

Redevelopment Authority “DRAFT” minutes for the following dates are included in this section;

October 18, 2008 - Regular Session

CARSON CITY REDEVELOPMENT AUTHORITY
DRAFT Minutes of the October 18, 2007, Meeting
Page 1

A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled meeting of the Carson City Board of Supervisors on Thursday, October 18, 2007, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, which began at 8:30 a.m.

PRESENT: Chairperson Robin Williamson and Members Marv Teixeira, Shelly Aldean, Pete Livermore, and Richard S. Staub

STAFF PRESENT: City Manager Linda Ritter, Clerk-Recorder Alan Glover, Redevelopment/Economic Development Manager Joe McCarthy, Chief Deputy District Attorney Melanie Bruketta, and Recording Secretary Katherine McLaughlin (BOS 10/18/07 Recording 11:17:43)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Agenda Report and/or supporting documentation. Staff members making the introduction and any other individuals who spoke are listed immediately following the item heading. A recording of these proceedings is available for review and inspection during normal business hours.

Mayor Teixeira recessed the Board of Supervisors session and passed the gavel to Redevelopment Authority Chairperson Williamson. Chairperson Williamson convened the meeting by indicating for the record that the entire Authority was present, constituting a quorum. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

ACTION ON APPROVAL OF MINUTES - 7/19/06 AND 8/16/07 (11:18:00) - Member Livermore moved to approve the Minutes of the July 19, 2007, and the August 16, 2007, meetings of the Redevelopment Authority as presented. Members Staub and Teixeira seconded the motion. Motion carried 4-0-1 with Member Aldean abstaining.

A. UPDATE ON CARSON CITY'S PROJECT ANALYSIS SESSION AT URBAN LAND INSTITUTE'S ANNUAL MEETING IN LAS VEGAS SCHEDULED FOR THURSDAY, OCTOBER 25, 2007, A TWO-HOUR "OVER THE SHOULDER" LOOK AT PROJECTS RELATING TO DOWNTOWN CARSON CITY (11:18:18) - Economic Development Manager Joe McCarthy, Business Development Deputy Manager Tammy Westergard - Reasons the City had attended the meeting were explained. Its video was shown. Individuals/firms/organizations who will represent the City were listed. An invitation to attend the Arts Alliance Open House was explained. Copies of media coverage of the event were given to the Board. Chairperson Williamson felt that the video presented the community in a good light. The media coverage was briefly limned. Benefits derived from it were noted. Member Aldean explained the Institute's involvement with the Bailey System at Lake Tahoe which created the Individual Parcel Evaluation System. Her comments stressed the value exposure of the downtown plan to the Institute could provide. Member Livermore explained the reasons a coalition had been established. This effort is now leading the City to the Institute. Mr. McCarthy felt that it had been an honor to be invited to the seminar. Examples of opportunities the Institute is seeing in the community were listed. Ms. Westergard cited the benefits provided at Lake Tahoe that were derived from the Institute's program

CARSON CITY REDEVELOPMENT AUTHORITY
Minutes of the October 18, 2007, Meeting
Page 2

to support the City's participation in the meeting. It was felt that the City will benefit from the program as indicated by Page 41 of a magazine. Additional comments were solicited but none were given. No formal action was required or taken.

D. ACTION TO APPROVE THE OWNER PARTICIPATION AGREEMENT WITH CITY MANAGEMENT SERVICES, OWNER ROBERT ROTHE, DOING BUSINESS AS CARSON SOUTHGATE, LLC, TO PROVIDE FINANCIAL ASSISTANCE ON A REIMBURSEMENT BASIS FOR THE REHABILITATION OF THE VACANT, BLIGHTED FORMER WAL-MART BUILDING IN THE SOUTHGATE SHOPPING CENTER TO ALLOW FOR THE OCCUPANCY OF A 70,000 SQUARE-FOOT BURLINGTON COAT FACTORY (11:40:51) - Economic Development Manager Joe McCarthy, Rob Rothe - Member Aldean disclosed her intent to abstain and view the proceedings from the corridor due to her interest in the Southgate Shopping Center as she may directly or indirectly benefit from this Item. She then left the room-11:42 a.m. (A quorum was still present.)

Potential rehabilitation of the allocated space has peaked a potential sporting goods retailer's interest in using the remaining portion of the building. Mr. Rothe indicated Burlington's soft opening may occur in February with a grand opening in March. The renderings may be completed in three or four days. Member Teixeira encouraged him to provide the renderings to the media. Reasons for providing them to the public were limned. Member Livermore moved to approve the Owner Participation Agreement with City Management Services, owner Robert Rothe, doing business as Carson Southgate, LLC, to provide financial assistance on a reimbursement basis for the rehabilitation of the vacant, blighted former Wal-Mart building in the Southgate Shopping Center to allow for the occupancy of a 70,000 square-foot Burlington Coat Factory. Member Teixeira seconded the motion. Chairperson Williamson noted that the total assistance is \$2 million with reimbursement occurring after the store is opened. Additional comments were solicited but none were given. The motion was voted and carried 4-0-1 with Member Aldean abstaining.

