

Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting
December 17, 2008

Title of Project: Commercial Visual Improvement Agreement (CVIP) between the LV Redevelopment Agency and T-Breo II, LLC (Property Owner) and DTM on Fremont, LLC (CVIP Participant & Tenant) (517 Fremont Street)

Project Description: Exterior renovations and new neon signage to an existing building.

Sponsor/Developer: Minh Pham, Owner of DTM on Fremont, LLC. (CVIP Participant and Tenant)

Assistance Provided by: Redevelopment Agency. Total Exterior project cost is approximately \$28,800.00. Agency will reimburse the CVIP applicant on a 1:1 basis for pre-approved qualified exterior improvements. The Agency will reimburse the CVIP applicant up to a maximum of \$12,000.00, plus a 20% contingency (if necessary) for exterior improvements to the building. Maximum reimbursement will not exceed \$14,400.00. 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: Two (2) Full-time jobs and ten (10) part-time jobs will be created.

Number of Indirect Jobs Created: Not Applicable

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 be beneficial to 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:

DTM on Fremont, LLC is leasing a property (approximately 1,700 sf) from T-Breo II, LLC. This property has been vacant for over one year and had been previously used as a check cashing location. T-Breo II, LLC owns two (2) properties that consist of four storefronts, two of which now have signed leases. The other two storefronts are vacant, but are being actively marketed for leasing.

This project is located in the Fremont East Entertainment District (FED). This

newly formed entertainment district was formed in 2002 to attract nightclubs/bars, restaurants and live entertainment venues to the area as a way to revitalize the surrounding neighborhood. In addition, the FED had \$5.1 million worth of streetscape improvements installed. These improvements, along with 4 new nightclubs, have revitalized the area and lessened blighting conditions.

The City and Redevelopment Agency are focusing financial and staff resources to the continued development of this area as an entertainment destination for local residents and visitors to downtown Las Vegas. As the FED grows and other projects are completed with the FED and surrounding neighborhood, a renewed interest by property owners and business owners to renovate their property or expand their business will increase.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood. DTM on Fremont, LLC has a proven entertainment concept that will encourage 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:

Total project cost for the project is approximately \$250,000 and is being fed into the local economy through the employment of qualified contractors for the rehabilitation of the building. As for the business, two (2) full-time jobs and ten (10) part-time jobs will be created. The economic benefit, via wages, comes out to \$40,833/month, or **\$490,000 per year** at this location. Wages over a five year period would amount to **\$2,575,601**.

Additionally, the amount of tax increment the Agency will receive will increase. The Net Present Value of the tax increment, over the next twenty (20) years, is estimated at **\$80,877**.

Private Investment:

Applicant will be funding this project cost of approximately \$250,000.00 through cash on hand.

Public Investment:

The CVIP program requires a 1:1 match from the applicant for all pre-approved exterior improvements. For this project, the public investment will be \$14,400.

Total Direct Economic Impact:

Total Wages adjusted 2.5% annually, for 20 years = **\$12,516,882.00**
Total Tax Increment received over 20 years = **\$150,439.00**
Total Direct Economic Impact = \$12,667,321.00 (Total Wages + Total Tax Increment over 20 years)

Total Indirect Economic Impact:

Not Applicable

Economic Impact Study Performed:

Yes

No

Return on Investment Analysis Performed:

Yes

No