DOWNTOWN LAS VEGAS

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

MINUTES

Meeting of
OCTOBER 17, 2001
9:00 A.M.

(Following the morning session of the City Council Meeting)

Called To Order: 10:26 A.M.
Adjourned: 10:59 A.M.

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

APPROVED BY REFERENCE: NOVEMBER 7, 2001

ATTEST:

SECRETARY

CHAIRMAN

City of Las Vegas

REDEVELOPMENT AGENCY MEETING
CITY HALL, 400 STEWART AVENUE
COUNCIL CHAMBERS
CITY OF LAS VEGAS INTERNET ADDRESS: http://www.ci.las-vegas.nv.us
WEDNESDAY, OCTOBER 17, 2001
9:00 A.M.
(Following Morning Session of the City Council Meeting)

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

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON KCLV, CABLE CHANNEL 2. 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 7:00 AM AND THE FOLLOWING MONDAY AT 10:00 AM.

I CALL TO ORDER

II ANNOUNCEMENT RE. COMPLIANCE WITH THE OPEN MEETING LAW

III. APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF OCTOBER 3, 2001

IV. NEW BUSINESS

A. ABEYANCE ITEM - DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER FOR PROPERTY BOUNDED BY I-15, GRAND CENTRAL PARKWAY, ALTA AND F STREET (APN #139-335-110-02, 139-336-100-01) (TAX INCREMENT REVENUES) - WARD 5 (WEEKLY)

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

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

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

AFFIDAVIT OF MAILING

(Mailing required under the provisions of NRS Chapter 241)

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

Eva Cotton, an employee of the City of Las Vegas, Nevada being first duly sworn, deposes and says that on the **11th** day of **October, 2001**, a copy of NOTICE, the attached of which is a true and correct copy of the Public Hearing – re: **Redevelopment Agency Meeting** to be held on the **17th** day of **October, 2001,** was deposited in the United States Mail, Postage prepaid, First Class Certified Mail, to each person and/or organization whose name appears on the list maintained in the Office of the City Clerk.

____

SIGNATURE

City Clerk
DEPARTMENT

Subscribed and sworn to before me this

11th day of October, 2001

____

NOTARY PUBLIC in and for said County and State

Notary Public-State Of Nevada
COUNTY OF CLARK
BEVERLY K. BRIDGES
My Appointment Expires
July 10, 2005
No. 93-4081-1

AFFIDAVIT OF POSTING
(Posting required under the provisions of NRS Chapter 241)

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

Eva Cotton, an employee of the City of Las Vegas, Nevada being first duly sworn, depose and say that on the **12th** day of **October, 2001** at the hour of **8:30 a.m.** there were posted copies of a NOTICE, the attached of which is a true and correct copy of a **Redevelopment Agency Meeting** to be held on the **17th** day of **October, 2001,** Las Vegas, Nevada; to be posted on Public Bulletin Boards at the following locations:

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

Signature

City Clerk
DEPARTMENT

Subscribed and sworn to before me

this 12th day of October, 2001

NOTARY PUBLIC in and for said County and State

Notary Public-State Of Nevada
COUNTY OF CLARK
BEVERLY K. BRIDGES
My Appointment Expires
July 10, 2005
No. 93-4081-1

City of Las Vegas

REDEVELOPMENT AGENCY AGENDA
MEETING OF: OCTOBER 17, 2001

THESE PROCEEDINGS ARE BEING PRESENTED LIVE ON KCLV, CABLE CHANNEL 2. 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 7:00 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 VICE CHAIRMAN REESE AT 10:26 A.M.

PRESENT: VICE CHAIRMAN REESE and MEMBERS BROWN, L.B. McDONALD, WEEKLY, and MACK

EXCUSED: CHAIRMAN GOODMAN and MEMBER McDONALD,

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

(10:26)
1-3209

City of Las Vegas

Agenda Item No. III

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: OCTOBER 17, 2001

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT
DIRECTOR: LESA CODER

SUBJECT:
APPROVAL OF THE MINUTES BY REFERENCE FOR THE MEETING OF OCTOBER 3, 2001

MOTION:
BROWN - APPROVED by Reference – UNANIMOUS with GOODMAN and M. McDONALD excused

MINUTES:
There was no discussion.

(10:26 – 10:27)
1-3222

City of Las Vegas

Agenda Item No.: IV-A

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: OCTOBER 17,2001

DEPARTMENT: BUSINESS DEVELOPMENT
DIRECTOR: LESA CODER

SUBJECT:
ABEYANCE ITEM - DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER FOR PROPERTY BOUNDED BY I-15, GRAND CENTRAL PARKWAY, ALTA AND F STREET (APN #139-335-110-02, 139-336-100-01) (TAX INCREMENT REVENUES) - WARD 5 (WEEKLY)

Fiscal Impact

[X]	**No Impact**	**Amount:**
[ ]	**Budget Funds Available**	**Dept./Division:**
[ ]	**Augmentation Required**	**Funding Source:**

PURPOSE/BACKGROUND:
World Market Center has submitted a Memorandum of Understanding (MOU) regarding the development of property bounded by I-15, Alta, Grand Central Parkway, and F Street. The MOU requests long-term assistance from the Redevelopment Agency through a rebate from the related tax increment.

RECOMMENDATION:
None

BACKUP DOCUMENTATION:
1. Agenda Memo
2. Memorandum of Understanding including exhibits consisting of "A" The Property and "B" Disclosure of Principals
3. Locator Map

MOTION:
WEEKLY – ABEYANCE to 11/7/2001 – UNANIMOUS with GOODMAN and M. McDONALD excused

NOTE: COUNCILMAN BROWN and COUNCILWOMAN McDONALD disclosed that they have an involvement with potential tenants on the 61 acres. However, they felt that they could remain objective on the subject matter and that their ability to participate was clarified with the City Attorney.

MINUTES:
NOTE: A Verbatim Transcript is made a part of the Final Minutes.

City of Las Vegas

Agenda Item No.: IV-A

REDEVELOPMENT AGENCY MEETING OF OCTOBER 17, 2001
Item IV-A – Discussion and possible action regarding a Memorandum of Understanding between the City of Las Vegas Redevelopment Agency and World Market Center for property bounded by I-15, Grand Central Parkway, Alta and F Street

MINUTES – Continued:

APPEARANCES:
LESA CODER, Director, Office of Business Development
MARK FIORENTINO, Attorney, Kummer, Kaempfer, Bonner, and Renshaw, 3800 Howard Hughes Parkway, representing World Market Center
RICHARD GILLS, representing World Market Center
STEVE HOUCHENS, Deputy City Manager
BRAD JERBIC, City Attorney

NOTE: COUNCILWOMAN McDONALD stressed that staff should be conducting negotiations for approval by the Council and that the Council should not be negotiating at the dais. She also wants the proposed percentage fiscally quantified.

NOTE: COUNCILMAN WEEKLY directed DEPUTY CITY MANAGER HOUCHENS to schedule him to meet with MAYOR GOODMAN, COUNCILMAN REESE, and MS. CODER to discuss a package to offer the applicant and to subsequently brief the other Council members on that package.

(10:27 – 10:52)
1-3239/2-1

City of Las Vegas

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: OCTOBER 17, 2001

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:

TOM McGOWAN, Las Vegas resident, submitted his written comments, which are made a part of the Final Minutes.

(10:52 – 10:57)
2-573

TODD FARLOW, 240 N. 19th Street, asked if East Fremont Street would ever be added to the redevelopment plan. VICE CHAIRMAN REESE replied that staff is working on that.

(10:57 – 10:58)
2-732

MARIANA KIHUEN, who was present for Student Government Day, thanked the Council members for treating the students like adults and for welcoming them to the meeting.

(10:58 – 10:59)
1-752

VICE CHAIRMAN REESE thanked staff and fellow Council members for their patience.

(10:59)
2-765

THE MEETING ADJOURNED AT 10:59 A.M.

