

hunden
partners

Reno Arena Proposal Review

Reno, Nevada

February 2025

Introduction

Hunden Partners ("Hunden") was engaged by the City of Reno Redevelopment Agency ("Client" or "City") to provide an independent review of a development proposal by Meruelo Gaming ("Developer") for a new sports and entertainment district in Reno, Nevada.

ASSUMPTIONS AND CONDITIONS

This report has been prepared under the following general assumptions and limiting conditions:

- The findings presented herein reflect analysis of primary and secondary sources of information assumed to be correct. Hunden utilized sources deemed to be reliable but cannot guarantee accuracy.
- No responsibility is taken for changes in market conditions after the date of this report and no obligation is assumed to revise this report to reflect events or conditions occurring thereafter.
- Hunden has no control over construction costs or timing of construction and opening.
- Macroeconomic events affecting events, travel, and the economy cannot be predicted and may impact the development and performance of the venues, real estate, and overall organization.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,

Hunden Partners

Table of Contents

Executive Summary 4

Developer Proposal Review and Site Assessment 27

Economic, Demographic and Tourism Analysis 34

Arena, Entertainment and Event Market Analysis 41

Entertainment District Market Analysis..... 59

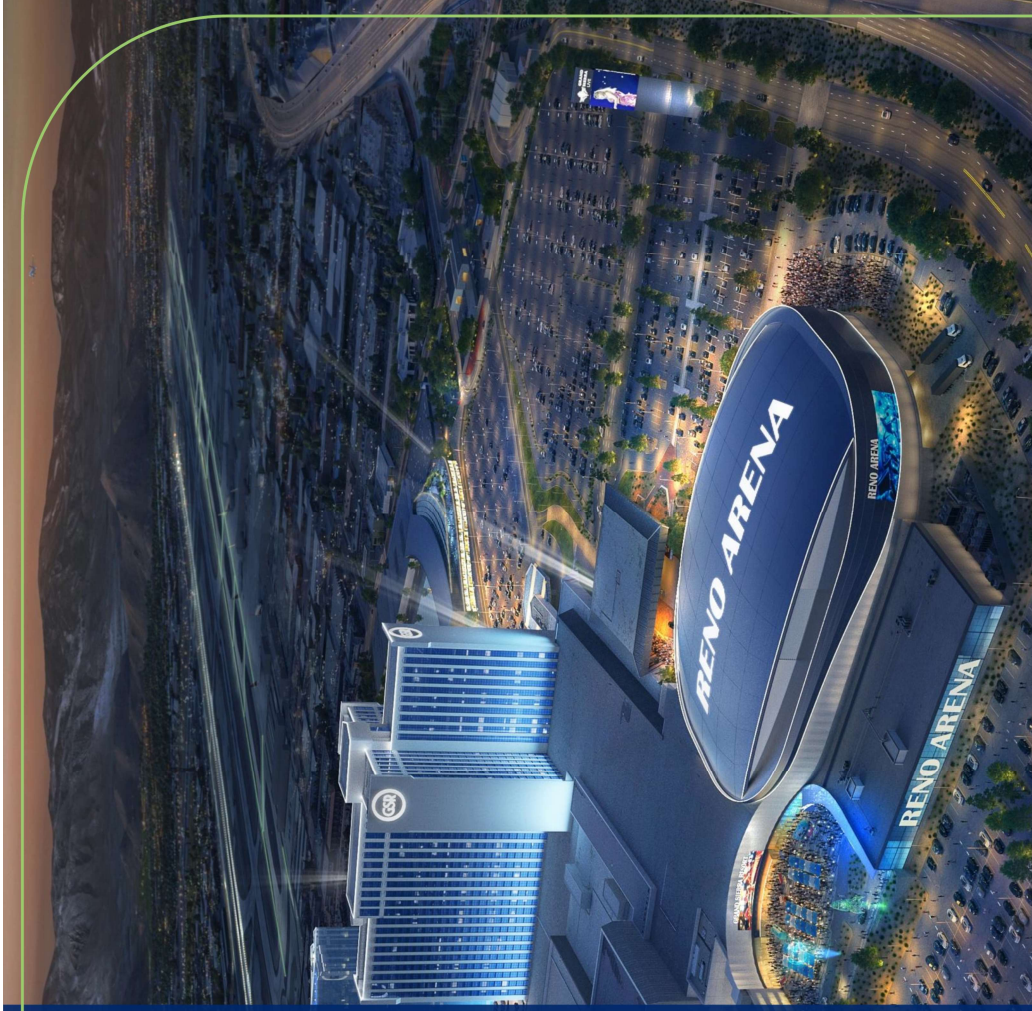
Case Studies and Lessons Learned 89

Real Estate Financial Analysis 96

Economic, Fiscal and Employment Impact Analysis..... 105

Executive Summary

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Project Overview

The City of Reno Redevelopment Agency (Agency or Client) retained Hunden Partners (Hunden) to conduct an independent review of a development proposal by Meruelo Gaming (Developer) for a new sports and entertainment district anchored by a multipurpose indoor arena at the existing Grand Sierra Resort (GSR), called the Reno Arena Project. The study also analyzes the developer's request for the RDA 2 to be extended by 20 years. **This analysis assumes that the project is contingent on the extension of the RDA.**

Hunden's study will focus on the following key tasks:

- Assess market conditions of proposed program uses and identify any additional asset types with potential for significant financial and economic impact
- Formulate implications and provide market-based recommendations for the proposed program
- Develop demand and financial models to project new jobs, spending, and tax revenues generated by the Project



Reno Arena Project

Proposed Program

The Developer is proposing the following elements as part of the Reno Arena Project adjacent to the GSR. Costs for the development are expected to total approximately \$1 billion over the next 10 years:

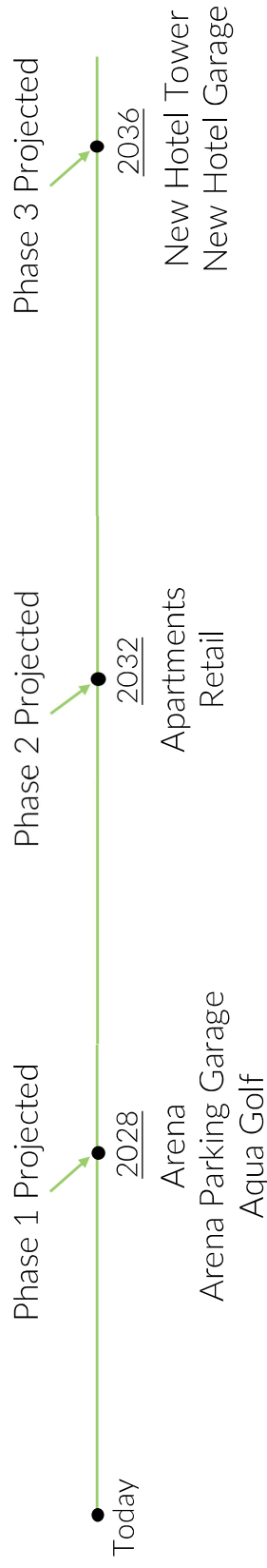
- A. 10,000-seat arena
- B. 2,400-space parking garage
- C. 50,000-SF community ice facility
- D. 24,300-SF retail
- E. High-tech aqua golf driving range
- F. 300 Apartments
- G. Potential 500-room hotel



Development Timeline

The Project is structured into three phases, with projected completion in 2028, 2032, and 2036, respectively. The first phase involved the construction of a 10,000-seat arena, a parking garage, and aqua golf facilities. The second phase is set to develop 300 units of housing, with 150 units dedicated to workforce housing and 150 units for market-rate housing, along with 23,400 square feet of retail space. The concluding phase will feature the addition of a new 500-key hotel tower and its associated hotel garage. The total construction cost for all phases is estimated to exceed \$1 billion.

Total Construction Cost:
\$1 Billion



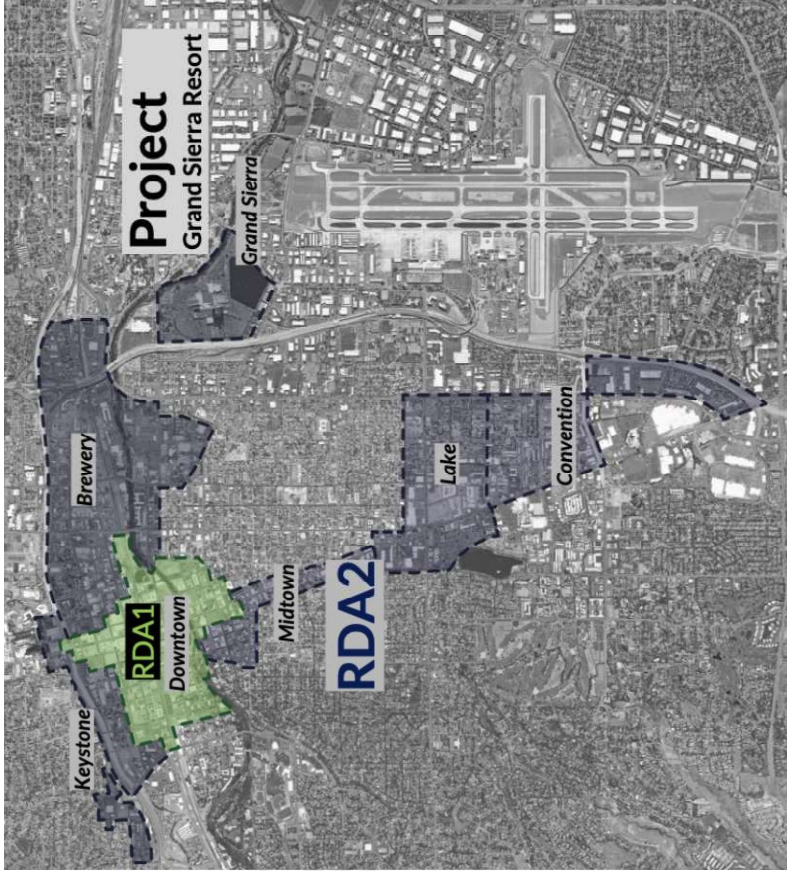
RDA Program

The Developer is applying for a City redevelopment program that offers TIF incentives through the establishment of a Redevelopment Area (RDA). Reno currently has two active RDA zones, as shown in the adjacent figure.

RDA incentives are limited to property taxes and do not extend to other tax revenue streams.

In the year that RDAs are designated, a property tax baseline is set, and any additional tax revenue above that baseline can be recaptured for development repurposes. In this case, the Developer is requesting a repayment on the general fund portion of the NEW property tax over a 30-year period ending in 2055, as opposed to the current 10-year sunset period.

Funding Stream for Project Costs:	Reno	Developer
Onsite Sales Tax	Not Used	
Commercial Lease Tax	Not Used	
Hotel Bed Tax	Not Used	
Property Taxes		Incremental Only
Additional Surcharges on Goods in District	Not Used	
Issuing Bonds?	Not Used	



Arena Market Headlines

Hunden's key takeaways from the arena market are as follows:

Project Potential: Several venues within the proposed arena's capacity exist locally, yet its quality and affiliation with GSR will position it as the premier mid-sized venue in the market.	Project Potential: Several venues within the proposed arena's capacity exist locally, yet its quality and affiliation with GSR will position it as the premier mid-sized venue in the market.
Entertainment Market Challenges: Reno's proximity to Sacramento poses a key challenge for attracting concerts and shows. Today touring acts typically perform in only one of the two cities, but with a new venue this may change.	Entertainment Market Challenges: Reno's proximity to Sacramento poses a key challenge for attracting concerts and shows. Today touring acts typically perform in only one of the two cities, but with a new venue this may change.
Tenant Advantages: The University of Nevada, Reno basketball team and a potential minor league team as tenants present an opportunity that would significantly enhance the Project's financial viability, increasing event volume and appeal to potential sponsors and partners.	Tenant Advantages: The University of Nevada, Reno basketball team and a potential minor league team as tenants present an opportunity that would significantly enhance the Project's financial viability, increasing event volume and appeal to potential sponsors and partners.

Local Venue Statistics (3,000 – 20,000 Capacity, Within 150 Miles)



Event Demand
Avg. Events per Venue 27



Ticket Prices
Avg. Ticket Price \$74.60



Attendance
Avg. Event Capacity 5,836
Avg. Event Attendance 4,752

Mixed-Use Market Headlines



Retail

Vacancy: 1.7%

Rental Rate: \$16.73 PSF

Construction Pipeline: 0 SF

Low vacancy levels due to stagnant development pipeline

Feasibility of new developments challenged by limited rent growth and construction costs

Project site benefits from prime highway frontage, built-in customer base with casino and related activity, and proximity to downtown, providing strong retail potential for the Project



Hotel

Occupancy: 64.2%

ADR: \$188

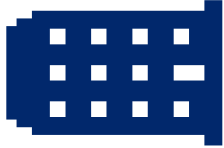
Construction Pipeline: 260 Rooms

Substantial supply of economy and Midscale properties, with an emerging pipeline of higher-scale developments

Strong annual rise in ADRs, though occupancy levels are constrained by low off-season demand

Properties operating independent of casinos exhibit stronger performance with higher ADR and occupancy levels

Mixed-Use Market Headlines



Multifamily

Vacancy: 4.6%

Rental Rate: \$1,610

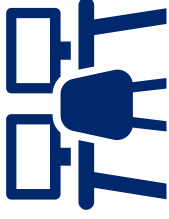
Construction Pipeline: 0 Units

*Indicators based on properties in Reno with 80 or more units built before 2021

Growing asset class in Reno; robust construction pipeline and consistent positive annual absorption

Greater demand for lower-rent units; 4- & 5-Star properties exhibiting significantly higher vacancies

Local submarket outperforms downtown core; vacancies for new developments expected to decline as population growth increases and construction activity slows



Office

Occupancy: 12.4%

Rental Rate: \$21.02 PSF

Construction Pipeline: 0 SF

Sparks submarket challenged with high negative absorption and elevated vacancy rates

Downtown exhibits stronger demand and more favorable rental metrics

Project site is not a prime location for office space, and upcoming construction pipeline in nearby downtown submarket may lead to oversupply challenges

Market Implications for Proposed Programming

Hunden's assessment of the market conditions for the proposed arena and traditional mixed-use asset types in the proposed program is summarized below:

					
What is the Proposed Use and Size?	Arena	Retail	Hotel	Multifamily	Office
	Proposed Program 10,000 Seats	Proposed Program 24,300 SF	Proposed Program 500-Room Hotel	Proposed Program 300 Units	Proposed Program --
Does the Market Analysis Validate the Proposed Use and Size?	Market-Validated? 	Market-Validated? 	Market-Validated? 	Market-Validated? 	Market-Validated? 
What are the Implications?	A 10,000-capacity arena is recommended for concerts; meets projected concert and tenant attendance figures	There is strong retail potential on the Project site, with a recommended focus on restaurant-oriented tenants to build on established presence	Recent developments have room counts in the low hundreds, however, proven performance at the existing property provides a competitive advantage	Avoid larger footprint; past developments delivering 300+ units have led to significant spikes in vacancy with difficulty stabilizing	Not a prime location; significant lack of demand for office space in Reno

Nationwide University Arena Structures

Funding Overview

University Tenant	Case Studies				Project	Existing Arena
	University of Louisville	University of Evansville	University of Nebraska	University of Texas at Austin		
Arena Name (Year Built)	KFC Yum! Center (2010)	Ford Center (2011)	Pinnacle Bank Arena (2013)	Moody Center (2022)	University of Nevada, Reno	University of Nevada, Reno
Basketball Capacity	22,000	11,000	16,000	10,750	Reno Arena (TBD)	Lawlor Events Center (1983)
Landlord	Louisville Arena Authority	City of Evansville	City of Lincoln	Austin Arena Company, LLC (OVG & UT)	10,000+	12,000
Construction Cost	\$238 M	\$128 M	\$236 M	\$338 M	Grand Sierra Resort	University of Nevada, Reno
Main Funding Source	Public	Public	Public	Private	\$380 M	\$26 M
Bonds Issued	YES	YES	YES	NO	Private	Public
Off-site Taxes Used?	YES	YES	YES	NO	NO	YES
New Taxes Created?	NO	NO	YES	NO	NO	YES
					NO	NO

Nevada Stadium/Arena Structures

Funding Overview

Arena Name	Other Nevada Facilities					Project	Existing Arena
	Allegiant Stadium	Future A's Stadium*	T-Mobile Arena	Lee's Family Forum	Thomas & Mack Center	Cox Pavilion	University of Nevada, Reno
League (Year Built)	NFL (2020)	MLB (2028)	NHL (2016)	AHL (2022)	NCAA (1983)	NCAA (2001)	Lawlor Events Center (1983)
Construction Cost	\$1.85 B	\$1.5 B	\$375 M	\$84 M	\$30 M	\$16.8 M	\$26 M
% Private Funding	59%	75%	100%	50%	0%	100%	0%
% Public Funding	41%	25%	0%	50%	100%	0%	100%
Bonds Issued?	YES	LIKELY	NO	YES	NO	NO	NO
Offsite Taxes Used?	YES	LIKELY	NO	YES	YES	NO	YES

Key Takeaway: Compared to stadium/arena projects that were recently delivered in Nevada, the proposed Project would be the most privately funded in the state at this scale.

How Other Venues Were Funded in Nevada

Professional

Paradise

Mobile ARENA

2016

100% Private

\$375 M

T-Mobile Arena:

\$375 Million

Paradise

2020

41% Public

\$745 M

Clark County Bonds
Backed by Special Tax
on Hotel Room Nights

Allegiant Stadium:

\$1.85 Billion

Paradise

2028

25% Public

\$380 M

State of Nevada

75% Private

\$1.1 B

Future A's Stadium:

\$1.50 Billion

How Other Venues Were Funded in Nevada

Semi-Professional or Collegiate

Henderson

2022

50% Public

\$42 M

Clark County Bonds
Backed by Special Tax
on Hotel Room Nights

50% Private

\$42 M

Lee's Family Forum:

\$84 Million

Las Vegas

1983

100% Public

\$30 M

State Slot Taxes

Thomas & Mack Ctr:

\$30 Million

Las Vegas

2001

100% Private

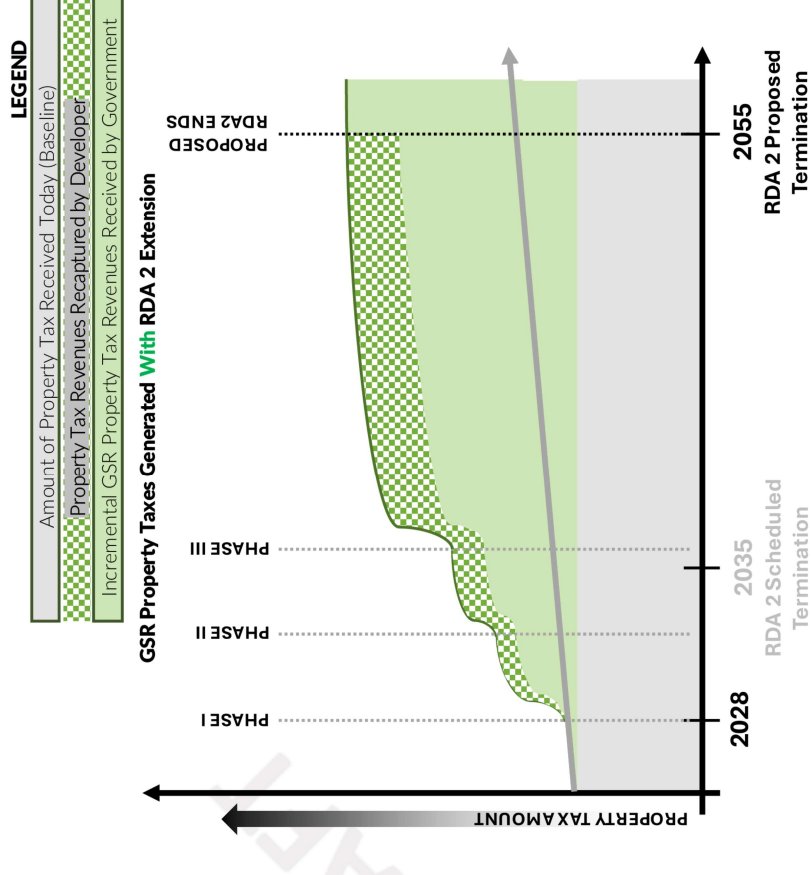
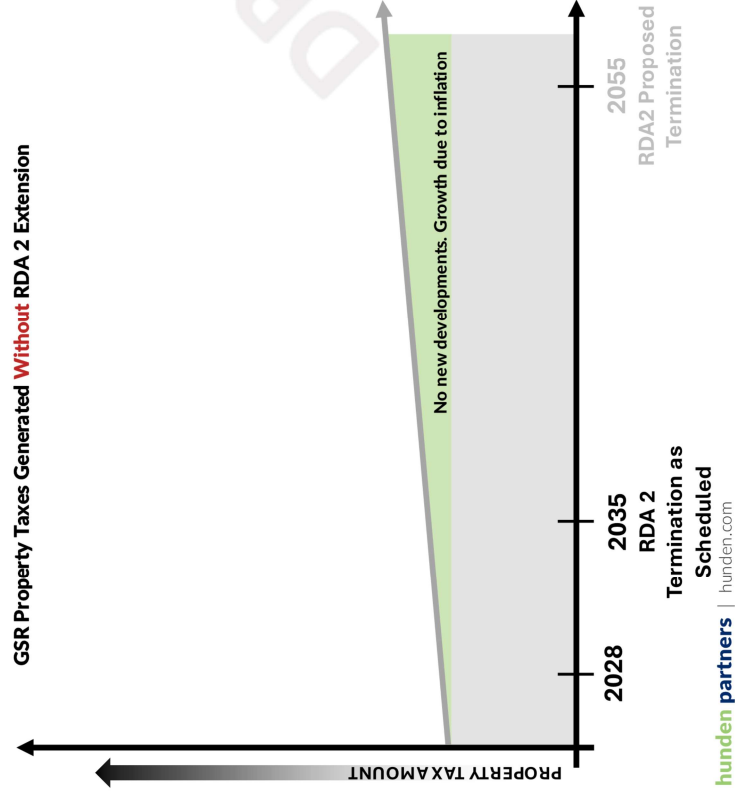
\$16.8 M

Donor Sponsorship and
Institutional Debt

Cox Pavilion:

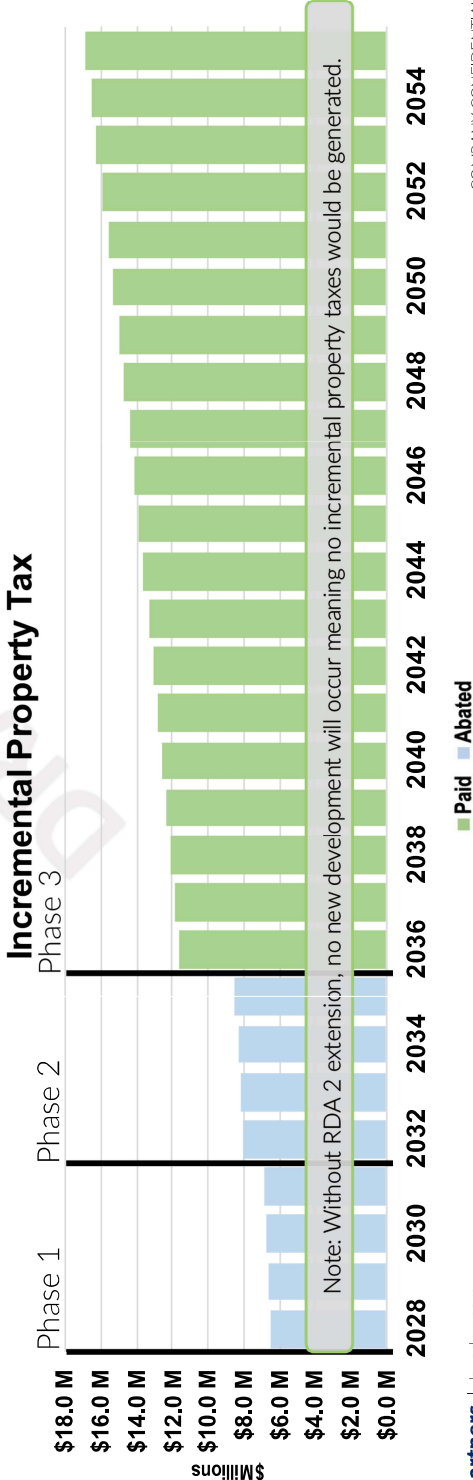
\$16.8 Million

Impact of RDA 2 Extension



Current RDA Structure Returns Without Extension

The RDA 2 is currently set to end in 2035, if no extension is approved by the legislature. The Developer is entitled to receive 100 percent of the incremental property tax in this time frame. This equates to \$59.7 million in total recaptured dollars. However, the City of Reno would only receive 26 percent of the future property tax revenues, which would be only \$73 million of the total \$282 million paid.



Break Down of Requested RDA Structure

Overview of Current RDA Structure

- The current RDA structure **allows the Developer to recapture 100% of incremental property taxes** through 2035. This policy has been instrumental in fostering initial phases of development and incentivizing private investment in Reno.

Requested Changes to the RDA Structure

- **Extension Period:** The Developer has requested a **20-year** extension to the RDA, pushing the expiration through 2055.
- **Key Adjustment:** Under the new structure, the Developer would recapture the Reno Fund portion of incremental property taxes, which accounts for **26 percent** of the total incremental property taxes. The Developer would pay, and the government would receive the other **74 percent** of the paid property tax.
- **Important Note:** Neither the current nor the proposed RDA requires the city to create bonds.

Projected Economic Impacts

- **Short-Term Gains:** Increased construction activity and job creation during the build-out of new phases.
- **Long-Term Gains:** Increased local spending and taxes generated locally from new visitors and activity.
- **Future Gains:** Once the RDA ends, Reno can capture the full amount of the incremental property tax revenues of these developments.



FAQ

How much will Reno pay the Developer?
Reno will **NOT** pay the Developer any direct funds. Instead, the Developer benefits by recapturing a portion of the incremental property taxes that are created because of the Project's new construction.

What happens if the Developer does not build out the other phases?
The Developer will not receive any benefit because there would be no increase (increment) in property taxes without the new development.

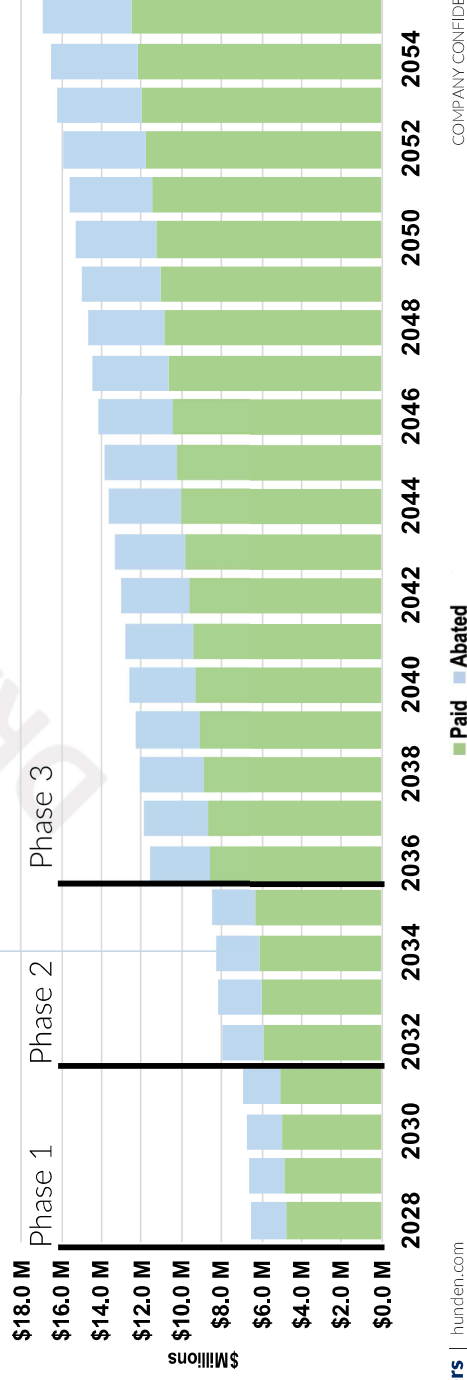
Why is Reno considering this structure?
The extension and adjustment aim to ensure the project's financial feasibility, attract further private investment, and create long-term economic benefits for Reno.

Requested RDA Structure Returns

If the RDA is extended to 2055 and the Developer only receives the General Fund portion, which accounts for approximately 26 percent of the total incremental property tax, the total recaptured amount would total \$89.7 million. While this is significantly higher, when you look at the present value (3%) of the longer repayment period, it is only \$4.2 million higher than the 2035 repayment timeline (\$56.3 million vs \$52.1 million).

