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# Tamarack Resort LLC

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## Economic & Fiscal Impact Analysis



**Tamarack Resort LLC**

# Economic and Fiscal Impact Analysis

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# Tamarack Resort LLC

## Economic and Fiscal Impact Analysis

### Executive Summary

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Tamarack Resort LLC commissioned Idaho Economics to evaluate the historic and projected economic and fiscal impacts of the Tamarack Resort on the State of Idaho and the Idaho counties and the nearby communities where the Resort is located or where the Resort has offices or facilities and where its employees live. In general, this analysis is divided into two broad categories:

- *Economic impacts:* First, the economic impact analysis examines effects of the Tamarack Resort on the local area economy of Valley County, Idaho where the resort is located and the nearby communities within Valley County which are the most immediately affected by the Resort and in which most of the Resort's employees reside. Secondly, the economic impact analysis examines the estimated overall economic impact of the Resort on the economy of the State of Idaho as a whole and the effects that the Resort's construction and operation has had upon employment and personal incomes in the state and local economies.
- *Fiscal impacts:* The fiscal impact analysis estimates and examines the additional revenues that have been generated to date by the Resort's construction and operation as well as the projected future revenue streams that will be forthcoming because of the ongoing build-out of the Resort property and the projected expansion and growth of it's operations. The fiscal impact analysis provides estimates of the historic and forecasted additional tax revenues from the Idaho personal income tax, Idaho's general sales tax, the State corporate income tax, as well as revenues from motor vehicle licenses and fees and from the excise taxes levied by State of Idaho on some products. In addition, estimates are made of the Resort's historic and projected future contribution to local property tax revenues paid to affected local government entities and school districts in Valley County.

The key findings from our analysis are the following.

#### **Economic Impacts**

**The Tamarack Resort has, during the past three years (2004–2006), directly increased the total wages and salaries paid to Idaho workers by nearly \$86.9 million.**

Nearly half of that amount \$41.9 million went directly to employees of the Resort. Another \$44.9 million went to employees of the Idaho contractors employed in the Resort's construction.

**In total, during the past three years, the operation and construction of Tamarack Resort has, with direct and secondary economic impacts, increased the total personal income of Idaho residents by close to \$157.3 million.**

The direct economic impacts of Tamarack's operations and construction during the years 2004-2006 added nearly \$94.5 million to total the personal income of Idaho residents. The secondary economic impacts, those that are the result of Tamarack's the direct economic impacts from resort operations and construction, have added a further \$61.8 million to the total personal income of Idahoans.

Table 1  
**Summary of Economic & Fiscal Impacts: 2004 - 2006**  
**Tamarack Resort Construction & Operations:**

<u>Economic Impacts:</u>	2004	2005	2006	Total '04 - '06
<b>Direct Earnings:</b>	\$21,031,900	\$32,658,000	\$41,415,600	\$95,105,500
<b>Secondary Earnings:</b>	13,822,300	21,136,500	26,661,300	61,620,100
<b>Change in Idaho Personal Income:</b>	\$34,854,200	\$53,794,500	\$68,076,900	\$156,725,600
<b><u>State Tax Revenue Impacts</u></b>				
Idaho Personal Income Tax	\$873,100	\$1,347,600	\$1,705,300	\$3,926,000
Idaho State Sales Tax	1,044,800	1,612,500	2,040,700	4,698,000
- Sales Tax on Const. Materials	2,379,200	3,025,000	3,470,500	8,874,700
Idaho Corporate Income Tax	200,800	309,900	392,200	902,900
Idaho Vehicle License Fees	84,000	129,600	164,100	377,700
Idaho Motor Fuels Tax	155,600	240,100	303,900	699,600
Idaho State Product Taxes	59,600	92,000	116,400	268,000
<b>Total State Tax Revenue Impacts:</b>	\$4,797,100	\$6,756,700	\$8,193,100	\$19,746,900

**The operation and construction of the Tamarack Resort has transformed Valley County, Idaho into the fastest growing county in the State of Idaho (when measured in terms of the annual percent increase in employment) in two of the last three years.**

Valley County posted total employment gains of 13.6 percent and 10.5 percent in 2005 and 2006, respectively, the largest percentage gains in the state during those two years. And, in 2004, a 7.4 percent annual increase in total employment was enough to see Valley County ranked as the second fastest growing in Idaho.

These employment gains represent a significant change in the Valley County economy. In the 10 years prior to Tamarack total employment in Valley County decreased at an annual average rate of 0.6 percent per year, a slow but steady decline of over 110 jobs in the 10 year period.

**During 2006, on an annual average basis, the direct employment by Tamarack Resort and the employees of the Resort's construction contractors accounted for nearly 17.6 percent of the total employment in Valley County.**

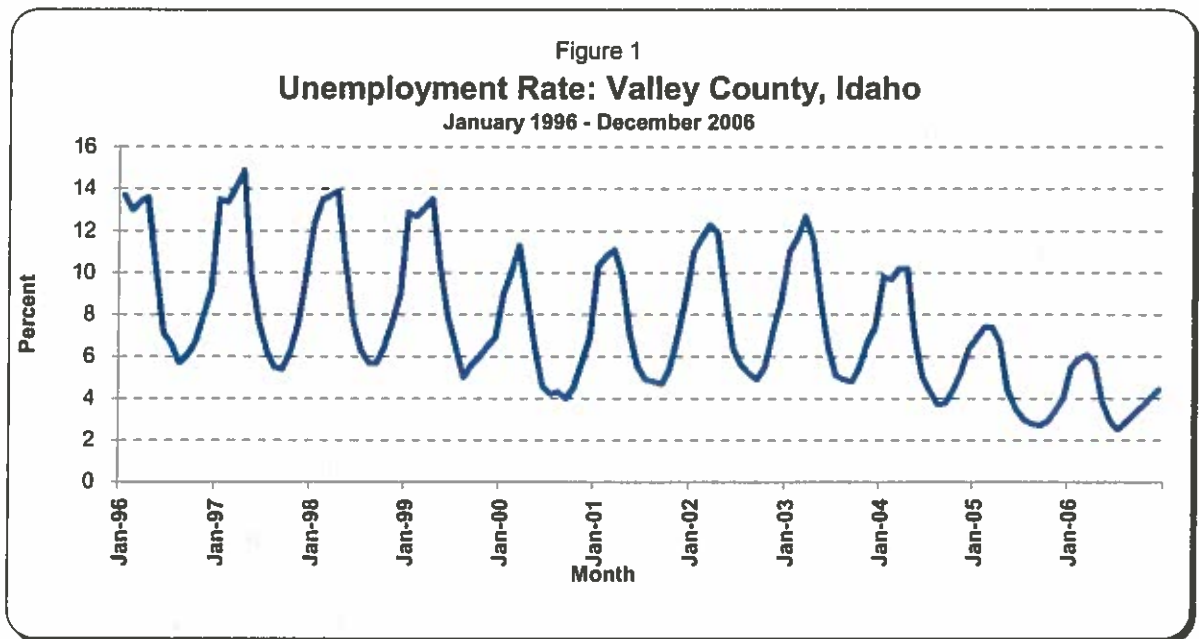
Because of the seasonality of the Resort's operational employment, which peaks during the winter months when construction employment is at its nadir, and Tamarack's operational employment wanes during the summer months when construction employment is at its peak, the total employment at Tamarack (both the employment in Resort operation and construction) has not caused large seasonal swings in the total employment within Valley County.

Over the past two years, Tamarack's employment for both Resort operation and construction accounted for 17.0 percent of the total employment in Valley County during the winter months and 19.1 percent of total employment during the summer months.

**The employment opportunities at Tamarack have been the most significant factor behind the decreased number of unemployed in Valley County during the past three years.**

In 2006 the annual average unemployment rate in Valley County, Idaho was 3.9 percent. Valley County's unemployment rate in 2006 is less than one half of the annual average unemployment rate of 7.9 percent that the County experienced just three years earlier prior to Tamarack and its contribution to the local area economy.

Furthermore, the employment opportunities presented by the Tamarack Resort have dampened the extreme seasonality of employment in Valley County. Ten years ago, during the months of March and April 1997, the unemployment rate in Valley County averaged 14.5 percent. During the same period of 2006 the Valley County unemployment rate averaged a more modest 5.9 percent.



### **Future Economic Impacts**

**The increased level economic activity that has been the result of the Tamarack Resort has only just begun. Idaho Economics projects that over the next six years (2007-2012) resort operations and construction at Tamarack will, with direct and secondary economic impacts, increase total personal income in Idaho by nearly \$674.8 million.**

The direct economic impacts of Tamarack Resort operations and construction are projected to add nearly \$411.1 million to the total personal income earned by Idaho residents. Secondary economic impacts are projected to provide an additional \$263.6 million to the earnings of Idahoans in the years 2007–2012.

**And while scope and economic contribution of construction activities at the Tamarack Resort are currently projected to decline after 2010 it is anticipated that the economic contribution of resort operations will continue to increase.**

In the year 2012 and thereafter the direct and secondary economic impacts of Tamarack Resort

operations are projected to add nearly \$62.4 million to Idaho incomes each year. In addition, the economic impact of increased spending in the local market by visitors to the Tamarack Resort is expected to also increase personal income in Idaho.

## **Fiscal Impacts**

**Idaho Economics estimates that the Tamarack Resort's direct and secondary economic impacts have, over the past three years, produced nearly \$19.7 million in additional tax revenues for the State of Idaho.**

The direct and secondary economic impacts of Tamarack's resort operations and ongoing construction have increased total personal income in the state by nearly \$156.7 million in the past three years (2004–2006) and in turn added an estimated \$3.9 million to Idaho's personal income tax revenues, \$4.7 million to general sales tax collections, \$0.9 million in corporate income tax collections, and an estimated additional \$1.4 million in motor fuel taxes, vehicle licenses and fees, and state product taxes (taxes on beer and wine, alcohol, and cigarettes).

In addition, the general sales tax applied to the construction materials used in Tamarack's ongoing construction program have added an estimated additional \$8.9 million to the State of Idaho's tax revenues in the years 2004–2006. And, Tamarack has directly paid nearly \$825.2 thousand in taxes to the State of Idaho, \$252.7 thousand in local property taxes, \$596.2 thousand in building permit fees and licenses.

Plus, the Tamarack Resort provided \$4.27 million in contributions to local (Valley County) government entities for infrastructure improvements and over \$777.6 thousand in contributions to local charitable and public service organizations during past three years (2004-2006).

**As with the economic impacts the fiscal impacts of the Tamarack Resort have only just begun. Idaho Economics projects that the State of Idaho will realize an additional \$80.5 million in tax revenues over the next six years (2007-2012) due to the direct and secondary economic impacts of resort operations and construction at Tamarack.**

In the future, covering the years 2007-2012, Idaho Economics projects that the increased levels of economic activity that are the result of Tamarack's operations and construction will generate an additional \$15.6 million in personal income tax revenues, \$20.2 million in general sales tax revenues due to the increased incomes plus an additional \$37.0 million in general sales tax revenues on construction materials used at the resort, plus, \$2.7 million in corporate income taxes, and nearly \$5.0 million in revenues from taxes on motor fuel taxes, vehicle licenses and fees, and state product taxes (taxes on beer and wine, alcohol, and cigarettes). In addition, it is projected that the Resort itself will pay to the State of Idaho nearly \$11.5 million in taxes of all forms over the period 2007-2012.

**Local government will likewise see increased revenues from Tamarack's continued growth. Idaho Economics projects that Valley County's local government entities will realize an additional \$15.7 million in revenues over the years 2007-2012.**

Idaho Economics estimates that \$4.9 million local property taxes will be paid on resort property over the period 2007-2012. An additional \$2.0 million will be paid by the resort to local governments for building permits and licenses and, Tamarack is projected to contribute a further \$8.8 million to local government entities over the years 2007-2012.

Table 2  
**Summary of Economic & Fiscal Impacts: 2007 - 2009**  
**Tamarack Resort Construction & Operations:**

<b>Economic Impacts:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total '07 - '09</b>
<b>Direct Earnings:</b>	\$49,122,900	\$56,862,400	\$70,240,600	\$176,225,900
<b>Secondary Earnings:</b>	31,795,300	36,831,800	45,866,300	114,493,400
<b>Change in Idaho Personal Income:</b>	\$80,918,200	\$93,694,300	\$116,106,900	\$290,719,300
<b><u>State Tax Revenue Impacts</u></b>				
Idaho Personal Income Tax	\$2,027,000	\$2,298,800	\$2,858,800	\$7,184,600
Idaho State Sales Tax	2,425,600	2,808,600	3,480,400	8,714,600
- Sales Tax on Const. Materials	5,035,700	5,888,100	8,079,400	19,003,200
Idaho Corporate Income Tax	346,600	403,200	525,600	1,275,400
Idaho Vehicle License Fees	268,300	309,500	367,700	945,500
Idaho Motor Fuels Tax	262,900	306,000	400,500	969,400
Idaho State Product Taxes	77,300	90,500	125,400	293,200
<b>Total State Tax Revenue Impacts:</b>	\$10,443,400	\$12,104,600	\$15,837,800	\$38,385,900

Table 3  
**Summary of Economic & Fiscal Impacts: 2010 - 2012**  
**Tamarack Resort Construction & Operations:**

<b>Economic Impacts:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total '10 - '12</b>
<b>Direct Earnings:</b>	\$96,559,700	\$74,354,100	\$63,962,400	\$234,876,200
<b>Secondary Earnings:</b>	62,376,200	47,053,000	39,813,100	149,242,300
<b>Change in Idaho Personal Income:</b>	\$158,935,800	\$121,407,100	\$103,775,600	\$384,118,500
<b><u>State Tax Revenue Impacts</u></b>				
Idaho Personal Income Tax	\$3,587,400	\$2,635,500	\$2,181,600	\$8,404,500
Idaho State Sales Tax	4,764,300	3,639,300	3,110,800	11,514,400
- Sales Tax on Const. Materials	9,629,500	5,276,900	3,089,300	17,995,700
Idaho Corporate Income Tax	672,000	444,400	332,700	1,449,100
Idaho Vehicle License Fees	532,300	448,900	412,600	1,393,800
Idaho Motor Fuels Tax	509,200	332,300	245,300	1,086,800
Idaho State Product Taxes	147,500	77,500	42,200	267,200
<b>Total State Tax Revenue Impacts:</b>	\$19,842,200	\$12,854,800	\$9,414,500	\$42,111,500

**In the future it is likely that local charitable and public service organizations will continue to experience Tamarack's spirit of giving back to the community.**

Idaho Economics projects that Tamarack Resort will continue to provide charitable and public service contributions at a pace of approximately \$282,000 per year, or, in total nearly \$1.68 million over the six-year period of 2007-2012.

# Tamarack Resort LLC

## Economic and Fiscal Impact Analysis Overview

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The purpose of the economic impacts analysis reported here is to estimate and describe the effects of the Tamarack Resort on the economies of the local area where it is located and the State of Idaho. Tamarack's economic impacts can be measured in terms of three commonly accepted measures that are often used in economic impact analysis: 1) the value of the goods and services sold or produced (the revenue generated by the Resort), or 2) the number of people employed by Tamarack (both those working full-time or part-time) or in the case of this analysis those employed directly by the Tamarack Resort, plus those employees of other companies that currently have or in the case of projected values will have operations at the Tamarack Resort, plus those that are on the Tamarack property as employees of the Resort's construction contractors; and 3) the total payroll costs (including benefits) paid to direct employees of the Tamarack Resort, plus those employees of other companies that currently have or in the case of projected values will have operations at the Tamarack Resort, plus those that are on the Tamarack property as employees of the Resort's construction contractors as well as self-employment income earned by individuals.

The Tamarack Resort is also responsible—both directly and indirectly—for economic activity by other companies in Valley County, Southwest Idaho, and the State of Idaho as a whole.

Using an economic model of the region, called an input-output model, and by tracking Tamarack's purchases of goods and services, or by the number of persons employed by the Resort or its construction contractors, and/or the wages and salaries paid to those persons the total amount of economic activity attributable to the Tamarack Resort's operations and ongoing construction activities can be estimated. In this analysis Idaho Economics used the RIMS II input-output model developed by the US Department of Commerce with parameters specifically developed and updated by the US Department of Commerce for the counties in Southwest Idaho.

This section of the report describes our estimates of the economic impacts of Tamarack's operations and its capital expenditures for its ongoing construction activities and Tamarack's of various taxes and fees plus its charitable contributions. The fiscal impacts of the Tamarack Resorts operation and ongoing construction activities on the financial situation of local government entities as well as upon tax revenues to the State of Idaho as a whole are reported in the following section of this report.

