

## **Exhibit A: Project Scope and Feasibility**

### **Attachment 1. Developer's Description of Project**

- *Provide a summary description of the proposed project and the overall benefit it will provide to the area.*

The owner of the Grand Sierra Resort is planning to build a hospitality, sports and entertainment development in Reno adjacent to the GSR.

The applicant for the Catalyst Project Assistance Program is Power Sports Development, LLC. Total hard costs and soft costs for the development will amount to approximately \$1 billion over the course of the next 10 years that will include:

- 10,500-seat arena that could be used for concerts and sporting events
- 2,400-space parking garage
- 50,000 square foot community ice facility
- 25,000 square foot retail fan zone
- High-tech aqua golf driving range that will include 50 hitting bays spread over three levels
- 300 units of workforce housing
- A potential 865-room hotel



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### **Attachment 2. Community Benefit Attributes**

- *Please describe the specific community benefit attributes of the project. Be certain to address all required criteria in sufficient detail.*

Over the course of the next ten years, Power Sports Development intends to invest approximately \$1 billion into a multi-phased development encompassing sports and entertainment, retail, food and beverage, workforce housing and most importantly – jobs. This will be the largest redevelopment project in the history of Reno.

An estimated 5,300 direct jobs and 2,800 indirect and induced jobs (inclusive of construction) will be created as a result of the development. The construction activity impacts alone are estimated to result in a \$1.3 billion economic impact to the state over eleven years.

- **Operation Impacts.** The full-time jobs and payroll created by Power Sports Development, LLC could generate an estimated annual economic impact of \$23.5 million at stabilized (or full operational) levels, and a total impact of \$425.6 million over 20 years. The company's operations could directly and indirectly support an estimated 143 total jobs (based on 65 full-time direct jobs) and \$194.4 million in labor income over the first 20 years of operations.
- **Overall Economic Impacts.** Based on the construction and operation impacts combined, Power Sports Development, LLC could generate a total economic impact of \$1.8 billion over 20 years.
- **Company Tax Impacts.** Assuming a capital investment of \$1.0 billion in buildings and equipment, and \$89.3 million in annual taxable sales and room rental revenues on-site by 2036, the company could generate an estimated \$5.6 million in gross average annual property tax revenues, \$4.5 million in gross average annual sales and use taxes, \$3.7 4 million in average lodging taxes, and \$57,000 in gross average annual modified business taxes (MBT) over 20 years. **This could result in an estimated \$276.4 million in gross state and local revenues during construction and over the first 20 years of operations.** *These figures are in 2024 dollars and do not include projected inflation.*
- The multiplier effect of this sports, entertainment and hospitality development in Washoe County could result in a **total operational economic impact of \$425.6 million** over the first 20 years of operations

In addition to the economic benefits the project will bring to local governments and the regional workforce, the arena in particular will provide a significant benefit to the University of Nevada, Reno. The Nevada Wolf Pack Men's Basketball Team will play its home games in the new state of the art arena which will be a significant upgrade both for the team and the fans compared to the current facility, Lawlor Events Center. The University will not be contributing a single cent in capital toward construction of the new arena.

The arena is also being built to NCAA specifications required to host “March Madness” tournament games, with a minimum capacity of 10K seats and modern internal broadcasting infrastructure. This could potentially lead to the arena hosting end of season conference basketball tournaments, preseason invitational tournaments as well as major post season tournaments such as the NIT or NCAA Tournament. Tournaments of this scale bring in thousands of spectators, which will boost room occupancy across the hoteliers across the region as well as boost air traffic through Reno Tahoe International Airport.

Housing attainability is an issue that has negatively impacted our region over the last several years. As part of this development, 300 units of workforce housing are planned to be built alongside the Truckee River where the current GSR RV park is located. The Truckee River is one of the greatest natural attributes we have in our region, and it will serve as an ideal location for a multifamily housing development.