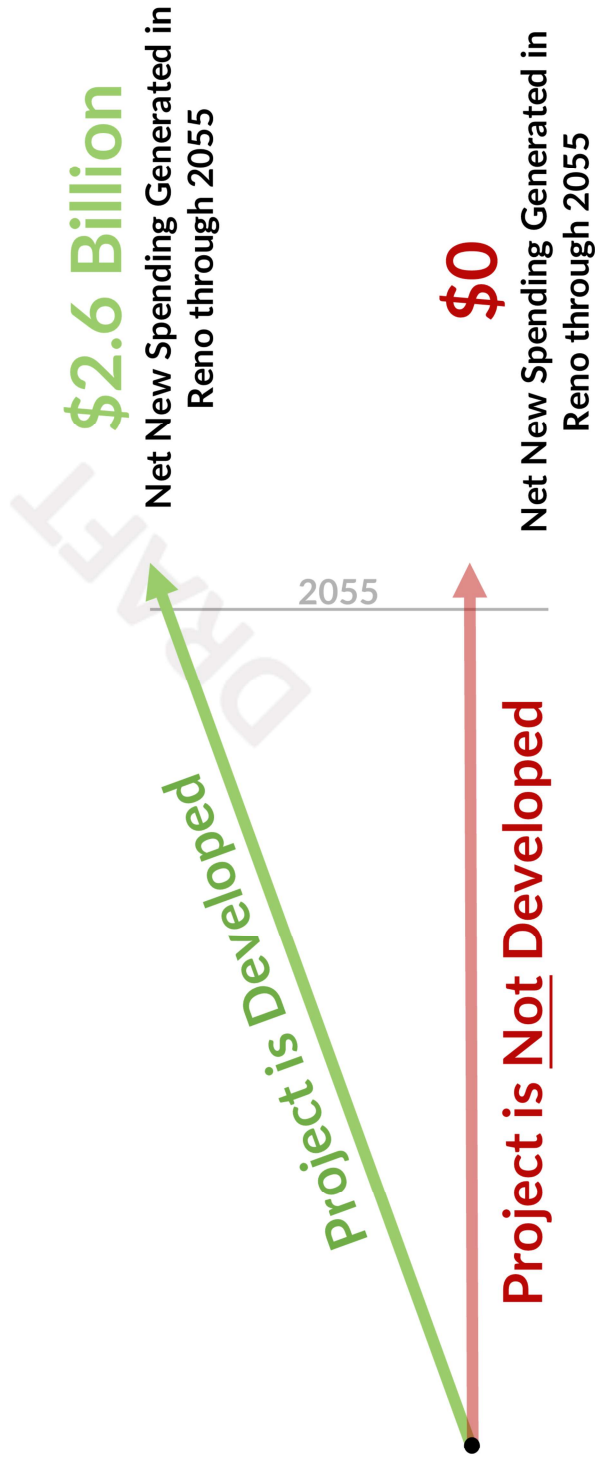


Incremental Property Tax



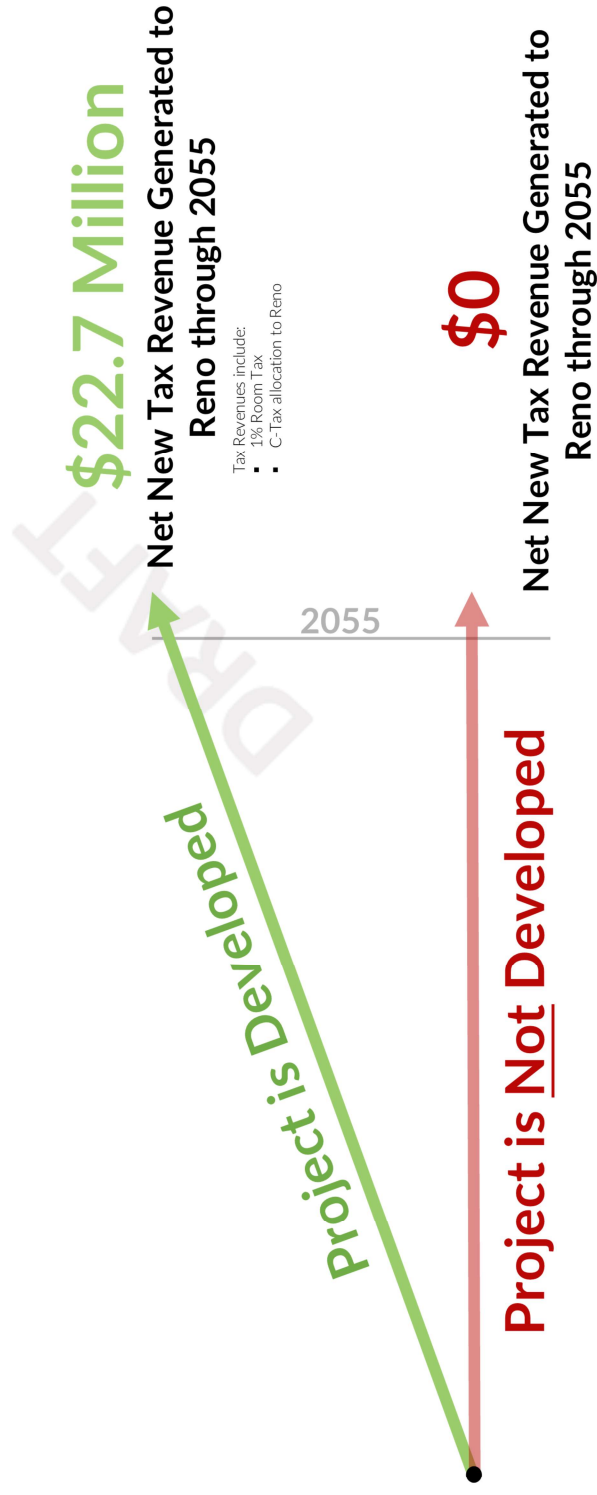
New Direct Spending in Reno due to the Project

The chart highlights the projected net new direct spending in Reno through 2055. In the first, the project proceeds under the proposed RDA, generating \$2.6 billion in new spending. In the second, the RDA is not approved, which results in no new spending.



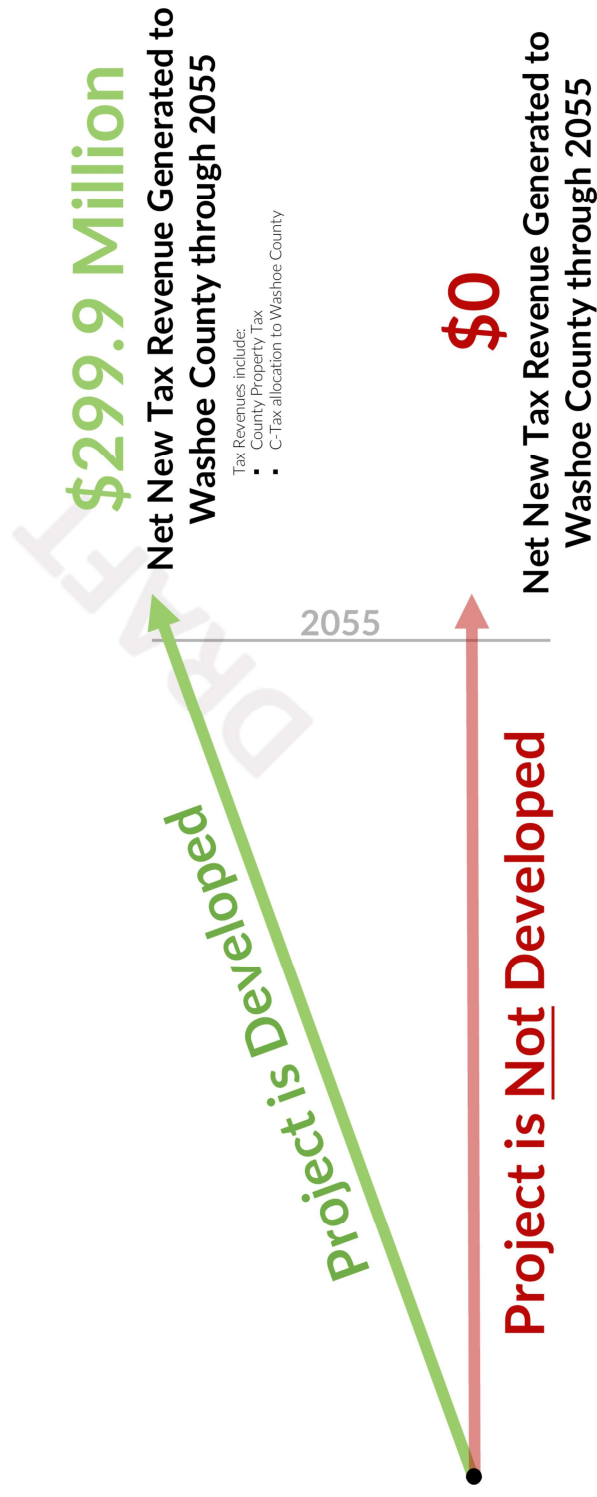
New Tax Revenues to Reno with Proposed RDA

The graph below details the total fiscal impact to Reno through 2055 if the development occurs under the proposed RDA compared to if the RDA is not approved and the project is not developed. Since Reno would be repaying their portion of property tax, the revenue realized to the city would only come from its portion of C-Tax and Room tax.



New Tax Revenues to Washoe County with Proposed RDA

The graph below details the total fiscal impact to Washoe County through 2055 if the development occurs under the proposed RDA compared to if the RDA is not approved and the project is not developed. Washoe County would see a greater impact due to not repaying its property tax portion.



Arena Assumptions and Pro Forma

The main component of the Project is the 10,000-seat arena that will be the home venue for the UNR Men's Basketball Team and a potential minor league team. Once fully stabilized, the arena is expected to host approximately 95 events per year, with an annual attendance exceeding 550,000 people.

Event	# of Events	Avg. Attendance	Avg. Ticket Price/Rental Rate
UNR Basketball	17	7,786	\$41.50
Minor League Hockey	39	4,449	\$34.56
Major Concert	5	9,000	\$89.17
Minor Concert	7	7,500	\$66.88
Family Show	6	6,500	\$44.58
Sporting Event	6	5,000	\$25.00
Rentals/Banquets	15	5,000	\$35,000 (rental)
Total/Average	95	5,761	\$49.32

Stabilized Annual Attendance: 553,900

Reno Arena Proforma Building (\$'000s)	2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2037 Year 10
Cash Flows from Tenant Operations						
(+) Premium	\$ 9,251	\$ 9,619	\$ 9,935	\$ 10,243	\$ 10,550	\$ 12,231
(+) Ticket Sales	\$ 5,997	\$ 6,176	\$ 6,362	\$ 6,553	\$ 6,749	\$ 7,824
(+) Facility Fee and Rebate	\$ 1,368	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388
(+) Concessions, Net	\$ 2,447	\$ 2,520	\$ 2,596	\$ 2,674	\$ 2,754	\$ 3,193
(+) Merch, Net	\$ 512	\$ 528	\$ 544	\$ 560	\$ 577	\$ 668
(+) Parking, Net	\$ 574	\$ 591	\$ 608	\$ 627	\$ 645	\$ 748
(+) Sponsorship	\$ 6,071	\$ 6,222	\$ 6,378	\$ 6,537	\$ 6,701	\$ 7,561
(+) Arena Rent	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,305
Revenues via Tenant	\$ 27,239	\$ 28,075	\$ 28,872	\$ 29,674	\$ 30,490	\$ 34,938
Cash Flows from Concerts/Other Events						
(+) Ticket Sales	\$ 5,571	\$ 8,453	\$ 10,622	\$ 11,259	\$ 11,595	\$ 13,442
(+) Rent	\$ 420	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525
(+) Promoter Rebate	\$ 382	\$ 570	\$ 666	\$ 692	\$ 692	\$ 692
(+) Facility Fee	\$ 382	\$ 570	\$ 666	\$ 692	\$ 692	\$ 692
(+) Concessions, Net	\$ 1,244	\$ 1,792	\$ 2,050	\$ 2,168	\$ 2,233	\$ 2,569
(+) Merch, Net	\$ 350	\$ 375	\$ 429	\$ 454	\$ 469	\$ 542
(+) Parking, Net	\$ 292	\$ 408	\$ 453	\$ 465	\$ 465	\$ 465
Revenues via Concerts	\$ 8,351	\$ 12,093	\$ 15,411	\$ 16,253	\$ 16,670	\$ 18,947
Venue Expenses						
(-) Salaries, Wages & Benefits	\$ 10,917	\$ 11,244	\$ 11,581	\$ 11,929	\$ 12,287	\$ 14,244
(-) General & Admin	\$ 1,500	\$ 1,548	\$ 1,597	\$ 1,748	\$ 1,801	\$ 2,088
(-) Operations	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,305
(-) Utilities	\$ 2,355	\$ 2,405	\$ 2,477	\$ 2,551	\$ 2,628	\$ 3,046
(-) Repairs & Maintenance	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338	\$ 391
(-) Insurance	\$ 690	\$ 711	\$ 732	\$ 754	\$ 777	\$ 900
(-) Materials and Supplies	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338	\$ 391
(-) Reserves	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,957
(-) Property Tax	\$ 6,141	\$ 6,264	\$ 6,389	\$ 6,517	\$ 6,647	\$ 7,339
(-) Management Fee	\$ 1,250	\$ 1,288	\$ 1,326	\$ 1,366	\$ 1,407	\$ 1,631
Total Expenses	\$ 26,032	\$ 26,752	\$ 27,491	\$ 28,252	\$ 29,035	\$ 33,292
Net Operating Income	\$ 8,199	\$ 14,016	\$ 16,391	\$ 17,675	\$ 18,125	\$ 20,593

Source: Hunden Partners

Development Yield

The table to the right provides a breakdown of the three phases' net operating incomes (NOI) that GSR is projected to receive from the development of the Project along with the development yield on cost.

Given that most investors seek a development yield ranging from 10 to 20 percent, **these figures underscore the critical importance of the full tax repayment for making the Project more financially viable.** Without this tax relief, the Project would likely not generate sufficient returns to attract investment.

Development Yield (\$000s)	2028	2029	2030	2031	2032	2037	2042	2047	2052	2055
Reno Development	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 28
Phase 1 NOI										
Arena	\$9,759	\$14,016	\$16,791	\$17,675	\$18,125	\$20,593	\$24,231	\$28,421	\$33,247	\$36,488
Fan Zone Retail	\$806	\$830	\$855	\$881	\$907	\$1,052	\$1,219	\$1,413	\$1,638	\$1,790
Aqua Golf	\$2,990	\$3,083	\$3,179	\$3,278	\$3,360	\$3,940	\$4,590	\$5,347	\$6,227	\$6,822
Incremental GSR	\$4,759	\$5,226	\$5,511	\$5,713	\$5,884	\$6,821	\$7,908	\$9,167	\$10,627	\$11,613
Total	\$18,314	\$23,155	\$26,337	\$27,547	\$28,296	\$32,405	\$37,948	\$44,349	\$51,740	\$56,713
Phase 2 NOI										
Lakefront Retail					\$730	\$935	\$1,090	\$1,269	\$1,478	\$1,620
Workforce Housing					\$3,542	\$5,126	\$5,996	\$7,010	\$8,192	\$8,993
Total					\$4,272	\$6,061	\$7,085	\$8,279	\$9,670	\$10,613
Phase 3 NOI										
Hotel						\$20,164	\$27,258	\$31,783	\$37,048	\$40,611
Total						\$20,164	\$27,258	\$31,783	\$37,048	\$40,611
Total NOI	\$18,314	\$23,155	\$26,337	\$27,547	\$32,568	\$58,630	\$72,202	\$84,411	\$98,458	\$107,937
Total Development Cost	\$633,452	\$633,452	\$633,452	\$633,452	\$732,812	\$1,019,086	\$1,019,086	\$1,019,086	\$1,019,086	\$1,019,086
Dev. Yield on Cost	2.9%	3.7%	4.2%	4.3%	4.4%	5.8%	7.1%	8.3%	9.7%	10.6%
Abatement Requested	\$1,703	\$1,703	\$1,703	\$1,703	\$1,958	\$2,732	\$2,732	\$2,732	\$2,732	\$2,732
Adjusted NOI	\$20,017	\$24,858	\$28,039	\$29,249	\$34,526	\$61,362	\$75,024	\$87,143	\$101,190	\$110,668
Adj. Development Yield	3.2%	3.9%	4.4%	4.6%	4.7%	6.0%	7.4%	8.6%	9.9%	10.9%

Source: Hunden Partners

Fiscal Impacts Through 2055

The adjacent tables illustrate the projected impacts that the Project is expected to have on the City of Reno, including the total impact and the average annual impact.

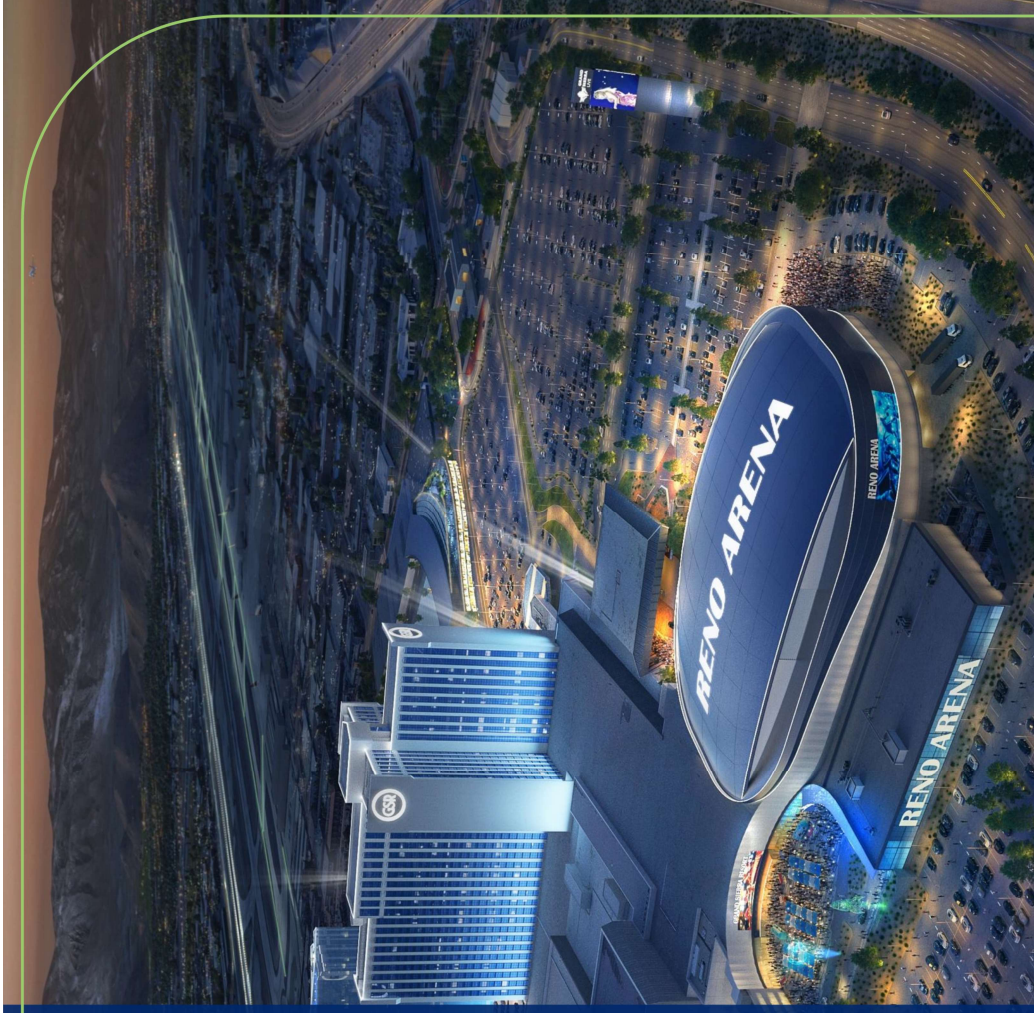


Table 1: Total Impact Through 2055	
Spending	\$ (millions)
Direct	\$2,595
Indirect	\$865
Induced	\$639
Total	\$4,099
Earnings	
\$ (millions)	
Direct	\$637
Indirect	\$266
Induced	\$202
Total	\$1,106
FTE Supported	
Peak	
Direct	474
Indirect	105
Induced	92
Total	671
Fiscal City Impact	
\$ (millions)	
City C-Tax	\$17.5
City Room Tax	\$5.2
Total	\$22.7

Table 2: Average Annual Impact	
Spending	\$ (millions)
Direct	\$87
Indirect	\$29
Induced	\$21
Total	\$137
Earnings	
\$ (millions)	
Direct	\$21
Indirect	\$9
Induced	\$7
Total	\$37
FTE Supported	
Average	
Direct	371
Indirect	83
Induced	72
Total	526
Fiscal City Impact	
\$ (millions)	
City C-Tax	\$0.6
City Room Tax	\$0.2
Total	\$0.7

Developer Proposal Review & Site Assessment

hunden partners



Reno Arena Project

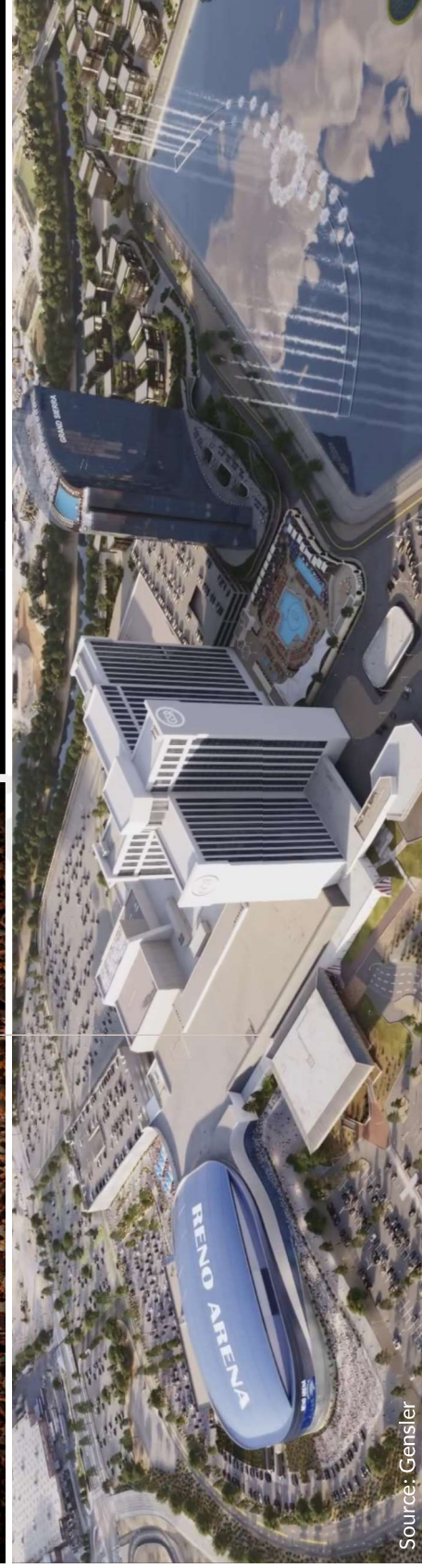
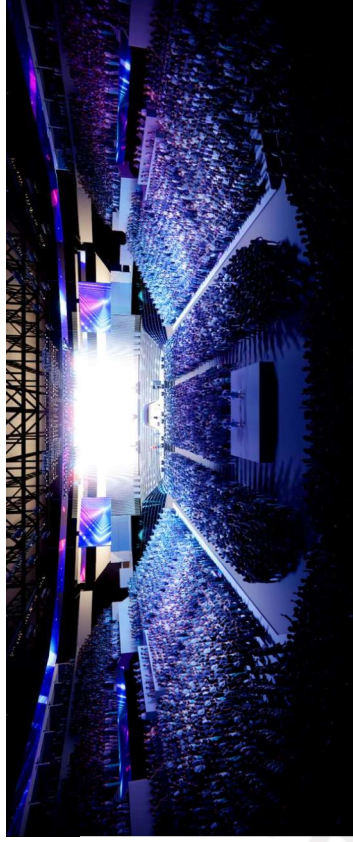
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- C. 50,000-SF community ice facility
- D. 24,300-SF retail
- E. High-tech aqua golf driving range
- F. 300 workforce housing units
- G. Potential 500-room hotel



Events



Source: Gensler

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Aqua Golf

The Grand Sierra Resort (GSR) already features a golf driving range; however, it is relatively small, accommodating only 18,200 visits in 2023. In response to growing demand and the desire to offer a more engaging golfing experience, GSR is set to expand with a new state-of-the-art driving range. Projected to attract 352,820 visits in its first year, the new facility aims to significantly enhance Reno's appeal to golf enthusiasts.

Comparatively, the closest similar facility is the Top Golf in Sacramento, which recorded more than 830,000 visits in 2023. More than 5,500 of those visitors were from Reno. This trend suggests that the enhanced driving range at GSR could recapture a significant portion of this audience.



Redevelopment Area

History of the RDA in Reno

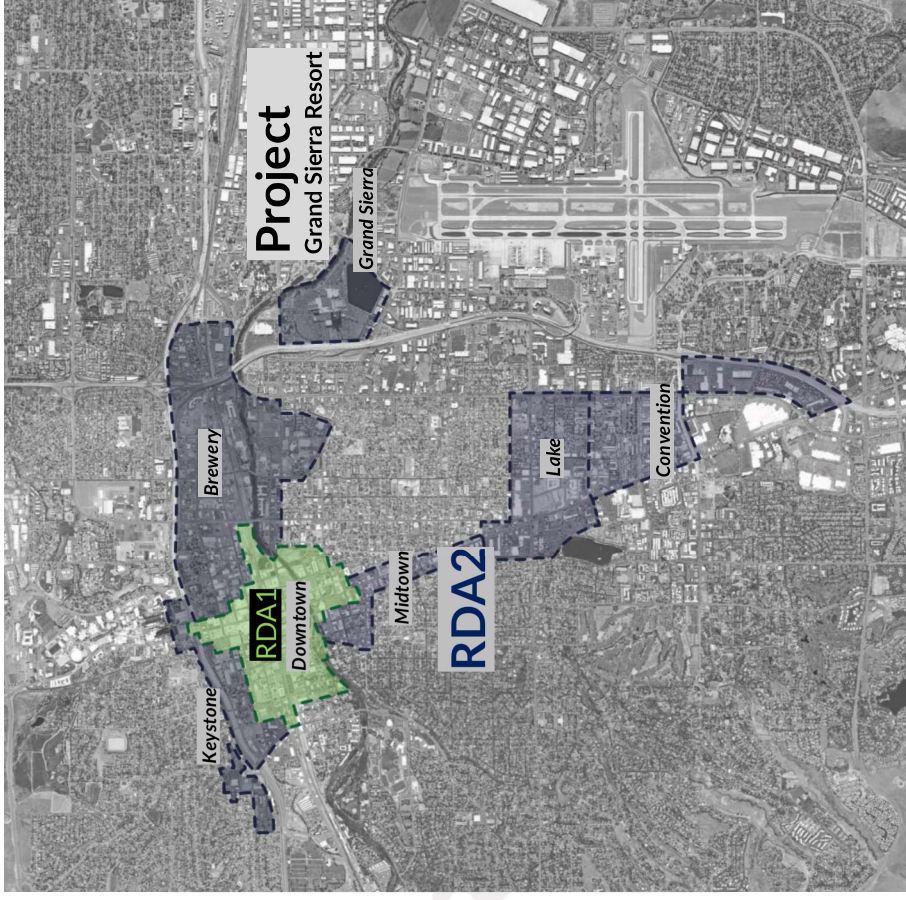
- In the 1980s, the City of Reno needed to incentivize investment in the downtown core of the City. To help with this process, the Reno Redevelopment Agency was founded. The Agency created the first Redevelopment Area (RDA 1), a Tax Increment Zone, in 1983. In 2025, there are two active RDA zones.

• Redevelopment Area 1 (RDA 1) | 1983 – 2043, 230 Acres

- Notable Developments:
 - National Bowling Stadium,
 - The Truckee Riverwalk, and
 - Greater Nevada Field.

• 2005 - Redevelopment Area 2 (RDA 2) | 2005 – 2035, 740 Acres

- Development Pipeline:
 - **Multifamily:** 2,196 units completed; 1,626 units U/C
 - **Hotel:** 170 new rooms completed; 270 rooms proposed
 - **Retail:** 70,000 SF completed; 80,000+ SF U/C
 - **Office:** 382,000 SF completed; 150,000 SF U/C
 - **Industrial:** 1.2 M SF completed

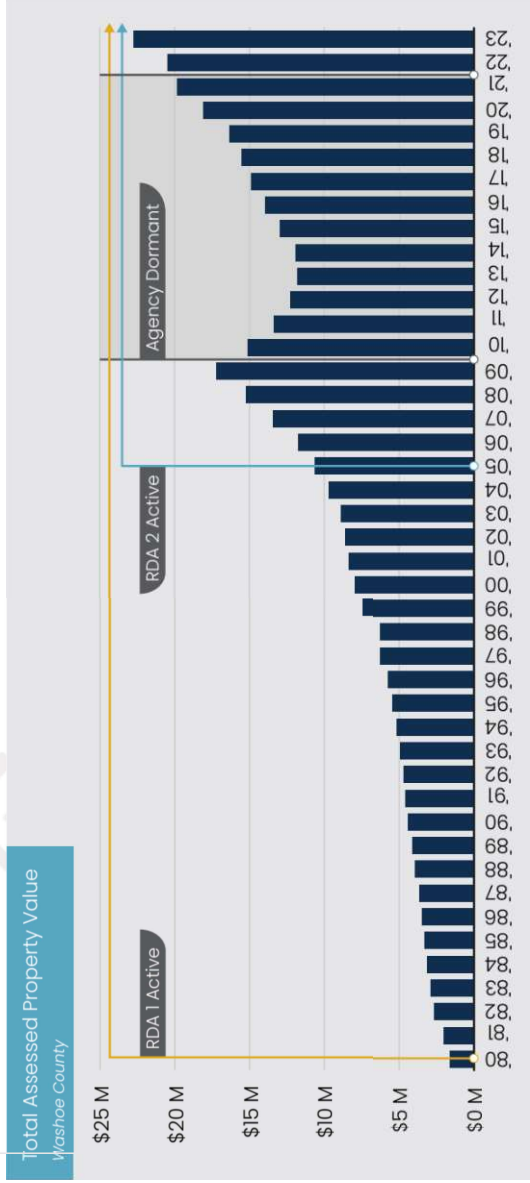


Redevelopment Area

History of the RDA in Reno

In the year that RDAs are designated, a baseline of property tax amounts is set. From this baseline, a portion of tax dollars that exceed the baseline amount are available for recapture by the Agency for the development within the area. These funds are then allocated towards developments and other projects within Reno.

In 2005, the City designated a second Redevelopment Area (RDA 2) to continue new investment in additional areas of town. Soon after initiating RDA 2, the Recession of 2008 occurred, hurting property values. Property values in Reno peaked in 2009, taking 11 years to reach these levels again in 2020.

