

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

# MINUTES

Meeting of  
 March 1, 2000  
 9 A.M.

(Following the morning session of the City Council Meeting)

Called To Order: 11:42 A.M.  
 Adjourned: 11:55 A.M.

REDEVELOPMENT AGENCY	PRESENT	ABSENT	EXCUSED
CHAIRMAN OSCAR B. GOODMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER MICHAEL J. McDONALD - VICE-CHAIRMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER GARY REESE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER LARRY BROWN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER LYNETTE BOGGS McDONALD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER LAWRENCE WEEKLY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MEMBER MICHAEL MACK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VIRGINIA VALENTINE, EXECUTIVE DIRECTOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BRADFORD R. JERBIC, CITY ATTORNEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BARBARA JO RONEMUS, SECRETARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPROVED BY REFERENCE: May 17, 2000

ATTEST:

SECRETARY

CHAIRMAN





# City of Las Vegas

## **REDEVELOPMENT AGENCY AGENDA MEETING OF: MARCH 1, 2000**

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON KCLV CHANNEL 2 BY THE U.N.L.V. HANK GREENSPUN SCHOOL OF COMMUNICATION. THE PROCEEDINGS WILL BE REBROADCAST ON KCLV CHANNEL 2 THE WEDNESDAY OF THE MEETING AT 8:00 PM AND ARE ALSO REBROADCAST ON FRIDAY AT 4:00 AM, SATURDAY AT 7:00 PM, SUNDAY AT 7:30 AM AND THE FOLLOWING MONDAY AT 10:00 AM

I CALL TO ORDER

II ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

### **MINUTES:**

CALLED TO ORDER BY CHAIRMAN GOODMAN AT 11:42 A.M.

**PRESENT:** CHAIRMAN GOODMAN and MEMBERS M. McDONALD, REESE, BROWN, L. McDONALD, WEEKLY, and MACK

**ALSO PRESENT:** VIRGINIA VALENTINE, Executive Director, BRAD JERBIC, City Attorney, and BARBARA JO RONEMUS, Secretary

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

(11:42)

**2-2330**

**AGENDA SUMMARY PAGE**  
**REDEVELOPMENT AGENCY MEETING OF: MARCH 1, 2000**

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**DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT**

**DIRECTOR: JEFFREY MARESH**

**SUBJECT:**

APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF FEBRUARY 16, 2000.

**MOTION:**

**M. McDONALD - APPROVED by Reference - UNANIMOUS**

**MINUTES:**

There was no discussion.

(11:42)

2-2336

**AGENDA SUMMARY PAGE**  
**REDEVELOPMENT AGENCY MEETING OF: MARCH 1, 2000**

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**DEPARTMENT: CITY CENTRE DEVELOPMENT CORP.**  
**DIRECTOR: MICHAEL L. FORCHE**

**SUBJECT:**

**ABEYANCE ITEM** - DISCUSSION AND POSSIBLE ACTION TO APPROVE THE THIRD AMENDMENT TO THE OPERATING AGREEMENT BETWEEN CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND CITY CENTRE DEVELOPMENT CORPORATION, INC. TO ADD A NEW INDEMNIFICATION PROVISION.

**Fiscal Impact**

<input checked="" type="checkbox"/>	<b>No Impact</b>	<b>Amount:</b>
<input type="checkbox"/>	<b>Budget Funds Available</b>	<b>Dept./Division:</b>
<input type="checkbox"/>	<b>Augmentation Required</b>	<b>Funding Source:</b>

**PURPOSE/BACKGROUND:**

This amendment provides the Agency's indemnification, limited by NRS Chapter 41, of CCDC, and its directors, officers and employees for the performance of their duties pursuant to the Operating Agreement.

**RECOMMENDATION:**

It is recommended that the Agency approve this Third Amendment and that the Chairperson be authorized to execute the same on behalf of the Agency.

**BACKUP DOCUMENTATION:**

Third Amendment to Operating Agreement between City Centre Development Corporation and Agency.

**MOTION:**

**M. McDONALD - APPROVED as recommended - UNANIMOUS**

**MINUTES:**

CITY ATTORNEY BRAD JERBIC indicated that the City Centre Development Corporation (CCDC) agreed to indemnify its officers and board members by the Redevelopment Agency, because the CCDC is responsive to the Redevelopment Agency. The indemnification is limited to a \$50,000 cap.

There was no further discussion.

(11:42 – 11:43)  
2-2347

**THIRD AMENDMENT TO OPERATING AGREEMENT  
BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
AND CITY CENTRE DEVELOPMENT CORPORATION, INC.**

THIS THIRD AMENDMENT TO OPERATING AGREEMENT ("Third Amendment") is made and entered into this 1<sup>st</sup> day of ~~February~~ <sup>March</sup>, 2000 by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY (hereinafter "Agency") and CITY CENTRE DEVELOPMENT CORPORATION, INC. ("Corporation").

**WITNESSETH:**

WHEREAS, on July 28, 1997, the Agency and the Corporation entered into an Operating Agreement whereby the Agency engaged the services of the Corporation to assist with the implementation of the City's Downtown Redevelopment Project; and

WHEREAS, the Operating Agreement was further amended on June 22, 1998 and April 12, 1999 (the Operating Agreement and amendments thereto are collectively referred to as the "Operating Agreement"); and

WHEREAS, the Parties now desire to amend the Operating Agreement to provide for the Agency's indemnification to the Corporation's directors, officers and employees.

NOW, THEREFORE, in consideration of the recitals and the mutual covenants and premises herein expressed, the Agency and Corporation hereby agree to amend the Operating Agreement as follows:

1. Article III, Covenants of the Agency, shall be amended by adding a new Section 3.5, entitled "Covenant to Indemnify" to read as follows:

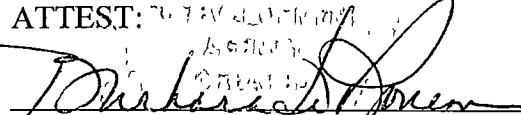
**Section 3.5     Covenant to Indemnify**


Agency covenants that it shall, to the extent limited by NRS Chapter 41, indemnify, defend and hold harmless the Corporation and each of its directors, officers and employees against expenses, judgments, settlements and other amounts incurred by reason of the fact that any such entity or person performed such duties for the Agency or the Corporation pursuant to this Operating Agreement. Such indemnity shall not extend to acts or omissions which involve intentional misconduct, fraud or a knowing violation of law. This section shall survive termination of this Operating Agreement.


2. Except as hereinabove set forth, the Operating Agreement shall remain valid and in full force and effect.

CITY OF LAS VEGAS  
REDEVELOPMENT AGENCY

By:   
OSCAR B. GOODMAN, Chairman

ATTEST:   
BARBARA JO RONEMUS, Secretary

APPROVED AS TO FORM:  
 2/13/00  
Date

CITY CENTRE DEVELOPMENT  
CORPORATION, INC.  
By:   
JODI R. GOODHEART  
Its: Chairperson

# City of Las Vegas

## **AGENDA SUMMARY PAGE** **REDEVELOPMENT AGENCY MEETING OF: MARCH 1, 2000**

### **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.

### **MINUTES:**

BEATRICE TURNER, citizen of West Las Vegas, indicated that she visited Nucleus Plaza the day before and was very pleased with the beautification of it and happy to see that the City is putting money into the West Las Vegas community. She looked forward to the grand opening.

ANTHONY SNOWDEN, 412 West Jefferson Avenue, asked if Parcel B of the Westland Magic Plaza had been reclaimed by the City. CITY ATTORNEY JERBIC responded that he did not know, but he could look into it. CITY MANAGER VALENTINE interjected that the developer is still in the cure period of the contract. CITY ATTORNEY JERBIC and JEFFREY MARESH, Operations Officer, Redevelopment Agency, indicated that the end of the cure period was 3/1/2000.

MR. MARESH further indicated that he was informed by staff that a letter would be forthcoming from KEN LOMBARD withdrawing his interest in Parcel B.

MR. SNOWDEN asked if there is anything that would preclude the City from accepting offers for development of that property. COUNCILMAN WEEKLY commented that several people have expressed interest in Parcel B. However, no discussion could be held because the property was under contract. Once the notice of withdrawal is received an announcement can be made that the property is available.

MR. SNOWDEN asked who in the City could be contacted to express interest in the property and to find out the appropriate steps. MAYOR GOODMAN suggested that anyone interested in developing the property contact MR. MARESH of the Office of Business Development.

AL GALLEG0, citizen of Las Vegas, complained that the City removed five handicap parking spaces in the garage. He has complained about it in the past but nothing has been done about it.

# City of Las Vegas

REDEVELOPMENT AGENCY MEETING OF MARCH 1, 2000  
Citizens Participation

## **MINUTES – Continued:**

Also, the only van accessible parking space was removed, making it impossible for handicapped people with vans to park. DEPUTY CITY MANAGER DOUG SELBY indicated that some disruption occurred due to the reorganization of parking in the garage, but there are still handicap parking spaces available. One of the problems is that some of the employees use those spaces and they cannot be removed. The parking plan includes expansion of handicap parking and it should be implemented within two weeks.

NOTE: MAYOR GOODMAN directed DEPUTY CITY MANAGER SELBY to look into MR. GALLEGO's complaint about the removal of the only van accessible parking space.

Further, MR. GALLEGO asked if the Council meetings would be disrupted due to the upcoming remodeling of the Council Chambers. He also requested that better chairs be installed. DEPUTY CITY MANAGER STEVE HOUCHEMS answered that the Council meeting would be held in the Council Chambers during the renovation project. The crews are scheduled to work around the Council meeting. All other regularly scheduled meetings would be held elsewhere. If sufficient funds are available, the chairs would be replaced.

TOM McGOWAN, 720 South Casino Center Boulevard, submitted his written comments, which are made a part of these minutes.

CITY ATTORNEY BRAD JERBIC noted that the City has been sued in three specific cases for construction defect liability, with respect to inspections performed by City inspectors. The City has long argued that there should be no liability for the inspections. Nevada State Law supported that position; however, civil interpretations of that law by the Nevada Supreme Court, most recently in the Calloway Decision, disagreed and would have stated that the City would have liability potentially in thwart for inspections performed by building inspectors. Based upon that conclusion and applying the dollar cap figure to the three cases pending before the City, the City had tens of millions of dollars in potential liability. However, BILL HENRY, Senior Litigation Counsel, has been very diligent in asking the Nevada Supreme Court to rescind and reconsider the Calloway Decision. The City Attorney's office, along with other city attorneys across the State, succeeded on 2/29/2000 in having the Nevada Supreme Court reverse the original Calloway Decision, stating possibly that no thwart liability exists with respect to construction defect cases. He commended MR. HENRY and the members of the litigation team for the hard work they perform in all their cases.

MAYOR GOODMAN stated that he knows firsthand how difficult it is to have a decision rescinded and reversed. He also commended staff.

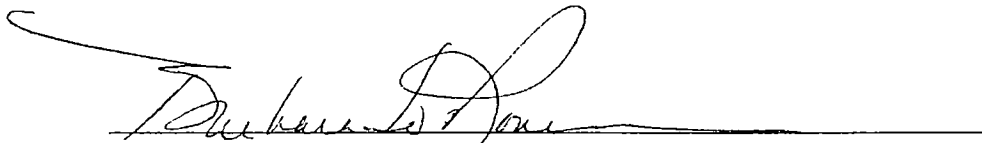
(11:43 – 11:55)

2-2397

*City of Las Vegas*

REDEVELOPMENT AGENCY MEETING OF MARCH 1, 2000  
Citizens Participation

**THE MEETING ADJOURNED AT 11:55 A.M.**

  
**BARBARA JO RONEMUS, SECRETARY**

Tom/ Las Cnel - CRDA <sup>19A</sup> 11/11/11 WED. 1 MARCH, 2000 (MAY 06)

.. < (2 mins) > ..

(clp) - Tom McGowan, 720 So. Casino Center Blvd. / Long Overlook!  
\* I commend the Council for its pro-active leadership stance on this, which is

\* Community Development of Greater Downtown Las Vegas, inclusively, will require an investment commitment of approx. \$2.5 Billion over the next 20 years, .. and can only obtain in the instance of a 'deep-pockets' major investor, or a consortium of fully-funded major developers.

\* That initiative can only succeed <sup>frontally, and by</sup> superior vision-based coherently master-planned comprehensive integration, inclusive of early and full public and private sector participation in the democratic process.

\* It's important to recognize:

(A) The Downtown Central Business District-sited Casino Gaming Industry has done nothing to increase its room inventory, provide parking structures, and upgrade its interior facilities, services and amenities, and entertainment, .. but instead relies upon the Fremont Street Experience, public subsidies and eminent domain to generate patronage and commensurate gross revenue, -- with no 'guarantee' that additional tourist volume would have room accommodations downtown (!) --

(B) Your 'Strategic Plan 2005' 'white paper' is an 'all-white paper' only, since it makes no definitive reference to significant development of either the central westside and the eastside community, -- but regards 'downtown' as essentially bounded by Charleston, Bonanza, Main and Maryland (!) --

• Also, -- <sup>IMPACTIVE</sup> HIGH DENSITY AFFORDABLE HOUSING IS POTENTIALLY INVOCATIVE & COSTLY CONSEQUENCES, AND CANNOT SUCCEED WITHOUT SUBSTANTIALLY INCREASED EMPLOYMENT OPPORTUNITIES AND A BROAD RANGE OF SOCIAL AND CIVIL SERVICES.

/ WHICH HAS SUCCEEDED IN NON-GAMING COMMUNITIES, ...

• AN 'ARTS COMMUNITY' IS A 'QUAINT IDEA' BUT PROVIDES NO INHERENT 'GUARANTEE' OF HIGH VOLUME EMPLOYMENT, NOR ANY 'GUARANTEE' OF THE INFUX OF HIGH EMPLOYMENT-VOLUME ALTERNATIVE INDUSTRIES AND BUSINESSES THROUGHOUT THE DOWNTOWN AREA, .. BUT WILL REQUIRE SUBSTANTIAL PUBLIC SUBSIDY, AND IS MASSIVE RISK-INTENSIVE.

• HOWEVER, -- AN 'ARTS COMMUNITY' CAN SUCCEED AS GENERATIVE OF HIGH EMPLOYMENT VOLUME AND THE INFUX OF HIGH EMPLOYMENT ALTERNATIVE BUSINESSES, BUT ONLY IN THE INSTANCE <sup>DESIGNED AND</sup> THAT IT IS IMPLEMENTED IN A UNIQUELY DEDICATED MULTI-PURPOSE CONTEXT, .. WHICH IS NOT INCLUDED ANYWHERE IN YOUR 'WHITE PAPER' OR YOUR 'BLUE PROSPECTUS'.

• IN RECOMMENDATION: -- THINK BIG (!) AND ACT ACCORDINGLY, .. AND REMEMBER:

• SUBSTANTIVE CONTENT IS FAR MORE PREFERABLE THAN POLITICALLY-EXPEDIENT 'SUPPOSITION' (!)

