

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: Update on Campus Master Plan Revision and Purchase and Sale Agreement of 42 Acre Parcel near Tropicana Avenue and Koval Lane - UNLV

Meeting Date: October 23, 2015

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

At the March 5-6, 2015 Board of Regents meeting the Board agreed to support the negotiation of a Purchase and Sale Agreement between Wells Fargo and the UNLV Foundation (“UNLVF”), as agent for UNLV subject to Board final approval for the 42 acres of real property approximately .6 miles west of the UNLV main campus, on the northeast corner of Tropicana Avenue and Koval Lane. The Board also approved the proposed process and schedule (attached) defined by UNLV for the due diligence review of the Property. On Monday, March 30, 2015 the agreement was executed by UNLVF and Wells Fargo and one-half of the escrow deposit in the amount of \$250,000 was paid. The remaining \$250,000 escrow deposit was paid on June 25, 2015 as we had completed all the contractual due diligence items without any concerns being raised.

As part of the process identified, UNLV has provided updates on the status of activities to the Investment and Facilities Committee at the June 11-12 and September 10-11, 2015 meetings and is providing the full Board an update for the October 23, 2015 meeting. Included in the presentation will be an update from John Peterson of JNA Consultants, the System’s financial advisor, on financing options currently under consideration.

Other groups UNLV is working with on planning for this 42 acre parcel include:

- SmithGroup JJR and Forest City Enterprises, Inc.
- Clark County - various entities including the Commissioners, Planning and Public Works
- Regional Transportation Commission of Southern Nevada
- Nevada Department of Transportation (they oversee Tropicana Avenue)
- McCarran International Airport
- Neighboring property owners to the east
- The UNLV Foundation - specific development related advisors/Development Advisory Board
- Internal UNLV campus stakeholders

An update on the due diligence items UNLV has been working on are as follows:

- Appraisal (performed by Timothy R. Morse and Associates) – Completed - Property appraised value is \$56.2 million
- ALTA Survey (performed by Zone Engineering) – Completed
- Phase I Environmental Site Assessment (performed by Ninyo and Moore) – Completed
- Title Commitment (performed by Chicago Title Company) – Completed
- FAA/Airport Coordination – On-going
- Memorandum of Understanding (MOU) with County - UNLV worked with NSHE counsel to create an update of the MOU with the County. This updated MOU has been shared with Commissioner Scow's office, County Manager Don Burnette and other Clark County staff. UNLV will be meeting Clark County staff to review the MOU and determine next steps for finalization and Clark County approval of the MOU.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

UNLV President Len Jessup will provide an information update involving activities associated with the update of the campus master plan and the UNLV Foundation's ("UNLVF") purchase and sale agreement for the 42 acre parcel near Tropicana Avenue and Koval Lane. This is a status update only and not an action item.

4. IMPETUS (WHY NOW?):

The UNLVF has made a contingent offer on the Property (which expires December 18, 2015), signed the agreement on March 30, 2015, paid the full escrow deposit in the amount of \$500,000, and is currently considering financing options.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- This is an information item being presented as part of the mutually agreed upon process to provide updates to the Board and in anticipation of an action item request at the December 3-4, 2015 Board meeting to approve an update to the UNLV campus master plan and approve the purchase of the 42 acre parcel.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- None known.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Do not provide an update to the Board.

8. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title #____ Chapter #____ Section #____

Amends Current Board Policy: Title #____ Chapter #____ Section #____

Amends Current Procedures & Guidelines Manual: Chapter #____ Section #____

Other:_____

X Fiscal Impact: Yes____ No X

Explain: Information update only at this time.

Proposed 2015 Schedule on 42 Acre Property

Feb 2, 2015	Start date for Legislative Session
March 5-6, 2015 BOR Meeting	Brought Foundation offer to Board of Regents for action to support backstop and approve 2015 process and schedule to acquire the property.
March 30, 2015	Wells Fargo accepted the contingent offer by the UNLVF for purchase of 42 acre parcel.
February - September, 2015	UNLV worked to develop options for use of 42 acres, including options for uses with and without a stadium. All uses include significant campus options. All options include the connection of this property to the main campus (for pedestrian and other transportation options). There was an update to the campus master plan at the September 2015 BOR Investment and Facilities Committee meeting.
February - September, 2015	UNLV worked with Foundation Real Estate Committee to consider development options for 42 acres, and specifically options to monetize land around the Stadium site and best way to approach this development (including financing the land cost). Proposals coming out of this work were coordinated with the campus master plan update noted above.
Spring/Summer, 2015	Ordered appraisals for 42 acres and performed appropriate due diligence.
June 1, 2015	End of 120 day Legislative Session.
June, 2015	The outcome of AB335 report extends the Campus Improvement Authority Board (CIAB) through 2017. This may not have any impact on the UNLV strategic interest in this property, and the final UNLV development proposal for the site may not include the assumption of a stadium.
June 11-12, 2015 BOR Meeting	Updates on the progress of this project were given.
Sept.10-11, 2015 BOR Meeting	Updates on the progress of this project were given.
October 23, 2015 Special BOR Meeting	Updates on the progress of this project will be given.
December 3-4, 2015 BOR Meeting	Utilization of this time to update and finalize the UNLV master plan, development plan for this 42 acre site, and the financing plan in order to acquire the property no later than 12/31/15.



