

# BOARD OF REGENTS BRIEFING PAPER

## 1. Agenda Item Title: Fire Station/College Instruction Center

### 2. BACKGROUND & POLICY CONTEXT OF ISSUE:

CSN and the City of Las Vegas have negotiated an Interlocal Agreement to construct a Fire Station/College Instruction space on the southwest corner of the Charleston Campus. The highlights of the Agreement are:

#### FUNDS:

Cost of Project: \$7,000,000

Source of Funds: City of Las Vegas

Allocation: \$1,840,000 allocated on behalf of CSN to the project. This is the appraised value of the general property area to be used for the building.

#### CONSTRUCTION:

Project Manager: Project Committee (CSN and City of Las Vegas)

Type of Building: 4 Bay Fire Station and College Classrooms

Square Feet: 14,000

CSN's portion/square feet: 4,000

#### LEASING:

Owner of Property: Nevada System of Higher Education

Leasing Fee: City will pay \$1.00 to NSHE

Term: 40 year lease with 2-10 year extensions

### 3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

- a) Approve the Interlocal Agreement
- b) Approve the Ground Lease
- c) Authorize the Chancellor or CSN President to sign all architect, construction, and related contracts for the design and construction of the building, pursuant to the authorization requirements in the Procedures Manual

### 4. IMPETUS (WHY NOW?):

The City of Las Vegas has determined that another fire station is needed to serve the community and neighborhood within which CSN's Charleston Campus is located. The concept is for CSN to provide land for the station, while the City will fund the construction of the facility to include needed classroom space.

### 5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Additional instructional space is made available to CSN without CSN seeking construction or legislative funding support.
- Locating instructional space for fire and emergency services related programs within the building as a fire station provides uniquely direct student learning experiences.
- Facility would facilitate better fire and rescue service to CSN and the surrounding neighborhoods.
- Proposal would provide an effective partnership between City and NSHE.
- Proposed multi-story facility would be designed to appropriately mesh with look and design of other campus buildings.

### 6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- Remaining land on the Charleston Campus available for construction of future buildings and parking is finite and limited.

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

- Do not construct facility.

*Revised: January 2008*

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**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: \_\_\_\_\_
- Fiscal Impact: Yes \_\_\_\_\_ No \_\_\_\_\_  
Explain: \_\_\_\_\_

*Revised: January 2008*

INTERLOCAL AGREEMENT TO DESIGN AND CONSTRUCT A FIRE  
STATION/COLLEGE INSTRUCTIONAL CENTER

This Interlocal Agreement To Design and Construct a Fire Station/College Instruction Center is made as of \_\_\_\_\_, 2008, by and between the City of Las Vegas and the Board of Regents of the Nevada System of Higher Education on behalf of the College of Southern Nevada.

RECITALS

- A. The City of Las Vegas is a political subdivision of the State of Nevada.
- B. The College of Southern Nevada is an institution of higher education which is a part of the Nevada System of Higher Education whose general supervision, government and control is vested in the Board of Regents, the governing body of the Nevada System of Higher Education.
- C. The College of Southern Nevada desires to have a facility at its Charleston Campus to provide a “hands on” approach to the education and training of its fire science students and its emergency medical technician students, and the City of Las Vegas needs a location to construct a fire station for its Fire Department within the general vicinity of the Charleston Campus. The City of Las Vegas contemplated buying a two and a half acre site for a new fire station in this vicinity during fiscal year 2007, but the price for such site was well over One Million, Two Hundred Thousand Dollars (\$1,200,000.00).
- D. The parties believe that a partnership will greatly enhance the student’s education and training, and the City can construct a fire station that satisfies its needs in the area without having to expend money on the purchase of property.
- E. This partnership will permit the College of Southern Nevada instructors and students access to the fourth bay of the City’s fire station and certain fire department apparatus for “hands-on” educational and training experience, as well as an ability for the instructors and students to observe City of Las Vegas firefighters and EMTs in the course and scope of their duties as working firefighters and EMTs. In addition, the City of Las Vegas Fire Department personnel will be permitted to utilize the classrooms for firefighter education and training on the weekends and holidays free of charge.
- F. The Nevada System of Higher Education is the owner of real property upon which the Charleston Campus is located, and it will provide a long-term lease of sufficient real property at the Charleston campus along Torrey Pines Avenue for the construction of an operational four-bay fire station for the City of Las Vegas Fire Department of approximately Ten Thousand square feet (10,000 sq. ft.) in area, which will be part of one building that also houses an instructional area devoted primarily to the education of students within the Fire Science and Emergency Medical Technician fields of learning of approximately Four Thousand square feet (4,000 sq. ft) in area. The cost of the lease to the City of Las Vegas will be one dollar annually for the term of the lease.

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Mayor  
City of Las Vegas

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James Rogers  
NSHE, Chancellor

G. In return for the nominal cost lease, the City of Las Vegas will provide a total of Seven Million Dollars (\$7,000,000.00) for design and construction of the entire project. Of the \$7,000,000.00, One Million Eight Hundred Forty Thousand Dollars (\$1,840,000.00), which is the appraised value of the fee interest of the property that will be utilized to construct and support the project, will be allocated on CSN's behalf to the costs associated with the design and construction of the instructional area of the project and to CSN's share of other costs caused by the project.

H. Nevada Revised Statute §277.180 provides that "any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform." In this case, the partnership between two public agencies, the City of Las Vegas and the College of Southern Nevada, to jointly design, construct, finance and operate a building to house an operational fire station and classroom area is within each Parties' statutory authority to act.

I. This Interlocal Agreement will be taken to the Nevada System of Higher Education Board of Regents and the Las Vegas City Council for their respective approvals.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**SECTION I**  
**DEFINITIONS**

A. "Allocation Percentage" means the percentage number by which the Parties will allocate costs of design and construction of the College Instructional Area and other items as described in this Agreement. The means to calculate this number is described at Section II.B.3.a.

B. "Agreement" means this Interlocal Agreement To Design and Construct A Fire Station/College Instructional Center, including the Exhibits thereto.

C. "Architect" means the design professional/entity selected by the Project Committee and retained by NSHE for design services relating to the Project Work.

D. "Associated Professionals and Contractors" means those people or entities selected by the Project Committee and retained by NSHE to provide professional and construction services relating to the Project Work.

E. "Building" means the entire structure that houses the Fire Station Area and the College Instructional Area. The Building will be depicted on the Plans and Specifications.

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- F. “City” means the City of Las Vegas.
- G. “CLVFD” means the City of Las Vegas Fire Department.
- H. “College Instructional Area” means that certain portion of the Building that is allocated exclusively to CSN for educational purposes. The College Instructional Area will be depicted on the Plans and Specifications.
- I. “Construction Contract” means that certain contract executed between NSHE and the chosen Construction Manager to perform the necessary construction services to erect the Project Work. The Construction Contract shall only be executed by NSHE after the Project Work construction documents are at a 75% level of completion and approved by the Project Committee as provided herein. The Construction Contract shall be separate and distinct from the Pre-Construction Services Contract. NSHE shall not be obligated to the Contractor for any actual construction services prior to the execution of the Construction Contract.
- J. “Construction Manager” means the entity selected by the Project Committee and retained by NSHE to provide, among other things, pre-construction services and construction services related to the Project Work, as generally and commonly performed by a construction manager engaged in a “construction manager at risk” construction delivery program.
- K. “CSN” means the College of Southern Nevada, an institution of higher education whose general supervision, government and control is vested in the Board of Regents, the governing body of the Nevada System of Higher Education. Any act or obligation required or imposed on CSN pursuant to this Agreement shall be construed as an act or obligation required or imposed on NSHE.
- L. “Fire Station Area” means that certain portion of the Building, including driveways, that is allocated exclusively to the CLVFD for fire department purposes. The Fire Station Area will be depicted on the Plans and Specifications.
- M. “Funding Schedule” means the schedule by which the City must allocate funds to the Project Fund. This schedule shall be created by the Architect and Construction Manager in consultation with the Project Committee, and the schedule must be approved by the Project Committee.
- N. “Lease Agreement” means that certain lease agreement between the City of Las Vegas and NSHE dated as of October \_\_\_, 2008, attached hereto as Exhibit “1.”
- O. “Leased Premises” means the real property owned by NSHE which is leased to the City pursuant to the Lease Agreement. The Lease Agreement acknowledges that the Parties have not yet selected a final footprint for the Project Work and the Fire Station Area, but a general depiction of the location of the Leased Premises is attached hereto as Exhibit “2.”

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 City of Las Vegas

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 Mike Richards  
 CSN President

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P. “NSHE” means the Nevada System of Higher Education. Any obligation or act imposed on or required of NSHE may be completed by CSN, but ultimately any failure to complete an obligation or act required of NSHE or CSN in this Agreement is a failure by NSHE to so act.

Q. “NSHE Allocation Cap” means the total amount of actual dollars that may be allocated from the Project Cap to the design and construction of the College Instructional Area or items allocated to CSN, as further described at Section II.B.3.c.

R. “NSPWB” means the Nevada State Public Works Board.

S. “Operating Agreement” means that certain agreement between the Parties that delineates the Parties’ responsibilities for day-to-day matters after completion of the Project Work, including, but not limited to, ongoing maintenance at the Site, CLVFD access to the College Instructional Area, and student and instructor access to the fourth bay of the Fire Station Area for instructional purposes. The Operating Agreement is required by Section II.A.1 to be negotiated and approved by each Party prior to a date 180 calendar days after the execution of this Agreement by both Parties.

T. “Parties” means both the City and NSHE collectively.

U. “Party” means either the City or NSHE singularly.

V. “Plans and Specifications” means the plans and specifications for the construction of the Building, all appurtenances and associated construction at a 100% level of completeness.

W. “Pre-Construction Services Contract” means that certain contract executed between NSHE and the chosen Construction Manager to perform the necessary tasks to complete all pre-construction services for the Project Work, as that term is commonly and generally defined in the construction industry. The Pre-Construction Services Contract may be executed by NSHE upon its approval by the Project Committee.

X. “Project Cap” means the total allocation of money by the City to pay for the design and construction of the Project Work and the Fire Station FF&E in an amount not-to-exceed \$7,000,000.00.

Y. “Project Committee” is defined at Section II.C.2.

Z. “Project Costs” means the actual dollar amount necessary to design and construct the Project Work in its entirety, which must not exceed the Project Cap. These costs include, but are not limited to: fees and costs for design and construction of the Project Work by design and engineering professionals, a construction management firm and/or general and sub-contractors; any and all fees, charges or costs levied by any governmental entity or utility based upon the construction of the Building upon the Site; and any cost, direct or indirect, that flows from, or is in furtherance of the design and construction of the Building upon the Site. The Project Costs do

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not include any part of the salaries of the employees of the Parties who devote time to the Project Work.

AA. "Project Fund" means a construction control account to be established with an independent escrow company to be selected by the Project Committee, pursuant to terms and provisions to be determined and approved by the Project Committee. The monies deposited in the account by the City shall only be used to fund the Project Work, and except as provided in Section II.B.4.a. and b., these monies are the only funds that the City will allocate for the design and construction of the Project Work.

BB. "Project Representative" is defined at Section II.C.2.

CC. "Project Work" means the design and construction of a structure to house: 1) a "turn-key" four-bay fire station of approximately 10,000 square feet constructed and ready for immediate use by the CLVFD upon receipt of a notice of completion from the State Public Works Board; and 2) a separate and independent space for classrooms and faculty offices for use by NSHE of approximately 4,000 square feet. Project Work includes any and all components of preparation of the Site, designing and constructing the Building, together with all appurtenances and associated construction upon the Site, including, but not limited to: driveways, necessary parking spaces upon the Site, all utilities, landscaping and all necessary half-street improvements along Torrey Pines Drive. The half-street improvements related to the Project Work along Torrey Pines Drive shall be in conformance with the adopted City road construction standards, and inspected by City off-site improvement inspectors.

Project Work does not include any cost associated with any necessary environmental remediation upon the Site required by any governmental entity to enable the Project Work to commence or proceed.

The Project Work will be substantively defined by the Plans and Specifications as requested and approved by the Project Committee.

DD. "Site" means the real property owned by NSHE upon which the Project Work will be constructed. After completion of the Project Work, a legal description of the Site will be attached hereto as Exhibit "3," and a depiction of the Site will be attached hereto as Exhibit "4."

## SECTION II

### THE PROJECT WORK; FINANCING; PROGRAMMING; PROJECT APPROVALS; SELECTION OF PROFESSIONALS; PROJECT DESIGN; CONSTRUCTION

#### **A. The Project Work.**

1. Generally. This Agreement governs the shared responsibility between the Parties for the design, construction and funding for the Project Work upon the Site. Attached to this Agreement as Exhibit "1" is a Lease Agreement executed by the Parties that governs the City's property

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interest in the Leased Premises. In addition, the Parties agree to separately negotiate an Operating Agreement concerning ongoing operations of the Project Work within 180 calendar days after execution of this Agreement by both Parties.

2. Parties' General Acknowledgement of Responsibility for Project Work. CSN shall provide for the administration, design and construction of the Project Work, under the direction of and pursuant to any necessary approvals by the Project Committee. Except as otherwise provided in the Agreement, the City acknowledges and agrees that it shall provide funding for the Project Work in an amount not to exceed the Project Cap by way of the Project Fund.

3. State Public Works Board to Provide Plan Review and Inspection Services for Project Work. The City acknowledges that the State Public Works Board may be involved in certain aspects of plan review and inspection of the Project Work. The City agrees to cooperate with CSN to comply with any and all Nevada Revised Statutes or Nevada Administrative Code requirements regarding the Project Work. NSHE acknowledges and agrees that plans and specifications for any half-street improvements along Torrey Pines Drive shall be reviewed and inspected by the City.

**B. Funding the Project Work.**

1. City Obligation to Fund the Project Work. Except as otherwise provided in the Agreement, the City is solely responsible for payment of the Project Costs by funding the Project Fund in accordance with the Funding Schedule.

2. Project Fund. The City shall deposit \$250,000.00 into the Project Fund upon its establishment, and the City shall provide additional funds up to the Project Cap pursuant to the Funding Schedule. The City is only obligated to deposit the initial \$250,000.00 until such time as the Project Committee approves the Funding Schedule. Subsequent to the approval of the Funding Schedule and approval of either the Pre-Construction Services Contract or the Construction Services Contract by the Project Committee, the City shall deposit the dollar amount necessary to fulfill the payment obligation to the Construction Manager under each respective contract into the Project Fund. As provided by Section II.F.5.f., NSHE is not obligated to execute such contracts until such time as such monies are so deposited by the City.

3. Allocation Percentage. The Parties acknowledge and agree that the Parties must allocate the Project Costs between the Parties to ensure that NSHE receives a dollar value from the Project Cap equal to but not in excess of the value of the Site provided by NSHE. The Parties agree that as NSHE is giving up its exclusive right to construct, operate and control the Site for any other educational purpose during the term of the lease, the City can provide monies for design and construction costs associated with the College Instructional Area. CSN obtained an independent appraisal of the Site and the value of the Site is One Million Eight Hundred Forty Thousand Dollars (\$1,840,000.00). The appraisal is attached hereto as Exhibit "5."

a. Calculation of the Allocation Percentage. The Parties agree that the Allocation

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Percentage shall be calculated by measuring the total square footage for the Fire Station Area and the College Instructional Area, and dividing each area by the total area of the Building. The measurements shall be based upon the Plans and Specifications as approved by the Project Committee. Floor area shall be measured from the outside of the external walls to the centerline of the shared internal wall separating the Fire Station area from the College Instructional Area. The Project Committee shall complete this calculation and memorialize the approval of this calculation in writing prior to the commencement of construction of the Building.

b. Project Cost Allocation. Except as otherwise provided in the Agreement, the Parties agree that the categories of Project Costs that are delineated on the spreadsheet attached as Exhibit “6” will be allocated to each Party pursuant to the Allocation Percentage. As an example, the spreadsheet includes the construction of ‘off-site work’, which cost will be allocated pursuant to the Allocation Percentage to both Parties. If the off-site construction cost is \$200,000.00, and for purposes of this example, the Allocation Percentage is 70% City, 30% NSHE, then NSHE’s cost allocation for the off-site improvements for purposes of the NSHE Allocation Cap is \$60,000.00. All Project Costs numbers on Ex. 6 are illustrative only.

c. NSHE Acknowledgement of Allocation Cap. NSHE acknowledges that allocation of the Project Costs to NSHE must not exceed the value of the Site as appraised, which is \$1,840,000.00 (the “NSHE Allocation Cap”). If during the design process, the costs for the design and construction of the College Instructional Area together with the shared costs allocated to NSHE exceeds the NSHE Allocation Cap, CSN, through the Project Committee, shall reduce the estimated cost of the construction of the College Instructional Area such that NSHE’s total estimated allocated costs fall at or below the NSHE Allocation Cap.

d. City Acknowledgement of Allocation Cap. The City acknowledges that the allocation of the Project Costs and all necessary fixtures, furniture and equipment (FF&Es) for the Fire Station Area must not exceed \$5,160,000.00 (the “City Allocation Cap”). If during the design process the costs for design and construction of the Fire Station Area, the FF&Es and the City’s allocated Project Costs exceed the City Allocation Cap, the City, through the Project Committee shall reduce the estimated cost of the construction of the Fire Station Area such that the City’s total estimated allocated costs fall at or below the City Allocation Cap.

4. Actual Cost Overruns.

a. No fault of either Party. Notwithstanding Section II.B.3.c. and d., and subject to Section II.B.4.b. and c. below, if actual Project Costs exceed the Project Cap through no fault of either Party, the Parties shall immediately fund the Project Costs exceeding the Project Cap pursuant to the Allocation Percentage. For purposes of this Section II.B.4., the term “through no fault of either Party” means Building costs not solely attributable to the Fire Station area or the College Instructional Area.

b. By the City. If the actual Project Costs exceed the Project Cap based upon CLVFD-directed change orders after the execution of the Construction Contract that materially

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exceed the desired construction programming in Exhibit “7”, the Project Fund shall not pay the increased costs attributed to the costs that exceed the desired construction programming as indicated by Exhibit “7”, and the City shall be invoiced by the Construction Manager, or as appropriate, separately for payment of these actual costs.

c. By NSHE. If the actual cost of the College Instructional Area together with the shared costs allocated to NSHE actually exceeds the NSHE Allocation Cap, based upon design and construction requirements by CSN for the Classroom Instructional Area, the Project Fund shall not pay such costs, and CSN shall be invoiced by the Construction Manager, or as appropriate, separately for payment of these actual costs above and beyond the NSHE Allocation Cap.

5. Project Fund Surplus. Any Project Fund balance after completion of the Project Work shall be the retained by the City.

6. CMAR Cost Savings. Any “cost savings,” as the phrase is defined by the 2008 State of Nevada Construction Manager at Risk delivery program, shall be allocated solely to the City.

**C. Project Approvals by Project Committee.**

1. Generally. Within seven (7) calendar days of the execution of this Agreement, the Parties shall create a Project Committee to provide a decision-making framework for all aspects of the design and construction of the Project Work.

2. Organization of Project Committee. The “Project Committee” shall consist of one individual each from CSN and the City, the “Project Representative(s).” The selection of these persons shall be made by the chief administrative officer from each organization. The Project Representatives may designate staff persons to assist throughout the design and construction of the Project Work, but subject to Section II.C.4, the ultimate decision-maker for each Party for purposes of Project Work shall be the Project Representative so designated.

3. Project Committee Approvals. The Project Representatives must unanimously approve, in writing, prior to their execution by NSHE or processing in the case of invoices/disbursements, the following:

a. all contracts for any Project Work to be performed by any Architect, Construction Manager or other Associated Professionals and Contractors;

b. any contract(s) related to any Project Work for pre-construction services (as that term is commonly and generally defined in the construction industry) including Plans and Specifications for the Project Work;

c. an initial budget, any revisions to the budget and the final budget for the Project Work;

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- d. the Funding Schedule;
- e. the Design Schedule contemplated by Section II.F.4.b;
- f. the Project Work Completion Time Line contemplated by Section II.F.4.c;
- g. any invoices or other requests for payment or disbursement from the Project Fund, prior to submission to the escrow company;
- h. design of the Project Work, including the concept plans, Schematic Design at a 20% Level of Completeness (“LOC”), Design Development Documents at a 50% LOC, 50% Construction Documents at a 75% LOC, and 100% Construction Documents at a 100% LOC, referred to herein as the Plans and Specifications;
- i. monetary change orders, non-monetary change orders that could cause an increase in the ultimate cost of the Project Work, or non-monetary change orders that could an increase in the number of days to construct the Project Work;
- j. any decisions required to be made by the Project Committee pursuant to specific provisions of this Agreement;
- k. any other decision that could affect the budget and/or actual cost of the Project Work.

4. Failure of Project Representatives to Agree; Appeal.

If the Project Representatives fail to agree upon a decision that is required to be unanimous under the provisions of Section II.C.3, above, within seven (7) calendar days of the request for a decision by either Party, such failure may be appealed, in writing, to the President of CSN and the City Manager by either Project Representative. The President of CSN, the City Manager and the Project Representatives shall meet and confer in person within a reasonable time regarding the issue(s), and if the issue(s) cannot be resolved between the chief administrative officers within ten (10) calendar days of the meeting, one of the following actions shall occur:

a. if prior to execution of the Construction Contract by NSHE and the Construction Manager, either Party may terminate this Agreement by notifying the other Party in writing of its intent to so terminate based upon this Section II(C). If this Agreement is so terminated, then NSHE shall pay to the City one-half of all monies invoiced, expended or disbursed from the Project Fund within thirty (30) calendar days of the date of termination of this Agreement pursuant to this sub-paragraph; or

b. if subsequent to the execution of the Construction Contract by NSHE and the Construction Manager, neither Party may terminate this Agreement pursuant to this paragraph,

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and shall submit the unresolved issue(s) to binding arbitration pursuant to the rules of the American Arbitration Association. If any issue is submitted to arbitration as this sub-paragraph requires, the required 820 day completion date as required by Section II.F.5.b. is tolled during the pendency of the arbitration proceeding, and notwithstanding the provisions of Section II.F.4.c. and II.F.5.b, below, the Project Committee shall amend the Project Work Time Line to reflect the necessary time to complete the arbitration.

**D. Programming the Project Work.**

1. Construction Programming Documents.

a. CLVFD. Attached hereto as Exhibit “7” is a document describing the desired construction programming for the proposed four-bay fire station, including FF&E. This document shall be used by the Architect, the Construction Manager and the Project Committee to assist with the design of the Fire Station Area and the Site.

b. NSHE. Attached hereto as Exhibit “8” is a document describing the desired construction programming for the College Instructional Area, not to include FF&E. This document shall be used by the Architect, the Construction Manager and the Project Committee to assist with the design of the College Instructional Area and the Site.

c. The Parties acknowledge and agree that the Parties intend for the Fire Station Area to be a fully functional, turnkey fire station to include FF&E as indicated by the programming document at Section II.D.1.a, above.

2. Specific Utility/Service Programming. The Construction Manager and the Project Committee shall verify that the Building is designed to share or separate utilities, services and mechanical apparatus between the Fire Station Area and the College Instructional Area as provided below:

- a. Shared Utilities/Services/Mechanical.
  - i. Water Service
  - ii. Sewer Service
  - iii. Waste Collection, excluding hazardous materials
  
- b. Separate Utilities/Services/Mechanical
  - i. Electricity
  - ii. Natural Gas
  - iii. Cable Television
  - iv. Telecommunications/Wireless Telecommunications
  - v. Information Technology Network
  - vi. Heating, Ventilation and Air Conditioning
  - vii. Medical Waste Collection
  - viii. Janitorial Equipment Storage

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3. Amendments to Specific Utility Programming. The Parties may amend the above Specific Utility/Service Programming requirements in the Operating Agreement or by amendment to the Operating Agreement.

**E. Mandatory Design/Construction Method.**

1. Construction Manager at Risk Delivery Method. The Parties understand that the available money to pay Project Costs is the \$7,000,000.00 to be deposited into the Project Fund as provided by this Agreement. As such, the Parties have agreed that the design and construction method to be utilized for design and construction of the Project Work is a Construction Manager at Risk delivery method whereby the Parties will receive a guaranteed maximum price for construction of the Project Work from the Construction Manager based upon the Plans and Specifications.

2. Guaranteed Maximum Price Exceeds Project Cap. The Parties understand and acknowledge that the Construction Manager will only issue a guaranteed maximum price for construction of the Project Work after the completion of construction documents for the Project Work at a 75% level of completion, which design and approval could happen as long as nine to twelve months after the execution of this Agreement. While the Project Committee and the Construction Manager are to ensure that the Project Costs (including contingencies) identified in any initial and all revised budgets never exceed the Project Cap, it is possible that the actual guaranteed maximum price offered by the Construction Manager pursuant to the Construction Contract will, when added to all other Project Costs, exceed the Project Cap.

Upon a circumstance where the guaranteed maximum price offered by the Construction Manager exceeds the Project Cap, one of the following actions must occur:

a. within 60 calendar days of the offer, the governing bodies of each Party must execute an amendment to this Agreement whereby each Party agrees to fund the costs of construction that exceed the Project Cap pursuant to each Parties' Allocation Percentage;

b. The Project Committee must immediately communicate with the Architect and direct the Architect to complete a modification of the Plans and Specifications relating to the Project Work within 60 calendar days from the offer to ensure that the Construction Manager's guaranteed maximum price for the Project Work, when added to all other Project Costs, does not exceed the Project Cap. The Project Committee may give instructions to the Architect to ensure that the cost of the College Instructional Area does not exceed the Allocation Cap; or

c. notwithstanding the default and termination provisions at Section III.A, the Parties may mutually agree to terminate this Agreement based upon this Section II.E.2. If this Agreement is so terminated, then NSHE shall pay to the City one-half of all monies invoiced, expended or disbursed from the Project Fund within thirty (30) calendar days of the date of termination of this Agreement pursuant to this sub-paragraph. The Parties agree that this sub-

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paragraph 2(c) only contemplates a circumstance where construction has not yet commenced. If construction has commenced or is completed, and actual Project Costs exceed the Project Cap, and the Construction Contract requires payment of these excess costs, then the Parties are not entitled to terminate this Agreement based upon actual costs exceeding the Project Cap, and the Parties must fund such cost overrun as provided by Section II.B.4.

**F. Selection of Professionals/Design/Construction.**

1. Responsibility for Administration, Design and Construction of Project Work. Subject to Section II.C.3, NSHE shall execute the necessary contract(s) with an Architect, a Construction Manager and any other Associated Professionals and Contractors (as needed) for the design and construction of the Project Work in its entirety.

CSN shall oversee and administer such contract(s) with the Architect, the Construction Manager and any other Associated Professionals and Contractors (as needed). Administration of the contracts for Project Work includes all actions and obligations that are considered administration of a contract for a public work project pursuant to a common and general understanding of this term within the construction industry, as well as NRS 338.

2. Selection of Professionals for the Project Work. CSN shall follow all relevant state laws and regulations during the selection process for the Architect, the Construction Manager and any other Associated Professionals and Contractors (as needed), for the design and construction of the Project Work.

