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DOWNTOWN LAS VEGAS

City of Las Vegas Redevelopment Agency
Council Chambers • 400 East Stewart Avenue
Phone - 229-6011 [Voice] 386-9108 [TDD]

MINUTES

Meeting of
JULY 12, 1999
10:00 A.M.

(Following the morning session of the City Council Meeting)

Called To Order: 3:57 P.M.
Adjourned: 4:08 P.M.

REDEVELOPMENT AGENCY	PRESENT	ABSENT	EXCUSED
CHAIRMAN OSCAR B. GOODMAN	X		
MEMBER MICHAEL J. McDONALD - VICE-CHAIRMAN	X		
MEMBER GARY REESE	X		
MEMBER LARRY BROWN	X		
MEMBER LYNETTE BOGGS McDONALD	X		
VIRGINIA VALENTINE, EXECUTIVE DIRECTOR	X		
BRADFORD R. JERBIC, CITY ATTORNEY	X		
BARBARA JO RONEMUS, SECRETARY	X		

APPROVED BY REFERENCE: August 4, 1999

ATTEST:

SECRETARY

CHAIRMAN

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DOWNTOWN LAS VEGAS

City of Las Vegas Redevelopment Agency
COUNCIL CHAMBERS • 400 EAST STEWART AVENUE
CITY OF LAS VEGAS INTERNET ADDRESS: http://www.cl.las-vegas.nv.us
PHONE 229-6100

AGENDA

July 12, 1999

10:00 A.M.

(Following Morning Session of City Council Meeting)

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR ACTION UNLESS SPECIFICALLY NOTED OTHERWISE.

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON CABLE CHANNEL 4. THE U.N.L.V. HANK GREENSPUN SCHOOL OF COMMUNICATION IS ALSO VIDEOTAPING THE PROCEEDINGS FOR REBROADCAST OF THE MEETING ON CABLE CHANNEL 4 THE MONDAY OF THE MEETING AT 8:00PM AND IS ALSO REBROADCAST ON SATURDAY AT NOON AND 7:00PM, AND THE FOLLOWING MONDAY AT 10:00AM

I. CALL TO ORDER

II. ANNOUNCEMENT RE: COMPLIANCE WITH THE OPEN MEETING LAW

III. APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF JUNE 28, 1999 AND THE SPECIAL MEETING OF MAY 18, 1999

IV. NEW BUSINESS

A. DISCUSSION AND POSSIBLE ACTION TO APPROVE A 120-DAY EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE AGENCY AND THE PAULS CORPORATION REGARDING THE FOURTH AND LEWIS REDEVELOPMENT SITE.

V. CITIZEN PARTICIPATION: ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISION OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A REDEVELOPMENT AGENCY MATTER NOT LISTED ON THE AGENDA, PLEASE STEP UP TO THE PODIUM AND CLEARLY STATE YOUR NAME AND ADDRESS. PLEASE LIMIT YOUR REMARKS TO THOSE MATTERS UNDER THE EXPRESS JURISDICTION OF THE REDEVELOPMENT AGENCY. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.

Facilities are provided throughout City Hall for the convenience of disabled persons. Special equipment for the hearing impaired is available for use at meetings. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 229-6311 and advise of your need at least 48 hours in advance of the meeting. The City's TDD number is 386-9108.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:
Downtown Transportation Center, City Clerk's Board
Senior Citizen Center, 450 East Bonanza Road
Clark County Government Center, 500 So. Grand Central Parkway
Court Clerk's Office Bulletin Board, City Hall Plaza
City Hall Plaza, Special Outside Posting Bulletin Board

AFFIDAVIT OF MAILING

(Mailing required under the provisions of NRS Chapter 241)

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

Eva Cotton, an employee of the City of Las Vegas, Nevada being first duly sworn, deposes and says that on the **6th** day of **July, 1999,** a copy of NOTICE, the attached of which is a true and correct copy of the Public Hearing - re **A Redevelopment Agency Meeting** to be held on the **12th** day of **July, 1999,** was deposited in the United States Mail, Postage prepaid, First Class Mail, to each person and/or organization whose name appears on the list maintained in the Office of the City Clerk.

