

ANALYSIS OF THE
PUBLIC PURPOSE AND BENEFITS
OF THE BUY-LOW MARKET, INC.

City of Las Vegas
Office of Business Development
Las Vegas Redevelopment Agency
June 4, 2008



CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

BUY-LOW MARKET, INC. - LAS VEGAS
PUBLIC PURPOSE/PUBLIC BENEFIT ANALYSIS

BUY-LOW MARKET INC., involves the redevelopment and re-tenanting of approximately 43,000 square feet of commercial retail shopping center space, formerly operating as a Vons Grocery Store, which closed in August 2004, within the Edmond Town Center neighborhood shopping center located at: 1061 West Owens Avenue, Las Vegas Nevada City of Las Vegas (the “Project”).

The Agency is proposing in the Participation Agreement (PA) to offer Public Investment not to exceed a total of Nine Hundred Thousand Dollars (\$900,000) as follows: \$200,000 grant towards new equipment purchased; annual tenant improvement and remodeling rebate (lease year end) not to exceed \$100,000 per year for seven (7) years. Under a separate agreement, Buy-Low Market will submit a complete and timely Commercial Visual Improvement Program (CVIP) application to the Agency for consideration and approval by the Agency Board and City Council. Subject to the terms and conditions of an approved CVIP grant, Buy-Low Market will be reimbursed up to a maximum of \$50,000 for qualified exterior improvements.

In order to evaluate the public purpose and benefits of the proposed project, the Agency is following the guidelines established in the Community Redevelopment Law. Pursuant to NRS 279.486, in order for the Agency to participate, the Agency must determine (a) 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 (b) no other reasonable means of financing those buildings, facilities, structures or other improvements are available. The Agency has determined that the Project satisfies both of these tests. In reaching this determination, the Agency is making the following findings which are supported by the following supporting documentation:

SUMMARY OF REQUIRED FINDINGS
PER NRS CHAPTER 279.486(a)

	NRS Subsection	Finding	Supporting Documentation
1.	279.486(2)(a)(1)	Encourage the creation of new business or other appropriate development	Applied Economics Analysis Report*
2.	279.486(2)(a)(2)	Create jobs or other business opportunities for nearby residents	Applied Economics Analysis Report
3.	279.486(2)(a)(3)	Increase local revenues from desirable sources	Applied Economics Analysis Report
4.	279.486(2)(a)(4)	Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located	Applied Economics Analysis Report

	NRS Subsection	Finding	Supporting Documentation
5	279.486(2)(a)(6)	Require for their construction, installation or operation the use of qualified and trained labor	Employment Plan
6	279.486(2)(a)(7)	Demonstrate greater social or financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the agency	Applied Economics Analysis Report
7.	279.486(a)(2)	No other reasonable means of financing those buildings, facilities, structures or other improvements are available	Applied Economics Analysis Report

*A copy of the Report is on file with the Redevelopment Agency within the Office of Business Development

Finding 1: The Project encourages the creation of new business or other appropriate development. New development subsequent to the opening of BUY-LOW MARKET will be the balance of in-line commercial space of approximately 100,000 sq ft, and up to 40,000 sq ft of out-parcel pad developments with leases traditionally tied to the Grocery Anchor’s operation being open to the general public.

Finding 2: The Project creates jobs or other business opportunities for nearby residents. See above table

Finding 3: The Project Increase local revenues from desirable sources. See above table

Finding 4: The Project Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located. See above table

Finding 5: The Project requires for its construction, installation and operation the use of qualified and trained labor. See above table

Finding 6: The Project demonstrates greater social and financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the Agency.

The operator is bringing a new grocery chain to West Las Vegas community that does not currently operate in the Las Vegas market.

The Agency will require the developer to pay Prevailing Wage to all workers employed in the construction of the project. For permanent employment, the developer is estimating that the project will employ over 85 people who will earn approximately \$1,600,000 in wage and salary payments each year. This generates an annual employee

economic impact of \$5,513,921 in year one. Applied Economics Analysis showed that the indirect and induced labor would yield 106 new employees earning \$1,194,257.

Finding 7: No other reasonable means of financing are available, because of one or more of the following reason(s) as checked by the Participant:

a. The improvements, if financed by the Participant through cash on hand or through debt financing from a private lender, would not result in a reasonable rate of return to the Participant; or

b. The Participant would not undertake the full set of improvements contemplated in the Agreement's Scope of Work through resources reasonably available to the Participant.