• Thank you. / -

(A+)

30  
24  
64  
= 108

**AGENDA**  
**SPECIAL JOINT MEETING**  
**CITY OF LAS VEGAS CITY COUNCIL,**  
**CITY OF LAS VEGAS REDEVELOPMENT AGENCY**  
**AND**  
**CITY CENTRE DEVELOPMENT CORPORATION, INC.**

MONDAY, FEBRUARY 28, 2000  
REED WHIPPLE CULTURAL CENTER  
821 LAS VEGAS BLVD. NORTH, SECOND FLOOR  
LAS VEGAS, NEVADA 89101  
10:00 A.M.

CALL TO ORDER

ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

**DISCUSSION AND POSSIBLE ACTION REGARDING CURRENT AND FUTURE STRATEGIES FOR RE-URBANIZATION IN THE CITY OF LAS VEGAS** (The City Council, Redevelopment Agency and/or City Centre Development Corporation, Inc., are expected to receive reports from City staff and other participating agencies/individuals to formulate planning goals for the City of Las Vegas with regard to re-urbanization and revitalization of Downtown. The City Council, Redevelopment Agency and/or City Centre Development Corporation, Inc., may take action through one or more votes to instruct staff, set priorities and establish action plans )

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 matter not listed on the agenda, please clearly state your name and address. 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 minutes.

ADJOURNMENT

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Downtown Transportation Center, City Clerk's Board  
Senior Citizens Center, 450 E. Bonanza  
Clark County Government Center, 500 S. Grand Central Parkway  
Court Clerk's Office Bulletin Board, City Hall Plaza  
City Hall Plaza, Special Outside Posting Bulletin Board  
Reed Whipple Cultural Center, 821 Las Vegas Blvd. North





**SPECIAL JOINT MEETING  
CITY OF LAS VEGAS CITY COUNCIL,  
CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
AND  
CITY CENTRE DEVELOPMENT CORPORATION, INC.**

**MONDAY, FEBRUARY 28, 2000  
REED WHIPPLE CULTURAL CENTER  
821 LAS VEGAS BLVD. NORTH, SECOND FLOOR  
LAS VEGAS, NEVADA 89101  
10:00 A.M.**

CALL TO ORDER: Mayor Goodman called the City Council and Redevelopment Agency meeting to order at 10:12 A.M. and announced that the Opening Meeting Law had been met. Chairperson Jodi Goodheart called the City Centre Development Corporation, Inc. meeting to order at 10:12 A.M. and announced that the Opening Meeting Law had been met.

**ATTENDANCE:**

Mayor Goodman  
Councilman Gary Reese  
Councilman Larry Brown (Arrived at 11:45 p.m.)  
Councilwoman Lynette Boggs McDonald  
Councilman Lawrence Weekly  
Councilman Michael Mack  
City Manager Virginia Valentine  
Deputy City Manager Doug Selby  
Deputy City Manager Steve Houchens  
City Attorney Brad Jerbic  
Deputy City Attorney Terri Ponticello  
Chairperson Jodi Goodheart, CCDC  
Member Peter Thomas, CCDC  
Member Steve Swisher, CCDC  
Member Marty Keach, CCDC  
Mike Forche, President, CCDC  
City Clerk Barbara Jo Ronemus

**Excused:**

Councilman Michael McDonald  
Member Ken Templeton, CCDC (Excused)  
Member Michael Niarchos, CCDC (Excused)

**PREFACE:**

Mayor Goodman thanked the remarkable group of people who were present representing all segments of the community: governmental officials, elected officials, department heads, members of the business and banking community, and the citizens who are interested in seeing what the future of their City will become. When he assumed the

**Special Joint Meeting City of Las Vegas City Council,  
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City Centre Development Corporation, Inc.  
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responsibilities of Mayor for the City of Las Vegas, he felt it was incumbent upon the City Council to engage in the direction to revitalize the downtown area. The City Council has been receptive and agrees as to the need to redevelop the more mature area of Las Vegas and this meeting is a step to find out how to accomplish this. There are citizens who volunteer their time and share a common interest for the betterment of their community. The seeds have been planted for the revitalization and the question is how to get it done quickly and effectively.

**INTRODUCTION:**

City Manager Virginia Valentine introduced Barbara Jackson, Director of Leisure Services, who noted that the meeting would begin with a presentation by City Manager Valentine and City Manager's staff, a presentation from CCDC, and presentations from several entities chosen to give a broad perspective of what is going on in the downtown area. After a brief recess, the meeting would proceed with the process discussion where the Council's priorities would be identified, define the roles of communication among all the entities and how to further stimulate economic development.

City Manager Valentine explained that when the City's Strategic Plan 2005 was approved on January 5, 2000, the City Council directed that a workshop meeting be scheduled to address what can be done to enrich the urban areas of the City.

Additionally, the Plan created an area of emphasis dedicated to the concept of reurbanization with goals to create more and better housing downtown, create more jobs, increase opportunities for small businesses, and for the revitalization of downtown. In order to assist the City in the process of obtaining a clear vision of where the City is going, several stakeholders were invited to share their views and expertise and to assist in developing a clear vision for downtown. She acknowledged those people who would be speaking: Mike Forche and Jodi Goodheart from CCDC, Mark Paris from the Fremont Street Experience, Summer Hollingsworth from the Nevada Development Authority, Rick Bennett from UNLV, Jacob Snow from the Regional Transportation Commission, Jeanne Hood from the Downtown Central Development Committee, Officer Dan Zehnder and Captain Dan Barry from Metro, and Frank Hawkins from Community Development Programs Center of Nevada. Also present in the audience were Ken Lobene, HUD and Bob Andrews, NewCom Inc.

Redevelopment is one of the City's greatest challenges, which this workshop specifically addresses, and answers three key questions regarding Council's priorities, staff cooperation toward seeking the same results, and how to stimulate the demand for more urban development. City Manager Valentine indicated that the back-up information provides a brief overview of the current issues, projects, and proposals, recognizing those projects that either have a significant impact on downtown and that

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are using some form of City incentives or City resources. A copy of the back-up information is made a part of the final minutes.

Deputy City Manager Steve Houchens through a Power Point presentation outlined the economics of redevelopment. The Redevelopment Agency, comprised of the same governing board, was created in 1985 as a tool to help revive an ailing downtown through the use of incremental property taxes and other incentives. In the last Legislative Session the Redevelopment Agency was extended to the year 2030. In 1997 the City Council created the City Centre Development Corporation (CCDC), which contracts with the Redevelopment Agency to assist in the redevelopment of the urban core. The CCDC has direct interaction with the Mayor and Council, the Redevelopment Agency, the City Manager's Office, and several City Departments. Additionally, the City of Las Vegas has a seat on the Nevada Development Authority. This agency has a statewide responsibility to encourage and assist businesses in locating in Nevada. The NDA interacts primarily with the Office of Business Development.

The City's role in economic development is to provide a venue that will facilitate healthy and diverse business in the community. This is done in part through certain financial incentives, such as tax abatement and assistance, use of property tax increment, and reduced land costs, grants, low interest loans and parking. In addition to financial incentives, there must be a desire by both the City and the developer to locate in the urban core. To help create an environment that is enticing to business to move downtown, things such as the Fourth Street Improvements, the express plans check process, friendlier sidewalks, and small parks need to continue to happen. A detailed explanation of these incentives can be found in the submitted back-up material.

Deputy City Manager Doug Selby noted that a good plan is essential for the success of downtown and that the plan needs to provide guidance and criteria for reorganization efforts. It also needs to help provide a consistent presentation of the vision to stakeholders outside the City and within the City. He explained that Tim Chow, Robert Genzer, Chris Knight, Steve Angora, along with their staff and with the cooperation of other City Departments and the CCDC, brought the vibrant downtown Las Vegas to a document that is in the final stages of review. The Downtown 2005 Plan contains the template to guide downtown redevelopment through the year 2005. The document is based upon a consulting report prepared in 1986 when the City recognized the need to competitively reposition downtown in the larger Southern Nevada community.

Deputy City Manager Selby demonstrated on maps the general area of downtown, encompassing an area of approximately 1500 acres bounded by I-15 to the west, Sixth Street to the east, Sahara Avenue to the south and Bonanza Road to the north. It includes a finger-like extension east along Fremont Street to Maryland Parkway. Deputy City Manager Selby outlined six different major districts that the Downtown 2005

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Plan recognizes. They include the Casino Center District with Fremont Street, tourist-retail venues, the Downtown Transportation Center, the Old Post Office and City Hall. The Office Core District with federal and local governmental offices. The Downtown South District with its mixed-use center of Main Street retail venues, residential homes dating to the early days of Las Vegas and smaller attorneys and accountants offices. It is expected that this area will continue to redevelop into a mix of businesses and residences including artist studios, cafes and coffee houses, art galleries, small professional offices, artisans and crafts' person storefronts. The north Strip District is an area of hotels, motels, thrift shops and residential centering on the Stratosphere Hotel along Las Vegas Boulevard. The area called Parkway Center encompasses the Union Pacific site, includes the Clark County Government Center, and holds promise for both entertainment and office venues. Finally, the East Fremont Street District with a two-block wide corridor with Fremont Street as its center extends from Sixth Street East to Maryland Parkway. It contains the El Cortez and smaller hotel casinos, as well as older motels, small commercial buildings and residential housing.

The Downtown 2005 Plan includes design goals and objectives for land use in the downtown area. It provides overall guidance and direction for many aspects of future development, including standards for parking, transportation, lighting, signage, architecture, streetscape designs, and, landscaping. Some of the goals are the creation of retail and pedestrian friendly uses on ground floors of buildings, encouraging new housing in appropriate areas, developing the various mentioned districts with consistent and cohesive architectural themes, creating safe, comfortable and interesting streetscapes for pedestrians and enhancing the image of downtown with gateway civic plazas and open spaces. Together the Downtown 2005 Plan would present a road map to future reurbanization of Las Vegas. The results of this workshop would be considered as the plan is finalized for presentation to the City Council in late May. Copies of the draft plan would be available to the public in approximately two weeks and public workshops will be scheduled between now and May.

City Attorney Brad Jerbic reviewed the Operating Agreement, which created the CCDC and was entered into between the City and CCDC on July 28, 1997, along with other materials submitted. He outlined in detail the creation of the Corporation, its goals and objectives, and the reporting process through City Manager Valentine and Mayor Goodman. The CCDC works under the direction of the Redevelopment Agency that is authorized to employ personnel and consultants. It coordinates all activities within a specific area as designated in the original Operating Agreement bordered by Bonanza Road, Charleston Boulevard, I-15 and Sixth Street. Subsequent amendments to the Agreement have increased the jurisdiction of CCDC to the entire Redevelopment area. Included in the packet material is a memo from former Mayor Jan Jones which points out that CCDC is to coordinate, supervise and direct all facets of downtown development, including projects in progress. Since that time CCDC has assumed all

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downtown projects and has been responsible for all aspects of them, including site acquisition, property disposal, relocation of tenants, and management of the projects, such as the Neonopolis project.

Jodi Goodheart, Chairperson, CCDC, stated that when CCDC was created it was with the understanding that it would bring sound development principles to play in the redevelopment arena. Prior to the inception of CCDC redevelopment had been handled on a piece meal basis. However, for the past two years CCDC has been trying to do that while at the same time establishing CCDC as an institution, convincing the City Council and the public that private input into the process is one of the keys to success. She expressed appreciation for the opportunity to participate in this joint workshop hoping that everyone would leave with a clear picture of the mandate and the function of the CCDC, as there is still considerable confusion as to what CCDC is responsible for. Everyone is eager to see results downtown, but they have to remember that redevelopment is a process that evolves. She presented Mike Forche, President of CCDC, who provided details of the projects currently underway and those in the planning stages.

Mr. Forche thanked the Mayor and Council for scheduling the workshop. CCDC looks at the world quite differently when it comes to how a private developer views downtown Las Vegas. In order for things to happen downtown, such as coffee shops, studio apartments, and arenas, private capital has to be in play. The Regional Justice Center, currently under construction, and the Federal Court House are fine projects and will be great architectural territory markers, but government buildings tend to be moribund, in terms of bringing about economic development. The existing Foley Building and City Hall create a sense of place, but they are not the answer to long term redevelopment planning. Developers are highly regulated, not only by government, but also by financial institutions and others who regulate the development process and land use. They exist for one reason and that is to make a profit. A developer looks at an area and at what opportunities are available and how much return they can get on the invested capital.

Today's industry is very complicated and it has changed dramatically since the 1980's when the Redevelopment Agency was instituted. Today the developer has to show that he has equity and has to show the bank that if he walks away, he is going to lose a lot of his own money. Those aspects make it much more difficult to have a lot of development taking place, particularly in an area like downtown. The economics of developing downtown are in a really tough position. Therefore, the City has to look at what makes the tough position and turn it into a positive position. That is where inserting what the developers look at into the process cannot only protect the City, but also bring about development.

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Assembly of land is difficult anywhere, but especially in the downtown area where parcel sizes are 25 feet long by 140 feet deep. Sometimes, even if enough land to be developed is acquired, the developer has to deal with unfavorable adjacencies and blight conditions. There is also a higher degree of risk downtown, which means that a developer looks at his risk profile. Developing downtown is a high risk and developers deserve and should get a higher return. Additionally, income properties are driven by rents and rents downtown are not going up. They are constricted as a result of supply. Those types of atmospheres have to be created where the rents will be increased. That is only brought about by a quality development with a good design that will attract the economic level of a person to that area to live. This is a big challenge because at the present time downtown housing has been neglected and has been in a state of decline for many years.

The CCDC is looking at planning around infrastructure and every development needs to have some level of parking. The City built two parking garages in 1968 behind the Four Queens and behind the Lady Luck. Public government can provide and does provide infrastructure. A developer's risk looks much better when the City is willing to build parking next to his project because it is going to serve the people that are going to occupy his building. Neonopolis and the building that the Pauls Corporation is developing are being financed by Prudential, one of the largest real estate investment funds in the United States. The Pauls Corporation may use his primary lender, GE Investments, another large money investor that CCDC felt was very important to attract into downtown. Prudential will ride out Neonopolis. They have \$25 million invested in it. The Paul Corporation has design development drawings on his buildings and is spending a lot of money and wants to close in April. Those are the types of projects where a developer is sophisticated and understands what he is into and is willing to spend money and willing to go forward with the project.

Councilman Reese commented that developers develop areas in the newer area of the City where the property is cheaper rather than developing downtown. There are not enough incentives that the City can offer to developers so that they build a nice two-bedroom condominium project or apartments downtown, such as those found on Howard Hughes Parkway. The City sees the need; the developers do not.

Mr. Forche stated that Sharon Segerblom has done a wonderful job with limited resources creating activity downtown and Faye Trend has a deep understanding of how the financing works and explains to the developers all the financing options available. Developers are looking for the money on the front end and incentives such as the tax increment financing. However, the parcel size is the difficult part. It is very difficult to develop a small parcel where there are design constraints, parking, and try to get all the development on a postage stamp.

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Mark Paris, President, Fremont Street Experience, gave an overview about the Fremont Street Experience. When the Governor of Colorado visited the Fremont Street Experience he was fascinated by the project and noted that the Fremont Street Experience brought competitors together in a common cause and developed a public-private partnership that has been successful. This success has been the combined efforts of businesses located on Fremont Street, the City of Las Vegas, and the Convention and Visitors Authority.

