

Carolyn G. Goodman, Mayor (At-Large)  
Brian Knudsen, Mayor Pro Tem (Ward 1)  
Victoria Seaman (Ward 2)  
Olivia Díaz (Ward 3)  
Francis Allen-Palenske (Ward 4)  
Cedric Crear (Ward 5)  
Nancy E. Brune (Ward 6)



City Manager Jorge Cervantes  
City Attorney Bryan K. Scott  
City Clerk LuAnn D. Holmes

## **Redevelopment Agency Agenda**

Council Chambers · 495 South Main Street · Phone 702-229-6011  
City of Las Vegas Internet Address: [www.lasvegasnevada.gov](http://www.lasvegasnevada.gov)

**February 15, 2023**  
**8:30 AM**

Items listed on the agenda may be taken out of the order presented; two or more agenda items for consideration may be combined; and any item on the agenda may be removed or related discussion may be delayed at any time. Backup material for this agenda may be obtained from LuAnn D. Holmes, City Clerk, at the City Clerk's Office at 495 South Main Street, 2nd Floor or on the City's webpage at [www.lasvegasnevada.gov](http://www.lasvegasnevada.gov).

Online comments can also be submitted via the City's website at [www.lasvegasnevada.gov/councilcomment](http://www.lasvegasnevada.gov/councilcomment) during the Redevelopment Agency meeting. All comments received during the meeting will be considered public record, read where appropriate and included in the backup. Comments received on a Public Hearing item after action has been taken will not be read but will be included in the backup. A time limit may be imposed on the comments read for the record.

These proceedings are being video recorded as well as presented live on KCLV, Cable Channel 2. You can also watch this meeting live on Apple TV, Roku and Amazon Fire TV on the Go-Vegas app. The Redevelopment Agency Meeting, as well as all other KCLV programming, can be viewed on the internet at [www.kclv.tv/live](http://www.kclv.tv/live). 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 5:00 PM.

Note: Cellular phones are to be turned off during the Redevelopment Agency Meeting.

### **AGENDA**

1. Call to Order
2. Announcement Re: Compliance with Open Meeting Law
3. Public comment during this portion of the agenda must be limited to matters on the agenda for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion, as well as the amount of time any single speaker is allowed, may be limited.
4. For possible action to approve the Final Minutes by reference of the regular Redevelopment Agency Meeting of January 18, 2023
5. Discussion for possible action to accept the audit report and the City of Las Vegas Redevelopment Agency (component unit) Annual Financial Report (AFR) for Fiscal Year Ending June 30, 2022

## **REDEVELOPMENT AREA**

6. RA-4-2023 - Discussion for possible action regarding a Resolution finding the project proposed by a Commercial Visual Improvement Participation Agreement (CVIP) between the RDA and Park on Fremont, LLC (Tenant), located at 506 East Fremont Street (APN 139-34-601-006), to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan and authorizing the execution of the CVIP Agreement by the RDA (Not-to-Exceed \$25,000 - RDA Special Revenue Fund) - Redevelopment Area - Ward 3 (Diaz) [NOTE: This item is related to Council Item 28 (R-7-2023)]

## **CITIZENS PARTICIPATION**

7. Citizens Participation: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Redevelopment Agency. No subject may be acted upon by the Redevelopment Agency 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.

Facilities are provided throughout City Hall for the convenience of persons with disabilities. Reasonable efforts will be made to assist and accommodate persons with disabilities or impairments. If you need an accommodation to attend and participate in this meeting, please call the City Clerk's office at 702-229-6311 and advise of your need at least 48 hours in advance of the meeting. Dial 7-1-1 for Relay Nevada.

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THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS  
IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN NRS 241.020:

The City of Las Vegas website – [www.lasvegasnevada.gov](http://www.lasvegasnevada.gov)

The Nevada Public Notice website – [notice.nv.gov](http://notice.nv.gov)

City Hall, 495 South Main Street, 1st Floor



***AGENDA SUMMARY PAGE***  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**1**

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**SUBJECT:**  
Call to Order



***AGENDA SUMMARY PAGE***  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**2**

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**SUBJECT:**

Announcement Re: Compliance with Open Meeting Law





**AGENDA SUMMARY PAGE**  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**3**

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**SUBJECT:**

Public comment during this portion of the agenda must be limited to matters on the agenda for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion, as well as the amount of time any single speaker is allowed, may be limited.



***AGENDA SUMMARY PAGE***  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**4**

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**DEPARTMENT:** City Clerk  
**DIRECTOR:** LuAnn Holmes

**DISCUSSION**

**SUBJECT:**

For possible action to approve the Final Minutes by reference of the regular Redevelopment Agency Meeting of January 18, 2023



**AGENDA SUMMARY PAGE**  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**5**

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**DEPARTMENT: Finance**

**DISCUSSION**

**DIRECTOR: Susan Heltsley**

**SUBJECT:**

Discussion for possible action to accept the audit report and the City of Las Vegas Redevelopment Agency (component unit) Annual Financial Report (AFR) for Fiscal Year Ending June 30, 2022

**FISCAL IMPACT:**

None

**PURPOSE/BACKGROUND:**

NRS 354.624 requires an annual audit of the City of Las Vegas Redevelopment Agency (RDA) be conducted by an independent public accounting firm. It further requires the audit report and the AFR be presented to the governing body. The audit was conducted by CROWE, LLP. The RDA received an unmodified opinion indicating the basic financial statements present fairly, in all material respects, the financial position of the RDA.

**RECOMMENDATION:**

Accept the audit report and Annual Financial Report

**BACKUP DOCUMENTATION:**

1. Submitted at Meeting - Redevelopment Agency Annual Financial Report for Fiscal Year 2022 by Staff and PowerPoint Presentation by Kathy Lai

City of Las Vegas

# **REDEVELOPMENT AGENCY ANNUAL FINANCIAL REPORT**

A COMPONENT UNIT OF THE CITY OF LAS VEGAS

For the Fiscal Year Ended **June 30, 2022**

Submitted at Meeting  
Date: 2/15/23 Item: 5  
By Staff

City of Las Vegas Redevelopment Agency

# **ANNUAL FINANCIAL REPORT**

A Component Unit of the City of Las Vegas

For the Fiscal Year Ended **June 30, 2022**

Prepared By  
City of Las Vegas  
Department of Finance  
**Susan Heltsley, Director**

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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# INTRODUCTORY SECTION





## LAS VEGAS CITY COUNCIL

CAROLYN G. GOODMAN  
*Mayor*

BRIAN KNUDSEN  
*Mayor Pro Tem*

CEDRIC CREAR  
VICTORIA SEAMAN

OLIVIA DIAZ

FRANCIS ALLEN-PALENSKE  
NANCY E. BRUNE

JORGE CERVANTES  
*City Manager*

## CITY HALL

495 S. MAIN ST.  
LAS VEGAS, NV 89101  
702.229.6011 | VOICE  
711 | TTY



February 7, 2023

To the Board of Directors, Residents and Stakeholders of the City of Las Vegas  
Redevelopment Agency:

State law requires that local governments provide a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants at the close of each fiscal year. Pursuant to that requirement, we hereby issue the annual financial report of the City of Las Vegas Redevelopment Agency (Agency) for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Crowe, LLP, a certified public accounting firm licensed and qualified to perform audits of state and local governments, have issued an unmodified opinion on the Agency's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### Profile of the Agency

The Agency was established November 6, 1985, by the City Council of the City of Las Vegas, Nevada (the City). The mission of the Agency is to stimulate economic growth in decaying areas of the city. A seven-member Board comprised of the seven City Council members governs the Agency. On March 5, 1986, the Agency Board members adopted the Redevelopment Plan that specified the boundaries of the Redevelopment Area. The use of eminent domain and tax increment financing are the primary tools made available to the Agency to carry out the Redevelopment Plan.

The Agency is a blended component unit of the City's financial reporting entity and is included with the annual comprehensive financial report of the City. The purpose of a separate Agency annual financial report is to fulfill bond trust indenture requirements and the requirements of Nevada law.

The annual budget serves as the foundation for the Agency's financial planning and control. Annual appropriated budgets are adopted for the general and debt service funds. The Agency is required to submit requests for appropriation to the City of Las Vegas Finance Department on or before the first Tuesday in February each year for an Agency budget to be effective the following July 1. These requests are used as the starting point for developing a proposed budget. The tentative budget is submitted to the Department of Taxation by April 15. A public hearing is required by the third Tuesday of May and the final budget must be adopted by the Agency Board and filed with the Department of Taxation by June 1. The appropriated budget is prepared by fund, function (e.g., economic development) and department. The Agency Board may amend or augment the annual

budget following the public hearing. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted on page 22 in the Basic Financial Statements and page 39 of the Other Supplementary Information.

**Local Economy and Economic Factors.** Fiscal year 2022 saw the economy recovering from the pandemic. Businesses and sporting venues reopened, many with vaccination and masking requirements. International flights to Las Vegas resumed on November 8, 2021. The January-February 2022 Omicron variant surge did not lead to business shutdowns, although many employers allowed staff to work remotely. The City's revenue streams returned to normal, and consolidated tax revenues outperformed fiscal year 2019, the year before the pandemic.

An all-time high unemployment rate of 31.7% for Las Vegas was reached in April 2020 as a result of the shutdown due to COVID-19. The April rate was much higher than the U.S. rate of 14.4% which reflected the dependence of the City on travel and entertainment, an industry shut down at the beginning of the pandemic. As of June 2020, the unemployment rate had declined to 17.2%, and two years later, it had declined to 5.7%. The Las Vegas unemployment rate continues to lag behind the U.S. rate of 3.6% as of June 2022.

The visitor volume to the Las Vegas area was 32.2 million for calendar year 2021 which was a 69% increase compared to 2020. It was down from the record high 42.8 million in calendar year 2019 (24.7%), which could be attributed to COVID variant surges and the lack of international travelers for the majority of the year. Visitor volume does appear to be returning to pre-pandemic levels. From March to June 2022, 13.5 million people visited the Las Vegas area, which was a 7% decline from the same time period in 2019, and an increase of 26.7% from the same time period in 2021.

As of the second quarter 2022, the city's office space inventory reported a 15.4% vacancy rate, down from 16.4% from the prior year. As of second quarter 2022, retail markets in the city are reporting a vacancy rate of 6.4%, which is down from 7.2% from the prior year. The vacancy rates for office and industrial space are improving as Las Vegas recovers from the impact of the pandemic. The industrial market has seen the greatest leasing activity with a valley-wide vacancy rate of 4.4%, which is 1.8% lower than last year at the end of quarter two.

The City's population currently is estimated at 667,679. In a press release, the U.S. Census Bureau listed Las Vegas as one of the cities with the largest population gains in recent years. The entire Las Vegas valley currently houses close to 2.32 million residents.

The housing market continued to be strong throughout fiscal year 2022. According to the Nevada Housing Market Update published by the Lied Institute for Real Estate Studies at UNLV in April 2022, the average new home price rose 14.8% from the prior year and the average existing home price rose 20.8% from the prior year. The drive up in sales prices in Southern Nevada has put upward price pressure on the local rental market. According to Zillow, the median monthly rent for an apartment in Las Vegas has increased 16.9% over the past year. Assessed property values in the City rose 10.4% to \$24.5 billion in fiscal year 2022. Additionally, assessed values in the city's redevelopment areas increased 14.4% to \$1.75 billion. Given the aforementioned statistics, a 16.4% increase in tax increment in property tax revenue is expected in fiscal year 2023.

#### **Major Initiatives Completed by the Redevelopment Agency in Fiscal Year 2022**

- This past year saw continued multifamily development in the Redevelopment project areas. Southern Land Company completed construction of the Auric, a 324-unit mixed-use Class A multifamily complex in Symphony Park in June 2021. Southern Land Company continued design development on a high-rise mixed-use development in Symphony Park. The project features a 22 story high-rise building on Parcel C featuring 270 apartments, office space and retail space, and a five-story 275 apartment building on parcel D. The project will yield 545 new Class A apartment units, and 16,255 square feet of new commercial/retail space. The five-story building starts construction in November 2022 and the high rise will break ground first quarter of 2023.

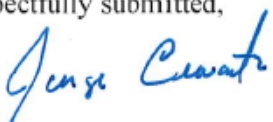
- The City entered into an Exclusive Negotiation Agreement with Red Ridge Development for a mixed use complex on Parcel E in Symphony Park to feature condominiums, retail, office, apartments, parking and grocery.
- Construction continued on the Apex @ Meadows, a 334-unit multifamily project on Meadows Lane in Redevelopment Project Area 2.
- The Redevelopment Agency entered into an Exclusive Negotiation Agreement with Cherry Development for a five-story 84 unit apartment building with 10,000 square feet of commercial space at D and Jefferson in the Historic Westside.
- The City of Las Vegas entered into a lease agreement on 6,500 square feet of retail in the Promenade Garage in Symphony Park for Vic's, an Italian restaurant featuring live jazz, and a 20 foot replica of Vegas Vic on the building.
- The City of Las Vegas continued negotiations with G2 Capital Development for the construction of a new medical office building, hospitality and parking garage to support the nearby Kirk Kerkorian School of Medicine at UNLV and other medical providers in the area. The project is expected to start construction in late 2023.
- The Redevelopment Agency continued to assist property owners through its Commercial Visual Improvement Program (CVIP). Through the CVIP program, the agency has leveraged funds to assist three businesses with improvements to their properties. Quality Commercial Maintenance, Shady Fremont, and Dmak Holdings have budgeted investments of \$96,821, \$44,123, and \$50,219 for a total investment of \$191,163 into the RDA.
- Through an Owner Participation Agreement (OPA) the Redevelopment Agency funded the redevelopment of the Roulette Motel at 2019 Fremont into 26 units of market rate multifamily residential. The developer invested \$1.4 million leveraging the RDA investment of \$95,000 at \$14.9 per \$1. PI BPG Fourth Street Partners also entered into an OPA with the Redevelopment agency to assist with tenant improvements for flexible co-working office space downtown. PI BPG Fourth Street Partners invested approximately \$1.5 million in hard costs for improvements and received \$95,000 in funds to assist.
- The Herbert Innovation Center launched, adding to the number of co-working spaces downtown. Three suites with additional hot desk and office space will house innovation centric companies.

## Acknowledgements

The preparation of this report was made possible by the dedicated service of the staff of the City of Las Vegas Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report.

It is the goal of the Agency to stimulate economic growth by participating in and supporting major development in the redevelopment areas. The commitment and leadership of the Agency Board will ensure a bright future for those areas in need of revitalization.

Respectfully submitted,



Jorge Cervantes  
Executive Director



Gary Ameling  
Finance Officer

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# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

*Honorable Chairperson, Board Members and Executive Director  
City of Las Vegas Redevelopment Agency*

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the City of Las Vegas Redevelopment Agency (the Agency), a component unit of the City of Las Vegas, Nevada as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2022, the respective changes in financial position and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The debt service fund schedule of revenues, expenditures, and changes in fund balance-budget to actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the debt service fund schedule of revenues, expenditures, and changes in fund balance-budget to actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California  
February 7, 2023



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CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The information presented in the "Management's Discussion and Analysis" is intended to be a narrative overview of the City of Las Vegas Redevelopment Agency (Agency) financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the accompanying basic financial statements.

The Agency is a blended component unit of the City of Las Vegas, Nevada (City). Separate financial information for the Agency is required to fulfill a bond trust indenture requirement and requirements of Nevada State law.

### Financial Highlights

The Agency implemented GASB Statement No. 87, *Leases*, effective July 1, 2021. This statement requires leases to be recognized and measured using facts and circumstances that existed at the beginning of the period of implementation. The implementation had no impact to beginning net position or fund balances, as such fiscal year 2021 balances have not been restated.

The liabilities on the Statement of Net Position of the Agency exceeded its assets at the close of fiscal year ended June 30, 2022, by \$55,286,343 (*net position deficit*). The major amounts that make up the unrestricted deficit resulted from the Agency contributing in fiscal year ended June 30, 2009, \$74,739,000 to the City of Las Vegas Capital Projects Fund for construction costs on the City's Performing Arts Center located within the Redevelopment Agency area, and \$15,472,192 in fiscal year ended June 30, 2011, to the City of Las Vegas Capital Project Fund for construction of the Mob Museum and Symphony Park. Additionally, on July 1, 2014, the Agency contributed net capital assets of \$43,173,271 to the City of Las Vegas Municipal Parking Enterprise Fund.

- The Agency's total net position increased by \$4,757,326 in fiscal year ended June 30, 2022.
- As of the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$32,630,837, an increase of \$1,520,764. Seventy-seven (76.8%) percent of the ending fund balance, \$25,053,852, is available for spending at the government's discretion (*unassigned*).
- As of June 30, 2022, the General Fund had \$1,482,887 in nonspendable fund balance, \$25,058,485 in unassigned fund balance and a total fund balance of \$26,541,372. The debt service fund had \$5,592,152 in restricted fund balance and \$497,313 assigned for future debt service payments, for a total of \$6,089,465.
- The Agency's total bonded debt decreased by \$5,482,219 (5.2%) (net of unamortized premiums) during the fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental financial information and the Auditors' Compliance Section in addition to the basic financial statements themselves.

**Agency-wide financial statements.** The *Agency-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances. These statements include all assets, liabilities and deferred inflows/outflows of resources, using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the fiscal year's revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues, and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *statement of net position* presents information on all of the Agency's assets, liabilities and deferred inflows/outflows of resources with the net difference between the two reported as *net position* or *net deficit*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net position, revenues, and expenses have changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The governmental activities of the Agency include economic development and assistance. The Agency does not have any business-type activities.

The Agency-wide financial statements can be found on pages 17 and 18 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency has only governmental fund types.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the agency-wide financial statements. However, unlike the Agency-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating an agency's near-term financing requirements.

As the focus of governmental funds is narrower than that of the Agency-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Agency-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides a reconciliation on pages 20 and 22 to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Also presented for the General Fund is the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.

These governmental fund financial statements can be found on pages 19 through 23 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to have a full understanding of the data provided in the agency-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24 through 38 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, the report also presents certain Other Supplemental Financial Information relating to the Agency's budget for the debt service fund. The individual schedule provides budget-versus-actual comparisons and can be found in the Other Supplementary Information section on page 39 of this report.

#### Agency-wide Financial Analysis

Our Agency-wide analysis focuses on the net position and changes in net position for the Agency's governmental activities. A summary of the Agency's net position is as follows:

#### City of Las Vegas Redevelopment Agency Summary of Net Position

|  | Governmental Activities |                 |
|--|-------------------------|-----------------|
|  | June 30, 2022           | June 30, 2021   |
| Current and other assets               | \$ 42,571,207           | \$ 42,566,805   |
| Capital assets and right to use assets | 6,171,457               | 12,087          |
| Total assets                           | 48,742,664              | 42,578,892      |
| Deferred outflows:                     |                         |                 |
| Deferred charges on refunding          | 9,039,929               | 10,169,919      |
| Long-term liabilities                  | 106,356,418             | 106,850,171     |
| Other liabilities                      | 6,680,106               | 5,942,309       |
|  | 113,036,524             | 112,792,480     |
| Deferred inflows:                      |                         |                 |
| Deferred amounts related to leases     | 32,412                  | -               |
| Net position:                          |                         |                 |
| Net investment in capital assets       | (103,937)               | 12,087          |
| Restricted                             | 5,234,123               | 5,221,105       |
| Unrestricted (deficit)                 | (60,416,529)            | (65,276,861)    |
| Total net position (deficit)           | \$ (55,286,343)         | \$ (60,043,669) |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2022, the Agency's liabilities exceeded assets and deferred outflows by \$55,286,343, of which \$60,416,529 is unrestricted deficit net position.

Additionally, \$5,234,123 represents resources that are subject to external restrictions on how they may be used and is, therefore, reported as *restricted*. The deficit in net position was brought about by the Agency issuing Redevelopment Tax Increment Bonds for \$85,000,000 in 2009, and then contributing proceeds of \$74,739,000 to the City of Las Vegas for construction costs on the City's Performing Arts Center. The remainder is due to the contributions for the construction of the Mob Museum and Symphony Park and other capital assets to the City of Las Vegas in prior years.

