

Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting
August 6, 2008

Title of Project: Commercial Visual Improvement Agreement (CVIP) between the LV Redevelopment Agency and Exber, Inc. d/b/a Ogden House Motel (651 East Ogden Avenue)

Project Description: Total interior and exterior improvements will be undertaken by the CVIP applicant/property owner for the property located at 651 East Ogden Avenue.

Sponsor/Developer: Irving K. Epstein

Assistance Provided by: Redevelopment Agency. Total project cost is approximately \$6,343,958.00. Agency will reimburse the CVIP applicant on a 1:1 basis for pre-approved qualified exterior improvements. The Agency will reimburse the CVIP applicant \$50,000.00 for exterior improvements. 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: Not Applicable

Number of Indirect Jobs Created: Employment is based on those trades that will be utilized to complete this project. Trades to be utilized for this project will include electrical, construction, landscaping, structural, painting, and signage.

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 benefit 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:

The Ogden House Motel, to be renamed the Cortez Cabana Suites upon reopening, has been an underperforming asset for the El Cortez Hotel & Casino. Over the past 5 years, the owners of the El Cortez Hotel & Casino (Exber, Inc.) have invested approximately \$25 million into their business and properties. A complete interior remodel is underway. Since the rooms are small, the owners have decided to enlarge the rooms into suites, with new flat screen televisions, modern furniture, walk-in showers, access to wi-fi and the new fitness center. This will reduce the number of rooms from 98 to 64. Also included in the interior

remodel is the addition of a fitness center.

On the exterior, the building is simple block structure. The building will be enhanced with a new façade that will be covered and enhanced with accent walls and soffit structures. All windows will be replaced and a new entry way will be constructed. New paint and surface finishes will complete the exterior, along with new signage and wash (uplighting) lighting of the building.

The project is located across the street from the Fremont East Entertainment District. The surrounding area to the north and west of the property is populated with vacant parcels, a half-way house, and a weekly/monthly motel. The Redevelopment Agency and the City continue to focus on this area with financial and staff resources to revitalize the area as an entertainment destination for locals and visitors. The owners of the property have made a major financial commitment to reinvest in their property and have developed a master plan for all of their properties. This project continues to bring interested investors to this area to look at assembling land for potential projects and for current property owners and business owners to upgrade their buildings/property.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood. Exber, Inc. 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:

\$6,343,958.00 is being fed into the local economy through the employment of subcontractors and all materials used for the project are bought locally.

Private Investment:

Applicant will be funding the entire project cost of approximately \$6,343,958.00. Once the project is completed, then the CVIP will reimburse the applicant for \$50,000.00

Public Investment:

The CVIP program requires a 1:1 match from the applicant for all pre-approved exterior improvements. Once the project is complete the Redevelopment Agency will record a Façade Easement and Building Maintenance Agreement against the property for a period of five years. At the end of five years, the property is façade easement and building maintenance agreement is removed from the property.

For this project, the public investment will be \$50,000. The Return on Investment for the increase in tax increment is 1074%.

Total direct Economic Impact:

\$6,343,958.00

Total Indirect Economic Impact:

Not measurable at this time. However, this CVIP applicant has indicated that they will be assessing the renovation and revitalization of an adjacent property.

Economic Impact Study Performed:

Yes

No

Return on Investment Analysis Performed:

Yes

No