



Community Development Department

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180 – Hearing Impaired: 711

Date: July 22, 2016

To: Redevelopment Authority Citizens Committee
Meeting of August 1, 2016

From: Lee Plemel, Director

Subject: Action to make recommendations to the Redevelopment Authority regarding possible amendments to the Redevelopment Façade Improvement Program, Resolution No. 2016-RAR-2 and 2016-R-3, to modify project bidding requirements

RECOMMENDED RACC MOTION: I move to recommend to the Redevelopment Authority changes to the Redevelopment Façade Improvement Program requirements to modify project bidding requirements as follows: [insert specific recommendations here].

DISCUSSION:

The Redevelopment Authority/Board of Supervisors approved the Façade Improvement Program (FIP) on May 3, 2016. Prior to this meeting, the RACC has awarded a total of \$130,546 to eight façade improvement grant applicants.

One of the requirements of the Program is to obtain three bids for the purpose of reimbursement by the City. The general purpose of this is to protect the use of City funds to ensure that City funds are not wasted on overcharges. The specific requirements from the authorizing Resolution are as follows:

Project Bidding Requirements:

- A. *Applicants are responsible for obtaining three bids or competitive quotes for the proposed work. All contractors must be registered and bonded by the State of Nevada and licensed to perform the applicable work in Carson City.*
- B. *Approved projects will be based on the lowest of the three bids. The applicant may select any of the three bidders to complete the improvements, but the applicant will be responsible for costs in excess of the lowest bid.*
- C. *Construction contracts will be between the applicant and contractor. The contractor must obtain all required permits prior to commencing construction.*

Applicants have noted difficulty getting three bids for the proposed and approved façade improvement work. Difficulties have been noted to include lack of interest from contractors due to the relatively small project size, general workload of contractors, and unwillingness to provide bids to other contractors. This item has been placed on the agenda at the request of the Chair

and other RACC members to try to address these issues so grantees can move forward with their approved project improvements.

Staff has consulted with local contractors to solicit possible solutions to meet the intent of the requirements. One suggested solution is to replace the existing bidding requirements with the following:

Applicants are responsible for obtaining and submitting a written contractor's bid detailing by line item the description and cost for each item of work to be completed. All contractors must be registered, licensed and bonded in the State of Nevada and licensed to perform the applicable work in Carson City.

Alternatively, the RACC may consider recommending keeping the requirements but allow the RACC to consider exceptions, as follows:

Applicants shall make every attempt to get the required number of bids for the work to be completed. However, the RACC shall have authority to waive this requirement depending but not limited to the following conditions: market trends, lack of qualified vendors, applicant holding a contractor's license, timing of application submittals, or other applicable conditions.

The RACC may consider other recommendations to resolve this issue. Staff will bring the recommendations to the Redevelopment Authority/Board of Supervisors on August 18 to make applicable modifications to the Resolution establishing the Façade Improvement Program requirements.

If you have any questions regarding the Façade Improvement Program, please contact Lee Plemel at 283-7075 or Lplemel@carson.org.

Attachments:

1. Façade Improvement Program Resolution

RESOLUTION NO. 2016-RAR-2 and 2016-R-3

A RESOLUTION TO ESTABLISH THE CARSON CITY REDEVELOPMENT FAÇADE IMPROVEMENT PROGRAM FOR REDEVELOPMENT PROJECT AREAS 1 AND 2

WHEREAS, a stated objective of the Redevelopment Area 1 Plan is to improve the appearance of commercial areas through building rehabilitation, and

WHEREAS, strategies in the Redevelopment Area 2 Plan include engaging the business owners in the revitalization process and assisting in the reuse of vacant buildings; and

WHEREAS, the Carson City Redevelopment Authority and Board of Supervisors desire to create an incentive program to be an integral part of Carson City's private-public partnership initiatives to retain and expand businesses in Carson City; and

WHEREAS, this program is designed to stimulate investment in properties and to improve the desirability of properties within Redevelopment Areas 1 and 2 by improving the exterior appearance of buildings.

NOW THEREFORE, the Carson City Redevelopment Authority and Board of Supervisors do hereby resolve to establish the Carson City Façade Improvement Program for Redevelopment Project Areas 1 and 2, which includes the following guidelines.

1. **Eligible Properties:** All commercial properties within Redevelopment Areas 1 and 2 are eligible to apply for Façade Improvement Program funds.
2. **Ineligible Properties:** Ineligible properties include properties already receiving tax incentives or other financial incentives from the City, residentially-zoned properties, buildings that were constructed within the last five years, properties for which property taxes are owed and not paid up to date, and properties with outstanding or unresolved code enforcement issues.
3. **Eligible Improvements:** All exterior building façade and signage updating and maintenance, including but not limited to painting, lighting, awnings, doors, fascia, and other decorative elements are eligible to receive Façade Improvement Program funds. Landscaping is not an eligible expense.
4. **Maximum Façade Improvement Program Funding:** The maximum Façade Improvement Program funding that may be awarded is \$25,000 per individual Assessor's Parcel Number, subject to authorization of Program funding by the Board of Supervisors.
5. **Required Property Owner Matching Funds:** The property owner shall pay a minimum of 50% of the total project costs. Total project cost includes construction and all expenses incurred in the preparation and permitting of plans for the improvements, including building permit fees, design work, and construction drawings.

