

# **CIM/LL Manager, LLC Disposition & Development Agreement (DDA)**

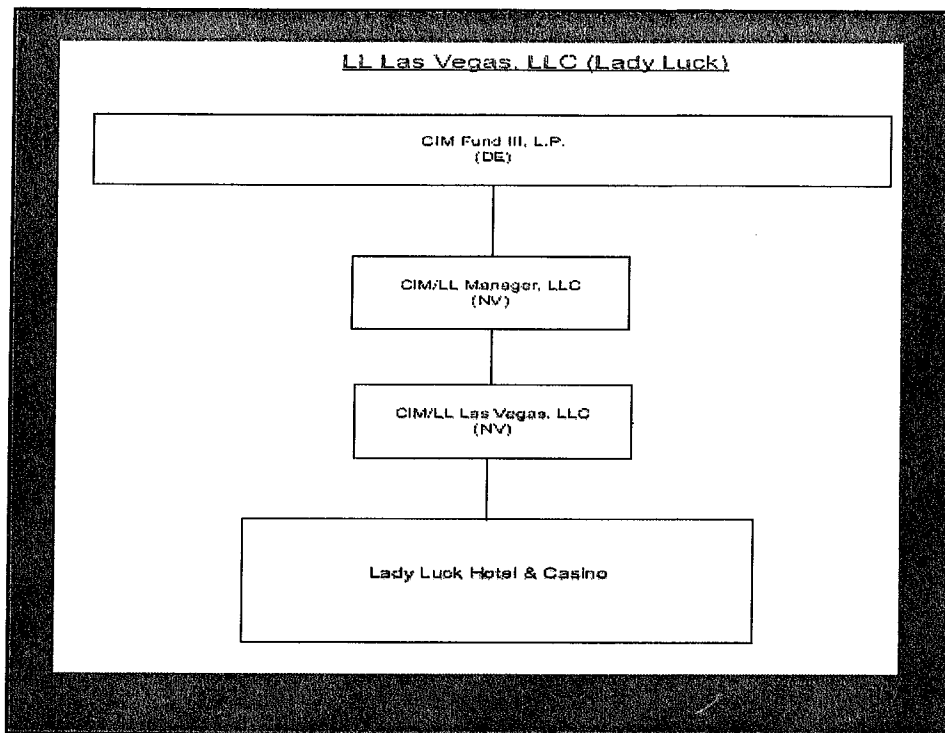
Parcels at 4<sup>th</sup> St. & Stewart Ave.  
and 333 E. Ogden Ave.

## **Overview**

- Developer
- Project
- Deal Terms
- Public Purpose – Econ. Development

Submitted at City Council

Date 7/2/08 Item #43

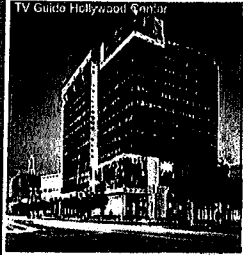


## **CIM Group, Inc.**

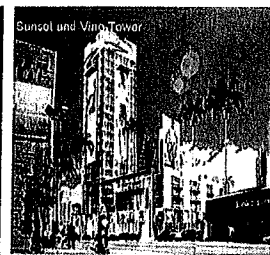
- Urban real estate investment/development firm; founded 1994; based in Hollywood, CA
- Fund manager for over \$4.5 bil. in equity funds
- Projects include urban real estate in:
  - Hollywood
  - Third Street Promenade-Santa Monica
  - Gas Lamp District-San Diego
  - downtown Los Angeles, San Jose & Sacramento

HOLLYWOOD, CA  
 REPRESENTATIVE INVESTMENTS

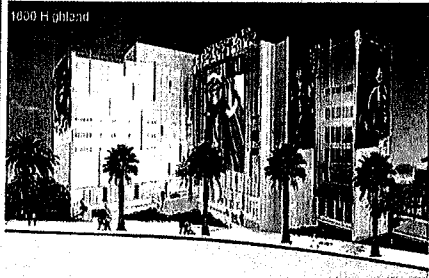
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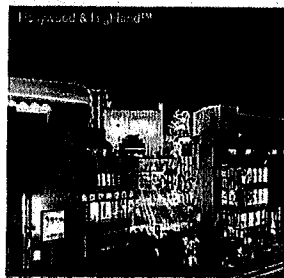
TV Guide Hollywood Center



