



AGENDA MEMO

CITY COUNCIL MEETING DATE: JULY 18, 2007

DEPARTMENT: BUSINESS DEVELOPMENT

ITEM DESCRIPTION: Discussion and possible action regarding an Exclusive Negotiation Agreement with CIM LL Las Vegas, LLC, to negotiate a Disposition and Development Agreement for parcels located at 4th Street and Stewart Avenue

1. On April 18, 2007, Council approved an Amended and Restated Exclusive Negotiation Agreement (Amended ENA) with Frank Wright Plaza, LLC to extend the negotiation period on terms of a Disposition and Development Agreement (DDA) for parcels located at 4th St. and Stewart Ave. (Site). DDA terms subject to negotiation include (but are not limited to): a. Scope of development; b. Phasing of development; c. Schedule of performance; d. Purchase price; and, e. Earnest money deposit.
2. CIM LL Las Vegas, LLC (CIM) is in the process of acquiring a controlling interest of the Lady Luck Hotel and Casino (Lady Luck) and desires to become the successor developer to Frank Wright Plaza, LLC (FWP).
3. The Exclusive Negotiation Agreement (ENA) continues the process started with FWP of developing a Master Plan for the Site to serve as the basis for negotiating a Disposition and Development Agreement (DDA) as well as naming CIM the Developer.
4. Covenants in the Grant Deed from the U.S. General Services Administration that conveyed ownership of the POST Modern to the City require that the National Park Service (NPS) review and approve the Master Plan. Until the NPS has approved the Master Plan, final terms of the DDA cannot be negotiated between the City and the Developer.
5. The good faith deposit from FWP of \$100,000 carries over to the Developer to ensure that they proceed diligently to negotiate and perform all of their obligations under the ENA. Should the Developer fail to negotiate in good faith on the terms of a DDA, the deposit may be retained by the City.
6. The First Negotiation Period to the ENA runs from the date of the ENA to November 21, 2007. The Second Negotiation Period to the ENA runs to March 19, 2008, provided that the City and CIM have reached mutual agreement on the project scope, conceptual plan and business terms for acquisition of the Site prior to the expiration of the First Negotiation Period.
7. A mandatory term to any DDA will be for CIM to agree to study and present results of said studies to the City on the design, costs, operational and constructability impacts of removing or modifying the 3rd Street pedestrian bridge between the Lady Luck towers.
8. The Master Plan for the Site will be completed by CIM and presented to the City no later than November 17, 2007, and a draft copy of the Master Plan will be provided to the City no later than October 3, 2007. Incorporated into the Master Plan will be:
 - a. Strong consideration of and attentiveness to the Federal Building-Post Office.

City of Las Vegas

b. Clearly indicated and distinct development phases, the specific development items to occur in each phase and corresponding timelines for each phase.

c. Also, Phase 1 will be limited to only Parcel 3 of the Site that is currently a park.

9. No later than August 31, 2007, CIM will provide the City with the following items pertinent to the Lady Luck:

a. A plan for new equity/or debt financing.

b. A schedule for selection of operating companies.

c. A schedule and scope for design, permitting, construction and completion of improvements.

10. No later than October 17, 2007, CIM will provide the City with a proposal setting forth business terms for the acquisition and redevelopment of the Site.

11. Within the Second Negotiation Period, CIM agrees to perform the following tasks:

a. Select hotel and casino operating companies and provide evidence to City of operating agreements.

b. Provide to the City evidence of construction contracts and financing agreements to complete Lady Luck renovations.

c. Submit plans for building permits to start construction on Lady Luck renovations.

d. Complete documentation of a DDA, subject only to Council approval.

12. The DDA will be presented to City Council for consideration upon final negotiation of mutually agreeable terms between the City and CIM.