At the end of the fiscal year, the Agency is able to report a positive balance in the restricted category of net position for the Agency as a whole.

**Governmental activities:** Governmental activities increased the Agency's ending net position by \$4,757,326 or 7.9%. Key elements of this increase are as follows:

**Summary of Activities  
For the Years Ended**

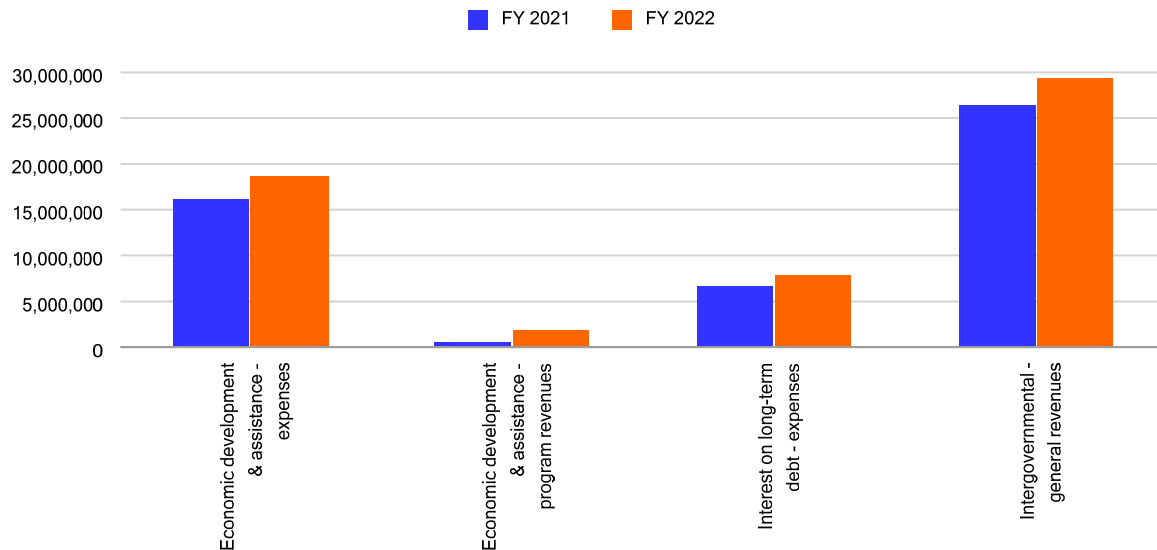
|                                     | Governmental Activities |                 |
|-------------------------------------|-------------------------|-----------------|
|                                     | June 30, 2022           | June 30, 2021   |
| Revenues:                           |                         |                 |
| Program revenues:                   |                         |                 |
| Charges for services                | \$ 1,815,909            | \$ 534,405      |
| General revenues:                   |                         |                 |
| Property Taxes                      | 28,903,316              | 25,738,818      |
| Unrestricted investment earnings    | 452,694                 | 601,018         |
| Total revenues                      | 31,171,919              | 26,874,241      |
| Expenses:                           |                         |                 |
| Economic development and assistance | 18,611,272              | 16,076,728      |
| Interest on long-term debt          | 7,803,321               | 6,651,134       |
| Total expenses                      | 26,414,593              | 22,727,862      |
| Change in net position (deficit)    | 4,757,326               | 4,146,379       |
| Net position (deficit) - July 1     | (60,043,669)            | (64,190,048)    |
| Net position (deficit) - June 30    | \$ (55,286,343)         | \$ (60,043,669) |

Property tax revenues increased by \$3,164,494 or 12.3% as compared to the prior fiscal year, due to an increase in property values.

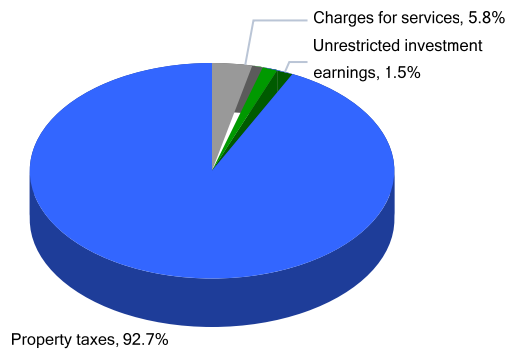
The Agency had Economic Development and Assistance expenses of \$18,611,272. The larger expenses consisted of the following: \$5,195,628 was contributed to the City of Las Vegas for housing and education set-aside; \$4,750,000 to the City of Las Vegas for payroll related expenses and allocation of indirect costs for the Agency; \$2,074,800 to the City of Las Vegas for Fremont Street Marshal Patrols and Downtown Ranger Support and operations and maintenance on Fremont Street.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

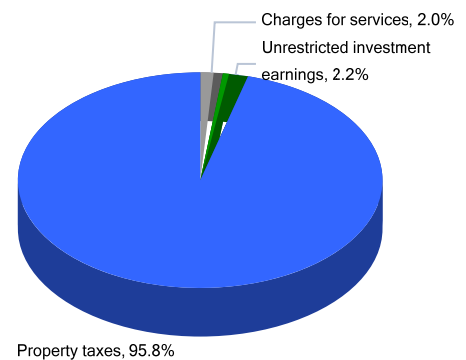
Economic development and assistance expenses increased by \$2,534,544. The change was mainly due to an increase of \$1.1 million in allocated indirect costs. Indirect costs are those costs incurred by City of Las Vegas' divisions that benefit the Agency such as finance, human resources, and city attorney. In prior years, indirect costs were calculated as a percentage of payroll expenditures. In fiscal year 2020, the City engaged a consulting firm to prepare an indirect cost allocation plan that better identified (1) the City divisions that provide support to other divisions and (2) the allowable actual expenditures of those supporting divisions. This new allocation plan became effective for fiscal year 2022. The Agency's contribution to the City for housing and education set-aside increased by approximately \$600,000 driven by an increase in property tax revenues.



2022 Revenues



2021 Revenues



CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Financial Analysis of Agency's Funds**

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Agency's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for future spending at the end of the fiscal year.

At June 30, 2022, the Agency's governmental funds reported combined ending fund balances of \$32,630,837, a net increase of \$1,520,764 in comparison with the prior year. Approximately 4.5% of the fund balance, or \$1,482,887, constitutes *nonspendable fund balance* on Economic Development Projects, less than 1% or \$497,313 has been assigned for future debt service payments and 76.8%, or \$25,053,852 constitutes *unassigned fund balance*, which is available for spending at the Agency's discretion. The remaining fund balance of \$5,592,152, is *restricted* to indicate it is not available for new spending because it has already been restricted for debt service reserves.

The General Fund is the chief operating fund of the Agency. At the end of the current fiscal year, total fund balance of the general fund was \$26,541,372 of which \$1,482,887 was nonspendable, because it is related to land held for resale.

During the fiscal year, the fund balance of the Agency's general fund had a net increase from current year activity of \$1,292,198 compared to a \$3,039,586 decrease in the prior year. The key factors contributing to the change include an increase in property tax collections, which resulted from an increase in the assessed values of the Agency and a decrease of approximately \$2.5 million in transfers out to the Debt Service fund.

The Debt Service Fund has an ending fund balance of \$6,089,465, which included \$5,592,152 restricted for debt service reserves and \$497,313 assigned for future debt service payments.

**General Fund Budgetary Highlights**

There were no amendments to the budget for the year ended June 30, 2022. The General Fund had a final budget for economic development and assistance expenditures of \$20,297,513 for the fiscal year. The fund's actual expenditures were more than budgeted expenditures by \$744,369.

**Capital Assets**

At June 30, 2022 and 2021, the Agency had \$6,171,457 and \$12,087 in capital assets, which was comprised of fences acquired to protect land parcels held for sale from vandalism and homeless encampments, and right to use leased assets. Additional information on the Agency's capital assets can be found in Note 6 on page 32 of this report.

**Debt Administration**

**Long-term debt:** At the end of the current fiscal year, the Agency had total bonded debt, leases and loans payable of \$112,547,960 including unamortized premiums. The Agency's long-term debt is payable from ad valorem tax levied against the incremental assessed value for all taxable property within the redevelopment area.

**City of Las Vegas Redevelopment Agency  
Outstanding Debt Obligations**

|  | June 30, 2022         | June 30, 2021         |
|--|-----------------------|-----------------------|
| Debt obligations (including unamortized original issue premiums) | <u>\$ 112,547,960</u> | <u>\$ 112,332,390</u> |

The Agency's total net debt increased by \$215,570 or 0.2% (debt obligations including unamortized premiums) during the fiscal year. The increase is due to the implementation of GASB 87, effective July 1, 2021, and its related lease liability.

The Agency's overall bond credit rating with Standard & Poor's was BBB+.

Additional information on the Agency's long-term debt can be found in Note 8 on pages 34-36 of this report.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Economic Factors**

For fiscal year 2022, the incremental valuation (assessed value) of the Agency is \$1,534,914,800, with a tax rate of \$2.4298 apportioned to the Agency per \$100 of assessed value. The incremental valuation increased \$112,719,406 from 2021.

**Requests for Information**

The financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Department of Finance, Director of Finance, 495 South Main Street, Las Vegas, Nevada, 89101.

# **BASIC FINANCIAL STATEMENTS**



CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
STATEMENT OF NET POSITION  
JUNE 30, 2022

|   | GOVERNMENTAL<br>ACTIVITIES  |
|---|-----------------------------|
| <hr/>   |                             |
| ASSETS  |                             |
| Cash and investments  | \$ 25,611,891               |
| Receivables:  |                             |
| Accounts  | 10,522                      |
| Interest  | 26,445                      |
| Intergovernmental   | 15,145                      |
| Property taxes  | 716,946                     |
| Leases  | 37,045                      |
| Loans   | 9,082,807                   |
| Land held for resale  | 1,478,254                   |
| Restricted investments                                      | 5,592,152                   |
| Capital assets:   |                             |
| Equipment, net of depreciation                              | 10,251                      |
| Right to use assets, net of amortization                    | 6,161,206                   |
| Total assets  | <hr/> 48,742,664 <hr/>      |
| DEFERRED OUTFLOWS OF RESOURCES                              |                             |
| Deferred charges on refunding                               | <hr/> 9,039,929 <hr/>       |
| LIABILITIES   |                             |
| Current portion on bonds and loans payable                  | 6,190,884                   |
| Current portion on lease liability                          | 549,323                     |
| Accounts payable  | 125,016                     |
| Interest payable  | 358,029                     |
| Due to other governments                                    | 4,019                       |
| Customer deposits   | 1,500                       |
| Due in more than one year - bonds, leases and loans payable | 105,807,753                 |
| Total liabilities   | <hr/> 113,036,524 <hr/>     |
| DEFERRED INFLOWS OF RESOURCES                               |                             |
| Deferred amounts related to leases                          | <hr/> 32,412 <hr/>          |
| Net position:   |                             |
| Net investment in capital assets                            | (103,937)                   |
| Restricted for:   |                             |
| Debt service  | 5,234,123                   |
| Unrestricted (deficit)                                      | (60,416,529)                |
| Total net position (deficit)                                | <hr/> \$ (55,286,343) <hr/> |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | PROGRAM REVENUES |                         |  |  | NET (EXPENSE)<br>REVENUE AND<br>CHANGES IN<br>NET POSITION |
|--|------------------|-------------------------|--|--|--|
|  | EXPENSES         | CHARGES FOR<br>SERVICES | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS AND<br>CONTRIBUTIONS |  |
| <u>Functions/Programs</u>              |                  |                         |  |  |  |
| Governmental activities:               |                  |                         |  |  |  |
| Economic development and<br>assistance | \$ 18,611,272    | \$ 1,815,909            | \$ -                                     | \$ -                                   | \$ (16,795,363)  |
| Interest                               | 7,803,321        | -                       | -  | -                                      | (7,803,321)  |
| Total governmental activities          | \$ 26,414,593    | \$ 1,815,909            | \$ -                                     | \$ -                                   | \$ (24,598,684)  |
|  |                  |                         |  |  |  |
| General revenues:                      |                  |                         |  |  |  |
| Property taxes                         |                  |                         |  |  | 28,903,316   |
| Unrestricted investment earnings       |                  |                         |  |  | 452,694  |
| Total general revenues                 |                  |                         |  |  | 29,356,010   |
|  |                  |                         |  |  |  |
| Change in net position                 |                  |                         |  |  | 4,757,326  |
|  |                  |                         |  |  |  |
| Net position (deficit) - July 1        |                  |                         |  |  | (60,043,669)   |
|  |                  |                         |  |  |  |
| Net position (deficit) - June 30       |                  |                         |  |  | \$ (55,286,343)  |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

|  | GENERAL<br>FUND      | DEBT<br>SERVICE<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|----------------------|-------------------------|--------------------------------|
| ASSETS   |                      |                         |                                |
| Cash, cash equivalents and investments                             | \$ 25,119,238        | \$ 492,653              | \$ 25,611,891                  |
| Restricted investments   | -                    | 5,592,152               | 5,592,152                      |
| Receivables:   |                      |                         |                                |
| Accounts   | 10,522               | -                       | 10,522                         |
| Interest   | 21,785               | 4,660                   | 26,445                         |
| Intergovernmental  | 15,145               | -                       | 15,145                         |
| Property taxes   | 716,946              | -                       | 716,946                        |
| Leases   | 37,045               | -                       | 37,045                         |
| Loans  | 9,082,807            | -                       | 9,082,807                      |
| Land held for resale   | 1,478,254            | -                       | 1,478,254                      |
| Total assets   | <u>\$ 36,481,742</u> | <u>\$ 6,089,465</u>     | <u>\$ 42,571,207</u>           |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES                         |                      |                         |                                |
| Liabilities:   |                      |                         |                                |
| Accounts payable   | \$ 125,016           | \$ -                    | \$ 125,016                     |
| Due to other governments   | 4,019                | -                       | 4,019                          |
| Customer deposits  | 1,500                | -                       | 1,500                          |
| Total liabilities  | <u>130,535</u>       | <u>-</u>                | <u>130,535</u>                 |
| Deferred inflows of resources:                                     |                      |                         |                                |
| Unavailable revenue - property tax                                 | 694,616              | -                       | 694,616                        |
| Unavailable revenue - loans  | 9,082,807            | -                       | 9,082,807                      |
| Deferred amounts related to leases                                 | 32,412               | -                       | 32,412                         |
| Total deferred inflow of resources                                 | <u>9,809,835</u>     | <u>-</u>                | <u>9,809,835</u>               |
| Total liabilities and deferred inflows of resources                | <u>9,940,370</u>     | <u>-</u>                | <u>9,940,370</u>               |
| FUND BALANCES  |                      |                         |                                |
| Nonspendable:  |                      |                         |                                |
| Land held for resale   | 1,478,254            | -                       | 1,478,254                      |
| Leases related   | 4,633                | -                       | 4,633                          |
| Restricted for:  |                      |                         |                                |
| Debt service   | -                    | 5,592,152               | 5,592,152                      |
| Assigned for:  |                      |                         |                                |
| Debt service   | -                    | 497,313                 | 497,313                        |
| Unassigned   | 25,058,485           | -                       | 25,058,485                     |
| Total fund balances  | <u>26,541,372</u>    | <u>6,089,465</u>        | <u>32,630,837</u>              |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 36,481,742</u> | <u>\$ 6,089,465</u>     | <u>\$ 42,571,207</u>           |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

|   |                             |
|---|-----------------------------|
| Total fund balances - total governmental funds.   | \$ 32,630,837               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                               | 6,171,457                   |
| Long-term liabilities, including bonds payable and leases, are not due and payable in the current period and, therefore, are not reported in the funds. | (103,866,060)               |
| Delinquent property taxes receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.                | 694,616                     |
| Loans receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.                                    | 9,082,807                   |
| Net position (deficit) of governmental activities.  | <hr/> \$ (55,286,343) <hr/> |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | GENERAL<br>FUND      | DEBT<br>SERVICE<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|----------------------|-------------------------|--------------------------------|
| REVENUES   |                      |                         |                                |
| Property taxes   | \$ 28,864,601        | \$ -                    | \$ 28,864,601                  |
| Interest earnings  | 148,880              | 303,814                 | 452,694                        |
| Other reimbursements   | -                    | 1,115,000               | 1,115,000                      |
| Miscellaneous  | 700,909              | -                       | 700,909                        |
| Total revenues   | <u>29,714,390</u>    | <u>1,418,814</u>        | <u>31,133,204</u>              |
| EXPENDITURES   |                      |                         |                                |
| Current:   |                      |                         |                                |
| Economic development and assistance                          | 16,434,575           | -                       | 16,434,575                     |
| Debt Service:  |                      |                         |                                |
| Principal retirement   | 435,784              | 5,482,219               | 5,918,003                      |
| Interest and fiscal charges                                  | 51,833               | 7,208,029               | 7,259,862                      |
| Capital outlay:  |                      |                         |                                |
| Economic development and assistance                          | 4,119,690            | -                       | 4,119,690                      |
| Total expenditures   | <u>21,041,882</u>    | <u>12,690,248</u>       | <u>33,732,130</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>8,672,508</u>     | <u>(11,271,434)</u>     | <u>(2,598,926)</u>             |
| Other financing sources (uses):                              |                      |                         |                                |
| Transfers out  | (11,500,000)         | -                       | (11,500,000)                   |
| Transfers in   | -                    | 11,500,000              | 11,500,000                     |
| Lease issued   | 4,119,690            | -                       | 4,119,690                      |
| Total other financing sources (uses)                         | <u>(7,380,310)</u>   | <u>11,500,000</u>       | <u>4,119,690</u>               |
| Net change in fund balance                                   | <u>1,292,198</u>     | <u>228,566</u>          | <u>1,520,764</u>               |
| Fund balance, July 1   | <u>25,249,174</u>    | <u>5,860,899</u>        | <u>31,110,073</u>              |
| Fund balance, June 30  | <u>\$ 26,541,372</u> | <u>\$ 6,089,465</u>     | <u>\$ 32,630,837</u>           |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

|   |                          |
|---|--------------------------|
| Net change in fund balances - total governmental funds.   | \$ 1,520,764             |
| Deferred loan proceeds in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund.  | (1,624,889)              |
| Certain property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund.   | 38,715                   |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation and amortization expense. | (551,808)                |
| Repayment of the principal of long-term debt and leases consumes the current financial resources of government funds, but does not have any affect on net position.   | 5,918,003                |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.   | (543,459)                |
| Change in net position of governmental activities.  | <hr/> \$ 4,757,326 <hr/> |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|                                      | Budgeted Amounts |               |               | Variance with  |
|--------------------------------------|------------------|---------------|---------------|----------------|
|                                      | Original         | Final         | Actual        | Final Budget   |
| Revenues:                            |                  |               |               |                |
| Property taxes                       | \$ 27,600,000    | \$ 27,600,000 | \$ 28,864,601 | \$ 1,264,601   |
| Interest earnings                    | 199,605          | 199,605       | 148,880       | (50,725)       |
| Miscellaneous                        | 1,089,755        | 1,089,755     | 700,909       | (388,846)      |
| Total revenues                       | 28,889,360       | 28,889,360    | 29,714,390    | 825,030        |
| Expenditures:                        |                  |               |               |                |
| Current:                             |                  |               |               |                |
| Economic development and assistance  | 20,297,513       | 20,297,513    | 16,434,575    | 3,862,938      |
| Debt service:                        |                  |               |               |                |
| Principal                            | -                | -             | 435,784       | (435,784)      |
| Interest and fiscal charges          | -                | -             | 51,833        | (51,833)       |
| Capital outlay:                      |                  |               |               |                |
| Economic development and assistance  | -                | -             | 4,119,690     | (4,119,690)    |
| Total expenditures                   | 20,297,513       | 20,297,513    | 21,041,882    | (744,369)      |
| Excess of revenues over expenditures | 8,591,847        | 8,591,847     | 8,672,508     | 80,661         |
| Other financing sources (uses):      |                  |               |               |                |
| Transfers out                        | (11,500,000)     | (11,500,000)  | (11,500,000)  | -              |
| Lease issued                         | -                | -             | 4,119,690     | 4,119,690      |
| Total other financing uses           | (11,500,000)     | (11,500,000)  | (7,380,310)   | 4,119,690      |
| Net change in fund balance           | (2,908,153)      | (2,908,153)   | 1,292,198     | 4,200,351      |
| Fund balance, July 1                 | 30,930,360       | 30,930,360    | 25,249,174    | (5,681,186)    |
| Fund balance, June 30                | \$ 28,022,207    | \$ 28,022,207 | \$ 26,541,372 | \$ (1,480,835) |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**1. Summary of significant accounting policies**

The basic financial statements of the City of Las Vegas Redevelopment Agency (hereafter referred to as the Agency) have been prepared in conformity with generally accepted accounting principles in the United States as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

**A. Reporting entity**

The Agency is a blended component unit of the City of Las Vegas, Nevada's financial reporting entity and is included in the comprehensive annual financial report of the City of Las Vegas, Nevada (City). The purpose of a legally separate Agency component unit financial report is to fulfill a bond trust indenture requirement and the requirements of the Nevada Revised Statutes (NRS). The financial statements of the Agency are not intended to present fairly the financial position and results of operations of the City of Las Vegas. Only the accounts of the Agency are included in the reporting entity.