UNLV

2015 Limited Campus Master Plan Update

NSHE Board of Regents Informational Update

October 23, 2015

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SMITHGROUP JJR

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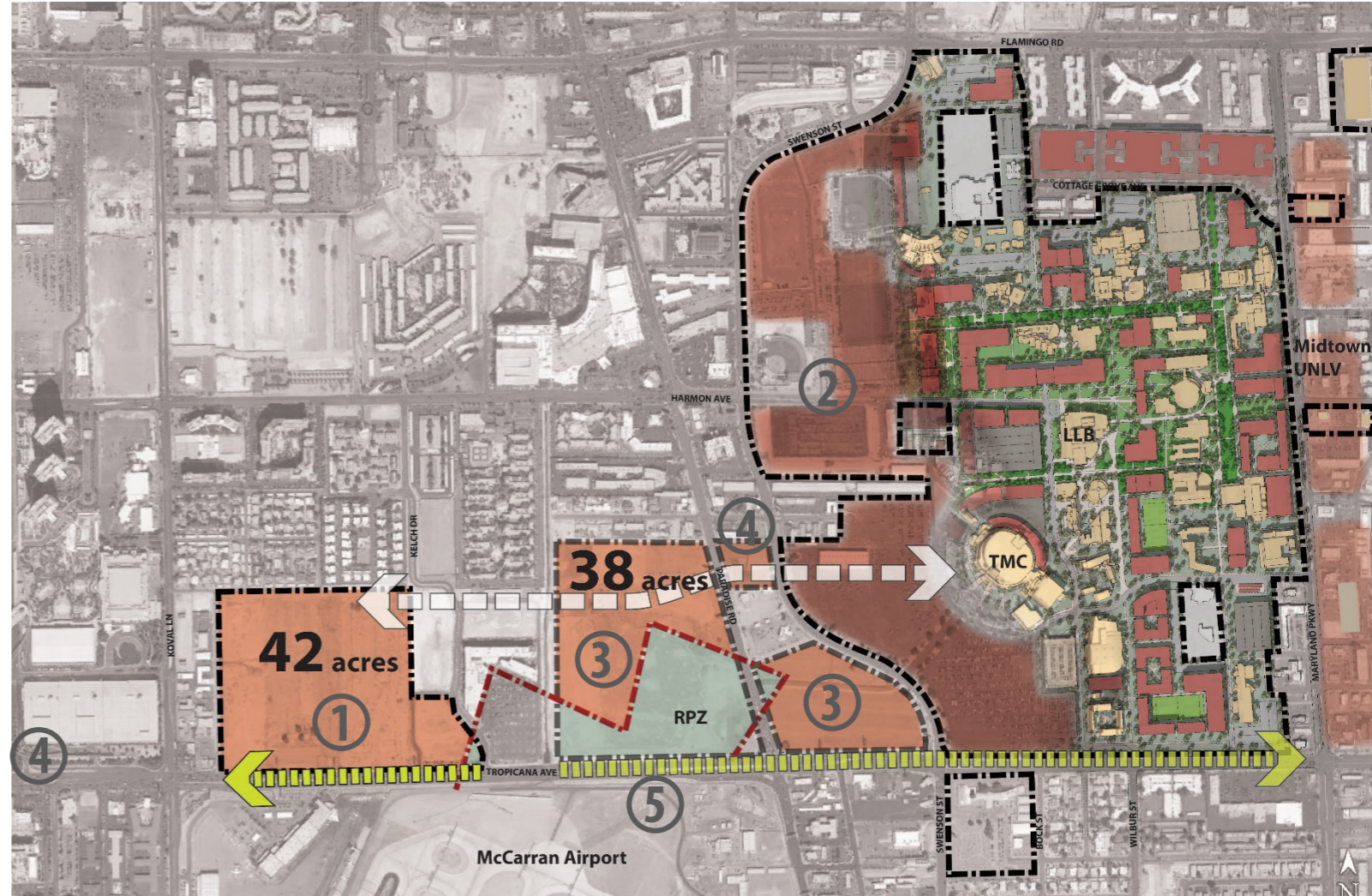


DUE DILIGENCE ITEMS AND UPDATE

- **Status of Appraisal - COMPLETED**
- **ALTA Survey - COMPLETED**
- **Phase 1 Environmental Report - COMPLETED**
- **Title Commitment - COMPLETED**
- **FAA/Airport Coordination - ON-GOING**
- **MOU with Clark County - ON-GOING**
- **Campus Open Houses**

KEY COMPONENTS

- 1** Evaluate a Unique Opportunity to Acquire **42 Acres** Close to Campus with the Potential for a Direct Connection, for the **Long Term Strategic Needs of UNLV.**
- 2** Limited Update to 2012 Board Approved Master Plan - Focused on West Portion of **Existing Campus** and **Potential Addition** of Up to 80 Acres of Land.
 - Allows Reprogramming of 15-20 Acres of Existing Land for up to 1M GSF of New Campus Development on Existing Land.
- 3** Development Site 42 Acres + Clark County Land 38 Acres = **80 Acres**
 - Consider Development Options with and without a Stadium as There is a Long Term Need by UNLV to Expand the Campus
- 4** Proximity and Connectivity to **Las Vegas Strip, UNLV Campus** and Transit/Transportation
 - Connection to Campus and the 0.6 Miles of the TMC Area
- 5** 2-mile Enhanced UNLV/Clark County **Frontage**
 - RPZ and other Area Improvements to Create a Pleasing Visual Entrance/Exit from the Airport and Enhance the Presence and Markets of UNLV at this Strategic Location



PROGRAM OVERVIEW

80 Acres of Land

SHORT TERM USES

- Recreation 5 Acres
- Short Term Uses, such as Event Staging or Other Items
- Use of 2 Existing Billboards and Potential Conversion to Digital
- Determine Details Related to Clark County 38 Acres – Campus Development, Landscaping, etc....

PHASE 2: CAMPUS VILLAGE

- UNLV / Office 600,000 SF
- Public-Private Partnership Development 120,000 SF
- Market Residential 500,000 SF (550 Units)
- Athletic 8 Acres
- Parking 3,400 Spaces On-Site

PHASE 2: STADIUM

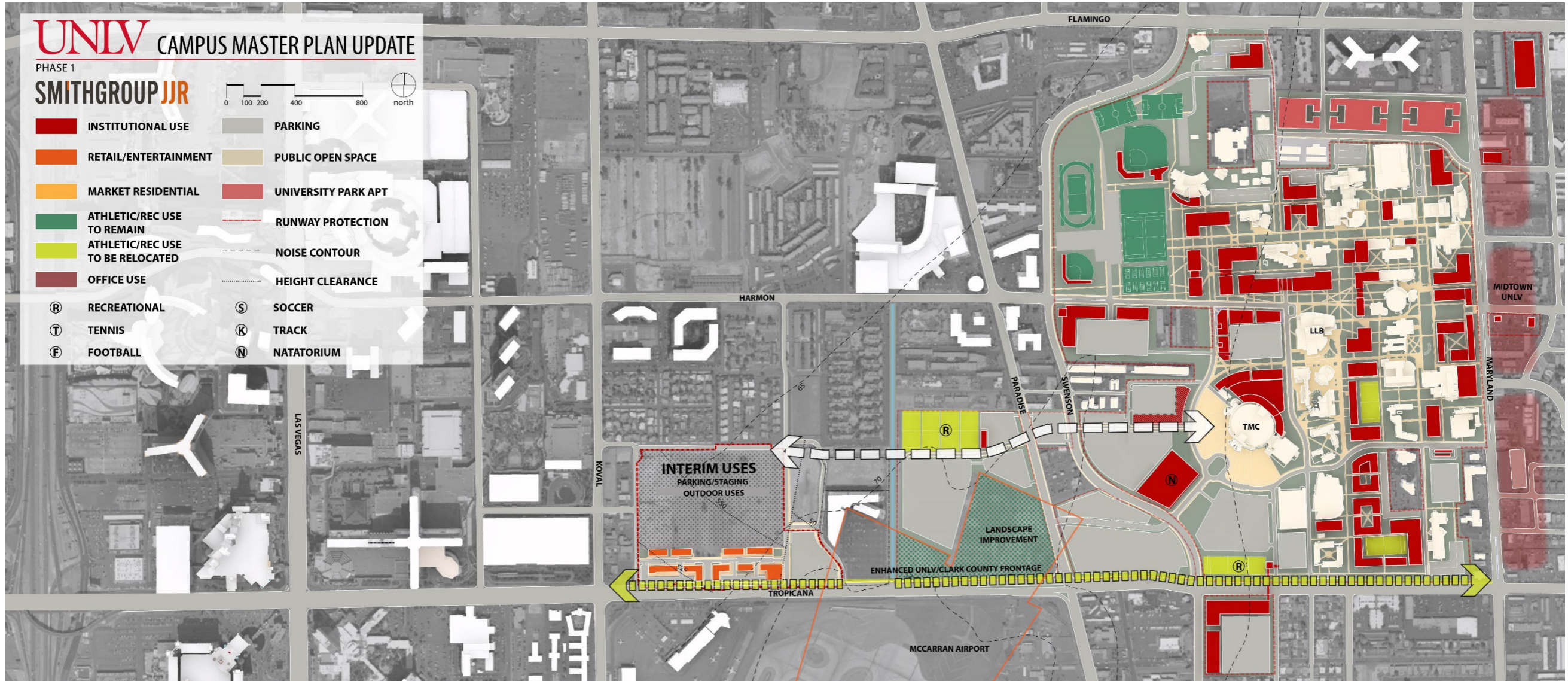
- UNLV 200,000 SF
- Public-Private Partnership Development 120,000 SF
- Market Residential 240,000 SF (280 Units)
- Athletic 8 Acres
- Stadium 10 Acres (55,000 Seats)
- Parking 3,100 Spaces On-Site

