

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 T-BREO II, LLC (Property Owner) and Project M, LLC (VIP Participant & Tenant) 106 S. 6th Street)

Project Description: Signage, exterior masonry & concrete work, façade improvements, windows and doors, painting/wall treatment and exterior electrical.

Sponsor/Developer: Project M, LLC (Michael Morton-Principal)

Assistance Provided by: Redevelopment Agency. Estimated VIP project cost is approximately \$1.4 million, Agency will reimburse the VIP applicant on a 1:1 basis for exterior improvements. The Agency will reimburse the VIP applicant up to a maximum of \$45,000.00.

Number of Direct Jobs Created: Thirty-two (32) Full-time equivalent jobs, consisting of twenty-five (25) full-time and fifteen (15) 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:

Project M, LLC. is leasing a property a building (approximately 3,000 sf) and the from T-BREO II, LLC. This property was formally a vacant space that was once the laundry facilities for the El Cortez Hotel & Casino. The improvements will provide a significant upgrade to an important corner location at Fremont Street and South 6th Street and renovate a building to that will provide a positive visual impact in the neighborhood.

This project is located in the Fremont East Entertainment District (FEED). 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 4 new 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. Project M, 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 \$1.4 million 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 \$1.4 million through investors.

Public Investment:

The VIP program requires a 1:1 match from the applicant for pre-approved exterior improvements. For this project, the public investment will be \$95,000 (\$45,000 VIP and \$50,000 QSP), resulting in a \$14.75:\$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: Project M, LLC

Located in Redevelopment Area?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Applying for Tax Increment Financing Assistance?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

New Service Population

Residents	0
Employment (FTE)	33

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	<u>\$3,000</u>
Subtotal	\$3,000
<u>Non Per Capita Revenues:</u>	
Property Tax (Ad Valerom) Revenues:	
Real Property	\$3,000
Personal Property	\$0
Hotel Room Tax Revenues	\$0
City Gaming License Fee Revenues	\$0
Consolidated Tax Revenues	<u>\$8,000</u>
Subtotal	\$11,000
Total	\$14,000

General Fund Expenditures

<u>Per Capita Expenditures:</u>	
\$667 per New Service Resident	\$0
\$307 per New Service Employee	<u>\$10,000</u>
Total	\$10,000

Net Fiscal Impact to City of LV General Fund

	\$4,000
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**City of Las Vegas - FIA Model
Scenario Results Summary Report**

Subject Project: Project M, LLC

Additional Tax Revenues - To Redevelopment Agency	
Property Tax (Ad Valerom) Incremental Revenues*:	
Real Property (1)	\$4,929
Personal Property	\$0
Total	\$4,929

**Construction Phase: One-Time/Non-Recurring Tax Revenue
Fiscal Impact to City of LV General Fund Revenues**

Consolidated Tax Revenues	\$4,000
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⁽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.

