

Recorder's Office Cover Sheet

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Department: District Attorney Office

DOUGLAS COUNTY, NV
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KAREN ELLISON, RECORDER

Type of Document: (please select one)

- Agreement**
- Contract**
- Grant**
- Change Order**
- Easement**
- Other**

specify: _____

FILED

NO. 2020.065

4/24/2020
DATE

DOUGLAS COUNTY CLERK
MINDEN, NV

TAX INCREMENT PLEDGE AGREEMENT FOR EVENT CENTER BY MP DEPUTY

This TAX INCREMENT PLEDGE AGREEMENT FOR EVENT CENTER (this "Agreement") is dated as of the Effective Date as defined in Paragraph 1.2 below, by and between the DOUGLAS COUNTY REDEVELOPMENT AGENCY, a redevelopment agency formed pursuant to the Community Redevelopment Law, Nevada Revised Statutes ("NRS") Chapter 279 (the "Agency") and the TAHOE-DOUGLAS VISITORS AUTHORITY (the "Authority"), a governmental agency established by the Tahoe-Douglas Visitor's Authority Act, Chapter 496, Statutes of Nevada 1997, as amended (the "Act"). The Agency and the Authority are from time to time hereinafter referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. Redevelopment Area No. 2. Redevelopment Area No. 2, located generally in the Stateline, Nevada area, was formed within Douglas County pursuant to Douglas County Ordinance 2016-1456 and in accordance with NRS Chapter 279 (the "Redevelopment Area"). The Redevelopment Plan for the Redevelopment Area authorizes the Agency to collect tax increment revenue in accordance with NRS 279.676 to fund redevelopment activities that benefit the Redevelopment Area (the "Tax Increment Revenue").

B. Multiuse Event Center. Pursuant to the Act, the Authority is authorized to develop, construct, and operate a multiuse event center (the "Event Center") to be located within the Redevelopment Area. The Event Center is an authorized project under the Redevelopment Plan for the Redevelopment Area. The Authority is engaged in efforts to arrange financing for, and to enter into contracts to accomplish, the construction and development of the Event Center within the parameters set forth in Exhibit "A" hereto (the "Event Center Parameters").

C. Financing Sources. The Authority intends to finance the construction and development of the Event Center using a variety of funding sources, including tax increment revenue generated in the Redevelopment Area (as provided in Section 2 hereof), certain existing transient occupancy taxes and lodging and licensing fees available to the Authority, and the \$5 per room night occupancy tax surcharge authorized pursuant to the Act.

D. Benefits to Redevelopment Area. Pursuant to NRS Chapter 279, tax increment revenue generated in the Redevelopment Area must be spent on buildings, facilities, structures or other improvements which benefit the Redevelopment Area. The Douglas County Board of County Commissioners (the "County Board") has consented to the execution and delivery of this Agreement by the Agency and has determined that the Event Center project meets the requirements of NRS 279.486.

NOW, THEREFORE, in consideration of the above promises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purpose and Effective Date.

1.1 Findings, Purpose and Intent. The Parties hereby find and determine that the recitals set forth above are true and correct. The purpose and intent of this Agreement is to provide for

the obligations of each Party with respect to the pledge of the Tax Increment Revenue by the Agency for the Authority's development, financing, and construction of the Event Center.

1.2 Effective Date. This Agreement will be effective concurrent with the later to occur of: (i) the approval of this Agreement by the Authority; (ii) the approval of this Agreement by the Agency; or (iii) the approval of the Event Center by the Tahoe Regional Planning Agency. The date so determined is hereinafter called the "Effective Date."

1.3 Effectiveness. This Agreement shall remain in effect until the earliest of the following: (i) until the expiration of the Redevelopment Plan for the Redevelopment Area (i.e., March 2, 2046); or (ii) the bonds or other forms of indebtedness issued by or on behalf of the Authority to finance or refinance the Event Center have been paid or defeased in full. Notwithstanding any term contained herein to the contrary, this Agreement shall terminate on any date on which the Agency has remitted to the Authority or its designee the total aggregate amount of tax increment revenues provided in Section 2.2 hereof.

