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**City of Carson City
Agenda Report**

Date Submitted: May 27, 2008

Agenda Date Requested: June 5, 2008

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 to 302 North Carson, LLC to help underwrite the \$965,000 on-going restoration and renovation of the former Lucky Spur at 302 North Carson Street into the multi purpose brewpub, Doppelgangers Bar and Grill.

Staff Summary: Doppelgangers Bar & Grill is the outstanding brewpub at former Lucky Spur property. One May 20, 2008, the Redevelopment Authority Citizens Committee unanimously approved a financial incentive request of \$100,000 made by the owner of Doppelgangers Bar & Grill, Alan Adams, to assist with his multi-million dollar improvement project at the former Lucky Spur. Last year, the RDA received its reimbursement of \$80,000 associated with the original \$100,000 incentive awarded for the renovation of the property. Mr. Adams' latest request for incentive funding is for additional improvements to the property. The continued renovation and improvement of this important Carson City building adds value to this entire district and helps to reinvigorate the entire area. In fact, the RDA and Mr. Adams' representatives will soon begin discussions to conceptualize, plan for, and execute a mixed-use project across the street at the former Stewart Title building.

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 \$100,000 of incentive funding to 302 North Carson, LLC to help underwrite the \$965,000 on-going restoration and renovation of the former Lucky Spur at 302 North Carson Street into the multi purpose brewpub, Doppelgangers Bar and Grill.

Explanation for Recommended Board Action: The incentive funding is consistent with the goals and objectives of the Redevelopment Incentive Program to stimulate significant investment in our Downtown, preserving our important historic stock, adding new businesses, office space, residences and additional parking to meet 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: Unspent bond proceeds

Alternatives: Provide other direction

Supporting Material: Provided by the applicant

Prepared By: Joe McCarthy

Reviewed By:

(Department Head)

(City Manager)

(District Attorney)

(Finance Director)

Date:

Date:

Date:

Date:

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

To: Redevelopment Authority Citizen's Committee Redevelopment Authority

Subject: Carson City Partnership Incentive Application

Applicant: 302 N Carson, LLC
Mr. Alan Adams
302 N Carson St.
Carson City, NV 89702
(775) 882-7787
(775) 841-2911 (fax)

Business Entity: Doppelgangers Bar & Grill

In 2007, 302 N Carson, LLC purchased the property at 302 N. Carson St. previously known as the Luckey Spur building.

302 N Carson, LLC (landlord) entered into a lease agreement with Food Management Services, Inc. dba Doppelgangers Bar & Grill.

In an effort to promote the success of the envisioned development, the landlord committed to various improvements to the building at the request of its tenant.

The interior renovations included a new lighting system and lights throughout the building, a complete interior repaint, new carpeting, sound absorption panels, a new sound system with stage lighting and a new front entry walkway.

These changes were incorporated in order to create a user friendly atmosphere and to preserve the historical value of the building.

With the renovations several pieces of equipment were replaced and others added to assist in enhancing our food service program. Pizza ovens were added to the rear of the facility in order to create the Doppelgangers Pizzeria with the intent of providing home delivery service by June of 2008.

It was also determined that the rear exterior of the building could be developed into a very unique outdoor patio area that would enhance the property and provide the general public an area to enjoy the downtown experience.

Please review the attached Exhibit "A".

In Exhibit "B" we have identified and projected out costs that we have committed to at this time.

Our request for assistance in the amount of \$100,000.00 dollars represents about ten percent (10%) of the overall investment.

We are excited at the possibilities that these changes will bring and would like to see our projected completion of June 2008 realized.

If we are unable to secure the assistance it will become necessary to down size our plans and eliminate some services that we feel the citizens of Carson City should be able to enjoy.

The patio area was designed by Mitch Cohan, and constructed by John Sieben Jr of American General Development (Lic No. 22816).

The concept was modeled after a downtown restaurant in Monterey, Calif. It utilizes redwood trellis' surrounding a quaint courtyard that features a fire pit and a complete outdoor bar.

In our effort to assist in your decision we are consenting to release our credit report if you so desire it.

We offer this simply because of the past problems this property has endured. We are confident that Food Management Services, Inc. has the vision and experience to successfully operate this enterprise. We feel confident that this investment will be recovered by the end of 2009 and that Doppelganger's Bar and Grille will be one of many success stories the people of Carson City can be proud of.

