

Item # 20

**City of Carson City
Agenda Report**

Date Submitted: October 27, 2009

Agenda Date Requested: November 5, 2009

To: Board of Supervisors

Time Requested: 45 minutes

From: Joe McCarthy and Tammy Westergard, Office of Business Development

Subject Title: Presentation of a conceptual development project by Carson Nugget, Inc. and action to authorize staff to participate in the preparation of a detailed scope for the proposed project. (Joe McCarthy and Tammy Westergard)

Staff Summary: With this direction, the project may quickly attract significant interest from the development community. The intent will be to form a public-private partnership between Carson City, Carson Nugget ownership and potential master developers.

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 authorize staff to participate in the preparation of a detailed scope for the proposed project.

Explanation for Recommended Board Action: On August 12 and 13, 2009, Mr. Steve Neighbors, VP of the Carson Nugget, facilitated, at the offices of the Northern Nevada Development Authority, a pre-development workshop to ascertain potential development opportunities. The workshop included design professionals, business and industry leaders, city staff and commercial developers in an attempt to discover the potential for a multi-use project on Nugget property that achieves the City's economic development goals of job creation and industry development. The workshop identified key pieces of the potential project to be situated on approximately 8-acres of vacant Nugget property. The Carson Nugget wishes to allocate (with necessary restrictions in place to ensure the development of the projects essential components) sufficient land to develop a Knowledge and Discovery Library and the project's public spaces, as well as put in motion the "Hop and Mae Adams Trust," support funding for a business and technology incubator that will serve the entire community.

Applicable Statue, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: Staff involvement with the project

Explanation of Impact: Staff will be committing time to this project if approved by the Board.

Funding Source: The funding will be within existing department budget.

Alternatives: The alternative is to not authorize staff to proceed with working on the project.

Supporting Material: None

Prepared By: Eva Chwalisz, Management Assistant

Reviewed By: Jimmy Westergaard
(Department Head)

Date: 10-27-09

Date: 10-27-09

Melanie R. Ketta
(City Manager)

Date: 10-27-09

Nancy Paulson
(District Attorney)

Date: 10/27/09

Nancy Paulson
(Finance Director)

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)



Office of Business Development

201 North Carson Street, Suite 2

Carson City, Nevada 89701

Date: November 5, 2009

To: Carson City Board of Supervisors/Redevelopment Authority

Thru: Larry Werner, City Manager

From: Joe McCarthy and Tammy Westergard, Carson City Office of Business Development,

Subject: Staff report on the potential Carson Nugget Development Project

In 2003, Carson City endorsed its *Economic Vitality Strategy Plan*, a community-wide economic development strategy with a host of initiatives that remain viable today. Several subsequent studies have affirmed the objectives of this Plan. An additional imperative took place last month; the Nevada Department of Transportation completed the latest phase of the I-580 Freeway project, further enabling Downtown Carson City to achieve the economic and aesthetic potential that each study has envisioned.

Recently, the Board of Supervisors adopted its long-term goals as part of its comprehensive Business Plan that dovetails precisely with the abovementioned longstanding economic development strategies. The *Economic Vitality Strategy Plan* recommended a vigorous cultivation and pursuit of "idea industries," those global networks and industries connected with communication technology, information technology and emerging renewable energy technologies. The Plan further emphasized development of a locally trained workforce in the new economy's preferred skills. In addition, the Plan foresaw a mix of commercial and cultural activities and amenities coupled with in-town residential development to create a vibrant quality of life for our citizens, property owners and small businesses.

On August 12 and 13, 2009, Mr. Steve Neighbors, VP of the Carson Nugget, facilitated, at the offices of the Northern Nevada Development Authority, a pre-development workshop to ascertain potential development opportunities. The workshop included design professionals, business and industry leaders, city staff and commercial developers in an attempt to discover the potential for multi-use project on Nugget property that achieved the City's economic development goals of job creation and industry development. This staff report summarizes the workshop findings and the direction provided by Mr. Neighbors.

