THE PARADOX OF PROSPERITY
The Fight Against COVID-19
The Rapid Spread of COVID-19

Cumulative Cases

Source: John Hopkins University
New Daily COVID-19 Cases

14-Day Moving Average

Nevada

Washoe County

United States

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

14-Day Moving Average

Source: Nevada Department of Health and Human Services; Washoe County Health District; CovidTracking
Positivity Rate
14-Day Moving Average

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

WHO Goal: 5%
COVID-19 Hospitalizations

Washoe County

Confirmed ➤ Suspected

Peak to Present:
-162 Hospitalizations (-46.4%)

Trough to Present:
143 Hospitalizations (76.5%)

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

Pfizer
95% Effective

Moderna
94.5% Effective

AstraZeneca
90.0% Effective

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

Pfizer and Moderna Approved by FDA for Emergency Usage
Nevada Vaccine Rollout Overhaul
Changing from Vaccination Tiers to a Dual “Lane” Strategy

Initial “First” Tier

Frontline/Essential Workforce
- Public Safety & Security
- Frontline Community Support
- Frontline Supply Chain & Logistics
- Frontline Commerce/Service Industry
- Frontline Infrastructure
- Administrative, Govt., and Students

General Population
- Nevadans 70 years+
- Nevadans 65-69 y/o
- Nevadans 16-64 (w/ underlying conditions) or Individuals with Disabilities or Homeless Nevadans
- Healthy Adults 16-64 y/o

Source: Nevada Health Response

THE PARADOX OF PROSPERITY
Nevada Vaccine Rollout Overhaul
Changing from Vaccination Tiers to a Dual “Lane” Strategy

Initial “First” Tier

Frontline/Essential Workforce
- Public Safety & Security
- Frontline Community Support

General Population
- Nevadans 70 years+
- As of Jan. 13, taking appointments to vaccinate those 75 and older through Renown Health
- Healthy Adults 16-64 y/o

Frontline/Essential Workforce
- Frontline Infrastructure
- Administrative, Govt., and Students

As of Jan. 9, starting to vaccinate educators (pre-K and K-12) and childcare in public, private and charter school settings

As of Jan. 13, starting to vaccinate educators (pre-K and K-12) and childcare in public, private and charter school settings

Source: Nevada Health Response
We Aren’t Dealing With One Crisis; We Are Dealing With Five

- Public Health
- Economic
- Fiscal
- Legal
- Social
Northern Nevada: The Paradox of Prosperity

- Taxable Retail Sales
- Employment Growth
- Housing Market
- Quality of Life
- Developing Projects
- Stimulus Funding
- High Unemployed
- Affordability
- Local Funding
- Uncertain ROI
Northern Nevada: The Paradox of Prosperity

- Taxable Retail Sales
- Employment Growth
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- High Unemployed
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- Local Funding
- Uncertain ROI
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
U.S. M2 Money Supply

Year-over-Year Total Growth

This was funded by adding an unprecedented amount of money into domestic circulation

Source: Federal Reserve Bank of St. Louis
CARES Act increases personal incomes in the U.S. by $2.8T, roughly 3x the levels witnessed during the Great Recession.
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

Nonstore Retailers: 112.1%
Building Material and Garden Equipment & Supplies: 14.7%
Miscellaneous Store Retailers: 8.4%
Food and Beverage Stores: 7.5%
Sporting Goods, Hobby, Book, and Music Stores: 4.5%
Motor Vehicle and Parts Dealers: 3.6%
Merchant Wholesalers, Durable Goods: 2.7%
General Merchandise Stores: 1.0%
Electronics and Appliance Stores: -8.8%
Clothing and Clothing Accessories Stores: -10.3%

Net Growth: +4.8%

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

<table>
<thead>
<tr>
<th>COVID-19 Bills</th>
<th>Funding</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES Act</td>
<td>$17.6B</td>
<td>81.1%</td>
</tr>
<tr>
<td>Multiple Bills</td>
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</tr>
<tr>
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<td>$1.0B</td>
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</tr>
<tr>
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<td>$488.9M</td>
<td>2.3%</td>
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<tr>
<td>Paycheck Protection Program and Health Care Enhancement Act</td>
<td>$92.2M</td>
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</tr>
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<td>TOTAL</td>
<td>$21.7B</td>
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</tr>
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</table>

Source: Nevada Department of Administration Office of Grant Procurement, Coordination, and Management
# Nevada COVID-19 Federal Funding

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<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

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
Federal Stimulus is 12 percent of Nevada’s Pre-COVID GDP

