

# COMMERCIAL CENTER BUSINESS ASSOCIATION VS. CLARK COUNTY REDEVELOPMENT AGENCY

## Report to The County Commission

[http://accessclarkcounty.com/comprehensive\\_planning/Redevelopment.htm](http://accessclarkcounty.com/comprehensive_planning/Redevelopment.htm)

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1. Three locations, and their surrounding neighborhoods, Maryland Square, Sahara/Boulder Highway and Commercial Center have been selected as the Sub-Areas which will comprise the Clark County Redevelopment Area. The Blight Study extensively details the conditions of blight which currently prevail within the selected Redevelopment Area boundaries.
2. However, in general, the three proposed Sub-Areas represent the most distressed locations in the County.
3. The three Sub-Areas exhibit physical characteristics of blight including decline and deterioration, age, obsolescence, vacant and dilapidated structures, burned-out building, faulty planning and overcrowding. From a planning perspective this area also exhibits many blight characteristics. Commercial center's multiple ownership, overcrowding, and public ownership of the parking lot combine to make comprehensive upgrading of deteriorating property extremely difficult without a redevelopment agency. Social problems in the selected areas are characterized by a high incidence of crime, relatively low incomes, a high concentration of minority residents and a high incidence of multi-family residential property. Finally, the Maryland/Sahara Area was selected because it has many problems that can only be addressed through the capabilities unique to a Redevelopment Agency. The physical blight consists of many older buildings suffering from physical decline and deterioration. Multiple ownership has stymied numerous attempts to comprehensively assemble land to remedy economic, physical, and social problems. These problems extend to surrounding neighborhoods to the west of Commercial Center which were built in the early 1960's and exhibit considerable deterioration. These problems also impact the quality of life of the neighborhood to the south producing the classic redevelopment problem of decay and deterioration spreading to surrounding neighborhoods until they also decline. However, the fact that Commercial Center is large, Clark County retains ownership of the parking lot, and it is strategically positioned along a highly traveled traffic corridor, provides considerable hope that this area will be successfully improved.
4. Furthermore, the properties directly east of Commercial Center, and those west of Commercial Center contiguous to Paradise Road and the Strip, though not blighted, have been included in the Area I because they are necessary for the effective redevelopment of the Sub-Area as a whole. Commercial Center and the surrounding properties are an area in transition. Large residential and commercial projects such as Madison Towers are likely to be constructed near the smaller existing residential neighborhood and Commercial Center. This more intensive development will impact this area in a number of ways. Traffic will increase significantly, density will rise, and the potential gentrification of the area could begin.

5. The former Maryland Square Shopping Center Area has been selected because it is now a vacant, boarded up and deteriorating former shopping center. This economic stagnation, if not eliminated, will contribute to impaired investment of nearby property and serve as an inviting target for graffiti, homelessness and crime.
6. Finally, the area west of Commercial Center near the Strip contains parcels which are experiencing significant high-income residential development. This proximity means that once the redevelopment agency is functioning efforts can be focused on eliminating current unproductive land uses.
7. In short, the three Sub-Area neighborhoods have been selected for redevelopment because of their blight, and economic deterioration, and because they are being left behind in favor of vastly superior development opportunities elsewhere in the County and region. Also, they have been targeted because previous attempts to remedy the problems in these areas have not been effective. The tools provided to a redevelopment agency are specifically designed for the type of blight and deterioration previously described, and **the Redevelopment Area qualifies under state law for redevelopment assistance, authority, and to conduct redevelopment activities.**

### **2.3 Mandated Requirements**

#### **Total Revenue Paid to a Redevelopment Agency**

8. NRS 279.676 stipulates that the total revenue paid to a redevelopment agency cannot exceed 10% of the total assessed valuation of the municipality. Analysis of the assessed value in the Redevelopment Area reveals its \$319,032,099 represents only .7% of Clark County's total assessed value of \$44,252,345,642.

