



THE PARADOX OF PROSPERITY

The Fight Against COVID-19



The Rapid Spread of COVID-19

Cumulative Cases



191

Countries and
Territories Affected

82,201,194

Cases Worldwide

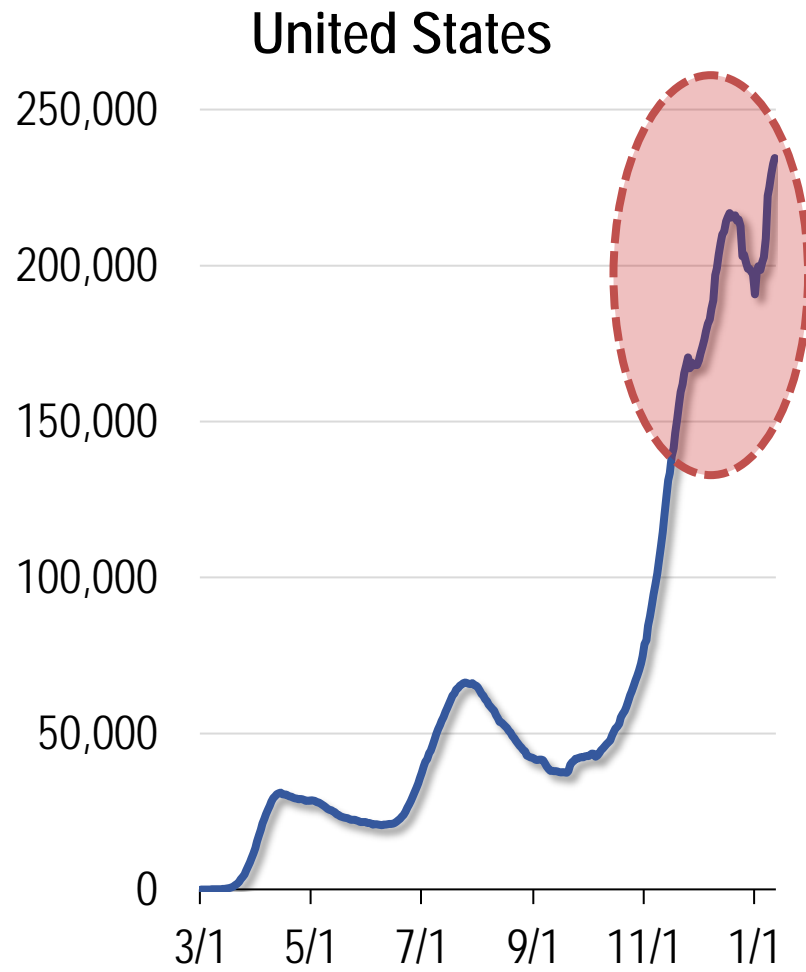
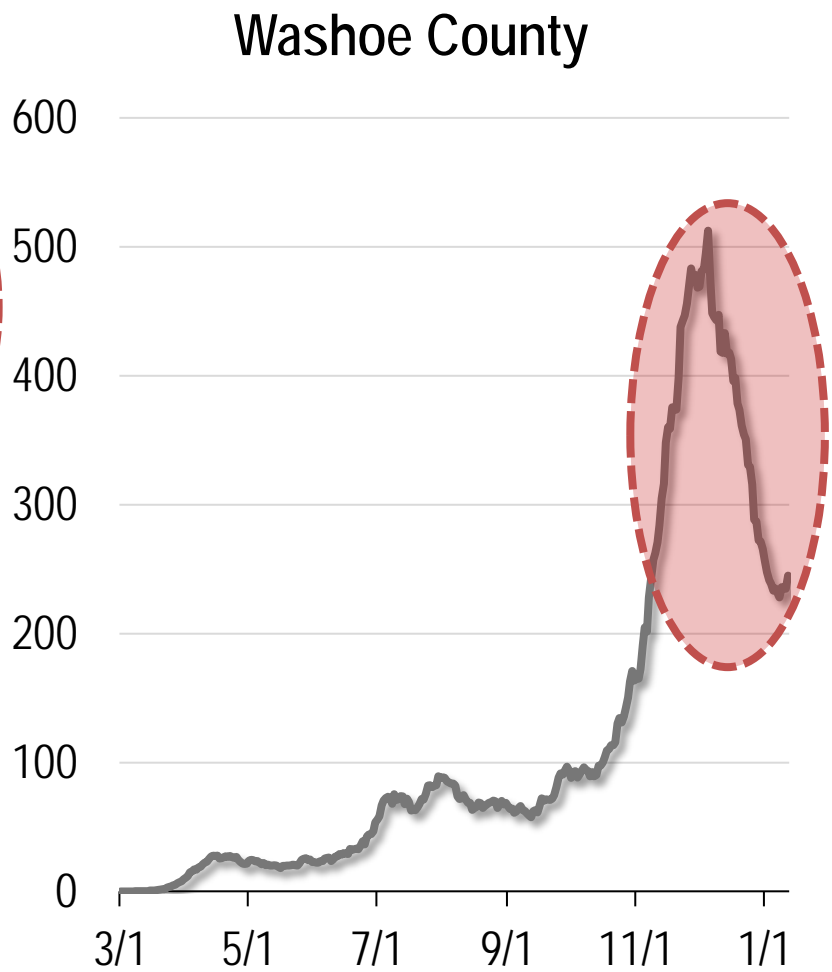
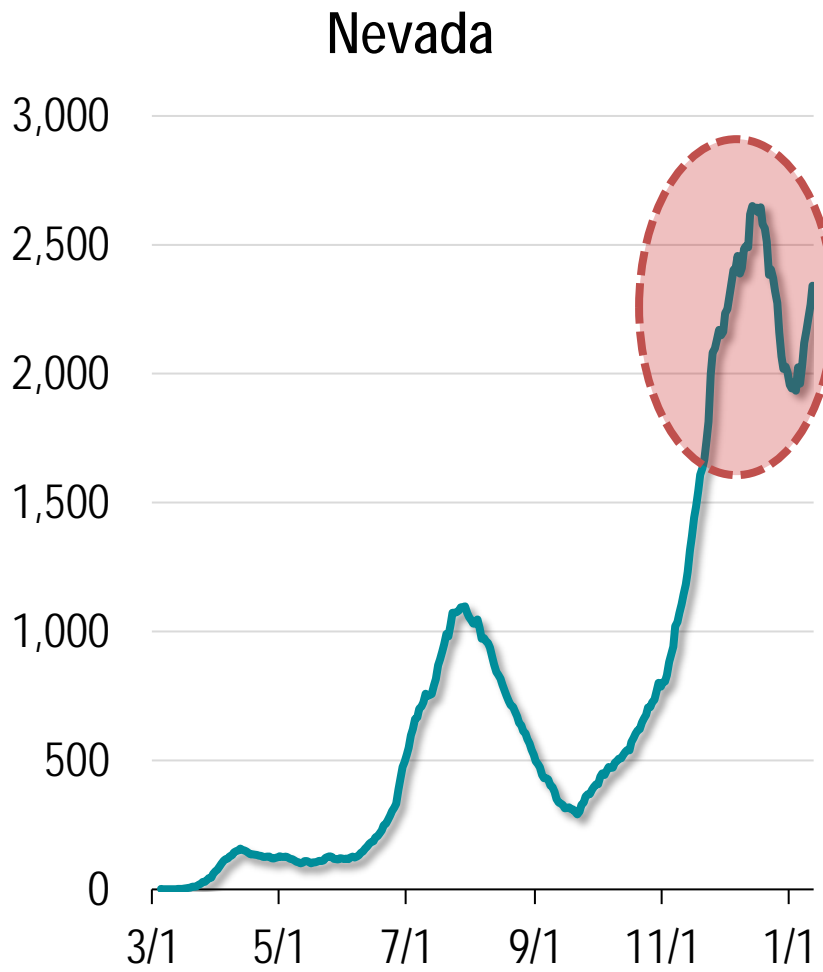
1,863,699

Deaths

Source: John Hopkins University

New Daily COVID-19 Cases

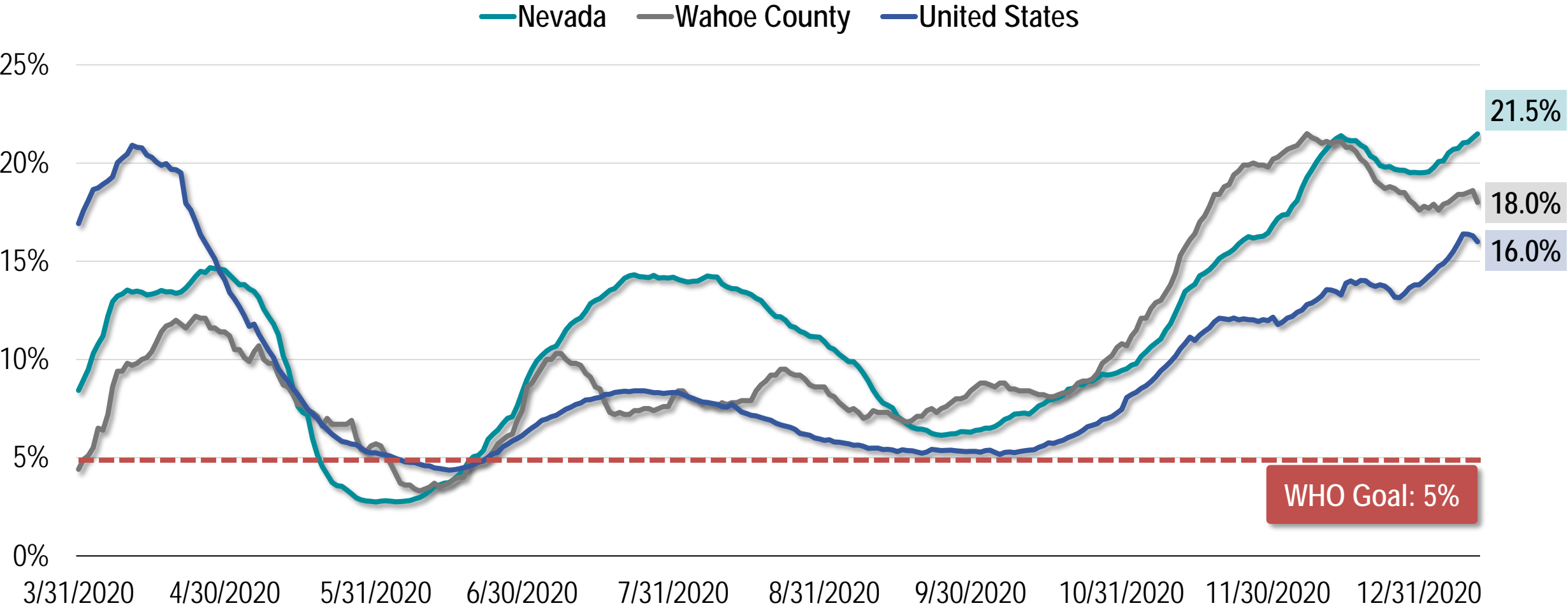
14-Day Moving Average



Source: Nevada Department of Health and Human Services; Washoe County Health District; CovidTracking

Positivity Rate

14-Day Moving Average

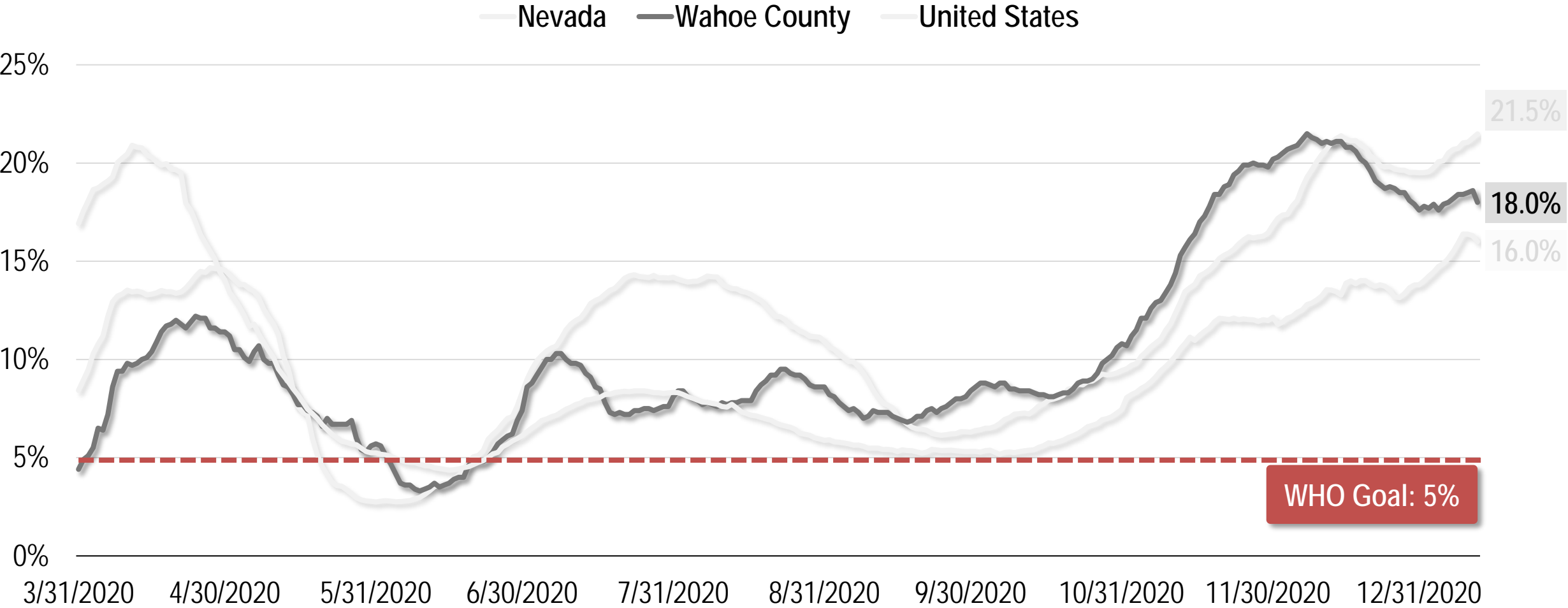


WHO Goal: 5%

Source: Nevada Department of Health and Human Services; Washoe County Health District; CovidTracking

Positivity Rate

14-Day Moving Average

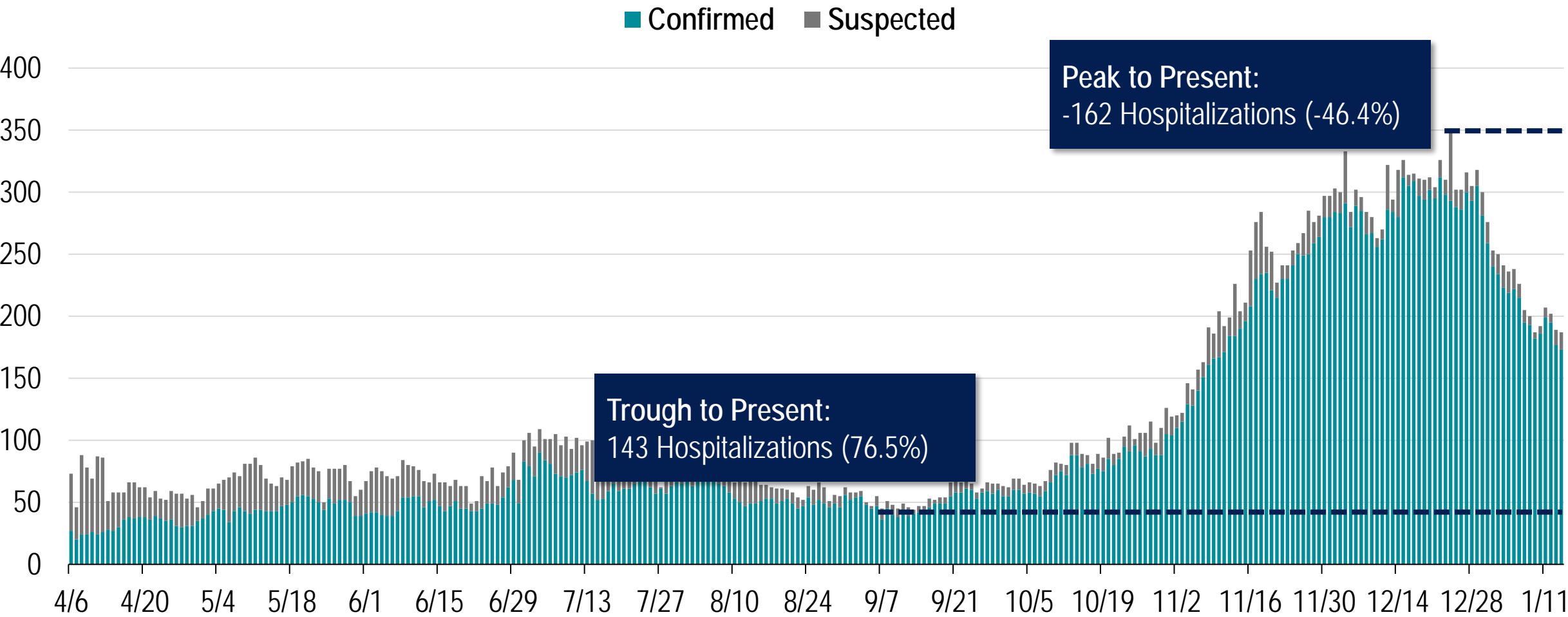


WHO Goal: 5%

Source: Nevada Department of Health and Human Services; Washoe County Health District; CovidTracking

COVID-19 Hospitalizations

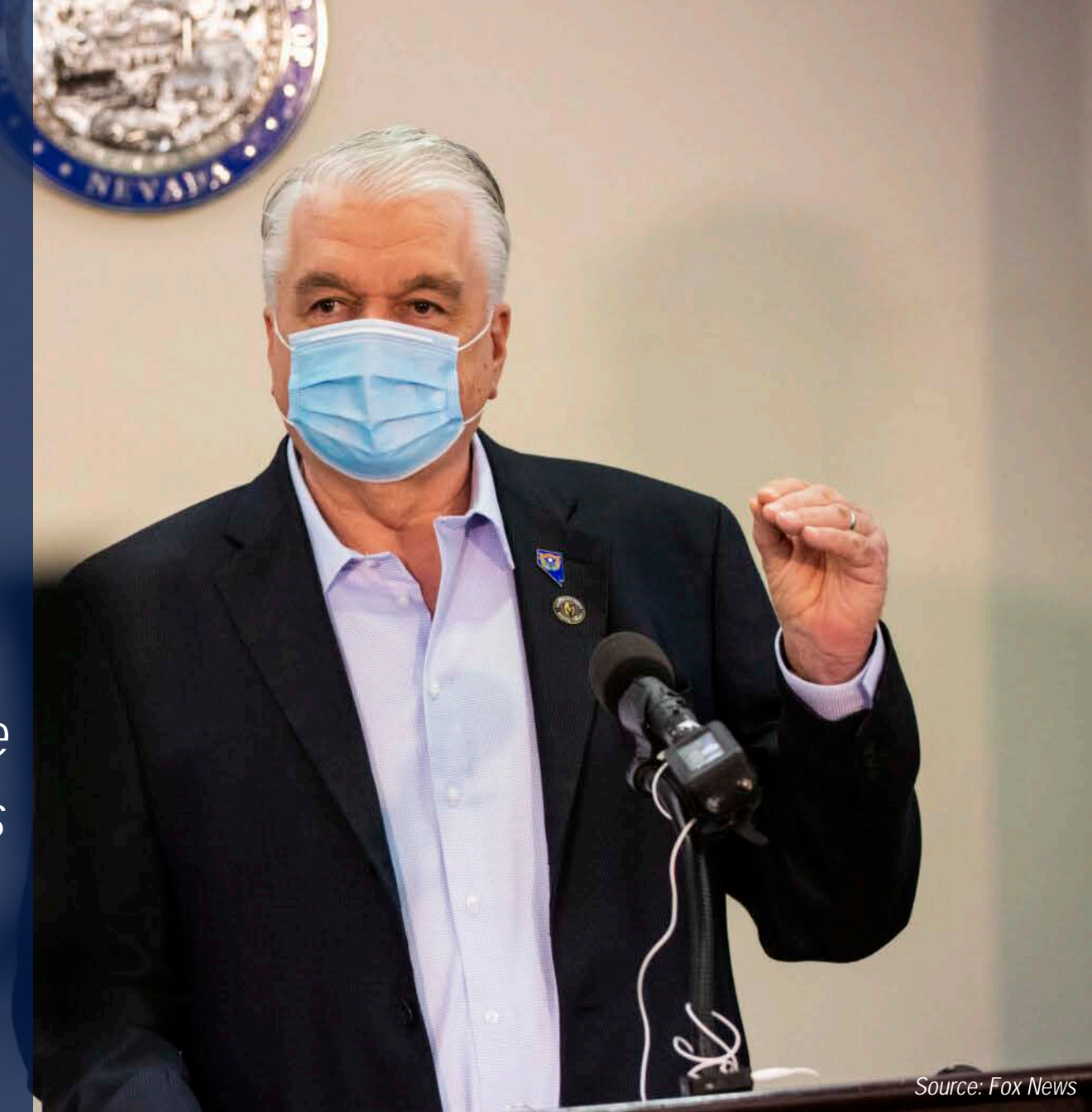
Washoe County



Source: Nevada Department of Health and Human Services

January 11: Sisolak Extends Nevada's Statewide "Pause" For Another 30 Days

"Sisolak said Washoe and Clark Counties were experiencing a surge in COVID-19 cases, hospitalizations and deaths, which called for keeping mitigation measures in place from the statewide pause, for 30 more days. Per the state's guidelines, businesses including bars, restaurants, gyms and casinos must operate at 25% capacity."



Source: Fox News

COVID-19 Vaccines

Early Clinical Trial Results and Action Plan



95%
Effective



94.5%
Effective



90.0%
Effective

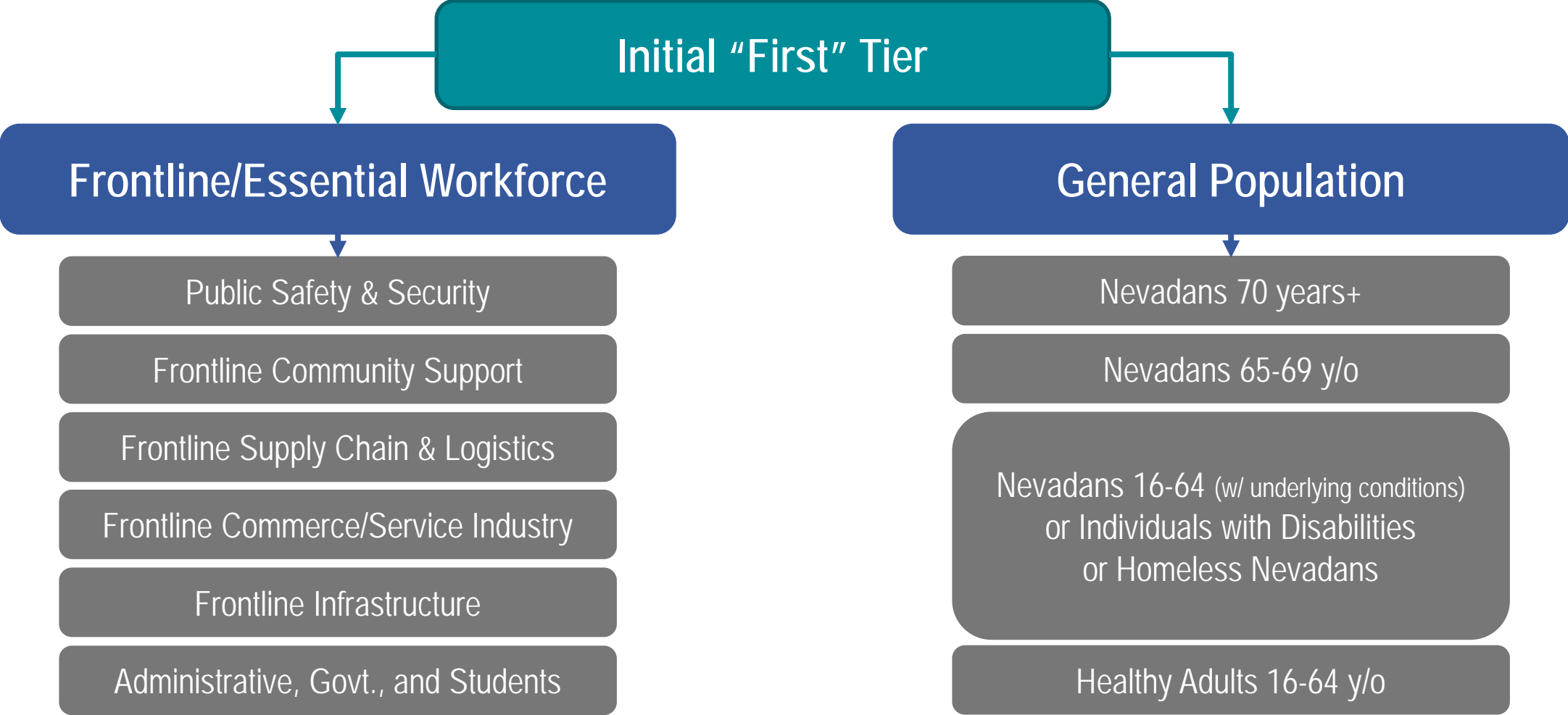


Pfizer and Moderna
Approved by FDA for
Emergency Usage

Source: Pfizer; Moderna; AstraZeneca; Federal Drug and Food Administration

Nevada Vaccine Rollout Overhaul

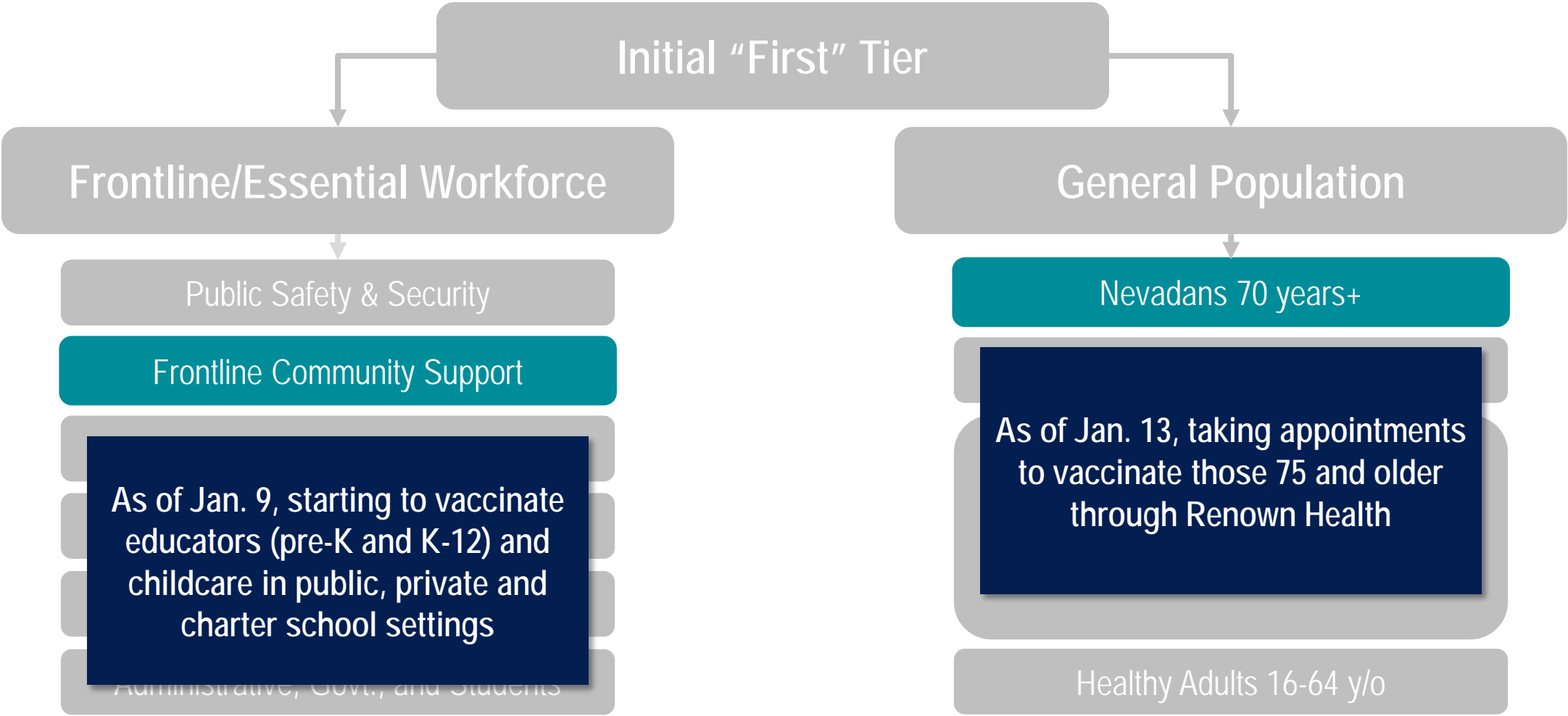
Changing from Vaccination Tiers to a Dual "Lane" Strategy



