AGENCY RESOLUTION NO. RA-2-98

RESOLUTION OF THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND WORLD ENTERTAINMENT CENTERS/LAS VEGAS, INC. AND A COOPERATION AGREEMENT WITH THE CITY OF LAS VEGAS.

WHEREAS, the City of Las Vegas Redevelopment Agency (the "Agency") is carrying out the Redevelopment Plan ("Redevelopment Plan") for the Downtown Las Vegas Redevelopment Area (the "Redevelopment Area") adopted on March 5, 1986, by the City Council of the City of Las Vegas by Ordinance No. 3218, as amended; and

WHEREAS, the City Council commissioned a parking study from TDA, Inc., which identifies and discusses present and future parking needs in the Las Vegas downtown area, identifies prospective locations for additional parking facilities and makes certain recommendations regarding the adoption of a parking management strategy; and

WHEREAS, the parking study was presented to the City Council at a strategic planning workshops on September 17, 1997, and on November 19, 1997, and further considered by the Council at a regular meeting on October 29, 1997; and

WHEREAS, the City Council accepted the report and determined that the property bounded by Fremont Street to the south, Las Vegas Boulevard to the east, Ogden Street to the north and Fourth Street to the west, and also known as Block 34 of Clark's Las Vegas Township (the "Site"), was one of three priority locations for future parking structures, and directed City staff to proceed with an assessment of acquiring the block or some comparable area for parking purposes; and

WHEREAS, the Agency has received a proposed Disposition and Development Agreement (the "Agreement") from World Entertainment Centers/Las Vegas, Inc., a Nevada corporation (the "Developer"), providing for the disposition and development of the Site located within the boundaries of the Redevelopment Area; and

WHEREAS, pursuant to the Agreement, the portion of the Site lying below grade ("Subterranean Garage Parcel") would be retained by the Agency and developed with a subterranean public parking garage and the portion of the Site lying above grade ("Air Rights Parcel") would be sold to the Developer and developed with a retail and entertainment complex; and

WHEREAS, the Community Redevelopment Law of the State of Nevada (Nevada Revised Statutes 279.382 et seq.) provides in Section 279.472 that any sale or lease of Agency property may be made only after a public hearing of the Agency after publication of notice as provided by law; and

WHEREAS, on January 26, 1998, the Agency and the City Council held a duly noticed joint public hearing on the Agreement and the City Council consented to the payment by the Agency of all or part of the value of the land for and the cost of construction of the subterranean public parking garage and other public facilities as set forth in the Agreement pursuant to NRS 279.486; and

WHEREAS, in connection with the Agreement, the Agency and the City desire to enter into a cooperation agreement ("Cooperation Agreement") in the form attached to the Agreement which will provide the terms and conditions under which the City will assist in the redevelopment of the Site by vacating certain alleys and lending to the Agency a portion of the cost of acquisition and construction of the subterranean public parking garage; and

WHEREAS, pursuant to Section 279.486 of the NRS, the City Council has consented to the payment of all or part of the value of the land for and the cost of the construction of any building, facility, structure or other improvement and the installation of any improvement which is publicly or privately owned after determining that:

(a) the buildings, facilities, structures or other improvements are of benefit to the Redevelopment Area or the immediate neighborhood in which the Redevelopment Area is located; and

(b) no other reasonable means of financing those buildings, facilities, structures or other improvements are available;

and

WHEREAS, the Keyser Marston Associates, Inc., special consultants to the Agency, has prepared (i) a Memorandum Report dated January 16, 1998, which discusses the benefit to the Redevelopment Area of the Agency entering into the Agreement and the need for the Agency to finance the buildings, facilities, structures or other improvements set forth in the Agreement; (ii) a Memorandum Report dated January 20, 1998, which sets forth the goals and objectives of the

Redevelopment Plan to be accomplished by the project proposed by the Agreement; and (iii) a Memorandum Report dated December 29, 1997 (revised January 23, 1998), which discusses the conditions of blight which exist on the Site, copies of which are attached hereto as Exhibits "A", "B" and "C", respectively, and are incorporated herein as part of this Resolution;

NOW, THEREFORE, THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

a. Conditions of blight persist in the Redevelopment Area and on the Site. Such conditions include: (i) the existence of substandard and deteriorated buildings and structures due to age, obsolescence and shifting of uses; (ii) the existence of properties which suffer from deterioration and disuse because of aging and substandard public improvements; (iii) the existence of properties which suffer from economic dislocation, deterioration and disuse resulting from faulty planning; and (iv) a lack of proper utilization of the property resulting in a stagnant and unproductive condition of land potentially useful and valuable.

b. The sale of the Air Rights Parcel to the Developer and construction of the subterranean public parking garage by the Agency on the Subterranean Garage Parcel will redevelop the Site in accordance with the Redevelopment Plan and the Community Redevelopment Law.

c. The redevelopment of the Site pursuant to the Agreement is in the interests of the health, safety and welfare of the community.

d. The condemnation of real property on the Site by the Agency, if required, is authorized under NRS 279.470, 37.010 and Section 430.1 of the Redevelopment Plan and is in the public interest in order to eliminate the conditions of blight which persist on the Site and in the Redevelopment Area. The taking of any such property is necessary to carry out the provisions of the Redevelopment Plan.

e. The acquisition of land for and construction of the buildings, facilities, structures and other improvements by the Agency as set forth in the Agreement are of benefit to the Redevelopment Area and that no other reasonable means of financing those buildings, facilities, structures or other improvements are available.

Section 2. The Agency hereby approves the Agreement in the form on file with the Secretary of the Agency. The Agency further approves and authorizes the sale of the Air Rights Parcel to the Developer pursuant to the terms and conditions set forth in the Agreement.

