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**City of Carson City
Agenda Report**

Date Submitted: Nov. 27, 2007

Agenda Date Requested: Dec. 6, 2007

To: RDA/BOS

Time Requested: 10 minutes

From: Joe McCarthy, Office of Business Development

Subject Title: Action to accept the Redevelopment Authority Citizen Committee's recommendation to award \$100,000 of incentive funding that complies with the provisions of the Redevelopment Incentive Program to Lopiccolo Investments to help underwrite the \$1,200,000 first phase, in progress, of the restoration and renovation of the Saint Charles Hotel, 310 South Carson Street.

Staff Summary: This renovation project includes demolition, numerous additions, crucial structural enhancements and the necessary tenant improvements to attract a franchisee, the Firkin & Fox English Pub. The renovation of this important Carson City building that is on the national historic register adds value to this entire district, located directly across Carson Street from the State Capital Complex. The Lopiccolos intend to invest heavily in reinvigorating this distressed business district and the ultimate refurbishment of the historic hotel is the essential first step. Both the RDA and Lopiccolo Investments have begun discussion to conceptualize, plan for, and execute a mixed use project that will help small businesses thrive in a revitalized downtown.

Type of Action Requested:

(check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify) - None

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to accept the Redevelopment Authority Citizen Committee's recommendation to award incentive funding that complies with the provisions of the Redevelopment Incentive Program to Lopiccolo Investments to help underwrite the \$1,200,000 first phase, in progress, of the restoration and renovation of the Saint Charles Hotel, 310 South Carson Street.

Explanation for Recommended Board Action: The incentive funding is consistent with the goals and objectives of the Redevelopment Incentive Program that has stimulated significant investment in our Downtown since the program's inception in 1992. Preserving our important historic stock, adding of new businesses, office space, residences and additional parking meets the community's needs.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 279

Fiscal Impact: \$100,000 of unspent bond proceeds

Explanation of Impact: These funds are available in the Redevelopment Authority's budget for redevelopment incentive funding.

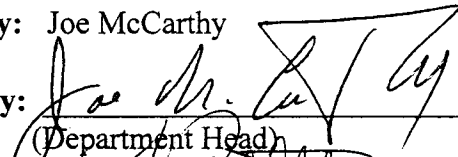
Funding Source: The property tax increment generated by property tax in the Redevelopment District

Alternatives: Provide other direction

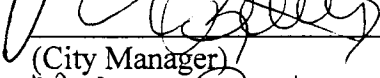
Supporting Material: Provided by the applicant

Prepared By: Joe McCarthy

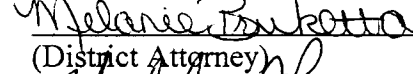
Reviewed By:


(Department Head)

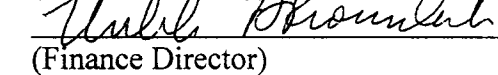
Date: 11-27-07


(City Manager)

Date: 11-27-07


(District Attorney)

Date: 11-27-07


(Finance Director)

Date: 11-27-07

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

CARSON CITY REDEVELOPMENT AUTHORITY
INCENTIVES PROGRAM APPLICATION

To: Carson City Redevelopment Authority
Attn: Joe McCarthy

September 24, 2007

Applicants Legal Name:
Mark and Jennifer Lopiccolo
Lopiccolo Investments, LLC

Phone Number:
690-2906
882-3833 / 772-9579

RE: Request for Carson Redevelopment Grant

Project Title: St. Charles Hotel / Restaurant
Address: 310 S. Carson Street, Carson City NV 89701

Description of Project:

Interior Improvements: Currently In Progress: includes removal and demolition of existing kitchen and previous existing kitchen and room additions. Commercial kitchen to be rebuilt in a new location, with all new equipment. All new HVAC ducting installed (none existing). Existing grease interceptor meeting code for new restaurant installed in the existing parking lot area to City standards. Main entry and all new interior flooring leveled and covered for handicap access to all public restaurant areas.

New electrical, plumbing installed entire first floor, to current code. Electrical service upgraded to 800 amp / Three Phase with new transformer added. Commercial fire sprinkler system added first floor. All old first floor ceilings removed and double sheet rocked, fire safe dual layer ceiling system installed per current code, to protect upper floors. Layers of old plaster, sheetrock and other wall coverings removed to expose original brick. New dual pane windows and new doors installed for first floor, custom made to preserve historical character of the building.

Kitchen equipment improvements include state of the art cooking, cooling and storage systems as well as a new hood and ventilation system. New HDA restrooms built and installed to meet code for 5400 square foot restaurant. Access to present (non-historic) outbuilding from the main building added, incorporating square footage to accommodate walk in cooling systems, storage, electrical room and delivery access.

