

# BOARD OF REGENTS BRIEFING PAPER

**1. AGENDA ITEM TITLE:** Sale of a Portion of Real Property located at 851 E. Tropicana Avenue, Clark County, Nevada – Former UNLV Paradise Campus Location

**MEETING DATE:** June 6-7, 2024

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

### General Background Information

At the December 1-2, 2022 Board of Regents meeting, the Board of Regents granted UNLV the ability to sell, to the Clark County Department of Aviation (the “CCDOA”), an approximately 10.18 acre parcel of real property located at 851 E. Tropicana Avenue, bearing Clark County Assessor Number 162-27-501-002 (the former UNLV Paradise Campus site – the “**UNLV Paradise Campus**”). In January 2024, the CCDOA advised UNLV that it no longer had an interest in purchasing the UNLV Paradise Campus.

Separately, UNLV was granted the ability by the Board of Regents at the May 9-10, 2023 Board of Regents meeting to sell approximately 1.3 acres of land on the Maryland Campus (the “**UNLV Maryland Campus**”) at the northeast corner of Tropicana Avenue and University Center Drive, Clark County, Nevada, to The Boring Company for the purpose of constructing a station as part of its underground transportation system known as the Vegas Loop (“**Vegas Loop**”).

Given that the UNLV Paradise Campus was no longer subject to a Purchase and Sale Agreement (with the CCDOA, as authorized by the Board of Regents at its December 1-2, 2022 meeting, UNLV assessed other opportunities to sell a portion of the UNLV Paradise Campus. In follow-up discussions with The Boring Company, the northwest corner of the property was identified as a potential suitable alternative option to the UNLV Maryland Campus interior site authorized for a property sale at the May 9-10, 2023 Board of Regents meeting for The Boring Company to construct and operate a Vegas Loop station in the UNLV Maryland Campus area. In support of this alternative site option, in April 2024, the Chancellor authorized UNLV to negotiate the sale of an approximately 2.35 acre portion (approximately 102,400 square feet) of the UNLV Paradise Campus (the “**Property**”), pursuant to Title 4, Chapter 10, Section 1(9), Table 9.1 of the Board of Regents’ Handbook.

On this basis, UNLV is requesting the Board of Regents’ approval to sell the Property to The Boring Company and/or The Boring Company’s Nevada limited liability company, OBJECT DASH (the “**Buyer**”). The general location and configuration options of the portion of the UNLV Paradise Campus property proposed for the sale authorization, as well as a proposed surface access easement, are noted in “Attachment A.”

The acreage of the Property to be sold any and any easements to be granted may be adjusted, potentially increasing nominally, to account for existing Property easements and their impacts of future development capability of portions of the Property. The basis of any size and price adjustment of the final property area subject to an authorized sale is anticipated to be done on a “per square foot” basis for any necessary property, easement, price, or other adjustments.

The sale also includes UNLV granting a surface access easement at the Property as noted in this briefing paper, to access the current Tropicana Avenue driveway at the UNLV Paradise Campus, with the ability to reconfigure this surface easement if this driveway location or on-site access drive should change in the future, and a subsurface easement for a small portion of the Buyer’s subsurface tunnel at or near University Center Drive, for tunnel alignment and curvature purposes, on a portion of real property located at 4505 S. Maryland Parkway, Assessor Parcel Number 162-22-308-009 and 4646 University Center Drive, Assessor Parcel Number 162-22-308-001 (collectively, the “**Easements**”). “Attachment B” represents the general location of the subsurface easement, to be finalized prior to the execution of any Purchase and Sale Agreement (“PSA”). The request for Board of Regents approval to sell the Property includes a request for Board of Regents approval to grant the respective Easements.

