

Douglas County Board of County Commissioners

Sitting As Redevelopment Agency

AGENDA ACTION SHEET

Title: For possible action. Discussion whether to: a) approve findings that the Tahoe South Event Center Project and the proposed Tax Increment Pledge Agreement for Event Center meet the goals and purposes of the Redevelopment Area No. 2 Plan and the required findings under NRS Chapter 279.486; and b) recommend that the Board of County Commissioners authorize the Douglas County Redevelopment Agency Chairman to execute the Tax Increment Pledge Agreement for Event Center with the Tahoe Douglas Visitor's Authority pledging up to \$34.25 million in total redevelopment tax increment funding for the Tahoe South Event Center Project through March 2, 2046. (Lisa Granahan and Zach Wadle)

Recommended Motion: Approve findings that the Tahoe South Event Center Project and the proposed Tax Increment Pledge Agreement for Event Center meet the goals and purposes of the Redevelopment Area No. 2 Plan and the required findings under NRS Chapter 279.486, and recommend that the Board of County Commissioners authorize the Douglas County Redevelopment Agency Chairman to execute the Tax Increment Pledge Agreement for Event Center with the Tahoe Douglas Visitor's Authority pledging up to \$34.25 million in total redevelopment tax increment funding for the Tahoe South Event Center Project through March 2, 2046.

Financial Impact: If the Redevelopment Agency enters into the Tax Increment Pledge Agreement for Event Center with the Tahoe Douglas Visitors Authority, up to \$34.25 million in total redevelopment tax increment funds through March 2, 2046 will be remitted to the Tahoe Douglas Visitor's Authority for the development, finance, and construction of the Tahoe South Event Center Project. The Redevelopment Agency's obligation would be solely limited to remittance of the tax increment in accordance with the Tax Increment Pledge Agreement for Event Center. The Redevelopment Agency (and Douglas County) would not issue any debt for the project, and would have no obligation for repayment of the debt issued by the Tahoe Douglas Visitors Authority for the project.

Prepared by: Zach Wadle, Deputy District Attorney

Meeting Date: April 16, 2020 **Time Required:** 30 minute presentation (approximate).

Agenda: Administrative

Background Information: The approval of the use of redevelopment agency funds requires various board findings pursuant to NRS 279.486. The attached staff memorandum details the proposed Tahoe South Event Center Project, and the information supporting possible findings under NRS 279.486 to approve redevelopment funding for the Project through the pledge of tax increment collected in Redevelopment Area No. 2.

The proposed Tax Increment Pledge Agreement for Event Center (the “Pledge Agreement”) is also attached. The Pledge Agreement would obligate the Redevelopment Agency to remit a maximum of \$34.25 million in future redevelopment tax increment funds to the Tahoe Douglas Visitors Authority (TDVA) through March 2, 2046, as further detailed in the terms of the Pledge Agreement. The obligation to remit the tax increment funds would not become effective unless and until the Tahoe Regional Planning Agency (TRPA) issues an approval allowing TDVA to proceed with the Event Center Project. The tax increment funds will be restricted to use by TDVA for the sole purpose of developing, financing, and constructing the Event Center project. TDVA will be solely responsible for the issuance of bonds or other obligations related to the Event Center as well as the design, construction, operation, and maintenance of the Event Center. Once the Redevelopment Agency satisfies its tax increment pledge obligations under the Tax Increment Pledge Agreement for Event Center, there is no further obligation by the Redevelopment Agency to remit tax increment to TDVA or maintain the existence of Redevelopment Area No. 2.

Agenda Item # 4



Redevelopment Agency

MEMORANDUM

**To: Douglas County Redevelopment Agency
Douglas County Board of Commissioners**

From: Lisa Granahan, Economic Vitality Manager

**Subject: Findings Under NRS Chapter 279 for the Proposed Redevelopment
Tax Increment Pledge Agreement for the Tahoe South Events Center**

Date: March 19, 2020

Introduction:

Under NRS 279.486, a Redevelopment Agency “may, with the consent of the legislative body and pursuant to a written agreement with one or more developers or other persons, pay all or part of the value of the land for and the cost of the construction of any building, facility, structure or other improvement and the installation of any improvement which is publicly or privately owned and located within or without the redevelopment area” provided that certain findings are made as set forth in NRS 279.486 (3) and (4). The proposed project discussed in this memorandum is the Tahoe South Events Center Project to be developed and constructed by the Tahoe Douglas Visitors Authority (TDVA). The Douglas County Redevelopment Agency has been asked to partially fund the development and construction of the Tahoe South Events Center Project using up to \$34.25 million in tax increment funds collected in Redevelopment Area No. 2 pursuant to a proposed Tax Increment Pledge Agreement for Event Center to be entered into between the Redevelopment Agency and TDVA. The information supporting the required findings under NRS 279.486 (3) and (4) to proceed with funding the proposed Tahoe South Events Center Project with redevelopment tax increment funds is presented herein.

Summarized History of Redevelopment Area No. 2 and the Tahoe South Events Center Project:

The concept of a convention, or “Events Center” as it became known, in the South Shore was first introduced in 1997. The history of the evolution on the concept and the creation of Redevelopment Area No. 2 as a potential funding source is outlined below.

- a) 1997 - The Tahoe Douglas Visitors Act gives authority to the Tahoe Douglas Visitors Authority for planning, construction and operation of a convention center in the Tahoe Township.
- b) June 19, 1997 and September 11, 1997- the Board of County Commissioners (BOCC) held public workshops to accept public input and assess redevelopment and its possible benefits to the County.
- c) October 2, 1997- the BOCC adopts Resolution 97R-069 establishing a Redevelopment Agency to assist with the elimination of blighted areas in Douglas County.
- d) 1998 the BOCC establishes Redevelopment Area #1
- e) 2007- Lake Tahoe South Shore Chamber of Commerce and the North Lake Tahoe Chamber of Commerce joined together to enlist Tahoe Basin partners to address changing socioeconomic conditions at the Lake.
- f) September 3, 2009, BOCC Meeting, Item 10–The Board of Commissioners allocated matching funds (\$10,000) to participate in an Economic Development Administration Technical Assistance Grant Program application to develop an “Economic Prosperity Plan” for the entire Lake Tahoe Basin. Each participating jurisdiction would have a seat on the Prosperity Plan Steering Committee.
- g) October 1, 2009, BOCC Meeting, Item 38–Board of Commissioners appointed a representative (Commissioner Nancy McDerimid) to the Steering Committee for the Economic Prosperity Plan in the Lake Tahoe Basin.
- h) November 5, 2009, BOCC Meeting Item 26–The Board of County Commissioners receives a presentation of the Douglas County Community Assessment Final Report by the Nevada Rural Development Council. The Community Assessment was completed in September 2009 as “the first step, the visioning step, in the strategic planning process. It is a community based planning and assessment process consisting of interviewing a large number of people in the community, recording their suggestions, and having a team of experts write up implementation plans for community use. This is a very neutral, nonthreatening process where citizens can give input without criticism or debate. Because it is citizen-based, it adds tremendous validation to master plans, strategic plans, community development plans, and the elected officials that use these plans for implementing strategies (page 4).” The Assessment identified a potential need to “diversify business types to shore up economic sustainability” at the Lake. “Several individuals felt the economic conditions at the Lake, particularly in Stateline and South Lake Tahoe, would be enhanced greatly by the completion of the convention center, referred to recently as ‘the hole.’ We don’t know the details of the project nor presume to know how to get it up and moving, but it could be very rewarding to realize a finished and functional convention center (page 102).”
- i) November 2010- Lake Tahoe Basin Prosperity Plan
Western Nevada Development District (WNDD) was awarded a grant from the U.S.

Department of Commerce Economic Development Administration (EDA), with matching funds provided by all six of the Tahoe Basin's local governments (including Douglas County). The Lake Tahoe Basin Prosperity Plan (Prosperity Plan) "is an unprecedented regional collaboration effort to develop a Basin-wide economic prosperity strategy, which did not exist (page 1)." The Plan discusses economic trends at the Lake and recommends action items to address each condition.

- j) 2010 - Douglas County participates in the development of the South Shore Vision Plan to identify strategies to inform the update of the Tahoe Regional Planning Agency's (TRPA) Regional Plan. The plan is in response to factors in the declining resort and tourism market in the South Shore including:
 - o 10 years of precipitous decline in gaming revenues. Gaming revenues at the Lake decreased 38% from \$338 million in 2004 to \$209 million in 2011(South Shore Vision Destination Economic Impact Analysis/ Nevada Gaming Commission);
 - o The general tourism trend toward resort destination that are focused on recreation and entertainment experiences; and
 - o Regional regulatory policies that were implemented to preserve and enhance Lake Tahoe's water clarity that had in some cases deterred redevelopment (revitalization).
- k) September 2011 - Completed South Shore Vision Plan includes development of new indoor entertainment venue and conference/group meeting space as part of one of 14 principle ideas to redefine the physical attributes of the study area in a way that is economically sustainable and responsive to environmental conditions. The plan was presented to the County Commission on October 20, 2011, Agenda Item 7.
- l) 2012 Douglas County Strategic Plan identifies initiative to work with stakeholders to identify viable options to implement the South Shore Vision Plan.
- m) September 25, 2013 Tahoe Regional Planning Agency (TRPA) adopts the South Shore Area Plan and on November 21, 2013 (agenda item 8) the BOCC adopts Ordinance #2013-1400 to incorporate changes adopted by TRPA as part of the South Shore Area Plan. The South Shore Area Plan incorporates principles of the South Shore Vision Plan, including entertainment amenities.
- n) 2015 Douglas County Strategic Plan identifies initiative to work with local partners and stakeholders to initiate the development of a year-round conference/entertainment venue at Lake Tahoe.
- o) October 15, 2015, BOCC Meeting, Item 4- the Board approved Resolution 2015 R-068 designating Redevelopment Area #2 within the Lake Tahoe Basin area of Douglas County for evaluation for redevelopment pursuant to NRS Chapter 279. The background information provided to the BOCC at that time was:
 - o "The County's Strategic Plan priority of Economic Vitality includes the goal: Work with local partners and stakeholders to initiate the development of a year-round conference/entertainment venue at Lake Tahoe (within Douglas County). Staff has been working with the South Tahoe Alliance of Resorts (STAR) to evaluate possible options for the financing required to achieve this goal. The significant current private investment within the Stateline area will result in the increased assessed valuation of these properties and the generation of increased property tax revenues. One of the possible options that could be a component of the financing plan would be to establish a new redevelopment area for evaluation.

The Douglas County Redevelopment Agency was established October 2, 1997. NRS 279.518 provides that an area may be designated for evaluation for redevelopment by the Board of County Commissioners. Staff is requesting direction from the Board, via the adoption of Resolution 2015R-068, to designate Evaluation Area #2 and to declare that the new area requires study to determine if a redevelopment project within the area is feasible (NRS 279.520). The proposed area includes properties in the casino-core area of Stateline, the Edgewood Golf Course properties, and the Kahle Drive area. A map of the proposed evaluation area is attached. Also attached is the tentative schedule for the new redevelopment plan.”

- p) November 10, 2015, Planning Commission Meeting Item 2- the Douglas County Planning Commission selected Redevelopment Area #2 for further redevelopment evaluation, found that the preliminary redevelopment plan for Redevelopment Area #2 was sufficient under NRS 279.526, and directed that the preliminary redevelopment plan be submitted to the Douglas County Redevelopment Agency for review pursuant to NRS 279.528.
- q) November 19, 2015, BOCC Meeting, Item 1- the Douglas County Redevelopment Agency adopted a more detailed redevelopment plan for Redevelopment Area #2 and submitted the proposed redevelopment plan to the Planning Commission for its report and recommendation as to the plan’s conformity with the Master Plan and other related planning documents.
- r) December 8, 2015, Planning Commission Meeting Item 1- the Planning Commission unanimously adopted a Report and Recommendation approving the Redevelopment Plan for Redevelopment Area #2 and submitted its Report and Recommendation to the Douglas County Redevelopment Agency.
- s) January 21, 2016, The Agency made its proposed Owner Participation Rules (can be found in the Redevelopment Area Plan) available for public inspection.
- t) January 21, 2015, The Agency made its proposed Employment Plan available (can be found in the Redevelopment Area Plan) for public inspection.
- u) January 21, 2016 - The Agency made it proposed Relocation Rules (can be found in the Redevelopment Area Plan) available for public inspection.
- v) January 21, 2016 - The Agency made its Blight Study and Economic Feasibility Report available for public inspection.
- w) January 21, 2016 - The Agency submitted the Redevelopment Plan and its Analysis of the Primary Plan to the Douglas County Commission.
- x) January 21, 2016, BOCC Meeting Agenda Items 3 and 4- The Board of Commissioners approved submission of the Redevelopment Plan for Redevelopment Area #2 within the Lake Tahoe Basin area of Douglas County and accepted the accompanying report and proposed redevelopment rules from the Agency pursuant to NRS 279.578.
- y) February 18, 2016, BOCC Meeting Agenda Items 5 & 6–The Board of Commissioners adopted Ordinance 2016-1456 approving and adopting the Redevelopment Plan for Redevelopment Area #2.
- z) July 21, 2016, BOCC Meeting Agenda Item D–the Board approved the Memorandum of Understanding between the Tahoe Douglas Fire Protection District and the Douglas County Redevelopment Agency regarding the Redevelopment Plan for Redevelopment Area #2 within the Lake Tahoe Basin area of Douglas County, and the provision and

funding of reasonably necessary public services within the Redevelopment Area. During the process to form Redevelopment Area #2 in the Stateline, Nevada area, the Tahoe Douglas Fire Protection District (“Tahoe Douglas”) expressed potential concern about its ability to fund reasonably necessary public services within the Redevelopment Area due to future property tax increment being diverted to the Redevelopment Agency instead of Tahoe Douglas and other taxing agencies. Tahoe Douglas proposed a Memorandum of Understanding between Tahoe Douglas and the Douglas County Redevelopment Agency setting forth the parties mutual understanding of the possible effect of the Redevelopment Area on Tahoe Douglas’ ability to fund reasonably necessary public services, and possible methods to address a funding shortfall should it arise. The Memorandum of Understanding was reviewed and negotiated by both parties’ legal counsel. The Memorandum of Understanding does not obligate either party to engage in any specific action, but sets forth the parties' mutual understanding to work cooperatively to procure adequate resources to support reasonably necessary public services within the Redevelopment Area if necessary and feasible.

- aa) March 21, 2017 BOCC Special Meeting Agenda Item 2- the Board discussed the possible modification or dissolution of the Redevelopment Plan for Douglas County Redevelopment Area #1 and Area #2.
- bb) 2017 The updated Economic Vitality Plan includes South Shore Vision Implementation including entertainment venue development.
- cc) April 20, 2017, BOCC Meeting Agenda Items 9- Board of Commissioners approved additional 1% Transient Lodging License Tax on all transient lodging businesses within the Lake Tahoe Township for the purpose of studying the feasibility of, planning for, operating, and/or funding economic redevelopment projects within the Lake Tahoe Township; the funding is intended to supplement to funding generated by Redevelopment Area #2 in the Stateline area. Funds collected are paid to the TDVA. The TDVA’s intended purpose is to use the funding to study the feasibility of, planning for, and operating the Event Center.
- dd) January 2018- TDVA submits Event Center project to Tahoe Regional Planning Agency to commence environmental review process.
- ee) March 15, 2018, BOCC Meeting Presentation by TDVA - Board of Commissioners hear an update from TDVA on the design and development of the proposed Event Center.
- ff) July 19, 2018, BOCC Meeting Presentation by TDVA- Board of Commissioners hear TDVA presentation on the Fiscal and Economic Impacts Study of the Event Center. Estimated new visitor spending of \$44 million - \$66 million annually. Additional annual Room Tax proceeds to Douglas County estimated at \$800,000 - \$1.1 million.
- gg) May 16, 2019, BOCC Meeting Presentation by TDVA Agenda Item 3- The Tahoe Douglas Visitors Authority (TDVA) had an economic opportunity cost analysis prepared to identify tourism and gaming trends during the past 20 years to quantify the potential fiscal impacts in the event the South Tahoe Event Center is not constructed compared to the fiscal impacts if the South Tahoe Event Center is constructed. The analysis is intended to quantify the “opportunity cost” of not building the Event Center in terms of lost revenue. Strategic Marketing Group presented the preliminary study results to the Board of Commissioners.
- hh) May 16, 2019, BOCC Meeting Agenda Item 4- The District Attorney’s Office gave a presentation to the Board regarding NRS 279.608 and the general procedure to amend,

- deviate from, or dissolve redevelopment plans and area boundaries. The Board took action to put the item on the next regular meeting of the BOCC.
- ii) June 20, 2019, BOCC Meeting Agenda Item 4 – The Board continued discussion regarding NRS 279.608 and the general procedure to amend, deviate from, or dissolve redevelopment plans and area boundaries. The motion to direct staff to dissolve Redevelopment Area 2 was denied.
 - jj) November 21, 2019, BOCC Meeting Agenda Item 5 – The BOCC sitting as the Redevelopment Agency adopted Resolution 2019R-073 to remove the Douglas County School District portion of the property tax increment funds (collected pursuant to NRS 387.195) that would otherwise go to RDA No. 2 through June 30, 2021. The action will reduce the amount of increment going to RDA No. 2 by approximately \$424,000 through that date.
 - kk) January 23, 2020, TRPA Board Meeting Item 9A – public hearing to solicit input and comments on the Tahoe South Events Center Draft Environmental Assessment.
 - ll) February 27, 2020, BOCC Meeting Item 3 – presentation by TDVA on the Event Center project including updates on the Project status and all Project related studies, the Tahoe Regional Planning Agency (TRPA) approval process and transportation funding requirements for the Project, the proposed Project financing package from all funding sources, and the proposed pledge by the Douglas County Redevelopment Agency of current and future redevelopment tax increment funds for the Project financing in accordance with the requirements of NRS Chapter 279.

