

- Executive Summary -

Conventions, Sports and Leisure, International (“CSL”) was retained by the Coeur d’Alene Sports Complex Committee (“Committee”) to conduct a feasibility study to evaluate the potential development of a sports and event complex at the Riverstone development in Coeur d’Alene, Idaho. The complex is envisioned to consist of a multi-purpose indoor event facility, a new baseball complex and support spaces such as parking facilities.

The study process consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- Local market visits;
- In-person interviews/meetings with a variety of key constituents and stakeholders;
- Research and analysis of local market conditions and national and regional trends;
- Analysis of facility data from comparable and competitive/regional facilities and markets; and,
- Interviews with promoters and planners of various spectator and flat floor events.

Based on this study process, estimates were developed concerning the annual event and attendance levels that could be achieved by the proposed facility, as well as the annual operating revenues and expenses that could be generated by facility operations. In addition, an analysis of the estimated economic impacts that could result from facility construction and operations was completed. Finally, an analysis was conducted to identify and quantify potential sources of project funding.

This Executive Summary is intended to provide key highlights of the following report. The report should be read in its entirety to obtain the background, study methods and assumptions underlying the findings.

Local Market Conditions Analysis

An analysis of the Coeur d’Alene area’s demographics and existing event facilities was conducted to provide insight as to the support for a new event facility that could be expected from the local and regional community. The following is a summary of the key findings of the local market conditions analysis:

- Approximately 280,400 residents live within 25 miles of the proposed facility site, while the population within 50 miles of Coeur d’Alene is approximately 682,600.

- Kootenai County’s population largely mirrors that of the U.S. as a whole in terms of age demographics, which indicates that the market could support events catering to a wide variety of ages.
- Kootenai County and Spokane County exhibit slightly lower household income levels as compared to the national average in terms of average and median household income. In developing pricing structures for tickets to spectator events in Coeur d’Alene, it will be important to identify price points that are supportable given the income demographics of area residents.
- Many sports tournaments and other events that could be held at the proposed facility draw participants and attendees from outside of the local market. The diversity of hotel properties in the Coeur d’Alene market provides the capability to accommodate these non-local visitors.
- The market is home to several event facilities, each of which largely serves its own distinct market niche. Coeur d’Alene’s primary event venues are the Coeur d’Alene Resort and Conference Center and the Kootenai County Fairgrounds. The Resort offers upscale meeting, banquet and conference space, while the Fairgrounds offers flat floor exhibition space with a relatively low level of amenities. Neither facility is capable of hosting significant sports and spectator entertainment events.
- Spokane Arena represents the region’s primary indoor sports and entertainment event facility. The proposed Coeur d’Alene facility may have an opportunity to attract concerts and other touring events by providing a more intimate, lower cost alternative to Spokane Arena.

Comparable Facilities Analysis

The physical characteristics of several existing spectator and/or convention facilities that can be considered comparable to a potential new facility in Coeur d’Alene were reviewed. The analysis included two types of venues that could be considered for development in Coeur d’Alene: standard arenas focusing primarily on spectator events, and multi-use facilities combining spectator and flat floor event space. The following is a summary of the key findings of the comparable facilities analysis:

- Standard arenas with a primary focus on spectator events are typically home to an anchor sports tenant, and often incorporate an ice floor to accommodate hockey games and family ice shows such as Disney on Ice.

- These types of arenas can offer good sightlines for sports and spectator events, but may lack flexibility in accommodating certain events, such as those requiring a large flat floor. These facilities also typically lack meeting and breakout space that is required by many flat floor event organizers
- The second facility type, the multi-purpose facility offering spectator and flat floor/meeting space, is often a preferred option in markets that seek to accommodate a wide variety of facility needs in one structure. While the multi-purpose nature of this facility configuration is beneficial, the flexibility of the main arena may compromise the sightlines associated with a standard arena configuration.
- An advantage of standard arenas with at least one primary sports tenant is the ability to generate revenue through premium seating offerings such as private suites and club seats. While concerts and other special events add value to the premium seat lease, the presence of tenant sports teams often serves as a primary driver of premium seat sales. Because standard arenas are typically home to at least one sports tenant, they are often more successful in marketing premium seating than venues that do not have a primary sports tenant. Seven of the eight comparable “standard” arenas included in this analysis incorporate premium seating, while just two of the “multi-purpose” facilities offer premium seating.
- Based on conversations with project representatives, a new facility in Coeur d’Alene is not initially anticipated to have a tenant sports franchise or program. Therefore, a traditional premium seating program may not be marketable. However, should the facility become the home of a tenant franchise, a limited premium seating program may be appropriate. Additional discussion of the potential impacts of a tenant franchise on facility operations can be found in the market demand, financial and economic impact sections of the full report.

