RESOLUTION NO. R-30-2009

A RESOLUTION AND PUBLIC HEARING MAKING CERTAIN WRITTEN FINDINGS AND DETERMINATIONS PURSUANT TO NRS 271A.080(2), (3) AND (6) AND NRS 360.855(3) RELATING TO A PROPOSED TOURISM IMPROVEMENT DISTRICT IN THE CITY OF LAS VEGAS AND OTHER MATTERS PROPERLY RELATING 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 herein; and

WHEREAS, under Nevada Revised Statutes Chapter 271A (the "Tourism Act"), the City has the power if certain conditions are satisfied to create a tourism improvement district (the "District") for the development of property within the jurisdiction of the City; and

WHEREAS, the City Council desires to proceed with the steps necessary for the creation of the district (the "District") described in the resolution adopted by the Council on February 4, 2009 calling a hearing on the District to be held on May 6, 2009 to consider making certain findings and determinations; 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, as amended on February 27, 2009 (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;

(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; and

(v) A presentation made to the Council at its February 4, 2009 meeting about the District;

(the "Filed Information"); and

WHEREAS, the Council desires to construct a project (the "Project") to be located in the District as further described in the Report; and

WHEREAS, pursuant to the Tourism Act, the City desires to finance a portion of the Project through the issuance of bonds or an agreement or both pursuant to the Tourism Act which shall be repaid through the pledge of a portion of the sales and use taxes collected in the District pursuant to the Tourism Act; and

WHEREAS, the Tourism Act requires, among other things, that before the District may be created, the City Council shall make a written finding at a public hearing, based upon reports from independent consultants, as to whether the Project and the financing thereof will have a positive fiscal effect on the provision of local governmental services (the "Fiscal Effect Finding"), after considering the factors described in NRS 271A.080(3); and

WHEREAS, pursuant to the Tourism Act, at least 45 days before making the Fiscal Effect Finding, the Council must have provided and has provided, to the Board of Trustees of the Clark County School District (the "School Board") and the Board of County Commissioners of Clark County (the "County BCC"), written notice of the time and place of the meeting at which the Council will consider making the Fiscal Effect Finding and the Filed Information which consists of each analysis prepared by or for or presented to the Council regarding the fiscal effect of the Project and the use of any money proposed to be pledged pursuant to the Tourism Act on the provision of local governmental services, including education; and

WHEREAS, the Filed Information, among other things, addresses the fiscal effect on the provision of local governmental services and the estimated amount and source of sales and use taxes generated in the District; and

WHEREAS, the City desires:

(i) to approve and authorize 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 has provided at least 15 days' notice of a public hearing held on the date hereof by publication pursuant to the Tourism Act.

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

Section 1. Written Findings Pursuant to NRS 271A.080(2) and (3).

The Council has provided the materials and notices required by NRS 271A.080(4) and (5) to the School Board and the County BCC. The School Board and the County Board conducted public hearings and the School Board and the County BCC have provided comments to the Council. The Council has considered the comments provided by the School Board and the County BCC in making the written Fiscal Effect Finding set forth below. Pursuant to NRS 271A.080(2) and (3) as part of the process of establishing the proposed District, the Council must make a written finding at a public hearing, based upon the Filed Information as to whether the proposed Project and the financing thereof pursuant to the Tourism Act will have a positive fiscal effect on the provision of local governmental services and that the Project will benefit the proposed District. For purposes of NRS 271A.080(2) and (3), at a public hearing on the date hereof, the Council hereby finds and determines that based upon the Filed Information and after considering the factors listed in NRS 271A.080(3)(a) through (d), inclusive, and all written and oral information presented at the public hearing held on this date: (i) The Project will have a positive fiscal effect on the provision of local governmental services and (ii) The Project will benefit the District.

Section 2. Written Finding Pursuant to NRS 271A.080(6).

For purposes of NRS 271A.080(6), at a public hearing on the date hereof, based upon the Filed Information, and all written and oral information presented at the public hearing held on this date the Council hereby finds and determines 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.

Section 3. Approval of Use of Monies Under NRS 360.855(3).

Pursuant to NRS 360.855(3) the City Council hereby approves and authorizes 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.

Section 4. Providing Notice and Materials to the Commission on Tourism and the Governor of Nevada. City staff is hereby authorized and directed to provide notice and materials required by NRS 271A.080(7) and (8) and NRS 360.855(3) to the Commission on Tourism and the Governor of Nevada necessary to effectuate the provisions of this resolution.

Section 5. Conclusive Determinations. Pursuant to NRS 271A.090, the determinations and written findings made by the Council in this Resolution are conclusive in the absence of fraud or gross abuse of discretion.

Section 6. Effective Date. This resolution shall be effective upon passage.

Section 7. Repealer and General Provisions. Any resolution which conflicts with this resolution is hereby repealed. The officers of the City are hereby authorized and directed to take all action necessary to effectuate the provisions of this resolution. The provisions of this resolution shall be liberally construed to effectively carry out its purposes. In the event that any provision in this resolution is deemed void, invalid or unenforceable by a court of competent jurisdiction, then such offending provision shall be severed from this resolution and all the remaining provisions (including the repealer provision) shall remain in full force and effect.

PASSED, ADOPTED AND APPROVED this May 6, 2009.

(SEAL)

Oscar B. Goodman, Mayor

Attest:

Beverly K. Bridges, CMC, City Clerk

Approved as to form:

4/24/09

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 May 6, 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 May 6, 2009 is attached to this certificate as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand on this May 6, 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.

May 6, 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 – CHAPLAIN STEVE SANSON, VETERANS IN POLITICS INTERNATIONAL
4. PLEDGE OF ALLEGIANCE
5. OATH OF OFFICE ADMINISTERED TO ELECTED OFFICIALS – COUNCILMAN, WARD 2; COUNCILMAN, WARD 6; MUNICIPAL COURT JUDGE, DEPARTMENT 1; MUNICIPAL COURT JUDGE, DEPARTMENT 4; AND MUNICIPAL COURT JUDGE, DEPARTMENT 6
6. RECOGNITION OF THE CITIZEN OF THE MONTH
7. RECOGNITION OF HISTORIC PRESERVATION MONTH
8. RECOGNITION OF ASIAN-PACIFIC AMERICAN HERITAGE 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 Special Joint City Council and Planning Commission meeting of March 23, 2009, the Special Joint City Council and Redevelopment Agency Budget Workshop meeting of March 30, 2009 and the regular City Council meeting of April 1, 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. Approval to authorize the president of City Parkway V, Inc., a Nevada non-profit corporation, to execute the Quitclaim Deed to Remise, Release and Quitclaim certain real property commonly known as Parcel H/I to the City of Las Vegas, a political subdivision of the State of Nevada, located northeast of the intersection of Bonneville Avenue and Grand Central Parkway - Ward 5 (Barlow)

FIELD OPERATIONS - CONSENT

12. Approval of a Lease Agreement between the City of Las Vegas and Robert Humphreys for use of the residence at Floyd Lamb Park at Tule Springs located at 9200 Tule Springs Road (Estimated monthly revenue $925) - Ward 6 (Ross)

FINANCE & BUSINESS SERVICES - ADMINISTRATION CONSENT

13. Approval to renew an Interlocal Agreement for Coordination of Franchise-Related Activities with Clark County, Henderson, North Las Vegas and Boulder City ($45,000 - General Fund) - All Wards

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

FINANCE & BUSINESS SERVICES - BUSINESS SERVICES CONSENT

15. Approval of a Special Event Beer/Wine License for Boricua Association of Las Vegas, Location: Sammy Davis Jr. Plaza - Lorenzi Park, 720 Twin Lakes Drive, Date: May 24, 2009, Type: Special Event Beer/Wine, Event: 11th Annual Memorial Day Puerto Rican Festival, Responsible Person in Charge: Hector Pelaez - Ward 5 (Barlow)

16. Approval of a Special Event Beer/Wine License for Brotherhood and Welfare Fund, Location: IBEW Building, 4322 East Bonanza Road, Date: May 9, 2009, Type: Special Event Beer/Wine, Event: Harley and Hot Rods Poker Run, Responsible Person in Charge: Anthony C. Napolitano - Ward 3 (Reese)

17. Approval of a Change of Ownership for a Package License subject to the provisions of the planning and fire codes and Health Dept. regulations, From: E & T Produce Company, LLC, William J. Miguel, Mmbr 25%, Constantino Miguel, Mmbr, 25%, and Aner J. Iglesias, Mmbr, 50%, To: King Ranch Markets, Inc., dba King Ranch #6, 840 North Decatur Boulevard, 1993 Miguel Family Trust, 75%, Constantino Miguel, Pres, Co-Trustee and Alice Miguel, Co-Trustee and William P. Miguel, Secy, Treas, 25% - Ward 5 (Barlow)

18. Approval of a Change of Ownership for a Package License subject to the provisions of the planning and fire codes and Health Dept. regulations, From: E & T Produce Company, LLC, William J. Miguel, Mmbr 25%, Constantino Miguel, Mmbr, 25%, and Aner J. Iglesias, Mmbr, 50%, To: King Ranch Markets, Inc., dba King Ranch #8, 755 North Nellis Boulevard, 1993 Miguel Family Trust, 75%, Constantino Miguel, Pres, Co-Trustee and Alice Miguel, Co-Trustee and William P. Miguel, Secy, Treas, 25% - Ward 3 (Reese)

19. Approval of a Change of Ownership for a Package License subject to the provisions of the planning and fire codes and Health Dept. regulations, From: E & T Produce Company, LLC, William J. Miguel, Mmbr 25%, Constantino Miguel, Mmbr, 25%, and Aner J. Iglesias, Mmbr, 50%, To: King Ranch Markets, Inc., dba King Ranch #9, 1570 North Eastern Avenue, 1993 Miguel Family Trust, 75%, Constantino Miguel, Pres, Co-Trustee and Alice Miguel, Co-Trustee and William P. Miguel, Secy, Treas, 25% - Ward 3 (Reese)

20. Approval of a Change of Business Name for a Beer/Wine/Cooler On-sale license subject to Health Dept. regulations, Calvino & Calvino-Remon, dba From: Mamacitas Mexican & Cubana Food, To: Mamitas Mexican and Cuban Food Restaurant, 611 Fremont Street, Suite 1, Maria Calvino, 100% jointly with spouse and Josemil Calvino-Remon, 100% jointly with spouse - Ward 5 (Barlow)

21. Approval of a Rescission of the January 7, 2009 City Council action for a Change of Business Name and Entity Conversion of a Tavern License, From: Santa Fe Station, Inc., dba Santa Fe Station, To: Santa Fe Station, LLC, dba Santa Fe Station Hotel & Casino, 4949 North Rancho Drive, Station Casinos, Inc., 100%, Kevin Kelly, Pres, Dir, Scott Neilson, Sr VP, Richard Haskins, Sr VP, Secy, and Thomas Friel, Sr VP, Treas - Ward 6 (Ross)

22. Approval of a Rescission of the January 7, 2009 City Council action for a new Non-restricted Gaming License subject to confirmation of approval by the Nevada Gaming Commission, Santa Fe Station, LLC, dba Santa Fe Station Hotel & Casino, 4949 North Rancho Drive, Station Casinos, Inc., 100%, Kevin Kelly, Pres, Dir, Scott Neilson, Sr VP, Richard Haskins, Sr VP, Secy, and Thomas Friel, Sr VP, Treas - Ward 6 (Ross)

23. Approval of a Change of Business Name for a Martial Arts Instruction License, Michael Evans, dba From: Desert Sun Tae Kwon Do, To: Master Evans Mixed Martial Arts (MEMMA), 11035 Calder Avenue, Michael Evans, Owner, 100% - Ward 2 (Wolfson)

24. Approval of new Psychic Arts and Science License, Tracy Taylor, dba Tracy Taylor, 6848 West Charleston Boulevard, Tracy Taylor, Owner, 100% - Ward 1 (Tarkanian) [NOTE: This license is located in an existing business – Psychic Eye Book Shop]

25. Approval of a Special Event Beer/Wine License for A Time in History, Inc., Location: 713 Stewart Avenue, Dates: May 14 - 17, 2009, Type: Special Event Beer/Wine, Event: Helldorado Rodeo Event, Responsible Person in Charge: Lori Yerger - Ward 5 (Barlow)

FINANCE & BUSINESS SERVICES - PURCHASING & CONTRACTS CONSENT

26. Approval of award of Agreement No. 090171-LD, Geotechnical Evaluation and Geophysical Survey Agreement for Regional Public Safety Complex located at Deer Springs Way and Alpine Ridge Way - Department of Public Works - Award recommended to: NINYO AND MOORE ($67,000 - Multipurpose Special Revenue Fund) - Ward 6 (Ross)

27. Approval of revision to Purchase Order No. 250783, Legal Representation for Union Park Development Matters located at 100 South Grand Central Parkway - APN 193-34-110-006 - City Parkway V, Inc. - Award recommended to: THE ROSENFELD LAW GROUP ($100,000 - City Parkway V Operating Fund) - Ward 5 (Barlow)

28. Approval of award of Contract No. 090140-CW, Professional Annual Audit Services for the City of Las Vegas and the Redevelopment Agency for Fiscal Years 2009, 2010 and 2011 - Department of Finance and Business Services - Award recommended to: KAFOURY, ARMSTRONG & CO. ($552,000 - General Fund and Las Vegas Redevelopment Agency General Fund)

29. Approval of award of Agreement No. 090174-LD, Program Consulting Services Agreement for RMP-CAPP (Risk Management Plan-Chemical Accident Prevention Program) 2009 for the Water Pollution Control Facility (WPCF) located at 6005 Vegas Valley Drive - Department of Public Works - Award recommended to: ANGELO & NEWTON LLC ($458,865 - Sanitation Enterprise Fund) - County

30. Approval of First Amendment to Agreement No. 080197-DC, Engineering Design Services for the Large Diameter Pipeline Assessment Program: 5 Year Cycle - Department of Public Works - Award recommended to: PROJECT ENGINEERING CONSULTANTS, LTD. ($988,814.52 - Sanitation Enterprise Fund) - All Wards

31. Approval of award of Contract No. 080166-TB, Equestrian Concession located at Floyd Lamb Park at Tule Springs, 9200 Tule Springs Road - Department of Leisure Services - Award recommended to: LAS VEGAS CARRIAGE, LLC (minimum revenue of $3,600 annually) - Ward 6 (Ross)

PUBLIC WORKS - CONSENT

32. Approval of an Encroachment Request from CVL Consultants, Incorporated, on behalf of Gilcrease Well Corporation, developer (Racel Street and Cimarron Road) - Ward 6 (Ross)

33. Approval of an Encroachment Request from Larry D. Thomas and Nerissa L. Thomas, owners (northeast corner of Duncan Drive and Rancho Drive) - Ward 6 (Ross)

34. Approval of a Sewer Connection Agreement with WRG Design on behalf of Las Vegas LTC Properties, LLC, owner and an Interlocal Contract with Clark County Water Reclamation District for sewer services located at the northwest corner of Regena Avenue and Fort Apache Road, APN 125-30-502-010 - County (near Ward 6 - Ross)

35. Approval of a Sewer Connection Agreement with Samuel Newberry, owner and an Interlocal Contract with Clark County Water Reclamation District for sewer services located north of Vegas Drive and east of Valley Drive, APN 139-19-811-049 - County (near Ward 5 - Barlow)

36. Approval of a Sewer and Horse Trail Improvements Agreement with D.R. Horton, Inc., developer, for the construction and installation of sewer and horse trail improvements within Tule Springs at Floyd Lamb State Park - Ward 6 (Ross)

37. Approval of Contract No. 461d between the City of Las Vegas, Clark County and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date to provide fiber optic communication trunk lines across major roads within the ITS Communication Infrastructure project - All Wards and County

38. Approval of Contract No. 500a between the City of Las Vegas, the City of North Las Vegas, Clark County and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for the development, design and deployment of arterial incident and event management systems in the Craig Road and Las Vegas Boulevard corridors within the arterial incident and event management system project - Ward 6 (Ross), North Las Vegas and County

39. Approval of Contract 515d between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for various street improvements associated with the Arterial Restoration and Preservation projects, fiscal year 2006 and arterial network pavement evaluation - All Wards

40. Approval of Contract No. 536a between the City of Las Vegas and the Regional Transportation Commission of Southern Nevada (RTC) to extend the project completion date for improvements associated with the Annual Restoration and Preservation projects, fiscal year 2007 - Wards 1, 3 and 5 (Tarkanian, Reese and Barlow)

41. Approval of Interlocal Agreement 113444 between the City of Las Vegas and the Las Vegas Valley Water District for water services at the Neon Boneyard Park project located east of Las Vegas Boulevard and north and south of McWilliams Avenue ($17,339 - Southern Nevada Public Land Management Act [SNPLMA]) - Ward 5 (Barlow)

42. Approval of a Rule 9 Non-Refundable Construction Agreement with Nevada Power Company (NV Energy) for the extension of existing power facilities to provide power for improvements associated with the Freedom Park Renovation project located at 850 N. Mojave Road ($27,333 - Southern Nevada Public Land Management Act [SNPLMA]) - Ward 3 (Reese)

43. Approval of Amendment Number 4 to the Interlocal Contract with Clark County for the Department of Social Services to assist in evaluating City-designated special improvement district hardship applications ($35 an hour/estimated $1,000 a year - Revolving Special Improvement District Fund) - All Wards

RESOLUTIONS - CONSENT

44. R-26-2009 - Approval of a Resolution Awarding Bid for Special Improvement District No. 1511 - Farm Road (Virginia Dale Street to Tule Springs Road) ($63,517 - Capital Projects Fund/Special Assessments) - Ward 6 (Ross)

45. R-27-2009 - Approval of a Resolution directing the City Treasurer to give notice of the sale of properties subject to the lien of a delinquent assessment in Special Improvement District 505 and in certain other districts and providing other matters properly relating thereto - All Wards

46. R-28-2009 - Approval of a Resolution directing the City Treasurer to give notice of the sale of properties subject to the lien of a delinquent assessment in the Summerlin Special Improvement Districts and in certain other districts and providing other matters properly relating thereto - All Wards

47. R-29-2009 - Approval of a Resolution to adopt policy regarding recycled water utilization in Southern Nevada - All Wards

DISCUSSION/ACTION ITEMS

HEARINGS - DISCUSSION

48. Public Hearing to consider the report of expenses to recover costs for abatement of vacant or abandoned dangerous building located at 4830 Kansas Avenue in the amount of $3,956 (General Fund) and assess a maximum of $69,550 in daily civil penalties. PROPERTY OWNER: LUIZA PAIRICH - Ward 1 (Tarkanian)

49. Public Hearing to consider the report of expenses to recover costs for abatement of vacant or abandoned dangerous building located at 5913 West Washington Avenue in the amount of $3,314.35 (General Fund) and assess a maximum of $51,550 in daily civil penalties. PROPERTY OWNER: ARMAN DAVTYAN - Ward 1 (Tarkanian)

50. Public Hearing to consider the report of expenses to recover costs for abatement of vacant or abandoned dangerous building located at 4701 Alpine Place in the amount of $1,150 (General Fund) and assess a maximum of $62,350 in daily civil penalties. PROPERTY OWNER: BANK DEUTSCHE NATIONAL TR CO TRS – C/O REO DEPT - Ward 1 (Tarkanian)

51. Public Hearing to consider the report of expenses to recover costs for abatement of vacant or abandoned dangerous building located at 2200 West Washington Avenue in the amount of $3,199.35 (General Fund) and assess a maximum of $37,050 in daily civil penalties. PROPERTY OWNER: A C A B ENTERPRISES INC – C/O C. BANKSTON - Ward 5 (Barlow)

52. Hearing to consider a request for a waiver and/or reduction of civil penalties for the property located at 5041 North Cimarron Road in the amount of $70,550. PROPERTY OWNER: BANK WASHINGTON MUTUAL/JP MORGAN CHASE - Ward 4 (Steinman)

ADMINISTRATIVE - DISCUSSION

53. Discussion and possible action concerning the status of the 2009 legislative issues - All Wards

54. Discussion and possible action regarding the Second Amended And Restated Agreement To Design, Construct And Lease A Performing Arts Center by and among Las Vegas Performing Arts Center Foundation, a Nevada non-profit corporation, City Parkway V, Inc., a Nevada not-for-profit corporation, and the City of Las Vegas, Nevada, a political subdivision of the State of Nevada, for the site commonly known as Parcel H/I on Union Park, located north of the intersection of Bonneville Avenue and Grand Central Parkway - Ward 5 (Barlow)

ADMINISTRATIVE SERVICES - DISCUSSION

55. Report and possible action by a representative from the Southern Nevada Health District regarding the outbreak of swine flu - All Wards

CITY ATTORNEY - DISCUSSION

56. Discussion and possible action to ratify retainer of Lewis and Roca and Daniel Polsenberg as outside counsel to represent the City in all matters stemming from litigation relating to the Las Vegas Taxpayer Accountability Committee; Las Vegas Redevelopment Reform Committee, et al., v. City Council of Las Vegas, et al., and Culinary Workers Union Local 226, et al v. City Council of Las Vegas, et al.

FINANCE & BUSINESS SERVICES - BUSINESS SERVICES DISCUSSION

57. Discussion and possible action regarding Temporary Approval of a Change of Ownership for a Tavern License subject to the provisions of the planning and fire codes and Health Dept. regulations, From: Vallone Becker Enterprises, LLC, John P. Vallone, Mgr, William E. Becker, Mgr, Leisure Investments, Inc., Mmbr, 100%, John P. Vallone, Dir, VP, William E. Becker, Dir, Pres, Michele M. La Count, Dir, Secy, and Kelly C. Preuss, Dir, Treas, To: Silver Saddle, Inc., dba Bogey's Bar & Grill, 7770 West Ann Road, Saeed Shakeri, Pres, Secy, Treas, Dir - Ward 6 (Ross)

58. Discussion and possible action regarding Temporary Approval of a new Restricted Gaming License subject to confirmation of approval by the Nevada Gaming Commission, Silver Saddle, Inc., dba Bogey's Bar & Grill, 7770 West Ann Road, Saeed Shakeri, Pres, Secy, Treas, Dir, Saeed Shakeri 2008 Gaming Trust, 100%, Saeed Shakeri, Trustee, 100% Shareholder - Ward 6 (Ross)

59. Discussion and possible action regarding Temporary Approval of a new Beer/Wine/Cooler On-sale License subject to the provisions of the fire codes and Health Dept. regulations, Krazy Sushi, Inc., dba Krazy Sushi, 7160 North Decatur Boulevard, Suite 140, Doo Yong Jung, Pres, Dir, 50% and Ji Haeng Hur, Secy, Treas, 50% - Ward 6 (Ross)

60. Discussion and possible action regarding Temporary Approval of a Change of Ownership for a Package License subject to the provisions of the planning and fire codes and Health Dept. regulations, From: Sam Sadek Yousif, Owner, 100%, To: Bidi Family Corp, dba Liquor Stop 1, 865 North Lamb Boulevard, Suite 2, Kalid Bidi, Pres, Dir, Raid Bidi, Secy, Dir, and Salwan Bidi, Treas, Dir - Ward 3 (Reese)

61. Discussion and possible action regarding Temporary Approval of a new Restricted Gaming License subject to confirmation of approval by the Nevada Gaming Commission, Bidi Family Corp, dba Liquor Stop 1, 865 North Lamb Boulevard, Suite 2, Kalid Bidi, Pres, Dir, Raid Bidi, Secy, Dir, and Salwan Bidi, Treas, Dir - Ward 3 (Reese)

62. Discussion and possible action regarding Temporary Approval of a new Beer/Wine/Cooler On-sale License subject to the provisions of the fire codes, LL & Q Base, LLC, dba Tokyo Sushi House, 10040 West Cheyenne Avenue, Suite 150, Yujun Wang, Mgr, 100% - Ward 4 (Steinman)

63. Discussion and possible action regarding a Change of Location for an Astrology License and a Psychic Arts and Science License subject to the provisions of the planning codes, Annie Phillips, dba Annie Phillips, From: 216 South 7th Street, Suite 13, To: 2801 South Valley View Boulevard, Suite 13, Annie Phillips, Owner, 100% - Ward 1 (Tarkanian) [NOTE: Item to be heard in the afternoon session in conjunction with Item 132 - SUP-33604]

64. Discussion and possible action regarding Temporary Approval of a Change of Business Name and Change of Ownership for a Locksmith License, From: A B C Locksmiths, Inc., dba A B C Locksmiths, Inc., Rebecka L. Caster, Dir, Pres, Secy, Treas, 100%, To: NK Enterprises, Inc., dba A B C Locksmiths, 3981 West Sunset Road, Suite E, Nir Kaufman, Pres, Secy, Treas, Dir, 100% - County

65. Discussion and possible action regarding Temporary Approval of a new Locksmith License subject to the provisions of the planning and fire codes, Speedy Locksmith & Key, Inc., dba Able Lock & Key, 1913 East Charleston Boulevard, Sonia I. Osbourne, Pres, Secy, Treas, 100% - Ward 3 (Reese)

66. Discussion and possible action regarding Temporary Approval of a new Class II Secondhand Dealer License subject to the provisions of the planning and fire codes, Bargain Hunters, LLC, dba Bargain Hunters, 1200 South Rainbow Boulevard, Stacy Luxenberg, Mgr, 100% - Ward 1 (Tarkanian) [NOTE: Item to be heard in the afternoon session in conjunction with Item 131 - SUP-33388]

67. Discussion and possible action for rescission of City Council action taken on March 18, 2009 for a Change of Business Name and a Change of Ownership for a Tavern License and a Restricted Gaming License, From: Buffalo Investments, Inc., dba Roadrunner Saloon Buffalo, To: Golden RR Buffalo 1, LLC, dba Roadrunner Saloon, 921 North Buffalo Drive, Golden Tavern Group, LLC, 100%, Golden Gaming, Inc., 100%, Blake L. Sartini, Pres, CEO, Rod S. Atamian, EVP, Treas, Secy, Matthew Flandermeyer, CFO, VP, The Blake L. Sartini and Delise F. Sartini Family Trust, 100%, Delise F. Sartini, Trustee, Beneficiary and Blake L. Sartini, Trustee, Beneficiary - Ward 4 (Steinman)

68. Discussion and possible action for rescission of City Council action taken on March 18, 2009 for a Change of Business Name and a Change of Ownership for a Tavern License and a Restricted Gaming License, From: True West Investments, Inc., dba Roadrunner Centennial, To: Golden RR Centennial 4, LLC, dba Roadrunner Saloon, 5990 Centennial Center Boulevard, Golden Tavern Group, LLC, 100%, Golden Gaming, Inc., 100%, Blake L. Sartini, Pres, CEO, Rod S. Atamian, EVP, Treas, Secy, Matthew Flandermeyer, CFO, VP, The Blake L. Sartini and Delise F. Sartini Family Trust, 100%, Delise F. Sartini, Trustee, Beneficiary and Blake L. Sartini, Trustee, Beneficiary - Ward 6 (Ross)

69. Discussion and possible action regarding a Six Month Review of a Psychic Arts and Science License, Psychic Solutions, LLC, dba Psychic Solutions, 2925 West Sahara Avenue, Angie Marks, Managing Mmbr, 50% and Stephanie Marks, Managing Mmbr, 50% - Ward 1 (Tarkanian)

70. Discussion and possible action regarding a Six Month Review of a Psychic Arts and Science License, Helen Adams, dba Tarot Card Readings, 4921 Alta Drive, Helen Adams, 100% - Ward 1 (Tarkanian)

FINANCE & BUSINESS SERVICES - PURCHASING & CONTRACTS DISCUSSION

71. Discussion and possible action regarding award of Agreement No. 09-25557, Owner-CMAR (Construction Manager At Risk) Agreement, The Smith Center for the Performing Arts, located on Discovery Drive in Union Park and the construction conflicts and contingency reserve set by Finance and Business Services - Department of Public Works - Award recommended to: THE WHITING-TURNER CONTRACTING COMPANY ($245,980,000 - Parks and Leisure Activities Capital Projects Fund) - Ward 5 (Barlow)

NEIGHBORHOOD SERVICES - DISCUSSION

72. Discussion and possible action regarding the City of Las Vegas Substantial Amendment to the 2008 Action Plan for the Homeless Prevention and Rapid Re-housing Program (HPRP) that secures $2,105,118 as part of the American Recovery and Re-Investment Act (ARRA) of 2009 through the Department of Housing and Urban Development (HUD) – All Wards

PUBLIC WORKS - DISCUSSION

73. Discussion and possible action on a request to install speed humps on 20th Street between Bonanza Road and Harris Avenue ($7,800 - Neighborhood Traffic Management Program) - Ward 3 (Reese)

RESOLUTIONS - DISCUSSION

74. R-30-2009 - Public Hearing, discussion and possible action regarding a Resolution making written findings, approving the use of monies, providing notice and materials to the Commission on Tourism and Governor of Nevada and making conclusive determinations, all relative 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)

75. R-31-2009 - Discussion and possible action regarding a Resolution consenting to certain undertakings of the City of Las Vegas Redevelopment Agency (RDA) in connection with the Interlocal Agreement by and between the RDA and City of Las Vegas, a political subdivision of the State of Nevada, for the project concerning the development of the Smith Center for the Performing Arts, to be located just northeast of the intersection of Bonneville Avenue and Grand Central Parkway - Ward 5 (Barlow) [NOTE: This is a related item to RDA Item 4 (RA-7-2009)]

76. R-32-2009 - Discussion and possible action regarding a Resolution consenting to the City of Las Vegas acceptance of the Grant Agreement by and between Donald W. Reynolds Foundation, a Nevada non-profit corporation, and the City of Las Vegas, a political subdivision of the State of Nevada, concerning the funding of the construction of a performing arts center to be located northeast of the intersection of Bonneville Avenue and Grand Central Parkway in the Union Park Master Planned development - Ward 5 (Barlow)

BOARDS & COMMISSIONS - DISCUSSION

77. TRAFFIC & PARKING COMMISSION – Vernell McNeal, Term Expiration 5-18-2009

78. BUILDING AND SAFETY ENTERPRISE FUND ADVISORY COMMITTEE – James Chachas, representing the Residential Construction Industry, Term Expiration 5-2-2009

BILLS ELIGIBLE FOR ADOPTION AT A LATER MEETING

THERE IS NO PUBLIC COMMENT ON THESE ITEMS AND NO ACTION WILL BE TAKEN BY THE COUNCIL AT THIS MEETING, EXCEPT THOSE ITEMS WHICH MAY BE STRICKEN OR TABLED. PUBLIC TESTIMONY TAKES PLACE AT THE RECOMMENDING COMMITTEE MEETING HELD FOR THAT PURPOSE.

