REDEVELOPMENT AGENCY

REPORT TO THE LAS VEGAS CITY COUNCIL

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INTRODUCTION

Redevelopment was created to provide cities and counties with a new and more effective tool to arrest decline and deterioration and eliminate blight from designated areas. In addition, redevelopment provides an Agency with its own financial resources to be used as a catalyst for its projects, and as an incentive to develop public/private partnerships. Redevelopment Agencies possess unique tools which are legally unavailable to City government. They are also especially important because often the private sector is unwilling to accept the added risk of investing in a redevelopment area without the cooperation and assistance of the public sector. Successful redevelopment encourages new investment, jobs, and renewed opportunities for retail, industrial commercial and residential improvement.

In order to realize the benefits from expanding a redevelopment district, specific legal requirements must be met. These legal requirements are contained in Nevada Revised Statutes (NRS) Sections 279.382 to 279.685 of the Nevada Community Redevelopment Law. The City of Las Vegas has meticulously adhered to these statutes in developing its Redevelopment Plan. The final step in this process is to submit the Redevelopment Plan and this Report to Council to the Las Vegas City Council in accordance with NRS 279.578.

Description of this Report

This Report to the City Council (the Report) on the Redevelopment Plan has been prepared by the Agency pursuant to NRS 279.564 and 279.578. The purpose of this Report is to provide the information, documentation and evidence required by Section 279.578 and other sections of the Community Redevelopment Law. It is also designed to accompany the proposed Redevelopment Plan when it is submitted by the Agency to the City Council. Such information, documentation and evidence is provided to assist the City Council in its consideration of the proposed Redevelopment Plan, and in making the various determinations it must make in connection with the adoption of the proposed Redevelopment Plan.

Accordingly, this Report to the City Council is being submitted to the City Council along with the Redevelopment Plan. The Report to Council contains all the related documents necessary to legally adopt it including:

a) The reasons for the selection of the redevelopment area
b) A description of the physical, social and economic conditions existing in the area
c) A description of the proposed method of financing the Redevelopment Plan (the Economic Feasibility Report)
d) A method or plan for the relocation of persons and families temporarily or permanently displaced from housing facilities in the redevelopment area
e) An analysis of the Preliminary Plan
f) The report and recommendations of the Planning Commission

In short, the Redevelopment Plan with its Map of the proposed Redevelopment Area 2 and Legal Description, in conjunction with the Report to Council and its various reports meet all the criteria for a redevelopment area, particularly the predominance of blight and the need to redevelop this area in the interest of health, safety, and the general welfare of the community.

Summary

A summary of each component and its location is provided for ease of understanding.

PART NO.	NRS SECTION	TITLE	RESPONSIBLE PARTY
Part 1		Introduction	Agency
Part 2	279.578 (2a)	Reasons for Selection of the Redevelopment Area	Agency
Part 3	279.578 (2b)	Description of the Physical, Social and Economic Conditions Existing in the Redevelopment Area	Agency
Part 4	279.578	Economic Feasibility Report	Agency
Part 5	279.519	Blight Study	Agency
Part 6		Peer Review Report of Blight Study	Third Party
Part 7	279.519	Agency Addendum to Blight Study	Agency
Part 8	279.528	Agency Analysis of the Preliminary Plan	Agency
Part 9	279.578	Report and Recommendations of the Planning Commission	Planning Commission

REASONS FOR THE SELECTION OF

REDEVELOPMENT AREA 2

June 26, 2012

Boundary Selection

The proposed new Redevelopment Area ("Redevelopment Area 2") can be divided into three (3) distinct corridors:

- Sahara Avenue
- West Charleston Boulevard
- South Decatur Boulevard

The **Sahara Avenue Corridor** can be generally described as the following area:

> *East Boundary is the west side of the South I-15 ramp to West Sahara Avenue; North and South Boundary is West Sahara Avenue; and the West Boundary is the west side of Decatur Boulevard.*
>
> *Additionally there is one residential area within the Sahara Avenue Corridor:*
>
> 1) *Richfield Village (Richfield Neighborhood Association) Beginning at Sahara Avenue, to Rye St., (Tract Block Group Boundary, then to the Precinct Boundary), then to Wyandotte Street, then to the intersection of Wilmington Way & Kings Way, then to Teddy Drive and then to Sahara Avenue, and,*

This corridor consists of **266 parcels**. Fifty-one percent (51%) are zoned as commercial parcels and forty-six percent (46%) are zoned low-density residential and three (3) and four (4) plex residential buildings. These 266 parcels equate to 225 acres – eighty percent (80%) commercial and fifteen percent (15%) low-density residential (R-1, R-3, and R-4).

The Sahara Corridor is considered a major transportation corridor within the city of Las Vegas. While the eastern boundary is characterized by a few newer buildings that contain office, retail and service oriented businesses, as you proceed west, the buildings are older and have a dated architectural style and reveal significant aging.

The eastern portion of Sahara Avenue Corridor is located contiguous to Interstate 15 and strategically positioned to downtown Las Vegas. Additionally, this portion of the Sahara Corridor will be able to take advantage of the current demand for development adjacent to the built-up urban center. Its redevelopment is crucial to the long term health, prosperity and stability of the surrounding neighborhood.

Within the eastern portion of Sahara Avenue Corridor, one property owner has assembled approximately eighty (80) acres of commercial, residential and industrial property for a large mixed-use commercial project, which is adjacent to the current Downtown Redevelopment Area. This prime location is ideally situated to take advantage of the current demand for development adjacent to the Las Vegas valley's built-up urban center.

Its redevelopment is crucial to the long term health, prosperity and stability of the surrounding neighborhood.

The **__West Charleston Boulevard Corridor__** can be generally described as the following area:

> *East Boundary is the west side of South Rancho Drive; North and South Boundary is West Charleston Boulevard; and the West Boundary is the east side of South Rainbow Boulevard.*

This corridor consists of **__374 parcels__**. Forty-three percent (43%) are zoned as commercial parcels, twenty-two percent (22%) designed commercial and twenty-five percent (25%) are zoned as professional residential. These 374 parcels equate to 337 acres – sixty-three percent (63%) commercial, twenty-five percent (25%) designed commercial and civic and five percent (5%) professional residential.

The West Charleston Corridor is also a significant commercial corridor within the city of Las Vegas. Many parcels have businesses located on them with plot lines running through the property, making it challenging for property owners to develop their property for a changing economic and population demographic. Architectural style of these buildings is dated and not aesthetically pleasing for positive progress within the community.

As an older commercial corridor, a significant number of properties in the eastern portion were built from the late 1940’s to mid-2000’s, with a majority built between 1964 and 1975. As you move west along Charleston Corridor, the buildings were built more recently. This mixture of older and new, modern buildings creates a negative aesthetic appeal throughout the corridor.

There is a high percentage of professional residential properties located in this corridor. With twenty-five (25%) percent of the total number of parcels, these older buildings suffer from serious neglect and impairs private investment. The lot size is too small for any redevelopment projects. Confronting these issues will take time to develop the proper programs to revitalize these properties and reduce their blighting influence.

The **__South Decatur Boulevard Corridor__** can be generally described as the following area:

> *South Boundary is the north side of West Sahara Avenue; East and West Boundary is South Decatur Boulevard; and North Boundary is generally the south side of the US 95.*

This corridor consists of **__126 parcels__**. Ninety-nine percent (99%) is zoned commercial and equates to 321 acres.

The Decatur Corridor is a newer commercial corridor populated with commercial centers that are larger in scale than the other two corridors. While these properties may be considered “young”, there has been a growing deterioration of the properties and a dated architectural look.

This area also is host to a successful regional mall that was built in 1979-1980. Across the street is another shopping center that has a high vacancy rate. The regional mall is being included in Redevelopment Area 2 because of the surrounding blighting neighborhood. It is important to insure that blighting influences do not migrate this adjacent area.

Finally, there is unproductive land within the three corridor which may not be severely blighted but "whose inclusion is found necessary for the effective redevelopment of the area which they are part." These vacant parcels will provide the opportunity for new development, which in turn will provide the resources needed to eliminate blight throughout Redevelopment Area 2.

Goals and Objectives

In general, the goals and objectives of the redevelopment program as defined in the Redevelopment Plan, and as proposed to be implemented through redevelopment assistance are, as follows:

1. Elimination and prevention of the spread of blight and deterioration, and the redevelopment of the amended Redevelopment Area in accordance with the City's Master Plan, the Redevelopment Plan and local codes and ordinances.

2. The upgrading and improvement of the streets and roads throughout the amended redevelopment area.

3. Guiding and encouraging revitalization activities and new development into areas where the physical characteristics of the land can support it.

4. The encouragement of investment by the private sector in the development and redevelopment of Redevelopment Area 2 by eliminating impediments to such development and redevelopment.

5. Encouraging maximum participation in redevelopment by residents, businesspersons, property owners and community organizations in the redevelopment of the proposed redevelopment area.

6. To replan, redesign and develop areas which are stagnant, improperly used or would most effectively be transitioned to a different use.

In summary, redevelopment of Redevelopment Area 2 in accordance with Nevada Revised Statutes will attain the purposes of the Nevada Community Redevelopment Law through:

1. The elimination of areas suffering from economic dislocation and disuse

2. The redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise without public participation and/or assistance.

3. The promotion of sound revitalization and redevelopment of blighted areas.

4. The installation of new or replacement of existing public improvements, facilities, roads and utilities in areas which are currently inadequately served.

5. The provision of public improvements, utilities or facilities designed to serve as a catalyst for subsequent private sector investment.

6. Other means as determined appropriate.

Non-Blighted Properties Included for Redevelopment Purposes

To the extent that certain properties are included that are not blighted, their inclusion in Redevelopment Area 2 is necessary and appropriate for one of the following reasons:

1. Because such properties are impacted by the conditions existing on adjacent properties.

2. Because the lack of adequate roads and utilities inhibit the development of unproductive land.

3. Because only through new development and the related taxes which will be produced will the City be able to reverse the deterioration of public infrastructure, property and streets.

4. Because social and economic blight conditions such as loss of population and declining property values prevalent in Redevelopment Area 2 impact properties which are not blighted.

5. In order to impose uniform requirements, and offer identical incentives over a geographically defined area of the City.

6. Because non-blighted properties will share in the physical, social and economic benefits accruing to the area through the elimination of blight

7. Because non-blighted properties will share in the benefits of new public utilities, improvements and facilities within or serving Redevelopment Area 2

8. Because such properties are part of a blighted area

9. Because the elimination of blight and the redevelopment of Redevelopment Area 2 could not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. Because of the higher costs and more significant risks associated with development of blighted areas, individual developers are unable and unwilling to invest in blighted areas without substantial public assistance.

Summary

These three corridors are included in the City of Las Vegas Master Plan 2020 and incorporated in the Neighborhood Revitalization Area. The Neighborhood Revitalization Area foresees a strategy to address the decline of older, mature areas that are affected by a shift in land use base, has a significant decline in the economic base, and an increase in property crime, vandalism and graffiti.

The three corridors were selected because of their blight and deterioration. They have also been selected because there is a unique opportunity to redevelop an area which resides adjacent to the existing Downtown Redevelopment Area, thereby it will be possible to attract increasing private investment in Redevelopment Area 2.

DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC

CONDITIONS EXISTING IN

REDEVELOPMENT AREA 2

June 26, 2012

Background

The City of Las Vegas was established in 1905. Its growth was slow but steady throughout the next several decades into the 1960's and 1970's. However, beginning in the 1980's a surge of new development occurred in the gaming industry propelling Las Vegas to become one of the fastest growing communities in the nation. While this growth was ignited by the gaming industry, once Clark County surpassed a population of one million, it became of serious interest to nearly every national retail and service company in the country. Consequently, workers seeking jobs in non-gaming sectors began to flock to Las Vegas. Finally, as the cost of living soared in California, and the baby boom generation began to retire, Las Vegas became an attractive destination to these groups as well. Probably the most quoted statistic throughout the 1990's, is the migration of upwards of 6,000 people per month to the Las Vegas metropolitan area.