C. ACTION TO DIRECT STAFF TO RETURN NEXT MONTH WITH A NEGOTIATED OWNER PARTICIPATION AGREEMENT WITH CITY MANAGEMENT SERVICES, DOING BUSINESS AS CARSON SOUTHGATE, LLC, DETAILING A MULTI-YEAR REVENUE-SHARING COMMITMENT OF THE SALES TAX CAPTURE PRODUCED BY A NATIONAL SPORTING GOODS RETAILER THAT WOULD LEASE APPROXIMATELY 55,000 SQUARE-FEET IN THE SOUTHGATE SHOPPING CENTER (11:46:03) - Economic Development Manager Joe McCarthy, Rob Rothe - (11:40:51 During the introduction of the previous Item, Member Aldean disclosed her intent to abstain and left the room at 11:42 a.m. A quorum of the Authority was still present.) Computerized slides illustrating the need for assistance were shown. Justification for committing the funding was provided. Due to the current lack of funding, revenue generated by the sales tax will be used for the payments on a reimbursement basis. An explanation of the economic reasons for supporting a national sporting goods retailer over a large bulk retailer and for feeling that only a large bulk retailer would be interested in the location if the proposed concept is not approved was provided. Member Livermore expressed his support for the proposal as the large sporting goods retailer will attract other businesses to the City. Member Teixeira explained his knowledge and discussion with the proposed

CARSON CITY REDEVELOPMENT AUTHORITY

DRAFT

Minutes of the October 18, 2007, Meeting

Page 3

tenant. He believed that the retailer would be a national draw for the region. Mr. McCarthy detailed the terms of the agreement. Mr. Roth committed to working with Mr. McCarthy on the details of the agreement. Chairperson Williamson expressed the hope that the store could open in 2008. Comments noted benefits it could create for the entire shopping center. Mr. Rothe advised that the structure will be reconstructed due to the proposed tenant's needs for a successful operation. Member Staub explained his restricted negotiation efforts with the car dealers and public's view of the concept. The Burlington Coat Factory proposal had gone beyond what he felt had been offered to the car dealers. He was, however, willing to support the proposal but not on a 50-50% split. The proposal will set a precedence for future negotiations that will not be overcome. Chairperson Williamson explained that the request is to give direction to staff regarding a negotiated participation agreement. Member Staub elaborated on his concerns regarding the concept and belief that the suggested agreement was too much. Mr. McCarthy responded by explaining that the funds generated by the retailer will be "new money" and is more than that which would be generated by a bulk retailer. The discussions with the auto dealers must be based on growth of a base line. The views are different. He acknowledged that there will be difficulties in the negotiations with the auto dealers. Member Teixeira felt that the negotiations should start at 50-50. He hoped that the final figures will be less. The importance of having the proposed tenant was stressed. He also expressed a willingness to support a longer agreement term due to the need for the sales tax that will be generated. Mr. McCarthy indicated that the agreement reached between himself and Mr. Rothe will be brought back to the Board for consideration. If an agreement is not reached, another decision will be made. Mr. Rothe indicated that the agreement will include a reflection of the benefits to the community as well as the revenue and how it will outweigh any other alternative retailer. Member Teixeira asked if the deal had already been cut. Mr. Rothe indicated that he was present to meet with Mr. McCarthy and make a "decision" which "will be right for the City and that the Board can support". Member Livermore pointed out that the concept is for economic development of the City's sales tax. Part of economic development is business retention. Media reports have indicated that both J. C. Penneys and Mervyns have expressed a desire to relocate to Douglas County. Wal-Mart has already moved there. He understood the dynamics of the proposal and complimented Member Staub on his efforts to negotiate with the car dealers. He repeated his comments regarding economic development is business retention. Member Livermore moved to direct staff to return next month with a negotiated Owner Participation Agreement with City Management Services, doing business as Carson Southgate, LLC, detailing a multi-year revenue-sharing commitment of the sales tax capture produced by a national sporting goods retailer that will lease approximately 55,000 square-feet in the Southgate Shopping Center. Member Teixeira seconded the motion. Comments were solicited but none were given. Chairperson Williamson was surprised that no one was present to represent the public-at-large. She acknowledged that the Authority will be receiving comments on the concept. She felt that the community wants the structure filled with vibrant retail. The motion as indicated was voted and carried 4-0-1 with Member Aldean abstaining.

B. ACTION TO DIRECT STAFF TO ENGAGE THE SERVICES OF STAIN BACK PUBLIC-PRIVATE REAL ESTATE (SPPRE) TO ASSIST THE REDEVELOPMENT AUTHORITY WITH ITS ON-GOING EFFORTS TO ENTER INTO PUBLIC-PRIVATE PARTNERSHIPS THAT WILL FOSTER ECONOMIC DEVELOPMENT AND REDEVELOPMENT THROUGHOUT DOWNTOWN CARSON CITY(12:18:05) - John Stainback, Economic Development Manager Joe