79. Bill No. 2009-16 - Levies Assessment for Special Improvement District No. 1516 – Fremont Street Maintenance District (Las Vegas Boulevard to 8th Street) Sponsored by: Step Requirement

80. Bill No. 2009-17 – Updates Municipal Code standards and requirements for ambulance services provided by means of franchise. Proposed by: Candace Falder, Acting Director of Finance and Business Services

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.

81. Bill No. 2009-18 – Updates and corrects various provisions of the City's zoning regulations relative to certain land use categories and development standards. Sponsored by: Mayor Oscar B. Goodman

82. Bill No. 2009-19 – Updates the Municipal Code prohibition regarding the possession of false identifying information or documentation. Proposed by: Bradford R. Jerbic, City Attorney

83. Bill No. 2009-20 – Prohibits alcoholic beverages and glass beverage containers in City parks except pursuant to a permit or other written authorization. Sponsored by: Councilman Gary Reese

CLOSED SESSION

84. Closed Session - Upon duly carried Motion, a closed meeting is called in accordance with NRS 288.220 to discuss the upcoming labor negotiations

1:00 P.M. - AFTERNOON SESSION

BUSINESS ITEMS - AFTERNOON

85. 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 - 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.

86. SUP-33189 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: BIG MAMAS COOKING OR KITCHEN, INC. - OWNER: BUD HOLDINGS, LLC - Request for a Special Use Permit FOR A SUPPER CLUB IN AN EXISTING 4,091 SQUARE-FOOT RESTAURANT at 2230 West Bonanza Road (APNs 139-29-704-023 through 025), C-1 (Limited Commercial) Zone, Ward 5 (Barlow). The Planning Commission (6-0 vote) and staff recommend APPROVAL

87. SDR-33191 - SITE DEVELOPMENT PLAN REVIEW RELATED TO SUP-33189 - PUBLIC HEARING - APPLICANT: BIG MAMAS COOKING OR KITCHEN, INC. - OWNER: BUD HOLDINGS, LLC - Request for a Site Development Plan Review FOR ON-SITE ALTERATIONS FOR AN EXISTING 4,091 SQUARE-FOOT RESTAURANT at 2230 West Bonanza Road (APNs 139-29-704-023 through 025), C-1 (Limited Commercial) Zone, Ward 5 (Barlow). The Planning Commission (6-0 vote) and staff recommend APPROVAL

88. SUP-33491 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: LAPTOP XCHANGE - OWNER: CENTENNIAL GATEWAY LLC - Request for a Special Use Permit FOR A SECONDHAND DEALER at 5765 Centennial Center, Suite #160 (APN 125-27-411-013), [SC-TC (Service Commercial-Town Center) Special Land Use Designation] Zone, Ward 6 (Ross). The Planning Commission (6-0 vote) and staff recommend APPROVAL

89. SUP-33584 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: BUZZ BBQ - OWNER: CRAIG MARKETPLACE, LLC - Request for a Special Use Permit FOR A BEER/WINE/COOLER ON-SALE ESTABLISHMENT WITHIN AN EXISTING RESTAURANT at 7121 West Craig Road, Suite #101 (APN 138-03-715-007), C-1 (Limited Commercial) Zone, Ward 4 (Steinman). The Planning Commission (6-0 vote) and staff recommend APPROVAL

90. RQR-31529 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT/OWNER: GOLDEN ARCH LP - Required Review of an approved Special Use Permit (U-53-87) FOR A 40-FOOT, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) at 4400 East Charleston Boulevard (APN 140-32-401-004), C-1 (Limited Commercial) Zone, Ward 3 (Reese). The Planning Commission (5-0-1 vote) and staff recommend APPROVAL

91. RQR-33286 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LAMAR CENTRAL OUTDOOR, LLC - OWNER: EWING INVESTMENTS, A PARTNERSHIP - Required Review of an approved Variance (V-0131-90) WHICH ALLOWED AN 80-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) WHERE 40 FEET IS THE MAXIMUM HEIGHT ALLOWED at 1405 "A" Street (APN 139-27-501-003), M (Industrial) Zone, Ward 5 (Barlow). The Planning Commission (5-0-1 vote) and staff recommend APPROVAL

92. RQR-33287 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LAMAR CENTRAL OUTDOOR, LLC - OWNER: INTEGRAL PARTNERS PARK PLACE CENTRE-LAS VEGAS, LLC- Required Review of an approved Special Use Permit (U-0101-95) FOR ONE 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) ORIENTED TOWARD INTERSTATE-15 AT A HEIGHT OF 30 FEET ABOVE THE ELEVATED FREEWAY; AND A SECOND 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) ORIENTED TOWARD THE DESERT INN ROAD "SUPER ARTERIAL" AT A HEIGHT OF 55 FEET ABOVE GRADE at 3200 South Rancho Drive (APN 162-08-418-002), M (Industrial) Zone, Ward 1 (Tarkanian). The Planning Commission (5-0-1 vote) and staff recommend APPROVAL

93. RQR-33344 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: CLEAR CHANNEL OUTDOOR - OWNER: RONALD M. HIRAHARA ETAL - Required Review of an approved Special Use Permit (U-0086-86) FOR A 65-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) on property located at 831 West Bonanza Road (APN 139-28-801-010), M (Industrial) Zone, Ward 5 (Barlow). The Planning Commission (6-0 vote) and staff recommend APPROVAL

94. RQR-33487 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LUTHERAN SOCIAL SERVICES OF NEVADA - OWNER: HARSCH INVESTMENT PROPERTIES - NEVADA, LLC - Request for a Required Review of an approved Special Use Permit (SUP-26576) FOR A SOCIAL SERVICE PROVIDER at 51 North Pecos Road, Suite #109 (APN 139-36-811-010), M (Industrial) Zone, Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

95. RQR-33580 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT/OWNER: FRANK SWEENEY - Required Review of a previously approved Special Use Permit (SUP-25031) FOR AN EXISTING HALFWAY HOUSE FOR RECOVERING ALCOHOL AND DRUG ABUSERS WITH APPROVED WAIVERS TO ALLOW A 300-FOOT SEPARATION FROM AN EXISTING GROUP RESIDENTIAL CARE FACILITY WHERE 1,500 FEET IS THE MINIMUM SEPARATION DISTANCE REQUIRED AND TO ALLOW A 6,136 SQUARE-FOOT LOT WHERE 6,500 SQUARE FEET IS THE MINIMUM REQUIRED at 2621 Brady Avenue (APN 139-25-215-079), R-1 (Single Family Residential) Zone, Ward 3 (Reese). Staff recommends APPROVAL

96. VAC-30172 - VACATION - PUBLIC HEARING - APPLICANT: FOREST CITY COMMERCIAL DEV, INC. - OWNER: LIVEWORK, LLC., ET AL - Petition to Vacate an 80-foot wide portion of First Street between Bonneville Avenue and Garces Avenue, Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

PLANNING & DEVELOPMENT - DISCUSSION

97. GPA-32167 - ABEYANCE ITEM - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT: P'S AUTO SALES - OWNER: BEARD FAMILY TRUST - Request to Amend a portion of the Southeast Sector Plan of the General Plan FROM: SC (SERVICE COMMERCIAL) TO: GC (GENERAL COMMERCIAL) on 0.55 acres at 3920 West Sahara Avenue (APN 162-06-801-005), Ward 1 (Tarkanian). The Planning Commission (3-2 vote) and staff recommend DENIAL

98. ZON-32168 - ABEYANCE ITEM - REZONING RELATED TO GPA-32167 - PUBLIC HEARING - APPLICANT: P'S AUTO SALES - OWNER: BEARD FAMILY TRUST - Request for a Rezoning FROM: C-1 (LIMITED COMMERCIAL) TO: C-2 (GENERAL COMMERCIAL) on 0.55 acres at 3920 West Sahara Avenue (APN 162-06-801-005), Ward 1 (Tarkanian). The Planning Commission (3-2 vote) and staff recommend DENIAL

99. SUP-32548 - ABEYANCE ITEM - SPECIAL USE PERMIT RELATED TO GPA-32167 AND ZON-32168 - PUBLIC HEARING - APPLICANT: P'S AUTO SALES - OWNER: BEARD FAMILY TRUST - Request for a Special Use Permit FOR A PROPOSED MOTOR VEHICLE SALES (USED) ESTABLISHMENT WITH A WAIVER TO ALLOW A 23,900 SQUARE-FOOT PARCEL WHERE 25,000 SQUARE FEET IS THE MINIMUM REQUIRED at 3920 West Sahara Avenue (APN 162-06-801-005), C-1 (Limited Commercial) Zone [PROPOSED: C-2 (General Commercial)], Ward 1 (Tarkanian). The Planning Commission (3-2 vote) and staff recommend DENIAL

100. SDR-32549 - ABEYANCE ITEM - SITE DEVELOPMENT PLAN REVIEW RELATED TO GPA-32167, ZON-32168 AND SUP-32548 - PUBLIC HEARING - APPLICANT: P'S AUTO SALES - OWNER: BEARD FAMILY TRUST - Request for a Major Amendment to an approved Site Development Plan Review (SDR-1167) FOR A PROPOSED MOTOR VEHICLE SALES (USED) ESTABLISHMENT on 0.55 acres at 3920 West Sahara Avenue (APN 162-06-801-005), C-1 (Limited Commercial) Zone [PROPOSED: C-2 (General Commercial)], Ward 1 (Tarkanian). The Planning Commission (3-2 vote) and staff recommend DENIAL

101. GPA-32424 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: GARNON LLC - Request to Amend a portion of the Southeast Sector Plan of the General Plan FROM: SC (SERVICE COMMERCIAL) TO: GC (GENERAL COMMERCIAL) on 0.35 acres at 4201 West Charleston Boulevard (APN 162-06-510-004), Ward 1 (Tarkanian). The Planning Commission (6-0 vote) and staff recommend DENIAL

102. SUP-30693 - SPECIAL USE PERMIT RELATED TO GPA-32424 - PUBLIC HEARING - APPLICANT/OWNER: GARNON, LLC - Request for a Special Use Permit FOR A PROPOSED AUTO REPAIR GARAGE (MAJOR) WITH A WAIVER TO ALLOW THE OPENINGS OF THE SERVICE BAYS TO FACE THE PUBLIC RIGHT-OF-WAY at 4201 West Charleston Boulevard (APN 162-06-510-004), C-2 (General Commercial) Zone, Ward 1 (Tarkanian). The Planning Commission (6-0 vote) and staff recommend DENIAL

103. GPA-32550 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: SMOKE RANCH DEVELOPMENT, LLC - Request to Amend a portion of the Southwest Sector Plan of the General Plan FROM: O (OFFICE) TO: SC (SERVICE COMMERCIAL) on 2.63 acres adjacent to the south side of Smoke Ranch Road, approximately 1,300 feet east of Buffalo Drive (APN 138-22-102-004), Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

104. ZON-32551 - REZONING RELATED TO GPA-32550 - PUBLIC HEARING - APPLICANT/OWNER: SMOKE RANCH DEVELOPMENT, LLC - Request for a Rezoning FROM: U (UNDEVELOPED) [O (OFFICE) GENERAL PLAN DESIGNATION] UNDER RESOLUTION OF INTENT TO P-R (PROFESSIONAL OFFICE AND PARKING) TO: N-S (NEIGHBORHOOD SERVICE) on 2.63 acres adjacent to the south side of Smoke Ranch Road, approximately 1,300 feet east of Buffalo Drive (APN 138-22-102-004), Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

105. VAR-32553 - VARIANCE RELATED TO GPA-32550 AND ZON-32551 - PUBLIC HEARING - APPLICANT/OWNER: SMOKE RANCH DEVELOPMENT, LLC - Request for a Variance TO ALLOW A ONE-FOOT SETBACK ALONG THE SOUTH PERIMETER WHERE 25 FEET IS REQUIRED; TO ALLOW A ONE-FOOT SETBACK ALONG PORTIONS OF THE NORTH AND WEST PERIMETERS WHERE 10 FEET IS REQUIRED; TO ALLOW A FIVE-FOOT SETBACK ALONG A PORTION OF THE EAST PERIMETER; TO ALLOW A LOT COVERAGE OF 59% WHERE 30% IS THE MAXIMUM PERMITTED; AND TO ALLOW A 60-FOOT WIDE LOT WHERE 100 FEET IS THE MINIMUM REQUIRED on 2.63 acres adjacent to the south side of Smoke Ranch Road, approximately 1,300 feet east of Buffalo Drive (APN 138-22-102-004), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to P-R (Professional Office and Parking) Zone [PROPOSED: N-S (Neighborhood Service)], Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

106. SUP-32552 - SPECIAL USE PERMIT RELATED TO GPA-32550, ZON-32551 AND VAR-32553 - PUBLIC HEARING - APPLICANT/OWNER: SMOKE RANCH DEVELOPMENT, LLC - Request for a Special Use Permit FOR A PROPOSED MINI-STORAGE FACILITY adjacent to the south side of Smoke Ranch Road, approximately 1,300 feet east of Buffalo Drive (APN 138-22-102-004), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to P-R (Professional Office and Parking) Zone [PROPOSED: N-S (Neighborhood Service)], Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

107. SDR-32555 - SITE DEVELOPMENT PLAN REVIEW RELATED TO GPA-32550, ZON-32551, VAR-32553 AND SUP-32552 - PUBLIC HEARING - APPLICANT/OWNER: SMOKE RANCH DEVELOPMENT, LLC - Request for a Site Development Plan Review FOR A PROPOSED 99,549 SQUARE-FOOT MINI-STORAGE FACILITY WITH A WAIVER TO ALLOW A ZERO-FOOT LANDSCAPE BUFFER ALONG THE EAST, SOUTH, NORTH AND A PORTION OF THE WEST PERIMETER WHERE EIGHT FEET IS REQUIRED on 2.63 acres adjacent to the south side of Smoke Ranch Road, approximately 1,300 feet east of Buffalo Drive (APN 138-22-102-004), U (Undeveloped) Zone [O (Office) General Plan Designation] under Resolution of Intent to P-R (Professional Office and Parking) Zone [PROPOSED: N-S (Neighborhood Service)], Ward 4 (Steinman). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

108. GPA-33478 - 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: ML (MEDIUM LOW DENSITY RESIDENTIAL) TO: PR-OS (PARKS/RECREATION/OPEN SPACE) on 0.16 acres located north of the Las Vegas Wash at the southwest end of Sandhill Road (APN 140-30-296-001) Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

109. ZON-33479 - REZONING RELATED TO GPA-33478 - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request for a Rezoning TO: C-V (CIVIC) on 4.06 acres located at the intersection of the Las Vegas Wash and Sandhill Road (APN 140-30-296-001 thru 003), Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

110. WVR-33480 - WAIVER RELATED TO GPA-33478 AND ZON-33479 - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request for a Waiver of the TITLE 18.12.130 REQUIREMENT TO ALLOW PUBLIC STREETS TO NOT TERMINATE IN A CUL-DE-SAC on 8.78 acres located at the intersection of the Las Vegas Wash and Sandhill Road (APN 140-30-296-001, 003 and 140-30-601-001), [Proposed: C-V (Civic)], Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

111. SDR-33481 - SITE DEVELOPMENT PLAN REVIEW RELATED TO GPA-33478, ZON-33479, AND WVR-33480 - PUBLIC HEARING - APPLICANT/OWNER: CITY OF LAS VEGAS - Request for a Site Development Plan Review FOR A PROPOSED CITY PARK on 8.92 acres located at the intersection of the Las Vegas Wash and Sandhill Road (APN 140-30-296-001 thru 003 and 140-30-601-001), [Proposed: C-V (Civic)], Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

112. GPA-33542 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: RED CARD, LLC - Request to Amend a portion of the Southwest Sector Plan of the General Plan FROM: SC (SERVICE COMMERCIAL) TO: GC (GENERAL COMMERCIAL) on 0.87 acres at 8490 Westcliff Drive (APN 138-28-401-009), Ward 2 (Wolfson). The Planning Commission (6-0 vote) and staff recommend DENIAL

113. ZON-33543 - REZONING RELATED TO GPA-33542 - PUBLIC HEARING - APPLICANT/OWNER: RED CARD, LLC - Request for a Rezoning FROM: C-1 (LIMITED COMMERCIAL) TO: C-2 (GENERAL COMMERCIAL) on 0.87 acres at 8490 Westcliff Drive (APN 138-28-401-009), Ward 2 (Wolfson). The Planning Commission (6-0 vote) and staff recommend DENIAL

114. SUP-33544 - SPECIAL USE PERMIT RELATED TO GPA-33542 AND ZON-33543 - PUBLIC HEARING - APPLICANT/OWNER: RED CARD, LLC - Request for a Special Use Permit FOR A TRUCK RENTAL ESTABLISHMENT at 8490 Westcliff Drive (APN 138-28-401-009), C-1 (Limited Commercial) Zone [PROPOSED: C-2 (General Commercial)], Ward 2 (Wolfson). The Planning Commission (6-0 vote) and staff recommend DENIAL

115. SDR-33546 - SITE DEVELOPMENT PLAN REVIEW RELATED TO GPA-33542, ZON-33543 AND SUP-33544 - PUBLIC HEARING - APPLICANT/OWNER: RED CARD, LLC - Request for a Major Amendment to an approved Site Development Plan Review (Z-0110-90) TO ELIMINATE REQUIRED LANDSCAPE AND TO ADD TRUCK STORAGE FOR A PROPOSED TRUCK RENTAL ESTABLISHMENT IN CONJUNCTION WITH AN EXISTING CONVENIENCE STORE AND RESTAURANT at 8490 Westcliff Drive (APN 138-28-401-009), C-1 (Limited Commercial) Zone [PROPOSED: C-2 (General Commercial)], Ward 2 (Wolfson). The Planning Commission (6-0 vote) and staff recommend DENIAL

116. GPA-33597 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT: LAKES CONGREGATION OF JEHOVAH'S WITNESSES, LAS VEGAS, NEVADA - OWNER: ARMONDO TULLY - Request to Amend a portion of the Southwest Sector Plan of the General Plan FROM: DR (DESERT RURAL DENSITY RESIDENTIAL) TO: PF (PUBLIC FACILITIES) on 1.49 acres at the northeast corner of O'Bannon Drive and Lisa Lane (APN 163-04-305-006), Ward 2 (Wolfson). The Planning Commission (4-2 vote) recommends DENIAL. Staff recommends APPROVAL

117. ZON-33598 - REZONING RELATED TO GPA-33597 - PUBLIC HEARING - APPLICANT: LAKES CONGREGATION OF JEHOVAH'S WITNESSES, LAS VEGAS, NEVADA - OWNER: ARMONDO TULLY - Request for a Rezoning FROM: U (UNDEVELOPED) [DR (DESERT RURAL DENSITY RESIDENTIAL) GENERAL PLAN DESIGNATION] TO: C-V (CIVIC) on 1.49 acres at the northeast corner of O'Bannon Drive and Lisa Lane (APN 163-04-305-006), Ward 2 (Wolfson). The Planning Commission (4-2 vote) recommends DENIAL. Staff recommends APPROVAL

118. SDR-33599 - SITE DEVELOPMENT PLAN REVIEW RELATED TO GPA-33597 AND ZON-33598 - PUBLIC HEARING - APPLICANT: LAKES CONGREGATION OF JEHOVAH'S WITNESSES, LAS VEGAS, NEVADA - OWNER: ARMONDO TULLY - Request for a Site Development Plan Review FOR A PROPOSED ONE-STORY, 18-FOOT TALL 4,576 SQUARE-FOOT CHURCH/HOUSE OF WORSHIP on 1.49 acres at the northeast corner of O'Bannon Drive and Lisa Lane (APN 163-04-305-006), U (Undeveloped) Zone [DR (Desert Rural Density Residential) General Plan Designation] Zone [PROPOSED: C-V (Civic)], Ward 2 (Wolfson). The Planning Commission (4-2 vote) recommends DENIAL. Staff recommends APPROVAL

119. GPA-33607 - GENERAL PLAN AMENDMENT - PUBLIC HEARING - APPLICANT/OWNER: REZAIE FAMILY TRUST - Request to Amend a portion of the Southeast Sector Plan of the General Plan FROM: O (OFFICE) TO: SC (SERVICE COMMERCIAL) on 0.16 acres at 1580 East Sahara Avenue (APN 162-02-411-025), Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend DENIAL

120. ZON-29221 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: ANNE AND KENNY WONG - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: P-R (PROFESSIONAL OFFICE AND PARKING) on 0.10 acres at 1413 South Eastern Avenue (APN 162-01-210-039), Ward 3 (Reese). The Planning Commission (6-0 vote) recommends DENIAL. Staff recommends APPROVAL

121. SDR-29281 - SITE DEVELOPMENT PLAN REVIEW RELATED TO ZON-29221 - PUBLIC HEARING - APPLICANT/OWNER: ANNE AND KENNY WONG - Request for a Site Development Plan Review FOR THE CONVERSION OF AN EXISTING 1,038 SQUARE-FOOT RESIDENCE INTO AN OFFICE WITH WAIVERS OF THE PERIMETER LANDSCAPE BUFFER STANDARDS TO ALLOW BUFFERS OF ONE-FOOT ALONG THE WEST PERIMETER WHERE 15 FEET IS REQUIRED; ZERO FEET ALONG THE EAST PERIMETER WHERE EIGHT FEET IS REQUIRED; ONE-FOOT ALONG THE NORTH PERIMETER WHERE FIVE FEET IS REQUIRED; AND ZERO FEET ALONG THE SOUTH PERIMETER WHERE FIVE FEET IS REQUIRED on 0.10 acres at 1413 South Eastern Avenue (APN 162-01-210-039), Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend DENIAL

122. ZON-32514 - REZONING - PUBLIC HEARING - APPLICANT: NEVADA H.A.N.D., INC. - OWNER: SILVER SKY TWO, LP - Request for a Rezoning FROM: U (UNDEVELOPED) [M (MEDIUM DENSITY RESIDENTIAL) GENERAL PLAN DESIGNATION] TO: R-3 (MEDIUM DENSITY RESIDENTIAL) on 4.71 acres adjacent to the north side of Silver Sky Drive, approximately 500 feet east of Roland Wiley Drive (APNs 138-28-401-017 and 018), Ward 2 (Wolfson). The Planning Commission (6-0 vote) and staff recommend APPROVAL

123. VAR-33012 - VARIANCE RELATED TO ZON-32514 - PUBLIC HEARING - APPLICANT: NEVADA H.A.N.D., INC. - OWNER: SILVER SKY TWO, LP - Request for a Variance TO ALLOW A 79-FOOT SETBACK WHERE RESIDENTIAL ADJACENCY STANDARDS REQUIRE 99 FEET on 4.71 acres adjacent to the north side of Silver Sky Drive, approximately 500 feet east of Roland Wiley Drive (APNs 138-28-401-017 and 018), U (Undeveloped) Zone [M (Medium Density Residential) General Plan Designation] [PROPOSED: R-3 (Medium Density Residential)], Ward 2 (Wolfson) NOTE: THIS APPLICATION IS BEING AMENDED TO ALLOW A 79-FOOT SETBACK WHERE RESIDENTIAL ADJACENCY STANDARDS REQUIRE 136 FEET. The Planning Commission (6-0 vote) and staff recommend APPROVAL

124. SDR-33010 - SITE DEVELOPMENT PLAN REVIEW RELATED TO ZON-32514 AND VAR-33012 - PUBLIC HEARING - APPLICANT: NEVADA H.A.N.D., INC. - OWNER: SILVER SKY TWO, LP - Request for a Site Development Plan Review FOR A PROPOSED TWO AND THREE-STORY, 120-UNIT SENIOR CITIZEN APARTMENT DEVELOPMENT WITH A WAIVER TO ALLOW A ZERO-FOOT LANDSCAPE BUFFER ALONG THE WEST PERIMETER WHERE SIX FEET IS REQUIRED on 4.71 acres adjacent to the north side of Silver Sky Drive, approximately 500 feet east of Roland Wiley Drive (APNs 138-28-401-017 and 018), U (Undeveloped) Zone [M (Medium Density Residential) General Plan Designation] [PROPOSED: R-3 (Medium Density Residential)], Ward 2 (Wolfson). The Planning Commission (6-0 vote) and staff recommend APPROVAL

125. ZON-33240 - REZONING - PUBLIC HEARING - APPLICANT/OWNER: DEAN HARDY AND ILANA KLYM, ET AL - Request for a Rezoning FROM: R-1 (SINGLE FAMILY RESIDENTIAL) TO: P-R (PROFESSIONAL OFFICE AND PARKING) on 0.35 acres at 610 South 9th Street (APNs 139-34-810-063 and 064), Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

126. ZON-33588 - REZONING - PUBLIC HEARING - APPLICANT: LV LAND PARTNERS - OWNER: OEHLER 1992 TRUST - Request for a Rezoning FROM: R-4 (HIGH DENSITY RESIDENTIAL) TO: C-1 (LIMITED COMMERCIAL) on 0.32 acres generally located along the east alignment of 3rd Street approximately 210 feet south of Charleston Boulevard (APNs 162-03-110-003 and 004), Ward 3 (Reese). The Planning Commission (5-0-1 vote) and staff recommend APPROVAL

127. VAR-32873 - VARIANCE - PUBLIC HEARING - APPLICANT/OWNER: ANTONIO AND CRISTINA SOSA - Appeal filed from the denial by the Planning Commission of a request for a Variance TO ALLOW 16 PARKING SPACES WHERE 24 ARE REQUIRED FOR THE CONVERSION OF 500 SQUARE FEET OF OFFICE TO A RESTAURANT USE on 0.56 acres at 1499 North Lamb Boulevard (APN 140-29-101-006), N-S (Neighborhood Service) Zone, Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend DENIAL

128. VAR-33522 - VARIANCE - PUBLIC HEARING - APPLICANT/OWNER: DENNIS WHITE AND SUSAN SCHAFF - Request for a Variance TO ALLOW A SEVEN-INCH SIDE YARD SETBACK WHERE FIVE FEET IS REQUIRED FOR EXISTING ADDITIONS ALONG THE EAST PERIMETER AND A ZERO-FOOT SIDE YARD SETBACK ALONG THE WEST PERIMETER WHERE THREE FEET IS REQUIRED FOR AN EXISTING ACCESSORY STRUCTURE (CLASS II) on 0.16 acres at 4601 Evergreen Place (APN 139-31-410-010), R-1 (Single Family Residential) Zone, Ward 1 (Tarkanian). Staff recommends DENIAL. The Planning Commission (5-1 vote) recommends APPROVAL

129. SUP-32171 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: FRANCISCO LARA - OWNER: 7TH STREET PROPERTIES, LLC - Request for a Special Use Permit FOR A PROPOSED TAVERN-LIMITED ESTABLISHMENT at 115 North 7th Street (APN 139-34-612-086), C-2 (General Commercial) Zone, Ward 5 (Barlow). The Planning Commission (6-0 vote) and staff recommend APPROVAL

130. SDR-33426 - SITE DEVELOPMENT PLAN REVIEW RELATED TO SUP-32171 - PUBLIC HEARING - APPLICANT: FRANCISCO LARA - OWNER: 7TH STREET PROPERTIES, LLC - Request for a Site Development Plan Review FOR A PROPOSED TAVERN-LIMITED ESTABLISHMENT IN AN EXISTING TWO-STORY, 7,632 SQUARE-FOOT BUILDING WITH A 6,160 SQUARE-FOOT COMMERCIAL RECREATION/AMUSEMENT FACILITY (OUTDOOR) at 115 North 7th Street (APN 139-34-612-086), C-2 (General Commercial) Zone, Ward 5 (Barlow). The Planning Commission (6-0 vote) and staff recommend APPROVAL

131. SUP-33388 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: BARGAIN HUNTERS, LLC - OWNER: JACK S. LAIRD, LLC - Request for a Special Use Permit FOR A PROPOSED 20,457 SQUARE-FOOT SECOND HAND DEALER at 1200 South Rainbow Boulevard (APN 163-02-101-003), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). NOTE: To be heard on conjunction with Morning Session Item 66 The Planning Commission (6-0 vote) and staff recommend APPROVAL

132. SUP-33604 - SPECIAL USE PERMIT - PUBLIC HEARING - APPLICANT: ANNIE PHILLIPS - OWNER: QUAIL VALLEY VIEW LLC - Request for a Special Use Permit FOR AN ASTROLOGER, HYPNOTIST, OR PSYCHIC ART AND SCIENCE at 2801 South Valley View Boulevard, Suite #13 (APN 162-07-601-001) P-R (Professional Office and Parking) Zone, Ward 1 (Tarkanian). NOTE: To be heard in conjunction with Morning Session Item 63 The Planning Commission (6-0 vote) and staff recommend APPROVAL

133. SDR-33576 - SITE DEVELOPMENT PLAN REVIEW - PUBLIC HEARING - APPLICANT/OWNER: GATEWAY MOTEL INC. - Request for a Site Development Plan Review FOR A PROPOSED FOUR-STORY, 45-FOOT TALL, 114-ROOM HOTEL AND 2,964 SQUARE FEET OF COMMERCIAL SPACE WITH A WAIVER OF THE DOWNTOWN CENTENNIAL PLAN REQUIREMENTS TO ALLOW A ZERO-FOOT LANDSCAPE SETBACK WHERE 10 FEET IS REQUIRED on 1.23 acres adjacent to the northwest corner of Charleston Boulevard and Las Vegas Boulevard (APN 139-34-410-139 and 165), C-2 (General Commercial) Zone, Ward 3 (Reese). The Planning Commission (6-0 vote) and staff recommend APPROVAL

