

**Redevelopment Plan
Commercial Redevelopment
Project Area No. 2**

**CARSON CITY REDEVELOPMENT AUTHORITY
Table of Contents**

1. INTRODUCTION	2
2. DESCRIPTION AND MAP OF THE PROJECT AREA	8
3. PROPOSED REDEVELOPMENT ACTIONS	8
A. Specific Redevelopment Activities	8
B. Community Partnerships.....	10
4. PUBLIC-PRIVATE PARTNERSHIPS	10
5. AUTHORIZED AND REQUIRED ACTIONS (Authority and City).....	11
A. ACQUISITION OF PROPERTY	11
B. PARTICIPATION OPPORTUNITIES.....	13
C. DISPOSITION OF PROPERTY.....	14
D. NON-DISCRIMINATION	15
E. RELOCATION.....	15
F. DEMOLITION, CLEARANCE AND SITE PREPARATION.....	15
H. DEVELOPMENT OF PROPERTY BY THE AUTHORITY	16
I. REHABILITATION, CONSERVATION AND MOVING OF STRUCTURES.....	16
J. REVIEW OF DEVELOPMENT PLANS/PERMITTED LAND USE.....	16
K. PROPOSED FINANCING METHODS	17
L. TAX INCREMENT FUNDING.....	18
M. OTHER LOANS OR GRANTS.....	20
N. ACTIONS BY THE CITY.....	20
O. ENFORCEMENT OF THE PLAN.....	21
P. DURATION OF THE PLAN	21
Q. PROCEDURE FOR AMENDMENT	21
6. IMPLEMENTATION.....	21
EXHIBIT A—MAPS AND BOUNDARY OF PROJECT AREA	23
EXHIBIT B—REPORT ON THE PLAN	24
EXHIBIT C—OWNER PARTICIPATION GUIDELINES.....	34

REDEVELOPMENT PLAN
SOUTH CARSON STREET
Project Area No. 2

CARSON CITY REDEVELOPMENT AUTHORITY

1. INTRODUCTION

The South Carson Street Redevelopment Plan (the “Plan”) is a commercial corridor redevelopment project of the Carson City Redevelopment Authority (the “Redevelopment Authority”) Redevelopment Project Area No. 2.

This Plan addresses energizing portions of South Carson Street area by “promoting infill and redevelopment in targeted areas” (Goal 1.2 – Carson City Master Plan). It establishes the policies of the Redevelopment Authority for governance of the South Carson Street Project Area (“Project Area No. 2”) and defining the parcels of the project. These policies permit and encourage the use of public/private partnership initiatives that target the redevelopment objectives on South Carson Street as reflected in the master plan. As a means of revitalizing Project Area No 2, long-term success will come from the marriage of public planning, coordination, infrastructure, and public financing tools with the private sector’s development skill, entrepreneurial know-how, and private capital.

The Carson City Master Plan’s Goal 1.2b states, “The City has two redevelopment areas...Existing boundaries should be reviewed periodically and adjusted as appropriate to support redevelopment objectives and to reflect priorities.”

The map in Exhibit A shows the parcels to be included and the boundary of Project Area No. 2. Exhibit A also includes a listing of parcels that are within the Project Area boundaries at the time of adoption of the Plan.

This Plan addresses the following specific characteristics of Project Area No. 2:

1. Vacant and deteriorated buildings
2. Private sector reluctance to invest
3. Property unfit or unsafe for commercial or residential purposes and conducive to ill health because of inadequate sanitation, age obsolescence, deterioration, dilapidation, mixed character or shifting of uses
4. A scarcity of housing areas that create identifiable neighborhoods with the Redevelopment Project Area
5. Evidence of pockets of declining business activity including businesses choosing to relocate to other, more effectively developed business districts

6. A deterioration and economic dislocation in the area resulting from faulty planning
7. Lots of irregular form and shape and inadequate size for proper use and development
8. Lots layouts in disregard of the contours and other physical characteristics of the ground and surrounding conditions
9. The need for flood control
10. The existence of inadequate streets, public improvements and utilities
11. Significant potential for reduced capacity to pay taxes and a potential for reduction of tax receipts vital to pay for public services
12. A lack of proper use of some parts of the area, resulting in a stagnant and unproductive condition of land that is otherwise potentially useful and valuable for contributing to the public health, safety and welfare
13. Poor design and appearance
14. Poor access, congestion, and traffic patterns
15. Potential land and/or improvement values unrealistically acting as short-term impediments to profitable commercial occupancy costs and competitive rates of return on investment. (Market value requires a sufficient exposure to the market per se, but investment opportunities, at each moment in time, always seek an appropriately balanced market. Redevelopment initiatives invite investment that would otherwise seek other markets.)
16. Higher risk of development costs
17. Higher public and social infrastructure and services costs

The Redevelopment Plan cites specific strategies to address these characteristics. These strategies focus on launching revitalization with new and expanded business and residential activities and paving the way for private investment that otherwise would not occur within Project Area No.2. The strategies are:

1. Foster cost effective public-private partnerships by breathing new life into localities within the Project Area in need of revitalization, economic development and new opportunities

2. Implement incentives and subsidies that address the economic viability of development projects, especially the viable, retail reuse of vacant big boxes, empty buildings, irregular parcels and deteriorating mobile home parks
3. Create private investment opportunities by working with property owners to address impediments to investment: unrealistic land costs and blighted properties
4. Improve public facilities, especially streetscape and traffic improvements
5. Expand housing opportunities, affordable, compact, attainable, workforce and entry-level, as well as owner-occupied and rental products, both in vertical and horizontal mixed-use contexts
6. Assist with financing tools, if necessary, in the acquisition of auto sales sites to enable expansion and retention of auto sales on South Carson Street and assist with the relocation of auto dealers from other parts of the region to South Carson Street
7. Provide incentives for dealers to increase the number of franchises offered on South Carson Street
8. Assist auto dealers with marketing efforts to enhance Carson City as an auto purchase destination for the region. This assistance could include helping the dealers establish a strong and active Dealer Group to conduct destination advertising and other marketing efforts such as special events. It could also include assistance with signs and other design features to create identity for South Carson Street as an auto purchase destination for the region.
9. Direct the Redevelopment Authority to work with the State of Nevada to maximize private investment opportunities at the old Armory site
10. Invest in construction and maintenance of traffic improvements, landscaping and other public improvements to improve the traffic circulation and appearance of South Carson Street
11. Facilitate the creation of a business improvement district as an effective tool at enhancing the physical, commercial and business environment by engaging the business owners in the revitalization process.
- 12.

Redevelopment is an implementation tool: The adoption of a Redevelopment Plan for South Carson Street will create an implementation tool for these strategies. The Plan will provide the community with legal and financial tools that otherwise would not be available to implement these strategies.

The limited use of eminent domain: The Plan severely restricts the use of eminent domain on South Carson Street. The Plan places this restriction along with the generic authority allowed by

State law to ensure that this power is used only in situations where community standards clearly warrant its use. The Authority shall not exercise the power of eminent domain:

- On any residential property with improvements secured on a permanent foundation, or
- On any mobile home (or mobile home park) deemed real or personal property by the County Assessor.

Eminent Domain may only be warranted for:

- Vacant commercial properties that have deteriorated or been abandoned to the point of creating hazards to public health and safety or needing to be torn down,
- Or in cases of so-called “friendly eminent domain,” a property owner may be willing to sell a deteriorating property to free them of a problem. This may be a useful mechanism to assemble property for a larger-scale development.

In addition to this restriction and as required by State law, the Redevelopment Authority will adopt Owner Participation Guidelines with the Plan. The Owner Participation Guidelines are attached to the Plan (Exhibit C) and may be amended after initial adoption. These rules give property owners maximum notice and allow owners to explore participation opportunities in the redevelopment process. The Plan also provides property owners the use mediation as a low-cost means for establishing value.

Land-use provision in the Plan: The Plan does not create land uses different than shown on the City’s Master Plan and Zoning Map. The Plan adopts the City’s Master Plan as its land use plan and design standards as they exist now and as they may be changed in the future. The Plan also provides that the City be delegated full authority to administer all development regulations within the Project Area and that the Redevelopment Authority reimburses the City for the costs of doing so.

