



**AGENDA SUMMARY PAGE**  
**CITY COUNCIL MEETING OF: JULY 18, 2007**

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

Consent  Discussion

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

Report and possible action regarding the City Manager's Recommendation of a development team and site for the Las Vegas Events Center - Ward 1, 3 and 5 (Tarkanian, Reese and Barlow)

**Fiscal Impact**

- No Impact  Augmentation Required  
 Budget Funds Available

**Amount:**  
**Funding Source:**  
**Dept./Division:**

**PURPOSE/BACKGROUND:**

This item is the summation of the request for proposals (RFP) process that the City has undertaken with the assistance of CSL International. CSL International has worked as the City's consultant on the RFP and the evaluation of the proposals. The City Managers Blue Ribbon Committee has reviewed and evaluated the proposals. The Committee has recommended the selection of one proposal to the City Manager. The City Manager will recommend one proposal for the development of the Las Vegas Events Center to the City Council. The Las Vegas Events Center will be a state-of-the-art live entertainment venue that would be able to accommodate an NHL or NBA team along with hosting live entertainment events such as large concerts, sporting events and family shows. There were six proposals submitted and staff narrowed the selection to four which were interviewed by the Committee.

**RECOMMENDATION:**

Receive report and direct staff accordingly.

**BACKUP DOCUMENTATION:**

None

Motion made by GARY REESE to Approve subject to all conditions read for the record and all comments

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:

CITY MANAGER SELBY reported that a task force was created in 2006 to evaluate the need for a new events center, and it reached the conclusion in November 2006 that there was a need and benefit for an events center in Southern Nevada. He then summarized the information under the Purpose/Background section to explain how the City arrived at this point. He expressed appreciation to the members of the Blue Ribbon Committee for their dedication to review the written proposals and subsequent presentations. Based on those recommendations, he requested authority to commence negotiations for a joint venture with REI and Warburg Pincus on the construction of a new arena.

MAYOR GOODMAN explained the evaluation process, which he felt was very fair, and said that the coordinator did a terrific job of ensuring the Committee was well prepared to ask questions. All the presenters had strong points, but the Committee embraced REI. The City and community have great things happening with regard to culture and development, but this project is important in the City's history and to the downtown area because the arena will hopefully be the site for an NBA/NHL franchise. It is preferred that the center stay in the downtown area as part of the Redevelopment area plans. He requested that the proposal be presented to the public.

TODD FINK, Executive Vice President and Chief Operating Officer, and JILL FERRARI, Vice President, with REI, and GEORGE POSTOLOS with the Postolos Group and Operating Partner, were present. MR. FINK stressed that it aligns the goals of the City with regard to this project, and presented conceptual renderings/site plans for Phase I. He believes the arena will be an iconic symbol for Las Vegas. There is a lot of hard work ahead, but he pledged REI's commitment to the City. MS. FERRARI added that Phase I has been redesigned to address some of the concerns of the neighboring Arts District.

MR. POSTOLOS outlined his history with the Houston Rockets, his contribution to the contract negotiations, the arena design, sales of advertising and successful opening and operation of the Houston arena. He noted that it is that experience that enables him to assert that this type of facility can have a tremendous payoff and can create a bridge with the momentum of the great things that are taking place between Fremont Street and southerly on Las Vegas Boulevard. He believes this will be more than just a facility, it will be a major factor in the revitalization of downtown, and he is very happy to be a part of it.

COUNCILMAN WOLFSON commented on anticipated questions by the public regarding a timeline for the completion of an arena. MR. FINK answered that the land will close in the third quarter of this year and be under development in 2008. MR. POSTOLOS added that the design process is usually 12 to 18 months and approximately another two years to complete construction. He noted that a realistic completion date would be fall of 2011.

COUNCILWOMAN TARKANIAN pointed out that the arena is being built with private money and the developer appears to be going in a very good direction.

CITY MANAGER SELBY recommended staff place an item on the August 1, 2007, Council Agenda regarding a Memorandum of Understanding that sets forth requirements for negotiations

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on a development agreement. MAYOR GOODMAN enumerated the suggested commitments needed from REI: 1) the developer will enter into a memorandum of understanding August 1, 2007; 2) a non-refundable performance deposit of \$1 million will be made at the time of the final development agreement; 3) reimbursement to the City of reasonable costs incurred in connection with negotiation of the agreements and administration of any incentives will be made, should the developer not fulfill its obligations under the agreement; 4) a final development agreement will be offered to the City Council for consideration within 60 days of the execution of the memorandum of understanding; 5) the developer will assume the obligations of the two outstanding lawsuits involving the Gaming Overlay District and the challenge to the Estoppel Certificates; and 6) deadlines will be resolved and developed for the financing arrangements, resolution of the lawsuits, start bonds, tax increment financing arrangements, resolution of real estate issues, land closures, timetable for commencement of construction, commitment of a professional sports franchise and definition of the scope of the project. MR. FINK affirmed REI's commitment.

COUNCILMAN REESE indicated that working on this project has been a privilege and a learning experience. This will be a substantial addition to the city that will create a connector to City development on Las Vegas Boulevard South and draw the public from the Strip. This is the final key to make the Redevelopment area a success. RE offered an open door to the developer and expressed appreciation to the developer for the total team effort to make this a success.

MAYOR GOODMAN advised the other council members to closely watch this project.