Tahoe South Events Center Project Description and Funding Summary:

The proposed Tahoe South Events Center is an entirely new approximately 138,000 square foot building positioned at the corner of U.S. Highway 50 and Lake Parkway in the MontBleu parking lot. It will be a public assembly, sports and performing arts venue. TDVA will own, maintain and operate the project. Construction may commence in June 2020 pending required approvals and permitting. The goal for complete of construction is spring of 2022.

The site selection process for the facility identified the parking lot of Montbleu Resort, Casino and Spa as the appropriate location. Edgewood Companies is the landowner/lessor of the Montbleu footprint, including the event center site. The required land is being provided to the TDVA by Edgewood Companies, with the value of the donation being at least \$10 million.

The purpose of the Events Center is to provide a publicly owned indoor multi-use assembly, event and entertainment venue that attracts a wide range of year-round conventions, trade shows, special events, and entertainment. The seating capacity is 4,500 seats or 6,000 seats maximum capacity (includes floor seating).

The Events Center aims to achieve the following:

- Reinvent the Resort Core
- Enhance the visitor and community experience
- Promote year-round economic vitality

- Attract the widest possible range of spectator-oriented meeting, assembly, and exhibition events
- Improve environmental quality
- Animate the street and open space
- Improve the aesthetic character of the Resort Core
- Consistent and dependable employment
- Implement objectives from the Regional Plan, the South Shore Area Plan, and the South Shore Vision Plan

The cost of construction for the Events Center is estimated to be approximately \$100 million and will be financed with a bond issuance by the TDVA. The Redevelopment Agency is being asked to pledge currently held tax increment proceeds of \$1.75 million and future tax increment of up to \$1.3 million annually for 25 years (\$32.5 million) to TDVA for the sole purpose of financing, developing, and constructing of the Event Center. The proposed pledge of tax increment is set forth in a proposed written agreement entitled Tax Increment Pledge Agreement for Events Center. The financial commitment of tax increment revenue over the life of RDA No. 2 will not exceed \$34.25 million, and is expected to provide TDVA with approximately 19% of the revenue required to service the \$100 million in debt issued for the Event Center Project. Douglas County and the Redevelopment Agency will not issue debt for the project, and will not be liable for the debt issued by TDVA on the project. Debt liability will be the sole responsibility of TDVA. The Redevelopment Agency's sole obligation will be remittance of tax increment in accordance with the terms of the proposed Tax Increment Pledge Agreement for Events Center.

In addition to the redevelopment tax increment there are other funding sources being committed by the TDVA to the project. They include: \$5 per night surcharge imposed on lodging in the Tahoe Township as a result of the recent passage of SB 461 by the Nevada Legislature is estimated to generate 43% of total debt service to repay the bonds. Existing Transient Lodging License Tax and Transient Occupancy Tax that TDVA currently receives are estimated to generate 38% of total debt service to repay the bonds.

The required land for the Event Center is being provided to the TDVA by Edgewood Companies, with the value of the donation being at least \$10 million.

Tahoe South Events Center Project Consistency With Goals and Objectives of the Adopted Redevelopment Plan:

Ordinance No. 2016-1465 Adopting the Redevelopment Plan for the Douglas County Redevelopment Area No. 2 sets forth the statutorily required redevelopment plan for the area, which includes the following goals and objectives:

Goals and Objectives:

1. To eliminate and prevent the spread of blight and deterioration and the conservation, rehabilitation and redevelopment of the Redevelopment Area in accord with the Master Plan and other applicable planning documents, the Redevelopment Plan and local codes and

ordinances.

2. To achieve an environment reflecting a high level of concern for architectural, landscape, and urban design, land use, and environmental improvement principles appropriate for attainment of the objectives of the Redevelopment Plan.
4. To retain existing businesses by means of redevelopment and rehabilitation activities and by encouraging cooperation and participation of owners, businesses and public agencies in the revitalization of the Redevelopment Area.
5. To encourage investment by the private sector in the development and redevelopment of Redevelopment Area by eliminating impediments to such development and redevelopment.
6. To encourage maximum participation of residents, businesspersons, property owners, and community organizations in the redevelopment of the Redevelopment Area.
7. To replan, redesign and (re)develop area, which are stagnant, obsolete, or improperly used.

The proposed Tahoe South Events Center Project is consistent with these goals and objectives. As identified in the South Tahoe Event Center Opportunity Cost Analysis (Analysis) report, in the past 20 years the gaming industry weakened significantly in the Stateline Casino Core resulting in declining gaming revenues, occupancy, property tax, sales tax and employment.

Those declines include:

- Gaming revenues have declined 36% since FY 2001 from \$341 million to \$219 million in FY 2018
- Tribal gaming has reduced the market share of Tahoe gaming by 80% between 2001 and 2017; from 11% in 2001 down to 2% in 2018
- Room nights sold declined 16% from 2002 to 2018.
- Property tax levied on Lake Tahoe casino properties declined \$1.2 million or 38% between FY 2000 and FY 2017
- Douglas County is 2.1% behind the state average in sales tax growth; between 2012 and 2018 Douglas County Consolidated Tax Distribution Index grew at 3.6% compared to the State of Nevada that grew at 5.5%
- Between 2003 and 2018 Resort employment has declined 54%

The declines have weakened the competitiveness of the South Shore as a destination. The Events Center is designed to increase the competitiveness of the destination and attract conferences, concerts and events that will bring visitors to the South Shore and Redevelopment Area No. 2 through the seasons and throughout the week. It will create more flexibility to attract different segments during slow times of the year and the week. It will allow the destination to better compete for groups that currently need more space that the existing casinos can provide.

By capitalizing on growing visitors during midweek and the shoulder season, the Event Center will benefit existing businesses in the area. The Analysis expects those benefits to include incremental increases during the next twelve years to include:

- Gaming revenues of \$76 to 82 million annually
- Non-gaming revenues of \$53 to \$62 million annually
- Room nights sales in the range of 142,000 to 169,000 annually
- Room revenue in the range of \$14 to \$19 million annually
- Overnight visitor spending of \$28 to \$53 million annually

Employment is also expected to benefit generating:

- between 1,156 and 1,346 additional casino jobs
- between 1,877 to 2,186 additional jobs in the Douglas County

The exterior design for the 85-foot structure is in response to the prominent location the facility has along U.S. Highway 50 and its position as the gateway to the casino core. Through a combination of building materials, colors, façade articulation and setback from the roadway, the Event Center will incorporate architectural design strategies and site planning principles to upgrade the character and quality of the nearby built environment.

The proposed design repurposes the existing surface parking between the Event Center and MontBleu for use as an event lawn, public plaza and pedestrian paths connecting the Event Center with the adjacent streetscape. Direct pedestrian connections are provided from the street level to the Event Center to enhance the walking environment and create interesting gathering spaces. Existing overhead utility lines and three associated utility poles (two in front of MontBleu and one immediately north of Lake Parkway) will be placed underground as part of the street level improvements. Another key feature of the enhanced streetscape design is a transit pull-off with shelter to maximize the benefit of public transportation opportunities.

Required Findings Under NRS Chapter 279 for the Use of Redevelopment Funding for the Tahoe South Events Center Project:

NRS 279.486 (3) requires that before a “legislative body gives its consent to an action proposed by the Agency” it must determine:

- (a) The buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located; and
- (b) No other reasonable means of financing those buildings, facilities, structures or other improvements are available.

Subsection (a) above is analyzed by addressing the considerations listed in NRS 279.486 (4) as identified and discussed below.

NRS 279.486 (4) (a) Whether the buildings, facilities, structures or other improvements are likely to:

- (1) Encourage the creation of new business or other appropriate development;***

While this project was not designed specifically to create other new businesses or other development, it is expected is encourage and/or create development expansion opportunities and better use of existing capacity for current businesses during midweek and shoulder seasons. For example the prior section discusses expected significant increases in gaming and non-gaming revenues, room nights sold and room revenues as well as overnight visitor spending. That represents increased guests and visitors during the midweek and shoulder season creating more demand at existing casinos, hotels and restaurants and spending more money on recreational activities, entertainment and at retail shops. This project maximizes existing underused capacity at existing business which helps not only retain them, but also potentially makes them more profitable.

(2) Create jobs or other business opportunities for nearby residents;

The Analysis identifies the following additional jobs by 2030.

Casino Employment	1,156 to 1,346
County Employment	1,877 to 2,186

In 2018 Economic and Planning Systems, Inc (EPS) prepared a Financial and Economic Impacts report. It identified Event Center jobs as follows:

Construction	400 jobs over a 2-year period
Construction related	531 jobs
Business to business spending during construction	234 jobs
Event Center employment	357 jobs (includes full and part time jobs)

As of 2017 the Nevada State Department of Employment Training and Rehabilitation in its Employment and Payrolls report lists Leisure and Hospitality as the largest industry in Douglas County with employment of 6,036 which is 32.9% of employment in the County. Much of that employment is in the Casino Core at Stateline. The average annual wage of that sector is \$32,719 compared to the County average wage of \$46,206 for all industries. Many of the jobs in the Leisure and Hospitality Industry are part time and seasonal, hence the lower average wage. More than increasing the numbers of jobs, this project has the potential to increase the annual wage with more employment midweek and during shoulder seasons (approximately 12 weeks in the fall and 12 weeks in the winter) creating more year-round employment.

The project is also expected to increase work for independent contractors and vendors with additional functions at the events center and increased activity and spending.

(3) Increase local revenue from desirable sources;

The Analysis identifies several sources of funding that would increase due to the development of the Event Center. Many of these funding sources are considered local revenue for the purpose of this report since they are used to provide Douglas County services

and projects. The Analysis forecasts future revenue in two ways over a twelve-year period: 1) based on the addition of the Event Center (EC), and 2) based the Event Center plus induced additional spending with in the community due to the center (EC induced).

12 Year Local Revenue Forecast

With the Event Center (EC)

Source	Use	Amount
Room Tax – Transient Occupancy Tax	Parks, recreation & tourism	\$10.4 million
Room Tax – Transient Lodging License Tax	Parks, recreation & Economic Vitality	\$1.7 million
Tahoe Douglas Transportation District Fund	Transit, pedestrian or road facilities; snow plowing	\$1.7 million
Sales Tax – PALS	20% Parks, 55% Library, 25% Senior Center	\$0.9 million
Total		\$14.7 million
Total per year average		\$1.2 million

With the Event Center plus induced spending (EC Induced)

Source	Use	Amount
Room Tax – Transient Occupancy Tax	Parks, recreation & tourism	\$14.1 million
Room Tax – Transient Lodging License Tax	Parks, recreation & Economic Vitality	\$2.3 million
Tahoe Douglas Transportation District Fund	Transit, pedestrian or road facilities; snow plowing	\$2.3 million
Sales Tax – PALS	20% Parks, 55% Library, 25% Senior Center	\$1.1 million
Total		\$19.8 million
Total per year average		\$1.7 million

The Analysis forecasts an addition of \$3.7 to \$4.4 million in Consolidated Tax (C-tax) annually. C-tax is made up of six taxes: 1.75% SCCRT Sales Tax (Supplemental City State Relief Tax), .5% BCCRT Sales Tax (Basic City County Relief Tax), Real Property Transfer Tax, Cigarette Tax, Liquor Tax, and Governmental Services Tax. Because of the County's current status as a rural "Guaranteed County" there would be only minor financial benefit from the increase in SCCRT Sales Tax. According to the EPS Study if the County transitioned from being a "Guaranteed County" to a "Point-of Origin County" it would receive roughly \$200,000 to \$300,000 per year under that scenario.

The remaining five taxes are estimated to be \$1.3 million (of the \$3.7 million in C-tax). Approximately 55% of that goes to Douglas County and is estimated to be \$715,000. Approximately 45% goes to other political subdivisions in the County.

(4) Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located;

The TDVA estimates the Event Center activity will be 112 conference center events and 85 arena events (arena to mean concerts, family shows, etc.) annually. Respective attendance is estimated at 14,700 conference and 67,500 arena annually. Located centrally and with 57% of overnight stays occurring in the Stateline area, it is anticipated that pedestrian traffic will increase between event center and resort buildings, to nearby retail establishments and restaurants, as well as to recreational areas such as Van Sickle Bi-State Park, beaches and the Heavenly Epic Adventure activities and ski area. Additionally, the Event Center project's proposed microtransit system will provide a fast and frequent shuttle to nearby points of interest and lodging properties seasonally. It should be noted that the Event Center will be taken into account through the Main Street Management Plan (part of the US 50/South Shore Community Revitalization project) which is anticipated to evolve multi-modal options for visitors and residents.

(5) Possess attributes that are unique, either as to type or use or level of quality and design;

With its prominent location at the gateway to the South Shore resort district, and iconic architectural design, the event center will reflect its alpine setting and resort atmosphere. The Event Center will complement local resort services by leveraging the existing hotel bed base, utilizing available parking and concentrating activity near restaurant, retail and recreation areas and will encourage pedestrian activity. Convention, sports, arts and cultural events will be possible in a year-round, indoor facility that addresses typical shoulder season slumps.

(6) Require for their construction, installation or operation the use of qualified and trained labor;

The Event Center will require experienced contractors familiar with alpine conditions and environmental sensitivities prevalent in Lake Tahoe. The successful Construction Manager at Risk is both local and intimately familiar with regional sub-contractors and trades that are specifically required for this type of facility and the anticipated level of finish.

(7) Demonstrate social or financial benefits to the community than would a similar set of building, facilities, structures or other improvements not paid for by the Agency;

Social benefits from the Event Center would include:

- Stable employment
- Arts and cultural events
- Venue allowing service organizations to increase fundraising capacity
- Community gathering place

Financial benefits would include:

- Encouraging reinvestment in RDA No. 2 by other property owners

- Increasing hotel room nights during midweek and shoulder season
- Promote year-round economic vitality by increasing visitors during midweek and shoulder seasons
- Additional jobs and more year round employment
- Generating significant revenues as summarized in the section below regarding NRS 279.486 (4) (c)

TDVA will not have sufficient funding without the addition of the tax increment for the project to proceed. It will not be built without the redevelopment funding. There is no reason to believe another entity or private business will build the proposed Event Center without redevelopment funding. Accordingly, there is no viable comparison to a similar project not paid for (in part) by the Agency.

NRS 279.486 (3) (b): *No other reasonable means of financing those buildings, facilities, structures or other improvements are available.*

The cost of construction for the Events Center is approximately \$100 million and will be financed by a bond issuance by TDVA. The Redevelopment Agency is being asked to pledge current and future tax increment of no more than \$34.25 million in total through March 2, 2046. Douglas County and the Redevelopment Agency will not issue debt for the project, and will not be liable for the debt issued by TDVA for the project. The Agency's sole responsibility will be remittance of tax increment revenue in accordance with the terms of the proposed Tax Increment Pledge Agreement for Events Center.

In addition to the redevelopment tax increment there are other funding sources being committed by the TDVA to the project. They include: \$5 per night surcharge imposed on lodging in the Tahoe Township as a result of the recent passage of SB 461 by the Nevada Legislature is estimated to generate 43% of total debt service to repay the bonds. Existing Transient Lodging License Tax and Transient Occupancy Tax that TDVA currently receives are estimated to generate 38% of total debt service to repay the bonds.

The required land for the Event Center is being provided to the TDVA by Edgewood Companies, with the value of the donation being at least \$10 million.

TDVA will not have sufficient funding or be able to secure financing for the project without the addition of the tax increment as it diversifies the revenue sources from a financial and bonding perspective. Without the diversification of revenue sources the proposed financing project would not proceed.

In addition to the considerations identified in NRS 279.486 (3) (a) and (b), the Board must also consider and make reasonable findings under NRS 279.486 (4) (b) and (c), as discussed below:

NRS 279.486 (4) (b) *The opinions of persons who reside in the redevelopment area or the immediate neighborhood in which the redevelopment area is located:*

The Oliver Park General Improvement District area (residential lots generally northwest of Khale Drive between U.S. Highway 50 and Lake Tahoe) is the neighborhood most immediate to the RDA No. 2. There are no residential units in RDA No. 2. On January 24, 2020, a letter to ask the opinions of persons who reside in the immediate neighborhood was mailed to 99 residents and property owners in the area. In addition 100 letters were distributed to homes in the area to include renters who would not otherwise not receive the mailing. Comments were requested by February 7, 2020 at 5 p.m.