Source: Nevada Health Response

Nevada Vaccine Rollout Overhaul

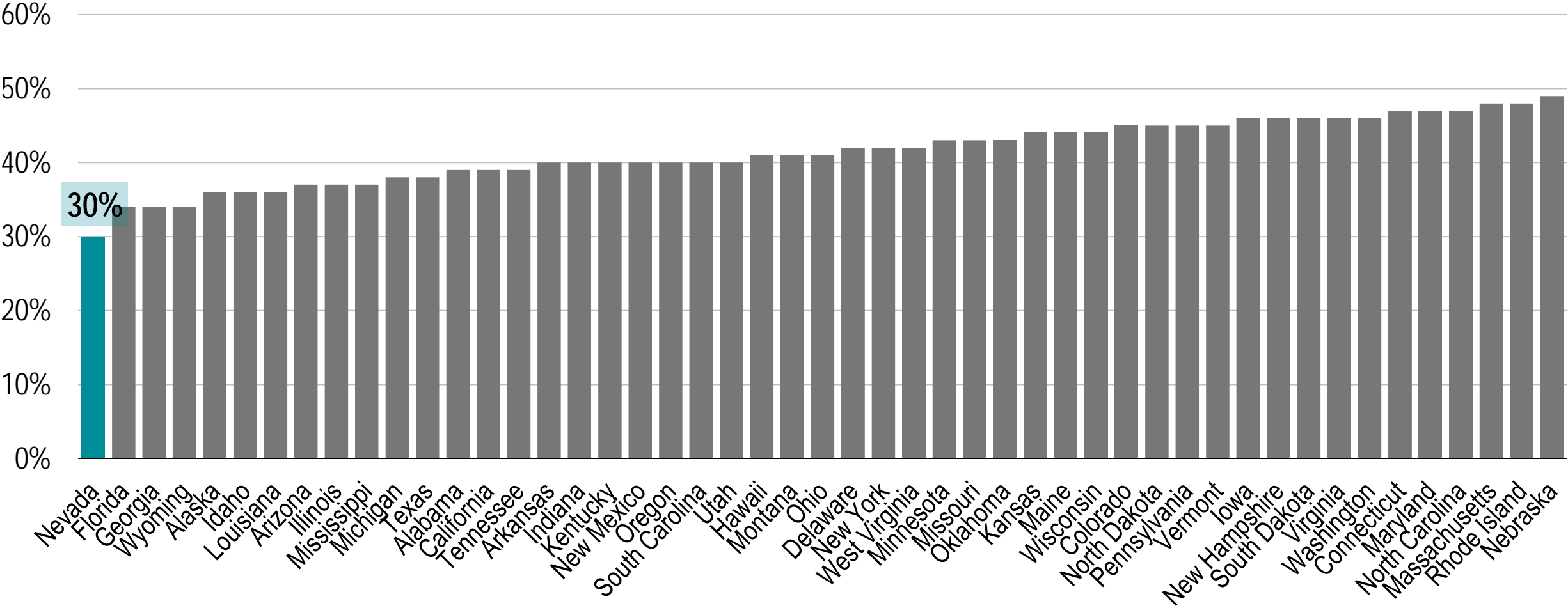
Changing from Vaccination Tiers to a Dual "Lane" Strategy



Source: Nevada Health Response

Percentage of Adults with Age-Appropriate Vaccines

2019



We Aren't Dealing With One Crisis; We Are Dealing With Five



Public
Health



Economic



Fiscal

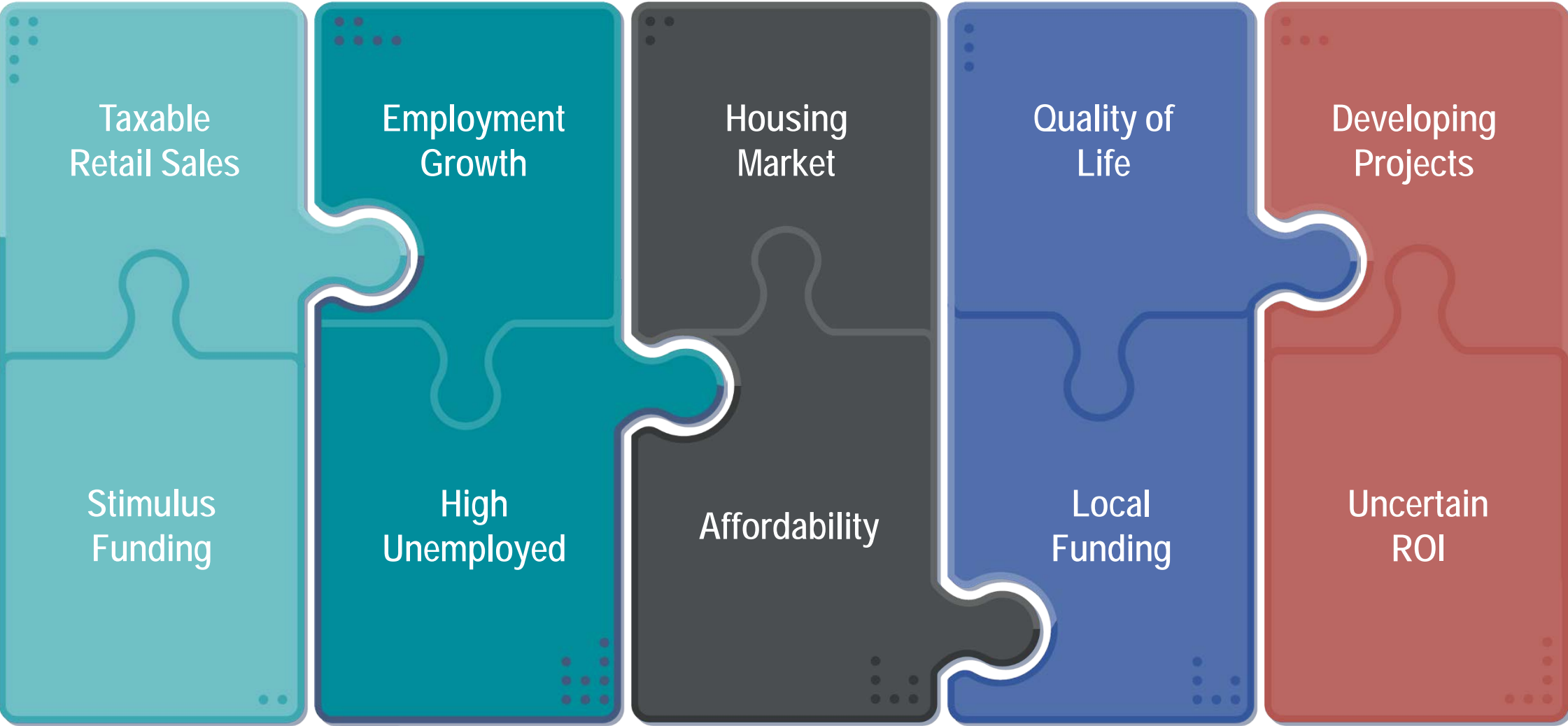


Legal

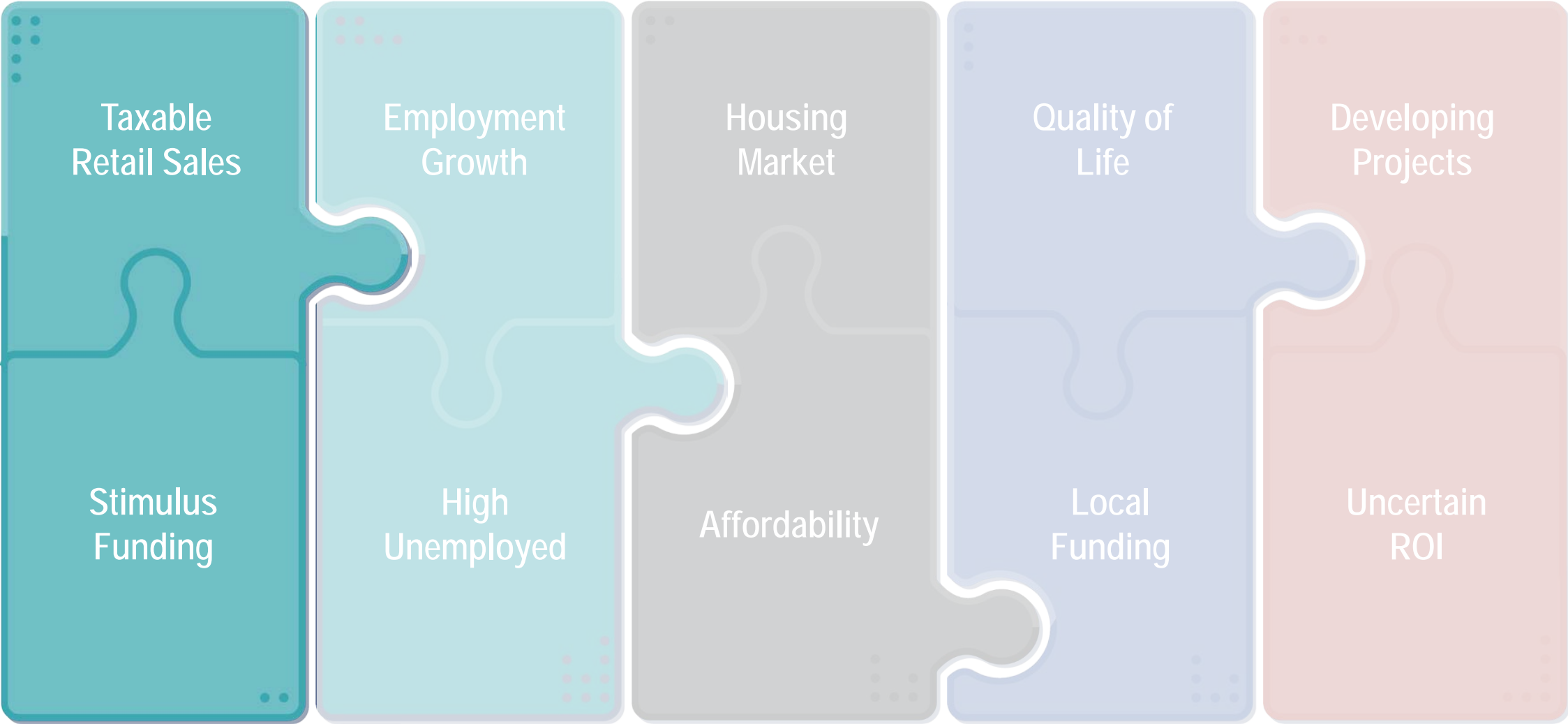


Social

Northern Nevada: The Paradox of Prosperity



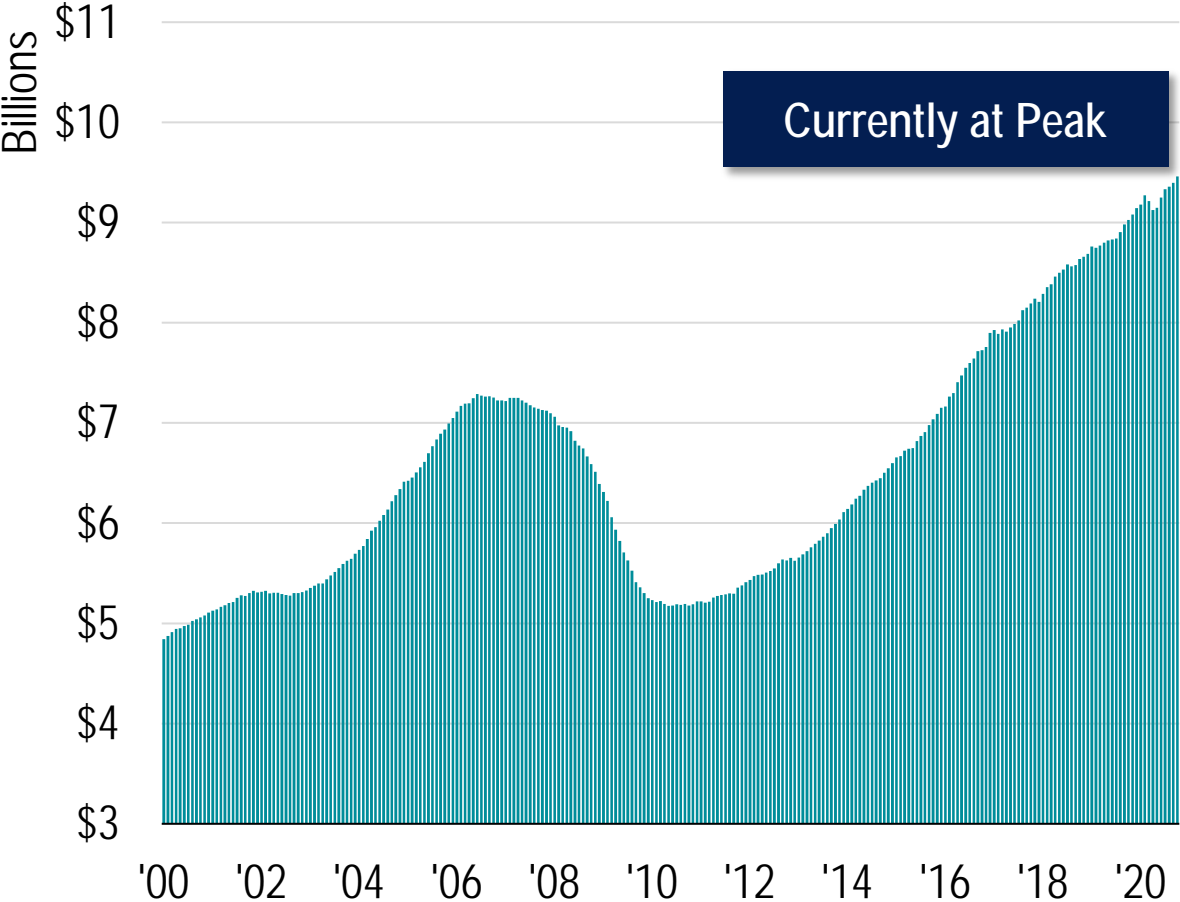
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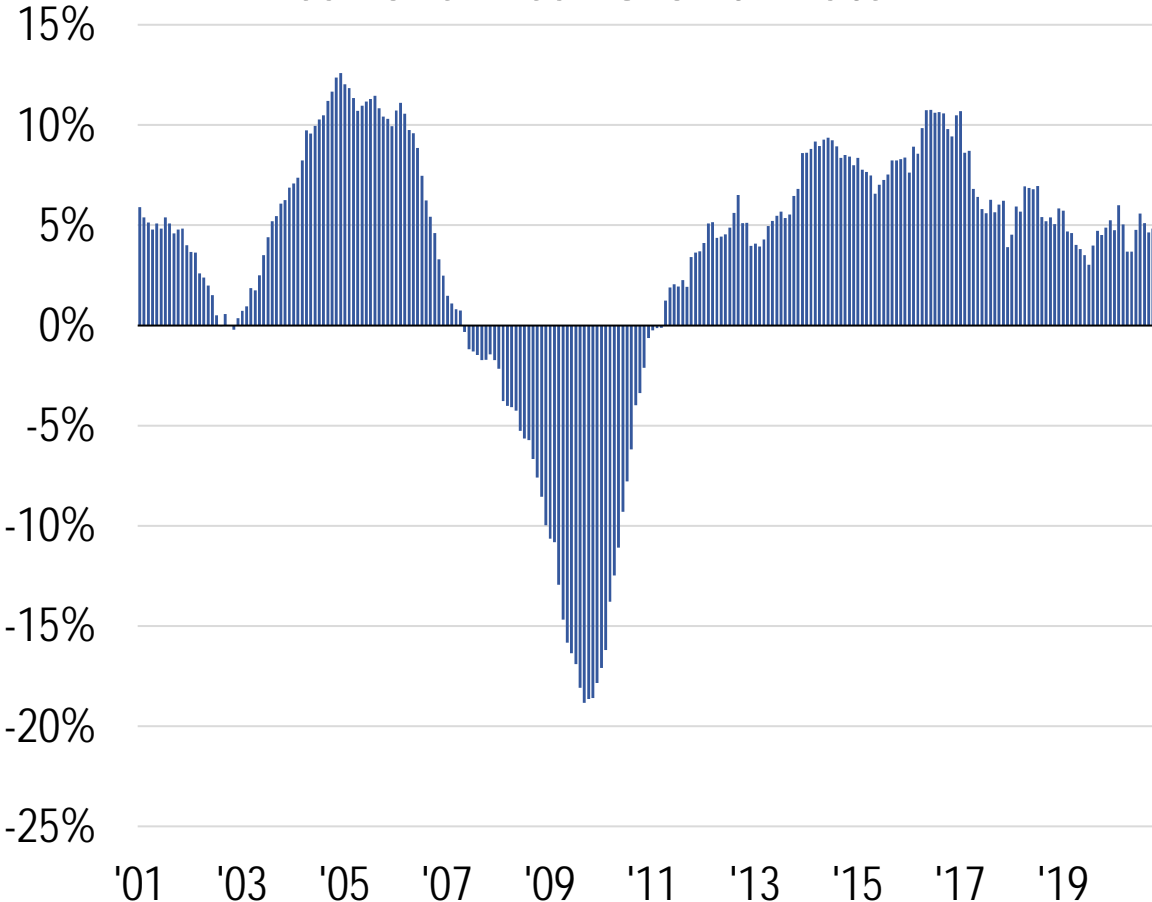
Taxable Retail Sales

Washoe County | Trailing 12-Month Total

Historical Trend



Year-over-Year Growth Rate



Source: Nevada Department of Taxation

How is this possible?





