

Catalyst Project Application for Tax Increment Financing - Grand Sierra Resort Expansion and Arena

Bryan McArdle - Revitalization Manager

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CITY OF
RENO

Alignment with Strategic Plan



What are we doing today?

What This Item Is...

- Evaluation to send to next step for third party review

What This Item Is Not...

- Approval of an agreement
- Approval of giving existing RDA funds
- Approval of deal points

Catalyst Project Application

Power Sports Development, LLC

- \$1 Billion Expansion
- 10,500 Seat Arena
- 50k SF Satellite Ice Rink
- 25k SF Retail Fan Zone
- 2,400 Unit Parking Garage
- Aqua Golf Driving Range
- 865 Room Hotel Tower
- 300 Workforce Housing Units



Costs and Timeline

Project Costs: \$1 Billion

Est. Start Date: Spring 2025

Est. Completion Date: Fall 2035

Est. Property Tax Annually: \$10 MM

TIF Requested: \$97 MM



Economic Impact

Annual Economic Impact: \$23.5 MM

Annual Sales /Use Tax: \$4.5 MM

Annual Lodging Tax: \$3.8 MM

Construction Jobs: 5,300

FTE Jobs: 65



Area Benefit

300 Units Workforce Housing
Flood Mitigation
Relocation of Fire Station #21

Architect: Gensler

Contractor: AECOM Hunt

Developer: Alex Meruelo

Developer Equity: 32.5%

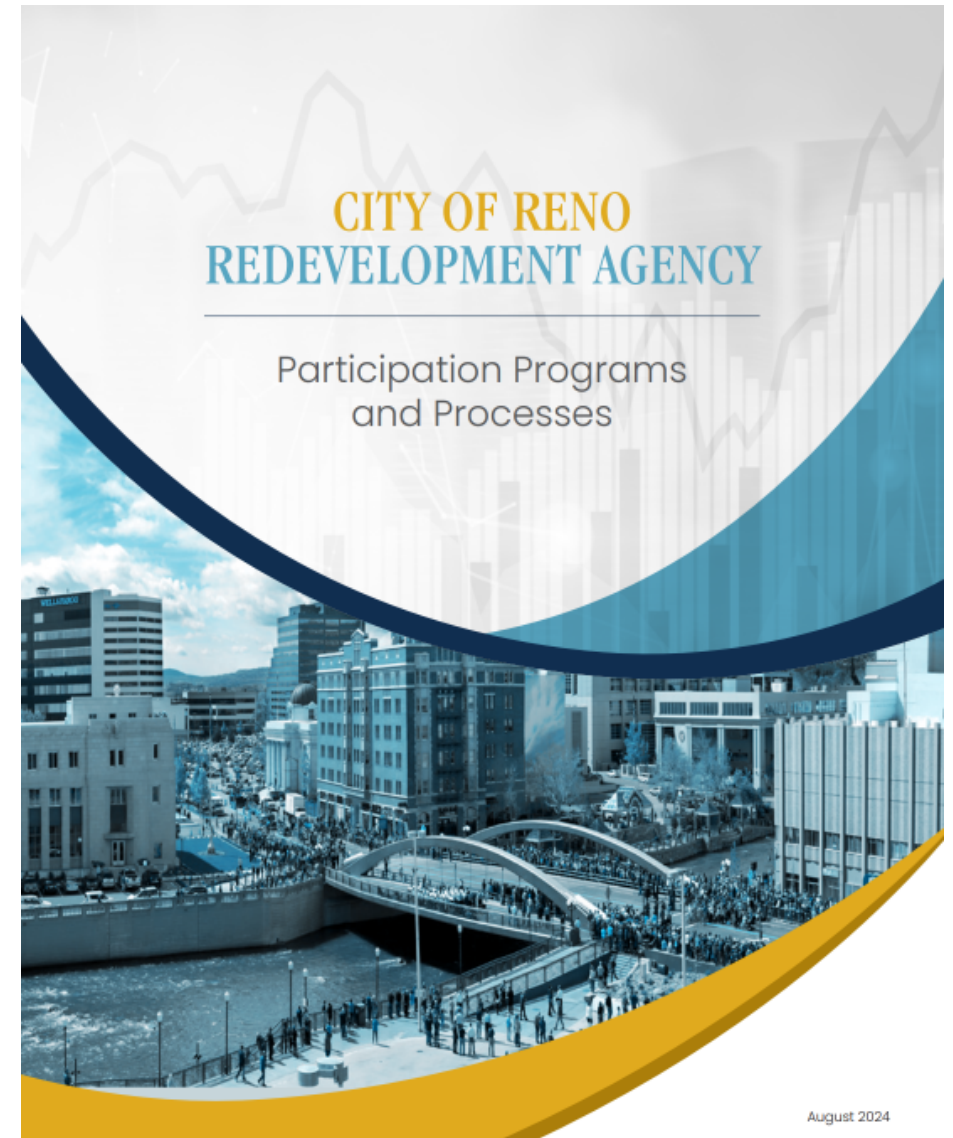


Participation Program

The Agency seeks to partner with existing property owners, prospective developers, and prospective investors that will make a meaningful private investment in Reno's Revitalization.