14 responses were received by the deadline. Seven made comments in support of the project. Six had comments in opposition to the project. There was one comment wanting more information about the costs to the property owner. Two comments were received after the deadline. Of those, one was in support and one was in opposition to the project. The letter sent and comments received are attached as Exhibit A.

NRS 279.486 (4) (c) Comparisons between the level of spending proposed by the agency and projections, made on a pro forma basis by the agency, of future revenues attributable to the buildings, facilities, structures or other improvements:

The total proposed spending by the Redevelopment Agency on this project is \$34.25 million.

According to the South Tahoe Event Center Opportunity Costs Analysis (Analysis), additional annual revenues generated within the community by the Event Center, once it is operational, are expected to be:

Revenue Source	Annual Amount Conservative Estimate	Annual Amount Aggressive Estimate
Overnight Visitor Spending	\$28 million	\$53 million
Room Revenue	\$14 million	\$19 million
Non-Gaming Revenue	\$53 million	\$62 million
Gaming Revenue	<u>\$76 million</u>	<u>\$82 million</u>
Total	\$171 million	\$216 million

The above sources total \$171 million to \$216 million in new revenues generated within the community as a result of the Event Center. Using the conservative estimate of \$171 million multiplied by the 23 year (the remaining portion of the RDA commitment once the Event Center is operational) equals total revenues generated by the project of \$3.9 billion compared to the RDA No. 2 proposed spending of \$34.25 million.

In the “*Increase local revenue from desired sources*” section of this staff report, annual local revenue (primarily from Room Tax and PALS Sales Tax) is anticipated to increase by \$1.2 to \$1.7 million. Annual revenue from C-tax is expected to increase by \$715,000. Together the annual increase in revenue is \$1,915,000.

The EPS Study anticipates a net fiscal deficit to the County General Fund of approximately \$212,000 annually primarily accounting for an increased Sheriff’s Office presence in the Stateline/Casino Area. The study indicates that should the County become a Point-of-Origin

County in the future, the additional sales tax revenue generated could bring this deficit to a breakeven level.

The net increase in annual local funding would be \$1,703,000. (\$1,915,000 - \$212,000). \$1.7 million times the 23 year commitment (once the Event Center is operational) equals a net increase of \$39.1 million in local funding compared to the RDA No. 2 proposed spending of \$34.25 million.

It is anticipated that both the revenues generated within the community and the local revenues/expenditures to Douglas County would continue after the RDA commitment to the financing is complete.

Conclusion:

The Tahoe South Events Center Project meets the definition of a Redevelopment project under Nevada law and is consistent with many of the purposes and goals outlined in the Redevelopment Plan for Redevelopment Area No. 2. The estimated redevelopment benefits of the project are considerable and include the potential to:

- Generate \$3.9 billion compared to the RDA proposed spending of \$34.25 million during the 25-year commitment
- Increase the average annual wage of the Leisure and Hospitality Industry which accounts for 32.9% of employment in Douglas County
- Increase hotel room night stays and visitor spending during midweek and shoulder season
- Upgrade the character and quality of the nearby built environment by incorporating architectural design strategies and site planning principles in the new facility

Sufficient information exists for the Redevelopment Agency and the Board of County Commissioners to make the required findings under NRS Chapter 279 to use redevelopment funding for the Tahoe South Events Center Project as set forth in the proposed Tax Increment Pledge Agreement for Event Center.

Attachments:

Exhibit "A" – Letter to residents and property owners in the Oliver Park General Improvement District area and comments received

EXHIBIT “A”

Letter to residents and property owners in the Oliver Park General Improvement District area and comments received

PATRICK CATES
County Manager

JENIFER DAVIDSON
Assistant County Manager



1594 Esmeralda Avenue
Minden, Nevada 89423

www.douglascountynv.gov
775-782-9821

OFFICE OF THE COUNTY MANAGER

January 23, 2020

Dear Oliver Park residents and/or property owners,

I want your opinion! The Douglas County's Redevelopment Agency (RDA) will be considering committing funding to the proposed construction of the Tahoe South Event Center to be located in the Stateline Casino Core. The Nevada Revised Statutes requires the RDA to **consider the opinions of persons who reside in the redevelopment area or the immediate neighborhood**. That's why we are contacting Oliver Park General Improvement District residents and/or property owners.

Please take a moment to share your opinions/ideas about committing funds to the proposed project. There are two ways to respond. You can write your response on the back of this letter and mail it to the address below or send an e-mail to me at Lgranahan@douglasnv.us. I need to receive your response by Friday, February 7th at 5 p.m. **Please include your address in your response** so I know you live in or own property in the Oliver Park area. Your response may be included as part of the public record when the RDA considers approval of the findings for the proposed project. Need additional information? Attached is an overview of the project and funding.

Your response to this letter is optional.

If you have questions, please feel free to contact me at (775) 782-6268 or by e-mail at Lgranahan@douglasnv.us.

Sincerely,

Lisa Granahan
Economic Vitality Manager
Douglas County
PO Box 218
Minden, NV 89423

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Write your opinions here and mail to:

Lisa Granahan
Economic Vitality Manager
Douglas County
PO Box 218
Minden, NV 89423

Or provide your opinions by e-mail to Lgranahan@douglasnv.us. Responses need to be received by Friday, February 7, 2020 at 5 p.m.

Your address _____

Do you live in Oliver Park GID or own property there? _____

Tahoe South Events Center Redevelopment Project - Additional Information

Project:

The Tahoe South Events Center is an approximately 138,000 square foot (total floor area) public assembly, sports and performing venue to be located on the southwest corner of the Mont Bleu Casino. It will be publicly owned by the Tahoe Douglas Visitors Authority (TDVA). TDVA will also be responsible for maintenance and operation of the project. Construction may occur in May 2020 pending required approvals and permitting. Completion is anticipated in early 2022.

Funding:

The Douglas County Redevelopment Agency (RDA) is being asked by the TDVA to pay a portion of the bond debt incurred to fund construction of the project. The total project with financing will cost more than \$100 million. TDVA will fund the majority of the project, with the RDA contributing approximately 25% of the cost. The RDA's proposed contribution would in the form of a contract that pledges RDA revenue annually to the TDVA for the life of the RDA which is approximately 26 years.

Douglas County and the RDA will not be liable for the debt on the project. That will be the responsibility of TDVA.

Need more information?

TRPA Website www.TRPA.org – Scoping for the Event Center Announced - <http://bit.ly/2uHc9Tt>

LTVA.org website - <https://ltva.org/event-center/>

Douglas County Website – RDA2 FAQs - <http://bit.ly/30n0WmW>

Granahan, Lisa

From: Kristi Kandel <kristi@idconsulting.us>
Sent: Monday, January 27, 2020 3:10 PM
To: Granahan, Lisa; Dan Tepper - Gmail
Cc: Wood, Natalie; Lochridge, Paula; Poole, Amy
Subject: Re: Property owners - 165 Aynes & 132 Kahle E&F - In favor of the event center & funding from RDA2 - Letters for Oliver Park Residents

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

132 Dan and I own together. We also own 232 Clubhouse but that's over in lake village and KGID.

--
Kristi Kandel
 President and Founder
I&D CONSULTING
 310.946.9562 mobile
[Kristi@idconsulting.us](mailto:kristi@idconsulting.us)
[I&D Consulting](#)

From: Kristi Kandel <kristi@idconsulting.us>
Date: Monday, January 27, 2020 at 2:57 PM
To: "Granahan, Lisa" <LGranahan@douglasnv.us>, Dan Tepper - Gmail <tepper232@gmail.com>, Kristi Kandel <kristi@idconsulting.us>
Cc: "Wood, Natalie" <nwood@douglasnv.us>, "Lochridge, Paula" <PLochridge@douglasnv.us>, "Poole, Amy" <APoole@douglasnv.us>
Subject: Property owners - 165 Aynes & 132 Kahle E&F - In favor of the event center & funding from RDA2 - Letters for Oliver Park Residents

Lisa,
 This is official confirmation in writing that the property owners of 165 Aynes Court (Kristi Kandel) and 132 Kahle Drive Units E&F are in full support of RDA 2 and the Event Center. We fully support the County regarding any and all funding efforts to get the event center built.

Kristi

--
Kristi Kandel
 President and Founder
I&D CONSULTING
 310.946.9562 mobile
[Kristi@idconsulting.us](mailto:kristi@idconsulting.us)
[I&D Consulting](#)

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: tam sue <catt88@att.net>
Sent: Friday, February 7, 2020 10:29 AM
To: Granahan, Lisa
Subject: Event Center

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Dear County Manager:

I don't understand why you want to build a "Event Center". There is a failed example across Stateline right next to Harvey's Casino. City of SLT wasted tax payer's & investor's money more than a decade ago. You want to follow their footsteps?

Sue Tam

169 Kahle Dr. Stateline NV

Sent from my iPhone

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: Robert Dickerson <radtahoe@gmail.com>
Sent: Tuesday, February 4, 2020 3:33 PM
To: Granahan, Lisa
Subject: Events Center

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Lisa,

Investment in an Events Center is ill-timed, at best.

I am a licensed real estate broker active in vacation rental property management here in Tahoe/Douglas.

When the South Lake Tahoe, CA electorate was considering the ban on residential area vacation rentals, I performed an analysis of the situation.

Here are the "heads to beds"(number of available places for tourists to rent)numbers for our local Lake Tahoe area, including Douglas County and South Lake Tahoe, CA. This is where tourists can get accommodations at the Lake. Those tourists contribute to the economy in the Casino corridor here at the Lake:

TYPE BREAKDOWN

1. Vacation Rentals 64% (13% NV, 51%SouthLakeTahoe)
2. Casinos 25% (100% Stateline)
3. Other (motels) 11% (100% SouthLakeTahoe)

THE PROBLEM IS THAT 4 OUT OF 5 OF THE CALIFORNIA SIDE SOUTH LAKE TAHOE VACATION RENTALS ARE ABOUT TO VANISH (NEXT TWO YEARS) DUE TO THE NEW POLICIES IN SLT.

AT THE COMPANY I WORK FOR, OUR 2018 VACATION RENTAL OCCUPANCY RATE YEAR AROUND WAS 40%, BETTER THAN THE CASINOS. IN THE NEXT TWO YEARS, THE MORATORIUM ON VACATION RENTALS IN SOUTH LAKE TAHOE WILL ELIMINATE 40% OF THE AVAILABLE SPACE FOR TOURISTS.

THIS WILL BE DEVASTATING TO THE LOCAL ECONOMY, AND WILL RESULT IN 40% FEWER TOURISTS IN OUR AREA . OUR VACATION RENTALS ON THE NEVADA SIDE WILL FLOURISH SINCE THEY WILL PROBABLY INCREASE IN OCCUPANCY.

BUT, WITH THE DECREASED NUMBER OF TOTAL TOURISTS, THE LAST THING WE NEED IS A NEW EVENTS CENTER. THE DECREASED NUMBER OF TOURISTS WILL MAKE IT A MONEY SINK. MAINTAINING MANAGEMENT AND STAFF AND ANY CATERING WILL BE MUCH MORE COSTLY THAN ANY PROJECTIONS THAT DO NOT CONSIDER THE SLT VACATION RENTAL SITUATION.

BY THE WAY, THE MANNER OF FINANCING THE EVENTS CENTER WAS HORRIBLE. IT COSTS US (VACATION RENTAL MANAGERS) ABOUT \$8 TO COLLECT AND PAY THE \$5 PER NIGHT FEE.

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

APPROXIMATELY \$1.50 GOES TO THE OTA's (AIRBNB, VRBO, TRIPADVISOR, etc), AND BECAUSE THE FEE IS STRUCTURED DIFFERENTLY FROM THE TOT(Transient Occupancy Tax), IT HAS REQUIRED MODIFICATIONS OF SOFTWARE AND EXTRA STAFF TIME TO PREPARE AND FORWARD THE FUNDS TO DOUGLAS COUNTY.

I HOPE YOU TAKE THESE ITEMS INTO CONSIDERATION

Robert Dickerson, PhD
POB 11733, Zephyr Cove NV 89448
775-220-6220

Write your opinions here and mail to:

Lisa Granahan
Economic Vitality Manager
Douglas County
PO Box 218
Minden, NV 89423

Or provide your opinions by e-mail to Lgranahan@douglasnv.us. Responses need to be received by Friday, February 7, 2020 at 5 p.m.

Your address 147 Foris Ct. State Line NV 89449

Do you live in Oliver Park GID or own property there? OWN

I think the cost to individual property owners should have been included. Hard to come up with an opinion without knowing what it will cost me.

John Kilsour

Granahan, Lisa

From: Keith Byer <bkeithbyer@yahoo.com>
Sent: Tuesday, January 28, 2020 4:12 PM
To: Granahan, Lisa
Subject: Opinions on the Tahoe South Event Center

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Ms Granahan,

My name is Brian Byer and my wife and I live at 9 Beach Club Dr, Unit 103, Stateline NV, in the Oliver Park GID area.

My wife works as an Uber driver in Stateline, NV. As someone in the hospitality area, her income suffers a significant downturn during the spring and fall "shoulder seasons". Our community is full of people in similar situations; many struggle to make ends meet during these times. Those struggles can mean difficulty in heating their homes and feeding their kids. Each parent hopes they have saved enough to make it through those periods but often their hopes are dashed by reality. Many are one cool summer or dry winter away from disaster.

I support the Tahoe South Event Center. Able to host concerts, youth sporting tournaments, and large meetings, the Event Center is well positioned to bring in not only high numbers of additional visitors, but the type of visitors who spend significant money on accommodation, meals, and transportation. I believe the Events Center is our best, and likely only, option to make Lake Tahoe a year around destination, which should be the dream of every Douglas County resident.

I have been troubled by the rhetoric being used by some which portray the Event Center debate as some battle between businesses and people, benefiting only the casinos (as if our major employers aren't reason enough!) and portray the public's interest as only risk. My wife and I are the public, but we see tremendous benefits to ourselves, our family, and our friends from the proposed Event Center. I hope cooler heads can prevail and the commissioners can see that the Event Center benefits all of us.

Best regards,

Brian Byer
(775)309-3560

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: Stacy Noyes <snoyes@lakesideinn.com>
Sent: Thursday, February 6, 2020 9:59 AM
To: Granahan, Lisa
Subject: RDA #2

Expires: Friday, February 5, 2021 12:00 AM

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Good morning Lisa,
 ??

I am writing in support of the RDA and the South Tahoe Events Center funding.?? Lakeside Inn is a strong supporter of the outlined methods to fund the project and look forward to the positive economic, social and environmental benefits the Event Center will bring to our County and community.

??

We urge the Board of County Commissioners to vote in support of the funding, maintain the RDA and approve the project itself. ??

??

Feel free to contact me for any questions or further clarification.

??

Stacy

??

Stacy L. Noyes

President

Lakeside Inn and Casino - Lake Tahoe

??

Direct:??775.586.7774

Mobile: 775.790.4696

??

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: Nancy Lang <nancylang11@gmail.com>
Sent: Sunday, February 2, 2020 1:45 PM
To: Granahan, Lisa
Subject: Tahoe South Even Center

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Dear Ms. Granahan,
Thank you for your letter regarding the development and funding for the Tahoe South Event Center. I own a condo at the Tahoe Beach Club at 9 Beach Club Drive, #125, Stateline, NV 89449.

I am in favor of using the RDA funds to construct the Event Center. I understand some of the funding will be designated to improve the Kahle Drive area and I support that wholeheartedly. We need to find alternative sources of revenue for our County as I do not feel we can continue to rely on the Casino core to support the needs of Douglas County. The Event Center will bring in revenue and add a resource for convention, entertainment and community development. It is a win-win situation.

Please support the use of RDA funds for this critical development and resource. It is essential to the continued positive growth of Douglas County.

Thank you,
Nancy Lang

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: Eternal Ocean <eternalocean1045@gmail.com>
Sent: Tuesday, January 28, 2020 7:36 PM
To: Granahan, Lisa
Subject: Tahoe South Event Center

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

We are sending this email as a show of support to invest funding into the Tahoe South Event Center Redevelopment Project.
Look forward to seeing the finished project.

Residents of:
168 Faris Court
Stateline, NV 89449

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: Jocelyn Sison <sfshortcake2002@yahoo.com>
Sent: Tuesday, February 4, 2020 4:12 PM
To: Granahan, Lisa
Subject: Tahoe South Events Center Redevelopment Project

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Lisa,

I traded voicemails with you and spoke to you the other day regarding the Tahoe South Events Center Redevelopment Project.

My wife, Jocelyn, and I have reviewed all of the information on line regarding this project.

We are fully in favor of this project and excited to see it progress, take shape, and be fully built and implemented.

We own a home in the Oliver Park General Improvement District at 168 Aynes Court, Stateline, NV 89449.

We look forward to the event center opening.

Thank you,
Gary Watts
Jocelyn Sison-Watts
925-376-0990

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Write your opinions here and mail to:

Lisa Granahan
Economic Vitality Manager
Douglas County
PO Box 218
Minden, NV 89423

RECEIVED
FEB 06 2020
Douglas County Manager

Or provide your opinions by e-mail to Lgranahan@douglasnv.us. Responses need to be received by Friday, February 7, 2020 at 5 p.m.

