

JUSTIFICATION LETTER

To: Las Vegas Planning and Development Department

Date: December 24, 2007

Re: Extension of Time for Approval (SDR-9136)

APN: 139-27-707-006, 139-27-707-007, 139-27-712-053, and 139-27-712-0054

Location: 1.40 Acres located at 714, 718, and 722 N. Main Street and 711 and 719 N. 1st Street

Please consider this as Main Street Acquisitions, LLC formal request for a two (2) year extension of time for approval of its mixed-use development in Ward 5, Downtown Las Vegas. The development is currently referred to as Main Street Tower and will eventually consist of an eight (8) story, 99-foot high mixed-use development that will cover seventy percent (70%) of the 1.40 acre site. The first floor is designated for retail/office space with parking at the easterly portion of the site. The total floor space allotted for retail/office is approximately 7200 Square Feet. The second through the fifth floor will consist of a mixture of one and two bedroom units with a parking garage to the easterly portion. The remaining three (3) floors will consist of a mixture on one, two and three bedroom units. The rooftop is designed to contain the amenity deck, which will consist of a pool, pool area, plaza and park like setting. Access to the tower will be via Main Street.

The original intent of the development was to provide affordable housing for the Las Vegas resident. We anticipated the project as being a major draw to the downtown area where the downtown employees could live within walking distance to their place of work and city dwellers could live close to their place of play. The anticipated price range for the units would range from a low of slightly less than \$200,000.00 to a high of just under \$500,000.00. Our original construction cost analysis allowed for the anticipated pricing. In expectations of breaking ground in 2006 we: 1) immediately demolished the two (2) automotive facilities located on Main Street at Councilman Weekly's suggestion; 2) graded the property; 3) fenced in the property; 4) completed all necessary and optional environmental surveys; 5) further researched the areas demographics to assure ourselves we were targeting the proper purchaser; 6) reevaluated our construction cost analysis; 7) tweaked the plans including adding additional landscaping to increase the aesthetic value of the area; and 7) discussed the project with neighboring landowners.

The main obstacle to our beginning construction planning was the results of number six (6) above. Our reevaluation of our construction and carrying costs lead us to the conclusion that the project may not be feasible as affordable housing. Due to inflationary factors such as the American economy, the world economy, supply and demand, price of oil and several other factors the cost to build had escalated to

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almost twice the original projection. With this in mind we had to go back to the drawing board to come up with a solution to our affordability problem. We had several discussions with our neighbors to the South, Verge, and discovered that they had devised a method to build that was cost effective and which would allow us to reduce our costs to our original projections. Verge appeared to be nearing the beginning stages of construction and was way ahead of our schedule. In an effort to accommodate some of Verge's needs and to see the area's redevelopment skyrocket we agreed to lease our land at 714, 718 and 722 N. Main Street to Verge for staging and construction of a temporary sales center. We have recently executed the Lease, which runs through 2008.

Moreover, the two (2) properties located at 711 and 719 N. First Street are single-family residences currently occupied. I have rented both homes to persons in need of affordable housing. The rents are severely below fair market rent. I have assured both parties that they will have not less than ten (10) months to find alternate housing.

Notwithstanding the foregoing, it is our intention to build Main Street Tower and offer it as affordable housing. It is our hope that with our help and encouragement Verge will become successful and we can use their innovative method of construction to make our tower affordable for both us the developer and the end user. We anticipate beginning construction planning within the next several months and actually breaking ground shortly after the expiration of our Lease with Verge.

On December 1, 2005 the Planning Commission issued a Staff Report recommending approval of our project based upon several factors not the least of which is its conformity with the City's vision of the future of the area. We believe that our project will help propel the City's vision. Our project is consistent with and supportive of the City's policies and regulations.

We respectfully request the approval of a two (2) year extension for Main Street Acquisitions, LLC to begin the permitting process for Main Street Tower.

Respectfully submitted

By: 
As manager of Main Street Acquisitions, LLC

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