



Las Vegas

Agenda Item No.: 49.

**AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JULY 19, 2006**

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

Consent Discussion

SUBJECT:

Discussion and possible action regarding a purchase and Sale Agreement between the City of Las Vegas and Cox Communications Las Vegas, Inc., for the sale and development of three parcels totaling approximately 7.69 acres at the intersection of Stella Lake Street and Wheeler Peak Drive in Las Vegas Enterprise Park (APNs 139-21-416-004, 139-21-416-012 and the remaining southern portion of parcel 139-21-416-005) - Ward 5 (Weekly) [NOTE: This item is related to City Council Item 206]

Fiscal Impact:

No Impact

Augmentation Required

Budget Funds Available

Dept./Division:

Amount:

Funding Source:

PURPOSE/BACKGROUND:

The purpose of this item is to outline the Cox Communications Las Vegas, Inc.'s reuse plan for the former Veterans Affairs Clinic adjacent to Las Vegas Enterprise Park and show the need for additional parking for this site. The three parcels that are the subject of this discussion would be used for surface parking to support Cox's operation of a regional headquarters in the former Veterans Affairs Clinic. This facility will bring 900 jobs to the community.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Purchase and Sale Agreement
2. Submitted after final agenda - Agreement Modification Memo

Motion made by LAWRENCE WEEKLY to Approve the Agreement as Amended

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

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

Minutes:

SCOTT ADAMS, Director, Office of Business Development, read and submitted a document, a copy of which is included in the minutes, outlining the changes to the agreement. He noted that Cox is taking its job commitment under this agreement very seriously. As such, staff has set up a lien, for which a memorandum will be recorded for five years, that, should Cox attempt to sell

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the properties to anybody that is not an affiliate, it will have to pay the City an amount equal to the fair market value, which is \$4,020,000. This will ensure that Cox is the only recipient of the economic development incentive. One of the amendments to the agreement gives Cox 180 days to cure any default under this provision, should the jobs commitment fall short of 900. In summary, he stated that the agreement essentially conveys the three parcels to Cox for \$1, and staff sees this as an economic development incentive because it will keep and attract jobs to this location.

Lastly, MR. ADAMS pointed out that in the Enterprise Park the City has historically sold about half the properties at fair market value and donated the other properties, and this is determined by project. He indicated that the agreement, as amended, is in order and recommended approval.

MAYOR GOODMAN noted that the role of the City is different from the private sector. It has to create common good and benefit for the community, which means that the cost is not the paramount issue, rather the end result. In this case, the City is receiving more than what it is giving, because this fortune 500 company will bring the economic boost that is necessary to this area. This project may finally be the catalyst that will realize COUNCILMAN WEEKLY'S dream of attracting a supermarket to the area. He strongly opined that it is the right thing to do.

STEVE SCHORR, Vice President, Cox Communications, advised that Cox already closed on the property and paid \$16 million, but this does not include the approximate \$16 million intended investment in renovations to the building. The decision to pursue this endeavor was not difficult, because this type of project is something that is relished by Cox, as it is proud of its relationship with the local authorities and the City of Las Vegas. The vision for this community has sparked Cox to do something bigger and better. The extent of the impact to this community, after the current building opened, was not anticipated. Cox commits that its partnership with the City and this community will make the City proud. In fact, he has already held discussions with all the businesses in the area, and he hopes that Cox will spark new development for the area, including a major supermarket.

COUNCILMAN WEEKLY expressed his appreciation to MR. SCHORR, Cox Communications and MAYOR GOODMAN for their assistance in this process. He welcomed Cox to the neighborhood. MR. SCHORR advised COUNCILMAN WEEKLY that Cox has agreed with the City to do some space planning and landscaping between this property and residents to the west who are concerned about the vehicles that will be parked there.

See Item 56 for other related discussion.