Your address 171#B MICHELLE DR. 775-586-1039

Do you live in Oliver Park GID or own property there? YES 25+ yrs.

ROBERT HOFF AND WILLIAM HILGENDORF

HAVE NOT SEEN ANY EVIDENCE THAT DOUGLAS COUNTY NEEDS AN "EVENT CENTER" FOR ITS "ECONOMIC VITALITY" - NO -

TELEPHONE
EX 1000
775-586-1000

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Dear Neighbors and almost-Neighbors:

You've probably seen the letter from the "Office of the County Manager" asking for our input on a "Tahoe South Event Center." **This "Event Center" would be a disaster for our Oliver Park neighborhood.**

The letter I wrote to the Office is printed on the other side.

If you agree with me, *please write them too!*

You can write your own letter, or you can copy part of all of mine from the electronic version at:
<https://pastebin.com/C6tdSbbe> (That's a capital S, not the number 5)

Send your comments to Lgranahan@douglasnv.us

Include your name and street address, to prove you live here in Oliver Park, or they'll ignore it!

Email is best, but you can also send a letter to Lisa Granahan, Economic Vitality Manager, Douglas County, PO Box 218, Minden, NV 89423.

Emails and letters are due before 5pm THIS Friday, February 7th.

No one is paying me to do this. I've lived here in Oliver Park for over ten years, and I wouldn't bother you unless our homes and lives here in Tahoe were at stake. If you have questions, you can email me:

StopTheEventCenter@evil-genius.com

Thank you for taking the time to turn this page over, read the letter, and send Douglas County a message!

What Douglas County Isn't Telling You About The "Event Center"

Dear Lisa:

This “Event Center” would be a disaster for our Oliver Park neighborhood.

Oliver Park is one of the few remaining affordable places to live in Tahoe. We are a neighborhood of local workers and residents. Most of us are renters. By the TDVA’s own admission, **the “Event Center” will drive up our rents and taxes** – forcing many of us out of our homes and apartments, while creating traffic, noise, and parking nightmares for anyone that’s left.

- An “event center” means *more part-time, seasonal jobs that don’t pay Oliver Park residents enough to live here*. The TDVA itself admits it’ll host, at most, 30 concerts per year – roughly *one day of work every two weeks*, on the same busy evenings that every other employer needs part-time workers.
- An “event center” means even more incentives for landlords to *kick out local workers and residents*, and turn our houses and apartments into short-term vacation rentals for event-goers.
- An “event center” means traffic jams. It means tourists parking on our already-crowded streets (and walking back late at night, drunk and loud) in order to avoid casino core parking fees.
- The TDVA itself admits that this \$80+ million “event center” *might net, at most, \$1 million per year* – including the projected tax revenue! (This explains why the casinos haven’t built it themselves. They know it’ll never pay for itself, and will likely operate at an *ongoing loss* – because their own event centers, *which have existed for decades*, are rarely used.) They want Douglas County residents and taxpayers to take the *massive loss* of building and operating a large concert venue, while they take the profitable hotel business it brings. *This alone is sufficient reason to veto the project.*
- Now we know why the \$90+ million “Loop Road” (which will cost much more, because it’s based on property values in 2014) is being pushed so hard: because it provides easier access for Californians to the “Event Center”. *The real cost of this project will be over \$200 million.*
- The TDVA is counting on “increased property values” to make up at least \$20 million of the loss. But how does “increased property values” lead to profit for the TDVA?
“Increased property values” means we, the residents of Oliver Park, pay higher rents and property taxes. Yes, this means we will be subsidizing concerts and conventions for out-of-town visitors, mostly from California, with our own rent money and tax dollars. More and more of us will be forced out of our homes and apartments, to commute from the valley or leave Tahoe altogether.
- All this assumes that the project will even be completed. The City of South Lake Tahoe still hasn’t managed to build their own event center – after well over a decade and \$50 million dollars, *the center of our downtown is still a giant unfinished concrete pit, because potential investors know it cannot be built and operated at a profit.* What makes Douglas County believe that *exactly the same thing*, built less than a mile away, will end any differently?

In summary: **Spending \$80 million on a money-losing “event center” will decrease our quality of life in Oliver Park, dramatically increase our housing costs, and provide only part-time, seasonal jobs that don’t pay us enough to live here – assuming it doesn’t fail, just like South Lake’s has already failed.** Many Oliver Park residents will be forced out of our homes and apartments to commute from the valley, or to leave Tahoe altogether, in order to subsidize concerts for people who don’t even live in Douglas County.

For these reasons and many more, **this plan does not serve the needs of Oliver Park residents. We need affordable housing and full-time jobs.** The “Event Center” plans should be vetoed and scrapped.

Sincerely,

<Your name>

<Your street address> (They’ll ignore you if you don’t give your street address to prove that you live here)

Write your opinions here and mail to:

Lisa Granahan
Economic Vitality Manager
Douglas County
PO Box 218
Minden, NV 89423

RECEIVED
JAN 30 2020
Douglas County Manager

Or provide your opinions by e-mail to Lgranahan@douglasnv.us. Responses need to be received by Friday, February 7, 2020 at 5 p.m.

Your address 9 Beach Club Drive # 123

Do you live in Oliver Park GID or own property there? yes

We approve the project
The Nicolas

Granahan, Lisa

From: jinn ding <slowgene2003@yahoo.com>
Sent: Friday, February 7, 2020 10:50 AM
To: Granahan, Lisa
Subject: Event Center

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Saito Sushi failed on California side. I see an opportunity opening a sushi joint on NV side. My CFP told me not to waste money because the tiny market won't sustain it. I don't see the reason to waste government fund on a eventually going to fail Event Center.

Jinn H Ding
169 Kahle Dr. Stateline NV 89449

Attachment: Staff Memo (4748 : RDA Findings - Tahoe South Events Center Project)

Granahan, Lisa

From: Linda Rife <charliehorse988@yahoo.com>
Sent: Friday, February 7, 2020 2:03 PM
To: Granahan, Lisa
Subject: Douglas County Redevelopment Agency vs Tahoe Douglas Visitor's Authority

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

With the Douglas County and TRPA as watchdogs, I was surprised to read that the Tahoe Douglas Visitors Authority was more than managing transportation for visitors, locals, and acting as a chamber of commerce. I must have been sleeping when that was enacted. Since when has a county been involved in entertainment for profit? If the Event Center would be so profitable, why haven't any of the casinos built a bigger venue by now? Since TDVA consists of 1 Board of County Commissioners, and 4 representatives of associates of gaming establishments, will they include gambling? Since TDVA was formed in 1997 with the explicit plan of removing "blight" and opening an event center, they have saved no money, that I can see, to start construction. Two decades into the planning, and as of 6/20 they expect to have 1,743,993. Toward a 80 million plus bill.

And stating that Douglas County and the RDA won't be liable for the debt, what about the money needed to widen, and redo the loop road? It should actually be a low bridge, since it's all stream area, and doesn't last long just paving it. Plus, if it becomes Hwy 50, it should be two lanes in each direction, plus turning lanes, etc. Is that part of their budget, or the taxpayers?

And about blight. Even though the casino corridor hasn't been bringing in the income of past years, I wouldn't consider them a blight, since the interiors and exteriors are redone regularly. They, and a few hotels in the area have convention rooms, show rooms, restaurants and rooming. If they regularly sold out shows, they would be the first to enlarge showrooms. Not happening. I'm sure the "blight" is directed more to the older homes off of Kahle, such as mine. It would be so nice for these developers to be able to raze this whole area, and build more million dollar condos, Mc mansions, anything to raise the tax revenue.

We live here because we love the mountains, lake, trees, and even pesky bears, and other wildlife. Some people won't be happy until this beautiful area is reduced to another polluted city, all pavement and condos.

Thank you for including us Lisa!

Linda Rife
 164 Faris Ct

Owner in Oliver Park GID.

I agree with StopTheEventCenter@evil-genius.com

Granahan, Lisa

From: John Grigsby <johngg@evil-genius.com>
Sent: Friday, February 7, 2020 3:10 AM
To: Granahan, Lisa
Subject: Tahoe South Event Center comment, from Oliver Park resident and property owner
Attachments: JG Event Center Comment.docx

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Dear Lisa:

I have resided in Oliver Park for over ten years.
 I am a homeowner here in Oliver Park.
 Thank you for requesting my feedback!

Please find my letter enclosed.
 If you can't read the Word document, I've also attached it as plaintext.
 However, the Word document is much easier to read, with better formatting.
 If you need me to resend or have any questions, please let me know.

Sincerely,

John Grigsby
 172 Michelle Drive, Stateline, NV 89449
 johngg@evil-genius.com

 TO: Lisa Granahan, Economic Vitality Manager, Douglas County, NV

Dear Lisa:

Thank you for requesting neighborhood input on the proposed "Event Center."

This letter comes in two parts.

The first part is written from my perspective as a homeowner and full-time resident of Oliver Park. (I've lived here for over ten years.) The second part analyzes the business case for the center, from my perspective as a project manager who is also a Douglas County resident and taxpayer.

Please feel free to contact me directly with any questions!

As a property owner, it seems natural that I would support a project whose stated purpose is to increase the value of my property. However, as a full-time resident, my home is not just an investment to be flipped. Focusing on property values, over quality of life, shortchanges residents of Douglas County – in favor of enriching investors from outside the county, and usually outside the state.

Part I: The Event Center's Impact On Full-Time Residents of Oliver Park

This "Event Center" would be a disaster for my Oliver Park neighborhood.

Oliver Park is one of the few remaining affordable places to live in Tahoe. We are a neighborhood of local workers and residents. Most of us are renters. By the TDVA's own admission, the "Event Center" will drive up our rents and taxes – forcing many of us out of our homes and apartments, while creating traffic, noise, and parking nightmares for anyone that's left.

- An "event center" means more part-time, seasonal jobs that don't pay Oliver Park residents enough to live here. The TDVA itself admits it'll host, at most, 30 concerts per year – roughly one day of work every two weeks, on the same busy evenings that every other employer needs part-time workers.

- An "event center" means even more incentives for landlords to kick out local workers and residents, and turn our houses and apartments into short-term vacation rentals for event-goers.

- An "event center" means traffic jams. It means tourists parking on our already-crowded streets (and walking back late at night, drunk and loud) in order to avoid casino core parking fees.

- The TDVA itself admits that this \$80+ million "event center" might net, at most, \$1 million per year – including the projected tax revenue!

(This explains why the casinos haven't built it themselves. They know it'll never pay for itself, and will likely operate at an ongoing loss – because their own event centers, which have existed for decades, are rarely used.) They want Douglas County residents and taxpayers to take the massive loss of building and operating a large concert venue, while they take the profitable hotel business it brings. This alone is sufficient reason to veto the project.

- Now we know why the \$90+ million "Loop Road" (which will cost much more, because it's based on property values in 2014) is being pushed so hard: because it provides easier access for Californians to the "Event Center". The real cost of this project will be over \$200 million.

- The TDVA is counting on "increased property values" to make up at least \$20 million of the loss. But how does "increased property values" lead to profit for the TDVA?

"Increased property values" means we, the residents of Oliver Park, pay higher rents and property taxes. Yes, this means we will be subsidizing concerts and conventions for out-of-town visitors, mostly from California, with our own rent money and tax dollars. More and more of us will be forced out of our homes and apartments, to commute from the valley or leave Tahoe altogether.

- This is a real problem. Not one of my friends from ten years ago still lives here. Rising housing costs have forced every single one out of the Tahoe area.

- All this assumes that the project will even be completed. The City of South Lake Tahoe still hasn't managed to build their own event center – after well over a decade and \$50 million dollars, the center of our downtown is still a giant unfinished concrete pit, because potential investors know it cannot be built and operated at a profit. What makes the RDA believe that exactly the same thing, built less than a mile away, will end any differently?

In summary: Spending \$80 million on a money-losing "event center" will decrease our quality of life in Oliver Park, dramatically increase our housing costs, and provide only part-time, seasonal jobs that don't pay us enough to live here – assuming it doesn't fail, just like South Lake's has already failed. Many Oliver Park residents will be forced out of our homes and apartments to commute from the valley, or to leave Tahoe altogether, in order to subsidize concerts for people who don't even live in Douglas County.

For these reasons and many more, this plan does not serve the needs of Oliver Park residents. We need affordable housing and full-time jobs.

These "Event Center" plans should be vetoed and scrapped.

Part Two: The Business Case for an "Event Center." Does It Work?

Now we address the business case.

I am a project manager who is also a homeowner, taxpayer, and full-time resident of Oliver Park since 2009. Many of my friends and acquaintances work in the casino core. I can offer direct evidence that an "Event Center" will be a massive financial disaster for Douglas County and its residents.

South Lake Tahoe is already swimming in underused conference space and concert venues.

The Montbleu alone has over 16,000 square feet across 8 different rooms and spaces, plus a 1500-capacity theater and two nightclubs – one of which is used perhaps two nights per year. Four concerts could be held there simultaneously.
https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.montbleuresort.com%2fmeetings%2ffacilities&c=E,1,AbsjW_aZQVOCN7pR9jqL-rTKp81eQlvpkqARM2Cd1sGwY6X9mBVit96yVzurcuCqQpZ7SEmnaHbUqI0jyupVW05B1_EDTDVIHUKyououIZER7R93IOP2H00,&typo=1

Harrah's has over 25,000 square feet of conference and event space, plus a theater and nightclub.

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The Hard Rock has over 14,000 square feet of conference and event space.

<https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fhardrockcasinolaketahoe.com%2fspaces%2f&c=E,1,ps2PajiKUSAxKFEZEvd9inz9ZIIIMdL5jrwjvdijbQQm8bvYxGokXO-C3lid1N3deOJf5z1nhSscLkxfVMjpm5NXIk9ov9OqIPwVScnEpfl,&typo=1>

Many of these existing conference and concert spaces are rarely used.

Even the big Halloween party that the Montbleu has held for over 30 years (the "Freaker's Ball") isn't big enough to use the conference center or Blu nightclub – it's barely big enough to fill up the theater.

The Hard Rock Casino never built a concert venue, despite having the space and being, well, the Hard Rock. And roughly one-fourth of Harvey's ground floor space remains vacant and unused to this day, ever since the closing of the Hard Rock Cafe and the entire wing of the casino adjoining it.

Most tellingly, the City of South Lake Tahoe has never found a single investor willing to finish the event center they've already sunk close to \$50 million into! The city had to hastily approve a small one-story shopping mall, and a facade of "Zalanta" vacation condos, in order to hide the giant unfinished concrete pit that still occupies the center of downtown, over a decade later.

To recap:

- The casinos' own conference centers and concert venues are underused and underbooked. Some of the spaces are used only once or twice per year.
- The casinos don't even use the space they already have in order to bring more concerts and events to town. The Montbleu has hosted MMA fights in the past, and still hosts a bodybuilding show. If more events aren't coming to town, it's not because Tahoe lacks event space: it's because not enough people are willing to drive to Tahoe and spend the money to see them.
- The City of South Lake can't find a single investor in the entire world willing to bankroll the completion of their own event space – less than one mile from this proposed "Event Center."

The TDVA itself admits that an "Event Center" would operate at a massive ongoing loss – in addition to \$80 million just to build it, and another \$100+ million for the "Loop Road" to mitigate the resulting traffic disaster. Even their best-case numbers leave it dependent on both TOT and increased property taxes – meaning Douglas County residents would be subsidizing concerts for Californian visitors with our own property tax. (Using their own best-case numbers, 350 "full time equivalent" jobs would mean an operating cost of \$10-20 million per year, just in salaries – plus facilities upkeep and maintenance.)

Even worse, these best-case numbers assume that the “Event Center” will host lots of conferences and events. We know that will never happen, because as I’ve just shown, South Lake Tahoe is already swimming in underused and underbooked conference and event space for thousands.

This glut of existing facilities leaves us with the following business case for the “Event Center”:

- Concerts of over 2000 and fewer than 6000 people.
- Featuring names big enough to draw people from Sacramento and the Bay Area.
- Names so big that people are willing to drive 4-8 hours and pay to stay overnight in Tahoe – versus a short drive to a local venue in Sacramento or the Bay Area, and sleeping at home for free.

Let’s run the numbers.

We need to make \$20 million – a conservative estimate of yearly operating cost, given the RDA’s claimed numbers for job creation – with the 30 events the RDA claims the “Event Center” will host. That’s \$666K per event, which means that even if all 30 events sell out with 6000 attendees each, each attendee would need to deliver \$110 of net profit to Douglas County. That means ticket prices well north of \$300.

The Numbers Don’t Work. Period.

To not produce an ongoing loss for Douglas County, the “Event Center” would have to completely sell out 30 events per year, with 6000 attendees each, at a ticket price of \$300 and up. This is obviously crazy and will never happen. \$5 extra per head in TOT is rounding error to these numbers, and cannot make the “Event Center” profitable either.

The casinos know this, which is why they haven’t built this “Event Center” themselves – or even converted any of their space to enable more events. Investors around the world know this, which is why downtown South Lake Tahoe is still a giant unfinished concrete pit.

