



**CITY OF HENDERSON
REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA - REVISED**

**Regular Meeting
Tuesday, April 24, 2012
4:00 p.m.**

**City Hall Annex Conference Room
280 Water Street
Henderson, Nevada 89015**

Notice to persons with special needs: For those requiring special assistance or accommodation at the meeting, please contact 702-267-1515 or the Relay Nevada TTY telephone 7-1-1 at least 72 hours in advance of the meeting.

The Chairman reserves the right to hear agenda items out of order, combine two or more agenda items for consideration, remove an item from the agenda, or delay discussion relating to an item on the agenda at any time. All items are action items unless otherwise noted.

Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

Electronic agendas can be found at: [HTTP://WWW.CITYOFHENDERSON.COM/](http://www.cityofhenderson.com/)

I. CALL TO ORDER

II. CONFIRMATION OF POSTING AND ROLL CALL

III. ACCEPTANCE OF AGENDA (For Possible Action)

IV. PUBLIC COMMENT

Note: Items discussed under Public Comment cannot be acted upon at this meeting, but may be referred to a future agenda for consideration (NRS 241.020). Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

V. NEW BUSINESS

1.	MINUTES—CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF FEBRUARY 28, 2012 (For Possible Action)
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Recommend approval of the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of February 28, 2012.

2.	FINANCIAL MANAGEMENT POLICIES (For Possible Action)
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Recommend adoption of Redevelopment Financial Management Policies for: Fund Balance and Loan Subordination.

(CONTINUED ON NEXT PAGE)

3.	CITY OF HENDERSON – REDEVELOPMENT AGENCY’S 2012/2013 BUDGET (For Possible Action)
Recommend approval for the Board to direct the Budget Manager to prepare, in the State prescribed forms, the FY13 Tentative Budget as amended at this public hearing and submit to the State of Nevada as the City of Henderson – Redevelopment Agency’s Final Budget.	
4.	ENVIRONMENTAL FEES REIMBURSEMENT AGREEMENT BY AND BETWEEN THE LANDWELL COMPANY, LP, THE CITY OF HENDERSON AND THE CITY OF HENDERSON REDEVELOPMENT AGENCY (For Possible Action)
Recommend approval of the Environmental Fees Reimbursement Agreement by and between the LandWell Company, LP, City of Henderson and City of Henderson Redevelopment Agency.	
5.	SEWER MAIN AGREEMENT BY AND BETWEEN THE LANDWELL COMPANY, LP, THE CITY OF HENDERSON AND THE CITY OF HENDERSON REDEVELOPMENT AGENCY (For Possible Action)
Recommend approval of the Sewer Main Agreement by and between the LandWell Company, LP, City of Henderson and City of Henderson Redevelopment Agency.	
6.	PROJECTS UPDATE
Discuss project updates for the following projects and accept report. Cornerstone Redevelopment Area: DR Horton Purchase; Shortfall Note; HOF Financial Properties; Diamond Cornerstone; Ladera Parcels; Loretto Bay. Downtown Redevelopment Area: 323 Water Street; Business Recruitment/Development; City Tower (Southeast corner of Lake Mead Parkway and Water Street); Create Comprehensive Development and Business Recruitment Incentive Packages; Downtown Power Need; Emergency Assistance Loan; Environmental Protection Agency Sustainable Community Building Blocks Program Grant; Former Asset Central Site: Former Parkline Site; Henderson Hyundai; Increase Curb Appeal; Targeted Façade Improvement; Lake Mead Crossing; Marketing the Water Street District; Marketing To Developers, Business Owners & Consumers; Outreach; Pinnacle Building; Residential Development Team; Senior Center/Pacific Pines; Social Gathering Space Team; Shurtleff Building (38 S. Water Street); Site A; The Meridian (155 S. Water Street); Townhouse Motor Lodge; Urban Lounge; Water Street Business; Water Street District Business Association; Façade Improvement Program. Eastside Redevelopment Area: Bifurcation; Boulder Highway Business Coalition; Business Recruitment; Eastside Business Coalition; Landwell/Cadence; Museum Site-95/Galleria; Union Village; Wells Park; Façade Improvement Program; Sign Grant Program. Tuscany: OPA; Reimbursement; Semi-Annual Payment; TIF Reimbursement. Lakemoor Canyon: House Subcommittee on Energy and Mineral Resources, Federal Land sale. Administration/All Areas: Audit; Bonds; Budget; Business License Counts; Financials; Homeowner Assistance Program; IMPLAN Software; NDC; Outreach; Revenue; Tax Increment Distribution.	
7.	AMENDMENT TO OWNER PARTICIPATION AGREEMENT BY AND BETWEEN THE LANDWELL COMPANY, L.P., AND THE CITY OF HENDERSON REDEVELOPMENT AGENCY (For Possible Action)
Recommend approval of the Amendment to Owner Participation Agreement between the LandWell Company, L.P., and the City of Henderson Redevelopment Agency.	

(CONTINUED ON NEXT PAGE)

VI. **PUBLIC COMMENT**

Note: Items discussed under Public Comment cannot be acted upon at this meeting, but may be referred to a future agenda for consideration (NRS 241.020). Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

VII. **DIRECTOR'S/CHAIRMAN'S BUSINESS**

VIII. **SET NEXT MEETING**

- May 22, 2012 at 4:00 p.m.

IX. **ADJOURNMENT**

Agenda posted prior to 9:00 a.m. on April 18, 2012 at the following locations:

City Hall Annex, 280 Water Street
City Hall, 240 Water Street, 1st Floor Lobbies (2)
Multigenerational Center, 250 S. Green Valley Parkway
Whitney Ranch Recreational Center, 1575 Galleria Drive
Fire Station No. 86, 96 Via Antincendio



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-001

SUBJECT	Minutes—City of Henderson Redevelopment Agency Advisory Commission Meeting of February 28, 2012.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

I move to approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of February 28, 2012.

Supporting Documentation:

Minutes consisting of four (4) pages

**CITY OF HENDERSON REDEVELOPMENT AGENCY
ADVISORY COMMISSION
MINUTES
February 28, 2012**

I. CALL TO ORDER

Chairman Tom Foster called the Redevelopment Advisory Commission to order at 4:07 p.m. in the Annex Conference Room, City Hall Annex, 280 Water Street, Henderson, Nevada.

II. CONFIRMATION OF POSTING AND ROLL CALL

MaryAnne Cruzado, Recording Secretary, confirmed the meeting had been noticed in accordance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at City Hall, Henderson Convention Center, Green Valley Police Substation, and Fire Station No. 86.

Present: Chairman Tom Foster
David Chavez
Tom Fay
Mark McGinty
Richard Serfas
Stan Southwick
Laura Jane Spina (arrived at 4:14 p.m.)

Excused: None

Staff: Derek Allen, Planner

MaryAnne Cruzado, Admin Assistant III
Christine Guerri-Nyhus, Assistant City Attorney
Tiffany Reardon, Redevelopment Comm. Specialist
Jason Rogers, Planner
Michelle Romero, Redevelopment Manager
April Parra, Minutes Clerk

Guests: Stephanie Zimmerman, LandWell
Lee Farris, LandWell

III. ACCEPTANCE OF AGENDA

It was noted that Item 3 will be heard immediately following Approval of the Minutes.

(Motion) Mr. Southwick introduced a motion to accept the agenda as amended. The vote favoring approval was unanimous. Chairman Foster declared the motion carried.

IV. PUBLIC COMMENT:

There were no comments presented by the public.

V. NEW BUSINESS

1.	MINUTES FOR THE CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF JANUARY 24, 2012.
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Recommend approval of the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of January 24, 2012.

(Motion) Mr. Fay introduced a motion to approve the minutes of January 24, 2012, as submitted. The vote favoring approval was unanimous. Chairman Foster declared the motion carried.

2.	DOWNTOWN INVESTMENT STRATEGY UPDATE
----	-------------------------------------

Recommend approval of the Downtown Investment Strategy Update.

Jason Rogers, Planner, distributed the Downtown Investment Strategy Update and gave a brief summary.

Mr. Chavez commented that he read the document and it is very good.

Mr. Fay commented that the objectives are attainable and staff did a great job.

(Motion) Mr. Fay introduced a motion to recommend approval of the Downtown Investment Strategy Update. The vote favoring approval was unanimous. Chairman Foster declared the motion carried.

Note: This item was heard immediately following Item 1.

3.	EASTSIDE BIFURCATION PROPOSED BOUNDARIES AND PRELIMINARY PLAN
----	---

Recommend acceptance of the Amended Preliminary Plan and Amended Map.

Derek Allen, Planner, gave a brief summary of the proposed item and stated staff recommends acceptance.

Responding to a question by Mr. McGinty regarding if property will be added, Mr. Allen stated a 58-acre parcel by Central Christian Church will be needed to connect to the Union Village Project.

A discussion ensued regarding the benefits of the bifurcation.

Responding to a question by Mr. Chavez regarding including the park and going all the way to Russell Road, Ms. Romero stated that it cannot be included because it does not meet the criteria.

Responding to a question by Mr. Chavez regarding if LandWell is opposed to the bifurcation, Ms. Zimmerman, LandWell, said she is not sure and will need to have further discussions with staff.

A discussion took place regarding continuing the item to allow staff to meet with the representatives from LandWell. Ms. Zimmerman stated that LandWell is fine with moving forward at this time.

Mr. Southwick said he has concerns with the Commission stalling the progress of this item.

Mr. Fay requested that the Commission be updated monthly on this item.

(Motion) Mr. McGinty introduced a motion to recommend acceptance of the preliminary plan and proposed boundaries for Eastside Redevelopment Area 1 and Eastside Redevelopment Area 2 and recommend the amended preliminary plan and map be forwarded onto the Planning Commission for review and input. The vote favoring approval was unanimous. Chairman Foster declared the motion carried.

4.	PROJECTS UPDATE
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Discuss project updates and accept the report.

Ms. Romero reviewed a memorandum regarding the status of projects as of February 15, 2012.

