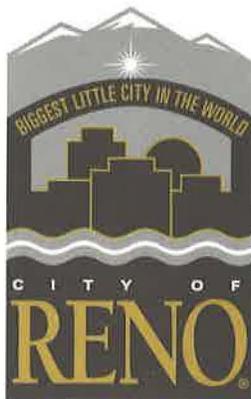


Sabra Newby
City Manager

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newbys@reno.gov
www.reno.gov



*"Creating a community that people
are proud to call home."*

December 22, 2018

DELIVERED VIA EMAIL

Richard Combs, Director
Nevada Legislative Counsel Bureau
401 S. Carson Street
Carson City, Nevada 89701-4747

RE: Annual Report of City of Reno Tourism Improvement Districts (TIDs)

Dear Mr. Combs:

The City of Reno is providing the following information which outlines the status and fiscal impact of Tourism Improvement Districts that have been established within the City limits pursuant to:

NRS 271A.105 Annual report to Legislature by municipality; semiannual report to Legislature by Department of Taxation; exception.

1. On or before September 1 of each year, the governing body of a municipality that creates a district before, on or after July 1, 2011, shall prepare and submit to the Director of the Legislative Counsel Bureau for submission to the Legislature, or to the Legislative Commission when the Legislature is not in regular session, an annual report containing:

- (a) A statement of the status of each project located or expected to be located in the district, and of any changes in that status since the last annual report.
- (b) An assessment of the financial impact of the district on the provision of local governmental services, including, without limitation, services for police protection and fire protection.

(a): A statement of the status of each project located or expected to be located in the district and of any changes in that status since the last annual report.

The City of Reno has three (3) Tourism Improvement Districts:

- 1) Cabela's: Cabela's was created in September 2006 in Reno Redevelopment District No. 2. It is located adjacent to Interstate 80 near the California border, west of Garson Road and Boomtown Hotel Casino. Resolution 231 was adopted by the Reno City Council on June 14, 2017 which authorized the issuance of "Redevelopment Agency of the City of Reno, Nevada, Redevelopment Area No. 2, Tax Increment Refunding Bonds (Taxable) Series 2017", and the execution and delivery of documents relating thereto.

The project is comprised of a 129,000-square-foot, \$51 million destination retail store with a big game museum. Cabela's opened in November 2007 and had an estimated \$324 million one-time impact, including the creation of 234 permanent jobs and 486 temporary construction jobs. Between November 2007 and June 30, 2017, Cabela's generated \$17,973,179 in sales tax proceeds for payment of debt.

- 2) Freight House: The Freight House District was created in September 2009 in Reno Redevelopment District No.2. It is located in the southeast part of the downtown, from the Truckee River to just north of East Fourth Street, east of Virginia Street. The district includes the former RTC CitiCenter transit center; the National Bowling Stadium; the new RTC Fourth Street transit station; vacant properties between Lake Street and Evans Avenue west of the Triple-A baseball stadium; Jones Vargas Center; the Triple-A baseball stadium; vacant property east of the National Automobile Museum on the south side of the Truckee River; and the Reno Police Department station on the north side of the River.

Below is a list of all businesses which were operating within the Freight House District as of June 30, 2017:

- 250 Lounge
- A an Art
- Arroyo Mexican Grill
- Buggy's Sports Bar & Grill
- Courtyard Reno Downtown
- Duffy's Ale House
- Fennemore Craig Jones Vargas
- Fusion Contact Centers
- Hammer Booth
- Levy Restaurants at Aces Ballpark
- Mellow Fello
- MYNT Cannabis Dispensary
- NV89
- Reno 1868 Football Club
- Reno Aces
- RSCVA
- SK Baseball Ballpark Management LLC
- Thunderbird Motel
- Wrightway Market

The Aces Baseball Stadium opened in April 2009. Reno 1868 Football Club, a United League franchise, began operating in April 2017. Between April 2009 and June 30, 2017, the Freight House District generated \$2,319,042 in sales tax proceeds for payment of debt.

- 3) Tessera: The Tessera District was created in September 2009 in Reno Redevelopment District No.2. It is located on the east side of the downtown core, in an area roughly

bounded by Interstate 80 to the North; 5th Street to the South; Record Street to the East; and Virginia Street to the West. The proposed project is intended to reconnect downtown and the University of Nevada campus by reestablishing a direct connection from the north end of Lake Street to Morrill Hall, at the southern edge of the campus. The development is planned to be mixed use, including residential units, parking, health facilities, and retail development that will serve both students and downtown visitors. It will also include office space so that some or all of the region's six (6) industry clusters (e.g. software and related service providers, clean energy firm headquarters, transportation and logistics-related businesses) can locate proximal to the University in order to facilitate commercialization of new products and training of future graduates.

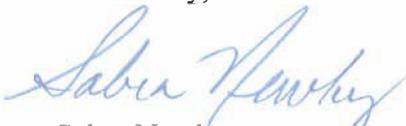
The project is not yet active. The Reno City Council approved Amendment No. 2 to Reimbursement Agreement (Tessera District) on May 10, 2017. The Amendment revises the assignment and leasing arrangement contemplated in Amendment No. 1 to permit Apple, Inc. to purchase approximately half a city block of land (APN 007-303-01) from the Developer in the District to construct a 30,000 square foot purchasing and receiving facility.

(b) An assessment of the financial impact of the district on the provision of local governmental services, including, without limitation, services for police protection and fire protection.

There has been no adjustment to the level of City services, including, without limitation, services for police and fire protection pursuant to any of the three (3) established TIDs. While there may have been increased sporadic service responses which resulted from the two (2) active TIDs, the City is responsible to make available the necessary municipal services that are provided to all areas within the City's boundaries. The City is unable to attribute any financial impacts related to the provision of local governmental services to Cabela's, the Freight House District, or Tessera TIDs.

I would like to apologize for the delinquency of this report and assure you that internal procedures have been updated to ensure this will not be the case for future reports. Should you have any questions regarding this annual report, please contact Mr. Bill Thomas, Assistant City Manager, at (775) 334-2435. Mr. Thomas may also be reached via email at thomasb@reno.gov.

Yours truly,



Sabra Newby
Reno City Manager

cc: Mayor and City Council