This “Event Center” would be nothing but a gigantic, perpetual drain on Douglas County finances. It would steal tens of millions of dollars from Douglas County residents, and use them to subsidize concerts for people who don’t live in the county, or even the state of Nevada.

“But What About Construction Jobs?”

If we’re determined to create construction jobs with government spending, we can build something that serves the needs of Douglas County residents, and will return a profit to the county, instead of losing tens of millions for the benefit of out-of-town investors.

As per Tahoe Prosperity Center statistics, over 10,000 workers are forced to commute into the Tahoe Basin and back every day, because they can’t afford to live here. Many of them live in Douglas County. And the TRPA recently removed the last obstacle to building affordable worker housing – by creating a new class of Residential Units of Use (“allocations”) specifically dedicated to affordable housing for full-time residents.

Because of those 10,000 workers already commuting every day, any affordable housing Douglas County builds at the lake will be fully occupied, returning guaranteed profit to the county.

Worker Housing Benefits Our Economy More Than An “Event Center”

Tourists coming to an event spend hundreds of dollars – once.

Local residents spend much less per day – but they spend it all year, including shoulder season.

Even a part-time hospitality worker with only \$5000 left to spend per year, after rent and utilities, contributes far more to the Tahoe economy than a tourist spending \$500 per day once or twice per year.

- Building affordable housing units for just 150 local workers would not only provide over a million dollars of guaranteed income to Douglas County, every year – it would also pump over \$1 million directly into the local economy every year, year-round. 500 housing units? Over \$3 million to Douglas County and the Tahoe economy.
- These numbers are conservative. They assume that housing units rent for only \$600/person (market rent on the Nevada side of South Lake is at least \$900 for a studio), and that workers only spend \$5000 in the local economy each year.
- Given the 10,000 commuters every day, the only realistic limit to this income stream is how many units we can build.
- As a bonus, instead of requiring the \$100+ million “Loop Road” to handle the added traffic, affordable housing for local workers saves the County money by decreasing traffic.

In Conclusion

An “Event Center” would be a disaster for Oliver Park residents, and a massive ongoing financial burden for Douglas County and its taxpayers – assuming it doesn’t fail entirely, as South Lake’s attempt, less than a mile away, has already failed. If we are to spend the Douglas County taxpayers’ money to build anything at all, it must be affordable housing for local workers.

Thank you for your time and careful consideration.
Once again, please contact me directly with questions or concerns!

John Grigsby
173 Michelle Drive
Stateline, NV 89449
johngg@evil-genius.com
(Please remove my address and email from any public filings of this response)

From: [Skylr Penna-Couttenye](#)
To: [Granahan, Lisa](#)
Subject: Event Center opinion Oliver Park resident
Date: Monday, February 17, 2020 9:37:40 PM

CAUTION: This email is from an external source. Use caution when clicking links or opening attachments.

Hello Lisa, I realize this may be late to comment, but do have some input. I'm not I support of spending over 100 million dollars for a center when the roads in our area i.e. Kahle drive is in shambles. Is there any plan to fix the road?

Also what kind of impact will this make on our taxes?

Thanks for your time hope you can give me some insight to the plan and effects.

165 Michelle drive unit b

Best,
-Skylr Penna

BEACH CLUB DEVELOPMENT, LLC

February 5, 2020

Ms. Lisa Granahan
Economic Vitality Manager
Douglas County
PO Box 218
Minden, NV 89423

RECEIVED
FEB 10 2020
Douglas County Manager

Dear Ms. Granahan:

TAHOE SOUTH EVENTS CENTER

Thank you for seeking our input as property owners in the Oliver Park neighborhood regarding the proposed Tahoe South Events Center. As the owners of the Tahoe Beach Club property, we enthusiastically support the development of this facility.

It will bring with it many community benefits, including cultural, economic, public gathering spaces and employment. As a small community with a recreation and tourism economic base, we are fortunate to have partners who are willing to step forward to create a public facility of this nature. It is truly a unique opportunity that we should realize.

Please share our support for the Events Center project with the County Manager and staff, the Board of County Commissioners and the Redevelopment Agency.

We appreciate the opportunity to share our views with you. We are pleased to answer questions or provide you with additional input.

Warm Personal Regards,



Patrick Rhamey, CEO
Tahoe Beach Club, LLC
1 Beach Club Drive
Stateline, NV 89449



Tahoe South Event Center Project Redevelopment Funding

Presentation to Douglas County
Redevelopment Agency

April 16, 2020

Project

- 138,000 sq. ft. Event Center
- Located in the Mont Bleu parking lot, Stateline
- Public assembly, sports & performing venue
- Tahoe Douglas Visitors Authority (TDVA) will construct, own and operate the project



Proposed Funding

- Construction estimate - \$100M
- TDVA's request of RDA No. 2:
 - Current tax increment funds – approx. \$1.75M
 - Future tax increment pledge of \$1.3M annually for 25 years = \$32M
 - Total - \$34.25M
 - Estimated to be 19% of debt service
- TDVA will issue debt and assume all liability

Additional Funding

- \$5 per night surcharge in Tahoe Township
 - Estimated to generate 43% of debt service to pay bonds
- Existing Transient Lodgers License Tax (TLLT) & Transient Occupancy Tax (TOT) TDVA currently receives
 - Estimated to generate 38% of total debt service to repay the bonds
- Land for Event Center provided by Edgewood Companies – estimated donation - \$10M

History of Project

- Decades of idea and project development
- Identified in the South Shore Vision Plan – 2011
- Incorporated into the South Shore Area Plan adopted by TRPA – 2013
- Included in Douglas County Strategic Plan – 2015
- Included in the 2017 Updated Economic Vitality Plan

Project Consistency with RDA Plan

- Goals & Objectives
 - Eliminate economic blight
 - High level of architectural, land space and urban design
 - Retain existing businesses & encourage cooperation of owners, businesses and public agencies
 - Encourage investment & maximum participation
 - Replan, redesign & redevelop area

Existing Condition

- South Tahoe Event Center Opportunity Cost Analysis (Analysis) identified
 - 36% decline in gaming revenues
 - Reduction in gaming market share from 11% to 2%
 - 16% decline in room nights sold
 - 35% decrease in property tax levied on casinos
 - Douglas County is behind the state average in sales tax growth
 - 54% decline in resort employment

Expected Economic Benefits

- By capitalizing on growing visitors during midweek and shoulder seasons, the Analysis expects annual increases in:
 - Gaming Revenues
 - Non-gaming revenues
 - Room nights sales
 - Room revenue
 - Overnight visitor spending

Jobs Created (12 year period)

- Casino jobs:
Approx. 1,100 to 1,300
- Douglas County jobs: Approx. 1,800 to 2,100

What Must be Considered

- Improvements are of benefit to the Redevelopment Area or the immediate neighborhood...
- Considerations
 - Staff report reviews the considerations required in NRS Sections 279.486 4(a)

Creation of Business & Jobs

Expected to create:

- Business expansion opportunities and better use of existing capacity for current businesses during midweek and shoulder seasons
- Jobs (casino employment and employment within the county)
- 400 construction jobs over a 2-year period
- Create 531 construction related jobs
- Create 357 Event Center jobs (full and part time)

Year Round Employment

- Other job considerations
 - DETR 2017 Employment & Payrolls
 - 32.9% of Douglas County employment – Leisure and Hospitality
 - Average annual wage – \$32,719
 - Many jobs are seasonal or not full time
 - Average county annual employment wage – \$46,206
 - Project has the potential to increase annual Leisure and Hospitality wage with more midweek & shoulder season employment

Increase Local Revenues

- Local revenues will increase (once the Event Center is operational)
 - Estimated average annual revenue: \$1.2 million to \$1.7 million
 - Room Tax (TOT) – Parks, Recreation & Tourism
 - Room Tax (TLLT)– Parks, Recreation & Economic Vitality
 - Tahoe Douglas Transportation Fund – Transit, pedestrian or road facilities and snow plowing
 - Sales Tax (PALS) – Parks, Library and Senior Center

Consolidated Tax (C-tax)

- Total of \$3.7 to \$4.4 million generated annually
- Ctax is made up of 6 taxes:
 - 1.75% SCCRT Sales Tax, .5% BCCRT sales tax, Real Property Transfer Taxes, Cigarette Tax and Liquor Tax and Governmental Services Tax
- SCCRT (Supplemental City County Relief Tax)
 - No negligible increase in as a “Guaranteed County”
 - \$200,000 to \$300,000 potential increase as a “Point of Origin County”
 - (Requires reaching a certain threshold in SCCRT (Supplemental City County Relief Tax portion (1.75% Sales Tax)

C-tax continued

- At \$3.7 million, the remaining 5 taxes are estimated to be \$1.3 million
 - Approx. 55% goes to Douglas County
 - Estimated to be \$715,000
 - Approx. 45% goes to other political subdivisions in the county

General Fund Expenditures

- Approximately \$212,000 annually
 - Primarily for increased Sheriff's Office presence in the Stateline/Casino area
 - Based on increase call activity/persons served
 - Once the Event Center is operational

Human Activity

- Expected to increase levels of human activity
 - 112 conference center events – estimated attendance of 14,700 attendees
 - 85 arena events (concerts, family shows, etc.) – estimated attendance 67,500 annually
 - Increase in pedestrian traffic
 - Visits to nearby recreational areas such as Van Sickle Bi-Sate Park, beaches, and Heavenly Resort
 - Access to proposed micro transit

Design & Qualified Labor

- Project will reflect attributes that are unique including its alpine settings and resort atmosphere
- Will utilize qualified and trained labor in construction



Social & Financial Benefits

- Arts & cultural events
- Fundraising venue for service organizations
- Community gathering place
- Property owner reinvestment
- Increase hotel rooms midweek & shoulder season
- Year-round visitor related revenue
- Additional jobs; year round employment



Financing

- NRS requires no other reasonable means of financing the facilities is available
 - Cost of construction is \$100 million
 - RDA No. 2 is being asked to contribute approximately 19% of the debt service to repay the bonds
 - TDVA lacks sufficient funding to secure the project financing without the RDA pledge agreement
 - Tax Increment is less volatile and provides a more stable source of revenue than room tax

Opinions of Persons in Immediate Neighborhood

- Residents & Property Owners in the Oliver Park General Improvement District were asked to provide opinions
- Letters mailed January 24th ; due February 7th
- 14 comments on time
 - 7 in support; 6 in opposition
 - 1 requesting more info about cost
- 2 comments received after the deadline: 1 in support and 1 opposed

Comparison of Funding

- NRS 279.486 – Comparison between spending and future revenues
 - Total requested tax increment \$34.25 million (through 2045)
 - Future estimated revenues after operation commences (through 2045)
 - Overnight visitor spending, room revenue, non-gaming revenue and gaming revenue - \$171 million per year x 23 years = \$3.9 billion
 - Local revenues to Douglas County – \$1.7 million annually
 - \$1.2M (TOT & PALS) + \$715,000 (portion of C-tax)
 - Less (\$212,000)
 - \$1.7 million x 23 years = \$39.2 million

Recommendation

- Based on the entirety of the information presented in the staff report
- Consider adopting the findings that the Tax Increment Pledge Agreement for the Event Center meets the goals and purposes of the Redevelopment Area No. 2 Plan and the required findings under NRS Chapter 278.486
- If findings adopted, authorize the Chairman of the Redevelopment Agency to execute the Tax Increment Pledge Agreement with TDVA.

TAX INCREMENT PLEDGE AGREEMENT FOR EVENT CENTER

This TAX INCREMENT PLEDGE AGREEMENT FOR EVENT CENTER (this “Agreement”) is dated as of the Effective Date as defined in Paragraph 1.2 below, by and between the DOUGLAS COUNTY REDEVELOPMENT AGENCY, a redevelopment agency formed pursuant to the Community Redevelopment Law, Nevada Revised Statutes (“NRS”) Chapter 279 (the “Agency”) and the TAHOE-DOUGLAS VISITORS AUTHORITY (the “Authority”), a governmental agency established by the Tahoe-Douglas Visitor’s Authority Act, Chapter 496, Statutes of Nevada 1997, as amended (the “Act”). The Agency and the Authority are from time to time hereinafter referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Redevelopment Area No. 2. Redevelopment Area No. 2, located generally in the Stateline, Nevada area, was formed within Douglas County pursuant to Douglas County Ordinance 2016-1456 and in accordance with NRS Chapter 279 (the “Redevelopment Area”). The Redevelopment Plan for the Redevelopment Area authorizes the Agency to collect tax increment revenue in accordance with NRS 279.676 to fund redevelopment activities that benefit the Redevelopment Area (the “Tax Increment Revenue”).

B. Multiuse Event Center. Pursuant to the Act, the Authority is authorized to develop, construct, and operate a multiuse event center (the “Event Center”) to be located within the Redevelopment Area. The Event Center is an authorized project under the Redevelopment Plan for the Redevelopment Area. The Authority is engaged in efforts to arrange financing for, and to enter into contracts to accomplish, the construction and development of the Event Center within the parameters set forth in Exhibit “A” hereto (the “Event Center Parameters”).

C. Financing Sources. The Authority intends to finance the construction and development of the Event Center using a variety of funding sources, including tax increment revenue generated in the Redevelopment Area (as provided in Section 2 hereof), certain existing transient occupancy taxes and lodging and licensing fees available to the Authority, and the \$5 per room night occupancy tax surcharge authorized pursuant to the Act.

D. Benefits to Redevelopment Area. Pursuant to NRS Chapter 279, tax increment revenue generated in the Redevelopment Area must be spent on buildings, facilities, structures or other improvements which benefit the Redevelopment Area. The Douglas County Board of County Commissioners (the “County Board”) has consented to the execution and delivery of this Agreement by the Agency and has determined that the Event Center project meets the requirements of NRS 279.486.

NOW, THEREFORE, in consideration of the above promises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purpose and Effective Date.

1.1 Findings, Purpose and Intent. The Parties hereby find and determine that the recitals set forth above are true and correct. The purpose and intent of this Agreement is to provide for

the obligations of each Party with respect to the pledge of the Tax Increment Revenue by the Agency for the Authority's development, financing, and construction of the Event Center.

1.2 Effective Date. This Agreement will be effective concurrent with the later to occur of: (i) the approval of this Agreement by the Authority; (ii) the approval of this Agreement by the Agency; or (iii) the approval of the Event Center by the Tahoe Regional Planning Agency. The date so determined is hereinafter called the "Effective Date."

1.3 Effectiveness. This Agreement shall remain in effect until the earliest of the following: (i) until the expiration of the Redevelopment Plan for the Redevelopment Area (i.e., March 2, 2046); or (ii) the bonds or other forms of indebtedness issued by or on behalf of the Authority to finance or refinance the Event Center have been paid or defeased in full. Notwithstanding any term contained herein to the contrary, this Agreement shall terminate on any date on which the Agency has remitted to the Authority or its designee the total aggregate amount of tax increment revenues provided in Section 2.2 hereof.

2. Remittance of Tax Increment Revenues.

2.1 Remittance of Tax Increment Collections on Hand. Within 15 business days from the Effective Date, the Agency shall remit to the Authority or a trustee or fiscal agent designated by the Authority all Tax Increment Revenues generated in the Redevelopment Area and collected by the Agency up to the Effective Date (the "Existing Tax Increment Revenues"). The Authority shall deposit the Existing Tax Increment Revenues into a restricted fund for the Event Center to fund a portion of the costs of the Event Center or repay bonds or other obligations issued to finance the Event Center.

2.2 Pledge of Tax Increment. The Agency hereby pledges to the Authority all tax increment revenues received by the Agency during any fiscal year (i.e., July 1 to June 30) in the maximum annual amount of \$1,300,000 (excluding the Existing Tax Increment Revenues remitted in the current fiscal year) and a total aggregate amount (inclusive of Existing Tax Increment Revenues) of \$34,250,000 over the life of the Agreement (collectively, the "Pledged Increment"). Notwithstanding the foregoing, if actual Tax Increment Revenues received by the Agency in any fiscal year are less than the maximum annual amount provided in the preceding sentence, the Agency shall only be obligated to remit the actual annual amount received by the Agency, with no further obligation in that fiscal year.

2.3 Remittance of Tax Increment. The Agency shall remit to the Authority or a trustee or fiscal agent designated from time to time by the Authority the Pledged Increment within 15 business days of receipt of each quarterly deposit of tax increment revenue from the Redevelopment Area. The Authority shall deposit the Pledged Increment upon receipt into a restricted fund for the Event Center to fund a portion of the costs of the Event Center or repay bonds or other obligations issued to finance the Event Center.

2.4 Termination of Remittance of Pledged Increment. Nothing herein shall prevent the Agency from remitting more than the maximum annual amount referenced in Section 2.2 in any fiscal year at the Agency's sole discretion. If at any time the total amount of the Existing Tax Increment Revenues and Pledged Increment shall equal the total aggregate amount referenced in Section 2.2, the Agency shall have no further obligation to remit Pledged Increment to the Authority or maintain the existence of the Redevelopment Area.

