

Project Summary

University Gateway Project – UNLV Parking and Potential Police Department

Overall Project Summary:

Mixed use retail, housing, parking garage and office space redevelopment on east side of Maryland Parkway across from UNLV and named “University Gateway” (across from Greenspun Hall and just south of University Road) (“**Project**”).

UNLV portion of Project: 610 parking spaces (at \$25,500/space) and 10,000 gsf of shell space (at \$215/gsf) in a condominium structure. These costs appear reasonable based on costs for similar developments.

UNLV Parking would be an expansion to overall campus parking inventory and used by anyone with a valid permit. The southeast quadrant of the campus has the highest parking demand, so this would help address that current need.

Background Summary on Project:

On January 9, 2014, UNLV issued a Request for Information (“**RFI**”) seeking information about a potential public/private partnership for off-campus parking or other uses and improvements. The RFI identified the area along Maryland Parkway from Tropicana Avenue to Flamingo Avenue and sought information from property owners within the area about their interest in such a partnership. The RFI expressed a willingness to consider all opportunities for parking and other development; including shared use, long-term lease, lease purchase, cooperative development, etc. Responses to the RFI were due on Thursday, January 30, 2014.

New Town MD, LLC, a Nevada limited liability company (“**New Town**”) was the only respondent to the RFI and is the owner of approximately 2.2 acres of property at the northeast corner of Maryland Parkway and Dorothy Avenue. The Project is consistent with UNLV’s 2012 Maryland Campus Master Plan which highlights the need for additional parking that is convenient to the academic core of campus, as well as the potential for public-private partnerships for UNLV uses on privately owned property adjacent to the UNLV Maryland Campus. The Project also aligns with the goals of the Midtown UNLV project – which is a vision for the revitalization of the east side of Maryland Parkway adjacent to campus through public-private partnerships so as to create a vibrant university district.

There is value to the developer to have a parking garage that will increase traffic for retail and other non-UNLV activities in this Project. It is also a value to the developer to have the police located in this facility, as it greatly improves the safety and security of the entire development.

There is value to UNLV for this development, which would be the first project that embodies the vision of “Midtown UNLV” on the east side of Maryland Parkway, and this could hopefully lead to other redevelopment in this area.

Overall Agreement Parameters:

Prevailing wage (NRS chapter 338) compliance required for UNLV condominium spaces.

Design for UNLV space must meet UNLV standards.

Completion guarantee in the form of UNLV not responsible for paying for the spaces until a certificate of occupancy is issued.

Protection against impacts from financial or other problems with the operation of the non-UNLV portion of the Project will be addressed through the condominium document.

Funding Assumptions:

*Land Value: \$1,300,000M total cost. CIF funds and estimated at \$98,000 per year in payment

*Parking spaces (minus police) from Parking program estimated at \$14,000,000 and \$1,056,000/year

*10,000 gsf of space (\$2,150,000) and parking for police (\$255,000 for 10 spaces): CIF funds and estimated at \$181,000/year (\$7,950 per year when net out current \$173,050 lease payment).

Note: Assumption is that it would require approximately \$115/gsf for the tenant improvements for the shell space.

Implementing Agreements:

The Memorandum of Understanding (“**MOU**”) is an initial approval by the Board of Regents to move the Project forward. In order for the Project to be finalized additional implementing agreements would be required, all of which would require Board approval. These other implementing agreements are highlighted below.

- a. Lease Purchase, Purchase and Sale Agreement, Lease, or other appropriate agreements related to ownership and use of the Parking Space or Office Space.
- b. Declaration of Covenants Codes and Restrictions (“**CC&R’s**”) or other appropriate documents necessary to create legally separate condominium interests in the Parking Space, Office Space and other units of the Project.
- c. Parking Structure Management Agreement or other appropriate documents related to operation and maintenance of the parking structure and the Parking Spaces.
- d. Such other and further documents that may be necessary to promote the objectives and specification of this MOU.

Project Schedule. The anticipated schedule for this Project is outlined below:

Task:	Date/Deadline:
Presentation of MOU to Board of Regents for approval	Not later than August 30, 2014
Preparation of final drafts of Implementation Agreements	Not later than November 4, 2014
Obtain approval of the Implementation Agreements by the Board of Regents	December, 2014
Begin horizontal construction	December, 2014
Begin vertical construction	March, 2015
Complete construction/delivery to UNLV	November, 2015

Term and Termination:

The MOU shall be effective for one (1) year from the MOU Effective Date, except as may be extended by mutual agreement. Any party shall have the right to terminate the MOU for any reason or for no reason by providing the other party ten (10) days' written notice.

Assumptions on Development in Addition to UNLV Facilities:

New Town is planning for ~166 beds worth of housing, the general design of student housing (suites with individual bedrooms and baths and shared common area). The current assumption is 27, 2 bed units; 24, 4 bed units; 7, 1 bed units; and 3, 3 bed units with estimating for monthly rates at ~\$650+/- per bed. Additionally, there would be five (5) ground floor retail areas. The projection for the total Project cost (with the UNLV elements) is \$35,000,000 - \$40,000,000, pending final bed count.

New Town MD, LLC - Developer.

Frank Marretti III, Las Vegas, NV:

Mr. Marretti has been in Las Vegas for 22 years, as a commercial real estate broker, contractor and developer. Mr. Marretti is primarily focused on development and re-development, with the brokerage business being an extension of his development business. Currently Mr. Marretti has 3 projects in the works, for new development and re-development (New Town being one of them and the largest of the three); Mr. Marretti's brokerage business is filtered thru Colliers International, where he has been affiliated since 1998 –2001 and 2012-Present. Since 1997 Mr. Marretti has re-developed, developed, purchased, financed, and or brokered in excess of \$1B of projects over his career. Some significant projects on which Mr. Marretti has worked include;

- 1325 E. Flamingo Road, a 66,000+ sq. ft. vacant retail / warehouse that was back filled with the first 99 Cents Only in Las Vegas
- 3025 E. Desert Inn Road, a 50,000+ sq. ft. run down retail center

- Multiple custom homes in the Summerlin Community of Red Rock and Orange County, CA
- Acquisition of 10+/- acres of land in Mountain's Edge for a mixed use development
- Reposition and sale of the Tropicana Centre at Tropicana and Pecos, a 580,000+/-sq. ft. Walmart anchored asset
- Frank has been Involved with nonprofit groups including Andre Agassi Foundation, Nevada Cancer Institute, Candle Lighters, Links For Life Foundation, Child Haven, MD Anderson Cancer Center, The National Center for Missing and Exploited Children

John Damavandi / Damavandi Enterprises – Beverly Hills, CA:

Mr. Damavandi is a partial Equity Partner in New Town MD, LLC, and not active on a day to day capacity in the ongoing Project. Over the years he has purchased and developed an array of projects from strip malls to multi family, medical offices and mixed use. Mr. Damavandi has owned a few properties in the Las Vegas area over the years, and has had a 13+ year professional relationship with Mr. Marretti.