TRANSPORTATION

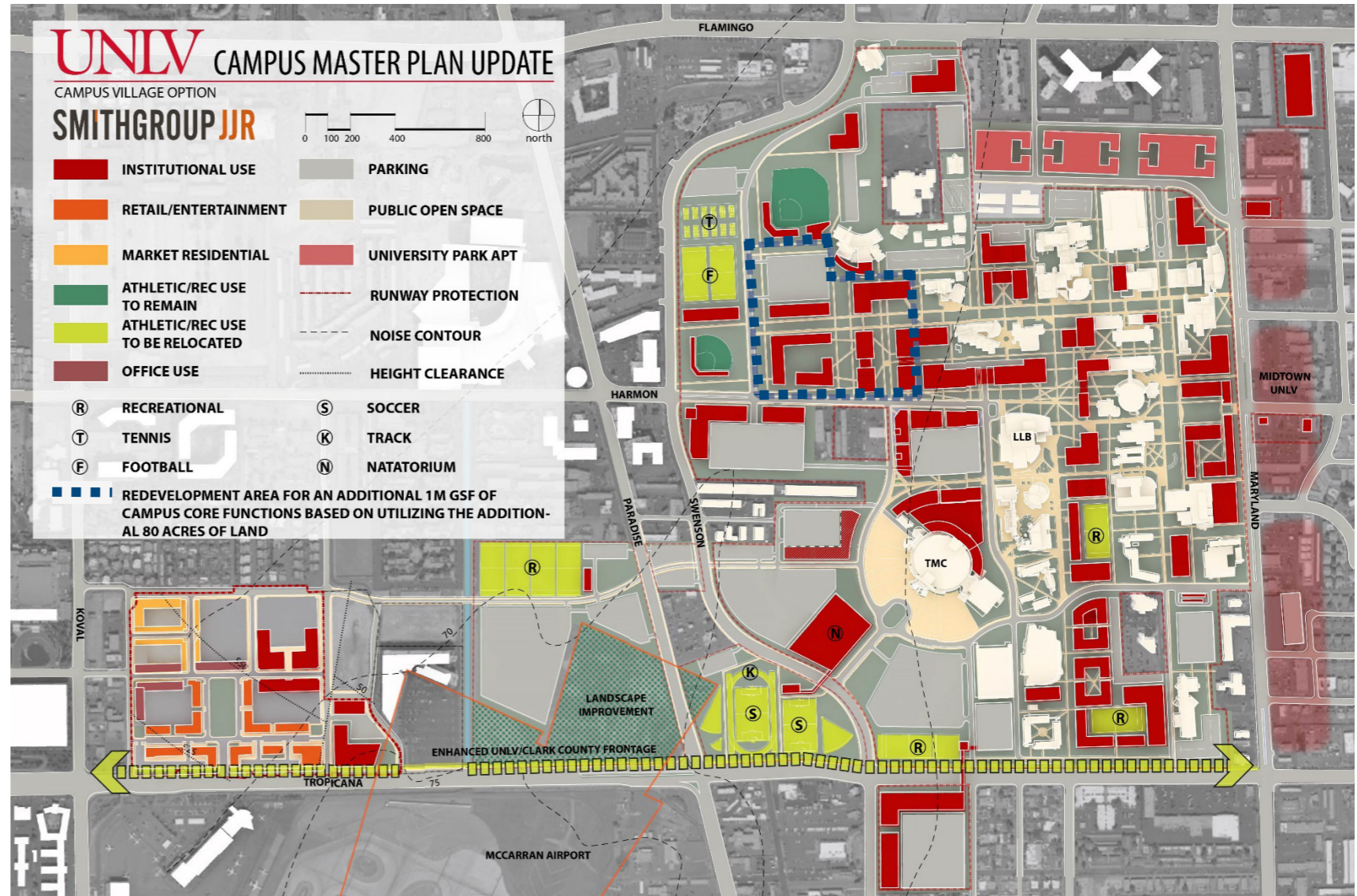
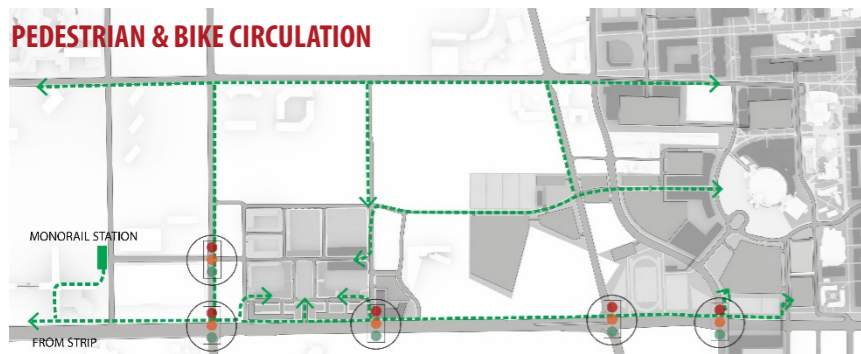
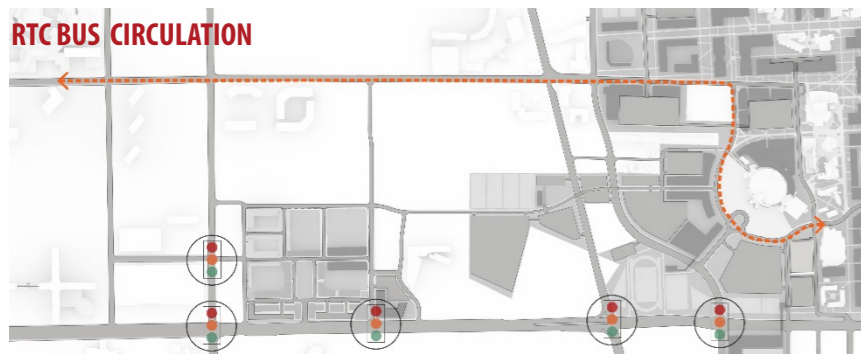
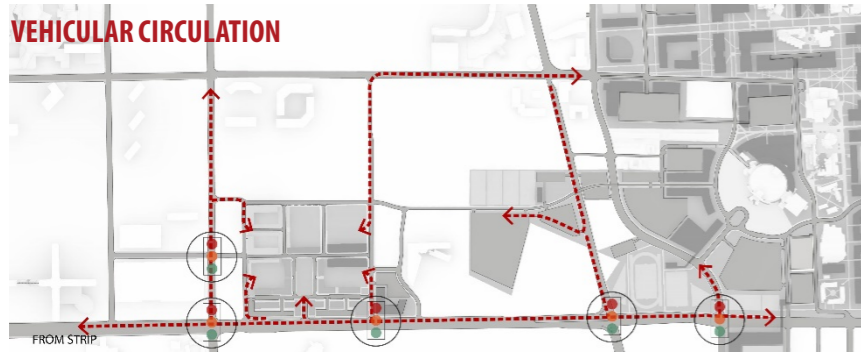


PROPOSED CONNECTION
PROPOSED SIGNAL

FRAMEWORK PLAN: PHASE 1



FRAMEWORK PLAN: PHASE 2 [CAMPUS VILLAGE OPTION]



SITE CONCEPT: PHASE 2 [CAMPUS VILLAGE OPTION]

Intent of site is for a good integration of campus uses/expansion and public-private partner development options that both creates a great campus environment and engages private development partners to best use the land for campus and community benefit.