134. RQR-33579 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: MARIA ZUBIA - OWNER: NORA ARMENIAN - Required Review of a previously approved Special Use Permit (SUP-3128) FOR AN AUTO PARTS (NEW AND REBUILD) (ACCESSORY SALES & SERVICE) AND AUTO REPAIR GARAGE, MINOR on 3.9 acres located at 4401 Stewart Avenue (APN 140-32-201-002), C-1 (Limited Commercial) Zone, Ward 3 (Reese). Staff recommends DENIAL

135. RQR-33320 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT/OWNER: MAYNARD J. WEINS JR ETAL - Required Review of an approved Special Use Permit (U-0030-91) FOR A 55-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) on property located at 2750 North Decatur Boulevard (APN 139-18-302-002), C-2 (General Commercial) Zone, Ward 5 (Barlow). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

136. RQR-33332 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT/OWNER: SCHMONIES LLC - Required Review of an approved Special Use Permit (U-0074-95) FOR A 40-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) on property located at 7200 West Lake Mead Boulevard (APN 138-22-610-002), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

137. RQR-33341 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: CLEAR CHANNEL OUTDOOR - OWNER: CHARLES RICHARD HART JR. FAMILY TRUST - Required Review of an approved Special Use Permit (U-0029-96) FOR A 40-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) on property located at 2151 North Rancho Drive (APN 139-19-103-002), C-2 (General Commercial) Zone, Ward 5 (Barlow). Staff recommends DENIAL. The Planning Commission (6-0 vote) recommends APPROVAL

138. RQR-33351- REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: LAMAR CENTRAL OUTDOOR - OWNER: VEGAS OUTDOOR ADVERTISING INC - Required Review of an approved Special Use Permit (U-0322-94) FOR A 70-FOOT TALL, 14-FOOT BY 48-FOOT OFF-PREMISE SIGN (BILLBOARD) on property located at 369 North 13th Street (APN 139-35-101-001), C-1 (Limited Commercial) Zone, Ward 5 (Barlow). The Planning Commission (5-0-1 vote) and staff recommend APPROVAL

139. RQR-33583 - REQUIRED REVIEW - PUBLIC HEARING - APPLICANT: MASSAGE ENVY - OWNER: SHADOW MOUNTAIN MARKETPLACE, LLC - Required Review of an approved Special Use Permit (SUP-23093) FOR A 3,270 SQUARE-FOOT MASSAGE ESTABLISHMENT WITH A WAIVER OF THE HOURS OF OPERATION LIMITATION TO ALLOW BUSINESS HOURS FROM 8:00 A.M. to 10:00 P.M. WHERE BUSINESS HOURS ARE RESTRICTED TO 8:00 A.M. to 9:00 P.M.; A WAIVER OF THE 400-FOOT MINIMUM DISTANCE SEPARATION REQUIREMENTS TO ALLOW A 67-FOOT DISTANCE SEPARATION FROM A CITY PARK; AND A WAIVER OF THE 1,000-FOOT DISTANCE SEPARATION REQUIREMENT TO ALLOW A 130-FOOT DISTANCE SEPARATION FROM ANOTHER MASSAGE ESTABLISHMENT at 6475 North Decatur Boulevard, Suite #160 and #165 (APN 125-24-811-003), C-1 (Limited Commercial) Zone, Ward 1 (Tarkanian). NOTE: NO WAIVER OF BUSINESS HOURS. The Planning Commission (6-0 vote) and staff recommend APPROVAL

SET DATE

140. 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

141. 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

142. 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

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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

EXHIBIT "B"

(Attach Minutes of Public Hearing on May 6, 2009 Meeting)

CITY COUNCIL MEETING OF
May 6, 2009
VERBATIM TRANSCRIPT – ITEM 74

Public Hearing, discussion and possible action regarding a Resolution making written findings, approving the use of monies, providing notice and materials to the Commission on Tourism and Governor of Nevada and making conclusive determinations, all relative 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)

Appearance List:

OSCAR GOODMAN, Mayor
BILL ARENT, Acting Director, Office of Business Development
BRIAN GORDON, Applied Analysis
STEVEN D. ROSS, Councilman
JEFF ROSEN, CIM Group
DEE TAYLOR, 1630 South Commerce Drive
STEVE WOLFSON, Councilman
DIANE WOOLMAN, 9029 Blue Raven Avenue
MARIA GANDARA
ANDREW BROWNSON
JOSEPH MICHAEL CORDOVA, III, President, Turtle Creek Homeowner's Association
TEDDY RUSSELL, Las Vegas resident
BRYAN SCOTT, Assistant City Attorney
GARY REESE, Councilman
LOIS TARKANIAN, Councilwoman
BRAD JERBIC, City Attorney
SCOTT ADAMS, Chief Urban Redevelopment Officer
RICKI Y. BARLOW, Councilman

(1 hour 30 minutes)

Typed by: Lean Coleman, Deeny Araujo, Angela Crolli
Proofed by: Angela Crolli

MAYOR GOODMAN

Item 74 is R-30-2009, a Public Hearing, discussion and possible action regarding a Resolution making written findings, approving the use of monies, providing notice and materials to the Commission on Tourism and Governor of Nevada and making conclusive determinations, all relative to a Tourism Improvement District. The acronym is TID, T-I-D, for parcels at Fourth Street and Stewart Avenue, and this is in Ward 5. It's a Public Hearing, which I now declare open. Mr. Arent.

BILL ARENT

Thank you, Mr. Mayor and members of Council. This is a public hearing. I realize the hour's a little bit late, but I think it's important to get certain comments onto the record. I'm gonna go through a PowerPoint presentation as quickly as I can. With me today, also, is Brian Gordon of Applied Analysis. He will give a part of the PowerPoint presentation as well. We also have representative of the developer, CIM Group, Mr. Jeff Rosen, and I'll invite him to make any comments after we finish our presentation.

The Tourism Improvement District allows a City or a County to retain up to 75 percent of mandatory sales and use tax proceeds generated within a district, within a self-defined district pursuant to the Nevada Revised Statutes. Proceeds can be used to acquire, improve, equip, operate or maintain a project within a district, and eligible uses include retail, tourism or entertainment purposes.

Thought it was important to remind the Council of where we are at in the process. On February 4th, you, as the City Council, authorized us to start this process. In addition, we attended a public hearing held by the Board of County Commissioners on April 8th. We also attended a public hearing of the Clark County School District Board of Trustees on April 23rd. Today is a public hearing to primarily determine three things. One, to make an increased finding, as I'll describe in just a moment; make a preponderance finding, and I'll describe what that means also. We also, as a body, the City Council I should say, should consider both the Board of County Commissioner written comments and the Clark County School District written comments.

As part of your backup documentation, we included a transcript of the April 8th hearing at the Board of County Commission, and we also included a letter from Mr. Jeff Weiler, who is the

Chief Financial Officer of the School District, representing the Board of Trustees regarding their written comments. And I'll touch on that at the end of the presentation.

The next steps, after today, are a Nevada Commission on Tourism hearing, the date of, for which it's pending. We anticipate that it will be some time in June. And then, finally, it goes to the Governor for final approval.

The required findings, as I mentioned, there's an increase finding and a preponderance finding. The increase finding requires the Council to find, as a result of this project, retailers will locate their businesses in the District, and there will be a substantial increase in sales and use tax revenues. Additionally, a preponderance finding must be determined to show that proceeds from sales and use tax revenues will be attributable to the transactions with tourists who are not Nevada residents. And I'll explain how the resolution and the supporting documentation, today, meets (sic) both of those findings.

The next steps, as I mentioned, we have Commission on Tourism and then to the Governor's desk. The Governor is required, by law, to consider any fiscal effect of the pledge of money for educational funding. So I'll spend a little bit of time at the end of the presentation to address that.

The City Council, following the Governor, would adopt an ordinance through our, its normal two-step process. And that ordinance would define that no retail sales could have occurred 120 days prior to the enactment date of the ordinance.

Finally, the City and the State Taxation would enter into an agreement describing the distribution of the revenues generated within the TID. And there is a statutory limit for a 20-year term. So, should the City look to actually issue a bond to secure those revenues and use those capital funds upfront for the uses that I'm gonna describe, we would be limited by statute to a 20-year term. We're not obligated to issue a bond, but we would have the ability to do that with the TID legislation.

This map shows the proposed TID boundaries. It's a site that is situated next to the I Fif, 515, US 95, and then it's bounded by Casino Center, Fourth Street and then Stewart Avenue. So the area that you see in red, when I mentioned earlier, District, this is the District that we're seeking to creating it. Zooming in on it from an aerial photo, you can see the District within the District. The area highlighted in yellow is Phase 2 of a project proposed by the developer, the CIM Group, and then the area outlined in red is the Historic Post Office that we're seeking to convert into a new museum use. So that shows the site and the District.

The Development Program, just to bring you back why we're doing this, the TID we're proposing to use these funds for public uses. We're trying to create a vibrant public plaza, a public parking garage and also enhance streetscape, primarily on Stewart Avenue, to promote additional pedestrian activity. The Development Program will be anchored by the Las Vegas Museum of Organized Crime and Law Enforcement. We'll be proceeding with that project independently of this incentive and moving forward with that project to support the overall Development Program from the CIM Group. The Program eventually complates (sic) retail enter, and entertainment uses, including 200,000 square feet of retail, 150,000 square feet of office, a 500-room hotel and potentially a new casino.

I wanna emphasize a point here. One of the misunderstandings that took place at the School District's Board of Trustee meeting was an impression that the hotel was an optional component of the project and that the retail could proceed without the hotel. In working with the developer, we did not find that to be the case. They run hand in hand as part of the Development Project, and I'll explain why that's important toward the end of the presentation.

Again, the use of TID funds, public costs, the parking structure, the public plaza, the street improvements, in the overall development agreement with the CIM Group, one of the thresholds and a condition precedent to actually getting and acquiring development rights from that property outlined in yellow on the map is to actually invest new capital into the Lady Luck property on the south side of Stewart. So, there's a, an investment threshold, and this is very important to mention also. Like all of our incentives that we try to do with our office, this is a back end incentive. The developer must perform on the front end in order to obtain this back end incentive.

And then, also, it's important to mention that no TID funds will go toward private development or (sic) to the developer to support the private development. We were using the funds for public programs and public uses as identified in the slide.

I'm gonna turn it over to Brian Gordon. He's gonna go over real briefly the findings of the study that they did to show what the fiscal affect is. And then I'll conclude the presentation on what action is before you today and speak again a little bit more detail about the impact on education funding.

MAYOR GOODMAN

Thank you.

BILL ARENT

Brian.

MAYOR GOODMAN

Mr. Gordon.

BRIAN GORDON

Thanks. Thank you, Bill. Mr. Mayor and members of the Council, thank you for the opportunity to speak to you today. As Bill mentioned, I'll just cover the summary findings of our more comprehensive report.

Essentially, the creation of the Tourism Improvement District, based on our analysis, would result in incremental revenues of about $26 million, and those would inure to various entities, about 88.2 percent or $23 million worth of those revenues would inure to public entities. The 3.1 million differential would inure back to the Tourism Improvement District, which would be used for these public infrastructure improvements in the area.

In addition to the incremental revenues that would be cost associated with the development that takes place on the site, the overall costs are expected to be about $17.6 million, resulting in a net fiscal benefit overall related to the development of $5.4 million per year. That is, after accounting for the – allocation of sales tax back into the Tourism Improvement Direct, Tourism Improvement District, excuse me.

Taking a look at a handful of the other public revenues that would be generated as part of the project, obviously, sales and use tax being a – major component. You can see the split here on the slide, in terms of the – amount that would continue to go to public entities and then the portion that would inure back into the Tourism Improvement District. We also took a look at the transient – lodging tax that would be created as part of the hotel component of the project. That would generate an estimated $2 million. Property taxes would contribute another $1.6 million and the modified business tax, or the payroll tax, if you will, would create another $400,000 or so in public revenues, going to – various public entities.

We also took a look at the scenario if the project is developed. Obviously, we've just run through the numbers: 21, 23.1 million in public revenues, plus the three point million in the TID. Without the project, the property remains in – public hands and there would be no incremental revenues associated with the lack of the development of a project.

We're also asked to take a look at the impact on surrounding retailers. One of the things we're – responsible for looking at is what – that impact might be. If we take a look, historically, at the market over the last decade or so, we see that incremental investments in the area generate incremental demand and ultimately additional spending in the area. During the past decade, we've seen hotel rooms grow at a compound annual gro, growth rate of about 2.4 percent, the number of visitors comparable to that. The spending, per trip, has increased and we're looking at aggregate spending increases of about 9.1 percent annually. So, significantly more than just the – number of visitors or infrastructure that's put in place. This project is contemplating about a $200 million plus investment. That combined with the – hundred million investment that Bill mentioned in terms of the investment required at the Lady Luck site, a lot of money going into the area. We expect that to generate incremental demand.

We're also required to take a look at the source of those retail sales and use taxes. Who would be paying those? We took a look at different market areas, one, three and five miles; obviously, the area is dominated by hotel rooms and mostly non-Nevada visitors. We estimate about 79 percent of the spending in the area is attributable to non-Nevada visitors. We would expect a similar profile at this site.

When evaluating the overall impacts of the project, we took a look at some of the economic impacts during, first, the construction phases as well as the operational phase. During the construction phase, the project will directly employ about a thousand person years of employment, including the secondary impacts; we're looking at about 1,800 jobs. They're gonna earn approximately $66 million in wages and generate over $280 million in economic output; that being the construction phase.

As we move into the operational phase or the ongoing operations of the project, on an annual basis, we're looking at 1,600 direct jobs on site. The ripple effect associated with that or the secondary impacts would total about almost 2,700 jobs. They would be earning approximately 114 million in wages and contributing about 267 million in economic output on an annual basis.
We were also asked to take a look and discuss briefly the – impact on education funding. Certainly, a portion of the sales tax would be allocated back towards these public improvements. Just generally speaking how education is funded is through a myriad of sources, a portion of it coming from State General Fund revenues and they're several sources within that, including the State portion of the sales and use tax, which is the two percent rate out of the seven and three quarters rate that we all pay in Southern Nevada.
Gaming taxes as well as the modified business tax or payroll tax, portions of that could be allocated towards education. The local school's support tax is also, contributes to the funding of education as well as property taxes and, of course, the room tax.
The components that would be impacted by the creation of the Tourism and Improvement District, specifically would be a portion of that two percent sales tax rate as well as the – local school support tax that's included within the overall sales tax rate. I think Bill's gonna discuss some of those in more detail.

MAYOR GOODMAN
All right. Thank you, Mr. Gordon.

BRIAN GORDON
Thank you.

COUNCILMAN ROSS
Your Honor?

MAYOR GOODMAN
Yes.

COUNCILMAN ROSS
So, Mr. Gordon, you're saying that we'll actually be spending more on education if we create this Tourism, this TID?

BRIAN GORDON
We initially reached out to the Clark County School District, and they responded that there would be – no impact associated with this proposed development. We subsequently received information from them that they had estimated a certain ballpark figure on a per pupil basis for the workers that would be on site that would be incremental to come into the marketplace. So, if the project's developed and uses the existing labor pool, those people are already in the market place and being educated. Their children are being educated. The assumption is that a portion could potentially come from outside of the market, which would create incremental costs for the school district. This estimate is about 25 percent of the labor that would be on site would come from outside the market. Today, we're at a 10.4 unemployment rate. So, you know, again, just an estimate at this point, but yes, there's certainly a cost associated with incremental individuals in the School District.

COUNCILMAN ROSS
Well, it's not the cost I was looking for; it was the additional incremental taxes that are being paid towards education.

BRIAN GORDON
Sure, and I think – Bill's gonna walk through the details here of the additional potential revenues that are gonna be generated as part of the project, as well as the cost side. And I think it's up on the slide here, the total potential revenues inuring to public education as potentially 1.5 million dollars, which is significantly above the estimated costs.

MAYOR GOODMAN
Mr. Arent.

BILL ARENT

Mr. Mayor. Thank you. Thank you, Brian. I wanted to go over this slide personally because I wanted to point out that for those of us, those that are attending the meeting here today and the listening public on KCLV or the internet broadcast, that this slide is actually part of the backup documentation. It is actually part of the backup documentation, Item Number Eight and the last page. So, I apologize for anyone in the audience if they're having difficulty reading this slide. I do have a paper copy as well. But this is actually numbers that were ac, extracted from the Applied Analysis report and wanted to summarize in one slide the net fiscal impacts on education.

So, as Brian had mentioned, the impact to education from the revenue side, comes from a variety of sources. It comes to sales and use tax revenue, which is State sales and use tax component and local schools support tax. It also comes from property tax, modified business tax and then also the transient lodging tax. And that last one, the transient lodging taxes, for some reason, was not considered by the School District at their public hearing. We politely requested that they do consider it because we fully expect the hotel to move forward in conjunction with the retail, as I mentioned earlier. When you add all those revenue sources to the State and to education with the TID, it's a little over $2 million in new public revenue that would not otherwise exist should the project not occur.

To education, monies that are actually potentially available for education, as Brian had mentioned, this sums to 1.5 million. Now, as the School District have requested in their written letter to Ms. Fretwell and to the City Council, the School District require, requested that the City Council consider setting aside the estimated expenditure of $824,759. As Brian had mentioned, this is not the net cost to education based on the report by plot analysis. This is just the cost. When you account for the new revenues generated by the project and available to the State for education, this leaves a net potential impact on the education system in the State of $679,344.

So, I thought it was important to go through that and then also reference the backup documentation that is supported and was available to the public as part of this public hearing.

Just, wanna summarize again what findings you're making today. The, today's Council Resolution which you're voting on, makes the finding that there is positive fiscal affect from the TID and the proposed project will benefit this area, the District. It establishes the increase finding and the preponderance finding. It approves the use of the TID proceeds by the City for public costs and it sends written notice to – the Nevada Commission on Tourism and to the Governor.

And in closing, before we take public comment, I wanted to invite Jeff Rosen from the CIM Group, if he had any comments and just if I could, take the liberty, Mr. Mayor. Two of the common questions that we as staff has, have fielded on the project have been as follows: One question is, is the developer receiving another tax incentive from the City or from the Redevelopment Agency? The answer to that question is, no. This is the only tax incentive that's being contemplated by the City or the Redevelopment Agency.

And a second question, and then I'll let Mr. Rosen comment on it, is would the developer proceed without this incentive? I think it's real important to view this in light of the macro-economic climate of Las Vegas and Southern Nevada. And staff believes that this incentive, but for this incentive, the project might not proceed. And with that, I'll turn it over to Jeff Rosen with the CIM Group.

MAYOR GOODMAN

Thank you. Mr. Rosen.

JEFF ROSEN

Jeff Rosen with the CIM Group. Good day Mayor and Council. You know, I was gonna go back to the timeline. While the first hearing might not have been since February, the TID process actually started last July, when we entered into our DDA with the City, that had many, it's a fairly complicated document and a very long process and you know, maybe today with the approval of the Smith Center, as you saw, it's a very long. When you want something significant to be developed in downtown, many times, it takes a long time and a lot of things go into it. Part of that DDA was a collaboration between CIM and the City to work towards a creation of a Tourism Improvement District, as well as with the whole team from the – Mob Museum.

So, since that, we've all worked extremely well. A lot of thanks to Bill and everyone on his staff and, as well as Betsy and everyone overseeing the Mob Museum, where things are moving forward. It's a – tough economy out there but we continue to push things forward. This is one part of the many eras and the quiver to help redevelop this – part of downtown. So, on the Tourism Improvement District, while the first hearing might not have been until February, we've been at this for almost a year now. And hopefully, we'll continue to – move forward with that process.

MAYOR GOODMAN
Okay. Thank you.

BILL ARENT
Mr. Mayor, that concludes my presentation. I should also mention we have our Bond Counsel, John Swenseid, here in the audience.

MAYOR GOODMAN
(Inaudible)

BILL ARENT
And so if there are any technical or legal questions in nature, I'll defer to Mr. Swendsein (sic).

MAYOR GOODMAN
Very good. This is a public hearing. How many wish to speak on it?

DEE TAYLOR
We got a few of us.

MAYOR GOODMAN
Well, I – wanna see so I know how to allocate –

DEE TAYLOR
Sure.

MAYOR GOODMAN
– the time here. How many plan to speak? Alright then, we'll put the –

DEE TAYLOR
A few.

MAYOR GOODMAN
We'll give Mr. Taylor three minutes and the others two.

COUNCILMAN WOLFSON
Mayor Goodman, I'm sorry. And Mr. Taylor, I apologize. May I just make one observation first before we go into public comment? Bill, if you don't mind, I just wanna make sure that the record is clear for anybody that's watching this is, this site right now is owned by the City of Las Vegas and because we are a – government entity, we are tax exempt. So, there are no revenues that are going to the, I'm not sure the word, the receiving entities, like the School District, at this time. Is that right?

BILL ARENT
That's correct. The City owns it. There are deed restrictions from the GSA and there are restrictions also from Interior, related to the museum itself, the Historic Post Office. But it's, it is currently tax exempt.

COUNCILMAN WOLFSON
So, the recipients that will receive tax revenues in the future, once this project is up and running and receipts are coming in and taxes are paid out, are not receiving anything right now.

BILL ARENT
From this specific property, that's correct.

COUNCILMAN WOLFSON
That's what I'm talking about.

BILL ARENT
The – only minor exception would be, there are, there were some vending machines that paid some very nominal fees that, as I mentioned the 120-day closure requirement, there cannot be any retail. It was the opinion of our counsel, that in an abundance of precaution, we needed to close down those vending machines. But other than any ancillary license fees associated with those vending machines, as far as tax revenue, that's correct.

COUNCILMAN WOLFSON
Okay. Thank you.

MAYOR GOODMAN
Okay.

DEE TAYLOR
Hi, my name is Dee Taylor, 1630 South Commerce.

MAYOR GOODMAN
Timer on, please.

DEE TAYLOR
Thank you so much for letting me speak. I'm sure when you opened the paper today, you saw ready for coming cuts in the school budget. The Culinary Union, we have about 40 or 50 thousand of our members who have kids in K through 12 here in Clark County. I think everybody here knows the schools are severely challenged and we're asking every political body to step up for educational funding now and in the future. In fact, Assembly Leader Barbara Buckley and Senate Majority Leader Steven Horsford estimate we are 44 percent underfunded for just current services in education; 44 percent now. So, I find with that factual background, which

I'm not the only one who has that, that I feel like I'm in Never Never Land here, when we're talking about diverting money away from schools. By proposing a TID on 5.5 acres in downtown Las Vegas, you're gonna rebate 75 percent sales tax for further development. That sounds pretty nice. But what will the City do with taking that money away. You're gonna build a parking garage for, obviously, the use of the multi-billion dollar out-of-state developer and a public plaza for the same benefit.
Now, the analysis that was paid for by the developer, they themselves say they will divert $3.1 million every year for the next twenty years, which a high percentage of that would go to schools. I cannot understand why at this time, the City feels that they haven't done enough for this multi-billion dollar out-of-state developer. You are prepared to sell land for under appraised value, that's already well known. You've already done it a lot and that's great. But this is like Robin Hood in reverse. You're taking from the masses to give to the wealthy. You know, the question that was just asked is, will they develope this even if they don't have this. Of course they will. Somebody said they just spend $200 million. So, the idea that you would take money out of the schools for a gigantic multi-billion dollar developer in this economic environment where we are 44 percent underfunded in schools right now, according to the State Legislature, is beyond belief. Now, I know I've been called evil. Our union's been called evil for opposing some measures, but let's be frank, on this issue the Clark County County Commission is opposed to this. The Clark County School District voted six to nothing being opposed to this, and the Nevada Legislature is dealing with this right now. And, in fact –

MAYOR GOODMAN
Time's up.

DEE TAYLOR
Well, I'm gonna have just a minute, Mayor.

MAYOR GOODMAN
No, you're not.

DEE TAYLOR
I've been very patient.

MAYOR GOODMAN
No, you're not. Time's up.

DEE TAYLOR
No, no. I've very patient.

MAYOR GOODMAN
Have a seat. Have a seat.

DEE TAYLOR
Let me finish, please.

MAYOR GOODMAN
No, I put a three-minute timer.

DEE TAYLOR
You know what, Mr. Mayor, people come up here –

MAYOR GOODMAN
A three-minute timer.

DEE TAYLOR
Well, listen, I'll do a tag team.

MAYOR GOODMAN
All right, fine. Fair enough. Go ahead.

DEE TAYLOR
So, no, no, no. Folks, folks, folks. No, folks, no, folks, please.

MAYOR GOODMAN
As I said –

DEE TAYLOR
Please.

MAYOR GOODMAN
– we play by rules here. I said three minutes for Mr. Taylor, two minutes for you folks.

DEE TAYLOR
Okay, I just got two minutes from somebody else. Thank you, Mr. Mayor.

MAYOR GOODMAN
All right –

DEE TAYLOR
So –

MAYOR GOODMAN
– then why don't they sit down, then?

DEE TAYLOR
Yes, they will. They've been very patient. They're taxpayers and I'm sorry you don't feel like you should listen to them. So, just last week –

MAYOR GOODMAN
Wait – a second. Wait a second.

DEE TAYLOR
Excuse me, can I finish, please?

MAYOR GOODMAN
No, not 'till I say this. I said I would listen to everybody and I gave them two minutes and I gave you three. You're taking their time away from being able to talk, not me buddy.

DEE TAYLOR
You know what, Mr. Mayor –

MAYOR GOODMAN
You heard me.

DEE TAYLOR
– with all due respect.

MAYOR GOODMAN
You heard me. Now –

DEE TAYLOR
Mr. Mayor, please, I just wanna finish. I don't want to make this personal. I'm very –

MAYOR GOODMAN
It's not personal.

DEE TAYLOR
– very passionate about this and very concerned about it –

MAYOR GOODMAN
And I'm very concerned about it too.

DEE TAYLOR
– because of the schools.

MAYOR GOODMAN
– and I expect that the truth is gonna be said. I don't want to put people under oath. You heard the question that was asked by Councilman Wolfson, right now zero taxes, zero money is coming from this property. So, don't say we're taking away money from the School District.

DEE TAYLOR
Excuse me. The analysis done, paid for by the developer himself, for the TID would take $3.1 million per year. That is what their analysis is.

MAYOR GOODMAN
There's nothing now –

DEE TAYLOR
I also –

MAYOR GOODMAN
– Mr. Taylor.

DEE TAYLOR
Excuse me, can I please finish?

MAYOR GOODMAN
No. I said no –

DEE TAYLOR
Well, you know what –

MAYOR GOODMAN
I'm telling you if you're gonna say something tell the truth. There's nothing now. There're no taxes because the City owns that property. So, we're not taking anything away from the School District.

DEE TAYLOR
Well –

MAYOR GOODMAN
What we're doing, is we're trying to get a project where it can give money to the School District.

DEE TAYLOR
Excuse me, Mr. Mayor, but the School District doesn't agree with you. They voted six to nothing against this proposal. So, to finish up –

MAYOR GOODMAN
All right.

DEE TAYLOR
The City testified last week, I am sure, by the approval of the City Council, against this exact same bill up in Carson City, put forth by Marilyn Kirkpatrick, that would, in fact, band the diversion of sales tax for schools in TIDs. They understand this problem; that's why they've addressed it. They had a hearing last week; the City – opposed that, I am confident. Just like the Clark County School District, just like the Clark County County Commission, the Nevada legislature has come out firmly against this practice. So, today you have the opportunity. You can vote for children in schools or you can vote for the benefit of large, multi-billion out-of-state developers. And as my mother once said, it is not what you say, it's what you do.
So, I appreciate the time you've given me, and I would turn this over to a – woman who is a long-term member. Thank you.

MAYOR GOODMAN
Thank you.

DIANE WOOLMAN
Hello. My name is –

MAYOR GOODMAN
Timer, please.

DIANE WOOLMAN
– Diane Woolman. My address is 9029 Blue Raven Avenue.

MAYOR GOODMAN
Your name, again, Ma'am.

DIANE WOOLMAN
Diane Woolman. I'm – here today, I've – been with the union for appro, about 18 years. I've been in this town for about 20 years. I've raised three children in this town, and I have eight grandchildren, and they go to various school districts within Clark County.
I've worked with the schools very, very closely through the years with my children and now my grandchildren. I've helped as many ways as I can to get funding, to help the schools because they've already been on short budgets and short incomes for years and years. We're talking 15 years ago, and we're still going on with this. This economy is horrible for all of us, grant, granted, but to substidize (sic) casinos that are being built at our children's expense, to me, is an atrocity. These children have paid a high enough price now, with the cuts that are taking place. And there are many, many developers here in this town that have not had to be substidize (sic), that have made a good living and have gone, had businesses for years and years here and made a lot of money.

Please, I'm beggin you, on not just behalf of my own children and grandchildren, do not take anything more from their education. We already are low in the standings, you know that. We're suffering very, very much in our school systems.

MAYOR GOODMAN
Ma'am, did you hear?

DIANE WOOLMAN
And I beg you –

MAYOR GOODMAN
Did you – hear that right now, because the City owns that property, there're no tax dollars that –

DIANE WOOLMAN
Yes.

MAYOR GOODMAN
– to education? Did you hear that?

DIANE WOOLMAN
I did hear that, but I also know that –

MAYOR GOODMAN
And what we're doing is, is that we're –

DIANE WOOLMAN
– if you substidize (sic), you're gonna have to get that money from somewhere, and our children have already been affected by these cuts. I'm begging you, please, don't take any more money from them. Yes, they will bring revenue to the schools, but so does every other casino in this

town, and they're not asking you to bail them out or help them with anything. They've made money in this town without the City's help.

MAYOR GOODMAN
All right. Thank you.

DIANE WOOLMAN
Please.

MAYOR GOODMAN
Next, please.

