

RESOLUTION NO. R-31-2014

RESOLUTION FINDING THAT THE AMENDMENT OF LEASE RATE AND POSSIBLE SALE OF THE OGDEN GARAGE APN 139-34-510-020 TO OG LAS VEGAS, LLC IS IN THE BEST INTERESTS OF THE PUBLIC

WHEREAS, the City of Las Vegas (the "City") owns 333 East Ogden Avenue known as the Ogden Garage Site as described in that certain INDENTURE OF LEASE DATED JUNE 6, 1984 BETWEEN CITY OF LAS VEGAS AND OG LAS VEGAS, LLC, AS ASSIGNEE (the "Lease"); and

WHEREAS, the City and OG Las Vegas, LLC (formerly known as CIM/OG Las Vegas, LLC), as the assignee of CIM/LL Manager, LLC, are parties to that certain Indenture of Lease dated June 6, 1984 ("Lease"), for the ground and parking garage located on the Ogden Garage Site whereby OG Las Vegas, LLC, as tenant, has been leasing the Ogden Garage Site from the City; and

WHEREAS, the City and OG Las Vegas, LLC both desire to amend the Lease to modify the lease rate as well as to modify terms of a purchase option for OG Las Vegas, LLC to acquire fee simple ownership to the Ogden Garage Site; and

WHEREAS, the amendment to the Lease for the Ogden Garage Site will support the reopening and establishment of a formerly existing commercial enterprise, by providing further inducement for DT3 Manager, LLC (formerly known as CIM/LL Manager, LLC and an affiliate of OG Las Vegas, LLC) to continue operating and make additional investments in the recently opened Downtown Grand (formerly the Lady Luck Hotel and Casino that had been closed for over four years) which has 634 hotel rooms, 8,500 square feet of meeting space, 17,250 square feet of pool and deck area, an updated casino, new central plant, new loading dock as well as improved parking and traffic flow which all contribute to the City's efforts to revitalize the

1 central core of downtown Las Vegas through the retention and/or creation of four hundred
2 eighty-eight (488) direct jobs in downtown Las Vegas, one hundred seventy-three (173) indirect
3 jobs and two hundred forty (240) induced jobs during the construction of renovations and seven
4 hundred fifty (750) direct jobs in downtown Las Vegas, one hundred sixty-three (163) indirect
5 jobs and two hundred (200) induced jobs through the opening of the Downtown Grand; and
6

7 WHEREAS, the proposed modification to lease rate is for an amount that is less than the
8 highest appraised lease rate value of the Ogden Garage Site, an amount which is less than fair
9 market value; and
10

11 WHEREAS, the proposed purchase price under the purchase option is for an amount that
12 is less than the highest appraised value of the Ogden Garage Site, an amount which is less than
13 fair market value; and
14

15 WHEREAS, Nevada Revised Statutes 268.063 authorizes the City to sell, lease or
16 otherwise dispose of real property for purposes of economic development without first offering it
17 to the public and for less than fair market value, if City Council finds, by resolution, that it is in
18 the best interests of the public to do so; and
19

20 WHEREAS, the proposed modification of lease rate and possible sale of the Ogden
21 Garage Site to OG Las Vegas, LLC both qualify under the above-referenced statute as a lease or
22 sale for purposes of economic development because of the following:

23 -Provides for the support, retention or expansion of existing commercial enterprise; and

24 -Thereby creates and retains opportunities for employment for residents of the City; and

25 WHEREAS, the presence of DT3 Manager, LLC, as a corporate entity to be located in
26 the city of Las Vegas, will contribute significantly to the potential for the successful achievement
27 of economic development in downtown Las Vegas relative to the Ogden Garage Site, potential
28

1 that may not be as great if the Ogden Garage Site is offered to the public and is offered at a
2 potentially higher price.

3
4 NOW, THEREFORE, BASED UPON THE FOREGOING, THE CITY COUNCIL OF
5 THE CITY OF LAS VEGAS HEREBY FINDS that the Fifth Amendment to Lease with OG Las
6 Vegas, LLC for the Ogden Garage Site, without first offering it to the public and for amounts
7 that are less than fair market value, are for purposes of economic development and are in the best
8 interests of the public.

9 THE FOREGOING RESOLUTION was passed, adopted and approved this 17th day of
10 September, 2014.

12 CITY OF LAS VEGAS

13
14 By: Carolyn G. Goodman
CAROLYN G. GOODMAN, Mayor

15 ATTEST:

16
17 Beverly K. Bridges
18 BEVERLY K. BRIDGES, MMC, City Clerk

19 Date of City Council Approval:

20
21 September 17, 2014
22 Date

23 APPROVED AS TO FORM:

24
25 V. P. Smith 9/3/2014
26 Date