RETAIL: 120,000 SF

MARKET RESIDENTIAL: 500,000 SF (550 Units)

UNLV/OFFICE: 600,000 SF

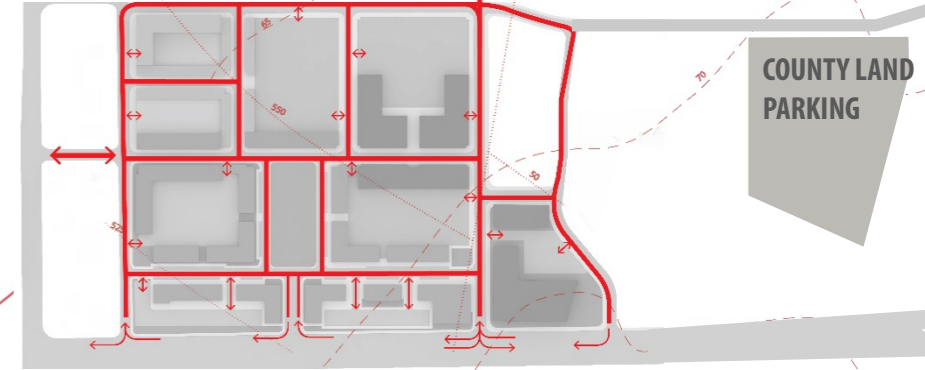
SURFACE PARKING (Excluding Market Residential): 1,700

COUNTY LAND PARKING: 1,700

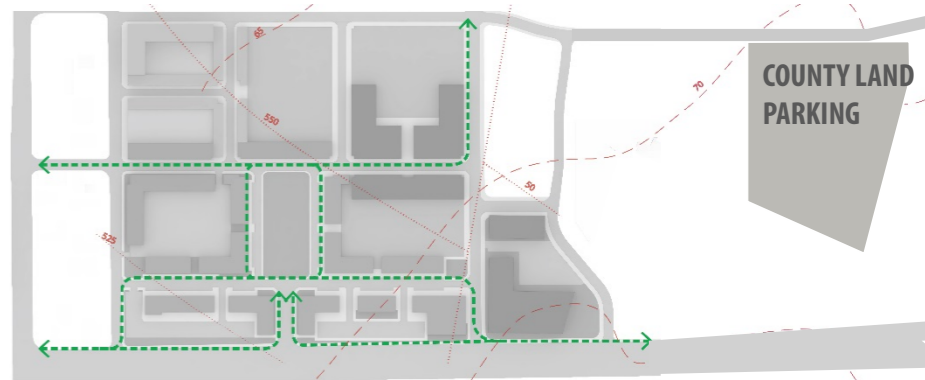
80 ACRES TOTAL PARKING: 3,400

TMC AREA PARKING: 6,300

VEHICULAR CIRCULATION

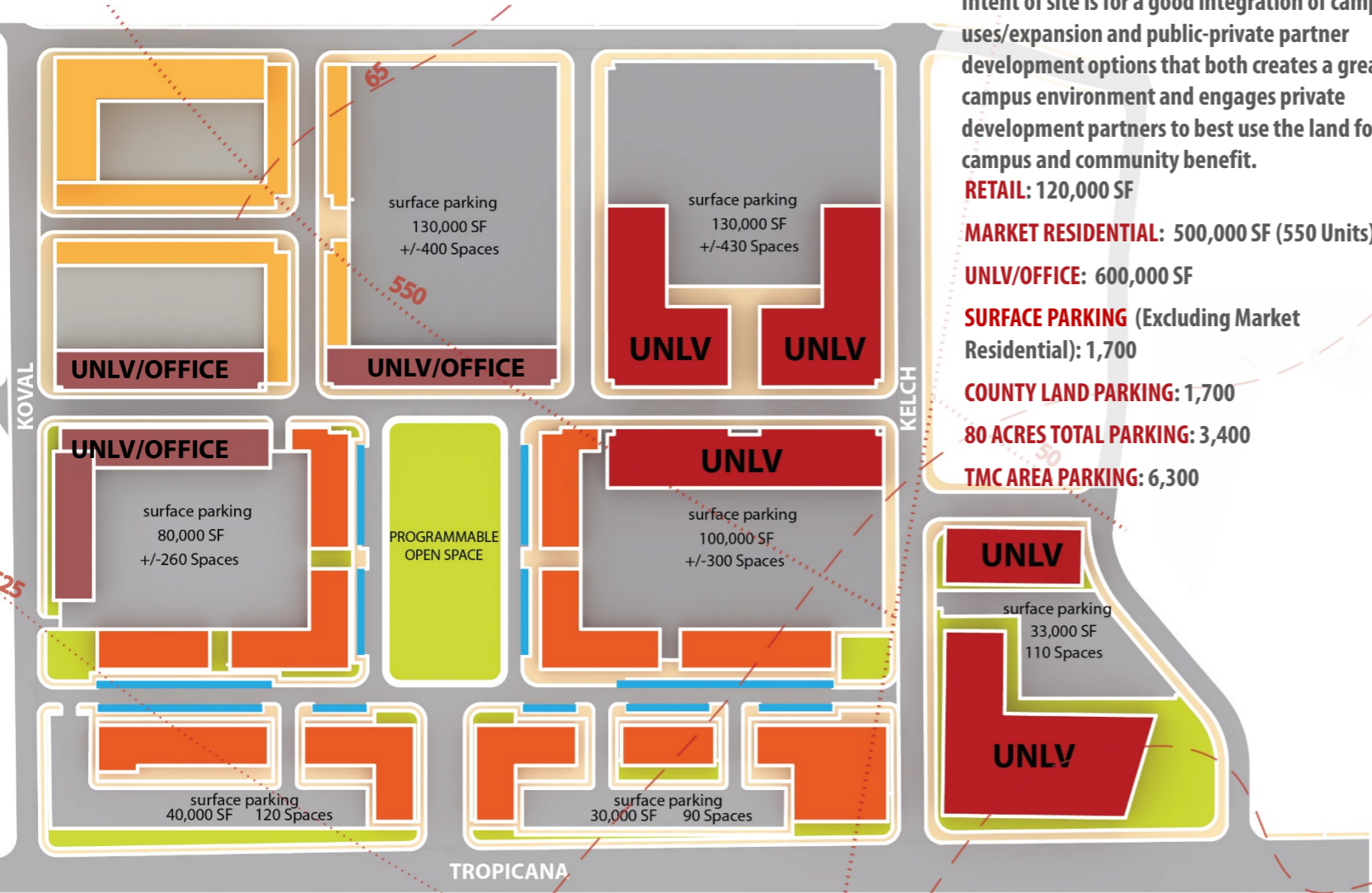


PEDESTRIAN CIRCULATION



POTENTIAL USERS

1. Executive Education and Education Outreach Programs (Hotel College, Law, Business, Medicine, General Programs)
2. Expansion and/or potential relocation of the International Gaming Institute
3. Clinical activities (general or specialized) for the Medical and Dental Schools
4. Online Education offices/facilities
5. Research, academic, service and other activities (i.e. Hospitality and Gaming Innovation, Personalized Medicine, Kinesiology and Entertainment Engineering, and other items)



