A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled Board of Supervisors meeting, on Thursday, May 20, 2010 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Robin Williamson
Vice Chairperson Shelly Aldean
Member Robert Crowell
Member Pete Livermore
Member Molly Walt

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Neil Rombardo, District Attorney
Kathleen King, Recording Secretary

NOTE: A recording of these proceedings, the Redevelopment Authority's agenda materials, and any written comments or documentation provided to the Clerk during the meeting are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

21. CALL TO ORDER AND ROLL CALL (10:02:57) **-** Chairperson Williamson called the meeting to order at 10:02 a.m., noting the presence of a quorum.

22. ACTION ON APPROVAL OF MINUTES - April 15, 2010 (10:03:08) **-** Vice Chairperson Aldean moved to approve the minutes, as presented. Member Crowell seconded the motion. Motion carried 5-0.

23. OFFICE OF BUSINESS DEVELOPMENT

23(A) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO AN $18,000 INCENTIVE REQUEST BY TWO RIVERS NV, LLC TO REDEVELOP THE PROPERTY AT 310 SOUTH NEVADA STREET, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486; THAT THE PROJECT BENEFITS THE CURRENT REDEVELOPMENT PLAN AREA; THAT THE PROJECT HAS NO OTHER REASONABLE MEANS OF FINANCING AVAILABLE; THAT THE INCENTIVE WILL BE PAID ON A REIMBURSEMENT BASIS FOR MONEY EXPENDED BY THE APPLICANT ON THE PROJECT; THAT OTHER FINANCING IS AVAILABLE TO PAY FOR THE REMAINING COSTS OF THE PROJECT; AND THAT THE INCENTIVE IS SUBJECT TO THE APPLICANT FULFILLING CITY REQUIREMENTS (10:03:34) **-** Chairperson Williamson introduced this item, and Business Development Manager Joe McCarthy reviewed the May 11th staff report included in the agenda materials. He noted the Redevelopment Authority Citizens Committee's ("RACC") recommendation to approve the $18,000 incentive funding application. In response to a question, Mr. McCarthy advised of having provided the RACC the criteria used by the City of Las Vegas Redevelopment Agency to determine no other reasonable means of available financing. The RACC analyzed the application, interviewed the applicant, and made a determination based on said criteria. Mr. McCarthy responded to questions of clarification.

(10:11:58) Miya MacKenzie introduced herself and Chris MacKenzie for the record. In response to a previous question, Ms. MacKenzie clarified that the correct address is 310 South Nevada Street. At Chairperson Williamson's request, Ms. MacKenzie provided background information on the project and reviewed the incentive funding application, copies of which were included in the agenda materials. She estimated that 80 percent of the project costs are attributable to ADA and streetscape improvement requirements. She discussed plans for exterior improvements, and advised of having received positive feedback from neighbors following removal of the block wall.

In response to a question, Mr. MacKenzie provided an overview of the Historic Resources Commission ("HRC") process. He explained that, after having been approved by the HRC, the plans went "back to the Engineering [Division]" which representatives indicated a requirement to "redo this." Mr. MacKenzie advised of having been required to "hire an engineer again, hire an architect again and get it retooled." He responded to questions of clarification, and Mr. Werner explained the HRC and building permit processes. Vice Chairperson Aldean expressed concern with regard to ensuring applicants are provided a more sufficient explanation of the various processes. Mr. MacKenzie expressed appreciation for Mr. Werner's explanation.

In response to a comment, Chairperson Williamson explained the City's policy on streetscape improvements, and noted the importance of improving community walkability and neighborhood aesthetics. In response to a question, Vice Chairperson Aldean advised that the requested $18,000 represents 5.6 percent of the total project costs. In response to a question, Mr. McCarthy suggested that any action should be contingent upon available redevelopment incentive funding. He anticipates that the subject project won't be completed until next fiscal year, at which time he anticipates the funding to be available.

