

Redevelopment Authority "DRAFT" minutes for the following dates are included in this section;

July 19, 2007 - Regular Session

August 16, 2007 – Regular Session

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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, July 19, 2007, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

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

STAFF PRESENT: City Manager Linda Ritter, Clerk-Recorder Alan Glover, Finance Director Sue Johnson, Economic Development Manager Joe McCarthy, Chief Deputy District Attorney Melanie Bruketta, and Recording Secretary Katherine McLaughlin (BOS 7/19/07 Recording 11:33:09)

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

Mayor Teixeira 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.)

ACTION ON APPROVAL OF MINUTES - JUNE 7, 2007, REGULAR MEETING AND MAY 21, 2007, BUDGET MEETING (11: 33:16) - Member Aldean moved to approve the Minutes from the special meeting of the Carson City Redevelopment Authority dated May 21, 2007, and the Minutes from the Redevelopment Authority meeting of June 7, 2007, as presented. Supervisor Livermore seconded the motion. Motion carried 5-0.

DISCUSSION AND ACTION TO APPROVE A TARGETED INCENTIVE FUNDING POLICY THAT WILL EFFECTIVELY ALLOCATE AVAILABLE ECONOMIC DEVELOPMENT INCENTIVE FUNDS TO UPCOMING PROJECTS LOCATED WITHIN THE EXISTING REDEVELOPMENT PROJECT AREAS (11:34:05) - Economic Development Manager Joe McCarthy, Finance Director Sue Johnson - Member Aldean recused herself as she owns property adjacent to the old Wal-Mart building and would benefit from the program. She then left the room-11:35 a.m. (A quorum was still present.)

A copy of Mr. McCarthy's power point presentation was given to the Clerk. (It is in the file.) He then highlighted his report. Discussion with the Board included the Bodine casino plans, the completion of the Fuji Park parking area and arena, the belief that this will create a beautiful gateway to the City, and the intent to present a financial strategy for implementation of future opportunities,

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Member Livermore complimented Mr. McCarthy on his ability to work with the developers, "juggle all of the balls that he has going", and remain enthusiastic and passionate about the job.

Chairperson Williamson explained that things are happening in both Redevelopment areas even though there are different rules for each. The efforts will continue to attract and retain different investors. Aggressive funding policies will help attract more investors and keep them in the area.

Discussion noted Finance Director Johnson's role in the funding program. Ms. Johnson committed to making sure that the program is sensible. She also indicated that she has been communicating with Mr. McCarthy on the growth opportunities, the need for diversity, and the need to understand how to finance the different opportunities. She felt that alternatives will be presented to the Board for discussion in four to five weeks. They will provide the best methods for the City to leverage these business opportunities. Additional comments were solicited but none were given.

Member Livermore moved to approve a targeted incentive funding policy as discussed that will effectively allocate available economic development incentive funds to upcoming projects located within the existing redevelopment project areas. Member Teixeira seconded the motion. Motion carried 4-0-1 with Member Aldean absent.

Chairperson Williamson expressed her appreciation for Mr. McCarthy's direction and her belief that the program that will be presented to the Authority will provide for the best public/private partnerships possible.

There being no other matters for consideration, Chairperson Williamson adjourned the Redevelopment Authority.

The Minutes of the Carson City Redevelopment Authority July 19, 2007, meeting

ARE SO APPROVED ON _____, 2007.

Robin Williamson, Chairperson

ATTEST:

Alan Glover, Clerk-Recorder

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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, August 16, 2007, 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 Marv Teixeira, Shelly Aldean, Pete Livermore, and Richard S. Staub

STAFF PRESENT: City Manager Linda Ritter, Public Works Director Andrew Burnham, Redevelopment/Economic Development Manager Joe McCarthy, Chief Deputy District Attorney Melanie Bruketta, and Recording Secretary Katherine McLaughlin (BOS 8/16/07 Recording 9:25:35)

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

Mayor Teixeira 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.)

ACTION ON APPROVAL OF MINUTES (9:25:40) - Member Aldean moved to approve the Minutes for the Carson City Redevelopment Authority meeting of June 21, 2007, as presented. Member Livermore seconded the motion. Motion carried 5-0.

OFFICE OF BUSINESS DEVELOPMENT - Manager Joe McCarthy - ACTION TO DIRECT STAFF TO NEGOTIATE AN INCENTIVE AGREEMENT WITH CITY MANAGEMENT SERVICES, OWNER ROBERT ROTHE, WHICH WILL PROVIDE FOR FUNDING FOR REHABILITATION OF THE VACANT AND FORMER WAL-MART BUILDING IN THE SOUTHGATE SHOPPING CENTER IN AN AMOUNT NOT TO EXCEED \$2 MILLION AND WHICH WILL BE CONTINGENT UPON THE OPENING OF A BURLINGTON COAT FACTORY STORE NO LATER THAN OCTOBER 30, 2008 (9:26:12) - City Manager Linda Ritter, Sam Dehne, Joe Eiben, Bob Crowder - Member Aldean recused herself from the discussion due to an ownership interest her company has in the immediately adjacent property. She left the room at 9:27 a.m. (A quorum was still present.)

