

# Tahoe South Events Center By the Numbers

June 19, 2019





# Stateline: Then



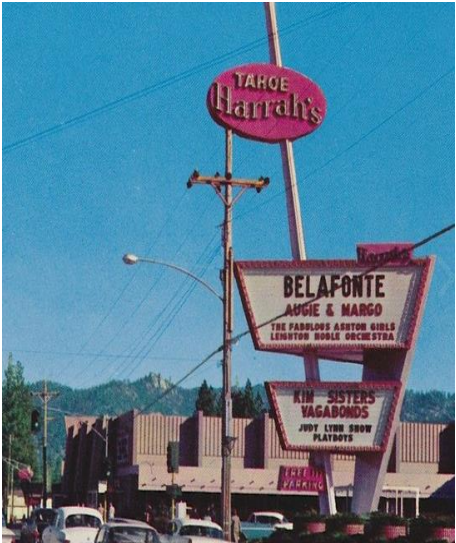
## Nevada Gamblers Set New Winning Records

Gambling Tax Collections for 1955 Will Double Those of Last Year

By ROBERT BENNYHOFF  
United Press Staff Correspondent

CARSON CITY, Nov. 25. (UP)—Nevada's legalized gambling industry is already assured of setting a new all-time record this year in terms of gross winnings.

The state gaming control board reported today that gross winnings of 34 major casinos in the Las Vegas, Reno and Lake Tahoe areas alone for the first nine months of 1955 were about \$11,000,000 higher than for the same period of 1954.



# Stateline: Now

## Tahoe economic study finds uneven recovery; workers suffer

Associated Press Published 2:41 p.m. PT Jan. 17, 2016 | Updated 2:41 p.m. PT Jan. 17, 2016





# What This Means for Douglas County

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## IS TAHOE DYING?

Sep 18, 2014

By: [Sam Morse](#)

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South Lake's Busted Economy. Photo Credit: Laketahoenews.net

In the casino core since the year 2000:

- ▶ Gross gaming revenues in Douglas County have declined by **\$150 million**
- ▶ Approximately **7,000** Douglas County jobs have been lost
- ▶ Assessed value has declined by **40%**, resulting in a loss of more than **\$1.2 million** in annual tax revenue for Douglas County

# Summary of the adverse impacts of tribal gaming and recession on the Resorts

- ▶ Gaming revenues have **declined by \$120 million** since 2001.
- ▶ South Lake Tahoe's market share of combined California/Northern Nevada gaming revenue has **declined by 82%** since 2001.
- ▶ Room revenues have **declined by 15 percent** since 2001.
- ▶ Property tax revenues have **declined by 38%** since FY 2000.
- ▶ Casino employment has **declined by 54%** since 2003.
- ▶ Douglas County sales tax revenue has not regained pre-recession levels

# Douglas County Redevelopment Area 2 (“RDA2”)



- Created by Douglas County in 2016 in response to serious economic decline at Stateline
- Multi-use events center identified as catalyst to reverse decline
- Includes road improvements, flood control, and community facilities



“Collectively, the conditions currently present in Stateline are textbook examples of blight. These conditions demonstrate why the Nevada State Legislature created the Community Redevelopment statutes”



# Tahoe South Events Center

Year-round conventions, trade shows, special events, and performing arts

- 6,000-person maximum capacity
- Reinvents the resort core
- Promotes year-round economic vitality
- Creates year round jobs
- Provides additional tax revenue to Douglas County
- Improves environmental quality
- Transportation and transit improvements