(Motion) Mr. McGinty introduced a motion to accept the report. The vote favoring approval was unanimous. Chairman Foster declared the motion carried.

V. PUBLIC COMMENT

There were no comments presented by the public.

VI. DIRECTOR'S/CHAIRMAN'S BUSINESS

There was no business to be discussed.

VII. SET NEXT MEETING

The next meeting was scheduled for March 27, 2012, at 4:00 p.m.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 4:55 p.m.

Respectfully submitted,

April Parra,
Minutes Clerk



REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-002

SUBJECT	Financial Management Policies
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Adoption

FISCAL IMPACT:

No Impact
 Budget funds available
 Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

It is prudent of the Redevelopment Agency to adopt sound financial management policies. Historically, Agency staff has followed many of the financial policies of the City of Henderson. Recognizing that the Agency is governed by NRS 279 and engages in financial transactions unique to a Redevelopment Agency, staff is preparing financial management policy statements for review and adoption by the Redevelopment Agency Board. Staff began preparing policies for adoption in July 2011 and it is envisioned that over a period of several months, staff will complete a comprehensive compilation of policy statements. From time to time, the Governmental Accounting Standards Board (GASB), Nevada Revised Statutes, and best practices in the industry change. As these changes occur, the financial management policy statements will be reviewed and may require revision. Any proposed revisions will be brought before the Redevelopment Agency Board for review and adoption.

Staff is recommending adoption of the following financial management policy statements:

1. Loan Subordination
2. Fund Balance

RECOMMENDED MOTION:

I move to recommend adoption of Redevelopment Financial Management Policies for: Loan Subordination and Fund Balance.

Supporting Documentation:

Redevelopment Financial Management Policy Statements consisting of seven (7) pages

CITY OF HENDERSON REDEVELOPMENT AGENCY



**FINANCIAL MANAGEMENT
POLICY STATEMENTS**

ADOPTED: AUGUST 16, 2011

REVISED:

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**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 400-01
ASSETS

CATEGORY: FUND BALANCE/NET

SUBJECT: Fund Balance: Restricted for Future Redevelopment Projects

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers within redevelopment project areas.

PURPOSE

To maintain an adequate level of fund balance restricted for future redevelopment projects within redevelopment funds to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures).

GUIDELINES

GASB Statement No. 54 requires that if there is enabling legislation authorizing the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation, then those funds are to be reported as restricted fund balance. Because Nevada Revised Statute 279 enables communities to establish Redevelopment Agencies that may only exercise the powers granted to it in that chapter of NRS, all funds of the Agency are restricted.

GASB Statement No. 54 also provides options for displaying fund balance classifications on the face of the balance sheet: Restricted fund balance may be displayed in a manner that distinguishes between the major restricted purposes, or it may be displayed in the aggregate. The Agency will distinguish between the major restricted purposes on the face of the financials and will include a category, "Fund Balance Restricted for Future Redevelopment Projects." This category shall represent available financial resources for which there is no existing constraint placed on spending other than for redevelopment purposes (i.e. those powers granted in NRS 279).

The Agency's Fund Balance Restricted for Future Redevelopment Projects will be maintained at not less than the percentages required below or total debt service payments for the ensuing year, whichever is greater, with the exception of the last three years of a project area's life where all funds should be spent no later than the closing fiscal year reducing the balance to zero. At no time should the balance be less than zero.

Fund/Project Area	Percent to Maintain
Administration ¹	0%
Downtown	10%
Cornerstone	10%
Tuscany	10%
Eastside	10%
Lakemoor	10%
Revolving	0%

¹The Administrative Fund should have a fund balance of zero at each fiscal year end (due to late interest revenue calculations and other immaterial accruals, sometimes the fund will have a small positive or deficit balance at year end that is corrected at the beginning of the next fiscal year). Cornerstone and Tuscany support the Administrative Fund per the Owner Participation Agreements at 5% of tax increment revenue received during the fiscal year. The Revolving Fund does not support the Administrative Fund. The other project area funds support the administrative fund based on a proportionate share of expenditures.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 500-04

CATEGORY: LOANS

SUBJECT: **Loan Subordination**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Loan Recipients; Lender’s of Loan Recipients; Developers within redevelopment project areas.

PURPOSE

To establish guidelines for providing financial assistance to developers, property owners, and business owners for pre-defined programs.

GUIDELINES

Background

The Agency provides financial assistance, in the form of loans, to developers, property owners, and business owners for the purpose of removing blight as defined in NRS 279.388. Occasionally, loan recipients will pursue permanent financing to take out a construction loan or refinancing of their first deed of trust. As the majority lender in the property/collateral, the first deed of trust holder may require that all other liens on the property be subordinate.

Loan Subordination Review

All subordination requests must be reviewed. To complete the review, the requestor (whether it is lender or borrower), must submit the following:

1. Subordination Agreement
2. Preliminary Title Report including a printout of County property taxes
3. Borrower’s signed authorization to release information
4. What are the prior liens and are they being paid off?
5. What is the amount of the new loan/modification?
6. What is the current appraised value?
7. What is the current loan payment and the proposed new loan payment and terms?

Staff may recommend approval of subordinating an Agency loan under the following circumstances:

1. The Agency already held a subordinate position to the first deed of trust or construction loan; and,
2. The Agency will hold no less than second position; and,

3. The borrower is refinancing a construction loan for permanent financing or a home loan that will result in lower payments which will create a higher probability of the Agency's note/loan repayment.

Staff must provide all documentation for review and legal acceptance to the City Attorney's Office prior to forwarding through the approval process as outlined below.

If the criteria set forth above is met and the documentation has legal acceptance, Loan Subordination may be approved/executed in accordance with Financial Management Policy 1300-01:

\$0.01	- \$10,000	Redevelopment Manager
\$10,000.01	- \$25,000	City of Henderson Redevelopment Department Head
\$25,000.01	- \$50,000	Executive Director
	Over \$50,000	Executive Director with the approval by the Redevelopment Agency Board

Requests by recipients beyond the criteria set forth above will proceed to the Agency's Loan Committee for approval. Also, should a recipient wish to appeal a Loan Committee decision, staff will forward via agenda to the Redevelopment Agency Board.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-003

SUBJECT	City of Henderson – Redevelopment Agency’s 2012/2013 Budget
PETITIONER	Economic Development/Redevelopment Division of the City Manager’s Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact Budgeted funds available Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

See attached Tentative Budget.

BACKGROUND / DISCUSSION / ALTERNATIVES:

NRS 354.596 requires cities to hold a public hearing on the tentative budget on the third Tuesday in May.

NRS 354.598 requires that, “at the public hearing, the governing body shall indicate changes, if any, to be made in the tentative budget, and shall adopt a final budget by the favorable votes of a majority of all members of the governing body.”

RECOMMENDED MOTION:

I move to recommend approval for the Board to direct the Budget Manager to prepare, in the State prescribed forms, the FY13 Tentative Budget as amended at this public hearing and submit to the State of Nevada as the City of Henderson – Redevelopment Agency’s Final Budget.

Supporting Documentation:

- Public Hearing Notice consisting of one (1) page
- Tentative Budget consisting of sixteen (16) pages
- Budget Accounts Summary consisting of three (3) pages



OFFICIAL NOTICE OF PUBLIC HEARING

CITY OF HENDERSON REDEVELOPMENT AGENCY'S 2012/2013 BUDGET

NOTICE IS HEREBY GIVEN that the City of Henderson Redevelopment Agency will hold a Public Hearing on its budget for the Fiscal Year Period July 1, 2012 through June 30, 2013 at a Regular Meeting to be held Tuesday, May 15, 2012 at 6:30 p.m., in the City of Henderson Council Chambers at 240 Water Street, Henderson, Nevada.

This budget has been prepared in such detail and on appropriate forms as prescribed by the Nevada Tax Commission.

Copies of this budget have been filed for Public Hearing and Inspection in the offices enumerated in NRS 354.596 (Local Government Budget Act).

Copies of the budget are on file in the Office of the City Clerk, 240 Water Street, Henderson, Nevada, and are available for public inspection during regular business hours Monday through Thursday 7:30 a.m. to 5:30 p.m.

Copies of the tentative budget are also on file and available for public inspection at the Henderson Public Library, the Office of the Clerk of Clark County, and the Clark County Controller's Office.

Dated this 12th day of April, 2012.

Sabrina Mercadante, CMC
Secretary



April 12, 2012

Mr. Warner Ambrose, Budget Analyst
State of Nevada, Department of Taxation
1550 E. College Parkway, Suite 115
Carson City, NV 89706-7937

The City of Henderson - Redevelopment Agency herewith submits the tentative budget for the fiscal year ending June 30, 2013.

This budget contains one (1) fund, requiring property tax revenue totaling \$4,226,512.

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed .01 (1%). If the final computation requires, the tax rate will be lowered.

This budget contains one (1) governmental type fund with estimated expenditures of \$6,323,407.

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget Act).

CERTIFICATION

APPROVED BY THE GOVERNING BOARD:

I, _____,
(Signature)

Treasurer
(Title)

I certify that all applicable funds and financial operations of this Local Government are listed herein.

Dated: _____ April 12, 2012

SCHEDULED PUBLIC HEARING

Date and Time: May 15, 2012 - 6:30 PM Publication Dates: May 4, 2012

Place: Henderson City Hall – 240 Water Street, Henderson, NV 89015

CITY OF HENDERSON – REDEVELOPMENT AGENCY

FISCAL YEAR JULY 1, 2012 - JUNE 30, 2013

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April 12, 2012

CITY OF HENDERSON – REDEVELOPMENT AGENCY
BUDGET MESSAGE

To: Mayor, Council and Citizens of Henderson

Presented herewith is the tentative budget for the 2013 fiscal year. A City of Henderson Redevelopment Agency Council meeting, open to the public, will be held on May 15, 2012 at 6:30 p.m. to allow any citizen input or discussion. Decisions made at that meeting will be incorporated into the final budget.