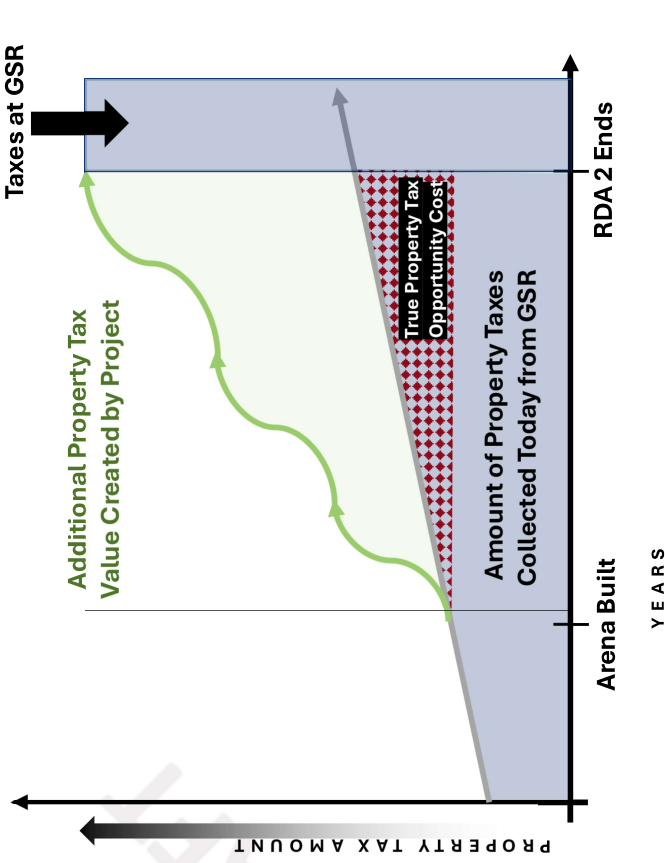


RDA Dollars With and Without the Project

History of the RDA in Reno

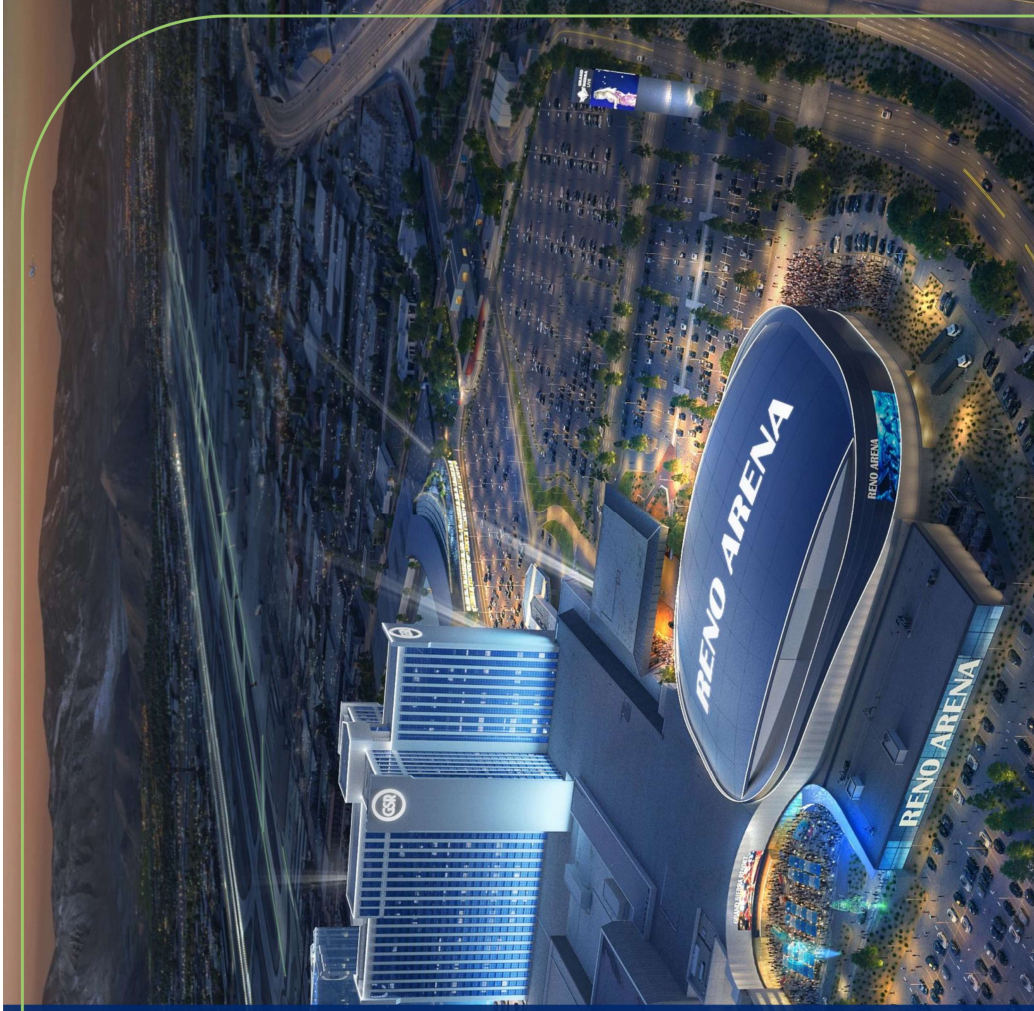
Nevada has a statutory limit on the annual amount property tax can increase from the previous year. This cap is 3 percent for residential and 8 percent for commercial properties (the GSR and the Project). This is one reason property tax values within the RDA 2 took 11 years to recover following the Great Recession.

The new builds will be assessed when built, giving a greater opportunity to increase property tax amounts for the duration of the RDA 2.

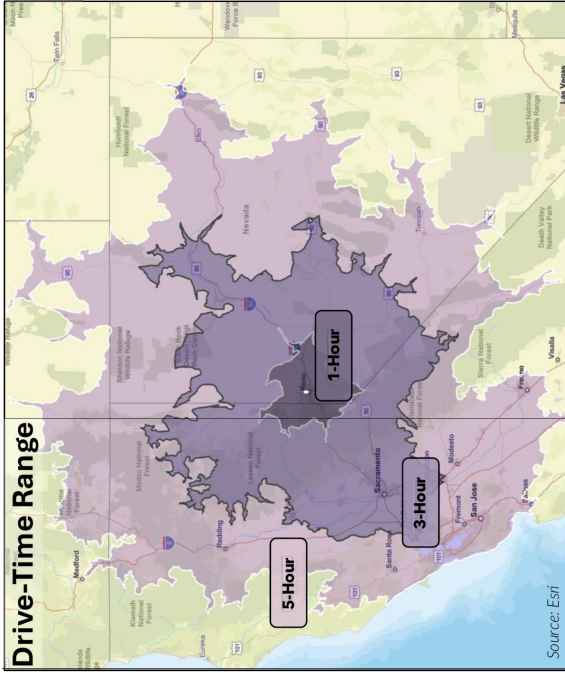


Economic, Demographic and Tourism Analysis

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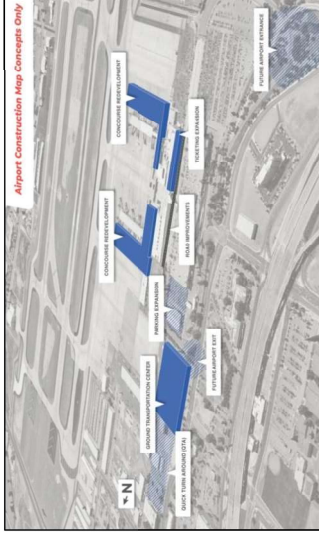
Geographical Overview



Estimated Drive-Time Statistics from Reno, NV (2024)				
	1-Hour	3-Hour	5-Hour	
Population	704,133	1,240,587	15,470,678	
Households	282,164	494,897	5,513,974	
Median Household Income	\$84,424	\$86,945	\$104,340	
Median Home Value	\$533,203	\$584,413	\$719,722	
Median Age	40.4	42.1	39.1	
Source: ESRI				

Drive-Time Population

The Project site has access to a modest population base within its driving range. Within a one-hour drive, the population is approximately 700,000, distributed across 280,000 households. Expanding to a five-hour drive increases the population significantly to 15 million people in five million households. The three-hour drive reaches the major market of Sacramento, while a five-hour drive extends to San Francisco, San Jose, and Fresno.



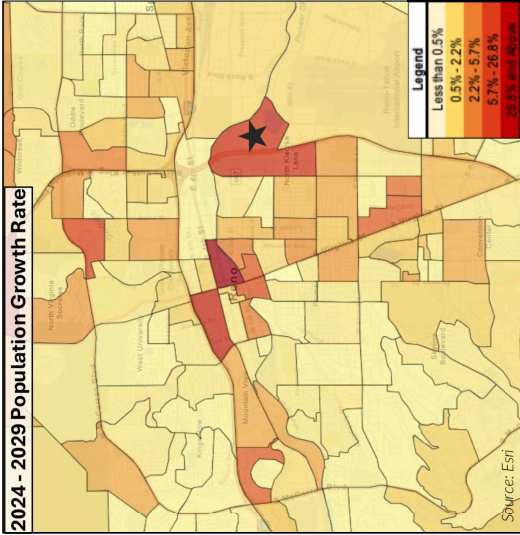
Air Accessibility

The Reno-Tahoe International Airport is conveniently located less than two miles from the Project site, offering more than 20 nonstop destinations and supporting more than 130 daily flights. Currently, the airport is actively pursuing various funding sources to facilitate approximately \$1 billion in infrastructure investments. Planned improvements include a new ground transportation center, expanded parking facilities, roadway enhancements, new concourses, and an upgraded ticketing hall.

Reno-Tahoe International Airport (RNO)		
Year	Enplanement	Deplanement
2018	2,044,641	2,046,076
2019	2,157,065	2,158,778
2020	982,555	976,640
2021	1,754,648	1,758,403
2022	2,097,322	2,103,503
2023	2,215,481	2,219,353

Source: Bureau of Transportation Statistics

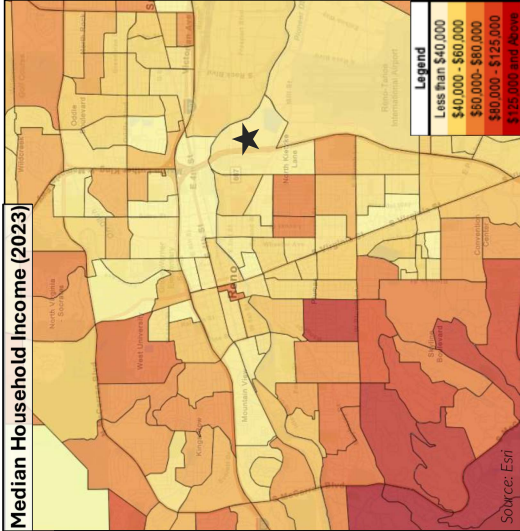
Population and Income



	Population and Growth Rates				Percent Change	
	2010	2020	2024	2029 Projected	2010 - 2024	2010 - 2029
United States	308,745,598	331,449,281	338,440,954	344,873,411	9.6%	9.6%
Nevada	2,700,551	3,104,614	3,265,907	3,392,820	20.9%	20.9%
Washoe County	427,403	486,492	514,322	536,178	22.0%	22.0%
Reno	225,352	264,182	281,800	293,206	25.9%	25.9%

Source: U.S. Census Bureau

Median Household Income (2023)



Income & Housing Data (2023)

Category	United States	Nevada	Washoe County	Reno
Homeownership rate	64.8%	58.4%	58.6%	48.3%
Median value of owner-occupied housing units	\$281,900	\$373,800	\$460,000	\$462,100
Average Household Size	2.57	2.64	2.49	2.35
Median household income	\$75,149	\$71,646	\$61,531	\$73,073

Source: U.S. Census Bureau

Income

The city of Reno encompasses a diverse range of household incomes, with neighborhoods in the southwest area reporting incomes exceeding \$200,000. Meanwhile, some surrounding areas in the downtown core have incomes below \$50,000. Although household incomes adjacent to the Property site are below average, there are areas with significantly higher incomes within a short driving distance.

Population

Since 2010, Washoe County's total population has grown by an impressive 22 percent. The City of Reno has undergone even greater growth, with a 25-percent increase since 2010, and is projected to welcome nearly 12,000 new residents between 2024 and 2029. Certain areas of downtown Reno are expected to experience growth rates exceeding 40 percent from 2024 to 2029. Situated near the main hub of Reno, the Project site is well-positioned to capitalize on this expansion.

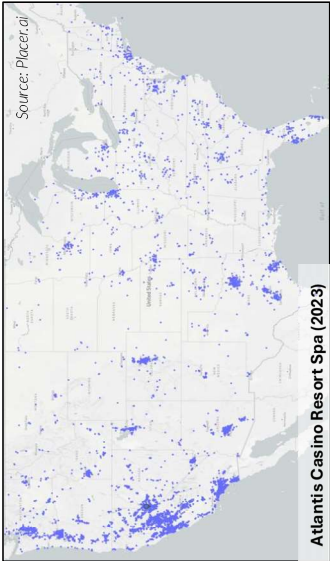
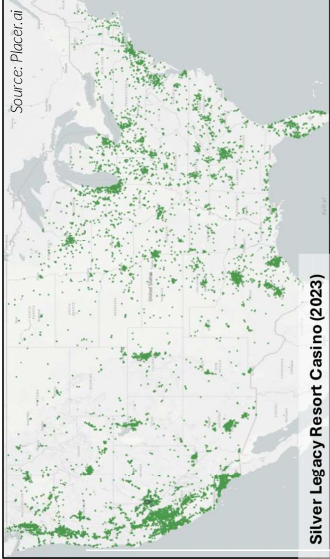
Major Tourism Drivers

Tourism in Reno is primarily driven by the hospitality and gaming industries, with casinos serving as the city's most popular attractions. The Grand Sierra Resort welcomed over 3.5 million visits in 2023, 60 percent of which originated from visitors living more than 100 miles away.

The adjacent maps illustrate the home locations of these visitors for two of the casinos in Reno. While the majority originate from the western states, the resorts also draw a significant number of guests from across the country.

Beyond casinos, other attractions contribute significantly to Reno's tourism. For example, an estimated 83 percent of visitors to the National Bowling Stadium came from outside the 100-mile radius, while the National Automobile Museum welcomed more than 50 percent of its visitors from similar distances.

While casinos are the primary drivers of Reno, diversifying its tourism offerings is important. These attractions highlight Reno's hotel-inducing assets, enhancing the Project's potential to benefit from the region's existing tourism and entertainment activities.



Most Visited Local Attractions 2023						
Rank	Name	Attraction Type	2023 Visits	2023 Visitors	2023 Visits More Than 100 mi	% of 2023 Visits Over 100 Miles
1	Grand Sierra Resort	Hotel & Casino	3,500,000	1,100,000	2,100,000	60.00%
2	Silver Legacy Resort Casino	Hotel & Casino	3,000,000	1,100,000	2,100,000	70.00%
3	Atlantis Casino Resort Spa	Hotel & Casino	2,400,000	775,400	987,500	41.15%
4	Peppermill Resort Spa Casino	Hotel & Casino	2,200,000	544,300	1,100,000	50.00%
5	Nugget Casino Resort	Hotel & Casino	1,300,000	355,500	797,900	60.92%
6	Galaxy Theatres	Movie Theater	544,100	250,800	37,500	6.89%
7	Coconut Bowl at Wild Island	Amusement Center	535,700	230,200	63,900	11.93%
8	Round1 Entertainment	Amusement Center	514,700	220,900	48,900	9.55%
9	Wilbur D May Arboretum & Botanical Garden	Park	242,500	156,400	29,200	12.04%
10	National Bowling Stadium	Stadium	192,800	89,700	160,100	83.04%
11	West Wind Drive-In and Public Market	Movie Theater	187,600	81,200	11,700	6.28%
12	Washoe Golf Course	Golf Course	115,100	24,100	5,300	4.60%
13	Terry Lee Wells Nevada Discovery Museum	Museum	96,500	62,500	19,200	19.80%
14	National Automobile Museum	Museum	91,900	77,600	46,100	50.16%
15	Nevada Museum of Art	Museum	56,200	36,400	9,500	16.90%
Total Average			14,957,100	5,117,000	7,510,800	50.27%

Visitation numbers are estimates based off of geo-fencing data.
Source: Placer.ai

Economic Landscape

Washoe County Major Employers - 2024

Company Name	Industry	Number of Employees
Washoe County School District	Education	5,000-9,999
Renown Regional Medical Center	Healthcare	1,000-4,999
Washoe County	Government	1,000-4,999
City of Reno	Government	1,000-4,999
Grand Sierra Resort & Casino	Hospitality	1,000-4,999
Peppermill Hotel Casino	Hospitality	1,000-4,999
University of Nevada, Reno	Education	1,000-4,999
Nugget Casino Resort	Hospitality	1,000-4,999
St. Mary's Regional Medical Center	Healthcare	1,000-4,999
Eldorado Resort Casino	Hospitality	1,000-4,999
Silver Legacy Resort Casino	Hospitality	1,000-4,999
International Game Technology	Technology	1,000-4,999
UPS Customer Ctr	Logistics	1,000-4,999
Circus Circus Reno	Hospitality	1,000-4,999
Legacy Supply Chain Services	Logistics	1,000-4,999
JC Penney Distribution Center	Logistics	500-999
Renown South Meadows Medical Center	Healthcare	500-999
Hyatt Regency Lake Tahoe Resort	Hospitality	500-999

Source: Nevada Workforce

Workforce

A significant portion of Reno's industries relies on gaming, hospitality, and healthcare. While slightly outside of the county limits, the Tahoe Reno Industrial Center (TRIC) plays a strong role in diversifying the local economy. The TRIC has attracted major employers including Tesla's Gigafactory, which was established in 2014 and supports more than 10,000 jobs. Continued diversification of Reno's primary industries will help to build a stronger, more resilient economy.



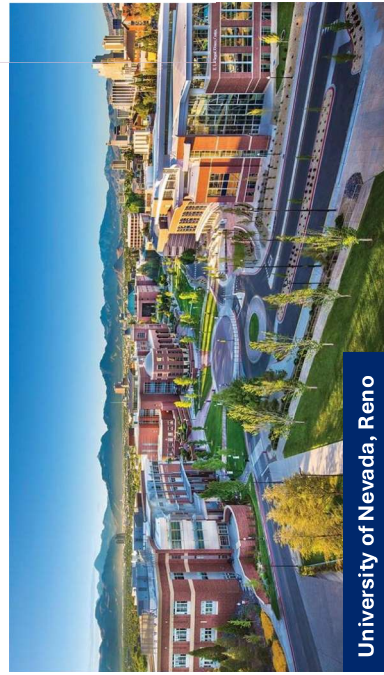
University of Nevada, Reno



Colleges and Universities

University Presence

Downtown Reno benefits from its proximity to a large university population, a group that typically brings stable demand for housing and consistent economic activity. The University of Nevada, Reno, one of Washoe County's largest employers, enhances this dynamic. Additionally, the Project is planned to be the new home for the University of Nevada, Reno's Men's Basketball team, leading to consistent long-distance visitation and activity at the arena.



University of Nevada, Reno

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Truckee Meadows Community College



Western Nevada College

Reno, NV Colleges & Universities (Within 50 miles)			
Institution	Distance from 75074 (miles)	Highest Degree Offered	Enrollment
Truckee Meadows Community College	1.7	Bachelors	9,651
University of Nevada-Reno	2.1	Bachelors	20,945
Western Nevada College	24.7	Bachelors	3,582
Total	--	--	34,178

Source: National Center for Education Statistics

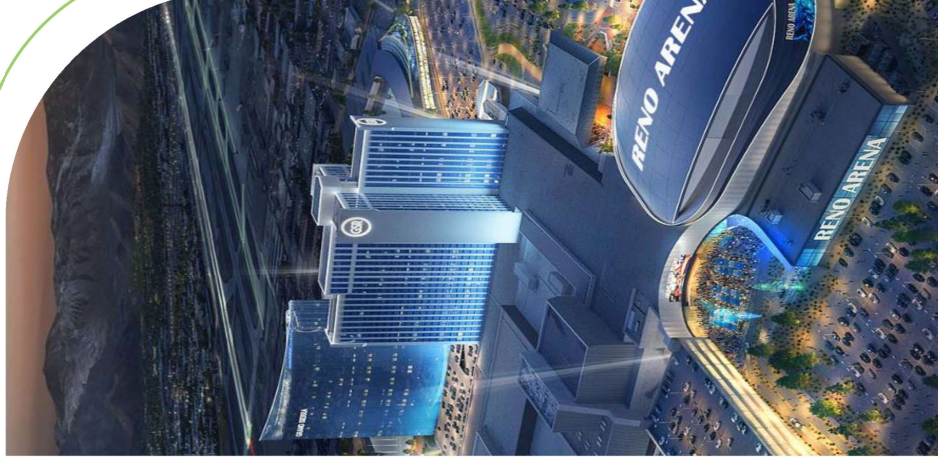
Implications

Local market area characteristics such as population, demographics, a diversified economy, access and attractions influence the potential demand for developments as well as the overall attractiveness of an area to any potential visitor.

Washoe County has experienced a 22-percent increase in population since 2010, with downtown Reno projected to grow by another 12,000 residents between 2024 and 2029. This growth underscores the area's potential for growth in workforce, spending, tourism, and overall activity.

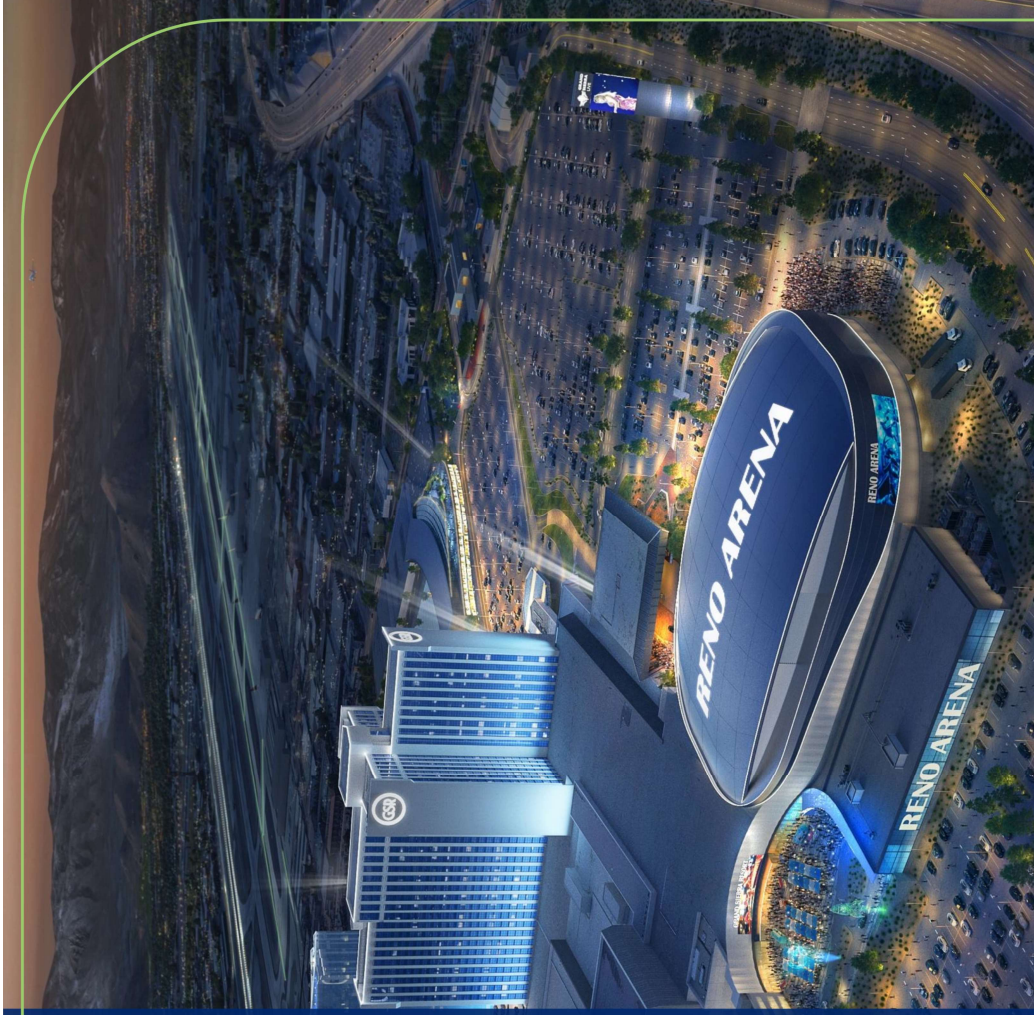
While Reno is known for its casinos, its economy is bolstered by major employers like Tesla, whose Gigafactory has created more than 10,000 jobs. As the workforce continues to diversify, Reno's economy and hotel demand will continue to expand as well. The region also benefits from the presence of universities like the University of Nevada, Reno, which provide a steady pool of young workforce talent and long-distance visitation.

The Project site benefits from a strategic location near downtown and Reno-Tahoe International Airport, providing prime accessibility for regional and national visitors. Additionally, Reno's proximity to a drive-in population of 15 million people within a five-hour radius, including major markets like Sacramento and San Francisco, increases its market potential.



Arena, Entertainment and Event Market Analysis

hunden partners



Arena Market Summary

Hunden's key takeaways from its arena market are as follows:

Several venues within the proposed arena's capacity range exist in the local market. However, the Project has greater potential due to its affiliation with Grand Sierra Resort (GSR) and its status as a brand-new facility. Although it may draw some events away from other local venues, it is also expected to introduce new events to the city.	
Promoters noted Reno's proximity to Sacramento as a challenge for attracting events, as touring acts typically perform in only one of the two cities, with Sacramento's larger population often providing it with an advantage. However, visitation data from Placer.ai indicates minimal market overlap between the two regions.	
The presence of the University of Nevada, Reno basketball team and a potential minor league team as tenants presents an opportunity to significantly enhance the Project's financial viability. This advantage will not only drive consistent visitation but also increase the Project's appeal to potential sponsors and partners.	

**Event Demand**
Avg. Events per Venue 27

**Ticket Prices**
Avg. Ticket Price \$74.60

**Attendance**
Avg. Event Capacity 5,836
Avg. Event Attendance 4,752

Sports

DRAFT

Lawlor Events Center

The Lawlor Events Center, situated on the University of Nevada, Reno campus, has been a key venue in northern Nevada since it opened in 1983. Built with a budget of \$26 million, the center can accommodate up to 12,000 spectators and currently hosts the University of Nevada, Reno basketball team.

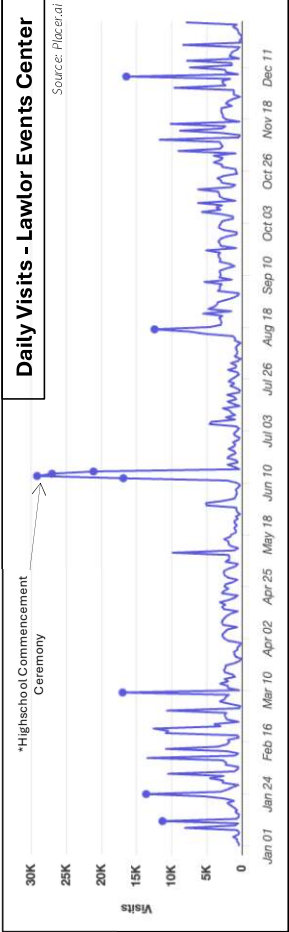
In 2024, the center attracted nearly one million visitors, with its largest events occurring in mid-June when it hosted several high school graduation and commencement ceremonies. Visitation was also higher during the university's basketball season, which had an average attendance of 8,500 per game.

The last major concert at the venue was held in 2021. According to Visit Reno Tahoe, the Lawlor Events Center has not been utilized for major events by their organization in more than two decades, which is likely in part due to its university programming.



Lawlor Events Center - Reno, NV					
January 2024 - December 2024			Total Unique Visitors		
Total Visits			Total Number of Visitors		
Est. Number of Visits			Percent of Total		
Percent of Total			Visitors		
Avg. Visits per Visitor			Avg. Visits per Visitor		
Visitors by Distance from Site			Visitors		
Locals - Within 25 miles			61%		
Regional Distance - 25 to 100 miles			10%		
Long Distance only - Over 100 miles			29%		
Total Visits			100%		
773,100			162,700		
68,500			27,800		
442,400			77,100		
984,000			267,600		

Source: Placer.ai



G-League

When considering a basketball tenant, there are only two primary leagues: the NBA and the G-League. Because of the more structured format of the player development system within professional basketball, there are fewer teams, and they generally do not relocate often. The G-League consists of a 50-game regular season. All 30 NBA teams have G-League affiliates. Feedback from individuals familiar with the G-League indicates that NBA teams prefer their affiliates' close location to the parent franchise. This proximity allows for efficient player movement between the two teams when needed.

The Stockton Kings are the affiliate of the NBA's Sacramento Kings and is the closest G-League team to Reno. The Stockton Kings play at the 12,000-capacity Adventist Health Arena and generate an estimated average attendance of 1,499 fans per game in the 2022 – 2023 season.

The league's newest arenas tend to have smaller capacities, indicating a trend toward downsizing to more appropriately accommodate fans based on the league's attendance figures.

