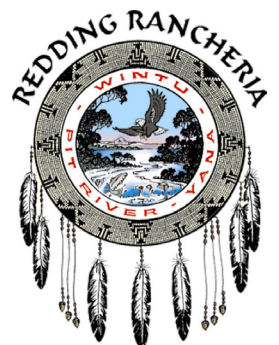




REDDING RANCHERIA

IMPACT ANALYSIS



ABOUT BEACON



Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Leveraging unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis required to understand the significance of on-the-ground realities and to make informed business and policy decisions.

Practice Areas:

- Economic, Fiscal and Social Impact Analysis.
- Economic and Revenue Forecasting.
- Regional and Sub-Regional Analysis.
- Housing, Land Use and Real Estate Advisory.
- Litigation and Testimony.
- Sustainable Growth and Development.

EXPERTISE IN ECONOMIC IMPACT ANALYSIS

Since 2011, Beacon Economics has conducted multiple comprehensive analyses that have provided reliable and quantifiable data about the economic impacts generated by various developments, universities, and tribes, including the California Nations Indian Gaming Association and a study on welfare measures for the Rincon Band of Luiseño Indians. Beacon Economics has also analyzed economic impacts for UCLA, the 2024 Olympic Games, and the Toyota Grand Prix of Long Beach. The analyses evaluate major economic impacts associated with these entities and evaluate their fiscal effects on national, state, and local governments. By combining sampling methods, financial data, surveys, and other available economic resources with current frameworks for studying economic impacts, Beacon Economics estimates the economic activity generated in the local and broader economy by studying the spending of entities and other participants in the affected region.

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INTRODUCTION

Tribal communities play an integral role in California's economy. In a previous report of CNIGA's statewide impact, Beacon Economics found that tribal communities supported 84,000 jobs and generated \$11.1 billion in economic output in 2014. Tribal gaming activities accounted for most of the impact, which supported 63,000 jobs and generated \$7.8 billion in economic output across California in 2014.

Redding Rancheria is a federally recognized Indian tribe located in Shasta County, California. Redding Rancheria's Tribe is unique in that it is home to the descendants of three tribes: the Pit-River, Wintu, and Yana. The Tribe is an epicenter of American Indian culture and tradition and home base to a number of locally respected health facilities.

Redding Rancheria supports many types of businesses and organizations, including stores, health care services, and government operations. Redding Rancheria also manages the Win-River Resort & Casino¹, which directly employed 411 people in 2018.

Redding Rancheria and its Casino have provided substantial impacts to local and regional economies. This report analyzes the impact of Redding Rancheria and its Casino on the economies of Shasta County, the 1st Congressional District, and California, and highlights their significant economic, fiscal, and social contributions to these regions in 2018. In short, Redding Rancheria and its Casino generated tremendous economic activity, supported many full-time jobs, and produced significant tax revenue to support state, regional, and local government activities.

KEY FINDINGS

In 2018, Redding Rancheria and its Win-River Resort & Casino:

- Contributed **\$295.3 million** in economic output across California, of which **\$259.8 million** was generated throughout the 1st Congressional District. **\$255.6 million** was generated in Shasta County alone.
- Supported **2,086 jobs** across California, of which **1,948** were supported in the 1st Congressional District. **1,921 jobs** were supported in Shasta County alone.
- Generated **\$109.3 million** in labor income across California, of which **\$96.9 million** was generated in the 1st Congressional District. **\$95.5 million** was generated in Shasta County alone.
- Generated **\$12.9 million** in tax revenue, of which **\$11.0 million** was generated in the 1st Congressional District. **\$10.7 million** was generated in Shasta County alone.

¹ Hereafter referred to as the Casino



METHODOLOGY AND DATA COLLECTION

For this report, Beacon Economics used operational and capital expenditure data from Redding Rancheria and its Casino to conduct regional impact analyses. Impact studies assume that any increase in spending has three effects: a direct effect, an indirect effect, and an induced effect.

- A **direct effect** is the output of goods or services resulting from immediate spending associated with Redding Rancheria and its Casino. This spending includes operational and capital expenditures.
- An **indirect effect** is the additional output of goods or services generated by Redding Rancheria's supply chain. That is, the effect used to support the outputs produced by the direct effect.
- As businesses increase productivity from the direct and indirect effects, their payroll expenditures grow by hiring more employees or increasing salaries. Subsequently, household spending patterns expand. These new personal market transactions, generating additional outputs of goods or services, are known as the **induced effect**.