Market Demand Analysis

Based on the results of the local market conditions analysis, the analysis of comparable facilities and extensive interviews with representatives of organizations that could bring events to a new facility in Coeur d’Alene, estimates were developed regarding the annual event and attendance levels that could be achieved by the proposed facility based on market demand. The following is a summary of the key methods and findings of the market demand analysis.

- The greatest opportunity to attract touring events such as concerts, family shows, rodeos, motorsports and other such events may be offering a more intimate, lower cost alternative to Spokane Arena. While Spokane Arena has been successful in attracting a wide variety of events and forming strong relationships with event promoters, its capacity and cost structure may not be appropriate for many events that are unlikely to draw attendance levels approaching the Arena’s capacity. A facility offering approximately 6,000 seats in Coeur d’Alene could fill a niche in the regional market for these mid-sized events.

- While the ability of the proposed facility to attract a full-time sports tenant is uncertain, a number of potential non-tenant sports events could be held at the facility.
 - Representatives of North Idaho College indicated an interest in playing selected basketball, volleyball and wrestling events at a new facility, providing opportunities to increase attendance beyond the capacity of Christiansen Gym.
 - The proposed facility could also host other collegiate sports events, including post-season events, particularly at the NCAA Division II and III and NJCAA levels, as well as regular season or exhibition basketball games featuring regional programs.
 - A wide variety of amateur sports events could utilize the proposed facility, particularly tournaments and meets for sports such as basketball, volleyball, wrestling, gymnastics and martial arts. These events generally require a large floor space that allows multiple playing surfaces to be used simultaneously.
- Some of these sports events are rotated among various cities on a competitive bid basis. The efforts of the Spokane Regional Sports Commission, the Coeur d'Alene Visitor and Convention Bureau and other such organizations will be key to the proposed facility's ability to attract these events.
- Community events such as high school and college graduations, community meetings, religious gatherings and other such events could utilize the proposed facility. These events often result in lower profits and economic impacts compared to spectator events, but they may help enhance the facility's role as a venue that benefits the community as a whole.
- There may be opportunities for the proposed facility to tap into flat floor event demand that is not being met by the Coeur d'Alene Resort or the Kootenai County Fairgrounds. This primarily includes events that require more space than is offered by the existing venues.
 - A new multi-purpose event facility could potentially capture untapped demand for large consumer and trade shows that cannot be accommodated by the event facilities offered at the Kootenai County Fairgrounds. A facility offering a clear span concrete floor in excess of 17,000 square feet would have the ability to attract existing Fairgrounds events that would like to expand but are limited at the existing venue, as well as new consumer and trade shows that are not coming to Coeur d'Alene due to lack of space.
 - The proposed facility could also potentially host large conventions and conferences featuring corporations and state and regional associations that are too large to be accommodated by the Resort. However, these types of events often require significant breakout space in addition to the main assembly venue and the presence of a full-service hotel attached to or located in the immediate vicinity of the convention venue. These requirements would preclude the proposed facility from hosting certain events. Finally, the ability of the facility to capture large meeting and conference events would require significant marketing efforts on the

part of the Visitor and Convention Bureau, the Chamber of Commerce and/or other such entity.

- Based on the key findings discussed above, the following estimates were developed regarding the annual event and attendance levels that could potentially be achieved by a new event facility in Coeur d’Alene. Two sets of event and attendance estimates were developed: a base scenario representing the event and attendance levels estimated to be sustainable in a typical year of operations, and a high scenario representing a “best case” year in which the facility is successful in attracting stronger event and attendance levels.

Summary of Event Estimates

Event Type	Annual Events			Average Attendance	Total Attendance	
	Base	-	High		Base	High
Concerts	6	-	8	4,500	27,000	36,000
Family Shows	4	-	6	1,500	6,000	9,000
Touring Sports	6	-	8	3,500	21,000	28,000
North Idaho College	12	-	15	2,500	30,000	37,500
Collegiate Sports	4	-	6	4,500	18,000	27,000
High School Sports	10	-	12	2,500	25,000	30,000
Amateur Sports	10	-	12	2,000	20,000	24,000
Community	10	-	12	1,000	10,000	12,000
Flat Floor	12	-	15	2,000	24,000	30,000
Totals	74	-	94		181,000	233,500

Note: The base scenario represents the event and attendance levels estimated to be sustainable in a typical year of operations. The high scenario represents a “best case” year in which the facility is successful in attracting stronger event and attendance levels.

