

## Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting  
March 19, 2008

**Title of Project:** Commercial Visual Improvement Agreement (CVIP) between the LV Redevelopment Agency and Deerport Company, LLC (Property Owner) and Faciliteq Business Interiors, Inc. (CVIP Participant & Tenant) (820-821 South Main Street)

**Project Description:** Exterior renovations to an existing building and parking lot.

**Sponsor/Developer:** Faciliteq Business Interiors, Inc. (CVIP Participant and Tenant)

**Assistance Provided by:** Redevelopment Agency. Total project cost is approximately \$64,000.00. Agency will reimburse the CVIP applicant on a 1:1 basis for pre-approved qualified exterior improvements. The Agency will reimburse the CVIP applicant up to a maximum of \$32,000.00, plus a 20% contingency (if necessary) for exterior improvements to the building. Maximum reimbursement will not exceed \$40,800.00. Agency will also record a Façade Easement and Building Maintenance Agreement against the property for a period of five (5) years, from date of completion of project.

**Number of Direct Jobs Created:** Five (5) Full time jobs and five (5) contract jobs will be created. These positions are relocating to this new location from North Las Vegas.

**Number of Indirect Jobs Created:** Based on the Economic Impact Model, an additional 7 jobs will be created.

**Number of Direct Jobs Retained:** Not Applicable

Pertinent Statutes Used for Public Purpose:

In accordance with NRS 279.486, the CVIP applicant has submitted a signed and notarized Participant Affidavit and Employment Plan which states that without the Redevelopment Agency's assistance, the proposed project would not be completed to a level that would be beneficial to the redevelopment area and the surrounding neighborhood. Any potential job creation opportunities will be advertised within the surrounding neighborhoods for qualified applicants.

How Does the Project Benefit the Public:

TeqGroup C/S (a company affiliated with Faciliteq and owned by the CVIP applicant) will be using the location for the relocation of it's office from North Las Vegas to downtown Las Vegas. The owner of Faciliteq and TeqGroup has made an investment in excess of \$2 million dollars in the adjoining property (purchase \$825,000 and \$1.5 million in exterior and interior renovations) and is consolidating the other business in one location in downtown Las Vegas. The surrounding

neighborhood consists of vacant and boarded up storefronts and vacant land.

This project is located just north of the Arts District and south of the Forest City/Live Work project, which the City and Redevelopment Agency are focusing financial and staff resources to the continued development of this area as a cultural arts destination for local residents and visitors to downtown Las Vegas and possibly a new civic center consisting of a new City Hall and offices for the Regional Transportation Center. As the Arts District grows and the Forest City/Live Work project progresses, a renewed interest by property owners and business owners to renovate their property or expand their business will increase.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood. Faciliteq has a quality design, encourages the creation of new business and/or appropriate development, and creates jobs or other business opportunities for nearby residents and increases local revenues from desirable sources.

**Quantitative Economic Benefits:**

Sixty-four Thousand dollars (\$64,000.00) is being fed into the local economy through the employment of qualified contractors for the rehabilitation of the new building. Five (5) full-time and five (5) contract jobs will be created. The economic benefit, via wages, comes out to \$30,000/month, or **\$360,000 per year** at this location. Jobs would be semi-skilled, i.e. construction oriented/furniture installation

Additionally, the amount of tax increment the Agency will receive will increase. The Net Present Value of the tax increment, over the next twenty (20) years, is estimated at **\$54,805.00**.

**Private Investment:**

Applicant will be funding this project cost of approximately \$64,000.00 through cash on hand.

**Public Investment:**

The CVIP program requires a 1:1 match from the applicant for all pre-approved exterior improvements. For this project, the public investment will be \$34,000. The Return on Investment for the increase in tax increment is **38%**, or 2% per year for 20 years.

**Total Direct Economic Impact:**

Total Wages adjusted 2.5% annually, for 20 years = **\$9,196,077.00**  
Total Tax Increment received over 20 years = **\$54,805.00**  
**Total Direct Economic Impact = \$9,250,882.00 (Total Wages + Total Tax Increment over 20 years)**

Total Indirect Economic Impact:

7 indirect jobs with approximately \$94,000/year monetary impact. Over 20 years, this totals **\$1,880,000.**

Economic Impact Study Performed:

Yes

No

Return on Investment Analysis Performed:

Yes

No