### **Unimproved Land**

9. 162-10-502-007 Directly south of Sahara Square Shopping Center 2 acres
10. 162-10-502-006 Between Karen Road and Market Street 1 acre
11. Because multiple ownership of Commercial Center may require the capabilities of a Redevelopment Agency to insure successful redevelopment.  
Sub-Area 1 is called Maryland/Sahara and it includes the Commercial Center shopping center and adjacent residential neighborhoods to its west. It also extends west to include the monorail maintenance facility, Turnberry Place the Sahara Hotel, the Hilton Vacation time-share and a large parcel on the southwest corner of Las Vegas Boulevard and the Strip. More specifically, the northern boundary is Sahara Avenue, the southern is generally Karen Avenue and Riviera Boulevard, the eastern is Maryland Parkway and the western is the Circus Circus recreational parking lot parcel lines.  
This proposed Sub-Area reveals a dramatic contrast in incomes from the residents who own luxurious condominiums, to the low, and moderate-income residents of the apartments located west of Commercial Center. While some of the apartments are sound, many are old, obsolete and deteriorating. Crime is persistent, both in this neighborhood and at Commercial Center, and these problems impact the adjacent residential areas. The multitude of owners at Commercial Center, and the unusual arrangement where the

12. County holds title to the common parking lot, has hampered prior revitalization attempts. Finally, the contrast between old development and new, rich and poor, and high profile and obscure residential locations where conditions of blight impact everyone equally, makes this Sub-Area a classic redevelopment consideration.

### **3.2 Physical Conditions**

13. With the exception of the newer development near the Strip, the overall physical condition of the three Project Areas can best be described as aging, obsolete, deteriorating, dilapidated, outdated, and visually blighted. Inconsistent and unattractive signage, burned out buildings, graffiti, and pervasive litter results in a physically unattractive living and business environment. While private sector revitalization efforts have been successful in nearby, targeted sites, decline and deterioration will continue unless the physical problems can be comprehensively addressed.
14. The most significant social problem in the three Sub-Areas is the high incidence of crime. For a variety of reasons these areas have commanded an inordinate amount of the Metropolitan Police Force's time, attention and resources. The nature of crime means it tends to radiate from, and negatively impact, adjacent areas. This pattern is very characteristic of the three Sub-Areas which comprise this Redevelopment Area.

### **3.4 Economic Conditions**

15. The economic conditions of the proposed Redevelopment Area are as varied as the residential characteristics. These economic conditions range from the Sahara Hotel/Casino and Hilton Vacations time-share on the Las Vegas Strip, to national and regional franchises along Maryland Parkway, to small "mom and pop" shops populating Commercial Center and fronting Maryland Parkway. Other uses of interest are the "Wet 'n' Wild" water park, a small neighborhood casino, and several Asian restaurants and numerous churches in Commercial Center.  
Overall economic conditions can be considered stagnant. This stagnation is most evident in an analysis of assessed value growth rates which reveals that only a very few parcels in the proposed Redevelopment Area have increased in value over the past three years. Similar economic stagnation has occurred at Commercial Center resulting in lower than market commercial rental rates. This means that many marginally profitable and legally questionable businesses tend to locate here. In the 1970's this shopping center was one of the most popular in the entire metropolitan area, but it is now scarcely known by many residents. Similar decline has affected many of the uses on Maryland Parkway, despite the continued popularity of the Boulevard Mall, located directly across the street.

## **CLARK COUNTY REDEVELOPMENT AGENCY BLIGHT STUDY**

**ADOPTED November 4, 2003**

### **SECTION I. DEFINITION OF BLIGHT**

16. The rationale behind the State of Nevada enabling laws to create redevelopment agencies resides in NRS 279.416-420. These statutes describe conditions of blight and deterioration that, if prevalent, constitute a menace to the health, safety and welfare of communities. Conditions of blight as delineated in NRS 279.388 are reprinted, verbatim in the box below.

17. These field surveys were conducted on April 8, 9, and 23; May 24 and 29; June 21; October 11, 13 and 19, 2003.
18. Accordingly, the total number of parcels used in this analysis is 307.
19. **Sub-Area 1 – Maryland/Sahara** is generally located between E. Sahara Avenue and Karen, north of Riviera, and from Maryland Parkway west to the Circus Circus recreational vehicle park. This Sub-Area is extremely diverse including commercial properties, high and low-income residential units and a small portion of the Las Vegas Strip. It also includes Commercial Center, a large retail and office complex constructed in the early 1960's, currently experiencing significant decline and deterioration. West of Commercial Center is a five block residential area comprised of numerous apartment buildings, also experiencing decline and deterioration. Further west are several large, vacant parcels located close to the Strip on either side of the Sahara Hotel. The remainder of the area consists of three towers of the newly built Turnberry Towers high rise residential condominium complex, the Sahara Hotel, a new Hilton Grand Vacations resort time share project, Wet and Wild Theme Park, and a few Strip commercial properties.
20. **3.2 Redevelopment Sub-Area 1 – Maryland/Sahara**