On November 6, 1985, the City Council of the City of Las Vegas, acting pursuant to the provisions of the Nevada Community Redevelopment Law (NRS 279.382 to 279.680, inclusive), created the Agency by resolution. City Council members also serve as members of the Board of Directors for the Agency.

On March 5, 1986, the official Redevelopment Plan was adopted to facilitate redevelopment efforts for the downtown Las Vegas area.

**B. Agency-wide and fund financial statements**

The Agency-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Agency. The effect of interfund activity has been removed from these statements. The Agency engages only in governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The Agency has no proprietary funds or fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting and financial statement presentation**

The Agency-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, are recorded only when payment is due.

Property taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Capital grants and contributions are recognized when earned and billable. All other revenue items are considered measurable and available only when cash is received by the Agency.



CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**1. Summary of significant accounting policies (continued)**

**C. Measurement focus, basis of accounting and financial statement presentation (continued)**

The Agency reports the following major governmental funds:

The *General Fund* is the Agency's operating fund. It accounts for financial resources of the Agency that are not required to be reported in other funds.

The *Debt Service Fund* accounts for the resources (ad valorem property tax) accumulated and payments made for principal and interest on long-term tax increment revenue debt of governmental funds.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources, as they are needed.

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

**1. Cash, cash equivalents and investments**

Cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments with original maturities of three months or less from the date of acquisition, which are readily convertible to cash. Investments include short-term investments that are easily converted to cash and long-term investments with a maturity of more than three months when purchased. All investments are recorded at estimated fair value.

The Nevada Revised Statutes (NRS) authorize the Agency to invest in obligations of the U.S. Government and its agencies, local government investment pool, commercial paper, corporate bonds, mutual funds, repurchase agreements or other securities in which commercial banks may legally invest money.

**2. Property taxes receivable**

The Agency's primary source of revenue is ad valorem property tax. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is lien on July 1. Property taxes are levied in July and are payable to the County Treasurer in four equal installments during August, October, January and March. Apportionment of taxes by Clark County to the Agency is made in the calendar quarters of September, December, March and June.

The Agency receives that portion of ad valorem tax, which is produced by the rate at which the tax is levied each year by all taxing entities in the redevelopment area. This tax is applied to that portion of the assessed valuation of all taxable property in the redevelopment area, which is in excess of the amount of the assessed valuation as certified by the Clark County Tax Assessor for the 1986 fiscal year. For fiscal year 2022, the incremental valuation (assessed value) was \$1,534,914,800 with a tax rate of \$2.4298 apportioned to the Agency per \$100 of assessed value.

**3. Loans receivable**

Loans receivable represent amounts due from Fremont Street Experience, LLC.

**4. Intergovernmental receivables/payables**

Intergovernmental receivables and payables represent current amounts due from or payable to the City and other governmental agencies.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**1. Summary of significant accounting policies (continued)**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

**5. Deferred outflows/inflows of resources**

*Deferred outflows of resources* represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

*Deferred inflows of resources* represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two resources: property taxes and loans receivable. These amounts are recognized as an inflow of resources in the period that the amounts become available. In addition, the Agency reports deferred inflows of resources related to lease agreements entered into as a lessor. These amounts are deferred and recognized as an inflow of resources in a systematic manner over the term of the lease.

**6. Restricted assets**

Resources set aside for repayment of debt are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and are required by bond covenants to make up potential future deficiencies in debt service payments.

**7. Land held for resale**

Land held for resale is recorded at fair value.

**8. Capital assets**

Capital assets, which include equipment and buildings, are reported in the applicable governmental activities column in the Agency-wide financial statements. Capital assets are defined by the Agency as assets with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of two years. As the Agency acquires assets each period, they are capitalized and reported at historical cost (except for intangible right to use leased assets, the measurement of which is discussed in Note 1.D.10). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Agency are depreciated using the straight-line method over the estimated useful life:

| <u>Asset</u>                   | <u>Years</u> |
|--------------------------------|--------------|
| Equipment                      | 7-10         |
| Right to use asset – Buildings | 2-16         |

**9. Long-term Obligations**

In the Agency-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Initial-issue bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the unamortized portion of applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**1. Summary of significant accounting policies (continued)**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

**10. Leases**

**Lessee:** The Agency is a lessee for three noncancellable leases of buildings. The Agency recognizes a lease liability and an intangible right to use leased asset in the Agency-wide financial statements. The Agency recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Lessor:** The Agency is a lessor for a noncancellable lease of a building. The Agency recognizes a lease receivable and deferred inflows of resources in the Agency-wide and governmental fund financial statements.

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Agency determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Agency uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**1. Summary of significant accounting policies (continued)**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

**11. Net position**

In the Agency-wide financial statements, net position is reported in three categories: net investment in capital assets, restricted and unrestricted. Restricted net position represents net position restricted by parties outside of the Agency (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted.

**12. Fund balance policies**

In the fund financial statements, fund balance is reported in classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

*Nonspendable* fund balance includes amounts that cannot be spent because, either it is 1) not in a spendable form, such as inventory, prepaid items and land held for resale, or 2) legally or contractually required to be maintained intact.

*Restricted* fund balance is externally (outside the Agency) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.

*Committed* fund balance is self-imposed limitations imposed at the highest level of decision-making authority, namely, Mayor and Council. Mayor and Council approval is required to commit resources or to rescind the commitment.

*Assigned* fund balance represents limitations imposed by management. Assigned fund balance requests are submitted to the Chief Financial Officer for approval/non-approval.

*Unassigned* fund balance represents the residual net resources in excess of the other classifications.

The General fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific resources, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

**13. Estimates**

The preparation of financial statements in conformance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**2. Reconciliation of agency-wide and fund financial statements**

**A. Explanation of certain differences between Governmental Funds Balance Sheet and the Agency-wide Statement of Net Position**

The Governmental Funds Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the Agency-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The detail of this \$103,866,060 difference is as follows:

|  |                              |
|--|------------------------------|
| Debt obligations   | \$ 99,426,097                |
| Lease liability  | 6,275,394                    |
| Unamortized original issue premiums (amortized over the life of the bonds to interest expense)                       | 6,846,469                    |
| Accrued interest payable   | 358,029                      |
| Deferred charges on refunding (to be amortized as interest expense and fiscal charges)                               | <u>(9,039,929)</u>           |
| Net adjustment to decrease fund balance total governmental funds to arrive at net position - governmental activities | <u><u>\$ 103,866,060</u></u> |

**B. Explanation of certain differences between Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance and the Agency-wide Statement of Activities**

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the Agency-wide Statement of Activities.

One element of that reconciliation states “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The detail of this \$543,459 difference is as follows:

|  |                            |
|--|----------------------------|
| Amortization of bond premium   | \$ 577,605                 |
| Amortization of the deferred charge on refunding   | (1,129,990)                |
| Change in accrued interest   | <u>8,926</u>               |
| Net Adjustment to decrease fund balance total governmental Funds to arrive at net position - governmental activities | <u><u>\$ (543,459)</u></u> |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**3. Stewardship and legal compliance**

**A. Budgetary information**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the general and debt service funds. The budget is filed with the Nevada Department of Taxation, a branch of the state government charged with the responsibility to oversee local government finances. The Agency Board of Directors approves annual appropriated budgets by expenditure categories; however, expenditures for all governmental fund types are controlled at the function level as prescribed by law.

By the first Tuesday in February of each year, Agency staff submits appropriation requests to the City's Financial Services Division for the preparation of an Agency budget to be effective the following July 1. The budget is prepared by fund, function and activity and includes information on the prior year, current year estimates and requested appropriations for the next fiscal year.

A tentative budget is submitted to the Nevada Department of Taxation by April 15. A public hearing is required on the third Tuesday of May and the final budget must be adopted by the Agency Board and filed with the Department of Taxation by June 1.

The Agency Board may amend or augment the annual budget following a public hearing. In any legislative year the State of Nevada Legislature increases the revenues of any local government, and such increase was not anticipated and included in the final budget, the local government may amend the final budget before August 15 and file such amended budget with the Department of Taxation increasing budgeted revenues and expenditures (NRS 354.599). An augmented budget is approved and filed when the total revenues and corresponding expenditures change. All budget appropriations lapse at the end of each fiscal year.

The General Fund economic development and assistance and debt service exceeded appropriations by \$256,752 and \$487,617, respectively. The excess was for expenditures associated with the implementation of GASB Statement No. 87, *Leases*, effective for fiscal years beginning June 15, 2021. Lease expenditures such as capital outlay, and principal and interest payments were unknown at the time of budget preparation.

The Debt Service Fund expenditures exceeded appropriations by \$1,194,569. The excess was associated with debt service expenditures. However, Nevada Revised Statute 354.626(1) states that expenditures over appropriations for debt repayment does not constitute a violation of law.

**B. Legal compliance**

The Agency complied with all statutory, administrative code and bond covenants requirements during the year.

**4. Cash, cash equivalents and investments**

Reconciliation of cash, cash equivalents and investments for government-wide financial statements:

|  | Unrestricted         | Restricted          | Total                |
|--|----------------------|---------------------|----------------------|
| Cash on deposit                              | \$ 921,228           | \$ -                | \$ 921,228           |
| Money market fund                            | -                    | 5,592,152           | 5,592,152            |
| Local government investment pool             | 24,690,663           | -                   | 24,690,663           |
| Total cash, cash equivalents and investments | <u>\$ 25,611,891</u> | <u>\$ 5,592,152</u> | <u>\$ 31,204,043</u> |

As of June 30, 2022, the Agency has the following cash, cash equivalents and investments:

| Investment Type                  | Market Value         | Weighted-Average<br>Maturity Years | Investment Maturity<br>1 - 30 Days |
|----------------------------------|----------------------|------------------------------------|------------------------------------|
| Money market fund                | \$ 5,592,152         | 0.003                              | \$ 5,592,152                       |
| Local government investment pool | 24,690,663           | 0.003                              | 24,690,663                         |
| Total                            | <u>\$ 30,282,815</u> |                                    | <u>\$ 30,282,815</u>               |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**4. Cash, cash equivalents and investments (continued)**

**Interest rate risk:** In accordance with the City of Las Vegas investment policy, which applies to assets held for, or on behalf of the Agency, the Agency manages its exposure to declines in fair value by limiting the weighted-average maturity of its investment portfolio to less than 3.5 years.

**Credit risk:** Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies (i.e., FNMA, FHLB, etc.), corporate bonds rated “A” or better by a nationally recognized rating service, commercial paper rated “A-1”, “P-1” by a nationally recognized rating services, repurchase agreements, certificates of deposit, money market mutual funds rated “AAA” by a nationally recognized rating services or other securities in which banking institutions may legally invest, State of Nevada Local Government Pooled Funds or collateralized investment contracts. The Agency has adopted the state statutes for its investing policies to minimize its credit risk.

| Investment Type                  | Market Value         | Minimum      | Year End Rating |
|----------------------------------|----------------------|--------------|-----------------|
|                                  |                      | Legal Rating |                 |
| Money market fund                | \$ 5,592,152         | AAA          | AAA             |
| Local government investment pool | 24,690,663           | N/A          | N/A             |
|                                  | <u>\$ 30,282,815</u> |              |                 |

**Concentration of credit risk:** The investment policy allows for investments as follows (1) U.S. Treasury, money market funds and agencies, no limit; (2) Repurchase agreements, 20% of portfolio; (3) commercial paper, 25% of portfolio with a 10% per issue limit; (4) corporate notes, 25% of portfolio with a 10% per issue limit; and (5) certificates of deposit, 25% of portfolio with a 10% per issue limit. To reduce the overall portfolio risks, the Agency will diversify its investments by security type and institution. As of June 30, 2022, more than 5% of the Agency’s investments are in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio and Local government investment pool. These investments are 19% and 81%, respectively, of total investments.

**Custodial credit risk – Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency’s investments are registered and the securities are held by the Agency’s agent in the Agency’s name, minimizing the Agency’s custodial credit risk.

**Custodial credit risk – Deposits:** In the case of deposits, this is the risk that, in the event of a bank failure, the Agency’s deposits may not be returned to it. The Agency has a deposit policy for custodial credit risk requiring all money deposited with a bank, savings and loan, savings bank or credit union in excess of the amount of federal insurance to be fully collateralized. As of June 30, 2022, the Agency had a cash balance per books of \$921,228 and a bank balance of \$975,262. The bank balances were not exposed to custodial credit risk because they were collateralized with securities held in the name of the Agency at a third party depository on behalf of the Agency.

**Fair Value – Investments:** The State of Nevada Local Government Investment Pool (LGIP) is an external investment pool administered by the Treasurer of the State of Nevada with oversight provided by the Board of Finance. The LGIP operates in accordance with all applicable NRS. The reported fair value of the Agency’s investment pool is based upon the Agency’s pro-rata share of the fair value provided by LGIP. As of June 30, 2022, the Agency held \$24,690,663 in the LGIP. The LGIP fair value factor of 0.994824239 was used to calculate the fair value of the investments in the LGIP.

The Agency categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles.

- Level 1 – Inputs are quoted prices in active markets for identical assets;
- Level 2 – Inputs are significant other observable inputs, except for land held for resale, which is valued using Clark County assessed values; and
- Level 3 – Inputs are significant unobservable inputs.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**4. Cash, cash equivalents and investments (continued)**

The Agency has the following recurring fair value measurements as of June 30, 2022:

| Investment Type                  | Market Value         | Level 1 Inputs       | Level 2 Inputs       |
|----------------------------------|----------------------|----------------------|----------------------|
| Money market fund                | \$ 5,592,152         | \$ 5,592,152         | \$ -                 |
| Local government investment pool | 24,690,663           | 7,298,560            | 17,392,103           |
| Land held for resale             | 1,478,254            | -                    | 1,478,254            |
|                                  | <u>\$ 31,761,069</u> | <u>\$ 12,890,712</u> | <u>\$ 18,870,357</u> |

The Agency does not have any investments that are measured using Level 3 inputs.

**5. Loans receivable**

The Agency has loans receivable as follows:

- Fremont Street Experience, LLC for \$2,270,504. The note bears interest at 7.62%, with monthly payments of principal and interest of \$57,950 that started on June 30, 2017, and matures January 31, 2026. The annual total payments received for the year were \$695,400, with principal of \$509,889 and interest of \$185,511. The note carried a balance of \$2,154,075 at June 30, 2022.
- Fremont Street Experience, LLC for \$11,218,732. The note bears interest ranging between 2.50% and 3.60%. Principal and interest payments commenced on December 1, 2018. The note matures June 1, 2028. The annual total payments received for the year were \$1,409,550, with principal of \$1,115,000 and interest of \$294,550. The note carried a balance of \$6,928,732 at June 30, 2022.

**6. Capital assets and right to use assets**

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

|  | Beginning<br>Balance* | Additions           | Deletions   | Ending<br>Balance   |
|--|-----------------------|---------------------|-------------|---------------------|
| Governmental activities:                         |                       |                     |             |                     |
| Capital assets being depreciated:                |                       |                     |             |                     |
| Equipment  | \$ 18,360             | \$ -                | \$ -        | \$ 18,360           |
| Right to use leased assets - buildings           | 2,591,488             | 4,119,690           | -           | 6,711,178           |
| Total capital assets being depreciated/amortized | <u>2,609,848</u>      | <u>4,119,690</u>    | <u>-</u>    | <u>6,729,538</u>    |
| Less accumulated depreciation for:               |                       |                     |             |                     |
| Equipment  | (6,273)               | (1,836)             | -           | (8,109)             |
| Less accumulated amortization for:               |                       |                     |             |                     |
| Right to use leased assets - buildings           | -                     | (549,972)           | -           | (549,972)           |
| Total depreciation and amortization              | <u>(6,273)</u>        | <u>(551,808)</u>    | <u>-</u>    | <u>(558,081)</u>    |
| Governmental activities capital assets, net      | <u>\$ 2,603,575</u>   | <u>\$ 3,567,882</u> | <u>\$ -</u> | <u>\$ 6,171,457</u> |

Depreciation and amortization expense is recorded in the Statement of Activities as follows:

|                                     |                   |
|-------------------------------------|-------------------|
| Governmental activities:            |                   |
| Economic development and assistance | <u>\$ 551,808</u> |

\* Beginning balances as of July 1, 2021, have been adjusted to reflect the implementation of GASB 87. The changes are restricted to right to use assets and related amortization.



CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**7. Lease commitments**

**A. Lease Payables**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement requires leases to be recognized and measured using facts and circumstances that existed at the beginning of the period of implementation (July 1, 2021). The implementation had no impact to beginning net position or fund balance, as such fiscal year 2021 balances have not been restated. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On December 1, 2021, the Agency entered into a 180 month lease as Lessee for the use of The Herbert office space. An initial lease liability was recorded in the amount of \$4,119,690. As of June 30, 2022, the value of the lease liability is \$4,005,732. The Agency is required to make monthly fixed payments of \$20,665. The lease has an interest rate of 1.5120%. The value of the right to use asset as of June 30, 2022 was \$4,119,690 and had accumulated amortization of \$160,062.

On February 20, 2019, the Agency entered into a lease as lessee for the use of the ground level at Bank of America Plaza building. As of July 1, 2021, the term was 92 months. An initial lease liability was recorded in the amount of \$2,491,582. As of June 30, 2022, the value of the lease liability is \$2,232,821. The Agency is required to make monthly payments of \$21,724. The lease has an interest rate of 0.9670%. The value of the right to use asset as of June 30, 2022 was \$2,491,582 and had accumulated amortization of \$324,989.

On December 16, 2019, the Agency entered into a lease as lessee for the use of the Las Vegas Library. As of July 1, 2021 the term was 18 months. An initial lease liability was recorded in the amount of \$99,906. As of June 30, 2022, the value of the lease liability is \$36,841. The Agency is required to make monthly payments of \$5,267. The lease has an interest rate of 0.2180%. The value of the right to use asset as of June 30, 2022 was \$99,906 and had accumulated amortization of \$64,921.