MARIA GANDARA
Good afternoon. My name is Maria Gandara. I live in this city since last nine years. I'm member for the Culinary 226 Local, and I'm a wondering parent. I have two kids, that they go to Kirk Adams. I'm really wondering about what happened right now with the schools. We know the budget is in crasis (sic) in the schools. Right now, like parent, I'm (sic) try to help the school that my kids, assist, because they send us a list, we can help with supplies for keep the programs after schools. My kids have, involve in projects at schools, but they send us, for the next year, they gonna cut the projects because they don't have the budget. I have other kids, three years old, and I'm wondering what's gonna happen with him if this is still like the way it is right now. As a citizen, as a parent, I'm available, and I'm trying to do everything that my government say that I need to do for help, but I'm really scared. I'm in panic, when they say they gonna, or could we take money from the taxes from the schools because everybody in this city, we love this city. We live the, we love the visitors, but I want my kids, in the future, be part of the big city. I don't want to be traveled (sic) or go to other place, that way they can have good jobs. And I think my best investment that I can give to my kids is education for (inaudible) so they can work in this – building, this big project. That's why we are here, I'm talking as a parent, to ask for your help. To keep, no, the possibility to take away something for the kids; in place, give more for the kids. Thank you.

MAYOR GOODMAN

Thank you. Next, please.

ANDREW BROWNSON

Hello, Mr. Mayor. Ladies and gentlemen, thank you very much for having me. My name is Andrew Brownson, I'm a Las Vegas resident. I've lived here since 2003. I have a child who's going to be going to school, public school, next year. We just registered him. We're looking forward to that. It's going to be exciting adventure for all of us, I think, my wife and I as parents. Just to qualify, I am a Culinary member and generally speaking, I always walk (inaudible) in step with the union, in terms of labor relations with management but, ideologically, sometimes differ. I happen to be a Republican, and I haven't changed my party at any point and time. So, this offers sort of balance perspective, as to where I'm coming from and how this issue affects everyone. And you might look at it through a different lens that way.

Yeah, I stood up here and – you know, it's – frightening to think that, of course, our schools in as bad a shape as – I think they are, and everyone has acknowledged this. Even as – rosy as times were a decade ago, we still had schools that were ranked fairly low. We have police departments that are probably underfunded and could use better creating and help Fire departments, which need equipment and so forth.

The first gentleman that came up here and spoke, he talked about economic projections for the next few years, which were based upon the previous decade, which we all know has no relevance to what's going on right now and probably won't. Rather than a – stellar climb like we experienced for the past decade, we're looking at either something that's going sideways or perhaps negative growth, like what we're experiencing right now.

Then the last fellow that finished up, and wrapped up his presentation said, well in this current macro economic climate, we have to look at what's going on, look at the big picture. We're gonna have to apply for these, this tarp, par, sorry, TIP (sic) , sorry, semantics, this program of funding, which is clearly wrong. If – this project actually had merit, they could find it within the private sector. And you, being the lender of last resort in this case, probably understand that, and it is probably a bad move right now at this point and time. But anyway, thank you very much.

MAYOR GOODMAN

Thank you.

JOSEPH MICHAEL CORDOVA, III

Good afternoon, Mayor, City Council. My name is Joseph Michael Cordova, the Third. I'm a born/raised native of the Las Vegas area. I've been here 44 years. I currently have two children, one, I'm sorry, one child in the Clark County School District. I'm also the President of the Turtle Creek Homeowner's Association in the Honorable Steve – Ross District.

At this point and time, everything that my predecessor, the gentleman before me, has said, a lot of things are here based on projections, based on things that are going to happen in the future. As you well know, our education is suffering an unsurmountable (sic) mountain of issues. Each year, each and every one of us, as parents, are asked to contribute financially, whether it be on – a volunteer basis or simply as being given a sheet of necessities that our – children are going to need to be successful in school.

I beg you, at this time, to consider this seriously in the nature. And I, Mayor, I do understand you, that there is zero going out right now, but we need to look at the future and look at what the people, previous to us, or previous to you, have voted on. Thank you again for your time.

MAYOR GOODMAN

Thank you. Anybody else like to be heard?

TEDDY RUSSELL

Your Honor, Council, my name is Teddy Russell, resident of Las Vegas. I've only been here for seven years. This acquired a life of its own, long before I got here. For better or for worse, I understand that there are controls. In fact, on the board for the Mob Museum, is a special agent retired for the FBI, to ensure that in, by no we, way, means or form, we glorify the Mob – years. If I might have the overhead. This past weekend, we had an excellent article called "Quiet Kingmaker". It celebrates the life of the banking power, gentleman named Mr. E. Perry Thomas, who does give you straight scoop, like it or not, about the Mob years.

If I had my druthers and I'm entitled to my opinion, as I say, this started long before I got here, I would have like to have seen the courthouse be a courthouse for senior citizens, victims of crime, and I would have liked to seen the Post Office retained as a post office.

Thank you for your time and have a great day.

MAYOR GOODMAN

Thank you. Anybody else like to be heard during the Public Hearing? All right. Seeing none, we'll close the Public Hearing. Mr. Arent, did you want to make any comments at this point before there's a motion?

BILL ARENT

Mr. Mayor. Thank you. I just wanted to offer a point of clarification for what actually took place at the Clark County School District Board of Trustee's hearing. The hearing was called for fiscal effect on the Clark County School District, of a project to be constructed in the Tourism Improvement District, proposed by the City of Las Vegas, to be located in the Las Vegas Redevelopment District. The Trustees did take an action at that meeting. The action was to provide written comments to the City of Las Vegas, and I wanted to read directly from the letter. I did not want the words to be my own but rather the words of the employee responsible for the School District. In Jeff Weiler's letter, he, again, Mr. Weiler is the Chief Financial Officer, and this is part of your backup documentation. Mr. Weiler writes: "Following the public hearing, the bull, Board of School Trustees took action on an agenda item, requesting that, pursuant to NRS 271A.110, any agreement entered into by the City of Las Vegas and owner of property interest, within the Tax Increment District defray, in whole, the initial $824,759, additional expenditures identified in the report by Applied Analysis."

And I just wanted to make it abundantly clear, not only to this body but also to the listening public as well, that the school board did not take position for the project. They did not take a position against the project. They simply directed staff to make written comments to the City of Las Vegas, which is the requirement that the law sets out. So, they requested that expenditure be defrayed. We believe that we addressed that in the body of the presentation here today at the public hearing.

MAYOR GOODMAN
Very good. Thank you.

COUNCILMAN WOLFSON
Mayor Goodman?

BILL ARENT
Thank you.

COUNCILMAN WOLFSON
I'm sorry.

MAYOR GOODMAN
Yes, Councilman.

COUNCILMAN WOLFSON
A few minutes ago, after Mr. Taylor made his comments about the School District or the Board of Trustees voting 6/0 against this and the County Commissioners voting 6/0, again, against this, I asked our City Attorney, Mr. Jerbic, if that was true, because I was reading in my backup the transcript from the County Commission meeting, and unless I'm reading something different than anybody else, it didn't even go to a vote.

BRYAN SCOTT
What they did, Councilman –

COUNCILMAN WOLFSON
So, Mr. Taylor, I, I'm not invite, excuse me, I'm not inviting you to comment back –

MAYOR GOODMAN
No.

DEE TAYLOR
No, I – didn't say the County Commissioners, I said the School District –

MAYOR GOODMAN
No.

COUNCILMAN REESE
You said both.

COUNCILWOMAN TARKANIAN
You said both.

MAYOR GOODMAN
Yes, you did.

COUNCILMAN WOLFSON
Well, Mayor Goodman, I – thought I – heard him say both –

MAYOR GOODMAN
He did.

COUNCILMAN WOLFSON
– But for the record, I just thought I'd ask, Mr. Jerbic, and if you know the answer, because that was something that I'd be curious about. Did the County Commission take a vote on this matter that is before us? And I think Mr. Arent just explained what the school board did.

BRAD JERBIC
They took a vote; the vote was not for or against. They had a discussion at the County level, and I just read the motion in Mr. Adams' backup. The motion was to forward their comments to the City, and that motion passed.

COUNCILMAN WOLFSON
Now was that the School Board of Trustees or was that the County Commission?

BRAD JERBIC
That's the County Commission.

COUNCILMAN WOLFSON
Okay. Thank you.

MAYOR GOODMAN
Thank you.

SCOTT ADAMS
If – I can interject here, this is Scott Adams, Chief Urban Redevelopment Officer. I handled the matter for the City at the County Board of Commissioners meeting, and it was simply a public hearing. And the only, the process simply provides for a public hearing. It was simply a public hearing, and the Commissioners made comment. And the vote was to direct those comments in a formal memorandum or set of minutes to the City, so we could place those comments on the record.

COUNCILMAN WOLFSON
And, Mayor Goodman, if you don't mind. And Mr. Adams, you're right 'cause that transcript I read had part of your testimony in it. In fact, I just want to make another observation. When I was reading the transcript, it appeared that, at least one particular County Commissioner, was pretty much in favor of what we're doing. So, there was no vote against what we're doing.

SCOTT ADAMS
That's correct.

MAYOR GOODMAN
Okay. Thank you. All right. Councilman Barlow.

COUNCILMAN BARLOW
Yes, Mayor, I have, this question is posed to Mr. Arent or possibly even Mr. Adams, you can chime in. Explain, once again, the amount of monies. I know that there's (sic) no monies today that is allocated because of the City's tax exempt status. But in the future, in regards to the TID and the questions and comments that have come forward in regards to monies going back to the developer and – not to the School District, break that out for me so that I'm clear in regards to, that, the – statement that exists today.

BILL ARENT
Councilman, I'll address, answer that in two parts.

COUNCILMAN BARLOW
Okay.

BILL ARENT
The revenue that would be generated, we outlined in that last slide, and again, it's part of the backup documentation.

COUNCILMAN BARLOW
Right. Go back to the last slide for the sake of the audience.

BILL ARENT
The revenue that would be generated, again, I think Councilman Wolfson did a good job of articulating that. Today, there is new, no tax revenue from businesses operating on the property. The property is tax exempt. So what the report by Applied Analysis attempted to do is to delineate the exact revenue sources that would be created, as a result of this project. And in doing so, they identified what funds would inure to the State, for the State and potentially

education, but then, also, what is specifically delineated for education. And that outline, sales and use tax, property tax, modified business tax and transient lodging tax. Now, that money goes to the State, and it's part of a budgetary process for the State for education.
We believe the net effect to that is that there'd be new public revenue inuring to the State of 1.5 million, and that's the conclusion determined by Applied Analysis.

COUNCILMAN BARLOW
Now, the 1.5 million will go back to the State, and then the State will divvy up in the respective sources, but a percentage of that 1.5 million, you're saying, will go towards education. Is that accurate?

BILL ARENT
It's our belief, and I – can invite Mr. Gordon if I –

COUNCILMAN BARLOW
Yes. Mr. Gordon, if you'll come forward, please, because I wanna really be able to flush this out because I – don't want to do anything to affect education, because that's – something that we need to figure out ways in order to get more dollars to fully fund education. So, I am concerned about that, so if you can walk me through that and be diligent in the process, I will be greatly appreciative.

BRIAN GORDON
Sure. Essentially on the – slide that is on the – screen here, at the moment, is – a breakout of all the major revenue sources that would go both to education as well as the State General Fund. Education is generally funded from direct revenue sources, as well as allocations that potentially inure from the State General Fund. We paired back some of those during the last biennium at the State level, the General Fund. About 35 percent of those proceeds went towards education, so we took that same share of the revenues and allocated those to the revenue side of the equation that you see on the slide, and those are broken down by each element. Education is funded through the Nevada plan, where funds go in various, different directions. Some go directly into

the School District, some go up to the State level, and then they're reallocated on a per pupil basis down to the various school districts throughout the State.
As part of that process, they account for direct revenues that would go to the local school district, the Clark County School District, and adjust that contribution rate from the State level. So, there is a mandatory per pupil funding amount that would go to the Clark County School District, based on the number of students –

COUNCILMAN BARLOW
In your –

BRIAN GORDON
– in enrollment.

COUNCILMAN BARLOW
In your slide, right now, I'm looking at the Clark County School District, and as far as education, it has 289,000, 289,890.

BRIAN GORDON
That represents just the portion of the room tax that would go directly to the Clark County School District.

COUNCILMAN BARLOW
Okay.

BRIAN GORDON
The column to the left would be all potential revenue sources that would go to either to fund education or the State General Fund, which is used as the back stop to fund education. That's a $2 million dollar number.

COUNCILMAN BARLOW
Right.

BRIAN GORDON
Then it's paired down to a $1.5 million dollar number in – potential revenues that would inure to – education. So, this break out is just, represents the sources of where those revenues are coming from.

COUNCILMAN BARLOW
Right.

BRIAN GORDON
At the end of the day, that's the potential pool, and then you see the – potential expenditure number, then that affect being a positive number.

COUNCILMAN BARLOW
Now, there was – comment in regards to this tax in, this Tourism District (sic), TID, hurting education. How does this hurt education, if at all?

BRIAN GORDON
Purely from a dollars and cents perspective, education would result in a positive financial impact or positive fiscal impact, which is what you're looking at on the slide. The assumption is that a portion of the students in the School District would be incremental or – would migrate into Southern Nevada to – fill positions at this project. And – those incremental students would have a cost associated with them. So, you see the cost side at about $824,000, and the revenues generated by the – overall project that would potentially go to the pool for education would be 1.5 million, so that the net effect, again, is a positive number. Does that answer your question?

COUNCILMAN BARLOW
Yes, and one additional question. As far as monies going back to the developer, I was informed in – a couple of briefings that monies would not go back to the developer. Does money, or does money go (sic) back, or do money go back to the developer in this, within this District? And if so, explain that process and why.

BRIAN GORDON
Essentially, the – creation of the Tourism Improvement District, the City is the – applicant for that District. The dollars would inure back to the City. My understanding is that the City has chosen to use those funds to invest in public infrastructures, such as the public plaza, the parking structure and street improvements –

COUNCILMAN BARLOW
Not back into the District, I said to the developer.

BRIAN GORDON
My understanding is that the developer is getting no direct investment or dollars from the Tourism Improvement District.

BILL ARENT
Councilman, if I – could just add, I thumb back to the point in the PowerPoint where we address that, that the parking structure, the public plaza and the street improvements. Street improvements, that one's obvious, the City owns streets, will continue to own Stewart Avenue. The public plaza, that's gonna be open to the public. And then the parking structure, one of the realities of doing business in an urban downtown, which Las Vegas is rapidly becoming, is that parking is at a premium, and on a competitive basis, we're less competitive than the rest of the region because of existing parking. We don't have the available land that the suburbs have to build two, three-story parking structures. So, one of the things that is part of this project is that the City, through the use of the TID funds, would be building a parking structure. 'Cause it's public funds, we would own – it and potentially operate it. We might lease the management of

the operation, but as far as the funding, as far as who gets to use the garage, it would be open to all the residents of the city of Las Vegas.

COUNCILMAN BARLOW
So, the City of Las Vegas would own the garage?

BILL ARENT
Correct.

COUNCILMAN BARLOW
Okay. Not the developer?

BILL ARENT
Correct.

MAYOR GOODMAN
Thank you.

SCOTT ADAMS
Could I add – to that, 'cause I – know this section of the agreement intimately. This is Scott Adams again. That, there's a provision in the agreement that, we don't even, we haven't even sized the garage. At the point where they develop, are ready to develop the retail space on their block, we would look at a radius of the site, in terms of the supply of parking that's in the radius, a walking distance radius site, to determine; and then through an independent study, how big we should make that garage. The intent there would be to make it as small as we possibly can to meet their needs on the site, and I – wanted to add that to the record.

MAYOR GOODMAN
All right. Councilwoman.

COUNCILWOMAN TARKANIAN
Yes. I want to get back down to this, very specifically, what is the subsity (sic) that is being mentioned, that we're giving to the applicant?

MAYOR GOODMAN
Nothing.

COUNCILWOMAN TARKANIAN
You're saying nothing. They're, are you telling us that there is no direct subsity (sic) being given to the applicant?

BILL ARENT
Councilwoman, Bill Arent, Acting Director. That's essentially correct. The tax revenue that would be retained within the Tourism Improvement District, the City would use for these three uses. So –

COUNCILWOMAN TARKANIAN
All right. Now the public, and the public plaza sort of takes the place of the public park that we had. We, you know, we – don't have the public park in the plaza, so I see that as a City use. And what were the other two?

BILL ARENT
The parking structure and then Stewart Avenue; there're some street improvements, streetscape –

COUNCILWOMAN TARKANIAN
And – the streets, yeah, that's an obvious, and then the other was the parking structure. And if we wanted to, if we vote, we could, ourselves, run the parking structure, could perhaps, collect monies off of it. Is that correct?

BILL ARENT
That's correct, and we do that in a number of parking garages downtown already.

COUNCILWOMAN TARKANIAN
So there's – no subsidy, which was one of the big problems. And the other is, if we're taking money from the School District. And that's what I'm really having a hard time understanding because I would never want to take money from the School District. My understanding is that it's just like what we have, the Marketplace, where we have the large buildings.

COUNCILMAN WOLFSON
World Market Center.

COUNCILWOMAN TARKANIAN
World Market Center, where the World Market Center is, before we had nothing but lots full of weeds and dirt. I passed it every time I came out in this direction, I passed it, so I know it didn't look very good at all. And then we gave some help to them to build, and they built, and it has added a lot more money, as far as taxes. And a lot more of that from the information you've given us has gone to the School District. In other words, they got their – percentage of zero was less than their percentage – of what they're getting from high taxes now. Am I correct in that?

BILL ARENT
Councilwoman, that is correct. Essentially, I would make one distinction. For this project, it involves the use of sales and use taxes.

COUNCILWOMAN TARKANIAN
Okay.

BILL ARENT
So the World Market Center, different project –

COUNCILWOMAN TARKANIAN
It's a little different.

BILL ARENT
– different incentive. It was property tax but essentially the same.

COUNCILWOMAN TARKANIAN
Now, we had no in – state business that wanted to build there, did we? I'm, as long as I've been on the Council, I'm not aware. This was the one company that wanted to build and take that over and – develop properties.

COUNCILMAN WOLFSON
The World Market Center or –

COUNCILWOMAN TARKANIAN
No, I'm talking about the CIM project now –. At the time, did we have other people who came to us who wanted because, you know, a lot of people don't want to build downtown and some do?

BILL ARENT
Essentially, that's correct. It's been an evolving part public private partnership with the CIM Group. They did close on an equity position and the Lady Luck property. It's a very heavy lift to get that property up and running again and become a new (inaudible) of property for downtown.

COUNCILWOMAN TARKANIAN
And – that's what I've been told since I've been on the Council. Then the last thing is, the percentage of money that would come from this project, we don't know for sure how much would go to the School District, but we're – counting on the 35 percent that they usually give. And the reason why I say that is because it goes to the State. You know, we can't guarantay (sic) what the State will do, but it's the State that the determines how much money goes to the Clark

County School District. And in the past, for years, they should have had a larger amounts (sic) going because of the urbanality of what was happening within that School District. So basically, quite honestly, I feel the State, whatever they're doing in the legislature right now, the State for years could have made a difference, as far as the amount of monies going to CCSD. But, when some people say, well, they might not get that 35 percent, we don't know where it's gonna go. That's because we all know it goes to the State, and the State determines the amount. I'm just verifying this, so I'm saying, is that correct?

BILL ARENT
That's correct. I'm not an expert on school funding, but it's my understanding typically what happens, and maybe Mr. Gordon could allude to this. If the tax revenue generated from some of these local taxes coming in from Clark County exceeds what is budgeted for at the State level for education, that money's still going to the State. It's still intended to be for education, but practically, what happens in the budgetary process, is that that money shifts away from education into the State General Fund.

COUNCILWOMAN TARKANIAN
As it –

BILL ARENT
And essentially –

COUNCILWOMAN TARKANIAN
– has shifted – for the past two, three decades.

BILL ARENT
And I, Councilwoman, I think you've highlighted a budgetary problem and a legislative problem that, quite frankly, that the City has no control over.

COUNCILWOMAN TARKANIAN

No, I know that. And that's why I feel some anguish here because I know the City does not have as much control as the State does. And the State could send the whole amount of the money to the School District, if it wanted to, and that's in – for wherever they're getting money.
Anyway, thanks (sic) you for answering those questions. I – appreciate it very much. I don't want us to do anything that's inappropriate. I don't want us to cannibalize any other entity. I just, I cannot see where we're not helping the School District in this. That's the problem, and I'm trying to learn and maybe I need, I've been out of town awhile because of an illness in the family, and maybe I need to take more time and go through this, so I understand it better. But, in any case, the questions you answered for me now help.

MAYOR GOODMAN

Mayor Pro Tem.

COUNCILMAN REESE

Yes, Your Honor. You know, I – listen to the presentations we have here, and I – listen to what people are saying about this Council. And – I really get a little bit of heartburn because I have children that are school teachers. I have kids in school, college. I have grandchildren in school. And to think that I sit up here and have people think that I'm gonna try to take money away from their education. I pay for three children to go to college.
And we look at this redevelopment area, and Lois alluded to, with the Allure Towers, with the Chelsea Mall, with the World Market Center, we had follow ground that was creating very, very little to our School District. But through the redevelopment area, we created businesses, structures that quadrupled the amount of money that was going to the School District through the City.
And I – can't understand why people continue to say that this Council is trying to rape the School District. It's ludicrous to me. I – had a lady come to my house and talk to my sweet wife, and try to convince her what a bull I was because I was taking money away from the School District. My wife tried to explain to her, this is when she was trying to get her to sign a – petition, my wife tried to explain to her what was going on. She called my wife a liar. In essence, she's calling all

of us sitting up here liars. And I – take offense to that. I would never do anything to take away from the schools.
What we're trying to do is create. We created money with the World Market Center. We created money with the Allure Towers. We created money with the Chelsea Mall. Through what we do, we create jobs. We create more money for the State. We're creating more money for education, more public infrastructure, but note, we're not raising taxes.

MAYOR GOODMAN
Thank you.

COUNCILMAN REESE
I – really feel like that, when people work together, they could accomplish a lot, but when people attack and won't listen, we're destroying what we're trying to do.
We – sit through here today and we see a beautiful structure that's gonna be constructed here, called the Performing Arts Center, creating jobs. And before that structure's finished, they're gonna build a hotel, non-gaming, Charlie Palmer Hotel, which is gonna be just as beautiful as what you seen at, in the Performing Arts Center.
I – just can't understand it. I – really feel like that what we're doing is a positive. What we're trying to do is to, and I'm not saying that this will ever be developed, but if it is, the school's just gonna benefit from it.
And Your Honor, I – really appreciate all the comments, the questions asked by the other Councilmembers, your comments, and even the comments from those opposing this project. But I – really wish that we could – sit down and I guess, have a more applica, amenable – type discussions and stuff. But I – know that some people don't want to listen to what we're trying to say, and – I feel sorry for them. Thank you.

MAYOR GOODMAN
All right. Thank you. Councilman Barlow, do you have a motion, please?

COUNCILMAN BARLOW
Yes, Mayor, I do. I would like to move forward for approval of this item. And in closing, just state that I am all for education. I wanna make sure that we do all that we can to assi, to assist our young people in this community. And, although, this is a very complex puzzle that we're trying to put together, not only for the benefit of developing downtown, but also to give back to our community. The city of Las Vegas can't fully fund education on its own, but we can do our part, and I believe that we have done our part, and we continue to do our part. And as long as I'm on this Council, I will push to make sure that we continue to do so.
With that being said, what is the next step? Is it to move to the tourism and then to the Governor, Bill?

BILL ARENT
That's correct. With your approval today, we would move to the Nevada Commission on Tourism. Notice requesting a hearing has already been sent. We, at the staff level, are actively working with the Commission to schedule that. That will be a public hearing. So certainly, the public will have another opportunity to comment on this incentive in the Tourism Improvement District.

COUNCILMAN BARLOW
Okay, and it's my understanding from the information that I not only have been briefed on but the information that I've read, if in fact the Tourism Committee or Commission votes this down, the TID is denied. Is that accurate?

BILL ARENT
That's essentially correct. We need approval from Nevada Commission on Tourism and from the Governor.

COUNCILMAN BARLOW
Correct.

BILL ARENT
So, it's – a multi-step process.

COUNCILMAN BARLOW
It's a multi-step process –

BILL ARENT
We are not finished yet.

COUNCILMAN BARLOW
– but I'm just asking the question in regards to if, in fact, the tourism commission votes it down, the TID is denied, it's dead. Correct?

BILL ARENT
That's correct.

COUNCILMAN BARLOW
And if, in fact, it's approved and it come (sic) before the Governor, and the Governor deny (sic) it, then it's dead as well. Correct?

BILL ARENT
That is correct.

COUNCILMAN BARLOW
Okay. And with that being said, I'll, I will move for approval of this item.

MAYOR GOODMAN
Mr. Arent, is that sufficient with the findings being required?

BILL ARENT
Yes, I think approving the Resolution, the Resolution itself, contains the findings.

MAYOR GOODMAN
All right. Thank you.

BILL ARENT
So, the motion's just needed to approve the Resolution.

MAYOR GOODMAN
Very good.

COUNCILMAN BARLOW
And I move to approve the Resolution.

COUNCILWOMAN TARKANIAN
Before we vote on that, Mr. Mayor, could I just ask is there a possibility, I mean I know these are good people in the audience. They obviously believe, at least, I think they believe what they're saying to us. And, so I'm wondering is there a possibility we could, maybe, meet and talk as you said, in a way that, we're not full of anger, but in a way that we can get a better understanding of how we're feeling? Are we at total loggerheads? And I ask that, as I said, because I know there are good people who have spoken here about their concerns, and I spoke with one that I knew well, and – she was, she believes with her heart, that she's right, and that it, and you know, that, is there a possibility we can do that? Would the, would Mr. Taylor be willing for us to meet and –

DEE TAYLOR
I'd be glad to if I have more than three minutes.

COUNCILWOMAN TARKANIAN
Well, yeah, and, we don't have to meet here. We can meet some place else that you can have more than three minutes, I – would think, right, Mr. Mayor?

MAYOR GOODMAN
Whatever you want to give them, you can give them.

COUNCILWOMAN TARKANIAN
You have the motion. I'm just asking because it's in your District, your Ward. It's in your Ward.

MAYOR GOODMAN
Yes.

COUNCILWOMAN TARKANIAN
I'm just wondering, you don't have to have the meeting, I'm just saying –

COUNCILMAN BARLOW
No, I mean –

COUNCILWOMAN TARKANIAN
I'm just saying this doesn't seem good. We're using energy that we could be using for positive things, and I just think, let's put our energy in and let's move together, if we possibly can. And that's what I'm asking, in your motion, could you recommend that we hold a meeting in the next couple of weeks or something?

MAYOR GOODMAN
No.

COUNCILWOMAN TARKANIAN
No.

MAYOR GOODMAN
You can meet with anybody you want, Councilwoman. I've had my meetings.

COUNCILWOMAN TARKANIAN
Well, I'll ask –

COUNCILMAN BARLOW
Thank you, Councilwoman –. In my motion, I would also ask that we have an opportunity to meet with the representatives from the Culinary Union, in regards to their concerns because the Councilwoman is right, in regards to hearing what it is that they're concerned about and making sure that the motion that we move forward is benefit for the entire community. And so, I would like to move for approval of the Resolution, with the condition of having an opportunity to meet with Mr. Taylor and – the Culinary Union –

MAYOR GOODMAN
Well.

COUNCILWOMAN TARKANIAN
Mr. Barlow, I – was just gonna say, maybe we have to check with legal, I'm sorry. I'm hearing, maybe we can't do that in a motion.

COUNCILMAN BARLOW
Well, well how about we do this? If – this is okay with you, Brad. **I'll move for approval of the item.** We vote on the item and then Councilwoman, you and I will have an opportunity to set up a subsequent meeting to meet with Culinary. Would that be (sic) suffice?

COUNCILWOMAN TARKANIAN
Would that be all right?

BRAD JERBIC
That's fine.

COUNCILMAN BARLOW
Okay. Then, that'll be my motion.

MAYOR GOODMAN
All right. That's the motion. Let's vote. Post. Motion carries. **(Motion carried unanimously.)**
Thank you.

(END OF DISCUSSION)

/lc, da, ac; ac

EXHIBIT "C"

(Attach Copy of Comments from School Board)

FINANCE & OPERATIONS DIVISION

5100 W. SAHARA AVE. • LAS VEGAS, NV 89146 • (702) 799-5445 • FAX 855-3112

CCSD
CLARK COUNTY
SCHOOL DISTRICT

April 24, 2009

Ms. Elizabeth N. Fretwell, City Manager
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

Dear Ms. Fretwell:

On behalf of the Board of School Trustees of the Clark County School District, I am writing in response to your letter of February 4, 2009, regarding the creation of a Tourism Improvement District proposed by the City of Las Vegas. You had requested comments prior to your City Council meeting on May 6, 2009.

Pursuant to NRS 271A.080, a public hearing regarding the fiscal effect on the Clark County School District of the project to be constructed in the Tourism Improvement District proposed by the City of Las Vegas, and the use of the money proposed to be pledged, was held at the meeting of the Clark County School District's Board of School Trustees on April 23, 2009.

Following the public hearing, the Board of School Trustees took action on an agenda item, requesting that, pursuant to NRS 271A.110, any agreement entered into by the City of Las Vegas and owner of property interest within the tax increment district defray, in whole, the initial $824,759.00 additional expenditure identified in the report by Applied Analysis, dated November 30, 2008 (and subsequently amended on February 27, 2009), in the first year of the tax increment district; and that in subsequent years, the amount to be defrayed will be increased annually by the Consumer Price Index for Western States published for December of the preceding year.

Thank you for providing the Clark County School District an opportunity to present comment and input in this process. Feel free to contact me at 799-5445 if you have any questions.

