

CARSON CITY REDEVELOPMENT AUTHORITY
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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, July 21, 2005, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning 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, Chief Deputy District Attorney Melanie Bruketta, and Recording Secretary Katherine McLaughlin (B.O.S. 7/21/05 Tape 3-0411)

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 tape recording of these proceedings is available for review and inspection during normal business hours.

Mayor Teixeira recessed the Board of Supervisors session and passed the gavel to Redevelopment Authority Chairperson Williamson. Chairperson Williamson convened the meeting by indicating for the record that the entire Authority was present, constituting a quorum. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

A. ACTION ON APPROVAL OF MINUTES - DECEMBER 20, 2001, AND JUNE 16, 2005 (3-0414) - Member Livermore moved for approval of the Carson City Redevelopment Authority Minutes of December 20, 2001, and the Minutes of the June 16, 2005, meetings as presented. Member Staub seconded the motion. Motion carried 3-0-2 with Members Teixeira and Aldean abstaining.

B. ACTION TO APPROVE A COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATION BETWEEN CARSON CITY AND DICK CAMPAGNI WHICH WILL PROVIDE A FINANCIAL INCENTIVE TO ASSIST DICK CAMPAGNI TO ACQUIRE APN 09-051-10 FOR THE PURPOSE OF BUILDING A NEW TOYOTA SALES FACILITY IN EXCHANGE FOR A COMMITMENT TO MAINTAIN ALL CAMPAGNI AUTO DEALERSHIPS IN CARSON CITY FOR A PERIOD OF NOT LESS THAN 15 YEARS (3-0435) - Redevelopment/Economic Development Manager Joe McCarthy, Tom Keeton - Mr. McCarthy's introduction noted two minor corrections on Page 4 that clarify the agreement. A correction page was distributed to the Board and Clerk. (A copy is in the file.) He explained the clause which would allow Mr. Campagni to receive 10% of the City's portion of his sales tax for ten years if the promissory note is repaid before the end of its ten-year life. This 10% is to encourage Mr. Campagni to expand his business even more or applying the funds toward growing his auto sales sector. Clarification indicated that if the promissory note is paid off in seven years, the agreement will rebate 10% to him for three years. These funds are to be used to create additional sales growth. These funds are tied to increasing sales which can be "touched and felt". In order to qualify for the 10% he must show his growth to the Authority. Advertising is not referenced in the agreement or the policy. The funds are to be used for acquiring additional property and/or expanding the sales. Mr. McCarthy then explained the difference between the original incentive program and the proposed agreement. The original concept would have

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participated in the growth of sales and rebate 20% of the sales tax based on that growth. The agreement fronts the funds to acquire property for a new, larger Toyota store. Benefits of the proposal were noted. The resolution allows personalized/individualized commitments which meet the needs of each and all new car dealers in Carson City who want to participate with the City. Mr. Campagni is the first new car dealer wishing to participate.

Supervisor Aldean pointed out that Paragraph F Subsection 1 relating to subordinate needs to read "the City and Authority agree" rather than the Business is to subordinate the Deed of Trust. Mr. McCarthy and Chairperson Williamson concurred.

Member Livermore complimented Mr. McCarthy and the economic work group on their efforts to develop the program. The agreement cements the City's commitment to protect the community, its wealth and ability to serve its residents for the next 15 years.

Member Staub disclosed that he represents an insurance entity that provides insurance to a number of franchised auto dealers in the State of Nevada of which the Dick Campagni auto group is a member and, therefore, vis-a-vis, particular claims or contested matters that are involved with that particular entity. He does represent that entity and, in some cases, Mr. Campagni's auto workers. He has no financial interest whatsoever in this process or in his dealership. Chairperson Williamson disclosed that she owns two Toyotas. They have nothing to do with this matter.

Member Aldean congratulated and complimented Mr. McCarthy on his dedication and efforts. Mr. McCarthy expressed his belief that he and the Authority have learned a great deal about this program. The Board's active support has been very beneficial in making the program fruitful.

Member Staub agreed that it had been a long process. The desire was for an auto mall. The amount of land required for one could not be found. An auto row was a second choice. Auto sales comprise 33% of the City's General Fund revenue. Mr. McCarthy worked hard to make the program work. The incentive will provide the location for a new store. He then indicated that he had been contacted by two other dealers who want to get on board. He hoped that this agreement is the beginning of a successful program.

Chairperson Williamson echoed the comments by noting that everyone had worked hard to make the program successful. Her appreciation for Mr. Campagni's active response to the program was iterated. Public comments were solicited.

Mr. Keeton indicated that his original intent was to complain about the agreement. He then complimented the Authority on the fine program and its economics. The agreement may allow the City to make money. He was pleased to have Mr. Campagni partner with the City. He noted his ownership of a car that he has Mr. Campagni's employees service. He hoped that the program grows. He also indicated that he was a member of the original Economic Vitality Committee. Additional comments were solicited but none were given.

Member Staub moved to approve a Commitment Agreement for Continuing Business Operation between Carson City and Dick Campagni which will provide a financial incentive to assist Dick Campagni to acquire APN 09-051-10 for the purpose of building a new Toyota sales facility in exchange for a commitment to

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maintain all Campagni auto dealers in Carson City for a period not less than 15 years; the fiscal impact is \$3.6 million and the funding source is General Fund through the Redevelopment Project Area No. 2 Fund. Member Livermore seconded the motion. Following a request for an amendment, Member Staub amended his motion to include the changes noted by Member Aldean and Mr. McCarthy. Member Livermore concurred. Motion carried 5-0. Chairperson Williamson congratulated the participants on the agreement.

There being no other matters for consideration by the Redevelopment Authority, Chairperson Williamson adjourned the Authority.

The Minutes of the July 21, 2005, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON February 16, 2005.

/s/

Robin Williamson, Chairperson

ATTEST:

/s/

Alan Glover, Clerk-Recorder