Suncoast and Vinn Tower



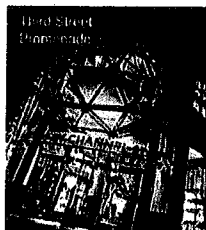
1000 Hollywood



Hollywood & Highland

CIM

STREET RETAIL



Third Street Promenade

Pasadena



Third Street Promenade



Pasadena



Third Street Promenade

Third Street Promenade



Gaslamp District



Pasadena

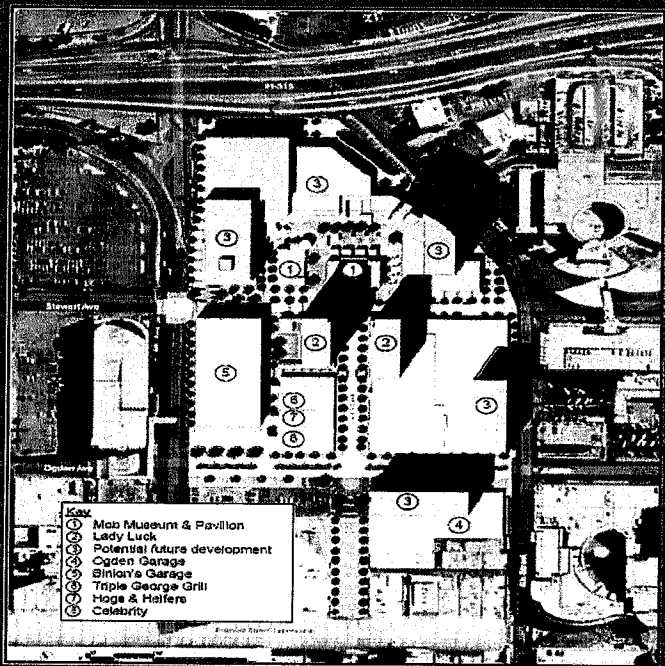
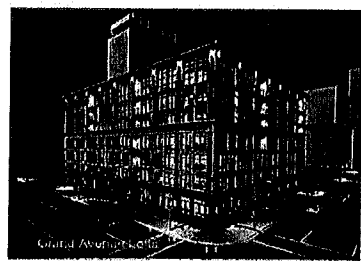
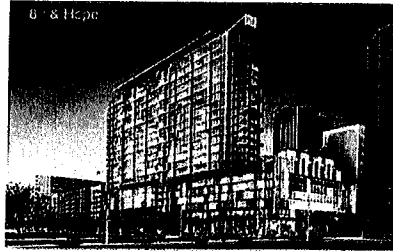


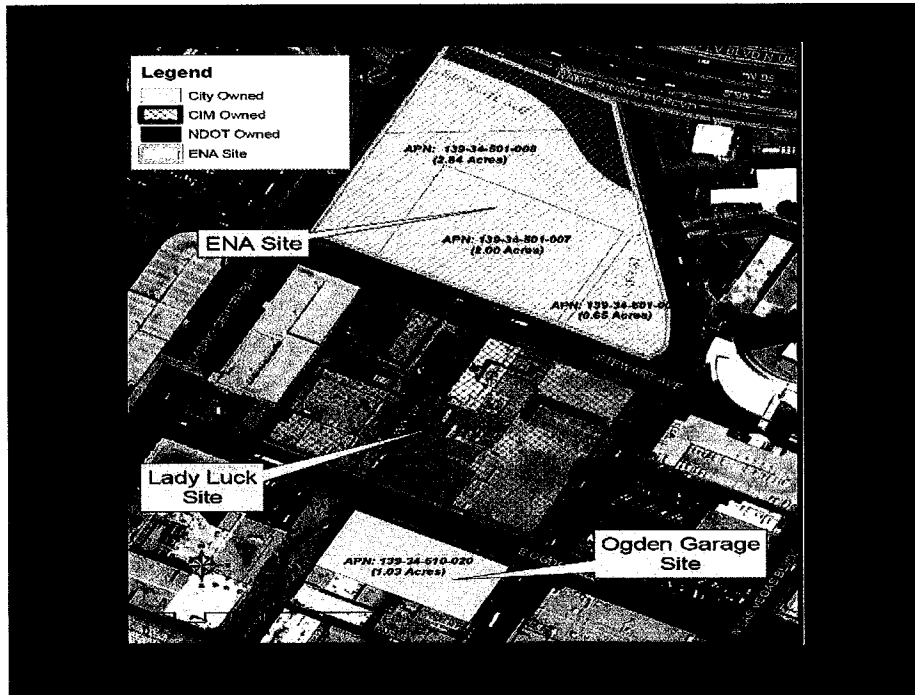
Third Street Promenade



Gaslamp District

DOWNTOWN LOS ANGELES, CA  
 REPRESENTATIVE INVESTMENTS





## Project – Lady Luck Site

Renovation & Re-opening of Lady Luck Hotel & Casino by CIM – Lady Luck Threshold:

