



Las Vegas

Agenda Item No.: 39.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF NOVEMBER 4, 2009

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: BILL ARENT

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action regarding an Exclusive Negotiation Agreement between the City of Las Vegas and The Cordish Companies, Inc., for the development of a Casino/Hotel, a Live District and Sports Arena on approximately 20 acres at Las Vegas Boulevard and Stewart Avenue (APNs: -001, -002, -003 and -004, -010-045, -012-001, -004, -005, -008, -009 to -015, -018 to -025, -034 to -039, -048, -050 to -053, -055 to -056, -099 and -100) (\$150,000 Industrial Development Revenue Fund, Ward 5 (Barlow))

Fiscal Impact:

☐

No Impact

☐

Budget Funds Available

☒ Augmentation Required

Amount: \$150,000

Funding Source: Industrial Development Revenue Fund

Dept./Division: Office of Business Development

PURPOSE/BACKGROUND:

This Exclusive Negotiation Agreement provides a two-year negotiation period for: 1. The Cordish Companies, Inc., (Cordish) to conduct feasibility studies, plan and formulate a financing plan to develop a Casino/Hotel, a Live District (Cordish's signature district of premier entertainment, retail, restaurants and bars) and Sports Arena at Las Vegas Boulevard and Stewart Avenue; and, 2. City of Las Vegas and Cordish to negotiate terms of a Disposition and Development Agreement for the sale of approximately 20 acres of city owned land at Las Vegas Boulevard and Stewart Avenue for Cordish to develop.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Exclusive Negotiation Agreement
3. Site Map
4. Submitted at Meeting - Exclusive Negotiation Agreement Amendment by Staff
5. Submitted after Meeting - SDA Map and Executed Exclusive Negotiation Agreement and Right of Entry Form

Motion made by GARY REESE to Approve as amended

Passed For: 6; Against: 0; Abstain: 1; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STAVROS S. ANTHONY; (Against-None); (Abstain-STEVEN D. ROSS); (Did Not Vote-None); (Excused-None)

NOTE: As Secretary/Treasurer of the Southern Nevada Building and Construction Trades Council, which is currently involved in negotiations with Forest City to secure jobs for Union

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members, COUNCILMAN ROSS abstained from voting out of an abundance of caution. The City Attorney's Office has advised him to disclose and abstain from voting on all matters having any kind of nexus to the city hall project until further direction is received from the Nevada State Ethics Commission. However, he confirmed with CITY ATTORNEY BRAD JERBIC that he could participate in the discussion.

Minutes:

BILL ARENT, Director of the Office of Business Development, showed a map of the current City Hall, its parking garage and parcel east of Las Vegas Boulevard, which encompass approximately 20 acres. This Exclusive Negotiation Agreement (ENA) has a negotiation period for two years, with an option to extend for an additional year. The Cordish Companies has also agreed to not negotiate with anyone else in Clark County, and the City has agreed to fund a maximum deposit of \$150,000.00 to engage in third party studies. Should Cordish not be able to move forward, the City will move forward with the Development and Disposition Agreement (DDA) and transfer this work back to the City. Referring to Page 6 of the agreement, MR. ARENT read the amendment to some of the language, but emphasized that the amendment does not change the terms of the agreement. He submitted the amendment section for the record.

COUNCILMAN REESE asked why the deposit is required for an ENA agreement. MR. ARENT explained that the deposit is not required, however, if the study is being done for a particular amount of time, then a deposit is standard and negotiable. This agreement is strictly a feasibility agreement, so staff is more flexible with the deposit amount and feels the deposit is appropriate. Two sets of studies will be done dealing with the review of each component and the design work.

COUNCILMAN WOLFSON believed the third party expenses would be more than \$150,000.00, but the City is only obligated up to \$150,000.00. MR. ARENT confirmed and added that more work would be done during the DDA phase, so the developer will more than likely be spending more of its own monies.

COUNCILWOMAN TARKANIAN asked if the City would obtain all of the studies done or only those paid for by the City. MR. ARENT replied the City receives only what it pays for; however, it is negotiable, should some studies not be completed. The City is committed to development that breeds long-term relationships. Cordish has experience in gaming, entertainment and sports anchor development and is the right partner at the right time.

MAYOR GOODMAN remarked that this Council has been steadfast in trying to move the City of Las Vegas into a position of being a world class city. Despite 9-11 events and now possibly the worst recession, significant developments continue to take place as a result of the Councils vision. Cordish has a reputation to be recognized, and the City is counting on it to follow through with this project.

The Mayor asked why this company has chosen to be a part of this project given these economical times. PORT TELLES, Director of The Cordish Companies, thanked the Council and staff for their ongoing efforts and communications. He is very excited to be a part of this endeavor. This is an unusual time in history, and Cordish has found over its 100 years of existence, it is smart development and smart cities that position themselves during the actual difficult times. Also, arenas and venues surrounding these developments have played significant

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roles in creating steady economical growth. The same opportunity lies here in Las Vegas, and Cordish is ready to go forward with all of its resources.

COUNCILMAN ANTHONY questioned if the study could continue, should the new city hall not come into fruition. MR. TELLES stated that it is wise to review the entire package and get the most for the money. He informed the Councilman that the companys latest development was a hotel and casino in Kansas City, Missouri. COUNCILMAN WOLFSON noted that this potential development could have all three components within a major interchange and could be an incentive. Pointing to the map displayed on the overhead, MR. ARENT added that the City owns the land marked in green, free and clear. The land has a lot of value but it is premature to include it in negotiations. There is additional development next to the Lady Luck, which will help the entire gaming sector downtown. There is synergy when you have neighboring successful projects.

COUNCILWOMAN TARKANTAN inquired about a citizen who expressed concern that some of the subject parcels were identified by the incorrect ward numbers. MR. ARENT confirmed that all of the parcels are identified correctly within the assembly and he has since relayed this information to the concerned citizen. At the Councilwoman's request, MR. TELLES explained that live blocks is live entertainment surrounding the sports venue. MR. TELLES added that the entertainment is free and it draws customers to stay before and after the game.

Referring to the aforementioned item regarding the Census survey, COUNCILMAN REESE stated this development will be an opportunity to create jobs. He visited Reno, Nevada, and viewed its eight-acre baseball field with a live entertainment district; it was interesting to see how the development mixed in with the community. He thanked everyone involved for their ongoing efforts.

COUNCILMAN ROSS desired to see a report reflecting other cities doing the same with regards to redevelopment and the impact on their economy and jobs. The subject development is part of the big picture, and he is pleased to see a developer stepping up to the plate to build something possibly magnificent.

JUNE INGRAM questioned who would manage the casino. MAYOR GOODMAN advised her that a private entity would do so.

ANTHONY HODGES welcomed the sports arena, as the City should move forward and embrace The Cordish Companies.

MAYOR GOODMAN declared the Public Hearing closed.

See Item 12 for related backup.