

**AGENDA SUMMARY PAGE**  
**REDEVELOPMENT AGENCY MEETING OF: DECEMBER 6, 2006**

**DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT**  
**DIRECTOR: SCOTT D. ADAMS**

**SUBJECT:**

Discussion and possible action regarding extending the Neonopolis Parking Validation Program for 90 days to Wirrulla Hayward, LLC, located at 450 Fremont Street - Ward 5 (Weekly)

**Fiscal Impact**

- No Impact
- Budget Funds Available
- Augmentation Required

**Amount:**  
**Funding Source:**  
**Dept./Division:**

**PURPOSE/BACKGROUND:**

The City owns the structured parking garage beneath Neonopolis. A Parking Validation Program has been negotiated with the new owner, Wirrulla Hayward, LLC, itemizing the specific conditions under which the program would be extended 90 days, effective retroactively from September 10, 2006, and commencing 90 days hence, through December 8, 2006, with a second 90-day extension available if requested by the owner in writing upon fulfillment of the conditions. The owner will make a presentation on his progress and his short-term and long-term development plans for the property.

**RECOMMENDATION:**

No recommendation.

**BACKUP DOCUMENTATION:**

Letter to Rohit Joshi dated 11/15/06

Motion made by LAWRENCE WEEKLY to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2  
LOIS TARKANIAN, LAWRENCE WEEKLY, OSCAR B. GOODMAN, GARY REESE,  
STEVE WOLFSON; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-LARRY  
BROWN, STEVEN D. ROSS)

**Minutes:**

SCOTT ADAMS, Director of the Office of Business Development, gave an overview of the Purpose/Background section.

At the request of CHAIRMAN GOODMAN, RAHIT JOSHI, Joshi Associates, 8981 Opus Drive, briefly outlined his plan for Neonopolis, which includes leasing to restaurant tenants over the next three months to open by the end of next year. The long-range plan is for a gaming



overlay on the project, which will require financing and an operator.

As far as Jillians and the theater, MR. JOSHI indicated they are not making money at this time, mainly due to lack of pedestrian traffic. However, he intends hope to keep both of them open for now. Once leasing is completed, the project should be able to turn around. MEMBER WEEKLY indicated it is important the Agency members be kept apprised of what happens on this site.

MR. JOSHI replied that he does not have a specific project. The plan was to get a few tenants into vacant spaces along Fremont Street. He is currently negotiating with a major anchor department store, which will attract tenants for the remaining available spaces. The idea is to get the project moving, because he is losing a lot of money, not only for the maintenance and management of the local areas, but also for the parking garage.

CHAIRMAN GOODMAN asked MR. ADAMS to clarify the parking arrangement between the City and Neonpolis. MR. ADAMS explained that the City owns the land and the garage and Wirrulla Hayward, LLC, owns the improvements above the garage. There is a reciprocal easement agreement that exists with Wirrulla that respects how the City jointly operates the two facilities. As far as the City's recompense, the City has an arrangement with the tenant of the building that sits on top of the garage to retire that debt. There are two things that would be potential incomes to the City that could be used to retire the debt. First, is the actual revenue from the parking garage. Secondly, in the restructuring of the debt, the City maintains a note in place in favor of the City that was a cash flow participatory note that would eventually pay the City income and a certain profitability in the facility. However, the facility has never reached the level of profitability. One of the goals of maintaining that note and keeping the lien in place was to have some level of control as the project moved forward. The debt on the garage is a declining principal and the outstanding debt is in the range of \$24 million. The note is based on a projected level of cashflow and the note is about \$12 million.

JOHN KIEME, Attorney, representing DARRIN DALTON, stated that his client was substantially injured by MR. JOSHI. He indicated that Joshi and Associates has been a defunct company in California for approximately two years. MAYOR GOODMAN directed CITY ATTORNEY JERBIC to investigate MR. JOSHI'S credibility.

MEMBER WEEKLY discussed with CITY ATTORNEY JERBIC that the claims made by MR. KIEME would not affect the outcome of this item. However, the City Attorney's office is looking into those allegations, and the Agency member would be made aware of any concerns.

TOM McGOWAN, Las Vegas resident, stated that the success of Neonpolis is crucial for the complete success of downtown redevelopment. Most important to Neonpolis is its content of retail and commercial venues.