

CARSON CITY REDEVELOPMENT AUTHORITY
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A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled meeting of the Carson City Board of Supervisors on Thursday, February 5, 2004, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, which began at 8:30 a.m.

PRESENT: Chairperson Robin Williamson and Members Ray Masayko, Shelly Aldean, Pete Livermore, and Richard S. Staub

STAFF PRESENT: City Manager Linda Ritter, Clerk-Recorder Alan Glover, Redevelopment Director Joe McCarthy, Chief Deputy District Attorney Mark Forsberg, and Recording Secretary Katherine McLaughlin (B.O.S. 2/5/04 Tape 1-3136)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members making the introduction and any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is available for review and inspection during normal business hours.

Mayor Masayko recessed the Board of Supervisors session and passed the gavel to Redevelopment Authority Chairperson Williamson. Chairperson Williamson convened the meeting by indicating for the record that the entire Authority was present, constituting a quorum. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

APPROVAL OF MINUTES (1-3140) - Member Livermore moved to approve the October 2, 2003, and September 16, 2003, Carson City Redevelopment Authority Minutes. Member Aldean seconded the motion. Motion carried 5-0.

ACTION TO APPROVE THE "REPORT ON THE PRELIMINARY PLAN" THAT PROVIDES FOR THE USE OF REDEVELOPMENT BY ADOPTING, AS A PILOT PROJECT, A REDEVELOPMENT PROJECT AREA PRIMARILY ALONG SOUTH CARSON STREET, WITH THE INITIAL PURPOSE OF RETAINING/EXPANDING AUTO DEALERSHIP SALES AND CREATION AND/OR EXPANSION OF AN AUTO MALL OR AN AUTO ROW AND, IF THIS PHASE ACCOMPLISHES ITS INTENDED PURPOSES, THE NEXT PHASES MAY BE PRESENTED TO THE AUTHORITY FOR CONSIDERATION (1-3173) - Redevelopment/Economic Development Manager Joe McCarthy, Chamber of Commerce Chief Executive Officer Larry Osborne - Mr. McCarthy's introduction stressed the importance of having an auto mall/row. The suggested motion will allow the creation of a Redevelopment Project. Staff will work with the auto sales sector on the auto mall/row concept. A list of the members was read. Public comments were solicited.

(2-0062) Mr. Osborne explained the Chamber's support of the "Report on the Preliminary Plan's" pilot project whose stated purpose is the expansion or creation of an auto mall or row in Carson City. Reasons for the support were based on the substantial sales tax base the auto dealers provide. The limited use of the Redevelopment Authority and of eminent domain may be necessary to support this pilot program. The Chamber's support does not extend to the entire commercial corridor's redevelopment preliminary plan. The Chamber recognized the substantial efforts the committee had made to develop the plan. They appreciate the committee members and City's staff's willingness to work with the Chamber representatives to address their concerns and to develop a mutually acceptable plan. Their differences are ones of philosophy which relate

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to the Chamber's belief that the commercial corridors are showing a healthy vitality and has a positive economic forecast. They are not deteriorating as indicated in the report. Projects supporting the Chamber's contention were listed. They were accomplished without the need or assistance of Redevelopment. A second issue is the use of eminent domain. Reasons for the concern were noted and illustrated the belief that abuse would and could occur. Its use should be on a very limited basis and only after the Authority has discussed and taken action. The Chamber members understand the devastation that will be created by the loss of the auto dealers. They will support Redevelopment and assist with the retention of the auto dealers, if possible. The eminent domain concern relates to other uses and blanketing of the corridors. They have met with the City staff on these concerns and will continue to work with City staff. The Chamber supports the pilot project. The report is preliminary and includes a pilot program. Chairperson Williamson indicated that only the pilot project is being undertaken at this time. She also indicated that Carson City had never used eminent domain to obtain properties. Mr. Osborne agreed and pointed out that the downtown Redevelopment area is small. Expanding it to other areas increases the opportunities for its use. Eminent domain has been used in other areas for things that are not for public use. The Chamber is not questioning the Authority's intent but is concerned as turnover may occur in five or ten years and commitments may be lost. This provides an opportunity for abuse. Chairperson Williamson reiterated that there have been ample opportunities to use it in the past but the Authority has always used incentives to accomplish the goals.

Member Aldean explained that the process had been discussed on numerous occasions. The objective is to "eat an elephant by taking small bites". The comprehensive plan was established to react to immediate needs. When conditions warrant expansion into other areas, Authority discussions with the public and the Chamber will occur. Mr. Osborne responded that the Chamber supports the small beginning and the pilot program. When it is completed, other areas should be considered.