SIGNATURE

City Clerk
DEPARTMENT

Subscribed and sworn to before me
this 6th day of July, 1999.

NOTARY PUBLIC in and for
said County and State

Notary Public - State of Nevada
COUNTY OF CLARK
BEVERLY K. BRIDGES
No. 93-4081-1 My Appointment Expires July 25, 2001

AFFIDAVIT OF POSTING

(Posting required under the provisions of NRS Chapter 241)

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

Eva Cotton, an employee of the City of Las Vegas, Nevada being first duly sworn, depose and say that on the **7th day of July 1999**, at the hour of **8:00 A.M.,** there were posted copies of a NOTICE, the attached of which is a true and correct copy of a **A Redevelopment Agency Meeting** to be held on the **12th day of July, 1999, at 10:00 A.M. in City Hall, Council Chambers, 400 E. Stewart Avenue, Las Vegas, Nevada;** to be posted on Public Bulletin Boards at the following locations:

1. On the City Clerk's Bulletin Board at the Downtown Transportation Center;
2. Senior Citizens Center, 450 E. Bonanza Road;
3. On the Special Bulletin Board at the Plaza Level of City Hall, 400 E. Stewart Avenue (near the entrance to the Court Clerk's Office);
4. On the Special Bulletin Board at the Plaza Level of City Hall, 400 E. Stewart Avenue (in the walkway area between Metro and Municipal Court).
5. Clark County Government Center, 500 S. Grand Central Parkway (sent by fax to the County Manager's Office for posting).

SIGNATURE

City Clerk
DEPARTMENT

Subscribed and sworn to before me
this 7th day of July, 1999.

NOTARY PUBLIC in and for said County and State

Notary Public - State of Nevada
COUNTY OF CLARK
BEVERLY K. BRIDGES
My Appointment Expires July 25, 2001

ITEM	ACTION
ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR ACTION UNLESS SPECIFICALLY NOTED OTHERWISE	ANNOUNCEMENT MADE.
THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON CABLE CHANNEL 4. THE U.N.L.V. HANK GREENSPUN SCHOOL OF COMMUNICATION IS ALSO VIDEOTAPING THE PROCEEDINGS FOR REBROADCAST OF THE MEETING ON CABLE CHANNEL 4 THE MONDAY OF THE MEETING AT 8:00PM AND IS ALSO REBROADCAST ON SATURDAY AT NOON AND 7:00PM, AND THE FOLLOWING MONDAY AT 10:00AM	
I. CALL TO ORDER	CALLED TO ORDER BY CHAIRMAN GOODMAN AT 3:57 P.M. **PRESENT:** CHAIRMAN GOODMAN and MEMBERS M. McDONALD, REESE, BROWN and L. McDONALD **ALSO PRESENT:** VIRGINIA VALENTINE, Executive Director, BRAD JERBIC, City Attorney, and BARBARA JO RONEMUS, Secretary (3:57) **4-1649**
II. ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW	ANNOUNCEMENT MADE: Posted as follows: Downtown Transportation Center, City Clerk's Board Senior Citizens Center, 450 E. Bonanza Road Clark County Government Center, 500 S. Grand Central Pkwy. Court Clerk's Bulletin Board, City Hall City Hall Plaza, Posting Board (3:57)
III. APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF JUNE 28, 1999 AND THE SPECIAL MEETING OF MAY 18, 1999	**M. McDONALD - APPROVED by Reference - UNANIMOUS** ****** There was no discussion. (3:57 - 3:58) **4-1674**

ITEM	ACTION
IV. NEW BUSINESS A. DISCUSSION AND POSSIBLE ACTION TO APPROVE A 120-DAY EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE AGENCY AND THE PAULS CORPORATION REGARDING THE FOURTH AND LEWIS REDEVELOPMENT SITE.	**M. McDONALD - APPROVED as recommended - UNANIMOUS** ****** **APPEARANCES:** MICHAEL FORCHE, President, City Centre Development Corporation NOTE: COUNCILMAN McDONALD directed that MR. FORCHE keep the Council members updated on the process via memorandum. NOTE: A verbatim transcript is made a part of the final minutes. (3:58 - 4:06) **4-1680**