The following schedule summarizes the changes in lease liability:

|                                      | Balance as of<br>July 1, 2021 | Additions | Reductions | Balance as of<br>June 30, 2022 |
|--------------------------------------|-------------------------------|-----------|------------|--------------------------------|
| Lease liability                      |                               |           |            |                                |
| The Herbert Office                   | -                             | 4,119,690 | (113,958)  | 4,005,732                      |
| Bank of America Plaza - Ground Level | 2,491,582                     | -         | (258,761)  | 2,232,821                      |
| Las Vegas Library                    | 99,906                        | -         | (63,065)   | 36,841                         |
| Total lease liability                | 2,591,488                     | 4,119,690 | (435,784)  | 6,275,394                      |

The future principal and interest lease payments as of June 30, 2022, were as follows:

| Year Ending | Governmental Activities |                   |                     |
|-------------|-------------------------|-------------------|---------------------|
|             | Principal Payments      | Interest Payments | Total Payments      |
| 2023        | \$ 549,323              | \$ 79,460         | \$ 628,783          |
| 2024        | 533,806                 | 73,295            | 607,101             |
| 2025        | 547,732                 | 66,935            | 614,667             |
| 2026        | 562,344                 | 60,378            | 622,722             |
| 2027        | 577,496                 | 53,613            | 631,109             |
| 2028-2032   | 1,954,136               | 177,267           | 2,131,403           |
| 2033-2037   | 1,550,557               | 55,503            | 1,606,060           |
|             | <u>\$ 6,275,394</u>     | <u>\$ 566,451</u> | <u>\$ 6,841,845</u> |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**7. Lease commitments (continued)**

**A. Lease Payables (continued)**

The following schedule summarizes the changes in leased assets:

|                                      | Balance as of<br>July 1, 2021 | Additions | Reductions | Balance as of<br>June 30, 2022 |
|--------------------------------------|-------------------------------|-----------|------------|--------------------------------|
| Lease assets                         |                               |           |            |                                |
| Buildings                            |                               |           |            |                                |
| The Herbert Office                   | -                             | 4,119,690 | -          | 4,119,690                      |
| Bank of America Plaza - Ground Level | 2,491,582                     | -         | -          | 2,491,582                      |
| Las Vegas Library                    | 99,906                        | -         | -          | 99,906                         |
| Total lease assets                   | 2,591,488                     | 4,119,690 | -          | 6,711,178                      |
| Lease accumulated amortization       |                               |           |            |                                |
| Buildings                            |                               |           |            |                                |
| The Herbert Office                   | -                             | (160,062) | -          | (160,062)                      |
| Bank of America Plaza - Ground Level | -                             | (324,989) | -          | (324,989)                      |
| Las Vegas Library                    | -                             | (64,921)  | -          | (64,921)                       |
| Total lease accumulated amortization | -                             | (549,972) | -          | (549,972)                      |
| Total lease assets                   | 2,591,488                     | 3,569,718 | -          | 6,161,206                      |

**B. Lease Receivables**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On February 5, 2020, the Agency entered into a lease as lessor for the use of Fifth Street School. As of July 1, 2021, the term was 18 months. An initial lease receivable was recorded in the amount of \$95,828. As of June 30, 2022, the value of the lease receivable is \$37,045. The lessee is required to make monthly payments of \$4,634. The lease has an interest rate of 0.2180%. The value of the deferred inflows of resources as of June 30, 2022 was \$32,412. The Agency recognized lease revenue of \$63,416 during the fiscal year. The lessee has one extension option for an additional 11 months.

The future principal and interest lease payments as of June 30, 2022, were as follows:

|             | Governmental Activities |                   |                |
|-------------|-------------------------|-------------------|----------------|
| Year Ending | Principal Payments      | Interest Payments | Total Payments |
| 2023        | \$ 37,072               | \$ 27             | \$ 37,099      |

**8. Long-term debt**

**A. Reserve**

The Agency bonds (Tax Increment Revenue Bonds) do not constitute a debt or indebtedness of the Agency within the meaning of any constitutional or statutory provision or limitation and are not a general obligation of the Agency. The Agency has no taxing power. The Agency's long-term debt is payable from ad valorem property tax levied against the incremental assessed value for all taxable property within the redevelopment area. The debt is designated as Tax Increment Revenue Bonds. As security, \$5,592,152 has been deposited in a reserve account with the Agency's trustee.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**8. Long-term debt (continued)**

**B. Changes in long-term debt**

The following schedule summarizes the changes in general long-term debt:

| Governmental Activities:  | Original<br>Issue | Balance<br>July 1, 2021* | Additions    | Deletions      | Balance<br>June 30, 2022 | Due within<br>one Year |
|---|-------------------|--------------------------|--------------|----------------|--------------------------|------------------------|
| 3.0% to 5.0% Redevelopment<br>Agency Tax Increment Revenue<br>Refunding Bonds Series 2016,<br>due 06/15/2045                        | \$ 83,400,000     | \$ 79,820,000            | \$ -         | \$ (1,890,000) | \$ 77,930,000            | \$ 1,985,000           |
| Direct Borrowings:  |                   |                          |              |                |                          |                        |
| Average earning rate of<br>the City's Sanitation Fund<br>plus .25% Loan Payable to<br>the City's Sanitation Fund,<br>due 06/01/2027 | 15,472,192        | 9,283,316                | -            | (1,547,219)    | 7,736,097                | 1,547,219              |
| 2.5% to 3.6% Loan Payable to<br>the City's Debt Service Fund,<br>due 06/01/2028   | 21,615,000        | 15,805,000               | -            | (2,045,000)    | 13,760,000               | 2,110,000              |
|   | 120,487,192       | 104,908,316              | -            | (5,482,219)    | 99,426,097               | 5,642,219              |
| Add: Issuance premiums  |                   | 7,424,074                | -            | (577,605)      | 6,846,469                | 548,665                |
|   |                   | 112,332,390              | -            | (6,059,824)    | 106,272,566              | 6,190,884              |
| Add: Lease liability  |                   | 2,591,488                | 4,119,690    | (435,784)      | 6,275,394                | 549,323                |
| Total leases and long term debt   |                   | \$ 114,923,878           | \$ 4,119,690 | \$ (6,495,608) | \$ 112,547,960           | \$ 6,740,207           |

\* Beginning balances as of July 1, 2021, have been adjusted to reflect the implementation of GASB 87. The changes are restricted to the lease liability.

**C. Annual debt service requirements to maturity**

Annual debt service requirements to maturity for the Agency's bonds and loans at June 30, 2022, are as follows:

| Year Ending | Government Activities  |                     |                            |                      |                       |                      |                       |
|-------------|------------------------|---------------------|----------------------------|----------------------|-----------------------|----------------------|-----------------------|
|             | Direct Borrowing Loans |                     | Tax Increment Revenue Bond |                      | Total Bonds and Loans |                      |                       |
| June 30,    | Principal              | Interest            | Principal                  | Interest             | Principal             | Interest             | Total                 |
| 2023        | \$ 3,657,219           | \$ 614,116          | \$ 1,985,000               | \$ 3,602,731         | \$ 5,642,219          | \$ 4,216,847         | \$ 9,859,066          |
| 2024        | 3,722,219              | 517,846             | 2,080,000                  | 3,503,481            | 5,802,219             | 4,021,327            | 9,823,546             |
| 2025        | 3,792,219              | 417,288             | 2,185,000                  | 3,399,481            | 5,977,219             | 3,816,769            | 9,793,988             |
| 2026        | 3,872,219              | 312,140             | 2,295,000                  | 3,290,231            | 6,167,219             | 3,602,371            | 9,769,590             |
| 2027        | 3,957,221              | 203,070             | 2,410,000                  | 3,175,481            | 6,367,221             | 3,378,551            | 9,745,772             |
| 2028-2032   | 2,495,000              | 89,820              | 13,980,000                 | 13,945,155           | 16,475,000            | 14,034,975           | 30,509,975            |
| 2033-2037   | -                      | -                   | 16,895,000                 | 11,035,825           | 16,895,000            | 11,035,825           | 27,930,825            |
| 2038-2042   | -                      | -                   | 20,890,000                 | 7,037,750            | 20,890,000            | 7,037,750            | 27,927,750            |
| 2043-2045   | -                      | -                   | 15,210,000                 | 1,545,750            | 15,210,000            | 1,545,750            | 16,755,750            |
|             | <u>\$ 21,496,097</u>   | <u>\$ 2,154,280</u> | <u>\$ 77,930,000</u>       | <u>\$ 50,535,885</u> | <u>\$ 99,426,097</u>  | <u>\$ 52,690,165</u> | <u>\$ 152,116,262</u> |

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**8 Long-term debt (continued)**

**D. Pledged revenues - tax increment revenue supported bonds and loans payable**

The Agency's bonds and loan payables are supported by incremental increases in property tax revenues to be generated by all property located within the Redevelopment Agency area over the remaining term of the outstanding bonds, less the aggregate amount of incremental taxes to be set aside (18%) for low-income housing and education. For fiscal year ended June 30, 2022, the Agency collected \$28,864,601 incremental property tax revenue and contributed \$5,195,628 to low income housing and education. This leaves a remaining balance of \$23,668,973 to retire \$5,482,219 and \$4,403,460 in current year bonds and loans payable principal and interest payments, respectively. The total principal and interest remaining to be paid on the bonds and loans payable is \$99,426,097 and \$52,690,165, respectively.

| Bonds Issued   | Maturity<br>(Length of Pledge) |
|--|--------------------------------|
| Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2016 | 06/15/2045                     |
| Redevelopment Agency Loan Payable to the City's Sanitation Fund 2017   | 06/01/2027                     |
| Redevelopment Agency Loan Payable to the City's Debt Service Fund 2018 | 06/01/2028                     |

**E. Direct borrowings**

The Redevelopment Agency Tax Increment Revenue Subordinate Lien Bonds, Series 2017, due June 1, 2027 were sold directly to the City. Pursuant to state statutes, this Bond is to be treated as a loan, resulting in a loan payable to the City's Sanitation Enterprise Fund. A payment from the Agency to the City is made annually for the principal and interest related to the loan payable.

The Agency's Tax Increment Revenue Subordinate Lien Bonds, Series 2018, due June 1, 2028, were purchased by the City. In accordance with state statutes, the City cancelled the Bond and entered into an agreement with the Agency, which set forth the terms and conditions of repayment of the Bond and provided that such agreement constitutes a loan by the City to the Agency. The repayment terms of the loan payable to the City mirror the City's debt service requirements on the Various Purpose General Obligation Medium-Term Bonds Series 2018B. This means that as principal and interest come due on the City's 2018B Bonds, the Agency is required to make those payments to the City.

The Agency does not have any unused line of credit or assets pledged as collateral related to these direct borrowings. The Agency does not have terms specified in its debt agreements related to (1) significant events of default with finance-related consequences, (2) termination events with finance related consequences, or (3) subjective acceleration clauses.

**9. Interfund transactions**

**A. Interfund transfers**

Interfund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. During the year ended June 30, 2022, a total of \$11,500,000 was transferred from the General Fund to the Debt Service Fund to fund current year debt service principal and interest payments.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**10. Commitments and contingent liabilities**

**A. Litigation**

The Agency is currently involved in litigation arising in the ordinary course of business. The City Attorney is vigorously contesting the case. Since the minimum probable loss, if any, cannot be reasonably estimated, no provision for loss has been recorded in the accompanying basic financial statements.

**B. Tax increment financing and related tax abatements**

The Agency has entered into seven tax increment subordinate lien notes as part of various owner participation agreements.

The indebtedness represented by the notes is payable solely and exclusively from a predetermined percentage of the Site Tax Increment received by the Agency on the parcels, and shall not be payable from any other source.

As the requirements to repay the notes are contingent on the Agency receiving sufficient site tax increment on the specific parcels and subordinate to the lien of the Agency's preexisting debt and future debt, the potential future obligation of the Agency has not been reflected in the basic financial statements. The following summarizes the unique terms of various notes:

- WMCV Phase I, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2005, in the amount of \$1,696,622. Payments started June 30, 2006 and continue until June 30, 2025. Interest accrues at 8.07 percent per annum, effective July 1, 2005. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the Agency will owe no additional money after the maturity date. During the year, the Agency received site tax increment revenue and paid tax abatement of \$136,917 in interest to WMCV Phase I, LLC. The outstanding balance was \$1,833,539 at June 30, 2022, which includes \$136,917 of accrued interest.
- WMCV Phase II, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2006, in the amount of \$8,725,545. Payments started June 30, 2006 and continue until June 30, 2025. Interest accrues at 8.04% per annum, beginning July 1, 2005. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of \$443,940 in interest to WMCV Phase II, LLC. The outstanding balance was \$25,968,381 at June 30, 2022, which includes \$16,972,836 of accrued interest.
- WMCV Phase III, LLC Note – Taxable tax increment subordinate Lien Note entered into June 18, 2008, in the amount of \$14,268,157. Payments started June 30, 2008 and continue until June 30, 2025. Interest accrues at 7.90% per annum, beginning June 30, 2008. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of \$823,052 in interest to WMCV Phase III, LLC. The outstanding balance was \$29,608,955 at June 30, 2022, which includes \$15,778,262 of accrued interest.
- SP Sahara Development, LLC Note – Taxable tax increment subordinate Lien Note entered into June 30, 2008, in the amount of \$20,912,094. Payments started June 30, 2008 and continue for nineteen years until June 30, 2027. Interest accrues at 7.90% beginning June 30, 2008. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of \$347,809 in interest to SP Sahara Development, LLC. The outstanding balance at June 30, 2022 was \$49,945,813 which includes \$29,334,134 in accrued interest.
- PH GSA, LLC Note – Taxable tax increment subordinate Lien Note entered into April 24, 2006, in the amount of \$995,510. Payments started June 30, 2006 and continue until June 30, 2026. Interest accrues at 7% per annum, beginning April 24, 2006. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of \$38,892 in interest to PH GSA, LLC. The outstanding balance at June 30, 2022 was \$1,915,532, which includes \$920,022 of accrued interest.

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**10. Commitments and contingent liabilities (continued)**

**B. Tax increment financing and related tax abatements (continued)**

- WMCV Phase III, LLC Note & WMCII Associates, LLC Note — Taxable tax increment subordinate Lien Notes entered into June 17, 2009, in the amount of \$14,984,693. Payments started June 30, 2009 and continue until June 30, 2025. Interest accrues at 7.57% per annum, beginning June 30, 2009. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of \$1,444,317 in interest to WMCV Phase III, LLC & WMCII Associates, LLC. The outstanding balance was \$26,486,653 at June 30, 2022, which includes \$9,788,155 of accrued interest.

**C. Future car rental fee distribution**

On March 26, 2009, the City issued \$101,220,000 of City of Las Vegas Nevada General Obligation Performing Arts Center Bonds, Series 2009, to be paid from a fee associated with rental cars.

On May 6, 2009, the City and the Agency entered into the Interlocal Agreement regarding the distribution of funds for a performing arts center. On May 26, 2009, the Agency issued \$85,000,000 of Tax Increment Revenue Bonds, which were used for the construction of the Performing Arts Center project in the City of Las Vegas and carried interest rates ranging from 6.0% to 8.0%. In April 2016, the Series 2009 bonds were refunded with proceeds from the issuance of Series 2016 Tax Increment Revenue Refunding Bonds in the amount of \$83,400,000 and bearing interest rates ranging from 3.0% to 5.0%.

On February 15, 2012, the City (Landlord) and the Smith Center for the Performing Arts (Tenant) entered into a Lease and Operating Agreement for the Performing Arts Center. Under the terms of the agreement, the Landlord agrees that any Rental Car Fees received by the Landlord in excess of what is determined by the Landlord to be needed to pay annual debt service on the performing arts center bonds for the then current year, and a reserve for the next succeeding year, shall be used only as permitted by NRS 244A.860(3) and the Interlocal Agreement.

The Landlord shall pay Tenant any excess Rental Car Fees on a quarterly basis. Tenant agrees that excess Rental Car Fees in the amount of \$20,000,000, may be retained by Landlord as a reimbursement for funds that have been contributed.

Under the terms of the Interlocal Agreement between the City and the Agency, the \$20,000,000 of excess Rental Car Fees will be refunded to the Agency plus \$141,433 in Agency Contingency Funds paid. This refund is contingent solely upon excess Rental Car Fees and shall be completed no later than September 6, 2030, if funds are available. The Agency did not receive any refunding fees from the City in fiscal year 2022. At June 30, 2022, refunded fees totaled \$11,900,000, leaving a balance due of \$8,100,000.

**11. Recently issued accounting pronouncements**

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The Agency adopted this standard for fiscal year ended June 30, 2022. As a result of implementing this statement, the Agency recorded \$95,828 lease receivable and deferred inflows of resources as of July 1, 2021 related to lease agreements entered into as a lessor. In addition, the Agency recorded \$2,591,488 right to use leased assets along with the equivalent lease liability as of July 1, 2021 related to lease agreements entered into as a lessee.

**12. Subsequent events**

Management has made an evaluation for subsequent events requiring recognition or disclosure in these financial statements through February 7, 2023, which is the date these financial statements were available to be issued. None were identified.

# **OTHER SUPPLEMENTARY INFORMATION**

CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|  | Budgeted Amounts |              |              | Variance with |
|--|------------------|--------------|--------------|---------------|
|  | Original         | Final        | Actual       | Final Budget  |
| Revenues:  |                  |              |              |               |
| Investment and other interest earnings                       | \$ 295,750       | \$ 295,750   | \$ 303,814   | \$ 8,064      |
| Other reimbursements   | 1,115,000        | 1,115,000    | 1,115,000    | -             |
| Miscellaneous  | -                | -            | -            | -             |
| Total revenues   | 1,410,750        | 1,410,750    | 1,418,814    | 8,064         |
| Expenditures:  |                  |              |              |               |
| Debt service:  |                  |              |              |               |
| Principal retirement   | 5,482,219        | 5,482,219    | 5,482,219    | -             |
| Interest and fiscal charges                                  | 6,013,460        | 6,013,460    | 7,208,029    | (1,194,569)   |
| Total expenditures   | 11,495,679       | 11,495,679   | 12,690,248   | (1,194,569)   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (10,084,929)     | (10,084,929) | (11,271,434) | (1,186,505)   |
| Other financing sources:                                     |                  |              |              |               |
| Transfers in   | 11,500,000       | 11,500,000   | 11,500,000   | -             |
| Net change in fund balance                                   | 1,415,071        | 1,415,071    | 228,566      | (1,186,505)   |
| Fund balance, July 1   | 254,457          | 254,457      | 5,860,899    | 5,606,442     |
| Fund balance, June 30  | \$ 1,669,528     | \$ 1,669,528 | \$ 6,089,465 | \$ 4,419,937  |



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# COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

*Honorable Chairperson, Board Members and Executive Director  
City of Las Vegas Redevelopment Agency*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Las Vegas Redevelopment Agency (the Agency), a component unit of the City of Las Vegas, Nevada as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Agency's basic financial statements, and have issued our report thereon dated February 7, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

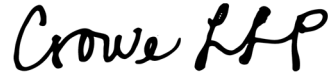
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The script is cursive and fluid, with the letters "C", "r", "o", "w", "e", "L", "L", and "P" clearly visible.

Crowe LLP

Costa Mesa, California  
February 7, 2023





Smart decisions. Lasting value.™

# City of Las Vegas Redevelopment Agency Audit Results – Council Meeting

February 15, 2023



Submitted at Meeting  
Date: 2/15/23 Item 5  
By Kathy Lai

# Audit Results



# Financial Statement Audit Reports



- Independent Auditor's Report on the financial statements as of and for the year ending June 30, 2022.

| Entities             | Issued Opinion |
|----------------------|----------------|
| Redevelopment Agency | Unmodified     |

*During the year ended June 30, 2022 the Agency adopted new accounting guidance, GASB Statement No. 87, Leases. The adoption resulted in recording lease receivable and deferred inflows of resources related to leases and a right-to-use lease asset and lease payable. There was no impact to fund balance or net position as of July 1, 2021, as a result of adoption.*



# Other Reporting- Compliance

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## GAS Report

- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
  - No instances of non-compliance or other matters
  - No significant deficiency or material weakness noted.



# **Required Communications**

## Required Communications

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- Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Management has disclosed the summary of significant accounting policies in footnote 1 of each report.
- Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments.





## Required Communications

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- Adoption of New Accounting Standards:
  - GASB Statement No. 87, “Leases”
  - GASB Statement No. 92, “Omnibus 2020”
  - GASB Statement No. 93, “Replacement of Interbank Offered Rates”
  - GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”
  - GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”
  - GASB Statement No. 99, “Omnibus 2022”



## Required Communications

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- Corrected Misstatements: We did not note any material corrected misstatement that were brought to the attention of management as a result of our audit procedures.
- Uncorrected Misstatements: Uncorrected misstatements identified during the audit were deemed immaterial by management and were summarized as an attachment to management's representation letter to the auditors.