This Sub-Area exhibits nearly all of the blight factors the Community Redevelopment Law was created to eliminate. Commercial Center, itself, suffers from deterioration and dilapidation, age and obsolescence, incompatible uses, high incidence of crime, economic and social maladjustment, unproductive land uses, inadequate streets and added costs to the taxpayer. This blight has not been confined to Commercial Center, having impacted the neighborhoods to the south and west, and contributed to further commercial decline to the north. Most unusual, the surface parking lot used by the businesses within Commercial Center is owned by the County via an agreement that emanates from covenants negotiated in 1963. Both the County and many of the private owners struggle to contain the deterioration inherent to properties forty years old.

In contrast, several private sector redeveloped properties are located just east of Commercial Center. Most notable are the Sahara Square neighborhood shopping center, a branch of Bank of America and the popular Las Vegas Athletic Club Fitness Center. Unfortunately, these properties are impacted by the blight which radiates from the nearby Commercial Center. For example, the dumpsters which are left adjacent to Sahara Avenue are a magnet for the homeless, and large amounts of trash are left throughout the area particularly on weekends after sizeable tavern patronage.

Directly west of Commercial Center is a residential area comprised of numerous, large, high-density apartment buildings, some dilapidated and some old but well maintained. Approximately 1,191 units exist on Kendale, Sherwood, Van Patten and Lynwood streets. These residential properties are negatively impacted by the noise traffic and crime from people who would likely not be in the area except for some of the questionable businesses located in Commercial Center and areas north of Sahara within City of Las Vegas jurisdiction.

Between these apartments and Sahara Avenue are a series of unrelated commercial uses, including automotive repair, a restaurant and a small casino. West of this residential area are two large, vacant parcels which are prime development opportunities since they are located adjacent to the Sahara Hotel and contain one of the monorail stops scheduled to begin operation next year.

Continuing south and west, the area changes character as it transitions to Turnberry Place, a high-end residential tower complex. Currently, Turnberry Place consists of two towers, another under construction and plans for a fourth. The Sahara Hotel and Casino, Wet 'N' Wild Water Park, and the new Hilton Resorts time-share project are all clustered along Las Vegas Boulevard. Finally, this Sub-Area includes a series of small tourist related uses along Las Vegas Boulevard, and a large vacant parcel at the southwest corner of Sahara Avenue and Las Vegas Boulevard South.

The most noteworthy trait of this Sub-Area is its variety of uses. While Commercial Center has a high incidence of crime and continued deterioration, some of the adjacent commercial uses are new and invigorated. Similarly, both the low and moderate-income apartment dwellers to the west, as well as long-term residents of the Las Vegas Country Club neighborhood, suffer from the problems originating from Commercial Center.

Most interesting are the improvements currently occurring near this end of the Strip. It is likely that the continuing renovation of the Sahara Hotel, the construction of the Turnberry Towers complex, and the opening of the Hilton Resorts time-share units are the forefront of the revitalization of this area of the Strip. However, while both the eastern and western fringes of this Redevelopment Area are experiencing significant private sector investment, Commercial Center's blight and deterioration threatens to impede these encouraging efforts. Eliminating blight will enable this private sector investment to positively impact other portions of the Redevelopment Area and reverse the gradual decline of the past two decades. The existence of a Redevelopment Agency will serve as a vital component in an effort to insure the recent positive effects are not thwarted by the impact of blight prominent in other parts of this Sub-Area.

21. **SUB-AREA 1:** Commercial Center contains numerous deteriorating structures. It also contains numerous buildings which have exterior canopies which could easily constitute a fire hazard. The most dangerous is the abandoned farmer's market which has an immense porte cochere. This hazard threatens the building itself and is so large that any fire could spread to other deteriorating buildings in Commercial Center.
22. **SUB-AREA 1:** The buildings in Commercial Center whose back doors face Sahara Avenue exhibit inadequate loading areas. Because the businesses on Sahara face inward, a small street or aisle running parallel to Sahara Avenue is the only way for vendors to service the back of these buildings. Consequently, the space to load/unload is cramped and the one-way street or aisle is constantly blocked during morning hours. In short, this design places trash enclosures, which are potential fire hazards, next to the wall of the buildings.

