

THE ROAN REPORT[®]

Wendover Trade Area - 40 Mile Radius

"A Diagnostic Analysis of Retail Potential"

September 2008

Prepared for:

ECEDA

723 Railroad Street

Elko, NV 89801



**INSIGHT RESEARCH
CORPORATION**

**9441 LBJ Freeway, Lock Box 20
Dallas, TX 75243
(972) 238-8838 FAX (214) 495-7743**

TABLE OF CONTENTS

1. **The ROAN Report[®] of Retail Opportunity Analysis**
2. **Graphed Results of The ROAN Report[®]**
3. **Population, Income and Household Distribution Trends**
4. **Interpreting The ROAN Report[®]:**
 - A. Guide to Interpreting the Statistical Supply and Demand Findings
 - B. Retail Categories within Standard Industrial Classifications
5. **Insight Research Corporation**

1

September 10, 2008

INSIGHT RESEARCH
CORPORATION

Ms. Elaine Spencer, Executive Director
ECEDA
723 Railroad Street
Elko, NV 89801

9441 LBJ Freeway
Lock Box 20
Dallas, Texas 75243

SUBJECT: ROAN Report[®] of Retail Opportunity – Forty Mile Radius

Dear Ms. Spencer:

Insight Research Corporation has completed a ROAN Report[®], an analysis of retail opportunity, for the Wendover trade area which examines a 40-mile radius from Highway 80 on the Utah/Nevada border. This report quantifies the opportunities for additional retail trade and the associated tax revenues which may be generated in various retail categories from that retail potential.

The ROAN Report[®] is a retail diagnostic report which measures the balance between retail supply and retail demand in a designated geographic trade area. The analysis determines existing consumer demand, (expendable income) then subtracts existing market supply (gross sales) by retail category. The difference is unmet retail opportunity, reported by category of retail sales potential. Added retail capacity created by the area's heavy casino-related tourism, estimated at 2.89 million visitors per year, has been incorporated into the Wendover trade area.

Within the next two years, another hotel and casino is committed and expected to open, providing 600 additional jobs. More than 90,000 additional casino visitors will be added to the 2008 totals, including \$4.26 million in additional retail expenditures when the newest casino and hotel are completed.

Population estimates for the study area (which includes West Wendover, Nevada and Wendover, Utah) are based on U.S. Bureau of the Census data for the entire trade area. I trust this analysis provides background that will be of use to you and your associates. If we may be of further assistance, please contact me, or our Director of Statistical Analysis, Mollie Tully, at (972) 238-8838.

Sincerely,



M. Elizabeth Morris
CEO / Chief Economist

KEY FINDINGS

1. New Retail Opportunity: Findings suggest that the following business categories offer the greatest retail opportunities for consumers and taxing jurisdictions at this time:

- Men's & Boy's Clothing
- Children's & Infant's Wear
- Drugs & Sundries
- Misc Apparel & Accessories
- Women's & Girls Clothing & Accessories
- Appliances & Electronics
- Misc Retail
- Liquor Stores, Beer & Wine Sales
- Personal Services
- Furniture & Home Furnishings
- Restaurants
- Automotive Services, Repair, Parking & Rental
- Hardware, Garden
- Grocery

2. Annual Sales Tax Revenue Potential: New sales tax revenues which could be generated each year with the capture of these retail opportunities are as follows:

Jurisdiction	Potential New Sales Tax Revenue
State	\$2,184,725
County	\$2,457,815
School	\$2,457,815
Total	\$7,100,355

**Assumes the businesses are located within incorporated cities. Special tax rates may apply to certain goods for example jewelry and tobacco.*

3. Retail Needs Met: Basic retail demand is now met in the trade area for the following category:

- Misc Entertainment

4. Population and Income Trends in the Study Area: Annual population and income trends are as follows:

	Studied Area	United States
• Average Household Income	\$51,447	\$66,670
• % Households with Incomes \$35K+	60.6%	64.9%
• Population Change 2000 to 2007	2.5%	7.0%