December of 1999 marked the fifth anniversary of the Fremont Street Experience and based on information gathered from the Convention and Visitors Authority, over 75 million people visited the Fremont Street Experience. The room occupancy has been consistent with the Strip at about 90%. The average daily rate combined with the room occupancy has been sufficient to service the bonds that were established to fund part of the Fremont Street Experience. The Fremont Street Experience Limited Liability Company has invested nearly \$7 million in additional capital improvements and will continue to invest in the property, upgrade it and take care of it. The funds came from private dollars and not from the taxpayers. About two years ago some of these investments were used to redo the technology in the Fremont Street Experience, and bids will be accepted to upgrade that technology. Improvements have also been made to the "red" parking garage and to resurfacing the pedestrian mall. Over the last five years the Fremont Street Experience has invested 40 million non-tax dollars, to keep the Fremont Street Experience operating. The majority of that money has been spent in marketing dollars to compete with the Strip. During the five-year period the hotel properties that make up the Fremont Street Experience have invested \$260 million in their properties to refurbish the hotel rooms. The small businesses fronting the Fremont Street Experience have also invested millions of dollars and are now prospering as a result of the Fremont Street Experience. He invited everyone to go and visit any of the hotels downtown and look at the quality of the rooms that are now available.

Additionally, the Fremont Street Experience held over 200 free events that have been enjoyed by tourists, as well as residents. Other hotels on the Strip and other suburban areas offer the same type of entertainment at a fee ranging from \$15 to \$75. People have come throughout the United States, Canada, Europe, Japan, and Korea to look at the success of the Fremont Street Experience and to see if the same principle could be applied to their inner cities to help them survive as downtown Las Vegas has. In fact, many different associations have recognized the Fremont Street Experience for the redevelopment, revitalization, landscaping, and for the venue itself. The Fremont Street Experience continues to be looked at as a model for urban revitalization.

It is hard to compete and survive in this market, especially with new hotels being opened. Downtown Las Vegas has a lot of rich history, such as the oldest hotel, the hotel where the first telephone was installed. There is an opportunity for people to experience

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downtown in a way that they cannot do on the Strip or other areas. As the Fremont Street Experience continues to work together with the City, the history and uniqueness of downtown will continue to grow. Mr. Paris commented that he looked into having a fireworks display downtown, but the Fire Department does not allow it. There are a lot of challenges and the members of the Board of Managers of the Fremont Street Experience are excited about the Mayor's vision for downtown. A million dollars has been invested in a production company to produce new sound and light shows and live entertainment, which will be available seven days a week.

The Fremont Street Experience faces many challenges, such as transportation. A significantly greater number of people would visit the Fremont Street Experience if there would be an easier way for them to get downtown. In fact, with the cooperation of the Regional Transportation Commission, additional services to downtown have been implemented. Also, additional meeting spaces for meetings, conventions and different types of gatherings should be looked at. More retail development is needed downtown. Neonopolis will provide a 2000 version of a downtown experience for the people who live and work downtown, as well as for City of Las Vegas residents and tourists. Cultural amenities are important and need to be centered downtown and the Fremont Street Experience is committed to help bring that to pass. As retail and other amenities are added, the residential development will come and people will want to stay, live and enjoy the nightlife downtown.

This workshop is the first step to working together and the City Council, CCDC, and staff needs to champion downtown and make it user-friendly. It is very important to make developers feel that downtown is the best place in Clark County to do business. Mr. Paris concluded that he will continue to improve the environment of the Fremont Street Experience, keep it fresh, safe and enjoyable not only for tourists, but also for the people who live in Las Vegas.

Summer Hollingsworth, Nevada Development Authority, stated that the NDA is a 44 year-old non-profit organization that promotes economic development through economic diversification. All the companies that the NDA recruits are non-gaming companies that diversify the economy and create another tax revenue base for the community. Last year, NDA brought 39 companies into Southern Nevada and created over 5,000 jobs. These companies create quality jobs and benefit programs for their employees. The last two companies that were recruited were Ford Motor Credit, which created 600 jobs and the Provident Financial with 800 jobs.

Additionally, NDA has relocated ten companies in Las Vegas for a total of approximately 340,000 square feet of office and/or industrial space and about 14,000 employees. Out of these ten companies, six relocated in downtown Las Vegas. Over 95% of the clients that NDA brings in lease existing properties. It is difficult to find a client that wants to build on vacant property. It is also difficult to find existing buildings downtown that these

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companies can go into, but NDA believes that it can bring a client downtown if the space is available. In fact, there is a client who asked to be in the redevelopment area and is looking to lease about 40,000 square feet of space for about 250 employees. NDA will start working with the Economic Development staff and see what can be found. Also, Lear Entertainment will be building a sound stage and an actual studio in downtown Las Vegas.

There has been a deterioration of downtown and it needs to be revitalized. Mr. Hollingsworth reiterated that NDA is dedicated in diversifying the economy and would be thrilled to bring companies downtown. If the right client comes downtown and creates the right type of jobs, a synergy begins to happen, which in turn will require the need for places to eat and places to go. As far as NDA is concerned, the future of the downtown area is very bright.

Rick Bennett, Director of Government Relations, UNLV, stated that UNLV President Carol Harter was unable to attend this workshop. For the past couple of years the City of Las Vegas and UNLV have discussed various ideas that would provide UNLV with a presence in the downtown area. Results from a survey indicated that people who work downtown would be interested in taking courses to improve their skills if those courses were offered near their work place. UNLV will soon be offering continuing education courses at the Fifth Street School site. There are two components to this plan.

First, the continuing education courses will be offering course work related to legal secretary and paralegal certification programs, with the possibility to include certification programs for Management, Human Resources, Customer Service and Administrative Assistant. This would depend on which programs have the greatest demand. These courses would be offered during the noon hour and in the evening. The first courses are expected to begin in the summer. Additionally, the Fifth Street School has an urban design center for students that attend the UNLV School of Architecture. These students will be working with the City of Las Vegas' Planning Department in the conceptualization phase of various urban projects. This urban design center is not meant or intended in any way to compete with architects in the private sector. The students will work with City planners in developing the initial concept related to various projects. This center will offer the students an excellent learning experience and at the same time the City should see tremendous benefits to their planning process.

Similar continuing education programs in other cities have been very well received and it is expected to be the same for Las Vegas. UNLV has a two-year lease for the Fifth Street School site, which is a prime piece of real estate and the City Council may choose to use that site for other purposes. If UNLV should move for whatever reason, Mr. Bennett asked that the City work with UNLV in finding one or several locations in the downtown area to continue the Continuing Education Program.

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City Manager Valentine noted that the City has talked to the County about the Bridger Building and it is the County's intent to re-tenant the building with County employees. She then introduced Jacob Snow from the Regional Transportation Commission.

Mr. Snow took an impromptu survey of all the people present of how many people drove to work in their private automobile by themselves and how many people rode the bus to work. As automobile drivers people drive almost 30 million miles per day. That commute becomes long with consequent air quality problems. RTC's biggest challenge is to get people out of their automobile and use public transportation. The focus of this workshop is how to redevelop downtown and RTC is proposing a fixed guideway system for Las Vegas where people can walk to work or walk to transit, similar to Salt Lake City's project. They recently opened a 15-mile light rail project that goes from Sandy, Utah all the way through downtown along their main street and it terminates at a place called the Delta Center. As a matter of fact, there was a promotion where if people took the light rail ticket into the box office, they would receive two Utah Jazz tickets for the price of one. Mass transit and sport venues and entertainment for the City tend to be complementary. They work very well together. In Salt Lake they have recently announced a new guideway development, a very large mid-rise residential mixed-use development. The success of that is directly attributed to the adjacency of the light rail. Basically bringing the surrounding urban communities into downtown.

Mr. Snow discussed a brand new transportation service that was launched today that would bring people into downtown. He distributed pamphlets showing the new express bus routes. He outlined two of the lines, the Blue Line and the Red Line. The Blue Line goes up Las Vegas Blvd North and stops at specific intersections to pick up a large amount of people. They only operate from 6:00 to 9:00 a.m. and from 2:00 to 6:00 p.m. and are designed to get commuters out of their cars. The Red Line comes down Rancho Road, makes limited stops and goes to the Downtown Transportation Center to pick up and transfer passengers and then proceeds down the Strip. These new bus routes are designed to get locals to and from work. Beginning in January, the RTC expanded capacity with the strip express route, which doubled the revenue for that route and increased the ridership 80%. RTC faces many challenges, but is excited about the opportunity at fixed guideway and rail transit that will bring communities closer together, especially in the downtown area, and make it easier for people to get where they need to go.

Jeanne Hood, Vice-Chair, Downtown Central Development Committee, commended the Mayor and Council for the workshop. A diverse group of homeowners, renters, business people, non-profit organizations and school staff members who work and live in downtown Las Vegas founded the DCDC. The DCDC is committed to work together to enhance development downtown. DCDC defined downtown as an area bounded by Owens Avenue on the north, Eastern Avenue on the east, Charleston Boulevard on the

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south and the Union Pacific on the west. The Downtown Neighborhood Plan 2000 is the first plan to be developed under the neighborhood planning process that was made possible when the City Council adopted Resolution R-27-98 on March 9, 1998.

DCDC initiated the Neighborhood Planning Process and worked hard during this past year to develop a plan that will guide the redevelopment efforts for downtown. The 23-member committee has been working on the plan together with Neighborhood Services staff. A community meeting is held on the third Thursday of each month and attendance has been good. An important aspect of this plan is the active involvement of Metro, including Officer Dan Zehnder who assisted the team with public safety issues.

The planning team identified six issues: the need for additional housing, the need for additional parks and recreation facilities, the need for an efficient pedestrian system, the need to reduce urban decay and blight, the need for additional educational opportunities and the need for enhanced public safety. She presented slides of areas where properties had at least one inoperable vehicle, trash and litter. The survey was done at the request of DCDC to get an idea of what the challenges are. Slides also indicated where there is a need for sidewalks downtown to create a better pedestrian access. Ms. Hood outlined the nine Character Districts that downtown was divided into so the planning team could effectively address redevelopment issues. Ms. Hood submitted a copy of the Neighborhood Planning Plan, which is made a part of the minutes.

Officer Dan Zehnder, Metropolitan Police Department, stated that he has been a member of DCDC for approximately 18 months in order to implement a plan that would address public safety and crime issues for the downtown area. Numerous complex issues that are the focus of current redevelopment and revitalization planning by the City limit the downtown area growth potential. The community, in general, has a negative perception of the downtown area, with the exception of the Fremont Street Experience, in that the downtown area is unsafe and is crime ridden. Many of the neighborhoods in the downtown area have no less crime than a lot of other neighborhoods in the City of Las Vegas. This perception will continue to challenge the efforts to transform the area unless the public, the City, Metro and the businesses come together to address both short and long term strategies to attack crime and address public safety issues. The DCDC Planning Team members, along with members of the City Neighborhood Services and Planning Department researched current efforts to address crime issues in the downtown area and identify some possible ways to enhance these efforts.

Metro has already proven strong law enforcement in areas such as violent crime and gang suppression. This is due to Metro's aggressive ongoing pro-active policing methods and its community policing initiatives. In fact, recent statistics show that crime is down in the entire downtown area. DCDC acknowledges and applauds the work done by the City's Rapid Response and Code Enforcement, but it is time for the entire downtown

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community, the City, and downtown businesses to join Metro to address these issues. Together downtown can be improved, thereby making it more conducive to an environment for the City's redevelopment and reurbanization issues.

Officer Zehnder outlined five strategic areas that the DCDC Planning Team identified, where the City, Metro and the community can work together to foster a positive image of downtown. Greater cooperation and coordination should be fostered between City staff and Metro, both strategically and on an operational level. Residents have expressed satisfaction with the election of a new Mayor and an expanded City Council. The community's approval rating of Metro continues to be unquestionable. This public satisfaction optimism creates new opportunities for cooperation between the City and Metro. These opportunities can be developed at both strategic and operational levels, and DCDC recommends that the City and Metro policy makers meet on a regular basis to discuss strategies for addressing the public safety issues facing downtown redevelopment. Communicating at this level will enable each agency to maximize their limited resources by working on solutions together. He recommended that an advisory planning group be formed with representatives from the City and Metro to assist in this effort. This small group would provide cooperative and planning assistance to policy makers regarding public safety in downtown redevelopment. Secondly, the group would study and recommend processes to foster greater efficiencies between both organizations.

Cooperative efforts are already in place and members of the City staff, the commander of the Downtown Area Command, Dan Barry, and the community policing officers have been working closely together for a number of years with great success. This is evident throughout the downtown area, especially in areas that have chronic criminal nuisance. Metro and the City need to continue to work cohesively with community groups like DCDC and other individual groups to maintain this level of policing downtown.

Secondly, there needs to be greater communication and participation from the residents to address public safety and crime issues. The mechanisms appear to already have been established for this strategy, thus emphasis needs to be placed on marketing current programs in operations versus developing new ones. Many residents are unaware that individual crime prevention and service programs have been established and are in operation. This is due primarily to a large number of new residents moving into the area from other states. The City's programs like the Rapid Response and Code Enforcement programs have also been established to reduce crime and blight and they have also been in operation for a number of years. Officer Zehnder recommended that the City use its new television station to market both the City and Metro's programs as a way to increase public participation. This new media resource could also be used to carry meetings between the Mayor and the Sheriff and open door policy discussions. Another avenue to encourage public participation in crime prevention is to encourage the Metro

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Crime Prevention Detail to work closely with Neighborhood Services staff. This could enhance each other's programs. The Crime Prevention and Neighborhood Watch staff could work together to organize residents on individual blocks, while Neighborhood staff worked to organize residents on a neighborhood level. Both agencies would benefit by exchanging information and working together.

Another recommendation is to develop a joint public safety strategic plan for downtown between the City and Metro. The City wants to redevelop and revitalize downtown and in order to do this the City needs to undertake action to re-urbanize the downtown area. Metro's mission will continue to be the protection of the public, reduction of crime and enhancement of quality of life. However, both agencies must plan together in a concerned and cooperative effort to ensure that their goals are achieved and strive to reduce possible conflict as the downtown redevelops. Metro needs to work hand-in-hand with the City to ensure that as new properties are developed they are conducive to a quality of life and good neighborhood development.

The fourth recommendation is to increase both City and Metro's resources to keep pace with the growing population. The number of officers that work in and support the Downtown Area Command need to be increased. DCDC realizes that Metro has specific criteria for assignment of personnel based on the number of statistical and physical factors. It would be reasonable to assume that as the downtown area transforms itself the requirements for uniformed officers, specialized units and civilian support would adjust the changing needs of police services. The proposed City and Metro planning group could provide a forum for discussion and planning on this issue and to ensure that when the time comes Metro can continue to provide quality level police services to this transitional neighborhood. The group could then assist policy makers and staff in planning for future resource allocation.

The City's Rapid Response and City Code Enforcement programs need to be expanded and work closely with Metro to enhance the quality of life, not only downtown, but in other neighborhoods as well. The expansion of these programs would allow increased capability for joint City and Metro programs to target many of the underlined causes to criminal problems in the neighborhoods. These programs and their employees have already proven themselves in the neighborhood of Meadows Village and on Fremont Street. The community needs to increase its involvement by forming additional Neighborhood Watch groups and by working with Metro in reducing criminal activity. The time has come for residents and business owners of downtown to take some of the responsibility in making the neighborhood safer and improving their quality of life. DCDC is aware that this is a monumental task and is willing to do its part to assist the efforts of the City and Metro to improve community activism.