Respectfully submitted: Gabriela S. Portillo-Brenner
GABRIELA S. PORTILLO-BRENNER
November 26, 2001

Barbara Jo Ronemus
BARBARA JO RONEMUS, SECRETARY

City of Las Vegas

AGENDA MEMO

REDEVELOPMENT AGENCY MEETING DATE: OCTOBER 17, 2001
DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT
ITEM DESCRIPTION: DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER

The World Market Center (WMC) has expressed an intent to develop 57 acres bounded by Alta, I-15, F Street, and Grand Central Parkway. WMC has represented that the development will include 7.5 million square feet of comprehensive home and office furnishing show room and other ancillary facilities. Their estimated cost of the total project is over $950 Million. Phase one of construction would begin in 2002 with the final phase being completed in 2007.

WMC has approached the City Council and the Redevelopment Agency with a request for a form of tax abatement through the return of 50% of the tax increment that will be directly generated by this project over the next 20 years.

Procedurally, this process involves the Agency entering into a Memorandum of Understanding with WMC which provides that the parties will negotiate and execute a final agreement ("WMC Agreement") no later than July 1, 2002 for the creation of one or more promissory notes, referred to as Tax Increment Revenue Developer Notes (Notes). The Notes are created as a vehicle to pay for the costs of certain defined improvements over a subsequent term not-to-exceed 20 years. The Notes will be issued as improvements are made to the property and the amount of incremental taxes identified. The face value of the notes will be determined by the present value of future incremental taxes paid to the Redevelopment Agency as a direct result of tangible improvements to the development. The Notes may not be issued after 10 years from the date of the WMC Agreement.

The terms of the MOU that is submitted by WMC fixes the maximum annual payment for the notes, both principal and interest, at an amount no greater than 50 percent of the incremental property taxes generated from this parcel by this development. The MOU is essentially an agreement to rebate incremental property taxes through the use of a subordinate debt instrument. Significant conditions include:

- WMC requests reimbursement from the Agency through the use of promissory notes. They estimate this amount to be as high as $44 million over 20 years.
- The project will comply with NRS 279 which defines the requirements of all Redevelopment activities including prevailing wages, public bidding, and findings of the legislative body (City Council).
- Payments would be due on an annual basis.
- The term of the notes would be congruent with the remaining life of the Agency up to 20 years.

- The notes would be governed by three limitations: 1) the total amount would not exceed 10% of the total project cost; 2) the annual debt service would not exceed 50% of the annual tax increment generated by this particular project; and 3) the eligible uses of the funds are limited to primarily infrastructure improvements and governmental fees.
- The notes would accrue interest at a rate to be determined at a later date.
- Notes will be issued only upon (1) the City has approved the plans for each phase of the project; (2) WMC has verified the transfer of land to a developer for a phase of the development; (3) WMC has provided evidence of financing; and (4) WMC has signed pre-leases for at least 70% of the space for each phase.
- The notes will be subordinate to any existing and future debt of the Agency with the exception of debt owed to the City of Las Vegas.
- The notes cannot be assigned without the written consent of the Agency.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("**MOU**") is made as of the _____ day of ____________, 2001, by and between WORLD MARKET CENTER, LLC, a Nevada limited liability company ("**WMC**"), and the City of Las Vegas Redevelopment Agency, a public body duly existing in the State of Nevada (the "**Agency**"). WMC and the Agency are sometimes referred to herein collectively as the "**Parties**."

RECITALS

A. WMC's affiliate, Furniture Mart Enterprises, LLC ("Furniture Mart") has entered into an agreement with the Union Pacific Railroad Company ("Union Pacific") to purchase approximately fifty-seven (57) acres of undeveloped real property in Las Vegas, County of Clark, Nevada, as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "**Property**" provided that the term Property shall not include any of such land that is not purchased from Union Pacific by a Developer as defined herein or Furniture Mart).

B. WMC directly, or through its affiliates, subsidiaries, their respective Property buyers and/or tenants (each a "Developer" and collectively the "Developers") would like to construct on the Property in multiple phases a 7.5 million square foot comprehensive home and office furnishings complex, and ancillary facilities and improvements, collectively to be known as the World Market Center (the "**Project**").

C. WMC has determined that in order to properly develop the Project on the Property the Developers need to construct certain public infrastructure and amenities which is lacking based on the current state of public infrastructure and amenities in the City of Las Vegas Redevelopment Area encompassing the Property. Consequently, WMC has further determined that Developers need to incur substantially greater costs than the cost to develop such a Project on a property that has such public infrastructure and amenities readily available.

D. WMC has been advised by potential sources of debt and equity for the Project that in assessing the financial feasibility of the Project, they have included an expectation that the public entities that will benefit from the construction of said public infrastructure and amenities will participate in the cost of such public infrastructure.

E. Pursuant to Furniture Mart's agreement with Union Pacific, Furniture Mart must purchase twenty (20) acres of the Property, for a purchase price of Thirteen Million Sixty-Eight Thousand Dollars ($13,068,000), prior to October 16, 2001.

F. As an incentive for WMC to cause (i) the purchase of the Property by Furniture Mart, and (ii) the construction of the Project by the Developers, in order to assist the Agency with their revitalization of the downtown area, WMC has requested, and the Agency has agreed, to reimburse to WMC through developer promissory notes, a portion (as provided herein) of the incremental increase in property taxes generated by the Property and the Project in connection with certain improvement costs that the Developers will incur in the construction and development of the Project.

G. The Parties desire to enter into this MOU to set forth the terms and conditions upon which the Agency would be willing to reimburse WMC a portion of the incremental increase in property taxes generated by the Property and the Project.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, WMC and the Agency agree as follows:

ARTICLE 1: DEVELOPER NOTES

1.1 **Cooperation**.

a) The Parties agree to cooperate in good faith and proceed expeditiously to negotiate and prepare an agreement whereby the Agency agrees to reimburse WMC, through the issuance of developer promissory notes, for hard and soft costs incurred by the Developers to construct and develop Qualified Improvements (as defined in Section 1.4 below) for the Project (the "**WMC Agreement**") to induce WMC to cause Furniture Mart to acquire the Property for the Project and the Developers to construct and develop the Qualified Improvements for the Project.

b) The Parties understand that the determinations required by NRS 279.486 must be made by the Agency and the City Council of the City of Las Vegas prior to the adoption of the WMC Agreement. As a requirement for such determinations, the Agency and the City of Las Vegas shall determine whether (i) the Project, including the Qualified Improvements described in Section 1.4 below, will be of benefit to the City of Las Vegas Redevelopment Area, and (ii), as a precondition to such determinations, the Developers will be required to demonstrate the information described in recitals C and D above.

c) The WMC Agreement will be an agreement with a developer that will result in the Agency providing financial incentives to WMC in excess of $100,000, and, therefore, in accordance with NRS 279.500, the WMC Agreement will provide that the Project will be subject to the provisions of NRS 338.010 to 338.090, inclusive. The WMC Agreement will also contain the agreement of WMC to comply with any other provisions of the Nevada Revised Statutes applicable to the Project because of the issuance the developer promissory notes described herein.

