



Las Vegas

Agenda Item No.: 30.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JUNE 4, 2014

DEPARTMENT: ECONOMIC AND URBAN DEVELOPMENT

DIRECTOR: WILLIAM ARENT

☐ Consent ☒ Discussion

SUBJECT:
RESOLUTIONS:

R-20-2014 - Discussion for possible action regarding a Resolution relating to a Tourism Improvement District (TID) and providing other matters properly related thereto for parcels on the southwest corner of Bonneville Avenue and Grand Central Parkway as well as the area bounded by Grand Central Parkway on the west and north, the Union Pacific Railroad tracks on the east and Bonneville Avenue on the south - Wards 1 and 5 (Tarkanian and Barlow)

Fiscal Impact

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

Prior to the consideration for adoption of an ordinance pursuant to NRS 271A creating a TID, council must have determined that no retailers will have maintained or will be maintaining a fixed place of business within the district for the 120 days immediately preceding the adoption of the ordinance, call a public hearing, authorize the distribution of materials and authorize publication of a Notice of Public Hearing. The determination that no retailers will have or will be maintaining a fixed place of business within the district, call for public hearing, distribution of materials and Notice of Public Hearing are required by NRS 271A.080(1), (2), (3), (4), (5), (6) and (7) and NRS 360.855 as part of the process to establish the proposed TID. APNs 139-34-110-005, -007 through -010, 139-34-211-002, 139-33-511-008, 139-33-610-025, -027, 139-33-699-003 and 139-33-710-005.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Resolution R-20-2014
2. Agenda Memo
3. Site Map
4. Submitted at Meeting - Tourism Improvement District Projected Schedule PowerPoint by Staff

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Motion made by STAVROS S. ANTHONY to Approve

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

BOB COFFIN, RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, BOB BEERS; (Against-None); (Abstain-None); (Did Not Vote-STEVEN D. ROSS); (Excused-None)

Minutes:

BILL ARENT, Director of Economic and Urban Development, said that prior to introducing the item he would like to make some corrections for the record. He said that on Page 5, Item 1 of the ordinance, the City Clerk needs to sign the document and the incorrect date of May 21, 2014 needs to be changed to June 4, 2014. On Page 6, Item 6 reads "A copy of such notice so given of the meeting of the Council on May 21, 2014 is attached to this certificate as Exhibit A." The date needs to be changed to June 4, 2014, and the date on the witness line needs to be changed to June 4, 2014 as well.

MR. ARENT said that this item is to have the City Council staff to start the process of considering the creation of a Tourism Improvement District. A TID is authorized under State law and is special purpose financing for projects in urban tourism areas where the majority of the spending is expected to come from visitors outside of Nevada. This resolution considers adopting an ordinance to create a district for the project encompassed by Symphony Park and an adjacent parcel owned by Simon Properties. Collectively, the acreage is 59.17 acres; the proposed project is the undeveloped portion of Symphony Park and the expansion parcel for Simon Properties which is currently in development. One of the requirements of a TID is that the area not have any retail activity for a 120-day period prior to the final adoption of the district and ordinance. There are public hearing requirements and this is the first step, which is seeking authorization to commission a fiscal report to determine the fiscal impact of the TID, potential revenue available for bond repayment and a preponderance study. The TID allows the governing body to issue Sales Tax Anticipated Revenue (STAR) Bonds, which are a way to capture revenue over a period of time and pledge it back to a project; a specific portion of sales tax revenue is potentially captured for a 20 year period. In Clark County, the only portion that is captured is the portion that excludes Local School Support Tax so there is no impact to schools. Approximately 3.1 percent of the sales tax paid and remitted is redirected back to the project. A TID does not increase the individual tax burden on any business or property, it directs where the distribution of future retail tax goes.

MR. ARENT said that for the report that needs to be commissioned, staff has a list of four consultants to choose from which were selected by the Nevada Commission on Tourism. The projected date to receive the report is September, 2014 and once staff has that, there are two public hearings. The County Commission has the discretion to hold a public hearing to consider the fiscal effect and formally make comments to the City.

MAYOR GOODMAN asked if the City invites the County to participate and MR. ARENT replied that the final report is sent to the County and they have the discretion to hold a public

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hearing. MR. ARENT reported that the TID for the retail project for Downtown 3rd went through the County Commission, there was a public hearing and they did send their comments to the City.

