



## **AGENDA MEMO**

**CITY COUNCIL MEETING DATE: JULY 2, 2008**

**DEPARTMENT: BUSINESS DEVELOPMENT**

**ITEM DESCRIPTION: Discussion and possible action regarding a Resolution finding the Disposition and Development Agreement with CIM/LL Manager, LLC, for acquisition of parcels at 4<sup>th</sup> Street and Stewart Avenue and 333 E. Ogden Avenue and the extension of lease term for the Ogden Garage to CIM/LL Las Vegas, LLC**

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1. The proposed sale of parcels at Fourth Street and Stewart Avenue (ENA Conveyance Site) totaling approximately 5.49 acres and 333 East Ogden Avenue (Ogden Garage) totaling approximately 1.03 acres to CIM/LL Manager, LLC (CIM) and the extension of lease term for the Ogden Garage to CIM/LL Las Vegas, LLC are for purposes of economic development and in the best interest of the public.
2. The proposed sale price of the ENA Conveyance Site will be based on \$75 per gross square foot without any gaming use and \$140 per gross square foot with any gaming use on the site. Two recent appraisals value the ENA Site at \$23.7 million (\$99/SF) without any gaming and \$40.6 (\$170/SF) to \$43.0 million (\$180/SF) with any gaming use, fee simple.
3. As a condition precedent to CIM's option to purchase the Ogden Garage, CIM will spend at least \$500,000 on improvements to the Ogden Garage to enhance its appearance and functionality that include, but are not limited to, painting, cleaning, landscaping and improving both the lighting and security for the Ogden Garage.
4. CIM's purchase price for the Ogden Garage will be based on the current lease rate at the time the purchase option is exercised capitalized at a rate of 8%. For example, at today's lease rate of \$45,790/Mo. capitalized at 8% the purchase price would be approx \$6.87 million. Two recent appraisals value the Ogden Garage at \$11.4 (\$250/SF) to \$17.8 million (\$390/SF), fee simple.
5. An extension of the lease term for the Ogden Garage to CIM/LL Las Vegas, LLC will be for 50 years from the execution date of the lease amendment.