

CARSON CITY REDEVELOPMENT AUTHORITY
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A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled meeting of the Carson City Board of Supervisors on Thursday, December 6, 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, Internal Auditor Sue Johnson, Redevelopment/Economic Development Manager Joe McCarthy, Chief Deputy District Attorney Melanie Bruketta, Business Development Assistant Manager Tammy Westergard, Senior Accounting Manager Nick Providenti, and Recording Secretary Katherine McLaughlin (BOS 12/6/07 Recording 9:53:15)

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 (9:53:25) - None.

1. CHAIRPERSON WILLIAMSON - AS PRESENTED BY CHAIRPERSON ROBIN WILLIAMSON AND TAMMY WESTERGARD OF THE OFFICE OF BUSINESS DEVELOPMENT A SUMMARY OF THE COMPLETED TASKS AND AN INTRODUCTION OF A SET OF STRATEGIES FOR IMMEDIATE IMPLEMENTATION REGARDING THE RECOMMENDATIONS AND FOLLOW UP TASKS PROPOSED AT THE URBAN LAND INSTITUTE'S PROJECT ANALYSIS SESSION ON OCTOBER 26, 2007 (9:53:35) - Business Development Assistant Manager Tammy Westergard briefly described the purpose of the Urban Land Institute, the elements of the seminar that she and Chairperson Williamson had attended, the community outreach and participation effort, the national public relations and outreach programs, and the tasks that had been conducted. The seminar provided an opportunity to tell the City's story and have a project analysis session. Thirty-one key community leaders attended this session. Their comments were summarized. State and College representatives who had participated were noted. It was felt that this involvement indicated that the community supports the downtown master plan and approve of its coordinated efforts. The Urban Land Institute's group recommendations were summarized including the steps which it felt were urgent. Small projects should commence immediately so that progress can be seen rather than expend all of the effort on one large project. NDOT's participation is vital to the effort. The street scape needs to be planned. It was suggested that an improvement district be created to support the project.

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Participation from various community groups was emphasized. A website providing answers regarding downtown Carson City was illustrated and justified. Page 12 of the Northern Nevada Development Authority's Northern Division Study on its regional approach criteria was read. The Board has supported this effort as indicated by several examples that were provided. The establishment of the Downtown Carson City Institutional Alliance and the Carson City Downtown Consortium were noted. It was suggested that the Redevelopment Authority Citizens Committee be blended into the Consortium. This suggestion will be discussed in the future. Board comments complimented the participants on the exciting efforts which have provided multiple opportunities. Progress on the plan is occurring. Additional comments were solicited but none were given. No formal action was required or taken.

2. OFFICE OF BUSINESS DEVELOPMENT - Manager Joe McCarthy

A. ACTION TO APPROVE THE REVISED REDEVELOPMENT PROGRAMS, PROCEDURES AND APPLICATION FORMATS TO ASSIST BUSINESSES AND DEVELOPMENT PROJECTS AIMED AT REVITALIZING BOTH OUR REDEVELOPMENT PROJECT AREAS (10:17:19) - Mr. McCarthy stressed the need for the criteria for assistance to clearly indicate the "but for" needs. The applicant's funding ability must be shown. If it is evident that the project can be done without assistance, funding will not be provided. Projects in the downtown area may continue to be similar to those of the past. Future projects in the other district will be more complex than those considered previously. They should be able to generate property taxes/sales taxes to make them realistic. Future assistance may include rent subsidy or loan grant programs which he had laid out in a memo to the Board. (A copy is included in the backup material.) A third party would evaluate the business plan to determine whether the business will be viable and long-term. Justification for the suggested subsidy/loan grant and criteria for obtaining it were limned. Private-public opportunities at the Carson Mall and the Third Street/St. Charles area were cited as potential first redevelopment projects consistent with the Urban Land Institute's recommendations. Discussions being pursued with the Carson Nugget were cited as another potential project. The creation of a new, larger library in the downtown area was also suggested. The need for involvement of a representative from the financial arena was felt to be warranted to avoid risking more tax funds than necessary. The representative could also assist in determining the feasibility of the business plan and its long term viability. An application was not submitted due to the desire to have an open unrestricted discussion related to the criteria and elements for it.