CARES Act

Coronavirus Aid,
Relief, and Economic
Security Act



Reno
Sparks
Tahoe

ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA

THE PARADOX OF PROSPERITY

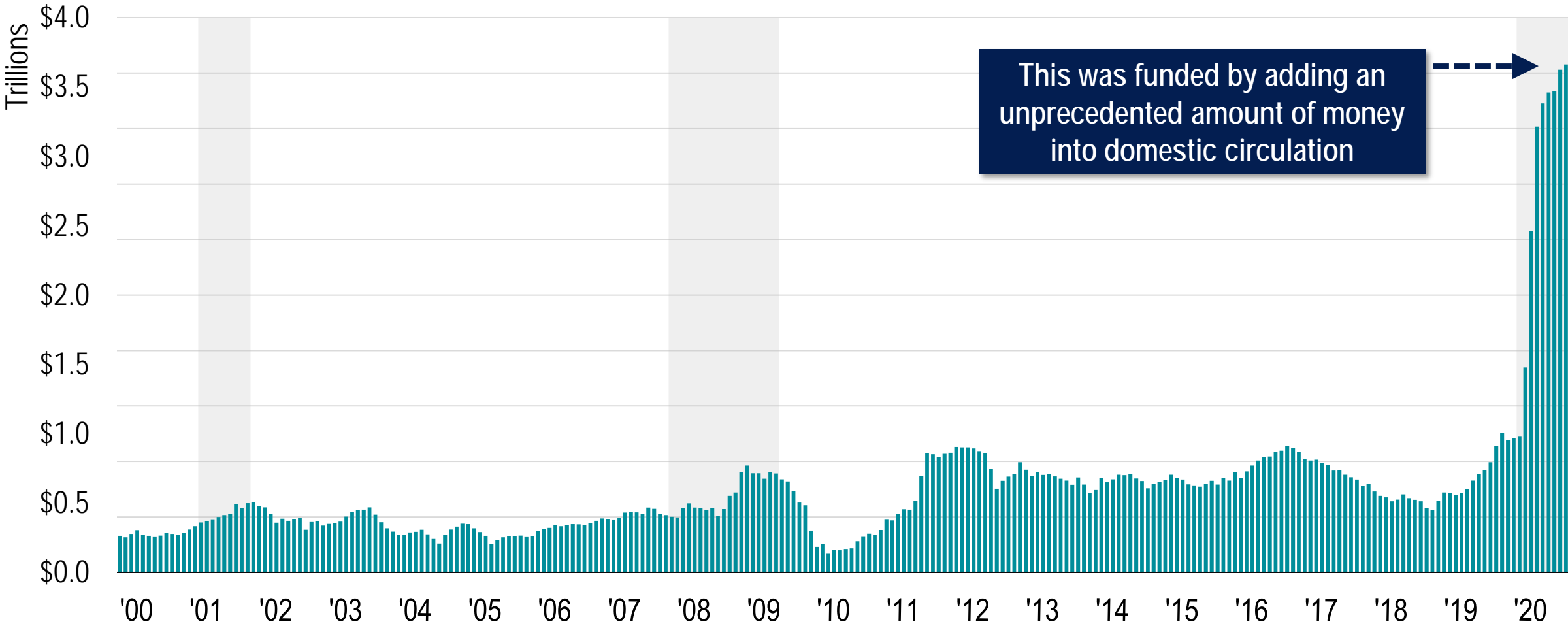
APPLIED
ANALYSIS





U.S. M2 Money Supply

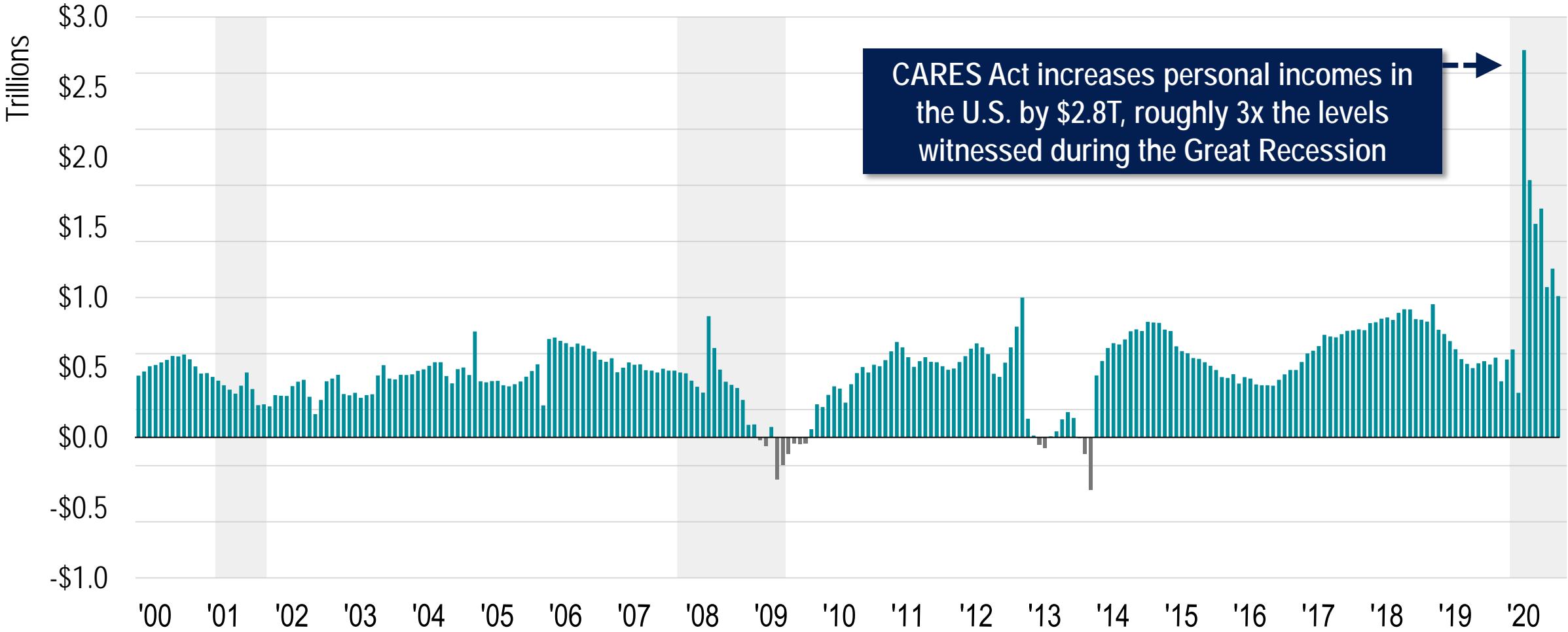
Year-over-Year Total Growth



Source: Federal Reserve Bank of St. Louis

U.S. Disposable Personal Income

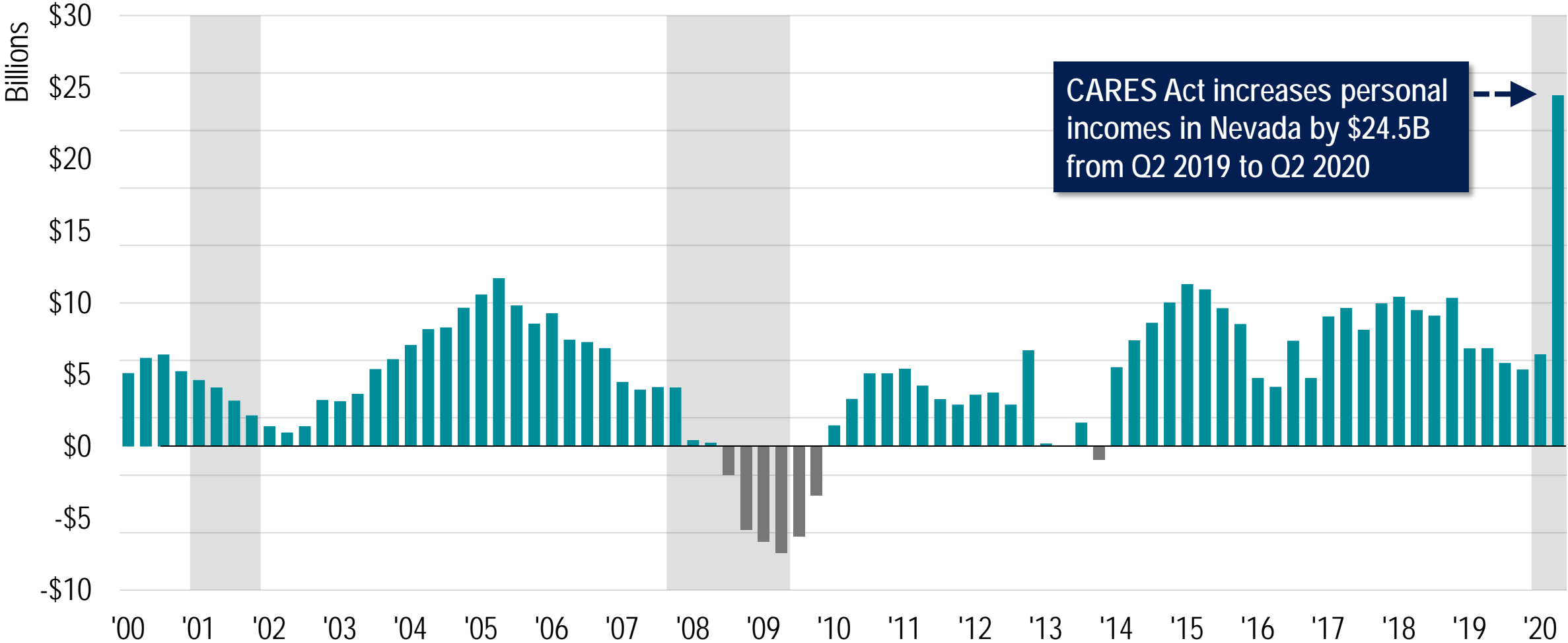
Year-over-Year Total Growth



Source: Federal Reserve Bank of St. Louis

Nevada Total Personal Income Growth

Year-over-Year Change | Annualized



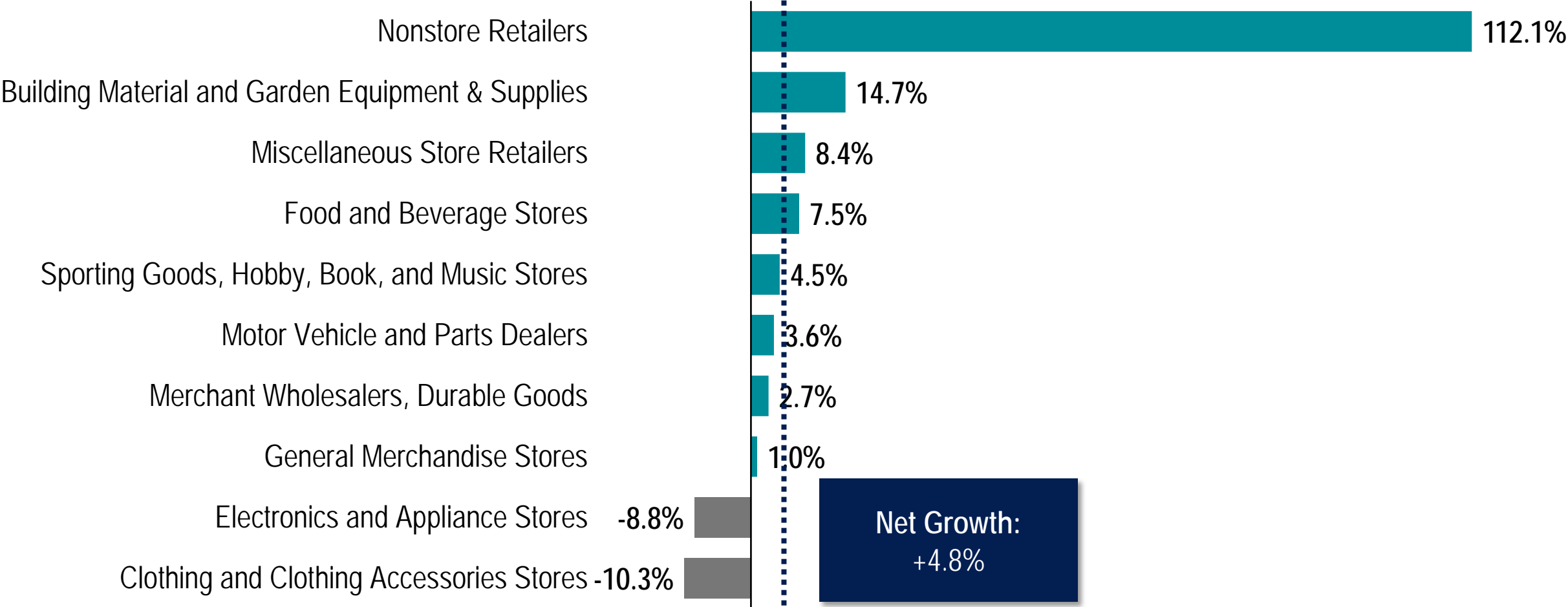
CARES Act increases personal incomes in Nevada by \$24.5B from Q2 2019 to Q2 2020

Source: Federal Reserve Bank of St. Louis



Taxable Retail Sales Growth by Industry (%)

Washoe County | Largest 10 Industries, 2019 vs 2020



Source: Nevada Department of Taxation
Note: Trailing 12 months ending October 2019 vs October 2020 (latest available)

Nevada COVID-19 Federal Funding

As of January 7, 2021

COVID-19 Bills	Funding	Share
CARES Act	\$17.6B	81.1%
Multiple Bills	\$2.5B	11.5%
Other	\$1.0B	4.6%
Families First Coronavirus Response Act	\$488.9M	2.3%
Paycheck Protection Program and Health Care Enhancement Act	\$92.2M	0.45%
Coronavirus Preparedness & Response Supplemental Appropriations Act	\$10.1M	0.05%
TOTAL	\$21.7B	100%

Source: Nevada Department of Administration Office of Grant Procurement, Coordination, and Management

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Source: Nevada Department of Administration Office of Grant Procurement, Coordination, and Management

Some of the Programs Funded by CARES

\$8.8 Billion

Stimulus Checks, Unemployment Insurance,
and Lost Wages Assistance
(Directly to Consumers)

\$4.2 Billion

Paycheck Protection Program
(Small Businesses)

\$1.25 Billion

Coronavirus Relief Fund
(Government Approved Programs)

\$547 Million

Provider Relief Funds

\$195 Million

Education Stabilization Funds

\$47.1 Million

Commodity Assistance Program

\$20 Million

Pandemic Emergency Technical Support
(PETS) Grant

\$4.2 Million

Emergency Food Assistance Program

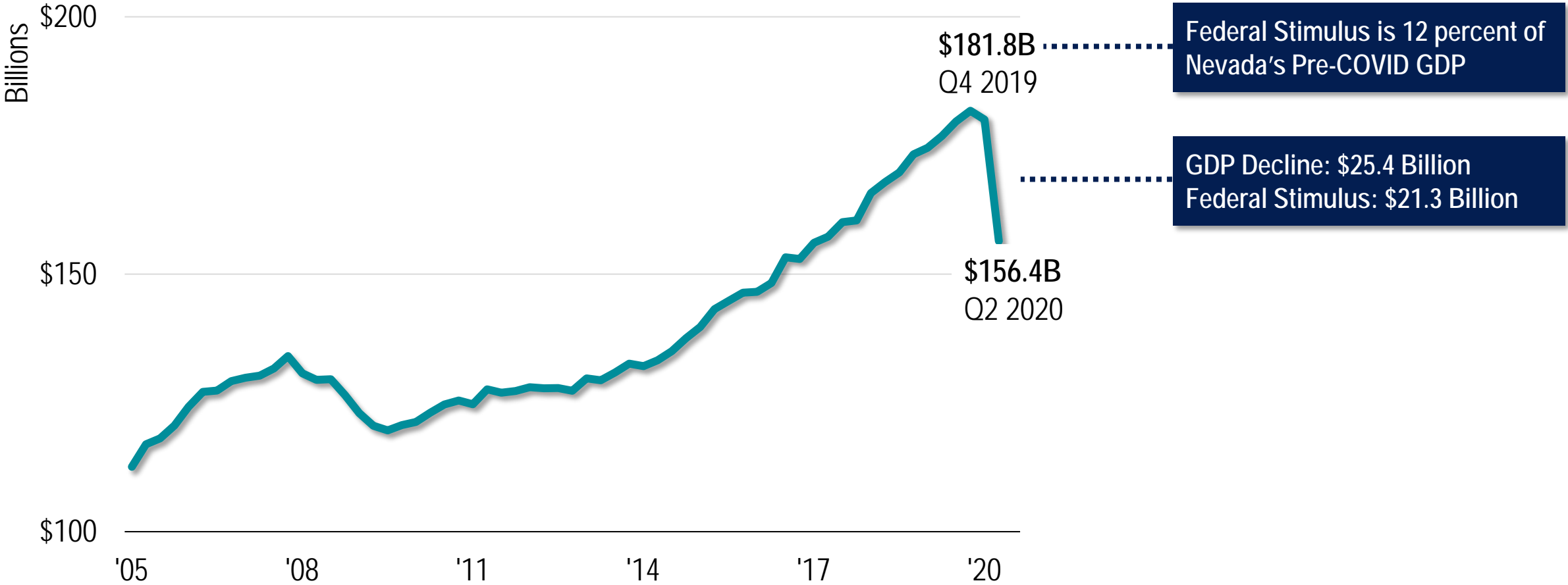
\$3.1 Million

COVID Vaccine Preparedness

Source: Nevada Department of Administration Office of Grant Procurement, Coordination, and Management; Nevada Legislative Counsel Bureau

Nevada Gross Domestic Product

Annualized Values Quarterly

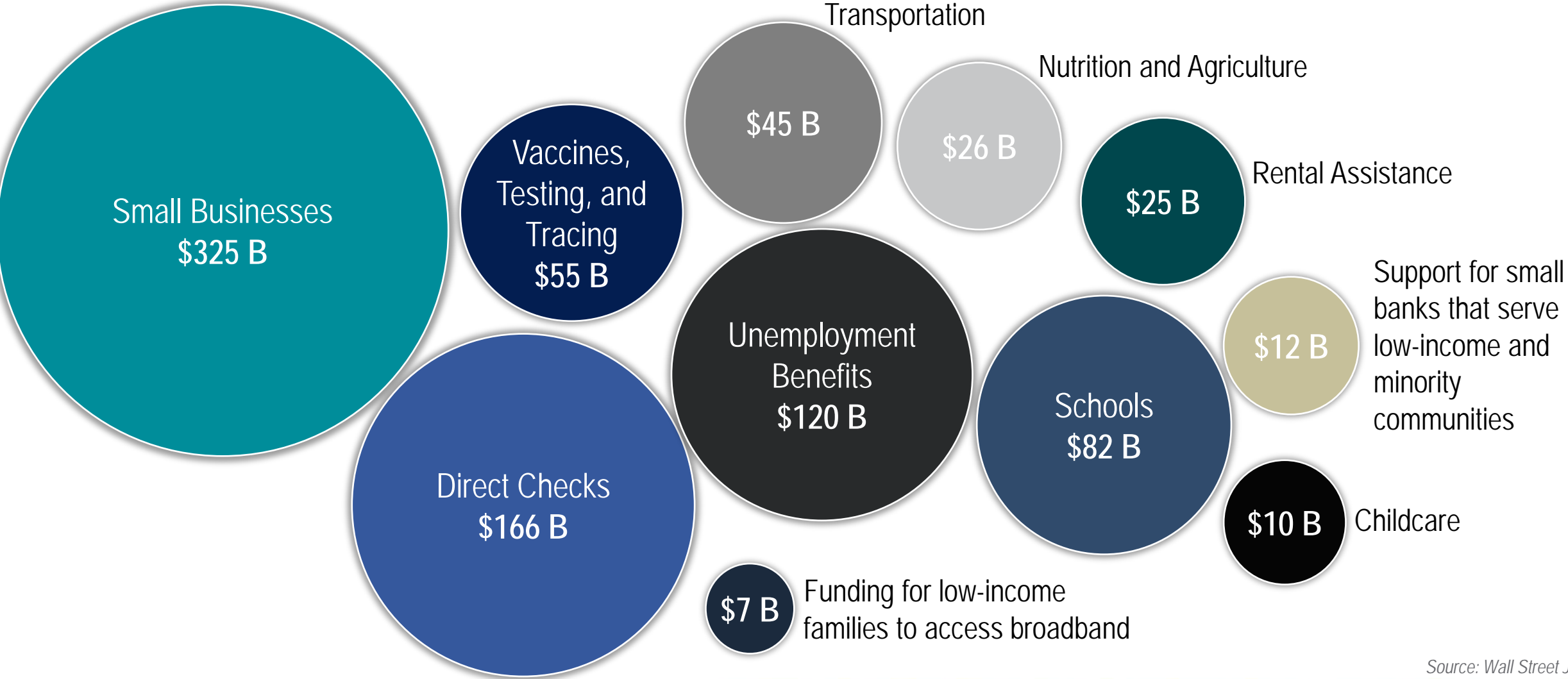


Source: U.S. Bureau of Economic Analysis



\$900 Billion Bipartisan Emergency COVID Relief Act of 2020

In Billions



Source: Wall Street Journal

The American Rescue Plan

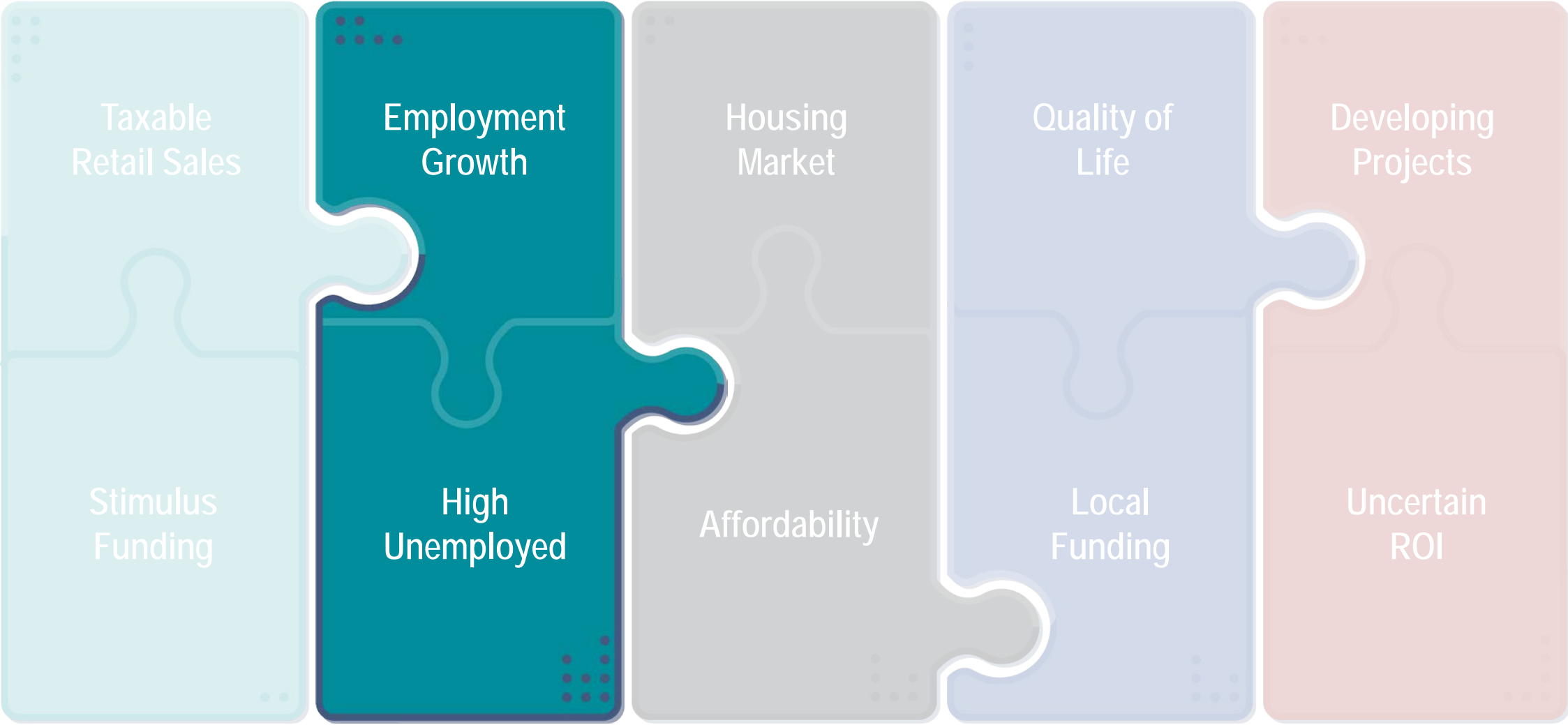
Biden's \$1.9 Trillion COVID-19 Stimulus Plan

- Additional \$1,400 in direct checks
- \$230 billion in COVID-19 relief
- \$170 billion in education
- \$350 billion in emergency funding for state and local governments



Source: Wall Street Journal

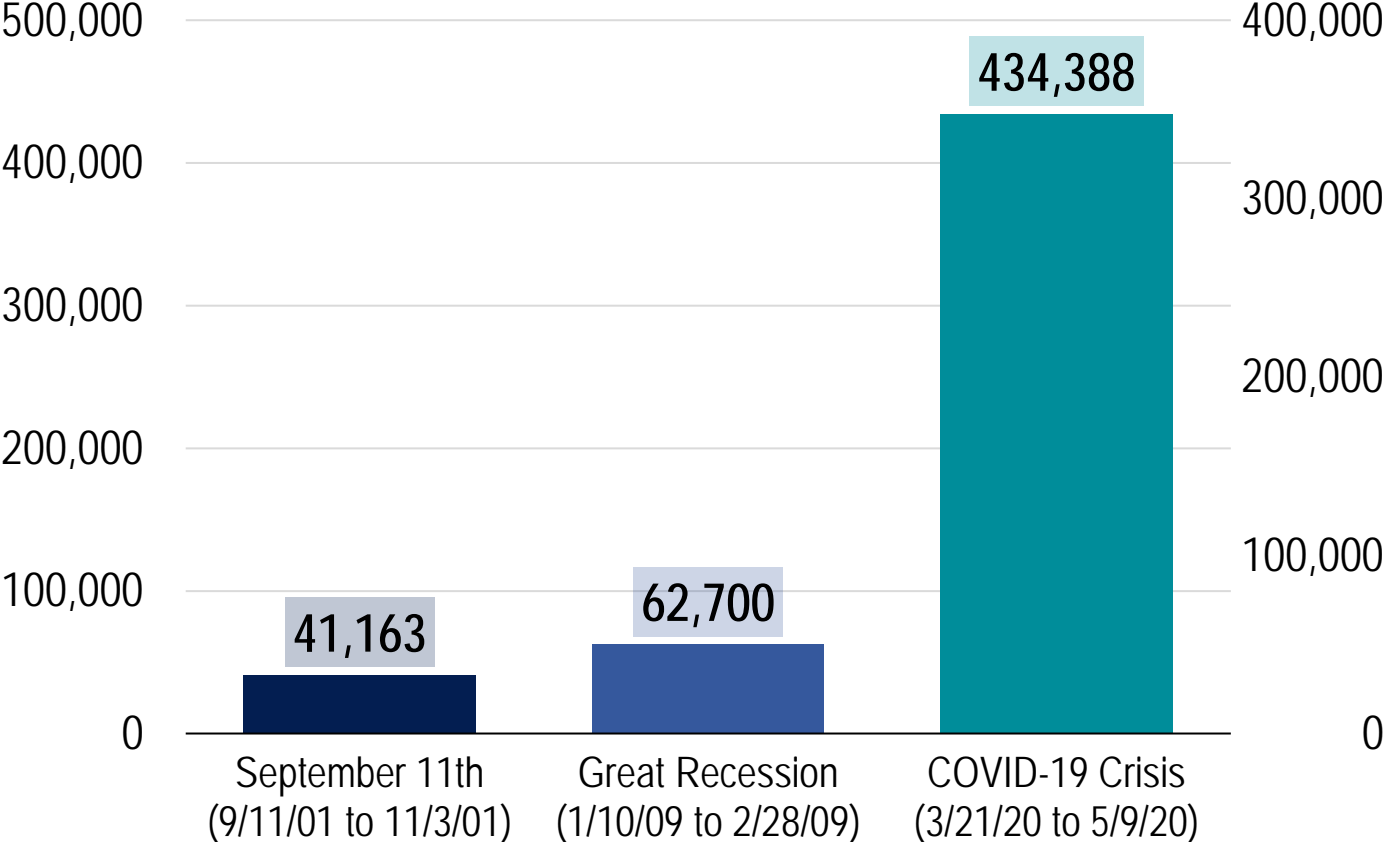
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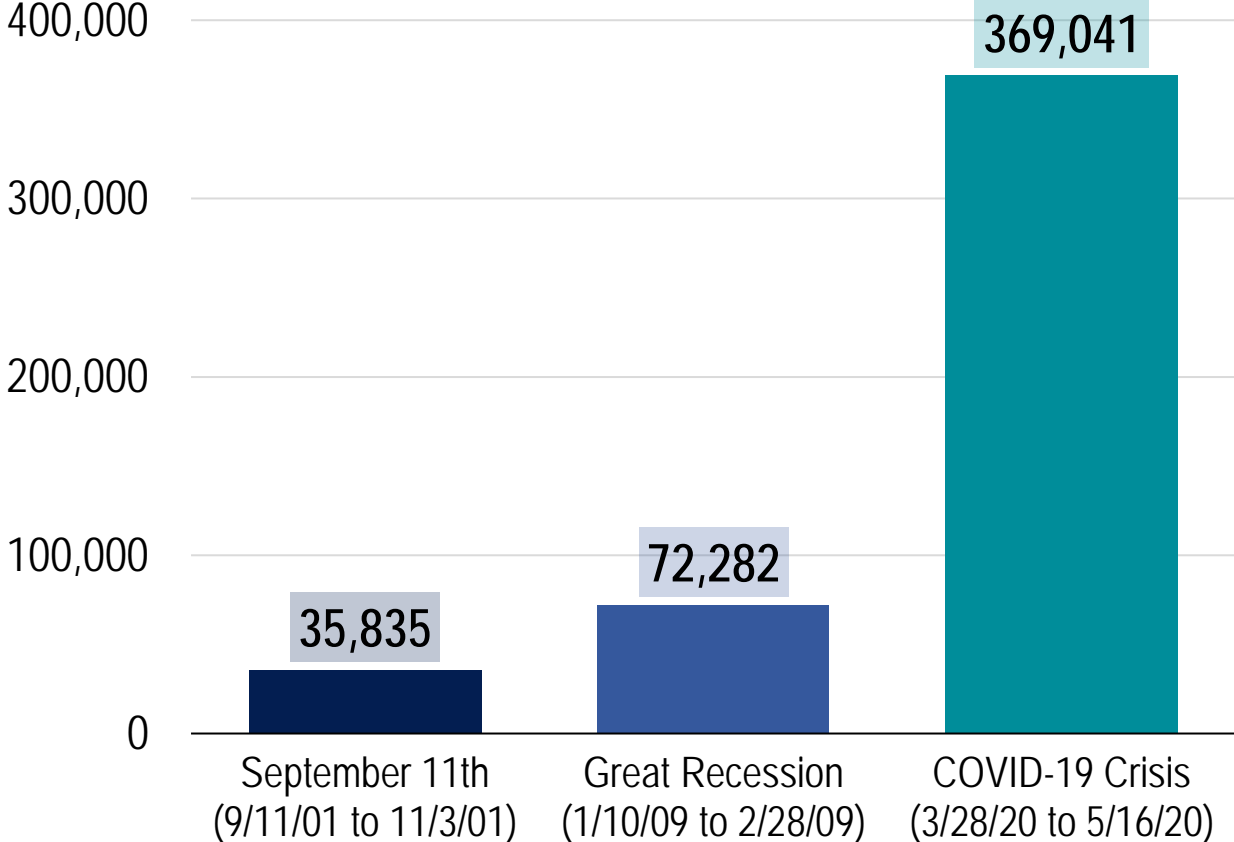
Unemployment Insurance Claims

