

Redevelopment Authority “DRAFT” minutes for the following dates are included in this section;

September 7, 2006, Regular Session

**Board of Supervisor “DRAFT” minutes for the
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September 7, 2006, Regular Meeting

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A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled meeting of the Carson City Board of Supervisors on Thursday, September 7, 2006, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, which began at 8:30 a.m.

PRESENT: Chairperson Robin Williamson and Members Marv Teixeira, Shelly Aldean, Pete Livermore, and Richard S. Staub

STAFF PRESENT: City Manager Linda Ritter, Clerk-Recorder Alan Glover, Redevelopment/Economic Development Manager Joe McCarthy, Senior Deputy District Attorney Michael Suglia, Deputy Redevelopment/Economic Development Officer Angela Barosso, and Recording Secretary Katherine McLaughlin (BOS 9/7/06 Recording 9:33:51)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Agenda Report and/or supporting documentation. Staff members making the introduction and any other individuals who spoke are listed immediately following the item heading. A recording of these proceedings is available for review and inspection during normal business hours.

Mayor Pro Tem Williamson recessed the Board of Supervisors session and immediately convened the Redevelopment Authority meeting by indicating for the record that a quorum was present. Member Teixeira returned from a "welcoming" at 10:08 a.m. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

ACTION ON APPROVAL OF MINUTES - 6/1 AND 15/06 (9:34:06) - Member Aldean moved to approve the Minutes of the Carson City Redevelopment Authority dated June 1, 2006, and June 15, 2006, as presented. Supervisor Livermore seconded the motion. Motion carried 4-0.

REDEVELOPMENT - PRESENTATION AND DISCUSSION TO BEGIN - DEVELOPMENT OF THE REDEVELOPMENT AUTHORITY'S GOALS AND EXPECTATIONS RELATED TO A COMPREHENSIVE APPROACH TO DEVELOPMENT OF AN INCENTIVE PROGRAM. A FLEXIBLE INCENTIVE PROGRAM FEATURES A PUBLIC/PRIVATE PARTNERSHIP MODEL WITH TECHNIQUES THAT OVERCOME IMPEDIMENTS TO DEVELOPMENT AND ENHANCE CASH FLOWS. THE PURPOSE OF THE PROGRAM IS TO SPUR, ATTRACT AND MAINTAIN HIGH QUALITY GROWTH AND PROMOTE INVESTMENT IN REDEVELOPMENT PROJECT AREA NO. 2 (9:34:44) - Redevelopment/Economic Development Manager Joe McCarthy and Officer Angela Barosso, City Manager Linda Ritter, David Ruf, Tom Keeton - Copies of the computerized slides are in the packet. Chairperson Williamson indicated that discussion will occur, however, action may not be taken. Mr. McCarthy described the change in the purpose of District 2. It originally promoted auto sales. It now matches the City comprehensive master plan. For this reason the Authority's role needs to be delineated as the master plan encourages mixing residential and retail uses. His presentation emphasized the need to have public support for the District to be successful. Concerns were noted throughout the presentation. Projects should have a public benefit and not take advantage of nor profit at the public's expense. The project also must be a high quality investment that will remain in the community for a long period of time. Justification for supporting retail investments was limned. An advisory task force may be established. It should consist of individuals knowledgeable about the process and those that understand the proprietary information that will be presented. Justification for having closed meetings to discuss this information was indicated. Outside

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counsel may be hired to assist with the technical requirements. Discussion reiterated the intent to have a long term commitment from the developer when public money is involved. If a developer attempts to "flip" the project, he/she should be required to repay the public funds. The project must include more than facade improvements. The taxpayers must be comfortable with the project and assured that there will be public benefits. Firms sometimes flip their projects to a holding company who manage the project after it is developed. Justification for such flipping was provided. Board comments indicated that if such flips occur and enrich the developer, the Authority/City should benefit from the gain as well. The uniqueness of each operation must be considered. The taxpayers and public benefits must be protected. (Member Teixeira returned at 10:07 a.m. The entire Authority was present, constituting a quorum.) Eminent domain limitations and wage issues were raised. Eminent domain restrictions were noted. It was felt that a lot of bills will be submitted during the next legislative session regarding the use of economic development. Comments stressed that the Authority's prohibition on the use of eminent domain to obtain owner occupied single family residences. It can be used where there are crack homes and blight occur. Eminent domain can also be used to obtain structures that are vacant or need to be removed as they have become economic drains on the community, e.g., large empty boxes. Friendly eminent domain is also allowed. Prevailing wages must be paid. The Legislature may be asked to consider increasing the prevailing wage limit. Chairperson Williamson thanked Mr. McCarthy for his overview of the opportunities and challenges of the program. She also pointed out that the message is that there is a difference between the downtown redevelopment district and the south Carson Street district. The same conditions and requirements may not apply to both. A matrix is needed to evaluate the projects. They are working on this matrix.