While Las Vegas was becoming the fastest growing community in America, the older sections of town were being left behind. Relatively inexpensive land, short commuting distances, and the western preference for single family detached housing resulted in homebuilders continuously stretching the boundaries of the metropolitan area with new homes. As long as the previously mentioned conditions prevailed, builders were largely uninterested in redevelopment, high-density housing, and infill development. Buying large tracts of vacant land, and quickly building and selling hundreds of houses, was relatively easy, quick and lucrative.

In 1985 the City of Las Vegas responded to this market reality by creating its Redevelopment Agency. Initially the boundaries included the downtown and an area straddling Las Vegas Boulevard stretching south to Sahara Avenue where the City's boundary ends and the County's begins. Since the creation of the Downtown Redevelopment Area, there has been three amendments to expand the redevelopment area, these occurred in 1988, 1996, and 2006.

While the Downtown Redevelopment Area and the outlying areas of the city of Las Vegas have seen tremendous growth over the past 20 years; Redevelopment Area 2 has not participated in that growth. The City has now decided to create a new redevelopment area (Redevelopment Area 2) adjacent to the Downtown Redevelopment Area. Redevelopment Area 2 will be located along three commercial corridors: West Charleston, West Sahara and South Decatur. With the increase in private investment in the Downtown Redevelopment Area, the new Redevelopment Area 2 could be the recipient of new private investment due to its proximity to the Downtown Redevelopment Area

These three corridors are important for a variety of reasons. For one, they share a symbiotic relationship with downtown and can both assist and share in the recent interest in urban revitalization. Secondly, there are vacant parcels and buildings which could be much more productively used and whose vacancy tends to breed social and economic problems. Third, there is an opportunity to attract private investment into Redevelopment

Area 2 because businesses and residents closest to the Downtown Redevelopment Area identify their neighborhood as being part of downtown.

Overview of the Physical Conditions in the Redevelopment Area

The majority of the commercial parcels in Redevelopment Area 2 are along the major commercial corridors of West Charleston, West Sahara and South Decatur. There was some deterioration of curbs, sidewalks, gutters and streets in all three corridors, but the majority of the maintenance of these physical items are the responsibility of the city and are on a regular schedule for maintenance and repair.

Access to Redevelopment Area 2 is easy and straight forward as the northern portion of Redevelopment Area 2 is bounded by U.S. 95, while the eastern portion is bounded by I-15. Nevada Department of Transportation (NDOT) has a major project, Project Neon, to construct significant improvements along I-15 and U.S. 95 over the next seven years. These improvements will provide additional interest for private investment in Redevelopment Area 2.

City maintained utilities and landscaping appear to be adequate throughout Redevelopment Area 2. Electrical utilities to older buildings in Redevelopment Area 2 are adequate, but as evidenced by the photographs, some buildings and the alley ways would be better served if electrical service to the building was upgraded for safety purposes.

Overview of the Economic Conditions

With the city's economy increasing in the 1980's, the older, mature commercial areas did not attract the level of private investment as suburban areas of the city. Land and development costs were much lower in the suburban areas than in the West Charleston, West Sahara and South Decatur corridors. While still economically viable, the three corridors have stagnated and/or declined despite, or possibly because of, the tremendous growth in the Valley over the past 30 years. Economic deterioration is evident in many properties and vacant parcels are commonplace.

When analyzed by specific zip codes the extent of economic decline is evident. Data from the 2009 through 2012 Las Vegas Perspective was used to make a determination of the level of economic condition. The Perspective provides statistical information on 121 zip codes in Clark County. Median Household (HH) incomes in areas 89102, 89106, and 89107 and for the Las Vegas MSA are provided in the table below to provide a recent comparison for Redevelopment Area 2.

Median Household Income (HH)				
Year	89102	89106	89107	Las Vegas MSA
2009	$36,116	$33,305	$46,535	$ 58,148
2010	$35,882	$33,357	$46,398	$ 58,432
2011	$36,715	$35,028	$47,142	$ 54,255

To determine the effects on economic conditions in Redevelopment Area 2, one should consider a longer time period. As such, when you compare the 1990, 2000 and 2010 Census data for **per capita income** for zip codes 89102, 89106, and 89107 to the Las Vegas MSA, you will find that the 89102, 89106, and 89107 zip codes did not keep pace with the Las Vegas MSA. Zip code 89106's annual rate was very close to the Las Vegas MSA's annual rate, but the actual per capita income was $10,854 **less** than the Las Vegas MSA**, a significant difference.** In fact, all three zip codes are significantly less than the Las Vegas MSA. This shows that there has been significant economic deterioration for an extended period of time within Redevelopment Area 2.

Per Capita Income

	89102	89106	89107	Las Vegas MSA
1990 Census	$16,629	$9,059	$17,030	$15,109
2000 Census	$17,649	$12,698	$19,282	$21,785
2010 Census	$18,747	$15,907	$20,741	$26,761
Annual Rate	**0.637%**	**3.780%**	**1.090%**	**3.856%**

Housing also reveals a decline in economic conditions. Apartment contract rent figures provide us with the overall monthly contract rent for the City of Las Vegas and the zip codes for Redevelopment Area 2. From the 2000 Census to the 2005-2009 ACS, we find that the city's contract rent increased from $632 to $841, a 33percent increase. The contract rent for 89102 was $564 to $701, a 24 percent increase. Contract rent for 89106 was $496 to $642, a 29 percent increase. Contract rent for 89107 was $618 to $781, a 26 percent increase. Contract rents for the three zip codes below what is attained in the city of Las Vegas and because of this, private investment in rental properties will be impacted.

Contract Rent

Zip Code	2000 Census	2005-09 ACS	% Change
89102	$564	$701	24%
89106	$496	$642	29%
89107	$618	$781	26%
CLV	$632	$841	33%

The decline clearly demonstrates deterioration in the value of the multi-family housing stock in Redevelopment Area 2. A failure to keep pace with the market is an indication of impaired investment and economic maladjustment throughout the study area.

Another economic factor to consider regards commercial property located in the three corridors.

Vacancy Rates[1]				
	Charleston	**Sahara**	**Decatur**	**City of Las Vegas[2]**
3rd Qtr, 2008	7.2%	8.4%	5.2%	4.9%
2nd Qtr, 2012	10.6%	15.1%	13.7%	7.9% (1st Qtr, 2012)
Percent Change	**47% Increase**	**80% Increase**	**163% Increase**	**61% Increase**
High	12% (3rd Qtr, 2011)	15.1% (2nd Qtr, 2012)	15.2% (3rd Qtr, 2011)	N/A
Low	6.6% (1st Qtr, 2009)	8.3% (1st Qtr, 2011)	5.2% (3rd Qtr, 2008)	N/A
Lease Rates (NNN)[1]				
	Charleston	**Sahara**	**Decatur**	**City of Las Vegas[2]**
3rd Qtr, 2008	$1.39	$1.68	$1.40	$1.96
2nd Qtr, 2012	$1.28	$1.41	$1.08	$1.01(1st Qtr, 2012)
Percent Change	**7.9% Decrease**	**20% Decrease**	**22.8% Decrease**	**48% Decrease**
Source – [1]CoStar & [2]City of Las Vegas Economic & Urban Development Department's 1st Qtr 2009 and 1st Qtr 2012 Urban Renaissance Quarterly Newsletter				

Commercial property in Redevelopment Area 2 and the city of Las Vegas was significantly impacted by the economic recession that occurred from the 4th Qtr, 2007 through 2nd Qtr, 2009. Private investment, vacancy and lease rates provide a picture of the decline throughout Redevelopment Area 2 and citywide.

Finally, the best indicator of economic conditions is first hand observation of individual parcels. As delineated in the Blight Study, substantial decline and deterioration has occurred in each corridor of Redevelopment Area 2. Since the recession, each corridor of Redevelopment Area 2 has suffered from decreased and stagnating property values resulting in decreased property taxes, vacant buildings and property and underutilized land. Ultimately, these factors result in local government having difficulty maintaining necessary services, which is one of the critical and common characteristics of a blighted area.

<u>Overview of the Social Conditions</u>

To assess social maladjustment, we will look at crime statistics and educational levels for the three zip codes that encompass the proposed new Redevelopment Area. From an educational perspective, the national percentage of the population having attained a Bachelor's degree is 17.4 percent (ACS Summary – Census). The percentage for 89102, 89106, and 89107 are 8 percent, 6 percent, and 7.5 percent respectively.

When comparing crime statistics to the national median violent crime index of 4.5, obtained from NeighborhoodScout.com, you will see that 89102, 89106 & 89107 are much higher than the national median, the state's median (7.52) and the Las Vegas MSA (23.85). For violent crimes, the rates ranged from 13.94 to 42.86 in those three zip codes. For property crimes, the national median was 32.1, state median was 35.77, Las Vegas MSA median was 95.49, and the range for the three zip codes was 37.96 to 145.79.

Together, these two indicators demonstrate a significant economic maladjustment from the national levels of crime and education. This results in an area which exhibits the type of social maladjustment which is characteristic of a blighted community.

Summary

Redevelopment Area 2 has participated in the Las Vegas Valley's economic growth since the 1980's, but at a much lower level.

Canvassing the Charleston, Sahara and Decatur corridors reveals significant physical, economic and social blight. Vacant lots and buildings are dispersed throughout the area, alleyways and areas in back of buildings show a high level of disregard to maintenance, vacancy and lease rates are negatively impacting the area, crime is higher than the national average and incomes are lower. Valuable acreage remains under developed, which is a classic example of an attractive nuisance.

Deficient economic conditions result in population decline and an inability to upgrade or maintain housing. Stagnating population results in deteriorating property values, abandoned homes and neglected property. Neglected property leads to health and sanitation problems, and an inviting target for criminal activity. Deteriorated values make it difficult for the City of Las Vegas to adequately pay for basic services and maintain critical infrastructure and facilities. All these factors have been present throughout Redevelopment Area 2 and are guaranteed to become even more serious unless remedial action, in the form of a new Redevelopment Area, is undertaken.

CITY OF LAS VEGAS
ECONOMIC FEASIBILITY REPORT
FOR
REDEVELOPMENT AREA 2

June 26, 2012

Introduction

This Report is intended to provide an assessment of the proposed method of financing the redevelopment of Redevelopment Area 2 and provide an analysis of the economic feasibility of the Redevelopment Plan. This Report provides an estimate of the Tax Increment Revenue to be generated over the life of the Agency and identifies the anticipated activities to be undertaken by the Agency in an effort to eliminate blight and revitalize the City.

It is anticipated that over the life of the Redevelopment Plan Tax Increment Revenues from Redevelopment Area 2 will be sufficient to meet the anticipated costs required to eliminate blight and deterioration within the Agency's new redevelopment area. At the discretion of the Agency, Tax Increment Revenue from Redevelopment Area 2 will be allocated to projects and programs to eliminate blighting conditions and to undertake redevelopment. Section 279.572 (c) of Nevada Revised Statutes (NRS) provides that the Report to Council contain an analysis of the costs and revenues of the Redevelopment Plan in sufficient detail so that the City Council may determine the economic feasibility of the Plan. The section of this Report entitled "Estimated Tax Increment Revenues" addresses this issue by projecting the estimated Tax Increment Revenues to be generated over the 30-year life of Redevelopment Area 2. Similarly, the section of this Report entitled "Estimated Redevelopment Costs" identifies those anticipated activities which will be initiated by the Las Vegas Redevelopment Agency.

Section 279.578 (2) (c) further requires that a Report to the City Council be produced which includes a description of the method of financing the Redevelopment Plan so as to determine its economic feasibility. This Economic Feasibility Report (the Report) is designed to fulfill this requirement and, as such, is one of the components of the Report to the City Council. The aforementioned financing methods are described in the section of this Report titled "Financing Methods Available to the Agency."

The next to last section of the Feasibility Report concentrates on the economic feasibility of the expanded Redevelopment Areas. The feasibility analysis, for the purposes of this Report, is defined to be a comparison of anticipated costs of Agency activities and projects within Redevelopment Area 2, to the estimated revenues expected to be generated within this area.