National Basketball League G-League Overview (2023)				
Sorted by Arena Capacity				
Team	Location	Arena	Arena Capacity	Avg. Attendance
Mexico City Capitanes	Mexico City, Mexico	Mexico City Arena	22,300	3,641
Long Island Nets	Uniondale, NY	Nassau Veterans Memorial Coliseum	17,260	2,163
Birmingham Squadron	Birmingham, AL	Legacy Arena	17,000	2,737
Iowa Wolves	Des Moines, IA	Wells Fargo Arena	17,000	4,148
Oklahoma City Blue	Oklahoma City, OK	Cox Convention Center	13,846	1,925
Cleveland Charge	Cleveland, OH	Wolstein Center	13,610	2,865
Indiana Mad Ants	Indianapolis, IN	Gainbridge Fieldhouse	13,000	2,046
Stockton Kings	Stockton, CA	Adventist Health Arena	12,000	1,499
Windy City Bulls	Hoffman Estates, IL	Sears Centre	11,000	2,525
Grand Rapids Gold	Grand Rapids, MI	Van Andel Arena	10,834	3,253
Memphis Hustle	Southaven, MS	Landers Center	8,411	1,094
Oscoda Magic	Kissimmee, FL	Silver Spurs Arena	8,300	-
Rio Grande Valley Vipers	Edinburg, TX	Bert Ogden Arena	7,688	3,750
San Diego Clippers	Oceanside, CA	Frontview Arena	7,500	-
Austin Spurs	Cedar Park, TX	H-E-B Center	6,863	2,956
Texas Legends	Frisco, TX	Comerica Center	6,000	5,840
Valley Suns	Tempe, AZ	Mullett Arena	5,000	-
Raptors 905	Mississauga, Canada	Paramount Fine Foods Centre	5,000	3,691
Salt Lake City Stars	Salt Lake City, UT	LifETIME Activities Center-BuIn Arena	5,000	1,839
Westchester Knicks	White Plains, NY	Westchester County Center	5,000	711
Rip City Remix	Portland, OR	Ochles Center	4,852	-
Capital City Go-Go	Washington, DC	Entertainment & Sports Arena	4,200	1,076
College Park Skyhawks	College Park, GA	Gateway Center Arena	3,500	1,624
Wisconsin Herd	Oshkosh, WI	Oshkosh Arena	3,500	2,847
Santa Cruz Warriors	Santa Cruz, CA	Kaiser Permanente Arena	3,300	2,585
Motor City Cruise	Detroit, MI	Wayne State Arena	3,000	1,266
Maine Celtics	Portland, ME	Portland Exposition Building	3,000	2,094
Sioux Falls Skyforce	Sioux Falls, SD	Sanford Pentagon	3,000	2,101
Delaware Blue Coats	Wilmington, DE	Chase Fieldhouse	2,500	1,407
Greensboro Swarm	Greensboro, NC	Swarm Fieldhouse	2,100	1,408
South Bay Lakers	Los Angeles, CA	UCLA Health Training Center	750	441
Average			7,946	2,353

Source: RealGM, Various

Minor & Junior League Hockey

In comparison to basketball, the player development system in hockey is notably less centralized, encompassing a wider array of leagues and teams. Nevada hosts two minor league hockey teams: the Henderson Silver Knights, affiliated with the NHL's Vegas Golden Knights, and the Tahoe Knight Monsters.

The introduction of a minor league team to Reno could be expected to significantly boost local interest, enhancing the city's sports culture and potentially increasing economic activity through increased attendance and related spending at games and events. This could also present an opportunity for Reno to diversify its entertainment offerings beyond traditional gaming and casino-related activity.

United States Minor & Junior League Hockey Overview			
League	# of Teams	Average Attendance	# of Teams in Nevada
Minor League Hockey Leagues			
AAA: American Hockey League (AHL)	32	5,408	1
AA: East Coast Hockey League (ECHL)	28	4,630	1
A: Southern Professional Hockey League (SPHL)	10	3,445	0
A: Federal Prospects Hockey League (FPHL)	11	2,045	0
Average	20	3,882	-
Junior Hockey Leagues			
Tier I: Western Hockey League (NHL)	22	3,893	0
Tier I: United States Hockey League (USHL)	16	2,430	0
Tier II: North American Hockey League (NAHL)	32	1,129	0
Tier III: Eastern Hockey League (EHL)	23	102	0
Tier III: North American 3 Hockey League (NA3HL)	34	320	0
Average	25	1,575	-
Source: Various			

Local Entertainment

Local Entertainment Venue Supply

The table below provides an overview of the local entertainment venues within a 150-mile radius of Reno, focusing on those with capacities ranging from 3,000 to 20,000. Due to Reno's proximity to Sacramento, promoters project that the Project's proposed arena will likely compete directly with venues in that market. The local supply includes a strong mix of both indoor and outdoor venues, with the Project expected to compete with both types. Additionally, the data shows a strong presence of venues across all capacity ranges, with no notable gaps in capacity offerings.

Relevant Entertainment Venue Supply (3,000 to 20,000 Capacity within 150 mi)									
Venue Information			Location		Pollstar Event Summary				Avg. Ticket Price
Venue	Capacity	Venue Type	City	Distance from Reno, NV	Estimated 2024 Events	Avg. Event Capacity	Avg. Event Attendance		
Toyota Amphitheatre	18,500	Amphitheatre	Wheatland, CA	98 mi	16	16,854	13,868	\$65.93	
Golden 1 Center	17,500	Arena	Sacramento, CA	112 mi	73	11,224	8,306	\$91.71	
Sutter Health Park	17,500	Stadium	West Sacramento, CA	114 mi	-	-	-	-	
Adventist Health Arena	12,000	Arena	Stockton, CA	135 mi	13	7,581	4,894	\$65.10	
Greaser Nevada Field	12,000	Stadium	Reno, NV	1 mi	-	-	-	-	
Laker Events Center	12,000	Arena	Reno, NV	1 mi	-	-	-	-	
Nugget Event Center	8,500	Amphitheatre	Sparks, NV	4 mi	3	-	-	-	
Reno Events Center	7,500	Arena	Reno, NV	1 mi	18	5,234	3,914	\$79.81	
Lake Tahoe Outdoor Arena At Heavenly	7,200	Amphitheatre	Stateline, NV	40 mi	12	6,338	6,238	\$103.32	
Ironstone Amphitheatre	6,700	Amphitheatre	Murphys, CA	104 mi	7	4,813	4,008	\$70.74	
Outdoor Amphitheater At Thunder Valley	5,300	Amphitheatre	Lincoln, CA	94 mi	-	5,069	4,264	\$60.76	
Taijoe Blue Event Center	5,200	Arena	Stateline, NV	35 mi	22	4,076	3,231	\$61.71	
The Venue At Thunder Valley Casino Resort	4,600	Auditorium / Theatre	Lincoln, CA	91 mi	100	3,881	3,612	\$107.21	
The Fruit Yard Amphitheater	4,500	Amphitheatre	Modesto, CA	145 mi	10	4,137	3,981	\$63.02	
Peppermill Hotel Casino & Spa	4,300	Auditorium / Theatre	Reno, NV	3 mi	-	1,039	993	\$59.28	
Memorial Auditorium	4,000	Auditorium / Theatre	Sacramento, CA	112 mi	14	3,098	2,437	\$59.67	
Grand Theatre at Grand Sierra Resort	3,000	Auditorium / Theatre	Reno, NV	2 mi	39	2,518	2,027	\$81.52	
Average	8,841	-	-	64 mi	27	5,836	4,752	\$74.60	

*Some venues do not report all events. True event data may be skewed or underestimated.

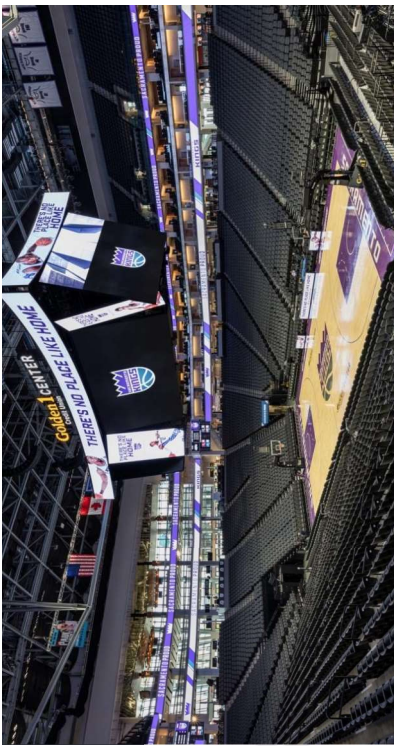
Source: Pollstar

*Some venues do not report all events. True event data may be skewed or under-estimated.
Source: Pollstar

Golden 1 Center

- Concert Capacity: 17,500
- Year Built: 2016
- Cost: \$558.2 million
- Owner: City of Sacramento
- Operator: The Sacramento Kings
- Tenant: The Sacramento Kings

The Golden 1 Center, located in Sacramento and operational since 2016, exemplifies a state-of-the-art entertainment venue with a seating capacity of 17,500. The center is equipped with 334 luxury suites that accommodate 16 to 24 guests and 39 lofts that accommodate 8 to 10 guests. Golden 1 Center serves as the home of the NBA's Sacramento Kings and a preferred location for major touring concerts and events. In 2019, Golden 1 Center was recognized among the world's top arenas, hosting 1.7 million guests and contributing strongly to the vitality of downtown Sacramento. In 2024, the venue's concerts and shows drew an average of 11,000 attendees per event.



Golden 1 Center						
Year	Number of Events	# of Events W/ Data	Average Capacity	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price
2024	83	47	12,023	91%	10,996	\$106.02
2023	86	82	11,238	86%	9,670	\$99.46
2022	70	66	10,566	85%	8,983	\$87.31
2021	34	32	11,441	82%	9,412	\$83.46
2020	21	21	11,159	74%	8,256	\$47.92
2019	78	76	11,155	87%	9,662	\$83.02
2018	66	66	11,396	80%	9,107	\$75.48
2017	59	53	14,221	85%	12,029	\$74.44
2016	27	25	10,810	80%	8,658	\$72.31
Average	48	43	11,565	83%	9,642	\$81.36

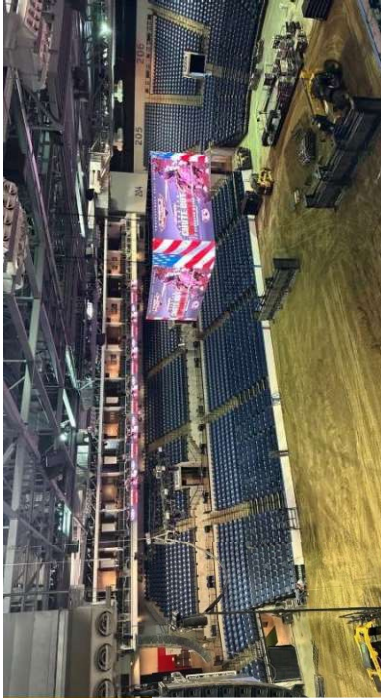
Source: Pollstar
*Some venues do not report all events. True event data may be skewed or underestimated.

Adventist Health Arena

- Concert Capacity: 12,000
- Year Built: 2005
- Cost: \$68 million
- Owner: City of Stockton
- Operator: ASM Global
- Tenant: Stockton Kings (NBA G-League)

The Adventist Health Arena, located in Stockton and completed in 2005 at a cost of \$68 million, boasts a concert capacity of 12,000. The arena is equipped with 24 suites.

Managed by ASM Global and owned by the City of Stockton, it serves as the home venue for the Stockton Kings. In the past decade, the arena has averaged 16 events annually, with a peak in average attendance and ticket sales in 2023. The arena has hosted a diverse lineup of events over the years, reflected by its fluctuating attendance and event frequency.



Adventist Health Arena						
Year	Number of Events	# of Events W/ Data	Average Capacity	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price
2024	15	10	8,193	51%	4,154	\$50.89
2023	9	5	6,930	86%	5,989	\$74.13
2022	9	6	7,310	78%	5,714	\$72.23
2021	2	2	4,974	75%	3,746	\$53.75
2020	10	10	3,826	64%	2,430	\$37.45
2019	25	24	4,017	54%	2,172	\$32.58
2018	24	24	4,117	61%	2,495	\$33.58
2017	15	15	6,039	56%	3,362	\$49.81
2016	13	12	7,425	68%	5,030	\$67.43
2015	25	19	4,826	52%	2,515	\$38.80
2014	24	22	7,225	44%	3,152	\$36.80
Average	16	14	5,898	63%	3,705	\$49.77

Source: Pajolar

*Some venues do not report all events. True event data may be skewed or underestimated.

Reno Events Center

- Concert Capacity: 7,500
- Year Built: 2005
- Cost: \$28.5 million
- Owner: Reno-Sparks Convention and Visitors Authority
- Operator: Reno-Sparks Convention and Visitors Authority
- Tenant: None

The Reno Events Center was built in 2005 with a building cost of \$28.5 million. This venue has a concert capacity of 7,500 and is a key component of the Reno entertainment landscape, despite not having a permanent tenant.

Over the years, the Reno Events Center has hosted an average of 14 events annually, demonstrating flexibility in event types and audience capacity. The data shows a consistent utilization of the venue, with a notable uptick in ticket sales and attendance in recent years.



Reno Events Center						
Year	Number of Events	# of Events W/ Data	Average Capacity	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price
2024	19	5	5,386	69%	3,730	\$63.57
2023	24	9	5,312	88%	4,652	\$83.51
2022	17	8	5,053	67%	3,381	\$51.46
2021	3	2	-	-	-	\$38.90
2020	4	1	5,513	-	-	-
2019	23	8	5,190	76%	3,926	\$48.04
2018	12	3	5,770	82%	4,726	\$49.40
2017	14	8	5,418	98%	5,290	\$75.91
2016	12	6	6,285	99%	6,221	\$61.23
2015	10	0	-	-	-	-
2014	13	6	5,152	95%	4,913	\$71.03
Average	14	5	5,463	84%	4,605	\$60.34

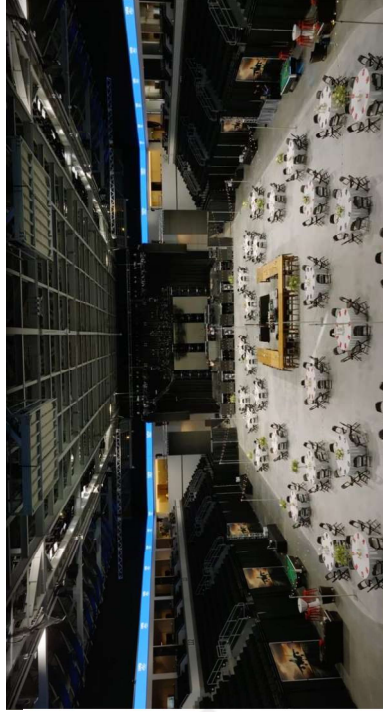
Source: Pollstar
 *Some venues do not report all events. True event data may be skewed or underestimated.

Tahoe Blue Event Center

- Concert Capacity: 5,200
- Year Built: 2023
- Cost: \$100 million
- Owner: Tahoe Douglas Visitors Authority
- Operator: OVG
- Tenant: Tahoe Knight Monsters

The Tahoe Blue Event Center, established in 2023 with a construction cost of \$100 million, is operated by OVG and owned by the Tahoe Douglas Visitors Authority. This venue was a significant investment into the Reno market's position as an appealing destination for entertainment.

Since its opening, the Tahoe Blue Event Center has hosted a total of 27 concerts and shows. With a focus on providing premium seating and experiences, the center has maintained an average attendance rate of 71 percent. The center is equipped with several luxury suites as well as nearly 10,000 square feet of meeting room space.



Tahoe Blue Event Center						
Year	Number of Events		Average Capacity	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price
2024	22	3 W/ Data	4,076	71%	2,896	\$54.66
2023	5	0	-	-	-	-
Average	2	0	4,076	71%	2,896	\$54.66

Source: Pollstar
*Some venues do not report all events. True event data may be skewed or underestimated.

Relevant Outdoor Venues

Nugget Event Center

- Concert Capacity: 8,500
- Year Built: 2019
- Cost: \$6.2 million
- Owner: Marnell Gaming
- Operator: Century Casinos

Nugget Event Center					
Year	Number of Events	# of Events W/ Data	Average Capacity	Average Attendance	Avg. Ticket Price
2024	9	1	7,461	4,566	\$79.88
2023	6	2	8,559	6,333	\$74.85
Average	1	0	8,010	5,450	\$77.37

Source: Pollstar
*Some venues do not report all events.

Lake Tahoe Outdoor Arena at Harveys

- Concert Capacity: 9,300
- Year Built: 1992
- Cost: \$10 million
- Owner: Caesars Entertainment
- Operator: Another Planet Entertainment

Lake Tahoe Outdoor Arena at Harveys					
Year	Number of Events	# of Events W/ Data	Average Capacity	Average Attendance	Avg. Ticket Price
2024	13	10	5,830	5,425	\$100.38
2023	13	13	6,546	6,306	\$100.83
2022	20	19	6,465	6,263	\$101.37
2021	5	3	6,421	6,421	\$76.51
2020	0	0	—	—	—
2019	11	11	6,153	5,716	\$96.73
2018	15	15	6,785	6,572	\$88.86
2017	12	9	6,560	5,948	\$74.59
2016	13	12	6,452	5,889	\$93.75
2015	12	10	6,483	6,396	\$84.98
2014	14	12	6,273	5,690	\$96.51
Average	12	10	6,387	6,063	\$92.05

Source: Pollstar
*Some venues do not report all events.

Visitation to Competitive Venues

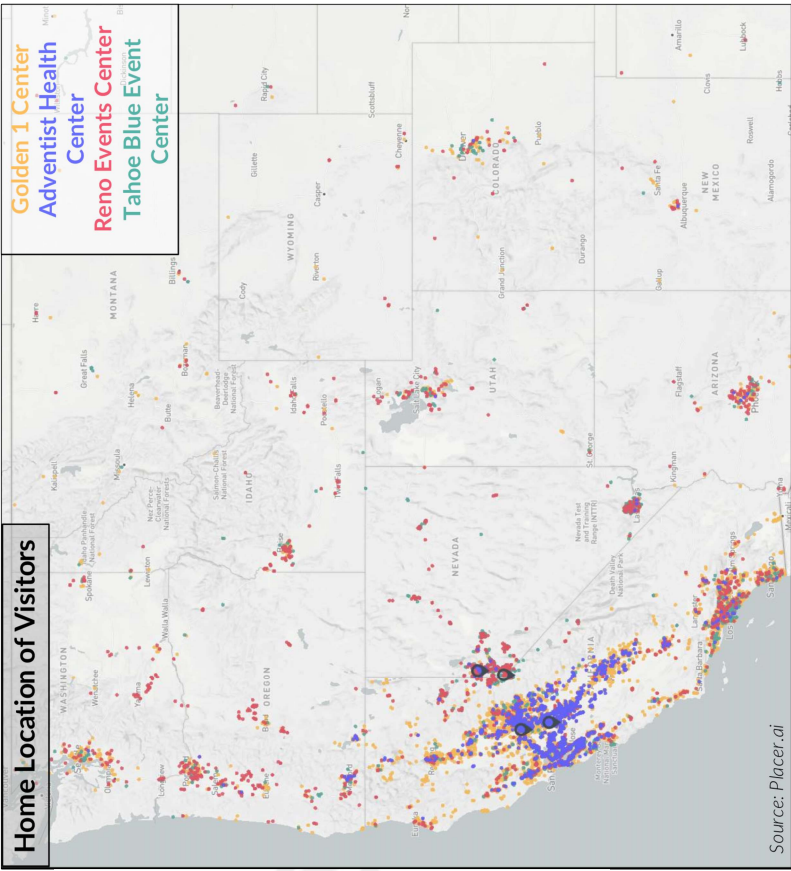
The adjacent map illustrates the origins of visitors to the Golden 1 Center, the Adventist Health Center, the Reno Events Center, and the Tahoe Blue Event Center. The Golden 1 Center attracts significantly more visitors, both locally and from outside Sacramento, due to its larger capacity and status as the home of the Sacramento Kings.

Of the more than three million visitors to the Center, approximately one percent, or 22,000 individuals, originate from Reno. Similarly, at the Adventist Health Arena, only 1,000 of the more than 400,000 visitors are residents of Reno. These figures underscore the minimal competition and limited overlap in trade areas between the regions.

The Reno Events Center and Tahoe Blue Event Center attract a majority of its visitors from more than 100 miles away due to their strategic locations in popular tourist destinations. The Reno Events Center experiences the highest percentage of visitors from more than 100 miles away due to the wide range of events held.

Visitation to Competitive Venues January 2024 - December 2024				
Visitor Origin	Golden 1 Center	Adventist Health Arena	Reno Events Center	Tahoe Blue Event Center
Locals - Within 25 miles	1,800,000	230,800	55,200	66,700
Regional Distance - 25 to 100 miles	897,700	142,600	25,000	68,100
Long Distance only - Over 100 miles	332,400	34,200	149,800	86,600
Total Visits	3,030,100	407,600	230,100	221,400

Source: Placer.ai



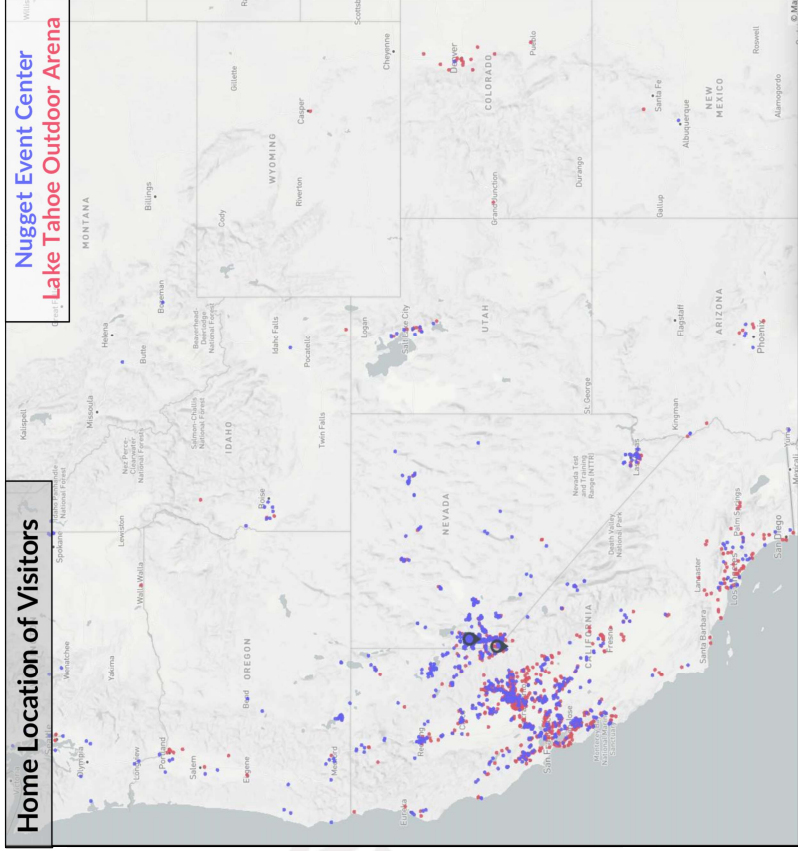
Visitation to Competitive Venues

The adjacent map provides an overview of the home locations of visitors to the Nugget Event Center and the Lake Tahoe Outdoor Arena.

In contrast to other event centers previously analyzed in the Reno market, the majority of visitors to the Nugget Event Center reside within a 25-mile radius. Conversely, most attendees of the Lake Tahoe Outdoor Arena travel from beyond 25 miles to reach the venue.

Interviews with stakeholders indicate that although these outdoor venues draw substantial crowds, they lack the atmosphere and amenities typically associated with traditional arenas.

Visitation to Competitive Venues: January 2024 - December 2024			
Visitor Origin	Nugget Event Center	Lake Tahoe Outdoor Arena	
Locals - Within 25 miles	66,900	23,100	
Regional Distance - 25 to 100 miles	19,700	41,200	
Long Distance only - Over 100 miles	28,300	34,500	
Total Visits	114,900	98,800	
Source: Placeholder			



Recent Shows

The table below provides an overview of the most recent concerts and promoted shows held at some of the Project's most competitive venues, based on data sourced from Pollstar. The Golden 1 Center boasts the highest event frequency among these venues with more than 55 concerts in 2024, which includes high-profile acts like Zach Bryan and Weezer.

The Reno Events Center offers the most diverse range of events, which span from the U.S. Open Taekwondo Championship to a variety of musical performances.

Competitive Entertainment Venue Supply - Most Recent Events											
Golden 1 Center			Adventist Health Arena			Reno Events Center			Tahoe Blue Event Center		
Headliner	Date	Headliner	Date	Headliner	Date	Headliner	Date	Headliner	Date		
Zach Bryan	11/29/24	Ali Eslia Wrestling	10/17/24	Sesame Street Live	12/27/24	Agnes SKI NYE	12/30/24				
Trans-Siberian Orchestra	11/27/24	Jo Koy	10/13/24	Califanes, Café Tacvba	9/12/24	Disney Junior Live	12/13/24				
Disney On Ice: Mickey's Search Party	11/11/24	Nightmare In The Aena	10/12/24	Jerry Seinfeld	6/6/24	John Legend	12/6/24				
Jeff Lynne's ELO	10/23/24	Lil Wayne	9/20/24	Los Angeles Azules	6/6/24	The Black Crowes	12/3/24				
Weezer	10/8/24	PBR	9/14/24	Leo Ku	6/6/24	Art1 Worship Now Live, Crowder	11/10/24				
Fuerza Regida	10/5/24	Professional Bull Riders	9/14/24	Brandon Lake	6/1/24	Jo Koy	11/8/24				
Franco Escamilla	9/26/24	Hot Wheels Monster Trucks Live Glow Party	6/15/24	Jeff Dunham	6/1/24	Parker McCollum	10/26/24				
Elevation Worship	9/27/24	MercyMe	3/24/24	The Wynners	4/27/24	Monster Truck Nitro Tour	6/7/24				
Grupo Frontera	9/26/24	Los Tigres Del Norte	3/22/24	Hits Deep Tour, TobyMac	4/14/24	Reno Philharmonic Orchestra	6/2/24				
Kacey Musgraves	9/23/24	Reloaded	3/16/24	PBR Velocity Tour	3/30/24	Blippi On Tour	4/30/24				
World Wrestling Entertainment	9/20/24	The Chi-Lites	3/9/24	Hacken Lee	2/24/24	Franco Escamilla	4/14/24				
Ringling Bros. and Barnum & Bailey Circus	9/15/24	The Harlem Globetrotters	2/22/24	Blippi On Tour	2/18/24	Nela Bargatze	4/4/24				
Hozier	9/9/24	Bert Kreischer	2/18/24	Disney On Ice: Frozen & Encanto	2/13/24	Dancing With The Stars Live	3/18/24				
Jelly Roll	9/4/24	Gabriel Iglesias	11/16/23	Gabriel Iglesias	11/26/23	Paw Patrol Live!	3/16/24				

Source: Pollstar, Venue Websites

Source: Pollstar, Venue Websites

Regional Arena

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Regional Arena Supply

The adjacent table provides a comprehensive overview of comparable arenas within a 500-mile radius to assess the regional touring and routing market. The relevant regional arena supply is robust, suggesting a strong market for touring acts in the greater region.

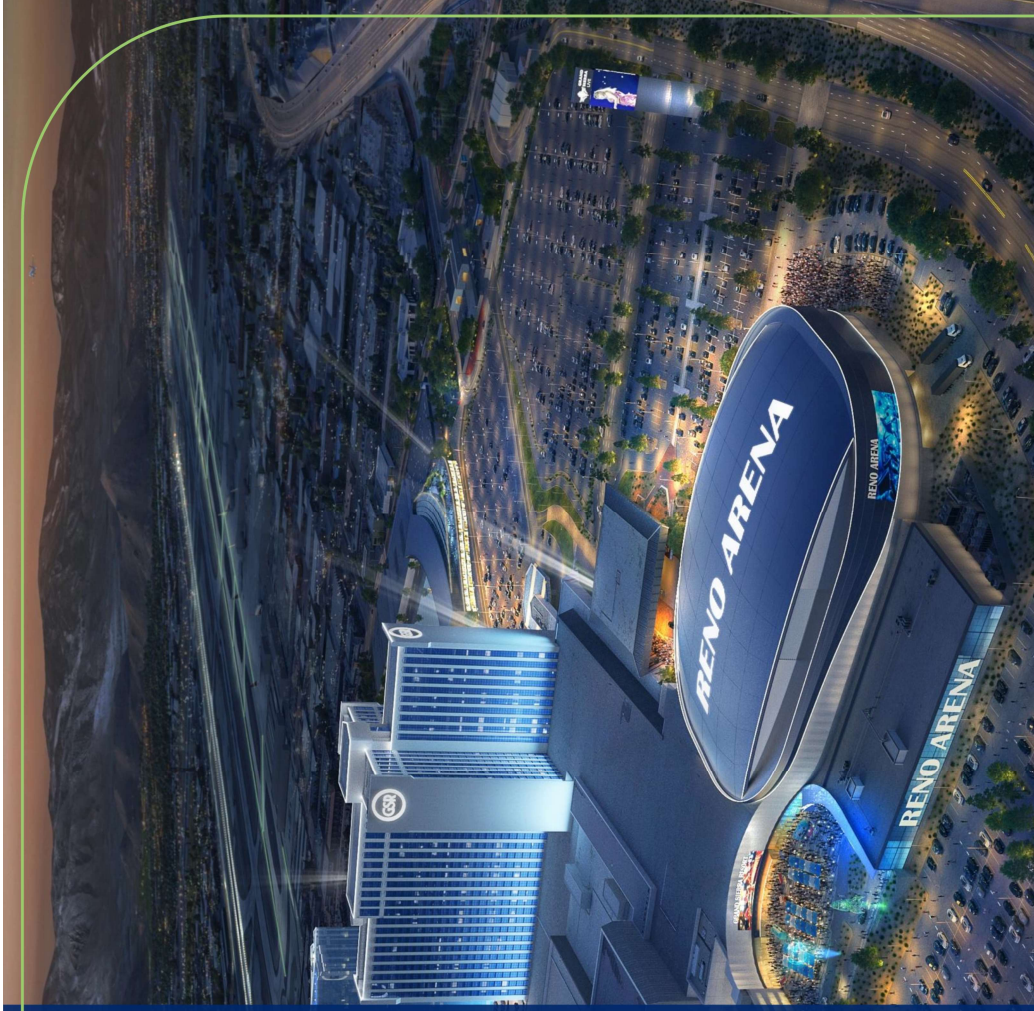
The Adventist Health Arena, Reno Events Center, and Tahoe Blue Event Center are the primary local competitors due to their proximity to the Project, all competing for the same touring acts within the same routing market. The Project's newer and higher-quality venue will enhance its ability to compete more effectively.

