



Las Vegas

Agenda Item No.: 45.

**AGENDA SUMMARY PAGE**  
**CITY COUNCIL MEETING OF DECEMBER 20, 2006**

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

Consent  Discussion

**SUBJECT:**

Report and possible action regarding status of the Exclusive Negotiation Agreement with DLC UrbanCore, LLC, and efforts by the City of Las Vegas to attract a full-service grocer to West Las Vegas - Ward 5 (Weekly)

**Fiscal Impact**

No Impact

Augmentation Required

Budget Funds Available

**Amount:**

**Funding Source:**

**Dept./Division:**

**PURPOSE/BACKGROUND:**

In August of 2004, Safeway closed three Vons stores in the Las Vegas area, including the former Vons store in Edmond Town Center which is located at J Street and Owens Avenue. Since that time, the City of Las Vegas has undertaken a number of efforts to attract a full-service grocery store to serve West Las Vegas. This report will summarize past efforts and provide the current status of the Exclusive Negotiation Agreement with DLC UrbanCore, LLC.

**RECOMMENDATION:**

Receive report and direct staff accordingly.

**BACKUP DOCUMENTATION:**

Submitted after meeting - hardcopy of PowerPoint presentation by Scott Adams

Motion made by LAWRENCE WEEKLY to Approve a 30-day extension of the ENA, exclusive to Food-4 Less negotiations

For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

LOIS TARKANIAN, LAWRENCE WEEKLY, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

**Minutes:**

SCOTT ADAMS, Director of the Office of Business Development, gave a detailed PowerPoint presentation to update the Council on the status of the City's efforts to attract a full-service grocery store to West Las Vegas.

LAMONT BLACKSTONE and STEVE IRCHING, Principals with DLC UrbanCore, LLC, were present. MR. BLACKSTONE concurred with MR. ADAMS' presentation on the status and history of attracting a grocery store. As far as remaining potential grocers, he emphasized that

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DLC UrbanCore received a letter of intent from Tesco; however, its proposal does not fit the specifications for a 40,000-square-foot supermarket. At this point the most promising seems to be Food-4 Less, which at the twelfth hour completed its market analysis for the site and has indicated that the thresholds are acceptable. Food-4 Less executives intend to tour the site in January and make a decision.

MR. BLACKSTONE conceded that the process has taken far longer than desired, but it has been difficult to attract a supermarket to an area where one supermarket has gone defunct. He urged the Council to extend the Exclusive Negotiation Agreement for a limited time period of 90 days.

MAYOR GOODMAN was bewildered at the difficulty in attracting a major grocery store, given the development in the surrounding area and the offer made by the City. He asked CITY ATTORNEY JERBIC why the City cannot make it difficult for any grocery chain to open any other grocery store anywhere in the City without first developing one in West Las Vegas, which is what was done in the Gas Lamp District in San Diego, California. CITY ATTORNEY JERBIC advised that the City is a Charter City, it does not have home rule, and it is very limited in the amount of power given by the State Legislature.

MR. IRCHING interjected that there is more potential with attracting Food-4 Less, because it competes more effectively with Wal-Mart, which is located down the street. He truly anticipates Food-4 Less will commit by the end of the extension period requested.

COUNCILMAN WEEKLY expressed his frustration with this process, because DLC UrbanCore shared in meetings its many successes in other places, yet nothing has transpired for this location. He has traveled to cities all over the country and has seen major grocery chains go into areas that are much worse than West Las Vegas. MR. BLACKSTONE agreed that it has been a lengthy and arduous process, because the City has to offer an incentive and DLC UrbanCore had to offer a rent discount in order to solidify the interest of Food-4 Less, which he believes is the better prospect.

Referring to the PowerPoint slide on Strategies to Consider, COUNCILMAN WEEKLY stressed that he could support Sav-A-Lot coming to the Edmond Town Center, but not a swap meet, as he heard from his constituency. Surely, Property Development Associates can do a better job of finding a co-anchor tenant for Sav-A-Lot.

In response to COUNCILMAN WEEKLY'S request for his recommendation about extending the ENA, MR. ADAMS indicated that one of his primary concerns is that there are several interested firms, and he would not want to close off any opportunity to work with one of those firms through another developer. However, some consideration could be given to a 30-day extension exclusive to negotiations with Food-4 Less.

COUNCILMAN WEEKLY stressed that he definitely could not support a 90-day extension. He felt more comfortable with the 30-day extension, noting that he would like the City to retain the land and to continue with the capital incentive until a grocer commits to the area, because it is a true hardship for residents of West Las Vegas to not have this service in the neighborhood.