# Existing Condition



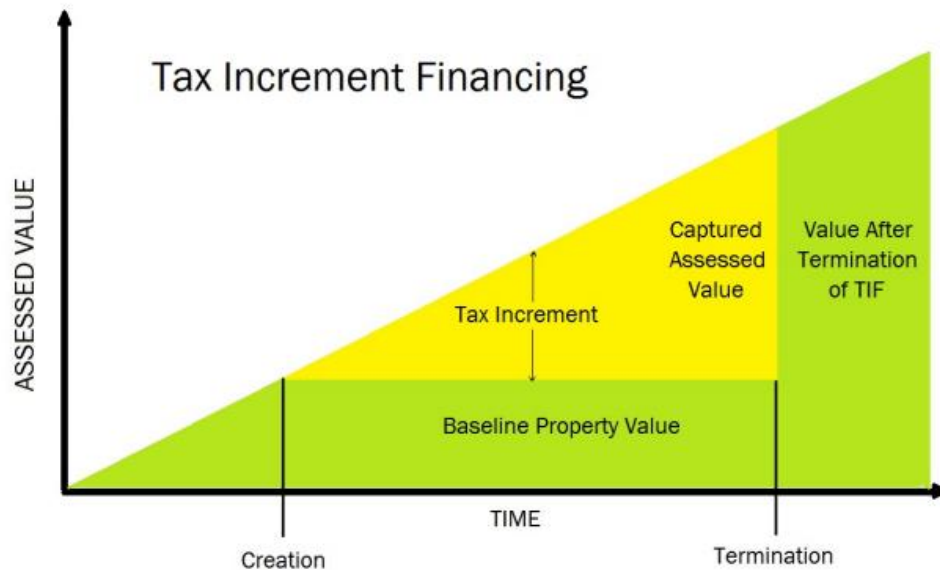
# Proposed Condition







# Financing



**Estimated cost: \$80 million**

- **1/4 tax increment financing (RDA2)**
- **1/4 lodging license fee**
- **1/2 room night surcharge**

**TDVA will issue municipal bonds at no risk to Douglas County**



# Economic Impact



- Approximately 130 events per year, primarily in spring/fall
- Forecasted increase in retail spending of \$60m per year
- 550 part-time jobs in Douglas County
- More than 800 construction related jobs

**Myth:** Taxpayers are on the  
hook for the Events Center



# **FACT: TDVA is responsible for the Events Center, not the taxpayers or Douglas County**

## **About the Tahoe Douglas Visitors Authority (“TDVA”)**

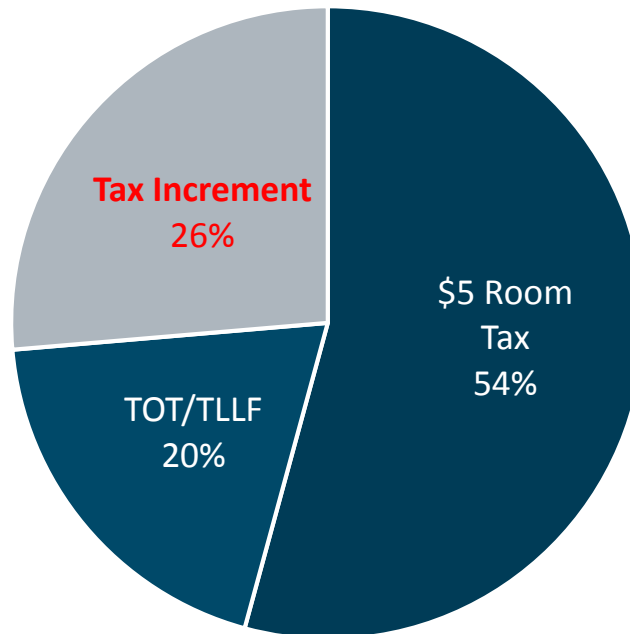
- Created by Nevada law in 1997 to promote tourism and to design, plan, and operate events center.
- Member of Douglas County Board of Commissioners serves on TDVA board.

## **TDVA’s Obligations**

- Responsible for issuing bonds for the Events Center and payment of associated debt service

