

**SUPPLEMENTAL INTERLOCAL CONTRACT FOR FUNDING FACILITIES FOR
LAS VEGAS METROPOLITAN POLICE DEPARTMENT METROPLEX**

THIS SUPPLEMENTAL INTERLOCAL AGREEMENT made and entered into this 5 day of July, 2011 by and between County of Clark, a political subdivision of the State of Nevada (hereinafter "County") and the City of Las Vegas, a municipal corporation of the State of Nevada (hereinafter the "City").

W I T N E S S E T H:

WHEREAS, the County and City (collectively the "Parties" and individually a "Party") are the governmental entities responsible for providing police services within their combined jurisdictional boundaries through the merger of their law enforcement agencies into the Las Vegas Metropolitan Police Department (hereinafter the "Department") in accordance with NRS Chapter 280; and

WHEREAS, the County has negotiated a contract for the lease, development, and option to purchase the Las Vegas Metropolitan Police Department administrative facility and police substation, as defined further herein ("Metroplex"); and

WHEREAS, NRS 280.350 acknowledges the issue of real property acquired for use and benefit of the Department following such merger, but does not provide details as to the exact method by which such real property is to be acquired and owned; and

WHEREAS, NRS 280.201 provides for developing a formula to apportion the funding of the Department's operational, maintenance and capital costs between the Parties ("Funding Formula"); and

WHEREAS, NRS 277.180 provides that two or more public agencies may enter into an interlocal agreement for the joint use of resources for the promotion and protection of the safety, welfare and property of the inhabitants of the Parties; and

WHEREAS, the Parties previously entered into a Master Interlocal Agreement dated April 2, 2008, concerning acquisition and construction of facilities for the Department's use and benefit in carrying out its mission to preserve the safety, welfare, and property of the inhabitants of the Parties' combined jurisdictions; and

WHEREAS, the Master Interlocal Agreement included a provision that the Parties would execute a Supplemental Interlocal Agreement setting forth the specific details of any modification of the Funding Formula with respect to the acquisition, development and funding of each individual facility; and

WHEREAS, on December 15, 2008, the Fiscal Affairs Committee approved the Department's relinquishment of 70,000 square feet of space in Las Vegas City Hall effective upon the Department's move to the Metroplex, which relinquishment was contingent upon execution of this Supplemental Interlocal Agreement providing for the rebate of a portion of real

estate taxes attributable to the Metroplex that are distributed to the Las Vegas Redevelopment Agency ("Agency").

NOW THEREFORE, for and in consideration of the mutual covenants set forth herein, the County and City do hereby agree as follows:

1. On December 2, 2008, the County entered into an agreement, as subsequently amended, for the lease, development and option to purchase the Las Vegas Metropolitan Police Department administrative facility and police substation to be constructed on $\pm$ 13.76 acres of real property described as APN 139-33-202-009, also known as the "Metroplex," located in the vicinity of Alta Drive and Martin Luther King Boulevard, in the city of Las Vegas, State of Nevada ("Lease"). The initial Lease term is thirty (30) years with the option to extend the initial term by two (2) renewal periods of ten (10) years each. The Lease also contains an option to purchase the Metroplex during certain time periods, including the twelve-month period beginning upon the third anniversary of the "Commencement Date," as that term is defined in the Lease.