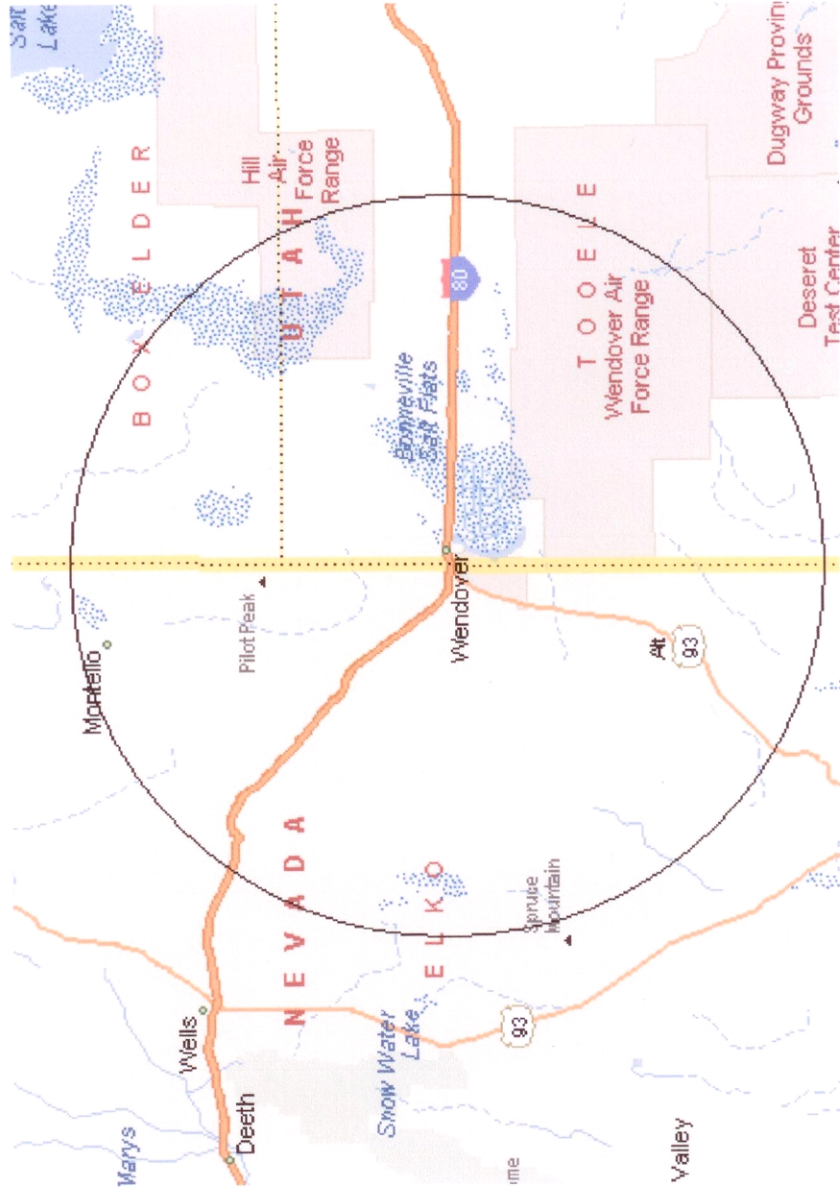
5. Retail Opportunities - Unmet Retail Demand: Retail opportunities, or unmet retail demand, and its supportable square footage is currently demonstrated in the following categories:

Category	% Unmet Capacity	Available Dollars	Supportable Square Feet
Men's & Boy's Clothing	100%	\$4,452,584	17,091
Children's & Infant's Wear	100%	\$2,199,921	7,289
Drugs & Sundries	99%	\$14,159,147	29,524
Misc Apparel & Accessories	98%	\$4,658,760	19,228
Women's & Girls Clothing & Accessories	94%	\$5,040,991	22,359
Appliances & Electronics	93%	\$6,370,161	19,551
Misc Retail	91%	\$14,628,662	59,164
Liquor Stores, Beer & Wine Sales	89%	\$5,482,841	13,319
Personal Services	69%	\$3,556,207	18,738
Furniture & Home Furnishings	66%	\$1,562,777	6,250
Restaurants	64%	\$50,894,724	141,810
Automotive Services, Repair, Parking & Rental	60%	\$3,562,538	5,669
Hardware, Garden	39%	\$1,275,000	2,628
Grocery	5%	\$1,218,524	2,561
Retail Totals		\$119,062,837	365,179

6. Estimate of Annual Retail Jobs Associated with this Square Footage: 730

Note: In trade areas with five or fewer retail outlets in a single category, supply data from the tax records may have been suppressed.

