

case study:

Property Development/Real Estate

The Challenge:

Of the 38 million people who visited Las Vegas last year, nearly 30% came from Southern California. The existing modes of travel (air, highway) between Southern California and Las Vegas are at or near capacity. With a 60% increase in travel demand forecasted for the Southern California – Las Vegas corridor by 2030, a new, economic travel alternative is required. Due to fiscal budget deficits at the state and federal level, limited to zero public funds are available for a newer, significantly improved transportation projects to accommodate traveler demands.

A high-speed rail line proposal is currently underway. Estimated to be 190 miles in length, it will cross the desert from Victorville, California to Las Vegas, Nevada, and travel at speeds of approximately 125 miles per hour, utilizing proven Bombardier train technology. A comprehensive rider-ship study recently completed by industry expert URS Corporation indicates a first-year passenger count of approximately 4 million roundtrips (assuming a \$110 average roundtrip ticket). If approved, the new high-speed rail project entails political and economic support from a variety of stakeholders.

To facilitate forward momentum, IgniteBiz was approached to find appropriate partners for the real estate development angles of the project, the financing for the train and the services component. A second component entails the delivery of ancillary services to improve customer experience. Thirdly, an affiliate of the company that is developing the high-speed train has entered into a letter of intent with the City of Victorville for a Master Developer License. This license will enable mixed-use development across a total of 53,000 acres in two phases: 17,000 acres in Phase I and 36,000 acres in Phase II.

Representing a unique and compelling opportunity to own transportation infrastructure in the United States, the high-speed rail project will be privately owned and controlled. To further its appeal, the developer of the project is in the process of engaging in strategic discussions with worldwide leaders in the transportation and property development industry. Time is of the essence in locating the right partners and bringing to fruition this forward thinking vision.

The Solution:

IgniteBiz has taken the lead to introduce and manage relationships between the US developer and potential partners in the Gulf that are highly reputable and successful in large-scale infrastructure and property development. At this point, the goal is share information on similar models, outline risk factors and maintain discretion. Emphasis on long-term success factors is also an important concern.

The Results:

Having partnered with institutions across the Gulf, IgniteBiz has a network of seasoned executives in the region and access to deals before they enter the global private equity market where auctions can inflate valuations. Working with the most astute companies in the world, IgniteBiz has a long-standing reputation for delivering quality results. IgniteBiz successfully arranged senior level meetings with the largest Gulf based developer, who had previously been unreachable by the US based group. It is our recommendation at this stage in the project to focus on Dubai, Abu Dhabi, Saudi, Kuwait and Qatar as premier sources for partnerships, given the lucrative and competitive business environment, which will ensure the best-fit match for the longevity of the high-speed rail project.

About the Developer:

A privately held, full service real estate development company in the Southwest U.S. that has built a diverse, trend- setting portfolio of resorts, condominiums, urban villages and more.