RESOLUTION NO. R-6-2009

A RESOLUTION CALLING A PUBLIC HEARING, AUTHORIZING THE DISTRIBUTION OF MATERIALS AND AUTHORIZING PUBLICATION OF A NOTICE OF A PUBLIC HEARING, ALL RELATING TO A TOURISM IMPROVEMENT DISTRICT IN THE CITY OF LAS VEGAS; AND PROVIDING OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, the City Council (the "City Council") of the City of Las Vegas, Nevada (the "City"), in the State of Nevada (the "State") desires to consider adopting an ordinance pursuant to NRS 271A.070 creating a Tourism Improvement District (the "TID" or "District") as further described in the notice (the "Notice") set forth in Section 3 hereof; and

WHEREAS, NRS 271A.080 provides in part as follows:

> "278A.080. The governing body of a municipality shall not adopt an ordinance pursuant to NRS 271A.070 unless:
>
> . . .
>
> 2. The governing body has made a written finding at a public hearing that the project will benefit the district.
>
> 3. The governing body has made a written finding at a public hearing, based upon reports from independent consultants which were addressed to the governing body, to the board of county commissioners, if the governing body is not the board of county commissioners for the county in which the tourism district is or will be located, and to the board of trustees of the school district in which the tourism improvement district is or will be located, as to whether the project and the financing thereof pursuant to this chapter will have a positive fiscal effect on the provision of local governmental services, after considering:
>
> (a) The amount of the proceeds of all taxes and other governmental revenue projected to be received as a result of the properties and businesses expected to be located in the district;
>
> (b) The use of any money proposed to be pledged pursuant to NRS 271A.070;
>
> (c) Any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the project and the development of land within the district; and
>
> (d) Estimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the district and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the district.
>
> 4. The governing body has, at least 45 days before making the written finding required by subsection 3, provided to the board of trustees of the school district in which the tourism improvement district is or will be located:
>
> (a) Written notice of the time and place of the meeting at which the governing body will consider making that written finding; and
>
> (b) Each analysis prepared by or for or presented to the governing body regarding the fiscal effect of the project and the use of any money proposed to be pledged pursuant to NRS 271A.070 on the provision of local governmental services, including education.

After the receipt of the notice required by this subsection and before the date of the meeting at which the governing body will consider making the written finding required by subsection 3, the board of trustees shall conduct a hearing regarding the fiscal effect on the school district, if any, of the project and the use of any money proposed to be pledged pursuant to NRS 271A.070, and may submit to the governing body of the municipality any comments regarding that fiscal effect. The governing body shall consider those comments when making any written finding pursuant to subsection 3 and shall consider those comments when considering the terms of any agreement pursuant to NRS 271A.110.

5. If the governing body is not the board of county commissioners for the county in which the tourism district is or will be located, the governing body has, at least 45 days before making the written finding required by subsection 3, provided to the board of county commissioners in the county in which the tourism improvement district is or will be located:

(a) Written notice of the time and place of the meeting at which the governing body will consider making that written finding; and

(b) Each analysis prepared by or for or presented to the governing body regarding the fiscal effect of the project and the use of any money proposed to be pledged pursuant to NRS 271A.070 on the provision of local governmental services.

After the receipt of the notice required by this subsection and before the date of the meeting at which the governing body will consider making the written finding required by subsection 3, the board of county commissioners may conduct a hearing regarding the fiscal effect on local governmental services, if any, of the project and the use of any money proposed to be pledged pursuant to NRS 271A.070, and may submit to the governing body of the municipality any comments regarding that fiscal effect. The governing body may consider those comments when making any written finding pursuant to subsection 3 and shall consider those comments when considering the terms of any agreement pursuant to NRS 271A.110.

6. The governing body has determined, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that:

(a) As a result of the project:

(1) Retailers will locate their businesses as such in the district; and

(2) There will be a substantial increase in the proceeds from sales and use taxes remitted by retailers with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the district; and

(b) A preponderance of that increase in the proceeds from sales and use taxes will be attributable to transactions with tourists who are not residents of this State.

7. The Commission on Tourism has determined, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that a preponderance of the increase in the proceeds from sales and use taxes identified pursuant to subsection 6 will be attributable to transactions with tourists who are not residents of this State.

8. The Governor has determined that the project and the use of any money proposed to be pledged pursuant to NRS 271A.070 will contribute significantly to economic development and tourism in this State. Before making that determination, the Governor:

(a) Must consider the fiscal effects of the pledge of money on educational funding, including any fiscal effects described in comments provided pursuant to subsection 4 by the school district in which the tourism improvement district is or will be located, and for that purpose may require the Department of Education or the Department of Taxation, or both, to provide him with an appropriate fiscal report; and

(b) If the Governor determines that the pledge of money will have a substantial adverse fiscal effect on educational funding, may require a commitment from the municipality for the provision of specified payments to the school district in which the tourism improvement district is or will be located during the term of the use of any money pledged pursuant to NRS 271A.070. The payments may be provided pursuant to agreements with owners of property within the district authorized by NRS 271A.110 or from sources other than the owners of property within the district. Such a commitment by a municipality is not subject to the limitations of subsection 1 of NRS 354.626 and, notwithstanding any other law to the contrary, is binding on the municipality for the term of the use of any money pledged pursuant to NRS 271A.070."

; and

WHEREAS, Subsections 1 through 3 of NRS 360.855 provides as follows:

"1. The State Controller, acting upon the collection data furnished by the Department, shall remit to the governing body of a municipality that adopts an ordinance pursuant to NRS 271A.070, in the manner provided pursuant to an agreement made pursuant to NRS 271A.100:

(a) From the State General Fund the amount of money pledged pursuant to the ordinance in accordance with subparagraph (1) of paragraph (c) of subsection 1 of NRS 271A.070, which amount is hereby appropriated for that purpose; and

(b) From the Sales and Use Tax Account in the State General Fund the amount of the proceeds pledged pursuant to the ordinance in accordance with subparagraph (2) of paragraph (c) of subsection 1 of NRS 271A.070.

2. Except as otherwise provided in subsection 3, the governing body of a municipality that adopts an ordinance pursuant to NRS 271A.070 shall at the end of each fiscal year remit to the State Controller any amount received pursuant to this section in excess of the amount required to make payments due during that fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant to NRS 271A.120 and payments due during that fiscal year under any agreements made pursuant to NRS 271A.120. The State Controller shall deposit any money received from a governing body of a municipality pursuant to this subsection in the appropriate account in the State General Fund for distribution and use as if the money had not been pledged by an ordinance adopted pursuant to NRS 271A.070, in the following order of priority:

(a) First, to the credit of the county school district fund for the county in which the improvement district is located to the extent that the money would have been transferred to that fund, if not for the pledge of the money pursuant to that ordinance, pursuant to paragraph (e) of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

(b) Second, to the State General Fund to the extent that the money would not have been appropriated, if not for the pledge of the money pursuant to that ordinance, pursuant to paragraph (a) of subsection 1 for the fiscal year in which the State Controller receives the money; and

(c) Third, to the credit of any other funds and accounts to which the money would have been distributed, if not for the pledge of the money pursuant to that ordinance, for the fiscal year in which the State Controller receives the money.

3. The provisions of subsection 2 do not require a governing body to remit to the State Controller any money received pursuant to this section and expended for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to NRS 271A.120 or of prepaying amounts due under any agreements entered into pursuant to NRS 271A.120, or any combination thereof, with respect to a tourism improvement district if that use of the money has been:

(a) Authorized by the governing body in the ordinance creating the district pursuant to NRS 271A.070, or in an amendment thereto; and

(b) Approved by the governing body, Commission on Tourism and Governor in the manner required to satisfy the requirements of subsections 6, 7 and 8 of NRS 271A.080,

and after the provision of notice to and an opportunity to make comments by the board of trustees of the school district in which the tourism improvement district is located in accordance with subsection 4 of NRS 271A.080 and, if applicable, by the board of county commissioners of the county in which the tourism improvement district is located in accordance with subsection 5 of NRS 271A.080."

; and

WHEREAS, the City desires:

(i) to consider approving and authorizing and

(ii) to seek approval of

the use of money received pursuant to subsection 1 of NRS 360.855 that is not needed to make payments due during a fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant to NRS 271A.120 and payments due during that fiscal year under any agreements made pursuant to NRS 271A.120 for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to NRS 271A.120 or of prepaying amounts due under any agreements entered into pursuant to NRS 271A.120, or any combination thereof, with respect to the TID; and

WHEREAS, the City desires to schedule and hold a hearing for the purposes of considering (i) making the findings specified in Subsections 2, 3 and 6 of NRS 271A.080, and (ii) approving the use of monies pursuant to paragraph (a) of Subsection 3 of NRS 360.855; and

WHEREAS, there has been filed with the City Clerk:

(i) A report entitled "*Proposed Tourism Improvement District, An Analysis of Selected Regulatory Requirements*" prepared by Applied Analysis, dated November 30, 2008 (the "Report") which is a report of an independent consultant addressing the fiscal effect of the project proposed for the District and the financing thereof under Chapter 271A of NRS on the provision of local governmental (the "Fiscal Effect") as required in Subsection 3 of NRS 271A.080;

(ii) A letter from CIM/LL Manager, LLC (the "Developer") dated January 16, 2009 relating to the Developer's ability and desire to proceed with certain projects, including retail projects in the District;

(iii) A memorandum from Keyser Marston Associates, dated January 27, 2009 concerning the Developer's financial ability to proceed with the projects described in (ii) above; and

(iv) A memorandum from the City's Office of Business Development, dated January 22, 2009 concerning certain real estate matters relating to the District and a Disposition and Development Agreement between the City and the Developer dated July 2, 2008

(the "Filed Information"); and

WHEREAS, the City desires to provide the Filed Information to the Clark County School District (the "School District"), the Board of County Commissioners of Clark County (the

"County"), the Commission on Tourism of the State, and to the Governor of the State pursuant to NRS 271A.080 and 360.855.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAS VEGAS, NEVADA:

Section 1. A hearing is hereby authorized to be held before the City Council on May 6, 2009 at the hour of 9:00 am in the City Council Chambers for the purposes of considering (i) making the findings and determinations specified in Subsections 2, 3 and 6 of NRS 271A.080, and (ii) approving the use of monies pursuant to paragraph (a) of Subsection 3 of NRS 360.855.

Section 2. The Manager shall not later than one week from the adoption of this Resolution provide the Filed Information and a copy of the Notice to the School District and the County.

Section 3. A notice of the public hearing shall be published in the *Las Vegas Review Journal*, a newspaper of general circulation in the City once in a week for three consecutive weeks, the first publication of which must be at least 15 days before the date of the public hearing. The Notice shall be in the following form:

NOTICE OF PUBLIC HEARING

NOTICE is hereby given that the City Council of the City of Las Vegas, Nevada (the "Council" and "City", respectively) will hold a public hearing at a regular meeting to be held on Wednesday, May 6, 2009 at the hour of 9:00 a.m. in the Council Chambers, Las Vegas City Hall Complex, 400 Stewart Avenue, Las Vegas, Nevada to consider (i) making a written finding at a public hearing that the Project (the "Project") proposed to be constructed and acquired for a Tourism Improvement District in downtown Las Vegas whose boundaries are generally described below (the "District") will benefit the District (ii) making a written finding at a public hearing, based upon the report entitled "*Proposed Tourism Improvement District, An Analysis of Selected Regulatory Requirements*" prepared by Applied Analysis, dated November 30, 2008 (the "Report") as to whether the proposed Project and the financing thereof pursuant to Chapter 271A of Nevada Revised Statutes ("Chapter 271A") will have a positive fiscal effect on the provision of local governmental services (the "Fiscal Effect Finding"); (iii) making determinations that (a) as a result of the Project: (1) retailers will locate their businesses as such in the District; and (2) there will be a substantial increase in the proceeds from sales and use taxes remitted by retailers with regard to tangible personal property sold at retail, or stored, used or otherwise consumed in the District; and (b) a preponderance of that increase in the proceeds from the sales and use taxes will be attributable to transactions with tourists who are not residents of the State of Nevada; and (iv) approving the use of amounts received from the District Taxes described in the next paragraph of this notice, which are not needed to make payments due during a fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant to NRS 271A.120 and payments due during that fiscal year under any agreements made pursuant to NRS 271A.120, for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to NRS 271A.120 or of prepaying amounts due under any agreements entered into pursuant to NRS 271A.120, or any combination thereof, with respect to the District.

. The public hearing is required by NRS 271A.080(2), (3) and (6) and NRS 360.855(3) as part of the process of establishing the proposed District. If the proposed District is established, 75% of certain sales and use taxes generated in the proposed District (the "District Taxes") are expected to be pledged to repay bonds issued to finance, or otherwise used to pay the cost of, acquisition and construction of the Project. The proposed District's boundaries are generally described as the area bounded by Stewart Avenue, Casino Center Drive, US Highway 95 and Fourth Street. Further information on the District, the District Taxes and the Project is in the Report.

The Report will be considered, among other things, at the public hearing on May 6, 2009. A copy of the Report, and other information concerning the Project and the proposed District may be examined in the office of the City Clerk, 400 East Stewart Avenue, Las Vegas, Nevada. All persons are invited to attend and to be heard regarding the proposed action. Prior to the hearing, written comments may be filed with the City Clerk at the aforementioned address.

Dated February 4, 2009.

/s/ Beverly K. Bridges, CMC
City Clerk

Section 4. The officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

Section 5. All resolutions, or parts thereof, in conflict herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution or part of any resolution heretofore repealed.

Section 6. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall in no way affect any remaining provisions of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this February 4, 2009.

(SEAL)

Mayor

Attest:

~~Deputy~~ City Clerk

Approved as to form:

Deputy City Attorney

1/27/09
Date

STATE OF NEVADA)
)
CITY OF LAS VEGAS)

I, Beverly K. Bridges, CMC, am the duly chosen and qualified City Clerk of Las Vegas (the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution adopted by the City Council (the "Council") at a meeting held on February 4, 2009.

2. The adoption of the resolution was duly moved and seconded and the resolution was adopted by an affirmative vote of a majority of the members of Council as follows:

Those Voting Aye:		
	Mayor:	Oscar Goodman
	Council members:	Gary Reese
		Steve Wolfson
		Lois Tarkanian
		Steven D. Ross
		Ricki Y. Barlow
		David W. Steinman
Those Voting Nay:		None
Those Absent:		None

3. The original of the resolution has been approved and authenticated by the signatures of the Mayor of the City and myself as City Clerk and has been recorded in the regular official record of the Council kept for that purpose in my office, which record has been duly signed by the officers and properly sealed.

4. All members of the Council were given due and proper notice of the meeting. Pursuant to Nevada Revised Statues ("NRS") 241.020, written notice of the meeting was given not later than 9:00 a.m. on the third working days before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice at least three working days before the meeting on the City's website, at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Council, to wit:

(i) Court Clerk's Office Bulletin Board
City Hall Plaza
Las Vegas, Nevada;

(ii) City Hall Plaza
Special Outside Posting Bulletin Board
Las Vegas, Nevada;

(iii) Las Vegas Library
833 Las Vegas Boulevard North
Las Vegas, Nevada;

(iv) Clark County Government Center
500 S. Grand Central Parkway
Las Vegas, Nevada; and

(v) Grant Sawyer Building
555 E. Washington Avenue
Las Vegas, Nevada.

and

(b) Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notices of meetings of the Council in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

5. Upon request, the Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of such notice so given of the meeting of the Council on February 4, 2009 is attached to this certificate as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand on this February 4, 2009.

(SEAL)

City Clerk

EXHIBIT "A"

(Attach Copy of Notice of Meeting)

City of Las Vegas

CITY COUNCIL AGENDA

COUNCIL CHAMBERS · 400 STEWART AVENUE · PHONE 229-6011
CITY OF LAS VEGAS INTERNET ADDRESS: www.lasvegasnevada.gov
COUNCIL MEMBERS: OSCAR B. GOODMAN, MAYOR (At-Large)
COUNCILMAN GARY REESE, MAYOR PRO TEM (Ward 3)
STEVE WOLFSON (Ward 2), LOIS TARKANIAN (Ward 1), STEVEN D. ROSS (Ward 6)
RICKI Y. BARLOW (Ward 5), DAVID W. STEINMAN (Ward 4 – Interim)

Facilities are provided throughout City Hall for convenience of persons with disabilities. For meetings held in the Council Chambers, sound equipment is available for persons with hearing impairments. 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.

February 4, 2009

Morning Session begins at 9:00 a.m.
Afternoon Session begins at 1:00 p.m.

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

THESE PROCEEDINGS ARE BEING VIDEO RECORDED AS WELL AS PRESENTED LIVE ON KCLV, CABLE CHANNEL 2, AND ARE CLOSED CAPTIONED FOR OUR HEARING IMPAIRED VIEWERS. THE COUNCIL MEETING, AS WELL AS ALL OTHER KCLV PROGRAMMING, CAN BE VIEWED ON THE INTERNET AT www.kclv.tv. THE PROCEEDINGS WILL BE REBROADCAST ON KCLV CHANNEL 2 AND THE WEB THE WEDNESDAY OF THE MEETING AT 8:00 PM, AND ALSO ON FRIDAY AT 4:00 AM, SATURDAY AT 7:00 PM, SUNDAY AT 7:00 AM AND THE FOLLOWING MONDAY AT 1:00 PM.

DUPLICATE AUDIO CD'S AND DUPLICATE AUDIO/VIDEO DVD'S MAY BE AVAILABLE AT A COST OF $5.00 EACH THROUGH THE CITY CLERK'S OFFICE.

NOTE: CELLULAR PHONES ARE TO BE TURNED OFF DURING THE COUNCIL MEETING.

CEREMONIAL MATTERS

1. CALL TO ORDER

2. ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW

3. INVOCATION – REVEREND ROBERT FOWLER, VICTORY MISSIONARY BAPTIST CHURCH

4. PLEDGE OF ALLEGIANCE

5. RECOGNITION OF THE CITIZEN OF THE MONTH

6. RECOGNITION OF THE PUBLIC WORKS DEPARTMENT FOR EARNING THREE SOUTHWEST CONTRACTOR AWARDS

7. RECOGNITION OF THE WINNERS OF THE WHAT PEACE MEANS TO ME ART CONTEST

8. RECOGNITION OF OUTSTANDING AFRICAN – AMERICAN EDUCATORS AS PART OF BLACK HISTORY MONTH

BUSINESS ITEMS - MORNING

9. Any items from the morning session that the Council, staff and/or the applicant wish to be stricken or held in abeyance to a future meeting may be brought forward and acted upon at this time

10. Approval of the Final Minutes by reference of the regular City Council meeting of January 7, 2009

CONSENT AGENDA

MATTERS LISTED ON THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE AND HAVE BEEN RECOMMENDED FOR APPROVAL BY THE SUBMITTING DEPARTMENTS. ALL ITEMS ON THE CONSENT AGENDA MAY BE APPROVED IN A SINGLE MOTION. HOWEVER, IF A COUNCIL MEMBER SO REQUESTS, ANY CONSENT ITEM MAY BE MOVED TO THE DISCUSSION PORTION OF THE AGENDA AND OTHER ACTION, INCLUDING POSTPONEMENT OR DENIAL OF THE ITEM, MAY TAKE PLACE.

ADMINISTRATIVE - CONSENT

11. ABEYANCE ITEM - Approval of the Community Charter For Union Park, the master planned mixed-use community located at 100 South Grand Central Parkway (APNs 139-34-110-006, 002 and 005) - Ward 5 (Barlow)

ADMINISTRATIVE SERVICES - CONSENT

12. Approval of the City of Las Vegas Arts Commission Municipal Arts Plan (MAP) for FY 2009-2010 - All Wards

FIELD OPERATIONS - CONSENT

13. Approval of a Landlord Consent to Assignment and Assumption between the City of Las Vegas, Explicit Media, Inc., John Giamo and Richard Bryan for the assignment of the Lease Agreement for certain office space located at 333 North Rancho Drive Suite 445, commonly known as the Atrium Building - Ward 5 (Barlow)

14. Approval of an Agreement for the Purchase and Sale of Real Property between RCS Capital Development, LLC and the City of Las Vegas for real property consisting of approximately 1.45 acres located at 4551 East Bonanza Road, APN 140-32-101-005 ($900,000 plus closing costs - Fire Services Capitol Project Fund) - Ward 3 (Reese)

15. Approval of a Shared Parking Agreement between the City of Las Vegas and the International Church of Las Vegas for real property located at Cliff Shadows Parkway and Novat Street, APNs 137-12-401-001 and 137-12-401-040 - Ward 4 (Steinman)

FINANCE & BUSINESS SERVICES - ADMINISTRATION CONSENT

16. Approval of Service and Material Checks/Payroll Checks/Wire Transfers/Other Checks and Investments

FINANCE & BUSINESS SERVICES - BUSINESS SERVICES CONSENT

17. Approval of a Special Event Alcoholic Beverage License for Chaldean Catholic Manor, Location: 4514 Meadows Lane, Date: February 14, 2009, Type: Special Event General, Event: Valentine Party/Fund Raiser, Responsible Person in Charge: Bassam Mekha - Ward 1 (Tarkanian)

18. Approval of Change of Business Name of a Supper Club License, Roy's Westcoast I Limited Partnership, dba From: Roy's 1, To: Roy's, 8701 West Charleston Boulevard, Roy's Outback Joint Venture General Partner, Chris T. Sullivan, Executive Committee Member, and Mark D. Running, Limited Partner, Operations Director - Ward 2 (Wolfson)

FINANCE & BUSINESS SERVICES - PURCHASING & CONTRACTS CONSENT

19. Approval of award of Contract No. 080298-DC, Tree Inventory for City of Las Vegas - Department of Planning and Development - Award recommended to: ARBOR PRO, INC. ($52,500 - Multipurpose Special Revenue Fund) - All Wards

20. Approval of award of Agreement No. 090110-DC, Construction Management Services Agreement for Horse Drive Interchange located at Horse Drive and U.S. 95 - Department of Public Works - Award recommended to: PBS & J, INC. ($2,470,966 - Road and Flood Capital Projects Fund) - Ward 6 (Ross)

21. Approval of award of First Amendment to Engineering Design Services Agreement No. 080151-DC, Construction Management, Inspections and Material Testing for the Downtown Bus Rapid Transit Project located at Grand Central Parkway from Charleston Boulevard to City Parkway - Department of Public Works - Award recommended to: CM WORKS, INC. ($199,726.08 - Road and Flood Capital Projects Fund) - Ward 5 (Barlow)

22. Approval of award of Contract No. 090109, Prime Design Services Agreement for Storm Drain Assessment Program: 5 Year Cycle - Department of Public Works - Award recommended to: PROJECT ENGINEERING CONSULTANTS, LTD. ($599,138 - Road and Flood Capital Projects Fund) - All Wards

23. Approval of award of Contract No. 090112-PL, Museum Development Consulting Services located at the Museum of Organized Crime and Law Enforcement, 300 Stewart Avenue - Department of Administrative Services - Award recommended to: ALGONQUIN ADVISORS (Not to exceed $121,500 - General Fund) - Ward 5 (Barlow)

PUBLIC WORKS - CONSENT

24. ABEYANCE ITEM - Approval of Fourth Supplemental Interlocal Contract No. 481d between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to increase funding and extend the date of completion for the City Parkway - D Street Connector between Grand Central Parkway and I -15 ($187,000 - RTC) - Ward 5 (Barlow)

25. Approval of an Encroachment Request from G. C. Wallace, Incorporated, on behalf of Craig Kenny and Ellen Kay Kenny, owners (southeast corner of 8th Street and Clark Avenue) - Ward 3 (Reese)

26. Approval of a Dedication from the City of Las Vegas for a portion of the Northwest Quarter of Section 30, Township 20 South, Range 61 East, Mount Diablo Meridian, for additional right-of-way along Decatur Boulevard south of Vegas Drive, APN 139-30-101-004 - Ward 5 (Barlow)

27. Approval to Appraise and Purchase or Condemn real property for the Owens Avenue System also known as Vegas Drive Storm Drain Project located on Vegas Drive from Michael Way to Rancho Drive ($50,000 Regional Transportation Commission [RTC]) - Ward 5 (Barlow)

28. Approval of an Interlocal Agreement between the City of Las Vegas and Clark County to acquire right-of-way within the boundaries of Clark County for the construction of the FY05 Bus Turnout Project (Charleston Bus Turnouts - Fremont Street to Nellis Boulevard) located at various locations along Charleston Boulevard between Fremont Street and Nellis Boulevard - County (near Ward 3 - Reese)

29. Approval of a Southern Nevada Water Authority Easement Occupancy Permit for storm drain facilities installed with the Oakey Meadows Storm Drain Phase I project located at Charleston Boulevard and Hinson Street, Fulton Place and Valley View Boulevard and Alta Drive into the Meadows Detention Basin, further described as APNs 139-31-602-003, 139-31-702-002, 139-31-699-006, 139-31-799-009, 139-31-899-011 and 139-32-101-001 - Ward 1 (Tarkanian)

30. Approval of Supplemental Interlocal Contract 482a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for the installation of bus turnouts on Charleston Boulevard between Fremont Street and Nellis Boulevard - Ward 3 (Reese)

31. Approval of Supplemental Interlocal Contract 522a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date and receive a revised authorization to proceed for the construction of bus turnouts on Decatur Boulevard between Meadows Lane and Sahara Avenue - Ward 1 (Tarkanian)

32. Approval of Supplemental Interlocal Contract 572a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for the Sheep Mountain Parkway project between US-95 and CC-215 - Ward 6 (Ross)

33. Approval of Supplemental Interlocal Contract 484a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for traffic capacity improvements at the intersection of Lamb Boulevard and Charleston Boulevard - Ward 3 (Reese)

34. Approval of Supplemental Interlocal Contract 470a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for the roadway improvements at Summerlin Parkway between I-215 and US-95 - Ward 2 (Wolfson)

35. Approval of Supplemental Interlocal Contract 537a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for roadway improvements on Cliff Shadows Parkway, between Buckskin and Lone Mountain Road - Ward 6 (Ross)

36. Approval of a 2009 NLV Wastewater Service Agreement between the City of Las Vegas (CLV) and North Las Vegas (NLV) whereby NLV will construct a Wastewater Treatment Facility on Nellis Air Force Base property, which will receive and treat the indirect wastewater flows currently generated by the sewer accounts located in NLV and treated by CLV - County (near Ward 3 - Reese)

DISCUSSION/ACTION ITEMS

HEARINGS - DISCUSSION

37. Public Hearing on annexation report for the proposed annexation area located in the vicinity of State Route 157 (Kyle Canyon Road), in the general area Between Moccasin Road and Rocky Avenue, East and West of Shaumber Road (ANX-27030) – Ward 6 (Ross)

38. Public Hearing on proposed local improvement district for Special Improvement District No. 1513 - Via Olivero Avenue and Valadez Street (East of Cimarron Road) - Ward 2 (Wolfson)

39. ABEYANCE ITEM: Hearing to consider the appeal regarding the Notice and Orders Regarding Vacant or Abandoned Buildings located at 901 West McWilliams Avenue, Units 902, 903, 904, 906 and 907. PROPERTY OWNERS: MOULIN ROUGE PROPERTIES, LLC - Ward 5 (Barlow)

40. Hearing to consider the appeal regarding Notice and Order to Abate Dangerous Building Demolition property located at 840 W. Bonanza Road. PROPERTY OWNER: MOULIN ROUGE PROPERTIES LLC - Ward 5 (Barlow)

41. Hearing to consider the appeal regarding Notice and Order to Abate Dangerous Building Demolition property located at 920 W. Bonanza Road. PROPERTY OWNER: MOULIN ROUGE PROPERTIES LLC - Ward 5 (Barlow)

42. Hearing to consider the appeal regarding Notice and Order to Abate Dangerous Building Demolition property located at 1001 W. McWilliams Avenue. PROPERTY OWNER: MOULIN ROUGE PROPERTIES LLC - Ward 5 (Barlow)

ADMINISTRATIVE - DISCUSSION

43. Discussion and possible action regarding a Memorandum of Understanding between the Las Vegas Peace Officers Association (LVPOA) and the City of Las Vegas regarding current labor agreement (Future 2 year savings of approximately $750,000 – General Fund)

FINANCE & BUSINESS SERVICES - ADMINISTRATION DISCUSSION

44. ABEYANCE ITEM - Discussion and possible action on the City of Las Vegas Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2008

FINANCE & BUSINESS SERVICES - BUSINESS SERVICES DISCUSSION

45. Discussion and possible action regarding Temporary Approval of Change of Business Name, Change of Location and Change of Ownership for a Supper Club License subject to the provisions of the planning and fire codes and Health Dept. regulations, From: ARG Enterprises, Inc, dba Stuart Anderson's Black Angus (Non-operational), To: TCB Las Vegas, LLC, dba Feelgoods, 6750 West Sahara Avenue, Daniel N. Koker II, Mgr, 100% - Ward 1 (Tarkanian) [NOTE: Item to be heard in the afternoon session in conjunction with Item 99 - SUP-32144]

46. Discussion and possible action regarding Approval of a Change of Business Name and Change of Location for a Temporary Pawnbroker License, a Temporary Auto Pawnbroker License, a Temporary Class II Secondhand Dealer License and a Temporary Pistol Permit, EZPawn Nevada Inc., dba From: Pawn Place, 119 North 4th Street, To: EZPawn, 212 South Las Vegas Boulevard, Joseph L. Rotunda, Pres, Dir, Daniel N. Tonissen, Sr. VP, Dir, Connie Kondik, Secy, General Counsel, and Daniel M. Chism, Asst. Secy, Controller - Ward 3 (Reese)

47. Discussion and possible action regarding a Six Month Review of a Beer/Wine/Cooler On-sale License, Maria D. Madrid, dba San Salvador Restaurant, 6651 Smoke Ranch Road, Maria D. Madrid, Owner, 100% - Ward 5 (Barlow)

48. Discussion and possible action regarding a Six Month Review of a Temporary Class II Secondhand Dealer License, Yonatan Mabat, dba Trip on the Strip, 806 South Las Vegas Boulevard, Yonatan Mabat, Owner, 100% - Ward 3 (Reese)

49. Discussion and possible action regarding Approval of a new Massage Establishment License, Jennifer Le, dba Jen's Salon de Beaute, 9090 Alta Drive, Jennifer K. Le, Owner, 100% - Ward 2 (Wolfson) [NOTE: This is an Ancillary License to an existing business - Jen's Salon de Beaute]

RESOLUTIONS - DISCUSSION

50. R-5-2009 - Discussion and possible action regarding a Resolution consenting to the undertakings of the City of Las Vegas Redevelopment Agency (RDA) in connection with the Commercial Visual Improvement Program (CVIP) Agreement between the RDA and L'Chaim Western Village Property, LLC, (Owner) located at 321-323 Fremont Street (APN 139-34-610-010) to be in compliance with and in furtherance of the goals and objectives of the RDA - Ward 5 (Barlow) [NOTE: This item is related to RDA Item 5 (RA-1-2009)]

51. R-6-2009 - Discussion and possible action regarding a Resolution calling a public hearing, authorizing the distribution of materials and authorizing publication of a Notice of Public Hearing, all relating to a Tourism Improvement District (TID) for parcels at Fourth Street and Stewart Avenue (APNs 139-34-501-004, -007 to -008, 139-27-899-042 and 139-34-599-009) - Ward 5 (Barlow)

52. R-7-2009 - Discussion and possible action concerning a Resolution and Notice Regarding the Granting of a Telecommunications Service Franchise to Level 3 Communications, LLC, Setting the Purpose, Character, Term and Conditions of the Proposed Franchise and Setting a Public Hearing on the Advisability of Granting the Proposed Franchise – All Wards

BOARDS & COMMISSIONS - DISCUSSION

53. Discussion and possible action on appointments of Council members to various City of Las Vegas and other jurisdictional Boards, Commissions and Authorities

RECOMMENDING COMMITTEE REPORT - DISCUSSION

BILLS ELIGIBLE FOR ADOPTION AT THIS MEETING

54. Bill No. 2009-1 – Revises the composition of the Records Management Committee, and adopts the most recent version of the minimum records retention schedules for local governments in Nevada. Proposed by: Beverly K. Bridges, City Clerk

55. Bill No. 2009-2 – Amends the special use permit standards applicable to secondhand dealers in the Town Center District to allow the sale of personal computers, laptop computers, and other similar computer devices on a non-consignment basis. Sponsored by: Councilman Steven D. Ross

56. Bill No. 2009-3 – Amends the Downtown Centennial Plan to update the list of uses permitted within the district known as "18b The Las Vegas Arts District." Sponsored by: Councilman Gary Reese

NEW BILLS - DISCUSSION

THERE IS NO PUBLIC COMMENT ON THESE ITEMS. NEW BILLS ARE READ INTO THE RECORD AND REFERRED TO RECOMMENDING COMMITTEE FOR A SEPARATE HEARING TO RECEIVE PUBLIC TESTIMONY BEFORE ACTION BY THE COUNCIL AT A LATER MEETING. EXCEPTION: EMERGENCY BILLS OR THOSE ITEMS TO BE STRICKEN OR TABLED.

57. Bill No. 2009-4 – Grants to Level 3 Communications, LLC a non-exclusive franchise for the purpose of installing, operating and maintaining a telecommunications service within the City, subject to and in accordance with the terms and conditions of the Franchise Agreement incorporated by reference into this Ordinance. Proposed by: Bradford R. Jerbic, City Attorney

58. Bill No. 2009-5 – Revises and consolidates the review and approval procedures for signs within the Downtown Casino Overlay District, the Downtown Entertainment Overlay District, and the Las Vegas Boulevard Scenic Byway Overlay District. Sponsored by: Mayor Oscar B. Goodman

1:00 P.M. - AFTERNOON SESSION

BUSINESS ITEMS - AFTERNOON

59. Any items from the afternoon session that the Council, staff and /or the applicant wish to be stricken or held in abeyance to a future meeting may be brought forward and acted upon at this time

PLANNING & DEVELOPMENT

THE ITEMS LISTED BELOW, WHERE APPROPRIATE, HAVE BEEN REVIEWED BY THE VARIOUS CITY DEPARTMENTS RELATIVE TO REQUIREMENTS FOR STORM DRAINAGE AND FLOOD CONTROL, CONNECTION TO SANITARY SEWER, TRAFFIC CIRCULATION, AND BUILDING AND FIRE REGULATIONS. THEIR COMMENTS AND/OR RECOMMENDATIONS AND REQUIREMENTS HAVE BEEN INCORPORATED INTO THE ACTION.

PLANNING & DEVELOPMENT - CONSENT

PM SESSION - ALL ITEMS LISTED ON THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE AND HAVE BEEN RECOMMENDED "FOR APPROVAL". ALL ITEMS ON THE CONSENT AGENDA MAY BE APPROVED IN A SINGLE MOTION. HOWEVER, IF A COUNCIL MEMBER SO REQUESTS, ANY CONSENT ITEM MAY BE MOVED TO THE DISCUSSION PORTION OF THE AGENDA AND OTHER ACTION, INCLUDING POSTPONEMENT OR DENIAL OF THE ITEM, MAY TAKE PLACE.

60. EOT-32752 - EXTENSION OF TIME - REZONING - APPLICANT: WAGNER HOMES, INC. - OWNER: DAY STAR VENTURES, LLC - Request for an Extension of Time of an approved Rezoning (ZON-4623) FROM FROM: U (UNDEVELOPED) [R (RURAL DENSITY RESIDENTIAL) GENERAL PLAN DESIGNATION] TO: R-PD3 (RESIDENTIAL PLANNED DEVELOPMENT - 3 UNITS PER ACRE) on 5.35 acres adjacent to the southeast corner of Hualapai Way and Dorrell Lane (APN 125-19-201-001 and 003), Ward 6 (Ross). Staff recommends APPROVAL

61. EOT-32753 - EXTENSION OF TIME - VARIANCE - APPLICANT: WAGNER HOMES, INC. - OWNER: DAY STAR VENTURES, LLC - Request for an Extension of Time of an approved Variance (VAR-5377) TO ALLOW NO OPEN SPACE WHERE 13,633 SQUARE FEET IS THE MINIMUM REQUIRED FOR A PROPOSED 19 LOT SINGLE-FAMILY DEVELOPMENT on 5.35 acres adjacent to the southeast corner of Hualapai Way and Dorrell Lane (APN 125-19-201-001 and 003), U (Undeveloped) Zone [R (Rural Density Residential) General Plan Designation] with a Resolution of Intent to R-PD3 (Residential Planned Development - 3 Units Per Acre)], Ward 6 (Ross). Staff recommends APPROVAL

62. EOT-32755 - EXTENSION OF TIME - REZONING - APPLICANT/OWNER: WAGNER HOMES, INC. - Request for an Extension of Time of an approved Rezoning (ZON-5488) FROM U (UNDEVELOPED) [PCD(PLANNED COMMUNITY DEVELOPMENT) GENERAL PLAN DESIGNATION] TO PD (PLANNED DEVELOPMENT) on 5.0 acres adjacent to the northeast corner of Farm Road and Jensen Street (125-18-201-008), Ward 6 (Ross). Staff recommends APPROVAL

63. EOT-32754 - EXTENSION OF TIME - SITE DEVELOPMENT PLAN REVIEW - APPLICANT/OWNER: WAGNER HOMES, INC. - Request for an Extension of Time of an approved Site Development Plan Review (SDR-5490) that ALLOWED A 21-LOT SINGLE FAMILY RESIDENTIAL DEVELOPMENT on 5.0 acres adjacent to the northeast corner of Farm Road and Jensen Street (APN 125-18-201-008), U (Undeveloped) [PCD (Planned Community Development) General Plan Designation] under a Resolution of Intent to PD (Planned Development) Zone, Ward 6 (Ross). Staff recommends APPROVAL

PLANNING & DEVELOPMENT - ONE MOTION/ONE VOTE

THE FOLLOWING ARE ITEMS THAT MAY BE CONSIDERED IN ONE MOTION/ONE VOTE. THEY ARE CONSIDERED ROUTINE NON-PUBLIC AND PUBLIC HEARING ITEMS. ALL PUBLIC HEARINGS AND NON-PUBLIC HEARINGS WILL BE OPENED AT ONE TIME. ANY PERSON REPRESENTING AN APPLICATION OR A MEMBER OF THE PUBLIC OR A MEMBER OF THE CITY COUNCIL NOT IN AGREEMENT WITH THE CONDITIONS AND ALL STANDARD CONDITIONS FOR THE APPLICATION RECOMMENDED BY STAFF, SHOULD REQUEST TO HAVE THAT ITEM REMOVED FROM THIS PART OF THE AGENDA.

