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Carson City, Nevada 89701
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Hearing Impaired: 711

Staff Report To: Redevelopment Authority Citizens Committee

Meeting Date: February 3, 2020

Item 4.C

Staff Contact: Lee Plemel, Director (lplemel@carson.org; 283-7075)

Agenda Title: For Possible Action: Discussion and possible action regarding recommendations to the Redevelopment Authority concerning the adoption of standards for the Utility Extension and Sidewalk Grant Program.

Staff Summary: The Redevelopment Authority has annually allocated funding to assist in the extension of utilities to serve new development. However, the City has received no applications to use the funding, and standards for the authorization of funding have not been adopted. In addition, the RACC will discuss adding sidewalk improvements to the program to assist property owners make required sidewalk upgrades, including ADA accessibility upgrades.

Proposed Motion: I move to recommend to the Redevelopment Authority the program standards as recommended by RACC.

DISCUSSION:

The purpose of this item is to discuss and possibly make recommendations to the Redevelopment Authority regarding standards for the Utility Extension Assistance Program and possibly implementing a Sidewalk Grant Program along with it. Funding for the Utility Extension Assistance Program (\$20,000 per year) was initially implemented to help property owners pay for the extension of utilities to serve a property if those utilities are not available or need to be relocated to serve the property when new construction occurs. Examples include properties where the water lines do not front the property or where power lines run through the property and need to be relocated to accommodate new development. The vast majority of properties within the Redevelopment District have all utilities available to serve new development, so the use of the program is anticipated to be limited.

When a property is improved either with new construction or for a change of use in an existing building, City code requires that the adjacent sidewalk improvements be brought up to current standards, which may include new accessible ramps (at intersection crossings) and replacement of damaged sections of existing sidewalks. Recent reconstruction projects in the downtown area have resulted in unanticipated project costs to repair damaged sidewalks, add or replace accessible ramps, or add landscaping to match existing downtown landscaping.

It is estimated that the construction of one ADA-compliant ramp at an intersection costs approximately \$5,000. Due to the age of sidewalks within the Redevelopment Areas, there are frequently repairs or upgrades required when a building permit for a tenant improvement in an existing building is submitted. Outside of the areas of new downtown sidewalk construction, the downtown area has some of the oldest sidewalk infrastructure in the City. A program could be implemented to help property owners make these improvements at the same time that they are

investing into their properties with construction for new uses. Based on recent construction, staff estimates that there would be 2-3 eligible sidewalk projects per year.

The RACC may discuss the merits of such a program and make recommendations regarding the following aspects of the program for both utility extensions and sidewalk improvements.

Eligible properties

Alternatives:

- 1) All non-residentially-zoned properties within the Redevelopment District.
- 2) All properties within the Redevelopment District (to include residential properties).
- 3) Limit to certain geographic areas.
- 4) Limit to new construction or remodeling which requires eligible utility extensions or sidewalk improvements.

Staff recommendation: Alternatives 1) allow for all non-residentially-zoned properties, and 4) only when the improvements are required as the result of new construction or remodeling an existing building.

Rationale: The general purpose of the Redevelopment District is to promote businesses and attract visitors to the area. The requirement to make sidewalk repairs or extend utilities is rare within the residentially-zoned areas of the Redevelopment District, so it is expected that the program would be used on non-residential properties. Further, the intent of the program is to assist property owners when they are making other improvements to the property, not just to fix sidewalks where no other improvements to the property are occurring.

Ineligible properties

Alternatives:

- 1) Residentially-zoned properties.
- 2) Properties receiving sales tax incentives or other ongoing tax incentives from the City (excluding historic property tax deferments).
- 3) Properties for which property taxes are owed and not paid up to date.
- 4) Properties with outstanding or unresolved code enforcement issues.
- 5) Properties on which utilities extension or sidewalk reconstruction has started prior to the submittal of an application for the assistance program.

Staff recommendation: Ineligible properties include any of the above.

Rationale: The ineligible property exclusions are consistent with the exclusions in the existing Façade Improvement Program.

Eligible improvements

Alternatives:

- 1) Water main, or sewer main, power lines or other utility extensions within the right-of-way to serve the property.
- 2) Power line or other utility line relocations on a property that are necessary to facilitate development of the property.
- 3) New or replacement ADA curb ramps at intersections when required by City code as part of a construction project.
- 4) Replacement of sections of existing sidewalk when required by City code as part of a construction project.

5) Landscaping within the right-of-way consistent with the downtown landscaping improvements.

Staff recommendation: Eligible improvements include any of the above.

Rationale: Numbers 1 and 2 above have been the purpose of having the program for utility extensions. The RACC may discuss whether or not to include sidewalks as part of the program. Including landscaping as part of the program would allow a property owner to upgrade the appearance of the City streetscape.

Required matching funds

Alternatives (in conjunction with funding limits, below):

- 1) Require 50% match from the property owner.
- 2) Require no match up to a certain limit.
- 3) Require other matching percentage.

Staff recommendation: Alternative 1) 50% match consistent with Façade Improvement Program.

Rationale: A match requirement ensures the property owner is getting the best price for the required work because they have to pay a share of the cost.

