

Public Purpose/Impact Analysis

City Council Meeting October 7, 2009

Title of Project: Cooperative Grant Agreement between the City of Las Vegas and Nevada Development Authority, Inc. (NDA)

Project Description: This Cooperative Grant Agreement b/t the NDA and City allows the City, pursuant to NRS 268.028, to provide a grant to NDA, as a charitable nonprofit organization, to provide an economic development incentive grant to new businesses within the City which will in turn create employment opportunities and be of substantial benefit to the inhabitants of the City.

The first economic development incentive grant NDA will administer will be for the redevelopment of a vacant office space, located at 2251 South Decatur Boulevard, into an industry standard call center. The business which will be receiving the economic development incentive grant is Telus International (U.S.) Corp (Telus). This grant will be administered by the NDA for a period of five (5) years.

Assistance Provided by: City of Las Vegas. The City will provide a total of \$1,500,000.00 to NDA over a five year period to administer the grant. The grant will be disbursed by NDA to Telus for achieving certain performance objectives in regards to capital expenditures and projected number of employees, which a certain number of those employees living in a CDBG Eligible Census Tract in the City of Las Vegas. The first year grant will be \$500,000. Year 2 through 5 will be \$250,000.00 per year.

Number of Direct Jobs Created: Telus Enterprise Solutions Corporation is expected to create 1,000 jobs over a period of five (5) years. The chart below summarizes the jobs created over the period:

	Year 1 FY 09-10	Year 2 FY 10-11	Year 3 FY 11-12	Year 4 FY 12-13	Year 5 FY 13-14	Total
Minimum Capital Improvements	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,500,000
TELUS Projected Total of Employees	300	600	1,000	1,000	1,000	1,000
CDBG Hired Employees	30	25% (150)	25% (250)	25% (250)	25% (250)	250
Minimum Employment Levels	300	300	500	500	500	500
Minimum CDBG Hired Employees	10% (30)	25% (75)	25% (125)	25% (125)	25% (125)	125
Grant Funds	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,500,000

A minimum number of jobs must be filled by city residents living within an Eligible Community Development Block Grant (CDBG) Census Tract.

Number of Indirect Jobs Created: Not Applicable

Number of Direct Jobs Retained: Not Applicable

Pertinent Statutes Used for Public Purpose:

In accordance with NRS 262.028, the City may provide a grant to NDA, as a charitable nonprofit organization, when such grant fulfills the purposes for the Economic Incentive Grant Program by NDA providing economic development incentives through this grant to certain new businesses within the city of Las Vegas which will in turn create employment opportunities and be of substantial benefit to the inhabitants of the City.

How Does the Project Benefit the Public:

[REDACTED]

Quantitative Economic Benefits:

The projected payroll is as follow: FY 2009-2010 - \$8.1 million; FY 2010-2011 - \$17.3 million; FY 2011-2012 - \$22.2 million; FY 2012-2013 - \$27.1 million; and FY 2013-2014 - \$32.4 million. Total projected payroll over five years will be approximately \$107 million. Total Economic Impact (Economic & Real Estate) over five years will be approximately \$448 million.

Note: Total Economic Impact is calculated by the Total Projected Payroll and multiplied by a factor of 4.18.

Private Investment:

Telus will be spending approximately \$2.3 million in capital improvements to the facility over the five year period.

Public Investment:

\$1.5 million over five (5) years.

Total Direct Economic Impact:

Total projected Payroll over five years will be approximately \$107 million.
Total projected Economic Impact over five years will be approximately \$448 million.

With the Call Center as a catalyst to the surrounding neighborhood, businesses will see increased sales, retail vacancies will decline, employment opportunities and property values will increase throughout the neighborhood.

Total Indirect Economic Impact:

Not Applicable

Economic Impact Study Performed:

Yes ☒

No ☐

Return on Investment Analysis Performed:

Yes ☐

No ☒