64. RQR-32084 - ABEYANCE ITEM - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: NICHOLAS J. NOWICKI, LTD. - OWNER: VALLEY HEALTH SYSTEM, LLC - Request for a Required Review of an approved Site Development Plan Review (SDR-3054) FOR A PROPOSED TEMPORARY PARKING LOT AND FOR A WAIVER OF INTERNAL PARKING LOT STANDARDS on 2.42 acres at the northwest corner of Tonopah Drive and Valerie Street (APNs 139-33-302-026 through 032), PD (Planned Development) Zone, Ward 5 (Barlow). The Planning Commission (6-0 vote) and staff recommend APPROVAL

65. ZON-32101 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: LAS VEGAS VALLEY WATER DISTRICT - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: C-V (CIVIC) on 0.44 acres at 110 North Torrey Pines Drive (APN 138-26-801-002), Ward 1 (Tarkanian). Planning Commission (6-0 vote) and staff recommend APPROVAL

66. ZON-32102 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: LAS VEGAS VALLEY WATER DISTRICT - Request for a Rezoning FROM: R-E (RESIDENCE ESTATES) TO: C-V (CIVIC) on 1.61 acres at 4205 West Bonanza Road (APN 139-30-801-002), Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

67. ZON-32103 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: LAS VEGAS VALLEY WATER DISTRICT - Request for a Rezoning FROM: R-E (RESIDENCE ESTATES) TO: C-V (CIVIC) on 0.17 acres at 4501 West Bonanza Road (APN 139-30-401-002), Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

68. ZON-32104 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: LAS VEGAS VALLEY WATER DISTRICT - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: C-V (CIVIC) on 0.24 acres at 5927 Smoke Ranch Road (APN 138-24-101-002), Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

69. SUP-31891 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: MAGDA MALDONADO - OWNER: REFUGIO AND MARIA MARTINEZ - Request for a Special Use Permit FOR A PROPOSED MORTUARY at 2590 East Bonanza Road (APN 139-25-410-029), C-1 (Limited Commercial) Zone, Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend APPROVAL

70. SUP-32016 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: THE INDIAN GOURMET CURRY BOWL, INC - OWNER: CENTENNIAL GATEWAY, LLC - Request for a Special Use Permit FOR BEER/WINE/COOLER ON-SALE ESTABLISHMENT WITHIN A PROPOSED RESTAURANT at 5643 Centennial Center Boulevard, Suite #130 (APN 125-27-411-013), T-C (Town Center) Zone [SC-TC (Service Commercial - Town Center) Special Land Use Designation], Ward 6 (Ross). Planning Commission (6-0 vote) and staff recommend APPROVAL

71. RQR-31586 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: CLEAR CHANNEL OUTDOOR - OWNER: STORAGE EQUITIES - Required Review for an approved Special Use Permit (U-0159-89) FOR A 55-FOOT TALL, 14-FOOT X 48-FOOT OFF-PREMISE SIGN (BILLBOARD) at 275 South Martin L. King Boulevard (APN 139-33-501-012), M (Industrial) Zone, Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

72. EOT-31906 - RESCIND - EXTENSION OF TIME - SITE DEVELOPMENT PLAN REVIEW - APPLICANT/OWNER: VERGE LIVING CORP. - Request for an Extension of Time of an approved Site Development Plan Review (SDR-8649) FOR A MIXED-USE DEVELOPMENT WITH 296 RESIDENTIAL UNITS AND 34,700 SQUARE FEET OF COMMERCIAL SPACE AND WAIVERS IN BUILDING PLACEMENT; STREET AND FOUNDATION LANDSCAPE STANDARDS; FRONT, CORNER SIDE, AND REAR YARD SETBACK REQUIREMENTS; AND TO ALLOW A 241-FOOT RESIDENTIAL ADJACENCY SETBACK WHERE 249 FEET FROM RESIDENTIAL PROPERTY IS REQUIRED on 2.87 acres adjacent to the northeast corner of Main Street and Bonanza Road (APNs 139-27-810-001, 002, 003, 004 and 139-27-707-008, 046 through 051), R-2 (Medium-Low Density Residential) Zone and C-M (Commercial/Industrial) Zone with a Resolution of Intent to C-1 (Limited Commercial) Zone, Ward 5 (Barlow). Staff recommends APPROVAL

73. EOT-31906 - RECONSIDER - EXTENSION OF TIME - SITE DEVELOPMENT PLAN REVIEW - APPLICANT/OWNER: VERGE LIVING CORP. - Request for an Extension of Time of an approved Site Development Plan Review (SDR-8649) FOR A MIXED-USE DEVELOPMENT WITH 296 RESIDENTIAL UNITS AND 34,700 SQUARE FEET OF COMMERCIAL SPACE AND WAIVERS IN BUILDING PLACEMENT; STREET AND FOUNDATION LANDSCAPE STANDARDS; FRONT, CORNER SIDE, AND REAR YARD SETBACK REQUIREMENTS; AND TO ALLOW A 241-FOOT RESIDENTIAL ADJACENCY SETBACK WHERE 249 FEET FROM RESIDENTIAL PROPERTY IS REQUIRED on 2.87 acres adjacent to the northeast corner of Main Street and Bonanza Road (APNs 139-27-810-001, 002, 003, 004 and 139-27-707-008, 046 through 051), R-2 (Medium-Low Density Residential) Zone and C-M (Commercial/Industrial) Zone with a Resolution of Intent to C-1 (Limited Commercial) Zone, Ward 5 (Barlow). Staff recommends APPROVAL

74. SUP-28810 - ABEYANCE ITEM - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: IMRAN KHUWAJA - OWNER: JOE BAHNAN - Appeal filed from the denial by the Planning Commission of a request for a Special Use Permit FOR A BEER/WINE/COOLER OFF SALE ESTABLISHMENT WITHIN AN EXISTING GENERAL RETAIL ESTABLISHMENT (CONVENIENCE STORE) at 2981 East Charleston Boulevard (APN 139-36-415-014), M (Industrial) Zone, Ward 3 (Reese). The Planning Commission (4-0 vote) recommends DENIAL. Staff recommends APPROVAL

75. RQR-30402 - ABEYANCE ITEM - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT/OWNER: GEORGE LOPEZ - Request for a Required One Year Review of AN EXISTING BUILDING AND LANDSCAPE MATERIAL/LUMBER YARD at 2222 West Bonanza Road (APN 139-29-704-026), C-1 (Limited Commercial) Zone, Ward 5 (Barlow). Staff recommends DENIAL

76. SDR-31641 - ABEYANCE ITEM - SITE DEVELOPMENT PLAN REVIEW - PUBLIC HEARING - APPLICANT/OWNER: JUAN ELIAS - Request for a Site Development Plan Review FOR A 1,498 SQUARE-FOOT OFFICE BUILDING CONVERSION WITH WAIVERS TO ALLOW A ONE-FOOT LANDSCAPE BUFFER ALONG A PORTION OF THE NORTH PERIMETER WHERE EIGHT FEET IS REQUIRED AND TO ALLOW A FIVE-FOOT LANDSCAPE BUFFER ALONG THE SOUTH AND WEST PERIMETERS WHERE 15 FEET IS REQUIRED on 0.15 acres at 2301 East Bonanza Road (APN 139-26-811-094), N-S (Neighborhood Service) Zone, Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

77. MSH-29429 - ABEYANCE ITEM - MASTER PLAN OF STREETS AND HIGHWAYS - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request to amend the Master Plan of Streets and Highways TO WIDEN LAS VEGAS BOULEVARD BETWEEN 4TH STREET AND SAHARA AVENUE FROM A 100-FOOT RIGHT-OF-WAY TO A 120-FOOT RIGHT-OF-WAY, Ward 3 (Reese). The Planning Commission (5-0-2 vote) and staff recommend APPROVAL

78. MSH-29859 - ABEYANCE ITEM - MASTER PLAN OF STREETS AND HIGHWAYS - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request to Amend the Master Plan of Streets and Highways FOR A PROPOSED 82-FOOT WIDE COLLECTOR TO SERVE AS AN EAST AND WEST CONNECTION BETWEEN VETERAN'S MEMORIAL PARKWAY AND MARYLAND PARKWAY NORTH OF HARRIS AVENUE AND ADD VETERAN'S MEMORIAL DRIVE AS AN 80-FOOT COLLECTOR BETWEEN BONANZA ROAD AND THE PROPOSED NEW COLLECTOR STREET, Ward 5 (Barlow). The Planning Commission (5-0-2 vote) and staff recommend APPROVAL

79. GPA-31296 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request to Amend a portion of the Southeast Sector Plan of the General Plan FROM: L (LOW DENSITY RESIDENTIAL) TO: PF (PUBLIC FACILITIES) on 0.14 acres at 194 Upland Boulevard (APN 138-36-110-001), Ward 1 (Tarkanian). Planning Commission (5-0 vote) and staff recommend APPROVAL

80. ZON-31277 - REZONING RELATED TO GPA-31296 - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: C-V (CIVIC) on 0.76 acres located at 190 and 194 Upland Boulevard (APN 138-36-101-002 and 138-36-110-001), Ward 1 (Tarkanian). Planning Commission (5-0 vote) and staff recommend APPROVAL

81. GPA-32099 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: LAS VEGAS VALLEY WATER DISTRICT - Request to amend a portion of the Southeast Sector of the General Plan FROM: L (LOW DENSITY RESIDENTIAL) TO: PF (PUBLIC FACILITIES) on 0.95 acres at 901 South Jones Boulevard (APN 138-35-807-001), Ward 1 (Tarkanian). Planning Commission (6-0 vote) and staff recommend APPROVAL

82. ZON-32100 - REZONING RELATED TO GPA-32099 - PUBLIC HEARING - APPLICANT/OWNER: LAS VEGAS VALLEY WATER DISTRICT - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: C-V (CIVIC) on 0.95 acres at 901 South Jones Boulevard (APN 138-35-807-001), Ward 1 (Tarkanian). Planning Commission (6-0 vote) and staff recommend APPROVAL

83. GPA-32129 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: GATEWAY MOTEL, INC. - Request to amend a portion of the Southeast Sector Plan of the General Plan FROM: MXU (Mixed Use) TO: C (Commercial) on 0.55 acres at 928 South Las Vegas Boulevard (APN 139-34-410-139), Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend APPROVAL

84. GPA-32130 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request to amend the trail alignment maps of the Master Plan Transportation Trails and Recreation Trails Elements TO REVISE TRAIL ALIGNMENTS, All Wards. Planning Commission (6-0 vote) and staff recommend APPROVAL

85. GPA-32164 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: CRISTINA STEPHENS - Request to amend a portion of the Southeast Sector of the General Plan FROM: L (LOW DENSITY RESIDENTIAL) TO: O (OFFICE) on 0.14 acres at 2404 East Kirk Avenue (APN 139-26-712-137), Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend DENIAL

86. ZON-32169 - REZONING RELATED TO GPA-32164 - PUBLIC HEARING - APPLICANT/OWNER: CRISTINA STEPHENS - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: P-R (PROFESSIONAL OFFICE AND PARKING) on 0.14 acres at 2404 East Kirk Avenue (APN 139-26-712-137), Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend DENIAL

87. SDR-32170 - SITE DEVELOPMENT PLAN REVIEW RELATED TO GPA-32164 AND ZON-32169 - PUBLIC HEARING - APPLICANT/OWNER: CRISTINA STEPHENS - Request for a Site Development Plan Review FOR THE PROPOSED OFFICE CONVERSION OF AN EXISTING 1,140 SQUARE-FOOT SINGLE-FAMILY RESIDENCE WITH WAIVERS TO ALLOW FOR A FIVE-FOOT LANDSCAPE BUFFER ALONG THE NORTH AND EAST PERIMETER WHERE 15 FEET IS REQUIRED AND A ZERO-FOOT LANDSCAPE BUFFER ALONG THE SOUTH AND WEST PERIMETER WHERE EIGHT FEET AND FIVE FEET, RESPECTIVELY, ARE REQUIRED on 0.14 acres at 2404 East Kirk Avenue (APN 139-26-712-137), Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend DENIAL

88. ZON-31384 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: CITY PARKWAY IV A, INC - Request for a Rezoning TO G-O (GAMING ENTERPRISE OVERLAY) implementing a gaming enterprise district on 6.42 acres located southeast of City Parkway and Grand Central Parkway (APN 139-34-110-005), Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

89. SUP-32617 - SPECIAL USE PERMIT RELATED TO ZON-31384 - PUBLIC HEARING - APPLICANT: FOREST CITY - OWNER: CITY PARKWAY IV A, INC and OFFICE DISTRICT PARKING I INC - Request for a Special Use Permit FOR A 592-FOOT HIGH BUILDING WHERE 175 FEET IS THE MAXIMUM HEIGHT ALLOWED IN THE AIRPORT OVERLAY DISTRICT on 6.54 acres located southeast of City Parkway and Grand Central Parkway (APN 139-34-110-005 and a portion of 139-34-110-002), PD (Planned Development) Zone, Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

90. SDR-32128 - SITE DEVELOPMENT PLAN REVIEW RELATED TO ZON-31384 AND SUP-32617 - PUBLIC HEARING - APPLICANT: FOREST CITY - OWNER: CITY PARKWAY IV A, INC and OFFICE DISTRICT PARKING I INC - Request for a Site Development Plan Review FOR A 1,600,000 SQUARE-FOOT, 47 STORY HOTEL AND NON-RESTRICTED GAMING ESTABLISHMENT on 6.54 acres located southeast of City Parkway and Grand Central Parkway (APN 139-34-110-005 and a portion of APN 139-34-110-002), PD (Planned Development) Ward 5 (Barlow). Planning Commission (6-0 vote) and staff recommend APPROVAL

91. VAR-32153 - VARIANCE - PUBLIC HEARING - APPLICANT: VERIZON WIRELESS - OWNER: SUN CITY SUMMERLIN COMMUNITY ASSOCIATION, INC. - Request for a Variance TO ALLOW A 158-FOOT SETBACK WHERE RESIDENTIAL ADJACENCY STANDARDS REQUIRE 180 FEET FOR A PROPOSED WIRELESS COMMUNICATION FACILITY, STEALTH DESIGN on 0.17 acres on the west side of Del Webb Boulevard, approximately 225 feet north of Lake Mead Boulevard (APN 138-18-897-002), P-C (Planned Community) Zone, Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

92. SUP-32151 - SPECIAL USE PERMIT RELATED TO VAR-32153 - PUBLIC HEARING - APPLICANT: VERIZON WIRELESS - OWNER: SUN CITY SUMMERLIN COMMUNITY ASSOCIATION, INC. - Request for a Special Use Permit FOR A 60-FOOT WIRELESS COMMUNICATION FACILITY, STEALTH DESIGN on the west side of Del Webb Boulevard, approximately 225 feet north of Lake Mead Boulevard (APN 138-18-897-002), P-C (Planned Community) Zone, Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

93. RQR-31547 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LAMAR ADVERTISING - OWNER: HAL-STAN, INC. - Required Review of an Approved Special Use Permit (U-0038-95) FOR A 40-FOOT TALL, 14-FOOT X 48-FOOT OFF-PREMISE SIGN (BILLBOARD) at 3500 North Rancho Drive (APN 138-12-710-044), C-1 (Limited Commercial) Zone, Ward 6 (Ross). Planning Commission (6-0 vote) and staff recommend APPROVAL

94. RQR-31565 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LAMAR OUTDOOR ADVERTISING - OWNER: RANCHO PARK RESIDENTIAL LLC - Required Review of an approved Special Use Permit (U-0059-01) FOR TWO (2) 14-FOOT X 48-FOOT OFF-PREMISE SIGNS (BILLBOARDS) at the northeast corner of Smoke Ranch Road and Decatur Boulevard (APN 139-18-410-012), C-M (Commercial/ Industrial) Zone under Resolution of Intent to R-PD16 (Residential Planned Development - 16 Units Per Acre) Zone, Ward 5 (Barlow). Staff recommends DENIAL. Planning Commission (6-0 vote) recommends APPROVAL

95. RQR-31588 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LAMAR ADVERTISING - OWNER: BEARD FAMILY TRUST - Required Review of an approved Variance (V-0136-95) TO ALLOW A 40-FOOT TALL, 14-FOOT X 48-FOOT OFF-PREMISE SIGN (BILLBOARD) WHERE SUCH USE WAS NOT PERMITTED at 3920 West Sahara Avenue (APN 162-06-801-005), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). Planning Commission (6-0 vote) and staff recommend APPROVAL

96. SUP-31367 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: NOE ZUBIA - OWNER: MARIO PENA PENA - Appeal filed from the denial by the Planning Commission of a request for a Special Use Permit FOR AUTO REPAIR GARAGE, MINOR, WITH SERVICE BAY DOORS FACING THE RIGHT-OF-WAY at 1550 North Rancho Drive (APN 139-29-112-120), C-1 (Limited Commercial) Zone, Ward 5 (Barlow). The Planning Commission (6-1 vote) and staff recommend DENIAL

97. SUP-31893 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT/OWNER: AD AMERICA, INC - Request for a Special Use Permit FOR A PROPOSED 40-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) at 2310 Western Avenue (APN 162-04-404-002), M (Industrial) Zone, Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend APPROVAL

98. SUP-32134 - SPECIAL USE PERMIT - PUBLIC HEARING- APPLICANT: HEAVEN CAN WAIT SANCTUARY - OWNER: AAMAX ENTERPRISES, LLC - Request for a Special Use Permit FOR A PROPOSED ANIMAL HOSPITAL, CLINIC, OR SHELTER (WITH NO OUTSIDE PENS) at 546 North Eastern Avenue, Suite's #170 & #175 (APN 139-36-110-040), C-1 (Limited Commercial) Zone, Ward 3 (Reese). Planning Commission (6-0 vote) and staff recommend APPROVAL

99. SUP-32144 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: TCB LAS VEGAS, LLC - OWNER: MUSTANG MAN, LLC - Request for a PROPOSED SUPPER CLUB WITH A WAIVER TO ALLOW A ZERO-FOOT SEPARATION FROM A CHURCH WHERE 400 FEET IS REQUIRED at 6750 West Sahara Avenue (APN 163-02-415-012), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). [NOTE: To be heard in conjunction with Morning Session Item 45] Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

SET DATE

100. SET DATE ON ANY APPEALS FILED OR REQUIRED PUBLIC HEARINGS FROM THE CITY PLANNING COMMISSION MEETINGS AND DANGEROUS BUILDING OR NUISANCE/LITTER ABATEMENTS

COUNCILMEMBER RECOGNITION

101. COUNCIL MEMBER RECOGNITION: COMMENTS MADE BY INDIVIDUAL CITY COUNCIL MEMBERS DURING THIS PORTION OF THE AGENDA WILL NOT BE ACTED UPON BY THE CITY COUNCIL UNLESS THAT SUBJECT IS ON THE AGENDA AND SCHEDULED FOR ACTION

CITIZENS PARTICIPATION

102. CITIZENS PARTICIPATION: PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS WITHIN THE JURISDICTION OF THE CITY COUNCIL. NO SUBJECT MAY BE ACTED UPON BY THE CITY COUNCIL UNLESS THAT SUBJECT IS ON THE AGENDA AND IS SCHEDULED FOR ACTION. IF YOU WISH TO BE HEARD, COME TO THE PODIUM AND GIVE YOUR NAME FOR THE RECORD. THE AMOUNT OF DISCUSSION ON ANY SINGLE SUBJECT, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED

****

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:
City Clerk's Bulletin Board, City Hall Plaza, 2nd Floor Skybridge
Bulletin Board, City Hall Plaza, (next door to Metro Records)
Las Vegas Library, 833 Las Vegas Boulevard North
Clark County Government Center, 500 S. Grand Central Parkway
Grant Sawyer Building, 555 E. Washington Avenue

Attach Affidavit of Publication of Notice

AFFP DISTRICT COURT
Clark County, Nevada

RECEIVED
CITY CLERK

AFFIDAVIT OF PUBLICATION

2009 MAY -5 A 11: 13

STATE OF NEVADA)
COUNTY OF CLARK) SS:

STACEY M. LEWIS, being 1st duly sworn, deposes and says: That she is the Legal Clerk for the Las Vegas Review-Journal and the Las Vegas Sun, daily newspapers regularly issued, published and circulated in the City of Las Vegas, County of Clark, State of Nevada, and that the advertisement, a true copy attached for,

LV CITY CLERK 2296311LV 5167230

was continuously published in said Las Vegas Review-Journal and / or Las Vegas Sun in 3 edition(s) of said newspaper issued from 04/16/2009 to 04/30/2009, on the following days:

04/16/2009
04/23/2009
04/30/2009

NOTICE OF PUBLIC HEARING

NOTICE is hereby given that the City Council of the City of Las Vegas, Nevada (the "Council" and "City", respectively) will hold a public hearing at a regular meeting to be held on Wednesday, May 6, 2009 at the hour of 9:00 a.m. in the Council Chambers, Las Vegas City Hall Complex, 400 Stewart Avenue, Las Vegas, Nevada to consider (i) making a written finding at a public hearing that the Project (the "Project") proposed to be constructed and acquired for a Tourism Improvement District in downtown Las Vegas whose boundaries are generally described below (the "District") will benefit the District (ii) making a written finding at a public hearing, based upon the report entitled *"Proposed Tourism Improvement District, An Analysis of Selected Regulatory Requirements"* prepared by Applied Analysis, dated November 30, 2008 (as amended February 27, 2009) (the "Report") as to whether the proposed Project and the financing thereof pursuant to Chapter 271A of Nevada Revised Statutes ("Chapter 271A") will have a positive fiscal effect on the provision of local governmental services (the "Fiscal Effect Finding"); (iii) making determinations that (a) as a result of the Project: (1) retailers will locate their businesses as such in the District; and (2) there will be a substantial increase in the proceeds from sales and use taxes remitted by retailers with regard to tangible personal property sold at retail, or stored, used or otherwise consumed in the District; and (b) a preponderance of that increase in the proceeds from the sales and use taxes will be attributable to transactions with tourists who are not residents of the State of Nevada; and (iv) approving the use of amounts received from the District Taxes described in the next paragraph of this notice, which are not needed to make payments due during a fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant to NRS 271A.120 and payments due during that fiscal year under any agreements made pursuant to NRS 271A.120, for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to NRS 271A.120 or of prepaying amounts due under any agreements entered into pursuant to NRS 271A.120, or any combination thereof, with respect to the District.

The public hearing is required by NRS 271A.080(2), (3) and (6) and NRS 360.855(3) as part of the process of establishing the proposed District. If the proposed District is established, 75% of certain sales and use taxes generated in the proposed District (the "District Taxes") are expected to be pledged to repay bonds issued to finance, or otherwise used to pay the cost of, acquisition and construction of the Project. The proposed District's boundaries are generally described as the area bounded by Stewart Avenue, Casino Center Drive, US Highway 95 and Fourth Street. Further information on the District, the District Taxes and the Project is in the Report.

The Report will be considered, among other things, at the public hearing on May 6, 2009. A copy of the Report, and other information concerning the Project and the proposed District may be examined in the office of the City Clerk, 400 East Stewart Avenue, Las Vegas, Nevada. All persons are invited to attend and to be heard regarding the proposed action. Prior to the hearing, written comments may be filed with the City Clerk at the aforementioned address.

Dated February 27, 2009.
/s/Beverly K. Bridges,
CMC City Clerk
PUB: April 16, 23, 30, 2009
LV Review-Journal

Signed: Stacey M. Lewis

SUBSCRIBED AND SWORN BEFORE ME THIS, THE

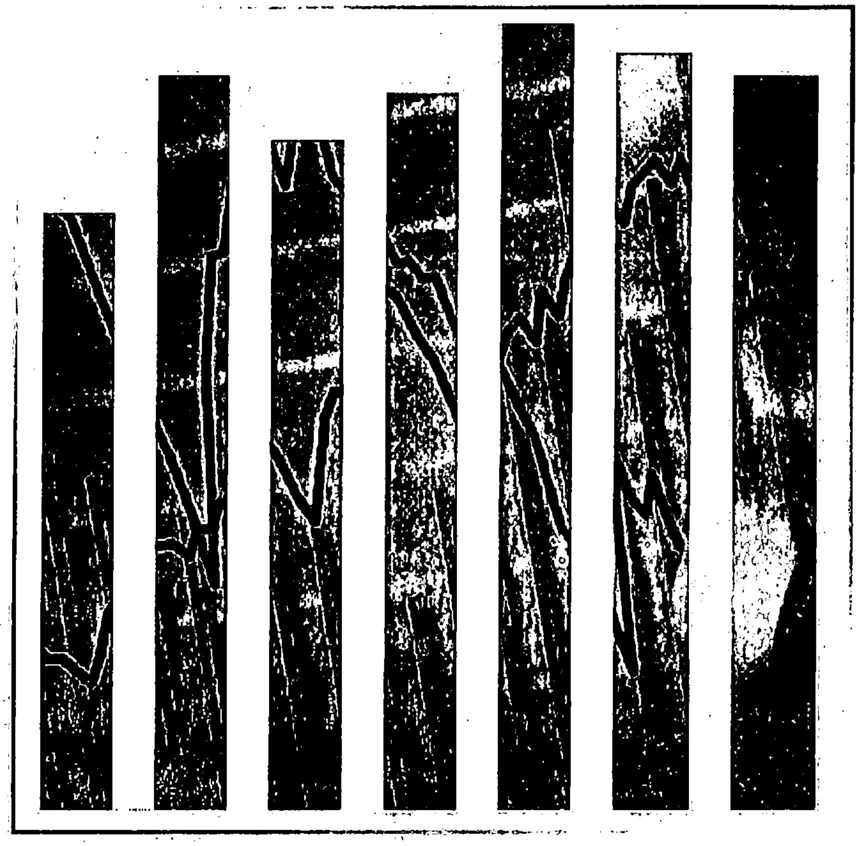
1st day of May, 2009.

Linda Espinoza
Notary Public

LINDA ESPINOZA
Notary Public State of Nevada
No. 00-64106-1
My appt. exp. July 17, 2012

PROPOSED TOURISM IMPROVEMENT DISTRICT

AN ANALYSIS OF SELECTED REGULATORY REQUIREMENTS



Prepared for:

CCSD
CLARK COUNTY
SCHOOL DISTRICT

Prepared by:

APPLIED ANALYSIS

NOVEMBER 30, 2008

APPLIED ANALYSIS
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Suite 200
Las Vegas, Nevada 89135
t: 702.967.3333
f: 702.314.1439
www.appliedanalysis.com

November 30, 2008

City Council
City of Las Vegas
City Hall, Tenth Floor
400 Stewart Avenue
Las Vegas, Nevada 89101

Board of County Commissioners
Clark County
500 Grand Central Parkway
Las Vegas, Nevada 89106

Board of Trustees
Clark County School District
5100 West Sahara Avenue
Las Vegas, Nevada 89146

RE: Proposed Tourism Improvement District

Ladies and Gentlemen:

Applied Analysis ("AA") is pleased to present this executive summary report, *Proposed Tourism Improvement District: An Analysis of Selected Regulatory Requirements*, to the City of Las Vegas (the "City"), Clark County and Clark County School District. The City is in the process of working with CIM Group (the "Company") to create a tourism improvement district pursuant to Nevada Revised Statute (NRS) Chapter 271A – Tourism Improvements. The proposed tourism improvement district is comprised of approximately ±5.49 acres and is generally defined as the area located within the City that is bounded to the north by US-95, to the south by Stewart Avenue, to the east by 4th Street, and to the west by Casino Center Drive (the "District" or the "TID").

Assuming the District is created, NRS Chapter 271A provides for certain fiscal incentives, which are analyzed in detail in the accompanying report. These incentives are anticipated to fund selected improvements programmed within the District boundaries. Currently, these improvements include a multi-story parking garage, an open-aired public plaza, and other supporting improvements in the area. For purposes of this analysis, these improvements are hereafter referred to as the "Project".

In connection with the creation of the District, the Company is anticipating the land acquisition and construction of a mixed-use development located within the District. In addition to improvements contemplated for the Project, the mixed-use development is expected to incorporate various elements, including retail shops, a museum, professional office space, a hotel, other supporting uses, and a potential casino. For purposes of this analysis, the proposed improvements, including the Project, are hereafter referred to as the "Mixed-Use Development".

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f: 702.314.1439

www.appliedanalysis.com

The analysis contained herein does not determine the feasibility or appropriateness of the District, Project, Mixed-Use Development and/or any following financing structure (e.g., STAR bonds), rather it addresses specific questions as they relate to selected regulatory requirements. Specifically, this analysis addresses several key questions:

1. Will the Project and the financing thereof have a positive fiscal effect on the provision of local government services? *(addressing requirements outlined in NRS 271A.080.3(a) – (d))*

2. As a result of the Project, will retailers locate their businesses within the District and will there be a substantial increase in the proceeds from the sales and use taxes remitted by retailers within the District? (addressing requirements outlined in NRS 271A.080.6(a))

3. As a result of the Project, will the preponderance of the increase in proceeds from sales and use taxes be attributable to transactions with tourists who are not residents of the state of Nevada? (addressing requirements outlined in NRS 271A.080.6(b))

Based on representations of the Company, construction of the Project is an integral element of the overall Mixed-Use Development that is required to allow the Mixed-Use Development to move forward as currently programmed. Given the Mixed-Use Development's dependency on the Project, the three requirements identified above have been evaluated for the Mixed-Use Development.

This report summarizes our approach, the limitations of our research and our salient findings. This report was designed by AA in response to your request. However, we make no representations as to the adequacy of these procedures for all your purposes. Our findings and estimates are as of October 2008 (the most recent available dataset) and are dated as of the last day of our fieldwork (November 30, 2008). The information provided in this summary, and the conclusions reached herein, are based on the findings of our research and our knowledge of the market as of the date of this report. We have no responsibility to update this report for the events and circumstances that may occur after this date.

Our report contains demographic, employment, economic, fiscal, gaming, hotel and residential market data. This information was collected from third parties and is presented in this summary report; it was assembled by AA. While we have no reason to doubt the accuracy of the data reported herein or utilized in the formation of our findings, the information collected was not subjected to any auditing or review procedures by AA; and therefore, we make no representations or assurances as to its completeness.

Thank you again for allowing us to assist you with this important project. We welcome the opportunity to discuss this report with you at any time. Should you have any questions, please contact Jeremy Aguero or Brian Gordon at (702) 967-3333.

Sincerely,

Applied Analysis

Applied Analysis

Attachment

APPLIED ANALYSIS

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APPLIED ANALYSIS

KEY FINDINGS

- The Mixed-Use Development is expected to generate identified and quantifiable public revenues of $32.4 million annually, with approximately 90.5 percent (or $29.3 million) remaining with public entities, with the balance inuring to the TID. Proceeds inuring to the TID will revert back to the City and are expected to be invested in the Project. It has yet to be determined if the Mixed-Use Development will include a casino. Assuming the casino is omitted, total public revenues remaining with public entities declines from $29.3 million to $23.1 million.

- With revenues only being half the equation, total incremental expenditures are expected to be $20.3 million annually. Assuming a casino is not developed, the total anticipated expenditures decline to $17.6 million annually.

- On a net basis, total revenues of $29.3 million (which excludes $3.1 million inuring to the TID) are expected to be offset by $20.3 million in incremental public costs resulting in $9.0 million of positive fiscal effects annually. The net positive fiscal effect is $5.4 million assuming the Mixed-Use Development excludes a casino.

Summary of Fiscal Impacts
After Allocation of Revenues to the District

	Including Casino	Excluding Casino
Revenue:		
Sales and Use Tax	$1,856,808	$1,856,808
Property Tax	$1,700,362	$1,584,622
Gaming Percentage Fees	$2,881,281	$0
Other Gaming Fees and Charges	$554,900	$0
Modified Business Tax	$452,706	$408,770
Transient Lodging Tax	$1,962,331	$1,962,331
Other State and Local Revenue (a)	$19,936,022	$17,245,729
Total Revenue	$29,344,411	$23,058,260
Expenditures:		
Education/Clark County School District	$953,420	$824,759
Police Protection/LVMPD	$652,230	$574,475
Fire and Rescue/Las Vegas Fire Department	$512,304	$455,472
Other State and Local Expenditures (a)	$18,224,805	$15,765,434
Total Expenditures	$20,342,759	$17,620,141
Net Fiscal Effect	**$9,001,651**	**$5,438,119**
Pro Forma Adjustment (a)	($1,711,217)	($1,480,294)
Pro Forma Adjusted Net Fiscal Effect (a)	**$7,290,434**	**$3,957,825**

(a) Other state and local revenues and expenditures reflect estimates of all government activity (excluding those specifically identified). The estimates are based on US Census of Governments datasets and account for all government activity. While the gross revenues and gross expenditure figures are material, the net impact is $1.7 million and $1.5 million in the including and excluding casino scenarios, respectively. A pro forma net fiscal effect excluding these items is presented for presentation purposes.

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APPLIED ANALYSIS

- The programmed development ($247.1 million) will have a positive effect on this relatively mature area, benefiting surrounding property owners.

- Retailers are expected to locate their businesses within the Project due to the market dynamics taking place within the immediate area, the locational attributes of the Project site, the critical mass of visitors expected in the area, and other factors.

- Based on the current spending profile of residents and consumers in the Mixed-Use Development's trade area, retail sales activity will be dominated by visitors at a rate of 2 to 4 times resident spending. There will be a substantial increase in the proceeds from sales taxes attributable to transactions with tourists who are not residents of Nevada.

- In addition to the fiscal effects resulting from the Mixed-Use Development, there will be a material economic impact, adding significantly to the employment base, increasing the productivity of under-utilized property, and generating millions of dollars in state and local tax revenues.

- Including indirect and induced impacts of the Mixed-Use Development's development and construction, a total of 2,003 person-years[1] of employment is anticipated to be created, increasing aggregate personal incomes within Las Vegas by $73 million. Assuming a casino is not developed with the overall Mixed-Use Development, total employment impacts include 1,835 jobs and $66 million in wages and salaries.

- Assuming the Mixed-Use Development includes a casino, its on-going operations are anticipated to directly employ approximately 1,895 people who will earn approximately $85 million in wage and salary payments each year. Including indirect and induced impacts, the Mixed-Use Development is estimated to stimulate 3,123 employees within Clark County. Combined, these employees will earn $130 million annually in wage and salary payments. Total economic output sourced to the Mixed-Use Development is estimated at $333 million annually.

- Excluding a casino within the overall Mixed-Use Development design, on-going operations of the development are anticipated to directly employ approximately 1,639 people who will earn approximately $76 million in wage and salary payments each year. Including indirect and induced impacts, the Mixed-Use Development is estimated to stimulate 2,660 employees within Clark County. Combined, these employees will earn $114 million annually in wage and salary payments. Total economic output sourced to the Mixed-Use Development is estimated at $267 million annually.

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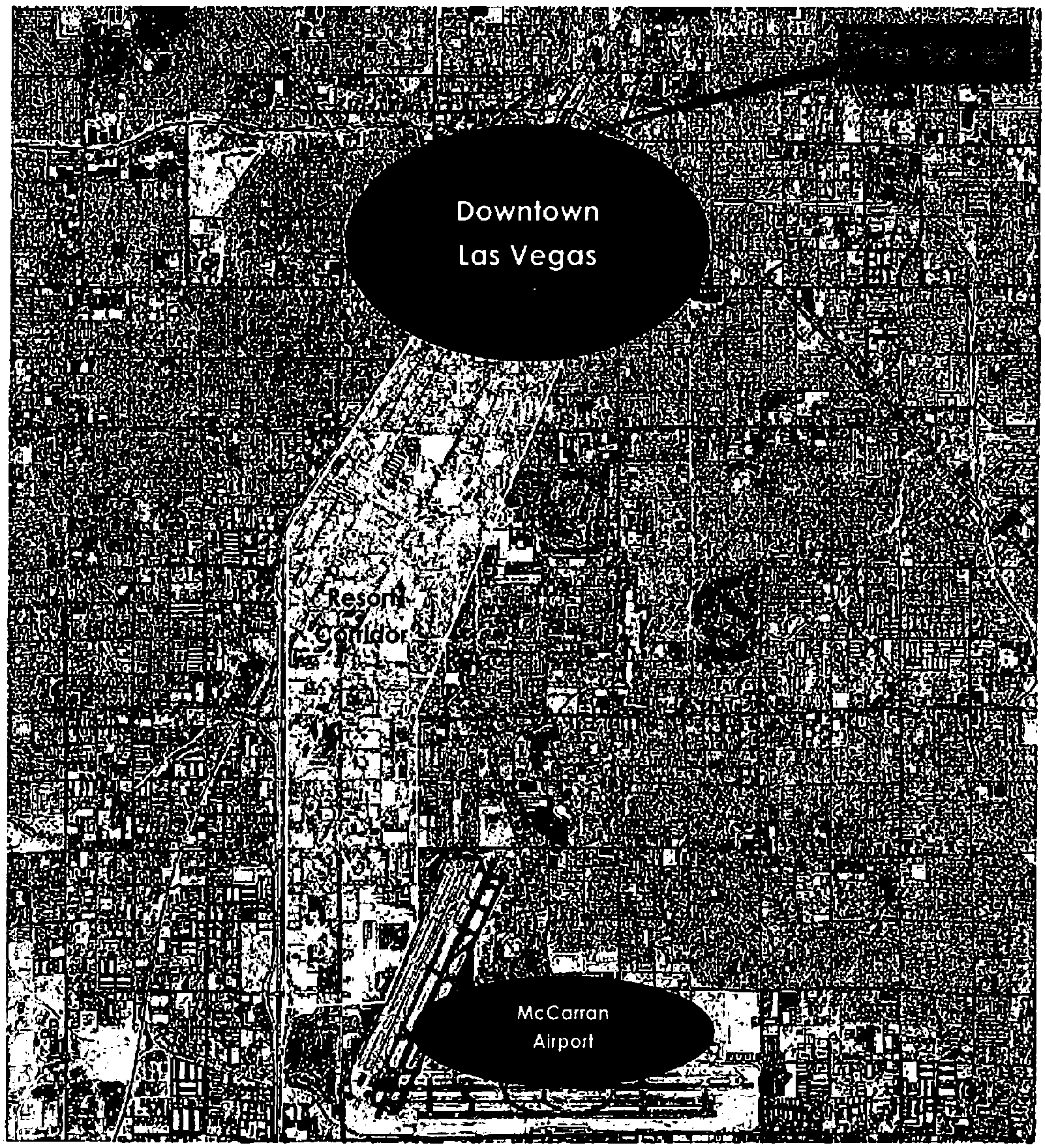
[1] A person year of employment is defined as one person employed for one year.

APPLIED ANALYSIS

TOURISM IMPROVEMENT DISTRICT LOCATION

The proposed TID is generally located in downtown Las Vegas within the boundaries of the City of Las Vegas. The exhibits that follow generally illustrate the location of the District and Mixed-Use Development, and its proximity to the region's central business/gaming district.