2. In addition to the City's obligation to partially fund the Department's operational, maintenance and capital costs as required by NRS Chapter 280, the City agrees to pay additional sums to the County in accordance with the Redevelopment Tax Rebate Formula, as specifically set forth in this Supplemental Interlocal Agreement. The Redevelopment Tax Rebate Formula will be based upon the Agency Share of Real Estate Taxes ("Agency Share of Real Estate Taxes") as defined herein. Notwithstanding the calculation and allocation of the Agency Share of Real Estate Taxes set forth herein, the Agency Share of Real Estate Taxes shall be limited to the taxes actually received by the Agency from the taxing agency. The Agency Share of Real Estate Taxes equals the Real Estate Taxes (defined herein) paid from time to time in connection with the Metroplex, including land and improvements, minus each of the following: (i) the portion of taxes paid (currently 18% of taxes received by the Agency under NRS 279.676 with respect to the Metroplex) which is required to be used providing low income housing pursuant to NRS 279.685, (ii) the Real Estate Taxes paid based on the then current tax rate applied against the fiscal year 2009 - 2010 assessed value of the property on which the Metroplex is located, including land and improvements [for purposes of this Supplemental Interlocal Agreement, the 2009/2010 assessed value amount equaled \$2,643,822.00], if any, and (iii) any portion of the Real Estate Taxes paid with respect to the Metroplex which is not transferred to the Agency for its use for general Agency purposes under NRS 279.676, including the following if not already excluded from Real Estate Taxes under the definition thereof; (a) the Real Estate Taxes paid with respect to the Metroplex that is attributable to a tax rate levied by a taxing agency to produce revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness that was approved by the voters of the taxing agency on or after November 5, 1996, as provided in NRS 279.676(1)(c), and (b) the Real Estate Taxes paid with respect to the Metroplex that is attributable to a new or increased tax rate levied by a taxing agency and was approved by the voters of the taxing agency on or after November 5, 1996, as provided in NRS 279.676(1)(d). "Real Estate Taxes" means the portion of the ad valorem property taxes paid in connection with the Metroplex which is distributed to the Agency for the Metroplex, as shown in the "Net Tax" column of the "Distribution of Tax Dollars by Taxing Entity" table in the Clark County property tax bills prepared and forwarded by the Clark County

Treasurer for the Metroplex that is assessed an ad valorem property tax, and shall not include any other taxes or assessments against the Metroplex. If any of the following:

- (i) abatements of property taxes, partial or complete exemptions from property taxes, or other reductions in property taxes with respect to such parcel for any reason, including, without limitation, abatements, exemptions or reductions under Chapters 274, 361 and 701A of NRS (or any future replacements of or supplements to those provisions);

- (ii) reductions of property taxes as a result of changes in assessed value for any reason, including, without limitation, actions as a result of an appeal of the County Assessor's determination of assessed value;

- (iii) delinquencies in the payment of property taxes or failures to pay property taxes for any reason, including, without limitation, disputes about the amount due; or

- (iv) other events or actions similar to those in subsections (i) through (iii) not in the exclusive control of the City (except a change in the format or contents of the Clark County property tax bills);

result in a reduction in the amount of property taxes distributed to the Agency for the Metroplex that is not reflected in the amount shown as being distributed to the Agency in the "Net Tax" column of the "Distribution of Tax Dollars by Taxing Entity" in the Clark County property tax bill for that parcel described above, the amount of that reduction in the amount distributed to the Agency shall be deducted from the amount so shown in the "Net Tax" column in determining the amount of "Real Estate Taxes" under this subsection. It shall be the responsibility of the County to provide the City with a copy of each Clark County property tax bill for the Metroplex. The City is not required to make any Redevelopment Tax Rebate Payment, as defined herein, if the Clark County property tax bill for that parcel is not provided to the Agency at least 60 days prior to the annual payment date. If the format or contents of Clark County property tax bills is changed from its current format or content and that change would cause a different amount to be treated as the "Agency Share of Real Estate Taxes", the parties agree to negotiate in good faith for a replacement for the "Net Tax" column amount described in this subsection (which may include a negotiation of a new definition of "Real Estate Taxes", so as to preserve for both parties hereto the same allocation of property taxes collected on the Metroplex as would have existed without the change in the format or content of the Clark County property tax bills.

