

ECONOMIC COMPETITIVENESS

Gaming Activity. The Colorado Department of Revenue's Division of Gaming maintains a database of the number of casinos, number of devices, adjusted gross proceeds (AGP), taxes paid and people employed in the gaming industry in Colorado. In order to project future gaming revenues and employment as a result of the TEAMS Project, interviews were conducted with several casino managers as to the effects of current road conditions and the benefits of TEAMS Project improvements. Casino managers indicated that additional revenues could not be realized under current road conditions and that the benefits of the new gaming laws could not occur without the TEAMS Project improvements.

Revenue and employment projections. TEAMS Project improvements will be complete by 2012. Gaming establishment revenues for 2009 through 2011 were projected based on the long-term average annual growth rate. According to gaming interviews, without any road constraints, revenues would increase by 20 percent in 2012 and by 7 percent per year from 2013 to 2030. However, the TEAMS Project road improvements are only anticipated to increase road capacity into the Black Hawk area by about 20 percent according to a CDOT evaluation of the *SH 119 Traffic Evaluation* prepared by Felsburg Holt and Ullevig. Therefore the revenue benefits of the TEAMS Project to casinos would be 20 percent of the increase in revenues between 2011 (before TEAMS Project completion) and the unconstrained revenue projections of each subsequent year. Employment growth in the Gilpin County gaming industry follows a similar pattern. Historical employment growth has averaged 3 percent per year. As with revenues, if road constraints did not exist, employment would increase by 20 percent in 2012; employment would then increase by 3 percent per year from 2013 through 2030. TEAMS Project benefits are estimated to be 20 percent of the increase in employment between 2011 and the unconstrained employment projections of each subsequent year.

Gaming industry wages and induced wages. In 2008, wages of casino employees averaged \$35,132. This number was inflated by 2.88 percent per year to account for inflation, based on long-term historical inflation rates obtained from the Bureau of Labor Statistics. Inflated wage rates were applied to employment as a result of the TEAMS Project to determine total annual wages for gaming employees as a result of TEAMS Project improvements. The majority of gaming employees reside in the Denver Metro area. The spending of these employees' wages will stimulate additional jobs in the region. RIMS employment and earnings multipliers for the Amusements, Gambling and Recreation industry for the Denver Metro Area were applied to TEAMS Project gaming employees and wages to estimate total gaming supported employment and personal income.

Gaming industry taxes. Revenues are taxed at varying rates according to the annual AGP of each casino. The historical average tax rate for all Black Hawk and Central City casinos combined is 15 percent. That tax rate was applied to revenue projections to estimate the total amount of taxes paid by the Gilpin County gaming industry.

Water Treatment Plant Operations. CDPHE estimated employment and annual operations costs for the planned water treatment plant (WTP) on North Clear Creek based on

the requirements of the Argo Treatment Plant in Idaho Springs and a comparison of the scale of the two plants. An estimate of wages for WTP employees was obtained from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages. These wages were inflated by 2.88 percent per year to account for inflation, based on long-term historical inflation rates obtained from the Bureau of Labor Statistics. WTP employees are likely to reside in the Denver Metro area. RIMS employment and earnings multipliers for the Water, Sewage and Other Systems industry for the Denver Metro area were applied to the WTP employment and wages to estimate total employment and wages due to the operation of the plant. Estimated annual O&M costs, other than for labor, were also inflated at 2.88 percent per year to account for inflation.