EXHIBIT 1
MARKET AREA MAP



APPLIED ANALYSIS

EXHIBIT 2
MIXED-USE DEVELOPMENT LOCATION MAP AND
APPROXIMATE PROPOSED TOURISM IMPROVEMENT DISTRICT (TID) BOUNDARIES

Urban Economics
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APPLIED ANALYSIS

MIXED-USE DEVELOPMENT PROGRAMMING

The proposed development is comprised of multiple uses with varying degrees of density and design. The following highlights the programmed elements and their approximate sizes, which will be located on ±5.49 acres. As with many projects in the pre-development stages, design elements are only summarily identified and will likely continue to be refined over time. Specifically, as of this date, it is unclear if casino gaming will be present within the TID. As such, the analysis contained herein reviews development programming with and without a casino.

Exhibit 3
Mixed-Use Development Programming

Programming	Size (SF) Gross	Size (SF) Net
Retail	200,000	170,000
Museum/Pavilion (Former Post Office)	51,419	40,403
Office	150,000	142,500
Hotel	350,000	297,500
Casino	30,000	28,500
Total Improvements (SF), Including Casino	781,419	678,903
Total Improvements (SF), Excluding Casino	751,419	650,403

Exhibit 4
Mixed-Use Development Costs (In millions)
(Exclusive of Infrastructure Costs)

Element	Including Casino	Excluding Casino
Land (a)	$28.0	$14.0
Hard Costs	$178.8	$163.8
Soft Costs	$29.3	$26.9
Financing Costs	$10.9	$10.0
Total Investment	$247.1	$214.7

(a) Land values based on City's appraisal and contracted price.

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Revenue Impact Analysis

Nevada has several hundred taxes, fees, exactions and charges that are levied on businesses, residents and visitors. The vast majority of collections, however, can be sourced to three primary levies: 1) *retail sales and use tax*, 2) *ad valorem (property) tax*, and 3) *gaming tax*. Combined, these sources account for nearly 70 percent of all state and local own-source tax revenues. In this section, we consider these three primary sources as well as several other public revenue generators (e.g., modified business tax and transient lodging taxes). Taxes inuring to the federal government, while significant, are omitted from this analysis as our scope of work is specific to state and local impacts.

In this analysis, fiscal impacts reflect only the direct consequence of the proposed development. This approach is a function of the "near impossibility" of accurately predicting the secondary fiscal consequences of growth as well as the potential for double counting.[2] As such, the impacts cited herein should be considered conservative, order-of-magnitude estimates. Additionally, this analysis reviews the fiscal impacts associated with the Mixed-Use Development's operation upon completion of construction. Fiscal impacts during the construction phase are expected to be negligible relative to the recurring impacts associated with a going concern.

Retail Sales and Use Taxes

In Nevada, retail sales and use taxes are imposed on the sale of tangible personal property not specifically exempted by statute.[3] A companion "use" tax is levied on property purchased outside the state and brought into the state for use. The combined total rate in Clark County is 7.75 percent. A breakdown of this levy and its distributions are provided in the table that follows.

[2] *See* Burchell, R.W. and Listokin, D., *The Fiscal Impact Handbook: Estimating Local Costs and Revenues of Land Development*. Center for Urban Policy Research. New Jersey (6th ed. 1988).
[3] *See* Nev. Rev. Stat. §§ 372, 377, 377A, and 543.600 et seq.

APPLIED ANALYSIS

Exhibit 5

Nevada Retail Sales and Use Taxes

Tax	Rate	Distribution
State Sales & Use Tax	2.00%	State General Fund
Local School Support Tax	2.25%	To the school district in the county of origin
Basic City-County Relief Tax	0.50%	Deposited in the "local government tax distribution fund;" redistribution is based on a formula
Supplemental City-County Relief Tax	1.75%	Deposited in the "local government tax distribution fund;" redistribution is based on a formula
County Options – Water & Wastewater Infrastructure	0.25%	Clark County – Water Operations
County Options – Regional Transportation	0.25%	Clark County – Regional Transportation
County Options – Flood Control	0.25%	Clark County – Flood Control
County Option – Police Protection	0.25%	Clark County – Metropolitan Police Department
County Options – Mass Transit	0.25%	Clark County – Mass Transit
Total	**7.75%**	--

To estimate potential taxable retail sales activity, AA reviewed taxable sales activity reported by the Nevada Department of Taxation to estimate a baseline sales figure per square foot. These estimates were applied to the programmed uses to generate the projected retail sales by use in instances where specific Company-prepared estimates were not available.

SALES – COMMERCIAL RETAIL

AA identified taxable revenue sources typically located within retail shopping centers and related developments throughout southern Nevada. The sales figures were then compared to total improved retail space based on data extracted from the Clark County Assessor's Office after adjusting for taxable revenue-generating floor space within each building type. For example, a 500,000-square-foot hotel may only have 50,000 square feet of retail shop space as the majority of the building is comprised of hotel rooms, which do not generate retail sales and use tax (they are taxed through

APPLIED ANALYSIS

transient lodging levies). The analysis that follows resulted in an average taxable sales per square foot of retail space of $266 throughout southern Nevada.

Exhibit 6
Estimated Taxable Retail Sales Activity Per Square Foot (PSF)
For Similar Uses Identified within the Mixed-Use Development
(Based on County-Wide Spending Estimates)

	Annual Estimate (a)	Share of Total
Computation of County-Wide Sales PSF of Selected Revenue Sources		
Commercial Retail Sales Categories (b)		
Food Services and Drinking Places	$6,046,378,567	37.8%
General Merchandise Stores	$2,996,061,036	18.7%
Clothing and Clothing Accessories Stores	$2,769,815,283	17.3%
Accommodation	$1,456,439,866	9.1%
Miscellaneous Store Retailers	$891,407,188	5.6%
Furniture and Home Furnishings Stores	$772,262,369	4.8%
Amusement, Gambling and Recreation Industries	$570,788,329	3.6%
Sporting Goods, Hobby, Book and Music Stores	$494,285,025	3.1%
Museums, Historical Sites and Similar Institutions	$45,287	0.0%
Taxable Retail Sales Activity	$15,997,482,948	100.0%
Effective Commercial Retail Space (SF) (c)	60,201,304	
Effective Taxable Retail Sales Activity Per SF	$266	

(a) Based on trailing 24-month average data annualized from the Nevada Department of Taxation (September 2008).

(b) Reflects sales categories that are typically located within retail shopping centers and related developments.

(c) Reflects estimated effective rental shop space for revenue-generating operations identified in (b) above based on Clark County Assessor's Office data adjusted for floor space generating taxable sales.

In addition to the market average sales estimates per square foot for similar uses identified at the proposed development, the Company generated internal estimates based on its anticipated programming and additional third-party data sources. The Company's revenue estimates for the retail portion of the Mixed-Use Development are as follows.

APPLIED ANALYSIS

Exhibit 7
Estimated Taxable Retail Sales within the Mixed-Use Development
Retail Shop Component

	Programmed Space	Est. Sales PSF (a)	Retail Sales
Restauront with Liquor	75,000	$253	$18,975,000
Women's Speciolty	22,500	$354	$7,965,000
Apporel (Mixed)	15,000	$267	$4,005,000
Women's Reody-to-Weor	15,000	$253	$3,795,000
Home Furnishing/Décor	10,000	$261	$2,609,736
Jewelry	7,000	$948	$6,636,000
Drugstore/Pharmacy	6,000	$454	$2,724,000
Cosmetics/Beouty Supplies	5,000	$260	$1,300,000
Telephone/Telecom Store	3,000	$415	$1,245,000
Quick-serve Restouronts	3,000	$261	$782,921
Coffee Shop/Cofé	2,000	$261	$521,947
Wine Shop	2,000	$261	$521,947
Juice Bor	1,000	$261	$260,974
Other	3,500	$261	$913,408
Total	170,000	$307	$52,255,932

(o) Soles PSF estimotes bosed on Dollors & Cents of Shopping Centers/The Score, Urbon Lond Institute, Internotionol Council of Shopping Centers. Due to o lock of ovoiloble doto for eoch use cotegory, morket overoge soles estimotes were utilized for selected cotegories. The morket overoge estimote of $261 is bosed on the $266 per squore foot volue noted in Exhibit 6 ofter odjusting for identifioble retoil soles cotegories.

To further assess the reasonableness of the sales estimates provided above, AA reviewed data obtained from the Urban Land Institute and International Council of Shopping Centers that provides actual sales performances for existing shopping centers. Based on these results, it appears the forecasted sales activity within the retail shop space component of the proposed development is generally in line with key metrics of other shopping venues. The following highlights key metrics for these properties.

Exhibit 8
Retail Sales Activity Comparative Analysis

	Median Retail Sales PSF (b)	
Center Type (a)	**National**	**Western Region**
Super Regional	$271	$316
Regional	$237	$273
Community	$275	$323
Neighborhood	$275	$353
Average	$265	$316
Open Air Shopping Centers	$273	$323
Enclosed Shopping Centers	$243	$248
Average	$258	$286
Overall Average	$262	$306

(a) Source: Dollars & Cents of Shopping Centers/The Score 2006; Urban Land Institute; International Council of Shopping Centers.
(b) Based on sampling of 832 shopping centers.

In addition to these averages, destination retail venues tend to report higher-than-average sales rates. According to *Shopping Centers Today*, the Forum Shops at Caesars Palace achieved nation-leading rates of $1,300 per square foot.[4] Other destination retail outlets have also achieved sales figures above the averages reported by the Urban Land Institute. Miracle Mile, formerly the Desert Passage, on the Las Vegas strip reported nearly $700-per-square-foot in sales, while the Fashion Show Mall generated $1,000 per square foot during 2006.[5] Based on these comparative sales figures, estimated retail sales activity at the proposed development appears conservative.

SALES – MUSEUM (FORMER POST OFFICE)

To evaluate potential sales and use taxes generated by the Museum programmed within the Mixed-Use Development, AA reviewed a report prepared to assess the viability of the proposed museum.[6] The analysis contained a financial pro forma, including potential sources of revenue. The following summarizes those findings and estimates the potential sales taxes generated by such uses. The results are as follows.

[4] See http://www.icsc.org/srch/sct/sct0605/index.php?region=
[5] See http://www.lvrj.com/business/11182071.html
[6] See *Feasibility Assessment – Final Results* prepared by P | E | T | R Productions, dated January 2008.

APPLIED ANALYSIS

Exhibit 9
Estimated Taxable Retail Sales Activity
Within the Mixed-Use Development
Museum (Former Post Office)

Stabilized Revenue (a)	Projected Revenues	Share Taxable (b)	Taxable Sales
Museum	$9,179,000	0%	$0
Memberships	$343,000	0%	$0
Programs	$31,000	0%	$0
Private Events	$1,355,340	25%	$338,835
Museum Store	$2,740,000	95%	$2,603,000
Fundraising	$3,520,000	0%	$0
Total	**$17,168,340**	**17%**	**$2,941,835**

(a) Based on Feasibility Assessment conducted by P|E|T|R Productions (January 2008).
(b) Assumes substantially all sales at the museum store are subject to sales tax, while a portion of private events (e.g., food and beverage) are subject to tax.

SALES – COMMERCIAL OFFICE

AA identified taxable revenue sources typically located within commercial office space and related developments. The sales figures were then compared to total improved office space based on data extracted from the Clark County Assessor's Office after adjusting for net floor space. The analysis that follows resulted in an average of taxable sales per square foot of office space of $7.18, generating $1.0 million of taxable sales activity annually within the District. It is worth noting a large share of professional office users do not pay retail sales and use tax. As mentioned above, the sale of tangible goods is taxable while services such as professional services are exempt from Nevada's sales and use tax.

APPLIED ANALYSIS

Exhibit 10
Estimated Taxable Retail Sales Activity
Within the Mixed-Use Development
Based on County-Wide Spending Estimates
Commercial Office Space

	Annual Estimate (a)	Share of Total
Computation of County-Wide Sales PSF of Selected Revenue Sources		
Commercial Office Sales Categories (b)		
Real Estate	$53,481,713	2.6%
Rental and Leasing Services	$1,340,918,103	64.0%
Professional, Scientific and Technical Services	$271,669,025	13.0%
Management of Companies and Enterprises	$74,834,810	3.6%
Administrative and Support Services	$352,967,175	16.9%
Taxable Retail Sales Activity	$2,093,870,825	100.0%
Effective Commercial Office Space (SF) (c)	49,192,717	
Effective Taxable Retail Sales Activity Per SF	$7.18	
Computation of Estimated Taxable Retail Sales Activity at Mixed-Use Development		
Effective Taxable Retail Sales Activity Per SF	$7.18	
Total Programmed Office Space (SF) (Net)	142,500	
Estimated Taxable Retail Sales Activity	**$1,022,465**	

(a) Based on trailing 24-month average data annualized from the Nevada Department of Taxation (September 2008).

(b) Reflects sales categories that are typically located within commercial offices and related developments.

(c) Reflects commercial office space based on Clark County Assessor's Office data adjusted for net floor space.

SALES – HOTEL

Based on information provided by the Company, the programmed gaming hotel will incorporate approximately 500 rooms and a limited number of food and beverage and retail outlets. While hotel room revenue is not subject to sales and use tax, the Company estimates approximately $7.6 million of revenue generated by food and beverage outlets with a nominal amount of retail sales originating from other retail outlets (e.g., gift shop).

The following provides a comparative analysis of food and beverage revenues on a per-room, per-day basis for selected market areas within southern Nevada. Based on publicly available data generated by the Nevada Gaming Control Board, AA reviewed food and beverage sales for all Clark County hotel-casino properties (160 locations) and compared those results with the forecasted performance for the subject property. The results suggest the Company's estimates are on par with the average reported by other downtown hotel-casino operations. This analysis was also performed for all Las Vegas Strip properties (38 locations) and for the downtown area (17 locations). The results suggest the food and beverage revenue estimates for the programmed hotel are below market-wide average revenue estimates. Based on these estimates, it appears the Company's food and beverage revenue estimates are reasonable relative to market average performances.

Exhibit 11
Analysis of Food and Beverage Sales Originating from Hotel

	Clark County	Las Vegas Strip	Downtown
Market Average Sales Per Room Per Day (a)			
Food	$77	$78	$50
Beverage	$31	$32	$20
Weighted Average	$64	$65	$41
Programmed Hotel (b)	$41	$41	$41
Variance to Selected Market Areas	-35.0%	-36.0%	0.0%

(a) Source: Nevada Gaming Abstract 2007.
(b) Source: Company based on $7.6 million in food and beverage sales and 500 hotel rooms.

RETAIL SALES AND USE TAX SUMMARY

Based on the analyses in the preceding subsections, the following summarizes sales activity for the major uses within the District and estimates total sales and use taxes inuring to public agencies within Nevada. It is worth noting no sales and use taxes are anticipate from the casino.

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Exhibit 12
Sales and Use Tax Summary and Proposed Allocation

	Estimate
Revenue:	
Retail	$52,255,932
Museum (Former Post Office)	$2,941,835
Office	$1,022,465
Hotel	$7,553,376
Casino	$0
Total Taxable Revenue	$63,773,608
Tax Rate	7.75%
Total Tax, Gross	$4,942,455
Share Allocable to Tourism Improvement District:	
Gross Tax Amount Not Subject to County Options (a)	$4,145,285
Proposed (Maximum) Amount Allocable to TID (75%)	$3,108,963
Less: Deduction of 0.75 Percent	($23,317)
Proposed Net Amount Allocable to TID (b)	$3,085,646
Share Allocable to Public Entities	$1,856,808
Total Proceeds	$4,942,455

(a) Pursuant to NRS 271A.070, mandatory rate of 6.5 percent is eligible (excludes county options) out of total 7.75 percent rate in Clark County (see Exhibit 5).

(b) Proceeds inuring to the TID will revert back to the City and are expected to be invested in infrastructure in and around the District.

AD VALOREM (PROPERTY) TAXES

The first fiscal impact element is property taxes. Generally speaking, each year county assessors are required to "[a]scertain by diligent inquiry and examination all real and secured personal property that is in [their respective counties on] July 1 which is subject to taxation . . ."[7] Each assessor is required to note the "[n]ames of all persons, corporations, associations, companies or firms owning the property. . ." and "[d]etermine the taxable value of all such property. . ." [8] for the ultimate purpose of levying ad valorem taxes. NRS § 361.260 requires that all real property is reappraised at least every five years; in Clark County, real property is appraised annually.[9] The assessments analyzed herein are for FY 2007-08.

[7] Nev. Rev. Stat. § 361.260 (1).
[8] *Id.*
[9] Nev. Rev. Stat. § 361.260.

Real property value assessments are bifurcated into land and improvement elements.[10] The taxable value assigned to vacant land is its full cash, or market value, taking into consideration factors such as its location, character and potential use. Taxable value of improved land is to be consistent with its improved use (e.g., as a single family residence, a hotel-casino or an office building). The taxable value of improvements, in most cases buildings, is based on estimated replacement cost less depreciation.[11] Depreciation is calculated at 1.5 percent of the replacement cost each year, up to a maximum of 50 years; and thus, the residual value of any given improvement is 25 percent of its replacement cost. Property taxes are computed by multiplying taxable value by 35 percent to obtain assessed value.[12] Assessed value is then divided by $100 and then multiplied by the tax rate to determine tax liability.

There is often a disconnect between the cost to construct improvements and the assessed value. Overall costs of development generally include certain soft costs, financing charges during construction and other considerations. Nevada Administrative Code requires the Nevada Assessors to use Marshall & Swift Building Cost Service to determine improvement replacement costs, minus depreciation.[13] Based on discussions with the representatives of the Clark County Assessor's Office, the Marshall & Swift estimates may not equate to actual replacement cost or may have a material timing lag. Various factors for this variance exist, including the relatively rapid pace of increase during the past several years due to increased demand for material and labor, periodic reporting by Marshall & Swift, localized nuances and various other considerations.

Based on prior discussions with the City of Las Vegas in 2007, the City reviewed several newly-constructed properties and compared their reported construction costs with the assessed value (based on taxable value) and determined that on average for those selected properties, assessed values were 55 percent of the construction cost. While there are a number of instances where assessed values as a percentage of reported construction cost were much higher, this estimate has been utilized based on the City's experience and to present a conservative estimate.

Therefore, basing taxable value on 55 percent of the Mixed-Use Development's construction cost (estimated at $219.1 million) plus the fair market value of the land ($28.0 million) and applying the 55 percent discount factor, total taxable value equates to $148.5 million, with an assessed value of $52.0 million (35 percent of taxable value).[14] Assuming a casino is not incorporated into the Mixed-Use Development, the taxable value declines to $138.4 million with an assessed value of $48.4 million.

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[10] Nev. Rev. Stat. § 361.227 (1).
[11] Nev. Rev. Stat. § 361.227 (1)(b); *see also* Nevada Taxpayers Association, *Understanding Nevada's Property Tax System*, 2000 edition. Page 7.
[12] Nev. Rev. Stat. § 361.225.
[13] See http://www.accessclarkcounty.com/depts/assessor/pages/aboutao.aspx
[14] Analysis assumes a change in use.

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It is also worth noting that Clark County property values have witnessed unprecedented escalations during the 2004 to 2006 timeframe; a condition not fully reflected in the latest tax collection figures because of the limitations imposed by AB 489 (2005 Nevada State Legislature). AB 489 limits tax bill escalations to 3 percent for existing owner-occupied residential properties and 8 percent for all other properties (including commercial uses). This limitation is not uniformly applied to newly constructed properties or properties with a change in use. Thus, it would follow that the subject site would generate substantially more taxable value per acre than would comparable properties in the same tax district.

The Mixed-Use Development is located in the Las Vegas City Redevelopment Tax District 203. This district has a combined tax rate of $3.2714 per $100 of assessed value.[15] The proceeds of this levy inure to several public entities; however, the increment generated from an increase in value inures to the redevelopment agency.

Please note the subject property is currently exempt from paying tax and as such, the entire value upon acquisition by the Company will generate incremental taxes.

Exhibit 13
Estimated Property Tax Collections Annually

	Property Tax
Rate per $100 of Value	3.27140
Including Casino	$1,700,362
Excluding Casino	$1,584,622

GAMING PERCENTAGE FEES

Gross gaming revenues of non-restricted gaming licensees are subject to a percentage fee.[16] The levy is based on gaming operation winnings less the total paid out as losses, annuities purchased to fund losses to pay out over several years and the cost of personal property won by a player.[17] It also excludes foreign coins collected, entry fees, counterfeit bills and any adverse impacts associated with fraudulent acts. The tax rates imposed are 3.5 percent of the first $50,000 in net winnings per month, 4.5 percent of the net winnings greater than $50,000 but not greater than $134,000 per month, and 6.75 percent of net winnings greater than $134,000 per month.[18] The vast majority of these revenues inure to the State's

[15] *See* http://trweb.co.clark.nv.us/county/TaxRate-DistrictBreakdown2007-8.htm#203.
[16] Nev. Rev. Stat. § 463.370.
[17] *Id.*
[18] *Id.*

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General Fund. A calculation of percentage fee revenues is provided below based on projected gaming revenues and the industry's seasonality during 2007.

Exhibit 14
Estimated Gaming Percentage Fees

Month	Total Gaming Revenues	Estimated Tax Payments			
		Tier 1 (3.5%)	Tier 2 (4.5%)	Tier 3 (6.75%)	Total
January	$4,063,056	$1,750	$3,780	$265,211	$270,741
February	$3,568,057	$1,750	$3,780	$231,799	$237,329
March	$3,537,367	$1,750	$3,780	$229,727	$235,257
April	$3,344,844	$1,750	$3,780	$216,732	$222,262
May	$3,909,372	$1,750	$3,780	$254,838	$260,368
June	$2,944,853	$1,750	$3,780	$189,733	$195,263
July	$3,442,432	$1,750	$3,780	$223,319	$228,849
August	$3,601,957	$1,750	$3,780	$234,087	$239,617
September	$3,343,352	$1,750	$3,780	$216,631	$222,161
October	$3,445,936	$1,750	$3,780	$223,556	$229,086
November	$4,159,720	$1,750	$3,780	$271,736	$277,266
December	$3,949,581	$1,750	$3,780	$257,552	$263,082
Total	**$43,310,527**	**$21,000**	**$45,360**	**$2,814,921**	**$2,881,281**

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ADDITIONAL GAMING FEES AND CHARGES

In addition to gaming percentage fees described above, gaming operators are required to pay additional fees. They include county gaming fees, slot license fees, slot machine excise taxes, and state gaming license fees. The following summarizes the various fees and charges.

Exhibit 15
Additional Gaming Fees and Charges

	Statutory Reference	Basis of The Tax	Tax Rate	Distribution	Revenue Estimate
County Gaming Fees	NRS 463.390	Unit-based tax imposed on casino games, slot machines or any game of chance	$25 per month for each table game of poker, bridge, whist, solo and panguingui, $50 per month for all other table games, and $10 per month for each slot unit	City General Fund	$129,600
Slot License Fee - Non-Restricted	NRS 463.375	Unit-based tax imposed on each slot machine	$20 for each slot machine each calendar quarter	State General Fund	$80,000
Slot Machine Excise Tax	NRS 463.385	Unit-based tax imposed on each slot machine	$250 for each slot machine each year	Higher Education Fund; Higher Education Special Capital Construction Fund; State Distributive School Account	$250,000
State Games License - Annual Fees	NRS 463.380; NRS 463.320	Unit-based tax imposed on each table game	Graduated rate; top tier is $16,000 plus $200 for each game in excess of 16	County governments	$16,000
State Games License - Quarterly Fee	NRS 463.383	Unit-based tax imposed on all games operated in any calendar quarter	Graduated rate; top tier is $20,300 plus $25 for each game in excess of 35	State General Fund	$79,300
Total					**$ 554,900**

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MODIFIED BUSINESS TAX

The modified business tax is a tax based on gross payrolls defined in NRS 612.190. The tax, which was instituted by the 2003 Nevada Legislature, is paid in each calendar quarter and is currently based on 0.63 percent of gross payrolls, less any cost for providing employer-paid healthcare coverage. The following highlights the estimated proceeds generated by the modified business tax annually.

Exhibit 16
Modified Business Tax

	Tax
Wage and Salary Payments (in millions) (a)	
Retail	$26.6
Museum (Former Post Office)	$3.6
Office	$34.6
Hotel	$11.6
Casino	$8.2
Total	$84.5
Taxable Wages, Accounting for Healthcare Adjustment	85%
Tax Rate	0.63%
Proceeds of Modified Business Tax, Including Casino	**$452,706**
Proceeds of Modified Business Tax, Excluding Casino	**$408,770**

(a) See Economic Impact Considerations section.

STATE AND LOCAL TRANSIENT LODGING TAX

Hotels within southern Nevada participate in state and local transient lodging tax pursuant to Nevada NRS 244.335 and NRS 268.095. For hotels located in downtown Las Vegas, the combined tax rate is 11 percent, with collections distributed among the following entities:

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Exhibit 17
Local Transient Lodging Tax Allocation

Entity	Rate
State of Nevada	0.375%
Clark County School District	1.625%
Collecting Jurisdiction	1.000%
Clark County Transportation	1.000%
Fremont Street Experience	2.000%
Las Vegas Convention and Visitors Authority	5.000%
Total	**11.000%**

Based on Company-provided estimates of revenue, the following calculates estimated annual local transient lodging taxes within the District.

Exhibit 18
Estimated Annual Local Transient Lodging Taxes

	Value
Number of Rooms	500
Average Daily Room Rate (a)	$115
Occupancy (a)	85.0%
Revenue	$17,839,375
Tax Rate	11.0%
Estimated Transient Lodging Taxes	**$1,962,331**

(a) Reflects a discount to the market-wide average room rate ($123) and occupancy (88.4 percent) reported by the Las Vegas Convention and Visitors Authority for the first nine months of 2008 for all hotels and motels.

ADDITIONAL REVENUE IMPACTS

In addition to the identified revenue sources, several others provide revenue to state and local municipalities. While the overall potential fiscal impacts (net) may not be material to the State or other local unit of government, it is important to model the effects.

To estimate the impacts not identified in preceding subsections of this report, AA obtained the latest *State and Local Government Finances* report from the US Census Bureau.[19] These data represent estimates of all state and local government revenues

[19] The Census Bureau conducts a census of governments at five year intervals, and an annual survey for the intervening years. The state and local government finance statistics cover government financial activity in four broad categories of revenue, expenditure, debt, and

and expenditures in the state of Nevada. To model the impacts associated with the proposed development, AA converted all state and local revenue and expenditures estimates (excluding those modeled previously) to a per-employee amount and applied those pro rata costs to the subject property based on the estimated number of employees. An additional analysis on a per-visitor basis was undertaken, resulting in a more aggressive result. As such, the more conservative per-employee methodology was employed. Allocations on a per-resident basis were also considered but resulted in invalid estimates given the lack of full-time residents on the site. The following highlights the revenue results of the analysis, while the expenditure estimates are included in the *Expenditure Impact Analysis* section of this report.

Exhibit 19
Other Revenue Impacts Generated by Proposed Development
Based on State and Local Government Finances: Fiscal Year 2005-06

	Including Casino	Excluding Casino	Notes
Revenue			
Intergovernmental Revenue	3,542,669	3,064,599	
Taxes:			
Property	-	-	(a)
Sales and Gross Receipts:			
General Sales	-	-	(a)
Selective Sales:			
Motor Fuel	621,712	537,814	
Alcoholic Beverage	56,660	49,014	
Tobacco Products	205,560	177,820	
Public Utilities	270,965	234,400	
Other Selective Sales, Gaming	-	-	(a)
Other Selective Sales, All Others	1,196,614	1,035,135	(a) (b)
Total Selective Sales	2,351,511	2,034,183	
Total Sales and Gross Receipts	2,351,511	2,034,183	
Motor Vehicle License	240,552	208,090	
Other Taxes, Modified Business Tax	-	-	(a)
Other Taxes, All Others	1,647,773	1,425,412	(a) (c)
Total Taxes	4,239,836	3,667,685	
Charges and Miscellaneous Revenue	6,547,286	5,663,753	
Utility Revenue	1,523,837	1,318,201	
Insurance Trust Revenue	4,082,395	3,531,490	
Total Revenue	19,936,022	17,245,729	

Source: US Census Bureau (see http://www.census.gov/govs/estimate/0629nvsl_1.html)
(a) Fiscal impact accounted for in preceding subsections of this report.
(b) Excludes gaming revenue estimates for fiscal year.
(c) Excludes modified business tax estimates (non financial institutions) for fiscal year.

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assets. For purposes of this analysis, AA considered revenue and expenditures. The latest available report is for the 2005-06 fiscal year.

APPLIED ANALYSIS

SUMMARY OF PUBLIC REVENUE SOURCES

To summarize the various elements reported in the preceding subsections, the following highlights the identified and quantified sources of public revenue.

Exhibit 20
Summary of Revenue Impacts

Including Gaming

Source	Beneficiaries: Public	Beneficiaries: The District	Total	Notes
Sales and Use Tax	$1,856,808	$3,085,646	$4,942,455	(a)
Property Tax	$1,700,362	$0	$1,700,362	(b)
Gaming Percentage Fees	$2,881,281	$0	$2,881,281	(c)
Other Gaming Fees and Charges	$554,900	$0	$554,900	(d)
Modified Business Tax	$452,706	$0	$452,706	(c)
Transient Lodging Tax	$1,962,331	$0	$1,962,331	(d)
Other State and Local Revenues	$19,936,022	$0	$19,936,022	(d)
Total Identified	**$29,344,411**	**$3,085,646**	**$32,430,057**	--
Share	**90.5%**	**9.5%**	**100.0%**	--

Excluding Gaming

Source	Beneficiaries: Public	Beneficiaries: The District	Total	Notes
Sales and Use Tax	$1,856,808	$3,085,646	$4,942,455	(a)
Property Tax	$1,584,622	$0	$1,584,622	(b)
Modified Business Tax	$408,770	$0	$408,770	(c)
Transient Lodging Tax	$1,962,331	$0	$1,962,331	(d)
Other State and Local Revenues	$17,245,729	$0	$17,245,729	(d)
Total Identified	**$23,058,260**	**$3,085,646**	**$26,143,907**	--
Share	**88.2%**	**11.8%**	**100.0%**	--

(a) Public benefit excluded 0.75 percent fee. Assumes 75 percent allocation of eligible amount to the TID.

(b) Assumes no tax increment financing (TIF) is provided to the Company.

(c) Inures to the state.

(d) Inures to various public agencies.

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EXPENDITURE IMPACT ANALYSIS

With revenues representing only one-half of the equation, NRS 271 requires the determination of the fiscal effect of the Mixed-Use Development consider "any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the Mixed-Use Development within the district."[20] The following subsections address each of the identified services in order.

CLARK COUNTY SCHOOL DISTRICT

Typically, demand for education services, specifically the Clark County School District, is generated by incremental households and/or population. The District is programmed for commercial retail and office uses, along with hotel-gaming uses. The Mixed-Use Development is not considering any residential uses, thereby eliminating the need to provide incremental education service. That said, employment growth associated with the Mixed-Use Development has the potential to generate demand for education services; this demand may be partially (if not all) offset by pulling from existing resources (e.g., existing labor pool). Additionally, AA contacted the Clark County School District to determine if any unforeseen costs would be incurred as a result of the Mixed-Use Development and a response that there would be no impact was obtained.

In addition to the response obtained from the Clark County School District, AA prepared an estimate of potential impact for consideration. For modeling purposes, AA assumed approximately 25 percent of direct employment growth sourced to the Mixed-Use Development will originate from outside the market, while the balance will be sourced to the existing labor pool. This assumption is based on current conditions, including unemployment levels at 7.6 percent (1.1 points higher than the national average); job growth remains below historical averages and continued economic weakness is likely to persist in the near to mid-term. Based on these assumptions, total expenditure impacts would be \$953,400 (including casino) and \$824,800 (excluding casino).[21]

[20] See NRS 271A.080.3(c)
[21] Based on total direct employment, average number of employees per household, average number of children per household and the average per-pupil cost of education.

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LAS VEGAS METROPOLITAN POLICE DEPARTMENT

As part of this analysis, the objective is to estimate the incremental costs associated with the proposed development. Currently, the District hosts various uses including a bus terminal, park and post office. The Las Vegas Metropolitan Police Department (LVMPD) is providing services to the area contemplated for the TID.

While the intensity of development programmed for the site is higher than currently exists, the redevelopment of the area is also expected to improve conditions in the surrounding area. With over $200 million in investment programmed for the site, the environment on and around the site is likely to transform. Determining the impacts to the LVMPD with precision is challenging.

That said, the following analysis assumes the property were vacant today and additional police protection services would be required for the proposed development. The approach reviews the costs of police protection operations on a per-acre basis of land and per-square-foot basis of improved property. The following also evaluates the cost on a per-employee basis. These estimates are intended to provide an order-of-magnitude range of estimates.

Exhibit 21
Police Protection Impact
Range of Estimates

	Acres	Improved Property (SF)	Employment
Service Area (a)	416,374	1,365,905,206	688,050
Total LVMPD Budget (b)	$487,702,802	$487,702,802	$487,702,802
Average Expenditure Per Unit	$1,171.31	$0.36	$708.82
Mixed-Use Development Size (c)	5.49	781,419	1,895
Potential Impact on a Per-Unit Basis, Including Casino	$6,430	$279,009	$1,343,075
Potential Impact on a Per-Unit Basis, Excluding Casino	$6,430	$268,298	$1,161,832

(a) Acreage based on LVMPD 2007 Annual Report stating 7,560 square miles (adjusted for vacant property). Improved property based on Clark County Assessor's Office information. Employment estimated based on market area covered and Applied Analysis.

(b) Based on total expenditures during the fiscal year ended June 30, 2007.

(c) Acres and improved property based on Company programming. Employment based on estimated employment at subject site (see *Economic Impact* section).

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A fourth impact estimate was prepared on a full-time equivalency population (accounting for full-time residents and the equivalent share of visitors residing in the area). While no full-time residents are expected to live on-site at the proposed development, the equivalent visitor population resulted in costs attributable to the Mixed-Use Development within the ranges noted above.

This estimate assumes no patrols and/or services are being provided to the site today. Also, this summary analysis also assumes a linear relationship between costs and service area. For example, the addition of an office building in southern Nevada does not necessarily require additional time, effort and cost at every level within the LVMPD.

In addition to the estimates prepared above, AA obtained estimates directly from the City of Las Vegas. The following highlights the annual costs during the first five years of the Mixed-Use Development (assuming a two-year development timeline and the first three years of operations). The annual recurring expenditure estimate reflects estimated costs in 2008 dollars and is in line with the estimated ranges computed above.

Exhibit 22
Police and Public Safety Expenditure Estimates

	Including Casino	Excluding Casino
Year 1	$346,761	$317,667
Year 2	$346,761	$317,667
Year 3	$707,715	$623,346
Year 4	$717,103	$631,789
Year 5	$726,772	$640,486
Annual Recurring Expenditure During Operations (2008 Dollars)	$652,230	$574,475

Source: City of Las Vegas based on Mixed-Use Development assumptions.

CITY OF LAS VEGAS FIRE DEPARTMENT

Consistent with the methodology employed to review police protection costs, AA reviewed similar metrics for the City of Las Vegas Fire Department. It is noteworthy that fire protection services are currently being provided at the site. With a lack of available information regarding the precise cost associated with providing those services, AA estimated these costs on a per-acre, per-square-foot and per-employee basis.

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Exhibit 23
Fire Protection Impact
Range of Estimates

	Acres	Improved Property (SF)	Employment
Service Area (a)	58,233	466,395,503	347,666
Total Fire and Rescue Budget (b)	$104,338,733	$104,338,733	$104,338,733
Average Expenditure Per Unit	$1,791.74	$0.22	$300.11
Mixed-Use Development Size (c)	5.49	781,419	1,895
Potential Impact on a Per-Unit Basis, Including Casino	$9,837	$174,814	$568,654
Potential Impact on a Per-Unit Basis, Excluding Casino	$9,837	$168,102	$491,916

(a) Acres based on City of Las Vegas Fact Sheet (July 2008) stating 133.2 square miles (adjusted for vacant property). Improved property based on Clark County Assessor's Office information. Employment based on estimates provided by Claritas.

(b) Based on total expenditures during the fiscal year ended June 30, 2007.

(c) Acres and improved property based on Company programming. Employment based on estimated employment at subject site (see *Economic Impact* section).

Consistent with the police protection analysis above, a fourth impact estimate was prepared on a full-time equivalency population (accounting for full-time residents and the equivalent share of visitors residing in the area). While no full-time residents are expected to live on-site at the proposed development, the equivalent visitor population resulted in costs attributable to the Mixed-Use Development within the ranges noted above.

Also similar to the police protection analysis, this estimate assumes no services are being provided to the site today. This summary analysis also assumes a linear relationship between costs and service area. For example, the addition of an office building in southern Nevada does not necessarily require additional time, effort and cost at every level within the City of Las Vegas Fire Department, rather, existing costs are spread over a larger tax base.

In addition to the estimates prepared above, AA obtained estimates directly from the City of Las Vegas. The following highlights the annual costs during the first five years of the Mixed-Use Development (assuming a two-year development timeline and the first three years of operations). The annual recurring expenditure estimate reflects estimated costs in 2008 dollars and is in line with the estimated ranges computed above.

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Exhibit 24
Fire Protection Expenditure Estimates

	Including Casino	Excluding Casino
Year 1	$272,369	$251,103
Year 2	$272,369	$251,103
Year 3	$555,885	$494,219
Year 4	$563,259	$500,903
Year 5	$570,854	$507,787
Annual Recurring Expenditure During Operations (2008 Dollars)	$512,304	$455,472

Source: City of Las Vegas based on Mixed-Use Development assumptions.

ADDITIONAL EXPENDITURE IMPACTS

In addition to the services identified in NRS 271A, various state and local governments experience a modest increase in administrative costs associated with the development. Additional revenue sources are also likely to be generated. While the overall potential fiscal impacts may not be material to the State or other local units of government, it is important to model the effects.

To estimate the impacts not identified in preceding subsections of this report, AA obtained the latest *State and Local Government Finances* report from the US Census Bureau.[22] These data represent estimates of all state and local government revenues and expenditures in the state of Nevada. To model the impacts associated with the proposed development, AA converted all state and local revenue and expenditures estimates (excluding those modeled previously) to a per-employee amount and applied those pro rata costs to the subject property based on the estimated number of employees. An additional analysis on a per-visitor basis was undertaken, resulting in a more aggressive result. As such, the more conservative per-employee methodology was employed. Allocations on a per-resident basis were also considered but resulted in invalid estimates given the lack of full-time residents on the site. The following highlights the expenditure results of the analysis, while the revenue estimates are included in the *Revenue Impact Analysis* section of this report.

