



Las Vegas

Agenda Item No.: 33.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF JANUARY 17, 2007

DEPARTMENT: NEIGHBORHOOD SERVICES
DIRECTOR: STEPHEN KUHARSIN

Consent **Discussion**

SUBJECT:

Approval of a Subordination Agreement placing Allied Irish Banks in first position as the Senior Deed of Trust and the city of Las Vegas in second position on the property located at 921 S. Main Street to support establishment of a \$24 million line of credit for the construction of Opportunity Village new campus at Patrick Lane and Jones Boulevard – Ward 1 (Tarkanian)

Fiscal Impact

- No Impact** **Augmentation Required**
- Budget Funds Available**

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:

On August 20, 2004, the City allocated \$100,000 in Community Development Block Grant (CDBG) funding to Opportunity Village for the replacement of the heating, ventilation, and air conditioning (HVAC) system at the Opportunity Village Thrift Store and Processing Center located at 921 South Main Street and secured the funding with a Deed of Trust. This site is now being used as partial collateral to secure a \$24 million line of credit to finance the construction of Opportunity Village new campus at Patrick Lane and Jones Boulevard. To facilitate the project financing, the City Deed of Trust must subordinate to the Senior Deed of Trust in favor of the Allied Irish Banks.

RECOMMENDATION:

Staff recommends that the City Council approve the Subordination Agreement and authorize the Mayor to execute the Agreement after the Agreement has been approved by the City Attorney.

BACKUP DOCUMENTATION:

Subordination Agreement

Motion made by LOIS TARKANIAN to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0
LAWRENCE WEEKLY, LARRY BROWN, LOIS TARKANIAN, STEVE WOLFSON,
OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS; (Against-None); (Abstain-None);
(Did Not Vote-None); (Excused-None)

Minutes:

Under Item 11, COUNCILWOMAN TARKANIAN requested Item 33 be pulled for discussion.

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COUNCILWOMAN TARKANIAN asked of STEPHEN HARSIN, Director of Neighborhood Services, to affirm that the City is in no way endangering its financial situation under this agreement. MR. HARSIN added that staff feels this is a good arrangement. At the end of six years, the City will be free and clear of the property.