Under the proposed sale, the Buyer would purchase the Property to construct and operate, at the Buyer’s sole expense, a station (the “**Station**”) at the Property that will be part of the Vegas Loop which the Clark County Board of County Commissioners have voted to support in past public hearings. The Station is still anticipated to be part of the broader Vegas Loop transportation system, with existing and additional planned or anticipated stations at locations such as the Las Vegas Convention Center, Allegiant Stadium, Harry Reid International Airport, the Las Vegas Medical District (the “**LVMD**”), Las Vegas Boulevard/Strip hospitality properties, downtown Las Vegas locations, major retail/commercial properties and other locations, where this transportation system would be of utility and value to UNLV students, faculty, staff, guests and visitors as a transportation and mobility option in the Las Vegas Valley. Vehicle charging and maintenance activities for

the Vegas Loop continue to be expected to be conducted at a Las Vegas Convention Center station and operations support location intended for this purpose.

The Property is located at the southeast corner of Tropicana Avenue and University Center Drive, Clark County, and directly south of the UNLV Maryland Campus. UNLV will retain ownership of approximately 7.83 acres of the original 10.18 acre UNLV Paradise Campus parcel, which is adjacent to the Property. The PSA negotiations will include the possibility of several use restrictions at the Property, including items such as:

- No educational uses or occupants other than UNLV.
- No cannabis related uses or businesses.
- No liquor store or liquor distribution uses or businesses.
- No sexually oriented businesses.
- Other potential use restrictions as desirable to UNLV, and agreeable by UNLV and the Buyer.

Relocating the Station from the UNLV Maryland Campus interior location previously approved by the Board of Regents is mutually beneficial to UNLV and the Buyer, for the following reasons:

- The proposed UNLV Paradise Campus Station site is not internal to the UNLV Maryland Campus, resulting in significant general simplification of impacts to the UNLV Maryland Campus, a reduction of necessary associated easements, simpler development/management impacts and operational considerations to both UNLV and the Buyer, related to the development and operation of the Station.
- The close proximity of the proposed UNLV Paradise Campus Station site is directly adjacent to the UNLV Maryland Campus, maintaining the ability for UNLV Maryland Campus occupants and users to easily access the Station at the proposed UNLV Paradise Campus site.
- With the proposed UNLV Paradise Campus Station site not being within the UNLV Maryland Campus, UNLV is able to offer more flexibility to the Buyer related to supporting Station activities and services at the site that are much less likely to conflict with UNLV Maryland Campus contracts for similar activities and services, such as ancillary food services and other items.
- UNLV's ownership of the approximately 7.83 acres of the remaining land adjacent to the proposed UNLV Paradise Campus Station site provides opportunities to UNLV for the development of this adjacent land to be conducted in a manner that is complementary to the Property and beneficial to UNLV.

#### **Proposed Property Sale Terms**

The sales price will be no less than the appraised value of the Property and Easements, 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. The appraisal and any subsequent reconciled appraisals or associated items 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.

Prior to closing the Property sale, a Commercial Subdivision Map (the "**Map**") will be required in order to subdivide the Property from the larger parcel that UNLV will continue to own (approximately 7.83 acres). UNLV and the Buyer will mutually engage a surveyor to prepare the map, at the Buyer's sole expense. It is estimated it will take at least nine (9) months for the map to be finalized therefore the sale, if authorized, is anticipated to be completed no earlier than the second (2<sup>nd</sup>) quarter of 2025.

UNLV intends to negotiate a right of first refusal that will allow UNLV to repurchase the Property, should the Buyer decide to sell it. Any future repurchase of the Property by UNLV would be presented for approval in accordance with the Board of Regents' policies and procedures.

UNLV also intends to work with the Buyer to determine connectivity approaches and options from the Station at the Property to the UNLV Maryland Campus, and other items that may enhance access to the Station for UNLV students, faculty, staff, visitors and other stakeholders.