## Required Communications

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We did not note:

- Significant Accounting Policies in Controversial or Emerging Areas
- Significant Unusual Transactions
- Significant Difficulties Encountered during the Audit
- Disagreements with Management
- Consultations with Other Accountants
- Significant Related Party Findings and Issues
- Independence matters







# Thank You

**Katherine V. Lai, CPA, CGMA**

Partner

Kathy.Lai@crowe.com

<https://www.linkedin.com/in/kathylaicpa/>

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**AGENDA SUMMARY PAGE**  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**6**

**DEPARTMENT: Economic & Urban Development**  
**DIRECTOR: Ryan Smith**

**DISCUSSION**

**SUBJECT:**

RA-4-2023 - Discussion for possible action regarding a Resolution finding the project proposed by a Commercial Visual Improvement Participation Agreement (CVIP) between the RDA and Park on Fremont, LLC (Tenant), located at 506 East Fremont Street (APN 139-34-601-006), to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan and authorizing the execution of the CVIP Agreement by the RDA (Not-to-Exceed \$25,000 - RDA Special Revenue Fund) - Redevelopment Area - Ward 3 (Diaz) [NOTE: This item is related to Council Item 28 (R-7-2023)]

**FISCAL IMPACT:**

Budget Funds Available  
Amount: \$25,000  
Funding Source: RDA Special Revenue Fund  
Dept./Division: Economic and Urban Development/RDA

**PURPOSE/BACKGROUND:**

Park on Fremont, LLC, will undertake improvements to the property located 506 East Fremont Street (APN 139-34-601-006) that signage improvements. This CVIP Agreement will assist with the cost of improvements. Approval will adopt findings that the CVIP Agreement is in compliance with and furtherance of the goals and objectives of the RDA and the Redevelopment Plan.

**RECOMMENDATION:**

Staff recommends approval and to authorize the Chairman of the RDA to execute all related documents as required, following approval as to form by the City Attorney.

**BACKUP DOCUMENTATION:**

1. Resolution No. RA-4-2023
2. Public Purpose-Impact Analysis Report
3. Site Map
4. Submitted at Meeting - PowerPoint Presentation by Staff



RESOLUTION NO. RA-4-2023

**RESOLUTION FINDING THE PROJECT PROPOSED BY THE COMMERCIAL VIP AGREEMENT (“CVIP”) BETWEEN THE CITY OF LAS VEGAS REDEVELOPMENT AGENCY AND ARTEMUS W. HAM III PROPERTY TRUST (AS OWNER) AND PARK ON FREMONT, LLC (AS TENANT AND CVIP PARTICIPANT) TO BE IN COMPLIANCE WITH AND IN FURTHERANCE OF THE GOALS AND OBJECTIVES OF THE REDEVELOPMENT PLAN AND AUTHORIZING THE EXECUTION OF THE CVIP BY THE AGENCY**

WHEREAS, the City of Las Vegas Redevelopment Agency (the "Agency") adopted on March 5, 1986, that plan of redevelopment entitled, to-wit: the Redevelopment Plan for the Downtown Las Vegas Redevelopment Area pursuant to Ordinance 3218, which Redevelopment Plan has been subsequently amended on February 3, 1988, by Ordinance 3339; April 11, 1992, by Ordinance 3637, on November 4, 1996, by Ordinance 4036, on December 17, 2003, by Ordinance 5652 and on May 17, 2006, by Ordinance 5830, and on December 16, 2015, by Ordinance 6448 (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan identifies and designates an area within the corporate boundaries of the City of Las Vegas (the “Redevelopment Area”) as in need of redevelopment in order to eliminate the environmental deficiencies and blight existing therein; and

WHEREAS, the Agency approved on October 20, 2004 the form for the Commercial VIP Agreement, the Commercial VIP Affidavit, and the Commercial VIP Manual, in order to provide funding to owners of commercial properties located within the Redevelopment Area for the purpose of making improvements to the exterior of such commercial properties and/or for the development of a vacant parcel with a new commercial building; and

1 WHEREAS, Artemus W. Ham III Property Trust (the “OWNER”) is the owner  
2 of real property and improvements located at 506 E. Fremont Street, Las Vegas, NV 89101,  
3 and which parcel is commonly known as APN 139-34-601-006 (the “Site”); and

4 WHEREAS, Park on Fremont, LLC (the “CVIP PARTICIPANT”) is the tenant  
5 of the real property located at 506 E. Fremont Street, Las Vegas, NV 89101 and is undertaking  
6 certain exterior improvements to the property in accordance with the Commercial VIP; and  
7

8 WHEREAS, the Agency has considered the findings that no other reasonable  
9 means of financing the building, facilities or structures or other improvements on the Site are  
10 available; and

11 WHEREAS, the Governing Body of the Agency has determined that the  
12 Commercial VIP Agreement (the “Agreement” and attached hereto as Exhibit A), which  
13 provides for the contribution of funds to Participant for making physical, visual improvements  
14 to the building on the Site, all as more fully set forth in the Agreement, is in compliance with  
15 and in furtherance of the goals and objectives of the Redevelopment Plan; and  
16

17 NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of  
18 the Agency that the Agreement is hereby approved and determined to be in compliance with  
19 and in furtherance of the goals and objectives of NRS 279 and the Redevelopment Plan, and the  
20 Chairperson of the Governing Board of the Agency is hereby authorized and directed to  
21 execute the Agreement for and on behalf of the Agency, and to execute any and all additional  
22 documents (including any Attachments to the Agreement) and to perform any additional acts  
23 necessary to carry out the intent and purpose of the Agreement.  
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THE FOREGOING RESOLUTION and CVIP AGREEMENT was passed,  
adopted and approved this \_\_\_\_ day of \_\_\_\_\_, 2023.

CITY OF LAS VEGAS  
REDEVELOPMENT AGENCY

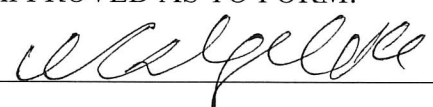
By: \_\_\_\_\_  
CAROLYN G. GOODMAN, Chair

ATTEST:

\_\_\_\_\_

SECRETARY

APPROVED AS TO FORM:

 12/13/22  
Date

Crislove A. Igeloka  
Deputy City Attorney

Resolution No. RA-\_\_\_\_-2023

RDA/CC Meeting \_\_\_\_\_  
RDA Item \_\_\_\_ CC Item \_\_\_\_

**EXHIBIT A**  
**CVIP AGREEMENT**

**CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
COMMERCIAL VISUAL IMPROVEMENT AGREEMENT**

THIS COMMERCIAL VISUAL IMPROVEMENT AGREEMENT (the "Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body organized and existing under the community development laws of the State of Nevada (hereinafter referred to as the "Agency") and AW Ham III Trust, a Nevada limited liability company (hereinafter referred to as the "Owner") and Park on Fremont LLC, a Nevada limited liability company (hereinafter referred to as the "Tenant").

**Recitals**

WHEREAS, the Agency administers and funds and is funded by the Agency for the purposes of improving the physical appearance of, and encouraging reinvestment in existing commercial structures; and

WHEREAS, in furtherance of the Redevelopment Plan (the "Redevelopment Plan") for the City of Las Vegas Redevelopment Area (the "Redevelopment Area"), the Agency approved a Commercial Visual Improvement Program (the "Commercial VIP") for the purpose of assisting property owners and their tenants in the rehabilitation of their buildings in order to revitalize and promote the economic stability of the redevelopment area; and

WHEREAS, pursuant to the implementation of the Commercial VIP, the Agency wishes to acquire an easement in gross on and upon the exterior walls of buildings (the "Facade Easement"), and a maintenance agreement for the Facade Easement Area (the "Building Façade Maintenance Agreement") located on that certain property, as more particularly described in the "Legal Description of the Site", attached hereto as Attachment " 1 " and incorporated herein, subject to the Owner's and Tenant's agreement to rehabilitate and improve the exterior walls and faces of the buildings on the property in accordance with this Agreement and the Commercial VIP Guidelines (the "CVIP Guidelines"), incorporated herein by reference. The Property is located within or is contiguous to the boundaries of the redevelopment area; and

WHEREAS, in consideration for the acquisition of the Facade Easement, the Agency shall reimburse the Tenant for any Pre-approved Qualified Exterior Improvements to a maximum of Twenty-Five Thousand Dollars and 00/100 (**\$25,000.00**), and the Tenant has provided a 200% matching cash contribution to the Agency's participation to ensure that the Tenant has a vested interest in the completion of its site improvements and to ensure a high leveraging of public resources and such improvements are significant in character, as determined by the Agency; and

WHEREAS, the Owner and Tenant desire to participate in the Commercial VIP pursuant to the terms and provisions of this Agreement and the Owner has provided their consent to the proposed exterior improvements on the property, as evidenced by Attachment " 8 " – VIP Real Property Owner Consent.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Agency, Owner and Tenant do hereby agree as follows:

SECTION 1: SCOPE OF AGREEMENT. The purpose of this Agreement is to effectuate the Redevelopment Plan by contributing funds to that certain property, as more particularly described in the "Legal Description of the Site," attached hereto as Attachment " 1 " and incorporated herein by reference. Implementation of this Agreement will further the goals and objectives of the Redevelopment Plan. This Agreement is subject to the provisions of the Redevelopment Plan which the City Council of the City of Las Vegas adopted on March 5, 1986, by Ordinance No. 3218, as amended. Said Redevelopment Plan, as it now exists and as it may be subsequently amended, is incorporated herein by reference and made a part hereof as though fully set forth herein.

SECTION 2: PARTIES TO THE AGREEMENT. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of Nevada (NRS 279.382, et seq.). The principal office of the Agency is located at 495 S. Main Street, Las Vegas, Nevada, 89101. "Agency", as used in this Agreement, includes the City of Las Vegas Redevelopment Agency and any assignee of or successor to its rights, powers and responsibilities. The Owner and Tenant warrant that, either through a majority interest, or has a valid and binding leasehold interest for five (5) years successive to the Effective Date of this Agreement (as defined hereinafter), the Site. Such ownership or leasehold interest is demonstrated by Attachment " 2 ", "Proof of Ownership or Leasehold Interest", which is attached hereto and is incorporated herein by reference. "Owner" and "Tenant", as used in this Agreement, include not only the Owner and Tenant but also any assignee of, or successor to, its rights, powers and responsibilities. The Agency, Owner and Tenant individually may be referred to as "party" or collectively as "parties" hereinafter.

SECTION 3: GRANT OF FACADE EASEMENT AND MAINTENANCE AGREEMENT. The Owner agrees to grant and convey and the Agency agrees to acquire and accept conveyance of a nonexclusive easement in gross (the "Facade Easement") on and upon that certain area described in Exhibit A of Attachment " 2 ", attached hereto and incorporated herein (the "Facade Easement Area"), subject to the following conditions:

- a. The purchase price for the Facade Easement shall be an amount up to one hundred percent (100%) of the facade improvements, with a not to exceed maximum of Twenty-Five Thousand Dollars and 00/100 (**\$25,000.00**), for "Pre-approved Qualified Exterior Improvements". Pre-approved Qualified Exterior Improvements which shall be considered for reimbursement includes the following: painting, cleaning, tuck pointing, facade repair/replacement, window repair/replacement, doorways, lighting, new or substantially rehabilitated signage, window tinting, new or replacement awnings, permanent landscaping, parking lots, and rear access renovations. All Pre-approved Qualified Exterior Improvements must be seen from the public right-of-way. The final purchase price will be determined when the project improvements are completed and Tenant has submitted paid invoices from contractor(s) to the Agency.
- b. Owner and/or Tenant shall have provided Agency with all the documents required for participation in the CVIP, as set forth in the CVIP Guidelines in a form acceptable to and approved by the Agency, including without limitation an executed Facade Easement, in substantially the form attached hereto as Attachment " 3 " and a Building Facade Maintenance Agreement, in substantially the form attached hereto as Attachment " 4 ".
- c. Agency shall pay Tenant the Purchase Price within forty-five (45) days after submission of paid invoices by Tenant for the Project Improvements, and inspection and approval of such Improvements, in accordance with the CVIP Guidelines.

- d. The Agency shall cause the Facade Easement and the Building Facade Maintenance Agreement to be recorded against the Property promptly after completion of the Project Improvements and upon payment of the Purchase Price by the Agency to the Tenant. The Facade Easement and the Building Facade Maintenance Agreement shall commence upon such recordation and shall terminate on the date five (5) years thereafter.
- e. Owner and/or Tenant, if any, hereby agree to maintain the Property, including without limitation the Facade Easement Area and the Project Improvements to be constructed thereon, in accordance with the maintenance provisions set forth in the Building Facade Maintenance Agreement, Attachment " 4 " attached hereto. Owner and/or Tenant agree that all material future changes to the exterior surfacing of the building(s) on the Property, including the Facade Easement Area, shall be subject to the approval of the Agency, which approval shall not be unreasonably withheld. No painting or exterior surfacing which, in the opinion and judgment of Agency, are inharmonious with the general surroundings shall be used on the exterior of any buildings now or to be located on the Property. This covenant shall run with the land for a period of five (5) years from the date the Facade Easement is recorded against the Property. Owner and/or Tenant shall be in default of this Agreement if Owner and/or Tenant breaches any of the obligations under this Section 3 or Attachment " 4 ".
- f. The Agency shall not use or exercise any right granted by the Facade Easement or do anything in a manner that will damage or impair the Facade Easement Area or the structural integrity of the building.

SECTION 4: OWNER'S AND/OR TENANT'S REPURCHASE OPTION. The Agency hereby grants the Owner and/or Tenant the option to repurchase the Facade Easement (the "Option") from the Agency pursuant to the following terms and conditions:

- a. Option Term. The term of the Option (the "Option Term" or "Option") shall commence upon recordation of the Facade Easement and shall continue until the termination of the Facade Easement. In order to exercise the Option, the Owner and/or Tenant must give sixty (60) days written notice to the Agency that it wishes to exercise the Option.
- b. Repurchase Price. If the Owner and/or Tenant exercises the Option, the Agency agrees to sell and the Owner and/or Tenant agrees to repurchase the Facade Easement in an amount equal to the unamortized portion of the Purchase Price amortized on a straight-line basis over five (5) years. The Amortization Schedule is set out in Exhibit C of Attachment " 3 ", attached hereto and incorporated herein (the "Amortization Schedule").
- c. Title, Escrow and Closing Costs. The Owner and/or Tenant shall each pay all title, escrow and closing costs and fees associated with the repurchase of the Facade Easement. The Owner and/or Tenant shall execute such documents and take such actions as may be necessary to effectuate such repurchase.
- d. The Owner's and/or Tenant's right to this Option and the terms and conditions of this Option shall be contained in the Facade Easement to be recorded on the Property

SECTION 5: IMPROVEMENTS TO THE SITE AND PROJECT BUDGET. The Tenant shall make improvements to the Site, or to the buildings, fixtures or appurtenances thereon, according to the Scope of Work and Tentative Schedule of Improvements, which is attached hereto as Attachment " 5 " and by this reference is made a part hereof. The Scope of Work and Tentative Schedule of Improvements shall provide a line item budget, acceptable to the Agency, for all work to be performed. Within thirty (30) days of

execution of this Agreement by the Agency, Tenant agrees to commence, or cause the commencement of, rehabilitation and improvement of the Site, including the Facade Easement Area, pursuant to the plans and other documents submitted by Owner and/or Tenant and approved by Agency in accordance with the CVIP Guidelines. Tenant shall complete the improvements within one hundred eighty (180) days of commencement of work. Additional time may be given for completion of the improvements upon approval of the Agency, which approval shall be at the sole and absolute discretion of Agency. The improvements to the site also shall be referred to as the "Project" hereinafter. The Agency shall maintain a right of access to the Site, provided that the Agency gives the Owner and/or Tenant a minimum of twenty-four (24) hours written, advance notice prior to entering the Site. Owner acknowledges and agrees that Agency has agreed to enter into this Agreement in reliance upon Owner's strict agreement to commence and complete the improvements by the required dates and any failure of Owner to commence and complete the improvements by the required dates will be a material default of Owner under this Agreement giving Agency the right to immediately terminate this Agreement.

SECTION 6: CONTRACTOR SELECTION REQUIREMENTS. If the Project exceeds \$10,000, then the Tenant in compliance with NRS 279.498 must obtain three (3) or more competitive bids from properly licensed contractors. If the Tenant is unable to obtain three (3) or more competitive bids, the Tenant shall provide the Agency, upon request, with documentation detailing when and which licensed contractor(s) were contacted.

SECTION 7: COMPLIANCE WITH APPLICABLE DEVELOPMENT STANDARDS. The Tenant must comply with all development standards applicable to the Scope of Work, including but not limited to, the Zoning Code of the City of Las Vegas, the Building Code of the City of Las Vegas, and the Fire Code of the City of Las Vegas. Additional development standards may apply depending on the specific location of the Site.

SECTION 8: FAILURE TO COMPLETE WORK. If the contractor selected by the Tenant fails to commence and/or complete all of the work specified in the Scope of Work, then the Agency may pursue any and all equitable remedies available under this Agreement, as more specifically described in Section 13 hereinafter.

SECTION 9: UNRELATED IMPROVEMENTS. Nothing herein is intended to limit, restrict or prohibit the Owner and/or Tenant from undertaking any other work in or about the subject premises which is unrelated to Commercial VIP provided for in this Agreement.

SECTION 10: COMPLIANCE WITH THE REDEVELOPMENT PLAN AND EMPLOYMENT PLAN. The Agency finds that the Project as contemplated by this Agreement complies with the Commercial VIP Guidelines and therefore would be deemed a substantial benefit to the Redevelopment Area. The Agency finds that the Project, upon completion, would achieve one or more of the following:

1. Encourage new commercial development;
2. Create or retain jobs for nearby residents;
3. Increase local revenues from private revenue sources;
4. Increase levels of human activity in the Redevelopment Area;
5. Possess attributes that are unique, either as to type of use or level of quality and design;
6. Require for their construction, installation or operation the use of qualified and trained labor; or
7. Demonstrate greater social or financial benefits to the community that would a similar set of buildings, facilities, structures or other improvements not paid for by the Agency.

The Agency has also considered the opinions of persons who reside in the Redevelopment Area or the immediate vicinity of the Redevelopment Area. In addition, the Agency has compared the level of spending



proposed by the Agency and the projections of future revenue made on the buildings, facilities, structures or other improvements.

The Tenant has declared that no other reasonable means of financing are available to undertake the improvements to the Property because the return on investment is not reasonable and the improvements are being financed through cash on hand and/or debt financing through a private lender. Furthermore, the Tenant would not undertake the full set of improvements contemplated in the Agreement through resources reasonably available to the Tenant pursuant to the Participant Affidavit and Employment Plan, attached hereto as Attachment " 7 " and by this reference made a part hereof.

The Tenant has also declared and provided the Agency with an Employment Plan, which is attached hereto as Attachment " 7 " and by this reference is made a part hereof. The Tenant, for itself and its successors and assigns, represents that in the construction of improvements on the Site provided for in this Agreement, the Tenant shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

SECTION 11: CONFLICTS OF INTEREST AND DISCLOSURE REQUIREMENTS. No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. The Owner and/or Tenant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. No member, official or employee of the Agency shall be personally liable to the Owner and/or Tenant in the event of any default or breach by the Agency or for any amount which may become due to the Tenant or on any obligations under the terms of this Agreement. Pursuant to Resolution RA-4-99 adopted by the governing board of the Agency effective October 1, 1999, Owner and Tenant warrant that they have disclosed, on the Disclosure of Principals form attached hereto as Attachment "6-A " and Attachment "6-B" and incorporated herein by reference, all persons and entities holding more than 1% (one percent) interest in Owner and Tenant or any principal member of Owner and Tenant. Throughout the term hereof, Owner and Tenant shall notify City in writing of any material change in the above disclosure within fifteen (15) days of any such change.

