

BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE Sale of a portion of Real Property Located at 4505 S. Maryland Parkway - UNLV Maryland Campus

MEETING DATE: March 9-10, 2023

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

General Background Information

Pursuant to Title 4, Chapter 10, Section 1(9), Table 9.1, Board of Regents' Handbook, UNLV is granted the ability to negotiate the sale of real property (as set forth below, subject to the Chancellor's authorization. In a memorandum dated December 2, 2022, UNLV requested the Chancellor's authorization to negotiate the sale of a portion of property located at 4505 South Maryland Parkway, commonly known as the UNLV Maryland Campus (the "**Campus**"), bearing Clark County Assessor Parcel Number 162-22-402-003 (the "**Property**"). Under the proposed sale, the Boring Company, (the "**Buyer**") would purchase the Property to construct a station as part of the "Vegas Loop" transportation system to be constructed by the Buyer. The Property is located at located at the corner of Tropicana and University Center Drive, and consists of approximately 1.3 acres (56,628 square feet) of land with improved surface parking facilities. "Attachment A" is the Chancellor executed memorandum to enter into negotiations, and "Attachment B" represents the general location of the Property, to be finalized prior to the execution of any Purchase and Sale Agreement (the "PSA") for the proposed sale described herein.

Clark County and the City of Las Vegas voted unanimously to support the Vegas Loop transportation system. The Vegas Loop project also received a "gold standard" award from Homeland Security. The Vegas Loop stations and tunnels will have security cameras that will be monitored 24 hours a day, seven days a week. The system will serve as a personalized mass transit option consisting of 69 planned stations incorporated into a 65-mile tunnel system. As now envisioned, once fully operational, the Vegas Loop system will serve up to 57,000 passengers per hour at a sample fare rate of \$6.00 to \$12.00.

Rather than lease the Property, the Buyer prefers to own and control the Property, and, as now planned, will own and maintain the Vegas Loop station planned thereon. Tesla vehicles would transport passengers throughout the Vegas Loop system, and the Las Vegas Convention Center (the "**LVCC**") location will serve as a central charging station. The UNLV station planned for the Property would serve as a main connector to Allegiant Stadium and LVCC.

Purpose and Intent

UNLV is proposing sale of the Property for the construction of a Vegas Loop station thereon because it will allow the Buyer to continue planning construction and operation of a Vegas Loop station to connect UNLV to multiple destinations, including the LVCC, Las Vegas Boulevard, Allegiant Stadium, and possibly the Harry Reid International Airport, and Las Vegas Medical District (the "**LVMD**"). The transportation system would also provide UNLV students the ability to commute to employment centers throughout the Las Vegas valley.

Proposed Property Sale Terms

UNLV is currently pursuing outreach efforts to acquire feedback regarding the proposed Vegas Loop station on the Property from students and the general UNLV community. Additionally, UNLV is in the process of negotiating a Letter of Intent (the "**LOI**") with the Buyer and the proposed terms referenced below will be incorporated into the current LOI draft, along with other relevant terms.

The sales price will be no less than the appraised value of the Property, to be determined by a licensed real estate appraiser(s), in accordance with Board of Regents' policies and procedures. The Buyer is aware that UNLV is unable to sell the Property for an amount less than its appraised value. UNLV is also seeking some additional measure of compensation for cost of replacing displaced surface parking. Prior to the final and reconciled UNLV appraisal's one-year expiration date, it will be provided to NSHE Chief General Counsel (or, at the Chief General Counsel's request, NSHE Special Real Property Counsel) for review and final approval.

Should Board of Regents' approval be granted, UNLV and the Buyer will negotiate a PSA and escrow will be opened with a title company. It is anticipated that the PSA will be completed sometime before June 30, 2023. The PSA will require that the Buyer deposit a \$100,000 earnest money deposit into an interest-bearing account with the title company

Form Revised: 1/2018

handling the escrow as part of the PSA terms. At the Buyer's sole expense, due diligence will commence upon execution of a PSA, or, at the Buyer's option, its due diligence may commence prior to the execution of a PSA, subject to indemnifications in favor of, and access agreements with, UNLV. If the Buyer undertakes due diligence of the Property prior to a PSA, it will waive the due diligence period after execution of a PSA. The transaction will close once the PSA terms have been completed (including determining the Property's appraised value, as described above), all of which is estimated to take place by the end of 2023.

Ownership of the Property will revert to NSHE at a time length to be negotiated and agreed to between UNLV and Buyer or in the event the Buyer uses the Property in violation of special conditions, and/or in accordance with reversionary rights to be included in the PSA. Ownership of the Property would also revert back to UNLV should development/construction completion and/or subsequent commencement of continuous and standard passenger service operations not be met.

