events
Hotel Cost Per Night	\$250	\$150
Per Diem: F&B	\$30	\$30
Per Diem: Retail	\$10	\$10
Per Diem: Other	\$10	\$10
Buses Per Day*	\$2,000	\$1,000

\* Concerts also assume \$2,000 in busing costs per day

Out-of-Arena Fan Spending Taxable Revenues (2025)			
	Gross Revenues	Net New Adjustment	Net New Revenues
Lodging	\$4,568,000	40%	\$1,827,000
Food & Beverage	\$8,919,000	40%	\$3,568,000
Retail	\$1,643,000	40%	\$657,000
Entertainment	\$1,643,000	40%	\$657,000
Transportation	\$4,414,000	40%	\$1,766,000
Other	\$718,000	40%	\$287,000
<b>Total Taxable Revenue</b>	<b>\$21,905,000</b>	<b>40%</b>	<b>\$8,762,000</b>

Out-of-Arena Visiting Personnel Taxable Revenues (2025)			
	Gross Revenues	Net New Adjustment	Net New Revenues
Lodging	\$878,000	75%	\$659,000
Food & Beverage	\$185,000	90%	\$166,000
Retail	\$62,000	90%	\$55,000
Transportation	\$270,000	90%	\$243,000
Other	\$62,000	90%	\$55,000
<b>Total Taxable Revenue</b>	<b>\$1,457,000</b>	<b>81%</b>	<b>\$1,178,000</b>

### Net New Arena Sales Tax Revenue (2025)

In-Arena Spending	\$55,528,000
Fan Spending	\$8,762,000
Visiting Personnel Spending	\$1,178,000
<b>Total Taxable Direct Spending</b>	<b>\$65,468,000</b>
Total Indirect & Induced Spending	\$172,461,000
% Taxable	37.0%
<b>Total Taxable I&amp;I Spending</b>	<b>\$63,845,000</b>
<b>Total Taxable Spending</b>	<b>\$129,314,000</b>
Sales Tax Rate	1.8%
<b>Total Tax Revenue</b>	<b>\$2,328,000</b>
<b>30-Year Tax Revenues</b>	<b>\$105,254,000</b>
<b>Phase I Sales Tax Revenues</b>	<b>\$105,254,000</b>
<b>Phase II Sales Tax Revenues</b>	<b>\$0</b>
<b>Total Sales Tax Revenues</b>	<b>\$105,254,000</b>

Multipliers	
Construction	2.17
Commercial Sports	2.25
Lodging	1.94
Food and Beverage	2.11
Retail	2.13
Entertainment	2.12
Transportation	2.01
Other	2.12



# APPENDIX

## SALES TAX (ENTERTAINMENT DISTRICT)

Key Entertainment District Component Assumptions											
Operating Year	Retail / Restaurant				Hotel				Parking		
	Total Square Footage	Occupancy	Average Rent / Sq.Ft.	Average Sales / Sq.Ft.	Total Rooms	Occupancy	ADR	RevPAR	Total Spaces	Daily Occupancy	Daily Rate
2025	165,000	50%	\$44.00	\$500.00	200	65%	\$275.00	\$178.75	1,338	33%	\$10.00
2026	165,000	75%	\$45.32	\$515.00	200	70%	\$283.25	\$198.28	1,338	50%	\$10.30
2027	313,000	75%	\$46.68	\$530.45	500	65%	\$291.75	\$189.64	5,071	40%	\$10.61
2028	313,000	90%	\$48.08	\$546.36	500	70%	\$300.50	\$210.35	5,071	50%	\$10.93
2029	313,000	90%	\$49.52	\$562.75	500	75%	\$309.51	\$232.14	5,071	50%	\$11.26
2030	313,000	90%	\$51.01	\$579.64	500	75%	\$318.80	\$239.10	5,071	50%	\$11.59
2031	313,000	90%	\$52.54	\$597.03	500	75%	\$328.36	\$246.27	5,071	50%	\$11.94

