



Las Vegas

Agenda Item No.: 69.

**AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF NOVEMBER 7, 2007**

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

Consent Discussion

SUBJECT:

Discussion and possible action regarding a Disposition and Development Agreement (DDA) between the City of Las Vegas and Lake Mead Village, LLC, for the development of a grocery-anchored neighborhood commercial center on approximately 10 acres of vacant land within Las Vegas Enterprise Zone at the southwest corner of Lake Mead Boulevard and Martin L. King Boulevard (APNs 313-005 and 009) - Ward 5 (Barlow) [NOTE: This item is related to Council Item 79 (R-81-2007)]

Fiscal Impact:

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The purpose of this DDA is to convey approximately 10 acres on the southwest corner of Lake Mead Boulevard and Martin L. King Boulevard to Lake Mead Village, LLC for \$1,000,000, less off-site construction credit for the Developers expenditure of funds for approved off-site improvements not-to-exceed \$500,000. Lake Mead Village and its grocery store anchor will invest approximately \$20,000,000 to build a neighborhood commercial shopping center with approximately 100,000 square feet of retail space, which would include a Food 4 Less grocery store of approximately 70,000 square feet to fulfill a need for a grocer in West Las Vegas, facilitate economic development for the community, and to accomplish the sale to and purchase by the Developer of the Site, which will lead to the creation of additional jobs and positive social and economic impacts.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Disposition and Development Agreement
2. Public Purpose Impact Analysis
3. Site Map

Motion made by RICKI Y. BARLOW to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1
RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-OSCAR B. GOODMAN)

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Minutes:

SCOTT ADAMS, Director of the Office of Business Development, read the subject matter and noted that the City has been working vigorously on bringing an anchor grocery store to this area for over three years. Fortunately, staff has reached an agreement of terms with Laurich Properties, and he summarized those terms, as indicated under the Purpose/Background section. He noted one very important protective clause to the City under the DDA: If during a ten-year period Food-4 Less should decide to leave, the City has 24 months from that point to step in and assume the lease and bring in another anchor grocery store under the same terms and conditions with Lake Mead Village, LLC. The agreement also includes a clause restricting assignment by Lake Mead Village for the first five years, preventing a re-sale and pocketing the cost of land at the City's expense. The DDA also includes all other standards conditions that have to be met prior to closing.

If approved, the transfer of property would occur within the first nine months, putting commencement of construction in February 2009 and completion in February 2010. Staff recommended approval.

HANK and RICHARD GORDON, President, with Laurich Properties, and MIMI YEE, Real Estate Manager for Food-4 Less, were present. MR. GORDON agreed with MR. ADAMS' summary on this matter, adding that Laurich Properties and Food-4 Less have done everything possible to date to move forward as soon as possible. The only thing pending is approval from Krueger, the parent company. He commended the City Council on its staff, who has been very cooperative and professional.

MS. YEE assured the Council that all parties involved are working diligently on getting the lease finalized. The Food-4 Less president viewed the location, and he is very excited about this project. The economic study should be completed within a month.

COUNCILMAN BARLOW questioned the reasons for the selection of this site, to which MS. YEE answered that senior management supports the location because of the strong intersection, the broad-base of people needing their services, population density and the lack of competition in the area. The company concluded that the needs of the community could be met. She anticipated that 75-100 employees would be hired for the proposed 70,000 square-foot store.

In response to COUNCILMAN BARLOW's question of how the needs of the community will be met, MS. YEE stated that the Food-4 Less will support the community by having a job fair to try to hire from the surrounding community, as well as reach out to the non-profit organizations.

COUNCILMAN BARLOW had MR. ADAMS repeat the construction timeline, noting that the residents need to understand that such a project cannot be built overnight. MS. YEE remarked that she had the Food-4 Less president tour the area because she knows that he will push harder for a quicker timeline. She emphasized that no one has a greater interest in opening the store as soon as possible than Food-4 Less. She hopes to be able to improve upon the timeline given by MR. ADAMS. MR. ADAMS assured COUNCILMAN BARLOW that his staff will do everything possible to expedite the process.