The offer of a \$2 million incentive was based on the proposed business plan the building's new owner and the tenant who will be occupying 70,000 to 80,000 square feet of the building have. The benefits to the City created by having the tenant were noted. A ten-year declining balance lien will be placed against the building to insure these benefits will occur. If the plan fails, the incentive will be repaid. If the property owner "flips" the property within the first year, the incentive will be repaid at either a 90% or 100% rate. The incentive is given on a reimbursement basis after the improvements are made. The tenant's desire to

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expedite the opening date was explained. The tenant now desires a March 1, 2008, opening date rather than the original October 1, 2008, date. Refurbishing the building needs to commence on September 1 to meet this deadline. The recruitment process that obtained the buyer was briefly limned. The buyer is experienced in acquiring similar structures and refurbishing them. He would not have acquired the structure without City assistance. The proposal will provide additional shopping opportunities for the region. Member Staub expressed concerns regarding the plan as the tenant will not be filling the entire structure. He also indicated that the buyer should be aware that this is going to be the only incentive he will have. Mr. McCarthy asked that the Authority and Board keep an open mind regarding the incentive program if a quality tenant is found due to the current market. He believed that "soft goods" could fill the remaining 70,000 square feet of the building which provides additional benefits to the area. Another partnership may be necessary to obtain this tenant. Member Staub reiterated that it would be a stretch for him if the owner wishes to "dip into the bucket a second time". Public comments were solicited.

Ms. Ritter explained a proposal to utilize surplus funding from the landfill for economic development and capital improvements. She proposed to have an ordinance and policy to the Board providing for this usage at the next meeting. It is possible that \$600,000 from this funding source could support a bond for the incentive. She also advised that she will be submitting a resolution to the Board to place the landfill operation in the General Fund which will provide an easier transfer of funds to items supporting services for the residents. The documents should be presented to the Board before the agreement with the buyer reaches the Board. She agreed that the funding ability will dictate whether the incentive can be provided. Clarification indicated that the request before the Board today is to provide direction to staff regarding the amount of the incentive and to negotiate the agreement. Member Livermore indicated that the \$2 million is to be the ceiling. Member Teixeira also believed that the Authority is out of money due to a previous commitment. He advised that a second commitment is "waiting in the wings". Support for those two commitments was provided. The Kmart building also needs incentives. A lid needs to be established due to the lack of future Redevelopment funding. He then indicated that the concept is a stretch for him. He, too, had received many telephone calls regarding the concept. Once Kmart is addressed, infill projects should be considered by Redevelopment. Mr. McCarthy advised that commitments have been made to the Gottschalk's center. Member Teixeira reiterated his request that a plan be established due to the limited funding ability.

Mr. McCarthy then explained his desire to provide the owner/tenant with flexibility regarding the October 30, 2008, opening date. Member Staub recommended the date be revised to April 1. The Authority can reconsider the opening date if it is not doable. This will establish a deadline for both the buyer and tenant. Comment indicated that the contractor is a local individual who knows the drill and building permit requirements. Public comments were solicited.

Mr. Dehne expressed his surprise about the lack of interest in speaking at the Board meeting in view of all the comments he had read and heard on the matter. He will be watching the new City Auditor to see that the individual does pay for him/herself. He believed that the media had provided a good history and editorializing on the property. He "generally" supports this concept as the property needs help. The term he uses for giving incentives to new people is "cannibalizing". He felt that "Stew's" needed assistance

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although he believed that some bureaucrats oppose it. Scheduled airline service will bring more business. He alleged that Douglas County is working on establishing scheduled airline service.

Mr. Eiben expressed concerns regarding the future, the planning, and the foresight. He believed the proposal will establish a precedence and that Kmart will be in the same situation. The downtown plan will need Redevelopment assistance and a new retailer. He questioned where funding will be found for it. The buyer knew what he/she was getting before acquiring the property. As the buyer is experienced in real estate acquisitions, he knew what he was getting. He questioned the amount Kmart will want. The proposal only fills half of the building. It seemed to him as though it is a lot of money for the taxpayers to provide. He urged the Authority to do its best.

Mr. Crowder indicated that he should be given \$50,000 to open a hot dog stand. If it is such a good deal, why couldn't the buyer get a loan from a bank? Private corporations should be able to get bank loans. The proposal will establish a precedence for the future and should be stopped now.

Chairperson Williamson explained that there are two Redevelopment Districts in Carson City. The downtown area is one. It has its own budget, bonding, and funding. The second area includes both the Wal-Mart and Kmart sites. Its original purpose was limned. Its purpose has since been expanded to include retail. The Board can either allow the market to determine the City's future or try to be aggressive in meeting the needs of its residents. The proposal is an effort to attract someone to take over the vacant Wal-Mart location. The buyer anticipates expanding the retail services into the remaining portion of the building. Casino Fandango's improvements are attracting more people to the area. The proposal will assist with that effort and give the City more sales tax revenue for support of the community services. Failure to act aggressively will create additional empty buildings and decrease the sales tax revenue. Her support for the proposal was indicated.

Member Livermore pointed out that the building is currently vacant. He believed that additional retailers will leave the area creating a loss in sales tax revenue and a depressed area. The proposal is an aggressive approach to redeveloping the property and restoring economic development to the area. Member Staub pointed out that the downtown Redevelopment District has a 20% incentive program. Using that percentage and the estimated acquisition and rehabilitation of the structure, the incentive would be \$3.2 million. The proposal is \$2 million which is less than the amount that calculation provides. Additional comments were solicited but none were given.

Member Livermore moved to direct staff to negotiate an incentive agreement with City Management Services, owner Robert Rothe, which will provide for funding for rehabilitation of the vacant and former Wal-Mart building in the Southgate Shopping Center in an amount not to exceed \$2 million and which will be contingent upon the opening of a Burlington Coat Factory Store no later than April 1, 2008. Following a request for an amendment, Member Livermore amended his motion to include conditioned upon funding being available. Member Staub seconded the motion. Motion carried 4-0-1 with Member Aldean abstaining.

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There being no other matters for consideration Chairperson Williamson adjourned the Redevelopment Authority.

The Minutes of the August 16, 2007, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON _____, 2007.

Robin Williamson, Chairperson

ATTEST:

Alan Glover, Clerk-Recorder