3. Development, Financing, and Construction of Event Center. The Authority shall be solely responsible for the implementation of financing for the Event Center, including, but not limited to, the issuance of bonds or other obligations. The Authority shall be solely responsible for the development and construction of the Event Center including, but not limited to, the letting of contracts for design and construction of the Event Center.

4. Event Center Operations. The Authority, and not the Agency, shall at all times be responsible for the ongoing operation and maintenance of the Event Center, and all related costs.

5. Agency's Limited Obligations. The Agency's obligations under this Agreement shall be limited to remittance of the Existing Tax Increment Revenue and the Pledged Increment as provided herein. Neither the Agency nor Douglas County, Nevada, shall have any liability for the repayment of any bonds or other forms of indebtedness issued by or on behalf of the Authority to finance or refinance the Event Center. All liability for the repayment of any bonds or other forms of indebtedness issued by or on behalf of the Authority to finance or refinance the Event Center is the sole liability of the Authority.

6. No Impairment of Securities. Pursuant to NRS 279.683, the faith of the State of Nevada has been pledged that NRS Chapter 279, any law supplemental or otherwise pertaining thereto, and any other act concerning the bonds or other securities to be issued by the Authority, the Existing Tax Increment Revenues, or the Pledged Increment will not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding bonds or securities issued by the Authority until all such bonds or securities have been discharged in full or provision for their payment and redemption has been made fully.

7. Failure to Diligently Pursue Construction or Substantially Complete Construction. If the Authority fails to diligently pursue construction on the Event Center within three (3) years from the Effective Date of this Agreement or fails to substantially complete construction on the Event Center within seven (7) years from the Effective Date of this Agreement, the Authority agrees to suspend the expenditure of the Pledged Increment and proceeds from any financing secured by the Pledged Increment on any further costs of the Event Center; provided, however, that the Authority shall be entitled to pay expenses incurred in connection with the Event Center prior to such suspension. At such time, the Authority shall use the existing Pledged Increment and remaining proceeds from any financing secured by the Pledged Increment to prepay and defease any such financing at the earliest possible date. Upon the defeasance of such bonds, the Agency shall have no further obligation to remit any further Pledged Increment to Authority.

8. General Provisions.

8.1 Parties' Designated Representatives. Immediately following the Effective Date and from time to time during the term of this Agreement, each Party will designate and re-designate (by delivery of a written notice to the other Party) an individual to be the single point-of-contact with respect to such Party's obligations under this Agreement.

8.2 Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder will be in writing and will be deemed to have been delivered upon (i) personal delivery to the Authority or to Agency, or (ii) as of the second business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Authority, to: Chief Executive Officer
Tahoe-Douglas Visitors Authority
169 Highway 50
Stateline, Nevada 89449

with a copy to: Lewis Feldman
Feldman Thiel LLP
178 U.S. Highway 50, Suite B
P.O. Box 1309
Zephyr Cove, NV 89448

If to Agency, to: Douglas County Redevelopment Agency
P.O. Box 218
Minden, Nevada 89423

with a copy to: Douglas County District Attorney
P.O. Box 218
Minden, Nevada 89423

or to such other address or to such other person as any Party will designate to the others for such purpose in the manner hereinabove set forth.

8.3 Prompt Performance. Time is of the essence with respect to the performance of each obligation, covenant and condition set forth in this Agreement.

8.4 Captions. Captions in this Agreement are inserted for convenience of reference only and will not affect the construction or interpretation of this Agreement.

8.5 Entire Agreement. This Agreement contains the entire agreement between the Parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into and superseded by this Agreement.

8.6 Modification. No modification, amendment, change, waiver, or discharge of this Agreement will be valid unless it is in writing and signed by the Party against which the enforcement of the modification, waiver, amendment, change, or discharge is or may be sought.

8.7 Successors. All terms of this Agreement will be binding upon, inure to the benefit of and be enforceable by, the Parties hereto and their respective administrators or executors, successors and assigns.

8.8 Invalidity. If any material covenant, condition or provision of this Agreement is held to be invalid, void or unenforceable by a final order or judgment of a court of competent jurisdiction, this Agreement will become rescinded unless the Party benefited by such covenant, condition or provision delivers to the other Parties within ten (10) days after the judgment becomes final, a written waiver of the covenant, condition or provision, in which case the remainder of this Agreement will remain in full force and effect.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and of which together will constitute one instrument.

8.10 Further Assurances. The Parties hereto agree to cooperate with each other and execute any documents reasonably necessary to carry out the intent and purpose of this Agreement.

8.11 Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity other than the Parties any rights or remedies under or by reason of this Agreement.

8.12 Applicable Law. This Agreement will be construed and enforced in accordance with the laws of the State of Nevada.

8.13 Signature Authorization. Each signatory and Party hereto hereby warrants and represents to the other Parties that it has legal authority and capacity and direction from its principal to enter into this Agreement, and that all resolutions or other actions have been taken so as to enable it to enter into this Agreement.

(Signatures on next page)

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the dates set forth below and is effective on the Effective Date.

TAHOE-DOUGLAS VISITORS AUTHORITY

By: _____
Carol Chaplin, Chief Executive Officer

Dated: _____

DOUGLAS COUNTY REDEVELOPMENT AGENCY

By: _____
William B. Penzel, Chair

Dated: _____

ATTEST:

Kathy Lewis, Douglas County Clerk

APPROVED AS TO FORM:

Zachary J. Wadlé, Douglas County Deputy District Attorney

Attachment: Tax Increment Pledge Agreement for Event Center (4748 : RDA Findings - Tahoe South Events Center Project)

EXHIBIT “A”

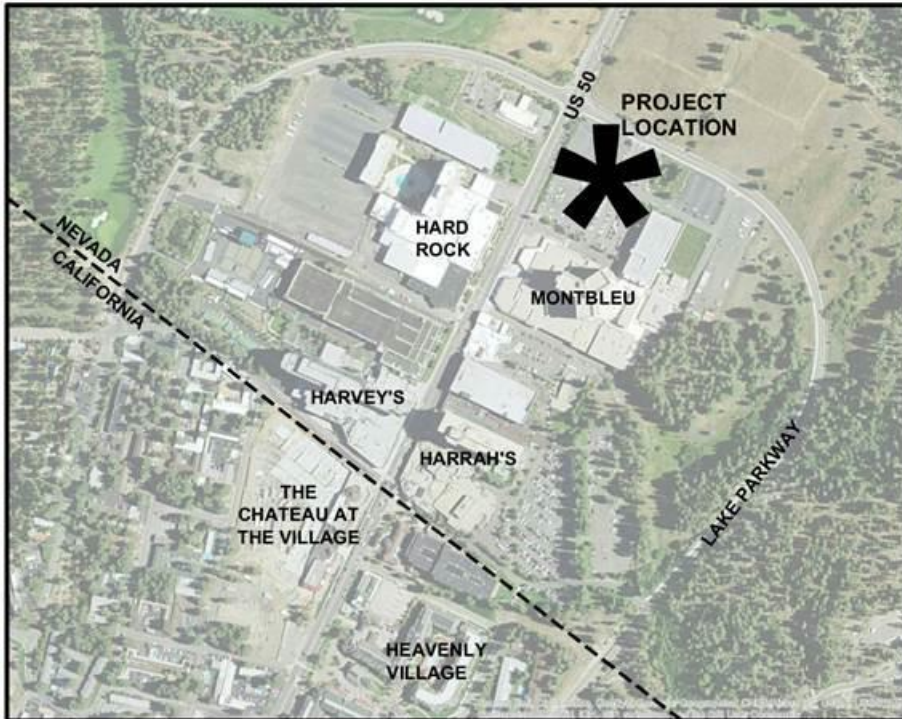
PROJECT SUMMARY

The Tahoe Douglas Visitor’s Authority (TDVA) Events Center will be a publicly owned assembly event and entertainment venue located in Stateline, Douglas County, Nevada. The project area would consist of portions of two parcels currently owned by Edgewood Companies, one is the site of the MontBleu Resort Casino and Spa and the other is an adjacent undeveloped parcel located immediately east of the existing surface parking area. Although both parcels have been used to define the project area, the proposed improvements associated with the Events Center will be situated within a 13.3-acre boundary that fits almost entirely within the existing MontBleu surface parking lots. The Edgewood Companies will perfect a boundary line adjustment to enable the Edgewood Companies to donate a separate parcel to TDVA upon which the Events Center will be constructed.

The Events Center will consist of an entirely new approximately 88,420 square foot building positioned at the corner of U.S. Highway 50 and Lake Parkway within the High-Density Tourist District (TRPA Regional Plan, 2012 and South Shore Area Plan, 2013). Related project improvements include an adjacent outdoor gathering space, reconfigured surface parking lots and internal circulation, multimodal and pedestrian circulation enhancements along U.S. Highway 50, undergrounding of adjacent utilities, and improved stormwater treatment facilities designed to capture and treat runoff associated with the proposed improvements.

The South Shore of Lake Tahoe currently lacks a year-round venue necessary to attract conventions, trade shows, special events and entertainment. The desired condition is a high-quality public assembly and entertainment venue for residents and visitors to the south shore of Lake Tahoe. There is also a desire to reinvent the built environment, animating the street with retail, dining, entertainment and events, providing aesthetic and environmental enhancements and improving the area’s market position and visitor experience.

Figure 1: Events Center – Location



Facility Design

The proposed Events Center building consists of two levels: an event floor level and a suites and offices level. The building footprint is approximately 88,420 square feet and the total floor area is approximately 138,550 square feet. The facility's design offers the flexibility of hosting a wide variety of events including conventions and conferences, sports, trade shows, performing arts and musical concerts. Maximum seating capacity is approximately 6,000, which includes floor seating for a concert or performing arts event. During trade shows, ice skating shows, and sporting events, such as hockey, basketball and volleyball, up to 4,200 seats will be available. In addition, the Events Center will be designed as a shelter-in-place for use as an emergency shelter should a fire or other natural disaster occur in the project area.

The Events Center exterior design is in response to the prominent location the facility has along U.S. Highway 50 and its position as the gateway to the casino core. Through a combination of building materials, colors, façade articulation and setback from the roadway, the Events Center will incorporate architectural design strategies and site planning principles to upgrade the character and quality of the nearby built environment. The building height has been minimized to the extent possible to comply with the maximum heights defined in the South Shore Area Plan (Tahoe Area Plan, 20.703.080 South Shore Area Plan Development Standards) and to aid the transition from the Resort Recreation District to the casino towers in the High-Density Tourist District.

**SOUTH SHORE EVENTS CENTER
TAHOE DOUGLAS VISITORS AUTHORITY
DOUGLAS COUNTY, NEVADA**

**PLEGGED REAL AND PERSONAL PROPERTY
TAX INCREMENT REVENUE SUMMARY**

MARCH 3, 2020

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

SUMMARY OF ANALYSIS

OVERVIEW

The purpose of this summary is to provide estimates of future real and personal property tax increment revenues (the “Pledged Revenues”) available to pay debt service and associated administrative expenses for the 2020 Bonds, as defined herein, to finance the proposed South Shore Events Center (the “Events Center”) to be issued by the Tahoe Douglas Visitors Authority (the “Authority” or the “TDVA”). For purposes of estimating the Pledged Revenues, multiple overlapping tax areas have been included as further detailed below. This summary compares Pledged Revenues with and without tax revenues generated that would otherwise be available to the Douglas County School District.

PLEGGED REVENUE METHODOLOGY

The Pledged Revenues are proposed to be collected from properties located in Redevelopment Area #2 (“RDA #2”) and made available to support debt service on approximately \$100 million in bonds necessary to support the construction of the Events Center (the “2020 Bonds”) and administrative expenses associated with the 2020 Bonds. To estimate the Pledged Revenues, MuniCap relied on the Nevada Administrative Code (NAC) and the Nevada Revised Statutes (NRS) in addition to guidance on methodology as provided by the Douglas County-Clerk Treasurer’s Office and the Douglas County Assessors’ Office. The following sections summarize the methodology applied for purposes of estimating the Pledged Revenues requested to be made available for the 2020 Bonds.

Redevelopment Area #2

Pledged Revenues are proposed to be made available from property located in RDA #2. The property includes existing development with multiple casinos, hotels, retail, Tahoe Beach Club development, and other vacant parcels. A summary of the existing and proposed development is detailed on Schedules A-1.a through A-1.c of the attached appendix to this summary.

Assessed Value

Property is assessed annually by the Douglas County Assessor at thirty-five percent of its taxable value. Based on discussions with the Assessor’s Office, future assessed values of existing and new development may be determined using either the cost approach or the capitalized income approach to value. For-sale residential property is valued on a cost basis, while commercial property is valued either on the cost or capitalized income approach, depending upon available information. A summary of each approach follows.

Cost Approach – As the name implies, the cost approach values property based on the replacement costs of development. The taxable value of the property is comprised of two components: the full cash value of the land and replacement cost of new improvements less the estimated depreciation of those improvements. This method assumes the cost of replacing an existing building plus the value of the land equals market value. The steps in applying the cost approach include:

- Estimating the site value (land and site improvements) through a review of comparable sales;
- Estimating the age of the property and the cost of replacing the existing building with one of similar usefulness (reflecting current building design and materials); and

- Deducting all sources of depreciation, including physical deterioration (“wear and tear” on a building) and functional and economic obsolescence. Functional obsolescence is the reduced ability of the building to perform the function it was originally designed and built for. Economic obsolescence refers to external forces that affect the ability of the building to continue to perform, including changes in transportation corridors, new types of building design demanded by the market, etc.

Income Capitalization Approach – The income capitalization approach to value is based on the premise that the value of commercial property is a function of the income it will generate. The County Assessor analyzes both the property’s ability to produce future income and expenses of owning the property, which equals the net operating income of the property, and then estimates the property’s value on the basis of the net operating income. The County Assessor develops a capitalization rate (the rate that reflects the relationship of net operating income to value) by analyzing the sales of similar income producing properties and determining the relationship between the sale price and net operating income.

The steps in applying the income capitalization approach are to determine the stabilized, net-operating income by:

- Estimating potential gross income from all sources;
- Deducting an allowance for vacancy and collection loss;
- Add miscellaneous income;
- Determine operating expenses; and
- Deducting all direct and indirect operating expenses.

The resulting net-operating income is divided by a market capitalization rate, which reflects the property type and effective date of valuation to produce an estimate of overall property value.

To determine the potential gross income, the County Assessor determines market rents by analyzing actual rental rates for the subject property and for comparable properties in the market area.

To determine the net operating income, the County Assessor deducts estimated operating expenses.

The County Assessor determines the capitalization rate by analyzing sales (comparing net operating income to sale price) in the same market to determine rates of return. The capitalization rate will vary depending on the attractiveness of a property as an investment, income risks, and physical factors.

The income approach is relied upon most often when appraising properties that produce a rental income from single or multiple tenants. The capitalized value of the income stream provides an estimate of the market value of the property.

Existing Development - For existing property, this study relies upon the assessed values of the parcels included in RDA #2 as estimated by the Douglas County Assessor’s Office, including real and personal property values.

Future Development – Currently, 137 condos and a 30,000 square foot clubhouse in the Tahoe Beach Club development are not fully constructed. As a result, it is necessary to project the future assessed value of this property. For purposes of estimating the future assessed value, the analysis

relies upon the cost approach to value. This analysis is based on existing Tahoe Beach Club condos and applies cost estimates prepared by the Douglas County Assessor's Office to estimate the future taxable value of the proposed new condos. Further, the analysis estimates the costs of the clubhouse using the cost approach methodology described above and as provided by the Douglas County Assessor's Office.

Depreciation and Inflation

Nevada law requires that the replacement costs of an improvement reflect depreciation. Nevada Statute NRS 361.227 sets depreciation at one and a half percent of the cost of replacement each year up to a maximum of fifty years. For purposes of estimating future taxable value, the analysis reviewed the depreciation percentage for existing development and further depreciated the replacement costs of the improvements up to a maximum of seventy-five percent (1.5% x 50 years). For purposes of this analysis, it is assumed that there is no structural replacement of improvements during the period for which tax revenues are projected.

Based on a preliminary review, historical taxable values and taxes appreciate for each of the taxing entities over time. This analysis assumes an inflation rate of two percent to account for increases in building and replacement costs, resulting in increased taxes due over time.

Taxing Areas & Overlapping Tax Rates

Tax rates are set on an annual basis by the various taxing entities. Property in RDA #2 are comprised of three taxing areas as summarized below:

- Douglas County Sewer Taxing Area
- General County/TDF/RD Taxing Area
- Oliver Park GID Taxing Area

The tax rates as provided by the Douglas County Clerk-Treasurer's Office for fiscal year 2020 are as follows:

**Table I-A
Fiscal Year 2020 Tax Rates**

FY2020 Entity Tax Rates	Taxing Area ¹		
	Douglas County Sewer	General County/TDF/RD	Oliver Park GID
Douglas County	\$1.1680	\$1.1680	\$1.1680
State of Nevada	\$0.1700	\$0.1700	\$0.1700
Douglas County School District - operating	\$0.7500	\$0.7500	\$0.7500
Douglas County School District - debt	\$0.1000	\$0.1000	\$0.1000
Tahoe Douglas Fire Protection District	\$0.5881	\$0.5881	\$0.5881
Tahoe Douglas Fire Protection District - five cent levy ²	\$0.0500	\$0.0500	\$0.0500
Tahoe Douglas Sanitation District	-	\$0.0350	-
Oliver Park	-	-	\$0.8146
Total combined overlapping rate	\$2.8261	\$2.8611	\$3.6407

¹Source: Douglas County Clerk-Treasurers Office.