Historical 8-Week Periods

Initial Claims

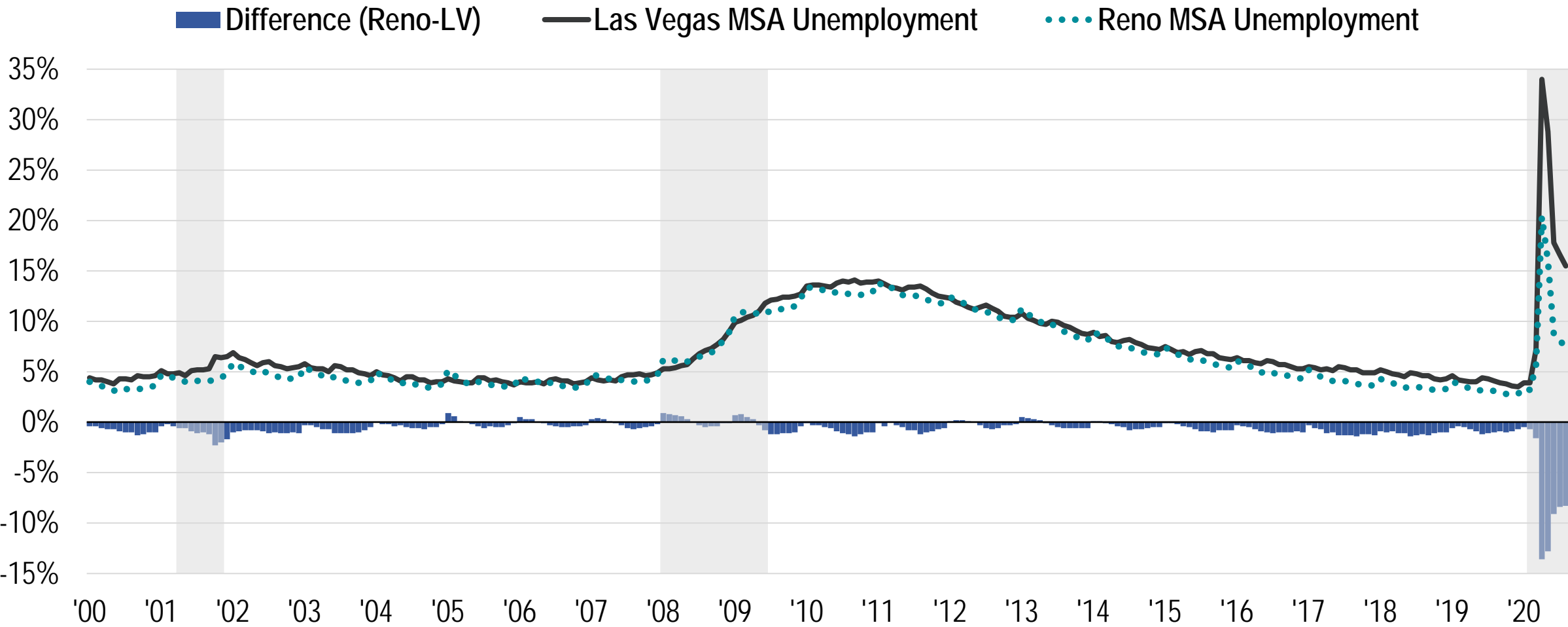


Continued Claims



Source: Nevada Department of Employment, Training and Rehabilitation

Historical Unemployment Relationship

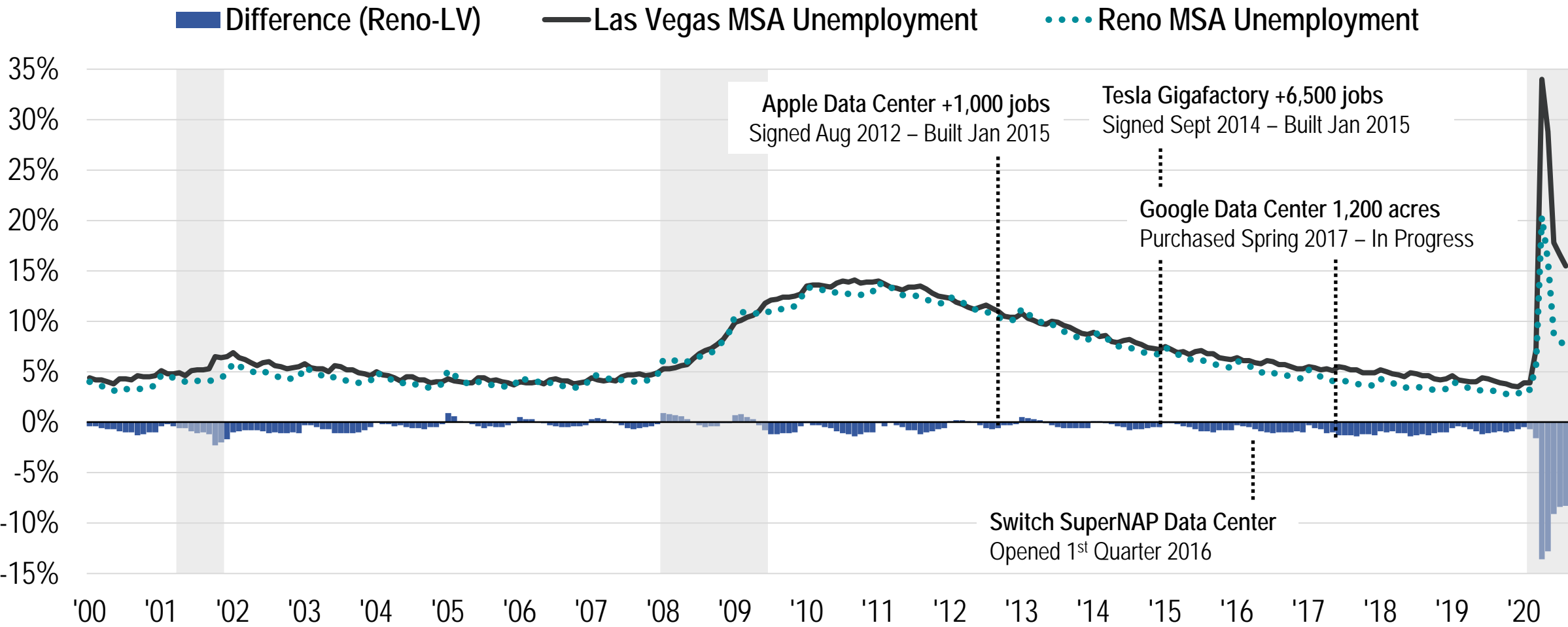


Source: U.S. Bureau of Labor Statistics



How
is this
possible?

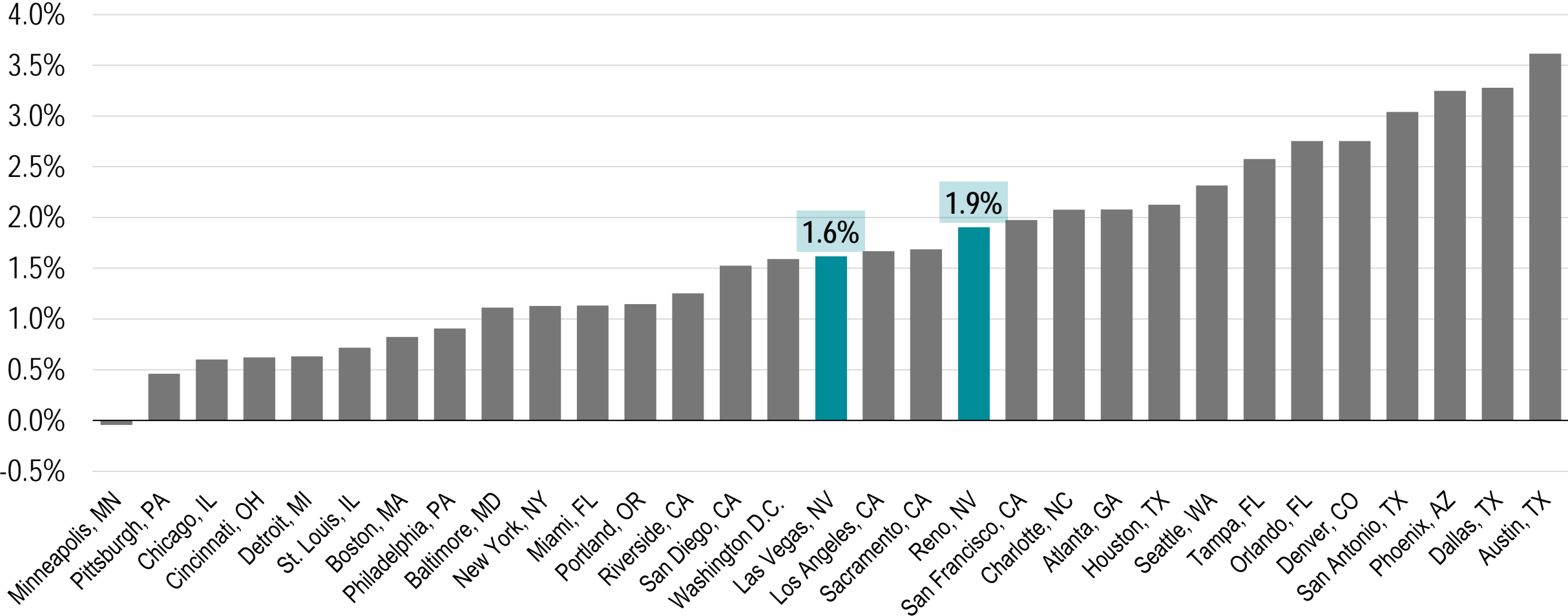
Historical Unemployment Relationship



Source: U.S. Bureau of Labor Statistics

Employment Growth – Pre-COVID

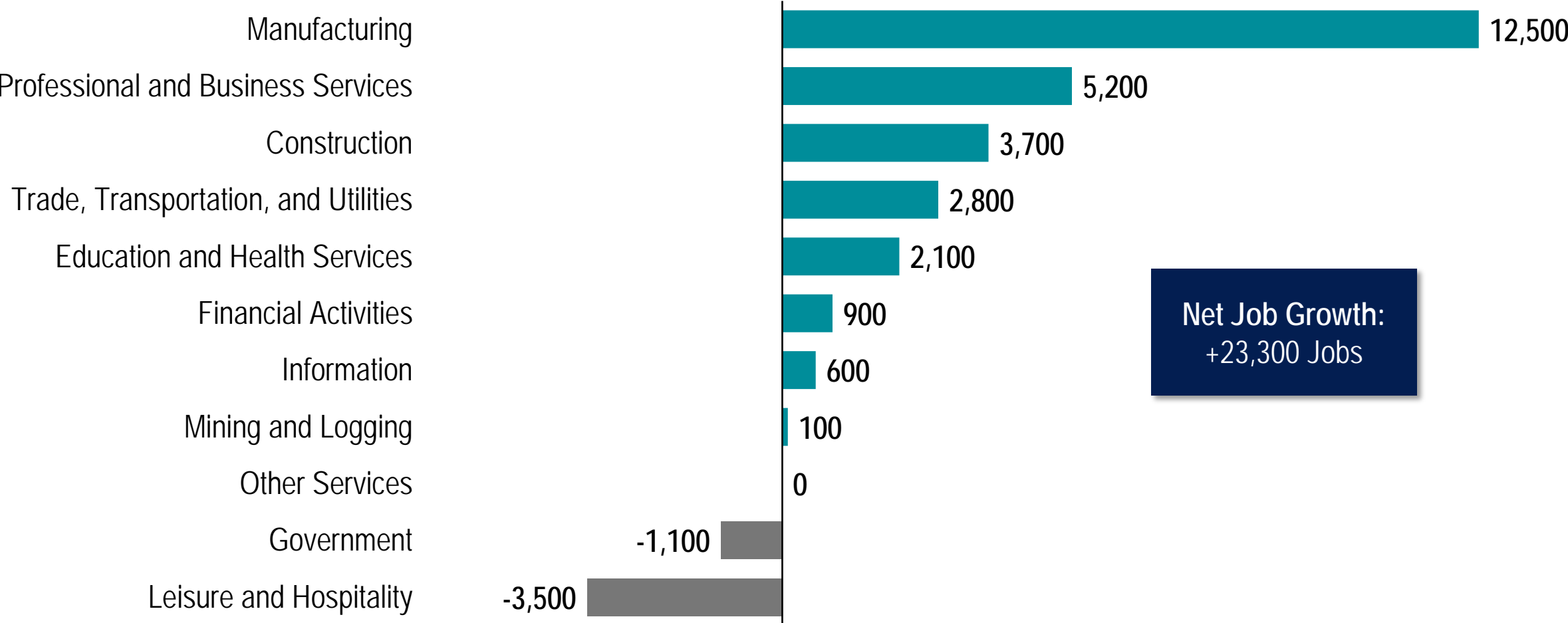
Largest 30 MSAs and Reno MSA | January 2019 vs 2020



Source: U.S. Bureau of Labor Statistics

Reno MSA Net Employment Growth

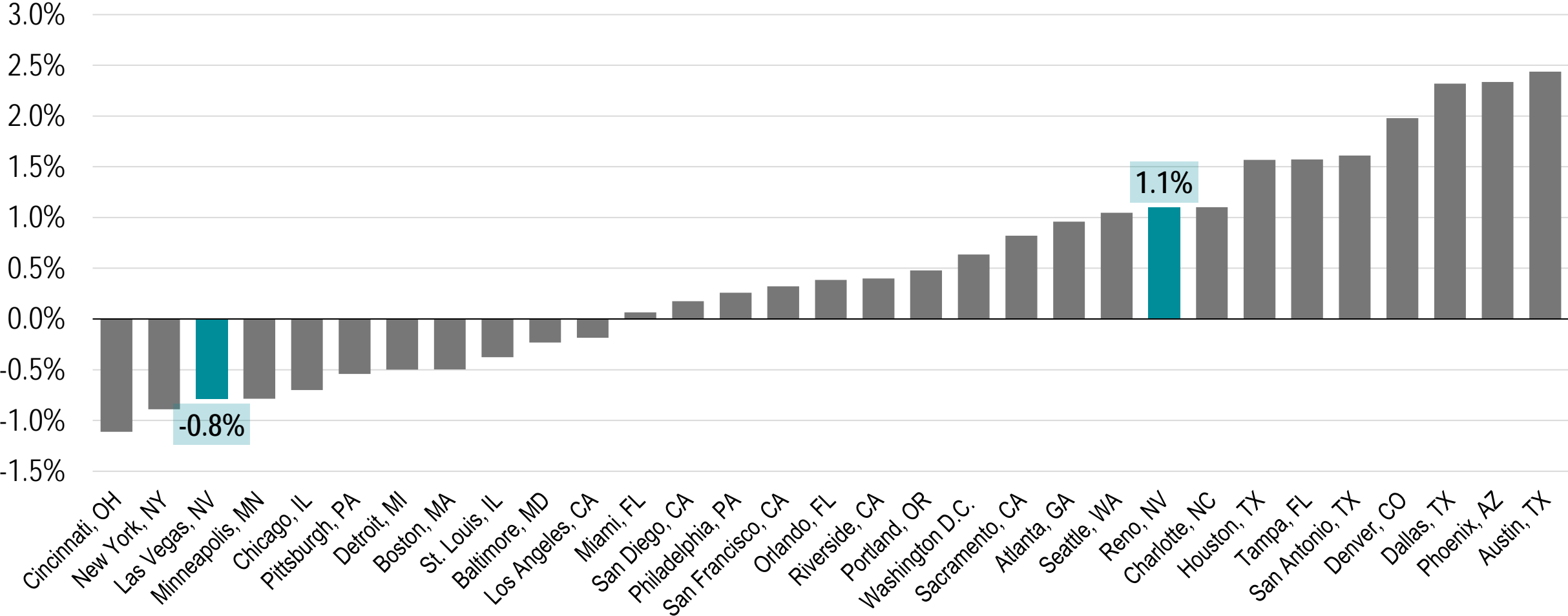
November 2015 vs 2020



Source: U.S. Bureau of Labor Statistics

Employment Growth – Onset of COVID

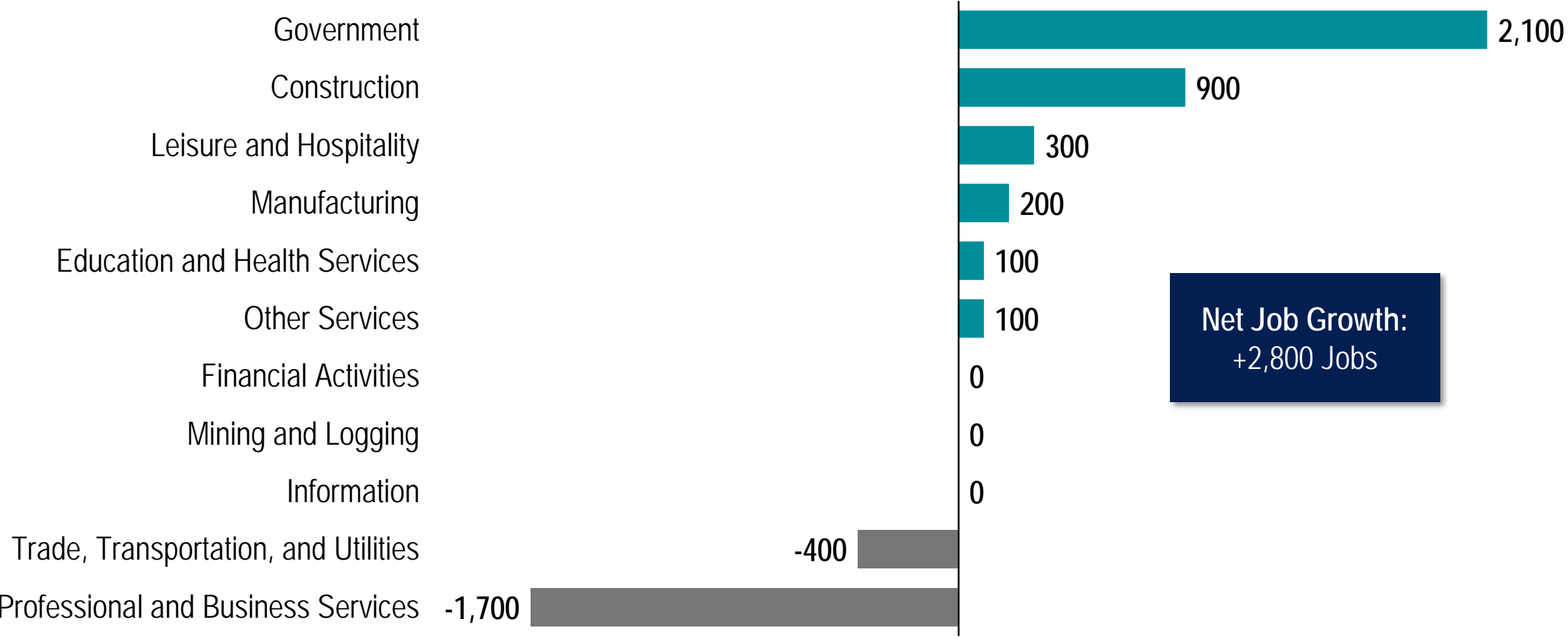
Largest 30 MSAs and Reno MSA | March 2019 vs 2020



Source: U.S. Bureau of Labor Statistics

Reno MSA Net Employment Growth

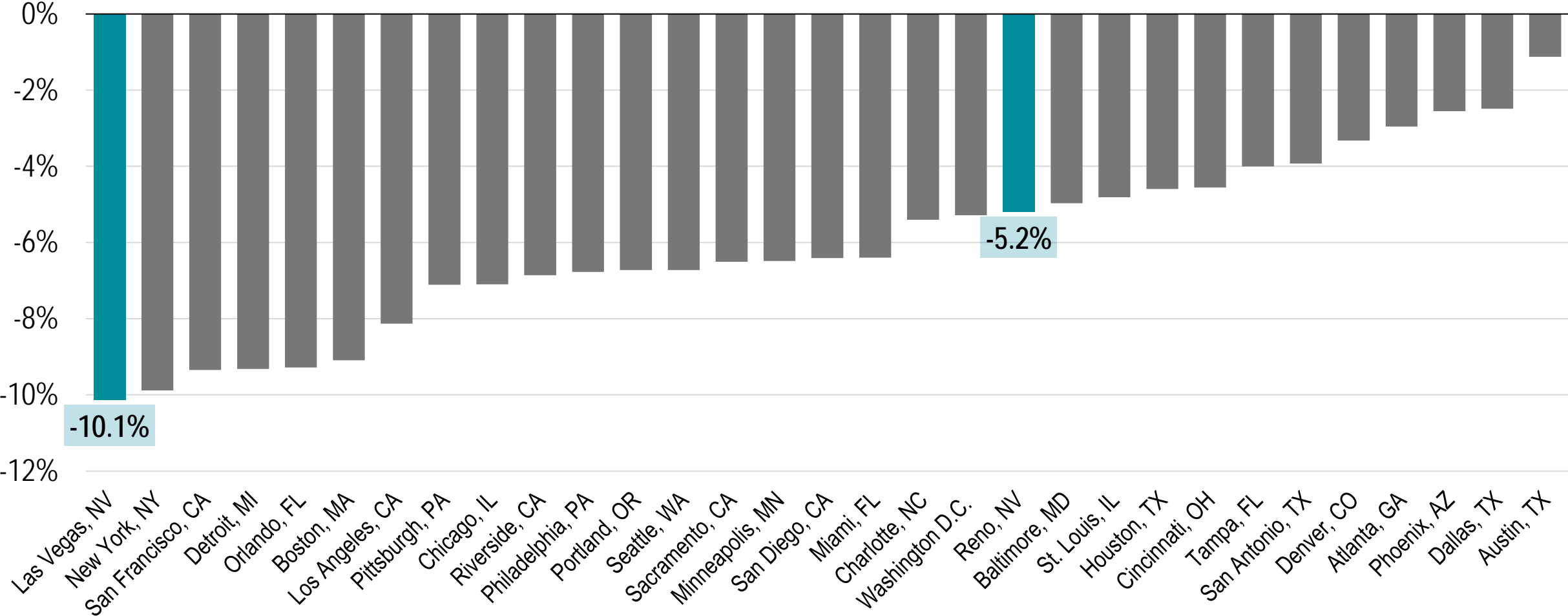
January vs March 2020



Source: U.S. Bureau of Labor Statistics

Employment Growth – Post-COVID

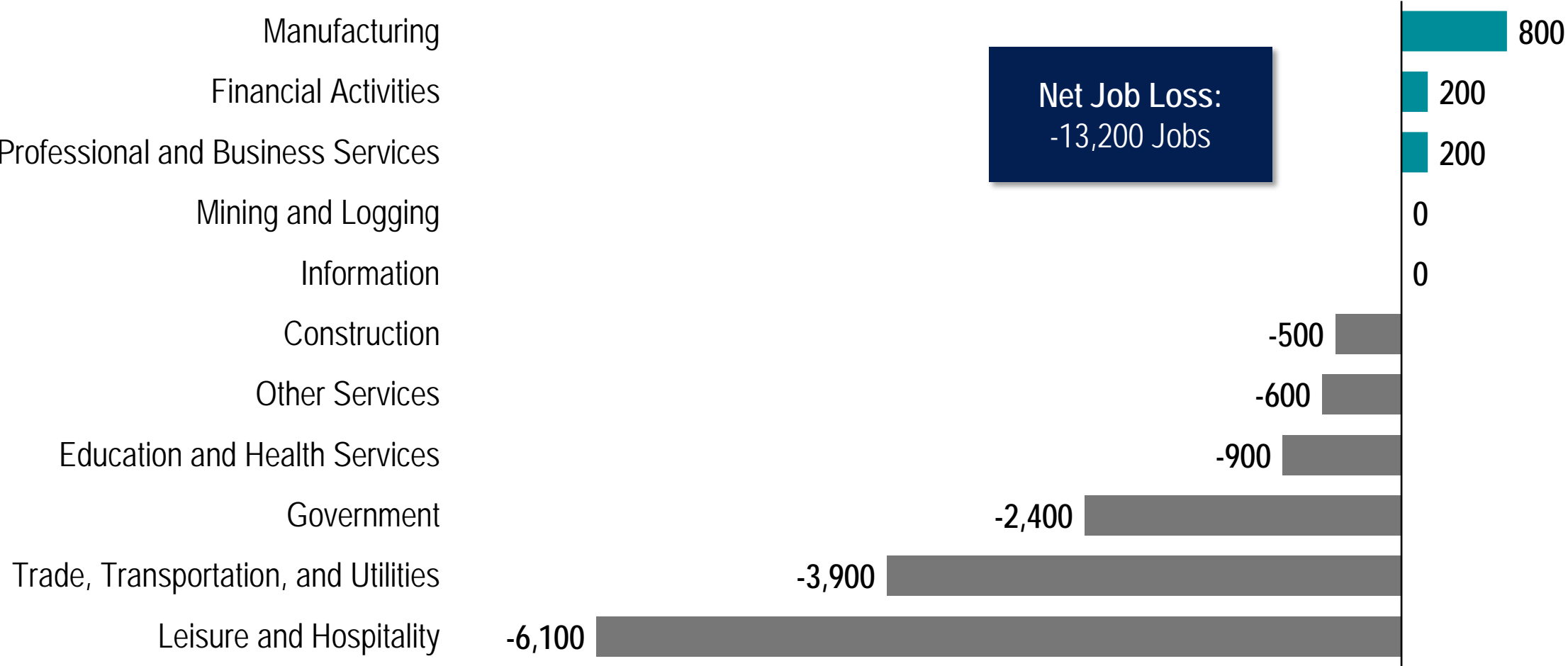
Largest 30 MSAs and Reno MSA | November 2019 vs 2020