Using the IMPLAN modeling system, Beacon Economics estimated the direct, indirect, and induced economic impacts that these expenditures had on Shasta County, the 1st Congressional District, and California in 2018².

$$\text{Direct} + \text{Indirect} + \text{Induced} = \text{Total Impact}$$

² For details on the IMPLAN modeling system, please see the Appendix.

EXPENDITURES

Beacon Economics analyzed local spending from Redding Rancheria and its Casino to estimate the economic and fiscal impact that these entities have on the State, County, and Congressional District. Specifically, spending by Redding Rancheria and its Casino on operations and capital expenditures in 2018 are considered to be the direct impact, which then create the indirect and induced impacts.

Redding Rancheria's expenditures are those from the Redding Rancheria Economic Development Corp. (RREDCO) and those from the remaining tribal organizations and businesses (Tribal operational expenditures), including three health care facilities.³ Casino expenditures are from the Win-River Resort & Casino.

TRIBAL OPERATIONAL EXPENDITURES IN 2018:

Category	Operating Expenses (\$, Mil.)
Health Care	31.2
General Government Operations	21.3
Facility Expenses	1.6
Community and Social Services	1.2
Housing Assistance and Services	0.9
Education	0.8
Charitable Contributions	0.5
Environmental	0.2
Utilities	0.2
Other	35.5
Total	93.5

Source: Redding Rancheria

Note: Totals may not be exact because of rounding.

In 2018, remaining tribal operational expenditures totaled \$93.5 million. Health Care, the largest expense category, accounted for about one-third of total expenditures. Government Operational spending was next, accounting for about 23%. Facility Expenses, Community and Social Services, and Housing Assistance accounted for about 4% of total expenditures combined. An additional \$1.0 million went to capital improvements. \$35.5 million falls into the Other category, of which Tribal Programs and Gaming Distributions accounted for 94%, with the remainder of expenses resulting from Gaming Commission & Surveillance (3.1%), Trust Fund Activity (1.3%), and Self Insurance Funds (1.6%).

³ Excluding Casino expenses

RREDCO'S OPERATIONAL EXPENDITURES IN 2018:

Category	Operating Expenses (\$, Mil.)
Retail	9.6
Fixed, General, and Administrative	1.4
Hotel	1.1
Food and Beverage	0.6
Facility Expenses	0.3
Charitable Contributions	0.1
Total	11.8

Source: Redding Rancheria

Note: Totals may not be exact because of rounding.

RREDCO's operational expenditures totaled \$11.8 million in 2018. Most operating expenses were on Retail (73%). Fixed, General, and Administrative; Hotel; and Food and Beverage expenditures accounted for roughly one-third of the total. Additionally, RREDCO spent about \$1.3 million on capital improvements, which was also factored into the direct spending estimate.

CASINO OPERATIONAL EXPENDITURES IN 2018:

Category	Operating Expenses (\$, Mil.)
Fixed, General, and Administrative	9.2
Marketing and Advertising	7.2
Gaming	5.9
Regulatory Costs	5.2
Facility Expenses	4.6
Food and Beverage	3.4
Hotel	1.7
Entertainment	1.2
Utilities	1.2
Charitable Contributions	0.7
Retail	0.5
Total	33.6

Source: Redding Rancheria

Note: Totals may not be exact because of rounding.

The Casino spent \$33.6 million on operational expenses in 2018. Most expenses were from Fixed, General, and Administrative spending (27%), Marketing and Advertising (21%), Gaming (18%), and Regulatory Costs (15%). Facility Expenses and Food and Beverage accounted for 14% and 10% respectively. Additionally, the Casino's capital expenditures totaled \$2.0 million in 2018.



ECONOMIC AND FISCAL IMPACTS

Redding Rancheria and its Casino generated substantial economic impacts, supported many jobs, and produced significant tax revenue that supports state, regional, and local government activities.

In total, Redding Rancheria and its Casino generated **\$295.3 million** in economic output, supported **2,086 jobs**, contributed **\$109.3 million** in labor income, and produced **\$12.9 million** in tax revenue throughout California in 2018.