While the Truckee River is an incredible natural feature, it also poses a potential threat if it floods. Flood mitigation work will have to be done along the river to protect the significant investment that is being made in the development at the GSR. Talks have already begun between the GSR, the Reno-Sparks Indian Colony, the Reno Tahoe International Airport and the Truckee River Flood management Authority on a plan that will encompass protecting all of these critical community assets.

Finding a permanent location for Reno Fire Dept. Station #21 is also something that the developer would like to collaborate with the City of Reno on. Currently, the land that Station #21 is located on is leased by the City from the GSR. With all of the development work that will be taking place, the timing is ripe to start planning on a permanent station that may be situated on another portion of the GSR property if it will lead to enhanced responses by Reno Fire. We are willing to consider options that the City of Reno thinks will lead to improved public safety and revitalized facilities for the Reno Fire Department.

The development will pay prevailing wages for all construction jobs associated with the project if approved as a Catalyst Project by the City of Reno. Given the scale and complexity of the development, we would like to see as much local labor used as possible. We want our local construction tradesmen to take pride in this development and we want to see those wages stay here with people that live in this community.



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### **Attachment 3. Site Plan, Building Elevations and Rendering(s)**

- *Attach a preliminary site plan, building elevations, and rendering(s) of the proposed project.*

#### **Illustrative Site Plan**





## Exhibit A: Project Scope and Feasibility

### Illustrative Elevations



## Exhibit A: Project Scope and Feasibility

### Illustrative Elevations



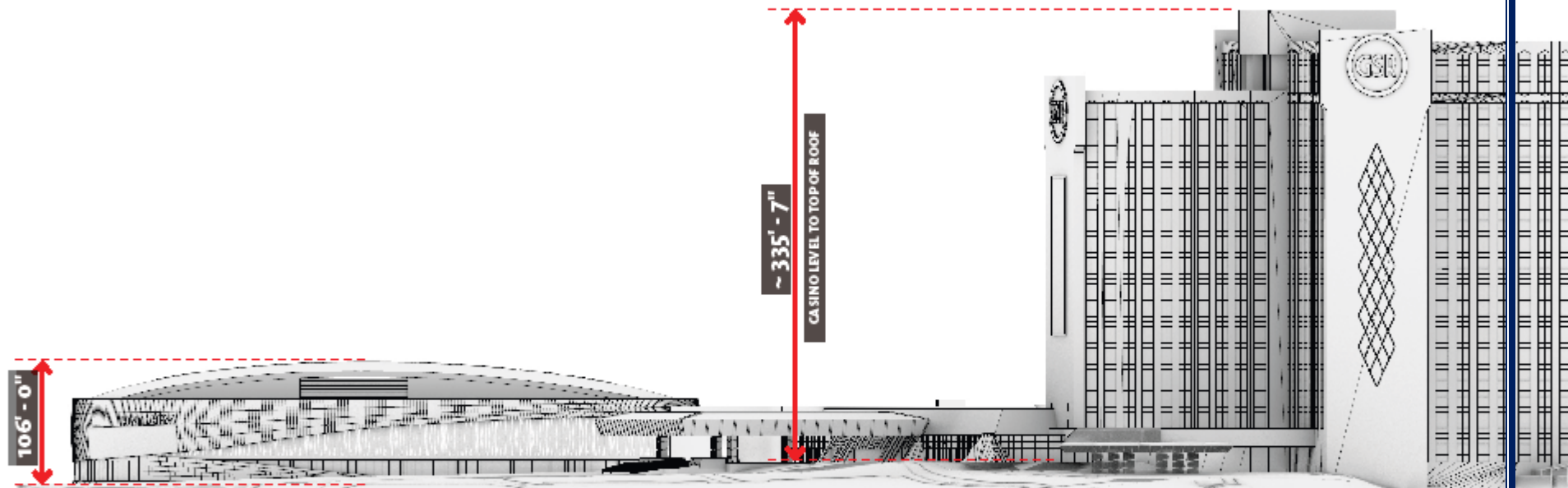
## Exhibit A: Project Scope and Feasibility