- As shown, the proposed facility is estimated to host approximately 74 to 94 events annually, with total attendance of 181,000 to 233,500.
- A second set of event and attendance estimates was developed for a scenario in which the facility hosts a full-time hockey franchise. A tenant franchise is estimated to play 30 to 35 home games at the facility, drawing average attendance of 3,000 per game. However, it is important to note that some non-tenant events would likely be displaced due to scheduling conflicts and/or the inability to accommodate certain events while a permanent ice sheet is in place. The tenant scenario is estimated to result in 88 to 113 annual events with total annual attendance of approximately 234,500 to 302,000.
- The market demand analysis also included an assessment of potential demand for a two-field baseball complex being considered for development adjacent to the proposed indoor facility site. Based on the limited market demand analysis conducted for this study, it appears that demand exists for two new, full-sized baseball fields in Coeur d’Alene, particularly if McEuen Field is redeveloped for non-baseball use.
 - McEuen Field is heavily utilized by local Legion baseball programs, who would potentially expand their programs if additional fields were available.
 - In addition, the proposed baseball complex may attract the Spokane RiverHawks as a tenant franchise, providing 24 to 30 additional events per year.



Building Program Analysis

A building program analysis was conducted to provide recommendations regarding a building program for the proposed event facility that would accommodate areas of demand identified in the market demand analysis.

- It is recommended that the proposed facility be designed with a primary focus on accommodating sports and spectator events.
- While many communities have developed multi-purpose facilities that incorporate significant meeting, ballroom and other flat floor space in addition to a spectator event venue, this option may not be market-supportable in Coeur d'Alene, as the market is already home to flat floor facilities at the Coeur d'Alene Resort and the Kootenai County Fairgrounds. The event market may not be large enough to support an additional venue with a largely overlapping market focus.
- However, it may be beneficial for the proposed Riverstone facility to incorporate a small level of ancillary meeting and breakout space to enhance its ability to attract large spectator events and tournaments that often use a limited amount of meeting space for temporary offices, press events and other such functions related to the primary event.
- A seating capacity of 6,000 seats would differentiate the proposed facility from the larger Spokane Arena and several smaller event venues in the region, allowing the facility to fill a niche for mid-sized events. This seating capacity would also be sufficient to host the types of collegiate and high school postseason events and amateur sports events that could be attracted to Coeur d'Alene. Increasing the capacity significantly beyond 6,000 seats would likely provide only marginal value due to the relatively low number of events that could exceed that capacity in the market.
- At a minimum, the event floor should be larger than the largest spaces offered at the Coeur d'Alene Resort and the Kootenai County Fairgrounds (15,000 and 17,000 square feet, respectively). Based on conversations with flat floor event organizers, a facility offering 35,000 to 40,000 square feet of clear span space would allow the market to capture larger flat floor events than are currently being accommodated at the Resort or the Fairgrounds. Ultimately, the size of the facility's floor will need to be balanced against the need for adequate spectator seating. As the facility design process moves forward, project architects should be consulted to explore concepts that target up to 40,000 square feet of flat floor space without significantly compromising patron sight lines.

- Because the proposed Coeur d'Alene facility is not initially envisioned to host a full-time sports tenant, a typical premium seating program (such as annually-leased suites) may not be appropriate. However, an upscale reception area could be developed to host receptions and other functions before events, or to host VIP personnel during events. This type of space could also be used to generate revenue by offering patrons the ability to purchase a pass to attend a pre-event function offering complimentary food and beverage. An upscale reception room could also be used on non-event days to host small meetings and banquets, and could provide breakout space during flat floor events.
- In addition to developing recommendations regarding an appropriate building program for the proposed Riverstone facility, a preliminary analysis of potential future development options at the Kootenai County Fairgrounds was conducted.
 - One option is an increased focus on livestock events. However, livestock events are generally not profitable, and there may not be sufficient demand for such events in the area to justify significant investment in new or upgraded livestock facilities.
 - Another scenario may involve improvement and/or expansion of the Fairgrounds' flat floor exhibition facilities. Simply upgrading the level of amenities associated with existing exhibition facilities could draw a limited number of additional events to the Fairgrounds, and could help support increased rental rates, helping to recoup revenue that could be lost if some of the Fairgrounds' largest existing events are relocated to the proposed Riverstone facility.
 - The Fairgrounds may not be an appropriate location for a full convention center due to a lack of an adjacent headquarters hotel. Further, a fairgrounds environ may not provide a good fit for corporate meetings, conventions and other such events. Therefore, if a flat floor facility were to be developed on the Fairgrounds in the future, it would likely be more appropriate to construct a relatively basic, clear span structure with restrooms, concessions and other patron amenities, rather than a convention facility with significant ballroom and meeting space.