[22] The Census Bureau conducts a census of governments at five year intervals, and an annual survey for the intervening years. The state and local government finance statistics cover government financial activity in four broad categories of revenue, expenditure, debt, and assets. For purposes of this analysis, AA considered revenue and expenditures. The latest available report is for the 2005-06 fiscal year.

APPLIED ANALYSIS

Exhibit 25
Other Expenditure Impacts Generated by Proposed Development
Based on State and Local Government Finances: Fiscal Year 2005-06

	Including Casino	Excluding Casino	Notes
Expenditures			
Intergovernmental Expenditures	9,383	8,116	
Direct Expenditures by Function:			
Education	-	-	(a)
Social Services	4,304,350	3,723,494	
Transportation	2,858,406	2,472,675	
Public Safety:			
Police Protection	-	-	(a)
Fire Protection	-	-	(a)
Corrections	822,701	711,680	
Protective Inspection and Regulation	289,234	250,203	
Total Public Safety	1,111,935	961,883	
Environment and Housing	1,877,148	1,623,834	
Government Administration	2,850,472	2,465,811	
General Expenditures	1,195,428	1,034,109	
Utility Expenditure	2,442,293	2,112,715	
Insurance Trust Expenditures	1,575,391	1,362,798	
Total Expenditures	18,224,805	15,765,434	

Source: US Census Bureau (see http://www.census.gov/govs/estimate/0629nvsl_1.html)
(a) Fiscal impact accounted for in preceding subsections of this report.

APPLIED ANALYSIS

SUMMARY OF PUBLIC EXPENDITURES

To summarize the various elements reported in the preceding subsections, the following highlights the identified and quantified public expenditures potentially associated with the Mixed-Use Development.

Exhibit 26
Summary of Expenditure Impacts

Service/Entity	Including Casino	Excluding Casino
Education/Clark County School District	$953,420	$824,759
Police and Public Safety/LVMPD	$652,230	$574,475
Fire and Rescue/Las Vegas Fire Department	$512,304	$455,472
Other Expenditures/State and Local Governments	$18,224,805	$15,765,434
Total	$20,342,759	$17,620,141

IMPACT ON SURROUNDING RETAILERS

NRS 271A requires the determination of the fiscal effect of the Project consider the "[e]stimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the district and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the district."[23] As previously discussed, due to the integral nature of the Project within the Mixed-Use Development, this analysis is based on the anticipated performance of the Mixed-Use Development.

To address this requirement, AA reviewed this from two perspectives. While the term referring to retailers outside of the district is not specifically defined, we assume this to mean adjacent property owners, as well as those located within the general area.

Any negative impacts, or reduced demand for retailers, for adjacent property owners is expected to be negligible. In fact, the impacts are likely to be positive. The property sits on its own block with travel lanes surrounding the property. The site is

[23] See NRS 271A.080.3(d)

bounded by US-95, City of Las Vegas City Hall, the Company's Lady Luck development and a parking lot. No sizable retailers exist on the first three adjoining properties noted. The Lady Luck is a former hotel-casino property that is owned by the Company that is under-going a major re-design with a substantial investment. Currently, no material sales activity is being generated at surrounding properties.

Addressing the question of impacts to retailers in the general market area, it is reasonable to assume this $200-milion-plus investment will spur demand by tourists, and residents to some extent (see *Sources of Taxable Retail Sales* section that follows.) In reality, the District sits in the middle of a redevelopment area that has many aging properties and properties that have become functionally obsolete. The type of investment is expected to spur additional visitation in the area and seed the growth of future development and redevelopment activity.

Historically speaking, investments within the market have expanded the overall size of the market, rather than cannibalize consumer spending within the market. During the course of the past decade, total expansions in the number of hotels generated a comparable number of visitors to the area. Despite a healthy compound annual growth rate in hotel room inventory and visitor volume of 2.4 and 2.5 percent, respectively, aggregate visitor spending on eating, drinking and shopping has expanded at a rate approximately four times that level. We believe these trends hold true as it relates to the proposed investment at the subject site.

Exhibit 27
Market Expansion Impact on Consumer Spending

	1997	2007	CAGR (a)
Market Inventory and Visitation Growth Rates:			
Number of Hotel Rooms (b)	105,347	132,947	2.4%
Number of Visitors (b)	30,605,128	39,196,761	2.5%
Spending Per Trip (b)			
Food and Drink	$123.87	$254.49	7.5%
Shopping	$74.77	$144.50	6.8%
Total	$198.64	$398.99	7.2%
Aggregate Spending (c)	$6,079,402,626	$15,639,115,671	9.9%

(a) Compound annual growth rate.
(b) Source: Las Vegas Visitors and Convention Authority.
(c) Spending per trip multiplied by number of trips (visitors).

APPLIED ANALYSIS

RETAILER DEMAND

This section of the report reviews indicators of demand for retailers to locate their business in the District and specifically addresses the requirements outlined in NRS 271A.080.6(a). Generally speaking, retailers evaluate several factors when determining in which locations to open retail shops. According to *Market Analysis for Valuation Appraisals*:[24]

> *Shopping centers are based on the principle of cumulative attraction which recognizes that a location in a retail cluster brings a retailer more customer traffic than the retailer would have if it were located by itself. The benefits of increased customer traffic outweigh the negative effects of the store's proximity to competitors.*

The author continued to discuss the market dynamics present with new retail development:[25]

> *Some directions already evident are the creation of new center types, an interest in middle market communities, the focus on in-fill locations previously bypassed or ignored, and the revitalization of downtown areas. However, if these directions are to succeed, and if the industry is to continue to grow, more sophisticated levels of site location and center planning, design, and operation are required. No longer is a location accessible to a large population the only criterion for success. Today a shopping center developer must have a clear and reliable understanding of all the dynamics of the marketplace before committing time and money to a project.*

Based on our discussions with the Company, it appears they understand the market dynamics taking place in downtown Las Vegas and similarly-situated markets[26] and have committed significant funding to the area to date.

The following provides the elements identified as key criteria and their rating the Project site. While this analysis is subjective, these criteria[27] are identified as elements

[24] Stephen F. Fanning, MAI, Terry V. Grissom, MAI and Thomas D. Pearson, MAI, *Market Analysis for Valuation Appraisals*, Appraisal Institute.
[25] Id.
[26] According to CIM's website, "The cornerstone of CIM Group's success has been its proprietary approach in determining what creates value in densely-populated areas. During the past 14 years, CIM has qualified 83 urban communities and has made investments in 30 of them. Each community must meet such criteria as improving local economic and demographic trends, public sector commitment to real estate redevelopment, private sector real estate activity, and opportunities for additional real estate transactions."
[27] Stephen F. Fanning, MAI, Terry V. Grissom, MAI and Thomas D. Pearson, MAI, *Market Analysis for Valuation Appraisals*, Appraisal Institute.

to consider during the valuation process of a retail center. We believe these retailers will also consider these criteria when considering a location at the Project.

Criteria	Project Rating	Comments
Location:		
Proximity to Major Highway	High	Adjacent to US-95
Proximity to Res. Housing	Low	The area is dominated by temporary residents (hotel guests)
Proximity to Other Customers	High	The area is dominated by temporary residents (hotel guests)
Traffic Volume by Site	High	Average daily traffic volumes along US-95 are 155,000 cars
Parking	TBD	A multi-story parking garage is programmed on-site
Landscaping	TBD	Landscaping will likely be limited given the project density
Exterior Access	High	Access from major thoroughfares & frontage provides access
Visibility	High	Visibility is significant and substantial signage is programmed
Building Improvements	TBD	The level of programmed investment is significant

The forecasted retail sales activity reported in the preceding sections demonstrates the market potential of the Mixed-Use Development. It is also worth noting the Mixed-Use Development has the potential to receive certain public financial incentives, which should provide for a competitive pricing structure to retail tenants. Based on the Mixed-Use Development forecasts combined with qualitative characteristics that retailers seek out and the source of taxable retail sales noted in the following section, it appears reasonable that retailers will locate to the Mixed-Use Development.

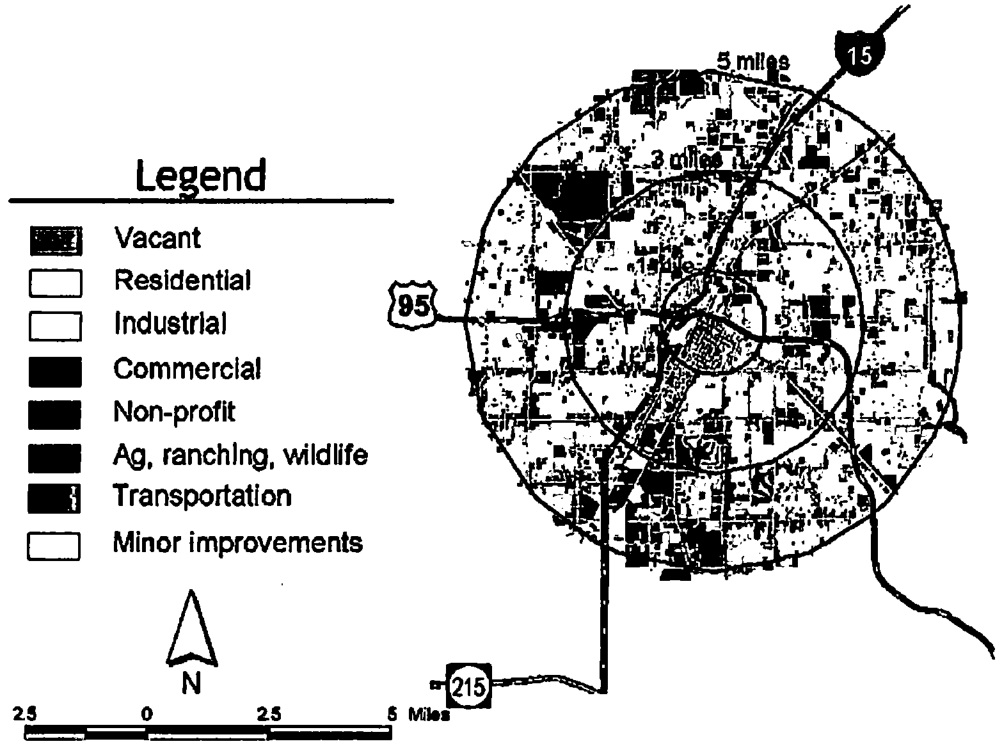
Source of Taxable Retail Sales

This section of the report analyzes the source of the preponderance of the increase in proceeds of sales and use taxes and specifically addresses the requirements outlined in NRS 271A.080.6(b). On the surface, it is logical that development designed to target tourists, which includes lodging on-site, will cater primarily to out-of-town visitors, rather than local residents. That said, it is necessary to analyze the anticipated spending volumes by reviewing the current mix of consumption in the area. The following provides a graphical representation of land uses within the area; it is worth noting the commercial (inclusive of tourism) uses in the downtown area.

APPLIED ANALYSIS

Exhibit 28

Market Area Land Use



The spending patterns of visitors and residents were modeled independently. The results of the analysis follow.

Visitor Spending

Given the proposed uses at the site, the primary sources of taxable sales activity will be eating and drinking places (restaurants and bars), along with general merchandise stores and outlets. As such, AA conducted a multi-step approach to estimating visitor spending. The first step was to determine the number of full-time equivalent visitors in the area based on the number of hotel rooms, occupancies and occupants per room. To evaluate the impacts on an order-of-magnitude basis, AA reviewed trade areas within 1, 3 and 5 miles of the site.

In the second step of this analysis, AA reviewed the average consumer spending on eating, drinking and shopping, the primary sources of taxable revenue on the site. In the immediate area, estimates were derived from consumers surveyed in the downtown area, which is encompassed by a one-mile radius from the site. Broader estimates were utilized for the larger 3 and 5-mile regions that are more reflective of the average consumer spend on these categories.

APPLIED ANALYSIS

The third step in the analysis was to convert the full-time equivalent visitors into the actual number of trips by visitors. This was necessary as spending data was calculated on a per-trip basis, rather than per day. These factors were then converted into total taxable spending. The results are delineated below.

Exhibit 29
Computation of Non-Nevada Visitor Taxable Spending by Market Area

	1 Mile	3 Mile	5 Mile
Number of Full-Time Equivalent Visitors			
Number of Hotel Rooms (a)	11,161	28,836	80,481
Average Occupancy Estimate (b)	85%	85%	85%
Average Number of Occupants Per Room (c)	2.2	2.2	2.2
Total Number of Visitor Nights to Market Area Per Day	20,871	53,923	150,499
Total Number of Visitor Nights to Market Area Per Year	7,617,941	19,682,012	54,932,307
Total Number of Non-Nevada Visitor Nights to Market Area Per Year (d)	7,549,379	19,504,874	54,437,916
Consumer Spending Per Trip by Visitors (e)			
Food and Drink (f)	$142.70	$221.30	$221.30
Shopping (g)	$65.95	$131.36	$131.36
Total	$208.64	$352.66	$352.66
Average Length of Stay (in nights) per Visitor	3.6	3.6	3.6
Total Number of Trips (Visitor Nights/Length of Stay)	2,097,050	5,418,020	15,121,643
Total Taxable Spending by Non-Nevada Visitors on Eating, Drinking and Shopping	$437,530,780	$1,910,715,244	$5,332,787,959

(a) Source: Extracted from Clark County Assessor's Office parcel-level data.

(b) Based on a discount to the market-wide average of 89.3 percent reported by the Las Vegas Convention and Visitors Authority for the first six months of 2008 for all hotels and motels.

(c) Per Las Vegas Convention and Visitors Authority Visitor Profile 2007.

(d) Adjusted for Nevada visitors by AA and allocation methodology confirmed as reasonable by the LVCVA.

(e) Analysis considers spending categories likely available at the subject site.

(f) Per Las Vegas Convention and Visitors Authority Visitor Profile 2007 and adjusted by AA for non-taxable consumption, including gratuities.

(g) Per Las Vegas Convention and Visitors Authority Visitor Profile 2007 and adjusted by AA for non-taxable consumption, including items shipped out of state.

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RESIDENT SPENDING

With spending estimates for visitors determined, the second phase of the analysis is to perform a similar analysis for estimated spending by residents. AA obtained market data from Claritas, a national provider of demographic and consumer data. For the same trade areas, AA estimated total consumer resident taxable consumer spending based on the population and their spending profile on selected goods likely to dominate the tenant mix at the subject site. These categories included eating and drinking outlets, apparel and a number of other categories comparable to those profiled in the visitor spending section above. The results are as follows.

Exhibit 30
Computation of Resident Taxable Spending by Market Area

	1 Mile	3 Mile	5 Mile
Population (a)	25,166	185,646	477,926
Taxable Spending Per Capita (b)	$4,611	$5,085	$5,814
Total Taxable Spending by Residents	**$116,040,305**	**$943,927,763**	**$2,778,489,310**

(a) Source: Claritas

(b) Source: Claritas - Based on various spending categories, including eating and drinking, apparel, entertainment, housewares, personal care, etc. Estimates adjusted for non-taxable spending, including gratuities and items shipped out of state.

PREPONDERANCE COMPUTATION

Based on the results of the two preceding subsections, the following compares the estimated consumer spending by source.

APPLIED ANALYSIS

Exhibit 31
Comparison of Resident and Visitor Taxable Spending by Market Area

	1 Mile	3 Mile	5 Mile
Spending by Non-Nevada Visitors	$437,530,780	$1,910,715,244	$5,332,787,959
Share of Spending by Non-Nevada Visitors	79.0%	66.9%	65.7%
Spending by Residents	$116,040,305	$943,927,763	$2,778,489,310
Share of Spending by Residents	21.0%	33.1%	34.3%
Total Taxable Spending by Non-Nevada Visitors and Residents	**$553,571,085**	**$2,854,643,007**	**$8,111,277,269**

Non-Nevada visitors are estimated to comprise 66 to 79 percent of taxable consumer spending in the area. The results are primarily attributable to the large number of hotel rooms within the area that cater to non-resident consumers. Similar profiles and spending patterns have supported retail venues such as the Forum Shops at Caesars Palace, the Grand Canal Shoppes at The Venetian, Miracle Mile at Planet Hollywood, the Las Vegas Premium Outlets downtown and the newly opened Town Square. Proximity to lodging accommodations has been a principal driver of success and sales. That said, the expectation that visitors will dominate the customer mix at the subject site is reasonable.

ECONOMIC IMPACT CONSIDERATIONS

In addition to the quantifiable fiscal impacts associated with the proposed development, it is also important to note that a number of economic benefits will likely inure from the proposed development. Potential benefits include economic expansion and diversification, expansion of the overall employment base and creation of wage and salary payments for local residents.

To identify and model the impacts in the southern Nevada economy, IMPLAN (Impact Analysis for Planning) software and databases were used. IMPLAN is an input-output model (or econometric system). It utilizes complex economic equations to explain how the "outputs" of one industry become the "inputs" of others, and vice versa. This relationship is sometimes referred to as the "multiplier effect," illustrating how changes in one sector of the economy can affect other sectors.

The notion of multipliers rests upon the difference between an "initial effect" and the "total effects" of that change or stimulus. Generally speaking, these effects are segmented into direct impacts, indirect impacts and induced impacts. Each is described below.

APPLIED ANALYSIS

1. ***Direct impacts*** measure the effects of the specific impacting force being considered. In this case, for example, retail-related positions generated by the Mixed-Use Development are considered direct jobs and the wages and salaries they are paid are considered direct personal income.

2. ***Indirect impacts*** consider how other businesses respond to the impacting condition. Employees of clothing suppliers, for example, are considered indirect employees to the extent their jobs are dependent, in full or in part, on the suppliers' income generated by the Mixed-Use Development-related purchases.

3. ***Induced impacts*** measures the effects of increased (or decreased) consumer expenditures resulting from wage and salary payments sourced to an impacting condition. In the present case, for example, if a new person were to be employed by the Mixed-Use Development, she might be expected to spend a portion of her monthly salary at the supermarket, the local movie theater or on a family vacation. Induced effects capture the impacts of this spending as it "ripples" through the local economy.

4. ***Total effects*** are the sum of direct, indirect and induced effects.

Input-output models, as is the case with all econometric models, are not without their limitations. The statistical model used in this analysis, IMPLAN, for example, assumes that capital and labor are used in fixed proportions. This means that for every job created or lost, a fixed change in investment, income and employment results. In reality, developers, consumers and governments respond to stimuli in complex ways, including changing the mix of capital or labor as well as the types and frequencies of investment. Importantly, each impacting force has its own unique characteristics, affecting how consumers and businesses respond to the given change.

From an economic impact perspective, this analysis considers the effects during the construction phase and the operations following the completion of construction.

APPLIED ANALYSIS

CONSTRUCTION PHASE

Exhibit 32
Construction Phase Impact Summary
(One-Time Impacts; $ in Millions)

	Employment	Wage & Salary Payments	Economic Output
All Programmed Uses (Including Casino)			
Direct	1,125	$48	$208
Indirect	427	$13	$52
Induced	450	$12	$49
Total	**2,003**	**$73**	**$309**
All Programmed Uses (Excluding Casino)			
Direct	1,031	$44	$191
Indirect	392	$12	$48
Induced	412	$11	$45
Total	**1,835**	**$66**	**$283**

Exhibit 33: Construction Employment Impacts
Total Clark County Impact = 2,003 Person Years of Employment

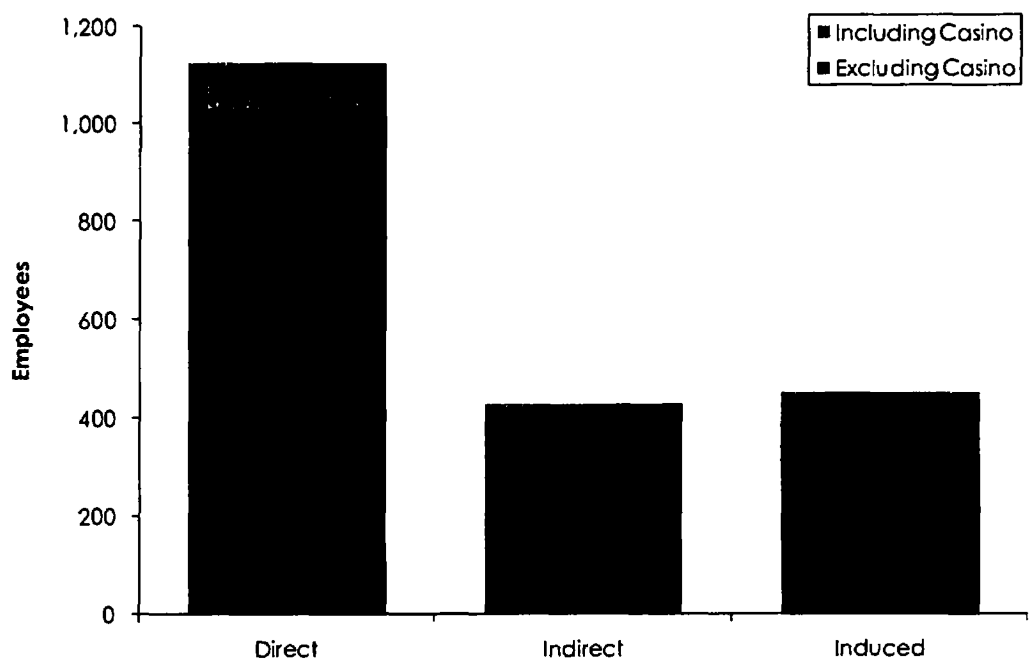

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Exhibit 34: Construction Wage & Salary Impacts

Total Clark County Impact = $73 million; Average Annual Direct Salary = $42,690

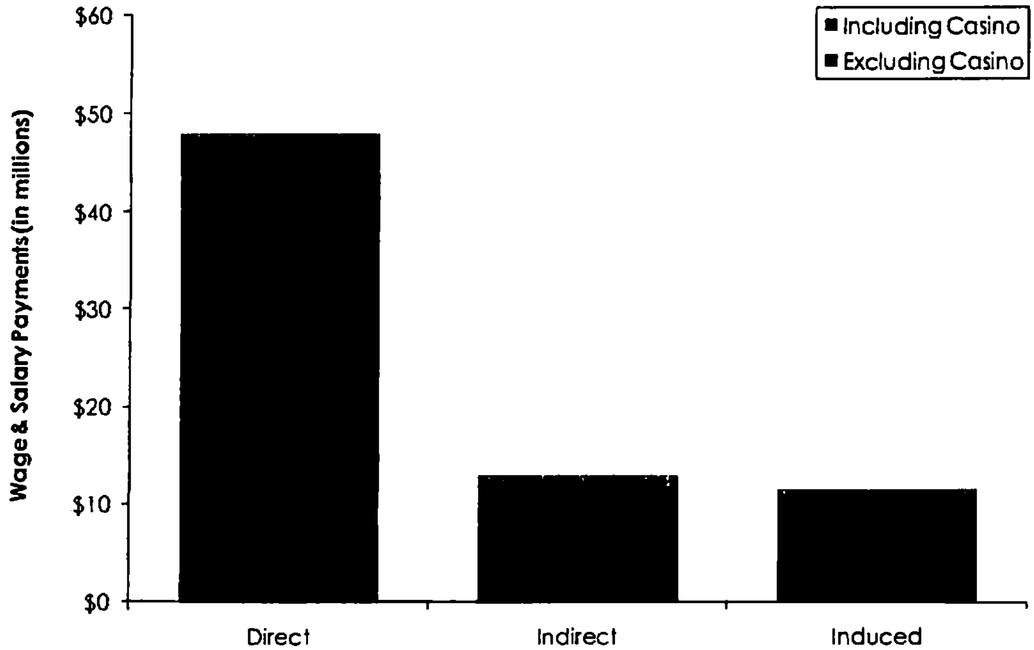
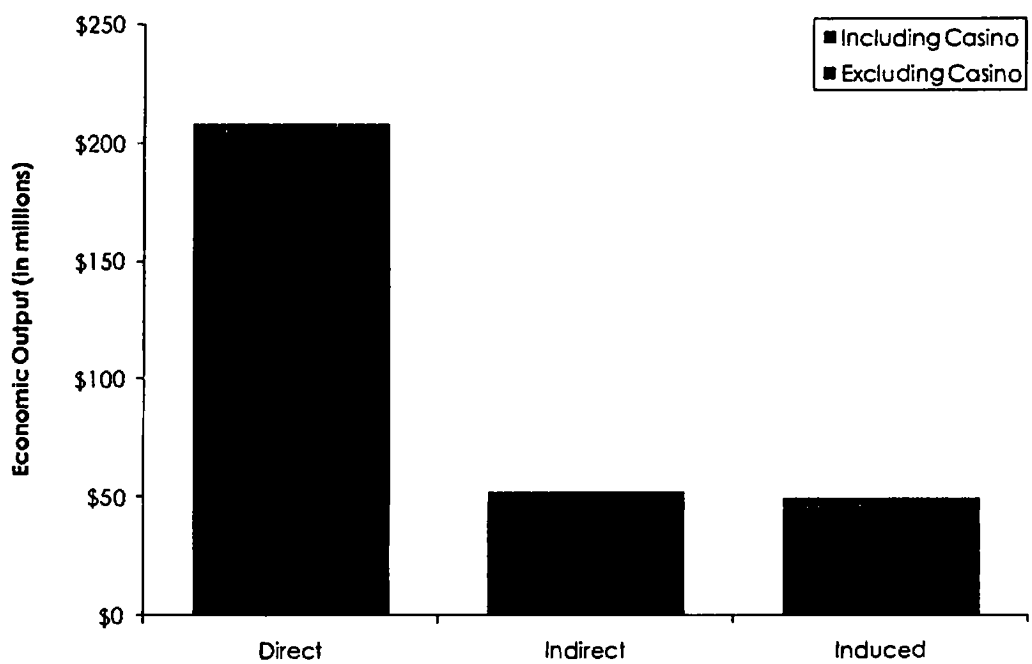


Exhibit 35: Construction Economic Output Impacts

Total Construction Costs = $208 million (excluding land and finance costs)
Aggregate Spending in Clark County = $309 million
For Every $1.00 Spent a Total of $1.49 Is Spent Throughout Clark County



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OPERATIONS PHASE

Exhibit 36
Operations Phase Impact Summary
(Annual Impacts; $ in Millions)

	Employment	Wage & Salary Payments	Economic Output
Proposed Development			
Direct			
Retail	505	$27	$52
Museum (Former Post Office)	89	$4	$17
Office	846	$35	$68
Hotel	199	$12	$25
Casino	256	$8	$43
Total	1,895	$85	$206
Indirect			
Retail	102	$4	$11
Museum (Former Post Office)	74	$3	$7
Office	190	$7	$18
Hotel	46	$2	$6
Casino	79	$4	$10
Total	492	$19	$51
Induced			
Retail	189	$7	$19
Museum (Former Post Office)	90	$3	$9
Office	255	$9	$26
Hotel	75	$3	$8
Casino	127	$5	$13
Total	736	$26	$76
Total			
Retail	796	$37	$83
Museum (Former Post Office)	253	$9	$33
Office	1,292	$51	$112
Hotel	320	$16	$39
Casino	462	$16	$66
Total	**3,123**	**$130**	**$333**

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Exhibit 37: Operations Employment Impacts

Total Clark County Impact = 1,895 Persons Employed Annually

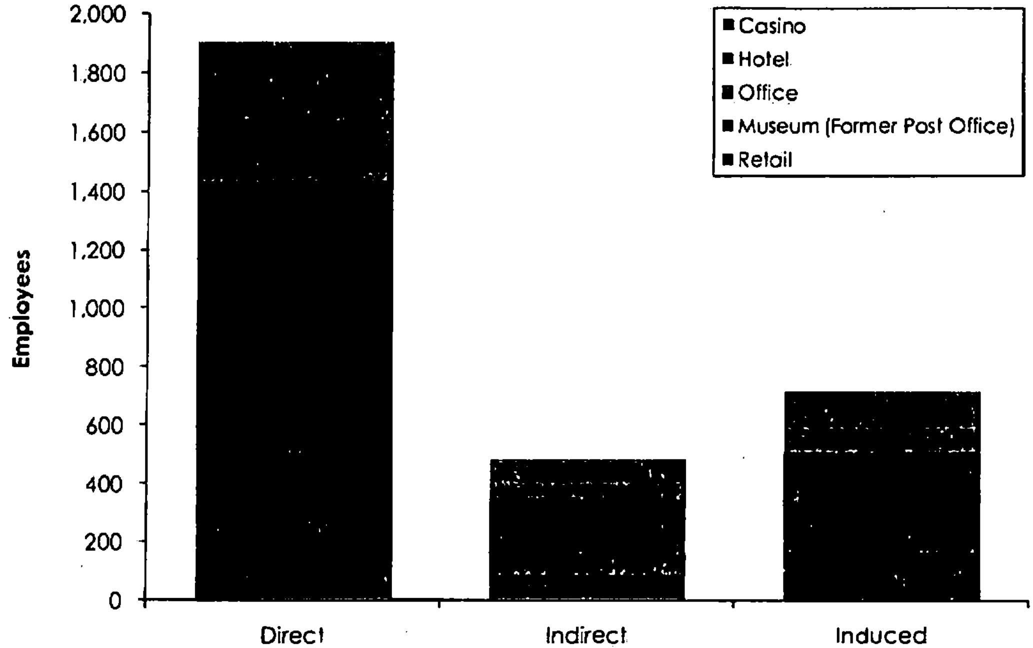

Exhibit 38: Operations Personal Income Impacts

Total Wages & Salaries Paid = $85 million

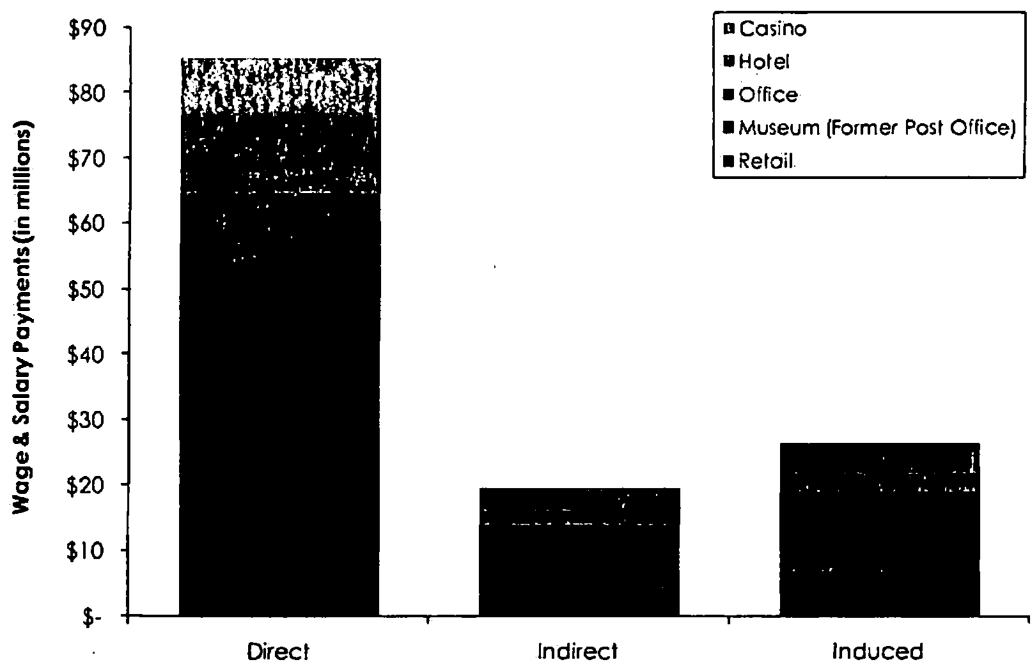

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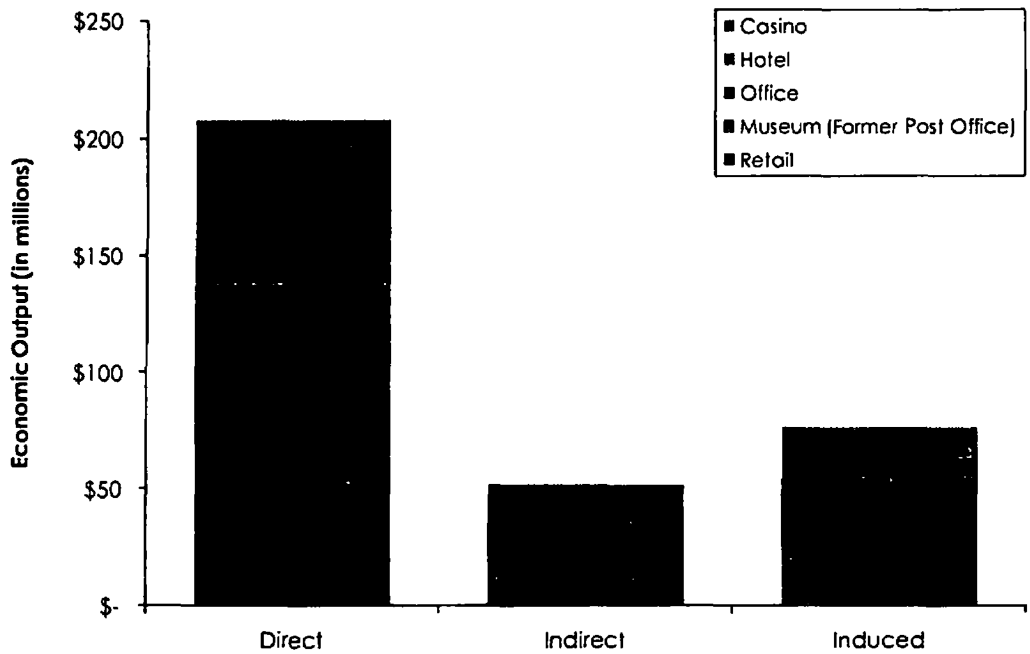
Exhibit 39: Economic Output Impacts

Direct Annual Economic Output = $206 million

Total Economic Annual Output = $333 million

For Every $1.00 Spent a Total of $1.62 Will Be Spent Throughout the Economy



INTENDED USE OF THIS STUDY

The objective of this analysis is to address three key specific requirements identified in *Chapter 271A – Tourism Improvements* of the Nevada Revised Statutes:

1. Will the Project and the financing thereof have a positive fiscal effect on the provision of local government services? *(addressing requirements outlined in NRS 271A.080.3(a) – (d))*

2. As a result of the Project, will retailers locate their businesses within the District and will there be a substantial increase in the proceeds from the sales and use taxes remitted by retailers within the District? (addressing requirements outlined in NRS 271A.080.6(a))

3. As a result of the Project, will the preponderance of the increase in proceeds from sales and use taxes be attributable to transactions with tourists who are not residents of the state of Nevada? (addressing requirements outlined in NRS 271A.080.6(b))

APPLIED ANALYSIS

PERTINENT DATES

Preparation of this written summary was completed on November 30, 2008. Generally speaking, the data referred to herein are as of October 2008, the most recent data available at the time this report was drafted.

EXTENT OF THE DATA COLLECTION PROCESS, MARKET RESEARCH, AND UNDERLYING ANALYSES

At the time this report was drafted, incomplete information was available regarding the programmed tenant mix and potential performance. As such, several assumptions were derived from publicly-available datasets to supplement our analysis. Note that totals may not sum due to rounding.

Included in this report is an overview and analysis of the potential economic and revenue impacts associated with the Mixed-Use Development in Las Vegas, Nevada after giving effect to the creation of the District. Data used in this analysis were obtained from the Company and third-party data providers, including state and local governments and agencies. While we have no reason to doubt the accuracy of the information referenced herein, we have neither audited these data nor performed thorough review and assurance procedures, and as such, AA can make no representations or assurances as their completeness or usefulness for all purposes.

AA was not retained to perform a market or financial feasibility study for the District. The analysis contained herein assumes that the construction and operation of the Mixed-Use Development is feasible, that sufficient demand exists to support the Mixed-Use Development as planned and management will be both competent and effective. Operational impacts assume stabilized performance in hypothetical future years. Unless stated otherwise all figures are expressed in constant 2008 dollars.

Fiscal estimates were developed by AA based on information available from public state and local sources, including, without limitation, the Nevada Department of Taxation, the Nevada State Gaming Control Board, the Clark County Assessor's Office, the Nevada Department of Employment, Training and Rehabilitation and Clark County. We have focused on the largest sources of revenue due to the volume and *de minimis* nature of minor sources.

January 16, 2009

City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101
Attn: City Council

Ladies and Gentlemen:

We (the "Developer") and you (the "City') have entered into a Disposition and Development Agreement dated July 2, 2008 (the "DDA"). Terms not otherwise defined herein have the meanings ascribed to them in the DDA.

The DDA concerns the development of certain parcels of land in the City, including the Lady Luck Site and certain of the properties situated in the area bounded by Casino Center Drive, U.S. Highway 95, 4th Street and Stewart Avenue (the area bounded by Casino Center Drive, U.S. Highway 95, 4th Street and Stewart Avenue is herein the "TID Site"). The Developer is requesting that the City form a Tourism Improvement District (the "TID") under Chapter 271A of Nevada Revised Statutes ("NRS") whose boundaries generally consist of the TID site. The purpose of this letter is to provide the City with certain information to assist it in making the findings it is required to make under Chapter 271A of NRS in order to form the TID.

Developer intends to proceed with the development of the Lady Luck Site and achieve the requirements of the Lady Luck Threshold in a timely fashion, so as to satisfy the condition precedent described in Section 8.02 of the DDA to acquisition of the ENA Conveyance Site.

In addition, Developer intends to proceed with the acquisition and development of the ENA Conveyance Site in a timely fashion, in the manner described in and in full compliance with the requirements of Section 8.04 of the DDA and Exhibit I thereto. That development is described as the "Mixed-Use Development" in the report entitled "*Proposed Tourism Improvement District, An Analysis of Selected Regulatory Requirements*" prepared by Applied Analysis, dated November 30, 2008.

Developer has the financial ability to carry out the development of the Lady Luck Site and the acquisition and development of the ENA Conveyance Site as described in the preceding two paragraphs, as further evidenced by the attached two "COMMITMENT TO FUND EQUITY AND MORTGAGE LOAN" letters from CIM Fund III, L.P. Developer and CIM Fund III L.P. have furnished information about

(i) the cost of the development of the Lady Luck Site and the acquisition and development of the ENA Conveyance Site as described in the preceding two paragraphs carrying and
(ii) their respective financial conditions that demonstrate the financial ability of the Developer and CIM Fund III, L.P. as described in this paragraph to Keyser Marston Associates, Attn. Timothy C. Kelly (the "Reviewer"). Developer understands that the

Reviewer will review this information and provide a statement to the City based on this information to assist the City in confirming the financial ability of Developer and CIM Fund III, L.P. to carry out the development of the Lady Luck Site and the acquisition and development of the ENA Conveyance Site as described in the preceding two paragraphs.