3. Payment of Prevailing Wages as Required by Law; Specific Indemnification of City. The Parties agree that the Project Committee shall ensure that wherever required under the laws of the State of Nevada, the contracts it approves for execution by NSHE with the Architect, the Construction Manager and any other Associated Professionals and Contractors (as needed), for the design and construction of the Project Work shall provide for the payment of prevailing wages.

In addition thereto, the Project Committee shall ensure that the contracts it approves for execution by NSHE with the Architect, the Construction Manager and any other Associated Professionals and Contractors (as needed), shall include a provision whereby the counter-party indemnifies the City and NSHE against any action by any person against the City and NSHE, each Party's elected officials, officers and employees regarding any prevailing wage issue(s) or claim in relation to the Project Work, whether before the State of Nevada Labor Commissioner or in a court of competent jurisdiction. Such indemnification shall survive any termination or expiration of those agreements.

In its role as administrator of the Construction Contract, CSN is responsible for prevailing wage payment verification as part of its duties hereunder, and NSHE shall indemnify, hold harmless and defend the City, its elected officials, officers and employees for any action by any person against the City, its elected officials, officers and employees regarding any prevailing wage

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issue(s) or claim in relation to the Project Work, whether before the State of Nevada Labor Commissioner or in a court of competent jurisdiction. This indemnification shall survive any termination or expiration of this Agreement.

4. Design of Project Work.

a. Generally. The Parties acknowledge and agree that the Building shall be a singular structure constructed upon the Site which will house both the Fire Station Area and the College Instructional Area, incorporating the Utility/Service programming needs provided by Section II.D.2. The Parties agree that the construction programming documents attached at Exhibit “7” and Exhibit “8” shall define the scope of design for the Building, the Fire Station Area, and the College Instructional Area, and any design features or other needs additional to the scope not outlined in the construction programming documents must be unanimously approved in writing by the Project Committee.

b. Design Schedule. The Project Committee shall require as a provision in the contractual documents with the Architect that a schedule for completion and approval of the Plans and Specifications (“Design Schedule”) shall be submitted to the Project Committee for approval no later than twenty-one (21) calendar days after the date that the Architect is retained by NSHE. This Design Schedule may be amended, if necessary, after approval by the Project Committee.

c. Project Work Completion Time Line. The Project Committee shall require as a provision in its contractual documents with the Construction Manager that a schedule for completion of the Project Work (“Project Work Completion Time Line”) shall be submitted to the Project Committee for approval no later than forty-five (45) days after the date that the Construction Manager is retained by NSHE.

This “Project Work Completion Time Line” may be amended, if necessary, after approval by the Project Committee, but in no manner or method may the Project Committee amend the number of days for Project Work completion as provided by Section II(F)(5)(b) except as otherwise provided in this Agreement.

d. Design Meetings. CSN shall inform the City’s Project Representative, in writing, of any and all meetings, regular or otherwise, between CSN and the Architect, the Construction Manager and any other Associated Professionals and Contractors regarding the design of the Project Work. The City’s Project Representative or designated staff member shall be entitled to appear at these meetings.

e. Design Correspondence. Each Party shall copy the other Party’s Project Representative on any correspondence, whether written or e-mail, to and from the Architect, the Construction Manager and any other Associated Professionals and Contractors.

f. Design Approvals. CSN shall submit all design documents for the Project Work,

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including concept plans, Schematic Design at a 20% LOC, Design Development Documents at a 50% LOC, 50% Construction Documents at a 75% LOC, and 100% Construction Documents at a 100% LOC to the Project Committee for review and approval as provided by Section II.C.3.

5. Construction of Project Work.

a. Generally. CSN shall oversee and administer the contracts approved by the Project Committee and executed by NSHE for the construction of the Project Work.

b. Project Work Completion. Except as otherwise provided in this Agreement, NSHE shall secure the completion of the Project Work and obtain a NSPWB Notice of Completion for, at a minimum, the Fire Station Area no later than eight hundred twenty (820) days after the date this Agreement is executed by the City, and the Project Committee shall require as a provision of the contract with the Construction Manager that the Project Work shall be completed no later than such date, and the number of days allocated for completion may not be amended by the Project Committee and may only be changed by an amendment of this Agreement by the governing bodies of the City and NSHE at a public meeting.

c. Governmental Approvals. Subject to the delegation to the Architect or Construction Manager, CSN shall obtain all necessary governmental approvals for construction of the Project Work. Any monies necessary to pay for permits or fees in connection with the design or construction of the Project Work shall be disbursed from the Project Fund upon approval of the disbursement by the Project Committee.

d. Construction Meetings. CSN shall inform the City's Project Representative, in writing, in as timely a manner as possible, of any and all meetings, regular or otherwise, between CSN and the Architect, the Construction Manager and any other Associated Professionals and Contractors regarding the construction of the Project Work. The City's Project Representative or designated staff member shall be entitled to appear at these meetings.

e. Construction Correspondence. Each Party shall copy the other Party's Project Representative on any correspondence, whether written or e-mail, to and from the Architect, the Construction Manager and any other Associated Professionals and Contractors.

f. Execution of Pre-Construction Services Contract and Construction Contract. NSHE shall not execute the Pre-Construction Services Contract or the Construction Services Contract until such time as the City has deposited the dollar amount necessary to fulfill the payment obligation to the Construction Manager under the respective contract into the Project Fund.

g. Modifications by NSHE to the Construction Contract. Any modifications of the Construction Contract, or any waiver of NSHE's rights under the Construction Contract, or release or waiver of a contractor obligation under the Construction Contract shall be approved by the Project Committee. Any such modifications, releases or waivers approved by NSHE without

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approval by the Project Committee is a default of this Agreement and the City is entitled to reject payment from the Project Fund for any modification, wavier or release that causes an increase in the ultimate cost of the Project Work. Upon this circumstance, the Construction Manager shall invoice CSN directly for such costs.

h. Change Orders during Construction. Only non-monetary field change orders to the Project Work that would not cause an increase in the ultimate cost of the Project Work or would not cause an increase in the days necessary to complete the Project Work may be approved by CSN without Project Committee approval. All other change orders, field or otherwise, must be unanimously approved by the Project Committee. Any approval of a change order by CSN without approval by the Project Committee that could cause an increase in the ultimate cost of the Project Work or an increase in the number of days necessary to complete the Project Work is a default of this Agreement and the City is entitled to reject payment from the Project Fund for any such change order. Upon this circumstance, the Construction Manager shall invoice CSN directly for such costs.

i. Punch-list items. CSN shall secure completion of all “punch-list items,” (as that term is generally and commonly used in the construction industry) by the Construction Manager prior to the City’s acceptance of the Project Work. The Lease and Operating Agreement shall not commence until the City accepts the Project Work, and acceptance of the Project Work shall occur only upon issuance of a Notice of Completion by the NSPWB and completion of the punch-list items on the Project Work. Nevertheless, the City is entitled to accept the Project Work for purposes of the Lease and Operating Agreement prior to completion of the punch-list items without waiving, in any manner, the need for correction of any remaining punch-list items existing throughout the Project Work.

j. Acceptance of Project Work by City. Upon issuance of a Notice of Completion by the NSPWB and completion of all punch-list items by the Construction Manager, the City Manager shall, in writing to CSN, accept the Project Work and trigger the commencement of the Lease and Operating Agreement.

**SECTION III**  
**DEFAULT, REMEDIES AND TERMINATION**

A. Specific Default Events. Because of the nature of this Agreement where NSHE can contract to pay for design and construction professionals, and the City is responsible to fund the Project Fund in order to provide for payment of those services related to the Project Work consistent with the terms of this Agreement, there are certain situations that are a default of this Agreement upon the occurrence of the event, not subject to any opportunity to cure as provided by Section III.B, below. The Specific Default Events are as follows:

1. By the City. Failure by the City to deposit monies into the Project Fund as required by the terms of this Agreement.

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2. By NSHE. Any act by NSHE without the unanimous approval of the Project Committee where this Agreement requires unanimous approval of the Project Committee or, subject to action by the Project Committee, a failure to execute a contract with an architect and a contract for pre-construction services with a Construction Manager by December 15, 2008.

B. General Default Events; Opportunity to Cure. Except as provided by Section III.A, above, in the event of any noncompliance with any provision of this Agreement, the Party alleging noncompliance shall deliver to the other by certified mail a ten (10) calendar day notice of default and opportunity to cure. The time of notice shall be measured from the date of certified mailing. The notice of default shall specify the nature of the alleged default and the manner in which it may be satisfactorily corrected, during which ten (10) calendar day period the Party alleged to be in default shall not be considered in default for the purposes of the remedies for default as provided herein.

If the default cannot be reasonably cured within the ten (10) day cure period, the non-compliant Party may request a reasonable extension of time from the other Party to cure the default. Approval of such extension of time by the Party alleging the non-compliance shall not be unreasonably withheld. If the default is corrected, then no default shall exist and the Party alleging the non-compliance shall take no further action.

C. Default; Remedies. If a default exists pursuant to Section III.A, above, or an alleged default is not corrected within the relevant cure period pursuant to Section III.B, above, the non-complaining Party is in default, the Party alleging non-compliance may declare the breaching Party in default and elect any one or both of the following non-exclusive remedies:

1. Termination of Agreement. The non-defaulting Party may terminate this Agreement upon written notice to the Party in default; or

2. Adjudication of Dispute. Upon a declaration of default, either Party may institute legal proceedings in a court of competent jurisdiction consistent with the terms of this Agreement.

D. Specific Limited Waiver of Certain Claims by City and NSHE. Where the Project Committee has approved an item or action, the Parties each knowingly and voluntarily waive against the other any claim or cause of action related to the Parties' unanimous agreement to act pursuant to such approval by the Project Committee. This is a specific, limited waiver of those actions or claims that arise solely as a result of the approval of an item or action by the Project Committee. For illustrative purposes only, if the Project Committee unanimously approves the Construction Contract with an inadequate warranty provision between NSHE and the Construction Manager, and the Contractor fails to remedy a defect to the Building based upon such inadequate warranty provision, the City waives any right of action or claim against NSHE for its failure to require an adequate warranty of the Contractor.

In no way or manner does this paragraph D act to waive any claim or cause of action due to a willful act of either Party outside the scope of the Project Committee's approval. For illustrative

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purposes only, if during construction, CSN willfully approves a change order outside the scope of the approval by the Project Committee that ultimately increases the total cost of the Project Work, there is no such waiver of the City's right of action against NSHE for a breach of this Agreement.

D. Unavoidable Delay. Neither Party hereunder shall be deemed to be in default, and performance shall be excused, where delays or defaults are caused by war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, or other acts of God.

E. Venue. Jurisdiction for judicial review under this Agreement shall rest exclusively with the Eighth Judicial District Court, County of Clark, State of Nevada.

F. Waiver. Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies in respect of any default shall not operate as a waiver of any default or any such rights or remedies, or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any of its rights or remedies.

G. Applicable Laws; Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. Each party shall bear its own attorneys' fees and court costs in connection with any legal proceeding hereunder.

**SECTION IV**  
**LEASE AND OPERATING AGREEMENT**

Except as otherwise provided in this Agreement, the term of the Lease Agreement does not commence until such time as the City and CSN accept the Project Work in its entirety, and the Lease Agreement shall have no effect and shall be cancelled if this Agreement is terminated.

**SECTION V**  
**GENERAL PROVISIONS**

A. Indemnification of City by NSHE. Subject to all limitations as provided by NRS Chapter 41, CSN shall indemnify, defend and hold harmless the City, its officers, agents, and employees, from and against any and all liability for damage or claims for damage for personal injury including death and claims for property damage, and provide and pay all costs and attorneys fees for a defense for the City, which may arise directly or indirectly from any act or failure to act by CSN or those of its contractors, subcontractors, agents, officers or employees, or other persons acting on CSN's behalf and which is related to the construction of the Project Work. CSN will assert the defense of sovereign immunity as appropriate in all cases including malpractice and indemnity actions. CSN's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035 to \$75,000 per cause of action. The provisions of this Section shall not apply to the extent such damage, liability, or claim is proximately caused

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by or contributed to by the intentional or negligent act of City, its officers, agent, employees, or representatives. This section shall survive any termination or expiration of this Agreement. The Project Committee shall require the Construction Manager to meet NSHE's insurance requirements found in NSHE's Procedures Manual, Chapter 5, and any similar requirements by the City, and shall require all applicable liability insurance policies to name NSHE and the City as 'additional-named insureds.'

B. Duration of Agreement. This Agreement shall be binding upon the Parties until the earlier of acceptance of the Project Work by the City or the termination of this Agreement.

C. No Assignment. The Parties may not assign this Agreement, any rights or obligations hereunder.

D. Amendment of Agreement. Except for those certain terms of this Agreement that are explicitly permitted to be amended by the Project Committee, no amendment of this Agreement is permitted without consent by the governing body of each Party.

E. Notices. All notices, demands and correspondence required or provided for under this Agreement shall be in writing and delivered in person or mailed by certified mail postage prepaid, return receipt requested. Notices shall be addressed as follows:

To City: CITY OF LAS VEGAS  
400 Stewart Avenue  
Las Vegas, Nevada 89101  
Attention: City Manager  
and under separate copy to:  
Attention: Fire Chief

To NSHE: Patty Charlton Dayar  
Vice President, Finance and Budget  
College of Southern Nevada  
6375 W. Charleston, W32E  
Las Vegas, NV 89146

Either Party may change its address by giving notice in writing to the other and thereafter notices, demands and other correspondence shall be addressed and transmitted to the new address. Notices given in the manner described shall be deemed delivered on the day of personal delivery or the date delivery of mail is first attempted.

F. Entire Agreement. This Agreement and the Lease Agreement, constitutes the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous

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agreements between the Parties with respect to all of any part of the subject matter hereof.

G. Headings; Exhibits; Cross References. The recitals, headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. All exhibits attached to this Agreement are incorporated herein. Any term used in an exhibit hereto shall have the same meaning as in this Agreement unless otherwise defined in such exhibit. All references in this Agreement to sections and exhibits shall be to sections and exhibits to this Agreement, unless otherwise specified.

H. Severability of Terms. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect, provided that the invalidity, illegality or unenforceability of such terms does not materially impair the Parties' ability to consummate the transactions contemplated hereby. If any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall, if possible, amend this Agreement so as to affect the original intention of the Parties.

I. Time is of the Essence. Time is of the essence to this Agreement. Each Party agrees that it shall perform all of its obligations under this Agreement promptly.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the day and year first above written.

NEVADA SYSTEM OF HIGHER EDUCATION

Recommended by:

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Dr. MICHAEL RICHARDS  
President, College of Southern Nevada

Approved By:

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JAMES ROGERS, Chancellor

Approved as to Legal Form:

CITY OF LAS VEGAS

By: \_\_\_\_\_  
OSCAR B. GOODMAN, Mayor

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ATTEST:

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BEVERLY BRIDGES, Acting City Clerk

APPROVED AS TO FORM:

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JAMES B. LEWIS, Deputy City Attorney

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## LIST of EXHIBITS

Exhibit 1 – Lease

Exhibit 2 – Leased Premises

Exhibit 3 – Legal Description of Site – to be provided in the future

Exhibit 4 – Site Depiction – to be provided in the future

Exhibit 5 – Appraisal

Exhibit 6 – Project Costs Allocation

Exhibit 7 – CLVFD Construction Programming

Exhibit 8 – NSHE Construction Programming

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EXHIBIT 1  
LEASE

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**GROUND LEASE**

THIS GROUND LEASE is made and entered into this \_\_\_day of October, 2008, by and between the Board of Regents of the Nevada System of Higher Education (hereinafter the “Board of Regents”) on behalf of the College of Southern Nevada (hereinafter “CSN”) and the City of Las Vegas, a municipal corporation (hereinafter “City”).

**WITNESSETH:**

WHEREAS, CSN is an institution of higher education within the Nevada System of Higher Education whose general supervision, government and control is vested in the Board of Regents;

WHEREAS, the City is a municipal corporation;

WHEREAS, the City and the Board of Regents on behalf of CSN have entered into an Interlocal Agreement by which they jointly desire to design and construct a building on CSN’s West Charleston campus that will house two functions: a fire station that the City will use and operate and separate college classrooms and office space that CSN will use and operate. Hereinafter, the combined fire station and the college classrooms and office space shall be jointly referred to as the “Building”, and the location of the fire station portion of the Building including the fire station driveways will be referred to as the “Premises”;

WHEREAS, the Board of Regents is the sole owner of the real property comprising CSN’s West Charleston campus, and the general location of the Building and the Premises is depicted on the attached Exhibit A;

WHEREAS, the City and CSN have not selected the exact location for or the final footprint of the Premises, and Exhibit A-1 showing the specific location of the Premises will be

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substituted for Exhibit A once the construction of the Building and the Premises is completed;

WHEREAS, the Board of Regents desire to lease the Premises to the City for the construction of the fire station portion of the Building in order to obtain the various benefits that it will provide, and the City desires to lease the Premises from the Board of Regents for the construction of the fire station portion of the Building in order to obtain the various benefits that it will provide;

WHEREAS, at the conclusion of the lease term the fire station portion of the Building will be donated to the Board of Regents under the terms contained in this Lease; and

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Premises. The Board of Regents leases to the City, subject to the conditions expressed herein, the Premises. The Board of Regents and the City agree to substitute Exhibit A-1 for Exhibit A showing the specific location of the Premises once the construction of the Building and the Premises is completed.
2. Term and Rent. The term of this lease shall be forty (40) years commencing on the date of completion of construction of the Building to be mutually agreed upon by the parties. The City shall have the right to exercise upon three (3) years advanced written notice two (2) ten (10) year extension terms beyond the original forty (40) year term. Rent for the Premises for the term shall be one dollar (\$1) per year in lawful money of the United States.
3. Use of Premises. At all times during the term of this lease, the City shall use the Premises exclusively for the purpose of an active fire station housing emergency response crews and equipment; however, the City may use or permit the use of the Premises for other purposes approved in writing by CSN which further the educational purposes of CSN. City shall not

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permit any nuisance or commit any waste upon the Premises. City shall at City's sole cost and expense comply with all present and future laws, statutes, ordinances, regulations, requirements, rules and orders of all federal, state, county and municipal governments, agencies and government authorities that may be applicable to use of the Premises including, without limitation, all permits, authorizations and licenses and all federal and state occupational health and safety requirements.

4. Easements. At City's request and as may be reasonably required, the Board of Regents shall grant to public entities or public service corporations for the term of this lease for the purpose of serving the Premises, rights of way or easements on or over the Premises and adjacent property owned by the Board of Regents for poles or conduits or both for telephone, electricity, water, sanitary or storm sewers or both, and for other utilities and municipal or special district services. Grants made under the authority of this provision shall be consistent with existing services and the master plan for CSN's Charleston campus. The Board of Regents hereby grants to the City and to the general public for access to the Premises an easement for ingress and egress upon the immediately adjacent Board of Regents' property upon which CSN constructs general usage driveways and parking areas to serve the Building.
5. Operating Agreement. The Parties will negotiate and execute an Operating Agreement which unless otherwise dealt with in the Interlocal Agreement or this lease shall address coordination for operational matters, maintenance, use of the fire station area for instructional purposes by faculty/students, use of CSN's instructional space by the City, and similar topics. All parking areas are outside of the Premises and after initial construction under the Interlocal Agreement, the parking areas constructed to serve the Building will be maintained

by CSN. Approximately twenty (20) parking spaces immediately adjacent to the Fire Station will be reserved for the City's employees assigned to the Fire Station, and that adjacent parking will otherwise be open and available for parking by the employees, students and patrons of CSN.

6. “As is” Condition. Except as otherwise provided for herein, City acknowledges that it has had opportunity to investigate the Premises including, but not limited to, the physical condition of the Premises and that the City is leasing the Premises "AS IS" and the Board of Regents make no warranty of any kind or nature, express, implied or otherwise, or any representations or covenants of any kind or nature in connection with the condition of the Premises or any part thereof, and the Board of Regents shall not be liable for any latent or patent defects therein or be obligated in any way whatsoever to correct or repair any such latent or patent defects. Without limiting the above, City acknowledges and agrees that neither the Board of Regents nor any employees or representatives of the Board of Regents have made any representations or warranties concerning the Premises including, without limitation, the land, improvements, conditions and restrictions, water, topography, utilities, soil, subsoil, drainage, environmental or building laws, rules or regulations or any other representations or warranties of any nature whatsoever. The Board of Regents, however, expressly warrants that it has full authority to enter into this lease.
7. Environment. As used hereafter, the terms ‘Environmental Laws’ and ‘Hazardous Material’ are defined in Attachment 1 hereto.
  - a. Board of Regents Representations/Agreement
    - i. To the best of the Board of Regents’ knowledge, as of the date hereof, there are

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no toxic or hazardous substances, material, or waste (including without limitation, asbestos, poly chlorinated biphenyls (PCBs), formaldehyde or other substances defined in 42 USC § 9601 et seq. and 42 USC § 6901 et seq.) on or at the Premises, and that the Premises are in full compliance with all federal, state and local laws, ordinances, regulations, rules and orders relating to health , safety, and environmental protection and storage, discharge or disposal of harmful, toxic or hazardous waste and water and air quality.

ii. With respect to the subject matter of sub-paragraph (a)(i) above, and to the extent authorized by law, the Board of Regents agrees to indemnify and hold City harmless from and against any and all claims, demands, fees, fines, penalties, settlements, judgment, obligations, assessments, suits, losses, liabilities, damages, injuries, costs or expenses (including costs of investigation settlement and defense of such claims plus interest, penalties and attorneys and engineering fees) and does hereby agree to reimburse City from any such cost and expense from or on account of:

- 1) The inaccuracy or breach of any of the Board of Regents' representations or warranties as set forth in this section.
- 2) The migration of, or other impact of any hazardous substances, waste, releases or contaminants from any adjacent or adjoining property owned by the Board of Regents.

The representations and agreement in this Environment Section shall continue throughout the lease term and shall survive the termination or expiration thereof.

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NSHE, Chancellor

b. City's Agreement

- i. Hazardous Materials. City shall not cause or permit Hazardous Materials to be brought onto the Premises, by the City, its agents, employees, contractors, or invitees, nor shall it cause or permit the releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Material on, under or about the Premises.
- ii. Compliance. City shall at its sole cost and expense comply with all Environmental Laws as well as any other laws, statutes, ordinances, regulations, rules and orders of any federal, state, county and municipal governments or agencies that may be applicable to operation of the Fire Station, whether existing at the commencement of this lease or enacted thereafter, including all federal, state, and local statutes, regulations, ordinances and similar provisions having the force or effect of law, and all judicial and administrative orders and determinations concerning public health and safety, worker health and safety and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation (collectively, the "Environmental Health and Safety Requirements").

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iii. Indemnification. City shall indemnify, defend and hold harmless the Board of Regents from and against any and all claims, suits, actions, proceedings, liability, damages, costs or expenses, including reasonable attorneys' and experts' fees and court costs, arising from the City's violation of the Environmental Health and Safety Requirements including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of usable space and sums paid in settlement of claims, attorneys' fees and costs incurred, consultant fees and expert fees.

The representations and agreement in this Environment Section shall continue throughout the lease term and shall survive the termination or expiration thereof.

8. Destruction of the Building. In the event that the Building shall be damaged or destroyed during the term of this lease by fire or any other casualty, the City may, at the City's option, elect to continue this lease in effect and, if the City does so elect, the City shall cause any damaged part of the fire station portion of the Building to be repaired and restored to substantially the same condition which existed before any fire or other casualty. Should the City exercise the City's option to continue the lease and to restore the fire station portion of the Building, the City shall proceed with repairs, restoration and reconstruction with due diligence.

In the event that the City does not exercise the City's option to continue the lease upon the occurrence of damage to or destruction of the premises by fire or other casualty, then the City may, at the City's sole option, declare the lease terminated as of the end of the calendar month in which notice of termination is given. In such event, all obligations to pay

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James Rogers  
NSHE, Chancellor

rent and perform other covenants of this lease shall terminate at the end of such calendar month, and the City shall surrender possession to the Board of Regents. In the event of the termination of the lease after any fire or casualty loss, City shall pay to CSN the costs incurred for demolition of the remaining fire station improvements and restoration of the real property to the condition existing as of the commencement of this lease.

9. Termination and Removal of Property. The Board of Regents may terminate this lease upon written notice to the City in the event: (a) the City fails to use the fire station space for its intended purpose, (b) the City fails to correct any non-compliance with the provisions of this lease, (c) the City fails to pay assessments, if any, for operational services, (d) the City abandons the fire station space prior to the expiration of the term hereof, or (e) any other material breach of the City's obligations hereunder occurs and, with respect to each of the foregoing subsections, the City fails to correct the failure or condition of default within 30 days of the Board of Regents' written demand.

Upon the expiration of the term of this lease, or earlier termination as provided herein, all alterations, improvements, replacements and appurtenances on or to the Premises shall become the sole and absolute property of the Board of Regents; provided, however, that all fixtures, equipment and personal property installed in or affixed to the Premises shall remain the property of the City and may be removed within a reasonable time upon termination of the lease. Until such expiration of the lease, all such improvements, alterations, replacements, and appurtenances are the property of the City. The City shall be responsible for the reasonable repair of damage caused to the Building by the removal of equipment or fixtures affixed to the walls, floor, ceiling or other part of the Building to the extent that their

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removal results in damage to the Building.

10. Liens. Except as hereinafter provided, the City shall not permit any mechanic's, material men's or other lien or security interest to attach to the Building or the Premises at any time. In the event that any such mechanic's, material men's, or other liens or security interests are filed against the Building or the Premises by reason of actions of the City, the City shall cause all such liens to be discharged by payment, bond, or otherwise within thirty (30) days after the City has knowledge or receives notice of the filing of such liens or security interests.
11. Subleasing/Assignment. The City may not sublet any part of the Building or the Premises. The City may not assign this Lease.
12. Signs. The City may place a sign or signs acceptable to CSN upon the Building indicating the presence of the fire station.
13. Taxes. The City shall pay, if any, property taxes, general assessments, license fees and other charges that may be levied against the Premises.
14. Board of Regent's Transfer of Interest. The Board of Regents may, at any time, assign or transfer its interest in and to this lease, and may, at any time sell, transfer or encumber its interest in the fee of the Premises, in whole or in part, without City's approval. In the event the Board of Regents sells the Premises and/or assigns its interest in this lease and the Board of Regents' successor in interest assumes all of Board of Regents' obligations under this lease, the Board of Regents shall be released from all obligations under this lease, not accrued as of the date of such sale or transfer; and the purchaser, at such sale or transfer or any subsequent sale or transfer of the Premises, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have

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assumed and agreed to carry out any and all of the covenants and obligations of the Board of Regents under this Lease. The City shall attorn to any assignee, transferee or purchaser of the Board of Regent's interest in this lease who assumes all of the Board of Regent's obligations under this lease.

15. Entry and Inspection of Premises. The Board of Regents and its agents shall have the right to enter the Premises at all reasonable times and upon reasonable notice to the City to: (i) inspect the Premises; (ii) determine whether City is complying with all of its obligations hereunder; and (iii) perform its duties under this lease, except that notice of intent to enter is not required in the event of any emergency threatening injury to persons or property.