Financial Analysis

A financial analysis was conducted to provide an estimate of the potential operating results of a new, multi-purpose event venue in Coeur d'Alene. The following table summarizes the estimated annual revenues and expenses that could result from the operations of the proposed facility, presented in 2008 dollars.

**Estimated Annual Financial Operations
Proposed Coeur d'Alene Event Facility
(2008 Dollars)**

	<u>Base</u>	<u>High</u>
<i>Revenues</i>		
Rent	\$259,000	\$345,000
Food and Beverage	225,000	294,000
Parking	117,000	152,000
Advertising	90,000	113,000
Merchandise	25,000	33,000
Other	100,000	125,000
Total Revenues	\$816,000	\$1,062,000
<i>Expenses</i>		
Salaries & wages	\$550,000	\$605,000
Utilities	200,000	220,000
Repairs & maintenance	50,000	55,000
Materials & Supplies	30,000	33,000
Insurance	50,000	50,000
General & administrative	100,000	110,000
Management Fee	75,000	75,000
Total Expenses	\$1,055,000	\$1,148,000
Net Profit (Loss)	(\$239,000)	(\$86,000)
Capital Repairs	125,000	125,000
Net Profit (Loss) Including Capital Repairs	(\$364,000)	(\$211,000)

Note: The base scenario represents the event and attendance levels estimated to be sustainable in a typical year of operations. The high scenario represents a "best case" year in which the facility is successful in attracting stronger event and attendance levels.

- Operations of the proposed facility are estimated to result in a negative net cash flow of approximately \$364,000 under the base scenario or \$211,000 under the high scenario. It should be noted that the financial estimates presented herein do not include potential debt service payments related to the funding of the project.
- In order to put these estimated financial results in perspective, the following exhibit compares the annual revenues, expenses and net losses incurred by four comparable facilities. In order to provide direct comparisons, capital repairs expenses have been excluded from the Coeur d'Alene facility estimates, as capital repairs expenses were not included in the operating expense information provided by the comparable facilities.

Comparison of Estimated Financial Operating Results

Facility	Operating Revenues	Operating Expenses	Net Profit (Loss)
Coeur d'Alene Estimate (High)	\$1,062,000	(\$1,148,000)	(\$86,000) ⁽¹⁾
Mid-America Center	\$1,215,000	(\$1,308,000)	(\$93,000)
Swiftel Center	\$1,162,000	(\$1,367,000)	(\$205,000)
Coeur d'Alene Estimate (Base)	\$816,000	(\$1,055,000)	(\$239,000) ⁽¹⁾
Cabarrus Event Center	\$649,000	(\$1,160,000)	(\$511,000)
Five Flags Center	\$392,000	(\$1,091,000)	(\$699,000)
Average (Excl. Coeur d'Alene)	\$854,500	(\$1,231,500)	(\$377,000)

(1) Excludes capital repair expenses.

- As shown, the estimated operating loss of \$239,000 under the Base scenario would rank near the midpoint among the four comparable facilities, while the High scenario estimated operating loss of \$86,000 would be the smallest deficit among the peer facilities reviewed.
- In order to provide an understanding of the impact a tenant sports franchise could have on the proposed facility's financial operations, financial operating estimates were developed based on the tenant sports scenario discussed in the market demand analysis. The following table summarizes the annual revenues, expenses and operating profit/loss estimated to result from the tenant scenario.

**Estimated Annual Financial Operations
Proposed Coeur d'Alene Event Facility - Tenant Scenario
2008 Dollars**

	"No Tenant" Scenario		With Tenant		Incremental	
	Base	High	Base	High	Base	High
Total Revenues	\$816,000	\$1,062,000	\$1,088,000	\$1,384,000	\$272,000	\$322,000
Total Expenses	1,055,000	1,148,000	1,228,000	1,338,300	173,000	190,300
Net Profit (Loss)	(\$239,000)	(\$86,000)	(\$140,000)	\$45,700	\$99,000	\$131,700
Capital Repairs	\$125,000	\$125,000	\$125,000	\$125,000	0	0
Net Profit (Loss) Including Capital Repairs	(\$364,000)	(\$211,000)	(\$265,000)	(\$79,300)	\$99,000	\$131,700