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Finally, Officer Zehnder recommended that a strategy for a healthy long-term public safety environment be developed and implemented. Again, the City and Metro planning group could provide the forum of which to integrate the recommendations, future plans and disseminate them to the appropriate offices. Accordingly, these additional recommendations should be implemented. First, Metro's Downtown Area Command should be provided with development notifications that are currently mailed to neighborhood associations. This would allow the Crime Prevention Detail that is assigned to the Downtown Area Command to work with Neighborhood Services and neighborhood groups to make sure that they communicate the same messages through the crime prevention network that are going out through Neighborhood Services. Second, provide a process for Metro to review all business-licensing requests. Third, develop long term solutions such as Metro's homeless evaluation and liaison program to address the concentration of homeless in the downtown area. Fourth, work with the City to develop a rapid response team that works solely in the downtown area. Fifth, work with the City to provide live interactive TV coverage of monthly "First Tuesday" Metro Neighborhood Watch meetings. Sixth, work to bring all multi-family complexes into compliance by completing the crime free multi-housing training and develop a check and balance system to review complexes on a yearly basis.

Officer Zehnder concluded that the City and Metro working together should translate the often sensitive and complex issues of crime and public safety into some workable suggestions to compliment the City's future plans for downtown Las Vegas. He acknowledged all the hard work that has already been done by both the City and Metro to reduce crime and improve the quality of life for those who live and work downtown. The future of downtown Las Vegas is unlimited and with effective planning and cooperative efforts between the City and Metro, the perception of downtown will change. These efforts would then have a positive effect, which will multiply and provide a public safety climate conducive to residential and business redevelopment for downtown Las Vegas.

Captain Dan Barry, Las Vegas Metropolitan Police Department, explained that the Downtown Metro Area Command is the smallest area command, bounded by Sahara Avenue to the south, Owens to the north, I-15 to the west and Mojave to the east, encompassing an area of approximately 56,000 residents. This does not include the 10,000 tourists that visit this area daily or the people that work downtown. The Downtown Area Command is also unique from the other area commands in that we do not have that booming residential economy like the other area commands and there is no new development. The crime rate downtown has declined over the past year, including robberies.

He pointed out that Ward 3 residents' main concerns are quality of life issues. They are concerned about the homeless and homeless camps in abandoned businesses along

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Charleston Boulevard, and prostitution and narcotics activity. Metro's largest challenge for downtown is the quality of life.

He noted that in July 1999 Officer Zehnder proposed a project to be developed in the area of Meadows Village where Metro worked hand-in-hand with the City and most importantly with the residents that live within Meadows Village. This project has been extremely successful and people that live there are proud to now call Meadows Village their home. In fact, gang violence and crime that were so common have disappeared. Captain Barry commended the team members from the City of Las Vegas and Metro, including Susie Martinez, Doug Rankin, and Maria Castillo, that helped to make this project possible and for their outstanding job.

Thirty-nine percent of downtown residents are senior citizens and have often become victims of violent crime in the downtown area. The Crime Prevention unit established many senior citizens safety classes aimed at lessening the chances of seniors being victimized in the downtown area. Operation Make a Difference is a project that actually assists senior citizens with home repairs and clean up when they cannot do the job themselves.

Captain Barry outlined some of the programs that Metro has implemented in the downtown area. Effectively dealing with the homeless problem has been a challenge facing downtown. In fact, a homeless evaluation liaison program has opened an office in Mash Village where assistance is provided to those who want it and at the same time have strategies in place to deal with those who justifiably need to be in jail. The bike teams and patrol squads are committed to improving conditions on Fremont Street and Las Vegas Boulevard, including enforcing the drugs, prostitution, and homeless problems. The vice and narcotics section are also constantly working and operate in the downtown area. A close relationship is maintained between Metro and the hotels and casinos through the Downtown Security Chief Association. Monthly meetings are held with all the casino security officers to improve the level of safety for all the tourists. He pointed out that Councilman Mack attended a crime management assistance meeting. Representatives from Metro and City Government attend these weekly meetings given at the Downtown Area Command.

A planning group will be formed composed of officers and sergeants that will be working with the City to give Metro guidance in the short and long-term planning. As seen with the results of Meadows Village, great things can happen when City, Metro and most importantly, the citizens work together. He looks forward to continue working closely with the City to improve the quality of life in the downtown area.

City Manager Valentine announced that Sharon Segerblom, Director of Neighborhood Services, and Frank Hawkins, Executive Director of Community Development Programs

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Center of Nevada would be making a presentation on urban housing. Ms. Segerblom, through a power point presentation, stated that the City of Las Vegas has a unique opportunity to create an urban environment that could be cool, hip, unique, cutting edge, close to work and play. There is good freeway access to any place in the Valley from downtown. Urban housing has to be thought of as a state of mind that creates a sense of community to the downtown core. Housing can be the nucleus that revives downtown Las Vegas and given the right product, downtown Las Vegas has a great opportunity to attract a diverse group of residents and meet many different housing needs.

The lack of development of housing in downtown has held back the growth in this area. Given the major changes and development occurring downtown over the last two years, there is a potential for the downtown population to change dramatically over the next decade. A 1999 downtown Las Vegas Housing Market Study showed that the downtown market could support 200 units per year over a twelve-year period. The risk of developing market rates is certainly acerbated if downtown is not livable enough to attract the targeted residents. Livable downtown only asks for what people see in other neighborhoods. Diversity is a choice of housing in a style, cost, size, type, and diversity of population, including areas of ethnic concentration, seniors, artists, professionals, and entry-level service workers.

A sense of place in a community requires having different types of retail, from grocery stores to drug stores, day-care centers, restaurants and cafes for Saturday or Sunday brunch. These are absolutely necessary for urban life. Urban housing is by cost of the land and by nature, smaller and more compact with less private space. As a result, street level amenities that favor pedestrians over cars are very important and this should include streetscaping, shade areas, plazas, and outdoor art. People who live downtown often walk to work and it must be safe, comfortable, and aesthetically pleasing. Downtown already offers some cultural entertainment facilities and the School District is building a new performing arts center at the Las Vegas Academy. The same education opportunities must be provided downtown as in the suburbs. Initial downtown housing must be geographically close together so that Metro's presence is easier and residents get that sense of safety.

As urban sprawl increases living closer to downtown or where people work becomes increasingly attractive and downtown has to be perceived as safe as other neighborhoods. Street activity needs to be increased.

The City of Las Vegas must focus its wide variety of resources to encourage housing development in downtown neighborhoods and the City must be developer friendly. In order to have a livable downtown, it takes a combination of resident participation, planning, zoning, public incentives and infrastructure improvements. All of these things can make downtown a neighborhood of choice. A City of Las Vegas positive attitude that

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encourages downtown residential development needs to be created. Ms. Segerblom outlined a slide presentation of how local governments can help to create a livable downtown, which has been made a part of the final minutes.

Mr. Hawkins stated that Community Development Programs Center of Nevada's mission is to assist low to moderate-income people in becoming homeowners, helping to start their businesses and helping to continue to develop those businesses. The company has been doing affordable housing for approximately three years. He presented renderings of some of the projects that the company is currently developing in Ward 5 and Ward 3. These projects range from single story development, townhomes, to multi-family affordable housing development.

Mr. Hawkins used a site at the corner of Eighth Street, between Carson and Bridger as an example. The cost of the land restricts the type of development and site design. Except for the \$2 million cost of the land, possible development would include townhomes on the west of the property and commercial with rental apartments above on the east side. Because of the cost, another alternative will have to be found. He suggested keeping the commercial with the residential between 40 and 60 apartments above and then come back and build this type of apartment living with one, two, and three bedroom units. They probably have between 196 to 250 units, which will cause the City Council and staff to make adjustments and grant variances to existing zoning downtown. He presented a rendering of what the suggested project would look like.

He referred to Councilman Reese's question of why developers do not come downtown. Big developers have large overheads and they build on much larger acreages. The City has to be very creative in trying to design a strategy to encourage those developers to come downtown. The Mayor and City Council need to send messages of the type of housing they want downtown. His company builds rental housing and mobile home parks. Studies show that there is a need for 500 mobile home spaces per year for the next ten years. There are all different types of housing and housing needs. The question is what does the Mayor and Council want downtown.

Mr. Hawkins outlined some recommendations on how to focus on housing for downtown beginning with the creation of an Internal Housing Team made from different City departments and one member from the Mayor and Council. Secondly, create a reurbanization housing board. This seven-member board would make recommendations to the City Council which will help develop new housing in the redevelopment area, enterprise communities and downtown. Third, create incentives. Fourth, adopt the Impact Free Zone Ordinance, which would grant fee and permit waivers in connection with affordable housing developments. Fifth, create challenges for a successful downtown housing development by creating an environment. A strategy and design must be in place that would create a marketable environmental theme for Downtown Las

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Vegas. Sixth, adopt new City Resolutions and this work can be done and it has been done through the Neighborhood Services Office. In fact, this office has been successful because they are focused. Their mission is to clean up houses and areas where housing is not up to par in that neighborhood. Additionally, their task is to create new housing. The final recommendation is to create an employer assisted housing program for downtown. There is a tremendous opportunity for downtown hotels to be encouraged to give their employees incentives, such as help with a mortgage payment if that employee would remain for a certain amount of years. These simple incentives would create loyalty for the employee. These recommendations have been made part of the final minutes.

**Meeting was recessed at 12:31 p.m.  
Meeting reconvened at 12:45 p.m.**

MAYOR GOODMAN moved to hold in abeyance the discussion part of this workshop to the March 15, 2000 City Council Meeting, 4:00 p.m. Time Certain. This portion is very important because it will identify the Council priorities and their roles with the CCDC Office, Business Development Office, Nevada Development Authority and the issue of stimulating both economic and residential development downtown. **(The motion carried Unanimously with M. McDonald excused.)**

Chairperson Jodi Goodheart, CCDC, moved to reconvene the CCDC portion of the meeting to March 15, 2000, 4:00 p.m. Time Certain.

**CITIZEN PARTICIPATION:**

Mayor Goodman announced that he would be accepting public comment recognizing that it would terminate by 1:00 p.m. and that anyone not able to participate at this time will be welcome to speak during the March 15, 2000 City Council Meeting Citizen Participation.

Joe Richic, 516 North 11<sup>th</sup> Street, First Vice President of Robert Gordon Council, stated that this is a senior affordable housing complex of about 300 seniors. He thanked DCDC and the City Council for approving the monies that the Robert Gordon housing complex had requested so that repairs could be made on the roofs and air conditioners. The repairs have been completed and the housing complex is now a show place and he invited the Mayor and Council to visit the housing complex located between Bonanza Road and Maryland Parkway. Additionally, the DCDC holds meetings in the Robert Gordon Council community room.

Sue Brna appeared in behalf of the Desert Sculptors Association, Inc., a non-profit artist organization. She submitted a proposal for a sculptural park and garden to be located downtown, decorated with trees, shrubs, desert gardens and benches. The park would be designed with crime prevention in mind with use of lighting and free from view open

**Special Joint Meeting City of Las Vegas City Council,  
City of Las Vegas Redevelopment Agency and  
City Centre Development Corporation, Inc.  
Monday, February 28, 2000  
Page 19**

spaces. The park should be user friendly and allow people to relax physically and mentally. She suggested that the City of Las Vegas supply the land for this park to be used by all the City of Las Vegas residents. She listed different companies who might donate the sculptures who would have their institutions name inscribed on a plaque similar to what can be found in Navy Pier in Chicago. Ms. Brna submitted information pertaining to this issue, including photographs of various artworks, which have been made a part of the minutes.

Tom McGowan, 720 South Casino Center Boulevard, thanked the Mayor and Council and CCDC members for a commendable workshop and commended the CCDC for doing an excellent job. Copies of his comments were made part of the minutes.

Joe Maviglia, Citizen of Las Vegas, noted that special attention should be given to those areas in downtown that are filled with blight so that people can come in and live a half way decent life. Nice affordable homes could be built in many of the empty lots that would create the kind of atmosphere that the City is trying to create. He understands that Mayor Goodman's concentration is to make Las Vegas the kind of City that everyone will always be proud of and this cannot be done by putting a fancy museum downtown without taking care of the people first.

Jim Lucas, Harbor Hill Neighborhood Association, noted that Navy Pier in Chicago has an aquarium and that it might be something that can be considered for downtown Las Vegas.

Councilman Reese moved to adjourn the meeting to the March 15, 2000 City Council meeting. City Attorney Brad Jerbic clarified that if the three meetings are recessed to a Time Certain at 4:00 p.m. it would be a continuation of this meeting. As such, citizen participation would also be continued and it would be one single citizen participation.

Jodi Goodheart, Chairperson, CCDC, moved to hold in recess the CCDC meeting.

**ADJOURNMENT**

The meeting adjourned at 1:12 p.m.

RESPECTFULLY SUBMITTED,

  
\_\_\_\_\_  
Angela Crolli, Deputy City Clerk

**RE-URBANIZATION WORKSHOP  
LAS VEGAS CITY COUNCIL  
LAS VEGAS DOWNTOWN REDEVELOPMENT AGENCY  
CITY CENTRE DEVELOPMENT CORPORATION**

**FEBRUARY 28, 2000, 10:00 A.M – 1:00 P.M.  
REED WHIPPLE CULTURAL CENTER, SECOND FLOOR  
AGENDA**

**CALL TO ORDER – CITY COUNCIL, LVDRA, CCDC**

**PART I: OVERVIEW**

Purpose and Introductions - Mayor Goodman  
Downtown Update - Virginia Valentine, Steve Houchens, Doug Selby  
CCDC Operating Agreement – Brad Jerbic  
City Centre Development Corporation Strategies - Mike Forche/Jodi Goodheart

**PART II: PRESENTATIONS**

- A. Fremont Street Experience – Mark Paris  
Nevada Development Authority - Sommer Hollingsworth  
UNLV - Dr. Carol Harter  
Regional Transportation Commission - Jacob Snow  
Downtown Central Development Committee - Jeanne Hood  
Las Vegas Metropolitan Police Department - Officer Dan Zehnder/Capt. Dan Barry  
Urban Housing - Frank Hawkins/Sharon Segerblom
  
- B. Questions and Answers

**BREAK**

**PART III: PROCESS DISCUSSION**

Have we identified the Council's priorities?  
How do we define roles and optimize communication among participants?  
How do we further stimulate economic development?

**PART IV: PUBLIC COMMENT**

**ADJOURNMENT**

# Memorandum

City of Las Vegas  
Office of the City Manager

To: Mayor Oscar B. Goodman  
Councilman Michael J. McDonald  
Councilman Gary Reese  
Councilman Larry Brown  
Councilwoman Lynette B. McDonald  
Councilman Lawrence Weekly  
Councilman Michael Mack

From: Steven P. Houchens, Deputy City Manager

CC: Virginia Valentine  
Doug Selby  
Brad Jerbic  
Mike Forche, CCDC  
Directors  
Administrative Services

RECEIVED  
CITY CLERK  
2000 FEB 23 A 11:32

Date: February 22, 2000

Re: **Re-urbanization Workshop**

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The attached packet represents the supporting documentation for our Re-urbanization Workshop with the Las Vegas City Council, Las Vegas Downtown Redevelopment Agency and City Centre Development Corporation to be held on February 28, 2000.