— On Street Parking
 — Noise Contour
 ⋯ Height Clearance

■ RETAIL
 ■ MARKET RESIDENTIAL
 ■ UNLV
 ■ UNLV/OFFICE

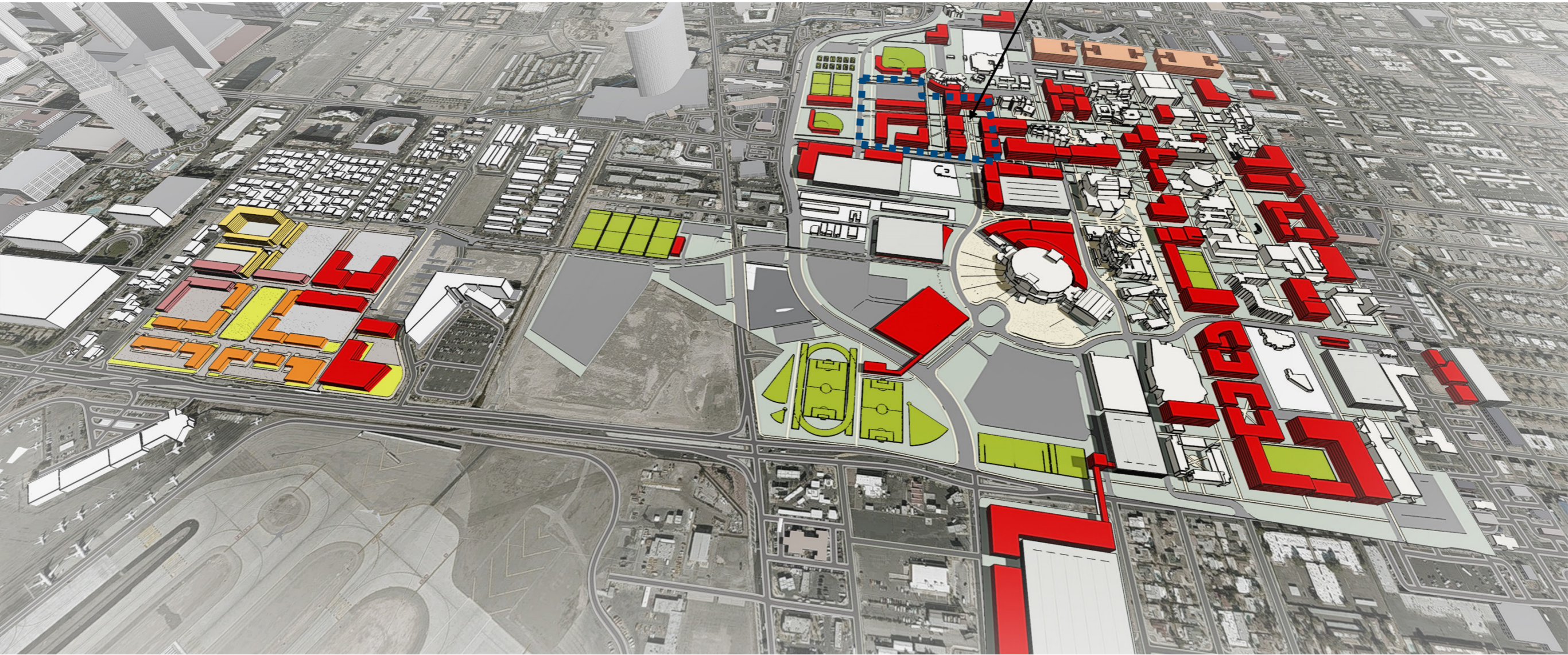
(i.e. Community Members, Alumni, Faculty, Staff, etc....)