### Illustrative Rendering





# Arena & Hotel Elevation MAX HEIGHT



OVERALL COMPLEX ELEVATION  
SOUTH

**\*\* CONFIDENTIAL \*\***

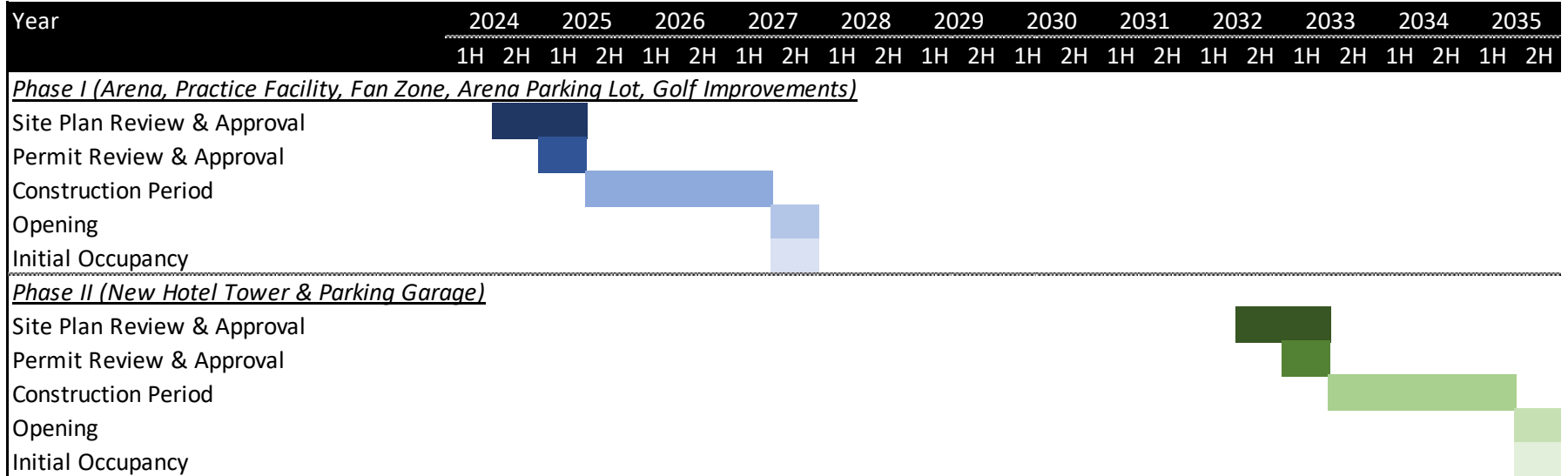


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### Attachment 4. Proposed Development Schedule

- Please identify major development milestones desired for the proposed project. At a minimum, identify the following project milestones: site plan approval, building and development permits approval, project financing approval, construction commencement, construction completion, and initial occupancy.

#### POWER SPORTS DEVELOPMENT LLC TIMELINE



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### **Attachment 5: Market Study**

- *Please provide a market study or summary of the market study if one has been prepared by a third party. The market study should address the current market demand for the proposed project.*

No market study was commissioned, however Applied Economics was engaged to conduct a third-party fiscal impact analysis for the project. Applied Economics is the same firm that has conducted numerous analyses for the Nevada Governor's Office of Economic Development (GOED). That study is provided in a separate attachment.