²The five cent levy is not subject to property tax caps. Source: Douglas County-Clerk Treasurers Office.

Tax rates dedicated to repayment of debt are ineligible to be pledged in redevelopment areas. Further, every two years, the State of Nevada releases the portion of the State tax rate that is not available for

redevelopment. A portion of the Tahoe Douglas Fire Protection District tax is also excluded from available revenues for redevelopment. Table I-B below identifies the unavailable tax rates as provided by The Douglas County Clerk-Treasurer's Office.

Table I-B
Fiscal Year 2020 Unavailable Tax Rates

Entities	Unavailable Tax Rates ¹
State of Nevada	\$0.0125
Douglas County School District - operating	\$0.7500
Douglas County School District - debt	\$0.1000
Tahoe Douglas Fire Protection District - five cent levy	\$0.0500
Total unavailable tax rate	\$0.9125

¹Source: Douglas County Clerk-Treasurers Office.

As previously discussed, the analysis includes two scenarios, one of which includes the school district tax revenues. School district tax revenues are not proposed to be pledged to the repayment of 2020 Bonds. The purpose of the scenario including school district tax revenues is to demonstrate the available tax increment revenues that will be generated to the Douglas County School District from development in RDA #2.

Tax Abatement (“Tax Cap”) and LEED Abatements

This analysis makes assumptions regarding certain tax abatements that could offset taxes from properties within RDA #2. The tax abatements will likely be different than estimated in this analysis.

The tax cap factor for residential property equals 1.030 (three percent maximum tax increase.) Given that the analysis assumes depreciation of 1.5 percent per year and a two percent inflation increase on assessed values, the net growth is not projected to exceed the tax cap factor. As a result, the tax cap factor on residential is not applicable.

The general abatement on properties other than residential is found by taking the greater of twice the consumer price index (“CPI”) and the moving average growth rate of assessed value in Douglas County over ten years, up to a maximum of 8.0 percent. For Fiscal Year 2021, the Nevada Department of Taxation has provided a preliminary tax cap of 3.60 percent. For purposes of applying the tax cap in future years, a tax cap of 3.99 percent has been applied. This tax cap is the result of reviewing historic CPI and the moving average growth rate for assessed values in Douglas County over the prior twenty years.

Building owners may be eligible for a partial property tax abatement for renovating existing buildings or constructing new buildings that were built to the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) standards. A building owner may apply for the LEED abatement that is applicable on the improved value of the parcel. Several casino parcels within RDA #2 receive the LEED abatement and as a result, Pledged Revenues are reduced. This analysis does

not make assumptions regarding future applications by other properties in RDA #2 for purposes of estimating the LEED abatements.

Base Value and Redevelopment Amount

At the time RDA #2 was created, the assessed value of the parcels totaled \$86,035,685. This amount is deducted from each parcel's assessed value for purposes of reducing the overall real property tax revenues to determine the tax increment revenues per parcel for RDA #2.

Real Property Tax Increment Revenues

Using the development in RDA #2 and the methodology described above, real property tax increment revenues are estimated to determine the amount of Pledged Revenues that may be available to repay the 2020 Bonds. Appendix A to this summary illustrates the methodology described above to estimate the Pledged Revenues. Table I-C shows the Pledged Revenues after the LEED credits expire. Tables I-D and I-E show the Pledged Revenues through tax year ending 2046.

SCENARIOS

This summary provides estimated Pledged Revenues under two scenarios: including Douglas County School District tax revenues and excluding Douglas County School District tax revenues.

RESULTS OF STUDY

Projected Pledged Revenues are shown in Table I-C for tax year ending March 1, 2026 (the projected year after LEED credits are assumed to expire) with and without taxes from the Douglas County School District. As shown, development in RDA #2 is anticipated to generate approximately \$2.6 million and \$1.9 million a year in Pledged Revenues including and excluding tax revenues to the Douglas County School District, respectively. As a result, approximately \$684,000 a year is projected to be available from school district tax revenues.

Table I-C
Annual Pledged Revenues (TYE 2026)

Annual Pledged Incremental Revenues	Tax Year Ending 2026²
Including Douglas County School District	\$2,646,893
Excluding Douglas County School District ¹	\$1,962,071
Difference	(\$684,821)

¹Excludes the \$0.75 Douglas County School District operation tax rate from available revenues for redevelopment.

²Tax year ending 2026 is the first year without LEED abatements in Redevelopment Area #2.

Tables I-D and I-E on the following pages show projected Pledged Revenues net of LEED credits on an annual basis.

**TABLE I-D – TOTAL PROJECTED TAX INCREMENT REVENUES
(EXCLUDES SCHOOL TAX REVENUES)**

Tax Year Ending	Pledged Revenues (Excluding School Tax Revenues)		
	Incremental Tax Revenues	LEED Abatements	Net Incremental Tax Revenues
3/1/2021	\$1,113,875	(\$145,511)	\$968,364
3/7/2022	\$1,474,067	(\$174,697)	\$1,299,370
3/6/2023	\$1,808,665	(\$196,489)	\$1,612,175
3/4/2024	\$1,858,855	(\$201,447)	\$1,657,408
3/3/2025	\$1,910,058	(\$206,477)	\$1,703,581
3/2/2026	\$1,962,071	\$0	\$1,962,071
3/1/2027	\$1,993,453	\$0	\$1,993,453
3/6/2028	\$2,025,914	\$0	\$2,025,914
3/5/2029	\$2,059,085	\$0	\$2,059,085
3/4/2030	\$2,092,235	\$0	\$2,092,235
3/3/2031	\$2,125,355	\$0	\$2,125,355
3/1/2032	\$2,158,587	\$0	\$2,158,587
3/7/2033	\$2,191,809	\$0	\$2,191,809
3/6/2034	\$2,224,982	\$0	\$2,224,982
3/5/2035	\$2,250,561	\$0	\$2,250,561
3/3/2036	\$2,274,798	\$0	\$2,274,798
3/2/2037	\$2,300,056	\$0	\$2,300,056
3/1/2038	\$2,359,881	\$0	\$2,359,881
3/7/2039	\$2,423,664	\$0	\$2,423,664
3/5/2040	\$2,488,380	\$0	\$2,488,380
3/4/2041	\$2,554,245	\$0	\$2,554,245
3/3/2042	\$2,621,611	\$0	\$2,621,611
3/2/2043	\$2,690,554	\$0	\$2,690,554
3/7/2044	\$2,760,533	\$0	\$2,760,533
3/6/2045	\$2,831,549	\$0	\$2,831,549
3/5/2046	\$2,903,028	\$0	\$2,903,028
Total	\$57,457,868	(\$924,622)	\$56,533,246

**TABLE I-E – TOTAL PROJECTED TAX INCREMENT REVENUES
(INCLUDES SCHOOL TAX REVENUES)**

Tax Year Ending	Pledged Revenues (Including School Tax Revenues)		
	Incremental Tax Revenues	LEED Abatements	Net Incremental Tax Revenues
3/1/2021	\$1,518,931	(\$202,541)	\$1,316,390
3/7/2022	\$1,997,823	(\$243,166)	\$1,754,657
3/6/2023	\$2,439,434	(\$273,500)	\$2,165,934
3/4/2024	\$2,507,298	(\$280,401)	\$2,226,897
3/3/2025	\$2,576,550	(\$287,402)	\$2,289,148
3/2/2026	\$2,646,893	\$0	\$2,646,893
3/1/2027	\$2,688,946	\$0	\$2,688,946
3/6/2028	\$2,732,471	\$0	\$2,732,471
3/5/2029	\$2,776,956	\$0	\$2,776,956
3/4/2030	\$2,821,405	\$0	\$2,821,405
3/3/2031	\$2,865,803	\$0	\$2,865,803
3/1/2032	\$2,910,344	\$0	\$2,910,344
3/7/2033	\$2,954,863	\$0	\$2,954,863
3/6/2034	\$2,999,307	\$0	\$2,999,307
3/5/2035	\$3,033,325	\$0	\$3,033,325
3/3/2036	\$3,065,493	\$0	\$3,065,493
3/2/2037	\$3,099,052	\$0	\$3,099,052
3/1/2038	\$3,179,995	\$0	\$3,179,995
3/7/2039	\$3,266,370	\$0	\$3,266,370
3/5/2040	\$3,354,031	\$0	\$3,354,031
3/4/2041	\$3,443,272	\$0	\$3,443,272
3/3/2042	\$3,534,571	\$0	\$3,534,571
3/2/2043	\$3,628,042	\$0	\$3,628,042
3/7/2044	\$3,722,945	\$0	\$3,722,945
3/6/2045	\$3,819,281	\$0	\$3,819,281
3/5/2046	\$3,916,261	\$0	\$3,916,261
Total	\$77,499,663	(\$1,287,010)	\$76,212,653

**Tahoe Douglas Visitors Authority
Douglas County, Nevada**

APPENDICES TO TAX INCREMENT REVENUE SUMMARY

Prepared By:

**MuniCap, Inc.
Public Finance**

March 5, 2020

APPENDIX A
Tahoe Douglas Visitors Authority
Douglas County, Nevada

Schedule A-1.a: Summary of Development - Douglas County Sewer Taxing Area¹

Property Type	Property Area			Sub-total Taxable Value ³	Assessment Ratio ⁴	Sub-total Assessed Value
	Rooms	GSF Per Room/Unit	GSF			
<u>Douglas County Sewer Taxing Area</u>						
<u>Existing Development</u>						
<i>Non Property Tax Cap Abatement Development</i>						
<u>Hotel/Casino</u>						
Dotty's Casino	-	-	22,963	\$4,098,936	35%	\$1,434,628
Lodge at Edgewood Tahoe						
Hotel	154	1,172	180,538	\$46,847,323	35%	\$16,396,563
Golf course	-	-	-	\$6,625,500	35%	\$2,318,925
<u>Retail</u>						
CVS	-	-	18,216	\$1,572,659	35%	\$550,431
<u>Parking</u>						
Lakeside Inn parking lot	-	-	-	\$374,600	35%	\$131,110
<u>Tahoe Beach Club</u>						
Sales and development offices	-	-	9,510	\$707,164	35%	\$247,507
<u>Vacant/Other Parcels</u>						
Vacant by Hard Rock	-	-	-	\$51,000	35%	\$17,850
Edgewood vacant residential parcel	-	-	-	\$1,672,000	35%	\$585,200
<i>Property Tax Cap Abatement Development</i>						
<u>Hotel/Casino</u>						
Hard Rock Hotel and Casino	539	907	488,760	\$56,686,668	35%	\$19,840,334
Lakeside Inn and Casino						
Casino	-	-	54,057	\$4,039,396	35%	\$1,413,789
Motel - Sewer Taxing Area parcel	62	322	19,775	\$690,198	35%	\$241,569
Montbleu Resort Casino and Spa	438	1,328	581,540	\$47,206,571	35%	\$16,522,300
Harrahs Lake Tahoe	525	1,392	730,860	\$100,284,304	35%	\$35,099,507
Harveys Lake Tahoe	740	1,143	845,636	\$124,848,848	35%	\$43,697,097
<u>Retail</u>						
Wells Fargo	-	-	12,042	\$1,302,800	35%	\$455,980
<u>Parking</u>						
Harvey's parking garage	-	-	832,974	\$26,080,047	35%	\$9,128,016
<u>Vacant/Other Parcels</u>						
Edgewood cabin parcel	-	-	-	\$3,520,000	35%	\$1,232,000
Lakeside Inn warehouse	-	-	2,522	\$90,630	35%	\$31,721
Sub-total development	2,458		3,799,393	\$426,698,644		\$149,344,525

MuniCap, Inc.

5-Mar-20

¹Based on parcel research conducted by MuniCap, Inc. Represents existing and future development in Redevelopment Area #2.

²Taxable value for existing development is as of January 1, 2020. Taxable value of future development is non-depreciated and in current year dollars.

³Assessed value is equal to 35% of taxable value. Source: Douglas County Assessors Office.

APPENDIX A
Tahoe Douglas Visitors Authority
Douglas County, Nevada

Schedule A-1.b: Summary of Development - General County/TDF/RD Taxing Area¹

Property Type	Sub-total Taxable Value ²	Assessment Ratio ³	Sub-total Assessed Value
<u>General County/TDF/RD Taxing Area</u>			
<i>Existing Development</i>			
<i>Non Property Tax Cap Abatement Development</i>			
<u><i>Vacant/Other Parcels</i></u>			
Vacant parcel behind Montbleu	\$273,000	35%	\$95,550
Vacant parcel behind Hard Rock	\$127,140	35%	\$44,499
<i>Property Tax Cap Abatement Development</i>			
<u><i>Vacant/Other Parcels</i></u>			
Edgewood entry parcel	\$47,794	35%	\$16,728
Sub-total development	\$447,934		\$156,777
<i>MuniCap, Inc.</i>			
			<i>5-Mar-20</i>

¹Based on parcel research conducted by MuniCap, Inc. Represents existing and future development in Redevelopment Area #2.

²Taxable value for existing development is as of January 1, 2020. Taxable value of future development is non-depreciated and in current year dollars.

³Assessed value is equal to 35% of taxable value. Source: Douglas County Assessors Office.

APPENDIX A
Tahoe Douglas Visitors Authority
Douglas County, Nevada

Schedule A-1.c: Summary of Development - Oliver Park GID Taxing Area

Property Type	Estimated Completion	Units	Property Area ¹		GSF	Taxable Value		Sub-total Taxable Value ⁴	Assessment Ratio ⁵	Sub-total Assessed Value
			Rooms	Room/Unit		Per Unit	Per GSF			
<u>Oliver Park GID Taxing Area</u>										
<u>Existing Development</u>										
<i>Non Property Tax Cap Abatement Development</i>										
<u>Tahoe Beach Club</u>										
Condos	-	6	-	2,471	14,827	-	-	\$5,711,165	35%	\$1,998,908
<u>Vacant/Other Parcels</u>										
Tahoe Beach Club vacant condo parcels	-	-	-	-	-	-	-	\$24,570,000	35%	\$8,599,500
<i>Property Tax Cap Abatement Development</i>										
<u>Hotel/Casino</u>										
Lakeside Inn Motel - Oliver Park Taxing Area parcel	-	-	62	342	21,012	-	-	\$1,465,685	35%	\$512,990
<u>Vacant/Other Parcels</u>										
Lakeside Inn storage	-	-	-	-	4,251	-	-	\$71,405	35%	\$24,992
<u>Future Development</u>										
<i>Non Property Tax Cap Abatement Development</i>										
<u>Tahoe Beach Club</u>										
Condos ²	2021	137	-	2,471	338,550	\$908,833	\$368	\$124,510,167	35%	\$43,578,558
Club house ³	2019	-	-	-	30,000	-	-	\$5,452,557	35%	\$1,908,395
Sub-total development		143	62	408,640				\$161,780,978		\$56,623,342
Total development - all taxing areas		143	2,519	4,208,033				\$588,927,555		\$206,124,644

MuniCap, Inc.

5-Min

¹Based on parcel research conducted by MuniCap, Inc. Represents existing and future development in Redevelopment Area #2.
²Property area information provided by NHA Advisors. Future condo taxable values are based on the improved values of the six existing condos and the land values of the units currently under construction.
³Property area information provided by NHA Advisors. Club house taxable value is based on the FY 2020 land value of the parcel and the expected improved value of the parcel at full build-out.
⁴Taxable value for existing development is as of January 1, 2020. Taxable value of future development is non-depreciated and in current year dollars.
⁵Assessed value is equal to 35% of taxable value. Source: Douglas County Assessor's Office.

APPENDIX A
Tahoe Douglas Visitors Authority
Douglas County, Nevada

Schedule A-2: Projected Assessed Value - Total Development

This schedule represents the total projected assessed value of Redevelopment Area #2, factoring in future development, depreciation of improved values, and inflationary increases in replacement costs. Property tax cap abatements are accounted for in the next schedule (A-3).