Maximum project funding amount

Alternatives (in conjunction with matching requirements, above):

- 1) \$5,000 for sidewalks and right-of-way landscaping.
- 2) Other amount for sidewalks and landscaping.
- 3) \$20,000 for utility extensions or relocation.
- 4) Other amount for utility extensions or relocation.

Staff recommendation: Alternatives 1) \$5,000 for sidewalks (with 50% match) and 3) \$20,000 for utilities (with 50% match).

Rationale: For sidewalks, \$5,000 would likely cover the cost of one ADA ramp. Where a ramp is required by City code, there is often additional sidewalk work that is also required. For utility extensions, the total cost of the utility extension or relocation is likely to far exceed \$20,000, which is the amount of money that has been set aside each year for the utility extension program. While only \$20,000 is set aside each year for this program, additional funds could be allocated, as needed, if a utility extension project is submitted for review and funds have already been allocated to other sidewalk projects.

Application review/approval process

Alternatives:

- 1) Staff approval.
- 2) RACC approval.
- 3) Redevelopment Authority approval upon recommendation by the RACC.

Staff recommendation: 2) RACC approval for utility extension applications and 1) staff approval for City code required sidewalk improvements.

Rationale: For utility extensions, it has been the intent of the program in the past to bring projects to the RACC for review and approval of the funding. These will generally involve larger projects. For sidewalk improvements, the property owner often does not know of the

requirement to reconstruct sidewalks or curb ramps until after a building permit application has been submitted and they are ready to start construction. A staff approval of such requests—subject to all applicable supporting documentation—would allow the property owner to continue with construction without waiting for approval from RACC, which could take up to a month or more to schedule a meeting.

Reimbursement of funds if property is sold

Alternatives:

- 1) Require reimbursement of funds if property is sold within one year of project completion.
- 2) Do not require reimbursement of funds if property is sold.

Staff recommendation: 2) Do not require reimbursement of funds if property is sold.

Rationale: Unlike with the Façade Improvement Grant program where the improvements are made on private property, this program only grants funds for utility and sidewalk infrastructure within the right-of-way that is available to everyone to use.

Project bidding requirements

Alternatives:

- 1) Require three bids (like Façade Improvement Grant program).
- 2) Do not require additional bids and reimburse based on actual expenses.

Staff recommendation: 2) Do not require additional bids.

Rationale: For these types of projects, the contractor is already going to be in place by the time the City receives an application for assistance. Other contractors are not then going to submit bids or cost estimates. This is why it is important to require the property owner to match any City funds that are granted. With the matching requirement, the owner is already incentivized to get the best price since they are paying the cost of construction.

Timing of completion of improvements

Alternatives:

- 1) Construction must be started within six months of funding approval, and construction must be completed within six months of start of construction (like the Façade program).
- 2) Construction must be completed within six months of funding approval, or an extension granted.
- 3) Construction must be completed within one year of funding approval, or an extension granted.

Staff recommendation: 2) Require that any sidewalk improvements are completed within six months of funding approval, and 3) require that utility extension projects are completed within one year of funding approval.

Rationale: Generally, construction should occur within a reasonable time period so that Redevelopment funding is not unnecessarily allocated without being spent on approved projects. Staff anticipates that requests for sidewalk improvements would be submitted very close to the start of construction, and such improvements should be done within six months. For utility extension projects, this will typically be part of a larger project that will take longer to initiate and complete. Staff believes a time period of one year is reasonable for completion of such improvements. A time extension could be permitted based on the individual circumstances and the continued availability of the requested funding.

Summary of staff recommendations:

Eligible properties

- 1) All non-residentially-zoned properties within the Redevelopment District.
- 2) Limited to new construction or remodeling which requires eligible utility extensions or sidewalk improvements.

Ineligible properties

- 1) Residentially-zoned properties.
- 2) Properties receiving sales tax incentives or other ongoing tax incentives from the City (excluding historic property tax deferments).
- 3) Properties for which property taxes are owed and not paid up to date.
- 4) Properties with outstanding or unresolved code enforcement issues.
- 5) Properties on which utilities extension or sidewalk reconstruction has started prior to the submittal of an application for the assistance program.

Eligible improvements

- 1) Water main, or sewer main, power lines or other utility extensions within the right-of-way to serve the property.
- 2) Power line or other utility line relocations on a property that are necessary to facilitate development of the property.
- 3) New or replacement ADA curb ramps at intersections required by City code as part of the construction project.
- 4) Replacement of sections of existing sidewalk when required by City code as part of the construction project.
- 5) Landscaping within the right-of-way consistent with the downtown landscaping improvements.

Required matching funds

- 1) 50% match from the property owner.

Maximum project funding amount from the City

- 1) \$5,000 for sidewalks and right-of-way landscaping, per project.
- 3) \$20,000 for utility extensions or relocation, per project.

Application review/approval process

- 1) Staff approval for sidewalk projects.
- 2) RACC approval for utility extension projects.

Reimbursement of funds if property is sold

- 1) Do not require reimbursement of funds if property is sold.

Project bidding requirements

- 1) Do not require additional bids and reimburse based on actual expenses.