### **Direct and Secondary Economic Impacts:**

Economic Input/Output analysis employs a specific terminology to identify the different types of economic impacts that are the result of and economic activity. For example, there are generally three different methods of measuring the economic contribution of the Tamarack Resort. One could measure the value of its output, its total revenue received from the goods and services that the resort provides. Second, one could measure its economic activity by the number of persons that Tamarack employs. And, finally, one could measure the incomes received by Tamarack's employees.

To produce its output, Tamarack purchases goods and services from other companies which, in turn, purchase goods and services from their suppliers, and so on. The sums of the output, employment, and personal income associated with this chain of inter-industry transactions are called direct economic impacts.

When Tamarack's employees receive their pay, they use part of it to purchase goods and services. This is also true of the employees from the firms with which Tamarack does business. The sums of this round of additional output, employment, and personal income associated with this secondary round of transactions is called the secondary economic impact. In turn, households make further expenditures purchasing goods and services within the area economy. This last round of transactions is called an induced economic impact.

This analysis combines the second and third rounds of economic transactions that are the result of a direct economic impact and refers to them as the "secondary economic impact". Therefore this analysis will only report direct and secondary economic impacts with the realization that the induced economic impacts are already rolled up into the "secondary economic impact" category.

The total economic impact of an economic activity is the sum of direct economic impact and secondary economic impacts. Economic multipliers are ratios of total economic impacts to the direct economic impacts. Multipliers are a very convenient means with which to calculate an estimate of the total economic impact of a future changes in an economic activity.

### **Direct Economic Impact of the Tamarack Resort Operations:**

The direct economic impacts that the Tamarack Resort has upon the local area economy can found by an examination of its purchases of goods and services that it needs for its operations from local vendors or suppliers, and a review of the number of employees that it hires and the personal income stream (primarily wages and salaries) that those employees receive, plus a quantification of the Resort's capital spending on new construction. In this analysis the quantification of the direct economic impacts from these three sources will be presented as to their effect on local area personal incomes and their effect on the area's total employment.

Further, because of Tamarack's location, which is nearly 100 miles from a major commercial center of economic activity, the economic impacts of the wages and salaries paid to workers at Tamarack will, because of the narrow scope of goods and services available to residents of Valley County, spill over to the closest commercial center, which in this case are the communities within the Boise Metropolitan Area in Idaho's Ada and Canyon counties.

### **Direct & Secondary Economic Impacts of the Tamarack Resort in 2004-2006:**

During the first three years of Tamarack's operations it has paid to its employees nearly \$41.95 million in wages and salaries (including benefits). The vast majority of this compensation, \$31.40 million went to the Resort's employees residing in Valley County, Idaho.

As Tamarack's resort operations have ramped up over the past three years so has its employment count and through the wages and salaries paid to those employees its contribution to the area's total personal income. Tamarack's annual payrolls have increased from an initial \$6.85 million in 2004 (of which nearly \$4.82 million was paid to Valley County employees) to \$20.40 million in 2006 (with \$15.78 million paid to Valley County employees).

In addition, the Tamarack Resort has spent nearly \$225.27 million on its ongoing capital construction program during the years 2004-2006. Idaho construction contractors captured the lion's share (66.5 percent, or \$149.79 million) of that construction work. And, of that \$149.79 million awarded to Idaho contractors, nearly \$44.92 million went to Idahoans on the form of wages and salaries paid to Idaho construction workers.

The remaining \$75.48 million of the Resort's construction spending over the 2004-20065 went to out-of-state construction contractors of which nearly an estimated \$22.69 million went toward out-of-state construction workers wages and salaries. Nevertheless, a portion of the wages and salaries paid to those out-of-state construction workers will have an economic impact upon Idaho's economy as those workers purchase goods and services in the local economy while they are here. A study performed by Bechtel found that the transient (out-of-state) labor force on large power plant projects would spend nearly 35 percent of their earnings on food, clothing, entertainment, and lodging in the local area economy while they were working on a construction project away from their home.

This study therefore assumes that 35 percent of the wages and salaries paid to the out-of-state construction labor will be spent locally and therefore be a further direct economic impact from Tamarack's ongoing capital construction program.

In addition, other firms are now operating and providing services at the Tamarack Resort. These "Commercial Operators" pay wages and salaries to their Idaho employees which is a further contribution to the total personal

income earned in Idaho. In the first three years of Tamarack's operation these "Commercial Operators" have not been a major source of direct economic impact on the local economy --- an estimated three year total compensation to their employees of \$329.3 thousand. However, that will not be the case in the future. The expected opening of a Fairmont Hotel at Tamarack is projected to have a direct economic impact of nearly \$10.50 million per year from just the wages and salaries paid to its employees.

In total, over the past three years (2004 - 2006), Tamarack Resort's operations and capital construction program have directly increased total personal income in Idaho by nearly \$95.11 million. This is from the Resort's direct spending on wages and salaries paid to employees involved in the Resort's operations, from the wages and salaries paid to the employees of Idaho construction contractors, and from that portion of the wages and salaries paid to employees of out-of-state construction contractors that remains in Idaho, and from the wages and salaries paid to Idaho employees of other Commercial Operators operating at Tamarack.

In turn, this increase in total personal income will lead to additional economic activity (secondary economic impacts) as goods and services are purchased in the local area and Idaho economies. In turn, the firms supplying these goods and services make further purchase goods and services and pay wages and salaries to their employees who purchase good and services in the local area and Idaho economies.

Idaho Economics estimates that an additional \$61.62 million in secondary economic impacts occurred in the years 2004 - 2006 as the result of the direct economic impact of Tamarack's operations and its capital construction program. In total, over the last three years the Tamarack Resort has through its direct and secondary economic impacts on the local area and Idaho economies increased total personal income in the State by nearly \$157.8 million. See Table 4 below.

Table 4  
**Tamarack Economic Impact Analysis:**  
**Direct and Secondary Economic Impact on Idaho Personal Income**  
**from Tamarack Resort Operations & Construction: 2004 - 2006**  
(\$ x 1,000)

	2004	2005	2006	Total '04-'06
<b><u>Resort Operations:</u></b>				
Direct Earnings:	\$6,845	\$14,924	\$20,839	\$42,608
Secondary Earnings:	4,138	9,023	12,598	25,759
Change in Idaho Personal Income:	\$10,983	\$23,947	\$33,437	\$68,367
<b><u>Resort Construction:</u></b>				
Direct Earnings:	\$14,187	\$17,845	\$20,795	\$52,827
Secondary Earnings:	9,684	12,181	14,195	36,060
Change in Idaho Personal Income:	\$23,871	\$30,026	\$34,990	\$88,887
<b><u>Resort Construction &amp; Operations:</u></b>				
Direct Earnings:	\$21,032	\$32,769	\$41,634	\$95,435
Secondary Earnings:	13,822	21,204	26,793	61,819
Change in Idaho Personal Income:	\$34,854	\$53,973	\$68,427	\$157,254
<b><u>Other Commercial Operators:</u></b>				
Direct Earnings:	\$0	\$111	\$218	\$329
Secondary Earnings:	0	67	132	199
Change in Idaho Personal Income:	\$0	\$179	\$350	\$528
<b><u>Resort Total:</u></b>				
Direct Earnings:	\$21,032	\$32,881	\$41,851	\$95,764
Secondary Earnings:	\$13,822	\$21,271	\$26,925	62,018
Change in Idaho Personal Income:	\$34,854	\$54,152	\$68,776	\$157,782

**Projected Direct & Secondary Economic Impacts of the Tamarack Resort: 2007 - 2012**

However, the past three years have just been the beginning of Tamarack's economic life.

Using budget information supplied by Tamarack concerning the Resort's operations and its capital construction program for the years 2007 - 2012 projections have been made of the expected future economic impact of the Tamarack Resort.

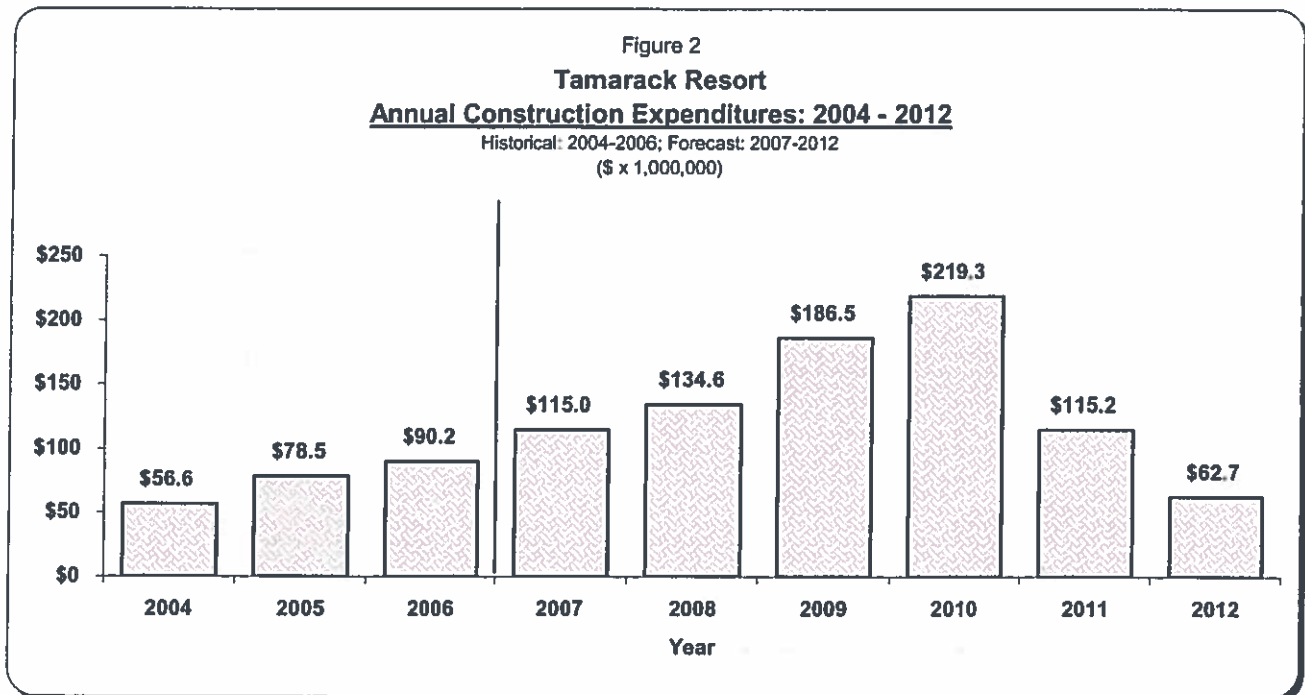
In the next three years, 2007 - 2009, Idaho Economics projects that the Tamarack Resort through its resort operations and ongoing capital construction program have a \$173.49 million direct economic impact on total personal income in Idaho. An additional \$112.84 million in secondary economic impacts are projected to occur as a secondary round of economic activity is generated in the economy. During the next three years, 2007-2009, the total direct and secondary economic impacts of the Tamarack Resort will be increasing each year, and in total for the three year period exceed \$295.11 million. In the year 2009, Idaho Economics projects that the total direct and secondary economic impacts of the Tamarack Resort will, on an annual basis, contribute nearly \$118.0 million to the total personal income earned by all Idahoans. Annual detail for the years 2007 - 2009 of Tamarack's projected direct and secondary economic impact upon total personal income in Idaho is shown below in Table 5.

Table 5  
**Tamarack Economic Impact Analysis:**  
**Direct and Secondary Economic Impact on Idaho Personal Income**  
**from Tamarack Resort Operations & Construction: 2007 - 2009**  
 (\$ x 1,000)

	2007	2008	2009	Total '07-'09
<b><u>Resort Operations:</u></b>				
Direct Earnings:	\$22,247	\$25,406	\$26,656	\$74,309
Secondary Earnings:	13,450	15,360	16,115	44,925
Change in Idaho Personal Income:	\$35,698	\$40,766	\$42,771	\$119,235
<b><u>Resort Construction:</u></b>				
Direct Earnings:	\$26,876	\$31,456	\$43,585	\$101,917
Secondary Earnings:	18,345	21,472	29,751	69,568
Change in Idaho Personal Income:	\$45,221	\$52,928	\$73,336	\$171,485
<b><u>Resort Construction &amp; Operations:</u></b>				
Direct Earnings:	\$49,123	\$56,862	\$70,241	\$176,226
Secondary Earnings:	31,795	36,832	45,866	114,493
Change in Idaho Personal Income:	\$80,918	\$93,694	\$116,107	\$290,719
<b><u>Other Commercial Operators:</u></b>				
Direct Earnings:	\$300	\$1,200	\$1,236	\$2,736
Secondary Earnings:	181	725	747	1,654
Change in Idaho Personal Income:	\$481	\$1,925	\$1,983	\$4,390
<b><u>Resort Total:</u></b>				
Direct Earnings:	\$49,423	\$58,062	\$71,477	\$178,962
Secondary Earnings:	\$31,977	\$37,557	\$46,614	116,148
Change in Idaho Personal Income:	\$81,400	\$95,620	\$118,090	\$295,110

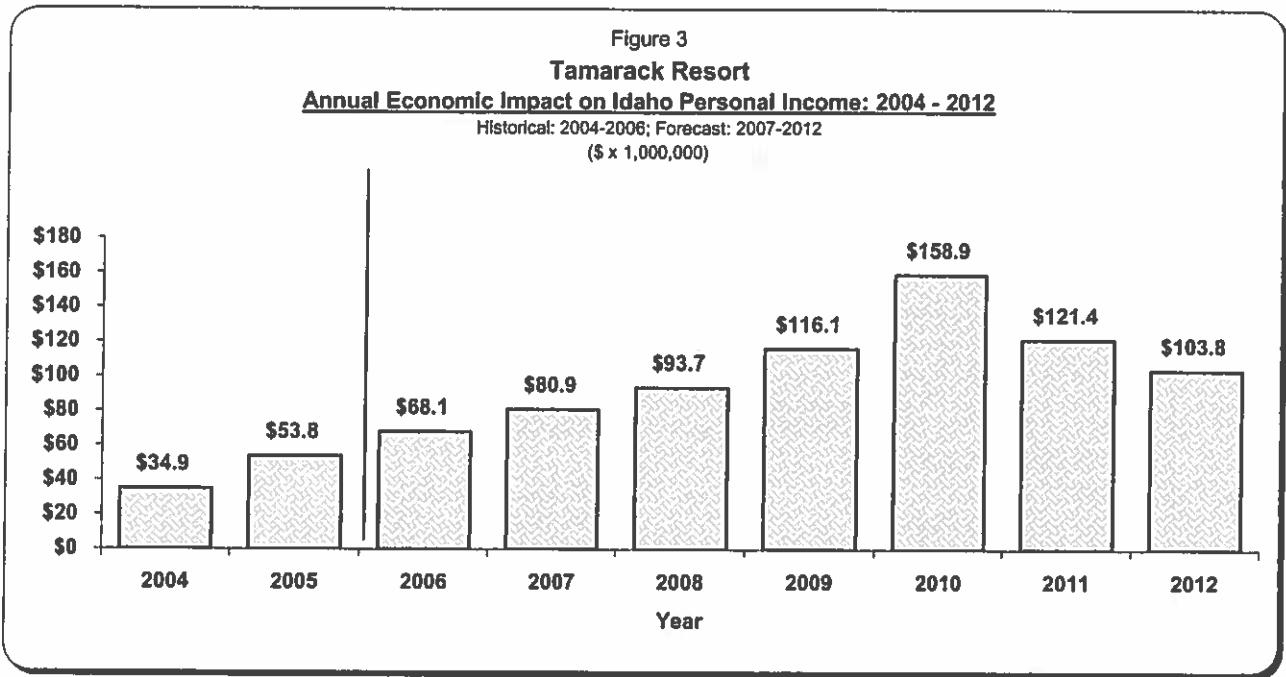
The addition of a Fairmont Hotel at the Tamarack Resort in the year 2010 will cause a notable boost to the direct and secondary economic impacts due to resort operations. However, at the same time the Resort's capital construction program will begin to ease.

Tamarack's capital construction expenditures in the years 2010 – 2012 are projected to be, in total, nearly \$397.2 million. While this amount is only 8.9 percent below the 2007 – 2009 total construction expenditures of \$436.1 million the totals do not reflect the magnitude of the projected slowing in construction activity at Tamarack after 2010. Figure 2, below, provides a graphical representation of Tamarack's historical and projected annual construction expenditures for the years 2004 – 2012. Construction spending at Tamarack is projected to decline by 47.5 percent in 2011 from 2010 levels, and again in 2012 decline again by nearly an additional 45.6 percent.