Relevant Arena Supply (5,000 to 15,000 Capacity within 500 mi)									
Venue Information			Location		Pollstar Event Summary			Avg. Ticket Price \$CAD	
Venue	Capacity	City	Distance from Reno, NV	Estimated 2024 Events	Avg. Event Capacity	Avg. Event Attendance	Avg. Ticket Price \$CAD		
Pechanga Arena San Diego	14,000	San Diego, CA	480 mi	42	7,373	5,216	\$92.34		
Long Beach Arena	13,500	Long Beach, CA	408 mi	3	11,838	6,477	\$92.64		
MGM Grand Garden Arena	13,000	Las Vegas, NV	347 mi	40	9,659	9,218	\$129.34		
Extramile Arena	12,808	Boise, ID	337 mi	16	7,081	6,457	\$69.03		
Matthew Knight Arena	12,500	Eugene, OR	353 mi	6	7,308	6,451	\$83.93		
Maverik Center	12,500	West Valley City, UT	422 mi	30	6,914	6,002	\$71.14		
Ford Idaho Center Arena	12,279	Nampa, ID	324 mi	10	6,655	5,457	\$82.56		
Viejas Arena	12,200	San Diego, CA	491 mi	20	8,297	7,551	\$120.37		
Adventist Health Arena	12,000	Stockton, CA	135 mi	13	7,581	4,894	\$65.10		
Michelob Ultra Arena	12,000	Las Vegas, NV	347 mi	17	7,325	5,954	\$101.39		
Toyota Arena	12,000	Ontario, CA	397 mi	70	7,303	6,628	\$105.54		
Acisure Arena in Greater Palm Springs	11,100	Palm Desert, CA	444 mi	50	7,978	7,503	\$137.45		
Galen Center	10,500	Los Angeles, CA	389 mi	-	-	-	-		
Mechanics Bank Arena	10,400	Bakersfield, CA	291 mi	22	6,012	4,438	\$75.61		
Orleans Arena	9,000	Las Vegas, NV	345 mi	12	4,587	3,284	\$60.21		
Selland Arena	9,000	Fresno, CA	194 mi	5	7,645	7,459	\$114.10		
Veterans Memorial Coliseum	9,000	Portland, OR	439 mi	17	7,054	4,230	\$65.04		
Yakima Valley SunDome	8,100	Yakima, WA	488 mi	-	4,161	3,104	\$105.35		
FrontWave Arena	7,500	Oceanside, CA	458 mi	8	4,547	3,636	\$127.74		
Reno Events Center	7,500	Reno, NV	1 mi	18	5,234	3,914	\$79.81		
Toyota Center - Tri Cities	7,200	Kennelick, WA	462 mi	24	3,920	3,267	\$71.53		
Star of the Desert Arena	6,200	Primm, NV	346 mi	34	1,574	1,574	\$59.57		
Idaho Central Arena	6,000	Boise, ID	337 mi	2	4,114	4,101	\$71.52		
Mountain America Center	6,000	Idaho Falls, ID	486 mi	42	3,815	2,991	\$59.54		
Lee's Family Forum	5,567	Henderson, NV	357 mi	18	5,021	4,223	\$63.51		
Tahoe Blue Event Center	5,200	Stateline, NV	35 mi	22	4,076	3,231	\$61.71		
Average	11,231	-	348 mi	22	7,184	5,776	\$94.38		

*Some venues do not report all events. True event data may be skewed or underestimated.
Source: Pollstar

Entertainment District Market Analysis

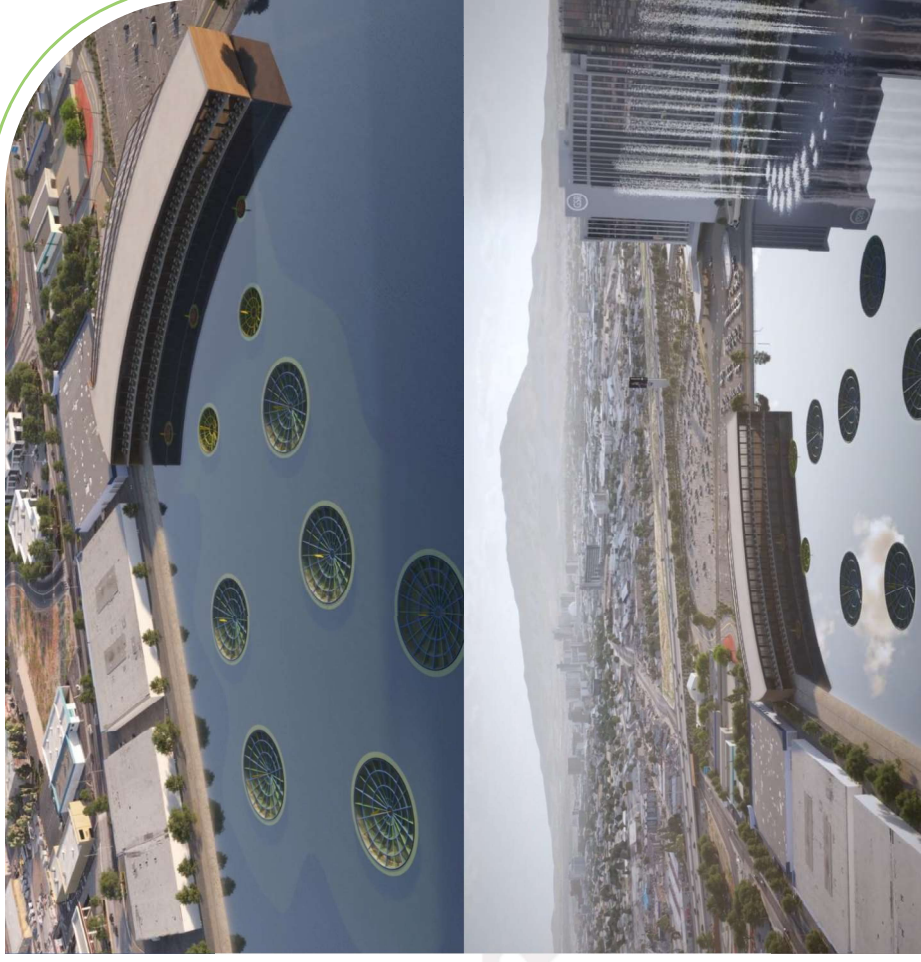
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Grand Bay Driving Range

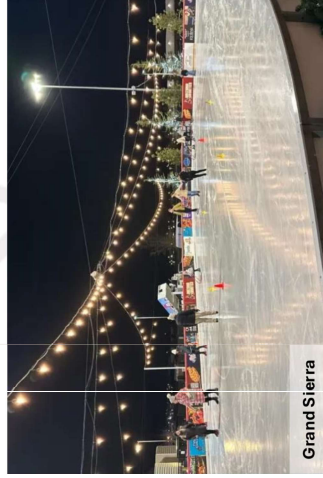
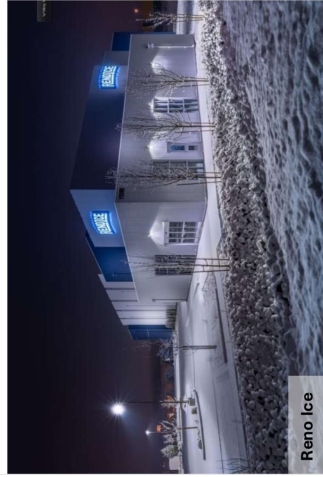
The Grand Sierra Resort (GSR) already features a golf driving range; however, it is relatively small, accommodating only 18,200 visits in 2023. In response to growing demand and the desire to offer a more engaging golfing experience, GSR is set to expand with a new state-of-the-art driving range. Projected to attract 352,820 visits in its first year, the new facility aims to significantly enhance Reno's appeal to golf enthusiasts.

Comparatively, the closest similar facility is the Top Golf in Sacramento, which recorded more than 830,000 visits in 2023. More than 5,500 of those visitors were from Reno. This trend suggests that the enhanced driving range at GSR could recapture a significant portion of this audience.



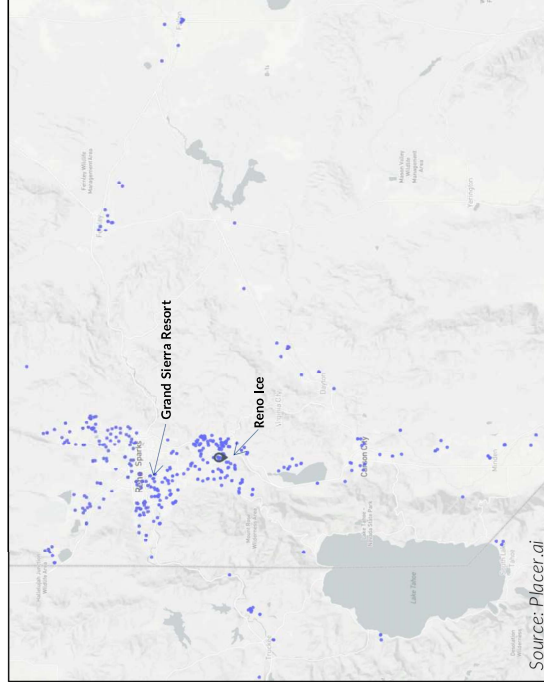
Community Ice Rink

While the Grand Sierra currently offers an ice rink, it is outdoor and only operates during part of the year. The other major ice rink in Reno is Reno Ice, which is located nine miles south of the Grand Sierra Resort. Reno Ice hosts more than 50,000 visits annually, with more than 56 percent of visitors residing within the city of Reno. An analysis of the facility's calendar indicates that most days are fully booked, which underscores a high demand for the space. The map on the right illustrates the home locations of visitors frequenting Reno Ice, with a significant portion originating from the downtown area. The data highlights the increased demand for indoor, year-round ice facilities in the region, as current offerings appear insufficient to meet the community's demand.



Community Ice Rinks Reno, NV			
	Total Visits	% With In Reno	% Outside of Reno
Reno Ice	53,700	56.0%	44.0%
The Ice Rink at Grand Sierra	15,400	32.9%	67.1%

Source: Placer.ai



Retail

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Retail Market Summary

Hunden's key takeaways from the retail market are as follows:

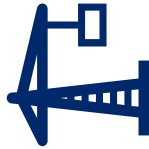
- Retail Performance:** Limited new developments in the local submarket have contributed to a strong retail performance, characterized by exceptionally low vacancy rates and positive annual absorption.
- Interview Feedback:** The market faces challenges due to stagnant rent growth and soaring construction costs, which have made retail development less attractive to developers. However, retail with strong highway visibility and a focus on restaurant-oriented tenants present a strong opportunity for the Project.
- Future Outlook:** With vacancy rates remaining extremely low, the unmet demand for retail space in Reno is expected to grow. Currently, no event venues offer a cohesive mixed-use destination, and given the Project site's prime location, a modest retail footprint would likely be well-supported and quickly absorbed by the market.



Demand
Vacancy 1.7%
Absorption 75.5K SF



Rent
Avg. Rate \$16.73 PSF
Rent Growth 2.9%



New Developments
Delivered Past 2 Yrs 0 SF
Delivered Next 2 Yrs 0 SF
Proposed Next 2 Yrs 27.5K SF

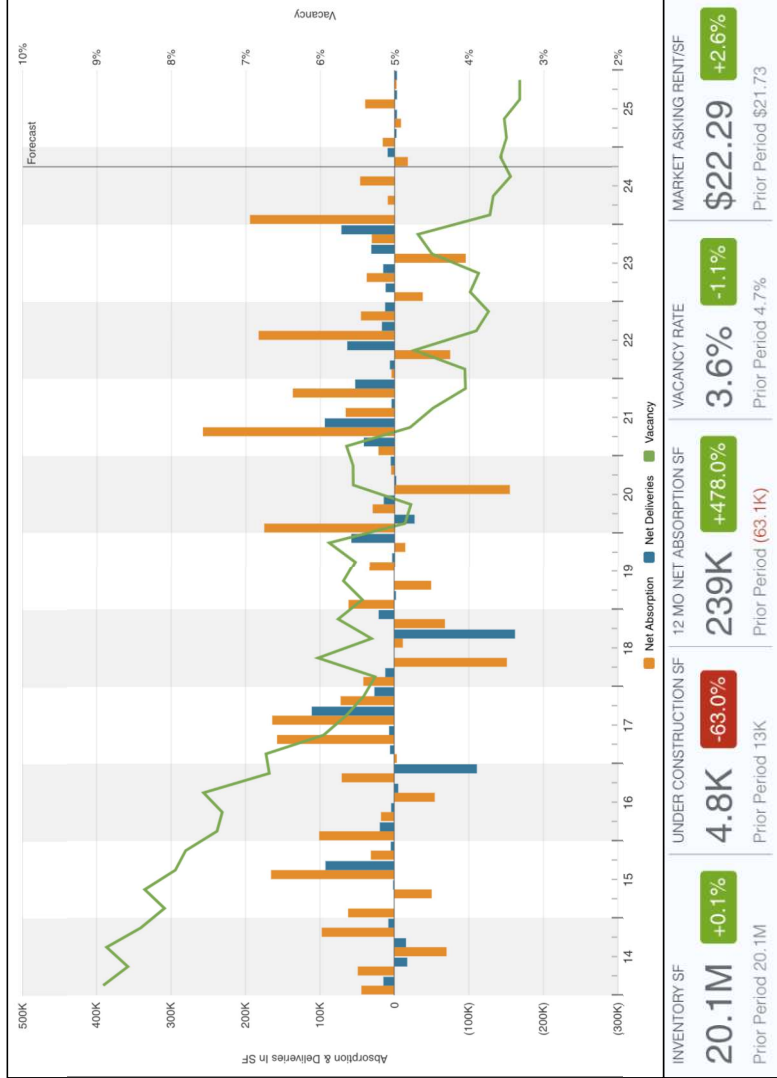
Reno Retail Overview

Hunden analyzed retail performance in the city of Reno to assess the current market landscape and understand market-wide performance.

The Reno market encompasses 20.1 million square feet of retail space. Over the past decade, vacancy levels have continuously declined and absorption has consistently surged following new deliveries.

Approximately 710,000 square feet of new space has been added to the market since 2014, with a peak of nearly 200,000 square feet delivered in 2021.

Market asking rent in the Reno market has consistently increased since 2014 and is at a current peak of \$22.29 per square foot.



Source: CoStar

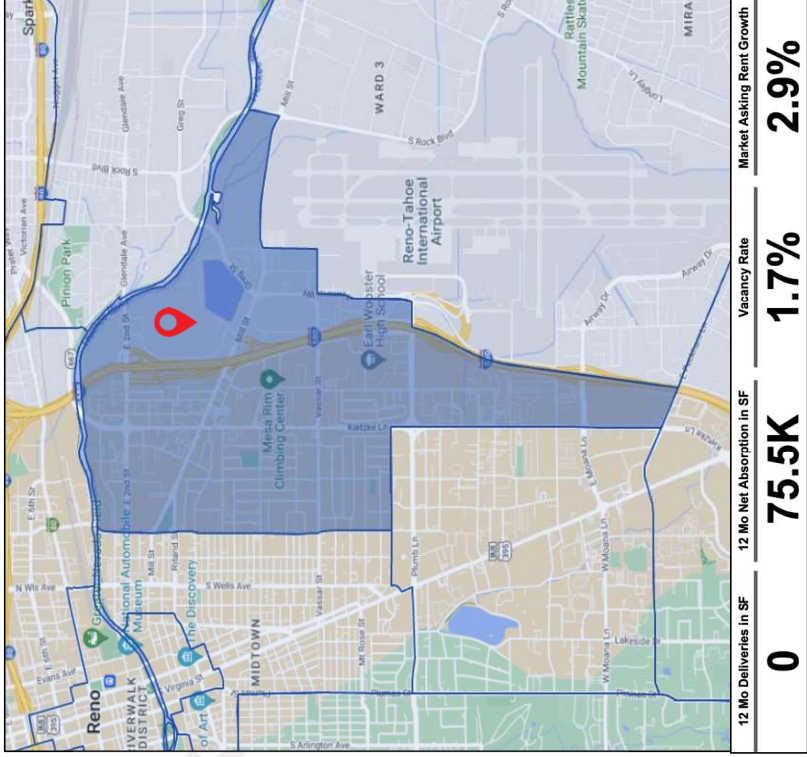
Submarket Overview

Hunden analyzed the Kietzke retail submarket to assess the current market landscape and understand local performance.

The Kietzke submarket encompasses 2.3 million square feet of retail space, with general retail representing a majority of its inventory. The submarket achieved record-low vacancy rates in 2024, likely due to the lack of recent deliveries.

The current vacancy rate exceeds the submarket's five-year average of three percent and 10-year average of six percent. Meanwhile, annual rent growth is trailing behind the five-year average of 3.8 percent and the 10-year average of 3.1 percent.

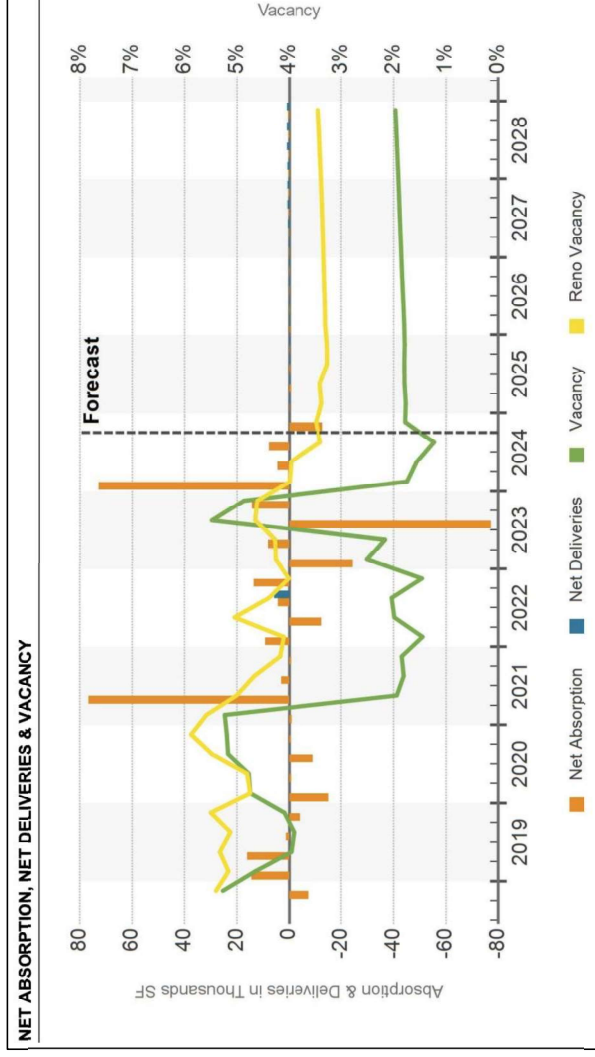
KEY INDICATORS									
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction		
Malls	0	-	-	-	0	0	0		
Power Center	310,345	3.0%	\$18.46	3.0%	(3,700)	0	0		
Neighborhood Center	466,866	4.8%	\$16.84	6.1%	0	0	0		
Strip Center	211,357	0%	\$14.84	0%	800	0	0		
General Retail	1,339,189	0.6%	\$16.59	0.6%	(8,698)	0	0		
Other	0	-	-	-	0	0	0		
Submarket	2,327,757	1.7%	\$16.73	2.0%	(11,598)	0	0		
Annual Trends									
Vacancy	-3.2% (YOY)	7.6%	Forecast Average 1.9%	Peak 14.8%	When 2015 Q3	Trough 1.2%	When 2024 Q3		
Net Absorption SF	75.5K	20,196	2,779	189,315	2018 Q1	(89,048)	2015 Q3		
Deliveries SF	0	12,543	2,492	148,063	2011 Q3	0	2024 Q3		
Market Asking Rent Growth	2.9%	1.0%	1.9%	5.4%	2023 Q2	-7.5%	2010 Q3		
Sales Volume	\$24.4M	\$9.4M	N/A	\$39.2M	2022 Q2	\$0	2010 Q1		



Historical Submarket Performance

Hunden's key takeaways from its assessment of historical performance is summarized below:

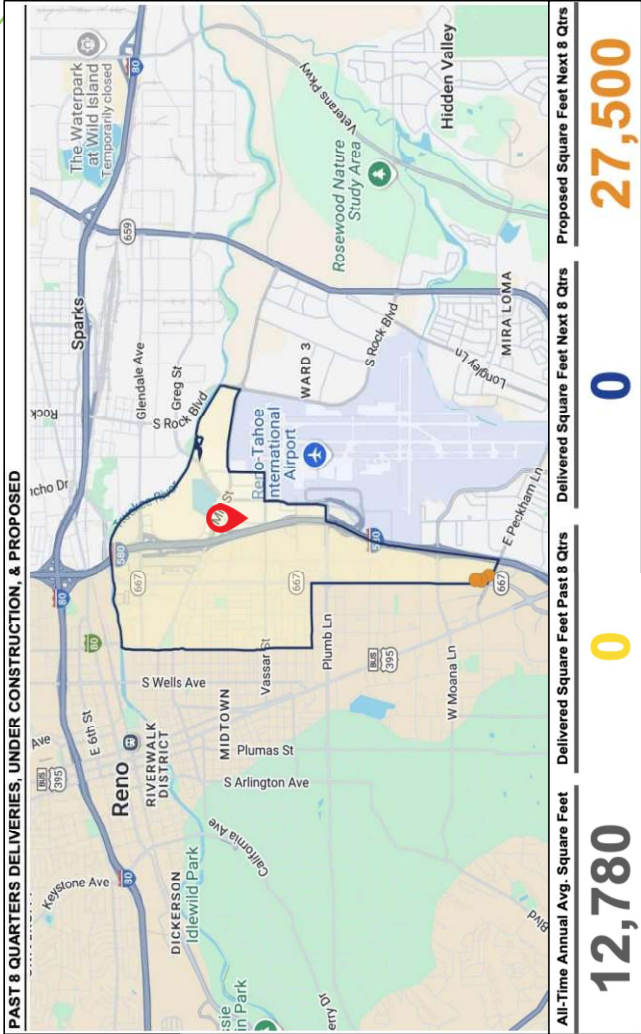
- Over the past five years, the Kietzke submarket has seen only one new retail development, totaling 5,600 square feet, which was completed in 2022.
- Submarket vacancy has historically outperformed the greater Reno market, with current vacancy levels about two percent lower than the Reno market. However, asking rents in the Reno market are around \$22 per square foot, compared to \$16 in the Kietzke submarket.
- Several quarters have had absorption levels nearing 80,000 square feet which have significantly impacted the submarket's vacancy, reflecting the limited retail supply in the area.



Development Pipeline

Hunden's key takeaways regarding the development pipeline are summarized below:

- Within the past five years, the submarket has delivered 5,600 square feet of new space and demolished 200 square feet (service station).
- The submarket has seen limited construction activity, yet nearly 30,000 square feet of retail space is currently proposed, indicating a demand for additional retail space in the area.
- The three proposed developments are all located within the southern area of the Keitzke submarket and are part of the same proposed clustered retail development.



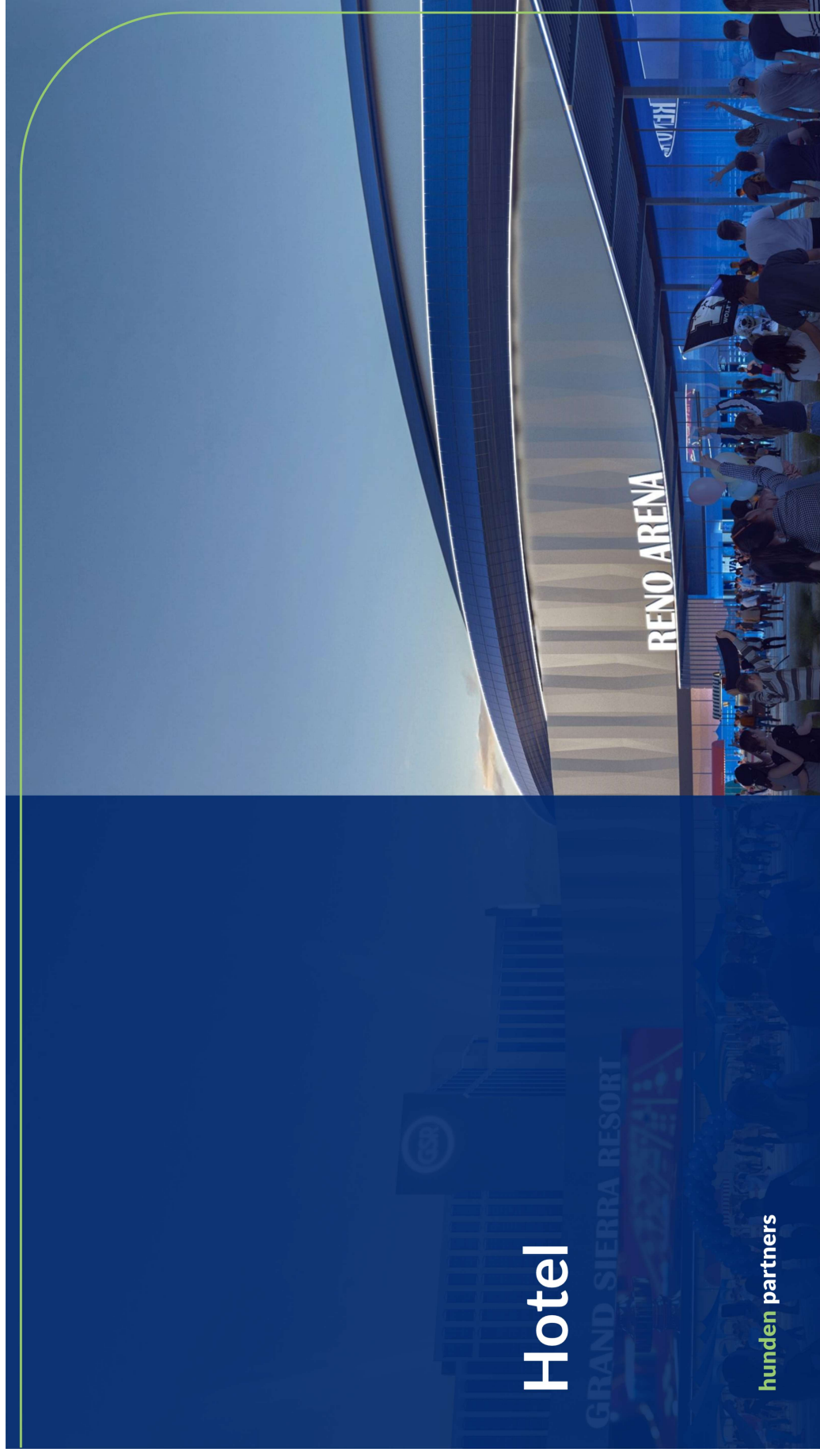
PROPOSED						
Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Build to Suit Retail Keitzke Ln	★★★★★	12,500	1	Jan 2025	Nov 2025	Kampar Corporation Kampar Corporation
2 Build to Suit Retail Keitzke Ln	★★★★★	10,000	1	Dec 2024	Dec 2025	- Kampar Corporation
3 Build to Suit Retail Keitzke Ln	★★★★★	5,000	1	Feb 2025	Dec 2025	- Kampar Corporation

Source: CoStar

Hotel

GRAND SIERRA RESORT

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Hotel Market Summary

Hunden's key takeaways from the hotel market are as follows:

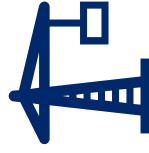
Hotel Performance: The local market has a significant supply of Economy and Midscale properties, with higher-scale properties achieving stronger occupancy and ADR levels. Although summer occupancy is strong, weak off-season demand has led to lower annual occupancy rates.	
Interview Feedback: Few hotel properties in Reno operate independently of casinos. These properties exhibit strong performance, driven by high occupancy rates from corporate travelers and achieving some of the highest ADRs in the market.	
Future Outlook: RevPAR has risen significantly since 2022, largely driven by an increase in ADR. While the local market has experienced minimal new deliveries since 2020, the pipeline has begun to pick up, suggesting the potential for longer stabilization periods.	



Demand
Occupancy 64.2%
YOY Occupancy
Growth -5.8%



ADR
Avg. Rate \$188
RevPAR \$121



New Developments
Delivered Past 2 Yrs 0 Rooms
Delivered Next 2 Yrs 260 Rooms
Proposed Next 2 Yrs 327 Rooms

Local Lodging Attributes

Hunden's key takeaways from its assessment of local lodging attributes is summarized below:

- The local market has limited inventory of Upper Midscale and Upscale rooms. Although Upper Upscale supply has one of the largest total room counts, it is concentrated in just two properties, while the Economy supply is spread across 34 properties.
- The average property age is over 40 years, with Upscale and Upper Midscale properties having the youngest average age.