Source: U.S. Bureau of Labor Statistics

Reno MSA Net Employment Growth

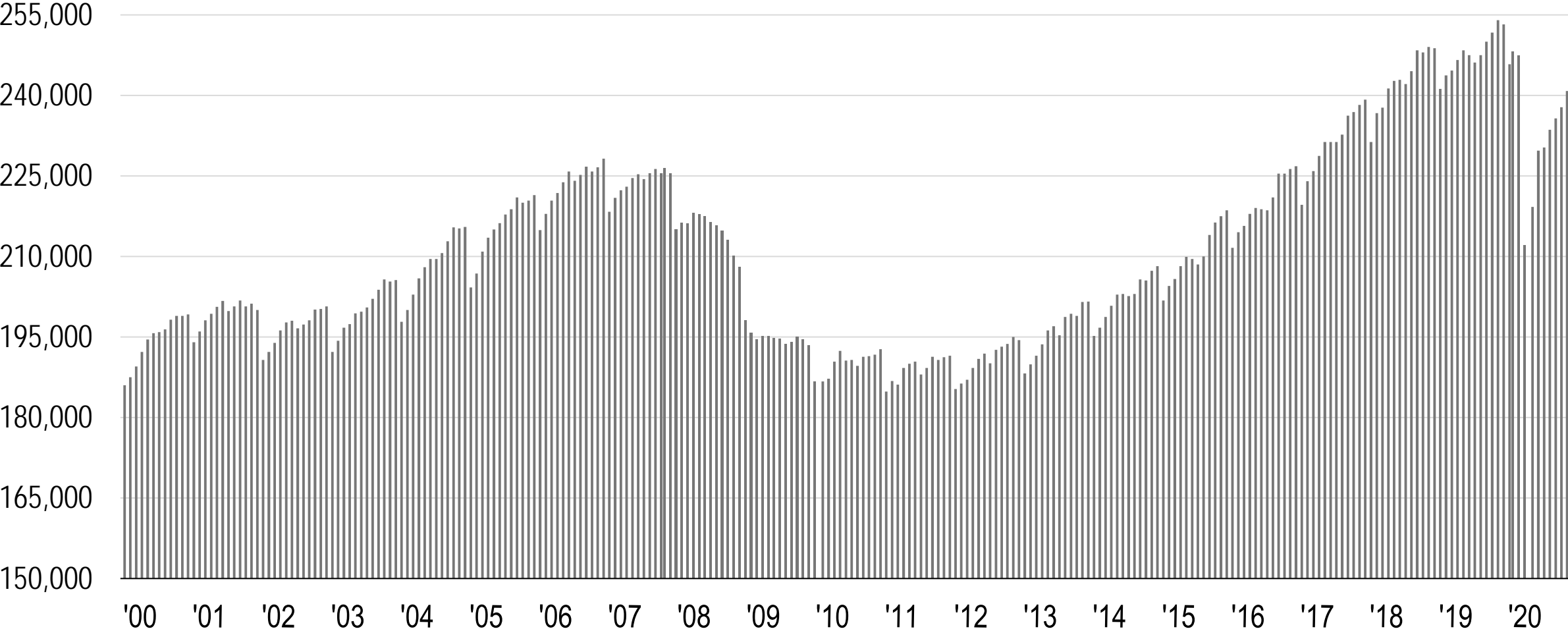
November 2019 vs 2020



Source: U.S. Bureau of Labor Statistics

Employment

Reno MSA

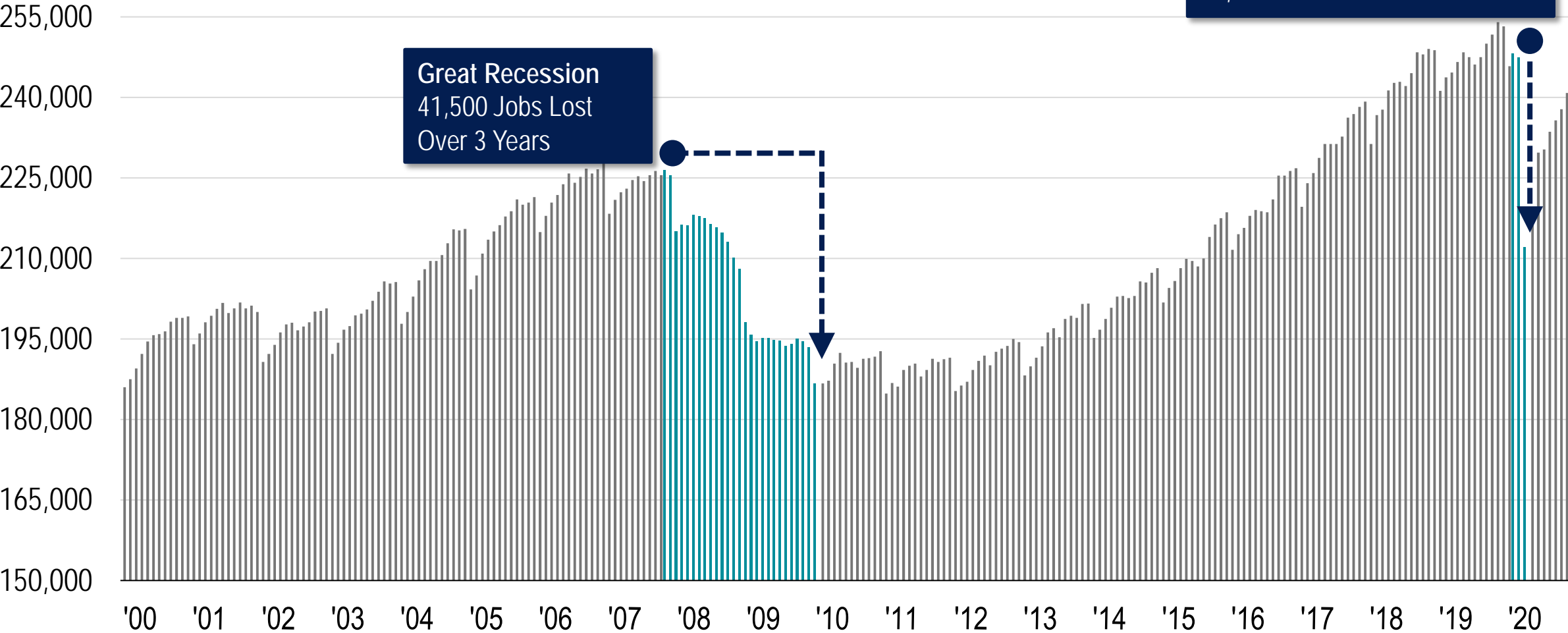


Source: U.S. Bureau of Labor Statistics



Employment

Reno MSA



COVID-19
41,900 Jobs Lost in 2 Months

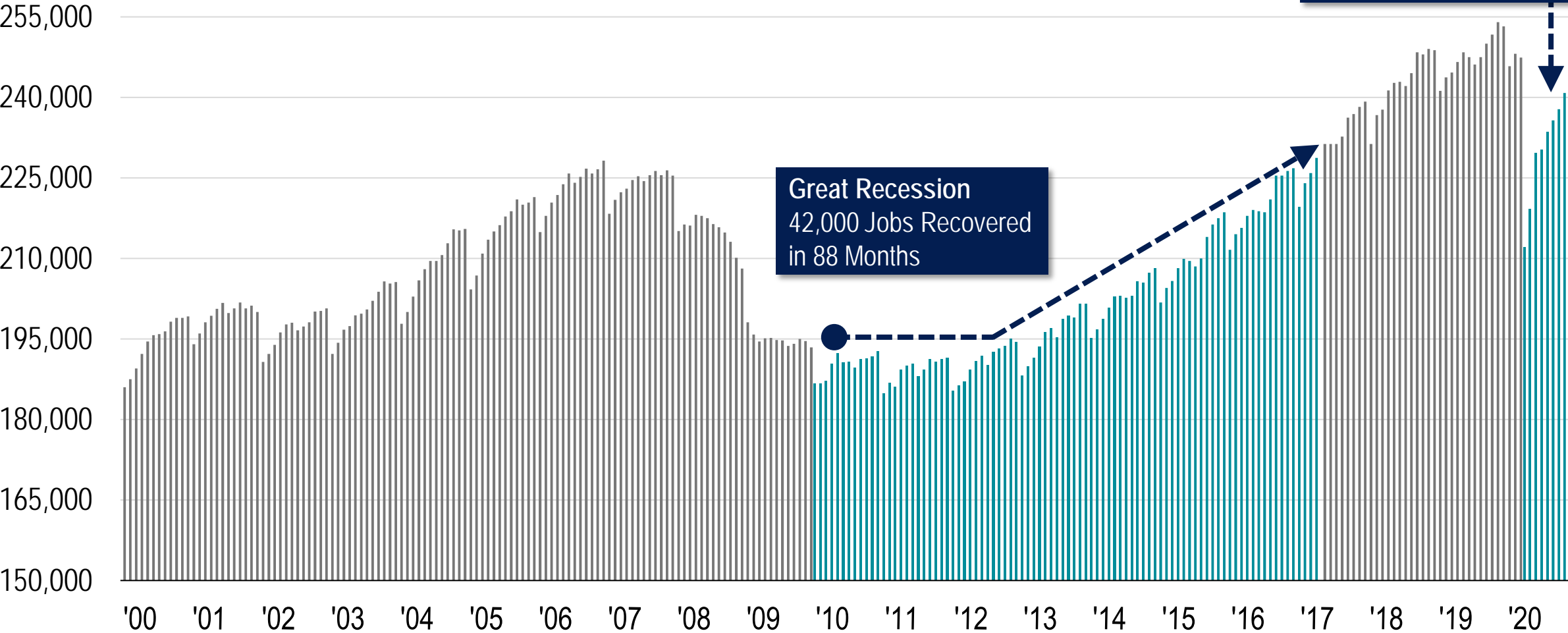
Great Recession
41,500 Jobs Lost
Over 3 Years

Source: U.S. Bureau of Labor Statistics



Employment

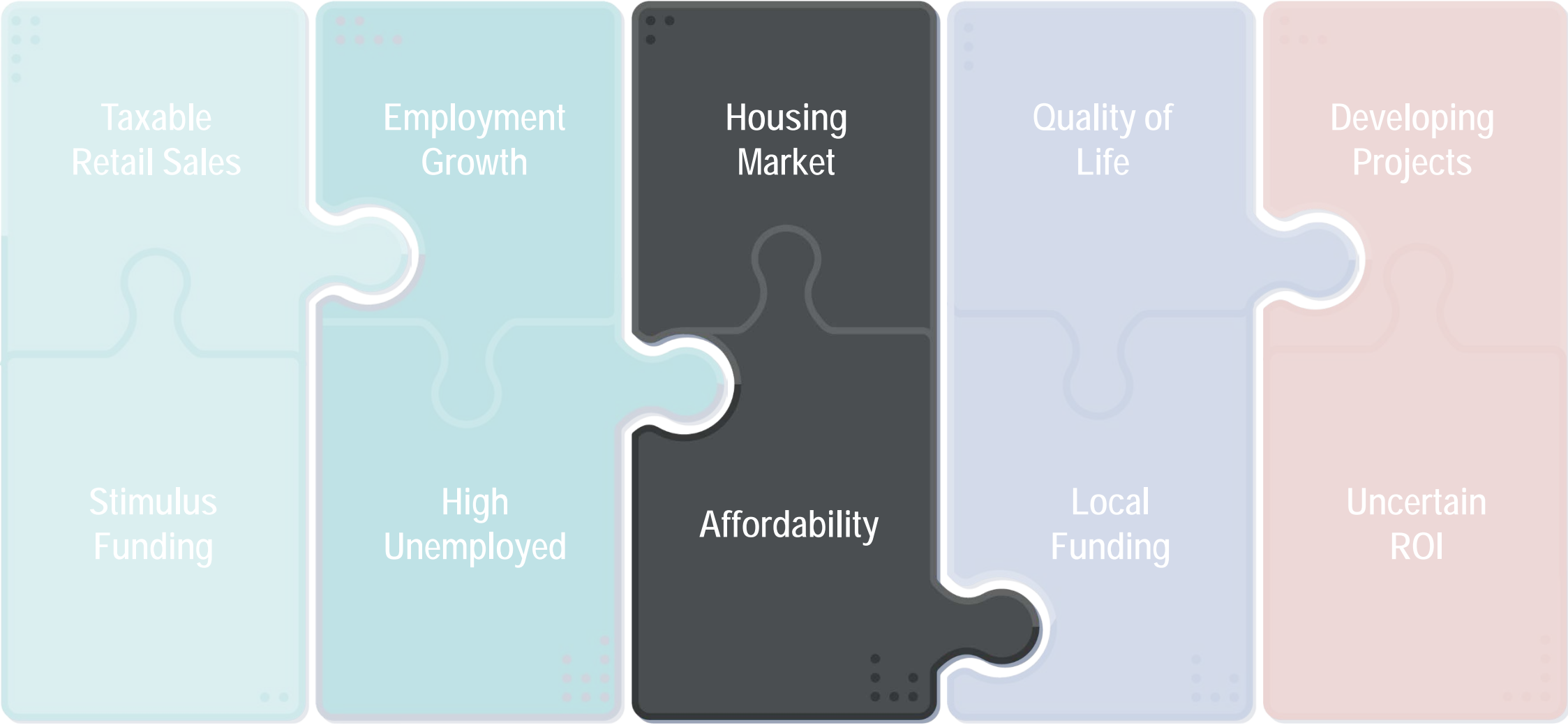
Reno MSA



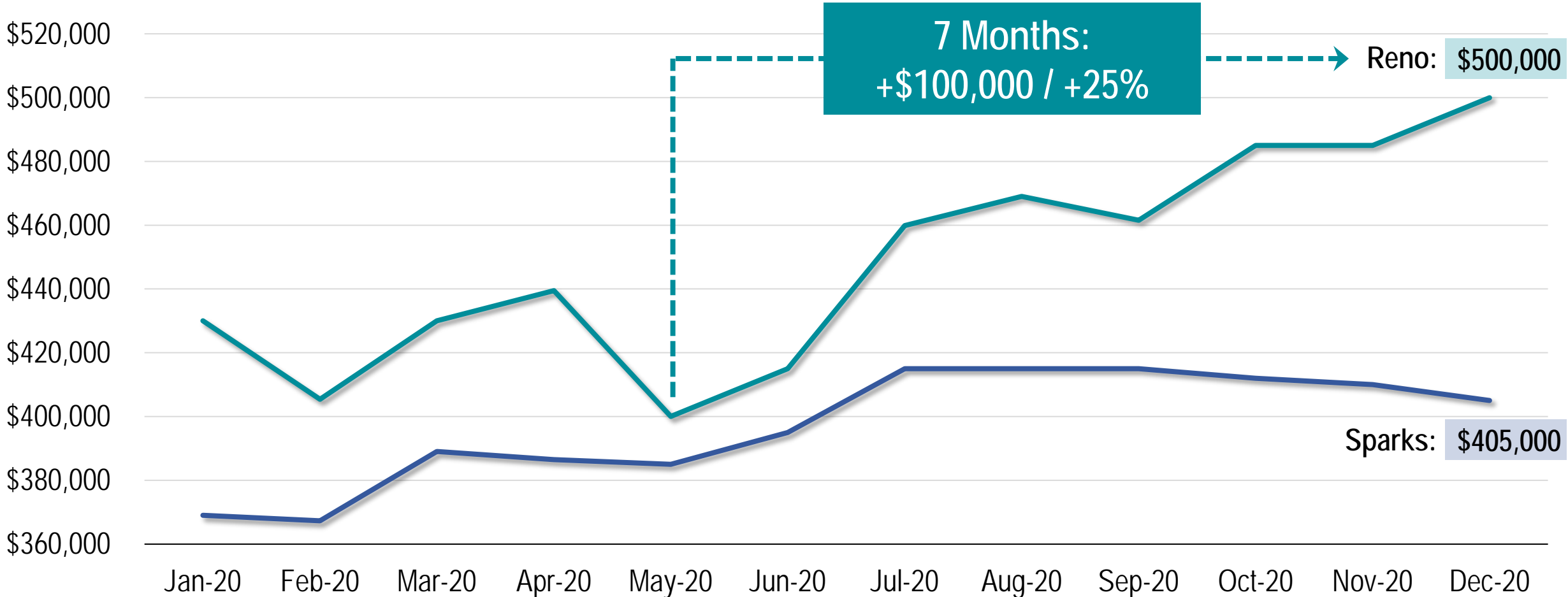
Source: U.S. Bureau of Labor Statistics



Northern Nevada: The Paradox of Prosperity



Reno-Sparks Median Existing Home Price



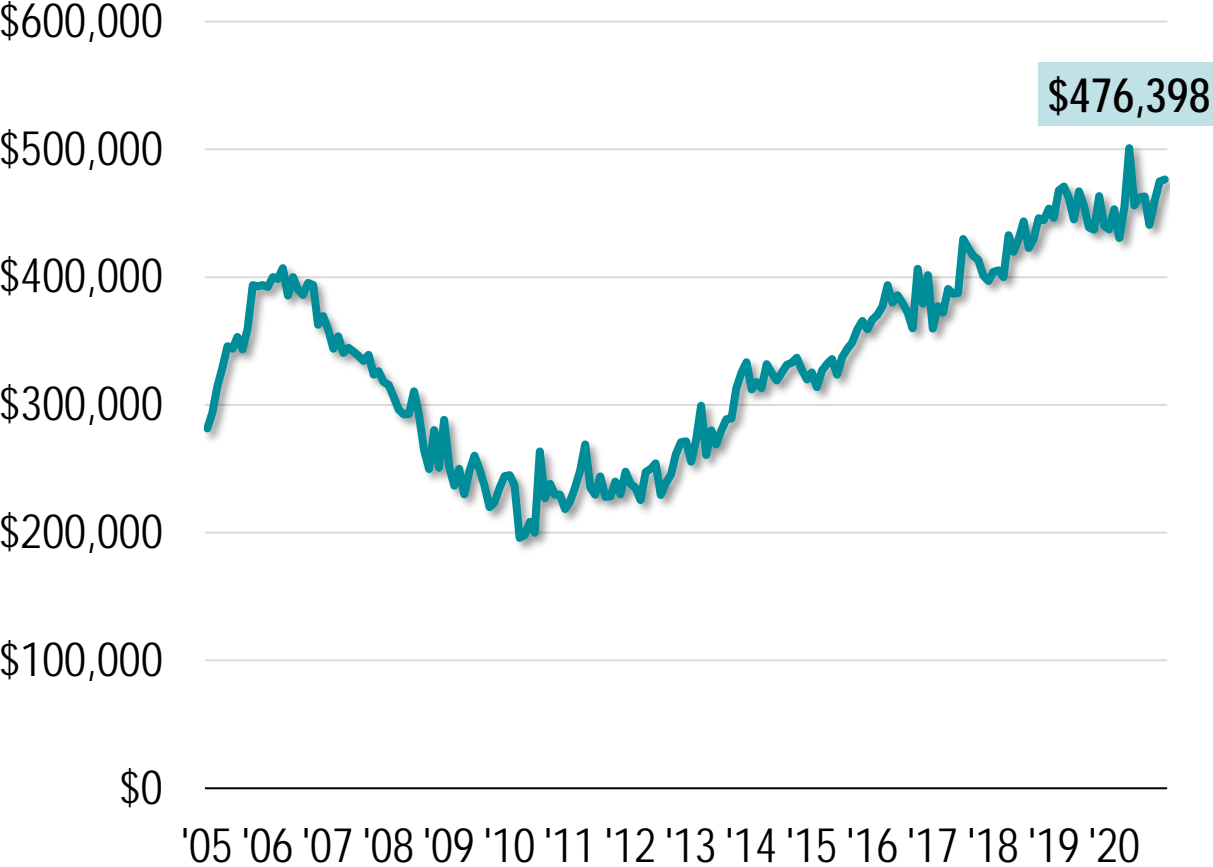
Source: Reno/Sparks Association of Realtors



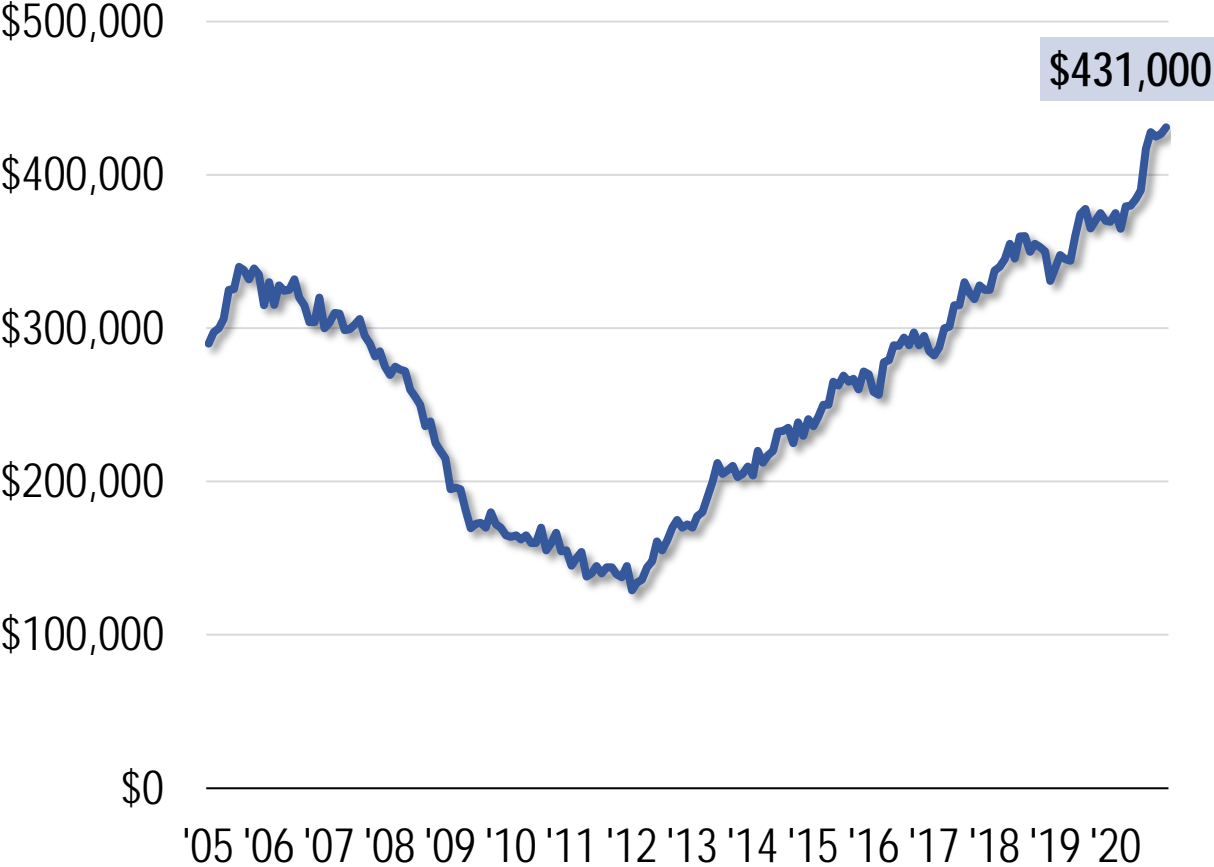
New Home and Existing Home Median Prices

Washoe County

New Home Median Prices



Existing Home Median Prices



Source: SalesTraq



**How
is this
possible?**



REASONS FOR ROBUST PRICE APPRECIATION

1

Lifestyle
Preferences

2

Limited Resale
Availability

3

Low Mortgage
Interest Rates



Reno
Sparks
Tahoe

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OF WESTERN NEVADA

THE PARADOX OF PROSPERITY

APPLIED
ANALYSIS



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Reno
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ANALYSIS