REDEVELOPMENT AGENCY MINUTES

AGENDA DOCUMENTATION

MEETING OF
July 12, 1999

TO:	FROM:
Redevelopment Agency	**MICHAEL L. FORCHE, PRESIDENT** **City Centre Development Corporation**

SUBJECT: Discussion and possible action to approve a 120-day Exclusive Negotiating Agreement by and between the Agency and The Pauls Corporation regarding the Fourth and Lewis Redevelopment site.

PURPOSE/BACKGROUND

The CCDC Board of Directors has negotiated, and recommends to the Agency, approval of an Exclusive Negotiating Agreement ("ENA") by and between the Agency and The Pauls Corporation. The 120-day Agreement will encourage the Developer and the Agency to complete negotiations for a Disposition and Development Agreement ("DDA") for an office building and parking garage project on the Fourth and Lewis Redevelopment site.

The Agency, through CCDC and the Developer shall work in good faith to complete a DDA for the Pauls Corporation to purchase a site at Fourth and Lewis Streets. The project shall include a Class A building of not-less-than 100,000 square-feet. The DDA will include terms for the Agency's construction of a public parking garage, secured by the Developer's lease parking of spaces at not less than 4 per 1,000 square feet of office space built.

The Developer and the Agency shall execute the DDA and Parking Agreement within said 120-day period, with one possible extension of 30 days if agreed to by both parties.

FISCAL IMPACT

The Pauls Corporation will pay a $50,000 non-refundable, applicable deposit for the right to negotiate exclusively. The proposed sales price of a portion of the site is $1.5 million. The estimated cost of Agency participation will be determinate on the size of the garage and number of spaces pre-leased to The Pauls Corporation.

RECOMMENDATIONS

CCDC recommends approval of the ENA.

Agenda Item

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this 12th day of July, 1999, by and between the City of Las Vegas Redevelopment Agency, a public body, corporate and politic (the "Agency"), and The Pauls Corporation, LLC, a Colorado limited liability company (the "Developer"), on the terms and provisions set forth below.

THE AGENCY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:

I. [§100] Negotiations

A. [§101] Good Faith Negotiations

The Agency and the Developer acknowledging that time is of the essence, agree for the Negotiation Period set forth below to negotiate diligently and in good faith to prepare a Disposition and Development Agreement (the "DDA") between the Agency and the Developer for the purchase and development of certain real property (the "Site") located within the boundaries of the Downtown Las Vegas Redevelopment area (the "Redevelopment Area") which will conform with the terms set forth in Article III hereof. The Site is shown on the "Site Map," attached hereto as Exhibit A and incorporated herein by reference. The Site is currently owned by the Agency. The Agency agrees, for the period set forth below, not to negotiate with any other person or entity regarding the sale or development of the Site or any portion thereof.

B. [§102] Parking Agreement.

During the Negotiation Period, the Agency and Developer shall work diligently and in good faith to negotiate a mutually agreeable parking agreement (the "Parking Agreement"). It is anticipated that the Parking Agreement will include long term parking provisions pursuant to which the owner of the office building will have the right, as an appurtenance to the site, to allocate the use of four parking spaces in the garage for each 1,000 gross square feet in the office building for tenants in the office building. The rate payable for spaces under the agreement will be negotiated, but it is presently anticipated that (i) it will not be greater than the Agency's cost of providing such parking spaces, including the Agency's operation and maintenance expenses, any costs of managing the parking spaces, and the Agency's debt service on indebtedness incurred to construct the garage, and (ii) in no event shall the rate be greater than the market rate for similar long term parking leases of such spaces in the downtown Las Vegas market. The "market rate" shall be further defined in the Parking Agreement and/or the DDA.

