



AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: JULY 1, 2009

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: BILL ARENT, ACTING

SUBJECT:

Discussion and possible action required on the Fourth Amended and Restated Disposition and Development Agreement by and among the City of Las Vegas, a municipal corporation of the State of Nevada, the City of Las Vegas Redevelopment Agency (RDA), a Public Body, (the City and RDA collectively herein the Sellers) and Alpha Omega Strategies, LLC, for the development of 12.34 acres of real property located at 1501 North Decatur Boulevard - Ward 5 (Barlow)
[NOTE: This item is related to Council Item 13]

Fiscal Impact:

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This Amendment is needed to clarify how the project has continued to evolve since the last amendment was approved. The commercial development is now well ahead of the residential construction. This amendment now makes allowances for the commercial project to move forward in an efficient manner. This amendment also covers the installation of wet and dry utilities within the 9.95 acre site through the use of land sale proceeds generated from this project. This amendment also extends the deadline for the start of construction on the residential portion of the project to allow the developer to sell the affordable housing tax credits at a more favorable rate.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Fourth Amended and Restated Disposition and Development Agreement
2. Submitted after Meeting PowerPoint Presentation by Staff

Motion made by RICKI Y. BARLOW to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

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

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Minutes:

BILL ARENT, Acting Operations Officer of the Redevelopment Agency (RDA), gave a report using a PowerPoint presentation which was submitted for the record. He explained that this amendment would allow the project to move forward in phases. He briefly went over the project, noting the residential, commercial and fire station components. Going over the site plan, MR. ARENT pointed out the commercial pad which had already been sold to Marianas Supermarkets for a grocery store. Alpha Omega Strategies (AOS) has received approval for the site plan, completed civil improvements for the site and prepared construction drawings for the housing development.

AOS was requesting a one-year extension on the deadlines for further development of the commercial and residential components due to the recession. This amendment would release RDA funds to support the construction the fire station and the grocery store infrastructure. These funds are not part of the City's General Fund. MR. ARENT expressed his support of both requests, noting the progress AOS has made on the project and the funding that remains in place. The remaining RDA funds will be released when the City issues a Certificate of Occupancy for the fire station.

While the RDA would not face any financial risk, there are some development risks if AOS is unsuccessful in completing this project. The RDA would be left with an improved site with a specific site plan and the need to sell commercial and residential units as shown by the site plan if the developer fails to finish the project. MR. ARENT stressed that staff is working diligently with AOS to help this project succeed.

Going forward, MR. ARENT stated that AOS is proceeding with infrastructure and Marianas Supermarket is contractually obligated to be open in less than 24 months. Also, AOS must fill the housing funding gap in order to proceed as the funding from several government sources is anticipated to be much lower than original estimates due to the recession. If this amendment is approved, AOS will have an additional year to sell the remaining commercial pads and negotiations with several national chains are ongoing. The fire station is planned to be built if and when the housing component is built.

MICHAEL McDONALD, and BRUCE BAYNE, 851 Rampart Boulevard, appeared on behalf of AOS. MR. McDONALD stressed that this project has the most stringent requirements ever written by the RDA, which was done to ensure the projects success. He thanked the City and MEMBER BARLOW for their continued support and described his efforts at the State Legislature to ensure continued support from the State of Nevada and the States Federal delegation. The project is ready to move forward and reiterated his commitment to the project. Affordable senior housing is needed, particularly in this recession, and this project will also provide union jobs and employment.

LON DeWEESE, Chief Financial Officer, State of Nevada Department of Business and Industry, expressed the States support of this project. He noted that a tidal wave of senior citizens will be moving to Clark County in the next ten years, increasing the demand for similar high-rise

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affordable housing projects. He pointed out that the tax credits, which represent approximately 30 percent of the projects funding, are experiencing a significant drop in value because of the recession. The project needs time to allow the tax credits to regain their value and he requested that this project be given the time it needs.

MEMBER ROSS thanked MR. DEWEESE for attending this meeting and taking the time to answer his questions. He appreciated the States support for this project and its recognition of the need for affordable senior housing. This project is an important part of that area's redevelopment and he thanked MR. McDONALD and MR. BAYNE for their hard work and dedication to this project.

MR. McDONALD informed MEMBER BARLOW that the contract with Mariana's has closed and he was working to expedite the process. MR. BAYNE added that if the amendment were approved, they planned to begin grading the site after July 4, 2009.

MEMBER BARLOW stated it is an honor to work with MR. McDONALD and MR. BAYNE on this project, which will bring much needed amenities to the neighborhood. He also thanked MR. DEWEESE for attending the meeting and answering his questions.

MR. BAYNE informed MEMBER ANTHONY that TONBAKER had been engaged as a commercial broker for the project. MR. BAYNE suggested that commercial interest in the project should increase once grading begins and the buildings begin to go up. He also briefly described the efforts to obtain supplemental funding for the project. MR. McDONALD added that a major coffee chain had expressed interest in the site but was unable to move forward due to the economy. MEMBER ANTHONY expressed his support, stating this project would improve the area.