



# STAFF REPORT

**Report To:** Redevelopment Authority

**Meeting Date:** August 18, 2016

**Staff Contact:** Lee Plemel, Community Development Director (lplemel@carson.org)

**Agenda Title:** For Possible Action: To adopt Resolution No. 2016-RAR-\_\_ amending Resolution 2016-RAR-2 and 2016-R-3 to continue the Carson City Redevelopment Façade Improvement Program for Redevelopment Project Areas 1 and 2 and amend provisions related to project bidding requirements.

**Staff Summary:** The Redevelopment Authority approved the Façade Improvement Program (FIP) on May 3, 2016. To date, the RACC has awarded a total of \$154,046 for façade improvements to nine properties. One of the requirements of the program is to obtain three bids for the proposed improvements. Applicants have had difficulty getting three bids for various reasons, and the proposed modifications are intended to provide relief from this requirement under certain circumstances. Lee Plemel, lplemel@carson.org

**Agenda Action:** Resolution

**Time Requested:** 15 minutes

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## **Proposed Motion**

I move to adopt Resolution No. 2016-RAR-\_\_ amending Resolution 2016-RAR-2 and 2016-R-3 to continue the Carson City Redevelopment Façade Improvement Program for Redevelopment Project Areas 1 and 2 and amend provisions related to project bidding requirements.

## **Board's Strategic Goal**

Economic Development

## **Previous Action**

February 1, 2016: The Redevelopment Authority Citizens Committee (RACC) recommended approval of the Façade Improvement Program by a vote of 5-0 (2 absent).

March 3, 2016: The Redevelopment Authority and Board of Supervisors adopted a Resolution establishing the Façade Improvement Program and associated requirements.

August 1, 2016: The RACC recommended modifications to the Façade Improvement Program bidding requirements by a vote of 7-0.

## **Background/Issues & Analysis**

The Redevelopment Authority approved the Façade Improvement Program (FIP) on May 3, 2016. To date, the RACC has awarded a total of \$154,046 for improvements to nine properties.

One of the requirements of the program is to obtain three bids for the purpose of reimbursement by the City. The general purpose of this is to protect the use of City funds to ensure that City funds are not wasted on overcharges. The specific requirements from the authorizing Resolution are as follows:

- A. *Applicants are responsible for obtaining three bids or competitive quotes for the proposed work. All contractors must be registered and bonded by the State of Nevada and licensed to perform the applicable work in Carson City.*
- B. *Approved projects will be based on the lowest of the three bids. The applicant may select any of the three bidders to complete the improvements, but the applicant will be responsible for costs in excess of the lowest bid.*
- C. *Construction contracts will be between the applicant and contractor. The contractor must obtain all required permits prior to commencing construction.*

Applicants/grant awardees have noted difficulty getting three bids for the proposed and approved façade improvement work. Difficulties have been noted to include lack of interest from contractors due to the relatively small project size, general workload of contractors, and unwillingness to provide bids to other contractors.

Staff consulted with local contractors to solicit possible solutions to meet the intent of the requirements and brought these recommendations to RACC for consideration. Alternatives considered included completely replacing the current requirements with new requirements that are easier for applicants to meet, and adding the ability for an applicant to get a waiver from the current bidding requirements from the RACC. After discussion and consideration, the RACC recommended incorporating elements of both approaches to the current standards above, as follows:

- D. *Applicants shall make every attempt to get the required number of bids for the work to be completed. However, the RACC shall have authority to waive this requirement depending on but not limited to the following conditions: market trends, lack of qualified vendors, timing of application submittals, or other applicable conditions.*
- E. *Notwithstanding the provisions above, a property owner/applicant who is also a contractor and will be the contractor for the proposed façade improvements shall not be required to obtain three bids but shall be responsible for obtaining and submitting a written contractor’s or subcontractor’s bid detailing by line item the description and cost for each item of work to be completed. All contractors must be registered, licensed and bonded in the State of Nevada and licensed to perform the applicable work in Carson City.*

The Redevelopment Authority may amend the Façade Improvement Requirements as recommended by RACC or make other modifications to the bidding requirements.

Contact Lee Plemel at lplemel@carson.org or 283-7075 if you have any questions regarding this item.

Attachments:

- 1. Amended Resolution
- 2. Façade Improvement Program funding summary

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS 279 (Redevelopment of Communities), Redevelopment Area Plans.

**Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: Redevelopment Revolving Fund (603)

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: The Façade Improvement Program was funded in the FY 2016 and FY 2017 budgets for a total of \$200,000.

**Alternatives**

1. Modify the recommended Façade Improvement Program bidding requirements.
2. Do not make any changes to the requirements.

