

BLACK DESERT

RESORT AT ENTRADA

Request for Public Assistance

[OCTOBER 2020]

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"Black Desert Resort at Entrada has some of the most stunning views I have ever worked with. With nearly every hole meandering through the unique and rugged lava fields, my goal at Black Desert is to create **one of the best golf experiences in the Southwest.**"

TOM WEISKOPF





BLACK DESERT RESORT AT ENTRADA

PHASE 1: 11 ACRE BLACK DESERT RESORT CENTER

- 150 Hotel Rooms
- Up to 302 Condominium Units
- Two Restaurants
- World-Class Spa
- Three Pools
- Fitness Center
- 24,000 sf Conference Center and Meeting Space
- Tom Weiskopf and Phil Smith designed 19-hole Signature Golf Course
- Construction Timing: Golf Course Fall 2020; Resort Center Spring 2021

FUTURE PHASES

- Corporate Retreat: 48 Units
- Culinary Village: 200 Units, 70,000 sf Retail
- Family Village: 207 Units, 15,000 sf Retail
- Parkway Village: 89,000 sf Retail
- Stay & Play Village: 100 Units
- Hideaway Village: 140 Units
- Active Lifestyle Village: 60 Units
- 755 Residential Units and 174,000 sf Retail

ENHANCED RESORT DEVELOPMENT INFRASTRUCTURE

- Conference Center and Meeting Space
- Pedestrian Focused Aesthetic Driving Roadway, Walkway, and Parking Layout
- 5 Mile Publicly Accessible Lava Rock Hiking Trail Network
- Preservation of 315 Acres through potential Conservation Easement (175 in Ivins)



ENHANCED RESORT DEVELOPMENT INFRASTRUCTURE

PROJECT ENHANCEMENTS	2020 COST
Phase 1-Black Desert Resort	
Road 'A' Surface Improvements	$1,659,851
Road 'A' Parking Access	149,481
Road 'A' Pedestrian Bridge	1,809,971
Road 'C'	2,033,077
South Parking Structure	18,472,547
Center Parking Structure	6,758,076
Hiking Trails	288,521
Conference Center	10,582,119
	$41,753,643
Culinary Village	
North Parking Structure	$15,172,755
	$15,172,755
Hideaway Village	
Road "E"	$232,214
	$232,214
Parkway Village	
Trail System	$665,002
Trail Heads	444,400
	$1,109,402
Total Project Enhancements	**$58,268,014**

LOCAL GOVERNMENT PUBLIC BENEFITS

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·Regional Draw and Employment Driver

·$520M Incremental Assessed Value ($165 Million in Phase 1- Resort Center)

·$179M Gross Taxable Sales ($65 Million Phase 1- Resort Center)

·Revenue Streams to the City of Ivins:

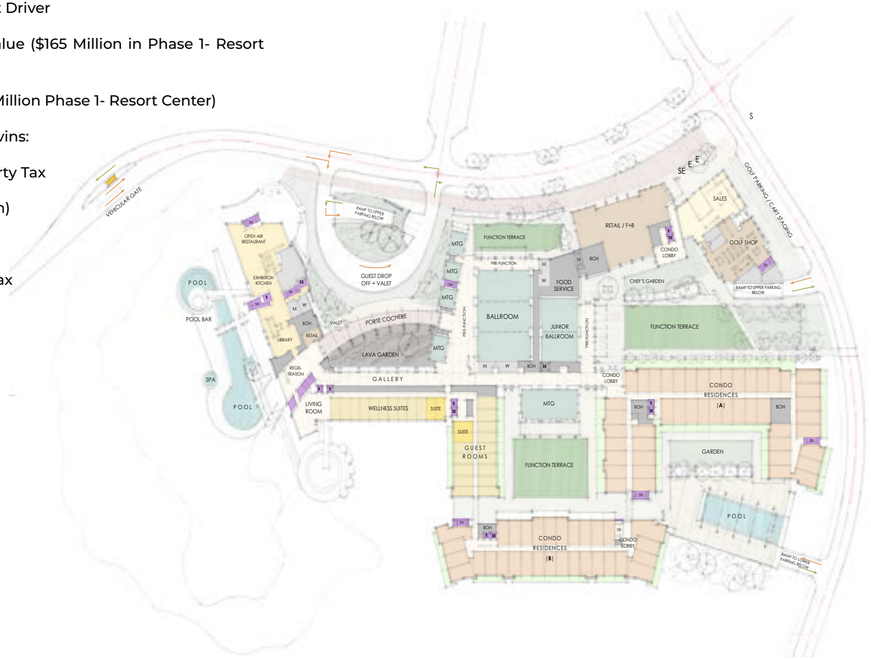
- $7M Incremental Property Tax

  (Ivins 25% Pass Through)