The document entitled "Las Vegas – Downtown, A Current Perspective" is a work in progress, intended to help stimulate discussion of issues impacting our city center. We hope that it will provide you with background information regarding our downtown development process and progress to date.

An agenda for the planned session is also included. Please review the materials prior to the workshop and, if you have any questions, contact Barbara Jackson who will be serving as our facilitator. Thank you.

SPH/jk

Attachments

# LAS VEGAS – DOWNTOWN

## A Current Perspective

February 28, 2000

### Background Material

Introduction	Page 1
Current Environment	Page 3
Incentives	Page 7
Initiatives and Strategies	Page 12
Conclusion	Page 19

- Appendix A – “Reurbanization”, City of Las Vegas Strategic Plan**
- Appendix B – Map of Las Vegas Redevelopment Area**
- Appendix C – “Executive Summary”, “Downtown Las Vegas Office Core Market Update”, Keyser Marston Associates, Inc.**
- Appendix D – “Executive Summary”, “Downtown Las Vegas Housing Market Study”, Economics Research Associates**
- Appendix E – “Nevada’s Selected Business Assistance Programs”, Nevada Development Authority**

2000 FEB 23 A 11:32

RECEIVED  
CITY CLERK

# LAS VEGAS -- DOWNTOWN

## A Current Perspective

### INTRODUCTION

Never before has the downtown community of Las Vegas been in such a favorable position to expand and develop as a true urban center. The City is poised to excite a downtown community that has been somewhat static for several decades, watching from the sidelines as the rest of the City and surrounding communities experienced unparalleled growth and expansion.

The growth of the City, as well of the neighboring cities and unincorporated Clark County, has been nothing short of phenomenal, leading the nation over the course of the last decade. The City's core, however, has played a limited role in this boom.

Amazing as it has been, most of the growth in the valley has been inside out over the last twenty years, with growth expanding outward in vacant desert lands rather than concentrating back to the urban center. The breakneck expansion in gaming and entertainment is the fuel that propels the residential growth in the suburbs and bedroom communities, supporting in turn the neighboring office and retail/commercial development. The numerous neighborhood casinos appearing across our valley's landscape further remove commerce away from the central core.

Today, Las Vegas is in an excellent position to create a downtown renaissance. Many of the supporting factors are obvious, such as the massive renovation of the Spaghetti Bowl and the related improvements in access to downtown from all four corners of the valley. Some of the advantages tend to be less obvious. These include the ready access to high-speed data links as well as incentives available to assist the establishment of a living, breathing downtown environment.

The development currently underway downtown will attract allied commerce, as well as supporting service industries. The construction of the federal and Clark County court complexes, along with several Class-A office buildings under consideration, will generate the expansion of the downtown skyline for the first time in more than 25 years. Neonopolis, coupled with Fremont Street, will provide a fascinating urban entertainment venue with restaurants, nightclubs, and shops that attract urban professionals and service workers alike. The City will develop green spaces and encourage basic consumer services and products needed by a residential environment.

The City is developing downtown educational opportunities through partnerships with higher education. An example is the partnership with UNLV establishing the City's Fifth Street School as a venue for university-level training. The growing tide of support of the arts downtown is evidenced by the downtown Arts Center, the Cultural (Museum) /Corridor, proposed performing arts centers at the Las Vegas Academy and on the Union Pacific site, and the proposed

conversion of the Federal Post Office to a cultural and arts center in the middle of a Las Vegas City park.

Inextricably linked to any downtown plan is the ultimate use of the expansive property known as the Union Pacific site. The owners of this site are the Union Pacific Railroad (approximately 113 acres) and Lehman Brothers (approximately 61 acres). Although several plans are in existence, the ultimate plan is likely to include a mix of campus style offices and medium-density residential buildings, flanking one or more large complexes featuring an arena, performing arts center, and/or convention facility -- all served by multi-modal transportation connections and high speed cyber links.

This report will discuss several aspects of the development efforts aimed at the City's urban center. The presentation will summarize the current environment, followed by consideration of various incentives that are either in place or that could be considered. The concluding section will deal with categories of existing initiatives that are either underway or on the drawing board.

## **CURRENT ENVIRONMENT**

### Strategic Plan

In building the City's Strategic Plan 2005, a new area of interest was created known as "Reurbanization". This area of interest has three driving goals. They are as follows:

- A. To increase the number of residential units built or rehabilitated in downtown Las Vegas.
- B. Create more job opportunities and increase economic development for small businesses in the downtown area.
- C. Increase the opportunities for downtown revitalization (Appendix A).

These goals and related strategies are interwoven into three other areas of interest included in the Strategic Plan, namely "Growth", "Quality of Life", and "Fiscal Responsibility". The result is a concerted effort to use the community's raw elements of success to vitalize the City's downtown. These elements are focused on more than office space or entertainment. Rather, they represent a holistic look at issues of neighborhood development in appealing to a population that lives, works, and creates in a downtown community.

### Geographic Boundaries

For the purposes of this discussion, "Downtown" refers generally to the area currently identified as the redevelopment area administered under the Las Vegas Redevelopment Agency (See Appendix B), with a focus on the financial and entertainment core.

### Support Organizations

Several organizations work together to support the development efforts. These include the following:

- Las Vegas Redevelopment Agency
- City Center Development Corporation, Inc. (CCDC)
- Fremont Street Experience LLC, Inc.
- Downtown Central Development Committee
- Various City departments (including Business Development, Neighborhood Services, Public Works, Planning and Development, Building and Safety, and Fire Services)
- Las Vegas Metropolitan Police Department

The success of downtown development will rely significantly on the ability of these organizations to stay focused and energized on the City's Strategic Plan goals and objectives.

The downtown area has had several successes over the last decade. Today, there are several projects in place that have the promise of promoting healthy downtown growth. In business and commerce, the downtown area can boast two new centers of government: the federal courthouse

and the Clark County Regional Justice Center. These innovative buildings bring more than 1.1 million square feet of government office space to downtown and look to spawn significant private office development over the next decade.

### Office Space

Proposed and/or potential private developments include the Fourth and Lewis building, Clark Street Associates, and potential development on the "Bulldog" site adjacent to the federal courthouse. In each of these instances, the City controls the land that is to be developed. (This has traditionally provided a benefit to the developer of the project in dealing with high land prices.) Combined, these three projects could generate about 250,000 SF of new Class-A office space, an increase of 20 percent over downtown's current office inventory.

A Market Update presented to CCDC in August 1999 by Keyser Marston and Associates, Inc. is attached to this report as Appendix C. This report indicates that there is a reasonable expectation of a market demand for an additional 330,000 to 380,000 SF of commercial office space over the next five years.

If space is constructed to meet this potential market, the downtown area's relative portion of office space in the valley could increase to 9 to 10 percent. This proportion currently rests at about 7 percent. The Kaiser Marston report compares this inventory percentage with several other western cities on Table 4, reflecting a significant lack of new office construction in the downtown area since the late 1970's.

### Residential

For the downtown community to be successful, there must be an influx of residents. The lack of mid-rise affordable housing is a critical issue as noted in the City's strategic plan. Nevertheless, some recent successes are worth noting.

Within the next few weeks, a quality studio apartment complex named Campaigne Place will open featuring 320 studio units. Recently, the City negotiated an agreement with the same developer to construct a mixed-use residential development on Las Vegas Boulevard, which will add another 47 units to downtown's housing inventory.

In 1999, the CCDC sanctioned a study by ERA (Economics Research Associates) of the housing market in the downtown area. The executive summary of that report is attached as Appendix D. The study revealed that there is a demand for residential units in the City's urban core, conservatively estimating that the market could absorb at least 200 residential units annually. This study is pertinent to increasing discussions over possible residential incentives available through housing grants and set-asides.

## Cultural and Education

There is a common thread in all cities with thriving neighborhoods downtown. That is the availability of quality educational and cultural opportunities. Las Vegas has recently made major efforts towards this goal in partnering with UNLV for university classes at the historic Fifth Street School.

The City has also developed its "Museum Corridor" within walking distance of downtown. This Corridor features the Las Vegas Library, the Lied Discovery Children's Museum, the historical Mormon Fort, the Natural History Museum, and a proposed neon museum -- all in addition to the Cashman Field complex, home to minor and major league baseball games.

The City is witnessing the birth of a arts center in the vicinity of Charleston Avenue and Casino Center Boulevard. This center is the nucleus of an arts district that will serve this community. This center also provides a downtown connection with the Las Vegas Academy, a magnet school for the arts. The Academy is currently renovating their downtown campus.

Several other ideas under consideration will have a significant positive impact on downtown. These are:

- A world-class center for the performing arts, as has been discussed in conjunction with the Union Pacific property.
- A state-of-the-art sports arena and convention center, similarly on the Union Pacific/Lehman site.
- A downtown cultural/community center, connected with local parks and open spaces including pocket parks and pathways.
- The historical Stewart Street Post Office/Courthouse, appending the 22-acre City Hall master campus plan.

## Transportation and Accessibility

Recent road improvement projects have beautified many portions of downtown. The most visible of these was the improvement of Fourth Street, including construction of Gateway Park. Las Vegas Boulevard improvements followed close behind. It is difficult to quantitatively measure the impact of these improvements on downtown development, but the benefits to business and residential development are substantial.

Continued improvements are needed. Work is being done to develop the Lewis Street Corridor, connecting the Federal Courthouse and Las Vegas Academy on the east with the Regional Justice Center on the west. Resources are being pursued to address other road improvements, such as 3<sup>rd</sup> Street, Casino Center Boulevard, and a Bonneville/Clark Street couplet.

The completion of the Spaghetti Bowl expansion will spur other transportation improvements affecting downtown. These improvements will ultimately include expanding the Charleston

interchange as well as installing slip ramps to the Union Pacific property. Coupled with the improvements planned for widening US95, downtown will have the most centralized freeway access of any commercial area in the valley.

The future construction of a fixed guideway system connecting downtown businesses with the Las Vegas Strip will further enhance downtown, making it easier for visitors to frequent downtown's tourist and business destinations as well as offering city center residents easier commutes to their jobs on the Strip. Given the congestion on the Las Vegas Strip during peak periods, alternative technologies will prove very beneficial.

In addition to transportation corridors, it is becoming increasingly important to consider the needs of visitors to find accessible and affordable parking. To this end, the City is partnering in three parking garage efforts: Neonopolis (600 public spaces); Fourth and Lewis (580 spaces, of which 140 are public); and Stewart Street (between 500 and 600 multi-use spaces). Each of these facilities will be owned by the City and together will provide more than 1,300 new public parking spaces.

### Entertainment

Since the Redevelopment Agency was created, a major portion of its agenda has been to provide support to the local entertainment industry in order to maintain a competitive edge with the new developments occurring on the Strip. Efforts included the Fremont Street Experience, the original Main Street Station, and the most current project, Neonopolis. The entertainment industry is clearly the dominant downtown employer, with more than 20,000 gaming employees at work in downtown hotels and casinos.

Neonopolis is critical to support the success of the Fremont Street Experience and will definitely add to the critical mass of the entertainment industry in downtown. This project supplements the significant investments that FSE members have made to the Experience and to their respective properties over the last five years. In addition, the remaining retail space in the Fremont Street garage will soon be developed.

The future of entertainment is critical to downtown, particularly restaurants and retail shops needed to serve workers and residents of the area. However, the competition is very strong on the Strip. In addition, neighborhood casinos continue to grow outside the City's boundaries, effectively reducing the supply of customers to the downtown entertainment venues.

### Other

The construction and staffing of the Downtown Area Command of the Metropolitan Police Department in the Fifth Street School has also proven to be a major improvement to both real and perceived safety. The proactive effort of the Metropolitan Police Department in partnering with downtown residents and businesses has been a catalyst to area improvement and has developed into a mutual trust and respect in fighting the elements of crime in the inner city.

The Fifth Street School is a valuable downtown commodity. One of very few historical buildings, the School provides a legacy to many of the City's most prominent long-term residents. With its proximity to the Lewis Street Corridor, the School will ultimately become a downtown center -- featuring a number of mixed-use venues for residents and office workers alike.

## **INCENTIVES**

There are several incentives available to assist in the development of downtown. They could be classified as financial, regulatory, and aesthetic.

### Financial Incentives

The most often requested incentives are those that have a financial impact. This might include direct assistance in the form of a grant or land buydown; or it might be less direct, such as provision of parking from a City lot. The following is a list of more commonly requested financial incentives:

- Tax abatement
- Property tax increment
- Subsidized or free land
- Reduced fees
- Grants
- Low-interest loans
- Subsidized parking
- Entitlement grants
- Private activity bond cap

### Tax Abatement

Although the City lacks authority to abate taxes, there are several limited tax abatement programs administered by the State of Nevada. These programs (summarized in Appendix E) range from limited sales tax exemptions to abatement of personal property taxes. The use of these programs is determined on a case-by-case basis. The Nevada Development Authority typically facilitates requests such as these through the State process.

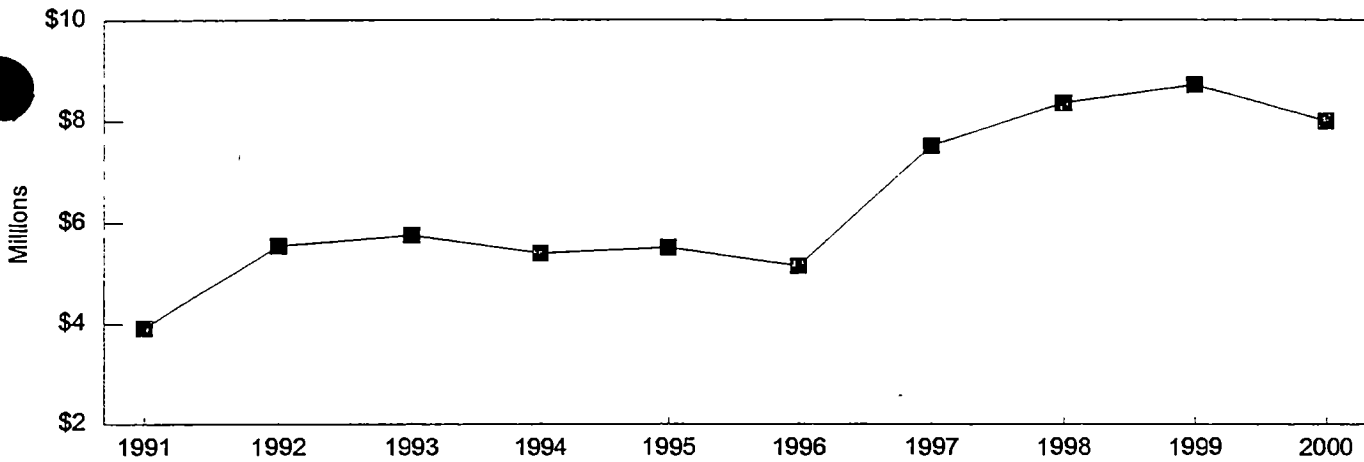
### Property Tax increment

The property tax increment has been the Redevelopment Agency's most traditional funding source in providing redevelopment assistance. Simply put, the tax increment is an amount of property tax that is generated by the increase in the assessed valuation within the designated area over a given period of time.