Member Aldean suggested that the term of the lease be the same as the rent subsidy, e.g., five years with two - one year extensions. Five year leases are fairly common. She also felt that the budget documents as developed on Page 5 needed to include a vacancy factor due to the potential for the building to not be 100% occupied. She suggested requiring a credit rating as part of the criteria.

Member Teixeira felt that Redevelopment had done a good job of working with the private sector on projects. The material did not include the total amount of Redevelopment's commitment to date. He urged Mr. McCarthy to include the former K-mart building as well as the Carson Mall, even though the Mall is not empty. K-mart was listed as his top priority at this time.

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Chairperson Williamson noted that the City currently has two redevelopment districts, one on the south end of the City and one in the downtown area. K-mart is included in the southern district. Mr. McCarthy suggested using the proposed criteria in the commercial district. He acknowledged that the K-mart building is a challenge. Its success in Carson City was not considered when the building was sold as part of the bankruptcy action. There is a long term lease tied to the structure. Efforts to obtain a Las Vegas developer were unsuccessful. His efforts continue as the building is at the top of his list of structures needing assistance. He then explained that it was not necessary for the Authority to act on the proposed program today. He wanted to have a program in place so that applicants will understand the program before signing the documents.

Member Staub complimented him on his effort to develop a concise program. His concerns, however, relate to the City's ability to perform. He disclosed that he had "lots of changes" which he will give to Mr. McCarthy. For example, there are consistency issues and a need for definitions of small, medium, and large thresholds. A limit on the number/amount of incentives for an applicant or buyer, in case the applicant sells, should be established. The need for a sliding scale for the rent was suggested. He suggested that input be provided and action on the program be requested in two weeks. Mr. McCarthy concurred. Member Staub also pointed out the need to have follow-up monitoring and reconveyance at the end of the period.

Member Livermore complimented him on his vision. He felt, however, that the program spoke mainly to new recruitment and not to business retention. He encouraged Mr. McCarthy to include elements addressing retention within the program. There are good things going on in Carson City which need recognition and encouragement. Mr. McCarthy explained that "in his business" 80% of economic development is retention and 20% is recruitment. The City's current businesses must be taken care of and allowed to grow and prosper.

Public comments were solicited. None were given. Member Staub repeated his recommendation that action be deferred to allow time for the Members to provide additional input. Chairperson Williamson concurred. No formal action was taken.

B. ACTION TO REALLOCATE THE AVAILABLE INCENTIVE FUNDS IN PROJECT AREA NO. 1 TO HELP ATTRACT QUALIFIED REDEVELOPMENT PROJECTS, SPECIFICALLY: THE SAINT CHARLES HOTEL/THIRD STREET MIXED-USE PROJECT, THE REFURBISHMENT OF THE CARSON MALL AND THE PROPOSED ROUNDHOUSE CULTURAL DISTRICT PROJECT (10:38:22) - Discussion highlighted a recent parking study that was conducted. The Contractor felt that there was a perceived parking problem/shortage. His recommended mitigation measures included additional signage and additional complimentary parking arrangements. These recommendations had been included in the urban code amendment adopted by the Board several months ago. The report is on the City's website. Mr. McCarthy acknowledged that either Member Aldean or Member Staub had discussed the possibility of creating a capital mall district at Third Street/the Saint Charles Hotel. He had not discussed the concept with the Lopiccolos. He believed that restoration of the historic structure will require a great deal of money. Parking is another issue which must be addressed.

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Member Aldean felt that a "Roundhouse Commercial Development District" should be considered as there are several properties in the vicinity that need to be included. Member Staub felt that the area from Second Street to Fifth Street should be included as a district as it is across from the Legislature. Incentives will be needed to make the area look nice. Future parking needs should also be addressed. He preferred to keep the funds for that purpose. He was willing to consider projects on a case-by-case basis but was not willing to release the entire total into the incentive program.

