

Public Purpose/Impact Analysis

Title of Project: Keep Memory Alive Second Amendment

Project Description: Keep Memory Alive, a Nevada nonprofit corporation with 501(c)(3) tax-exempt status, is developing the Lou Ruvo Brain Institute, a 66,216 square foot medical office complex. The project is being developed on Parcel A-1 in Union Park. City Parkway V, Inc. is conveying the land as a donation. The City of Las Vegas is contributing funds to cover the cost of soil remediation, not to exceed a cost cap of \$1,022,196. Keep Memory Alive is funding the project with equity and private debt generated by Economic Development Revenue Bonds. This Second Amendment allows Keep Memory Alive to commence construction on or after February 9, 2007, prior to Keep Memory Alive closing on financing from the Bonds and prior to transfer of title from City Parkway to Keep Memory Alive. City Parkway V, Inc. and the City of Las Vegas benefit by accelerating the construction of the project, which will help to attract additional medical uses and complimentary uses to Union Park. Keep Memory Alive is posting a security deposit with Nevada Title Company in the form of cash or cash equivalent to cover the cost of construction prior to transfer of title.

Sponsor/Developer: Keep Memory Alive

Assistance Provided by: City Parkway V, Inc. and the City of Las Vegas

Number of Direct Jobs Created: 200 construction jobs (peak); 51 permanent jobs

Number of Indirect Jobs Created: Undetermined

Number of Direct Jobs Retained: Not applicable

Pertinent Statutes Used for Public Purpose:

NRS 82.021; NRS 268.055; NRS 268.063(3)(a)

How Does the Project Benefit the Public:

Keep Memory Alive is a corporation for the public benefit, with programs serving the public by treating aging diseases and disorders. Medical services will include clinical trials, epidemiological studies, and health services research. Museum and educational exhibits also will be provided.

Quantitative Economic Benefits:

Keep Memory Alive's first 5 year of operations are projected to be in excess of \$55M, of which 90% are projected expenses for Research and Clinical programs. Approximately \$43.5M of expenses are projected to be funded by sources outside Las Vegas.

Private Investment:

Private capital spending is projected to be between \$66 Million and \$70 Million. Final budgeted amount will be presented at hearing from the private Economic Development Revenue Bonds.

Public Investment*:

City Parties have committed a land contribution of \$7,580,000, and \$1,022,196 for environmental remediation, or a total value of \$8,602,196. The actual amount may be less if the actual cost of soil and groundwater remediation is less than the budgeted amount.

Total direct Economic Impact:

Undetermined.

Total Indirect Economic Impact:

Undetermined.

Economic Impact Study Performed: Yes No **X** (Not applicable)

Return on Investment Analysis Performed: Yes No **X** (Not applicable)

The Public Investment from City Parkway V, Inc. is projected to be \$7,580,000. This is calculated as follows. The appraisal value of Parcel A1 as of October 5, 2006 (Baseline Consulting Services MAI Appraisal) is \$7,580,000. (This value is the appraised market-value of a pad-ready development parcel with wet and dry utilities and infrastructure in place to serve on-site development.)

The Public Investment from the City of Las Vegas is projected to be \$1,022,196, which is applied towards the cost of soil and groundwater remediation for the development of the project.

An Economic Impact Study and a Return on Investment Analysis were not performed because the transaction is with a charitable nonprofit organization and therefore will not result directly in new taxes. There will be positive economic impacts, both direct and indirect, but these impacts are difficult to quantify because the clinical operations are still in the start-up phase.