

Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting
May 1, 2013

Title of Project: Commercial Visual Improvement Program Agreement (CVIP) between the LV Redevelopment Agency and Necal Associates, LLC (Property Owner) and Downtown Hipster, LLC (CVIP Participant & Tenant) 1017 South 1st Street)

Project Description: Installation of new doors and signage.

Sponsor/Developer: Downtown Hipster, LLC (George Harris-Principal)

Assistance Provided by: Redevelopment Agency. Estimated CVIP project cost is approximately \$24,860.00. Agency will reimburse the CVIP applicant on a 1:1 basis for exterior improvements. The Agency will reimburse the CVIP applicant up to a maximum of \$12,430.00.

Number of Direct Jobs Created: Sixteen (16) Full-time jobs, consisting of twelve (12) full-time and eight (8) part-time jobs.

Number of Indirect Jobs Created: Not Applicable

Number of Direct Jobs Retained: 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:

NECAL Associates, LLC (Art Square) purchased the vacant property in January 2011. Property had been vacant for over a year and was deteriorating, due to a lack of deferred maintenance and tenants. Downtown Hipster, LLC is leasing a portion of the building (approximately 2,000 sf) and the outside area from Necal Associates, LLC. Necal Associates, LLC has already invested over \$800,000 in renovations on the property and Downtown Hipster, LLC will spend an additional \$290,000 for a restaurant.

The property is located in a prominent location in the Arts District. Residents,

business owners and property owners within this area have increased their investment throughout this area. Interest for business expansion/relocation, artists and other various industries (restaurants, professional services. The improvements will provide a significant upgrade to an important location within the Arts District and a building to current code standards.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood. Downtown Hipster, LLC. will encourage the creation of new business 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 \$290,000 and is being fed into the local economy through the employment of qualified contractors for the rehabilitation of the building.

Private Investment:

Applicant will be funding this project cost of approximately \$290,000 through owners equity.

Public Investment:

The CVIP program requires a 1:1 match from the applicant for all exterior improvements. For this project, the total public investment will be \$42,069 (\$12,430 CVIP and 29,639 QSP), resulting in a \$6.9:\$1 private to public ratio.

Total Direct Economic Impact:

Not Applicable

Total Indirect Economic Impact:

Not Applicable

Economic Impact Study Performed:

Yes

No

Return on Investment Analysis Performed:

Yes

No

City of Las Vegas - FIA Model Scenario Results Summary Report

Subject Project: DOWNTOWN HIPSTER

Located in Redevelopment Area? Yes No
 Applying for Tax Increment Financing Assistance? Yes No

New Service Population	
Residents	0
Employment (FTE)	16

Operations Phase: Annually Recurring Estimated Net Fiscal Impact - At Buildout

Net Fiscal Impact to City of LV General Fund

General Fund Revenues	
<u>Per Capita Revenues:</u>	
\$194 per New Service Resident	\$0
\$89 per New Service Employee	\$1,000
Subtotal	\$1,000
<u>Non Per Capita Revenues:</u>	
Property Tax (Ad Valerom) Revenues:	
Real Property	\$4,000
Personal Property	\$0
Hotel Room Tax Revenues	\$0
City Gaming License Fee Revenues	\$0
Consolidated Tax Revenues	\$8,000
Subtotal	\$12,000
Total	\$13,000

General Fund Expenditures	
<u>Per Capita Expenditures:</u>	
\$667 per New Service Resident	\$0
\$307 per New Service Employee	\$5,000
Total	\$5,000

Net Fiscal Impact to City of LV General Fund

\$8,000



**City of Las Vegas - FIA Model
Scenario Results Summary Report**

Subject Project: Downtown Hipster

Additional Tax Revenues - To Redevelopment Agency	
Property Tax (Ad Valerom) Incremental Revenues*:	
Real Property (1)	\$6,664
Personal Property	\$0
Total	\$6,664

Construction Phase: One-Time/Non-Recurring Tax Revenue	
Fiscal Impact to City of LV General Fund Revenues	
Consolidated Tax Revenues	\$3,000

⁽¹⁾ If the Subject Project is receiving TIF assistance, up to but no more than 50% of the RDA Incremental revenues would be available to a developer as a rebate for qualifying years.