The 2006 update to the land use Master Plan provides the guiding principles of economic vitality that are consistent with this Redevelopment Plan. The principles focus on:

- “Diversifying the City economic base to include a broader range of retain services downtown, along its major gateway corridors, and in target locations
- Continuing support of redevelopment efforts by working with business and property owners to encourage and assist in redevelopment efforts
- Recognize the unique nature of Nevada’s tax system and promote economic development alternatives that result in a net positive fiscal impact for the City

- The City will strive to approach economic development activities using a collaborative and innovative approach that encourages cooperation between the public and private sector
- Encourage the redevelopment and reuse of underutilized retail spaces along the major gateway corridors such as the vacant Kmart Building, the Eagle Station and Southgate Shopping Centers on South Carson Street and the Downtown central business district
- Use available tools, such as land write-downs and land purchase cost subsidies to mitigate rising and prohibitive land costs., rent subsidies, sales-tax revenue-sharing arrangements, market rate loans and so forth to attract retail tenants to underutilized spaces while continuing to explore the use of other incentive programs, such as incurring pre-development costs and design professional services along with public improvements and upgrades

Tangible economic benefits of community redevelopment: potential for higher land values, higher sale values, increased public and private funding potential, higher rental returns, increased asset values on which to borrow, reduced operating costs, reduced long-term maintenance costs, reduced security expenditures, health care costs and crime prevention

Intangible economic benefits of community redevelopment: security of investment depending on market, less uncertainty, distinctive product differentiation, increased developer confidence, future collaborations, high-quality, stable tenants, competitive investment edge, increased city marketing potential

Summary: The effectiveness of the Plan depends both on the participation of the *private* sector and the ability of the Redevelopment Authority to foster a public/private partnerships, adapt to changed competitive circumstances and embrace solutions that are realistically market-based. The Plan creates a specific legal authority not otherwise available to the City for financing and planning. It is a template to allow the Redevelopment Authority to help to re-establish and rebuild the commercial potential on South Carson Street.

The specific actions authorized by the Plan are set forth in Sections 3, 4 and 5 as follows:

- **Section 3** describes the proposed Redevelopment Actions to address the issues on South Carson Street.
- **Section 4** stipulates in greater detail the public-private partnerships that the Redevelopment Authority intends to pursue to encourage private investment on South Carson Street.
- **Section 5** describes both the authority and requirements of the Redevelopment Authority and the City in implementing the strategies set forth in Sections 3 and 4.

Exhibit A describes the boundaries and the parcels included in the Project Area.

Exhibit B is the Report on the Plan that addresses the reasons for redevelopment, a description of the area and other items required by statute.

Exhibit C is the required Owner Participation Guidelines required by state law.

(Note: An updated Redevelopment District Map can be downloaded from the Office of Business Development web page at: www.carson.org/obd, or contact the Office of Business Development at 775-887-2101 for a copy.)

2. DESCRIPTION AND MAP OF THE PROJECT AREA

The boundaries of Project Area No. 2 are shown on the map and the boundary description has been incorporated into the ordinance that adopts the Redevelopment Plan

3. PROPOSED REDEVELOPMENT ACTIONS

A. Specific Redevelopment Activities

The Redevelopment Authority plans to carry out the following strategies to achieve the goals of redevelopment in Project Area No. 2:

1. **Communication and consultation:** The Redevelopment Authority shall consider establishing ad hoc workgroups to provide a forum for communication and consultation with the Authority's staff. The Authority shall also establish an information web site concerning redevelopment activities in the Corridor and an e-mail distribution list of interested parties for redevelopment activities in the Corridors.
2. **Revitalization Plans:** The Authority shall sponsor creation of a Revitalization Strategy for each of the component areas of Project Area No .2. These Revitalization Strategies will identify development opportunities in each of the component areas.
3. **Partnership with School District:** The Authority approves a mechanism to set aside the amount of lost discretionary property tax revenue for agreed upon capital projects developed in cooperation with the District.
4. **Parcel consolidation:** The Authority shall work with property owners to assemble adequate sites for the development and construction of commercial and residential projects.
5. **Access consolidation:** The Authority shall work to consolidate access to parcels to improve overall circulation in the Project Area.
6. **Incentives for development:** The Authority may assist private investment projects to proceed by awarding incentives that address the risks and provide necessary enhancement to the economic viability of the development projects in the Project Area.
7. **Public Facilities:** The Authority shall develop a program for installation or the construction of streets, public facilities and other public improvements to make commercial corridors and the Project Area a more attractive area with less traffic congestion and to improve the access and circulation to commercial parcels throughout the Project Area No. 2.

8. **Assistance to retail/commercial:** The Authority shall participate in the planning for and recruitment of commercial and residential development in Project Area No. 2.
9. **Marketing:** The Authority shall work with property owners and business to market the commercial areas throughout Project Area No. 2.
10. **Rehabilitation assistance:** The Authority shall consider the creation of a façade and structural revolving loan program and a rent subsidy program to cover working capital needs for existing qualifying businesses.
11. **Assistance with site acquisition:** The Redevelopment Authority, by assisting with site acquisition for auto dealers, has the ability to influence the economics related to the expansion or retention of auto sales on South Carson Street. The use of financing tools and public/private partnerships will allow the Redevelopment Authority to work with existing auto dealers to obtain commitments to remain doing business and to expand their operations on South Carson Street.
12. **Relocation assistance:** The Redevelopment Authority has the capability to assist auto dealers to relocate from other parts of the region to South Carson Street. For example, auto sales operations currently located on North Carson Street could benefit from clustering with the dealers on South Carson Street to produce the synergy of an auto row.
13. **Expansion in number of franchises:** For example, Carson City lacks the following franchises: Volkswagen, BMW, Mitsubishi, Acura, and Mercedes. The Redevelopment Authority could provide inducements for auto dealers to increase the number of franchises offered on South Carson Street.
14. **Armory Site:** Currently, the State of Nevada owns the site of the former Nevada National Guard. The Redevelopment Authority could work with the State of Nevada to maximize private development potential on this site through the means authorized by this Plan.
15. **Improvements in traffic circulation, landscaping and streetscape:** South Carson Street is currently a major state highway making access difficult. Also, it has limited landscaping and attractive visual amenities. The Redevelopment Authority has the ability to invest in infrastructure, traffic improvements, landscaping, maintenance and other public enhancements to improve traffic circulation and the appearance of South Carson Street. This strategy includes forming a business improvement district to address maintenance needs in the area.
16. **Auto Sales Sector's Marketing assistance:** A strong marketing program has the potential of contributing to the success of auto sales operations on South Carson Street. The Redevelopment Authority can assist auto dealers with marketing efforts to enhance Carson City as an auto purchase destination for the region. This assistance could include helping to establish a strong and active Dealer Group to

conduct destination advertising and other marketing efforts such as special events. It could also include assistance with signs and other design features to create identity for South Carson Street as an auto purchase destination for the region.

In conducting the redevelopment activities as set forth above, the Redevelopment Authority shall be enabled by the authority and requirements set forth in Section 5 of the Plan.

Community Partnerships

The Redevelopment Authority is committed to establishing partnerships with private property owners, business operators, other governmental jurisdictions, non-profit organizations, labor associations and business organizations to achieve the objectives stated in the Plan and revitalize the area.

The Redevelopment Authority is authorized to financially assist any public body with the cost of public land, buildings, facilities, structures or other improvements if the assistance would benefit the redevelopment effort.

4. PUBLIC-PRIVATE PARTNERSHIPS

The Redevelopment Authority shall work closely with stakeholders in the implementation of the Plan specifically with, the commercial, retail and general merchandise sales sector, the auto sales sector, landowners, prospective developers and the State of Nevada, owners of the Armory site. In working to increase private investment, the Redevelopment Authority is authorized to participate in any of the following public-private partnerships:

1. **Assessment Districts:** These districts are financing mechanisms authorized under State law for low-cost financing of public facilities by private property owners. The Redevelopment Authority has the capacity to offset costs in an Assessment District.
2. **Brownfields program:** This federal and state funded program identifies contaminated sites and assists with assessment and cleanup to ensure certainty. The Redevelopment Authority could provide technical or financial assistance.
3. **Community Vitalization District:** These districts are authorized under State law as a means for commercial property owners to work together on financing public facilities, marketing, redevelopment and facilities maintenance. The Redevelopment Authority could participate in such a district to assist with costs.
4. **Incentive programs:** The Redevelopment Authority may use redevelopment incentives consistent with NRS Chapter 279 including land write-downs and land purchase cost subsidies to mitigate rising and prohibitive land costs, rent subsidies, sales-tax revenue-sharing arrangements, market rate loans to attract investment in underutilized spaces while continuing to explore the use of other incentive programs, such as pre-development costs including design professional services and public improvements and upgrades

5. **Land assembly:** The Redevelopment Authority could assist in the retention and expansion of business operations by working with property owners to create a common private ownership. Frequently, consolidated private ownership is a prerequisite to increased private investment.
6. **Loans:** The Redevelopment Authority could be a conduit for low-cost loans for rehabilitation, façade improvements and working capital or other development projects.
7. **Parking:** The Redevelopment Authority could assist a project by financing all or a portion of the costs of parking.
8. **Public improvement cost financing:** The Redevelopment Authority could assist a project by financing all or a portion of the public improvement costs that are necessary to serve the project.