16. Insurance. After the construction of the Building and prior to entry for installation of furniture, fixtures, and equipment and continuing throughout the term of this lease, the Board of Regents and the City shall during the term of this lease, at their respective sole expense, provide and keep in force: a) comprehensive and general liability insurance or self-insurance in compliance with the provisions of Nevada Revised Statutes Chapter 41 insuring for all accidents occurring on their owned or leased property, respectively, b) fire and property casualty insurance or self-insurance for the improvements on their owned or leased property, respectively.

The City shall at City's sole expense, secure, pay for and maintain in full force and effect workmen's compensation insurance for all employees, insuring against claims under the workmen's compensation laws of the State of Nevada with limits in the amount required by those laws.

Any insurance policies shall name the Board of Regents as an additional insured, and shall

be written by one or more responsible insurance companies licensed to do business in Nevada with a general policyholder rating of A- or better and a financial rating of “VIII” or better as rated in the most recent edition of Best's Insurance Guide (or similar rating service if such guide is no longer published). Any policies shall also include an endorsement requiring the company writing such policy to give the Board of Regents at least thirty (30) days' notice in writing in advance of any cancellation or lapse of such policy or the effective date of any reduction in the amount of coverage under such policy. All public liability, property damage, and other casualty insurance policies obtained by the City pursuant hereto shall be written as primary insurance and not contributing with separate coverage or self insurance which the Board of Regents may carry.

17. Indemnity. In addition to any other indemnity provided by City pursuant to this Lease, City shall indemnify, defend and hold harmless the Board of Regents from and against any and all claims, suits, actions, proceedings, liability, damages, costs or expenses, including reasonable attorneys' and experts' fees and court costs, for injury to any person, loss of life or damage to property: 1) occurring on the Premises, whether foreseeable or unforeseeable, direct or indirect, or contributed to by the active or passive negligence of the Board of Regents, its contractors, agents or employees, except when caused by the sole negligence or willful misconduct of the Board of Regents, its contractors, agents or employees, or 2) occurring elsewhere on adjacent property owned by the Board of Regents resulting from the access to, or the use and occupancy of the Premises by the City, its officers, employees, contractors, or agents. This Section shall survive the expiration or termination of this Lease.

18. Surrender of Premises. Upon expiration or earlier termination of this lease, City shall promptly quit and surrender the Premises in good condition and repair, including all

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improvements. If the Premises are not surrendered at the end of the term, City shall indemnify the Board of Regents against loss or liability resulting from delay by City in so surrendering the Premises.

19. Attorney's Fees and Costs. In the event that either party of this Lease shall enforce any of the provisions hereof in any action at law or in equity, the prevailing party in such litigation shall be entitled to recover from the other party or parties all costs and expense, including reasonable attorney's fees, incurred herein.

20. Severability. In the event any provision of this Lease shall be held invalid or unenforceable according to law, the validity, legality or enforceability of the remaining provisions and the application thereof shall not in any way be affected or impaired.

21. Amendment. This Lease shall not be modified except in writing signed by all parties to be bound.

22. Force Majeure. If The City or the Board of Regents is delayed or prevented from the performance of any act required hereunder by reason of acts of God, war, or natural disasters, including but not limited to, earthquakes, floods and hurricanes, this agreement shall terminate if construction of the Building has not yet begun, and excuse the non-performance of the required act during the period of force majeure.

23. Notices under the lease:

If to the Board of Regents:

College of Southern Nevada  
General Counsel  
6375 W. Charleston Blvd, W32E  
Las Vegas, Nevada 89030-4296

\_\_\_\_\_  
Init.  
Mayor  
City of Las Vegas

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Init.  
Mike Richards  
CSN President

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Init.  
James Rogers  
NSHE, Chancellor

If to the City:

City Manager  
400 Stewart Avenue  
Las Vegas, Nevada 89101

24. Effective Date. This lease shall be effective only after authorizing votes have been cast by the Board of Regents and the City Council of the City, and after it has then been signed by an authorized representative of both parties, and as specified in the Interlocal Agreement. If such authorization is not obtained, this Lease shall be null and void, and neither the Board of Regents nor the City shall have any liability or obligation hereunder.

25. Severability. If any term or provision of this lease or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term or provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

26. Choice of Law. This agreement shall be construed pursuant to the laws of the State of Nevada. All litigation regarding this lease shall occur in Clark County, Nevada.

In witness whereof, the parties have caused this Ground Lease to be executed the day, month and year first above written.

THE CITY of LAS VEGAS:

Approved as to legal form:

By: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_ Init.  
Mayor  
City of Las Vegas

35  
\_\_\_\_ Init.  
Mike Richards  
CSN President

\_\_\_\_ Init.  
James Rogers  
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THE BOARD OF REGENTS of the NEVADA SYSTEM OF HIGHER EDUCATION

Recommended by: \_\_\_\_\_  
Dr. Michael Richards,  
President, College of Southern Nevada

Approved by: \_\_\_\_\_  
James E. Rogers,  
Chancellor

Approved as to legal form:  
\_\_\_\_\_

\_\_\_\_\_  
Mayor  
City of Las Vegas

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\_\_\_\_\_  
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ATTACHMENT 1

The term “*Environmental Laws*” means any one or all of the laws and/or regulations of the U.S. Environmental Protection Agency of any other federal, state, or local agencies, including, but not limited to, the following, as the same may be amended from time to time:

COMPREHENSIVE ENVIRONMENTAL RESPONSE,  
COMPENSATION AND LIABILITY ACT (42 U.S.C. Section 9601 et  
seq.)

RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C.  
Section 6941 et seq.)

TOXIC SUBSTANCE CONTROL ACT (15 U.S.C. Section 2601 et seq.)

SAFE DRINKING WATER ACT (42 U.S.C. Section 300h et seq.)

CLEAN AIR ACT (U.S.C. Section 7401 et seq.)

SANITATION (Nevada Revised Statutes, Chapter 444)

NEVADA WATER POLLUTION CONTROL LAW (Nevada Revised  
Statutes 445.131 through 445.399)

HAZARDOUS MATERIAL, INCLUDING UNDERGROUND  
STORAGE TANK REGULATIONS (Nevada Revised Statutes, Chapter  
459)

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION  
(OSHA) (29 CFR, Sections 1910 and 1926)

and regulations promulgated there under and any other laws, regulations  
and ordinances (whether enacted by the federal, state or local government)  
now in effect or hereafter enacted that deal with the regulation or  
protection of the environment, (including, but not limited to, ambient air  
procedures and records detailing chlorofluorocarbons [cfc]), ambient air,  
ground water, surface water and land use, including sub-strata land.

The term “*Hazardous Material*” means the definitions of hazardous substance,  
hazardous material, toxic substance, regulated substance or solid waste as defined  
within the following:

COMPREHENSIVE ENVIRONMENTAL RESPONSE,

\_\_\_\_ Init.  
Mayor  
City of Las Vegas

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\_\_\_\_ Init.  
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COMPENSATION AND LIABILITY ACT (42 U.S.C Section 9601 et. seq.)

RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. Section 6901 et. seq.)

HAZARDOUS MATERIALS TRANSPORTATION ACT (49 U.S.C. Section 1801 et. seq.)

DEPARTMENT OF TRANSPORTATION TABLE (49 C.F.R. Section 172.101) and amendments thereto.

ENVIRONMENTAL PROTECTION AGENCY (40 C.F.R. Part 302 and amendments thereto)

TRANSPORTATION OF HAZARDOUS MATERIALS BY MOTOR VEHICLE (Nevada Revised Statutes 459.700 through 459.780)

and all present or future regulations promulgated thereunder.

All substances, materials and wastes that are, or that become, regulated under, or that are, or that become classified as hazardous or toxic under any Environmental Laws, whether such laws are federal, state or local.

\_\_\_\_ Init.  
Mayor  
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\_\_\_\_ Init.  
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James Rogers  
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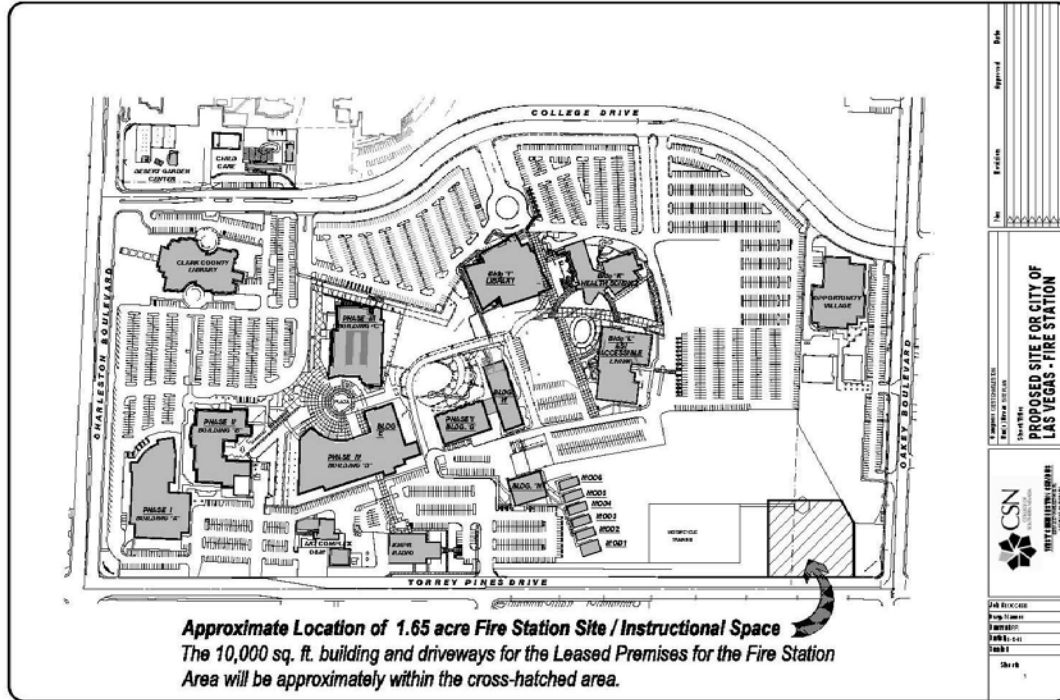


EXHIBIT A  
THE PREMISES

\_\_\_\_ Init.  
Mayor  
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Mike Richards  
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 CSN President

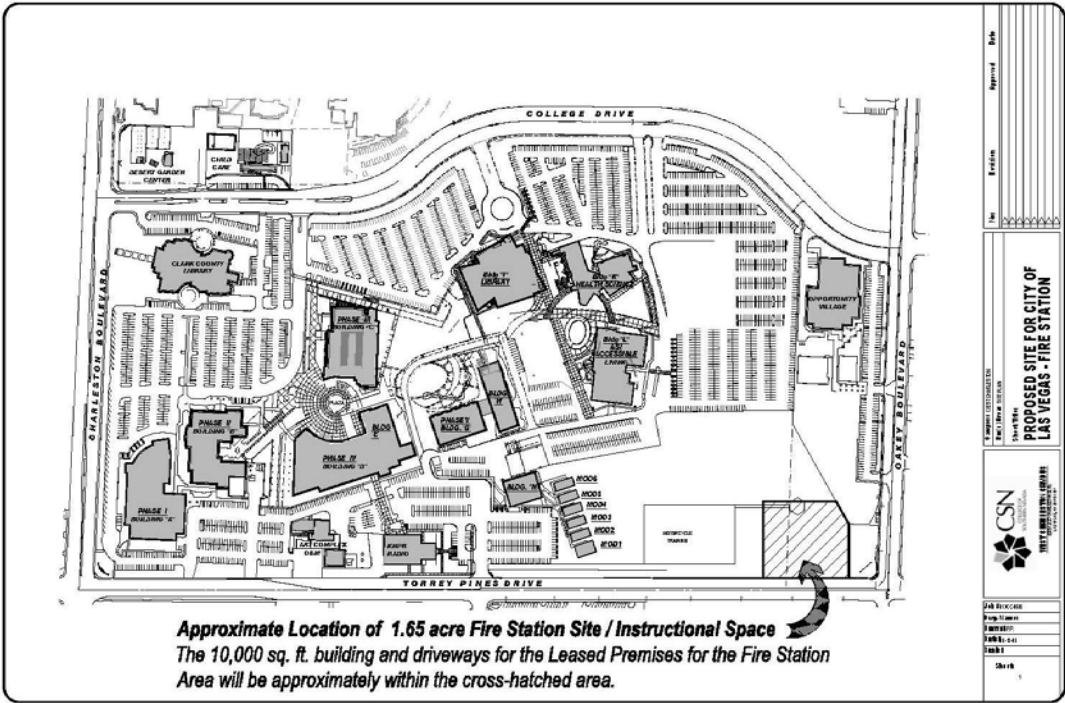
Init.  
 Mayor  
 City of Las Vegas

EXHIBIT 2  
LEASED PREMISES

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Mayor  
City of Las Vegas

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Mike Richards  
CSN President

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James Rogers  
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<b>PROPOSED SITE FOR CITY OF LAS VEGAS - FIRE STATION</b>	
PROJECT ESTIMATOR: DESIGNER: ARCHITECT: DATE: SHEET:	No.    Revision    Approved    Date

Init. \_\_\_\_\_  
 James Rogers  
 NSHE, Chancellor

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 Init. \_\_\_\_\_  
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 CSN President

Init. \_\_\_\_\_  
 Mayor  
 City of Las Vegas

EXHIBIT 5  
APPRAISAL

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CSN President

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James Rogers  
NSHE, Chancellor

**A SELF-CONTAINED APPRAISAL REPORT**

Of Approximately 1.65 Acres of Land  
Being a Portion of APN 163-02-601-001  
PO#8S08SS00251

**OWNED BY**

University Board of Regents

**LOCATED ON**

The East Side of Torrey Pines Drive Approximately  
775 Feet North of Oakey Boulevard  
Las Vegas, Clark County, Nevada 89146

**FOR THE PURPOSE OF**

Forming an Opinion of Market Value  
In Fee Simple Ownership

**DATE OF VALUATION**

November 12, 2007

**DATE OF REPORT**

November 15, 2007

**PREPARED FOR**

Ms. Sherri Payne  
College Architect  
College of Southern Nevada  
3200 East Cheyenne Avenue, Sort Code S2H  
North Las Vegas, NV 89030-4228

**APPRAISAL COMPLETED BY**

LUBAWY & ASSOCIATES, INC.  
3034 South Durango Drive, Suite 100  
Las Vegas, Nevada 89117  
File #07-377

November 15, 2007 File #07-377

Ms. Sherri Payne  
College Architect  
College of Southern Nevada  
3200 East Cheyenne Avenue, Sort Code S2H  
North Las Vegas, NV 89030-4228

Re: A Self-Contained Appraisal Report  
Of Approximately 1.65 Acres of Land, Being A Portion of APN 163-02-601-001  
Located On The East Side of Torrey Pines Drive  
Approximately 775 Feet North of Oakey Boulevard,  
Las Vegas, Clark County, Nevada 89146

Dear Ms. Payne:

As requested, we have prepared a Self-Contained Appraisal Report of approximately  
1.65 acres of  
land located on the east side of Torrey Pines Drive approximately 775 feet north of  
Oakey Boulevard  
in Las Vegas, Clark County, Nevada. An aerial image of the said property is located later  
within

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this report. The property is identified as being a portion of Clark County Assessor's Parcel Number 163-02-601-001. We have inspected the subject site and investigated and analyzed all the necessary data for the purpose of arriving at a supportable opinion of the current market value of the property. The supporting data, analyses and conclusions used to form the opinion of the market value of the property are contained in the accompanying report and addenda. This letter by itself should not be construed as a complete report. Attached is a Self-Contained Appraisal Report which is intended to comply with reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The effective date of value for the subject property is November 12, 2007, and we have formed an opinion of the market value in fee simple ownership. This report is intended to provide the client with an opinion of value of the subject land in fee simple estate. Based upon our analysis of the market data and subject to the assumptions and limiting conditions contained within this report, we have formed an opinion of the market value of the subject property as follows:

*Ms. Sherri Payne*

*Page 2*

**MARKET VALUE IDENTIFICATION  
EFFECTIVE  
DATE OF VALUE  
OPINION OF  
MARKET VALUE**

Current Market Value of Approximately

1.65 Acres of Land

November 12, 2007 \$1,840,000

The opinion of market value has been predicated upon an exposure time of 6 to 12 months. The exposure time is based on the comparable sales used in this report and on discussions with real estate brokers active in the subject area. Like the exposure time, the marketing period has also been estimated at 6 to 12 months.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted

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herewith is contingent upon the following special assumptions or limiting conditions:

1. We have been asked to appraise the subject property which will consist of approximately  
1.65 acres of land and will allow the development of 25,400 square feet of building area to be used for a fire station and education center. A feasibility study for the proposed improvements is included within the addenda of this report.
2. The legal description identifying the land area will be commensurate with the land area generally identified within this appraisal. This should be verified with the appraiser prior to completion of the transfer.
3. The subject is being appraised on the hypothetical condition that there are no deed restrictions. The subject will be appraised in fee simple estate as vacant land.

Thank you for giving us the opportunity of appraising this property. If we may be of further assistance, please do not hesitate to contact us.

Sincerely,  
 Matthew Lubawy, MAI  
 Nevada License #A.0000044-CG  
 License expires April 30, 2009  
 Brenda Cazares  
 Nevada License #A.0006455-INTR  
 License expires February 29, 2008  
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 File #07-377 LUBAWY & ASSOCIATES, INC.

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 Mayor  
 City of Las Vegas

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QUALIFICATIONS OF APPRAISERS  
*Assumptions and Limiting Conditions*  
File #07-377 LUBAWY & ASSOCIATES, INC.

1  
**ASSUMPTIONS AND LIMITING CONDITIONS**  
**GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

The acceptance of this appraisal assignment and the completion of the appraisal report submitted

herewith are contingent upon the following general assumptions and limiting conditions:

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed, unless otherwise stated.
4. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered.
9. It is assumed that all required licenses, certificates of occupancy or legislative or administrative authority from any local, state, or national governmental or private entity organization have been or can be obtained or renewed for any use on which the value opinions contained in this report are based.

\_\_\_\_ Init.  
Mayor  
City of Las Vegas

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Mike Richards  
CSN President

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10. Any sketch may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated.

No survey has been made for the purpose of this report.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespasses unless otherwise stated.

*Assumptions and Limiting Conditions*

File #07-377 LUBAWY & ASSOCIATES, INC.

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12. The appraisers are not qualified to detect hazardous waste and/or toxic materials.

Any

comment by the appraisers that might suggest the possibility or presence of such substances

should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field

of environmental assessment. The presence of substances such as asbestos, ureaformaldehyde,

foam insulation, or other potentially hazardous materials may affect the

value of the property. The appraisers' value opinions are predicated on the assumption that

there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them.

The

appraisers' descriptions and resulting comments are the result of the routine observations

made during the appraisal process.

13. Possession of this report or a copy thereof, does not carry with it the right of publication. It

may not be used for any purpose other than as required by the client.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value,

the identity of the appraisers, or the firm with which the appraisers are connected) shall be

disseminated to the public through advertising, public relations, news letters, or other media

without prior written consent and approval of the appraisers.

15. Prospective values are predicated upon stable market conditions unless otherwise stated.

The appraisers cannot be held responsible for unforeseeable events that may alter market

conditions prior to the effective date of the appraisal.

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

The acceptance of this appraisal assignment and the completion of the appraisal report submitted

herewith is contingent upon the following special assumptions or limiting conditions:

1. We have been asked to appraise the subject property which will consist of approximately 1.65 acres of land and will allow the development of 25,400 square feet of building area to be used for a fire station and education center. A feasibility study for the proposed improvements is included within the addenda of this report.
2. The legal description identifying the land area will be commensurate with the land area generally identified within this appraisal. This should be verified with the appraiser prior to completion of the transfer.
3. The subject is being appraised on the hypothetical condition that there are no deed restrictions. The subject will be appraised in fee simple estate as vacant land.

*Certification of Value*

File #07-377 LUBAWY & ASSOCIATES, INC.

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**CERTIFICATION OF VALUE**

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

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8. We have made a personal inspection of the property that is the subject of this report.  
9. No one provided significant real property appraisal assistance to the persons signing this certification.

10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

12. As of the date of this report, Matthew Lubawy, MAI has completed the continuing education program of the Appraisal Institute.

13. The appraisers' state registration/certification has not been revoked, suspended, canceled or restricted.

*Certification of Value*

File #07-377 LUBAWY & ASSOCIATES, INC.

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14. The Appraiser did not base, either partially or completely, his or her analysis and/or the estimate of value on the race, color, religion, sex, handicap, familial status, health or national origin of the present or prospective owners, occupants or users of the subject property or of the present or prospective owners, occupants or users of the properties in the vicinity of the subject property.

Matthew Lubawy, MAI Brenda Cazares

Nevada License #A.0000044-CG Nevada License #A.0006455-INT

License expires: April 30, 2009 License expires: February 29, 2008

*Summary of Important Facts and Conclusions*

File #07-377 LUBAWY & ASSOCIATES, INC.

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## **SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

**PROPERTY LOCATION:** The subject property is located on the east side of Torrey Pines Drive approximately 775 feet north of Oakey Boulevard, in the western portion of the Las Vegas Valley. The land is owned by the University Board of Regents, and it is part of a larger parcel that has been partially developed with various uses.

**CENSUS TRACT NUMBER:** 29.05

**ASSESSOR'S PARCEL NUMBER:** 163-02-601-001 (por.)

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**PURPOSE OF APPRAISAL:** The purpose of this appraisal report is to form an opinion of the market value of the subject property.

**INTENDED USE OF APPRAISAL:**

This intended use of this report is to provide the client with an opinion of value of the subject land in fee simple estate.

**DATE OF VALUATION:** The effective date of value is November 12, 2007.

**PROPERTY INSPECTION DATE:** The property was inspected and photographs were taken on November 12, 2007.

**DATE OF REPORT:** This report was prepared on November 15, 2007. The comparable sales and market data were collected and verified prior to this date.

**PROPERTY RIGHTS APPRAISED:** Fee Simple

**LAND SIZE:** Approximately 1.65 acres

**ZONING:** The property is zoned C-V (Civic District), under the jurisdiction of the City of Las Vegas.

**HIGHEST AND BEST USE:**

**As Vacant Land:** Civic use or professional office use.

*Summary of Important Facts and Conclusions*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

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**VALUE OPINION:**

**MARKET VALUE IDENTIFICATION**

**EFFECTIVE**

**DATE OF VALUE**

**OPINION OF**

**MARKET VALUE**

Current Market Value of Approximately

1.65 Acres of Land

November 12, 2007 \$1,840,000

**EXPOSURE TIME:** The opinion of market value has been predicated upon an exposure time of 6 to 12 months.

**MARKETING PERIOD:** If the subject were marketed for sale as of the date of the opinion of value, the marketing period would be 6 to 12 months assuming competent marketing with pricing commensurate with the opinion of market value.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted

herewith is contingent upon the following special assumptions or limiting conditions:

1. We have been asked to appraise the subject property which will consist of approximately

1.65 acres of land and will allow the development of 25,400 square feet of building area to be

used for a fire station and education center. A feasibility study for the proposed improvements is included within the addenda of this report.

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2. The legal description identifying the land area will be commensurate with the land area generally identified within this appraisal. This should be verified with the appraiser prior to completion of the transfer.

3. The subject is being appraised on the hypothetical condition that there are no deed restrictions. The subject will be appraised in fee simple estate as vacant land.

*Introduction*

File #07-377 LUBAWY & ASSOCIATES, INC.

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**INTRODUCTION**

**IDENTIFICATION OF THE PROPERTY**

The subject property is located on the east side of Torrey Pines Drive approximately 775 feet north

of Oakey Boulevard, in the western portion of the Las Vegas Valley. The site consists of a portion of

Clark County Assessor's Parcel Number 163-02-601-001. The subject property is more thoroughly

described in the "Site Description and Analysis" section presented later in this report.

**LEGAL DESCRIPTION**

The subject property is legally described as follows:

Being a portion of Lot 4 in Parcel Map File 67, Page 37.

As mentioned earlier, the legal description identifying the land area will be commensurate

with the land area generally identified within this appraisal.

**PURPOSE OF APPRAISAL**

The purpose of this appraisal report is to form an opinion of the market value of the subject land, as

of November 12, 2007.

**INTENDED USE OF THE APPRAISAL**

This intended use of this report is to provide the client with an opinion of the market value of the

subject property.

**PROPERTY RIGHTS APPRAISED**

We have formed the opinions of value of the land of the subject property in fee simple ownership.

Fee simple ownership may be defined as follows:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent-domain, police power, and escheat."

Source: *The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago: Appraisal Institute, 2002,*

*Page 113.*

**EFFECTIVE DATE OF VALUATION**

The effective date of valuation is November 12, 2007.

**DATE OF INSPECTION**

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The subject property was inspected on November 12, 2007, which is also the date that photographs were taken.

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**DATE OF APPRAISAL REPORT**

The date of preparation of this appraisal report is November 15, 2007. The comparable sales and market data were verified prior to the date of this report.

**USPAP COMPETENCY PROVISION**

This appraisal report is being prepared with the intention of complying with the most recent

version of the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation. Matthew Lubawy, MAI and Brenda Cazares have appraised several similar properties in the Las Vegas metropolitan area, and we are qualified to appraise the subject property.

Please see our qualifications contained in the addenda of this report for additional information.

**DEFINITION OF MARKET VALUE**

Nevada State Assembly Bill 102, adopted May 23, 2007, defines market value as follows: "Value" means the highest price, on the date of valuation, that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. In determining value, except as otherwise provided in this subsection, the property sought to be condemned must be valued at its highest and best use without considering any future dedication requirements imposed by the entity that is taking the property. If the property is condemned primarily for a profitmaking purpose, the property sought to be condemned must be valued at the use to which the entity that is condemning the property intends to put the property, if such use results in a higher value for the property.

Source: Nevada Revised Statutes 37.009

The prior definition premised market value as the "most probable price", whereas the new definition of market value is premised on the "highest price". It is presumed that a seller would probably accept the highest price of all offers made on a property. Therefore, the most probable price would be the highest price.

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**EXPOSURE TIME**

One of the implicit conditions of market value is that a reasonable time is allowed for

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exposure in the open market. This is always assumed to precede the effective date of the appraisal. Specifically,

exposure time is defined as:

“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.”

Source: *Statement 6, Uniform Standards of Professional Appraisal Practice, 2006 Edition, Appraisal Standards Board.*

**MARKETING TIME**

Marketing time is defined as follows:

The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

Source: *The Uniform Standards of Professional Appraisal Practice, 2006, Advisory Opinion 7.*

**CURRENT OWNERSHIP/OWNERSHIP HISTORY**

According to information from the Clark County Recorder’s Office, the subject land is owned by the

University Board of Regents. The 1.65 acres is part of a larger 30.99-acre site that the State has

owned for approximately 40 years. The 66.57 acres has been partially developed with a fire station and educational center.