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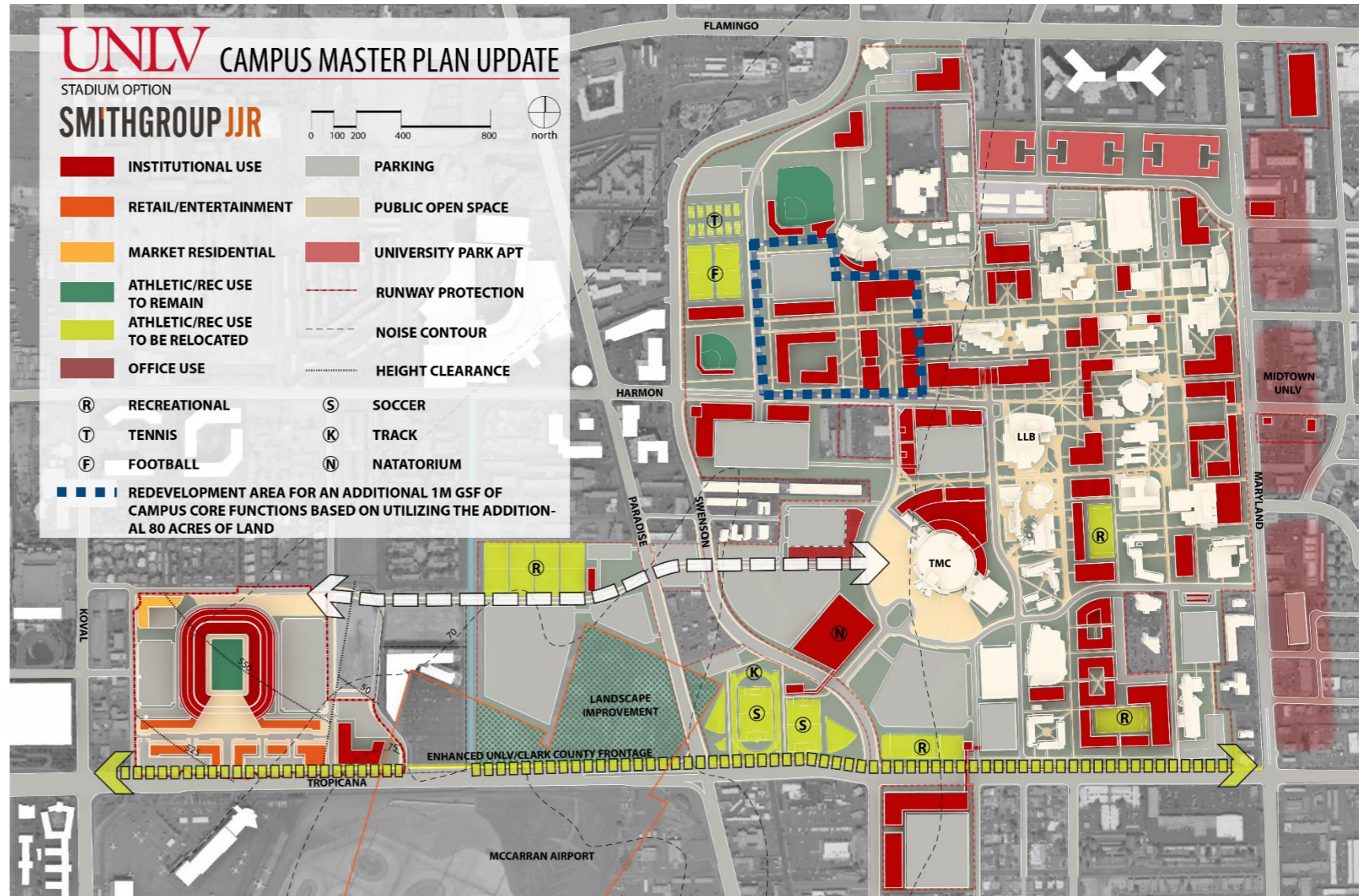
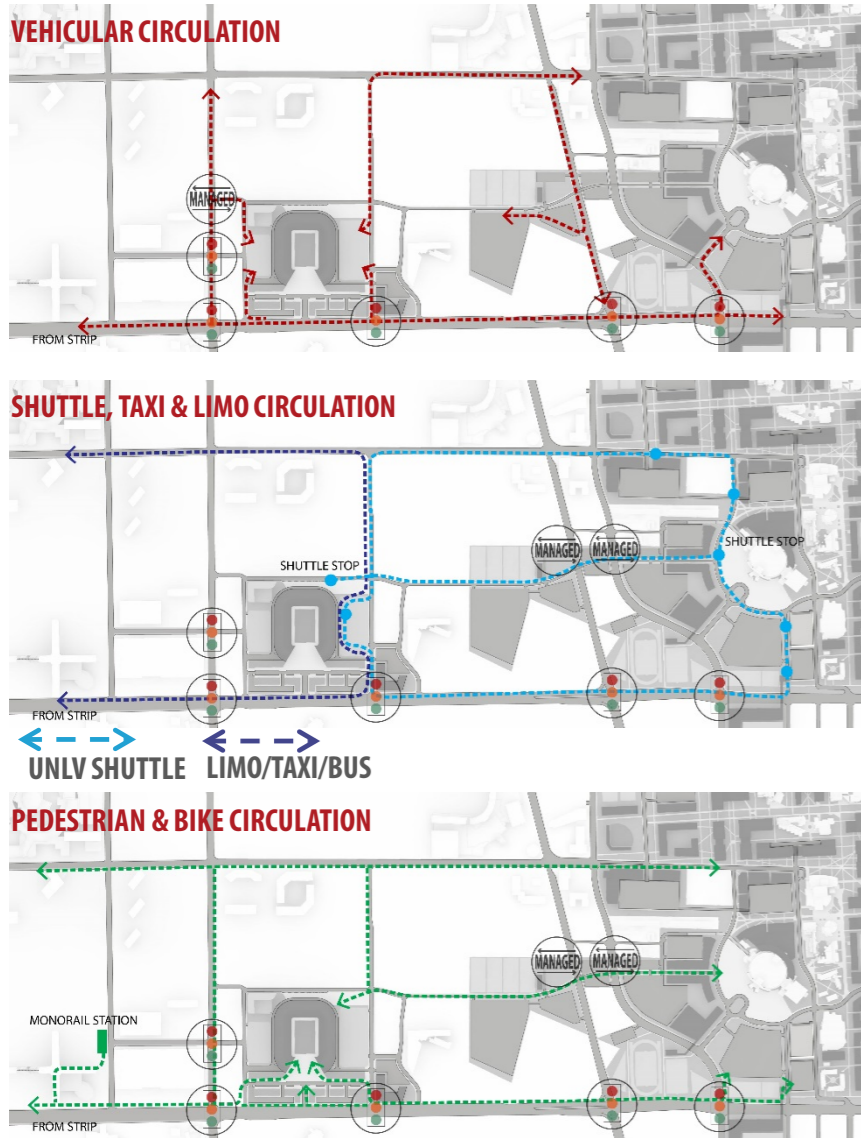


CAMPUS VILLAGE OPTION OVERALL VIEW

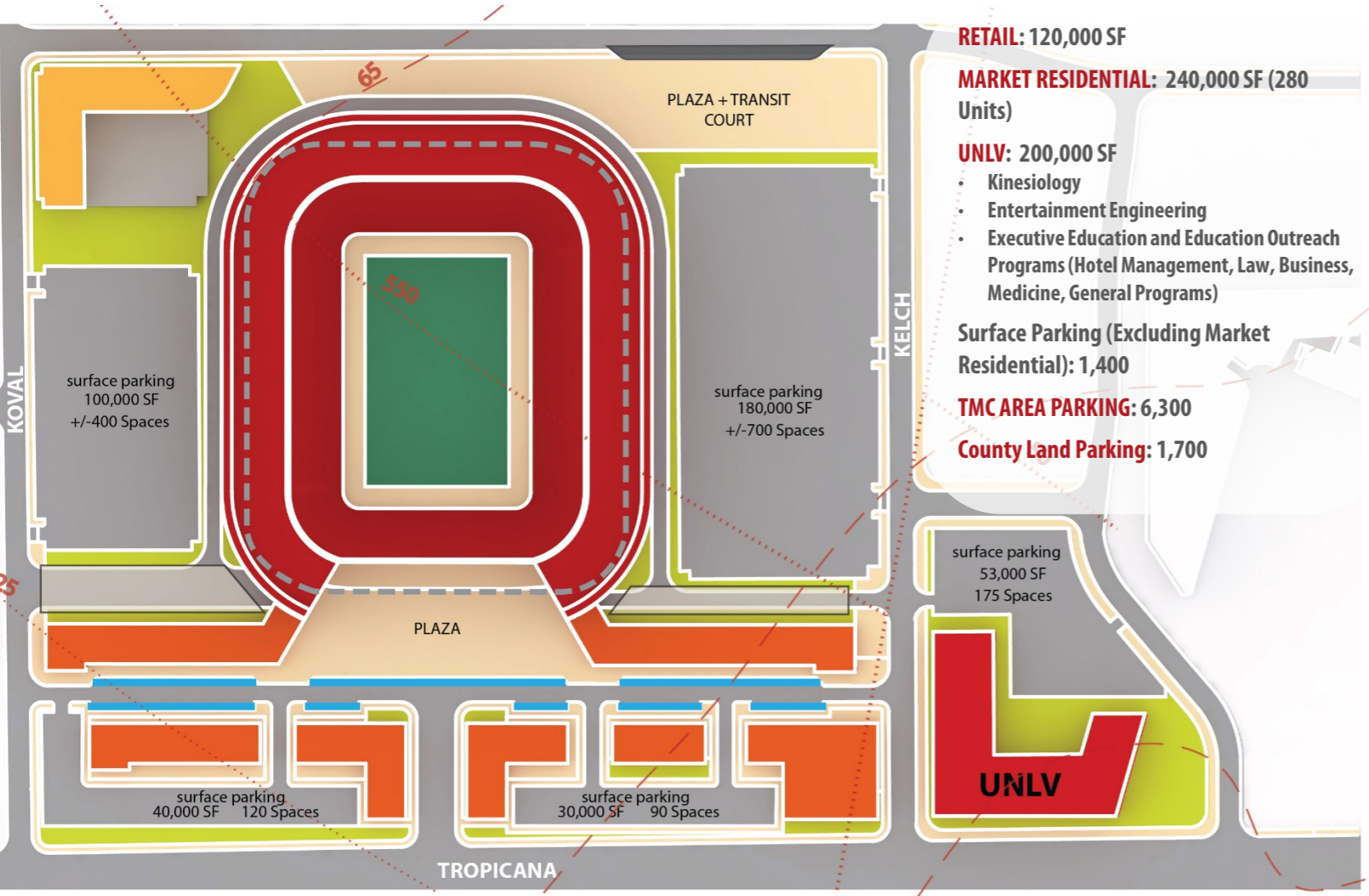
REDEVELOPMENT AREA FOR AN ADDITIONAL 1M GSF OF CAMPUS CORE FUNCTIONS BASED ON UTILIZING THE ADDITIONAL 80 ACRES OF LAND