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

UNLV President Keith E. Whitfield requests Board of Regents approval: (1) to sell an approximately 2.35 acre portion of real property located at 851 E. Tropicana Avenue, bearing Clark County Assessor Number 162-27-501-002, and potentially a nominally larger portion once the property boundaries are determined upon final assessment of the station layout and existing property easements are completed; (2) to grant a surface access easement located at such property, and; (3) to grant a subsurface easement on a portion of real property located at 4505 S. Maryland Parkway, Assessor Parcel Number 162-22-308-009 and 4646 University Center Drive, Assessor Parcel Number 162-22-308-001. President Whitfield further requests the Chancellor be authorized to finalize, approve, and execute a purchase and sale agreement,

easements, and any other ancillary agreements, including but not limited to, conveyances, easements, and rights of way. All the aforementioned agreement(s) shall be reviewed and approved by NSHE Chief General Counsel (or, at the Chief General Counsel's request, NSHE Special Real Property Counsel) in order to implement the terms and conditions required to finalize the sale of the property and easements.

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

As a result of CCDOA's determination in January 2024 that it no longer had an interest in purchasing the UNLV Paradise Campus, UNLV considered other options to sell, use, or lease the UNLV Paradise Campus. Moving the location of the Buyer's Vegas Loop Station at UNLV, from the prior approved site on the UNLV Maryland Campus, to a portion of the UNLV Paradise Campus, was mutually agreeable and beneficial to UNLV and the Buyer. This item is timely related to UNLV planning considerations, and the Buyer's planning and development timing for the Vegas Loop and specific stations associated with the Vegas Loop.

**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 21<sup>st</sup> 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**

UNLV is pursuing the sale of the Property as it will allow the Buyer to construct a Vegas Loop Station that would connect the UNLV Maryland Campus to multiple destinations, including locations that currently have, or are in discussions to have a Vegas Loop station, such as Las Vegas Convention Center, Allegiant Stadium, Harry Reid International Airport, the LVMD, Las Vegas Boulevard/Strip hospitality properties, downtown Las Vegas locations, major retail/commercial properties and other locations. The Vegas Loop transportation system will increase transportation and mobility options available to UNLV students, faculty, staff, guests and visitors in the Las Vegas Valley

**6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- UNLV will receive no less than appraised fair market compensation, based upon an appraisal provided by a licensed real estate appraiser(s), and any subsequent reconciliation appraisals as are necessary, in accordance with Board of Regents' policies and procedures, for the sale of the Property and Easements, if a PSA is agreed to by UNLV and the Buyer.
- The Buyer's Vegas Loop will provide service from the UNLV Maryland Campus to multiple destinations, including locations that currently have, or are in discussions to have a Vegas Loop station, such as Las Vegas Convention Center, Allegiant Stadium, Harry Reid International Airport, the LVMD, Las Vegas Boulevard/Strip hospitality properties, downtown Las Vegas locations, major retail/commercial properties and other locations. The Vegas Loop will increase transportation and mobility options available to UNLV students, faculty, staff, guests and visitors in the Las Vegas Valley.
- The close proximity of the Vegas Loop station to the UNLV Maryland Campus will provide students with another transportation and mobility option for accessing employment, entertainment, recreation, sports and other centers throughout the Las Vegas Valley.

**7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

None noted.

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

The Board does not approve the sale of the Property, in which case UNLV will review potential others uses and/or options to lease or sell a portion, or the entirety, of the UNLV Paradise Campus.

**9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:**

The Chancellor's Office recommends for approval.

**10. COMPLIANCE WITH BOARD POLICY:**

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

- Amends Current Board Policy: Title # \_\_\_\_\_ Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
- Amends Current Procedures & Guidelines Manual: Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
- Other: \_\_\_\_\_
- Fiscal Impact: Yes \_\_\_\_\_ No X \_\_\_\_\_

Explain: There is no fiscal impact related to Title 4, Chapter 9, Section D of the Board of Regents Handbook. Any revenues generated from the sale of the Property will first be used to repay the abatement and demolition cost expended for former UNLV Paradise Campus buildings, with any remaining revenue used to reimburse any Capital Improvement Fee allocations for costs associated with relocation of former UNLV Paradise Campus occupants, not to exceed \$11,606,461.

**“Attachment A”**

**General Location and Configuration Options of the Property and Surface Access Easement**



**“Attachment B”**

**General Location of the Subsurface Easement**

