

Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting
February 1, 2012

Title of Project: Commercial Visual Improvement Agreement (CVIP) between the LV Redevelopment Agency and NECAL ASSOCIATES, LLC (Owner & CVIP Participant) (1017 South First Street – Art Square)

Project Description: Exterior renovations (masonry work, installation of steel tower, signage, windows, pavers and painting)

Sponsor/Developer: NECAL ASSOCIATES, LLC (CVIP Participant)

Assistance Provided by: Redevelopment Agency. Total project cost is approximately \$854,825.00. The Agency will reimburse the CVIP applicant up to a maximum of \$50,000.00.

Number of Direct Jobs Created: 14 Full-Time Equivalents (FTEs) from three different tenants. A restaurant also is looking to sign a lease which will bring an additional 10 to 20 FTEs.

Number of Indirect Jobs Created: Employment is based on those trades that will be utilized to complete this project. Trades to be utilized for this project will include electrical, construction, and painting. Approximately 15 FTEs and 40 PTEs.

Number of Direct Jobs Retained: N/A

Pertinent Statutes Used for Public Purpose:

In accordance with NRS 279.486, the CVIP 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. The CVIP Participant will also invest approximately \$652,000 for interior renovations to meet the needs of the business.

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,

nightclubs) has been increasing for several years.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood and will be a catalyst for additional businesses to participate in the CVIP Program.

Quantitative Economic Benefits:

Approximately \$202,000.00 will be spent to renovate the exterior of the property. Local contractors will be employed to complete those renovations.

Private Investment:

Applicant will be funding this project cost of approximately \$854,000 through cash on hand.

Public Investment:

The CVIP Program requires a 1:1 match from the applicant for all pre-approved exterior improvements.

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