# **FACT:** Most of the funding for the Events Center will come from visitors

Revenue Sources as a Percentage of Project Funding

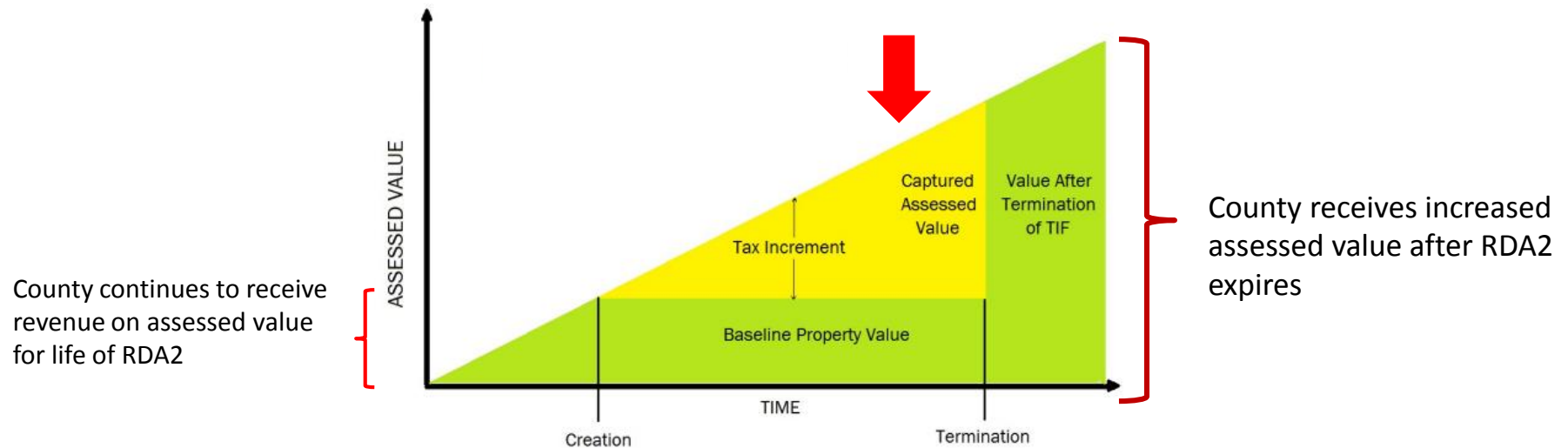


Tax Increment is new revenue resulting from private investment (Edgewood and Tahoe Beach Club) that belongs to the County when RDA2 expires



**Myth:** RDA2 diverts all  
property tax revenue that  
would have otherwise  
gone to the county

# **FACT:** The County will still receive substantial property tax revenue from properties in RDA2





**Myth:** \$2 million dollars  
that would have gone  
to the County this year  
are going to RDA2

# FACT

**FY19-20 Projected Secure Property Taxes RDA 2**

		Taxing Areas			
		115	225	235	Total
7	School Operating	18.71	127,631.38	140,685.41	268,335.50
9	Tahoe Douglas Fire	14.67	85,299.21	110,316.12	195,630.00
17	School Debt	-	-	-	-
19	T-D Fire Safe	-	-	-	-
46	Oliver Park GID			152,840.65	152,840.65
53	WNRVC	0.20	1,160.35	1,500.64	2,661.19
54	Tahoe Douglas Sanitation	0.87	-		0.87
79	St Medical Assistance	1.49	8,702.52	11,254.82	19,958.83
80	Risk Management	0.19	1,087.80	1,406.87	2,494.86
81	Preventative Road Maintenance	1.37	8,165.87	10,560.81	18,728.05
85	E911	1.19	6,889.49	8,910.08	15,800.76
86	Capital Improvement	1.24	7,252.11	9,379.02	16,632.37
91	State of Nevada	3.86	22,408.99	28,981.20	51,394.05
92	Social Services	0.83	4,887.91	6,321.46	11,210.20
94	CSYC	0.09	565.68	731.57	1,297.34
95	ST MV Accident	0.38	2,175.65	2,813.72	4,989.75
98	County Operating	21.79	127,071.31	164,339.31	291,432.41
99	Ag Extension	0.25	1,450.43	1,875.79	3,326.47
		67.13	404,748.70	651,917.47	1,056,733.30

Source: Douglas County RDA#2 Public Information Website

**Douglas County Operating share of tax increment: \$291,432.41**



**Myth:** The private sector is  
not contributing to the  
Events Center or to efforts  
to revitalize Stateline

**FACT:** The casinos have invested over \$100 million at Stateline over the past four years





**FACT:** Approximately \$10 million  
in private contribution  
will be made to the Events Center



**Myth:** RDA2 will only  
benefit Tahoe

# **FACT: When Tahoe prospers, Douglas County prospers**

- Room Night fees: In FY 2017/18, **\$2,757,862** in lodging license fees and TOT were generated in Tahoe for use in the County (not limited to Tahoe).
- Sales Tax Revenue: projected increase in spending of approximately **\$60M per year** will benefit the County's general fund.
- Job Creation: **550** new year round jobs and **800** new construction related jobs in Douglas County



**Myth:** RDA2 will hurt  
police, fire, and schools in  
Douglas County

# FACT



## South Lake Tahoe Approves Money to Add New Police Officers

South Lake Tahoe City Council approved more than \$1 million Tuesday night to buy a new ladder truck and add two new police officers.