- A facility operating with a tenant hockey franchise is estimated to incur an operating loss of approximately \$140,000 in the base scenario, prior to capital repairs or debt expenses. This represents a \$99,000 improvement over the "no-tenant" base scenario. Under the high scenario, a facility with a tenant is estimated to generate an operating profit of approximately \$45,700 before capital repairs and debt, compared to an operating loss of \$86,000 under the "no-tenant" scenario.
- The estimates and assumptions underlying the financial estimates for the tenant scenario are based on operating information from various minor league and junior hockey teams and could vary depending on the specific league, the level of support in the market and other such factors. The actual financial impact of a tenant franchise would be highly dependent on the terms of the lease agreement between the team's owners and the proposed facility. If the tenant franchise retains higher percentages of revenues and/or pays reduced rent and other expenses, the financial estimates presented herein may be impacted materially.

Economic Impact Analysis

Typically, the economic and fiscal benefits generated by public assembly facilities are among the primary determinants regarding the decision to construct a new facility. The following is a summary of the key findings of the analysis of the potential economic impacts that could result from the construction and operations of a new event facility in Coeur d'Alene.

- The following table summarizes the one-time economic and fiscal impacts estimated to be generated by the proposed facility during the construction phase, based on a preliminary construction cost estimate of \$25 million.

Estimated Direct Spending During Construction Period

Estimated Project Costs	\$25,000,000
Percentage Materials	50%
Percentage Labor	50%
Amount Materials	\$12,500,000
Amount Labor	\$12,500,000
Amount Spent Locally	
Materials	\$3,125,000
Labor	6,250,000
Total	\$9,375,000

Economic Impacts

	Multiplier	Impact
Output	1.514	\$14,190,000
Employment	14.015 ⁽¹⁾	130
Earnings	0.534	\$5,002,000

Fiscal Impacts

Sales Taxes	\$307,000
Personal Income Tax	172,000
Corporate Income Tax	59,000
Estimated Tax Receipts	\$538,000

(1) Represents full and part-time jobs supported per \$1.0 million in direct spending.

- As shown, an estimated \$9.4 million of the total construction spending is estimated to take place locally. This level of spending is estimated to generate approximately \$14.2 million in total output and support 130 full and part-time jobs with total earnings of \$5.0 million. In addition, approximately \$538,000 in State taxes are estimated to be generated during the construction period.

- The following table illustrates the annual economic and fiscal impacts estimated to be generated to by operations of the proposed facility. The impacts presented in the table represent annually recurring impacts. Gross impacts represent the total spending and resulting economic impacts. Net new impacts represent the portion of the gross impacts that are estimated to be “new” to the local economy and would not have taken place if not for the development and operations of the facility.

Estimated Annual Economic Impacts

	Gross Impacts		Net New Impacts	
	Base	High	Base	High
Direct Spending	\$8,484,000	\$11,115,000	\$4,348,000	\$5,683,000
Total Output	\$13,334,000	\$17,506,000	\$6,715,000	\$8,793,000
Jobs ⁽¹⁾	280	380	130	170
Personal Earnings	\$4,115,000	\$5,380,000	\$2,156,000	\$2,813,000
Tax Revenues				
Sales	\$560,000	\$736,000	\$278,000	\$364,000
Hotel/Motel	20,000	25,000	15,000	20,000
Individual Income	141,000	185,000	74,000	96,000
Corporate Income	55,000	72,000	28,000	36,000
Total Tax Revenues:	\$776,000	\$1,018,000	\$395,000	\$516,000

(1) Includes full and part-time jobs.

- As shown, gross direct spending, including in-facility and out-of-facility spending, is estimated to total approximately \$8.5 to \$11.1 million per year, which would generate approximately \$13.3 to \$17.5 million in total output. This level of economic activity would support 280 to 380 full and part-time jobs with annual earnings of \$4.1 to \$5.4 million. Taxes generated by the presence of the facility are estimated to total approximately \$776,000 to \$1.0 million annually.
- In terms of net new impacts, approximately \$4.3 to \$5.7 million of the estimated direct spending is estimated to be new to the Coeur d’Alene-area economy. This would generate approximately \$6.7 to \$8.8 million in net new output and support 130 to 170 new full and part-time jobs with \$2.2 to \$2.8 million in earnings. Further, approximately \$395,000 to \$516,000 in net new tax revenues are estimated to be generated on an annual basis.
- The following table summarizes the estimated annual fiscal and impacts resulting from the operations of the facility operating with a tenant sports franchise in comparison to the “no-tenant” economic impact estimates presented previously.

