



STAFF REPORT

Report To: Redevelopment Authority

Meeting Date: 07/07/16

Staff Contact: Nick Marano, City Manager

Agenda Title: For Possible Action: To recommend to the Board of Supervisors approval of the First Amendment to the Third Amended and Restated Commitment Agreement for Continuing Business Operation between Carson City and Richard Campagni. (Nick Marano, nmarano@carson.org)

Staff Summary: The Redevelopment Plan for Project Area No. 2 provides for public-private partnerships to retain and expand Carson City's auto sales sector. On March 17, 2005, the Board of Supervisors adopted resolution No. RAR-2, a resolution to allow the Redevelopment Authority / Board of Supervisors to consider, on an individual basis, projects / incentive packages that are clearly designed to secure and stimulate auto sales investment along South Carson Street.

Mr. Campagni continues to improve the City's redevelopment areas as evidenced by the recent remodeling and expansion of his businesses. This continued commitment to the City and its inhabitants amounts to value commensurate with payments toward the Promissory Note. This amendment will deem the note satisfied at the end of calendar year 2016. This will result in an additional two years of incentive payments of 10% of the City's portion of the Basic City-County Relief Tax and Supplemental City- County Relief Tax, approximately \$386,000 based on long term projections, to the business.

Agenda Action: Formal Action/Motion

Time Requested: 15 minutes

Proposed Motion

I move to recommend to the Board of Supervisors approval of the First Amendment to the Third Amended and Restated Commitment Agreement for Continuing Business Operation between Carson City and Richard Campagni.

Board's Strategic Goal

Economic Development

Previous Action

N/A

Background/Issues & Analysis

In July of 2005, Mr. Campagni and the City negotiated a Commitment Agreement that pledged his dealerships to remain in Carson City and for him to build a new Toyota Store on South Carson Street.

On November 20, 2008, the original agreement was amended restating, clarifying and modifying the time periods provided for in the agreement.

On May 7, 2009, a Second Amended Agreement established compliance with the prevailing wage statutes and amended the repayment provision of the City financial assistance to reduce the principal amount from \$3,600,000 to \$3,057,000.

On July 3, 2013, a Third Amended Agreement provided for the transfer of land at 2443 South Curry Street for the purposes of economic development and resolving a continuing business obligation inequity by the transfer of this land in lieu of reducing Campagni's existing redevelopment loan rate from 5% to 3% to match the rate provided to Michael Hohl.

Applicable Statute, Code, Policy, Rule or Regulation

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: General Fund Consolidated Tax Revenue

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: Under the 3rd Amended and Restated Commitment Agreement the Promissory Note is anticipated to be satisfied at the end of calendar year 2018. This amendment will deem the note satisfied at the end of calendar year 2016. This will result in an additional two years of incentive payments of 10% of the City's portion of the Basic City-County Relief Tax and Supplemental City- County Relief Tax, approximately \$386,000 based on long term projections, to the business.

Alternatives

Not approve the Amendment.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

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Backup information for this item will be provided as late material as soon as it is finalized and available.