The State is planning to expand the College of Southern Nevada Charleston Campus by adding two

buildings totaling 25,400 square feet. A site plan of the proposed buildings was provided to us by

the College of Southern Nevada as shown on the following page:

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**SITE PLANS**

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**SUBJECT AERIAL OF PROPOSED IMPROVEMENTS**

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**SCOPE OF APPRAISAL**

This is a Self Contained Appraisal Report which is intended to comply with the

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reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice (USPAP). As part of this appraisal, we have made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are listed as follows:

**Area/City and Neighborhood Analysis**

Data pertaining to the Las Vegas metropolitan area and the subject neighborhood was provided by publications such as the Las Vegas Perspective, the Review Journal, and information from the local Chamber of Commerce and the Nevada Development Authority. The Clark County Comprehensive Planning Department supplied information pertaining to population. The Las Vegas Convention and Visitors Authority supplied information pertaining to visitor volume, convention attendance, gaming revenue and total visitor revenue. Data pertaining to the labor force and employment was supplied by the State of Nevada Employment Security Department; information pertaining to taxable sales was provided by the Nevada Department of Taxation; and data pertaining to residential construction building permits was collected from the governing jurisdictions. Additional neighborhood data was based upon a physical inspection of the area.

**Site Description and Analysis**

On November 12, 2007, we physically inspected the subject site and the surrounding area. Photographs of the property were also taken as of this date. Information concerning utilities was collected by a physical inspection, and if necessary, by contacting the individual utility companies. The City of Las Vegas Planning Department was contacted to obtain zoning information on the property. Information pertaining to dimensions, shape, and area was taken from the Clark County Assessor's Map. The description and analysis of topography, drainage, soils conditions, and surrounding land uses was based upon a physical inspection. Environmental information was also based on a physical inspection. It is imperative to note that the appraisers are not experts in the

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analysis of soils conditions or environmental hazards; therefore, any comment by the appraisers that might suggest the presence of detrimental soils conditions or hazardous substances should not be taken as confirmation of the presence of hazardous waste or poor soils conditions. Such determination requires investigation by qualified professionals in the field of environmental assessment or soils testing. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

### ***Applied Methods of Valuation***

To form an opinion of the market value of the subject site as vacant, unimproved land, we have utilized the sales comparison approach. In this approach we have compared sales of competitive parcels in the subject market area. Please see the section entitled "Method of Valuation" contained later in the report for a full description of the complete process for the sales comparison approach.

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### ***Market Data Collection and Verification***

Data pertaining to land sales was collected from sources including Clark County Public Records, COMPS Inc., *PropertyLine*, and discussions with brokers, owners and developers. Information on land sales, listings or offers was verified with the parties involved in the transactions including the grantor, grantee, broker or other knowledgeable parties, when possible.

Verification of each sale is listed separately on each land sale abstract.

#### *Area/City Description and Analysis*

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## **AREA / CITY DESCRIPTION AND ANALYSIS**

### **SUBJECT**

#### *Area/City Description and Analysis*

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### **HISTORY**

Members of a Mexican trading party traveling the Spanish Trail in 1829 left the established route

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and, during a trip scouting for water, discovered the Las Vegas Springs. Between 1830 and 1848, the name "Vegas", shown on maps of the day, was changed to Las Vegas, which means "the meadows" in Spanish. In 1865, Octavius D. Gass established a ranch and became one of the first permanent residents. By 1890, railroad developers had decided that water-rich Las Vegas would be a prime location for a railroad stop and town. Work on the first railroad grade into Vegas began the summer of 1904. Rails were connected with the eastern segment of track in October 1904, and the first train made its inaugural run from California to points east on January 20, 1905. The City of Las Vegas was founded on May 15, 1905 when the Union Pacific auctioned off 1,200 lots (in one day) in the area now known as "Glitter Gulch" – downtown Las Vegas.

**GOVERNMENT**

Las Vegas is the county seat for Clark County, which contains an area of approximately 7,910 square miles. Clark County is generally bound by the Colorado River, Lake Mead, and Arizona to the southeast; California to the southwest; and Lincoln and Nye Counties to the north. There are five incorporated cities in Clark County consisting of Las Vegas, North Las Vegas, Henderson, Boulder City, and Mesquite. The Las Vegas metropolitan area, or Las Vegas Valley, is generally identified as the cities of Las Vegas, North Las Vegas, Henderson, and the portions of unincorporated Clark County surrounding these three cities.

**CLIMATE**

Las Vegas averages 310 days of sunshine per year, with relatively low humidity. The average high and low temperatures throughout the year for 2005 were 79.9 degrees and 59.3 degrees. The highest average monthly temperature of 92 degrees occurred in July, while the lowest average monthly temperature of 49.7 degrees took place in January. The average monthly rainfall in 2005 was 0.62 inches.

**RECREATION**

Two major attractions for visitors to Southern Nevada are Hoover Dam and Lake Mead. Construction of Hoover Dam (begun in 1932 and completed in 1935) created Lake Mead, the largest

man-made reservoir in America. Encompassing 1.5 million acres, Lake Mead offers boating, fishing, scuba diving, water skiing, wind surfing, sailing, jet skiing, and camping along its 550-mile shoreline and is a water source for nearly 25 million people. Lake Mead and Hoover Dam attract more than 18 million people each year with 69% of local visitors visiting the dam. The Las Vegas Valley is home to 55 golf courses and Las Vegas is the only city to have hosted official events of all three professional tours, the Seniors, PGA, and LPGA, in one year. The area has more than 150 parks, which provide baseball fields, tennis courts, swimming pools, and playgrounds and numerous organized sports leagues. There are many outdoor recreational areas within a short distance of Las Vegas. Red Rock Canyon, 15 miles west of the Strip, offers sightseeing, hiking and biking trails in its 200,000 acres of multicolored sandstone. Just 35 miles northwest of Las Vegas is Mt. Charleston, the highest point in Southern Nevada (11,918 feet). The Mt. Charleston Recreational Area offers winter sports, campgrounds, and hiking. The Valley of Fire, Nevada's oldest state park, and the Floyd R. Lamb

*Area/City Description and Analysis*

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State Park, as well as numerous ghost towns, are within a few hours' drive. Utah ski and outdoor recreation areas and the Grand Canyon are only a few hours' drive from Las Vegas.

**SPORTS VENUES**

The 18,000 seat Thomas and Mack Center is the home of the UNLV Running Rebels Basketball

Team. The 420-acre Sam Boyd Stadium hosts games for UNLV's football team. The 10,000 seat

Cashman Field is home to the Las Vegas 51's, the triple-A farm team of the Los Angeles Dodgers.

Additionally, Las Vegas has many professional sporting events including the National Finals

Rodeo, off-road races, boxing matches, hockey tournaments, golf tournaments, tennis tournaments,

and motorcycle races throughout the year.

The \$200 million, 107,000 seat, 1,600 acre Las Vegas Motor Speedway has a 1.5 mile super

speedway, 1/2 mile clay oval, 3/8 mile paved oval drag strip, motocross, go-kart, 1/3 mile flat track

and 2.5 mile road course. Nicknamed “the diamond in the desert”, the facility hosts NASCAR, NHRA, AMA, World of Outlaws and various other auto and motorcycle racing events yearly.

**CULTURAL EVENTS**

Las Vegas is home to the Nevada Ballet Theater, one of the country’s ten best regional ballet companies; the Nevada Opera Theater; The Rainbow Company (children’s theater); the New West Stage Company; the Las Vegas Little Theater; the CineVegas International Film Festival, and the Southern Nevada Youth Company.

There are several museums in the area including two Guggenheim Museums at the Venetian Hotel.

The Guggenheim Hermitage is a collaboration between Russia’s State Hermitage Museum and New York’s Solomon Guggenheim Foundation. Additionally, the Guggenheim Las Vegas opened at the Venetian and boasts 63,700 square feet of exhibit space. Other museums include the Nevada State Museum and Historical Society, the Las Vegas Museum of Natural History, the Las Vegas Art Museum, the Lied Discovery Children’s Museum, the Guinness World of Records Museum, the Imperial Palace Antique Auto Collection, the Liberace Museum, Ripley’s Believe-it-or-Not Museum, Madame Tussaud’s Wax Museum, the Bellagio Gallery of Fine Art, the Wynn Collection of Fine Art, and the Casino Legends Hall of Fame.

**POPULATION**

The following chart indicates the population and growth rates for the Las Vegas Valley as estimated

by the Clark County Department of Comprehensive Planning as of July of each year. The

population estimates include the cities of Las Vegas, North Las Vegas, Henderson, Boulder City, and Mesquite, and adjoining areas surrounding the incorporated cities. It does not include outlying portions of unincorporated Clark County.

*Area/City Description and Analysis*

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**POPULATION ESTIMATES FOR CLARK COUNTY**

**YEAR  
POPULATION  
ESTIMATE**

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**GROWTH RATE**

1995 1,055,435 5.6%  
1996 1,119,052 6.0%  
1997 1,193,388 6.6%  
1998 1,261,150 5.7%  
1999 1,327,145 5.2%  
2000 1,394,440 3.7%  
2001 1,485,855 6.6%  
2002 1,549,657 4.3%  
2003 1,620,748 4.6%  
2004 1,715,337 5.8%  
2005 1,796,380 4.7%  
2006 1,874,837 4.4%

Source: Nevada State Demographer's Office

The Census Bureau's latest statistics show that in 2005, Nevada was the fastest growing state in the nation, in terms of population percentage, for the 19th consecutive year. The majority of the growth has occurred in southern Nevada, largely due to the booming economy of Las Vegas. More than 5,000 people each month, or 160 daily, are making Las Vegas their home, totaling 68,675 in 2005, and 96,954 in 2006, for an increase from 2005 to 2006 of 5.3%.

**ECONOMIC DATA**

The Las Vegas economy is closely linked to tourism and gaming. The most significant economic indicators are related to visitor volume, conventions, gaming revenue, and total visitor revenue.

The following is a summary and analysis of this data.

**TOURISM AND GAMING STATISTICS**

**YEAR VISITOR VOLUME CONVENTION ATTENDANCE GAMING REVENUE TOTAL VISITOR REVENUE**

1996 29,636,361 3,305,507 \$5,783,735,000 \$22,533,257,750  
1997 30,464,635 3,519,924 \$6,152,415,000 \$24,952,188,808  
1998 30,605,128 3,301,705 \$6,346,958,000 \$24,577,469,254  
1999 33,809,134 3,772,726 \$7,209,032,000 \$28,613,196,893  
2000 35,849,691 3,853,363 \$7,671,252,000 \$31,462,337,364  
2001 35,017,317 4,095,635 \$7,631,761,000 \$31,555,924,204  
2002 35,071,504 5,105,450 \$7,630,996,000 \$31,573,744,866  
2003 35,540,126 5,657,796 \$7,831,464,000 \$32,777,732,318  
2004 37,388,781 5,724,864 \$8,710,976,000 \$33,723,919,453  
2005 38,566,717 6,166,194 \$9,709,408,000 \$36,725,853,851  
2006 38,914,889 6,307,961 \$10,643,206,000 \$39,419,205,580

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Source: Las Vegas Convention and Visitor's Authority  
Area/City Description and Analysis

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From 2005 to 2006 visitor volume (+3.2%), convention attendance (+7.7%), gaming revenues (+11.5%) all increased significantly.

It is anticipated that the visitor volume, convention attendance, gaming revenue, and total visitor revenue will increase slightly in the short term in the Las Vegas metropolitan area. Las Vegas surpassed Chicago as the U.S. city with the most four-diamond hotel rooms as rated by the American Automobile Association. Twelve Las Vegas hotels, totaling more than 25,000 rooms, are now rated as 4-diamond by AAA. Five hotels, the Four Seasons, Ritz-Carlton, the SkyLofts at the MGM Grand, and two hotel casino's, the Bellagio and Wynn Resort, have been given the fivediamond award. The Bellagio was the first hotel-casino in the U.S. given the prestigious award. Additionally, Las Vegas is home to thirteen 4-star restaurants and four 5-star restaurants.

Las Vegas is home to 14 of the 15 largest hotels in the United States, with 11 having more than 3,000 rooms. As of September 2007, room inventory was 133,433, with overall occupancy at a healthy 91.3%. The number of new hotel rooms is expected to increase, but at a much slower rate than in the past and is being offset by the demolition of older hotel and casino properties. New large-scale projects include the \$1 billion addition to the Wynn Resort, Project City Center which is being touted as the largest single construction project in North America, the Palazzo addition to the Venetian, as well as projects that are anticipated to add 8,289 rooms to the inventory in 2007.

Las Vegas is world famous for its upscale resort/casinos and now, the high quality of food. The continued Strip expansion has led to the opening of many upscale restaurants owned or operated by world-renowned chefs. Guests can now choose from upscale buffets to some of the world's fanciest restaurants. Three restaurants in Las Vegas were rated five-star, a first for Nevada. The five star rating, by Mobil Travel Guide, was bestowed upon 55 restaurants and 82 hotels in 2004.

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Restaurant growth projected in Nevada was number one in America in 2006 according to the National Restaurant Association. Las Vegas is home to 11 wine master sommeliers, the most of any city in the world.

The enormous size of the Las Vegas tourist industry is evident by the preceding statistics. To illustrate the growth, the preceding statistics have been presented in graph format as shown on the following pages.

*Area/City Description and Analysis*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

20  
\$10  
\$15  
\$20  
\$25  
\$30  
\$35  
\$40

**Billions**

2002 2003 2004 2005 2006

**VISITOR REVENUE**

28  
30  
32  
34  
36

**Millions**

2002 2003 2004 2005 2006

**VISITOR VOLUME**

*Area/City Description and Analysis*

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21  
0  
2  
4  
6  
8

**Millions**

2002 2003 2004 2005 2006

**CONVENTION DELEGATES**

\$7.0  
\$7.5  
\$8.0  
\$8.5  
\$9.0

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\$9.5  
\$10.0  
\$10.5  
\$11.0

**Billions**

2002 2003 2004 2005 2006

**GAMING REVENUE  
CONVENTIONS**

The 1.3 million square foot expansion of the Las Vegas Convention Center in 2002 brought the total size to 3.2 million square feet, the second largest convention center in the United States. Las Vegas is home to three of the top 10 centers. In 2005, conventions generated \$7.6 billion in revenue, (an increase of 10.9% over 2004) with a total city-wide convention and meeting space of over 7.5 million square feet. During 2006, Las Vegas hosted 44 of the 200 largest trade shows, including 7 of the top 10 in the United States, according to Tradeshow Week Magazine, and leased 18.8 million square feet of exhibit space. The closest competing city was Chicago with 18 of the 200 largest shows and 7.7 million square feet of exhibit space leased. Las Vegas was named the number one convention destination for 2005 for the twelfth straight year.

*Area/City Description and Analysis*  
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**EMPLOYMENT**

Employing more than 9,800 personnel, Nellis Air Force Base is the largest tactical fighter weapon center in the United States, with an annual payroll of approximately \$250,000,000. Nellis Air Force Base is home to the United States Air Force Demonstration Squadron "Thunderbirds". The Nevada Test Site is a massive outdoor laboratory and national experimental center that cannot be duplicated. Larger than the state of Rhode Island, the facilities encompass approximately 1,375 square miles, making this one of the largest restricted access areas in the United States. The U.S. Department of Energy (DOE) is moving forward with the decision-making process associated with a proposal to construct the nation's second largest wind farm at the Nevada Test Site. Three locations on the Nevada Test Site are under consideration for the wind-power

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development project that may mean hundreds of jobs and more than \$80 million to the southern Nevada economy over the next three to five years of initial construction. However, opposition to the project is increasing based on impact to the Nellis Air Force Base operations. The proposed alternative energy facilities would be a private sector enterprise in conjunction with a commercial operator.

As of March 2007, the total labor force for the Las Vegas MSA was 955,700 with the unemployment rate at 4.3%. The largest contributor to the labor force is the service industry (hotels and service) accounting for nearly 75% of the job force in Las Vegas. With the continued growth within the gaming industry, the labor market should remain relatively strong in the coming years provided visitor counts remain strong. The following chart summarizes the total labor force for the Las Vegas MSA.

**LABOR FORCE**  
**DECEMBER**  
**2005**  
**DECEMBER**  
**2006**  
**MARCH**  
**2007**

Total Labor Force 875,790 946,220 955,700  
 Unemployment 30,324 39,658 41,000  
 Unemployment Rate 3.5% 4.2% 4.3%  
 Total Employment 845,466 905,562 914,400

Source: State of Nevada Department of Employment, Training & Rehabilitation

**EDUCATION AND TRAINING**

The Clark County School District is the fifth largest district in the United States and is among the fastest growing in the country with a current enrollment of 302,763 students in 326 schools. The school district opened 10 new schools in fall of 2006, with 11 more scheduled to open in August 2007.

The Community College of Southern Nevada is available to residents and offers a wide variety of educational and occupational courses to over 36,843 students in 70 high-demand career programs.

The University of Nevada, Las Vegas (UNLV) is nationally respected for its college of hotel

management, college of business and economics, and college of engineering and computer science.

UNLV has a number of research and support facilities on its 335-acre campus, with 27,912 students.

In addition, there are 38 private schools with enrollments of more than 100 students. UNLV

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recently opened a state-supported law school, the first of its kind in the nation to open in twenty

years. The Nevada State College opened in September 2003 and has 2,378 students enrolled for the

2006-2007 academic year.

Nevada has the "Quick Job Start" training program, which is an incentive for new businesses

moving to the state. Eligibility for the program is based upon the need for a "quick start" in

training due to a new line in manufacturing or a new venture for which new skills are required.

The state will pay up to 75% of total training cost required to pay for instructional personnel and

materials, as well as up to 30 days of on-the-job training.

There is also a job-training program administered by the Nevada Business Service for Job

Opportunities in Nevada. Their service includes recruitment, applicant screening, curriculum

development and classroom training as well as on-the-job training. All trainees must be new to the

company and previously unemployed.

**UTILITIES**

The Las Vegas Valley Water District supplies water to the majority of the Las Vegas Valley. The

cities of Henderson, Boulder City, and North Las Vegas operate separate water companies.

Electrical power is furnished by Nevada Power Company; gas is furnished by Southwest Gas

Corporation; and telephone service is provided by Embarq Telephone Company. Sewer service is

municipally owned by the City of Las Vegas and the Clark County Government.

Utility expenses for Las Vegas are favorable over most metropolitan areas throughout the

Southwest. Electricity rates are low as shown by the following survey provided by Nevada Power.

**ELECTRICITY RATES (CENTS/KWH)**

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**PROVIDER RESIDENTIAL COMMERCIAL INDUSTRIAL**

Nevada Power \$9.97 \$9.00 \$10.96  
Sierra Pacific \$11.43 \$9.71 \$12.92  
Arizona Public Service \$3.08 \$5.01 \$10.84  
LA Dept. W & P \$9.25 \$6.85 \$10.60  
PG&E (San Jose) \$18.55 \$32.56 \$23.44  
So. Cal. Edison \$15.60 \$10.88 \$21.38  
San Diego, CA \$4.76 \$4.48 \$13.09

*Source: 2007 Las Vegas Perspective*

Las Vegas has the fourth lowest electricity rate for residential, fourth lowest rate for commercial, and third lowest for industrial use as indicated by the survey. Low electricity rates are an especially important consideration to manufacturing firms that are typically high electricity users. The Las Vegas Valley Water District has indicated that the supply of water has become a critical issue, due to the ongoing drought in the Western United States. The Southern Nevada Water Authority relied on one pipeline and one treatment facility for 85% of its water until 1998 when construction was completed on a second pipeline, new pumping stations and reservoirs.

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Construction was also completed on a second treatment facility in 2001. Water quality was enhanced with the installation of the world’s largest state-of-the-art ozonation system. The Las Vegas Valley Water District began an aquifer recharging program in 1990. This program allows unused Colorado River water to be pumped into the ground in the low usage winter months for storage until the high demand summer months. The recharge program is the largest in the United States and, quite possibly, in the world. Visitors from as far away as China and the Netherlands have visited Las Vegas to learn more about the recharge system.

**TRANSPORTATION**

Las Vegas has excellent transportation connections with all parts of the United States. It is serviced by three major highways connecting the City of Las Vegas with metropolitan areas such as Los Angeles, California (272 miles to the west); Phoenix, Arizona (287 miles to the southeast); Salt Lake City, Utah (419 miles to the northeast); and Reno, Nevada (445 miles to the northwest). Interstate 15, the main transportation corridor, provides transportation to Los Angeles and Salt

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Lake City, and handles approximately 50% of the total incoming traffic flow. Through September 2007, traffic counts for all major highways were down 0.1%, and I-15 traffic from California was down 1.3%.

There are times of heavy traffic along major highways, especially at early morning and late afternoon during peak commuting hours. Congestion near the intersection of Interstate 15 with U.S. Highway 95, nicknamed the "Spaghetti Bowl", was a daily occurrence until construction was completed on five major ramps and several one-lane ramps. The interchange is designed for a 20-year life span and will accommodate 500,000 cars a day.

Public transportation is provided by the Citizens Area Transit (CAT) bus system, which was implemented in 1993. CAT is owned and operated by the County. Ridership on CAT has increased over 10% annually since service began. In August 2004, the Las Vegas monorail project, a four-mile system, opened and it runs from the MGM Grand Hotel north to the Sahara Hotel and Casino and is expected to help ease traffic along the "Strip" as Ridership grows although initial figures have been disappointing.

The Union Pacific Railroad serves the Las Vegas Valley with excellent delivery times to and from Las Vegas. A trailer on flatcar can reach Los Angeles and Salt Lake City in one day, Kansas City, Portland, St. Louis, and Seattle in four days and Chicago in five days.

McCarran International Airport is nationally recognized as the 6<sup>th</sup> busiest airport in the United States and 12<sup>th</sup> in the world, and had a passenger volume of 46.2 million during 2006, up 4.4% from 2005. A survey by J.D. Power & Associates ranked McCarran International Airport as the number one airport in America in customer service in 2002. The Clark County Department of Aviation continues to expand to keep pace with growth. The North Las Vegas Airport and the Henderson Airport are designed as reliever airports for McCarran International Airport. A proposed Amtrak passenger train would provide service from Las Vegas to Los Angeles, but funding has not been approved. Other projects such as expanding the monorail system from the

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Airport to the Convention Center and downtown are being considered. Overall, the transportation system is rated as good to and from Las Vegas, and is steadily improving.

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## **TAXES**

Nevada has one of the lowest tax structures within the United States. In 1993, *Money* magazine

ranked Nevada second lowest out of fifty states on the total tax burden for a typical household. The

taxes included state, local, sales, property, and gasoline. *Bloomberg Personal Finance Magazine* rated

Nevada as the 3<sup>rd</sup> state for low tax burden and 5<sup>th</sup> for its minimal tax bite on unearned retirement

income. The U.S. Census which compares annual state and local taxes per \$1,000 of personal

income for individuals ranks Nevada fifteenth in the country. The favorable tax climate is the

number one reason businesses are attracted to the area. Nevada does not have a corporate income

tax, personal income tax, unitary tax, franchise tax, inheritance, estate, and/or gift tax, special

intangible tax, admission tax, or chain store tax.

### **Property Taxes**

Nevada's constitution limits real property taxes to \$5.00 per \$100 of assessed valuation.

However,

the 1979 legislature statutory limited the taxable assessed valuation to \$3.64 per \$100.

Property

taxes generally range from \$2.4316 to \$3.3979 per \$100 of assessed value throughout the Las Vegas

Valley. Assessed value is limited to 35% of the depreciated cost of the improvements plus land

value.

### **Sales and Use Tax**

The current sales tax in Clark County is 7.75%. Sales tax does not apply to food products for home

consumption. In comparison to the entire state of Nevada, the Las Vegas Valley represents about

73% of the total taxable sales. The following is a summary of the taxable sales for Clark County for

the past several years.

### **CLARK COUNTY RETAIL SALES YEAR TAXABLE SALES CHANGE**

1998 \$17,431,281,000 +6.3%

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1999 \$19,920,297,766 +12%  
 2000 \$21,327,333,984 +7.1 %  
 2001 \$22,782,626,462 +6.4%  
 2002 \$22,835,361,539 +0.2%  
 2003 \$24,650,382,575 +7.9%  
 2004 \$28,075,655,576 +13.9%  
 2005 \$32,430,309,476 +15.5%  
 2006 \$35,745,051,299 +10.22%

Source: Department of Taxation

**Personal Property Tax**

Nevada has a free port law that exempts all personal property in transit through Nevada from state taxation while it is being stored, assembled, or processed for ultimate use in another state. Other items exempt include inventories held for sale within Nevada; personal property stored in a warehouse for interstate transit; and all raw materials and supplies utilized in manufacturing processes.

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**State Business Tax**

The business tax is based on the average number of employees within the state. The tax is graduated and generally varies from \$15 to \$30 per employee per quarter.

**CONSTRUCTION**

The Las Vegas metropolitan area has experienced significant growth in the construction industry, driven by the development of major hotels/casinos. The following is an overview of the residential, retail, professional office, and industrial markets within the Las Vegas Valley. The median price of a new home increased 98.5% (2005-2006) in the Las Vegas Valley to \$339,539 according to the *2007 Las Vegas Perspective*. During this same time frame, the number of new home sales declined 23.3% to 29,892 homes. Sales of existing homes decreased 28.4% from 2005 to 2006.

**Single-Family and Multi-Family Residential**

The following table illustrates the number of construction permits issued for single-family and multi-family residential units from 1995 to 2007. The area surveyed includes the cities of Las Vegas, North Las Vegas, Henderson, Boulder City, Mesquite, and unincorporated areas of Clark County.

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**RESIDENTIAL CONSTRUCTION PERMITS**  
**YEAR UNITS CHANGE UNITS CHANGE UNITS CHANGE**

1995	17,674	1.8%	9,383	18.1%	27,057	6.9%
1996	18,701	5.8%	11,220	19.6%	29,921	10.6%
1997	18,934	1.2%	10,088	-10.1%	29,022	-3.0%
1998	19,775	4.4%	10,887	7.9%	30,662	5.7%
1999	19,585	-1.0%	7,393	-32.1%	26,978	-12.0%
2000	20,826	6.3%	6,195	-16.2%	27,021	0.2%
2001	22,940	10.2%	8,513	37.4%	31,453	16.4%
2002	22,502	-1.9%	8,436	-0.9%	30,938	-1.6%
2003	26,609	18.3%	9,737	15.4%	36,346	17.5%
2004	28,773	8.1%	5,240	-46.2%	34,013	-6.4%
2005	30,750	6.9%	1,740	-66.8%	32,490	-4.5%
2006	29,408	-4.4%	1,633	-6.1%	31,041	-4.5%

Source: Las Vegas Perspective

**SINGLE FAMILY MULTI-FAMILY TOTAL**

As seen in the previous table, permitting for single family units recently decreased, dropping by about 4.5% from 2005 to 2006. A rebalancing of the housing market is underway and will likely continue throughout 2007. Continuation in the rate of permitting at recent rates and a continued population growth will be needed to bring supply and demand back in balance. Fourth Quarter 2006 apartment vacancy rates were in the 5% range, with an average monthly rental rate of \$850, according to UNLV's Center for Business and Economic Research. As the primary housing source for lower income households, the market conditions for apartments should be watched carefully with respect to shifts in affordability.

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The tremendous growth in the Las Vegas Valley has led to several large master-planned developments, such as Aliante Mountains Edge, Providence, etc. The following table shows the

twenty best-selling homebuilders in Las Vegas for 2006.