WENDOVER TRADE AREA 40-Mile Radius



RETAIL OPPORTUNITY ANALYSIS Wendover Trade Area - 40 Mile Radius

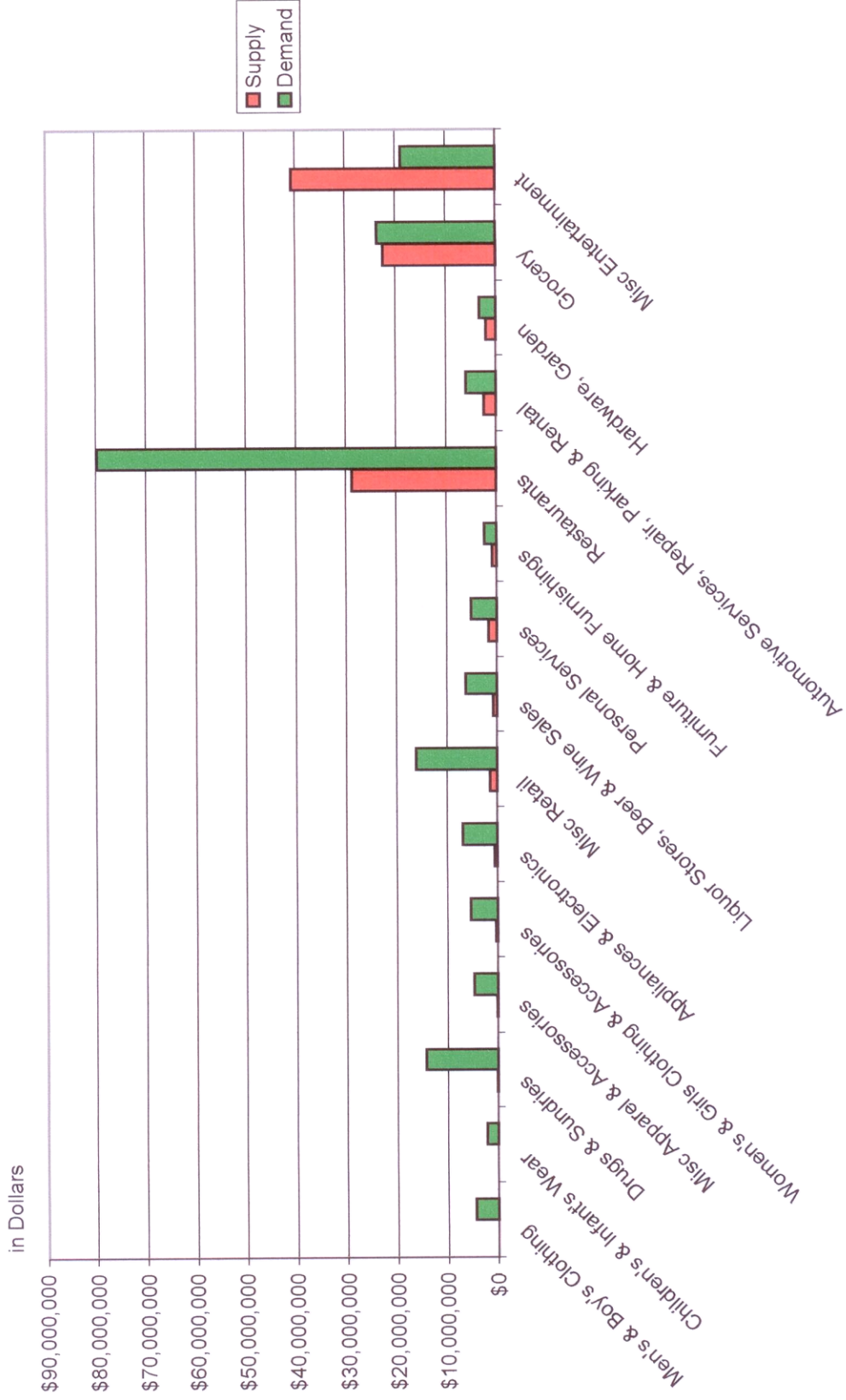
CATEGORY	LOCAL RESIDENTIAL DEMAND: CONSUMER SPENDING CAPACITY	ADDED TOURIST DEMAND: CONSUMER SPENDING CAPACITY	TOTAL DEMAND: CONSUMER SPENDING CAPACITY	SUPPLY: GROSS SALES AT YEAR END	TRADE SURPLUS + TRADE DEFICIT	% UNMET MARKET CAPACITY
Men's & Boy's Clothing	\$2,616,746	\$1,835,838	\$4,452,584	\$0	-\$4,452,584	100%
Children's & Infant's Wear	\$364,083	\$1,835,838	\$2,199,921	\$0	-\$2,199,921	100%
Drugs & Sundries	\$3,244,118	\$11,015,029	\$14,259,147	\$100,000	-\$14,159,147	99%
Misc Apparel & Accessories	\$2,922,922	\$1,835,838	\$4,758,760	\$100,000	-\$4,658,760	98%
Women's & Girls Clothing & Accessories	\$3,505,153	\$1,835,838	\$5,340,991	\$300,000	-\$5,040,991	94%
Appliances & Electronics	\$6,870,161	\$0	\$6,870,161	\$500,000	-\$6,370,161	93%