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### **Attachment 6: Evidence of Site Control (i.e. deed, option to purchase, or purchase contract)**

- *Please attach evidence of site control. Evidence may include grant, bargain and sale deed showing current ownership, option agreement to purchase, right of first refusal agreement, purchase agreement, or lease agreement. Proof of site control will be a requirement prior to processing of this application and any funding award.*

<p>APN# <u>APN# 012-211-24; see attached.</u></p> <p><b>Recording Requested by:</b> Name: <u>David M. Stewart, Latham &amp; Watkins LLP</u> Address: <u>885 Third Avenue</u> City/State/Zip: <u>New York, NY 10022</u></p> <p><b>When Recorded Mail to:</b> Name: <u>General Counsel, The Meruelo Group</u> Address: <u>9550 Firestone Blvd., Suite 210</u> City/State/Zip: <u>Downey, CA 90241</u></p> <p><b>Mail Tax Statement to:</b> Name: <u>MEI-GSR Holdings, LLC</u> Address: <u>c/o The Meruelo Group, 9550 Firestone Blvd., Suite 210</u> City/State/Zip: <u>Downey, CA 90241</u></p> <p style="text-align: center;"><b>GRANT BARGAIN AND SALE DEED</b> <b>( Title of Document )</b></p> <p><b>Please complete Affirmation Statement below:</b></p> <p><input checked="" type="checkbox"/> I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)</p> <p style="text-align: center;">-OR-</p> <p><input type="checkbox"/> I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the social security number of a person or persons as required by law: _____ (State specific law)</p> <table border="0" style="width: 100%;"><tr><td style="width: 50%; text-align: center;">_____ Signature</td><td style="width: 50%; text-align: center;">_____ Attorney</td></tr><tr><td style="width: 50%; text-align: center;">_____ David M. Stewart, Esq. Printed Name</td><td style="width: 50%; text-align: center;">_____ Title</td></tr></table> <p>This page added to provide additional information required by NRS 111.312 Sections 1-2 and NRS 239B.030 Section 4.</p> <p>This cover page must be typed or printed in black ink. (Additional recording fee applies)</p>	_____ Signature	_____ Attorney	_____ David M. Stewart, Esq. Printed Name	_____ Title	<p>DOC #3988818</p> <p>03/31/2011 02:42:55 PM Electronic Recording Requested By STEWART TITLE LAS VEGAS WARM SPR Washoe County Recorder Kathryn L. Burke - Recorder Fee: \$53.00 RPTT: \$174045.00 Page 1 of 15</p> <p style="text-align: center;">( for Recorder's use only )</p>
_____ Signature	_____ Attorney				
_____ David M. Stewart, Esq. Printed Name	_____ Title				



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**APN#** APN# 012-211-24; see attached.

**Recording Requested by:**

Name: David M. Stewart, Latham & Watkins LLP

Address: 885 Third Avenue

City/State/Zip: New York, NY 10022

**When Recorded Mail to:**

Name: General Counsel, The Meruelo Group

Address: 9550 Firestone Blvd., Suite 210

City/State/Zip: Downey, CA 90241

( for Recorder's use only )

**Mail Tax Statement to:**

Name: MEI-GSR Holdings, LLC

Address: c/o The Meruelo Group, 9550 Firestone Blvd., Suite 210

City/State/Zip: Downey, CA 90241

**GRANT BARGAIN AND SALE DEED**

**( Title of Document )**

**Please complete Affirmation Statement below:**

☒ I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

**-OR-**

☐ I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the social security number of a person or persons as required by law: \_\_\_\_\_  
(State specific law)

Attorney

Signature

Title

David M. Stewart, Esq.

Printed Name

This page added to provide additional information required by NRS 111.312 Sections 1-2 and NRS 239B.030 Section 4.

This cover page must be typed or printed in black ink.

