

LCRA Parks Business Development Review

Working Towards Financial Self-Sufficiency

LCRA Board Meeting

Jan. 20, 2021



Background

- LCRA has been working towards financial self-sufficiency for its parks since 2014
- Third-party development projects on undeveloped properties are a key strategy for achieving that goal



Parks Strategic Goals

Modernize

Reimagine park offerings to meet the demands of a modern audience and update management systems to offer modern conveniences to visitors.

Diversify

Impact more lives, in Texas and beyond, by appealing to a broader range of audiences with strategically diversified parks.

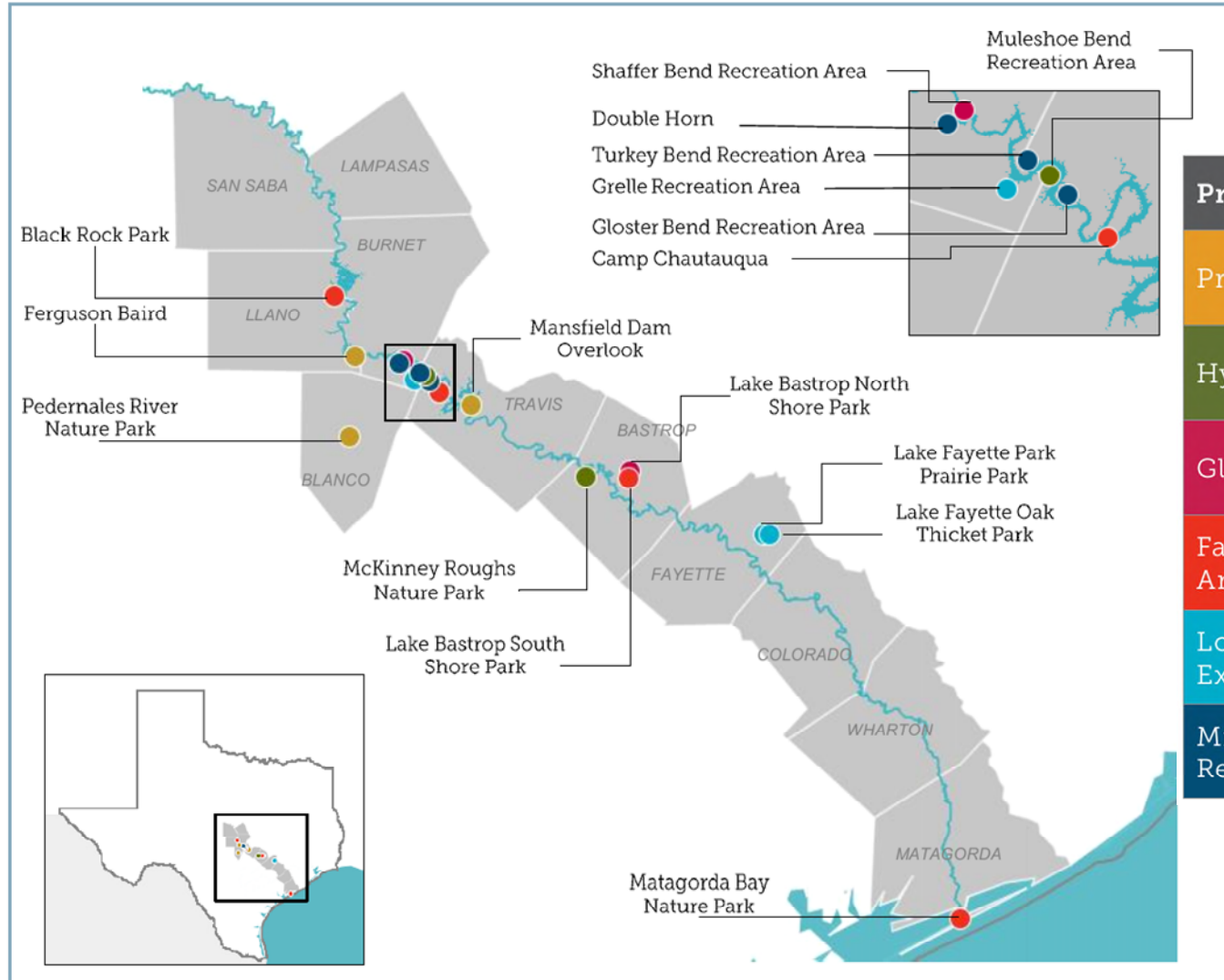
Self-Sustain

Pursue new sources of revenue with the goal of revenue for the park system surpassing park operations expenses.