Chairperson Williamson entertained public comment and, when none was forthcoming, a motion. **Vice Chairperson Aldean moved to approve and recommend to the Board of Supervisors their consent to an $18,000 incentive request by Two Rivers NV, LLC to redevelop the property at 310 South Nevada Street, with the Redevelopment Authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486; that the project benefits the current redevelopment plan area; that the project has no other reasonable means of financing available; that the incentive will be paid on a reimbursement basis for money expended by the applicant on the project; that other financing is available to pay for the remaining costs of the project; that the incentive is subject to the applicant fulfilling City requirements; and that the incentive is contingent upon the funds being available from the revolving fund in FY 2010 / 2011. Member Walt seconded the motion. Motion carried 5-0.**

23(B) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THE EXPENDITURE OF $6,000 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY TO SUPPORT THE CARSON CITY RENDEZVOUS, INC., ITS 27TH ANNUAL CARSON CITY RENDEZVOUS "SALUTE TO THE PONY EXPRESS," AS EXPENSES INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN (10:25:17) **-** Chairperson Williamson introduced this item, and Mr. McCarthy reviewed the pertinent agenda materials. Convention and Visitors Bureau Executive Director Candace Duncan and Events Coordinator Joy Evans introduced themselves for the record. Ms. Evans reviewed the application materials and event details. In response to a question, Ms. Duncan reviewed the budget, copies of which were included as part of the application materials. Vice Chairperson Aldean advised of having discussed with Ms. Duncan a method by which to quantify the event's success. Ms. Duncan acknowledged that surveys will be conducted during the event. She expressed understanding for the need to annually grow and improve the event. She responded to additional questions of clarification relative to the event budget. In response to a further question, she advised that the Rendezvous event is scheduled for June 11, 12, and 13, 2010. At Member Crowell's request, she explained the relationship between the Carson City Convention and Visitors Bureau and Carson City Rendezvous, Inc. In response to a question, she discussed the history of the Rendezvous event relative to funding. At Chairperson Williamson's request, Ms. Evans described sponsorship of this year's event by the Carson Nugget and Millard Realty. Ms. Duncan anticipates being able to generate additional sponsors for the 2011 event.

Chairperson Williamson provided an overview of discussion and action which took place at the May 3rd RACC meeting. Ms. Duncan responded to additional questions regarding the event budget. She acknowledged an expectation "to break even," and that the Convention and Visitors Bureau would cover any deficit. Ms. Evans discussed plans to tie the 2011 event to the downtown area, in conjunction with the Carson Nugget. Member Livermore noted that the park rental fee is discounted. In response to a question, Ms. Duncan advised that this year's event will go forward with or without the redevelopment incentive funding. "If we don't get the funding, we'll have to scale it back considerably ..." Ms. Duncan advised that the Convention and Visitors Bureau considers the annual Rendezvous event "an important addition to the quality of life and the menu of things for visitors to do in Carson City. We're never in it to make a profit or make a name for ourselves."

Chairperson Williamson entertained public comment and, when none was forthcoming, a motion. **Member Walt moved to approve and recommend to the Board of Supervisors the expenditure of $6,000 from the revolving fund for the redevelopment agency to support the Carson City Rendezvous, Inc., its 27th annual Carson City Rendezvous, "Salute to the Pony Express," as expenses incidental to carrying out the redevelopment plan. Vice Chairperson Aldean seconded the motion. Motion carried 5-0.** Ms. Duncan thanked the Redevelopment Authority.