The Parking Agreement shall last for a term of 65 years from the date the building is substantially complete and available for occupancy. Payments on spaces will commence as the building is leased, on a pro-rata basis (i.e., proportional to the amount of space then leased compared to total leasable space) and when the building is 90% leased, payments will be owed on all spaces.

C. [§103] Duration of the Agreement

The duration of this Agreement (the "Negotiation Period") shall be one hundred twenty (120) days from the date of execution of this Agreement by the Agency; provided however, if in spite of good faith efforts of the Agency and the Developer fail to execute and ratify the DDA and Parking Agreement within such 120 day period, the Negotiation Period may be extended by an additional 30 day period by either party. If upon expiration of the Negotiation Period, the Agency and the Developer have not mutually signed the DDA and the Parking Agreement, (including the Agency's receipt of all ratifications or autorizations necessary to bind the Agency to complete the obligations under the DDA and the Parking Agreement) then this Agreement shall automatically terminate, all parties shall be relieved of all obligations hereunder.

D. [§104] Deposit

The Developer has submitted to the Agency, in cash, a good faith deposit (the "Deposit") in the amount of FIFTY THOUSAND DOLLARS ($50,000) to ensure that the Developer will proceed diligently and in good faith to negotiate the DDA. The Deposit shall be non-refundable to the Developer except in the event the Agency requires the DDA or the Parking Agreement to include terms which are inconsistent with the terms hereof or otherwise is negotiating the DDA and/or the Parking Agreement in bad faith. The Deposit, together with all interest accrued thereon, shall be applicable to the initial payment of the Purchase Price at closing.

II. [§200] Development Concept

A. [§201] The Building

The negotiations hereunder shall be based on a development concept which shall include the development on the Site of a class A, multi-tenant office building of not less than one hundred thousand (100,000) square feet of space, which may include up to twenty (20,000) thousand square feet of ground floor retail uses.

B. [§202] The Parking Facility

The negotiations will include negotiations of the terms of the Parking Agreement whereby the Agency agrees to construct and pay for the parking garage, in an amount satisfactory to the Agency, subject to the Agency developing a plan of financing the parking garage during the 120 day Negotiation Period. In addition to the provisions of Section 102 hereof, the parties anticipate that the Parking Agreement will provide that the parking garage will (i) be architecturally compatible with the office building, (ii) be located property immediately adjacent to the office building, and (iii) provide a minimum of four spaces for each 1,000 square feet of gross building area in the building. It is also anticipated that the Agreement will provide that the Agency will engage the Developer as project manager for the construction of the parking garage, and that the Developer, in this capacity, will covenant to the Agency that the garage will be completed concurrently with the completion of the building. Nothing in this Agreement obligates the City of Las Vegas to finance the parking garage.

The Agency may determine the size of the garage so long as it meets the minimum required in clause (iii) above, and the cost of any spaces in excess of those required pursuant to clause (iii) shall be the responsibility of the Agency unless the parties otherwise agree.

C. [§203] Developer's Findings, Determinations, Studies and Reports

Upon reasonable notice from the Agency from time to time (but no more frequently than monthly), the Developer agrees to make oral and written progress reports advising the Agency on all matters and all studies being made by the Developer.

III. [§300] DDA Terms. The parties have agreed to base their negotiations on the following basic terms:

A. [§301] General

The terms of the DDA shall be negotiated during the Negotiation Period and shall contain customary provisions for land purchase contracts. The land area purchased will consist of approximately twenty-five thousand (25,000) to thirty thousand (30,000) square feet of land area necessary to accommodate the "footprint" of the proposed office building and ancillary uses.