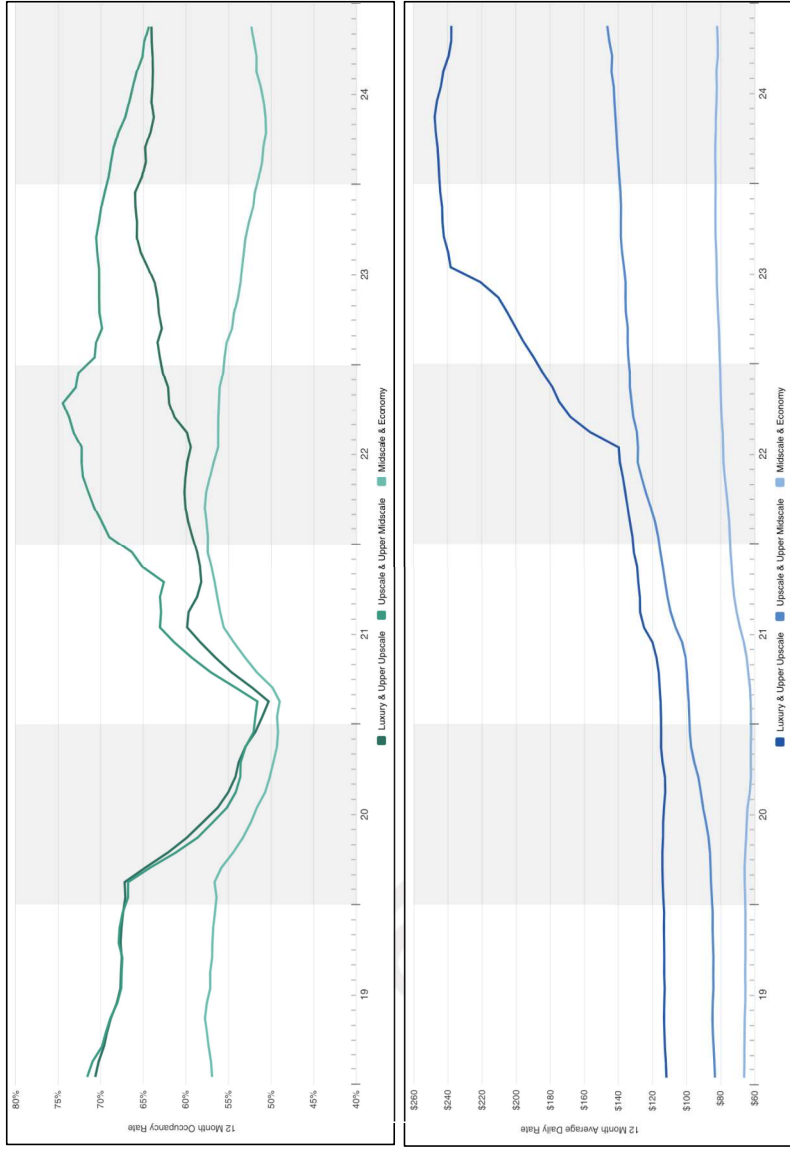
Lodging Summary (45 Closest Hotels)						
Chainscale	Rooms	% of Total Rooms	Properties	Avg Rooms per Hotel	Avg Year Built	
Luxury	0	0%	0	-	-	
Upper Upsc	2,215	30%	2	1,108	Jun-89	
Upscale	518	7%	4	130	Mar-02	
Upper Mid	287	4%	3	96	Mar-99	
Midscale	1,881	26%	2	941	Apr-62	
Economy	2,424	33%	34	71	Jul-59	
Total/Average	7,325	100%	45	469	Jul-82	

Source: Smith Travel Research

Performance by Scale

Hunden utilized CoStar to analyze hotel performance by scale for properties within three miles of the Project site. The key takeaways are summarized below:

- Upscale and Upper Midscale properties have experienced the highest post-pandemic occupancy rates, with Luxury and Upper Upscale properties narrowing the gap in occupancy levels in 2024.
- Luxury and Upper Upscale properties command significantly higher Average Daily Rates (ADR), with a notable surge in 2022 compared to other segments.



Source: CoStar

Reno Hotel Overview

The following slides summarize Hunden’s assessment of hotel performance for Upper Midscale, Upscale, and Upper Upscale properties within three miles of the Project site, based on CoStar data.

The local market comprises approximately 9,700 rooms, with zero rooms currently under construction.

Occupancy in 2024 has decreased to approximately 65 percent, marking a decline compared to levels in 2022 and 2023. However, RevPAR has been strongest over the past two years compared to prior periods.

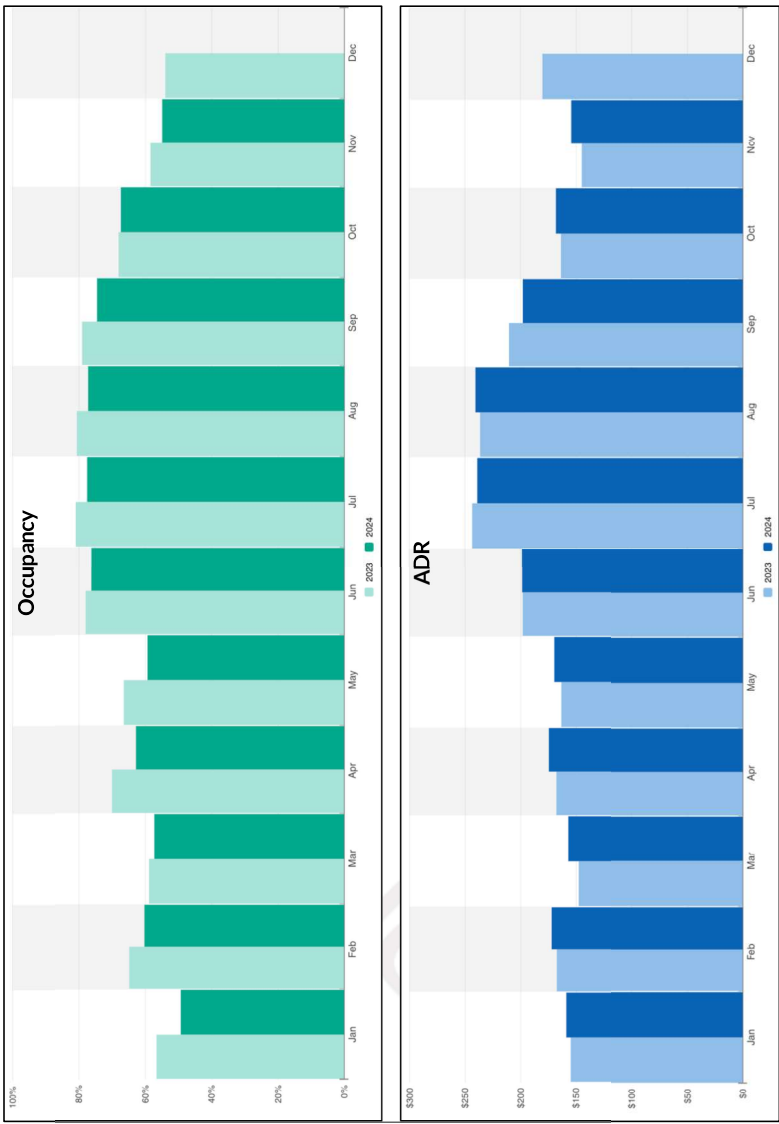


Source: CoStar

Seasonality

Hunden's key takeaways from its assessment of seasonality is summarized below:

- Occupancy is strongest from June to September and lowest from November to March. Demand is slightly lower across all months in 2024 compared to 2023.
- ADR follows a similar seasonal pattern to occupancy, with rates peaking in July and August. Seasonality trends indicate lower overall tourism activity during the winter months.



Development Pipeline

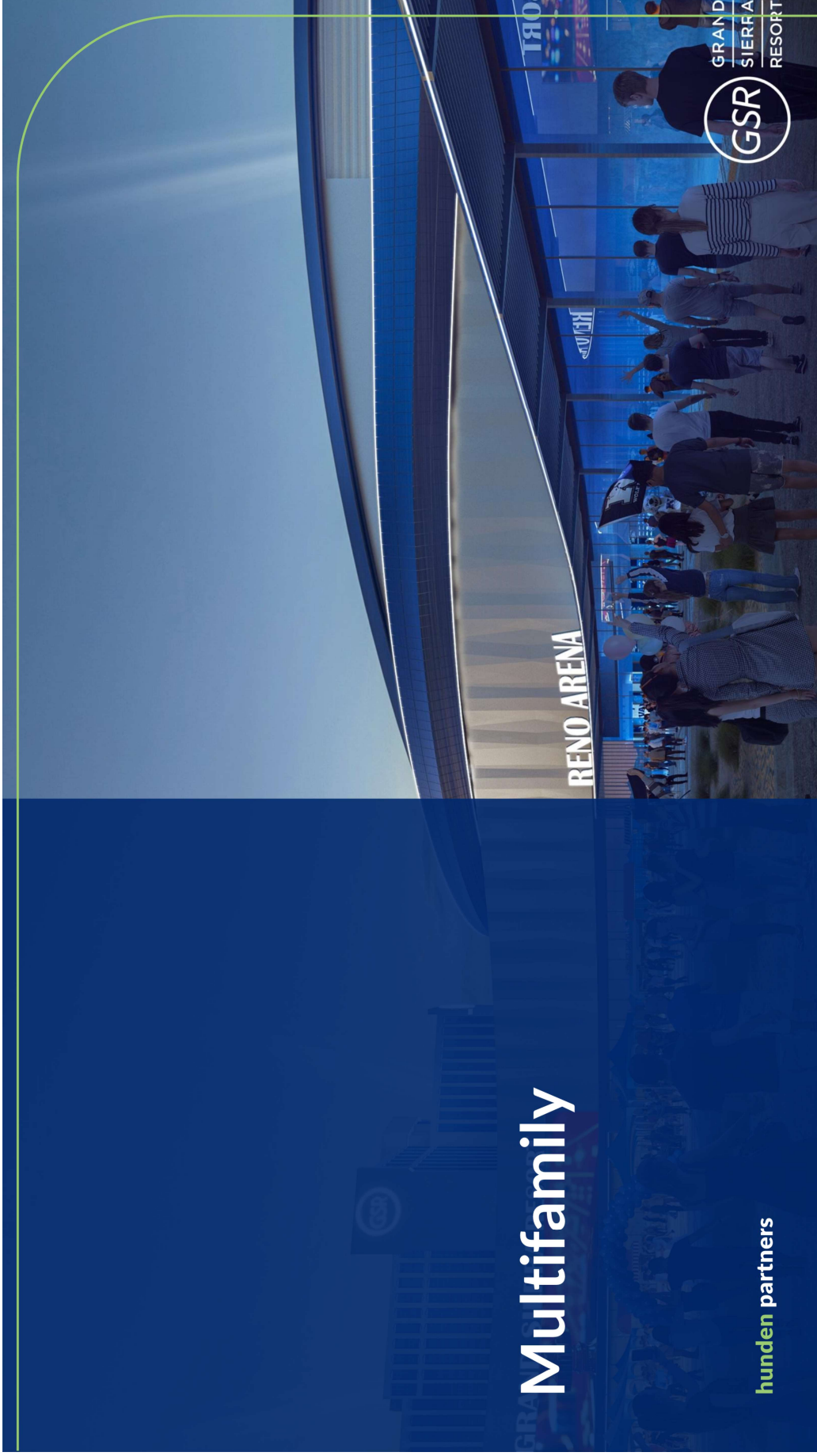
Hunden's key takeaways regarding the development pipeline are summarized below:

- Despite a significant number of demolitions for economy properties, there have been no demolitions of higher-scale properties.
- Since 2020, only one new property has been built, which includes the 170-room Element.
- The proposed pipeline, which features several hotel projects in the area, suggests that the market may be becoming more attractive for hotel development.

	Scale	Rooms	Status
Element Reno Experience District	Upscale	170	Built 2022
Residence Inn by Marriott Reno Downtown	Upscale	133	Final Planning
La Quinta Inn & Suites Reno	Upper Midscale	85	Proposed
Home2 Suites by Hilton Sparks Reno	Upper Midscale	109	Proposed

Multifamily

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Multifamily Submarket Summary

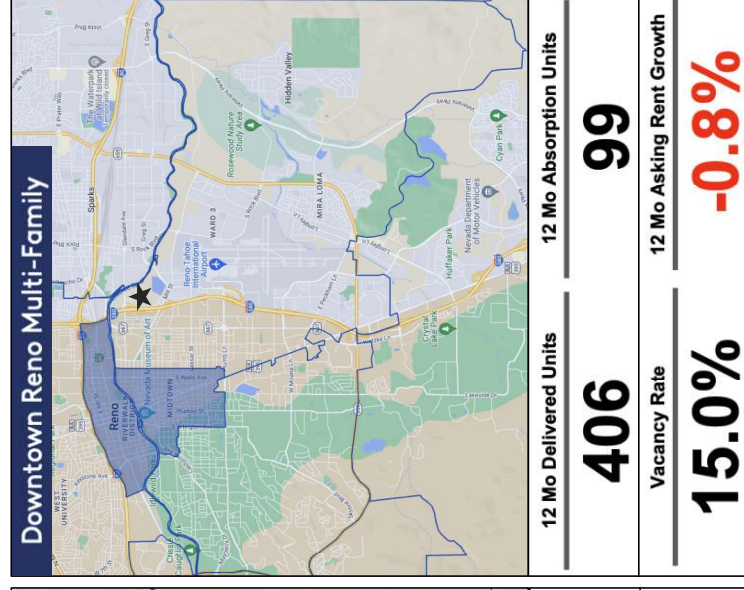
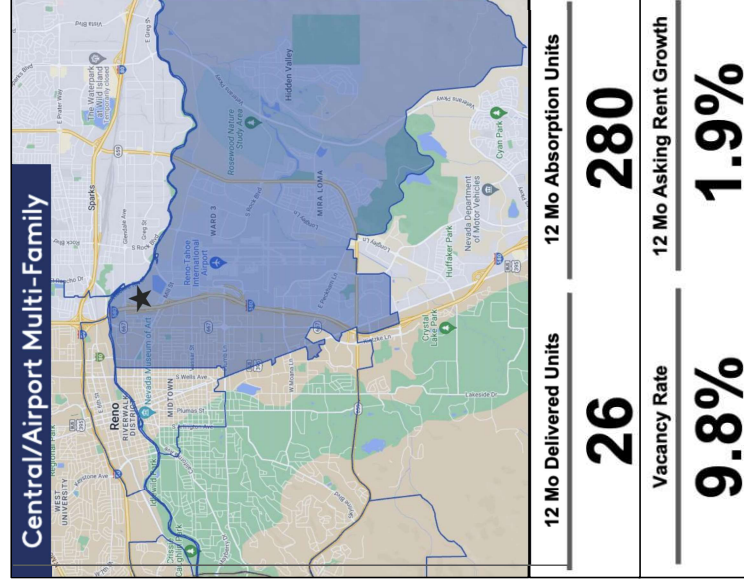
Hunden analyzed two multifamily submarkets within Washoe County to fully understand the current realities of the area. Hunden's key takeaways from the multifamily market are as follows:

- **Vacancy Stabilization:** Vacancy rates in both submarkets are expected to decline due to strong population growth in Reno. The Central/Airport submarket currently has a 10-percent vacancy rate, with no new units scheduled for delivery in the next two years, which will support further stabilization. In downtown Reno, vacancies remain elevated at 15 percent, but upcoming demand is expected to help absorb new supply.
- **Demand for Lower-Rent Properties:** Lower-rent properties are the most sought-after across both submarkets. In the Central/Airport area, average rent is \$1,418, with strong absorption of 280 units over the past year. Downtown Reno, where average rent is \$1,249, continues to see higher demand for affordable units, while higher-priced properties struggle with slower absorption and elevated vacancies.

Central/Airport Multi-Family					
12-Month Key Market Indicators	Average Rent	Absorption	Vacancy	Rent Growth	
Development Pipeline	Annual Average \$1,418 52 Units	Delivered Past 2 Yrs 280 Units 602 Units	Delivered Next 2 Yrs 0 Units 9.8%	Proposed Next 2 Yrs 438 Units 1.9%	
Downtown Reno Multi-Family					
12-Month Key Market Indicators	Average Rent	Absorption	Vacancy	Rent Growth	
Development Pipeline	Annual Average \$1,249 48 Units	Delivered Past 2 Yrs 587 Units 99 Units	Delivered Next 2 Yrs 243 Units 15.0%	Proposed Next 2 Yrs 392 Units -0.8%	

Multifamily Submarket Overview

- Vacancy Rates:** The average vacancy rate is about 10 percent in the Central/Airport submarket and 15 percent in the Downtown Reno submarket. The elevated downtown vacancy is driven by the delivery of 400 new units over the past year, compared to just 26 units in the Central/Airport area.
- Asking Rent Growth:** The Central/Airport submarket saw positive rent growth of two percent, which reflects steady demand and limited new supply. In contrast, downtown Reno experienced a decline in asking rents due to oversupply and lower absorption.
- Absorption Trends:** With 280 units absorbed in the Central/Airport submarket, demand is suggested to be strong. In downtown Reno, performance indicators suggest a greater risk for oversupply.



Historical and Forecasted Multifamily Submarket Performance

Vacancy Rates: Vacancy rates vary significantly by product quality. In the Central/Airport submarket, higher-quality four- and five-star units have a nearly 30-percent vacancy rate, while vacancy for one- and two-star units remain low. Downtown Reno faces more extreme vacancy challenges, with four- and five-star units over 40 percent, compared to 10 percent for one- and two-star units.

Asking Rents: In the Central/Airport submarket, asking rents are highest for four- and five-star units at \$2,128, while one- and two-star units average just \$1,185. These rates exceed those in downtown Reno, where four- & five-star units rent for \$1,727 and one- and two-star properties average \$1,032. This suggests that properties offering more affordable rents perform better in Reno.

Central/Airport Multi-Family

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	986	27.0%	\$2,123	\$2,116	31	0	0
3 Star	3,515	7.8%	\$1,353	\$1,344	9	0	0
1 & 2 Star	2,667	6.1%	\$1,185	\$1,177	1	0	0
Submarket	7,168	9.8%	\$1,413	\$1,406	41	0	0
Annual Trends							
Vacancy	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
	-3.6% (YOY)	6.7%	7.5%	14.1%	2023 Q2	2.9%	2017 Q2
Absorption Units	280	34	108	236	2024 Q3	(182)	2009 Q2
Delivered Units	26	52	43	634	2021 Q4	0	2024 Q2
Demolished Units	0	0	2	0	2024 Q3	0	2024 Q3
Asking Rent Growth	1.9%	2.7%	3.6%	7.8%	2018 Q2	-6.5%	2009 Q4
Effective Rent Growth	6.2%	2.6%	4.3%	8.7%	2021 Q4	-6.6%	2009 Q4
Sales Volume	\$0	\$21.2M	N/A	\$72.8M	2022 Q3	\$0	2024 Q3

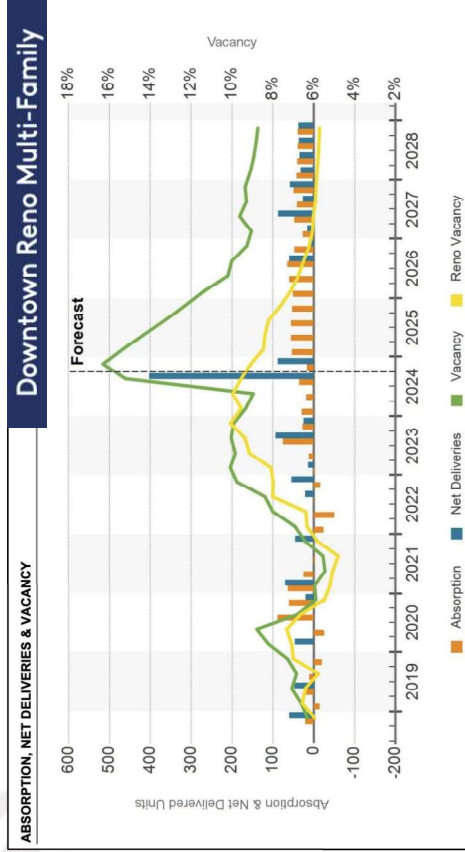
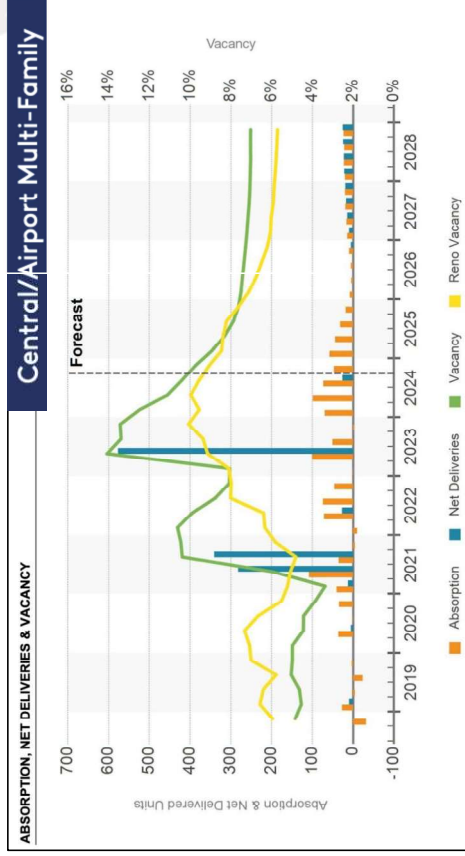
Downtown Reno Multi-Family

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	931	43.0%	\$1,727	\$1,665	11	0	148
3 Star	1,579	6.8%	\$1,193	\$1,184	1	0	95
1 & 2 Star	2,778	10.3%	\$1,032	\$1,025	(1)	0	0
Submarket	5,288	15.0%	\$1,249	\$1,228	11	0	243
Annual Trends							
Vacancy	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
	5.1% (YOY)	8.2%	10.6%	15.2%	2024 Q3	3.8%	2017 Q3
Absorption Units	99	30	176	236	2021 Q2	(89)	2022 Q4
Delivered Units	406	41	168	426	2024 Q3	0	2016 Q2
Demolished Units	0	0	2	0	2024 Q3	0	2024 Q3
Asking Rent Growth	-0.8%	2.3%	3.0%	8.4%	2001 Q1	-6.5%	2009 Q4
Effective Rent Growth	-1.6%	2.3%	3.0%	8.9%	2001 Q1	-6.6%	2009 Q4
Sales Volume	\$17.1M	\$22.6M	N/A	\$123.9M	2022 Q1	\$790K	2007 Q2

Source: CoStar

Historical and Forecasted Multifamily Submarket Performance

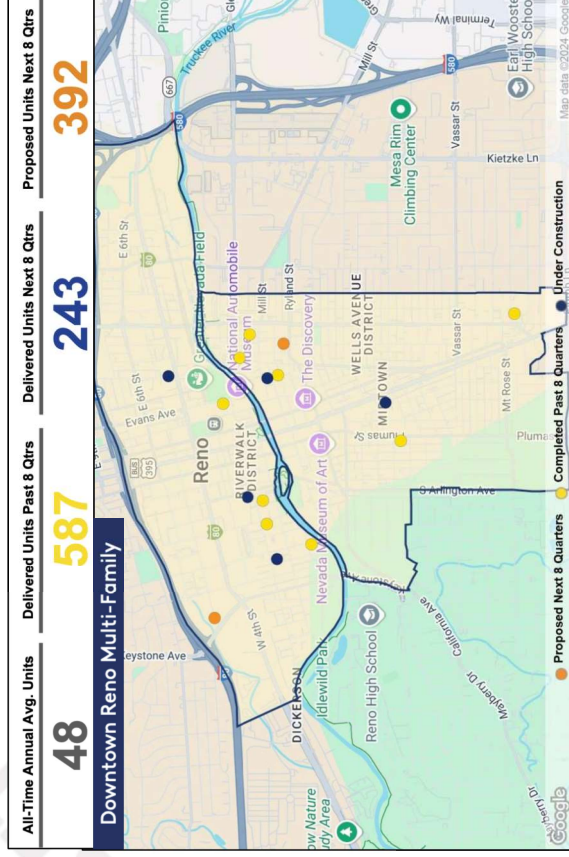
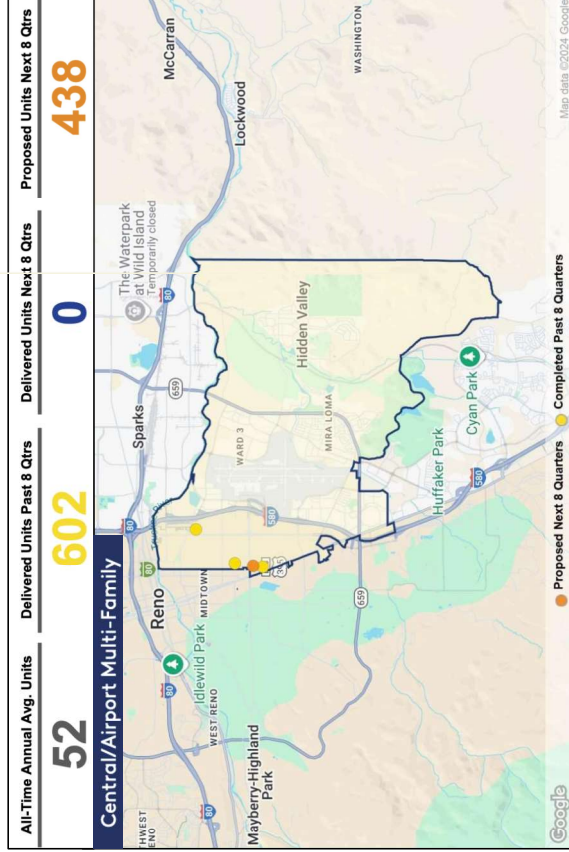
- Stabilizing Vacancy Rates:** Both the Central/Airport and Downtown Reno submarkets are projected to see significant declines in vacancy rates over the next several years. In the Central/Airport submarket, vacancy is forecasted to stabilize at around **six to eight percent** by 2026. Similarly, the Downtown Reno submarket, despite its current high vacancy levels, is expected to stabilize between **eight to 10 percent** as population growth in Reno drives demand and absorbs the recent influx of new units.
- Impact of Population Growth:** Reno's growing population is a key factor supporting this stabilization. Downtown Reno, although experiencing short-term challenges due to oversupply, will benefit from increased household formation and continued economic expansion in the region.



Source: CoStar

Multifamily Development Pipeline

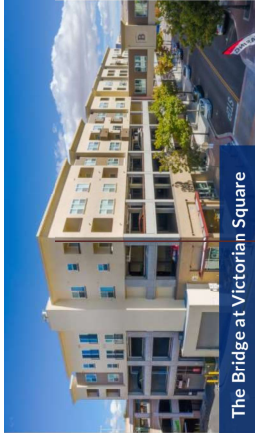
- **Recent Deliveries:** The Central/Airport submarket has delivered 600 new units in the past two years, significantly exceeding its all-time annual average of around 50 units. This followed a similar trend in the Downtown Reno submarket, reflecting a period of substantial new supply.
- **Construction Pipeline:** While no units are scheduled for delivery in the Central/Airport submarket over the next two years, there is a robust pipeline of proposed units. In Downtown Reno, about 250 units are set to be delivered within the next two years, with an additional 400 units currently proposed, indicating continued development activity in the area.



Recent Multifamily Deliveries

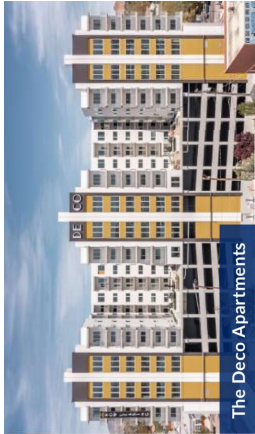
The adjacent figures represent recent multifamily deliveries in Reno, which are typically categorized as 4 & 5-star properties due to their superior condition and quality. In recent years, there has been a notable increase in deliveries to address the housing shortage, leading to higher vacancy rates as these units are absorbed. However, absorption has been relatively slow, as the demand and need for affordable units in the area exceeds that for luxury properties.

Source: CoStar



The Bridge at Victorian Square

Built: 2018
Vacancy: 6.9%
Units: 194
Avg. Unit SF: 644
Avg. Asking Rent: \$1,528



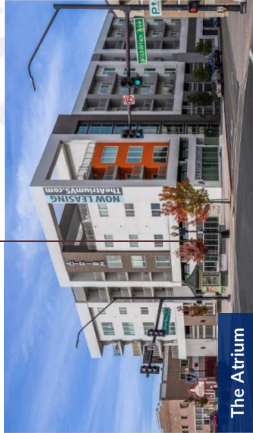
The Deco Apartments

Built: 2021
Vacancy: 4.0%
Units: 209
Avg. Unit SF: 743
Avg. Asking Rent: \$1,757



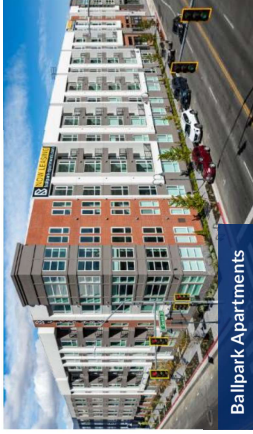
Atwood

Built: 2023
Vacancy: 46.5%
Units: 359
Avg. Unit SF: 965
Avg. Asking Rent: \$2,504



The Atrium

Built: 2019
Vacancy: 6.8%
Units: 132
Avg. Unit SF: 744
Avg. Asking Rent: \$1,496



Ballpark Apartments

Built: 2024
Vacancy: 30.7%
Units: 368
Avg. Unit SF: 768
Avg. Asking Rent: \$2,200

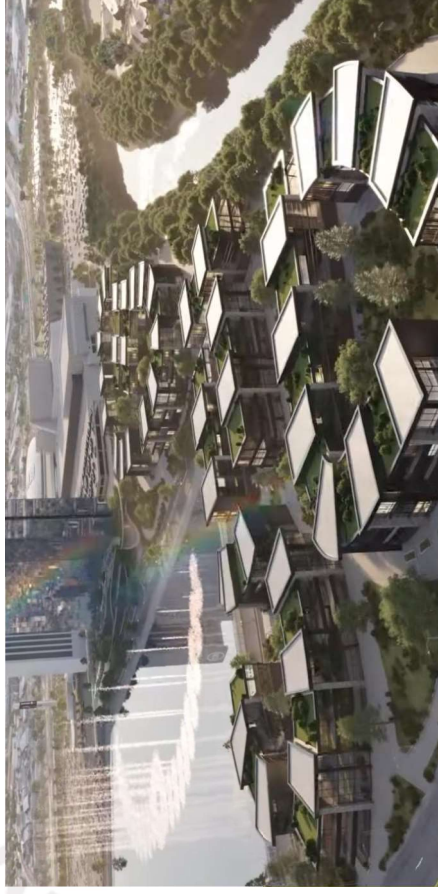


The Rivet

Built: 2023
Vacancy: 30.0%
Units: 217
Avg. Unit SF: 305
Avg. Asking Rent: \$935

Workforce Housing Market

The Project is set to include 300 multifamily units, 150 of which are designated as workforce housing. Local brokers emphasize that, while the majority of new developments in the area address general housing needs, workforce housing remains particularly critical. It not only provides affordable living options for essential workers but also promotes economic diversity and stability within the community. By ensuring that workers can live near their places of employment, these developments reduce commute times, enhance local economic activity, and support a sustainable urban environment. Workforce housing is a pivotal element in maintaining balanced urban growth and meeting the City's long-term economic and social goals.



