



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: January 5, 2017

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

Agenda Title: For Possible Action: To adopt Resolution No. 2016-R-__ amending Resolution 2016-RAR-3 and 2016-R-22 to continue the Carson City Redevelopment Façade Improvement Program for Redevelopment Project Areas 1 and 2 and amend provisions related to project eligibility requirements. (Lee Plemel, lplemel@carson.org)

Staff Summary: The Redevelopment Authority approved the Façade Improvement Program (FIP) on March 3, 2016, and amended the Resolution adopting the program on August 18, 2016, related bidding requirements. To date, the RACC has awarded nearly \$200,000 for façade improvements to 11 properties. The proposed amendments to the program are intended to clarify the eligibility requirements based on discussions during the review of previously approved façade improvement applicants.

Agenda Action: Resolution

Time Requested: 15 minutes

Proposed Motion

I move to adopt Resolution No. 2016-R-__ amending Resolution 2016-RAR-3 and 2016-R-22 to continue the Carson City Redevelopment Façade Improvement Program for Redevelopment Project Areas 1 and 2 and amend provisions related to project eligibility requirements.

Board's Strategic Goal

Economic Development

Previous Action

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

August 18, 2016: The Redevelopment Authority and Board of Supervisors approved modifications to the Façade Improvement Program bidding requirements.

November 7, 2016: The Redevelopment Authority Citizens Committee (RACC) recommended approval of the proposed amendments to the Façade Improvement Program by a vote of 6-0 (1 absent).

Background/Issues & Analysis

The Redevelopment Authority/Board of Supervisors approved the Façade Improvement Program (FIP) on March 3, 2016, and allocated \$200,000 for the program through Fiscal Year 2016-17. To date, nearly all of the funds have been awarded. Refer to the attached Façade Improvement Program funding summary for details on program funding awards and expenditures.

Through the application review process, several questions have come up from various RACC members regarding the eligibility of certain requested improvements. These various issues are captured in the proposed

amendments to the Façade Improvement Program Resolution in Sections 2 and 3 (see attached Resolution). Following is an analysis of the issues that have been raised and are addressed in the recommended amendments.

Ineligible properties – One application was received by the RACC for which construction had already started. The RACC denied the application based largely upon the belief that the intent of the program is to stimulate new improvements, particularly those improvements that would otherwise not occur without the financial assistance. The recommended change to Section 2 would clarify that properties on which the construction of the proposed improvements have already been started are ineligible.

Signs – Another application received by the RACC involved the replacement of an existing freestanding sign. A majority of the RACC voted to deny the application, primarily based on the belief that it was not the intent of the program policies to fund freestanding signs as a “façade” improvement. After considerable discussion regarding both freestanding and wall-mounted signs, the RACC recommends that all signs be listed as ineligible improvements under the program. The RACC indicated that there are considerable façade improvements that would benefit properties that do not include the replacement of business signage, particularly with limited funding available for the program.

Roofs – The RACC approved one application for a re-roof based on the fact that the roof was a visible element of the building façade (and was in dire need of repair). However, this application also led to debate on whether or not roofs should be included as eligible building façade improvements. The recommended amendments would exclude re-roofing as an eligible improvement for the program.

Other ineligible “non-façade” improvements – The RACC’s recommended amendments also include a clarification that “landscaping, paving and other improvements not affixed to the building” are not eligible improvements.

Defining “building façade” – The RACC recommends clarifying the definition of building façade for the purposes of the Façade Improvement Program to include “all portions of a building, excluding the roof, visible from the public right-of-way or on-site parking lot.” A façade, as it relates to architecture, can be defined as: 1) The front of a building, especially an imposing or decorative one; or 2) any side of a building facing a public way or space and finished accordingly. The goal of the program is to improve the appearance of buildings. To accomplish this, all portions of the building that are visible from public areas should be included.

The Redevelopment Authority must also adopt the proposed joint Resolution. The accompanying Redevelopment Authority item is also on the January 5, 2017 agenda as a separate item.

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

Attachments:

1. Amended Resolution

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. Additional funding is anticipated to be considered for FY 2018.

Alternatives

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

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

RESOLUTION NO. 2017-RAR-__ and 2017-R-__

A RESOLUTION AMENDING RESOLUTION 2016-RAR-3 AND 2016-R-22 TO CONTINUE THE CARSON CITY REDEVELOPMENT FAÇADE IMPROVEMENT PROGRAM FOR REDEVELOPMENT PROJECT AREAS 1 AND 2 AND AMEND PROVISIONS RELATED TO PROJECT ELIGIBILITY 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 **or have had façade improvements completed** 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, **and properties on which construction of the proposed improvements has already been started.**
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, **signs, roof decking material, paving and other improvements not affixed to the building are [is] not an eligible expenses.** **For the purposes of this policy, exterior building façade includes all portions of a building, excluding the roof, visible from the public right-of-way or on-site public parking lot.**
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 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.

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. 2017-RAR-__ this 5th day of January, 2017.

AYES:	Redevelopment Authority Members	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
NAYES:	Members	<hr/>
ABSENT:	Members	<hr/>
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		KAREN ABOWD, Chair

ATTEST:

SUE MERRIWETHER, Clerk-Recorder

ADOPTED Resolution No. 2016-R-__ this 5th day of January, 2017.

AYES: Supervisors _____

NAYES: Supervisors _____
ABSENT: Supervisors _____

ROBERT L. CROWELL, Mayor

ATTEST:

SUE MERRIWETHER, Clerk-Recorder