### 23. Unproductive Use of Land



24. The most recent crime statistics are even more revealing. The 2002 combined population of 89109 and 89119 was 98,944 representing 6.3% of the entire county. In the Area in and around Commercial Center and Maryland Square between September 1, 2002 and August 31, 2003 there were 25,142 police calls for service which was 6% of the County total. In line with this number were 306 burglaries (4%), 444 auto thefts (5%), and 315 auto burglaries (6%). However, as the crimes became more violent the numbers increased. For example, there were 42 criminal sexual assaults (6%), 16 incidences of gang activity (8%), 792 assault and batteries (10%), 259 robberies (13%) and 11 homicides (15%), more than double what would be expected.
25. Naturally, with violent crime statistics such as these the private sector is reluctant to invest in redeveloping the area. At the same time, without new private sector investment and revitalization it will be extremely difficult, if not impossible, for law enforcement to reduce these high crime statistics.
26. **SUB-AREA 1:** Sanitation problems are rampant in Commercial Center. This situation can be traced to the arrangement where the County owns the Commercial Center parking lot. The lack of trash enclosures and infrequent pickup service has evolved over the years to the point where dumpsters often far exceed their capacity and are inappropriately placed. Naturally, this situation is conducive to the transmission of disease, odors and threatens the health and welfare of the occupants of the Commercial Center, as well as those in the surrounding neighborhoods. The most visible example occurs daily along Sahara Avenue. Numerous dumpsters line Sahara Avenue becoming a magnet for the homeless and others seeking to reuse trash.
- SUB-AREA 1:** Commercial Center illustrates a design that is a prime example of obsolescence due to outdated building design and layout. The fact that the buildings all face an inner parking lot provides them with no visibility from the well-traveled streets bordering the Center. This lack of visibility inhibits commerce and effectively reduces many of the businesses' economic viability. For example, the going rate for rental space in Commercial Center is approximately \$.50 to \$.60 per square foot. This compares to the average commercial market rate of approximately \$1.00 to \$1.20 per square foot for standard space, up to \$1.50 for better space in more upscale neighborhoods. Ironically, many illegal businesses are attracted to this design because it is more likely that their form of commerce will go undetected. Businesses which can only survive where rents are below the market rate, are the natural result of the questionable long term economic viability of some of the businesses attributable to a site plan that is no longer useful given present day standards.

This design also results in difficult law enforcement. The substantial commercial pad located directly in the center of Commercial Center prevents emergency vehicles from quickly crossing the parking lot. These emergency vehicles are forced to take a circuitous route, at speeds much slower than necessary. They are also forced to weave through vehicles and down aisles filled with cars. Finally, the numerous entrances and exits into Commercial Center make it extremely difficult to control illegal activity, an obvious safety hazard.

Some of the apartments located between State Street and Joe W. Brown Drive exhibit significant decline and deterioration. It is likely this deterioration is inevitable, given the age of the structures in this neighborhood. Most of these buildings were constructed between 1960 - 1963 making them substantially older than the County's median construction date of 1989. These structures are even old for this area as the median construction date in zip code 89109 is 1974 and in 89119 it is 1978.

27. The vacant farmer's market at Commercial Center, the Payless Cashways building at Sahara and Sandhill, and the abandoned businesses at Maryland Square are all prime examples of deterioration and dilapidation. All these buildings are health, safety and fire hazards, prime graffiti targets, magnets for the homeless and refuge for those with criminal intent. The County's Department code could have had these buildings in mind when it developed its unsafe building section of the Fire Code. Section 103.4.5 says, "buildings or structures which are structurally unsafe or not provided with adequate egress, or which constitute a fire hazard or are otherwise dangerous to human life, or which in relation to existing use constitute a hazard to safety or health or public welfare, by reason of inadequate maintenance, dilapidation, obsolescence, fire hazard, disaster damage or abandonments specified in this code or any other ordinance are, for the purpose of Section 103.4.5, unsafe buildings. Such unsafe buildings are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition or removal."