Innovate

Stay on the leading edge of new trends in outdoor recreation and nature-based tourism to stand out from competitors.

Unified Long-Term Parks Portfolio Planning



Primary Development Strategy

Primarily Commercial Development

Hybrid Approach Targeting Multiple Audiences

Glamping with Select Outdoor/Adventure Amenities

Family-Oriented Camping with Adventure or Beach Amenities

Low-Investment Camping Accommodations Driven by External Regional Asset

Minimal Investment in the Near-Term (Preserve Land to Respond to Future Trends)

Qualifying Third-Party Development Proposals

- Since implementation of the development plan, LCRA has received about 50 qualified proposals from third parties through our unsolicited proposal policy
- LCRA screened out 48 as not viable
- **LCRA has identified two potential opportunities with well-qualified and well-capitalized developers**

Target Deal Structure

- **Ground lease structure with two main components:**
 - Fixed (guaranteed) base-level payment to LCRA based on current appraised value and expected appreciation
 - Additional percentage share of gross revenue that lets LCRA participate in upside of a successful property

Target Deal Structure (Continued)

- **No upfront or ongoing funding requirements from LCRA**
- **Significant ongoing spending on marketing by developer**
- **Appropriate controls in place to ensure property upkeep and consistency with LCRA brand standards**

Current Property Appraised Values

- **Camp Chautauqua**
 - Market value conclusion: \$9.2 million
- **Pedernales River Nature Park**
 - Market value conclusion: \$6.23 million

Legacy DCS



Legacy DCS (Continued)

- **Legacy DCS specializes in resort master plan community planning, design and development**
- **Legacy DCS approaches every new development as an opportunity to change the lives of each visitor**
- **Similar project portfolios:**
 - The Reserve at Lake Travis
 - The Hollows on Lake Travis

Legacy DCS: Camp Chautauqua Concept

Welcome to Camp Chautauqua

Accommodations

- Total Rooms - 185
 - Boutique Hotel - 70 keys
 - Villas - 36 keys
 - Treehouses - 27 keys
 - Glamping - 52 tents
- RV Park - 50 stalls

Facilities

- Marina - 300 Slips
- Spa
- 4 Food & Beverage Outlets
- Event Center
 - Demonstration Kitchen
 - Event Lawn
- Beach Pavilion
- Lake Club
 - Resort Pool
 - Amphitheater
 - Kids Club
- Observation Tower & Stargazing Plaza
- Nature Trails
- Water Sports