Misc Retail	\$3,255,795	\$12,850,867	\$16,106,662	\$1,478,000	-\$14,628,662	91%
Liquor Stores, Beer & Wine Sales	\$2,101,998	\$4,080,843	\$6,182,841	\$700,000	-\$5,482,841	89%
Personal Services	\$3,320,369	\$1,835,838	\$5,156,207	\$1,600,000	-\$3,556,207	69%
Furniture & Home Furnishings	\$2,362,777	\$0	\$2,362,777	\$800,000	-\$1,562,777	66%
Restaurants	\$10,440,393	\$69,374,331	\$79,814,724	\$28,920,000	-\$50,894,724	64%
Automotive Services, Repair, Parking & Rental	\$3,051,000	\$2,886,538	\$5,937,538	\$2,375,000	-\$3,562,538	60%
Hardware, Garden	\$3,275,000	\$0	\$3,275,000	\$2,000,000	-\$1,275,000	39%
Grocery	\$13,771,000	\$9,997,524	\$23,768,524	\$22,550,000	-\$1,218,524	5%
Misc Entertainment	\$6,309,606	\$12,575,203	\$18,884,809	\$40,775,000	\$21,890,191	-116%
RETAIL TOTAL	\$67,411,121	\$131,959,525	\$199,370,646	\$102,198,000		