Wednesday, May 22nd 2019, 2:23 PM PDT

**Myth:** RDA2 is not blighted



# **FACT:** Blight includes social, economic, and physical conditions

- Gaming revenues have declined by \$120 million since 2001.
- Room revenues have declined by 15 percent since 2001.
- Property tax revenues have declined by 38% since FY 2000.
- Casino employment has declined by 54% since 2003

**“It is clearly evident that the blight which exists in Douglas County Redevelopment Area #2 constitutes a serious menace to the health, safety, and welfare of the Lake Tahoe area.”**

- Douglas County Redevelopment Area #2 Blight Study

**Myth:** Redevelopment  
doesn't work

# **FACT:** Redevelopment has been successful in both Tahoe and in Douglas County



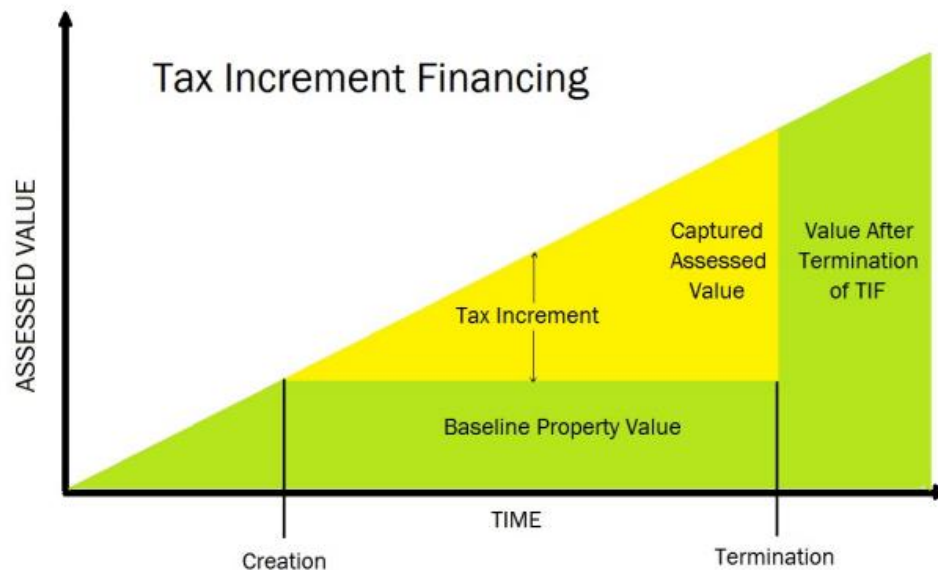
“RDA 1 has completed the initial goals and has been a financial benefit to Douglas County and the surrounding area”

- 2017/18 Grand Jury Final Report



**Myth:** RDA2 will raise  
Douglas County taxes

# **Fact:** Redevelopment doesn't increase taxes, it freezes them



# **Fact:** The cost of doing nothing is substantial

Total Resort Revenue	Cumulative 12-year
Without EC	\$4,540,357,769
With EC conservative	\$6,087,984,303

Potential lost revenue: approximately **\$1.5 billion** over 12 years

Room Tax (T.O.T.)	Cumulative 12-year
Without EC	\$89,055,335
With EC conservative	\$112,955,050

