

CITY OF LAS VEGAS

5 - 19 - 97

OFFICE OF THE CITY ATTORNEY

MEMORANDUM

TO: GOLF PROPOSAL REVIEW COMMITTEE	FROM: JOHN REDLEIN <i>jr</i>
SUBJECT: DEVELOPERS' PROPOSED LEASE PAYMENTS	COPIES TO:

THE WALTERS GROUP

<u>YEAR</u>	<u>ANNUAL PAYMENT TO CITY</u>
1.....	\$0
2.....	\$25,000
3.....	\$30,000
4.....	\$35,000
5.....	\$40,000
6.....	\$50,000
7 - 50.....	\$50,000 OR 1.25% OF GROSS, WHICHEVER IS GREATER

AMERICAN GOLF -- PLAN I -- NET PROFIT CALCULATION*

<u>YEAR</u>	<u>ANNUAL PAYMENT TO CITY</u>	<u>TO AM. GOLF</u>	<u>+ PAYMENT TO CITY</u>
1-15	\$100,000	NEXT \$2,000,000 NET	NEXT 50% OF NET
16 - 40	\$800,000	NEXT \$600,000 NET	NEXT 50% OF NET

*NET = GROSS REVENUES, LESS SUM OF: (OPERATION & MAINTENANCE + INITIAL PAYMENT TO CITY + 4% OF GROSS AS ADMINISTRATIVE FEE).

AMERICAN GOLF -- PLAN II -- GROSS PROFIT CALCULATION

<u>YEAR</u>	<u>ANNUAL PAYMENT TO CITY</u>	<u>+ ANNUAL PAYMENT TO CITY</u>
1-5	\$100,000	GRADUALLY INCREASING % PAYMENTS OF GROSS REVENUE. WILL BE ZERO FOR YEARS 1-4, EVENTUALLY REACHING 10% ON GOLF REVENUE & 6% ON FOOD & BEVERAGE REVENUE IN YEAR 15.
6-10	\$150,000	
11-15	\$200,000	
16 - 40	\$800,000	OR 25% OF GOLF + 6% OF FOOD & BEVERAGE REVENUE.