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Reply to: Reno
Our File No.: 30248-1

April 19, 2019

Via Hand Delivery

City of Reno
City Clerk Office
P.O. Box 1900
1 E. First Street, Third Floor
Reno, Nevada 89505

Re: CitiCenter Plaza Request for Interest

To Whom It May Concern:

On behalf of our client, Eldorado Resorts, we are pleased to submit this response to the City's February 20, 2019 CitiCenter Plaza Request for Interest. Enclosed please find three (3) hard copies and one (1) PDF electronic copy on a USB thumb drive of the Eldorado's proposal. Michael Pagni, outside legal counsel for Eldorado Resorts, is authorized to represent the Eldorado in any negotiations. It is anticipated one or more Eldorado Resorts executive management will participate in negotiations as well.

A. Eldorado Resorts: Background and Experience

For nearly 50 years, Eldorado has championed and enhanced Downtown Reno. Eldorado owns and operates the Eldorado, Silver Legacy and Circus Circus resorts. The development, growth and decades of successful operation of The Row properties provide specific examples of prior development successes for purposes of the RFI response.

In addition, Eldorado has a long history of public/private partnerships in downtown Reno. Eldorado currently operates the Downtown Reno Ballroom facility, located immediately adjacent to the CitiCenter Plaza, under a partnership with the City of Reno. Eldorado is uniquely motivated to ensure the CitiCenter Plaza is developed in a manner that integrates and enhances operations of the Ballroom facility, the profits from which are shared by the City of Reno. Eldorado invests significant funds underwriting and programming events at the National Bowling Stadium and Reno Events Center as well, and as such are heavily invested in the activation of this site. Eldorado was also instrumental in the creation of the Downtown Reno business improvement district and is proud to be the largest financial supporter of the BID at over \$500,000 per year.

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Eldorado is a Reno-based company, and one of its largest employers with over 4,500 employees and its corporate headquarters located in the Downtown core. Eldorado is dedicated to enhancing Downtown Reno and has recently invested over \$100 Million dollars in capital improvements to The Row properties, including The Spa at Silver Legacy, room refurbishments at Eldorado and Circus Circus, new flagship restaurants, and the Topgolf Swing Suite facility. Eldorado is proud to call Reno home, and is excited about the opportunity presented by the CitiCenter Plaza to take the next step in improving Downtown.

Eldorado is a publicly traded company with over \$2.1 Billion in revenues in 2018. Eldorado would fund the project through operating capital. Eldorado anticipates going immediately to design with the goal of completing the project by the arrival of the bowlers in the second quarter of 2020, depending on timing of permit reviews and approvals.

B. Project Concept

Eldorado proposes a cash purchase of the CitiCenter Plaza under two possible structures discussed below: 1) a straight cash purchase at appraised value; or 2) a combination of cash and land. Eldorado is open to either structure and will defer to the City on its preferred alternative. Specific terms would be set forth in a definitive agreement negotiated between the parties.

Under either alternative, Eldorado requests that the CitiCenter Plaza include i) the bus lane formerly utilized by the RTC (approximately 7,680 square feet) described on page 2 of the RFI¹; and ii) the abandonment of the alleys on the west side of the CitiCenter parcel running north to south from E. Plaza Street to W. 4th Street and running east to west from the CitiCenter Parcel to N. Virginia Street. As conditions of such abandonments, appropriate reciprocal easements would be granted for access and utilities to the adjacent properties.

1. Option #1: Cash Purchase

Under this structure, Eldorado would purchase the CitiCenter property in an all-cash purchase with no contingencies (other than issuance by escrow holder of a title policy at closing). Closing would occur within thirty (30) days after execution of a purchase agreement, or such other time agreed by the parties. The purchase would be at appraised value.

¹ We understand RTC is exploring a possible designated bike lane on Center Street. Eldorado would commit to work with the City and RTC on integrating the bike lane into the former bus lane area if needed.