REVENUES

We have used historical trends and state estimates as applicable for specific revenue types.

EXPENDITURES

The format for functions and activities is in accordance with the State of Nevada's directions for preparing the budget; and as such, presents summary data of the budget documents as reviewed by the City Council. Expenditures are shown as projected in full. Revenues are accounted for as such and are not netted against expenditures.

REDEVELOPMENT AGENCY FUND - ENDING FUND BALANCE AT 6/30/13

The projected Redevelopment Agency Fund ending fund balance at 6/30/13 is anticipated to be \$27,669,935, and is deemed to be adequate for the fund's cash flow requirements.

Sincerely,

Richard A. Derrick
Treasurer

Budget Summary for - City of Henderson - Redevelopment Agency
 Schedule S-1

	GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS					TOTAL (MEMO ONLY) COLUMNS 3 & 4 (5)
	ACTUAL PRIOR YEAR 06/30/11 (1)	ESTIMATED CURRENT YEAR 6/30/12 (2)	BUDGET YEAR 6/30/13 (3)	PROPRIETARY FUNDS BUDGET YEAR 06/30/13 (4)		
REVENUES:						
Property Taxes	8,206,796	6,445,130	4,226,512		4,226,512	
Other Taxes						
Licenses and Permits						
Intergovernmental Resources	26,289	7,744	0		0	
Charges for Services						
Fines and Forfeits						
Miscellaneous	635,024	190,000	190,000		190,000	
TOTAL REVENUES	8,868,109	6,642,874	4,416,512	0	4,416,512	
EXPENDITURES - EXPENSES:						
General Government	5,783,323	9,853,963	4,970,618		4,970,618	
Judicial						
Public Safety						
Public Works						
Health						
Welfare						
Culture and Recreation						
Community Support						
Intergovernmental Expenditures						
Contingencies	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		
Utility Enterprises						
Transit Systems						
Airports						
Administrative and Other Costs	0	0	0		0	
Debt Service - Principal Retirement	590,000	615,000	650,000	XXXXXXXXXX	650,000	
Interest Cost	765,671	735,128	702,789		702,789	
TOTAL EXPENDITURES - EXPENSES	7,138,994	11,204,091	6,323,407	0	6,323,407	
Excess of Revenues over (under) Expenditures - Expenses	1,729,115	(4,561,217)	(1,906,895)	0	(1,906,895)	

Budget Summary for - City of Henderson - Redevelopment Agency
 Schedule S-1

GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS					
	ACTUAL PRIOR YEAR 06/30/11 (1)	ESTIMATED CURRENT YEAR 6/30/12 (2)	BUDGET YEAR 6/30/13 (3)	PROPRIETARY FUNDS BUDGET YEAR 06/30/13 (4)	TOTAL (MEMO ONLY) COLUMNS 3 & 4 (5)
OTHER FINANCING SOURCES (USES):					
Proceeds of Long-Term Debt	0	0	0	XXXXXXXXXXXX	XXXXXXXXXXXX
Payment to Refunding Escrow Agent	0	0	0	XXXXXXXXXXXX	XXXXXXXXXXXX
Sales of General Fixed Assets				XXXXXXXXXXXX	XXXXXXXXXXXX
Operating Transfers (in)					XXXXXXXXXXXX
Operating Transfers (out)					XXXXXXXXXXXX
TOTAL OTHER FINANCING SOURCES (USES):	0	0	0	XXXXXXXXXXXX	XXXXXXXXXXXX
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	1,729,115	(4,561,217)	(1,906,895)	XXXXXXXXXXXX	XXXXXXXXXXXX
FUND BALANCE JULY 1, BEGINNING OF YEAR:				XXXXXXXXXXXX	XXXXXXXXXXXX
TOTAL BEGINNING FUND BALANCE	32,408,932	34,138,047	29,576,830	XXXXXXXXXXXX	XXXXXXXXXXXX
Prior Period Adjustment	0	0	0	XXXXXXXXXXXX	XXXXXXXXXXXX
Residual Equity Transfers	0	0	0	XXXXXXXXXXXX	XXXXXXXXXXXX
FUND BALANCE JUNE 30, END OF YEAR:				XXXXXXXXXXXX	XXXXXXXXXXXX
TOTAL ENDING FUND BALANCE	34,138,047	29,576,830	27,669,935		

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 6/30/11	ESTIMATED CURRENT YEAR ENDING 6/30/12	BUDGET YEAR ENDING 6/30/13
General Government	10	11	9
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT	10	11	9
Utilities			
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL	10	11	9

EMPLOYEE'S RETIREMENT CONTRIBUTION IS PAID BY: EMPLOYEE () LOCAL GOVERNMENT (X)
(For other than Police and Fire Protection Employees)

POPULATION (AS OF JULY 1)	267,270	264,839	266,929
Source of Population Estimate	State of Nevada	State of Nevada	City of Henderson Community Development
Assessed Valuation Excluding NPM	417,276,368	310,612,115	198,618,603
Net Proceeds of Mines			
TOTAL ASSESSED VALUE	417,276,368	310,612,115	198,618,603
OPERATING TAX RATE			
General Fund	2.4334	2.8301	2.8164
Special Revenue Fund			
Capital Projects Funds			
Debt Service Fund			
Enterprise Fund			
Other			
DEBT TAX RATE			
General Fund			
Debt Service Funds			
Enterprise Fund			
TOTAL TAX RATE	2.4334	2.8301	2.8164

CITY OF HENDERSON - REDEVELOPMENT AGENCY
(Local Government)

**SCHEDULE S-2 - STATISTICAL DATA
INFORMATION ONLY**

AD VALOREM TAX RATE AND REVENUE RECONCILIATION

	(1) ALLOWED TAX RATE	(2) ASSESSED VALUATION	(3) ALLOWED AD VALOREM REVENUE	(4) TAX RATE LEVIED	(5) TOTAL AD VALOREM WITH NO CAP	(6) AD VALOREM TAX ABATEMENT & EXEMPTIONS	(7) BUDGETED AD VALOREM REVENUE WITH CAP
OPERATING RATE:							
A. Ad Valorem Subject to Revenue Limitations	2.8164	198,618,603	5,593,847	2.8164	5,593,847	(1,367,335)	4,226,512
B. Ad Valorem Outside Revenue Limitations Net Proceeds of Mines							
VOTER APPROVED							
C. Voter Approved Overrides							
LEGISLATIVE OVERRIDES							
D. Accident Indigent							
E. Medical Indigent							
F. Capital Acquisition							
G. Youth Services Levy							
H. Legislative Overrides							
I. SCRT Loss							
J. & Construction - CPF							
K. Other							
L. SUBTOTAL LEGISLATIVE OVERRIDES		XXXXXXXXXXXX					
M. SUBTOTAL A, B, C, L	2.8164	XXXXXXXXXXXX	5,593,847	2.8164	5,593,847	(1,367,335)	4,226,512
N. Debt		XXXXXXXXXXXX					
O. TOTAL M & N	2.8164	XXXXXXXXXXXX	5,593,847	2.8164	5,593,847	(1,367,335)	4,226,512

City of Henderson - Redevelopment Agency
(Local Government)

SCHEDULE S-3 - AD VALOREM TAX RATE
AND REVENUE RECONCILIATION

EXPENDITURES BY FUNCTION AND ACTIVITY		(1) ACTUAL PRIOR YEAR ENDING 6/30/11	(2) ESTIMATED CURRENT YEAR ENDING 6/30/12	(3) BUDGET YEAR ENDING 6/30/2013
PAGE FUNCTION SUMMARY				
8	General Government	5,783,323	9,853,963	4,970,618
	Judicial			
	Public Safety			
	Public Works			
	Sanitation			
	Health			
	Welfare			
	Culture and Recreation			
	Community Support			
	Debt Service	1,355,671	1,350,128	1,352,789
TOTAL EXPENDITURES - ALL FUNCTIONS		7,138,994	11,204,091	6,323,407
OTHER USES:				
	CONTINGENCY (not to exceed 3% of Total Expenditures All Functions)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
	Payment to Refunding Escrow Agent	0	0	0
TOTAL EXPENDITURES AND OTHER USES		7,138,994	11,204,091	6,323,407
ENDING FUND BALANCE:				
TOTAL ENDING FUND BALANCE		34,138,047	29,576,830	27,669,935
TOTAL GENERAL FUND COMMITMENTS AND FUND BALANCE		41,277,041	40,780,921	33,993,342

**CITY OF HENDERSON - REDEVELOPMENT AGENCY
(Local Government)**

**SCHEDULE B - SUMMARY - EXPENDITURES, OTHER USES AND FUND BALANCE
GENERAL FUND - ALL FUNCTIONS**

CITY OF HENDERSON
REDEVELOPMENT AGENCY
2012-2013 TENTATIVE BUDGET
COMBINED TAX RATE CALCULATION

OVERLAPPING ENTITY	TAX DISTRICT	TAX DISTRICT	TAX DISTRICT	TAX DISTRICT	TAX DISTRICT	TAX DISTRICT
	503,518	512	513	521,522,523	524	
	DOWNTOWN	CORNERSTONE	TUSCANY HILLS	EASTSIDE	LAKEMOOR	
	OPERATING	OPERATING	OPERATING	OPERATING	OPERATING	
	RATE	RATE	RATE	RATE	RATE	
City of Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	
Clark County	0.6541	0.6541	0.6541	0.6541	0.6541	
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034	
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	
Henderson Library District	0.0575	0.0575	0.0575	0.0575	0.0575	
Las Vegas Artesian Basin	0.0000	0.0000	0.0000	0.0000	0.0000	
Las Vegas/Clark Co. Library District - Debt	0.0000	0.0000	0.0000	0.0000	0.0000	
Adj per NRS 279.676	-0.0733	-0.0733	-0.0733	-0.0733	-0.0733	
Combined Tax Rate	2.8225	2.8225	2.8225	2.8225	2.8225	

	503,518	512	513	521,522,523	524	Total
1995-1996, 2005-2006		2000-2001	2000-2001	2005-2006	2009-2010	
Base Year Date						
Base Year Assessed Valuation	74,914,100	7,151,860	17,423,900	329,741,643	9,537,351	438,768,854
Fiscal Year 2012-2013 Incremental Assessed Valuation*	80,420,672	33,864,472	84,333,459	-	-	198,618,603
Estimated Tax Increment Before Abatement & Exemptions	2,264,949	953,751	2,375,147	-	-	5,593,847
Exemptions	(525,268)	(221,186)	(550,824)	-	-	(1,297,278)
Tax Abatement	(28,366)	(11,945)	(29,746)	-	-	(70,057)
Budgeted Tax Increment*	1,711,315	720,620	1,794,577	-	-	4,226,512

*Both the FY 2013 Incremental Assessed Valuation and Budgeted Tax Increment calculations were supplied by Nevada State Bank Public Finance.