GDP Decline: $25.4 Billion
Federal Stimulus: $21.3 Billion

Source: U.S. Bureau of Economic Analysis
$900 Billion Bipartisan Emergency COVID Relief Act of 2020

In Billions

- Small Businesses: $325 B
- Direct Checks: $166 B
- Unemployment Benefits: $120 B
- Vaccines, Testing, and Tracing: $55 B
- Transportation: $45 B
- Nutrition and Agriculture: $25 B
- Rental Assistance: $26 B
- Schools: $82 B
- Childcare: $12 B
- Support for small banks that serve low-income and minority communities: $10 B
- Funding for low-income families to access broadband: $7 B

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
Unemployment Insurance Claims
Historical 8-Week Periods

Initial Claims
- September 11th: 41,163
- Great Recession: 62,700
- COVID-19 Crisis: 434,388

Continued Claims
- September 11th: 0
- Great Recession: 35,835
- COVID-19 Crisis: 369,041

Source: Nevada Department of Employment, Training and Rehabilitation
How is this possible?
Historical Unemployment Relationship

00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20

-15% -10% -5% 0% 5% 10% 15% 20% 25% 30% 35%

Difference (Reno-LV) — Las Vegas MSA Unemployment — Reno MSA Unemployment

Apple Data Center +1,000 jobs
Signed Aug 2012 – Built Jan 2015

Tesla Gigafactory +6,500 jobs
Signed Sept 2014 – Built Jan 2015

Switch SuperNAP Data Center
Opened 1st Quarter 2016

Google Data Center 1,200 acres
Purchased Spring 2017 – In Progress

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

Manufacturing: +12,500
Professional and Business Services: +5,200
Construction: +3,700
Trade, Transportation, and Utilities: +2,800
Education and Health Services: +2,100
Financial Activities: +900
Information: +600
Mining and Logging: +100
Other Services: -1,100
Government: -3,500
Leisure and Hospitality: -1,100

Net Job Growth: +23,300 Jobs

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

<table>
<thead>
<tr>
<th>Industry</th>
<th>Net Job Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>2,100</td>
</tr>
<tr>
<td>Construction</td>
<td>900</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>300</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>200</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>100</td>
</tr>
<tr>
<td>Other Services</td>
<td>100</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>0</td>
</tr>
<tr>
<td>Mining and Logging</td>
<td>0</td>
</tr>
<tr>
<td>Information</td>
<td>0</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>-400</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>-1,700</td>
</tr>
</tbody>
</table>

Net Job Growth: +2,800 Jobs

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Net Job Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-500</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-600</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>-900</td>
</tr>
<tr>
<td>Mining and Logging</td>
<td>-2,400</td>
</tr>
<tr>
<td>Information</td>
<td>-3,900</td>
</tr>
<tr>
<td>Construction</td>
<td>-6,100</td>
</tr>
<tr>
<td>Other Services</td>
<td>-13,200</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>-2,400</td>
</tr>
<tr>
<td>Government</td>
<td>-3,900</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>-6,100</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>-900</td>
</tr>
</tbody>
</table>

Net Job Loss: -13,200 Jobs

Source: U.S. Bureau of Labor Statistics
Employment
Reno MSA

Source: U.S. Bureau of Labor Statistics
Great Recession
41,500 Jobs Lost
Over 3 Years

COVID-19
41,900 Jobs Lost in 2 Months

Employment

Reno MSA

150,000
165,000
180,000
195,000
210,000
225,000
240,000
255,000

Source: U.S. Bureau of Labor Statistics
COVID-19
28,700 Jobs Recovered in 8 Months

Great Recession
42,000 Jobs Recovered in 88 Months

Source: U.S. Bureau of Labor Statistics
Northern Nevada: The Paradox of Prosperity

- Taxable Retail Sales
- Employment Growth
- High Unemployed
- Stimulus Funding
- Housing Market
- Quality of Life
- Developing Projects
- Local Funding
- Uncertain ROI
- Affordability
Reno-Sparks Median Existing Home Price

Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20

Reno: $500,000
Sparks: $405,000

7 Months:
+$100,000 / +25%

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

'05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20

'05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20

$476,398

$431,000

$0

$0

$0

$100,000

$100,000

$200,000

$200,000

$300,000

$300,000

$400,000

$400,000

$500,000

$500,000

$600,000

$600,000
How is this possible?
REASONS FOR ROBUST PRICE APPRECIATION

1. Lifestyle Preferences
2. Limited Resale Availability
3. Low Mortgage Interest Rates
REASONS FOR ROBUST PRICE APPRECIATION