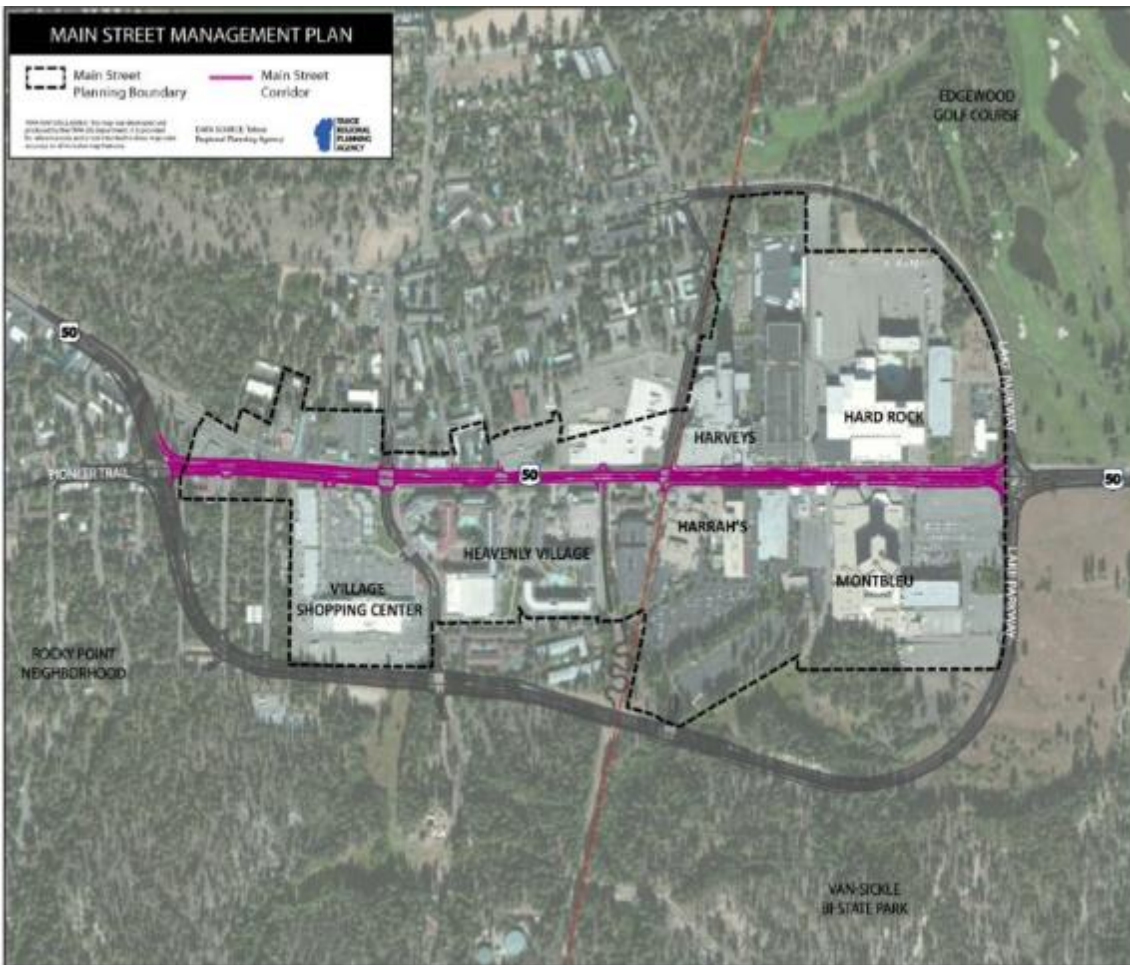
Potential lost room tax: at least **\$23 million** over 12 years

Source: SMG Consulting

**Without RDA2, the County may have no choice but to raise taxes**



# U.S. Hwy 50 Community Revitalization Project



- **Approved by TRPA in 2018 after more than 7 years of planning and 200 community meetings**
- **Main Street Management Plan Working Group currently finalizing design and policy recommendations**







## MAINSTREET TAHOE

HARD ROCK HOTEL & CASINO >

HARVEYS LAKE TAHOE ^

HEAVENLY VILLAGE ^

MONTBLEU RESORT <





US 50 Casino Core - Proposed







# Community and Economic Benefits



## Community Benefits

- Air, scenic, and water quality improvements
- Transportation improvements
- Pedestrian and bike infrastructure improvements
- Local workforce housing (109 units)

## Economic Benefits

- Forecast increase in retail spending of \$25-78 million
- Approximately 250 new jobs

# Transportation Benefits



- Diverts through traffic around casino core
- Reduces congestion
- Reduces vehicle miles traveled (“VMT”)
- Reduces greenhouse gas emissions
- Transit improvements (transit circulator)
- Bicycle and pedestrian walkways and safety improvements



# Combined Benefits



- **\$85 – 133 million increased retail spending**
- **Significant increases in sales tax, TOT, and room night fees to the County**
- **109 workforce housing units**
- **More than 1000 new jobs created**
- **Transportation and transit improvements**
- **Reinvention of the casino core and year-round economic stability**





Questions