**TOP 20 NEW HOMEBUILDERS IN LAS VEGAS-2006**  
**BUILDER RECORDED SALES**

- KB Home 3,768
- Richmond American 2,723
- Del Webb 2,301
- Pulte Homes 2,218
- DR Horton 1,789
- Pardee 1,520
- Centex 1,268
- Turnberry 1,233
- Beazer 1,158
- Lennar 1,121
- Lennar Design Studio 1,092

Woodside Homes 844  
Astoria Homes 627  
Rhodes Homes 585  
Meritage Homes 578  
Ryland Homes 573  
American West Homes 509  
Kimball Hill Homes 449  
Warmington Homes 427  
Engle Homes 375

*Source: Southern Nevada Home Builders Association*

Las Vegas has recently seen a rise in high-end luxury custom home and luxury condominium projects. There are currently nine high-rise luxury condominium developments in Las Vegas, with 25 under construction and 24 planned and already pre-selling units. Billionaire Donald Trump's second 64-story hotel/condominium project is currently under construction. The recently completed first tower is Las Vegas' tallest fully-habitable building. Lake Las Vegas Resort in Henderson is built around a 320-acre man made lake, the largest private lake in Nevada, and is home to two Jack Nicklaus-designed courses, one of which, Reflection Bay Golf Club, has been rated as the sixth "Best New Upscale Public Course" by Golf Digest.

**Retail**

Las Vegas has a very strong retail market and is home to the two highest grossing retail malls in the country, the Forum Shops at Caesars and the Grand Canal Shops at The Venetian. A study performed in 2007 showed the average visitor spent \$140.86 per person on retail purchases. The survey also revealed per-person expenditures of \$260.68 on food and drinks, and \$50.81 on shows and entertainment.

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According to a survey published by Applied Analysis, a real estate survey company, the vacancy rate of retail space was 2.5% for the First Quarter 2007. Neighborhood centers had vacancy rates of 3.3%, community centers had vacancies of 2.4%, while power centers had vacancies of 1.4%.

The survey revealed 46.2 million square feet of existing retail space, including new construction of 1,778,768 square feet and 1,804,000 square feet of absorbed space during the First Quarter 2007.

Additionally, 4.8 million square feet of retail space was in the planning stages. Several regional malls and factory outlet stores provide excellent shopping in the area. The largest projects include the 1,011,000 square foot Galleria Mall, 1,118,000 square feet of shopping at the Boulevard Mall, the 500,000 square foot Desert Passages at the Aladdin Hotel which has 135 stores and 14 restaurants, and the 650,000 square foot Las Vegas Outlet Mall, reported to be the largest outlet mall in the nation. The Fashion Show Mall added approximately 1,050,000 square feet, including the first Nordstrom's in Nevada and is the only mall in the United States with 8 major department stores and totals 2,000,000 square feet. Several other recently-expanded large retail projects include the Forum Shops at Caesars which totals 510,000, the 900,000 square foot Centennial Center, the 435,000 square foot Las Vegas Premium Outlets and Mandalay Place at 101,000 square feet.

### **Professional Office**

The professional office market has softened with a slight decrease in new construction of larger projects. As of the First Quarter of 2007, rents for Class A office space averaged \$2.79 per square foot per month on a full service lease; Class B averaged \$2.31 per square foot per month; and Class C averaged \$1.75 per square foot per month. The overall vacancy rate was 11.1% based on a survey by Applied Analysis which tracked 1,635 office buildings over 5,000 square feet in size in the Las Vegas market. For the same reporting period, Class A office space had a 7.4% vacancy factor; Class B office space had a 12.1% vacancy factor; and Class C office space had an 10.2% vacancy factor. As of the First Quarter 2007, 4.1 million square feet of new office space was under construction and 7.8 million square feet was planned.

### **Industrial**

Las Vegas' central location to major cities in the Southwest makes it an ideal spot for major warehousing and distribution. There are several areas which are approved as foreign trade zones which allow goods to be stored, manufactured, repackaged, quality checked, and labeled without

paying duties until they enter United States commerce. There are 44 industrial parks (of more than 30 acres) in the Las Vegas metropolitan area for a total area exceeding 9,878 acres. This does not include Apex, which is in unincorporated Clark County and has 21,000 acres. Apex has been primarily for heavy industrial companies that are not compatible with the populated areas, but that is expected to change as industrial land decreases in the valley. According to the Applied Analysis survey, the overall vacancy rate for the industrial market was approximately 4.4% as of the First Quarter 2007. Rental rates vary considerably depending on the type of space. Current rental rates of \$0.71 per square foot based on a triple net lease is typical for distribution space larger than 10,000 square feet, manufacturing space rent averages \$0.91 per square foot, and flex warehouse space average \$1.00 per square foot, based on a triple net lease.

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The current estimated supply of industrial space within the Las Vegas market is 91.4 million square feet. Current construction continues to be high due to the economy and the favorable interest rates.

During the First Quarter of 2007, 1.4 million square feet of industrial space was absorbed.

**SUMMARY**

Southern Nevada's warm climate, low cost of living, and job opportunities have attracted many new residents to the area. Las Vegas is a growing community that has many activities suiting many different lifestyles. Entertainment and gaming have attracted an overwhelming number of visitors and conventioners increasing the total visitor revenue. The new hotel/casinos recently opened or under construction should lure more visitors, further increasing revenue. The low tax structure has been the primary attraction of new businesses relocating to Las Vegas. Another attraction of new business to the area, especially manufacturing companies, has been the low cost of utilities as compared to other cities in the Southwest. The transportation system is good, as Las Vegas is centrally located to major metropolitan areas in the West. Since more

freight arrives than leaves the city, there are tremendous savings on outbound shipments. Residential, retail, professional office, and industrial construction have been impressive over the past few years. Rental rates and occupancy rates of commercial and most industrial properties have held steady recently and should remain stable in the near future. In conclusion, Las Vegas is a unique community offering a quality lifestyle and providing an ideal environment for businesses due to its low taxes, transportation cost and utilities, as well as its central location to many markets. The growth of the Las Vegas Valley is expected to continue in the next five to ten years at a strong but manageable pace.

*Market Area/Neighborhood Description and Analysis*

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### **MARKET AREA/NEIGHBORHOOD DESCRIPTION AND ANALYSIS**

*Market Area/Neighborhood Description and Analysis*

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### **MARKET AREA/NEIGHBORHOOD BOUNDARIES:**

The subject market area/neighborhood is defined as that area that lies north of Spring Mountain

Road and south of Charleston Boulevard. The westerly boundary line is Hualapai Way, and the

easterly boundary line is Decatur Boulevard.

### **MARKET AREA/NEIGHBORHOOD DESCRIPTION:**

The defined market area/neighborhood is partially located within the Las Vegas City Limits, but it

also includes a portion of the unincorporated Spring Valley Township, which is under the

jurisdiction of Clark County. The neighborhood from Decatur Boulevard west to Rainbow

Boulevard is mostly characterized by commercial and apartment uses adjacent to the major arterials,

and 1970s-to 1990s-type subdivision homes and custom homes away from the arterials.

The neighborhood from Rainbow west to Durango also includes commercial and apartment uses

along the major arterials, but this area has newer custom homes, newer semi-custom homes, and

newer subdivision homes.

Finally, the neighborhood from Durango west to Hualapai Way includes The Lakes master-planned

community. The Lakes is a well-regarded, mostly residential community developed

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around a large man-made lake. The homes and condominiums adjacent to the lake are prestigious, upper-end residences, and the entire community has an upscale appeal. Commercial facilities at The Lakes include a shopping center with dockside views of the lake, and the large Citicorp credit card processing center located in a campus-like setting with well-landscaped grounds. This westerly-most portion of the neighborhood is adjacent to Summerlin South. Summerlin South encompasses 9.6 square miles and is being developed with approximately 54% residential singlefamily and multi-family uses, 12% retail and employment uses, 15% open space (including golf courses), and 16% right-of-way dedication. Summerlin South is part of the 22,500-acre Summerlin community and when fully developed, Summerlin will have approximately 57,000 homes along with attractive commercial, recreational, and resort districts.

**MARKET AREA/NEIGHBORHOOD DEMOGRAPHICS**

The Las Vegas Perspective is an informational publication with survey data and demographics on the Las Vegas Metropolitan Area sponsored by the Las Vegas Review Journal, Nevada Development Authority, Nevada Power Company, and Wells Fargo and Company. This publication identifies 45 survey areas (by ZIP code).

The subject is physically located in Survey Area 89146, but it is also closely tied to survey area 89117. These two zip codes encompass the area bounded by Charleston Boulevard to the north, Spring Mountain Road to the south, Decatur Boulevard to the east, and Hualapai Way to the west.

The following demographic information was derived from the two survey areas.

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**Survey Area Las Vegas 89146 Survey Area Las Vegas 89146**

**Total Total**

**No. of Households:** 691,609 7,393 **Type of Dwelling**

Single-Family: 59% 45%

**Population:** 1,912,654 18,110 Apt./Duplex: 26% 32%

Condo/Townhome: 12% 23%

**Age of Adults:** Mobile Home: 3% 0%

18-24: 11% 11%

25-34: 16% 13%

35-44: 18% 16% **Household Income:**

45-54: 20% 18% Under \$20,000: 12% 18%

55-64: 18% 22% \$20,000-\$24,999: 7% 7%

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65+: 18% 20% \$25,000-\$34,999: 11% 13%  
 \$35,000-\$49,999: 17% 22%  
**Education of Adults:** \$50,000-\$74,999: 23% 16%  
 Some High School: 10% 5% \$75,000-\$99,999: 12% 8%  
 High School Degree: 23% 23% \$100,000+ 8% 16%  
 Some College: 31% 37%  
 College Degree: 19% 16%  
 Some Graduate: 6% 5% **Med. Household Inc.:** \$53,111 \$43,433  
 Graduate Degree: 12% 14%  
**Children:** 32% 30% **Length of Residence:**  
 Newcomer: 5% 2%  
**Employment Status:** 1-5 Years: 24% 21%  
 Full Time (inc. self-emp.): 57% 56% 6-10 Years: 18% 17%  
 Part-Time: 5% 5% 11-20 Years: 24% 22%  
 Semi-retired or Retired: 22% 23% Over 20 Years: 29% 38%  
 Currently Not Employed: 16% 16%  
 (inc. students & homemakers)  
*Percentages may not add up to 100% due to rounding.*  
*Source: Las Vegas Perspective 2007*  
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**Survey Area Las Vegas 89117 Survey Area Las Vegas 89117**  
**Total Total**

**No. of Households:** 691,609 23,133 **Type of Dwelling**  
 Single-Family: 59% 56%  
**Population:** 1,912,654 56,271 Apt./Duplex: 26% 34%  
 Condo/Townhome: 12% 11%  
**Age of Adults:** Mobile Home: 3% 0%  
 18-24: 11% 11%  
 25-34: 16% 16%  
 35-44: 18% 15% **Household Income:**  
 45-54: 20% 20% Under \$20,000: 12% 4%  
 55-64: 18% 17% \$20,000-\$24,999: 7% 5%  
 65+: 18% 21% \$25,000-\$34,999: 11% 9%  
 \$35,000-\$49,999: 17% 23%

**Education of Adults:** \$50,000-\$74,999: 23% 25%  
 Some High School: 10% 3% \$75,000-\$99,999: 12% 13%  
 High School Degree: 23% 18% \$100,000+ 8% 21%  
 Some College: 31% 35%  
 College Degree: 19% 23%  
 Some Graduate: 6% 6% **Med. Household Inc.:** \$53,111 \$59,173  
 Graduate Degree: 12% 15%  
**Children:** 32% 30% **Length of Residence:**  
 Newcomer: 5% 11%  
**Employment Status:** 1-5 Years: 24% 21%  
 Full Time (inc. self-emp.): 57% 58% 6-10 Years: 18% 16%  
 Part-Time: 5% 5% 11-20 Years: 24% 30%  
 Semi-retired or Retired: 22% 22% Over 20 Years: 29% 22%

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Currently Not Employed: 16% 15%  
(inc. students & homemakers)  
*Percentages may not add up to 100% due to rounding.*  
*Source: Las Vegas Perspective 2007*

In relation to the overall Las Vegas Valley, the population of the neighborhood is comprised of a mixture of ages, with 44% of the 89117 adults and 35% of the 89146 adults having a college degree. The area has an above-average percentage of condominiums and apartments, with 45% in 89117 and 55% in 89146 being apartments and condominiums, versus the overall Las Vegas Valley average at 38%. Single family residences represent 56% of the dwellings in 89117 and 45% of the dwellings in 89146, while the average for the Las Vegas Valley is 59%. The median household income, at \$59,173 in 89117 and \$43,433 in 89146, is generally above the median income for Las Vegas Valley at \$53,111. There is also a different percentage of newcomers and residents that have lived within the two survey areas less than ten years when compared with the average for the Las

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Vegas area. Specifically, approximately 48% of the population in 89117 and 40% in 89146 have lived within the area less than ten years, versus 47% for the entire Las Vegas Valley.

**TRANSPORTATION**

The neighborhood is located in the southwestern portion of the Las Vegas Valley and is considered

to have adequate accessibility to all sections of the Las Vegas area. The major east/west traffic

arterials through the neighborhood are Charleston Boulevard, Sahara Avenue, Desert Inn Road, and

Spring Mountain Road.

Charleston Boulevard is a major community traffic arterial extending east and west across the entire

valley. Charleston passes by the downtown Las Vegas business district, and it has freeway

interchange access with I-15 in the downtown area. On the east side of the valley, Charleston

provides freeway access to US 95, and at the far west edge of the valley Charleston has interchange

access with the I-215 freeway.

Sahara Avenue is another important community traffic arterial crossing the entire valley

from east to west. Along its length, Sahara Avenue has numerous car dealerships, shopping centers, office buildings, and residential districts. Sahara Avenue has freeway interchange access to I-15 and I-215. Desert Inn Road, like Sahara Avenue and Charleston Boulevard, crosses the valley from east to west. Although Desert Inn Road has shopping centers and office districts, its importance as a key traffic arterial was not fully realized until the Desert Inn Road overpass over the I-15 freeway was completed in the mid-1990s. Desert Inn provides access to the Sunrise Hospital Medical District, the Boulevard Mall shopping complex, and the Las Vegas Convention Center. Spring Mountain Road is not a Section-line arterial, but it has become an important commercial and industrial roadway for southwest Las Vegas. Spring Mountain Road has freeway interchange access at I-15, but it essentially ends at Las Vegas Boulevard (i.e. the Strip) where it merges into Sands Avenue near the new Wynn Casino and Resort. The major north/south traffic arterials through the neighborhood are Durango Drive and Rainbow Boulevard. Rainbow Boulevard is heavily developed with shopping centers, office plazas, and stand-alone retail and commercial businesses. Durango Drive has mostly smaller strip retail centers and apartment complexes along its length. The I-215 freeway services the neighborhood and is part of the Las Vegas Beltway system, which encircles three-quarters of the valley. The I-215 freeway is essentially completed across the southern end of the valley, and it interconnects with both the I-15 freeway (which extends across Southern Nevada from California to Utah) and the U.S. Highway 95 freeway (which connects downtown Las Vegas with Henderson). The I-215 freeway is of major importance in reducing traffic congestion and providing access to employment districts for the rapidly-growing suburban areas of the valley.

**PROPERTY TAXES**

Taxes for this portion of the Las Vegas Valley are average, as compared to other parts of the valley.

The neighborhood is located within Tax District Number 200 that has a tax rate of \$3.2714 per

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\$100.00 of assessed value. Tax rates throughout the valley range from \$2.3153 to \$3.4339 per \$100.00

of assessed value. Taxes for the subject neighborhood appear sufficient to provide adequate public

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services, and they are anticipated to increase at similar rates as other districts throughout the Las

Vegas Valley.

**UTILITIES/SERVICES**

Public utility services are available throughout the neighborhood. Electricity is supplied by Nevada

Power; water is supplied by the Las Vegas Valley Water District; sanitation service is provided by

the city of Las Vegas and the Clark County Sanitation District; telephone service is provided by

Embarq Telephone Company; natural gas is supplied by Southwest Gas Corporation; and solid

waste disposal is supplied by Republic Service. Utility services appear to be at adequate capacity

for the neighborhood. Water and sewer lines extend through the neighborhood along the major

traffic arterials referenced earlier.

The neighborhood has public parks, schools, police substations, fire protection, and libraries and

recreational facilities. The neighborhood schools near the subject site include the following:

Community College of Southern Nevada 6375 W. Charleston Boulevard  
(West Charleston Campus)

Bonanza High School 6665 Del Rey Avenue

Elaine Wynn Elementary 5655 Edna Avenue

R. Guild Gray Elementary 2825 S. Torrey Pines

Doris Hancock Elementary 1661 Lindell Road

**MARKET SUMMARIES**

The potential for development of the subject property is enhanced by continued population growth

and a healthy real estate market. Consequently, the following summaries of the housing, office, and

retail markets are provided.

**RETAIL MARKET SUMMARY**

The most recent retail market study by Applied Analysis is as of the Second Quarter 2007.

According to this study, the subject neighborhood represents a portion of Area 04, identified as the

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West District. The area is generally bordered by Desert Inn Road to the south, the I-15 freeway to the east, the Red Rock Conservation District to the west, and Westcliff Drive to the north.

The following is a map of the retail market areas as indicated by Applied Analysis, followed by a summary of the retail market inventory by district, and data pertaining to the subject's district.

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**RETAIL DISTRICT MAP**

**Subject**

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**RETAIL INVENTORY BY DISTRICT**

**Area 1 Area 2 Area 3 Area 4 Area 5 Area 6 Area 7**

**Northwest NLV Northeast West East Southwest Southeast Total**

**Square Feet** 4,968,115 5,885,973 2,931,929 7,276,029 6,208,232 7,261,495 12,371,531 46,903,304

**Market Share** 10.59% 12.55% 6.25% 15.51% 13.24% 15.48% 26.38% 100.00%

**Vacant SF** 67,616 351,898 46,669 173,996 208,436 150,299 308,360 1,307,274

**Vacancy** 1.36% 5.98% 1.59% 2.39% 3.36% 2.07% 2.49% 2.79%

**Current Absorption SF** 144,543 355,573 (10,638) 10,340 (13,337) 143,427 61,244 691,152

**YTD Absorption SF** 149,576 887,830 (8,931) (16,046) 208,879 326,891 947,679 2,495,878

*Applied Analysis, Second Quarter 2007*

The retail market report, provided by Applied Analysis, indicates that as of the Second Quarter

2007, retail space in the valley totaled 46,903,304 square feet. The vacancy rate in the surveyed

projects was 2.79%, representing a slight increase from the First Quarter 2007 at 2.49%, and an

increase over the vacancy rate at year-end 2006, which was 2.53%. The subject is located in Area 4

as shown by the map on the previous page.

The study indicated that through the Second Quarter 2007, year-to-date absorption of new space

equaled 2,495,878 square feet. In contrast, the net absorption in 2006 was 1,854,805 square feet, and

during 2005, the net absorption was 1,176,228 square feet.

**RETAIL DISTRICT 4**

**Type of Number Total Rentable Vacant Percent New Net Planned Under Average**

**Center of Properties Square Feet Square Feet Vacant Inventory Absorption Construction Construction Lease Rate**

Power Centers 6 1,622,409 50,168 3.1% 0 3,000 1,527,920 0 \$1.80

Community Centers 21 3,108,458 108,595 3.5% 14,600 2,790 580,000 450,000 \$1.86

Neighborhood Centers 23 2,545,162 15,233 0.6% 0 4,550 0 102,600 \$1.97

**Total 50 7,276,029 173,996 2.4% 14,600 10,340 2,107,920 552,600 \$1.85**

*Applied Analysis - Second Quarter 2007*

The retail market report, provided by Applied Analysis, indicates that for the Second Quarter 2007,

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there was 7,276,029 square feet of retail space in District 4. The vacancy rate in the surveyed projects was 2.4%, representing a slight increase from First Quarter 2007 at 2.3%. This vacancy rate is the highest it has been since 2004. The study indicated that as of the Second Quarter 2007, year-to-date absorption of new space in District 4 equaled 10,340 square feet. In contrast, the net absorption in the First Quarter 2007 for District 4 was a negative 26,386 square feet, and during the Fourth Quarter of 2006, the net absorption was 20,384 square feet. New construction during 2006 was very limited due to the lack of developable land in the area. Based on the continued low vacancy rate, the Las Vegas metropolitan area is considered to be a good locale for retail development.

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**PROFESSIONAL OFFICE MARKET**

According to the *Fourth Quarter 2006 Office Market Summary Report* published by Applied Analysis, the subject property is located in Area 04. The following is a map of the office markets as indicated by Applied Analysis, followed by a summary of the office market inventory by submarket.

**OFFICE SUBMARKET MAP**

**Subject**

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**OFFICE MARKET INVENTORY BY DISTRICT**

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Area 7	Area 8	Area 9	
	Northwest	Downtown	Central	East	West	Southwest	South	Southeast	Central/North	North Total
Inventory (Sq Ft)	6,662,945	3,171,253	6,957,863	6,430,284	6,507,092	8,786,349	1,822,097	1,464,345	1,368,267	43,170,495
Market Share	15.4%	7.3%	16.1%	14.9%	15.1%	20.4%	4.2%	3.4%	3.2%	100%
Vacant SF Current Qtr	563,895	162,257	744,840	451,830	960,208	1,427,537	249,480	108,595	284,595	4,953,237
Vacancy Rate	8.5%	5.1%	10.7%	7.0%	14.8%	16.2%	13.7%	7.4%	20.8%	11.5%
New Inventory (SF)	59,050	30,000	239,198	112,344	292,331	126,516	0	0	23,854	883,293
Current Quarter Absorption (SF)	115,374	(16,044)	230,627	72,195	223,270	116,036	(8,679)	710	86,866	820,355
YTD Absorption (SF)	192,448	(14,208)	235,096	(3,259)	651,126	170,649	40,848	(20,728)	119,045	1,371,017
Avg. Lease Rate/SF	\$2.43	\$2.61	\$1.93	\$2.28	\$2.47	\$2.51	\$2.25	\$2.10	\$2.27	\$2.32
Under Construction (SF)	306,020	297,900	0	1,191,079	1,128,745	144,319	0	56,404	3,124,467	
Planned Construction (SF)	1,118,165	0	39,963	857,253	2,952,725	2,282,382	862,453	0	411,044	8,523,985

*Source: Applied Analysis - Second Quarter 2007*  
 The Office Market Summary indicates that for the Second Quarter 2007, the Las Vegas Valley had approximately 48,170,495 square feet of office space. The vacancy rate in the surveyed properties was 11.5%, representing an increase from the First Quarter of 2007 which was at 11.1%.

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During the year 2007, approximately 1,371,017 square feet of office space was absorbed. This level of absorption is in-line with what has occurred over the past several years. For example, during 1995 through 2006, total annual net absorption ranged from 794,443 to 2,557,450 square feet, with an average annual figure of 1,214,899 square feet. The large amount of absorption from 1995 to the present has occurred primarily due to strong economic conditions and a large increase in the construction of new office buildings. In fact, new construction from 1995 through 2005 ranged from 1,119,495 to 1,190,905 square feet with an average of 1,155,200 square feet per year. During the Second Quarter of 2007, approximately 883,293 square feet of new space was constructed and 3,124,467 square feet of space was under construction. This level of construction is strong, and suggests that the vacancy rate could increase over the near term.

**AREA 4 OFFICE DISTRICT INVENTORY**

Building Type	Number	Total Rentable Square Feet	Vacant Square Feet	Percent Vacant	New Net Under Construction	Planned Average Absorption	Lease Rate
Class "A"	6	707,467	3,763	0.53%	0	9,991	0 130,000 \$2.52
Class "B"	237	5,078,352	377,719	7.44%	112,344	67,049	0 727,253 \$2.32
Class "C"	36	644,465	70,348	10.92%	0 (4,845)	0	0 \$2.03
<b>Total</b>	<b>279</b>	<b>6,430,284</b>	<b>451,830</b>	<b>7.03%</b>	<b>112,344</b>	<b>72,195</b>	<b>0 857,253 \$2.28</b>

*Applied Analysis - Second Quarter 2007*

The overall district appears to be healthy concerning office space and a lot of the vacancy is due to properties that were recently completed and have not achieved stabilization. The breakdown of office properties indicates vacancy rate for Class "A" properties to be 0.53%, Class "B" vacancy at 7.44% and Class "C" vacancy is at 10.92%. The submarket experienced an absorption rate of 72,195 square feet during the Second Quarter 2007 and 2,557,450 square feet during the entire 2006 calendar year. The current absorption rate indicates the district has a healthy demand for office space. However, vacancy rates will continue to increase as long as new construction continues at a healthy pace. One factor that may keep the new construction in check will be the decreasing supply of land available for development as office use in the area. Based on the location and proximity to the freeway system, the decreasing supply of

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land will contribute to higher prices and decreased construction levels planned for the subject area in the mid to long term.

**MARKET AREA/NEIGHBORHOOD CONCLUSION**

The subject neighborhood is located in the western portion of the valley, and the area has a positive overall image, with desirable housing districts and well-occupied commercial districts. The defined neighborhood continues to develop rapidly in a westerly direction, and the potential for growth is limited only by the amount of remaining land. Land values and rental rates for commercial and retail space continue to increase in the neighborhood, and the area has moderate retail and office vacancy rates when compared to the rest of the Las Vegas Valley. The neighborhood is expected to maintain its popularity with homeowners, and retail and commercial projects along the major arterials will continue to benefit from the population growth.

*Site Description and Analysis*

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**SITE DESCRIPTION AND ANALYSIS**

**LOCATION**

The subject property is located on the east side of Torrey Pines Drive approximately 775 feet north of Oakey Boulevard, in the western portion of the Las Vegas Valley. The site consists of a portion of Clark County Assessor’s Parcel Number 163-02-601-001. A parcel map and an aerial photograph presented on the following pages more completely illustrate the location of the subject in relation to surrounding streets and properties. The subject property is within Census Tract Number 29.05.

**DIMENSIONS, SHAPE, AND AREA**

The subject property totals approximately 1.65 acres and the site has a rectangular shape that does not restrict its development potential. The subject land is part of a larger parcel and has frontage along Torrey Pines Drive.

**TOPOGRAPHY AND DRAINAGE**

The subject site is generally level and at grade with the adjoining streets and parcels. The site is typical of other sites in the area, and there were no adverse site conditions noted at the time of

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inspection.

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Community Panel Number 32003C2165 D, with an effective date of September 27, 2002, the subject site is located in Flood Zone X. This area identifies properties which are outside of a 100-year flood zone. For areas of alluvial fan flooding, velocities are also determined. The FEMA flood insurance rate map is included in the addenda of this report for reference.

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**CLARK COUNTY ASSESSOR'S PARCEL MAP**

**SUBJECT**

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**AERIAL PHOTOGRAPH**

*Photo taken March 23, 2006*

*Source: Clark County*

**SOILS CONDITION**

Neither a geotechnical report nor an environmental assessment report were made available to the appraisers, and no opinion as to soils or sub-soils conditions is given in this report. It is assumed

that the subject soils and sub-soils are typical for the area, and based on visual observations and on nearby development, there does not appear to be any adverse effects from existing soils conditions.

We are also not aware of any hazardous waste and/or toxic materials on the site.

However, the

appraisers are not qualified to detect such materials, and any determination as to the presence of

such substances would require investigation by a qualified expert in the field of environmental

assessment. The presence of potentially hazardous materials could affect the value of the property.

