

VERBATIM TRANSCRIPT OF A PORTION OF THE SPECIAL MEETING OF THE CLARK COUNTY BOARD OF COUNTY COMMISSIONERS HELD ON APRIL 8, 2009 REGARDING ITEM NO. 2 (CONSIDER THE FISCAL EFFECT OF A PROPOSED CITY OF LAS VEGAS TOURISM IMPROVEMENT DISTRICT).

TAPE 1-1

RORY REID

Meeting of the Clark County Board of Commissioners.

DONALD BURNETTE

Good morning Mister Chairman, Commissioners. The first item on your special agenda is Item One to approve the agenda.

REID

Let's take a voice vote because I don't think we can switch off the machine. All those in favor say Aye.

BOARD MEMBERS

Aye.

REID

Anyone opposed? Motion carries.

BURNETTE

Item Number Two is to conduct a public hearing to consider the fiscal effect of a proposed City of Las Vegas Tourism Improvement District under Chapter 271A of Nevada Revised Statutes and authorize staff to submit comments from the hearing to the City of Las Vegas City Council. Mister Chairman, Ed Finger, the County Comptroller, is here to offer a few introductory comments.

EDWARD FINGER

Good morning County Commissioners. Ed Finger, Comptroller. As Mister Burnette mentioned, the item before you is a public hearing. I will point out to you that there is no action to be taken at the public hearing other than to receive comment for submission to the City of Las Vegas. In accordance with statute, that is the limit of the County's participation in the creation of such a district. Staff has prepared an agenda item development report that's been presented with the agenda item. Staff - County staff is available. I'm available. There are also representatives from the City of Las Vegas here should you have any questions.

REID

This is a public hearing. Anyone here wishing to speak? Again, this is a public hearing. Any comment from the Board? Commissioner

Shirley A. Thompson
CLERK
APR 27 '09
CERTIFIED COPY
DOCUMENT ATTACHED IS A
TRUE AND CORRECT COPY
OF THE DOCUMENT ON FILE

REID (continued) Giunchigliani.

CHRIS GIUNCHIGLIANI Thank you. I have a couple of questions. Ed, this is for establishing a Tourism Improvement District, and I believe by law it actually expires in September, correct?

FINGER The - the current statute, unless it were to be amended, would prohibit after October 1, 2009 the creation of - of such a district because of the reason that after such date, a Tourism Improvement District may not be created that includes property that's also within the boundaries of a redevelopment area.

GIUNCHIGLIANI Okay, 'cause it was the duplicative piece - I knew it was - so it's October 1st that it would go away?

FINGER That's my understanding.

GIUNCHIGLIANI Okay. And then the proposed project is - does not include the Lady Luck but it's across the street from that. It's the old museum and --

FINGER That's correct. There's --

GIUNCHIGLIANI A post office that's prepared. And - but the analysis that's been done anticipates a hotel and a casino.

FINGER It does anticipate the possibility of such of a - and there are folks here who could answer more specific questions (unintelligible).

GIUNCHIGLIANI 'Cause it says the improvements that we're supposed to be looking at in the Tourism Improvement District is for a multi-story parking garage, open-air public plaza and other supporting improvements in the area. Yet if I read through the analysis that was done, it's all tied to hotel rooms, sales, taxes that could be possibly generated from that even though that's not part of the project. But can you explain that to me?

SCOTT ADAMS Sure. Scott Adams, I'm the Director of Business Development with the City of Las Vegas and the City's Operations Officer of the Redevelopment Agency. This development - there - there - in

ADAMS (continued) our agreement with the CIM Group, there - we really look at two components of their development. The existing Lady Luck is simply a threshold that once they've completed the renovation of the Lady Luck according to certain standards, they then have under our Development Agreement the right to access the site, the Post Office site, for development. That site, we believe, has the ability to be entitled for gaming. And so in their master plan, and I'll - I think --

GIUNCHIGLIANI You just put it in the center --

ADAMS In - in their development, this is the old Post Office right here. Surrounding that Post Office on the total developmental block there is proposed a - a gaming hotel. And that would be part of a phased in development as part of their master plan. So we did look at when we did the preponderance test the potential of developing gaming revenues on that site.

GIUNCHIGLIANI Okay. Does - does this anticipate giving away public property then to the private group within the TID?

ADAMS We - we own that site. The City owns that land. We own the land subject to a small sliver in the northwest corner that's owned by NDOT. And then the Post Office itself we own but it's subject to some deed covenants imposed by the U.S. Department of Interior. We - our Development Agreement with the CIM Group does provide for us selling that property to them and that we did structure a sale that was at that time based on a then-appraised value.

GIUNCHIGLIANI Okay, 'cause I didn't see any reference then to sale cost anticipated in here. Is the park then still going to be there or is that outside?

