

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the October 15, 2009 Meeting

Page 1

DRAFT

A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled Board of Supervisors meeting, on Thursday, October 15, 2009 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
Melanie Bruketta, Chief Deputy 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 recording secretary during the meeting are public record. These materials are available for review, in the Clerk's Office, during regular business hours.

10. CALL TO ORDER AND ROLL CALL (8:56:39) - Chairperson Williamson called the meeting to order at 8:56 a.m., noting the presence of a quorum.

11. ACTION ON APPROVAL OF MINUTES - September 3, 2009 and September 17, 2009 (8:56:47) - Vice Chairperson Aldean moved to approve the minutes, as presented. Member Livermore seconded the motion. Motion carried 5-0.

12. CONSENT AGENDA (8:57:19) - Chairperson Williamson entertained requests to hear items separate from the consent agenda. Member Livermore requested to separately hear item 12-1(A). Vice Chairperson Aldean requested to separately hear item 12-1(B). Chairperson Williamson reviewed the remainder of the consent agenda, and entertained questions or comments. When none were forthcoming, she entertained a motion to approve the remainder of the consent agenda. **Member Livermore moved to approve the remainder of the consent agenda: item 12-1(C), the Ghost Walk, and item 12-1(D), the Christmas celebration, as presented. Vice Chairperson Aldean seconded the motion.** Chairperson Williamson entertained public comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.**

12-1. OFFICE OF BUSINESS DEVELOPMENT

12-1(A) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A \$40,000.00 INCENTIVE REQUEST BY PARADISE COVE CAFÉ TO REDEVELOP THE PROPERTY AT CARSON MALL, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486, SPECIFICALLY 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

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the October 15, 2009 Meeting

Page 2

DRAFT

INCENTIVE IS SUBJECT TO THE APPLICANT FULFILLING CITY REQUIREMENTS

(8:58:29) - Chairperson Williamson introduced this item, and Business Development Manager Joe McCarthy reviewed the agenda report. (9:00:23) At Chairperson Williamson's request, Doug Cramer described plans for the Paradise Cove Café, as outlined in the agenda materials. He responded to questions of clarification regarding project funding and tenant improvements. Member Livermore expressed surprise over the Carson Mall being designated as an area of blight. Discussion took place with regard to Mr. Cramer encumbering his residence as collateral against the redevelopment incentive funding declining lien.

Vice Chairperson Aldean noted that the additional rents, i.e., the pro rata contribution to the operating costs of the mall, are "to be determined," and expressed concern over the sustainability of the base rents over time. At Mr. Cramer's request, Chairperson Williamson recessed the meeting at 9:16 a.m. and reconvened at 9:22 a.m. In response to a previous question, Mr. Cramer discussed the benefits of a restaurant which serves dinner in the subject location. In response to a comment, Vice Chairperson Aldean expressed confidence in Mr. Cramer's ability as a restaurateur, but no faith in the economy. She expressed additional concern over the lack of "substantial reserves." She noted Mr. Cramer's "established reputation in town," but also noted that new businesses often take away from other establishments "which will probably include Mom and Pop's." She expressed concern over risking the \$40,000 "of taxpayers' money," and for the Cramers personally. In response to a question, Mr. Cramer advised of having checked the value of his house "online." "It's still about \$175,000." Mr. Cramer offered Mom and Pop's Diner as collateral against the declining lien. Mr. McCarthy responded to questions regarding the mechanism of the declining lien. Vice Chairperson Aldean inquired as to the assignment provision in the Carson Mall lease contract. Mr. Cramer advised that his wife and children have been working at Mom and Pop's Diner "all along." He acknowledged that the lease agreement was executed with no contingency in consideration of the redevelopment incentive program application.

Chairperson Williamson entertained public comment; however, none was forthcoming. Mr. Cramer discussed his restaurant experience, and requested the Redevelopment Authority's consideration of the redevelopment incentive program application. He acknowledged that his plans will have to be scaled back or modified without the incentive funding.

Chairperson Williamson advised that the Redevelopment Authority Citizens Committee ("RACC") had reviewed, discussed, and approved the subject application, and entertained a motion. **Member Crowell moved to approve and recommend to the Board of Supervisors their consent to a \$40,000.00 incentive request by Paradise Cove Café to redevelop the property at Carson Mall, with the Redevelopment Authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, specifically 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 Carson City requirements, one of which is that the homestead will be removed from the Cramers' residence if a second mortgage is taken out as collateral against the declining lien associated with the incentive program funding. Member Walt seconded the motion.** Vice Chairperson Aldean advised she would vote in opposition to the motion. She noted that Mr. Cramer had "raised the bar in terms of what the [Redevelopment Authority] will now be expecting with respect to information brought before us in connection with these incentive applications." She reiterated concern over the "riskiness of this venture," in consideration of "the public's money." She expressed uncertainty over investing personal

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the October 15, 2009 Meeting

Page 3

DRAFT

funds in such a venture, and the opinion that the public's money should, therefore, not be invested. She reiterated confidence in Mr. Cramer's restaurant management experience, but noted "there are a lot of very capable operators who have gone under through no fault of their own." Member Livermore concurred with Vice Chairperson Aldean, and expressed concern over the unknown "common area maintenance" costs. He expressed appreciation for Mr. Cramer's investment in the community. Chairperson Williamson entertained public comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 3-2.** Ms. Bruketta advised Mr. Cramer of the requirement for a two-thirds majority vote of the Board of Supervisors, and suggested that he "stick around for that."