Financing Methods Available to the Agency

The Redevelopment Plan will provide the Agency with the necessary legal authority and flexibility to implement the objectives of the Redevelopment Plan and eliminate blight. The Agency may finance redevelopment activities in Redevelopment Area 2 with financial assistance from any or all of the following sources:

- Private/Public sector partnerships
- the City
- the State
- the Federal government
- Tax increment funds
- Public Bonds
- Interest income
- Loans from private financial institutions
- Lease or sale of Agency-owned property
- Private donations
- Any other legally available public or private source

Estimated Tax Increment Revenues

Appreciation of Existing Property

The first major step in the implementation of a tax increment financing program is accomplished at the time of adoption of the Redevelopment Plan. At the time of adoption, a base property value is established. This "Frozen Base" is calculated as the total value of existing taxable property within Redevelopment Area 2 boundaries. The "Frozen Base" provides a baseline for determining the difference between values in the base year versus enhanced values resulting from future redevelopment activities and appreciation of property within the Redevelopment Area. It is only revenues generated on these **enhanced** values within Redevelopment Agency boundaries that accrue to the Agency. Increases in future property taxes above and beyond the Frozen Base are referred to as Tax Increment Revenues.

Increases in assessed value can result from the general appreciation of existing property or from new development. Subsequent to the adoption of a Redevelopment Plan, Tax Increment Revenues are generated from the growth in assessed value **above** the base assessed value (Frozen Base), within Agency boundaries. From property in the Frozen Base, Tax increment Revenue may be generated from reassessment of properties that remain in the same ownership, or reassessment that occurs upon the transfer of real property.

Finally, the estimate of appreciation of property in Las Vegas would normally depend on an estimate of growth trends. However, the 2005 Nevada State Legislature capped residential property tax growth at 3% and commercial property at 8%. Accordingly, this feasibility analysis will provide potential tax increment projections accruing to the Agency at three levels of increases in property valuation to existing parcels at a conservative .50% (one-half of 1%); a modest 1% (one percent) and an aggressive rate of 3% (three percent) over the 30 year life of Redevelopment Area 2.

Existing Property

The present assessed value of the existing property within the Agency's proposed Redevelopment Area 2 boundaries is presently $287,670,167 (FY 2012). According to the Clark County Assessor's office, the combined tax rate for existing property within Redevelopment Area 2 is $3.2782 per $100 of assessed value. However, the Redevelopment Agency will not receive this entire amount since a series of bond issues, whose revenues are exempt from Agency capture, have recently been passed. Accordingly the Agency's present effective tax rate is $2.5045 per $100 of assessed value.

As shown in Table 1 (Potential Tax Increment for Redevelopment Area 2), the projected increase in property valuation over the 30 year life of Redevelopment Area 2 is summarized below:

- 0.50 % Increase - $46,429,989
- 1.00% Increase - $100,065,756
- 3.00% Increase - $410,580,833

New Development

The Agency also receives Tax Increment Revenues from new development within Agency boundaries. While it is likely that there will be Agency expenditures within the expansion area over the life of the Agency, none is currently envisioned.

Agency Revenues

Accordingly it is projected that Redevelopment Area 2 should generate the following total revenues (net the 18% Set-Aside):

- 0.50% Increase - $14,423,532
- 1.00% Increase - $30,323,478
- 3.00% Increase - $112,265,038

General Assumptions

The property values, tax and revenue calculations discussed in this section are delineated in Table #1 (Potential Tax Increment for Redevelopment Area 2). Calculations used in these tables depend on a series of premises including the following:

- Growth in assessed value is estimated at 0.50%, 1% and 3% per year for the life of the Agency.

- Base year is fiscal year 2012.

- The life of the Agency is 30 years.

- The Agency's effective tax rate is $2.5045 per $100 of assessed value.

- All Tax Increment Financing Revenue projections in this Economic Feasibility Report are calculated in nominal dollars. The purchasing power of nominal dollars could decline because of inflation.

- All Tax Increment Financing Revenue projections take into account the required 18% Set-Aside.

Estimated Redevelopment Costs

Agency Activities

A determination of economic feasibility requires an identification of the potential costs required of the Agency to undertake redevelopment, eliminate blight and promote and achieve the goals and objectives of the Redevelopment Plan. It is anticipated that Redevelopment Area 2 will receive approximately $1 million from the city. These funds can be considered as "seed" funding for the implementation of potential programs that are undertaken for redevelopment purposes. Programs are currently in development stage and will be implemented as soon as the Agency approves those program(s).

Administration and Operations

For purposes of this Report, annual administrative expenses are assumed to not increase due to economies of scale resulting from creation of Redevelopment Area 2.

Economic Feasibility

The anticipated cost to the Agency to implement its proposed revitalization in Redevelopment Area 2 and achieve the objectives of the Redevelopment Plan will likely require significant Agency financial participation. However, no specific projects are currently envisioned.

Since estimated tax increment revenues are projected to range from $14,423,532 to $112,265,038, and there are no current estimates of cost, the revenues will exceed estimated costs by this amount. In short, the Agency will have sufficient funds to support its redevelopment program, thus the economic feasibility of Las Vegas' Redevelopment Plan is verified.

Conclusion

The potential projects as may be chosen by the Agency, will accomplish the Redevelopment Plan's goals and objectives by eliminating conditions of blight within the Redevelopment Area. It is anticipated that the resources available to the Agency will be sufficient to accomplish the goals and objectives contained in the Redevelopment Plan as the tax increment financing revenue generated for the Agency will be sufficient to pay for all of the Agency's activities. Although the estimated project costs and revenues presented in this Economic Feasibility Report will vary over time, it is reasonable to conclude that the Redevelopment Plan will be financially feasible over its 40 year life.

TABLE 1

POTENTIAL TAX INCREMENT FOR REDEVELOPMENT AREA 2

POTENTIAL RDA TAX INCREMENT

0.50% Percent Increase in Valuation

	Valuation	Change in Valuation	Potential RDA Tax Increment	Potential RDA Tax Increment - Net 18% Set-Aside
Base Year	$287,670,167			
Year 1	$289,108,518	$1,438,351	$36,023	$29,539
Year 2	$290,554,060	$2,883,893	$72,227	$59,226
Year 3	$292,006,831	$4,336,664	$108,612	$89,062
Year 4	$293,466,865	$5,796,698	$145,178	$119,046
Year 5	$294,934,199	$7,264,032	$181,928	$149,181
Year 6	$296,408,870	$8,738,703	$218,861	$179,466
Year 7	$297,890,915	$10,220,748	$255,979	$209,902
Year 8	$299,380,369	$11,710,202	$293,282	$240,491
Year 9	$300,877,271	$13,207,104	$330,772	$271,233
Year 10	$302,381,657	$14,711,490	$368,449	$302,128
Year 11	$303,893,566	$16,223,399	$406,315	$333,178
Year 12	$305,413,033	$17,742,866	$444,370	$364,383
Year 13	$306,940,099	$19,269,932	$482,615	$395,745
Year 14	$308,474,799	$20,804,632	$521,052	$427,263
Year 15	$310,017,173	$22,347,006	$559,681	$458,938
Year 16	$311,567,259	$23,897,092	$598,503	$490,772
Year 17	$313,125,095	$25,454,928	$637,519	$522,765
Year 18	$314,690,721	$27,020,554	$676,730	$554,918
Year 19	$316,264,174	$28,594,007	$716,137	$587,232
Year 20	$317,845,495	$30,175,328	$755,741	$619,708
Year 21	$319,434,723	$31,764,556	$795,543	$652,346
Year 22	$321,031,896	$33,361,729	$835,545	$685,146
Year 23	$322,637,056	$34,966,889	$875,746	$718,111
Year 24	$324,250,241	$36,580,074	$916,148	$751,241
Year 25	$325,871,492	$38,201,325	$956,752	$784,537
Year 26	$327,500,850	$39,830,683	$997,559	$817,999
Year 27	$329,138,354	$41,468,187	$1,038,571	$851,628
Year 28	$330,784,046	$43,113,879	$1,079,787	$885,425
Year 29	$332,437,966	$44,767,799	$1,121,210	$919,392
Year 30	$334,100,156	$46,429,989	$1,162,839	$953,528
			TOTAL	$14,423,532

POTENTIAL RDA TAX INCREMENT

1.00% Percent Increase in Valuation

	Valuation	Change in Valuation	Potential RDA Tax Increment	Potential RDA Tax Increment - Net 18% Set-Aside
Base Year	$287,670,167			
Year 1	$290,546,869	$2,876,702	$72,047	$59,079
Year 2	$293,452,337	$5,782,170	$144,814	$118,748
Year 3	$296,386,861	$8,716,694	$218,310	$179,014
Year 4	$299,350,729	$11,680,562	$292,540	$239,883
Year 5	$302,344,237	$14,674,070	$367,512	$301,360
Year 6	$305,367,679	$17,697,512	$443,234	$363,452
Year 7	$308,421,356	$20,751,189	$519,714	$426,165
Year 8	$311,505,569	$23,835,402	$596,958	$489,505
Year 9	$314,620,625	$26,950,458	$674,974	$553,479
Year 10	$317,766,831	$30,096,664	$753,771	$618,092
Year 11	$320,944,500	$33,274,333	$833,356	$683,352
Year 12	$324,153,945	$36,483,778	$913,736	$749,264
Year 13	$327,395,484	$39,725,317	$994,921	$815,835
Year 14	$330,669,439	$42,999,272	$1,076,917	$883,072
Year 15	$333,976,133	$46,305,966	$1,159,733	$950,981
Year 16	$337,315,895	$49,645,728	$1,243,377	$1,019,569
Year 17	$340,689,054	$53,018,887	$1,327,858	$1,088,844
Year 18	$344,095,944	$56,425,777	$1,413,184	$1,158,811
Year 19	$347,536,904	$59,866,737	$1,499,362	$1,229,477
Year 20	$351,012,273	$63,342,106	$1,586,403	$1,300,850
Year 21	$354,522,395	$66,852,228	$1,674,314	$1,372,938
Year 22	$358,067,619	$70,397,452	$1,763,104	$1,445,745
Year 23	$361,648,295	$73,978,128	$1,852,782	$1,519,281
Year 24	$365,264,778	$77,594,611	$1,943,357	$1,593,553
Year 25	$368,917,426	$81,247,259	$2,034,838	$1,668,567
Year 26	$372,606,600	$84,936,433	$2,127,233	$1,744,331
Year 27	$376,332,666	$88,662,499	$2,220,552	$1,820,853
Year 28	$380,095,993	$92,425,826	$2,314,805	$1,898,140
Year 29	$383,896,953	$96,226,786	$2,410,000	$1,976,200
Year 30	$387,735,923	$100,065,756	$2,506,147	$2,055,040
			TOTAL	$30,323,478

POTENTIAL RDA TAX INCREMENT

3.00 % Percent Increase in Valuation

	Valuation	Change in Valuation	Potential RDA Tax Increment	Potential RDA Tax Increment - Net 18% Set-Aside
Base Year	$287,670,167			
Year 1	$296,300,272	$8,630,105	$216,141	$177,236
Year 2	$305,189,280	$17,519,113	$438,766	$359,788
Year 3	$314,344,959	$26,674,792	$668,070	$547,818
Year 4	$323,775,307	$36,105,140	$904,253	$741,488
Year 5	$333,488,567	$45,818,400	$1,147,522	$940,968
Year 6	$343,493,224	$55,823,057	$1,398,088	$1,146,433
Year 7	$353,798,020	$66,127,853	$1,656,172	$1,358,061
Year 8	$364,411,961	$76,741,794	$1,921,998	$1,576,039
Year 9	$375,344,320	$87,674,153	$2,195,799	$1,800,555
Year 10	$386,604,649	$98,934,482	$2,477,814	$2,031,808
Year 11	$398,202,789	$110,532,622	$2,768,290	$2,269,997
Year 12	$410,148,872	$122,478,705	$3,067,479	$2,515,333
Year 13	$422,453,339	$134,783,172	$3,375,645	$2,768,029
Year 14	$435,126,939	$147,456,772	$3,693,055	$3,028,305
Year 15	$448,180,747	$160,510,580	$4,019,987	$3,296,390
Year 16	$461,626,169	$173,956,002	$4,356,728	$3,572,517
Year 17	$475,474,954	$187,804,787	$4,703,571	$3,856,928
Year 18	$489,739,203	$202,069,036	$5,060,819	$4,149,872
Year 19	$504,431,379	$216,761,212	$5,428,785	$4,451,603
Year 20	$519,564,320	$231,894,153	$5,807,789	$4,762,387
Year 21	$535,151,250	$247,481,083	$6,198,164	$5,082,494
Year 22	$551,205,788	$263,535,621	$6,600,250	$5,412,205
Year 23	$567,741,961	$280,071,794	$7,014,398	$5,751,806
Year 24	$584,774,220	$297,104,053	$7,440,971	$6,101,596
Year 25	$602,317,447	$314,647,280	$7,880,341	$6,461,880
Year 26	$620,386,970	$332,716,803	$8,332,892	$6,832,972
Year 27	$638,998,579	$351,328,412	$8,799,020	$7,215,196
Year 28	$658,168,537	$370,498,370	$9,279,132	$7,608,888
Year 29	$677,913,593	$390,243,426	$9,773,647	$8,014,390
Year 30	$698,251,000	$410,580,833	$10,282,997	$8,432,058
			TOTAL	$112,265,038

Number of Parcels	766	
Number of Acres	883	
Combined Tax Rate	3.2799%	
RDA Apportionment	2.5045%	Fiscal Yr. 2012
Current Base Valuation	$287,670,167	Fiscal Yr. 2012
Set-Aside Percentage	18.00%	

NOTE - The above calculations do not take into account depreciation that the County could apply.