CARSON CITY REDEVELOPMENT AUTHORITY

DRAFT

Minutes of the October 18, 2007, Meeting

Page 4

McCarthy - (Member Aldean returned to the dias-12:19 p.m. Member Teixeira stepped from the room at 12:19 p.m. He returned at 12:24 p.m. A quorum was present.) Mr. Stainback described his background, highlighted his recommendations and allegedly had given the Authority a portfolio containing illustrations of projects he had completed. He felt that the Authority/community had established a vision and then jumped to the project phase without understanding the market and the amount of public support for the project. His recommended phases which should be included in the project were limned. They included "go and no go" points and justified his role in the process. Member Teixeira felt that successful programs were in areas where the governmental entity owned property that is included as part of the "deal". In this case, the City does not own any property in the district. Mr. Stainback agreed but felt that State and Federal lands could be included in the program and make it a viable public/private partnership. Discussion ensued regarding the total costs, the cost for phasing the projects, and phases which could be eliminated from the project. Mr. McCarthy felt that the time is right to commence the program. He also pointed out that there are four other areas of opportunities within the community which are not included in the current Redevelopment programs. The intent is to develop the strong downtown projects incrementally. In view of the opportunities, the need for a strong development management partner should be considered. Justification for bringing Mr. Stainback in was provided. Member Aldean disclosed that she had discussed the concept with Mr. McCarthy and Chairperson Williamson. She pointed out that the City has some fiscal challenges facing it. She appreciated the hard work that had been done. She was not knowledgeable about all of the tax elements proposed in the program. She questioned whether the 36 block corridor could be accomplished fairly to others who have already made investments in the area. She suggested that pilot programs be adopted to determine how the program works. She was willing to discuss the program with those who have already made investments. She repeated her concerns regarding the City's financial picture. She believed that something needs to be done on a smaller scale or on a phased approach. Mr. McCarthy suggested that two of the Authority Members be allowed to work with him to develop a proposal. Discussion ensued regarding the program's timeframe, potential phases which could be done quickly, and costs. Mr. McCarthy indicated that the Authority's direction to him will include finding a funding source. Member Staub suggested that Mr. McCarthy develop a budget that is fiscally restrained and bring the proposal back at the November 15th meeting. He did not believe that it would be necessary for Mr. Stainback to attend that meeting. Chairperson Williamson then explained her understanding of why Mr. Stainback was interested in assisting the City with its program. She thanked him for his interest and support. She supported having a subcommittee figure out the financing and programs which should be considered. Discussion pointed out that a diverse group of individuals is going to be attending the Urban Land Institute's Las Vegas seminar. Member Aldean felt that they should be included in the process as it could reduce the fiscal impact on Carson City. Mr. McCarthy advised that this was his strategy in bringing the proposal to the Board at this time and to educate the representatives on the opportunities available to the community. He wants to have everyone working with the Authority on the projects. Mr. Stainbeck will not leave any potential funding sources out of the mix. Mr. McCarthy planned to bring back to the Board a financing proposal and partnerships. Mr. Stainbeck advised that, in the past, his expenses have been charged to the developers when they submit proposals. This is a fairly significant number. If the Authority writes a check now, it will be able to recoup the majority/some of the funds at that time. Member Teixeira felt that Member Aldean's suggestion to start with the corridor and have its synergy carry the rehabilitation into the surrounding area may work. Mr. McCarthy may be able

CARSON CITY REDEVELOPMENT AUTHORITY

DRAFT

Minutes of the October 18, 2007, Meeting

Page 5

to see where the funding is. At this time Member Teixeira could not. The City does not have any land in that project area. It is controlled by the State and private property owners. He suggested that Items one through four be done, however, questioned their funding ability. He also pointed out that three Authority members cannot be on the subcommittee. Comments indicated that Mr. Stainback's services had cost less than \$10,000. A meeting with representatives of the Nugget, a law firm, and two other unmentioned firms had indicated an interest in the discussions/proposal. Mr. Stainback indicated that his contract is for an implementation plan and not a proposal. A portion of it deals with the financing. Comments reiterated that it will be public/private participation. Applications for the program will be accepted. An effort will be undertaken to control the costs.

Member Aldean moved to direct staff to develop a modified contract with Stainback Public-Private Real Estate to reflect today's discussion and an associated funding strategy to assist the Redevelopment Authority with its ongoing efforts to enter into public-private partnerships that will foster economic development and redevelopment throughout Downtown Carson City in consultation with Supervisors (Members) Staub and Aldean. Member Teixeira seconded the motion. Discussion supported having Members Staub and Aldean as consultants on the contract. Member Aldean clarified that the final document and funding strategy will be brought to the Authority for formal approval. Mr. McCarthy concurred. Member Teixeira continued his second. Mr. Stainbeck explained that the market study will take three months to complete. It costs \$45,000. He questioned whether he should commence work on it now. Member Teixeira reminded him that they do not have a funding source. Mr. McCarthy indicated that he will agendize the item and utilize funding from Redevelopment for this purpose. Mr. Stainbeck indicated that starting now will save three months time on the contract. There being no other comments, the motion was voted and carried 5-0.

There being no other matters for consideration, Chairperson Williamson adjourned the Redevelopment Authority.

The Minutes of the October 18, 2007, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON _____, 2008.

Robin Williamson, Chairperson

ATTEST:

Alan Glover, Clerk-Recorder