Blended Tax Rate **2.8164**



Description	Account	Admin 2081	Downtown 2092	Tuscany Hills 2095	Cornerstone 2096	Eastside 2097	Lakemoor 2098	Revolving 2099	Total
Consumer Branding (H0092)	2081-1001-601436-H0092	3,000	-	-	-	-	-	-	3,000
Outreach (H0094)	2081-1001-601436-H0094	15,000	-	-	-	-	-	-	15,000
Business Branding (H0026)	2081-1001-601436-H0026	3,000	-	-	-	-	-	-	3,000
Advertising (H0093)	2081-1001-601400-H0093	1,500	-	-	-	-	-	-	1,500
Business Recruitment (Expos, Conf, Mixers, etc)	2081-1001-601414-XXXXX	1,650	-	-	-	-	-	-	1,650
Prog Cost - GASB 63 City Tower Note	2092-1001-601436-H0024	-	112,480	-	-	-	-	-	112,480
Appraisals & Title Fees	20XX-1001-601000-XXXXX	-	10,000	-	-	-	-	-	10,000
Operating Expenses	20XX-1001-601432-XXXXX	10,900	-	-	-	-	-	-	10,900
Postage	20XX-1001-601434-XXXXX	10,000	-	-	-	-	-	-	10,000
Printing	20XX-1001-601435-XXXXX	1,500	-	-	-	-	-	-	1,500
Rental Expense	20XX-1001-601439-00000	-	15,080	-	-	-	-	-	15,080
Training	20XX-1001-601441-00000	-	-	-	-	-	-	-	-
Travel	20XX-1001-601427-00000	-	-	-	-	-	-	-	-
Facilities Maintenance	20XX-1001-601200-XXXXX	-	5,000	-	-	-	-	7,000	12,000
Electricity	20XX-1001-601100-XXXXX	-	200	-	-	-	-	28,000	28,200
Gas	2099-1001-601102-H0014	-	-	-	-	-	-	1,680	1,680
Water	20XX-1001-601108-XXXXX	-	2,500	-	-	-	-	2,100	4,600
Trash	2099-1001-601107-H0014	-	-	-	-	-	-	2,000	2,000
Mapping at Basic & Pacific	2092-1001-601012-H0097	-	-	-	-	-	-	-	-
Mapping at Water Street Plaza	2092-1001-601012-H0101	-	-	-	-	-	-	-	-
Purdue Marion - Public Relations	2081-1001-601012-H0073	-	-	-	-	-	-	-	-
DT Professional Services (NDC, 5000; Zions Bank, 1500; Bo	2081-1001-601012-H0081	10,000	-	-	-	-	-	-	10,000
ES Professional Services (NDC, 5000)	2081-1001-601012-H0083	10,000	-	-	-	-	-	-	10,000
Misc	2081-1001-601012-00000	5,000	-	-	-	-	-	-	5,000
Legal Fees	2092-1001-601009-XXXXX	-	100,000	-	-	-	-	-	100,000
Audit Fees	2081-1001-601002-00000	13,000	-	-	-	-	-	-	13,000
Administrative Costs	20XX-1001-603000-00000	268,333	-	-	-	-	-	-	268,333
City Shop	20XX-1001-603005-00000	6,809	-	-	-	-	-	-	6,809
Computer Maint Charges	20XX-1001-603007-00000	8,543	-	-	-	-	-	-	8,543
PBX Internal Charges	20XX-1001-603012-00000	9,955	-	-	-	-	-	-	9,955
Computer License Charges	20XX-1001-603013-00000	17,726	-	-	-	-	-	-	17,726
Xerox Contract Internal Charges	20XX-1001-603016-00000	7,434	-	-	-	-	-	-	7,434
Property and Liability Assessment	20XX-1001-603020-00000	14,523	-	-	-	-	-	-	14,523
Land Acquisition / Dev Op	20XX-1001-701000-00000	-	-	-	-	-	-	-	-
NVE DT Master Plan	2092-1001-601436-H0078	-	-	-	-	-	-	-	-
Water St Project Construction	2092-1001-601436-H0006	-	-	-	-	-	-	-	-
Wells Park	2097-1001-601436-H0070	-	-	-	-	-	-	-	-
RDA General Obl Debt - Principle	2092-1001-801116-00000	-	650,000	-	-	-	-	-	650,000
Special Assessments Principal	20XX-1001-801300-00000	-	-	-	-	-	-	-	-
**Interest Expense	2092-1001-801415-00000	-	702,789	-	-	-	-	-	702,789
Bond Admin Fees (Underwriting)	20XX-1001-801XXX-00000	-	-	-	-	-	-	-	-
Low Income Housing Set Aside	20XX-1001-XXXXXX-00000	-	-	-	-	-	-	-	-
Total Expenditures		1,554,387	2,002,689	1,704,848	533,403	487,300	-	40,780	6,323,407



Description	Account	Admin 2081	Downtown 2092	Tuscany Hills 2095	Cornerstone 2096	Eastside 2097	Lakemoor 2098	Revolving 2099	Total
Revenues over Expenditures/(Loss)		(1,554,387)	(241,374)	124,729	187,217	(462,300)	-	39,220	(1,906,895)
Other Sources and (Uses) of Funds:									
Bond Proceeds		-	-	-	-	-	-	-	-
Refunding of Existing Debt		-	-	-	-	-	-	-	-
Interfund Transfers In		1,554,387	-	-	-	-	-	-	1,554,387
Interfund Transfers Out		-	(714,313)	(89,729)	(36,031)	(714,313)	-	-	(1,554,387)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		-	(955,688)	35,000	151,186	(1,176,613)	-	39,220	(1,906,895)
The following used to update projected fund balance only									
Above projections do not include carry forward req's from FY12. Anticipated CF's listed below									
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Adjusted Exp over/(under) Revenues		-	(955,688)	35,000	151,186	(1,176,613)	-	39,220	(1,906,895)
*Estimated Fund Balance at FY12 Year End			2,012,869			4,576,923			
Estimated Fund Balance CF for Projects Incomplete			-			-			
			2,012,869			4,576,923			
Adjusted Exp over/(under) Revenues YE FY13			<u>1,057,181</u>			<u>3,400,310</u>			



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-004

SUBJECT	Environmental Fees Reimbursement Agreement by and between the LandWell Company, LP, the City of Henderson and the City of Henderson Redevelopment Agency
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact

Budgeted funds available

Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

(The amount collected to date, \$694,393.05, has been expended to program cost during each fiscal year of collection and is currently in a liability account, "Due to Developer.")

BACKGROUND / DISCUSSION / ALTERNATIVES:

On October 16, 2007, the Agency Board approved the Owner Participation Agreement by and between the LandWell Company, LP (LandWell) and the Agency to reimburse LandWell up to \$170 million from the tax increment generated from LandWell's 2,200 acres, now known as Cadence (the Property) located in the Eastside Redevelopment Project Area.

In furtherance of the development and redevelopment of the Property, the City Attorney for the City/General Counsel for the Agency ("CAO") engaged in 1997 special counsel to advise and assist with the environmental issues associated with the Property. The total fees charged were \$3,948,896.00. LandWell is required to reimburse the City for these fees along with interest of three percent (3%) compounded annually. These fees were a necessary cost in the redevelopment of the property.

LandWell is agreeing to pay the CAO \$500,000 annually from the tax increment paid to LandWell from the Agency and release the current amount held by the Agency to the CAO towards the Environmental Fee Reimbursement. If tax increment is not sufficient to pay the entire Environmental Fees Reimbursement to the CAO, LandWell must pay the remaining balance no later than October 15, 2020.

RECOMMENDED MOTION:

I move to recommend approval of the Environmental Fees Reimbursement Agreement by and between the LandWell Company, LP, City of Henderson and City of Henderson Redevelopment Agency.

Supporting Documentation:

Environmental Fee Reimbursement Agreement consisting of five (5) pages.

ENVIRONMENTAL FEES REIMBURSEMENT AGREEMENT

This Environmental Fees Reimbursement Agreement (“Reimbursement Agreement”) is entered into as of the _____ day of May 2012 by and between The LandWell Company, L.P., a Delaware limited partnership (“LandWell”), the City of Henderson, State of Nevada, a municipal corporation (the “City”) and the City of Henderson Redevelopment Agency, a Nevada public body, corporate and politic (the “Agency”).

RECITALS

A. LandWell is the owner in fee simple of certain parcels of land situated in the City of Henderson, near the intersection of Boulder Highway and Lake Mead Drive (the “Property”).

B. LandWell and City have entered into that certain Development Agreement, dated October 16, 2007 (the “DA”), as amended by that First Amendment to Development Agreement dated November 15, 2011, providing for the development of the Property.

C. LandWell and Agency have entered into that certain Owner Participation Agreement, dated October 16, 2007 (the “OPA”) providing for the redevelopment of the Property.

D. In furtherance of the development and redevelopment of the Property, the City Attorney for the City / General Counsel for the Agency (“CAO”) engaged in 1997 special counsel to advise and assist with the environmental issues associated with the Property.

