

Public Purpose/Impact Analysis

Title of Project:

Disposition and Development Agreement between Redevelopment Agency and Bank of America N.A.

Project Description:

The Redevelopment Agency (Agency) proposes to sell 1.43 acres on the northeast corner of Martin Luther King Blvd. (MLK) and Washington Ave. (Wash) to Bank of America, N.A. (BOA) for the development of a new full service, retail bank facility (Project). The Project will replace an existing bank facility on the southwest corner of the same intersection that will be forced to close due to Right-of-Way takings to widen MLK and Wash.

Sponsor/Developer:

Redevelopment Agency (RDA)

Assistance provided by City and or RDA?:

Redevelopment Agency (RDA)

Cite Pertinent Statutes for Public Purpose:

N.R.S. 279.470 and 279.482

How does project benefit the public:

- BOA would not achieve a sufficient rate of return on the amount of capital investment required to justify building a new retail bank facility as a replacement for the existing retail bank facility being closed.
- With RDA assistance, BOA will achieve a sufficient rate of return to justify building a replacement retail bank facility that is larger than the existing retail bank facility.
- The replacement retail bank facility will allow BOA to continue servicing residents and businesses in the vicinity of MLK and Wash.
- The RDA site where the new retail bank facility is being located is now vacant and underutilized. The RDA hopes that the new retail bank facility will serve as a catalyst for additional redevelopment along the adjacent MLK and Wash retail corridors.
- City Right-of-Way intends to swap the remaining portion of the existing retail bank facility site for a portion of the adjacent property owners parcel that is also needed to widen MLK. The adjacent property owner anticipates ending up with a parcel of approx. 1.25 acres on the southwest corner that the RDA hopes will become a site for another potential redevelopment project.

Quantitative Economic Benefits:

- BOA capital investment of approx. \$2.2 million for new construction, equipment and furnishings.
- Creation of 60 construction and 5 permanent jobs, as well as, the retention of 18 permanent jobs.
- Redevelopment Agency and Redevelopment Housing set-aside will receive approx. \$25,365 and \$5,735 per year respectively in Tax Increment from the Project.

No. of direct jobs created: 65 (60 construction and 5 permanent)

No. of direct jobs retained: 18 permanent

Private investment: Capital investment for new construction, equipment and furnishings of approx. \$2.2 million.

Public investment: In-kind land contribution of approx. \$934,350.*

Total direct economic impact: Annual property tax increment to the RDA of approx. \$31,000 annually.

Total indirect economic impact: Ancillary.

Economic impact study performed (yes/no)? no

Return on Investment Analysis performed (yes/no)? no

*In-kind land contribution of \$934,350 based on the difference of the appraised value for the RDA parcel of \$934,360 less the purchase price of \$10.00.