



City Council Regular Meeting AGENDA ITEM

NUMBER: 28

SUBJECT:

Repurchase Agreement with Legacy AK, LLC for the City to Repurchase Approximately 135.36 Acres of Real Property Located at the Southwest Corner of CC-215 Beltway and Pecos Road for the Price of \$52,500,000 Plus Related Costs and Expenses Totaling \$453,303.75 for a Total Closing Cost of \$52,953,303.75 (Ward 4-Cherchio) (For Possible Action; Recommendation – Approve)

REQUESTED BY:

Jared Luke, Senior Director of Economic Development and Government Affairs

WARD:

(Ward 4 - Cherchio)

RECOMMENDATION OR RECOMMEND MOTION:

Staff recommends that City Council approve the Repurchase Agreement for the total closing cost of \$52,953,303.75.

FISCAL IMPACT:

Amount: \$52,953,303.75

Explanation: General Fund (will require a budget augmentation)

ACCOUNT NUMBER:

N/A

STAFF COMMENTS AND BACKGROUND INFORMATION:

On October 6, 2021, the North Las Vegas City Council adopted Resolution No. 2672 noticing the City's intent to sell approximately 135.36 acres of real property generally located at the southwest corner of CC-215 Beltway and Pecos Road identified as APNs 124-24-601-001, 124-24-701-005, and 124-24-701-006 (Property) through a competitive sale for a minimum price of \$36,850,000. The sale of the Property was conducted pursuant to a Memorandum of Agreement between the City and the United States Bureau of Land Management, approved by City Council on December 20, 2017 and executed on January 3, 2018 (Memorandum of Agreement). Pursuant to Public Law 113-291 passed by the United States Congress in 2014, the Property is identified as the North Las Vegas Job Creation Zone.

Following the competitive selection process, City Council passed and adopted Resolution No. 2680 on January 5, 2022 in which the City Council accepted an offer from Pacific Group to purchase the Property. Legacy AK, LLC (Developer) is an affiliate of Pacific Group. On March 2, 2022, City Council approved a Purchase and Sale Agreement between the City and Developer for the sale of the Property to Developer for the purchase price of \$36,850,000. Pursuant to the Memorandum of Agreement with the BLM, the City distributed the gross proceeds of the sale of the Property to the BLM.

On April 20, 2022, City and Developer entered into a Development Agreement for the development of the Property and the City Council approved the Development Agreement via Ordinance No. 3119. After the Developer acquired the Property in May 2022, Developer performed initial development work on the

Property and obtained pre-construction studies (e.g., drainage and traffic studies) but construction on the Property did not commence. Pursuant to Section 9.4 of the Development Agreement, Developer and City have agreed that the City will repurchase the Property for a repurchase price of \$52,500,000, which accounts for Developer’s acquisition cost of the Property and Developer’s reasonable, out-of-pocket costs, expenses, fees, and charges in connection with the Property. Additionally, the City has agreed to pay identified closing costs and expenses totaling \$453,303.75 for a total amount to be paid to Developer of \$52,953,303.75. As part of the repurchase, City will obtain the pre-construction studies and tests that Developer obtained after it acquired the Property in May 2022. Developer and City have also agreed to execute a Termination of Development Agreement and a Settlement Agreement and Mutual Release and Waiver of All Claims.

The City’s repurchase of the Property from the Developer will require a budget augmentation of the City’s General Fund pursuant to NRS 354.598005. The sourcing for this budget augmentation is a higher than anticipated beginning General Fund balance and higher than anticipated revenues in the City’s General Fund.

CIP No.	Related Item:	
LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management		
PREPARED BY:	Respectfully Submitted	MEETING DATE:
Jared Luke, Senior Director of Economic Development and Government Affairs	Ryann Juden, City Manager	March 6, 2024