5. AUTHORIZED AND REQUIRED ACTIONS (Redevelopment Authority and the City)

This section identifies the specific legal authority of the Redevelopment Authority and the City to implement the actions enumerated in Sections 3 and 4. To accomplish the purposes and activities of the Plan and implement and further the Plan, the Redevelopment Authority is authorized to use the powers provided in the Plan, and all powers now or hereafter permitted by law, including the power of eminent domain as allowed by N.R.S.279.424, except as specifically *restricted*-in this Plan.

A. ACQUISITION OF PROPERTY

The Redevelopment Authority is authorized to purchase and to dispose of property in accordance with the Plan. It is also authorized to manage and maintain any property acquired by and under the ownership and control of the Authority. The specific authority and conditions for acquisition of property are:

- The Redevelopment Authority may exercise the power of eminent domain only within the defined boundaries of Project Area No. 2 with the following restrictions and only in situations where community standards clearly warrant its use.
- The Authority shall not exercise the power of eminent domain:
 - On any residential property with improvements secured on a permanent foundation, or

- On any mobile home (or mobile home park) deemed real or personal property by the County Assessor.

Eminent Domain may only be warranted for:

- Vacant commercial properties that have deteriorated or been abandoned to the point of creating hazards to public health and safety or needing to be torn down,
- Or in cases of so-called “friendly eminent domain,” a property owner may be willing to sell a deteriorating property to free them of a problem. This may be a useful mechanism to assemble property for a larger-scale development.
- All eminent domain actions will require the approval of the Board of Supervisors in addition to the approval of the Redevelopment Authority.
- If the property owner requests, the Redevelopment Authority shall participate and pay for the cost of outside mediation, where the mediator is jointly chosen by the property owner and the Redevelopment Authority.
- The Redevelopment Authority may acquire all real property within Project Area No. 2 by purchase, gift, grant, bequest devise exchange, purchase, eminent domain or any other means as allowable by the applicable provisions of N.R.S. However, the Redevelopment Authority shall not be required by the adoption of the Plan to acquire all the property within Project Area No. 2.
- Pursuant to the provisions of N.R.S. Chapter 37, the Redevelopment Authority may only acquire real property within the boundaries of Project Area No. 2 that it cannot otherwise acquire by purchase, gift, grant, bequest or devise or exchange of real property, and only if it is deemed to be in the public interest and necessary to affect the goals and objectives of the Plan.
- The Redevelopment Authority shall not acquire real property covered by a participation agreement with a private owner, as required by N.R.S. if the owner fulfills the performance requirements of the agreement.
- The Redevelopment Authority may acquire all interest in real property within the boundaries of Project Area No. 2, including full fee, and interest less than full fee, including any and all leasehold interests.
- The Redevelopment Authority may acquire structures within the boundaries of Project Area No. 2 without acquiring the land upon which the structures are located.
- The Redevelopment Authority shall not acquire and is not authorized to acquire, real property owned by public bodies that do not consent to such acquisition.
- The Redevelopment Authority may acquire from any public body public property within the boundaries of Project Area No. 2 to be transferred to private ownership before the

goals and objectives of the Plan have been obtained, unless the Authority and the private owner enter into a participation agreement, and the owner completes the performance requirements of that agreement.

- The Redevelopment Authority is authorized to acquire personal property within the boundaries of Project Area No. 2 by any means allowed by law to attain the goals and objectives of the Plan and subject to its restrictions
- The Redevelopment Authority may acquire property and/or structures within the boundaries of Project Area No. 2 identified as having historical significance to the City or the State by reason of architectural, economic, or social contribution to the City and/or the State.
- The Redevelopment Authority may acquire land within the boundaries of Project Area No. 2 for development by public bodies or entities, including itself, or for development by private bodies or entities provided that subsequent development would be of benefit to Project Area No. 2, and the development is in accordance with the Plan.
- The Redevelopment Authority may acquire façade easements from private and public entities within the boundaries of Project Area No. 2 to facilitate beautification or historic preservation.
- The Redevelopment Authority may acquire open space or open space easements within the boundaries of Project Area No. 2 from private or public entities provided this acquisition is or would be of benefit to the project Area and would facilitate development in accordance with the Plan.

B. PARTICIPATION OPPORTUNITIES

To affect the goals and objectives of the Plan, in accordance with the Plan and N.R.S. 279.566, the Redevelopment Authority shall offer participation opportunities to owners of property within Project Area No. 2, subject to the Owner Participation and Business Preferences Guidelines adopted by the Authority that are part of this Plan and incorporated herein by reference. Accordingly:

- Said Guidelines provide for the procedures and the evaluation criteria for insuring owners have reasonable opportunities to participate in the accomplishment and achievement of the goals and objectives of the Plan by:
 - Retaining all or a portion of their properties;
 - Acquiring adjacent or other properties in Project Area No. 2;
 - Rehabilitation of existing buildings or improvements;
 - New development;

- Selling their properties to the Redevelopment Authority or other public or private interests and purchasing other properties in Project Area No. 2;
 - Participating with the Redevelopment Authority in the planning, construction and ownership of new facilities and structures within Project Area No. 2.
- Owners are under no obligation to accept the opportunity of participation by the Redevelopment Authority, but the Redevelopment Authority shall not be limited in availing itself of the other options provided in the Plan to accomplish the redevelopment of property for which owners decline to participate.
 - Owners must meet performance criteria set forth in the Guidelines.
 - The Guidelines may be amended as allowed by law by the Redevelopment Authority, as it deems appropriate.
 - All provisions within this Plan pertaining to the non-performance by owners with which the Redevelopment Authority has signed participation agreements shall be enforceable by law, and the
 - The requirement of this section of the Plan shall apply to all property within the boundary of Project Area No. 2 as shown on Exhibit A attached, whether or not the Redevelopment Authority and a participant enter into a participation agreement, including all public and private property.

C. DISPOSITION OF PROPERTY

- To accomplish the purposes of this Plan, the Redevelopment Authority is authorized to sell, lease, transfer, assign, exchange, pledge, cause to be subdivided, encumber by mortgage or deed of trust, or otherwise dispose of any real property acquired.
- All real property acquired by the Redevelopment Authority in Project Area No. 2 shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan, except for property conveyed to the City or other public bodies.
- During such time as property, in Project Area No. 2 is owned by the Redevelopment Authority, such property shall be under the management and control of the Redevelopment Authority. Such property may be rented or leased by the Redevelopment Authority pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Redevelopment Authority may adopt.
- All sales or leases must be conditioned upon the redevelopment and use of property in conformity with the Plan.
- To the extent permitted by law, the Redevelopment Authority is authorized to dispose of real property by sale or lease or by negotiation without public bidding, subject to

- All purchasers or lessees of property shall be obligated to use the property for the purposes designated in this Plan, to begin and complete development of the property within a period of time which the Redevelopment Authority fixes as reasonable, and comply with other conditions which the Redevelopment Authority deems necessary to carry out the purposes of this Plan.
- The Redevelopment Authority shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention for use of property for speculative purposes and to insure developments are carried out pursuant to the provision of the Plan.
- To attain the purposes of the Plan, the Redevelopment Authority is authorized to sell, lease, exchange, transfer, assign, pledge, encumber or otherwise dispose of personal property which is acquired by the Redevelopment Authority.
- The Authority may establish the value for property rented, leased or sold to public and private entities as it deems appropriate within any limits established by N.R.S.

D. NON-DISCRIMINATION

There shall be no discrimination or segregation based on race, sex, color, religion, national origin or ancestry in the sale, lease sub lease, transfer, use, occupancy, tenure or enjoyment of property in the Redevelopment Project Area No. 2, and all property sold, leased, subleased, or other transfer of land in the Redevelopment Project Area No. 2 shall contain such nondiscrimination and non-segregation clauses as are required by law.