Member Teixeira disclosed that he had been working with Mr. McCarthy and the developers. He pointed out the City's reliance on auto sales to balance the City's revenue stream. Getting developers to locate in the community is a new ball game as incentives were not needed to attract developers eight years ago. Today, competition exists between communities. The community must be sold to the developers. He complimented Mr. McCarthy and Ms. Barosso on their efforts.

Member Livermore thanked Mr. McCarthy for the timely presentation. The public does not believe that the Board has done enough to fill the empty boxes. Redevelopment is a concern to many people. It is a tool which the Authority needs in order to fill the boxes. It helps with tax increment financing and provides the community with the ability to negotiate with developers and property owners. It also allows them to evaluate the type of businesses that are interested in locating in the community.

Mr. McCarthy solicited feedback on whether to have an advisory committee consisting of business groups or another committee like the downtown committee. The ultimate decisions will be made in public.

Member Aldean supported having a committee like the one that had worked with the auto dealers until funding is requested. Decisions regarding funding should be made in public. Her criteria for granting incentives included mixed uses within the district, creation of a substantial synergistic effect on surrounding development, stimulation of sales tax revenue, and meeting the criteria currently used for the downtown district which is to create a positive visual impact on the landscaping and street scape.

Member Teixeira expressed his hope that the process does not get tied up in a lot of policies and matrixes. The "deal" should depend upon who it is, what they bring, and their revenue stream. Latitude to work with each developer is needed. When a deal is reached, it should be brought to the Authority. He questioned the

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need to define the process at this time due to his belief that evolution will decide the program. Examples illustrating his point were provided. He urged the Authority to establish a flexible program. Member Aldean agreed that flexibility is need, however, if two different entities are competing for the same location, the matrix will determine the one who should be allowed to proceed.

Member Staub also pointed out that developers have a "me too attitude". Whatever is given to one, is sought by the others. He agreed that flexibility is needed, however, it should be used with caution. The partners must know that there are limitations. Competent consultants should be used to assist them in the selection process as the Authority has little experience in this competitive field.

Mr. McCarthy reminded the Authority about its economic development and vitality committees which had used a number of task forces to develop the current process. An example is the auto group that was created by this effort. He suggested that Member Livermore become the economic development overseer with Members Staub and Aldean serving on other committees. The groups could then meet and discuss any deals. He felt that the process could be one which would never have more than two of the Members in attendance at any meeting. Member Teixeira reminded Mr. McCarthy of the Open Meeting Law requirement about having a quorum of the Authority present at a meeting. Mr. McCarthy explained his reasons for wishing to have Members Staub and Aldean on the committees. Member Aldean acknowledged his point, however, as both she and Member Staub have investments in the district, they were unable to serve on the committee(s).

Ms. Ritter explained that the committee would need expert assistance regarding the developer's information. Reports on the committee's discussions will be provided to the Members. The experts should do the work and submit the reports to the Authority. Public comments were then solicited.

Mr. Ruf explained that he had been involved with the economic planning effort. One of its programs had established a method of keeping the School District whole. He urged the Authority to utilize the same program for District No. 2. Justification for supporting the School District was provided. He then reminded the Authority that his business is located in the new district. Both he and some of his business friends within the district are interested in taking advantage of the incentive programs. He reminded the Authority about the development agreements which had been signed by him and several of the businesses. These agreements committed to making improvements to Curry Street, which are needed, however, it appears as if the City will be making the improvements for everyone except those who have signed the development agreements. If these businesses pay for the improvements, they will not be able to afford making improvements to their property. He asked the Authority to reconsider these agreements as he estimated the curb, sidewalk, and gutter improvements will cost at least \$50,000 for an area without any foot traffic.

Chairperson Williamson agreed that they need to continue discussions with the School District regarding the fiscal impact on the School District. She advised that Costco had written a check to the School District to mitigate this impact. She concurred that in-kind services could provide an opportunity to address the School District's concerns. Discussion may have been started with the School District already. She also advised that the development agreements had been suspended in his area for the reasons he had indicated. She agreed to talk to the Engineering Department regarding the agreements. The improvements should be addressed in a feasible manner. Discussion indicated that discussions are being held with School District Operations Director Michael Mitchell on potential projects which could be handled by the City.

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Mr. McCarthy explained to Mr. Keeton that the downtown redevelopment district was started in 1986. It has a 45-year life. The south Carson district has a 30-year life. Discussion also explained the tax allocation process for redevelopment districts. Mr. Keeton urged the Authority to keep the School District as whole as possible with dollars as he did not believe that in-kind services provide the same fiscal funding level. Additional comments were solicited but none were given. No formal action was taken on the program.

There being no other matters for discussion by the Redevelopment Authority, Chairperson Williamson recessed the meeting.

The Minutes of the September 7, 2006, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON _____, 2006.

Robin Williamson, Chairperson

ATTEST:

Alan Glover, Clerk-Recorder