

CITY OF NORTH LAS VEGAS MEETING AGENDA ITEM

NUMBER: 2.	
SUBJECT: Approve Agreement to Terminate Outdoor Lease with Clear Channel Outdoor, Inc. for Billboard on Parcel Located at 1909 Las Vegas Blvd. N. (Ward 1-Barron) (For Possible Action)	
REQUESTED BY: Jared Luke, Government Affairs Director	WARD: 1 - Councilman Barron
RECOMMENDATION OR RECOMMEND MOTION: Approve the Agreement to Terminate Outdoor Lease with Clear Channel Outdoor, Inc..	
FISCAL IMPACT: AMOUNT: n/a EXPLANATION:	ACCOUNT NUMBER:

STAFF COMMENTS AND BACKGROUND INFORMATION:

The City of North Las Vegas Redevelopment Agency (RDA) purchased real property located at 1909 Las Vegas Blvd. North (APN 139-23-310-054) (Property) from Makenzie Corporation, Inc. (Makenzie) on September 29, 2007. Makenzie had previously entered into a lease agreement with Clear Channel Outdoor, Inc. (CCO) in 2004 for the purpose of CCO erecting a billboard on the Property (Lease). The term of the Lease between Makenzie and CCO was for 10 years commencing on February 1, 2004. The Lease was renewed in 2014 for another ten year term through 2024. The lease rate during the initial 10-year term and the renewal 10-year term was \$2,400 per year except for the period of July 1, 2009 through June 30, 2011 when the annual rent was reduced to \$2,000 per annum pursuant to an Amendment to the Lease effective July 1, 2009.

When the RDA acquired the Property from Makenzie in 2007, Makenzie represented that there were no leases, tenancies, options, rights, licenses, or other agreements applicable to the Property. Despite the sale of the Property to the RDA in 2007, CCO continued making lease payments to Makenzie. CCO has never made payments to the RDA and the RDA has never received payments from CCO or Makenize related to the Lease.

In January 2022, the RDA entered into a Purchase and Sale Agreement with KL QOZB II, LLC (Purchaser) for the sale of 59 parcels of real property owned by the RDA (Pending Transaction). The Property is included in the Pending Transaction. On April 14, 2022, the RDA and Purchaser agreed to extend the closing of the Pending Transaction and the Pending Transaction is expected to close on or before May 24, 2022.

The RDA and CCO desire to resolve any outstanding issues concerning the Lease. Under the Agreement to Terminate Outdoor Lease (Agreement), the RDA and CCO agree that the Lease will be terminated as of the Agreement's effective date. Under the Agreement, CCO agrees to remove the billboard and all associated fixtures, connections, and other equipment on the Property installed pursuant to the Lease on or before June 1, 2022 and the City agrees to waive any rights to any outstanding payments associated with CCO's construction, use, and operation of the billboard on the Property.

LIST CITY COUNCIL GOAL(S): Well - Planned Quality Growth; Pivotal Development and Redevelopment; Economic Development		
PREPARED BY: Jared Luke Government Affairs Director	Respectfully Submitted Ryann Juden City Manager	MEETING DATE: 5/4/2022