BLIGHT STUDY

CITY OF LAS VEGAS REDEVELOPMENT AREA 2

(Sahara, Charleston and Decatur Corridors in Ward 1)

December 13, 2011

Prepared by the Economic and Urban Development Department
City of Las Vegas

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DEFINITION OF BLIGHT

The rationale behind the State of Nevada enabling laws to create redevelopment agencies resides in NRS 279.416-420. These statutes describe conditions of blight and deterioration that, if prevalent, constitute a menace to the health, safety and welfare of communities. Conditions of blight as delineated in NRS 279.388 are reprinted, verbatim in the box below.

1. Except as otherwise provided in subsection 2, "blighted area" means an area which is characterized by at least four of the following factors:

   (a) The existence of buildings and structures, used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which are unfit or unsafe for those purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime because of one or more of the following factors:

      1) Defective design and character of physical construction.
      2) Faulty arrangement of the interior and spacing of buildings.
      3) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities.
      4) Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses.

   (b) An economic dislocation, deterioration or disuse.

   (c) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.

   (d) The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.

   (e) The existence of inadequate streets, open spaces and utilities.

   (f) The existence of lots or other areas which may be submerged.

   (g) Prevalence of depreciated values, impaired investments and social and economic maladjustment to such an extent that the capacity to pay taxes is substantially reduced and tax receipts are inadequate for the cost of public services rendered.

   (h) A growing or total lack of proper utilization of some parts of the area, resulting in a stagnant and unproductive condition of land which is potentially useful and valuable for contributing to the public health, safety and welfare.

   (i) A loss of population and a reduction of proper use of some parts of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

   (j) The environmental contamination of buildings or property.

   (k) The existence of an abandoned mine.

Finally, NRS 279.519 states that a redevelopment area need not be restricted to only those building improvements or lands which are detrimental or inimical to the public health, safety or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. Furthermore, a redevelopment area may include, in addition to blighted areas, lands, buildings or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part. These criteria are critical for the City of Las Vegas Redevelopment Agency as the redevelopment area contains a few parcels which do not appear to have significant decline or deterioration. However, these parcels are threatened by other parcels which exhibit a variety of conditions of blight including deterioration, safety hazards, economic maladjustment, depreciating property values, stagnant population and the unproductive use of land.

This Blight Study is a component of the documentation required to establish a new redevelopment area within the City of Las Vegas.

APPROACH AND METHODOLOGY

With the legal definition of blight clearly described, it is necessary to demonstrate how, and where, these conditions exist. To accomplish this, a common sense interpretation of the individual blight statutes has been provided. In turn, specific examples of blight located within the City of Las Vegas Redevelopment Area were identified and compared to the interpretations, thereby clearly documenting the extent of blight. For ease of understanding, the format used is to:

1. List the legal blight factor as defined by NRS;
2. List the common sense interpretation;
3. Provide the specific examples which demonstrate these characteristics.

Both primary and secondary data sources were used to quantify existing conditions in the proposed redevelopment area. The primary method for evaluating the existence and prevalence of conditions that characterize blight were extensive field surveys of existing physical conditions. These field surveys were conducted in March 2010 through November, 2010.

Parcels within the proposed Redevelopment Area were analyzed individually and collectively and both physical and economic blight indicators were observed in the field surveys. These blight indicators include inadequate streets, flood prone conditions, deterioration and dilapidation of structures, age and obsolescence, population stagnation, and economic maladjustment. Secondary data sources include U.S. Census Bureau records, and interviews with City of Las Vegas staff and public officials. Finally, numerous pictures of blighted parcels were taken in order to provide a permanent, visual record of the extent of decline and deterioration.

GENERAL DESCRIPTION OF THE PROPOSED REDEVELOPMENT AREA

The proposed new Redevelopment Area ("Redevelopment Area 2") can be divided into three (3) distinct corridors:

- Sahara Avenue
- West Charleston Boulevard
- South Decatur Boulevard

The **Sahara Avenue Corridor** can be generally described as the following area:

> *East Boundary is the west side of the South I-15 ramp to West Sahara Avenue; North and South Boundary is West Sahara Avenue; and the West Boundary is the east side of South Rainbow Boulevard.*
>
> *Additionally there are two residential areas within the Sahara Avenue Corridor:*
>
> 1) *Richfield Village (Richfield Neighborhood Association) Beginning at Sahara Avenue, to Rye St., (Tract Block Group Boundary, then to the Precinct Boundary), then to Wyandotte Street, then to the intersection of Wilmington Way & Kings Way, then to Teddy Drive and then to Sahara Avenue, and,*
> 2) *Las Verdes Heights (Keen Neighborhood Coalition) Beginning at Sahara Avenue at Valley View, then proceeding west to Arville Street, then south to Tara Avenue, and then east to Valley View.*

The Sahara Corridor is considered a major transportation corridor within the city of Las Vegas. While the eastern boundary is characterized by newer buildings that contain office, retail and service oriented businesses, as you proceed west, the buildings are older and have a dated architectural style and reveal significant aging.

This corridor consists of **625 parcels**. Thirty-two percent (32%) are zoned as commercial parcels and sixty-seven percent (68%) are zoned low-density residential and three (3) and four (4) plex residential buildings. These 592 parcels equate to 418 acres – seventy-nine percent (79%) commercial and twenty-one percent (21%) low-density residential (R-1, R-3, and R-4).

The **West Charleston Boulevard Corridor** can be generally described as the following area:

> *East Boundary is the west side of South Rancho Drive; North and South Boundary is West Charleston Boulevard; and the West Boundary is the east side of South Rainbow Boulevard.*

Additionally there is a residential area within the West Charleston Boulevard Corridor:

1) *<u>Hyde Park Subdivision (Meadows Neighborhood Preservation Neighborhood Association)</u>*
   Bounded by Charleston Blvd. on the south, west to Decatur Blvd., north to Alta Drive, and then east to Bedford Road.

The Charleston Corridor is also a significant commercial corridor within the city of Las Vegas. It also is one of the older commercial corridors located in the city limits. Many parcels have businesses located on them with plot lines running through the property, making it challenging for property owners to develop their property for a changing economic and population demographic. Architectural style of these buildings is dated and not aesthetically pleasing for positive progress within the community.

This corridor consists of **<u>1,008 parcels</u>**. Thirty-six percent (36%) are zoned as commercial parcels and sixty-four percent (64%) are zoned as low-density residential. These 983 parcels equate to 447 acres – seventy percent (70%) commercial and thirty percent (30%) low-density residential.

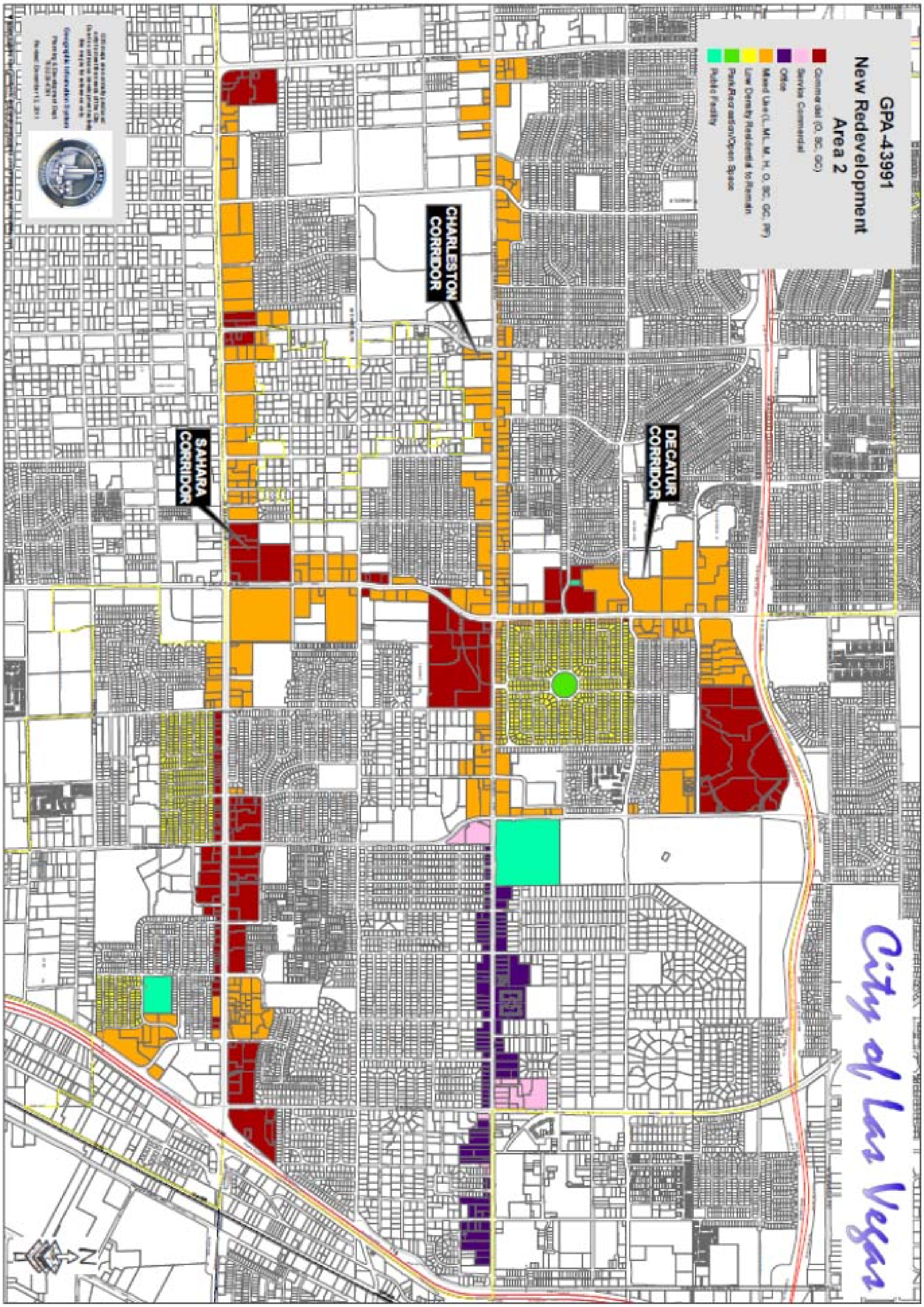
The **<u>South Decatur Boulevard Corridor</u>** can be generally described as the following area:

South Boundary is the north side of West Sahara Avenue; East and West Boundary is South Decatur Boulevard; and North Boundary is generally the south side of the US 95.

The Decatur Corridor is a newer commercial corridor populated with commercial centers that are larger in scale than the other two corridors. While these properties may be considered "young", there has been a growing deterioration of the properties and a dated architectural look. This area also is host to a regional mall that was built in 1979-1980 and has shown an increasing vacancy rate.

