

AGENDA SUMMARY PAGE
REAL ESTATE COMMITTEE MEETING OF: JULY 5, 2005

DEPARTMENT: BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

CONSENT DISCUSSION

SUBJECT:

REPORT FROM REAL ESTATE COMMITTEE - Councilman Wolfson and Councilwoman Tarkanian

Discussion and possible action regarding an agreement between the City of Las Vegas and Golf Club of Illinois, Inc., an Illinois corporation, to Release Land Use Condition and To Cancel Water Provision Agreement for APNs 161-09-801-002 and 161-10-202-001 located at the northeast, southeast and southwest corners of Vegas Valley Drive and the alignment of Stephanie Street, Las Vegas, Clark County, Nevada (Revenue of \$2,584,984.00 allocated to the Sanitation Enterprise Fund and \$4,615,016.00 allocated to City Facilities Capital Project Fund) - All Wards

Fiscal Impact:

<input checked="" type="checkbox"/> No Impact	Amount:
<input type="checkbox"/> Budget Funds Available	Dept./Division:
<input type="checkbox"/> Augmentation Required	Funding Source:

PURPOSE/BACKGROUND:

To release land use condition requiring property to be used only as a golf course for proposed single-family residential development and cancel existing water provision agreement. Proceeds shall be distributed as follows: \$2,584,984.00 for Sanitation Enterprise Fund reimbursement and \$4,615,016.00 allocated to City Facilities Capital Project Fund.

RECOMMENDATION:

Approval

BACKUP DOCUMENTATION:

1. Agreement to Release Land Use Condition and To Cancel Water Provision Agreement
2. Site Map

MOTION:

COUNCILWOMAN TARKANIAN recommended Item 7 be forwarded to the Full Council with NO recommendation. COUNCILMAN WOLFSON concurred.

MINUTES:

COUNCILMAN WOLFSON declared the Public Hearing open for Item 7 and Item 8.

SCOTT ADAMS, Director of Business Development, stated that Item 7 and Item 8 are companion items. Item 7 supports the cancellation of the water provision agreement and Item 8 amends the water provision agreement to re-designate credits to another entity.

Concerning Item 7, he stated that the agenda summary page indicated a recommendation of approval, but staff does not have a business recommendation. The item consists of packaging for an unsolicited offer to the City for the release of the deed restriction that was placed on the land in 1988 when it was purchased from the City. At that time, Golf Club of Illinois Inc. purchased the 160 acres of land from the City subject to a deed restriction that limited the development of that property to golf course use.

The price on that land was just over \$5 million, approximately 10 percent of what was considered fair market value. In exchange, the proposal is to release the deed restriction and then bring it forward

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MINUTES - Continued:

subject to a 6 percent investment rate, which would total a value of nearly \$7.2 million.

Under the proposed terms of the deal, Golf Club of Illinois Inc. would go into escrow for one year with \$500,000 down as an earnest money deposit and escrow. They would have a one-year escrow period to seek entitlements to develop the property without the restriction to its intended use. The property is not located in the City and is immediately adjacent to a Waste Water Treatment Plant owned by the City in unincorporated Clark County. They plan to convert the site to a single family sub-division. They would be at risk during the one-year period because if they were unable to obtain those entitlements, the City would keep the escrow deposit.

MR. ADAMS described the conditions of release that the City outlined as part of the project. In consideration of odor emissions, the City required a setback as a buffer and that Golf Club of Illinois build a 10-foot high block wall along the east property line adjacent to the buffer. These requirements would provide a physical buffer and a visual buffer separating the plant from any prospective single-family development that could occur on the adjacent site.

If the property owner is successful in receiving entitlement from the County, they would need to move forward with the purchase and pay the remainder of escrow to take full, unrestricted title to the site. He referred to the site renderings to confirm the actual setback lines. The setbacks would be 80 feet on the sides that are predominantly vacant and 20 feet on the Waste Water Treatment side. Most importantly, the area of the site that potentially contributes to the emission of odor would have the widest setback.

At the time the golf course was built, the City provided treated wastewater to this property. The City now needs to cancel that agreement and no longer provide water to this site under that agreement. COUNCILWOMAN TARKANIAN confirmed with MR. ADAMS that the water rights originally given with the property would be reverted to the City.

MR. ADAMS explained that Item 8 amends the water agreement by eliminating the provision of water to the Links Golf Course and only providing any remaining credits under the agreement to the Stallion Mountain Golf Course. Both golf courses were provided water under the original agreement and they would want those credits to continue to the Stallion Mountain Golf Course; however, Links Golf Course no longer needs water because their intent is to develop the land as a single-family development. The relinquishment of the water right to the golf course would occur during the escrow process at which time they would provide two executed originals of the cancellation agreement. Should they be unsuccessful in obtaining their entitlements during that one-year escrow process, they would not deliver executed copies of the cancelled agreement and the water rights would continue.

COUNCILWOMAN TARKANIAN questioned if the City is able to track how much water is distributed to each golf course and if the City would obtain half of it. MR. ADAMS was unable to confirm if there is a meter system that tracks the amount of water, but clarified that instead of providing treated wastewater to two golf courses, the City would continue to provide water to one.

TOM McGOWAN, Las Vegas resident, stated there is a great deal of complexity to these issues and is heartened to know that MR. ADAMS investigated the background of the items in detail. He complimented DEPUTY CITY ATTORNEY TERI PONTICELLO for appropriately advising the

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MINUTES - Continued:

committee members about companion items.

No one appeared in opposition.

COUNCILMAN WOLFSON declared the Public Hearing closed for Item 7 and Item 8.

(3:20 - 3:35)

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