The significance of this projected future decline in construction spending at Tamarack is that the direct and secondary economic impacts of the Resort will reach levels that are more reflective of its long-term impact on the economy. The lessening of economic activity caused by the slowing of spending at Tamarack on capital construction is partially made up for by the additional direct and secondary economic impacts of the Fairmont Hotel. Figure 3 provides a graphical representation for the period 2004 – 2012 of the total direct and secondary economic impacts of Tamarack's resort operations, the expanding economic impact of other commercial operators (including the Fairmont Hotel) at Tamarack, and of the direct and secondary economic impacts of Tamarack's capital construction program. It can be seen that while the total economic impacts of the Tamarack Resort decline as the construction expenditures wane (in particular in the years 2011 and 2012) they decline at a lesser rate than the cutbacks in construction (23.6 percent in 2011 versus a 47.5 percent cutback in construction spending, and by 14.5 percent in 2012 versus a further 45.6 percent decline in construction spending at Tamarack.) This is caused by the additional economic activity and the direct payrolls and subsequent secondary economic activity generated by the other commercial operators that are slated to be in place at Tamarack at that time.

Idaho Economics projects that the Tamarack Resort will during the years 2010 – 2012 generate, through its direct and secondary economic impacts, nearly \$432.7 million in additional personal income for Idahoans.



In the year 2012, the year that is likely the most reflective of Tamarack's annual long-term economic impact on the Idaho economy, Tamarack will generate nearly \$120.5 million in additional personal income in Idaho. Annual detail of Tamarack's projected direct and secondary economic impacts for the years 2010 – 2012 on total personal income in Idaho is shown below in Table 6.

### **The Employment Impacts of the Tamarack Resort: 2004 - 2012**

The Tamarack Resort has and will create direct jobs for many Idaho residents. Those persons working directly for the Resort maintaining the resort's day-to-day operations, and those persons working for other commercial operations at Tamarack, as well as those employees of the construction contractors retained by Tamarack for its ongoing capital construction program are all considered to be direct employment. They are paid wages and salaries for their labor services. They in turn spend those wages and salaries to purchase goods and services in the economy. In turn, a portion of those expenditures become a new source of income to the seller or vendor of those goods and services. Further, a portion of those Tamarack employees wage and salary expenditures for goods and services are used by the seller or vendor to purchase additional product to offer for sale. If that product is produced in the local economy that money makes another round of local economic impact generating purchases. If that product that is being purchased by the local vendor is from a producer or supplier that is outside of Idaho the chances of another series of economic impact generating transactions becomes greatly diminished.

This is the major reason that economic impact multipliers are often rather small for remote or rural areas. Most of the product purchased in these areas has to be brought in from outside of the area, and because of the limited availability of products in these areas (because they are small and there isn't as much demand as there is in the higher populated urban areas) most of the direct earnings generated in these remote or rural areas tends to leave rather quickly with sometimes only a small portion remaining the local area to generate another round (secondary) economic activity.

Nevertheless, that direct spending will generate secondary economic impacts somewhere in the economy. More often than not a sizable portion of that direct spending finds its way to the nearest metropolitan area that offers a wider range of spending opportunities for that direct industry employee.

Table 6  
**Tamarack Economic Impact Analysis:**  
**Direct and Secondary Economic Impact on Idaho Personal Income**  
**from Tamarack Resort Operations & Construction: 2010 - 2012**  
(\$ x 1,000)

	2010	2011	2012	Total '10-'12
<b><u>Resort Operations:</u></b>				
Direct Earnings:	\$45,309	\$47,432	\$49,309	\$142,051
Secondary Earnings:	27,393	28,676	29,811	85,880
Change in Idaho Personal Income:	\$72,702	\$76,108	\$79,120	\$227,930
<b><u>Resort Construction:</u></b>				
Direct Earnings:	\$51,250	\$26,922	\$14,653	\$92,826
Secondary Earnings:	34,984	18,377	10,002	63,363
Change in Idaho Personal Income:	\$86,234	\$45,299	\$24,655	\$156,188
<b><u>Resort Construction &amp; Operations:</u></b>				
Direct Earnings:	\$96,560	\$74,354	\$63,962	\$234,876
Secondary Earnings:	62,376	47,053	39,813	149,242
Change in Idaho Personal Income:	\$158,936	\$121,407	\$103,776	\$384,119
<b><u>Other Commercial Operators:</u></b>				
Direct Earnings:	\$9,801	\$10,095	\$10,398	\$30,294
Secondary Earnings:	5,925	6,103	6,286	18,315
Change in Idaho Personal Income:	\$15,727	\$16,198	\$16,684	\$48,609
<b><u>Resort Total:</u></b>				
Direct Earnings:	\$106,361	\$84,449	\$74,360	\$265,170
Secondary Earnings:	\$68,302	\$53,156	\$46,099	167,557
Change in Idaho Personal Income:	\$174,662	\$137,605	\$120,460	\$432,728

In the case of the Tamarack Resort it can safely be said, and this has been borne out by history, that Valley County will receive a portion of the secondary economic benefits, both in terms of personal income gains and employment, from the additional economic stimulus that the resort will bring. At least initially, the lion's share of those secondary economic impacts will flow toward Southwest Idaho and the Boise Metropolitan Area. That said, it is also likely that as the level of economic activity increases in Valley County the number of firms attempting to capture some of that direct and secondary economic benefit will find it advantageous to locate there. This process is already underway. And, it is that process which, over time, will lead to Valley County capturing a larger share of the direct and secondary economic impacts that Tamarack is producing.

Tables 7, 8, and 9, below, detail the estimated secondary employment impacts of the Tamarack Resort by year and by affected industry.

In the year 2006 resort operations at Tamarack directly accounted for 380 full-time jobs and over 85 part-time jobs (on an annual average basis) in Idaho. The secondary economic impacts that were the result of Tamarack's direct employment accounted for an estimated 250 additional jobs in the Idaho economy. In total 639 Idaho jobs created from Tamarack's resort operations.

In addition, the economic impacts of Tamarack's ongoing capital construction project with an annual average of 529 full-time persons directly employed by Tamarack's construction contractors created a further 960 jobs in the Idaho economy from the secondary economic impacts of that construction employment.

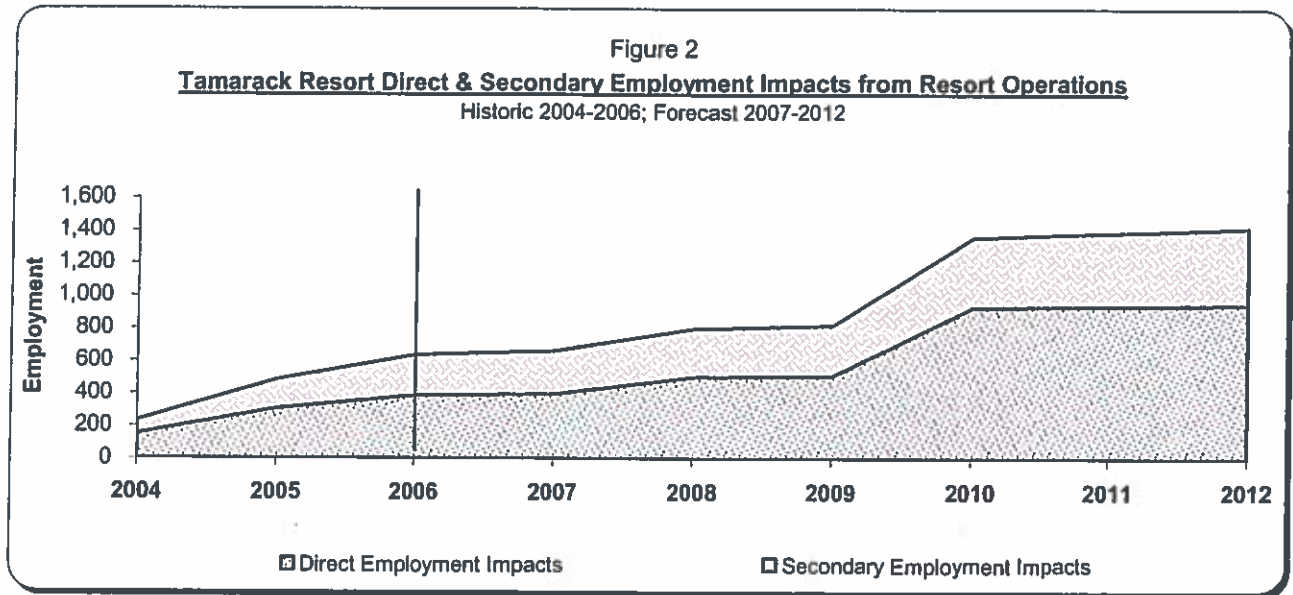
Table 7  
**Tamarack Economic Impact Analysis:**  
**Secondary Employment Impacts Resulting from Tamarack Resort Operations by Industry**  
 Historic 2004-2006; Forecast 2007-2012

Employment in:	Historic			Forecast					
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>Farm &amp; Ag. Svcs., Forestry, &amp; Fishing:</u></b>	4	9	13	14	16	16	23	24	25
<b><u>Mining:</u></b>	0	0	0	0	0	0	0	0	0
<b><u>Construction:</u></b>	3	6	8	9	9	10	14	15	15
<b><u>Manufacturing:</u></b>	4	8	12	12	14	14	20	21	22
<b><u>Transportation &amp; Public Utilities:</u></b>	7	14	20	21	23	24	34	36	37
Transportation	5	10	14	15	16	17	24	25	26
Communications	1	3	3	4	4	4	6	6	7
Electric, Gas, & Sanitary Services	1	2	3	3	3	3	4	5	5
<b><u>Wholesale &amp; Retail Trade:</u></b>	14	31	43	46	51	54	75	79	82
Wholesale Trade	3	7	10	11	12	12	17	18	19
Retail Trade	11	24	33	36	39	41	58	61	63
<b><u>Finance, Insurance &amp; Real Estate:</u></b>	8	18	25	27	29	31	43	45	47
Banks & Security Brokers	5	10	14	15	17	18	25	26	27
Insurance	1	3	4	5	5	5	7	8	8
Real Estate	2	5	7	7	8	8	11	12	12
<b><u>Services:</u></b>	42	90	125	133	147	154	216	227	236
Hotels & Lodging,	7	14	20	21	23	24	34	36	37
Amusement & Rec. Svcs.									
Personal Services	2	5	7	8	9	9	12	13	14
Business Services	13	29	41	43	48	50	70	73	76
Eating & Drinking Places	6	13	18	19	21	22	31	33	34
Health Services	7	16	22	24	26	27	38	40	42
Miscellaneous Services	6	13	17	19	20	21	30	32	33
<b><u>Households:</u></b>	1	2	3	3	4	4	6	6	6
<b>Secondary Employment Impacts.....</b>	83	179	250	266	293	308	430	452	471
<b>Direct Employment Impacts.....</b>	153	308	389	398	505	513	931	940	948
<b>Total Employment Impacts.....</b>	236	487	639	663	798	821	1,361	1,391	1,419

In total, during 2006, the Tamarack Resort was directly responsible for 918 Idaho jobs (both through resort operations and resort construction) which, in turn, created an additional 1,509 jobs in the Idaho economy from the secondary economic impacts of the Resort's spending. In total, the Tamarack Resort accounted for nearly 2,427 jobs in the Idaho economy during 2006.

And the employment impacts of the operations and capital construction program at the Tamarack Resort are not over yet. Idaho Economics projects that direct employment at the Tamarack Resort will increase over the next three years to a total of 513 in the year 2009 directly employed in the operations of the Resort. And, six years into the future it is projected that the Tamarack Resort and the other commercial operators at Tamarack will have increased its direct employment for resort operations to 948. The secondary economic impacts of that employment at Tamarack will have created an estimated additional 308 Idaho jobs in 2009 and an additional 471 Idaho jobs in 2012. In total, just resort operations at the Tamarack Resort are projected to be responsible for an additional 812 and 1,419 Idaho jobs in the years 2009 and 2012, respectively.

Tamarack's capital construction activities are projected to remain robust over the next four years. Total direct construction employment at the Resort is projected to peak in the year 2010 with nearly 1,459 (annual average full-time) persons employed by the Resort's construction contractors. Construction employment at Tamarack is projected to ease thereafter as construction activity slows in 2011 and 2012, the last year of this outlook.



Idaho Economics projects that the direct construction employment at Tamarack will increase to 1,191 jobs in 2009, peak at 1,459 jobs in 2010, before easing to an annual average direct construction employment at the Resort of 1,296 in 2012. The secondary economic impact of that construction employment at Tamarack will, through its secondary economic impacts, generate an additional 2,064 Idaho jobs in 2009, before the Resort's peak construction year of 2010 creates 2,522 through its secondary economic impacts.

In total Idaho economics projects that the Tamarack Resort will directly create 1,707 jobs in Idaho in the year 2009 (from both resort operations and ongoing construction activity at the resort) and from secondary economic impacts be responsible for another 3,151 jobs for Idahoans. In total, the Tamarack Resort's direct and secondary employment impact on the State of Idaho will be nearly 4,859 in the year 2009.

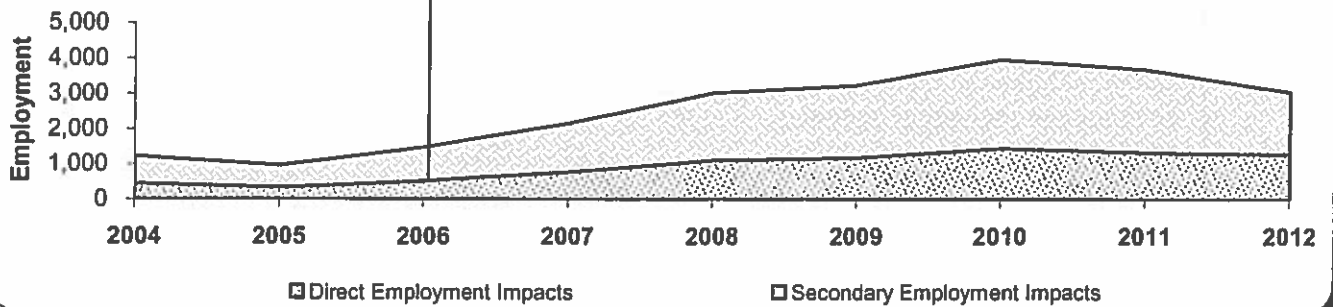
In the year 2010, Tamarack's total direct employment (from both resort operations and ongoing construction activity at the resort) will peak at 2,390. In turn, another 3,904 Idaho jobs are projected to be created from the secondary economic impacts of the Resort's direct employment. In total, Idaho Economics projects that the Tamarack Resort will in the year 2010 have created through its direct and secondary economic impacts nearly 6,294 jobs for Idaho's residents.

Table 7, above, provides a breakout by year, for the period 2004 – 2012, and by industry of the employment created by the secondary economic impacts of Tamarack's resort operations.

Table 8, below, provides a breakout by year, for the period 2004 – 2012, and by industry of the employment created by the secondary economic impacts of Tamarack's ongoing capital construction activity.

Lastly, table 9, below, totals the information provided in tables 7 and 8 and provides a breakout by year, for the period 2004 – 2012, and by industry of the employment created by the secondary economic impacts of Tamarack's resort operations and its ongoing capital construction program.

