

BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE: Disposition of Real Property located at 7000 East Russell Road in Clark County, NV – UNLV Sam Boyd Stadium and associated land parcel(s).

MEETING DATE: September 5-6, 2024

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Summary - Policy Context and Related Information

In 1985, Clark County transferred the Sam Boyd Stadium property and improvements (the “SBS”) to UNLV at no-cost, with deed and reversionary restrictions in-place. UNLV operated, managed, maintained, and improved SBS during its operational period under UNLV ownership between 1985 and 2020. This was prior to the approval of the 2016 Nevada Legislative Special Session SB1 (Southern Nevada Tourism Improvements Act) and the subsequent development of Allegiant Stadium which led to UNLV Football playing their games at Allegiant Stadium starting in 2020. UNLV is no longer able to operate SBS, given the terms of the approval, development, and operation of Allegiant Stadium (including UNLV receiving allocations for ‘waterfall’ payments tied to the ceasing of operations of SBS – with a payment made in FY2024 in the amount of \$1,982,433, constituting all ‘waterfall’ payments made to UNLV to date).

UNLV does not have development or operations plans for the SBS property and improvements that do not conflict with the requirements associated with the development and operation of Allegiant Stadium. Therefore, UNLV believes the most reasonable and suitable approach with respect to SBS is to collaborate with Clark County to return the SBS property to Clark County (for public purpose uses as identified by Clark County), with reasonable compensation to be paid to UNLV in consideration of past UNLV investments in the SBS property improvements that were undertaken during UNLV’s term of ownership.

Due to the deed and reversionary restrictions enacted and/or implemented by the Federal Bureau of Land Management (“BLM”) and Clark County for the SBS land parcels and their associated deeds—which mandate the SBS property to be used for ‘public purposes’—there are very few potential SBS acquirers who would be able to with these public purpose deed and reversionary restrictions. Clark County, a former owner of SBS property, is one of the few interested acquirers who could comply with the public purpose deed and reversionary restriction. Clark County also holds the authority to review and approve entitlements for the property.

UNLV and Clark County have a history of collaboration and cooperation related to similar efforts, such as the items noted below. UNLV desires to continue and expand collaboration and cooperation with Clark County for the parties' mutual benefit—where collaboration and cooperation between UNLV and Clark County would be strengthened through a collaborative disposition of SBS from UNLV to Clark County.

- In 2016, Clark County provided UNLV the 9.11-acre site at 625 Shadow Lane in Las Vegas, NV, at a nominal cost and below market valuation, where the Kirk Kerkorian Medical Education Building (MEB) was developed and constructed for the Kirk Kerkorian School of Medicine at UNLV. The general purpose and terms of the Clark County transfer of this property to UNLV were to further develop academic medicine and health assets in Southern Nevada, and to support collaboration between UNLV and the University Medical Center (the “UMC”) for the benefit of the Southern Nevada community.
- In 2018, with Board of Regents prior approval, UNLV allocated \$3.5M and a trade-out of land to Clark County for the realignment of Cottage Grove Avenue and the addition of a traffic signal at the intersection of Cottage Grove Avenue, Rochelle Avenue, and Maryland Parkway, to collaboratively work with Clark County’s project to improve Maryland Parkway at that time. UNLV’s partnership with Clark County to provide funding and a land swap for this item was both timely and a strong collaboration to improve access and safety in this area to support the broader interests of the UNLV and Southern Nevada communities.

General Background Information

SBS is comprised of two land parcels with deed and reversionary restrictions:

- Parcel 1 (APN 162-26-801-001) – 58.14 acres (Parcel 1 has a Clark County public purpose deed and reversionary restriction.)
- Parcel 2 (APN 161-35-501-001) – 10.93 acres (Parcel 2 has a Clark County public purpose deed and reversionary restriction and BLM Recreation and Public Purpose Patent (“RP&P”) reversionary restriction.

