



Las Vegas

Agenda Item No.: 43.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JULY 2, 2008

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action regarding a Disposition and Development Agreement (DDA) with CIM/LL Manager, LLC, CIM/LL for parcels at Fourth Street and Stewart Avenue totaling approximately 5.49 acres (Exclusive Negotiation Agreement Site) and 333 East Ogden Avenue (Ogden Garage) approximately 1.03 acres (APNs 139-34-501-004, 007, 008 and 139-34-510-020) and the extension of lease term for the Ogden Garage to CIM/LL Las Vegas, LLC - Ward 5 (Barlow) [NOTE: This item is related to Council Item 47 (R-42-2008)]

Fiscal Impact:

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The proposed Disposition and Development Agreement for the sale of the Exclusive Negotiation Site and the Ogden Garage to CIM and the extension of lease term for the Ogden Garage to CIM/LL Las Vegas, LLC, will facilitate the development of 450,000 to 700,000 square feet of new mixed-use buildings on the ENA site and support the renovation and reopening of an existing commercial enterprise, the Lady Luck Hotel and Casino (which has been closed for over two years).

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Disposition and Development Agreement
3. Site Map
4. Submitted at meeting PowerPoint Presentation by staff
5. Submitted after meeting Executed Third Amendment to Lease

Motion made by RICKI Y. BARLOW to Approve and incorporate by reference all of the economic impact findings

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Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

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

Minutes:

SCOTT ADAMS, Director of the Office of Business Development, introduced Project Manager SCOTT AUYONG and one of the Principals of CIM, JEFF ROSEN. Using a PowerPoint presentation, MR. ADAMS gave a detailed report on the progress of the CIM Project. Knowing that the project was very complex, the City contracted Kaiser Marston, a nationally acclaimed deal-structuring consultant firm that assists cities in putting together private/public partnerships. MR. ADAMS explained that throughout the negotiations, Kaiser Marston consultant TIM KELLY assessed each phase and provided conservative evaluations.

MR. ROSEN explained that CIM purchased the Lady Luck in a joint venture with outside partners. Using the overhead, he described the research process by which CIM determines which communities they desire to invest in and develop. MR. ROSEN displayed renderings of a number of projects developed by CIM that include retail, office and residential components.

MR. ADAMS explained the details of the Disposition and Development Agreement (DDA) which involve the parcels on Fourth Street and Stewart Avenue and the Ogden Garage located on East Ogden Avenue. He stated that the DDA specifically defines criteria including improvements to the Lady Luck property, streetscape improvements, modification to the existing retail located on Third Street, etc. before CIM is granted the option to purchase the Ogden Garage or any portion of the Exclusive Negotiation Agreement site (ENA).

Additionally, MR. ADAMS stated that the Agreement will also address a tourism improvement district package which will be presented to the City Council. In that regard, COUNCILWOMAN TARKANIAN inquired about revenue generated by tourism taxes.

Speaking on land value, MR. ADAMS mentioned that CIM considers Lady Luck and surrounding parcels inferior in comparison to Union Park because its ability to develop is more limited. COUNCILMAN ROSS disagreed, stating that the property is in a great location with excellent freeway accessibility. He added that, with the purchase of the Lady Luck property, CIM has made a substantial investment; and is committed to the improvements, however, his main concern rests upon how the residents of the City would benefit.

Hearing the previous comments, MR. ROSEN stated that the Lady Luck development is separate from the surrounding properties, yet it is beneficial for the developer to ensure the adjacent properties are coordinated effectively versus having three separate developers. COUNCILMAN

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ROSS interjected and stated that this project is absolutely beautiful, so considering the amount of money that has already been expended, he wants to ensure that the public is aware of exactly what will transpire and how the City will benefit.

MR. ADAMS touched on deadline clauses, the economic impact if a minimal development is constructed, long-term impact and wages. At the conclusion, COUNCILMAN ROSS asked to see the numbers reflecting the income that will be generated.

COUNCILMEN REESE, BROWN and BARLOW commended MR. ADAMS for the presentation, and all agreed that the City must indeed be aggressive because of the economic situation, in moving forward to ensure the success of the project.

CHRIS BONER appeared on behalf of the Culinary Union. Although he thanked the Council for the redevelopment occurring throughout the City, he expressed his disappointment with the CIM project, stating that it is not good for the City or for the taxpayers. MR. BONER referenced a newspaper article that raised several objections and in particular the suggestion that the appraisal process has been pressured by City staff and that the City give preferential treatment and setting a dangerous precedent.

TOM MCGOWAN, Las Vegas resident, felt that the CIM project is very feasible but will entail a lot of work.

MAYOR GOODMAN remarked that for several years he has observed from his office, the dilapidated structure of the former Flamingo Las Vegas Hotel and Casino; a structure that has detracted from the phenomenal development within the urban core. In turn, MAYOR GOODMAN spoke of the acquisition of 61 acres of brown, barren field which to date embraces the World Market Center, new office and medical buildings and is a continual attraction for tourism.

COUNCILMAN BARLOW stated that because the City Council strongly supports the public/private relationship, the City encourages and welcomes any developer, local or out-of-state to do business in the downtown area.