(Additional recording fee applies)

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APN(s): 012-211-24, 012-231-29,  
012-211-28, 012-490-01,  
012-490-02, 012-500-01, 02;  
012-501-01, 012-501-04, 012-501-06,  
012-501-07, 012-502-17, 012-502-18,  
012-503-11, 012-503-07, 08; 012-504-23,  
012-504-04, 012-505-10, 012-510-01, 02;  
012-511-01, 012-511-07, 012-512-16, 17;  
012-512-09, 012-513-01, 012-513-09,  
012-514-01, 012-514-22, 23;  
012-514-18 thru 21; 012-514-07, 08;  
012-514-16, 012-514-12 thru 14;  
012-515-10 thru 18, 012-550-01, 02;  
012-551-01 thru 07; 012-551-13,  
012-552-11 thru 17; 012-552-04,  
012-552-06 thru 09; 012-553-01 thru 04;  
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012-555-08 thru 15; 012-555-17;  
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012-563-01 thru 08; 012-564-02, 012-564-04 thru 06; 012-564-11 thru 23; 012-565-10  
thru 18; 012-570-01, 02; 012-571-01 thru 13; 012-572-01 thru 17; 012-573-01 thru 13;  
012-574-21 thru 23; 012-574-01 thru 03; 012-574-19, 012-574-04; 012-574-11 thru 18;  
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03; 012-582-05 thru 10; 012-582-13 thru 17; 012-583-03, 04; 07; 012-584-23; 012-584-  
01, 02; 012-584-20, 21; 012-584-06, 012-584-14 thru 16; 012-584-12, 012-585-16, 012-  
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02; 012-591-01 thru 07; 012-591-09 thru 13; 012-592-01 thru 17; 012-593-01 thru 13;  
012-594-08 thru 19; 012-594-01, 02; 012-594-04, 012-594-06, 07; 012-595-02 thru 04;  
012-595-06, 07; 012-595-09; 012-595-10 thru 18.

GRANT BARGAIN AND SALE DEED

NY1650367.4

**Exhibit A: Project Scope and Feasibility**

RPTT: [\_\_\_\_\_]

**GRANT BARGAIN AND SALE DEED**

This Grant, Bargain and Sale Deed is made as of this \_\_\_\_ day of \_\_\_\_\_, 2011, between CREDIT MARKETS REAL ESTATE CORP., a Delaware corporation having an address at 383 Madison Avenue, 3<sup>rd</sup> Floor, New York, NY 10017, Attn: Matthew Feldman ("Grantor") and GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, a California limited liability company, as to an undivided 68.1979%, and AM-GSR HOLDINGS, LLC, a Nevada limited liability company, as to an undivided 31.8021%, having an address at c/o 9550 Firestone Blvd., Suite 210, Downey, CA 90241 (collectively, "Grantee").

**WITNESSETH:**

That Grantor, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and for other good and valuable consideration in hand paid to Grantor by said Grantee, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained and sold, and hereby grants, bargains and sells to Grantee all right, title and interest that Grantor has in the following described real property and rights and interests in real property situate, lying and being in Washoe County, Nevada, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND  
INCORPORATED HEREIN BY REFERENCE

The foregoing real property together with all improvements and fixtures located thereon are sometimes collectively referred to herein as the "Property".

Together with all of the right, title and interest of Grantor, if any, in and to the following as the same pertains to the Property: (a) all improvements located thereon, and (b) all easements, rights-of-way, streets, tenements, hereditaments and other appurtenances, belonging or otherwise appertaining.

To have and to hold, the same in fee simple forever.

This conveyance is subject to matters of record, which are incorporated herein by reference.

*[Signatures appear on following page]*



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IN WITNESS WHEREOF, Grantor has hereunto executed this Grant, Bargain and Sale Deed as of the day and year first above written.

CREDIT MARKETS REAL ESTATE  
CORP., a Delaware corporation

By: [Signature]  
Name: JEFF NUSBAUM  
Title: VICE PRESIDENT

STATE OF NEW YORK  
COUNTY OF NEW YORK

} ss.:

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March, 2011, by Jeff Nusbaum, as Vice President of Credit Markets Real Estate Corp., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

December 31, 2011

[Signature]  
Notary Public, State of New York

LEATRICE HARRIS  
Notary Public, State of New York  
No. 01H46179915  
Qualified in Queens County  
Commission Expires Dec. 31, 2011

Exhibits to Deed:

Exhibit A    Legal Description