2. Remittance of Tax Increment Revenues.

2.1 Remittance of Tax Increment Collections on Hand. Within 15 business days from the Effective Date, the Agency shall remit to the Authority or a trustee or fiscal agent designated by the Authority all Tax Increment Revenues generated in the Redevelopment Area and collected by the Agency up to the Effective Date (the "Existing Tax Increment Revenues"). The Authority shall deposit the Existing Tax Increment Revenues into a restricted fund for the Event Center to fund a portion of the costs of the Event Center or repay bonds or other obligations issued to finance the Event Center.

2.2 Pledge of Tax Increment. The Agency hereby pledges to the Authority all tax increment revenues received by the Agency during any fiscal year (i.e., July 1 to June 30) in the maximum annual amount of \$1,300,000 (excluding the Existing Tax Increment Revenues remitted in the current fiscal year) and a total aggregate amount (inclusive of Existing Tax Increment Revenues) of \$34,250,000 over the life of the Agreement (collectively, the "Pledged Increment"). Notwithstanding the foregoing, if actual Tax Increment Revenues received by the Agency in any fiscal year are less than the maximum annual amount provided in the preceding sentence, the Agency shall only be obligated to remit the actual annual amount received by the Agency, with no further obligation in that fiscal year.

2.3 Remittance of Tax Increment. The Agency shall remit to the Authority or a trustee or fiscal agent designated from time to time by the Authority the Pledged Increment within 15 business days of receipt of each quarterly deposit of tax increment revenue from the Redevelopment Area. The Authority shall deposit the Pledged Increment upon receipt into a restricted fund for the Event Center to fund a portion of the costs of the Event Center or repay bonds or other obligations issued to finance the Event Center.

2.4 Termination of Remittance of Pledged Increment. Nothing herein shall prevent the Agency from remitting more than the maximum annual amount referenced in Section 2.2 in any fiscal year at the Agency's sole discretion. If at any time the total amount of the Existing Tax Increment Revenues and Pledged Increment shall equal the total aggregate amount referenced in Section 2.2, the Agency shall have no further obligation to remit Pledged Increment to the Authority or maintain the existence of the Redevelopment Area.

3. Development, Financing, and Construction of Event Center. The Authority shall be solely responsible for the implementation of financing for the Event Center, including, but not limited to, the issuance of bonds or other obligations. The Authority shall be solely responsible for the development and construction of the Event Center including, but not limited to, the letting of contracts for design and construction of the Event Center.

4. Event Center Operations. The Authority, and not the Agency, shall at all times be responsible for the ongoing operation and maintenance of the Event Center, and all related costs.

5. Agency's Limited Obligations. The Agency's obligations under this Agreement shall be limited to remittance of the Existing Tax Increment Revenue and the Pledged Increment as provided herein. Neither the Agency nor Douglas County, Nevada, shall have any liability for the repayment of any bonds or other forms of indebtedness issued by or on behalf of the Authority to finance or refinance the Event Center. All liability for the repayment of any bonds or other forms of indebtedness issued by or on behalf of the Authority to finance or refinance the Event Center is the sole liability of the Authority.

6. No Impairment of Securities. Pursuant to NRS 279.683, the faith of the State of Nevada has been pledged that NRS Chapter 279, any law supplemental or otherwise pertaining thereto, and any other act concerning the bonds or other securities to be issued by the Authority, the Existing Tax Increment Revenues, or the Pledged Increment will not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding bonds or securities issued by the Authority until all such bonds or securities have been discharged in full or provision for their payment and redemption has been made fully.

7. Failure to Diligently Pursue Construction or Substantially Complete Construction. If the Authority fails to diligently pursue construction on the Event Center within three (3) years from the Effective Date of this Agreement or fails to substantially complete construction on the Event Center within seven (7) years from the Effective Date of this Agreement, the Authority agrees to suspend the expenditure of the Pledged Increment and proceeds from any financing secured by the Pledged Increment on any further costs of the Event Center; provided, however, that the Authority shall be entitled to pay expenses incurred in connection with the Event Center prior to such suspension. At such time, the Authority shall use the existing Pledged Increment and remaining proceeds from any financing secured by the Pledged Increment to prepay and defease any such financing at the earliest possible date. Upon the defeasance of such bonds, the Agency shall have no further obligation to remit any further Pledged Increment to Authority.

