



Las Vegas

Agenda Item No.: 57.

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

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

Consent Discussion

SUBJECT:

Discussion and possible action regarding the Second Amendment to Ground Lease and Development Agreement with Option to Purchase between the City of Las Vegas and 601 Fremont, LLC for the phased acquisition and development of property located at 601 Fremont Street (APN 12-011-008), (potential gain of \$4,800,000 – Industrial Revenue Fund) - Ward 5 (Barlow)

Fiscal Impact

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The Developer and the City of Las Vegas would like the said Agreement to be amended to (1) provide the City with more approval rights for end user of existing building and ensure that there is a tavern-limited license entertainment venue open for business in 601 Fremont; (2) revise the purchase price escalator schedule for the Entertainment Site and the Adjacent Site to August 2008 and July 2010, respectively; and (3) Developer provides the City with an Election Notice for development of the Adjacent Site (surface lot) by August 2012 before Developer exercises right to purchase Adjacent Site. Developer must be construction-ready for a 200-unit hotel project with 10,000 sq. ft. of commercial space before closing on purchase of the Adjacent Site.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Second Amendment to Ground Lease and Development Agreement with Option to Purchase
2. Disclosure of Principals
3. Public Purpose Impact Analysis
4. Site Map

Motion made by RICKI Y. BARLOW to Approve

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)

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Minutes:

SCOTT ADAMS, Director of the Office of Business Development, recommended approval of the amendment, which essentially provides the developer a concession on a delay and escalation of the option to purchase the back parcel in exchange for getting more control over the project. Although there have been some setbacks, the developer has done its due diligence in moving the project forward, in particular with the club space.

LUIS BERMAN, Club V, described the significant improvements to the building. Approximately \$400,000 were spent in getting the club space ready for a tenant, but an approximate total of \$1.5 million worth of improvements will have to be made. The actual tenant improvement plans will be finalized within 30 to 45 days.

RICK PACORA, Operating Manager of Club V, said that he and his partner with Versatile Worldwide plan on opening a multi-genre, live entertainment center with every type of music imaginable, catering music schedules to events being put on by the City, such as having country concerts during Rodeo week, etc. They are planning on launching a television program called America's Original that will have a worldwide competition offering a winning prize of a recording contract and a video deal. Two TV shows are already in the works for Club V that will hopefully bring a lot of national exposure to East Flamingo Street. Club opening is slated for New Year's Eve. Other clubs will be opening in Washington, D.C. and Monte Carlo, but the Las Vegas club will be the flagship location. BERMAN urged the Council's approval, noting that Las Vegas is MR. PACORA's home town and he is committed to the success of this project.

COUNCILMAN BARLOW asked the applicant to schedule an appointment with him, as he would like to further discuss the project.