BEFORE COVID-19



My Home



My Office



My Gym



My Child's School



My Vacation

WITH COVID-19



My Home

My Office

My Gym

My Child's School

My Vacation

REASONS FOR ROBUST PRICE APPRECIATION

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ECONOMIC DEVELOPMENT AUTHORITY
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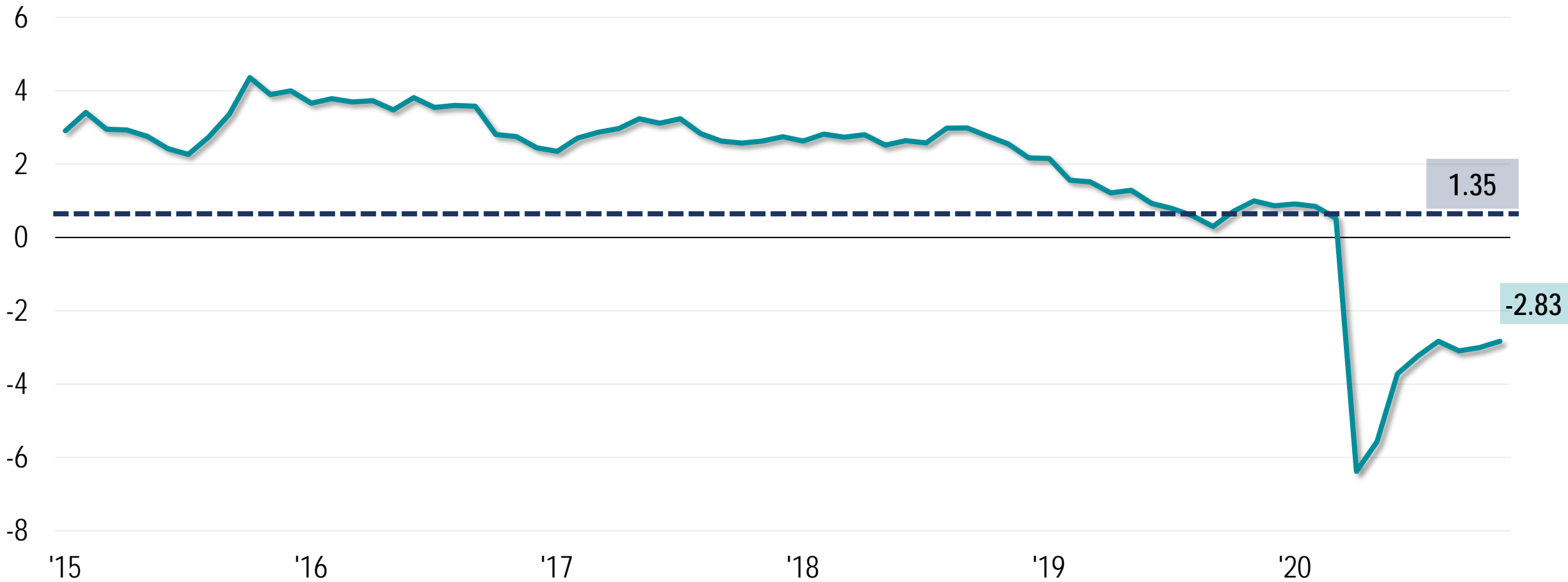
THE PARADOX OF PROSPERITY

APPLIED
ANALYSIS



Employment Growth-to-Permit Ratio

Washoe County



Source: U.S. Census Bureau; U.S. Bureau of Labor Statistics



ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA

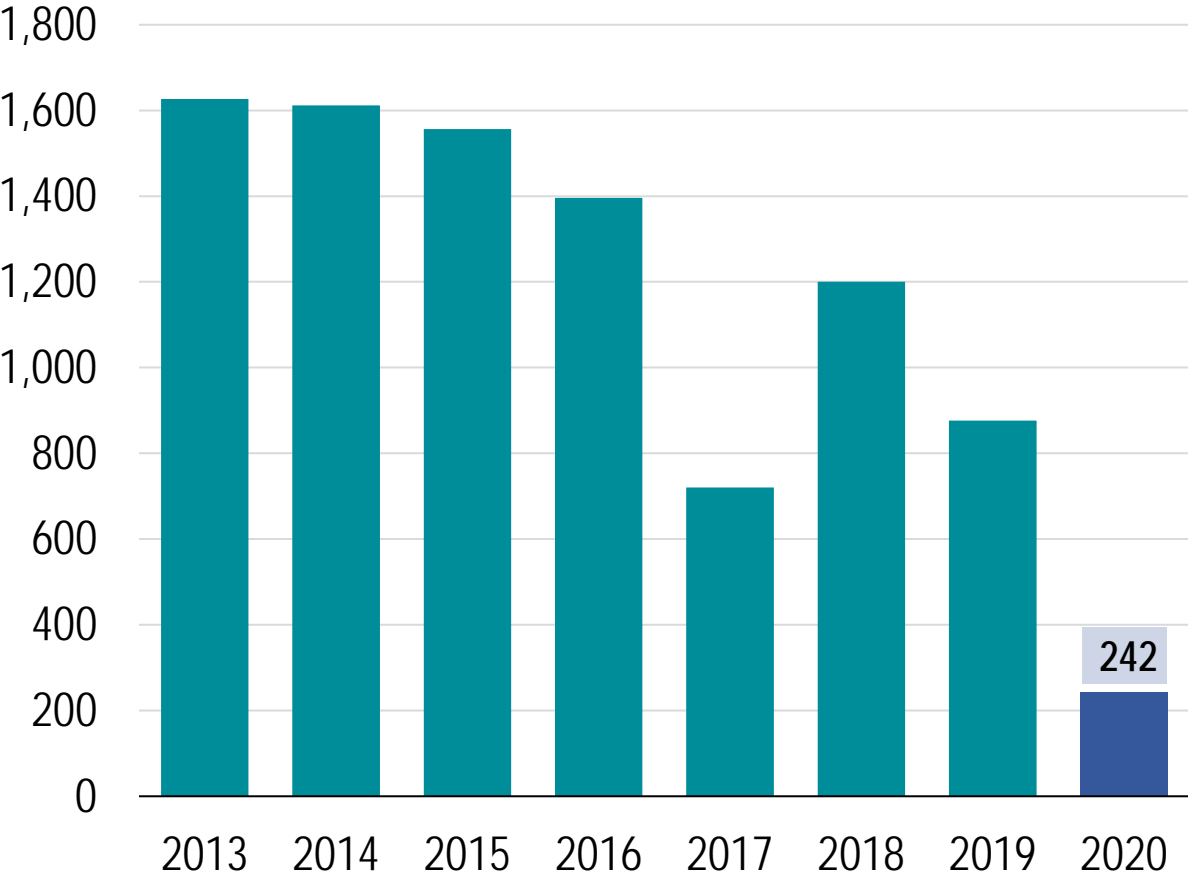
THE PARADOX OF PROSPERITY



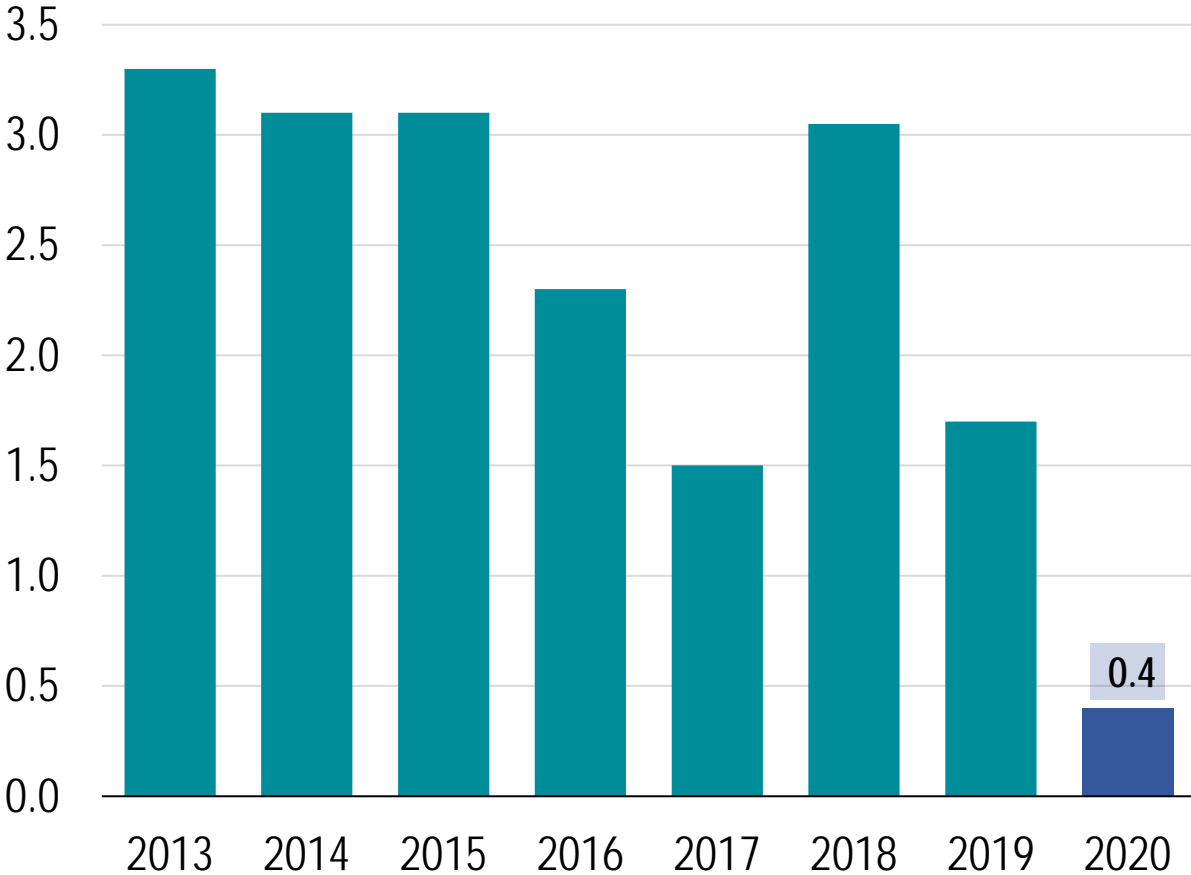
Housing Availability (Year-End)

Reno-Sparks | Single-Family Residence

Number of Units



Effective Months of Inventory

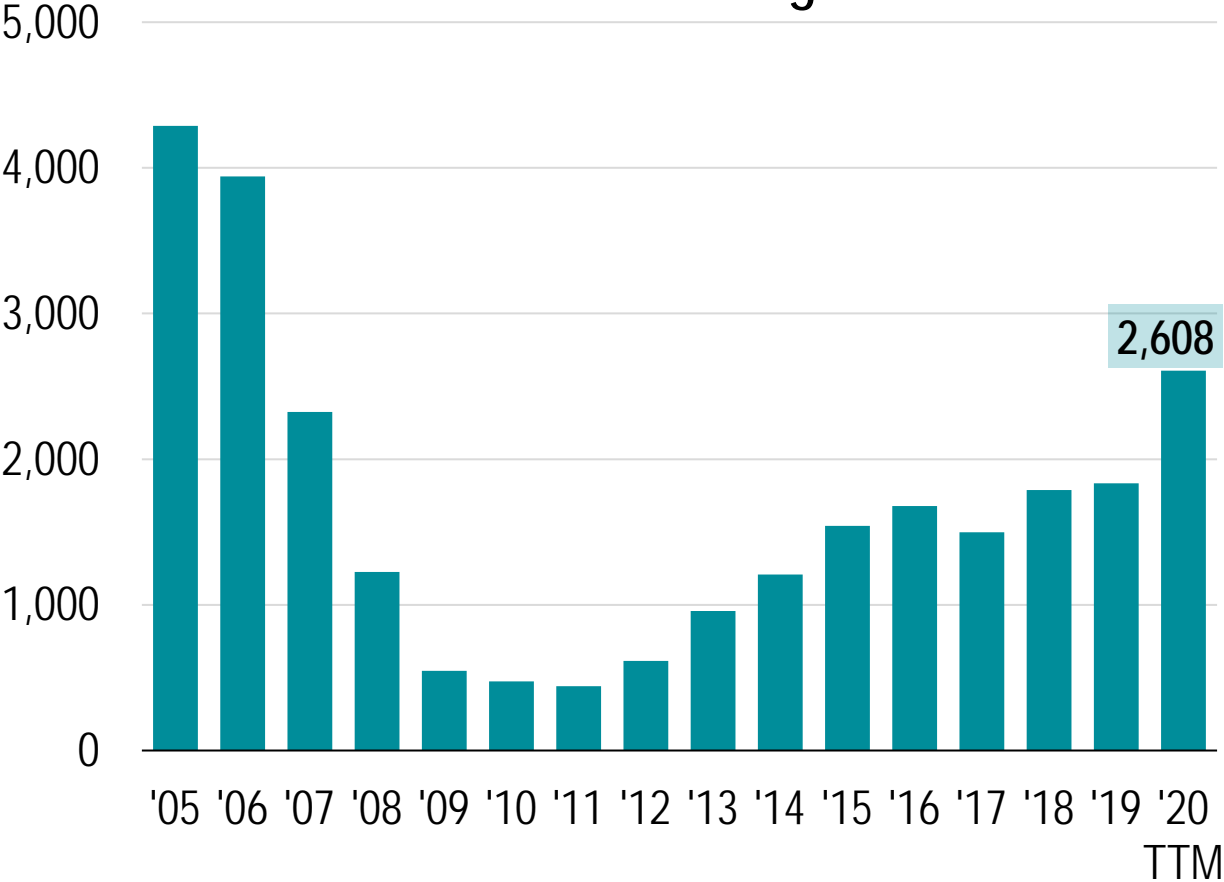


Source: Reno-Sparks Association of Realtors

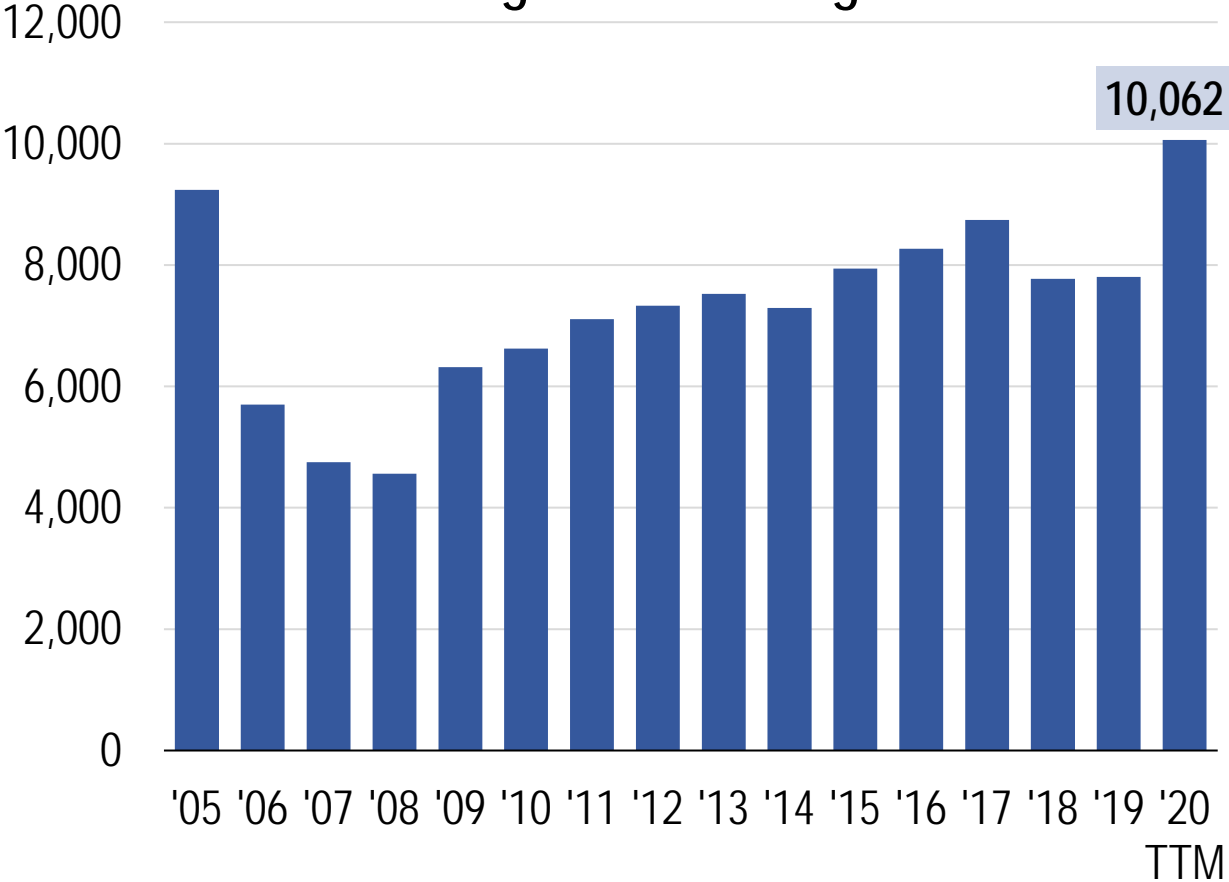
New Home and Existing Home Closings

Washoe County

New Home Closings



Existing Home Closings



Source: SalesTraq

REASONS FOR ROBUST PRICE APPRECIATION

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Reno
Sparks
Tahoe

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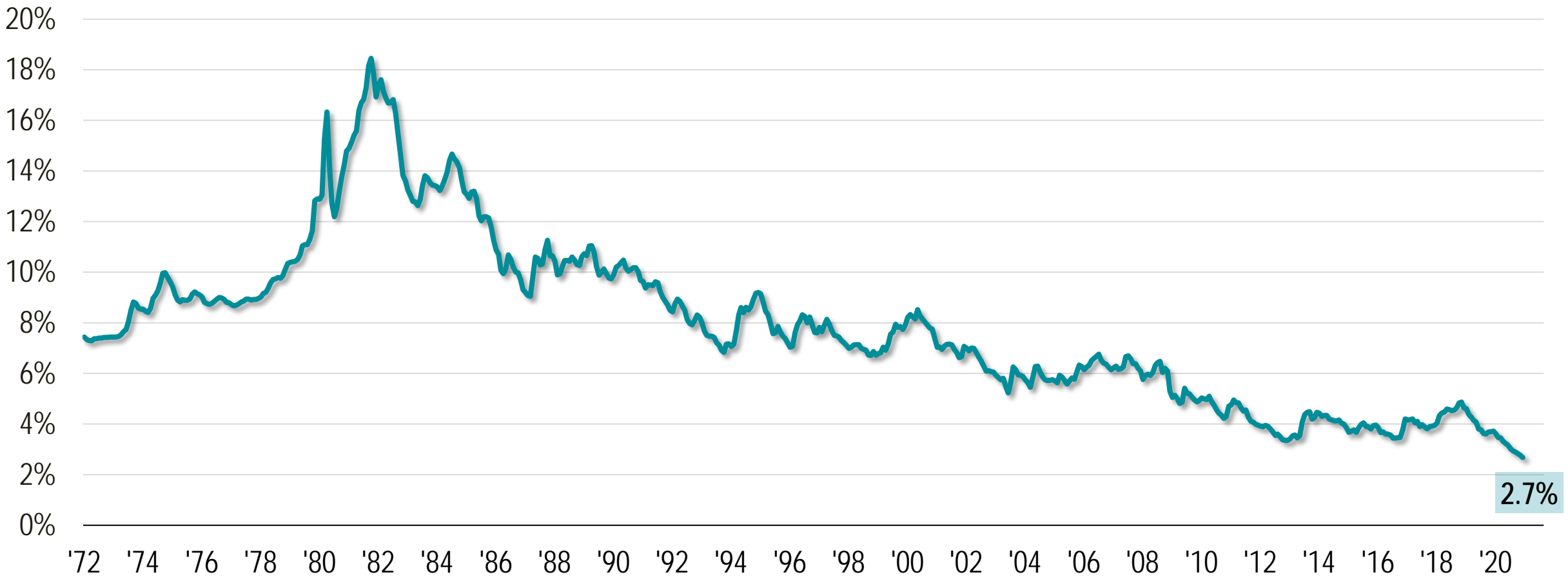
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APPLIED
ANALYSIS



U.S. Mortgage Interest Rates

30-Year Fixed-Rate



Source: Freddie Mac



ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA

THE PARADOX OF PROSPERITY



Typical Homebuyer Situation



A Year Ago



Now

Loan Amount

\$400,000

\$400,000

Interest Rate

3.7%

2.7%

Monthly Payment

\$1,841

\$1,622

Monthly Savings

-

\$219

Annual Savings

-

\$2,625

Typical Homebuyer Situation



A Year Ago



Now

Interest Rate

3.7%

2.7%

Affordable Monthly Payment

\$1,841

\$1,841

Mortgage Amount

\$400,000

\$453,931

Increased Loan Amount

-

\$53,931

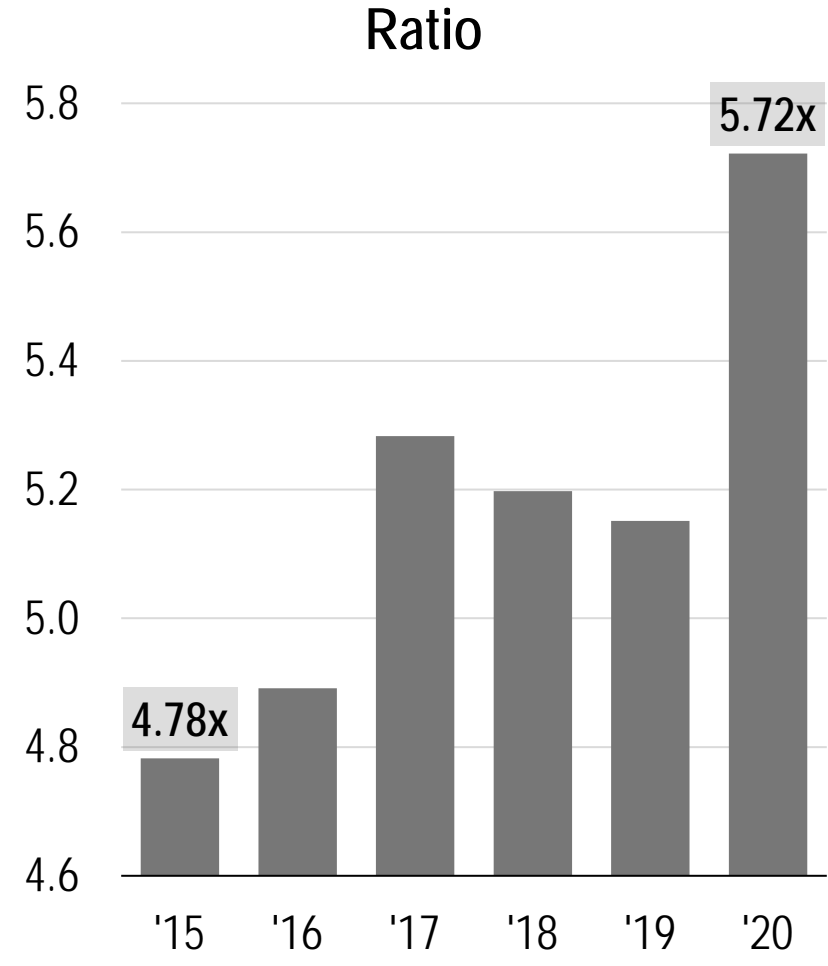
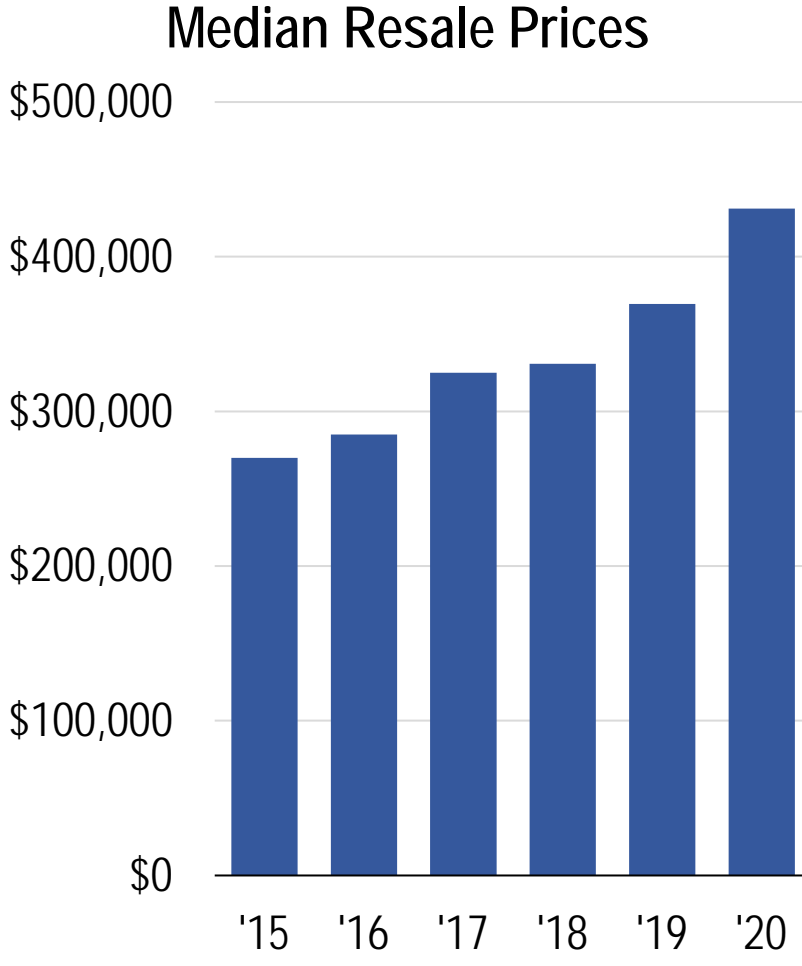
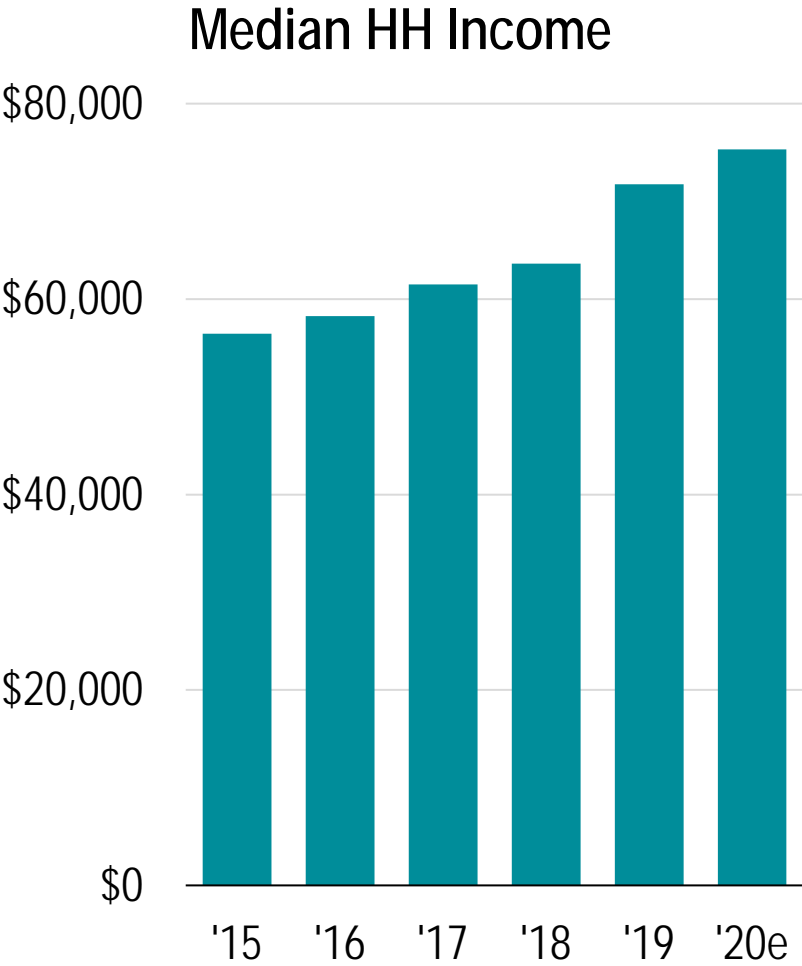
Increase Home Price