- $33M Sales Tax

- $57M Transient Room Tax

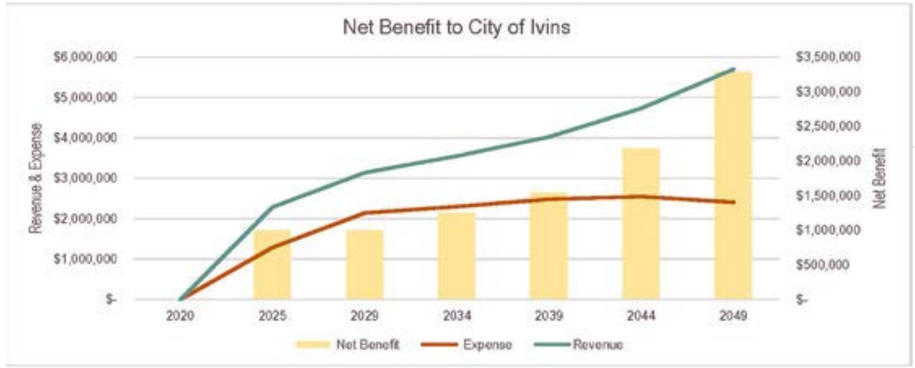
- $3M Franchise Tax



PUBLIC BENEFIT PROJECTIONS

	2020	2025	2029	2034	2039	2044	2049	
Revenue								Total
Property Tax	-	$350,014	$171,906	$170,988	$170,790	$335,0912	$684,208	**$7,146,416**
Sales Tax	-	$723,343	$1,065,686	$1,208,944	$1,372,420	$1,558,040	$1,769,931	**$33,466,062**
Transient Room Tax Revenue	-	$1,134,817	$1,791,402	$2,051,644	$2,349,692	$2,691,692	$3,081,973	**$56,952,811**
Franchise Tax	-	$80,337	$109,328	$120,707	$133,270	$147,141	$162,456	**$3,278,972**
Telecommunications Tax	-	$992	$1,382	$1,525	$1,684	$1,860	$2,053	**$41,345**
Total Revenues	-	**$2,289,503**	**$3,139,705**	**$3,553,808**	**$4,027,556**	**$4,733,990**	**$5.700.621**	**$100,885,606**
Expenditures								Total
Ivins TIF Development Fund	-	$164,643	$515,719	$512,962	$512,369	$352,651	-	**$10,210,989**
General Government Services	-	$172,535	$249,511	$274,008	$302,177	$336,266	$368,917	**$7,428,003**
Law Enforcement	-	$495,954	$717,221	$787,638	$868,609	$966,600	$1,060,456	**$21,351,853**
Streets & Sanitation	-	$316,875	$458,248	$503,239	$554,973	$617,582	$677,548	**$13,642,155**
Parks & Recreation	-	$140,546	$203,250	$223,205	$246,151	$273,920	$300,519	**$6,050,801**
Total Expenditures	-	**$1,290,553**	**$2,143,942**	**$2,301,052**	**$2,484,278**	**$2,547,020**	**$2,407,438**	**$58,683,804**
Net Benefit	-	**$998,949**	**$995,756**	**$1,252,756**	**$1,543,278**	**$2,186,970**	**$3,293,183**	**$42,201,802**

PUBLIC BENEFITS TO IVINS CITY



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REQUEST FOR LOCAL GOVERNMENT SUPPORT AND PUBLIC FINANCIAL COORDINATION

COMMUNITY REINVESTMENT PROJECT AREA

- 75% Property Tax Participation from City and Taxing Entities
- 30-year Term, Allocated through Series of 20-25 Year Phases
- Estimated $25M (NPV) Tax Increment Value

TAX INCREMENT	TOTAL	NPV
Resort Center	$19,802,026	$9,000,563
Villages	$42,298,447	$16,002,410
Total Tax Increment	$62,100,473	$25,002,973

PUBLIC INFRASTRUCTURE DISTRICT AUTHORIZING

- Up to Statutory Limit of .015 (initial modeling assumes .0055)
- 40 Years of Collection
- Estimated $31M (NPV) Property Tax Value