B. [§302] Purchase Price

The Purchase Price for the Site shall be $1,500,000 payable as follows: (i) $500,000 payable in cash or other readily available funds on the day of closing, and (ii) the balance of $1,000,000 (subject to customary closing prorations) shall be payable in the form a promissory note bearing interest at a rate of 6% per annum with interest to begin accruing upon issuance of a certificate of completion for the core and shell of the office building to be built upon the Site (the "Certificate of Completion"), which rate shall be increased to a 9% per annum upon the earlier of (x) the date which is two years after the issuance of the Certificate of Completion, or (y) the first day of the month following the date upon which the building is 85% occupied. The Note shall be payable in full upon the earlier to occur of (a) three (3) years after the issuance of the Certificate of Completion, or (b) Developer's receipt of proceeds from permanent financing for the completed office building. The promissory note shall be secured by a deed of trust on the Site, provided, however, that the Agency agrees (and the Deed of Trust shall provide) to subordinate the lien of the deed of trust to any construction loan which may be secured by the Site, to the extent the proceeds of the loan are used for the construction of the Building on the Site.

. . .

C. [§303] Due Diligence Period.

The Developer shall have a due diligence period (the "Due Diligence Period") equal to 120 days after the date of execution hereof within which to review the feasibility of the Site for the development of the office building. The Due Diligence Period may be extended at the option of the Developer for up to three (3) consecutive thirty (30) day periods by so notifying the Agency in writing not less than five (5) business days prior to the expiration of the Due Diligence Period and simultaneously depositing with the Agency, in cash, an additional deposit in the amount of THIRTY THOUSAND DOLALRS ($30,000) for each thirty (30) day period (the "Extension Payments"). Each Extension Payment shall become a part of the Deposit. All portions of the Deposit, including the Extension Payments and all accrued interest shall be applied to the Purchase Price payable at the Closing.

D. [§304] Closing.

The Closing shall occur on the later to occur of (i) 10 business days following expiration of the Due Diligence Period, as the same may be extended, or (ii) concurrent with the closing of the Developer's construction loan for the project; provided, however, the Developer shall be obligated to obtain the construction financing within 60 days after the Agency has fully executed, authorized and ratified the DDA and the Parking Agreement, which shall include the Agency's receipt of approval of all proposed financing for construction of the Parking Garage or other provisions for the financing thereof.

IV [§400] The Developer

A. [§401] Nature of the Developer

The Developer is The Pauls Corporation, LLC, a Colorado limited liability company, or a development entity controlled by The Pauls Corporation.

B. [§402] Office of the Developer

The principal office of the Developer is:

3950 Lewiston Street
Aurora, Colorado 80011

C. [§403] Full Disclosure

The Developer is required to make full disclosure to the Agency of its principals, officers, major stockholder, major partners, joint ventures, key managerial employees and other associates, and all other material information concerning the Developer and its associates. Any significant change in the principals, associates, partners, joint venturers, negotiators, development manager, consultants, professional and directly-involved managerial employees of the Developer is subject to the approval of the Agency, which shall not be unreasonably withheld.

V. [§500] The Developer's Financial Disclosure

The Developer will be required to make and maintain full disclosure to the Agency of its methods of financing to be used in the acquisition and development of the Site.

VI. [§600] Agency's Responsibilities

A. [§601] Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Downtown Las Vegas Redevelopment Area.

B. [§602] Agency Assistance and Cooperation

The Agency shall cooperate fully in providing the Developer with appropriate information and assistance for development of the Site and shall cooperate with Developer in obtaining all necessary, development approvals, building permits, and zoning approvals.

VII. [§700] Real Estate Commissions

Neither the Agency nor the Developer shall be liable for any real estate commission or brokerage fees which may arise herefrom. The Agency represents to the Developer that it has engaged no broker, agent or finder in connection with this transaction. The Developer agrees to hold the Agency harmless from any claim by any broker, agent or finder retained by the Developer. The Developer represents to the Agency that it has engaged no broker, agent or finder in connection with this transaction. The Agency agrees to hold the Developer harmless from any claim by any broker, agent or finder retained by the Agency.

VIII. [§800] Limitations of This Agreement

This Agreement does not constitute a disposition of property or exercise of control over property by the Agency or City. Execution of this Agreement by the Agency is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Agency as to any disposition of the Site and all proceedings and decisions in connection therewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set opposite their signatures. The effective date of this Agreement as of the date set opposite

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. . .

. . .