Possible key pieces of the potential project on approximately 8-acres of vacant Nugget property that adjoin the existing Carson Nugget operation include:

1. An anchor civic institution, specifically a state-of-the-art Carson City Knowledge and Discovery Library (KDL);

2. As part of the KDL, a Business & Technology Incubator Center that runs business sustainability programs aligned with an entrepreneur-centered growth strategy for supporting emerging companies with information, networking opportunities and infrastructure;
3. The Sierra Digital Media Lab that specializes in new technologies surrounding the production-level entertainment marketplace, sophisticated educational applications, software development, gaming, animation and various other digital multimedia applications;
4. A centrally designed public plaza that may feature year-round recreational and cultural activities and programming, soft and hard landscape, a pocket park with fixed seating to support a recreational focus such as a permanent ice skating rink/splash pad/amphitheater;
5. Class-A office space;
6. Commercial / retail space;
7. Residential, market-based in-town housing;
8. An IMAX Theater;
9. A public transit platform; and
10. A shared, de-centralized parking system, (surface and structured, both above and below ground).

To enhance the project's success, the Carson Nugget plans to allocate sufficient acreage to develop the public spaces and the Knowledge and Discovery Library, consistent with any necessary restrictions to ensure the deployment of the projects essential components. In service of Carson City, the integral feature of the Carson Nugget Development Project will center on the "Hop and Mae Adams Trust," a soon-to-be-formed foundation with a mission to serve the long-term aspirations of the community. This local community foundation envisions a 501(c) (3) non-profit corporation committed to creating jobs and wealth throughout the community by supporting entrepreneurship and innovation to foster a sustainable economy.

As an immediate priority, the Carson Nugget Development Project is inviting numerous community partners to ensure communitywide participation in this economic development process. Partnerships include, but are not limited to, Western Nevada College, Northern Nevada Development Authority and its many affiliates, the Carson City Library Board of Trustees, the Carson City Cultural Commission, the Carson City Parks and Recreation Commission, Carson-Tahoe Regional Health Care, numerous State agencies, various private non-profits and the many business membership organizations situated throughout the region.

Over the years, Carson City has articulated numerous economic development recommendations that have remained constant. For example, the recommendations as stated in the 2003 *Economic Vitality Strategy Plan*:

1. "Build and maintain partnerships for on-going involving involvement and accountability for all sectors in economic development;

2. Target existing and emerging economic sectors that provide quality primary employment to the community;
3. Achieve the economic, physical and aesthetic revitalization of the downtown area by encouraging local business development, and the preservation of our cultural heritage.”

The broad themes related to economic and fiscal analysis prepared by the Las Vegas based economic consultant firm, Applied Analysis, for Carson City’s 2006 Master Plan update, *Envision Carson City*, state:

1. For economic viability we need a strong, diversified economic base by:
 - a. Maintaining and enhancing the primary job base;
 - b. Promoting downtown revitalization
 - c. Re-establishing Downtown as the vibrant center for the community; and
 - d. Establishing compact, mixed-use activities centers

Today, the specific goals of the Carson Nugget Development project include:

- Nurture economic base jobs in primary industries not currently in the region;
- Through its business incubation center, provide targeted services related to professional development, strategic advice, access to financing, marketing and public relations support, mentoring, turnkey infrastructure and variable rents;
- Foster a skilled and competitive workforce to include creating accessible career paths for local youth, pre K through college;
- Support many of our existing businesses;
- Scale the project’s various pieces to generate significant amounts of public and private investment in the community;
- Support growth and development of emerging companies to compete in the global marketplace;
- Seek educational excellence, entrepreneurship, wealth creation and prosperity sharing;
- Link business, education and government;
- Accelerate the growth of digital media research and development with an eye towards implementation of interactive technologies and digital content that enhances public communication with the focus on the public good;
- Accelerate the growth of clean energy startups; and
- Build resilient companies through successful apprenticeship programs.

Therefore, it is staff’s opinion that a potential Carson Nugget Development Project on its centrally-located properties may be the most important catalytic project to date to boost local employment, nurture local small businesses, build a sufficiently large cluster of competitive industries and link regional networks that will create, wealth, sustainable growth and income. The project envisions public access to digital information, cutting-edge workforce training, public and private education opportunities stretching from pre-K to post secondary. Built on an infrastructure that ensures successful, long-term, sustainable economic activity related to knowledge, ideas and quality of life. Staff seeks Board of Supervisors direction on work-plan development, such as:

- Provide a more detailed scope of the project, its components, partners and public private relationships;

- Put together a preliminary finance plan that includes a financial and fiscal impact and economic impact analyses dealing with this complex public-private real estate development;
- Develop a preliminary schedule, or, at least, a range of projects schedules that would include big-picture direction, build out timeframe, and so forth;
- Seek endorsement of the Carson City Library Board of Trustees;
- Give authority to staff to see if there is master developer interest;
- Provide endorsement of the conceptual development project being contemplated by Carson Nugget Inc.