This corridor consists of **<u>125 parcels</u>**. Ninety-nine percent (99%) is zoned commercial and equates to 321 acres.

These three corridors are included in the <u>City of Las Vegas Master Plan 2020</u> and incorporated in the Neighborhood Revitalization Area. The Neighborhood Revitalization Area foresees a strategy to address the decline of older, mature areas that are affected by a shift in land use base, has a significant decline in the economic base, and an increase in property crime, vandalism and graffiti.


GPA-43991
New Redevelopment
Area 2
Commercial (O, SC, GC)
Service Commercial
Office
Mixed Use (L, ML, M, H, O, SC, GC, PF)
Low Density Residential to Remain
Park/Recreation/Open Space
Public Facility
CHARLESTON CORRIDOR
SAHARA CORRIDOR
DECATUR CORRIDOR
City of Las Vegas

IDENTIFICATION OF BLIGHT WITHIN THE PROPOSED LAS VEGAS REDEVELOPMENT AREA

As previously mentioned, this Study describes, in **bold face headings**, each of the specific blight factors defined in state statutes. The interpretation of the statute appears in italics. Blighting factors in NRS 279.388 that are not addressed in this Blight Report, due to the fact that they do not exist, nor avail themselves to evaluation, are (j) Environmental contamination of buildings or property and (k) Existence of an abandoned mine. Finally, the applicable data that demonstrates the existence of blight and meets the specific factor under consideration is provided.

Unfit or Unsafe Buildings or Structures

A. The existence of buildings and structures, used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which are unfit or unsafe for those purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime because of one or more of the following factors (1-4).

This category of the law deals with the physical condition of buildings in a redevelopment area. It includes subcategories that describe specific indicators of blight: defective design and physical construction; faulty arrangement of interiors and spacing of buildings; overcrowding; inadequate provisions for ventilation, light, sanitation, open spaces and recreational facilities and age and obsolescence of structures.

Each of these categories is discussed separately, and in detail below.

Defective Design and Physical Construction

1) Defective design and character of physical construction.

Buildings of any type may suffer deterioration or disuse, or may contribute to such problems in other buildings, because of inherent defects in their design. Such buildings can present safety hazards, be functionally inefficient or facilitate their own deterioration. Defects may exist from the moment a given building is completed or they may evolve as occupants attempt to accommodate change in uses within the building or within surrounding buildings over time.

Conditions of defective design can occur in a variety of ways, and can include inappropriate exterior building materials, or a building that is of inadequate size for the intended use, or exterior retrofit of utilities, such as electrical and water systems. A faulty addition to a building can also be considered defective design.

To document the degree of dilapidation and where deterioration originates of the properties surveyed, field staff surveyed the conditions of only the exteriors of structures from the public right-of-way. Two points must be considered: 1) field staff can only examine and evaluate the most durable portions of the structure and property, i.e. the roof, exterior walls and windows and 2) the structure may be concealing any number of structural deficiencies, which may have a negative impact on the integrity or safety of the structure, but may not be visible from the public right-of-way. The presence of negative conditions that may be hidden by a more durable exterior means that conditions of deterioration may be more prevalent than indicated in this Blight Report.

Since the deterioration couldn't be directly traced to defective design the structures/parcels are listed in category 4 which covers dilapidation and deterioration. Regardless of the reason for deterioration, it is always a serious problem and has a profound impact on the likelihood of new investment and further deterioration.

Faulty Arrangement of Interiors and Spacing of Buildings

2) *Faulty arrangement of the interior and spacing of buildings*

   Indicators of faulty interior arrangement and spacing of buildings include inadequate setbacks and side yards resulting in fire hazards, inadequate loading, inadequate on-site parking areas, excessive lot coverage, and exposed outdoor storage and/or production.

Field surveys were conducted from public rights-of-way, and did not include an assessment of interior spaces. There were no available secondary data sources for this information.

The city of Las Vegas can be considered a relatively young municipality. For the most part, recent commercial developments are more likely to meet the required set backs for development purposes. Older commercial developments or structures that were once designated as residential units and are now a professional office or service business are an indicator of blight due to inadequate on-site parking, excessive lot coverage and problems with ingress and egress for customers and safety vehicles.

Instances of this issue were found in all three corridors. Twelve (12) parcels in Sahara, twenty-one (21) properties in Decatur, and 103 parcels in Charleston are zoned as Professional-Residential (P-R). These are former residential homes that have been converted into business/commercial property. In total these parcels account for 7.60 percent of the parcels and 4 percent of the acreage in the proposed new redevelopment area.

Some examples of outdoor storage, which weren't screened from view, were observed. These are identified by the existence of an outdoor storage unit or a fenced in area designated for storage. Exposed outdoor storage is a blight factor in itself, but it can also lead to additional health and safety problems and poses a potential fire hazard to nearby residents and property owners.

3) *Inadequate provision for ventilation, light, sanitation, open spaces and recreational facilities.*

   A typical indicator of inadequate ventilation and light includes building walls with windows placed too close together so that air and light cannot reach the windows. Open space and recreational facilities refers to parks and playgrounds which are inadequately maintained.

There were only a few examples of blight due to inadequate sanitation observed. It could not be determined if the condition was due to the business owner or a random act by a citizen(s). Often times, citizens will place debris or refuse in unlocked sanitation areas. This is a minor problem in all three corridors of the proposed new redevelopment area. Increased attention by business and property owners would minimize this blighting factor.

Age, Obsolescence and Deterioration and Dilapidation Mixed Character, Shifting of Uses

4) *Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses.*

   Age refers to buildings and structures of older construction that have not been renovated or upgraded to: eliminate deterioration; modernize heating, ventilation, plumbing or electrical systems; or remedy code or other legal violations or inadequacies. Obsolescence refers to an outdated building design and layout, or site plan that is no longer useful or economically viable given present-day standards or market needs. Such buildings may encourage marginal uses or become neglected and pose safety hazards.

   Dilapidation and deterioration are characteristics of buildings or structures.

   The terms "Mixed Character" and "Shifting of Uses" refer to a use in a building that was not intended for that building and, consequently, the building is usually poorly adapted and inefficient. This is considered a blighting characteristic because it can lead to incompatible uses, and increased deterioration if buildings are put to more rigorous use than originally intended.

Dilapidation and Deterioration

Ratings in this blight category are the product of first hand field observations. These observations occurred on various dates from March 2010 to October 2010.

The rating categories used in the field survey to assess conditions are generally defined as follows:

- Buildings or land rated as excellent or in good condition (**"0" or "1")** are in need of little or no maintenance; vacant parcels are well cared for and not overgrown with weeds or other debris.

- Buildings or land rated as deferred maintenance (**"2" or "3"**) need minor improvements such as paint or other exterior cosmetic repairs; vacant parcels need minor landscaping improvements.

- Buildings or land rated as needing moderate rehabilitation ("**4**") require a substantial amount of improvement such as a new roof, exterior siding, foundation repairs, etc.; vacant parcels are extensively overgrown and may exhibit topographical problems; and

- Buildings or land rated as needing extensive rehabilitation ("**5**") are abandoned or boarded up, very poorly maintained, have significant structural damage or need several major repairs. Vacant parcels are thoroughly overgrown with weeds, have substantial debris, have been used as a common dumping ground, exhibit foundations of demolished buildings, have severe topographical problems, etc.

Structures that were assigned a rating of "2", "3", "4" or "5" are considered to be in a state of dilapidation or deterioration. While a property may have been assessed a relatively low blight rating, such as a rating of "2", the conditions of the surrounding properties are also a factor in determining the level of blight within an area. Deteriorated buildings which have not been properly maintained by property owners and tenants are a hindrance to attracting new development to the area. Existing property owners and prospective developers are often discouraged from investing in an area where deterioration is prevalent, because security in their investment is uncertain. The presence of properties which exhibit signs of deterioration may also deter owners of neighboring properties from improving or even maintaining their properties. This occurs if it appears that any benefits which might accrue to their properties will be diminished or negated due to the condition of surrounding properties. This presents a risk of decreases in property values if deteriorated conditions are permitted to persist.

Dilapidated and Deteriorated

The overriding blight factor in all three corridors is evidence of dilapidation and deterioration. Of the total of 704 commercial parcels, staff evaluations rated 123 parcels/building as "4" or requiring moderate rehabilitation or substantial improvement, and 35 parcels/buildings as "5" requiring extensive rehabilitation. More importantly, staff evaluated 311 parcels/buildings as "2 or 3" requiring deferred maintenance/minor improvements. In short, 469 of the 638 parcels in the proposed new Redevelopment Area, or 66 percent, are judged to be deteriorated or dilapidated under this blight factor.

While a parcel/building that has what may be considered a lower blight rating, such as a "2 or 3", it is important to note that once a building or parcel becomes deteriorated and/or dilapidated, it is incumbent upon the property owner to address and undertake the necessary maintenance and improvements to keep the property from further decay. Given the current economic environment, many property owners are financially impacted and cannot make those continued investments in the property.

Table 1
Summary Condition of Buildings & Parcels in the Proposed New Redevelopment Area 2 (Commercial Parcels)

	Condition	No. of Parcels	Percent of all Parcels
0 or 1	Buildings or vacant land in excellent or good condition, minor landscape improvements needed.	235	33%
2 or 3	Deferred maintenance/minor improvements needed, vacant land slightly overgrown	311	44%
4	Moderate rehabilitation/substantial improvements needed, vacant land severely overgrown	123	17%
5	Extensive rehabilitation/structural damage/major repairs/abandoned, vacant land thoroughly overgrown, demolished foundations, debris	35	5%
	TOTAL	**704**	**100%**

Total Dilapidated & Deteriorated (2 – 5) 66%

B. **Economic Dislocation, Deterioration or Disuse**

An economic dislocation, deterioration, or disuse resulting from faulty planning. Evidence of faulty planning results from buildings containing uses, which are incompatible with adjacent uses.

Incompatible uses observed in the three corridors could be characterized by the mix of businesses which are near residential parcels. Some parcels located in the proposed new redevelopment area back up to single-family homes and multi-family apartments. The majority of those parcels were located in mature areas of the business/commercial center. This blighting characteristic is not a major factor in the proposed new redevelopment area.

C. Lots of Irregular or Inadequate Shape or Size

The subdivision and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.

The economic viability of an area is reduced when it contains a number of lots of inadequate size for usefulness and development. This situation is commonly the result of historical subdivision and development patterns, as well as shifting economic trends in commercial sectors (e.g. shifts in the demand for goods and services). Adequate parcel size and dimension are necessary if land is to be effectively utilized. Certain minimum lot sizes are required not only for code compliance, but also to make development and redevelopment attractive to investors. Parcels must be large enough to accommodate the primary structure, setback area, circulation, and parking space. Parcels not able to meet these conditions may require that potential investors acquire adjacent properties (which may not be for sale) or forego rehabilitation or development of a property in lieu of an attractive site of adequate size and dimensions. Section 279.388 of the NRS considers the "subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development" a characteristic of a blighted area.

New and recently built commercial development tends to be designed in an appropriate manner which does not impact potential investment in the surrounding properties. It is only when you look at the older, more mature commercial development that this blighting characteristic has a role in impacting future investment in a property. For example, the parcels in the Charleston corridor that are zoned as Professional-Residential (P-R) may have a typical single-family lot shape, but when you have multiple parcels designated as P-R along a commercial corridor, then investment in the area will be negatively impacted. The Charleston corridor has 103 parcels designated as P-R. The Sahara corridor has 12 and Decatur corridor has 21 parcels designated as P-R.

D. Disregard to Contours or Physical Conditions

The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions. This blighting characteristic refers to the presence of parcels that, because of their layout, create problems with, or do not take advantage of, opportunities presented by the topography of an area.

No examples of parcels with contour or physical condition problems in the proposed new Redevelopment Area were found.

E. Inadequate Streets or Physical Conditions

The existence of inadequate, deteriorating, rutted streets, open space and utilities. Section 279.388 of the NRS states a blighted area may also be characterized by the existence of inadequate public streets, open space or utilities. Inadequate streets are defined as those that lack the capacity to carry the existing or anticipated vehicular traffic, or provide inadequate access to an area. Inadequate open space refers to a lack of sufficient parks and recreation areas. Inadequate utilities means that an area lacks or is poorly served with electricity, gas, telephone or other services necessary for successful development.