-

13.5%

Incomes vs. Home Prices

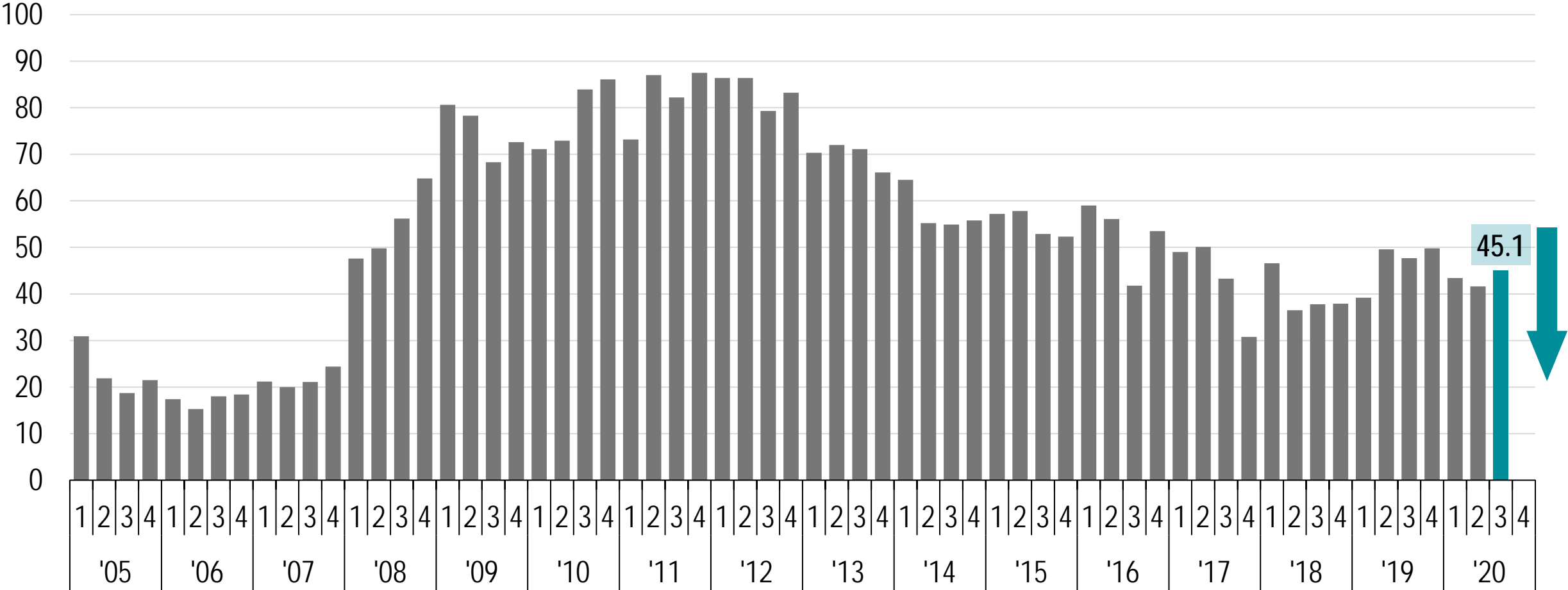
Washoe County



Source: US Census Bureau, SalesTraq

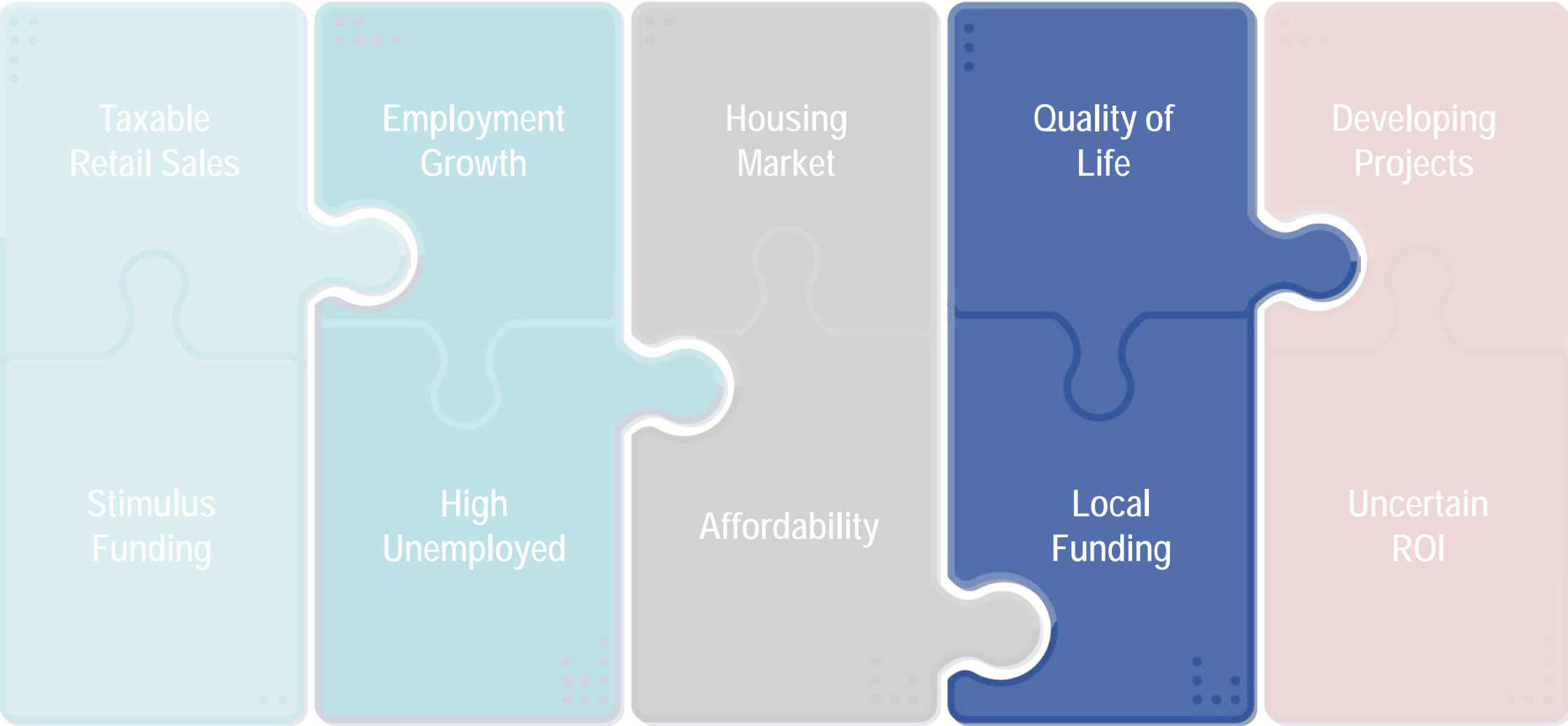
Housing Opportunity Index

Reno MSA

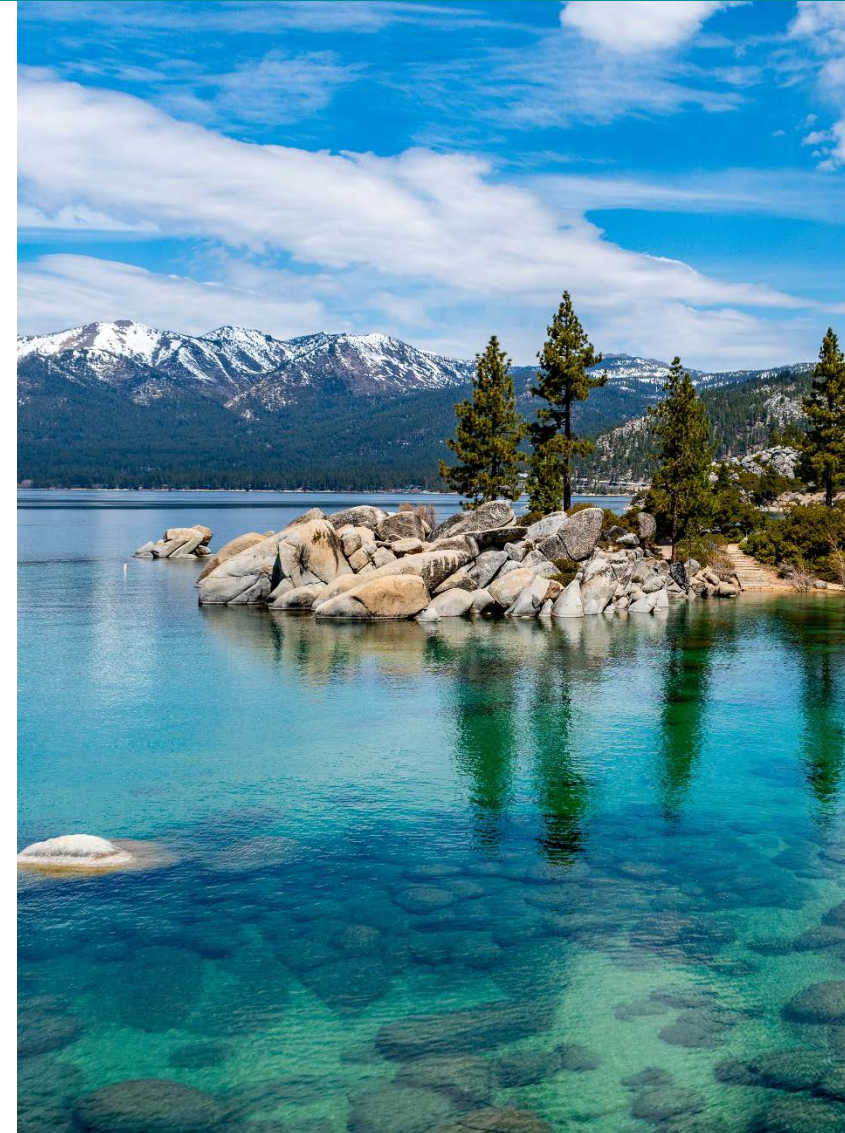


Source: National Association of Homebuilders

Northern Nevada: The Paradox of Prosperity



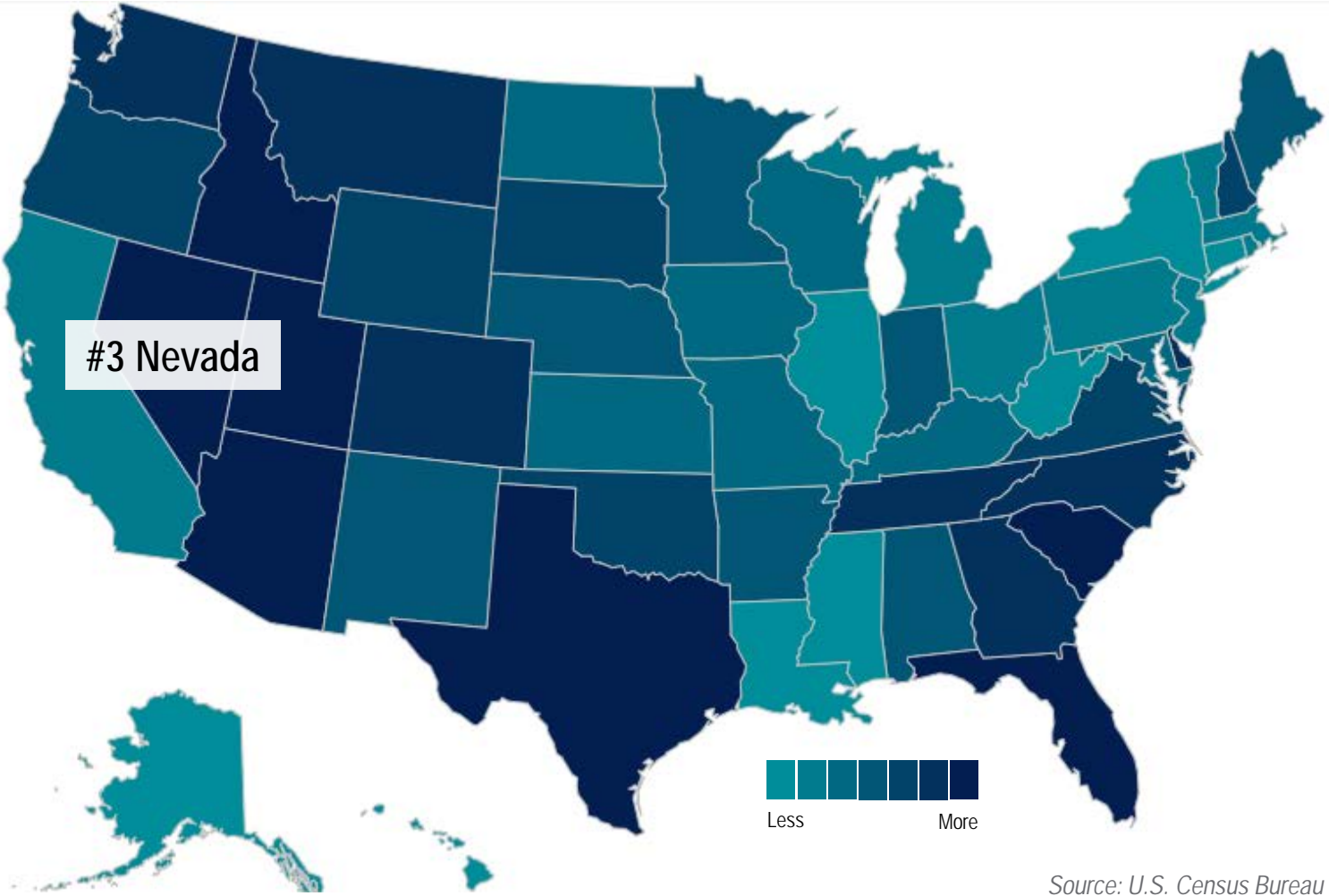
Quality of Life



Resident Population Growth

2019 vs 2020

Rank	State	Annual Growth
1	Idaho	+2.12%
2	Arizona	+1.78%
3	Nevada	+1.54%
4	Utah	+1.45%
5	Texas	+1.29%
6	South Carolina	+1.17%
7	Florida	+1.12%
8	Washington	+1.05%
9	Delaware	+1.04%
10	Montana	+0.98%
U.S. Average		+0.35%