SECTION 12: DEFAULTS AND REMEDIES. Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement ("Event of Default"). In connection with any default of Owner or Agency under this Agreement, the non-defaulting party shall have the right to terminate immediately this Agreement upon written notice to the defaulting party without any cure right for the benefit of the defaulting party. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the District Court, County of Clark State of Nevada, in any other appropriate court in that county, or in the Federal District Court in the appropriate district of Nevada. The non-defaulting party may also, at its option, cure the breach and sue in any court of proper jurisdiction to collect the reasonable costs incurred by virtue of curing or correcting the defaulting party's breach. Further, the non-defaulting party may file legal action to require the defaulting party to specifically perform the terms and conditions of this Agreement. Upon occurrence of an Event of Default by either the Owner and/or Tenant or the Agency during the existence of this Agreement, the non-defaulting party, at its option, may institute an action for specific performance of the terms and obligations (including the payment of any monetary obligation) of this Agreement. During the existence of this Agreement and upon the occurrence of a Owner and/or Tenant Event of Default, the Agency shall have the right to terminate, and this Agreement shall so terminate, the date that the written notice of termination is received by the Owner and/or Tenant or such other date as may be specified in the written notice. In the event of termination of this Agreement by the Agency, then (i) any obligation of Agency

to acquire the Façade easement shall terminate and be null and void and (ii) Tenant agrees to return any and all Agency Funds heretofore paid to the Tenant pursuant to the provisions of this Agreement within ten (10) calendar days after the termination date. Failure to return any and all Agency Funds paid to the Owner and/or Tenant shall entitle the Agency to sue the Owner and/or Tenant for specific performance as provided in this Section and to pursue the Agency's remedies, legal and equitable, for such damages as permitted by law.

SECTION 13: SUBSEQUENT AGENCY APPROVALS. Any approvals of the Agency required and permitted by the terms of this Agreement may be given by the Executive Director of the Agency or such other person that the Agency designates in writing.

SECTION 14: TERM. The term of this Agreement shall end upon the completion of all duties and obligations to be performed by each of the parties hereto.

SECTION 15: SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalidated, it shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.

SECTION 16: GOVERNING LAW. The interpretation and enforcement of this Agreement shall be governed in all respects by the laws of the State of Nevada.

SECTION 17: NOTICES. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid, in each case by delivery to the Owner and/or Tenant and the Agency at the addresses set forth in this Agreement or at such other address as a party may designate in writing. The date notice given shall be the date on which the notice is delivered, if notice is given by personal deliver, or five (5) calendar days after the date of deposit in the mail or with an express delivery service, if the notice is sent through the United States mail.

If to the Agency:                      City of Las Vegas Redevelopment Agency  
495 S. Main Street, 6<sup>th</sup> Floor  
Las Vegas, NV 89101

If to the Owner:                      Artemus W Ham III Trust  
9101 Alta Dr. Unit 702, Las Vegas, NV 89145  
Atten; Artemus Ham

If to the Tenant:                      Park on Fremont LLC  
1028 Fremont St, Suite 200, Las Vegas, NV 89101  
Atten: Ryan Doherty

SECTION 18: CAPTIONS. The captions contained in this Agreement are for the convenience of the parties and shall not be construed so as to alter the meaning of the provisions of the Agreement.

SECTION 19: ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This includes Attachment " 1 " through Attachment " 8 " inclusive, attached hereto and incorporated herein by reference, all of which constitute the

entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency, Owner and Tenant and no waiver of one provision shall be construed as a waiver of that provision in the future or as a waiver of any other provision. All amendments hereto must be in writing and signed by the appropriate authorities of Agency, Owner and Tenant.

SECTION 20: COUNTERPARTS; ELECTRONIC DELIVERY. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

SECTION 21: TIME FOR AGENCY TO ACCEPT AGREEMENT. This Agreement has been approved on \_\_\_\_\_, 2023 by the City of Las Vegas Redevelopment Agency. The effective date of this Agreement shall be the date when this Agreement has been signed by the Agency ("Effective Date").

Date of Agency Approval:

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

\_\_\_\_\_, 2023

By: \_\_\_\_\_  
CAROLYN G. GOODMAN, CHAIR  
"Agency"

ATTEST:

Park on Fremont LLC

\_\_\_\_\_  
LUANN D. HOLMES, MMC  
Secretary

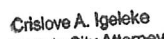
By: \_\_\_\_\_  
Artemus W Ham III Trust,  
"Owner"

APPROVED AS TO FORM:

Park on Fremont LLC

  
Counsel to the Agency                      Date

By: \_\_\_\_\_  
Ryan Doherty, Owner  
"Tenant"

  
Crislove A. Igeleke  
Deputy City Attorney

RDA CVIP Agreement  
Park on Fremont LLC  
506 E Fremont St

RDA/CC Meeting \_\_\_\_\_  
RDA Item \_\_\_\_\_ CC Item \_\_\_\_\_

## LIST OF ATTACHMENTS

|                   |  |
|-------------------|--|
| ATTACHMENT " 1 "  | LEGAL DESCRIPTION OF THE PROPERTY                    |
| ATTACHMENT " 2 "  | PROOF OF OWNERSHIP OR LEASEHOLD INTEREST             |
| ATTACHMENT " 3 "  | FORM OF FAÇADE EASEMENT DEED                         |
| ATTACHMENT " 4 "  | FORM OF BUILDING FAÇADE MAINTENANCE AGREEMENT        |
| ATTACHMENT " 5 "  | SCOPE OF WORK AND TENTATIVE SCHEDULE OF IMPROVEMENTS |
| ATTACHMENT "6-A " | DISCLOSURE OF PRINCIPALS – PROPERTY OWNER            |
| ATTACHMENT "6-B"  | DISCLOSURE OF PRINCIPALS - TENANT                    |
| ATTACHMENT " 7 "  | PARTICIPANT AFFIDAVIT & EMPLOYMENT PLAN              |
| ATTACHMENT "8"    | VIP REAL PROPERTY OWNER CONSENT                      |

## ATTACHMENT 1

### LEGAL DESCRIPTION OF THE PROPERTY

Being that portion of the Southwest Quarter (SW¼) of the Northeast Quarter (NE ¼) of Section 34, Township 20 South, Range 61 East, M.D.M., City of Las Vegas, Clark County, Nevada, described as follows:

Commencing at the intersection of the centerlines of Freemont Street (80.00 feet wide) and Las Vegas Boulevard (80.00 feet wide); thence North 27°45'00" East along the centerline of said Las Vegas Boulevard, 40.00 feet to the Northwestern prolongation of the Northeasterly right-of-way line of said Freemont Street; thence South 62°12'27" East along said prolongation line, 40.00 feet to the Southeasterly right-of-way line of said Las Vegas Boulevard, said point being the Point of Beginning; thence North 27°45'00" East along said Southeasterly right-of-way line, 129.99 feet to the Southwesterly line of a 20.00 foot wide alley dedicated on the plat of Hawkins Addition to the City of Las Vegas, said plat being on file in the Clark County Recorder's Office as Book 1, Page 40 of Plats; thence South 62°12'27" East along said Southwesterly line, 100.00 feet to the most Northerly corner of Lot 15 of Block 2 of said Hawkins Addition to the City of Las Vegas; thence South 27°44'28" West along the Northwesterly line of said Lot 15, a distance of 129.99 feet to the aforementioned Northeasterly right-of-way line of Fremont Street; thence North 62°12'27" West along said right-of-way line, 100.02 feet to the Point of Beginning.

Containing 13,000 Square Feet (0.298 Acres). Basis of bearings North 27°45'00" East, being the bearing of the centerline of Las Vegas Boulevard as shown on the plat of Hawkins Addition to the City of Las Vegas, said plat being on file in the Clark County, Nevada Recorder's Office as Book 1, Page 40 of Plats.

**ATTACHMENT 2**

**LEASEHOLD INTEREST**

Copy of Lease By and Between

Artemus W Ham III Property Trust (Lessor)

and

Park on Fremont LLC (Lessee)

Is on file with the City of Las Vegas Redevelopment Agency

**EXHIBIT A**  
**of Attachment 2**

**DESCRIPTION OF THE FACADE EASEMENT AREA**

Facade Easement Area: The area consisting of the building face of said building, which is set-back from the street as described in "*Attachment 1 – Legal Description of the Property*" and other public areas, including all exterior wall planes, window, doors, fascias, awnings, parking area, and other architectural projections.

The Facade Easement granted herein shall terminate five (5) years from the date of execution of the recordation of this Facade Easement Deed without further action upon the City of Las Vegas Redevelopment Agency.

### ATTACHMENT 3

#### FORM OF FACADE EASEMENT

**APN: 139-34-601-006**

RECORDING REQUESTED BY

CITY OF LAS VEGAS  
REDEVELOPMENT AGENCY

AND WHEN RECORDED RETURN TO:

City of Las Vegas Redevelopment Agency  
495 South Main Street, 6<sup>th</sup> Floor  
Las Vegas, NV 89101  
ATTN: Operations Officer

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#### FACADE EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Park on Fremont LLC ("Grantor"), does hereby grant to the CITY OF LAS VEGAS REDEVELOPMENT AGENCY, a public body, corporate and politic ("Grantee"), a nonexclusive facade easement (the "Facade Easement") in gross on and upon a portion of the real property described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). The precise description of the area of the facade easement is described in Exhibit B attached hereto and incorporated hereby by reference (the "Facade Easement Area").

1. Grantee is responsible for carrying out the Redevelopment Plan for the City of Las Vegas Redevelopment Area (the "Redevelopment Area"). In furtherance of the Redevelopment Plan, Grantor and Grantee entered into a Commercial Visual Improvement Agreement and Grant of Facade Easement dated \_\_\_\_\_ (the "CVIP Agreement") which required the Grantor to improve the facades(s) of the building(s) on the Property in accordance with the CVIP Agreement and Grantee's Commercial Visual Improvement Guidelines.

2. Grantor shall maintain the Property and the Facade Easement Area in accordance with the Facade Easement Agreement, including without limitation, the provisions set forth in the Building Facade Maintenance Agreement, recorded against the Property by separate instrument. Grantor agrees that all material future changes to the exterior surface of the facades of the building that have been improved on the Property shall be subject to the approval of the Grantee, which approval shall not be unreasonably withheld. This covenant shall run with the land until five (5) years from the date this Facade Easement is recorded against the Property.



3. Grantee may use the Facade Easement for the purpose of ensuring the repair and maintenance of the Facade Easement Area, including the Facade Improvements to be constructed thereon, in accordance with the Facade Easement Agreement.

4. The Facade Easement shall include ancillary rights of ingress and egress over any portion of the Property that is necessary in order to repair and maintain the Facade Improvements located on and within the Facade Easement Area.

5. Grantor covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry, age, sexual preference, physical handicap or medical condition in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall Grantor or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

6. The Grantee shall not use or exercise any right granted by the Facade Easement or do anything in a manner that will damage or impair the Facade Easement Area or the structural integrity of the building.

7. In the event of a violation of this Agreement by Grantor, the Grantee may, following reasonable notice to Grantor and after allowing thirty (30) days to correct said violation, institute a suit to enjoin such violation and to require the restoration of the Facade Improvements to their prior condition. In the alternative, the Grantee may enter upon the Property, correct any such violation and hold the Grantor and, his or her heirs, successors and assigns, responsible for the costs thereof in accordance with the Facade Easement Agreement and Building Facade Maintenance Agreement.

8. The Facade Easement granted herein shall terminate on the date which is five (5) years from the date of recordation of this Facade Easement.

9. Grantor shall have the option to repurchase the Facade Easement granted herein (the "Option") from the Grantee pursuant to the terms and conditions set forth hereunder.

a. Option Term. The term of the Option (the "Option Term") shall commence thirty (30) days after recordation of the Facade Easement and shall continue until five (5) years from the date of the recordation of this Facade Easement. In order to exercise the Option, the Grantor must give sixty (60) days written notice to the Grantee that it wishes to exercise the Option.

b. Repurchase Price. If the Grantor exercises the Option, the Grantee agrees to sell and the Grantor agrees to repurchase the Facade Easement in an amount equal to the unamortized portion of the Purchase Price amortized on a straight-line basis

over five (5) years. The Amortization Schedule is set out in Exhibit C, attached hereto and incorporated herein (the "Amortization Schedule").

- c. Title, Escrow and Closing Costs. The Grantor shall pay for all title, escrow and closing costs and fees associated with the repurchase of the Facade Easement. The Grantor and Grantee shall cooperate in good faith and execute such documents and take such actions as may be necessary to effectuate such repurchase.

10. The obligations and benefits imposed and granted in this Facade Easement shall be binding on Grantor and all successor owners of the Property and inure to the benefit of the Grantee, its successors and assigns and are intended to run with the land.

11. The provisions of this Facade Easement may be amended or terminated in full only by a written agreement between the Grantor and Grantee.

12. Nothing contained in this Facade Easement shall be deemed to be a gift or dedication of any portion of Property to the general public or for the general public for any public purpose whatsoever, it being the intention of the parties to this Facade Easement that the Facade Easement shall be strictly limited to and for the purposes expressed in this Facade Easement.

13. This declaration shall be governed by and construed in accordance with the laws of the State of Nevada.

14. The Facade Easement granted herein shall be binding on and inure to the benefit of the successors and assigns of the parties and are intended to bind and burden the Property described in Exhibit A.

IN WITNESS WHEREOF, Grantor has executed this Facade Easement as of this \_\_\_\_ day of \_\_\_\_\_, 2023.

Park on Fremont LLC

By: \_\_\_\_\_

Ryan Doherty

Its: Owner \_\_\_\_\_

"GRANTOR"

ACCEPTED AND AGREED TO:

CITY OF LAS VEGAS REDEVELOPMENT AGENCY

By: \_\_\_\_\_

CAROLYN G. GOODMAN

Its: Chair

"GRANTEE"

ATTEST:

\_\_\_\_\_  
LUANN D. HOLMES, MMC  
Secretary

APPROVED AS TO FORM

\_\_\_\_\_  
Counsel to the Agency

\_\_\_\_\_  
Date

ACKNOWLEDGMENTS

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2023 by Artemus W Ham as Owner of Artemus W Ham III Property Trust.

\_\_\_\_\_  
Notary Public in and for said County and State

STATE OF NEVADA )  
 ) ss.  
COUNTY OF CLARK )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2023 by Carolyn G. Goodman as Chair of the City of Las Vegas Redevelopment Agency.

\_\_\_\_\_  
Notary Public in and for said County and State

## EXHIBIT A

### LEGAL DESCRIPTION OF THE PROPERTY

Being that portion of the Southwest Quarter (SW¼) of the Northeast Quarter (NE ¼) of Section 34, Township 20 South, Range 61 East, M.D.M., City of Las Vegas, Clark County, Nevada, described as follows:

Commencing at the intersection of the centerlines of Freemont Street (80.00 feet wide) and Las Vegas Boulevard (80.00 feet wide); thence North 27°45'00" East along the centerline of said Las Vegas Boulevard, 40.00 feet to the Northwesterly prolongation of the Northeasterly right-of-way line of said Freemont Street; thence South 62°12'27" East along said prolongation line, 40.00 feet to the Southeasterly right-of-way line of said Las Vegas Boulevard, said point being the Point of Beginning; thence North 27°45'00" East along said Southeasterly right-of-way line, 129.99 feet to the Southwesterly line of a 20.00 foot wide alley dedicated on the plat of Hawkins Addition to the City of Las Vegas, said plat being on file in the Clark County Recorder's Office as Book 1, Page 40 of Plats; thence South 62°12'27" East along said Southwesterly line, 100.00 feet to the most Northerly corner of Lot 15 of Block 2 of said Hawkins Addition to the City of Las Vegas; thence South 27°44'28" West along the Northwesterly line of said Lot 15, a distance of 129.99 feet to the aforementioned Northeasterly right-of-way line of Fremont Street; thence North 62°12'27" West along said right-of-way line, 100.02 feet to the Point of Beginning.

Containing 13,000 Square Feet (0.298 Acres). Basis of bearings  
North 27°45'00" East, being the bearing of the centerline of Las Vegas Boulevard as shown on the plat of Hawkins Addition to the City of Las Vegas, said plat being on file in the Clark County, Nevada Recorder's Office as Book 1, Page 40 of Plats.

## EXHIBIT B

### DESCRIPTION OF THE FACADE EASEMENT AREA

Facade Easement Area: The area consisting of the building face of said building, which is set back from the street as described in "*Attachment 1 – Legal Description of the Property*" and other public areas, including all exterior wall planes, window, doors, fascias, awnings, parking area, and other architectural projections.

The Facade Easement granted herein shall terminate five (5) years from the date of execution of the recordation of this Facade Easement without further action upon the City of Las Vegas Redevelopment Agency

## EXHIBIT C

### FORM OF FACADE EASEMENT REPURCHASE PRICE

#### AMORTIZATION SCHEDULE

1. Amount of Purchase Price: \$25,000.00 (Maximum)
2. Repurchase Price based on unamortized portion of Purchase Price amortized on straight-line basis over five (5) years as follows:

|  |                    |
|--|--------------------|
| Anytime during first year:   | <u>\$25,000.00</u> |
| Anytime during second year:  | <u>\$20,000.00</u> |
| Anytime during third year:   | <u>\$15,000.00</u> |
| Anytime during fourth year:  | <u>\$10,000.00</u> |
| Anytime during fifth year:   | <u>\$5,000.00</u>  |
| After five full years from recordation<br>of the Facade Easement Deed: | <u>\$0.00</u>      |

## ATTACHMENT 4

### FORM OF BUILDING FACADE MAINTENANCE AGREEMENT

**APN: 139-34-601-006**

RECORDING REQUESTED BY

CITY OF LAS VEGAS  
REDEVELOPMENT AGENCY

AND WHEN RECORDED RETURN TO:

City of Las Vegas Redevelopment Agency  
495 South Main Street, 6<sup>th</sup> Floor  
Las Vegas, NV 89101  
ATTN: Operations Officer

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#### BUILDING FACADE MAINTENANCE AGREEMENT

**THIS AGREEMENT** is made this \_\_\_\_ day of \_\_\_\_\_, 2023, between Artemus W Ham III Property Trust, a Nevada limited liability company hereinafter referred to as "Owner" and the CITY of LAS VEGAS REDEVELOPMENT AGENCY, a public body, corporate and politic, hereinafter referred to as "Agency" with reference to the following facts:

**WHEREAS**, Owner is the owner of that real property ("the Property") in the City of Las Vegas, County of Clark, State of Nevada, legally described in Exhibit " A " attached hereto by this reference, commonly known as 506 E Fremont Street, Las Vegas, Nevada 89101, Las Vegas, Nevada and currently designated as Assessor's Parcel No. 139-34-601-006; and

**WHEREAS**, the Property is located within the City of Las Vegas Redevelopment Area (the "Redevelopment Area"), and in furtherance of the Redevelopment Plan for the Redevelopment Area, the Agency approved a Commercial Visual Improvement Program (the "Commercial VIP") for the purpose of revitalization and elimination of blighting influences in the Redevelopment Area; and

**WHEREAS**, Owner has rehabilitated the facades of the property facing the Facade Easement Area: The area consisting of the building face of said building, South as described in "*Exhibit A – Legal Description of the Property*" and other public areas, including all exterior wall planes, window, doors, fascias, awnings, parking area, and other architectural projections.

Agency purchased a Facade Easement for the Property (hereinafter "the Facade Easement") which ensures that the building facades on the Property will be preserved in a manner consistent



with the Commercial Visual Improvement Agreement and Grant of Facade Easement dated \_\_\_\_\_  
\_\_\_\_\_ (the "CVIP Agreement"); and

**WHEREAS**, by the terms of said Facade Easement, Owner is required to enter into an agreement for a period of five (5) years giving the Agency authority to lien the Property to ensure that the facade(s) covered by the Facade Easement, legally described in Exhibit "B" attached hereto (the "Facade Easement Area"), will be diligently maintained and that violations will be corrected promptly; and

**WHEREAS**, this agreement is entered into to ensure that the Property is maintained because both parties recognize that diligent maintenance is an integral part of preservation of the Property and one of the considerations for Agency's purchase of the Facade Easement;

**NOW, THEREFORE, IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:**

1. Purpose. The purpose of this agreement is to ensure diligent maintenance of the building facades on the Property facing public streets and/or alleys, the Facade Easement Area, in accordance with the plans approved by the City of Las Vegas Office of Redevelopment Agency and any other City of Las Vegas department that may have issued approvals and/or permits as of the date of this Agreement, or as may be otherwise approved by City during the term of this Agreement. Copies of the plans for the Facade Easement Area required to be maintained under this Agreement and which are incorporated herein by this reference, are on file with the City of Redevelopment Agency, c/o Economic and Urban Development, 495 S. Main Street, Las Vegas, NV 89101.
2. Duty to Maintain Property. Owner covenants and agrees, for itself, its lessees, successors and assigns during the term of this Agreement to diligently maintain and care for the Facade Easement Area in accordance with the plans approved by Agency. "Diligent maintenance" is persistent upkeep which employs the standard of care necessary to meet all requirements of applicable local ordinances and regulations and standards of workmanship in accordance with the generally accepted standards for maintenance observed by comparable uses located within the City of Las Vegas. In particular, Owner covenants that:
  - a) All exterior building facades shall be maintained, repaired, or used in accordance with the City of Las Vegas Building Code and the plans approved by, any and all, appropriate City of Las Vegas department(s) as of the date of this Agreement, or as may be otherwise approved by Agency during the term of this Agreement.
  - b) The exterior of the buildings and structures shall have effective weatherproofing and waterproofing, including non-deteriorated paint, uncracked or unbroken plaster, sound siding, sealing of doors and windows and adequate and approved roof covering.
  - c) All exterior doors, door hardware, handles, locksets and latches shall be in safe and operable condition, free of cracks, splits, holes, inadequate fastening and warpage.