**Figure 4**  
**Tamarack Resort Direct and Secondary Employment Impacts from Resort Construction**  
 Historic 2004-2006; Forecast 2007-2012



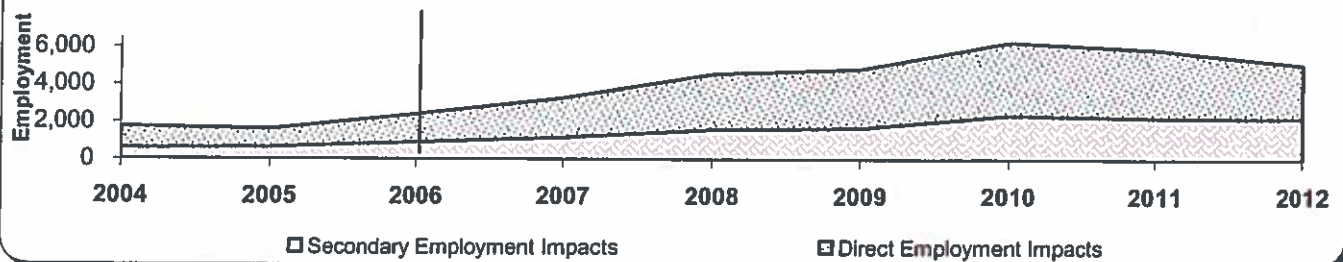
**Table 8**  
**Tamarack Economic Impact Analysis:**  
**Secondary Employment Impacts Resulting from Tamarack Resort Construction by Industry**  
 Historic 2004-2006; Forecast 2007-2012

Employment in:	Historic			Forecast					
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Farm &amp; Ag. Svcs., Forestry, &amp; Fishing:</b>	39	23	40	62	99	103	126	110	82
<b>Mining:</b>	1	0	1	1	2	2	2	2	2
<b>Construction:</b>	114	234	281	327	228	300	364	488	368
<b>Manufacturing:</b>	108	64	109	172	273	284	348	301	226
<b>Transportation &amp; Public Utilities:</b>	53	31	53	84	133	139	170	147	110
Transportation	41	24	41	65	103	107	131	114	85
Communications	8	5	8	13	20	21	26	22	17
Electric, Gas, & Sanitary Services	4	2	4	6	10	10	13	11	8
<b>Wholesale &amp; Retail Trade:</b>	238	141	242	379	603	628	768	666	499
Wholesale Trade	60	35	61	95	151	157	192	167	125
Retail Trade	179	105	181	284	452	471	576	499	374
<b>Finance, Insurance &amp; Real Estate:</b>	65	39	66	104	166	173	211	183	137
Banks, Security, Brokers	29	17	29	46	72	76	92	80	60
Insurance	19	11	19	31	49	51	62	54	40
Real Estate	18	10	18	28	45	46	57	49	37
<b>Services:</b>	448	264	454	713	1132	1181	1444	1251	938
Hotels & Lodging,	27	16	28	44	70	73	89	77	58
Amusement & Rec. Svcs.									
Personal Services	20	12	20	31	50	52	64	55	41
Business Services	189	111	191	300	477	497	608	527	395
Eating & Drinking Places	64	38	65	102	162	169	207	179	134
Health Services	84	50	86	134	213	223	272	236	177
Miscellaneous Services	63	37	64	101	160	167	204	177	133
<b>Households:</b>	12	7	12	20	31	32	40	34	26
<b>Secondary Employment Impacts.....</b>	783	628	960	1,392	1,920	2,064	2,522	2,358	1,771
<b>Direct Employment Impacts.....</b>	453	337	529	782	1,120	1,194	1,459	1,337	1,296
<b>Total Employment Impacts.....</b>	1,236	965	1,489	2,174	3,040	3,258	3,981	3,695	3,067

Table 9  
**Tamarack Economic Impact Analysis:**  
**Total Secondary Employment Impacts from Tamarack Resort Operations & Construction by Industry**  
 Historic 2004-2006; Forecast 2007-2012

Employment in:	Historic			Forecast					
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Farm &amp; Ag. Svcs., Forestry, &amp; Fishing:</b>	44	33	53	76	115	120	149	134	107
<b>Mining:</b>	1	0	1	1	2	2	3	2	2
<b>Construction:</b>	116	239	289	336	237	310	378	503	383
<b>Manufacturing:</b>	112	72	121	184	286	299	368	323	248
<b>Transportation &amp; Public Utilities:</b>	59	45	73	105	156	163	204	183	148
Transportation	45	34	55	79	119	124	155	139	111
Communications	9	7	12	16	24	25	32	29	23
Electric, Gas, & Sanitary Services	5	4	7	9	13	13	17	16	13
<b>Wholesale &amp; Retail Trade:</b>	253	172	285	426	654	682	843	745	581
Wholesale Trade	63	42	71	106	163	170	210	185	144
Retail Trade	190	129	215	320	491	512	634	560	438
<b>Finance, Insurance &amp; Real Estate:</b>	74	57	91	131	195	203	254	228	184
Banks, Security, Brokers	33	27	43	61	89	93	117	106	87
Insurance	21	14	24	35	54	56	69	61	48
Real Estate	20	15	24	35	52	54	68	61	49
<b>Services:</b>	489	354	580	846	1279	1335	1659	1478	1174
Hotels & Lodging,	34	30	48	65	93	97	123	113	95
Amusement & Rec. Svcs.									
Personal Services	22	17	27	39	58	61	76	68	55
Business Services	202	140	232	343	525	547	678	601	472
Eating & Drinking Places	70	51	83	121	183	191	238	212	169
Health Services	92	66	108	158	239	250	310	276	219
Miscellaneous Services	69	50	82	119	181	189	234	209	166
<b>Households:</b>	13	10	16	23	35	36	45	40	32
<b>Secondary Employment Impacts.....</b>	<b>1,161</b>	<b>982</b>	<b>1,509</b>	<b>2,128</b>	<b>2,960</b>	<b>3,151</b>	<b>3,904</b>	<b>3,635</b>	<b>2,860</b>
<b>Direct Employment Impacts.....</b>	<b>606</b>	<b>645</b>	<b>918</b>	<b>1,180</b>	<b>1,625</b>	<b>1,707</b>	<b>2,390</b>	<b>2,277</b>	<b>2,244</b>
<b>Total Employment Impacts.....</b>	<b>1,767</b>	<b>1,627</b>	<b>2,427</b>	<b>3,307</b>	<b>4,585</b>	<b>4,858</b>	<b>6,294</b>	<b>5,912</b>	<b>5,104</b>

Figure 5  
**Tamarack Resort Total Direct and Secondary Employment Impacts**  
**from Resort Operation and Construction**  
 Historic 2004-2006; Forecast 2007-2012



**Tamarack Resort LLC**  
**Economic and Fiscal Impact Analysis**  
**The Fiscal Impacts**

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**The Estimated Impact of the Tamarack Resort on State and Local Tax Revenues in Idaho:**

Many economic studies require a number of simplifying assumptions. This analysis was no different. The assumptions used in this analysis were made so as to simplify the analysis process without unduly compromising the accuracy of the results. The assumptions underlying this analysis of the economic impact of the Tamarack Resort on state and local tax revenues are:

A change in the tax revenues realized by state and local governments come about because of changes to personal income, consumption, or wealth. The estimated direct and secondary economic impacts of Tamarack add to the State's base of economic activity which in turn generates personal income for its citizens and provides an income stream which is partially used for the purchase of consumption goods (which may be subjected to the Idaho's general sales tax) and/or real or personal assets (which many be subjected to a local property tax).

Alternatively, a loss of the economic contribution of the Tamarack Resort would cause a loss of personal income tax collections, corporate income tax collections, sales taxes, and product tax revenues.

While these taxes are collected on a statewide basis this analysis assumes that the revenue streams realized from the economic activity generated by the presence of the Tamarack Resort is assumed to either originate from Valley or Ada Counties based upon the employees place of work (which without any known exception was also their place of residence). The taxes originating as a result of employment by the Resort's construction contractors are assumed to originate from their place of work, Valley County.

The parameters used in this analysis for estimating the tax revenues realized by state and local governments as a result of the direct and secondary economic impacts the Tamarack Resort are on a "net-effective", or average, basis. Using a "net effective" tax rate is a conservative assumption that assures that the analysis will not overstate the state and local tax revenue contributions that are the result of the direct and secondary economic activity generated by Tamarack Resort operations and construction.

While a reasonable case can be made for using marginal tax rates in this type of analysis, particularly when estimating a potential change in total personal income and its subsequent effect on state personal income tax collections, a marginal tax rate may not reflect the true dynamic of the job search or the population or household movements that are likely to occur with a loss of employment in rural Idaho.

For example, in Valley County the employment opportunities that Tamarack offers are not easily replaced in the local community. When a loss of employment opportunities occurs in a rural county and there are very few alternative employment opportunities. Therefore, it is likely that those unemployed residents would find it necessary to migrate elsewhere to seek employment. In the case of persons that migrate to other areas in Idaho and find employment at a different wage then an estimate of the potential loss (or gain) in Idaho personal income tax revenues using a marginal tax rate may be appropriate. In other words, Idaho personal income tax collections may decrease by 7.9 percent (the marginal state personal income tax rate in Idaho) times the change in income. However, this would not be true if the Idaho residents faced with a loss of employment find it necessary to migrate outside of the state to find employment (or conversely, those new residents to Idaho that gain employment). In this case, the lost (or gained) Idaho personal income tax collections would not be the marginal personal income tax rate times the decrease (or increase) in personal income. This is because of the personal exemptions and standard or itemized deductions that are subtracted from a taxpayer's income effectively allow a level of income for which they do not have a state personal

income tax obligation. Therefore, the state realize a decrease in personal income tax collections that would be less than the marginal personal income tax rate times the change the change in that household's personal income. Because of the allowable subtractions from personal income (personal exemptions and deductions) the state's "net effective" personal income tax rate (the change in state personal income tax collections divided by the change in personal income) will be less that the state's marginal personal income tax rate.

Because of this phenomenon, this analysis uses a "net-effective" income tax rate for the estimation of the changes to state personal income tax receipts due to a change in the total personal income earned by Idaho's residents.

Further, this analysis does not attempt to evaluate the direct and secondary economic impacts of the Tamarack Resort on federal government income, payroll, or excise tax collections and the analysis does not assume that federal grants or monies allocated to Idaho would increase or decrease as the result of a potential change in the personal income earned in Idaho.

### **State of Idaho Individual Income Taxes:**

The direct and secondary economic activity attributable to Tamarack and their effect on State of Idaho individual income tax collections were estimated as a function of the personal income (labor income and other property income as detailed in the economic impact analysis) generated from those economic activities.

A comparison of annual Idaho individual income tax collections (net of refunds) to Idaho personal income found that state individual income tax collections during the 1990s held at a relatively stable 2.89 percent of the annual total personal income earned in Idaho. This share, Idaho personal income tax collections as 2.89 percent of total personal income can be interpreted as the "net effective" Idaho individual income tax rate.

Using this methodology, the change in Idaho's total personal income (both from direct and secondary economic effects) that is attributable to the Tamarack Resort multiplied by the "net effective" tax rate (2.89 percent) produces an estimate of the annual personal income tax revenues received by the State of Idaho that can be attributed to Tamarack.

This analysis found that over the past three years the Tamarack Resort through the economic impacts of its operations and ongoing construction activities has contributed nearly \$3.926 million to Idaho's personal income tax revenues. And, of that \$3.926 million nearly \$2.382 million was the direct result of wages and salaries paid to Tamarack employees involved in the day-to-day operations of the resort or to the employees of Tamarack's construction contractors.

In the next two three year periods, the years 2007 – 2009 and the years 2010 - 2012, Idaho Economics projects that the Tamarack Resort will, through it operations and ongoing construction activities, contribute an additional \$7.185 million in the years 2007 through 2009 and \$8.405 million in the years 2010 through 2012 to Idaho's personal income tax receipts. In total, for the period 2007 – 2012, it is projected that the State of Idaho will receive nearly \$15.589 million in additional personal income tax revenues because of the direct and secondary economic impacts of the Tamarack Resort's operations and its ongoing construction activities.

### **State of Idaho Corporate Income Taxes:**

State of Idaho corporate income tax collections are currently based on a flat (marginal) rate of 7.6 percent of a firm's net taxable corporate income. The secondary and induced economic impacts attributable to Tamarack would most certainly have an impact on the earnings of other corporate entities throughout the region. However, a solid determination of the effect of the secondarily or induced changes from Tamarack's operations on Idaho personal income and the subsequent impact that those changes may have on Idaho's corporate income tax collections is problematic. Many entities, firms, or individuals may benefit from the secondary or induced economic impacts. Not many of them are corporations. In general, the pitfalls of any detailed analysis of Idaho corporate income tax collections as the result of secondary or induced economic impacts are many. A more generalized approach was utilized in this analysis.

Again using a “net effective” framework, the Idaho State Tax Commission found in a August 2004 analysis that Idaho corporate income tax collections were approximately 0.23 percent of Idaho’s 2002 total personal income.

A further analysis performed by Idaho Economics of historic Idaho corporate income tax collections found proportionality between those collections and to Idaho’s personal income tax collections (with some adjustments made in years where Idaho’s high-tech manufacturing contributed a disproportionate share to the state corporate income tax collections). This proportional relationship between Idaho’s corporate income tax collections and Idaho personal income tax collections revealed a “net effective” corporate income tax rate equal to 0.576 percent of Idaho personal income. This was the parameter used in this analysis to estimate changes in Idaho’s corporate income tax collections as a result of the direct and secondary economic activities created by the Tamarack Resort.

Using this methodology, the change in Idaho’s total personal income (both from direct and secondary economic effects) that is attributable to the Tamarack Resort multiplied by the “net effective” Idaho corporate income tax rate (0.576 percent) produces an estimate of the annual corporate income tax revenues received by the State of Idaho that can be attributed to the Tamarack Resort.

This analysis found that over the three years 2004 - 2006 the Tamarack Resort, through the economic impacts of its operations and ongoing construction activities, has contributed nearly \$0.903 million to Idaho’s personal income tax revenues. And, of that \$0.903 million nearly \$0.548 million was the direct result of wages and salaries paid to Tamarack employees involved in the day-to-day operations of the resort or to the employees of Tamarack’s construction contractors.

During the next two three year periods, the years 2007 – 2009 and the years 2010 - 2012, Idaho Economics projects that the Tamarack Resort will, through it operations and ongoing construction activities, contribute an additional \$1.275 million in the years 2007 through 2009 and \$1.449 million in the years 2010 through 2012 to Idaho’s corporate income tax receipts. In total it is projected that the State of Idaho will receive nearly \$2.725 million in additional personal income tax revenues because of the direct and secondary economic impacts of the Tamarack Resort’s operations and its ongoing construction activities over the period 2007 through 2012.

### **Idaho Sales Tax Collections:**

Today, the State of Idaho imposes a 6.0 percent sales tax on retail sales and rentals of tangible personal property. Sales tax revenues are the second largest source of general fund revenue for the State of Idaho.

An Idaho Economics comparison of historic annual Idaho sales tax collections, with adjustments to historic sales tax collections so as to produce a time series consistent with a 5.0 percent general sales tax rate to total the personal income in Idaho yielded a “net effective” State of Idaho general sales tax rate of 2.498 percent of Idaho personal income. However, because Idaho increased its general sales tax levy to 6.0 percent in the summer of 2006 the “net effective” rate found above 2.498 percent was adjusted upward by 20 percent (consistent with the increase in the general sales tax rate) to a “net effective” rate of 2.998 percent.

Using this methodology, the change in Idaho’s total personal income (both from direct and secondary economic effects) that are attributable to the Tamarack Resort multiplied by the “net effective” Idaho general sales tax rate of 2.998 percent produces an estimate of the general sales tax revenues received by the State of Idaho that can be attributed to the Tamarack Resort.

This analysis found that over the three years 2004 - 2006 the Tamarack Resort, through the economic impacts of its operations and ongoing construction activities, contributed nearly \$4.698 million to Idaho’s general sales tax revenues. And, of that \$4.698 million nearly \$2.851 million was the direct result of wages and salaries paid to Tamarack employees involved in the day-to-day operations of the resort or to the employees of Tamarack’s construction contractors.

In addition, the materials used in construction are subjected to Idaho’s general sales tax. In the past three years the Tamarack has expended near \$227.0 million on the Resort’s construction of which an estimated \$157.7 million was for materials that were subjected to the Idaho general sales tax. Idaho Economics estimates that

the State of Idaho has realized an additional \$8,875 million in general sales tax revenues from Tamarack's construction materials.

During the next two three year periods, the years 2007 – 2009 and the years 2010 - 2012, Idaho Economics projects that the Tamarack Resort will, through the economic impacts of its operations and ongoing construction activities, contribute an additional \$8.714 million in the years 2007 through 2009 and \$11.514 million in the years 2010 through 2012 to Idaho's general sales tax receipts.

In addition, the ongoing construction activity at the Tamarack Resort and the assessment of the State's general sales tax on construction materials will produce an additional \$19.003 million in sales tax revenues in the years 2007 through 2009 and a further \$17.996 million in the years 2010 through 2012.

