

14 B+G

**City of Carson City
Agenda Report**

Date Submitted: May 27, 2008

Agenda Date Requested: June 5, 2008

To: RDA/BOS

Time Requested: 5 minutes

From: Joe McCarthy, Office of Business Development

Subject Title: Action to approve a reimbursement agreement that requires the Redevelopment Authority to reimburse \$375,000 to Carson Gaming, LLC as part of the City's help to defer the overall costs associated with improvements made to Curry Street that have an area-wide benefit to businesses and development projects within Redevelopment Project Area No. 2.

Staff Summary: Both Carson Gaming, LLC and Carson City partnered in absorbing the costs associated with the expedited reconstruction and substantial improvements made by the developer to the frontage of properties on South Curry Street. This street improvement project has had a positive regional economic impact to numerous properties both south and north of Koontz Lane. The Redevelopment Authority's contribution to this project is the agreed upon, one payment total of \$375,000, due to Carson Gaming, LLC at the beginning of FY 2009. The Redevelopment Authority will make the reimbursement within 30 days following the beginning of the upcoming fiscal year that commences July 1, 2008. In addition, if warranted, the City and Carson Gaming, LLC will share installation costs of a future traffic signal at Eagle Station Ln.

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 approve a reimbursement agreement that requires the Redevelopment Authority to reimburse \$375,000 to Carson Gaming, LLC as part of the City's help to defer the overall costs associated with improvements made to Curry Street that have an area-wide benefit to businesses and development projects within Redevelopment Project Area No. 2.

Explanation for Recommended Board Action: This reimbursement was an inducement to accelerate completion of a public improvement, rebuilding Curry Street. This was a public/private partnership project entered into with Carson Gaming, LLC, developers of the Casino Fandango, the new Marriott Courtyard Hotel and the new Galaxy Cinema Complex. The intent of the public improvement project was to target an area-wide benefit for every business adjacent to the Casino Fandango properties as well as the Casino Fandango itself. Carson Gaming, LLC and several adjacent property owners have dedicated a considerable amount of private investment in this commercial corridor to act as catalysts for additional redevelopment.

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

Fiscal Impact: \$375,000 from the Redevelopment Authority, plus the potential of a 50 percent RTC match of approximately \$125,000 for a traffic signal at Eagle Station Lane.

Explanation of Impact: n/a

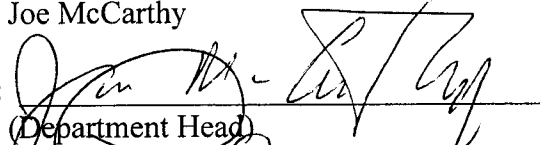
Funding Source: Redevelopment tax increment from Project Area No. 2

Alternatives: Not award this incentive.

Supporting Material: Agreement with Carson Gaming

Prepared By: Joe McCarthy

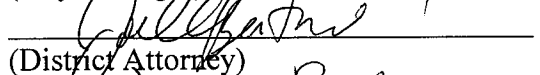
Reviewed By:


(Department Head)

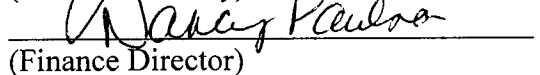
Date: 5-28-08


(City Manager)

Date: 5/29/08


(District Attorney)

Date: 5-29-08


(Finance Director)

Date: 5/29/08

Board Action Taken:

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)

Redevelopment Incentive Reimbursement Agreement

by and between the

Carson City Redevelopment Authority and Board of Supervisors

and

Carson Gaming Hotels, LLC, Carson Gaming, LLC and Carson Gaming Theaters, LLC

This Redevelopment Incentive Reimbursement Agreement "**Agreement**") dated this ____ day of _____, 2008 ("**Effective Date**") is entered into by and between the Carson City Redevelopment Authority ("**RDA**") and the Board of Supervisors ("**BOS**") and Carson Gaming Hotels, LLC, Carson Gaming, LLC, and Carson Gaming Theaters, LLC (collectively, "**Participant**" or "**Carson Gaming**"). RDA/BOS and Participant are hereinafter collectively referred to as the "**Parties**."

RECITALS

WHEREAS Participant is the owner in fee simple of the real properties along Curry Street, Nevada, specifically, the Casino Fandango, the Galaxy Theater and the Courtyard by Marriott with Assessor Parcel Numbers 009-153-18, 009-151-57, 009-151-59, 009-151-17, and 009-151-58.

WHEREAS Carson Gaming participated in the construction of substantial improvements along the frontage of properties along Curry Street that have had and continue to have a positive regional economic impact to numerous properties both south and north of Koontz Lane in Carson City;

WHEREAS, redevelopment funds are part of Carson City's contribution to the development of this project area, primarily a privately funded road and infrastructure project;

WHEREAS, on May 17, 2007, the RDA and BOS approved a redevelopment incentive to reimburse Carson Gaming FIVE HUNDRED THOUSAND DOLLARS (\$500,000) over a seven (7) year period, from tax increment produced in the project areas, to help defer costs associated with Curry Street improvements have an areas wide benefit to businesses and development projects within Redevelopment Project Area No. 2;

WHEREAS, as a result of an increase in tax increment monies becoming available to the RDA, Carson Gaming has agreed to accept THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$375,000) within thirty (30) days after July 1, 2008, as a full accord and satisfaction of Carson City's obligation and promise to reimburse Carson Gaming FIVE HUNDRED THOUSAND DOLLARS (\$500,000) over a seven (7) year period from tax increment revenues;

WHEREAS, this Project has substantially improved the economic and physical conditions in the Project Area and the City and is in accordance with the purposes and goals of the RDA's Redevelopment Plan;

NOW, THEREFORE, in consideration of the mutual commitments by the Parties, as contained in this Agreement, the Parties agree as follows:

1. **Redevelopment Incentive.** In consideration of the infrastructure improvements Carson Gaming made to Project Area No. 2, RDA agrees to pay

Participant THREE HUNDERD SEVENTY-FIVE THOUSAND DOLLARS (\$375,000) within thirty (30) days after July 1, 2008.

2. **Proper Authority.** The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement. Participant acknowledges that this Agreement is effective only after approval by the Carson City Board of Supervisors.

3. **Force Majeure.** Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strike, failure of public transportation, civil or military authority, acts of public enemy, accidents, fires, explosion, or acts of God, including without limitation, earthquakes, floods, winds or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

4. **Termination for Nonappropriation.** This agreement is contingent upon sufficient funds being appropriated, budgeted and otherwise made available by the Carson City Board of Supervisors. The BOS may terminate this Agreement and Carson Gaming waives any and all claims of damages, effective immediately upon receipt of written notice if for any reason the funding is not appropriated or is withdrawn, limited or impaired.

5. **Governing law; Jurisdiction.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written and intend to be legally bound thereby.

CARSON CITY REDEVELOPMENT AUTHORITY

By: Robin Williamson
Its: Chairman

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CARSON CITY BOARD OF SUPERVISORS

By: Marv Teixeira
Its: Mayor

ATTEST:

By:
Its:

CARSON GAMING, LLC
CARSON GAMING HOTELS, LLC
CARSON GAMING THEATRES, LLC

By: Garry V. Goett
Its: Manager

CARSON CITY'S LEGAL COUNSEL
Neil A. Rombardo, District Attorney

I have reviewed this Contract and approve as to its legal form.

By: _____
Deputy District Attorney