The overall and summary history of SBS is as follows:

- 1962: Parcel 1 was conveyed from the United States Federal Government (US) via BLM to Clark County (as part of a larger parcel conveyance undertaken at that time.)
- 1969-1970: Clark County received approval of a development plan from BLM for Parcel 1, for stadium and related purposes.
- 1971: Parcel 2 was conveyed from the United States Federal Government (US) via BLM to Clark County, with RP&P reversionary restriction.
- 1971: Initial development of stadium improvements by undertaken by Clark County.
 - UNLV was a stadium user at that time (1971), among other stadium users.
- 1977 - 1978: BLM approved Clark County's requested land use change from the stadium and related purposes to fairground expansion, golf course, and related facilities.
- 1978: BLM approved Clark County's revised development plan in accordance with land use change.
- 1978: Additional stadium improvements were undertaken by Clark County.
- 1985: With BLM approval, Clark County performed a no-cost transfer of ownership of Parcel 1, Parcel 2 and all improvements, including the stadium itself, to UNLV, with the following terms:
 - Parcel 1 was transferred with a Clark County public purpose deed and reversionary restriction in place.
 - Parcel 2 was transferred with a Clark County public purpose deed and reversionary restriction and a BLM RP&P reversionary restriction in place.
- 1999: Additional stadium improvements (i.e. addition of tower, other items) were undertaken by UNLV at an approximate cost of \$17.5M.
- 2015: Additional stadium improvements (i.e., field widening and replacement of synthetic turf) were undertaken by UNLV at an approximate cost of \$1.7M. Other routine/deferred maintenance and focused improvements undertaken by UNLV over several years include scoreboard replacement, hot water boiler replacement, exiting, and accessibility improvements at an approximate cost of \$800K.
- 2020: SBS ceased operations with the opening of Allegiant Stadium, per the terms of the 2016 Nevada Legislative Special Session - SB1 (Southern Nevada Tourism Improvements Act). The annual operating costs for 2023-2024 were approximately \$500,000.

UNLV undertook a variety of assessments related to options for the disposition of SBS and engaged with Clark County in discussions about options for the disposition of SBS, including the following items:

- **2019-2022:** UNLV undertook a review of SBS background, restrictions, circumstances, and disposal options for Parcel 1, Parcel 2, and other property components, including:
 - Clark County public purpose deed and reversionary restrictions.
 - BLM RP&P reversionary restrictions.
- **2019-2022:** UNLV commissioned independent third-party appraisal valuations of the SBS land parcels and property to understand valuation options for various disposal scenarios, including:
 - \$20.03M: December 2019 independent third-party appraisal valuation, assuming no public purpose deed and reversionary restriction. (Note – this option was determined as not feasible.)
 - \$15.5M: July 2022 independent third-party appraisal valuation, assuming public purpose deed and reversionary restriction, acquiring party desires stadium to remain for reuse, and a sufficient pool of interested purchasers of the property exists to support a competitive disposition process.
 - \$10.4M: July 2022 independent third-party appraisal valuation, assuming public purpose deed and reversionary restriction, and the acquiring party desires the stadium to be demolished, and a sufficient pool of interested purchasers of the property exists to support a competitive disposition process.
- **2022:** UNLV determined that the Clark County and BLM deed and reversionary restrictions only practically permit UNLV to dispose of the SBS land parcels and property to another public entity for public purpose use. Any development or operations of the SBS land parcel and improvements would also need to comply with entitlement processes and requirements governed by Clark County.
- **2022:** Clark County expresses interest in reacquiring the SBS land parcels and property from UNLV, for Clark County public purpose uses (i.e. potential adjacent Silver Bowl Park expansion, public/community utility infrastructure potential needs.)
 - In November 2022, Clark County offered to purchase SBS land parcels and property from UNLV for \$3.6M, with an offer basis of 4 years of estimated annual SBS property operations and maintenance costs.
 - UNLV responds to Clark County, advising that UNLV property sale valuations are conducted on the basis of commissioned independent third-party appraisal valuations.
 - Clark County advised that Clark County will commission an independent third-party appraisal valuation. Once received, Clark County and UNLV can review each other's commissioned appraisals.
- **2023:** UNLV and Clark County engaged in further discussions about a potential Clark County acquisition of the SBS land parcels and property.
 - In February 2023, Clark County commissioned independent third-party appraisal valuation for SBS land

parcels and property, resulting in an appraisal valuation of \$0. The appraiser notes the following items as part of the Clark County commissioned appraisal with a \$0 appraised value assessment:

