Public Purpose/Impact Analysis

Title of Project: 1501 North Decatur Disposal and Disposition Agreement

Project Description: The Las Vegas Redevelopment Agency (RDA) and the City of Las Vegas (City) propose to sell to Alpha Omega Strategies, Inc. ("AOS") the real property located at 1501 North Decatur ("Agency Property") and property adjacent to 1501 North Decatur along Westmoreland and Laurelhurst (City Property) for the development of atleast 460 affordable age -restricted housing units with 65,000 sq. ft. of retail and a 10,000 square foot park. Upon acquisition by AOS of the Agency and City Property, AOS will be required to build an age-restricted housing project. The Agency and/or City will be able to re-enter and repurchase the site if AOS fails to proceed with development of the age-restricted housing project in compliance with the contract timeline. AOS is a Nevada for-profit corporation. AOS will be building a 13,200 sq ft Gray Shell fire station into the project. The RDA will allocate the $3,300,000 in land sales revenues to pay for the gray shell. The City will have to fund to improvements to space to make it a fully functional fire station in the future.

Sponsor/Developer: Alpha Omega Strategies, Inc.

Assistance Provided by: Las Vegas Redevelopment Agency and City of Las Vegas

Number of Direct Jobs Created: **350**

Number of Indirect Jobs Created: **137**

Number of Direct Jobs Retained: **Undefined**

Pertinent Statutes Used for Public Purpose:

N.R.S. 279, N.R.S. 266, N.R.S. 268

How Does the Project Benefit the Public:

Per Resolution, the Agency and the City have determined that the buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located, and that no other reasonable means of financing are available for the project. The Agency and the City believe that the AOS development is likely (1) to encourage the creation of new

business or other appropriate development; (2) increase local revenues (property tax revenue and sales tax revenue) from desirable sources; (3) increase levels of human activity in the area around the project; and (4) demonstrate greater social benefits to the community than would a similar set of improvements not supported by the Agency. This project will provide much need affordable senior housing in Las Vegas and it will be a catalyst for future development in that area. It will also provide much need goods and services to that area. These qualitative benefits far out way the quantitative economic benefits to the City and RDA.

Quantitative Economic Benefits:

The total economic impact to the Agency and the City is estimated $3,924,571. (See Economic Impact Analysis below for the basis of this estimate.)

Private Investment**:**

Approximately $75,000,000.

Public Investment*:

The land acquisition cost contribution of approximately $2,172,800 or $3,536,000 Total land acquisition cost of $8,522,800 and highest appraised value of $10,036,000 less the purchase price of $6,500,000

Total direct Economic Impact:

Annual property tax increment to the Agency in the amount of $64,400.

Total Indirect Economic Impact:

Ancillary.

Economic Impact Study Performed: Yes**X** No

Return on Investment Analysis Performed: Yes No X

* The Public Investment from the RDA and the City is the difference between the acquisition cost of the property by the RDA and the City and the appraised value of the property as shown below:

The RDA acquisition and demolition costs of 1501 North Decatur are $3,300,000 or $7.61 per square foot. The City acquisition and demolition cost for the Westmoreland and Laurelhurst properties is $5,372,800 or $36.49 per square foot. The combined total costs are $8,672,800 or $14.93 per square foot.

The values from two appraisals for the 1501 North Decatur property are $6,980,000 and $7,410,000 or $16.10 and $17.10 per square foot.

The values from two recent appraisals for the Westmoreland and Laurelhurst properties are $2,626,000 and $1,780,000 or $17.68 and $11.99 per square foot.

The combined high appraised value is $10,036,000 or $16.53 per square foot.

The difference between the combined costs and the highest appraised value for the properties is $3,536,000. This amount represents the combined RDA and City investment in the Project.

Economic Impact Analysis

The economic impact of the project currently under contract with the AOS is as follows:	
400 age-restricted affordable rental housing units 65,000 commercial retail	$75,000,000
Estimated Total Construction Cost, current AOS project	$75,000,000

Total land investment	$6,500,000

Estimated total project cost	$81,500,000

Total Taxable Value of the Project	$	4,400,000
Total Annual tax increment from the project (approximate)	$	80,000
Annual 18% Affordable Housing Set-Aside (approximate)	$	14,400
Potential TIF Rebate to AOS (approximate)	$	0
Annual remainder of tax increment to the Agency (approximate)	$	65,600

Present value of the total 18% Set-Side and remainder to the Agency over 20 years $1,600,000. This is less than the write down on the land however the overall impact of the project in this location is of much greater value and benefit to the citizens of the Las Vegas. This project will help fill a void in affordable senior housing in Las Vegas. It will also provide that area with much need goods and services. Additionally, it will create new jobs in community and help to sustain existing jobs in the area. This project will also serve as a catalyst for new development in the area.