ADAMS The - in the center of the development, the - the core of the site we've closed what was Frank Wright Plaza for use as a construction/staging area for some improvements we're - we're making to Stewart. We're - the plan is to move the open space from the corner into the center of the development. And you see in the center of the master plan, there's a large compliment of

ADAMS (continued) open space which is the Plaza that we would be using Tourism Improvement District funding to develop as part of the overall master plan of the development. I would like to say that none of the Tourism Improvement District funding would be rebated back to the developer as has been in the case with other TID's in the State of Nevada. We would capture the TID funding as a City and use it to make the public improvements associated with the development of the build-out of that block.

GIUNCHIGLIANI Would the parking garage then be public?

ADAMS It - it would in some manner. Now, we've

GIUNCHIGLIANI (Unintelligible) charge like the one across the street?

ADAMS We - we don't have those detailed - details worked out because our Development Agreement stipulates that we - we are not fully committed even to having to build it. We - the Development Agreement stipulates that at the time they're ready to build, we do a study at that then time a multi-block radius of the site of the existence of parking at that time and the demand for parking to size that garage. So we did not commit to a specific garage 'cause I - I believe - I don't believe there - there's a need right now for parking.

GIUNCHIGLIANI You may not need it (unintelligible).

ADAMS Right - so that will be a demand induced in size parking garage at that time.

GIUNCHIGLIANI Okay. So - so I guess maybe that's my concern besides the - the potential detrimental effect of schools and the loss of revenue that comes into play is, what exactly is the project?

ADAMS They - the private component of the project is they're a mixed used development which consists of retail, office, hotel, gaming, mixed use.

GIUNCHIGLIANI Even though the mixed use is not in the TID, the anticipation is (unintelligible).

ADAMS It is - it is. Let me clarify again.

GIUNCHIGLIANI (Unintelligible).

ADAMS This - what you see on the overhead here is the Post Office block. It's a little skewed - elongated. The existing Lady Luck is off this master plan. The Lady Luck is immediately south of (unintelligible).

GIUNCHIGLIANI South --

ADAMS This master plan is only for the Post Office block itself. And as I said at the outset, the Lady Luck itself is not part of - any part of the master plan. It is simply a threshold. They have to perform in the renovation of the Lady Luck before they have the right to access and be sold the property on the Post Office block.

GIUNCHIGLIANI And so under NRS what we're supposed to make a finding as - that - that - financing would have a positive fiscal effect on the provision of local government services. And if I go into the analysis, there will be an income loss, or tax loss, to both the County, Metro, School District, State of Nevada, and so --

REID Commissioner Giunchigliani, I don't think we're required to make any findings. We're just - we can get (unintelligible).

GIUNCHIGLIANI Okay, I'm just reading what's in the Applied Analysis's document. And it says --

REID Can I ask that question, I'm going to make sure.

GIUNCHIGLIANI Sure.

REID And what's our role here?

MARY-ANNE MILLER Our role is just to accept comments and forward them on if you deem appropriate to the City Council. It's the City Council who will make the finding that you're referencing.

GIUNCHIGLIANI So my comments are I still don't know that it's - I think it could be detrimental even in this economic time to the School District as far as the loss of revenue as well as some of the losses that are there. I think the project - I

GIUNCHIGLIANI
(continued)

- I personally like the idea of the museum and so forth, but it's - I think the nexus of the mixed use is what's generating your issue for wanting a TID, and I don't know that that stands on it's own.

ADAMS

Let - let me correct for the record though that right now this site is tax exempt. The City owns it. There's - other than - we - there was a couple of vending machines in the (unintelligible) --

GIUNCHIGLIANI

(Unintelligible).

ADAMS

There was no tax generation on this site whatsoever. With the new development, there will be new taxes generated. And that tax base - that new generated tax base - will be split both the property taxes and the sales taxes. The property taxes we have not negotiated nor was there any contemplation in the Development Agreement any rebate back to the developer of any of the real estate property taxes. And they will be distributed the way they normally get distributed within the redevelopment area. And then the Tourism Improvement District is - we've laid out in the information. A portion of those taxes are protected by statute - would go back to the state and be distributed in their normal way through C-tax. The portion that's captured by this Tourism Improvement District seventy-five percent of that balance we keep to go into the District. The other twenty-five percent goes back to the state and gets distributed back to their normal taxing districts - jurisdictions through C-tax.

GIUNCHIGLIANI

But you already used your redevelopment money to build the "museum" and park. What you're saying though - you don't really need a TID to do that, but this allows you to compliment your Development Agreement that you are negotiating with the partner across the street. That's what I --

ADAMS

Yes. But I - I think it's cur - it's revenue neutral in the sense that --

GIUNCHIGLIANI

I don't believe it is, but that's my comments will go in and that's the way it goes. Thank

GIUNCHIGLIANI
(continued)

you.

REID

Any other comments? Commissioner Sisolak.

STEVE SISOLAK

Thank you. I've just got one, and I guess it's more of a question. (Unintelligible) in our role as also ask questions that can be forwarded but, you know, I'll ask it anyway. I appreciate - I got a great briefing from Terry and the City on this and I understand a lot better. What I'm not understanding is as explained the Tourism Improvement District's got to have fifty percent minimum of the sales from tourists, correct?