- “The conclusion of our highest and best use is that the subject could not be put to an economic use that would allow it to be redeveloped, sold, or leased. Presently, the subject property is considered not to have a supportable market value and is assigned a value of \$0. Other non-economic concepts of value that depart from the standard market value definition an appraiser is tasked with using may be applied and a different conclusion could result for some value other than a Market Value for the subject as defined herein. The subject’s physical challenges and legal permissibility obstacles factor heavily into this conclusion. Please review the Highest and Best Use section of this appraisal for more background and information regarding the appraiser’s support for this conclusion.”
- The Clark County February 2023 appraisal valuation including the following “Appraisals Extraordinary Assumptions and Hypothetical Conditions”
 - The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.
 - There is no reasonable probability of a future variance or zone change approval for the Subject Property.
 - The Subject Property complies with the approved plan of development or plan of management for Patent No. 27-71-0088 (N-4237) filed December 10, 1969, as amended February 9, 1970, with the Bureau of Land Management. There is no reasonable probability of future revisions to the plan of development for Patent No. 27-71-0088 (N-4237) being approved by the Secretary of the Interior or his/her delegate.
 - In the event the Subject Property no longer complies with the approved plan of development or plan of management for Patent No. 27-71-0088 (N-4237), the Secretary of the Interior or his/her delegate will require patentee or its successor in interest to pay the United States in lieu of forfeiture of title.
 - UNLV may not lease or use the Subject Property pursuant to its existing agreement with Allegiant Stadium.
- To validate UNLV’s independent third-party appraisal valuation, UNLV updated its commissioned appraisal with the following appraisal outcomes:
 - \$15.5M: April 2023 independent third-party appraisal valuation, assuming public purpose deed and reversionary restriction, and acquiring party desires stadium to remain for reuse.
 - \$10.4M: April 2023 independent third-party appraisal valuation, assuming public purpose deed and reversionary restriction, and acquiring party desires stadium to be demolished.
- \$5M: After exchanging and reviewing appraisals, Clark County proposed an updated acquisition offer of \$5M to UNLV. \$5M is close to the mid-point between UNLV’s \$10.4M commissioned appraisal valuation at the time of this offer (where the acquiring party desires the stadium to be demolished) and Clark County’s \$0 appraisal.
- **2024:** UNLV and Clark County engaged in further discussions to finalize negotiations respective to developing governing board agenda items for the proposal for UNLV to dispose of the SBS property to Clark County.
 - With UNLV’s most recent commissioned appraisal for the SBS property being more than one (1) year old, UNLV updated its commissioned appraisal:
 - \$11.7M: May 2024 independent third-party appraisal valuation, assuming public purpose deed and reversionary restriction, the acquiring party desires the stadium to be demolished, and a sufficient pool of interested purchasers of the property exists to support a competitive disposition process.

UNLV believes the Board of Regents should consider the following factors related to this information agenda item in advance of any future action agenda item related to the UNLV disposition of SBS:

- Given that Clark County owned the SBS land parcels and property from its initial development through 1985, and with has expressed an interest and need to reacquire SBS for public purpose uses, it is reasonable and advisable to explore how UNLV and Clark County might agree to a reacquisition of SBS by its prior owner - Clark County.
- Considering that UNLV received the SBS land parcels and property, including a stadium, from Clark County in 1985 at no cost, it is reasonable to consider the prior value benefit to UNLV from the 1985 no-cost property transfer from Clark County to UNLV, as part of the reacquisition of SBS by Clark County from UNLV.
- UNLV and Clark County have collaborated on other property transfers that have yielded significant cost and other benefits to UNLV, through low or no-cost property transfers from Clark County to UNLV.
 - A recent example is Clark County’s 2016 transfer of a 9.11-acre site/parcel at 625 Shadow Lane in Las Vegas, NV to UNLV, where the Kirk Kerkorian Medical Education Building at UNLV was constructed. The 625 Shadow Lane site/parcel, potentially valued between \$15 million and \$20 million at the time, was transferred by Clark County to UNLV at a cost to UNLV for the site/parcel of approximately \$500,000, subject to the following primary conditions:
 - Development of improvements at the parcel that, in conjunction with the adjacent UMC health care