E. RELOCATION

The Redevelopment Authority anticipates limited, if any need for relocation of residents due to activities authorized in this Plan. If relocation is required, however, the Redevelopment Authority shall provide assistance for relocation and shall make all of the payments required by Chapter 342 of N.R.S. for programs or projects for which federal financial assistance is received to pay all or any part of the cost of that program or project. The Redevelopment Authority may make such other payments as may be appropriate. The Redevelopment Authority may offer relocation assistance to person, individuals, families, businesses and others who may be displaced through activities to effect this Plan in any form or manner that it deems appropriate, including financial payments or subsidies, site locator services or any other cost.

F. DEMOLITION, CLEARANCE AND SITE PREPARATION

- The Redevelopment Authority is authorized to demolish and clear buildings, structures and other improvements from any real property in Project Area No. 2 owned by the Authority as necessary to carry out the purpose of this Plan.

- The Redevelopment Authority is authorized to prepare as building sites any real property in Project Area No. 2 owned by the Redevelopment Authority. In connection with a building site or project the Redevelopment Authority may undertake the construction of streets, sidewalks, curbs, utilities, public facilities and other public improvements necessary to carry out the Plan.
- The Redevelopment Authority is authorized to lease, sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of personal property which is acquired by the Redevelopment Authority.

H. DEVELOPMENT OF PROPERTY BY THE AUTHORITY

- To the extent and in the manner now or hereafter permitted by law, the Redevelopment Authority is authorized to pay for, develop or construct any publicly or privately owned building, facility or improvement for itself or for any public body or entity, which buildings, facilities, structures or other improvements are or would be of benefit to Project Area No. 2, and may acquire or pay for the land required.
- The Redevelopment Authority may enter into contracts, leases and agreements with the City or other public body or entity and the obligation of the Redevelopment Authority under such contract, lease or agreement shall constitute an indebtedness of the Redevelopment Authority which may be made payable out of the taxes levied in Project Area No. 2 and allocated to the Redevelopment Authority or any other available funds.

I. REHABILITATION, CONSERVATION AND MOVING OF STRUCTURES

- The Redevelopment Authority is authorized to rehabilitate and conserve a building or structure in Project Area No. 2 owned by the Redevelopment Authority. The Redevelopment Authority is also authorized to advise, encourage and assist financially in the rehabilitation and conservation of property in Project Area No. 2 not owned by the Redevelopment Authority, where consistent with the goals and objectives of this Plan.
- The Redevelopment Authority is also authorized to acquire, restore, rehabilitate, move and conserve buildings of historic or architectural significance, subject to the provisions of the City of Carson City Municipal Code.
- As necessary in carrying out the Plan, the Redevelopment Authority is authorized to move any standard structure or building or any structure or building which can be rehabilitated to a location within Project Area No. 2.

J. REVIEW OF DEVELOPMENT PLANS/PERMITTED LAND USE

The Redevelopment Authority intends to develop in cooperation with property owners in Project Area No. 2 of this Plan a Revitalization Plan for that area which will set forth development standards, land use and revitalization strategies for the area. The Redevelopment Authority

anticipates that the City shall adopt these plans and shall be responsible for any necessary enforcement. This Plan adopts the City's Master Plan and zoning land uses in their entirety as they may be amended in the future. The following parameters set forth the development review process:

- Through the Revitalization Planning process enumerated in Section 5, the Redevelopment Authority anticipates adopting development standards for each component area of Project Area No .2 that will be also adopted by the City. With City adoption of the Revitalization Plan, the Redevelopment Authority shall delegate entirely the review of development plans for conformance to development standards to the City.
- All developments in Project Area No. 2 must conform to the standards of the City and to the subsequently adopted standards developed in the Revitalization Plans and to all applicable federal, state and local laws, and to such architectural and design review standards as the City and/or the Redevelopment Authority may establish, and must receive the approval of the appropriate public agencies prior to start of work.
- To insure conformance with the provisions of the Plan, all development plans for projects or parcels within Project Area No. 2 shall be submitted to the City for review and approval.
- All requests for permits necessary to accomplish development within the Project Area shall be submitted to the City.

K. PROPOSED FINANCING METHODS

- The Redevelopment Authority is authorized to finance projects within Project Area No. 2 with financial assistance from the City, State of Nevada and Federal governments, tax increment funds, sales-tax revenue sharing, interest income, Redevelopment Authority bonds, grants, donations, loans from private financial institutions, the lease or sale of Redevelopment Authority owned property or any other available source, public or private.
- The Redevelopment Authority is also authorized to obtain advances, borrow funds and create indebtedness in carrying out the Plan.
- The principal and interest on advances, funds and indebtedness may be paid from tax increments or any other funds available to the Redevelopment Authority, including interest income on funds held by the Redevelopment Authority.
- Advances and loans for survey and planning activities and for the operating capital for administration of the Plan may be provided by the City until adequate tax increment or other funds are available or sufficiently assured to repay the advances and loans and to permit borrowing adequate working capital from sources other than the City.

- The City, as it is able, may also supply additional assistance through loans and grants for various public facilities.
- The City or any other public authority may expend money to assist the Redevelopment Authority in carrying out the Plan.
- The Redevelopment Authority is authorized to issue bonds from time to time, if it deems appropriate to do so, in order to finance all or any part of project activities in Project Area No. 2.
- Neither members of the Redevelopment Authority nor any person executing the bonds are liable personally on the bonds by reason of their issuance.
- The bonds and other obligations of the Redevelopment Authority are not a debt of the City or the State, nor are any of its political subdivisions liable for them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the Redevelopment Authority, and such bonds and other obligations shall so state on their face.
- The bonds and obligations of the Redevelopment Authority do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.
- The Redevelopment Authority is authorized to make pledges as to specific advances, loans and indebtedness as appropriate in carrying out project actualities in Project Area No. 2.

L. TAX INCREMENT FUNDING

N.R.S. 279.676 provides:

Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in the redevelopment area each year by or for the benefit of the state, any city, county or district or any other public corporation after the effective date of ordinance approving the redevelopment plan, must be divided as follows:

- a. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment area (described in the attached Exhibit A, "Plan Area Boundary") as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized before the effective date of ordinance (No _____), must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid. To allocate taxes levied by or for any taxing agencies which did not include the territory in a redevelopment area on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance must be

used in determining the assessed valuation of the taxable property in the redevelopment area on the effective date. If property which was shown on the assessment roll used to determine the amount of taxes allocated to the taxing agencies is transferred to the State and becomes exempt from taxation, the assessed valuation of the exempt property as shown on that assessment roll last equalized before the date on which the property was transferred to the State must be subtracted from the assessed valuation used to determine the amount of revenue allocated to the taxing agencies.

b. Except as otherwise provided in paragraphs (c) and (d) and NRS 540A.265, that portion of the levied taxes each year in excess of that amount set forth in paragraph (a) must be allocated to and when collected must be paid into a special fund to the redevelopment agency to pay the costs of redevelopment and to pay the principal of and interest on loans, money advanced to, or indebtedness whether funded, refunded, assumed or otherwise, incurred by the redevelopment agency to finance or refinance, in whole or part, redevelopment. Unless the total assessed valuation of the taxable property in the redevelopment area exceeds the total assessed value of the taxable property in the redevelopment area as shown on the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan, less the assessed valuation of any exempt property subtracted pursuant to paragraph (a), of all taxes levied and collected in the redevelopment area must be paid into the funds of the respective taxing agencies referred to in subdivision “a” hereof, all of the taxable property in the Project Area must be paid into the funds of the respective taxing agencies. When the redevelopment plan is terminated pursuant to the provisions of NRS 279.438 and 279.439 and loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

The portion of taxes mentioned in subdivision “b” above are hereby irrevocably pledged for the payment of the principal of and interest on the advance of money, or making of loans or the incurring of any indebtedness (whether funded, refunded, assumed or otherwise) by the Authority to finance or refinance the Project and the Plan, in whole or in part. The Redevelopment Authority is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project and Plan.

The Redevelopment Authority is authorized to issue bonds or refinance bonds from time to time, if it deems it appropriate to do so, in order to finance all or any part of the Project or the Plan. Neither the members of the Redevelopment Authority nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

The bonds and other obligations of the Redevelopment Authority are not a debt of the City or the State, nor are any of its political subdivisions liable for them³³, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the Redevelopment Authority, and such bonds and other obligations shall so state on their face. The bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitations or restrictions.

M. OTHER LOANS OR GRANTS

Any other loans, grants, guarantees or financial assistance from the United States, the State of Nevada or any other public or private source will be utilized if available.