**RETAIL SQUARE FEET ESTIMATES
BASED ON UNMET DEMAND
Wendover Trade Area - 40 Mile Radius**

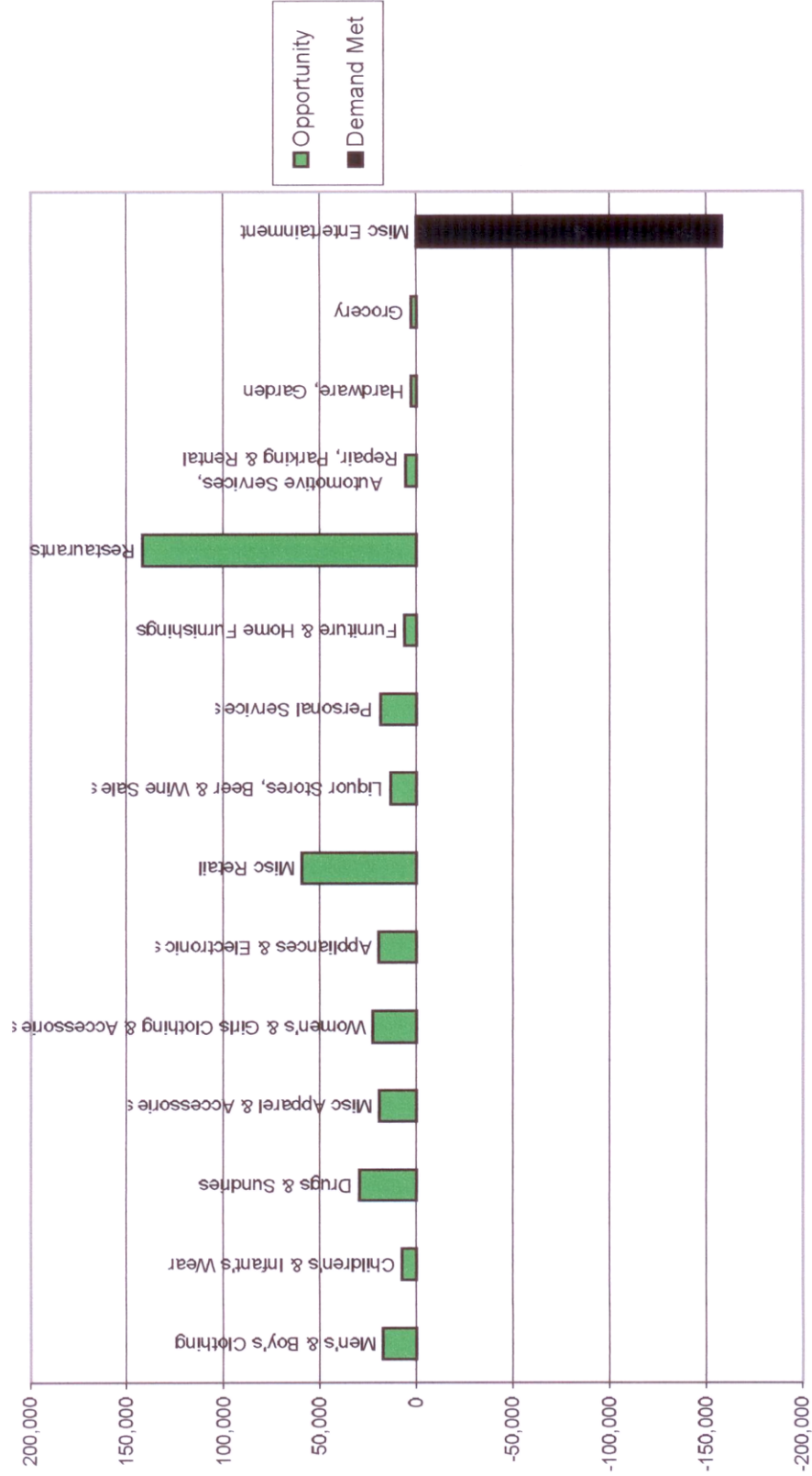
CATEGORY	TRADE SURPLUS + TRADE DEFICIT -	% UNMET MARKET CAPACITY	AVG REGIONAL SALES PER SQUARE FOOT	UNMET SQUARE FEET
Men's & Boy's Clothing	-\$4,452,584	100.00%	\$260.53	17,091
Children's & Infant's Wear	-\$2,199,921	100.00%	\$301.83	7,289
Drugs & Sundries	-\$14,159,147	99.30%	\$479.58	29,524
Misc Apparel & Accessories	-\$4,658,760	97.90%	\$242.29	19,228
Women's & Girls Clothing & Accessories	-\$5,040,991	94.38%	\$225.46	22,359
Appliances & Electronics	-\$6,370,161	92.72%	\$325.83	19,551
Misc Retail	-\$14,628,662	90.82%	\$247.26	59,164
Liquor Stores, Beer & Wine Sales	-\$5,482,841	88.68%	\$411.66	13,319
Personal Services	-\$3,556,207	68.97%	\$189.79	18,738
Furniture & Home Furnishings	-\$1,562,777	66.14%	\$250.06	6,250
Restaurants	-\$50,894,724	63.77%	\$358.89	141,810
Automotive Services, Repair, Parking & Rental	-\$3,562,538	60.00%	\$628.45	5,669
Hardware, Garden	-\$1,275,000	38.93%	\$485.12	2,628
Grocery	-\$1,218,524	5.13%	\$475.77	2,561
Misc Entertainment	\$21,890,191	-115.91%	\$138.47	-158,091