The appraisers' value opinion is predicated on the assumption that there is no such material on or in

the property that would cause a loss in value.

**SUBJECT**

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No responsibility is assumed for any environmental conditions, or for any expertise or

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engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of routine observations made during the appraisal process.

**STREET IMPROVEMENTS AND ACCESSIBILITY**

The subject is a portion of College of Southern Nevada area. The subject has frontage along Torrey Pines Drive. Offsites have not been installed along the east side of Torrey Pines Drive, where the subject is proposed. According to the feasibility study included in the addenda of this report, the subject will require approximately 170 linear feet of offsites. Torrey Pines Drive can be accessed by Charleston Boulevard and Oakey Boulevard which are major east/west traffic arterials. Torrey Pines Drive is a major north/south traffic arterial providing access into the College of Southern Nevada Campus. Accessibility to the subject property is considered to be good.

**UTILITIES**

The closest utilities available in the subject neighborhood are provided by the following agencies:

**UTILITY AGENCY**

- Electricity Nevada Power Company
- Water Las Vegas Valley Water Dist.
- Sanitation Clark County Water Reclamation District
- Telephone Embarq Telephone Company
- Natural Gas Southwest Gas Corporation
- Solid Waste Disposal Republic Services

**NUISANCES, HAZARDS, AND SURROUNDING LAND USES**

The appraisers were not provided with a copy of a recent environmental/hazardous materials study regarding the subject property. As a result, the environmental conditions of the property are not known by the appraisers. The value opinions are therefore predicated upon the assumption that there are no such environmental conditions on or in the property that would cause a loss in value. Further, we reserve the right to amend the values within the report, if such items adversely affect the property. No responsibility is assumed for any such environmental conditions or for any expertise or engineering knowledge required to discover them. The property is surrounded by the College of Southern Nevada campus. Also, to the west of the subject is Bonanza High

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**EASEMENTS AND ENCROACHMENTS**

A Preliminary Title Report was not provided to the appraisers. Consequently, any easements or encroachments that might affect the property could not be determined with certainty. However, it does not appear that there are either easements or encroachments that would adversely affect the development of the land.

*Site Description and Analysis*

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**ZONING**

The subject property is zoned C-V (Civic District) under the jurisdiction of the City of Las Vegas.

This district is identified in Chapter 19A.06.020 of the *Zoning Ordinance of the City of Las Vegas*. A

copy of the C-V zoning requirements is included in the Addenda of this report. Details of this

zoning designation are summarized below:

**Permitted Uses:** The C-V District may be used for **1)** any use operated or controlled by the City, County, State or Federal government; **2)** any public or quasi-public use operated or controlled by a recognized religious, fraternal, veteran, civic, or service organization; **3)** any public or private elementary, middle school, high school, college or university, with the exception of private vocational schools; **4)** utility company facilities, including electrical power substations, telephone switching stations and towers, water district facilities, cable TV lines and wireless communication facilities.

**Uses Prohibited:** Those uses not specifically listed in this subchapter are prohibited.

**Special Use Permit:** The following uses may be permitted in the C-V District by means of a Special Use Permit if the parcel or use is operated or controlled by an agency of local, state, or federal government:

1. Cemetery/Mausoleum
2. Custodial Institution
3. Publicly Operated Convention and Stadium Facility
4. Off-Premise Sign
5. Liquefied Petroleum Gas Installation
6. General Business Related Gaming Establishment
7. Liquor Establishment (tavern)

**CONCLUSION**

The physical characteristics of the subject property includes its present use (if any), accessibility and

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road frontage, land contours and elevation, soils, views, land area, shape, availability of utilities, mineral deposits, water rights associated with the property, easements, etc. Physical characteristics of the site include its shape, frontage, size, topography, orientation, visibility from major streets, and other physical characteristics. The subject site located on east side of Torrey Pines Drive approximately 775 feet north of Oakey Boulevard. The parcel may be developed with a variety of uses including office and commercial. In summary, the physical features of the site are suitable for an office or commercial use. There are no characteristics other than its size that reduces its utility.

*Assessed Value and Property Taxes*

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**ASSESSED VALUE AND PROPERTY TAXES  
CALCULATION OF TAXES**

Property taxes are based upon an appraisal of the property performed by the Clark County

Assessor's Office. An appraisal is conducted every five years on properties located within Clark

County and the values are updated each year by an index computed by the State of Nevada

Department of Taxation.

According to personnel at the Assessor's Office, properties are appraised for taxable value based

upon the cost approach. This approach to value is performed by estimating the replacement cost

new of a property, less depreciation at 1.5% per year of effective age, up to a maximum of 75%.

State Statute 361.227 indicates that the taxable value of the property must not exceed the current

market value. Since the cost approach in some instances may provide an indication higher than

current market value, the sales comparison approach and/or income capitalization approach may

be used to establish the taxable value of the property. Property taxes are calculated by multiplying

35% of the taxable value by the tax rate.

**TAX RATES**

The subject land is located within Tax District 200 (Las Vegas City), which has a tax rate of \$3.2714

per \$100.00 of assessed value for the 2007/08 tax year. The fiscal year starts July 1st and

ends on

June 30th of every year. The following is a summary of tax rates for the previous years.

**HISTORIC TAX RATES**

**TAX YEAR TAX RATE**

2007/08 \$3.2714

2006/07 \$3.2802

2005/06 \$3.2812

2004/05 \$3.3002

The tax rates for the subject’s tax district have decreased slightly since the 2006/07 tax year. This decrease is similar to that found in other portions of the Las Vegas Valley as the result of a balanced budget amendment that was implemented within Clark County. Tax rates are expected to increase at a moderate pace in the immediate future.

**CURRENT PROPERTY TAXES**

The subject property is owned by the University Board of Regents and is exempt from real estate taxes.

*Highest and Best Use*

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**HIGHEST AND BEST USE**

Highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”

*Source: The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago: Appraisal Institute, 2002)*

*Page 135.*

The highest and best use of a property is an economic study focusing on the four criteria. The

determination of a property’s highest and best use is the basis that provides the valuation framework upon which comparable market data is selected. Such data for improved properties may include cost, income and expense data, and improved sales pertaining to the property’s concluded best use.

Highest and best use of the property as though vacant is considered separately from the highest and best use of the property as improved. The site is valued as though vacant and available for development to its highest and best use even if the property’s existing improvements do

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not represent the highest and best use of the site. Highest and best use of the land as though vacant indicates only how the land should be used if it were vacant. The following is an analysis of highest and best use of the land as though vacant. Each of the four criteria, legally permissible, physically possible, financially feasible, and maximally productive, have been considered separately as they relate to the subject.

**HIGHEST AND BEST USE AS THOUGH VACANT**

Highest and best use of land or a site as though vacant is defined as: "Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."

*Source: The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago: Appraisal Institute, 2002) Page 135.*

**Legally Permissible**

As shown in the zoning section of this report, the subject is zoned C-V, Civic District, under the jurisdiction of the City of Las Vegas. The zoning permits residential uses; however, this zoning is not considered a permanent zoning. Typically, parcels are zoned RE and then re-zoned when a specific use is identified. The subject parcel has been developed with the College of Southern Nevada and has been exempt from obtaining the required zoning changes. In summary, the legally permissible use of the site at this time is for residential development, child care facility or other

*Highest and Best Use*

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public uses, on the subject parcel. Assuming that a zone change would be granted, a likely use for the subject site would be office.

**Physically Possible**

Physical characteristics of the parcel that affect its possible use include, but are not limited to, it's location, street frontage, size, shape, availability of utilities, easements and encroachments, soils and subsoils conditions, and topography.

The subject property is in an area that has fairly stable soils and subsoils which would be expected

to support development. The property's soils and subsoil conditions are typical of the area, and based on surrounding development, the soils do not appear to present development limitations or problems.

The site totals approximately 1.65 acres, and the property is large enough to accommodate a range of potential uses. Utilities are available to the site, and the land is accessible from Torrey Pines Drive. Given the general uses within the immediate area, as well as the access to the site, an office development would appear to be an appropriate legally permissible and physically possible use of the site.

**Financially Feasible**

The legally permissible and physically possible uses limit the site to a commercial use such as an office building. The use of the subject property as an office building is financially feasible. The potential for the subject within the market area is for office buildings, similar to the existing development. It appears that office buildings would be feasible. The market conditions were discussed within the "Neighborhood Description and Analysis" section of this report and appear to be quite strong within the subject's immediate area. Furthermore, the outlook for office space within the foreseeable future is projected to be good. Taking into consideration the rental rates, vacancy rates, and expenses of the properties, it appears that the only financially feasible use of the subject property would be for development with an office building or similar use. Because of the CV zoning, the use would be limited to a public, quasi-public, or related uses.

**Maximally Productive**

Of the legally permissible, physically possible, and financially feasible uses of the site as though vacant, an office use would be the most profitable and would be the most probable use of the property. Especially considering the size of the parcel, the shape of the parcel as well as the surrounding demographics, an office use such as an office building or similar use would be the maximally productive use of the site as though vacant.

**Conclusion**

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Based on the criteria considered, the highest and best use of the subject property would be an office use in accordance with existing surrounding development; this is also compatible with civic use, which is the current zoning of the property.

*Method of Valuation*

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**METHOD OF VALUATION**

The valuation process is the method by which data used to form an opinion of value for the subject property is acquired, analyzed and presented. This data is typically applied within the three

traditional approaches to value, which are the cost approach, the income capitalization approach,

and the sales comparison approach. In appraisal practice, one or more approaches may not be

appropriate to the property being appraised depending upon the quality, quantity, and reliability of

the data. For purposes of this analysis, only the sales comparison approach has been used to value

the subject property, as the subject is vacant land. The cost and income capitalization approaches

have not been used since it is not necessary to value improvements.

**The Sales Comparison Approach-** This approach involves verifying data of vacant land sales,

listings, and offerings of properties comparable to the subject. The data has been separated into

measurable units of comparison (i.e., price-per-square-foot). The price-per-square-foot method

involves adjusting the price per square foot of the comparable sales for differences between them

and the subject. The final adjusted price per square foot is then applied to the subject's land area to

provide an indication of market value. This approach produces a good indication of value when

sales of similar properties are available.

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**LAND VALUATION**

The Sales Comparison Approach is the most common technique for valuing vacant land.

It is used

to form an opinion of market value of the subject site as though vacant. To apply this method, sales

of vacant land comparable to the subject property are gathered and analyzed. The sales prices are adjusted for dissimilarities identified between each of the comparables and the subject. Elements considered include property rights, legal encumbrances, financing terms, conditions of sale (motivation), market conditions (sale date), location, physical characteristics, availability of utilities, zoning, and the highest and best use. The adjusted prices are reduced to some common unit of comparison, such as price per square foot or price per acre. This information is then analyzed in order to derive a unit value applicable to the subject property. When applied to the subject land area, this results in an opinion of the market value of the vacant land. To form an opinion of the market value of the subject property, we have completed a survey of sales of land felt to be the most appropriate for use in this analysis. Emphasis was placed on researching sales of properties similar to the subject in use potential. The comparables were analyzed in terms of their price per square foot. After adjusting the unit prices to reflect the characteristics of the subject and the current market conditions, an opinion of the unit value was determined for the subject property.

The following pages display the location, details, property characteristics, and a discussion of the comparability of each sale followed by an adjustment grid.

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**LAND SALES SUMMARY**

**LOCATION SALE DATE NET NET SQ. FT.**

**APN SALE PRICE ACRES PRICE/SF**

1. The southwest corner of Lake Mead Boulevard and Jones Boulevard  
138-23-719-007, 008  
1/26/2006  
\$2,025,000  
1.72 74,923  
\$27.03
2. The northeast corner of Jones Boulevard and Tropicana Avenue  
163-24-410-008

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03/10/2006

\$1,429,820

1.64 71,438

\$20.01

3. The southwest corner of Flamingo Road and Riley Street

163-20-515-003

05/30/2006

\$1,205,130

1.00 43,560

\$27.67

4. Located on Cascade Valley Court, approximately 260 feet west of Tenaya Way

138-15-612-006

12/14/2006

\$1,350,000

1.08 47,045

\$28.70

5. The southeast corner of Hualapai Way and Desert Inn Road

163-18-101-037

7/18/2007

\$2,500,000

1.76 76,666

\$32.61

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### **LAND SALES LOCATION MAP**

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### **LAND SALE 1**

**LOCATION:** The southwest corner of Lake Mead Boulevard and Jones Boulevard approximately 290 feet south of Lake Mead Boulevard, Las Vegas, Clark County, Nevada.

**ASSESSOR'S PARCEL NUMBER:** 138-23-719-007, 008

**GRANTOR:** Wal-Mart

**GRANTEE:** WAW, LLC

**DATE OF SALE:** January 26, 2006

**EXPOSURE TIME:** N/Av

**DOCUMENT NUMBER:** 06012604123

**SALE PRICE:** \$2,025,000

**TERMS OF SALE:** All cash to the seller.

**CASH EQUIV. SALE PRICE:** \$2,025,000

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**PROP. RIGHTS CONVEYED:** Fee Simple  
**LAND SIZE (NET ACRES):** 1.72 Acres  
**LAND SIZE (NET SQ. FT.):** 74,923 Square Feet  
**PRICE PER SQUARE FOOT:** \$27.03  
**UTILITIES/OFFSITES:** All are to the site.  
**ZONING:** C-1, Las Vegas  
**FLOOD ZONE:** No  
**EASEMENTS:** Typical easements are assumed to exist.  
**PROPERTY NUMBER:** 1096887  
**VERIFICATION:** Verified with Carole Baker, seller contact (479-273-4000).

**COMMENTS:**

This property is level and at-grade with surrounding streets and properties. The parcel was purchased to construct retail buildings. The subject has all offsites installed and utilities to the site.

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**LAND SALE 1**

**ASSESSOR'S PARCEL MAP**

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**LAND SALE 2**

**LOCATION:** The northeast corner of Jones Boulevard and Tropicana Avenue, approximately 250 feet north of Tropicana Avenue, Las Vegas, Clark County, Nevada.

**ASSESSOR'S PARCEL NUMBER:** 163-24-410-008

**GRANTOR:** H. & G.G. Propertites, Co.

**GRANTEE:** Land Eleven LLC

**DATE OF SALE:** March 10, 2006

**EXPOSURE TIME:** N/Av

**DOCUMENT NUMBER:** 06031001852

**SALE PRICE:** \$1,429,820

**TERMS OF SALE:** Downpayment of \$429,820; First Trust Deed of remaining balance.

**CASH EQUIV. SALE PRICE:** \$1,429,820

**PROP. RIGHTS CONVEYED:** Fee Simple

**LAND SIZE (NET ACRES):** 1.64 Acres

**LAND SIZE (NET SQ. FT.):** 71,438 Square Feet

**PRICE PER SQUARE FOOT:** \$20.01

**UTILITIES/OFFSITES:** Utilities to the site. No offsites installed.

**ZONING:** C-2, Clark County

**FLOOD ZONE:** No

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**EASEMENTS:** Typical easements are assumed to exist.

**PROPERTY NUMBER:** 1107602

**VERIFICATION:** Verified with James Shoughro, seller, (702-870-1964).

**COMMENTS:**

This site is level and at-grade with surrounding streets and properties. The parcel is an interior

parcel with along along minor residential streets. The parcel was purchased for construction of an

office building. This site is zoned for office use.

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**LAND SALE 2**

**ASSESSOR'S PARCEL MAP**

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**LAND SALE 3**

**LOCATION:** The southwest corner of Flamingo Road and Riley Street approximately 140 feet west of Riley Street, Las Vegas, Clark County, Nevada.

**ASSESSOR'S PARCEL NUMBER:** 163-20-515-003

**GRANTOR:** Cherokee-Icon LP

**GRANTEE:** Shahram Inc.

**DATE OF SALE:** May 30, 2006

**EXPOSURE TIME:** N/Av

**DOCUMENT NUMBER:** 06053004719

**SALE PRICE:** \$1,205,130

**TERMS OF SALE:** All cash transaction.

**CASH EQUIV. SALE PRICE:** \$1,205,130

**PROP. RIGHTS CONVEYED:** Fee Simple

**LAND SIZE (NET ACRES):** 1.00 Acre

**LAND SIZE (NET SQ. FT.):** 43,560 Square Feet

**PRICE PER SQUARE FOOT:** \$27.67

**UTILITIES/OFFSITES:** All are to the site.

**ZONING:** C-1, Clark County

**FLOOD ZONE:** No

**EASEMENTS:** Typical easements are assumed to exist.

**PROPERTY NUMBER:** 1126665

**VERIFICATION:** Verified with Clark County Records and Comps Inc.

**COMMENTS:**

This site is level and at-grade with surrounding streets and properties. The parcel has C-1 zoning

to allow for office development. The parcel has frontage along Flamingo Road. Office uses are

located to the east, west, and south of the property.

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**LAND SALE 3**

**ASSESSOR'S PARCEL MAP**

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**LAND SALE 4**

**LOCATION:** Located on Cascade Valley Court, approximately 260 feet east of Tenaya Way, Las Vegas, Clark County, Nevada.

**ASSESSOR'S PARCEL NUMBER:** 138-15-612-006

**GRANTOR:** Northwest Las Vegas LLC

**GRANTEE:** Fire Mesa Properties LLC

**DATE OF SALE:** December 14, 2006

**EXPOSURE TIME:** N/Av

**DOCUMENT NUMBER:** 06121406610

**SALE PRICE:** \$1,350,000

**TERMS OF SALE:** All cash transaction.

**CASH EQUIV. SALE PRICE:** \$1,350,000

**PROP. RIGHTS CONVEYED:** Fee Simple

**LAND SIZE (NET ACRES):** 1.08 Acres

**LAND SIZE (NET SQ. FT.):** 47,045 Square Feet

**PRICE PER SQUARE FOOT:** \$28.70

**UTILITIES/OFFSITES:** All are to the site

**ZONING:** C-PB, Clark County

**FLOOD ZONE:** No

**EASEMENTS:** Typical easements are assumed to exist.

**PROPERTY NUMBER:** 1194152

**VERIFICATION:** Verified with Clark County Records and Comps Inc.

**COMMENTS:**

This site is level and at-grade with surrounding properties. This parcel is located within the Las

Vegas Technology Center. The parcel has office use properties located to the east, west, and south.

Offsites are installed and utilities are to the site.

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**LAND SALE 4**

**ASSESSOR'S PARCEL MAP**

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**LAND SALE 5**

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**LOCATION:** The southeast corner of Hualapai Way and Desert Inn Road, Las Vegas, Clark County, Nevada.

**ASSESSOR'S PARCEL NUMBER:** 163-18-101-037

**GRANTOR:** Nevada CVS Pharmacy LLC

**GRANTEE:** Vintage LV One, LLC

**DATE OF SALE:** July 18/2007

**EXPOSURE TIME:** N/Av

**DOCUMENT NUMBER:** 07071801628

**SALE PRICE:** \$2,500,000

**TERMS OF SALE:** N/A

**CASH EQUIV. SALE PRICE:** \$2,500,000

**PROP. RIGHTS CONVEYED:** Fee Simple

**LAND SIZE (NET ACRES):** 1.76 Acres

**LAND SIZE (NET SQ. FT.):** 76,666 Square Feet

**PRICE PER SQUARE FOOT:** \$32.61

**UTILITIES/OFFSITES:** Utilites are to the site. Offsites are required.

**ZONING:** C-2, Clark County

**FLOOD ZONE:** No

**EASEMENTS:** Typical easements are assumed to exist.

**PROPERTY NUMBER:** 1349246

**VERIFICATION:** Verified with Clark County records and Comps Inc.

**COMMENTS:**

This site is level and at-grade with surrounding streets and properties. The property is located on the south east corner of two major arterials. The property is intended for construction of a 17,250 square foot shopping center that began construction in September 2007.

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**LAND SALE 5**

**ASSESSOR'S PARCEL MAP**

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**EXPLANATION OF ADJUSTMENTS**

As part of our analysis, we have made individual comparisons between each sale and the subject site. We have given consideration to real property rights conveyed, financing, conditions of sale, time/market conditions, as well as value characteristics such as location, size, shape, utilities/offsites, topography, flood zone, economic characteristics, use/zoning and non-realty components. The following is an explanation of the adjustments applied to the unit prices of the comparables.

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**Real Property Rights Conveyed**

A transaction price is always predicated on the real property interest conveyed. Many types of real estate, particularly income producing property, are sold subject to existing leases. The revenue generating potential of a property is often fixed or limited by the terms of existing leases. In the valuation process, adjustments must be made to reflect the difference between properties leased at market rent or those leased at rent either below or above market levels. The length of the remaining lease term affects these adjustments. The subject site has been analyzed based on fee simple ownership. All of the comparable sales involved transfers of fee simple rights, and therefore, no adjustments were needed for real property rights conveyed.

**Financing**

The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, the purchaser of a comparable property may have assumed an existing mortgage at a favorable interest rate. In another case a developer or seller may have arranged a buy down, paying cash to the lender so that a mortgage with a below market interest rate could be offered. In both cases, the buyers may have paid higher prices for the properties to obtain below market financing. For this analysis, the subject property has been valued based upon cash equivalent terms. The comparable sales transferred on an "all cash" basis or with financing that did not affect the sales price. As a result, no adjustments for financing were needed for any of the comparables.

**Conditions of Sale**

When the conditions of sale are atypical, the result may be a sales price that is higher or lower than a normal market transaction. Examples of atypical transactions are those that occur between related parties or distress sales. Each comparable sale has been examined for atypical characteristics that, if discovered, would then have been confirmed with either the broker or a principal party to the transaction. All of the sales used in this analysis represent arm's-length transactions with no adverse

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or unusual conditions affecting the sale. As a result, no adjustment for conditions of sale is necessary.

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**Time/Market Conditions**

Comparable sales that occurred under different market conditions than those applicable to the

subject on the effective date of the report require adjustment for any differences that affect their

values. A common adjustment for market conditions is made for differences occurring since the

date of sale. Since the time the comparable sales were transacted, general values may have

increased or decreased and investor's perceptions of the market conditions may have changed.

Although the adjustment for market conditions is often referred to as a "time" adjustment, time is

not the cause of the adjustment. Market conditions which shift over time create the need for an

adjustment, not time itself. If market conditions have not changed, no adjustment is required even

though considerable time may have elapsed.

Changes in market conditions are usually measured as a percentage of previous prices.

There are

two traditional methods of estimating this percentage change due to market conditions.

The first

method is "paired analysis". If the physical and economic characteristics of a property remain

unchanged, analyzing two or more sales of the same property over a period of time will indicate the

rate of price change. Sales and re-sales of the same property provide the best indication of the

change in market conditions over time. If data on re-sales are unavailable, then the second method

typically utilized is to survey knowledgeable market participants to estimate the potential impact of

changing market conditions as a percentage change in a previous price.

Although in the past there has been a significant amount of appreciation realized within the

subject's general area, with the recent slow down in the residential market, all types of land have

shown much less significant growth. It is difficult to ascertain a perfect appreciation rate due to the

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variation in selling prices that properties in the subject's area are achieving. The sales utilized in our analysis occurred between January 2006 and July 2007. Most parcels that are similar to the subject property have appreciated at rates of approximately 5% to 20% per year. Based upon our understanding of the market place, we have applied upward adjustments of 10% per year or 0.83% per month to the land sales. Although some parcels have shown significantly higher appreciation, it is not felt that the overall market is reflecting appreciation rates that high. This adjustment has been applied from the date of each land sale utilized.

**Location**

An adjustment for location may be required when the locational characteristics of a comparable property are different from those of the subject property. Most comparable properties in the same neighborhood have similar locational characteristics, but variations may exist within a neighborhood. The specific location of a comparable property can influence its price. Furthermore, the access and visibility from a major arterial or location within a specific area can have a positive impact upon the property price. Arterial exposure is especially important for ease of locating and accessing the property by the public. As shown on the map contained in this appraisal report, there were five sales abstracted for this analysis. All of the sales, except for Sale 5, have required a location adjustment. Sales 1 and 3 are have superior locations with frontage along major arterials. Both sales were adjusted downward by 15%.

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Sale 2 is considered to be in an inferior location because of the decreased traffic counts and lack of substantial construction around the area. We have adjusted Sale 2 upward by 10% for its inferior location.

Sale 4 is in the Las Vegas Technology Center. The location within a business park such as the Las Vegas Technology Center is superior to the location of the subject property. Therefore, we have

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adjusted Sale 4 downward by 15% for superior location.

**Size**

Typically, the price per square foot of a smaller parcel will be higher than the sales price per square foot of a larger parcel. This assumption is based upon the principle of “economy of scale”, which is predicated upon the inverse relationship between size and price. Consequently, the smaller the size of a site, the higher the price per square foot. Adjustments for size are considered when there is a wide range in size between the comparable sales and the subject site. The subject property totals approximately 1.65 acres in size. The comparables range from 1.00 to 1.76 acres. No adjustment for size was made to any of the sales.

**Shape**

The analysis of shape takes into consideration a particular site’s dimensions, street frontage, width, depth, and shape. It relates to the “principle of functional utility”. For example, an odd-shaped parcel may be appropriate for a dwelling; however, it is unacceptable for most types of commercial or industrial use. Also, odd shaped parcels may require additional development cost, especially for single-family residential subdivisions. Furthermore, odd-shaped parcels generally have less utility. The subject property has a functional shape. The comparable sales also have functional shapes and no adjustments were necessary.

**Corner Influence**

Parcels with a corner influence typically sell at a higher price than parcels without a corner influence. This is especially true for commercial properties that require exposure which is increased by having frontage along two streets. Adjustments for corner influence are derived from the pairing of two properties which are similar, except one has a corner influence while the other does not. Sale 5 is located on the south east corner of Desert Inn Road and Hualapai Way, two major arterials in the western portion of the Las Vegas Valley. The location of Sale 5 is considered superior and has been adjusted downward by 25% for its corner influence.

**Utilities/Offsites**

The offsite adjustment takes into consideration certain infrastructure, such as utilities

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and services that are available to a particular site. Additionally, the quality, condition, and adequacy of the sewer, curbs, gutters, access to utility hookups, etc. can influence the sales price of a particular property. There may also be onsite improvements such as grading that need to be considered.

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Like the subject, the comparable sales all have direct availability of utilities. The subject requires offsites along Torrey Pines Drive. Sales 2 and 5 did not have offsites installed at the time of sales and did require any adjustments.

We have estimated the adjustments for required offsites for the land sales depending on offsite

perimeter of linear feet and the parcel size (The required offsite perimeter of linear feet multiplied

by the estimated offsite cost of \$250 per linear foot divided by the total net square footage of the

site). The offsite adjustment takes into consideration certain infrastructure, such as utilities and

services that are available to a particular site. Additionally, the quality, condition, and adequacy of

the access to utility hookups can influence the sales price of a particular property.

Based on a review of the status of the comparables when sold, the utilities/off-site improvements

adjustments are estimated for each sale as follows:

**Sale 1 Sale 2 Sale 3 Sale 4 Sale 5**

Frontage Linear Feet 261 0 160 185 0

Offsite Costs Per Linear Foot \$250 \$250 \$250 \$250 \$250

Adjustment Per Sq. Ft. for Offsites (\$0.87) \$0.00 (\$0.92) (\$0.98) \$0.00

***Economic Characteristics***

Economic characteristics in relation to land include the ability to generate income such as leasing

land for site storage or billboard income. All of the comparables are similar in that no consideration

is given to economic characteristics. No adjustment for economic characteristics is necessary.