The redevelopment area was established in 1986 with the creation of the Redevelopment Agency. The cumulative assessed valuation of taxable property in the defined area at that time constitutes the “base” amount. Since that time, the cumulative assessed valuation has increased due to new construction and increased valuation of existing properties. Conversely, some decreases are also experienced because of depreciation of property and other reductions in the assessed value of properties. The difference between the current valuation and the “base” valuation is multiplied by the existing tax rate (as adjusted) to arrive at the amount of tax increment credited to the Agency.

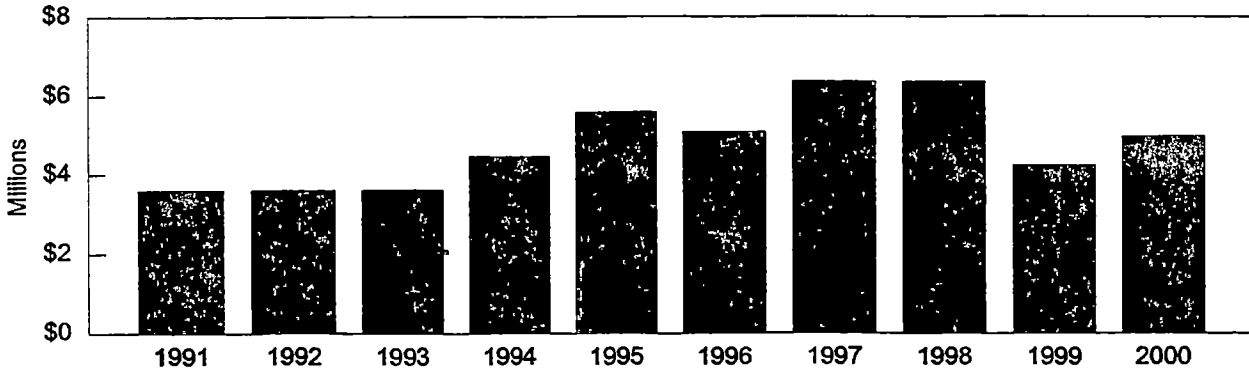
The history of the tax increment over the last 10 years is reflected on the following chart:

**Tax Increment**



The tax increment may be used to contribute directly to redevelopment projects. Alternatively, entities may borrow against their anticipated increment, thereby leveraging the increment to obtain a higher level of funding. The City has floated two twenty-year and one ten-year bond issues against its increment, totaling approximately \$50 million. The ten-year history of the Agency’s annual debt payments is reflected on the following chart:

**Debt Payments**



The historical use of the tax increment has been to provide funding from existing revenues, or from bonds serviced from existing revenues. As a result, there is a fixed limit of funding that can be contributed or that can be leveraged for more borrowings.

Often, the more effective use of tax increment financing is after the fact. For instance, when a developer buys property and builds a building; that development will create a measurable amount of tax increment. That increment is new; it didn't exist before the parcel was developed. Thus, it is possible to return some or all of that new tax increment to the developer to defray costs after the fact. The increment paid under this method is determined by the tax increment generated by the development. In essence, there is no fixed limit on the amount or duration (subject to the sunset of the Agency) of the increment so long as the future commitment doesn't exceed the amount of increment generated.

### Land

The Redevelopment Agency has the ability to purchase land and provide it to a redevelopment project subject to compliance with applicable statutes and conditions. Similarly, the City has the ability to purchase land for a public purpose. In some circumstances, it is possible for the City to either sell, loan, or give land to the Redevelopment Agency for acceptable redevelopment purposes. The Redevelopment Agency has the ability to use eminent domain to obtain land for qualified redevelopment to the extent allowed for and defined by statute.

### Reduced fees

The City has the ability to waive certain fees associated with the acquisition of planning and building permits for a project. Certain prohibitions are placed on fees that are used to retire bond issues (e.g., sewer fees) or fees that the City collects as an agent for another organization (e.g., desert tortoise fees). There is also a reluctance to waive fees or charges that are specific to a given act, such as the higher cost of the City's express plans check function. The Redevelopment Agency does not have the right to waive fees, although they can request the City to do so.

### Grants

There are numerous sources of grants available to support projects. The bulk of grant funds received at a local level support projects or initiatives that serve a population under economic or other hardships. The bulk of this funding is from Housing and Urban Development (HUD), and is most commonly funded through Community Development Block Grant (CDBG) or (for residential) home ownership (HOME) funding. Other grants might have environmental strings, such as EPA or "Brownfield" grants. Typically, grants such as this carry certain provisions for extended periods of time. Their nature, however, is typically supportive of urban issues.

## Loans

There are several avenues available to obtain low-cost, long-term debt that supports urban development. These may be available through financial institutions, through the Redevelopment Agency, or through various Internal Revenue Service programs. The Redevelopment Agency has authorized loans in the past that are repaid from the entity or through the tax increment.

Each year, the City receives authorization from the State to make available tax-exempt borrowings under the State Private Activity Bond Cap. Similar borrowings utilize industrial development bonds for manufacturing, transportation, or environmental efforts. These borrowings, subject to a number of restrictive conditions, allow a private entity to obtain funding under lower, tax-exempt interest rates.

## Parking

The availability of parking at competitive rates is essential for urban development to compete with development in the suburbs. The City and the Redevelopment Agency have the authority to construct and operate parking garages. Rates charged for parking should be at market rates. A direct subsidy to rates could be negotiated with the Redevelopment Agency. When parking garages are funded through tax-exempt financing, they must be made available to the general public. In these cases, parking is generally on a first-come, first-served basis. Long-term leases with developers are only possible where the garage (or a portion thereof) is constructed with bonds that are not tax-exempt.

## Regulatory Incentives

Urban redevelopment often requires significant reconstruction to comply with changes made in regulatory laws, ordinances, and codes. For instance, the requirements under the Americans with Disabilities Act didn't even exist 20 years ago.

As a result, there is a perception of a built-in bias against significant modernization of older buildings – cost and time being the byproducts of more extensive regulations. Successful redevelopment programs have managed to develop codes which comply with federal and state regulations and life safety requirements, but that have more specifically adapted requirements and necessities to an urban development.

## Land Use

In addition, the changes in the nature and character of neighborhoods might suggest changes to the master plan and potential rezoning. Sometimes these can be controversial because residents and business owners are comfortable with their communities, and may not wish to empower change that they might perceive as negative. Opposing positions create a difficult environment to judge zoning and land use issues. At the very least, such issues need to be dealt with quickly before significant time and money is invested.

To this end, the City's planners are unveiling a comprehensive plan for the development of downtown entitled Downtown Plan 2005. This plan was approved by the CCDC and will soon be submitted to the Planning Commission for approval. Copies of the plan are available at the Planning and Development Department.

### Other Incentives

Older urban communities suffer from infrastructure that might have been appropriate at the time those communities were developed, but that is now degrading from the prospects for enhanced development. Examples include a lack or degeneration of streets, curbs, gutters, streetlights, or other amenities in the older neighborhoods.

Incentives in this realm might include reconstructed streets, curbs, and sidewalks. Projects could include streetlights or higher-quality traffic signals. Incentives for residential growth will likely include provisions for parks and open space that provide a venue for walks and outdoor recreation in the urban neighborhoods. Requirements for a certain level of landscaping will also add to the livability of the area.

Continuing education is a vital component of downtown. The addition of a satellite campus of UNLV will have a beneficial impact. Similarly, in today's E-commerce world, connectivity becomes a highly important issue. The ability to connect to high-capacity, high-speed interactive lines is becoming as common as the need to be serviced by transportation networks. Thus, the availability of a "cyberstructure" is essential.

Finally, there must be a perception of a safe and clean environment for workers, residents, and guests. Incentives towards this end include beautification efforts and consistently clean and well-maintained public amenities. Cooperative efforts are needed between police, neighborhood services, and other agencies that recognize common concerns and needs.

## **INITIATIVES AND STRATEGIES**

The following section will identify downtown projects that are in various stages ranging from early discussions to signed development agreements. The lists are not all-inclusive – rather directed at those projects needing Council direction today or in the future. The current status of each project is stated to the extent possible.

It is important to note that while development plans are critical to moving forward, they are subject to change. The nature of the industry is that some deals will move forward; whereas some may not. It behooves the City to treat each proposal with due respect and diligence in determining the best allocation of scarce resources and incentives.

The projects have been divided into six categories and are discussed in the next several pages. The categories are:

- Office and Commercial Development
- Mixed-Use/Residential
- Culture and the Arts
- Entertainment and Retail
- Transportation
- Union Pacific/Lehman Brothers Properties

## *Office and Commercial Development*

	<u>Developer</u>	<u>Size</u>	<u>Investment</u>	<u>Status</u>
Uptown Office Building	Pauls Group	110,000 SF	\$20M	In design
First Security Bank Building	Clark St. Assoc.	90,000 SF	\$20M	In design
"Bulldog" site	None	70,000 SF		Considering options
FBI Bldg @ Enterprise Park	GSA	20,000 SF		In design
Cox Communications	Cox	275,000 SF	\$30+M	In design
Federal Courthouse	GSA	400,000 SF		Nearing completion
Regional Justice Center	Clark County	700,000 SF		Under construction

**Tools:**

- Tax increment
- Favorable zoning
- Public parking
- Land available
- Eminent domain

**Obstacles:**

- Cost to assemble land
- Lack of tax incentives
- Negative media perception
- Health/safety code issues

### *Mixed Use/Residential*

	<u>Developer</u>	<u>Size</u>	<u>Investment</u>	<u>Status</u>
Gass and LV Blvd	Tom Hon	50 units	\$6M	In design
UP Site	Union Pacific	?	?	Under consideration
Campaiga Place	Tom Hon	321 units	\$12M	Completion in March 2000
320 N. 9th Street	Catholic Charties	16 units	\$1.5M	Completion due Dec. 2000
Various Live/Work Artist Units For Sale Condominiums	N/A	?	?	Looking for possible sites and effective partnerships

**Tools:**

Future demand  
Safe environment  
City incentives  
Live/work benefits  
Excellent freeway access

**Obstacles:**

Cost of land assemblage  
Limited incentives  
Unknown market  
Need for expanded services

## *Culture and the Arts*

	<u>Developer</u>	<u>Size</u>	<u>Investment</u>	<u>Status</u>
Heritage Park	CLV	2 acres	\$1M	Under construction
Charleston Arts Corridor	Various	?	?	Under discussion
Performing Arts Center	?	?	?	See Union Pacific/Lehman Brothers
Neon Museum/Boneyard	?	1.4 acres	?	Under discussion
LV Academy Arts Center	CCSD	N/A	?	Under discussion
Downtown Community Center	CLV	?	?	Under consideration
Linear Park	CLV	?	?	Consistent with parks plan
U.S. Post Office/Courthouse	GSA	?	?	Pending GSA determination

**Tools:**

Future demand  
 Safe environment  
 City incentives  
 Live/work benefits  
 Excellent freeway access

**Obstacles:**

Cost of land assemblage  
 Funding  
 Unknown market  
 Need for expanded services

## *Entertainment and Retail*

	<u>Developer</u>	<u>Size</u>	<u>Investment</u>	
Neonopolis	Prudential	250,000+SF	\$100M	Pre-leasing movie tenant
Central chiller	e-Three	?	\$10M	Under construction
Stewart Street Garage	CLV	600 spaces 30,000 SF	\$8M	In design
Fifth Street School	N/A	30,000 SF	N/A	Concept study underway
Magic's Westland Parcel B	Lombard	15,000 SF		Under discussion
FSE Garage retail	FSE	20,000 SF		Leasing
Small business development	NSD	N/A	\$55,000	Façade improvements

**Tools:**

High visitation  
 Safe environment  
 Public parking  
 Tax increment  
 Favorable zoning  
 Excellent freeway access

**Obstacles:**

Cost of land assemblage  
 Lack of tax incentives  
 Limited market exposure

## *Transportation*

	<u>Developer</u>	<u>Size</u>	<u>Investment</u>	<u>Status</u>
Lewis Street Corridor	CLV	N/A	\$2M+	In design
Charleston Interchange	NDOT	N/A	\$35M	RTC/UP/NDOT funding
Bonneville/Clark Couplet	CLV	N/A	\$1M	City/RTC funding
Third Street Improvements	CLV	N/A	\$4M	City funding
Casino Center Improvements	CLV	N/A	\$500,000	City funding
Fixed Guideway		N/A	\$300M	Waiting for installation of 1st phase, RTC/Federal funding
Super Speed Train		N/A	?	Possible multi/modal terminal
Amtrack		N/A	\$4.5M	Possible downtown terminal

**Incentives:**  
 Federal and State funding  
 Freeway access  
 Accessible ROW's

**Obstacles:**  
 Project costs  
 Local funding  
 Disruption

## *Union Pacific/Lehman Brothers Properties*

	<u>Developer</u>	<u>Size</u>	<u>Investment</u>	<u>Status</u>
Arena	N/A	20,000+ seat	?	Under study
Performing Arts Center	N/A	5 - 10 acres	?	Determining site
Convention Facilities	N/A	?	?	Under consideration
Office Complex	N/A	100,000+SF	\$20M+	Discussions with potential developers
Mixed-use Residential	N/A	?	?	Discussing open campus concepts
E-Commerce Complex	N/A	?	?	Conceptual discussions

**Tools:**

Tax increment  
 Large continuous parcels  
 Public parking  
 High speed fiber  
 Favorable zoning  
 Future freeway access

**Obstacles:**

Cost of land  
 Limited tax incentives  
 Limited parking  
 RR separation from downtown

## **SUMMARY**

Moving forward requires a concerted effort on behalf of the Mayor and Council, management, City departments, and agencies affiliated with the City.

The critical relationship aimed at the enticement of new business and new homes to downtown involves:

- The Mayor and Council Offices
- The City Manager/RDA Executive Officer
- City Centre Development Corp., Inc.
- Nevada Development Authority

Others will be significant participants in this effort, but the first step is to create an environment that sells the premise that downtown is a place to live and work.

Through the progressive efforts of this group, a city of the future can be molded today, offering amenities found in few locations throughout the world. The City is the hub of Las Vegas in many ways. It is the geographic hub, located on the same site as the original settlers. It is the hub of commerce, of government, and of the courts. It is the hub of transportation and electronic commerce. It is the hub of public safety and public policy for the valley.

And it is the hub and heart of the City's cultural and arts community and growing legacy to those who follow.

# **Appendix A**

Reurbanization

City of Las Vegas Strategic Plan



Successful development that includes mixed income/use, residential and commercial sites, will

## RE-URBANIZATION



eliminate blight and increase the critical mass required to sustain downtown projects.

# RE-URBANIZATION

The City of Las Vegas will strive to enhance its effort to provide premium living and working opportunities and environments in the Downtown Urban Core. Successful development that includes mixed income/use, residential and commercial sites, through public/private partnerships, will eliminate blight and increase the critical mass required to sustain downtown projects.