Discussion between Member Teixeira and Mr. McCarthy explained that an application had not been submitted by the Old Globe. Member Teixeira concurred with Member Staub on considering the applications on a case-by-case basis. His personal involvement with Redevelopment and the incentive program was limned. He acknowledged that there have been problems with the program, however, it has been a learning experience. He, too, felt that there is a signage problem in the downtown area. Discussion explained that there is only \$1 million in funds available for the incentive program. After July 1, there will be more funds available. Member Teixeira felt that signage and lighting are needed. There have been big projects accomplished but nothing has been done about the infrastructure, which is deteriorating.

Member Livermore felt that when the \$1 million was frozen, the exemplary projects were to have been brought forward. Additional direction to do this is not needed. Third Street/the Saint Charles Hotel is an example of an exemplary project which the Authority should consider.

Chairperson Williamson explained the Committee's concerns regarding the lack of funding for signage and infrastructure improvements. The \$1 million was from a bond issue which had supported incentive programs under the Redevelopment program. There is upkeep on the light panels. Another Telegraph Square project has not come forward. This project had gotten people to walking around in that area. Additional requests for funding may be made in the future.

Member Aldean suggested that the applications be submitted to the Authority on a case-by-case basis as received. Funding should also be allocated for infrastructure improvements. A budget should be developed so that the Members will understand how the funds are to be used.

Member Teixeira believed that the Nugget will do a mall. Although the area looks better than it did in 1989, there have been only incremental improvements. More needs to be done. Regarding the signage and lighting issue, he has been working with the Governor on soft lighting the Museum and the Laxalt Building at night. He hoped that more funding will become available through the mixing of the two districts to allow additional improvements to occur. Mr. McCarthy explained that the districts and their funding must remain segregated. The new Wal-Mart is not located in a redevelopment district. Even if it was within a district, it would not qualify as it does not meet the standards for redevelopment. The K-mart building is part of District 2. Mr. McCarthy agreed to research whether the districts' funding could be blended. Member Teixeira continued to expound on his belief that it should be allowed. Mr. McCarthy explained that the increase in revenue for District 2 will commence July 1. He will provide a budget and projects for consideration. Public comments were solicited but none were given.

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Member Aldean moved to adopt a policy of releasing redevelopment funds on a case-by-case basis and to direct staff to develop a budget for infrastructure improvements. Member Livermore seconded the motion. Motion carried 5-0.

C. ACTION TO ACCEPT THE REDEVELOPMENT AUTHORITY CITIZEN COMMITTEE'S RECOMMENDATION TO AWARD \$100,000 OF INCENTIVE FUNDING THAT COMPLIES WITH THE PROVISIONS OF THE REDEVELOPMENT INCENTIVE PROGRAM TO LOPICCOLO INVESTMENTS TO HELP UNDERWRITE THE \$1,200,000 FIRST PHASE, IN PROGRESS, OF THE RESTORATION AND RENOVATION OF THE SAINT CHARLES HOTEL, 310 SOUTH CARSON STREET (10:58:19) - Mark and Jenny Lopiccolo, Architect Rob Darney - Justification for asking the Authority to consider the application was provided. The historic value of a rehabilitated building was emphasized as indicated by an example. Mr. McCarthy applauded the Lopiccolos' efforts to rehabilitate the Saint Charles Hotel and advised that they have obtained a great tenant for the first floor. Chairperson Williamson also assured the Authority that the Committee had posed the same questions. The Minutes had not been included in the packet due to the short timeframe between its meeting and the Authority's meeting.

Mrs. Lopiccolo explained that they had acquired the building and deliberately kept it vacant for two years due to the desire to have a Class A tenant. They did not plan to rehabilitate it for an additional period of time, however, a Class A tenant appeared. They had continued to refuse to lease the building but eventually he wore them down when the City's vision for the downtown area was created. They believed that with assistance from Redevelopment, the structure could be revitalized to meet the needs of The Firken and Fox plans. Once rehabilitation commenced, the costs multiplied beyond the original budget. The final result will be the construction of a new building within the shell of the former 150-year-old building. Historical discoveries of wells and a cistern under the floor of the building indicate that it was the shelter from an Indian attack and that the City would have been able to sustain itself. The tenant's business experience was described. She believed that they will be successful here. She wished to do the job right for a Class A tenant who will be the anchor for the area. The Third Street area has vacancies on both sides of the street. The area is blighted. She hoped that the Authority will help them do it.