3. Subject to the terms of this Supplemental Interlocal Agreement, commencing on the first anniversary of the date that the Metroplex is completed and occupied (as evidenced by the issuance of a Certificate of Occupancy)(the "First Payment Due Date"), the "Redevelopment Tax Rebate Formula" shall be sixty percent (60%) of the Agency Share of Real Estate Taxes paid and received each year in connection with the Metroplex. Payments derived from the Redevelopment Tax Rebate Formula will be referred to herein as the "Redevelopment Tax Rebate Payment". The Redevelopment Tax Rebate Payment will be payable only from the Agency Share of Real Estate Taxes which is paid and received in connection with the Metroplex.

4. The Redevelopment Tax Rebate Payment shall be paid annually by the City to the County commencing on the First Payment Due Date and each anniversary date thereafter until the County either closes escrow on the purchase of the Metroplex or March 5, 2031, whichever comes first (the "Maturity Date") subject to any other conditions as set forth in this Supplemental Interlocal Agreement.

5. The City's obligation to make the Redevelopment Tax Rebate Payment pursuant to this Supplemental Interlocal Agreement will be subordinate to any of the Agency's pre-existing debt which is outstanding at the time of the First Payment Due Date, other than an Agency debt to the City of Las Vegas, including any debt issued after such date for the purpose of refunding the then outstanding principal balance of such Agency's Pre-existing Debt. The payment of funds pursuant to this Supplemental Interlocal Agreement will also be subordinate to the repayment of the Agency's future debt which is issued hereafter.

6. Except as expressly stated herein, this Supplemental Interlocal Agreement does not supercede the Funding Formula or any other City or County funding obligation for the Department's operational, maintenance and capital costs as required by NRS Chapter 280, including all payments due from the Department to the County under the Interlocal Agreement for Sublease of Real Property dated December 2, 2008.

7. The County hereby waives any claim that the the City is responsible for providing 70,000 square feet of administrative space to the Department after the Department's move to the Metroplex.

8. The City represents that, simultaneously with the approval of this Supplemental Interlocal Agreement by the Las Vegas City Council, it has entered or will enter into an Interlocal Cooperative Agreement with the Agency which will obligate the Agency to making the Redevelopment Tax Rebate Payments to the City and further obligating the City to enter into this Supplemental Interlocal Agreement and to making the Redevelopment Tax Rebate Payment to the County.

9. Any notice or other communication required or permitted to be given under this Supplemental Interlocal Agreement (herein the "Notices") shall be in writing and shall be (i) personally delivered, or (ii) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. The Notices shall be deemed received upon actual receipt. The Notices shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other party in the manner described above:

CITY: City of Las Vegas
Attention: City Manager's Office
400 Stewart Avenue, 8th Floor
Las Vegas, Nevada 89101

COUNTY: Clark County
Attention: County Manager's Office
500 South Grand Central Pkwy., 6th Floor
Las Vegas, Nevada 89155-1111

10. Neither party shall assign this agreement without first obtaining the prior written consent of the other.

11. This Supplemental Interlocal Agreement may not be amended or modified except by a written instrument executed by the parties hereto.

12. This Supplemental Interlocal Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior understandings or agreements between the parties.

13. This Supplemental Interlocal Agreement and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Nevada.

14. If any term, covenant, condition or provision of this Supplemental Interlocal Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction, or rendered by the adoption of a statute invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Supplemental Interlocal Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Interlocal Agreement to be executed by their duly authorized representatives the day and year first written above.

COUNTY OF CLARK, NEVADA

CITY OF LAS VEGAS

By: Susan Brager
Susan Brager, Chair

By: Carolyn G. Goodman
Carolyn G. Goodman, Mayor

ATTEST:

Diana Alba
Diana Alba, County Clerk

ATTEST:

Beverly K. Bridges
Beverly K. Bridges, MMC, City Clerk

Approved as to form:

Approved as to form:

By: Josie R. Win 6-15-11
Deputy District Attorney Date

By: J. Pankiewicz 6/16/11
Chief Deputy City Attorney Date