



Las Vegas

Agenda Item No.: 39.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MAY 2, 2007

DEPARTMENT: CITY MANAGER
DIRECTOR: DOUGLAS A. SELBY

Consent Discussion

SUBJECT:
ADMINISTRATIVE:

Discussion and possible action regarding an Exclusive Negotiation Agreement between City Parkway V, Inc. and Palmer City-Core Union Park Hotel, LLC, to undertake due diligence for the feasibility of developing a boutique hotel on Parcel G in Union Park, located on a portion of the undeveloped lot which is north of Bonneville Avenue, East of Grand Central Parkway, South of the Ogden Avenue underpass, and West of the Union Pacific Railroad (a portion of APN 139-34-110-004) - Ward 7 (Williams)

Fiscal Impact

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The Developer is a partnership between Mill Creek Hospitality, LLC, and City-Core Development, Inc. The Developer is seeking to develop and operate a 4-star boutique hotel with branded, upscale restaurants on Parcel G in Union Park. The proposed hotel would include a minimum of 200 hotel rooms, 100 condo-hotel rooms, and an on-site parking garage. This Exclusive Negotiation Agreement gives the Developer 180 days to study feasibility of this project and establishes terms for a future disposition and development agreement (DDA). These fixed DDA terms are a purchase price of \$9,686,952 (or \$72 per gross square foot), a non-refundable deposit equal to 5 percent of the purchase price, and a contribution from City Parkway for on-site remediation costs of up to \$12 per gross square foot. Additional terms, including a development schedule and deadline for payment of the full purchase price and transfer of title, will be negotiated and included in the future form of the DDA.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Exclusive Negotiation Agreement
2. Site Map
3. Submitted at meeting Written comments by Tom McGowan

Motion made by BRENDA J. WILLIAMS to Approve as recommended

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Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 1; Excused: 0

BRENDA J. WILLIAMS, LARRY BROWN, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE; (Against-None); (Abstain-None); (Did Not Vote-STEVEN D. ROSS); (Excused-None)

Minutes:

SCOTT ADAMS, Director of the Office of Business Development, went over the information under the Subject and Purpose/Background sections. He showed a map depicting the location of the proposed development within Union Park. The four-star hotel shall have a minimum of 400 rooms, some of which will be hotel rooms and some hotel condominium units. As part of the DDA, the project will require a resolution making an AB 312 finding, because the property was not auctioned and the purchase price represents the average of the two appraisals. Also, approval of the agreement is subject to Newland Communities and the Performing Arts Center's developing rights and will require some block swapping. He recommended approval.

DOUG LEIN, Charles Palmer Hotel Group, appeared with RICK KAUFMAN, representing Palmer City-Core Union Park Hotel, LLC, and RICHARDELLA, Chief Financial Officer of the Palmer Group in New York City and in Las Vegas. MR. KAUFMAN said the project will include two Charles Palmer restaurants and all the amenities of a property of its caliber. MR. FEMENELLA said the project will be fabulous.

MAYOR GOODMAN expressed excitement about the project, as it will become symbolic for other similar projects around the world.

TOM McGOWAN, Las Vegas resident, questioned the square footage and rental rates of the rooms. MAYOR GOODMAN said these details would be discussed during negotiations. MR. ADAMS pointed out that a boutique hotel in Las Vegas is much larger than in other cities and very upscale.

COUNCILWOMAN WILLIAMS expressed her appreciation for the detailed briefing she received. She is very excited about this project.

See Item 40 for related discussion.