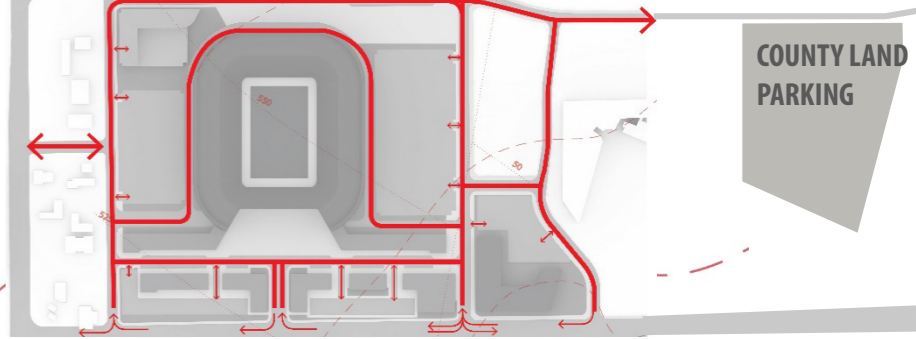
FRAMEWORK PLAN: PHASE 2 [STADIUM OPTION]



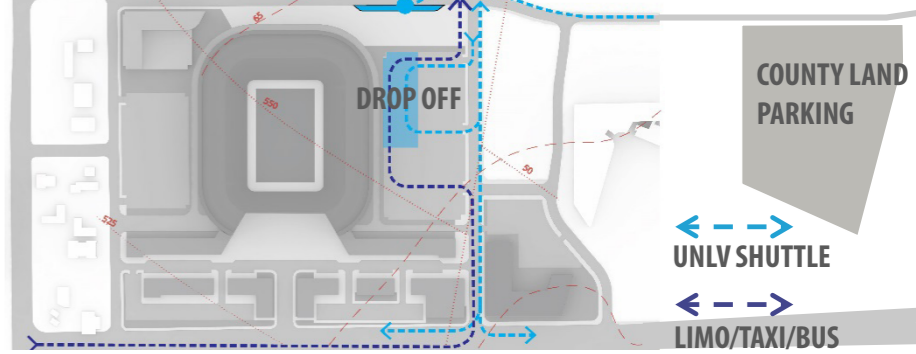
SITE CONCEPT: PHASE 2 [STADIUM OPTION]



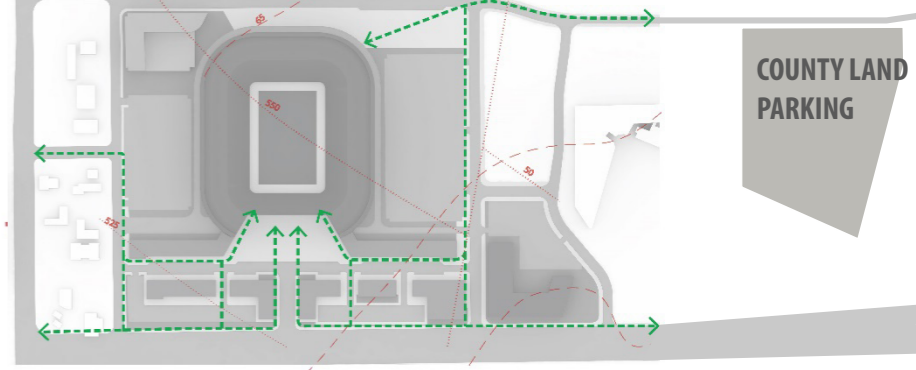
VEHICULAR EVENT CIRCULATION



SHUTTLE & LIMO EVENT CIRCULATION



PEDESTRIAN EVENT CIRCULATION



Covered Stadium Footprint
 On Street Parking
 Service Area
 Shuttle Stop
 Noise Contour
 Height Clearance



RETAIL
 MARKET RESIDENTIAL
 UNLV

(i.e. Community Members, Alumni, Faculty, Staff, etc...)

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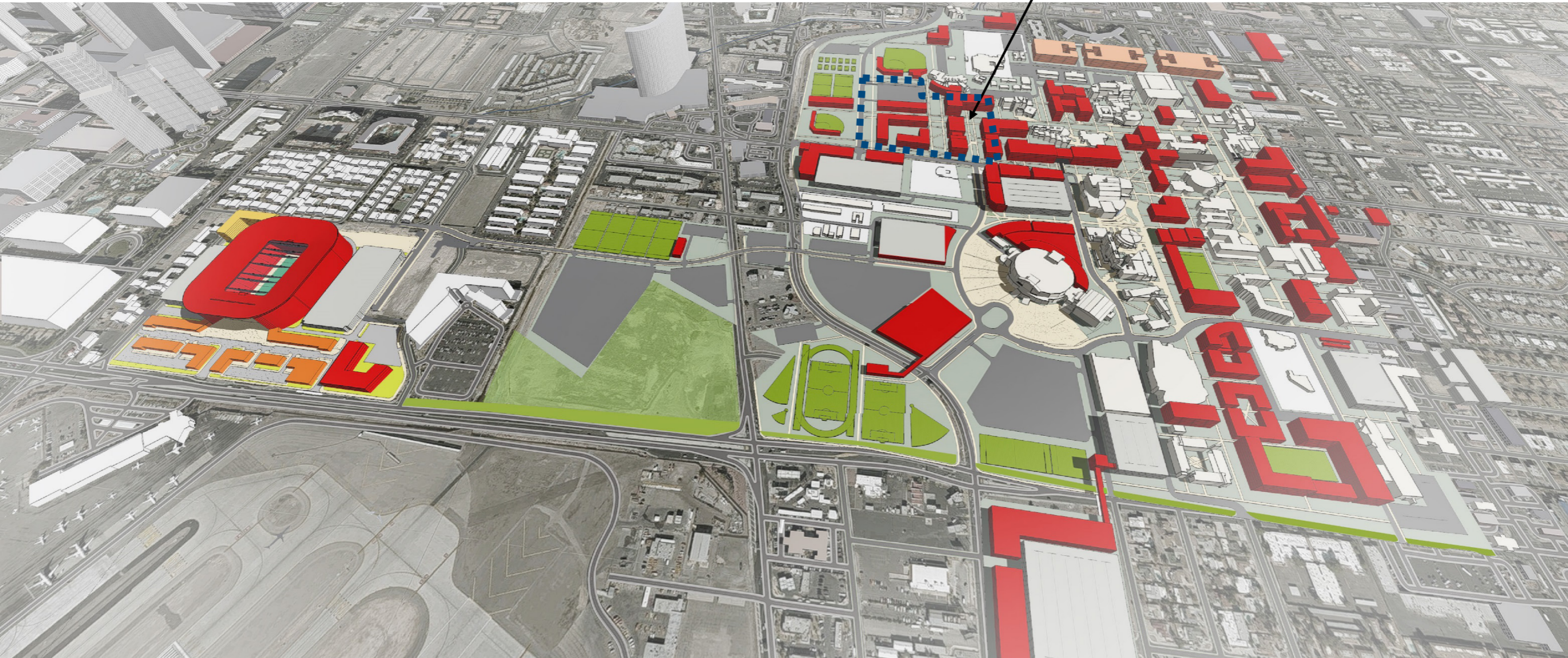