Direct Taxable Sales (2025)			
	Direct Spending	Net New Adjustment	Net New Direct Spending
Shopping	\$24,092,000	54%	\$13,010,000
Food & Beverage	\$19,444,000	63%	\$12,250,000
Hotel	\$26,098,000	27%	\$7,046,000
Parking	\$1,612,000	27%	\$435,000
<b>Total Taxable Revenue</b>	<b>\$71,246,000</b>	<b>46%</b>	<b>\$32,741,000</b>

Indirect Taxables Sales (2025)			
	Net New Direct Spending	Indirect & Induced Spending Multiplier	Net New Indirect & Induced Spending
Shopping	\$13,010,000	1.13	\$14,643,000
Food & Beverage	\$12,250,000	1.11	\$13,658,000
Residential	\$1,173,000	0.26	\$304,000
Office	\$4,609,000	1.24	\$5,710,000
Hotel	\$7,046,000	0.94	\$6,603,000
Parking	\$435,000	1.01	\$439,000
<b>Total Taxable Revenue</b>	<b>\$38,523,000</b>		<b>\$41,357,000</b>
Percent Taxable			37%
<b>Total Taxable Revenue</b>			<b>\$15,310,000</b>

Net New District Sales Tax Revenue (2025)	
Direct Taxable Sales	\$32,741,000
I&I Taxable Sales	\$15,310,000
<b>Total Taxable Sales</b>	<b>\$48,051,000</b>
Sales Tax Rate	1.8%
<b>Total Tax Revenue</b>	<b>\$5,119,000</b>
<b>30-Year Revenues</b>	<b>\$120,122,000</b>
<b>Phase I Sales Tax Revenues</b>	<b>\$58,502,000</b>
<b>Phase II Sales Tax Revenues</b>	<b>\$61,619,000</b>
<b>Total Sales Tax Revenues</b>	<b>\$120,121,000</b>



## HOTEL TAX (ARENA)

Out-of-Arena Fan Spending (2025)				Out-of-Arena Fan Spending Taxable Revenues (2025)				
	County Residents (44%)	Non-Local Day Trippers (51%)	Overnighter Visitors (5%)		Gross Revenues	Net New Adjustment	Net New Revenues	
Lodging	--	--	\$75.00	➔	Lodging	\$4,568,000	40%	\$1,827,000

Out-of-Arena Visiting Personnel Spending (2025)			Out-of-Arena Visiting Personnel Taxable Revenues (2025)				
	NHL Games	Other Events		Gross Revenues	Net New Adjustment	Net New Revenues	
Hotel Cost Per Night	\$250	\$150	➔	Lodging	\$878,000	75%	\$659,000

Net New Hotel Tax Revenue (2025)	
Fan Spending	\$1,827,000
Visiting Personnel Spending	\$659,000
<b>Total Hotel Direct Spending</b>	<b>\$2,486,000</b>
Spending Multiplier	1.94
<b>Total Hotel Output</b>	<b>\$4,816,000</b>
Hotel Tax Rate	5.0%
<b>Total Tax Revenue</b>	<b>\$241,000</b>
<b>30-Year Revenues</b>	<b>\$11,264,000</b>
<b>Phase I Hotel Tax Revenues</b>	<b>\$11,264,000</b>
<b>Phase II Hotel Tax Revenues</b>	<b>\$0</b>
<b>Total Hotel Tax Revenues</b>	<b>\$11,264,000</b>





## HOTEL TAX (ENTERTAINMENT DISTRICT)

Key Entertainment District Component Assumptions				
Operating Year	Hotel			
	Total Rooms	Occupancy	ADR	RevPAR
2025	200	65%	\$275.00	\$178.75
2026	200	70%	\$283.25	\$198.28
2027	500	65%	\$291.75	\$189.64
2028	500	70%	\$300.50	\$210.35
2029	500	75%	\$309.51	\$232.14
2030	500	75%	\$318.80	\$239.10
2031	500	75%	\$328.36	\$246.27