1. Lifestyle Preferences
2. Limited Resale Availability
3. Low Mortgage Interest Rates
BEFORE COVID-19

My Home
My Office
My Gym
My Child’s School
My Vacation

THE PARADOX OF PROSPERITY
WITH COVID-19

My Home

My Office

My Gym

My Child’s School

My Vacation
REASONS FOR ROBUST PRICE APPRECIATION

1. Lifestyle Preferences
2. Limited Resale Availability
3. Low Mortgage Interest Rates
Housing Availability (Year-End)
Reno-Sparks | Single-Family Residence

Number of Units

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,600</td>
<td>1,500</td>
<td>1,400</td>
<td>1,200</td>
<td>1,100</td>
<td>1,000</td>
<td>242</td>
<td>0</td>
</tr>
</tbody>
</table>

Effective Months of Inventory

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.5</td>
<td>3.0</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>

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

1. Lifestyle Preferences
2. Limited Resale Availability
3. Low Mortgage Interest Rates
U.S. Mortgage Interest Rates

30-Year Fixed-Rate

Source: Freddie Mac
# Typical Homebuyer Situation

<table>
<thead>
<tr>
<th></th>
<th>A Year Ago</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>3.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$1,841</td>
<td>$1,622</td>
</tr>
<tr>
<td>Monthly Savings</td>
<td>-</td>
<td>$219</td>
</tr>
<tr>
<td>Annual Savings</td>
<td>-</td>
<td>$2,625</td>
</tr>
</tbody>
</table>
## Typical Homebuyer Situation

<table>
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<tr>
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<th>Now</th>
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</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>3.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Affordable Monthly Payment</td>
<td>$1,841</td>
<td>$1,841</td>
</tr>
<tr>
<td>Mortgage Amount</td>
<td>$400,000</td>
<td>$453,931</td>
</tr>
<tr>
<td>Increased Loan Amount</td>
<td>-</td>
<td>$53,931</td>
</tr>
<tr>
<td>Increase Home Price</td>
<td>-</td>
<td>13.5%</td>
</tr>
</tbody>
</table>
Incomes vs. Home Prices

Washoe County

Median HH Income

- '15: $40,000
- '16: $45,000
- '17: $50,000
- '18: $55,000
- '19: $60,000
- '20e: $65,000

Median Resale Prices

- '15: $100,000
- '16: $110,000
- '17: $120,000
- '18: $130,000
- '19: $140,000
- '20: $150,000

Ratio

- '15: 4.78x
- '16: 5.0x
- '17: 5.2x
- '18: 5.4x
- '19: 5.6x
- '20: 5.8x

Source: US Census Bureau, SalesTraq
Housing Opportunity Index

Reno MSA

Source: National Association of Homebuilders
Northern Nevada: The Paradox of Prosperity

- Taxable Retail Sales
- Employment Growth
- Housing Market
- Quality of Life
- Developing Projects
- Stimulus Funding
- High Unemployed
- Affordability
- Local Funding
- Uncertain ROI
Quality of Life
Resident Population Growth
2019 vs 2020

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Idaho</td>
<td>+2.12%</td>
</tr>
<tr>
<td>2</td>
<td>Arizona</td>
<td>+1.78%</td>
</tr>
<tr>
<td>3</td>
<td>Nevada</td>
<td>+1.54%</td>
</tr>
<tr>
<td>4</td>
<td>Utah</td>
<td>+1.45%</td>
</tr>
<tr>
<td>5</td>
<td>Texas</td>
<td>+1.29%</td>
</tr>
<tr>
<td>6</td>
<td>South Carolina</td>
<td>+1.17%</td>
</tr>
<tr>
<td>7</td>
<td>Florida</td>
<td>+1.12%</td>
</tr>
<tr>
<td>8</td>
<td>Washington</td>
<td>+1.05%</td>
</tr>
<tr>
<td>9</td>
<td>Delaware</td>
<td>+1.04%</td>
</tr>
<tr>
<td>10</td>
<td>Montana</td>
<td>+0.98%</td>
</tr>
<tr>
<td></td>
<td>U.S. Average</td>
<td>+0.35%</td>
</tr>
</tbody>
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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
Driver’s License Surrenders to Nevada
Trailing 12 Month Total

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

Source: NV Energy
How is this sustainable?
Sales & Use Taxes
Property Taxes
Gaming & Tourism Taxes
Property Tax Is Not Keeping Pace

After adjusting for inflation, property tax revenue in FY 2021 approximates FY 2007.
$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

- Taxable Retail Sales
- Employment Growth
- Housing Market
- Quality of Life
- Developing Projects

- Stimulus Funding
- High Unemployed
- Affordability
- Local Funding
- Uncertain ROI
Investing Into the Future
Investing Into the Future

$15.4B
Capital Investment

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