## **A. Goal: To increase the number of residential units built or rehabilitated in downtown Las Vegas**

### Objective

Provide quality housing that enhances the area and attracts more development to downtown, including retail and small businesses

### Strategies

- Establish housing requirements that provide for the following:
  - Security
  - Sense of neighborhood/community
  - Aesthetically pleasing
  - Large, landscaped interior open spaces
  - Sunroof patios and safe outdoor spaces
- Implement a comprehensive housing plan to establish available funding resources
- Provide a Request for Proposal element for projects that will include affordable housing for families, seniors and special needs citizens
- Strengthen on-site management through an intense application procedure for residential units



- Give priority to those projects that provide elements of safety, security and aesthetic design qualities
- Develop service opportunities for downtown residents such as on-site child care, after school programs, senior day care and rehabilitation programs

## **B. Goal: Create more job opportunities and increase economic development for small businesses in the downtown area**

### **Objective**

Provide an environment for developers, entrepreneurs, and small business owners to locate within the downtown area

### **Strategies**

- Utilize the Micro Business CDBG Revolving Loan Fund to promote business expansion and relocation to the downtown area
- Create facade improvements for existing downtown businesses through federally funded programs
- Link public open space to commercial and residential projects
- Encourage locating training and educational opportunities within downtown, to include classes offered by the university, community college and local labor unions
- Provide incentives to develop in the downtown area through federal entitlement grants, land buy downs, low interest loans, infrastructure amenities and housing assistance through redevelopment set-aside funds



## **C. Goal: Increase the opportunities for downtown revitalization**

### **Objective**

Promote the development of the Union Pacific Railroad property

### **Strategy**

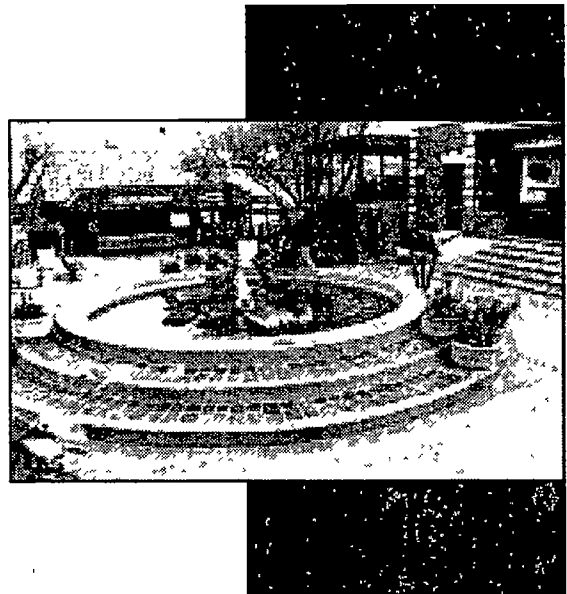
- Continue to seek development interests that will enhance the City's central core and provide essential elements for its mixed use
- Explore opportunities to develop cultural and athletic venues

### **Objective**

Provide an attractive and inviting north and south entryway into the downtown area

### **Strategy**





- Work in collaboration with the Arts Council to create a more attractive entryway to the City's cultural corridor that will also connect with the museum corridor to the north

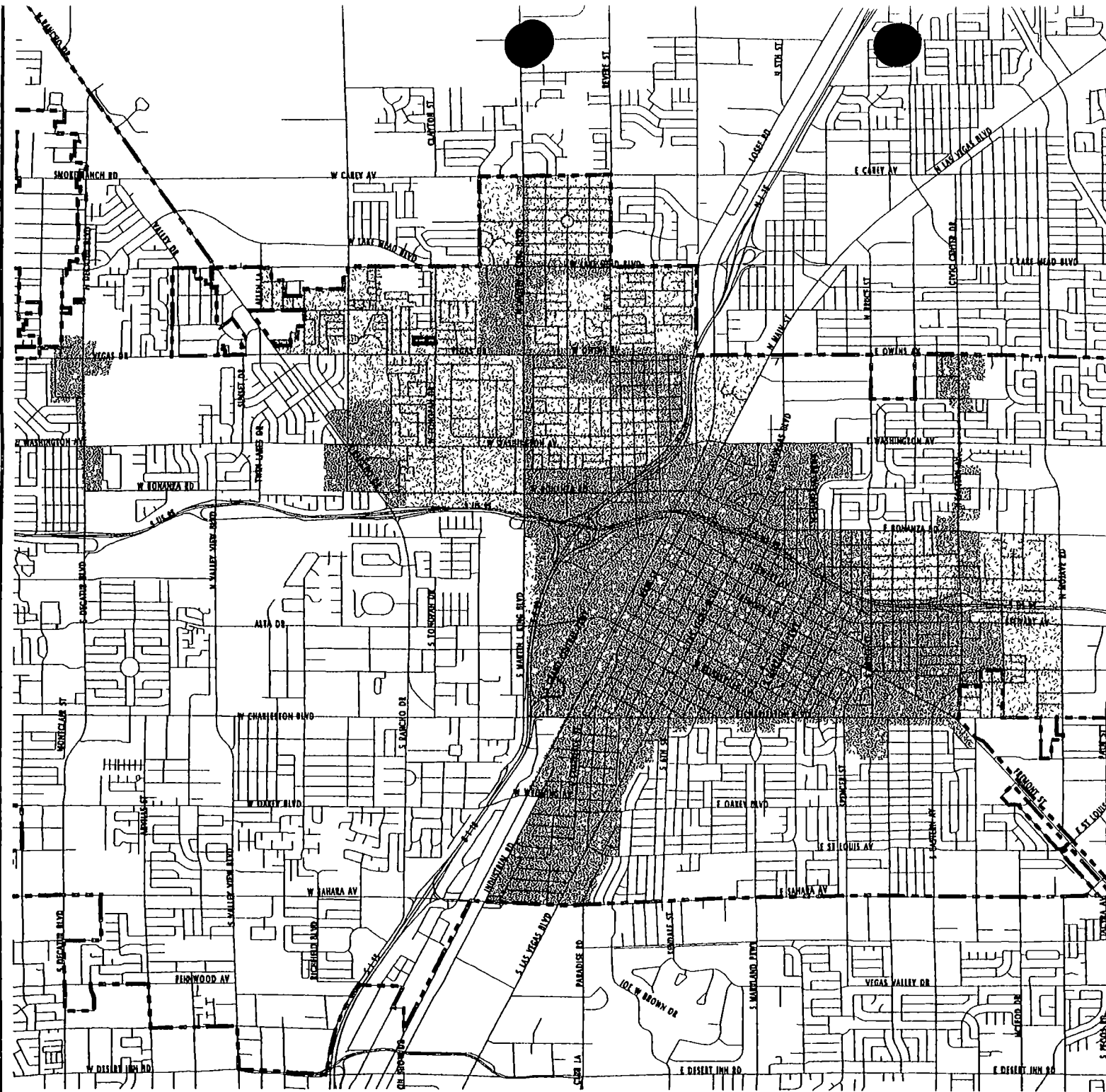


# **Appendix B**

Map of Las Vegas Redevelopment Area

# Employment Plan Target Area

-  Employment Zones
-  Redevelopment Area
-  Streets
-  City Limits



Map Prepared September 23, 1998



SCALE: 1" = 4100'



GIS maps are normally produced only to meet the needs of the City. Due to continuous development activity this map is for reference only.

Geographic Information System

# **Appendix C**

Executive Summary

Downtown Las Vegas Office Core Market Update

*Keyser Marston Associates, Inc.*

CITY CENTRE DEVELOPMENT CORPORATION  
DOWNTOWN LAS VEGAS OFFICE CORE  
MARKET UPDATE

Prepared for:

CITY CENTRE DEVELOPMENT CORPORATION

Prepared by:

KEYSER MARSTON ASSOCIATES, INC.

AUGUST 20, 1999

City Centre Development Corporation  
Downtown Las Vegas Office Core  
Market Update

*Prepared for:*

City Centre Development Corporation

August 20, 1999

*Prepared by:*

Keyser Marston Associates, Inc

1660 Hotel Circle North, Suite 716  
San Diego, California 92108

500 South Grand Avenue, Suite 1480  
Los Angeles, California 90017

Golden Gateway Commons  
55 Pacific Avenue Mall  
San Francisco, California 94111

## Executive Summary

The following are the principal conclusions of the assignment:

### *Overall Conclusions*

- Since our 1996 review of the downtown office market, there have been notable accomplishments that create good preconditions for future growth. These include development of the Regional Justice Center and Federal Courthouse; streetscape improvements on Fourth Street and Las Vegas Boulevard; commencement of construction of Neonopolis; better access to downtown through continuing improvement to the Spaghetti Bowl.
- We continue to conclude that there is ample market support for significant new office development in the downtown core of Las Vegas. But expectations need to be realistic, to reflect the untested nature of the market and the high price sensitivity of office tenants. Failure of Sun Plaza to proceed to development underlines the need for caution.
- Development of new office inventory downtown is crucial for both retention of existing tenants and attraction of new ones, and near-term timing is important. Without new inventory, downtown's share of the regional market will continue to decline.
- It is highly positive that there are now in place realistic proposals from strong development groups to add reasonable modules of new office space that can be absorbed in the market. It appears that at least two of the currently proposed projects will proceed to construction.
- The medium projection in the report indicates demand for about 330,000 SF of office space in the near term (projects commencing in the next year or two), and an additional 250,000 SF in the following six year period.

### *Policy Issues*

- Interviews with market participants contacted for this study indicate that Building Department regulations and procedures impose unnecessary and onerous burdens on building owners and developers, significantly raising the economic cost of doing business downtown. The practical impact to the downtown area is loss of tenants to friendlier sites, often outside of the City and in the County.
- The Union Pacific site represents a huge opportunity for the city. It needs to be tied to the downtown physically and in a marketing sense. Uses developed at the site should expand the market for downtown with notable and unique attractions such as sports/entertainment

venues and residential. Office development that features campus-like development for major users should be encouraged; that kind of development will enhance the identity of the core area but would not be competitive with downtown space. To the extent that this site is developed into multi-tenant buildings increases the direct competition with the downtown core. This is not entirely negative since the site is downtown.

- CCDC should consider implementing, with the building owners, a tenant retention program for downtown.
- Recycling of the existing County Courthouse, which will be redundant upon completion of the Federal Justice Center, should be pursued aggressively by CCDC. In all likelihood, the highest and best use of the property is demolition and reuse as a building site.
- The opportunity for redevelopment of the Fifth Street School property may be ripening due to public and private construction in the immediate vicinity.
- Now that many new and important events are happening downtown, this may be an opportune time to define and express a vision for downtown that can serve as a marketing tool to investors, developers, and tenants.

### ***Background/Office Market***

- There has been substantial increase in office space in Clark County in recent years, fueled by rapid population growth. Due, however, to the unique nature of the Las Vegas economy, there are fewer office workers per 1,000 population than in other major western cities.
- The total amount of private sector office space in Clark County could increase from 17.8 million SF in 2000 to 22.8 million SF in the year 2006. This reflects annual absorption of 1 million square feet.
- There are few national or western regional headquarters office operations in Clark County due to persistent image problems and the skill level of the work force.
- The major industry in Las Vegas is gaming/tourism. A unique feature of this industry sector is that the office requirements for each of the establishments are within each of the gaming/hotel facilities. One exception to this is Park Place Entertainment/Hilton Hotels Corporation, which houses much of its office requirements in the Hughes Center.
- Overall occupancy has remained generally strong, with vacancy at about 10%-12%. Rents have been flat in recent years. Overall, the market is expanding but deals are highly competitive.

- The dominant mode of office development in the market area is low rise office with surface parking. Mid and high rise buildings comprise a small share of the total inventory.

### Downtown Office Core

- Downtown contains about 1,200,000 SF of private sector office space and accounts for about 7% of the regional market.
- Central location and direct access to the courts are the key advantages of the downtown, which set downtown apart from competitive locations.
- The key tenant type downtown is the legal profession, oriented to the courts, followed by financial service firms and accountants. It is known that there is pent-up demand by firms to occupy new space downtown.
- The downtown's share of the Clark County market is significantly less than the share of downtowns in comparable metropolitan area markets.
- No major office space has been added downtown since 1986.
- Recent absorption has been negative due to the absence of new inventory.
- Rent levels downtown in the only Class A building are strong, indicating a good demand for high quality space.
- There are several major proposals for development of new space by significant development and user entities.
- The prospective owners of one significant downtown building plan a major interior and exterior renovation of the building.
- The major practical constraint to development of office space in downtown Las Vegas is the high cost of land and difficulty in assembling sites.
- Hughes Center is directly competitive with the downtown and provides the inventory, environment, parking, and amenities typically required by the top tier of corporate and professional tenants. Other locations are each marginally to moderately competitive with downtown, but collectively represent significant alternatives to downtown.

Projections/Office Absorption and Land

- Sources of market support for new office space in downtown Las Vegas include:
  - (1) internally-generated demand (estimated 40% of downtown demand),
  - (2) downtown share of the metropolitan area market (estimated 50% of downtown demand),
  - (3) institutional users private and quasi-public, excluding City, County, Federal Government, estimated at 10% of downtown demand).
  
- The report provides projections for three scenarios: low, medium and high. The medium projection, which we recommend for planning purposes, indicates increments of 330,000 SF of space through the year 2000 and an additional 250,000 SF through the year 2006. If campus-like development on the UP site were promoted to a major corporate user, the absorption of space could be significantly greater.
  
- Achievement of the projection noted above would result in an increase in the present inventory of downtown office space by about 25% (for projects starting around the year 2000) and nearly 50% by the year 2006.

# **Appendix D**

Executive Summary

Downtown Las Vegas Housing Market Study

*Economic Research Associates*

Final Report  
Downtown Las Vegas Housing Market Study

Prepared for  
Las Vegas City Centre Development  
Corporation

Submitted by  
Economics Research Associates

April 14, 1999

ERA Project No. 13008

## Section II

### EXECUTIVE SUMMARY

The Las Vegas City Centre Development Corporation (CCDC) retained Economics Research Associates (ERA) to identify and quantify the potential market for downtown housing and to evaluate the economic issues associated with providing housing in downtown Las Vegas.

#### DEMOGRAPHIC AND ECONOMIC OVERVIEW

Las Vegas has been the fastest growing metropolitan area in the United States for many years, primarily a result of the fast-paced hotel and casino development in the region. This tremendous population growth has created a strong housing market that now extends into the northwest and southeast corners of the valley. However, the region is expected to experience slower growth in the next decade, although the projected growth rate is still relatively high.

Las Vegas tends to attract young, working families as well as a significant retiree population. While Clark County does have some high-income households, the majority of the population tends to be middle-income, small households. Las Vegas households have a tendency towards home ownership. There is also a significant renter population in the region, largely due to the high number of cash income-based jobs.

People are attracted to Las Vegas primarily due to the employment opportunities. During the 1990s, the region experienced tremendous economic growth, as shown by the increase in employment, hotel rooms, visitation, and gaming revenue. Since the mid-1990s, growth has slowed considerably according to all economic indicators, although the region is still growing. The completion of several new luxury resort casinos is expected to generate an increase in employment and visitors to Las Vegas, and strengthen overall economic growth in the region over the next two years, providing employment opportunities that will continue to attract people to the area. Population growth, and therefore housing demand, is expected to increase over the next few years, although at a somewhat slower pace than over the past decade.

