



City of Las Vegas

Agenda Item No.: 5.

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: JUNE 18, 2008

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

SUBJECT:
RESOLUTIONS:

RA-5-2008 Resolution and possible action regarding a Resolution authorizing the issuance of the Taxable Tax Increment Subordinate Lien Note from the Redevelopment Agency (RDA) to SP Sahara Development, LLC (Allure Condominium Project), located at 200 West Sahara Avenue, and providing for all matters related thereto (\$20,912,094 Redevelopment Agency Special Revenue Fund - Ward 5 (Barlow))

Fiscal Impact

No Impact

Augmentation Required

Budget Funds Available

Amount: \$20,912,094

Funding Source: Redevelopment Agency Special Revenue Fund

Dept./Division: Office of Business Development

PURPOSE/BACKGROUND:

On June 15, 2005, the RDA and SP Sahara Development, LLC entered into an Owner Participation Agreement. This allows the Redevelopment Agency (RDA) to rebate up to 41% of the tax increment against certain Qualified Public Improvements for the Project. The New Note has been calculated to be \$2,114,117.00, shall mature on June 30, 2027, and bear an interest rate of 7.9% per annum. Payments shall only be made from Available Accrued Taxes generated by the Project.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Resolution RA-5-2008 with Attached Note
2. TIF Note
3. Disclosure of Principals
4. Site Map

Motion made by GARY REESE to Approve as amended

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

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

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Minutes:

SCOTT ADAMS, Operations Officer of the Redevelopment Agency, explained that the following two resolutions in addition to the current item, RA-5-2008, are tax increment finance rebates that represent approval of notes that follow previously approved owner/participation agreements entered into on three separate projects.

Before proceeding, MR. ADAMS indicated for the record that the correct ward is Ward 3. Referencing the Resolution he noted that page 1, line 28 and page 2, line 11 should be deleted, then replaced to reflect the correct amount as "Twenty Million Nine Hundred Twelve Thousand Ninety-three Dollars and 77/100 Cents (\$20,912,093.77)."

MR. ADAMS described the Allure Condominium Project and assessed the value at \$252 million. Through the Resolution, the Agency would be approving a note payable back to the developer in the amount of \$20.9 million with an annual payment of \$2.1 million at a 7.9 percent interest rate for 20 years. In total, 41 percent will be repaid back to the developer and the Redevelopment Agency will retain 59 percent. MR. ADAMS recommended approval.

KATIE FELLOWS, 1773 Howard Hughes Parkway, appeared on behalf of Allure Tower to answer questions.

MEMBER WOLFSON questioned whether there would be a second tower as originally designed. MR. ADAMS stated that another building has been discussed and alluded to MS. FELLOWS for a reply.

MS. FELLOWS stated that the second tower has been delayed due to the economy and saturation of the housing market; however, the developer still plans to move forward with it.

MEMBER ROSS asked whether the units have all been sold. MR. ADAMS replied that a significant percentage of the project has been sold, although he did not have the exact number available.

J.D. PEAL, Project Manager for the developer, estimated that ninety percent of the units have been sold. He noted that there are 427 units and approximately 60 units are still available. Of the 427 units, roughly 160 units have closed and an estimated 40 units are currently occupied.