E. Total fees charged for this environmental work and paid by the CAO, were Three Million Nine Hundred Forty Eight Thousand Eight Hundred Ninety Six dollars (\$3,948,896.00) (“Environmental Fees”).

F. Pursuant to Section 12.9 of the DA, LandWell is obligated to enter into this Agreement for the purpose of reimbursing the CAO for the Environmental Fees.

G. City and Agency have determined that the engagement of special counsel was a necessary cost in the redevelopment of the Property, and therefore Agency has agreed to financially assist LandWell with the costs of reimbursing the CAO.

NOW, THEREFORE, in consideration of the foregoing recitals and for and in consideration of the covenants and agreements hereinafter set forth, it is mutually understood and agreed as follows:

1. Reimbursement of Environmental Fees. LandWell agrees to reimburse the CAO for the Environmental Fees, together with interest thereon at the rate of three percent (3%) compounded annually as of the effective date of this Reimbursement Agreement (“Reimbursement Obligation”).

2. Payment of Reimbursement Obligation. LandWell's Reimbursement Obligation will be paid as follows:

a. LandWell and the City entered into a certain Land Purchase and Sale Agreement, dated November 15, 2005, with respect to property commonly identified as Clark County Assessor's Parcel No. 160-33-801-003 and a portion of Clark County Assessor's Parcel No. 160-33-801-002 ("Purchase Agreement"). Pursuant to the Purchase Agreement, LandWell paid into an escrow account with Bank of Nevada deposits and extension fees which now total, with accrued interest thereon, approximately Four Hundred Twenty Two Thousand Nine Hundred Eighty Four dollars (\$422,984.00) ("Deposit"). Pursuant to a certain Termination Agreement which will be entered into between LandWell and the City simultaneously with this Reimbursement Agreement, LandWell and the City will instruct Bank of Nevada to release the Deposit to the CAO and such amount, upon receipt by the CAO, shall be credited against the Reimbursement Obligation; and

b. Pursuant to a certain Sewer Main Agreement which will be entered into between LandWell, the City and the Agency, simultaneously with this Reimbursement Agreement, LandWell will instruct the Agency to remit to the CAO Two Hundred Fifty Nine Thousand Nine Hundred Thirty Six dollars (\$259,936.00) and such amount will be included in the amounts paid out in 2.d., and upon receipt by the CAO, shall be credited against the Reimbursement Obligation; and

c. LandWell and Agency have entered into that certain OPA, pursuant to which LandWell expects to receive LandWell Tax Increment reimbursement as set out in the OPA. LandWell agrees to pay to the CAO the amount of \$500,000 annually (\$250,000 semi annually) from the LandWell Tax Increment until the principal amount of the Environmental Fees and any accumulated interest has been paid in full. Such amount shall be paid in accordance with section 6.6 of the OPA; and

d. Upon execution of this Reimbursement Agreement, LandWell shall release the remaining LandWell Tax Increment held by the Agency pursuant to the OPA that has accumulated through June 30, 2011 in the amount of One Hundred Thirty Five Thousand Eight Hundred Seventy dollars (\$135,870.00) to the CAO. Such amount, upon receipt by the CAO, shall be credited against the Reimbursement Obligation; and

e. LandWell may pay any amounts due as Environmental Fees at any time without penalty. However, LandWell agrees that any remaining unpaid balance hereunder shall be paid by Developer from LandWell Tax Increment or other LandWell funds on or before October 15, 2020.

3. No Precedential Effect. All provisions under the DA and OPA, as those may be amended from time to time, remain in full force and effect. Nothing contained herein shall be deemed to amend either the DA or OPA.

4. Miscellaneous. This Reimbursement Agreement may be executed in several counterparts, each of which shall be deemed to be an original, all of which together, when compiled, shall constitute one agreement, binding upon all parties to this Agreement. Facsimile signatures and scanned email signatures shall have the same full force and effect as original signatures. This Agreement shall be governed by Nevada law. Venue for any action relating to the subject matter hereof shall be Clark County, Nevada. Notices given pursuant to this Agreement shall be given in accordance with Section 12.10 of the DA and section 11.1 of the OPA. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Signatures on following page

IN WITNESS WHEREOF, the parties have executed this Reimbursement Agreement as of the date set forth above.

THE LANDWELL COMPANY, L.P.,

a Delaware limited partnership

By: Basic Land Company

A Nevada corporation

Its General Partner

By: _____
Mark Paris
President and Chief Executive Officer

City of Henderson Redevelopment Agency

By: _____
Jacob L. Snow
Executive Director

ATTEST:

By: _____
Sabrina Mercadante, CMC
Agency Secretary

Approved as to Form:

By: _____
Josh M. Reid
Agency Counsel

City of Henderson

By: _____
Jacob L. Snow
City Manager

ATTEST:

By: _____
Sabrina Mercadante, CMC
City Clerk

Approved as to Form:

By: _____
Josh M. Reid
City Attorney

Document comparison done by DeltaView on Wednesday, April 11, 2012 9:41:15 AM

Input:	
Document 1	file:///U:/LANDWELL/ESR 2200/Final/OPA/Environmental Fees agreement Feb 12.doc
Document 2	file:///U:/LANDWELL/ESR 2200/Final/OPA/Environmental Fees.agreement.April 12 (LandWell Revision).doc
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	5
Deletions	3
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	8



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-005

SUBJECT	Sewer Main Agreement by and between the LandWell Company, LP, the City of Henderson and the City of Henderson Redevelopment Agency
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact Budgeted funds available Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

(The amount, \$558,522.94, has been expended to program cost during each fiscal year of collection and is currently in a liability account, "Due to Developer.")

BACKGROUND / DISCUSSION / ALTERNATIVES:

On October 16, 2007, the Agency Board approved the Owner Participation Agreement ("OPA") by and between the LandWell Company, LP (LandWell) and the Agency to reimburse LandWell up to \$170 million from the tax increment generated from LandWell's 2,200 acres, now known as Cadence (the Property) located in the Eastside Redevelopment Project Area. The OPA contained a Master List of Public Improvements anticipated to receive tax increment reimbursement.

LandWell entered into an agreement with the City whereby the City would construct a sewer trunk main and LandWell would reimburse the City LandWell's proportionate share totaling \$558,522.94. This Sewer Main is contained in the OPA's Master List of Improvements. In January of 2010, LandWell remitted to the City \$259,936.00 which represented fifty per cent of their estimated proportionate cost of construction.

LandWell is requesting that the Agency reimburse it for the Sewer Main's total proportionate cost of \$558,522.94 with RDA remitting LandWell's remaining obligation to the City for the Sewer main, \$298,586.94, and the balance of \$259,936.00 to the City Attorney's office for reimbursement of Environmental Fees.

RECOMMENDED MOTION:

I move to recommend approval of the Sewer Main Agreement by and between the LandWell Company, LP, City of Henderson and City of Henderson Redevelopment Agency.

Supporting Documentation:

Sewer Main Agreement consisting of four (4) pages.

SEWER MAIN AGREEMENT

THIS SEWER MAIN AGREEMENT ("Agreement") is entered into as of the _____ day of May 2012 by and between The LandWell Company, L.P., a Delaware limited partnership ("LandWell"), the City of Henderson, State of Nevada, a municipal corporation (the "City") and the City of Henderson Redevelopment Agency, a Nevada public body, corporate and politic (the "Agency").

RECITALS

A. LandWell is the owner in fee simple of certain parcels of land situated in the City of Henderson, near the intersection of Boulder Highway and Lake Mead Drive (the "Property").

B. LandWell and City have entered into that certain Development Agreement, dated October 16, 2007 (the "DA"), as amended by that First Amendment to Development Agreement dated November 15, 2011, providing for the development of the Property.

C. LandWell and Agency have entered into that certain Owner Participation Agreement, dated October 16, 2007 (the "OPA") providing for the redevelopment of the Property.

D. Section 4.15(a) of the DA provides that the City will construct a sewer trunk main (Sewer Main") in the Sunset Road and Burkholder Road alignment. Section 4.15(a) further provides that LandWell will pay to the City its proportional share of the cost of the Sewer Main.

E. In January of 2010, LandWell remitted to the City Two Hundred Fifty Nine Thousand Nine Hundred Thirty Six dollars (\$259,936.00) which represented fifty per cent of their estimated proportionate cost of construction.

F. The City fully administered the award of the contract, the construction and the payment of the Sewer Main.

G. Final project costs for the Sewer Main totaled Two Million Four Hundred Sixty Two Thousand Five Hundred Thirty Two dollars and thirty one cents (\$2,462,532.31). LandWell's total proportionate share of the costs for the Sewer Main was Five Hundred Fifty Eight Thousand Five Hundred Twenty Two dollars and ninety four cents (\$558,522.94). After accounting for the initial payment by LandWell, the City is owed Two Hundred Ninety Eight Thousand Five Hundred Eighty Six dollars and 94 cents (\$298,586.94) from LandWell.

H. Article 6 of the OPA provides for the reimbursement of public infrastructure costs paid by LandWell from tax increment generated on the Property.

I. LandWell has requested that the Agency reimburse it for the costs associated with the Sewer Main project. The Sewer Main project is contained on pages 1 RD BB 5 (sewer only) and 2 RD SR 2-5 (sewer portion of project) of the Master List of public

improvements anticipated to receive tax increment reimbursement. Such Master List is attached to the OPA as Exhibit D.