1.2 **Developer Notes**.

a) Subject to the satisfaction of the conditions contained in Section 1.3 below, the Agency agrees to issue to WMC one or more developer promissory notes (collectively, the "**Special Limited Obligation Tax Increment Revenue Developer Notes**") to reimburse hard and soft costs incurred by the Developers to construct and develop Qualified

Improvements for the Project. The total amount of the Special Limited Obligation Tax Increment Revenue Developer Notes issued shall not exceed ten percent (10%) of the Total Development Costs (as defined below). WMC shall cause the Developers to periodically file with the Agency a written certification of the hard and soft costs expended by each of them to construct and develop Qualified Improvements for the Project, as of the date of the Certificate.

b) Each Special Limited Obligation Tax Increment Revenue Developer Note shall accrue interest from the time it is issued at a rate per annum determined in accordance with the provisions of the WMC Agreement. The Agency agrees to consider taking reasonable steps requested by the Developers, in appropriate cases, to issue the Special Limited Obligation Tax Increment Revenue Developer Notes on a tax-exempt basis.

c) Each Special Limited Obligation Tax Increment Revenue Developer Note shall mature on March 5, 2016; provided, however, that in the event the termination date of the Agency's Redevelopment Plan has been extended to a date later than March 5, 2016, then each Special Limited Obligation Tax Increment Revenue Developer Note will have a maturity date of (i) such extended termination date if such date is no more than twenty years from the date on which such Special Limited Obligation Tax Increment Revenue Developer Note was issued, or (ii) twenty years from the date the Special Limited Obligation Tax Increment Revenue Developer Note was issued if the extended termination date is later than such date.

d) Each Special Limited Obligation Tax Increment Revenue Developer Note shall require equal annual installments of principal, and all interest accrued thereon, during the term thereof. The initial installment payment under each Special Limited Obligation Tax Increment Revenue Developer Note shall be due on the anniversary date of the issuance of the Special Limited Obligation Tax Increment Revenue Developer Note which falls immediately after the taxing authorities have collected Available Accrued Taxes (as defined below).

e) For the purposes hereof, Available Accrued Taxes shall mean fifty percent (50%) of the incremental increases in the property taxes generated by any and all portions of (i) the Property owned by Furniture Mart or a Developer, and (ii) the Project improvements on such portions of the Property. The remaining fifty percent of the incremental increases in the property taxes will be available to the Agency for purposes of providing low income housing pursuant to NRS 279.685 and for any other purposes of the Agency.

f) Payment of the Special Limited Obligation Tax Increment Revenue Developer Notes will be payable only from Available Accrued Taxes. On the final maturity date all unpaid principal and accrued interest shall be abated to the extent that on such date there are not sufficient Available Accrued Taxes to pay such sums, and the Agency shall be discharged of its obligation to pay the same. In the event by any installment payment date the Agency has not accrued sufficient Available Accrued Taxes to pay the full principal and interest installment payment due under any Special Limited Obligation Tax Increment Revenue Developer Note, then the Agency shall make a partial payment equal to then Available Accrued Taxes to the Developers, and any deficit shall be accrued and payable together with interest and the next installment payment at the next anniversary.

g) Any principal or interest due and payable under the Special Limited Obligation Tax Increment Revenue Developer Notes (i) does not constitute an indebtedness of the Agency other than from the Available Accrued Taxes, (ii) is not payable from, nor is it a charge upon, any funds of the Agency other than the Available Accrued Taxes, (iii) is not backed by the full faith and credit of the Agency, and (iv) is not secured by a pledge of the taxing power of the Agency for the payment of the Special Limited Obligation Tax Increment Revenue Developer Notes other than to the extent of Available Accrued Taxes.

1.3 **Conditions Precedent to Issuance of Special Limited Obligation Tax Increment Revenue Developer Notes**.

a) Special Limited Obligation Tax Increment Revenue Developer Notes shall be issued in each phase of the Project (a "**Phase**") upon the satisfaction of the following conditions: (i) the City has approved the improvement plans for such Phase; (ii) WMC has submitted to the Agency written verification that Furniture Mart has purchased and transferred to a Developer fee title to that portion of the Property upon which such Phase is to be built (the "Phase Land"); (iii) WMC has provided to the Agency written commitments from lenders, equity investors, and/or Developers in an amount sufficient to fund the total sum of (x) the Phase Land, plus (y) hard and soft costs of construction and development of such Phase including Qualified Improvements relating thereto (preceding sub-clauses (x) and (y) collectively referred to herein as the "Total Development Costs"); and (iv) WMC has provided to the Agency signed pre-leases for at least seventy percent (70%) of the leaseable space in such Phase.

b) Notwithstanding anything to the contrary herein, (i) the aggregate amount of Special Limited Obligation Tax Increment Revenue Developer Notes issued for each Phase shall not exceed the Agency's reasonable estimate of the present value (using the rate and term of such notes) of Projected Available Accrued Taxes (as defined below) for such Phase and (ii) payments of principal and interest on the Special Limited Obligation Tax Increment Revenue Developer Notes shall be scheduled to be made at such times as the Agency estimates Available Accrued Taxes will have been received in a sufficient amount to make such payments. Projected Available Accrued Taxes for each Phase shall be the Available Accrued Taxes projected to be derived from the Total Development Costs of such Phase over the term of the Special Limited Obligation Tax Increment Revenue Developer Notes issued for such Phase. In calculating Projected Available Accrued Taxes for each Phase, reasonable assumptions shall be used by the Agency as to future increases and decreases to (i) the applicable tax rates, and (ii) the assessed value of Total Development Costs for each Phase.

c) Special Limited Obligation Tax Increment Revenue Developer Notes will not be issued with a maturity of less than one year, nor, without the prior written consent of the Agency, on or after a date that is ten years after the date of the WMC Agreement.

1.4 **Qualified Improvements**.

a) As used herein, "Qualified Improvements" shall include streets, curbs, gutters, water lines, sanitary sewer lines, storm drainage facilities, ramps, roads, bridges, traffic signals, paving, driveways, sidewalks, culverts, manholes, retaining walls, tunnels, approaches, under and overpasses, artificial lighting, off street parking improvements and structures, fencing, landscaping, site work, grading, walkways, signage, flood control improvements, and improvements for the supply, storage and distribution of water. In addition, if included in the definition of Qualified Improvements by the WMC Agreement, the following types of improvements may be included: electricity and telecommunications services, utility, any other infrastructure costs, permit and plan check fees or any other governmental agency fees incurred by Furniture Mart or the Developers in connection with or relating to the development of Project, and fees and expenses incurred by or charged to the Developers or Furniture Mart in connection with the issuance of the Special Limited Obligation Tax Increment Revenue Developer Notes (including, but not limited to, legal fees).

1.5. **Notes Subordinate**.

a) Payment of any Special Limited Obligation Tax Increment Revenue Developer Note from Available Accrued Taxes will be subordinate to the repayment of the Agency's pre-existing debt ("Agency's Pre-Existing Debt") which is outstanding at the time such Special Limited Obligation Tax Increment Revenue Developer Note is issued, other than Agency debt to the City of Las Vegas, including any debt issued after such date for the purpose of refunding the then outstanding principal balance of such Agency's Pre-Existing Debt.

b) Payment of any Special Limited Obligation Tax Increment Revenue Developer Note from Available Accrued Taxes will also be subordinate to the repayment of the Agency's debt ("Agency's Future Debt", which term does not include any Agency debt owed to the City of Las Vegas") which is issued hereafter as parity or subordinate Additional Parity Obligations or Subordinate Obligations as defined in and issued in accordance with the Indenture of Trust dated June 1, 1995 pursuant to which the Agency's Series 1995B Bonds were issued if, and only if, the chief financial officer of the Agency files a certificate prior to any issuance of such Agency's Future Debt establishing that the reasonably projected aggregate amount of the incremental increase in property taxes to be generated by all property within the City of Las Vegas Redevelopment Area over the remaining term of the then outstanding Special Limited Obligation Tax Increment Revenue Developer Notes, minus the aggregate amount of such incremental taxes to be set aside for low-income housing pursuant to NRS 279.685 and minus the aggregate remaining debt service on all then outstanding Special Limited Obligation Tax Increment Revenue Developer Notes, equals at least 115% of the reasonably projected debt service on all then outstanding Agency's Pre-Existing Debt and on all then outstanding as well as the proposed to be issued Agency's Future Debt in each year in which a Special Limited Obligation Tax Increment Revenue Developer Note is to be outstanding.

1.6 **Assignment.**

a) Special Limited Obligation Tax Increment Revenue Developer Notes may not be assigned by WMC to anyone other than a Developer without the Agency's written consent, which the Agency may in its sole discretion, determine to grant.

ARTICLE 2: General Conditions

2.1 **Limitation of Binding Nature of Memorandum:**

a) The purpose of this memorandum is to set forth the terms of a proposed agreement and the obligations of the parties thereto. The obligations of WMC and the Agency as contemplated by this MOU are to negotiate in good faith to arrive at the terms of the WMC Agreement, but if the parties, after good faith negotiation, are unable to arrive at a final form of Agreement by July 1, 2002, this Agreement will expire without further obligation of either party. Upon the execution and delivery of the formal WMC Agreement, the terms of such agreement will supercede the obligations contained herein.