campus, support the creation of “an integrated academic health center/teaching hospital (“**Academic Health Center**”) for the betterment of public health in Southern Nevada.”

- Execution of a “Preliminary Affiliation Agreement” between NSHE/UNLV and UMC, setting forth certain obligations of each party related to the creation of an Academic Health Center, to be followed by an “Academic Health Center Master Affiliation Agreement.”
- Use of the parcel commonly associated with the operation of a medical school and other health related programs, subject to reversion of the property if compliance is not achieved or maintained.
- Commencement of construction of a building with a minimum construction value of \$20M, no later than July 1, 2021, subject to reversion of the property if compliance is not achieved.
- Establishment of an escrow control account funded by \$5M in UNLV funds, with \$500K returned annually to UNLV if terms of the property transfer are complied with. As of July 15, 2024, \$3M has been returned to UNLV.
- With the SBS parcels being subject to existing public purpose deed, RP&P and reversionary restrictions, there are likely few potential acquirers of the SBS property, who could comply with these restrictions. Clark County is one of these few entities, and, with the SBS parcels in Clark County jurisdiction, having been formerly owned by Clark County, and being adjacent to, and surrounded by, several Clark County public purpose properties (i.e. Silver Bowl Park, Clark County Wetlands Park, Clark County Radio-Controlled Recreational Airfield), UNLV disposing of the property to Clark County is a sensible approach. Furthermore, as Clark County has entitlement authority over SBS, Clark County holds significant authority and oversight of what the future use of the land, and its development can be.
- Clark County has advised that its plans for future development of the SBS parcels are for Clark County public purpose uses and community needs (i.e. potential adjacent Silver Bowl Park expansion and/or utility infrastructure potential needs.) On this basis, UNLV disposing of the SBS parcels to Clark County supports the improvement of public facilities and addressing public needs.

Proposed Property Disposition Approach and Summary Terms

Subject to Board of Regents input, UNLV plans to collaborate with Clark County on an Interlocal Agreement, which would serve as the contractual mechanism for UNLV to dispose of SBS to Clark County. The terms of this Interlocal Agreement are in development, and are not fully determined yet. However, the general terms, subject to change, update and further development and negotiation, that have generally been part of discussions to date, include:

- \$5M: Payment from Clark County for the transfer of SBS from UNLV, structured as a one-time lump-sum reimbursement for UNLV prior SBS maintenance, improvement and property expenses, payable from Clark County to UNLV within thirty (30) calendar days of the recording of a quit-claim deed for the Property from UNLV (the “**UNLV QCD**”).
- Clark County to be responsible for the recording of the UNLV QCD.
- UNLV to be responsible for initiating a request to BLM to process a certificate of transfer to transfer patent ownership of the R & PP Patented Land to Clark County.
- All improvements and structures at SBS shall be conveyed in an as-is fashion and condition, with no warranties or representations as to suitability for any particular use, occupancy, activity, operation or other purpose.
- The respective parties will acknowledge and agree that, a) because the SBS property has not been in operation or occupied since 2020, SBS and its associated existing improvements are no longer in an occupiable and/or operating condition, and b) if Clark County desires to occupy, use or operate SBS or its associated improvements in its current general configuration and state, such occupancy, use or operation will require Clark County to conduct further improvements, maintenance or repairs at Clark County’s own and sole determination and expense. The respective parties will mutually agree that the SBS property will be conveyed in its as-is current condition, with no guarantees or warranties by either party related to SBS’s suitability for use, occupancy or condition.