NOW, THEREFORE, in consideration of the foregoing recitals and for and in consideration of the covenants and agreements hereinafter set forth, it is mutually understood and agreed as follows:

1. DA Audited Costs. Section 4.15(a)(2) provides that LandWell shall pay the remaining proportional share of its costs on the Sewer Main to the City “*based upon actual audited costs.*” LandWell and the City agree that the procedures employed by the City in administering the contract award, construction and payments for the Sewer Main provide sufficient assurance of the veracity of the costs. LandWell and the City further agree that the cost total of Two Million Four Hundred Sixty Two Thousand Five Hundred Thirty Two dollars and thirty one cents (\$2,462,532.31) as well as LandWell’s proportionate share calculation of Five Hundred Fifty Eight Thousand Five Hundred Twenty Two dollars and ninety four cents (\$558,522.94) are the true and appropriate costs of the Sewer Main and that no independent audit will be requested or required prior to payment by LandWell of its proportionate share remainder.
2. OPA Pre-Approval. Section 6.1.3 of the OPA provides that LandWell shall select and provide notification to the Agency of the improvements for which it will seek reimbursement. LandWell and Agency acknowledge that the City’s process for the awarding of the contract gave Agency adequate notice of the commencement of the Sewer Main and that no further pre-approval was necessary for LandWell to seek reimbursement of its proportionate share of this project.
3. OPA Reimbursement. Through this Agreement, LandWell requests reimbursement from Agency for its proportionate share costs of the Sewer Main, i.e., Five Hundred Fifty Eight Thousand Five Hundred Twenty Two dollars and ninety four cents (\$558,522.94), pursuant to Section 6.2 of the OPA.
4. OPA Verification. LandWell and the Agency agree that the procedures employed by the City in administering the contract award, construction and payments for the Sewer Main provide sufficient assurance of the veracity of the costs. LandWell and the Agency further agree that the cost total of Two Million Four Hundred Sixty Two Thousand Five Hundred Thirty Two dollars and thirty one cents (\$2,462,532.31) as well as LandWell’s proportionate share calculation of Five Hundred Fifty Eight Thousand Five Hundred Twenty Two dollars and ninety four cents (\$558,522.94) are the true and appropriate costs of the Sewer Main and that no independent verification will be requested or required pursuant to section 6.3 of the OPA prior to reimbursement by Agency to LandWell of its proportionate share.
5. Agency Payments. LandWell requests and Agency agrees to remit Two Hundred Ninety Eight Thousand Five Hundred Eighty Six dollars and 94 cents (\$298,586.94) to the City from the requested reimbursement of Five Hundred Fifty Eight Thousand Five Hundred Twenty Two dollars and ninety four cents (\$558,522.94) in payment of the remainder of its proportionate share. LandWell further requests and Agency further

agrees to remit the remainder of the requested reimbursement, *i.e.* Two Hundred Fifty Nine Thousand Nine Hundred Thirty Six dollars (\$259,936.00), to the Henderson City Attorney's Office as reimbursement for legal expenses incurred in connection with the environmental review of LandWell's property as set out in section 12.9 of the DA.

6. No Precedential Effect. All provisions under the DA and OPA, as those may be amended from time to time, remain in full force and effect. Nothing contained herein shall be deemed to amend either the DA or OPA or to set the precedent for the audit, verification, or reimbursement for any project other than the Sewer Main.

7. Miscellaneous. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, all of which together, when compiled, shall constitute one agreement, binding upon all parties to this Agreement. Facsimile signatures and scanned email signatures shall have the same full force and effect as original signatures. This Agreement shall be governed by Nevada law. Venue for any action relating to the subject matter hereof shall be Clark County, Nevada. Notices given pursuant to this Agreement shall be given in accordance with Section 12.10 of the DA and section 11.1 of the OPA. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Signatures on following page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

THE LANDWELL COMPANY, L.P.,
a Delaware limited partnership

By: Basic Land Company
A Nevada corporation
Its General Partner

By: _____
Mark Paris
President and Chief Executive Officer

**CITY OF HENDERSON
REDEVELOPMENT AGENCY**

CITY OF HENDERSON

By: _____
Jacob L. Snow
Executive Director

By: _____
Jacob L. Snow
City Manager

ATTEST:

ATTEST:

By: _____
Sabrina Mercadante, CMC
Agency Secretary

By: _____
Sabrina Mercadante, CMC
City Clerk

Approved as to Form:

Approved as to Form:

By: _____
Josh M. Reid
Agency Counsel

By: _____
Josh M. Reid
City Attorney



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-006

SUBJECT	Projects Update
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Acceptance

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

I move to accept report.

Supporting Documentation:

Minutes consisting of four (4) pages



Memorandum

TO: Redevelopment Agency Advisory Commission
FROM: Michelle Romero, Redevelopment Manager
SUBJECT: Projects Update

Following are new or ongoing redevelopment projects, as compiled by staff, in our Redevelopment Areas and their status as of April 11, 2012:

I. CORNERSTONE REDEVELOPMENT AREA

- DR Horton Purchase: DR Horton closed on the Cornerstone lots on 3/29/12. Their attorney has agreed that the documents will be delivered to the Agency for execution and the CAO approved this.
- Shortfall Note
- HOF Financial Properties

Projects

- Diamond Cornerstone
- Ladera Parcels
- Loretto Bay

II. DOWNTOWN REDEVELOPMENT AREA

Projects

- 323 Water Street
- Business Recruitment/Development:
 - Staff continues to meet with individuals looking to open for business in the Water Street District.
- City Tower (Southeast corner of Lake Mead Parkway and Water Street)
- Create Comprehensive Development and Business Recruitment Incentive Packages
 - Downtown Investment Strategy (DTIS)
 - Final revisions are being made to the DTIS booklet. Hard copies will be distributed once printing is complete, and the document will also be posted to the Web for easy viewing for customers.
 - Staff met with Wells Fargo Bank and Clearinghouse CDFI to discuss public/private partnerships. Nevada State Bank will provide staff with a checklist identifying criteria to receive financing on projects.
 - The Downtown Residential Civic Alliance held its first meeting and discussed residential needs and concerns within the Water Street District. Attendees also heard from a representative of the Paradise Hills Alliance, who provided information on how to get started and create a formal alliance. A second meeting to develop vision and mission shall be held in April.
 - Staff met with Clearinghouse CDFI as part of the Financial Checklist tactic. Clearinghouse CDFI shared it would have an interest in loaning funds to the Agency to aid in the foreclosure acquisition program, that often times they are recipients of New Markets Tax Credit allocations, and that they are also New Markets investors.
 - Staff met with the Southern Nevada Home Builders Association to discuss the future Master Plan for Downtown. Staff will be including a member of this group on the technical committee moving forward.

- Downtown Power Need
- Emergency Assistance Loan
- Environmental Protection Agency Sustainable Community Building Blocks Program Grant:
- Former Asset Central Site
- Former Parkline Site
- Henderson Hyundai
- Increase Curb Appeal
- Targeted Façade Improvement: (19 Water St.)
- Lake Mead Crossing
- Marketing the Water Street District:
 - The Water Street District Historical Walking Tour map/brochure is finalized and is on track for distribution at the Heritage Days parade. It will contain a map of historic sites, and historical information on the area. An audio guide for the tour will be available for download on the WaterStreetDistrict.com Web site in the near future.
 - Graphics presented staff with a final version of the “Experience Water Street” packages brochure. Staff is currently reviewing and making final revisions before it goes to print. Staff continues to promote the Water Street District Facebook page. Recently, the Agency had 48 new “likes”; the weekly total reach was up to 444, which is a 410.3% increase; and the number of Facebook users talking about the page was 59.
- Marketing To Developers, Business Owners & Consumers
- Outreach:
 - Staff made presentations about the DTIS and redevelopment efforts in Henderson to the Southern Nevada Chapter of the American Planning Association, and also to the Canyon Gate Country Club Business Network (at their request).
- Pinnacle Building
- Residential Development Team
- Senior Center/Pacific Pines
- Social Gathering Space Team
- Shurtleff Building (38 S. Water Street)
- Site A (SW corner of Victory and Water):
 - PW will be contacting three contractors to bid on landscape installation.
- The Meridian (155 S. Water Street)
- Townhouse Motor Lodge: Owners are still waiting for the bank’s appraisal.
- Urban Lounge
- Water Street District Business
- Water Street District Business Association:
 - The Vegas TV spotlight will highlight the Premier members of the Association on April 17. This benefit will hopefully increase membership and encourage non-premier members to upgrade. Film production of the show took place on April 9 and 10. There are 40 members and 30 of which are premier members.
 - Working on the possibility of creating an adopt a landscape bed program that would allow WSDBA businesses to adopt a landscape bed on Water Street. The business owner would provide the landscaping and then be able to advertize their business in the space.

Programs

- Façade Improvement Program

III. EASTSIDE REDEVELOPMENT AREA

Projects

- Bifurcation/Cadence OPA:
 - Staff has met with Boyd Gaming and Landwell representatives to discuss their concerns about bifurcation. Research continues on possible solutions.
 - Agenda items for bifurcation have been continued indefinitely while staff performs more research.
- Boulder Highway Business Coalition:
 - The coalition held another meeting to discuss how the City can help address what the business owners perceive as a variety of Code enforcement issues along the Boulder corridor. The owners

will be meeting with a representative from Code Enforcement next week to discuss possible ways to address the various problems.

- Staff from RDA and Code Enforcement met with BHBC members to discuss the Property Maintenance Code and what the City is able to do to address issues and the process for reporting problems.
- Business Recruitment
- Eastside Business Coalition
- Landwell/Cadence (Cadence)
- Museum Site-95/Galleria
- Union Village
- Wells Park:
 - Parks staff continues to work with the contractor regarding the grass in the park and to finalize the punchlist items for the park improvements.
 - The Grand Re-Opening scheduled for this April will be postponed until the park has grass. If sod is used, the park would be completed sooner than if seed is used. At this point, it is still scheduled to be completed by June 30, 2012.

Programs

- Façade Improvement Program
- Sign Grant Program

IV. TUSCANY REDEVELOPMENT AREA

- OPA
- Reimbursement
- Semi-Annual Payment
- TIF Reimbursement: Staff from RDA and CAO met with representatives of Commerce and Nevada Construction Services (the third-party construction control firm) to discuss reimbursement. Commerce has submitted, and NCS has verified payment and consistency with the terms of the OPA, just over \$59 million in public infrastructure items eligible for reimbursement.