***Use/Zoning***

In the valuation of vacant land, zoning is one of the primary factors in determining the best use of

the property, given that zoning can serve as the test of legal permissibility. As a result, zoning is

typically a primary element in the selection of market data. When comparable properties

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with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning that have a similar highest and best use as the subject may be used as comparables. However, these comparables must be adjusted for the difference in utility if the market indicates that it is appropriate. In the absence of a civic use, the subject parcel was concluded to have a highest and best use of office development. The comparables are all similar-use sites when compared to the subject, and no adjustments were necessary.

**Non-Realty Components**

Non-realty components of value include personal property, business concerns, or other items that do not constitute real property but may be included in the sales price of the comparables. None of the comparable prices include non-realty components. Therefore no adjustment is required. The preceding adjustments have been applied to the land sales. These adjustments are summarized as follows:

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**LAND SALES ADJUSTMENT GRID**

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	Lake Mead/	Tropicana/	Flamingo/	Tenaya/	Desert Inn/
	Jones Jones	Riley Cascade	Valley Hualapai		
Date of Sale	1/26/2006	3/10/2006	5/30/2006	12/14/2006	7/18/2007
Sale Price	\$2,025,000	\$1,429,820	\$1,205,130	\$1,350,000	\$2,500,000
Land Area (SF)	74,923	71,438	43,560	47,045	76,666
PRICE PER SQ. FT.	<b>\$27.03</b>	<b>\$20.01</b>	<b>\$27.67</b>	<b>\$28.70</b>	<b>\$32.61</b>
Real Property Rights Conveyed	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUBTOTAL	\$27.03	\$20.01	\$27.67	\$28.70	\$32.61
Financing Terms	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUBTOTAL	\$27.03	\$20.01	\$27.67	\$28.70	\$32.61
Condition of Sale	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUBTOTAL	\$27.03	\$20.01	\$27.67	\$28.70	\$32.61
Time/Market Conditions	\$4.76	\$3.29	\$3.95	\$2.57	\$1.03
SUBTOTAL	\$31.79	\$23.31	\$31.62	\$31.26	\$33.63
Location (\$4.77)	\$2.33	(\$4.74)	(\$4.69)	\$0.00	
Physical Characteristics					
Size	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shape	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Corner Influence	\$0.00	\$0.00	\$0.00	\$0.00	(\$8.41)
Utilities/Offsites	(\$0.87)	\$0.00	(\$0.92)	(\$0.98)	\$0.00
Economic Characteristics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Use/Zoning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Realty Components	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET ADJUSTMENTS	(\$5.64)	\$2.33	(\$5.66)	(\$5.67)	(\$8.41)
ADJ. PRICE / SQ. FT.	<b>\$26.15</b>	<b>\$25.64</b>	<b>\$25.95</b>	<b>\$25.59</b>	<b>\$25.23</b>

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**Reconciliation**

After adjustments the comparables provide a value range from \$25.23 to \$26.15 per square foot.

Greatest weight in this analysis was given to Sales 2, 3, and 4, which are the closest sales to the

subject. All of the sales required adjustments for time/market conditions and location.

Sales 1, 3,

and 4 required adjustments for offsites.

After review, we have correlated the value of the subject site to \$25.50 per square foot of land, and

we have formed an opinion of the market value of the subject property in fee simple ownership as

of November 12, 2007 as follows:

**SUMMARY OF PRICE PER SQUARE FOOT METHOD**

Estimated Land Area (SF) 71,976

Estimated Unit Value \$25.50

Market Value of Land as Vacant \$1,835,388

**Rounded \$1,840,000**

*Exposure Time and Marketing Period*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

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**EXPOSURE TIME AND MARKETING PERIOD**

The aforementioned market value opinion has been predicated upon an exposure time of 6 to 12

months. This is the length of time that the property would have been exposed on the market to

achieve the opinion of market value. The exposure time is based upon comparable sales data

compiled by COMPS, Inc., as well as on discussions with real estate brokers and developers active

in the subject area.

The marketing period of the subject property has also been estimated at 6 to 12 months.

The

marketing period is the length of time that the property would need to be put on the market to

achieve the market value. The marketing period is based upon comparable sales, and takes into

consideration the future supply of similar property types in the subject’s market area. It also

assumes prudent marketing and an asking price (list price) similar to the concluded market value

opinion.

*Addenda*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

**ADDENDA**

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Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

**SUBJECT PHOTOGRAPHS**

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Looking north across the subject property.

Looking east across the subject property.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Looking west across the subject property.

Looking northwest across the subject site.

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File #07-377 LUBAWY & ASSOCIATES, INC.

Looking north at the subject property.

View of subject property from Torrey Pines Drive.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Looking north on Torrey Pines Drive. The subject is to the right.

Looking south on Torrey Pines Drive. The subject is to the left.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

**FEMA FLOOD MAP**

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

**C-V ZONING ORDINANCE (CITY OF LAS VEGAS)**

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

**FEASIBILITY STUDY**

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

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File #07-377 LUBAWY & ASSOCIATES, INC.

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File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

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Mayor  
City of Las Vegas

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CSN President

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James Rogers  
NSHE, Chancellor

File #07-377 LUBAWY & ASSOCIATES, INC.

Addenda

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Addenda

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**ENGAGEMENT LETTER**

Addenda

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Addenda

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Addenda

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Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

**QUALIFICATIONS OF APPRAISERS**

Addenda

File #07-377 LUBAWY & ASSOCIATES, INC.

**QUALIFICATIONS OF APPRAISER**

**MATTHEW J. LUBAWY, MAI**  
**NEVADA LICENSE A.0000044-CG**  
**LUBAWY & ASSOCIATES, INC.**  
**3034 SOUTH DURANGO DRIVE, SUITE 100**  
**LAS VEGAS, NEVADA 89117**  
**TELEPHONE: (702) 242-9369**  
**FAX: (702) 242-6391**  
**COMPANY WEBSITE: lubawy.com**  
**e-mail: matt@lubawy.com**

**APPRAISAL EXPERIENCE AND BACKGROUND**

Lubawy & Associates, Inc.  
Independent Fee Appraiser and Real Estate Consultant  
December, 1994 to Present  
Independent Fee Appraiser and Real Estate Consultant  
January, 1992 to December, 1994  
First Interstate Bank  
Staff Appraiser (Assistant Vice President)  
December, 1988 to January, 1992  
Independent Fee Appraiser  
March, 1987 to December, 1988

**EDUCATION**

University of Nevada, Las Vegas,  
Bachelor of Science in Business Administration - Major in Real Estate  
Bishop Gorman High School, Las Vegas, Nevada

**APPRAISAL EDUCATION**

\_\_\_\_\_ Init.  
Mayor  
City of Las Vegas

\_\_\_\_\_ Init.  
Mike Richards  
CSN President

\_\_\_\_\_ Init.  
James Rogers  
NSHE, Chancellor

Uniform Appraisal Standards for Federal Land Acquisitions,  
 Appraisal Institute  
 October 2005  
 Online Analyzing Distressed Real Estate, Appraisal Institute September 2005  
 Business Practices and Ethics, Course 420, Appraisal Institute September 2005  
 USPAP Update - Course 400, Appraisal Institute February 2005  
 Litigation Appraising: Specialized Topics and Applications October 2004  
*Addenda*  
*File #07-377 LUBAWY & ASSOCIATES, INC.*  
 Separating Real & Personal Property from Intangible Business Assets September 2003  
 So. NV Public Land Mgt. Act BLM Appraisal Compliance Workshop May 2003  
 Income Capitalization March 2003  
 Appraising Non-Conforming and Difficult Properties March 2003  
 Appraiser Liability March 2003  
 2003 National USPAP February 2003  
 Valuation of Partial Acquisitions, Course 401 through IRWA October 2000  
 Partial Interest Valuation - Divided, Course A7414 April 2000  
 Highest & Best Use and Market Analysis March 2000  
 Subdivision Analysis January 2000  
 Writing the Narrative Appraisal Report November 1999  
 USPAP 1999 Revisions A7415ES March 1999  
 Reporting Sales Comparison Grid Adj. for Residential Properties March 1999  
 USPAP 1999 Revisions - A7415ES March 1998  
 Litigation Appraisal and Expert Testimony June 1997  
 USPAP (Parts A & B) 1996  
 Ethics - USPAP Statements March 1995  
 Comprehensive Appraisal Workshop July 1994  
 Current Issues and Misconceptions in Appraisal December 1993  
 Standards of Professional Appraisal Practice, Part B 1992  
 Land Faire Nevada July 1992  
 Appraising From Blueprints and Specifications September 1992  
 Accrued Depreciation September 1992  
 Standards of Professional Appraisal Practice, Part A 1991  
 Report Writing and Valuation Analysis; Exam 2-2 June 1991  
 Case Studies; Exam 2-1 June 1991  
 Capitalization Theory and Techniques, Part B; Exam 1-BB June 1990  
 Capitalization Theory and Techniques, Part A; Exam 1-BA June 1990  
 Basic Valuation; Exam 1A2 May 1989  
 Principles of Real Estate Appraisal ; Exam 1A1 May 1989  
**MEMBERSHIPS AND AFFILIATIONS**  
 Member of the Appraisal Institute (MAI #10,653)  
 President of Las Vegas Chapter 1998/1999  
 1<sup>st</sup> Vice President of Las Vegas Chapter 1997/1998  
 2<sup>nd</sup> Vice President of Las Vegas Chapter 1996/1997  
 Director, Nevada State Development Corporation

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 City of Las Vegas

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 Mike Richards  
 CSN President

\_\_\_\_\_ Init.  
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Greater Las Vegas Association of Realtors  
National Association of Realtors  
UNLV Alumni Association  
AT Alumni Association  
Las Vegas Host Lions Club  
Director 1996, 1997, and 1998

*Addenda*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

**TYPES OF APPRAISAL ASSIGNMENTS**

Airport Hangars Residential Subdivisions  
Assisted Living Restaurants  
Auto Mall Retail Shopping Centers  
Automobile Dealership Facilities Single-Family Residences  
Condominiums Special Use Properties  
Convenience Stores Taverns  
Golf Courses Townhouses  
Hotels/Casinos  
Industrial Buildings \*\*\*\*\*  
Low-Income Housing w/Tax Credits & Bond Financing Condemnation/Eminent Domain  
Medical Office Buildings Fee Simple Valuations  
Mini-Storage Leasehold Valuations  
Multi-Family Dwellings Leased Fee Valuations  
Professional Office Buildings Feasibility Studies  
Market Studies

**PROMINENT APPRAISAL ASSIGNMENTS**

**Hotels/Casinos**

Alexis Park La Bayou Casino  
Best Western Mardi Gras Inn Mt. Charleston Hotel  
Binion's Horseshoe Hotel/Casino PT's Mining Casino  
Castaways Hotel/Casino Regency Casino (Laughlin)  
Comfort Inn Saddle West Hotel/Casino  
Courtyard by Marriott (Reno) Springhill Suites by Marriott  
Day's Inn (Pahrump Station) Sunbird Motel  
Four Queens Hotel/Casino Thirstbuster's Casino  
Golden West Casino Tivoli Motel  
Hampton Inn Vacation Village Hotel/Casino  
Holiday Inn Wildfire Casino  
Howard Johnson

**Automobile Dealerships**

Allstate Car Rental Fletcher Jones Mitsubishi  
Auto Auction Sales Freightliner Truck Sales/Repair Facility  
Auto Nation Friendly Ford Dealership  
Ben Stepman Dodge Harley Davidson Sales/Repair Facility  
Cashman Cadillac Norm Baker Auto

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Desert Dodge Rick Peet Chrysler Jeep Dodge

Falconi Acura

*Addenda*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

**Recreational Uses**

Black Mountain Golf Course Millenium Sports Arena

Dragon Ridge Golf Course Stallion Mountain Country Club

**Special Use Properties**

Bible Baptist Church Montessori Academy

Braggsmith Driving School/Racetrack Quail Air Center (Airport Hangars)

Cheyenne Air Center (Air Hangars) Sahara Surgery Center

Friendship Church UMC Quick Care Centers

Green Valley Christian Center Victory Christian Church

Las Vegas Day School Warren Walker Elementary School

Merryhill School Warren Walker Middle School

**Restaurants/Taverns**

Arby's Magoo's

BJ's Lounge Mc Donald's

Carrow's Mugshots

Chicago Brewing Co. Mulligans

Chicago's Own PT's Pubs

Claim Jumper Roadrunner Taverns

Denny's Sean Patrick's

Draft House Smith & Wollensky

Hamada's Taco Bell

Harley Davidson Café T-Bird Lounge

IHOP Tenaya Lodge

Loose Caboose Tommy Rockers

**Miscellaneous**

Aliante (1,900 AC Land) K-Mart

Checker Auto Parts Northport Business Center (400,000 SF Bus. Pk.)

Ivanpah Airport (6,000 AC) Southern Highlands Christopher Collection

James Hardie Gypsum Mine (979 AC) Tuscany Hills Master-Planned Dev. (323 AC)

**EXPERT WITNESS TESTIMONY**

Qualified as Expert Witness in the Nevada State Court

Qualified as Expert Witness in Family Court

*Addenda*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

**PARTIAL LIST OF CLIENTS**

**Financial Institutions**

American General Realty Advisors Kennelly Mortgage

American Partners For Life Insurance Key Bank

ARCS Commercial Mortgage Company Keystone Capital

Bank of America, California M&I Thunderbird Bank

Bank of America, Nevada Marshall and Ilsley  
 Bank One (Arizona) Merchants Mortgage & Trust  
 Bank One (Texas) Merrill Lynch Mortgage Capital  
 Bank of Nevada Midland Loan Services  
 Belgravia Capital Corporation Modesto Commerce Bank  
 Business Bank of Nevada Nationwide Life Insurance Company  
 California Bank & Trust Nevada First Bank  
 California Cho Hung Bank Nevada State Bank  
 Canada Life Assurance Company Northern Trust Bank  
 CIB Bank Pacific First Bank  
 Citicorp, Arizona Pacific Housing  
 City Mortgage PCV Murcor  
 City National Bank Pioneer Citizens Bank  
 Colonial Bank PNC Multifamily Capital  
 Commercial Bank of Nevada Principal Capital Management LLC  
 Commercial Federal Bank Security Mutual Life Insurance Co  
 Community Bank Sierra West Bank  
 Consolidated Mortgage Silver State Bank  
 Credit Suisse First Boston Mortgage Silverstate Credit Union  
 Criimi Mae Skymar Capital  
 Deutsche Bank Mortgage Capital Southern Pacific Bank  
 East West Bank Specialty Financial  
 Federal Deposit Insurance Corp. Sunwest Bank  
 First Denver Mortgage Temecula Valley Bank  
 First Federal Lincoln U S Bank  
 First National Bank Union Planter's Bank  
 First Republic Bank United Bank of Switzerland  
 First Security Bank US Savings Bank  
 GE Capital USA Capital  
 General American Life Ins. Co. Valley Bank  
 GMAC Vestin Mortgage  
 GPM Life Insurance Company Ward Cook  
 Imperial Capital Bank Wells Fargo  
 Imperial Thrift & Loan Western Capital  
 Independent Order of Foresters Woodmen of The World Insurance Society  
 Israel Discount Bank of New York Zions Bank

*Addenda*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

**Attorneys**

Anthony Guenther Jones Vargas  
 Barron, Vivone, Holland & Pruitt Koeller, Nebeker, Carlson, & Haluck  
 Beckley Singleton Lionel Sayer  
 Gublers & Peters Michael Mansfield, Esq.  
 Jeffrey Eskin Michael Pontoni  
 Jeffrey L. Burr and Associates Sanford Scott

\_\_\_\_\_  
 Mayor  
 City of Las Vegas

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 \_\_\_\_\_  
 Mike Richards  
 CSN President

\_\_\_\_\_  
 James Rogers  
 NSHE, Chancellor

John Boyer Shea, and Carlyon  
John Erickson Sylvester and Polednak  
John Peter Lee, Esq. William E. Cooper Law Offices

**Government**

Bureau of Land Management (BLM) Las Vegas Valley Water District  
City of Henderson Nevada Department of Transportation  
City of Las Vegas Nevada Division of State Lands  
City of North Las Vegas Nevada Power Company  
Clark County Dept of Aviation Nevada Real Estate Division  
Clark County District Attorney Nye County  
Clark County Public Works Nye County School District  
Clark County School District Small Business Administration  
Colorado River Commission Southern Nevada Water Authority  
Community College of So. Nevada U.S. Army Corps of Engineers  
Internal Revenue Service

**Non-Financial/Private Individuals**

Becker Realty Nevada Hand  
Brookhollow Properties Nigro & Associates  
CB Commercial Pratte Development  
Chrysler Realty Corporation Ribeiro Corporation  
Del Webb Romano Realty  
Insight Development Rossum Realty  
International Bricklayers Union Terra West Development  
Ken Templeton Realty The Dial Corporation  
Maury Abrams Company The Walters Group  
Millennium Properties Triple Five Development Corp.  
University of Nevada Las Vegas (UNLV)

*Addenda*

*File #07-377 LUBAWY & ASSOCIATES, INC.*

**QUALIFICATIONS OF BRENDA CAZARES**

**Nevada Licensed Appraiser #A.0006455-INTR**

**LUBAWY & ASSOCIATES, INC.**

**3034 SOUTH DURANGO DRIVE, SUITE 100**

**LAS VEGAS, NEVADA 89117**

**TELEPHONE: (702) 242-9369**

**FAX: (702) 242-6391**

**brenda@lubawy.com**

**APPRAISAL EXPERIENCE AND BACKGROUND**

Lubawy & Associates, Inc.  
Independent Fee Appraiser  
February 2006 to Present

**EDUCATION**

University of Nevada, Las Vegas  
B.S., Business Administration – Finance

**APPRAISAL EDUCATION**

University of Nevada, Las Vegas

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Mayor  
City of Las Vegas

113  
\_\_\_\_ Init.  
Mike Richards  
CSN President

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- Appraisal Principles May 2005  
Key Realty School
- National USPAP Module January 2006
- Appraisal Law in Nevada January 2006  
The Chicopee Group ~ IREAS
- Highest and Best Use January 2006  
The Appraisal Institute  
Advanced Applications September 2007  
USPAP Update October 2007

**AFFILIATIONS**

UNLV Alumni Association  
Appraisal Institute, Associate Member  
Las Vegas Chapter of the Appraisal Institute

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Mayor  
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EXHIBIT 6  
PROJECT COSTS ALLOCATION

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## Fire Station Cost Allocations

Description	Total Cost	Revised Total Cost	City Allocation	CSN Allocation	Comments
<b>Feasibility Phase</b>					
	\$	\$	\$	\$	
Feasibility Study	10,000.00	10,000.00	6,634.25	3,365.75	
	\$	\$	\$	\$	
Land Appraisal	3,000.00	3,000.00	1,990.27	1,009.73	
<b>Design &amp; Management Fees</b>					
	\$	\$	\$	\$	
A&E Fees	665,000.00	658,110.60	436,606.97	221,503.63	10% Const. Cost
	\$	\$	\$	\$	
Land Survey	4,000.00	4,000.00	2,653.70	1,346.30	
	\$	\$	\$	\$	
Geotechnical Report	5,000.00	5,000.00	3,317.12	1,682.88	
	\$	\$	\$	\$	
Bidability/Constructability Review	15,000.00	-	-	-	N/A w/ CMAR
	\$	\$	\$	\$	
Cost Estimating	6,000.00	-	-	-	N/A w/ CMAR
	\$	\$	\$	\$	
Material Testing	40,000.00	40,000.00	26,537.00	13,463.00	
	\$	\$	\$	\$	
LEED Silver Equivalent	157,500.00	-	-	-	N/A
<b>Permits</b>					
	\$	\$	\$	\$	
Building Permit	40,000.00	40,000.00	26,537.00	13,463.00	
	\$	\$	\$	\$	
Land Development Permit	10,000.00	10,000.00	6,634.25	3,365.75	
	\$	\$	\$	\$	
Water/Sewer Connection	85,000.00	85,000.00	56,391.12	28,608.88	
	\$	\$	\$	\$	
Power & Phone Service Connection	3,000.00	3,000.00	1,990.27	1,009.73	

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	\$	\$	\$	\$	
Gas & Cable Service Connection	6,000.00	6,000.00	3,980.55	2,019.45	
	\$	\$	\$	\$	
Printing Costs	2,000.00	2,000.00	1,326.85	673.15	
<b>Construction &amp; Equipment Cost</b>					
	\$	\$	\$	\$	\$363/SF (bldg only)
Building Cost	5,372,400.00	5,484,255.00	4,093,000.00	1,391,255.00	
	\$	\$	\$	\$	
On-site work	590,000.00	-	-	-	cost above
	\$	\$	\$	\$	
Off-site work	225,000.00	-	-	-	cost above
	\$	\$	\$	\$	
LEED Silver Equivalent	490,000.00	-	-	-	N/A
	\$	\$	\$	\$	
FF&E for City	300,000.00	300,000.00	300,000.00	-	
	\$	\$	\$	\$	
Construction Contingency	-	274,212.75	181,919.57	92,293.18	
Project Contingency					
	\$	\$	\$	\$	
Contingency at 5% - const. cont.	350,000.00	75,787.25	50,279.15	25,508.10	cost above
<b>Total</b>	<b>\$ 8,378,900.00</b>	<b>\$ 7,000,365.60</b>	<b>\$ 5,199,798.07</b>	<b>\$ 1,800,567.53</b>	

12,339	8,186	4,153
	66%	34%
\$	\$	
500.00	335.00	incl. contingency
\$	\$	\$
4,093,000.00	1,391,255.00	5,484,255.00

Previous Estimate

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	\$		
14800	6,187,400.00		
	\$		
	6,496,770.00	w/ cont.	
		\$	
		438.97	
	\$		
New Estimate	5,484,255.00		input from C&S
		\$	
	12,339	444.47	

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EXHIBIT 7  
CLVFD CONSTRUCTION PROGRAMMING

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# City of Las Vegas Fire & Rescue Design Program for Four Bay Fire Station

April 10, 2008

## I. INTRODUCTION

This document is a descriptive project program reflecting a Four bay Fire Station establishing the project requirements.

## II. DESIGN, OBJECTIVES, LIMITATIONS, AND CRITERIA

- A. The principal objectives for the design of this project are:
1. Provide for maximum attainable ease and speed in responding to emergency calls.
  2. To incorporate the human needs of the fire personnel who live at the facility to provide a comfortable living environment for all station personnel.
  3. To develop a design which fulfills the needs identified for a four bay fire station.
  4. To independently operate as fully functional fire station and co-exist with College of Southern Nevada classroom space in a single building.

## III. SPACE RELATIONSHIPS

Response time and convenience is the primary concern in the space relationships. The principal considerations of room relationships are efficient flow of personnel to equipment in an emergency response, the relative time to respond from various areas, occupancy of those areas, and the proportion of types of calls. The most significant factor is a Rescue Unit represents 85% of all emergency calls. Another significant factor discussed was the increased probability of life threatening emergencies at night requiring consideration of the most direct access from dormitories to apparatus.

Other significant room relationships involve:

1. **VISITOR ENTRANCE TO RESCUE OFFICE** – for incidental treatment of minor injuries, averaging 2 to 4 times per month.
2. **VISITOR/FIREFIGHTER RESTROOM TO VISITOR AREA** – reflects a need for toilet facilities other than in dormitory bathrooms for daytime use from various living and working areas. This restroom will provide required visitor restroom facilities.
3. **LIVING AREAS, GENERAL** – with the number of personnel assigned to the station, the living areas need to provide for a variety of spaces which allow for varying interests including 2 to 3

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televisions for various preferences. The variety of activities should be arranged where noise interference among them and between them is buffered to minimize disruptions.

## IV. SPACE REQUIREMENTS

### A. APPARATUS BAYS

#### 1. RESCUE UNIT

- a. Space for (1) Rescue Unit 8'w. x 30'l. x 10'h.
- b. Drive-thru bay with minimum 14' wide doors and 14' height clearance at top.
- c. Adjacent access to alarm/dispatch counter.
- d. Adjacent access to clean room & medical storage.
- e. Vehicle has most emergency responses.

#### 2. ENGINE UNIT

- a. Space for (1) Engine Unit 8'w. x 30'l. x 10'h.
- b. Drive-thru bay with minimum 14' wide doors and 14' height clearance at top.
- c. Clearances around Engine Unit:
  1. 2' minimum clearance between front of vehicle bumper and front overhead door.
  2. 8' minimum clearance between rear vehicle bumper and rear overhead door.
  3. 3' for doors plus 3' for personnel for 6' total at sides of unit.
- d. Engine vehicles will not be stacked in bays.
- e. Unit has second most response occurrences.
- f. Direct access to alarm/dispatch counter.

#### 3. LADDER TRUCK

- a. Space for (1) Ladder Truck 8'w. x 49'l. x 12'h.
- b. Drive-thru bay with minimum 14' wide doors and 14' height clearance at top.
- c. Clearance around Ladder Truck:
  1. 2' minimum clearance between front of vehicle bumper and front overhead door.
  2. 6' minimum clearance minimum between rear of vehicle bumper and rear door for work space behind vehicle.
  3. 3' for ladder doors plus 3' for personnel for 6' total at sides of truck.
- d. Direct access to alarm/dispatch counter.

#### 4. RESERVE ENGINE UNIT OR LADDER TRUCK

- i. Space for (1) Reserve Engine Unit 8'w.x 30'l.x 10'h or (1) Reserve Ladder Truck 8'.x49'l.x12'h.
- ii. Drive-thru capacity with minimum 14' height clearance and 12' to 14' width clearance at doors.
- iii. Clearances around unit
  1. 2' minimum clearance between front of vehicle and front door
  2. 8' minimum clearance between rear vehicle and rear door.
  3. 3' for doors plus 2-1/2' to 3' for personnel at sides and 4' at rear.
- iv. Vehicles will not be stacked in bays

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**B. APPARATUS AREAS – GENERAL**

- a. Floors – concrete, clear sealed, smooth finish, positive drainage to trench drains centered under vehicles with clean outs.
- b. Exterior concrete paving (4,500 PSI standard) including driveways, aprons, and on- site vehicle traffic and parking.
- c. Concrete design load for maximum vehicle load of 80,000lb. Maximum axle load 50,000 lb
- d. (1) 12 volt battery charger system on the driver’s side all units.
- e. (2) 120 volt shoreline electrical drops for on board HVAC and electrical system all units.
- f. Compressed air hose reels accessible from all areas.
- g. Apparatus doors to be electric operated, heavy duty(100,000 cycle springs), insulated panels, insulated glazing, manual emergency override, 3- button wall control, 2 button remote control, safety eyes, safety door edge, and red/green overhead door interior traffic signal head.
- h. Evaporative cooling and exhaust fan balancing.
- i. Natural gas (if available at site) or equivalent alternate force air heating.
- j. Direct connect diesel exhaust evacuation system (Manufacturer “Plymovent”)
- k. Push button timed activation for emergency traffic control lights at apparatus area near hallway exit door.
- l. Truck fill water supply for 2 ½”NST fire hose connection with wall mounted hose reel.
- m. Man doors to exterior.
- n. Space for fire sprinkler riser.
- o. Data jacks for wireless network equipment.
- p. 4’ x 8’ Marker Board

**C. APPARATUS SUPPORT AREAS:**

**1. ENGINE & LADDER TURN OUT LOCKERS**

- a. Provide 24 lockers.
- b. Lockers should be 24” wide, 22” deep, and 72” high set on 4” high raised metal curbs, with hat shelf at 60 “. Mesh sides for ventilation, solid flat top & bottom, and (6) hooks for hanging turn out coat, gloves, etc.
- c. Area must have good circulation with constant exhaust fan for air exchanges.
- d. Floor to be clear sealed concrete.
- e. Area physically separated from but with direct access to the engine and ladder

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apparatus.