2

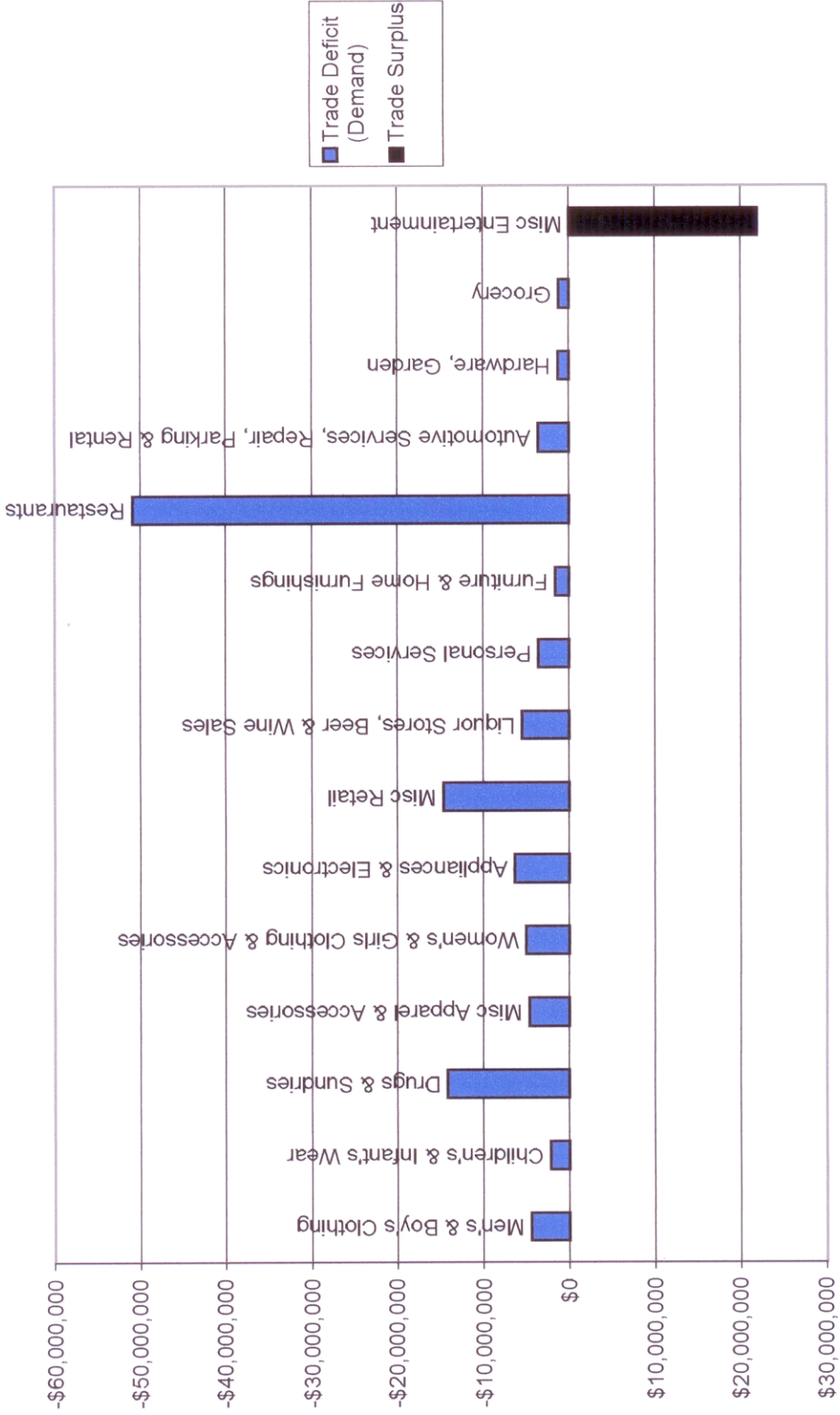
Supply and Demand by Retail Category



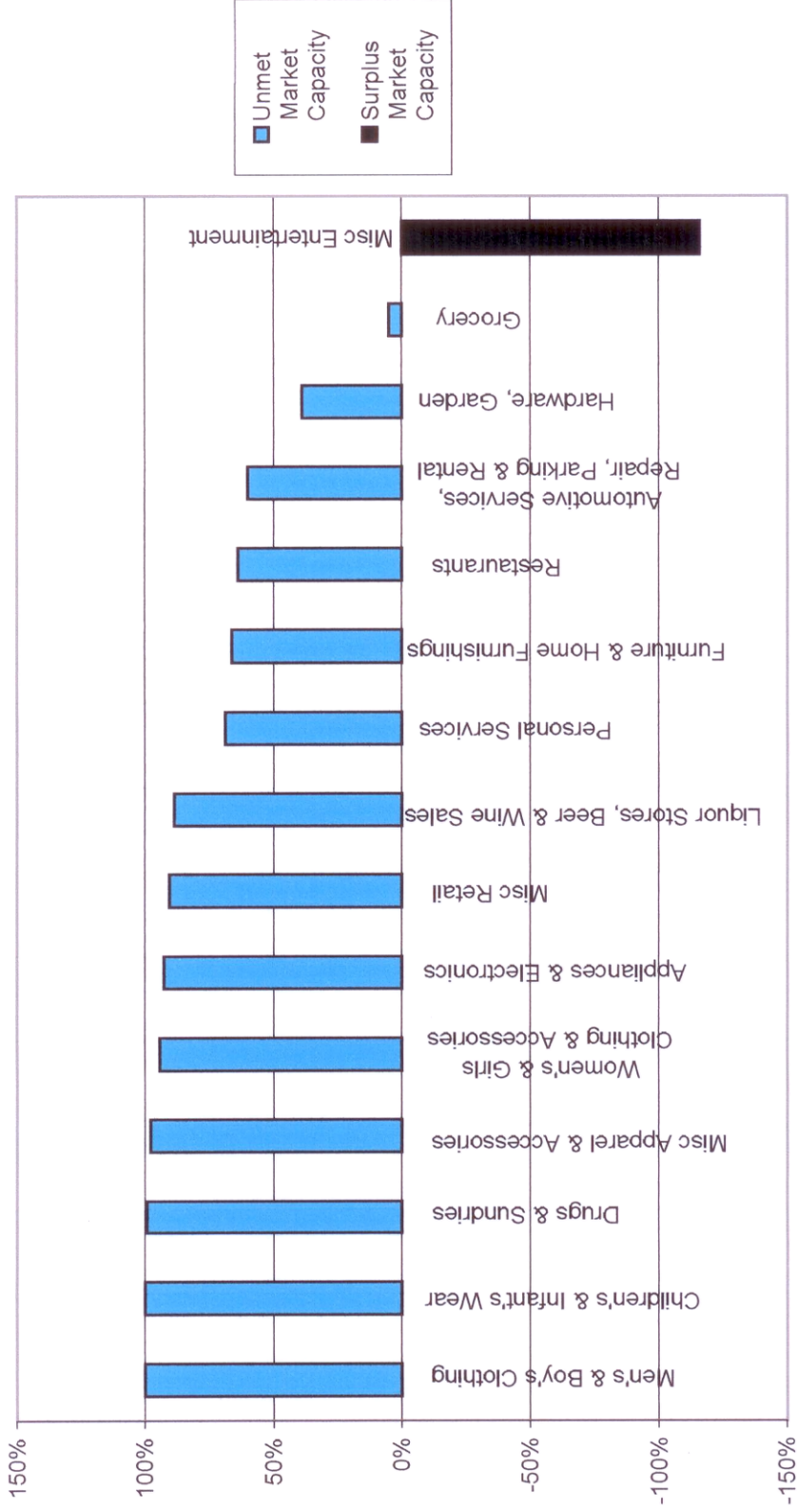
Unmet Square Feet of Retail Demand by Retail Category



Dollars of Unmet Demand or Surplus Sales by Retail Category



Percentage of Unmet Market Capacity by Retail Category



3

**POPULATION AND INCOME TREND
Wendover Trade Area - 40 Mile Radius**

	CENSUS 2000	ESTIMATE 2007	% CHG	PROJECTED 2012	% CHG
Population	6,808	6,980	2.5%	7,251	3.9%
Households	2,024	2,047	1.1%	2,106	2.9%
Families	1,518	1,519	0.1%	1,554	2.3%
Housing Units	2,522	2,606	3.3%	2,693	3.3%
Household Size	3.36	3.41	1.5%	3.44	0.9%
Aggregate(\$MM)	\$81	\$105	29.6%	\$121	15.2%
Per Capita Income	\$12,126	\$15,088	24.4%	\$16,729	10.9%

**HOUSEHOLD INCOME DISTRIBUTION
Wendover Trade Area - 40 Mile Radius**

INCOME	2000 # HH	%	2007 # HH	%	2012 # HH	%
Less than \$15,000	316	15.8%	220	10.7%	196	9.3%
\$15,000 to \$24,999	337	16.9%	289	14.1%	268	12.7%
\$25,000 to \$34,999	362	18.1%	299	14.6%	272	12.9%
\$35,000 to \$49,999	341	17.1%	405	19.8%	409	19.4%
\$50,000 to \$74,999	452	22.6%	406	19.8%	408	19.4%
\$75,000 to \$99,999	97	4.9%	255	12.4%	274	13.0%
\$100,000 to \$149,999	86	4.3%	136	6.6%	204	9.7%
\$150,000 to \$249,999	8	0.4%	37	1.8%	71	3.4%
\$250,000 to \$499,999	-	0.0%	2	0.1%	5	0.2%
\$500,000 or more	-	0.0%	-	0.0%	-	0.0%
Total	1,999	100.0%	2,049	100.0%	2,107	100.0%
Average Household Income	40,586		51,447		57,585	
Median Household Income	34,559		43,017		46,634	