V. LAKEMOOR CANYON

- House Subcommittee on Energy and Mineral Resources
- Federal Land Sale: The House Natural Resources Committee on February 29 voted H.R. 2512 (as amended by Representative Amodעי's *en banc* amendment) favorably out of Committee on a 27-17 vote (there are 48 members on the Committee). All Republicans present and voting voted "aye." 17 of the 21 Democrats on the Committee voted "no." Two Democrats (DeFazio of Oregon and Costa of California) voted "aye."

VI. ADMINISTRATION / ALL AREAS

- Audit
- Bonds
- Budget
- Business License Counts
- Financials: Revenues remain about 32 percent less than last year through the same time period, with the majority of that attributed to the Eastside Area, at a 90 percent decline. Staff continues to take a very conservative approach to expenditures and budget.
- Homeowner Assistance Program
- IMPLAN Software: The IMPLAN software, which will enable staff to calculate the economic impact of commercial projects, has been installed on the five computers by IT. Staff held a 3.5 hour training class for the five users and other staff/developers that will be providing input data.
- NDC:
 - Staff had a conference call with NDC and Wells Fargo Bank to review the bank's opinion of the lending market, make them aware of what is happening in redevelopment, and to pursue opportunities for lenders to our developers, property owners and business owners.

- NDC has requested to meet with the largest industrial/office group, Harsch. Staff will be facilitating the meeting and trying to schedule it for April 19 when NDC is here providing training to Chamber members for the Roadmap to Success series.
- Staff and NDC met with Nevada State Development Corporation. NSDC will be another resource and provided good information about the local lenders who are funding and what they are funding.
- Outreach
- Revenue
- Tax Increment Distribution: Staff is preparing TI Reimbursement calculations for April 1 for Tuscany and LandWell this week.



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

APRIL 24, 2012

RAC-007

SUBJECT	Amendment to Owner Participation Agreement By and Between The LandWell Company, L.P., and the City of Henderson Redevelopment Agency
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

No Impact

Budgeted funds available

Augmentation required

CMTS Number(s):

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

N/A

BACKGROUND / DISCUSSION / ALTERNATIVES:

On October 16, 2007, the Agency Board approved the Owner Participation Agreement ("OPA") by and between the LandWell Company, LP (LandWell) and the Agency to reimburse LandWell up to \$170 million from the tax increment generated from LandWell's 2,200 acres, now known as Cadence (the Property) located in the Eastside Redevelopment Project Area. Principal and interest on the Note cannot exceed \$209 million. The OPA contained a Master List of Public Improvements anticipated to receive tax increment reimbursement.

The Amendment includes:

- Keeping the administrative set aside at 10%, but eliminating the cap of \$150,000 and increasing the LandWell Semi-Annual Payment to 75% of the tax increment generated by the project, less 18% low income set aside (when necessary) and administrative set aside. Previously the percentage was 50%. The City and LandWell entered into an agreement whereby LandWell would reimburse the City Attorney's Office (CAO) for legal fees related to environmental work. Those fees total \$3,948,896 and through the Amendment and the Environmental Fees Agreement, the Agency will reimburse the CAO up to \$500,000 annually from LandWell Tax Increment. The fees will be added to the Agency's LandWell Note; however, interest will accrue on these fees at 3%.

(CONTINUED ON NEXT PAGE)

RECOMMENDED MOTION:

I move to recommend approval of the Amendment to Owner Participation Agreement By and Between The LandWell Company, L.P., and the City Of Henderson Redevelopment Agency.

BACKGROUND / DISCUSSION / ALTERNATIVES (Continued):

- The Agency and LandWell have agreed that interest on the Note, other than the Environmental Fees will be reduced from 8% to 6%.
- The Agency will first reimburse the CAO until paid in full, including interest, then the Public Improvements interest and finally Public Improvements principal.
- The OPA requires that LandWell submit pre-approval prior to beginning work on a Public Improvement chosen from the Master List. LandWell has requested that they have the ability to seek approval up to 45 days after work has begun on a Public Improvement chosen from the Master List.
- Agency has added the option for LandWell to use Construction Control Services for the Performance Review in accordance with the Agency's Public Infrastructure Reimbursement Policy/Procedures. (This Policy/Procedure was not available when the original OPA was executed.)
- Due to the downturn in the housing market, LandWell has requested that the due date for completing 5% of the Public Improvements be amended from June 30, 2014 to January 1, 2018 to coincide with the dates that were recently approved in an amendment to the Development Agreement.

Supporting Documentation:

First Amendment to Owner Participation Agreement by and between the LandWell Company, L.P. and the City of Henderson Redevelopment Agency consisting of nine (9) pages

**FIRST AMENDMENT TO
OWNER PARTICIPATION AGREEMENT**

THIS FIRST AMENDMENT TO OWNER PARTICIPATION AGREEMENT ("First Amendment"), amending that certain Owner Participation Agreement ("OPA"), dated October 16, 2007, by and between the **City of Henderson Redevelopment Agency**, a Nevada public body, corporate and politic (the "Agency") and **The LandWell Company, L.P.**, a Delaware limited partnership (the "Participant" and together with Agency, the "Parties"), is made and is effective this _____ day of _____ 2012 (the "Effective Date"), between the Parties. Capitalized terms shall have the definitions set forth in the Agreement or as otherwise set forth herein.

WHEREAS, Participant is the owner, in fee simple, of certain parcels of land situated in the City of Henderson, near the intersection of Boulder Highway and Lake Mead Drive (the "Property").

WHEREAS, the Agency and the Participant have entered into that certain Owner Participation Agreement, dated October 16, 2007 (the "OPA") providing for the redevelopment of the Property; and

WHEREAS, the decline of the economy in Southern Nevada has slowed development of the Property; and

WHEREAS, the Agency has amended the Eastside Redevelopment Plan to split the Eastside Redevelopment Project Area into Eastside Project Area One and Eastside Project Area Two; and

WHEREAS, the Property is located in Eastside Project Area One; and

WHEREAS, the Agency and Participant desire to update the reimbursement provisions of the OPA to reflect current practice; and

WHEREAS, the Participant has agreed to reimburse the City of Henderson – City Attorney's Office for legal fees connected to the environmental review of the Property;

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into and made a part of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1. Eastside Tax Increment. The definition of Eastside Tax Increment is revised as follows:

“Eastside Tax Increment” means the gross tax revenue generated from the Eastside Project Area *One* that are allocated to and received by the Agency pursuant to NRS 279.676 less amounts set aside for low-income housing pursuant to NRS 279.685 and any other mandatory set asides, if and when applicable.

- 1.2. LandWell Tax Increment. The definition of LandWell Tax Increment is revised as follows:

“LandWell Tax Increment” means the gross tax revenue generated from the Property that are allocated to and received by the Agency pursuant to NRS ~~279.679~~ 279.676 less (i) a 10% set aside not to exceed \$150,000 per year (PURSUANT TO NRS THE ADMIN CAN COME FROM THE SPLIT BETWEEN LANDWELL AND THE CITY RATHER THAN AT THIS LEVEL. 15% SET ASIDE DRAMATICALLY DILUTES THE 75% SHARE SUCH THAT IT IS NOT REALLY 75%; UNDERSTAND NEED FOR ADMIN – NEED TO DISCUSS),(ii) a set aside for low-income housing pursuant to NRS 279.685, and (iii) any other mandatory set asides, if and when applicable.

ARTICLE 2 DEVELOPMENT OF THE PROPERTY

- 2.1. Time for Commencement of Construction. Section 3.3 of the OPA is revised as follows:

Participant shall use commercially reasonable efforts to commence the design, development, and construction of the Public Improvements concurrently with the construction of the Private Improvements. If Participant fails to commence construction of not less than 5% of the cost of the Public Improvements on or before ~~June 30, 2014~~ *January 1, 2018* (“Public Improvements Commencement Date”), either party shall have the right, at its option, to (i) terminate this Agreement or (ii) renegotiate the terms and conditions of this Agreement. Notwithstanding the foregoing, if Participant’s failure to commence construction of at least 5% of the cost of the Public Improvements by the Public Improvements Commencement Date is the result of events or circumstances which are beyond the reasonable control of Participant, including, without limitation, continued weakness in the local housing market, the Public Improvements Commencement Date shall be postponed by written agreement of Participant and the Agency.

ARTICLE 3 REIMBURSEMENT OF COSTS BY AGENCY

- 3.1 Agency Financial Assistance. Section 6.1.2 of the Agreement is hereby deleted in its entirety and replace with the following:

Section 6.1.1 Agency Financial Assistance

Participant shall undertake the design, development and construction (including permitting) of the Public Improvements described in the Master List at its initial and exclusive cost. Agency recognizes that the costs of designing, developing and constructing the Public Improvements would make implementation of the DA economically infeasible, and Agency therefore agrees to financially assist Participant with the costs of designing, developing and constructing the Reimbursable Public Improvements.

In furtherance of the Project and the redevelopment of the Property, the City Attorney for the City of Henderson, Nevada / General Counsel for the Agency ("CAO") engaged special counsel to advise and assist with the environmental issues associated with the Property. Total fees charged for this environmental work and paid by the CAO, were Three Million Nine Hundred Forty Eight Thousand Eight Hundred Ninety Six dollars (\$3,948,896.00) ("Environmental Fees"). Agency recognizes that the engagement of special counsel was a necessary cost in the redevelopment of the Property, and Agency therefore agrees to financially assist Participant with the costs of reimbursing the CAO.

The total amount of Agency financial assistance shall not exceed the lesser of (i) the total amount of Eligible Costs (as defined below); or (ii) One Hundred and Seventy Million Dollars (\$170,000,000.00) (plus interest on the financial assistance subject to Section 6.1.2.).

3.2 Form of Agency Financial Assistance. Section 6.1.2 of the Agreement shall be amended as follows:

Section 6.1.2 **Form of Agency Financial Assistance**

The Agency financial assistance shall be by reimbursement to Participant for the Reimbursable Public Improvements Costs pursuant to a promissory note, dated as of the Effective Date and executed by Agency substantially in the form attached hereto as Exhibit C (the "Note"). The Note provides that (i) all amounts thereunder may be pre-paid in part or in full at any time without penalty and (ii) the indebtedness evidenced thereby shall be paid solely and exclusively from LandWell Tax Increment. All terms of reimbursement by Agency to Participant for Reimbursable Public Improvements Costs, representing Agency's redevelopment financial assistance to Participant for Reimbursable Public Improvements, shall be as provided herein and in the Note.

