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## PHOENIX Business Journal

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# DMB-Gaylord project could draw \$137 million in tax breaks

Phoenix Business Journal - by [Mike Sunnucks](#)

The planned \$1 billion mega-resort and mixed-use development at the former General Motors Desert Proving Grounds could receive as much as \$137 million in tax breaks from the city of Mesa.

Scottsdale-based **DMB Associates** owns the site. **Gaylord Entertainment**, developer of the Opryland Resort in Nashville, is slated to build a 1,500-room resort at GM's soon-to-be-vacated testing site next to Phoenix-Mesa Gateway Airport. DMB also signed Westcor to develop retail at project, which also will include a championship golf course, office buildings and residential.

Gaylord will receive property tax breaks worth \$72 million for the planned resort. The city also is offering \$13.5 million in property tax benefits if a second hotel is built. The incentives fall under the Government Property Lease Excise Tax program in which government entities own the land and essentially lease it to private developers and businesses. The practice allows for lower property taxes than if commercial interests owned the property outright.

The program has been used by the cities of Phoenix and Tempe for a number of downtown and office projects as well as the city of Glendale for the Cabelas outdoor sporting goods store.

A 3 percent hotel tax collected from guests at the planned Gaylord resort will be shared by the Nashville-based company and tourism and economic promotion programs for Gateway Airport area. That allocation is capped at \$44 million over 30 years for the first Gaylord hotel and \$7 million for a potential second resort.

The second hotel needs to have more than 490 rooms to qualify for the incentives. The resorts also must be built by the end of 2014 to qualify, according to Mesa, which is working to develop the Gateway area into a major commercial, aviation and tourism hub.

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