SHASTA COUNTY

In Shasta County, Redding Rancheria and its Casino generated about \$255.6 million in total economic output, supported 1,921 jobs, and contributed \$95.5 million in labor income.

About 62% of jobs resulted from direct spending, meaning they were generated directly from Redding Rancheria and its Casino's expenditures. The remaining 38% of jobs were supported by the indirect and induced effects, that is, they were either supported through the supply chain or from labor income spent by workers directly or indirectly hired as a result of direct spending. The direct effect also accounted for 63% of the labor income and 58% of the output generated.

ECONOMIC IMPACT, SHASTA COUNTY

Impact Type	Employment	Labor Income (Mil.)	Output (Mil.)
Direct	1,184	\$60.6	\$149.0
Indirect	369	\$17.8	\$54.0
Induced	369	\$17.2	\$52.6
Total Effect	1,921	\$95.5	\$255.6

Source: IMPLAN; analysis by Beacon Economics

Note: Totals may not be exact because of rounding.

Furthermore, Redding Rancheria and its Casino contributed \$10.7 million in tax revenue to Shasta County. Most came from sales tax (33%) and property tax (30%). About 25% came from income tax and 12% from other taxes.

FISCAL IMPACT, SHASTA COUNTY

Tax Type	Revenue (Mil.)
Sales	\$3.5
Property	\$3.2
Income	\$2.7
Other	\$1.3
Total	\$10.7

Source: IMPLAN; analysis by Beacon Economics

Note: Totals may not be exact because of rounding.

THE 1ST CONGRESSIONAL DISTRICT OF CALIFORNIA

In the remaining regions of the 1st Congressional District (CD)⁴, Redding Rancheria and its Casino generated about **\$4.3 million** in total economic output, supported **27 jobs**, and contributed **\$1.4 million** in labor income.

Because all direct spending occurred in Shasta County, the remaining regions of the 1st CD did not have impacts from the direct effect. Impacts were experienced only through the indirect and induced effects, that is, either through the supply chain or through labor income spent by workers hired as a result of direct or indirect spending.

Most impacts were a result of the indirect effect, which accounted for 96% of jobs supported, 93% of labor income contributed, and 98% of output generated.

ECONOMIC IMPACT, 1ST CONGRESSIONAL DISTRICT*

Impact Type	Employment	Labor Income (Mil.)	Output (Mil.)
Direct	0	\$0.0	\$0.0
Indirect	26	\$1.3	\$4.2
Induced	1	\$0.1	\$0.1
Total Effect	27	\$1.4	\$4.3

Source: IMPLAN; analysis by Beacon Economics

Note: Totals may not be exact because of rounding.

*Excluding Shasta County

Furthermore, the remaining regions of the 1st CD experienced significant fiscal impacts through Redding Rancheria and its Casino's spending. In total, Redding Rancheria and its Casino contributed \$0.25 million in tax revenue in 2018. Most came from property tax (45%) and sales tax (28%). Income tax accounted for 16%, and other taxes accounted for 12%.

FISCAL IMPACT, 1ST CONGRESSIONAL DISTRICT*

Tax Type	Revenue (Thousands)
Property	\$110.2
Sales	\$68.8
Income	\$38.6
Other	\$29.4
Total	\$247.0

Source: IMPLAN; analysis by Beacon Economics

Note: Totals may not be exact because of rounding.

*Excluding Shasta County

⁴ Excluding Shasta County

CALIFORNIA

California, excluding Shasta County, experienced significant impacts through Redding Rancheria and its Casino's spending. In 2018, Redding Rancheria and its Casino generated **\$39.8 million** in economic output, supported **165 jobs**, and contributed **\$13.8 million** in labor income in the remaining regions of California.

Similar to the remaining regions of the 1st CD, the remaining regions of California did not experience direct effects because direct spending occurred only in Shasta County. As such, impacts in the remaining regions of California resulted from indirect and induced effects only, or from supply chain effects or effects resulting from labor income received by employees hired through direct or indirect spending.

Most of the impacts resulted from the indirect effect, which accounted for 88% of jobs supported, 91% of labor income generated, and 90% of total output produced.

ECONOMIC IMPACT, CALIFORNIA*

Impact Type	Employment	Labor Income (Mil.)	Output (Mil.)
Direct	0	\$0.0	\$0.0
Indirect	145	\$12.5	\$36.0
Induced	21	\$1.3	\$3.7
Total Effect	165	\$13.8	\$39.8

Source: IMPLAN; analysis by Beacon Economics

Note: Totals may not be exact because of rounding.