The downtown Las Vegas population exhibits considerably different demographic characteristics than Clark County overall. The downtown Las Vegas population has remained relatively stable between 35,000 and 40,000 residents over the past ten years, although its overall market share has steadily decreased over the past decade due to continuous, strong growth in the

outer regions of the valley. The downtown Las Vegas population currently comprises approximately three percent of the overall Clark County population. The residents tend to be lower income and less educated than Clark County residents overall, and the majority of downtown households live in apartments, although a significant number (nearly one-third) live in single-family homes. According to interviews with people familiar with the area, downtown Las Vegas tends to attract many entry level workers who have recently moved to the Las Vegas area, and jobs downtown tend to serve as a training ground for these workers, particularly in the casino and hotel industry. The majority of jobs in hotels and casinos have wages that range from \$ 13,000 to \$40,000 annually, although it is likely that downtown casino workers earn wages that are nearer to the lower end of the salary range for these jobs.

The current demographic composition of the downtown Las Vegas population should not be construed as the only demographic attracted to living downtown. The lack of development (and therefore limited supply) of housing in downtown Las Vegas has held back growth in this area. Given the major changes and developments occurring in downtown in the next few years, there is potential for the downtown population to change significantly over the next decade. Given the right housing product, downtown Las Vegas has the potential to attract a diverse group of residents and provide housing that will meet many different housing needs.

## **TRENDS IN DOWNTOWN**

One of the most important factors in determining the demand for downtown housing is the downtown area's ability to provide amenities and services that will attract the portion of the population inclined towards urban living. There are many recently completed, current, and proposed developments in downtown which could have a significant impact on housing demand. With an influx of new office and government buildings, the downtown employment population is expected to increase dramatically over the next few years, creating new demand for an array of amenities and services. Existing and proposed cultural and urban entertainment facilities such as Neonopolis and the proposed Arts District will offer amenities typically desired in urban environments. Several urban design, planning, and transportation efforts will improve the overall downtown environment, improve traffic flow within and access to downtown, and help to better define the downtown area. The increasing commute times, influx of new downtown employees, and improving downtown amenities and environment are all likely to have a positive impact on housing demand in downtown Las Vegas. However, there are still some remaining challenges for downtown Las Vegas to address, including security issues and lack of services and amenities.

## **HOUSING MARKET OVERVIEW**

Approximately 62 percent of Las Vegas households are homeowners, and 38 percent are renters. The housing market in Las Vegas is directly tied to population and employment growth in the region. Trends in rental rates, vacancy rates, and single-family home sales over the past ten years indicate strong housing demand in the region, particularly in the suburban areas. While there is significant demand for condominiums, mid-market condominium development is unlikely in the near future due to excessive construction defect litigation raising insurance and liability costs.

While the rental and single-family home markets were strong during the past five years, in the recent year there has been a tremendous amount of residential building that has exceeded population and employment growth during the same period, and vacancy rates increased significantly in 1998. While this development is undoubtedly tied to the increased employment anticipated with the openings of several new casino resorts in 1999, there is still some concern that supply is slightly outpacing demand, especially in light of the slower growth projected in future years.

From a national perspective, Las Vegas is expected to continue to be a leader in both population and employment growth. It is ERA's opinion that in the very short term, the housing market is likely to exhibit slower growth, stable rental rates, and somewhat higher vacancy rates than in recent years. However, in the long term, due to the strong economic and employment growth projected for the region, the housing market is likely to remain strong.

## **HOUSING DEMAND ANALYSIS**

Demand for housing is a function of population growth, change in household size and characteristics, and people's desire to upgrade their housing stock. Demand for housing in downtown Las Vegas depends on regional growth.

Clark County's population is predicted to increase from 1.26 million in 1998 to 1.87 million in 2010. Assuming that 95 percent of the population live in homes versus group quarters, and a declining average household size, the total number of households in Clark County is predicted to increase from 462,000 in 1998 to 712,000 in 2010. This equals approximately 250,000 new households during the period. Allowing for a 5 percent vacancy rate to maintain market equilibrium, the estimated total housing units needed between 1998 and 2010 in Clark County is approximately 263,000.

While downtown Las Vegas currently has 3 percent of the Clark County population, its share of the regional population is declining. Downtown Las Vegas is not losing population; rather, regional growth is occurring elsewhere in the County, mostly in the suburbs, thereby diminishing downtown's share. Over the last ten years, downtown's capture of regional population growth has been approximately 0.8 percent. In the last few years, downtown's capture rate has decline to 0.7 percent. Therefore the housing demand forecast presents three scenarios based on low (1.8 percent), moderate (2.4 percent), and high (3.0 percent) capture rate assumptions. All scenarios presume that CCDC and the City will make concerted efforts to encourage downtown housing development.

There is significant potential for housing in downtown Las Vegas due to the following factors:

- Tremendous regional population growth;
- Proximity to employment and transportation centers;
- Proximity to entertainment and cultural facilities.

However, downtown Las Vegas has not captured this potential, and over the last ten years has seen little new housing development. This discrepancy between downtown's potential given even modest market share assumptions and actual development is attributable to significant constraints that either preclude housing development or hamper downtown's ability to market housing and compete with other growth areas in the region. These constraints include the following:

- Low market rents and home prices that are affordable to much of the potential market;
- Relatively high land values;
- Lack of large land holdings to benefit from economies of scale;
- Higher per unit construction costs due to structured parking;
- Lack of community amenities including groceries and neighborhood services, medical facilities, and schools;
- Perceived security concerns.

The introduction of new market rate housing in downtown would likely increase the proportion of households that are in the target income ranges that can afford market rate housing. Assuming that these target households would increase their share of total downtown households from 31 percent to 37 percent, and applying this percentage to the moderate scenario household growth forecast for 1998 to 2010, it is estimated that the market could support approximately 2,360 units over the twelve year period. This equals almost 200 units per year in the greater downtown area. Given that some of this demand would be for in-fill single family housing, it is estimated that the market could support approximately 140 – 160 units per year of affordable market rate multi-family housing. The market could support significantly more housing at subsidized rent levels.

## **RESIDUAL LAND VALUE ANALYSIS**

The residual land value was estimated for six different product scenarios, as follows:

- 1) High density apartments at 80 units per acre on two acres, market rate;
- 2) High density apartments at 80 units per acre on two acres, with 40 percent low-income units, affordable to households with 60 percent of regional median income;
- 3) Moderate density at 40 units per acre on eight acres, market rate;
- 4) Moderate density at 40 units per acre on eight acres, with 40 percent low-income units affordable to households with 60 percent of regional median income (utilizing 9 percent tax credit proceeds);
- 5) Moderate density at 40 units per acre on eight acres, with 20 percent low-income units affordable to households with 50 percent of regional median income (utilizing 4 percent tax credit proceeds);
- 6) Moderate density at 30 units per acre on eight acres, market rate;
- 7) Moderate density at 30 units per acre on eight acres, with 40 percent low-income units affordable to households with 60 percent of regional median income (utilizing 9 percent tax credit proceeds);
- 8) Moderate density at 30 units per acre on eight acres, with 20 percent low-income units affordable to households with 50 percent of regional median income (utilizing 4 percent tax credit proceeds).

The low-income units are priced to be affordable to households with 60 or 50 percent of the countrywide median income, which would make a project eligible for the federal 9 percent low-income housing tax credit program or the 4 percent low-income housing tax credit program. The 9 percent program is competitive while the 4 percent program is automatic. Many entry-level casino and hospitality jobs fall into this income category.

A summary of the results is presented in Table II-1 below.

**Table II-1: SUMMARY OF LAND VALUES**

Density	Affordability Restrictions	Land Value
High density – 80 units per acre on two acres	None	-\$46.16
High density – 80 units per acre on two acres	40% low income units, affordable to households @ 60% of median income	-\$29.25
Moderate density – 40 units per acre on eight acres	None	\$11.35
Moderate density – 40 units per acre on eight acres	40% low income units, affordable to households @ 60% of median income	\$12.69
Moderate density – 40 units per acre on eight acres	20% low income units, affordable to households @ 50% of median income	\$8.26
Moderate density – 30 units per acre on eight acres	None	\$10.37
Moderate density – 30 units per acre on eight acres	40% low income units, affordable to households @ 60% of median income	\$10.36
Moderate density – 30 units per acre on eight acres	20% low income units, affordable to households @ 50% of median income	\$7.61

As shown, the 80 unit per acre apartment complex at market rate generates a negative residual land value of <\$46.16> at an 11 percent discount rate. The negative value is attributable to the need to provide underground parking in this scenario given the project's density. The inclusion of low-income units and the proceeds from 9 percent tax credits increases the residual land value to negative <\$29.25>, which is better, but still significantly negative.

The moderate density garden apartments scenario at 40 units per acre, with a half level below grade podium parking, generates a residual land value of almost \$11.35 per square foot, at an 11 percent annual discount rate. The residual value is higher, at \$12.69 per square foot, if 40 percent of the units are rented out at low-income rates and the project utilizes the 9 percent low-income tax credit proceeds. The residual value is lower, at \$8.26 per square foot, if 20 percent of

the units are rented out at very low-income rates and the project utilizes the 4 percent low-income tax credit proceeds.

The moderate density scenario at 30 units per acre, and a majority of surface parking, generates a residual value of \$10.37 per square foot. The land value is comparable if 40 percent of the units are affordable to low-income households and the project utilizes 9 percent tax credits. The residual value is lower, at \$7.61 per square foot, if 20 percent of the units are rented out at very low-income rates and the project utilizes 4 percent low-income tax credit proceeds.

From this analysis, it appears that market rents in Las Vegas, particularly in downtown, are not sufficient to support high-density urban housing development that requires underground parking without significant subsidy. Moderate density housing of 30-55 units per acre, with a portion of the parking provided under a platform that supports the housing, appears feasible and generates positive land values.

## **RECOMMENDED STRATEGY**

From a market perspective, downtown Las Vegas offers opportunities to serve the follow market niches:

- Downtown workers;
- Lower to moderate wage casino workers at the Strip;
- New residents to Las Vegas looking for transitional housing;
- Senior housing;
- Affordable housing for low and moderate income households;
- Artist housing in live/work units.

As shown in the residual land value analysis, it appears that the land values generated are either negative or low, at higher densities. The value generated at 30-40 units per acre is relatively good if underground parking is avoided. Still, the value generated at 30-40 units per acre is well below the land value a property owner would expect for a downtown parcel with commercial development potential. Expected land values in downtown generally range between \$20 and \$60 per square foot. The peripheral areas adjacent to the downtown commercial core would tend to have lower land values that are more in-line with the values generated by moderate

density multi-family housing. Targeting these areas for housing would reduce subsidy requirements

The Union-Pacific site presents an opportunity to provide housing at a lower land cost basis given its large land size. Other than this opportunity, in-fill development in the downtown area would probably require subsidy initially to induce private investment in housing. Land costs would have to be written down, and parcels would have to be assembled. This situation is not unusual for cities attempting to induce housing development within downtown areas.

It has been the experience of other cities that, as the downtown market becomes established as a residential community, rents in real terms rise and sometimes reach the levels that support urban scale residential development, including structured parking, without subsidy.

ERA recommends that CCDC take the following steps to create a residential market downtown:

- Establish downtown's position as a new residential community by encouraging quality, market rate housing within the Union Pacific site's development, as part of a comprehensive mixed-use master plan for the site. Development of this site presents an opportunity to redefine downtown's market image as an attractive residential address.
- Designate one or several urban community zones and prepare specific plans that encourage a mixture of housing types and associated community amenities within these zones. Concentrate casinos and hotels in areas of downtown that are outside these zones to temper land speculation in potential residential areas.
- In the first phase, rental housing with competitive amenities should be provided at moderate densities of approximately 35-50 units per acre, with podium parking and wood frame construction above the podium. Subsequent phases may include higher densities once the downtown residential market has become established and rents increase. Selected areas of downtown's existing single-family neighborhoods may be appropriate for lower-density in-fill townhouse and small lot single-family development targeted towards the first-time homebuyer and moderate-income households.

# **Appendix E**

Nevada's Selected Business Assistance Programs  
*Nevada Development Authority*

	Type of Incentive (1)	To Whom Awarded (2)	Wage Requirement (3)	Number of Jobs Required (4)	Capital Investment Required (5)	Amount of Award (6)	Other Requirements Comments (7)
(A) Sales and Use Tax Abatement*	Partial sales/use tax exemption on machinery and equipment purchases	Business	100% of Statewide average hourly wage	75 New FT jobs, <b>Exp</b> - increase number of employees on payroll by 10% or 6 whichever greater	New - \$1 million, Expansion - capital investment = to at least 20% of the value of tangible property possessed by the business	Determined on a case by case basis	Abatement must be a significant part in decision to relocate or expand in Nevada
(B) Sales and Use Tax Deferral	Tax deferral on machinery and equipment purchases	Business	80% of Statewide average hourly wage	At least 10 new Full-time (FT) jobs	\$100,000 or More	Varies, Determined on a case by case basis	Taxes can be deferred for up to 60 month depending upon amount; A security bond in the amount of the tax must be posted with Dept of Taxation
(C) Train Employees Now (Job Training)	Grant	Training Provider	80% of Statewide average hourly wage	At least 10 new Full-time (FT) jobs	no minimum requirement	Negotiated with local community college for training	State pays up to 75% of the total eligible costs with a cap of \$1,000 per trainee
(D) Business Tax Abatement*	50 % tax exemption	Business	100% of Statewide average hourly wage	75 New FT jobs, <b>Exp</b> - increase number of employees on payroll by 10% or 6 whichever greater	New - \$1 million, Expansion - capital investment = to at least 20% of the value of tangible property possessed by the business	Determined on a case by case basis	Exemption of 80% for year one, 60% for year two, 40% for year three, 20% for year four
(E) Personal Property Tax Abatement	Not to Exceed 50 % tax exemption	Business	100% of Statewide average hourly wage	75 New FT jobs; <b>Exp</b> - increase number of employees on payroll by 10% or 8 whichever greater	New - \$50 million, Technology-oriented - \$5 million, Expansion - capital investment = to at least 20% of the value of tangible property possessed by the business	Determined on a case by case basis	Business must continue in operation in Nevada for 10 or more years
(F) Property Tax Abatement	Not to Exceed 50% Tax Exemption on real and Personal Property (Qualified Recycling Businesses)	Business	100% of Statewide average hourly wage	75 New FT jobs, <b>Exp</b> - increase number of employees on payroll by 10% or 6 whichever greater	\$50 million for the <u>real</u> property tax abatement, \$15 million for the personal property tax abatement, Expansion - capital investment = to at least 20% of the value of tangible property possessed by the business	Determined on a case by case basis	Process - 50% of the material (raw material) or product must be processed at site

Statewide Average Hourly Wage

100% = \$14.12

80% = \$11.30

\* FOR ABATEMENT PROGRAMS (ROWS: A, D) A COMPANY TO QUALIFY SHALL MEET  
AT LEAST TWO OF THE THREE PROGRAM REQUIREMENTS (COLUMNS: 3, 4, 5)

INCENTIVES OUTLINED (ABOVE) ARE FOR COUNTY/CITY WITH A POPULATION GREATER THAN 50,000

COUNTY/CITY WITH A POPULATION LESS THAN 50,000 HAS DIFFERENT REQUIREMENTS

Business must commit to continue operation in Nevada for 5 or more years; those receiving a Personal Property Tax  
Abatement must commit for 10 or more years.

3773 Howard Hughes Parkway

Suite 140-South

Las Vegas, NV 89109

1 (888) 4-NO TAXES

702 781 0000, Fax: 702 796 6483

www.nevadadevelopment.org

e-mail: info@nevadadevelopment.org



NEVADA  
DEVELOPMENT  
AUTHORITY