Approved interior first floor plan consists of large open bar / dining area, accessed by prominent main entry on the corner of 3rd and Carson Streets, an additional dining area, and a connected second (adults only) bar / lounge with slot machines and separate entrance on Carson Street. Dining areas will also include the outside deck on 3rd Street, during the warmer months, the deck will also be used to accommodate downtown special events throughout the year. Interior décor includes hardwood flooring, extensive custom wainscot, woodwork, trim, etched gold leaf glass transoms, etc. all intended to preserve and enhance the character of the building.

Major structural improvements are being made, including reinforcement of existing walls and openings, and the strategic placement of steel supports and beams all as recommended by Nevada licensed engineer to protect, preserve, and extend the useful life of the building.

CARSON CITY REDEVELOPMENT AUTHORITY

INCENTIVES PROGRAM APPLICATION

Exterior Improvements: Present dirt parking lot will be resurfaced, paved and striped, curbed parking lot entry on Curry Street, will include one HC parking spot. Deliveries will then be accomplished from the rear of parking lot as opposed to previous on street location. We will enclose the trash area for hotel and restaurant and add an area for wash down of mats.

Landscaping will be added along 3rd Street side of parking area for screening of parking areas. Present fire escape stairway will be relocated along North side of garage area and screened. Second floor deck on rear (Westside) of building presently used by upstairs tenants will be screened from 3rd Street view. The roof of the entire building will be rebuilt / re-roofed all three floors. Present roof is not structurally sound, many areas were discovered to contain dry rot and / or evidence of previous fire or water damage. All new HVAC equipment relocated to reinforced roof area - all rooftop equipment will be screened from street view.

New prominent exterior signage and lighting will be installed for the new restaurant, refurbishing the old "St. Charles Hotel" signs on second floor east and north exterior. Awnings will be added to the third story windows. Existing (and deteriorating) iron fencing surrounding deck and sidewalks along Carson Street will be replaced to match other downtown projects. Rotting posts along deck and sidewalks (which uphold the second floor decks) will be replaced. All exterior trim, railings and frames to be repaired and repainted. We will replace the deteriorating existing decking and sidewalk in the City right-of way with Trex type all weather decking for both safety and longevity purposes. The exterior appearance of the building will be greatly enhanced by these improvements.

All exterior improvements have been submitted to and approved by HARC, as being historically appropriate and adding considerable appeal to the exterior of the building.⁴

Altogether, the project adds to the quality of life for all Carson City residents and visitors and will be conducive to changing the use of the second and third floors in the future. In the end, our goal and vision is to enhance the experience of any visitor to the downtown area and to the 3rd Street corridor. This is a prime example of the City's approach to the mixed use (commercial and residential) of the downtown area.

Estimated Cost of Total Project: \$ 1,200,000 + potential additional phases that would include a mixed use project encompassing the block between 2nd and 3rd Streets, and the properties, including the City surface parking lot, west of Curry Street.

CARSON CITY REDEVELOPMENT AUTHORITY

INCENTIVES PROGRAM APPLICATION

Project Profile:

Market: Carson City / Lake Tahoe / Reno locals and tourists.

Description of Business: Proposed new tenant is a Nevada company, Sierra Food & Beverage, Inc. owners Jim and Jeff Phalan, who will operate an English style Pub and Restaurant on the first floor of the building. The second and third floors will remain as an operating hotel. The restaurant, "Firkin and Fox" is part of an international franchise company with a track record of successful restaurants, and they have proposed a ten to twenty year lease. Owners have also presently negotiated for a location in downtown Reno, and plan to open as many as four restaurants in the Northern Nevada area, however, the St. Charles location in Carson City will be the "flagship store" for the tri-county area. Anticipated opening date for the Carson City location will be late Fall of 2007. The restaurant owners are locals, who intend to take advantage of this exclusive downtown location to participate in all community downtown events, such as Nevada Day, Fridays at 3rd, the Ghost Walk, and the Taste of Downtown.

This location has remained vacant for over two years. It has proven very difficult to attract major tenants to the downtown area since we have owned the building. In addition, the expense involved in rehabilitating an historic property is prohibitive, given that building "new" in one of the centers outside of the downtown area is, by comparison, much easier and less expensive. In order to attract a viable tenant, we are in the position of not only spending much more money on tenant improvements, but also discounting the lease rates as compared to "new" development areas. Nevertheless, we are committed to the downtown area, and have invested in its future.

The St. Charles Hotel is a unique property, having been the only continuously operated hotel / restaurant location operated since the original construction of the building. Obviously, the improvements and the addition of a popular restaurant to this prominent location will only improve on the viability and draw for the entire downtown area, better serving our market with an enhanced dining and entertainment experience for all patrons, local and tourist alike and increasing the ability to serve more patrons, as well as the income produced by the restaurant. In view of the City's vision for the downtown area, this project will enhance and further that vision in every way.