*Excluding Shasta County

The remaining regions of California also received about \$2.2 million in tax revenue through Redding Rancheria and its Casino's spending. Most came from property tax (38%) and sales tax (25%). The remaining tax revenue came from income tax (22%) and other taxes (15%).

FISCAL IMPACT, CALIFORNIA*

Tax Type	Revenue (Thousands)
Property	\$817.3
Sales	\$548.1
Income	\$471.8
Other	\$314.3
Total	\$2,151.5

Source: IMPLAN; analysis by Beacon Economics

Note: Totals may not be exact because of rounding.

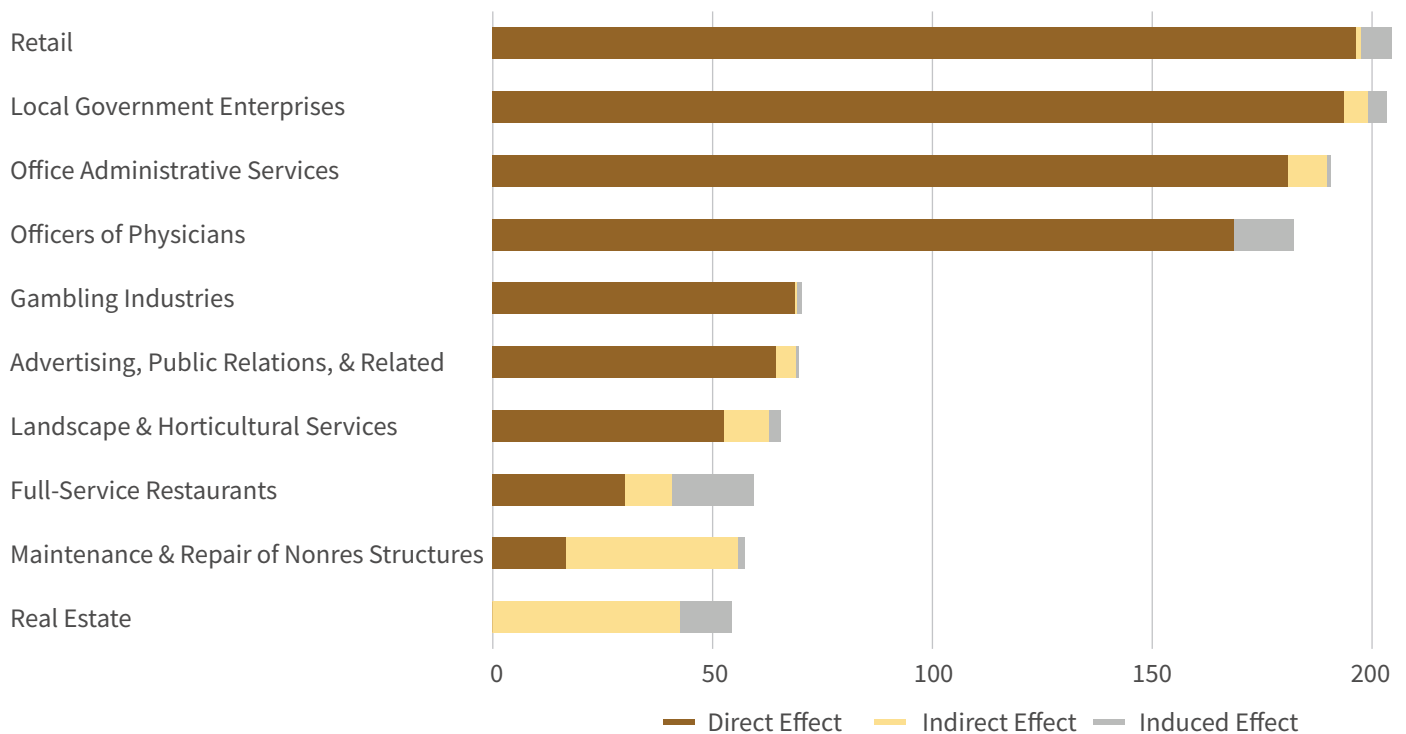
*Excluding Shasta County

EMPLOYEE SPOTLIGHT: WHAT INDUSTRIES ARE IMPACTED BY EACH EFFECT?