Since the opening of Doppelgangers in September 2007 the staff and management have entertained over 70,000 guests and they are confident that that number will be well over 125,000 guests by the end of their first year.

We understand that the Redevelopment Authority will be securing this incentive thru a declining seven (7) year second trust deed on the property at 302 N. Carson St.

At this time we would like to express our sincerest appreciation for your assistance in helping us provide something unique and our citizens can be proud of.

Thank-you,


Alan Adams
Managing Partner

Carson Redevelopment Application for Funding Exhibit "A"

Project Description:

The project consists of developing the property at 302 N. Carson St. into an entertainment complex that would provide various venues necessary to attract a large diverse population to the down town core.

Initially the project was to contain a Restaurant and Bar with minimal gaming conceptually designed to attract a late night crowd. As development and renovations were being finalized it became apparent that the project's capabilities were being under utilized and a new development concept was created to enhance the properties capabilities. From that concept we developed a working model where by we would undertake the expansion of the Brewery, create a pizzeria with home delivery, and create a new out door patio area that includes a full Bar, fire pit, and seating for fifty guests.

By doing this we have created several different entertainment areas that would cater to different clientele both in age and in economic criteria.

We will be offering live musical events in the evenings out in the patio and are considering holding our Wednesday Jazz Nights out there too.

Our goal is to provide something for everyone that will help bring people to down Town Carson City.

Carson Redevelopment Application for Funding Exhibit "B"

We believe that this project meets the criteria established for funding because we are working to preserve this historic structure, providing new venues for Carson City residents to enjoy; and we are aligned with the overall concept that Carson City envisions for its redevelopment. To accomplish redevelopment in the down town core it is imperative that population is created thru retail shopping, entertainment and services that will attract residents and guests alike to the attractions.

We continue to invest a considerable amount of money into the acquisition, renovation and development of this property. We are confident that the success of this redevelopment rests with those few individuals that are able to see the big picture and have faith in the residents of this community. The renovation and development of the property is well under way with a complete date forecasted for June 2008.

Therefore we must ask for your assistance in completing and attaining our goal as we find that our over zealousness has caused us to commit to more that we can currently raise. We have a substantial funding gap. With this in mind we are asking that we be granted funding in the amount of \$100,000.00 dollars to help us complete this ambitious project that we all know can and will be the catalyst for future development in our down town area.

To date our investment can be summarized as follows:

Building and Land Purchase	2,200,000.00
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Restaurant Business Purchase	520,000.00
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Building Renovations

A. Carpet	6,000.00
B. Painting	30,000.00
C. Lighting System	125,000.00
D. Sound Absorption Panels	20,000.00
E. Stage System	25,000.00
F. Concrete Entrance Area	6,000.00
G. Masonry Wall	4,000.00
H. Sound System	20,000.00
I. Signage	
J. Pizzeria	14,000.00

320,000.00

Equipment Repairs

A. Pizza Ovens	18,000.00
B. Prep Tables	8,000.00
C. Counter Tops	18,000.00
D. Door Freezers (2)	16,000.00
E. Hobart Mixer	8,000.00
F. Tables	8,000.00
G. Chairs	18,000.00
H. HVAC Repairs	15,000.00
I. Misc	10,000.00

130,000.00

Capitalization

A. Startup Inventory	100,000.00
B. Startup Labor	125,000.00
C. Pre-opening Advertising	25,000.00
D. Licenses, Insurance, Fees	50,000.00

300,000.00

Exhibit "B" con't

New Patio Construction

A. Lumber, Hardware	20,000.00
B. Carpentry Labor	15,000.00
C. Concrete	25,000.00
D. Brick Planters	15,000.00
E. Plaster	7,500.00
F. Doors and Hardware	6,000.00
G. Windows	600.00
H. Granite Countertops	4,500.00
I. Equipment	75,000.00
J. Electrical	11,000.00
K. Plumbing	19,000.00
L. Painting	8,000.00
M. Permits and Fees	2,400.00
N. Design	6,000.00
	215,000.00

Subtotal Expenses	<u>3,670,000.00</u>
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Funds Provided

Bank of America	2,200,000.00
Adams Family Trust	1,370,000.00

Balance Needed to Complete	<u>\$ 115,000.00</u>
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Based on the above need we are asking that the Redevelopment authority thru its funding ability help us at this time.

Thank you.