8. General Provisions.

8.1 Parties' Designated Representatives. Immediately following the Effective Date and from time to time during the term of this Agreement, each Party will designate and re-designate (by delivery of a written notice to the other Party) an individual to be the single point-of-contact with respect to such Party's obligations under this Agreement.

8.2 Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder will be in writing and will be deemed to have been delivered upon (i) personal delivery to the Authority or to Agency, or (ii) as of the second business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Authority, to: Chief Executive Officer
Tahoe-Douglas Visitors Authority
169 Highway 50
Stateline, Nevada 89449

with a copy to: Lewis Feldman
Feldman Thiel LLP
178 U.S. Highway 50, Suite B
P.O. Box 1309
Zephyr Cove, NV 89448

If to Agency, to: Douglas County Redevelopment Agency
P.O. Box 218
Minden, Nevada 89423

with a copy to: Douglas County District Attorney
P.O. Box 218
Minden, Nevada 89423

or to such other address or to such other person as any Party will designate to the others for such purpose in the manner hereinabove set forth.

8.3 Prompt Performance. Time is of the essence with respect to the performance of each obligation, covenant and condition set forth in this Agreement.

8.4 Captions. Captions in this Agreement are inserted for convenience of reference only and will not affect the construction or interpretation of this Agreement.

8.5 Entire Agreement. This Agreement contains the entire agreement between the Parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into and superseded by this Agreement.

8.6 Modification. No modification, amendment, change, waiver, or discharge of this Agreement will be valid unless it is in writing and signed by the Party against which the enforcement of the modification, waiver, amendment, change, or discharge is or may be sought.

8.7 Successors. All terms of this Agreement will be binding upon, inure to the benefit of and be enforceable by, the Parties hereto and their respective administrators or executors, successors and assigns.

8.8 Invalidity. If any material covenant, condition or provision of this Agreement is held to be invalid, void or unenforceable by a final order or judgment of a court of competent jurisdiction, this Agreement will become rescinded unless the Party benefited by such covenant, condition or provision delivers to the other Parties within ten (10) days after the judgment becomes final, a written waiver of the covenant, condition or provision, in which case the remainder of this Agreement will remain in full force and effect.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and of which together will constitute one instrument.

8.10 Further Assurances. The Parties hereto agree to cooperate with each other and execute any documents reasonably necessary to carry out the intent and purpose of this Agreement.

8.11 Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity other than the Parties any rights or remedies under or by reason of this Agreement.


8.12 Applicable Law. This Agreement will be construed and enforced in accordance with the laws of the State of Nevada.

8.13 Signature Authorization. Each signatory and Party hereto hereby warrants and represents to the other Parties that it has legal authority and capacity and direction from its principal to enter into this Agreement, and that all resolutions or other actions have been taken so as to enable it to enter into this Agreement.

(Signatures on next page)

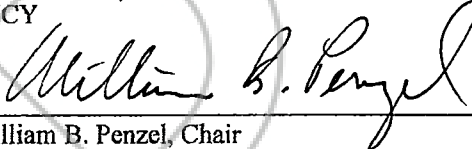
IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the dates set forth below and is effective on the Effective Date.

TAHOE-DOUGLAS VISITORS AUTHORITY

By: 
Carol Chaplin, Chief Executive Officer

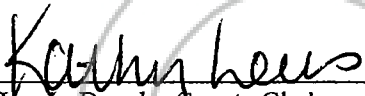
Dated: 4/17/20

DOUGLAS COUNTY REDEVELOPMENT AGENCY

By: 
William B. Penzel, Chair

Dated: 4/22/20

ATTEST:


Kathy Lewis, Douglas County Clerk

APPROVED AS TO FORM:

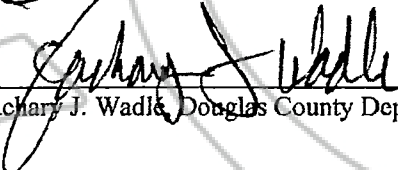

Zachary J. Wadle, Douglas County Deputy District Attorney

EXHIBIT "A"