NRS 279.566

- *Requires the Agency enter into participation agreements*
- *Agency shall have developed and created guidelines and rules for the format and application of participation agreements*



Eligibility Requirements

Threshold Eligibility Requirements

In order to be eligible, a Participant must meet all of the following requirements:

Area Benefit: *Participants must demonstrate that the proposed project or investment will provide a significant benefit to the overall redevelopment area and the surrounding neighborhood.¹*

“But For” Test : *Participants must demonstrate that there are no other reasonable means of financing available to fully fund the proposed project. This requirement is commonly referred to as the “but for” test, meaning that, but for the Agency’s funding, the Participant would not be able to fully fund and complete the project.²*

Prevailing Wages: *Nevada prevailing wage rates are required to be paid for any Agency funding or assistance that is equal to or more than \$100,000.³*

Employment Plan: *Participants should submit an employment plan describing any existing employment opportunities in the area, new employment opportunities generated by the proposed project, and new employment opportunities for persons residing in the area that are economically disadvantaged, have any disability, are members of racial minorities, are veterans, or are women.⁴*

Public Bidding: *Any work directly undertaken and contracted by the Agency for grading, clearing, demolition, or construction in excess of \$10,000 must be done by contract after competitive bids.⁵*

Eligibility Requirements

General Program Eligibility Criteria

All Participants are expected to meet the following general program eligibility criteria and provide proof that these criteria are met as part of the Participation Program General Application (“Application”).

Criteria 1: *The property must be located within a redevelopment area.*

Criteria 2: *The property must be currently zoned, or be eligible to be rezoned, for the intended purposes.*

Criteria 3: *The Participant must be current with all state and local fees and business license fees.*

Criteria 4: *The Participant and contractors of the Participant must be properly licensed.*

Criteria 5: *Properties may be vacant or, if occupied, must be underutilized.*

Criteria 6: *Properties on which new construction has commenced but has stalled, as defined by inactivity on an issued construction permit for 6 months or longer, will be deemed eligible.*

Criteria 7: *The Participant must not have any felony convictions, unresolved felony indictments, or current bankruptcy judgments.*

Evaluation Process – 200 Points

Project Viability – 100 Points **SCORE: 70**

Project Viability Scoring Rubric		
Evaluation Factor	Maximum Factor Score	Weight
1 Developer Performance History	40	40%
2 Developer Financial Capacity	20	20%
3 Project Vision and Placemaking Features	20	20%
4 Market Study	20	20%
TOTAL PROJECT VIABILITY MAXIMUM SCORE		100

Evaluation Process – 200 Points

Area Benefit – 100 Points

SCORE: 86

Area Benefit Scoring Rubric			
Evaluation Factor	Maximum Factor Score	Weight	NRS Reference
1 Catalyst Impact	10	10%	NRS 279.486(4)(a)(1)
2 Job Impact	5	5%	NRS 279.486(4)(a)(2)
3 Revenue Impact	5	5%	NRS 279.486(4)(a)(3)
4 Density and Activity Impact¹	10	10%	NRS 279.486(4)(a)(4)
Floor Area Ratio, 2.0 or greater	5		
Ground-Floor Retail Activation, 70% street face	5		
5 Placemaking	10	10%	NRS 279.486(4)(a)(5)
6 Construction Labor	5	5%	NRS 279.486(4)(a)(6)
7 Social Benefits	5	5%	NRS 279.486(4)(a)(7)
8 Community Input²	25	25%	NRS 279.486(4)(b)
One Community Meeting	10		
Two Community Meetings	20		
Three or More Community Meetings	25		
9 Agency Fiscal Benefit²	25	25%	NRS 279.486(4)(c)
20-year fiscal benefit up to \$750,000	10		
20-year fiscal benefit greater than \$750,000, up to \$2,000,000	15		
20-year fiscal benefit greater than \$2,000,000	25		
TOTAL AREA BENEFIT MAXIMUM SCORE	100		

Catalyst Project Application

Final Score: 156/200

Next Steps:

- Feasibility and Financial Projections
- Economic and Regional Impact
- Market Study
- Funding Gap Analysis
- Participation Agreement Negotiations



Recommended Motion

I move to staff recommendation to proceed with a formal review, due diligence process, and third-party feasibility analysis, and to negotiate a Catalyst Project participation agreement for tax increment financing with Power Sports Development, LLC for future Board approval.