- d) All windows shall be secure, well-sealed, unbroken, and with undamaged frames. No window bars, grills or grates of any kind shall be installed without the express approval of the City of Las Vegas Department of Building and Safety.
  - e) All exterior lighting, including but not limited to security, carport, stairway or balcony, and building lighting, must be operable at all times as required by the City of Las Vegas Building Code.
3. Agency's Right to Cure Owner's Default. Owner shall be in default of this Agreement if Owner breaches any of the Owner's obligations under Paragraph 2 above, and the breach is not cured within thirty (30) days (or such longer period as may be specified in the Notice of Breach) after the Agency gives notice ("Notice of Breach") to the Owner of the failure to perform, which Notice of Breach shall specify in reasonable detail the conditions constituting the breach. The Agency's Executive Director ("Director") (or, if that position no longer exists, an Agency official with comparable duties) or the Director's designee may impose conditions on any extension of time to cure the breach, which conditions may include but are not limited to (i) requiring Owner to post a cash deposit or surety bond in the amount of the estimated cost of curing the breach or default, and (ii) requiring that Owner commence curing the breach or default by a specified date and thereafter diligently and in good faith continue to cure the breach until completion of the cure.

In the event of default, in addition to any other remedies available to Agency at law or in equity, Agency in its sole and absolute discretion may enter the Property and cure the default at Owner's cost at any time after giving not less than thirty (30) days' notice ("Notice of Default") to Owner, which Notice of Default shall state the Agency's intent to enter the Property and shall specify in reasonable detail the work or correction the Agency intends to perform.

4. Hold Harmless. Owner shall waive any and all claims for damage or loss as a result of Agency's entry onto the Property. Owner shall defend, indemnify and hold harmless Agency, its employees, officers, agents and contractors from and against any and all liability, loss, expense, including reasonable attorney's fees or claims for injury or damage caused by or as a result of the Agency, its employees, officers, agents or contractors entry onto the Property. Notwithstanding the foregoing, the above waiver and indemnity shall not apply with respect to any negligent acts or omissions or willful misconduct by the Agency, its employees, officers, agents and/or contractors.
5. Agency's Cost of Cure. If Agency, acting through its own employees or through its contractors, enters the Property and cures the breach or default, Agency shall perform the work in a reasonably efficient, cost effective and competitively priced manner. The cost of curing the default shall be due and payable within ten (10) days after delivery of an invoice to Owner, and if paid at a later date shall bear interest at the rate of 10% per annum from the date of the invoice until Agency is reimbursed by Owner. Any warranties provided by Agency's contractors shall be assigned to Owner upon Owner's payment in full of the amounts due hereunder.

6. Additional Remedies. The Agency, in addition to the collection procedure set forth above in paragraph 4, may make the cost incurred in maintaining the Property a lien upon the Property by recording a notice with the Clark County Recorder. The lien may also include any and all costs incurred in recording the lien. The notice shall state that the Agency has incurred maintenance costs under the terms of this agreement and shall state the amount, together with a statement that it is unpaid. Such lien shall be immediately released upon Owner's payment of said costs.
7. Notices. Notices required or permitted to be given under the terms of this agreement shall be served personally, or by certified mail, return receipt requested, or by overnight courier, addressed as follows:

AGENCY: CITY OF LAS VEGAS REDEVELOPMENT AGENCY  
c/o Economic And Urban Development  
495 S. Main Street, 6th Floor  
Las Vegas, NV 89101  
Attn: Operations Officer

OWNER: Artemus W Ham III Property Trust  
9101 Alta Dr. Unit 702, Las Vegas, NV 89145  
Attn: Artemus W Ham III

and, in the event that Owner hereafter conveys Property, to each successive Owner as shown on the tax rolls for Clark County.

8. Property Owner. If Owner conveys, grants or transfers the Property or a portion thereof to another, such grantee or transferee shall be responsible for complying with the terms and conditions of this agreement as to the Property or as to that portion thereof so conveyed and Owner shall have no further obligation hereunder as to said Property or that portion thereof. If Owner leases the Property or any portion thereof to another, the lease shall provide for Owner's right of entry to perform Owner's obligations under this agreement. The lease also shall provide for Agency's right of entry to inspect the Property for compliance with this Agreement and in the event of breach to perform required maintenance in accordance with the procedure set forth in Paragraph 3. Owner shall advise the Executive Director of the Agency in writing of any changes in address of Owner and of the names and addresses of any subsequent owners of the property or any portion thereof.
9. Miscellaneous Terms and Provisions.
  - a) If any provision of this agreement is adjudged invalid, the remaining provisions of it are not affected.
  - b) Notice to Agency or Owner shall be considered to have been given when sent in the manner and to the addresses stated in Paragraph 6 above.

- c) This writing contains a full, final and exclusive statement of the agreement of the parties.
  - d) By executing this Agreement Owner, on its behalf and on behalf of any successor in interest, authorizes and grants to Agency or to Agency's agent, permission with forty-eight (48) hours advance notice to enter upon the Property subject to this Agreement to perform inspections of the facade improvements or to perform any work authorized by this Agreement in the event of breach by Owner of any covenant set forth in Paragraphs 2 above. However, the Agency shall coordinate the time of such inspections with the Owner in order to minimize the disruption of business or inconvenience to the Owner's customers.
10. Recordation: Covenant Running With the Land for Five Years. Upon recordation of the Facade Easement Deed and execution of this Agreement by both parties, the Agency shall record this Agreement with the Clark County Recorder's Office. Agency shall provide Owner a copy of the Agreement showing the Recorder's stamp.
- This Agreement pertains to that area of the Property covered by the Facade Easement, and shall run with the land for a period of five (5) years from the date of recordation, including a period of time after the expiration of the Facade Easement. This agreement binds the successors in interest of each of the parties to it.
11. Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions of this Agreement shall defeat or render invalid the lien or charge or any first mortgage or deed of trust made in good faith and for value encumbering the Property, but all of said covenants, conditions and restrictions shall be binding upon and effective against any successor to the Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to the Property.
12. Attorneys' Fees. If any party to this Agreement resorts to a legal action to enforce any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other relief to which it may be entitled. This provision applies to the entire Agreement.
13. Estoppel Certificate. Upon written request by Owner or a subsequent owner, Agency shall promptly execute and deliver an estoppel certificate, in a form reasonably approved by the Agency, addressed as indicated in the request, stating that the property is in compliance with this Agreement, or not, and stating the amount of any outstanding fees or charges.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the day and year set forth above.

Artemus W Ham III Property Trust

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Artemus W Ham III  
Title: OWNER

CITY OF LAS VEGAS REDEVELOPMENT AGENCY,  
a public body, corporate and politic

By: \_\_\_\_\_ Date: \_\_\_\_\_  
CAROLYN G. GOODMAN  
CHAIR

ATTEST:

\_\_\_\_\_  
LUANN D. HOLMES, MMC  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Counsel to the Agency Date

ACKNOWLEDGMENTS

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2023 by Artemus W Ham III as Owner of Artemus W Ham III Property Trust.

\_\_\_\_\_  
Notary Public in and for said County and State

STATE OF NEVADA )  
 ) ss.  
COUNTY OF CLARK )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2023 by CAROLYN G. GOODMAN as Chair of the City of Las Vegas Redevelopment Agency.

\_\_\_\_\_  
Notary Public in and for said County and State

## EXHIBIT A

### LEGAL DESCRIPTION OF THE PROPERTY

Being that portion of the Southwest Quarter (SW $\frac{1}{4}$ ) of the Northeast Quarter (NE  $\frac{1}{4}$ ) of Section 34, Township 20 South, Range 61 East, M.D.M., City of Las Vegas, Clark County, Nevada, described as follows:

Commencing at the intersection of the centerlines of Freemont Street (80.00 feet wide) and Las Vegas Boulevard (80.00 feet wide); thence North 27°45'00" East along the centerline of said Las Vegas Boulevard, 40.00 feet to the Northwestern prolongation of the Northeasterly right-of-way line of said Freemont Street; thence South 62°12'27" East along said prolongation line, 40.00 feet to the Southeasterly right-of-way line of said Las Vegas Boulevard, said point being the Point of Beginning; thence North 27°45'00" East along said Southeasterly right-of-way line, 129.99 feet to the Southwesterly line of a 20.00 foot wide alley dedicated on the plat of Hawkins Addition to the City of Las Vegas, said plat being on file in the Clark County Recorder's Office as Book 1, Page 40 of Plats; thence South 62°12'27" East along said Southwesterly line, 100.00 feet to the most Northerly corner of Lot 15 of Block 2 of said Hawkins Addition to the City of Las Vegas; thence South 27°44'28" West along the Northwestern line of said Lot 15, a distance of 129.99 feet to the aforementioned Northeasterly right-of-way line of Fremont Street; thence North 62°12'27" West along said right-of-way line, 100.02 feet to the Point of Beginning.

Containing 13,000 Square Feet (0.298 Acres). Basis of bearings North 27°45'00" East, being the bearing of the centerline of Las Vegas Boulevard as shown on the plat of Hawkins Addition to the City of Las Vegas, said plat being on file in the Clark County, Nevada Recorder's Office as Book 1, Page 40 of Plats.

## **EXHIBIT B**

### **DESCRIPTION OF THE FACADE EASEMENT AREA**

Facade Easement Area: The area consisting of the building face of said building, which is set back from the street as described in "*Attachment 1 – Legal Description of the Property*" and other public areas, including all exterior wall planes, window, doors, fascias, awnings, parking area, and other architectural projections.

The Façade Easement granted herein shall terminate five (5) years from the date of execution of the recordation of this Façade Easement Deed without further action upon the City of Las Vegas Redevelopment Agency.



## ATTACHMENT 5

### SCOPE OF WORK AND TENTATIVE SCHEDULE OF IMPROVEMENTS

- |   |             |
|---|-------------|
| 1. <b>Manufacture and install one rooftop display of five different sized<br/>gnome cabinets with exposed animated neon, one set of open face<br/>neon exposed channel letter</b> | \$83,770.00 |
|---|-------------|

---

|                               |             |
|-------------------------------|-------------|
| TOTAL ESTIMATED PROJECT COSTS | \$83,770.00 |
|-------------------------------|-------------|

|                             |                    |
|-----------------------------|--------------------|
| <b>Estimated CVIP Grant</b> | <b>\$25,000.00</b> |
|-----------------------------|--------------------|

\*Note – Items in bold are “Pre-approved Qualified Exterior Improvements”.

#### Schedule of Improvements

Work will be completed within 180 days of execution of the Agreement.

**ATTACHMENT "6-A"**  
**DISCLOSURE OF PRINCIPALS – REAL PROPERTY**

**VIP DISCLOSURE OF OWNERSHIP/PRINCIPALS – REAL PROPERTY**

**VIP Contracting Entity Information**

Corporate Name: Artemus W. Ham III Property Trust

Mailing Address: 9101 Alta Dr. Unit 702, Las Vegas, NV 89145

Business Phone: 702-460-7872

**Ownership Interest**

Estate in Severalty   X   Tenancy in Common            Joint Tenancy           

**Disclosure of Ownership/Principals:**

In the space below, the Contracting Entity must disclose all **persons/individuals** holding more than one percent ownership interest in the real property.

| Full Name & Title  | Business Address                            | Business Phone                          |
|--|---|---|
| Artemus W Ham III Property Trust<br>Artemus W Ham II Trustee | 9101 Alta Dr. Unit 702, Las Vegas, NV 89145 | 100% ownership interest<br>702-460-7872 |
|  |   |   |
|  |   |   |
|  |   |   |
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|  |   |   |
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|  |   |   |
|  |   |   |
|  |   |   |
|  |   |   |

**Additional Ownership/Principals**

The Contracting Entity shall continue the above list on a sheet of paper entitled "Disclosure of Principals – Continuation" until full and complete disclosure is made.

If continuation sheets are attached, please indicate the *number of sheets*:

## VIP DISCLOSURE OF OWNERSHIP/PRINCIPALS - REAL PROPERTY

### Alternative Disclosure of Ownership/Principal

If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this certificate in lieu of providing the information set forth on the previous page. A description of such disclosure documents must be included below.

Name of Attached Document: \_\_\_\_\_

Date of Attached Document: \_\_\_\_\_

Number of Pages: \_\_\_\_\_

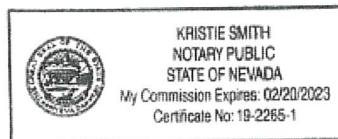
### Certification of Disclosure of Ownership/Principal - Real Property

I certify, under penalty of perjury, that all the information provided in this certificate is current, complete and accurate.

Signature: \_\_\_\_\_ *Artemus W Ham III*

Date: February 4, 2022

State of Nevada  
County of Clark



This instrument was acknowledged before me on

February 4, 2022 (date) by

ARTEMUS W HAM III (name of person)

*[Signature]*

Notary Public

**ATTACHMENT "6-B"**  
**DISCLOSURE OF PRINCIPALS – BUSINESS**



| Full Name                               | Title   | % Ownership | Business Address  | Business Phones |
|---|---------|-------------|---|-----------------|
| Dana Innovations                        | Member  | 1.8%        | 212 Ave. Fabricante, San Clemente CA 92672              | 702.798.7000    |
| Brad Nolte                              | Member  | 7.20%       | 14220 431st Ave, Webster, SD 57274                      | 702.798.7000    |
| Brian Armstrong                         | Member  | 7.20%       | 4526 W. Hacienda, Las Vegas NV 89118                    | 702.798.7000    |
| Brian Harrison                          | Member  | 0.90%       | 10 Golf Course Rd, Owings Mills, MD 21117               | 702.798.7000    |
| Christopher Barnes                      | Member  | 0.90%       | 325 West 11th Street, 2W New York, NY 10014             | 702.798.7000    |
| Craig Henick                            | Member  | 3.60%       | 285 Stillwell Lane, Syosset NY 11791                    | 702.798.7000    |
| Daniel J Coughlin                       | Member  | 1.80%       | 1305 Houssels Ave, Las Vegas, NV 89104                  | 702.798.7000    |
| David Brown                             | Member  | 3.60%       | 520 South Fourth Street, 2nd Floor, Las Vegas, NV 89101 | 702.798.7000    |
| DAR Living Trust (David Robbins)        | Member  | 1.80%       | 2609 Pinto Lane, Las Vegas, NV 89107                    | 702.798.7000    |
| Eddie Sun                               | Member  | 3.60%       | 15 Clearview Drive, Montauk, NY 11954                   | 702.798.7000    |
| Evan Bellman/Navos Investment Group LLC | Member  | 3.60%       | 9051 Glennon Avenue, Las Vegas, NV 89148                | 702.798.7000    |
| Gian Samin                              | Member  | 3.60%       | 49 Feather Sound Drive, Henderson NV 89052              | 702.798.7000    |
| Greg Salvagio                           | Member  | 4.50%       | 1334 Potomac School Road, McLean VA 22101               | 702.798.7000    |
| Keinan Ashkenazi                        | Member  | 1.80%       | 704 W. Timber Branch Pkwy., Alexandria VA 22302         | 702.798.7000    |
| Maxim Duckworth                         | Member  | 4.50%       | 4013 Thornapple Street, Chevy Chase, MD 20815           | 702.798.7000    |
| Jefferson & Edgemont, LLC               | Member  | 1.80%       | 1139 Phillip Island Street, Henderson, NV 89052         | 702.798.7000    |
| Nitaya Bujadham                         | Member  | 1.80%       | 249 Rusty Plank Ave, Las Vegas NV 89148                 | 702.798.7000    |
| Pasquale Rotella                        | Member  | 27.00%      | 12100 Wilshire Blvd. Suite 1540 Los Angeles, CA 90025   | 702.798.7000    |
| Patrick Hughes                          | Member  | 1.80%       | 1312 Houssels Ave, Las Vegas, NV 89104                  | 702.798.7000    |
| Puoy K Preamsirut                       | Member  | 1.80%       | 520 South Fourth Street, 2nd Floor, Las Vegas, NV 89101 | 702.798.7000    |
| Somphool Preamsirut                     | Member  | 1.80%       | 5640 W. Post Road, Las Vegas NV 89118                   | 702.798.7000    |
| John Lagrone                            | Member  | 1.80%       | 9147 Heavenly Valley Ave., Las Vegas NV 89147           | 702.798.7000    |
| Vegas Bar, LLC                          | Member  | 1.80%       | 30A Vreeland Road, Suite 2, Florham Park, NJ 07932      | 702.798.7000    |
| Commonwealth Partnership LLC            | Manager | 10%         | 1028 Fremont Street, Unit 200, Las Vegas, NV 89101      | 702.798.7000    |

## VIP DISCLOSURE OF OWNERSHIP/PRINCIPALS - BUSINESS

### Alternative Disclosure of Ownership/Principal

If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this certificate in lieu of providing the information set forth on the previous page. A description of such disclosure documents must be included below.

Name of Attached Document: Park on Fremont Owneship Disclosure Document

Date of Attached Document: 01/11/2023

Number of Pages: 1

### Certification of Disclosure of Ownership/Principal - Business

I certify, under penalty of perjury, that all the information provided in this certificate is current, complete and accurate.

Signature: [Signature]

Date: 1-12-2023

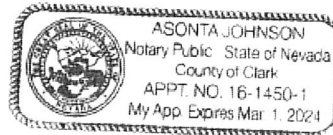
State of Nevada  
County of Clark

This instrument was acknowledged before me on

Jan 12, 2023 (date) by

Ryan T. Doherty (name of person)

Notary Public



9

# VIP REAL PROPERTY OWNER CONSENT

STATE OF NEVADA }  
COUNTY OF CLARK } ss:

I also, hereby agree to and understand that in conjunction with participation in the Visual Improvement Program, the city of Las Vegas will record a non-exclusive façade easement and building maintenance agreement to the above-listed property, at the completion of the pre-qualified improvements. The documents will be recorded in the Office of the County Recorder of Clark County, Nevada Records for a period of five years. The property owner and/or business owner will have the option to repurchase the façade easement and building maintenance agreement from the Agency during the five-year period.

Authorized Signature: Antene W. Han

this 4 day of February, 2022, by ARTEMUS W HAM III

 KRISTIE SMITH  
NOTARY PUBLIC  
STATE OF NEVADA  
My Commission Expires: 02/20/2023  
Certificate No: 19-2265-1

*[Handwritten signature]*

## ATTACHMENT "8"

### PARTICIPANT AFFIDAVIT & EMPLOYMENT PLAN

#### VIP PARTICIPANT AFFIDAVIT & EMPLOYMENT PLAN

STATE OF NEVADA    }  
                                      } ss:  
COUNTY OF CLARK    }

I, Ryan Doherty, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am a corporate officer, managing member, or sole proprietor of the Park on Fremont, a company duly organized in the State of Nevada as a LLC, (Corporation/LLC/Sole Proprietorship). The Participant is seeking the assistance of the city of Las Vegas Redevelopment Agency ("Agency") for making improvements to the property at 506 E Fremont Street ("Site"), as more particularly described by the VIP agreement ("Agreement") being contemplated by the city of Las Vegas Redevelopment Agency.