. . .

their signatures. The effective date of this Agreement shall be the date this Agreement is signed by the Agency.

AGENCY:

CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

By:________________________
OSCAR B. GOODMAN

ATTEST:

____
BARBARA JO RONEMUS,

DEVELOPER:

THE PAULS CORPORATION,
a Colorado limited liability company

By:________________________

Title: PRESIDENT

Approved as to form:

________________ 7/1/99
Date

EXHIBIT A

SITE MAP

[To Be Inserted]

CAMPBELL BOHN KILLIN
BRITTAN & RAY, LLC
ATTORNEYS AT LAW

270 ST. PAUL STREET
SUITE 200
DENVER, COLORADO 80206

(303) 322-3400
FAX (303) 322-5800

J. Kevin Ray
303/394-7203

October 27, 1999

RECEIVED
CITY CLERK
1999 NOV -2 A 9:56

VIA FACSIMILE AND REGULAR MAIL

Mr. Michael Forche
City Centre Development Corporation
300 South Fourth Street
Suite 905
Las Vegas, Nevada 89101

Re: The Pauls Corporation DDA

Dear Mr. Forche:

Pursuant to Section 103 of the Agreement to Negotiate Exclusively (the "Agreement"), dated July 12, 1999, by and between the City of Las Vegas Redevelopment Agency and the Pauls Corporation, LLC, the Pauls Corporation hereby gives notice to the Agency to extend the Negotiation Period under Section 103 of the Agreement for a period of thirty (30) days.

If you have any questions or comments please contact Paul Powers or me at your convenience.

Sincerely,

J. Kevin Ray

VERBATIM TRANSCRIPT - ITEM A: DISCUSSION AND POSSIBLE ACTION TO APPROVE A 120-DAY EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE AGENCY AND THE PAULS CORPORATION REGARDING THE FOURTH AND LEWIS REDEVELOPMENT SITE

MAYOR GOODMAN	New Business. A - discussion and possible action to approve a hundred- and twenty-day exclusive negotiating agreement by and between the Agency and Pauls Corporation regarding the Fourth and Lewis Redevelopment site. Mr. Forche.
MICHAEL FORCHE	Thank you, Mayor.
MAYOR GOODMAN	Could you identify yourself, please.
MICHAEL FORCHE	Yes. Mike Forche, City Centre Development, 300 South Fourth. What we have before you today, Council members, is a, merely a approval of a exclusive negotiating period for us to attempt to dispose of and also get a building constructed on this site at Fourth and Lewis. And I can outline the terms of that proposed transaction for you if you'd like. Again, it's just a hundred- and twenty-day exclusive negotiating period with one company to construct a building that we feel is the most highest and best use of that particular property.
COUNCILMAN M. McDONALD	Mike, if you could, and belabor the hour, if you can just highlight the facts and your memo, or to the – Cou' --
MICHAEL FORCHE	Sure. Sure, Councilman. Yes.
COUNCILMAN M. McDONALD	You can just put in a memo if you want.
MICHAEL FORCHE	Okay. Transactions at this point is totally unrefined as to the, you know, obviously fine, final negotiating points. But as follows: One and twenty days from July 1st, '99, with a 30-day extension with an additional deposit required. The hundred- and twenty-day period concludes with a fully-executed DDA between the City Redevelopment Agency -- those two terms are interchangeable, by the way, for this, purposes of this particular negotiation. We don't know who will have a contract with who at this point – and the Pauls Corporation. Pauls Corporation based in Denver. They have developed about 12 million square feet of office space and eight major markets, and they have built a building here and were very successful in leasing it. It's a 200,000-foot building. Last year alone they were able to lease 120,000 square feet of that building, which has been a – remarkable accomplishment under some pretty tough competition. So we felt the Pauls Corporation was highly qualified for this endeavor.