Discussion between Mrs. Lopiccolo and the Authority explained that only the first floor is being done at this time. They have started the work and intend to complete Phase 1, the first floor. There is lots more work that needs to be done. The restaurant will be on the first floor. There are two more floors. The other properties in the corridor need to be done to obtain additional good tenants. A concept for the corridor has been created which they believed will draw pedestrians, families, and tourists to the area. Mrs. Lopiccolo also explained that when she had revitalized her building on Second Street, they had to complete the work and then submit the application. She had followed that procedure when working on the Saint Charles. She was not aware of a change in that process. Chairperson Williamson explained the reimbursement requirement originally required of the applicants. She also indicated that lots of the early projects were approved in midstream. The Lopiccolos had to wait approximately one year to obtain their reimbursement of the Second Street project as Redevelopment had been short of funds. She also pointed out that the

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Lopiccolos are not in the business of seeking assistance and then fleeing the area. They are committed to the downtown area.

Member Teixeira explained his personal knowledge of the structure, the work that the former owner had done, and the recent improvements that have been made. He felt that the tenants are serious about wanting to come to Carson City. The building will stand the test of time and is an economical and viable product. Mr. McCarthy explained other improvements which have been or will be made to the building. Member Teixeira and Mr. Lopiccolo detailed several improvements which have been made and described the vision for the outside decor and the plan to have a bar and smoking area.

Member Staub advised that he supported the project. They are doing a good job. It is a good project for the area. Business retention is necessary. He explained his reasons for being cautious in approving the application. The term "but for" may not be the correct terminology. He suggested that the term be "softened" to allow evaluation of the project based upon the totality of its impact and the individuals who are doing it. He agreed to send Mr. McCarthy an email indicating words that may better fit the program. Member Livermore supported his recommendation and explained that Mrs. Lopiccolo is a graduate of Carson High School and has invested in the community. The Saint Charles was blighted. It is like the V&T Railroad. It is important to the community. The request is for a 5% incentive. The incentive for the former Wal-Mart was for \$2 million. He supported the project and would have given them more if it had been available.

Discussion between Mrs. Lopiccolo and Member Aldean advised that the Historic Resource Committee had approved the project. Mr. McCarthy briefly explained a proposed incentive program for the tenants. Member Teixeira felt that an adjacent business owner liked the proposed tenant and the improvements. Mrs. Lopiccolo explained that the lease is for ten years at a flat rate. The tenant was not interested in any other building except the St. Charles even though the Lopiccolos had repeatedly turned him/her down. Due to the tenant's vision for the building, they finally agreed. Discussion indicated a belief that the previous owner would have been happy with the rehabilitation and tenant. Mr. Darney displayed the conceptual architectural renderings and described them. Chairperson Williamson advised that the discussion relates to the first of many phases for the area.

Member Livermore moved to accept the Redevelopment Authority Citizens Committee's recommendation to award the incentive funding that complies with the provisions of the Redevelopment Incentive Program to Lopiccolo Investments to help underwrite the \$1,200,000 first phase, in progress, of the restoration and renovation of the Saint Charles Hotel, 310 South Carson Street, and the funding source is the unspent bond proceeds in the amount of \$100,000. Member Staub seconded the motion. Motion carried 5-0.

Mr. McCarthy complimented Ms. Westergard on her efforts to get the proposed tenants to want to come to Carson City. Member Teixeira complimented the Lopiccolos on their willingness to invest in the historical structure. Discussion also indicated that The Firkin and Fox may open in two or three weeks.

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There being no other business for the Redevelopment Authority, Chairperson Williamson adjourned the session.

The December 6, 2007, Minutes of the Carson City Redevelopment Authority meeting

ARE SO APPROVED ON April 17, 2008.

/s/
Robin Williamson, Chairperson

ATTEST:

/s/
Alan Glover, Clerk-Recorder