2.2 **Execution in Counterparts.**

a) This MOU may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. To facilitate execution of this MOU, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

2.3 **Disclosure of Principals.**

a) Pursuant to Resolution RA-4-99 adopted by the Governing Board of the Agency effective October 1, 1999, WMC warrants that it has disclosed, on the form attached hereto as Exhibit "B", all principals, including partners of WMC, as well as all persons and entities holding more than 1% interest in WMC or any principal of WMC. Throughout the term hereof, WMC shall notify the Agency in writing of any material change in the above disclosure within 15 days of any such change.

. . .
. . .
. . .

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the day and year first above written.

WMC:

World Market Center, LLC, a Nevada limited liability company

By:______________________________
Name:____________________________
Title:___________________________

AGENCY:

CITY OF LAS VEGAS DOWNTOWN REDEVELOPMENT AGENCY
a Nevada public body

By:______________________________
Name:OSCAR B. GOODMAN, Chairperson

ATTEST:

By:______________________________
Name: BARBARA JO RONEUMUS, Secretary

APPROVED AS TO FORM:

I. Pombaccio 9/21/01
Date

EXHIBIT "A"
LEGAL DESCRIPTION

PROPOSED LEGAL:

A PORTION OF LOT 2 OF "PARKWAY CENTER" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 53, PAGE 61 OF PLATS, IN THE CLARK COUNTY RECORDER'S OFFICE, CLARK COUNTY, NEVADA, LYING WITHIN THE NORTHEAST QUARTER (NE 1/4) OF SECTION 33, TOWNSHIP 20 SOUTH, RANGE 61 EAST, M.D.M., CITY OF LAS VEGAS, CLARK COUNTY, NEVADA AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF GRAND CENTRAL PARKWAY (100.00 FEET WIDE) AND BONNEVILLE AVENUE (VARYING WIDTH) AS SHOWN ON SAID SUBDIVISION PLAT; THENCE ALONG THE CENTERLINE OF SAID BONNEVILLE AVENUE, SOUTH 81°09'57" WEST, 96.21 FEET; THENCE NORTH 08°50'03" WEST, 50.00 FEET TO THE POINT OF BEGINNING ON THE NORTHERLY RIGHT-OF-WAY LINE OF SAID BONNEVILLE AVENUE, ALSO BEING THE SOUTHERLY LINE OF THE AFOREMENTIONED LOT 2; THENCE ALONG SAID SOUTHERLY LINE OF THE FOLLOWING THREE (3) COURSES: SOUTH 81°09'57" WEST, 876.16 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 450.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, THROUGH A CENTRAL ANGLE OF 08°57'40", AN ARC LENGTH OF 70.38 FEET; THENCE SOUTH 84°35'52" WEST, 111.90 FEET TO THE SOUTHEASTERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED BY "FINAL ORDER OF CONDEMNATION" RECORDED NOVEMBER 3, 1999 IN BOOK 991103 OF OFFICIAL RECORDS AS INSTRUMENT NO. 00619; THENCE ALONG THE EASTERLY LINE OF SAID CERTAIN PARCEL OF LAND THE FOLLOWING THREE (3) COURSES: NORTH 14°10'19" EAST, 619.67 FEET; THENCE NORTH 25°08'37" EAST, 359.51 FEET; THENCE NORTH 29°36'29" EAST, 188.69 FEET; THENCE SOUTH 70°20'46" EAST, 895.38 FEET TO A POINT ON THE EASTERLY LINE OF THE AFOREMENTIONED LOT 2, ALSO BEING THE WESTERLY RIGHT-OF-WAY LINE OF THE AFOREMENTIONED GRAND CENTRAL PARKWAY; THENCE ALONG SAID EASTERLY LINE OF LOT 2 THE FOLLOWING FOUR (4) COURSES: SOUTH 27°55'16" WEST, 196.42 FEET; THENCE CURVING TO THE LEFT ALONG THE ARC OF A 550.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 31°45'19", AN ARC LENGTH OF 304.83 FEET; THENCE SOUTH 03°50'03" EAST, 113.09 FEET; THENCE CURVING TO THE RIGHT ALONG THE ARC OF A 55.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 85°00'00", AN ARC LENGTH OF 81.59 FEET TO THE POINT OF BEGINNING.

Exhibit "B"

Disclosure of Principals

The principals and partners of World Market Center, LLC and all persons and entities holding more than 1% interest in World Market Center, LLC or any principal of World Market Center, LLC are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. Shawn Samson	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
2. Jack Kashani	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
3. Nigel Alliance	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
4. Moussa Alliance	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
5. David Neman	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
6. Daniel Cohen	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000

7. Emanuel Cohen	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
8. Ilan Cohen	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
9. Sammy Kahen	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
10. Kahen Family Trust	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
11. Ramin Roofian	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
12. Ramin Neman	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
13. Jacob Ebrani	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
14. AG Development Trust	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000

15. Alliance Network, LLC c/o Dave Barksdale, Esq. 702-792-7000
Kummer Kaempfer Bonner & Renshaw
3800 Howard Hughes Parkway, # 7th Floor
Las Vegas, NV 89109

16. Prime Associates Group, LLC

c/o Dave Barksdale, Esq. 702-792-7000
Kummer Kaempfer Bonner & Renshaw
3800 Howard Hughes Parkway, # 7th Floor
Las Vegas, NV 89109

17. SB Holdings I, LLC c/o Dave Barksdale, Esq. 702-792-7000
Kummer Kaempfer Bonner & Renshaw
3800 Howard Hughes Parkway, # 7th Floor
Las Vegas, NV 89109

18. Millennium Ventures I, LLC

c/o Dave Barksdale, Esq. 702-792-7000
Kummer Kaempfer Bonner & Renshaw
3800 Howard Hughes Parkway, # 7th Floor
Las Vegas, NV 89109

19. J.C Investment & Development Company, LLC

c/o Dave Barksdale, Esq. 702-792-7000
Kummer Kaempfer Bonner & Renshaw
3800 Howard Hughes Parkway, # 7th Floor
Las Vegas, NV 89109

20. Crescent Nevada Associates LLC

c/o Dave Barksdale, Esq. 702-792-7000
Kummer Kaempfer Bonner & Renshaw
3800 Howard Hughes Parkway, # 7th Floor
Las Vegas, NV 89109

21. Evan Realty Group, LLC	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
22. Nama Holdings, LLC	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000
23. Eden Associates, LLC	c/o Dave Barksdale, Esq. Kummer Kaempfer Bonner & Renshaw 3800 Howard Hughes Parkway, # 7th Floor Las Vegas, NV 89109	702-792-7000

We hereby certify under penalty of perjury, that the foregoing list is full and complete.