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

**RESOLUTION NO. 2016-RAR-\_\_ and 2016-R-\_\_**

**A RESOLUTION AMENDING RESOLUTION 2016-RAR-2 AND 2016-R-3 TO CONTINUE THE CARSON CITY REDEVELOPMENT FAÇADE IMPROVEMENT PROGRAM FOR REDEVELOPMENT PROJECT AREAS 1 AND 2 AND AMEND PROVISIONS RELATED TO PROJECT BIDDING REQUIREMENTS.**

**WHEREAS**, a stated objective of the Redevelopment Area 1 Plan is to improve the appearance of commercial areas through building rehabilitation, and

**WHEREAS**, strategies in the Redevelopment Area 2 Plan include engaging the business owners in the revitalization process and assisting in the reuse of vacant buildings; and

**WHEREAS**, the Carson City Redevelopment Authority and Board of Supervisors desire to create an incentive program to be an integral part of Carson City's private-public partnership initiatives to retain and expand businesses in Carson City; and

**WHEREAS**, this program is designed to stimulate investment in properties and improve the desirability of properties within Redevelopment Areas 1 and 2 by improving the exterior appearance of buildings.

**NOW THEREFORE**, the Carson City Redevelopment Authority and Board of Supervisors do hereby resolve to establish the Carson City Redevelopment Façade Improvement Program for Redevelopment Project Areas 1 and 2, which includes the following guidelines.

1. **Eligible Properties:** All commercial properties within Redevelopment Areas 1 and 2 are eligible to apply for Façade Improvement Program funds.
2. **Ineligible Properties:** Ineligible properties include properties already receiving tax incentives or other financial incentives from the City, residentially-zoned properties, buildings that were constructed within the last five years, properties for which property taxes are owed and not paid up to date, and properties with outstanding or unresolved code enforcement issues.
3. **Eligible Improvements:** All exterior building façade and signage updating and maintenance, including but not limited to painting, lighting, awnings, doors, fascia, and other decorative elements are eligible to receive Façade Improvement Program funds. Landscaping is not an eligible expense.
4. **Maximum Façade Improvement Program Funding:** The maximum Façade Improvement Program funding that may be awarded is \$25,000 per individual Assessor's Parcel Number, subject to authorization of Program funding by the Board of Supervisors.
5. **Required Property Owner Matching Funds:** The property owner shall pay a minimum of 50% of the total project costs. Total project cost includes construction and all

expenses incurred in the preparation and permitting of plans for the improvements, including building permit fees, design work, and construction drawings.

6. Façade Improvement Program Application Review Process:

- A. The Redevelopment Authority Citizens Committee (RACC) shall review and have final decision authority on all Façade Improvement Program applications.
- B. Initial applications are due April 15, 2016, to be reviewed by the RACC on May 2, 2016, for the available FY 2015-16 funding and FY 2016-17 funding. In subsequent years, applications will be accepted through April 15 each year for review by the RACC at its first regular meeting in May for available funding the following Fiscal Year beginning July 1. If available funding is not fully used in any given application review cycle, applications will be accepted on a first-come, first-served basis until available, budgeted funding is exhausted.
- C. Façade Improvement Program applications must include plans meeting commercial building permit standards showing all proposed improvements.
- D. Decisions of the RACC regarding Façade Improvement Program applications may be appealed to the Redevelopment Authority provided that such appeal is made within 7 days of the RACC's decision. Only Façade Improvement Program applicants affected by the RACC's decision have standing to appeal.
- E. The property owner shall sign the application consenting to the proposed improvements and all applicable requirements of the Façade Improvement Program.

7. Reimbursement of Redevelopment Funds: Façade Improvement Program funds shall be awarded as a grant, with no reimbursement required, provided that the property is not sold within 12 months of the completion of the façade improvements for which the grant was awarded. If the property is sold within 12 months of the completion of the façade improvements for which the grant was awarded, the property owner shall be responsible to pay back 100% of the Façade Improvement Program funds awarded by Carson City.

8. Compliance with Development Standards:

- A. All improvements shall be reviewed pursuant to and comply with the Carson City Development Standards Division 1.1, Architectural Design, as applicable to the proposed improvements.
- B. Improvements to buildings within the Downtown Mixed-Use (DTMU) zoning district shall comply with the DTMU Development Standards, Division 6.6, 6.6.2, Lighting, 6.6.3, Signage, 6.6.10, Building Design and Character, and

6.6.11, Guidelines for the Renovation and Restoration of Existing Structures, as applicable to the proposed improvements.

9. Commitment Agreement: Each participant in the Façade Improvement Program must execute and record a document agreeing to reimburse the City 100% of the awarded Façade Improvement Program funds if the property is sold within 12 months of the completion of the façade improvements for which the grant was awarded. The agreement shall be in the form as required by the City.