The majority of the commercial parcels in the proposed new Redevelopment Area are mostly along the major commercial corridors of Sahara, Charleston and Decatur. There was some deterioration of curbs, sidewalks, gutters and streets in all three corridors, but most of the parcels are the responsibility of the city and are on a regular schedule for maintenance and repair.

Field observations throughout the three commercial corridors showed that this blighting condition has no impact for the proposed new Redevelopment Area.

F. Possible submerging

The existence of lots or other areas which may be submerged. Areas which are flood prone or in a flood plain can be considered as possible submerging candidates.

The Clark County Regional Flood Control District's interactive website for determining if an area is within a 100 Year Flood Zone shows that the proposed new Redevelopment Area will not be impacted. No parcels were found to be a blighting influence due to potential flood problems.

G. Depreciated or Deteriorating Values

Prevalence of depreciated values, impaired investments and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered. Conditions where assessed values have been declining or failing to keep pace with those in other comparable locations indicates a lack of investment by existing property owners and outside investors.

To assess the depreciated or deteriorating values of the parcels in the three corridors, staff examined whether or not an area's housing stock is keeping pace with the overall performance of the City. Information was obtained from the 2000 Census and the 2005-2009 American Community Survey (ACS). When these figures are compared with the housing figures for the zip codes of the new Redevelopment Area (89102, 89106 and 89107) a determination whether housing figures are maintaining pace can be evaluated.

Apartment contract rent figures provide us with the overall monthly contract rent for the City of Las Vegas and the zip codes of the proposed new Redevelopment Area. From the 2000 Census to the 2005-2009 ACS, we find that the city's contract rent increased from $632 to $841, a 33percent increase. The contract rent for 89102 was $564 to $701, a 24 percent increase. Contract rent for 89106 was $496 to $642, a 29 percent increase. Contract rent for 89107 was $618 to $781, a 26 percent increase. Additionally we can compare the respective zip code's contract rent with the city's contract rent and see that from 2000 Census to the 2005-2009 ACS that each zip code represented a decline of the city's average contract rent. In 2000, 89102's contract rent represented 89 percent, and fell to 83 percent; 89106's contract rent represented 78 percent and fell to 76 percent; and 89107 represented 98 percent and fell to 93 percent.

The decline clearly demonstrates deterioration in the value of the multi-family housing stock in the proposed new Redevelopment Area. A failure to keep pace with the market is an indication of impaired investment and economic maladjustment throughout the study area.

As for economic maladjustment, median household (HH) income is used. Data from the 2009 through 2011 Las Vegas Perspective was used to make a determination of the level of economic maladjustment. The Perspective provides statistical information on 121 zip codes in Clark County. Median HH incomes in areas 89102, 89106, and 89107 in 2009 were $36,116, $33,305, and $46,535; for 2010 - $35,882, $33,357, and $46,398; and for 2011 - $36,715, $35,028, and $47,142. The city's median HH income in 2009 was $58,148 and for 2010 $58,432.

When you look at the 2000 Census data and the 2005-2009 ACS data for the median HH income, you will find that the 89102, 89106, and 89107 zip codes had a decrease in the percentage of the citywide median HH income. In 2000, 89102, 89106, and 89107 represented 73 percent, 63 percent, and 92 percent respectively. In the 2005-2009 ACS data, these three zip codes represented just 68 percent, 56 percent, and 88 percent of the citywide median HH income. This shows that there has been significant economic maladjustment in the proposed new Redevelopment Area.

To assess social maladjustment, we will look at crime statistics and educational levels for the three zip codes that encompass the proposed new Redevelopment Area. From an educational perspective, the national percentage of the population having attained a Bachelor's degree is 17.4 percent (ACS Summary – Census). The percentage for 89102, 89106, and 89107 are 8 percent, 6 percent, and 7.5 percent respectively.

When comparing crime statistics to the national median violent crime index of 4.5, obtained from NeighborhoodScout.com, you will see that 89102, 89106 & 89107 are much higher than the national median, the state's median (7.52) and the Las Vegas MSA (23.85). For violent crimes, the rate ranged from 13.94 to 42.86 in those three zip codes. For property crimes, the national median was 32.1, state median was 35.77, Las Vegas MSA median was 95.49, and the range for the three zip codes was 37.96 to 145.79.

Together, these two indicators demonstrate a significant economic maladjustment from the national levels of crime and education. This results in an area which exhibits the type of social maladjustment which is characteristic of a blighted community.

The proposed new Redevelopment Area suffers from depreciated property values, social and economic maladjustment. Every parcel being considered within the proposed new Redevelopment Area is blighted due to depreciating/deteriorating property values and social and economic maladjustment.

H. <u>Growing, or Total Lack of, Proper Utilization</u>

Growing or total lack of proper utilization of some parts of the area, resulting in a stagnant and unproductive condition of land which is potentially useful and valuable for contributing to the public health, safety and welfare.

This factor refers to the existence of one or more conditions (such as declining or slowly growing property values, or vacant land dispersed among developing properties) that indicate the economic health of an area is declining or stagnating, and that by themselves, or in combination with other physical and social conditions, prevent the private marketplace from economically using, maintaining, upgrading, developing or redeveloping the area.

This blighting characteristic was evaluated in relation to other blighting characteristics, such as the age, obsolescence, deterioration and dilapidation, mixed character; faulty arrangement of the interior and spacing of buildings; lots of irregular form, shape and inadequate size for proper usefulness and development; and economic and social maladjustment. Vacant properties, property zoned as Professional-Residence (P-R) and the overall economic viability of a property/parcel contribute to meeting blighting conditions and preventing private development to make an investment in the proposed new Redevelopment Area.

It is important to emphasize that while the numbers of parcels appear nominal, they have a major impact on the entire neighborhood. More importantly, they provide a dramatic indicator to the private sector that the risk of investing in these areas is likely to be much greater than others. In fact, since Las Vegas was one of the fastest growing cities in the country and the opportunities for the developer were so numerous, the likelihood of them investing in neighborhoods with the risk associated with underutilized property is extremely tenuous.

I. Loss of Population or Use

Loss of population and a reduction of proper use of some parts of the area, resulting in further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

The 2000 Census and the 2010 Census Summary provided statistics on population. The three zip codes included within the proposed new Redevelopment Area are 89102, 89106 and 89107. These zip codes were compared to the entire City of Las Vegas to provide perspective on population loss or stagnation.

This comparison proved extremely revealing demonstrating an overall stagnation within the proposed new Redevelopment Area. Between 2000 and 2010 the City of Las Vegas' population increased by 102,900 or 21% or 1.96% on an Annual Rate. In contrast, 89102 showed a **decrease** of **4%,** or a **-.46%** Annual Rate. 89106 showed a small **increase** of **.5%**, or a **.05%** Annual Rate. 89107 also had a minimal **increase** of **1%**, or a **.13%** Annual Rate. These anemic numbers, when contrasted to a City whose population increases make it one of the fastest growing cities in the country during this period, definitely indicates stagnation and decline. Couple these population figures with the other measures of deterioration previously reported verifies that the proposed new Redevelopment Area demonstrate a profound reduction in proper use of the Area and added costs to the taxpayer.

Summary

Of the 12 blight categories profiled, blight was identified in seven of them. Naturally the extent of this blight is more pervasive in some categories than others. Also, the magnitude of blight varies from Corridor to Corridor depending on the category. It is important to recognize that blight, even in minor numbers, has a substantial impact on deterioration of the entire area and a reluctance on the part of the private sector to contemplate new investment.

CONCLUSION

TABLE 2 provides a summary of the blight observed in the proposed Redevelopment Area. It is apparent that 100 percent of the parcels in the proposed Redevelopment Area are blighted in two categories. Similarly, a majority of all **704** parcels are considered dilapidated or deteriorated. This blight category is especially critical because deterioration of this nature has a tendency to spread to solidly maintained parcels quickly in challenging economic conditions.

In the last analysis, it has been clearly demonstrated that all parcels are blighted in some aspect and are further threatened by other parcels which are severely blighted. In short, it is apparent that the classic characteristics of blight delineated in NRS 279 are readily evident to the extent that they are detrimental to the public health, safety and welfare. These conditions exist in all three corridors of the proposed new Redevelopment Area to an extent where they predominate and may have injuriously affect to the entire proposed new Redevelopment Area.

TABLE 2

SUMMARY OF BLIGHT CONDITIONS
(704 Total Commercial Parcels)

Blight Factor	Blighted Parcels	Percent Blighted
A-1) Defective design* INCORPORATED IN A-4 BELOW	0	0%
A-2) Faulty arrangement & spacing of buildings	136	19%
A-3) Inadequate ventilation, light, sanitation, open spaces, and recreations facilities	0	0%
A-4) Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses	375	53%
B) Economic dislocation, deterioration or disuse	42	6%
C) Lots of irregular form, shape or size	45	6%
D) Lots in disregard to contours or other physical characteristics	0	0%
E) Inadequate streets, open spaces and utilities	0	0%
F) Lots which may be submerged	0	0%
G) Depreciated values, impaired investments, and social & economic maladjustment	704	100%
H) Stagnant and unproductive condition of land	61	8%
I) Loss of population resulting in further deterioration and added costs to the taxpayer	704	100%

RESIDENTIAL AREAS – Observations and Evaluation

There are three neighborhoods that are proposed for the new Redevelopment Area – Richfield Village; Las Verdes Heights; and Hyde Park Subdivision. Staff walked each neighborhood and noted the blighting conditions. Below is a summary of the findings.

There is obviously some ongoing reinvestment by some property owners. There is a visible on-going standard of maintenance and clear indications of pride of ownership on each block. The well manicured traditional lawns and landscaping, decorative fencing and patios are well planned, arranged and furnished as attractive outdoor rooms for entertaining, family and friends.

In contrast to those homeowners there are a substantial number of homes that exhibit deferred maintenance such as:

- Housing façades with bare wood components, gables ends, fascias, and trim that have years of peeling paint
- Buildings in general need of painting
- Variety of expedient, temporary patches on buildings
- Damaged roofs missing substantial shingles or other roofing material
- Roofs in need of major repair and or replacement
- Fascias and cornices deteriorated and separating from wall and /or roof systems
- Masonry repairs performed by non-qualified tradesmen, on walls, steps, porches, property fencing
- Dangerous masonry repairs that are not stable for the original purpose designed
- Wooden fences sagging, falling and fallen
- Old construction materials stored in yards or against the building
- Dead landscaping, dead trees, falling limbs left where they fell
- High weeds as fire hazard
- Front yards filled with concrete
- Front yards, side lots and ROW used for storage for vehicles, working and non-working- stored cars, trucks, boats, trailers, RV's and other debris
- Windows and doors with taped glass paned, or missing windows
- Hanging doors, not hung, appear to be non-functional
- Burned-out structures, partial and not occupied, left open to trespass; not posted or any indications of insurance repair or building permits, others having evidence of "intermittent owner repair"

Given the number of homes that exhibit the blighting conditions above, it can be determined that the neighborhoods have deteriorated to a point where private investment is no longer looking to invest in these neighborhoods. Programs and financial resources will need to be developed to address blight and disinvestment in the neighborhoods.