Vision

Legacy DCS: Camp Chautauqua Concept



Legacy DCS: Camp Chautauqua Concept



Legacy DCS: Camp Chautauqua Concept

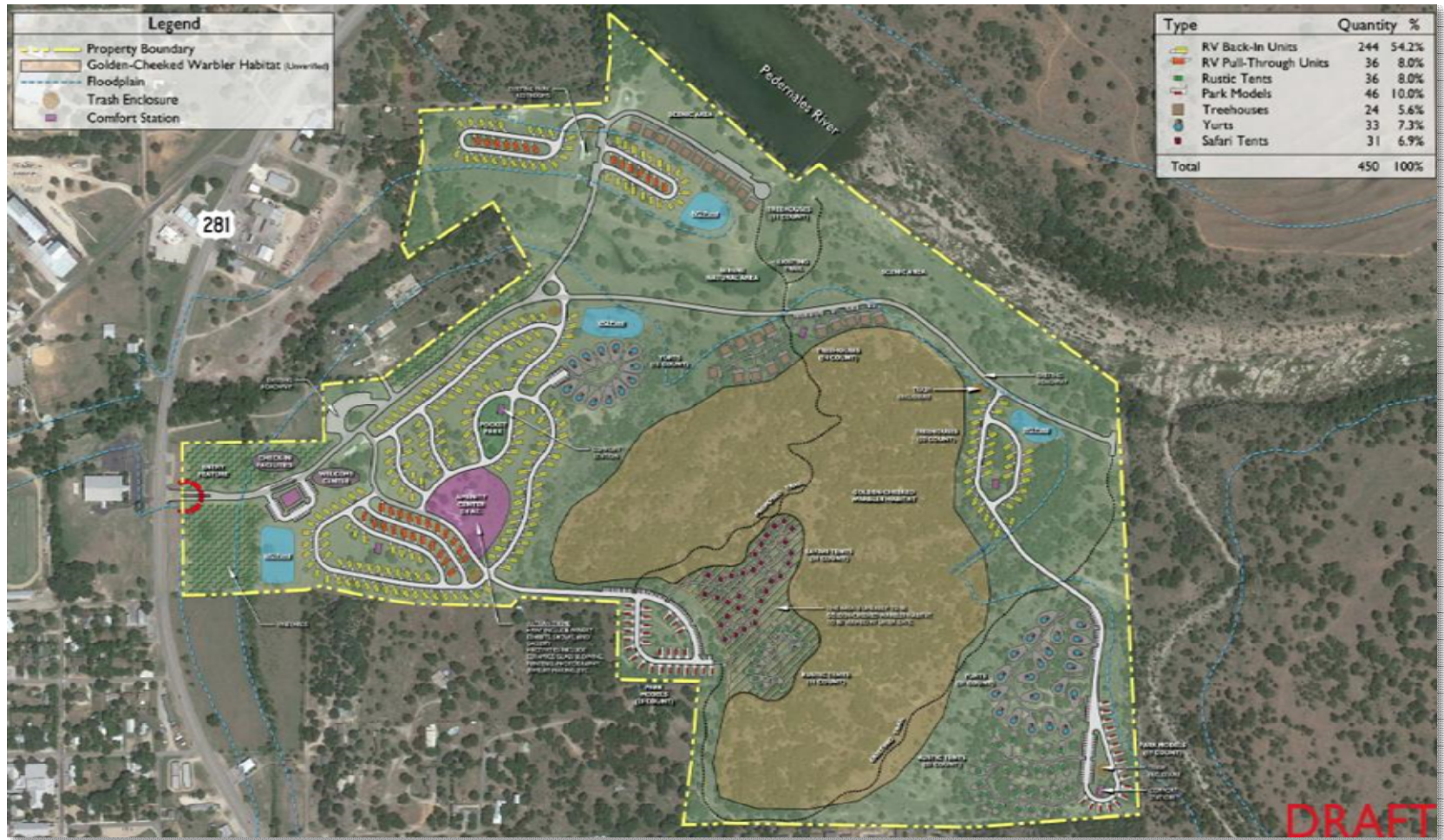




Sun Communities

- **Sun Communities, the nation's premier operator of RV resort destinations, is committed to providing its guests with:**
 - Outstanding amenities
 - Value
 - Customer service
- **Sun RV Resorts owns a variety of unique RV resorts in prime destinations in the U.S. and southern Ontario**
- **Similar project portfolio**
 - Cava Robles RV Resort

Sun Communities: Pedernales River Nature Park Concept



Sun Communities: Pedernales River Nature Park Concept



TENT CAMPING

All the best parts of camping at your disposal. Bring your own tent to sleep under the stars, or rent one of our Adventure Tents and make life even easier.



CONESTOGA WAGON

Glamp out in these luxury appointed covered wagons and entertain a completely unique camping experience — perfect for those looking to live the charming Old West style in a modern way. Accommodates 2-4 guests.



VILLA RENTALS

Ideal for larger groups or dual family vacations, our unique villa home rentals can comfortably accommodate 6-8 guests, depending on unit type. Enjoy spacious fully appointed kitchens, private bedrooms, modern bathrooms, and large deck spaces.



AIRSTREAM

Even modern camping could use a touch of the retro. Our classic Airstreams come complete with a bed, full kitchen, concrete patio, fire pit, and everything you need to live comfortably in the great outdoors. Accommodates 4-6 guests.

Sun Communities: Pedernales River Nature Park Concept

BROOK LANDING

- Community & Cultural Hub
- Activity Center: sign up for classes, activities, and equipment
- Shopping & Dining Options



The collage features six distinct images: 1) Three people in a park-like setting performing Tai Chi movements. 2) A wide-angle shot of a vineyard with a dirt path leading through the rows. 3) A group of runners on a paved trail with trees in the background. 4) A man in a white shirt crouching to show a woman a plant in a garden. 5) A man and a woman smiling and holding wine glasses in an outdoor setting. 6) Three people sitting on mats on a lawn, practicing yoga in a meditative pose.

Sun Communities: Pedernales River Nature Park Concept

OASIS LANDING

- Health & Wellness Hub
- Fitness & Exercise Courses
- Meditation & Well-Being Activities



Sun Communities: Pedernales River Nature Park Concept



