Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting
February 16, 2011

<u>Title of Project</u>: Entertainment Visual Improvement Agreement (EVIP) between the LV Redevelopment Agency and A. W. Ham III Trust (Property Owner) and Insert Coin(s), LLC (EVIP Participant & Tenant) (512 Fremont Street)

<u>Project Description</u>: Exterior renovations, new neon signage and interior improvements to an existing building.

<u>Sponsor/Developer</u>: Insert Coin(s), LLC Principal: Chris LaPorte, Founder/Chief Operating Officer

<u>Assistance Provided by</u>: Redevelopment Agency. Total Exterior project cost is approximately $125,000.00, plus $25,000 contingency. Agency will reimburse the EVIP applicant on a 1:1 basis for pre-approved qualified exterior improvements. The Agency will reimburse the EVIP applicant up to a maximum of $75,000.00, for exterior improvements to the building. Agency will also record a Façade Easement and Building Maintenance Agreement against the property for a period of five (5) years, from date of completion of project.

<u>Number of Direct Jobs Created</u>: Eighteen (18) Full-time jobs, eleven (11) part-time jobs will be created.

<u>Number of Indirect Jobs Created</u>: Not Applicable

<u>Number of Direct Jobs Retained</u>: Not Applicable

Pertinent Statutes Used for Public Purpose:

In accordance with NRS 279.486, the EVIP applicant has submitted a signed and notarized Participant Affidavit and Employment Plan which states that without the Redevelopment Agency's assistance, the proposed project would not be completed to a level that would be beneficial to the redevelopment area and the surrounding neighborhood. Any potential job creation opportunities will be advertised within the surrounding neighborhoods for qualified applicants.

How Does the Project Benefit the Public:

Insert Coin(s), LLC is leasing a building (approximately 7,000 sf) from the A. W. Ham III Trust. This property was formally a souvenir, sunglasses and luggage shop for many years and has been vacant since 2004. The improvements will provide a significant visual upgrade to an important location on Fremont Street, as this whole block will now be fully occupied.

This project is located in the Fremont East Entertainment District (FED). This newly formed entertainment district was formed in 2002 to attract nightclubs/bars, restaurants and live entertainment venues to the area as a way to revitalize the surrounding neighborhood. In addition, the FED had $5.1 million worth of streetscape improvements installed. These improvements, along with 3 new nightclubs and 4 existing nightclubs, have revitalized the area and lessened blighting conditions.

The City and Redevelopment Agency are focusing financial and staff resources to the continued development of this area as an entertainment destination for local residents and visitors to downtown Las Vegas. As the FED grows and other projects are completed with the FED and surrounding neighborhood, a renewed interest by property owners and business owners to renovate their property or expand their business will increase.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood. Insert Coin(s), LLC will encourage the creation of new businesses and/or appropriate development, and creates jobs or other business opportunities for nearby residents and increases local revenues from desirable sources.

Quantitative Economic Benefits:

Total project cost for the project is approximately $750,000 and is being fed into the local economy through the employment of qualified contractors for the rehabilitation of the building. As for the Insert Coin(s) project, eighteen (18) full-time jobs and eleven (11) part-time jobs will be created. The economic benefit, via wages, comes out to $105,313/month, or **$1,263,750 per year** at this location. Wages over a five year period would amount to **$6,642,685.**

Private Investment**:**

Applicant will be funding this project cost of approximately <u>$750,000.00</u> through cash on hand.

Public Investment:

The EVIP program requires a 1:1 match from the applicant for all pre-approved exterior improvements. For this project, the public investment will be $75,000.00, for a Public/Private Investment Ratio of $1:$10.

Total Direct Economic Impact:

Total Direct Wages adjusted 2.5% annually, for 5 years = **$6,642,685**

Total Indirect Economic Impact:

Not Applicable

Economic Impact Study Performed: Yes ☐ No ☒

Return on Investment Analysis Performed: Yes ☐ No ☒