By preserving and enhancing the existing historical character of the prominent St. Charles Hotel building, we will improve and substantially extend the life of an historic structure that was built in the 1860's. Although the building is not located within the borders of the Carson City Historic District, it has been designated as a standalone, recognized building by the Carson City Historic Resource Commission. The owners recognize that it has significant value to the Community as a Historic Landmark, and it is listed on the National Historic Register. Particular attention to detail in the meticulous planning of both exterior and interior improvements will ensure that the building retains its unique historical character and integrity. Our goal will be to retain and build on the historic flavor and ambience to create an "Old West" cultural experience for every customer who visits or drives by the Firkin and Fox pub, and the St. Charles Hotel.

Located directly across US Hwy 395 from the State Capitol Complex, this building and its use and condition are vital to the Downtown Improvements planned by the City. With the planned exterior improvements and the ability to accommodate restaurant patrons inside and out, Firkin and Fox and the St. Charles Hotel building will be known as "something to see" in Carson City. The live music and other planned events will attract and encourage pedestrian traffic to the adjoining businesses and to the downtown area in general.

It should be noted that building owners Mark and Jenny Lopiccolo are longtime residents and ardent supporters of this community, consistently donating to and supporting numerous local charities and causes including the Cancer Center, Taste of Downtown, Nevada Day, Advocates to End Domestic

CARSON CITY REDEVELOPMENT AUTHORITY
INCENTIVES PROGRAM APPLICATION

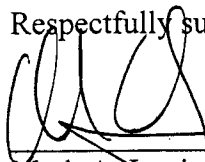
Violence and the Boys & Girls Club, and have invested in and improved several other downtown locations, within a two block radius of the present project. In a climate where most outside investors and business owners (who do not share the vision of Carson City) shy away from the downtown area, we have stepped up to invest in several downtown buildings and have spent a considerable amount of our own funds to improve, protect and preserve those buildings. In addition, we have been able to attract tenants to the area to occupy those buildings, thereby significantly increasing the sales tax base of the area.

Due to the size and scope of this major project, and to the expense involved in preserving and updating one of Carson City's oldest and most prominent historic structures, as well as the benefit to the City of creating an additional thriving business to inhabit a now vacant building, we are requesting grant funds from the Carson City Redevelopment Fund in the amount of \$100,000. The City will ultimately benefit from additional taxable sales from the restaurant and bar over many years. In addition, we strongly feel that our project will substantially improve the downtown area and will be a significant asset to the City and its citizens, as well as to the planned redevelopment of the entire downtown area. It is a great beginning for the new Carson City Downtown vision project and will serve to augment and reinforce that vision and ultimately attract more investors and businesses to the downtown area. This project will not be able to be completed as planned without the assistance and guarantee of Carson City Redevelopment funds, as previously discussed with your office. Although in progress at this time, and so far, on timeline, we will be unable to complete the project without assistance from Carson City Redevelopment, and will abandon the present project.

As an additional part of the project, we also respectfully request that the City Redevelopment Fund replace and /or repair all of the deteriorating sidewalks, curb and gutters on the important and highly recognized block of 3rd Street between Carson Street and Curry Street and install street lighting and landscaping similar to the rest of the downtown area on both sides of 3rd Street, consistent with the downtown area.

AGREEMENT: The undersigned applies for a minimum of a \$100,000.00 grant to be secured by a deed of trust on the property described herein, and represents that all statements made in this application are true and are made for the purpose of obtaining the incentive. Verification may be obtained from any source named in this application.

Respectfully submitted:



Mark A. Lopiccicolo

Date: 11-27-07

Jennifer M. Lopiccicolo

Date: _____

Lopiccolo Investments, LLC
307 West Winnie Lane, Suite 1, Carson City NV 89703



September 27, 2007

St Charles Hotel
310 S Carson Street
Carson City, NV

Shell building improvements and Firkin and Fox tenant improvement budget.