2. Option #2: Cash Purchase and Exchange

Eldorado is uniquely situated to offer an alternate transaction under which the Eldorado would exchange other downtown properties and enhance the value of City owned property adjacent to the University on North Virginia Street.

Eldorado owns approximately two-thirds of the block located at 700 North Virginia Street situated closest to the University and freeway access (APN 007-214-25 and 007-214-27) ("N. Virginia Block Property"). A depiction of the N. Virginia Block is shown in Exhibit B. The N. Virginia Block Property is currently vacant and consists of approximately 10,450 s.f. The City owns the remaining third of that block (APN 007-214-26), which is also vacant.

The Redevelopment Agency owns a small parcel located at 322 West Street (APN 007-292-14) ("West Street Lot"). A depiction of the West Street Lot is shown in Exhibit C. The West Street Lot is approximately 3,743 s.f., of vacant land located adjacent to an Eldorado parking lot.

To provide enhanced value and development opportunities to the City, under this alternative Eldorado would transfer the N. Virginia Block Property and pay cash to the City in exchange for the City conveying the CitiCenter Parcel and West Street Lot to Eldorado. The parties could utilize the appraised values of the CitiCenter Parcel, West Street Lot and N. Virginia Block Property to calculate the cash balance due to the City, or the Eldorado is open to discussing other methods of determining fair compensation for the properties being exchanged. The City would be left with cash and control the entire 700 block on North Virginia, enhancing the value of the City's current land and providing more flexibility and options for any future uses of that property.

C. Project Detail

Eldorado proposes a complete redevelopment of the site designed to activate this property and integrate adjacent under-utilized adjacent property² to create a sequence of visually and pedestrian-connected urban spaces that enhance the experience of Downtown Reno. Specific details of the proposal prepared by the project designer, De Bartolo + Rimanic Design Studio, is attached in hard copy as Exhibit A and electronically in the thumb drive submitted with this response, including an animated overview of the initial project.

² Eldorado is uniquely situated to include in the proposal i) the integration of adjacent property owned by Eldorado located across 4th Street (APN 007-551-01) and, ii) development of a pedestrian walkway across adjacent property to the west (APN 007-296-03) to facilitate circulation to Virginia Street through an agreement with the property owner, CRS Annex LLC.

Depending on how quickly the property can be transferred, Eldorado would like to commence, if not complete, the urban space elements prior to the arrival of the bowlers in the second quarter of 2020. Eldorado is a strong supporter of the Business Improvement District and would work cooperatively with them to identify a new location for their administrative offices. Depending on market conditions and related contingencies, Eldorado anticipates the potential for future development of a mixed use building to further enhance integrated pedestrian connected urban development on this site, but at this time Eldorado's proposal is focused on the urban space elements identified in the proposal.

D. RFI Team

The Eldorado RFI team includes the following:

Eldorado Resorts
Anthony Carano, President and COO
100 W. Liberty St., 11th Floor
Reno, Nevada 89501
(*Owner/Developer*)

McDonald Carano LLP
Michael Pagni, Esq.
100 W. Liberty St., 10th Floor
Reno, Nevada 89501
(*Legal Counsel*)

DeBartolo + Rimanic Design Studio
Pauly De Bartolo
363 5th Avenue #203
San Diego, CA 92101
(*Project Designer*)

Eldorado believes this proposal and the results it will achieve in creating safe pedestrian environments and connectivity, improving blighted and underutilized property, and establishing clean, safe and active urban areas for culture and tourism will further the goals and objectives of ReImagine Reno and the Downtown Action Plan and will provide much needed revitalization to the Virginia Street corridor.

We appreciate your consideration of this request and welcome the opportunity to move forward on this transaction with the City.

Sincerely,



Michael A. T. Pagn

MATP:ma

Enclosures: Proposed Project Design
Exhibit B – N. Virginia Block Property
Exhibit C – West Street Lot

C: Client
Pauly De Bartolo

4833-4607-2211, v. 5

EXHIBIT "B"



EXHIBIT "C"