Nothing in this letter shall amend or waive any rights or responsibilities set forth in the DDA, or impose any additional obligations not expressly set forth in the DDA, and all such rights are reserved.

Thank you very much for your assistance on this project.

Sincerely,

CIM/LL Manager, LLC

By: ____________

Title: ~~Nicholas V. Morosoff~~ NKE

Secretary

cc: Office of Business & Development, Attn: Scott Adams, Director

CIM FUND III, L.P.

COMMITMENT TO FUND EQUITY AND MORTGAGE LOAN

January 16, 2009

CIM/LL Manager, LLC
6922 Hollywood Blvd., 9th Floor
Los Angeles, CA 90028

Re: Property Name: Lady Luck Hotel & Casino

Ladies and Gentlemen:

CIM Fund III, L.P. ("CIM FUND" or the "Lender") is pleased to issue this Commitment (this "Commitment") to CIM/LL Manager, LLC (the "Developer") to make (i) an equity contribution to Developer (the "Equity Contribution") and (ii) a first mortgage loan (the "Loan") to be secured by the property described in Exhibit A (the "Property") on the terms and conditions set forth herein, in Exhibits A and B attached hereto and made a part hereof and in the Final Approval Letter (defined below), if issued.

CIM FUND agrees to make, or cause to be made, the Equity Contribution and the Loan to an entity or entities primarily affiliated with the Developer (the "Borrower") provided that the items set forth below are satisfied.

CIM Fund's agreement to fund the Equity Contribution and the Loan is contingent upon its receipt and approval of the following:

1. The City of Las Vegas (the "City") shall not have improperly withheld issuance of any and all building permits (including without limitation excavation, grading and building permits, referred to collectively as the "Permits") required for the commencement and continuation of construction of the hotel and casino rehabilitation on the Property (the "Project"), and such issuance shall not be prevented or delayed by any moratorium on the issuance of any or all Permits.

2. The Title Company has irrevocably committed to issue a Lender's Title Policy.

3. Developer shall have obtained a take out commitment from a permanent lender reasonably acceptable to Lender in an amount no less than the amount of the Loan.

Notwithstanding anything contained in this Commitment to the contrary, under no circumstances shall Developer or Borrower be entitled to specific performance of this Commitment or any term or condition hereof. Developer specifically acknowledges for itself and on behalf of

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Borrower that it has an adequate remedy at law in the event of any breach of this Commitment by Lender.

This Commitment shall expire and be of no further force and effect on the Outside Closing Date (as defined in Exhibit A), by which time the Loan must be closed subject to all of the terms and conditions contained herein and in the Final Approval Letter, if issued.

The provisions of this Commitment cannot be waived or modified unless such waiver or modification is in writing and signed by both CIM FUND and the Developer. The Loan Commitment and related materials submitted to CIM FUND shall survive the issuance of this Commitment.

This Commitment may be executed in one or more counterparts each of which shall constitute an original document and all of which together shall constitute one document. Developer has executed this Commitment for itself and on behalf of Borrower, and there are no third party beneficiaries to this Commitment.

Your signature below will evidence your acceptance of the terms of this Commitment.

Very truly yours,

CIM FUND III, L.P.
by: CIM Fund III GP, LLC, its general partner

By: ______________________
Name: Avraham Shemesh
Title: Treasurer

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This Commitment is hereby
confirmed and accepted
as of JAN 21, 2009

CIM/LL Manager, LLC

By: ______________________
Name: **Nicholas V. Morosoff**
Title: **Secretary**

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EXHIBIT A

The Property

Name:	Lady Luck Hotel and Casino
Use:	Extensive rehabilitation of existing Lady Luck Hotel and Casino. Current improvements consist of 631 hotel rooms, 50,000 square feet of casino space and 22,000 square feet of retail space.
Land Area:	6.27 acres.
Approved Development Cost Estimate:	$117,821,075 (includes hard costs, plus soft costs equal to 20% of hard costs)
Equity Amount:	The excess of the Approved Development Cost Estimate over the Loan Amount
Loan Amount:	An amount of up to 60% of the Approved Development Cost Estimate.
Loan Term:	Five years from the first day of the first calendar month following the Closing Date, or such other term as agreed upon by Developer and Lender.
Interest Rate:	2.25% over the 90 day LIBOR rate, or such other interest rate as agreed upon by Developer and Lender. Interest on the Loan will be payable monthly in arrears and shall be computed on the basis of the actual number of days elapsed in the period for which such interest is payable by a daily rate based on a 360 day year.
Regularly Scheduled P&I Payment:	After the construction period, the regularly scheduled monthly principal and interest payment will be calculated by Lender based on a constant stream of level monthly payments of principal and interest which would be sufficient to fully amortize the Loan over thirty (30) years from the end of the construction period.

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EXHIBIT B

Summary of Terms

Borrower:	The borrower identified below (the "Borrower") will be a newly-formed, single purpose, bankruptcy remote entity including a managing member that is also a single purpose entity (Bankruptcy remote status will require a non-consolidation opinion and an independent director) formed exclusively for the purpose of owning and operating the Property which meets the requirements set forth on the BRE/SPE Addendum attached hereto.
Loan Constant:	The Loan Constant shall be (i) the sum of twelve (12) Regularly Scheduled P&I Payments divided by (ii) the Loan Amount.
Collateral:	First lien on the land and all improvements located at the property described in Exhibit A. First security assignment of all leases, rents and contracts affecting the Property. First lien on all personal property, fixtures and equipment of the Borrower on or used in connection with the Property.
Closing Date:	The Closing Date will be the date the Loan is actually funded, which shall occur on or before the Outside Closing Date.
Outside Closing Date:	December 31, 2010
Prepayment:	The Borrower may not prepay the Proposed Loan other than pursuant to the terms hereof.
Loan Documentation:	It is understood that the mortgage loan documents, including, but not limited to, the promissory note, mortgage and related collateral documents required by Lender (collectively, the "Loan Documents"), must be on Lender's forms without substantial changes to enable the Loan to be eligible for inclusion in a possible securitization pool. The Loan must meet standards for the commercial mortgage securitization market as determined by CIM FUND from time to time. Borrower and Developer must assure compliance in this regard.
Title Insurance Policy and Financing Statement Certificates:	Applicant shall deliver to Lender a preliminary title report and, at closing, a full-coverage mortgagee's title insurance policy, issued by Old RepublicTitle Company or another company approved by Lender together with such endorsements as may be required by Lender. The form and content of the title insurance policy shall be satisfactory to Lender. In addition, Applicant will deliver to Lender satisfactory judgement, tax lien, UCC and bankruptcy searches in those jurisdictions and against those individuals and entities required by Lender. Applicant shall pay all title insurance and search costs..
Recording Costs:	Borrower shall pay all recording costs, mortgage taxes, transfer taxes, intangible taxes, documentary stamps, filing fees and any other costs as may be necessary to effect the recording of the mortgage instrument, filing and recording of financing statements and recording of any other necessary instruments.

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Ongoing Escrow:	Starting on the Closing Date, Borrower shall deposit with Lender escrows to assure adequate accrual of funds to pay real estate taxes, insurance, ongoing maintenance reserves, and leasing commissions and tenant improvements, all in amounts deemed adequate by Lender, but not less than such minimum amounts as may be noted in Exhibit A.
Required Information:	Borrower or Developer shall provide all items outlined in (a) through (t) in the Commitment in form and substance satisfactory to Lender not less than five business days prior to the Rate Lock Date.
Current As-built Survey:	Borrower shall deliver to Lender a current as-built ALTA/ACSM survey of the Property, certified within 30 days of closing, with such detail as required by Lender. The survey must be prepared by a state-licensed surveyor and be acceptable to Lender in all respects. Borrower shall pay all survey costs.
Expenses:	Borrower and/or Developer shall pay expenses of closing the Loan including, but not limited to, Borrower's legal fees, CIM Fund's legal fees and expenses as described above, costs of all third party studies (including accounting, environmental, engineering and appraisal), title insurance costs and all recording and filing fees and taxes.
Secondary Financing:	No additional financing of any type will be allowed on the Property, the Borrower or constituent interests in the Borrower.
Reporting Requirements:	During the Loan Term, Borrower and all indemnitors and guarantors of the Loan shall keep adequate books and records of account in accordance with GAAP and furnish to Lender the following, all as more particularly set forth in the Loan Documents: (i) On a monthly basis, rent rolls and property operating statements for the immediately preceding month or such prior period as Lender shall require, or if the Loan has been securitized or sold as a whole loan by Lender, quarterly and annual rent rolls and property operating statements; (ii) annual property operating statements and operating budgets; (iii) quarterly and annual balance sheets and profit and loss statements for the Property; and (iv) such other additional financial and management information as Lender may require from time to time.
Assumability:	An assumption of the Loan will be permitted on a three-time basis after the first year of the Loan Term, on payment of a one percent (1%) fee for the first assumption and a one-half percent (0.5%) fee for the 2nd and 3rd assumptions, and subject to Lender's approval of the transferees. Not withstanding the above, an assumption will be permitted during the first 12

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months if the Borrower provides the Lender with 90 days written notice.

Sale of Loan or Securities:	In the event the Loan is securitized or sold as a whole loan, Borrower agrees to meet with representatives of the national credit rating agencies and prospective purchasers and investors to discuss the business and operations of the Property and to cooperate with the reasonable requests of such representatives, purchasers, investors and CIM FUND.
Indemnity and Guaranty:	The Loan Documents shall contain an environmental indemnity and a guaranty of recourse obligations from Borrower and Developer, each of which shall be satisfactory in all respects to CIM FUND.

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EXHIBIT C

SPE Addendum

CIM Fund's requirements for borrowing entity structures are set forth below.

A. SINGLE ASSET ENTITY ("SAE")

An SAE Borrower is a newly formed limited partnership, limited liability company or a corporation. The Borrower owns the encumbered real estate and incidental personal property necessary for the operation of such real estate. The CIM FUND mortgage is the Borrower's only debt (other than liabilities incurred by the Borrower in the ordinary course of its business that are related to the ownership of the real estate) and the Borrower agrees to the "separateness covenants" outlined in CIM Fund's standard mortgage. The separateness covenants must also be included in the Borrower's formation documents. On loans under $5 million, a single asset entity (SAE) is desired. For loans from $5 million up to $10 million, an SAE is required.

B. SINGLE PURPOSE ENTITY ("SPE")

An SPE will have one of two structures: (i) a limited partnership Borrower with a sole corporate general partner or (ii) a limited liability company Borrower with a sole corporate managing member. The Borrower meets all the requirements for an SAE above. In addition, the corporate general partner or managing member, as applicable, must in its formation documents agree to, among other things (a) the separateness covenants referred to above and (b) to limit its activities to the management of the Borrower. For loans from $10 million up to $15 million, an SPE is required.

C. BANKRUPTCY REMOTE SPE

A Borrower that is a bankruptcy remote, single purpose entity (SPE) meets all the requirements of an SPE above. In addition, (i) the corporate managing member or general partner must have at least one independent director, (ii) the unanimous consent of the directors is required for certain actions related to the general partner/managing member and Borrower which pertain to bankruptcy and other matters as set forth in the following paragraph and (iii) Borrower's counsel delivers a substantive non-consolidation opinion acceptable to CIM FUND.

The unanimous consent of the directors is required with respect to the general partner or managing member and the Borrower to (i) file, or consent to the filing of, a bankruptcy or insolvency petition or otherwise institute insolvency proceedings or otherwise seek relief under any laws relating to the relief from debts or the protection of debtors generally; (ii) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any other similar official for the general partner/managing member or the Borrower; (iii) make any assignment for the benefit of creditors of the general partner/managing member or the Borrower; or (iv) take any action in furtherance of any of the foregoing.

A bankruptcy remote SPE is required on all loans of $15 million and above.

D. SEPARATENESS COVENANTS

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The mortgage sets forth the separateness covenants agreed to by the Borrower and to the extent required and applicable, its general partner or managing member, in order to maintain its SPE status.

The Borrower covenants and agrees that it does not and shall not and further (A) if Borrower is a limited partnership, its corporate general partner does not and shall not or (B) if Borrower is a limited liability company, its corporate managing member does not and shall not:

1. engage in any business or activity other than the ownership, operation and maintenance of the property, and activities incidental thereto;

2. acquire or own any material assets other than (i) the property, and (ii) such incidental personal property as may be necessary for the operation of the property;

3. merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case lender's consent;

4. fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, and qualification to do business in the state where the property is located, if applicable, or without the prior written consent of lender, amend, modify, terminate or fail to comply with the provisions of Borrower's partnership agreement, article or certificate of incorporation, articles of organization or similar organizational documents, as the case may be;

5. own any subsidiary or make any investment in, any person or entity without the consent of lender;

6. commingle its assets with the assets of any of its members, general partners, affiliates, principals, or any other person or entity, nor fail to hold all of its assets in its own name;

7. incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the debt, except for trade payables in the ordinary course of its business of owning and operating the property, provided that such debt is not evidenced by a note and is paid when due;

8. become insolvent and fail to pay its debts and liabilities from its assets as the same shall become due;

9. fail to maintain its records, books of account and bank accounts separate and apart from those of the members, partners, principals and affiliates of Borrower, the affiliates of a member, partner or principal of Borrower, and any other person or entity;

10. enter into any contract or agreement with any member, general partner, principal or affiliate of Borrower, guarantor or indemnitor, or any member, general partner, principal or affiliate thereof, except upon terms and conditions that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than any member, general partner, principal or affiliate of the borrower, guarantor or indemnitor, or any member, general partner, principal or affiliate thereof;

11. seek the dissolution or winding up in whole, or in part, of Borrower;

12. fail to correct any known misunderstandings regarding the separate identity of Borrower;

13. hold itself out to be responsible for the debts of another person;

14. make any loans or advances to any third party, including any member, general partner, principal or affiliate of Borrower, or any member, general partner, principal or affiliate thereof, nor buy or hold evidence of indebtedness issued by any other person or entity (other than cash and investment-grade securities);

15. fail to file its own tax returns, not file a consolidated federal income tax return with any other entity;

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16. fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or person or to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that Borrower is responsible for the debts of any third party (including any member, general partner, principal or affiliate of Borrower, or any member, general partner, principal or affiliate thereof);

17. fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

18. share any common logo with or hold itself out as or be considered as a department or division of (i) any general partner, principal, member or affiliate of Borrower, (ii) any affiliate of a general partner, principal or member of Borrower, or (iii) any other person or entity;

19. fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other person or entity;

20. have its assets listed on the financial statement of any other entity;

21. fail to observe all applicable organizational formalities;

22. fail to pay the salaries of its own employees (if any) from its own funds;

23. fail to maintain a sufficient number of employees in light of its contemplated business operations;

24. fail to allocate fairly and reasonably any overhead expenses that are shared with an affiliate, including paying for office space and services performed by any employee of an affiliate;

25. fail to use separate stationery, invoices, and checks bearing its own name;

26. pledge its assets for the benefit of any other person or entity, other than, with respect to the Borrower, in connection with the mortgage loan;

27. [with respect to a bankruptcy remote SPE, fail at any time to have at least one independent director not at the time of initial appointment, or at any time while serving as a director of the general partner/managing member, and has not been at any time during the preceding five (5) years: (a) a stockholder, director (with the exception of serving as the Independent Director of the general partner/managing member), officer, employee, partner, attorney or counsel of the general partner/managing member, the Borrower or any affiliate of either of them; (b) a customer, supplier or other person who derives any of its purchases or revenues from its activities with the general partner/managing member, the Borrower or any affiliate of either of them; (c) a person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other person; or (d) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other person. (As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.)]

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CIM FUND III, L.P.

COMMITMENT TO FUND EQUITY AND MORTGAGE LOAN

January 16, 2009

CIM/LL Manager, LLC
6922 Hollywood Blvd., 9th Floor
Los Angeles, CA 90028

Re: Property Name: Las Vegas ENA Conveyance Site

Ladies and Gentlemen:

CIM Fund III, L.P. ("CIM FUND" or the "Lender") is pleased to issue this Commitment (this "Commitment") to CIM/LL Manager, LLC (the "Developer") to make (i) an equity contribution to Developer (the "Equity Contribution") and (ii) a first mortgage loan (the "Loan") to be secured by the property described in Exhibit A (the "Property") on the terms and conditions set forth herein, in Exhibits A and B attached hereto and made a part hereof and in the Final Approval Letter (defined below), if issued.

CIM FUND agrees to make, or cause to be made, the Equity Contribution and the Loan to an entity or entities primarily affiliated with the Developer (the "Borrower") provided that the items set forth below are satisfied.

CIM Fund's agreement to fund the Equity Contribution and the Loan is contingent upon its receipt and approval of the following:

1. The City of Las Vegas (the "City") shall have satisfied all Conditions Precedent to Developer's Purchase of the ENA Site, as defined in the Disposition Development Agreement between the City and the Developer, dated July 2, 2008 (the "DDA").

2. Developer, or any permitted nominee, assignee or successor in interest, shall have satisfied all Conditions Precedent to Developer's Purchase of ENA Conveyance Site, as defined in the DDA.

3. The City of Las Vegas (the "City") shall not have improperly withheld issuance of any and all building permits (including without limitation excavation, grading and building permits, referred to collectively as the "Permits") required for the commencement and continuation of construction of the mixed use project to be developed on the Property (the "Project"), and such issuance shall not be prevented or delayed by any moratorium on the issuance of any or all Permits.

4. The Title Company has irrevocably committed to issue a Lender's Title Policy.

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Borrower that it has an adequate remedy at law in the event of any breach of this Commitment by Lender.

This Commitment shall expire and be of no further force and effect on the Outside Closing Date (as defined in Exhibit A), by which time the Loan must be closed subject to all of the terms and conditions contained herein and in the Final Approval Letter, if issued.

The provisions of this Commitment cannot be waived or modified unless such waiver or modification is in writing and signed by both CIM FUND and the Developer. The Loan Commitment and related materials submitted to CIM FUND shall survive the issuance of this Commitment.

This Commitment may be executed in one or more counterparts each of which shall constitute an original document and all of which together shall constitute one document. Developer has executed this Commitment for itself and on behalf of Borrower, and there are no third party beneficiaries to this Commitment.

Your signature below will evidence your acceptance of the terms of this Commitment.

Very truly yours,

CIM FUND III, L.P.
by: CIM Fund III GP, LLC, its general partner

By: ______________________
Name: Avraham Shemesh
Title: Treasurer

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This Commitment is hereby
confirmed and accepted
as of JAN 21, 2009

CIM/LL Manager, LLC

By: ____________________
Name: **Nicholas V. Morosoff**
Title: **Secretary**

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EXHIBIT A

The Property

Name:	Las Vegas ENA Conveyance Site
Use:	Mixed Use Project including (a) 200,000 square feet of retail, (b) 142,500 square feet of office, (c) a 500 room hotel, and (d) up to 30,000 square feet of gaming.
Land Area:	5.49 acres.
Approved Development Cost Estimate:	$311,939,377 (includes land acquisition, hard costs, plus soft costs equal to 20% of hard costs)
Equity Amount:	The excess of the Approved Development Cost Estimate over the Loan Amount.
Loan Amount:	An amount of up to 60% of the Approved Development Cost Estimate.
Loan Term:	Five years from the first day of the first calendar month following the Closing Date, or such other term as agreed upon by Developer and Lender.
Interest Rate:	2.25% over the 90 day LIBOR rate, or such other interest rate as agreed upon by Developer and Lender. Interest on the Loan will be payable monthly in arrears and shall be computed on the basis of the actual number of days elapsed in the period for which such interest is payable by a daily rate based on a 360 day year.
Regularly Scheduled P&I Payment:	After the construction period, the regularly scheduled monthly principal and interest payment will be calculated by Lender based on a constant stream of level monthly payments of principal and interest which would be sufficient to fully amortize the Loan over thirty (30) years from the end of the construction period.

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EXHIBIT B

Summary of Terms

Borrower:	The borrower identified below (the "Borrower") will be a newly-formed, single purpose, bankruptcy remote entity including a managing member that is also a single purpose entity (Bankruptcy remote status will require a non-consolidation opinion and an independent director) formed exclusively for the purpose of owning and operating the Property which meets the requirements set forth on the BRE/SPE Addendum attached hereto.
Loan Constant:	The Loan Constant shall be (i) the sum of twelve (12) Regularly Scheduled P&I Payments divided by (ii) the Loan Amount.
Collateral:	First lien on the land and all improvements located at the property described in Exhibit A. First security assignment of all leases, rents and contracts affecting the Property. First lien on all personal property, fixtures and equipment of the Borrower on or used in connection with the Property.
Closing Date:	The Closing Date will be the date the Loan is actually funded, which shall occur on or before the Outside Closing Date.
Outside Closing Date:	June 2, 2015
Prepayment:	The Borrower may not prepay the Proposed Loan other than pursuant to the terms hereof.
Loan Documentation:	It is understood that the mortgage loan documents, including, but not limited to, the promissory note, mortgage and related collateral documents required by Lender (collectively, the "Loan Documents"), must be on Lender's forms without substantial changes to enable the Loan to be eligible for inclusion in a possible securitization pool. The Loan must meet standards for the commercial mortgage securitization market as determined by CIM FUND from time to time. Borrower and Developer must assure compliance in this regard.
Title Insurance Policy and Financing Statement Certificates:	Applicant shall deliver to Lender a preliminary title report and, at closing, a full-coverage mortgagee's title insurance policy, issued by Old RepublicTitle Company or another company approved by Lender together with such endorsements as may be required by Lender. The form and content of the title insurance policy shall be satisfactory to Lender. In addition, Applicant will deliver to Lender satisfactory judgement, tax lien, UCC and bankruptcy searches in those jurisdictions and against those individuals and entities required by Lender. Applicant shall pay all title insurance and search costs. .
Recording Costs:	Borrower shall pay all recording costs, mortgage taxes, transfer taxes, intangible taxes, documentary stamps, filing fees and any other costs as may be necessary to effect the recording of the mortgage instrument, filing and recording of financing statements and recording of any other necessary

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instruments.

Ongoing Escrow:	Starting on the Closing Date, Borrower shall deposit with Lender escrows to assure adequate accrual of funds to pay real estate taxes, insurance, ongoing maintenance reserves, and leasing commissions and tenant improvements, all in amounts deemed adequate by Lender, but not less than such minimum amounts as may be noted in Exhibit A.
Required Information:	Borrower or Developer shall provide all items outlined in (a) through (t) in the Commitment in form and substance satisfactory to Lender not less than five business days prior to the Rate Lock Date.
Current As-built Survey:	Borrower shall deliver to Lender a current as-built ALTA/ACSM survey of the Property, certified within 30 days of closing, with such detail as required by Lender. The survey must be prepared by a state-licensed surveyor and be acceptable to Lender in all respects. Borrower shall pay all survey costs.
Expenses:	Borrower and/or Developer shall pay expenses of closing the Loan including, but not limited to, Borrower's legal fees, CIM Fund's legal fees and expenses as described above, costs of all third party studies (including accounting, environmental, engineering and appraisal), title insurance costs and all recording and filing fees and taxes.
Secondary Financing:	No additional financing of any type will be allowed on the Property, the Borrower or constituent interests in the Borrower.
Reporting Requirements:	During the Loan Term, Borrower and all indemnitors and guarantors of the Loan shall keep adequate books and records of account in accordance with GAAP and furnish to Lender the following, all as more particularly set forth in the Loan Documents: (i) On a monthly basis, rent rolls and property operating statements for the immediately preceding month or such prior period as Lender shall require, or if the Loan has been securitized or sold as a whole loan by Lender, quarterly and annual rent rolls and property operating statements; (ii) annual property operating statements and operating budgets; (iii) quarterly and annual balance sheets and profit and loss statements for the Property; and (iv) such other additional financial and management information as Lender may require from time to time.
Assumability:	An assumption of the Loan will be permitted on a three-time basis after the first year of the Loan Term, on payment of a one percent (1%) fee for the first assumption and a one-half percent (0.5%) fee for the 2nd and 3rd assumptions, and subject to Lender's approval of the transferees. Not

withstanding the above, an assumption will be permitted during the first 12 months if the Borrower provides the Lender with 90 days written notice.

Sale of Loan or Securities:	In the event the Loan is securitized or sold as a whole loan, Borrower agrees to meet with representatives of the national credit rating agencies and prospective purchasers and investors to discuss the business and operations of the Property and to cooperate with the reasonable requests of such representatives, purchasers, investors and CIM FUND.
Indemnity and Guaranty:	The Loan Documents shall contain an environmental indemnity and a guaranty of recourse obligations from Borrower and Developer, each of which shall be satisfactory in all respects to CIM FUND.

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EXHIBIT C

SPE Addendum

CIM Fund's requirements for borrowing entity structures are set forth below.

A. SINGLE ASSET ENTITY ("SAE")

An SAE Borrower is a newly formed limited partnership, limited liability company or a corporation. The Borrower owns the encumbered real estate and incidental personal property necessary for the operation of such real estate. The CIM FUND mortgage is the Borrower's only debt (other than liabilities incurred by the Borrower in the ordinary course of its business that are related to the ownership of the real estate) and the Borrower agrees to the "separateness covenants" outlined in CIM Fund's standard mortgage. The separateness covenants must also be included in the Borrower's formation documents. On loans under $5 million, a single asset entity (SAE) is desired. For loans from $10 million up to $10 million, an SAE is required.

B. SINGLE PURPOSE ENTITY ("SPE")

An SPE will have one of two structures: (i) a limited partnership Borrower with a sole corporate general partner or (ii) a limited liability company Borrower with a sole corporate managing member. The Borrower meets all the requirements for an SAE above. In addition, the corporate general partner or managing member, as applicable, must in its formation documents agree to, among other things (a) the separateness covenants referred to above and (b) to limit its activities to the management of the Borrower. For loans from $10 million up to $15 million, an SPE is required.

C. BANKRUPTCY REMOTE SPE

A Borrower that is a bankruptcy remote, single purpose entity (SPE) meets all the requirements of an SPE above. In addition, (i) the corporate managing member or general partner must have at least one independent director, (ii) the unanimous consent of the directors is required for certain actions related to the general partner/managing member and Borrower which pertain to bankruptcy and other matters as set forth in the following paragraph and (iii) Borrower's counsel delivers a substantive non-consolidation opinion acceptable to CIM FUND.

The unanimous consent of the directors is required with respect to the general partner or managing member and the Borrower to (i) file, or consent to the filing of, a bankruptcy or insolvency petition or otherwise institute insolvency proceedings or otherwise seek relief under any laws relating to the relief from debts or the protection of debtors generally; (ii) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any other similar official for the general partner/managing member or the Borrower; (iii) make any assignment for the benefit of creditors of the general partner/managing member or the Borrower; or (iv) take any action in furtherance of any of the foregoing.

A bankruptcy remote SPE is required on all loans of $15 million and above.

D. SEPARATENESS COVENANTS

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The mortgage sets forth the separateness covenants agreed to by the Borrower and to the extent required and applicable, its general partner or managing member, in order to maintain its SPE status.

The Borrower covenants and agrees that it does not and shall not and further (A) if Borrower is a limited partnership, its corporate general partner does not and shall not or (B) if Borrower is a limited liability company, its corporate managing member does not and shall not:

1. engage in any business or activity other than the ownership, operation and maintenance of the property, and activities incidental thereto;

2. acquire or own any material assets other than (i) the property, and (ii) such incidental personal property as may be necessary for the operation of the property;

3. merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case lender's consent;

4. fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, and qualification to do business in the state where the property is located, if applicable, or without the prior written consent of lender, amend, modify, terminate or fail to comply with the provisions of Borrower's partnership agreement, article or certificate of incorporation, articles of organization or similar organizational documents, as the case may be;

5. own any subsidiary or make any investment in, any person or entity without the consent of lender;

6. commingle its assets with the assets of any of its members, general partners, affiliates, principals, or any other person or entity, nor fail to hold all of its assets in its own name;

7. incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the debt, except for trade payables in the ordinary course of its business of owning and operating the property, provided that such debt is not evidenced by a note and is paid when due;

8. become insolvent and fail to pay its debts and liabilities from its assets as the same shall become due;

9. fail to maintain its records, books of account and bank accounts separate and apart from those of the members, partners, principals and affiliates of Borrower, the affiliates of a member, partner or principal of Borrower, and any other person or entity;

10. enter into any contract or agreement with any member, general partner, principal or affiliate of Borrower, guarantor or indemnitor, or any member, general partner, principal or affiliate thereof, except upon terms and conditions that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than any member, general partner, principal or affiliate of the borrower, guarantor or indemnitor, or any member, general partner, principal or affiliate thereof;

11. seek the dissolution or winding up in whole, or in part, of Borrower;

12. fail to correct any known misunderstandings regarding the separate identity of Borrower;

13. hold itself out to be responsible for the debts of another person;

14. make any loans or advances to any third party, including any member, general partner, principal or affiliate of Borrower, or any member, general partner, principal or affiliate thereof, nor buy or hold evidence of indebtedness issued by any other person or entity (other than cash and investment-grade securities);

15. fail to file its own tax returns, not file a consolidated federal income tax return with any other entity;

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16. fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or person or to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that Borrower is responsible for the debts of any third party (including any member, general partner, principal or affiliate of Borrower, or any member, general partner, principal or affiliate thereof);

17. fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

18. share any common logo with or hold itself out as or be considered as a department or division of (i) any general partner, principal, member or affiliate of Borrower, (ii) any affiliate of a general partner, principal or member of Borrower, or (iii) any other person or entity;

19. fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other person or entity;

20. have its assets listed on the financial statement of any other entity;

21. fail to observe all applicable organizational formalities;

22. fail to pay the salaries of its own employees (if any) from its own funds;

23. fail to maintain a sufficient number of employees in light of its contemplated business operations;

24. fail to allocate fairly and reasonably any overhead expenses that are shared with an affiliate, including paying for office space and services performed by any employee of an affiliate;

25. fail to use separate stationery, invoices, and checks bearing its own name;

26. pledge its assets for the benefit of any other person or entity, other than, with respect to the Borrower, in connection with the mortgage loan;

27. [with respect to a bankruptcy remote SPE, fail at any time to have at least one independent director not at the time of initial appointment, or at any time while serving as a director of the general partner/managing member, and has not been at any time during the preceding five (5) years: (a) a stockholder, director (with the exception of serving as the Independent Director of the general partner/managing member), officer, employee, partner, attorney or counsel of the general partner/managing member, the Borrower or any affiliate of either of them; (b) a customer, supplier or other person who derives any of its purchases or revenues from its activities with the general partner/managing member, the Borrower or any affiliate of either of them; (c) a person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other person; or (d) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other person. (As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.)]

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KEYSER MARSTON ASSOCIATES.

ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

To: Scott Auyong, Office of Business Development
City of Las Vegas

From: Keyser Marston Associates, Inc.

Date: January 27, 2009

Subject: Evidence of Financing - CIM Development of Lady Luck Site and ENA Conveyance Site

The City of Las Vegas has entered into a Disposition and Development Agreement (DDA) dated July 2, 2008 with the CIM/LL Manager, LLC (the "Developer") that assumes that the Developer would have the financial ability to carry out the development of the Lady Luck Site as described in the DDA and to carry out the acquisition and development of the ENA Conveyance Site as described in the DDA and the report entitled "*Proposed Tourism Improvement District, An Analysis of Selected Regulatory Requirements*" prepared by Applied Analysis, dated November 30, 2008 (the "Report"). The City has requested that Keyser Marston Associates, Inc. (KMA) confirm that the Developer has the financial ability to carry out the development Lady Luck Site as described in the DDA and development of the ENA Conveyance Site as described in the DDA and the Report (collectively, the Projects") based on the information provided by the Developer, including commitment letters dated January 16, 2009 for financing for the Developer from CIM Fund III, L.P. (the "Fund"), audited financial statements of the Fund, and other financial information provided by the Developer and the Fund. Pursuant the City's request, KMA has reviewed this information from the Developer and the Fund.

REVIEW OF FINANCING

The Developer has indicated that it will utilize financing from the Fund for the initial activities for the development of the Projects and then will obtain construction financing for some or most of the development activities. The Developer has represented, however, that it has sufficient funds available from the Fund to undertake the development of the Projects without construction financing, subject to the conditions in the commitment letters. Project development costs could amount up to $117,820,000 for the Lady Lucky Site development and $311,940,000 for the ENA Conveyance Site development, totaling up to $429,760,000, based on conceptual construction estimates obtained by the Developer from third party construction estimators and contractors.

KMA has reviewed portions of the Independent Auditors Report prepared by Deloitte & Touche for the Fund for 2007, and internal CIM communication that indicate the status of funds and commitments through the end of 2008.

CONCLUSION

Based on the information that KMA has reviewed, it appears that the Developer has access to sufficient funds from the Fund to undertake development of the Projects as described in the DDA and the Report.

Memorandum

City of Las Vegas
Office of Business Development

To: Elizabeth N. Fretwell, City Manager

Via: Scott Adams, Director

Via: Steve van Gorp, Deputy Director

From: Scott Auyong, Sr. Economic Development Officer

Date: January 22, 2009

Re: Section 7.01(c) and (d) - Resolution of Encumbrances

Disposition and Development Agreement between the City and CIM LL Manager, LLC dated July 2, 2007 (DDA)

In accordance with the terms of Sections 7.01(c) and (d) of the DDA, City and CIM staff have been working to effectuate the ENA Site Land Assemblage. As described in the DDA, the ENA Site Land Assemblage is dependent on resolution of the following issues:

I. Removal of Existing Encumbrances on the ENA Site

As you are aware, the ENA Site is encumbered by grant deed covenants in favor of the National Park Service (NPS) and State Historic Preservation Office (SHPO). The City and CIM have collaborated to prepare a master plan and narrative for the proposed development of the ENA Site (Master Plan) in order to initiate discussions with the NPS and SHPO for their approval to remove or modify the grant deed covenants. As such, the City is currently in the process of transmitting the Master Plan to NPS and SHPO, as well as, scheduling a subsequent meeting sometime this month to discuss the Master Plan with NPS and SHPO.

Based on previous discussions with NPS and SHPO, as well as, the opinion of the City's historic preservation consultant, City staff believes that either the removal or modification of the grant deed covenants will eventually (but during the time frame contemplated by the DDA) be granted by NPS and SHPO.

The northern most portion of the ENA Site (NDOT Land) is leased to the City by the Nevada Department of Transportation (NDOT) and the steps being taken to remove the NDOT encumbrance are described in Section II below.

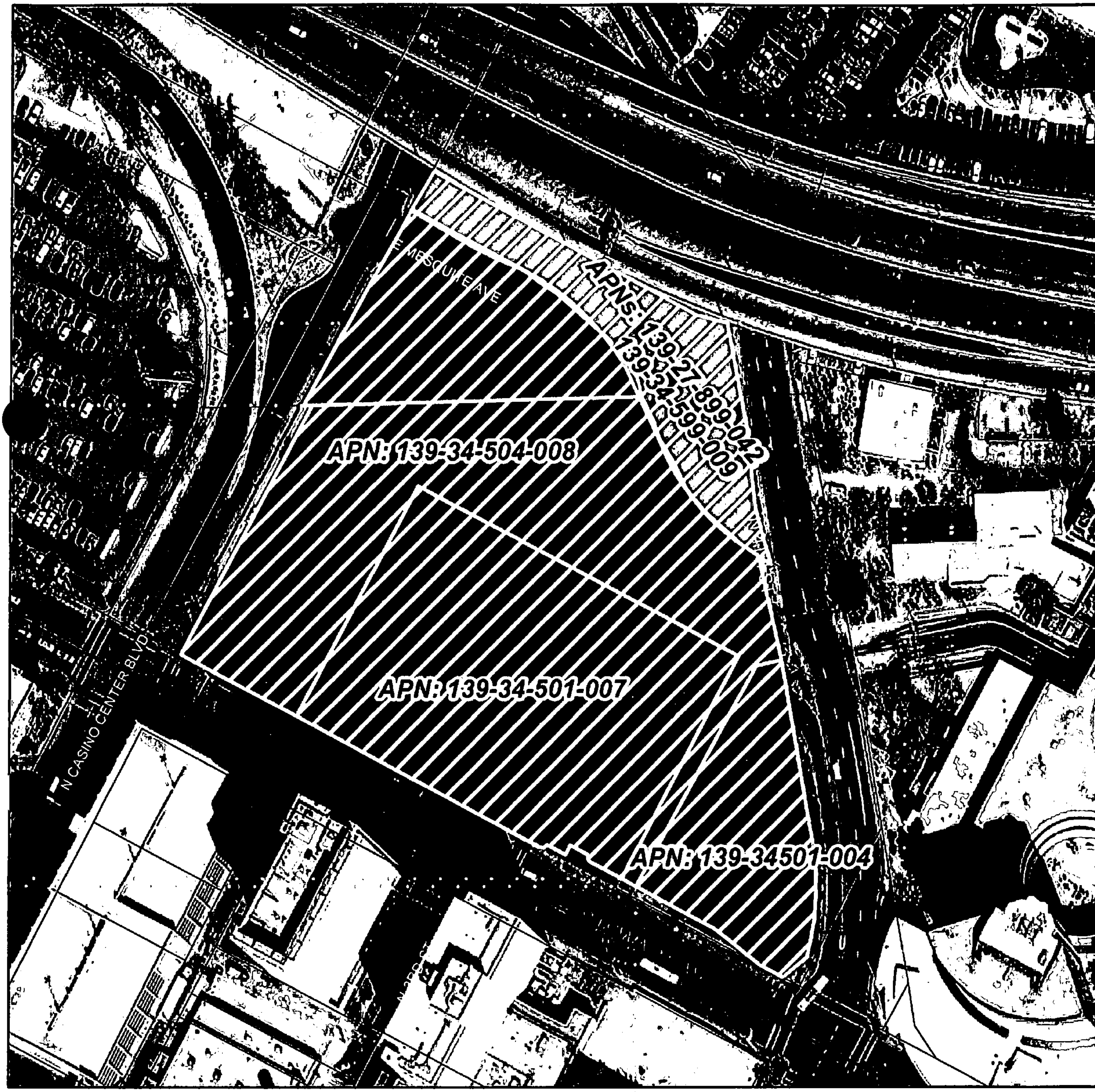
II. Secure the transfer of the NDOT Land

The City is currently negotiating with the Nevada Department of Transportation (NDOT) on terms of an agreement to swap roadway maintenance responsibilities (Swap Agreement) for various local streets. Under the proposed Swap Agreement, the City would assume maintenance responsibilities for more roadway lane-miles than it would swap to NDOT. As compensation for assuming maintenance responsibilities for more roadway lane-miles than it would swap to NDOT, the City plans to negotiate with NDOT for the transfer of ownership to the City of various NDOT land parcels (including the NDOT Land). These negotiations with NDOT are on-going and a follow-up meeting is planned to occur sometime in the next few weeks.