PID REVENUES	TOTAL	NPV
Resort Center PID	$28,217,482	$11,208,844
Villages PID	$54,631,435	$20,038,064
Total PID Revenue	$82,848,917	$31,246,907
Total	**$144,949,390**	**$56,249,880**

PUBLIC PARTICIPATION TOOLS

COMMUNITY REINVESTMENT AREA

- Defined project area by the Reinvestment Agency
- Remittance of a portion of incremental taxes (typically property tax, can include sales tax, TRT, etc.) above the base year value to the Reinvestment Agency
- Reinvestment Agency uses the funds to support development
- Interlocal agreement with taxing entities (levying taxes within the project area) governs the use of incremental taxes within the project area

PUBLIC INFRASTRUCTURE DISTRICT

- Standalone Local Government Financing Entity
- Authorized to Assess and Collect Property Tax Levy from Property Owners within the PID
- District Issues Bonds to Fund Public Infrastructure
- Preserves City's Bonding Capacity and Credit Rating with No Debt Service Obligation



PUBLIC SUPPORT

PUBLIC SUPPORT VITAL TO REALIZATION OF ENHANCED RESORT DEVELOPMENT INFRASTRUCTURE

- Facilitates Early Investment in Amenities
- Critical Assurance to Equity Investors
- Balances Capital Stack
- Directly Influences Project Scope and Timing
- Enables Developer to Bond for Enhanced Resort Development Infrastructure
- Minimizes Financial Risk to the City
- Accelerates Realization of Community Benefits (Transient Room Tax, Sales Tax, Franchise Fees, and Property Tax)

DEVELOPMENT SOURCES

	RESORT CENTER	PARKWAY VILLAGE	FAMILY VILLAGE	CULINARY VILLAGE	STAY & PLAY VILLAGE	CORPORATE RETREAT	HIDEAWAY VILLAGE	LIFESTYLE VILLAGE	TOTAL	
Equity	$84,171,507	$12,683,597	$53,582,907	$61,576,874	$20,998,640	$12,987,053	$20,882,812	$12,624,056	$279,507,446	32%
Construction Load	$135,069,120	$27,708,795	$112,722,571	$113,722,571	$43,317,736	$31,934,736	$43,275,277	$26,157,178	$533,708,442	61%
PID/TIF Bonds	**$41,753,643**	**$1,109,402**	-	**$15,172,755**	-	-	**$232,214**	-	**$58,268,014**	**7%**
Total	$260,994,270	$41,501,791	$166,305,478	$190,272,803	$64,316,376	$44,921,644	$64,390,303	$38,791,234	$871,483,902	

DEVELOPMENT USES

Development Cost	$260,994,270	$41,501,794	$166,305,478	$190,272,803	$64,316,376	$44,921,644	$64,390,303	$38,781,234	$871,483,902



NEXT STEPS, PROCESS, AND PROJECT TEAM

AUTHORIZE CREATION OF PUBLIC INFRASTRUCTURE DISTRICT

- Creation of Governing Document- Initiate in November 2020

RE-ESTABLISH REDEVELOPMENT AGENCY

- Authorize Creation of Community Reinvestment Area- Initiate in November 2020
- Secure Participation from Taxing Entities
- Tax Increment Reimbursement as Phases Progress

DEVELOPER TO LEAD CRA AND PID CREATION

- GTS Development Services-*Stakeholder Coordination and Public Outreach*
- Lewis, Young, Robertson & Burningham-*CRA Plan & Budget Creation*
- D.A. Davidson & Co.-*Public Finance Banker*
- Smith Hartvigsen; Snow Jensen & Reece; Gilmore Bell-*Legal Counsel CRA, PID, Bond Issuance*

MINIMAL ONGOING ASSISTANCE FROM THE CITY

- No Financial Obligations to City of Ivins' Balance Sheet
- PID to Elect Board Responsible for Long-Term Governance
- Annual Allocation of Tax Increment and Reporting to Taxing Entities



PROCESS TIMELINE

November 5, 2020	Council Adopt Ordinance Creating Community Reinvestment Agency
November 5, 2020	Council Authorize Creation of Public Infrastructure District
November 19, 2020	Reinvestment Agency Authorizes Preparation of CRA Plan & Budget
November/ December	Engagement of Taxing Entities on CRA Creation
December 3, 2020	Council Approval of PID Governing Document
January 7, 2021	Adopt CRA Plan and Budget Ordinances

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