6. Façade Improvement Program Application Review Process:

- A. The Redevelopment Authority Citizens Committee (RACC) shall review and have final decision authority on all Façade Improvement Program applications.
- B. Initial applications are due April 15, 2016, to be reviewed by the RACC on May 2, 2016, for the available FY 2015-16 funding and FY 2016-17 funding. In subsequent years, applications will be accepted through April 15 each year for review by the RACC at its first regular meeting in May for available funding the following Fiscal Year, beginning July 1. If available funding is not fully used in any given application review cycle, applications will be accepted on a first-come, first-served basis until available, budgeted funding is exhausted.
- C. Façade Improvement Program applications must include plans meeting commercial building permit standards showing all proposed improvements.
- D. Decisions of the RACC regarding Façade Improvement Program applications may be appealed to the Redevelopment Authority provided that such appeal is made within 7 days of the RACC's decision. Only Façade Improvement Program applicants affected by the RACC's decision have standing to appeal.
- E. The property owner shall sign the application consenting to the proposed improvements and all applicable requirements of the Façade Improvement Program.

7. Reimbursement of Redevelopment Funds: Façade Improvement Program funds shall be awarded as a grant, with no reimbursement required, provided that the property is not sold within 12 months of the completion of the façade improvements for which the grant was awarded. If the property is sold within 12 months of the completion of the façade improvements for which the grant was awarded, the property owner shall be responsible to pay back 100% of the Façade Improvement Program funds awarded by Carson City.

8. Compliance with Development Standards:

- A. All improvements shall be reviewed pursuant to and comply with the Carson City Development Standards Division 1.1, Architectural Design, as applicable to the proposed improvements.
- B. Improvements to buildings within the Downtown Mixed-Use (DTMU) zoning district shall comply with the DTMU Development Standards, Division 6.6, 6.6.2, Lighting, 6.6.3, Signage, 6.6.10, Building Design and Character, and 6.6.11, Guidelines for the Renovation and Restoration of Existing Structures, as applicable to the proposed improvements.

9. **Commitment Agreement:** Each participant in the Façade Improvement Program must execute and record a document agreeing to reimburse the City 100% of the awarded Façade Improvement Program funds if the property is sold within 12 months of the completion of the façade improvements for which the grant was awarded. The agreement shall be in the form as required by the City.

10. **Reimbursement Process:**

- A. Payments from the City shall be made on reimbursement-basis only at a rate of no more than 50% of the actual expenses incurred by the property owner up to the total amount of funds approved.
- B. For façade improvement projects that equal or exceed a total cost of \$10,000, reimbursement may be made in a maximum of two payments. The first payment may be requested for up to 50% of the approved Façade Improvement Program funds only after expenses have been incurred by the applicant equaling or exceeding 50% of the total project costs. The final reimbursement payment shall only be made upon completion and final inspection approval of the proposed improvements.
- C. Reimbursement for projects that are less than \$10,000 in total costs shall be provided in a one-time payment only after improvements have been completed and have received final inspection approvals.
- D. Applicants who receive funding must document all expenditures and provide the Community Development Department with proof of payment (receipts, paid invoices, etc.) for all eligible improvements, including costs associated with the property owner's required match, within 30 days of project completion.

11. **Project Bidding Requirements:**

- A. Applicants are responsible for obtaining three bids or competitive quotes for the proposed work. All contractors must be registered and bonded by the State of Nevada and licensed to perform the applicable work in Carson City.
- B. Approved projects will be based on the lowest of the three bids. The applicant may select any of the three bidders to complete the improvements, but the applicant will be responsible for costs in excess of the lowest bid.
- C. Construction contracts will be between the applicant and contractor. The contractor must obtain all required permits prior to commencing construction.

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12. Completion of Façade Improvements: Improvements for which Façade Improvement Program funds are awarded must be completed within 180 days of application approval or the beginning of the Fiscal Year from which the funds are awarded, whichever occurs later.

Upon motion by Member Brad Bonkowski, seconded by Member Lori Bagwell, the foregoing Redevelopment Authority Resolution No. 2016-RA-R-2 was passed and adopted this 3rd day of March, 2016, by the following vote:

AYES: Member Brad Bonkowski
Member Lori Bagwell
Member Robert Crowell
Chair Karen Abowd

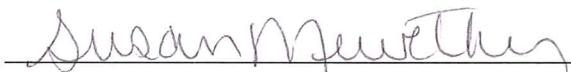
NAYS: Vice Chair Jim Shirk

ABSENT: None.

ABSTAIN: None.


KAREN ABOWD, Chair

ATTEST:


SUSAN MERRIWETHER, Clerk-Recorder

Upon motion by Supervisor Brad Bonkowski, seconded by Supervisor Karen Abowd, the foregoing Board of Supervisors Resolution No. 2016-R-3 was passed and adopted this 3rd day of March, 2016, by the following vote:

AYES: Supervisor Brad Bonkowski
Supervisor Karen Abowd
Supervisor Lori Bagwell
Mayor Robert Crowell

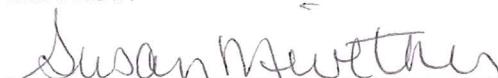
NAYS: Supervisor Jim Shirk

ABSENT: None.

ABSTAIN: None.


ROBERT L. CROWELL, Mayor

ATTEST:


SUSAN MERRIWETHER, Clerk - Recorder