Development Year	Assessed As Of	Tax Year Ending	Inflation Factor ³	Projected Assessed Value				Existing Development				Future Development			
				Douglas County Sewer		General County/TDDF/RD		Oliver Park GHD		Oliver Park GHD		Non Property		Tax Cap	
				Non Property	Property	Non Property	Property	Non Property	Property	Non Property	Property	Non Property	Property	Non Property	Property
12/31/2019	1/1/2020	3/1/2021	100.0%	\$21,682,214	\$127,662,312	\$149,344,525	\$156,777	\$16,728	\$10,598,408	\$537,981	\$11,136,389	\$14,532,662	\$175,170,353		
12/31/2020	1/1/2021	3/7/2022	102.0%	\$21,802,866	\$126,827,281	\$148,630,147	\$158,568	\$16,698	\$6,273,380	\$532,936	\$6,806,316	\$30,925,520	\$186,520,551		
12/31/2021	1/1/2022	3/6/2023	104.0%	\$21,919,776	\$125,911,794	\$147,831,570	\$160,369	\$16,660	\$2,047,821	\$527,473	\$2,575,294	\$46,846,183	\$197,413,416		
12/31/2022	1/1/2023	3/4/2024	106.1%	\$22,032,745	\$124,956,335	\$146,989,081	\$162,178	\$16,613	\$2,072,537	\$521,579	\$2,594,116	\$47,401,971	\$197,147,346		
12/31/2023	1/1/2024	3/3/2025	108.2%	\$22,141,570	\$123,914,460	\$146,056,030	\$163,996	\$16,559	\$2,097,423	\$523,011	\$2,629,434	\$47,961,232	\$196,810,711		
12/31/2024	1/1/2025	3/2/2026	110.4%	\$22,246,038	\$124,108,503	\$146,354,541	\$165,821	\$16,495	\$2,122,476	\$542,651	\$2,665,127	\$48,523,944	\$197,709,433		
12/31/2025	1/1/2026	3/1/2027	112.6%	\$22,345,933	\$124,329,859	\$146,675,791	\$167,654	\$16,422	\$2,147,692	\$553,504	\$2,701,195	\$49,089,958	\$198,634,599		
12/31/2026	1/1/2027	3/6/2028	114.9%	\$22,498,535	\$124,512,531	\$147,011,066	\$169,494	\$16,340	\$2,173,067	\$564,574	\$2,737,641	\$49,659,204	\$199,577,404		
12/31/2027	1/1/2028	3/5/2029	117.2%	\$22,685,680	\$124,654,884	\$147,340,564	\$171,340	\$16,248	\$2,198,598	\$575,865	\$2,774,464	\$50,231,584	\$200,517,951		
12/31/2028	1/1/2029	3/4/2030	119.5%	\$22,871,415	\$124,755,232	\$147,626,647	\$173,192	\$16,146	\$2,224,281	\$587,383	\$2,811,664	\$50,806,995	\$201,418,498		
12/31/2029	1/1/2030	3/3/2031	121.9%	\$23,055,610	\$124,811,838	\$147,867,448	\$175,050	\$16,033	\$2,250,113	\$599,130	\$2,849,243	\$51,385,330	\$202,277,071		
12/31/2030	1/1/2031	3/1/2032	124.3%	\$23,238,129	\$124,829,099	\$148,067,228	\$178,106	\$15,909	\$2,276,087	\$611,113	\$2,887,200	\$51,966,476	\$203,099,010		
12/31/2031	1/1/2032	3/7/2033	126.8%	\$23,418,830	\$124,800,831	\$148,219,661	\$181,215	\$15,774	\$2,302,201	\$623,335	\$2,925,536	\$52,550,313	\$203,876,725		
12/31/2032	1/1/2033	3/6/2034	129.4%	\$23,597,568	\$124,723,607	\$148,321,175	\$184,377	\$15,622	\$2,328,449	\$635,802	\$2,964,251	\$53,136,717	\$204,606,519		
12/31/2033	1/1/2034	3/5/2035	131.9%	\$23,774,192	\$124,595,480	\$148,369,672	\$187,593	\$15,467	\$2,354,825	\$648,518	\$3,003,343	\$53,725,557	\$205,286,165		
12/31/2034	1/1/2035	3/3/2036	134.6%	\$23,948,546	\$124,414,444	\$148,379,970	\$190,863	\$15,296	\$2,381,326	\$661,488	\$3,042,814	\$54,316,696	\$205,913,364		
12/31/2035	1/1/2036	3/2/2037	137.3%	\$24,120,470	\$124,259,501	\$148,379,970	\$194,681	\$15,144	\$2,407,944	\$674,718	\$3,082,663	\$54,909,991	\$206,567,304		
12/31/2036	1/1/2037	3/1/2038	140.0%	\$24,289,795	\$124,122,893	\$150,085,980	\$202,546	\$15,014	\$2,434,675	\$688,212	\$3,122,888	\$55,505,290	\$208,912,732		
12/31/2037	1/1/2038	3/7/2039	142.8%	\$24,477,056	\$123,983,059	\$151,960,116	\$206,597	\$14,868	\$2,461,512	\$701,977	\$3,163,489	\$56,102,438	\$211,428,588		
12/31/2038	1/1/2039	3/5/2040	145.7%	\$24,662,197	\$123,845,057	\$153,851,393	\$210,728	\$14,725	\$2,488,448	\$716,016	\$3,204,465	\$56,701,269	\$213,963,723		
12/31/2039	1/1/2040	3/4/2041	148.6%	\$24,845,057	\$123,640,050	\$155,967,950	\$214,943	\$14,578	\$2,515,478	\$730,337	\$3,245,814	\$57,301,613	\$216,726,106		
12/31/2040	1/1/2041	3/3/2042	151.6%	\$25,025,470	\$123,407,549	\$158,665,520	\$219,242	\$14,433	\$2,542,593	\$744,943	\$3,287,536	\$57,903,290	\$220,071,289		
12/31/2041	1/1/2042	3/2/2043	154.6%	\$25,232,754	\$123,141,561	\$161,440,303	\$223,627	\$14,280	\$2,569,786	\$759,842	\$3,329,628	\$58,506,113	\$223,495,287		
12/31/2042	1/1/2043	3/7/2044	157.7%	\$25,439,112	\$122,846,399	\$164,265,511	\$228,099	\$14,131	\$2,597,050	\$775,039	\$3,372,089	\$59,109,888	\$226,971,115		
12/31/2043	1/1/2044	3/6/2045	160.8%	\$25,643,735	\$122,571,626	\$167,141,361	\$232,661	\$13,982	\$2,624,377	\$790,540	\$3,414,917	\$59,714,412	\$230,498,789		
12/31/2044	1/1/2045	3/5/2046	164.1%	\$25,846,471	\$122,222,277	\$170,068,749	\$236,661	\$13,845	\$2,651,758	\$806,351	\$3,458,109	\$60,319,472	\$234,078,991		

MuniCap, Inc.

5-A

¹Property in Douglas County is reassessed annually. The assessment roll for development year ending December, 31, 2019 is as of January 1, 2020. However, the assessor may reopen the roll for property changes that occur before July 1, 2020. Source: Douglas County Assessors Office.
²Real property taxes are due in four installments, with the last installment due on the first Monday of March. Source: Douglas County Assessors Office.
³Assumes an annual inflation rate of 2% for land and improvement values.

APPENDIX A
Tahoe Douglas Visitors Authority
Douglas County, Nevada

Schedule A-3: Projected Property Taxes - Total Development

This schedule represents the total taxes due for Redevelopment Area #2 after factoring in property tax cap abatements.

Development Year Ending	Assessed As Of	Tax Year Ending	Inflation Factor ³	Douglas County Sewer				Projected Property Taxes				Oliver Park GID				Total
				Non Property		Property		Non Property		Property		Non Property		Property		
				Tax Cap	Sub-total	Tax Cap	Sub-total	Tax Cap	Sub-total	Tax Cap	Sub-total	Tax Cap	Sub-total	Tax Cap	Sub-total	
12/31/2019	1/1/2020	3/1/2021	100.0%	\$612,761	\$3,210,978	\$4,007	\$4,194	\$188	\$4,194	\$914,947	\$10,756	\$925,703	\$4,140,875			
12/31/2020	1/1/2021	3/7/2022	102.0%	\$616,171	\$3,314,834	\$4,059	\$4,254	\$195	\$4,254	\$1,354,300	\$11,172	\$1,365,472	\$4,684,560			
12/31/2021	1/1/2022	3/6/2023	104.0%	\$619,475	\$3,387,031	\$4,112	\$4,314	\$202	\$4,314	\$1,780,084	\$11,604	\$1,791,688	\$5,183,033			
12/31/2022	1/1/2023	3/4/2024	106.1%	\$622,667	\$3,439,359	\$4,165	\$4,375	\$210	\$4,375	\$1,801,218	\$12,054	\$1,813,272	\$5,257,006			
12/31/2023	1/1/2024	3/3/2025	108.2%	\$625,743	\$3,493,138	\$4,218	\$4,436	\$218	\$4,436	\$1,822,486	\$12,530	\$1,835,016	\$5,332,591			
12/31/2024	1/1/2025	3/2/2026	110.4%	\$628,695	\$3,546,800	\$4,272	\$4,498	\$226	\$4,498	\$1,843,884	\$13,025	\$1,856,909	\$5,408,207			
12/31/2025	1/1/2026	3/1/2027	112.6%	\$631,518	\$3,570,343	\$4,327	\$4,562	\$235	\$4,562	\$1,865,409	\$13,539	\$1,878,948	\$5,453,853			
12/31/2026	1/1/2027	3/6/2028	114.9%	\$635,831	\$3,595,280	\$4,382	\$4,626	\$244	\$4,626	\$1,887,057	\$14,074	\$1,901,131	\$5,501,037			
12/31/2027	1/1/2028	3/5/2029	117.2%	\$641,120	\$3,621,095	\$4,437	\$4,690	\$253	\$4,690	\$1,908,826	\$14,630	\$1,923,456	\$5,549,241			
12/31/2028	1/1/2029	3/4/2030	119.5%	\$646,369	\$3,646,767	\$4,493	\$4,756	\$263	\$4,756	\$1,930,710	\$15,208	\$1,945,918	\$5,597,441			
12/31/2029	1/1/2030	3/3/2031	121.9%	\$651,575	\$3,672,288	\$4,550	\$4,823	\$273	\$4,823	\$1,952,706	\$15,809	\$1,968,515	\$5,645,625			
12/31/2030	1/1/2031	3/1/2032	124.3%	\$656,733	\$3,697,825	\$4,641	\$4,924	\$284	\$4,924	\$1,974,809	\$16,434	\$1,991,243	\$5,693,993			
12/31/2031	1/1/2032	3/7/2033	126.8%	\$661,840	\$3,723,249	\$4,733	\$5,028	\$294	\$5,028	\$1,997,015	\$17,084	\$2,014,100	\$5,742,377			
12/31/2032	1/1/2033	3/6/2034	129.4%	\$666,891	\$3,748,510	\$4,828	\$5,134	\$306	\$5,134	\$2,019,320	\$17,760	\$2,037,080	\$5,790,724			
12/31/2033	1/1/2034	3/5/2035	131.9%	\$671,882	\$3,762,655	\$4,925	\$5,242	\$318	\$5,242	\$2,041,718	\$18,462	\$2,060,181	\$5,828,078			
12/31/2034	1/1/2035	3/3/2036	134.6%	\$676,810	\$3,774,771	\$5,023	\$5,353	\$330	\$5,353	\$2,064,205	\$19,193	\$2,083,398	\$5,863,522			
12/31/2035	1/1/2036	3/2/2037	137.3%	\$681,669	\$3,788,234	\$5,124	\$5,467	\$343	\$5,467	\$2,086,774	\$19,934	\$2,106,708	\$5,900,409			
12/31/2036	1/1/2037	3/1/2038	140.0%	\$686,454	\$3,850,150	\$5,226	\$5,583	\$356	\$5,583	\$2,109,420	\$20,699	\$2,130,119	\$5,985,851			
12/31/2037	1/1/2038	3/7/2039	142.8%	\$691,746	\$3,917,564	\$5,331	\$5,701	\$371	\$5,701	\$2,132,138	\$21,493	\$2,153,631	\$6,076,896			
12/31/2038	1/1/2039	3/5/2040	145.7%	\$696,978	\$3,986,235	\$5,437	\$5,822	\$385	\$5,822	\$2,154,920	\$22,318	\$2,177,238	\$6,169,296			
12/31/2039	1/1/2040	3/4/2041	148.6%	\$702,146	\$4,056,293	\$5,546	\$5,946	\$400	\$5,946	\$2,177,761	\$23,176	\$2,200,937	\$6,263,176			
12/31/2040	1/1/2041	3/3/2042	151.6%	\$707,245	\$4,127,940	\$5,657	\$6,073	\$416	\$6,073	\$2,200,653	\$24,067	\$2,224,720	\$6,358,734			
12/31/2041	1/1/2042	3/2/2043	154.6%	\$713,103	\$4,201,770	\$5,770	\$6,203	\$433	\$6,203	\$2,223,590	\$24,993	\$2,248,583	\$6,456,556			
12/31/2042	1/1/2043	3/7/2044	157.7%	\$718,935	\$4,277,030	\$5,885	\$6,335	\$450	\$6,335	\$2,246,565	\$25,955	\$2,272,520	\$6,555,885			
12/31/2043	1/1/2044	3/6/2045	160.8%	\$724,718	\$4,353,729	\$6,003	\$6,471	\$467	\$6,471	\$2,269,568	\$26,955	\$2,296,524	\$6,656,723			
12/31/2044	1/1/2045	3/5/2046	164.1%	\$730,447	\$4,431,036	\$6,123	\$6,609	\$486	\$6,609	\$2,292,594	\$27,995	\$2,320,588	\$6,758,233			
Total				\$17,319,521	\$98,194,906	\$127,274	\$135,418	\$8,144	\$135,418	\$51,052,678	\$470,920	\$51,523,599	\$149,853,922			

MuniCap, Inc.

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²Real property taxes are due in four installments, with the last installment due on the first Monday of March. Source: Douglas County Assessors Office.
³Assumes an annual inflation rate of 2%.

APPENDIX A
Tahoe Douglas Visitors Authority
Douglas County, Nevada

Schedule A-4: Incremental Tax Revenues (Excluding School Tax Revenues)

This schedule represents the incremental tax revenues for Redevelopment Area #2, factoring in unavailable tax revenues, reducing for LEED abatements, and applying the incremental revenue methodology as provided by the Douglas County-Clerk Treasurer's Office.

Development Year Ending	Assessed As Of ¹	Tax Year Ending ²	Inflation Factor ³	Incremental Tax Revenues	Less: LEED Abatements	Net Incremental Tax Revenues
12/31/2019	1/1/2020	3/1/2021	100.0%	\$1,113,875	(\$145,511)	\$968,364
12/31/2020	1/1/2021	3/7/2022	102.0%	\$1,474,067	(\$174,697)	\$1,299,370
12/31/2021	1/1/2022	3/6/2023	104.0%	\$1,808,665	(\$196,489)	\$1,612,175
12/31/2022	1/1/2023	3/4/2024	106.1%	\$1,858,855	(\$201,447)	\$1,657,408
12/31/2023	1/1/2024	3/3/2025	108.2%	\$1,910,058	(\$206,477)	\$1,703,581
12/31/2024	1/1/2025	3/2/2026	110.4%	\$1,962,071	\$0	\$1,962,071
12/31/2025	1/1/2026	3/1/2027	112.6%	\$1,993,453	\$0	\$1,993,453
12/31/2026	1/1/2027	3/6/2028	114.9%	\$2,025,914	\$0	\$2,025,914
12/31/2027	1/1/2028	3/5/2029	117.2%	\$2,059,085	\$0	\$2,059,085
12/31/2028	1/1/2029	3/4/2030	119.5%	\$2,092,235	\$0	\$2,092,235
12/31/2029	1/1/2030	3/3/2031	121.9%	\$2,125,355	\$0	\$2,125,355
12/31/2030	1/1/2031	3/1/2032	124.3%	\$2,158,587	\$0	\$2,158,587
12/31/2031	1/1/2032	3/7/2033	126.8%	\$2,191,809	\$0	\$2,191,809
12/31/2032	1/1/2033	3/6/2034	129.4%	\$2,224,982	\$0	\$2,224,982
12/31/2033	1/1/2034	3/5/2035	131.9%	\$2,250,561	\$0	\$2,250,561
12/31/2034	1/1/2035	3/3/2036	134.6%	\$2,274,798	\$0	\$2,274,798
12/31/2035	1/1/2036	3/2/2037	137.3%	\$2,300,056	\$0	\$2,300,056
12/31/2036	1/1/2037	3/1/2038	140.0%	\$2,359,881	\$0	\$2,359,881
12/31/2037	1/1/2038	3/7/2039	142.8%	\$2,423,664	\$0	\$2,423,664
12/31/2038	1/1/2039	3/5/2040	145.7%	\$2,488,380	\$0	\$2,488,380
12/31/2039	1/1/2040	3/4/2041	148.6%	\$2,554,245	\$0	\$2,554,245
12/31/2040	1/1/2041	3/3/2042	151.6%	\$2,621,611	\$0	\$2,621,611
12/31/2041	1/1/2042	3/2/2043	154.6%	\$2,690,554	\$0	\$2,690,554
12/31/2042	1/1/2043	3/7/2044	157.7%	\$2,760,533	\$0	\$2,760,533
12/31/2043	1/1/2044	3/6/2045	160.8%	\$2,831,549	\$0	\$2,831,549
12/31/2044	1/1/2045	3/5/2046	164.1%	\$2,903,028	\$0	\$2,903,028
Total				\$57,457,868	(\$924,622)	\$56,533,246

MuniCap, Inc.

5-Mar-20

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³Assumes an annual inflation rate of 2%.