10. Reimbursement Process:

- A. Payments from the City shall be made on reimbursement-basis only at a rate of no more than 50% of the actual expenses incurred by the property owner up to the total amount of funds approved.
- B. For façade improvement projects that equal or exceed a total cost of \$10,000, reimbursement may be made in a maximum of two payments. The first payment may be requested for up to 50% of the approved Façade Improvement Program funds only after expenses have been incurred by the applicant equaling or exceeding 50% of the total project costs. The final reimbursement payment shall only be made upon completion and final inspection approval of the proposed improvements.
- C. Reimbursement for projects that are less than \$10,000 in total costs shall be provided in a one-time payment only after improvements have been completed and have received final inspection approvals.
- D. Applicants who receive funding must document all expenditures and provide the Community Development Department with proof of payment (receipts, paid invoices, etc.) for all eligible improvements, including costs associated with the property owner's required match, within 30 days of project completion.

11. Project Bidding Requirements:

- A. Applicants are responsible for obtaining three bids or competitive quotes for the proposed work. All contractors must be registered and bonded by the State of Nevada and licensed to perform the applicable work in Carson City.
- B. Approved projects will be based on the lowest of the three bids. The applicant may select any of the three bidders to complete the improvements, but the applicant will be responsible for costs in excess of the lowest bid.
- C. Construction contracts will be between the applicant and contractor. The contractor must obtain all required permits prior to commencing construction.

D. Applicants shall make every attempt to get the required number of bids for the work to be completed. However, the RACC shall have authority to waive this

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requirement depending on but not limited to the following conditions: market trends, lack of qualified vendors, timing of application submittals, or other applicable conditions.

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E. Notwithstanding the provisions above, a property owner/applicant who is also a contractor and will be the contractor for the proposed façade improvements shall not be required to obtain three bids but shall be responsible for obtaining and submitting a written contractor's or subcontractor's bid detailing by line item the description and cost for each item of work to be completed. All contractors must be registered, licensed and bonded in the State of Nevada and licensed to perform the applicable work in Carson City.

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12. **Completion of Façade Improvements:** Improvements for which Façade Improvement Program funds are awarded must be completed within 180 days of application approval or the beginning of the Fiscal Year from which the funds are awarded, whichever occurs later.

ADOPTED Resolution No. 2016-RAR-\_\_\_\_\_ this 18<sup>th</sup> day of August, 2016.

AYES:                                      Redevelopment Authority Members  
  
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\_\_\_\_\_  
\_\_\_\_\_

NAYES:      Members      \_\_\_\_\_

ABSENT:      Members      \_\_\_\_\_

\_\_\_\_\_  
KAREN ABOWD, Chair

ATTEST:

\_\_\_\_\_  
SUE MERRIWETHER, Clerk-Recorder

ADOPTED Resolution No. 2016-R-\_\_\_\_ this 18<sup>th</sup> day of August, 2016.

AYES:              Supervisors      \_\_\_\_\_  
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NAYES: Supervisors  
ABSENT: Supervisors

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ROBERT L. CROWELL, Mayor

ATTEST:

\_\_\_\_\_  
SUE MERRIWETHER, Clerk-Recorder



## FAÇADE IMPROVEMENT PROGRAM FUNDING FY 2016-17

BUSINESS NAME	PROPERTY ADDRESS	AMOUNT REQUESTED	TOTAL PROJECT COST	RACC Approved
Curry Musser Proctor & Green LLC *	112 N. Curry Street	\$16,250	\$32,500	\$16,250
Shaheen Beauchamp Builders LLC **	318 N. Carson Street	\$18,218	\$36,436	\$18,218
Carson Jewelry & Loan **	308/310 N. Carson Street	\$14,135	\$28,281	\$13,597
David & Robin Shriver **	210 S. Carson Street	\$9,360	\$18,720	\$9,360
Lopiccolo Trust **	224 S. Carson Street	\$25,000	\$67,607	\$25,000
Lopiccolo Investment, LLC **	310 S. Carson Street	\$25,000	\$71,254	\$25,000
Garibaldi's Restaurant **	307 N. Carson Street	\$21,076	\$42,153	\$21,076
Westside Pour House **	110 W. Telegraph Street	\$2,045	\$4,090	\$2,045
Kitzmeyer LLC ***	206-210 N. Carson Street	\$23,500	\$47,000	\$23,500
Huronout Inc. *	631 N. Division Street	\$25,000	\$68,126	\$0
Grandma Hattie's **	2811 S. Carson Street	\$20,000	\$41,215	\$0
Lopiccolo Investment, LLC **	123 W 2nd Street	\$8,638	\$17,278	W/D
	<b>Total:</b>		<b>\$474,660</b>	<b>\$154,046</b>
	<b>Available:</b>			\$200,000
	<b>Remaining:</b>			\$45,954

\* Considered by RACC on May 2, 2016.

\*\* Considered by RACC on June 6, 2016

\*\*\* Considered by RACC on August 1, 2016