Sincerely,

Jeff Weiler
Chief Financial Officer

cc: Board of School Trustees
Walt Rulffes

EXHIBIT "D"

(Attach Copy of Comments from County BCC)

VERBATIM TRANSCRIPT OF A PORTION OF THE SPECIAL MEETING OF THE CLARK COUNTY BOARD OF COUNTY COMMISSIONERS HELD ON APRIL 8, 2009 REGARDING ITEM NO. 2 (CONSIDER THE FISCAL EFFECT OF A PROPOSED CITY OF LAS VEGAS TOURISM IMPROVEMENT DISTRICT).

TAPE 1-1

RORY REID	Meeting of the Clark County Board of Commissioners.
DONALD BURNETTE	Good morning Mister Chairman, Commissioners. The first item on your special agenda is Item One to approve the agenda.
REID	Let's take a voice vote because I don't think we can switch off the machine. All those in favor say Aye.
BOARD MEMBERS	Aye.
REID	Anyone opposed? Motion carries.
BURNETTE	Item Number Two is to conduct a public hearing to consider the fiscal effect of a proposed City of Las Vegas Tourism Improvement District under Chapter 271A of Nevada Revised Statutes and authorize staff to submit comments from the hearing to the City of Las Vegas City Council. Mister Chairman, Ed Finger, the County Comptroller, is here to offer a few introductory comments.
DWARD FINGER	Good morning County Commissioners. Ed Finger, Comptroller. As Mister Burnette mentioned, the item before you is a public hearing. I will point out to you that there is no action to be taken at the public hearing other than to receive comment for submission to the City of Las Vegas. In accordance with statute, that is the limit of the County's participation in the creation of such a district. Staff has prepared an agenda item development report that's been presented with the agenda item. Staff - County staff is available. I'm available. There are also representatives from the City of Las Vegas here should you have any questions.
REID	This is a public hearing. Anyone here wishing to speak? Again, this is a public hearing. Any comment from the Board? Commissioner

REID (continued)	Giunchigliani.
CHRIS GIUNCHIGLIANI	Thank you. I have a couple of questions. Ed, this is for establishing a Tourism Improvement District, and I believe by law it actually expires in September, correct?
FINGER	The - the current statute, unless it were to be amended, would prohibit after October 1, 2009 the creation of - of such a district because of the reason that after such date, a Tourism Improvement District may not be created that includes property that's also within the boundaries of a redevelopment area.
GIUNCHIGLIANI	Okay, 'cause it was the duplicative piece - I knew it was - so it's October 1st that it would go away?
FINGER	That's my understanding.
GIUNCHIGLIANI	Okay. And then the proposed project is - does not include the Lady Luck but it's across the street from that. It's the old museum and --
FINGER	That's correct. There's --
GIUNCHIGLIANI	A post office that's prepared. And - but the analysis that's been done anticipates a hotel and a casino.
FINGER	It does anticipate the possibility of such of a - and there are folks here who could answer more specific questions (unintelligible).
GIUNCHIGLIANI	'Cause it says the improvements that we're supposed to be looking at in the Tourism Improvement District is for a multi-story parking garage, open-air public plaza and other supporting improvements in the area. Yet if I read through the analysis that was done, it's all tied to hotel rooms, sales, taxes that could be possibly generated from that even though that's not part of the project. But can you explain that to me?
SCOTT ADAMS	Sure. Scott Adams, I'm the Director of Business Development with the City of Las Vegas and the City's Operations Officer of the Redevelopment Agency. This development - there - there - in

ADAMS (continued): our agreement with the CIM Group, there - we really look at two components of their development. The existing Lady Luck is simply a threshold that once they've completed the renovation of the Lady Luck according to certain standards, they then have under our Development Agreement the right to access the site, the Post Office site, for development. That site, we believe, has the ability to be entitled for gaming. And so in their master plan, and I'll - I think --

GIUNCHIGLIANI: You just put it in the center --

ADAMS: In - in their development, this is the old Post Office right here. Surrounding that Post Office on the total developmental block there is proposed a - a gaming hotel. And that would be part of a phased in development as part of their master plan. So we did look at when we did the preponderance test the potential of developing gaming revenues on that site.

GIUNCHIGLIANI: Okay. Does - does this anticipate giving away public property then to the private group within the TID?

ADAMS: We - we own that site. The City owns that land. We own the land subject to a small sliver in the northwest corner that's owned by NDOT. And then the Post Office itself we own but it's subject to some deed covenants imposed by the U.S. Department of Interior. We - our Development Agreement with the CIM Group does provide for us selling that property to them and that we did structure a sale that was at that time based on a then-appraised value.

GIUNCHIGLIANI: Okay, 'cause I didn't see any reference then to sale cost anticipated in here. Is the park then still going to be there or is that outside?

ADAMS: The - in the center of the development, the - the core of the site we've closed what was Frank Wright Plaza for use as a construction/staging area for some improvements we're - we're making to Stewart. We're - the plan is to move the open space from the corner into the center of the development. And you see in the center of the master plan, there's a large compliment of

ADAMS (continued) open space which is the Plaza that we would be using Tourism Improvement District funding to develop as part of the overall master plan of the development. I would like to say that none of the Tourism Improvement District funding would be rebated back to the developer as has been in the case with other TID's in the State of Nevada. We would capture the TID funding as a City and use it to make the public improvements associated with the development of the build-out of that block.

GIUNCHIGLIANI Would the parking garage then be public?

ADAMS It - it would in some manner. Now, we've

IUNCHIGLIANI (Unintelligible) charge like the one across the street?

ADAMS We - we don't have those detailed - details worked out because our Development Agreement stipulates that we - we are not fully committed even to having to build it. We - the Development Agreement stipulates that at the time they're ready to build, we do a study at that then time a multi-block radius of the site of the existence of parking at that time and the demand for parking to size that garage. So we did not commit to a specific garage 'cause I - I believe - I don't believe there - there's a need right now for parking.

IUNCHIGLIANI You may not need it (unintelligible).

ADAMS Right - so that will be a demand induced in size parking garage at that time.

GIUNCHIGLIANI Okay. So - so I guess maybe that's my concern besides the - the potential detrimental effect of schools and the loss of revenue that comes into play is, what exactly is the project?

ADAMS They - the private component of the project is they're a mixed used development which consists of retail, office, hotel, gaming, mixed use.

GIUNCHIGLIANI Even though the mixed use is not in the TID, the anticipation is (unintelligible).

ADAMS It is - it is. Let me clarify again.

GIUNCHIGLIANI (Unintelligible).

ADAMS This - what you see on the overhead here is the Post Office block. It's a little skewed - elongated. The existing Lady Luck is off this master plan. The Lady Luck is immediately south of (unintelligible).

GIUNCHIGLIANI South --

ADAMS This master plan is only for the Post Office block itself. And as I said at the outset, the Lady Luck itself is not part of - any part of the master plan. It is simply a threshold. They have to perform in the renovation of the Lady Luck before they have the right to access and be sold the property on the Post Office block.

GIUNCHIGLIANI And so under NRS what we're supposed to make a finding as - that - that - financing would have a positive fiscal effect on the provision of local government services. And if I go into the analysis, there will be an income loss, or tax loss, to both the County, Metro, School District, State of Nevada, and so --

REID Commissioner Giunchigliani, I don't think we're required to make any findings. We're just - we can get (unintelligible).

GIUNCHIGLIANI Okay, I'm just reading what's in the Applied Analysis's document. And it says --

REID Can I ask that question, I'm going to make sure.

GIUNCHIGLIANI Sure.

REID And what's our role here?

MARY-ANNE MILLER Our role is just to accept comments and forward them on if you deem appropriate to the City Council. It's the City Council who will make the finding that you're referencing.

GIUNCHIGLIANI So my comments are I still don't know that it's - I think it could be detrimental even in this economic time to the School District as far as the loss of revenue as well as some of the losses that are there. I think the project - I

GIUNCHIGLIANI (continued)

- I personally like the idea of the museum and so forth, but it's - I think the nexus of the mixed use is what's generating your issue for wanting a TID, and I don't know that that stands on it's own.

ADAMS

Let - let me correct for the record though that right now this site is tax exempt. The City owns it. There's - other than - we - there was a couple of vending machines in the (unintelligible) --

GIUNCHIGLIANI

(Unintelligible).

ADAMS

There was no tax generation on this site whatsoever. With the new development, there will be new taxes generated. And that tax base - that new generated tax base - will be split both the property taxes and the sales taxes. The property taxes we have not negotiated nor was there any contemplation in the Development Agreement any rebate back to the developer of any of the real estate property taxes. And they will be distributed the way they normally get distributed within the redevelopment area. And then the Tourism Improvement District is - we've laid out in the information. A portion of those taxes are protected by statute - would go back to the state and be distributed in their normal way through C-tax. The portion that's captured by this Tourism Improvement District seventy-five percent of that balance we keep to go into the District. The other twenty-five percent goes back to the state and gets distributed back to their normal taxing districts - jurisdictions through C-tax.

GIUNCHIGLIANI

But you already used your redevelopment money to build the "museum" and park. What you're saying though - you don't really need a TID to do that, but this allows you to compliment your Development Agreement that you are negotiating with the partner across the street. That's what I --

ADAMS

Yes. But I - I think it's cur - it's revenue neutral in the sense that --

GIUNCHIGLIANI

I don't believe it is, but that's my comments will go in and that's the way it goes. Thank

GIUNCHIGLIANI (continued) — you.

REID — Any other comments? Commissioner Sisolak.

STEVE SISOLAK — Thank you. I've just got one, and I guess it's more of a question. (Unintelligible) in our role as also ask questions that can be forwarded but, you know, I'll ask it anyway. I appreciate - I got a great briefing from Terry and the City on this and I understand a lot better. What I'm not understanding is as explained the Tourism Improvement District's got to have fifty percent minimum of the sales from tourists, correct?

ADAMS — That's correct.

SISOLAK — Go ahead.

ADAMS — Yeah, the - the statute requires that a - a finding be made through an independent analysis, which we've done through Applied Analysis, that the taxes being generated by the development within the District, that being the sales taxes, the preponderance of those taxes are being generated by tourists or persons from outside the State of Nevada.

SISOLAK — Okay. How is that estimated and how is it quantified after the fact or is it quantified so that it's not just people going to each lunch there as opposed to going to eat lunch at the mall across the street. How do you eventually quantify that or?

ADAMS — I'll ask Brian Gordon of Applied Analysis to answer that question. They are the firm that we hired to do that preponderance test, and they're the experts in this matter and I'll defer to Brian.

BRIAN GORDON — Sure. What we did as part of the analysis to determine the preponderance between visitors and residents, we purely took a look at toward the mix of - of the population in that area. Obviously it's dominated by hotel rooms. So we took a look at the hotel room inventory and the number of sort of full time equivalents that would be on site down in that immediate area and then also looked at their consumer spending, GORDON (continued) compared that to the number of residents that are likely to be in the area, balanced the two and the ratios come out about ninety- seventy-nine percent of the - the spending on site would come from non-Nevada tourists and the balance being from residents.

SISOLAK And is that verified after the fact or what if - what if after the fact we find out it's not working that way, what happens?

GORDON To be quite honest with you, I don't know if there's a method to measure that after the fact, so I - I don't what the procedure would be in that instance.

[SOLAK So all you basically have to do is get a study that verifies the assumption and that makes it a TID?

GORDON It's one of the tests and - and obviously in our report we outlined the - the steps that we took to produce the results and the findings that we came to.

SISOLAK Thank you.

REID Commissioner Weekly.

LAWRENCE WEEKLY Yes, just real briefly. Mister Adams, as we look at this proposed public plaza here, can you put on the record just for our Clark County residents who are not up to date as to what this project's all about. What's happening with the RTC bus terminal there?

ADAMS Sure.

WEEKLY What's the time line we're looking at?

ADAMS The - the existing site has the existing Regional Transportation Commission bus terminal on site. The plan is to relocate that bus terminal to a block within - basically between Bonneville, Casino Center, First, and Gass. That - that entire block, which is part of the - the Live Work (phonetic) Las Vegas development would be developed as a new inter-model bus terminal. That block has been cleared. The bus terminal is - the design is complete. They're

ADAMS (continued) in the permitting process. And the plan is to move forward with the relocation of the bus terminal. It will allow then the integration of that terminal with the - the new Ace system - the Bus Rapid Transit System that's going out Casino Center that will interface with that site and provide enhanced transit services to residents involved.

WEEKLY That's City owned land?

ADAMS On - in the Live Work (phonetic) Las Vegas development? No, that - that is land that's owned by the Live Work (phonetic) Las Vegas property owners and there's a long-term lease established between the Regional Transportation Commission and the owners of the property.

WEEKLY I see, okay. Thank you Mister Chair.

REID Other comments? We need a motion to authorize the staff to submit these comments to the City.

GIUNCHIGLIANI So moved.

REID You've heard that motion. All those in favor say Aye.

BOARD MEMBERS Aye.

REID Anyone opposed? Hearing none, the motion carries. This is the time set aside for comment by the general public. Is there anyone here to address the Board of County Commissioners on this matter? Come forward, state your name and address please.

DICK GARR Good morning. Dick Garr, 8260 Hilton Head Court. I'm on the Executive Committee of the Downtown Alliance which is basically in the last year and a half or so taken upon itself to get formed and to work for all aspects of the redevelopment and the promotion of the downtown area and in particular the RDA. I'm also the President of the 18B Las Vegas Arts District Neighborhood Association, and it's from that standpoint that I guess I should speak. We, of course, are having a - and have had over the years - a difficult time developing that part of town where Mister Weekly and Mister Brown are

GARR

very, very familiar from their work on the City Council of what has - has not happened there. Also, one thing that is happening is that the Ace Bus is going to stop at the corner of Casino Center and Coolidge and that is right there in the heart of the Arts District just north of the Arts Factory and S2 where you can get the finest prints in the world and other developments that are planned which of course would not be of interest to you since you have so many other projects to talk about. But having that bus stop there is very, very good for us. And then having this development downtown of this museum, we would expect a large number of people - and I think the City implied the people expected too - to come up from the Strip to see this museum. And we would think that they would be people who are not going up to go gaming. They're going up to see other aspects of Las Vegas. And, therefore, they'd be more likely to get off at our bus stop and - and explore the Arts District either on their way up to see the museum or on their way back down to their hotels on the south end of the Strip. So we are very excited about this happening, both these things, the museum and the bus. And whatever help it takes to make sure it happens, we hope that you will agree that - to forward a positive comment on it. Thank you.

REID

Anyone else? This meeting's adjourned.

ND-MW
.APE 1-562

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.

VERBATIM TRANSCRIPT OF A PORTION OF THE SPECIAL MEETING OF THE CLARK COUNTY BOARD OF COUNTY COMMISSIONERS HELD ON APRIL 8, 2009 REGARDING ITEM NO. 2 (CONSIDER THE FISCAL EFFECT OF A PROPOSED CITY OF LAS VEGAS TOURISM IMPROVEMENT DISTRICT).

TAPE 1-1

RORY REID	Meeting of the Clark County Board of Commissioners.
DONALD BURNETTE	Good morning Mister Chairman, Commissioners. The first item on your special agenda is Item One to approve the agenda.
REID	Let's take a voice vote because I don't think we can switch off the machine. All those in favor say Aye.
BOARD MEMBERS	Aye.
REID	Anyone opposed? Motion carries.
BURNETTE	Item Number Two is to conduct a public hearing to consider the fiscal effect of a proposed City of Las Vegas Tourism Improvement District under Chapter 271A of Nevada Revised Statutes and authorize staff to submit comments from the hearing to the City of Las Vegas City Council. Mister Chairman, Ed Finger, the County Comptroller, is here to offer a few introductory comments.
WARD FINGER	Good morning County Commissioners. Ed Finger, Comptroller. As Mister Burnette mentioned, the item before you is a public hearing. I will point out to you that there is no action to be taken at the public hearing other than to receive comment for submission to the City of Las Vegas. In accordance with statute, that is the limit of the County's participation in the creation of such a district. Staff has prepared an agenda item development report that's been presented with the agenda item. Staff - County staff is available. I'm available. There are also representatives from the City of Las Vegas here should you have any questions.
REID	This is a public hearing. Anyone here wishing to speak? Again, this is a public hearing. Any comment from the Board? Commissioner

REID (continued)	Giunchigliani.
CHRIS GIUNCHIGLIANI	Thank you. I have a couple of questions. Ed, this is for establishing a Tourism Improvement District, and I believe by law it actually expires in September, correct?
FINGER	The - the current statute, unless it were to be amended, would prohibit after October 1, 2009 the creation of - of such a district because of the reason that after such date, a Tourism Improvement District may not be created that includes property that's also within the boundaries of a redevelopment area.
GIUNCHIGLIANI	Okay, 'cause it was the duplicative piece - I knew it was - so it's October 1st that it would go away?
FINGER	That's my understanding.
GIUNCHIGLIANI	Okay. And then the proposed project is - does not include the Lady Luck but it's across the street from that. It's the old museum and --
FINGER	That's correct. There's --
GIUNCHIGLIANI	A post office that's prepared. And - but the analysis that's been done anticipates a hotel and a casino.
FINGER	It does anticipate the possibility of such of a - and there are folks here who could answer more specific questions (unintelligible).
GIUNCHIGLIANI	'Cause it says the improvements that we're supposed to be looking at in the Tourism Improvement District is for a multi-story parking garage, open-air public plaza and other supporting improvements in the area. Yet if I read through the analysis that was done, it's all tied to hotel rooms, sales, taxes that could be possibly generated from that even though that's not part of the project. But can you explain that to me?
SCOTT ADAMS	Sure. Scott Adams, I'm the Director of Business Development with the City of Las Vegas and the City's Operations Officer of the Redevelopment Agency. This development - there - there - in

ADAMS (continued)	our agreement with the CIM Group, there - we really look at two components of their development. The existing Lady Luck is simply a threshold that once they've completed the renovation of the Lady Luck according to certain standards, they then have under our Development Agreement the right to access the site, the Post Office site, for development. That site, we believe, has the ability to be entitled for gaming. And so in their master plan, and I'll - I think --
GIUNCHIGLIANI	You just put it in the center --
ADAMS	In - in their development, this is the old Post Office right here. Surrounding that Post Office on the total developmental block there is proposed a - a gaming hotel. And that would be part of a phased in development as part of their master plan. So we did look at when we did the preponderance test the potential of developing gaming revenues on that site.
GIUNCHIGLIANI	Okay. Does - does this anticipate giving away public property then to the private group within the TID?
ADAMS	We - we own that site. The City owns that land. We own the land subject to a small sliver in the northwest corner that's owned by NDOT. And then the Post Office itself we own but it's subject to some deed covenants imposed by the U.S. Department of Interior. We - our Development Agreement with the CIM Group does provide for us selling that property to them and that we did structure a sale that was at that time based on a then-appraised value.
GIUNCHIGLIANI	Okay, 'cause I didn't see any reference then to sale cost anticipated in here. Is the park then still going to be there or is that outside?
ADAMS	The - in the center of the development, the - the core of the site we've closed what was Frank Wright Plaza for use as a construction/staging area for some improvements we're - we're making to Stewart. We're - the plan is to move the open space from the corner into the center of the development. And you see in the center of the master plan, there's a large compliment of

ADAMS (continued) open space which is the Plaza that we would be using Tourism Improvement District funding to develop as part of the overall master plan of the development. I would like to say that none of the Tourism Improvement District funding would be rebated back to the developer as has been in the case with other TID's in the State of Nevada. We would capture the TID funding as a City and use it to make the public improvements associated with the development of the build-out of that block.

GIUNCHIGLIANI Would the parking garage then be public?

ADAMS It - it would in some manner. Now, we've

GIUNCHIGLIANI (Unintelligible) charge like the one across the street?

ADAMS We - we don't have those detailed - details worked out because our Development Agreement stipulates that we - we are not fully committed even to having to build it. We - the Development Agreement stipulates that at the time they're ready to build, we do a study at that then time a multi-block radius of the site of the existence of parking at that time and the demand for parking to size that garage. So we did not commit to a specific garage 'cause I - I believe - I don't believe there - there's a need right now for parking.

GIUNCHIGLIANI You may not need it (unintelligible).

ADAMS Right - so that will be a demand induced in size parking garage at that time.

GIUNCHIGLIANI Okay. So - so I guess maybe that's my concern besides the - the potential detrimental effect of schools and the loss of revenue that comes into play is, what exactly is the project?

ADAMS They - the private component of the project is they're a mixed used development which consists of retail, office, hotel, gaming, mixed use.

GIUNCHIGLIANI Even though the mixed use is not in the TID, the anticipation is (unintelligible).

ADAMS It is - it is. Let me clarify again.

GIUNCHIGLIANI	(Unintelligible).
ADAMS	This - what you see on the overhead here is the Post Office block. It's a little skewed - elongated. The existing Lady Luck is off this master plan. The Lady Luck is immediately south of (unintelligible).
GIUNCHIGLIANI	South --
ADAMS	This master plan is only for the Post Office block itself. And as I said at the outset, the Lady Luck itself is not part of - any part of the master plan. It is simply a threshold. They have to perform in the renovation of the Lady Luck before they have the right to access and be sold the property on the Post Office block.
GIUNCHIGLIANI	And so under NRS what we're supposed to make a finding as - that - that - financing would have a positive fiscal effect on the provision of local government services. And if I go into the analysis, there will be an income loss, or tax loss, to both the County, Metro, School District, State of Nevada, and so --
REID	Commissioner Giunchigliani, I don't think we're required to make any findings. We're just - we can get (unintelligible).
GIUNCHIGLIANI	Okay, I'm just reading what's in the Applied Analysis's document. And it says --
REID	Can I ask that question, I'm going to make sure.
GIUNCHIGLIANI	Sure.
REID	And what's our role here?
MARY-ANNE MILLER	Our role is just to accept comments and forward them on if you deem appropriate to the City Council. It's the City Council who will make the finding that you're referencing.
GIUNCHIGLIANI	So my comments are I still don't know that it's - I think it could be detrimental even in this economic time to the School District as far as the loss of revenue as well as some of the losses that are there. I think the project - I

GIUNCHIGLIANI (continued)

- I personally like the idea of the museum and so forth, but it's - I think the nexus of the mixed use is what's generating your issue for wanting a TID, and I don't know that that stands on it's own.

ADAMS

Let - let me correct for the record though that right now this site is tax exempt. The City owns it. There's - other than - we - there was a couple of vending machines in the (unintelligible) --

GIUNCHIGLIANI

(Unintelligible).

ADAMS

There was no tax generation on this site whatsoever. With the new development, there will be new taxes generated. And that tax base - that new generated tax base - will be split both the property taxes and the sales taxes. The property taxes we have not negotiated nor was there any contemplation in the Development Agreement any rebate back to the developer of any of the real estate property taxes. And they will be distributed the way they normally get distributed within the redevelopment area. And then the Tourism Improvement District is - we've laid out in the information. A portion of those taxes are protected by statute - would go back to the state and be distributed in their normal way through C-tax. The portion that's captured by this Tourism Improvement District seventy-five percent of that balance we keep to go into the District. The other twenty-five percent goes back to the state and gets distributed back to their normal taxing districts - jurisdictions through C-tax.

GIUNCHIGLIANI

But you already used your redevelopment money to build the "museum" and park. What you're saying though - you don't really need a TID to do that, but this allows you to compliment your Development Agreement that you are negotiating with the partner across the street. That's what I --

ADAMS

Yes. But I - I think it's cur - it's revenue neutral in the sense that --

GIUNCHIGLIANI

I don't believe it is, but that's my comments will go in and that's the way it goes. Thank

GIUNCHIGLIANI (continued)	you.
REID	Any other comments? Commissioner Sisolak.
STEVE SISOLAK	Thank you. I've just got one, and I guess it's more of a question. (Unintelligible) in our role as also ask questions that can be forwarded but, you know, I'll ask it anyway. I appreciate - I got a great briefing from Terry and the City on this and I understand a lot better. What I'm not understanding is as explained the Tourism Improvement District's got to have fifty percent minimum of the sales from tourists, correct?
ADAMS	That's correct.
SOLAK	Go ahead.
ADAMS	Yeah, the - the statute requires that a - a finding be made through an independent analysis, which we've done through Applied Analysis, that the taxes being generated by the development within the District, that being the sales taxes, the preponderance of those taxes are being generated by tourists or persons from outside the State of Nevada.
SISOLAK	Okay. How is that estimated and how is it quantified after the fact or is it quantified so that it's not just people going to each lunch there as opposed to going to eat lunch at the mall across the street. How do you eventually quantify that or?
ADAMS	I'll ask Brian Gordon of Applied Analysis to answer that question. They are the firm that we hired to do that preponderance test, and they're the experts in this matter and I'll defer to Brian.
BRIAN GORDON	Sure. What we did as part of the analysis to determine the preponderance between visitors and residents, we purely took a look at toward the mix of - of the population in that area. Obviously it's dominated by hotel rooms. So we took a look at the hotel room inventory and the number of sort of full time equivalents that would be on site down in that immediate area and then also looked at their consumer spending,

GORDON (continued) compared that to the number of residents that are likely to be in the area, balanced the two and the ratios come out about ninety- seventy-nine percent of the - the spending on site would come from non-Nevada tourists and the balance being from residents.

SISOLAK And is that verified after the fact or what if - what if after the fact we find out it's not working that way, what happens?

GORDON To be quite honest with you, I don't know if there's a method to measure that after the fact, so I - I don't what the procedure would be in that instance.

SISOLAK So all you basically have to do is get a study that verifies the assumption and that makes it a TID?

GORDON It's one of the tests and - and obviously in our report we outlined the - the steps that we took to produce the results and the findings that we came to.

SISOLAK Thank you.

REID Commissioner Weekly.

LAWRENCE WEEKLY Yes, just real briefly. Mister Adams, as we look at this proposed public plaza here, can you put on the record just for our Clark County residents who are not up to date as to what this project's all about. What's happening with the RTC bus terminal there?

ADAMS Sure.

WEEKLY What's the time line we're looking at?

ADAMS The - the existing site has the existing Regional Transportation Commission bus terminal on site. The plan is to relocate that bus terminal to a block within - basically between Bonneville, Casino Center, First, and Gass. That - that entire block, which is part of the - the Live Work (phonetic) Las Vegas development would be developed as a new inter-model bus terminal. That block has been cleared. The bus terminal is - the design is complete. They're

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WEEKLY That's City owned land?

ADAMS On - in the Live Work (phonetic) Las Vegas development? No, that - that is land that's owned by the Live Work (phonetic) Las Vegas property owners and there's a long-term lease established between the Regional Transportation Commission and the owners of the property.

WEEKLY I see, okay. Thank you Mister Chair.

REID Other comments? We need a motion to authorize the staff to submit these comments to the City.

GIUNCHIGLIANI So moved.

REID You've heard that motion. All those in favor say Aye.

BOARD MEMBERS Aye.

REID Anyone opposed? Hearing none, the motion carries. This is the time set aside for comment by the general public. Is there anyone here to address the Board of County Commissioners on this matter? Come forward, state your name and address please.

DICK GARR Good morning. Dick Garr, 8260 Hilton Head Court. I'm on the Executive Committee of the Downtown Alliance which is basically in the last year and a half or so taken upon itself to get formed and to work for all aspects of the redevelopment and the promotion of the downtown area and in particular the RDA. I'm also the President of the 18B Las Vegas Arts District Neighborhood Association, and it's from that standpoint that I guess I should speak. We, of course, are having a - and have had over the years - a difficult time developing that part of town where Mister Weekly and Mister Brown are

GARR

very, very familiar from their work on the City Council of what has - has not happened there. Also, one thing that is happening is that the Ace Bus is going to stop at the corner of Casino Center and Coolidge and that is right there in the heart of the Arts District just north of the Arts Factory and S2 where you can get the finest prints in the world and other developments that are planned which of course would not be of interest to you since you have so many other projects to talk about. But having that bus stop there is very, very good for us. And then having this development downtown of this museum, we would expect a large number of people - and I think the City implied the people expected too - to come up from the Strip to see this museum. And we would think that they would be people who are not going up to go gaming. They're going up to see other aspects of Las Vegas. And, therefore, they'd be more likely to get off at our bus stop and - and explore the Arts District either on their way up to see the museum or on their way back down to their hotels on the south end of the Strip. So we are very excited about this happening, both these things, the museum and the bus. And whatever help it takes to make sure it happens, we hope that you will agree that - to forward a positive comment on it. Thank you.

REID

Anyone else? This meeting's adjourned.

D-MW
TAPE 1-562

FINANCE & OPERATIONS DIVISION

5100 W. SAHARA AVE. • LAS VEGAS, NV 89146 • (702) 799-5445 • FAX 855-3112

CCSD
CLARK COUNTY
SCHOOL DISTRICT

April 24, 2009

Ms. Elizabeth N. Fretwell, City Manager
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101

Dear Ms. Fretwell:

On behalf of the Board of School Trustees of the Clark County School District, I am writing in response to your letter of February 4, 2009, regarding the creation of a Tourism Improvement District proposed by the City of Las Vegas. You had requested comments prior to your City Council meeting on May 6, 2009.

Pursuant to NRS 271A.080, a public hearing regarding the fiscal effect on the Clark County School District of the project to be constructed in the Tourism Improvement District proposed by the City of Las Vegas, and the use of the money proposed to be pledged, was held at the meeting of the Clark County School District's Board of School Trustees on April 23, 2009.

Following the public hearing, the Board of School Trustees took action on an agenda item, requesting that, pursuant to NRS 271A.110, any agreement entered into by the City of Las Vegas and owner of property interest within the tax increment district defray, in whole, the initial $824,759.00 additional expenditure identified in the report by Applied Analysis, dated November 30, 2008 (and subsequently amended on February 27, 2009), in the first year of the tax increment district; and that in subsequent years, the amount to be defrayed will be increased annually by the Consumer Price Index for Western States published for December of the preceding year.

Thank you for providing the Clark County School District an opportunity to present comment and input in this process. Feel free to contact me at 799-5445 if you have any questions.