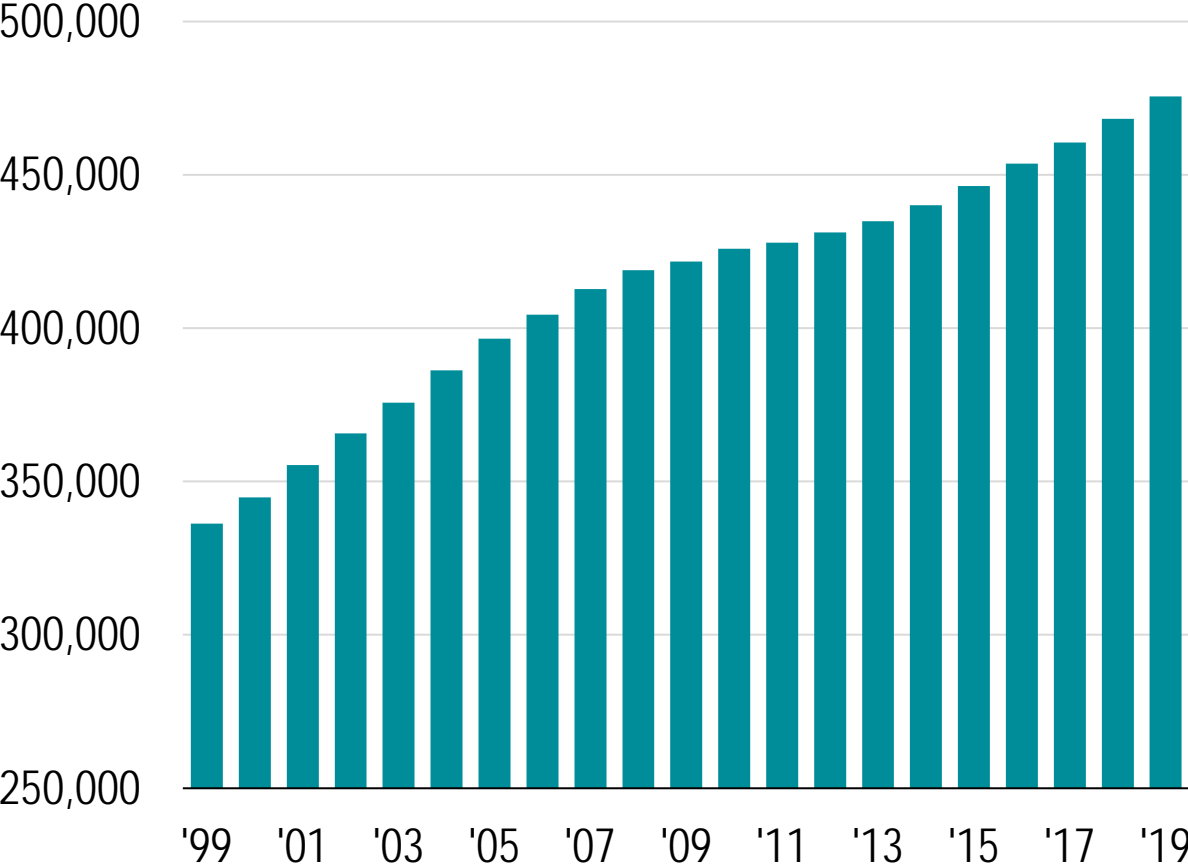


Source: U.S. Census Bureau

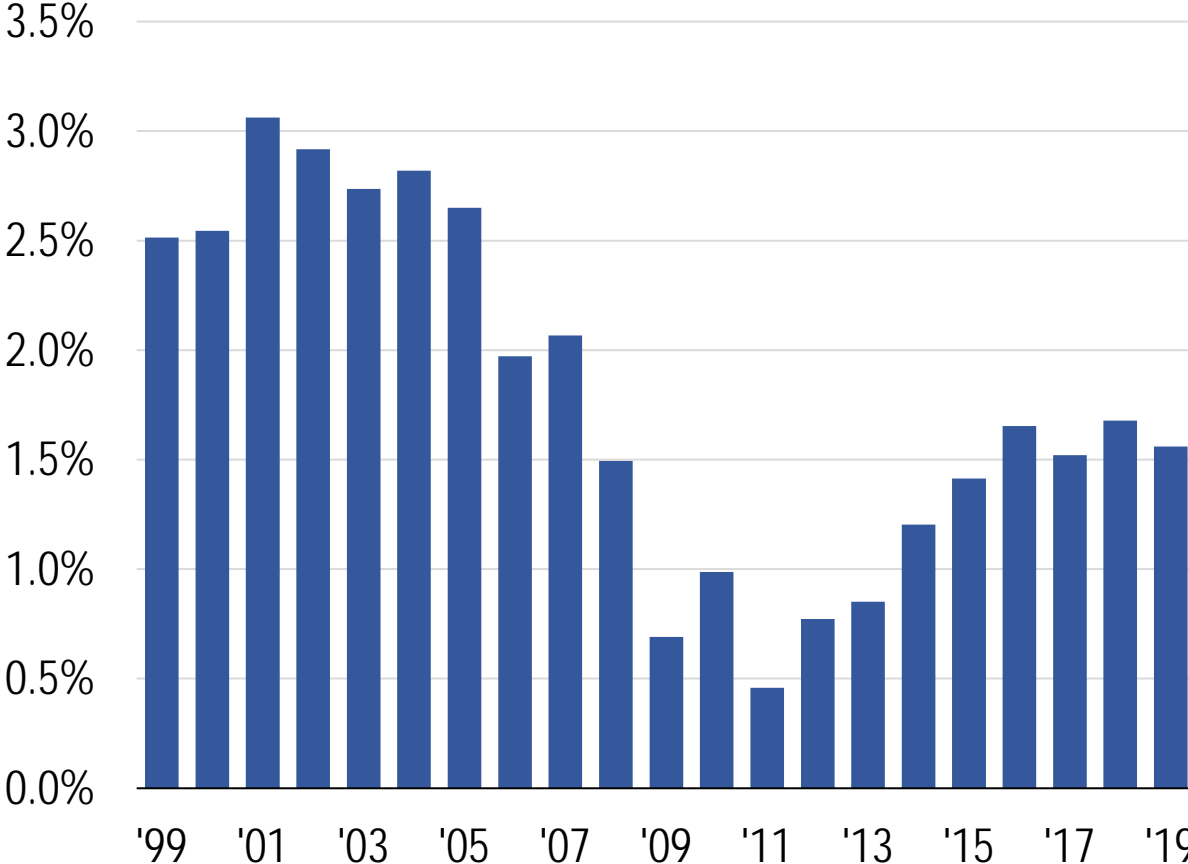
Population and Growth

Reno MSA

Historical Trend



Annual Growth Rate



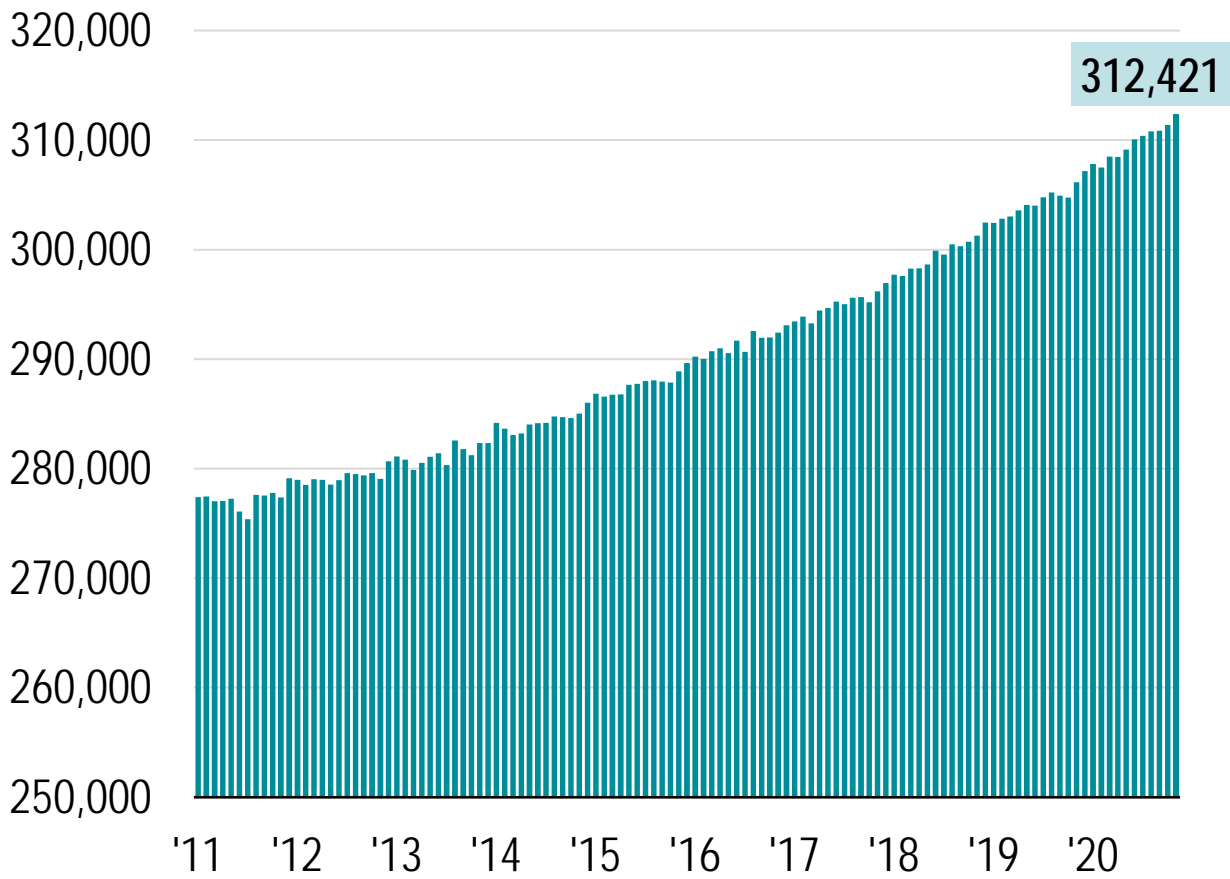
Source: U.S. Census Bureau



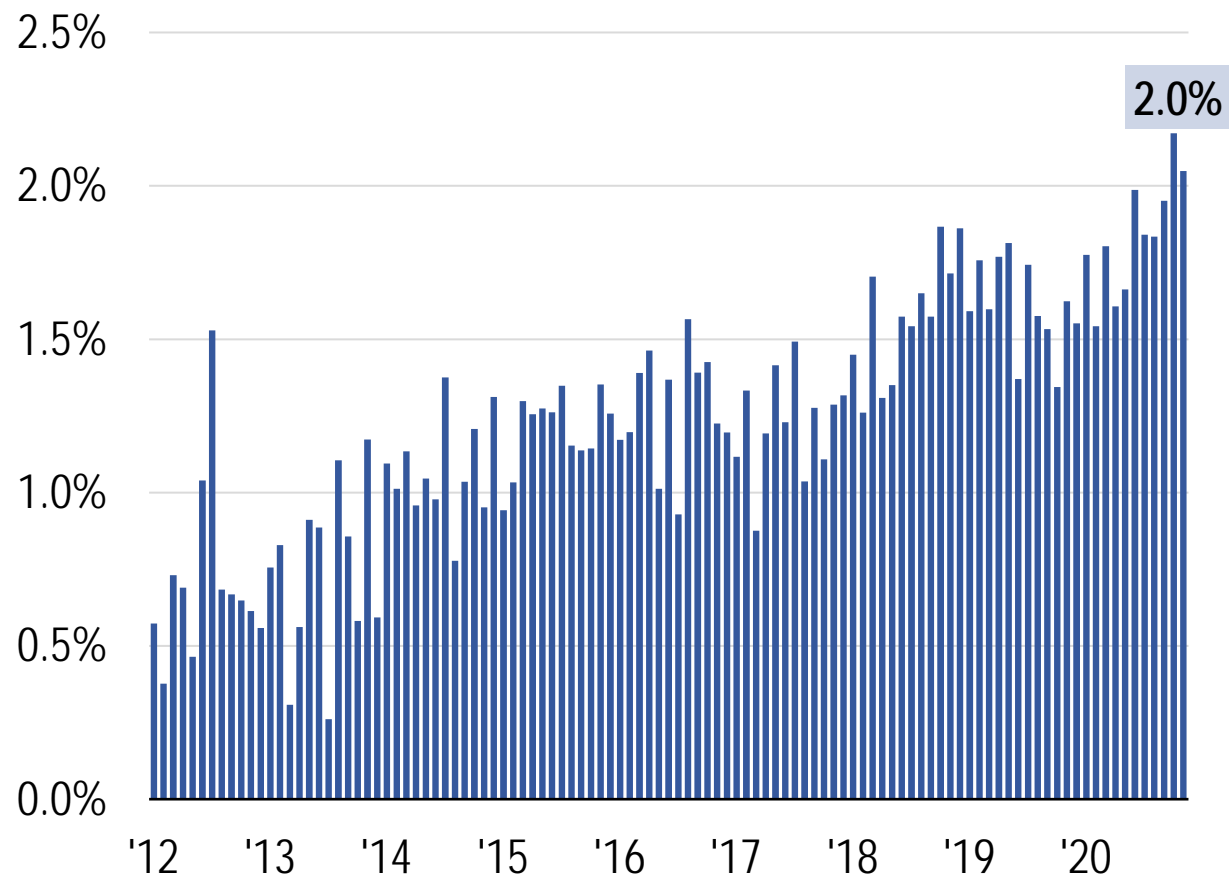
Electric Meter Connections

Northern Nevada

Historical Trend



Annual Growth Rate



Source: NV Energy



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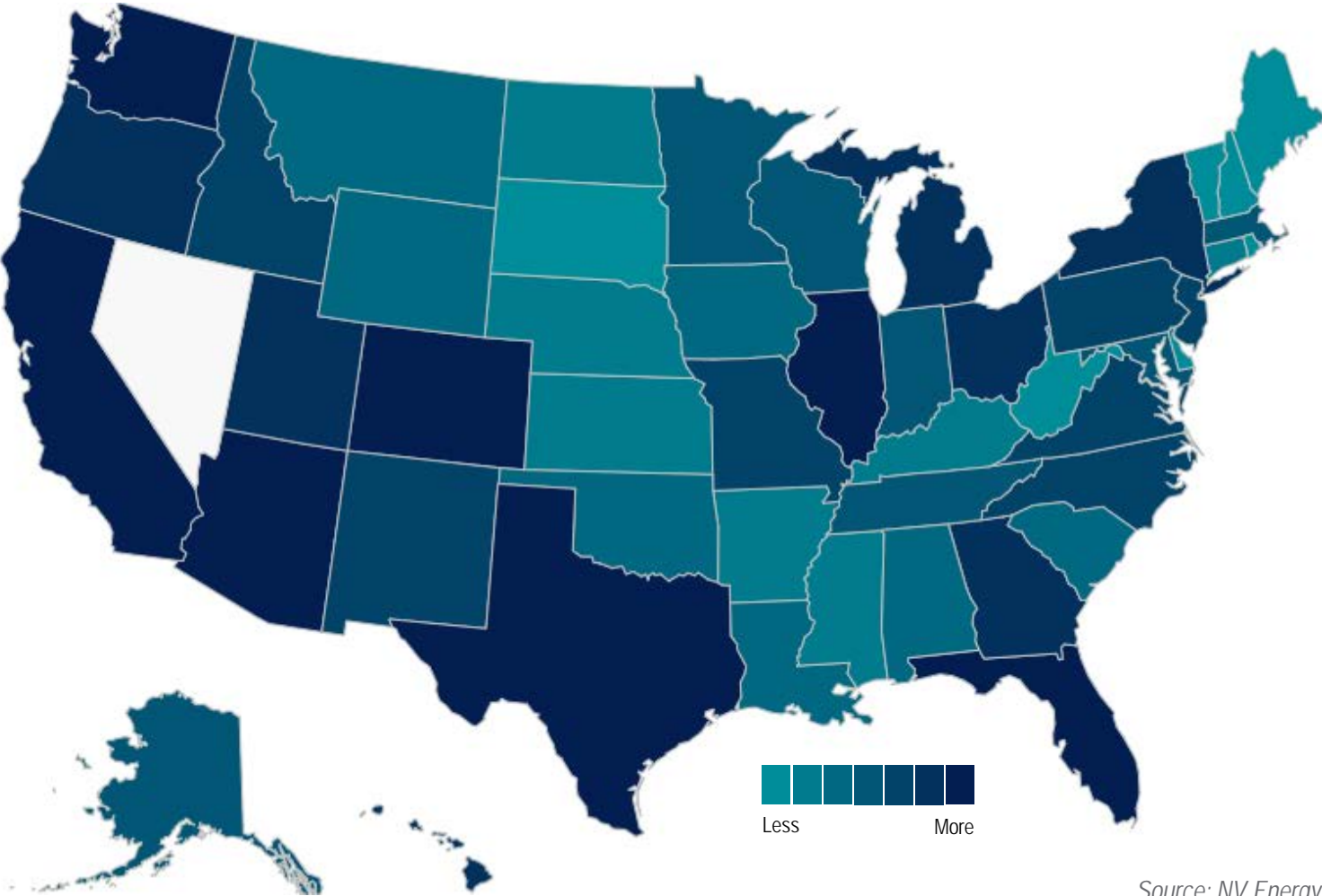
THE PARADOX OF PROSPERITY



Driver's License Surrenders to Nevada

Trailing 12 Month Total

Rank	State	TTM Value
1	California	+27,608
2	Florida	+3,001
3	Arizona	+2,760
4	Texas	+2,696
5	Washington	+2,450
6	Illinois	+1,883
7	Colorado	+1,876
8	Utah	+1,757
9	Hawaii	+1,703
10	New York	+1,382



Source: NV Energy



How
is this
sustainable?

Sales & Use Taxes

Property Taxes

Gaming & Tourism Taxes



Reno
Sparks
Tahoe

ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA

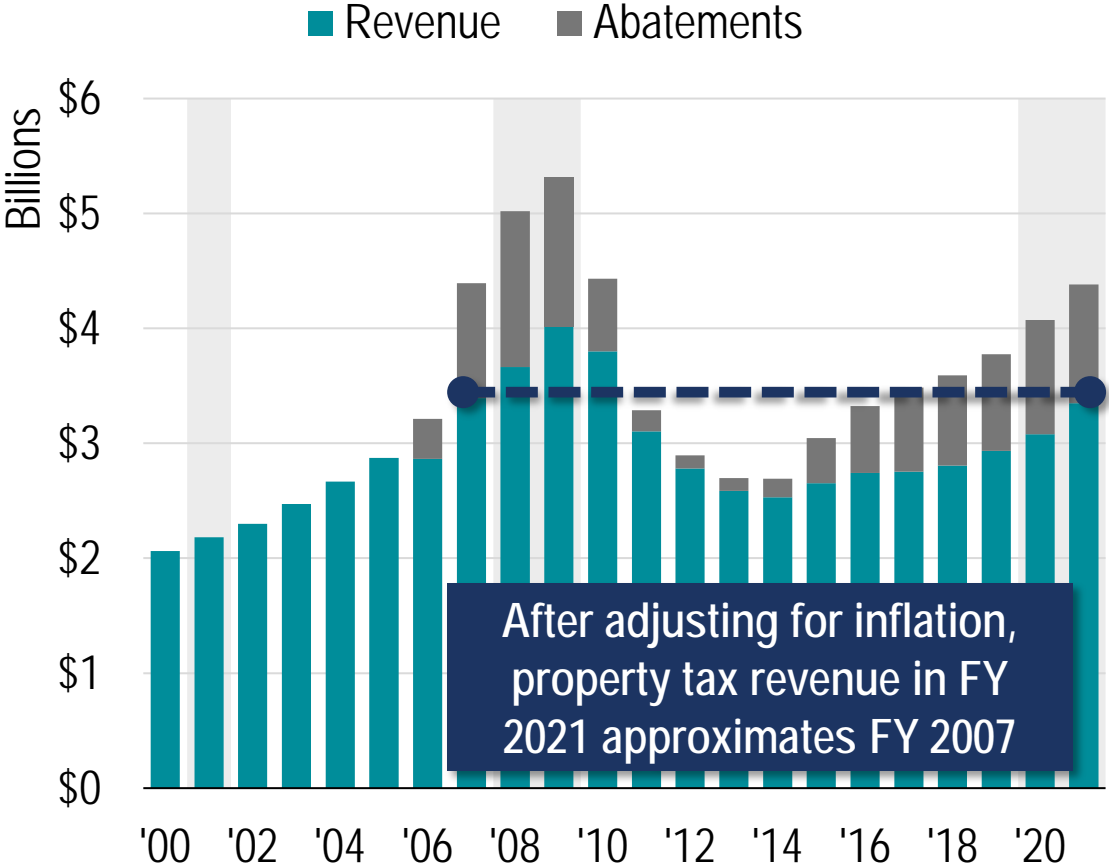
THE PARADOX OF PROSPERITY

APPLIED
ANALYSIS

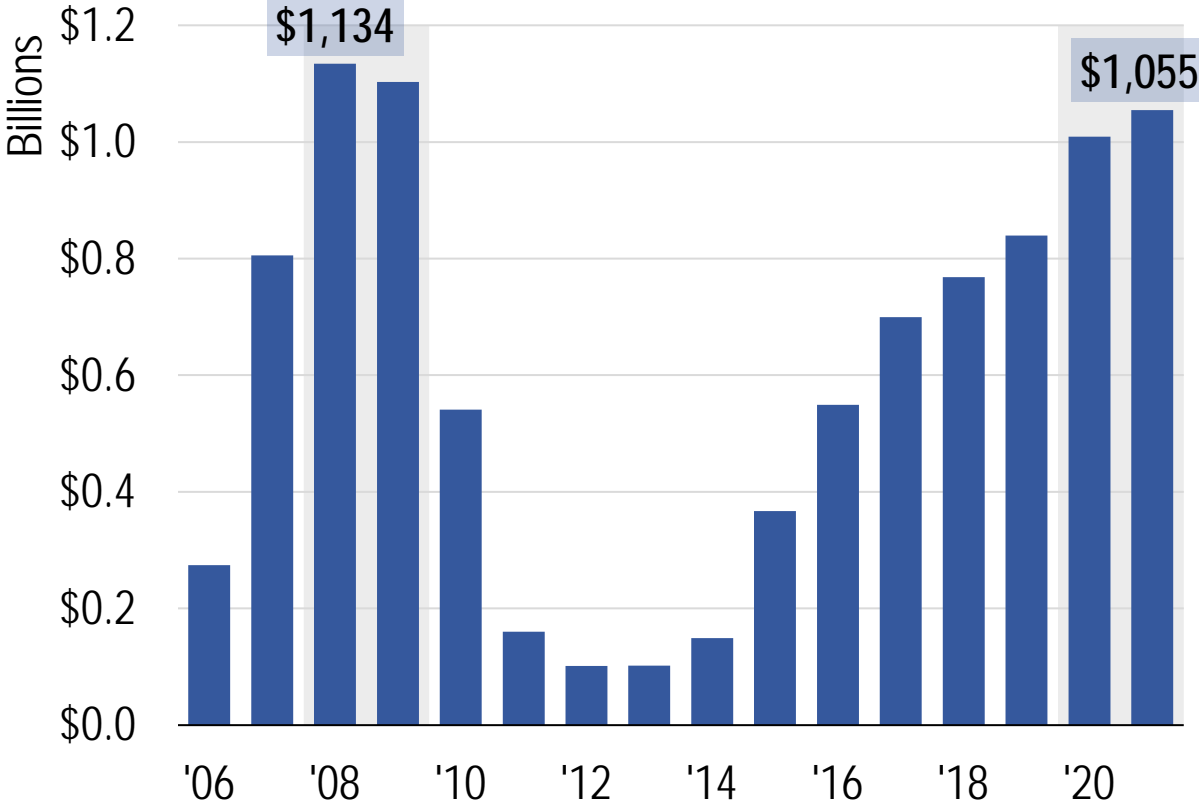


Property Tax Is Not Keeping Pace

Inflation-Adjusted Property Tax Revenue



Total Property Tax Abatements



\$9.1 Billion

\$7.7 Billion

\$8.1 Billion

\$9.7 Billion

\$8.5 Billion

\$8.7 Billion

\$9.1 Billion

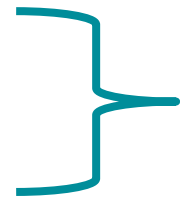
\$7.7 Billion

\$8.1 Billion

\$9.7 Billion

\$8.5 Billion

\$8.7 Billion



+\$200 Million

\$9.1 Billion

\$7.7 Billion

\$8.1 Billion

\$9.7 Billion

\$8.5 Billion

\$8.7 Billion



+\$600 Million

\$9.1 Billion

\$7.7 Billion

\$8.1 Billion

\$9.7 Billion

\$8.5 Billion

\$8.7 Billion

} -\$1.2 Billion

\$9.1 Billion

\$7.7 Billion

\$8.1 Billion

\$9.7 Billion

\$8.5 Billion

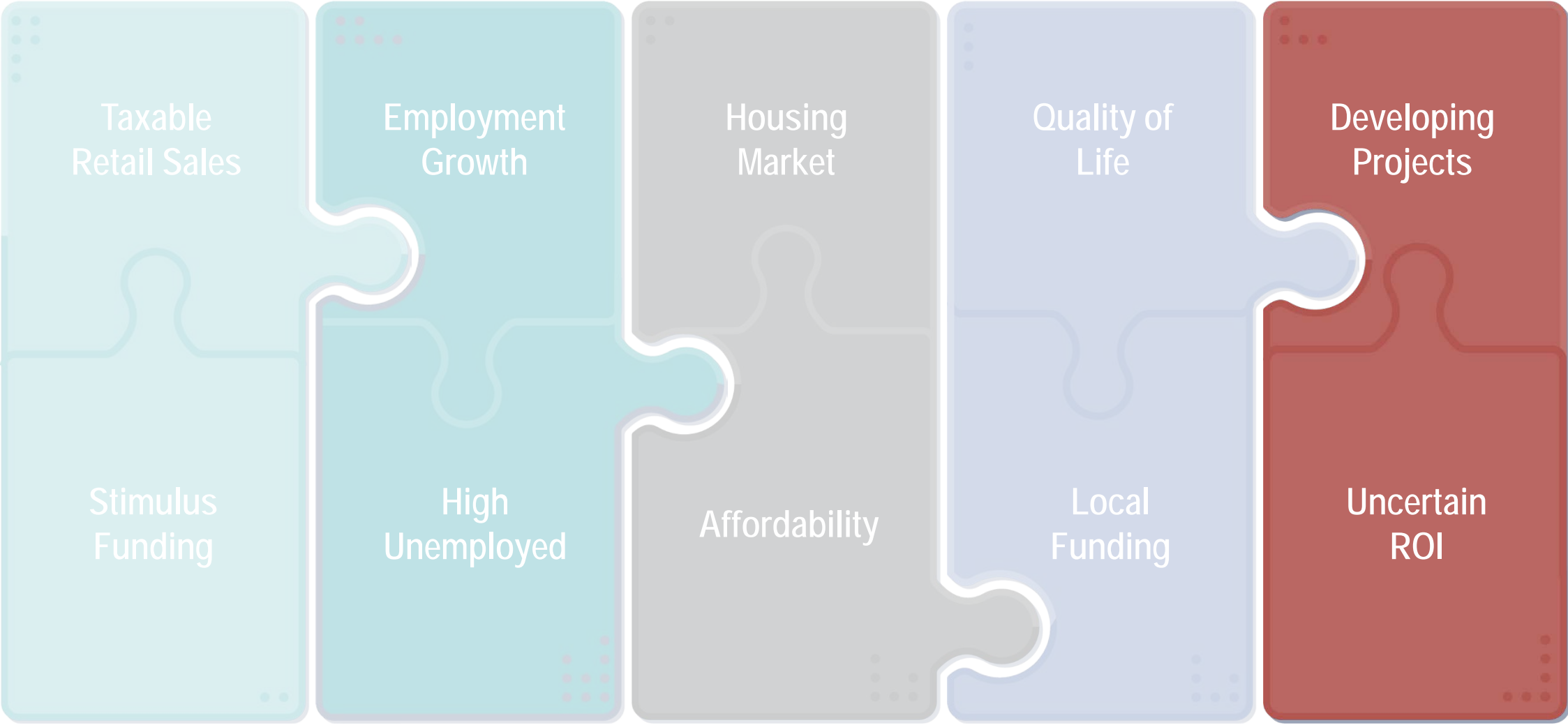
\$8.7 Billion

-\$400 Million

Local Funding Will Be a Concern



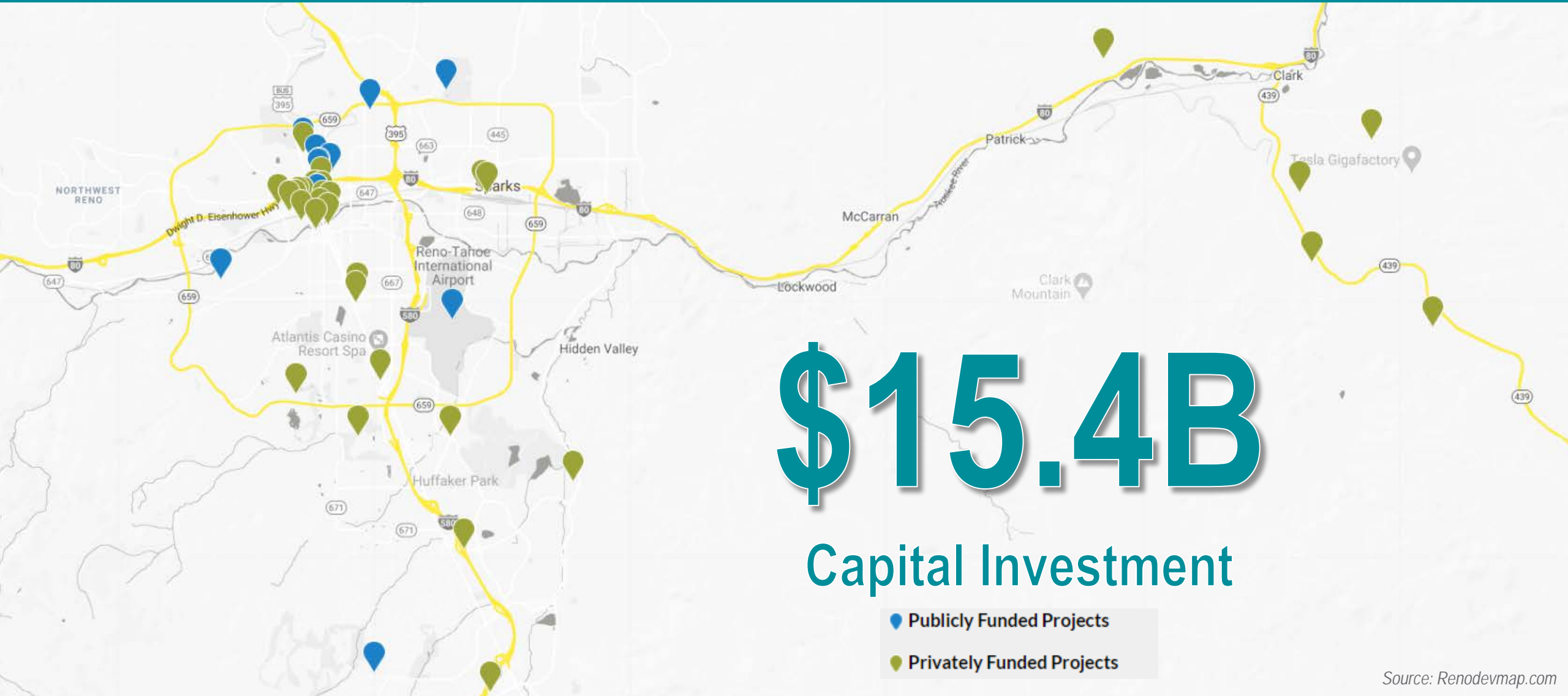
Northern Nevada: The Paradox of Prosperity



Investing Into the Future



Investing Into the Future



Reno Experience District (RED) Rent Expectations

\$1,421

Average Apartment Rent
in Reno-Sparks Area

\$2,235

Starting Rent for
Apartment in RED

Source: Reno Gazette Journal

Commercial Lease Rate Expectations



Reno
Sparks
Tahoe

ECONOMIC DEVELOPMENT AUTHORITY
OF WESTERN NEVADA

THE PARADOX OF PROSPERITY

APPLIED
ANALYSIS



Is Boomtown U.S.A. Going Bust?



Phoenix Descending: Is Boomtown U.S.A. Going Bust?

real estate and, by extension, the area's economy as a whole. Indeed, unmistakable signs of a deep and protracted real-estate bust are rapidly accumulating.

The problems first surfaced a few years ago in the office building, apartment and retail mall sectors where lax-valuation-driven investment unleashed a torrent of new construction activity. Of the vacancy rates, for example, soared over 20% in the Phoenix area by 1998 and have remained at that level ever since. Despite the 1996 Tax Reform Act, which took away nearly all the tax breaks from such investments of real estate. The absorption rate of new space simply never materialized at expected levels.

The contagion has since spread to multi-family housing. According to Arizona State University's real-estate Real Estate Center, apartment vacancies leapt to a record 17% in the second quarter of 2001.

By JONATHAN R. LAING

PHOENIX—Even if any, some have said, "boom" is over, the city of Phoenix is still suffering from the effects of the boom.

Phoenix, Arizona, has been called the "boomtown" of the West. It has seen a massive influx of people and money, and its economy has grown rapidly. But now, some say, the boom is over. The city is facing a real estate bust, with many homes and businesses in jeopardy. The city's population is still growing, but the economy is slowing down. Many people are leaving the city, and the city's tax base is shrinking. The city is facing a difficult future.

The city of Phoenix is still suffering from the effects of the boom. The city's population is still growing, but the economy is slowing down. Many people are leaving the city, and the city's tax base is shrinking. The city is facing a difficult future.

The boom effects of the growing real estate market beyond the city and county are also showing up. Many new homes and businesses are already in place. The boom effects of the real estate market are also showing up in the city's economy. Many businesses are struggling, and many people are losing their jobs. The city is facing a difficult future.

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The Pandemic
Will End and
Businesses Will
Reopen to Full
Capacity
Operations

Northern Nevada is Well Positioned for Future Growth



Prosperity Will Not Be By Accident



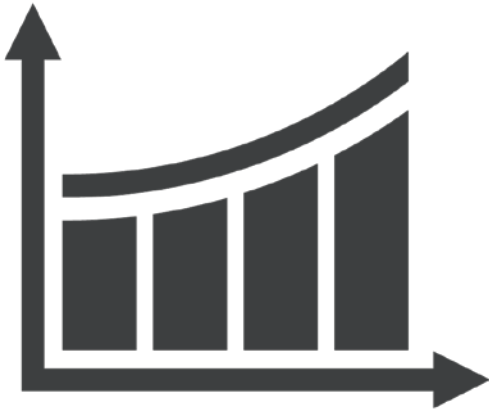
Education



Health Care



Police Protection



Economic Development



Taxes



Homelessness



Environment



Social Justice



THE PARADOX OF PROSPERITY