WORLD MARKET CENTER, LLC

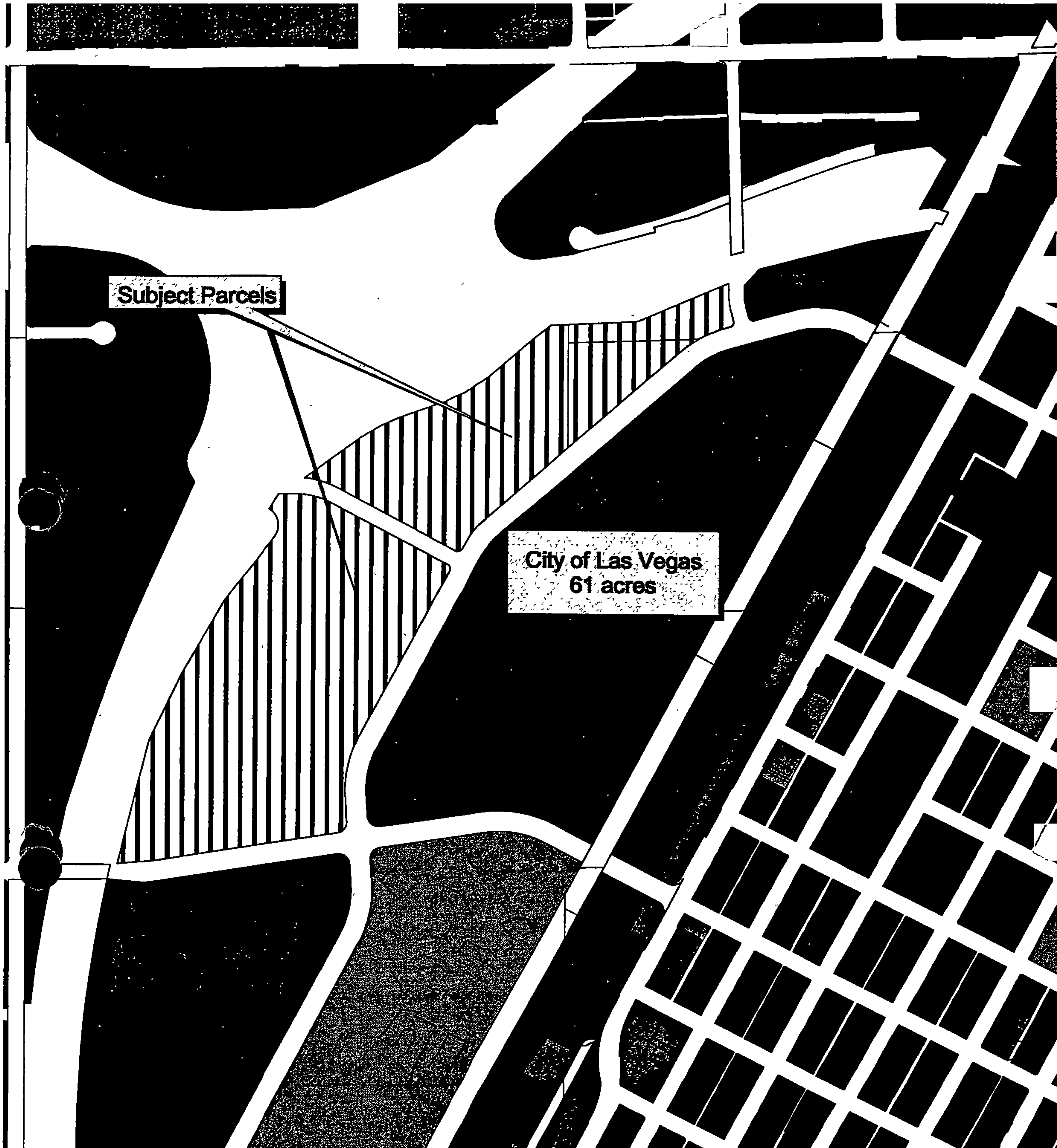
By: ______________________
Jack Kashani
Its: Co-Manager

By: ______________________
Shawn Samson
Its: Co-Manager

Subscribed and sworn to before me this
21st day of September, 2001.

____
Notary Public

RHENEE S. FOSTER
Commission # 1257389
Notary Public - California
Los Angeles County
My Comm. Expires Mar 19, 2004



Site Map

TM/CRDA Mtg [9A+WED. 17 Oct, '01 (Cncl. CH) (MPT 6. ~~Reese~~)

» TOM MCGOWAN. LAS VEGAS RESIDENT.

» REVIEW OF THE 126-PAGE TEXT OF BILL 2001-100, WHICH REVISES THE 'TOWN CENTER DEVELOPMENT STANDARDS MANUAL' IN VARIOUS RESPECTS, REVEALS THAT THE BILL IS ONE OF THE MOST IMPORTANT, POSITIVE STEPS EVER TAKEN IN THE HISTORY OF ~~[illegible]~~ COMMUNITY DEVELOPMENT IN THE CITY OF LAS VEGAS.

STAFF DESERVES THE HIGHEST COMMENDATION FOR THEIR DILIGENT AND EXHAUSTIVE WORK PRODUCT IN ADDRESS OF SUCH A COMPLEX AND DAUNTING TASK, WHICH, -(WITH ONLY TWO (2) READILY CORRECTABLE EXCEPTIONS), -- EASILY RANKS AS 'EXCELLENT' IN VIRTUALLY ALL PERTINENT RESPECTS.

PROMINENTLY FEATURING THE 'CENTENNIAL HILLS' CONCEPTUAL DESIGN AS APPLIED TO MASTER PLANNED COMMUNITY DEVELOPMENT, .. THE REVISED MANUAL PROVIDES FOR: --

» NOT A 'THEME PARK' COMMUNITY, BUT A 'PARK-THEMED' COMMUNITY, WHERE PEOPLE AND THE QUALITY OF RESIDENTIAL LIFE IN COMMUNITY IS THE TOP PRIORITY, AND CRASS COMMERCIAL 'CLUTTER' IS RESPONSIBLY CONTAINED WITHIN REASONABLY CONTROLLED LIMITS.

» CIVILIZED AESTHETICS IS REFLECTED IN THE RANGE OF PREFERRED PASTEL COLORS AND CONFIGURATION DESIGN ALTERNATIVES, AND AN INBUILT DEGREE OF FLEXIBILITY ALLOWS REASONABLE ACCESS OPPORTUNITY FOR RESPONSIBLE DEVELOPERS TO PARTICIPATE IN MUTUALLY AMENABLE PRODUCT DEVELOPMENT AND MARKETING INITIATIVES.

IN SUM, THE REVISED ~~[illegible]~~ STANDARDS MANUAL IS A REALISTIC 'BLUEPRINT' FOR THE VISION OF THE FUTURE OF AN IMPROVED AND MORESO PEOPLE-ORIENTED CITY OF LAS VEGAS, WHERE THE QUALITY OF LIFE IN THE SPIRIT OF COMMUNITY IS OF FIRST AND FOREMOST CONSIDERATION.

I RECOMMEND YOU PASS BILL 2001-100, WHEN IT COMES BEFORE YOU FOR A VOTE.

submitted at
CM 10/17/01
agenda
[illegible]

THANK YOU. /

.. (OVER) ..

In THE INSTANCE of QUERY:~ THE TWO (2) EXCEPTIONS ARE:~

(1) THE APPARENT ABSENCE of SPECIFIC REFERENCE TO HOSPITAL/MEDICAL FACILITIES, AND IN PARTICULAR, to VETERANS' HOSPITAL AND MEDICAL CLINIC FACILITIES;

AND:

(2) THE APPARENT ABSENCE OF METHODS TO PREVENT, CONTROL OR ERADICATE THE POTENTIAL FOR RODENT-INFESTATION OF TREE GRATINGS (e.g.) AS READILY EVIDENT IN TREE GRATINGS SITED ALONG THE PEDESTRIAN PROMENADE AT THE DTC, WHERE 'TAKE-OUT' FOOD IS READILY AVAILABLE FOR PURCHASE AND CONSUMPTION BY 'CAT' BUS PASSENGERS WAITING TO BOARD A PUBLIC MASS TRANSIT BUS.

(THE SAME OR SIMILAR RODENT-ATTRACTION INSTANCE IS AS LIKELY TO OCCUR, e.g. ALONG A TOWN CENTER PEDESTRIAN PROMENADE WHERE FOOD VENUES AND TREE-GRATINGS OBTAIN IN PROXIMAL ADJACENCY).

It's REASONABLE to ASSUME THE COMBINATION of STAFF AND DEVELOPERS WILL READILY ADDRESS AND RESOLVE EACH AND BOTH of THESE ISSUES.

In RELEVANT SIDENOTE:~

• THE PRACTICAL ADVANTAGES INHERENT IN 'ROOF TOP LANDSCAPING' MAY ALSO BE OF INTEREST to VISIONARY STAFF AND DEVELOPERS, WHEREIN, e.g. THE RATIO OF ENVIRONMENTAL PRESERVATION AND ALTERNATIVE LAND USAGE BECOMES AN ISSUE OF CONJECTURAL CONCERN, AND/OR WHEREIN HUMIDITY AND WATER CONSERVATION REQUIREMENTS SUGGEST THE NEED FOR AND ADVISABILITY OF APPROPRIATE CONTROLS.