Office

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Office Submarket Summary

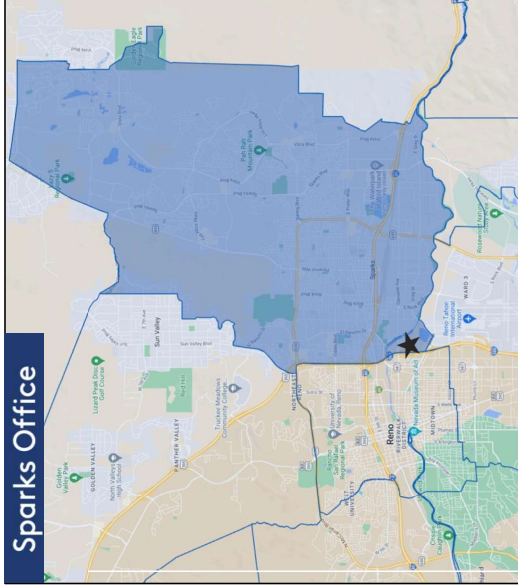
Hunden analyzed two office submarkets within Washoe County to fully understand the current realities of the area. Hunden’s key takeaways from the office market are as follows:

- Submarket Performance:** The Sparks office submarket struggles with nearly 100,000 square feet of negative absorption and high vacancy levels, with no new deliveries or proposals. Downtown Reno shows stronger demand and absorption, but the pipeline of planned deliveries could create oversupply challenges.
- Interview Feedback:** Interviews with local brokers suggested that the Project site is not ideal for office space due to its location. While market rents are increasing, they are still not strong enough to overcome the high construction costs.
- Future Outlook:** Downtown Reno’s rent growth and activity remain strong but face oversupply risks. Sparks’ lower rent growth and lack of construction highlight weak demand and high vacancies.

Sparks Office					
12-Month Key Market Indicators		Average Rent	Absorption	Vacancy	Rent Growth
		\$21.02 PSF	-99,600 SF	12.4%	3.4%
Development Pipeline		Annual Average	Delivered Past 2 Yrs	Delivered Next 2 Yrs	Proposed Next 2 Yrs
		3,580 SF	0 SF	0 SF	0 SF
Downtown Office					
12-Month Key Market Indicators		Average Rent	Absorption	Vacancy	Rent Growth
		\$25.28 PSF	44,200 SF	6.8%	4.5%
Development Pipeline		Annual Average	Delivered Past 2 Yrs	Delivered Next 2 Yrs	Proposed Next 2 Yrs
		1,840 SF	0 SF	191,251 SF	84,524 SF

Office Submarket Overview

- Rent Increases:** With no new office space delivered in the past year, prime office rents have increased by more than three percent in both submarkets.
- Fluctuating Absorption:** The Downtown Office submarket recorded positive absorption of office space over the past year. In contrast, the Sparks submarket experienced nearly 100,000 square feet of negative absorption, which highlights the lack of demand in that area.
- Vacancy Rates:** Negative absorption in the Sparks office submarket has driven vacancy rates to exceed 12 percent. Meanwhile, the Downtown Office submarket shows healthier performance with a vacancy rate below seven percent.



12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

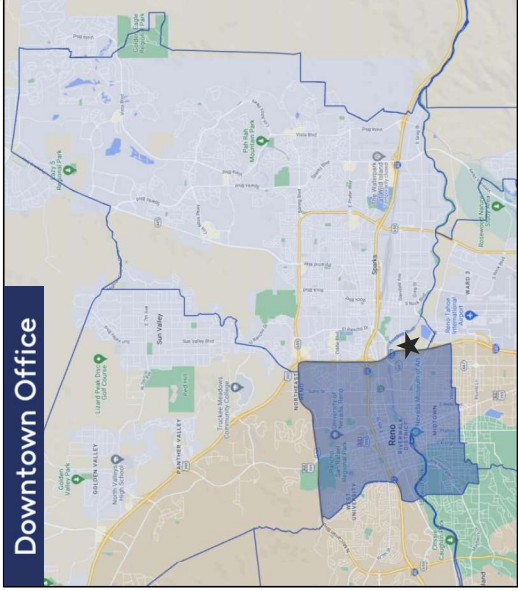
(99.6K)

Vacancy Rate

12.4%

Market Asking Rent Growth

3.4%



12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

44.2K

Vacancy Rate

6.8%

Market Asking Rent Growth

4.5%

Historical Key Indicators Office Submarket

- Higher Vacancy Levels:** The Sparks office submarket's overall vacancy rate is driven by limited demand for one- and two-star properties. In contrast, higher-quality office spaces in this submarket show significantly lower vacancy rates, below four percent. Meanwhile, the Downtown submarket struggles with higher vacancies in four- and five-star properties due to elevated asking rents.
- Demand by Quality:** Lower-quality office spaces in both submarkets are driving negative absorption, yet vacancy is highest for four- and five-star properties downtown.
- Market Asking Rent:** The Downtown office submarket commands significantly higher asking rents, which averages \$4 per square foot more than the Sparks office submarket.

Source: CoStar

Sparks Office

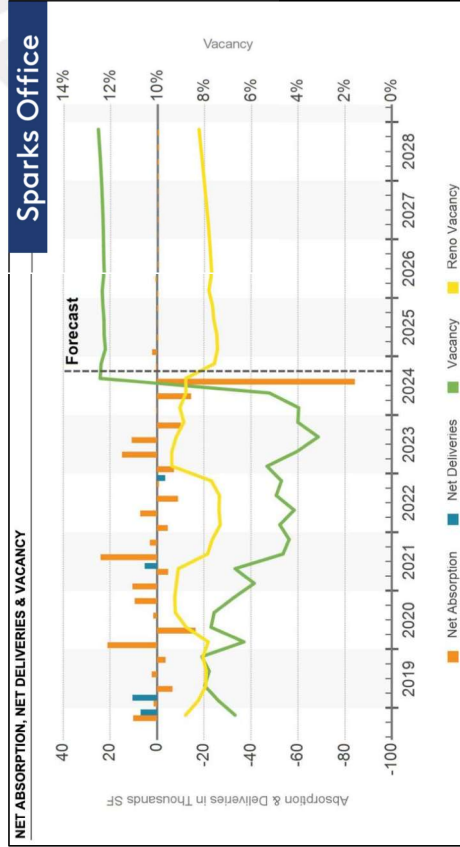
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	0	-	-	-	0	0	0
3 Star	499,662	3.3%	\$23.32	4.7%	5,148	0	0
1 & 2 Star	670,553	19.1%	\$19.31	19.2%	(4,537)	0	0
Submarket	1,170,215	12.4%	\$21.02	13.0%	611	0	0
Annual Trends							
Vacancy	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Net Absorption SF	8.5% (YOY)	12.0%	12.4%	24.7%	2009 Q1	3.1%	2023 Q3
Deliveries SF	(99.6K)	9,439	(14,840)	79,417	2010 Q2	(108,753)	2024 Q3
Market Asking Rent Growth	0	3,459	0	29,037	2008 Q3	0	2024 Q3
Sales Volume	3.4%	1.1%	2.0%	8.4%	2015 Q2	-11.3%	2009 Q3
	\$6.3M	\$6.6M	N/A	\$23.8M	2019 Q3	\$649.2K	2011 Q3

Downtown Office

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	604,766	11.9%	\$29.66	9.2%	0	0	191,251
3 Star	2,744,653	6.1%	\$26.72	7.0%	1,399	0	0
1 & 2 Star	2,056,424	6.2%	\$21.67	6.9%	(7,482)	0	0
Submarket	5,405,843	6.8%	\$25.28	7.3%	(6,083)	0	191,251
Annual Trends							
Vacancy	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Net Absorption SF	-0.8% (YOY)	10.7%	7.4%	15.5%	2011 Q1	6.7%	2024 Q3
Deliveries SF	44.2K	8,761	55,569	170,919	2016 Q3	(205,713)	2010 Q4
Market Asking Rent Growth	0	1,925	61,808	31,763	2010 Q1	0	2024 Q3
Sales Volume	4.5%	1.2%	1.9%	7.9%	2015 Q2	-9.8%	2009 Q3
	\$60.1M	\$30.2M	N/A	\$131.8M	2017 Q4	\$1.7M	2010 Q2

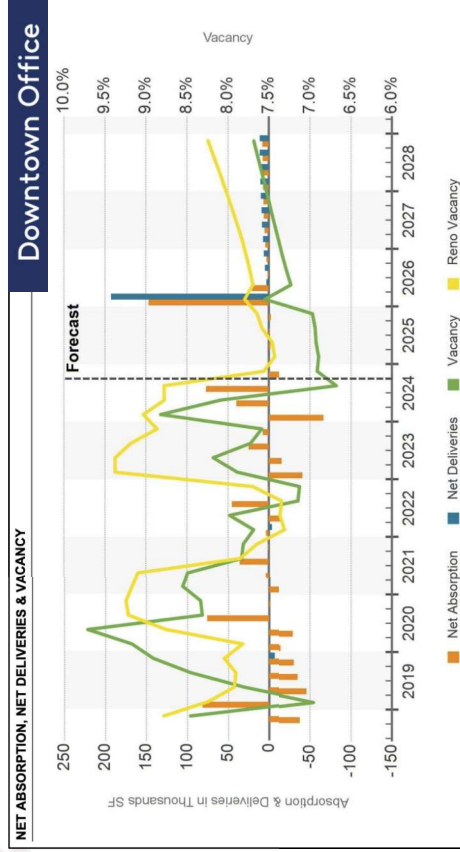
Historical and Forecasted Office Submarket Performance

- Projected Vacancy Levels:** While the Downtown office submarket currently maintains a vacancy rate below seven percent, projections by CoStar indicate an increase as planned office developments come online. In contrast, the Sparks office submarket is expected to maintain a high vacancy rate even with no new developments planned. The data indicates stagnant demand for additional office space in both submarkets.
- Absorption Trends:** The Sparks office submarket is projected to achieve moderate positive net absorption over the coming years. However, this improvement is not sufficient enough to reduce the area's significant vacancy levels, which are projected to remain above ten percent through 2028, as depicted in the graph. Meanwhile, the Downtown office submarket faces fluctuating absorption levels and sizable net deliveries through 2025, which is expected to cause vacancy rates to rise above eight percent. These trends indicate that new office developments in the Downtown submarket will struggle to achieve full absorption in the short term, which further contributes to elevated vacancy rates.



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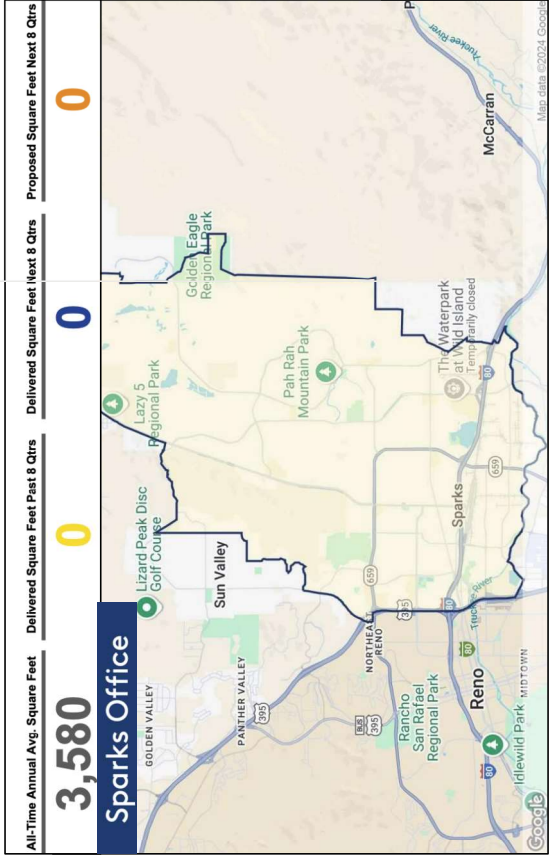
Source: CoStar



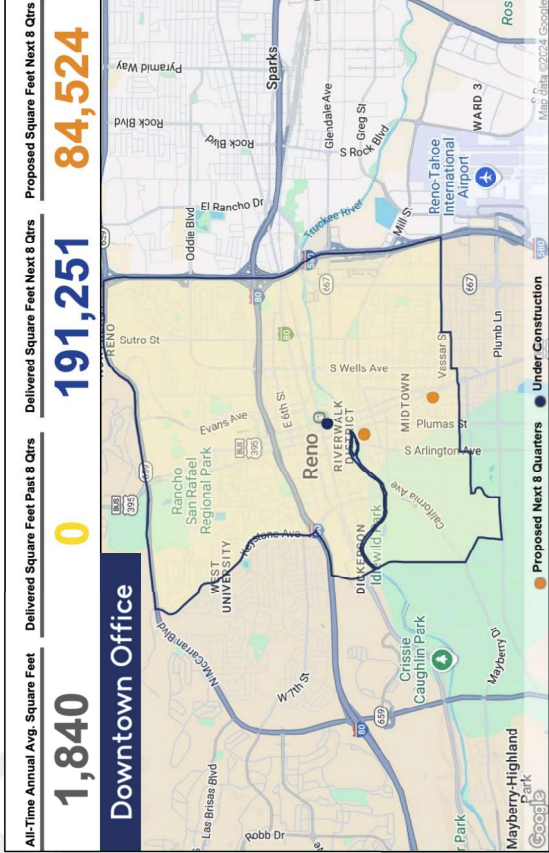
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Office Development Pipeline

Over the past two years, neither submarket has seen any office space deliveries. For the Downtown office submarket, planned development indicates a significant pipeline, with nearly 200,000 square feet set to be delivered in the next two years. This exceeds the historical annual average of less than 2,000 square feet. An additional 85,000 square feet of office space is proposed, which could further challenge absorption levels in the market. In contrast, the Sparks office submarket has no new office deliveries or proposed developments. This lack of activity, combined with higher vacancy rates, indicates limited existing demand for office space in the area.



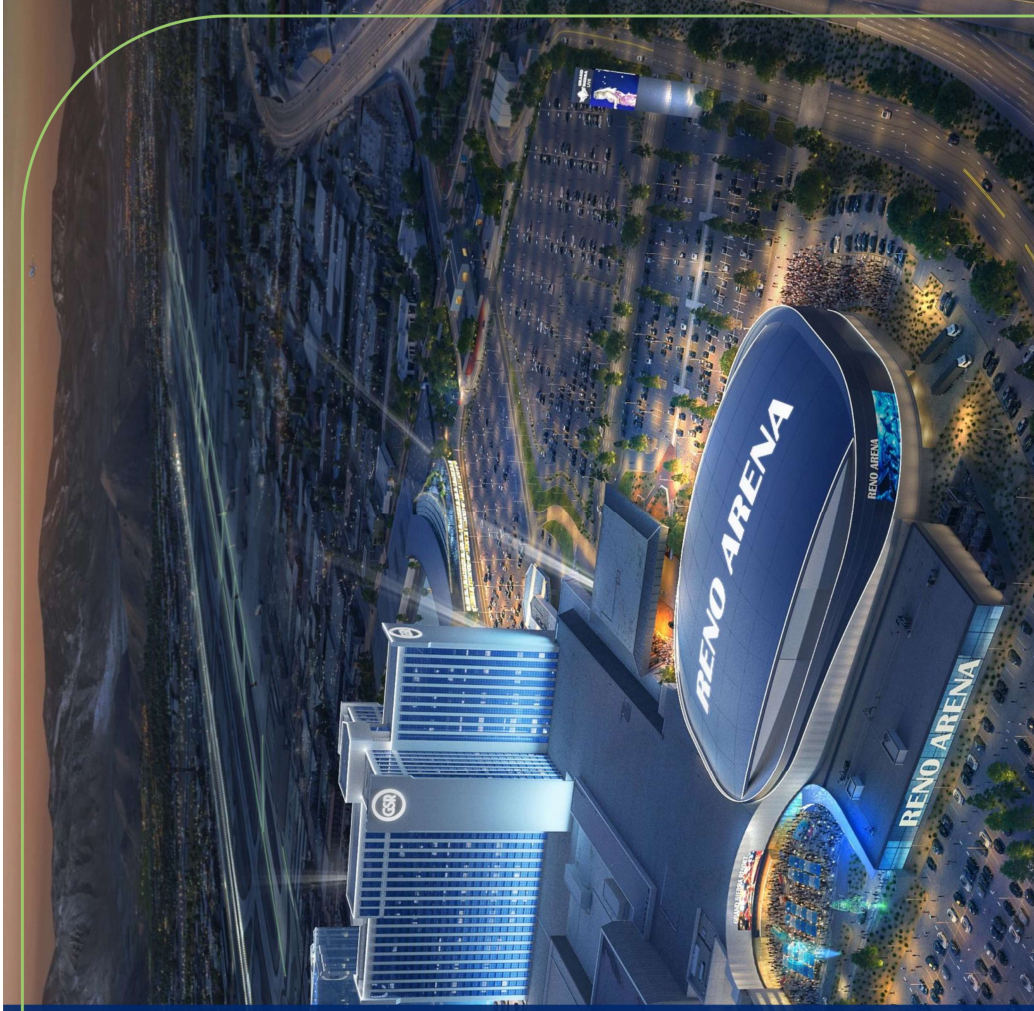
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Source: CoStar

Case Studies and Lessons Learned

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Case Studies

Lessons to Learn by Vertical

There are several components of the Project that make it unique. Hunden delineated case studies into two different verticals to help show how the Project compares to greater trends. The first vertical relates to university-oriented arenas' funding and operation. The second vertical shows how other entertainment and sporting venues in the State of Nevada have been funded.

University Arena Funding Strategies & Leases	Venue Funding in Nevada
<ul style="list-style-type: none">• KFC Yum! Center – Univ. of Louisville (KY)• Ford Center – Univ. of Evansville (IN)• Pinnacle Bank Arena – Univ. Nebraska-Lincoln (NE)• Moody Center – Univ. Texas at Austin (TX)• Lawlor Events Center – Univ. Nevada, Reno (NV)	<ul style="list-style-type: none">• T-Mobile Arena – NHL Golden Knights• Allegiant Stadium – NFL Raiders• Future A's Stadium – MLB Athletics• Lee's Family Forum – AHL Silver Knights• Thomas & Mack Center – UNLV• Cox Pavilion – UNLV• Lawlor Events Center – UNR

Nationwide University Arena Structures

Funding Overview

University Tenant	Case Studies				Project	Existing Arena
	University of Louisville	University of Evansville	University of Nebraska	University of Texas at Austin		
Arena Name (Year Built)	KFC Yum! Center (2010)	Ford Center (2011)	Pinnacle Bank Arena (2013)	Moody Center (2022)	University of Nevada, Reno	University of Nevada, Reno
Basketball Capacity	22,000	11,000	16,000	10,750	Reno Arena (TBD)	Lawlor Events Center (1983)
Landlord	Louisville Arena Authority	City of Evansville	City of Lincoln	Austin Arena Company, LLC (OVG & UT)	10,000+	12,000
Construction Cost	\$238 M	\$128 M	\$236 M	\$338 M	Grand Sierra Resort	University of Nevada, Reno
Main Funding Source	Public	Public	Public	Private	\$380 M	\$26 M
Bonds Issued	YES	YES	YES	NO	Private	Public
Off-site Taxes Used?	YES	YES	YES	NO	NO	YES
New Taxes Created?	NO	NO	YES	NO	NO	YES
					NO	NO

University Arena Deal Points

Funding Overview

University Tenant	Case Studies					Project	Current Arena
	University of Louisville	University of Evansville	University of Nebraska	University of Texas at Austin	University of Nevada, Reno		
Arena Name (Year Built)	KFC Yum! Center (2010)	Ford Center (2011)	Pinnacle Bank Arena (2013)	Moody Center (2022)	Reno Arena (TBD)	University of Nevada, Reno	University of Nevada, Reno
Basketball Capacity	22,000	11,000	16,000	10,750	10,000+		Lawlor Events Center (1983)
Landlord	Louisville Arena Authority	City of Evansville	City of Lincoln	Austin Arena Company, LLC (OVG & UT)	Grand Sierra Resort		University of Nevada, Reno
Construction Cost	\$238 M	\$128 M	\$236 M	\$338 M	\$380 M		\$26 M
Main Funding Source	Public	Public	Public	Private	Private		Public
Bonds Issued	YES	YES	YES	NO	NO		YES
Off-site Taxes Used?	YES	YES	YES	NO	NO		YES
New Taxes Created?	NO	NO	YES	NO	NO		NO

University Arena Deal Points

Lease Agreement Overview

Arena	Case Studies				Project	Current Arena
	KFC Yum! Center	Ford Center	Pinnacle Bank Arena	Moody Center		
Tenants	Men's & Women's Basketball	Men's & Women's Basketball	Men's & Women's Basketball	Men's & Women's Basketball	New Reno Arena	Lawlor Events Center
Annual Rent	10%/5% Gross Tickets (Men's/Women's)	\$120,000	\$0	\$0	TBD	\$0 Basketball Events \$3,500 per Other University Event
	12% Suite Revenues	Max \$3 Facility Charge	\$750,000	Ownership Interest		
	\$2 Facility Charge					
Reimburse Expenses?	Utilities on Game Day	NO	Game Day Expenses	NO	PARTIAL	NO
Food & Beverage Share	50% University	0% to University	\$300,000 Rent Credit to Uni.	0% F10 Yrs 50/50 Thereafter	0% University	100% University
Suite Sale Beneficiary	University	City	City	University	TBD	N/A

Source: Various

How Other Venues Were Funded in Nevada

Professional

Paradise

Mobile ARENA

2016



100% Private

\$375 M

T-Mobile Arena:

\$375 Million

Paradise

2020



41% Public

\$745 M

Clark County Bonds
Backed by Special Tax
on Hotel Room Nights

Allegiant Stadium:

\$1.85 Billion

Paradise

2028



25% Public

\$380 M

State of Nevada

75% Private

\$1.1 B

Future A's Stadium:

\$1.50 Billion

How Other Venues Were Funded in Nevada

Semi-Professional or Collegiate

Henderson

2022

50% Public

\$42 M

Clark County Bonds
Backed by Special Tax
on Hotel Room Nights

50% Private

\$42 M

Lee's Family Forum:

\$84 Million

Las Vegas

1983

100% Public

\$30 M

State Slot Taxes

Thomas & Mack Ctr:

\$30 Million

Las Vegas

2001

100% Private

\$16.8 M

Donor Sponsorship and
Institutional Debt

Cox Pavilion:

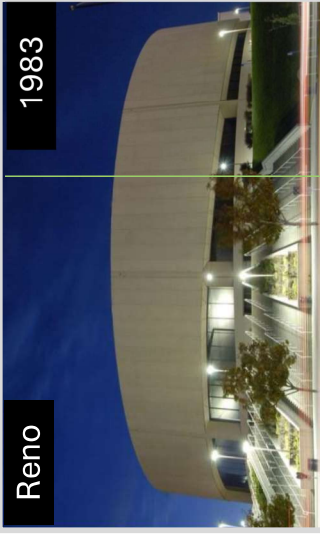
\$16.8 Million

How Other Venues Were Funded in Nevada

Semi-Professional or Collegiate

Reno

1983



100% Public

\$26 M

State Slot Taxes

Lawlor Events Ctr:

\$26 Million

Reno

2028-29



100% Private

\$380 M

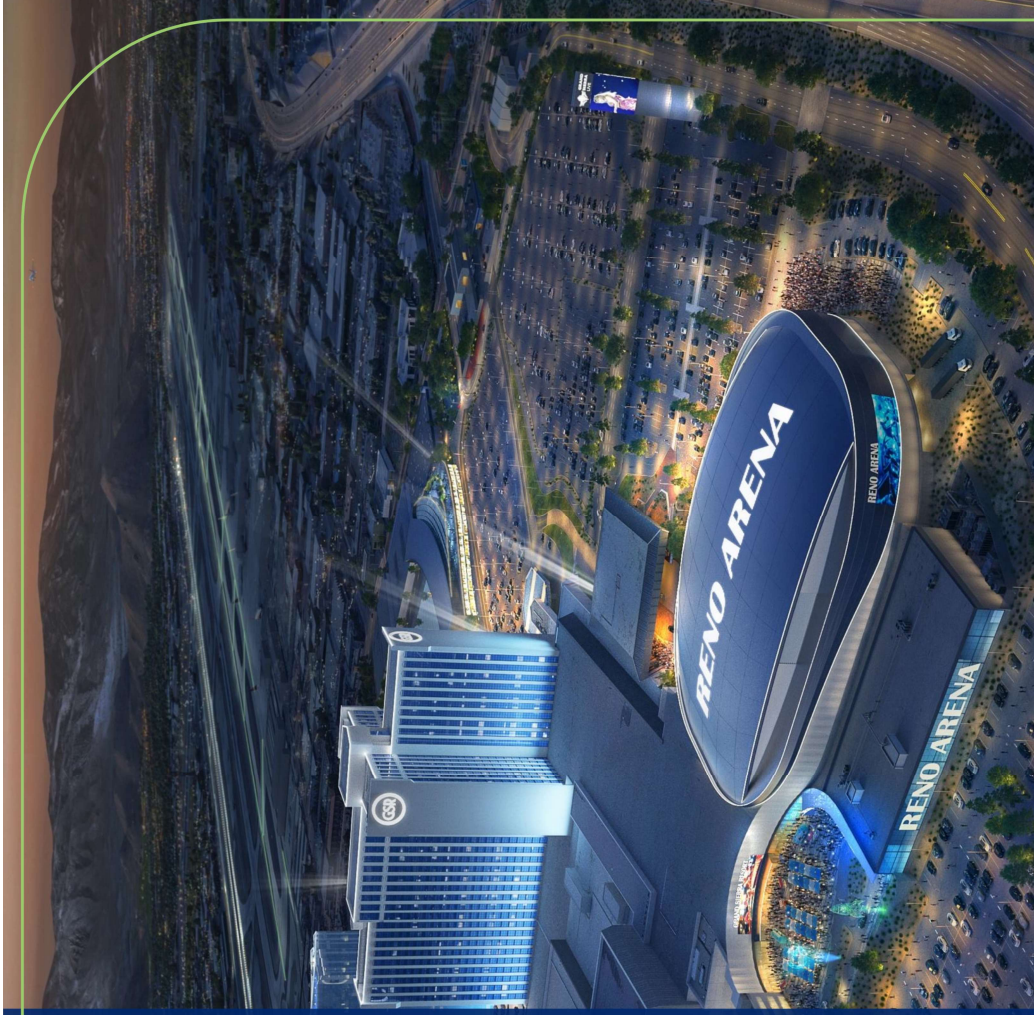
On-site Property Taxes
Remitted for ~6 Years

New Reno Arena:

\$380 Million

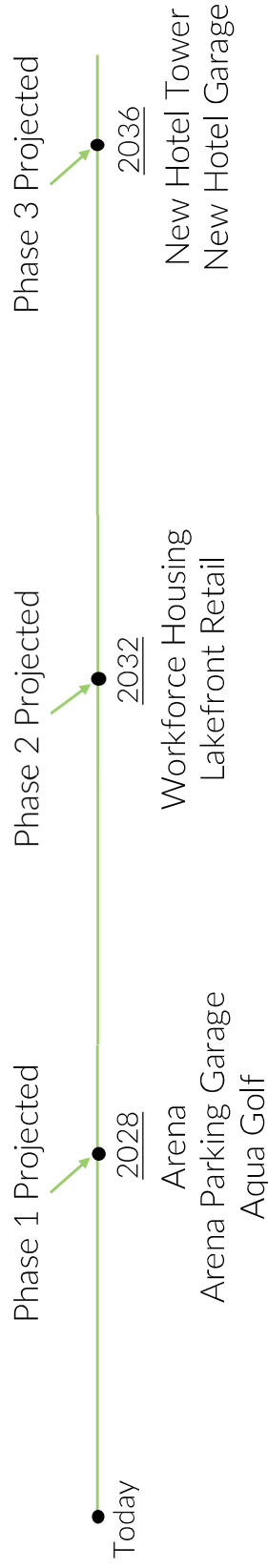
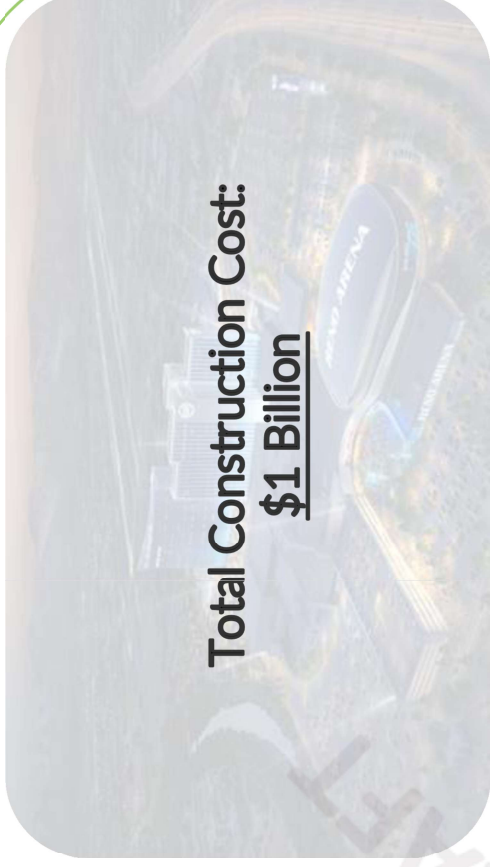
Real Estate Financial Analysis

hunden partners



Development Timeline

The Project is structured into three phases, with projected completion in 2028, 2032, and 2036, respectively. The first phase involved the construction of a 10,000-seat arena, a parking garage, and aqua golf facilities. The second phase is set to develop 300 units of workforce housing along with 23,400 square feet of lakefront retail space. The concluding phase will feature the addition of a new 500-key hotel tower and its associated hotel garage. The total construction cost for all phases is estimated to exceed \$1 billion.