23(C) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A $37,364 INCENTIVE REQUEST BY SPORTS THERAPY AND REHABILITATION TO REDEVELOP THE PROPERTY AT 303 FLEISCHMANN WAY, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS, AS SET FORTH IN NRS 279.486; THAT THE PROJECT BENEFITS THE CURRENT REDEVELOPMENT PLAN AREA; THAT THE PROJECT HAS NO OTHER REASONABLE MEANS OF FINANCING AVAILABLE; THAT THE INCENTIVE WILL BE PAID ON A REIMBURSEMENT BASIS FOR MONEY EXPENDED BY THE APPLICANT ON THE PROJECT; THAT OTHER FINANCING IS AVAILABLE TO PAY FOR THE REMAINING COSTS OF THE PROJECT; AND THAT THE INCENTIVE IS SUBJECT TO THE APPLICANT FULFILLING CITY REQUIREMENTS (10:47:00) **-** Chairperson Williamson introduced this item. Mr. McCarthy introduced Luann And Warren Tucker and reviewed the pertinent agenda materials. (10:48:13) Ms. Tucker provided background information, reviewed the application materials, and responded to questions of clarification. In response to a further question, she advised that a former owner demolished the previous building. "[She] bought it as bare land." She responded to further questions with regard to project financing. Mr. McCarthy acknowledged that the applicants had provided profit and loss statements, which they requested to have kept confidential. Mr. McCarthy advised of having reviewed the documentation and assured the

Redevelopment Authority that the project's "underpinning is financially secure." In response to a question, he advised that the financial information was not provided to the RACC. The applicant assured the RACC that the requested funding is necessary to complete the project. In response to a question, Mr. McCarthy advised of having worked directly with the applicant, whose "sensitivity ... is taken into consideration as to what goes into" the public meeting materials. "In this particular case, it was imperative for us not to have that kind of information in the public realm. ... ... there was some sensitivity as to proprietary information that would have been damaging for them competitively." In response to a comment, Mr. McCarthy advised of having worked with the District Attorney's staff to ensure compliance with the Redevelopment Authority's responsibilities and that the applicant's proprietary information is protected.

Chairperson Williamson entertained public comment and, when none was forthcoming, a motion. **Member Crowell moved to support the RACC's recommendation based on available funding in FY 2010 / 2011. Member Livermore seconded the motion. Motion carried 5-0.** Chairperson Williamson advised that a seven-year declining lien will be attached to the applicant's property, as part of the redevelopment incentive program policies. Ms. Tucker acknowledged understanding and thanked the Redevelopment Authority.

23(D) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A $20,000 INCENTIVE REQUEST BY THE BREWERY ARTS CENTER TO PAY A PORTION OF ENGINEERING COSTS ASSOCIATED WITH PROPERTY IMPROVEMENTS LOCATED AT MINNESOTA STREET, BETWEEN SECOND AND KING STREETS, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486 (10:56:12) **-** Chairperson Williamson introduced this item, and Mr. McCarthy reviewed the pertinent agenda materials. (10:57:05) Brewery Arts Center Executive Director John Procaccini advised that "we are the sound company that is going to improve the opening ceremonies [for the Rendezvous event] and we are donating that sound to that project." He explained the circumstances associated with having the Brewery Arts Center's electricity shut off on May 19th. He acknowledged that the electricity was quickly restored, and assured the Redevelopment Authority that the incident is in no way reflective of the Brewery Arts Center's financial condition. He reviewed the application materials, and responded to questions of clarification relative to the project budget. In response to a further question, he described the rezoning process relative to the two parcels. He acknowledged that a special use permit will be required for the project. He responded to additional questions regarding the estimated engineering costs, and acknowledged private pledges will be allocated in addition to the requested redevelopment incentive funding. He further acknowledged the anticipation that grant applications will be reviewed more favorably once the engineering work is completed. "... to date, all we have is an approval with a bunch of conditions to close the street and that has a time limit on it. ... we need to exercise some of those conditions in order to show everybody that we're serious about moving forward, including the capital campaign."

Mr. Procaccini acknowledged the understanding that redevelopment incentive funding will be allocated on a reimbursement basis. "All of the contractors and engineers are local and have expressed their willingness to work with us." He offered to work on a "direct bill" basis as well. Member Livermore discussed concerns with regard to the conceptual nature of the project. Vice Chairperson Aldean advised that previously approved incentive funding applications have included "soft costs like engineering." In response to a comment, Mr. Procaccini reiterated the suggestion to pay the engineering costs on a “direct billing” basis. In response to a further comment, he reviewed the ongoing relationship between the City and the Brewery Arts Center, including property ownership and services.