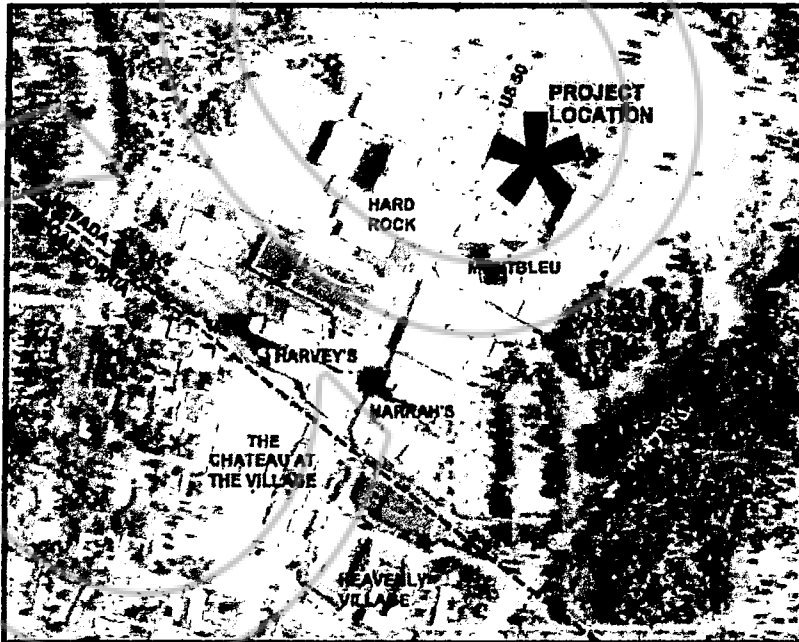
PROJECT SUMMARY

The Tahoe Douglas Visitor's Authority (TDVA) Events Center will be a publicly owned assembly event and entertainment venue located in Stateline, Douglas County, Nevada. The project area would consist of portions of two parcels currently owned by Edgewood Companies, one is the site of the MontBleu Resort Casino and Spa and the other is an adjacent undeveloped parcel located immediately east of the existing surface parking area. Although both parcels have been used to define the project area, the proposed improvements associated with the Events Center will be situated within a 13.3-acre boundary that fits almost entirely within the existing MontBleu surface parking lots. The Edgewood Companies will perfect a boundary line adjustment to enable the Edgewood Companies to donate a separate parcel to TDVA upon which the Events Center will be constructed.

The Events Center will consist of an entirely new approximately 88,420 square foot building positioned at the corner of U.S. Highway 50 and Lake Parkway within the High-Density Tourist District (TRPA Regional Plan, 2012 and South Shore Area Plan, 2013). Related project improvements include an adjacent outdoor gathering space, reconfigured surface parking lots and internal circulation, multimodal and pedestrian circulation enhancements along U.S. Highway 50, undergrounding of adjacent utilities, and improved stormwater treatment facilities designed to capture and treat runoff associated with the proposed improvements.

The South Shore of Lake Tahoe currently lacks a year-round venue necessary to attract conventions, trade shows, special events and entertainment. The desired condition is a high-quality public assembly and entertainment venue for residents and visitors to the south shore of Lake Tahoe. There is also a desire to reinvent the built environment, animating the street with retail, dining, entertainment and events, providing aesthetic and environmental enhancements and improving the area's market position and visitor experience.

Figure 1: Events Center – Location



Facility Design

The proposed Events Center building consists of two levels: an event floor level and a suites and offices level. The building footprint is approximately 88,420 square feet and the total floor area is approximately 138,550 square feet. The facility's design offers the flexibility of hosting a wide variety of events including conventions and conferences, sports, trade shows, performing arts and musical concerts. Maximum seating capacity is approximately 6,000, which includes floor seating for a concert or performing arts event. During trade shows, ice skating shows, and sporting events, such as hockey, basketball and volleyball, up to 4,200 seats will be available. In addition, the Events Center will be designed as a shelter-in-place for use as an emergency shelter should a fire or other natural disaster occur in the project area.

The Events Center exterior design is in response to the prominent location the facility has along U.S. Highway 50 and its position as the gateway to the casino core. Through a combination of building materials, colors, façade articulation and setback from the roadway, the Events Center will incorporate architectural design strategies and site planning principles to upgrade the character and quality of the nearby built environment. The building height has been minimized to the extent possible to comply with the maximum heights defined in the South Shore Area Plan (Tahoe Area Plan, 20.703.080 South Shore Area Plan Development Standards) and to aid the transition from the Resort Recreation District to the casino towers in the High-Density Tourist District.

Douglas County State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this 24th day of April, 2020

By [Signature] Deputy