**GENERAL AREAS:** There are several buildings in the three Redevelopment Areas.

Sub-Areas which are relatively new and in excellent or good condition. However, the vast majority are much older and are located where minimal new investment or reinvestment has occurred. Most prominently, the vast majority of the apartment buildings located to the west of Commercial Center require moderate rehabilitation or substantial improvements with a sizeable minority in need of major repairs.

28. This pattern of decline is replicated in Commercial Center where most of the buildings were constructed in the late 1960's or early 1970's. While there are some notable exceptions, significant building deterioration is readily evident. Finally, most of the commercial structures along Sahara from Joe Brown Road to State Street also are in need of moderate to substantial rehabilitation.
29. **SUB-AREA 1:** There are numerous examples of mixed character of uses in Commercial Center including churches, singles clubs, and non-profit offices in prime first floor retail space. For example, reviewing the business licenses in Commercial Center reveals that 28 have a license to serve beer, wine, and/or liquor. The same report indicates that there are 11 churches in Commercial Center a situation that would not be allowed under County distance restrictions currently in effect. In fact, in at least four cases, the churches and the establishments with the liquor licenses are contiguous. And, while it is logical to be concerned regarding the proximity and incompatibility of churches and liquor,

it is also apparent that many of the churches are located in buildings intended for retail use. Consequently, there are a variety of factors which result in mixed character of uses in Commercial Center, a primary blight characteristic under NRS.

**SUB-AREA 1:** It would be difficult to find a more classic example of economic deterioration due to incompatible uses than Commercial Center. Churches located near taverns, singles clubs in the same center as a billiard room catering to children, offices mixed with retail, a major non-profit organization's headquarters next to a club which caters to adults, all operating in the vicinity of each other. Most prominent are the numerous churches which are located in prime office or retail designed buildings. These churches, the arcade and the billiard hall are all targeted to families or kids. Yet, they are located in extremely close proximity some of the businesses catering to adult's. It is incompatible to place these uses adjacent to taverns, single's clubs and those who strictly cater to adults.

30. A classic example of incompatible uses is highlighted in a recent package liquor license application for a business located in Commercial Center. The staff report included the following comments: "The location is zoned C-2 and there are sixteen (16) churches and one (1) school within 1,500 feet. Pursuant to Clark County Code (CCC) 8.20.450 (a) locations within 1,500 feet of churches or schools are deemed unsuitable locations. However, this distance restriction does not apply to licensees or places of business selling alcoholic beverages in an approved location prior to May 31, 1988, as long as the type of license does not change. The applicant's location has been continuously licensed for a package liquor license in conjunction with a liquor store since September 18, 1964; therefore the 1,500 foot distance restriction to schools and churches does not apply."

**SUB-AREA 1:** One of the most prominent blight factors, unique to Commercial Center, is the ownership pattern. While private individuals own and rent their Commercial Center buildings to businesses, the County owns the parking lot. This situation is the result of a historical subdivision arrangement. The reluctance of private owners to take responsibility to eliminate conditions which constitute blight often arises from this unusual arrangement. Ultimately, it results in a reduction in the economic viability of the area, as rents in this Center are notably lower than market rates.

The inwardly oriented design of the Center also reduces the Center's economic viability. Nearly all shopping centers constructed in the past twenty-five years face the adjacent streets to take advantage of visibility and drive-by traffic. Conversely, Commercial Center faces inward, making many potential customers who pass this location on a routine or regular basis unaware of its existence and what businesses are located inside its boundaries.

Commercial Center's multiple ownership, and inward focus is a 1960's design, not well suited to meet today's drive by retail need to survive forty years later. This combination of multiple ownership and antiquated development structure has thwarted private sector reinvestment efforts.