N. ACTIONS BY THE CITY

Although the City retains the final authority, it shall seek to cooperate with the Redevelopment Authority in carrying out this Plan and consider all actions necessary to ensure the continued fulfillment of the purposes of this Plan to create economic opportunity within Project Area No. 2. Within the zoning authorized by the City, each property owner may operate any business so authorized under such zoning. Actions by the City shall include, but not be limited to:

- In accordance with NRS 279.628, the City may authorize the expenditure of any money in the redevelopment revolving fund to be expended for the acquisition of real property in any redevelopment area or the clearance, aiding in relocation of occupants of the site and preparation of any redevelopment area for redevelopment.
- The City may authorize expenditure of funds in the redevelopment revolving fund to be paid to the agency, upon such terms and conditions as the legislative body may prescribe for deposit in a trust fund to be expended for the acquisition of real property in any redevelopment area, the clearance of any redevelopment area for redevelopment, or any expenses necessary or incidental to the carrying out of the Plan.
- Institution and completion of proceedings for opening, closing, vacating, widening or changing the grades of streets, alleys and other public rights-of-way and of other necessary modifications of the streets, the street layout and other public rights-of-way in Project Area No. 2.
- Such actions, stated in the paragraph above, by the City shall include the requirement of abandonment, removal and relocation by the public utility companies of their operations of public rights-of-way as appropriate to carry out this Plan, provided that nothing in this Plan shall be construed to require the cost of such abandonment, removal and relocation to be borne by other than those legally required to bear such cost.
- Institution and completion of proceedings necessary for changes and improvements in private and publicly owned utilities within or affecting Project Area No. 2.
- Revision of zoning (if necessary) within Project Area No. 2 to permit the land uses and development authorized by this Plan.
- Imposition wherever necessary of appropriate controls within the limits of the Plan upon parcels in Project Area No. 2 to insure their proper development and use.
- Provision for administrative enforcement of the Plan by the City after development of Project Area No. 2, developed with the Authority for enforcement of a program for

continued maintenance by owners of all real property, both public and private, within the Project Area throughout the duration of the Plan.

- Performance of the above actions and of all other functions and services relating to public peace, health, safety and physical development normally rendered in accordance with a schedule which will permit the redevelopment of Project Area No. 2 to be commenced and to be carried to completion without necessary delays.
- The undertaking and completing of any other proceedings necessary to carry out activities in Project Area No. 2 to affect the goals of this Plan.

The foregoing actions to be taken by the City do not necessarily involve or constitute any commitment for financial outlays by the City. Where appropriate, the Redevelopment Authority shall provide for reimbursement of City expenses for costs associated with carrying out its responsibilities for enforcement and implementation of the Redevelopment Plan.

O. ENFORCEMENT OF THE PLAN

The City shall perform the administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan. The Redevelopment Authority shall not establish separate enforcement mechanisms from the City.

The provision of the Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Redevelopment Authority or the City. Such remedies may include, but are not limited to, specific performance, damages, reentry, injunctions or any other remedies appropriate to the purpose of the Plan. In addition, such owners may enforce any recorded provisions that are expressly for the benefit of owners of property in the Project Area.

P. DURATION OF THE PLAN

This Plan shall be effective for a period of 30 years from its date of adoption.

Q. PROCEDURE FOR AMENDMENT

This Plan may be amended by means of the procedure established in N.R.S. Section 279.608 or by any other procedure hereafter established by law.

6. IMPLEMENTATION

This Plan lays out a program for revitalizing portions of South Carson Street working with the overall retail sector, property owners, residential and commercial developers, and the State of Nevada. The Plan will succeed or fail based on how well the Redevelopment Authority is able to craft partnerships with both private and public sector entities to stimulate and enhanced private investment.

Given the modest size of the Project Area, it is unlikely that in the short term the Project Area will generate extensive financial resources to re-invest in stimulating private investment. Consequently, early on, the Redevelopment Authority will need to rely on two funding sources to accomplish its activities:

1. Outside funding, either from grants or from the City.
2. Project funding that comes from the project itself in terms of tax increment or a pledge by the City of funds from sales tax increases.

The anticipated actions by the Redevelopment Authority after adoption of this Plan are:

- 1. Approach all auto dealers to explore ways of retaining, relocating or expanding their operation on South Carson Street:** Within one year of plan adoption.
- 2. Outline proposed public private partnerships:** Within eighteen months, the Redevelopment Authority should bring forward proposals to retain, relocate or expand auto sales on South Carson Street.
- 3. Formulate a redevelopment strategy to broaden the range of retail services that serve both the residents of Carson City and those in the surrounding counties:** Within twelve-to twenty-four months, the Redevelopment Authority should bring forth viable public-private proposals to expand retail, commercial and residential services on South Carson Street from Fairview Drive to the county line. Targeted areas to attract private investment for commercial and residential developments or associated mixed-use developments could include, but should not be limited to the following areas:
 - Southgate Shopping Center to include the vacant Wal-Mart building
 - Eagle Station Shopping Center
 - Oasis Mobile Home Park
 - Clear Creek Mobile Home Park and adjacent properties
 - Former Bodine's Restaurant & mobile home park property and the adjacent Carson City Fairgrounds
 - Vacant site south of Michael's Cycles
 - Vacant property along the east west side of Curry Street/Overland Street, from Koontz lane to Highway 50 East.
 - Properties from Clearview Drive to Clearcreek Rd. on the east side of Hwy 395.
 - Various small parcels, both vacant and improved, on the east side of Carson Street, running from Clearview Drive to Colorado Street.

EXHIBIT A—MAPS AND BOUNDARY OF PROJECT AREA

This exhibit will include the map showing parcels and boundaries of Project Area No. 2.

(Note: An updated Redevelopment District Map can be downloaded from the Office of Business Development web page at: www.carson.org/obd, or contact the Office of Business Development at 775-887-2101 for a copy.)

EXHIBIT B—REPORT ON THE PLAN

Introduction: State law requires that every redevelopment plan submitted to the legislative body must be accompanied by a report containing:

- (a) The reasons for the selection of the redevelopment area;
- (b) A description of the physical, social and economic conditions existing in the area;
- (c) A description of the proposed method of financing the redevelopment plans in sufficient detail so that the legislative body may determine the economic feasibility of the plan;
- (d) A method or plan for the relocation of persons and families temporarily or permanently displaced from housing facilities in the redevelopment area;
- (e) An analysis of the preliminary plan; and
- (f) The report and recommendations of the planning commission, if any.

This report responds to these requirements.

Reasons for selection of the redevelopment area: South Carson Street is one of Carson City’s major thoroughfares with traffic of over 35,000 average daily trips. Much of this traffic is pass-through traffic since Hwy. 395 South is the principal north-south highway along the eastern Sierra. The South Carson Street Demonstration Redevelopment Project includes a portion of the commercial area that is situated directly south of the Downtown Central Business District.

Currently, South Carson Street accounts for a significant portion of Carson City’s commercial activity. The largest sector that generates sales in Carson City is the automotive sector constituting more than 30 percent of retail sales, including gasoline sales. Growth in this sector in the past four years has exceeded 50 percent; the next largest sector, general merchandise, has declined slightly with the recent relocation of **the former Wal-Mart in the Southgate Shopping Center to North Douglas County.**

The monthly sales tax collection figures continue to portray the critical importance of the auto sales sector to Carson City while reminding us that our general merchandise sales are significantly below the statewide per capita average. Given the natural competition facing Carson City in other sectors, the auto sales sector remains crucial to the stabilization and revitalization of economic health of South Carson Street and a revitalization of our overall general merchandise sales would have a positive effect on our long term fiscal health.

Two dealerships are located on North Carson Street, a separate business area from the four dealerships on South Carson Street. Currently, several auto dealerships in both business areas face pressure from manufacturers to upgrade facilities. Consequently, several dealerships are considering relocation options. Relocation efforts have been slowed in Carson City by the scarcity of developable property, which has led these dealerships to consider locations south of

Carson City on vacant property in Douglas County. Such relocations could negatively impact the economic health of South Carson Street and to the fiscal health of Carson City.

The completion of the new Carson City Freeway presents another challenge to the commercial opportunities along South Carson Street. The table below shows the estimated impacts of the new freeway on traffic volumes on both Carson Street and Highway 50 East based on projected 2025 traffic volumes.