City staff believes that negotiations to transfer ownership of the NDOT Land to the City will eventually (but during the time frame contemplated by the DDA) be granted by NDOT as part of the Swap Agreement.

Should you have any questions, please contact me directly at Ext. 6367.

Site Map



Legend

TID (Proposed)

NDOT

City Owned

0 70 140 280 Feet

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
Planning & Development Dept
702-229-6301

TOURISM IMPROVEMENT DISTRICT (TID) OVERVIEW

- Allows a City or County to retain up to 75% of mandatory sales and use tax proceeds generated within a District.

- Proceeds can be used to acquire, improve, equip, operate and maintain a Project within the District.

2-4-09 #51

TOURISM IMPROVEMENT DISTRICT (TID) OVERVIEW

Eligible "Projects" include:

- Art projects
- Tourism and entertainment projects
- Sports stadiums
- Any property suitable for retail, tourism or entertainment purposes

REQUIRED FINDINGS TO FORM A TID

The law requires that the Project have a positive fiscal effect on local government services and the following findings must be made:

Increase Finding: As a result of the Project retailers will locate their businesses in the District AND there will be a substantial increase in proceeds from sales and use taxes within the District.

REQUIRED FINDINGS TO FORM A TID

Preponderance Finding: A preponderance of proceeds from sales and use taxes will be attributable to transactions with tourists who are not residents of the State of Nevada.

TID FORMATION PROCESS

- City Council Resolution of Intent to form TID
  - Analysis of fiscal effect of the Project and use of funds sent to Board of County Commissioners and Clark County School District Board of Trustees

- School District Trustees and County Commissioners hold hearings to consider and comment on fiscal effect *(Note: County Hearing Optional)*

TID FORMATION PROCESS

- City Council makes Increase Finding and Preponderance Finding (May 6, 2009)
- Nevada Commission on Tourism holds hearing to make Preponderance Finding
- Governor considers fiscal effects of pledge of money on educational funding

TID FORMATION PROCESS

- City Creates Ordinance

    - City Council must determine that no retailers have maintained a fixed place of business in the District within 120 days of creation of TID

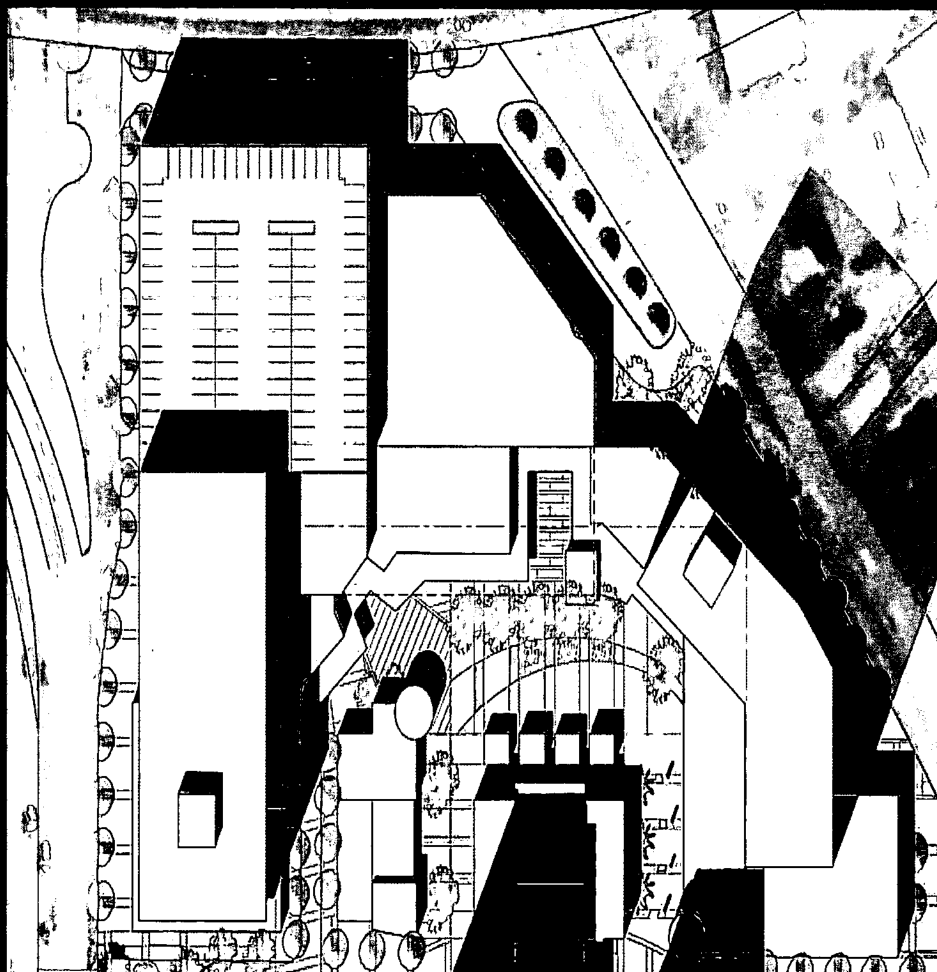
- City Council and State Department of Taxation enter into agreement specifying dates and procedure for distribution of pledged proceeds.

PROPOSED TID BOUNDARIES

PROPOSED DEVELOPMENT PROGRAM

- Anchored by Las Vegas Museum of Law Enforcement and Organized Crime
- Retail and entertainment-oriented mixed-use development
  - 200,000 sq. ft. retail
  - 150,000 sq. ft. office
  - 500 room hotel
  - Potential Casino

PROPOSED DEVELOPMENT PROGRAM



- Vibrant public plaza
- Public parking garage
- Enhanced streetscape to promote pedestrian activity

USE OF TID FUNDS

Public Infrastructure Improvements in the District

- Parking Structure
- Public Plaza
- Street Improvements

<u>No</u> TID Funds will go towards private development

USE OF TID FUNDS

- Under their Disposition & Development Agreement, CIM must spend $100 Million on Lady Luck renovations to gain a purchase option for the site surrounding the Post Office

- No TIF or TID funds will go toward the Lady Luck

- No TIF or TID funds will go toward normal developer required improvements

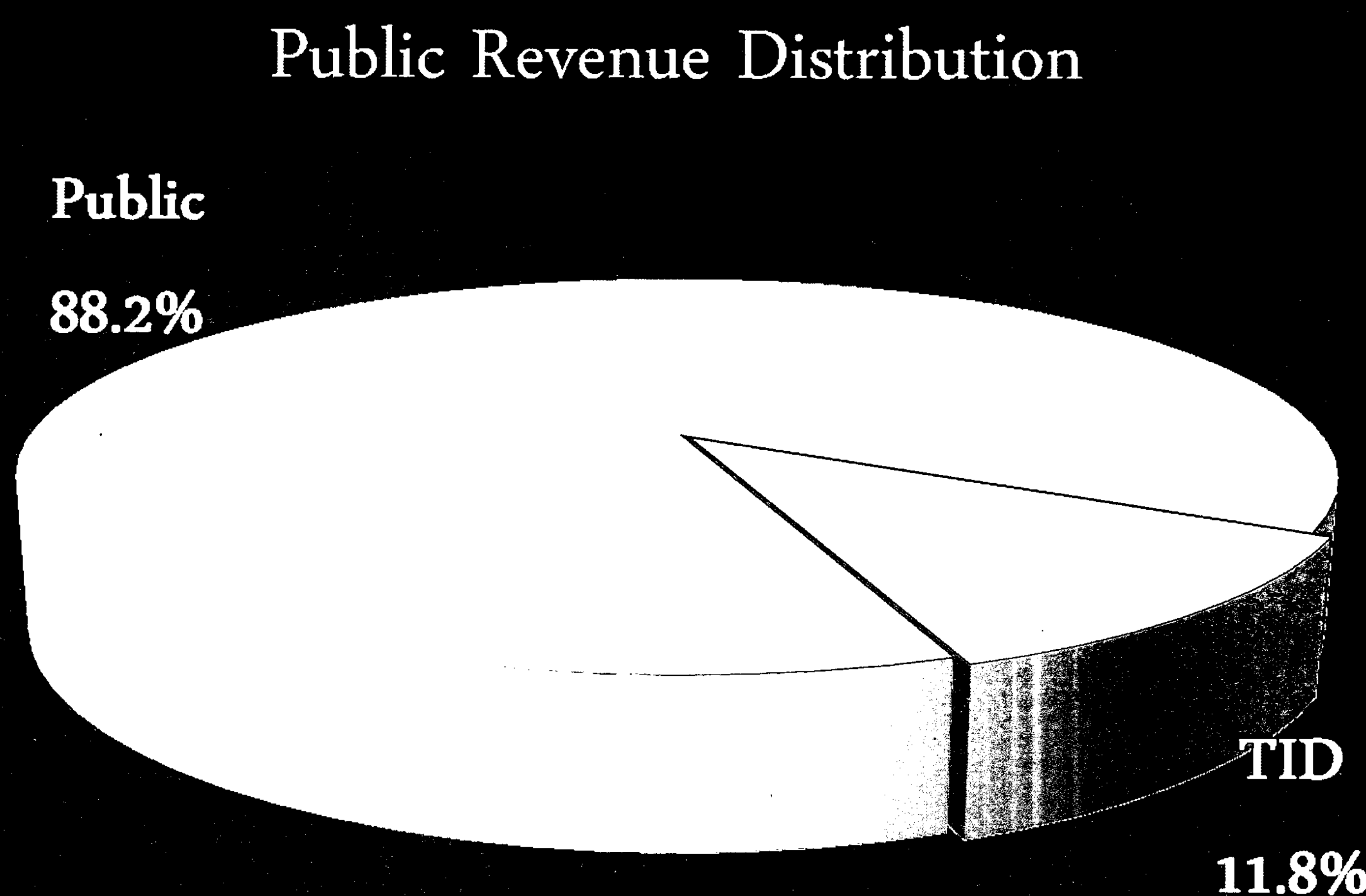
FISCAL EFFECT: REVENUES

Development in TID expected to generate $26.1 million in annual public revenue.

- Approximately 88.2% ($23.1 million) will be distributed to various public entities as required by law

- Approximately 11.8% ($3.1 million) of annual revenue will be invested in public infrastructure within the District

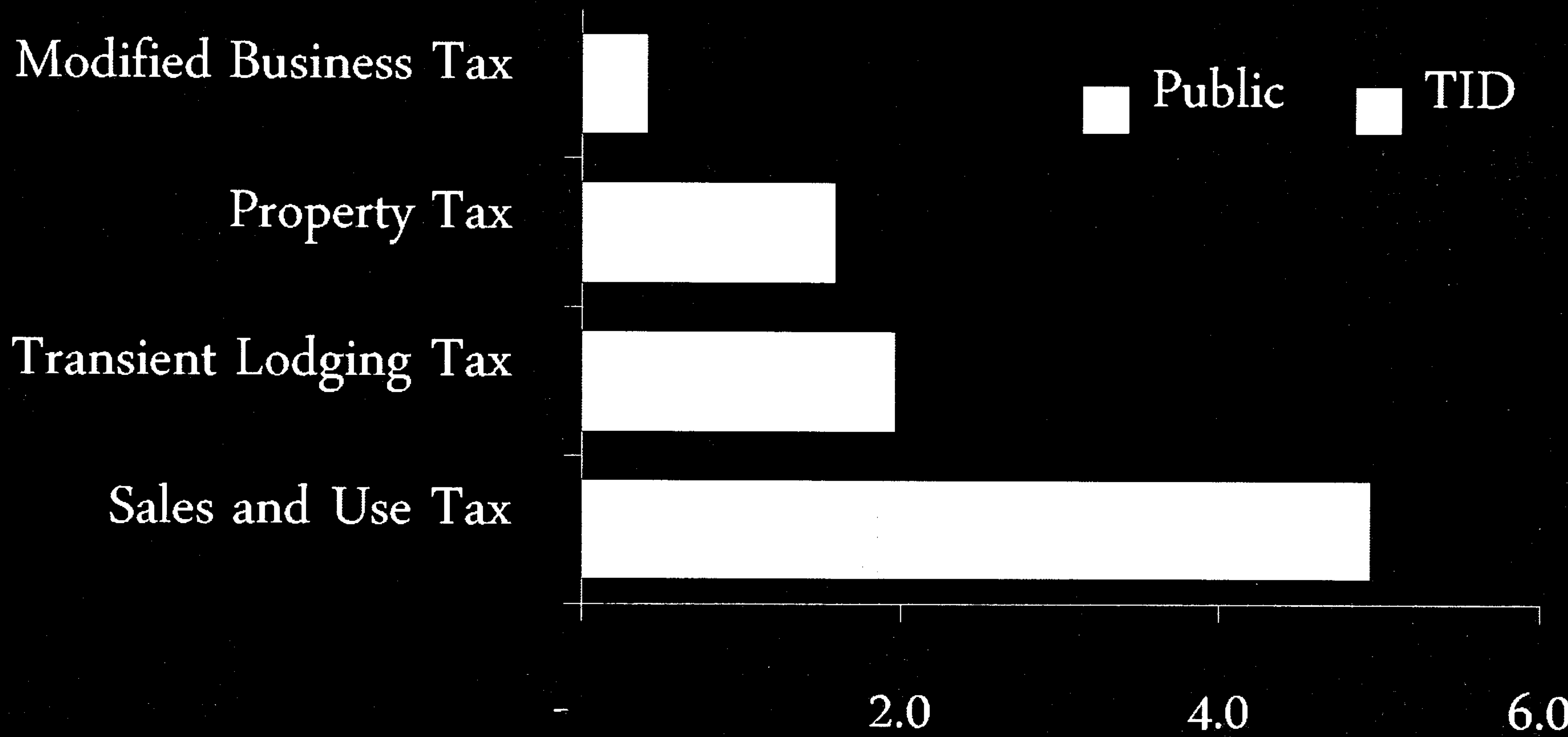
FISCAL EFFECT: REVENUES



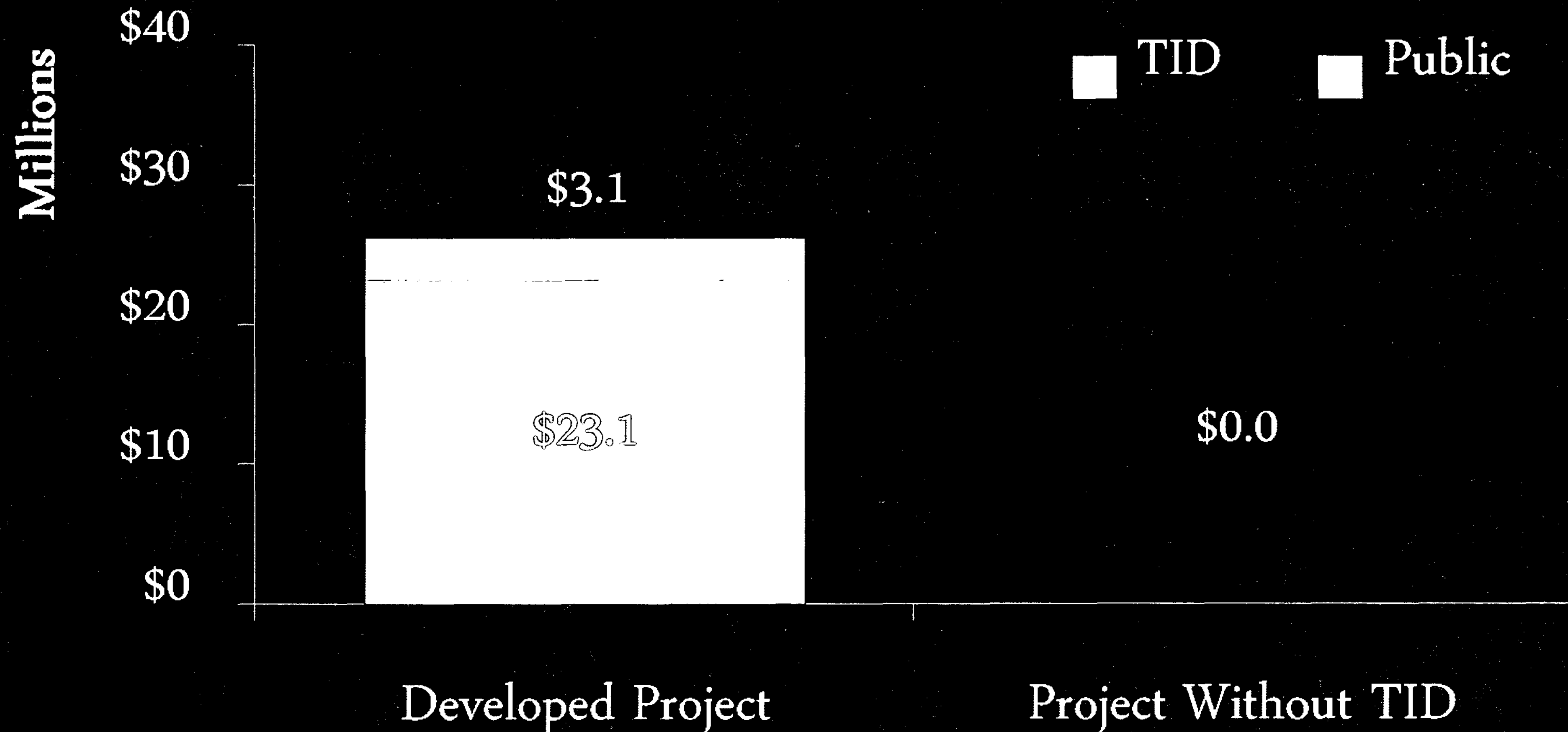
FISCAL EFFECT: EXPENSES

- Total incremental expenditures of $17.6 million as a result of TID development
- Net Fiscal Benefit: $5.4 Million per year

FISCAL EFFECT: ALLOCATION OF PUBLIC FUNDS BY SOURCE (in $ millions)



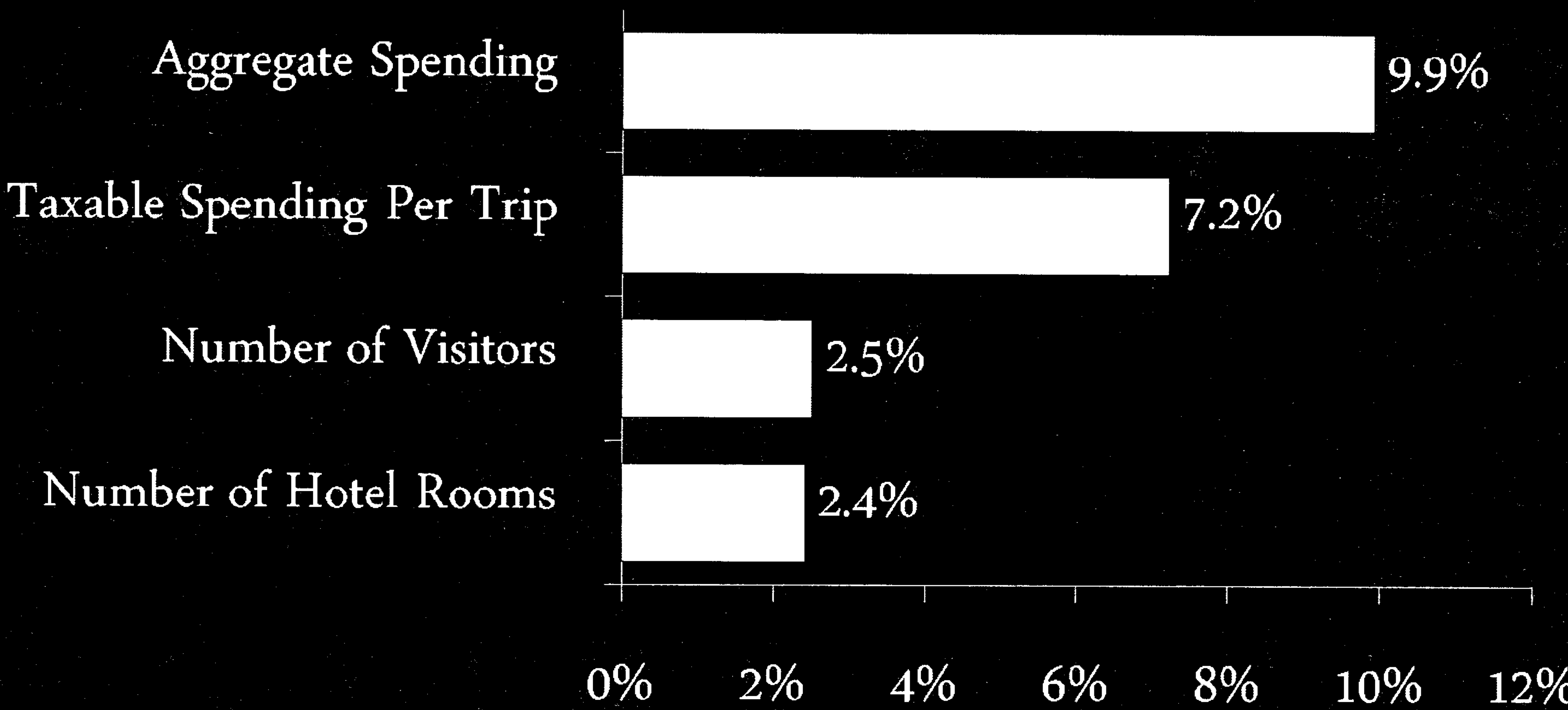
FISCAL EFFECT: PUBLIC REVENUE IMPACT BY SCENARIO



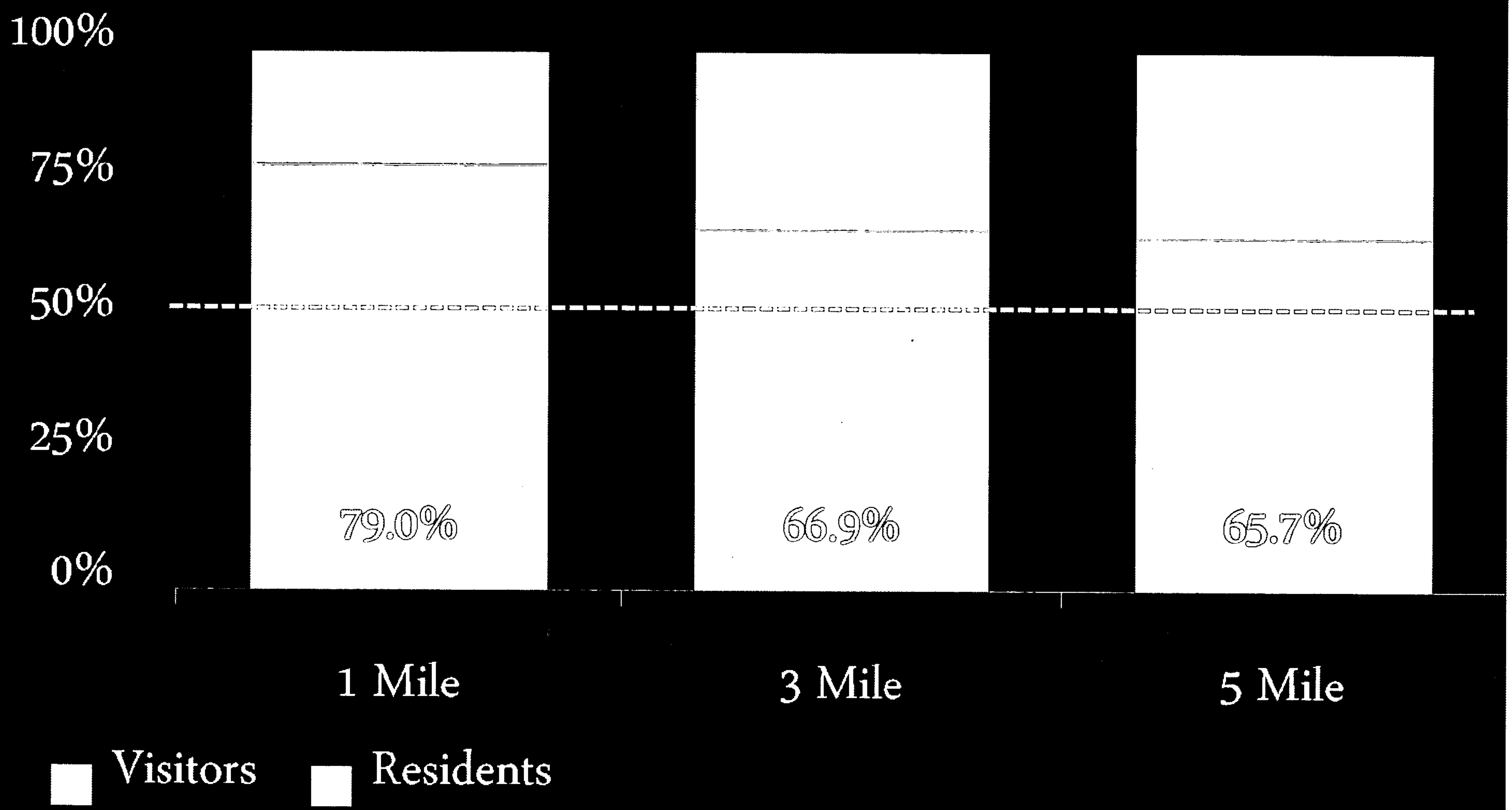
IMPACT ON SURROUNDING RETAILERS

- Unlike traditional retail developers, CIM's approach to investing seeks to add - value by improving entire urban districts
- The proposed Development will provide a new kind of retail/entertainment project in the Las Vegas area – minimizing the impact on existing retailers
- Historically, investments within the Las Vegas market have tended to expand the market rather than cannibalize consumer spending within the market

IMPACT ON SURROUNDING RETAILERS



PREPONDERANCE OF RETAIL SALES BY NON-NEVADA VISITORS



ADDITIONAL BENEFITS OF DEVELOPMENT

Development and construction (one-time impact)

- 1,835 total jobs (1,031 direct jobs)
- $66 million in wages ($44 million in direct wages)
- $283 million in economic output ($191 million direct)

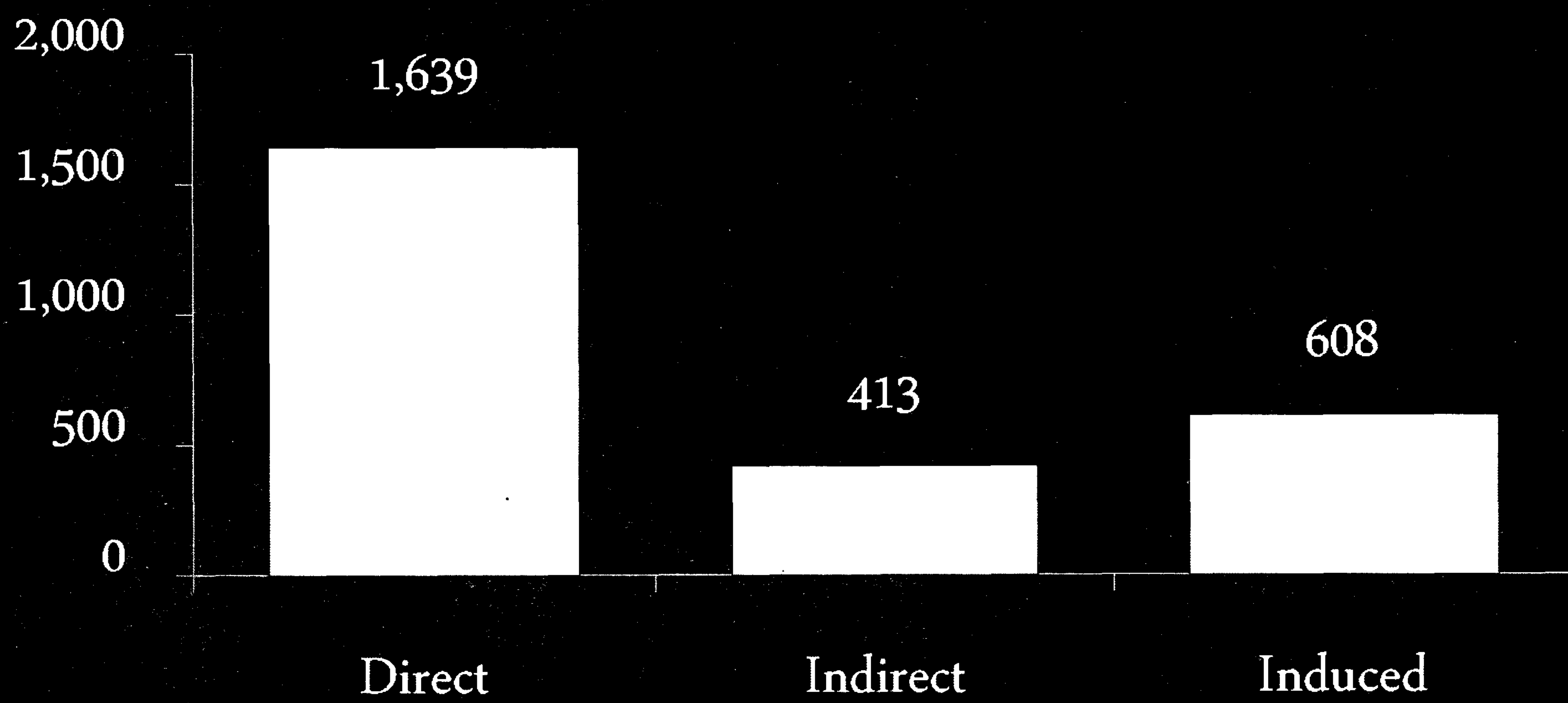
ADDITIONAL BENEFITS OF DEVELOPMENT

On-going operations (recurring annually)

- 2,661 total jobs (1,639 direct jobs)
- $114 million in wages ($76 million in direct wages)
- $267 million in economic output ($163 million direct)

RECURRING ANNUAL JOB IMPACT

Total recurring annual jobs sourced to the proposed development are expected to reach 2,660.



IMPACT ON EDUCATION FUNDING

Education is funded through various sources:

- A portion of state general fund revenues
  - State sales and use tax
  - Gaming taxes (percentage fees)
  - Various gaming fees and charges
  - Modified business tax
- Local school support tax
- Property taxes
- Transient lodging tax (room tax)

IMPACT ON EDUCATION FUNDING

The proposed TID impacts a portion of the state sales and use tax (2.0% of sales) and local school support tax (2.25% of sales)

PROPOSED TOURISM IMPROVEMENT DISTRICT

AN ANALYSIS OF SELECTED REGULATORY REQUIREMENTS

Prepared for:

CITY OF LAS VEGAS NEVADA

CLARK COUNTY NEVADA

CCSD
CLARK COUNTY
SCHOOL DISTRICT

Prepared by:

APPLIED ANALYSIS

NOVEMBER 30, 2008

(AMENDED FEBRUARY 27, 2009)

APPLIED ANALYSIS

10100 W. Charleston Blvd.
Suite 200
Las Vegas, Nevada 89135

t: 702.967.3333
f: 702.314.1439

www.appliedanalysis.com

November 30, 2008

City Council
City of Las Vegas
City Hall, Tenth Floor
400 Stewart Avenue
Las Vegas, Nevada 89101

Board of County Commissioners
Clark County
500 Grand Central Parkway
Las Vegas, Nevada 89106

Board of Trustees
Clark County School District
5100 West Sahara Avenue
Las Vegas, Nevada 89146

RE: Proposed Tourism Improvement District

Ladies and Gentlemen:

Applied Analysis ("AA") is pleased to present this executive summary report, *Proposed Tourism Improvement District: An Analysis of Selected Regulatory Requirements*, to the City of Las Vegas (the "City"), Clark County and Clark County School District. The City is in the process of working with CIM Group (the "Company") to create a tourism improvement district pursuant to Nevada Revised Statute (NRS) Chapter 271A – Tourism Improvements. The proposed tourism improvement district is comprised of approximately ±5.49 acres and is generally defined as the area located within the City that is bounded to the north by US-95, to the south by Stewart Avenue, to the east by 4th Street, and to the west by Casino Center Drive (the "District" or the "TID").

Assuming the District is created, NRS Chapter 271A provides for certain fiscal incentives, which are analyzed in detail in the accompanying report. These incentives are anticipated to fund selected improvements programmed within the District boundaries. Currently, these improvements include a multi-story parking garage, an open-aired public plaza, and other supporting improvements in the area. For purposes of this analysis, these improvements are hereafter referred to as the "Project".

In connection with the creation of the District, the Company is anticipating the land acquisition and construction of a mixed-use development located within the District. In addition to improvements contemplated for the Project, the mixed-use development is expected to incorporate various elements, including retail shops, a museum, professional office space, a hotel, other supporting uses, and a potential casino. For purposes of this analysis, the proposed improvements, including the Project, are hereafter referred to as the "Mixed-Use Development".

APPLIED ANALYSIS

10100 W. Charleston Blvd.
Suite 200
Las Vegas, Nevada 89135

t: 702.967.3333
f: 702.314.1439

www.appliedanalysis.com

The analysis contained herein does not determine the feasibility or appropriateness of the District, Project, Mixed-Use Development and/or any following financing structure (e.g., STAR bonds), rather it addresses specific questions as they relate to selected regulatory requirements. Specifically, this analysis addresses several key questions:

1. Will the Project and the financing thereof have a positive fiscal effect on the provision of local government services? *(addressing requirements outlined in NRS 271A.080.3(a) – (d))*

2. As a result of the Project, will retailers locate their businesses within the District and will there be a substantial increase in the proceeds from the sales and use taxes remitted by retailers within the District? (addressing requirements outlined in NRS 271A.080.6(a))

3. As a result of the Project, will the preponderance of the increase in proceeds from sales and use taxes be attributable to transactions with tourists who are not residents of the state of Nevada? (addressing requirements outlined in NRS 271A.080.6(b))

Based on representations of the Company, construction of the Project is an integral element of the overall Mixed-Use Development that is required to allow the Mixed-Use Development to move forward as currently programmed. Given the Mixed-Use Development's dependency on the Project, the three requirements identified above have been evaluated for the Mixed-Use Development.

This report summarizes our approach, the limitations of our research and our salient findings. This report was designed by AA in response to your request. However, we make no representations as to the adequacy of these procedures for all your purposes. Our findings and estimates are as of October 2008 (the most recent available dataset) and are dated as of the last day of our fieldwork (November 30, 2008). The information provided in this summary, and the conclusions reached herein, are based on the findings of our research and our knowledge of the market as of the date of this report. We have no responsibility to update this report for the events and circumstances that may occur after this date.

Our report contains demographic, employment, economic, fiscal, gaming, hotel and residential market data. This information was collected from third parties and is presented in this summary report; it was assembled by AA. While we have no reason to doubt the accuracy of the data reported herein or utilized in the formation of our findings, the information collected was not subjected to any auditing or review procedures by AA; and therefore, we make no representations or assurances as to its completeness.

Thank you again for allowing us to assist you with this important project. We welcome the opportunity to discuss this report with you at any time. Should you have any questions, please contact Jeremy Aguero or Brian Gordon at (702) 967-3333.

Sincerely,

Applied Analysis

Applied Analysis

Attachment

APPLIED ANALYSIS

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Hospitality & Gaming Industry
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APPLIED ANALYSIS

KEY FINDINGS

- The Mixed-Use Development is expected to generate identified and quantifiable public revenues of $32.4 million annually, with approximately 90.5 percent (or $29.3 million) remaining with public entities, with the balance inuring to the TID. Proceeds inuring to the TID will revert back to the City and are expected to be invested in the Project. It has yet to be determined if the Mixed-Use Development will include a casino. Assuming the casino is omitted, total public revenues remaining with public entities declines from $29.3 million to $23.1 million.

- With revenues only being half the equation, total incremental expenditures are expected to be $20.3 million annually. Assuming a casino is not developed, the total anticipated expenditures decline to $17.6 million annually.

- On a net basis, total revenues of $29.3 million (which excludes $3.1 million inuring to the TID) are expected to be offset by $20.3 million in incremental public costs resulting in $9.0 million of positive fiscal effects annually. The net positive fiscal effect is $5.4 million assuming the Mixed-Use Development excludes a casino.

Summary of Fiscal Impacts
After Allocation of Revenues to the District

	Including Casino	Excluding Casino
Revenue:		
Sales and Use Tax	$1,856,808	$1,856,808
Property Tax	$1,700,362	$1,584,622
Gaming Percentage Fees	$2,881,281	$0
Other Gaming Fees and Charges	$554,900	$0
Modified Business Tax	$452,706	$408,770
Transient Lodging Tax	$1,962,331	$1,962,331
Other State and Local Revenue (a)	$19,936,022	$17,245,729
Total Revenue	$29,344,411	$23,058,260
Expenditures:		
Education/Clark County School District	$953,420	$824,759
Police Protection/LVMPD	$652,230	$574,475
Fire and Rescue/Las Vegas Fire Department	$512,304	$455,472
Other State and Local Expenditures (a)	$18,224,805	$15,765,434
Total Expenditures	$20,342,759	$17,620,141
Net Fiscal Effect	**$9,001,651**	**$5,438,119**
Pro Forma Adjustment (a)	($1,711,217)	($1,480,294)
Pro Forma Adjusted Net Fiscal Effect (a)	**$7,290,434**	**$3,957,825**

(a) Other state and local revenues and expenditures reflect estimates of all government activity (excluding those specifically identified). The estimates are based on US Census of Governments datasets and account for all government activity. While the gross revenues and gross expenditure figures are material, the net impact is $1.7 million and $1.5 million in the including and excluding casino scenarios, respectively. A pro forma net fiscal effect excluding these items is presented for presentation purposes.

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APPLIED ANALYSIS

- The programmed development ($247.1 million) will have a positive effect on this relatively mature area, benefiting surrounding property owners.

- Retailers are expected to locate their businesses within the Project due to the market dynamics taking place within the immediate area, the locational attributes of the Project site, the critical mass of visitors expected in the area, and other factors.

- Based on the current spending profile of residents and consumers in the Mixed-Use Development's trade area, retail sales activity will be dominated by visitors at a rate of approximately 2 to 4 times resident spending. There will be a substantial increase in the proceeds from sales taxes attributable to transactions with tourists who are not residents of Nevada.

- In addition to the fiscal effects resulting from the Mixed-Use Development, there will be a material economic impact, adding significantly to the employment base, increasing the productivity of under-utilized property, and generating millions of dollars in state and local tax revenues.

- Including indirect and induced impacts of the Mixed-Use Development's development and construction, a total of 2,003 person-years[1] of employment is anticipated to be created, increasing aggregate personal incomes within Las Vegas by $73 million. Assuming a casino is not developed with the overall Mixed-Use Development, total employment impacts include 1,835 jobs and $66 million in wages and salaries.

- Assuming the Mixed-Use Development includes a casino, its on-going operations are anticipated to directly employ approximately 1,895 people who will earn approximately $85 million in wage and salary payments each year. Including indirect and induced impacts, the Mixed-Use Development is estimated to stimulate 3,123 employees within Clark County. Combined, these employees will earn $130 million annually in wage and salary payments. Total economic output sourced to the Mixed-Use Development is estimated at $333 million annually.