PLAZA EXPERIENCE



STADIUM OPTION OVERALL VIEW

REDEVELOPMENT AREA FOR AN ADDITIONAL 1M GSF OF CAMPUS CORE FUNCTIONS BASED ON UTILIZING THE ADDITIONAL 80 ACRES OF LAND



DEVELOPMENT OPPORTUNITIES

- Market Demands for Food, Beverage, Retail and Other Items are growing
- No Increasing Supply near UNLV Campus

UNLV Development
300,000 - 500,000 SF

Entertainment Building
30,000 SF

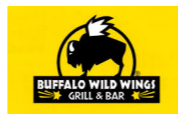
UNLV Themed Restaurant/Bar
6,000 - 8,000 SF

Sit-Down Restaurants (4-5)
6,000 - 8,000 SF each

Quick Serve Restaurants (4-5)
2,500 - 3,000SF each

Ancillary Retail
10,000 – 12,000 SF

Total: 200,000 - 400,000 SF



ENHANCED FRONTAGE



At Tropicana & Swenson Looking West



At Tropicana & Swenson Looking North

DISTRICT EXPERIENCE



Retail Street (Stadium Option)

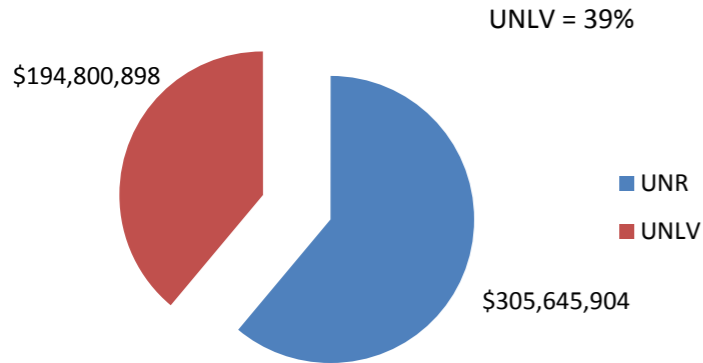


Mixed Use Street (Campus Village Option)

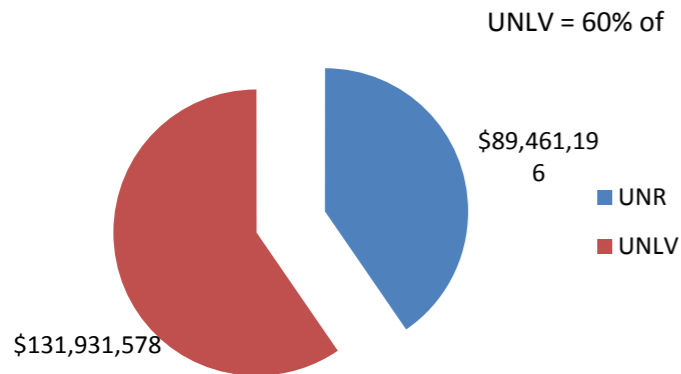
FINANCING

Current Debt Use

Outstanding Debt (6/30/15)



Net Pledged Revenues (FY15)



Project Sources to Purchase Property

42 acre financing options:	Near term	
	per year funding	
Billboards - as is	\$144,000	
Billboards - upgraded to digital	\$144,000	Estimate
Storage/Staging	\$480,000	Requires special County approval after we own it
Investment Income allocation	\$600,000	
Existing CIF	\$750,000	
Existing GIF	\$750,000	
Existing internal campus O/H	\$500,000	
Development on Trop		Monetize the land along Trop w/some private partner (a longer term future option)
TOTAL	\$3,368,000	Estimated at 30 year payments - high end

Note: Assume would need to hold land for at least 5 years before any development.

Note: May have some "taxable" financing requirements.

Note: Staging income would not be immediate but would take some months after owned by UNLV

Recent Ratings of Debt

Moody's: January 2015 – Aa2

Standard and Poor's: January 2015 – AA-/stable

Fitch: July 2014 – AA

FINANCING

Long-term Financing Options

TAX STATUS

- The current range of contemplated uses of the 42 acre site likely requires issuance of taxable bonds
 - Taxable bonds give UNLV maximum flexibility in how it uses the property. Tax-exempt bonds, while less expensive, restrict site use.
 - Tax-exempt bonds may force UNLV to refinance in the future, which may cause an increase in debt service.
 - The estimated cost of taxable bonds is not expected to exceed the identified repayment sources.
 - UNLV retains the ability to refinance with tax-exempt bonds in the future, if advantageous.

FINANCING PLAN

- UNLV is considering a two-step financing of the purchase
 - An interim “bank loan” will close prior to the deadline with Wells Fargo. (Dec 18, 2015)
 - The bank loan is expected to be outstanding for approximately 3-6 months while the long-term financing plan is executed.
 - An extension of the closing date to March 24, 2016 or later, will allow UNLV to finance the purchase without utilizing an interim bank loan.
 - The interim financing RFP will be distributed and results received prior to the December Board meeting. The financing will be conditioned on Board approval at the December meeting.
 - Long-term COPs will be issued to repay the interim note and lock-in interest rates over a 30-year period.
 - Both long-term and interim financings will proceed concurrently along parallel paths.

FINANCING

Financing Schedule to Meet Wells Fargo Dec 18 Purchase Deadline

Date	Action
Today	<ul style="list-style-type: none">• Board hears project status update
Nov 2015	<ul style="list-style-type: none">• Interim financing RFP released and responses due prior to December Board meeting.<ul style="list-style-type: none">• The RFP will state that the financing is subject to approval by the Board and the Board retains authority over the transaction.
Dec 3-4	<ul style="list-style-type: none">• Board hears project update, including interim financing RFP results; Resolution for interim financing to be considered for approval by the Board• First step for long-term financing (underwriting services RFP) to be considered for approval by the Board
December 2015	<ul style="list-style-type: none">• Interim loan closing• Underwriting RFP released
January 2016	<ul style="list-style-type: none">• Underwriting RFP responses due
Mar 2016	<ul style="list-style-type: none">• Long-term financing resolution brought to Board for approval, including recommended underwriting syndicate• Long-term bonds priced• Long-term bond closing/interim financing repaid