For the period 2007 through 2012 Idaho Economics projects that the State of Idaho will receive nearly \$12.276 million in additional general sales tax revenues because of the direct and secondary economic impacts of the Tamarack Resort's operations and its ongoing construction activities over the period 2007 through 2012. In addition, the State of Idaho is projected to receive a further \$36.999 million from the assessment of the State's general sales tax on the construction materials used at the Resort over the period 2007 through 2012. In total, as a result of the direct and secondary economic impacts of the Tamarack Resorts operations and ongoing construction plus the assessment of the general sales tax on construction materials during the next six years (2007-2012) Idaho Economics projects that the State of Idaho will realize nearly \$57.228 in additional general sales tax revenues because of the Tamarack Resort.

#### **Idaho Other Product Tax Collections:**

The category of Other Product Tax Collections includes taxes collected by the state on cigarettes, tobacco products, beer and wine, and the liquor surcharge. The state of Idaho's cigarette tax is currently 57 cents per pack, and was due to revert to its pre June 1, 2003 rate of 28 cents per pack on July 1, 2005. However, the Idaho Legislature enacted legislative that maintains the cigarette tax at 57 cents per pack past July 1, 2005. The tobacco products tax is a tax on all tobacco products, except cigarettes, assessed at the wholesale level. Idaho's beer tax is a tax on beer sold in Idaho of \$4.65 per 31-gallon barrel, or its equivalent. Similarly, Idaho's wine tax is levied on wine sold in Idaho and is currently \$0.45 per gallon. The liquor surcharge is collected by the Idaho State Liquor Dispensary and is two percent of the price of liquor sold in Idaho.

Idaho Economics performed a comparison of the historic annual tax collections associated with these five product taxes (cigarettes, tobacco, beer, wine, and the liquor surcharge) and found that over the last ten years (1995 -2004) these taxes have maintained a relatively constant proportion or "net effective" rate equal to 0.17 percent of Idaho's total personal income. Therefore, this "net effective" rate of 0.17 percent was applied to the estimated change in Idaho personal income resulting from the direct and secondary economic impacts that are the result of Tamarack's operations and ongoing construction to produce an estimate of the additional product tax revenues that the State of Idaho would realize.

Over the past three years, 2004-2006, Idaho Economics estimates that the State of Idaho has realized an additional \$0.268 million in product tax revenues because of the economic activity generated by the Tamarack Resort.

During the next two three year periods, the years 2007 – 2009 and the years 2010 - 2012, Idaho Economics projects that the Tamarack Resort will, through the economic impacts of its operations and ongoing construction activities, contribute an additional \$0.293 million in the years 2007 through 2009 and \$0.267 million in the years 2010 through 2012 to Idaho's product tax revenues.

In total, as a result of the direct and secondary economic impacts of the Tamarack Resorts operations and ongoing construction during the next six years (2007-2012) Idaho Economics projects that the State of Idaho will realize nearly \$0.560 in additional product tax revenues because of the Tamarack Resort.

## **Idaho and Local Government Revenues from Vehicle License Fees:**

Historic annual Idaho state and local government revenues from vehicle license and registration fees were examined in relationship to total Idaho personal income to derive a "net effective" rate for vehicle license fees payable to the State of Idaho of 0.241 percent of personal income and a rate of 0.079 percent of personal income for the portion of license fee revenues payable to local governments. The change in state and local vehicle license fee revenues are estimated in this analysis as the product of the above "net effective" percentages times the estimated change in Idaho personal income resulting from the direct and secondary economic impacts of Tamarack's operations and ongoing construction activities.

Over the past three years, 2004-2006, Idaho Economics estimates that the State of Idaho has realized an additional \$0.378 million in vehicle license fee revenues because of the economic activity generated by the Tamarack Resort. Local government captures a portion of the vehicle license fee revenues. Over the three years 2004 – 2006 an estimated additional \$0.124 million in vehicle license fee revenues was realized by local governments because of the direct and secondary impacts of Tamarack's operations and construction.

During the next two three year periods, the years 2007 – 2009 and the years 2010 - 2012, the Tamarack Resort will, through the economic impacts of its operations and ongoing construction activities, contribute an additional \$0.946 million in the years 2007 through 2009 and \$0.1.394 million in the years 2010 through 2012 to Idaho's vehicle license fee revenues. Local government are projected to see an additional \$0.766 million in vehicle license fee revenues over the 2007 – 2012 six year period because of the additional economic activity generated by the Tamarack Resort.

## **Idaho State Motor Fuel Tax Collections:**

An Idaho Economics comparison of the historic annual Idaho motor fuel tax collections (adjusted for changes in the fuel tax rate) found that over the past ten years State of Idaho motor fuel taxes as a proportion of Idaho personal income have maintained a relatively constant "net effective" rate of 0.446 percent of Idaho's total personal income. Therefore, in this analysis a 0.44 percent "net effective" rate was applied to the estimated change in Idaho personal income resulting from the direct and secondary economic impacts of Tamarack's operations and its ongoing construction.

During the past three years, 2004-2006, Idaho Economics estimates that the State of Idaho has realized an additional \$0.378 million in vehicle license fee revenues because of the economic activity generated by the Tamarack Resort. Local government captures a portion of the vehicle license fee revenues. Over the three years 2004 – 2006 an estimated additional \$0.124 million in vehicle license fee revenues was realized by local governments because of the direct and secondary impacts of the Tamarack Resorts operations and its ongoing construction activities.

During the next two three year periods, the years 2007 – 2009 and the years 2010 - 2012, the Tamarack Resort will, through the economic impacts of its operations and ongoing construction activities, contribute an additional \$0.946 million in the years 2007 through 2009 and \$0.1.394 million in the years 2010 through 2012 to Idaho's vehicle license fee revenues. Local government are projected to see an additional \$0.766 million in vehicle license fee revenues over the 2007 – 2012 six year period because of the additional economic activity generated by the Tamarack Resort.

These motor fuel tax revenues are deposited into the State's Highway Distribution Account (HDA), which then allocates funds to the state highway account, and city, county, highway districts and the Idaho State Police. According to Idaho law, 38 percent of HDA funds are allocated to cities and counties in Idaho for roadway improvements, maintenance and development.

The exact procedure for the distribution of HDA funds to cities and counties, however, is complex and depends upon the annual average population in each county, the number of road miles road in each county or highway district, and annual motor vehicle registration revenues originating from each county. These factors change each year. Projections of the additional HDA funds that will be received by those cities, counties, or highway districts affected by the Tamarack Resort is beyond the scope of this analysis.

**Total State Tax Revenues Attributable to the Tamarack Resort:**

Tables 10,11, and 12 on a following page provides added detail to these estimates of the additional tax revenues that would be realized by the State of Idaho from the direct and secondary economic impacts as well as the ongoing construction activity at the Tamarack Resort. Table 10 provides annual detail to the estimated State of Idaho tax revenues realized because of the additional direct and secondary economic activity generated by the operation of the Tamarack Resort and by its ongoing construction activity, by type of tax, for the years 2004-2006. Table 11 provides annual detail to the projected additional State of Idaho tax revenues because of the Tamarack Resort, by type of tax, for the years 2007-2009 and Table12 details the same projected State of Idaho tax revenue information for the years 2010-2012.

In total, it is estimated that the existence of the Tamarack Resort in Valley County, with its direct and secondary economic impacts from the Resort's operation and ongoing construction has been responsible for nearly \$19.746 million in tax revenues to the State of Idaho. Within the last year, 2006, Idaho Economics estimates that the additional economic activity in the State that was generated by the Tamarack Resort was responsible for nearly \$8.193 million in additional tax revenues to the State.

In the future Idaho Economics projects that the economic impacts of the Tamarack Resort will over the years 2007-2012 will be the generator of nearly \$80.497 million in additional tax revenues to the State of Idaho – an annual average of nearly \$13.416 million per year.

<b>Economic Impacts:</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Total '04 - '06</b>
<b>Direct Earnings:</b>	\$21,031,900	\$32,658,000	\$41,415,600	\$95,105,500
<b>Secondary Earnings:</b>	13,822,300	21,136,500	26,661,300	61,620,100
<b>Change in Idaho Personal Income:</b>	\$34,854,200	\$53,794,500	\$68,076,900	\$156,725,600
<b><u>State Tax Revenue Impacts</u></b>				
Idaho Personal Income Tax	\$873,100	\$1,347,600	\$1,705,300	\$3,926,000
Idaho State Sales Tax	1,044,800	1,612,500	2,040,700	4,698,000
- Sales Tax on Const. Materials	2,379,200	3,025,000	3,470,500	8,874,700
Idaho Corporate Income Tax	200,800	309,900	392,200	902,900
Idaho Vehicle License Fees	84,000	129,600	164,100	377,700
Idaho Motor Fuels Tax	155,600	240,100	303,900	699,600
Idaho State Product Taxes	59,600	92,000	116,400	268,000
<b>Total State Tax Revenue Impacts:</b>	<b>\$4,797,100</b>	<b>\$6,756,700</b>	<b>\$8,193,100</b>	<b>\$19,746,900</b>

**Local Government Property Taxes:**

In the past three years (2004-2006) the Tamarack Resort has paid nearly \$1.32 million in local property taxes to public service providers in Valley County. Using the historic property tax mill levy rates for Valley County it was possible to estimate the property tax revenues received by Valley County that can directly be attributed to the Tamarack Resort -- (\$483,000). Similarly, other local taxing authorities have benefited from the property taxes paid by the Resort. The estimated property taxes received by the McCall-Donnelly School District over the period 2004 – 2006 is \$709,000, and an estimated \$128,000 of the property taxes received by the Valley County Road District can be directly attributed to the Tamarack Resort.

**A Focus on 2006 Local Property Taxes attributable to Tamarack:**

An examination of Valley County property records found that the 2006 total assessed value of all the property

within the boundaries of the Tamarack Resort was \$206.1 million. This figure includes property that is directly owned by the resort as well as privately owned properties within the boundaries of the Resort. The assessed value of the buildings that have been constructed within the boundaries of Tamarack accounted for nearly \$43.8 million of the total \$206.1 million in assessed value. The total assessed value of Valley County Tamarack resort properties is shown below in Table 11.

Table 11  
**Tamarack Resort**  
**Valley County Assessed Property Values**

Land Value	Building Value	Total Value
\$162,239,920	\$43,832,350	\$206,072,270

Using Valley County's 2006 property tax levy rates it was possible to estimate the property tax revenues attributable to the property within the boundaries of the Tamarack Resort. These estimated property tax revenues are shown below in Table 12. Table 13 compares the total assessed value of the property within the boundaries of the Tamarack Resort to the assessed value of all property within the jurisdiction of each of the affected Valley County taxing authorities.

Table 12  
**Tamarack Resort**  
**2006 Property Taxes Paid to Valley County Taxing Authorities**

<u>Taxing Authority</u>	<u>2006 Property Tax Levy Rate</u> (\$ per \$100 of Assessed Value)	<u>2006 Property Taxes from Property within the Tamarack Resort</u>
Valley County	0.1166580	\$240,400
McCall-Donnelly Joint School District	0.1844362	380,072
Donnelly Rural Fire District	0.0484584	99,859
McCall Hospital District	0.0463338	95,481
Northlake Sewer District	0.0144226	29,721
<b>Tamarack Resort - Total 2006 Property Taxes.....</b>		<b>\$845,533</b>

Using the specific information of the 2006 total assessed value of all Tamarack Resort property and 2006 property tax levy rates it is estimated that Valley County received \$240,400 in 2006 property tax revenues from Tamarack properties. The 2006 assessed value of Tamarack Resort properties accounted for nearly 5.2 percent of the total assessed value in Valley County, a significant share when one considers that just three years earlier the assessed value of Tamarack Resort properties was insignificant when compared to the total assessed value of all properties in the County.

Table 13  
**Tamarack Resort**  
**2006 Total Assessed Value of the Tamarack Resort**  
**as a Percent of the Total Assessed Value of Property**  
**within the Jurisdiction of the Taxing Authority**

<u>Taxing Authority</u>	<u>2006 Total Assessed Valuation</u>	<u>Tamarack Resort Property as a Percent of the Total Assessed Valuation</u>
Valley County	\$3,990,896,203	5.16%
McCall-Donnelly Joint School District	\$3,389,941,811	6.08%
Donnelly Rural Fire District	\$1,095,214,204	18.82%
McCall Hospital District	\$3,062,013,483	6.73%
Northlake Sewer District	\$684,578,887	30.10%

Again using the specific information of the 2006 total assessed value of all Tamarack Resort property and 2006 property tax levy rates it is estimated that the McCall-Donnelly Joint School District received \$380,072 in 2006 property tax revenues from Tamarack properties, the Donnelly Rural Fire District received nearly \$99,859, the McCall Hospital District -- \$95,481, and the Northlake Sewer District -- \$29,721 in property tax revenues that can be attributed to the Tamarack Resort. In the case of the Donnelly Rural Fire District and the Northlake Sewer District the assessed value of Tamarack Resort properties accounts for a significant portion of the total assessed value of all properties within their jurisdiction, 18.8 percent and 30.1 percent, respectively.

In addition to the property taxes that are levied on the property within the Tamarack Resort boundaries local government also collects property taxes on the residential property of Tamarack employees residing in Valley County.

The property taxes associated with the residential property owned by the employees of Tamarack would be largely confined to Valley County where the majority of the Resort's employees reside with a smaller proportion allocated to Ada County where it is likely that the majority of Tamarack's Boise staff reside.

In 2006 nearly all of the Tamarack Resort's Valley County employees resided within Valley County – 346 full-time employees and an annual average of 86 part-time employees.

The property tax revenues collected on the homes of the employees of the Tamarack Resort were not specifically enumerated in this study. Nevertheless, a more general estimate of the local property taxes revenues that could be attributed to Tamarack employees was made from available home price information.

At the 2000 U.S. Census benchmark the average value of the owner occupied homes in Idaho's Valley, and Ada Counties was \$ 141,200, and \$167,500, respectively. Real estate sales statistics and residential building permit information from the counties indicate that average value of residential housing had increased by 10.5 percent per year since the second quarter of 2000 (the approximate time of the 2000 Census). This rate of appreciation would bring the value of an average residential home in Valley and Ada counties to nearly \$231,000, and \$275,000, respectively.

The annual average earnings per employee at Tamarack in 2006 was nearly \$43,880, or about \$2,480 more than the inflation adjusted US Census Bureau estimate of the average household income in Valley County of nearly \$41,400 and about \$9,900 (19.2 percent) below the inflation adjusted US Census Bureau estimate of the average household income in Ada County of nearly \$51,800.

Table 14  
**Summary of Economic & Fiscal Impacts: 2007 - 2009**  
**Tamarack Resort Operations & Construction:**

<b>Economic Impacts:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total '07 - '09</b>
<b>Direct Earnings:</b>	\$49,122,900	\$56,862,400	\$70,240,600	\$176,225,900
<b>Secondary Earnings:</b>	31,795,300	36,831,800	45,866,300	114,493,400
<b>Change in Idaho Personal Income:</b>	\$80,918,200	\$93,694,300	\$116,106,900	\$290,719,300
<b><u>State Tax Revenue Impacts</u></b>				
Idaho Personal Income Tax	\$2,027,000	\$2,298,800	\$2,858,800	\$7,184,600
Idaho State Sales Tax	2,425,600	2,808,600	3,480,400	8,714,600
- Sales Tax on Const. Materials	5,035,700	5,888,100	8,079,400	19,003,200
Idaho Corporate Income Tax	346,600	403,200	525,600	1,275,400
Idaho Vehicle License Fees	268,300	309,500	367,700	945,500
Idaho Motor Fuels Tax	262,900	306,000	400,500	969,400
Idaho State Product Taxes	77,300	90,500	125,400	293,200
<b>Total State Tax Revenue Impacts:</b>	\$10,443,400	\$12,104,600	\$15,837,800	\$38,385,900

Table 15  
**Summary of Economic & Fiscal Impacts: 2010 - 2012**  
**Tamarack Resort Operations & Construction:**

<b>Economic Impacts:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total '10 - '12</b>
<b>Direct Earnings:</b>	\$96,559,700	\$74,354,100	\$63,962,400	\$234,876,200
<b>Secondary Earnings:</b>	62,376,200	47,053,000	39,813,100	149,242,300
<b>Change in Idaho Personal Income:</b>	\$158,935,800	\$121,407,100	\$103,775,600	\$384,118,500
<b><u>State Tax Revenue Impacts</u></b>				
Idaho Personal Income Tax	\$3,587,400	\$2,635,500	\$2,181,600	\$8,404,500
Idaho State Sales Tax	4,764,300	3,639,300	3,110,800	11,514,400
- Sales Tax on Const. Materials	9,629,500	5,276,900	3,089,300	17,995,700
Idaho Corporate Income Tax	672,000	444,400	332,700	1,449,100
Idaho Vehicle License Fees	532,300	448,900	412,600	1,393,800
Idaho Motor Fuels Tax	509,200	332,300	245,300	1,086,800
Idaho State Product Taxes	147,500	77,500	42,200	267,200
<b>Total State Tax Revenue Impacts:</b>	\$19,842,200	\$12,854,800	\$9,414,500	\$42,111,500

Using an assumption that the employees of the Tamarack Resort would purchase homes of a value that is in proportion to their income and further assuming that home ownership rates among Tamarack employees are roughly the same as for the county as a whole (78.9 percent in Valley County and 70.7 percent in Ada County at the 2000 Census) we could estimate that approximately 286 Tamarack employees residing in Valley County would be home owners with an average assessed value of \$231,000. In Ada County similar assumptions would bring us to an estimate of 24 Tamarack employees being home owners with an average value of \$275,000.