The Nevada Commission on Tourism is required to hold a public hearing and vote to approve the preponderance study. The final ordinance adoption and creation of the TID would take place in April, 2015.

MR. ARENT reiterated that this is the first step in the process and it is authorizing staff to start the process of forming a district. Dialog with the downtown stakeholders and partners has not taken place yet so staff could get direction from the City Council. If staff is directed to start the process today, formal discussions will be set up with partners including the Downtown Alliance, the Chamber of Commerce and all of the major businesses and hotel properties downtown.

COUNCILMAN BARLOW said that he has spoken with some of the downtown business operators and they are all concerned with the TID and how it will be a part of the process. He encouraged MR. ARENT to engage them as they are concerned how it relates to the impact of their long term investments in the downtown community. COUNCILMAN BARLOW inquired about the effect this would have on the Clark County School District and MR. ARENT replied that when going through the process with the prior TID the State law and process were different. The taxes that would be distributed back to the district for the project included a portion of the Local School Support Tax so the City had to present and hold a public hearing at the Clark County School District Board of Trustees. The law has since changed and the portion of the sales tax that supports education is not affected in any way by the TID so there is no requirement to have a hearing with the school district. MR. ARENT confirmed for COUNCILMAN BARLOW that it is optional for Clark County to call a public hearing but he would expect them to hold one to allow people to make public comment.

COUNCILMAN BARLOW asked if the Nevada Commission on Tourism is the only governing body that has to approve and MR. ARENT replied that there are two approvals, including the Nevada Commission on Tourism and the City Council has to approve the ordinance.

MR. ARENT recapped the process stating that there are two approvals, a minimum of one but likely two public hearings and in addition, staff is fully committed to engaging the entire community. He stated that he made the schedule this way because a deadline of on or before September 1, 2014 has been set with the stadium partner to reach a term sheet. He expects to have a discussion on the TID and financial terms relating to the stadium prior to September 1 and prior to coming to the City Council for consideration of a term sheet. The conversation is likely to happen over a few meetings in the next four to six weeks. Staff believes that the TID is an important piece and will be able to have the discussion showing how everything fits together including how much money the TID will generate, how it impacts the projects and what private and public funding are a part of it.

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CITY ATTORNEY BRAD JERBIC confirmed for COUNCILMAN BARLOW that the vote to pass the TID needs to be a majority vote.

PAUL MORADKHAN, Las Vegas Metro Chamber of Commerce, said that the Chamber believes there are questions to be answered before moving forward with the revised stadium project and the proposed TID. Strong communication and timely information regarding the stadium is important as it impacts the downtown community. At a meeting held with City and project representatives, Chamber members had questions about financing components and those answers were not yet available. Because the stadium project and the TID may include public financing, conversations need to take place before moving forward. Since the TID is a new development, it raises additional questions on the impact it will have on businesses, residences and tourists. Greater transparency and engagement is requested and he believes this is an opportunity to work together.

TABATHA FIDDYMENT appeared on behalf of Simon Properties and said that Simon has participated in all discussions regarding the stadium project and has reserved judgment since little information has been provided. They are all for responsible growth but would like more information before they make a decision on how to proceed as to whether or not it will impact them. MS. FIDDYMENT said that Simon Properties does not want their silence to be considered approval of this moving forward. The parcel they are developing now is part of the original developed parcel and does not know if it has an impact. She thought that the 120 day time period was dependent on it being a separate parcel.

MAYOR GOODMAN asked MR. ARENT if he was confident in the timeline and he replied that he is and staff prepared the timeline after consultation with KENDRA FOLLETT who is with JOHN SWENSEID'S firm, which is part of the City's Bond Counsel.

MAYOR GOODMAN said that September 24, 2014 is when the final report will be given to the City Council, but they need some type of confirmation prior to September 1. MR. ARENT said that the financial work from the study should be done in time for staff to come back to the City Council sometime in August, 2014. The formal approval of the final report is scheduled for September 24, but staff will make certain they have the information from the report that is needed for the term sheet, and will deliver the term sheet by the August 6 or August 20 City Council meeting.

COUNCILMAN COFFIN said that preponderance is a difficult test to meet and the requirement of the STAR Bonds is to get a preponderance of new revenue from tourists.