ADAMS

That's correct.

SISOLAK

Go ahead.

ADAMS

Yeah, the - the statute requires that a - a finding be made through an independent analysis, which we've done through Applied Analysis, that the taxes being generated by the development within the District, that being the sales taxes, the preponderance of those taxes are being generated by tourists or persons from outside the State of Nevada.

SISOLAK

Okay. How is that estimated and how is it quantified after the fact or is it quantified so that it's not just people going to each lunch there as opposed to going to eat lunch at the mall across the street. How do you eventually quantify that or?

ADAMS

I'll ask Brian Gordon of Applied Analysis to answer that question. They are the firm that we hired to do that preponderance test, and they're the experts in this matter and I'll defer to Brian.

BRIAN GORDON

Sure. What we did as part of the analysis to determine the preponderance between visitors and residents, we purely took a look at toward the mix of - of the population in that area. Obviously it's dominated by hotel rooms. So we took a look at the hotel room inventory and the number of sort of full time equivalents that would be on site down in that immediate area and then also looked at their consumer spending,

GORDON (continued) compared that to the number of residents that are likely to be in the area, balanced the two and the ratios come out about ninety- seventy-nine percent of the - the spending on site would come from non-Nevada tourists and the balance being from residents.

SISOLAK And is that verified after the fact or what if - what if after the fact we find out it's not working that way, what happens?

GORDON To be quite honest with you, I don't know if there's a method to measure that after the fact, so I - I don't what the procedure would be in that instance.

SISOLAK So all you basically have to do is get a study that verifies the assumption and that makes it a TID?

GORDON It's one of the tests and - and obviously in our report we outlined the - the steps that we took to produce the results and the findings that we came to.

SISOLAK Thank you.

REID Commissioner Weekly.

LAWRENCE WEEKLY Yes, just real briefly. Mister Adams, as we look at this proposed public plaza here, can you put on the record just for our Clark County residents who are not up to date as to what this project's all about. What's happening with the RTC bus terminal there?

ADAMS Sure.

WEEKLY What's the time line we're looking at?

ADAMS The - the existing site has the existing Regional Transportation Commission bus terminal on site. The plan is to relocate that bus terminal to a block within - basically between Bonneville, Casino Center, First, and Gass. That - that entire block, which is part of the - the Live Work (phonetic) Las Vegas development would be developed as a new inter-modal bus terminal. That block has been cleared. The bus terminal is - the design is complete. They're

ADAMS (continued) in the permitting process. And the plan is to move forward with the relocation of the bus terminal. It will allow then the integration of that terminal with the - the new Ace system - the Bus Rapid Transit System that's going out Casino Center that will interface with that site and provide enhanced transit services to residents involved.

WEEKLY That's City owned land?

ADAMS On - in the Live Work (phonetic) Las Vegas development? No, that - that is land that's owned by the Live Work (phonetic) Las Vegas property owners and there's a long-term lease established between the Regional Transportation Commission and the owners of the property.

WEEKLY I see, okay. Thank you Mister Chair.

REID Other comments? We need a motion to authorize the staff to submit these comments to the City.

GIUNCHIGLIANI So moved.

REID You've heard that motion. All those in favor say Aye.

BOARD MEMBERS Aye.

REID Anyone opposed? Hearing none, the motion carries. This is the time set aside for comment by the general public. Is there anyone here to address the Board of County Commissioners on this matter? Come forward, state your name and address please.

DICK GARR Good morning. Dick Garr, 8260 Hilton Head Court. I'm on the Executive Committee of the Downtown Alliance which is basically in the last year and a half or so taken upon itself to get formed and to work for all aspects of the redevelopment and the promotion of the downtown area and in particular the RDA. I'm also the President of the 18B Las Vegas Arts District Neighborhood Association, and it's from that standpoint that I guess I should speak. We, of course, are having a - and have had over the years - a difficult time developing that part of town where Mister Weekly and Mister Brown are

GARR

very, very familiar from their work on the City Council of what has - has not happened there. Also, one thing that is happening is that the Ace Bus is going to stop at the corner of Casino Center and Coolidge and that is right there in the heart of the Arts District just north of the Arts Factory and S2 where you can get the finest prints in the world and other developments that are planned which of course would not be of interest to you since you have so many other projects to talk about. But having that bus stop there is very, very good for us. And then having this development downtown of this museum, we would expect a large number of people - and I think the City implied the people expected too - to come up from the Strip to see this museum. And we would think that they would be people who are not going up to go gaming. They're going up to see other aspects of Las Vegas. And, therefore, they'd be more likely to get off at our bus stop and - and explore the Arts District either on their way up to see the museum or on their way back down to their hotels on the south end of the Strip. So we are very excited about this happening, both these things, the museum and the bus. And whatever help it takes to make sure it happens, we hope that you will agree that - to forward a positive comment on it. Thank you.

REID

Anyone else? This meeting's adjourned.

END-MW

TAPE 1-562