The outstanding principal balance of the Note shall accrue interest at a rate of ~~eight~~ six percent (~~8%~~ 6%) simple interest compounded annually commencing upon the Advance Date (defined below); provided, however, that the total amount of interest

and principal paid to Participant by Agency shall not exceed \$209,000,000. If at any time during the term of the Note the amount of the Note, including principal and interest, totals \$209,000,000, interest shall toll permanently (the "Tolling Period") and Agency shall not be liable for interest which would have otherwise accrued during the Tolling Period.

- 3.2a Pre-Approval of Reimbursable Public Improvements Section 6.1.3 of the Agreement shall be amended as follows:

Section 6.1.3 **Pre-Approval of Reimbursable Public Improvements**

Participant shall select from the Master List those Public Improvements for which Participant will seek reimbursement and shall submit such improvement to Agency for its written pre-approval using the form attached as Exhibit A.[CITY TO PROVIDE] Upon Agency's pre-approval, subject to Section 6.2 and 6.3, such Public Improvements shall constitute Reimbursable Public Improvements for which Participant will be entitled to reimbursement. Participant may request written pre-approval any time prior to Request for Reimbursement noting verification of Public Improvements will be required in accordance with Section 6.3. If it is determined during a Performance Review that some portion of the Reimbursable Public Improvement Costs are not consistent with the Agency's written pre-approval but are in fact costs that are included in the Master List, Participant will be allowed to request pre approval for the Reimbursable Public Improvement Costs at that time but not to exceed 180 days after commencement of construction of the approved Reimbursable Public Improvement Costs, unless mutually agreed.

- 3.2b Request for Reimbursement Section 6.2 of the Agreement, the following language shall be added to the existing language in Section 6.2 as follows:

The Request for Reimbursement shall be submitted using the form attached as Exhibit B. [CITY TO PROVIDE]

- 3.3 **Use of Construction Control.** Section 6.1.4 of the Agreement is hereby added with the following:

Section 6.1.4 **Use of Construction Control.**

Upon Pre-Approval of Reimbursable Public Improvements by Agency, Participant may elect to use construction control services. If so elected, Agency shall select and Participant shall approve qualified independent third parties to provide construction control services for voucher control, inspection services and analysis of the Reimbursable Public Improvements Costs that qualify as Eligible Costs. The

costs of using independent third parties shall be paid by Participant directly to the independent third parties.

3.4 **Verification of Public Improvement Costs.** Section 6.3 of the Agreement is hereby deleted in their entirety and replaced with the following:

Section 6.3 **Verification of Public Improvement Costs**

(i) **Construction Control Utilized.**

*Upon notification by Participant of the Completion of the Public Improvements, Agency shall cause a review of the Reimbursable Public Improvement Costs ("**Performance Review**") to be conducted by the independent third party engaged to provide construction control services. Such review will provide the basis for verifying the amount of any Agency reimbursement to Participant for the Completed Reimbursable Public Improvements. The costs of the Performance Review shall be paid by Participant directly to the independent third party.*

*The Performance Review shall require the independent third party, in his or her reasonable discretion, to verify the Reimbursable Public Improvements Costs for the Completed Public Improvements and to determine whether such costs are reasonable. Upon completion of the Performance Review, the independent third parties shall submit a report to Agency detailing his or her analysis of the Reimbursable Public Improvements Costs that qualify as Eligible Costs ("**Agency Independent Third Party Report**").*

(ii) **Construction Control Not Utilized.**

*Promptly following Agency's receipt of a Request for Reimbursement, Agency shall cause a review of the Reimbursable Public Improvement Costs to be conducted by the Agency Engineer ("**Performance Review**"). Such review will provide the basis for determining the amount of any Agency reimbursement to Participant for the Completed Reimbursable Public Improvements. The costs of the Performance Review shall be paid by Participant within ten days of receiving an invoice from Agency detailing such costs; provided that Participant has received the Agency's Engineer's Report (as defined below).*

*The Performance Review shall require the Agency Engineer, in his or her reasonable discretion, to verify the Reimbursable Public Improvement Costs for the Completed Reimbursable Public Improvements and to determine whether such costs are reasonable. Upon completion of the Performance Review, the Agency Engineer shall submit a report to Agency detailing his or her analysis of the Reimbursable Public Improvement Costs ("**Agency Engineer's Report**"). Agency shall approve only (i) those Reimbursable Public Improvement Costs in the Request*

*for Reimbursement which the Agency Engineer has verified and determined to be reasonable as set forth in the Agency Engineer's Report and (ii) those Reimbursable Public Improvement Costs in the Request for Reimbursement which the Agency has pre-approved pursuant to Section 6.1.3, provided that the Agency Engineer has verified and determined that such costs are consistent with the Agency's written pre-approval (collectively, "**Eligible Costs**").*

3.5 **Environmental Fees**. Section 6.4.1 of the Agreement is hereby added with the following:

*Section 6.4.1 **Environmental Fees**.*

The cost of the Environmental Fees - Three Million Nine Hundred Forty Eight Thousand Eight Hundred Ninety Six dollars (\$3,948,896.00) will be added to the Note along with simple interest charged thereon at 3% compounded annually as of the effective date of this First Amendment. The Environmental Fees and the interest charged thereon will be added to the principal of the Note but will not accrue the interest set out in section 6.1.2 above.

Participant directs Agency to pay to the CAO the amount of \$500,000 annually (\$250,000 semi annually) from the LandWell Tax Increment (I believe this should be accumulated Semi-Annual Payments) until the principal amount of the Environmental Fees and any accumulated interest has been paid in full. Such amount shall be paid in accordance with section 6.6. Participant may pay any amounts due as Environmental Fees at any time without penalty. If Participant pays any amount of the Environmental Fees directly to the CAO, Participant shall notify Agency of such payment and upon confirmation from the CAO, Agency shall deduct such amount from the Note.

Participant further directs the Agency to release any remaining accrued LandWell Tax Increment to the CAO through the effective date of this First Amendment to be credited towards the Environmental Fees.

3.6 **Verification of Public Improvement Costs**. Section 6.6 of the Agreement is hereby amended as follows:

Provided that LandWell Tax Increment has been allocated to and received by Agency and that there is an outstanding principal balance under the Note, on or before the first day of each April and the first day of each October during the term of this Agreement, Agency shall pay to Participant a semi-annual payment from LandWell Tax Increment pursuant to the formula below (the "**Semi-Annual Payment**") as payment first towards *Environmental Fees up to \$500,000 annually until paid in full including interest, then interest, and finally* towards principal. If LandWell Tax Increment has been allocated to and received by Agency and there is no outstanding principal balance under the Note, the Semi-Annual Payment shall be held by Agency in a restricted cash account for future payments of the Note, and all

interest accrued on funds held in such account shall accrue for the benefit of the Agency and not for the benefit of LandWell.

Semi Annual Payment = [(Participant's Share (%)) x (Eastside Tax Increment received by Agency for prior 6 months)] x ~~50~~ 75 %

3.7 **Disagreement About Performance Review.** Section 6.10 of the Agreement is hereby deleted in its entirety and replaced with the following:

Section 6.10 **Disagreement About Performance Review**

Prior to the initiation of any legal proceeding arising out of any controversy, claim or dispute between the Parties related to the conduct of the Performance Review, the contents of the Agency Independent Third Party Report or the contents of the Agency Engineer's Report, such controversy, claim or dispute shall first be submitted to a three person panel of two engineers and an auditor. Each party shall select one engineer and those two engineers shall select the auditor for the panel. The costs and expenses of the proceedings before the panel shall be split equally between the Parties, except that each party shall be responsible for their own attorneys' fees.

**ARTICLE 4
GENERAL PROVISIONS**

4.1 **Notices, Demands and Communications between the Parties.** Section 11.1 of the Agreement is amended as follows:

Any written notice, demand, communication or payment of one party to the other shall be served by personal delivery, nationally recognized overnight courier or by registered or certified mail, postage prepaid, return receipt requested, addressed to the parties as follows:

Agency: City of Henderson Redevelopment Agency
240 Water Street
Henderson, Nevada 89015
Attn: Redevelopment Manager

*With a copy to: City of Henderson
240 Water Street
Henderson, NV 89015
Attn: City Attorney*

Participant: The LandWell Company, LP
875 W. Warm Springs Road

Henderson, NV. 89011
Attn: President

All notices, demands, communication or payments shall be deemed received on the date which is three (3) business days after the date of deposit into the U.S. mail if sent by registered or certified mail, when delivered if delivered personally, or one (1) business day after the date of delivery to a nationally recognized overnight courier for overnight delivery if sent by overnight courier. All notices, demands, communications or payments shall be sent to the addresses above or to such other addresses as the affected party may from time to time designate.

**ARTICLE 5
MISCELLANEOUS**

Except as amended hereby, all other provisions under the Agreement are hereby affirmed by the Parties and remain in full force and effect. Nothing contained herein shall be deemed to prevent Participant or the Agency from enforcing the Agreement as amended by the First Amendment. This First Amendment shall be recorded in the official records of Clark County, Nevada.

SIGNATURES ON FOLLOWING PAGE

WHEREFORE, the Parties have executed this First Amendment as of the Effective Date written above.

Agency:

CITY OF HENDERSON REDEVELOPMENT AGENCY

By: _____
Mark T. Calhoun, P.E.
Executive Director

ATTEST:

Approved as to Form:

By: _____
Sabrina Mercadante, CMC
Agency Secretary

By: _____
Josh M. Reid
Agency General Counsel

Participant:

THE LANDWELL COMPANY, L.P.
A Delaware limited partnership

By: Basic Land Company
Its: General Partner

By: _____
Mark Paris
President