Buyer will be responsible for preparing and submitting to the appropriate authority entitlement applications, requests for building permits and other items associated with the development, construction or operations of the Property and any improvements located thereon.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

UNLV President Keith E. Whitfield requests Board approval to sell the Property which is a portion of Clark County Assessor Parcel Number 162-22-402-003. UNLV further requests the Chancellor be authorized to finalize, approve, and execute a Purchase and Sale Agreement, and any other ancillary agreements required to implement the sale of the Property, including but not limited to conveyances, easements, and right of ways. All aforementioned agreements shall be reviewed and approved by NSHE General Counsel (or, at the Chief General Counsels request, NSHE Special Real Property Counsel) in order to implement the terms and conditions required to finalize purchase of the Property.

4. IMPETUS (WHY NOW?):

UNLV is pursuing this item, as it will allow The Boring Company to continue planning construction and operation of a Vegas Loop station that would connect the Campus to multiple destinations, including the LVCC, Las Vegas Boulevard, Allegiant Stadium, and possibly Harry Reid International Airport, and the Las Vegas Medical District (the "LVMD").

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

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

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Construction of the transportation station and operation of a Vegas Loop system is planned to connect the UNLV campus to multiple destinations, which will likely include the LVCC, Las Vegas Boulevard, Allegiant Stadium, and possibly the Harry Reid International Airport, and LVMD. The transportation system would also provide UNLV students with the opportunity to commute to employment centers throughout the Las Vegas valley.

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- UNLV will receive at least appraised fair market value compensation for sale of the Property and replacement parking, if a sale is concluded.
- The Buyer's transportation system station will provide service from the UNLV campus to multiple destinations, which will likely include the convention center, Las Vegas Boulevard, and possibly Allegiant Stadium, Harry Reid International Airport, and LVMD.
- The terms of the land sale would include the Buyer investigating the possibility of a Vegas Loop station in the LVMD which would support enhancements to transportation options between the Campus, the UNLV Shadow Lane Campus, and LVMD.
- The location of a Vegas Loop station on the Property will provide students with another transportation option for accessing employment centers throughout the Las Vegas valley.

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Property will be unavailable for current surface parking needs and future UNLV development.

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

Don't sell property.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

10. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1(9), Table 9.1
 Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
 Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
 Other: _____
 Fiscal Impact: Yes X No _____

Explain: Proceeds from the sale of the Property will support replacement of lost surface parking, with an estimated loss of parking revenue in excess of \$25,000.

ATTACHMENT "A"



UNIVERSITY OF NEVADA, LAS VEGAS

DATE: December 2, 2022

TO: Dale A.R. Erquiaga, Acting Chancellor, NSHE

FROM: Keith E. Whitfield, President, UNLV ^{DS} *KEW*

CC: Jean Vock, Senior Vice President for Finance and Business and CFO, UNLV ^{DS} *JV*
 Elda L. Sidhu, General Counsel, UNLV *ES*

RE: Authorization to Negotiate the Sale of Real Property Located at 4505 S. Maryland Parkway-A portion of Assessor's Parcel Number 162-22-402-003

Under the terms of Board of Regents' Handbook Title 4, Chapter 10, Section 9(a), UNLV requests your authorization to commence negotiations to sell real property located at 4505 S. Maryland Parkway, approximately 1.3 acre portion of Assessor Parcel number 162-22-402-003 (the "Property").

The Boring Company has requested the ability to purchase this property to allow them to complete a transportation system station, as a part of the broader Las Vegas Loop system development, and as a site from which to construct and develop a station for the Vegas Loop system. If at any time the Vegas Loop were to discontinue use of the site as a station for the Vegas Loop system or other affiliated transportation system the deed will carry reversionary rights to NSHE/UNLV.

The Property is a total of 1.3 acres of land containing 56,628 square feet of improved parking lot.

As per Board of Regents policy, the terms of any Purchase and Sale Agreement, including purchase price, would be contingent upon Board of Regent approval.

Please contact the UNLV Real Estate Department at 702-895-2537 with any questions or should additional information be required.

Thank you.
APPROVED:

Dale A.R. Erquiaga

Dale A.R. Erquiaga, Acting Chancellor, NSHE

12/5/22

Date

Box 451001 • 4505 S. Maryland Parkway • Las Vegas, NV 89154-1001 • Tel: 702-895-3201 • Fax: 702-895-1088

ATTACHMENT "B"



The purpose of this sale would be to allow the Boring Company to develop and construct a station as a part of the Vegas Loop system that is being developed. The Vegas Loop is scheduled to have connections to multiple destinations in the Las Vegas Valley, including the Las Vegas Convention Center, multiple stops along Las Vegas Boulevard, Allegiant Stadium, with other possible future sites at the Harry Reid International Airport and the Las Vegas Medical District.

The area depicted on this map is for example only to show the amount of area to be sold to The Boring Company. The final location will be determined after final development plans and approval from Clark County with regard to the Divergent Diamond Interchange as well as final planning for UNLV's new branding and signage plans after the Interchange planning is complete.