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RESOLUTION REGARDING ACQUISITION OF LEASEHOLD INTERESTS AT THE CHARLESTON PLAZA SHOPPING CENTER BY PURCHASE OR EMINENT DOMAIN

WHEREAS, the City of Las Vegas Downtown Redevelopment Agency (the "Agency") and Westar Charleston Associates (the "Developer") have entered into an Owner's Participation Agreement (the "OPA") to redevelop the Charleston Plaza Shopping Center; and

WHEREAS, the Charleston Plaza Shopping Center is located within the boundaries of the Downtown Las Vegas Redevelopment Area; and

WHEREAS, it is necessary for the redevelopment of the Charleston Plaza Shopping Center to acquire certain existing tenant leasehold interests which currently encumber the Charleston Plaza Shopping Center to permit renovation of the physical facilities of the Shopping Center; and

WHEREAS, the Community Redevelopment Law, NRS 279.382 to 279.680, inclusive, authorizes the Agency to acquire any interest in real or personal property by purchase, eminent domain or otherwise and to dispose of such acquired property interests to private developers to effect redevelopment; and

WHEREAS, the goals and purposes of the Redevelopment Plan for the Downtown Las Vegas Redevelopment Area will be promoted by the acquisition by the Agency, and the subsequent conveyance to the Developer, of those certain existing tenant leasehold interests;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LAS VEGAS DOWNTOWN REDEVELOPMENT AGENCY THAT:

1. The Agency shall acquire by purchase or eminent domain those certain existing tenant leasehold interests encumbering the Charleston Plaza Shopping Center and more specifically identified as Exhibit "1" attached hereto and incorporated herein by this reference.

2. The Agency shall subsequently convey such tenant leasehold interests to the Developer pursuant to the terms and conditions of the OPA between the Developer and the Agency.

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3. The Executive Director of the Agency is authorized to perform all acts necessary to effect this acquisition and conveyance.

PASSED, APPROVED AND ADOPTED this 7th day of October, 1987.

CITY OF LAS VEGAS DOWNTOWN
REDEVELOPMENT AGENCY

By [signature], Chairman

The "Agency"

Approved
[initials]
10-18-87

ATTEST:

Kathleen M. Tighe, Secretary

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EXISTING TENANT LEASEHOLD INTERESTS
TO BE ACQUIRED BY AGENCY

Unless otherwise agreed upon by the Agency and Developer, the Agency shall acquire and convey to the Developer the following Existing Tenant Leasehold Interests encumbering the Site:

1. Union 76 Service Station
2. American Furniture
3. International Novelty and Fashions
4. Jo Lar Theatrical
5. Nulife, Ltd.
6. Great Buns Bakery
7. Tai Kung Fu
8. Millie's Beauty Shop
9. Syufy Enterprises dba Fox Theatre
10. Plaza Lounge
11. Charleston Plaza Barber
12. E & A Gift Shop
13. Bernard-Williams Photography
14. Pioneer Chicken Take-Out
15. Desert Nutritional

In addition to the above tenant leaseholds, the Agency will also acquire and convey to the Developer such other existing tenant leaseholds within the Site, as may be mutually agreed upon by the Agency and the Developer.

BC9:Exh1
BAC:cmp
10-5-87

CITY OF LAS VEGAS
DOWNTOWN REDEVELOPMENT AGENCY

000101

AGENDA DOCUMENTATION

Date ~~October 7, 1987~~ ~~OCT 07 1987~~

TO: **REDEVELOPMENT AGENCY**

FROM: ASHLEY HALL
EXECUTIVE DIRECTOR

SUBJECT: DISCUSSION AND POSSIBLE ACTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR AND GENERAL COUNSEL OF THE AGENCY TO COMMENCE EMINENT DOMAIN PROCEEDINGS AGAINST CERTAIN LEASEHOLD INTERESTS IN THE CHARLESTON PLAZA SHOPPING CENTER UNDER CERTAIN CONDITIONS, AND SUBJECT TO CERTAIN REQUIREMENTS.

PURPOSE / BACKGROUND

The Owner Participation Agreement (OPA) between the Agency and Westar Charleston Associates obligates the Agency to obtain certain leaseholds in the shopping center and to convey those leaseholds to Westar. Specifically, the OPA requires the Agency to commence leasehold acquisitions within four days after the developer has acquired fee title to the shopping center (which must happen by no later than November 15, 1987). Under the terms of the OPA, the Agency will have 30 days from the date it formally commences its acquisition efforts to acquire the leaseholds without use of eminent domain. At the end of that 30 day period, if the Agency has not acquired any and all leaseholds, the Agency must begin eminent domain proceedings. The acquisition of the Charleston Plaza leaseholds is an essential element in the redevelopment of the shopping center. Many of the leaseholds are located in portions of the shopping center that will be demolished. Others represent uses that will not be compatible with the new, enhanced center. Still others are for a type of business that will not be able to pay the new, higher, rents that will need to be charged to make the Charleston Plaza redevelopment financially feasible.

The resolution now before you would authorize the Executive Director of the Agency to begin negotiations to acquire the leaseholds and, if necessary, to commence eminent domain proceedings against certain tenants, as permitted and required by the OPA.

If this resolution is approved, staff would propose to begin discussions with leasehold tenants immediately, although no acquisition would be effected until after the point in time set forth in the OPA for formal commencement of leasehold acquisitions. If agreements for the acquisition of leaseholds are reached with tenants, they will be brought before the Agency for approval. If, in the Executive Director's opinion, an acceptable agreement on leasehold acquisition terms cannot be reached, he will authorize the commencement of eminent domain proceedings against that tenant, whether or not the 30 day period has expired.

Quick and decisive action in this regard is required, because the OPA obligates the Agency to convey the leaseholds or possession of leaseholds to Westar within 120 days after the Agency formally commences the acquisition process.

FISCAL IMPACT

The exact cost to the Agency of acquiring the leaseholds cannot be known at this time. The Agency's most recent appraisal for the leaseholds shows a total value for all leaseholds of less than $200,000. However, if eminent domain is required, the value of the leaseholds will ultimately be set by the Court.

RECOMMENDATIONS

It is the recommendation of the Executive Director that the Agency approve, and the Chairman be authorized to sign, the attached resolution, with the understanding that the Executive Director will carry out the acquisition process as described above.

Agenda Item

2. C.