TM —

W/REMINDER: TM / LAS CCDC MTG [9A + WED. 17 OCT, '01 (Cncl Chmbr) (MPT G. REESE)

100% of Nothing is Nothing; and: Decide in Haste, Repent at Leisure.

» Tom McGowan - Las Vegas Resident (~) Mr. Mayor-pro-Tem, -- Thank you for your attention to Due Process and for your considerate allowance of Public Comment by interested and affected members of the public.

From its inception and to date inclusively, unlike moreso ostentatious properties, -- The Lady Luck Hotel and Casino has consistently exhibited a History of quiet and unassuming dignity, coupled with responsible expert management and productive operations substantially contributive to the economic viability of Downtown Las Vegas, Nevada, in service to and generative of repeat patronage by local residents as well as tourists and visitors alike.

With a full range of service offerings, exemplified by its comfortable and spacious room accomodations, dining facilities, and superb family entertainment featuring the uniquely talented 'Walkers' family, -- (to which many of the world famed 'Strip Superstars' pale in comparison) -- The Lady Luck is the 'un-sung' but irrefutable 'Crown Jewel' in the array of Downtown-sited Resort Hotel and Casino properties, and deserves recognition for its continuing role in perpetuation of the socio-economic viability of the City of Las Vegas, as well as for its exhibit of the 'Best' that Las Vegas has to offer.

The addition of Time Share Condominium Services by the Lady Luck will enhance the positive prospect of economic viability in Downtown Las Vegas, and on that basis, I strongly recommend you unhesitantly and unanimously approve Bill 2001-99 when it comes before you for a vote, as in the genuine best interest of all residents of the City of Las Vegas.

Thank you.

VERBATIM TRANSCRIPT: ITEM IV-A – DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER FOR PROPERTY BOUNDED BY I-15, GRAND CENTRAL PARKWAY, ALTA AND F STREET

VICE CHAIRMAN REESE

Item IV-A, abeyance item, discussion and possible action regarding a Memorandum of Understanding between the City of Las Vegas Redevelopment Agency and World Market Center for a property bounded by Interstate 15, Grand Central Parkway and Alta and F Street, Councilman Weekly's Ward. Ms. Coder.

LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT

Thank you, Mayor Pro Tem and City Council. Lesa Coder with the Office of Business Development. The applicants, all representing World Market Center, are available for you today and do wish to make presentation. We'd be happy, following that, to answer any questions that you may regarding the item.

VICE CHAIRMAN REESE

Yeah. Thank you.

ATTORNEY MARK FIORENTINO

Good morning, Mayor Pro Tem, members of the Council. Mark Fiorentino and Richard Jost representing the applicant in this matter, what's the World Market center.

We first of all wanted to thank you for your patience and cooperation in – holding this item a couple different times to work through some of the issues that your staff and your bond honts (sic) house counsel had with the items that's before you. I know you've been very well briefed on this subject. We've distributed to you booklets of materials over the past few weeks. We have a PowerPoint presentation that I'm not going to use unless you ask me to. We're prepared to do it. I'd rather instead highlight what we think are the important issues and –

VICE CHAIRMAN REESE

If I – could then, Council members, you'd like to see the PowerPoint presentation or will you feel comfortable going ahead with just listening to Mark? Go ahead, Sir.

ATTORNEY MARK FIORENTINO

Thank you. We want to kind of highlight what we think are the important issues and then be prepared to answer any questions that you have. Our clients are still committed and still excited about bringing this project downtown, which I think is a significant statement to make to you, especially in light of some of the events that have taken place over the last couple months.

We're – still committed to ensuring that this is a great and will be a great catalyst for downtown and the City as a whole. We're bringing a new industry and a new economic diversification, we think, to the downtown area. We've submitted some market study and different tax analysis to you. Just to highlight some of those points for the record, we expect to generate up to 35,000 new permanent jobs throughout the process of this project, $60 million in new state and local taxes. And we anticipate that over time, as the project builds out to its completion, that we will contribute substantially to the tax increment base in your redevelopment area.

What you have before you today is a Memorandum of Understanding, which in its simplest terms, is an agreement to negotiate a final agreement on the tax proposal that we have before you. I believe that we have resolved the concerns of your staff and your bond counsel and that it's in a form that's appropriate for you to consider today.

It is a unique proposal and – we think a new standard, and one that we're proud to present to you, at least with respect to projects that have been presented for you and proposals that have been presented before you on downtown redevelopment. In essence, what we propose before you is that the developer makes all of the up front contributions and all of the up front investment in this project. We are not asking for any money up front. We're not asking for any assistance of the City to build structures or any of those kind of things that you have done in the past with other redevelopment projects.

So essentially there is no risk to the City. The, what we present to you today is a program that as we build our project and as we meet certain milestones, you rebate a portion of the taxes that we pay you, generated from our project, to help reimburse us for costs of public infrastructure that we're going to put in up front. Things like utilities and – parking structures and open space and – a trails plan.

VICE CHAIRMAN REESE — Okay, if I could just interrupt here real quick, for my edification. What you're saying here then is if you pay to the City in a tax increment of, we'll just rough numbers, $100,000, before you, you have to pay us the $100,000 and what this proposal is is that we will rebate you 10% of the $100,000 or $10,000.

ATTORNEY MARK FIORENTINO — No, not exactly.

VICE CHAIRMAN REESE — Up to.

ATTORNEY MARK FIORENTINO — The proposal before you would cap the total amount that you would pay back to us at 10% of the – cost that we invested in the project. Not necessarily in the tax increment, but in the cost that we invested in the project.

VERBATIM TRANSCRIPT: ITEM IV-A – DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER FOR PROPERTY BOUNDED BY I-15, GRAND CENTRAL PARKWAY, ALTA AND F STREET

MEMBER BROWN	Mayor Pro Tem?
VICE CHAIRMAN REESE	Yes.
MEMBER BROWN	I'd first like to disclose again that I do have an involvement with the 61-acres, but at the current time and the item before us today, I feel I can remain objective. There may be a point later on in time where the two projects do coincide, but I – will be, after talking to the attorneys' office, I will be participating.
VICE CHAIRMAN REESE	Great.
MEMBER BROWN	With that said, I – did want to raise the issue, I think this has been confusing during my briefings. In the past, we have been told by our Business Development Office that in normal redevelopment projects, the expectation of a City participating can go anywhere from 0% upwards to 10%, and that's not a fixed number but it is a number that we're targeting. And during my briefings, my understanding was that the negotiation would entail total investment of the project being X dollars and then a potential rebate of the total investment of 0 to 10%. I didn't, it was my understanding that it wasn't just specifically tax increment generated; it was the total investment of the project.
VICE CHAIRMAN REESE	I don't know where I got, I was under the impression it was just the total taxes paid or something. That we get, if you paid us like $100,000 in taxes, they would get back up to 10% of the taxes back.
LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT	Councilman Reese, if I may. I think you and I had a very brief discussion late yesterday. Our discussion was really based on the tax increment. So that the amount of taxes received, based on the improvements themselves would have a potential of being rebated up to 10%. Not to be confused with 10% of the total construction costs as being the maximum. We would, if that's your intent, is to only do 10% of the tax increment, is to take out any language referring to a max cap of 10% of the total project costs.
VICE CHAIRMAN REESE	Is that not –
LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT	They – are not the same thing. So that you'll know.
VICE CHAIRMAN REESE	Okay. That's my question is, how – much are we talking here above that then?

VERBATIM TRANSCRIPT: ITEM IV-A – DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER FOR PROPERTY BOUNDED BY I-15, GRAND CENTRAL PARKWAY, ALTA AND F STREET

ATTORNEY MARK FIORENTINO: Well, – I'm sorry, Mayor Pro Tem, I'm not sure I understood your question.

VICE CHAIRMAN REESE: Well all, during all my discussions and my briefings, I was under the impression that when we talk about this rebate, it was just from the taxes that you would pay.