**Impact of the Carson Freeway on Traffic Volumes
On South Carson Street**

2025 Projections of Average Daily Trips (ADT)	ADT with Freeway	ADT Without Freeway	Difference	% Change
Carson St.				
at College Parkway	25,200	53,460	(28,260)	(52.86%)
north of William	32,450	43,790	(11,340)	(25.90%)
north of Spooner	30,460	66,040	(35,580)	(53.88%)

The diversion of traffic will both reduce congestion on South Carson Streets and redirect potential customer flows to other areas of the city. Additionally, traffic volumes on the eastern portion of 50 East are expected to increase substantially. The challenge will be to attract investment to South Carson Street that builds on the advantage of increased accessibility and the disadvantage of reduced traffic and exposure on Carson Street.

Most recently, the development along South Carson Street has been primarily on smaller, fragmented parcels with access and traffic problems. There are a limited number of adequately developable sites with the scale needed for modern development. Existing development continues, but at a modest rate only. Development opportunities are hampered by inadequate lot layout, poor traffic access, aging development, and “friction zones” that have incompatible land uses, primarily residential and commercial, in close proximity.

Because the combination of sufficient traffic, exposure and regional access makes So. Carson Street a prime opportunity for economic development for various commercial and mixed-use opportunities, this Plan offers the needed assistance to address the barriers to investment along So. Carson Street. This is especially true of the auto sales sector, which is poised to make investments in new facilities.

During the last three decades, major retailers selling clothing, appliances, furniture and other durable goods moved from Downtown to newer shopping centers and malls along South Carson Street. Carson City Redevelopment Authority now successfully targets tax increment financing funds to the Downtown to encourage private investment and rebuild and improve infrastructure.

The Redevelopment Authority, property owners, business operators and the State of Nevada have invested more than \$100 million to revitalize and expand the Capitol Complex and adjacent facilities, rehabilitate historic buildings, develop streetscapes and other infrastructure

improvements and bring a degree of business back downtown. The Redevelopment Authority also spends over \$75,000 annually on special events and promotional efforts in cooperation with downtown businesses and local nonprofit organizations to market the area as an exciting place to dine, shop and stroll. This visual renovation, reinvestment has reversed the negative opinion of downtown and brightened its long-term possibility of once again serving as a viable business district. Forming a new redevelopment project area along South Carson Street in Carson City has the potential of stimulating commercial and residential development along South Carson Street that will stabilize its economic health and foster its potential for long-term capital investment.

In January 2002, Carson City embarked on an economic development strategic planning process. This community based process involved more than sixty community members who worked for six months to produce the Carson City Economic Vitality Strategic Plan. The Plan was completed in June 2002 and adopted by the Board of Supervisors in September 2002. The Economic Vitality Strategic Plan made recommendations in five areas:

1. Build and maintain partnerships for ongoing involvement and accountability.
2. Target existing and emerging key economic sectors that that provide primary jobs.
3. Develop and maintain regional cooperative relationships on issues of commonality with adjacent counties and the state.
4. Achieve the economic, physical and aesthetic revitalization of the downtown area by encouraging tourism, business development, and cultural heritage preservation.
5. Attract investment along the corridors to ensure economic vitality by encouraging well-planned development, capitalizing on the city's scenic and historic character.

Within these five goal areas, the Vitality Plan specified objectives. The fifth goal addresses the economic health of South Carson Street; the Vitality Plan specified objectives as follows:

Objective 5.1: Create a Corridor Development Plan that will enhance property values and create a vibrant economic development climate for stakeholders through public/private partnerships, efficient land use, effective traffic management, and cohesive aesthetics.

Objective 5.2: Create a redevelopment plan area to include the South Carson Street, Highway 50 East and North Carson Street areas as one mechanism for creating public/private partnerships.

Objective 5.3: Explore the use of other public/private partnerships as mechanisms for financing public and private investments in the highway corridors.

Objective 5.4: Implement advertising, promotion and marketing opportunities.

Objective 5.5: Work with businesses and provide pre-development assistance to support to grow new business and retain and expand existing, viable retail uses.

Objective 5.6: Work with NDOT and the city to complete the Carson City bypass.

Objective 5.7: Implement short-term economic development projects to build momentum.

To implement these seven objectives, the Economic Vitality Coalition, a community partnership established as a result of the Economic Vitality Strategic Plan, formed a work group of citizens, business owners and property owners to work on the detailed implementation. The work group began meeting in December 2002. The Work Group presented a comprehensive proposal to the community for redevelopment of all the commercial corridors in Carson City.

As prescribed by statute, this proposal was brought before the Redevelopment Authority on February 5, 2004 in the form of a Preliminary Plan. At that meeting the Redevelopment Authority gave direction to staff and the work group to focus the redevelopment effort on the strengthening the auto sales sector on South Carson Street. This South Carson Street Demonstration Redevelopment Plan *indicated* the Redevelopment Authority's clear direction.

In 2005 and 2006, Board of Supervisor goals have given the staff and the community the additional goals to expand the use of redevelopment: pre-development subsidies, professional service support and public-private partnerships as proactive tools to reinvigorate our commercial corridors. The Board of Supervisors supports economic development strategies that have the intent of effectively responding to competing commercial development in our neighboring counties. These competing forces have the potential to negatively affect Carson City's ability to facilitate commercial development and corridor revitalization. As a result, the Board has instructed staff to begin broadening the scope of the Plan to include commercial and residential development and expanding the boundaries of Redevelopment Project Area No. 2 along South Carson Street, Highway 50 E. and farther north along Carson Street above John Street.

Description of the physical, social and economic conditions in the area: A recent survey of the conditions in the proposed Project Area No. 2 was conducted to evaluate the physical, social and economic conditions in the area. The survey specifically evaluated whether the area met the conditions contained in state law for the establishment of a redevelopment project area.

The expansion amends the boundaries *to* approximately **562** acres of developable land and **246** parcels in Project Area No. 2. There are about 130 acres of vacant property, approximately 24% of the project area. Based on a recently completed survey, approximately 138 parcels, with an area of about 315 acres, meet the state law criteria for the statutory definition of "blight." The *following* summarizes these characteristics of Project Area No. 2.

Summary

Number of parcels: 246
Total area: 562 acres
Vacant area: 132 acres
Residential: 92 units

Meeting the statutory definition of "blight"

138 parcels

315 acres

Land use

Public

8 parcels

56 acres

Retail Commercial

107 parcels

248 acres

General commercial

127 parcels

236 acres

Multi-family

13 parcels

20 acres

To qualify as for designation as a redevelopment area, the area must meet the requirements of state law, set forth in NRS 279.388, requiring that the area is “characterized by *four* or more of the following factors, referred to in statutory language as “blight.”

(a) The existence of buildings and structures, used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which are unfit or unsafe for those purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime because of one or more of the following factors:

(1) Defective design and character of physical construction.

(2) Faulty arrangement of the interior and spacing of buildings.

(3) Inadequate provision for ventilation, light, sanitation, open spaces and recreational facilities.

(4) Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses.

(b) An economic dislocation, deterioration or disuse.

(c) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.

(d) The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.

(e) The existence of inadequate streets, open spaces and utilities.

- (f) The existence of lots or other areas that may be submerged.
- (g) Prevalence of depreciated values, impaired investments and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.
- (h) A growing or total lack of proper utilization of some parts of the area, resulting in a stagnant and unproductive condition of land which is potentially useful and valuable for contributing to the public health, safety and welfare.
- (i) A loss of population and a reduction of proper use of some parts of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.
- (j) The environmental contamination of buildings or property.
- (k) The existence of an abandoned mine.

To recap, of the 246 parcels contained in the project area, 138 were specifically identified as meeting ~~one~~ four or more of these criteria, a total of approximately 315 acres of the 562 total acres in Project Area No 2. The conditions that are directly applicable to the conditions listed in state law and which exist in Project Area No. 2 are as follows:

1. **Property conducive to ill health, age obsolescence, dilapidating conditions:**
Throughout the expanded area there exists several, older mobile home parks with failing septic systems, poorly maintained storage unit properties along commercial frontage and vacant big boxes in deteriorating shopping centers.
2. **A deterioration and economic dislocation in the area resulting from faulty planning:** The area on the eastside of South Carson Street, north of Koontz Lane contains marginal, intermittently substandard development. This area fronts on an old section of South Carson Street, which is used as a frontage road, with a large unlandscaped berm separating the two roads.

