



Las Vegas

Agenda Item No.: 56.

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

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

Consent Discussion

SUBJECT:

BEYAN ITEM - Discussion and possible action regarding an Exclusive Negotiation Agreement between the City of Las Vegas and Laurich Properties, Inc., for the development of a commercial mail center containing no less than 100,000 square feet of total gross leasing area, with a full-service grocery store at least 40,000 square feet in size, located at the southwest corner of Martin Luther King Boulevard and Lake Mead Boulevard (APNs 139-21-313-005 and 009) - Ward 5 (Barlow)

Fiscal Impact:

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

In August of 2004, Safeway closed its Vons store located on Owens Avenue and J Street. This was 1 of 10 big box grocery stores in the Las Vegas Valley to close in an 18-month period. Following the store closure, the City has taken steps to attract additional grocery store services to serve the West Las Vegas trade area. On July 7, 2005, the City issued a press release offering a minimum \$300,000 incentive for either the Owens and J Vons location or for a 10-acre site in Enterprise Park. In the 3rd quarter of 2006, the City increased its potential incentive to a \$5 Million capital contribution at either location. Following a September 2005 Request for Proposal, the City entered into a 12-month Exclusive Negotiation Agreement with DLC Urban Core. Upon expiration of DLC Urban Core's Agreement, the City received interest from grocery store operators. This culminated in interest from numerous stores, including (but not limited to) Kroger's Food-4-Less, Supervalu's Save-A-Lot, Mario's Westside Market, and Tesco, a UK retailer which is just entering the U.S. market.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Exclusive Negotiation Agreement
2. Submitted at meeting - Written comments by Tom McGowan

Motion made by RICKI Y. BARLOW to Approve the extension of the Exclusive Negotiating Agreement to Laurich Properties for 120 days

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Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

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

Minutes:

At the request of COUNCILMAN BARLOW, SCOTT ADAMS, Director of the Office of Business Development, summarized the information under the Purpose/Background section to give a history of the City's efforts to attract a grocery store to West Las Vegas. MR. ADAMS added that the received proposals were narrowed down to two, and those were presented at the recent Ward 5 Town Hall meeting.

HANK and RICHARD GORDON, Laurich Properties, Inc., and MIMI YEE, Real Estate Manager for Kroger's Food-4 Less, were present. MR. H. GORDON stated that, based on his experience, Laurich Properties has done as much as possible to get a commitment from Food-4 Less, subject to approval by Kroger after the economic study has been done, which will take about 120 days.

MS. YEE indicated that Food-4 Less has a strong interest in the site, and it would be very gratifying to her to provide such needed service in the West Las Vegas community. She opined that Food-4 Less would be successful in this area because it services well the working class population. The store will operate with approximately 100 full- and part-time employees, who will have a good union, competitive wages and insurance benefits. Hiring will be done through job fairs within the local community, which have been very successful in the past.

TOM McGOWAN, Las Vegas resident, and EDWARD WATSON, 1624 J Street, representing the NAACP, endorsed Mario's Westside Market. MR. McGOWAN submitted his written comments for the minutes.

JERRY M. NEAL suggested other small businesses be allowed to move into the area, should Mario's not be selected. JESSE BUSH, ACORN and Headstart Program member, said the West Las Vegas community needs a grocery store and cannot wait for a commitment or for a grocery store to be constructed. It is time the City think about what is best for Ward 5 residents and perhaps help an existing grocer in the community with a viable project. DARRELL GRIFFITH, 612 Franklin Street, urged the Council to work expeditiously and bring a major grocery store to West Las Vegas.

RHONDA BURNEY supported the hiring of minority contractors. MR. H. GORDON indicated that contractors had not yet been considered. MS. YEE pointed out that Food-4 Less is an equal opportunity employer.

COUNCILMAN BARLOW questioned the products and services that Food-4 Less would provide in this area. MS. YEE replied that, in addition to the standard, full-service grocery store items, Food-4 Less will determine and provide desired items, depending on the demographics of the area.

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STAN WASHINGTON, member of ACORN, congratulated COUNCILMAN BARLOW on his successful election. He brought an employment plan, a copy of which was not submitted, for the Council's review, and urged the Council to ensure that promises made to the community regarding employment are kept, unlike it was done under former COUNCILMAN WEEKLY (now Clark County Commissioner). In COMMISSIONER WEEKLY's defense, COUNCILMAN REESE emphasized that he did everything possible to attract a grocery store to the subject location, as well as worked hard to replace them's. As a matter of clarification, MR. ADAMS commented that the subject site is owned by the City of Las Vegas, not the Redevelopment Agency; therefore, the state law employment plan requirements are not obligatory for the site. Council, however, does have the discretion to impose it on the developer, in exchange for the incentives granted.

MIKE GIDDINGS, United Food and Commercial Workers Union, 201 N. Decatur, said that, according to what he heard at the town hall meetings recently held in Ward 5, the residents are concerned about the timeline for the buildout of a grocery store in West Las Vegas, and Mario's would take about 29 months to make the transition. He pointed out that people need to also consider that Mario's would not provide the types of services Food 4 Less provides. The community does not need just a grocery store, but a grocery store with long-term viability that will provide good jobs to the residents in the area. CAROL KAWDEN, 601 Freeman Avenue, added that people also need to consider that, unlike Mario's, Food 4 Less can provide good prices, because it has more buying power. People do not want to shop at unaffordable stores, even if it is in the community.

BEN SPATE, 953 E. Sahara Avenue, local organizer for ACORN, stressed that the West Las Vegas community has been fighting for three years for a major grocery store. It does not matter who comes in, as long as the residents have a full-size store that offers quality products at affordable prices.

MAYOR GOODMAN commented on the special nature of Enterprise Park and listed some of the forthcoming projects in the park. He expressed his endorsement of this project, which he believes will generate other projects.

COUNCILMAN BARLOW said that this project is long overdue, and nobody knows better than he how hard COMMISSIONER WEEKLY worked to bring a grocery store to West Las Vegas. He noted Mario's contributions to the community, but also pointed out the many demands of the residents that perhaps Mario's would not be able to provide. He expressed his support of Laurich Properties' project and the 120-day extension of the ENA. The project will not be completed as quickly as he would like, but he strongly felt that it is what the community really wants for Ward 5. He urged Laurich Properties to assist the small businesses in the area as much as possible.

Before recessing the meeting, MAYOR GOODMAN read a message he received from COMMISSIONER WEEKLY explaining that the job fair on Brush Street took place because it was the only weekend the owners were in town and no other facility was available. Also, shuttle service was provided from the Chelsea Outlet Center.