Employment was supported across a number of industries through Redding Rancheria and its Casino's expenditures in California. Industries experiencing major job growth through Redding Rancheria and its Casino spending were Retail (204 jobs), Local Government Enterprises (203), Office Administrative Services (191), and Office of Physicians (182). Job support also was significant in the Gambling, Advertising, Landscaping, and Restaurant industries.

Although the direct effect accounted for most jobs, the weight of each impact among specific industries varied. For example, the indirect effect accounted for most jobs in Nonresidential Maintenance and Repair (68%) and Real Estate (78%). For Real Estate in particular, no jobs resulted from the direct effect. Additionally, the induced effect accounted for a large portion of employment in restaurants, accounting for 31% of jobs compared with 50% and 18% of the direct and indirect effects respectively.

EMPLOYMENT BY IMPACT TYPE - TOP 10 INDUSTRIES



Source: IMPLAN; Analysis by Beacon Economics



SOCIAL IMPACT

Redding Rancheria does not fall short in maintaining its value of serving others. In 2018, Redding Rancheria and its Casino donated over \$1.2 million to a variety of causes within the tribal community and beyond. Notable outreach included support of regional development, serving the homeless, and assisting victims of the 2018 Carr fire.

Specific contributions the Tribe made in 2018:

Forward Redding Foundation

This group supports the economic and social development of the City of Redding and Shasta County regions. The Tribe donated \$25,000 to participate in the Forward Redding board in 2018 to serve as a key contributor and leader for regional growth.

City of Redding/County of Shasta Homeless Continuum of Care

This organization supports homeless people through housing planning and development. In 2018, the Tribe donated \$7,000 to assist with its campaigning efforts

One Safe Place

Based in Shasta County, this group aids victims of domestic violence and sexual abuse. In 2018, the Tribe donated \$50,000, culminating a five-year commitment of \$250,000 to this critically important organization.

Shasta Regional Community Foundation

This organization focuses on building permanent endowments, providing grants and scholarships, and establishing community leadership. To date, the Tribe has donated more than \$3.5 million through its Redding Rancheria Community Fund. During 2018 alone, the Fund donated nearly \$200,000 to some 51 local organizations.

Carr fire support

The Carr fire burned throughout Shasta and Trinity counties beginning in July 2018. Among California's 10 largest wildfires, it burned 229,651 acres, destroyed 1,614 structures, and resulted in eight deaths⁵. In 2018, the Tribe donated \$3,790 in supplies to support victims.

One Bowl Productions

This Southern California visual media production company produced the documentary short "Sacheen: Breaking the Silence," highlighting the life of Sacheen Littlefeather, a Native American actress, activist, dancer, educator, and writer⁶. In 1973, she represented Marlon Brando onstage to decline the Best Actor Oscar for "The Godfather." The Tribe donated \$27,300 to help produce the film, which celebrates and supports American Indian culture.

National Congress of American Indians

The Tribe contributed \$16,500, including \$6,500 in membership dues and \$10,000 as sponsors, for various conventions and conferences held by this Indian rights group.

California Rural Indian Health Board

This network of tribal health programs is devoted to the well-being of Indians in California. In 2018, the Tribe donated \$5,000 to the Annual Dinner Awards and \$5,000 to the Darrell Hostler Fund, which is dedicated to health policy reform for American Indians in California⁷.

Below is a partial list of more than 75 organizations and programs that were financially supported by Redding Rancheria during 2018:

- KIXE-TV Public Television
- Turtle Bay Exploration Park
- Shasta Historical Society
- Lassen Park Foundation
- Nor-Cal Think Pink
- City of Anderson
- Rotary Club of Anderson
- Greater Redding Chamber of Commerce
- American Red Cross
- North Valley Catholic Social Services
- Gateway Unified School District
- Happy Valley Fire Protection District
- Hat Creek Volunteer Fire Department
- Shasta Lake Chamber of Commerce
- Simpson University
- People of Progress
- Shasta Family YMCA
- Shasta Lake Heritage and Historical Society
- Shasta Library Foundation
- Haven Humane Society
- Shasta District Fairgrounds
- The Salvation Army

⁵ Cal Fire. CA.Gov. https://www.fire.ca.gov/media/5510/top20_acres.pdf

⁶ "Sacheen: Breaking the Silence." One Bowl Productions. <https://www.onebowlproductions.com/sacheen>

⁷ "About the Fund." California Rural Indian Health Board. <https://crihb.org/about/donatenow/>



CONCLUSION

In 2018, Redding Rancheria generated significant economic and fiscal impacts in California, particularly in Shasta County and the 1st Congressional District. In total, Redding Rancheria and its Casino supported 2,086 jobs, generated \$295.3 million in economic output, contributed \$109.3 million in labor income, and produced \$12.9 million in tax revenue.