Arena Assumptions and Pro Forma

The main component of the Project is the 10,000-seat arena that will be the home venue for the UNR Men's Basketball Team and a potential minor league team. Once fully stabilized, the arena is expected to host approximately 95 events per year, with an annual attendance exceeding 550,000 people.

Event	# of Events	Avg. Attendance	Avg. Ticket Price/Rental Rate
UNR Basketball	17	7,786	\$41.50
Minor League Hockey	39	4,449	\$34.56
Major Concert	5	9,000	\$89.17
Minor Concert	7	7,500	\$66.88
Family Show	6	6,500	\$44.58
Sporting Event	6	5,000	\$25.00
Rentals/Banquets	15	5,000	\$35,000 (rental)
Total/Average	95	5,761	\$49.32

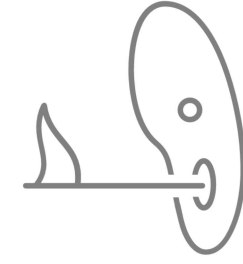
Stabilized Annual Attendance: 553,900

Reno Arena Proforma Building (\$'000s)	2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2037 Year 10
Cash Flows from Tenant Operations						
(+) Premium	\$ 9,251	\$ 9,419	\$ 9,935	\$ 10,243	\$ 10,550	\$ 12,231
(+) Ticket Sales	\$ 5,997	\$ 6,176	\$ 6,362	\$ 6,553	\$ 6,749	\$ 7,824
(+) Facility Fee and Rebate	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388	\$ 1,388
(+) Concessions, Net	\$ 2,447	\$ 2,520	\$ 2,596	\$ 2,674	\$ 2,754	\$ 3,193
(+) Merch, Net	\$ 512	\$ 528	\$ 544	\$ 560	\$ 577	\$ 668
(+) Parking, Net	\$ 574	\$ 591	\$ 608	\$ 627	\$ 645	\$ 748
(+) Sponsorship	\$ 6,071	\$ 6,222	\$ 6,378	\$ 6,537	\$ 6,701	\$ 7,561
(+) Arena Rent	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,305
Revenues via Tenant	\$ 27,239	\$ 28,075	\$ 28,872	\$ 29,674	\$ 30,490	\$ 34,938
Cash Flows from Concerts/Other Events						
(+) Ticket Sales	\$ 5,571	\$ 8,453	\$ 10,622	\$ 11,258	\$ 11,595	\$ 13,442
(+) Rent	\$ 420	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525
(+) Promoter Rebate	\$ 382	\$ 570	\$ 666	\$ 692	\$ 692	\$ 692
(+) Facility Fee	\$ 382	\$ 570	\$ 666	\$ 692	\$ 692	\$ 692
(+) Concessions, Net	\$ 1,244	\$ 1,792	\$ 2,050	\$ 2,168	\$ 2,233	\$ 2,569
(+) Merch, Net	\$ 350	\$ 375	\$ 429	\$ 454	\$ 469	\$ 542
(+) Parking, Net	\$ 292	\$ 408	\$ 453	\$ 465	\$ 465	\$ 465
Revenues via Concerts	\$ 8,351	\$ 12,893	\$ 15,411	\$ 16,253	\$ 16,670	\$ 18,947
Venue Expenses						
(-) Salaries, Wages & Benefits	\$ 10,917	\$ 11,244	\$ 11,581	\$ 11,929	\$ 12,287	\$ 14,244
(-) General & Admin	\$ 1,500	\$ 1,548	\$ 1,597	\$ 1,748	\$ 1,801	\$ 2,088
(-) Operations	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,305
(-) Utilities	\$ 2,355	\$ 2,405	\$ 2,477	\$ 2,551	\$ 2,628	\$ 3,046
(-) Repairs & Maintenance	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338	\$ 391
(-) Insurance	\$ 690	\$ 711	\$ 732	\$ 754	\$ 777	\$ 900
(-) Materials and Supplies	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338	\$ 391
(-) Reserves	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,957
(-) Property Tax	\$ 6,141	\$ 6,264	\$ 6,389	\$ 6,517	\$ 6,647	\$ 7,339
(-) Management Fee	\$ 1,250	\$ 1,288	\$ 1,326	\$ 1,366	\$ 1,407	\$ 1,631
Total Expenses	\$ 26,032	\$ 26,752	\$ 27,491	\$ 28,252	\$ 29,035	\$ 33,292
Net Operating Income	\$ 8,199	\$ 14,016	\$ 16,391	\$ 17,675	\$ 18,125	\$ 20,593

Source: Hunden Partners

Grand Bay – Aqua Golf

The current driving range at GSR is set to be transformed by the introduction of the new Grand Bay Aqua Golf. This enhanced facility is projected to attract more than 350,000 visitors annually. With the addition of food & beverage services, Grand Bay will significantly elevate the entertainment experience. In its first year, the facility is anticipated to generate a net income of \$2.8 million.



Sports Entertainment Aqua Golf	2028 Year 1	2029 Year 2	2030 Year 3	2031 Year 4	2032 Year 5	2037 Year 10
Revenue (\$000s)						
Rentals						
Local/Individual Rental	\$ 4,025	\$ 4,146	\$ 4,270	\$ 4,398	\$ 4,530	\$ 5,252
Hotel/Inhouse Rental	\$ 1,852	\$ 1,907	\$ 1,965	\$ 2,023	\$ 2,084	\$ 2,416
Corporate/Group Rental	\$ 386	\$ 397	\$ 409	\$ 422	\$ 434	\$ 503
Total Rental Revenue	\$ 6,263	\$ 6,450	\$ 6,644	\$ 6,843	\$ 7,049	\$ 8,171
F&B						
Local/Individual F&B	\$ 3,175	\$ 3,270	\$ 3,368	\$ 3,469	\$ 3,573	\$ 4,142
Hotel/Inhouse F&B	\$ 1,461	\$ 1,504	\$ 1,550	\$ 1,596	\$ 1,644	\$ 1,906
Corporate/Group F&B	\$ 304	\$ 313	\$ 323	\$ 333	\$ 342	\$ 397
Total F&B Revenue	\$ 4,939	\$ 5,088	\$ 5,240	\$ 5,398	\$ 5,559	\$ 6,445
Membership						
Local/Individual Membership	\$ 690	\$ 711	\$ 732	\$ 754	\$ 777	\$ 901
Hotel/Inhouse Membership	\$ 318	\$ 327	\$ 337	\$ 347	\$ 357	\$ 414
Corporate/Group Membership	\$ 66	\$ 68	\$ 70	\$ 72	\$ 75	\$ 86
Total Membership Revenue	\$ 1,074	\$ 1,106	\$ 1,140	\$ 1,174	\$ 1,209	\$ 1,401
Total Revenue	\$ 12,276	\$ 12,644	\$ 13,024	\$ 13,414	\$ 13,817	\$ 16,018
(-) Comp Revenue	\$ (1,228)	\$ (1,264)	\$ (1,302)	\$ (1,341)	\$ (1,382)	\$ (1,602)
Net Revenue	\$ 11,049	\$ 11,380	\$ 11,721	\$ 12,073	\$ 12,435	\$ 14,416
Expenses (\$000s)						
(-) COGS	\$ 1,235	\$ 1,272	\$ 1,310	\$ 1,349	\$ 1,390	\$ 1,611
(-) Payroll	\$ 3,886	\$ 4,003	\$ 4,123	\$ 4,247	\$ 4,374	\$ 5,071
(-) Supplies	\$ 162	\$ 167	\$ 172	\$ 177	\$ 182	\$ 211
(-) Opex	\$ 948	\$ 976	\$ 1,006	\$ 1,036	\$ 1,067	\$ 1,237
(-) Other	\$ 1,680	\$ 1,730	\$ 1,782	\$ 1,836	\$ 1,891	\$ 2,192
(-) Property Tax	\$ 352	\$ 359	\$ 366	\$ 374	\$ 381	\$ 421
Total Expenses	\$ 8,263	\$ 8,507	\$ 8,759	\$ 9,018	\$ 9,285	\$ 10,742
Net Operating Income	\$ 2,786	\$ 2,873	\$ 2,963	\$ 3,055	\$ 3,151	\$ 3,673
Operating Margin	56%	56%	57%	57%	57%	57%

Source: Hunden Partners

Multifamily

The multifamily development is scheduled for completion in 2032 as part of the Project's second phase. It is proposed to include 300 units and is planned to feature a mix of both workforce housing and market-rate units. This strategic mix aims to support a diverse community while maintaining competitive market standards. Upon reaching stabilization in 2034, the development is anticipated to generate a net operating income of \$4.7 million.

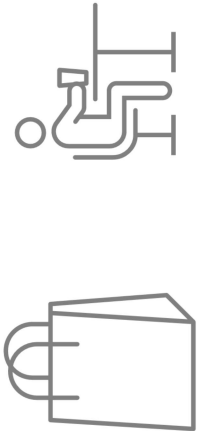
Housing Type	# of Units	Year 1 Asking Rent	Year 3 Asking Rent
Workforce Housing	150	\$1,188	\$1,260
Market Housing	150	\$2,268	\$2,406
Total/Average	300	\$1,728	\$1,833

Proforma - Multifamily 300 MF Units	2032 Year 1	2033 Year 2	2034 Year 3	2035 Year 4	2036 Year 5	2041 Year 10
Revenue (\$000s)						
Gross Potential Rent	\$ 6,221	\$ 6,407	\$ 6,600	\$ 6,798	\$ 7,002	\$ 8,117
Vacancy	15.0%	5.0%	2.5%	2.5%	2.5%	2.5%
(-) Vacancy Loss	\$ (933)	\$ (320)	\$ (165)	\$ (170)	\$ (175)	\$ (203)
(+) Other Income (Fees)	\$ 405	\$ 466	\$ 492	\$ 507	\$ 522	\$ 606
Gross Effective Rent	\$ 5,692	\$ 6,553	\$ 6,927	\$ 7,135	\$ 7,349	\$ 8,519
Expenses (\$000s)						
<i>Controllable Expenses</i>						
(-) Utilities	\$ 240	\$ 247	\$ 255	\$ 262	\$ 270	\$ 313
(-) Repairs & Maintenance	\$ 75	\$ 77	\$ 80	\$ 82	\$ 84	\$ 98
(-) Payroll & Benefits	\$ 420	\$ 433	\$ 446	\$ 459	\$ 473	\$ 548
(-) Marketing	\$ 85	\$ 87	\$ 90	\$ 93	\$ 96	\$ 111
(-) General & Administrative	\$ 60	\$ 62	\$ 64	\$ 66	\$ 68	\$ 78
(-) Contract Services / Landscaping	\$ 261	\$ 269	\$ 277	\$ 285	\$ 293	\$ 340
<i>Uncontrollable Expenses</i>						
(-) Insurance	\$ 75	\$ 77	\$ 80	\$ 82	\$ 84	\$ 98
(-) Turnover	\$ 52	\$ 54	\$ 56	\$ 57	\$ 59	\$ 69
(-) Property Taxes	\$ 882	\$ 900	\$ 918	\$ 936	\$ 955	\$ 1,054
Total Expenses	\$ 2,150	\$ 2,206	\$ 2,263	\$ 2,322	\$ 2,382	\$ 2,709
Net Operating Income	\$ 3,542	\$ 4,347	\$ 4,664	\$ 4,813	\$ 4,967	\$ 5,811
<i>Operating Margin</i>	62%	66%	67%	67%	68%	68%

Source: Hurdén Partners

Lakefront Retail

Set to complete in phase two, the Lakefront Retail will encompass 23,400 square feet of space, ideally complementing the Workforce Housing to foster a supportive community environment. This synergy between the residential and retail segments is designed to enhance the overall viability of the area. Upon reaching stabilization in 2034, the retail segment is expected to achieve a net operating income of \$857,000.



Proforma - Restaurant/Retail Lakefront 23.4 K Retail	2032 Year 1	2033 Year 2	2034 Year 3	2035 Year 4	2036 Year 5	2041 Year 10
Revenue (\$000s)						
(+) Gross Potential Rent	\$ 854	\$ 880	\$ 906	\$ 933	\$ 961	\$ 1,114
Vacancy	12%	5%	5%	5%	5%	5%
(-) Vacancy Loss	\$ 102	\$ 44	\$ 45	\$ 47	\$ 48	\$ 56
Gross Effective Rent	\$ 752	\$ 836	\$ 861	\$ 887	\$ 913	\$ 1,059
(+) Tenant Reimbursements	\$ 162	\$ 180	\$ 185	\$ 191	\$ 197	\$ 228
Gross Operating Income	\$ 913	\$ 1,016	\$ 1,046	\$ 1,078	\$ 1,110	\$ 1,287
Expenses (\$000s)						
(-) CAM	\$ 54	\$ 55	\$ 57	\$ 59	\$ 61	\$ 70
(-) Utilities	\$ 18	\$ 18	\$ 19	\$ 19	\$ 20	\$ 23
(-) Property Tax	\$ 92	\$ 94	\$ 95	\$ 97	\$ 99	\$ 110
(-) Insurance	\$ 21	\$ 21	\$ 22	\$ 23	\$ 23	\$ 27
Total Expenses	\$ 184	\$ 189	\$ 193	\$ 198	\$ 203	\$ 230
Net Operating Income	\$ 730	\$ 827	\$ 853	\$ 879	\$ 907	\$ 1,057
Operating Margin	80%	81%	82%	82%	82%	82%

Source: Hunden Partners

The final phase of the Project includes constructing a 500-key hotel. In its inaugural year, the hotel's average daily rate (ADR) is projected at \$155, with an occupancy rate of 50.8 percent. By the fourth year, post-stabilization, the ADR is expected to rise to \$169.37 with a 65-percent occupancy rate. This steady growth in both ADR and occupancy is anticipated to generate a net operating income of \$25 million, underscoring the hotel's potential as a profitable and sustainable venture.

hunden partners | hunden.com

Source: Hunden Partners

Development Yield

The table to the right provides a detailed breakdown of the three phases' NOIs that GSR is projected to receive from the development of the Project, along with a summary at the bottom of the developed yield on cost. This yield is calculated by dividing the total Project cost by that year's NOI. Over the first 10 years, the average Yield on Cost stands at only 4.0 percent; even with the property tax repayment, it marginally increases to 4.3 percent.

Given that most investors seek a development yield ranging from 10 to 20 percent, these figures underscore the critical importance of the full tax repayment for making the Project financially viable. Without this tax relief, the Project would not generate sufficient returns to attract investment.

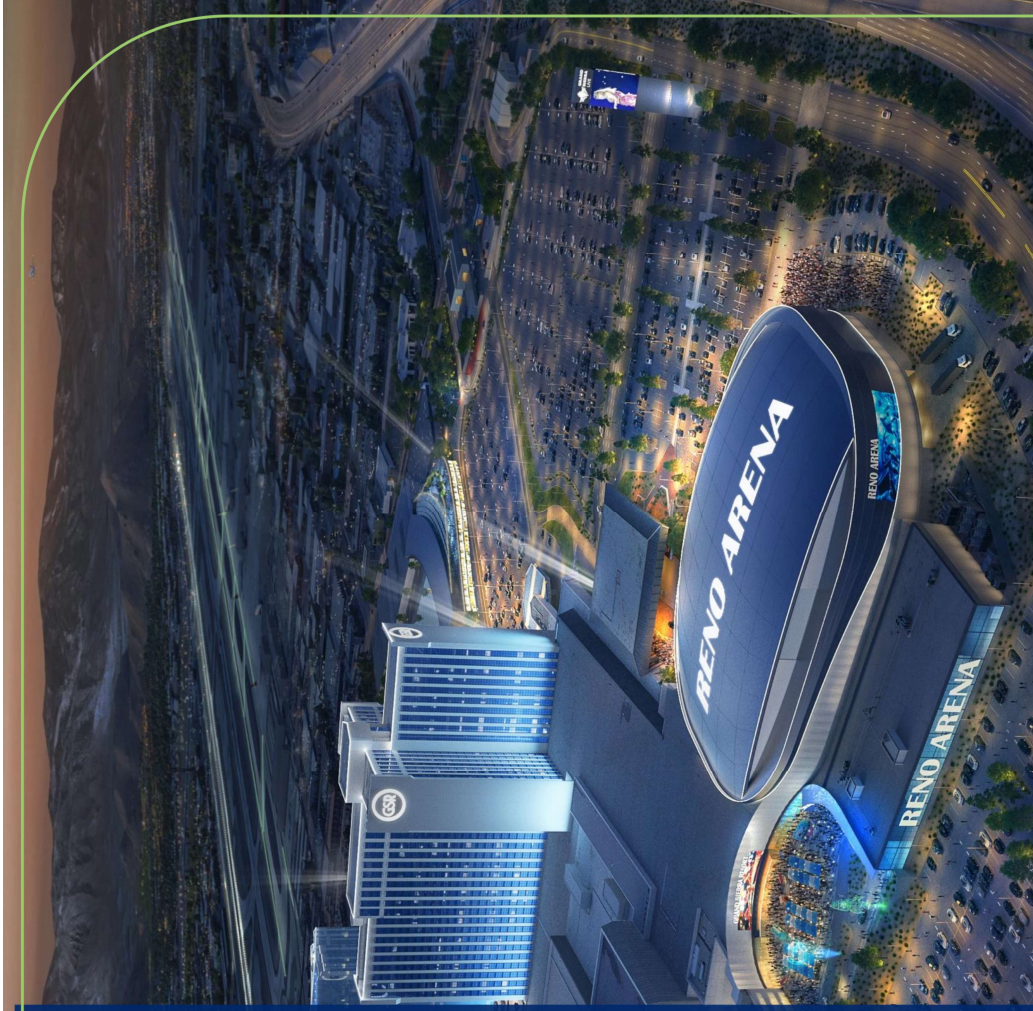
Development Yield (\$000s)	2028	2029	2030	2031	2032	2037	2042	2047	2052	2055
Reno Development	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 28
Phase 1 NOI										
Arena	\$9,759	\$14,016	\$16,791	\$17,675	\$18,125	\$20,593	\$24,231	\$28,421	\$33,247	\$36,488
Fan Zone Retail	\$806	\$830	\$855	\$881	\$907	\$1,052	\$1,219	\$1,413	\$1,638	\$1,790
Aqua Golf	\$2,990	\$3,083	\$3,179	\$3,278	\$3,380	\$3,940	\$4,590	\$5,347	\$6,227	\$6,822
Incremental GSR	\$4,759	\$5,226	\$5,511	\$5,713	\$5,884	\$6,821	\$7,908	\$9,167	\$10,627	\$11,613
Total	\$18,314	\$23,155	\$26,337	\$27,547	\$28,296	\$32,405	\$37,948	\$44,349	\$51,740	\$56,713
Phase 2 NOI										
Lakefront Retail					\$730	\$935	\$1,090	\$1,269	\$1,478	\$1,620
Workforce Housing					\$3,542	\$5,126	\$5,996	\$7,010	\$8,192	\$8,993
Total					\$4,272	\$6,061	\$7,085	\$8,279	\$9,670	\$10,613
Phase 3 NOI										
Hotel						\$20,164	\$27,258	\$31,783	\$37,048	\$40,611
Total						\$20,164	\$27,258	\$31,783	\$37,048	\$40,611
Total NOI	\$18,314	\$23,155	\$26,337	\$27,547	\$32,568	\$56,630	\$72,292	\$84,411	\$98,458	\$107,937
Total Development Cost	\$633,452	\$633,452	\$633,452	\$633,452	\$732,812	\$1,019,086	\$1,019,086	\$1,019,086	\$1,019,086	\$1,019,086
Dev. Yield on Cost	2.9%	3.7%	4.2%	4.3%	4.4%	5.8%	7.1%	8.3%	9.7%	10.6%
Abatement Requested	\$1,703	\$1,703	\$1,703	\$1,703	\$1,958	\$2,732	\$2,732	\$2,732	\$2,732	\$2,732
Adjusted NOI	\$20,017	\$24,858	\$28,039	\$29,249	\$34,526	\$61,362	\$75,024	\$87,143	\$101,190	\$110,668
Adj. Development Yield	3.2%	3.9%	4.4%	4.6%	4.7%	6.0%	7.4%	8.6%	9.9%	10.9%

Source: Hunden Partners

Source: Hunden Partners

Economic, Fiscal & Employment Impact

hunden partners



Impact Overview

Hunden uses the IMPLAN input-output multiplier model, which determines the level of additional activity in the economy due to additional inputs. For example, for every dollar of direct new spending locally, the IMPLAN model provides multipliers for the indirect and induced spending that will result.

The new and recaptured direct spending (both onsite and offsite) is considered to be the **Direct Impact**. From the direct spending figures, further impacts are determined.

Indirect Impacts are the supply of goods and services resulting from the initial direct spending. For example, a visitor's direct expenditure on a hotel room causes the hotel to purchase linens and other items from suppliers. The portion of these hotel purchases that are within the local economy is considered an indirect economic impact.

Induced Impacts embody the change in spending due to the personal expenditures by employees whose incomes are affected by direct and indirect spending. For example, a waitress at a restaurant may have more personal income as a result of the induced customer's visit. The amount of the increased income that the employee spends in the area is considered an induced impact.

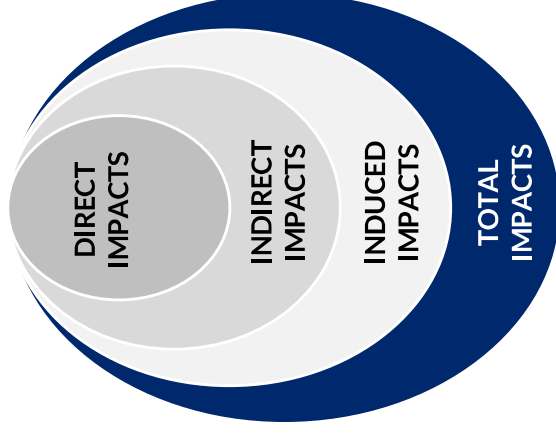
Employment Impacts include the incremental employment provided not only onsite, but offsite due to the spending associated with it. For example, the direct, indirect and induced impacts generate spending, support new and ongoing businesses, and ultimately result in ongoing employment for citizens. Hunden will show the number of ongoing jobs supported by the Stadium and provide the resulting income generated.

Fiscal Impacts represent the incremental tax revenue collected by the City or State due to the net new economic activity. The fiscal impact represents the government's share of total economic benefit.

ON-SITE SPENDING AT
DEVELOPMENT/
PROPOSED NEW ARENA



OFF-SITE VISITOR
SPENDING



Spending Impacts

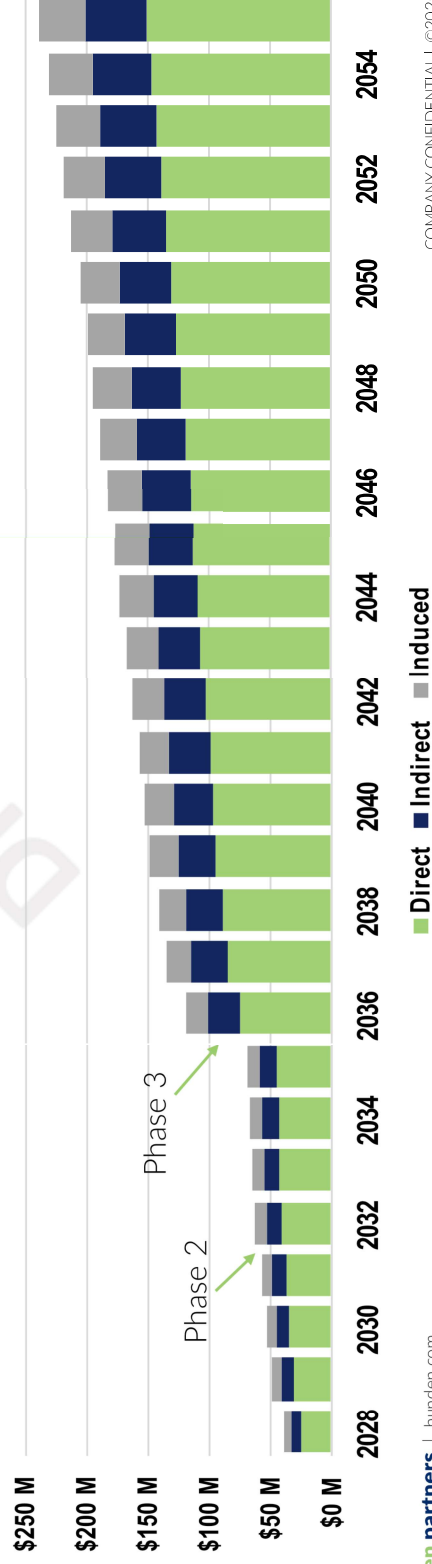
The Arena as well as the other components of the development will attract visitors from outside of the city to experience Reno. These individuals spend money within and around the Arena on food, drinks, retail, and hotels. The graphs illustrate the new spending by visitors to the Project and how this new direct spending generates additional spending within the city.



Direct Spending Total:
\$2.59 Billion

Total Spending:
\$4.09 Billion

Total Spending

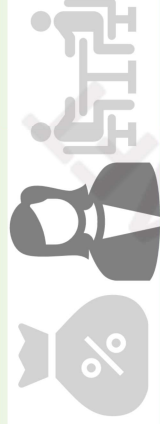


Employment Impacts

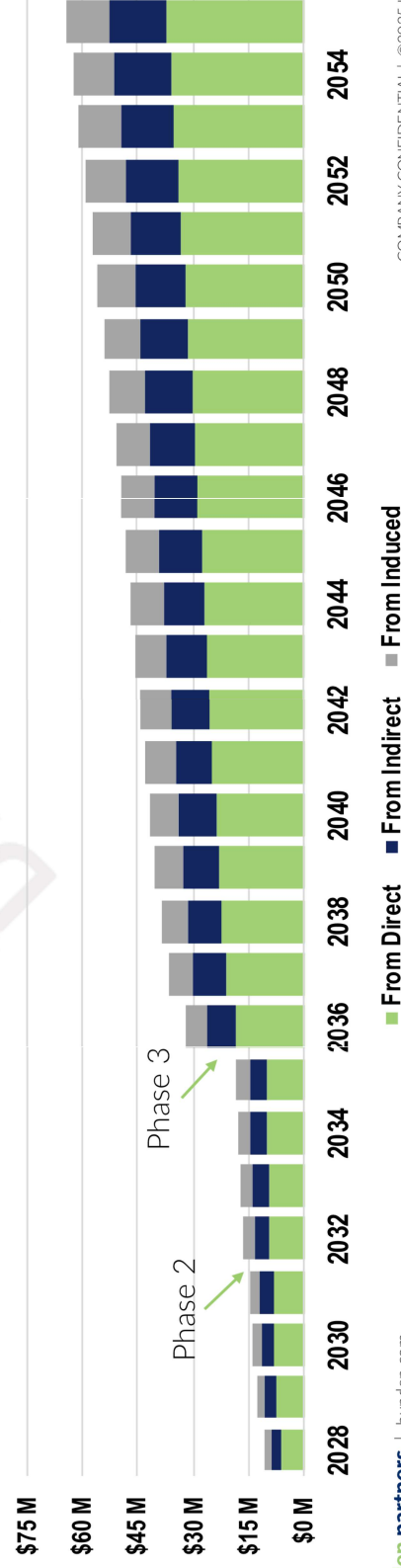
As the spending trickles through the economy, it generates new earnings that in turn supports local jobs. The graphs below summarize Hunden's expectations for how the Project will support earnings to Reno residents through 2055.

Average Annual Jobs Supported:
671 FTE Jobs

Earnings Annual Average:
\$36.9 Million



Resident Earnings
Supported by the GSR Arena Development



Fiscal Impacts

Table 1 illustrates the projected total impact through 2055 that the Project is expected to have on the City of Reno. Over the years, this is expected to generate \$4.1 billion in new spending and generate \$22.7 million in new taxes for Reno.

Table 2 outlines the estimated average annual impact the Project is anticipated to generate. The City is expected to capture an incremental \$700,000 in taxes each year.



Table 1: Total Impact Through 2055	
Spending	\$ (millions)
Direct	\$2,595
Indirect	\$865
Induced	\$639
Total	\$4,099
Earnings	\$ (millions)
Direct	\$637
Indirect	\$266
Induced	\$202
Total	\$1,106
FTE Supported	Peak
Direct	474
Indirect	105
Induced	92
Total	671
Fiscal City Impact	\$ (millions)
City C-Tax	\$17.5
City Room Tax	\$5.2
Total	\$22.7

Table 2: Average Annual Impact	
Spending	\$ (millions)
Direct	\$87
Indirect	\$29
Induced	\$21
Total	\$137
Earnings	\$ (millions)
Direct	\$21
Indirect	\$9
Induced	\$7
Total	\$37
FTE Supported	Average
Direct	371
Indirect	83
Induced	72
Total	526
Fiscal City Impact	\$ (millions)
City C-Tax	\$0.6
City Room Tax	\$0.2
Total	\$0.7

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