



**AGENDA SUMMARY PAGE**  
**CITY COUNCIL MEETING OF: JULY 11, 2007**

**DEPARTMENT: CITY MANAGER**  
**DIRECTOR: DOUGLAS A. SELBY**

Consent  Discussion

**SUBJECT:**  
**ADMINISTRATIVE:**

Discussion and possible action regarding an Extension and Amendment of Exclusive Negotiation Agreement between City Parkway V, Inc., and Heritage-Nevada VIII, LLC, for property bounded by Grand Central Parkway to the West, Ogden Avenue to the North, Bonneville Avenue to the South, and the Union Pacific Railroad Rail Line to the East (a portion of APN 139-34-110-004) - Ward 5 (Barlow)

**Fiscal Impact**

No Impact

Augmentation Required

Budget Funds Available

**Amount:**

**Funding Source:**

**Dept./Division:**

**PURPOSE/BACKGROUND:**

On July 12, 2006, City Parkway V, Inc. and Heritage-Nevada VIII, LLC (Developer) entered into an Exclusive Negotiation Agreement to explore the feasibility of developing a portion of Union Park (Parcel E) as a World Jewelry Center. This Amendment requires the Developer, by August 15, 2007, to submit Design Development plans to the Union Park Design Review Committee and to complete an environmental risk assessment. The Developer will submit an additional \$200,000 deposit. The Developer must provide parking for the project on-site. The Amendment clarifies that the Developer will not have any development rights on Parcel Q in Union Park. The Developer will be submitting a tax increment financing agreement to the Redevelopment Agency for review on or before January 2, 2008. The Parties will work to complete a Disposition and Development Agreement on or before January 2, 2008. The Amendment terminates on January 2, 2008, unless extended by one 90-day period if the approval of a Foreign Trade Zone is not yet achieved for the Project Site.

**RECOMMENDATION:**

Approval.

**BACKUP DOCUMENTATION:**

1. Extension and Amendment of Exclusive Negotiation Agreement
2. Disclosure of Principals
3. Site Map
4. Submitted at meeting - Two brochures on World Jewelry Center by Robert Zarnigan and written comments by Tom McGowan

# City of Las Vegas

Agenda Item No.: 55.

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Motion made by RICKI Y. BARLOW to Approve

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

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

Minutes:

SCOTT ADAMS, Director of the Office of Business Development, summarized the subject matter. He indicated that extension of the Exclusive Negotiation Agreement (ENA) to January 2008 is being sought, because the developer keeps expanding the project. He then highlighted some of the terms of the agreement and noted that, because this project was arbitrarily left out during this legislative session from the EED rebate program, the City is acknowledging, in this agreement, that the applicant will apply for a higher (Development Financing) rebate of 50 percent, which is higher than the standard 41 percent base. In exchange, the developer agreed to relinquish first rights to Parcels P and Q. The agreement also provides for an automatic 90-day extension, should a foreign trade zone not be approved by the U.S. Department of Commerce. He recommended approval of six-month extension, which the developer is entitled to under the previous ENA.

ROBERT ZARNIGAN, Heritage-Nevada VIII, LLC, thanked the Council and staff, for their assistance in this project, and Newland Communities. He gave an account of the many projects he has developed, noting that World Jewelry Center is unique, in scale and amenities, with office units in the main tower that will be sold to tenants and a green, LEED certified building in the center. There will be a private club with many amenities, including upscale restaurants, and ancillary uses, such as shoe shine, dry cleaning, laundromat and a mini-mart. The top eight floors of the tower will offer luxurious, high-end residential units. The retail component will be very high-end and offer the well-known brands and some unknown in the United States market, with an emphasis on offering affordable luxury. It is anticipated that the 89 signed letters of intent will probably be converted to purchase and sale contracts.

MR. ZARNIGAN thanked City staff for its assistance with seeking a Foreign Trade Zone, because, if approved, it will tremendously help in attracting the desired international companies. He then briefly went over some key dates: design review on 8/15/2007, site development plan review mid-October and TIF and DDA agreements submittal by 12/21/2007 for Council's approval on 1/2/2008.

MAYOR GOODMAN commended MR. ZARNIGAN on his tenacity with this project, which was not necessarily well accepted in the beginning. The project will be a part of the great synergy that is occurring in the downtown area, but it is so special that it could very well be a catalyst on its own. He offered the City's assistance in bringing this project to fruition, given the lost opportunity to take advantage of the LEED rebate program. MR. ZARNIGAN thanked the

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Mayor for his leadership and the Council and community for its support.

COUNCILMAN WOLFSON asked when the project will go vertical, to which MR. ZARNIGAN replied that construction should commence the second quarter of 2008 and be completed within two years. The office tower will be longer than the retail.

COUNCILMAN BARLOW congratulated MR. ZARNIGAN for bringing a beautiful project to downtown, and then questioned the employment plan for this project, from construction to finish. MR. ADAMS replied that, should the Redevelopment Agency approve the Owner Participation Agreement for a TIF rebate, the employment plan contains certain requirements to perform extensive outreach in the surrounding community and the redevelopment area, both to contractors and prospective employees.

COUNCILMAN BARLOW requested a rendering; however, MR. ZARNIGAN indicated he had brochures, which were submitted and made a part of the minutes.