2. I hereby warrant that I either own the site, or have a leasehold interest in the site for a minimum of five years subsequent to the effective date of this agreement.

Assistance from the Agency will allow me to make improvements to the site which I could not otherwise do. This will result in substantial benefit to the Redevelopment Plan Area and the neighborhood adjacent to the Site because of one or more of the following reasons (check one or more):

- a. Encourage the creation of new business or other appropriate development; ☒
  - b. Create jobs or other business opportunities for nearby residents; ☒
  - c. Increase local revenues from desirable sources; ☒
  - d. Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located; ☒
  - e. Possess attributes that are unique, either as to type of use or level of quality and design; ☒
  - f. Require for their construction, installation or operation the use of qualified and trained labor; ☒ and
  - g. Demonstrate greater social or financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the agency. ☒
3. No other reasonable means of financing those buildings, facilities, structures or other improvements are available, because of one or more of the following reason(s) as checked by the Participant:
    - a. An inducement for new businesses to locate, or existing businesses to remain within, the redevelopment area in which the business would ordinarily choose to locate outside the redevelopment area if the grant were not provided. Evidenced by a "but for" letter or statement from the business owner; ☒ or
    - b. There is a public objective and/or requirement that is more stringent and/or costly to undertake than a business would ordinarily embark upon. Evidenced by state or city ordinance; ☐ or
    - c. There has been a lack of rehabilitation in the area and it is deemed unreasonable for the business to invest in improving the area unless the grant is provided. Evidenced by photographs of the immediate surrounding area displaying the slum and blight; ☐ or
    - d. The exterior improvements to the property or business do not have a direct effect on revenues therefore, making such an investment is not deemed acceptable by a customary financial institution. Evidenced by a denial letter from a financial institution. ☐





## VIP PARTICIPANT AFFIDAVIT & EMPLOYMENT PLAN

Participant agrees to submit to the Agency its documentation which evidences that no reasonable means of financing are available to the Participant.

4. Participant hereby warrants the following:

- a. The property on which the project is situated is free of all Mechanic's Liens at the time of application. RD (initial) Landlord must verify
- b. The applicant has no current bankruptcy proceedings, or past bankruptcy proceedings, whether corporate or personal, within the past five years. RD (initial)
- c. The applicant has no past-due federal, state, county or city of Las Vegas tax bills at the time of application. RD (initial)
- d. The applicant has no past-due bills or debts payable to the city of Las Vegas or the Redevelopment Agency. RD (initial)

5. Participant hereby acknowledges that existing opportunities for employment within the surrounding neighborhood of the redevelopment project are limited for neighborhood residents. Most residents must travel outside the neighborhood to find employment opportunities outside the redevelopment area, via public transportation or personal vehicles. Of the existing businesses within the neighborhood, many are family-owned and have been in business for a long time. These existing businesses are not in an expansion mode and are not likely to employ neighborhood residents. ✓

Furthermore, the project will help facilitate the continued expansion of employment opportunities by setting an example to other property/business owners to renovate their property/business and help create more employment opportunities through an expansion of business and renovation of vacant storefronts. The Project will allow neighborhood residents to apply for those positions (when available) for which they are qualified for as an employment opportunity. Appropriate measures will be taken to ensure that the neighborhood is aware of any job opportunities available from the business.

DATED this 12<sup>th</sup> day of January, 2023

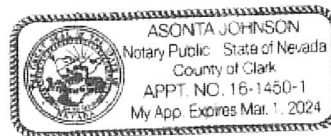
Authorized Signature: [Signature]

SIGNED AND SWORN TO before me

this 12 day of January, 2023, by Ryan T. Doherty

NOTARY PUBLIC  
My Commission Expires:

[Signature]  
03/01/2024





**Public Purpose/Impact Analysis Report**  
NRS 279.486

**City Council/Redevelopment Agency Meeting**  
February 15, 2023

**Title of Project:** Commercial Visual Improvement Program

**Sponsor/Developer:** Park on Fremont, LLC

**Address of Project:** 506 E. Fremont St. Las Vegas, NV 89104

**Per NRS 279.486 2(a) attach a copy of any contract, memorandum of understanding or other agreement between the agency or the legislative body and any other person relating to the redevelopment project to this report.**

Please refer to RDA Resolution as Exhibit A for copy of agreement: CITY OF LAS VEGAS – Commercial Visual Improvement Program

**Per NRS 279.486 2(b) (1) (I) List the costs of the redevelopment project, including, without limitation, the costs of acquiring any real property, clearance costs, relocation costs, the costs of any improvements which will be paid by the Redevelopment Agency and the amount of the anticipated interest on any bonds issued or sold to finance the project.**

N/A

**Per NRS 279.486 2(b) (1) (II) What is the estimated current value of the real property interest to be conveyed or leased, determined at its highest and best use permitted under the redevelopment plan?**

N/A

**Per NRS 279.486 2(b) (1) (III) what is the estimated value of the real property interest to be conveyed or leased, determined at the use and with the conditions, covenants and restrictions, and development costs required by the sale or lease, and the current purchase price or present value of the lease payments which the lessee is required to make during the term of the lease? If the sale price or present value of the total rental amount to be paid to the agency or legislative body is less than the fair market value of the real property interest to be conveyed or leased, determined at the highest and best use permitted under the redevelopment plan, the agency shall provide an explanation of the reason for the difference.**

N/A

**Per NRS 279.486 2(b) (2) How Does the Redevelopment Project Benefit the Public and Eliminate Blight:**

Major upgrades will be made to exterior signage. Improvements will be made to the roof's business signage facing the East Fremont and Las Vegas Blvd. intersection.

**What is the amount of Private Investment and who is providing it?**

Approximately \$83,770 – Park on Fremont, LLC - Owner equity

**What is the amount of Public Investment and who is providing it?**

Not to Exceed \$25,000 by the City of Las Vegas Redevelopment Agency

**How many Direct Jobs will be Created?** 5 FTE & 8 PTE

**How many Indirect Jobs will be Created?** 5 construction jobs

**How many Direct Jobs will be Retained?** N/A – (all new jobs)

**Quantitative Economic Benefits:**

\$83,770 labor and materials will be expended in the Redevelopment Area during demolition, remodeling and construction of the signage.

**Total Direct Economic Impact:**

Over \$83,770 in new exterior signage improvements alone will be conducted on this project.

**Total Indirect Economic Impact:**

N/A

Economic Impact Study Performed:

Yes ☐

No ☒

Return on Investment Analysis Performed:

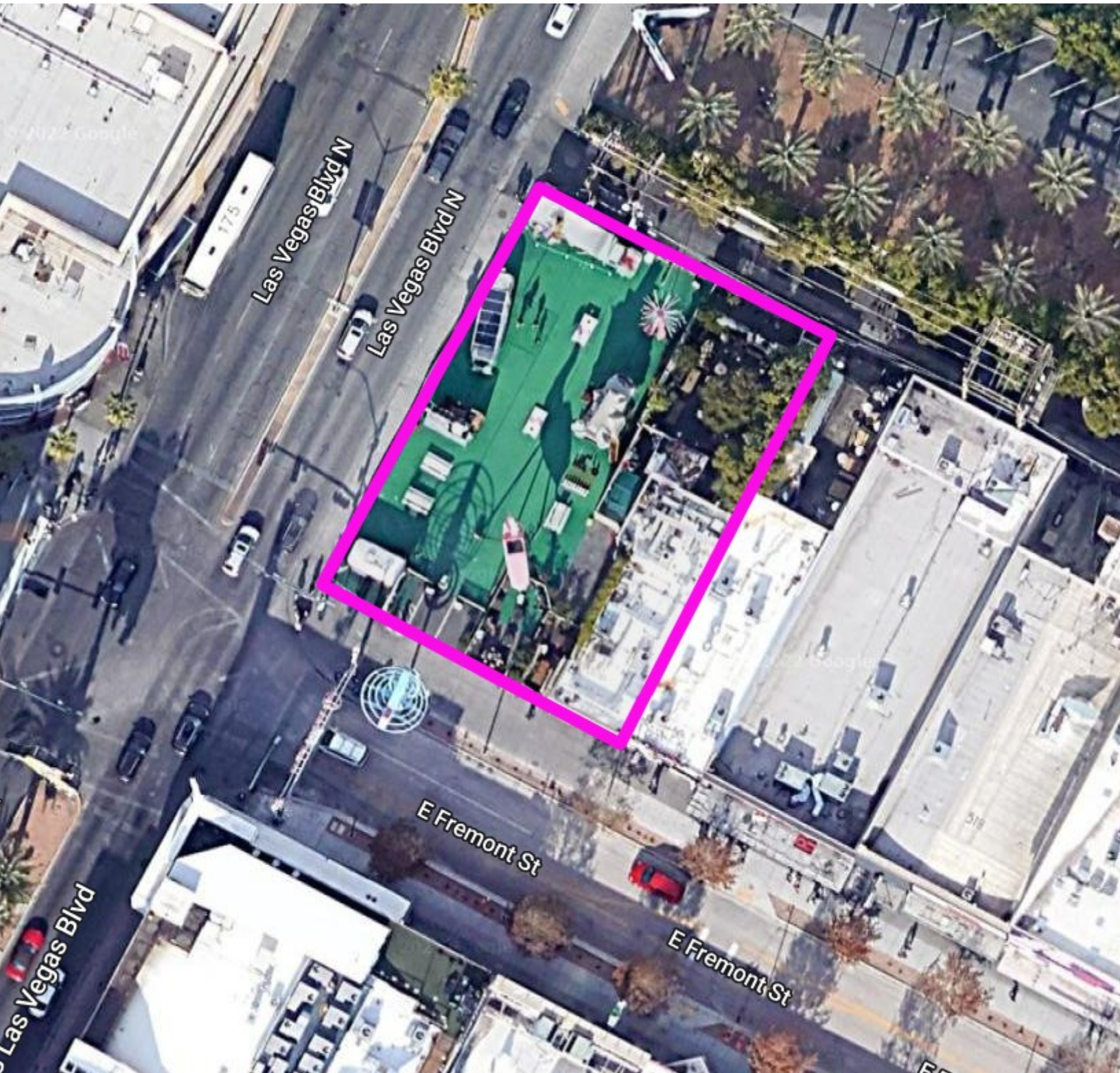
Yes ☐

No ☒



## SITE MAP

506 E. Fremont St





# Commercial Visual Improvement Agreement

Park on Fremont, LLC

Economic and Urban Development  
Redevelopment Agency

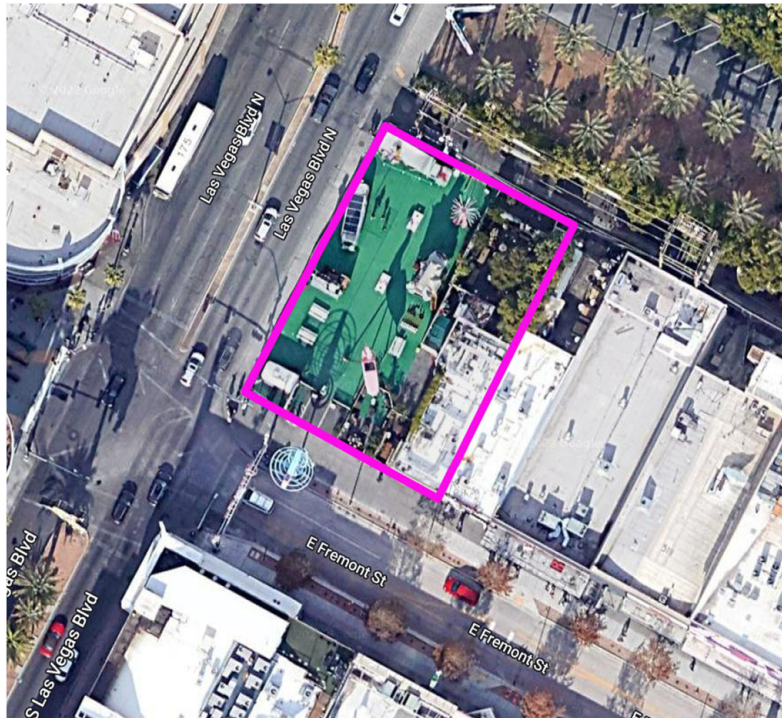
February 15, 2023



Submitted at Meeting  
Date: 2/15/23 Item: 6  
By Staff



# Site: 506 E. Fremont Street

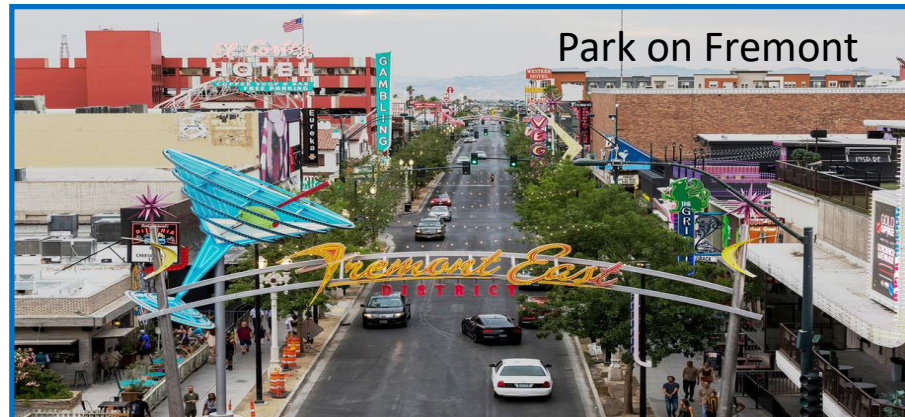






## The Neighborhood

- Property is in the Fremont East District.
- Business is owned/managed by Ryan Doherty.
- Property type is a stylish bar restaurant.
- Neighborhood is surrounded by bar, restaurant, and entertainment users. The property is located on the hard corner of E. Fremont St. and Las Vegas Blvd., highlighting the entrance to the Fremont East District.





## Exterior

### Before Pictures:







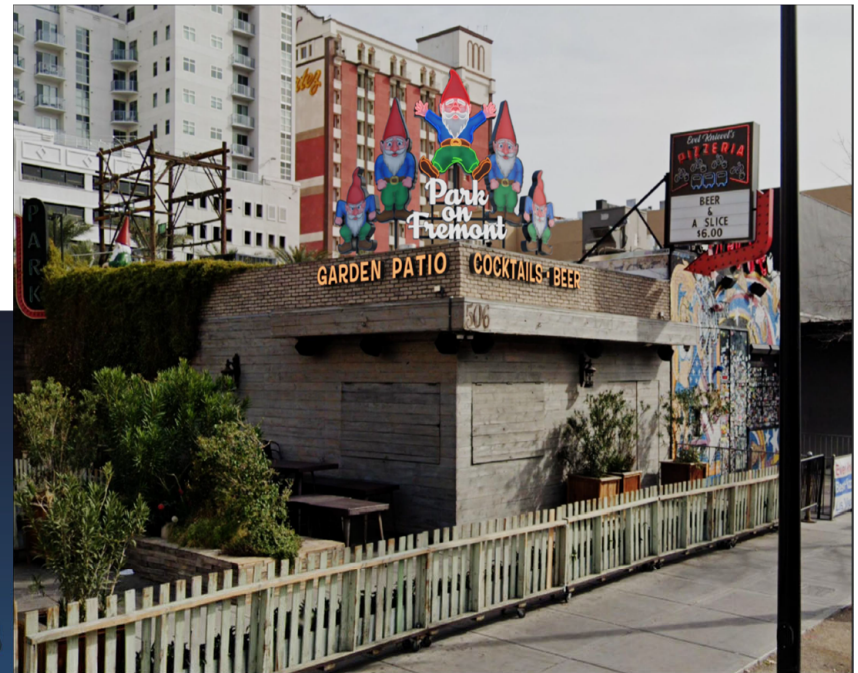
## Exterior

After:

A full installation of exterior  
gnome business signage.

Total Cost: \$83,770.

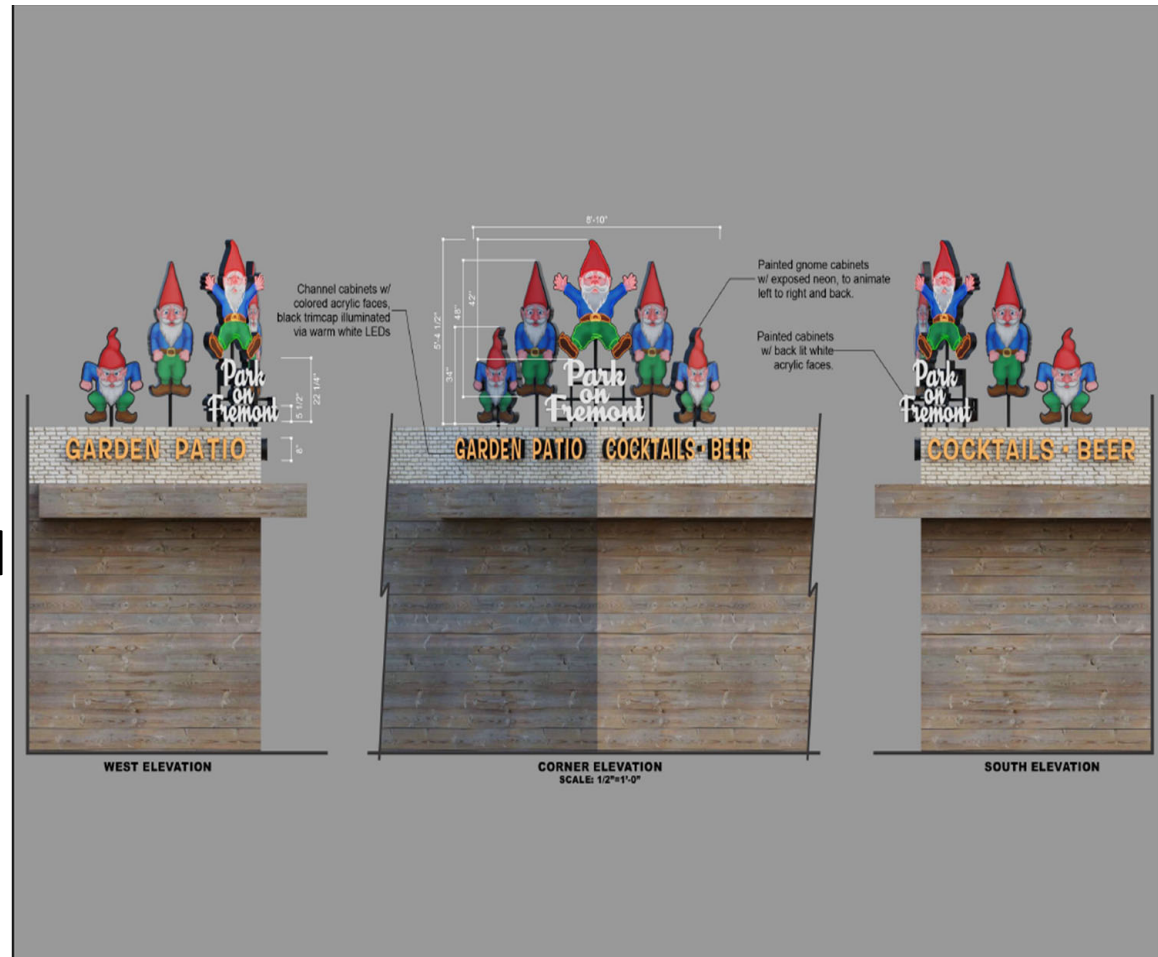
RDA Contribution \$25,000.





## Exterior

After:  
A full  
installation  
of exterior  
illuminated  
gnomes  
business  
signage.







Economic and Urban Development Redevelopment Agency  
Commercial Visual Improvement Agreement  
February 15, 2023





**AGENDA SUMMARY PAGE**  
**Redevelopment Agency**  
**Meeting of: February 15, 2023**

Agenda Item No.:  
**7**

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**SUBJECT:**

Citizens Participation: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Redevelopment Agency. No subject may be acted upon by the Redevelopment Agency 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.