

# Financial Gap Analysis and Proposed Deal Terms for Tax Increment Financing – Grand Sierra Resort Expansion and Arena Phase 1

4/21/25



CITY OF  
**RENO**



# GSR TIF Timeline & Process

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## How We Got Here:

- **October 2024**  
Grand Sierra Resort TIF Catalyst Project application received, and RDA Board directed staff to proceed to Market Analysis with Hunden Partners
- **February 2025**  
RAAB recommendation to explore TIF participation and Gap Analysis for Grand Sierra Resort Phase 1
- **March 2025**  
Hunden Partners provided Market Analysis to the RDA Board, which directed staff to proceed with a Gap Analysis and to negotiate a Participation Agreement
- **April 2025**  
Gap analysis completed — confirmed project passes "But For" test without public investment

## Next Steps:

- RAAB recommendation on deal terms
- RDA Board approval of terms – May 7th
- Finalization and execution of Owner Participation Agreement (OPA)

# What This Deal Is (And is Not)

## What This Deal *Is*:

- A performance-based Owner Participation Agreement
- A structured Tax Increment Financing (TIF) reimbursement
- A tool to close a verified \$145.8 million financial gap

## Key Points:

- GSR pays property taxes in full
- Reimbursement only from increment generated by the project
- No City or RDA financial risk
- No reimbursement after 2035, when RDA2 sunsets
- Terms do not carry over if RDA2 is extended

## What This Deal *Is Not*:

- ⓧ Not a loan
- ⓧ Not a bond
- ⓧ Not an advance payment

**RDA reimbursement is limited to property taxes and do not extend to other tax revenue streams.**

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	

# Deal Term Options

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## **Option 1: 100% TIF Reimbursement**

- Full reimbursement of increment to GSR
- Fire Station 21 land deeded to the City
- Lease terminates after OPA execution

## **Option 2: 90/10% TIF – Lease Continues**

- 90% to GSR, 10% retained by RDA 2
- Current lease continues at market rate
- City or RDA retains option to purchase land

## **Option 3: 90/10% TIF – River Investment & Purchase**

- 90% to GSR, 10% to RDA 2
- 10% earmarked for river improvements
- City purchases Fire Station 21 land

# Recommended Motion

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“I move to approve the \_\_\_\_\_ deal terms and authorize the Executive Director of the Redevelopment Agency to execute the final Participation Agreement based on the presented deal terms.”