



Agenda Item No.: 38.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JULY 2, 2014

DEPARTMENT: CITY MANAGER
DIRECTOR: ELIZABETH N. FRETWELL

☐ Consent ☒ Discussion

SUBJECT:
ADMINISTRATIVE:

ABEYANCE ITEM: Discussion for possible action regarding an Agreement between City Parkway V, Inc., (CPV) and Sunrise Mountain View Hospital, Inc., (MVH) to amend the Declarations of Special Land Use Restrictions and Option to Repurchase for 2.4 acres of vacant land previously sold to N.W.H. II, L.P. (NWH) within the Las Vegas Technology Center generally located at North Tonaya Way and Cascade Valley Court (APNs 138-15-612-014 and -013) - Ward 1 (Tarkanian)

Fiscal Impact

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No Impact

☐ **Augmentation Required**

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Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

City Parkway V, Inc., (CPV) a nonprofit entity of the City of Las Vegas sold 5.79 +/- acres of vacant land within the Las Vegas Technology Center to MVH on October 29, 2013 for the future expansion and development of a medical campus. Recently, MVH made an offer to purchase the 2.4 acres of vacant land directly adjacent to the 5.79 acres of land from NWH. CPV sold the 2.4 acre land parcel to NWH with a perpetual repurchase right and deed restrictions for hotel development. To facilitate MVH purchase of the 2.4 acres, MVH has requested CPV abandon the perpetual repurchase right and development deed restrictions and to include the 2.4 acres as an additional site subject to the same Declarations of Special Land Use Restrictions and Option to Repurchase currently in place for the 5.79 acre parcel. MVH has agreed to increase the medical office use development from 30,000 to 40,000 square feet in exchange for the accommodation. This item was held in Abeyance from the June 18, 2014 City Council meeting.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Agreement
2. Disclosure of Principals

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Motion made by LOIS TARKANIAN to Approve

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

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

Minutes:

BILL ARENT, Director of Economic and Urban Development, said that this was an abeyance item so a board meeting of City Parkway V Inc. could be held. In 2007, City Parkway V Inc. sold the 2.4 acre property to an affiliate company, McKellar Development, who intended to develop a hotel on the property. The sale allowed the City some rights, if the property was not developed, the property would be quit-claim deeded back to the City if the City paid back the developer the approximate \$2.5 million they had paid for the property. In 2013, City Parkway V Inc. sold an adjacent 5.8 acre property to MountainView Hospital to help development of the MountainView Campus. McKellar Development is interested in selling its 2.4 acre parcel to MountainView Hospital. The deed restriction regarding the use would need to be removed, and MR. ARENT said that can be done, and replacing it with a use restriction requiring MountainView to start construction and the requirement that the development contain a minimum of 40,000 square feet of medical use. Staff would like approval to release the current deed restriction and replace it with a new restriction pertaining to medical uses by MountainView.

MAYOR GOODMAN asked if there is a time when construction has to be submitted and MR. ARENT said that it has to move forward within a five year time period but he expects that they will start earlier.

CHRIS MOWAN, Chief Executive Officer, MountainView Hospital, showed the architect's rendition of the vision for the property. He said that what is precipitating the need for growth is that the medical building is over 90 percent full. The new tower on the south side was completed in 2013, where 64 medical surgical beds and 12 Intensive Care Unit (ICU) beds were added and the size of the emergency room was doubled; all of the beds are full. The vision is to build one level up on that tower adding more medical surgical beds, and add another medical office building. The hospital and the medical office buildings are full and they need to expand. MR. MOWAN also said the plan is to have a graduate medical education program with the School of Medicine, and at least 15,000 square feet of administrative space is required for these students.

Applied Analysis was engaged to show the economic impact of the 40,000 square foot medical office building and the outcome to expect to generate incremental output of \$45 million, \$240 million in salaries and wages, and employ 365 people on an annual basis. The proposed construction of a 40,000 square foot medical office building is approximately \$10 million and is expected to generate a one-time output of \$16 million. MR. MOWAN said that the feasibility study showed the need for at least 40,000 square feet of space, but he hopes to have more, and that they may have two buildings in the future.

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MAYOR GOODMAN said that they are excited, especially about the residency and internship programs. MR. MOWAN said the residents need to get a certain amount of experience and he believes that they can handle up to 60 residents per year.

COUNCILMAN COFFIN said that the residents work long hours and it had previously been contemplated to have a hotel; he wondered if they would they still be able to have an inn on the property so the residents could stay there. MR. MOWAN said that they do not provide for permanent arrangements, but as a requirement of the American College of Graduate Medical Education, they do have to provide sleep rooms. COUNCILMAN COFFIN said that they could go further and give the residents something permanent. MR. MOWAN said that they have not discussed that. MAYOR GOODMAN said that doctors are used to this and she is excited about the growth.

COUNCILWOMAN TANKANIAN said that she is happy to see them grow, and that they have done it with first class efforts and achievements.

Subsequent to the vote, MAYOR GOODMAN said that when residents go to residency, they usually stay and that is where they live.