Sincerely,

Jeff Weiler
Chief Financial Officer

cc: Board of School Trustees
Walt Rulffes

OFFICE OF BUSINESS DEVELOPMENT
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400 STEWART AVENUE
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April 23, 2009

Ms. Terri Janison, President
Board of Trustees
Clark County School District
Edward A. Greer Education Center, Board Room
2832 East Flamingo Road
Las Vegas, NV 89121

Dear Ms. Janison:

In response to the staff report prepared by Mr. Jeff Weiler for Item 7.01 and Item 7.02 on the April 23rd Board Agenda, I would like to submit this written testimony to be entered into the public record.

Mr. Weiler's staff report correctly identifies that education (the Clark County School District) could incur an annual expenditure impact of $824,759, based on the report entitled "Proposed Tourism Improvement District" prepared by Applied Analysis on November 30, 2008 as amended February 27, 2009.

The staff report also concludes that the TID project would not yield any additional revenue to offset this annual expenditure impact. This conclusion is not supported by the Applied Analysis report. On the contrary, the proposed TID project would create new revenue sources which would be dedicated for meeting this education expense. As enumerated on page 2 and page 3 of the enclosure to this letter, these revenue sources would yield $1,504,104 in annual revenue for education.

The resulting net fiscal impact, as supported by the Applied Analysis report, is $679,344 in additional, positive net revenue for the education system. The Applied Analysis report demonstrates that education and the Clark County School District would benefit more with the TID and the corresponding project then without the TID and the project.

I appreciate your consideration of this written testimony.

Respectfully,

Bill Arent, CEcD
Acting Director

Enclosure

cc: Elizabeth N. Fretwell, City Manager
Scott D. Adams, Chief Urban Redevelopment Officer

Tourism Improvement District (TID)

Selected Report Excerpts and Analysis of Education Funding

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	**$7,290,434**	**$3,957,825**

Source: Proposed Tourism Improvement District: An Analysis of Selected Regulatory Requirements, November 30, 2008 (amended February 27, 2009)

(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.

Tourism Improvement District (TID)

Selected Report Excerpts and Analysis of Education Funding

SELECTED MAJOR REVENUE SOURCES

(red figures inure directly to education funding or indirectly through the state general fund; summary and allocation located on page 3)

Sales and Use Taxes	Tax Rate	Total (1)	Public Entities (2)	Proposed TID (2)
State Sales and Use Tax	2.00%	$1,275,472	$326,043	$949,430
Local School Support Tax (LSST)	2.25%	$1,434,906	$366,798	$1,068,108
Basic City-County Relief Tax (BCCRT)	0.50%	$318,868	$81,511	$237,357
Supplemental City-County Relief Tax (SCCRT)	1.75%	$1,116,038	$285,287	$830,751
County Options (various)	1.25%	$797,170	$797,170	$0
Total	7.75%	$4,942,455	$1,856,808	$3,085,646

(1) Based on taxable retail sales of $63.8 million (see Exhibit 12 on page 14 of analysis).

(2) Allocated based on 75 percent to TID (less fee of 0.75 percent) with the balance inuring to public entities.

Property Tax	Tax Rate	Total (1)	Public Entities	Proposed TID
State, County and School (excluding debt rate)	0.3949	$191,293	$191,293	$0
Clark County School District Debt (2)	0.4336	$210,030	$210,030	$0
Las Vegas City	0.1542	$74,680	$74,680	$0
Las Vegas City Fire Safety	0.0950	$46,017	$46,017	$0
Las Vegas/Clark County Library	0.0178	$8,611	$8,611	$0
Las Vegas/Clark County Library Debt	0.0020	$949	$949	$0
Las Vegas Artesian Groundwater Basin	0.0002	$88	$88	$0
LVMPD Emergency 9-1-1	0.0011	$552	$552	$0
Las Vegas Redevelopment Area	1.9544	$946,693	$946,693	$0
LVMPD Manpower Supplement - LV	0.2182	$105,709	$105,709	$0
Total	3.2714	$1,584,622	$1,584,622	$0

(1) Based on assessed value of $48.4 million.

(2) Represents the portion of the Clark County School District debt rate that is voter approved and do not inure to the RDA. (Pursuant to the debt rate provisions set forth in Senate Bill 312 (1997 Legislative Session))

Modified Business Tax	Tax Rate	Total (1)	Public Entities	Proposed TID
State General Fund	0.63%	$408,770	$408,770	$0

(1) Based on wages of $76.3 million (adjusted for health insurance deduction).

Transient Lodging Tax	Tax Rate	Total (1)	Public Entities	Proposed TID
State of Nevada	0.38%	$66,898	$66,898	$0
Clark County School District	1.63%	$289,890	$289,890	$0
Collecting Jurisdiction	1.00%	$178,394	$178,394	$0
Clark County Transportation	1.00%	$178,394	$178,394	$0
Fremont Street Experience	2.00%	$356,788	$356,788	$0
Las Vegas Convention and Visitors Authority	5.00%	$891,969	$891,969	$0
Total - Effective Until March 18, 2009	11.00%	$1,962,331	$1,962,331	$0
Amendment to Transient Lodging Tax (2)	2.00%	$356,788	$356,788	$0
Amended Total	13.00%	$2,319,119	$2,319,119	$0

(1) Based on room revenue of $17.8 million.

(2) Based on increase in room tax authorized by Initiative Petition No. 1 (2009 Nevada Legislature)

Tourism Improvement District (TID)

Selected Report Excerpts and Analysis of Education Funding

SUMMARY OF PUBLIC REVENUES AND EXPENDITURES POTENTIALLY IMPACTING EDUCATION

	With TID and Project		Without TID and Project
	To State and Ed.	To Education	
Total Public Revenues to Potentially Benefit Public Education:			
Sales and Use Taxes:			
State Sales and Use Tax Component (1)	$326,043	$114,115	$0
Local School Support Tax (LSST) (2)	$366,798	$366,798	$0
Property Tax (2)	$210,030	$210,030	$0
Modified Business Taxes (1)	$408,770	$143,069	$0
Transient Lodging Taxes:			
State of Nevada (1)	$66,898	$23,414	$0
Clark County School District (2)	$289,890	$289,890	$0
Amendment to Transient Lodging Tax (IP No. 1) (2)	$356,788	$356,788	$0
Total Potential Public Revenues	**$2,025,215**	**$1,504,104**	**$0**
Total Estimated Expenditures (3)		**($824,759)**	**$0**
Net Potential Impact on Education System		**$679,344**	**$0**

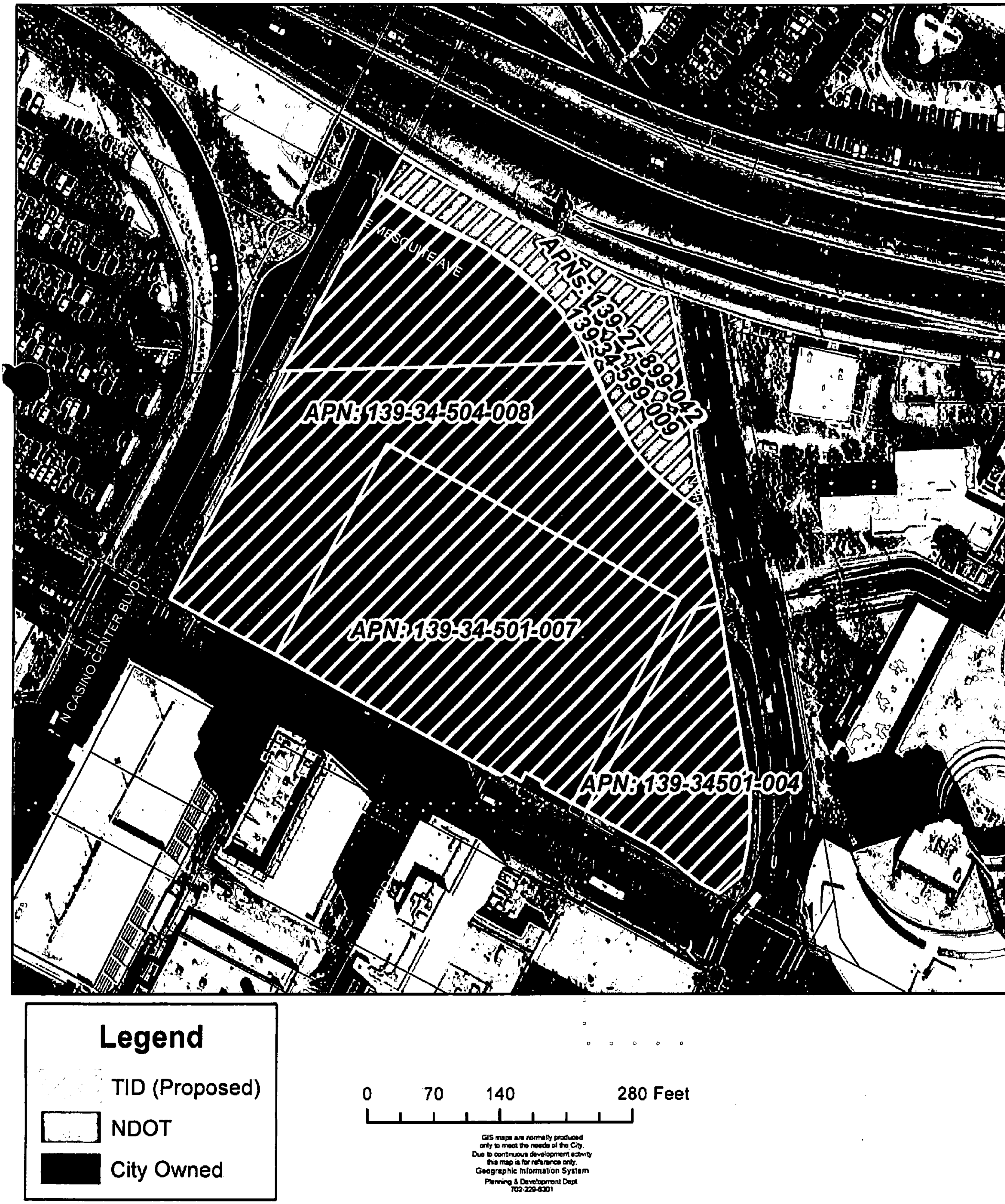
General Note: Dollars directly deposited in the State's distributive school account and general fund appropriations supporting education are distributed by formula to the state's school districts. Although those tax dollars go to education programs, it is not readily determinable how much of those payments would inure directly back to the Clark County School District.

(1) Assumes approximately 35 percent of funding to the state general fund is allocable to education.

(2) Assumes 100 percent of the funding is allocable to education.

(3) Based on the scenario modeled on page 24 of analysis (assumes 25 percent of workers originate from outside the market).

Site Map



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

CITY COUNCIL MEETING OF
May 6, 2009
VERBATIM TRANSCRIPT – ITEM 74

Public Hearing, discussion and possible action regarding a Resolution making written findings, approving the use of monies, providing notice and materials to the Commission on Tourism and Governor of Nevada and making conclusive determinations, all relative 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)

<u>Appearance List:</u>

OSCAR GOODMAN, Mayor
BILL ARENT, Acting Director, Office of Business Development
BRIAN GORDON, Applied Analysis
STEVEN D. ROSS, Councilman
JEFF ROSEN, CIM Group
DEE TAYLOR, 1630 South Commerce Drive
STEVE WOLFSON, Councilman
DIANE WOOLMAN, 9029 Blue Raven Avenue
MARIA GANDARA
ANDREW BROWNSON
JOSEPH MICHAEL CORDOVA, III, President, Turtle Creek Homeowner's Association
TEDDY RUSSELL, Las Vegas resident
BRYAN SCOTT, Assistant City Attorney
GARY REESE, Councilman
LOIS TARKANIAN, Councilwoman
BRAD JERBIC, City Attorney
SCOTT ADAMS, Chief Urban Redevelopment Officer
RICKI Y. BARLOW, Councilman

(1 hour 30 minutes)

Typed by: Lean Coleman, Deeny Araujo, Angela Crolli
Proofed by: Angela Crolli

MAYOR GOODMAN

Item 74 is R-30-2009, a Public Hearing, discussion and possible action regarding a Resolution making written findings, approving the use of monies, providing notice and materials to the Commission on Tourism and Governor of Nevada and making conclusive determinations, all relative to a Tourism Improvement District. The acronym is TID, T-I-D, for parcels at Fourth Street and Stewart Avenue, and this is in Ward 5. It's a Public Hearing, which I now declare open. Mr. Arent.

BILL ARENT

Thank you, Mr. Mayor and members of Council. This is a public hearing. I realize the hour's a little bit late, but I think it's important to get certain comments onto the record. I'm gonna go through a PowerPoint presentation as quickly as I can. With me today, also, is Brian Gordon of Applied Analysis. He will give a part of the PowerPoint presentation as well. We also have representative of the developer, CIM Group, Mr. Jeff Rosen, and I'll invite him to make any comments after we finish our presentation.

The Tourism Improvement District allows a City or a County to retain up to 75 percent of mandatory sales and use tax proceeds generated within a district, within a self-defined district pursuant to the Nevada Revised Statutes. Proceeds can be used to acquire, improve, equip, operate or maintain a project within a district, and eligible uses include retail, tourism or entertainment purposes.

Thought it was important to remind the Council of where we are at in the process. On February 4th, you, as the City Council, authorized us to start this process. In addition, we attended a public hearing held by the Board of County Commissioners on April 8th. We also attended a public hearing of the Clark County School District Board of Trustees on April 23rd. Today is a public hearing to primarily determine three things. One, to make an increased finding, as I'll describe in just a moment; make a preponderance finding, and I'll describe what that means also. We also, as a body, the City Council I should say, should consider both the Board of County Commissioner written comments and the Clark County School District written comments.

As part of your backup documentation, we included a transcript of the April 8th hearing at the Board of County Commission, and we also included a letter from Mr. Jeff Weiler, who is the

Chief Financial Officer of the School District, representing the Board of Trustees regarding their written comments. And I'll touch on that at the end of the presentation.

The next steps, after today, are a Nevada Commission on Tourism hearing, the date of, for which it's pending. We anticipate that it will be some time in June. And then, finally, it goes to the Governor for final approval.

The required findings, as I mentioned, there's an increase finding and a preponderance finding. The increase finding requires the Council to find, as a result of this project, retailers will locate their businesses in the District, and there will be a substantial increase in sales and use tax revenues. Additionally, a preponderance finding must be determined to show that proceeds from sales and use tax revenues will be attributable to the transactions with tourists who are not Nevada residents. And I'll explain how the resolution and the supporting documentation, today, meets (sic) both of those findings.

The next steps, as I mentioned, we have Commission on Tourism and then to the Governor's desk. The Governor is required, by law, to consider any fiscal effect of the pledge of money for educational funding. So I'll spend a little bit of time at the end of the presentation to address that.

The City Council, following the Governor, would adopt an ordinance through our, its normal two-step process. And that ordinance would define that no retail sales could have occurred 120 days prior to the enactment date of the ordinance.

Finally, the City and the State Taxation would enter into an agreement describing the distribution of the revenues generated within the TID. And there is a statutory limit for a 20-year term. So, should the City look to actually issue a bond to secure those revenues and use those capital funds upfront for the uses that I'm gonna describe, we would be limited by statute to a 20-year term. We're not obligated to issue a bond, but we would have the ability to do that with the TID legislation.

This map shows the proposed TID boundaries. It's a site that is situated next to the I Fif, 515, US 95, and then it's bounded by Casino Center, Fourth Street and then Stewart Avenue. So the area that you see in red, when I mentioned earlier, District, this is the District that we're seeking to creating it. Zooming in on it from an aerial photo, you can see the District within the District. The area highlighted in yellow is Phase 2 of a project proposed by the developer, the CIM Group, and then the area outlined in red is the Historic Post Office that we're seeking to convert into a new museum use. So that shows the site and the District.

The Development Program, just to bring you back why we're doing this, the TID we're proposing to use these funds for public uses. We're trying to create a vibrant public plaza, a public parking garage and also enhance streetscape, primarily on Stewart Avenue, to promote additional pedestrian activity. The Development Program will be anchored by the Las Vegas Museum of Organized Crime and Law Enforcement. We'll be proceeding with that project independently of this incentive and moving forward with that project to support the overall Development Program from the CIM Group. The Program eventually complates (sic) retail enter, and entertainment uses, including 200,000 square feet of retail, 150,000 square feet of office, a 500-room hotel and potentially a new casino.

I wanna emphasize a point here. One of the misunderstandings that took place at the School District's Board of Trustee meeting was an impression that the hotel was an optional component of the project and that the retail could proceed without the hotel. In working with the developer, we did not find that to be the case. They run hand in hand as part of the Development Project, and I'll explain why that's important toward the end of the presentation.

Again, the use of TID funds, public costs, the parking structure, the public plaza, the street improvements, in the overall development agreement with the CIM Group, one of the thresholds and a condition precedent to actually getting and acquiring development rights from that property outlined in yellow on the map is to actually invest new capital into the Lady Luck property on the south side of Stewart. So, there's a, an investment threshold, and this is very important to mention also. Like all of our incentives that we try to do with our office, this is a back end incentive. The developer must perform on the front end in order to obtain this back end incentive.

And then, also, it's important to mention that no TID funds will go toward private development or (sic) to the developer to support the private development. We were using the funds for public programs and public uses as identified in the slide.

I'm gonna turn it over to Brian Gordon. He's gonna go over real briefly the findings of the study that they did to show what the fiscal affect is. And then I'll conclude the presentation on what action is before you today and speak again a little bit more detail about the impact on education funding.

MAYOR GOODMAN
Thank you.

BILL ARENT
Brian.

MAYOR GOODMAN
Mr. Gordon.

BRIAN GORDON
Thanks. Thank you, Bill. Mr. Mayor and members of the Council, thank you for the opportunity to speak to you today. As Bill mentioned, I'll just cover the summary findings of our more comprehensive report.
Essentially, the creation of the Tourism Improvement District, based on our analysis, would result in incremental revenues of about $26 million, and those would inure to various entities, about 88.2 percent or $23 million worth of those revenues would inure to public entities. The 3.1 million differential would inure back to the Tourism Improvement District, which would be used for these public infrastructure improvements in the area.
In addition to the incremental revenues that would be cost associated with the development that takes place on the site, the overall costs are expected to be about $17.6 million, resulting in a net fiscal benefit overall related to the development of $5.4 million per year. That is, after accounting for the – allocation of sales tax back into the Tourism Improvement Direct, Tourism Improvement District, excuse me.
Taking a look at a handful of the other public revenues that would be generated as part of the project, obviously, sales and use tax being a – major component. You can see the split here on the slide, in terms of the – amount that would continue to go to public entities and then the portion that would inure back into the Tourism Improvement District. We also took a look at the

transient – lodging tax that would be created as part of the hotel component of the project. That would generate an estimated $2 million. Property taxes would contribute another $1.6 million and the modified business tax, or the payroll tax, if you will, would create another $400,000 or so in public revenues, going to – various public entities.

We also took a look at the scenario if the project is developed. Obviously, we've just run through the numbers: 21, 23.1 million in public revenues, plus the three point million in the TID. Without the project, the property remains in – public hands and there would be no incremental revenues associated with the lack of the development of a project.

We're also asked to take a look at the impact on surrounding retailers. One of the things we're – responsible for looking at is what – that impact might be. If we take a look, historically, at the market over the last decade or so, we see that incremental investments in the area generate incremental demand and ultimately additional spending in the area. During the past decade, we've seen hotel rooms grow at a compound annual gro, growth rate of about 2.4 percent, the number of visitors comparable to that. The spending, per trip, has increased and we're looking at aggregate spending increases of about 9.1 percent annually. So, significantly more than just the – number of visitors or infrastructure that's put in place. This project is contemplating about a $200 million plus investment. That combined with the – hundred million investment that Bill mentioned in terms of the investment required at the Lady Luck site, a lot of money going into the area. We expect that to generate incremental demand.

We're also required to take a look at the source of those retail sales and use taxes. Who would be paying those? We took a look at different market areas, one, three and five miles; obviously, the area is dominated by hotel rooms and mostly non-Nevada visitors. We estimate about 79 percent of the spending in the area is attributable to non-Nevada visitors. We would expect a similar profile at this site.

When evaluating the overall impacts of the project, we took a look at some of the economic impacts during, first, the construction phases as well as the operational phase. During the construction phase, the project will directly employ about a thousand person years of employment, including the secondary impacts; we're looking at about 1,800 jobs. They're gonna earn approximately $66 million in wages and generate over $280 million in economic output; that being the construction phase.

As we move into the operational phase or the ongoing operations of the project, on an annual basis, we're looking at 1,600 direct jobs on site. The ripple effect associated with that or the secondary impacts would total about almost 2,700 jobs. They would be earning approximately 114 million in wages and contributing about 267 million in economic output on an annual basis.
We were also asked to take a look and discuss briefly the – impact on education funding. Certainly, a portion of the sales tax would be allocated back towards these public improvements. Just generally speaking how education is funded is through a myriad of sources, a portion of it coming from State General Fund revenues and they're several sources within that, including the State portion of the sales and use tax, which is the two percent rate out of the seven and three quarters rate that we all pay in Southern Nevada.
Gaming taxes as well as the modified business tax or payroll tax, portions of that could be allocated towards education. The local school's support tax is also, contributes to the funding of education as well as property taxes and, of course, the room tax.
The components that would be impacted by the creation of the Tourism and Improvement District, specifically would be a portion of that two percent sales tax rate as well as the – local school support tax that's included within the overall sales tax rate. I think Bill's gonna discuss some of those in more detail.

MAYOR GOODMAN
All right. Thank you, Mr. Gordon.

BRIAN GORDON
Thank you.

COUNCILMAN ROSS
Your Honor?

MAYOR GOODMAN
Yes.

COUNCILMAN ROSS
So, Mr. Gordon, you're saying that we'll actually be spending more on education if we create this Tourism, this TID?

BRIAN GORDON
We initially reached out to the Clark County School District, and they responded that there would be – no impact associated with this proposed development. We subsequently received information from them that they had estimated a certain ballpark figure on a per pupil basis for the workers that would be on site that would be incremental to come into the marketplace. So, if the project's developed and uses the existing labor pool, those people are already in the market place and being educated. Their children are being educated. The assumption is that a portion could potentially come from outside of the market, which would create incremental costs for the school district. This estimate is about 25 percent of the labor that would be on site would come from outside the market. Today, we're at a 10.4 unemployment rate. So, you know, again, just an estimate at this point, but yes, there's certainly a cost associated with incremental individuals in the School District.

COUNCILMAN ROSS
Well, it's not the cost I was looking for; it was the additional incremental taxes that are being paid towards education.

BRIAN GORDON
Sure, and I think – Bill's gonna walk through the details here of the additional potential revenues that are gonna be generated as part of the project, as well as the cost side. And I think it's up on the slide here, the total potential revenues inuring to public education as potentially 1.5 million dollars, which is significantly above the estimated costs.

MAYOR GOODMAN
Mr. Arent.

BILL ARENT

Mr. Mayor. Thank you. Thank you, Brian. I wanted to go over this slide personally because I wanted to point out that for those of us, those that are attending the meeting here today and the listening public on KCLV or the internet broadcast, that this slide is actually part of the backup documentation. It is actually part of the backup documentation, Item Number Eight and the last page. So, I apologize for anyone in the audience if they're having difficulty reading this slide. I do have a paper copy as well. But this is actually numbers that were ac, extracted from the Applied Analysis report and wanted to summarize in one slide the net fiscal impacts on education.

So, as Brian had mentioned, the impact to education from the revenue side, comes from a variety of sources. It comes to sales and use tax revenue, which is State sales and use tax component and local schools support tax. It also comes from property tax, modified business tax and then also the transient lodging tax. And that last one, the transient lodging taxes, for some reason, was not considered by the School District at their public hearing. We politely requested that they do consider it because we fully expect the hotel to move forward in conjunction with the retail, as I mentioned earlier. When you add all those revenue sources to the State and to education with the TID, it's a little over $2 million in new public revenue that would not otherwise exist should the project not occur.

To education, monies that are actually potentially available for education, as Brian had mentioned, this sums to 1.5 million. Now, as the School District have requested in their written letter to Ms. Fretwell and to the City Council, the School District require, requested that the City Council consider setting aside the estimated expenditure of $824,759. As Brian had mentioned, this is not the net cost to education based on the report by plot analysis. This is just the cost. When you account for the new revenues generated by the project and available to the State for education, this leaves a net potential impact on the education system in the State of $679,344. So, I thought it was important to go through that and then also reference the backup documentation that is supported and was available to the public as part of this public hearing. Just, wanna summarize again what findings you're making today. The, today's Council Resolution which you're voting on, makes the finding that there is positive fiscal affect from the TID and the proposed project will benefit this area, the District. It establishes the increase finding and the preponderance finding. It approves the use of the TID proceeds by the City for public costs and it sends written notice to – the Nevada Commission on Tourism and to the Governor.

And in closing, before we take public comment, I wanted to invite Jeff Rosen from the CIM Group, if he had any comments and just if I could, take the liberty, Mr. Mayor. Two of the common questions that we as staff has, have fielded on the project have been as follows: One question is, is the developer receiving another tax incentive from the City or from the Redevelopment Agency? The answer to that question is, no. This is the only tax incentive that's being contemplated by the City or the Redevelopment Agency.

And a second question, and then I'll let Mr. Rosen comment on it, is would the developer proceed without this incentive? I think it's real important to view this in light of the macro-economic climate of Las Vegas and Southern Nevada. And staff believes that this incentive, but for this incentive, the project might not proceed. And with that, I'll turn it over to Jeff Rosen with the CIM Group.

MAYOR GOODMAN

Thank you. Mr. Rosen.

JEFF ROSEN

Jeff Rosen with the CIM Group. Good day Mayor and Council. You know, I was gonna go back to the timeline. While the first hearing might not have been since February, the TID process actually started last July, when we entered into our DDA with the City, that had many, it's a fairly complicated document and a very long process and you know, maybe today with the approval of the Smith Center, as you saw, it's a very long. When you want something significant to be developed in downtown, many times, it takes a long time and a lot of things go into it. Part of that DDA was a collaboration between CIM and the City to work towards a creation of a Tourism Improvement District, as well as with the whole team from the – Mob Museum.

So, since that, we've all worked extremely well. A lot of thanks to Bill and everyone on his staff and, as well as Betsy and everyone overseeing the Mob Museum, where things are moving forward. It's a – tough economy out there but we continue to push things forward. This is one part of the many eras and the quiver to help redevelop this – part of downtown. So, on the Tourism Improvement District, while the first hearing might not have been until February, we've been at this for almost a year now. And hopefully, we'll continue to – move forward with that process.

MAYOR GOODMAN
Okay. Thank you.

BILL ARENT
Mr. Mayor, that concludes my presentation. I should also mention we have our Bond Counsel, John Swenseid, here in the audience.

MAYOR GOODMAN
(Inaudible)

BILL ARENT
And so if there are any technical or legal questions in nature, I'll defer to Mr. Swendsein (sic).

MAYOR GOODMAN
Very good. This is a public hearing. How many wish to speak on it?

DEE TAYLOR
We got a few of us.

MAYOR GOODMAN
Well, I – wanna see so I know how to allocate –

DEE TAYLOR
Sure.

MAYOR GOODMAN
– the time here. How many plan to speak? Alright then, we'll put the –

DEE TAYLOR
A few.

MAYOR GOODMAN
We'll give Mr. Taylor three minutes and the others two.

COUNCILMAN WOLFSON
Mayor Goodman, I'm sorry. And Mr. Taylor, I apologize. May I just make one observation first before we go into public comment? Bill, if you don't mind, I just wanna make sure that the record is clear for anybody that's watching this is, this site right now is owned by the City of Las Vegas and because we are a – government entity, we are tax exempt. So, there are no revenues that are going to the, I'm not sure the word, the receiving entities, like the School District, at this time. Is that right?

BILL ARENT
That's correct. The City owns it. There are deed restrictions from the GSA and there are restrictions also from Interior, related to the museum itself, the Historic Post Office. But it's, it is currently tax exempt.

COUNCILMAN WOLFSON
So, the recipients that will receive tax revenues in the future, once this project is up and running and receipts are coming in and taxes are paid out, are not receiving anything right now.

BILL ARENT
From this specific property, that's correct.

COUNCILMAN WOLFSON
That's what I'm talking about.

BILL ARENT
The – only minor exception would be, there are, there were some vending machines that paid some very nominal fees that, as I mentioned the 120-day closure requirement, there cannot be any retail. It was the opinion of our counsel, that in an abundance of precaution, we needed to close down those vending machines. But other than any ancillary license fees associated with those vending machines, as far as tax revenue, that's correct.

COUNCILMAN WOLFSON
Okay. Thank you.

MAYOR GOODMAN
Okay.

DEE TAYLOR
Hi, my name is Dee Taylor, 1630 South Commerce.

MAYOR GOODMAN
Timer on, please.

DEE TAYLOR
Thank you so much for letting me speak. I'm sure when you opened the paper today, you saw ready for coming cuts in the school budget. The Culinary Union, we have about 40 or 50 thousand of our members who have kids in K through 12 here in Clark County. I think everybody here knows the schools are severely challenged and we're asking every political body to step up for educational funding now and in the future. In fact, Assembly Leader Barbara Buckley and Senate Majority Leader Steven Horsford estimate we are 44 percent underfunded for just current services in education; 44 percent now. So, I find with that factual background, which

I'm not the only one who has that, that I feel like I'm in Never Never Land here, when we're talking about diverting money away from schools. By proposing a TID on 5.5 acres in downtown Las Vegas, you're gonna rebate 75 percent sales tax for further development. That sounds pretty nice. But what will the City do with taking that money away. You're gonna build a parking garage for, obviously, the use of the multi-billion dollar out-of-state developer and a public plaza for the same benefit.