Member Masayko expressed his opposition to the use of the Redevelopment process at this time. He felt that the free and open market should be allowed to start the process. He also supported doing what is necessary for the auto dealers. Use of eminent domain should be very limited. Its use for economic development is inappropriate. He considered its use to be excessive. Other tools should be used in its place. Mr. Osborne agreed and reiterated the Chamber's support of the auto mall and willingness to work with the City on it. The Chamber opposes a corridor from Stewart Street to the County Line. Member Masayko agreed. He also felt that the distance between Clear Creek and Sonoma is too large. The proposal is to do the plan too quickly and too far in advance, which made him nervous. It is a 25-year plan. He respected the current Authority members. They do not have any control over future Authorities who may not consider the history of the program nor respect the present Authority's restraint regarding the taking of private property. It makes him nervous to know that, as the Members are the same for both the Authority and the Board of Supervisors, only three members must vote to support the plan. Discussion between Mr. Osborne and Member Masayko questioned the size/area involved in the project. Does it start at Tenth Street and go south to the County Line? How much property and what parcels are to be included? Just the parcels owned by the auto dealers? Eight? Ten? Mr. Osborne felt that it should not include the entire distance from Stewart to the County Line.

Member Staub also felt that the adoption of the plan implements the use of the eminent domain standards. He questioned whether the eminent domain standards were found on Pages 7, 8 and 9. Page 4 mentions restrictions. Mr. McCarthy requested amendments to the standards/criteria. The parcels will be determined after the meeting and will be limited to just those parcels that are relative to the auto sales sector on Carson Street. The report will then be amended pursuant to the Authority's direction on eminent domain and any

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other issues. The revised report will be presented to the Planning Commission for its consideration. The Authority could also work with the Commission to revise the plan at the public meeting(s). Mr. McCarthy then explained that the report was developed by the citizens' committee. He had felt that it was important for the Authority to see their version of the report. The motion allows the Authority to revise the report now or in the future as deemed appropriate. A draft of the owner's participation rules has been developed using the Committee's process which had included efforts to work with the business community to put significant restraints on the use of eminent domain. Member Staub requested an ability to see those rules as they are a part of the eminent domain process and should be part of Authority's considerations. Member Masayko and Mr. Osborne had voiced his concerns regarding eminent domain. He is also an advocate of private property rights. Eminent domain should be used as the last resort and only within the strict guidelines of Redevelopment. He then explained that the only discussions with the auto dealers have been on an auto mall and not an auto row. At this time an auto row is felt to be a "fall back position" and not what is desired. The auto mall work group will consider Redevelopment as a last resort. The effort has to date focused on an auto mall packet that allows the City to participate without the use of Redevelopment. He also felt that, at this juncture, it may not be possible to proceed forward with an auto mall without the use of Redevelopment in spite of the effort to do so. The proposed plan at this time involves only those sites where auto dealers are presently existing and does not encompass the area from Stewart Street to the County Line. He also felt that Mr. McCarthy should identify those parcels and restrict the plan to them. If and when the City is forced to pursue the auto row concept, the specific parcels can be identified at that time. Even under this criterion, eminent domain is to be used as a last resort. Mr. McCarthy indicated that they could identify the auto dealers' parcels, use Redevelopment as a tool, and amend the plan and parcels, if necessary, when the auto row plan is considered.

Member Livermore explained that Redevelopment had been used in 1986 to address the threat of a deteriorating downtown area. He felt that the plan reacts to a similar threat to the City's economy. He acknowledged the concerns regarding the use of eminent domain. He wished that the process could be proactive rather than reactive. He cited Page 9 to explain his role in Redevelopment as being to "assist the private sector" to meet its goals. He has championed private property rights although he recognized the potential for casualties to occur. He was not suggesting that future Authorities will abuse the law even though abuse has occurred elsewhere. The community needs the auto dealers and auto row. It must continue to support the auto dealers. He was willing to support the pilot program. He wished that the Nevada Revised Statutes had not included eminent domain. It is there but should be restructured. As the Authority is in a reactionary position, it must include the ability to have and use eminent domain in its tools. Its use should be done cautiously. Although he did not plan to use it, it is a potential which should be included.

Member Masayko indicated he would not vote for a nebulous plan. He wanted to see the applicant participation criteria, the rules of engagement, and the property listing. The Authority should not be rushed into something. The Authority has not rushed into programs in the past and should not in the future. He urged the staff to take the plan back, have public debate on it, and present it to the Commission. The Authority is the end policy maker. There is adequate time to follow the normal process.

