A regular meeting of the Carson City Redevelopment Authority Citizens Committee was scheduled for 5:30 p.m. on Monday, January 03, 2011, in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Vice Chairperson Stan Jones
Member Jed Block
Member Gary Cain
Member Dan Neverett
Member Gigi Valenti

STAFF: Lee Plemel, Planning Director
Joe McCarthy, Business Development Manager
Randal Munn, Chief Deputy District Attorney
Tamar Warren, Recording Secretary

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

1 - 2. CALL TO ORDER AND ROLL CALL (5:30:10) – Vice Chairperson Jones called the meeting to order at 5:30 p.m. Roll was called and a quorum was present. Member Cowan was absent.

3. ACTION ON APPROVAL OF MINUTES (5:30:30) – **Member Neverett moved to approve the December 6, 2010 meeting minutes as written. Member Block seconded the motion.** Vice Chairperson Jones called for public comments, and, when none were forthcoming, a vote. **The motion carried 5-0.**

4. ADOPTION OF AGENDA (5:30:37) – **Member Block moved to approve the agenda. The motion was seconded by member Cain, and carried 5-0.**

5. PUBLIC COMMENTS AND DISCUSSION (5:31:02) – There were no public comments.

6. CONTINUE DISCUSSION AND POSSIBLE ACTION TO MAKE A RECOMMENDATION TO THE REDEVELOPMENT AUTHORITY REGARDING A POLICY TO PHASE OUT THE USE OF SALES TAX REIMBURSEMENT INCENTIVE AGREEMENTS. (5:31:14) – Vice Chairperson Jones introduced the item. Mr. McCarthy gave background and referred to a staff report, incorporated in the record. He elaborated on the draft recommendation to the Redevelopment Authority Board of Supervisors to phase out the sales tax reimbursement program, after giving some property owners in the Redevelopment District an opportunity to apply for it, if they met the proposed criteria. Vice Chairperson Jones received clarification on the application deadline of March 31, 2011, after which the applicants would have a year to act. Vice Chairperson Jones solicited comments from the members. Member Neverett thanked Mr. Plemel for the clarifying memo he had sent regarding the issues that were raised in the previous meeting. In response to Member Valenti's question, Mr. McCarthy clarified that Carson City's portion of the 7.475% tax would be "just a tiny hair north of 2%" of the 7.475%". In other words, Mr. McCarthy explained, that over 15 years, up to 1% would be reimbursed to the applicant, if approved. He also clarified that the reimbursement would begin a year after they were in operation, and would have to provide the records to the Department of Taxation. Vice Chairperson Jones was concerned that no one from Lyon, Douglas or Story Counties would be considered, and would like to see that eliminated. Mr. Plemel explained that this was an agreement made with the Southgate Shopping Center, and was being carried over. He also confirmed that this was a policy, and compelling reasons would be looked at. Vice Chairperson Jones and Member Valenti were concerned that a 15-year period was too long, and suggested looking into a five-year term.

(5:40:57) – Chairperson Jones called for public comments. Joanne Holmes, representing the Carrington Company, owner and manager of the Carson Mall, said she had been actively trying to lease the former Gottschalks space. Ms. Holmes was pleased that she was able to speak to national chains, and that things were looking much better this year. She wanted to use this opportunity as a tool to present to potential clients. She also stated that most national chains preferred long-term, over 10-year, leases. John Anderson questioned the March 31st deadline, and the phase-out after a year. He believed in giving incentives to businesses to come to Carson City, occupy large spaces, and lower unemployment. However, he questioned the budget and the source of the funding. He also wanted to find out "when we give money away, how does that affect Carson City, in the way Carson City Operates?" In response to a question, Mr. Anderson stated that he did not think the incentives should "go away", however, he believed that they should be evaluated every year. In response to a question by Vice Chairperson Jones, Mr. McCarthy confirmed that the cash incentives program had been eliminated. Another question was asked by Mr. Block, and Mr. McCarthy responded that the first incentive program formulated in 1992 was a reaction to 29 shut buildings in downtown, which meant it was a grant program to improve buildings and attract tenants. He also clarified that in 21 years, the property tax allocations for redevelopment, would go back to the general fund. Vice Chairperson Jones acknowledged Supervisors Abowd and McKenna in the audience, and thanked them for being there. Member Cain agreed with Mr. Anderson that the incentive was a useful tool, but that it should be regulated. Member Valenti said she did not like the "policies" and wanted the opportunity to be open to everyone. She stated that existing businesses were also suffering. Mr. McCarthy clarified that the incentives were for the property owners, and that the businesses would still pay the sales tax. Member Neverett stated that he disliked the 15,000 square foot space as a policy, and believed that any exception would cause ill will. Member Block suggested spelling out the term "compelling case" in the policy. He suggested that the incentive was a good way of bringing new tenants to town, and to show that "this is not law", and that it was flexible.

(6:03:25) – **Member Valenti moved to make a recommendation to the Redevelopment Authority to "scratch the qualifications that limit it to different counties, scratch the qualification that we don't allow restaurants to apply, and I think that we should scratch the qualification on the square footage amount, and I think that a five-year incentive would work right now, in this economy, for this timeframe". She also added that the incentive should be looked on a year-by-year basis. The motion was seconded by Member Cain.** Member Block was concerned about previous competitive issues with Douglas and Story Counties, and was in favor of excluding neighboring counties from the incentive. Mr. Anderson suggested a workshop process to address the issue and create better discussion. **The motion failed 4-1.**

(6:10:13) – Member Neverett moved to table this discussion for further review by Staff, and for a different set of recommendations based on current discussions. Member Valenti Seconded the motion, which carried 5-0.

7. NON-ACTION ITEMS:

- **UPDATE ON REDEVELOPMENT INITIATIVES.** (6:10:54) – Mr. McCarthy stated that he had been working closely with the owners of the former K-Mart building for some promising future uses. He spoke of a possible national fitness center operator moving in. Member Valenti inquired about the budget. Mr. McCarthy stated that the city-wide budget process was beginning this month and should be filed in May, as required by the Department of Taxation. Mr. McCarthy suggested he invite the Finance Director to update the Committee on the redevelopment budget activities for Project Area #1.

- **FUTURE AGENDA ITEMS FOR THE NEXT MEETING ON February 7, 2011.** (6:13:35) – Previously discussed sales tax incentive, and redevelopment budget activities requested by Member Valenti. Mr. Plemel advised the Committee that he would take the Committee's recommendation to the City Manager. However, he cautioned that this was not a "required recommendation" before taking action.

8. ACTION TO ADJOURN (6:15:30) – Vice Chairperson Jones entertained a motion to adjourn. **Member Block moved to adjourn the meeting. Member Cain seconded the motion.** The meeting was adjourned at 6:16 p.m.

The Minutes of the January 3, 2010 Carson City Redevelopment Authority Citizens Committee meeting are so approved this 7th day of February, 2011.

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STAN JONES, Vice Chair