Chairperson Williamson entertained public comment and, when none was forthcoming, a motion. **Vice Chairperson Aldean moved to approve and recommend to the Board of Supervisors their consent to a $20,000 incentive request by the Brewery Arts Center to pay a portion of engineering costs associated with the property improvements located at Minnesota Street, between Second and King Streets, with the Redevelopment Authority finding that this project meets the incentive program criteria and necessary findings set forth in NRS 279.486; payment will be handled on a reimbursement basis. Member Walt seconded the motion. Motion carried 5-0.** Mr. Procaccini thanked the Redevelopment Authority.

23(E) ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS DENIAL OF THE $40,180.00 INCENTIVE REQUEST BY JAMES AND JIE GOTCHY, OWNERS OF LILY’S CHINA BISTRO, IN CONJUNCTION WITH THEIR NEW REMODELING PROJECT LOCATED AT 1280 SOUTH CARSON STREET, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT DOES NOT MEET THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486 (11:14:37) **-** Chairperson Williamson introduced this item, and reviewed the action taken by the RACC at their May 3rd meeting. She noted that neither Mr. or Mrs. Gotchy were present in the meeting room. Mr. McCarthy advised of having informed Mr. Gotchy of his right to appeal the RACC’s recommendation to the Redevelopment Authority. As of the meeting date, no appeal had been filed. In response to a question, Mr. Rombardo recommended taking no action as there was no application for appeal.

23(F) ACTION TO REVIEW AND APPROVE PROPOSED REVISIONS TO THE REDEVELOPMENT AUTHORITY LIEN AND AGREEMENT (11:15:59) **-** Chairperson Williamson introduced this item, and Mr. McCarthy provided background information. Vice Chairperson Aldean advised of having worked with Senior Deputy District Attorney Joel Benton to review the Redevelopment Authority Lien and Agreement, and discussed proposed revisions. Discussion followed regarding various provisions included in the lien and agreement. Mayor Crowell suggested that failure to pay taxes “ought to be grounds for immediate ability of the City to recover the amount of the unpaid lien on the declining balance basis.” He requested Mr. Rombardo to consider the suggestion, and to review the provisions of paragraph 15, Remedies. Chairperson Williamson noted that the proposed revisions to the lien and agreement would apply to future incentive grants. “The existing liens that we have will be operating under the terms and conditions that were at that point.” Vice Chairperson Aldean clarified that the proposed revisions would apply to the applications approved at this meeting “because they have not yet executed this agreement.” She suggested postponing action to the June 3rd meeting, and a brief discussion ensued. Mr. Rombardo requested the Redevelopment Authority members to forward suggested revisions.

Mr. McCarthy noted the original intent of the redevelopment incentive program to rehabilitate buildings. “We did not anticipate those situations where our investment still wouldn’t stimulate business activity for periods of time in ... what we would consider now an empty building or two in town.” He commended the proposed revisions to the lien and agreement. Mr. Rombardo acknowledged the continual evolution of the incentive program. Chairperson Williamson entertained a motion. **Vice Chairperson Aldean moved to defer action until the June 3rd meeting. Member Walt seconded the motion. Motion carried 5-0.**