ATTORNEY MARK FIORENTINO: That – is correct and that remains the same before you. The – presentation that's before you sets several limitations on the amount that we could receive back over time. And they – somehow appear to have been confused and we have a suggestion of how we might be able to unconfuse them. The proposal that was before you, that sits before you today, set really three major limitations on how much money would be rebate back to the developer over time.

The first is that we could only use the rebate for certain improvements. We only could use it for things that benefit the public. We couldn't use it for interior office decorations and those sort of things. The second test was that the most we could ever get back from you was 50% of the tax increment that we paid to you. We estimate that over the – life of this project, over the life of the Redevelopment Agency, that we would pay the City approximately $80 million in tax increment. So under the second test, the most we could ever get back, over 20 years, is $40 million.

But there was a third test. And it was a test that we thought was, is probably more significant, because it's the standard that we have been repeatedly asked to try to meet. And the third test was as additional cap, that we could take no more than 10% of what we invested in the project. To make it easier for you today, maybe what we suggest we do is just delete the reference to the tax increment, delete the 50% test, and instead focus on the test that we thought we have been told repeatedly over time is the test that you think is more appropriate, which is a percentage of the investment in the project.

VICE CHAIRMAN REESE: Excuse me. Ms. Coder, you want to step forward please. Ms. Coder's down there, shaking her head no.

LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT: I – would probably make that gesture. It's my understanding with prior discussions with the Mayor and both of you, Councilmen, that your intent is to address the tax increment only, and not construction costs. And that that would be your desire anyway, based on those discussions, to be capped at 10% with no other caveats.

DEPUTY CITY MANAGER HOUCHENS	Mr. Mayor Pro Tem, if I might just add to that. For the vehicle that they are proposing to work, for these developer notes to work, they must be capped at a certain percentage of the tax increment anticipated to be collected. Under the terms of this agreement, as it's written today, it is 50%. That means that in no instances would the City be obligated to pay them any more on an annual basis than 50% of the tax increment that they collect on this specific property. That needs to be, that limitation needs to remain, in my opinion, in the MOU for these developer notes to even, to move forward, to have any limitation, to have a fixed cap. I think there is a question when we say the 10%, if that 10% was reducing the percentage of the tax increment from 50% to 10% or if that 10% is part of the investments in the infrastructure. You have two numbers here that are playing against each other. The – increment, which in the contract is 50%, as it's written is 50%, plus the investment in infrastructure, which is, at this point as written, is 10%. But I don't think we can do without either one of those.
VICE CHAIRMAN REESE	Ms. Coder?
MEMBER L.B. McDONALD	And I just, Mayor Pro Tem, just a related question to that.
VICE CHAIRMAN REESE	Yes?
MEMBER L.B. McDONALD	And the tax increment relates to just their site alone? Not just the entire geographic area of the redevelopment area?
DEPUTY CITY MANAGER HOUCHENS	That's correct. It's only on that specific parcel.
MEMBER L.B. McDONALD	Okay. Thanks.
VICE CHAIRMAN REESE	Any other questions? Ms. Coder, are you comfortable with what Mr. Houchens just told us?
ATTORNEY MARK FIORENTINO	Your Honor, when you get an answer to your question, I think we'd like to make another comment.
LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT	Yes, Councilman. I believe that it would be appropriate just to set a maximum on the tax increment, to be rebated back. We really don't need both references at all.
MEMBER BROWN	I don't know.
VICE CHAIRMAN REESE	Mr. Houchens?

VERBATIM TRANSCRIPT: ITEM IV-A – DISCUSSION AND POSSIBLE ACTION REGARDING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND WORLD MARKET CENTER FOR PROPERTY BOUNDED BY I-15, GRAND CENTRAL PARKWAY, ALTA AND F STREET

MEMBER WEEKLY	So opposed, I'm sorry. So, Lesa, opposed to discussing the 10% on the tax increment, we're now going to not go that direction? Is that what you're saying or suggesting?
LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT	I'm suggesting that perhaps we just stick to a question of tax increment and not construction cost. And what is being proposed is to be rebated back up to 50%. And I believe that there has been some discussion with Councilmen and the Mayor regarding maximum that you may feel appropriate at 10%. Fairly simple, fairly straight forward.
VICE CHAIRMAN REESE	Mr. Fiorentino.
ATTORNEY MARK FIORENTINO	Yeah, let's make it simpler and more straightforward. It makes no sense to me why you would eliminate the second test. It is only a protection to the City that you have two tests. One is a maximum of our tax increment that we give you that we can get back and the second is a cap on what we invest in the project. The second test actually requires us to make investment and encourage us to make as much investment in the project as we can because we benefit and you benefit the more we invest in downtown. So it makes no sense to me why you would eliminate that second test. I thought what I heard Mr. Houchens say is that there should be two tests. What we have a dispute here over is the first test, of how much tax increment that we give you should we be entitled to back over time. We have suggested repeatedly 50%, because we think that's a fair number and we think it's – a number that you should hold out as being the standard for everybody. Understand that under that proposal, for the first time in the history of the Redevelopment Agency, at least as far as I'm concerned, you will gain tax increment dollars on day one, on the day we put sticks in the ground, as opposed to you giving us money and asking us to pay it back to you over time. The 10% figure that your staff is suggesting today is unacceptable to us, and probably in all likelihood, will result in this project going away. Because it doesn't even approach the cost that we will invest in the public infrastructure. It doesn't even get close to that number.
VICE CHAIRMAN REESE	Well then I – I'm just going to say, because I don't feel comfortable because the Mayor's not here and I know that

	the Mayor has discussed with me, I've talked with him and I think that we really need to hold this abeyance then (inaudible) the Mayor – can get back one.
MEMBER WEEKLY	Well, let me say this, Councilman Reese, because –
VICE CHAIRMAN REESE	Yes. Please do.
MEMBER WEEKLY	– first of all, this project is in Ward 5 and I do want to say that –
VICE CHAIRMAN REESE	Absolutely. Sorry about that.
MEMBER WEEKLY	– I know that I had a conversation with the Mayor also. And, you know, we kind of came to a conclusion as to what direction that we were going to go in. And, Mr. Fiorentino, I guess according to the conversation that when you and I met to talk about the project and you shared with me, I guess, some comments from your briefing with the Mayor, it sounds like we're going in a totally different direction than what we talked about. I mean, I'm not – understanding where we are today because I'm hearing something totally different, Lesa. And so I too feel a bit comfortable with holding this, because I think now we're going off on a tangent where it sounds as if we're not on the same page. You all are not happy with what's being presented here. I think I'm hearing something totally different and according to some of the notes that I have in front of me in reference to a conversation with the Mayor, it – just doesn't sound like we're all on the same page here today. And so, I'm thinking that this probably needs to be held one more time and I would really like to feel completely comfortable with what's, which direction we're going to go with this project, one way or the other. I mean I know that we are definitely honoring the Mayor's vision in redeveloping the downtown area, but, and I also always encourage any applicant to come to talk to me about any project in Ward 5 to make sure that they talk to all the other Council people. But I think that if there are conversations that are going on and the person who represents the area is not really as up to speed or feels good about the project, but seems, sounds like there's some other dialogue that's taken place here that I guess I'm not privy to. And so I am going to suggest that we do hold this in abeyance, please.
VICE CHAIRMAN REESE	Thank you. Councilwoman.
MEMBER L.B. McDONALD	Mr. Mayor Pro Tem, yeah, I personally don't feel comfortable conducting negotiations from the dais. And so I

would like, you know, in this interim to see a little bit of analysis from our staff to, so that when we say, you know, potentially up to 50%, having that quantified to know what – is that fiscally represent. When we say well, what is the investment that they plan to make initially, you know, I – need to see, to be able to, you know, give guidance or to be able to say whether this is a good deal, a bad deal or what. You know, context. You know, what is the investment and so when you go back and negotiate, we know solid numbers, exactly what is being invested and therefore what is 50% or 10% or whatever is based on what, you know So, you know, I just would like to have some more analysis before me, to give it greater context. Because we can throw out any percentage and it just doesn't mean anything until we know based on what.