Now, the analysis that was paid for by the developer, they themselves say they will divert $3.1 million every year for the next twenty years, which a high percentage of that would go to schools. I cannot understand why at this time, the City feels that they haven't done enough for this multi-billion dollar out-of-state developer. You are prepared to sell land for under appraised value, that's already well known. You've already done it a lot and that's great. But this is like Robin Hood in reverse. You're taking from the masses to give to the wealthy. You know, the question that was just asked is, will they develope this even if they don't have this. Of course they will. Somebody said they just spend $200 million. So, the idea that you would take money out of the schools for a gigantic multi-billion dollar developer in this economic environment where we are 44 percent underfunded in schools right now, according to the State Legislature, is beyond belief.

Now, I know I've been called evil. Our union's been called evil for opposing some measures, but let's be frank, on this issue the Clark County County Commission is opposed to this. The Clark County School District voted six to nothing being opposed to this, and the Nevada Legislature is dealing with this right now. And, in fact –

MAYOR GOODMAN

Time's up.

DEE TAYLOR

Well, I'm gonna have just a minute, Mayor.

MAYOR GOODMAN

No, you're not.

DEE TAYLOR
I've been very patient.

MAYOR GOODMAN
No, you're not. Time's up.

DEE TAYLOR
No, no. I've very patient.

MAYOR GOODMAN
Have a seat. Have a seat.

DEE TAYLOR
Let me finish, please.

MAYOR GOODMAN
No, I put a three-minute timer.

DEE TAYLOR
You know what, Mr. Mayor, people come up here –

MAYOR GOODMAN
A three-minute timer.

DEE TAYLOR
Well, listen, I'll do a tag team.

MAYOR GOODMAN
All right, fine. Fair enough. Go ahead.

DEE TAYLOR
So, no, no, no. Folks, folks, folks. No, folks, no, folks, please.

MAYOR GOODMAN
As I said –

DEE TAYLOR
Please.

MAYOR GOODMAN
– we play by rules here. I said three minutes for Mr. Taylor, two minutes for you folks.

DEE TAYLOR
Okay, I just got two minutes from somebody else. Thank you, Mr. Mayor.

MAYOR GOODMAN
All right –

DEE TAYLOR
So –

MAYOR GOODMAN
– then why don't they sit down, then?

DEE TAYLOR
Yes, they will. They've been very patient. They're taxpayers and I'm sorry you don't feel like you should listen to them. So, just last week –

MAYOR GOODMAN
Wait – a second. Wait a second.

DEE TAYLOR
Excuse me, can I finish, please?

MAYOR GOODMAN
No, not 'till I say this. I said I would listen to everybody and I gave them two minutes and I gave you three. You're taking their time away from being able to talk, not me buddy.

DEE TAYLOR
You know what, Mr. Mayor –

MAYOR GOODMAN
You heard me.

DEE TAYLOR
– with all due respect.

MAYOR GOODMAN
You heard me. Now –

DEE TAYLOR
Mr. Mayor, please, I just wanna finish. I don't want to make this personal. I'm very –

MAYOR GOODMAN
It's not personal.

DEE TAYLOR
– very passionate about this and very concerned about it –

MAYOR GOODMAN
And I'm very concerned about it too.

DEE TAYLOR
– because of the schools.

MAYOR GOODMAN
– and I expect that the truth is gonna be said. I don't want to put people under oath. You heard the question that was asked by Councilman Wolfson, right now zero taxes, zero money is coming from this property. So, don't say we're taking away money from the School District.

DEE TAYLOR
Excuse me. The analysis done, paid for by the developer himself, for the TID would take $3.1 million per year. That is what their analysis is.

MAYOR GOODMAN
There's nothing now –

DEE TAYLOR
I also –

MAYOR GOODMAN
– Mr. Taylor.

DEE TAYLOR
Excuse me, can I please finish?

MAYOR GOODMAN
No. I said no –

DEE TAYLOR
Well, you know what –

MAYOR GOODMAN
I'm telling you if you're gonna say something tell the truth. There's nothing now. There're no taxes because the City owns that property. So, we're not taking anything away from the School District.

DEE TAYLOR
Well –

MAYOR GOODMAN
What we're doing, is we're trying to get a project where it can give money to the School District.

DEE TAYLOR
Excuse me, Mr. Mayor, but the School District doesn't agree with you. They voted six to nothing against this proposal. So, to finish up –

MAYOR GOODMAN
All right.

DEE TAYLOR
The City testified last week, I am sure, by the approval of the City Council, against this exact same bill up in Carson City, put forth by Marilyn Kirkpatrick, that would, in fact, band the diversion of sales tax for schools in TIDs. They understand this problem; that's why they've addressed it. They had a hearing last week; the City – opposed that, I am confident. Just like the Clark County School District, just like the Clark County County Commission, the Nevada legislature has come out firmly against this practice. So, today you have the opportunity. You can vote for children in schools or you can vote for the benefit of large, multi-billion out-of-state developers. And as my mother once said, it is not what you say, it's what you do.
So, I appreciate the time you've given me, and I would turn this over to a – woman who is a long-term member. Thank you.

MAYOR GOODMAN
Thank you.

DIANE WOOLMAN
Hello. My name is –

MAYOR GOODMAN
Timer, please.

DIANE WOOLMAN
– Diane Woolman. My address is 9029 Blue Raven Avenue.

MAYOR GOODMAN
Your name, again, Ma'am.

DIANE WOOLMAN
Diane Woolman. I'm – here today, I've – been with the union for appro, about 18 years. I've been in this town for about 20 years. I've raised three children in this town, and I have eight grandchildren, and they go to various school districts within Clark County.

I've worked with the schools very, very closely through the years with my children and now my grandchildren. I've helped as many ways as I can to get funding, to help the schools because they've already been on short budgets and short incomes for years and years. We're talking 15 years ago, and we're still going on with this. This economy is horrible for all of us, grant, granted, but to substidize (sic) casinos that are being built at our children's expense, to me, is an atrocity. These children have paid a high enough price now, with the cuts that are taking place. And there are many, many developers here in this town that have not had to be substidize (sic), that have made a good living and have gone, had businesses for years and years here and made a lot of money.

Please, I'm beggin you, on not just behalf of my own children and grandchildren, do not take anything more from their education. We already are low in the standings, you know that. We're suffering very, very much in our school systems.

MAYOR GOODMAN
Ma'am, did you hear?

DIANE WOOLMAN
And I beg you –

MAYOR GOODMAN
Did you – hear that right now, because the City owns that property, there're no tax dollars that –

DIANE WOOLMAN
Yes.

MAYOR GOODMAN
– to education? Did you hear that?

DIANE WOOLMAN
I did hear that, but I also know that –

MAYOR GOODMAN
And what we're doing is, is that we're –

DIANE WOOLMAN
– if you substidize (sic), you're gonna have to get that money from somewhere, and our children have already been affected by these cuts. I'm begging you, please, don't take any more money from them. Yes, they will bring revenue to the schools, but so does every other casino in this

town, and they're not asking you to bail them out or help them with anything. They've made money in this town without the City's help.

MAYOR GOODMAN
All right. Thank you.

DIANE WOOLMAN
Please.

MAYOR GOODMAN
Next, please.

MARIA GANDARA
Good afternoon. My name is Maria Gandara. I live in this city since last nine years. I'm member for the Culinary 226 Local, and I'm a wondering parent. I have two kids, that they go to Kirk Adams. I'm really wondering about what happened right now with the schools. We know the budget is in crasis (sic) in the schools. Right now, like parent, I'm (sic) try to help the school that my kids, assist, because they send us a list, we can help with supplies for keep the programs after schools. My kids have, involve in projects at schools, but they send us, for the next year, they gonna cut the projects because they don't have the budget. I have other kids, three years old, and I'm wondering what's gonna happen with him if this is still like the way it is right now. As a citizen, as a parent, I'm available, and I'm trying to do everything that my government say that I need to do for help, but I'm really scared. I'm in panic, when they say they gonna, or could we take money from the taxes from the schools because everybody in this city, we love this city. We live the, we love the visitors, but I want my kids, in the future, be part of the big city. I don't want to be traveled (sic) or go to other place, that way they can have good jobs. And I think my best investment that I can give to my kids is education for (inaudible) so they can work in this – building, this big project. That's why we are here, I'm talking as a parent, to ask for your help. To keep, no, the possibility to take away something for the kids; in place, give more for the kids. Thank you.

MAYOR GOODMAN
Thank you. Next, please.

ANDREW BROWNSON
Hello, Mr. Mayor. Ladies and gentlemen, thank you very much for having me. My name is Andrew Brownson, I'm a Las Vegas resident. I've lived here since 2003. I have a child who's going to be going to school, public school, next year. We just registered him. We're looking forward to that. It's going to be exciting adventure for all of us, I think, my wife and I as parents. Just to qualify, I am a Culinary member and generally speaking, I always walk (inaudible) in step with the union, in terms of labor relations with management but, ideologically, sometimes differ. I happen to be a Republican, and I haven't changed my party at any point and time. So, this offers sort of balance perspective, as to where I'm coming from and how this issue affects everyone. And you might look at it through a different lens that way.
Yeah, I stood up here and – you know, it's – frightening to think that, of course, our schools in as bad a shape as – I think they are, and everyone has acknowledged this. Even as – rosy as times were a decade ago, we still had schools that were ranked fairly low. We have police departments that are probably underfunded and could use better creating and help Fire departments, which need equipment and so forth.
The first gentleman that came up here and spoke, he talked about economic projections for the next few years, which were based upon the previous decade, which we all know has no relevance to what's going on right now and probably won't. Rather than a – stellar climb like we experienced for the past decade, we're looking at either something that's going sideways or perhaps negative growth, like what we're experiencing right now.
Then the last fellow that finished up, and wrapped up his presentation said, well in this current macro economic climate, we have to look at what's going on, look at the big picture. We're gonna have to apply for these, this tarp, par, sorry, TIP (sic) , sorry, semantics, this program of funding, which is clearly wrong. If – this project actually had merit, they could find it within the private sector. And you, being the lender of last resort in this case, probably understand that, and it is probably a bad move right now at this point and time. But anyway, thank you very much.

MAYOR GOODMAN
Thank you.

JOSEPH MICHAEL CORDOVA, III
Good afternoon, Mayor, City Council. My name is Joseph Michael Cordova, the Third. I'm a born/raised native of the Las Vegas area. I've been here 44 years. I currently have two children, one, I'm sorry, one child in the Clark County School District. I'm also the President of the Turtle Creek Homeowner's Association in the Honorable Steve – Ross District.
At this point and time, everything that my predecessor, the gentleman before me, has said, a lot of things are here based on projections, based on things that are going to happen in the future. As you well know, our education is suffering an unsurmountable (sic) mountain of issues. Each year, each and every one of us, as parents, are asked to contribute financially, whether it be on – a volunteer basis or simply as being given a sheet of necessities that our – children are going to need to be successful in school.
I beg you, at this time, to consider this seriously in the nature. And I, Mayor, I do understand you, that there is zero going out right now, but we need to look at the future and look at what the people, previous to us, or previous to you, have voted on. Thank you again for your time.

MAYOR GOODMAN
Thank you. Anybody else like to be heard?

TEDDY RUSSELL
Your Honor, Council, my name is Teddy Russell, resident of Las Vegas. I've only been here for seven years. This acquired a life of its own, long before I got here. For better or for worse, I understand that there are controls. In fact, on the board for the Mob Museum, is a special agent retired for the FBI, to ensure that in, by no we, way, means or form, we glorify the Mob – years. If I might have the overhead. This past weekend, we had an excellent article called "Quiet Kingmaker". It celebrates the life of the banking power, gentleman named Mr. E. Perry Thomas, who does give you straight scoop, like it or not, about the Mob years.

If I had my druthers and I'm entitled to my opinion, as I say, this started long before I got here, I would have like to have seen the courthouse be a courthouse for senior citizens, victims of crime, and I would have liked to seen the Post Office retained as a post office.
Thank you for your time and have a great day.

MAYOR GOODMAN
Thank you. Anybody else like to be heard during the Public Hearing? All right. Seeing none, we'll close the Public Hearing. Mr. Arent, did you want to make any comments at this point before there's a motion?

BILL ARENT
Mr. Mayor. Thank you. I just wanted to offer a point of clarification for what actually took place at the Clark County School District Board of Trustee's hearing. The hearing was called for fiscal effect on the Clark County School District, of a project to be constructed in the Tourism Improvement District, proposed by the City of Las Vegas, to be located in the Las Vegas Redevelopment District. The Trustees did take an action at that meeting. The action was to provide written comments to the City of Las Vegas, and I wanted to read directly from the letter. I did not want the words to be my own but rather the words of the employee responsible for the School District. In Jeff Weiler's letter, he, again, Mr. Weiler is the Chief Financial Officer, and this is part of your backup documentation. Mr. Weiler writes: "Following the public hearing, the bull, Board of School Trustees took action on an agenda item, requesting that, pursuant to NRS 271A.110, any agreement entered into by the City of Las Vegas and owner of property interest, within the Tax Increment District defray, in whole, the initial $824,759, additional expenditures identified in the report by Applied Analysis."
And I just wanted to make it abundantly clear, not only to this body but also to the listening public as well, that the school board did not take position for the project. They did not take a position against the project. They simply directed staff to make written comments to the City of Las Vegas, which is the requirement that the law sets out. So, they requested that expenditure be defrayed. We believe that we addressed that in the body of the presentation here today at the public hearing.

MAYOR GOODMAN
Very good. Thank you.

COUNCILMAN WOLFSON
Mayor Goodman?

BILL ARENT
Thank you.

COUNCILMAN WOLFSON
I'm sorry.

MAYOR GOODMAN
Yes, Councilman.

COUNCILMAN WOLFSON
A few minutes ago, after Mr. Taylor made his comments about the School District or the Board of Trustees voting 6/0 against this and the County Commissioners voting 6/0, again, against this, I asked our City Attorney, Mr. Jerbic, if that was true, because I was reading in my backup the transcript from the County Commission meeting, and unless I'm reading something different than anybody else, it didn't even go to a vote.

BRYAN SCOTT
What they did, Councilman –

COUNCILMAN WOLFSON
So, Mr. Taylor, I, I'm not invite, excuse me, I'm not inviting you to comment back –

MAYOR GOODMAN
No.

DEE TAYLOR
No, I – didn't say the County Commissioners, I said the School District –

MAYOR GOODMAN
No.

COUNCILMAN REESE
You said both.

COUNCILWOMAN TARKANIAN
You said both.

MAYOR GOODMAN
Yes, you did.

COUNCILMAN WOLFSON
Well, Mayor Goodman, I – thought I – heard him say both –

MAYOR GOODMAN
He did.

COUNCILMAN WOLFSON
– But for the record, I just thought I'd ask, Mr. Jerbic, and if you know the answer, because that was something that I'd be curious about. Did the County Commission take a vote on this matter that is before us? And I think Mr. Arent just explained what the school board did.

BRAD JERBIC
They took a vote; the vote was not for or against. They had a discussion at the County level, and I just read the motion in Mr. Adams' backup. The motion was to forward their comments to the City, and that motion passed.

COUNCILMAN WOLFSON
Now was that the School Board of Trustees or was that the County Commission?

BRAD JERBIC
That's the County Commission.

COUNCILMAN WOLFSON
Okay. Thank you.

MAYOR GOODMAN
Thank you.

SCOTT ADAMS
If – I can interject here, this is Scott Adams, Chief Urban Redevelopment Officer. I handled the matter for the City at the County Board of Commissioners meeting, and it was simply a public hearing. And the only, the process simply provides for a public hearing. It was simply a public hearing, and the Commissioners made comment. And the vote was to direct those comments in a formal memorandum or set of minutes to the City, so we could place those comments on the record.

COUNCILMAN WOLFSON
And, Mayor Goodman, if you don't mind. And Mr. Adams, you're right 'cause that transcript I read had part of your testimony in it. In fact, I just want to make another observation. When I was reading the transcript, it appeared that, at least one particular County Commissioner, was pretty much in favor of what we're doing. So, there was no vote against what we're doing.

SCOTT ADAMS
That's correct.

MAYOR GOODMAN
Okay. Thank you. All right. Councilman Barlow.

COUNCILMAN BARLOW
Yes, Mayor, I have, this question is posed to Mr. Arent or possibly even Mr. Adams, you can chime in. Explain, once again, the amount of monies. I know that there's (sic) no monies today that is allocated because of the City's tax exempt status. But in the future, in regards to the TID and the questions and comments that have come forward in regards to monies going back to the developer and – not to the School District, break that out for me so that I'm clear in regards to, that, the – statement that exists today.

BILL ARENT
Councilman, I'll address, answer that in two parts.

COUNCILMAN BARLOW
Okay.

BILL ARENT
The revenue that would be generated, we outlined in that last slide, and again, it's part of the backup documentation.

COUNCILMAN BARLOW
Right. Go back to the last slide for the sake of the audience.

BILL ARENT
The revenue that would be generated, again, I think Councilman Wolfson did a good job of articulating that. Today, there is new, no tax revenue from businesses operating on the property. The property is tax exempt. So what the report by Applied Analysis attempted to do is to delineate the exact revenue sources that would be created, as a result of this project. And in doing so, they identified what funds would inure to the State, for the State and potentially

education, but then, also, what is specifically delineated for education. And that outline, sales and use tax, property tax, modified business tax and transient lodging tax. Now, that money goes to the State, and it's part of a budgetary process for the State for education.
We believe the net effect to that is that there'd be new public revenue inuring to the State of 1.5 million, and that's the conclusion determined by Applied Analysis.

COUNCILMAN BARLOW
Now, the 1.5 million will go back to the State, and then the State will divvy up in the respective sources, but a percentage of that 1.5 million, you're saying, will go towards education. Is that accurate?

BILL ARENT
It's our belief, and I – can invite Mr. Gordon if I –

COUNCILMAN BARLOW
Yes. Mr. Gordon, if you'll come forward, please, because I wanna really be able to flush this out because I – don't want to do anything to affect education, because that's – something that we need to figure out ways in order to get more dollars to fully fund education. So, I am concerned about that, so if you can walk me through that and be diligent in the process, I will be greatly appreciative.

BRIAN GORDON
Sure. Essentially on the – slide that is on the – screen here, at the moment, is – a breakout of all the major revenue sources that would go both to education as well as the State General Fund. Education is generally funded from direct revenue sources, as well as allocations that potentially inure from the State General Fund. We paired back some of those during the last biennium at the State level, the General Fund. About 35 percent of those proceeds went towards education, so we took that same share of the revenues and allocated those to the revenue side of the equation that you see on the slide, and those are broken down by each element. Education is funded through the Nevada plan, where funds go in various, different directions. Some go directly into

the School District, some go up to the State level, and then they're reallocated on a per pupil basis down to the various school districts throughout the State.
As part of that process, they account for direct revenues that would go to the local school district, the Clark County School District, and adjust that contribution rate from the State level. So, there is a mandatory per pupil funding amount that would go to the Clark County School District, based on the number of students –

COUNCILMAN BARLOW
In your –

BRIAN GORDON
– in enrollment.

COUNCILMAN BARLOW
In your slide, right now, I'm looking at the Clark County School District, and as far as education, it has 289,000, 289,890.

BRIAN GORDON
That represents just the portion of the room tax that would go directly to the Clark County School District.

COUNCILMAN BARLOW
Okay.

BRIAN GORDON
The column to the left would be all potential revenue sources that would go to either to fund education or the State General Fund, which is used as the back stop to fund education. That's a $2 million dollar number.

COUNCILMAN BARLOW
Right.

BRIAN GORDON
Then it's paired down to a $1.5 million dollar number in – potential revenues that would inure to – education. So, this break out is just, represents the sources of where those revenues are coming from.

COUNCILMAN BARLOW
Right.

BRIAN GORDON
At the end of the day, that's the potential pool, and then you see the – potential expenditure number, then that affect being a positive number.

COUNCILMAN BARLOW
Now, there was – comment in regards to this tax in, this Tourism District (sic), TID, hurting education. How does this hurt education, if at all?

BRIAN GORDON
Purely from a dollars and cents perspective, education would result in a positive financial impact or positive fiscal impact, which is what you're looking at on the slide. The assumption is that a portion of the students in the School District would be incremental or – would migrate into Southern Nevada to – fill positions at this project. And – those incremental students would have a cost associated with them. So, you see the cost side at about $824,000, and the revenues generated by the – overall project that would potentially go to the pool for education would be 1.5 million, so that the net effect, again, is a positive number. Does that answer your question?

COUNCILMAN BARLOW
Yes, and one additional question. As far as monies going back to the developer, I was informed in – a couple of briefings that monies would not go back to the developer. Does money, or does money go (sic) back, or do money go back to the developer in this, within this District? And if so, explain that process and why.

BRIAN GORDON
Essentially, the – creation of the Tourism Improvement District, the City is the – applicant for that District. The dollars would inure back to the City. My understanding is that the City has chosen to use those funds to invest in public infrastructures, such as the public plaza, the parking structure and street improvements –

COUNCILMAN BARLOW
Not back into the District, I said to the developer.

BRIAN GORDON
My understanding is that the developer is getting no direct investment or dollars from the Tourism Improvement District.

BILL ARENT
Councilman, if I – could just add, I thumb back to the point in the PowerPoint where we address that, that the parking structure, the public plaza and the street improvements. Street improvements, that one's obvious, the City owns streets, will continue to own Stewart Avenue. The public plaza, that's gonna be open to the public. And then the parking structure, one of the realities of doing business in an urban downtown, which Las Vegas is rapidly becoming, is that parking is at a premium, and on a competitive basis, we're less competitive than the rest of the region because of existing parking. We don't have the available land that the suburbs have to build two, three-story parking structures. So, one of the things that is part of this project is that the City, through the use of the TID funds, would be building a parking structure. 'Cause it's public funds, we would own – it and potentially operate it. We might lease the management of

the operation, but as far as the funding, as far as who gets to use the garage, it would be open to all the residents of the city of Las Vegas.

COUNCILMAN BARLOW
So, the City of Las Vegas would own the garage?

BILL ARENT
Correct.

COUNCILMAN BARLOW
Okay. Not the developer?

BILL ARENT
Correct.

MAYOR GOODMAN
Thank you.

SCOTT ADAMS
Could I add – to that, 'cause I – know this section of the agreement intimately. This is Scott Adams again. That, there's a provision in the agreement that, we don't even, we haven't even sized the garage. At the point where they develop, are ready to develop the retail space on their block, we would look at a radius of the site, in terms of the supply of parking that's in the radius, a walking distance radius site, to determine; and then through an independent study, how big we should make that garage. The intent there would be to make it as small as we possibly can to meet their needs on the site, and I – wanted to add that to the record.

MAYOR GOODMAN
All right. Councilwoman.

COUNCILWOMAN TARKANIAN

Yes. I want to get back down to this, very specifically, what is the subsity (sic) that is being mentioned, that we're giving to the applicant?

MAYOR GOODMAN

Nothing.

COUNCILWOMAN TARKANIAN

You're saying nothing. They're, are you telling us that there is no direct subsity (sic) being given to the applicant?

BILL ARENT

Councilwoman, Bill Arent, Acting Director. That's essentially correct. The tax revenue that would be retained within the Tourism Improvement District, the City would use for these three uses. So –

COUNCILWOMAN TARKANIAN

All right. Now the public, and the public plaza sort of takes the place of the public park that we had. We, you know, we – don't have the public park in the plaza, so I see that as a City use. And what were the other two?

BILL ARENT

The parking structure and then Stewart Avenue; there're some street improvements, streetscape –

COUNCILWOMAN TARKANIAN

And – the streets, yeah, that's an obvious, and then the other was the parking structure. And if we wanted to, if we vote, we could, ourselves, run the parking structure, could perhaps, collect monies off of it. Is that correct?

BILL ARENT
That's correct, and we do that in a number of parking garages downtown already.

COUNCILWOMAN TARKANIAN
So there's – no subsidy, which was one of the big problems. And the other is, if we're taking money from the School District. And that's what I'm really having a hard time understanding because I would never want to take money from the School District. My understanding is that it's just like what we have, the Marketplace, where we have the large buildings.

COUNCILMAN WOLFSON
World Market Center.

COUNCILWOMAN TARKANIAN
World Market Center, where the World Market Center is, before we had nothing but lots full of weeds and dirt. I passed it every time I came out in this direction, I passed it, so I know it didn't look very good at all. And then we gave some help to them to build, and they built, and it has added a lot more money, as far as taxes. And a lot more of that from the information you've given us has gone to the School District. In other words, they got their – percentage of zero was less than their percentage – of what they're getting from high taxes now. Am I correct in that?

BILL ARENT
Councilwoman, that is correct. Essentially, I would make one distinction. For this project, it involves the use of sales and use taxes.

COUNCILWOMAN TARKANIAN
Okay.

BILL ARENT
So the World Market Center, different project –

COUNCILWOMAN TARKANIAN
It's a little different.

BILL ARENT
– different incentive. It was property tax but essentially the same.

COUNCILWOMAN TARKANIAN
Now, we had no in – state business that wanted to build there, did we? I'm, as long as I've been on the Council, I'm not aware. This was the one company that wanted to build and take that over and – develop properties.

COUNCILMAN WOLFSON
The World Market Center or –

COUNCILWOMAN TARKANIAN
No, I'm talking about the CIM project now –. At the time, did we have other people who came to us who wanted because, you know, a lot of people don't want to build downtown and some do?

BILL ARENT
Essentially, that's correct. It's been an evolving part public private partnership with the CIM Group. They did close on an equity position and the Lady Luck property. It's a very heavy lift to get that property up and running again and become a new (inaudible) of property for downtown.

COUNCILWOMAN TARKANIAN
And – that's what I've been told since I've been on the Council. Then the last thing is, the percentage of money that would come from this project, we don't know for sure how much would go to the School District, but we're – counting on the 35 percent that they usually give. And the reason why I say that is because it goes to the State. You know, we can't guarantay (sic) what the State will do, but it's the State that the determines how much money goes to the Clark

County School District. And in the past, for years, they should have had a larger amounts (sic) going because of the urbanality of what was happening within that School District. So basically, quite honestly, I feel the State, whatever they're doing in the legislature right now, the State for years could have made a difference, as far as the amount of monies going to CCSD. But, when some people say, well, they might not get that 35 percent, we don't know where it's gonna go. That's because we all know it goes to the State, and the State determines the amount. I'm just verifying this, so I'm saying, is that correct?

BILL ARENT
That's correct. I'm not an expert on school funding, but it's my understanding typically what happens, and maybe Mr. Gordon could allude to this. If the tax revenue generated from some of these local taxes coming in from Clark County exceeds what is budgeted for at the State level for education, that money's still going to the State. It's still intended to be for education, but practically, what happens in the budgetary process, is that that money shifts away from education into the State General Fund.

COUNCILWOMAN TARKANIAN
As it –

BILL ARENT
And essentially –

COUNCILWOMAN TARKANIAN
– has shifted – for the past two, three decades.

BILL ARENT
And I, Councilwoman, I think you've highlighted a budgetary problem and a legislative problem that, quite frankly, that the City has no control over.

COUNCILWOMAN TARKANIAN

No, I know that. And that's why I feel some anguish here because I know the City does not have as much control as the State does. And the State could send the whole amount of the money to the School District, if it wanted to, and that's in – for wherever they're getting money.

Anyway, thanks (sic) you for answering those questions. I – appreciate it very much. I don't want us to do anything that's inappropriate. I don't want us to cannibalize any other entity. I just, I cannot see where we're not helping the School District in this. That's the problem, and I'm trying to learn and maybe I need, I've been out of town awhile because of an illness in the family, and maybe I need to take more time and go through this, so I understand it better. But, in any case, the questions you answered for me now help.

MAYOR GOODMAN

Mayor Pro Tem.

COUNCILMAN REESE

Yes, Your Honor. You know, I – listen to the presentations we have here, and I – listen to what people are saying about this Council. And – I really get a little bit of heartburn because I have children that are school teachers. I have kids in school, college. I have grandchildren in school. And to think that I sit up here and have people think that I'm gonna try to take money away from their education. I pay for three children to go to college.

And we look at this redevelopment area, and Lois alluded to, with the Allure Towers, with the Chelsea Mall, with the World Market Center, we had follow ground that was creating very, very little to our School District. But through the redevelopment area, we created businesses, structures that quadrupled the amount of money that was going to the School District through the City.

And I – can't understand why people continue to say that this Council is trying to rape the School District. It's ludicrous to me. I – had a lady come to my house and talk to my sweet wife, and try to convince her what a bull I was because I was taking money away from the School District. My wife tried to explain to her, this is when she was trying to get her to sign a – petition, my wife tried to explain to her what was going on. She called my wife a liar. In essence, she's calling all of us sitting up here liars. And I – take offense to that. I would never do anything to take away from the schools.

What we're trying to do is create. We created money with the World Market Center. We created money with the Allure Towers. We created money with the Chelsea Mall. Through what we do, we create jobs. We create more money for the State. We're creating more money for education, more public infrastructure, but note, we're not raising taxes.

MAYOR GOODMAN

Thank you.

COUNCILMAN REESE

I – really feel like that, when people work together, they could accomplish a lot, but when people attack and won't listen, we're destroying what we're trying to do.

We – sit through here today and we see a beautiful structure that's gonna be constructed here, called the Performing Arts Center, creating jobs. And before that structure's finished, they're gonna build a hotel, non-gaming, Charlie Palmer Hotel, which is gonna be just as beautiful as what you seen at, in the Performing Arts Center.

I – just can't understand it. I – really feel like that what we're doing is a positive. What we're trying to do is to, and I'm not saying that this will ever be developed, but if it is, the school's just gonna benefit from it.

And Your Honor, I – really appreciate all the comments, the questions asked by the other Councilmembers, your comments, and even the comments from those opposing this project. But I – really wish that we could – sit down and I guess, have a more applica, amenable – type discussions and stuff. But I – know that some people don't want to listen to what we're trying to say, and – I feel sorry for them. Thank you.

MAYOR GOODMAN

All right. Thank you. Councilman Barlow, do you have a motion, please?