VERBATIM TRANSCRIPT - ITEM A: DISCUSSION AND POSSIBLE ACTION TO APPROVE A 120-DAY EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE AGENCY AND THE PAULS CORPORATION REGARDING THE FOURTH AND LEWIS REDEVELOPMENT SITE

The deposit that has been made is a $50,000 non-refundable but applicable to the purchase price of land at closing. An additional $30,000 deposit, non-refundable, will be required if a 30-day extension is granted. So this puts us into, if the hundred and twenty days is adhered to – we hope it is – that'll put us about the first of November. If there's a 30-day extension required by either party, there'll be a $30,000 deposit placed by Pauls Corporation, again at risk, until we conclude the negotiations or the Pauls Corporation walks away, one of the two, and we keep the money.

The summary of the transaction is as follows: The exclusive negotiating agreement outlines the transaction where the Pauls Corp will acquire a building pad on the site for $1.5 million with $500,000 cash at closing and deliver a $1 million promissory note to the City of Las Vegas which is to be paid off from A) the proceeds of permanent financing; B) at 85 percent occupancy; or C) no later than three years; whichever occurs first. The note will bear simple interest at nine percent and will be charged from shell completion until payoff. The Pauls Corp will construct a building of not less than 100,000 square feet of rentable space. Pauls Corporation will provide City of Las Vegas with a completion guarantee in accordance with approved plans. The concluded building will be valued at 15 to $20 million. The City of Las Vegas will concurrently develop a public parking garage on a portion of this site that will provide at least four spaces for each 1,000 square feet of the office building's net rentable area. The cost of the parking facility will range between 4 and $6 million. Pauls Corporation will pay the City of Las Vegas market rates for each space it rents through leases with tenants.

This agreement to negotiate exclusively before you today is for purposes of entering into a period of exclusive negotiations and does not constitute a disposition or exercise control over the property. Final approval of the terms will be required by the City Council, sitting as the Redevelopment Agency, once the DDA is completed.

So, I hope that answers any questions you might have. If there are more, I'd be glad to entertain 'em at this time.

MAYOR GOODMAN

I have this question, because I think there's a question of public trust and confidence in the project, --

MICHAEL FORCHE

Sure.

VERBATIM TRANSCRIPT - ITEM A: DISCUSSION AND POSSIBLE ACTION TO APPROVE A 120-DAY EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE AGENCY AND THE PAULS CORPORATION REGARDING THE FOURTH AND LEWIS REDEVELOPMENT SITE

MAYOR GOODMAN	-- because of the fact that we had a failed situation in effect on that same location earlier this year. I would really like, so that we'll be able to explain to the public, how the City is going to benefit other than having a very valuable property put on our tax roll and being able to use the increment on that. I'd like if you'll be able to give us a projection perhaps at the next meeting as to how much revenue the City could expect to get from the parking that we're gonna be developing there, because by the time we're through with it, Mr. Forche, we're gonna have about $12 million into the project.
MICHAEL FORCHE	In combination of land and parking.
MAYOR GOODMAN	As far as land and acqui' – land acquisition and building the – garage. So, I – would feel more confident myself, before we make a final approval, to find out what we can expect as far a – prognosis as how much we're gonna get.
MICHAEL FORCHE	On the parking alone or on the entire project?
MAYOR GOODMAN	Entire project.
MICHAEL FORCHE	I can at this point in time answer that question if you'd like, Mayor.
MAYOR GOODMAN	Oh, great. I would.
MICHAEL FORCHE	The tax increment, if the developer builds a building between 15 and $20 million, will be approximately 150 to $200,000 revenue to the City. This project is not receiving any of the tax increment. It's all coming to the City. City's building a parking garage that we feel is necessary due to the what in our opinion, CCDC's opinion, is a – severely underparked Regional Justice Center directly across the street from this site. We feel public parking is gonna be in demand there. Another conclusion, with the help of Mr. Jerbic, that we have – intentions of including in our agreement with Mr. Pauls is when his tenants sign leases, which are personally guaranteed by the tenants or the corporation that sign the leases, included therein will be a parking charge that will be collected as a secured lease payment. So, we'll be the recipient of secured money or guaranteed money at market rates for our parking facility. The question arises as to whether or not we'll build more spaces than the Pauls