- Excluding a casino within the overall Mixed-Use Development design, on-going operations of the development are anticipated to directly employ approximately 1,639 people who will earn approximately $76 million in wage and salary payments each year. Including indirect and induced impacts, the Mixed-Use Development is estimated to stimulate 2,660 employees within Clark County. Combined, these employees will earn $114 million annually in wage and salary payments. Total economic output sourced to the Mixed-Use Development is estimated at $267 million annually.

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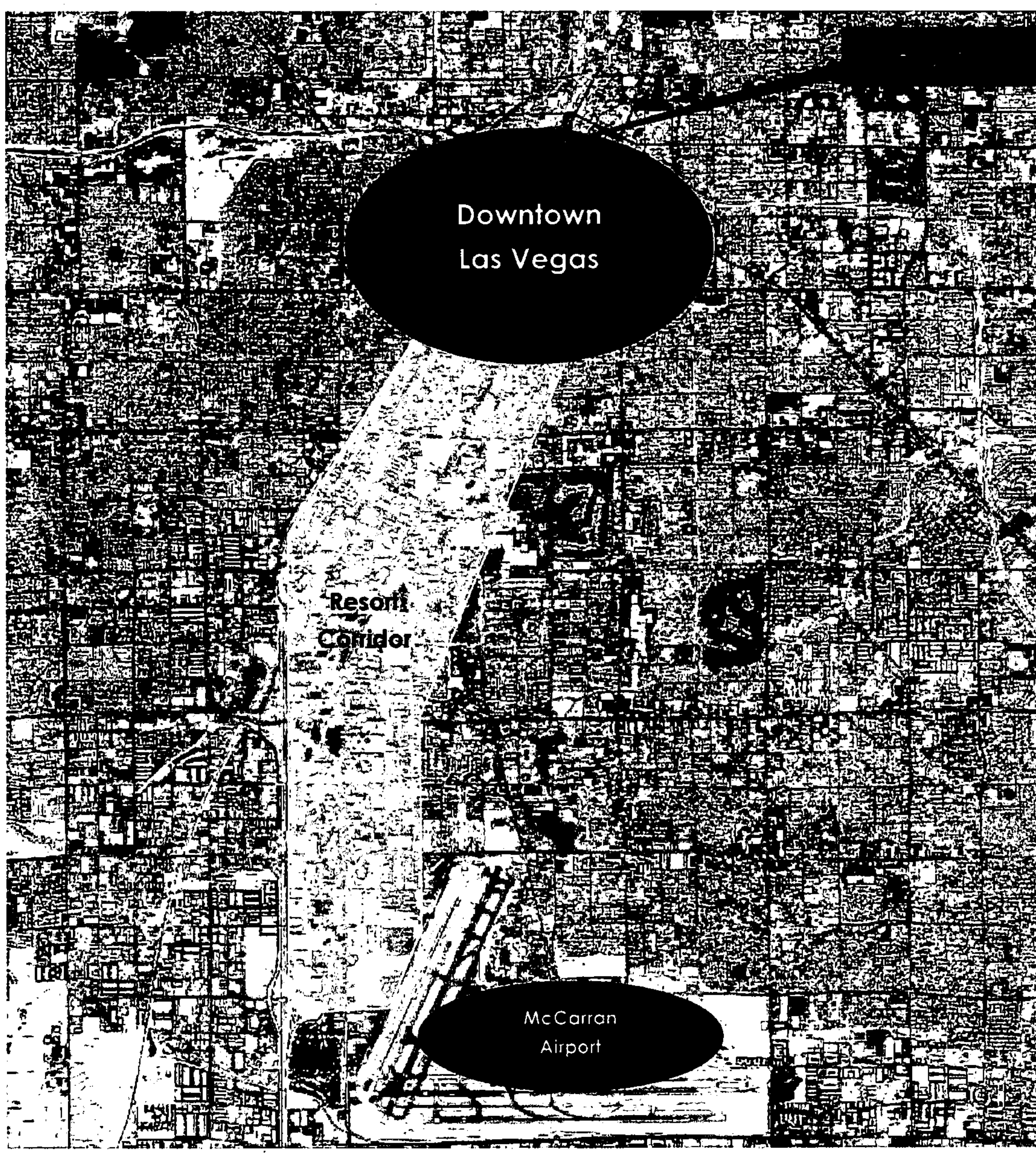
[1] A person year of employment is defined as one person employed for one year.

APPLIED ANALYSIS

Tourism Improvement District Location

The proposed TID is generally located in downtown Las Vegas within the boundaries of the City of Las Vegas. The exhibits that follow generally illustrate the location of the District and Mixed-Use Development, and its proximity to the region's central business/gaming district.

Exhibit 1
Market Area Map



APPLIED ANALYSIS

EXHIBIT 2

MIXED-USE DEVELOPMENT LOCATION MAP AND APPROXIMATE PROPOSED TOURISM IMPROVEMENT DISTRICT (TID) BOUNDARIES

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Hospitality & Gaming Industry
Information Technology

APPLIED ANALYSIS

MIXED-USE DEVELOPMENT PROGRAMMING

The proposed development is comprised of multiple uses with varying degrees of density and design. The following highlights the programmed elements and their approximate sizes, which will be located on ±5.49 acres. As with many projects in the pre-development stages, design elements are only summarily identified and will likely continue to be refined over time. Specifically, as of this date, it is unclear if casino gaming will be present within the TID. As such, the analysis contained herein reviews development programming with and without a casino.

Exhibit 3
Mixed-Use Development Programming

	Size (SF)	
Programming	**Gross**	**Net**
Retail	200,000	170,000
Museum/Pavilion (Former Post Office)	51,419	40,403
Office	150,000	142,500
Hotel	350,000	297,500
Casino	30,000	28,500
Total Improvements (SF) Including Casino	781,419	678,903
Total Improvements (SF) Excluding Casino	751,419	650,403

Exhibit 4
Mixed-Use Development Costs (in millions)
(Exclusive of Infrastructure Costs)

Element	Including Casino	Excluding Casino
Land (a)	$28.0	$14.0
Hard Costs	$178.8	$163.8
Soft Costs	$29.3	$26.9
Financing Costs	$10.9	$10.0
Total Investment	$247.1	$214.7

(a) Land values based on City's appraisal and contracted price.

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REVENUE IMPACT ANALYSIS

Nevada has several hundred taxes, fees, exactions and charges that are levied on businesses, residents and visitors. The vast majority of collections, however, can be sourced to three primary levies: 1) *retail sales and use tax*, 2) *ad valorem (property) tax*, and 3) *gaming tax*. Combined, these sources account for nearly 70 percent of all state and local own-source tax revenues. In this section, we consider these three primary sources as well as several other public revenue generators (e.g., modified business tax and transient lodging taxes). Taxes inuring to the federal government, while significant, are omitted from this analysis as our scope of work is specific to state and local impacts.

In this analysis, fiscal impacts reflect only the direct consequence of the proposed development. This approach is a function of the "near impossibility" of accurately predicting the secondary fiscal consequences of growth as well as the potential for double counting.[2] As such, the impacts cited herein should be considered conservative, order-of-magnitude estimates. Additionally, this analysis reviews the fiscal impacts associated with the Mixed-Use Development's operation upon completion of construction. Fiscal impacts during the construction phase are expected to be negligible relative to the recurring impacts associated with a going concern.

RETAIL SALES AND USE TAXES

In Nevada, retail sales and use taxes are imposed on the sale of tangible personal property not specifically exempted by statute.[3] A companion "use" tax is levied on property purchased outside the state and brought into the state for use. The combined total rate in Clark County is 7.75 percent. A breakdown of this levy and its distributions are provided in the table that follows.

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[2] *See*, Burchell, R.W. and Listokin, D., *The Fiscal Impact Handbook: Estimating Local Costs and Revenues of Land Development*. Center for Urban Policy Research. New Jersey (6th ed. 1988).
[3] See Nev. Rev. Stat. §§ 372, 377, 377A, and 543.600 et seq.

Exhibit 5
Nevada Retail Sales and Use Taxes

Tax	Rate	Distribution
State Sales & Use Tax	2.00%	State General Fund
Local School Support Tax	2.25%	To the school district in the county of origin
Basic City-County Relief Tax	0.50%	Deposited in the "local government tax distribution fund;" redistribution is based on a formula
Supplemental City-County Relief Tax	1.75%	Deposited in the "local government tax distribution fund;" redistribution is based on a formula
County Options – Water & Wastewater Infrastructure	0.25%	Clark County – Water Operations
County Options – Regional Transportation	0.25%	Clark County – Regional Transportation
County Options – Flood Control	0.25%	Clark County – Flood Control
County Option – Police Protection	0.25%	Clark County – Metropolitan Police Department
County Options – Mass Transit	0.25%	Clark County – Mass Transit
Total	**7.75%**	--

To estimate potential taxable retail sales activity, AA reviewed taxable sales activity reported by the Nevada Department of Taxation to estimate a baseline sales figure per square foot. These estimates were applied to the programmed uses to generate the projected retail sales by use in instances where specific Company-prepared estimates were not available.

<u>SALES – COMMERCIAL RETAIL</u>

AA identified taxable revenue sources typically located within retail shopping centers and related developments throughout southern Nevada. The sales figures were then compared to total improved retail space based on data extracted from the Clark County Assessor's Office after adjusting for taxable revenue-generating floor space within each building type. For example, a 500,000-square-foot hotel may only have 50,000 square feet of retail shop space as the majority of the building is comprised of hotel rooms, which do not generate retail sales and use tax (they are taxed through

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transient lodging levies). The analysis that follows resulted in an average taxable sales per square foot of retail space of $266 throughout southern Nevada.

Exhibit 6
Estimated Taxable Retail Sales Activity Per Square Foot (PSF)
For Similar Uses Identified within the Mixed-Use Development
(Based on County-Wide Spending Estimates)

	Annual Estimate (a)	Share of Total
Computation of County-Wide Sales PSF of Selected Revenue Sources		
Commercial Retail Sales Categories (b)		
Food Services and Drinking Places	$6,046,378,567	37.8%
General Merchandise Stores	$2,996,061,036	18.7%
Clothing and Clothing Accessories Stores	$2,769,815,283	17.3%
Accommodation	$1,456,439,866	9.1%
Miscellaneous Store Retailers	$891,407,188	5.6%
Furniture and Home Furnishings Stores	$772,262,369	4.8%
Amusement, Gambling and Recreation Industries	$570,788,329	3.6%
Sporting Goods, Hobby, Book and Music Stores	$494,285,025	3.1%
Museums, Historical Sites and Similar Institutions	$45,287	0.0%
Taxable Retail Sales Activity	$15,997,482,948	100.0%
Effective Commercial Retail Space (SF) (c)	60,201,304	
Effective Taxable Retail Sales Activity Per SF	$266	

(a) Based on trailing 24-month average data annualized from the Nevada Department of Taxation (September 2008).

(b) Reflects sales categories that are typically located within retail shopping centers and related developments.

(c) Reflects estimated effective rental shop space for revenue-generating operations identified in (b) above based on Clark County Assessor's Office data adjusted for floor space generating taxable sales.

In addition to the market average sales estimates per square foot for similar uses identified at the proposed development, the Company generated internal estimates based on its anticipated programming and additional third-party data sources. The Company's revenue estimates for the retail portion of the Mixed-Use Development are as follows.

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Exhibit 7
Estimated Taxable Retail Sales within the Mixed-Use Development
Retail Shop Component

	Programmed Space	Est. Sales PSF (a)	Retail Sales
Restaurant with Liquor	75,000	$253	$18,975,000
Women's Specialty	22,500	$354	$7,965,000
Apparel (Mixed)	15,000	$267	$4,005,000
Women's Ready-to-Wear	15,000	$253	$3,795,000
Home Furnishing/Decor	10,000	$261	$2,609,736
Jewelry	7,000	$948	$6,636,000
Drugstore/Pharmacy	6,000	$454	$2,724,000
Cosmetics/Beauty Supplies	5,000	$260	$1,300,000
Telephone/Telecom Store	3,000	$415	$1,245,000
Quick-serve Restaurants	3,000	$261	$782,921
Coffee Shop/Café	2,000	$261	$521,947
Wine Shop	2,000	$261	$521,947
Juice Bar	1,000	$261	$260,974
Other	3,500	$261	$913,408
Total	170,000	$307	$52,255,932

(a) Sales PSF estimates based on Dollars & Cents of Shopping Centers/The Score, Urban Land Institute, International Council of Shopping Centers. Due to a lack of available data for each use category, market average sales estimates were utilized for selected categories. The market average estimate of $261 is based on the $266 per square foot value noted in Exhibit 6 after adjusting for identifiable retail sales categories.

To further assess the reasonableness of the sales estimates provided above, AA reviewed data obtained from the Urban Land Institute and International Council of Shopping Centers that provides actual sales performances for existing shopping centers. Based on these results, it appears the forecasted sales activity within the retail shop space component of the proposed development is generally in line with key metrics of other shopping venues. The following highlights key metrics for these properties.

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Exhibit 8
Retail Sales Activity Comparative Analysis

	Median Retail Sales PSF (b)	
Center Type (a)	**National**	**Western Region**
Super Regional	$271	$316
Regional	$237	$273
Community	$275	$323
Neighborhood	$275	$353
Average	$265	$316
Open Air Shopping Centers	$273	$323
Enclosed Shopping Centers	$243	$248
Average	$258	$286
Overall Average	$262	$306

(a) Source: Dollars & Cents of Shopping Centers/The Score 2006; Urban Land Institute; International Council of Shopping Centers.
(b) Based on sampling of 832 shopping centers.

In addition to these averages, destination retail venues tend to report higher-than-average sales rates. According to *Shopping Centers Today*, the Forum Shops at Caesars Palace achieved nation-leading rates of $1,300 per square foot.[4] Other destination retail outlets have also achieved sales figures above the averages reported by the Urban Land Institute. Miracle Mile, formerly the Desert Passage, on the Las Vegas strip reported nearly $700-per-square-foot in sales, while the Fashion Show Mall generated $1,000 per square foot during 2006.[5] Based on these comparative sales figures, estimated retail sales activity at the proposed development appears conservative.

SALES – MUSEUM (FORMER POST OFFICE)

To evaluate potential sales and use taxes generated by the Museum programmed within the Mixed-Use Development, AA reviewed a report prepared to assess the viability of the proposed museum.[6] The analysis contained a financial pro forma, including potential sources of revenue. The following summarizes those findings and estimates the potential sales taxes generated by such uses. The results are as follows:

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[4] See http://www.icsc.org/srch/sct/sct0605/index.php?region=
[5] See http://www.lvrj.com/business/1118207.1.html
[6] See *Feasibility Assessment – Final Results* prepared by P|E|T|R Productions, dated January 2008.

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Exhibit 9
Estimated Taxable Retail Sales Activity
Within the Mixed-Use Development
Museum (Former Post Office)

Stabilized Revenue (a)	Projected Revenues	Share Taxable (b)	Taxable Sales
Museum	$9,179,000	0%	$0
Memberships	$343,000	0%	$0
Programs	$31,000	0%	$0
Private Events	$1,355,340	25%	$338,835
Museum Store	$2,740,000	95%	$2,603,000
Fundraising	$3,520,000	0%	$0
Total	**$17,168,340**	**17%**	**$2,941,835**

(a) Based on Feasibility Assessment conducted by P | E | T | R Productions (January 2008).
(b) Assumes substantially all sales at the museum store are subject to sales tax, while a portion of private events (e.g., food and beverage) are subject to tax.

SALES – COMMERCIAL OFFICE

AA identified taxable revenue sources typically located within commercial office space and related developments. The sales figures were then compared to total improved office space based on data extracted from the Clark County Assessor's Office after adjusting for net floor space. The analysis that follows resulted in an average of taxable sales per square foot of office space of $7.18, generating $1.0 million of taxable sales activity annually within the District. It is worth noting a large share of professional office users do not pay retail sales and use tax. As mentioned above, the sale of tangible goods is taxable while services such as professional services are exempt from Nevada's sales and use tax.

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Exhibit 10
Estimated Taxable Retail Sales Activity
Within the Mixed-Use Development
Based on County-Wide Spending Estimates
Commercial Office Space

	Annual Estimate (a)	Share of Total
Computation of County-Wide Sales PSF of Selected Revenue Sources		
Commercial Office Sales Categories (b)		
Real Estate	$53,481,713	2.6%
Rental and Leasing Services	$1,340,918,103	64.0%
Professional, Scientific and Technical Services	$271,669,025	13.0%
Management of Companies and Enterprises	$74,834,810	3.6%
Administrative and Support Services	$352,967,175	16.9%
Taxable Retail Sales Activity	$2,093,870,825	100.0%
Effective Commercial Office Space (SF) (c)	49,192,717	
Effective Taxable Retail Sales Activity Per SF	$7.18	
Computation of Estimated Taxable Retail Sales Activity at Mixed-Use Development		
Effective Taxable Retail Sales Activity Per SF	$7.18	
Total Programmed Office Space (SF) (Net)	142,500	
Estimated Taxable Retail Sales Activity	**$1,022,465**	

(a) Based on trailing 24-month average data annualized from the Nevada Department of Taxation (September 2008).
(b) Reflects sales categories that are typically located within commercial offices and related developments.
(c) Reflects commercial office space based on Clark County Assessor's Office data adjusted for net floor space.

SALES – HOTEL

Based on information provided by the Company, the programmed gaming hotel will incorporate approximately 500 rooms and a limited number of food and beverage and retail outlets. While hotel room revenue is not subject to sales and use tax, the Company estimates approximately $7.6 million of revenue generated by food and beverage outlets with a nominal amount of retail sales originating from other retail outlets (e.g., gift shop).

The following provides a comparative analysis of food and beverage revenues on a per-room, per-day basis for selected market areas within southern Nevada. Based on

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publicly available data generated by the Nevada Gaming Control Board, AA reviewed food and beverage sales for all Clark County hotel-casino properties (160 locations) and compared those results with the forecasted performance for the subject property. The results suggest the Company's estimates are on par with the average reported by other downtown hotel-casino operations. This analysis was also performed for all Las Vegas Strip properties (38 locations) and for the downtown area (17 locations). The results suggest the food and beverage revenue estimates for the programmed hotel are below market-wide average revenue estimates. Based on these estimates, it appears the Company's food and beverage revenue estimates are reasonable relative to market average performances.

Exhibit 11
Analysis of Food and Beverage Sales Originating from Hotel

	Clark County	Las Vegas Strip	Downtown
Market Average Sales Per Room Per Day (a)			
Food	$77	$78	$50
Beverage	$31	$32	$20
Weighted Average	$64	$65	$41
Programmed Hotel (b)	$41	$41	$41
Variance to Selected Market Areas	-35.0%	-36.0%	0.0%

(a) Source: Nevada Gaming Abstract 2007.
(b) Source: Company based on $7.6 million in food and beverage sales and 500 hotel rooms.

RETAIL SALES AND USE TAX SUMMARY

Based on the analyses in the preceding subsections, the following summarizes sales activity for the major uses within the District and estimates total sales and use taxes inuring to public agencies within Nevada. It is worth noting no sales and use taxes are anticipate from the casino.

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Exhibit 12
Sales and Use Tax Summary and Proposed Allocation

	Estimate
Revenue:	
Retail	$52,255,932
Museum (Former Post Office)	$2,941,835
Office	$1,022,465
Hotel	$7,553,376
Casino	$0
Total Taxable Revenue	$63,773,608
Tax Rate	7.75%
Total Tax, Gross	$4,942,455
Share Allocable to Tourism Improvement District:	
Gross Tax Amount Not Subject to County Options (a)	$4,145,285
Proposed (Maximum) Amount Allocable to TID (75%)	$3,108,963
Less: Deduction of 0.75 Percent	($23,317)
Proposed Net Amount Allocable to TID (b)	$3,085,646
Share Allocable to Public Entities	$1,856,808
Total Proceeds	**$4,942,455**

(a) Pursuant to NRS 271A.070, mandatory rate of 6.5 percent is eligible (excludes county options) out of total 7.75 percent rate in Clark County (see Exhibit 5).

(b) Proceeds inuring to the TID will revert back to the City and are expected to be invested in infrastructure in and around the District.

AD VALOREM (PROPERTY) TAXES

The first fiscal impact element is property taxes. Generally speaking, each year county assessors are required to "[a]scertain by diligent inquiry and examination all real and secured personal property that is in [their respective counties on] July 1 which is subject to taxation . . ."[7] Each assessor is required to note the "[n]ames of all persons, corporations, associations, companies or firms owning the property. . ." and "[d]etermine the taxable value of all such property. . ." [8] for the ultimate purpose of levying ad valorem taxes. NRS § 361.260 requires that all real property is reappraised at least every five years; in Clark County, real property is appraised annually.[9] The assessments analyzed herein are for FY 2007-08.

[7] Nev. Rev. Stat. § 361.260 (1).
[8] *Id.*
[9] Nev. Rev. Stat. § 361.260.

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Real property value assessments are bifurcated into land and improvement elements.[10] The taxable value assigned to vacant land is its full cash, or market value, taking into consideration factors such as its location, character and potential use. Taxable value of improved land is to be consistent with its improved use (e.g., as a single family residence, a hotel-casino or an office building). The taxable value of improvements, in most cases buildings, is based on estimated replacement cost less depreciation.[11] Depreciation is calculated at 1.5 percent of the replacement cost each year, up to a maximum of 50 years; and thus, the residual value of any given improvement is 25 percent of its replacement cost. Property taxes are computed by multiplying taxable value by 35 percent to obtain assessed value.[12] Assessed value is then divided by $100 and then multiplied by the tax rate to determine tax liability.

There is often a disconnect between the cost to construct improvements and the assessed value. Overall costs of development generally include certain soft costs, financing charges during construction and other considerations. Nevada Administrative Code requires the Nevada Assessors to use Marshall & Swift Building Cost Service to determine improvement replacement costs, minus depreciation.[13] Based on discussions with the representatives of the Clark County Assessor's Office, the Marshall & Swift estimates may not equate to actual replacement cost or may have a material timing lag. Various factors for this variance exist, including the relatively rapid pace of increase during the past several years due to increased demand for material and labor, periodic reporting by Marshall & Swift, localized nuances and various other considerations.

Based on prior discussions with the City of Las Vegas in 2007, the City reviewed several newly-constructed properties and compared their reported construction costs with the assessed value (based on taxable value) and determined that on average for those selected properties, assessed values were 55 percent of the construction cost. While there are a number of instances where assessed values as a percentage of reported construction cost were much higher, this estimate has been utilized based on the City's experience and to present a conservative estimate.

Therefore, basing taxable value on 55 percent of the Mixed-Use Development's construction cost (estimated at $219.1 million) plus the fair market value of the land ($28.0 million) and applying the 55 percent discount factor, total taxable value equates to $148.5 million, with an assessed value of $52.0 million (35 percent of taxable value).[14] Assuming a casino is not incorporated into the Mixed-Use Development, the taxable value declines to $138.4 million with an assessed value of $48.4 million.

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[10] Nev. Rev. Stat. § 361.227 (1).
[11] Nev. Rev. Stat. § 361.227 (1)(b); *see also* Nevada Taxpayers Association, *Understanding Nevada's Property Tax System*. 2000 edition. Page 7.
[12] Nev. Rev. Stat. § 361.225.
[13] See http://www.accessclarkcounty.com/depts/assessor/pages/aboutao.aspx
[14] Analysis assumes a change in use.

It is also worth noting that Clark County property values have witnessed unprecedented escalations during the 2004 to 2006 timeframe; a condition not fully reflected in the latest tax collection figures because of the limitations imposed by AB 489 (2005 Nevada State Legislature). AB 489 limits tax bill escalations to 3 percent for existing owner-occupied residential properties and 8 percent for all other properties (including commercial uses). This limitation is not uniformly applied to newly constructed properties or properties with a change in use. Thus, it would follow that the subject site would generate substantially more taxable value per acre than would comparable properties in the same tax district.

The Mixed-Use Development is located in the Las Vegas City Redevelopment Tax District 203. This district has a combined tax rate of $3.2714 per $100 of assessed value.[15] The proceeds of this levy inure to several public entities; however, the increment generated from an increase in value inures to the redevelopment agency.

Please note the subject property is currently exempt from paying tax and as such, the entire value upon acquisition by the Company will generate incremental taxes.

Exhibit 13
Estimated Property Tax Collections Annually

	Property Tax
Rate per $100 of Value	3.27140
Including Casino	$1,700,362
Excluding Casino	$1,584,622

GAMING PERCENTAGE FEES

Gross gaming revenues of non-restricted gaming licensees are subject to a percentage fee.[16] The levy is based on gaming operation winnings less the total paid out as losses, annuities purchased to fund losses to pay out over several years and the cost of personal property won by a player.[17] It also excludes foreign coins collected, entry fees, counterfeit bills and any adverse impacts associated with fraudulent acts. The tax rates imposed are 3.5 percent of the first $50,000 in net winnings per month, 4.5 percent of the net winnings greater than $50,000 but not greater than $134,000 per month, and 6.75 percent of net winnings greater than $134,000 per month.[18] The vast majority of these revenues inure to the State's

[15] See http://trweb.co.clark.nv.us/county/TaxRate-DistrictBreakdown2007-8.htm#203.
[16] Nev. Rev. Stat. § 463.370.
[17] *Id.*
[18] *Id.*

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General Fund. A calculation of percentage fee revenues is provided below based on projected gaming revenues and the industry's seasonality during 2007.

Exhibit 14
Estimated Gaming Percentage Fees

Month	Total Gaming Revenues	Estimated Tax Payments			
		Tier 1 (3.5%)	Tier 2 (4.5%)	Tier 3 (6.75%)	Total
January	$4,063,056	$1,750	$3,780	$265,211	$270,741
February	$3,568,057	$1,750	$3,780	$231,799	$237,329
March	$3,537,367	$1,750	$3,780	$229,727	$235,257
April	$3,344,844	$1,750	$3,780	$216,732	$222,262
May	$3,909,372	$1,750	$3,780	$254,838	$260,368
June	$2,944,853	$1,750	$3,780	$189,733	$195,263
July	$3,442,432	$1,750	$3,780	$223,319	$228,849
August	$3,601,957	$1,750	$3,780	$234,087	$239,617
September	$3,343,352	$1,750	$3,780	$216,631	$222,161
October	$3,445,936	$1,750	$3,780	$223,556	$229,086
November	$4,159,720	$1,750	$3,780	$271,736	$277,266
December	$3,949,581	$1,750	$3,780	$257,552	$263,082
Total	**$43,310,527**	**$21,000**	**$45,360**	**$2,814,921**	**$2,881,281**

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ADDITIONAL GAMING FEES AND CHARGES

In addition to gaming percentage fees described above, gaming operators are required to pay additional fees. They include county gaming fees, slot license fees, slot machine excise taxes, and state gaming license fees. The following summarizes the various fees and charges.

Exhibit 15
Additional Gaming Fees and Charges

	Statutory Reference	Basis of The Tax	Tax Rate	Distribution	Revenue Estimate
County Gaming Fees	NRS 463.390	Unit-based tax imposed on casino games, slot machines or any game of chance	$25 per month for each table game of poker, bridge, whist, solo and panguingui, $50 per month for all other table games, and $10 per month for each slot unit	City General Fund	$129,600
Slot License Fee - Non-Restricted	NRS 463.375	Unit-based tax imposed on each slot machine	$20 for each slot machine each calendar quarter	State General Fund	$80,000
Slot Machine Excise Tax	NRS 463.385	Unit-based tax imposed on each slot machine	$250 for each slot machine each year	Higher Education Fund; Higher Education Special Capital Construction Fund; State Distributive School Account	$250,000
State Games License - Annual Fees	NRS 463.380; NRS 463.320	Unit-based tax imposed on each table game	Graduated rate; top tier is $16,000 plus $200 for each game in excess of 16	County governments	$16,000
State Games License - Quarterly Fee	NRS 463.383	Unit-based tax imposed on all games operated in any calendar quarter	Graduated rate; top tier is $20,300 plus $25 for each game in excess of 35	State General Fund	$79,300
Total					**$ 554,900**

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MODIFIED BUSINESS TAX

The modified business tax is a tax based on gross payrolls defined in NRS 612.190. The tax, which was instituted by the 2003 Nevada Legislature, is paid in each calendar quarter and is currently based on 0.63 percent of gross payrolls, less any cost for providing employer-paid healthcare coverage. The following highlights the estimated proceeds generated by the modified business tax annually.

Exhibit 16
Modified Business Tax

	Tax
Wage and Salary Payments (in millions) (a)	
Retail	$26.6
Museum (Former Post Office)	$3.6
Office	$34.6
Hotel	$11.6
Casino	$8.2
Total	$84.5
Taxable Wages, Accounting for Healthcare Adjustment	85%
Tax Rate	0.63%
Proceeds of Modified Business Tax, Including Casino	**$452,706**
Proceeds of Modified Business Tax, Excluding Casino	**$408,770**

(a) See Economic Impact Considerations section.

STATE AND LOCAL TRANSIENT LODGING TAX

Hotels within southern Nevada participate in state and local transient lodging tax pursuant to Nevada NRS 244.335 and NRS 268.095. For hotels located in downtown Las Vegas, the combined tax rate is 11 percent, with collections distributed among the following entities:

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Exhibit 17
Local Transient Lodging Tax Allocation

Entity	Rate
State of Nevada	0.375%
Clark County School District	1.625%
Collecting Jurisdiction	1.000%
Clark County Transportation	1.000%
Fremont Street Experience	2.000%
Las Vegas Convention and Visitors Authority	5.000%
Total	**11.000%**

Based on Company-provided estimates of revenue, the following calculates estimated annual local transient lodging taxes within the District.

Exhibit 18
Estimated Annual Local Transient Lodging Taxes

	Value
Number of Rooms	500
Average Daily Room Rate (a)	$115
Occupancy (a)	85.0%
Revenue	$17,839,375
Tax Rate	11.0%
Estimated Transient Lodging Taxes	$1,962,331

(a) Reflects a discount to the market-wide average room rate ($123) and occupancy (88.4 percent) reported by the Las Vegas Convention and Visitors Authority for the first nine months of 2008 for all hotels and motels.

ADDITIONAL REVENUE IMPACTS

In addition to the identified revenue sources, several others provide revenue to state and local municipalities. While the overall potential fiscal impacts (net) may not be material to the State or other local unit of government, it is important to model the effects.

To estimate the impacts not identified in preceding subsections of this report, AA obtained the latest *State and Local Government Finances* report from the US Census Bureau.[19] These data represent estimates of all state and local government revenues

[19] The Census Bureau conducts a census of governments at five year intervals, and an annual survey for the intervening years. The state and local government finance statistics cover government financial activity in four broad categories of revenue, expenditure, debt, and

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and expenditures in the state of Nevada. To model the impacts associated with the proposed development, AA converted all state and local revenue and expenditures estimates (excluding those modeled previously) to a per-employee amount and applied those pro rata costs to the subject property based on the estimated number of employees. An additional analysis on a per-visitor basis was undertaken, resulting in a more aggressive result. As such, the more conservative per-employee methodology was employed. Allocations on a per-resident basis were also considered but resulted in invalid estimates given the lack of full-time residents on the site. The following highlights the revenue results of the analysis, while the expenditure estimates are included in the *Expenditure Impact Analysis* section of this report.

Exhibit 19
Other Revenue Impacts Generated by Proposed Development
Based on State and Local Government Finances: Fiscal Year 2005-06

	Including Casino	Excluding Casino	Notes
Revenue			
Intergovernmental Revenue	3,542,669	3,064,599	
Taxes:			
Property	-	-	(a)
Sales and Gross Receipts:			
General Sales	-	-	(a)
Selective Sales:			
Motor Fuel	621,712	537,814	
Alcoholic Beverage	56,660	49,014	
Tobacco Products	205,560	177,820	
Public Utilities	270,965	234,400	
Other Selective Sales, Gaming	-	-	(a)
Other Selective Sales, All Others	1,196,614	1,035,135	(a) (b)
Total Selective Sales	2,351,511	2,034,183	
Total Sales and Gross Receipts	2,351,511	2,034,183	
Motor Vehicle License	240,552	208,090	
Other Taxes, Modified Business Tax	-	-	(a)
Other Taxes, All Others	1,647,773	1,425,412	(a) (c)
Total Taxes	4,239,836	3,667,685	
Charges and Miscellaneous Revenue	6,547,286	5,663,753	
Utility Revenue	1,523,837	1,318,201	
Insurance Trust Revenue	4,082,395	3,531,490	
Total Revenue	19,936,022	17,245,729	

Source: US Census Bureau (see http://www.census.gov/govs/estimate/0629nvsl_1.html)
(a) Fiscal impact accounted for in preceding subsections of this report.
(b) Excludes gaming revenue estimates for fiscal year.
(c) Excludes modified business tax estimates (non financial institutions) for fiscal year.

assets. For purposes of this analysis, AA considered revenue and expenditures. The latest available report is for the 2005-06 fiscal year.

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SUMMARY OF PUBLIC REVENUE SOURCES

To summarize the various elements reported in the preceding subsections, the following highlights the identified and quantified sources of public revenue.

Exhibit 20
Summary of Revenue Impacts

Including Gaming

	Beneficiaries			
Source	**Public**	**The District**	**Total**	**Notes**
Sales and Use Tax	$1,856,808	$3,085,646	$4,942,455	(a)
Property Tax	$1,700,362	$0	$1,700,362	(b)
Gaming Percentage Fees	$2,881,281	$0	$2,881,281	(c)
Other Gaming Fees and Charges	$554,900	$0	$554,900	(d)
Modified Business Tax	$452,706	$0	$452,706	(c)
Transient Lodging Tax	$1,962,331	$0	$1,962,331	(d)
Other State and Local Revenues	$19,936,022	$0	$19,936,022	(d)
Total Identified	**$29,344,411**	**$3,085,646**	**$32,430,057**	--
Share	**90.5%**	**9.5%**	**100.0%**	--

Excluding Gaming

	Beneficiaries			
Source	**Public**	**The District**	**Total**	**Notes**
Sales and Use Tax	$1,856,808	$3,085,646	$4,942,455	(a)
Property Tax	$1,584,622	$0	$1,584,622	(b)
Modified Business Tax	$408,770	$0	$408,770	(c)
Transient Lodging Tax	$1,962,331	$0	$1,962,331	(d)
Other State and Local Revenues	$17,245,729	$0	$17,245,729	(d)
Total Identified	**$23,058,260**	**$3,085,646**	**$26,143,907**	--
Share	**88.2%**	**11.8%**	**100.0%**	--

(a) Public benefit excluded 0.75 percent fee. Assumes 75 percent allocation of eligible amount to the TID.

(b) Assumes no tax increment financing (TIF) is provided to the Company.

(c) Inures to the state.

(d) Inures to various public agencies.

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EXPENDITURE IMPACT ANALYSIS

With revenues representing only one-half of the equation, NRS 271 requires the determination of the fiscal effect of the Mixed-Use Development consider "any increase in costs for the provision of local governmental services, including, without limitation, services for education, including operational and capital costs, and services for police protection and fire protection, as a result of the Mixed-Use Development within the district."[20] The following subsections address each of the identified services in order.

CLARK COUNTY SCHOOL DISTRICT

Typically, demand for education services, specifically the Clark County School District, is generated by incremental households and/or population. The District is programmed for commercial retail and office uses, along with hotel-gaming uses. The Mixed-Use Development is not considering any residential uses, thereby eliminating the need to provide incremental education service. That said, employment growth associated with the Mixed-Use Development has the potential to generate demand for education services; this demand may be partially (if not all) offset by pulling from existing resources (e.g., existing labor pool). Additionally, AA contacted the Clark County School District to determine if any unforeseen costs would be incurred as a result of the Mixed-Use Development and a response that there would be no impact was obtained.

In addition to the response obtained from the Clark County School District, AA prepared an estimate of potential impact for consideration. For modeling purposes, AA assumed approximately 25 percent of direct employment growth sourced to the Mixed-Use Development will originate from outside the market, while the balance will be sourced to the existing labor pool. This assumption is based on current conditions, including unemployment levels at 7.6 percent (1.1 points higher than the national average); job growth remains below historical averages and continued economic weakness is likely to persist in the near to mid-term. Based on these assumptions, total expenditure impacts would be $953,400 (including casino) and $824,800 (excluding casino).[21]

[20] See NRS 271A.080.3(c)
[21] Based on total direct employment, average number of employees per household, average number of children per household and the average per-pupil cost of education.

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LAS VEGAS METROPOLITAN POLICE DEPARTMENT

As part of this analysis, the objective is to estimate the incremental costs associated with the proposed development. Currently, the District hosts various uses including a bus terminal, park and post office. The Las Vegas Metropolitan Police Department (LVMPD) is providing services to the area contemplated for the TID.

While the intensity of development programmed for the site is higher than currently exists, the redevelopment of the area is also expected to improve conditions in the surrounding area. With over $200 million in investment programmed for the site, the environment on and around the site is likely to transform. Determining the impacts to the LVMPD with precision is challenging.

That said, the following analysis assumes the property were vacant today and additional police protection services would be required for the proposed development. The approach reviews the costs of police protection operations on a per-acre basis of land and per-square-foot basis of improved property. The following also evaluates the cost on a per-employee basis. These estimates are intended to provide an order-of-magnitude range of estimates.

Exhibit 21
Police Protection Impact
Range of Estimates

	Acres	Improved Property (SF)	Employment
Service Area (a)	416,374	1,365,905,206	688,050
Total LVMPD Budget (b)	$487,702,802	$487,702,802	$487,702,802
Average Expenditure Per Unit	$1,171.31	$0.36	$708.82
Mixed-Use Development Size (c)	5.49	781,419	1,895
Potential Impact on a Per-Unit Basis, Including Casino	$6,430	$279,009	$1,343,075
Potential Impact on a Per-Unit Basis, Excluding Casino	$6,430	$268,298	$1,161,832

(a) Acreage based on LVMPD 2007 Annual Report stating 7,560 square miles (adjusted for vacant property). Improved property based on Clark County Assessor's Office information. Employment estimated based on market area covered and Applied Analysis.
(b) Based on total expenditures during the fiscal year ended June 30, 2007.
(c) Acres and improved property based on Company programming. Employment based on estimated employment at subject site (see *Economic Impact* section).

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A fourth impact estimate was prepared on a full-time equivalency population (accounting for full-time residents and the equivalent share of visitors residing in the area). While no full-time residents are expected to live on-site at the proposed development, the equivalent visitor population resulted in costs attributable to the Mixed-Use Development within the ranges noted above.

This estimate assumes no patrols and/or services are being provided to the site today. Also, this summary analysis also assumes a linear relationship between costs and service area. For example, the addition of an office building in southern Nevada does not necessarily require additional time, effort and cost at every level within the LVMPD.