- Minimum \$100 Million in improvements
- Streetscape/façade improvements on 3<sup>rd</sup> St.
- Start construction by 12/31/09 & substantial completion by 12/31/11
- Reopen with 3-star hospitality rating standards
- Complete modifications & improvements to the 3<sup>rd</sup> St. pedestrian bridge

## **Project – ENA Site**

- Public improvements to be completed by City, using its best efforts:
  - Completion of the Mob Museum and streetscape improvements to Stewart Ave.
  - Streetscape improvements to Ogden Ave. and 3<sup>rd</sup> St.
  - Parking garage, plaza & other necessary public improvements

## **Project – Ogden Garage Site**

- Precedent to CIM's option to purchase the Ogden Garage, CIM must spend \$500,000 to improve the Ogden Garage:
  - painting, cleaning, landscaping, as well as, improved lighting and security

## Deal Terms

- Extension of lease term for Ogden Garage to CIM for 50 yrs
- CIM's purchase price for Ogden Garage is based on the current lease rate capitalized at 8% or approx. \$6.8 million
- Two recent appraisals value the Ogden Garage at \$11.4 (\$250/SF) to \$17.8 (\$390/SF) million, fee simple

## Deal Terms

- Subject to approval of new signage regulations, CIM will give to City (for direct benefit of the Mob Museum) up to \$300,000/yr. of signage revenue for 10 yrs.
- CIM/City will establish a Tourism Improvement District which will provide City with sales tax increment to support debt service for public improvements

## Deal Terms

- CIM will submit to City a final draft development summary, plan and prelim. conceptual drawings concurrently with the effective date of the DDA
- City & CIM will jointly submit development plans to the National Park Service (NPS) in compliance with Grant Deed covenants
- City & CIM will collaborate to assemble the ENA Site via negotiations with NPS & Nevada Department of Transportation (NDOT) to determine the ENA Site area (ENA Conveyance Site)

## Deal Terms

- If ENA Conveyance Site is at least 200,000 gross square feet, CIM agrees to develop:
  - 100,000-200,000 sf of retail
  - Additional 350,000-500,000 sf, including a hotel, residential, and/or office, including food service, restaurant, bar, tavern, night club, meeting facilities, dancing, lounge and all other uses normally associated with a large-scale vertical mixed-use development

## Deal Terms

- If ENA Conveyance Site is less than 200,000 gross sf, City and CIM will renegotiate the Master Plan
- CIM's purchase price for the ENA Conveyance Site:
  - \$75/gross square foot without gaming
  - \$140/gross square foot with gaming use
- Two recent ENA Site appraisals:
  - \$99/sf without any gaming
  - \$170/sf and \$180/sf fee simple

## Deal Terms

- In event City & CIM cannot agree on boundaries of the ENA Conveyance Site within 24 months, either party can cancel the DDA
- In the event that the Lady Luck Threshold renovations have not commenced by 12/31/09 or completed by 12/31/11, the DDA will terminate

## Public Purpose – Economic Development

	<u>Private Invest.</u>	<u>Perm. Jobs</u>	<u>Econ. Impact</u>	<u>New RE Taxes</u>
Lady Luck Site	\$118 M	1,086	\$105 M	\$12.2 M
ENA Site-Min. SF (1)	\$317 M	1,077	\$104 M	\$34.0 M
ENA Site-Max. SF (2)	\$485 M	1,436	\$139 M	\$49.8 M

(1) 100K SF retail, 350K SF other mixed-use  
 (2) 200K SF retail, 500K SF other mixed-use

## Public Purpose – Economic Development

	<u>New RE Taxes</u>	<u>Avg. Land Write Down</u>	<u>Net New RE Taxes</u>
Lady Luck Site	\$12.2 M	\$7.4 M (3)	\$4.8 M
ENA Site-Min. SF (1)	\$34.0 M	\$4.8 M (4)	\$29.2 M
ENA Site-Max. SF (2)	\$49.8 M	\$4.8 M (4)	\$45.0 M

(1) 100K SF retail, 350K SF other mixed-use  
 (2) 200K SF retail, 500K SF other mixed-use  
 (3) Ogden Garage Site  
 (4) ENA Site - Non-gaming use only