LESA CODER, DIRECTOR OF OFFICE OF BUSINESS DEVELOPMENT

Sure. Sure. We'd be happy to do that. And just so that we'll have all the alternatives we think might, you might need available at your next meeting (inaudible) 10, 20, 30, 40, 50% of the tax increment, as well as percentages of total construction costs. And hopefully that'll give you a plethora of – alternatives.

MEMBER WEEKLY

Yes.

VICE CHAIRMAN REESE

Okay. Thank you. Councilwoman, Councilman Mack.

MEMBER L B. McDONALD

Thank you.

MEMBER MACK

You know, Mayor Pro Tem, I agree with your recommendation and, of course, Councilman Weekly, this is in your Ward. And I think if anyone should be privy of the information first, it should be you.

MEMBER WEEKLY

Correct.

MEMBER MACK

And of course I know that the Mayor's been quite involved in all – of downtown. Excuse me. First thing I'd like to just state for the record, I think the different hulahoops that the applicant's been jumping through have been of various sizes. And I don't think that it's fair to the applicant. I've heard many different versions and, in the times we're in, the economic times we're in, 60, 70, 80, $100 million projects, with financing behind it, are going to be few and far between. And, you know, as I look out at our agendas and I look at the Planning Commission agendas, I can just say, they're getting shorter and smaller and the financing is drying up.

	So, we have to look at things with open minds. But time is of essence. Money's drying up. As we all know, the world is changing around us daily. So we have to act quick. And so I cannot, I just ask staff, I know, Mr. Fiorentino, and your applicant has been very patient. But we need to move quick on this and make a deal and if – it's not a deal, I'm sure the applicant needs to look elsewhere.
MEMBER WEEKLY	Yeah, I agree.
MEMBER MACK	Thank you.
ATTORNEY MARK FIORENTINO	Your Honor?
MEMBER WEEKLY	Mayor Pro – I'm sorry.
VICE CHAIRMAN REESE	Yes, Sir.
ATTORNEY MARK FIORENTINO	Could I say just one more thing? I just want to make sure that the record is absolutely clear on a couple of points. First, of course, we have no objection to holding this again if it needs to be held again to get everybody the comfort level that they need. It's – an important project to the City and it's obviously an important project to us. The numbers that Councilwoman McDonald has asked for your staff has had for at least 45 days, because we did the projections based on 50% and based on what our construction estimates were. We distributed them publicly at the – Recommending Committee hearing before, and – so your staff has had that. It should be easy to get those numbers generated to you. But I will submit to you, so again that we don't have to go through this in two weeks, that I have been told unequivocally by your staff that they have no authority to negotiate these actual numbers. That this is a policy decision for the City Council to make on how much, what the percentages are going to be and how much the City is willing to become a partner in this project and invest it in. So we will get you the numbers. We'll spend as much time as we need, but ultimately it is going to be your decision on what kind of partnership you want to have, or whether you want to have a partnership at all.
MEMBER WEEKLY	Yes. Correct.
ATTORNEY MARK FIORENTINO	And – I – think we agree that we need to get it done if we want this project built.

MEMBER WEEKLY: Correct. And it's –

MEMBER L.B. McDONALD: And I think, Mr. Mayor Pro Tem, on that note, you know, I think that, at least from my standpoint, my expectation is that the City Council is not in negotiation with the applicant directly. That the staff conducts negotiations on our behalf and brings back recommendations for us to react to. So, that's always been my expectation.

ATTORNEY MARK FIORENTINO: That is – Councilwoman, the exactly the opposite of what they have told us.

MEMBER L B. McDONALD: Well, then I guess I need clarification with the City Manager or somebody. Because I think, you know, just like, you know, we have, had a protest out here, you know, we don't conduct the labor negotiations, you know, we don't conduct the negotiations with these proposals either. I don't want to have that. I want someone to negotiate and bring back a proposal for me to react to. I don't want to be the negotiator.

DEPUTY CITY MANAGER HOUCHENS: Mayor – Pro Tem? Councilwoman?

VICE CHAIRMAN REESE: Yes.

DEPUTY CITY MANAGER HOUCHENS: If – I may just very briefly. We may be talking about semantics here. But we have negotiated with these folks in – good faith. We have stated that we would feel that it's acceptable to offer 50% of the tax increment as an incentive for the – development. However, we have said repeatedly that – there's some indecision whether or not we should go forward with using tax increment for a project such as this or not. When the Memorandum of Understanding is a negotiated document. We have established 50% as the limitation on the tax increment and we've – established 10% as the limitation based on capital construction. That number will probably be very much larger than what the tax increment is.

They have projected a number of $44 million of benefit from the 50% tax increment over 20 years. We feel that that number may be high. We feel it may be more like 30 to $35 million. However, there's really no sure way of estimating what the tax increment will be over the next 20 years. All we know, all we've tried to do is limit that tax increment to 50% or limit the benefit to 50% of that tax increment, no matter what it is, for that period of time.

So I – feel like there is a new document that's been negotiated. But the question of whether or not we want to move forward with providing a tax incentive on this particular development is one, which I really defer to Council to, Council for at this time.

MEMBER WEEKLY: Okay. Mayor Pro Tem, if I may, with respect to all the comments here today, I'd like to ask, Mr. Houchens, if you would please, check with the Mayor's schedule when he returns and find out – when we could set up a meeting with the Mayor, myself, Councilman Reese and Ms. Coder to talk about where we are and what type of package that we can present to the applicants here. And also please adequately brief the other members of this Council so that everyone will be on the same page. And it's my hope that on November 7th, when we come back, that we would have something that we could all agree on and everybody's on the same page. And then if not, then the applicant could decide which direction they would like to go in.

Mr. Fiorentino, I appreciate – your patience and as well as the applicant. I think you all have been patient as Councilman Mack indicated also and have, you know, tried to work with us also. I just think that we need to go back and fine tune our package and make some type of presentation to you as far as where the City stands and what it is that we can and cannot do. And I think that hopefully that's fair.

VICE CHAIRMAN REESE: Thank you, Councilman Weekly. Councilman –

MEMBER WEEKLY: Yes. **That's my motion.**

VICE CHAIRMAN REESE: Councilman Weekly, Councilman Brown had a couple comments he'd like to make, please.

MEMBER WEEKLY: I'm sorry?

VICE CHAIRMAN REESE: Councilman Brown had a couple comments he'd like to make.

MEMBER WEEKLY: Oh, I'm sorry. Yes, Sir. I'm sorry, Councilman.

MEMBER BROWN: Certainly support the motion. I – just think, and it was stated by either the applicant or someone on the Board that perhaps instead of playing semantics with numbers and percentages, this Council needs to decide if a furniture mart is what we want downtown. Because I, I've got a strong feeling that if we string these people along any more, that's unfair. I mean, we're – pass that point and we owe them a yes or a no. And if it's a yes, if we feel it's an appropriate investment downtown, then the numbers should fall in place. I mean, we owe anybody, not just this applicant, anybody that's willing to come in and invest $100 million up to a billion dollars, deserve to be treated better than they have been treated

VICE CHAIRMAN REESE — Thank you. You've heard the motion, please cast your vote Post, please. Motion carries. **(Motion carried unanimously with Goodman and M. McDonald excused.)** Thank you. Thank you, Mr. Fiorentino.

MEMBER L B McDONALD — And, Mr. Mayor Pro Tem, just for the record –

VICE CHAIRMAN REESE — Yes.

MEMBER L.B. McDONALD — – I need to echo the same disclosures that Councilman Brown made earlier at the top of this discussion as it relates to my involvement with the adjacent parcel. But obviously I participated in the discussion.

VICE CHAIRMAN REESE — Thank you.

CITY ATTORNEY JERBIC — Perhaps if I could just add a couple points of clarification, Your Honor.

VICE CHAIRMAN REESE — Please.

CITY ATTORNEY JERBIC — I spoke with both Councilwoman McDonald and Councilman Brown and neither one of their interest in the 61-acres has any cross over to this particular site, there's no direct interest. I think disclosure is appropriate, but we have advised that abstention on the vote is not necessary at this time.

VICE CHAIRMAN REESE — Thank you.

(END OF DISCUSSION)

/vwd,ac