Using these estimated average residential property values for the residences of Tamarack employees, minus a \$75,000 homeowner's property tax exemption, which is allowed in Idaho for each owner occupied residence, produces an estimated taxable property value of each residence. This resulting taxable value times the average property tax levy in the two counties, times the number of Tamarack employee residences in each county, yields an estimate of the property tax revenues attributable to the residences of Tamarack employees.

Over the past three years 2004-2006 the Tamarack Resort has directly paid nearly \$252,700 in local (Valley County) property taxes. Together with an estimated \$546,000 in residential property taxes associated with the residences of Tamarack's Valley County employees the estimated total direct property tax revenues in the years 2004-2006 that can be attributed to the presence of the Tamarack Resort reach nearly \$800,000. In Ada County the residences of Tamarack employees are estimated to have yielded nearly \$172,200 in property tax revenues to local government taxing authorities over the past three year period.

However, the property tax picture is not over yet. In the past three years the Tamarack Resort has put in place nearly \$225.0 million of construction work. Because of the delays caused by the procedures and proscribed schedule as to when property is included on the tax rolls and subsequently levied a property tax, not all of the construction at Tamarack has shown up on the local property tax rolls nor produced property tax revenues for the affected local taxing authorities. Over the next six years, 2007-2012, Tamarack projects that an additional \$883.3 million in construction activity will take place. It is estimated by Idaho Economics that in the year 2012 just the commercial property alone at the Tamarack Resort could generate close to \$7.261 million annually in local property tax revenues or nearly 40.0 percent of all of the local property taxes collected in Valley County in the year 2005.

### **Other Licenses, Permits, Fees, and Contributions:**

In the years 2004 – 2006 the Tamarack Resort paid nearly \$596.2 thousand in building permit fees and licenses, plus \$4.27 million in contributions to local (Valley County) government entities for infrastructure improvements, and over \$777.6 thousand in contributions to local charitable and public service organizations.

In the future during the next two three year periods (2007 – 2009 and 2010 – 2012) Idaho Economics estimates that Tamarack's ongoing capital construction program will produce nearly \$1.526 million and \$1.390 million in additional building permit fee revenues, respectively. In addition, it is also projected that the Tamarack Resort will pay nearly \$164.5 thousand for various fees and operating licenses during the years 2007 – 2012.

Tamarack is likely to continue its policy of providing contributions to those affected local government entities in an effort to help ameliorate the fiscal impacts or the resort's growth. Idaho Economics projects that the Tamarack Resort will provide nearly \$8.751 million in contributions to those local government entities affected by the resort.

Over the past three years the Tamarack Resort has provided nearly \$777.6 thousand in community or charitable contributions to various groups throughout Southwest Idaho. This ethic of giving back to the community is not likely to cease. Over the future six years (2007 – 2012) Idaho Economics projects that the Tamarack Resort will continue to provide these community and charitable contributions at an approximate annual rate of nearly \$280.0 thousand per year, or a total of \$1.679 million of the six-year period.

In conclusion, over the years 2004 – 2006 the Tamarack Resort has paid \$596.2 thousand for building permits, licenses, and various fees; made nearly \$4.274 million in contributions to local government entities that have been affected by the resort; and has contributed nearly \$777.6 thousand to various community groups or charitable organizations — a total of \$5.648 million.

In the future, during the years 2007 – 2012, Idaho Economics projects that the Tamarack Resort will pay \$3.080 million for additional building permits, licenses, and various fees; make nearly \$8.752 million in additional contributions to local government entities that have been affected by the resort; and provide an additional \$1.678 million in contributions to various community groups or charitable organizations — in total nearly \$13.511 million over the six-year period.

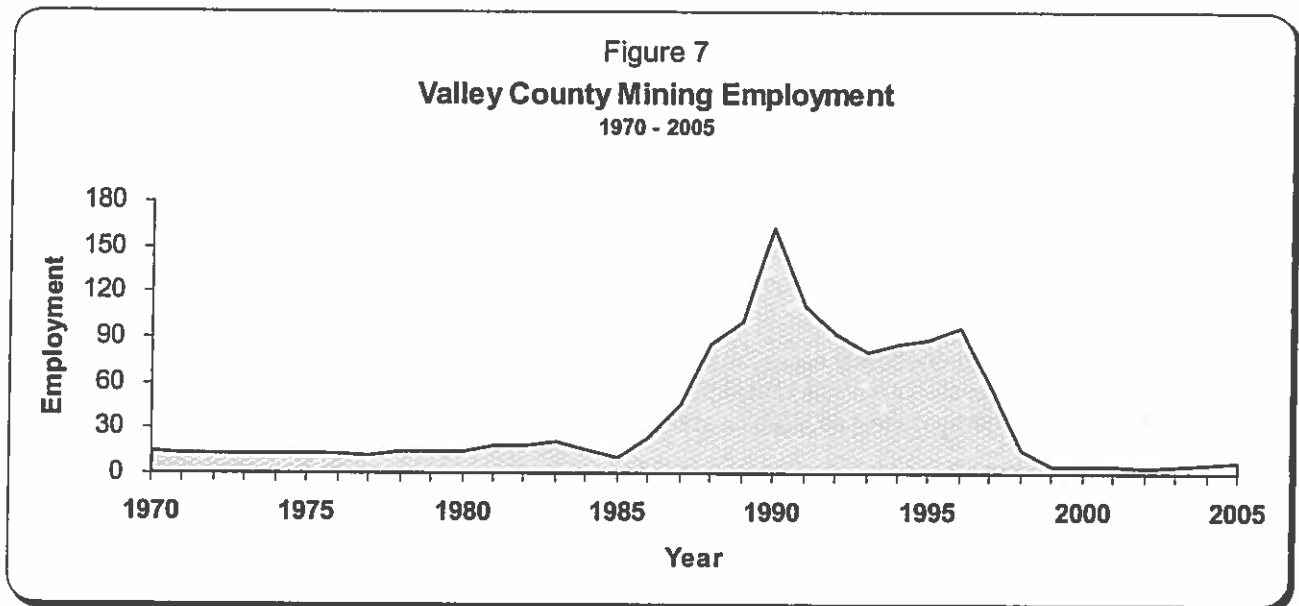
**Tamarack Resort LLC**  
**Economic and Fiscal Impact Analysis**  
**Economic Impacts on Valley County**

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**The Economy of Valley County:**

In the past the economic mainstays of the Valley County economy have been the natural resource industries of timber and mining and tourism.

Mining activity in Valley County, near the communities of Yellow Pine and Stibnite, was very active from the 1920s through the 1950s. Deposits of gold, antimony, and mercury were all exploited. While there have always been varying degrees of interest the minerals of Valley County the mining industry has in recent years not been the economic force that it once was. The Coeur Thunder Mountain mine near Stibnite opened in 1995 and closed in 1990. Hecla Mining carried on gold mining activity near the community of Yellow Pine most recently from 1988 through 1992. Pioneer Mining, and then Pegasus Mining, and later MinVen (another mining company) operated the heap leach gold mine near Stibnite from 1986 through 1996. Since 1998 the mining industry has not been a significant source of the economic activity in Valley County.



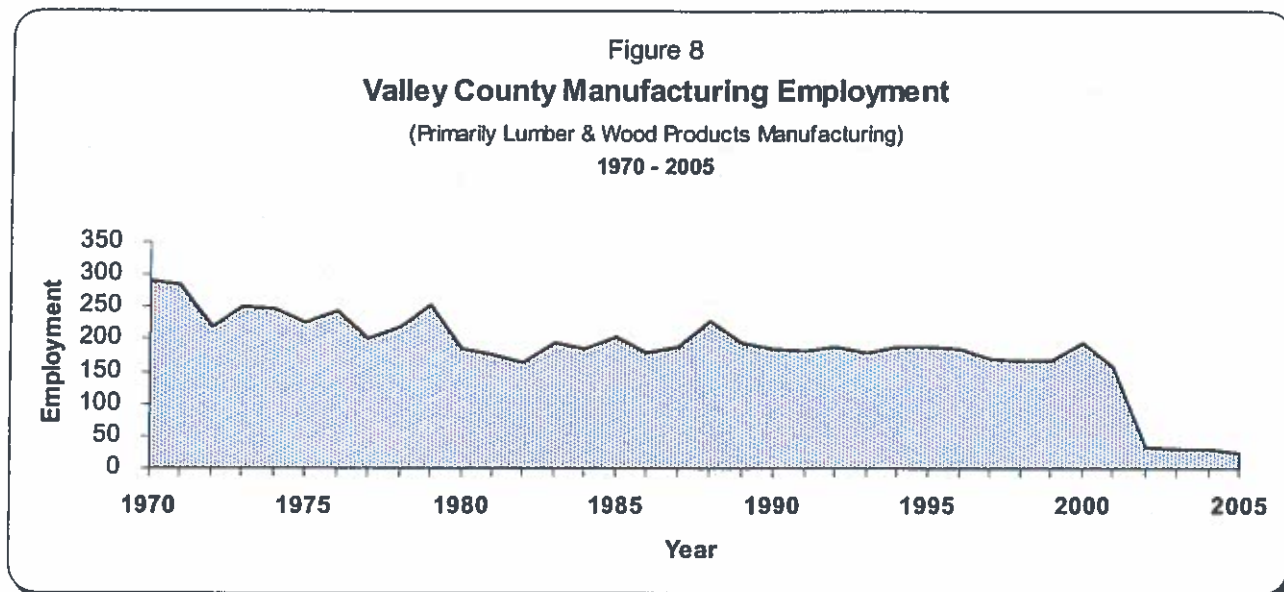
Similarly, the timber industry has nearly faded away as an economic influence in Valley County.

Timber harvesting and lumber production operations had been, until recently, one of the traditional underpinnings of the Valley County economy. However, because of the uncertainty of future access to federal forest lands for harvesting timber, increasing stumpage prices for that raw timber, and because of increasing economic pressure on the industry from imported wood products the lumber industry has nearly disappeared as an economic force in Valley County.

Within the last ten years the first omen of the progressive disappearance of lumber industry employment in Valley County was the closure of the Boise Cascade mill in Council, Idaho (in Adams County) in 1996. Later, Boise Cascade closed its Boise County Horseshoe Bend lumber mill in 1999.

Boise Cascade's lumber mill in Cascade had been modernized only a few years earlier to enable it process smaller dimension logs. Further, Boise Cascade's much larger Emmett, Idaho plywood plant and lumber mill was still in operation, so some persons held out hope that the last remaining lumber processing facilities in Valley County (at Cascade) and Gem County (at Emmett) could be spared.

It was not to be. Both facilities closed in 2001. The dismantling of Boise Cascade's Cascade lumber mill forced the realization on almost everyone that the lumber industry in Valley County may be permanently lost.



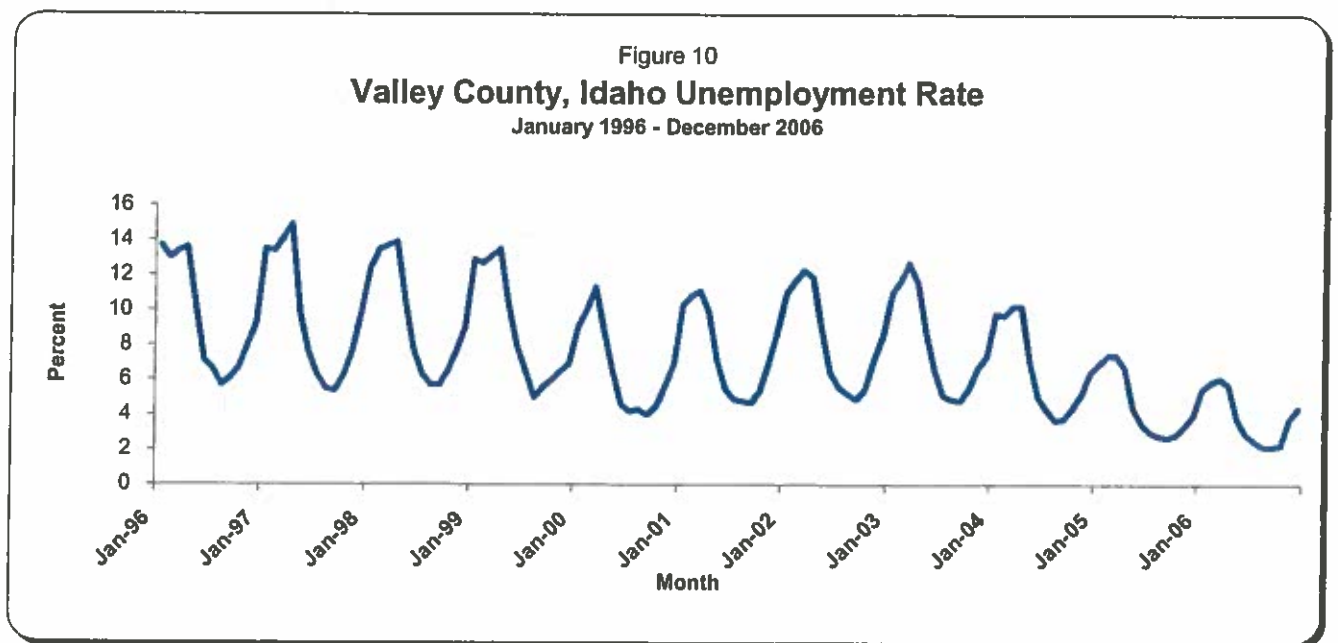
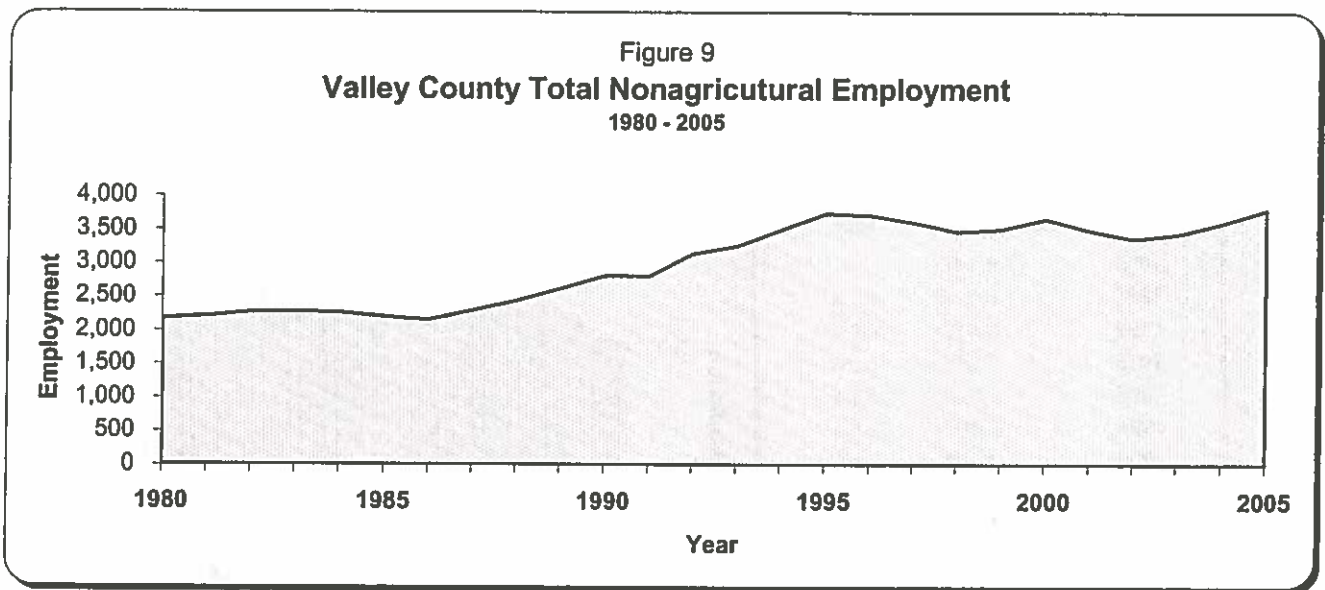
To add further to the bad economic news in Valley County the federal government cutback its employment at nearly same time as the closure of the last lumber mill in the county. In total federal government employment in the county has declined by nearly 75 jobs, or about 21.9 percent, over the past ten years (1996 – 2006).