Photographic Examples of Blighting Conditions


24-HOUR MIXOLOGY BAR & GRILL
03.23.2010


03.23.2010


03.23.2010


04.14.2010


04.01.2010


04.01.2010


04.01.2010


04.02.2010


04.02.2010


04.02.2010


04.14.2010


04.14.2010


4021
04.09.2010


03.23.2010


03.23.2010


FOR SALE
03.25.2010


03.23.2010


03.23.2010


Challenger Lifts
Challenger Lifts
04.07.2010


04.07.2010


DODGE
NEVADA
500-JMD
04.14.2010


DO NOT
ENTER
04.15.2010


05.04.2010


CLEAR
05.04.2010


AVAILABLE 363-4788
AVAILABLE 363-4788
AVAILABLE 363-4788
22
21
20
19
10.06.2010


10.06.2010


04.27.2010


CONTACT LENSES
04.01.2010


04.02.2010


05.03.2010

Photographic Examples of Residential Blighting Conditions


05.18.2010


05.18.2010


04.14.2010


04.14.2010


04.14.2010


04.14.2010


04.14.2010

PEER REVIEW REPORT

BLIGHT STUDY

CITY OF LAS VEGAS REDEVELOPMENT AREA 2

April 14, 2012

Prepared by Larry Bender,

Bender & Associates

Assignment

The Scope of Work for this Peer Review required an evaluation of the City of Las Vegas' Blight Study. To adhere to state statutes, a Blight Study is required whenever a local municipality decides to create a new redevelopment area. The Peer Review was designed to assess the Blight Study's strengths, weaknesses, and potential deficiencies and to summarize them in a written report. To meet this requirement the Peer Review report was divided into four sections. The first section evaluates the strengths of the Blight Study's written narrative, while the second assesses its weaknesses. The third section provides a field review and evaluation of all the parcels intended to be included in the new redevelopment area. This field review is divided into three sections which correspond to the three corridors delineated in the Blight Study, i.e. Charleston, Decatur and Sahara. The final section provides a comprehensive list of the salient conclusions resulting from the Peer Review evaluation and assessment.

Strengths of the Blight Study Narrative

The Blight Study follows the established template used throughout the State of Nevada (Clark County, North Las Vegas, Boulder City, Ely, etc.) to create a redevelopment area. This format begins by listing the twelve factors which constitute blight as defined by NRS 279.388. This definition is provided both in the specific language of the law and the common sense explanations of the various blight factors. The Blight Study then proceeds to focus on each individual factor and documents how each parcel does, or does not, qualify as blighted under each of the twelve categories. Next, a total of how many parcels, and the percentage in each of the twelve categories which qualifiy as blighted, is provided. Finally, the individual categories are added to provide an overall total number of parcels and percentage of blight in the entire proposed redevelopment area.

In reviewing Las Vegas' Blight Study it became apparent that its parcel by parcel documentation of blight for the proposed area is second to none and one of the Study's major strengths. Both the photographic record of blight and the first hand observations of each parcel, demonstrate an exhaustive effort to make a sound judgment regarding the extent of blight. The importance of this comprehensive approach cannot be overstated as some aspects of blight, especially the difference between deferred maintenance, and deterioration and dilapidation, can often be very subjective.

The documentation and discussion of the two blight factors known as economic maladjustment/dislocation and loss of population is also a strength of the Blight Study. It is no surprise that when specific elements of these two blight factors (such as declining property values or increases in crime) are considered, 100% of the parcels are impacted. If anything, given the severe economic recession of the past four years, the surprise is that the Blight

Study's demonstration of economic maladjustment and loss of population isn't even more compelling.

The Blight Study's discussion of the extent of the blight factor called dilapidation and deterioration is also exceptional. This blight factor is often the most difficult to quantify since the difference between minor deferred maintenance (which does not legally constitute blight), and deterioration and dilapidation (which does) is often extremely subjective. Yet, while deferred maintenance can sometimes be a temporary and minor problem, it can also quickly escalate to the more serious deterioration or dilapidation category. Once it escalates, it can rapidly impact an entire neighborhood (often triggering other blight factors such as economic maladjustment and loss of population) even affecting those parcels which previously had no blight. The Blight Study provides an evaluation of each parcel listing the magnitude of their dilapidation and deterioration through an excellent rating system summarized in Table 1. Ultimately this is the precise reason municipalities create redevelopment areas – to address commercial and/or residential deferred maintenance before it can evolve into widespread deterioration.

Weaknesses of the Blight Study Narrative

The Blight Study correctly indicates that the proposed new redevelopment area exhibits examples of the blight factors " faulty spacing of buildings" and "lots of irregular shape and inadequate size". This blight factor is serious because commercial lots of small size and limited depth may often remain economically viable only if they are able to expand. This expansion is critical since businesses located on cramped lots are invariably hampered by difficult and/or awkward ingress, egress and parking. Yet, the assemblage of nearby parcels, which is often crucial to a small businesses' economic survival, may not be possible. This assemblage is often prevented due to the unwillingness of adjacent property owners to sell their property, or zoning laws which prohibit commercial expansion into residential neighborhoods. These blight factors are particularly acute in the Charleston corridor from Valley View to Jones and in the Decatur corridor from Alta to Charleston. While the Blight Study recognizes this problem, it doesn't stress how significant a blight factor this is to a considerable portion of the proposed new redevelopment area, most notably in the Charleston and Decatur corridors.

The second weakness of the Study occurs in the description of the West Charleston Boulevard Corridor. This description lists the total number of parcels as 1,008 in one location and 983 in another.

The section of the Blight Study entitled "Residential Areas – Observations and Evaluation" provides a detailed description of the deferred maintenance, rehabilitation and repair problems of individual residential properties. However, while admittedly subjective, this Peer evaluation did not consider the extent of these problems to be nearly as serious as indicated in the Blight Study. It would also have been helpful if some of the residential streets which the Blight Study considered most blighted were listed by name.

Finally, Table 2, entitled "Summary of Blight Conditions," lists all twelve blight factors and the number of parcels and percentage which qualify under each category. This table is the most critical in the entire Blight Study and is extremely important in documenting the blight in the proposed area. However, Table 2 only includes the commercial parcels. The table would be vastly improved if the residential parcels were summarized as well.

Field Survey

The Peer Review field survey was designed to independently evaluate the incidence of blight listed in the Blight Study to verify it was of the magnitude and severity that warranted placing its parcels within the proposed new redevelopment area. While admittedly somewhat subjective, this assessment was undertaken by an evaluator who has had in excess of 27 years experience in the field of redevelopment throughout the State of Nevada.

Field Survey Evaluation - Charleston Corridor

Interstate 15 to Valley View - This section contains relatively well maintained office uses near UMC interspersed with buildings exhibiting deferred maintenance. Deferred maintenance and deterioration progresses as you move west from UMC and its adjacent medical neighborhood.

Valley View to Decatur - Many small single story service oriented and retail conversions line both sides of the street in this area. Blight is a significant issue, both from deferred maintenance (particularly on commercial facades) to the small lot sizes previously described as being blighted due to spacing of buildings, lots of irregular form and shape, and economic maladjustment.

Decatur to Rainbow – Similar one story commercial businesses and neighborhood shopping centers with substantial vacancies predominant in this sector. Small businesses with constrained lots result in the same ingress, egress and parking problems, as well as difficulty in expansion and assemblage, experienced in the Valley View to Decatur sector. Significant deferred maintenance exists in this area.

Overall all the parcels in this corridor warrant inclusion in the proposed redevelopment area.

Field Survey Evaluation – Decatur Corridor

U.S. 95 to Charleston – Small and large commercial retail centers integrated with single story service-oriented businesses, numerous franchise restaurants and one hotel casino are located in this area. The blight factors of small lot size and limited depth again result in blight factors of faulty spacing, economic dislocation and inadequate size and shape. Deferred maintenance and deterioration and numerous vacant businesses exist. Most notable is the vacant former Centel telephone headquarters office building.

Charleston to Sahara – Numerous, small, one story service-oriented and retail uses predominate in this area. Significant deferred maintenance and deterioration exists throughout this section.

Hyde Park Residential Neighborhood – Moderate deferred maintenance and deterioration is located in this low to moderate income neighborhood, most noticeably east of Esseks Park.

All of the commercial parcels along the Decatur corridor merit inclusion in the proposed redevelopment area. However, the relatively well maintained Hyde Park neighborhood, with no indication of a need for street or sidewalk improvements, makes it a marginal candidate for inclusion in the proposed redevelopment area.

Field Survey Evaluation – Sahara Corridor

Interstate 15 to Valley View – Small scale strip commercial development on both sides of the street exhibits substantial deferred maintenance and deterioration most likely due to the severe economic recession of the past four years. A once thriving shopping center on the northeast corner of Sahara and Decatur is now riddled with vacancies.

Valley View to Decatur – Numerous vacant businesses, particularly in neighborhood shopping centers and automobile dealerships are the most notable feature of this sector. Significant deferred maintenance and deterioration, especially on building facades, is evident.

Decatur to Rainbow – Some deferred maintenance and deterioration exists in this section, but most businesses appear to have successfully weathered Las Vegas' recession. Some examples of this prosperity are the Las Vegas Athletic Club, Clark County School District headquarters building and Sammy's Woodfired Pizza. Apparently thriving auto dealerships are Desert Nissan, Mini Cooper, Rolls Royce, Bentley, and Lexus.

This lack of blight renders the section of Sahara from Decatur to Rainbow Boulevard an unlikely candidate for inclusion in the proposed redevelopment area.

Richfield Residential Neighborhood – Moderate deferred maintenance and limited deterioration, with the exception of Palm Springs Way, is the general impression of this neighborhood. The homes in this neighborhood are lower middle to moderate income and generally well maintained. **This neighborhood does not warrant inclusion in the proposed redevelopment area.**

Las Verdes Heights – These low to moderate income homes exhibit moderate deferred maintenance and limited deterioration with a few vacancies, but are generally well maintained. **This neighborhood should also not be a candidate for inclusion in the proposed redevelopment area.**

Conclusions

The Peer evaluation of the Las Vegas Blight Study for the proposed Redevelopment Area 2 results in the following ten overriding conclusions:

1. This Blight Study satisfies State legal requirements since seven of the twelve blight categories exhibit some level of blight.
2. This Blight Study is extremely well documented, particularly the visual which effectively provides an extensive photographic record of some of the most blighted parcels
3. All the parcels in the proposed redevelopment area suffer from the two blight factors entitled loss of population and economic maladjustment/dislocation.
4. Many of the small businesses along Charleston and Decatur Boulevards are severely impacted from the two blight factors entitled inadequate shape and size and faulty spacing of buildings.
5. The entire Charleston Boulevard Corridor from Interstate 15 to Rainbow Boulevard merits inclusion in the proposed redevelopment area.
6. The entire Decatur Boulevard Corridor from U.S. 95 to Sahara Avenue merits inclusion in the proposed redevelopment area.
7. The Sahara Avenue Corridor from Interstate 15 to Decatur warrants inclusion in the proposed redevelopment area. The section from Decatur to Rainbow should not be a candidate for inclusion in the proposed redevelopment area.
8. The Hyde Park residential neighborhood exhibits limited to moderate deferred maintenance and deterioration. It is considered a marginal candidate for inclusion in the proposed redevelopment area.
9. The Richfield residential neighborhood is generally well maintained with limited deferred maintenance. It should not be a candidate for inclusion in the proposed redevelopment area.
10. The Las Verdes residential neighborhood is generally well maintained with limited deferred maintenance. It should not be a candidate for inclusion in the proposed redevelopment area.

ADDENDUM TO THE BLIGHT STUDY

CITY OF LAS VEGAS REDEVELOPMENT AREA 2

May 15, 2012

A Peer Review (dated April 14, 2012) of the Blight Study was undertaken by a third-party, Bender & Associates. The evaluation of the Blight Study was conducted by the third-party to assess the strengths, weaknesses, and potential deficiencies of the Blight Study.

The third-party review concluded that the following areas should be removed from the proposed Redevelopment Area 2:

1. Sahara Avenue Corridor – The section from Decatur Boulevard to Rainbow Boulevard should not be included.
2. Hyde Park Residential Neighborhood – This neighborhood is a marginal candidate for inclusion, as such, it should not be included.
3. Las Verdes Residential Neighborhood - This neighborhood is a marginal candidate for inclusion, as such, it should not be included.
4. Richfield Residential Neighborhood - This neighborhood is a marginal candidate for inclusion, as such, it should not be included.

Staff concurs with the third-party review regarding items 1 through 3 above. Below, you will find the staff reassessment of item 4 (Richfield Residential Neighborhood) and additional information which details why Richfield should be included in the proposed Redevelopment Area 2.