A second area of economic dislocation exists south of Clearview Drive, east side of South Carson Street, where a combination of lots with old commercial development front a remnant of the old South Carson and a newer, under-performing shopping center sits behind with high vacancies, poor access and poor visibility.
3. **Lots of irregular form and shape and inadequate size for proper usefulness and development:** These conditions exist particularly on the east side of South Carson Street that is north of Koontz Lane, but are evident also on the east side of South

Carson Street that is south of Clearview Drive and west South Carson Street that is north of Clearview Drive.

- 4. Lots laid out in disregard of the contours and other physical characteristics of the ground and surrounding conditions:** This condition exists north of Koontz Lane on the west side of South Carson Street.
- 5. The need for flood control:** The area west of the intersection of Koontz Lane and South Carson will need a significant amount of flood control improvements to control runoff coming from Voltaire Canyon.
- 6. Significant potential for reduced capacity to pay taxes and a potential for reduction of tax receipts vital to pay for public services:** Because of the relocation of the Wal-Mart store to a new location in north Douglas County, general merchandise retail has experienced a decline in sales tax revenue. It should be noted that the parcels within the Project Area No. 2 still represent the largest sales tax generating sector in Carson City because of robust car sales.
- 7. A growing or total lack of proper utilization of some parts of the area, resulting in a stagnant and unproductive condition of land which is potentially useful and valuable for contributing to the public health, safety and welfare:** This condition is evident in the low-cost development north of Clearview Drive, on the west side of South Carson Street. Several interior parcels have been for sale for an extended period. Mid-block parcels suffer from lack of access and challenging slope and layout issues.

The area on the eastside of South Carson Street, north of Koontz Lane is another area of concern. Many parcels in this area are too narrow or oddly shaped to accommodate contemporary commercial development that is expected in an economically vital commercial area. The old Nevada Guard Armory represents a significant reuse opportunity to revitalize this area.

- 8. Poor design and appearance, especially in the area of landscaping:** This factor predominates in portions of Project Area No. 2, particularly on eastside of South Carson Street, north of Koontz Lane. The lack of a landscaped median is also a factor, as is the lack of any significant frontage landscaping on most developed parcels. During workshops held in July 2003 concerning the need for redevelopment in the commercial corridors, the prevalence of poor design and the lack of landscaping were rated the highest concern by attendees at the workshop.
- 9. Poor access, congestion, and traffic patterns:** This condition exists because of several limiting factors. First, poor placement of intersections and driveways restrict access to many parcels. Second, where access is provided between South Carson

Street and Curry Street to the west, poor directional indicators and a lack of capacity inhibit simple access on Curry Street.

The additional legal criteria that a redevelopment area must meet are set forth in NRS 279.519 as follows:

1. A redevelopment area need not be restricted to buildings, improvements or lands which are detrimental or inimical to the public health, safety or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. A redevelopment area may include, in addition to blighted areas, lands, buildings or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part.
2. At least 75 percent of the area included within a redevelopment area must be improved land and may include, without limitation:
 - (a) Public land upon which public buildings have been erected or improvements have been constructed.
 - (b) Land on which an abandoned mine, landfill or other similar use is located and which is surrounded by or directly abuts the improved land.
3. The area included within a redevelopment area may be contiguous or noncontiguous.
4. The taxable property in a redevelopment area must not be included in any subsequently created redevelopment area until at least 50 years after the effective date of creation of the first redevelopment area in which the property was included.
5. As used in this section, “improved land” means land that contains structures which:
 - (a) Are used for residential, commercial, industrial or governmental purposes; and
 - (b) Have been connected to water facilities, sewer facilities or roads, or any combination thereof, and any areas related to such structures, including, without limitation, landscaping areas, parking areas, parks and streets.

Note that NRS 279.519 does not require every parcel to meet the criteria established for making a finding of what the law calls “blight.” Based on the conditions which “predominately and injuriously affect the entire area,” the conditions exist for a finding that the requirements of NRS 279.388 and 279.519 are met.

The evidence for making this finding is based on two factors:

1. The law requires that the evaluation be made for an *area*, not for individual parcels.
2. The condition of each parcel is largely a result of the conditions in the area and it would be inappropriate to stigmatize individual parcels with an antiquated term when, in reality, these parcels are victimized by the overall circumstances in the area.

The other qualification established in NRS 279.519 is that the area be at least 75% improved. This meets the criteria since the current amount of vacant area in Project Area No. 2 is approximately 24%.

Description of the proposed method of financing the redevelopment plan: The ability of the Redevelopment Authority to finance the redevelopment plan will depend on two factors:

1. The rate of growth in tax increment within the project area.
2. The willingness of the City to advance funds to Project Area No. 2 to advance the purposes of the Plan.

Tax increment fund growth will occur at a rate that reflects the success of the Redevelopment Authority in stimulating private investment in Project Area No. 2. The approximate assessed value of the project area is approximately \$50,000,000, which represents 3 percent of Carson City total assessed value.

State law permits the City to establish a Revolving Fund with advances from the City's general fund as set forth in NRS 279.628:

By resolution of the legislative body adopted by a majority vote any money in the redevelopment revolving fund may be expended from time to time for:

- (a) The acquisition of real property in any redevelopment area.
 - (b) The clearance, aiding in relocation of occupants of the site and preparation of any redevelopment area for redevelopment.
2. By resolution of the legislative body adopted by a two-thirds vote, any money in the redevelopment revolving fund may be paid to the agency, upon such terms and conditions as the legislative body may prescribe for any of the following purposes:
- (a) Deposit in a trust fund to be expended for the acquisition of real property in any redevelopment area.
 - (b) The clearance of any redevelopment area for redevelopment.
 - (c) Any expenses necessary or incidental to the carrying out of a redevelopment plan which has been adopted by the legislative body.

The Redevelopment Authority will probably rely extensively on the use of the Revolving Fund to finance a significant portion of the redevelopment activities.

Method or plan for the relocation of persons and families temporarily or permanently displaced from housing facilities: The Redevelopment Authority anticipates limited, if any, need for relocation of residents because of activities authorized in this Plan. If relocation is required, however, the Redevelopment Authority shall provide assistance for relocation and make all of the payments required by Chapter 342 of N.R.S. for programs or projects for which federal financial assistance is received to pay all or any part of the cost of that program or project. The Redevelopment Authority may make such other payments as may be appropriate. The Redevelopment Authority may offer relocation assistance to person, individuals, families,

businesses and others who may be displaced through activities to effect this Plan in any form or manner that it deems appropriate, including financial payments or subsidies, site locator services or any other cost.

An analysis of the preliminary plan: The motion made by Redevelopment Authority meeting at its February 5, 2004 public meeting constitute the Authority's analysis of the Preliminary Plan.

The report and recommendations of the planning commission: The Planning Commission forwarded its report and recommendation on the Redevelopment Plan for Project Area No. 2 to the Redevelopment Authority, pursuant to NRS 279.570.

EXHIBIT C—OWNER PARTICIPATION GUIDELINES

OWNER PARTICIPATION AND BUSINESS PREFERENCE GUIDELINES

REDEVELOPMENT PROJECT SOUTH CARSON STREET PROJECT AREA NO. 2

September 16, 2004

I. PURPOSE AND INTENT

These guidelines are intended to guide the actions of the Carson City Redevelopment Authority in working with property owners or, if no other viable alternatives exist, acquiring property either voluntarily or through eminent domain in the Carson City South Carson Street Redevelopment Project Area, “Project Area No. 2.”

The South Carson Redevelopment Plan (the “Plan”) restricts the Redevelopment Authority and the Board of Supervisors’ ability to exercise eminent domain for the acquisition of property in Project Area No. 2. Consequently, these Owner Participation Guidelines must be interpreted in the context of this restriction.

The purpose of the Guidelines is to insure that property owners are treated fairly and that they have reasonable opportunities to participate in the redevelopment of the Project Area and in the Redevelopment Authority’s efforts to implement proposals for the revitalization of the Project Area. Where there are alternative viable proposals for a property, these guidelines establish the procedures and the criteria for deciding between competing proposals. These guidelines also establish preferences for existing businesses in continuing to operate in the Project Area.

II. DEFINITIONS

As used herein, the following definitions apply:

“**Business Occupant**” means any person, persons, corporation, association partnership or other entity engaged in business and occupying an office or other business premises within Project Area No. 2 on or after the date of adoption of the Redevelopment Plan by the City of Carson City.