Prospects for employment were not bright in Valley County. In the seven years prior to the economic stimulus from the establishment of the Tamarack Resort (1995 – 2002) total nonagricultural employment in Valley County decreased by nearly 380 jobs, an annual average decrease of 1.3 percent per year, or, in total, about 11.2 percent of the County's 1995 total non-ag employment.

During the same time period (1995-2002), total nonagricultural employment in Idaho increased at an annual average rate of 2.2 percent, adding 135,200 new jobs to the State's employment rolls.

The unemployment rates in Valley County were not the highest in the State. Nevertheless, with an annual average unemployment rate of 9.4 percent in the years 1996, 1997, and 1998 they were the exception in a state that was as one of the fastest growing states in the nation.

And because of the seasonal nature of so many industries and activities in Valley County the winter months would be exceptionally bad months in terms of the number of unemployed. In the months of January – April 1996 the unemployment rate rose to an average 13.4 percent for the four month period. In 1997 and 1998, the average unemployment rate for the same four months averaged 14.0 and 13.7 percent, respectively. Nearly one person out of every seven persons in the Valley County labor force was unemployed during the winter and early-spring months of 1996 – 1998.



Monthly unemployment rates, the number of persons employment and unemployed, and the number of persons in the Valley County labor force are detailed for the period January 1996 through December 2006 at the end of this document in Appendix A.

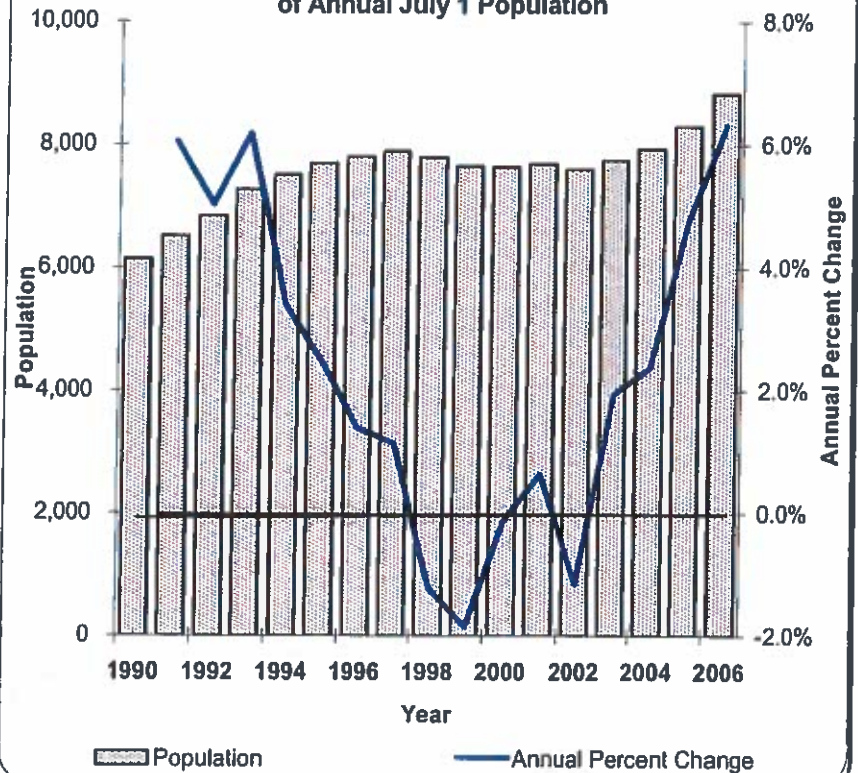
Population statistics indicate that the lack of employment opportunities in Valley County became an untenable situation for some. The US Census Bureau's estimates of the mid-year (July 1) population in Valley County show a loss in county population in the years 1998, 1999, 2000, and 2001. These figures are shown in Table 16 and Figure 11, below.

Table 16  
 US Census Bureau  
 July 1 Population  
 Valley County, Idaho  
 1990 - 2006

Year	July 1 Population	Ann. Pct. Chg.
1990	6,142	
1991	6,514	6.1%
1992	6,842	5.0%
1993	7,265	6.2%
1994	7,512	3.4%
1995	7,697	2.5%
1996	7,804	1.4%
1997	7,893	1.1%
1998	7,796	-1.2%
1999	7,652	-1.8%
2000	7,642	-0.1%
2001	7,691	0.6%
2002	7,603	-1.1%
2003	7,751	1.9%
2004	7,935	2.4%
2005	8,310	4.7%
2006	8,836	6.3%

Source: US Census Bureau,  
[www.census.gov/popest/counties/tables](http://www.census.gov/popest/counties/tables)

Figure 11  
 Valley County Population: 1990 - 2006  
 US Census Bureau Estimates  
 of Annual July 1 Population



According to the Census Bureau's estimates the population of Valley County declined by 3.7 percent, about 290 persons, between 1997 and 2002.

This same trend can be seen in the McCall-Donnelly and Cascade school district's annual fall enrollment figures. (See Table 17 and Figure 12 on the following page.) From the 1996-1997 school year to the fall of the 2003-2004 school year the McCall-Donnelly and Cascade School Districts saw their annual fall enrollment figures slip by nearly 297 students (a 22.0 percent decrease) and 90 students (a 17.6 percent decrease), respectively.

The fact that decline in the school enrollment figures is larger than the decline in the Census Bureau's population figures may be a strong indication that those Valley County families with school age children may have been the most affected by the economic slowdown in the Valley County economy. In contrast, it should follow that retired persons residing in Valley County would potentially be the least affected by poor local economic conditions and would also be the least likely to seek job opportunities elsewhere. Unfortunately, this latter conclusion may not be quantifiable until the results of the 2010 Census are available.

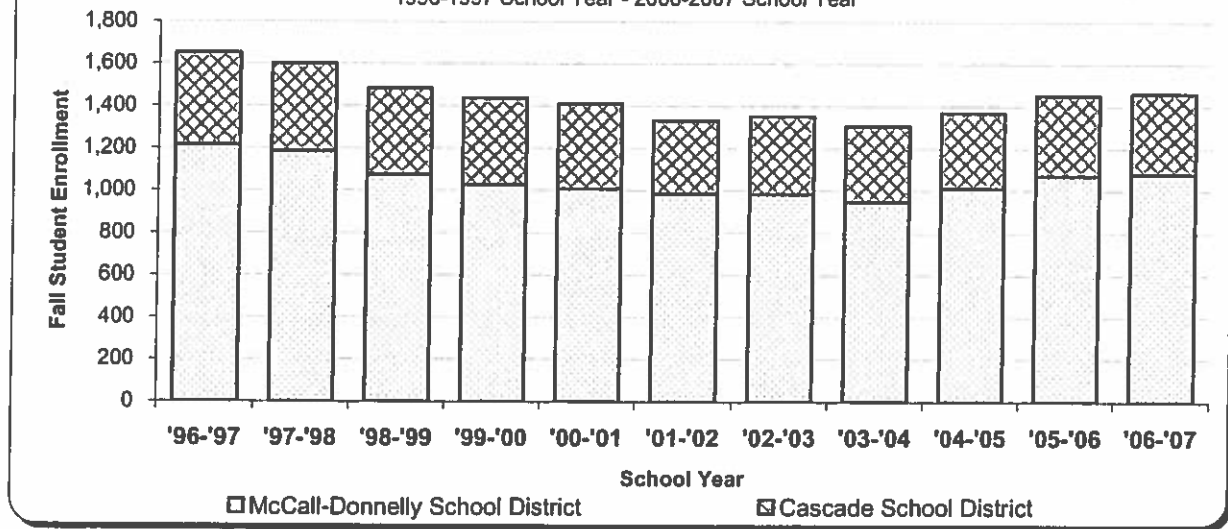
### The Valley County Economy with the Tamarack Resort:

The economic activity generated by the Tamarack Resort has turned the Valley County economy around. In the last three years (2004 – 2006) total employment in Valley County has increased by nearly 1,284 jobs. In comparison, in the 7 years prior to Tamarack's presence the Valley County economy only had one year in which it posted an overall gain in employment (19 jobs in 1997) and lost 182 jobs over the seven year period.

Table 17  
**Valley County Public School Enrollment**  
 1996-1997 School Year - 2006-2007 School Year

School Year	Fall Enrollment			Average Daily Attendance		
	McCall-Donnelly Jt. School District #421	Cascade School District #422	Total	McCall-Donnelly Jt. School District #421	Cascade School District #422	Total
'96-'97	1,216	437	1,653	1,132	391	1,523
'97-'98	1,187	415	1,602	1,072	386	1,458
'98-'99	1,078	406	1,484	1,002	375	1,377
'99-'00	1,029	410	1,439	966	386	1,352
'00-'01	1,009	405	1,414	927	374	1,301
'01-'02	987	347	1,334	923	320	1,243
'02-'03	985	369	1,354	919	344	1,263
'03-'04	949	360	1,309	899	335	1,234
'04-'05	1,012	359	1,371	942	331	1,273
'05-'06	1,074	381	1,455	na	na	na
'06-'07	1,084	379	1,463	na	na	na

Figure 12  
**Valley County Public Schools: Fall Enrollment**  
 1996-1997 School Year - 2006-2007 School Year



Nevertheless, there are some that have objections. Property values have risen and with them property taxes. The mix of retail trade customers for many businesses has changed in nature and type. There seems to be very little labor available to fill vacant or seasonal positions in Valley County businesses. "They (Tamarack) have taken way the labor force."

Starting with the last point above, the facts are quite the contrary. In 2006 there were, on average, 5,169 persons in the Valley County labor force, the highest level that it has been within the last ten years. And, in addition, the total number of persons that were employed in Valley County in 2006 was also the highest that it has been within the last ten years. The labor force has increased and the number of persons employed in Valley County is at its all time high.

What the economic activity associated with the Tamarack Resort has taken away is Valley County's double-digit rates of unemployment. In 2006 the annual average unemployment rate in Valley County was 3.9 percent. And the unemployment rate during those "peak" months of January through April of each year only averaged 5.8 percent in 2006. It is a far cry from the 14.0 percent unemployment rate during the winter months of 1997.

Not only has the economic activity associated with Tamarack raised the number of jobs and lower the number of unemployed in Valley County, it has also dampened the seasonality of the unemployment in the County.

This can be seen from the standard deviation (a statistical measure of variability, the lower the standard deviation the less variability) of the monthly number of unemployed persons in Valley County. Ten years ago the standard deviation of the monthly number of unemployed persons in Valley County averaged 125.6. Over the last three years (2004 – 2006) the standard deviation in the monthly number of Valley County unemployed is down to 78.9. In other words, the difference between the annual peak number of unemployed and the annual minimum number of unemployed in Valley County has fallen from an average of 354 persons in 1997, 1998, and 1999 to an average of 208 persons in the last three years (2004 – 2006). For many Valley County workers the winters may not be as harsh as they were.

Valley County's lower rates of unemployment have not only been a benefit to those residing or working in Valley County. A smaller number of unemployed in Valley County has meant that the State of Idaho has not paid out nearly as much in unemployment insurance compensation as it would have otherwise. From Table 18 below, it can be seen that the total number of week for which unemployment insurance was claimed has decreased steadily from its 2002 peak level of 10,404 to its lowest level in the past twelve years. Furthermore, since 2003 State of Idaho unemployment insurance payments to Valley County workers have declined dramatically producing over the past three years a total savings in unemployment compensation to Valley County workers of \$3.02 million when compared to the unemployment compensation payout levels of 2003.

**Table 18**  
**Valley County, Idaho**  
**State of Idaho**  
**Unemployment Insurance Compensation:**  
**Weeks Claimed and Dollars Paid**  
**1994 - 2005**

<u>Year</u>	<u>Weeks for which Unemployment Insurance was Claimed</u>	<u>Unemployment Insurance Dollars Paid</u>
1994	7,548	\$1,290,100
1995	8,362	\$1,491,700
1996	8,619	\$1,516,500
1997	8,507	\$1,550,100
1998	8,196	\$1,534,500
1999	7,423	\$1,464,700
2000	6,650	\$1,376,700
2001	8,526	\$1,885,200
2002	10,404	\$2,361,200
2003	9,503	\$2,064,200
2004	6,875	\$1,570,100
2005	6,882	\$1,507,300
2006	5,116	\$987,100

Source: Idaho Dept. of Commerce and Labor: Valley County Unemployment Insurance Data, Jan. 2006; Valley County Work Force Trends, Jan. 2007

Not only has the number of jobs increased in Valley County, but the average annual wage for those jobs has also increased. Table 19 below shows the annual total of wage and salary disbursements to Valley County residents and the average wage per Valley County job for the years 2000 – 2005. Over the years 2000 – 2003, prior to Tamarack, the average wage per job in Valley County increased at the modest annual average rate of 1.7 percent per year. At the same time the annual average increase in consumer prices (as measured by the US Consumer Price Index) increased at a 2.6 percent annual rate and Valley County residents saw their purchasing power decline by 0.7 percent per year because their wages were not keeping up with inflation.

In 2004 and 2005 the establishment of the Tamarack Resort and its capital construction program pushed total wage and salary disbursements to Valley County workers up by 16.9 percent in 2004 and by a further 21.0 percent in 2005. The average wage per job in the County also surged with the establishment of Tamarack – up 9.1 percent in 2004 and 8.0 percent in 2005.

**Table 19**  
**Valley County, Idaho**  
**Average Wage per Job & Annual**  
**Total Wage & Salary Disbursements**  
**2000 - 2005**

<u>Year</u>	<u>Average Wage per Job</u>	<u>Total Wage &amp; Salary Disbursements</u>
2000	21,314	79,630,000
2001	21,552	82,049,000
2002	22,122	83,907,000
2003	22,446	87,137,000
2004	24,488	101,896,000
2005	26,449	123,303,000

Source: US Dept. of Commerce, Bureau of Economic Analysis, Regional Income Statistics, Idaho, Valley County, Table CA35

Table 20 below provides a further delineation of the average wage per job in Valley County with a breakout by industry for the years 1995, 2004, and 2005. It can be clearly seen in this table that the Leisure and Hospitality Service Industry category posted the strongest annual average gains of any of the industries shown below over the 1994 – 2005 ten-year period.

Table 20  
**Valley County, Idaho**  
**Average Annual Wages Per Job by Industry**  
**1995, 2004, & 2005**

<u>Industry</u>	<u>Average Annual Wages</u>			<u>Ann. Avg. Pct. Chg. '95 - '05</u>
	<u>1995</u>	<u>2004</u>	<u>2005</u>	
<b><u>Average Annual Wages: Total</u></b>	\$17,597	\$23,524	\$26,194	4.1%
<b>Agriculture</b>	18,350	17,957	20,064	0.9%
<b>Construction</b>	16,650	24,088	26,304	4.7%
<b>Manufacturing</b>	28,863	22,161	25,003	-1.4%
<b>Trade, Transportation, &amp; Utilities</b>	14,564	19,649	21,768	4.1%
<b>Information</b>	31,739	45,396	45,044	3.6%
<b>Financial Activities</b>	20,076	25,241	29,302	3.9%
<b>Professional &amp; Business Services</b>	26,284	26,591	28,874	0.9%
<b>Educational &amp; Health Services</b>	16,720	29,720	30,752	6.3%
<b>Leisure &amp; Hospitality</b>	8,400	12,854	20,323	9.2%
<b>Other Services</b>	12,260	15,456	17,621	3.7%
<b>Government</b>	18,991	25,378	25,955	3.2%

Source: Idaho Dept. of Commerce and Labor: Valley County Work Force Trends, January 2008

For many small businesses in Valley County the ability to attract an adequate labor force has meant that they have had to increase wages. However, this perceived burden of an increase in the cost of doing business is only part of the story.

The increased level of economic activity that has occurred in Valley County with the establishment of the Tamarack Resort has brought with it an increase in the volume of local business activity. In Table 21, below, details the Idaho State Tax Commission's statistics on retail sales in Valley County that are taxable under Idaho's general sales and use tax for the years 2004, 2005, and 2006. From those statistics it can be seen that taxable retail sales in Valley County increased dramatically in 2005 and 2006 with annual increases of 18.1 percent in 2005 and 10.4 percent in 2006. Valley County taxable retail sales have increased by a remarkable 30.4 percent in the first two years after the opening of the Tamarack Resort.