COUNCILMAN BARLOW

Yes, Mayor, I do. I would like to move forward for approval of this item. And in closing, just state that I am all for education. I wanna make sure that we do all that we can to assi, to assist our young people in this community. And, although, this is a very complex puzzle that we're trying to put together, not only for the benefit of developing downtown, but also to give back to our community. The city of Las Vegas can't fully fund education on its own, but we can do our part, and I believe that we have done our part, and we continue to do our part. And as long as I'm on this Council, I will push to make sure that we continue to do so.

With that being said, what is the next step? Is it to move to the tourism and then to the Governor, Bill?

BILL ARENT

That's correct. With your approval today, we would move to the Nevada Commission on Tourism. Notice requesting a hearing has already been sent. We, at the staff level, are actively working with the Commission to schedule that. That will be a public hearing. So certainly, the public will have another opportunity to comment on this incentive in the Tourism Improvement District.

COUNCILMAN BARLOW

Okay, and it's my understanding from the information that I not only have been briefed on but the information that I've read, if in fact the Tourism Committee or Commission votes this down, the TID is denied. Is that accurate?

BILL ARENT

That's essentially correct. We need approval from Nevada Commission on Tourism and from the Governor.

COUNCILMAN BARLOW

Correct.

BILL ARENT
So, it's – a multi-step process.

COUNCILMAN BARLOW
It's a multi-step process –

BILL ARENT
We are not finished yet.

COUNCILMAN BARLOW
– but I'm just asking the question in regards to if, in fact, the tourism commission votes it down, the TID is denied, it's dead. Correct?

BILL ARENT
That's correct.

COUNCILMAN BARLOW
And if, in fact, it's approved and it come (sic) before the Governor, and the Governor deny (sic) it, then it's dead as well. Correct?

BILL ARENT
That is correct.

COUNCILMAN BARLOW
Okay. And with that being said, I'll, I will move for approval of this item.

MAYOR GOODMAN
Mr. Arent, is that sufficient with the findings being required?

BILL ARENT
Yes, I think approving the Resolution, the Resolution itself, contains the findings.

MAYOR GOODMAN
All right. Thank you.

BILL ARENT
So, the motion's just needed to approve the Resolution.

MAYOR GOODMAN
Very good.

COUNCILMAN BARLOW
And I move to approve the Resolution.

COUNCILWOMAN TARKANIAN
Before we vote on that, Mr. Mayor, could I just ask is there a possibility, I mean I know these are good people in the audience. They obviously believe, at least, I think they believe what they're saying to us. And, so I'm wondering is there a possibility we could, maybe, meet and talk as you said, in a way that, we're not full of anger, but in a way that we can get a better understanding of how we're feeling? Are we at total loggerheads? And I ask that, as I said, because I know there are good people who have spoken here about their concerns, and I spoke with one that I knew well, and – she was, she believes with her heart, that she's right, and that it, and you know, that, is there a possibility we can do that? Would the, would Mr. Taylor be willing for us to meet and –

DEE TAYLOR
I'd be glad to if I have more than three minutes.

COUNCILWOMAN TARKANIAN
Well, yeah, and, we don't have to meet here. We can meet some place else that you can have more than three minutes, I – would think, right, Mr. Mayor?

MAYOR GOODMAN
Whatever you want to give them, you can give them.

COUNCILWOMAN TARKANIAN
You have the motion. I'm just asking because it's in your District, your Ward. It's in your Ward.

MAYOR GOODMAN
Yes.

COUNCILWOMAN TARKANIAN
I'm just wondering, you don't have to have the meeting, I'm just saying –

COUNCILMAN BARLOW
No, I mean –

COUNCILWOMAN TARKANIAN
I'm just saying this doesn't seem good. We're using energy that we could be using for positive things, and I just think, let's put our energy in and let's move together, if we possibly can. And that's what I'm asking, in your motion, could you recommend that we hold a meeting in the next couple of weeks or something?

MAYOR GOODMAN
No.

COUNCILWOMAN TARKANIAN
No.

MAYOR GOODMAN
You can meet with anybody you want, Councilwoman. I've had my meetings.

COUNCILWOMAN TARKANIAN
Well, I'll ask –

COUNCILMAN BARLOW
Thank you, Councilwoman –. In my motion, I would also ask that we have an opportunity to meet with the representatives from the Culinary Union, in regards to their concerns because the Councilwoman is right, in regards to hearing what it is that they're concerned about and making sure that the motion that we move forward is benefit for the entire community. And so, I would like to move for approval of the Resolution, with the condition of having an opportunity to meet with Mr. Taylor and – the Culinary Union –

MAYOR GOODMAN
Well.

COUNCILWOMAN TARKANIAN
Mr. Barlow, I – was just gonna say, maybe we have to check with legal, I'm sorry. I'm hearing, maybe we can't do that in a motion.

COUNCILMAN BARLOW
Well, well how about we do this? If – this is okay with you, Brad. **I'll move for approval of the item.** We vote on the item and then Councilwoman, you and I will have an opportunity to set up a subsequent meeting to meet with Culinary. Would that be (sic) suffice?

COUNCILWOMAN TARKANIAN
Would that be all right?

BRAD JERBIC
That's fine.

COUNCILMAN BARLOW
Okay. Then, that'll be my motion.

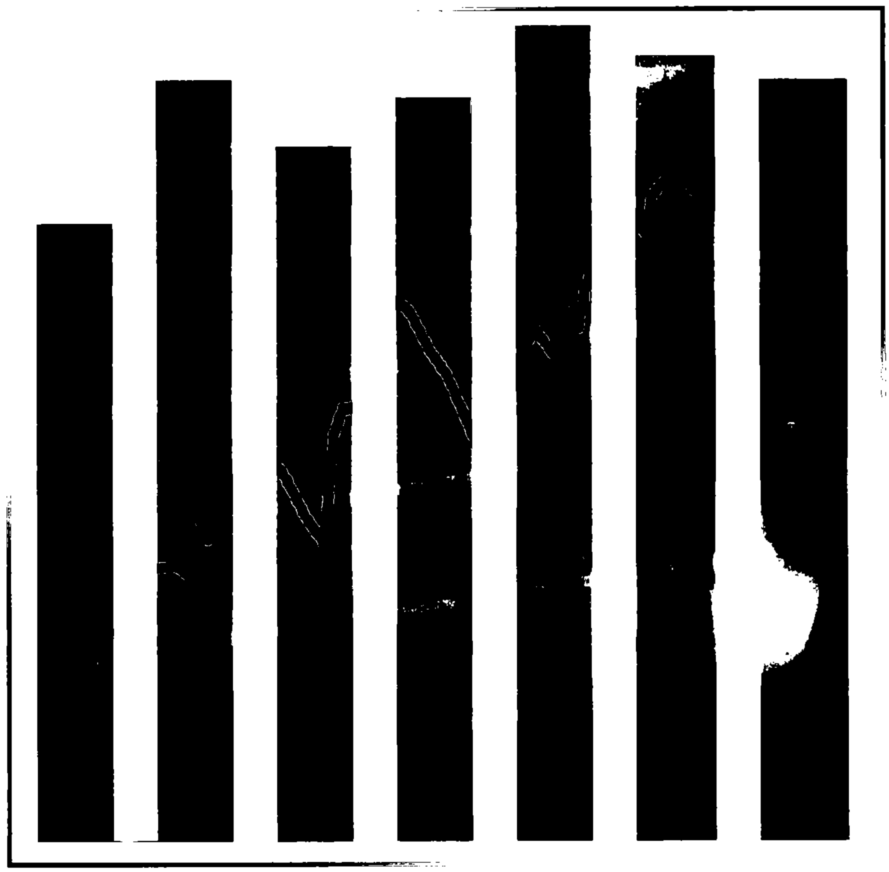
MAYOR GOODMAN
All right. That's the motion. Let's vote. Post. Motion carries. **(Motion carried unanimously.)**
Thank you.

(END OF DISCUSSION)

/lc, da, ac; ac

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

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November 30, 2008

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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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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

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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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- 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.

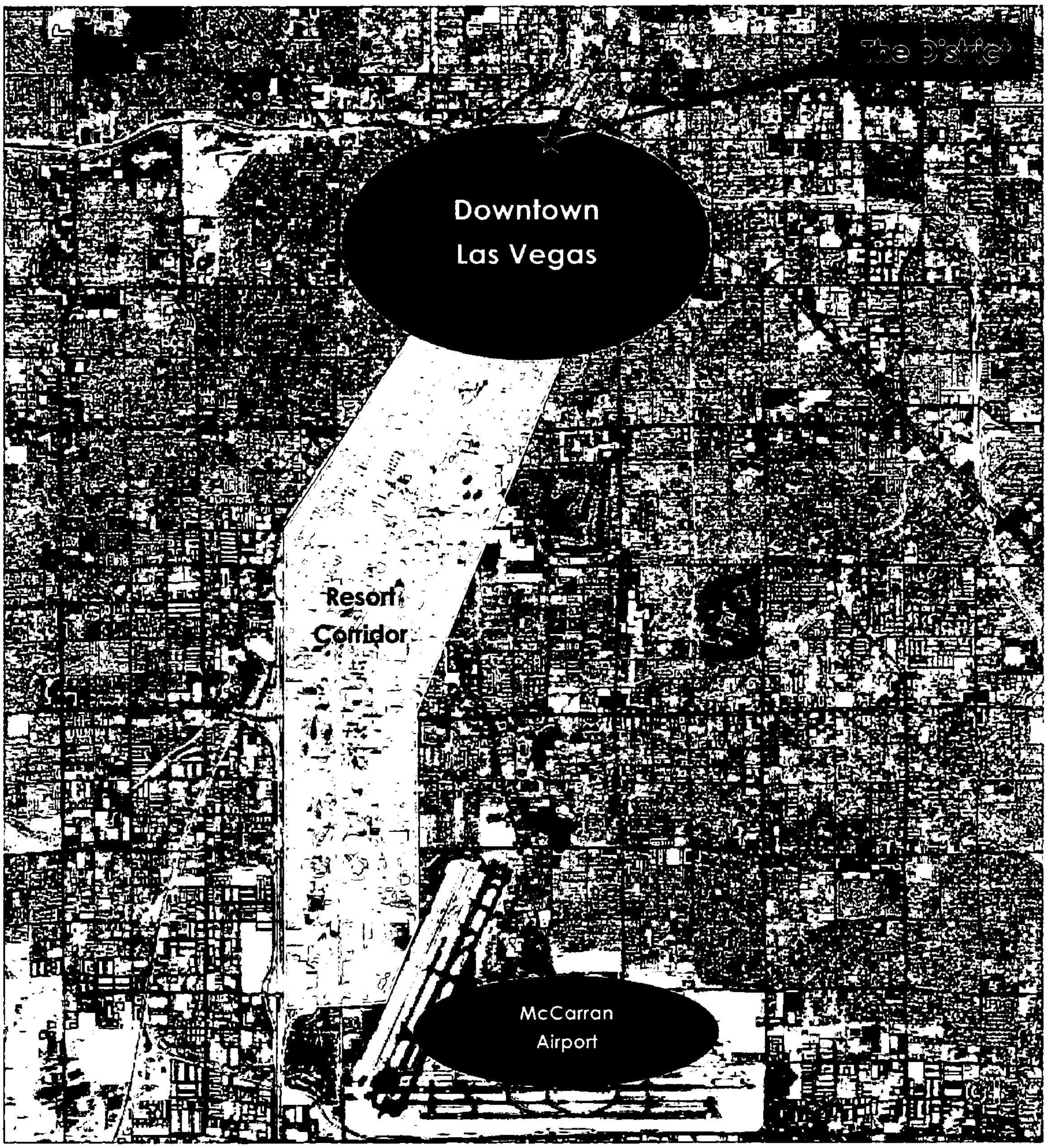
[1] A person year of employment is defined as one person employed for one year.

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

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.

---

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
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/Décor	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.

APPLIED ANALYSIS

Exhibit 8
Retail Sales Activity Comparative Analysis

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

(o) Source: Dollors & Cents of Shopping Centers/The Score 2006; Urbon Lond Institute; Internotionol Council of Shopping Centers.
(b) Bosed on sompling 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 *Feosibility Assessment – Finol Results* prepored by P | E | T | R Productions, doted Jonuory 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.

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.*

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

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.

Urban Economics
Market Analysis
Financial Advisory Services
Public Policy
Hospitality & Gaming Industry
Information Technology

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)

APPLIED ANALYSIS

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).

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

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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.

APPLIED ANALYSIS

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.

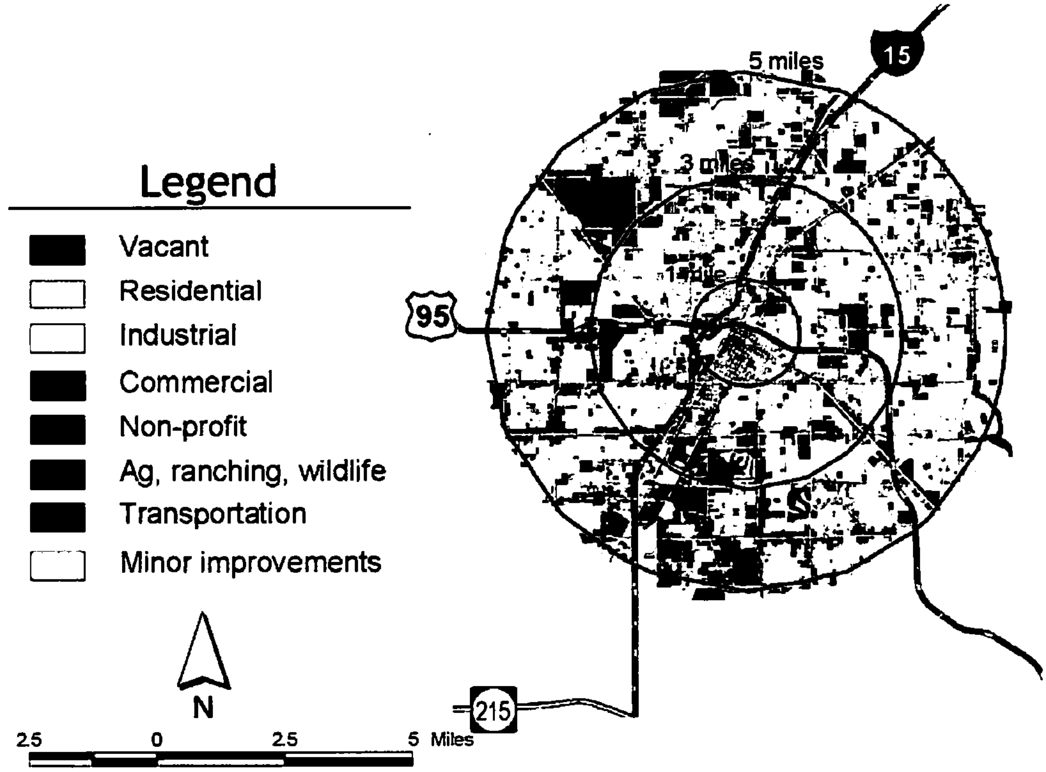
Criteria	Project Rating	Comments
Location:		
Proximity to Major Highway	High	Adjacent to US-95
Proximity to Res. Housing	Low	The area is dominated by temporary residents (hotel guests)
Proximity to Other Customers	High	The area is dominated by temporary residents (hotel guests)
Traffic Volume by Site	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.

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.

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	$1,762,951,050	$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.

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.

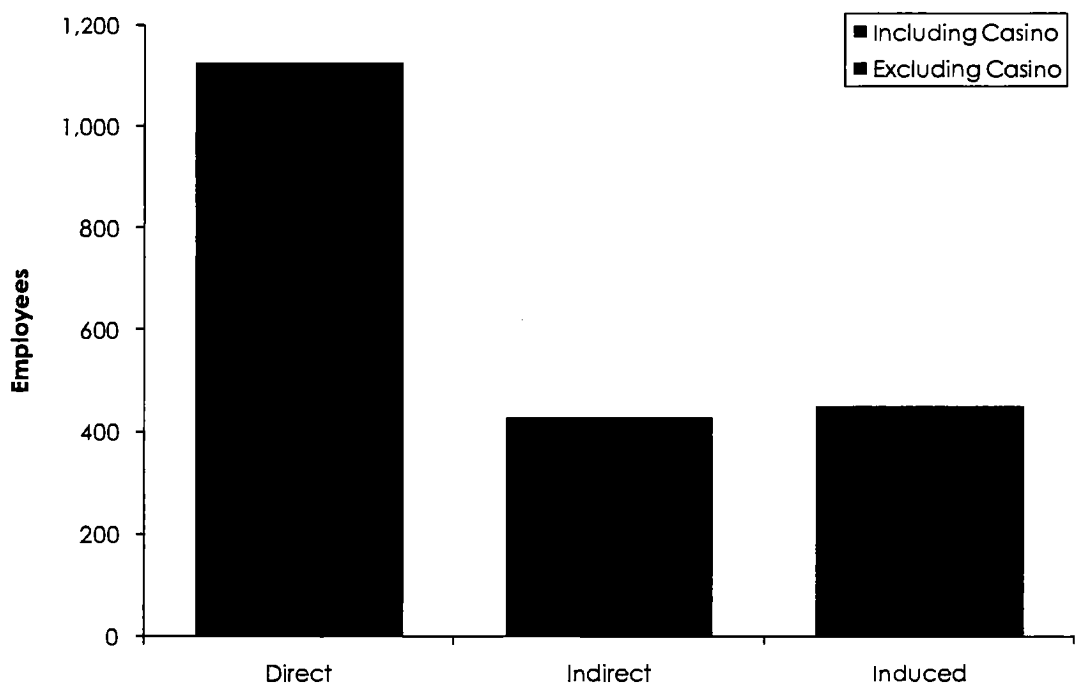
APPLIED ANALYSIS

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



APPLIED ANALYSIS

Exhibit 34: Construction Wage & Salary Impacts

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

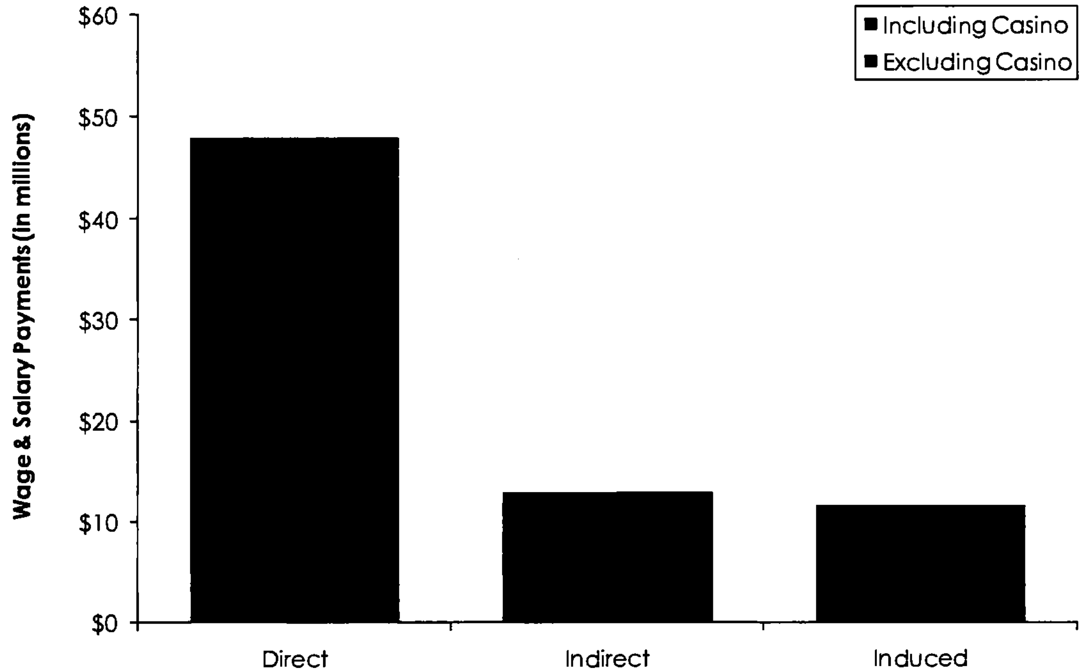
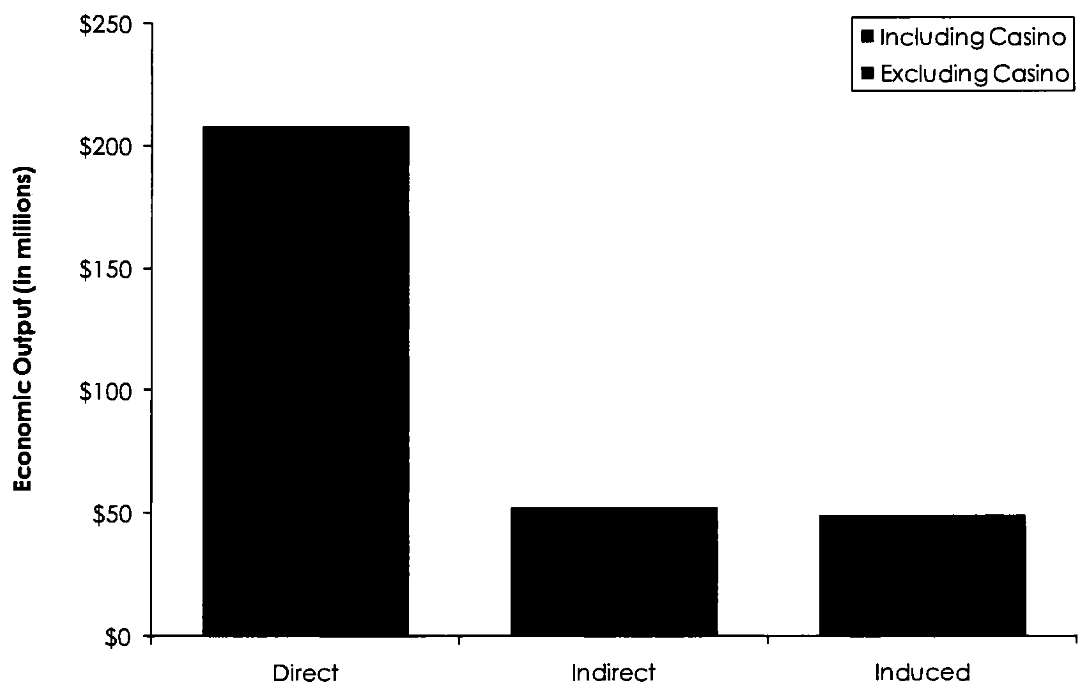


Exhibit 35: Construction Economic Output Impacts

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**

APPLIED ANALYSIS

Exhibit 37: Operations Employment Impacts

Total Clark County Impact = 1,895 Persons Employed Annually

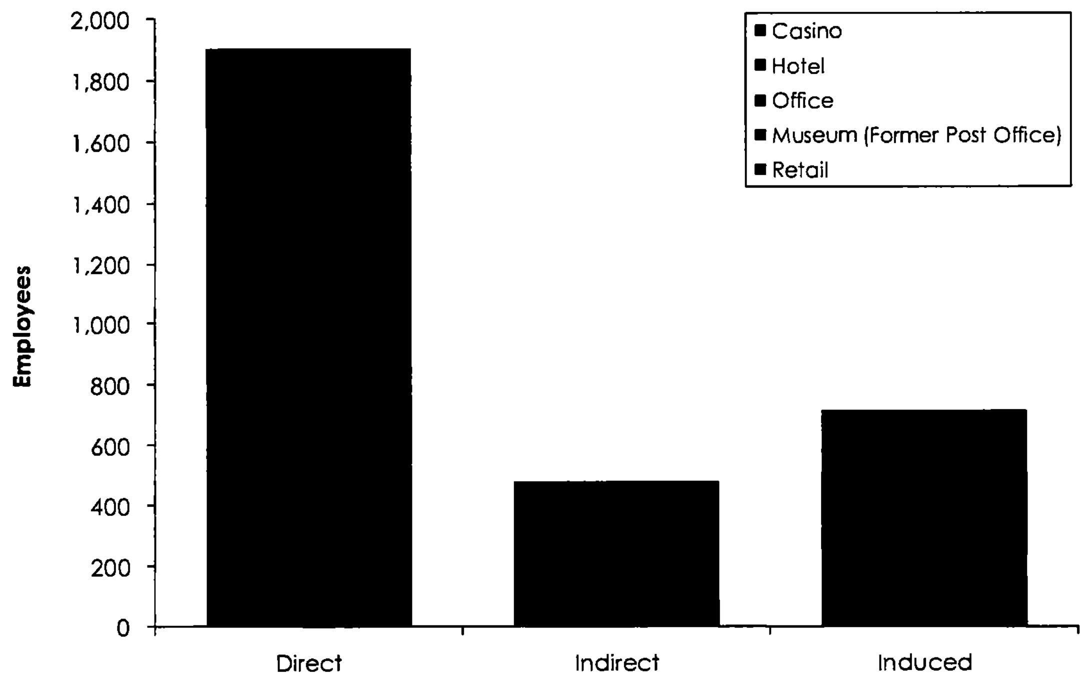
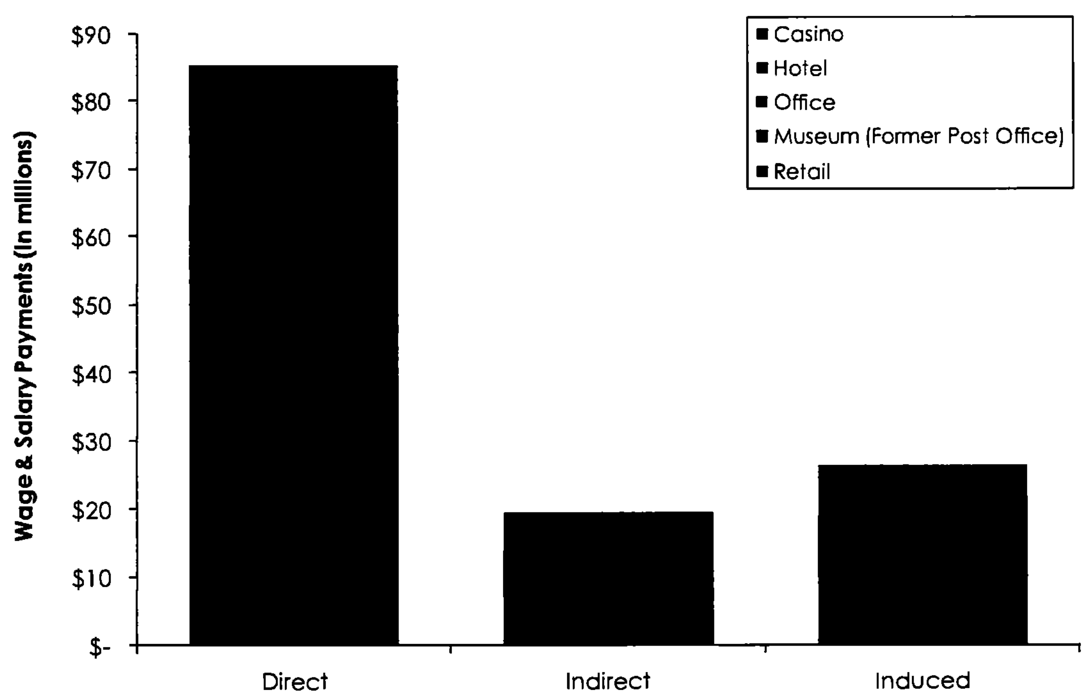


Exhibit 38: Operations Personal Income Impacts

Total Wages & Salaries Paid = $85 million



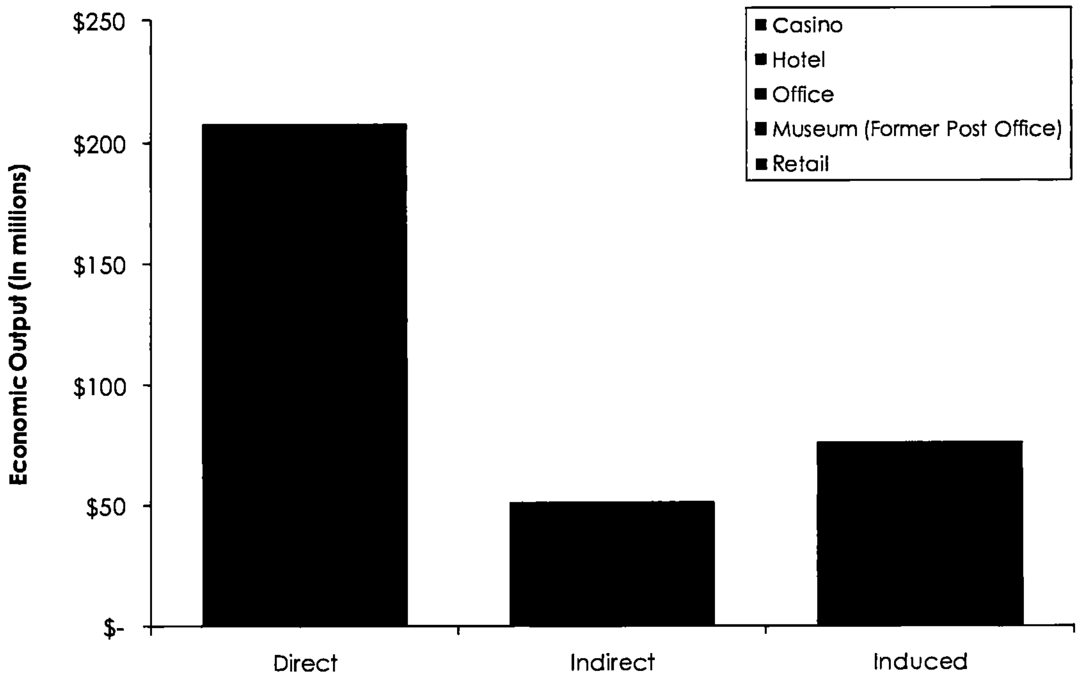
APPLIED ANALYSIS

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))

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. Morcoff~~
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, 2008

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

CDM 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 CDM 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 CDM 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 CDM 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/I.I. Manager, LLC

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

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EXHIBIT A

The Property

Name:	Las Vegas BNA 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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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 $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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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.