“**Redevelopment Authority**” means the Redevelopment Agency of the City of Carson City, acting by and through the Carson City Redevelopment Authority, which is authorized to undertake the activities of a community redevelopment agency pursuant to the Community Redevelopment Law of the State of Nevada, NRS 279.382 *et seq.*

“Owner” means any person, persons, corporation, association, partnership or other entity holding title of record to real property in Project Area No. 2 on or after the date of adoption of the Redevelopment Plan and any agent working or cooperating with them.

“Owner Participation Agreement” means an agreement entered into by an Owner with the Redevelopment Authority in accordance with the provisions of the Redevelopment Plan and these guidelines providing for the assistance by the Redevelopment Authority in the Owner’s efforts to effect redevelopment on a particular property.

“Project Area” means Project Area No. 2 described in the “Maps and Boundary of Project Area Boundaries” (Exhibit A of the Redevelopment Plan).

“Redevelopment Plan” means the Redevelopment Plan for the Carson City South Carson Street Redevelopment Project with all amendments that may from time-to-time be made thereto.

III. OWNERS SHALL BE AFFORDED MAXIMUM OPPORTUNITY

The Plan narrowly limits the Redevelopment Authority’s ability to exercise eminent domain for acquisition of property for the sole purpose of providing assistance in support of the auto sales sector.

Recognizing this limitation, the Redevelopment Authority shall encourage and accommodate Owners who wish to participate in programs that are necessary to effectuate the purposes of the Redevelopment Plan that do not require that the Redevelopment Authority acquire the property. Participation opportunities are subject to and, in the discretion of the Redevelopment Authority, may be limited by the following factors:

1. The re-designation, elimination or modification of land uses;
2. The construction, widening or realignment of streets;
3. The ability of Owners to finance acquisition and development or assistance in accordance with the Redevelopment Plan;
4. The reduction in the total number of parcels in the Project Area;
5. The construction or expansion of public facilities.
6. The Redevelopment Authority contemplates that in carrying out the Redevelopment Plan, certain portions of the Project Area may be acquired by the Redevelopment Authority for public use, including public improvements, facilities and utilities. There will be no opportunity for owner participation for properties that are acquired by the Redevelopment Authority for these uses.

IV. TYPES OF ASSISTANCE

Owners shall be given a reasonable opportunity to receive assistance from the Redevelopment Authority for:

1. Acquiring adjacent or other property in the Project Area and developing or improving such property for use in accordance with the Redevelopment Plan;
2. Rehabilitating or remodeling of existing buildings; or assistance with improvements for use in accordance with the Redevelopment Plan; or
3. Participating in new development that includes their property and adjacent property in accordance with the Redevelopment Plan.
4. Selling their property to the Redevelopment Authority or other private or public interests and purchasing other property in the Project Area.
5. Participating with the Redevelopment Authority in the planning, construction and ownership of new facilities and structures within the Project Area on or adjacent to their property.

V. PROCEDURES

As a first step before proceeding with the redevelopment of property owned by an Owner, which may ultimately involve the acquisition of this property and its conveyance to another party, the Redevelopment Authority shall provide a notice to the Owner of the right to participate in redevelopment. This notice includes the proposed Owner Participation Agreement, which affords the Owner with an option of participating in the redevelopment program without the necessity of the property being acquired by the Redevelopment Authority. Prior to any acquisition of property through eminent domain, the Redevelopment Authority will exhaust the options for an Owner to participate in the redevelopment of his/her own property.

VI. COMPETING PROPOSALS FOR REDEVELOPMENT OF PROPERTY

Given the narrow focus, under which the Authority is authorized to acquire property, it expects limited, if any, circumstances involving the possibility of competing development proposals for redevelopment of an Owner's property; therefore, the use of the following procedures are unlikely. However, the procedures are set forth in the event that such circumstances arise:

Procedures for dealing with competing proposals: If there is a competing party proposing to redevelop a property then the Owner Participation Agreement offered to the Owner must be on substantially the same terms as the competing party.

Not more than 45 days after receipt of the notice, Owners who want to participate in redevelopment shall submit to the Redevelopment Authority: a written proposal that includes a statement of their interest in participation; a description of the use or proposed development; a development schedule; and a statement of qualifications,

including proof of financial capacity and experience to carry out the terms; and, the conditions of the Owner Participation Agreement.

The Redevelopment Authority may solicit and consider proposals from persons who are not owners, provided that proposals from Owners have priority over proposals from non-owners, unless the Redevelopment Authority determines that a non-owner proposal is substantially better under the criteria set forth below. Owners who fail to submit a proposal within 45 days of the Redevelopment Authority notifying the Owner of their right to submit a proposal shall be deemed to have waived all rights of Owner Participation.

The Redevelopment Authority shall then decide whether information submitted by the Owner justifies selecting the Owner and executing the Owner Participation Agreement. If the Redevelopment Authority executes the Agreement, the Owner must enter into the Agreement within the time specified by the Redevelopment Authority or will be deemed to have waived all rights to owner participation.

Criteria for evaluation: Competing proposals for the same property shall address and shall be competitively reviewed by the Redevelopment Authority in accordance with the following criteria:

1. Conformity with the land use provisions of the Redevelopment Plan;
2. Compatibility with the standards, covenants, restrictions, conditions and controls of the Redevelopment Plan;
3. The proponent's ability to finance the acquisition and development or improvement in accordance with the proposal and the Redevelopment Plan;
4. The assembly of sites for integrated, modern development;
5. Conformity of the proposal to the intent and objectives of the Redevelopment Plan; and
6. Community benefits of the proposal.

Not less than 10 days prior to deciding on competing proposals between a competing Owner and non-owner, the Redevelopment Authority shall provide for public inspection a written report evaluating the competing proposals in accordance with the six criteria listed above. The Redevelopment Authority shall, in deciding between competing proposals, hold a noticed public hearing and shall make specific findings on each of the six criteria.

If there are conflicts between different Owners or individual sites or land uses, the Redevelopment Authority shall evaluate competing proposals based on the six criteria above and, in addition shall consider:

- (A) An Owner's length of occupancy in the area;
- (B) Accommodation of as many Owners as possible;
- (C) Similarity of land use;
- (D) Preservation of historic sites or places;

VII. AUTHORITY SHALL NOT REQUIRE PARTICIPATION AGREEMENTS FOR CONFORMING DEVELOPMENT THAT DOES NOT REQUIRE ASSISTANCE

Owners who want to develop or improve their properties within the Project Area in accordance with the Plan and who have not requested Redevelopment Authority assistance shall be subject solely to the design review provisions contained in the Redevelopment Plan and shall not be required to execute Owner Participation Agreements. This provision has been placed in these Owner Participation Guidelines to clarify any ambiguity that may exist on this issue resulting from interpretation of redevelopment statutes.

VIII. CONTENTS OF OWNER PARTICIPATION AGREEMENTS

An Owner Participation Agreement shall address the mutual obligations of the Owner and Authority to effectuate the redevelopment of Owner's property. At a minimum, the Agreement shall obligate the Owner to develop in accordance with the redevelopment strategy adopted by the Redevelopment Authority to implement the Redevelopment Plan in return for the Redevelopment Authority's assistance. The Agreement shall, additionally, address necessary performance requirements, remedies for lack of performance, default provisions, and any incentives provided by the Authority and shall contain any other terms and conditions that the Redevelopment Authority, in its discretion, may find necessary to effectuate the purposes of the Redevelopment Plan.

IX. LIMITATIONS ON ACQUISITION OF PROPERTY BY THE REDEVELOPMENT AUTHORITY

The Redevelopment Plan limits the use of eminent domain for the acquisition of property solely to circumstances involving assistance to the auto sales sector. The Redevelopment Authority may acquire property through agreement for purposes set forth in the Plan.

X. PREFERENCE TO DISPLACED BUSINESS OCCUPANTS WITHIN THE PROJECT AREA

Business Occupants who will be displaced by the acquisition of property by the Redevelopment Authority and who want to remain within the Project Area shall be extended a reasonable preference to remain or reestablish a business within the Project Area if they otherwise meet the requirements prescribed in these guidelines and the Redevelopment Plan.

Preferences shall be subject to and limited by factors such as the extent to which suitable sites exist or become available through rehabilitation or redevelopment within the Project Area within an acceptable time or at rents or other terms acceptable to the Business Occupants, as well as the requirements of the Redevelopment Plan and applicable laws and ordinances.

XI. AMENDMENT OF GUIDELINES

These guidelines may be modified or amended from time to time by the Redevelopment Authority at any regular or duly called special meeting; provided, however, that no such amendment shall retroactively injure or impair an Owner's reliance upon these guidelines as presently constituted.