



AGENDA MEMO

CITY COUNCIL MEETING DATE: FEBRUARY 3, 2010

DEPARTMENT: CITY MANAGER'S OFFICE

ITEM DESCRIPTION: Approval of the Fourth Amendment to Indenture of Lease, Assignment of Lease and Lessor's Consent by and between the City of Las Vegas, TLC Gaming, Inc. and Four Queens, Inc. to extend the term of and adjust the payment schedule of the lease and assignment for the parking garage located at 222 Carson Avenue (\$90,832 reduction FY 2010 Parking Enterprise Fund) – Ward 3 (Reese)

The proposed amendments are as follows:

- 1) Use of the \$152,000 security deposit held by the City to pay Four Queens' rent for December 2009, January 2010 and February 2010;
- 2) The remainder of the next five years at a 32% discount of the current rent (\$38,770.88 per month);
- 3) Years 6-10 at a 16% discount of the current rent (\$47,893.44 per month)
- 4) At year 11, the monthly rent will return to current rent (\$57,016 per month) and the rent will adjust upward for the remaining 19 years of the lease at the current adjustment schedule which is once every five years, capped at a max adjustment of 10% for any such five year period; and
- 5) Extension of the lease term 10 years until April 2049 to guarantee Four Queens use of the parking garage to recover monies forgone.

Currently, the City receives approximately \$684,192.00 annually from Four Queens pursuant to the garage lease. Pursuant to this amendment, for the next five years the City will receive approximately \$465,240.00 on an annual basis; for years six through ten, the City will receive approximately \$580,482.00 on an annual basis; and for year eleven through the end of the term, the base rate will return to \$684,192.00 on an annual basis, subject to an automatic upward adjustment once every five years, capped at CPI over the prior five year period, capped at ten percent. The additional ten year lease term will provide the City of Las Vegas Parking Enterprise Fund an additional \$10,406,681.00 over the life of the lease.