31. Sahara Avenue frontage, from State Street to Joe W. Brown, also displays insufficient depth for successful redevelopment. As these structures continue to age they are unlikely to be upgraded and improved because their depth is insufficient to interest developers in revitalization efforts. A developer would typically be seeking 700-1000 feet of parcel depth to undertake a traditional neighborhood retail center while these are less than 400. Even if a developer



- were to assemble adjacent properties, this lack of parcel depth would remain an inhibiting factor.
- 32. SUB-AREA 1:** The physical layout of Commercial Center has been discussed in detail and is one of the primary physical blight conditions. The multitude of ownerships, the huge number of tenants, the inward oriented design, the County ownership of the parking lot, the proximity of incompatible uses and the adjacent abandoned farmer's market mitigate against significant private sector interest in reinvestment and property upgrade
- SUB-AREA 1:** The neighborhood west of Commercial Center has a serious mitigating physical condition, namely Sixth Street south of Sahara Avenue. From all appearances Sixth Street is a normal thoroughfare. However, this street leads immediately to a dead-end and appears to only serve the purpose of a direct access to an automotive repair shop and a local casino. It would make much more sense to vacate this street as the land potentially serves a higher and better use.
- 33.** Commercial Center's street pattern also causes problems. Law enforcement is hampered due to the numerous entrances and exits and the barricade provided by the center developed pad. The unusual ownership pattern of the parking lot leads to an unusual unwillingness of business owners to take responsibility for adjacent problems and such as graffiti.
- 34. AREA 1:** The lack of storm sewers or other drainage improvements in Commercial Center results in serious standing water conditions during rain storms. This standing water could easily lead to ill health and transmission of disease during sizeable rainstorms.
- 35.** Despite these well-intentioned efforts, the value of the property at Commercial Center continues to stagnate. Without a comprehensive strategy to address the social and physical blight conditions the private sector will be unwilling to risk investing in a location where property values are likely to decline.
- 36.** The high number of police calls in all three areas also indicates that the economic health of the area is declining. All the areas are potentially valuable sites as they are large and ideally located near major highway arterials.
- Similar deterioration and lack of investment exist at Commercial Center. Here the farmer's market has been boarded up for over a decade. This once vibrant, retail building remains boarded up for a number of reasons. One of the most significant factors to consider is that since population increase is minimal, there is significant risk to develop or redevelop properties.
- 37.** Commercial Center is a classic example of how a stagnating population, deterioration and blight can hinder new private sector investment. Substantial funds are expended to maintain the parking lot, avoiding further deterioration. Added costs to the County are incurred due to the unusually high number of police calls generated by Commercial Center and the excessive number of hours County staff spends in insuring compliance with all County regulations.
- 38.** Sub-Area 1 demonstrates nearly all the classic blight conditions. Commercial Center suffers from high incidence of crime, abandoned building(s), age, obsolescence, deterioration, unsanitary conditions, incompatible uses, deteriorating uses and unproductive use of land. The nearby residential properties are impacted by these conditions and exhibit significant deterioration and dilapidation in their own right. Finally, the properties which are not considered to be blighted, such as the Sahara Hotel, Turnberry Towers and the Hilton Grand Vacations time share project are destined to be

impacted by these conditions unless a Redevelopment Agency exists to stop or decrease the decline.

Effective steps to stop this condition do not lie solely within the County's regulatory exercise of its police power. Therefore, it is evident there is a need for a Redevelopment Agency to remedy the conditions existing in the blighted areas. It is also abundantly clear the benefits of remedying the blight conditions existing within the Redevelopment Area will benefit all its inhabitants and property owners.

<b>Commercial Center Sub-Area</b>	<b>blighted acres</b>	<b>Total Acres</b>
Shopping Center and Adjacent Area	47	60
Residential Neighborhood/Joe W. Brown Parcels	65	68
Paradise Road/Strip Properties	0	128

## 2.1 Acquisition

**39.** "Acquisition" means obtaining ownership or possession of real property by purchase, eminent domain, or any other lawful means.

Beginning in January 2004, the Agency began contacting property owners in writing and request

their participation in a meeting to discuss a willing buyer/willing seller program. Those owners

interested in selling their property will be encouraged to grant access to the Agency for assessment activities.

Property owners within the Sub-Areas not interested in selling will be required to enter into a

binding written participation agreement with the Agency in order to retain ownership of property

and participate in redevelopment. Granting of reasonable access to property will be part of this

agreement. Sites with access agreements in place will be ranked higher in the site selection process

than those without. In the event that an owner fails to participate under a participation agreement, the Agency shall have the right to gain access to the subject property by any legal

means permitted under the law and the provisions of the Redevelopment Plan.