

item # 25

**City of Carson City
Agenda Report**

Date Submitted: April 7, 2009

Agenda Date Requested: April 16, 2009

To: Board of Supervisors

Time Requested: 5 minutes

From: Office of Business Development

Subject Title: Action to approve a \$53,520 incentive request by DSE, #4, LLC to redevelop the property at 503 N. Nevada Street, with the Redevelopment Authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, that the project benefits the current redevelopment plan area, that the project has no other reasonable means of financing available, that the incentive will be paid on a reimbursement basis for money expended by the applicant on the project, that other financing is available to pay for the remaining costs of the project, that the incentive is subject to the applicant fulfilling City requirements and that the incentive is not subject to the temporary moratorium on the expenditure of redevelopment funds adopted by the Board of Supervisors on February 19, 2009.

Staff Summary: On April 6, 2009, the Redevelopment Authority Citizens Committee (RACC) recommended approval of incentive funding for the complete renovation of a former boarding house situated at the northeast corner of Spear and Nevada Streets. In January 2009, the applicant, DSE #4, LLC, contacted staff to discuss incentive funding. Although staff recognizes that an application was not filed prior to February 19, the day the Board imposed a moratorium on incentive funding, staff believes it is important for the Board to address this application and make a determination as to whether or not the application is subject to the moratorium since the applicants have been working with staff on the project prior to the imposition of the moratorium. Therefore, the Redevelopment Authority/Board of Supervisors is being afforded the option of considering this particular incentive application because the applicant made a good faith effort to comply with our procedures as they existed in January. This redevelopment project rehabilitates an abandoned, eyesore situated in the center of our historic downtown that was formerly substandard housing. The work includes interior demolition and renovation, façade and tenant improvements, landscaping, site work, handicap access and compliance with historic district guidelines. RACC measured the project's benefit to the redevelopment area by considering the incentive program's criteria: aesthetics, curing of blight, job creation, business retention, addition of tax revenues and enhancement of the community's vision. RACC also determined that no other reasonable means of financing certain improvements associated with the project was available. Staff reviewed the project and DSE, #4, LLC's financials to confirm the economic viability of the project and the appropriateness of redevelopment funding.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to approve a \$53,520 incentive request by DSE, #4, LLC to redevelop the property at 503 N. Nevada Street, with the Redevelopment Authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, that the project benefits the current redevelopment plan area, that the project has no other reasonable means of financing available, that the incentive will be paid on a reimbursement basis for money expended by the applicant on the project, that other financing is available to pay for the remaining costs of the project, that the incentive is subject to the applicant fulfilling City requirements and that the incentive is not subject to the temporary moratorium on the expenditure of redevelopment funds adopted by the Board of Supervisors on February 19, 2009.

Explanation for Recommended Board Action: With funding assistance, the applicants are pursuing a complete remodel of this historic, abandoned building, thus providing the city with a fully preserved and renovated anchor in the central hub of our downtown, redevelopment district.

The incentive funding will give the owners the necessary financial support to further enhance this project. Redevelopment Incentive funding criteria encourages site and facade improvements in the Redevelopment Authority's commercial district. The committee recommended the incentive funding on a reimbursement basis only after the work is done.

The proposed motion exempts this incentive from the temporary moratorium on the expenditure of redevelopment funds adopted by the Board of Supervisors on February 19, 2009.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 279.486

Fiscal Impact: \$53,520.00 of tax increment funds available in the RDA's unspent bond proceeds set-aside.

Explanation of Impact: This incentive reduces the unspent bond proceeds to approximately \$500,000, an amount principally dedicated to satisfying the provision of the street abandonment settlement with the Carson Nugget.

Funding Source: Unspent bond proceeds associated with Redevelopment Project Area No. 1

Alternatives: Provide other direction

Supporting Material: Material provided by the applicant

Prepared By: Joe McCarthy

Reviewed By:

[Handwritten Signature]

(Department Head)

Date: 4-6-09

(City Manager)

Melanie Bukatta

(District Attorney)

Mark Sproul

(Finance Director)

Date: 5/8/09

Date: 4-7-09

Date: 4-7-09

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)