12-1(B) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A \$26,144.00 INCENTIVE REQUEST BY THE BLUE BULL TO REDEVELOP THE PROPERTY AT 107 EAST TELEGRAPH STREET, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486, SPECIFICALLY 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

(9:34:50) - Chairperson Williamson introduced this item. Mr. McCarthy introduced Terry and Lara Poor, and reviewed the agenda report. Vice Chairperson Aldean described the subject application as "classic redevelopment," in consideration of the "building that is falling into disrepair," and the capital required to restore historic buildings. She inquired as to the legal status of the stairwell walkway, and whether there is actually a public easement which encumbers it.

(9:35:40) Mr. Poor advised of having executed an easement agreement between Dennis Steele and John Davidson, who own the two buildings directly to the west. "We all are partial owners" of the sidewalk "that we're doing the public improvement on." Mr. Poor acknowledged that the easement agreement is private, and not in favor of the general public.

Chairperson Williamson entertained public comment and, when none was forthcoming, entertained a motion. **Vice Chairperson Aldean moved to approve and recommend to the Board of Supervisors their consent to a \$26,144.00 incentive request by The Blue Bull to redevelop the property at 107 East Telegraph Street, with the Redevelopment Authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, specifically 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. Member Livermore seconded the motion. Motion carried 5-0.**

12-1(C) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THE APPROVAL OF THE EXPENDITURE OF \$12,000.00 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY TO SUPPORT THE GHOST WALK, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the October 15, 2009 Meeting

Page 4

DRAFT

WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, AND BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE NEED FOR THE EXPENSES, THE EXPENSES ARE NEEDED TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN, AND THAT THE AMOUNT OF THE EXPENSES ARE MINOR IN COMPARISON TO THE MONEY REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN

12-1(D) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THE APPROVAL OF THE EXPENDITURE OF \$4,500.00 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY TO SUPPORT THE SILVER AND SNOWFLAKES HOLIDAY TREE LIGHTING, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, AND BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE NEED FOR THE EXPENSES, THE EXPENSES ARE NEEDED TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN, AND THAT THE AMOUNT OF THE EXPENSES ARE MINOR IN COMPARISON TO THE MONEY REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

13. ANY ITEM(S) PULLED FROM THE REDEVELOPMENT AUTHORITY CONSENT AGENDA WILL BE HEARD AT THIS TIME - Please see the minutes for the Redevelopment Authority consent agenda items 12(A) and 12(B).

14. OFFICE OF BUSINESS DEVELOPMENT - ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A \$438,589.00 INCENTIVE PAYMENT TO CARSON CITY NUGGET, INC. AND CARSON NUGGET, INC. FOR THE COSTS OF THE NUGGET DEVELOPMENT PROJECT, AS SET FORTH IN THE SECOND AMENDMENT TO THE SETTLEMENT AGREEMENT BETWEEN CARSON CITY NUGGET, INC., CARSON NUGGET, INC., AND CARSON CITY, AND AUTHORIZING THE EXPENDITURE OF MONEY FROM THE REVOLVING FUND OF THE REDEVELOPMENT AGENCY FOR PAYMENT OF THE INCENTIVE (9:38:08) - Chairperson Williamson introduced and provided background information on this item. Mr. McCarthy reviewed the agenda report. In response to a question, he advised that Carson Nugget representatives consider the development project “an imperative.” Vice Chairperson Aldean noted that Exhibit E had been distributed to the Redevelopment Authority members, and advised that it should be attached to the Second Amendment to the Settlement Agreement.

Chairperson Williamson entertained public comment and, when none was forthcoming, a motion. Ms. Bruketta provided an overview of the revised Second Amendment to the Settlement Agreement. (9:45:12) Carson Nugget, Inc. Vice President Steve Neighbors advised that Nugget representatives have considered the traffic signal to not be “in the best interests of the community” long-term. He expressed understanding for the revisions and waived the right to the traffic signal. **Vice Chairperson Aldean moved to approve and recommend to the Board of Supervisors their consent to a \$438,589.00 incentive request by the Carson Nugget to cover the costs associated with the Nugget Development Project as set forth in the**

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the October 15, 2009 Meeting

Page 5

DRAFT

Second Amendment to the Settlement Agreement, as amended, between Carson City Nugget, Inc., Carson Nugget, Inc., and Carson City, and authorizing the expenditure of money from the revolving fund for the Redevelopment Authority for the payment of the incentive. Member Livermore seconded the motion. Motion carried 5-0.

15. ACTION TO ADJOURN THE REDEVELOPMENT AUTHORITY (9:46:14) - Chairperson Williamson adjourned the meeting at 9:46 a.m.

The Minutes of the October 15, 2009 Carson City Redevelopment Authority meeting are so approved this _____ day of November, 2009.

ROBIN WILLIAMSON, Chair

ATTEST:

ALAN GLOVER, Clerk - Recorder