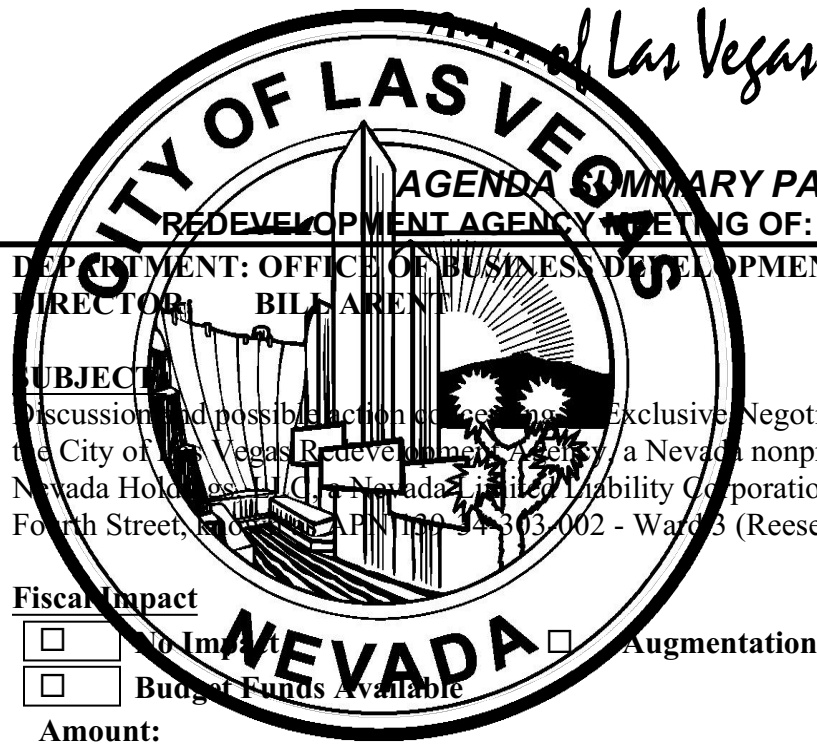




Agenda Item No.: 5.

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: JANUARY 20, 2010

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: BILL ARENT

SUBJECT:

Discussion and possible action concerning Exclusive Negotiation Agreement by and between the City of Las Vegas Redevelopment Agency, a Nevada nonprofit corporation, and Solterra Nevada Holdings, LLC, a Nevada Limited Liability Corporation, for a site located at 501 South Fourth Street, Block 100, APN 100-34-303-002 - Ward 3 (Reese)

Fiscal Impact

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This agreement will allow the Solterra Holdings, LLC, to evaluate the potential of acquiring the site located at Fourth and Clark for the development of a new mixed-use housing project in the heart of downtown Las Vegas.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

Exclusive Negotiation Agreement

Motion made by GARY REESE to Approve

Passed For: 5; Against: 0; Abstain: 1; Did Not Vote: 0; Excused: 1

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

NOTE: MEMBER WOLFSON disclosed that he owns a building at 7th Street and Bonneville Avenue and asked CITY ATTORNEY BRAD JERBIC if it would be appropriate to abstain or to allow him more time to look into whether he had to abstain on these types of matters. CITY ATTORNEY JERBIC indicated that he would do further research, but he has previously advised MEMBER WOLFSON that his property would not be affected any differently than any other in the area. Out of caution, MEMBER WOLFSON opted to abstain on the advice of CITY ATTORNEY JERBIC.

REDEVELOPMENT AGENCY MEETING OF: JANUARY 20, 2010

Minutes:

BILL ARENT, Operations Officer of the Redevelopment Agency, remarked that this project is part of a new strategy of staff to put its assets to use and generate revenue, rather than waiting for new developments. He then summarized the Subject and Purpose/Background sections. Solterra Holdings is out of Canada and is proposing to purchase the site to develop for-sale residential. This Exclusive Negotiating Agreement (ENA) does not establish a price, nor the specific parameters. It merely sets forth the six-month time period to negotiate terms for a development agreement, with a three-month extension period. A refundable \$100,000 deposit.

MR. ARENT introduced MICHAEL BOSA and DOUG LEIN, representing Solterra Nevada Holdings.

MEMBER BARLOW verified with MR. ARENT that the condominium towers in the downtown area having difficulty attracting buyers are Culture, Juhl, Newport Lofts and Streamline Tower, with an excess of 500 units available. MR. ARENT explained that some of the units were taken back by the Chicago construction lender, Corus, which filed for bankruptcy and obtained receivership through a partnership led by the hotel chain, Wyndham. So many units have been taken off the market during an evaluation period and will be gradually reintroduced as the market can absorb them. His staff is trying to be proactive by identifying the right development product for an urban downtown.

MR. LEIN assured MEMBER BARLOW that Solterra has been in the downtown area for some time, with ownership of half a City block on 1st Street and Hoover Avenue and its corporate offices located at Coolidge Avenue and 3rd Street. Solterra is a seasoned developer with the intent to be prepared to develop a for-sale product that will subsequently be available for-sale when the economy turns around. The surrounding commercial uses will make the product more salable.

MEMBER ROSS commented that Solterra recognizes the goals of the City for the downtown area. He pointed out that the developer has a lot to do in a short amount of time and that there are already plenty of units available downtown. MR. LEIN expressed a strong desire to be given the opportunity to evaluate the project.

MR. ARENT pointed out that the parcel of surface parking area will be used during the negotiating period.

MR. LEIN thanked staff for its diligence.