## 2. RESCUE TURN OUT LOCKERS

- a. Provide 9 lockers.
- b. Lockers should be 24” wide, 22” deep, and 72” high set on 4” high raised metal curbs, with hat shelf at 60 “. Mesh sides for ventilation, solid flat top & bottom, and (6) hooks for hanging turn out coat, gloves, etc.
- c. Area must have good circulation with constant exhaust fan for air exchanges.
- d. Floor to be clear sealed concrete.
- e. Area physically separated from but with direct access to the rescue apparatus bay.

## 3. UTILITY AREA

- a. Provide Steel work Bench 6’ wide by 3’ deep by 3’ high furnished and installed by owner.
- b. (2) Duplex 120v outlets at 44”
- c. (1) Telephone jack above bench at 44”
- d. Provide flammable materials storage cabinet, 43”w x 18” d. x 65” h.
- e. Provide stainless steel service sink for utility use and general clean up.
- f. Area physically separated from but with direct access to the engine and ladder apparatus bay.
- g. (3) Squeegee wall racks.

## 4. FIRE HOSE STORAGE

- a. Fixed rack with 18 lineal feet of storage typically 6’ long and 8’ high, 22” deep with (3) open sections to hold rolled fire hoses on edge.
- b. General storage shelves desirable wherever practical.
- c. Area physically separated from but with direct access to the engine and ladder apparatus bays.

## 5. PORTABLE SCBA AND OXYGEN AIR BOTTLE RACK

- a. Provide rack, 4’w. x 4’d. x 2’h. furnished and installed by contractor.
- b. Rack physically separated from but with direct access to engine and ladder apparatus bays. Can be placed in storage room.

## 6. CLEAN ROOM

- a. Disinfecting sink – stainless steel 51” wide x 27” deep two compartment sink with backsplash  
mounted 10” swing faucet with aerator and foot controlled activation and automatic temperature  
regulating valve and commercial spray hose.

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Mike Richards  
CSN President

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- b. 3-tier wire shelving, 48” wide x 12” deep. “Amco” standard wall shelves and wall standards with zinc protoxy finish.
- c. Area physically separated from but with direct access to rescue and engine apparatus bays.
- d. (1) Washer & (1) Dryer residential units for cleaning uniforms in one of the clean rooms.

**D. ADMINISTRATIVE AREAS:**

**1. VISITOR ENTRANCE**

- a. Entrance to facility by visitors. Should be identified from street and visitor parking area. Direct visibility to captain’s office. Entrance into building to be controlled by proximity card reader. Egress without proximity card or key (panic hardware).
- b. Emergency phone location, visible from the street.
- c. Dedication plaque location.
- d. Possible isolated visitor lobby desired to control building access.

**2. CAPTAIN’S OFFICE**

- a. Space to be used by Captains, rescue personnel, and a fire prevention inspector. Furnishings to include (3) computer workstations with chairs, (1) desk for roving fire prevention inspector, visitor seating for (4) persons, (4) computers, 6’w. x 4’h. marker board, 8’w. x 4’h tack board, (3) four drawer file cabinets, and 24 lineal feet of bookshelves (may be modular furniture system shelving to match furnishings).
- b. Night use of room for completing forms/reports and should not have affect on living or sleeping areas within the facility. Should be convenient to captain’s dormitory.
- c. Room to have visual contact with visitor entrance as well as engine & ladder apparatus bays.
- d. Porcelain tile flooring with tile base.
- e. HVAC zone may be common with other public spaces.
- f. Wall mounted television/VCR location

**3. RESCUE OFFICE & TREATMENT**

- a. Space for desk, file cabinet, computer, and TV. Close proximity to rescue dormitory and rescue apparatus. Use of this area should not affect living or sleeping areas of fire personnel.

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**4. VISITOR RESTROOM**

- a. ADA Accessible public restroom facilities.
- b. Shower for use by firefighters when needed (no public use).
- c. Towel hooks at shower.
- d. Privacy lock on door.
- e. Paper Towel Dispenser

**E. DAY AREAS:**

**1.KITCHEN/DINING**

a. This area is the hub of social activity at the facility. Physical requirements include the provision and space for:

- 1. Approximately 27 lineal feet of counter space with cabinets above and below. (6 to 10) persons to occupy the kitchen during food prep and clean up. Countertops to be durable material such as stainless steel. Allow space for commercial top fill coffee maker.

Provide and install commercial gas range with ½ griddle.

- 3. Provide and install Commercial appliance hood with extinguishing system, “Ansul” preferred.
- 4. Provide and install Triple sink 18” x 18” x 10” deep with heavy duty disposal and commercial spray hose.
- 5. Provide (3) 25 cu. ft. refrigerators.
- 6. Provide and Install Dishwasher, high quality residential.
- 7. Provide Microwave oven(built-in), recirculating type, 1.6 capacity, high wattage (1,100).
- 8. Provide (3) large locking pantries with 5 high shelving digital lock entry hardware.
- 9. Tables and seating for 12-14 persons.
- 10. A central stainless steel movable island for food preparation and serving.
- 11. Drinking water filtering system (Culligan AC30 Reverse Osmosis).
- 12. Location for garbage containers.
- 13. Wall mounted television/VCR location.
- 14. Paper Towel Dispensers
- 15. Pot Rack Hanger

b. Meals are generally prepared by one of the on duty personnel. Serving is cafeteria style with prepared foods in the line generally at the locations where they are prepared. Flow of the serving line should function similar to a cafeteria to preclude “cross traffic” problems.

c. Other kitchen/dining uses include recreation, visiting, reading, and auxiliary television viewing.

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- d. Power requirements include 120v duplex receptacles at counter (in addition to microwave), and all appliances. Provide dedicated circuits for refrigerators.
- e. Wall phone with paging/intercom features convenient but somewhat removed from noise.  
Place for note pad, pen, and phone book storage is desirable at phone location.
- f. The kitchen area should be convenient to restroom, and should have direct outside access to a patio living area, and also provide for removal of garbage or receiving supply deliveries.
- g. Natural lighting with “vertical blind” control for a “homey” indoor/outdoor environment is a desired aspect for this area. Access to apparatus bays should have minimal barriers.
- h. Porcelain tile floor with tile base except at base cabinets.
- i. HVAC zone independent from all other areas.
- j. Single swing, 3’ wide door to hallway.

**2. DAY ROOM**

- a. The day room primarily serves as a television lounge, but also functions as a classroom, reading area, and a “ready room”. Provision should be made for (8) reclining chairs, possible 12” high raised platform, (2) end tables, and (2) bookshelves. Wall space should be allowed for books and eventual large screen television, and 8’w. x 4’h.marker board. Access to apparatus bays should have minimal barriers.
- b. Lighting to adjust for multiple uses i.e. classroom, meeting room, and lounge.
- c. Direct- glue down commercial grade carpet with rubber base.
- d. HVAC zone common with storage and hallway.

**3. EXERCISE ROOM**

- a. This area is to accommodate the following physical fitness equipment as a minimum.
  - 1) Star Trac Pro-S treadmill, 7530
  - 2) Star Trac Pro Recumbent cycles, RB-6430
  - 3) Star Trac Pro Upright Cycles, UB6330
  - 4) Precore Elliptical Machine, EFX546i
  - 5) Stairmaster Stepping Machine, 7000PT Step Mill
  - 6) Hoist Smith Machine Half Cage Base Unit HF 4985 ENS
  - 7) Hoist Weight Plate Tree, CF-2453
  - 8) (2) Hoist Dumbell Rack, 2-Tier CF-2461-2
  - 9) Ivanko Dumbells 5lb pair, CDHRUBEPR 5
  - 10) Ivanko Dumbells 10 lb, CDHRUBEPR 10
  - 11) Ivanko Dumbells 15 lb, CDHRUBEPR 15
  - 12) Ivanko Dumbells 20 lb, CDHRUBEPR 20
  - 13) Ivanko Dumbells 25 lb, CDHRUBEPR 25
  - 14) Iavnko Dumbells 30lb, CDHRUBEPR 30
  - 15) Ivanko Dumbells 35lb , CDHRUBEPR 35



- 16) Ivanko Dumbbells 40lb, CDHRUBEPR 40
- 17) Ivanko Dumbbells 45lb, CDHRUBEPR 45
- 18) Ivanko Dumbbells 50lb, CDHRUBEPR 50
- 19) Ivanko Dumbbells 55lb, CDHRUBEPR 55
- 20) Ivanko Dumbbells 60lb, CDHRUBEPR 60
- 21) Ivanko Dumbbells 65lb, CDHRUBEPR 65
- 22) Ivanko Dumbbells 70lb, CDHRUBEPR 70
- 23) Ivanko Dumbbells 75lb, CDHRUBEPR 75
- 24) Ivanko Dumbbells 80lb, CDHRUBEPR 80
- 25) Ivanko Dumbbells 85lb, CDHRUBEPR 85
- 26) Ivanko Dumbbells 90lb, CDHRUBEPR 90
- 27) Ivanko Dumbbells 95lb, CDHRUBEPR 95
- 28) Ivanko Dumbbells 100lb, CDHRUBEPR 100
- 29) Ivanko Olympic Bar (7' long) OBX-20KG
- 30) Ivanko 45lb Olympic Plates, Rubber Encased, ROEZH-45
- 31) Ivanko 35lb Olympic Plates, Rubber Encased, ROEZH-35
- 32) Ivanko 25lb Olympic Plates, Rubber Encased, ROEZH-25
- 33) Ivanko 10lb Olympic Plates, Rubber Encased, RUBO-10
- 34) Ivanko 5lb Olympic Plates, Rubber Encased, RUBO-5
- 35) Ivanko EZ Style Curl Bar, OBZ-20KG
- 36) Ivanko Olympic Multi- Exercise Bar, MPB-11
- 37) Ivanko 20" Multi- Purpose straight Bar., AB65
- 38) Artistic Coverings 24" x 72" Comport Plus, 1.5" Thick Exercise Mat
- 39) Leg Press Hack Combo

- b. Wall mounted television viewing area (TV/VCR)
- c. Noise in this area should be controlled by sound insulation and location of openings.
- d. Provide and install 3/8" thick commercial rubber flooring with rubber base.
- e. Single swing, 3' wide door to hallway.
- f. HVAC zone common with hallway.

## **F. HALLWAY/UTILITY ROOMS/STORAGE**

- a. 6'-0" wide preferred, 5'-6" wide minimum.
- b. Vending machine alcove for (2) standard vending machines.
- c. Ice machine alcove for "Manitoc" series 200 b-model w/ storage bin 400. Filtered water supply required.
- d. Porcelain tile floor with tile base except at dispatch counters and cabinets.
- e. 3' wide single leaf door to the apparatus bays are required for emergency response. Push/pull hardware and door closers.
- f. Rescue/Engine Alarm Dispatch Alcove
  - 1) Area for 6'w. x 4'h. tack board to display writing communications, maps, etc.
  - 2) 120v convenience receptacles in addition to receptacles required for equipment. Overhead task lighting for map/ bulletin reading and writing. Task light to be manually switched. General lighting near counter activated by computer aided dispatch system (CAD).

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3) Counters must not interfere with traffic flow of personnel to equipment.

**1. TELE/ELEC ROOM**

- a. Space for electrical sub-panels.
- b. Space for computer aided dispatch (CAD) control (contacts & relays).
- c. Space for City provided security access control system.
- d. Space for Cox Communication terminations.
- e. Space for fiber optic cable terminations.
- f. Space for telephone system, demark, punch down blocks, and TI lines.
- g. Space for fire alarm monitoring system equipment.
- h. Space for data cabinet which houses network equipment, patch panels, etc.
- i. Space for UPS equipment for telephone system.
- j. Telephone back board full height.
- j. (4) four plex outlets on telephone back board.
- k. Concrete floor with clear sealed smooth finish.

**2. JANITOR CLOSET**

- a. Mop sink with 4' high tile wainscot and mop holder.
- b. Floor space for mop bucket, brooms, etc.
- c. Space for water heater, expansion tank, and re-circulating pump.
- d. Concrete floor with clear sealed smooth finish.

**3. SWITCH GEAR/COMPRESSOR ROOM**

- a. Main electrical service gear.
- b. 80 gallon 175psi. air compressor and air dryer.
- c. Automatic transfer switch.
- d. Concrete floor with clear sealed smooth finish.

**4. GENERATOR ENCLOSURE**

- a. 150kw Standby Generator(Verify).
- b. 225 gallon diesel day tank base mounted (Verify)
- c. Concrete floor.
- d. Connected electrical load complete fire station function of building.

**5. STORAGE**

- a. Provide air-conditioned storage for general cleaning and re-stocking supplies centrally located in fire station with continuous shelving 5 high.
- b. Provide dedicated air conditioned storage space for medical supplies near the rescue bay continuous shelving 5 high.
- c. Provide general storage with continuous shelving 5 high.

**G. SLEEPING AREAS**

**1. CAPTAINS DORM**

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- a. Space to accommodate (2) beds and (6) personnel lockers similar to other dorms. Beds to have down light at head. Provide wall to separate the two areas and privacy curtains. Need jacket hook.
- b. 24" w. x 24" d. x 72" h. personnel locker one for each shift. Provide with locks, drawers & clothes rod.
- c. Area should be convenient to office and alarm/dispatch.
- d. Direct-glue down commercial grade carpet with rubber base.
- e. HVAC zone common with dorm functions only.

**2. CAPTAINS DORM BATH**

- a. (1) Shower & Door
- b. (1) Water closet
- c. (1) Urinal
- d. (1) Lavatory & Mirror
- e. (1) Medicine cabinet
- f. Linens storage
- g. G.F.I.C. electrical outlet
- g. Locking door.
- h. Paper Towel Dispenser/Waste Receptacle

**3. RESCUE DORMS**

- a. Space to accommodate (3) beds and (9) personnel lockers, similar to other dorms. Beds to have down light at head. Provide wall(s) and privacy curtains to separate the sleeping areas.
- b. 24" w. x 24" d. x 72" h. personnel locker one for each shift. Provide with locks, drawers & clothes rod
- c. Direct access to Rescue Alarm/Dispatch Alcove and Emergency Medical Office.
- d. Direct- glue down commercial grade carpet with rubber base.
- e. HVAC zone common with Rescue Dorm Bath.

**4. RESCUE DORM BATH**

- a. (1) Shower & Door
- b. (1) Water closet
- c. (1) Urinal

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- d. (1) Lavatory & Mirror
- e. (1) Medicine cabinet
- f. Linens storage
- g. G.F.I.C. electrical outlet
- i. Locking door.
- j. Paper Towel Dispenser/Waste Receptacle

**5. ENGINE DORM 1**

- a. Space to accommodate (4) beds and (12) personnel lockers, similar to other dorms. Beds to have down light at head. Provide screen wall(s) and privacy curtains to separate the sleeping areas.
- b. 24”w. x 24” d. x 72”h. personnel locker one for each shift. Provide with locks, drawers & clothes rod.
- c. (1) desk unit (instead of study room) for each (4) person dorm.
- d. Convenient access to alarm/dispatch.
- e. Direct-glue down carpet with rubber base.
- f. HVAC zone common with Engine Dorm Bath ONLY.

**6. ENGINE DORM BATH 1**

- a. (1) Shower & Door
- b. (1) Water closet
- c. (1) Urinal
- d. (1) Lavatory & Mirror
- e. (1) Medicine cabinet
- f. Linens storage
- g. G.F.I.C. electrical outlet
- h. Locking door.
- k. Paper Towel Dispenser/Waste Receptacle

**7. LADDER DORM 2**

- a. Space to accommodate (4) beds and (12) personnel lockers, similar to other dorms. Beds to have down light at head. Provide screen wall(s) and privacy curtains to separate the sleeping areas.
- b. 24”w. x 24” d. x 72”h. personnel locker one for each shift. Provide with locks, drawers & clothes rod.

- c. (1) desk unit (instead of study room) for each (4) person dorm.
- d. Convenient access to alarm/dispatch.
- e. Direct-glue down carpet with rubber base.
- f. HVAC zone common with Engine Dorm Bath ONLY.

**8. LADDER DORM BATH 2**

- a. (1) Shower & Door
- b. (1) Water closet
- c. (1) Urinal
- d. (1) Lavatory & Mirror
- e. (1) Medicine cabinet
- f. Linens storage
- g. G.F.I.C. electrical outlet
- h. Locking door.
- 1. Paper Towel Dispenser/Waste Receptacle

**V. SPECIAL EQUIPMENT AND SYSTEMS**

**A. FIRE SPRINKLER SYSTEM:**

- 1. Per NFPA and Fire Codes
- 2. Fire riser typically located in engine apparatus bay with wall mounted post indicator valve.

**B. FIRE ALARM SYSTEM:**

- 1. Per NFPA and Fire Codes
- 2. Fire alarm control panel located in captain's office for viewing.
- 3. Fire alarm power supply and wireless antenna or dedicated phone line dial up located in tele/elec. Room.

**C. COMPRESSED AIR:**

- 1. Overhead hose reels convenient to all equipment.

**D. COMMUNICATIONS/ALARM:**

- 1. Voice announcement of alarms and automatic lighting in zones initiated by computer aided dispatch (CAD) system. All interior and exterior speaker locations to have dual speakers with dual wiring in common conduit home runs. One set of speakers dedicated to land line communication. One set of speakers (redundant) dedicated to radio vocal communication.

Provision for exterior audible announcements must be included.

2. Acknowledgment

- a. Radio microphone at alarm/dispatch station
- b. Portable, hand-held equipment

**E. STATION INTERNAL COMMUNICATIONS:**

- 1. "Meridan" telephone system with standard fire station phone line configuration and features.
  - a. Phone Locations:
    - 1. To be determined in schematic design phase
  - b. Paging System Zones:
    - 1. All indoor/outdoor areas
  - c. Data Locations
    - 1. To be determined in schematic design phase

**F. EMERGENCY PHONE:**

- 1. Visible and accessible to front of building and at visitors entrance. Furnish and install phone sign with instructions in English and Spanish.

**G. EMERGENCY POWER:**

- 1. Automatic transfer switch, self-contained fuel supply for 24 hours minimum electrical load.
- 2. Locate generator remote from building in separate enclosure.
- 3. Connected load shall include entire fire station electrical demand.

**H. EXHAUST REMOVAL:**

- 1. Direct connect exhaust removal system (Plymovent System) attaching to vehicle exhaust pipe and activated by vehicle key wireless start-up. Automatic detachment of inflation bladder when vehicle exits bay (Plymovent System).

**I. WATER:**

- 1. Drinking water to be filtered.
- 2. Ice machine to be filtered (200 gal. / day capacity and 400lb ice bin)
- 3. Apparatus bays:
  - a. 2 ½" hose bibb (truck fill) with national standard threads between overhead doors in large apparatus bay.
  - b. Standard hose bibbs between overhead bay doors (inside, front & rear)
  - c. (1) Standard hose bibb supplying filtered water for filling coolers.
  - d. Outdoor hose bibbs accessible to all areas with 75' hose, 3/4" supply.

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- e. Irrigation by CSN standard automatic system.
- f. (2) Drinking fountains.
- g. Hot water recirculation system for living areas.

**J. LIGHTING:**

Consider various uses of spaces which include both classroom/office type functions and lounge/residential qualities. Fluorescent lighting will affect light spectrum. Direction of light should consider preventing ‘ spill’ into other areas, particularly in sleeping areas. Placement of windows for natural lighting or vision should consider the effect of different lighting conditions. Provide window coverings for light control in livable space (vinyl vertical blinds have worked well in the past).

**K. SIGNS:**

Provide interior room signs with number all areas. Provide exterior address and building identification.

**VI. SITE REQUIREMENTS**

**A. SITE SIZE REQUIREMENT:**

To be determined by available parcel criteria. Typically 250’wide. x 250’deep = 1.5 acres ±. With development of the design lot size requirement may be revised. Front set back for the building needs to be 50’ minimum. Vehicle ingress drives (20’ wide min.) should allow two-way traffic for employee vehicles and return of fire equipment to rear of respective bays for “ drive through access”. The largest fire equipment in the current inventory requires a turning radius of 55’.

**B. ON SITE PARKING:**

Parking should be provided for (4) visitors. Staffing at the station will be a maximum of (13) persons. The maximum parking demand conditions occur each morning during shift changes (7:30a.m.) which require, at most, double the number of employee vehicles. If feasible within the budget and site constraints, 26 employee parking spaces should be provided. During shift change personnel can move to provided parking as spaces clear from the relieved shift. Front/rear response drives and primary circulation drives are not to be considered for temporary parking. Also, parking lot directional signage is required. Provide outdoor staging area for reserve engine or ladder truck.

**C. OUTDOOR EMPLOYEE LIVING/RECREATION:**

Spaces should include:

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1. Patio with cover. Natural gas outlet for barbecue.
2. Shaded space for 8'-0" long Picnic table.
3. 120v electrical receptacles at each light pole, a hose bibb within usable reach of a 75' hose and adequate drainage are needed for this area.
4. Outdoor utility areas need to include a trash dumpster location convenient to kitchen area and a secure emergency generator enclosure.
5. Building identification requirements include a lighted building sign and address, lighted flagpole, visitor parking and visitor entrance identification.
6. Exterior building and site lighting should be provided for general illumination and security on an automatic sensor. Outdoor activity areas need increased lighting level capability appropriate to use.
7. Communications provisions for outdoor functions are to include announcement of alarm calls, paging of personnel, and an exterior fire call phone.
8. Secured areas of site should be by means of a 6' high screen wall at adjoining properties.

Provision for

future metal security fencing and automatic gates may be part of this program.

**D. EMERGENCY EGRESS:**

1. Flashing Emergency Traffic Lights may be required for traffic control per traffic engineer.
2. Opticom signal change system may be required for traffic control per traffic engineer .

## VII. START UP FURNISHINGS AND EQUIPMENT

- (3) Captain office work stations
- (1) Rescue Desk
- (1) Fire Prevention Desk
- (4) Lateral File Cabinets
- (4) Book shelves
- (5) Office Chairs
- (7) Stackable Chairs
- (15) Rolling Chairs
- (2) Kitchen Tables
- (2) Small tables Day Room
- Marker Boards
- Bulletin Cork boards
- Telephones & Telephone System
- Computer Network Equipment
- Radio System Equipment
- Computer Aided Dispatch System
- 802.11 Wireless System
- (5) Desktop Computers & Monitors
- Computer supplies
- (2) Network Printers
- (1) Fax machine
- (1) Mail box
- (1) Dedication plaque
- General Office supplies
- (13) Mattress Sets
- (13) Bed frames
- (13) Pillows



(13) Mattress Covers  
(13) Bed spreads  
(13) Night stands  
(13) Headboards  
Kitchen equipment i.e., dishes, plates, bowls, glasses, cooking bowls, cooking pans, fry pans, pots, bake pans, cooking utensils, spatulas, cutlery, mashers, stove cleaners, mixers, slickers, coffee makers, supplies, toasters, etc.  
TV stands wall mount  
Door stoppers  
Chair rails  
(3) Refrigerators  
(8) Recliners  
(2) Vacuums  
(2) Flags  
Water hoses, nozzles  
Station linen- towels, sheets, pillow cases, blue rags, red grease rags  
Fitness equipment  
Fire hose for racks  
Outdoor Barbecue Unit  
Picnic Bench  
Floor mops, squeegees  
(2) Portable EMS carts  
Stock stations supplies i.e. soap, cleaners, toilet paper, paper towels, etc.  
Bio-Hazard Storage Mini-shed.

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EXHIBIT 8  
NSHE CONSTRUCTION PROGRAMMING

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# College of Southern Nevada

## Design Program for Institutional Space

August 25, 2008

### I. INTRODUCTION

This document is an initial description of the construction program for the CSN Instructional Space within the building shared with the City of Las Vegas Fire Station to be located at the southwest corner of the Charleston campus. The program identifies the types of spaces that will be incorporated into the new facility, and is not meant to be an exact listing.

### II. SPACE REQUIREMENTS

#### B. Smart Classrooms

##### 1. 40 Person Classroom

- a. Space for (40) students tables (24" deep x 60" / 2 students)
- b. Provide minimum 4' x 12' wide whiteboard
- c. Provide Projector and ceiling mounted electric projection screen
- d. Provide "smart classroom" podium with "smart Classroom" components (DVD/VCR/touch screen/ etc)
- e. Flooring – carpet
- f. Ceilings – acoustical tile, 10'-0" AFF
- g. lighting controls – occupancy sensors

##### 2. 30 Person Classroom

- a. Space for (30) students tables (24" deep x 60" / 2 students)
- b. Provide minimum 4' x 12' wide whiteboard
- c. Provide Projector and ceiling mounted electric projection screen
- d. Provide "smart classroom" podium with "smart Classroom" components (DVD/VCR/touch screen/ etc)
- e. Flooring – carpet
- f. Ceilings – acoustical tile, 10'-0" AFF
- g. lighting controls – occupancy sensors

#### C. Administrative Areas

##### 1. Offices

- a. Space for (1) L-shaped desk, (3) chairs, (1) filing cabinet and (2) bookcases
- b. Flooring – carpet
- c. Ceilings – acoustical tile, 9'-0" AFF
- d. Lighting controls – occupancy sensors

#### C. General

1. Security cameras throughout CSN institutional areas.
2. Wireless network throughout CSN institutional areas.
3. Provide informational monitors throughout corridors.

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4. Provide electronic access system to CSN institutional areas.
5. Sprinkler system and fire alarm system
6. Corridors - 6'-0" wide preferred, 5'-6" wide minimum.
7. Corridors to have vending machine alcove.
8. Corridor Flooring – carpet or tile with entry matt at exterior vestibule

#### **D. Utility programming**

- a. HVAC equipment – Initial investigation indicates that the HVAC system can be rooftop package units zoned between the CSN instructional space and the CLV fire station.
- b. Electrical – The building will be designed and constructed to be set up on a multi-meter system (similar to what is done in shopping centers with multiple tenants), so separate metering will occur for the CSN instructional space and the CLV fire station.
- c. Gas – gas utility installation and piping will also be installed so that the CSN space and the LCV fire station space is put onto separate meters. The cost of the additional meter is minimal.
- d. Sewer – the sewer lines are not metered, and the Operating Agreement will address this cost allocation.
- e. Water – water utility installation and piping will also be installed so that the CSN space and the CLV fire station space is put onto separate meters. The cost of the additional meter is minimal. The water connection fees are separate from the meters; these will have to be paid regardless of how many meters there are.

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