VERBATIM TRANSCRIPT - ITEM A: DISCUSSION AND POSSIBLE ACTION TO APPROVE A 120-DAY EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE AGENCY AND THE PAULS CORPORATION REGARDING THE FOURTH AND LEWIS REDEVELOPMENT SITE

	Corporation needs. If they build a hundred- and fifty-thousand-foot building, which we hope they do, they'll need 600 spaces. The question is we don't want a parking garage that's taller than the building. So if they build a hundred thousand square foot building and four hundred spaces, maybe we can build two hundred public spaces and be the beneficiary of that revenue that's gonna result from the underpark situation at the Regional Justice Center.
	So I hope that answers your question. And we are in the process, it's one of the hundred- and twenty-day subjects that we have to arrive at more conclusions on that particular item.
COUNCILMAN McDONALD	Your Honor --
MAYOR GOODMAN	Thank you --
COUNCILMAN McDONALD	And you also, Your Honor, if I could just interject for a moment. I think Mike and -- everybody that was involved in the last project took it to the wall, to the last hour. They took it as far as they could before it just became impossible to put together economically and without bringing the City in any jeopardy. So, to commend them on that and protecting the public interest, especially our -- coffers and our treasures that that was a very good job on your part and everything that works with you. But did that answer your question, Your Honor, as far as --
MAYOR GOODMAN	Yes. And I'm delighted with the project. I think it's gonna be a welcome addition to downtown and I just hope that we can keep it going and have more projects like that in the downtown corridor.
MICHAEL FORCHE	Thank you, Councilman. Thank you, Mayor.
COUNCILMAN McDONALD	I'd make a motion for approval, Your Honor. Mike, if you can keep us updated, I mean, just little small memos on, as the process moves.
MICHAEL FORCHE	Absolutely. Yes, Sir.
MAYOR GOODMAN	All right. Vote on the motion. Post. Motion carries. **(Motion carried UNANIMOUSLY)** Thank you.
	(END OF DISCUSSION)

/gpb

ITEM	ACTION
V. CITIZENS PARTICIPATION: ITEMS RAISED UNDER THIS PORTION OF THE AGENDA CANNOT BE DELIBERATED OR ACTED UPON UNTIL THE NOTICE PROVISIONS OF THE OPEN MEETING LAW HAVE BEEN MET. IF YOU WISH TO SPEAK ON A REDEVELOPMENT AGENCY MATTER NOT LISTED ON THE AGENDA, PLEASE STEP UP TO THE PODIUM AND CLEARLY STATE YOUR NAME AND ADDRESS. PLEASE LIMIT YOUR REMARKS TO THOSE MATTERS UNDER THE EXPRESS JURISDICTION OF THE DOWNTOWN REDEVELOPMENT AGENCY. IN CONSIDERATION OF OTHERS, AVOID REPETITION, AND LIMIT YOUR COMMENTS TO NO MORE THAN THREE (3) MINUTES. TO ENSURE ALL PERSONS EQUAL OPPORTUNITY TO SPEAK, EACH SUBJECT MATTER WILL BE LIMITED TO TEN (10) MINUTES.	TOM McGOWAN, 720 South Casino Center Boulevard, stated that a broader scope of the development process of the proposed sports stadium is imperative to successful community development. He indicated that a proposal regarding the development of the entire Union Pacific Railroad property would be made available upon request. It is important to recognize that the scope of the City Centre Development Corporation (CCDC) was expanded to encompass all redevelopment areas. Therefore a study committee appointed by the Mayor to study the stadium concept is redundant and must submit its recommendations to the CCDC and the Southern Nevada Regional Planning Coalition. Failure to properly notice and post meetings of this appointed sports stadium committee will cause each member of that committee to be in violation of NRS 241.020. He asked how many members of the committee actually reside in the City of Las Vegas. Or is the committee predominantly composed of Clark County figures? If so, why? (4:06 - 4:08) **4-2009** **THE MEETING ADJOURNED AT 4:08 P.M.** Barbara Jo Ronemus BARBARA JO RONEMUS, SECRETARY