Estimated Annual Economic Impacts

	Gross Impacts					
	"No-Tenant" Scenario		With Tenant		Increment	
	Base	High	Base	High	Base	High
Direct Spending	\$8,484,000	\$11,115,000	\$10,512,000	\$13,722,000	\$2,028,000	\$2,607,000
Total Output	\$13,334,000	\$17,506,000	\$16,639,000	\$21,737,000	\$3,305,000	\$4,231,000
Jobs ⁽¹⁾	280	380	360	480	80	100
Personal Earnings	\$4,115,000	\$5,380,000	\$5,054,000	\$6,592,000	\$939,000	\$1,212,000
Tax Revenues						
Sales	\$560,000	\$736,000	\$690,000	\$904,000	\$130,000	\$168,000
Hotel/Motel	20,000	25,000	19,000	25,000	(1,000)	0
Individual Income	141,000	185,000	173,000	226,000	32,000	41,000
Corporate Income	55,000	72,000	69,000	90,000	14,000	18,000
Total Tax Revenues:	\$776,000	\$1,018,000	\$951,000	\$1,245,000	\$175,000	\$227,000

	Net New Impacts					
	"No-Tenant" Scenario		With Tenant		Increment	
	Base	High	Base	High	Base	High
Direct Spending	\$4,348,000	\$5,683,000	\$4,653,000	\$6,154,000	\$305,000	\$471,000
Total Output	\$6,715,000	\$8,793,000	\$7,218,000	\$9,555,000	\$503,000	\$762,000
Jobs ⁽¹⁾	130	170	140	190	10	20
Personal Earnings	\$2,156,000	\$2,813,000	\$2,298,000	\$3,036,000	\$142,000	\$223,000
Tax Revenues						
Sales	\$278,000	\$364,000	\$293,000	\$389,000	\$15,000	\$25,000
Hotel/Motel	15,000	20,000	15,000	20,000	0	0
Individual Income	74,000	96,000	79,000	104,000	5,000	8,000
Corporate Income	28,000	36,000	30,000	39,000	2,000	3,000
Total Tax Revenues:	\$395,000	\$516,000	\$417,000	\$552,000	\$22,000	\$36,000

(1) Includes full and part-time jobs.

- The gross economic impacts resulting from facility operations are estimated to increase significantly if the facility attracts a sports tenant. However, on a “net new” basis, the incremental impacts are estimated to be limited. This is due to the likelihood that the majority of tenant sports attendees would likely be local residents. In addition, a portion of the non-tenant events assumed to be displaced by a tenant team would likely consist of concerts, sports tournaments and other events that may have drawn attendees from outside of the local area. Therefore, while a sports tenant is estimated to generate higher levels of total economic activity, a relatively small portion of that activity would be new to the local economy.

Funding Analysis

- The development of arenas and other event facilities typically involves varying degrees of public-private partnerships. A variety of potential public and private funding sources that could be used to fund facility construction in Coeur d’Alene were identified. The funding potential of several of these sources was estimated to provide insight as to their ability to cover the level of debt service that will likely be required to construct the proposed facility.



- Based on conversations with project management and the results of the funding analysis presented in this section, it is likely that tax increment financing (TIF) will represent a primary source of funding for the project. The proposed facility site is located within an existing Urban Renewal District, and TIF has already been used to fund certain improvements within the Riverstone development. Therefore, the use of TIF to fund a portion of the proposed facility project could likely be implemented with minimal need for legislative changes or approval.
- Based on the strong existing hotel tax base in the Coeur d’Alene market, hotel taxes could represent an additional source of significant public funding, but would require the establishment of an Auditorium District and/or an expansion of the State’s resort city tax program to include communities the size of Coeur d’Alene. Either of these options would entail some political and/or legislative challenges.
- The ability to implement other public funding sources is likely to be limited by existing statutes. No local government entity has the authority to implement a local option sales tax, while the use of property tax revenues (outside of a TIF program) would require a 2/3-majority vote of local taxpayers. This referendum requirement could be eliminated by establishing a Parks and Recreation District, which would have the authority to levy property taxes. However, this method could encounter political opposition.
- Several private funding sources could be used to reduce the extent to which public funding is required for the project. This could include the sale of naming rights to the facility, private contributions and donations, the implementation of a facility fee, and other such sources.