UNLV Plans for Allocation or Use of Net Proceeds of the Disposition of SBS

Our commitment is to ensure that the proceeds from the sale of SBS are used in ways that align with NSHE's core objectives, focusing on student access, student success, closing the achievement gap, workforce development, and research. While traditionally, funds generated through property sales have been reinvested into property acquisition accounts, we recognize the unique opportunity this sale presents. By allocating the proceeds to directly benefit our students and align with our strategic goals, we can make a profound and lasting impact. This thoughtful deviation from past practices underscores our commitment to student success and community development.

Here’s how we plan to utilize the funds (just to name a few):

- **Increased Student Funding:** Proceeds from the sale could be allocated to scholarships and financial aid programs, making education more accessible to a broader range of students
- **Infrastructure Development:** Funds could be used to improve campus facilities, including classrooms, libraries, and other spaces, enhancing the overall learning environment.
- **Enhanced Support Services:** Investments in academic advising, tutoring, and mental health services could be increased, providing students with the resources they need to succeed.
- **Targeted Programs:** Proceeds could support initiatives aimed at helping underrepresented and disadvantaged students, such as mentorship programs, bridge courses, and retention strategies.
- **Community Outreach:** Increased funding for community engagement programs could help attract and retain students from diverse backgrounds.

We believe that maintaining transparency and collaboration with Clark County is essential. As part of this process, we plan to keep the County informed about how the proceeds are being utilized, reinforcing our partnership rather than merely completing a transaction.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

UNLV President Keith E. Whitfield presents for information a proposal for the disposition of the UNLV Sam Boyd Stadium property, improvements and associated land parcel(s) to Clark County, for the UNLV Real Property located at 7000 East Russell Road in Clark County, NV.

4. IMPETUS (WHY NOW?):

UNLV would like to complete the disposition of SBS to Clark County within the next 6 months +/-, as-is feasible. Providing an information only agenda item for this Board of Regents meeting supports this goal. With support, guidance and/or direction from the Board of Regents and the Chancellor, UNLV would like to submit an action agenda item for an upcoming Board of Regents meeting, for the disposition of SBS to Clark County.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase participation in post-secondary education)**
- Success (Increase student success)**
- Close the Achievement Gap (Close the achievement gap among underserved student populations)**
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)**
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)**
- Not Applicable to NSHE Strategic Plan Goals**

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Increased Student Funding: Proceeds from the sale could be allocated to scholarships and financial aid programs, making education more accessible to a broader range of students **(Access)**
Infrastructure Development: Funds could be used to improve campus facilities, including classrooms, libraries, and technology centers, enhancing the overall learning environment. **(Access)**
Enhanced Support Services: Investments in academic advising, tutoring, and mental health services could be increased, providing students with the resources they need to succeed. **(Success)**
Targeted Programs: Proceeds could support initiatives aimed at helping underrepresented and disadvantaged students, such as mentorship programs, bridge courses, and retention strategies. **(Success)**
Community Outreach: Increased funding for community engagement programs could help attract and retain students from diverse backgrounds. **(Closing the Achievement Gap)**

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

No actions are being recommended or requested at this time. This agenda item is for information only.

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

None noted.

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

No actions are being recommended or requested at this time. This agenda item is for information only.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's Office supports UNLV bringing this proposal to a future meeting for possible action.

10. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1(9), Table 9.1

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

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

Other: _____

Fiscal Impact: Yes No

Explain: If a future action item were to be approved by the Board of Regents, the UNLV disposition of SBS to Clark County is anticipated to yield a one-time payment of \$5M, subject to finalization of an Interlocal or similar agreement that would be a part of a future action item.

“Attachment A”

7000 East Russell Road in Clark County, NV –UNLV Sam Boyd Stadium - Parcel 1 (APN 162-26-801-001) – 58.14 acres



“Attachment B”

7000 East Russell Road in Clark County, NV –UNLV Sam Boyd Stadium - Parcel 2 (APN 161-35-501-001) – 10.93 acres