Direct Taxable Sales (2025)			
	Direct Spending	Net New Adjustment	Net New Direct Spending
Hotel	\$26,098,000	27%	\$7,046,000

Net New Hotel Tax Revenue (2025)	
Total Hotel Direct Spending	\$7,046,000
Spending Multiplier	1.94
Total Hotel Output	\$13,649,000
Hotel Tax Rate	5.0%
Total Tax Revenue	\$682,000
30-Year Revenues	\$90,681,000
Phase I Hotel Tax Revenues	\$37,305,000
Phase II Hotel Tax Revenues	\$53,376,000
Total Hotel Tax Revenues	\$90,681,000



## PROPERTY TAX (ENTERTAINMENT DISTRICT)

Property Taxes (Full Build Out)			
	Property Value	Assessed Value (%)	Assessed Value (\$)
Residential	\$507,623,000	10%	\$50,762,000
Office	\$110,039,000	18%	\$19,807,000
Retail	\$140,156,000	18%	\$25,228,000
Hotel	\$143,719,000	18%	\$25,869,000
Music Theater	\$31,893,000	0%	\$0
Parking	\$149,191,000	15%	\$22,379,000
<b>Total Taxable Revenue</b>	<b>\$1,082,621,000</b>	<b>13%</b>	<b>\$144,045,000</b>
Property Tax Rate			2.40%
<b>Total Tax Revenue</b>			<b>\$3,460,000</b>
<b>30 Year Revenues</b>			<b>\$70,531,000</b>
<b>Phase I Property Tax Revenues</b>			<b>\$26,945,000</b>
<b>Phase II Property Tax Revenues</b>			<b>\$39,839,000</b>
<b>Total Property Tax Revenues</b>			<b>\$66,784,000</b>



## COMMERCIAL LEASE TAX (ENTERTAINMENT DISTRICT)

Key Entertainment District Component Assumptions											
Operating Year	Residential				Office			Retail / Restaurant			
	Total Square Footage	Total Units	Occupancy	Average Rent / Sq.Ft.	Total Square Footage	Occupancy	Average Rent / Sq.Ft.	Total Square Footage	Occupancy	Average Rent / Sq.Ft.	Average Sales / Sq.Ft.
2025	192,600	180	50%	\$30.00	243,000	50%	\$45.00	165,000	50%	\$44.00	\$500.00
2026	192,600	180	85%	\$30.90	243,000	75%	\$46.35	165,000	75%	\$45.32	\$515.00
2027	1,792,250	1,675	65%	\$31.83	383,000	75%	\$47.74	313,000	75%	\$46.68	\$530.45
2028	1,792,250	1,675	80%	\$32.78	383,000	80%	\$49.17	313,000	90%	\$48.08	\$546.36
2029	1,792,250	1,675	95%	\$33.77	383,000	90%	\$50.65	313,000	90%	\$49.52	\$562.75
2030	1,792,250	1,675	95%	\$34.78	383,000	90%	\$52.17	313,000	90%	\$51.01	\$579.64
2031	1,792,250	1,675	95%	\$35.82	383,000	90%	\$53.73	313,000	90%	\$52.54	\$597.03

Net New Direct Spending (2025)			
	Direct Spending	Net New Adjustment	Net New Direct Spending
Residential	\$2,456,000	27%	\$663,000
Office	\$4,921,000	27%	\$1,329,000
Retail	\$3,086,000	27%	\$833,000
<b>Total Taxable Revenue</b>	<b>\$10,463,000</b>	<b>27%</b>	<b>\$2,825,000</b>