In the 1st Congressional District, the entities generated \$259.8 million in economic output, supported 1,948 jobs, contributed \$96.9 million in labor income, and produced \$11.0 million in tax revenue.

In Shasta County alone, 1,921 jobs were supported, \$255.6 million in economic output was generated, \$95.5 million in labor income was contributed, and \$10.7 million in tax revenue was raised.

Finally, Redding Rancheria and its Casino provide generous social impacts to communities and the state. In 2018, Redding Rancheria made sizable donations to many regional charity organizations. Additionally, Redding Rancheria contributed to statewide efforts to celebrate and preserve American Indian life, culture, and tradition.

APPENDIX

MULTI-REGIONAL INPUT-OUTPUT METHODOLOGY AND IMPLAN

This report is based on an economic analysis technique known as Multi-Regional Input-Output (MRIO) analysis, which is a means of examining interindustry relationships across several regions. A MRIO analysis builds off of the standard Input-Output (I-O) analysis by expanding effects from monetary market transactions beyond a single region, capturing leakages in other regions. In a MRIO analysis, the direct effect in one region triggers indirect and induced effects in other regions. The results of the analysis reveal the effects of a change in one or several economic activities on an entire economy, and the economic interdependence of regions.

IMPLAN expands upon the traditional I-O approach to include transactions among industries and institutions, and among institutions themselves, thereby capturing all monetary market transactions in a given time period. This specific report uses the IMPLAN web model. For more information on the IMPLAN modeling process, visit IMPLAN.com.

Although IMPLAN provides an excellent framework for conducting impact analysis, Beacon Economics takes extra precautions to ensure model results are valid, employing decades of experience to tailor the model to the unique demands of each economic impact analysis. Procedures and assumptions are thoroughly and systematically inspected for validity and individual project appropriateness before any analysis is performed.

GLOSSARY

Direct Effects/Impacts: The set of expenditures made by the producers and/or consumers of an event, activity, or policy. These expenditures are applied to the industry multipliers in an IMPLAN model, which result in further, secondary expenditures (known as the indirect and induced effects).

Expenditures: Money paid for goods or services.

Indirect Effects/Impacts: The set of expenditures made by local industries on goods and services from other local industries as a result of the direct effects. This cycle of spending works its way backward through the supply chain until all money "leaks" from the local economy.

Induced Effects/Impacts: The set of expenditures made by households on local goods and services as a result of increased labor income generated by the direct and indirect effects.

Input-Output Analysis: A type of applied economic analysis that tracks the interdependence among various producing and consuming sectors of an economy.

Jobs (Employment): A job in IMPLAN is equal to the annual average of monthly jobs in that industry (this is the definition used by the U.S. Bureau of Labor Statistic and the U.S. Bureau of Economic Analysis, Federal statistical agencies that provide authoritative U.S. economic data). Thus, one job lasting 12 months equals two jobs lasting six months each, which equals three jobs lasting four months each. A job can be either full or part time.

Labor Income: All forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Leakages: Expenditures, income, resources, or capital located outside the region of study. Because leakages do not affect local industries, they are not included in the economic impact of the region where direct monetary transactions of the study's focus occur.

Multiplier Effect: In simple terms, the phenomenon of final increased spending resulting from some initial amount of spending.

Output: The value of industry production. In IMPLAN, these are annual production estimates for the year of the data set and are in producer prices. For manufacturers, this is sales plus/minus changes in inventory. For service sectors, production is equal to sales. For retail and wholesale trade, output is equal to gross margin (not gross sales).

Total Effect/Impact: The entire economic impact of an event, activity, or policy, found by combining the direct, indirect, and induced impacts.

Fiscal Impact: Tax revenue generated at the federal, state, and local level. These expenditures are included in the total impact as government expenditures.