24. CITY MANAGER - ACTION TO APPROVE THE DEVELOPMENT COORDINATION AGREEMENT FOR THE CARSON CITY CENTER PROJECT, BY AND BETWEEN THE REDEVELOPMENT AUTHORITY, THE HOP AND MAE ADAMS FOUNDATION, AND P3 DEVELOPMENT, INC.; TO RECOMMEND TO THE BOARD OF SUPERVISORS ADOPTION OF A RESOLUTION AUTHORIZING THE EXPENDITURE OF $75,000 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AUTHORITY FOR THE AUTHORITY'S PORTION OF THE AGREEMENT (11:25:32) **-** Chairperson Williamson noted that staff had requested to defer this item, but opened it to public comment. (11:25:46) Bruce Kittess noted the Redevelopment Authority and Board of Supervisors' approval of the "settlement of $438,589 to the Carson Nugget ... last October 15th ... as it had to do with the abandonment of the street." He provided background information on the settlement provisions, and inquired as to whether City staff has verified "how that money has been spent on pre-development and, specifically, is the $75,000 contribution still coming out of that $438 or have they spent all that money." Mr. Kittess expressed the opinion "that should kind of be tied up." He inquired as to whether Carson Nugget, Inc. should "be a party to the agreement that you're going to hear ... next meeting." He further inquired as to whether there are "any agreements between the settlement agreement and the proposed" Development Coordination Agreement. He read a portion of Sections 3.3 and 4.3 into the record, and inquired as to whether "the cost sharing will be the same as the initial 45, 45, and 10." He provided an overview of Section 8.11, and inquired as to the relationship between the Redevelopment Authority and the Nugget Foundation at the time the Development Coordination Agreement is executed. He read a portion of Sections 8.13(a) and (b) into the record, and inquired as to who the project managers will be and whether "their actions ... should be signed by both of them or some register kept ..." He expressed concern that P3 will have two clients "giving some instruction unilaterally because, again, this is a three-party transaction." In reference to Section 8.20, "same question. You have these memoranda. Unilaterally, each project manager can send a memoranda to P3 without the other one signing it. It would seem prudent to have both project managers sign the changes." Mr. Kittess expressed appreciation for the addition of "desired element 12," and inquired as to the possibility of considering an events center. He advised, "We will now reprogram ourselves because this is no longer the Nugget project. I understand this is now the Carson City Center Project." Chairperson Williamson thanked Mr. Kittess for his comments.

In response to a comment, Mr. Werner provided an explanation with regard to the reason for deferring this item. He assured the Redevelopment Authority that the delay was unavoidable, and that steps were taken to advise the parties involved. Vice Chairperson Aldean suggested that the Redevelopment Authority members confer with the City Manager regarding any concerns prior to the June 3rd meeting.

Vice Chairperson Aldean noted that "redevelopment has come to a sort of ... crossroads ..." She requested staff to agendize a formal proposal to indefinitely suspend the financial incentive application process for private projects that would not apply to special events. She noted the extensive time and labor involved in processing incentive funding applications, especially in light of the recent staff reduction in the Office of Business Development. She suggested that creation of a business resource center will, by design, shift emphasis away from cash incentives and more toward business counseling and development. She expressed the opinion that completion of any major development project in the heart of the City will do more to catalyze new development and stimulate existing downtown businesses than any minor cash infusion available through the existing incentive program. She expressed concern over no way to make the review process completely objective. "If an applicant legitimately needs our assistance to make their project successful, then it calls into question the long-term viability of their project. On the other hand, if they are a so-called good risk, because they have assets, then it calls into question their need for an incentive at all." Vice Chairperson Aldean expressed the opinion that tax increment revenues need to be husbanded "so that we can eventually realize our vision for Carson Street by focusing on infrastructure improvement work along the downtown corridor." She suggested that her recommendation would not necessarily foreclose unique partnership opportunities or the acquisition of such things as façade easements, a common tool used by redevelopment authorities. She reiterated the request to have an appropriate item agendized for the next Redevelopment Authority meeting.

Member Livermore inquired as to the author of the Development Coordination Agreement, and requested Mr. Rombardo to review it with him.

25. ACTION TO ADJOURN (11:36:34) **-** Chairperson Williamson adjourned the meeting at 11:36 a.m.

The Minutes of the May 20, 2010 Carson City Redevelopment Authority meeting are so approved this 17th day of June, 2010.

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ROBIN WILLIAMSON, Chair

ATTEST:

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ALAN GLOVER, Clerk - Recorder