Mr. McCarthy explained that the intent was to determine whether the Authority could support the concept. Member Masayko felt that a plan with limited scope and condemnation tools could be considered. Henderson was cited as an area which had done Redevelopment without condemnation. There are other options which should be considered. He could support a restricted plan for a small area. He could not support entire

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corridors.

Mr. Osborne indicated that the Chamber will support his position. Its present position is based on the report as given to the Authority. The decision is the Authority's. The Chamber will work with the Authority and its decision.

(2-0660) Chairperson Williamson explained Member Aldean's involvement with the Committee. Member Aldean noted Tom Hall's presence. He had also been involved with her in the efforts to protect the Tahoe Basin property owners' rights from excessive governmental influence. This Committee was established in 1988 and is still functioning. She then indicated that "she is not disinterested in private property rights or the protection of private property rights". She is involved in the negotiations with the auto dealers. The incentives and the Redevelopment areas are crucial to this process. There is a finite period for completion of these negotiations. At this time they are not in a position to identify all of the parcels which should be included in the area. Page 4 includes sufficient restraints regarding the development of a Redevelopment plan and phasing the development approach and expansion for the auto dealerships. This includes the development of an auto mall or row. The plan includes the ability to amend/expand the plan in the future depending upon the need. The future is unknown. Another crisis may occur which will require an immediate response and warrants the expansion of the Redevelopment area. She had originally objected to the original eminent domain criteria. It has been revised. The Authority will be able to review the criteria at a future date. She understood the trepidation felt by the other Members. The original economic vitality strategic plan adopted on June 25, 2002, specifically included the development of Redevelopment planned areas for South Carson Street, Highway 50 East, and North Carson Street areas as one mechanism for creating public-private partnerships. This mechanism has been thoroughly explored by the Committee. Justification for proceeding forward at this time was noted. She also indicated her respect for Mr. Osborne and the Chamber, including her membership and support of the Chamber. She felt that, as Member Masayko had previously pointed out, the Authority Members are "all people of their word" and should be trusted to fulfill their commitments.

Member Staub expressed his concern and hope that the motion does not divide the Authority. It is imperative that the correct message be sent to the auto dealers and for the Authority to proceed was a cohesive group toward the development of an auto mall in Carson City. Sending a different message today could be interpreted as one more effort to not support the auto mall effort. He urged staff and the Authority to identify the parcels/areas along South Carson Street as ones on which auto sales are currently being conducted and to remove the plan's language regarding future phases. Staff has the authority to present future phases to the Authority without its inclusion in this plan. He suggested that Member Aldean's citation on Page 4 regarding subsequent amendments to the Redevelopment planned areas for South Carson Street, Highway 50 East, and North Carson Street be removed. Member Masayko supported his amendments. Member Staub explained his reluctance to meet with the auto mall work group and participants with a divided Authority's decision on the proposed plan. His suggested amendment to the motion would allow positive forward movement and address the vocalized concerns. Member Aldean suggested that the motion be broad enough to allow inclusion of auto dealers who are not located on South Carson Street. She did not object to the removal of other phases as they can be added in the future.

Member Livermore reiterated his intent and focus had been, as stated on Page 9, to provide private business with the opportunity and incentive to make decisions which best serve both the business and the community.

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He hoped that Member Staub's compromise would have unanimous support by the Authority and assure private businesses of the Authority's seriousness and dedication toward with them to accomplish their needs. He was willing to support whatever geographical boundary is necessary. He did not want to send the plan back for additional review.

Member Staub indicated that he understood the comments. South Carson Street had been agenzized for action. The one property referenced by Member Aldean can be added in the future, if desired. He felt that the description should remain as South Carson Street and be restricted to those parcels that are primarily along Carson Street where auto sales are presently conducted and those immediately contiguous to those parcels. Justification for inclusion of the contiguous parcels was provided.

Public comments were solicited but none were given.

Member Masayko indicated that the broader the area, the less support he would have for the motion as it provides opportunities for "mischief". Redevelopment is not the only tool available for business expansion and/or development. These tools have not been considered in the proposed Redevelopment process. He was willing to support the motion as restricted to those parcels which are contiguous along South Carson Street as it will send the correct message to the auto dealers and will move the process forward.

(2-0917) Member Staub moved to approve the report on the preliminary plan that provides for the use of Redevelopment by adopting as a pilot project a redevelopment project area primarily along South Carson Street to be identified as those properties on which auto sales are currently conducted including those properties north and south immediately contiguous thereto with the initial purpose of retaining/expanding auto dealership sales and creation and/or expansion of an auto mall or auto row. Provided further that any language in this report which provides or addresses phasing of other areas to be presented to the Authority be deleted at this time. Member Livermore seconded the motion.