Table 21  
**Valley County, Idaho**  
**Taxable Retail Sales**  
**2004 - 2006**

	<u>Taxable Sales</u>	<u>Annual Percent Change</u>
<b>2004</b>	\$85,588,100	
<b>2005</b>	101,099,800	18.1%
<b>2006</b>	111,625,300	10.4%

Source: Idaho State Tax Commission, Sales and Use Tax Reports, Monthly Reports January 2004 - December 2006

Prior to the start of construction at the Tamarack Resort many in the area expressed concerns that the County would experience an increase in population that would, in turn, overwhelm the County's two school districts with an influx of new students. To date that has not occurred.

School District fall enrollment figures for the school years 1996-1997 through 2006-2007 show that fall enrollment in the McCall-Donnelly School District and the Cascade School District declined by a total of 344 students (a decrease of nearly 20.8 percent) from the levels the districts experienced in the '96-'97 school year when compared to the fall enrollment in the '03-'04 school year.

Over the last three years, the '05-'05 school year through the '06-'07 school year, the fall enrollment figures for the two districts have increased. However, they remain nearly 190 students (11.5 percent) below the levels that the school districts experienced in the '96-'97 school year.

### **Commercial and Residential Construction Activity in Valley County:**

The economic activity generated by the Tamarack Resort has spurred construction activity in Valley County. In the years immediately prior to Tamarack's impact on Valley County (1999 – 2003) the total value of commercial and residential construction for which building permits were issued averaged \$34.3 million per year, or a total of \$171.3 million over the five year period. Residential construction captured the lion's share of the value of that construction in Valley County over the 5-year period (72.0 percent) with building permits issued for nearly \$123.3 million in residential housing. The value of commercial building construction in Valley County during the years 1999 – 2003 averaged \$9.6 million per year and totaled \$48.0 million.

Since 2004 the construction activity associated with the establishment of the Tamarack Resort has caused a notable increase in construction activity in Valley County. The value of residential construction in the county during the latest three years (2004 – 2006) has averaged \$133.5 million per year – a total value of \$400.6 million. Commercial building construction has also increased dramatically. The total value of commercial building permits issued in Valley County over the years 2004 – 2006 was nearly \$177.8 million, an average of \$59.3 million per year.

This recent surge in construction activity associated with the Tamarack Resort and the economic activity that it has generated may have allowed Valley County to avoid the nationwide downturn in residential construction activity that occurred in 2006. Nationally, the number of residential housing units permitted in 2006 was off nearly 14.8 percent with the value of that housing down 12.0 percent. The State of Idaho experienced the same economic trends. The number of residential housing permitted in Idaho during 2006 slipped 18.4 percent from 2005 levels. The total value of residential housing permitted in Idaho during 2006 was off 12.0 percent. This was not the case in Valley County.

Because of strong economic activity in the Valley County during 2006 residential construction activity posted a modest 3.6 percent gain over 2005 levels. A growing economy has a greater capacity to minimize and at times avoid the pitfalls of an economic downturn. Valley County may have dodged another economic slowdown because of the strength that the Tamarack Resort has created.

Figure 13  
**Valley County: Value of Commercial & Residential Building Permits Issued**  
 1999 - 2006

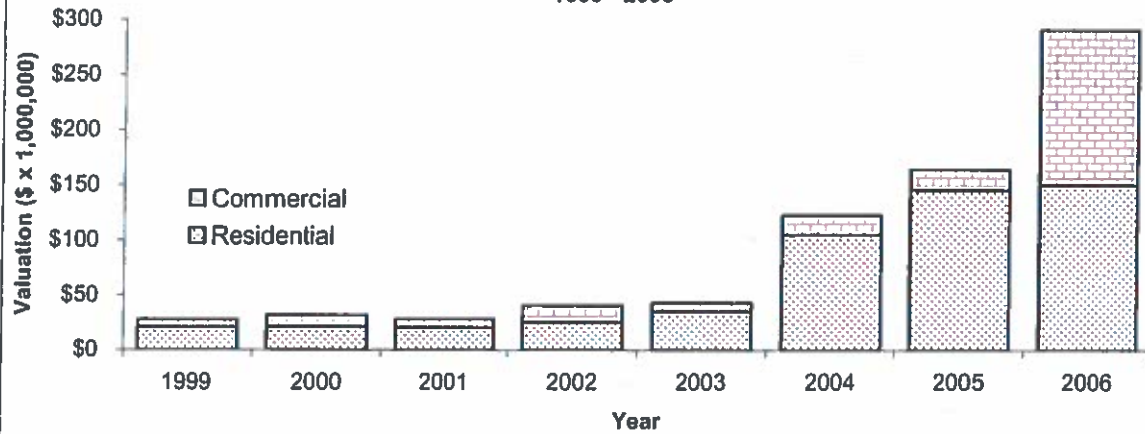
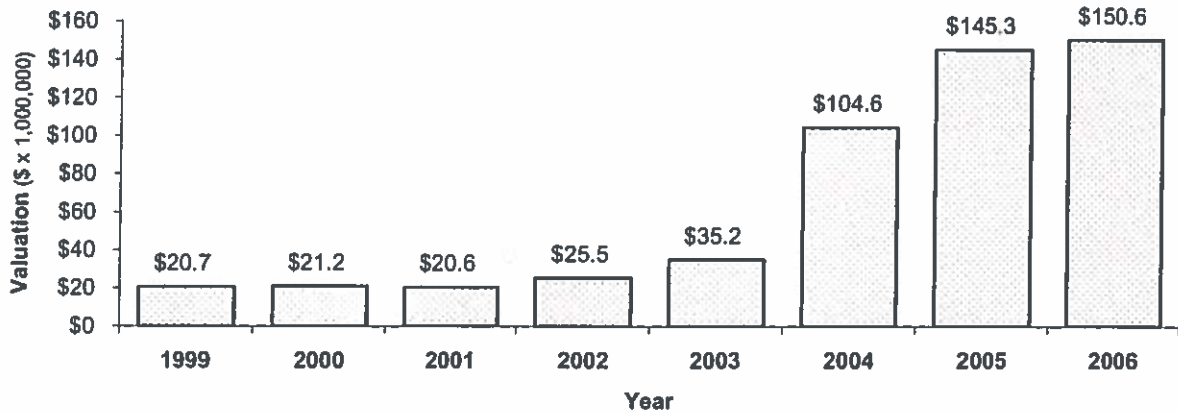


Table 22  
**Valley County: Value of Commercial & Residential Building Permits Issued**  
 1999 - 2006  
 (\$ x 1,000,000)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Commercial	\$6.9	\$10.7	\$7.6	\$15.0	\$7.9	\$17.9	\$19.2	\$140.7
Residential	20.7	21.2	20.6	25.5	35.2	104.6	145.3	150.6
Total	\$27.6	\$31.8	\$28.3	\$40.5	\$43.1	\$122.5	\$164.5	\$291.3

Source: Wells Fargo Bank, *Idaho Construction Reports*

Figure 14  
**Valley County: Value of Residential Building Permits Issued**  
 1999 - 2006



# Tamarack Resort LLC

## Economic and Fiscal Impact Analysis

### Overview of the Tamarack Resort

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#### Company Overview

The sole business of the Company is the development and operation of the Resort, which is a spectacular, upscale master-planned 3,608 acre residential, commercial and recreational community in Donnelly, Idaho, approximately 90 miles north of Boise. The Resort appeals primarily to wealthy vacation and second home buyers. Because of its unique location, Tamarack offers world-class skiing but also shorter seasonal transition periods – spring comes sooner at Tamarack (with a base altitude under 5,000 feet) than at most mountain communities and autumn lasts longer. These unique seasonal patterns enable rapid transition from skiing to boating on Lake Cascade and golfing at Tamarack's award-winning Osprey Meadows Golf Course. Also, summer in Tamarack is warm and comparatively dry for the Rocky Mountain region, giving residents and guests excellent access to all outdoor activities. Tamarack Resort is a four-season resort whose mountain, meadow and lake offerings are all located in extremely close proximity to each other. The Resort is fully entitled for the development of 2,043 dwelling units and currently includes the following assets:

- ▶ **Residential Development:** Tamarack is entitled to development 2,029 remaining units, including units developed by third parties, for the projected period Q4 2006 through 2012.
  - Homesites range from estate lots and homes (averaging over ½ acre and 5,000 square feet, respectively) to condominiums and smaller homes (ranging in size from approximately 550 to 2,800 square feet).
  - Tamarack's mix of lots and vertical units is the result of the Company's carefully calculated development strategy for the Resort. The Company builds vertical products in order to expedite overall development, exercise quality control, give potential homebuyers a more compelling vision of the project and infuse a sense of life into the Resort.
  - Tamarack has a policy of presales before building vertical products, and in most cases, its detached homes are sold with a land contract assessed upfront coupled with a building contract.
  - Substantially all of Tamarack-built vertical products are contracted with third-party general contractors under a guaranteed maximum price (GMP).
  - Tamarack's real estate offerings can be classified into four main categories:
    - *Cabins:* Tamarack offers three types of cabins. Cottages are built as single family detached homes approximately 1,250 square feet in size. Chalets have more generous floorplans of approximately 2,250 to 2,800 square feet and offer greater flexibility for customization. Lastly, Townhomes range in size from approximately 950 to 1,800 square feet.
    - *Condominiums:* Much of the Tamarack's density comes from its condo and condo hotel units, which are located primarily near the base of Tamarack Mountain in the Village. These units will provide easy access to all the amenities of the Resort, including Village restaurants and shops, the ski slopes, golf course and Lake Cascade.
    - *Lots:* Estate Lots and Custom Chalet Lots are sold individually for the construction of custom homes. Lot sales help regulate and lower construction costs, and provide buyers with heightened flexibility in the positioning, design and decoration of their primary vacation or second home.
    - *Pads:* Tamarack will engage in limited sale of village pads for the development of specific, well-defined, high end projects. Like the residential lots, Tamarack's pad sales help mitigate vertical construction risk

and allow outside developers to build, operate and sell condominiums, hotels, condo hotels and commercial spaces in the Village.

- ▶ **Ski Resort:** Situated on Tamarack Mountain, Tamarack Resort currently provides semi-private access to approximately 1,100 skiable acres (approximately 1,360 upon buildout) on dozens of uncrowded trails, currently accessed by seven chairlifts (10 upon full buildout).
  - The mountain is currently limited to 1,500 visitors per day (although Tamarack Club members and lodging guests are never refused access), so skiers enjoy very short lift-lines and minimal on-mountain traffic.
  - The Resort uses modern grooming equipment to create some of the best groomed terrain in the industry, and the ski mountain's diverse terrain (18% novice, 55% intermediate and 27% advanced) engages skiers of all abilities.
  - Tamarack was recently permitted to offer backcountry guided skiing, providing access to over 5,000 additional acres of ski terrain.
- ▶ **Osprey Meadows:** The Robert Trent Jones II-designed 18-hole Championship golf course was completed in the fourth quarter of 2005. Jones has earned a reputation with players and the media as one of the premier designers in golf.
  - The course lies at an average elevation of 5,000 feet, is 7,400+ yards in length and rivals any course in the U.S. for sheer beauty and playability. The course features a challenging, 400-acre layout and natural, varied terrain.
  - The course includes a members' clubhouse inside the 89,000 square foot Lodge at Osprey Meadows, located behind the 18th green.
  - *Golf Digest* recently named Osprey Meadows Golf Course as "America's Best New Public Course \$75 and Over" for 2006, and *Golf Magazine* recognized Osprey Meadows as being among the "Top 10 New Courses You Can Play." These accolades from the top two U.S. golf publications solidify Tamarack's status as a premier golf destination.
- ▶ **Lodge at Osprey Meadows:** A luxurious, full-service mountain lodge situated between the ski hill and golf course, which includes 41 condo-hotel units, gourmet dining, spa and salon facilities, fitness center, club facilities, pool, hot tubs and business center.
  - The units in the Lodge at Osprey Meadows range from studio layouts to three bedroom lock-off arrangements to loft penthouses. Units range in size from around 390 to 435 square feet for condo hotel and studio units to 2,359 square feet for a two-story luxury penthouse suite.

▶ **Current Projects:**

**Village Plaza** - The commercial core of the second phase of Tamarack Village. The Village Plaza will consist of 35,688 square feet of shops, restaurants, boutiques, galleries and resort services, over 20,000 square feet of Tamarack Resort commercial space and 129 residential condominiums.

- Village Plaza construction is approximately one-sixth complete with the majority of concrete already poured. Construction is expected to be completed in 2008.
  - **Fairmont Hotel** - The hotel is expected to feature 293 condo-hotel units, 43 fractional ownership units and an additional 58 Private Residences on the ski mountain along Whitewater Ridge. Developed by Andre Agassi and Stefanie Graf through Agassi Graf Development, LLC, along with Bayview Financial L.P., the luxury hotel and residences will be managed by Fairmont Hotels & Resorts. Construction is scheduled to begin in 2007 and finish in 2010.
- ▶ **Other Amenities:** A 15,000-square foot meeting facility featuring a chapel and meeting rooms (including a 300 guest ballroom), a lake access point for watercraft, a license and bait shop, a mountain base area featuring restaurants and bars, a coffee shop, rental and retail shops, a children's center, a specialty food market and a medical clinic.

Since commencing operations in January 2004, Tamarack has sold 175 units and 192 lots for total cash receipts of \$177.8 million as of September 6, 2006. Tamarack believes this strong historical track record,

coupled with the substantial investment in the resort to date (sourced from current equity holders, reinvestment of profits and a \$250 million bank debt financing completed in May 2006) should assist the Resort to augment unit pricing and enhance profitability in the future releases of its 2,029 remaining total units. The total net value of Tamarack's real estate is approximately \$759 million, according to a September 2006 appraisal by Cushman & Wakefield.

### **Additional Amenities and Services**

Tamarack's lake offerings are centered about Lake Cascade, a 26,000+ acre body of water with 86 miles of shoreline and ideal for fishing, water skiing, wakeboarding, kayaking, swimming and wildlife-watching. The home of 3 nationally preserved bird sanctuaries, Lake Cascade also provides warm water temperatures in summer, making it an inviting place for watersports. A new beachfront cabana provides fishing licenses, bait and tackle and food and beverage services. The cabana also provides rentals of sailing boats, kayaks, fishing boats and pontoon boats.

The Resort is located at the edge of the Frank Church – River of No Return Wilderness, the largest wilderness area (measuring 2.4 million acres) in the lower 48 states, which gives residents unparalleled access to features such as pristine multi-day hikes outfitted with pack animals and excellent hunting. In addition, Tamarack has acquired a rafting outfitter business providing exciting day and overnight adventures.

Property owners at the Resort benefit from enhanced opportunities and services. A Sport membership in the Club at Tamarack is included in a home purchase, and Full memberships are offered solely to property owners at the Resort. Among other things, the Club at Tamarack provides unlimited access to the ski resort and The Lodge at Osprey Meadows, greater flexibility with tee time reservations, discounts at Village restaurants and shops and access to special Club outings. These special outings are part of the Discovery program, which provides residents of the resort with exciting, guided trips through the surrounding Idaho wilderness that may involve rafting, backcountry skiing, hunting or fishing.

Homeowners at the Resort have the option to participate in Tamarack's rental management program, in which the Resort agrees to market, rent out and maintain units in return for an approximately 50 / 50 split in rental revenues. This program allows property owners to rent out their property when not in use, providing a structured and secure way to recoup a portion of their investment. The Resort maintains an inventory of high quality, standard furniture and equipment (e.g. TVs, dishes, etc.) that is offered with built products (cabins, condominiums) and is used to replace defective or broken equipment. This ensures quality and consistency and makes replacement simple and flexible. In addition to the amenities currently offered, the following amenities will be offered over the coming years:

Future Amenities	
▶ 260 additional skiable acres and 3 new chairlifts	▶ Marina at Lake Cascade
▶ Full service mid-mountain restaurant (currently under construction)	▶ Tennis Courts
▶ Executive 9-hole par-3 golf course	▶ Tennis Academy
▶ Additional 18-hole golf course	▶ Movie Theatre in the Village
▶ Golf Academy Building	▶ 241,000 sf of commercial space (boutiques and restaurants)
▶ Soccer fields	▶ Extensive additional nordic and bike trails