Site work

Demolition of interior first floor, site utilities and parking lot paving \$ 117,250.00

Concrete

Interior footing, stem walls, slab on grade, exterior gutter, curb and approach. \$ 58,325.00

Carpentry

Structural framing, roof framing, column and deck framing \$ 85,710.00

Roofing

Re- roof hotel roof, roof at mechanical up screen & units \$ 27,300.00

Frame and drywall

Interior metal stud framing and drywall new restrooms/interior \$ 95,700.00

Interior finish work

Furnish and install interior finish carpentry, trim, bar and doors \$ 220,829.00

Floor covering and tile

Carpet, wood flooring, tile at kitchen, restroom and bar area \$ 72,663.00

Restaurant kitchen equipment

Exhaust hood, kitchen equipment, furnished and installed \$ 159,012.00

Furniture and fixtures

Interior booths, tables and furnishing \$ 62,815.00

**Plumbing**

Relocate hotel plumbing, new plumbing @ restroom, kitchen and bar

\$ 68,511.00

Fire SprinklersFire line to building, fire sprinkle first floor and stub for 2nd/3rd floor

\$ 52,902.00

Mechanical

HVAC units for hotel, restaurant, bar, restrooms and kitchen

\$ 80,735.00

Electrical

New 1000 amp service to building, new panels for hotel, new panels for restaurant, electrical for restrooms, kitchen, bar, exterior and dinning

\$ 87,700.00

Signage

Period signs for exterior, period window signage and awnings

\$ 43,535.00

Total

\$1,232,957.00

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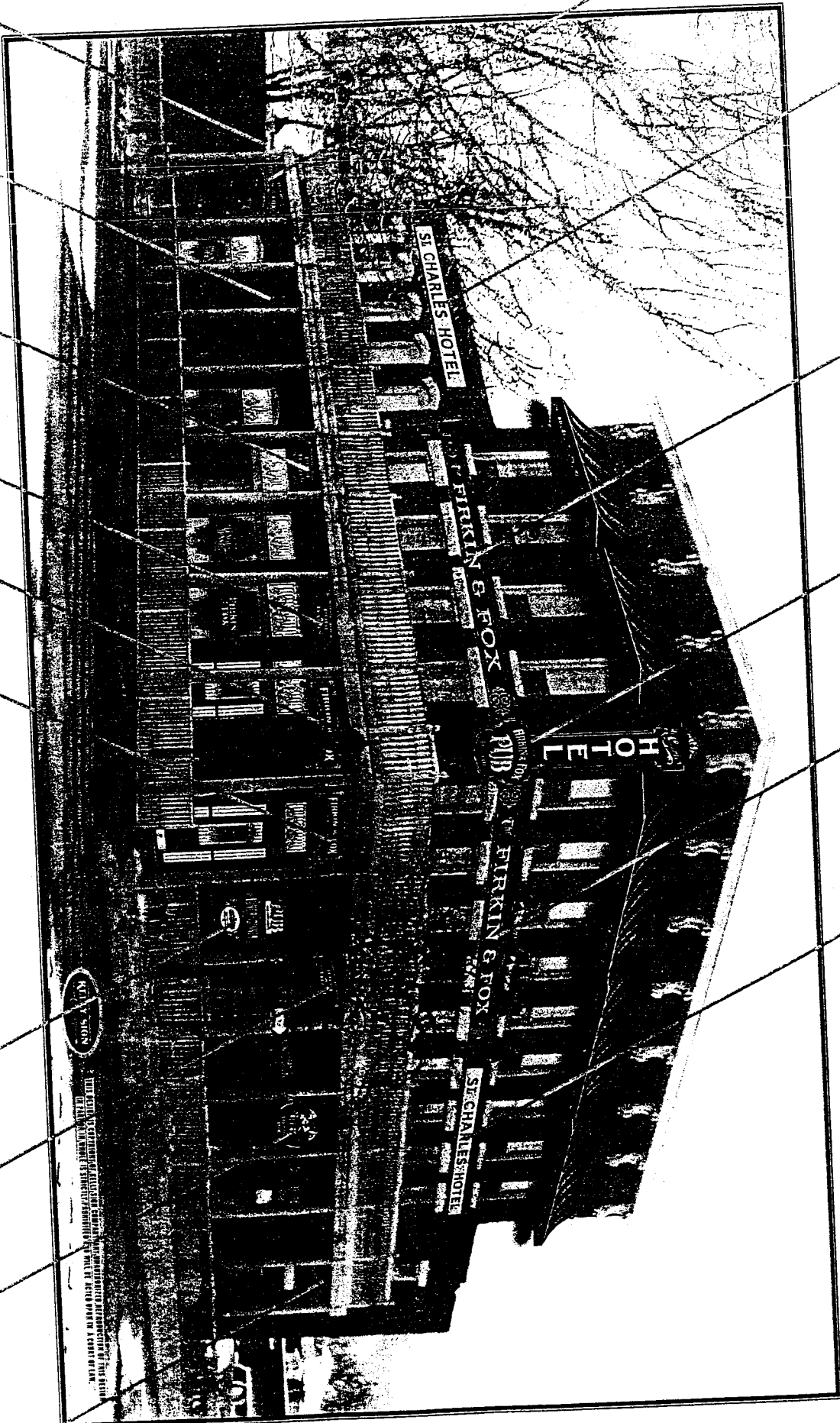
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