Item # 27B

City of Carson City
Agenda Report

Date Submitted: April 28, 2009 **Agenda Date Requested:** May 7, 2009

To: Board of Supervisors **Time Requested:** 5 minutes

From: Office of Business Development

Subject Title: Action to adopt a resolution consenting to the payment of a $53,520 incentive to DSE, #4, LLC to assist in paying for the costs of the construction of the building located at 503 N. Nevada Street, and authorizing the expenditure of $53,530 from the Revolving Fund for the Redevelopment Authority for the purpose of paying this incentive with the Board of Supervisors determining that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, specifically that the project benefits the current redevelopment plan area, and 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 and that the incentive is subject to the applicant fulfilling City requirements.

Pursuant to NRS 279.628, this Resolution must be adopted by a two-thirds vote of the Board of Supervisors.

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. 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 reviewed the application and supporting material provided to measure the project's benefit to the redevelopment area as it relates to 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, tax returns and other confidential material to confirm the economic viability of the project and the appropriateness of redevelopment funding.

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

Does This Action Require A Business Impact Statement: (___) Yes (_X_) No

Recommended Board Action: I move adopt a resolution consenting to the payment of a $53,520 incentive to DSE, #4, LLC to assist in paying for the costs of the construction of the building located at 503 N. Nevada Street, and authorizing the expenditure of $53,530 from the Revolving Fund for the Redevelopment Authority for the purpose of paying this incentive with the Board of Supervisors determining that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, specifically that the project benefits the current redevelopment plan area, and 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 and that the incentive is subject to the applicant fulfilling City requirements.

Pursuant to NRS 279.628, this Resolution must be adopted by a two-thirds vote of the Board of Supervisors.

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 complete proposed improvements this project and achieve a reasonable rate of return on its investment in a blighted property. The applicant has been apprised of the requirements detailed in redevelopment's rules and regulations and agrees to comply with every one of these requirements.

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 comes from the remaining unspent bond proceeds, but the needed amount dedicated to satisfying the provision of the street abandonment settlement with the Carson Nugget has been preserved.

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

Alternatives: Provide other direction

Supporting Material: Applicant and supporting material provided by the applicant

Prepared By: Joe McCarthy

Reviewed By: ______________________ Date: 4-28-09
(Department Head)

______________________ Date: 4/28/09
(City Manager)

Melanie Bruketta Date: 4-28-09
(District Attorney)

______________________ Date: 4-28-09
(Finance Director)

Board Action Taken:

Motion: ______________________ 1) ______________ Aye/Nay
2) ______________ ________

____

____

____

____

____
(Vote Recorded By)