The portion of the Richfield Residential Neighborhood (Richfield) being considered for inclusion in Redevelopment Area 2 consists of 123 single-family homes. In 2006 and 2007, Southern NV Rental Holdings LLC, purchased 113 out of 123 homes (92%) in Richfield and is bounded to the east and south by properties that are zoned Industrial and Commercial. Purchasing these properties would enable the property owner to do the following:

A. Continue the assemblage of a large contiguous area to be developed into a large mixed-use commercial and residential project.
B. Consolidate properties which are adjacent to the current Downtown Redevelopment Area.

Out of the 113 homes, Southern NV Rental Holdings LLC is currently renting out 68 homes, amounting to 60 percent (60%) of the residential units. Forty percent (40%) of the units, 45 in total, are vacant. Out of these 45 units, one-third of the units (15 units) are considered by the property-owner to be uninhabitable. These 15 units would require a significant rehabilitation investment to make them habitable.

The map below shows the shaded area is approximately 80 acres and is zoned commercial, industrial and residential. The Richfield area (shaded yellow) amounts to approximately 18 acres, or twenty-three percent (23%) of the land assemblage. The light blue shaded area, adjacent to the north and east of Richfield, is to be included in Redevelopment Area 2 and the shaded area with red hash lines is located in the current downtown redevelopment area.

Since the time the property owner acquired the residential property for purposes of creating a large scale mixed use project, the economic environment has stalled the project. During this time, the property owner decided to rent out residential units located in Richfield and also to maintain the properties to a minimum level to ensure that the properties and surrounding neighborhood do not fall into further decline.

Richfield, is impacted by the following blighting conditions as detailed on page 2 of the Blight Study:

A-4) Age, Obsolescence and Deterioration and Dilapidation Mixed Character, Shifting of Uses

The Richfield Residential Neighborhood, while still residential, will become part of a large mixed-use project in the future. This shift in the use and character of Richfield will increase the probability that vacancies will increase, population will decrease, and resulting in the existing residential units being marginally maintained and open to potential vandalism.

G) Depreciated or Deteriorating Values

Richfield Residential Neighborhood suffers from the same conditions and analysis for this blight factor, as written in the Blight Study on pages 13-15. Every property in Richfield is blighted due to depreciating/deteriorating property values and social and economic maladjustment.

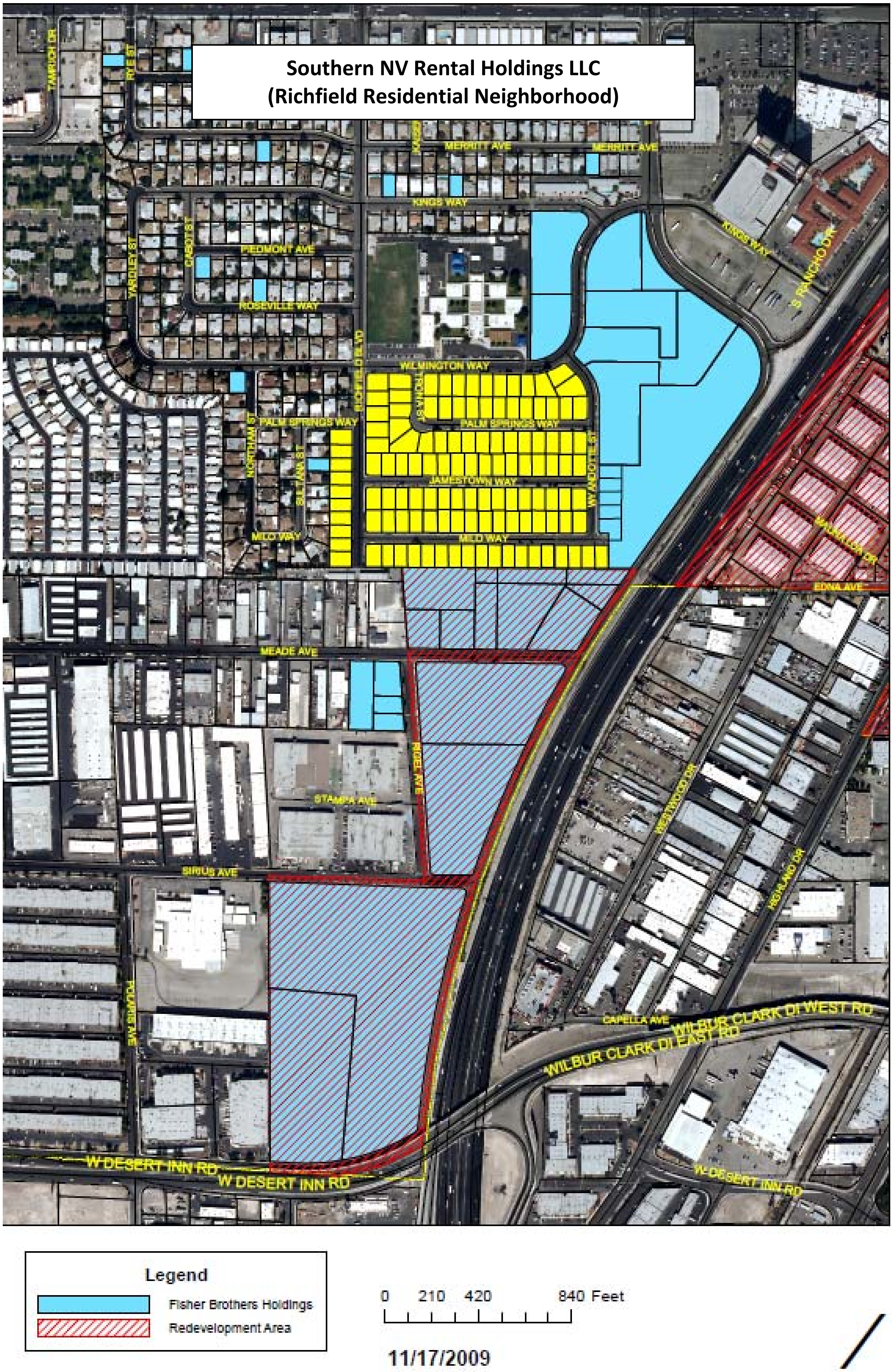
H) Growing, or Total Lack of, Proper Utilization

Given the fact that a single property owner has purchased ninety-two percent (92%) of the property for their land assemblage, Richfield can now be considered blighted due to the fact that the property is part of a large-scale mixed use project in the future. Keeping these residential properties "as-is", does not provide a reason to continue investing in the immediate area. Private development involvement in the project would not be readily available to the project developer.

I) Loss of Population or Use

Richfield Residential Neighborhood suffers from the same conditions and analysis for this blight factor, as written in the Blight Study on page 16. Secondarily, this blight factor can be weighted higher due to the high vacancy rate of forty percent (40%) for the neighborhood. Potential residents know that Richfield is part of a larger project and will be unlikely to rent any available home.

Summary - Given the above blighting factors, Richfield Residential Neighborhood qualifies for inclusion into the proposed Redevelopment Area 2.


Southern NV Rental Holdings LLC
(Richfield Residential Neighborhood)
MERRITT AVE
KINGS WAY
PIEDMONT AVE
ROSEVILLE WAY
WILMINGTON WAY
PALM SPRINGS WAY
JAMESTOWN WAY
MILO WAY
EDNA AVE
MEADE AVE
RIGEL AVE
STAMPA AVE
SIRIUS AVE
CAPELLA AVE
WILBUR CLARK DI WEST RD
WILBUR CLARK DI EAST RD
W DESERT INN RD
S RANCHO DR
Legend
Fisher Brothers Holdings
Redevelopment Area
0 210 420 840 Feet
11/17/2009

Agency Analysis of the Preliminary Plan

Section 279.528 of the NRS requires an analysis of the Preliminary Plan contained in this Report to City Council. The City of Las Vegas Planning Commission approved the Preliminary Plan on March 13, 2012. The Preliminary Plan describes the boundaries of the Redevelopment Area, contains general statements of land uses, layout of principal streets, population densities, and building intensities and building standards proposed as the basis for the redevelopment of the proposed Redevelopment Area. The Preliminary Plan also shows how the purposes of NRS 279.382 – 279.685 would be attained through the redevelopment of the area. Most importantly, the Preliminary Plan was designed to be in conformance with the City of Las Vegas Master Plan. On April 18, 2012, 2004 the City of Las Vegas City Council confirmed that the Preliminary Plan conforms to its Master Plan.

The proposed City of Las Vegas Redevelopment Plan conforms to the standards and provisions of the Preliminary Plan. The Redevelopment Plan includes the same layout of the principal streets as indicated in the Preliminary Plan. The Redevelopment Plan proposes the same types of land uses that are allowed under the City of Las Vegas Master Plan.

Building intensities in the Redevelopment Plan are in compliance with limits established in the City of Las Vegas's Master Plan and the Preliminary Plan. Permitted uses are governed by City of Las Vegas zoning regulations. Utility construction is governed by existing City of Las Vegas regulations. Proposed building standards are governed by existing City of Las Vegas regulations.

As set forth in the Preliminary Plan, the redevelopment of the Redevelopment Area will attain the purposes of NRS 279.382 – 297.685 through:

1) Efforts to eliminate areas of suffering from economic dislocation and disuse;
2) The replanning, redesign and/or redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise acting alone without public participation and assistance;
3) Upgrading and expanding roads and utilities to accommodate new development.
4) Efforts to redevelop parcels which are suffering from impaired investment and economic maladjustment; and
5) Protecting and promoting sound development and redevelopment of blighted areas and the general welfare of citizens of the City of Las Vegas by remedying injurious conditions through the employment of appropriate means.

City of Las Vegas

AGENDA MEMO - PLANNING

PLANNING COMMISSION MEETING DATE: JUNE 12, 2012
DEPARTMENT: PLANNING
ITEM DESCRIPTION: APPLICANT/OWNER: CITY OF LAS VEGAS REDEVELOPMENT AGENCY

** STAFF RECOMMENDATION(S) **

CASE NUMBER	*RECOMMENDATION*	*REQUIRED FOR APPROVAL*
DIR-45073	Staff recommends APPROVAL.	

** STAFF REPORT **

PROJECT DESCRIPTION

The applicant is requesting to establish a new redevelopment area (Redevelopment Area 2) within the City of Las Vegas, consisting of noncontiguous parcels generally located along Charleston Boulevard, Sahara Avenue and Decatur Boulevard. The area is being created to slow and prevent blight in the proposed areas.

Pursuant to state law, the applicant filed and the City Council approved a Preliminary Plan establishing the boundaries of the new redevelopment area. This action, if approved, would adopt a final plan containing regulations, recommendations for revitalization and methods of financing redevelopment.

As the Final Plan addresses the required NRS elements for submittal of a redevelopment plan to the City Council, staff recommends approval.

BACKGROUND INFORMATION

Related Relevant City Actions by P&D, Fire, Bldg., etc	
04/18/12	The City Council approved a General Plan Amendment (GPA-43991) to establish Redevelopment Area 2 and change the future land use designation on various parcels with the redevelopment area to C (Commercial) or MXU (Mixed Use). The Planning Commission and staff recommended approval.
	The City Council approved the Preliminary Plan for Redevelopment Area 2 (DIR-44582). The Planning Commission and staff recommended approval.
05/08/12	The Planning Commission voted to hold this item in abeyance to the 06/12/12 PC meeting.

ANALYSIS

Having met the prerequisites for establishment of a new redevelopment area and gaining approval of a preliminary plan for redevelopment, revitalization and rehabilitation of Area 2, the applicant is further required by NRS 279 to submit a final plan addressing the following:

1. The amount of open space to be provided and the layout of streets;
2. Limitations on type, size, height, number and proposed use of buildings;
3. The approximate number of dwelling units;
4. The property to be devoted to public purposes and the nature of those purposes;
5. Other covenants, conditions and restrictions which the legislative body prescribes; and
6. The proposed method of financing the redevelopment plan in sufficient detail so that the legislative body may determine the economic feasibility of the plan.

The Final Plan contains the plan text detailing the above requirements, a blight study documenting areas of deterioration, a map showing the boundaries of Redevelopment Area 2 and a legal description of the parcels contained therein.

FINDINGS (DIR-45073)

The Final Plan addresses the required NRS elements for submittal of a redevelopment plan to the City Council. Therefore, staff recommends approval.

NOTICES MAILED	NEWSPAPER ONLY
APPROVALS	0
PROTESTS	0