Section 3. The Agency hereby consents to the payment of all or part of the value of the land for and the cost of construction of the subterranean public parking garage and other public facilities as set forth in the Agreement in the form attached hereto.

Section 4. The Agency hereby approves the Cooperation Agreement in the form attached to the Agreement.

Section 5. The Chairperson and Secretary of the Agency are hereby authorized and directed to execute the Agreement and the Cooperation Agreement on behalf of the Agency, subject to any minor conforming, technical or clarifying changes approved by the Executive Director and Agency Counsel. The Executive Director and Secretary are hereby further authorized and directed to take such further actions and execute such documents as are necessary to carry out the Agreement on behalf of the Agency, including, without limitation, the execution of deed and implementing agreements.

Section 6. The Executive Director of the Agency is hereby authorized to make offers to the owners of interests in real property comprising the Site not owned or controlled by the Agency or the Developer at its appraised fair market value and to enter into any purchase and sale, escrow or other agreements necessary or convenient to the acquisition of such property by the Agency. If the owners of such property fail or refuse to enter into such an agreement, Agency Counsel is

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hereby authorized to institute proceedings to acquire such property pursuant to Chapter 37 of Nevada Revised Statutes.

THE FOREGOING RESOLUTION was approved this 26th day of January, 1998, by the following vote:

VOTING "AYE": COUNCILMEN ADAMSEN, MCDONALD, REESE, BROWN AND MAYOR JONES

VOTING "NAY": NONE

ABSENT: NONE

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

By: Jan Laverty Jones
JAN LAVERTY JONES, Chairperson

ATTEST:

Barbara Jo Ronemus
BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM:

Robert S. Sylvain 1-23-98
Date

REDEVELOPMENT AGENCY
MEETING OF
January 26, 1998

AGENDA DOCUMENTATION

TO: **Redevelopment Agency**	FROM: Larry K. Barton, Executive Director

SUBJECT: RESOLUTION OF THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND WORLD ENTERTAINMENT CENTERS/LAS VEGAS, INC. AND A COOPERATION AGREEMENT WITH THE CITY OF LAS VEGAS

PURPOSE/BACKGROUND

At the previous Joint Meeting of the Las Vegas City Council and the City of Las Vegas Redevelopment Agency held on January 12, 1998, the Developer, World Entertainment Centers/Las Vegas, Inc., presented a proposal for the development of Block 34 in downtown Las Vegas. The proposal specified that the Redevelopment Agency would acquire all of the property on Block 34 and then construct a subterranean parking garage on the property with a minimum of 350 parking spaces. To finance the acquisition of the property and the construction of the garage, the City of Las Vegas would issue bonds and loan the money to the Redevelopment Agency for the project. The Developer will pay the Redevelopment Agency $8 Million for the air rights above the parking structure and will then construct an entertainment/retail complex in the air rights parcel, with an estimated expenditure of $69.7 Million.

At the Joint Meeting of January 12, 1998, the City Council directed the City Manager and staff to review the proposed Disposition and Development Agreement (DDA) for the project and to bring the final draft of such an agreement before the City Council on January 26, 1998, for a public hearing with potential approval of the project. The City Manager was directed to review the DDA to ensure that the exposure of the City and the Redevelopment Agency under such an agreement would be capped at known levels.

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FISCAL IMPACT

Pursuant to the Disposition and Development Agreement, the City of Las Vegas would be required to issue bonds in the total amount of $32 Million and loan such money to the Redevelopment Agency. The current estimate for the acquisition of the land and construction of the subterranean garage by the Redevelopment Agency is $30,593,604.

RECOMMENDATIONS

It is recommended that the Redevelopment Agency review the final draft of the Disposition and Development Agreement, which includes as an attachment the Cooperative Agreement between the City of Las Vegas and the City of Las Vegas Redevelopment Agency, and that the Agreements be approved or rejected as appropriate.

Agenda Item
B

REDEVELOPMENT AGENCY
MEETING OF
January 26, 1998

AGENDA DOCUMENTATION

SUBJECT RESOLUTION OF THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND WORLD ENTERTAINMENT CENTERS/LAS VEGAS, INC., AND A COOPERATION AGREEMENT WITH THE CITY OF LAS VEGAS

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PURPOSE/BACKGROUND (Continued)

Projected Agency Costs: Keyser Marston Associates has prepared cost estimates for the project which were submitted at the hearing on January 12, 1998. The estimates include the following:

A. Land Acquisition and Contingencies	$23,734,904
Less $8,050.000 Developer will pay Agency for Air Rights	- 8,050.000
Net Land Acquisition Costs for Agency	$15,684,904
B. Construction and Related Costs to build Garage	$17,442,000
Less Developer Reimbursements	- 2,533,300
Net Construction Costs for Garage	$14,908.700
C. Total Acquisition and Construction Costs less Developer Payments (City to issue bonds in the amount of $32 Million to loan to Agency pursuant to final draft of the DDA)	$30,593.604

Caps on Expenditures: Keyser Marston Associates has prepared an additional memorandum addressing the issue of maximum caps on the Redevelopment Agency's costs for the project.

The DDA provides that the Developer will contribute toward payment of cost overruns on the acquisition of the land and the construction costs for the subterranean garage at the level of forty percent (40%) of any such costs up to a maximum amount of $1 Million. The Redevelopment Agency will pay sixty percent (60%) of cost overruns until the Developer's contributions cease, at which point the Redevelopment Agency will pay for all cost overruns for the acquisition of the land and construction of the subterranean garage.