Timing of completion of improvements

- 2) Construction of a sidewalk project must be completed within six months of funding approval, or an extension granted.
- 3) Construction of a utility extension project must be completed within one year of funding approval, or an extension granted.

The RACC may make recommendations to the Redevelopment Authority regarding each of the above program elements, and staff will draft the requirements into a written policy for the Redevelopment Authority's final approval and implementation. Alternatively, if the RACC would like more information or would like to see the draft policy document before making a final recommendation to the Redevelopment Authority, the RACC may direct staff to bring the policy back to RACC for final review and recommendations.

Also note that the Resolution with the standards for the Façade Improvement Grant Program is attached for your reference in considering the potential requirements of the Utility Extension and Sidewalk Grant Program.

If you have any questions regarding this item, please contact Lee Plemel at 283-7075 or Lplemel@carson.org.

Attachments:

- A) Façade Improvement Grant Program Resolution

RESOLUTION NO. 2018-RA-R-2

A RESOLUTION AMENDING AND SUPERSEDING RESOLUTION 2017-RAR-1 AND 2017-R-1 TO CONTINUE THE CARSON CITY REDEVELOPMENT FAÇADE IMPROVEMENT PROGRAM FOR REDEVELOPMENT PROJECT AREAS 1 AND 2 AND AMEND PROVISIONS RELATED TO PROJECT ELIGIBILITY REQUIREMENTS.

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, Carson City has made an investment in infrastructure improvements and streetscape enhancements within the downtown area and plans similar improvements along Carson Street and William Street to improve the appearance of these commercial corridors; 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 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:** Eligible properties include all non-residential properties within Redevelopment Areas 1 and 2.
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 or have had façade improvements completed within the last five years, properties for which property taxes are owed and not paid up to date, properties with outstanding or unresolved code enforcement issues, and properties on which construction of the proposed improvements has already been started at the time of application submittal to the Community Development Department. For the purpose of this section, a historic property tax deferment or "open space" property tax deferment is not a disqualifying tax or financial incentive.
3. **Eligible Improvements:** All exterior building façade 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, if

such updating or maintenance involves the provision of services by at least two different labor trades. Landscaping, signs, roofing materials, paving, and any improvements not affixed to the building are not eligible expenses. For the purposes of this policy, exterior building façade includes all portions of a building visible from the public right-of-way or on-site public parking lot.

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. If available funding is not fully used in any given fiscal year, applications will be accepted on a first-come, first-served basis until available, budgeted funding is exhausted. If available funding has been fully allocated for any given fiscal year, applications may continue to be accepted and will be date stamped for priority consideration for the next fiscal year.
 - 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.
- D. 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 on but not limited to the following conditions: market trends, lack of qualified vendors, timing of application submittals, or other applicable conditions.
- E. Notwithstanding the provisions above, a property owner/applicant who is also a contractor and will be the contractor for the proposed façade improvements shall not be required to obtain three bids but shall be responsible for obtaining and submitting a written contractor's or subcontractor'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.

12. Completion of Façade Improvements: Improvements for which Façade Improvement Program funds are awarded must be started (by obtaining a building permit for applicable improvements) within 180 days of application approval or the beginning of the Fiscal Year from which the funds are available, whichever occurs later. The approved façade improvements must be completed within 180 days of building permit approval. One 180-day extension may be granted by the RACC.

13. Discretionary Review: Notwithstanding any other provision contained herein, the RACC retains full discretion, based on a review of the overall merits of a proposed improvement, the beneficial impact of the improvement and the scope and purpose of the Façade Improvement Program:

- A. To deny an application without regard to eligibility; and
- B. To waive the eligibility criteria set forth in section 3 which requires the provision of services by at least two different labor trades for exterior building façade building and maintenance.

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Resolution No. 2018-RA-R-2

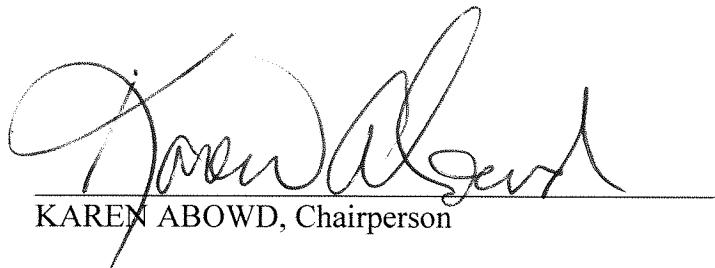
Upon motion by Member Brad Bonkowski, seconded by Vice Chair Lori Bagwell, the foregoing Resolution was passed and adopted this 6th day of December, 2018, by the following vote:

AYES: Member Brad Bonkowski
Vice Chair Lori Bagwell
Member John Barrette
Member Robert Crowell
Chairperson Karen Abowd

NAYS: None

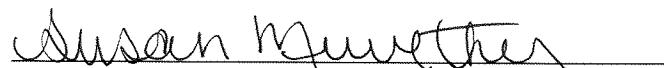
ABSENT: None

ABSTAIN: None.



KAREN ABOWD, Chairperson

ATTEST:



SUSAN MERRIWETHER, Clerk – Recorder