Net New Commercial Lease Tax Revenue (2025)	
Total Direct Spending	\$2,825,000
Tax Rate	1.8%
<b>Total Tax Revenue</b>	<b>\$51,000</b>
<b>30-Year Revenues</b>	<b>\$14,891,000</b>
<b>Phase I Tax Revenues</b>	<b>\$3,400,000</b>
<b>Phase II Tax Revenues</b>	<b>\$11,491,000</b>
<b>Total Tax Revenues</b>	<b>\$14,891,000</b>



**APPENDIX:**

***Tempe Entertainment District  
Naming Rights Analysis***





# TEMPE VALUATION | CENTER ICE

## BROADCAST

Broadcast is the main component of Center Ice value. The chart below details the impressions and valued generated from the Tempe name being included in the Center ice logo.

<i>TYPE</i>	<i>SECONDS PER BROADCAST</i>	<i># OF BROADCASTS</i>	<i>AVERAGE VIEWERS</i>	<i>IMPRESSIONS</i>	<i>VALUE</i>
Local	745	40	20,000	19,875,000	\$139,000
National	745	2	800,000	39,750,000	\$517,000
Opponent TV	745	40	25,000	24,843,750	\$174,000
<b>BROADCAST</b>				<b>84,468,750</b>	<b>\$830,000</b>

Sources: Nielsen, CSL.

## SUMMARY

The impression + value associated with “Tempe” being shown in the center ice logo are detailed below, including on-site, broadcast, paid and earned media and qualitative value.

<i>CATEGORY</i>	<i>IMPRESSIONS</i>	<i>VALUE</i>
On-Site	698,535	\$84,000
Broadcast	84,468,750	\$830,000
Paid & Earned Media	1,316,885	\$31,000
Qualitative Value	-	\$142,000
<b>TOTALS - 2021 DOLLARS</b>	<b>86,484,170</b>	<b>\$1,087,000</b>

## KEY ASSUMPTIONS



698,535 hockey attendees per year



82 Coyotes games to be broadcast on television (including preseason):

- 40 Local games (20,000 viewers per game)
- 2 National games (800,000 viewers per game)
- 40 games for opponents' TV network (25,000 viewers per game)



Paid & Earned Media represents the projected value the City will receive through digital and social media posts



# TEMPE VALUATION | DISTRICT

## EARNED MEDIA

Earned media is the main component of the District value. The chart below details the impressions and value the Coyotes' Entertainment District would generate for the City of Tempe. In order to project the number of impressions, CSL compared the earned media (news, broadcast and social media impressions) generated from "Staples Center" AND "L.A. Live" from January 1, 2019 to December 31, 2019. We then applied discounts to project impressions and value for the Coyotes as the market size and number of events will be less than Staples Center. Note: This excludes mentions associated with the Lakers, Clippers, Sparks or the Grammys.

CATEGORY	# OF MENTIONS	AVG CIRCULATION	IMPRESSIONS	VALUE
News   Print	1,613	42,734	68,913,000	\$1,192,000
Broadcast	25	55,000	1,365,000	\$75,000
Social Media	73	3,750	272,000	\$5,000
<b>EARNED MEDIA</b>	<b>1,711</b>	<b>41,233</b>	<b>70,550,000</b>	<b>\$1,272,000</b>

Source: Meltwater.

## SUMMARY

The impression + value associated with "Tempe" being included in the name of the District are detailed below, including on-site, paid and earned media and qualitative value.

CATEGORY	IMPRESSIONS	VALUE
On-Site	3,000,000	\$150,000
Earned Media	70,550,000	\$1,272,000
Paid Media	5,000,000	\$40,000
Qualitative Value	-	\$219,000
<b>TOTALS - 2021 DOLLARS</b>	<b>78,550,000</b>	<b>\$1,681,000</b>

## ASSUMPTIONS



District name will be similar to Staples Center at L.A. Live



Media coverage for District will be comparable to L.A. Live with discounts applied for less events and market size



City will be included in a media buy including broadcast, digital/social and outdoor advertising



District will have over three million visitors annually



City will be featured on District website and in social media