Discussion between Mr. McCarthy and Member Aldean indicated that the plan for the other corridors, including their stringent limitations as indicated in Mr. McCarthy's memo, must be redrafted into another document and removed from the current plan. Mr. McCarthy explained that he had included these corridors in the plan to recognize the work the committees had put into them. A scaled down plan will be presented to the Planning Commission. Member Aldean indicated her desire to have unanimity whenever achievable. For this reason she would support the motion. She asked that the record indicate that the plan is not to be disposed of. It is the product of 20 months of hard work by a lot of fine people, many of whom are, frankly, very conservative when it comes to property values and property rights. It is an interesting cross section of the community and they have worked very hard. She did not want the plan discarded. She felt that if and when conditions warrant it, including the experience the use of Redevelopment to accomplish our objectives creates, in connection with the development of an auto mall, and people come to terms with their fears with respect to using Redevelopment as an economic development tool, there may be other parts of this plan that can be enacted. She wanted to send this signal to each member of the corridor work group. The work has not been done in vain. Mr. McCarthy felt that all of the members of the work group realize it is a living document and that we are moving forward with a small bite of the apple at this time. The work will be ready to go if, in fact, the Redevelopment Authority wants to take another piece of the apple.

Member Staub indicated that the plan is not be trashed as more will be done with the other phases in the future. They can bring forward and add other portions of the plan, such as North Carson or Highway 50 East.

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The work does not stop. The Board's action does not cause the document to cease to exist. The work is greatly appreciated. It was not done in vain. It will provide the framework to proceed forward if this pilot project is successful. Mr. McCarthy agreed and pointed out that the work group's product will be a tool for the Redevelopment Authority in the future.

Member Staub explained that he had restricted the plan to the one area in order to obtain the necessary support. He did not want any interpretation or intent of today's action to be made that somehow, if the pilot project is successful, it gave some presumption of legitimacy to future considerations. It does not limit it. It does not stop it. It allows us to go forward on a case by case basis. He did not want any interpretation to come from the pilot project that somehow will be interpreted as an endorsement of the future action. Chairperson Williamson felt that the success of the pilot project does not automatically continue the plan and extend it. Member Staub agreed that the plan did not state it will automatically continue and be extended, however, he could see people interpreting it in that manner. He was clearing the slate and saying that we are going forward with this pilot project. If it is successful in Redevelopment, Mr. McCarthy can decide if another portion should be brought forward.

Discussion between Chairperson Williamson and Mr. McCarthy indicated that the plan can be amended to allow inclusion of other parcels surrounding the pilot project, however, the public process to include them will take between 45 and 60 days to accomplish. Mr. McCarthy felt that motion indicates that when the program is submitted to the Planning Commission it will be specific as to which parcels are to be included, i.e., those parcels related to the auto sector sales areas and the parcels contiguously located to the north and south. Member Staub clarified that there is a natural zone line for commercial retail and residential on the east side. Curry Street is the natural line on the west side although there are some businesses on its west side. The corridor is what is being discussed. He did not want the residential area included. The corridor is not to go beyond the current commercial retail corridor along South Carson Street. It is to be primarily along Carson Street.

Mr. Forsberg explained the purpose of his discussion with Member Staub was due to the assumption that one of the reasons for the redevelopment plan is the need for space by the auto dealers. The original discussion was about a motion that limited it to the land currently being used for auto sales which was not the intent. He suggested that the motion limit the area to the commercial corridor along South Carson Street, which he felt may be the intent expressed by Member Staub. A very specific motion could create a problem in the future regardless of the size or type of deviation. This will create the need to return for minute revisions.

Member Livermore directed that the record indicate, in reference to Member Aldean's statement about eating the elephant, that they are eating the elephant one bite at a time. It is not the big bite proposed originally. It is a bite and the process.

Member Staub then amended his motion to add to the language "commercial corridor" which would be identified as those properties in the commercial corridor on which auto sales are currently conducted, including those properties, north and south immediately contiguous thereto. Member Livermore concurred. The motion was voted and carried 5-0 with the notation that Mayor Masayko's vote was reluctant.

There being no other matters for discussion by the Redevelopment Authority, Chairperson Williamson

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adjourned the Redevelopment Authority and returned the gavel to Mayor Masayko.

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The Minutes of the February 5, 2004, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON June 3. 2004.

/s/
Robin Williamson, Chairperson

ATTEST:

/s/
Alan Glover, Clerk-Recorder