In addition to the estimates prepared above, AA obtained estimates directly from the City of Las Vegas. The following highlights the annual costs during the first five years of the Mixed-Use Development (assuming a two-year development timeline and the first three years of operations). The annual recurring expenditure estimate reflects estimated costs in 2008 dollars and is in line with the estimated ranges computed above.

Exhibit 22
Police and Public Safety Expenditure Estimates

	Including Casino	Excluding Casino
Year 1	$346,761	$317,667
Year 2	$346,761	$317,667
Year 3	$707,715	$623,346
Year 4	$717,103	$631,789
Year 5	$726,772	$640,486
Annual Recurring Expenditure During Operations (2008 Dollars)	$652,230	$574,475

Source: City of Las Vegas based on Mixed-Use Development assumptions.

City of Las Vegas Fire Department

Consistent with the methodology employed to review police protection costs, AA reviewed similar metrics for the City of Las Vegas Fire Department. It is noteworthy that fire protection services are currently being provided at the site. With a lack of available information regarding the precise cost associated with providing those services, AA estimated these costs on a per-acre, per-square-foot and per-employee basis.

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Exhibit 23
Fire Protection Impact
Range of Estimates

	Acres	Improved Property (SF)	Employment
Service Area (a)	58,233	466,395,503	347,666
Total Fire and Rescue Budget (b)	$104,338,733	$104,338,733	$104,338,733
Average Expenditure Per Unit	$1,791.74	$0.22	$300.11
Mixed-Use Development Size (c)	5.49	781,419	1,895
Potential Impact on a Per-Unit Basis, Including Casino	$9,837	$174,814	$568,654
Potential Impact on a Per-Unit Basis, Excluding Casino	$9,837	$168,102	$491,916

(a) Acres based on City of Las Vegas Fact Sheet (July 2008) stating 133.2 square miles (adjusted for vacant property). Improved property based on Clark County Assessor's Office information. Employment based on estimates provided by Claritas.

(b) Based on total expenditures during the fiscal year ended June 30, 2007.

(c) Acres and improved property based on Company programming. Employment based on estimated employment at subject site (see *Economic Impact* section).

Consistent with the police protection analysis above, a fourth impact estimate was prepared on a full-time equivalency population (accounting for full-time residents and the equivalent share of visitors residing in the area). While no full-time residents are expected to live on-site at the proposed development, the equivalent visitor population resulted in costs attributable to the Mixed-Use Development within the ranges noted above.

Also similar to the police protection analysis, this estimate assumes no services are being provided to the site today. This summary analysis also assumes a linear relationship between costs and service area. For example, the addition of an office building in southern Nevada does not necessarily require additional time, effort and cost at every level within the City of Las Vegas Fire Department, rather, existing costs are spread over a larger tax base.

In addition to the estimates prepared above, AA obtained estimates directly from the City of Las Vegas. The following highlights the annual costs during the first five years of the Mixed-Use Development (assuming a two-year development timeline and the first three years of operations). The annual recurring expenditure estimate reflects estimated costs in 2008 dollars and is in line with the estimated ranges computed above.

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Exhibit 24
Fire Protection Expenditure Estimates

	Including Casino	Excluding Casino
Year 1	$272,369	$251,103
Year 2	$272,369	$251,103
Year 3	$555,885	$494,219
Year 4	$563,259	$500,903
Year 5	$570,854	$507,787
Annual Recurring Expenditure During Operations (2008 Dollars)	$512,304	$455,472

Source: City of Las Vegas based on Mixed-Use Development assumptions.

ADDITIONAL EXPENDITURE IMPACTS

In addition to the services identified in NRS 271A, various state and local governments experience a modest increase in administrative costs associated with the development. Additional revenue sources are also likely to be generated. While the overall potential fiscal impacts may not be material to the State or other local units of government, it is important to model the effects.

To estimate the impacts not identified in preceding subsections of this report, AA obtained the latest *State and Local Government Finances* report from the US Census Bureau.[22] These data represent estimates of all state and local government revenues and expenditures in the state of Nevada. To model the impacts associated with the proposed development, AA converted all state and local revenue and expenditures estimates (excluding those modeled previously) to a per-employee amount and applied those pro rata costs to the subject property based on the estimated number of employees. An additional analysis on a per-visitor basis was undertaken, resulting in a more aggressive result. As such, the more conservative per-employee methodology was employed. Allocations on a per-resident basis were also considered but resulted in invalid estimates given the lack of full-time residents on the site. The following highlights the expenditure results of the analysis, while the revenue estimates are included in the *Revenue Impact Analysis* section of this report.

[22] The Census Bureau conducts a census of governments at five year intervals, and an annual survey for the intervening years. The state and local government finance statistics cover government financial activity in four broad categories of revenue, expenditure, debt, and assets. For purposes of this analysis, AA considered revenue and expenditures. The latest available report is for the 2005-06 fiscal year.

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Exhibit 25
Other Expenditure Impacts Generated by Proposed Development
Based on State and Local Government Finances: Fiscal Year 2005-06

	Including Casino	Excluding Casino	Notes
Expenditures			
Intergovernmental Expenditures	9,383	8,116	
Direct Expenditures by Function:			
Education	-	-	(a)
Social Services	4,304,350	3,723,494	
Transportation	2,858,406	2,472,675	
Public Safety:			
Police Protection	-	-	(a)
Fire Protection	-	-	(a)
Corrections	822,701	711,680	
Protective Inspection and Regulation	289,234	250,203	
Total Public Safety	1,111,935	961,883	
Environment and Housing	1,877,148	1,623,834	
Government Administration	2,850,472	2,465,811	
General Expenditures	1,195,428	1,034,109	
Utility Expenditure	2,442,293	2,112,715	
Insurance Trust Expenditures	1,575,391	1,362,798	
Total Expenditures	18,224,805	15,765,434	

Source: US Census Bureau (see http://www.census.gov/govs/estimate/0629nvsl_1.html)
(a) Fiscal impact accounted for in preceding subsections of this report.

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SUMMARY OF PUBLIC EXPENDITURES

To summarize the various elements reported in the preceding subsections, the following highlights the identified and quantified public expenditures potentially associated with the Mixed-Use Development.

Exhibit 26
Summary of Expenditure Impacts

Service/Entity	Including Casino	Excluding Casino
Education/Clark County School District	$953,420	$824,759
Police and Public Safety/LVMPD	$652,230	$574,475
Fire and Rescue/Las Vegas Fire Department	$512,304	$455,472
Other Expenditures/State and Local Governments	$18,224,805	$15,765,434
Total	$20,342,759	$17,620,141

IMPACT ON SURROUNDING RETAILERS

NRS 271A requires the determination of the fiscal effect of the Project consider the "[e]stimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the district and of any displacement of the proceeds from sales and use taxes collected by those retailers, as a result of the properties and businesses expected to be located in the district."[23] As previously discussed, due to the integral nature of the Project within the Mixed-Use Development, this analysis is based on the anticipated performance of the Mixed-Use Development.

To address this requirement, AA reviewed this from two perspectives. While the term referring to retailers outside of the district is not specifically defined, we assume this to mean adjacent property owners, as well as those located within the general area.

Any negative impacts, or reduced demand for retailers, for adjacent property owners is expected to be negligible. In fact, the impacts are likely to be positive. The property sits on its own block with travel lanes surrounding the property. The site is

[23] See NRS 271A.080.3(d)

bounded by US-95, City of Las Vegas City Hall, the Company's Lady Luck development and a parking lot. No sizable retailers exist on the first three adjoining properties noted. The Lady Luck is a former hotel-casino property that is owned by the Company that is under-going a major re-design with a substantial investment. Currently, no material sales activity is being generated at surrounding properties.

Addressing the question of impacts to retailers in the general market area, it is reasonable to assume this $200-milion-plus investment will spur demand by tourists, and residents to some extent (see *Sources of Taxable Retail Sales* section that follows.) In reality, the District sits in the middle of a redevelopment area that has many aging properties and properties that have become functionally obsolete. The type of investment is expected to spur additional visitation in the area and seed the growth of future development and redevelopment activity.

Historically speaking, investments within the market have expanded the overall size of the market, rather than cannibalize consumer spending within the market. During the course of the past decade, total expansions in the number of hotels generated a comparable number of visitors to the area. Despite a healthy compound annual growth rate in hotel room inventory and visitor volume of 2.4 and 2.5 percent, respectively, aggregate visitor spending on eating, drinking and shopping has expanded at a rate approximately 3.6 times that level. We believe these trends hold true as it relates to the proposed investment at the subject site.

Exhibit 27
Market Expansion Impact on Consumer Spending

	1997	2007	CAGR (a)
Market Inventory and Visitation Growth Rates:			
Number of Hotel Rooms (b)	105,347	132,947	2.4%
Number of Visitors (b)	30,605,128	39,196,761	2.5%
Spending Per Trip (b)			
Food and Drink	$123.87	$254.49	7.5%
Shopping	$74.77	$114.50	4.4%
Total	$198.64	$368.99	6.4%
Aggregate Spending (c)	$6,079,402,626	$14,463,212,841	9.1%

(a) Compound annual growth rate.
(b) Source: Las Vegas Visitors and Convention Authority.
(c) Spending per trip multiplied by number of trips (visitors).

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RETAILER DEMAND

This section of the report reviews indicators of demand for retailers to locate their business in the District and specifically addresses the requirements outlined in NRS 271A.080.6(a). Generally speaking, retailers evaluate several factors when determining in which locations to open retail shops. According to *Market Analysis for Valuation Appraisals*:[24]

> *Shopping centers are based on the principle of cumulative attraction which recognizes that a location in a retail cluster brings a retailer more customer traffic than the retailer would have if it were located by itself. The benefits of increased customer traffic outweigh the negative effects of the store's proximity to competitors.*

The author continued to discuss the market dynamics present with new retail development:[25]

> *Some directions already evident are the creation of new center types, an interest in middle market communities, the focus on in-fill locations previously bypassed or ignored, and the revitalization of downtown areas. However, if these directions are to succeed, and if the industry is to continue to grow, more sophisticated levels of site location and center planning, design, and operation are required. No longer is a location accessible to a large population the only criterion for success. Today a shopping center developer must have a clear and reliable understanding of all the dynamics of the marketplace before committing time and money to a project.*

Based on our discussions with the Company, it appears they understand the market dynamics taking place in downtown Las Vegas and similarly-situated markets[26] and have committed significant funding to the area to date.

The following provides the elements identified as key criteria and their rating the Project site. While this analysis is subjective, these criteria[27] are identified as elements

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[24] Stephen F. Fanning, MAI, Terry V. Grissom, MAI and Thomas D. Pearson, MAI, *Market Analysis for Valuation Appraisals*, Appraisal Institute.
[25] Id..
[26] According to CIM's website, "The cornerstone of CIM Group's success has been its proprietary approach in determining what creates value in densely-populated areas. During the past 14 years, CIM has qualified 83 urban communities and has made investments in 30 of them. Each community must meet such criteria as improving local economic and demographic trends, public sector commitment to real estate redevelopment, private sector real estate activity, and opportunities for additional real estate transactions."
[27] Stephen F. Fanning, MAI, Terry V. Grissom, MAI and Thomas D. Pearson, MAI, *Market Analysis for Valuation Appraisals*, Appraisal Institute.

to consider during the valuation process of a retail center. We believe these retailers will also consider these criteria when considering a location at the Project.

Criteria	Project Rating	Comments
Location:		
Proximity to Major Highway	High	Adjacent to US-95
Proximity to Res. Housing	Low	The area is dominated by temporary residents (hotel guests)
Proximity to Other Customers	High	The area is dominated by temporary residents (hotel guests)
Traffic Volume by Site	High	Average daily traffic volumes along US-95 are 155,000 cars
Parking	TBD	A multi-story parking garage is programmed on-site
Landscaping	TBD	Landscaping will likely be limited given the project density
Exterior Access	High	Access from major thoroughfares & frontage provides access
Visibility	High	Visibility is significant and substantial signage is programmed
Building Improvements	TBD	The level of programmed investment is significant

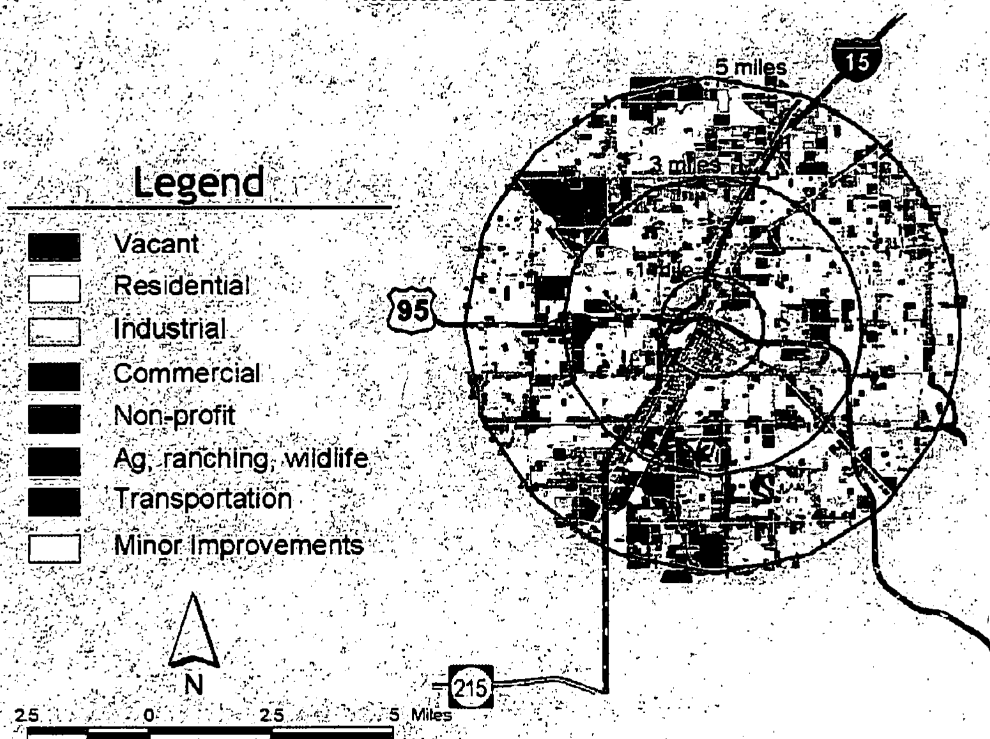
The forecasted retail sales activity reported in the preceding sections demonstrates the market potential of the Mixed-Use Development. It is also worth noting the Mixed-Use Development has the potential to receive certain public financial incentives, which should provide for a competitive pricing structure to retail tenants. Based on the Mixed-Use Development forecasts combined with qualitative characteristics that retailers seek out and the source of taxable retail sales noted in the following section, it appears reasonable that retailers will locate to the Mixed-Use Development.

Source of Taxable Retail Sales

This section of the report analyzes the source of the preponderance of the increase in proceeds of sales and use taxes and specifically addresses the requirements outlined in NRS 271A.080.6(b). On the surface, it is logical that development designed to target tourists, which includes lodging on-site, will cater primarily to out-of-town visitors, rather than local residents. That said, it is necessary to analyze the anticipated spending volumes by reviewing the current mix of consumption in the area. The following provides a graphical representation of land uses within the area; it is worth noting the commercial (inclusive of tourism) uses in the downtown area.

Exhibit 28

Market Area Land Use



The spending patterns of visitors and residents were modeled independently. The results of the analysis follow.

VISITOR SPENDING

Given the proposed uses at the site, the primary sources of taxable sales activity will be eating and drinking places (restaurants and bars), along with general merchandise stores and outlets. As such, AA conducted a multi-step approach to estimating visitor spending. The first step was to determine the number of full-time equivalent visitors in the area based on the number of hotel rooms, occupancies and occupants per room. To evaluate the impacts on an order-of-magnitude basis, AA reviewed trade areas within 1, 3 and 5 miles of the site.

In the second step of this analysis, AA reviewed the average consumer spending on eating, drinking and shopping, the primary sources of taxable revenue on the site. In the immediate area, estimates were derived from consumers surveyed in the downtown area, which is encompassed by a one-mile-radius from the site. Broader estimates were utilized for the larger 3 and 5-mile regions that are more reflective of the average consumer spend on these categories.

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The third step in the analysis was to convert the full-time equivalent visitors into the actual number of trips by visitors. This was necessary as spending data was calculated on a per-trip basis, rather than per day. These factors were then converted into total taxable spending. The results are delineated below.

Exhibit 29

Computation of Non-Nevada Visitor Taxable Spending by Market Area

	1 Mile	3 Mile	5 Mile
Number of Full-Time Equivalent Visitors			
Number of Hotel Rooms (a)	11,161	28,836	80,481
Average Occupancy Estimate (b)	85%	85%	85%
Average Number of Occupants Per Room (c)	2.2	2.2	2.2
Total Number of Visitor Nights to Market Area Per Day	20,871	53,923	150,499
Total Number of Visitor Nights to Market Area Per Year	7,617,941	19,682,012	54,932,307
Total Number of Non-Nevada Visitor Nights to Market Area Per Year (d)	7,549,379	19,504,874	54,437,916
Consumer Spending Per Trip by Visitors (e)			
Food and Drink (f)	$142.70	$221.30	$221.30
Shopping (g)	$65.95	$104.09	$104.09
Total	$208.64	$325.39	$325.39
Average Length of Stay (in nights) per Visitor	3.6	3.6	3.6
Total Number of Trips (Visitor Nights/Length of Stay)	2,097,050	5,418,020	15,121,643
Total Taxable Spending by Non-Nevada Visitors on Eating, Drinking and Shopping	**$437,530,780**	**$1,762,951,050**	**$4,920,379,506**

(a) Source: Extracted from Clark County Assessor's Office parcel-level data.

(b) Based on a discount to the market-wide average of 89.3 percent reported by the Las Vegas Convention and Visitors Authority for the first six months of 2008 for all hotels and motels.

(c) Per Las Vegas Convention and Visitors Authority Visitor Profile 2007.

(d) Adjusted for Nevada visitors by AA and allocation methodology confirmed as reasonable by the LVCVA.

(e) Analysis considers spending categories likely available at the subject site.

(f) Per Las Vegas Convention and Visitors Authority Visitor Profile 2007 and adjusted by AA for non-taxable consumption, including gratuities.

(g) Per Las Vegas Convention and Visitors Authority Visitor Profile 2007 and adjusted by AA for non-taxable consumption, including items shipped out of state.

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RESIDENT SPENDING

With spending estimates for visitors determined, the second phase of the analysis is to perform a similar analysis for estimated spending by residents. AA obtained market data from Claritas, a national provider of demographic and consumer data. For the same trade areas, AA estimated total consumer resident taxable consumer spending based on the population and their spending profile on selected goods likely to dominate the tenant mix at the subject site. These categories included eating and drinking outlets, apparel and a number of other categories comparable to those profiled in the visitor spending section above. The results are as follows.

Exhibit 30
Computation of Resident Taxable Spending by Market Area

	1 Mile	3 Mile	5 Mile
Population (a)	25,166	185,646	477,926
Taxable Spending Per Capita (b)	$4,611	$5,085	$5,814
Total Taxable Spending by Residents	**$116,040,305**	**$943,927,763**	**$2,778,489,310**

(a) Source: Claritas
(b) Source: Claritas - Based on various spending categories, including eating and drinking, apparel, entertainment, housewares, personal care, etc. Estimates adjusted for non-taxable spending, including gratuities and items shipped out of state.

PREPONDERANCE COMPUTATION

Based on the results of the two preceding subsections, the following compares the estimated consumer spending by source.

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Exhibit 31
Comparison of Resident and Visitor Taxable Spending by Market Area

	1 Mile	3 Mile	5 Mile
Spending by Non-Nevada Visitors	$437,530,780	$1,762,951,050	$4,920,379,506
Share of Spending by Non-Nevada Visitors	79.0%	65.1%	63.9%
Spending by Residents	$116,040,305	$943,927,763	$2,778,489,310
Share of Spending by Residents	21.0%	34.9%	36.1%
Total Taxable Spending by Non-Nevada Visitors and Residents	**$553,571,085**	**$2,706,878,812**	**$7,698,868,816**

Non-Nevada visitors are estimated to comprise 64 to 79 percent of taxable consumer spending in the area. The results are primarily attributable to the large number of hotel rooms within the area that cater to non-resident consumers. Similar profiles and spending patterns have supported retail venues such as the Forum Shops at Caesars Palace, the Grand Canal Shoppes at The Venetian, Miracle Mile at Planet Hollywood, the Las Vegas Premium Outlets downtown and the newly opened Town Square. Proximity to lodging accommodations has been a principal driver of success and sales. That said, the expectation that visitors will dominate the customer mix at the subject site is reasonable.

ECONOMIC IMPACT CONSIDERATIONS

In addition to the quantifiable fiscal impacts associated with the proposed development, it is also important to note that a number of economic benefits will likely inure from the proposed development. Potential benefits include economic expansion and diversification, expansion of the overall employment base and creation of wage and salary payments for local residents.

To identify and model the impacts in the southern Nevada economy, IMPLAN (Impact Analysis for Planning) software and databases were used. IMPLAN is an input-output model (or econometric system). It utilizes complex economic equations to explain how the "outputs" of one industry become the "inputs" of others, and vice versa. This relationship is sometimes referred to as the "multiplier effect," illustrating how changes in one sector of the economy can affect other sectors.

The notion of multipliers rests upon the difference between an "initial effect" and the "total effects" of that change or stimulus. Generally speaking, these effects are segmented into direct impacts, indirect impacts and induced impacts. Each is described below.

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1. ***Direct impacts*** measure the effects of the specific impacting force being considered. In this case, for example, retail-related positions generated by the Mixed-Use Development are considered direct jobs and the wages and salaries they are paid are considered direct personal income.

2. ***Indirect impacts*** consider how other businesses respond to the impacting condition. Employees of clothing suppliers, for example, are considered indirect employees to the extent their jobs are dependent, in full or in part, on the suppliers' income generated by the Mixed-Use Development-related purchases.

3. ***Induced impacts*** measures the effects of increased (or decreased) consumer expenditures resulting from wage and salary payments sourced to an impacting condition. In the present case, for example, if a new person were to be employed by the Mixed-Use Development, she might be expected to spend a portion of her monthly salary at the supermarket, the local movie theater or on a family vacation. Induced effects capture the impacts of this spending as it "ripples" through the local economy.

4. ***Total effects*** are the sum of direct, indirect and induced effects.

Input-output models, as is the case with all econometric models, are not without their limitations. The statistical model used in this analysis, IMPLAN, for example, assumes that capital and labor are used in fixed proportions. This means that for every job created or lost, a fixed change in investment, income and employment results. In reality, developers, consumers and governments respond to stimuli in complex ways, including changing the mix of capital or labor as well as the types and frequencies of investment. Importantly, each impacting force has its own unique characteristics, affecting how consumers and businesses respond to the given change.

From an economic impact perspective, this analysis considers the effects during the construction phase and the operations following the completion of construction.

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CONSTRUCTION PHASE

Exhibit 32
Construction Phase Impact Summary
(One-Time Impacts; $ in Millions)

	Employment	Wage & Salary Payments	Economic Output
All Programmed Uses (Including Casino)			
Direct	1,125	$48	$208
Indirect	427	$13	$52
Induced	450	$12	$49
Total	**2,003**	**$73**	**$309**
All Programmed Uses (Excluding Casino)			
Direct	1,031	$44	$191
Indirect	392	$12	$48
Induced	412	$11	$45
Total	**1,835**	**$66**	**$283**

Exhibit 33: Construction Employment Impacts
Total Clark County Impact = 2,003 Person Years of Employment

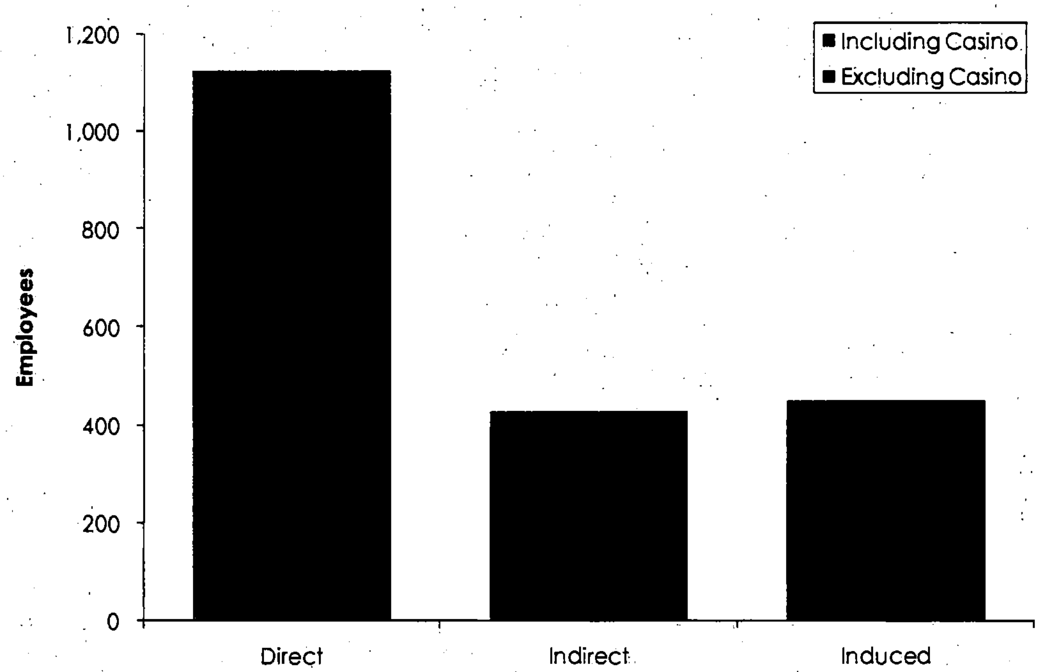

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Exhibit 34: Construction Wage & Salary Impacts

Total Clark County Impact = $73 million; Average Annual Direct Salary = $42,690

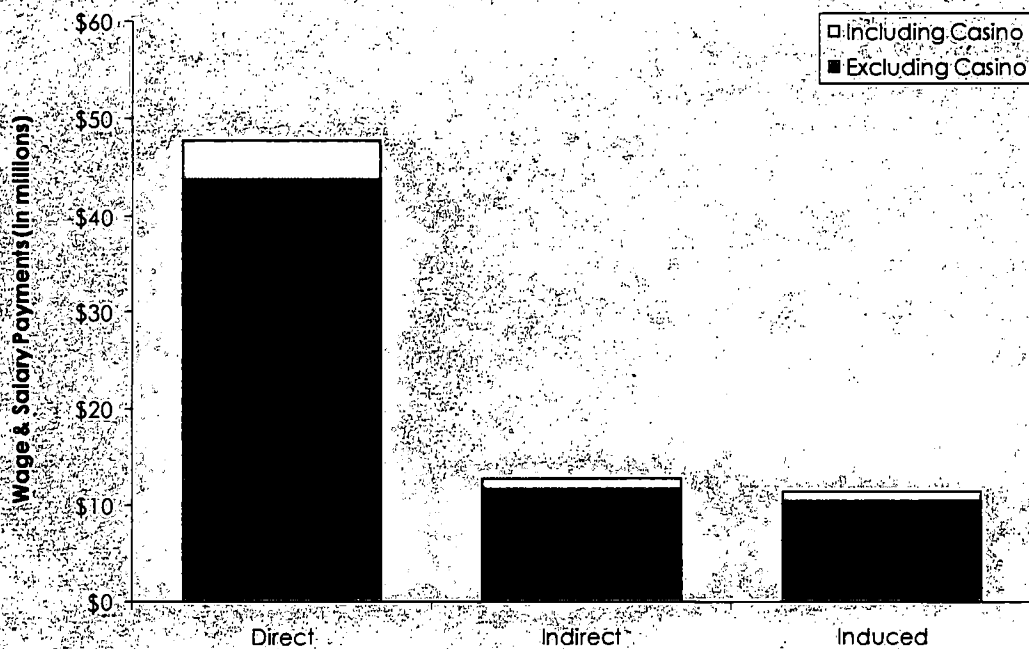

Exhibit 35: Construction Economic Output Impacts

Total Construction Costs = $208 million (excluding land and finance costs)

Aggregate Spending in Clark County = $309 million

For Every $1.00 Spent a Total of $1.49 Is Spent Throughout Clark County

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OPERATIONS PHASE

Exhibit 36
Operations Phase Impact Summary
(Annual Impacts; $ in Millions)

	Employment	Wage & Salary Payments	Economic Output
Proposed Development			
Direct			
Retail	505	$27	$52
Museum (Former Post Office)	89	$4	$17
Office	846	$35	$68
Hotel	199	$12	$25
Casino	256	$8	$43
Total	1,895	$85	$206
Indirect			
Retail	102	$4	$11
Museum (Former Post Office)	74	$3	$7
Office	190	$7	$18
Hotel	46	$2	$6
Casino	79	$4	$10
Total	492	$19	$51
Induced			
Retail	189	$7	$19
Museum (Former Post Office)	90	$3	$9
Office	255	$9	$26
Hotel	75	$3	$8
Casino	127	$5	$13
Total	736	$26	$76
Total			
Retail	796	$37	$83
Museum (Former Post Office)	253	$9	$33
Office	1,292	$51	$112
Hotel	320	$16	$39
Casino	462	$16	$66
Total	**3,123**	**$130**	**$333**

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Exhibit 37: Operations Employment Impacts

Total Clark County Impact = 1,895 Persons Employed Annually

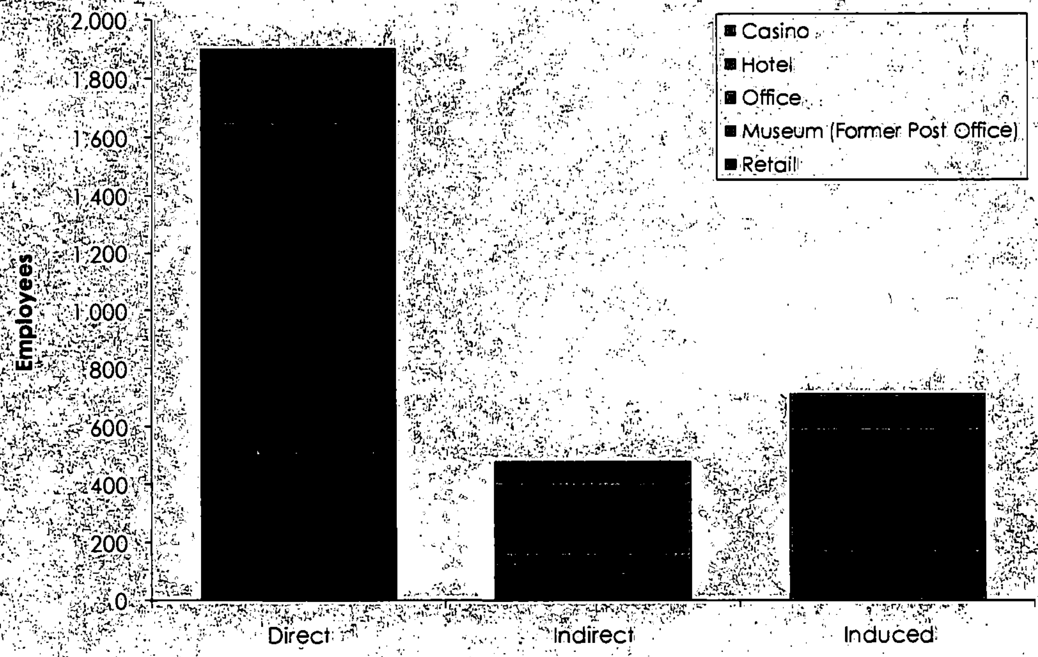


Exhibit 38: Operations Personal Income Impacts

Total Wages & Salaries Paid = $85 million

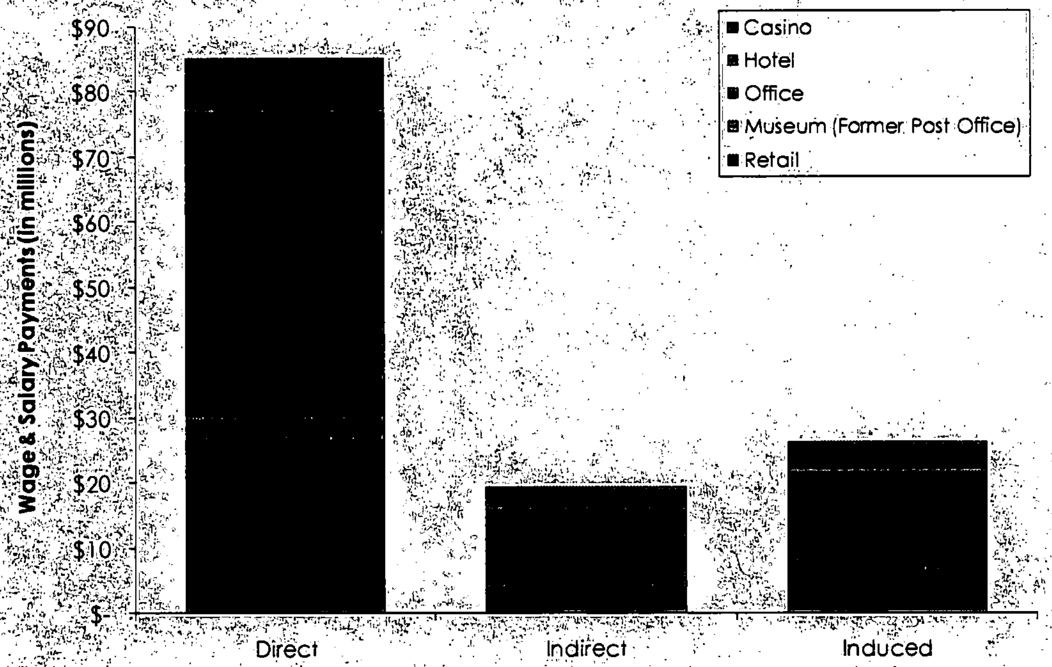
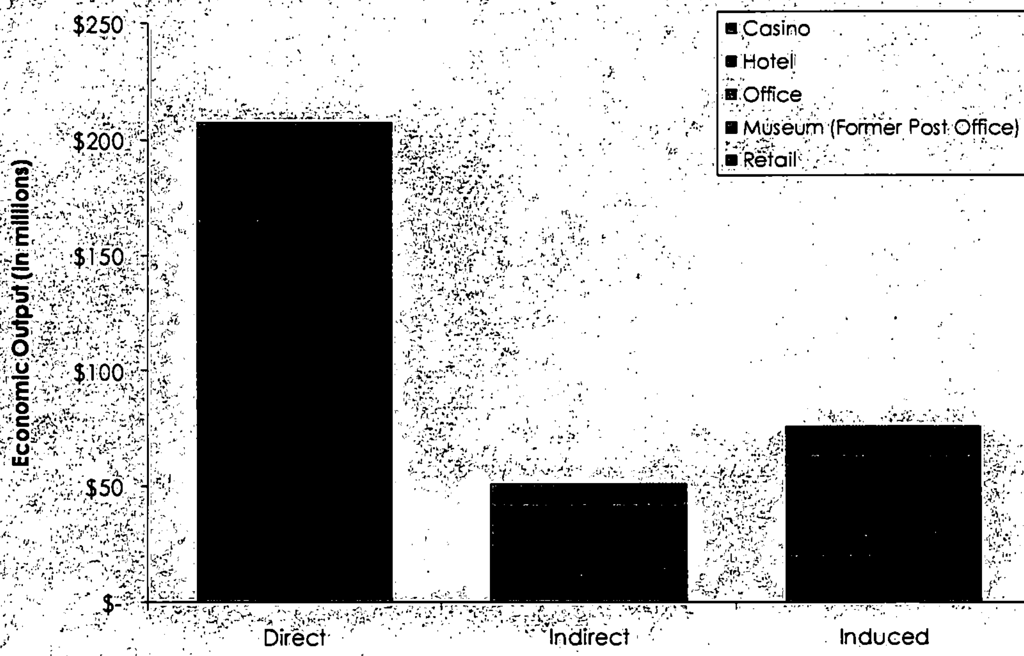


Exhibit 39: Economic Output Impacts

Direct Annual Economic Output = $206 million

Total Economic Annual Output = $333 million

For Every $1.00 Spent a Total of $1.62 Will Be Spent Throughout the Economy



INTENDED USE OF THIS STUDY

The objective of this analysis is to address three key specific requirements identified in *Chapter 271A – Tourism Improvements* of the Nevada Revised Statutes:

1. Will the Project and the financing thereof have a positive fiscal effect on the provision of local government services? *(addressing requirements outlined in NRS 271A.080.3(a) – (d))*

2. As a result of the Project, will retailers locate their businesses within the District and will there be a substantial increase in the proceeds from the sales and use taxes remitted by retailers within the District? (addressing requirements outlined in NRS 271A.080.6(a))

3. As a result of the Project, will the preponderance of the increase in proceeds from sales and use taxes be attributable to transactions with tourists who are not residents of the state of Nevada? (addressing requirements outlined in NRS 271A.080.6(b))

APPLIED ANALYSIS

PERTINENT DATES

Preparation of this written summary was completed on November 30, 2008. Generally speaking, the data referred to herein are as of October 2008, the most recent data available at the time this report was drafted.

EXTENT OF THE DATA COLLECTION PROCESS, MARKET RESEARCH, AND UNDERLYING ANALYSES

At the time this report was drafted, incomplete information was available regarding the programmed tenant mix and potential performance. As such, several assumptions were derived from publicly-available datasets to supplement our analysis. Note that totals may not sum due to rounding.

Included in this report is an overview and analysis of the potential economic and revenue impacts associated with the Mixed-Use Development in Las Vegas, Nevada after giving effect to the creation of the District. Data used in this analysis were obtained from the Company and third-party data providers, including state and local governments and agencies. While we have no reason to doubt the accuracy of the information referenced herein, we have neither audited these data nor performed thorough review and assurance procedures, and as such, AA can make no representations or assurances as their completeness or usefulness for all purposes.

AA was not retained to perform a market or financial feasibility study for the District. The analysis contained herein assumes that the construction and operation of the Mixed-Use Development is feasible, that sufficient demand exists to support the Mixed-Use Development as planned and management will be both competent and effective. Operational impacts assume stabilized performance in hypothetical future years. Unless stated otherwise all figures are expressed in constant 2008 dollars.

Fiscal estimates were developed by AA based on information available from public state and local sources, including, without limitation, the Nevada Department of Taxation, the Nevada State Gaming Control Board, the Clark County Assessor's Office, the Nevada Department of Employment, Training and Rehabilitation and Clark County. We have focused on the largest sources of revenue due to the volume and *de minimis* nature of minor sources.